

## Special Feature: Executive Officer Roundtable Talk

# Challenge for Change and the Promotion of Regional Management

Nihon Parkerizing has been promoting regional management since FY2024 to strengthen domestic business collaboration and expand overseas operations. In Nihon Parkerizing's regional management system, business activity areas are divided into multiple regions to facilitate marketing and technology development tailored to each region's needs. This structure assigns an executive officer to each region as regional head to oversee business operations in their assigned territory. This structure strengthens collaboration across business divisions and regions, enabling quick decision-making.

During this roundtable, the regional heads and executive officers governing the business divisions, the research segment and the administrative segment that support them exchanged views on current issues and future strategies.

**Hiroyasu Tamura** ● ●  
Vice President, Executive Officer  
Responsible for the Japan,  
South Korea and Taiwan regions  
and the Corporate Division



The Nihon Parkerizing Group has grown its three business segments, specifically chemicals, toll processing and engineering, in line with the development of the automobile industry. Furthermore, we have been quick to follow the overseas expansion of Japanese manufacturers and have actively pursued our own. Today, it is vital to adapt quickly to rapidly changing market conditions as automobiles shift to electric vehicles. As part of our Challenge for Change, we are working to create new businesses, including medical device companies. We understand that in Japan, we must increase the profitability of the toll processing business. Of our three core businesses (chemicals, toll processing and engineering), it has the highest proportion of sales with automobile-related industries. Companies in Taiwan and South Korea are also working to globalize. Our group is ready to provide stable services in areas where such large global manufacturers do business. It is not possible to promote regional management without developing global human resources. We will continue to develop human resources who possess initiative and can boldly take on and drive problem-solving and new business ventures both domestically and internationally.

**Masayuki Yoshida** ●  
Vice President, Executive Officer  
Responsible for the India and ASEAN  
region



I see the India and ASEAN regions as areas with more significant growth opportunities, leveraging the technologies we have cultivated in Japan. Under the regional management system introduced last year, India and ASEAN are categorized as a single region, chiefly due to geographical conditions. However, we have 9 companies across 6 countries in India and ASEAN. It is not an exaggeration to say that they are different in every respect, economically, ethnically, religiously and culturally. They have only one thing in common. They are members of the Parker Group. While accepting diversity, we aim to foster individual growth through shared identity within the same group. In the past, we had mere point-to-point connections between each country and Japan. Since last year, we have had an extensive network of bases. Each company varies in size, but we complement one another to increase our total efficiency and achieve growth. As for economic growth, I feel that India has momentum, while Thailand and Malaysia are relatively mature. The region is a mix of countries in phases of rapid growth and those in maturity. It adds both charm and difficulty to this region.

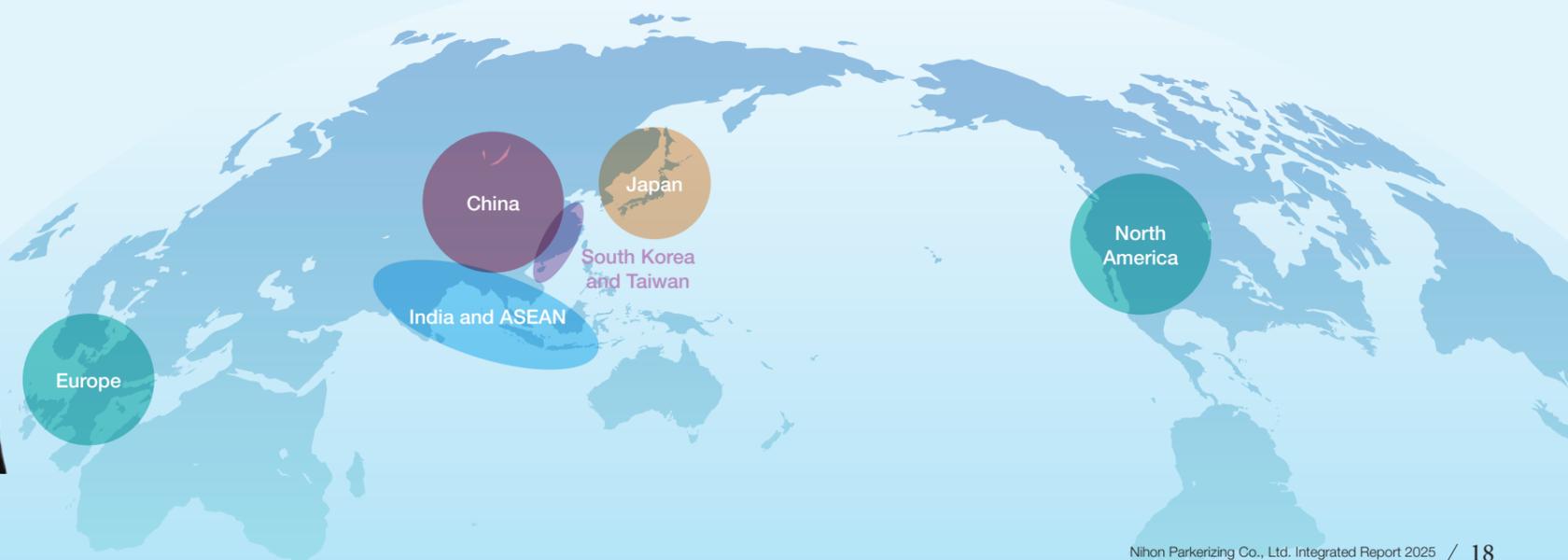
**Mitsuru Nakamura** ●  
Executive Officer  
Responsible for the China region



