

Sustainability Report 2010

SANYO Electric Co., Ltd.

eco
ideas



2010

SANYO



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Editorial Policy

| Period

April 1, 2009 to March 31, 2010

(Also includes some data, targets, and forecasts outside of this period.)

| Scope

Financial report: SANYO Electric Co., Ltd., and consolidated subsidiaries worldwide

Environmental report: SANYO Electric Co., Ltd., and manufacturing subsidiaries worldwide

Social responsibility report: SANYO Electric Co., Ltd., and main related companies worldwide

| Reporting area

Management, Environmental side, Social side

| Change in the scope of reporting

Sanyo sold its mobile phone business by spin-off in April 2008, but results from this business are included in the environmental performance data from previous years.

| Reference Guidelines

- GRI Sustainability Reporting Guidelines 2006
- Environmental Reporting Guidelines, 2007 (Japanese Ministry of the Environment)

President's Message

Under the management philosophy: "We are committed to becoming an indispensable element in the lives of people all over the world," the Sanyo Group has been growing and developing by consistently conducting its business in a harmonious relationship with supportive stakeholders. It is my conviction that Sanyo Group's development to the present date was made possible through striving in product development and quality improvement to satisfy customers of our products and services, including everyday consumers, business customers and business partners; and encouraging all employees concerned to carefully listen to the desires of customers and business partners and address challenges with enthusiasm.

The Sanyo Group, which was among the first to undertake environmental management, is advancing development of environment-conscious products and services as well as addressing global environment protection, thus carrying out its business activities as a pro-environment enterprise. Sanyo's energy-related technologies and environment-conscious solutions can help decrease global warming. In particular, its energy business that handles rechargeable batteries and photovoltaic systems makes a global environmental contribution and is the most important business of the Sanyo Group.

At the same time, in April 2011 SANYO Electric Co., Ltd. will become a wholly-owned subsidiary of Panasonic Corporation with its stock being delisted in conjunction therewith. In the future, in accordance with the Panasonic Group's management philosophy: "Contributing to the progress and development of society and enriching people's lives through manufacturing," we will expeditiously create maximum synergy effects while establishing the business model most suitable for business characteristics to increase the corporate value of the entire Panasonic Group.

To continue to live up to the expectations of stakeholders and contribute to society as a whole for its lasting growth, the Sanyo Group will keep improving related activities. Our "Environment/CSR" website provides the activity performance and future goals. Any frank comments from stakeholders would be greatly appreciated.

I look forward to your continued support in the future.

A handwritten signature in black ink, appearing to read 'Seiichiro Sano', with a stylized flourish at the end.

Seiichiro Sano
Executive Director & President

Corporate Profile

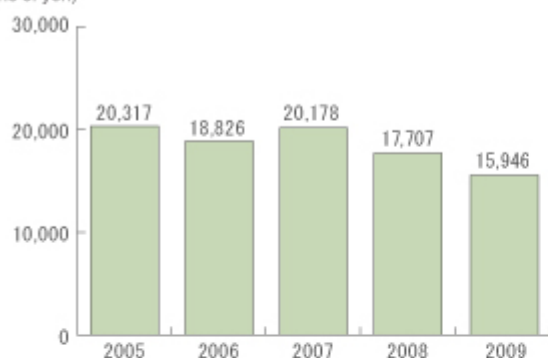
Outline

Company Name	SANYO Electric Co., Ltd.
Founded	February, 1947
Incorporated	April, 1950
Head Office	5-5, Keihan-Hondori 2-Chome, Moriguchi City, Osaka 570-8677, Japan
President	Seiichiro Sano
Capital	¥322,242 million (As of March 31, 2010)
Number of Employees	104,882 (Consolidated) 9,504 (Non-Consolidated) (As of March 31, 2010)
Subsidiaries and Affiliates	Domestic: 74 (Subsidiaries: 51, Equity Method Affiliates: 23) Overseas: 132 (Subsidiaries: 106, Equity Method Affiliates: 26) Total: 206 Subsidiaries and Affiliates (As of March 31, 2010)

Financial Report

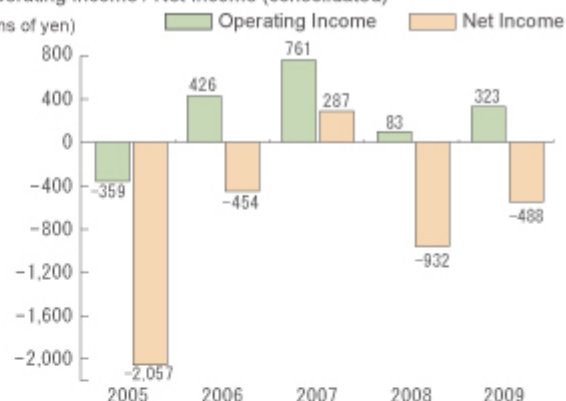
■ Net Sales (consolidated)

(Billions of yen)

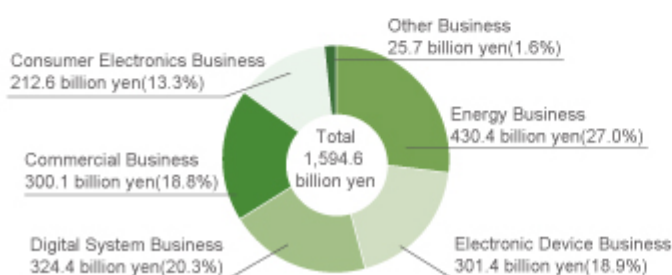


■ Operating Income / Net Income (consolidated)

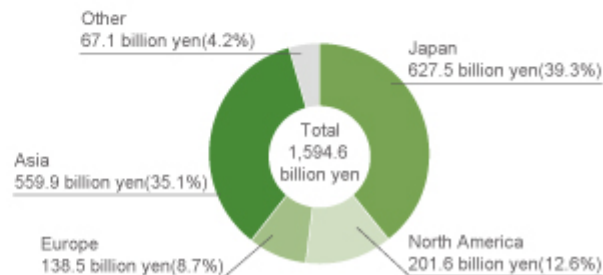
(Billions of yen)



■ Sales by Division (FY2010, consolidated)




■ Sales by Region (FY2010, consolidated)



Corporate Profile

Management Philosophy



We are committed to becoming an indispensable element
in the lives of people all over the world

| Basic Concept

SANYO Electric Group, by developing unique technologies and offering excellent products and sincere services, seeks to become a corporation that is loved and trusted by people around the world. The Group seeks to become "as indispensable as the Sun" for the people of the world.

| Explanation

SANYO's founder, the late Toshio Iue, gave the company its name. "SANYO" means "three oceans" -specifically, the Pacific, Atlantic and Indian oceans: in other words, the entire world. Our founder had the earnest ambition to conduct business throughout the world, maximizing the company's three core assets: excellent human resources, superior technologies and first-class service. Thus the company name also implies its business territory and policy.

The founder once stated his principle in this way: "As a corporation, we seek to be like the sun, which shines upon all alike, regardless of race, creed, religion or difference in wealth." As is expressed in his statement, SANYO Electric Group has always sought to be essential to people everywhere in the world like the sun, that shines upon all.

The sun can represent various meanings, but SANYO Electric Group aims to be:

1. Lively (endless vigor and energy)
2. Indispensable (creative and innovative technologies)
3. Warm (wholehearted sincerity and dedication)

Quality work to be proud of the world over



| Basic Concept

The Principles of Conduct stipulate the guidelines to be observed by all SANYO Electric Group directors, officers and employees in all their activities. Each director, officer and employee is expected to always think and act from a global perspective and strive with untiring determination to offer unrivaled products and service that merit the recognition due a world-class corporation.

The philosophy underlying the Principles of Conduct is courage and determination to take on new challenges.

| Explanation

The spirit of our late founder is manifest in our principle of conduct "Work with wholehearted sincerity" and in our company motto "Precision craftsmanship to be proud of the world over."

Our founder entered business with firm determination: "Even though the company may not become large, we should put our hearts and souls into each effort, so as to create superior products, unsurpassed by any of our competitors. Only such an approach can bring joy and happiness to myself and our employees, and enable us to contribute to society."

In January 1960, the company motto "Precision craftsmanship to be proud of the world over" was established, manifesting the founder's principle: "You should put your whole heart and soul into your assigned duties. Regardless of whether you work in production or sales, you should always employ the most efficient method available and proceed with work in a scientific manner. Work accurately, paying the closest attention to the smallest details."

1. **Integrity: We work with integrity.**
(1) Pride and courage (2) Respect for rules and fair competition (3) Global perspective
2. **Customer Oriented: We anticipate what will satisfy our customers.**
(1) Work that meets expectations (2) High-quality work (3) Work that merits our customers' trust
3. **Creativity: We single-handedly open up new eras.**
(1) Creating markets (2) Aiming for the top (3) Innovation
4. **Mutual Trust: We create a workplace imbued with the aura of freedom and the candid exchange of views.**
(1) A fresh and open working environment (2) An encouraging workplace (3) Performing our duties
5. **Social Commitment: We maximize efficiency in business management and distribute profits on the basis of fairness and equity.**
(1) Strong presence in society (2) Openness (3) Harmony with the earth's environment

Generating Synergy



Generating Synergy

The SANYO Group will offer invaluable products and services
generating synergy with the customer perspective.

| Basic Concept

"Generating" is actively bringing forth innovative products and ideas. "Synergy" means actively listening to customer feedback and requests, and proposing solutions using SANYO original technologies and creative abilities.

Corporate Governance

| Basic Approach to Corporate Governance

Sanyo believes that the improvement of corporate governance is essential for putting its management philosophy into practice and increasing corporate value. Therefore it is strengthening its internal control system based on sound management systems, and is striving for better management transparency through suitable and timely information disclosure.

For Sanyo, compliance is an important foundation for fulfilling its social responsibilities, and the company understands that thorough compliance is essential for the continuation of business activities. In addition to improving its own corporate governance, Sanyo is actively promoting compliance management throughout the group. The Sanyo Electric Group Principles of Conduct have been established as a policy that must be followed by all group executives and employees. It requires them to not only observe all relevant laws and internal rules, but also to comply with a wide range of corporate ethics. A specific code of conduct has also been established in order to carry out the Principles of Conduct, and the group executives and employees have been made well aware of this code.

| Corporate Structure and State of Internal Control System

1. **State of business administrative structure concerning managerial decision-making, operation, and oversight, and other corporate governance systems**

1. Board Members and Board of Directors

The Company holds regular monthly meetings of the Board of Directors, to make important decisions and oversee business execution by executives. To facilitate careful deliberation at such meetings and improve management efficiency, the Steering Committee is held at least twice a month. The Steering Committee preliminarily review items on the agenda for the meeting of the Board of Directors, and make swift decisions regarding fundamental and important subjects relating to certain business implementations.

In fiscal 2010, Board of Directors' meetings were held 30 times.

As of the end of June 2010, the Board of Directors comprises eight directors.

2. Corporate Auditors and Board of Auditors

Based on the Japanese Company Law, the Company has a Board of Auditors. The Corporate Auditors attend Board of Directors' meetings and other significant meetings, inspect important documents of decisions and receive reports from internal audit sections and other relevant departments. Through these activities, the Corporate Auditors stringently monitor the performance of the directors. The Corporate Auditors also inquire into the auditing policies and plans of the accounting auditors, and receive reports and explanations on the results of audits whenever they are performed, so as to ensure mutual coordination with the accounting auditors. After problems regarding the voluntary amendment of previous financial statements, Sanyo implemented regular financial investigation meetings attended by the accounting auditors, the Corporate Auditors, and the accounting department in order to share information while identifying and resolving any accounting issues.

In fiscal 2010, the Board of Auditors met 17 times, and the average attendance rate for outside auditors was 100%.

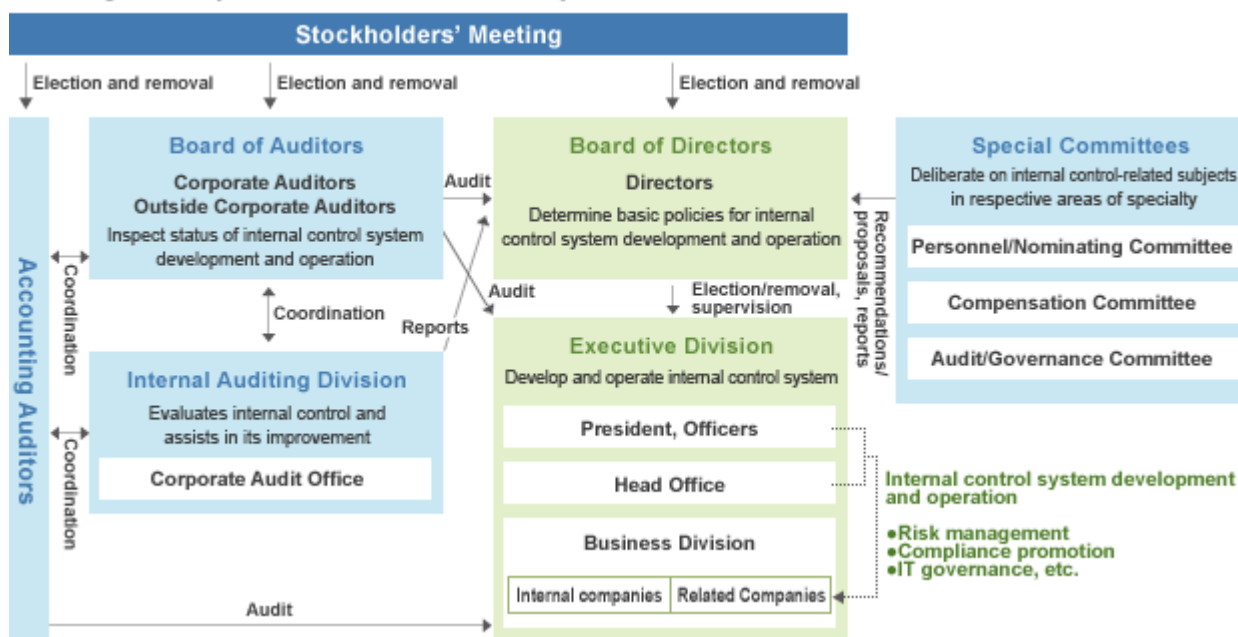
As of the end of June 2010, the Board of Auditors comprises five corporate auditors, three of whom are outside auditors.

3. Special Committees

Sanyo has three special-purpose committees: the Personnel/Nominating Committee, the Compensation Committee, and the Audit/Governance Committee. With the inclusion of members who are outside experts, these committees discuss specialized matters relating to internal control, make recommendations and prepare reports to the Board of Directors. The main areas of deliberation for these committees are as follows.

- Personnel/Nominating Committee
 1. Agenda items to be submitted to the General Meeting of Stockholders relating to director dismissal, selection of director candidates
 2. Important agenda items relating to executive personnel affairs necessary for management execution
- Compensation Committee
 1. Agenda items to be submitted to the General Meeting of Stockholders relating to the total amount of director compensation
 2. Individual board member (and officer) compensation (policy determination, calculation method, etc.)
- Audit/Governance Committee
 1. Agenda items relating to corporate governance and internal control
 2. Agenda items relating to compliance hotline reports and internal audit results

■ Management System and Internal Control System



2. State of Internal Control System

In order to win the trust of our stakeholders and to enhance sustainability as a global enterprise, in addition to observing relevant laws and regulations, Sanyo pursues improvement of corporate management, in terms of soundness, efficiency, and transparency. To that end, we consider that it is essential to properly maintain our internal control system and make it work effectively.

3. Internal Control System

With the aim of strengthening and improving internal controls, Sanyo unifies monitoring of control activities through the internal control promotion department and the top management, head office, and business divisions are unified in their goal of upholding the company's internal control system.

- Internal Audit

To further improve and strengthen internal control (effectiveness/efficiency of operations, reliability of financial reporting, compliance with laws and regulations relevant with business activities, safeguarding of assets), Sanyo conducts audits through the internal auditing department. The department works to ensure efficient business practices in compliance with laws and regulations, while also reporting audit results and other relevant information to the Corporate Auditors and the accounting auditors. In this manner, the department works to maintain and improve auditing quality by enhancing the efficiency and effectiveness of audit activities in coordination with the Corporate Auditors.

- Risk Management

An Executive Officer has been appointed as the company's risk management administrator, and a department has been set up to assist that person. Under this structure, Sanyo is working to enhance its risk response abilities by coordinating risk management for the entire group across organizational boundaries.

- Promotion of Compliance

With the Executive Director & President being the administrator and an Executive Officer being the Compliance Officer, a promotion department has been set up in the head office. At the same time, a promotion system has been established and is operated at the respective companies.

- Promotion and Strengthening of Internal Control

In order to ascertain internal control activities in a unified way, the company established an Internal Control Office. With this office being at the center, the top executives, head office, and business divisions are working together as one to promote the improvement of the internal control system.

- IT Governance

With responsibility for global IT controls, the specialized department for IT governance established in the IT System H.Q. works to ensure that Sanyo's information systems function effectively as the foundation for its internal control system.

Further, to properly respond to increasingly sophisticated and complex accounting standards, particularly, those that are newly applicable, the company has installed special inspectors at the head office to ensure thorough compliance with all applicable accounting standards.

4. Compensation Paid to the Directors and Corporate Auditors

For fiscal 2010, compensation paid to the directors was 192 million yen and that to the corporate auditors 58 million yen.

* Based on a resolution of the general stockholders' meeting, the maximum payable annual compensation to the directors is 600 million yen and that to the corporate auditors is 100 million yen. (Resolved at the 75th Ordinary General Meeting of Stockholders on June 29, 1999)

* These compensation amounts include those paid to one director and three corporate auditors, who resigned during this term due to the expiration of their term. Compensation is not paid to two outside directors who resigned during this term.

5. Relationship with Parent Company

SANYO Electric Co., Ltd. is a subsidiary of Panasonic Corporation with Panasonic owning 50.2% (as of the end of March 2010) of voting shares of SANYO Electric Co., Ltd.

While consulting with its parent company on certain matters, SANYO Electric Co., Ltd. autonomously promotes its business development with a certain level of independence from its parent company.

| A. Business Activities

A-1. Compliance with Laws, Regulations and Rules

We will carry on our business activities in compliance with the laws, regulations and rules of each country and region in which we operate and those prescribed specifically for respective business categories.

A-2. Supply of Products and Services from Customers' Viewpoint

We will provide technologies, products and services, which are safe and of high quality.

We will conduct activities from the viewpoint of customers, as well as in compliance with the safety/quality-related laws, regulations and standards.

Should we find that a distributed product or service is unsafe or has a serious problem in quality, we will promptly communicate this information to our customers and take action to minimize the spread of damage, and at the same time we will use our best endeavors to prevent similar incidents happening in the future.

A-3. Free Competition and Fair Commercial Transactions

We will conduct our business activities lawfully and with fairness and transparency.

We will not unfairly limit free competition which would include not making arrangements with others in the same trade about product prices, volumes, manufacturing facilities, and market share.

We will not involve ourselves in bid-rigging to decide the winning bidder and contract price in bidding.

A-4. Fair Commercial Transactions with Distributors

We will carry out commercial transactions with distributors faithfully and fairly.

We will not undertake actions that may unjustly restrict the business activities of distributors, such as giving instructions about sales prices for consumers or retailers or prohibiting their handling of our competitors' products.

A-5. Fair Commercial Transactions with Suppliers and Consignees

We will select suppliers and consignees based on appropriate evaluation standards and carry out commercial transactions faithfully and fairly.

We will not undertake actions such as unjustly delaying payment of the purchase price or setting unjustly strict conditions on transactions with suppliers and consignees by taking advantage of any superior position we may have as buyer or consigner.

A-6. Appropriate Advertising

We will conduct advertising in a lawful and appropriate way.

We will comply with advertising related laws, regulations and standards.

We will avoid the use of descriptions and expressions that cannot be sustained or justified or which are misleading to customers.

A-7. Compliance with Export Control Related Laws and Regulations

We will comply with export control related laws and regulations and contribute to the maintenance of international peace and security.

We will properly manage the export of goods and transfer of technologies that are subject to export control by following procedures prescribed in relevant laws, regulations and the company rules.

We will not carry out actions which are inappropriate for an international enterprise, such as the export of goods and transfer of technologies which depart substantially from what is deemed to be socially acceptable.

A-8. Entertainment and Gifts

When providing or receiving entertainment or gifts we will act in accordance with the company's rules, the customs of the region or country in which we are operating and international norms.

B-1. Respect for Human Rights

We will respect the individuality and human rights of each and every person and will not use discriminatory language or conduct or engage in any form of harassment or bullying whether on the grounds of gender, age, nationality, race, religion, creed, physical or mental disability or otherwise.

We will comply with our policies on equality of opportunity in employment and will not allow the use of forced labor or child labor of any kind.

B-2. Ensuring a Safe and Comfortable Working Environment

We will ensure a safe, healthy and comfortable working environment for all our employees in which there is a culture of mutual trust and confidence by giving due consideration to safety and health, and will continue to strive to maintain and improve the working environment.

B-3. Conflict of Interest

We will maintain a clear distinction between our business and personal lives and will ensure that our business dealings are not influenced in any way by our own interests.

In the event that a conflict of interest arises between the company and an individual, we agree to abide by decisions made by the company in relation to that conflict or potential conflict.

C-1. Proper Management and Use of Company's Assets

We will effectively handle and use our company's assets.

No such assets will be used for private purpose or any purpose unrelated to business activities, without permission from the company.

C-2. Respect for Intellectual Property Rights

We will respect the value of effective intellectual property owned by our company or others and handle it in a proper manner.

We will protect and make effective use of our company's intellectual property as business assets.

C-3. Proper Handling of Confidential Information

We will strictly manage and properly handle confidential information.

Confidential information relating to the company or to third parties will only be used for acceptable business purposes and will only be disclosed in accordance with the company's rules on disclosure.

Confidential information from either inside or outside the company will not be obtained unlawfully or in an unjustifiable manner.

C-4. Proper Handling of Personal Information

We will collect and use personal information to the reasonable extent allowed and in an appropriate manner.

We will handle personal information consistently with the procedures prescribed in relevant laws, regulations and the company rules.

C-5. Prohibition of Insider Trading

We will not involve ourselves in illegal dealings on the stock market.

In the event that significant inside/non-public information is known about SANYO Electric Co., Ltd. or its subsidiaries, we will not trade in the securities of SANYO Electric Co., Ltd. or its listed subsidiaries until such information comes into the public domain.

