Electronic components KPI (Interim Version 1.0)
As of June 30, 2010

No.	KPI	Description	KPI formula	Practice Example	Application Date	Relation with Financials	Merit/Need
1	Number of recalls	To understand the company's quality management of products	Number of recalls due to the cause of troubles and failures	Sample Business Case: ABC company | | 2009 | 2008 | | Number of recalls | 2 | 0 |	Provided once a year according to the fiscal term.	Cost of goods sold	It shows the company's efforts for quality management and provides the information which enables customers to make purchase decisions.
2	Number of claims	To understand the company's quality management of products	Number of claims due to the cause of troubles and failures	Sample Business Case: ABC company | | 2009 | 2008 | | Number of claims | 0 | 0 |	Provided once a year according to the fiscal term.	(Future) sales	It shows the internal management for quality and reputation risks.
3	Number of critical incidents occurred	To understand the company's quality management	Number of critical incidents which affect human body	Sample Business Case: ABC company | Product | Number of critical incidents occurred 2009 | 2008 | | Electronic Materials | 0 | 0 | | Electronic Devices | 1 | 0 |	Provided once a year according to the fiscal term.	Particular charge	It shows the company's efforts for quality management and provides the useful information which enables clients to make decisions to buy products safely.
4	Average life of products	To understand the degree of impact for clients' decisions to buy products	Average life of products which is derived from the results of internal endurance test	Sample Business Case: ABC company | Product | Average Life (years) | | Electronic Materials | 5 | | Electronic Devices | 4.5 | | Other Devices | 6 | | Others | 3.8 |	Provided once a year according to the fiscal term.	None	It shows the company's efforts for quality improvement and endurance edge of products.
5	Sales by main product	To understand which products company mainly focuses on under the strategy	Sales by main product	Sample Business Case: ABC company | Product | Sales | y/y | | High-frequency component | 600 | 105% |	Provided once a year according to the fiscal term.	Sales, Profitability	It shows linkages between the company's products and the performance.
6	Number of clients to which products were delivered listing by main product	To understand the company's possession situation of own products which are developed using own technology and process.	Number of clients to which products were delivered listing by main product	Sample Business Case: | Product | Number of clients to which products are delivered | | Inductive device | 3 | | Piezoelectric material product | 1 |	Provided once a year according to the fiscal term.	Sales	It shows the degree of peculiarities and unfungibility for each product.
7	Number of competitors by main product	To understand the company's competitiveness of each product	Number of competitors by main product	Sample Business Case: ABC company | Product | Numbers of competitors | | Laminated ceramic capacitor | 6 | | Mechanical module | 3 |	Provided once a year according to the fiscal term.	(Future) sales, Profitability	It shows the degree of peculiarities and unfungibility for each product.
8	Market size and share by main product	To understand the market size and their areas of speciality	Market size by main product : Market size for each of main product Market share by main product : Sales by main product / Market size by main product	Sample Business Case: ABC company | Product | Market | Sales | Market | | High-frequency component | 6000 | 600 | 10% |	Provided once a year according to the fiscal term.	Sales, Profitability	It shows the market growth potential and own edge.
9	New product ratio (NPR) by main product	To understand the company's innovative power and strength	New product sales by main product / Total sales by main product	Sample Business Case: ABC company | Product | New product sales | Total sales | New product ratio | | High-frequency component | 400 | 1,200 | 30% |	Provided once a year according to the fiscal term.	Sales, Profitability	It shows the company's growth potential through its own technical innovation efforts and the performance.
10	Number of joint development projects	To understand the strength of connection with setmakers	Number of joint developments with setmakers	Sample Business Case: ABC company | | 2009 | 2008 | | Number of joint developments with setmakers | 5 | 6 |	Provided once a year according to the fiscal term.	(Future) sales, Profitability	It shows the joint developmental status with setmakers of future earnings information.

