



Logicom Holdings

BESPOKE INTERNATIONAL LOGISTICS SERVICES

For global businesses expanding into Asia-Pacific (APAC), Japan's exceptional trade infrastructure and extensive catalogue of free trade agreements (FTAs) make it the ideal choice. From Kansai International Airport, located in Osaka, businesses can easily access major Asian markets, including Seoul in under two hours and Shanghai in under three. Japan's FTAs also cover key markets like the USA and the EU, and the country is the world's fifth-largest exporter and the fourth-largest importer of goods, according to the World Bank, with foreign trade accounting for 37% of its GDP.

Boasting automotive giants like Toyota and Honda, Japan is currently the world's third-largest producer of cars. Behind the scenes, Japanese carmakers are supported by an army of world-class logistics providers who work tirelessly to ensure the entire supply chain runs like clockwork. In FY22, sales across Japan's logistics industry totalled a staggering JPY 24.6 trillion, according to Statista, with most business conducted via truck transportation and coastwise shipping.

Drawing on 65 years of experience in the logistics industry, Logicom Holdings is the trusted logistics firm of Japan's top automobile manufacturers, enjoying strong relationships with the likes of Toyota, Suzuki, Honda, Mitsubishi, and Nissan.

Logicom's ability to consistently deliver a superior service to its customers has cemented its reputation in a fiercely competitive industry, enabling it to rise through the ranks and carve out a niche for itself. "We bridge the gap between parts manufacturers and automakers," says Logicom's president, Masato Oue. "We're primarily a logistics and warehousing company, but specialising in automotive parts. We deliver a range of components, from tyres and wheels to steering, windows, and headlights - essentially everything a car requires."

The lifeblood of Logicom's business is its unique transportation system. Oue says Logicom can have up to 600 truck drivers on the roads on any given day, but where the company truly excels is through its use of fine-tuned distribution models. One example is cross-docking, where goods are sorted upon reception and then immediately loaded onto outgoing trucks - removing the need to store goods in warehouses for long periods. Logicom also utilises the milk-run logistics model - instead of sending an individual truck, it transports mixed loads and visits multiple customers on a single run. Both methods enable efficient just-in-time (JIT) delivery to customers, and the company even goes one step further in offering to pick up products and deliver on a Door-to-Door (D2D) basis.

To coordinate everything, Logicom relies on a highly sophisticated Warehouse Management System (WMS), which encompasses the entire process from receiving goods to transportation, warehouse storage, distribution, processing, and finally, delivery. Logicom developed its WMS as early as 1976, and today, it forms an integral part of the company's bespoke logistics service. Through its WMS, Logicom



Masato Oue
CEO

can offer its customers unrivalled customisation options, including sequential delivery matched to their production chain, perfected with real-time demand forecasting and live inventory data.

Constantly seeking new ways to add value to its customers' businesses, Logicom prides itself on being much more than just a logistics provider. "We always strive to go beyond traditional logistics, offering superior solutions that exceed our customers' expectations," says Oue. For example, since 1965, Logicom has manufactured its own automobile parts, offering customers unrivalled customisation and flexibility. From high-precision prototypes based on customer drawings to secure delivery of the finished goods, Logicom takes control of the whole process. The company's capabilities even extend to assembling and performing in-depth quality control on all parts before delivery.

With such a diverse skill set, Logicom has forged an enviable financial position over recent years. "We recovered quickly from the COVID-19 pandemic, and in the final half of our last fiscal year, we registered our highest-ever sales and profit figures," explains Oue. "We're continuing to increase our market share and anticipate a strong performance this fiscal year, with sales forecast to reach JPY 33 billion. In comparison, our pre-COVID turnover was roughly JPY 25 billion."

As Logicom pilots its course towards future success, the company aims to channel new growth through its international business. So far, Logicom has established local subsidiaries in China, Thailand, India, and Indonesia, with capabilities for D2D worldwide shipping backed by a wealth of experience in international air and ocean freight shipping. Plus, as an AEO-certified customs broker, Logicom ensures its customers have access to the best routes and the fastest delivery times.

Logicom also provides an invaluable service to foreign firms looking to do business in Japan, something Oue is keen to expand through joint ventures. "We can handle all the administrative aspects and inventory management. Currently, we're doing this with a Chinese company, importing wheels from China and then selling them to Japanese carmakers in Thailand." Logicom has also agreed to form a joint venture with the same Chinese company and will begin working together this year in Mexico.

To celebrate its 65 years anniversary this year, Logicom remains guided by the same core values that proved foundational to its success, a business philosophy embodied in its motto, 'Trust and Contribution.' Chosen to represent the company's overarching vision, Logicom's motto is also synonymous with the unwavering care and attention Japanese firms of all stripes offer their customers. Whether at home or overseas, companies like Logicom define what it means to do business the Japanese way.

