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## Quality, Branding, and Collaboration—
## Japanese Fastener Makers Recast Their Global Strategy

At a recent roundtable in Osaka hosted by Sunco Industries, 7 participants described Japanese fastener industry as steadily shifting from a domestic mindset toward a more globally engaged one. Their comments revealed not only the obstacles that continue to shape export decisions, but also a shared confidence that Japanese fasteners still have strong room to grow overseas if companies can better communicate their value, build stronger organizations, and adapt to changing market conditions.

**The roundtable participants were:**

1. **Yoshifumi Taniguchi** - President, Nakaumi Industries Co. Ltd.
2. **Atsushi (Attsie) Hashimoto** - President, Unytite Corporation
3. **Tateo Murakami** - Deputy General Manager, Fastening Division, Nippon Fastener Corporation
4. **Daisuke Shiba** - Executive Managing Director, Kishu Fastener Group
5. **Yuki Kariya** - Managing Director, QP Fastening Works Co. Ltd.
6. **Miki Hiraoka** - Manager, Sunco Industries Co. Ltd.
7. **Tomokazu Takada** - Assistant Section Manager, Sunco Industries Co. Ltd.


One recurring theme was the importance of quality. Yuki Kariya (QP Fastening Works) said his Japanese products continue to enjoy a strong reputation abroad, especially in Europe where reliability matters more than price alone. For threaded rod producers and precision fastener makers, price competition remains intense, but some customers have begun to recognize that stable quality can outweigh a small cost difference. As Yoshifumi Taniguchi (Nakaumi Industries) put it, a European buyer reportedly said Japanese products could not be replaced by anything else, leading to large-volume orders for his company. That kind of response, the participants suggested, shows that quality can still be a decisive differentiator in overseas markets.

Meanwhile, the discussion made clear that quality alone is no longer enough. Brand recognition and external communication are becoming essential. Several participants agreed that even excellent products can be overlooked if the manufacturer is not well known abroad. As a result, they are investing more heavily in trade magazines, multilingual websites, B2B platforms, social media (as with Nakaumi Industries using Instagram), and direct outreach. Tomokazu Takada (Sunco Industries) noted that overseas customers are often impressed by not only product performance, but also the sincerity and attentiveness that Japanese firms bring to customer service. In this sense, Japanese-style service is becoming part of the export value proposition.

The roundtable also highlighted the organizational challenges behind international expansion. Atsushi Hashimoto (Unytite Corporation) stressed that export success depends on people, internal systems, and shared know-how, not just sales ambition. Overseas businesses often center on a small number of departments or individuals, which can make expansion fragile. To address this, Miki Hiraoka said Sunco Industries is trying to build cross-functional structures that involve sales, purchasing, production, and management more broadly. Human resource development, English communication, and information sharing were repeatedly cited among the participants as key priorities. The next step is to make overseas business a company-wide capability rather than a specialized function.

Manufacturing competitiveness was another major issue. Japan's labor shortages and rising costs are pushing some firms toward automation and new factory investment. Daisuke Shiba (Kishu Fastener Group) said he is planning a highly automated plant to improve cost competitiveness and create a production system customers will actively choose. Tateo Murakami (Nippon Fastener Corporation) noted that it is revisiting earlier export experiences and reconsidering export to the U.S. under different conditions.

The participants also saw opportunities in niche markets and regulatory frameworks. Some fasteners that are common in Japan are still rare in overseas markets, which creates openings for Japanese suppliers. Others pointed to specific industries such as robotics, machine tools, construction, and automotive applications where quality and technical requirements are high. Regional opportunities vary as well: Europe rewards established quality, the Middle East offers demand for climate-resistant products, the U.S. combines large scale with niche potential, and India and Indonesia stand out for future demand growth.

Looking ahead, the participants do not see globalization as a matter of simply exporting more products. They see it as a broader transformation involving branding, organization, product development, and strategic market selection. Many are also seeking stronger cooperation with industry associations and public support systems, believing that collective efforts can accomplish more than individual firms working alone. Their message was clear: Japanese fastener makers still have a strong global story to tell, but future success will depend on how well they turn familiar domestic strengths into clearly visible overseas advantages.

