

Operating Officer Shigejiro Miyata

## **Technology that Dominates the Competition**

Our company was founded on the premise of being one step ahead of the times. This is the very foundation of our corporate philosophy that we concentrate our unique technologies and skills to improve upon our strengths in order to make our customers' dreams come true. This concept, both a history and a culture, must continue on, passed down from seniors to juniors, through the younger generation of engineers, and those that will follow.

Our environment is undergoing massive and global changes. Competition is also globalizing, and thus becoming fiercer. In an environment like this, we must remember the basic strategies deriving from the 4th Mid-Term Management Plan to ensure a stable and enduring profit no matter how the environment changes. With our unique technologies and skills as a foundation, these strategies, which include increasing the brand name power of our products, developing products that have charm, and using cooperation to create synergistic effects, will guide us in our quest to best the competition

On the other hand, our customers' dreams are growing broader and more diverse. We are focusing our manufacturing technologies on creating products that precisely meet the core goals of our customers. Perhaps more importantly, the three technological trends of our corporate philosophy, "Technology to protect the planet," "Technology that uses new forms of energy and reduces energy usage," and "Technology that promotes the health and safety of humanity," are joining with the European Union EMC and RoHS directives to drive us to develop and produce products that save energy and emit little noise. These trends are seen throughout society in the technologies that make products like the hybrid automobile possible and can only be seen to be building momentum. No matter how impressive a single track of research or line of development may be, there is no guarantee that it will find its way into one of our products. Only the technologies that allow us to realize our dreams, or in other words, the technologies for creating, ever see production. The true test of a technology is its ability to help us create better products.

The goals of our manufacturing technologies are "Good products, sold quickly at low prices" and "Good products, made quickly and at low cost." From this perspective, every step of the design process, even down to the selection of parts, is crucial. While this obviously applies to manufacturing and assembly areas of technology, but even long-standing concepts of business are now being abandoned in order to answer questions like "Do we still need this?" "Can we simplify this?" "Can we integrate this?" and "Can we change this?" This leads us to reduce the number of parts in our designs and to simplify our products so they can be assembled easily. Until our products are as simple and effective as absolutely possible, we must never be afraid of failure, never be afraid of challenges never lose the courage to make things better.

As long as our engineers are obsessed with success to the point that no amount of dust or sweat will deter them from looking, listening, and feeling their way to success, and as long as they possess the focus to never let even the smallest change go unnoticed, our eventual success is assured. As it is said, "Failure teaches success," and we must not shy away from success.

This report introduces the new technologies and products that will increase our competitive power and that represent Sanyo Denki's technological success in 2005. These new products embody the dreams and the courage of the engineers who developed them. I am certain that these products will help our customers achieve their dreams as well.