



# Clean Perfection **FROM JAPAN**

***Japan is an amazing country for visitors from the west. It is so very different, yet so easy to fall in love with its culture, people and nature. PDi Editor in chief, Jan Hermansson, reports on his visit that included time with the concrete cutting machinery and diamond tool manufacturer Shibuya Company.***

Japan can be described in one word: Clean. The streets are clean, the infrastructure in general is well organised and everything seems to work smoothly and most of all on time. Japanese food is also clean and often served in an artistic way as appearance is also just as important as the taste. And the Japanese people have a clean appearance, are very friendly and open to help with great hospitality.

#### **Shibuya Company, one of the largest in its field in Japan**

Shibuya is a well-organised company with a strong and extensive product range and considerable expertise in the development and manufacture of concrete cutting equipment and diamond tools. The Company is located in a city called Hatsukaichi just outside Hiroshima city in the South West region of Japan. Hiroshima city has a population of about 1M while the surrounding Hiroshima area has about 3M, including the 120,000 living in Hatsukaichi. It is easy to reach Hiroshima by air or the bullet train Shinkansen. Hi-

roshima is about 800 km from Tokyo and takes about 4h by the Shinkansen.

Hatsukaichi is situated on the slopes of a mountain directly on the shore of an inland sea that has direct connection with the Pacific Ocean. The Shibuya factory is located very close to the port and is facing Mayajima Island with its famous Itsukushima Shrine.

Shibuya is one of Japan's leading manufacturers of diamond tools and concrete sawing and drilling equipment. Internationally Shibuya is best known for its wide range of electric core drilling systems. Currently it is mainly core drilling systems that are exported, while diamond tools and other machinery are sold domestically. The company has about 160 employees, 100 in the head office and factory in Hatsukaichi and the remainder in the seven branch offices throughout the country. Each branch office has a sales department, workshops and after market support. More complicated repairs and service work is carried out at the central service centre at the factory. The shortest delivery time on repairs is three days, two days delivery and one day repair.



The majority of the staff of the Shibuya plant in Hatsukaichi.



On the island Itsukushima, popularly known as Miyajima, just outside Hatsukaichi in Hiroshima Prefecture is the Itsukushima Shinto Shrine located. Miyajima is best known for its “floating” torii gate on the picture.

### Almost 90 and still working

The Shibuya family name is well known in Japan and dates back to the 7th Century and people carrying the name Shibuya are normally related to the original family. Founder of the Shibuya Company Katsuji Shibuya, now 89 years old, wrote a book about the family history. “It took me 13 years to write the book and it was published in 2003. It tells the story about the family name and the history about how I started the company,” said Katsuji Shibuya.

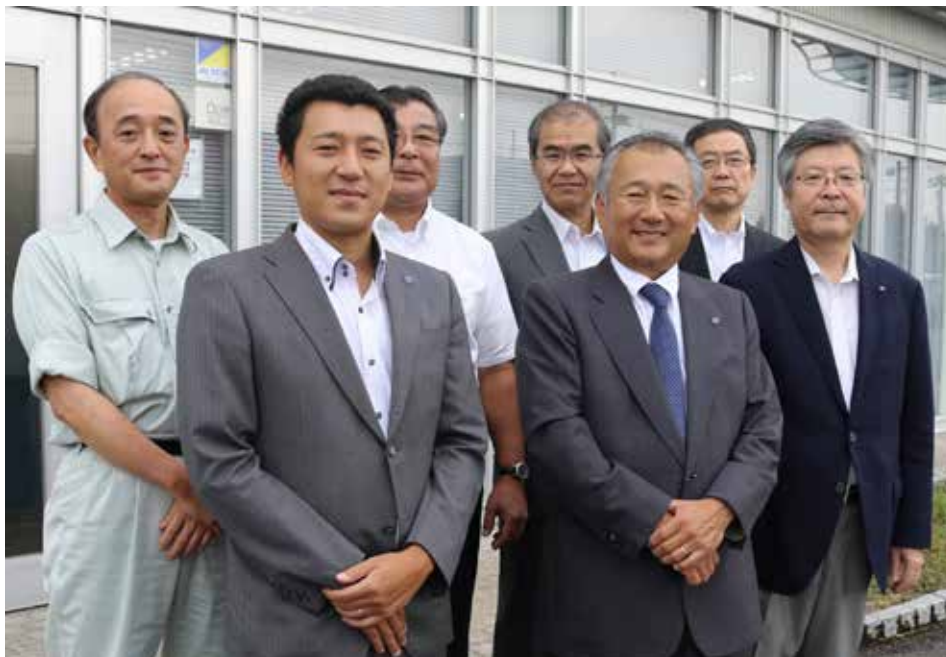
He said that it was his wife Masako that derived from the Shibuya family and he changed his surname to her’s. Katsuji Shibuya started his working life as a science teacher in a junior high school. At the beginning of the 1950s he left teaching and started to sell agricultural tools and machines. After a while he became a distributor of Kubota agricultural machines. He was very successful in his business and became the number one distributor for Kubota agricultural equipment in Japan.

