

Status and growth strategy of each division

We will provide an overview of the current business environment and conditions of each Division, the challenges they are facing, and the growth strategies moving forward based on the current situation.



Takeshi Sannohe
General Manager

The emergence of geopolitical risks has transformed the market Meeting the growing demand at the moment

In FY2023, demand for titanium sponge gradually increased owing to a recovery in aircraft demand following the end of the COVID-19 pandemic. In addition, supply shortages continued owing to an imbalance in supply and demand due to the movement to avoid procuring Russian-made titanium sponge following Russia's invasion of Ukraine, although we continue operating at full capacity. On the other hand, sales for general industrial applications remained at the same level as the previous year. Demand for high-purity titanium for semiconductors was slowing, but there were some signs of recovery.

In terms of revenues, operating profit declined from the previous fiscal year, despite the passing on of sales prices due to soaring raw material ore and electricity prices.

In response to this market environment, we plan to increase production capacity at our Chigasaki and Wakamatsu Plants, and expand it by 3,000 tons per year from FY2026 onward. However, we do not expect to close the supply-demand gap. We will carefully consider further increases in production, including future market prospects, economic rationality, and investment risks.

Amid the continuing tightness in the titanium sponge market, we are considering new business developments over the medium to long term, such as the medical titanium alloy market, which uses high-purity titanium.



Hideo Funabashi
General Manager

Changes in the Chinese market affect business Leveraging our strengths to tackle social issues

In recent years, the market for polyolefin catalysts has undergone significant changes. We must keep an eye on developments in Chinese companies in particular. Overproduction of polypropylene has continued in China since 2022. Catalyst Division has been selling catalysts to China for a long time, and we increased our production lines in anticipation of growing demand in China. However, owing to the shift in China from an importer to an exporter of polypropylene, the capacity utilization rate of our division has declined slightly recently.

At the same time, our division has an insight into industry trends developed over 40 years of experience. Polypropylene has a variety of applications, but emerging markets have been nurtured through licensing by major global chemical manufacturers. Our division has strong ties with such chemical manufacturers and is able to develop its business in line with application trends.

Overwhelming and stable quality is also a major strength. In the field of environmental technology, our division's contribution to the environment is significant, and this level of innovation has also boosted the motivation of young R&D staff.



Takashi Fujii
General Manager

Difficult business environment continues in FY2024 We will not relax our development efforts in preparation for medium- to long-term growth

The products of our division are mainly materials for electronic components such as multilayer ceramic capacitors (MLCC). In particular, ultra-fine nickel powder used for the internal electrodes of MLCC is currently the main product.

Although the global MLCC market has been slowing since 2022 owing to the impact of the slowdown in the Chinese economy, there are signs that it is gradually getting on a recovery track. However, a substantial recovery in electronic components and materials as a whole is expected after 2025, when the distribution inventory from upstream to downstream is almost eliminated.

In the medium to long term, further growth in MLCC demand is expected owing to the expansion of the automotive electronics and AI server markets. For this reason, we will never relax our development efforts in anticipation of market expansion, and we feel the need for a wide range of initiatives to continue and expand our business.

The key issue for the past few years has been securing human resources. While it is difficult to recruit new graduates, we are actively engaged in mid-career hiring, but with the recent trend of human resource mobility, we cannot avoid a certain level of human resource outflow. In order to retain talented people within the company, it is essential to make efforts to enhance the attractiveness of the company itself and the work environment. I believe it is necessary for us, including me, to work with a high level of awareness in creating such attractiveness.



Kenichi Yamaguchi
General Manager

WEBTi is finally ready for commercialization Taking the transition to a hydrogen society as a business opportunity

The New Materials Division was established in order to steadily advance the commercialization of projects whose commercialization has been identified as one of the development themes of the Technology Strategy Headquarters. Currently, 2 projects are under way: one in cooperation with JX Advanced Metals Corporation, the parent company, and the other, the porous titanium material (WEBTi). We have been exploring the potential of WEBTi for about 20 years, but since its application as a component of PEM water electrolysis generators, a type of hydrogen generator, has attracted attention in recent years, we are now at the stage of building a customer base and mass production system. Looking ahead to the future business portfolio, WEBTi will need to be deployed in a variety of applications, but we will first focus on incorporating it into the heart of hydrogen generators in anticipation of the transition to a hydrogen society in the future.

Elsewhere in the world, there are European and US companies that are already mass-producing materials with similar functions. However, it will be difficult for these companies alone to cover the market, which will expand significantly in the future, and we believe there are considerable business opportunities for us. While construction of a mass production plant is about to begin, we also have to draw up a blueprint for future expansion. There are still many issues to be solved, but we intend to solve them one by one.