

nf10

NAKAYAMAFUKU NEXT10

**A 10-year growth strategy
leading up to our 100th anniversary**

May 12, 2016
Nakayamafuku Co., Ltd.

■ **nf10** About Nakayamafuku NEXT 10

Nakayamafuku Co., Ltd. proudly marked 90 years in business in March 2015.

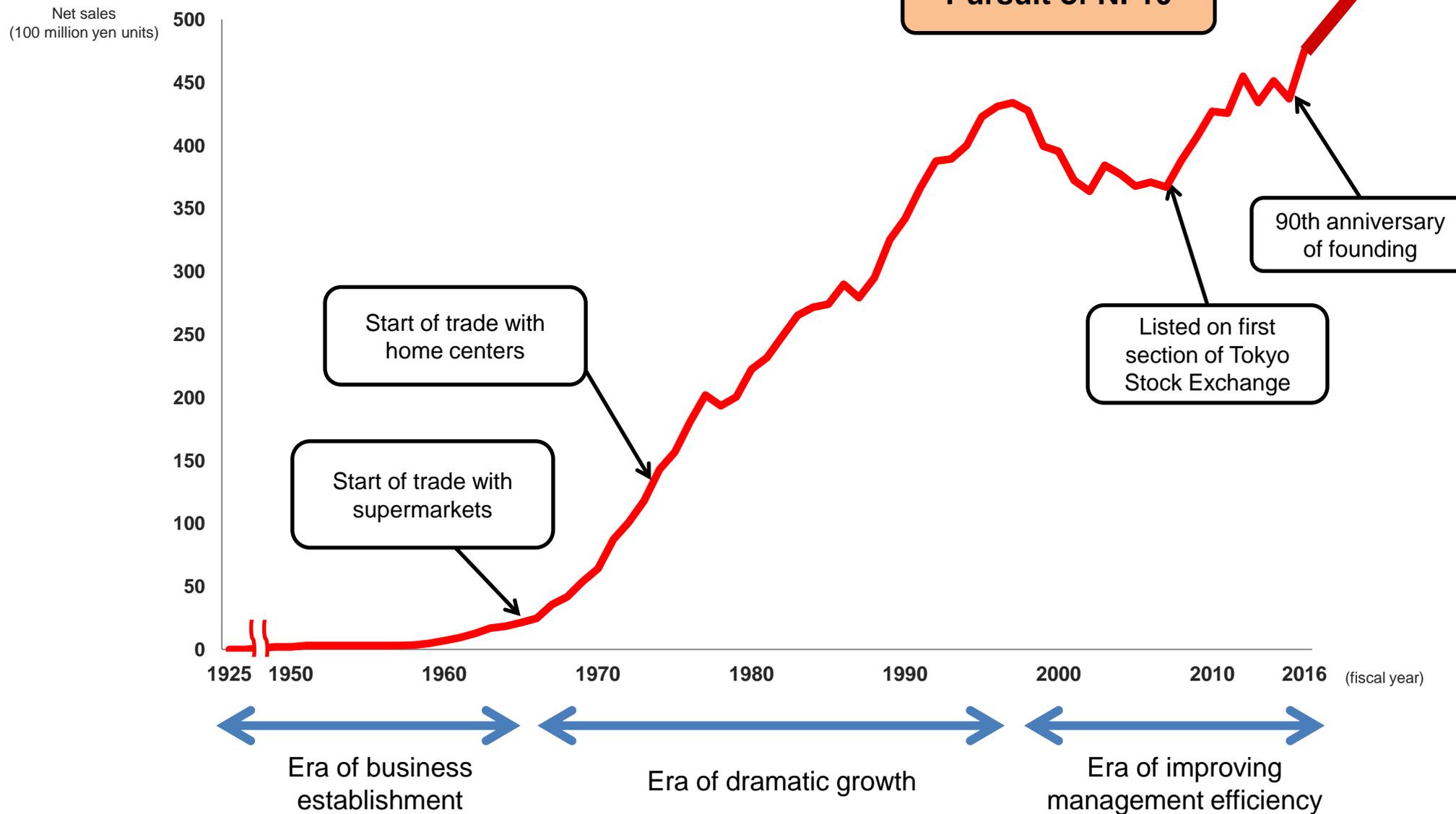
Nakayamafuku began business as a household metalware wholesaler. Over the years, our business model has evolved from wholesaling to small and medium-sized shops to trading with mass retailers. The scale of our trade has grown dramatically as a result. Along the way, we have worked to increase management efficiency, for example in the way we maintain our logistics bases. All this has created a foundation for the business performance we enjoy today.

A variety of factors, however, have now made the world economy extremely chaotic. Japan is no exception: Our falling birth rate and our aging population are having an enormous impact on our consumption-based society.

For Nakayamafuku to keep growing under these circumstances, several things are essential. Every director and every employee must hold fast to the Management Vision, which is based on our Management Philosophy and provides an image of what we are aiming for in the future. We must be flexible with our business model and not get stuck on old ideas. We have to deal with the changes of the times.

