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Kanefusa for Sustainability

Dr. S. Nishio –Managing Director, R&D Division

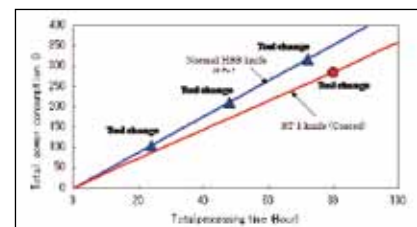
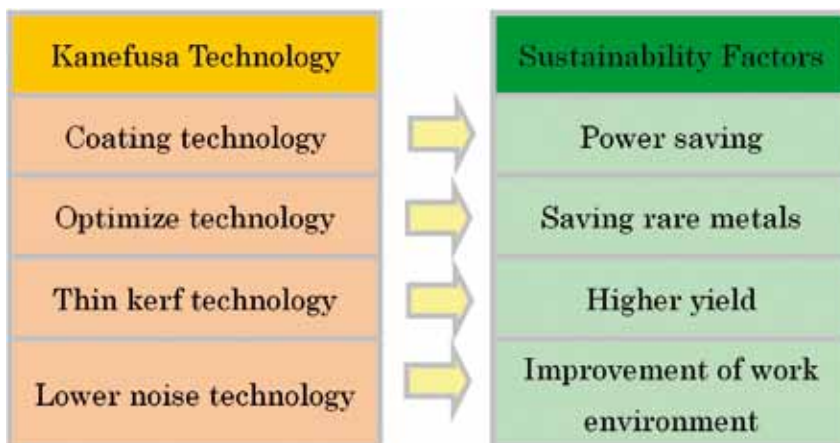
Prevention of global warming is the most serious task for mankind in the 21st century. The energy consumption of our planet has been growing drastically since the Industrial revolution. In fact we have extracted, processed and consumed the underground resources such as petroleum, coal and natural gas for the human development. The 20th century is called the industrialized society with “the third wave” advocated by Alvin Toffler in the latter half of the century. Likewise the 21st century is called the information society. At the same time, since the 1990s, the globalization is picking

atmospheric CO₂ concentration is inevitable. To achieve this goal in the medium and long term, the increase of CO₂ emissions must be curbed and stopped and by the year 2050 the emission amount must be reduced by 50% in comparison to the amount of 2000.

For this scenario a lot of political, technical and domestic efforts are indispensable. In manufacturing industries, both suppliers and consumers of energy have been trying to make innovative technical developments for the same goal.

ized on various products. “**Kanefusa** sustainable products” are made with “**Kanefusa Technology**” and they contribute to the environment and ecological improvement.

As a major sustainable product, we wish to introduce our ST-1 planer knife made with our coating technology. We have made comparison in spruce planing on total power consumption of non-coated normal High Speed Steel planer knife (HSS) and our ST-1 knife, hook face coated planer knife. As the coated ST-1 knife reduced friction and maintained sharp knife-edge, the tool life improved as much as 3.5 times longer compared to a non-coated HSS knife. Moreover, with the same operation time, the power consumption was reduced by 20% owing to our coating technology.

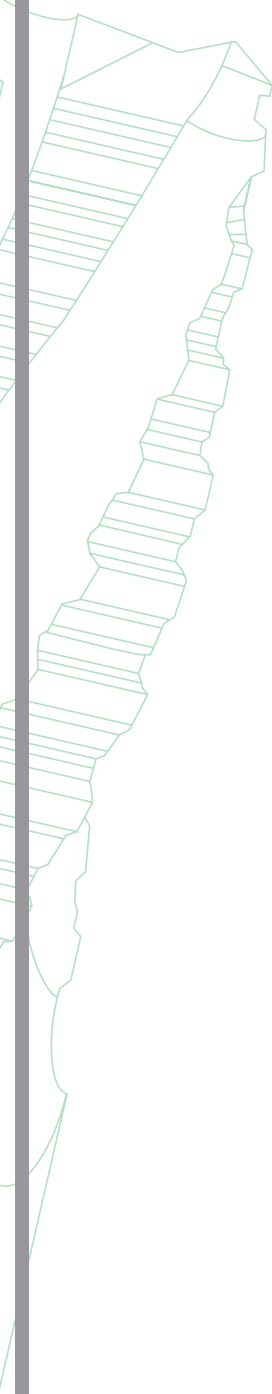


up its pace. And this rapid globalization in the industrialized and the information society has increased the environmental burden.

