Ogura announces new manufacturing operation in Malaysia

As competitors close and consolidate manufacturing facilities, Ogura continues to expand operations worldwide to provide localization and reduce overall costs for our customers.

The newest manufacturing facility for Ogura will be located at 40000 Shah Alam, Selangor, Malaysia. The new operation will be called Ogura Clutch Malaysia SDN BHD. The facility is slated to open July of 2002. It will initially be set up for car air-conditioning clutch production for the Southeast Asian market. The facility will start off assembling components and will then ramp



New Malaysian manufacturing facility

up to eventually producing complete clutch assemblies. Employment at the plant is expected to be about 50 personnel and their target for production quantities is approximately 300,000 clutches per year.

Mr. Ichiro Ogura passes away

On May 5th, Mr. Ichiro Ogura, President and CEO of the Ogura group of companies passed away. Mr. Ogura had been President and CEO for the past 34 years. Under his guidance and leadership Ogura grew from a small Japanese domestic clutch manufacturer to the largest manu-

facturer of electromagnetic clutches in the world.

Mr. Ogura was exposed to the clutch business at a young age. In his teenage years he watched his father work hard to grow the small business but in 1952 his father died at the age of 39. At that time Ogura had only 14 employees and sales of \$24,000 per year.

After his father died, his mother decided not to sell the company and assumed the role as president. This



Mr. Ichiro Ogura

was a daring decision because, at that time, it was almost unheard of to have a female president of an industrial company. She worked hard to keep the company going while at the same time putting Ichiro through college.

After Mr. Ogura's graduation from college, he started to work in the

factory, where mechanical multiple disc clutches for machine tool customers were being produced. In 1959 one of those customers wanted to have electric actuation versus the standard mechanical actuation so electromagnetic multiple disc clutches for machine tools were developed.

In 1960, Mr. Ogura became plant manager of the Kiryu operation. At that time the plant had grown to 151 people and sales had grown to about \$640,000.

Electric clutch designs continued

to expand and in 1961 the first airconditioning clutch was designed and in the following years sales began to other customers outside of Japan.

In 1968 Mr. Ogura's mother died and he became President of Ogura Clutch Co., Ltd. at the age of 31. At that time the company had grown to 320 people and sales had grown to around 4 million dollars.

Over the following years, Mr. Ogura instituted a number of expansions within the company that allowed it to grow substantially. He believed in localization where practical, which is why there are now 12 different manufacturing facilities worldwide to provide our customers the best possible value in clutches and brakes.

As Mr. Ogura's son, Mr. Yasuhiro Ogura takes over for his father as President and CEO, he takes over a company that has grown to 400 million dollars in sales and 1,400 people worldwide.

OIC EMPLOYEE PROFILE

John Stone

ohn Stone has recently been hired to be the sales representative for Ogura products in Southern California. John is one of the few people that are originally from California. He has lived there his entire life. He has three children, two sons and a daughter. One of his sons is a minister and is married with a new son of his own, so John has recently become a grandfather. He has another son working in the restaurant industry and a daughter in college who is studying to become an English teacher. His hobbies are what you would expect from a person who has lived his whole life



John Stone

building custom motorcycles and hot rods, sport fishing and golf. But, he considers himself an average

in southern Cali-

fornia. They are

Juy.

A brief history and current business description from John follows.

"I had worked for Electroid selling clutches and brakes for the past 14 years and felt it was time for me to venture out on my own! MMB a bearing company was looking for a representative in southern California at the same time, which sealed the deal.

I have now been at it for over 2 years and the experience I have gained over the last 23 years in the power transmission/motion control industry is proving invaluable.

I am currently working as a oneman show, with plans in the near future to add either a partner or at the very least one more outside sales person!

I currently carry eight principal lines and only plan on adding one more at this time.

I have created a product mix that works well together and am able to sell more than one item at a time to most of my customers."

Competitors help prevent price reduction for outdoor power equipment customers

For the past ten years Ogura has been negotiating with US Customs regarding PTO clutch/brakes. The claim was that the PTO clutch/brake was improperly classified. Ogura was claiming that improper classification penalized Ogura (and eventually the end

customers) by paying a higher duty rate than was warranted.

In July 2001 the case went to trial. Ogura had affidavits and physical testimony from customers. industry consultants and even a professor of mechanical engineering who all supported Ogura's position. All personnel were positive that a victory and a price reduction for Ogura customers would soon follow. All that had to be proved was that the Ogura PTO clutch was an electromagnetic clutch with a mechanical brake. (Since this is exactly how competition describes their clutch/brake in their catalog, a favorable conclusion by the judge seemed inevitable.) However, in their testimony, personnel from the competition said that the information in the catalog really wasn't accurate and that a PTO clutch/brake is an electric brake.

LLT would like to give a special thanks to the outside consultants and our attorneys for the considerable amount of time and effort they put into helping us with this case. I would especially like to thank the engineering personnel from Dixon. Metalcraft of Mayville (SCAG), and the many personnel from John Deere that assisted us through this process. It's unfortunate that we were not successful in our attempt to get this product reclassified. I know that many customers could use the additional 3% savings this would have given to them. There is nothing good about losing but there is nothing more frustrating than to lose even though you have the support of the entire outdoor power equipment industry. ??

> Frank Flemming, President, Ogura Industrial Corp.

In February 2002 OIC learned from the judge that

he sided with our competitors and ruled against Ogura. This means that the duty in the PTO clutch/brakes cannot be eliminated. Had this case been won, a price reduction of 3.1% to all lawn and garden customers would have been applied.

