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Quality Policy of Kanefusa Products

Mr. M. Ota – Senior Managing Director

Kanefusa's principal quality policy is "Supply the highest quality product to customers and earn their trust and satisfaction." Our company philosophy also states "Providing trusted technology and service with customers' viewpoints". It is true that we still have many challenges to be overcome but as Chief Quality Officer, I manage our factories with a belief that **Kanefusa** will never lose quality games with competitors. Last year, Toyota's vehicles recalled mainly in USA because of the safety issues and it tarnished Toyota's highest quality image.

People say that there're some reasons for this troubles but the major reason seems to be that their response to claims was too slow. In fact, this triggered a sort of bad chain reactions for the product "Made in Japan". However, a strong point of Japanese manufacturers is learning from a mistake and uses it for improvement. As one of the Japanese manufacturers, it is a good time that **Kanefusa** reconstruct their quality and safety system again.

First is the challenge for higher accuracy. In 2009, we have constructed a second plant mainly for the high accurate Diamond reamer and tools, where the room temperature is strictly controlled. Also, we expanded the temperature-controlled room for

grinding operations of the high accurate knives. Redefining and raising some quality standard forces us to take more time and cost for the process. However, our most important focus is on quality and that's why we could make the decision for this review. From now on - according to the customer's requirements for high accuracy - we will continuously plan to replace older machines with high quality equipment.

Second, for zero defective products, we encourage Quality Control activities, 5S management, 5 elements for ideal working environment management and standardized the manufacturing process. Moreover, we enforce the quality checking system and inspection in all lines for stable qualities.

A lot of our workers have skill certificates by the government organization and they are wonderful in their workmanship. As a professional, we keep the pledge of "not to receive, not to make and not to pass any defective products in production lines".

The third point is reviewing our system for reacting to claims. It should be judged based on the point of a "customer first" view and should result in a speedy reaction. Our quality-control system is reviewed for sharing information concerning customer sat-

isfaction measurement and a system for feed it back to the production line.

As a global company, it is also essential to ensure the same quality of its head office at off shore manufacturing sites such as P.T. **Kanefusa** Indonesia in Indonesia and, Kunshan **Kanefusa** in China. Regularly, a quality audit is conducted by the head office and it promises the standardized operation and materials across the **Kanefusa** network.

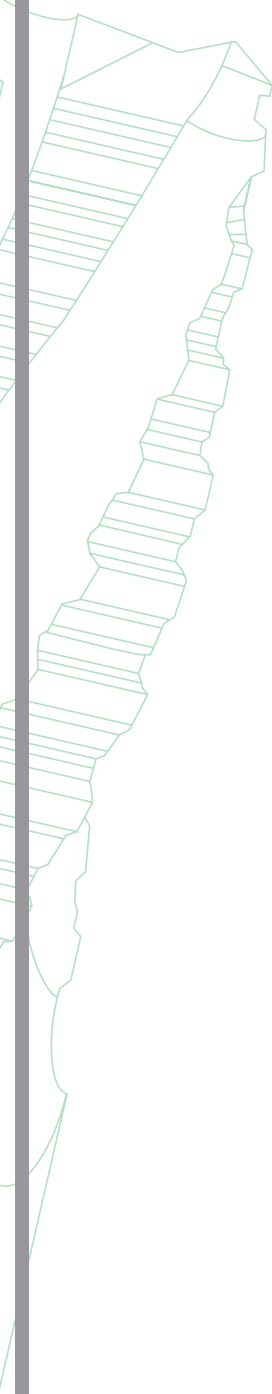
Additionally, the establishment of a global procurement network of high quality materials is required. Materials will be procured from all over the world even more in the future. However, low cost material without quality doesn't mean anything for us. Even it takes time and lots of effort, all of our products will be surely manufactured only by **Kanefusa's** approved material.

And the last thing is keeping the competitiveness of the product. We believe that our technology exceeds that of the competitors in technical strength and will keep ourselves ahead of others.

As a real global company, **Kanefusa** will make these efforts for the customers' satisfaction and trust.

↓↓ New Industries for the Metalworking Market in North America

Mr. H. Onishi – General Manager, Kanefusa USA, Inc.



The North American metalworking market has been gradually recovering from the recession since the 4th quarter in 2009 and is now starting to be brisk again. Especially the recovery of the automotive industry is remarkable. However, we have to remember again that we bothered ourselves about the terrible situation of this automotive field in the recent past. On the other hand, it can be said that this annoying experience affected us in a positive way. Looking back on it, we are now trying to take an action for what we call "risk-hedge marketing". That is to say, we will avoid our extreme concentration on the automotive industry and try to extend our business to other metal working industries such as oil, agriculture, construction, aero-space, munitions etc.