China is currently promoting government-led growth strategies focused primarily on Chinese companies to counter its stagnant economic environment following the COVID-19 pandemic, while simultaneously navigating ongoing trade disputes with the United States. Our group has been doing business in China, mainly in the automotive market, since it set up a joint venture in Shenyang in 1985. Today, the Chinese market is focused on environmental issues and electric vehicles (EVs), and Chinese OEMs are expanding. Nowadays, our group, which has six locations in China, must respond flexibly to rapid change. I am stationed in Shanghai to manage the China region. After the transition to the regional management system, the group companies in this region work together. They exchange information and collaborate in business at a rapid pace. Currently, the toll processing business, which has mainly served Japanese companies, is facing challenging circumstances. We will increase our collaboration efforts with our chemicals business to create new business opportunities.

Officers responsible for individual regions and separate business divisions understand the current state of the group, enabling them to make informed judgments about the most appropriate actions. Through these efforts, we develop overall business strategies. Regarding the region I am responsible for, we operate the chemicals business in Europe. At the same time, we mainly provide toll processing services in the US and Mexico. We are now in a time of change, including the development of new technology services meeting the shift to EVs and the departure from dependence on Japanese companies. Currently, the region's staff organize situations and others that vary from country to country, and the business divisions and individual regions discuss issues to formulate business strategies. I hope we can share and popularize Japanese technologies worldwide. Given our limited human resources, we support each region by identifying the needs of our various locations—some experiencing growth while others are stagnating—and strive to achieve optimal staffing, both sales and technical roles.

**Yasumasa Fukuta** ●  
Managing Director, Executive Officer  
Responsible for the Europe and the U.S.  
region and the Chemicals Division



Currently, automobile production volumes are declining in Japan. In the global market, competition continues to intensify. In this environment, we need to take flexible, agile action to sustain the growth of the toll processing business, beyond its conventional framework. To adapt to these changing market conditions, we will continue to strengthen relationships between regional heads and group companies in Japan and abroad to maximize synergy across the entire group.

**Fumikazu Osaki**

Senior Managing Director,  
Executive Officer  
In charge of toll processing  
business



The Corporate Division was launched on July 1, 2024. It supports the management foundation. It consists of the General Affairs Department, the Human Resources Department, the Accounting Department, the Environment and Safety Department, the Information Systems Department and the Group Management Department. While striving to improve productivity, we are also building systems to foster organizational development from a group-wide perspective and establishing systems for developing global talent capable of succeeding in global competition. While we have implemented standardization of operations, overall optimization and enhanced governance at the company level, we still have a long way to go in achieving these across the entire group. As the department supporting company operations, we aim to strengthen collaboration with each region and further advance our support for addressing challenges, leveraging the introduction of regional management in 2024 as an opportunity. The difficulty in designing systems is that if they are too loose, the organization falls apart. If they are too tight, friction arises within them. We must draft clear guidelines and specify what should be observed. Starting in April 2025, we have begun standardizing tasks that were previously dependent on specific individuals, including unifying the group's domestic accounting system.