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11	Number of developments of new use	To understand the company's innovation of technology	Number of developments of new use	Sample Business Case: ABC company Number of developments of use 2009 / 2008 Electronic Materials: 3 / 4 Electronic Devices: 2 / 1	Provided once a year according to the fiscal term.	(Future) sales, Profitability	It shows the potential of market growth when existing products' use becomes wider.
12	Recycling rate of components	To understand the company's environmental activities	Recycling rate of components	Sample Business Case: ABC company Recycling rate of 2009 / 2008 Electronic Materials: 94% / 92% Electronic Devices: 93% / 91%	Provided once a year according to the fiscal term.	None	It shows the company's great awareness of enviromental issues and its efforts to improve with corporate social responsibility.
13	Total amount of human capital investment (training cost etc.)	To understand the company's human capital investment to gain sustainable competitive advantage	Number of ISO approval obtained suppliers/Total number of suppliers	Sample Business Case: ABC company FY 2009 / FY 2008 Human capital investment (training cost etc.): 250 / 220	Provided once a year according to the fiscal term.	Selling, general, and administrative expenses	It shows the progress of technical succession and educational training to the next generation employees.
14	Number of workers who have technical qualifications	To understand the company's technical skills	Number of workers who have technical qualifications	Sample Business Case: ABC company Name of qualification / Number of qualified workers Electronic assembly: 300	Provided once a year according to the fiscal term.	None	It shows the possession situation of technical skills and professional human resources.
15	Average age/average length of service of engineers	To understand the characteristics and the age composition of engineers in the company as well as if the company keens to employ mid-career engineers	Average age/average length of service of engineers	Sample Business Case: ABC company Average age / Average length of service Engineers: 45.2 / 23 years	Provided once a year according to the fiscal term.	None	It shows the characteristics and the age composition of engineers in the company.
16	Number of overseas manufacturing bases	To understand the company's efforts to reduce manufacturing costs by local production	Number of overseas manufacturing bases other than Japan	Sample Business Case: ABC company Area / Number of manufacturing bases U.S.: 50 Europe: 40 China: 20 Others: 12	Provided once a year according to the fiscal term.	None	It shows the company's efforts to reduce manufacturing costs by shifting production overseas.
17	Average wage by geographic area	To understand the company's use of cheap labour	Average wage by geographic area	Sample Business Case: ABC company Area / Average wage U.S.: 400,000 Europe: 380,000 China: 280,000 Others: 200,000	Provided once a year according to the fiscal term.	Manufacturing costs	It shows the company's efforts to reduce labour costs in manufacturing processes.
18	Total amount of outsourced manufacturing costs	To understand the company's efforts to reduce manufacturing costs	Total amount of costs when a part of the manufacturing process is outosourced to the other manufacturers	Sample Business Case: ABC company Outsourced manufacturing cost Electronic materials: 300 Electronic devices: 500 Recording devices: 1,000 Others: 400	Provided once a year according to the fiscal term.	Manufacturing costs	It shows the aspect of manufacturing costs as well as the status of outsourcing utilization.
19	Operating rate by overseas area	To understand the efficiency of the production line and its capacity	Operating rate by overseas area	Sample Business Case: ABC company Area / Operating U.S.: 87.5% Europe: 85% China: 90% Others: 80%	Provided once a year according to the fiscal term.	Manufacturing costs, (Future) capital investment	It shows the equipment operating status and the production availability as productivity and efficiency of production lines.

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<tr><th>No.</th><th>KPI</th><th>Description</th><th>KPI formula</th><th>Practice Example</th><th>Application Date</th><th>Relation with Financials</th><th>Merit/Need</th></tr>
<tr><td>20</td><td>Sales by geographic area</td><td>To understand the important area to develop the global strategy</td><td>Sales by geographic area</td><td>Sample Business Case: ABC company
<table><tr><td>Area</td><td>Sales</td><td>y/y</td></tr><tr><td>U.S.</td><td>2,000</td><td>85%</td></tr><tr><td>Europe</td><td>1,500</td><td>90%</td></tr><tr><td>China</td><td>1,000</td><td>110%</td></tr><tr><td>Others</td><td>700</td><td>120%</td></tr></table></td><td>Provided once a year according to the fiscal term.</td><td>Sales</td><td>It shows linkages between strategic important areas and the performance for global development.</td></tr>
<tr><td>21</td><td>Sales to non-Japanese firms</td><td>To understand the company's potential to expand the business to the global market</td><td>Sales to non-Japanese firms</td><td>Sample Business Case: ABC company
<table><tr><td></td><td>FY 2009</td><td>y/y</td></tr><tr><td>Sales to non-Japanese firms</td><td>3,000</td><td>110%</td></tr></table></td><td>Provided once a year according to the fiscal term.</td><td>Sales</td><td>It shows degree of business dispersion around the world.</td></tr>
<tr><td>22</td><td>Number of clients by geographic area and average trading period</td><td>To understand the global distribution of clients and the global market development in relations with them</td><td>Number of clients by geographic area: Total number of clients of each area
Average trading period: Total length of trading periods of each client / Total number of clients of each area</td><td>Sample Business Case: ABC company
<table><tr><td>Area</td><td>Number of clients</td><td>Average trading period</td></tr><tr><td>U.S.A</td><td>100</td><td>8</td></tr><tr><td>Europe</td><td>70</td><td>15</td></tr><tr><td>China</td><td>50</td><td>3</td></tr><tr><td>Others</td><td>30</td><td>5</td></tr></table></td><td>Provided once a year according to the fiscal term.</td><td>(Future) sales</td><td>It shows the company's performance in customer retention as well as customer loyalty.</td></tr>
<tr><td>23</td><td>Overseas research and development costs</td><td>To understand the dispersion of research and development around the world</td><td>Total amount of overseas research and development costs</td><td>Sample Business Case: ABC company
<table><tr><td>Research and development cost</td><td>FY 2009</td><td>y/y</td></tr><tr><td>Overseas</td><td>300</td><td>110%</td></tr><tr><td>Japan</td><td>400</td><td>105%</td></tr></table></td><td>Provided once a year according to the fiscal term.</td><td>Research and development cost, (Future) sales</td><td>It shows the company's adaptability to local market needs.</td></tr>
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