



Interview with Shi-Ho Screw Industrial



Q. First, please tell us about your company history, business scope, and main products.

This year is our 46th anniversary. In September 1969, Nitto Seiko Co Ltd ("Nitto Seiko") in Japan merged with Hotai Development Co., Ltd. in Taiwan, giving birth to us. A decade after our inception, we moved to the coastal industrial zone and in the meantime changed the company name from "Taiwan Nitto Seiko Co., Ltd." to "Shi-Ho Screw Industrial Co., Ltd." With this background and opportunity, we operated really smoothly and well with the development of Taiwanese economy and the ASEAN market.

In terms of our business scope, we make/sell forged parts (mainly screws), and import/sell labor-saving screw fastening device and inspection device produced by Nitto Seiko, and also provide "fastening solutions".

Q. How do you position yourself in the fastener industry? What are the features and advantages of your company?

As a Japanese screw manufacturing company, we entered the overseas markets at the early stage. We gained growth not only in Taiwan but also in China and ASEAN, and thus at our peak time we reached a monthly capacity of 650 million pieces.

After that, Nitto Seiko set up local subsidiaries respectively in Indonesia/Thailand/Malaysia/China, increased the volume and speed of supply, corresponded to the new era and supplied to the world, and reacted to the global change.

Our feature is that we realize Japanese quality on Taiwanese products. Up to now we have been focusing on providing our full sales service to Japanese customers. We

are advantageous in providing comprehensive Japanese quality including manufacturing technique, quality control, and service. The next important thing is lead time. Taiwan has relatively smaller population with its manufacturing sector relocating to overseas countries (mainly China), and thus the reduction in industrial activities is more serious than of Japan. Consequently, 85% of our transactions are for overseas countries, and we are advantageous in our speedy service as if the customers do not even sense the existence of logistics and lead time.

Q. Would you tell us the market condition and performance of your company's automatic assembly device, flowmeter, and special screws? What is your company's future goal?

We make relatively small screws (below 6mm) applied to clock, smart phone, and camera markets, as well as to markets of large-size products such as automobiles, receiving market acclaim. These markets are growing with the world's increasing population.

As to the field of labor-saving device (such as automatic assembly device), judging from the increasing personnel expense and working safety, we think this field will be a very potential market in the future.

Additionally, we think the market attention will break into two distinctive and separate aspects: function and price. We will continue to increase customer satisfaction by proposing and developing function-oriented products. In order to provide service to all customers in the world (that is, not restricted to Japanese customers), we are strengthening our business model so that it can support not only Chinese and Japanese customers but also those from the UK, France, and Germany.



Q What is the current R&D trend of the Japanese fastener industry (e.g., low cost, new material, etc.)? What is the next R&D trend for the overall fastener industry of Japan? (e.g., aerospace screws, medical screws, etc.)

We will strive for reaching the following 4 goals including: (1) High functionality & performance; (2) Smaller and lighter; (3) Comfort & safety; (4) Health & aging problem. We will react to the above-mentioned issues and work hard to make new proposals for new materials, new technical methods, and new business types. As the development periods for two countries are different, Taiwan has its own R&D trend different from Japan, whereas in the past the R&D trend and goal of both countries were almost the same. Since Taiwan and Japan are not rich in natural resources, both countries have to compete to survive with their wisdom. If both countries do not develop products demanded by the market ahead of other countries, they will not be able to grasp market opportunities.

Q Are you optimistic about the Japanese fastener industry this year and next year?

We cannot say that the industrial performance is good this year. Due to the slowdown of China's industrial performance, the overall Japanese industry is entering the readjustment of production. Furthermore, excluding partial regions like America, the global industry is stagnant and thus we cannot say that it is performing well. We think this situation will continue until the first half of the next year.

Q Your company not only have acquired ISO certificate and SONY's green partner certificate, but is also among the ranking of large corporations in Taiwan. What is your next target for certification or industrial honor?

We have acquired ISO14001, ISO9001, and OHSAS18001 certificates, and increased transaction volumes through satisfying the quality requirements of customers from various companies. In the upcoming 2016 we also plan to acquire TS16949 certificate.

Q What is your target customer, market, industry and region? Do you have plans to invest and expand sales activities abroad? What type of partner and customer are you looking for?

In the future we will increase the supply to the automotive industry and our business will not be restricted to supplying Japanese customers or particular regions. We will put more efforts on the supply to not only the Greater China and ASEAN, but also to areas that we used to pay less attention to, such as America, Europe, and India. We will not restrict ourselves to makers and distributors, and will look for a win-win partnership through bilateral cooperation.

As to our overseas bases, in 2002 we established the subsidiary "Nitto Precision Screw Industrial (Zhejiang) Co., Ltd." in China for dealing with the demand of local Chinese customers.

Regarding future overseas investments, although we haven't had concrete plans yet, we will actively invest resources and head for business growth. ■