

Message

We will pursue Nifco's unique character and work to realize our long-term vision and achieve sustainable growth as a truly global company.

Masaharu Shibao
President and CEO (Chief Executive Officer)



To Continue Sustainable Growth

In June 2023, the final year of our three-year rolling Medium-term Management Plan, “Nifco Global Growth Strategy,” I assumed the position of CEO with a mission to pursue sustainable growth and value creation.

I have resumed overseas travel since COVID-19 was lowered to category 5, and what I am experiencing firsthand is the geopolitical difference between overseas and Japan. Japan has been in deflation for more than 30 years, while the U.S. and ASEAN countries have experienced significant economic growth during that time. The difference is so obvious that I sincerely feel that Japan will be left behind in the world if this situation continues. We must urgently help Japanese companies and people regain confidence.

In this environment, I believe that sustainable growth, not instantaneous growth, is a prerequisite for realizing the Purpose of our Group: “Sparking Innovation by fastening small insights with technology for a better world.” On the other hand, we also need to take on challenges that allow us to hop, step, and jump to catch up with the rest of the world. I believe that we can realize sustainable growth by constantly seeking balance in our management decisions and steadily achieving results.

ESG Management Integrated with Business Models



We are conducting ESG management to solve social issues and enhance corporate value through the promotion of business activities. The automotive industry is undergoing a period of major change, including strict environmental regulations to reduce greenhouse gas emissions and a global shift to EVs (electric vehicles). As an independent supplier of automotive parts, we have been developing and proposing parts that are lighter in weight and easier to recycle for vehicles, which is our specialty, under the themes of “environment,” “safety,” and “comfort” in response to macro needs and trends in the market. As a result, I believe we are contributing to

the reduction of environmental burdens in terms of LCA (Life Cycle Assessment), such as improving the fuel efficiency and recyclability of vehicles.

However, there are still challenges. One of them is logistics. Logistics methods that emphasize efficiency inevitably result in more frequent truck deliveries. In the future, I feel it is necessary to make optimal proposals that balance efficiency and CO2 reductions in transportation, taking into account global trends.

At our current manufacturing sites, we are striving to reduce material losses and waste and are also actively promoting the use of renewable energy. We would like to further increase such steady activities because these efforts will not only contribute to the environment but also enhance our competitiveness through improved profitability. It is the role of companies to contribute to the reduction of CO2 emissions through product R&D, manufacturing, and sales, and solving environmental issues is an opportunity for growth.

For the materiality identified in FY2022, we have selected and disclosed items directly related to our business as areas of growth and enhanced competitiveness. With regard to the promotion toward zero waste (a circular economy), Simmons, a group company, became the first bed manufacturer to be certified under the Ministry of the Environment's wide-area certification system to start bed recycling in eastern Japan, and it is working on material recycling of mattresses.

Beginning this fiscal year, we intend to focus on two key business initiatives over the next two to three years. The most important initiative will be new businesses. We will develop new products that are consistent with our management and business strategies and thoroughly promote their timely introduction onto the market.

The other initiative is balanced distribution and investment in growth. During the past several years of the COVID-19 pandemic, we have limited investment, including overseas investment. Going forward, we will aggressively invest in growth, including M&A. We aim to maximize corporate value by balancing the expansion of installed value per vehicle, through strengthening existing businesses in the automotive domain, with the development of new businesses.

Human resources are the source of value creation in the new businesses mentioned above. Our group considers our employees to be “human assets” and has promoted various measures, such as diversity promotion and work-style reforms. Along with improving the conditions of compensation so that employees can realize happiness and enjoyment in life, we are investing in human capital to provide opportunities for individual and organizational growth and to create a highly engaged work environment where employees can feel satisfaction in their work.

Strengthen Regional Management

In the current Medium-term Management Plan, we have set our ideal vision for 2030 as: “A seamlessly growing global company with unique positioning and strong presence.” Currently, 68% of sales are in overseas markets. Given this situation, there is a limit to controlling everything on the Japanese side. Therefore, we are strengthening regional management at six bases in Japan, Korea, North America, Europe, Southeast Asia/India, and China in order to optimize each region and speed up management.

In order to execute a balanced strategy tailored to the different business environments and practices of each region, a hybrid management structure that collaborates with the headquarters is taking root. In order to continuously realize this, we have hired local employees for most of the top management of our overseas offices. Starting from the meeting of heads of overseas offices in September 2022, we began discussions on the next midterm management plan looking ahead to fiscal 2030. We will continue to implement and strengthen management, enabling the regions to become self-reliant.

Value Creation in Pursuit of Nifco's Unique Character

We are sometimes told by our customers that we are “very Nifco” or “not like Nifco.” Our originality and uniqueness are recognized in the market more than we realize. While we strive to anticipate and solve the problems of our customers and the society beyond them, it is necessary to increase the number of products that build a firm foothold as a business because it is inefficient to only offer customized products.

While firmly adapting to the fields of “environment,” “safety,” and “comfort,” which are universal themes of the automotive industry, we will continue to create value for our customers by offering unique products that they will recognize as valuable, and we will invest the profits in the next proposal and development, which will further benefit our customers.

Message to Stakeholders

I believe that by maintaining our financial base and maximizing our corporate value, we can provide balanced benefits to our various stakeholders. We will provide a stable return of profits to our shareholders.

In May 2023, we also decided to introduce an incentive plan designed to motivate the employees of our group toward medium- and long-term shareholder value. We would like to ask our shareholders, investors, and other stakeholders for their continued support and encouragement.