

# Fastener World Visits Japanese Top-notch



## Fastener Importer & Exporter

## Sunco Industries



### Interview with President & CEO Yoshihide Okuyama

Sunco Industries (hereinafter written as “Sunco”) is a well-known trader importing and exporting fasteners in Japan. They expand footprints and now own 5 locations in Japan including the Osaka headquarters, 2 branches (Tokyo and Osaka), an eastern Osaka distribution center (Fig. 1) and a packaging warehouse (Fig. 2). They reach an annual revenue of JPY 37 billion, employing 800 people (including 450 full-timers and others being part-timers) and have found a niche of their own in the Japanese fastener distribution market. For overseas customers, they rolled out the online 3Q-Net purchasing platform with full English interface in 2022, and embarked on a business transformation to cover fastener export worldwide. President Okuyama expressed his ambition to deliver JIS fasteners from Japan to every corner of the world by working with global fastener distributors in domestic and overseas markets, mutually introducing products and creating mutual profits.

Meanwhile, they noticed Fastener World’s influence on the global fastener market. In May 2023 President Okuyama visited Fastener World for a collaboration talk with President William Liao (Fig. 3). The talk led to knowing that Sunco introduced industry-leading distribution software and hardware to become a sizable and characteristic model enterprise in Japan. It was then that President Okuyama strongly invited Fastener World to his headquarters to witness his logistics technology. November 2023, President William Liao visited Sunco’s headquarters and distribution centers, wanting to bring the top-notch Japanese logistics technology to your eyes through this report.

Fastener World visited Sunco Industries in Nov., 2023



Fig. 1. Distribution center

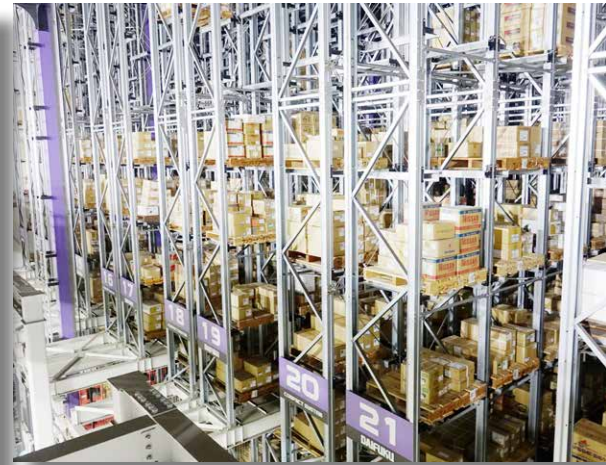


Fig. 3. Sunco Industries visited Fastener World in May 2023

Fig. 2. Packaging warehouse

## Leaders Insight: Fastener World X Sunco

President Liao talked in-depth with President Okuyama at the headquarters (Fig. 4) as outlined into 6 topics below:

### 1. Motivation to change business model

What motivated President Okuyama to shift from solely focusing on the domestic market to encompassing the overseas market? He explained: “We want to help buyers in trouble of finding JIS fasteners, give them more convenience and increase sales channels. Our expansion to overseas channels is ultimately in response to the demands of customers, and it is also a part of diversifying risks. Extending our domestic business model is not the only reason that we reach outside of Japan. In fact, in recent years we have geopolitical factors like exchange rate, inflation and supply chain disruption in play. On top of it, Japanese companies increase investment in building overseas plants, and there is significant growth in exporting equipment, automotive products, tools and industrial products. We are getting more inquiries and we feel it is the right time.”

### 2. Sunco's domestic knowhow— from Japan to the world

“How do you replicate your logistics knowhow in Japan and apply it overseas?” asked William. President Okuyama said: “The experience we acquired in Japan is ‘delivering a variety of products in the quantity, to the location and at the timing that is required’. The same also applies to export. We provide an English-Japanese bi-lingual purchase platform called ‘3Q-Net’— an online product search and sales management tool— to make it easy for customers to search 2 million types of fasteners. It helps overseas companies a great deal. In Japan, ‘immediate response to demands’ has been our business model, and it won’t change even if it goes overseas.”