In the 1950s the food industry was dominating in the Hiroshima area, but in the following decade the



Shibuya Company founder Katsuji Shibuya in his office with his book about the Shibuya family.





The Shibuya executive management team. Front row from the left: Akinori Shibuya, Norikazu Shibuya, Haruyoshi Arita. Back row from the left: Hiroataka Nasu, Toshihiko Suganuma, Yoshihiro Uotani and Akira Honma.



From the left Shibuya director of diamond tool R&D Hisashi Okino and director of mechanical R&D Hideo Kawashima.



Teppanyaki, Hiroshima style.



Core bit performance tested.

city and the whole region transformed. New types of manufacturing industries evolved and concrete became a more and more common construction material. "In the 1950s most of the houses were built of wood, but when concrete rapidly became the preferred building material I realized that this is the future. With concrete the need of new types of machinery increased fast," said Katsuji Shibuya.

He wanted to be part of this development and wanted to start his own production and be less dependent on other manufacturers. He saw an opportunity after selling US Rigid and Milwaukee's machines for many years. In 1969 he set up his first production of drill motors. The first drill motor was called TS-1. After a couple of years TS-1 was remodelled and that gave sales a boost. The demand for concrete sawing and drilling equipment increased dramatically. Along with successful production and sales the company grew fast. During the first two decades Shibuya products were mainly sold domestically but the export business started to grow after 1978.

The development of machines for concrete sawing and drilling took off and currently Shibuya has about 15 different base models of complete drill systems, a number of different accessories, like automatic feed systems, vacuum pads, drill stands and water collection rings. Shibuya also manufactures wall and wire saws and a large range of different types of diamond tools. About 50% of the production is drill systems, other machines and accessories and the other 50% is diamond tools. In Japan Shibuya is very strong on diamond tools and one of the biggest suppliers to the Japanese market. The company has been making core bits for over two decades and is the lead supplier of core bits in Japan. The company also started diamond blade production in 2004.

#### Going Global

Katsuji Shibuya's son Norikazu, who joined the company after his studies at the University of Pennsylvania, US, focused on building the company's export business. In 1978 the first shipments of machines were delivered

to Asian countries, such as South Korea, Hong Kong and Singapore and Shibuya's drill systems are now sold worldwide. Europe is a growing market but the biggest export market is the US. The distributor for the US and Canada is company DITEQ Diamond Tools & Equipment. The company is also currently looking after the South American market.

Shibuya's priority is to increase exports from its current 10%. The remaining 90% of the production is sold domestically. About 50% of the export share goes to the US market. "We want to grow on all foreign markets, but particularly in Europe and US and we want to build up a steady foothold, particularly in Germany and Scandinavia," said Norikazu Shibuya.

