



Jern Yao's 12,560 sqm New Factory Inaugurated

Massive Investment to Build "Self-use Parts" Processing Plant

Jern Yao Enterprises, one of the world's largest manufacturers of mid-to-high-end screw, nut, and part formers, with cumulative global sales nearing 5,000 units, officially inaugurated its self-use parts processing plant in Rende (Tainan) at the end of 2024. Unlike the original Plant 1, handling assembly, outsourcing, quality assurance, warehousing, and maintenance, the primary mission of Jern Yao's 2nd new plant will be to "increase the percentage of self-use parts production" and "enhance the precision, speed, and stability of machined parts."



Nearly 50 Five-face and Advanced Milling Machines Now Operational, Securing Its Lead in High-Precision Product Manufacturing

The 12,560 sqm second plant dedicated to producing self-use parts represents a significant endeavor that sets Jern Yao apart from its competitors in the former manufacturing industry. The percentage of Jern Yao's self-use parts production was previously ~30%, primarily consisting of small-batch custom orders. Considering the challenges such as emerging succession gaps among partner factories, equipment upgrades, and parts lead times increasingly failing to meet the industry's stricter demands, coupled with the company's own desire to accelerate production schedules and enhance finished product precision, Jern Yao made a substantial investment in introducing 45 advanced and 4 five-face milling machines. This initiative aims to rapidly elevate Jern Yao's product precision and manufacturing capacity to a level unmatched by competitors within a short timeframe. At a time when an increasing number of former manufacturers are heard to directly source cheap yet questionable-quality parts from China and have them assembled in Taiwan to "wash the origin" for cost reduction, Jern Yao not only refuses to follow suit by steadfastly rejecting Chinese raw materials and parts that fail to meet its high-standard quality requirements, but also invests heavily in acquiring dozens of advanced milling machines to enhance its self-use parts production capabilities, demonstrating Jern Yao's unwavering commitment in recent years to actively frame itself as the world's premier former brand and solidify its position as the global leader.

"Currently, few Taiwanese former manufacturers possess five-face milling machines. Unlike traditional CNC machines, the advantage of five-face machines lies in eliminating the need to flip workpieces, significantly boosting machining capacity. It can operate with only a single setup, reducing human-made errors while enabling us to execute more complex designs and achieve higher precision levels. To ensure precision for both tooling and workpieces, we even maintain our plant air conditioning at a constant 28°C. With the introduction of five-face milling machines, we now have the opportunity to further increase our core part self-sufficiency ratio to a 5:5 split," stated President Alec Tsai.

Jern Yao currently offers machine models ranging from 2-die to 8-die configurations. To meet customer demands for automated processing speed and efficiency, it actively integrates AI into product design (e.g., machine troubleshooting functions). It also recalibrates existing models (e.g., increasing their production from 240 pcs of M8 screws per min. to 300pcs) and accelerates die change efficiency through external adjustment of male/female dies. These measures comprehensively address increasingly stringent customer requirements for precision, speed, and stability.

"Price cutting represents Jern Yao's most significant challenge at present. However, the superior performance, the capability to produce more precise products, and the stability of our machines remain unmatched by competitors. Moving forward, we will strive to gain greater customer recognition by reducing unnecessary costs in the manufacturing process, ensuring smoother production line operations, and shortening lead times, in order to pave the way for Jern Yao's next era of successes," added President Tsai.

New Plant Welcomes President Alec Tsai to Office; Jern Yao Ready to Sail with New Management

Jern Yao, which has dominated the industry for 32 years with its exceptional high-





back simply because someone is a supervisor. He believes that eliminating the hierarchical distance that inhibits openness will enable smoother progress across all company operations.

President Tsai stated: "I aspire to build Jern Yao into a company where employees are genuinely motivated to work hard and even feel a sense of belonging, like it's their home. Traditional industries in central and southern Taiwan often adopt a management style where criticism comes first when things go wrong. I strongly dislike this leadership approach because over time, employees become passive. They hesitate to raise issues or offer

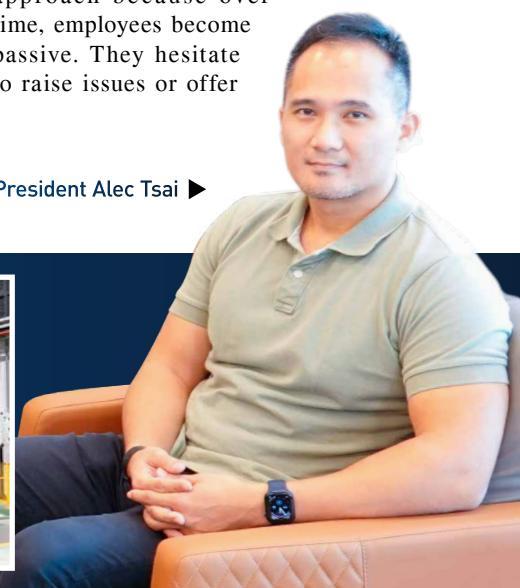
President Alec Tsai ▶



▲ Five-face milling machines



▲ The largest five-face milling machine in the plant



performance machines, welcomed new leadership in July 2024 as Alec Tsai formally took over the helm from former President Ted Tsai. His first initiative was a sweeping overhaul of Jern Yao's corporate culture, aiming to introduce Western management philosophies emphasizing "frank communication and treating managers as partners." While the initial implementation proved challenging, the shift in corporate atmosphere is evident today. When employees now feel comfortable addressing President Tsai directly as "Alec," it signals a departure from the previous era where management dictated every detail.

Before assuming the role of President, Alec had served at Jern Yao for over a decade, gaining deep familiarity with all departments. His years of study, work, and life in the US and Canada also instilled in him a strong emphasis on fostering open communication between employees and management holding different viewpoints. Therefore, **in his first year in office, he vigorously promoted reforms in the company's internal management culture. He hopes to eliminate the corporate atmosphere of the older generation that overly emphasizes hierarchical systems, allowing Western management thinking that encourages bold expression of opinions and mutual growth and progress to further take root in all departments.** President Tsai believes: "The invisible distance between employees and supervisors hinders corporate growth and progress. This barrier prevents employees from promptly voicing concerns or suggestions, resulting in valuable input failing to reach management and issues not being resolved through timely team brainstorming."

To bridge the gap with employees, President Tsai himself frequently addresses staff and managers by their first names in a friendly manner at the company. He actively encourages them to speak up whenever issues arise, emphasizing that even urgent matters can be brought directly to him for discussion—there's no need to hold

constructive suggestions, fearing they might be held accountable for any shortcomings. Instead, I prefer a collaborative approach where we sit down together to discuss problems and find solutions, encouraging everyone to voice ideas that benefit the company's future development."

Corporate culture and employees determine a company's future trajectory. To strengthen employees' sense of identification and belonging with the company, President Tsai has actively promoted knowledge transfer and technical training across departments. His goal is to equip the company team with more robust capabilities to tackle future market challenges. Under his leadership philosophy that "new equipment demands new ways of thinking," Jern Yao stands ready to secure a decisive victory for the next 30 years. □

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