For the prevention of the climate change it's said that an acceptable range of temperature rise is 2°C, and for that a significant reduction in

At **Kanefusa**, we develop environment-friendly tools, products and technology for woodworking and metalworking. The sustainability factors are power saving, omission of subsequent processes, higher yield and improvement of the work environment. **Kanefusa** proposes “**Kanefusa for Sustainability**” with the above ideas material-

We pronounce that “**Kanefusa** for sustainability” is our answer and target for the future in an ever demanding quest for environment improvement in cutting solutions as well as natural requests from customers on improvements on cutting life and cutting quality.



Kanefusa do Brazil is our latest addition to the list of overseas affiliates. The company was registered in Brazil early this year and now it is under preparation for business activity. This is another step for our globalization of the **Kanefusa** group. The management has decided to make the investment in this country due to the following reasons.

1) Abundance of natural resources: This will ensure that the future economic growth is guaranteed in addition to the already well grown various industrial domains.

- Timber resources: Eucalyptus and radiata pine plantations will be the major timber resources of South America. Plantation is a key word for the timber industry in the future in respect to the sustainability issues. Using tropical hardwood does not correspond to the ecological commitments, which bind all countries in the world. For this reason, Brazil, with 5.5 million ha. of plantation area, has the biggest sustainable supply capability.

- Iron ore: Next to China, Brazil produces 336 million tons of iron ore, which is called bread of the industry. Although Brazil is ranked 9th in production of crude steel, the country has a potential to grow bigger in the steel industry just because of their resources.

- Others: Brazil is the third in bauxite production and rich in other rare metal.

2) Established Business domains

- Pulp & Paper industry: Based on the abundant timber resources, the pulp and paper industry in Brazil has a bright future as the world demand for pulp and paper will surely increase thanks to the population growth and civilization developments in many countries. The industry requires chipper knives and industrial knives. For pulp production, Brazil now stands at No. 4 in the world production.

- Solid Wood industry: Sawmill and plywood industries fell in this category, which have again a promised further growth due to the natural resource situation.

- Panel industry: With giant producers, like Arauco and Duratex, the area market will see further growth for both the domestic and overseas markets.

- Auto Industry: The Auto Part industry has seen a substantial growth in the past few years, but of course with the Lehman set back. The industry had US\$ 35 billion sales in the year 2009. This is more important for us rather than the number of cars assembled, as auto parts are main domain for our tools to work on.

- Steel industry: Based on the rich iron resources, the country has a steel conglomerate, like Usiminas and Gerdau. The industry requires cold sawblades and the demand is expected to grow more as the steel production rises.

- Other potential developments: Brazil has a plan to build long distance railways to improve the infrastructure - these railway transportations are environmentally friendly and in line with sustainability issues. The plan has a total of 10,000 km new railway constructions in 10 years. The first phase is for 5,000 km with a Euro 7.4 billion budget to connect Campinas and Rio De Janeiro via. Sao Paulo. All these new investments will surely gain momentum due to the scheduled World Cup in 2014 and the Olympic Games in Rio in 2016.

Now there are of course negative factors and issues you have to dwell on. For the new investment in Brazil, there are several very difficult aspects as shown below.

- High cost: It is generally known and now clear to us that imports into Brazil or production in Brazil entail higher costs than in other so called BRIC's countries. This is due to high labor costs, import duty and complex and high taxes.

- Competition: Like in other industries, in the tool and blade industry in Brazil, there are already local manufacturers and foreign, mainly European, firms already manufacturing in Brazil. This means that there is not much space to conquer in the market. We have to make our way with our product strength.

- Distance: Brazil is on the complete other side of the planet, compared to Japan. It takes about some 30 hours to arrive whether you fly out east or westbound from Japan.