In the event that significant inside/non-public information is known about a listed business partner, we will not trade in the securities of that business partner until such information comes into the public domain.

C-6. Recording and Disclosure of Corporate Information

We will properly record, communicate, report and store all materially relevant information relating to our corporate activities such as information relating to technology, production, distribution, personnel, environmental and social contribution activities as well as accounting and financial information.

We will not record or report information that may be false or misleading.

We will disclose information in a timely manner in accordance with the company's rules and the relevant laws and regulations for the region or country in which we operate.

D-1. Coexistence with the Earth

We will pursue the coexistence of environmental conservation and economic development, and will contribute to the realization of a sustainable society.

We will conduct business activities which are not only in "compliance with the environment related laws and regulations," but also aimed at "Symbiotic Evolution" of life on Earth and society through creating a culture and environment which future generations can be proud of.

D-2. Coexistence and Mutual Prosperity with Society and Local Communities

For the purpose of gaining trust and a broad understanding from society about our corporate activities, we will engage in proactive dialogue with society and local communities and promote social action programs by working together with them for mutual harmony and benefit.

D-3. Political Activity and Political Contributions

We will eliminate undue political influence in our business and will establish sound political/business relationships.

We will not participate in illegal or inappropriate election campaign activities nor will we provide funds illegally or inappropriately to political parties or to fund political activities.

D-4. Severing of Contacts with Antisocial Forces/Groups

We will immediately sever contact with any antisocial forces/groups that threatens the order and safety of civil society and impedes the sound development of corporate activities. We will reject all unwarranted demands from any such antisocial forces/groups.

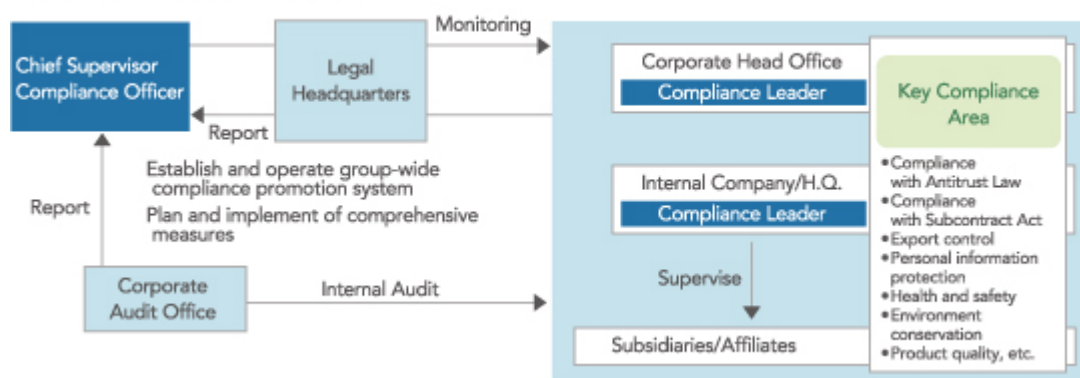
Compliance

SANYO Group regards compliance (the observing of applicable laws and internal rules and the acting on ethics) as an important basis for continuity of business operation. We established the SANYO Electric Group Code of Conduct and Ethics, to be applied to our executives and employees working at Sanyo all over the world. The Code of Conduct and Ethics provides guidelines for day-to-day work and other corporate activities from the perspective of compliance.

Compliance Promotion System

We have established a compliance promotion system, led by the Chief Supervisor (President) and the Compliance Officer (selected from among executives). In addition, compliance leaders appointed by head office, each division play a central role in promoting compliance efforts. Compliance leaders ensure adherence to the Code of Conduct and Ethics and prevent violation of laws and regulations.

■ Compliance Promotion System



Compliance Promotion in Special Areas

Compliance involves various areas, among which we have designated key compliance areas that require group-wide commitment. These key areas include compliance with anti-trust law, export control, personal information protection, product quality and health and safety. For each of these key areas we have developed internal rules, according to which management is exercised.

Compliance Hotlines

For early detection of and response to compliance-related issues, we have installed Compliance Hotlines inside and outside the Company, as service desks to receive inquiries from and offer consultations to our employees. The contents of inquiries from employees and consultations are reported to Chief Supervisor and Compliance Officer, however, based on the guidance, measures such as investigation and assistance for improvement are forwarded.

In order to prevent the materialization of a major risk that affects business operations, or in order to minimize damage in the case of such an occurrence, it is necessary to analyze risk potential, and to quickly identify and take appropriate measures for a risk that has occurred. In addition to compliance promotion, the Sanyo Group has placed importance on risk management for the improvement and strengthening of its internal control system. Integrated risk management is being implemented for the entire group including consolidated subsidiaries.

Risk Management System

Sanyo has designated an executive as Chief Supervisor, and has set up a group-wide risk management office that supports the Chief Supervisor, in order to conduct risk management throughout the group.

A risk management system based on JIS Q 2001 (Japanese Industrial Standard) "Guidelines for development and implementation of risk management system" was introduced group-wide. Specifically, Sanyo is performing organizational and ongoing risk management to promote risk identification, evaluation, management, and revision on the departmental level, according to the Sanyo Electric Group Risk Management Policies.

Past risk and response cases, such as large-scale disasters, health and safety accidents, and product quality problems, are put into a group database and shared on a special intranet site. This is done in order to realize rapid and effective risk response while preventing similar disasters or accidents.

SANYO Electric Group Risk Management Policies

(Established May 2007)

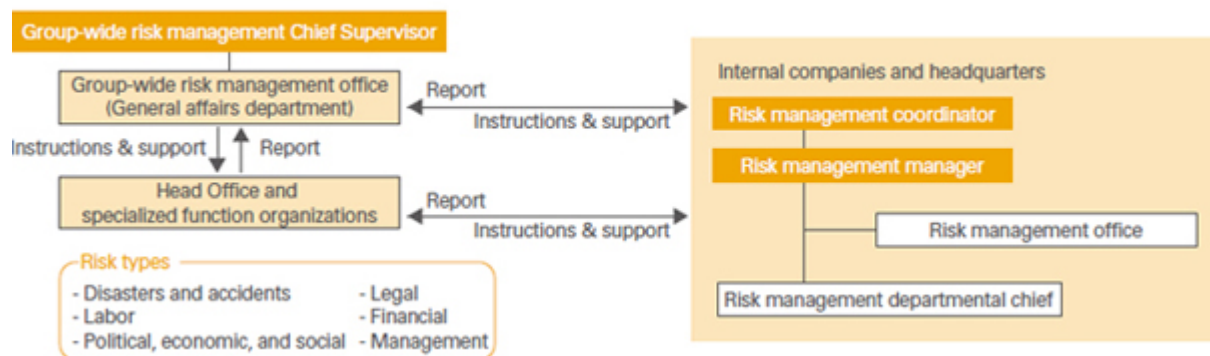
1. Basic Purposes of Risk Management

Basic purposes of risk management are to continue business due to reduction of loss in management resources and rapid restoration at occurrence of an emergency event and to increase the corporate value, by making appropriate response to risks which may have a significant effect on the operation of business.

2. Action Guidelines of Risk Management

- (1) To try to maintain safety and health of company members and preserve management resources
- (2) Not to damage safety and health and interest of those who are concerned
- (3) To try to make a rapid and appropriate restoration in the event where any management resources are damaged
- (4) To take responsible actions complying with laws and regulations and generally accepted ideas in the event where any risk event occurs
- (5) To raise the society's valuation of the company through continuous risk management activities
- (6) To reflect social need regarding risk on risk management

■ Risk Management System



| Information Security

The Sanyo Group recognizes the importance of properly handling confidential information relating to its own group management, business and financial results, and that received from other parties, as well as personal information of customers and business partners collected during the course of our business. Therefore, Sanyo has established clear policies for the handling of confidential information in the group's Code of Conduct and Ethics, and is carrying out appropriate management and operation based on internal rules.

Sanyo has created a management system for the handling of both confidential information and personal information centered on the group supervisor and department chiefs, and is taking thorough steps to prevent leakage or unauthorized use of confidential information and to ensure its proper handling. Moreover, in order to protect electronic data from destruction, falsification, interception, theft, or virus infection, in addition to preventing its leakage or unauthorized use, Sanyo has established operation rules based on internal rules, and is implementing safety measures for its IT systems.

Awareness raising for these information security measures is carried out through the distribution of an Information Security Guidebook, and the training of responsible managers in each department. In this way, Sanyo is striving to maintain information security and to prevent any problems.

Compliance involves various areas, among which we have designated key compliance areas that require group-wide commitment. These key areas include compliance with antitrust law, export control, personal information protection, product quality and safety and health. For each of these key areas we have developed internal rules, according to which management is exercised.

| Compliance with Antitrust Law

In order to prevent any violations of the Japanese Antitrust Law in its business activities, Sanyo operates an antitrust law compliance system in which the respective companies ensure compliance with the antitrust law within their business division and the chief antitrust law compliance administrator exercises group-level supervision. An antitrust law compliance promoter is installed at each company for implementing measures to prevent violations and performing antitrust law-related preliminary reviews.

In addition to verification of the group-wide compliance situation, for the purpose of increasing awareness and knowledge about the antitrust law at the respective departments of sales, purchasing, technology, and manufacturing, Sanyo has each antitrust law compliance promoter regularly implement Antitrust Law Compliance Surveys for managers in these departments. A survey is based on a checklist prepared according to various guidelines provided by the relevant authorities. Survey participants are interviewed or complete a written questionnaire, and remedial actions are taken when any issues are discovered. In fiscal 2010, the survey covered 559 employees, mostly managers in various departments.

During fiscal 2011, by sequentially introducing measures by Panasonic Group, Sanyo will further strengthen its efforts to ensure thorough compliance with the antitrust law.

| Export Control

From the perspective of security (maintenance of international peace and security), Sanyo has set up a Export Control Program to ensure that export transactions of civilian products (goods and technologies) with potential for diversion to military use (manufacture of conventional or mass-destruction weapons) are properly conducted in compliance with the relevant laws and regulations. To carry out this program completely, an export control organization is set up and operated at each department under the leadership of the group-wide export control committee. With the support of export control committee members, each department checks for any goods to be exported or technologies to be transferred which are included in the control item list and confirms their conditions beforehand, in terms of intended use, customer, and destination. In this way, Sanyo makes sure that all departments act in compliance with the laws and regulations and the company rules and carry out no export activities which stray from social norms and are inappropriate for an international enterprise.

| Personal Information Protection

To ensure its proper handling as well as compliance with the relevant laws and regulations, the protection of customers' personal information has been stated as a specific item in the Code of Conduct and Ethics, and this information is gathered, managed, used, and disposed of to the reasonable extent allowed and in an appropriate manner based on Sanyo's personal information protection policies and internal rules. Sanyo has established a system to ensure proper handling of personal information through which related information is posted on its intranet site and "Personal Information Reminder Cards" are distributed to all its employees in order to ensure the complete understanding of its workforce. In addition, the same measures are taken to protect the personal information of employees throughout the Sanyo Group.

| Product Quality

As well as creating a quality management system at each site to facilitate quality improvement activities, Sanyo has established internal rules to ensure compliance with the relevant laws and regulation in its product development, which are strictly observed by all product-related departments, such as product planning, design/development, manufacturing, and quality management. An auditor certified by the company regularly audits the status of compliance with these internal rules and the relevant laws and regulations, and remedial actions are taken when any issues are discovered.

| Safety and Health

Based on the Japanese Industrial Safety and Health Act, a chief safety and health administrator, safety administrator, health administrator, and industrial physician are deployed at each site. Under the leadership of these administrators, a safety and health committee is operated at each site to promote safety and health activities according to activity items and goals determined based on the operating characteristics and work environment of each site.

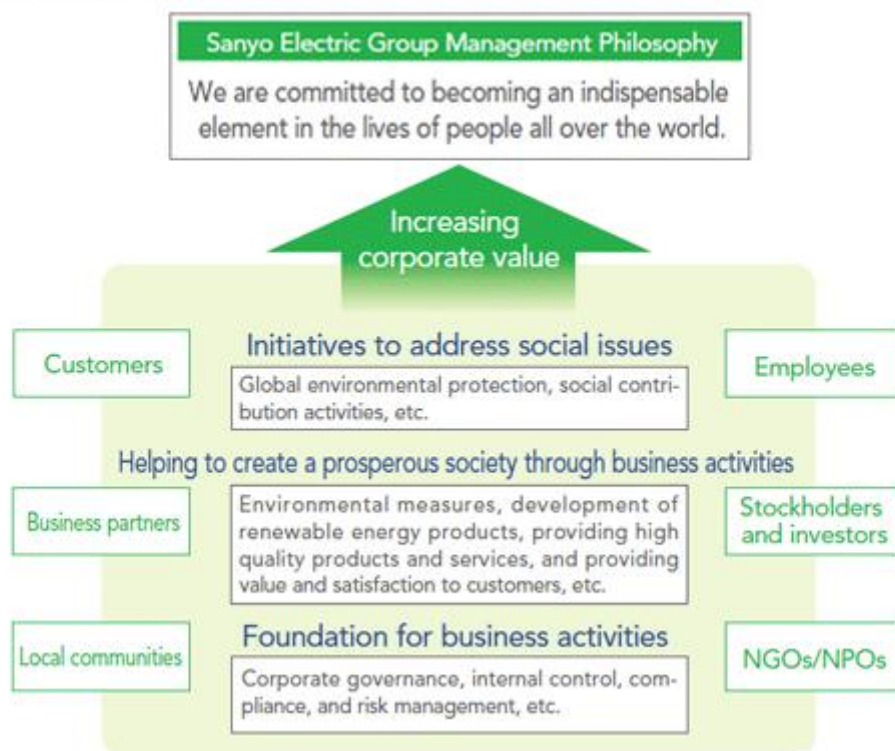
The Sanyo Group's management philosophy, "We are committed to becoming an indispensable element in the lives of people all over the world," demonstrates Sanyo's aim to become a corporate group that is loved by people worldwide for providing outstanding products based on original technology, along with genuine service. This management philosophy is the starting point for the group's corporate social responsibility (CSR) activities.

The Sanyo Group carries out its business activities with the aid of various stakeholders, including customers, business partners, employees, stockholders, investors, local communities, NGOs, NPOs, and of course this planet on which we all depend.

Sanyo pursues its business activities from a sound management foundation while actively communicating with stakeholders. It believes that the fulfillment of its social responsibilities lies in minimizing its environmental impact as much as possible, while considering the planet in all its operation processes, as well as in contributing to the sustainable development of society and the sustainable growth of the group.

Further, as a member of Panasonic Group, Sanyo will mobilize group-wide forces to advance business activities based on Panasonic's management philosophy, "Contributing to the progress and development of society and enriching people's lives through manufacturing."

■The Sanyo Group's Social Responsibility



CSR Initiatives through Business Activities

| Project for Bringing "Light" to Areas with No Electricity

In fiscal 2010 (April 2009 - March 2010), Sanyo carried out activities for donating its solar LED lantern to regions of the world without electrical service. The solar LED lantern uses solar cell technology to generate electricity, which is stored in a built-in nickel-metal hydride battery.

It is estimated that approximately 1.6 billion people^{*1}, about one quarter of the planet, live in regions without electrical service. The children in these areas are not able to receive sufficient education due to a lack of light for studying. The Sanyo Project to Bring "Light" to Areas with No Electricity began with a letter from the Republic of Uganda's Minister of State for the Vice-President's Office, who visited Sanyo in 2006. In his letter he explained that the black smoke emitted by kerosene lamps, which are used as lighting in areas without electricity, is posing health concerns in Uganda, and solar cell technology could help improve the situation. Sanyo later learned that the cost of kerosene also places a heavy burden on many households in that country.

Sanyo's activities for Bringing "Light" to Areas with No Electricity and efforts to improve the energy infrastructure in developing countries are helping to create opportunities for human development, by providing children in those regions with more time to study and read.

The solar LED lantern was developed using Sanyo's energy-storage and energy-creation technologies in order to help bring "light" to regions without electricity. The solar LED lantern uses a solar charger^{*2} equipped with solar cells to generate electricity and charge a nickel-metal hydride battery inside the lantern. The lantern features a high-brightness 1-watt LED that can be used for 10 years or more, and is equipped with two light levels (high and low). In the low setting, the lantern can be used continuously for about 20 hours. Sanyo has also launched the solar LED lantern as a product in Uganda, and plans to expand sales^{*3} to other countries in the future.



solar LED lantern (left) and solar charger (right)

Note: This product is not sold in Japan

For every 100,000 points that were generated by registered members of Sanyo's eneloop community site^{*4}, between June 30, 2009, and March 31, 2010, a donation of 250 solar LED lanterns was made. Many people became motivated by the purpose of the project, and registered on this website. As a result, in fiscal 2010 sets of 250 lanterns were donated to three different schools in Uganda, as well as a total of 250 lanterns for two elementary schools in Kenya. At the donation ceremonies, Sanyo representatives were welcomed by the students and local residents with great joy, and there was a feeling that the donated lanterns would help the children to enjoy better lives.



Donation ceremony at the Balibaseka Secondary School
in Uganda (September 14, 2009)



Donation ceremony at Ashinaga Uganda Rainbow House
in Uganda (December 15, 2009)

*1 According to "IEA World Energy Outlook 2004"

*2 Solar charger to be sold separately when the solar LED lantern is commercially launched

*3 Product name and specifications may differ depending on the region

*4 "Join the eneloop" site (now closed) served as a communication and action venue for people to think about what they can do to help protect the environment and improve the lives of people all over the world, based on the eneloop concept of looping energy. Donation of solar LED lanterns based on the points generated by participating members was terminated on March 31, 2010.

Please refer to the following for details.

Bring "Light" to areas with no electricity project:

<http://jp.sanyo.com/eneloop/circle/project/en/index.html>

CSR Initiatives through Business Activities

| Support and Awareness Raising Activities Relating to Water and Sanitation

Sanyo and SANYO Aqua Corporation, which manufactures and sells the washer/dryer "AQUA," are supporting the 1L for 10L Program. This program was begun in Japan in 2007 by UNICEF and the natural mineral water brand, Volvic, in order to help secure safe clean water for people in Africa. To support the program, Sanyo has been donating part of the sales proceeds from its drum-type washer/dryer "AQUA." The company also carried out awareness raising activities in Japan relating to the importance of water, together with Danone Waters of Japan Co., Ltd., which operates the Danone Group's drinking water business in Japan. These joint efforts came about as a result of the compatibility of the Sanyo Group's concept of "creating a lifestyle that values and cares for water," which is the underlying concept for the washer/dryer "AQUA," and the 1L for 10L Program concept being advanced by the Danone Group, which is promoting the health benefits of drinking water.

| Supporting the 1L for 10L Program that is Consistent with Sanyo's Concept

Using the Danone Group's Volvic mineral water brand, the 1L for 10L Program provides global support for a UNICEF project relating to water and sanitation being implemented around the world, primarily in developing countries. Part of the proceeds from the sale of Volvic is being donated by the Danone Group to UNICEF. UNICEF is using this money to create wells and provide 10 years of well maintenance in order to secure drinking water for people in the Republic of Mali. The purchase of 1 liter of Volvic enables 10 liters of water to be supplied from a well in Africa.

At the same time, Sanyo and SANYO Aqua Corporation are aiming to help realize a water recycling society through the purification and reuse of limited water resources, based on the technology in its drum-type washer/dryer "AQUA." The "AQUA" can wash clothes with just 5 liters of water, by utilizing used bathwater that is cleaned using the power of ozone found in the air. This washer/dryer can also remove stains, disinfect*¹ and deodorize clothes without using any water at all.

In order to support the 1L for 10L Program, SANYO Aqua Corporation donated 5 million yen to the Japan Committee for UNICEF, representing part of its sales proceeds during the four-month program period from June to September 2009. This donation is being used to support the UNICEF project for water and sanitation in Mali. The sale of each "AQUA" washer/dryer will enable 5,000 liters of safe clean water to be supplied to people in that African country.

The donation made by SANYO Aqua Corporation accounted for approximately 10% of the 2009 target for the 1L for 10L Program, and will help provide more than 80 million liters of safe clean water over 10 years (the amount needed by approximately 1,100 people, based on a consumption rate of 20 liters per day per person).



Visit by a representative of the UNICEF office in the Republic of Mali



Donation ceremony with the Japan Committee for UNICEF

*¹ Testing organization: Japan Food Research Laboratories; Testing method: Cultivation of bacteria on a flat culture medium; Bacteria elimination using ozone on clothes in the washer drum; Test result: More than 99.9% of the bacteria removed

| Holding the Water Experience Class 2009

Together with Danone Waters of Japan, Sanyo held a Water Experience Class 2009, based on the concept of communicating the importance of the water environment for future generations.

The Water Experience Class 2009 was divided into two parts: Environmental Classes to Think about the Importance of Water held jointly by Danone Waters of Japan and Sanyo, as well as an Urban Waterfront Eco Boat Tour, provided by the NPO, Enjoy Eco School.

Danone Waters of Japan has been holding Environmental Classes to Communicate the Importance of Water since 2008, while Sanyo has been operating its Sanyo Eco Education Program since 2006. Sanyo's program has taught over 34,000 children about the importance of protecting the global environment, with rechargeable 'eneloop' batteries used as an instructional tool. As part of the collaboration between the Volvic and "AQUA" brands, the 2009 Environmental Classes to Think about the Importance of Water were given to an elementary school in July (55 fifth graders), and another in September (46 fourth graders), as Activities to Appeal for the Importance of Water.



