

On Technical Developments in 1998



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Major Operating Officer

This report summarizes the results of the technology and product developments accomplished in our Company's Cooling Systems Division, Power Systems Division and Servo Systems Division during the past year. Embracing advantageous features including noise reduction, miniaturization, increased efficiency and high reliability, environmental protection, and safety, these technological achievements continue our work in the direction aimed at by Sanyo Denki's three technologies.

We are certain that these achievements, that have already been or will be introduced to the market as products, will contribute to the successful development of our Second Mid-term Management Plan.

The necessity for technology and new product developments is infinite. The increasingly shorter life cycle of today's products makes the timely development of new products and their introduction to the market even more important. It is mandatory, therefore, that we review various plans for technology and products developments formulated under our Second Mid-term Management Plan. By doing so our plans can be properly prioritized as necessary. At the same time additional plans are also generated depending on the situation in order to further improve the efficiency of the development and to effectively reflect this development in products for introduction to the market through "selection and concentration."

It has been some time since the importance of developing value-creating products started to be discussed. Value judgments vary depending on the customers and the value can be the price, function, reliability, or any one of many other things. Value can also vary by business domains. Therefore engineers will have to correctly understand our customer's needs and utilize their understanding to make appropriate judgments for the development of technology and products.

We are already in the second year of the Second Mid-term Management Plan. While the technological results achieved during 1998 have partly contributed to the completion of the plan, we must still continue our efforts to develop technology and new products that are truly variable for customers.