Despite all difficulties, we do believe that the presence of **Kanefusa** in Brazil is important. We also consider that this new setup is necessary for African markets as the two continents are close to each other.

↓↓ New Trend in South Korea - Tube Cutting Market

Mr. M. Toba – Assistant manager, Overseas Div.

Over 10 years, **Kanefusa** has been supplying FM Cold Saw Blades. The FM Cold Saw Blade is mainly used for cutting billets. As it enables users to cut the work materials faster and in better quality, **Kanefusa** receives favorable reviews from many users. Especially, thanks to its smooth and fine surface quality, these materials cut by **Kanefusa** blades are used for hot and cold forgings in the auto parts industry.

Therefore, the **Kanefusa** FM Cold Saw Blade is utilized in auto part industries all over the world. The users process various metals such as carbon steel, SUS stainless steel, ball bearing steel and die steel at high speed with cutting machines such as AMADA, Nishijima, Tsune, Noritake, Kasto, Soco and Everising.

In the South Korean auto industry, in the car as well as car parts manufacturing, the domestic makers gain over 90% market share. The auto market is dominated by Hyundai (51.0%), KIA

(30.6%) and Renault Samsung (9.2%). Likewise, the auto parts industry in Korea is more than 90% domestically owned. A very strong demand from China has lately made the auto parts industry very busy and many factories are running at maximum capacity. These days, more and more part makers and steel dealers cannot keep up with the demand for slow band sawing operations. Therefore a number of users switch from band saw machines to cold saw machines and



the number of circular cold saws reached the number of Japan and the USA.

Today, customers' demand for cutting tube is also rapidly rising in South Korea. In the past, small diameter tubes are cut by HSS metal saw blade machines. However, as the demand for tube cutting increases, people got interested in cutting with carbide cold saw machines at a higher speed. The **Kanefusa** FM Tube and the FM Cold Saw Blade for cutting tube material is a single use type. Thus the cost per cut is sometimes slightly higher compared to a regrinding type HSS metal saw blade.



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However, when you cut a special cutting material such as one over 5mm thickness of STKM tube (alloy steel tube), the cutting speed is 20-50% faster and it leads to better productivity. In South Korea, numerous users still use HSS metal saw machines.

One user started using FM Tube sawblade on HSS saw machine and they achieved significant produc-

tivity improvement. They have even postponed their machine investment plan. This productivity increase is more obvious on high tensile tube cutting.

Kanefusa is also working in research and development on cutting other tube materials such as thin-walled tubes and stainless tubes for higher productivity.

Exhibition Report IWF

Mr. J. Takasu – President, Kanefusa USA, Inc.

IWF, the International Woodworking Machinery & Furniture Supply Fair, the largest wood working trade show in USA was held in Atlanta, Georgia from 25th through 28th, August 2010. In total, 950 exhibitors have participated including 150 new ones. The show

such as the Micro PCD sawblade or the micro size PCD tipped saw blade, pre-set finger cutter, chipper knife, ENSHIN or the self-locking system cutter head and double edge knife for ENSHIN.

Participations from Taiwan and China stood out in the tradeshow. Their basic performances are unknown, but they look fairly good in appearance. We also found some unique Chinese tool products at the fair and I felt that the "Made in China" products are getting more and more into the American market.



takes place every two years and we have run a booth at the show this year, too. The increase of new exhibitors from Asian countries, mostly from China, was remarkable.

Due to the recession in recent years, machine makers such as Weinig, SCM and also a major machine dealer Stiles - who supplies Holzma machines - didn't participate in the show. Booth space was down scaled too and there were only two halls compared to the usual three halls.

Our main displays were TCT circular saw blades. Additionally, to extensively cover the woodworking industry, we presented our original technology



We have to make our products much more advanced and different so that the market can easily distinguish our **Kanefusa** brand from other products.

During the show, we had some visitors from grinding shops, which will be good contacts for us to further expand our market share in the American woodworking industry.

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

E-mail: vendas@kanefusa.br

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

sales-ex@kanefusa.co.jp