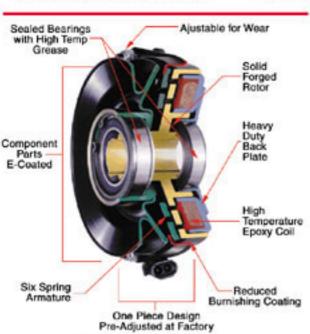
Over the past 10 years Ogura has spent a considerable amount of time and money in trying to prove what was thought to be a simple case. Ogura has decided not to take this case any further and will not appeal the judge's decision.

APPLICATION STORY

Ogura quality and dependability for outdoor power equipment

Mowing with a riding mower frequently requires a secondary operation with a walk-behind mower to trim those pesky places that a rider can't quite reach. Low hanging tree branches, shrubs and planters, walls, fences and steep hillsides are all obstacles that make lawn care more tedious and dangerous for riding mowers and the storage shed just a bit more crowded.

Rich Manufacturing Incorporated of Thorntown, Indiana produces an interesting solution to this dual machine need in the form of a "Convertible Mower". Rich's unique design places the operator controls on an arm that can be rotated to the rear of the machine for walk-behind operation, or positioned before the seat to convert the mower to a zero



PTO clutch/brake design advantage



Mower in riding position

turn rider. One machine provides the maneuverability of a walkbehind and the speed and productivity of a rider.

In both operating modes Rich depends on an Ogura electric clutch to transmit power from the engine to the deck. Ogura electromagnetic PTO clutches are fully assembled at the factory and preadjusted for optimum performance. Superior design features

include a solid forged rotor, sealed, precision bearings, e-coated exterior surfaces and the ability to adjust for wear, assuring a long and productive life. The customer simply slides the assembly on the engine crankshaft with a mounting bolt and washer, plugs into the machine wire harness and installation is complete.

When power is applied to the clutch, the armature and pulley are magnetically coupled to the rotor and engine power is transmitted to the implement through a belt or drive shaft. When the



Mower in walk behind position

coil is switched off the armature is mechanically pulled against a brake surface to assist in safe dependable stops. Ogura PTO clutches are simple to install, fully

... Rich
depends on
an Ogura
electric
clutch to
transmit
power from
the engine
to the deck.

assembled, field proven and a valuable feature on all types of outdoor power equipment.

Ogura manufactures a broad range of clutches for the turf care industry.

Clutches are available for residential yard tractors and commercial machinery for use on gas and diesel engines from 15 to 34 horsepower. Thanks to Rich Manufacturing and the entire Outdoor Power Equipment Industry, there are even more reasons to say, "Everything about an Ogura clutch works."

For more information on Ogura PTO clutches, visit our website at www.ogura-clutch.com.



OGURA INDUSTRIAL CORPORATION

P.O. Box 5790, 400 Cottontail Lane, Somerset, NJ 08875-5790

Tel: 732-271-7361 • Fax: 732-271-7580 E-mail: ogura.nj@ogura-clutch.com Web Site: www.ogura-clutch.com

Summer from the staff of Ogura Industrial

New series of Eddy Current clutches

Somerset, NJ

A new series of permanent magnet Eddy Current clutches and brakes, the PET Series has been introduced. Units are available in four different series from .18 in.lb. to 8.8 in.lb. in torque. Through a combination of Eddy Current disks and multiple pole permanent magnets. torque is developed via magnetic drag. In the standard Hysteresis Ogura Series (PHT), torque is constant regardless of slip speed. In the new



Current Clutches

Series torque is proportional to slip speed. So as the speed increases, the torque increases. This type of torque profile is ideal for rewind applications so

as a rewind roll gets larger, the slip speed increases providing greater torque which compensates for roll diameter giving a constant material tension.

Besides the proportional torque to speed relationship, each of the units also has the ability to have the initial torque ramp adjusted manually. Since no external power is needed, these units are ideal for precise tension control in a number of rewind applications.

But the biggest advantage they have over electromechanical or pneumatic clutches is that there is no internal frictional contact so there is no wear. Since the units do not have wear that affects torque, the unit's performance is consistent throughout its life.

OGURA IN THE NEWS

Ogura displays new products at Tokyo Autoshow

Tokyo, Japan

Ogura recently exhibited in the TOKYO AUTOSALON with Auto Asia 2002 Show. At this show, they unveiled three new products: The first is a new damperless designed clutch.



New products at Tokyo Autoshow



Tokyo Autoshow

second is a new, quiet single plate clutch. The third is the transmission clutch that they are currently making for the Subaru Impresa.

Besides the new products, Ogura's other racing components (lightweight flywheels, multiplate clutches and specialty drive shafts) were on display.

Ogura had approximately twelve different cars from different manufacturers modified with Ogura components at the show. With almost 250,000 people visiting the show, Ogura had significant exposure to both industry personnel and potential customers.

TBS features Ogura's employee training on morning news

Kiryu, Japan

TBS is one of the major national networks in Japan. (It would be similar to ABC, NBC and CBS in the United States.) Last quarter during one of the morning news programs, Ogura's employee training was featured.

As many Ogura customers know, all Ogura



TBS reporter interviewing production manager



TBS reporter interviewing production engineer

personnel, whether in Japan or in the United States, go through ongoing training to improve their skills for their current job or to become qualified for a higher level position. Ogura employees follow a system of self improvement that advances them through different levels. This system is unique to Ogura and was featured as one of the best practices for quality driven companies.