### 3. Determine product positioning and marketing channels

So what fastener types does Sunco provide to overseas buyers? What about safety guarantee? Are products originating outside of Japan also



Sunco Industries President & CEO Yoshihide Okuyama





Fig. 4. Headquarters front

available? President Okuyama said: “We mainly supply JIS metric products purchased from 1,200 domestically trusted sources. Our purchasing and QA units perform checks at the sources’ locations. Of course, we can also provide products purchased beyond Japan if overseas customers need them.” Sunco also stocks products from Taiwan. He added that Sunco is particularly good at delivering fasteners in quantity down to a single piece at minimum with no issue. All products are sold under the “Sunco” brand.

He specifically noted that in addition to existing Japanese inquiries, a marketing collaboration with Fastener World has brought to Sunco evident increase in American and European inquiries via the Fastener World website. Sunco started exporting 3 years ago and earned JPY 2 million revenue in the

1st year, JPY 10 million in the 2nd year and the 3rd year is expected to reach JPY 80 million. Up to 20% of the revenue comes from Fastener World’s marketing channels, he said.

#### 4. Strategies to develop new overseas customers

Are there any special services tailored for overseas customers? President Okuyama mentioned mailing starter kits, enclosed with product samples, to unacquainted potential customers as part of his new client development strategies. At International Fastener Expo 2023 he met many visitors who received the kit. Additionally, the “Socket Boy” (Fig. 6) which he rolled out as Sunco’s mascot appears in various exhibitions and group photos with visitors and now acts as a way for new customers to get to know Sunco quickly.

#### 5. Sunco-style management— 3 features + 2 ace cards

President Okuyama stressed 3 features in his business tactic. The first feature is expanding product lineup. Sunco handles over 2 million items and stocks 250,000 items. The second is adding new customers. His sales team exceeds 250 people (Fig. 8 to Fig. 10), having transacted with 5,500 companies so far and having 4,500 customer companies placing orders to Sunco every month. The third is investing in logistics



Fig. 5. Wood screw threading machine from the 60s displayed at the entrance



Fig. 6. Sunco Industries’ mascot “Socket Boy”



Fig. 7. Father-and-son penguin mascots to represent generation progression



Fig. 8. Purchasing unit



Fig. 9. Tokai Hokuriku (northwestern part of Honshu, the main island of Japan) sales unit



Fig. 10. Central Japan sales unit



Fig. 11. Catalog display room



Fig. 12. Catalogs are digitalized and searchable



Fig. 13. Eastern Osaka distribution center



Fig. 14-1. Rotary rack



Fig. 14-2. Close shot of the rotatory rack

technology. In the eastern Osaka logistics center (Fig. 13), the industry-leading rotary rack (Fig. 14) technology introduced saves the hassle of using trolleys and cartons to hand-pick products, upping operation speed by 2.5 times!

Speaking of rotary racks, Sunco has an eye for logistics technology. They decided to introduce this technology in the wake of the eastern Japan earthquake to prevent products from being shaken off. Most importantly, to reduce the time spent on hand-picking and moving products to and off racks and on calculating small-quantity fasteners, as well as to reduce walk distances (Fig. 16). The result is obvious. They have successfully shortened work hours from 9 AM - 8 PM, to ending at 6:30 PM, but they are still able to keep the last-order deadline at 5:30 PM. In other words, drastic labor cost reduction and increased orders.

Sunco has 2 ace cards—“auto product matching” and “optimized packaging space” (Fig. 17). Besides regular quantity, they can take orders for a single piece of fastener which is the minimal unit of quantity. Each customer order has a barcode, so even new employees and part-timers can just scan the code, view

customers' purchase lists and images on screen, and start packaging right away. Any wrong quantity will prompt a No-Go alert after scanning, which lowers human error rate down to zero (Fig. 18). Furthermore, each product is given priority points according to where it is stored in the logistics center. When a client orders multiple products, Sunco can calculate the points to automatically match the products, thereby maximizing the use of packaging box space to reduce wasting, improve efficiency and achieve fast shipping.

