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↓ ↓ Kanefusa Technology Seminar

Mr. Masato Watanabe - President

On May 31st, the second night of the LIGNA Hannover, we held a **Kanefusa Technology Seminar** at Radisson BLU Hotel. We are happy that a lot of partners took time to participate in it and we always enjoy this great opportunity. Mr. Watanabe, President, makes an opening speech every **Kanefusa Technology Seminar**. Here, we would like to introduce the speech to you.

Good evening my friends. I wish to welcome you all to our Kanefusa Meeting. For me, this meeting is a very important and pleasing opportunity to see my good friends and wonderful business partners once in every two years.

But this year, I would like to thank you for much consolation and encouragement you sent us in relation to East Japan Earthquake and Tsunami disaster. Visual information of Tsunami calamity seen by so many people throughout the world has certainly made so deep impact on everybody, reminding us very strongly of nature power, preciousness and fragility of human life, and powerlessness of human being.

We lost altogether about 25,000 lives and nearly 300,000 people lost their home. And of course the nuclear plant problem has added another difficulty for settlement of the confusion and restoration of the local community.

Fortunately Kanefusa was little affected without any human loss and

we have been carrying on business normally. As some of our material suppliers were damaged, we had to make adjustments during one-month period, but right now we are running at full capacity.

On May 12th, we made our 2010 financial figures public. (April2010-March2011) For the consolidated turnover, we achieved 13.7 billion yen (or about 120 million Euro), 20% increase from the previous year and net profit of 288 million yen (2.5 million Euro), a turnaround from a deficit of the previous financial year.

After the serious setback caused by Lehman shock of September 2008, the world economy has been gradually coming back from the recession owing to the fast developing Asian market spurred by China and India. Since one year ago, we felt a stronger recovery and at Kanefusa we have had a larger amount of incoming orders. As a chain of our global strategy, we established our daughter companies in India in August 2009 and in Brazil in January 2010. And both of them are doing fine in their sales activity now.

With 15.4 billion yen (or 134 million Euro) as a total sales budget for this financial year, we will continue to expand our sales activity especially in overseas market. For that expansion, Kanefusa will invest more in produc-



tion facility in Indonesia and China, our two overseas production sites as well as in our head factory in Japan.

But most importantly, I wish to ask you for more support and patronage from our business partners gathered here today. I hope that the partnership we cherish for mutual prosperity will be reconfirmed through tonight meeting and I pledge that Kanefusa group will spend utmost effort in making our relations even more solid for mutual reform and enhancement.

For new product development, finding new customers and challenging production cost competition, may we ask you for your strong guidance, insight and feedback from the market you face?

I hope that you will enjoy tonight's meeting with exchange of views among you and fostering even stronger relationship in this Kanefusa family that I am so proud of.

Thank you.



↓↓ European Machine Manufacturer and Kanefusa - LIGNA Hannover 2011

Takema Isogaya- General Manager, Saw Blade Division

It was a great pleasure to have such a lot of visitors to our booth during LIGNA Hannover 2011. Personally, it was also a valuable moment to exchange information, face to face, with many partners. Here, we would like to report Kanefusa's latest news about collaboration with machine makers.

To tell the truth, Kanefusa was not the pioneer of the T.C.T Circular saw blade makers. In fact, we were a follower in the Japanese market at the beginning. The secret that we took over the largest market share in Japan is a technical communication with machine manufacturers. Thanks to frequent communication, we could find demands of the users, which change over times. It's not too much to say that Kanefusa's technology has been developed by these communications.

Nowadays, we constantly have the opportunity to exchange information with machinery makers in woodworking and metal working industry all over the world. Through this communication, our technology is getting more and more popular among the worldwide machine makers.

Do you know that a Kanefusa Saw Blade was attached to some demonstration machines in LIGNA Hannover? One of them is attached to a Weinig Powermat 1000 with horizontal spindle.