Currently the company has about 30 distributors around the world. The Russian market is also big and the sales amount in 2015 was the number two after the U.S. One reason why Shibuya wants to increase exports has to do with the current situation in Japan. "The population of Japan is actually decreasing rather dramatically. The population is rather old on average





Overseas sales and marketing team. Front row from the left: Kosuke Omori, Yuki Nakao and Toshihiko Suganuma. Back row from the left: Akinori Shibuya, Koji Sawamoto and Takashi Aritome.



The central service department in Hattukaichi caters for larger repairs, while most service and repair is taken care of by branch offices throughout the country.



Massive core drilling at a railway project in Malaysia.

The TS-403 which is a popular product for export along with TS-252.



and too few children are being born. We cannot only depend on our domestic market for this reason,” said Norikazu Shibuya. Currently Japan has a population of around 120M and if things proceed, as now the Japanese population will decrease by 40% in the next 80 years.

Despite a decreasing population the domestic concrete cutting market looks quite promising in the near future. There are about 1800 concrete cutting firms and around 5500 demolition firms in Japan currently using quite old equipment that needs replacing in the following three to five years. Tokyo, a city of 13M inhabitants, is also organising the Olympic games in 2020, which will require some new infrastructure, buildings and arenas. The games will also attract foreign visitors and increase tourism. Besides this the construction industry in Japan is experiencing an upturn with a lot of activity going on almost all over the country.

So far Shibuya is mainly known for their core drilling systems including drill motors, drill stands and a large range of accessories, but they are aiming



Application picture from Malaysia.





Retipping of used core bit.



Core drills made ready for delivery to a client.



The R&D department at the Shibuya factory in Hatsukaichi.



Core drilling project in the US.



Core drills from the Shibuya Company.



From the assembly line of drill motors.



The popular TS-092 core drill system from Shibuya Company.



to increase their exports of other products. As their different products achieve CE approval the export range will be increased. "We will work hard to increase the variety of products to be CE approved," said Norikazu Shibuya.

He also said that they are planning to expand exporting their diamond tools. Diamond tools is a tough market with so many low priced brands. But he is convinced that Shibuya tools offer better life and performance than many other brands. "We don't sell our diamond tools on price but quality and that goes for everything that we produce," said Norikazu Shibuya.

Shibuya built the head office and factory in Hatsukaichi about 15 years ago. Office, production area, storage and service centre measures about 10,000 m<sup>2</sup>. Before that head office and production was separated in three locations nearby. "Bringing everything together in one place and also the location close to the harbour has helped a lot to increase efficiency and handling," said Norikazu Shibuya.

The Company has a high level of in-house production. A few components are bought from mainly Japanese suppliers. Most of the tools are standard, but quite a number of the diamond tools are tailor made for some larger Japanese concrete cutters. The manufacturing machines are modern and state-of-the-art. The smallest drill motor TS-092 is very popular in the Japanese market, while the medium class TS-252 and large class TS-403 are mainly for export.

### New Products

Norikazu Shibuya said that the drill motor programme is being constantly updated and new models will be launched in the near future. The company also has wall sawing machine models and working on expanding the product range. "In these terms we are all talking electrically driven machines as hydraulics are on a downfall. We still have a few hydraulic units, but they are only sold for very special projects," said Norikazu Shibuya. To complement Shibuya's diamond tools a new type of segment, with

increased performance and life, Shibuya work day in day out on R&D.

Shibuya is still a family owned business and founder Katsuji Shibuya still works every day in the office. "I want him to stay active despite his age and I know he loves his work," said Norikazu Shibuya. Besides Norikazu and his father Norikazu's two sons, Kazuyoshi and Akinori hold management positions in the company. And his two brothers-in-law also work in the company.

In 2016 the anticipated turnover for Shibuya will reach above US\$30M (€27M) and the target is to increase the export share up to 20 % of the total turn over in the coming five years. "I know that we have range of very good products built with Japanese expertise and perfection in all aspects. Our customers are not let down, as all our products work well, are easy to use and are reliable and easy to service and repair. We are striving to build even better tools and machines, widen our product range and increase our presence in both developing and developed countries," said Norikazu Shibuya.