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## Okawa Screw Targets ¥10 Billion in Sales by Centennial Anniversary Through Global Expansion and Forging Technology Innovation

Okawa Screw Manufacturing is accelerating its growth strategy toward its 100th anniversary in 2034. The company aims to become a ¥10 billion-sales enterprise by strengthening its overseas production network, deepening its cold forging technologies, expanding capital investment, and pursuing mergers and acquisitions. For the fiscal year ended December 2025, sales increased 7.7% year-on-year to ¥7.0 billion, marking a record high. Operating profit rose significantly. The company benefited from increased revenue from machinery sales associated with the relocation of equipment from domestic facilities to its new Indonesian operation, while sales of its core brake hose fittings also expanded.

President Tomoki Okawa

For the current fiscal year, the company projects sales of ¥6.9 billion. Although the forecast reflects the absence of one-time revenue gains recorded in the previous year, management expects underlying business growth to continue. The company plans to begin mass production in Japan around August of EV charging connector terminals, a product developed utilizing its core cold forging technology and expected to become a new source of revenue. The product is characterized by a forging and press-forming process that minimizes machining operations to the greatest extent possible, making it a flagship example of the company's advanced cold forging capabilities.

As part of its overseas expansion strategy, Okawa Screw Manufacturing will establish a new production base in Karawang, Indonesia. The company will lease part of a local fastener manufacturer's factory and install its own production line, with mass production expected to begin within the year. The investment responds to customer requests for local production and reflects Indonesia's import tariffs on finished components. Under the planned production scheme, semi-finished products will be shipped from the company's Thai operation, while cleaning, assembly, brazing, and other downstream processes will be carried out locally. The Thai facility will continue to serve as the company's principal manufacturing base for the ASEAN region.

Looking further ahead, the company is also considering entry into India, which management views as a major growth market. Market research, including potential M&A opportunities, is currently underway. President Okawa emphasized that "success in India, with its enormous market potential, will be the key to sustainable long-term growth." He explained that local material procurement still presents quality challenges, and therefore the company initially plans to import cold-headed blanks and undertake downstream processing in India. The target customer base will include not only Japanese-affiliated companies but also local manufacturers.

## Sankyo Accelerates Growth Strategy Focused on North America and India, Targets ¥30 Billion in Group Sales by 2030

For the fiscal year ended December 2025, consolidated sales increased 6% year-on-year to ¥26.58 billion. The acquisition of Togyo Denki Seisakusho Co., Ltd. (Gunma Prefecture), a manufacturer specializing in plastic molding, assembly, and press processing, in April 2025 contributed to the increase in revenue. In Japan, however, sales at existing group companies declined due to reduced automobile production for the North American market following additional U.S. import tariffs, as well as temporary production suspensions by some automakers caused by China's tightening export controls.

Overseas operations benefited from strong orders destined for the United States and Mexico, allowing the group to achieve overall revenue growth. In contrast, sales in China and Southeast Asia remained flat or declined due to sluggish production by Japanese automakers operating in the region. On the profit side, domestic earnings improved as price revisions helped offset rising raw material costs, energy expenses, and labor costs. Overseas, however, profits were negatively affected by U.S. tariff measures, resulting in lower earnings in the Americas and reducing overall overseas profitability.

For the current fiscal year, the company expects a business environment characterized by continued uncertainty both domestically and internationally. While additional tariffs in the United States pose challenges, expanding vehicle production within North America is viewed as a positive factor. At the same time, automakers are reassessing their EV strategies following the abolition of EV subsidy programs, creating uncertainty regarding the launch timing of products for which the company had

President Ryosuke Yamamoto

anticipated receiving orders. Management is therefore closely monitoring the potential impact on sales plans.

Overseas, North America and India are regarded as strategic growth bases. In Mexico, large-scale injection molding machines are being added, while in India the company has begun installing molding equipment following the completion of factory expansion work. The U.S. subsidiary is projected to generate sales of ¥1.4 billion this fiscal year, an increase of 9% from the previous year. Across North America as a whole, sales are expected to reach approximately ¥3.6 billion, with management targeting growth to ¥6 billion by 2030. Commenting on North America, President Yamamoto stated, "North America is an area that is compensating for weakness in China and other Asian markets. It offers substantial growth potential. While tariff issues remain a concern from a trade perspective, we intend to leverage the sales advantages of having an established presence in the region."

