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**NCK's
Adgreencoat**

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Unique eco-paint's partners get an 'A'

1 week ago



Yasuhiro Manaka, President of Nihon Chuo Kenkyujo Co., Ltd.

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Adgreencoat, the advanced eco-friendly painting material that meets exceptionally strict quality standards, combats urban heat island effects and is gaining greater international attention, sparking keen interest from eco-minded commercial and civic leaders in the US and Asia. Inventor and manufacturer Nihon Chuo Kenkyujo Co., Ltd. (NCK) is now looking to expand its global reach and apply its "A" brand to more partners' products around the world. Along with explaining this unique product, President Yasuhiro Manaka reveals how.

To what extent do you believe that Abenomics has been a success promoting green and eco-friendly businesses to support Japan's economy?

Approximately 10 years ago, the Metropolitan Government of Tokyo opened a competitive bid for coating manufacturers across the country as an attempt to encourage the development of an eco-friendly coating material in order to address the urban heat island phenomenon. As a part of this movement, the Japanese government introduced a series of industrial standards which the participating bidders must abide to; as a result, Japan became one of the countries in the world to establish a formalized industrial standard (JIS) for the production of rooftop coating material. The Adgreencoat essentially originated from this movement. Out of the over 300 coating manufacturers across the country, 55 manufacturers stepped forward to express its intention in developing a coating material that would comply with the JIS; after three years of intense examination, only 11 passed. Furthermore, it was later discovered that nine of these manufacturers were using volatile organic compounds (VOCs), which have been outlawed already in China, Taiwan, South Korea, the US and the EU, but we have been lucky to be able to work with the two factories who managed to meet these stringent industrial standards. This effectively means that NCK is the only enterprise in the world that can supply coating materials that are officially approved for their weather resistance by the Japanese government, and which are deeply considerate of their environmental impact at the same time.

In a country like Japan that is so deeply ingrained in a traditional approach, what importance do you place on innovation as the key to reigniting Japan's prosperity?

The root of our innovation very much stems out from the environment crises that the world confronts today, and the demand for a viable solution that can address the issue effectively. One component of the environmental crisis that NCK addresses, and further, delivers solutions for is the urban heat island phenomenon. To provide some background on the heat island phenomenon, as ground temperatures of urban areas rise, the area becomes more prone to sudden downpours – often referred to as “guerilla rainfalls” in Japanese – along with other abnormal climate features. The former Mayor of New York attempted to address this issue by promoting the usage of white coating for rooftops and further, went as far as to recommend the initiative to mayors across the globe. The Mayor of Seoul in South Korea is one of the leaders that the Mayor of New York approached, and acted upon his advice by promoting white-coated rooftops; today, the City of Seoul is one of our business partners.

Needless to say, I was deeply inspired by the Mayor of New York's proactive attitude and contributed to my motivation for going forward with our Adgreencoat products at NCK. Also, by pure coincidence, I discovered the primary substance of our product in 2004, which also happened to be the year that the Policy Framework to Reduce Urban Heat Island Phenomenon was ratified by the Japanese government; so as a business, we were further supported by the introduction of this policy.

Global warming and energy saving measures are precisely at the forefront of NCK's agenda, with its Adgreencoat. Can you tell us more about the product, its background and your forecast for its future?

The Adgreencoat was created to combat the urban heat island phenomenon with an intricately designed coating material that allows an effective and quick scattering of heat. Our product was developed through the application of nano-sized, ultra-fine, and truly spherical ceramics, which is a substance already widely in circulation for electronics and precision equipment manufacturing. The application of this substance for building coating allows us to ensure the highest diffusion rate of near infrared rays, sunlight and heat when applied to building surfaces. Furthermore, the active substances forces the suppression of the surface temperature to that of the outside air, thereby preventing heat storage from being trapped inside.

We are the first and only enterprise to manufacture a coating product based on this concept; we have already acquired patents in Japan, China and Singapore. Unfortunately we have not acquired a patent in the United States due to the magnitude of the costs involved in the process.

