



Growth driven by “Creative spirit” from the field

Nihon KOSO Co., Ltd. Chairman Mr. Takashi Ikegaya

Nihon KOSO is a control valve manufacturer with the world's top share in the auto control valve industry, founded in 1965. Nihon KOSO delivers the products to plants such as domestic and foreign electrical power plants. Nihon KOSO employs more than 2,300 employees in 17 countries. Nihon KOSO has 8 manufacturing and sales subsidiaries in the US, China and India and sales subsidiaries in Canada, Saudi Arabia and Czech Republic. In addition, Nihon KOSO has sales offices in other countries, and expands its sales base.

“Creative spirit”

This is the mission that Mr. Takashi Ikegaya, who is a founder and now chairman, set since its foundation 53 years ago. Even now Mr. Ikegaya has no secretary and travels around the country and the world, and is leading KOSO group.

He began work at one of the largest chemical companies, as he intended to make good use of his expertise acquired at university. He devoted himself to development and manufacturing of valves designed for high-pressure and high-temperature usage beyond the scope of his ordinary work with his ingenuity during his tenure at that company. At that time, it was difficult even for the US that led the valve technology to manufacture such products.

He determined to create his own business after worked for 10 years, as he intended to manufacture products at his own disposal, and there is a possibility to become the top in the special field“.

Nihon KOSO was based in Toda, Saitama at the time of foundation. In Kawaguchi-city near Toda, small to medium-sized enterprises that are engaged in manufacturing related business such as machinery, processing, inspection and measurement are concentrated. Even if a company that did not have its own factory gave drawings to other company, it manufactured products based on the drawings. It was very good environment. However, when he considered future outlook for his business, he had a sense of crisis and thought he needed to change direction toward products that is more high value added and can not be imitated by other companies.

Since then, Mr. Ikegaya has been mainly developed the products such as actuators that move valves automatically and valve positioners that control the actuators. He had succeeded in development of positioners by the mid1970s with his passion toward manufacturing and high level of technology. The positioners were not inferior to the products manufactured in the US. When he supplied the third largest manufacturer based in the US with the samples of the product, that company requested OEM supply. Mr. Ikegaya started a move to build a factory. At that time, due to total volume control for bank loans, one bank only could provide loans within the limit of authority of the branch manager. Mr. Ikegaya asked for loans not only to Shikin banks in Saitama, where the company's head office is located, but also to Shinkin banks in Tokyo. As a result, he raised funds from 11 financial institutions. The Fukushima factory, which was constructed with such fund, was a state-of-the-art factory at that time, and visitors came from Tokyo and Tohoku. The machinery that Mr. Ikegaya introduced and modified is still working.

Founded in : 1965

Generation of the management: First and second generation

Annual sales (2018) JPY47 billion

Number of employees: More than 2,300 (group consolidated)

Business type : Production and marketing of equipment is the field of instrumentation

Growth driven by “Creative Spirit” from the field (continued)

The OEM supply lasted for 10 and half years, which greatly contributed to establishment of base of the company. In response to such situation, Nihon KOSO entered into the US market in the 1970s and promoted global expansion actively.

In the mid 1980s, a Japan-China exchange event was held to promote technological transfer led by the government. As a result of this event, a factory of control valve in Wuxi, China had intention of alliance with Nihon KOSO, and concluded licensing agreement, and subsequently established a joint venture plant. The business in China got on the right track and now the business accounts for approximately 30% of consolidated sales of the company. He was granted title of honorary citizen by Wuxi city in recognition of his great achievement.

In the 1990s, Nihon KOSO acquired Heruts Electronics Corporation that has high quality wireless technology. It makes a strong showing of development of IoT related products in process automation. Since then, Nihon KOSO has actively been involved in M&As.

In early 2000, Nihon KOSO built a factory in India, and in mid 2000, acquired foreign companies. In addition, in 2010, Nihon KOSO took measures for stock for future succession. In 2015, when 50 years have passed since foundation, Mr. Ikegaya, 86, relinquished his title as the president to his son.

Nihon KOSO has responded to changes in business environment at each juncture, fifth year or tenth year, and transformed itself according to these changes. The company creed is ensuring of quality, improving technology and inventive and effort.

“If you manufacture products, go to the field. You need to work at the field”, says Mr. Ikegaya. He has pursued this since its foundation. Creativity is absolutely needed at the field. “Improve with your experience and knowledge. That is creativity spirit”, says Mr. Ikegaya. Even now Mr. Ikegaya calls himself as old man of small factory. This is the basis of the company. At the field, ingenuity is always required. This is embedded in corporate culture.

When his business expanded globally, Mr. Ikegaya always says, “Field is important for manufacturing”, and appeals for an importance of manufacturing. He went to the field to give instruction about technology and quality control, and had staff from local offices come to Japan to hold training. There is no Japanese located in overseas offices, and the company delegates responsibilities to local offices. From this fact, one can easily imagine how Mr. Ikegaya has had face-to-face communication with local offices and built trust.

We always put customer first. As I am an engineer, I have valued building trust relations with customers. We often learn from customers, who actually use our products”, says Mr. Ikegaya. Customer first principle can be seen from the fact that sales office is called CSS (Customer Satisfaction Center).

“We also value business partners. Without cooperation from business partners, we cannot operate our business. Furthermore, my employees are teachers for me.”

Mr. Ikegaya has a passion for development of human resources who bear the future of the company, saying “I intend to provide employees with opportunities. With presenting our company’s direction as a manager, I will develop human resources with understanding of their characteristics”. As he values customers, business partners and employees, the company has achieved a steady growth.

Mr. Ikegaya’s vision is clear. His first vision is approach to the Southeast Asian market, which has potential of further growth, as the company has been actively engaged in overseas development. To promote business in this market, management talent of the president who succeeded to the business is expected.

The second vision is development of new products in the next generation. Two years ago, the company established Actuator Innovation Center on the first floor of the building of the head office. Last January, the company launched sales of sensor products utilizing IoT. Sales of this product have steadily grown. In addition, the company set new development space on the second floor where employees are engaged in trial manufacturing of products in the next generation with a view to utilization of AI technology. The company has advanced production systems with automated lines and unmanned transport systems. The company has a plan for smart factory utilizing AI in the near future.

Mr. Ikegaya has set an opportunity to hold discussion of the future direction with the president who is not a technician and technical staff at the Fukuoka factory. The expectation for the president is further increased.

The Company has attained growth globally with Mr. Ikegaya’s great leadership, foresight and flexible response to changes. The creative spirit, a driver of value of manufacturing, which is the spirit since its foundation, is succeeded by the president, a son of Mr. Takashi Ikegaya, and to the future generations. This will lead to persistent survival of family business and contribution to the society. His sheepish smiling face shows his determination.