TAKING THIS OPPORTUNITY TO WRITE THIS NEWSLETTER, WE WOULD LIKE TO SHOW YOU THE RECENT SUCCESSFUL RESULTS AS FOLLOWS:

1. Extending into the agricultural industry

We found out the potential of cold saw blades at the forging company who makes gears for a power cultivator (tractor) for agriculture. The material size is the round corner square bar of 4.5" x 4.5" to 6.0" x 6.0" (= 114.3 x 114.3 mm to 152.4 x 152.4 mm) and the material grade is a low or medium carbon steel. This end user has been using the local-made conventional cold saw blade (re-sharpenable type) by 2 units of the local-made old style saw machine.

So we suggested that 1 unit of **Nishijimax NHC-230NB** with our **FM Cold Saw Blade** (single use type, 750mm diameter blade) can - without doubt - replace these 2 old style saw machines due to much faster cycle-times, because of faster cutting parameters such as chip load and rpm. Additionally, the user does not have to pay attention to the blade condition for re-sharpening. In other words, the downtime will be reduced remarkably because our single use blade can be used until it is finished regardless the blade condition. Eventually this end user adopted our suggestion.

2. Deeply extending to the oil industry

We also found out that there is demand for cold saw blades at the oil pipe manufacturer who

makes a pipe coupler. This user is cutting several sizes of pipe with heavy wall. One of the large material sizes is the round pipe with a diameter of 10.750" with 0.830" wall thickness (= diameter 273.1mm with 21.1mm wall thickness). The material grade is low or high carbon steel. This end user has been using our FM Cold Saw blade for cutting a small pipe but has been using the conventional band saw machine for cutting a large pipe like the above one. So we suggested that 1 unit of **Nishijimax NHC-280NB** with our **Cold Saw Blade** (re-sharpenable type, 910mm diameter blade) can replace several units of band saw machines because of much faster cycle-times. This suggestion lived up to their current expectation during the busy time of economy recovering.

Unlike the automotive industry mostly using blade diameters of 250-460 mm, the above agriculture and oil industry uses a larger blade as you noticed. That is to say, the material size is much larger in the above cases than in the automotive industry. Automatically the larger machine and blade are required for these industries. Of course, we cannot say that everything in our suggestion is working well right now.

There is a new issue we are faced with. A bent large material sometimes tends to cause the short blade life by pinching a blade on both sides tightly. So in cooperation with each end user we are working on this issue in terms of both mechanical and blade spec modification. This is our style that we keep on searching until the customer is fully satisfied.

Anyway, this larger material-cutting market is regarded as a new potential for us to develop in the North American market. We were assured of it at the last "Forge Fair 2010" that was held in Cincinnati, Ohio, USA on April 20-22 this year. It is about time many forging companies decide to replace the conventional cold saw machine or band saw machine by a new type of cold machine with our cold saw blade that will enable better productivity. So we would like to place this development of the larger machine & blade market as one of the main themes at the coming "IMTS 2010" that will be held in Chicago, USA on September 13-18 this year. We are looking forward to seeing potential customers for this potential market then.

↓↓ Sales Office Integration Into One Source

Mr. H. Kanou – General Manager, Kanefusa Europe

Kanefusa Europe integrated the closed German sales office in Kaufbeuren (March 2010) into the new operation site in Eindhoven, Holland started from April 2010. As officially announced to each customer - either by letter from the Holland office or personal meeting - the main business area of the German office on their woodworking related activities in Austria, Germany, and Switzerland were moved to the office in Holland. Logistic operations and administration stay in the Holland office like metalworking and printing activities.

Kanefusa believes that they are able to maintain the service quality whereas they see a decrease of sales force in respect to the number of salesmen and offices. The intention is to integrate the activities to reach a good presence of **Kanefusa** in Europe. It rather takes this integration for a chance to improve with the following consistent and inconsistent key points.

DIRECT ACCESS TO THE EINDHOVEN WAREHOUSE

The delivery schedule and stock control are updated and maintained by the Holland office. The update, used to relay, is now going direct to the customer. It would be of great importance to share the latest ordering condition and stock scheduling update in order to catch up to the actual demand. The good value of what we offer consists of goods availability and delivery time precision as well as the product quality. Prior sharing and updating the information of special projects and promotional plans with our customers based on the stock items but positively free from previous delivery records will give us smoother stock handling ideas to back up the sales plans of our dealers. All the staffs have shrewd and intense attention to inquiries and are very happy to work on to catch up to.



CONSISTENT SALES POLICY

Small does not always have a negative meaning. The advantage of smaller structures is that they have more frequently exchangeable information and activity reports. Under one solid sales team, the activities are planned, finished, checked, activated and reviewed to match consistency with the sales policy. Intensified business and market information shared among salesmen should work out flexibility and positive linkage among several projects. Consistent sales activities under a clear sales policy is what **Kanefusa** Europe is stepping forward to. Kind attention and understanding should lead to achievements to be shared with the customers.

