

Seeking
the Next Point of view
the Next technology
the Next value

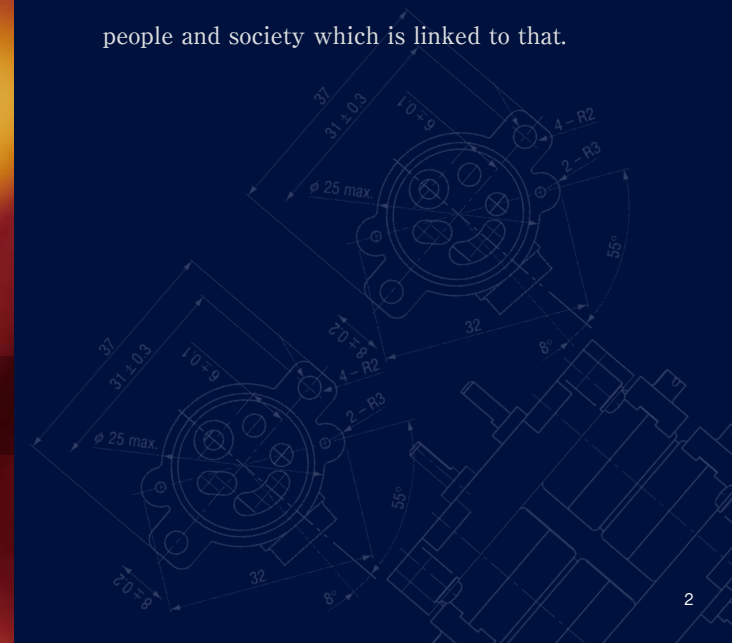
M a k e E m o t i o n s

Management Philosophy

Our Firm has set forth the following as our basic philosophy of management and will contribute to society by achieving these.

1. We shall make proactive efforts toward our corporate social responsibility and contribute to the development and prosperity of society.
2. We shall explore new avenues in the spirit of entrepreneur and with our own strengths.
3. We shall build an open and natural corporate culture with creative freedom, and take up the challenge of self-improvement.
4. We shall continue to provide new products to the market as a development-orientated company.

Nidec Copal Electronics Corp. is a professional group that has over half a century of experience and technical expertise as an electronics component manufacture which covers fields from industrial equipment to consumer electronics. Our business domain extends to each field in electronic & mechanical components, sensors and actuators. We have won praise and top market shares in each category of industrial machinery. Behind our strong track record is our entrepreneurial spirit that we have inherited since our founding as part of our DNA. Our stance of constantly seeking the next point of view, the next technology and the next value, as well as taking up challenges together with our customers, remains unchanged. In the future, we will continue to produce one after another highly value-added products that meet the needs of the times and we will contribute to the manufacturing of our customers, as well as a prosperous future for people and society which is linked to that.



Reason-*I*

The reason we are called unique

[Product]

We cover a wide range of products that meet the needs of all our customers. Among these, we have a great many exceedingly high added value products and products with no effective alternatives. These are utilized in new manufacturing and problem-solving technologies for our customers.

We provide unique technology that no one else can handle in niche areas



At Nidec Copal Electronics “unique” exists everywhere. For example, products that are only handled here and nowhere else in the world, as well as manufacturing and processing technologies that cannot be realized anywhere else. Our true worth is not parts that can be easily obtained, but the ability to supply the products that meet niche needs and wants. For example, our optical scanners that are used in laser printers and digital multifunction printing machines have had a contactless structure developed

with our unique technology that supports the axis of revolution in the layer of air for the bearings. This has led to the realization of ultra-high speed, quiet and long-life devices. Furthermore, we were the first in the world to handle the manufacture of polygon mirrors through mirror surface cutting that demands ultra-high precision processing technology. Many of these high added value products are utilized in products which are a focus of our customers and support their satisfaction.

A flexible covering strength that satisfies the extensive needs and demands of our customers



One of the major features of Nidec Copal Electronics is our abundant product lineup that can respond to the various manufacturing needs of our customers. In fact, in the field of trimmer potentiometers and switches we have an extremely wide variety of approximately 13,000 different kinds. We provide choices that meet all applications and needs, up to differences in specifications, shapes, coloring and the various operational feel. Furthermore, in each category of sensors and actuators we have

prepared a wide-ranging product lineup that meets a variety of needs. In addition, we also offer flexible support for custom production with the individual development and manufacture of products in line with the requests and orders of our customers. Taking advantage of our rich experience and knowledge, we offer our customers special products that have been given exclusive designs and specifications which cannot be covered in standard goods.

Reason-*II*

The reason we are called innovative

[Research and Development]

We are known as innovators that rearize the things which do not exist in the world, as well as products and technologies that are rare in the industry. In the process of research and development, our great principle is manufacturing tailored to marketability, superiority and compatibility. Our policy is to identify and create products and technologies that have hidden potential and which are not only innovative but that will spread across the market in the future.

