



▲ President Yoshihide Okuyama



Sunco-kai Gala Dinner

Digital Reform Manifesto of Sunco Industries

Sunco Industries, the largest fastener trading company in Japan, held its annual Sunco-kai gala dinner on November 15, 2024, at Hotel Nikko Osaka. "Sunco-kai" is a coalition of suppliers and partners formed by Sunco Industries to foster stable and smooth business operations. This March, President Mr. Yoshihide Okuyama of Sunco Industries personally invited Fastener World to the general assembly of Sunco-kai. As the year drew to a close, President Okuyama extended another invitation for Fastener World to the yearend gala dinner.

Sunco-kai has grown to include 176 member companies. The dinner hosted 312 guests, including Sunco Industries' suppliers and partners, the press, and the mayor of Higashi-Osaka. Fastener World has a scoop of President Okuyama's update during his speech on the latest business developments.



Japan's New Financial Policy Sets 176 Suppliers on a Reform

In the speech, President Okuyama mentioned a type of payment proof in Japan known as "Notes Receivable", which is primarily used for financial transactions but can have payment terms extending up to 120 days. This delay can lead to issues with cash flow and funding management. Recognizing these issues, **the Japanese government has decided to abolish notes receivable by 2026. This policy is expected to mandatorily accelerate digital transformation among businesses and significantly impact Japanese companies since notes receivable have long played a crucial role in inter-company transactions. President Okuyama stated, "We have foreseen the abolition of notes receivable and will require all Sunco-kai members to switch to cash payments instead."**

"Besides, we are implementing an Electronic Data Interchange (EDI) system across our suppliers including Sunco-kai members. Our entire ordering and receiving process will be digitalized. Beyond this, we will implement prediction of Sunco Industries' inventory management and demand to enable suppliers to produce more flexibly." Currently, Sunco Industries handles approximately 2.01 million items of products. "While expanding product volume was previously our key focus, we will also focus on enhancing product information in the future," said President Okuyama.



Japan Economy Outlook & Sunco Industries' Mission

In Fastener World's follow-up interview after the dinner, President Okuyama reflected on this year's performance and future plans. **He thought 2024 was the low point of an economic cycle: "I see this as a year requiring endurance.** The end result came out as I had expected. **I estimate that this cyclical economic downturn will last about two years."** To mitigate significant declines during this downturn, he has undertaken various initiatives that have resulted in Sunco Industries achieving revenue growth of 101.9%. "I observed strong performance in export operations. Once again I sense the global demand for JIS and metric screws."

Looking ahead to 2025, President Okuyama emphasized that Sunco Industries' mission to "deliver JIS and metric screws from Osaka to the world" continues to progress: "We will continuously strive to enhance convenience for global businesses seeking fasteners." Additionally, subscriptions for Sunco Industries' publication "Socket Boy" have increased. Through collaboration with Fastener World Magazine, Sunco Industries aims to promote fastener companies while showcasing to the world Japan's excellence in screw manufacturing.

Internally, President Okuyama encourages employees to actively push for a reform while recognizing what should remain as is and what shouldn't: "I hope employees can evolve alongside our ever-changing company each day into a new version of themselves and focus on enhancing convenience for customers, suppliers, and related persons. This should be our priority at work," said the President.



Revelation from Sunco Industries' Digital Transformation

From the digital transformation manifesto of this fastener trading company, readers can perceive that Japan faces not only challenging industrial economic issues but also significant hurdles brought about by government-led digital transformation initiatives in business transactions. This does not include existing challenges such as labor shortages and rising costs. Thus, Japanese companies bear burdens comparable to those faced by businesses in other countries. However, this fastener trading company is determined to lead 176 suppliers through digital transformation—a reform conceptualized on the Sunco-kai "fastener squad" that merits attention from Taiwanese and global fastener manufacturers alike. ■

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