



The 2nd-generation management team:

**General Manager
Jess Tsai**

**Vice General Manager
Jason Tsai**

**Factory Director
Ping-Yao Tsai**

**Vice Factory Director
Ben Tsai**

**Wire Control Supervisor
Ping-Shun Tsai**

**Executive Assistant
Hans Tsai**





Fang Sheng Screw

A Transformation & Succession Model

The Int'l Manufacturer Extending from Socket Screws To Special Products

During the decades of development of Taiwan fastener industry, there are many fastener companies with great int'l reputation, and when it comes to manufacturing of socket screws, the most well-known – YFS Fang Sheng Screw definitely must be mentioned. It can supply tens of thousands of screw specifications ranging from the smallest size of M1.4 with the length of 2mm to M60 with the length of 500-600mm.

The "YFS" brand, which is marketed all over the world and widely adopted by the industry, has not only been the only choice for many customers to purchase high-quality and durable socket screws for years, but also is one of the few Taiwanese self-owned fastener brands that has successfully tapped into the supply chain of the global market.

Since its establishment in 1978, YFS Fang Sheng has been focusing on socket screw manufacturing technology and process, and has accumulated a wealth of experience in product development. Although Fang Sheng's socket screws have gained a leading presence in Taiwan and int'l markets, the challenges ahead are bound to be even more severe.

Therefore, the 2nd generation management team has gradually expanded the product lineup to special products and automotive parts related fields for years, in order to create a new stage for Fang Sheng's business in the next 1 or 2 decades.





Only Socket Screws? YFS Fang Sheng's Strength in "Special Products" will Change Your Impression

YFS Fang Sheng's expansion from socket screws to special products didn't just start now. As early as more than 2 decades ago, when many Taiwanese fastener manufacturers started to set up factories overseas in order to win over better market competitiveness, indirectly supporting overseas factories to produce low/medium carbon steel screws and gradually taking some market share of Taiwanese manufacturers, Fang Sheng had foreseen the future market changes and planned for transformation in advance. As a result, the 2nd generation management team started to coordinate and plan the investment and deployment in the field of special products in terms of technology, equipment, talents, information integration and market customers.

"We made lots of preparations to enter the field of special products. Since 2005, we've been cultivating our technical talents, and started to plan for a new plant in 2010 and invested in hundreds of production machines to prepare for the subsequent demand of the special products market. It is understood that Fang Sheng's capacity has doubled and the proportion of socket screws and special products is 50%/50%, proving that its mature technique and product quality have been recognized by customers.

Therefore, despite the fierce competition, with our high quality products still creating significant differentiation, many customers continue to work with YFS Fang Sheng to create a win-win situation," said the new generation Fang Sheng management team.

With sufficient talents, technology and equipment, Fang Sheng is capable of producing special products for various fields (e.g., machinery, bicycle, automobile/motorbike, heavy industry, customization), especially the orders from T1/T2 customers in the automotive industry account for about 80% of its special products sales. With the prospect of a booming automotive market in

Europe, USA, and China as well as growing demand in the mid-to-high-end market, YFS Fang Sheng's development opportunities in special products will be further enhanced. In addition to automotive applications, Fang Sheng Screw has also stood out among several European manufacturers and has been chosen by German ICE as its supplier, further proving the high quality and reliability of its products. In the high-end market, quality is always the key to winning customers' trust and continuous cooperation.

R&D of Self-designed Dies + Seed Coach System

In order to improve the manufacturing efficiency of customized products, Fang Sheng established an R&D division in 2010, focusing on the design and development of dies and processes. Through self-development and in-depth understanding of raw material characteristics and manufacturing processes, Fang Sheng is able to flexibly adjust parameters such as pickling, wire drawing, spheroidizing, cold heading, thread rolling and head treatment to establish an integrated QC system from raw materials to finished products.

"Introducing in-house die development is the most challenging part of the transformation. In the past when there was no independent die development, technicians had to rush about between the die processing room and the factory to have in-depth discussions with operators, so working overtime until 9-10 o'clock at night was usually heard, but the results were still unsatisfactory, and we've even heard of the dilemma of a counterpart being unable to develop a screw in 3 months. Therefore, after the establishment of the R&D division, we adopted the training mode of "1 for 2" and "2 for 4" in order to cultivate more seed coaches to accumulate our technical momentum for special products manufacturing. Thanks to the establishment of the R&D division, the efficiency of our manufacturing process and quality control have been significantly improved," said Fang Sheng's 2nd generation management team.