**Toshiyuki Aishima**

Executive Officer  
General Manager, Corporate Division



**Yuji Kondo**

Executive Officer  
General Manager,  
Chemicals Division



The Chemicals Division has been pursuing the goal of becoming a world-leading surface treatment sales company since FY2019. We are establishing closer relationships not only with Japanese companies but also with local companies to increase our market share in the automotive, steel and non-ferrous metal markets. We visit sites to understand the situation and discuss issues with regional supervisors to support the sites and develop optimal strategies specific to separate business categories in accordance with the overall strategy developed by the Chemicals Division. The number of projects we compete with local companies for in the chemicals business is increasing in China. We follow a strategy of increasing the ratio of locally available raw materials and local production to improve price competitiveness.

**Nobuhiko Satomi**

Executive Officer  
General Manager,  
Corporate Planning  
Division



This fiscal year, the 5th Group Medium-Term Management Plan kicked off. It includes initiatives for entrenching the regional management structure established in the previous fiscal year. A role that the Corporate Planning Division plays is increasing the effectiveness of the plan by accurately understanding the progress of individual measures. It will continue these efforts for realizing Vision 2030. Furthermore, one of our key missions is to fulfill our corporate responsibility with consideration for local communities and the regional environment. In this regard as well, we will further strengthen collaboration with each region and broadly communicate the achievements of our initiatives both internally and externally, aiming to enhance our corporate trust and value.

The toll processing business has grown mainly through surface treatment processing for automotive parts. In the future, the shift to electric vehicles is expected to reduce demand for internal combustion engine parts. It is now imperative to pioneer new markets through new technologies—such as enhanced wear resistance and heat resistance—rather than merely extending existing approaches. The New Central Research Laboratories have recently opened, and the research and development structure has been enhanced. I believe that a key role for the Toll Processing Division will be for sales to identify customer needs, provide the research theme to the research team, and then develop and establish new technologies. For overseas markets, we support the cultivation of local companies, dispatch personnel and provide technical support to popularize new technologies developed in Japan. We are also strengthening collaboration between Japan and overseas regions through regular information-sharing meetings.

**Akihiro Masuda**

Executive Officer  
General Manager, Toll  
Processing Division



As specialists in surface modification, our group is required to develop technologies that address societal challenges such as reducing environmental impact. We are advancing research and development to contribute to society through our core technologies cultivated over time and newly developed technologies. In particular, regarding the significant theme of decarbonization, we are pursuing development through a multifaceted approach. This development includes not only reducing conventional process energy consumption but also optimizing the utilization of diverse energy sources and power by minimizing losses, as well as conducting research and development for the new energy field. From a regional management perspective, the methods of using products, the way of thinking, needs and speed vary from region to region. I feel we need to adjust our knowledge and insights to individual regions. We identify development subjects aligned with the times and needs, and flexibly provide personnel and development support.

**Hidehiro Yamaguchi**

Executive Officer  
General Manager, Central Research  
Laboratories



**Takaomi Nakayama**

Executive Officer  
General Manager,  
Technical Division



One of the most essential duties of the Technical Division is to compile information on the chemicals in product manufacturing at overseas locations. The nature of the Technical Division's operations remains unchanged from before the introduction of the regional management system. However, there are some differences. For example, we previously requested information from each company individually. Today, by submitting requests through regional headquarters, we can collect information in bulk, improving operational efficiency and making it easier to manage intellectual property and other assets. We are working to standardize operations in collaboration with the regional headquarters to ensure overseas manufacturing plants can implement the same level of management as Japanese plants.

## Changes after introducing regional management and strengthening collaboration



**Yoshida**

Within the India-ASEAN region under my purview, horizontal connections are expanding. Personnel exchanges in the region are more active at the base in Thailand, where I am stationed. Visitors from Malaysia came last week, and those from Indonesia are coming next week. People from India across different sectors also frequently visit our base. However, regional management is still in its early stages. I believe it will take more time to permeate and function effectively across the entire group. Solitude is something that company leaders commonly experience. I feel it is more intense in foreign countries. When you have to make decisions on your own, you tend to become more cautious. The introduction of the regional management system has energized communication among regions and bases across different countries, as well as between the regions and Japan. I feel that it is easier for the leaders of individual bases to make decisions.



**Nakayama**

Are there any regular meetings of presidents or other regional gatherings in the India-ASEAN region?



**Yoshida**

We have not yet held any regional meetings. There are requests for a meeting like that. If we hold it, we want it to be effective. We are currently considering how to achieve this.