As we approach our 100th anniversary, we are committed to following Nakayamafuku NEXT 10 as a growth strategy to survive the next 100 years.

■ Story of our growth and image of the future



■ Management Vision

Aims of Nakayamafuku as we approach our 100th anniversary

Nakayamafuku aims to achieve powerful marketing backed by the capacity to procure a wide range of products meeting consumer needs and the talent to plan solutions for customers. We aim to have an efficient logistics network built on an advanced logistics system platform. We aim to establish ourselves as a home products trading company that is an industry leader in Japan and also has a firm foundation in markets abroad.

■ Business Strategy

Four strategies for achieving our Business Vision

● Expand share in existing markets

As Japan's birthrate falls and our population ages, existing markets are forecast to shrink. Our goal under these circumstances is to win a war of attrition and thereby expand our market share.

● Develop new sales channels

We will work to expand sales channels that include our Group companies. For example, we will expand trade with Internet sales companies, including those undertaking international e-commerce businesses, and develop markets run by Royal Tsuhan Co., Ltd. and Interform Inc.

- Expand sales channels to markets abroad

With more foreigners visiting Japan, Japanese products are becoming better known overseas, and events such as the Trans-Pacific Partnership will also help. We plan to ride this wave to expand exports, particularly to China and Southeast Asia.

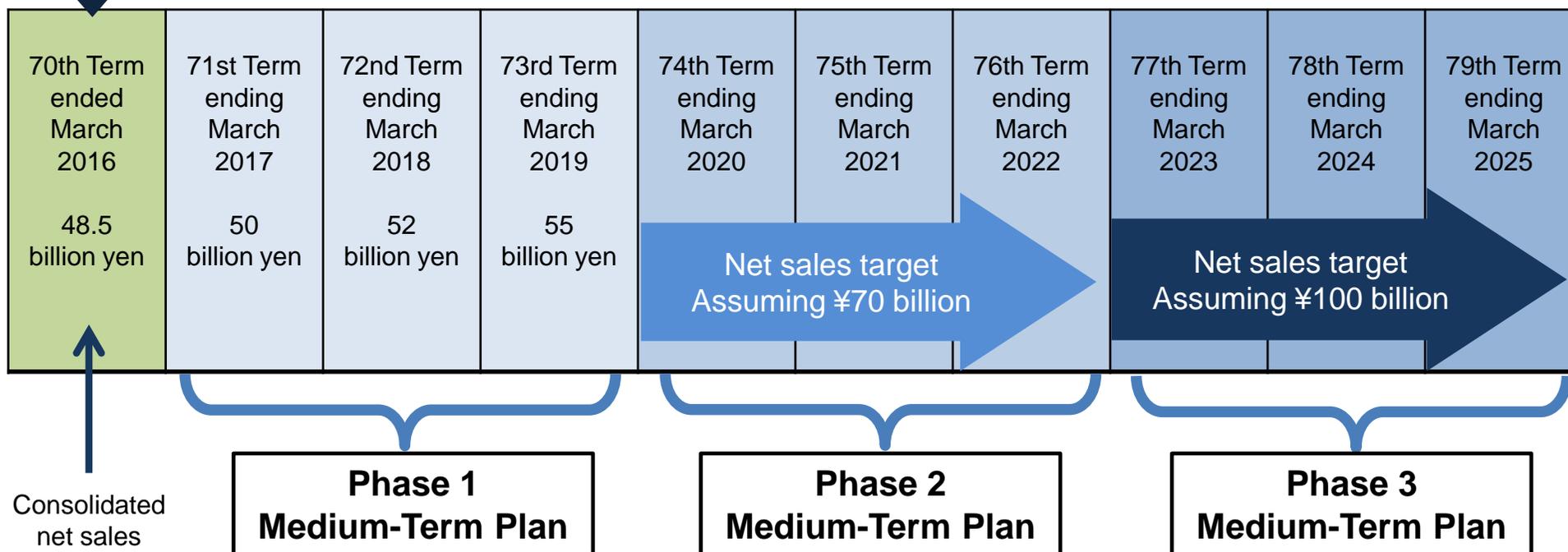
- Strengthen original products

We will work to further enhance our function as a manufacturer. For example, we will strengthen the Bestco brand of our original products and develop new products using Interform's design expertise.

■ Philosophy of **NF10** and medium-term management plan

During the last nine years leading up to our 100th anniversary, we will pursue a growth strategy in three phases (medium-term plans).

NF10 First Stage: One year, the first year in our 10-year management plan, was set aside as a time for nurturing sprouts of growth





**As we approach our 100th anniversary, becoming a
company fit to survive the next 100 years**

Precaution on future outlooks

Forecasts of business results contained herein were based on economic conditions, market trends, and plans foreseen at the time of writing. We cannot guarantee the accuracy of this material or whether planned figures or policies will be achieved in future. Actual business results may vary because of a wide range of factors going forward.