Seamless Experience Inheritance from the 1st Generation to the 2nd Generation Management Team

Fang Sheng's 2nd generation management team has accumulated 10~20+ years of production management experience within the company before officially taking over the management role, and has also inherited valuable management concepts from the 1st generation management.

Under the principle of hierarchical management and each division taking care of its own duties, the sales, management, and manufacturing divisions will put forward their ideas and discuss together to make the most favorable decisions when encountering problems, and through monthly cross-divisional meetings to establish a smooth horizontal communication to coordinate and cooperate with each other, in the hope of achieving their own brilliant results on the success created by the 1st generation.

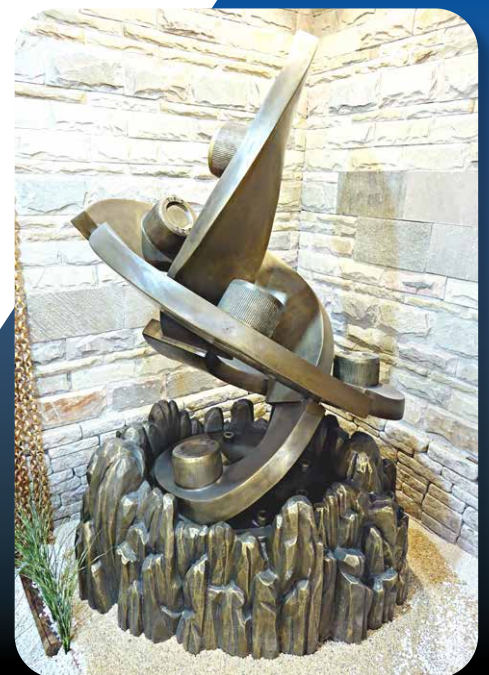
"The 1st generation management team laid the foundation of our business, on which we'll open a new chapter in the field of special products, but it is up to us to make it grow. The professional knowledge and young mindset that we've acquired from home and abroad will help our company to develop innovatively in the future. In terms of information integration, we've set up software development and information divisions, developed our own ERP & MES systems, and introduced the IoT concept to manage hundreds of facilities, linking the processes of raw material control, manufacturing, and reporting together, and continue to explore and apply new technologies (e.g., AI, Big Data analysis) to optimize the production process and product design to further enhance the competitiveness of the company. In terms of customer relations, we'll continue to deepen our partnership with existing customers and their offspring, and through building mutual trust we can open up opportunities for more cooperation and make it our development goal to enter more market areas," said Fang Sheng's 2nd generation management team.

Realizing Social Responsibility and Multi-faceted Carbon Reduction Programs

While many companies had not paid much attention to the issue of energy saving & carbon reduction, Fang Sheng had seen the trend and spared no effort in investing manpower and resources in carbon inventory and related certification. It launched the GHG inventory for ISO 14064-1 in May 2023 and the part of EU CBAM requirements has been internally verified and is awaiting subsequent certification. The relatively important ISO 14067 for carbon footprints is also expected to be audited and certified in June 2024. Many of Fang Sheng's customers have been impressed by its industry-leading carbon reduction efforts.

"We take a serious view of energy saving and carbon reduction. Through systematic reports, we let all customers clearly understand Fang Sheng's carbon emission data, and we've

also begun to draw up a 10-year carbon reduction plan, including installation of solar panels for our own use, the improvement of energy consumption in heat treating and spheroidizing furnaces, and the introduction of energy storage facilities for energy management, improving the utilization rate of renewable energy and the stability of electricity, balancing energy demand in the production process, reducing operating costs, and improving energy efficiency. These policies will be the key direction of our future energy saving & carbon reduction, with at least 30% carbon reduction target for 2030 going forward," said Fang Sheng's 2nd generation management team. ■



Bronze sculpture symbolizing the succession and sustainability of Fang Sheng's business