

KCE20 – KITZ Corporation of Europe celebrates 20 years

This year is kind of a double anniversary for the Japanese valve manufacturer KITZ Corporation. On the one hand the Japanese HQ celebrates its 60th anniversary and at the same time KITZ Corporation Europe (KCE) celebrates its 20th anniversary since joining KITZ. If that is not a reason for a cover story then what is? So, Valve World was invited to the KCE HQ in Barcelona, Spain where we sat down with Mr Toshiaki Natori, Director KITZ Corporation, Mrs Maria-Luisa Ribas Steegmann, Managing Director KITZ Corporation of Europe, Mr Hirofumi Fujihara, Chairman KITZ Corporation of America, and Mr Yasunori Sugita, Engineering Director KITZ Corporation of Europe, and talked to them about the KCE anniversary, the latest product development, the roles of KITZ Corporation and its global offices and what can be expected next.

By Christian Borrmann

When KITZ started producing bronze valves in 1951, their main focus was mainly on the Japanese market. However, if one looks at the company today, KITZ has become an important global player in the valve industry, with offices and representatives all over the world. "In 1952, a year after we started producing, our Nagasaka plant received the JIS certification for its bronze valves and started to sell in the Japanese market. In 1960, we started using a

high-performance automated production system and in 1962, production of brass forged valves using a hot forging press began. In Japan we were the first company to do this," says Mr Natori with pride, and he continues: "At that time, KITZ was selling both bronze and brass valves and this was also the year when the company name was changed to Kitazawa Valve Co., Ltd and in 1965, KITZ became a registered trade mark." In the following years, the company expanded their production ranges with ductile cast iron valves and stainless steel valves in 1967 and in 1968 and 1969

butterfly valves and cast gray iron valves, respectively. In 1973, operations were started up in a second plant, Ina, and only a year later, the first range of cast steel valves was being sold. Mr Natori continues: "The next important steps for our company were the opening of three new offices KITZ Corporation of America, in 1984, KITZ Corporation of Taiwan, in 1985, and KITZ Thailand, in 1988, and obtaining ISO 9001 quality management system certification in 1989, which now all KITZ subsidiaries have." In 1991, KITZ bought ISO S.A. of Spain, which is now known as KITZ Corporation of Europe S.A., to establish a manufacturing and sales base in Europe. At the end of the decade KITZ gained ISO 14001 approval for its Nagasaka plant, followed by the Ina plant in 2000 – today all of the company's factories have this approval or are in the process of obtaining it. Between 2000 and 2010, KITZ acquired several other companies, such as Toyo Valves in 2004, and Perrin in 2009.

KITZ around the world

Mr Natori: "The acquisitions and our extensive product ranges have made us a member of the Top Ten of valve companies. With our long-term business plan "KITZ Global Vision 2020" we

are aiming to be one of the top three companies by the year 2020. Our target is 2.3 billion Euro net sales, 270 million Euros increased income. Our sales are mainly domestic now but we are driving a shift to overseas with a target of 50/50 domestic and overseas." – "That's why our slogan for KITZ's global vision is focusing on globalization. We want to be a global company," adds Mrs Ribas and Mr Fujihara explains: "Nowadays, our overseas sales rate is 30% and we want to double that." Asked how KITZ wants to achieve this, Mr Sugita answers that they want to reach this goal with "our global vision and also the localization. The general plan is to push into Europe, Asia, America and to have a market area as well as a production area in China and India." Mr Fujihara points out that the "current status is that we control all our overseas companies from Japan, from the headquarters there. Now we are moving towards each location becoming independent on the sales and marketing, quality and production sides in the various markets and various fields – setting up independent regional headquarters, although the overall control and decision making process will be done from the headquarters here in Japan. The reason for this is because we also have to develop

and carry out service suitable for each market as each market has its own rules and requirements. The main aim is to manufacture products suitable to the several local market demands." Mrs Ribas: "The advantage of having these offices and increasing their independence lies in the fact that we can produce where it is best for the market and we are able to handle the market from each regional headquarters but still within the overall company vision."

KCE20

"In 1991, KITZ purchased ISO S.A. of Spain, a ball valves manufacturer since 1954 and well known in Europe and officially set up KITZ Corporation of Europe (KCE). In the past 20 years a lot of things have taken place. For example, Mr Natori started with all the Japanese people that came here and he changed our attitude to working like a Japanese factory. He has been here for five years and introduced the Japanese system. And now we have the two brands, the KITZ brand and ISO brand. However, the ISO brand is mainly for the DIN standard as we used to manufacture in the past, before joining KITZ" says Mrs Ribas and goes on: "Little by little, we started manufacturing some KITZ brand ball valves for the whole group, combined with our production mainly for the European market, but we were also manufacturing for America and Asia. The main intention of KITZ in buying ISO was to set up

a manufacturing plant and to open the doors to Europe. From 1996, we could manufacture KITZ valves but at the same time also sell valves manufactured in other KITZ plants to the European market, for example valves produced in Japan, China and Taiwan. This enabled us to deliver our products faster to where they are needed." In the past, KITZ focused more on commodity valves, however this has changed and now they are aiming to produce more high value valves. Mr Sugita: "We should not try to compete with Chinese manufacturers in terms of cost. Some of our clients went to China to buy cheaper valves but now they are coming back to us because of the quality. Our main aspect is the quality of our valves and on the development of new products. Our competitive advantage is that our prices are still reasonable but at the same time we can give a personal service to our customers and can meet their request to deliver in a short time because we are closer to the customer and we are flexible."