CONCENTRATION ON "AREA MARKETING"

Sharing the target has the first priority. An extract of the market demands, and extracting and refining before suggestion as a tool supplier has great importance of the activity. Geographical



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win@harnisch.com
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areas, industries and customers, "areas," have versatile complex to settle with common tooling, too. A flexible approach is indispensable to fulfill the demands and the directions stepping forward to. That diversity is often connected to area wise standards and regulations. What could be offered - among what **Kanefusa** has - has limitations in regards of lead-time and the material, however. Each specific case



is related to another case under each area tendency. The ingenuity of the usage and adequate understanding of the products should help the applications to improve the tooling. Customer visits and meetings to exchange product information and preferences are core activity of us.

Kanefusa Europe covers various areas and trying to catch up to the areas still new to it as well as to update the existing ones. The visits and information exchange to update the clients what **Kanefusa** could offer requires great help by the partners and the customers. **Kanefusa** appreciates the eagerness, help and understanding of the customers and the partners to achieve and share the successful experiences.

↓ ↓ Participation in the IWF and IMTS Exhibition

The IWF, international Woodworking Machinery & Furniture and IMTS, International Manufacturing Technology Show will be held in the United States this summer and **Kanefusa** will participate it both of the shows. They are one of the biggest tradeshows in the world and we are excited for this opportunity.

At the IWF woodworking show, we will have our unique Board Pro saw blade series and ST-1 planning and profiling knife on show. At IMTS metalworking exhibition, Ferro Max Cold Saw Blade series for various cutting applications

and materials and saw blades for flying cut off machines can be found.

This will be a very good chance for sharing the latest industrial news and **Kanefusa's** product information. We are located in

- **IWF : Hall B 6849**
- **IMTS : North Building N-7557**

Please stop by our booth when you are in IWF 2010 and IMTS 2010. We are looking forward to seeing you at the booth.

↓ ↓ Upcoming Exhibition Schedule

Trade show schedule for the next 3 months		
Name	Site	Period
IWF - International Woodworking Machinery & Furniture Exhibition	Georgia World Congress Center, Atlanta, USA	August 25-28
IMTS - International Manufacturing Technology Show	McCormick Place, Chicago	September 13-18
Tube China	Shanghai New International Expo Center	September 21-24
Lesdrevmash	Expocentre Fairgrounds, Moscow	September 27 - October 01

KANEFUSA

A New Dimension of Performance

KANEFUSA CORPORATION

Head Office / Factory

1-1 Nakaoguchi, Ohguchi-cho, Niwa-Gun
Aichi-ken, Japan, Postal Code 480-0192

Tel: +81 587 95 7221

Fax: +81 587 95 7226

E-mail: sales-ex@kanefusa.co.jp

KANEFUSA EUROPE B.V.

Europe Office

De Witbogt 12, 5652 AG, Eindhoven,
The Netherlands

Tel: +31 40 2900 901

Fax: +31 40 2900 908

E-mail: rocky.hayashi@kanefusa.nl

KANEFUSA USA, INC.

2762 Circleport Drive, Erlanger, KY 41018, USA

Tel: +1 859 283 1450

Fax: +1 859 283 5256

E-mail: kanefusa@hotmail.com

P.T. KANEFUSA INDONESIA

EJIP Industrial Park, Plot 8D, Cikarang Selatan,
Bekasi 17550, West Java, Indonesia

Tel: +62 21 897 0360

Fax: +62 21 897 0286, +62 21 897 0287

E-mail: sales@kanefusa.co.id

MALAYSIA OFFICE

Suite 839 Level 8, Pavilion KL 168

Jalan Bukit Bintang

55100 Kuala Lumpur, Malaysia

Tel: +60 3 92057721

Fax: +60 3 92057720

E-mail: kanefusamal@myjaring.net

KANEFUSA CHINA CORPORATION

KUNSHAN KANEFUSA CORPORATION

NO.50 Zhuzhu Road, Lujia Town Kunshan City,
Jiangsu, China

Tel: +86 512 57875072

Fax: +86 512 57875073

E-mail: yy@kfcn.szbn.net

KANEFUSA INDIA Private Limited

Plot No.232, Sector-8, IMT Manesar,
Gurgaon, Haryana PIN 122 050, India

Tel: +91-124-420-8440

Fax: +91-124-420-8441

E-mail: s.egawa@kanefusa.co.in

KANEFUSA DO BRASIL LTDA

Rua Joaquim de Almeida, 75, Sao Paulo
SP, Brazil, CEP 04050-010

Tel: +11-2372-7664

Fax: +11-2372-7663

Let us hear your opinions and comments concerning the quarterly newsletter, please e-mail to

sales-ex@kanefusa.co.jp