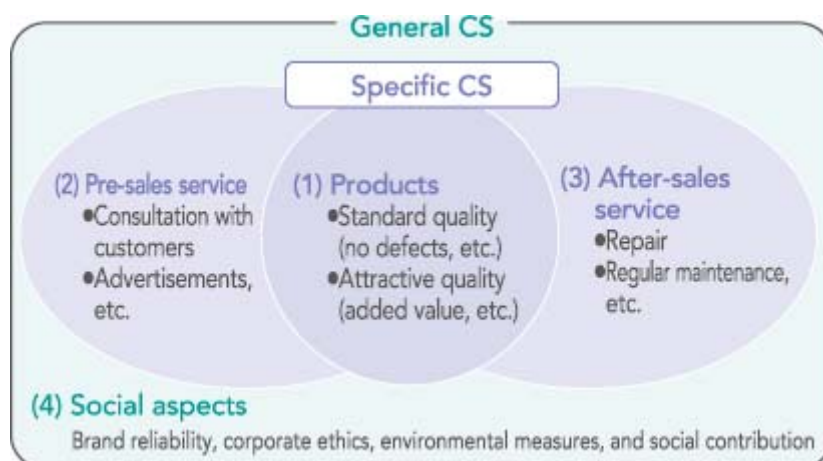
Environmental Class to Think about the Importance of Water

The Sanyo Group provides a wide range of products from home appliances, to industrial equipment, to electronic components. We seek to improve customer satisfaction through ongoing dialogue with customers and business partners, while placing priority on safety and reliability of products and service.

| Improving Customer Satisfaction

Since its foundation, Sanyo has remained committed to achieving high customer satisfaction (CS) in its business activities. A Customer-First principle is explicitly expressed in the management philosophy and principles of conduct. Every executive and employee of the Sanyo Group keeps this principle in mind at all times, and strives to ensure that day-to-day activities lead to greater customer satisfaction. The goal is to always ensure customer satisfaction (CS) at every stage, from the time that a customer is investigating a purchase, purchasing, using to the after-sales stage of repair and maintenance, and finally to the product disposal stage. Sanyo strives to improve all aspects of CS in inventive and imaginative ways, through coordination of all divisions including research & development, planning, design, manufacturing, and quality control, as well as the sales and service divisions that have direct contact with customers.

■Elements of Customer Satisfaction(CS)



| Improving Management Quality

| Basic Policy for Achieving Satisfaction of Customers and Society

In order to achieve the satisfaction of diverse customers and the greater society, Sanyo needs to improve its overall management quality in addition to product and service quality. Based on this knowledge, the Sanyo Group has indicated its fundamental criteria for overall management quality in its Basic Standard for Management Quality, and has established the Basic Policy for Management Quality Improvement, along with the Basic Policy for Commercial Product Quality and Customer Service.

Basic Policy for Management Quality Improvement	Realize management with excellence to win the regard of customers and society
	Based on a management philosophy that states, "We are committed to becoming an indispensable element in the lives of people all over the world" and principles of conduct, the Sanyo Group has established the Basic Policy for Management Quality Improvement in order to become an organization capable of continuously creating new values to satisfy customers.
Basic Policy for Commercial Product Quality	With the aim of bringing about greater customer satisfaction, manage by giving 'quality' first priority
	This policy was established in order to realize quality improvement for outstanding products and services, and to offer useful and safe products that satisfy customers.
Basic Policy for Customer Service	Always put yourself in the position of customers and put customer satisfaction first
	What we truly aim at is customers' hearts and therefore provide that will stay in customers' hearts

Initiatives Aimed at Increasing the Satisfaction of Customers and Society at Large

Based on its basic policy for achieving satisfaction of customers and society at large, the Sanyo Group has adopted the concept of the Japan Quality Program proposed by the Japan Quality Award Council of the Japan Productivity Center, which is to develop organizational structures and corporate cultures for voluntarily evaluating and innovating the management system on a continuous basis.

Further, the Sanyo Group provides effective management quality education programs by setting up opportunities to attend lectures on management quality for the respective personnel levels from new employees to management in-house or outside the company. Through the programs, attendees are reminded of the importance of viewing things "from a customer's perspective" and their awareness is heightened for innovation of management quality, product quality, and review quality. They will then make the most of what they learned from the program during the assessment and process reforms in their daily responsibilities at their respective organizations. Up to fiscal 2010, 1,235 managers involved in organizational operation participated in this program.

| Aiming for Higher Quality

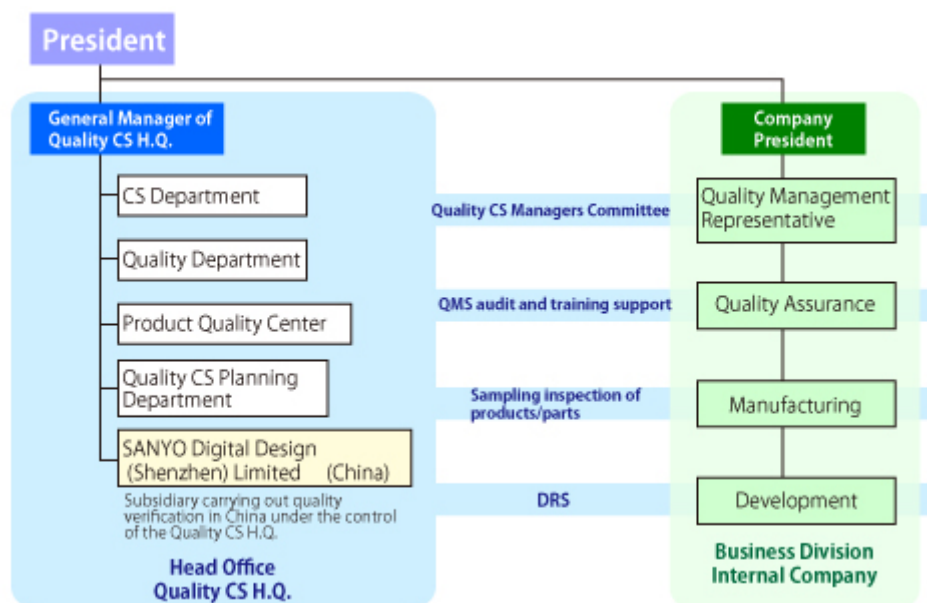
| Improving Quality, the Basis of Customer Satisfaction

In the manufacturing business, product quality is the most fundamental element of customer satisfaction. The Sanyo Group's concept of product quality includes not just the safety, reliability, usability, and basic performance of the products themselves, but also the quality of service before and after sales, which covers the provision of product information and the explanation of usage methods. The Sanyo Group has been implementing various initiatives for the creation of even better products, and is increasing quality from the customer's perspective.

| Quality Promotion System

At the Sanyo Group, each business division plays a central role in the operation of the Quality Management Systems (QMS) and implements activities to maintain and improve quality assurance processes. The quality department of the head office assesses operational status and quality improvement activities from an independent and objective perspective. They provide advice and guidance on QMS improvements, thereby improving the safety and reliability of each product by making QMS function effectively and bringing about improvements in overall quality.

■ Sanyo Group Quality Promotion System



■Sanyo Group Product Safety Standard

In order to provide customers with safe and reliable products, the Sanyo Group applies independent Product Safety Standard, which surpasses the stringent standards established by law and external agencies, to all of the products it manufactures or sells. The standard clearly sets out design measures and product testing conditions for guaranteeing safety based on the product safety know-how accumulated during individual cases at the business divisions. The standard provides detailed explanations of examples that could lead to product accidents. We have also developed checklists for confirming the compliance situation of the standard. The standard has been prepared in Japanese, Chinese and English in order to ensure thorough observance by design and development staff both within Japan and overseas.

In order to prevent “fire accidents,” one of the dangers with a particularly serious impact on product safety, the Product Safety Test Lab located at Sanyo's Tokyo Plant carries out tests in which products and parts are actually combusted in order to assess and verify safety. The results of these tests are then used in product development and design.

■DRS at the Business Divisions

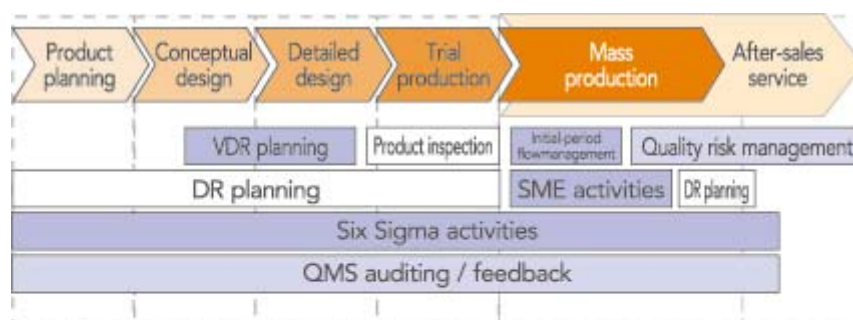
At the business divisions, we implement the Design Review Safety ^{*1}(DRS) separately from the Design Review (DR) for the general quality assurance of products. During reviews, we check the safety of products using a variety of indices, such as compatibility with legal regulations and Sanyo's Product Safety Standards and assessments based on the handling of incidents in the past. Mass production of a product will not start until the DRS is completed.

^{*1} The term “Design Review Safety” means a review concentrated on product safety.

■Product Reviews at the Head Office

In order to check from multiple perspectives whether the products manufactured and sold by the Sanyo Group comply with legal regulations and Sanyo's own Product Safety Standard, the quality department of the head office implements reviews of prototype samples. Specifically, review criteria and review methods devised for each product category are used to carry out testing, measurements and analysis, and only then is a decision made as to whether a product has passed testing or not. Products are only shipped (given permission for shipment) after confirming that all issues highlighted for a product during the review process have been resolved through the appropriate countermeasures. During the reviews, assessment is also carried out from a “customer-perspective” in order to confirm the safety and usability of products.

■Product Business Process and Quality Management Measures



VDR: Virtual design review (design quality improvement using 3D CAD data before trial production)

DR: Design review (design inspection)

SME activities: Sanyo Group production improvement activities

QMS: Quality Management System

■Quality Problems in fiscal 2010

In fiscal 2010, Sanyo experienced quality problems with a washer/dryer, a compact pump and CRT-based televisions, which needed to be disclosed. Regrettably, this caused inconvenience to customers and retailers.

Specifically, we regarded the issue of repeated quality problems with the washer/dryer as a particularly important and serious matter. Along with inspections of relevant products and replacement of some models, examination of the accountability systems related to incident response was carried out by the Quality Review Committee. As a result of these investigations, disciplinary measures were implemented, including the demotion and replacement of the director in charge of quality issues at SANYO Electric Co., Ltd. and the demotion of members of the top management at manufacturing, sales and repair subsidiaries. Moreover, we have formulated measures to prevent any reoccurrence, including the strengthening of quality standards, quality audit and global quality assurance systems, and these initiatives have been widely announced via the company's website. Details have been reported to the employees through the company magazine and other media, and renewed efforts have been made to instill an attitude of "prioritizing safety and reliability" among employees, not just at the business divisions and the quality and customer services departments concerned, but at every department throughout the company.

| Promoting Quality-related Training

The basis of quality improvement lies in providing quality management training for employees.

The company holds internal briefings to ensure strict observation of laws and regulations related to quality, including the Japanese Consumer Product Safety Law and a product labeling agreement that serves as the industry rules based on the Act against Unjustifiable Premiums and Misleading Representations.

The Sanyo Group has adopted the "Six Sigma" method as one way to improve quality, and carries out employee training using this technique. The "Six Sigma" is based on scientific statistical analysis and involves reducing mistakes and waste at every stage of business, increasing customer satisfaction and improving profitability. Each division is obtaining good results with this method. In order to have the "Six Sigma" method function more effectively, it is necessary to train numerous project leaders called "Black Belts." Accordingly, a group of mostly younger section managers and general managers undergo a 15-day training course. They then identify a range of high-priority issues for their own departments or projects, and take on the challenge of resolving the problems while receiving coaching. Those that attain a certain level of results are given the Black Belt status, and engage in quality management training in their own departments. The Sanyo Group has developed this activity both within Japan and overseas, and plans to strengthen and expand the program in China and Southeast Asia, where it has numerous manufacturing subsidiaries.



Black Belt training in China

Given that maintaining and improving the quality of components and raw materials are essential for the improvement of product quality, the quality departments and procurement departments work together to hold quality control training for those in charge of procurement. In the training, the participants deepen their understanding of the importance and basics of quality control through lectures covering topics such as Sanyo's quality policies, quality standards and previous incidents, and practical training based on the "Six Sigma" Black Belt training textbook. This leads to purchasing activities that can help us manufacture higher-quality products.

| Providing Information to Customers

| Providing Product Safety Information

As one method for providing information on the safe usage of products, Sanyo has prepared a resource called the Tender Loving Care and Appliance Safety Tips on the Sanyo Website, with hints on how to handle products in line with a product's lifecycle, items to be regularly checked for each product, and examples of accidents caused by improper use. Sanyo has also issued approximately 530,000 copies each year of the Tender Loving Care Guidebook, outlining precautions for use and regular inspection items for each product. This guidebook is widely distributed to consumers during after-sales service opportunities, and via retailers and consumer centers throughout Japan. Specifically, we have been actively placing announcements on our website to remind customers to stop using electric fans owned for many years and to perform a self-inspection of kerosene fan heaters and other heating equipment before winter. A dedicated toll-free number has been set up to handle customers' inquiries regarding both of these matters, and to provide the Tender Loving Care Guidebook.

| Important Notice concerning Product Safety

In the event that a product safety issue or other serious quality problem is discovered and confirmed, Sanyo's first priority is to ensure customer safety. The relevant information is immediately released to the public, and prompt measures are taken such as inspection of affected products, and repair or replacement of necessary parts. In this way, Sanyo strives to minimize any harm to customers. Important notices are also posted on the Sanyo Website detailing information on required inspection and repair. Based on the Basic Policy for Product Safety established, in the event of a product incident, Sanyo is making efforts to promptly notify customers of the proper information and response measures through the internal reporting channels. Moreover, if there is a major product accident, it is reported to the Japanese Ministry of Economy, Trade and Industry, and posted on the Sanyo Website, based on the Consumer Product Safety Law.

| Providing Lecturers

Sanyo sends lecturers to government agencies including Consumer Centers across Japan, to speak on topics such as using home appliances effectively, saving energy, and product safety. With the aim of contributing to consumer education, the company also produces instructional tools on the right way to use products and provides them to Consumer Centers, consumer organizations, schools, fire services, and other institutions. In this way, Sanyo is working to raise the awareness of as many people as possible concerning the importance of proper product usage. In the future Sanyo will continue to work with these kinds of outside organizations, while maintaining its efforts to increase understanding of product safety. Customers should be able to use their products with more confidence as a result.

Sanyo Group includes "Appropriate Publicity and Advertising" in the "Code of Conduct and Ethics" and promotes publicity and advertising activities accordingly. In particular, based on the publicity/advertisement related laws and regulations, and other standards and self-imposed regulations for advertisement/broadcast provided by related organizations, we make sure that our publicity/advertising media do not include any displays and expressions that are not based on facts or that are misleading to customers.

Thus, we work to communicate appropriate product information. To promote such activities in a thorough manner, our advertisement department is in charge of all domestic advertisement related operations in terms of purchase of advertising media and advertising creation. In this way, we properly maintain a system to control advertising matters. Displays and expressions used in advertising matters are independently examined for their legality and appropriateness by multiple personnel in charge at the advertisement department. For those in charge of publicity and advertising of home appliances, an internal training session about the fair competition rules of the consumer-electronics industry is held, through which information such as revisions of the rules is disseminated without omissions and all businesses are conducted in compliance therewith. Further, for overseas operations, we collect information on the advertising related laws and regulations of different countries through advertising agencies and consult/confirm with agencies about the details thereof to conduct appropriate publicity/advertising activities.

| Placing Importance on Customer Dialogue

| Call Centers Respond Directly to Customers

Sanyo has a range of specialized centers to provide information to and receive requests from customers. For example, the Customer Center handles general inquiries from consumers about purchasing or using home appliances and products, the Home Appliance Call Center handles repair requests, and the Commercial Equipment Call Center deals with inquiries and repair requests concerning commercial equipment and technology. The specialized staff at all of these centers is ready to listen to callers and strive to achieve customer satisfaction.

In fiscal 2010, the responsibilities and roles of each division regarding customer opinions, inquiries and complaints were reorganized and Customer Service Standard was set out including systems for implementing ongoing improvements to the services provided to customers at each division. We aim to improve customer satisfaction through the proper operation of this standard.

■ Customer Center (for Home Appliances)

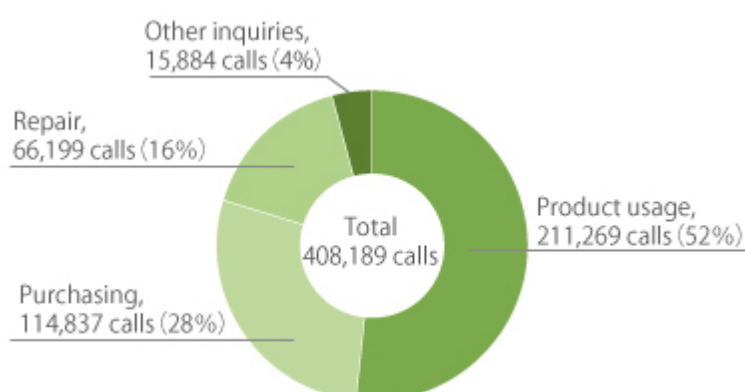
The Sanyo Customer Center receives over 400,000 calls annually. In order to respond quickly and accurately to these requests and inquiries, an interactive voice response system (IVR) is used to connect callers to the relevant specialized staff without delay. The



Customer Center

center also operates 365 days a year, so that customers can call at their convenience. In order to enhance the knowledge and response capabilities of the Customer Center staff and to keep pace with the increasingly complex and function-equipped products, these staff undergo training and product seminars with the support of the product planning and design divisions.

■ Customer Center Inquiry Types (FY2010)



■ Commercial Equipment Call Center (for Commercial Equipment)

Sanyo's Commercial Equipment Call Center receives inquiries from customers concerning commercial equipment and technology 24 hours a day, 365 days a year. Engineers with specialist knowledge of each product respond to all kinds of inquiries from customers, from proposing optimum equipment and systems for a customer's needs to the design and installation of equipment.

■After-sales Service and Maintenance Division

SANYO Electric Service Co., Ltd., is the Sanyo Group's division for after-sales service and maintenance. It provides after-sales service and maintenance for all Sanyo Group products, from home appliance to commercial equipment. With its nationwide service network, the division is able to deliver fast and attentive repair service to customers. Keeping products in top condition through proper maintenance ensures the effectiveness of energy saving features and helps reduce the environmental impact of products.

SANYO Electric Service offers 24-hour consultation service, 365 days a year, for its industrial equipment products and technology. It also offers constant remote monitoring to customers who sign up for this service. In the area of home appliances, even more accurate after-sales service is being provided to customers through a cooperative network of retailers, and a direct shipping system for repair parts.

Customer satisfaction improvement is being carried out through various initiatives such as the enhancement of the service quality and skills of service engineers, using an improved training curriculum that includes hands-on training and seminars based on proficiency level.

Comments from Customer Service Staff - What we keep in mind when responding to customers -

■Customer Center - Mizue Hori

When a customer has a complaint, I always try hard to listen in good faith to what they are unhappy about and what it is that is causing them trouble. I approach my work with the attitude that if we respond to customers from their perspective eventually they will be happy with our response.



■Home Appliance Call Center - Tomoko Fumoto

As a consumer myself, I can fully understand how much trouble is caused when a product malfunctions, and I always provide a sincere apology and work hard each day to provide as quick a response as possible in partnership with the service departments. I always try hard to describe the trouble the customer is experiencing in as much detail to the service engineer.



■Service Center - Naoki Iba

In terms of how the customer feels, it's not enough to think that fixing the product is enough in itself. We engineers try to resolve all of the customers' worries by listening to everything they have to say, including opinions, complaints and the trouble they have experienced, and answering all of their questions.

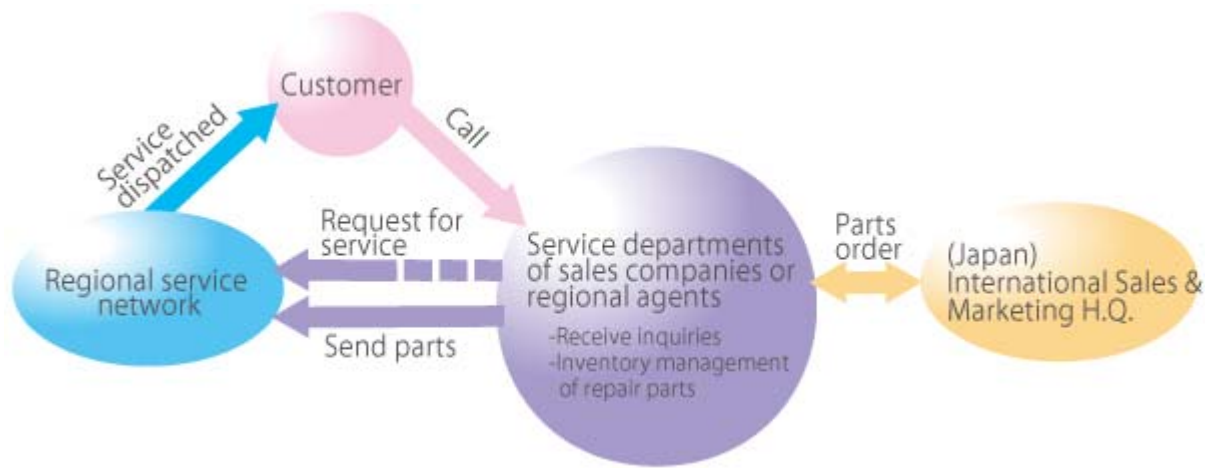


■Service Response Overseas

At the Sanyo Group, which operates on a global level, the service departments of sales companies in each country and regional agents receive requests from customers and provide after-sales service via service networks constructed to meet local needs.

Some sales companies have established specialized customer centers in order to provide a meticulous service.

■ Overseas Service System



Utilizing Customer Feedback in Product Development

The Sanyo Group is continuing its initiatives to ensure that customer opinions are reflected in the entire product development process from concept creation to planning, development, sales, and service. Customer opinions, requests and product repair data are entered into the CS Information System on the company intranet, and the information is actively utilized by each division.

■ Customer Feedback Reports and Opinion Review Meetings

Every month the Sanyo Customer Center issues a report on feedback received from customers, and sends it to the divisions. The relevant division departments investigate the report content, send back their investigation results to the Customer Center before a deadline, and immediately take the necessary measures for improvement.