Machine: Weinig Powermat 1000

Saw Blade: 200x1.2x0.8x60x34z and
200x3.0x2.0x60x32z

Work material : Soft wood

Cutting condition: N=5700rpm, F=18m/min



1 Weinig machine

Some of the readers have seen the smooth surface directly on sight. We were happy to know that some visitors came to our booth after seeing the demonstration and got interested in its performance of our saw blade.

Another is Yield Pro Saw Blade for Paul CNC Optimizing Cross-Cut Line Series RAPID.

Machine: Paul CNC Optimizing Cross-Cut Line Series RAPID

Saw Blade: 400x3.4x2.6x70x132
BC Yield-Pro

Work material: Spruce

Cutting condition: N=5,800rpm -
Feeding speed 0.16sec/cut



2 Paul machine

With our Yield Pro, customers could get higher yield rates and a smooth surface at the same time. It gives assistance to improve the performance of high speed cross cutting machines.

Recent good news is that Kanefusa's scoring saw blade is adapted to Otto Martin's - German made - table saw blade T75 PreX. Working with machine makers brings a lot of meaning to Kanefusa. This is not only our business chance of OEM supply.

For cutting tool manufacturers, we can figure out the needs from wide range of users. We, machine maker and toolmaker, find a solution which satisfy users by both technologies. Then, we could spread this successful experience to

other customers having the same demand. This cycle creates new value for customers and helps to develop new Kanefusa's technologies as well. LIGNA HANNOVER 2011 was a great opportunity

to talk with German and Italian cutting machine manufacturers. I appreciate the precious moments so much and would like to continue this good valuable relationship.

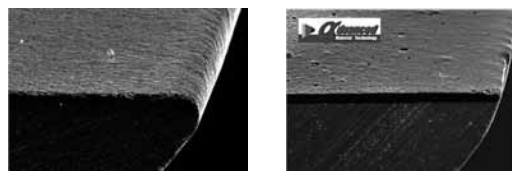
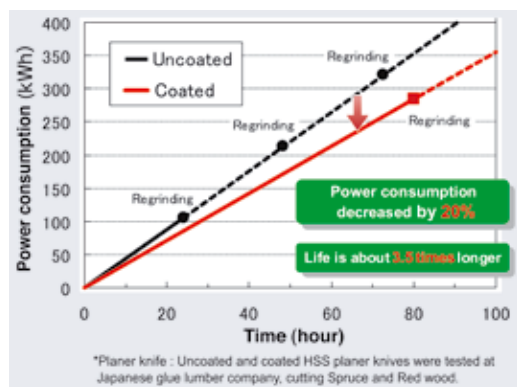
↓↓ New Product Launch - ST-1 Revo

Toyotada Hirano-Manager, Knife Division

A Planer knife is a knife for molder machines. The ST-1 knife is treated as Kanefusa's original Advanced Material Technology coating to a special substrate material. From around Europe and Northern America we have good reputations for it. Especially, as it is suitable for high-speed molder machines. You will get outstanding surface finishes and a reliable and tough performance. Most effective results of this coating on the rake face are the wear characteristics of the cutting edge. Even when the knife is worn out the sharpness of the edge doesn't change. This is a "self-resharpening property", which is appreciated from worldwide customers.

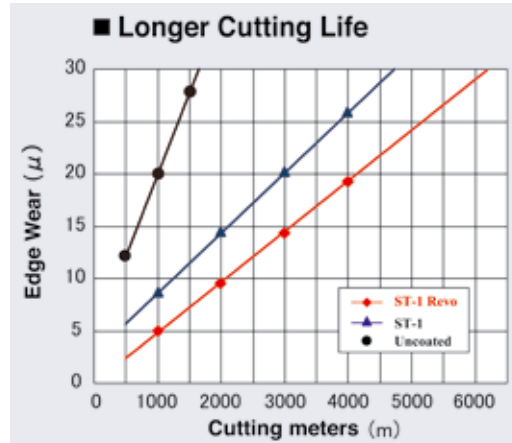
Thanks to this feature, less scuffing and chipping occur. The cutting surface stays smoother for a longer time. As a result, the tool life gets longer and has less power consumption. Compared to our uncoated knife, the Advanced Material Technology coated knife provides around 3.5 times longer life time and 20% less power consumption.