## 6. Continuously strengthen connection with Taiwan and the world

Sunco has currently acquired ISO9001 and ISO14001 and received the IT-driven Enterprise Award. President Okuyama said Sunco is rooted on wanting to help customers, coexisting and thriving with customers, and bringing happiness to employees. That is what makes Sunco special. He has confirmed to strengthen connection with Taiwan and the world by increasing purchase, export and investment in upgrading logistics technology.

Fig. 16. The rotary rack reduces the time spent on hand-picking and moving products to and off the product racks



Fig. 15-1. Automated packaging machine



Fig. 15-2. Continuous type packaging made by the machine





Fig. 17. Auto product matching and optimized packaging space



Fig. 18. The monitor displays a red dot on a questionable package in the bucket after a barcode scan



Fig. 19. Wall of honor for honorary new and existing employees



Fig. 20. Artwork in the eastern Osaka Distribution Center



Fig. 21. Yasuko Tamaki, the world's oldest supervisor (left)

## Sunco Creativity

Service and facility are not the only highlights witnessed in Fastener World's visit, but also their creativity. President Okuyama made a series of secret agent short drama featuring Sunco's characteristics and put it on Sunco website. His headquarters has a "wall of honor" listing honorary new and existing employees (Fig. 19), as well as a gym to care for their health. He appears in many radio interviews to share his insights on the industry and is also in many Japanese news reports.

Besides a lot of investment in the fastener industry, he crossed boundaries in 2020 to support Japanese aerospace by collaboration on rocket development. He said the rocket uses Japanese fasteners so he wanted to contribute Sunco fasteners to help Japanese aerospace grow. Also, in 2023 he worked with Hakobot (Japan) to help develop auto delivery robots. "Along with hardware companies, software companies will converge in the 'eastern Osaka manufacturing city'. We will fulfill the goal of building a 'technological manufacturing city' in the future," he said.

To one's surprise, Sunco owns a unique Guinness World Record—the world's oldest office manager. 93-year-old Yasuko Tamaki is the general affairs manager to Sunco and she is still contributing herself on the job (Fig. 21). On the day of the visit, she introduced her book *Rooting Down, Blossoming Up* (literal translation). Everyone on the spot pays respect to her contribution to the fastener industry. In fact, a Taiwanese press reported her with the title "She's not quitting— Guinness-verified oldest office manager in the world". She even appeared in Hong Kong and Indian news reports. She has made a unique marketing sensation for Sunco.

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## Lesson of Japanese Business Revitalization

From this visit, we can tell that Sunco has a myriad of creative properties to expansively feature their people, products and facility. Compared with other Japanese companies, Sunco is able to stand out and go overseas because they have 3 features that are clearly carved. Additionally, they increase investment in a transformation to high technology and elevate shipping speed and efficiency to the international level. Lastly, they cross boundaries and expose themselves in various mediums.

In a time when high technology prevails, the fastener industry in many countries is often associated with the "conventional" and "ageing" impression. Taiwan faces the same issue. Some business owners are concerned whether Taiwan fastener industry can keep its workforce and technological advantages. In the ageing Japan, business revitalization and technological innovation are pressing issues. However, we see the newly upgraded facility at Sunco and many young employees who have joined as new bloods to deliver explosive power. That is something to learn together with our readers from this visit.

A saying in Taiwan goes that success is no coincidence. In the interview with President Okuyama, we sensed he has an accessible personality and that he has an eye for business. His is the 3rd generation to lead Sunco and it is admirable that he can push up Sunco sales by two times in just a matter of years. *Sunco is increasing collaboration on import, export, purchase and supply with global companies. Interested parties should contact Mr. Tomokazu Takada, Sunco assistant manager at purchasing department of international trade section.* ■



Contact: Mr. Tomokazu Takada  
Email: [export@sunco.co.jp](mailto:export@sunco.co.jp)