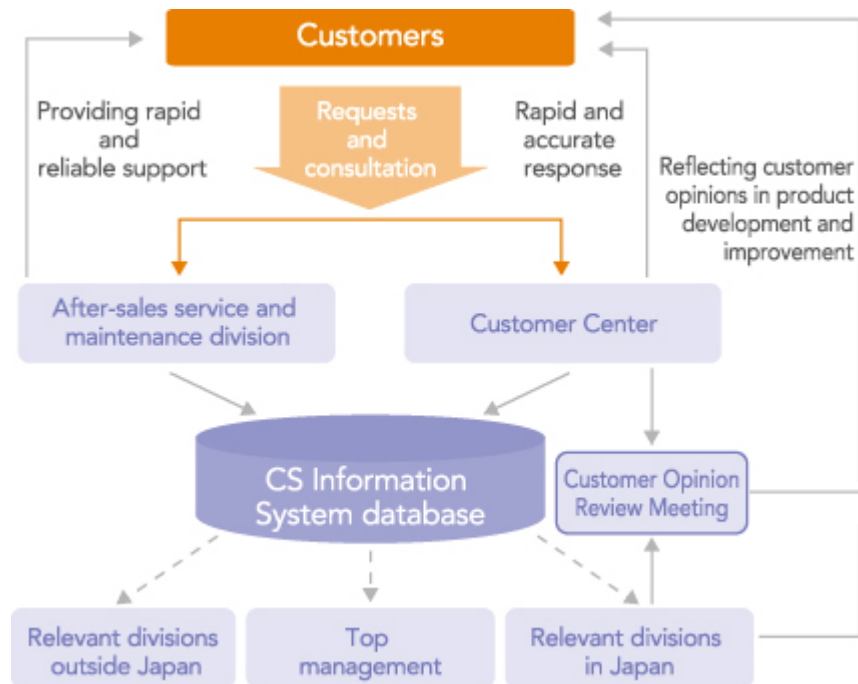
The Customer Center sends staff to the operating divisions to meet with those in charge of planning, development, design, quality, CS, and after-sales service. These Customer Opinion Review Meetings are held twice a year in order to convey customer feedback including opinions and requests, directly to the divisions. At the meetings, the progress and results of measures to deal with issues raised in the customer feedback reports are confirmed. For issues that cannot be addressed by a single department or for new issues, the meeting participants discuss ways to address the issues from their respective standpoints. In this way, valuable feedback from customers is used in the development of new products, as well as in the improvement of existing products and accessories, catalogues, operating manuals, and even the customer inquiry pages on the Sanyo Website.

In fiscal 2010, about 73% of the Customer Feedback Report contents were addressed for improvement by the relevant business divisions. In the future, we will continue to utilize customer feedback in our product development.



Customer opinion review meeting

■ Customer Information Flow and Feedback



■ SANYO e CLUB

The marketing division maintains an online customer membership organization called the SANYO e CLUB. The aim is to more actively gather customer feedback by signing up Sanyo product fans, and conducting e-Research user surveys. With the product fan registration system, purchasers of Sanyo products can sign up to receive various kinds of information from the company, while also providing their opinions on the products they have purchased. The e-Research user surveys are conducted through various methods, such as web-based questionnaires, group interviews or home-visits. Investigation is conducted in order to uncover consumer needs and to find out how a wide range of products is being used, including those of other companies. The findings are then utilized for new product development.

■ CS Voice Program

Based on the idea that employees are the customers closest to the company, the CS division operates a CS Voice Program in order to use employee opinions in product creation, and carries out questionnaires in order to verify new product functions and identify improvement points.

■ Improving Customer Satisfaction in the Business Divisions

With corporate customers of commercial equipment or parts, it is necessary to meet the client's needs after first understanding the characteristics of the customer's business. The sales departments of divisions handling such equipment and parts serve as the service points for customers. Therefore, the division CS departments are working on customer satisfaction improvement through independently administered CS surveys, involving individually devised questions on products and service provided by the sales department. Along with providing the best solutions to meet the business needs of each customer, the business divisions strive to build and maintain good partnerships with corporate clients, based on relations of trust.

| Efforts to Develop Universal Design Products

Sanyo promotes universal design (user-oriented design), with the aim of always striving for product creation from the customer's standpoint. The company seeks to provide products that are easy to use for as many people as possible, irrespective of age, gender, or physical abilities. Accordingly, Sanyo investigates various considerations in the product development process from the perspective of before use, while using, and after use. Through surveys and evaluation tests in which customers also participate, Sanyo verifies whether these considerations have been properly reflected in the new product. Improvements are then made based on the results. Sanyo believes that this is the way to provide appealing products to consumers.

Universal design is realized through the following specific steps.

■Having Designers Experience Customer Realities

Through simulated experiences of being elderly or disabled, designers are able to deepen their understanding of diverse customer realities. This enables them to clarify necessary considerations before developing a product.



Designers' experience

■Clarifying Requirements through Customer Interviews

Before beginning development, all members of a development team must first understand customer requirements, such as product usage difficulties and needs. This is done by carrying out interviews and listening to customers in the initial design stage.



Customer interviews

■Verifying Usability with Evaluation Tests

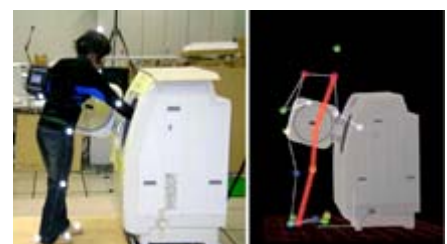
In the development stage, usability tests are carried out with simulators and existing products. By making repeated improvements for identified problem points and issues, the development team works to provide a product that is easier to use and that customers will be very satisfied with.



Usability evaluation tests

■Objective Data Analysis based on Scientific Investigation

By carrying out scientific and quantitative data analysis in cooperation with external agencies and ergonomics experts, the development team is able to numerically ascertain the design superiority, and comparative investigations using prototypes can also be carried out more objectively.



Scientific investigation

■Sharing Knowledge through Guidelines and Development Tools

Guidelines have been established for the entire Sanyo Group regarding usability considerations and the user-oriented design process. Research is carried out into effective verification methods for the development process and development tools through inter-departmental committees of experts. In this way, universal design is being promoted group-wide.



Inter-departmental committees

■IH Pressure Rice Cooker ECJ-XP1000



- Easy-to-follow voice directions give users a sense of security.
- Smooth guidance by lights makes operation additionally easy.
- White LCD with a back light enables eye-friendly information display.

■Drum-type Washer/Dryer AWD-AQ3000



- Easy-to-follow "Teach Me Window" gives users a sense of security.
- Jog dial makes operational setup additionally easy.
- Depending on the installation condition or user's dominant arm a right-hand door or left-hand door can be chosen.

■Wireless Bone Conduction Telephone TEL-KU2



- You can clearly hear a hard-to-catch voice through bone conduction.
- Large buttons allow users to easily adjust the volume and hear more clearly.
- Eye-friendly displays and large buttons enable easy operation.

As a buyer of diverse materials and components, the Sanyo Group seeks to build good relationships with its business partners through fair selection of suppliers, and purchasing that is legally compliant.

| Impartial and Fair Transactions

| Basic Purchasing Policies

Based on a Basic Purchasing Policies, the Sanyo Group is pursuing open and global purchasing with a wide range of business partners in and outside Japan. The selection of suppliers is determined through a comprehensive evaluation that is impartial and fair, based on Sanyo's standards. The evaluation criteria include supplier's records in the environmental areas and the social areas of human rights consideration and legal compliance as well as quality, prices and delivery, etc., along with our fulfillment of social responsibilities.

The Sanyo Group holds a regular "Purchasing Conference" every year for purchasing personnel to ensure intensive promotion of the policy and its priority measures.

Basic Purchasing Policies

1. **Global and Open Purchasing**

In order to broadly diversify purchasing activities in and outside of Japan, to give suppliers equal opportunities, and to ensure customer satisfaction.

2. **Impartial and Fair Selection of Suppliers**

Based on the rules set by SANYO, we endeavor to select Suppliers in an unbiased and transparent manner through an impartial, fair and comprehensive evaluation process.

3. **Sound Partnerships with Suppliers**

Through promoting sound business relations, we will deepen mutual understanding and establish trust relationships with suppliers as "good partners" who are contributing to each other's mission.

4. **Pro - environment "Green procurement"**

We will promote "Green procurement" giving preferential treatment to the purchasing of ecologically friendly goods from ecologically friendly suppliers, as we strive to be in harmony with the global environment.

5. **Compliance with Laws and Regulations**

We will observe all relevant laws and regulations in and outside of Japan, and respect social norms. We will strictly manage confidential information to ensure preservation of confidentiality.

| Compliance with the Subcontract Act

The Sanyo Group ensures thorough compliance with the Japanese Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors (Subcontract Act), and faithfully honors the basic transaction agreements that it signs with suppliers.

The company also carries out regular training for executives and employees in purchasing departments, in order to improve their awareness and knowledge of the Subcontract Act. In fiscal 2010, a total of six seminars and briefings were held for about 317 employees, and they took the test to check the understanding degree.

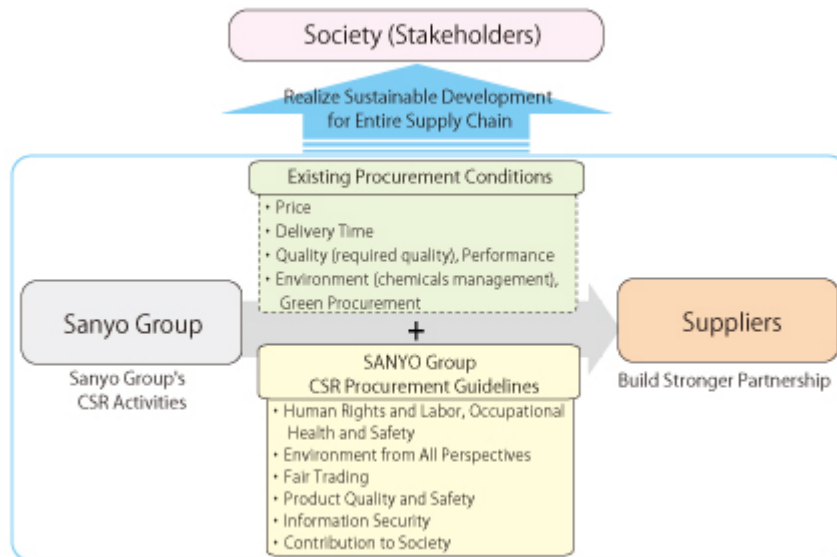
Posters are displayed in offices where supplier negotiations are held, in order to help raise the awareness of frontline employees.

The company also uses internal surveys and self audits to check whether transactions are actually being carried out in an impartial and fair manner, in accordance with all relevant laws and internal rules.

The Sanyo Group promotes CSR procurement by carefully examining CSR policies and efforts of suppliers and subcontractors as part of the procurement conditions. By clarifying its stance and policy regarding CSR and requesting suppliers to act pursuant thereto, the Sanyo Group will work together with its suppliers to satisfy requirements of customers and society with the aim of attaining higher customer satisfaction and the society's confidence.

In fiscal 2010, the Sanyo Group created the "SANYO Group CSR Procurement Guidelines" with a check sheet based on the "Supply-Chain CSR Deployment Guidebook" by Japan Electronics and Information Technology Industries Association (JEITA) and distributes it to each supplier with a request to perform self-evaluation of their company. As areas of focus, in terms of CSR initiative, the guidelines specify "Human Rights and Labor," "Occupational Health and Safety," "Environment," "Fair Trading," "Product Quality and Safety," "Information Security," and "Contribution to Society." The Sanyo Group verifies the survey results and based thereon takes necessary supplier follow-up actions (conducting on-site verification, requesting development of an improvement plan, etc.). Through these activities, the Sanyo Group is aiming to achieve sustainable development together with its suppliers. In fiscal 2011, the Sanyo Group will expand the scope of CSR procurement by including overseas suppliers as well.

■ Sanyo Group's Stance regarding CSR Procurement



Holding Training Workshops for Purchasing Personnel

To facilitate CSR procurement, the Sanyo Group held "CSR Procurement Basic Training Workshop I, II" and over 200 purchasing personnel from domestic and overseas business locations participated each time. By having a clear understanding of the Sanyo Group's CSR concept, the guidelines contents, and promotion plans, the purchasing personnel call for the cooperation of suppliers, with the view to "realize a sustainable development for the entire supply chain through CSR procurement."



In addition to holding regular Suppliers' Conferences to explain Sanyo's business directions and the purchasing department's priority measures, the company makes efforts to exchange information with suppliers and to obtain the opinions and feedback of suppliers for better product creation.



Suppliers' Conferences

■ Development Purchasing Efforts

The Sanyo Group is strengthening its development purchasing efforts by taking cost, quality, safety, and environmental factors into consideration right from the design stage, through cooperation between the design/development departments and the purchasing departments. In the field of commercial equipment, Sanyo invites the participation of suppliers in review meetings for teardown^{*1} and for added value creation (value analysis and engineering).

^{*1} Analyzing products down to the component units, investigating quality and safety for each part including the manufacturing process, and then improving the products.

■ SANYO Quality Control Guidelines for Suppliers

In order to produce products higher in quality together with suppliers, the company has issued the SANYO Quality Control Guidelines. These guidelines indicate Sanyo's basic quality-related expectations of suppliers, and have been distributed to suppliers worldwide.

The Sanyo Group also requires that suppliers ensure thorough compliance and participate in its green procurement program. This is achieved mainly through initiatives to prevent quality problems before they arise, based on Sanyo's quality policies and concept of product creation with safety first.

Strengthening Global Procurement Abilities

The Sanyo Group's material procurement from China and Southeast Asia has been increasing each year. The amount of purchasing from southern China in particular is more than 25% of the group's entire procurement. Consequently, the international procurement center set in this region is promoting initiatives to improve the group's purchasing abilities, and to build relationships of trust with suppliers. Further, to respond appropriately to recent regulations related to the use of chemical substances in products by various nations, the Sanyo Group conducts investigation, etc. by calling for the cooperation of suppliers with the support of the environment-related departments in Japan.

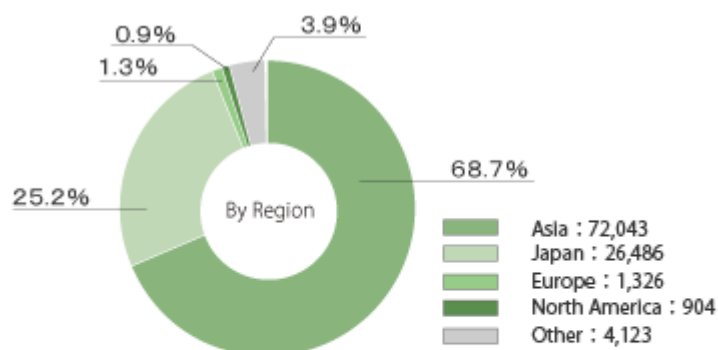
As there is a growing trend towards local procurement in other parts of Asia besides the Northern and Eastern regions of China where parts procurement and production capacity is high, Sanyo is advancing its initiative to build stronger partnership with suppliers in these other regions as well.

Based on its Human Resources Philosophy that “the foundation of the company is its people: improve individuals, and maximize skills and talents for the benefit of all,” the SANYO Group seeks to create workplace environments that allow all employees to fully realize their abilities and career goals, respecting the diversity of individuals.

Fair Employment

With operations on a global scale, the Sanyo Group employs 104,882 employees worldwide, as of March 31, 2010. The ratio of male and female employees is mostly equal, employment regions span the globe, and the Sanyo workforce is rich in diversity. Recruitment, hiring, promotion and training are carried out in an open and fair manner in every respect, according to the Sanyo Group's Principles of Conduct, and its Code of Conduct and Ethics. In addition to observing the relevant laws and regulations in each country concerned, Sanyo respects the intent of the UN's Universal Declaration of Human Rights, and the ILO's International Labor Standards. The individual rights of Sanyo employees are respected, and there is no toleration of discrimination and limitation based on race, religion, nationality, age, or gender.

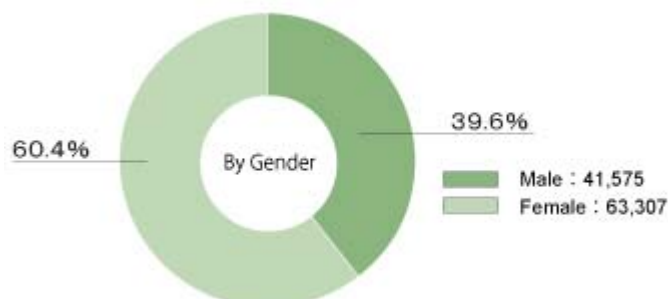
■ Employee Breakdown by Region in FY2010 (consolidated basis)



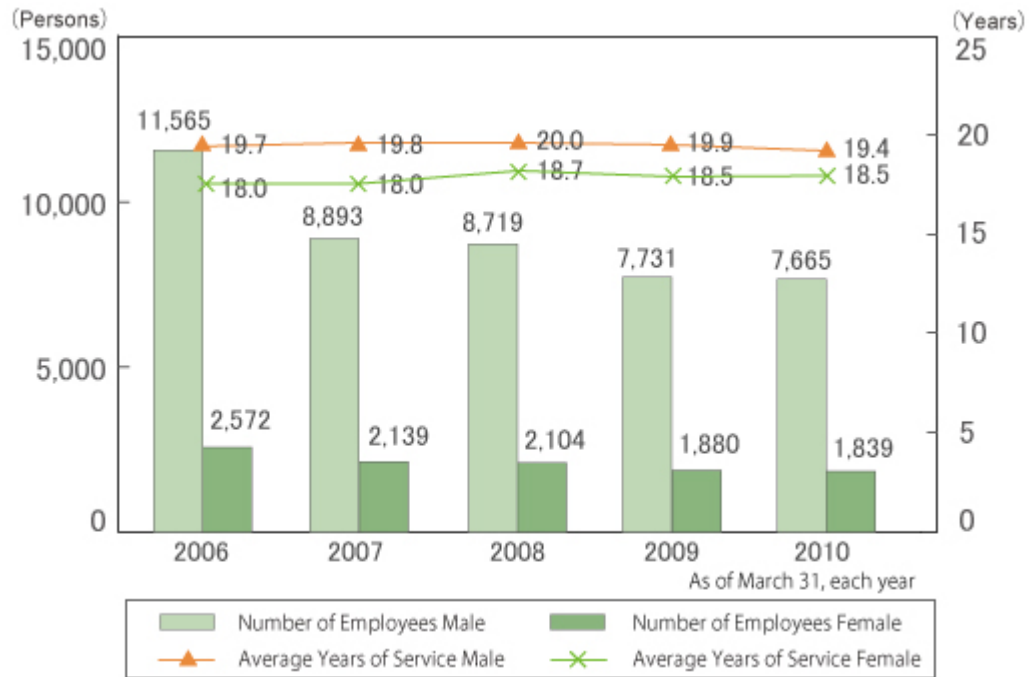
Note: The regional partition has been changed as follows, effective from FY2010:

1. Oceania, classified as “Other” until FY2009, has been categorized into “Asia.”
2. Middle East, classified as “Asia” until FY2009, has been categorized into “Other.”
3. As a result of the above, “Other” means Central and South America, CIS and Middle East from FY2010.

■ Employee Breakdown by Gender in FY2010 (consolidated basis)



■ Number of Employees and Average Years of Service by Gender (non-consolidated)



■ Employment Data (non-consolidated)

		FY2008	FY2009	FY2010
Job type	Office worker	75	97	52
	Engineer	211	315	228
Gender	Male	258	348	238
	Female	28	64	42
New graduate/ Experienced	New graduate	110	226	274
	Experienced	176	186	6

| Promoting Diversity

It is the diversity of individual Sanyo employees that helps create new value, and that serves as the driving force behind the growth of the company. Accordingly, Sanyo is working to address issues such as nationality diversity, creating opportunities for women, hiring persons with disabilities, and promoting locally hired human resources.

| Promoting the Role of Women

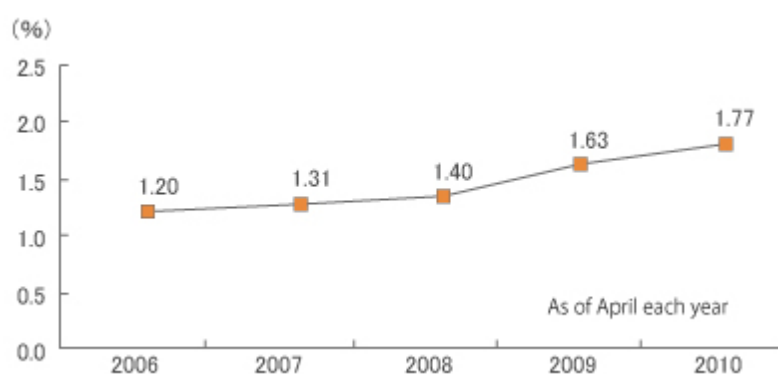
In order to further promote the role of women in the company, Sanyo has a Positive Action Committee comprised of labor and management members, half of whom are female, for active discussion on proper evaluation and treatment of men and women. Initiatives based on these discussions have steadily produced fruits, and female employees have their stage of activities in many divisions including planning, sales, and technology development.

From fiscal 2009, the company holds Sanyo Women's Forum to encourage its female employees to change their own way of thinking. The Forum features a keynote speech by a female speaker from outside the company, which provides participants with opportunities to hear experiences of women working in different places or positions, and to learn about the approaches by other companies toward advancement for women. Role-model conversation sessions are also held between female Sanyo managers^{*1} and regular female employees, to share their daily thoughts and concerns about such issues as managing work and family lives, as well as the relation between job satisfaction and position advancement. Through lively discussions and open exchange of ideas, they are finding higher motivation for self-development.

In fiscal 2010, the Forum had about 600 female employee participants (including those present at its live broadcast venues) for its keynote speech, while about 110 female employees attended the role-model conversation sessions.

^{*1} Defined as a management position of section manager or higher.

■ Change in the Percentage of Women in Overall Management Positions^{*1} (non-consolidated; including secondees to the group companies)



SANYO Women's Forum 2010

In order to create work environments that are rewarding and motivating for everyone, the Sanyo Group has been striving to increase job opportunities for people with disabilities.

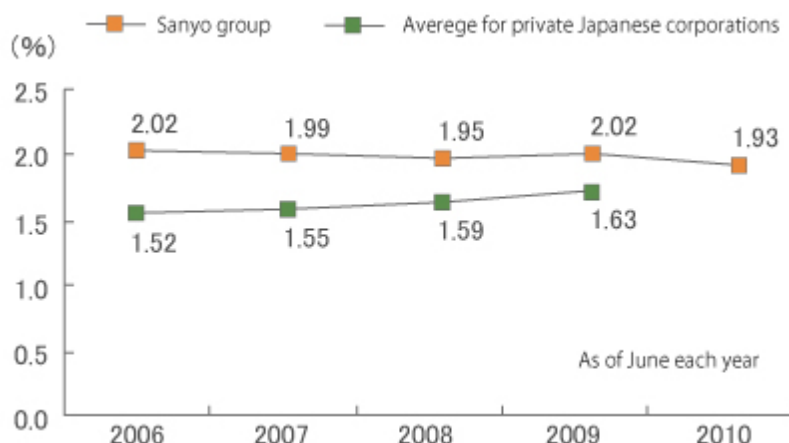
Currently, disabled employees work at Sanyo sites across Japan where their abilities can be best developed, including two specially designated subsidiaries^{*3}. One is SANYO Heart Ecology Co., Ltd., which mainly runs environment- and horticulture-related businesses; under the corporate philosophy “Blooming together in harmony, - aiming to be a company that is both human- and eco-friendly,” the company pursues contentment of employees and end-users (“Heart”) along with friendliness to the ecosystem and environment (“Ecology”). The other is Harima SANYO Industry Co., Ltd., which assembles electrical products such as massage chairs and vacuum cleaners; the goal of this company is to enable persons with disabilities to share in our abundant environment.

