

Round-table discussion between our officers responsible for development, production, sales, and plants

Tatsuya Hamaguchi

Executive Officer
Vice President, Sales
Headquarters

Tatsuo Suidzu

Managing Executive
Officer, Director, General
Manager, Tokyo Plant

Takeshi Takabatake

Managing Executive
Officer, Director, Vice
President, Production
Headquarters

Takema Teratani

Executive Officer;
General Manager, Thermal
Spraying Technology R&D
Laboratories

Offering Good Service that exceeds customer expectations through close cooperation between development, production, and sales

TOCALO's strengths lies in its threefold approach to service, through the close cooperation of its development, production, and sales divisions. We gathered together four directors and executive officers who have outstanding track records in their respective divisions, and asked them for hints on how to further expand the Good Service ethic that has been passed down to us, and how to make it a driving force for growth of the next generation.

What is TOCALO's Good Service?

Hamaguchi In the sales division, we pursue "diversity service." We have customers in a variety of fields and industries, including semiconductors, iron and steel, and industrial equipment, and our overseas client base is expanding, diversity is therefore needed to ensure our response capability. I believe that, for employees of the sales division, Good Service means seriously confronting the various issues faced by customers, and spreading the joy of exercising proposal capabilities we have fostered to resolve them.

Teratani At the front-line of technological

R&D, there is a tendency for us to pursue themes that we are interested in. This is precisely why we must pay attention to customer opinion, shared via the sales division, and sometimes accompany them on visits, to fully understand the issues. Furthermore, I believe that deliberating and resolving issues together with the manufacturing division leads to Good Service that in fact surpasses customer expectations.

Takabatake In the production division, we customize coating characteristics to the customer, even with the same materials, by becoming accustomed to a myriad of processing conditions. This is one of TOCALO's great strengths. The R&D division is

Round-table discussion between our officers responsible for development, production, sales, and plants

able to think of such techniques precisely because the sales division grasps the information required for customization. A threefold approach is required for service to be appreciated as “Good Service”.

Suidzu At our plants, the development, production, and sales divisions combine their strengths in customization to provide customers with products treated through the required processing at the optimal quality, cost, and delivery schedule to lift the revenue of customers and our company. Effectively, I believe that, for our plants, Good Service means to continue as a production site for building relationships of trust with our customers.

What is required to realize Good Service?

Teratani There are cases where it is difficult to communicate the customer’s intention with the R&D and production front-line. When the R&D division senses this, I like to send someone along with the sales team to ask the customer directly, strengthening our collaboration to speed up development.

Hamaguchi When we receive requests for surface treatment for new items in particular, in many cases, the customer’s usage environment is harsh, which sets the engineering bar high for us. In such situations, the sales, development, and production divisions first come together to determine the optimal conditions for handling the coating work. In one case, we produced 49 types of coating before

developing one that pleased the customer, through trial and error. For this reason, I believe that one of TOCALO’s strengths is that we always come up with a solution. Many times, customers have said to us that they never thought they would get so much use out of their equipment, which is something we can boast about. (laughs)

Suidzu The sales division is the point of contact for customers, but our R&D and production divisions are also very mobile, and very often someone will accompany the sales division to hold direct briefings between our engineers and the customer. I am now a plant manager, but previously, I was research laboratory manager, and Mr. Hamaguchi from sales is also renowned for his technical knowledge. All four of us have overseen sales, technology, production, and quality management divisions as plant managers, therefore we all have experience in realizing TOCALO’s threefold approach to service. Even if our current positions are different, all of us are very familiar with the way in which sales collaborates with production based on the



comprehensive judgment of the R&D division. We speak of a threefold approach, but actually, in reality, TOCALO’s service is fourfold, in that we collaborate with the customer to tackle surface modification processing. When I worked at the research laboratory, sometimes representatives of customers’ laboratories worked together with our lab members to resolve issues. Sales often takes the initiative in coating selection while discussing the thermal spray and application procedure with the production division.

Takabatake On one occasion while I worked at the research lab, a coating product that one plant was working on simply wouldn’t produce the expected functionality. Because there were no issues with the sales division or the manufacturing process, research lab members visited the site to measure the temperature and other conditions, whereby they realized that it was being used in an environment that had not been anticipated when making the thermal spray coating. It was not possible to change the coating material or usage environment due to the coating functionality, therefore a team with members from the research lab and the plant undertook development, including reconsideration of the raw materials. It took about six months, but after in-house review we proposed our solution to the customer. It resulted in speeding up and improving the quality of the customer’s production line. This was a case of achieving customer satisfaction through close



collaboration between development, production, and sales.

