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Technical Developments in 2014

Between 2012 and 2014, the currency market fluctuated by as much as 150%, with the Japanese yen going from 80-odd yen to 1 USD, to 120 yen. The export-based Japan of yesteryear would no doubt have warmly welcomed this fall in the yen's value. However, those companies who have relocated their production bases overseas due to the impact of the prolonged strong yen, do not seem to be welcoming this latest change.

On the other hand, there are industries which welcome the weak yen, such as the tourism industry, which has recorded the highest number of overseas visitors to Japan ever.

What can be done to avoid being swung back and forth between joy and despair due to this kind of economic change?

As part of our mid-term management plan, the Sanyo Denki Group has been exerting efforts to enable global activities on a group-wide basis, so that we may achieve our goal of having our products used by customers the world over. If, through these activities, our products are used not only in Japan but also by customers overseas, this will naturally alleviate the risk involved with variation in the exchange rate.

The products made by Sanyo Denki are producer goods, not consumer goods. In the case of consumer goods, the value is determined based on the function, performance and quality of the product in isolation, however producer goods play a role as part of a product made by a producer or a device which provides a service and therefore its value is determined by how much it can improve the competitiveness of the manufacturing device or service. Moreover, there is a diversity of usage environments and required specifications depending on the type of manufactured device or service. Therefore, it is necessary to form a development framework in close liaison with the manufacturer of the device being developed or the company of the service being provided.

Furthermore, in order to ensure stable operation of the device for many long years, it is also essential to have a framework which can always provide the said service as well as offer technology and service close to the customer using the device. In order to maintain and improve the competitiveness of the manufactured device, it is necessary to constantly present proposals with competitiveness. In this way, there are many problem with having Sanyo Denki's products used overseas in the same way as they are within Japan.

In order to provide service close to customers, it would be necessary to dispatch engineers and replace service parts swiftly overseas, just as we

do in Japan. To achieve this, it is necessary to build a service framework of an equivalent level to that which we have built in Japan. Moreover, a product design enabling us to respond with detail to the requirements of customers from different countries and regions would be necessary. In order to respond to the various requirements, it would be ideal to constantly maintain a flexible product configuration through modularization of devices, etc.

To do business with customers of different languages and cultures in remote areas, it is necessary to further enhance our overseas' service framework. In order to achieve this, on top of product design enabling easy maintenance, preparing easy-to-understand manuals and providing engineer training, Sanyo Denki Group is making a group-wide effort to create "mini Sanyo Denki" which provide services equivalent to those available in Japan.

Moreover, the criteria of performance, function, quality, reliability, etc. exists for evaluating good/bad producer goods, however in regards to quality and reliability, often customers need to actually use the product for themselves before they can pass judgment, and there is not much straightforward criteria available for customers to pass judgment on such factors.

At Sanyo Denki, we have engaged in development of products which guarantee quality and reliability by establishing clear specifications regarding long life and environmental-resistance from the design stage.

In regards to fans, we have developed long-life fans, fans which can be used in environments where they are exposed to water and oil and fans which can be used in high/low temperature environments. In regards to PV inverters, we have developed products which can operate outdoors or in areas where salt damage is predicted. In regards to servo motors, we have developed splash proof products, an absolute encoder which does not require a battery and so on.

This paper introduces new technologies and products as technical developments of 2014, which customers can use with peace of mind and have a sound awareness of the quality and reliability, as well as technology which enables simple maintenance and replacement work. Through these activities and technical developments, we will build a brand which is trusted by customers around the world and aim to become a company which is not swung back and forth between joy and despair due to economic change.