

Achievement Case of a Support Project to Investigate Overseas Expansion for Small and Medium-sized Enterprises

[Project name] Study on plating work requirements regarding expansion into Vietnam

Nissei Metal Plating Co., Ltd.

Company Profile

- **Location:** 1-1-13 Meishincho Amagasaki City
- **Representative:** Representative Director Hidekazu Nakajima
- **Industry:** Electroplating
- **Outline of operations:** Electroplating work (chromium plating, nickel plating, solder plating, tin plating, lead plating, electroless nickel plating, black chromium plating and black oxide finishing)
- **Capital:** 10 million yen
- **Number of employees:** 20
- **URL:** <http://www.nissei-mp.co.jp/>
- **Overseas expansion status and plan:**
First time to expand business to an industrial park in Vietnam



Employees at plant in Vietnam

Business Summary

Since our foundation in 1951, we have been working on consistently pursuing “quality,” “delivery date” and “price.” While facing the fact that it is difficult to provide high-quality products at a reasonable price promptly, we have promoted optimization, technological innovation and business improvements to respond to requirements. In regard to plating work, it is the technical capability of the artisan that supports the basis of producing better products. Over the long history of our company, the technology and know-how, which we have cultivated, have been passed over to the next generation, and further improvements are accumulated day after day. In an effort to transfer our technology, we have promoted the holding of lectures after business hours and standardizing work flows. In addition, we also put our efforts into developing and managing the equipment efficiently by developing our own unique jigs. Limited reviews and other devices can improve the productivity massively. We always exchange information within our company, develop our own jigs, improve the environment and enhance the equipment. By doing so, the equipment environment is promoted on a daily basis and operates efficiently.



Finished aluminum plating

We also enhance the machine test systems in pursuit of product precision. Regarding the electroplating work, we are capable of handling a variety of plating work, mainly rigid chromium plating, nickel chromium plating, solder plating and lead plating. We have been actively working on composite plating and making efforts to develop technical innovations such as wear-proof plating and non-metal plating.

In FY2012, FY2013 and FY2015, our business was accepted for the “Monozukuri Support Service” provided by the National Federation of Small Businesses Association. We processed the shading plate of the camera mounted in mobile phones to a black color and established a technology to improve the image quality of a moving image. In FY2015, we were selected as a company whose growth was anticipated, supported by the Hyogo Economic Development Center.

Efforts to develop new technology have also been promoted, supported by the craftsmanship that we have inherited since our foundation. If there is no challenge, there is no growth.

■ Motivation and Aim for Overseas Expansion

As the scale of the domestic market decreases, we have been worried that we may not be able to continue our business unless we expand overseas in the future. In this situation, we heard that there was drainage equipment in My Phuoc industrial park in Binh Duong, which is located in southern Vietnam. In February 2013, we participated in the Asia Practice Challenge dispatched by the Kobe Asian Business Support Center and visited My Phuoc industrial park. We confirmed and found out that My Phuoc industrial park had drainage equipment but it couldn't be used in a rental factory. Therefore, we gave up on expanding our business in My Phuoc industrial park.

In an ongoing process of collecting information on industrial parks, we participated in a study meeting held by the Kobe Asian Business Support Center in October 2013. In this study meeting, we met people who supported SMEs operating in rental factories and were also supported by the Kansai Monozukuri Network in Long Duc industrial park in Dong Nai Province, which is located in southern Vietnam. They told us that Long Duc industrial park wanted Japanese plating industries to expand their businesses in Long Duc industrial park. Since Long Duc industrial park had a drainage treatment plant, it was an important candidate for us.

In 2014, the Hyogo Business Management Society, where Hyogo Economic Development Center had their administration, arranged the opportunity for Hyogo Overseas Business Center to visit us, and we received their proposal to conduct a support project to investigate overseas expansion for small and medium-sized enterprises. After deciding on our expansion to Vietnam, we thought about conducting an investigation on the local plating requirements and the manufacturers of plating equipment. We applied for this business in June and were accepted.



Long Duc industrial park
Main entrance of the rental factory

■ Objective, Details and Business Results

In July 2014, we went to the industrial park and examined the plating requirements in Vietnam. The result proved that there was only one Japanese plating company in the local area even though plating was in demand and this company had no choice but to refuse orders because it had too many orders to handle. Therefore, we concluded that we would be able to receive a sufficient amount of orders if we moved into this industrial park. It also became clear that nickel plating, chromium plating and anodized aluminum plating were in demand.

In addition, we found a local company which managed the equipment, chemicals and materials related to plating which we could trust to supply equipment and materials.

In February 2015, we participated in the Vietnam, Cambodia Business Mission which was dispatched by the Kobe Asian Business Support Center, a member of Kobe International Business Square, and received information regarding the issues and considerations involved in moving into a rental factory. Conclusively, we decided to move into the rental factory and started the necessary procedures. The Support Vietnam, a liaison organization for companies invited to Long Duc industrial park, helped us move into the rental factory.



In a position to start the plating work

In July 2015, we received a license from Dong Nai Province and then started to install machinery and equipment, and recruit workers. There was a drainage treatment plant in Long Duc industrial park. However, we needed to install drainage equipment in the rental factory to double the level of safety. We ordered the drainage appliance from a Japanese enterprise and the plating equipment from a local enterprise. Specifications of the drainage equipment was fixed within six months. On the other hand, it took time to fix the specifications of the plating equipment because it was difficult to communicate with the local enterprise. It was June 2016 when we finally fixed the specifications for both the drainage and the plating, and started construction. We installed the machinery in July and started test operations in August. We plan to be fully operational in October.

We currently have one Japanese employee and three Vietnamese employees. Two of the three employees were introduced by The Support and one employee was introduced as an engineer by a recruitment agency in Vietnam. We also have two trainees in Japan and will train them to become core human resources in case we receive more orders in the future.

■ Future Prospects

First, we will certainly increase the volume of business we do with Japanese enterprises in Long Duc industrial park, then expand our business to neighboring industrial parks. In addition to Japanese enterprises, we are also willing to expand our customers to include local enterprises in Vietnam.

For the time being, we asked The Support to introduce us to manufacturers in Long Duc industrial park and we receive their orders. However, in order to identify new customers, it will be necessary to participate in exhibitions in Vietnam and make our company better known.



Zinc plating line

■ From Overseas Expansion Promotion Staff (Hideo Kawakami)

Even though Long Duc industrial park made a request to expand business there, it still required an enormous effort to launch the plating factory in Vietnam because of the strict drainage regulations. President Nakashima actively participated in our center's seminars and missions and worked to solve the issues from a variety of viewpoints.

Our center will be able to provide further information such as business matching to identify new customers. We will continuously support their business.