India, which is expected to become a major plastics molding production base, is targeted to achieve sales of ¥2 billion by 2030. Strengthening trading functions is considered essential to reaching this goal. As automakers expand their presence in India and increasingly demand local sourcing, President Yamamoto believes that procurement sources will become increasingly polarized between suppliers capable of delivering high quality and precision and those that cannot. The company plans to utilize sourcing expertise developed in China by establishing a quality assurance system under which products procured from local suppliers are inspected and certified through its own quality control processes.

## TRUSCO Launches Largest Logistics Hub "Planet Aichi" to Strengthen Nationwide Supply Network

Trusco Nakayama, one of Japan's leading industrial tool and equipment wholesalers, commenced operations at its largest logistics center, "Planet Aichi," on May 18. The facility is positioned as a key base for strengthening the company's core wholesale functions—its overwhelming product assortment and shipping capabilities—with the goal of establishing a one-million-item inventory system and enhancing its nationwide supply capacity.

The facility occupies a site area of 41,634 square meters and offers a total floor space of 89,162 square meters, equivalent to approximately two Tokyo Domes. At the time of opening, inventory stood at around 620,000 items, with plans to eventually exceed one million items. By the end of 2026, the center is expected to employ 150 personnel. The company envisions a maximum shipping capacity of 100,000 order lines per day. Annual shipment value is projected at approximately ¥12 billion in 2026, with long-term plans to develop the facility into a logistics hub capable of handling shipments worth up to ¥100 billion annually. Total investment amounts to approximately ¥30 billion.

Planet Aichi fulfills three major roles: (1) serving as a distribution center capable of supplying more than one million inventory items throughout Japan; (2) providing concentrated support, including company-operated delivery services, to the Chubu region, one of Japan's major manufacturing clusters; and (3) acting as an expansion base for TRUSCO's proprietary "combined shipment and direct-to-user delivery" service.

The "combined shipment and direct-to-user delivery" system consolidates multiple products into as few packages as possible and ships them directly to manufacturing sites. By bypassing the conventional distribution process that routes products through retailers, the system improves efficiency across the entire supply chain. It reduces the number of packages caused by split shipments while cutting lead times, packaging materials, freight costs, environmental impact, and labor requirements by approximately half. The launch of Planet Aichi is expected to further strengthen this service. It will also improve support for drop-shipping operations utilized by e-commerce businesses and serve as a foundation for providing uniform nationwide service from Aichi Prefecture, located in the center of Japan.

## Nitto Seiko Posts Strong First-Quarter Growth as Automotive Fasteners and AI-Driven Data Center Demand Boost Earnings

Nitto Seiko's consolidated financial results for the first quarter of 2026 showed increases in both sales and profits. The company's core Fastener Division performed solidly, led by automotive-related demand, while the Machinery & Tools Division benefited from growing demand from data centers driven by the expansion of AI-related investment. Net sales rose 8.8% year-on-year to ¥12.594 billion. Operating profit increased 82.5% to ¥987 million, ordinary profit climbed 79.9% to ¥956 million, and quarterly net profit attributable to owners of the parent surged 149.4% to ¥604 million.

In the Fastener Division, sales of screws and components for the automotive sector increased. Demand for precision screws used in gaming consoles remained at a high level despite order adjustments by customers. In addition, earnings improved due to contributions from two Indian companies acquired through M&A and consolidated as subsidiaries in March of the previous year, as well as a decline in M&A-related expenses that had been incurred during the same period a year earlier.

The Machinery & Tools Division was affected by a reduction in planned model change projects within Japan's automotive industry. However, demand related to CASE (Connected / Autonomous / Shared & Services / Electric) technologies and overseas markets for screw fastening machines provided support. Large-scale equipment projects for general-purpose engine manufacturers also contributed to performance, while sales expansion for data center applications progressed both in Japan and overseas. ■