What is required to open up new markets?

Hamaguchi The sales division’s mission is to do our utmost to monitor customer and in-house developments to gather information, and closely watch market trends, so as not to miss any opportunities, to make the best proposals to customers at the optimal timing. We constantly research our customers so that we know the customer better than they know themselves. I believe this behavior becomes the driving force in opening up potential needs. We are currently engaging in DX marketing, and I would like us to incorporate generative AI in order to open up new markets.

Teratani Going forward, we will continue to pursue and propose high quality technology and results in our thermal spraying technologies for surface modification processing. But I believe it is important to also keep an eye on surrounding fields, and attempt

Round-table discussion between our officers responsible for development, production, sales, and plants

different surface modification processes to match customer needs. In order to not miss the necessary timing, we do not limit contact with the customer's department that sends us orders, but are also advancing several joint development projects with departments engaged in R&D for the next generation and beyond. The fact that we receive such invitations is thanks to their trust in TOCALO and our technological capabilities to rise to the task. In particular, I believe we are in a position to know the right timing for the technological reform that the semiconductor industry aims for in the future.

Takabatake It is the R&D and production divisions who must consider how we can respond to new needs, such as with strength or special characteristics that have not been required before. One challenge we face is nurturing people to think about the manufacturing method, because we can't prepare equipment and machinery until that is decided. To achieve this, we must create an environment where people can tackle challenges without fear of failure. However, in the production division, there is strong resentment of failure, and people tend to prioritize the safest choice. When approached by sales about a difficult project, there is actually a culture of refusing it if they lack confidence. For this reason, going forward, I hope they can gain motivation and a positive outlook to face potential failure while hoping for success.

Suidzu When we speak of an environment where there is no fear of failure, actually, the four of us are of a generation where our



careers spanned an era when failure was allowed. When I was young, I had many experiences where dealing with a flaw was the start of the next development. In fact, I felt great fulfillment in dealing with the flaws. But more importantly than whether failure is allowed or not, I believe that how you use failure as an ingredient in your cooking is a chance to show your skills.

What are the strengths that make customers choose TOCALO?

Hamaguchi The expertise of TOCALO's employees and the diversity of its production sites, along with the abundance of types and variations of coatings we can make with thermal spray are aspects that are highly regarded by our customers. It may seem that we are handling the same kind of work at all of our Japanese plants, but in fact each plant has its own unique technologies. Our highly individual plants and employees function as a composite body, whereby we are able to respond to needs as they change

with the times, and offer a wide range of products and services. I believe that this is TOCALO's strength.

Takabatake Even for customers who require surface modification processing, in most cases, they aren't able to express the characteristics of the coating they require in numbers. Even when the solution is not clear, I hope that, when customers wonder if any company could solve the problem, they think of TOCALO first. Even for cases outside our area of expertise, or where the sales division rep feels it's a difficult project, the R&D and production divisions try various options, never giving up hope, and are able to customize a solution that will conform as close as possible to the customer's needs. Even if it isn't 100%, I want us to always be the company that will respond to the customers' requirements.

Teratani Customers often tell me that they consider TOCALO's strength to be that we will listen to any kind of request. Of course, this doesn't mean we necessarily do whatever we are asked. I believe that TOCALO's strength is that we never say "no," never say "can't," and strive without quitting. The R&D division receives many requests for work based on the customer's design specifications. Sometimes when we look over it, we can find points for improvement that the customer hasn't noticed, and are able to propose something even better. Such cases are not just a flash of inspiration—the proposals are convincing because they are underpinned technologically. These efforts benefit our customers and the

R&D division, and the next time the customer considers something new, they might consider discussing it with us.

Suidzu Currently, our Tokyo and Kitakyushu plants are constructing new plants for semiconductor-related work. For the Tokyo Plant, the construction cost excluding equipment is around ¥6.7 billion, while we will invest around ¥3.2 billion for the Kitakyushu Plant construction work. There is no other company, at least in Japan, who's main line of business is surface modification processing that can undertake such massive capital investment. In the semiconductor and FPD field, going forward, there will continue to be demand for new products and technologies, and now, TOCALO is upscaling so that its facilities and employees will be able to sufficiently meet customer needs. Also, we are not only augmenting our facilities, we have obtained the occupational safety and health management JIS Q 45100 certification at all our plants and offices in Japan, creating an organization aware of not only the environment but also of safety, and I



Round-table discussion between our officers responsible for development, production, sales, and plants

would like us to continue evolving into a company worthy of our listing on the Prime Market of the Tokyo Stock Exchange.