The employment rate^{*4} for disabled persons in the Sanyo Group is 1.93% as of June 2010.

^{*3} These are subsidiaries that satisfy certain conditions, including employing people with disabilities for at least 20% of the workforce. Under the Japanese Law for Employment Promotion, etc., of the Disabled, employees in these subsidiaries can be included in the calculation of the employment rate of disabled workers for the parent company.

^{*4} This calculation includes SANYO Electric Co., Ltd. as a parent company, two specially designated subsidiaries, and 8 subsidiaries authorized for consolidation in the disabled persons employment calculation.

Disabled Employee Ratios



Active Promotion of Locally Hired Human Resources

Along with the global expansion of its operations, Sanyo carries out local hiring at its overseas sites in various fields, including not just manufacturing but also technology development, quality control, sales, and business planning. In fiscal 2010, locally-hired overseas employees accounted for about 75% of the entire workforce of the Sanyo Group. Sanyo's objective is to realize optimal posting of human resources on a global scale, as well as business management that is more in touch with local conditions. This is being achieved through the strengthening of global management and the creation of systems for training, evaluation and treatment of employees that are tailored for each country or region.

Sanyo also attaches importance to shared values and goals, improved management ability, and human interaction within the Group, all as the keys to enhancement of overall strength of the Sanyo Group as it keeps going global. Based on this policy, Sanyo calls senior executives of its major overseas subsidiaries and affiliates to Japan, and provides them with its International Training Course.

| Creating Supportive Workplaces

| Encouraging a Balance of Work and Family Life

The Sanyo Group promotes the creation of a welcoming work environment for both male and female employees who want to balance work and family life.

Among other approaches, the company has developed various support programs for working parents through its labor-management Committee for Measures to Support the Development of the Next Generation, and it has been actively fostering a work environment which raises employees' awareness and promotes their utilization of these programs. As a result of such initiatives, Sanyo obtained certification^{*1} in April 2007 and April 2009 based on the Next Generation Nurturing Support Measures Promotion Law. From fiscal 2010, as part of its third action plan for child-rearing support, Sanyo has focused on the creation of a work environment which facilitates paternity leave, as well as on the improvement of a program to support those on leave who return to their workplace. Along with these approaches, the company further enriched its support system by increasing the days available for nursing care leave. In April 2010, the company also extended the eligibility period under its system of shorter working hours for parents with young children; employees are now eligible to use the system until March 31st of the year in which the child completes the 6th grade (which used to be until March 31st of the year in which the child completes the 3rd grade). As for the system of supporting family care, Sanyo upgraded its existing system in April 2010 by extending the eligibility period of shorter working hours for employees with family members in need of nursing care, as well as by allowing diverse and flexible working styles for such employees. The company has also launched a program of family-care leave.

In addition, Sanyo's original Family Support System, designed to financially support child care and family care of its employees, has been expanded to cover a broader range of employees with an increased amount of allowance.

^{*1} Based on achieving an action plan for child-rearing support, and meeting the certification standards of the Japanese Ministry of Health, Labour and Welfare.

■ Number of Employees Using Support Systems for Balancing Work and Family Life (non-consolidated)

	FY2008	FY2009	FY2010
Maternity leave	124	102	110
Childcare leave	152 (including zero male employee)	124 (including 1 male employee)	126 (including 1 male employee)
Family medical leave	6	4	4

| Prevention of Sexual Harassment

Sexual harassment is a severe violation of a person's human rights and can be linked to a deterioration of the work environment and lowering of workers' motivation. To prevent sexual harassment cases, our company has set up the "Sexual Harassment Consultation Service" as part of the complaint handling committee operated by labor and management, which enables people to anonymously receive counseling without going through their supervisor. In addition, we provide employees with educational programs and the portable handbook which indicated the examples of improper speech and conduct in order to enhance their consciousness, thus promoting creation of a work environment that is comfortable for both men and women.

The Sanyo Group places importance on dialogue with its labor union and building good relations with employees. The SANYO Electric Workers' Union is made up of about 16,500 employees from SANYO Electric Co., Ltd., and its main subsidiaries in Japan. The company holds daily discussions with the union on employee labor conditions and other matters, and both management and union leaders attend the Joint Management-Labor Conference, which is held regularly. At this conference, top management explains management policy and listens to the opinions of employees from the union perspective, and strives to reflect them in management of the company.



General Management-Labor Conference

| Proper Evaluation and Treatment/Skills Development

| Proper Evaluation and Treatment

In order to ensure sustainable growth in the future, it is important for the Sanyo Group to specify organizational roles according to our management philosophy and management policy. The desired direction for the organization then needs to be unified, and the cohesive momentum increased.

The current personnel system clarifies the organizational functions and the expected roles of employees within this framework. It also specifies the abilities that need to be acquired in order to fulfill each of the roles. The target management system, evaluation standards, and promotion conditions are then established based on this. By evaluating whether a good balance has been achieved for both the acquisition of skills and the execution of the expected role, and by reflecting this in the treatment and remuneration, a more results-oriented personnel system has been established for better satisfaction, transparency and fairness.

| Policy regarding Inventions by Corporate Researchers

To reinforce employees' incentives to invent, our company has set up an employee invention reward system. Various rewards are provided through this system, such as a reward upon filing a patent application, an advance reward to honor an excellent invention, a reward for a patent or design that has been used for our company's business, a reward for licensing to another company by paying a part of the royalty income to the inventor, and a reward for a patent or design that has contributed to our company through cross licensing. Under the system, employees are able to submit their opinions concerning the rewards, and are also provided opportunities for consultations before any major changes to the system are made. By properly responding to employee feedback, Sanyo is striving to make its invention rewards more equitable. Furthermore, we make a public recognition of patented inventions with the highest degree of contribution to the company's business and performance at our annual "Technology Convention"^{*1}. Thus, we promote activities to further heighten employees' motivation through praising their accomplishment.

^{*1} Technology Convention is held, with participation by our engineers and the top management, for the purpose of sharing the vision and strategy about research and development or environmental initiatives in the company. Moreover the fruits of technological research or the product development and the reward for a patented invention are announced, and it has led also to the employee's motivation improvement.



Technology Convention

The Sanyo Group is improving its system in order that all employees may find their potential, achieve job satisfaction, and realize their abilities to the fullest.

Sanyo has established skills requirements for each job type of the personnel system and constructed the skills development programs. The skills development programs for each career type are comprised of on-the-job, job level, specialized ability, and career path trainings, and the system enables employees to set medium and long-range career plans. The training methods now include e-learning in addition to group and correspondence courses, and there is a range of other skills development support including courses from outside educational institutions, and a study-abroad system and other learning. These programs will be introduced at some Sanyo overseas subsidiaries as well.



Training sessions

■ Examples of Training Course for Specialized Ability

Global Mindset Cultivation Program

Sanyo offers this training program to its mid-career employees, with the aim of fostering human resources capable of working globally—not only those in charge of international sales or marketing, but also those in technology development and other function operations. Participants attend lectures on world affairs, which feature such topics as Chinese market and India's economy, as well as a lecture on management strategies adopted by Japanese companies; and, through discussions on various themes including “Sanyo's own positioning” and “creation of new markets and customer value,” the participants enhance their strategic viewpoint, thinking power and cross-cultural understanding. The Program thus helps them develop an ability to take a more global perspective in their job performance.

Comment from a Participant

As an engineer of solar cell modularization technology at Sanyo's Solar Division, I work to improve power generation efficiency and reliability of our products.

I joined the program with the hope of learning what is required of us from a global perspective, as well as what kind of mindset we should take, for the sake of further sales expansion for our solar cells. The program helped me understand the situation of overseas markets, which do not always need such high-performance products as those in demand in Japan. And I came to realize the importance of product development based on a clear understanding of what is really required by the world market.

I am going to make the most of what I learned from the training—the actual needs of the global market and the significance of an attitude toward cost reduction—when I consider our future direction of solar cells development.



Yosuke Ishii
Technology Department,
Solar Division

Mechanical Basic Technologies Training Program

On the occasion of its joining the Panasonic Group, Sanyo has developed this new training program with the help of Panasonic as part of its systematic technological/research training of its technical staff. As members of a manufacturer, participants acquire necessary knowledge, know-how and skills, while also developing practical skills, for their continuous development of sophisticated technologies and creation of safer and more reliable products for customers.

Comment from a Participant

Engaging the development and design of professional-use espresso machines, I design their structures and components by using 3D CAD, while also conducting evaluation tests of final products.

By joining the program and relearning from scratch the basic knowledge and technical drawing I should know as a designer, I was able to consolidate my design knowledge acquired during practice, and to discover solutions to the challenges I had faced about the products in my charge. At the same time, I was inspired by my fellow participants from different divisions, with whom I not only shared practical information but also discussed various subjects including our attitudes to the training; I had a lot to learn from Panasonic designers as well, in connection with their ingenuity in design. I believe that these are the fruits of my communicating with people from other divisions, getting away from my daily circle of work. Not only that, the program reminded me of the tremendous impact which product safety may have on society, my company and me. Of course I had been aware that we, as a manufacturer, should give a maximum priority to product safety; however, as I relearned in my first year at Sanyo about failures in the past, their background and various measures taken to never let them happen again, I am now able to handle my tasks with a greater sense of responsibility as a mechanism designer.

I am currently reviewing the designs of the products in my charge, from the viewpoint of whether or not each design is able to ensure end-of-life safety after long-term use, as well as whether or not further improvement is possible with the design itself. I would like to become a mechanism designer who makes thorough and spontaneous efforts so as to contribute to the growth of society, my company, and my own self.



Yuki Satoh
Beverage Equipment Dept. ,
Cold-Chain Division,
Commercial Solutions Company

The Sanyo Group has established an occupational safety and health committee made up of the industrial physician and representatives from labor, management, and the employee health insurance society. The central safety and health committee determines the safety and health policies for the whole group, while the individual safety and health committees at each site implement activities that suit the features and conditions at their own locations, based on the group-wide policies. Every year the group-wide Safety and Health Conference, attended by both top management and workplace staff, confirms the current conditions for occupational safety and health management in the Sanyo Group, and reviews the action plan for the fiscal year. The conference also raises awareness of safety and health through the reporting of activity cases from various sites.



The Group-wide Safety and Health Conference

Sanyo Occupational Safety and Health Policy

Occupational Safety and Health Principle

Safety and Health Above All Else

Based on its Human Resources Philosophy that “the foundation of the company is its people: improve individuals, and maximize skills and talents for the benefit of all,” the Sanyo Group is committed to paying meticulous attention and making consistent efforts toward the realization of safe and healthy workplaces, and also toward the creation and fostering of safety culture.

Activity Guidelines for Occupational Safety and Health

1. Legal and regulatory compliance
2. Investment of management resources
3. Establish, maintain, and improve an occupational safety and health management system
4. Definitions of roles, authorities, and responsibilities, and organizational maintenance
5. Removal and reduction of hazards and potential causes of damage
6. Setting goals and formulating and implementing a plan for occupational safety and health management
7. Auditing, and review by management
8. Education and training

Policy of Safety and Health Activities for Fiscal 2011

1. Establish Zero-Hazard Workplaces
2. Promote Overall Health
3. Continue and Regularize Safety and Health Activities

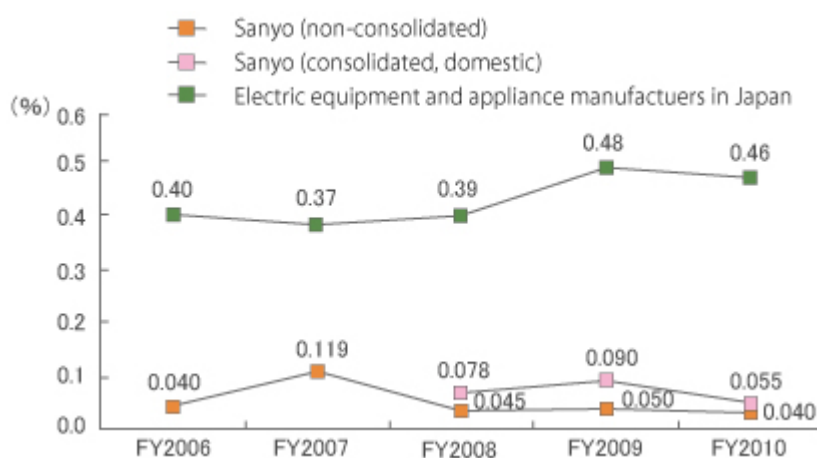
Establish Zero-Hazard Workplaces

Aiming to establish zero-hazard workplaces, the Sanyo Group promotes the introduction of a risk assessment system that identifies potential workplace dangers and hazards before devising appropriate safety measures. At the same time, the company strives to improve employees' awareness of safety management through its monthly group-wide morning safety meetings.

When an industrial accident occurs, an accident report is immediately distributed via safety and health managers as a group-wide reminder for prevention of similar accidents. Should the accident be serious or cause an employee to miss a day or more of work for medical treatment, or should multiple accidents occur within a three-month period, the site in question is designated as the one that requires safety management measures. Then the occupational safety and health committee conducts intensive workplace inspections and safety patrols for a period of three months, to ensure that a reoccurrence prevention plan is being properly implemented.

For the future, Sanyo is determined to reinforce its management infrastructure in order to facilitate the introduction of an occupational safety and health management system. As part of this approach, the company will regularly hold training sessions for safety and health managers at its domestic business sites, to foster human resources who can serve as key persons to raise the level of safety control.

Accident Occurrence Rate (per million labor hours)



Severity Rate (consolidated, domestic)

Number of Man-days Lost per 1,000 Man-hours Worked

	FY2006	FY2007	FY2008	FY2009	FY2010
Sanyo (non-consolidated)	0.0005	0.2988	0.0010	0.0001	0.0015
Sanyo (consolidated, domestic)	-	-	0.0020	0.1360	0.0008
Electric equipment and appliance manufacturers in Japan	0.02	0.05	0.05	0.04	0.02

SANYO Energy Nandan Co., Ltd. Won the Minister of Health, Labour and Welfare's "Excellence Award"

In the 2009 commendations by the Minister of Health, Labour and Welfare to businesses, institutions and individuals that achieved excellent performance in the field of industrial safety and health, SANYO Energy Nandan Co., Ltd. won the Excellence Award in the sector of safety. This is the most prestigious award given to entities whose industrial safety/health levels are regarded as outstanding and exemplary.

The company conducts such activities as group-wide horizontal launch of the "STOP Campaign" and other initiatives for the prevention of industrial accidents. The all-out efforts by its employees to create zero-hazard workplaces resulted in no accident record, and this achievement was recognized as being worthy of the award.

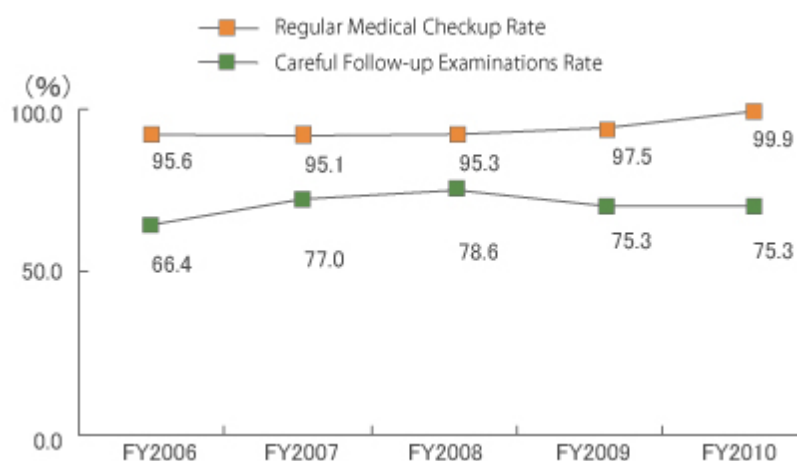


Promote Overall Health

Sanyo is promoting a group-wide action plan that places priority on health maintenance and improvement measures such as careful follow-up examinations for those employees identified as having a potential concern in their regular medical checkups. This is part of measures to deal with lifestyle-related diseases and prevention measures for health problem due to mental health issues or overwork. Starting in fiscal 2009, the company is further strengthening its health promotion efforts that form the basis of workplace lifestyles. Sanyo is doing this by pursuing the priority goals of reducing smoking rates, lowering the average BMI^{*1}, and reducing the number of employees that are significantly over or under the standard BMI, as part of Health Challenge 21.

^{*1} The body mass index is a measure of obesity and is calculated using a person's weight and height.

Medical Checkup Rate (non-consolidated)



■Promoting Good Mental Health

The environmental stress in companies has become more pronounced in recent years, and the percentage of employees missing work for mental health issues has been on the increase. Appropriate measures, including prevention, are consequently necessary to combat this trend.

Sanyo makes it a basic policy to prevent employees from missing work for mental health issues, and also to detect and help employees with such problems in their early stages. The company actively promotes such measures as: (1) group-wide campaign to encourage managers to talk with their subordinates; (2) interviews by industrial physicians as part of corporate countermeasures against overtime work; and (3) individual caring and workplace environment improvement based on the result of the mental health check conducted on all employees. The company also works on the upgrading and repletion of its mental health counseling system. Sanyo has a sustainable mental health education program as well, in order to promote a correct understanding of good mental health. For the future, the company is going to develop and spread various case-based practical training programs, such as a training program for managers on the basis of specific manuals that help them cope with employees experiencing mental health issues, and also a self-care education program for non-supervisory employees to help them notice their stress early to prevent mental health problems.

■Preventing Health Problems Due to Overwork

Overwork not only damages the health of employees, but can also lead to mental health issues or labor accidents caused by fatigue and a lack of concentration. It is a problem that requires safety and health management measures. Sanyo is carrying out improvement to workplace environments based on opinion reports prepared by industrial physicians. The physicians interview employees that perform overtime work beyond the group-wide standard or a site's own more rigorous standards. In the future, the plan is to strengthen measures by lowering the standard for the number of overworks hours after which interviews are required.

In order to prevent overwork, appropriate measures are taken in workplaces where overtime has become pervasive. Group-wide initiatives are also carried out such as encouraging employees to take their annual paid leave, and establishing certain days when no overtime is permitted.

■Pandemic Influenza Measures

With the outbreak of Influenza A (H1N1), known as swine flu, in 2009, measures were taken based on the alert level trend and recommendations of the Japanese Ministry of Health, Labour and Welfare. When the WHO raised the influenza pandemic alert to phase 4, taskforce headquarters were set up in each site region and at the Sanyo head office. Efforts were focused on infection prevention in and outside Japan, and measures to prevent the spread of infection. In addition to encouraging employees to wash their hands, gargle, and wear masks, employees were given health checks along with appropriate instructions. Sanyo also issued restrictions concerning international travel, both for employees and their families stationed outside Japan, and for employees taking business trips. These measures allowed Sanyo to effectively suppress in-house group infections. Based on this favorable result, the company is going to formulate a guideline flexible enough to accommodate different levels of influenza virus virulence, along with a business continuity plan (BCP) that corresponds to the guideline.

Together with Local Community

By living together with local community and helping them to grow and prosper, Sanyo is contributing to society while utilizing its management resources and expertise through its businesses.

| Dialogue with Local Communities

In addition to observing all local laws in the countries and regions in which it operates, the Sanyo Group promotes harmonious business activities by adapting the company's standards to better meet local conditions and customs. Communication is essential in order to determine the activities and measures that are needed for each community. The employees of the Sanyo site concerned are making efforts to maintain a dialogue with the local government or local resident representatives. Community understanding of the vision and business activities of the Sanyo Group is also deepened through this kind of dialogue.

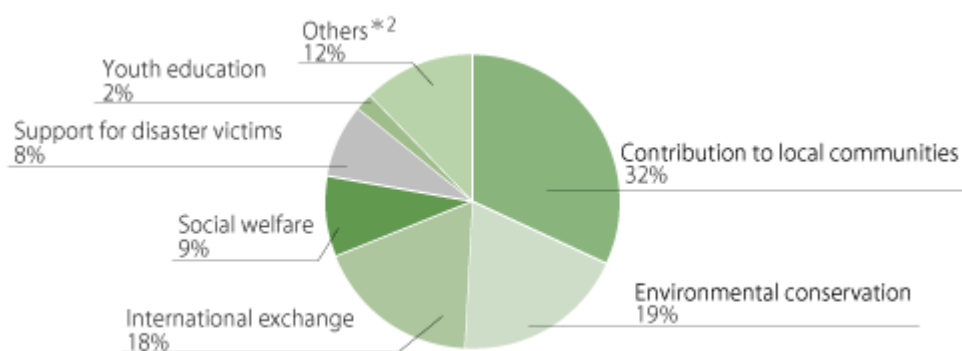
| Corporate Contribution together with Society

By utilizing its management resources and specialized technology, the Sanyo Group is helping local communities to grow and prosper in the areas of environmental protection, cohesive society (building a social environment where people can participate in activities in their own manner) and youth education.

We have also developed a corporate environment that encourages our employees to actively participate in volunteer activities. By fostering a volunteering mindset in each and every employee and improving their understanding of the views of ordinary citizens, we believe we will be able to revitalize our work and enrich our lives.

We believe that building and revitalizing our partnerships with local communities through these types of activities as corporate citizens is an investment that will help to develop business for our company in the future.

■ Content of Expense^{*1} to Local Communities and Social Contribution Activities in FY 2010 (non-consolidated)



*1 Cash contributions and product donations are included.

*2 Others include expense for promotion of sports, medical welfare, support of cultural activities, etc.

