

## **Suruga Production Platform Wins the Japan Management Association's GOOD FACTORY Award**

The Award for Innovations to Manufacturing Processes category recognizes comprehensive improvements and strengthening of manufacturing processes

Suruga Production Platform Co., Ltd., a subsidiary of MISUMI Group Inc., was awarded the 2014 GOOD FACTORY Award for Innovations to Manufacturing Processes by the Japan Management Association.

The GOOD FACTORY Award was established by the Japan Management Association (JMA) in 2011 to recognize excellent manufacturing sites for their accumulated successes in improving and innovating production functions in Japan, China and the rest of Asia. In its fourth year since inauguration, JMA announced this year's winners on July 31. Past award recipients include excellent manufacturing plants and business offices operated by major automotive and electronics manufacturers that are household names in Japan.



Shimizu Factory (Head Office Factory), SURUGA Production Platform Co., Ltd.

Since its foundation in 1963, the MISUMI Group has operated as a trading company, leveraging catalogs to sell precision mechanical components. In 2005, MISUMI acquired SURUGA SEIKI Co., Ltd., which at the time was listed on the Second Section of the Tokyo Stock Exchange. MISUMI thus pivoted toward a manufacturing business model to fully deploy its business overseas. By bringing manufacturing capabilities in-house, MISUMI could deploy its business overseas and drive innovations to manufacturing activities. To that end, MISUMI and Suruga Production Platform pursued integrated efforts aimed at making improvements to MISUMI manufacturing processes.

We are honored to receive the GOOD FACTORY Award as recognition by knowledgeable experts in the field of manufacturing of our accomplishments in innovating manufacturing processes.

## **Activities Aimed at Innovating Manufacturing Processes at SURUGA Production Platform**

We have established the MISUMI Production System (MPS)--the result of manufacturing process innovations conducted at the Shimizu Head Office Factory in Shizuoka Prefecture as the mother plant. We deploy the MPS with an aim to integrate concepts, methodologies, personnel development and management systems related to manufacturing across production sites both inside and outside Japan. Specifically, that entails the following activities.

1. Establish the MPS concept: Achieve a stable supply regime that delivers on short lead times with reliability despite a great deal of **variation in the quantities and product types**\* in orders received.
2. Establish MPS improvement techniques: Establish specific techniques for innovating manufacturing processes.
3. Personnel development: Create frameworks for cultivating leadership talent.
4. Management systems: Create frameworks for promoting continuous improvement.
5. Model deployment: Roll out an integrated production system established at the Shimizu Factory to manufacturing sites both inside and outside Japan.

\*Customers may select from countless types of products and specify their unique dimensions requirements—all with no minimum order quantity. This tremendous scope of variation dwarfs the variety practiced by small-lot, multiple-model production regimes commonly known as flexible manufacturing systems.

## **Reasons for the Recognition**

In being awarded the GOOD FACTORY Award, the MISUMI Group was recognized for the following accomplishments.

1. Strong leadership: Leadership that has pursued reforms at work sites through sustained investment of time, money and personnel.
2. Active efforts aimed at improvements: Improvements to processes by supervisors and staff at the work site working primarily in small teams.
3. Global deployment: Global deployment of process improvements, as well as a desire to learn from overseas plants.

Additionally, the review opinion cited as its rationale the difficulty of reforms accomplished in going from large-lot production, to piece-by-piece production on short delivery times and finally to a production regime capable of delivering on short lead-times despite a great variety of quantities and product types in the orders received.

A total of five companies were given the 2014 GOOD FACTORY Award. MISUMI was presented the Award for Innovations to Manufacturing Processes category. Three companies received the Award for Factory Management. And one company received the Award for Contributions to Manufacturing Personnel Development.

## **Background Leading Up to the Award**

This award recognizes MISUMI's innovations of manufacturing processes achieving a stable supply regime capable of delivering reliably on short lead times despite having no advance notice of when, how many and what type of product the customer will order. Although the model offers the customer tremendous convenience, it creates an extremely trying environment for the manufacturing plant, making it nearly impossible to forecast orders.

The successes in innovating manufacturing processes were made possible by: 1) establishing procedures and methodologies for improving work processes; and 2) leveraging IT in production management and support systems. The first item entailed giving the workplace the autonomy to pursue improvements independently. This was made possible by providing work sites with clarity on the mechanisms involved in improving production systems and established systemic procedures and methodologies for driving improvements. The second item entailed globally unifying production management systems and automating support systems for each step in the production process. We consider the award to be recognition of the accomplishments described above as well as our constant desire to continue to make improvements.

We at the MISUMI Group accept this award as encouragement to continue to drive innovations to manufacturing processes with the aim of establishing a stable supply regime capable of delivering reliably on short lead times in response to orders that vary tremendously in terms of quantity and product type.

## **An Overview of SURUGA Production Platform Co., Ltd.**

Business description:	Manufacture of factory automation products, precision die tools and optical equipment & components.
Establishment:	May 8, 1964
Number of employees:	3,333 (as of the end of March 2014)
Location:	505, Nanatsushinya, Shimizu-ku, Shizuoka City, Shizuoka Prefecture
Representative:	Michiaki Okamoto, Representative Director and President

### **Please direct any inquiries to:**

Investor Relations and Public Relations, Administration Department, MISUMI Group Inc.

Tel: +81 (0)3-5805-7050 E-mail: [cc@misumi.co.jp](mailto:cc@misumi.co.jp)