**Nakamura**

Since the start of regional management, every company has been conducting strict budget management. It allows us to clearly understand the growth of individual companies and businesses, making it easier to share information, discuss issues and work toward progress. As in the India-ASEAN region, collaboration between the bases has grown closer in China. We hold a technology exchange meeting in Shanghai once a year. All of our personnel at the department manager level and above attend the meeting, including local staff from individual companies. Now, personnel from the Chemicals Business and also from the Toll Processing Business attend the meeting. The differences between the circumstances of the two segments are shared. We can now determine a direction for a single company, including business divisions. I hope that this will ultimately lead to favorable results.



**Tamura**

The purpose of regional management is to understand customer needs across different regions from a market-driven perspective and incorporate them into products and services to achieve continued business growth and Vision 2030. The origin of regional management lay in the group companies in China working together to tackle marketing and technological development. On the other hand, in the India-ASEAN region, economies, languages, ethnicities, religions, and cultural backgrounds vary by country. It requires strategies tailored to the specific characteristics of each region and nation. Nihon Parkerizing was founded in 1928 and established its first joint venture in Taiwan in 1965. Since then, it has actively pursued global expansion. Today, it has bases in 12 countries and regions outside Japan. However, since introducing regional management, collaboration between Japan and each region has become closer. I feel that Japan now understands the concerns and perspectives of each region and local area, thoroughly checks their progress, and operates accordingly.



**Nakamura**

I have been stationed in China for more than 10 years. The needs of the markets and customers in China are tremendously different from those in Japan. In the toll processing business in particular, I have come to realize the difficulties of this distinction. To generate revenue while sharing information across different environments, collaboration with the business divisions will become increasingly important. I feel that joint initiatives conducted by business divisions and regions are very effective. We are also proactively expanding our portfolio and entering new markets. The opinions of local staff are critical in these actions. Now, the system for incorporating them into our activities is finally becoming ready.



**Masuda**

Regarding the toll processing business in China, I feel that, with the involvement of chemicals sales departments, companies are now sharing information and have just begun jointly pursuing related technological development. Recently, we held an information-sharing meeting. Local plant staff have similar perceptions. I suspect this will lead to increased revenue in the future.



**Fukuta**

Traditionally, the Chemicals Business and the Toll Processing Business operated separately. These days, there is a trend towards thinking together. The regions have joined them to produce synergy. I hope that one plus one plus one would make five or

six. For instance, when the Toll Processing Business in North America needs extra personnel, it can dispatch staff not only from Japan but also from the India-ASEAN region if it has the necessary human resources. Based on customer demands, we will actively propose solutions.

## Communication and human resources issues



**Satomi**

During the COVID-19 pandemic, I was in the United States. At the beginning, we had voice-only conferences. Now, we can have online meetings with projected materials. Meetings with the Head Office are now much easier to hold than before the pandemic. We can now communicate more closely. Local staff say that they can now take part in meetings much more easily.

English with local staff in Thailand, it was somewhat difficult to engage in ordinary conversation with them after the meeting.



**Fukuta**

Indeed, Microsoft Teams and other web conferencing applications have made it easier to understand on-site conditions and choose the personnel to dispatch. More young employees are dispatched to overseas locations than in the past.



**Aishima**

In the context of implementing global management, including overseas operations, English is a common language worldwide. To develop global human resources, we launched a program in 2024 to improve speaking skills in Japan. This program provides language training for employees who wish to participate. Foreign national staff members hired in Japan contribute to improving the English language skills of Japanese employees.



**Yamaguchi**

In China, the Chinese language is mainly used. In the India-ASEAN region, English is an official language in only Malaysia, India and some other places. Language barriers are always a hindrance to mutual understanding. Still, in technological discussions, the same terms are used, making communication easier. Although I was able to discuss technical topics in



**Yoshida**

We wish to foster an environment where people with diverse talents can thrive, thereby further advancing our regional management approach.



**Nakamura**

Enhancing human management capabilities and implementing a regional management system, with an awareness of the significance of speed, will drive continuous growth and increase corporate value. Let's make this a success.

## We aim to achieve further business expansion and Vision 2030 by promoting strategies tailored to regions with high economic growth potential, including India and the ASEAN region.

- Domestic and international markets were divided into five regions, with regional managers assigned to oversee each region. — ①Japan, ②India and ASEAN, ③China, ④Europe and the US, ⑤South Korea and Taiwan —
- Rapid decision-making that accurately captures market trends
- Understand customer needs in each region from a market-driven perspective and reflect them in products and services.
- Strengthen profit-and-loss management by clearly defining business objectives for each region.
- Strengthening human resource management capabilities through the development and utilization of global talent

Think Globally & Act Locally of, by, and for the Local