Together with Local Community

| Examples of Activities

| Providing Opportunities to Visit Factories

As part of its communications with local communities, each Sanyo factory actively accepts visitors, whether as part of education in schools or as training of central and local government officials. In fiscal 2010, a total of 2,717 visitors in 83 groups visited when the visits for the three factories were combined. 2,131 people of them were visitors of the students from schools or local children groups. We provide children such opportunities so that they can increase awareness of our society or global environment by seeing the site of manufacturing directly.

| Environment for All Activities

The Sanyo Forest work camp project was begun in fiscal 2006, as part of efforts for Japanese forest and water protection. At the Sanyo Forests in Kurabuchi, Takasaki, Gunma, and in Miyama, Nantan, Kyoto we aim to improve communication with local residents at the same time as developing basic forest protection activities, such as undergrowth thinning, vine removal, pruning, bear damage^{*1} prevention measures and tree planting, as well as activities to improve surrounding environment such as planting and thinning in the vegetation buffer zones^{*2}. The project is an employee volunteer activity eligible for the company's volunteer leave program, and the total number of participants to date has now reached 364.

We also held Natural Environment Seminars which were relayed live to major business sites throughout Japan to provide opportunities for each site to develop water and forest protection activities in line with local circumstances.

*1. Bears strip bark from trees leaving them susceptible to frost damage.

*2. A vegetation buffer zone is a buffer area surrounding the core forest for minimizing the effect of the outside environment on a protected area. It is one of the zones created during the establishment of a nature preserve.



Sanyo Forest work camp (Left: Gunma, Right: Kyoto)

Participation in "Beach Cleanup" Campaign

The campaign is intended not only to clean beaches but also to survey the quantity and types of garbage left on them. Its purpose is to formulate environmental protection measures based on the analysis of pollution sources. Sanyo endorsed the aim and has been participating in cleanup activity at Nishiki-no-Hama Beach, Kaizuka, Osaka with other companies since fiscal 1993. A total of 1,312 employees and their family members from Sanyo participated as volunteers by fiscal 2010 and learned the importance of the environmental protection by knowing the influence that garbage gave to the ocean.



"Beach Cleanup" campaign

Environmental Event with the Participation of Industry, Government, Academia, and Residents

Since fiscal 2007, Sanyo has been participating in the Bikkuri Eco 100 Goods Exhibition, an ecological event that involves the participation of industry, government, universities, and residents of Kyoto, the birthplace of the Kyoto Protocol. In order to raise the awareness of local citizens concerning environmental problems, this event highlights numerous issues that require the changing of consumer behavior and lifestyles. Sanyo supports the aim of this event and the important message being sent from Kyoto, by exhibiting products that are useful for saving energy, conserving water, and reducing waste. Sanyo employees and their family members also participate in the Kyoto Protocol Birthday Walk 2010 held after the exhibition, which calls for greater efforts to achieve the reduction targets for greenhouse gas emissions.

We believe that these activities will lead to a better understanding by large numbers of people both within Japan and overseas of what kind of lifestyles are friendlier to the global environment, and that this understanding can gather a momentum of its own.



the Bikkuri Eco 100 Goods Exhibition 2010



the Kyoto Protocol Birthday Walk 2010

Located at the Gifu site, the Solar Ark solar power generation system is a symbol of the Sanyo Group's commitment to developing potential for and realizing the dream of clean energy. With its impressive appearance, the Solar Ark has helped raise awareness of solar power.

Local communities, which have been developing low-carbon business since the construction of the Solar Ark, have been promoting clean energy and environmentally-friendly urban development through projects including the introduction of solar power generation systems at elementary and junior high schools based on the School New Deal^{*3} promoted by the Japanese government.

There is a unique solar energy museum next to the Solar Ark, with various exhibitions aimed at increasing the interest of the next generation in issues related to the global environment and the science of solar cells. The museum provides tours to students and representatives of educational institutions from elementary schools to universities (such as teachers and members of the Board of Education), as well as government representatives. We have also provided ongoing support for the "Gifu Earth Environment School," which teaches the importance of the global environment to higher-grade elementary school children as part of a number of environmental education programs being implemented in partnership between the prefectural government and environmental NPOs in Gifu Prefecture. The program is now entering its 9th year and continues to provide a forum for lifetime learning rooted in the local community.

^{*3} The School New Deal is a policy for the fundamental development of an educational environment appropriate for a "21st century school." The policy includes measures for improving schools' earthquake-resistance, ecologically-friendliness and information and communications technologies.



the Solar Ark

Sanyo has been carrying out environmental education for school children, centered on the topic of Sanyo's eneloop rechargeable batteries, which can be reused about 1,500 times. Since April 2006, we have taught children the importance of putting the "3Rs"*4 into practice and the importance of protecting the global environment through practical "reusing batteries" experience during classes given by Sanyo staff visiting elementary schools. Moreover, in order to provide broader support for environmental education, Sanyo offers the teaching materials developed for these classes free of charge to those involved in environmental education. As a result, the teaching materials have been utilized by numerous elementary schools, NPOs and autonomous bodies. In fiscal 2010, we have implemented environment classes for the children of employees at business sites throughout the Sanyo Group, helping to improve the environmental awareness of employees and their families.

In recent years, there has been an increase in interest in environmental education overseas, and Sanyo's overseas group companies have held environmental classes for local schools. We have developed activities in partnership with local governments in Suzhou, China, as well as Singapore and Thailand, and plan to begin activities in the United Kingdom in fiscal 2011.

Through these activities, over 36,000 children both within Japan and overseas have participated in Sanyo's eco education programs.

In fiscal 2011, we plan to launch energy and environment education based on the theme of solar cells. With more and more educational facilities introducing solar power generation systems through Japan's School New Deal program, there are high expectations for solar cells, not just in terms of reducing environmental impact but also in terms of the use of solar cells as a readily available teaching material for environmental education. We plan to respond to schools' needs by using the experience-based lessons that only a solar cell manufacturer can offer in order to cultivate a broader understanding of solar cells as well as promoting children's interest in science.

In addition, we have increased the scope of environmental education through partnerships with companies in other industries. In fiscal 2010, we implemented an environmental class to think about the importance of water in cooperation with Danone Waters of Japan Co., Ltd., which is implementing the "1ℓ for 10ℓ" program to support the provision of clean and safe water.

*4 Reduce, reuse and recycle



Environmental classes at elementary schools



Environment classes for the children of employees

With the mission of helping children who are the next generation to find their dreams, and to experience the excitement of sports, Sanyo's badminton team and Wild Knights rugby team are actively engaged in community outreach activities.

In 1992, the badminton team set up a junior badminton school, under the guidance of mostly retired team members. In cooperation with local leagues, the members gave classes in elementary school gymnasiums. In addition to contributing to the sound development of elementary and junior high school students through a community, school, and corporate partnership, Sanyo's badminton team is actively participating in activities with the aim of increasing the popularity of badminton, including technique training sessions across Japan. The retired members of Sanyo's Wild Knights rugby team provide coaching at rugby schools for elementary and junior high school students. The players and staff also meet with children across Japan to play tag rugby^{*5}. Through interaction with children, Sanyo's rugby team has been supporting the sound development of children, while increasing the number of rugby fans and promoting local sport.

^{*5} Instead of tackling, players attempt to pull waist tags from the ball carrier



Badminton workshop



Tag rugby

| Participation in Welfare Support Activities

Since fiscal 2010, we have participated in "Com link" a matching system for local social contribution activities run by the Osaka City Volunteer Information Center. The system involves companies and NPOs advertizing on the system website for organizations who wish to use the companies' unused items. Unused items are then donated through mutual agreements with the organizations in question. Having donated clothes and office supplies through this system, Sanyo is actively involved in the project as a way of answering the needs of local communities at the same time as providing opportunities to contribute to the environment through the reuse of unused items.

Moreover, as part of our efforts to assist disabled people in finding work, since fiscal 2010 we have been holding fairs inside the Sanyo head office building to sell cookies, cakes and handicrafts produced by vocational aid centers under the guidance of L-Challenge (the Osaka Intellectual Disabilities employment promotion building service cooperative business association). Our active support for these activities has a number of objectives in addition to merely contributing to sales. We aim to increase the opportunities available for people with disabilities to participate in society, facilitate information exchange between the various groups participating in the fairs, and increase understanding of welfare support among Sanyo employees.



Donating of unused items through the Com link



Cookies and cakes fairs

Supporting Employee Volunteer Activities

Sanyo is creating work environments that make it easy for employees to actively participate in volunteer activities. The Volunteer Time Off and Temporary Leave Programs were introduced in fiscal 1993 as a specific workplace improvement policy. In fiscal 2010, a total of 116 volunteer time off were acquired, and the place of employee's volunteer activities has extended to various fields. In fiscal 2007, a Silver Ribbon Award system was created to recognize the social contribution activities of employees. In this way, Sanyo is encouraging the spirit of volunteerism among its staff and increasing understanding at a workplace to volunteer activities, and creating environments that are easier to work in.



Silver Ribbon Award 2010

■Volunteer time off

If employees wish to participate in volunteer or community service activities on a weekday, they can obtain special paid days off up to six days a year (or 12 half-days).

■Volunteer temporary leave

If employees wish to participate in extended-term volunteer activities, they can take paid leave for one month, or up to one year. (This includes training and actual activity time for those participating in the Japan Overseas Cooperation Volunteers program.)

SANYO Clean Technology Foundation^{*6}

SANYO Clean Technology Foundation supports organizations that contribute to environmental conservation and spread of clean energy as well as the environmental education of children and local people. Since 2002, Sanyo has contributed via the Foundation an amount equivalent to the economic effect of the solar power generated by the Solar Ark power generation system. In the eight years up to 2009 we have given 42 grants^{*7} totaling about 46 million yen to 21 organizations.

In fiscal 2011, we will launch a new system to award young researchers involved in research related to clean energies. Through this award system we aim to contribute to the development of clean energy research in Japan.

^{*6} The name of the foundation was changed from the SANYO Think GAIA Foundation as of June 1, 2010.

^{*7} Since some projects are ongoing, the number of grants is greater than the number of organizations.

■ Recipients of the SANYO Clean Technology Foundation in FY2010

Name of organization (Location)	Theme of activity	Supported activity
Otsu Environmental Forum (Shiga Pref. Japan)	Aiming for sustainable community development with minimal environmental impact, by promoting a local action plan for global environmental protection based on cooperation between residents, companies, and government	<ul style="list-style-type: none"> • the Otsu Environmental Forum's raw garbage recycling business • "Soil reformation trends and the quality of cultivated vegetables" analyzing business
NPO Peoples Community (Gifu Pref. Japan)	Activities to raise the awareness of children and increase their desire to solve environmental problems starting with their own communities and daily lifestyles	Gifu Earth Environmental School
National Federation of Land Improvement Associations (Tokyo, Japan)	Teaching children and other city residents about how food is grown from soil and water, the importance of farming, and the multifaceted environmental protection function of farming villages	<ul style="list-style-type: none"> • Event that enjoys blessing of water and the earth by touching exhibited real rice plant and living thing of waterside • Exhibition of picture that children drew with rice field and water as theme

| SANYO (Thailand) Co., Ltd. (Thailand)

| Environmental Classes at Elementary Schools

SANYO (Thailand) Co., Ltd. sells digital devices such as digital cameras, LCD projectors, and security cameras, as well as household appliances such as color TVs and washing machines. As part of its efforts to contribute to the local community, the company began providing environmental classes to local elementary schools in fiscal 2009. The company first held a seminar for local elementary school educators on its environmental class in order to explain the curriculum to them, before the classroom visits were carried out. In fiscal 2010, full-scale implementation of the classes began, and the scope of the host schools was widened to include nine schools in the city of Bangkok. The company provided 48 classes at 9 schools to a total of 1,952 students.



Environmental Class at the Elementary
Demonstration School of Bansomdejchaopraya



Environmental Class
at Our Lady of Perpetual Help School

| SANYO Semiconductor (Thailand) Co., Ltd. (Thailand)

| Computer Classes for Elementary School Students

A manufacturer of semiconductors, SANYO Semiconductor (Thailand) Co., Ltd. began an education project to improve the computer knowledge of local elementary school students. In order to enhance the skills of these future leaders, computer knowledge is essential in order for them to access the Internet and rapidly obtain various forms of information from around the world. Starting with the desire to provide children with such useful skills for their future, the company decided to offer the use of computers on its premises along with knowledgeable employees to serve as instructors. So far, the company has welcomed students from four local elementary schools, and provided two classes for each school. In addition to basic computer knowledge, the children learned how to search for information on the Internet, and how to use various software including word-processing and spreadsheet programs.



Computer class for elementary school students

SANYO Semiconductor (Thailand) Co., Ltd. holds an open house for local residents every year. The event is designed to explain the company's safety and quality initiatives, including environmental protection activities, and to promote understanding and confidence in the company's semiconductor manufacturing operations. All 2,000 employees attend the events, and other dignitaries are also invited including provincial officials, local mayors, police chiefs, hospital administrators, as well as elementary school principals and students. These occasions are well received by all concerned, and help instill company pride in employees.

As part of its community contribution efforts, the company provides exercise equipment to local elementary schools based on corporate and employee donations. The company also sponsors student contests on the themes of safety and the environment, as well as an aerobics dance contest to help promote physical fitness.



Lifestyle, product and environmental quality week

| SANYO Energy (Singapore) Corporation Pte., Ltd. (Singapore)

| Environmental Classes

A vendor of batteries and battery-application products, SANYO Energy (Singapore) Corporation Pte, Ltd. began providing environmental classes to local elementary schools in fiscal 2009. Using teaching materials prepared based on those used by SANYO for environmental classes in Japan, the company has contracted local education consultants to provide the classes. In fiscal 2010, a total of 16 classes were provided to 8 schools, enabling 1,208 children to learn about the importance of the global environment, 3R^{*1} activities, and the advantages of rechargeable batteries. Some of the students expressed their desire to carry out environmental protection efforts at home, and to tell their families about the importance of the 3Rs.

*1 Reduce, Reuse and Recycle



Environmental Classes

The company also provided its first environmental class outside of a school setting, for girls living at the Andrew & Grace Home for troubled teens. This class was carried out at the Semakau Landfill, which is Asia first and only offshore landfill, based on an education program run by Singapore's National Environment Agency.

A group of 27 girls led by the environmental class consultant, chaperones and company representatives, visited the Semakau Landfill. There they watched a video and received a tour of the facilities. A guide explained the construction and operation of the site, as well as solid waste management in Singapore. The company's regular environmental class was also administered to the girls at the same time. As a result, these young people were able to learn about waste management and environmental issues, while enjoying recreation activities also available on the island.



Girls from the Andrew & Grace Home

| P.T. SANYO Precision Batam (Indonesia)

| Customer Satisfaction Survey

A producer of micro motors, P.T. SANYO Precision Batam, which also mounts its motors on printed circuit boards, is carrying out annual customer satisfaction surveys in order to improve service for its customers. The survey covers the five areas of quality, delivery, cost, environmental measures, and response, and customers grade the company according to their level of satisfaction. The survey results are forwarded by email to each department manager, are shared at the Yearly Management Review meeting attended by the representatives of all departments, and are used to improve customer service. In order to build good relationships with customers, regular meetings are held with them for an open exchange of opinions.

| Education Program for Local High School Students

The company provides support for the local community by providing a four-month education program for local high schools student in company departments. The students major in information science, refrigeration technology, and mechanical electronics, and are accepted into the company program based on their majors. The students majoring in information science are sent to the IT department where they learn about IT systems. The students majoring in refrigeration technology as well as mechanical electronics are sent to the Production Engineering Department where they engage in respective studies concerning air conditioning systems, mechanical systems, and production programs.

| Initiatives to Reduce Environmental Impact

SANYO Semiconductor Manufacturing Philippines Corporation designs, develops, and manufactures LSI circuits, which are a basic component in AV equipment and computer peripherals. The company is continuing its initiatives for reducing CO₂ emissions. Energy-saving measures are being carried out such as turning off the air conditioning and lighting in the company cafeteria and break rooms during non-business hours, and adjusting the operation times for the air conditioning in general areas of the facility. The company continually monitors the water quality in the steam boiler, in order to realize efficient electrical generation based on efficient steam production. The company has also switched to commercial electricity for part of its equipment electrical needs, which was previously supplied entirely by the generator units. Due to the resulting drop in the usage of light oil for generator units, the company is reducing its CO₂ emissions.

The company is also striving for the effective utilization of wastewater used within the plant. The wastewater resulting from plating processes was previously discharged outside the plant site after being purified by wastewater treatment equipment. Now however, the purified water is stored in tanks within the plant, and is pumped and reused for toilets and other purposes in the facility.



Generator unit installed in the plant



Tank for holding purified water

| Internal Audits

Every other month, the company performs multifaceted Rainbow Audits for operations relating to all the processes within the plant site. The Rainbow Audits are carried out by an audit team composed of the company president and other executives, and covers the areas of 5S (Seiri, Seiton, Seisou, Seiketsu and Shitsuke, which translate as Sifting, Sorting, Sweeping and Washing, Spick and Span, and Discipline), health and safety, data management, environmental management, 3Tei^{*2}, and facility management. After the audit is complete, all of the operation and process managers attend a final meeting and discuss the audit results. The relevant process managers are given time to establish response measures to deal with the issues identified by the audit.

^{*2} 3Tei refers to the Japanese terms Teii (Set Location), Teiryo (Set Quantity), and Teihin (Set Item)—the right thing in the right number in the right place. The system aims to reduce unnecessary items by marking locations to show what goes where and in what quantities.



Internal Rainbow Audit



Discussion of findings during audit

| SANYO OPT Device Vietnam Company Limited (Vietnam)

| Quality Improvement Initiatives

A manufacturer and vendor of optical pickups, SANYO OPT Device Vietnam Company Limited carries out On-site FA activities to check product defects found by its customers and promote defect analysis activities. Whenever there is a product defect found at a customer plant, the company directly confirms the defect situation through an employee stationed at the plant, and determines the cause. This enables defect causes and the responsible parties to be quickly clarified, and for the information to be promptly relayed to the company. SANYO OPT Device Vietnam began this activity in October 2009, and is promoting good relations with its customers by performing customer satisfaction surveys and regular improvements at the same time.

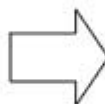
| Initiatives for Production Efficiency Improvement

In order to ensure reliable on-time product delivery to customers, the company is engaged in various initiatives for improving production efficiency. SANYO OPT Device Vietnam utilizes the 5S management method (Seiri, Seiton, Seisou, Seiketsu and Shitsuke, which translate as Sifting, Sorting, Sweeping and Washing, Spick and Span, and Discipline), which helps improve employee movement distances when performing process operations, while also shortening distribution distances and thus improving productivity. In addition, the company is eliminating operation inefficiencies based on ergonomics, optimizing line speed, improving processes with low production efficiency, and working to improve facility operation rates. By managing monthly results for departments and individuals, and by adopting a system that provides incentives based on performance, the company is boosting employee motivation. At the same time it ensures thorough internal management including trainings for managers, engineers, and workers, and production efficiency is being continually improved.

Example of process improvement



Before Improvement



After Improvement

Drastic reduction in personnel hours by combining two inspection processes for practically simultaneous inspection

| Compliance Education for New Employees

SANYO Energy (Taiwan) Co., Ltd. imports, exports, and sells rechargeable batteries and battery-related products, including lithium-ion batteries and polymer batteries, in Taiwan. The company carries out compliance education as part of training for new employees. The compliance training involves an explanation of the 21 points in the SANYO Electric Group Code of Conduct and Ethics, established as guidelines for all SANYO Group employees to follow.



Compliance education materials used by the company

| Recycling Rechargeable Batteries

The company also regularly collects discarded rechargeable batteries. As there are no facilities for processing waste batteries in Taiwan, these items are processed by overseas facilities (in France, USA, South Korea and other countries) designated by the Taiwanese government. The recycling system was created under the guidance of Taiwan's Environmental Protection Administration, and the domestic transportation and export of these batteries is performed by government-designated providers and monitored by government agencies.

SANYO Energy (Taiwan) collected 2,831 kilograms of rechargeable batteries in fiscal 2010, under this government recycling system.

| SANYO Electric (China) Co., Ltd. (Beijing)

| Responding to Counterfeit Products

SANYO Electric (China) Co., Ltd. is the regional headquarters for SANYO Electric Group companies in China. The company has intellectual property experts to protect SANYO's intellectual property rights including the SANYO brand. In particular, counterfeit products distributed within China and exported abroad have a significant impact on not just the SANYO brand, but also on SANYO's business and its customers. In order to protect customers and local communities from the damage caused by counterfeit products, SANYO Electric (China) Co., Ltd. and SANYO Electric Co., Ltd. are working together with other Japanese and Western subsidiaries in China through organizations such as JETRO^{*1} and the Quality Brands Protection Committee^{*2}. The company is providing support for control activities by relevant government agencies, including briefings on how to detect counterfeit products for relevant government agencies including customs. In fiscal 2010, the company held such briefings in the city of Beijing, and in the provinces of Guangdong and Jiangsu. Using the opportunity of a "2009 Crackdown on Trademark Violations"^{*3} campaign by the Trademark Office of the State Administration for Industry and Commerce of the People's Republic of China, a campaign in which the SANYO brand was selected for priority brand for protection, the company worked with local branches of the State Administration for Industry and Commerce in each region, and provided support for activities to limit company name infringements and counterfeit products, which might cause confusion and misunderstanding among consumers.

*1 Japan External Trade Organization

*2 An organization under the China Association of Enterprises with Foreign Investment (CAEFI) made up of at least 180 companies with foreign investment from many different countries.

*3 Intensive control campaign targeting entities using trade names that belong to well-known brands, or trademarks that resemble well-known brands in or outside China.



JETRO product authentication briefing for the Beijing Administration for Industry and Commerce (December 16, 2009)



QBPC authentication training for the Nanjing Customs office (November 19, 2009)

| Designation as a China Environmentally Friendly Enterprise

SANYO Energy (Suzhou) Co., Ltd. is a manufacturer and vendor of nickel-cadmium, nickel-metal hydride, and lithium-ion batteries. In April 2009, the company was commended under the China Environmentally Friendly Enterprise Program, for its remarkable contributions to environmental protection. The All-China Environment Federation, which is recognized by the State Council of the People's Republic of China, uses various evaluation criteria in order to select the recipients of the China Environmentally Friendly Enterprise designation.

In particular, SANYO Energy (Suzhou) was highly rated for its zero wastewater emissions from production, for properly operating internal environmental systems and environmental management systems, as well as for green procurement of raw materials, energy efficiency initiatives, and the installation of environmental equipment. As one example of an energy efficiency initiative, the company has put up energy efficiency notices such as water-saving stickers and reminders for air conditioner temperature settings in order to save electricity in its facilities. The company is striving to raise the awareness of all employees in order to reduce electricity and water usage.

