

Special interview

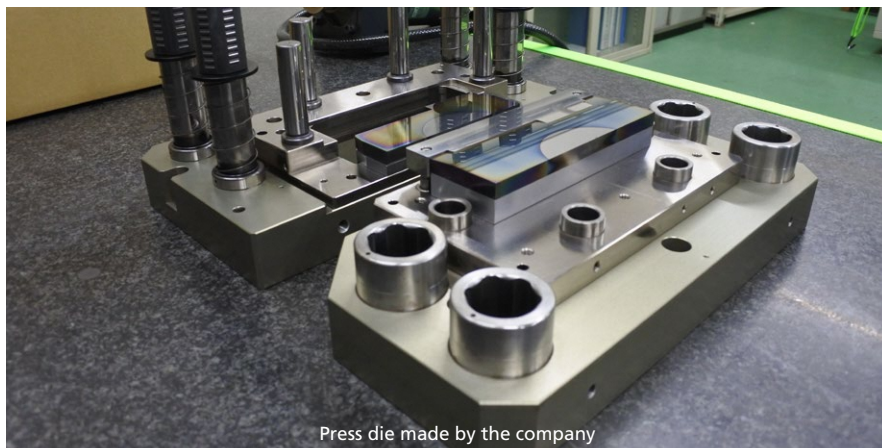
Business with nearby foreign affiliates broadens opportunities



President Shigeto Kida, Showa Precision Tools Co., Ltd.

Showa Precision Tools has been engaged in designing and manufacturing precision press molds in Yokohama for 60 years, thus catering to the needs of varied industries, including automotive, food containers, aerospace, and IT.

Mr. Kida, President and Representative Director of the company, spoke about the potential of developing global business through doing business with foreign-affiliated companies located in Yokohama.



Press die made by the company



President Kida says, "There is a lot to be gained by studying 'abroad' in front of your own train station."

■How businesses can "study abroad in front of their own train station," without travelling overseas.

In 2019, a foreign-affiliated company based in Yokohama approached us through our website, which eventually led to a successful deal on molds for prototype automotive parts. I am pleased that we received the inquiry because we were considered as a candidate capable of satisfying their need for making Japanese models.

Although our company has made efforts for some years to venture overseas, it is quite difficult for a small and medium-sized enterprise (SME) like us to start business with foreign companies. For example, you may be encouraged to put up a booth at a trade fair in some foreign country, but you are also told, "Don't expect quick outcomes. Most exhibitors have to keep participating multiple times." This forces SMEs—with their limited resources—to have second thoughts about taking part. Additionally, business practices overseas are very different from what we are used to in Japan. Contracts, for one, pose a big hurdle.

Meanwhile, new foreign-affiliated companies, including those of multinationals, have found success in Yokohama. I believe that having foreign companies nearby presents a great opportunity for SMEs that are considering expanding overseas. There used to be a popular commercial in Japan for English language schools that advertised attending these schools as being like "Studying 'abroad' in front of your own train station." You do not have to go abroad to start business with foreign companies within the Japanese business environment. I also think that doing business with foreign-affiliated companies will enhance your market reputation even if the money involved is not very big, and it will also provide an opportunity for you to understand world trends and receive evaluation of your products from a global perspective.

■To deal with new clients: Look at your own strengths and think of the best way to communicate them

When you want to start doing business with a foreign-affiliated company, you should clearly understand the strengths of your products and technologies and effectively present them. For example, in our electrode fabrication for lithium-ion batteries, an error of just a micron in the machining accuracy could cause battery fire. For EV batteries, overseas companies tend to place great importance on charging efficiency. However, a battery fire on a moving vehicle can put the lives of the driver and the passengers in danger. Japanese companies demand a very high technological level when it comes to safety.

We should make it better known that SMEs in Yokohama, including our own, have the technologies and techniques that support world-renowned quality assurance standards. Another important thing is to present your technology, not just as being dedicated to or useful in only one specific purpose or application but as one that can be useful for much broader applications. Given the tide of the times, you may also want to explain in what way your technology can contribute to achieving the SDGs.

Yokohama has so many and such diverse companies that you are tempted to believe that if all these companies work together, we can serve just about every industry that exists in today's world. On the part of the newly arrived foreign companies too, doing business with the local companies will provide opportunities to get acquainted with new technologies and add a momentum to get localized and settled in Japan quickly. I hope that there will be more opportunities for foreign-affiliated and local companies in Yokohama to work together. Moreover, SMEs should themselves take proactive actions to become better known by foreign-affiliated companies.

Showa Precision Tools Co., Ltd.

Location: 1-4-2, Fukuura, Kanazawa-ku, Yokohama, Japan

Representative: Shigeto Kida

Foundation: January 1954

Business Outline: Conception and manufacturing of precision press dies and precision plastic molds; development, conception, and manufacturing of precision tools, automatic equipment and specialized equipment

URL: <https://www.showa-seiko.co.jp/en/>

*The Company is a certified Yokohama Chizai Mirai Enterprise.