

# Katolec expands business into ASEAN with logitronics, which equals logistics + electronics

Katolec Corp. has a history of more than 130 years since its founding as a company transporting goods by ship in 1877. Also, the company is an early entrant of EMS, or electronics manufacturing service, which is to manufacture products of other companies' brands. Katolec has factories and sales offices in many ASEAN countries. Its distinct feature is "logitronics," combining logistics and electronics.

## Entry into electronics business and expansion

The root of Katolec Corp. is the marine logistics business it started in Takamatsu, Kagawa Prefecture, in 1877. After World War II, the company entered overland logistics and established its status in the logistics industry.

Currently, Katolec is also known as an EMS company. Katolec is a unique company that has transformed its main business as times change and successfully expanded.

So why did Katolec, a comprehensive logistics company that deals with warehousing, transportation, third-party logistics and fine art logistics, start EMS?

The answer dates back to around 1980 when a major electronics maker tried to increase production rapidly and Katolec received an order to assemble electronic components for it.

In 1993, the company opened a factory in Indonesia, its first overseas plant. It received lots of orders to assemble printed-circuit boards from many Japanese electronics makers.

Katolec then built factories in Thailand, the Philippines, Vietnam and Malaysia. Now it has eight factories overseas, including in China and Mexico.

The EMS business accounts for 70 percent of Katolec group's sales. It is one of the most prestigious EMS companies in Japan in the fields of consumer electronics, audiovisual electronics, information

and communications equipment, medical equipment and electronic car parts.

The motto of Katolec is the emphasis on real venues of business. Its excellence is backed by a long and distinguished history, and profound knowledge. These are the reasons why Katolec enjoys praise from customers as an excellent company in logistics and EMS.

## ASEAN expansion

Katolec provides services from storage, assembling and other simple processing of goods on logistics and delivery. Similarly, it is engaged in designing, procuring, mass-producing and delivering products to customers.

In addition, Katolec is trying to promote a new business, logitronics, combining logistics and electronics.

"Logistics and manufacturing may look like two different things. But they are on a seamless flow. Our company has know-how on both. We are a manufacturer that understands logistics and a logistics company that understands manufacturing. We want to focus on this feature and distinguish ourselves from our rivals," President Eisuke Kato said.

The company joined The NPS Management Institute, Inc., a group of 40 companies that try to improve their management using Toyota Motor Corp.'s manufacturing method, and is strongly promoting activity to improve productivity in EMS and logistics.

Katolec has very strong connections



Katolec Corp. CEO  
**Eisuke Kato**

with ASEAN. Of the 7,000 group employees, 4,000 are working in ASEAN countries. It created overseas logistics subsidiaries in Thailand and Hong Kong, and is planning to establish more in the ASEAN region.

"Japan is facing a declining population and it is difficult to expand the domestic market now. Therefore, Japan should partner with ASEAN, which is both a production center and a market, and grow together," Kato said.