The award ceremony was held in July 2009 at the Great Hall of the People in Beijing, and was attended by representatives of the ten designated companies (SANYO Energy (Suzhou) being the only non-Chinese company), the Ministry of Environmental Protection, and the All-China Environment Federation.



China Environmentally Friendly
Enterprise award ceremony



President of SANYO Energy (Suzhou)
delivering a speech at the ceremony

| SANYO Environmental Protection Star Awards

In fiscal 2009, SANYO Energy (Suzhou) began a SANYO Environmental Protection Star award program for the local Xukou Central Elementary School. This school is carrying out various green activities including environmental essay and drawing contests, disseminating environmental conservation knowledge, and gathering ideas for environmental protection. In fiscal 2010, the company held an essay contest on the theme of environmental conservation, and gave SANYO Environmental Protection Star awards to 27 students with the best essays. The award ceremony was held on June 5, 2009, which was also World Environment Day, and SANYO's eneloop rechargeable batteries were given out as supplementary prizes.

| Activities to Support Local Communities

On April 24 and 25, 2009, executives of SANYO Energy (Suzhou) took part in a media event sponsored by the SANYO eneloop brand to show support for the people of Mianzhu, Sichuan, on the one year anniversary of the 2008 Sichuan (Wenchuan) earthquake. The company donated about 42,000 yuan to the city of Mianzhu to help the victims of the earthquake. This amount included donations directly from employees, and was delivered by President Koji Nishishita, as the company's representative. President Nishishita also visited an elementary school in Mianzhu, where he talked about environmental protection and its importance. He also made a donation of eneloop rechargeable batteries to the school. A Suzhou TV station reported on the visit, broadcasting images of President Nishishita and other company executives meeting with the children.



President Nishishita presenting a relief donation



Donation of rechargeable batteries
to a local elementary school

| SANYO Electric International Trading Co., Ltd. (Shanghai)

| Participating in a Suzhou Environmental Protection Conference

SANYO Electric International Trading Co., Ltd. sells LCD projectors, biomedical equipment, digital cameras, and other products. As a member of the SANYO Electric Group, the company participated in an environmental protection conference on the topic of “initiatives for environmental problems in Suzhou,” held at the Suzhou International Conference Center on June 2, 2009. This conference came in response to China’s World Environment Day theme of taking action to reduce pollution, and the environmental protection policies of the city of Suzhou. Since the timing was also close to the launch of SANYO’s ‘eneloop’ rechargeable batteries in the city, the conference was sponsored jointly by the city of Suzhou and the SANYO Electric Group, and included a press conference for the product launch. As sponsors, there were representatives from SANYO Electric International Trading Co., Ltd., the Mobile Energy Company (SANYO Electric Co., Ltd.), and SANYO Energy (Suzhou) Co., Ltd. The deputy mayor of Suzhou, and the Chief Regional Officer for China from SANYO Electric Co., Ltd. were also in attendance. All together about 150 people participated in the conference.

During the conference, SANYO’s ‘eneloop’ battery was presented, drawing a great deal of interest, and the participants were urged to help prevent pollution through the proper disposal of dry-cell batteries.



Environmental protection conference



‘eneloop’ rechargeable batteries on display in the venue

| Thorough Compliance and Risk Management

In order to ensure thorough compliance awareness throughout SANYO Electric International Trading Co., Ltd., a seminar was held in Shanghai for the management staff of eight regional offices. At the seminar, company executives provided direct information and guidance to the management staff, concerning the importance of compliance, and the improvement of brand value by following the SANYO Electric Code of Conduct and Ethics. In order to ensure proper business administration within the company, the company issued a manual on December 24, 2009, entitled, “Business Administration Knowledge for Managers,” and distributed it to the managers of the management staff. This manual contains daily administration points to be followed by management staff in various positions. By having managers thoroughly adopt these practices, SANYO Electric International Trading is working to further increase the compliance and risk management awareness of the entire company.

| Initiatives to Reduce Energy Use

A developer, manufacturer and vendor of precision optical lenses, optical multi-layer glass mirrors, and camera modules, SANYO Optical Component (Huizhou) Co., Ltd. carries out various initiatives in order to reduce its environmental impact. In addition to reducing waste by collecting and reusing trays for product delivery, the company has dramatically reduced its electrical consumption by switching from fluorescent to LED lighting in its manufacturing facility and installing energy-efficient air conditioning equipment. The company has further increased the energy-consumption reduction benefits by limiting temperature rise in the summer time through the application of a thermal insulating paint to the building roof.

SANYO Optical Component (Huizhou) is also actively working to reduce energy consumption in its production processes. By improving production lines and enhancing facility operation rates along with the introduction of new equipment for production expansion, the company is minimizing the resulting increase in energy usage caused by this expansion.



Equipment that improved operation rates

| Initiatives for Creating Supportive Workplaces

In order to create workplaces that are supportive of employees, the company is improving communication with employees, while enhancing personnel systems and company welfare programs. SANYO Optical Component (Huizhou) holds labor union representative meetings and labor-management meetings, and creates opportunities for regular dialogue with employees. In this way, the company is working to reflect employee feedback in management. In fiscal 2010, the company revised the evaluation standards for general and technical employees in order to make their performance targets even clearer. This change to the personnel system is helping to increase employee motivation. The company has selected suitable personnel at a certain level or higher to become instructors for in-house training, and is carrying out education activities to develop training instructors.

In the area of employee welfare, the company pays for various internal events for employees such as company-sponsored monthly birthday parties and annual raffles. The company has established management regulations for employee recognition and the payment of hardship benefits. In addition to payment of congratulatory and condolence allowances to employees, the company provides fixed support payments for employees or their immediate family members that suffer a serious accident or illness, or whose household situation is severely impacted by a natural disaster.

| Initiatives for Improving Customer Satisfaction

SANYO Motor Parts (Shenzhen) Co., Ltd. manufactures and sells a range of motor shafts and machined parts. In order to improve customer satisfaction, the company carries out annual customer satisfaction surveys. In fiscal 2010, the company surveyed its regular customers, and asked to be evaluated in terms of quality, delivery, service, price, and environmental materials. The survey results were compiled by the survey-handling department, and shared with all internal departments after issues were identified.

In order to improve the quality of its products and production efficiency, the company holds monthly internal meetings, where executive and managers share company issues. The company also participates in the quality improvement conferences of the Shenzhen Association for Quality. This enables SANYO Motor Parts (Shenzhen) to deepen exchanges with other companies, and to learn about successful quality improvement cases at other companies, which it can then utilize for its own initiatives.

| Employee Training

SANYO Motor Parts (Shenzhen) carries out planned training for employees. Each year the heads of each department select the necessary training areas and relevant trainees for their respective organizations, and draw up annual training plans. Employees are sent for training based on these plans. In fiscal 2010, the total number of employees participating in some kind of training reached about half of all the employees.

| Participation in Local Cultural Promotion Campaigns

Located in the town of Shajing, the company participates in various local events and is deepening interaction with the surrounding community. In fiscal 2010, SANYO Motor Parts (Shenzhen) participated in a photography exhibit relating to environmental protection, and a “cultural promotion campaign” sponsored by the town of Shajing. The company also actively participated in cultural activities sponsored by the youth association and the Shajing labor union. As part of a cultural promotion campaign for the purpose of raising the work ethic of young workers, the company was invited as a member of the forward-thinking youth association committee by the town of Shajing. During the 2nd Company Youth Culture Week, an employee of SANYO Motor Parts (Shenzhen) received second prize in a speech contest held on the theme of “My Dream in 2009.”



Company employee receiving a speech contest award



Award ceremony participants

| Building Good Relations with Clients

SANYO Electric International Logistics (Shenzhen) Co., Ltd. provides warehouse logistics and transportation in the Shenzhen Free Trade Zone, as well as parts procurement and supply for SANYO Electric Group production sites overseas. The company is carrying out initiatives in order to maintain good relations with various companies in the supply chain. In addition to reducing procurement costs and promoting development purchasing^{*4} with the company's own suppliers, the initiatives are useful for timely adjustment of purchasing strategy by obtaining relevant information from suppliers such as market prices and industry information.

In order to maintain good relations with suppliers and SANYO Electric Group production sites overseas, which are down the supply chain, the company carries out satisfaction surveys for upstream and downstream companies. In fiscal 2010, the company received evaluation from suppliers in China and TV manufacturing companies in the SANYO Group, for the areas of quality, delivery, and service. The results were largely favorable and were shared among relevant departments in the company for use in further improving customer satisfaction.

^{*4} Promoting the purchasing of parts in consultation with suppliers from the initial development stages (business negotiations and product planning) regarding the areas of cost, quality, safety, and environmental performance

| Survey of Chemical Substances in Procurement Parts

In order to comply with the European REACH regulations, SANYO Electric International Logistics (Shenzhen) surveyed its suppliers concerning the chemical substances contained in their products. The survey was conducted between March and July, 2009, and all suppliers (about 235 companies) reported on the presence of substances of very high concern (SVHC)^{*5} in a total of 6,329 items.

^{*5} "Substances of Very High Concern for authorization," based on Article 57 of the REACH regulations. On October 28, 2008, 15 substances were initially designated as SVHC, and in August 2010, there were 38 such substances.

| SANYO Canada Inc. (Canada)

| Helping to Prevent Global Warming Through Expanded Photovoltaic System Sales

SANYO Canada Inc. sells and provides various electronic and energy solutions, including rechargeable batteries, solar modules, HVAC^{*1} equipment, LCD projectors and other SANYO products in that country. Working together with its distributor, AVACOS Solar Energy, SANYO Canada is promoting domestic sales of systems that combine SANYO's HIT Double photovoltaic systems with Tio-Coat, a reflective roof film developed by local company DuROCK Alfacing International. With its superior reflective and weatherproof properties, Tio-Coat provides a cooling effect for buildings. When a HIT Double photovoltaic system is installed on a building rooftop that has been painted with the white reflective DuROCK film, it maximizes electrical generation performance in comparison to regular rooftop installation by cooling the air around the modules and reflecting sunlight on to the back of the bifacial cells. The cooling effect of the white reflective roof can also reduce air-conditioning costs for the entire building by reducing the rooftop 'heat island effect'. The combination of SANYO's HIT Double technology and DuROCK's Tio-Coat technology has enabled maximized use of solar energy, thereby having a positive effect on the environment while improving customer satisfaction at the same time.

The Province of Ontario, where SANYO Canada is located, is aiming to be a North American leader in renewable energy sources such as wind, solar, hydro, and biomass. The province has initiated various projects to promote the use of renewable energy. With the enactment of the Ontario Green Energy Act in 2009, renewable energy sources are increasingly gaining attention there. As a member of various industry organizations such as the Canadian Solar Industries Association, SANYO Canada is working to promote the widespread use of solar power. By further expanding sales of SANYO's HIT Double photovoltaic systems, the company aims to help prevent global warming through its business activities.

^{*1} Heating, Ventilation, and Air-Conditioning



HIT Double photovoltaic system installed on the roof of DuROCK's headquarters

| New Recycling Program

A distribution services company in North America, SANYO Logistics Corporation began its own recycling program in fiscal 2009. The company collects cardboard boxes and packaging material at its warehouses, while also recovering and sorting waste paper, empty cans and bottles in its offices. The entire management of SANYO Logistics is behind this recycling program, and is taking the lead in the recycling activities.

In order to reduce electrical consumption, the company is also progressively replacing all its warehouse light bulbs with more energy-efficient models.



Separation of waste in warehouse

| Health and Safety Training

SANYO Logistics Corporation has been offering health and safety training programs to its employees since fiscal 2009. The curriculum and the materials are provided by Mitsui Sumitomo Insurance Group, a employee insurance broker for SANYO Logistics to educate employee with the prevention of labor accidents in the workplace. This health and safety training is given through video seminars, has been provided to warehouse, and office personnel.



Health and safety training at SANYO Logistics Corporation

| Working on Environmental Initiatives with an NPO

SANYO North America Corporation, a regional corporate office, has partnered with the non-profit California Center for Sustainable Energy (CCSE) to replace all of the dry-cell batteries in their facilities with SANYO 'eneloop' rechargeable batteries. It began with the donation of an 'eneloop' charging station to the CCSE in a proactive effort to achieve a more sustainable, environmentally responsible California and to demonstrate practical ways companies can reduce waste and conserve energy.

SANYO North America also participated in an event to showcase alternative fuel vehicles, "Street Smart," which is hosted by the CCSE. The company demonstrated a real commitment to finding innovative solutions for sustainable transportation alternatives by showcasing the SANYO 'eneloop bike' at the event.

The company and the CCSE also worked together to administer environmental classes at local public schools. By showcasing the 'eneloop bike' and 'eneloop' batteries, the classes have taught students how they can change their daily lives to be more environmentally conscious.



'eneloop' charging station



'eneloop bike' exhibit



Environmental class

| Beach Cleanup Participation

The SANYO North America Group including SANYO North America Corporation participated in the 25th International Coastal Cleanup sponsored by the Ocean Conservancy on September 25, 2010. The group companies helped clean up the coastline with the aim of protecting nature and the marine environment.

Since 2008, SANYO Group companies in North America have been carrying out this kind of beach cleanup as a group environmental protection activity. In 2008 and 2009, it was mainly US group companies participating in this effort, but in 2010, SANYO sites in Canada and Mexico were also invited to participate. About 250 SANYO employees and their family members from eight companies located in five sites within North America took part in the cleanup activities.

In order to raise the environmental awareness of employees throughout the SANYO North America Group, a T-shirt contest was held prior to the cleanup on the theme of ocean environmental protection. On the day of the cleanup, all the participating employees wore the T-shirt with the winning design, creating a fun atmosphere and a unified presence for the SANYO North America Group.



San Diego (USA) Team



Chatsworth (USA) Team



Toronto (Canada) Team



Torrance (USA) Team



Salem (USA) Team

| SANYO Manufacturing Corporation (U.S.A)

| Proper Waste Processing and Recycling

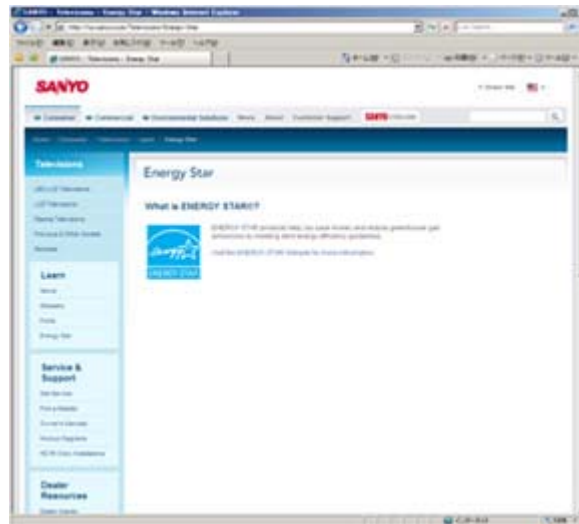
As a manufacturer and vendor of TVs for the North American market, SANYO Manufacturing Corporation carries out used product collection and recycling. The company utilizes a program operated by MRM, a recycling management company founded jointly by three Japanese electronics manufacturers for recycling their products in the United States. Recycling laws vary across the US, and in some states the government is responsible for recycling products, while in other states manufacturers are responsible. SANYO Manufacturing Corporation utilizes the MRM recycling program in states where manufacturers have that obligation. In this way, the company is fulfilling its responsibilities as a manufacturer, while benefiting in the areas of collection and recycling costs, as well as operating efficiency.

SANYO Manufacturing Corporation also carries out proper disposal of waste from its operations. For example, the company sends used fluorescent light bulbs, which contain mercury, to a specialized waste processor. It also sorts and uses special recyclers for component and material waste, notably PC circuit boards, CRTs, and other electrical devices no longer needed within the company.

Initiatives for More Energy-efficient Products

The company is also pursuing development to make its products more energy efficient, and is striving to reduce electrical consumption when LCD and plasma TVs are turned on, or when they are in standby mode. The company's TVs meet the V4.1 standards of the International Energy Star Program^{*2}, enabling the Energy Star symbol to appear on the TVs, packaging, user manuals and the company website. In addition to being able to display the Energy Star symbol on the front of TVs as in the past, starting in 2010, the symbol can now appear in the TV's on-screen menu. In this way, SANYO Manufacturing Corporation is actively promoting the energy performance of its products, while striving to further expand use of its environmentally conscious products.

^{*2} An international environmental labeling program for energy-saving products being used in seven countries and regions worldwide.



Energy Star symbol on the company's website

SANYO E&E S.A. de CV (Mexico)

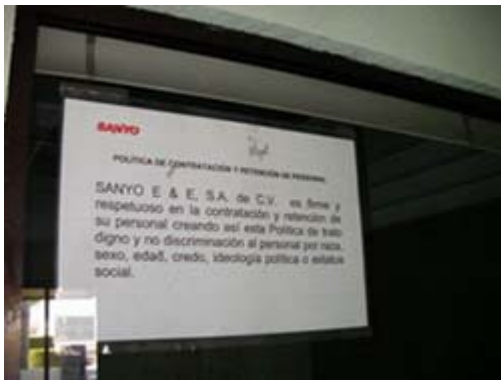
Building Good Relations with Employees

A manufacturer of refrigerators and refrigerated showcases, SANYO E&E S.A. de CV, is working to create a company culture that fosters active communication between employees and top management.

Based on the concept of respecting human rights, which is outlined in the SANYO Electric Group Code of Conduct and Ethics, the company makes clear its policy of non-discrimination in employee recruiting and hiring, and has posted the policy within its facilities for all employees to see.

At the monthly management meetings, executives and managers directly discuss and reconfirm the annual targets. At regular meetings attended by employees and executives including the president, top management and department heads actively exchange opinions. In order to get direct feedback including opinions and proposals from employees, a suggestion mailbox has been set up in the facilities for over five years. About two or three suggestions are received every month from employees, which are very helpful for improving the workplace environment and operations.

Every month the company acknowledges an employee that has done an outstanding job by presenting the person with a token of appreciation. In this way, the company is working to enhance the loyalty of its employees.



Staff hiring policy posted within the company



Mailbox for suggestions from employees

| SANYO Europe Ltd. (U.K.)

| Environmental Awareness Classes: Recharging the Earth

SANYO Europe Ltd. is the regional headquarters for SANYO in the European region and is located in UK. Together with Durham County Council and Durham University, the company implemented a program for Environmental Awareness Classes under the slogan of “Recharging the Earth.” The program was developed to raise the awareness of sustainability and environmental consciousness to primary and secondary school students. While conforming to the UK national curriculum, the class content was planned based on the basic outline of environmental classes given by SANYO Electric Co., Ltd. in Japan using rechargeable batteries as a teaching subject. Students interacted in hands on learning experiments and battery collection initiatives thereby receiving a high quality learning experience. The program was broadly divided into two phases. In the first phase, teachers conducted classes to students at secondary schools. Once the secondary school students had absorbed the classroom material, they went on to lead classes to primary school students under the supervision of the teachers. Together the students created a project entitled, “What will the world look like in 25 years time,” based on two scenarios, following a sustainable future and a non-sustainable one. Between January and June 2010, the Environmental Awareness Classes were administered at 17 schools to a total of 736 students.

In conjunction with this program, the SANYO Europe Ltd. also carried out a dry-cell battery recycling campaign. The school students bought used batteries from their homes for proper collection and recycling. This was in fact a competition in which the school collecting the most batteries was awarded with “eneloop” rechargeable batteries. The winning school collected 388kg of batteries and almost 1 ton of batteries was collected by all the schools collectively.



Primary students that participated in an Environmental Awareness Class



SANYO Europe representatives and primary students that participated in an Environmental Awareness Class

| Involvement with Local Community

SANYO Hungary Kft. manufactures solar cell modules, and its employees, including managers, are actively engaged in environmental protection activities. One such activity has been running since 2005, and involves picking up litter in the industrial park where the company is situated. Since 2001, SANYO Hungary has been supporting a popular local ecological event for both children and adults called, Environmental Children's Day. It is held every year traditionally as part of the SHG event calendar on the first day of summer holidays. Working with several local green organizations, booths are set up in order to stimulate children's interest in the environment, and energy-saving products are also put on display. At the SANYO booth, used dry cell batteries are collected from visitors in exchange for small gifts. SANYO Hungary also held traditionally as part of the SHG event calendar an environmental competition that was well received by the community. The aim of the competition was to raise environmental awareness among fifth and sixth graders at three elementary schools in the city of Dorog, during the school year from September to May. The students formed three-person teams and competed to achieve the best results while addressing a different environmental issue set each month. The issues covered environmental protection topics and Sanyo Group themes, providing the students with a variety of theoretical and practical exercises. The competition project was entirely run by SANYO Hungary employees, from the planning to the implementation stages.



Picking up litter around the plant



Environmental Competition

| Collecting Bottle Caps

With the help of local elementary school students, the employees of SANYO Hungary are helping to support a local child with disability. The company and the students are providing their support by collecting bottle caps for a campaign being run by a plastic company. The money raised goes to support a disabled child born with encephalopathy. This child comes from an economically disadvantaged family living near Dorog. The family has many children and is not able to afford adequate medical care. The students collect the bottle caps, which are then delivered to the plastic company. The proceeds from the caps are used to help pay the medical bills of the disabled child. In fiscal 2010, the company and local elementary school students collected about 50,000 or approximately 90 kilograms of bottle caps.



Collected bottle caps

| Battery Collection Campaign at Local Elementary Schools

SANYO Gulf FZE is engaged in sales of consumer and commercial products in the United Arab Emirates (UAE), as well as exports to the rest of the Middle East. Together with the NGO, Emirates Environmental Group, the company has been supporting a campaign to collect used dry-cell batteries at elementary schools, since 2006. In the UAE, there is no official recycling system for dry-cell batteries. In recent years however, regional local governments have been carrying out many environmental initiatives including recycling consultations and outdoor awareness raising campaigns, and public interest in the environment is increasing. SANYO Gulf FZE and the Emirates Environmental Group have been running an ongoing dry-cell battery collection campaign since 2006, and have so far collected about 3,230 kg of used batteries. Both organizations are continuing a new used dry-cell battery collection campaign starting in 2006. In 2009, a total of 988 kg of batteries were collected at the 20 elementary schools participating in this campaign. In order to properly process the collected batteries, they are transferred from the Emirates Environmental Group to the local government. On June 5, 2009, World Environment Day, SANYO Gulf presented awards to the three elementary schools that collected the most batteries among the 20 participating schools. Items such as projectors and digital cameras were also given as prizes.