A premiere for KITZ

Usually product development and research for all the various KITZ subsidiaries is done from the Japanese HQ. However, for the first time, a KITZ subsidiary has developed a product for the whole group of KITZ. Mrs Ribas explains proudly: "KITZ in Japan already had cast trunnion ball valves but through our experiences in Europe, we knew that there was a good market for forged



(from left to right) Mr Sugita, Mrs Ribas, Mr Natori and Mr Fujihara explain the details behind KITZ's global developments to Christian Borrmann (far left) at the KCE HQ in Barcelona, Spain.



The warehouse at KCE is well equipped, so that they can react quickly to requests by clients.

trunnion ball valves which was not in the KITZ range of valves before."

"We decided to develop a new valve with the same high KITZ standards. After carrying out many tests on the new product in Japan we are now in production in Spain and are able to supply to the whole world through our various offices," adds Mr Sugita and he continues: "We now have several trunnion ball valve ranges that we can offer to our customers. Here in Europe we manufacture the three piece forged trunnion valve, then there is the two piece valve from Japan, and China. And through the recent acquisition of German manufacturer Perrin, we can also offer engineered trunnion ball valves such as for high temperatures and chemical industries." Asked whether this will strengthen the position of KCE within the KITZ Group, Mrs Ribas answers: "Of course, we know that the forged trunnion ball valve product is available in the market from

many manufacturers but with this new development we took the opportunity to include on the valve the latest innovations and within the group it is the first time that a KITZ branded product has been developed by an affiliated company outside of Japan. Obviously, as KCE has evolved through a previous company (ISO), we have the advantage of being able to utilize the experience of all departments including engineering, sales, purchasing, logistics and quality. Trunnion ball valves are not new to the market, but we have the industrial market, the resources and the products. So, this new trunnion ball valve completes our product range and from now, we will be able to package this with other industrial valves that we already manufacture to reach the whole market."

Mr Sugita explains why and what makes this valve so special. "Well, a trunnion ball valve is almost the same all over

the world. However, I believe we give value in valve torque and valve lifecycle which is necessary for automated valves. Also to completely meet international standards, API or ISO, and to meet the customer's original requirements it's very easy to modify. From a procurement aspect, our trunnion is designed in consideration with productivity and procurement with common components."

And Mr Fujihara adds: "When we developed our trunnion ball valve, we considered its design, performance and also productivity. One thing we paid a lot of attention to is the fact that our products should be easy to maintain for our customers, also for easy maintenance and replacement of parts or to modify at a later date. Especially our smaller valves, ranging from 6 to 8 inches, are very easy to disassemble and maintain so the customers can do this themselves."



KITZ 65th anniversary and KCE25?

Asked what the world can expect from KITZ and KCE over the next years, Mr. Sugita says that "our factory layout is changing a lot. In the future you will see more space devoted to trunnion ball valves and automated valves. Also, we will have some new products based on our trunnion ball valve. For example, larger sizes, for high temperatures, higher pressures, fully welded and for underground."

"We want to continue developing further products. We try to foresee the needs of the customer in changing markets and to

try to find a solution for them. Of course, many of these solutions come in small changes in our design but not all," Mrs Ribas points out.

Mr Natori: "Our plan is that KITZ will have doubled in size over the next five years. Our Indian and Chinese sales and manufacturing will change a lot. China manufacturing plants are only for export at the moment. In the future, they will also manufacture for the Chinese market. Our China sales office must research into the Chinese market to determine what KITZ will need to do. Also in India we must consider some factories and procurement from local companies in India." And Mr



Fujihara adds: "At the moment, almost 70% of our sales and marketing is in Japan. In the future, we want to increase overseas sales and marketing in order to expand even more the KITZ brand." Of course, the company is not only zooming in on these two emerging Asian markets but also keeps America, especially South America, in its focus. It makes sense that the company is also thinking about product development in the Americas, similar to the development that goes on at KCE. "The South American market is very near to Texas, so our KITZ office over there knows about the market, the culture and the customer. In some cases, these customers are controlled from European EPCs. So this makes it easier for us to step in and help out. We can make contact and access from Houston or Spain. We don't have any problems with language, culture and location. This is how we see our business, to make it as easy as possible for our clients, so that they can benefit from having a KITZ office in the region," concludes Mr Fujihara.

Perrin – the latest member to the family

Founded in 1900 and headquartered in Nidderau, Germany near Frankfurt, Perrin manufactures a wide range of metal seated ball valves in sizes 1/2 to 24in and Class 150 to 2500 with temperature ranges from -320F to +1470F. Materials of construction include WCB, titanium, hastelloy, and various stainless and other special alloys. KITZ intends to expand Perrin's sales and marketing globally not only in its traditional HPI markets but also in other markets currently served by Perrin including the iron, steel, aluminum and cement industries, power plants, offshore platforms and LNG. KITZ Corporation in America will be responsible for sales and marketing of Perrin products throughout North and South America.