What hopes do you paint for the future, and what do you want to convey to the younger generation?

Hamaguchi TOCALO has grown together with its customers. Going forward, I want us to remain conscious of this. I truly hope that the younger generation will experience learning from the customer. You can grow by learning from the customer, work becomes more pleasurable, and you become better able to tackle things constructively. The manufacturing industry is very broad, and is sure to evolve further. There are still fields that TOCALO is unable to open up, and new technologies will continue to emerge, and this too will give us opportunities to create a brighter future.

Takabatake There is an expression in Japanese “You become skilled when you like something,” but in the production division front-line, even when you think of a good method, there is a tendency to focus on the negatives from the perspective of hazard prediction. But repeating this process helps you to gain knowledge. There are many possible techniques for surface modification processing, and a lot of freedom to choose, but first, I want the younger generation to grow to love engineering. I believe that the company will move in a positive direction when more of them learn how to work in a way that makes the people around them

happy and therefore makes them happy.

Teratani At the front-line of TOCALO, we value the pluses rather than the minuses. That is, we have a culture where, even if we make a mistake, it’s fine if we learn from that. When someone finds something they want to do, I want them to tackle it autonomously and proactively. Furthermore, because TOCALO’s business is expanding to a wide range of fields and industries, even with technologies that are unrelated now, they might fit perfectly to a customer’s needs in the future. It is an industry where people don’t continue if they don’t like it, so to begin, I want everyone to decide what they want to do. I often tell new recruits “Turn your knowledge into wisdom.” Knowledge is the accumulation of what people before us have done, so if you have acquired that properly, you should be able to apply it to the next step and the next development, without flashes of inspiration.

Suidzu Our 2025 behavioral goal at the Tokyo Plant is “Imagine your ideal.” In 2024, it was “Think one step ahead,” so now I want everyone to imagine the ideal that is the next step ahead. I believe that each individual having a firm picture in their mind of their ideal image and the company’s ideal image leads to Good Service for the company and the customer. Maybe a better slogan for us would be “Deeply moving service.” (laughs/note: Japanese play on words) Both in-house and towards the customer, we should be conscious of providing service that resonates in the other person’s heart. Perhaps this will become our code of behavior.

Tatsuo Suidzu (born March 13, 1964)

April 1987	Joined TOCALO Co., Ltd.
April 2012	General Manager, Thermal Spraying Technology R&D Laboratories
October 2014	General Manager, Thermal Spraying Technology R&D Laboratories
March 2017	Obtained a doctoral degree of engineering, Tokyo University of Science
June 2021	Executive Officer; General Manager, Thermal Spraying Technology R&D Laboratories
April 2024	Executive Officer; General Manager, Tokyo Plant
June 2025	Managing Executive Officer, Director, General Manager, Tokyo Plant (current)

Takeshi Takabatake (born May 24, 1969)

April 1994	Joined TOCALO Co., Ltd.
April 2017	General Manager, Engineering Division., Akashi Plant
April 2018	General Manager, Production Division 1, Akashi Plant
April 2020	General Manager, Akashi Plant
June 2021	Executive Officer; General Manager, Akashi Plant
April 2023	Executive Officer; Vice President, Production Headquarters
June 2025	Managing Executive Officer, Director, Vice President, Production Headquarters (current)

Takema Teratani (born June 19, 1968)

April 1994	Joined TOCALO Co., Ltd.
April 2014	General Manager, Kobe Plant
September 2018	General Manager, Engineering Division, Tokyo Plant
April 2020	General Manager, Tokyo Plant Gyoda Workshop
April 2023	Deputy General Manager, Tokyo Plant
April 2024	General Manager, Thermal Spraying Technology R&D Laboratories
June 2024	Executive Officer; General Manager, Thermal Spraying Technology R&D Laboratories (current)

Tatsuya Hamaguchi (born December 25, 1970)

May 1993	Joined TOCALO Co., Ltd.
April 2015	Manager, Tokyo Plant Miyagi Technical Service Center
April 2020	General Manager, Tokyo Plant Suzumi Workshop
April 2022	General Manager, Kitakyushu Plant
June 2023	Executive Officer; General Manager, Kitakyushu Plant of the Company
April 2025	Executive Officer; Vice President, Sales Headquarters (current)