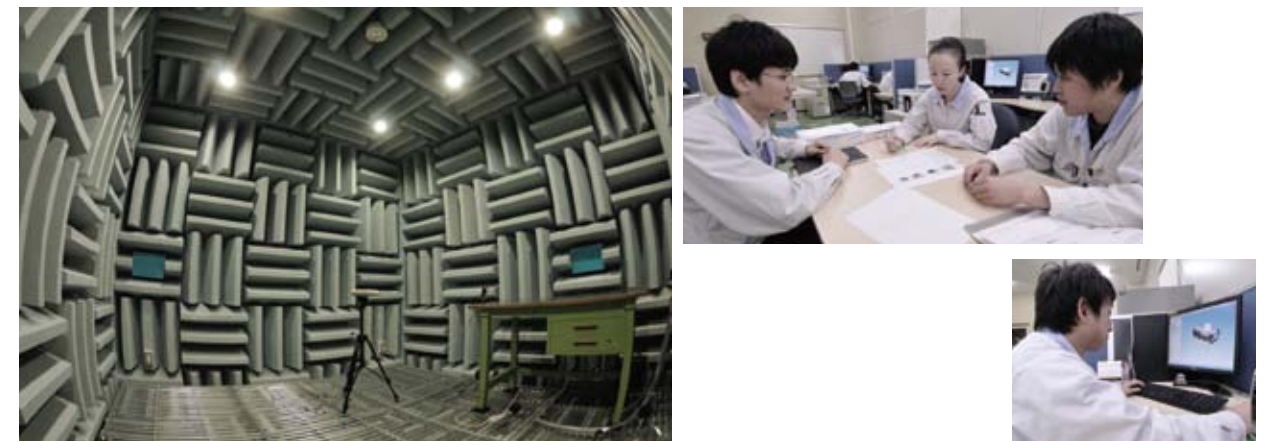
Perception and foresight that accurately captures the needs and demands of the times



We have a well-honed sense that delicately reads the trends of the next era. This can be called the indispensable nature for an electronic component manufacturer that supports the technological development of society in the background. We have established a unique management system in order to accurately capture the needs of customers and market trends, and to then utilize these for product development. We build close contacts with our customers. Then, we work as one while taking on each role of the sales department team

that promptly collects together the input of the actual development site, the sales engineers that decipher new needs for each department and who then guide the realization of these, and furthermore the marketing professional group that predicts and takes an outlook on the future of the market. We then draw a product roadmap that looks to the short, medium and long-term. This development-orientated structure and process is capable of the timely development of products that meet the demands of the times.

A development environment that follows the latest trends and changes in the market



Ability to meet the market environment that is ever-changing at a remarkable momentum, development strength with a greater sense of speed is demanded in electronic component manufacturers. In response to this current, we have a Development Center to support the creation of our products. This has been established as a specialized facility to promote even faster and more effective research and development. The Development Center plays a cross-functional role beyond the boundaries of each division as a base of development with the responsibility from

basic and elemental technologies used in key products (e.g. electronic & mechanical components, sensors and actuators) and the development of new products to pioneering new business that has hidden potential in the future. This contributes to the creation of the high-quality products which are characteristic of Nidec Copal Electronics. Furthermore, research and development projects with industry-academic-government cooperation are actively pursued here and are given birth, one after another, to the latest technologies that have carefully examined future market trends.

Reason-III

The reason we are called experts

[Quality]

With outstanding high-quality and steady performance we want to live up to the trust our customers' place in us. This earnest desire of ours comes out in our strict quality control and production system. Starting with the introduction of quality management conforming to international standards, this extends to long-term reliability tests, inspection of all items in the production process and data management. We make absolutely no compromises in our pursuit of quality as a professional organization of electronic components for industrial equipment.

Quality comes first with our thorough quality and production management system



Electronic components for industrial equipment demanding high reliability and stability are located in a fate which requires a high quality greatly exceeding that of consumer electronics. Against this background, we strive to pursue a quality level that is always one step ahead. We have not only put into practice quality management based on the international quality assurance standards of ISO9001 in all our divisions, we carry out quality control through environmental testing that utilizes advanced testing equipment. Furthermore, for

example, in electronic & mechanical components, we are aiming for higher quality and improvements every day by proactively adopting internal evaluations which take into account the usage environment of our customers. These include evaluations assuming the impact from soldering process, and durability testing for actuators in harsh environments. Through the accumulation of these efforts, we have acquired high product quality which constantly delivers and maintains the performance demanded of us.

Pursuing the highest quality in all production facilities



In order to keep costs down and improve productivity, an increasing number of our products are shifting from domestic to international production. However, no matter where our products are produced, our aim is always to have the highest quality. In electronic & mechanical components, almost all of our products are produced in factories in China, but in addition to the introduction of a quality control system that is the same as in Japan, we are looking to stabilize quality at a high level by adding automation equipment

into product manufacturing. Furthermore, we have developed and introduced an advanced production system that coordinates all information relating to production. We have also established a production structure in which it is possible to achieve in a short period of time high-mix, low-volume production reaching millions of units a month. The results of these efforts have been demonstrated by an exceedingly high yield. This has led to us winning the trust of our customers.