At the LIGNA tradeshow, ST-1 Revo was a new product, which was launched in Ligna Hannover 2011. ST-1 Revo is based on the ST-1 model, whose coating technology is advanced. Compared to a conventional ST-1 knife, not only the tool life is longer but also the finish quality is better.



1. Longer life time

Firstly, please look closer at the edge and check the differences of the abrasion amount. Compared to a ST-1 knife, the ST-1 Revo is worn out maintaining a sharper edge. Thanks to the improved cutting quality, we have achieved a better finish surface and eventually, the performance of abrasion resistance is improved. In our monitor test, the tool life of the ST-1 Revo is improved 1.4 times longer compared to the conventional ST-1.



- less wear
- sharper edge
- 1.0-1.4 times longer life time

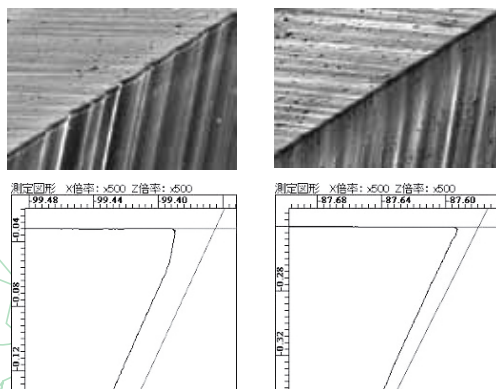
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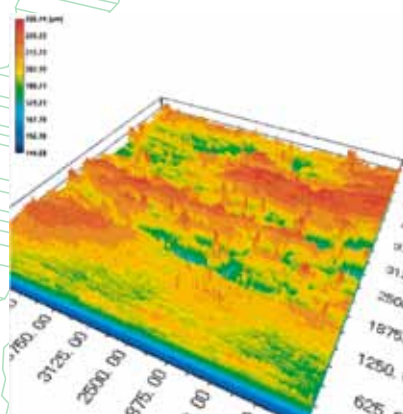


2. Better finish quality

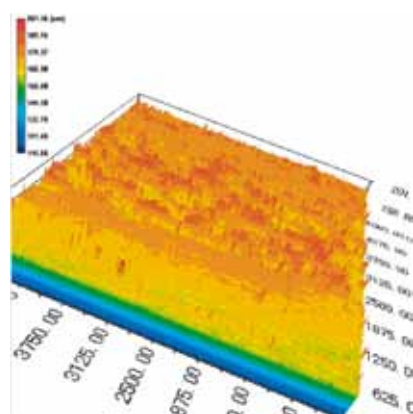
The laser-measured result of roughness of a ST-1 knife and ST-1 Revo shows the significant differences. Smoother cutting surfaces cut the subsequent process.

Moreover, it improves the product quality as well.

Kanefusa will keep on innovating their technology and contribute to the world manufacturing technology.



Conventional coating (ST-1)



New Coating (ST-1 Revo)

↓ ↓ Upcoming Trade Shows 2011

We will participate in the EMO Hannover 2011, which will be taken place from Sep 19th to 24th, 2011 at the Deutsche Messe in Germany. As at every EMO show, we will have some new and exciting products.

Please stop by our booth when you are at EMO Hannover 2011. Our booth is located in Hall 16, Booth C76. We are looking forward to your visit.

Name	Site	Period
EMO Hannover	Exhibition grounds of the Deutsche Messe AG, Hanover, Germany	Sep 19-24
METALEX	BITEC - Bangkok International Trade and Exhibition Centre, Thailand	Nov 16 - 19

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