As for the background of our product's development, the Kyoto Protocol, which called upon all signing member states to establish concrete measures to reduce CO2 emissions, was ratified in 1997. This protocol, however, was not signed by the People's Republic of China, India and the United States, citing hindrance to their industrial activities as their primary reason. As a result of criticisms and persuasion from the international community with Japan being the leading contributor, these countries finally agreed to officially include reduction of CO2 emissions as a part of the nation's environmental policies and legislation in 2005. Japan proactively took the lead by passing the Policy Framework to Reduce Urban Heat Island Phenomenon in 2004 under the supervision of the Ministry of Economics, Trade and Investment (METI), Ministry of Land, Infrastructure and Transportation, and the Ministry of Environment.

As for the forecast of our product, we have already established a partnership with the first venture company of Toyota in hopes of securing a reliable and stable production facility and thereby, seamlessly supply the Adgreencoat brand in the coating material market.

One of the company's objectives is to become 'not number one but the only one' with a vision to become the best manufacturer of heat shield coating by 2018. What are some of the growth strategies and international marketing initiatives behind these ambitious targets?

Three years ago, the Ministry of Economy, Trade and Industry (METI) initiated the movement to establish the JIS pertaining to coating manufacturing as an international standard through negotiating with neighboring Asian nations and ASEAN leaders to adopt the framework stipulated in the JIS. In order to verify and prove the effectiveness of the JIS in combating urban heat island phenomenon to the international community, the Japanese government conducted a three-year demonstrative operation in Thailand, which officially completed last year with great success. This allowed Japan to exhibit our contribution in not only reducing CO2 emissions but also preventing temperature increases inside buildings in regions where air conditioners are not available.

As an extrapolation of this movement, approximately two years ago we established our foreign branch – NCK GP – in Singapore, which greatly improved our international mobility and ability to demonstrate our products across the globe. Through this branch, we have already been active in 15 different countries and have produce tangible results. We strongly believe that widely demonstrating our products is the best possible marketing tool that we can utilize as an infant enterprise that still only holds a relatively small market share in the world.

Provision of material and technical assistance is another international marketing strategy that we are currently taking on. As far as I am aware, almost every country in the world has their own local coating material manufacturing brand; however, outdated manufacturing methods that are harmful to the environment or ineffective in addressing the urban heat island phenomenon are still widely seen, especially in emerging economies. We are currently approaching local manufacturers to partner with NCK, where we provide our know-how in exchange for brand exposure; local coating manufacturers that partner with us will carry the “A” mark for Adgreencoat on its product packages as a reassurance of compliance with strict JIS standards. As the first step of going forward with this marketing strategy, we believe that it is absolutely essential to establish a strong brand image across the world, and this starts from demonstrating the effectiveness and quality of the Adgreencoat in as many countries as possible.

In a recent interview you stated that “we are confident that no one can imitate our technology, not only its superb functionality, but also thorough consideration of the environment, aesthetic appearance, and its cost performance.” How are you efficiently communicating these important messages about your product to new potential clients and customers?

Communication is admittedly one of our greatest weaknesses. Due to the fact that large construction and carpentry companies in Japan have a strong preference towards solvent-based coating, we are finding it difficult to break into the market and challenge the industry conventions. Unlike the US market, Japanese consumers are not effectively informed about the difference between solvent and water based coating material. In order to address this situation, we have set up a community of companies who are committed to using coating materials that are eco-friendly. Currently the community consists of over 60 companies and we are trying to change the perception of the market by expanding on this community of eco-friendly minded businesses.

It is clear from this interview that your company is still in a stage of infancy compared to what it is called to become. On a personal and management perspective, how are you preparing for much enhanced global activities and for becoming a truly global company?

I believe it is essential to establish a network of partners across in the global stage. By 2018, we plan to establish partnerships in at least 50 nations that are actively addressing the urban heat island phenomenon. Furthermore, eventually we want to operate with a simple business process of delivering high quality products to our global partners and focus on our sales efforts. As an infant enterprise, however, we have not reached that stage yet so the company still includes the coating process in our operations. I believe that it is more natural to see construction firms taking responsibility of the coating process but in the near future we plan on retreating from the coating operation and focus on our sales efforts instead. The Coca-Cola model is what I envision – we provide information and know-how to the manufacturing plants across the world that carry the “A” brand, while each individual manufacturer in the different countries hold accountability in the production.

What would be your final message to readers?

I would like to continue my efforts, through NCK, towards preserving the beautiful green planet that we live in for my grandchildren. In order to make this a reality, I would like to invite as many people to support us in spreading this innovative product that will have an everlasting effect on this planet that we must cherish. Thank you very much.

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