Collected used dry-cell batteries

| Providing Eco-bags to Employees

From June to December 2009, SANYO Gulf provided free eco-bags made of jute to its employees, as an alternative to disposable plastic shopping bags. The UAE government is promoting the 3Rs* to its citizens, and recognizes that the use of environmentally friendly eco-bags to replace plastic shopping bags is a way to help prevent global warming. Therefore, the government has implemented various programs to raise the awareness of general consumers. The provision of free jute bags to employees by SANYO Gulf was carried out to support the government programs, and the company is raising the environmental awareness of employees by encouraging them to stop using plastic shopping bags and to lead more environmentally friendly lives.

* Reduce, reuse, and recycle



Free eco-bag provided to employees

| Helping to Solve a Power Shortage

SANYO Gulf FZE South Africa Branch sells household appliances, AV equipment, and solar systems in South Africa and neighboring countries. The company installs solar systems for various uses including mobile phone base stations, and promotes the widespread use of clean energy. It is also actively promoting the popularization of solar systems as back-up power supplies.

In South Africa and neighboring countries there is a chronic shortage of electricity, a problem resulting from an increasing demand for power and not enough power plants. In order to prevent a shutdown of operations during power outages or scheduled blackouts, it is essential for production facilities to have back-up power generators. SANYO Gulf South Africa Branch is contributing to CO₂ emission reduction efforts by using a solar system as a principal back-up power supply, rather than a diesel-powered generator, which has a significant environmental impact.

By actively raising awareness among industry associations concerning the use of solar systems as a back-up electrical supply, the company is promoting sales while helping to protect the environment and alleviate South Africa's power shortage.



Rooftop HIT solar panels on the Japanese Embassy in South Africa

Medium- and Long-term Environmental Initiatives

Aiming to Become “the No.1 ‘Green Innovation Company’ in the Electronics Industry” through Achievement of “Carbon Minus”^{*1} Status

| Becoming “the No.1 ‘Green Innovation Company’ in the Electronics Industry”

The Sanyo Group is aiming to be an indispensable element for the development of society and prosperous and comfortable lifestyles through the promotion of harmonious coexistence between people and nature. Therefore, the company is placing emphasis on the environment in its various business activities, and is working to change the awareness and behavior of all individuals.

As a member of the Panasonic Group, Sanyo shares the aim of becoming the “No.1 ‘Green Innovation Company’ in the Electronics Industry”^{*2} and the “New ‘eco ideas’ Declaration”^{*2}. The company is strengthening its initiatives for contributing to resource recycling and CO₂ emissions reduction, as Green Indicators for becoming No. 1 in the industry, while also promoting ‘eco ideas’ for Lifestyles and Business-styles.

| Helping to Solve Environmental and Energy Problems through Business Activities

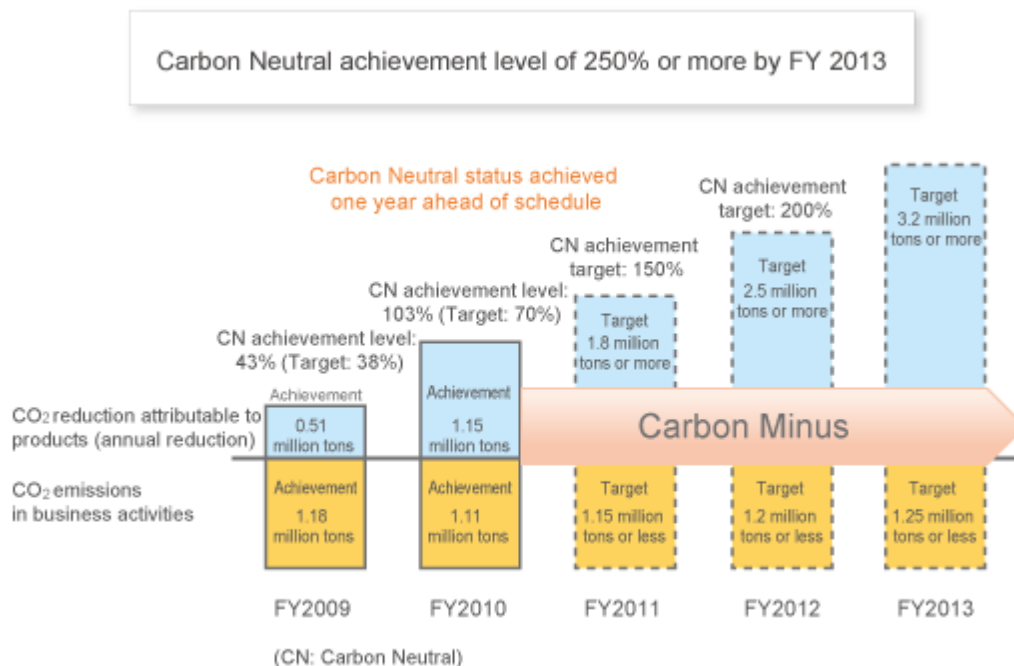
The Sanyo Group considers environmental contribution through business activities to be its most important management theme, and is actively developing and promoting products and services that can contribute to the solving of environmental and energy issues in the daily lives and workplaces of customers. The environmental problem of global warming is considered to be the cause of abnormal weather phenomenon such as droughts, record high temperatures, stronger tropical depressions, and flooding due to heavy rains. There is great concern over the huge impact it can have on human life and ecosystems. Global warming is mainly caused by CO₂ emissions arising from the human consumption of energy resources. As this energy is the driving force behind our lifestyles and business activities, reducing energy consumption is not an easy task. That is why Sanyo is focusing most of its efforts on energy, in order to provide unique products and systems to society, in the areas of energy creation, energy storage, energy saving, and smart energy. The aim is to contribute towards the solving of today's environmental problems.

| Contributing towards CO₂ Emissions Reduction: Achieving Carbon Minus Status

As part of the Sanyo Global Environmental Action Plan, the company has been working towards the achievement of “Carbon Neutral”^{*1} status where the CO₂ emissions reduction attributable to products (annual reduction)^{*3}, such as solar cells and energy-efficient devices, is equal to the CO₂ emissions from business activities. Specifically, increasing CO₂ emissions reduction attributable to products (annual reduction) involves the generation of energy from solar cells, expansion of energy saving due to the improvement of energy efficiency for household appliances, commercial equipment and components, and the promotion (increased sales) of these products. Reducing CO₂ emissions from business activities involves implementing energy efficiency measures in plants and offices. In fiscal 2010, the CO₂ reduction attributable to products (annual reduction) was 1.15 million tons, and the reduction of CO₂ emissions from business activities was 1.11 million tons^{*4}. As a result, Sanyo attained a Carbon Neutral achievement level of 103%, surpassing the target of 70% outlined in the Sanyo Global Environmental Action Plan.

Accordingly, Sanyo achieved Carbon Neutral status in fiscal 2010, one year ahead of schedule. Now the company will work on its Carbon Minus status, where CO₂ emissions reduction attributable to products (annual reduction) is greater than CO₂ emissions from business activities. Sanyo will strengthen its efforts with the goal of increasing its Carbon Neutral achievement level to 150% in fiscal 2011, 200% in fiscal 2012, and 250% in fiscal 2013. Furthermore, regarding the “size of contribution in reducing CO₂ emissions”^{*5} defined as a green index in the Panasonic Group’s New Mid-term Management Plan, the Sanyo Group has set a target of 9 million tons for fiscal 2013. Sanyo intends to play a central role in the Panasonic Group’s CO₂ reduction contribution.

■ Carbon Neutral Achievement Level: Target and Achievement



*1 "Carbon Neutral" and "Carbon Minus" are terms selected for use by Sanyo.

*2 Refer to Panasonic Corporation's Annual Management Policy Fiscal 2011
<http://panasonic.net/vision/amp/>

*3 CO₂ emissions reduction attributable to Sanyo's environmentally conscious products. Calculated based on Sanyo Group criteria.

*4 The CO₂ emissions factor used for purchased electricity is based on the 2003 emission factors by country released by the Japan Electrical Manufacturers' Association.

*5 Regarding the energy efficiency of production activities and products, the amount of improvement made through environmental measures is measured against the situation if the measures had not been taken, compared to a base year (fiscal 2006). This improvement is expressed as a CO₂ emissions equivalent, and is calculated using the Panasonic Group's criteria.

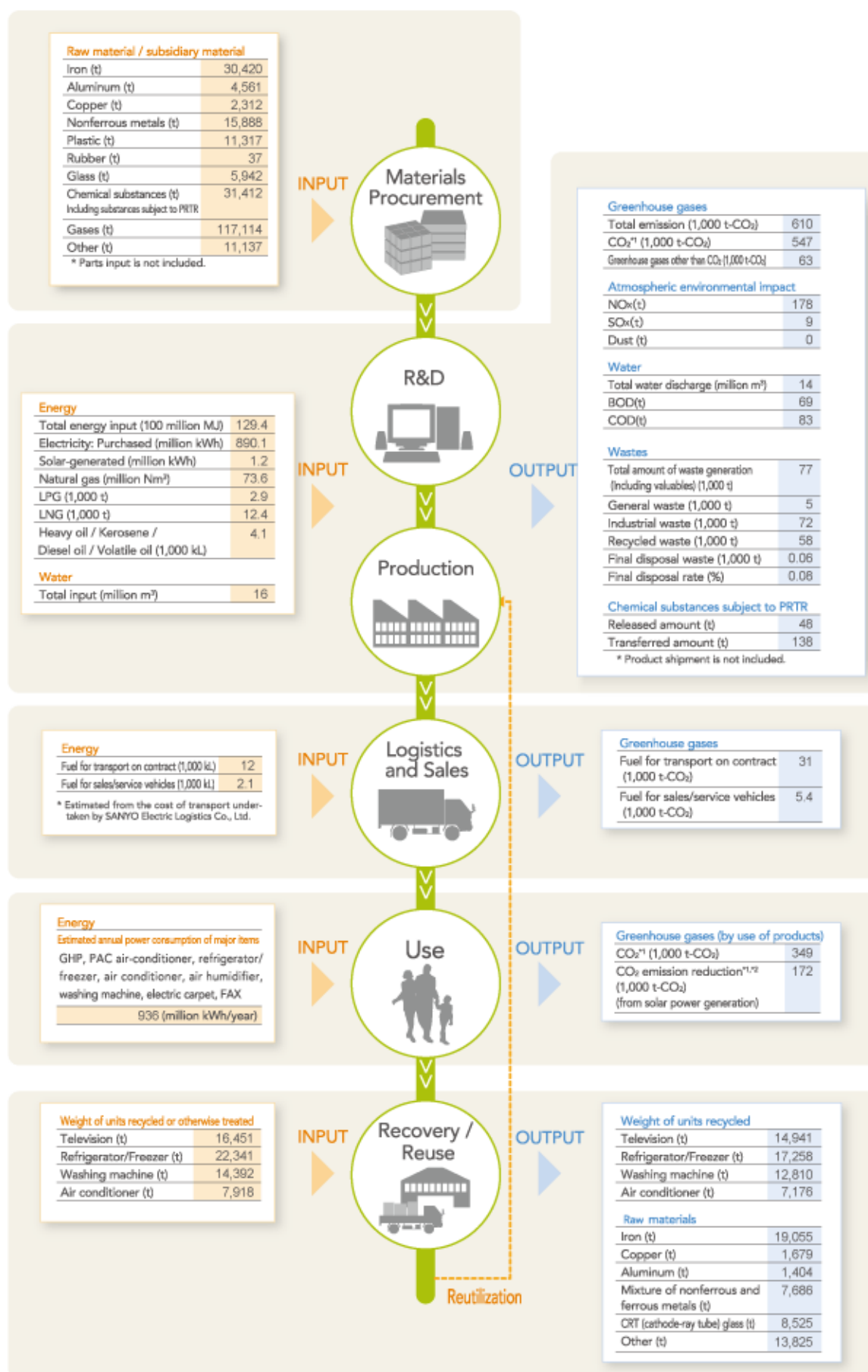
| Contributing to Resource Recycling

As part of the Panasonic Group's promotion of recycling-oriented manufacturing, Sanyo aims to maximize the recycling of resource inputs, and to reduce waste from production activities to zero. Accordingly, the company is working to minimize its impact on nature resulting from resource extraction and waste disposal, while contributing towards the protection of biodiversity.

Overview of the Environmental Impact of the Sanyo Group (In Japan)

The Sanyo Group is fully committed to collecting precise data about the impact its business activities have on the environment over the entire life cycles of its products and services, and reducing that impact.

Overview of the Environmental Impact of the Sanyo Group (In Japan) for FY2010



Scope of Survey: SANYO Electric Co., Ltd., domestic manufacturing subsidiaries, and major non-manufacturing related companies

Survey Period: Fiscal 2010 (April 1, 2009 to March 31, 2010), except for Note *1

*1 Data covering October 2008 to September 2009 (not including data for substances subject to PRTR)

*2 The emission factor specified by the Federation of Electric Power Companies of Japan is used as the CO₂ emission factor for purchased electricity. However, since the figure for fiscal 2010 has not been announced yet, the emission factor for fiscal 2009, which was 0.373kg-CO₂/kWh, is used on a temporary basis.

*3 Solar cells are capable of continuously generating power for approximately 20 years after they are sold. For this reason, CO₂ emission reduction from solar power generation is indicated by the accumulated value since fiscal 2004 when sales expanded in full swing.

Environmental Action Plan

| Sanyo Global Environmental Action Plan

| I . Aims and Targets for Global Promotion Items

Objectives	Indicators for assessing progress	Target for FY2010	FY2010 achievement	FY2010 evaluation *1	Target for FY2011	Target for FY2012	Target for FY2013
		Action					
Realization of Carbon Neutral (Promotion of Carbon Minus)	Carbon Neutral achievement level	70% or more	100%	◎	150% or more (Carbon Minus)	200% or more (Carbon Minus)	250% or more (Carbon Minus)
	CO2 reduction attributable to products (annual reduction)*2	1 million tons or more	1.15 million tons	◎	1.8 million tons or more	2.5 million tons or more	3.2 million tons or more
	CO2 emissions in global business activities	70% or more	1.11 million tons	◎	1.15 million tons or less	1.15 million tons or less	1.15 million tons or less
		Working towards carbon neutral status where the CO2 reduction attributable to products (annual reduction) is equal to the CO2 emissions in global business activities. Starting in fiscal 2011, striving for Carbon Minus status where the CO2 reduction attributable to products (annual reduction) is greater than the CO2 emissions in global business activities.					
	New Mid-term Management Plan						
	CO2 reduction contribution attributable to products sold*3	—	—	—	9.15 million tons or more	12.17 million tons or more	15.16 million tons or more
	CO2 reduction contribution from production activities	—	—	—	77 thousand tons or more	103 thousand tons or more	170 thousand tons or more
		New initiative for CO2 reduction to be promoted across the Panasonic Group starting in fiscal 2011					
	Achievement level of internal company-based goals for reduction of environmental impact in products/parts	100%	123.1%	○	—*4	—*4	—*4
		To reduce CO2 emissions attributable to products, develop and expand sales of energy-saving/energy-creation products.					
	Reduction rate of CO2 emissions per unit of production output in global business activities (as compared to the FY2007 level)	2.5% or more	12.9%	◎	—*4	—*4	—*4
		In all business activities in Japan and overseas, improve energy-use efficiency and promote energy-creation and energy-saving.					

	*5						
	Reduction rate of CO ₂ emissions per unit of production output in domestic manufacturing activities (as compared to the FY 2007 level) *5<as compared to the FY1991 level>	85% or more <27.5%>	10.7%	◎	—*4	—*4	—*4
		In line with the target set by the electric/electronic industry (reduction of CO ₂ emissions per basic unit of production output by 35% from the FY 1991 level), improve manufacturing process efficiency and promote energy-creation and energy-saving.					
Intensification of soil contamination control	Thoroughness of soil contamination control	Global land history survey completion rate: 100%	100%	○	Scheduled soil contamination survey completion rate: 100% *6	Scheduled soil contamination survey completion rate: 100% *6	Scheduled soil contamination survey completion rate: 100% *6
		To reduce risks associated with global-level soil contamination, collect land information, conduct on-site surveys, and examine the necessity of purification.					
Intensification of management of chemical substances in business activities (as products)	Thoroughness of management of chemical substances in products	100%	100%	○	—	—	—
		For each month's production, do management so that full (100%) assurance is implemented for specified chemical substances in products.					
Construction of global environmental management system	Construction level of global environmental management system	85% or more	91%	○	100%	100%	100%
		To ensure compliance and intensify risk management, construct and environmental management system for all business facilities in Japan and overseas.					

II. Aims and Targets for GEMS Promotion Items

Objectives	Indicators for assessing progress	Target for FY2010	FY2010 achievement	FY2010 evaluation *1	Target for FY2011	Target for FY2012	Target for FY2013
Expansion of environmentally-conscious quality products	Percentage of advanced environmental products	80% or more	97.8%	◎	—	—	—
	Percentage of top-level environmental products	20% or more	45.7%	○	—	—	—
	Percentage of advanced plus environmental products (FY 2011 and beyond)	—	—	—	30% or more (higher certification standards)	40% or more	50% or more
	Percentage of top-level plus environmental products (FY 2011 and beyond)	—	—	—	5% or more (higher certification standards)	10% or more	15% or more
Promotion of	No. of transferable						

environmental technology development	environment-related technologies developed (cumulative total since FY 2001)	63 or more	69	◎	72 or more	75 or more	78 or more
Reduction of greenhouse gas emissions in business activities	Reduction rate of CO2 emissions per unit of production output*1	20% or more (compared to FY 2007)	17.3%	◎	4% or more (change compared to FY 2010)	8% or more	12% or more
	Implementation of energy-saving measures Energy-saving effect compared to FY 2007 CO2 emissions	5.5% equivalent or more	5.8%	○	—*4	—*4	—*4
Promotion of reuse and recycling of used products and parts	Recycling of collected recyclable materials (plastic) <amount recycled and used>	305 tons or more	377.9 tons	○	360 tons or more	380 tons or more	400 tons or more
Reduction of waste in business activities	Final waste disposal rate (GEMS average)	0.3% or less	0.09%	◎	—*6	—*6	—*6
	Percentage of business location that achieved a final waste disposal rate of less than 0.5% (other than those engaged in sales/service)	100%	100%	○	—*6	—*6	—*6
	Recycling ratio*6	—	—	—	90% or more	95% or more	99% or more
	Improvement ratio of generated amount of waste & revenue-generating valuables per basic unit of production*5	—	—	—	3% or more	6% or more	9% or more
Reduction of chemical substance emissions in business activities	Material Safety Data Sheet (MSDS) acquisition rate for raw materials and supplementary materials used in the manufacturing process	90% or more	92.9%	○	—*7	—*7	—*7
Reduction of chemical substance use in business activities	Chemical substances improvement ratio per basic unit of production (impact on human health & environment)*7	—	—	—	Basic data collection for setting aims and targets for reduction of chemical substance	Reduction of chemical substance use in business activities based on new standards (aims and	Reduction of chemical substance use in business activities based on new standards (aims and

					use in business activities	targets are calculated based on FY 2011 results)	targets are calculated based on FY 2011 results)
Intensification of management of chemical substances in products	Management level of chemical substances in products	100%	100%	○	—*8	—*8	—*8

Scope:

I. Global promotion items: All business facilities in Japan and overseas

II. GEMS Objectives: Integrated ISO14001-certified organizational body with SANYO Electric Co., Ltd. being the main entity.

*1 ◎: Target achieved at least one year ahead of schedule. ○: Target achieved as scheduled. All targets were achieved in fiscal 2010.

*2 "CO₂ reduction attributable to products (annual reduction)" is defined as the CO₂ reduction amount compared to the base year multiplied by the annual units sold for the model concerned. This annual reduction value is included in the reported total each year over the number of years of the product lifespan, as defined by Sanyo.

*3 "CO₂ reduction contribution attributable to products (entire lifespan reduction)" is defined as the CO₂ reduction amount compared to the base year multiplied by the annual units manufactured for the model concerned and by the product lifespan (number of years), as defined by Sanyo.

*4 The four indicators of "Achievement level of internal company-based goals for reduction of environmental impact in products/parts," "Reduction rate of CO₂ emissions per unit of production output in global business activities," "Reduction rate of CO₂ emissions per unit of production output in domestic manufacturing activities," and "Implementation of energy-saving measures" are being eliminated in fiscal 2011, since they have elements that overlap with the promotion indicators of the New Mid-term Plan and Carbon Minus promotion.

*5 The calculation of CO₂ emissions per unit of production output was performed using CO₂ emissions per basic unit of production output (= CO₂ emissions ÷ [total production ÷ the Bank of Japan Corporate Goods Price Index])

*6 Starting in fiscal 2011, the two indicators of "Final waste disposal rate" and "Percentage of business locations that achieved a final waste disposal rate of less than 0.5%" are being changed to "Recycling ratio" and "Improvement ratio of generated amount of waste & revenue-generating valuables per basic unit of production," in accordance with Panasonic Group indicators.

*7 Starting in fiscal 2011, the promotion indicator for reduced use of chemical substances in business activities is being changed to "Chemical substances improvement ratio per basic unit of production (impact on human health & environment)," in accordance with Panasonic Group indicators. However, fiscal 2011 will be a period for collection of basic data concerning the setting of aims and targets for this new indicator.

*8 Since the monthly result was 100% at all sub-sites for two consecutive years, this indicator has been removed from the aims and targets promotion items.

Global Environmental Performance Data

The Sanyo Group is doing our businesses in various countries and areas around the world such as Asia, North America, and Europe.

In fiscal 2010, the total energy input for the worldwide manufacturing facilities of the Sanyo Group was about 18.7 billion megajoules, with a ratio of 2:1 for manufacturing facilities in and outside Japan. The corresponding greenhouse gas emissions were about 1.05 million tons including other types of greenhouse gases.

■ Domestic Production Facilities

Item		FY2009	FY2010
Total energy input	Electricity, fuel (MJ)	13,718 million	12,415 million
Greenhouse gases ^{*1*2}	Total emission (t-CO ₂)	654 thousand	610 thousand
Waste ^{*3}	Total amount of waste generation (t)	81 thousand	78 thousand
	Final disposal waste (t)	50	61
Substances subject to PRTR	Released amount (t)	47	48
NOx ^{*4}	Released amount (t)	200	178
SOx ^{*4}	Released amount (t)	12	9

■ Overseas Production Facilities

Item		FY2009	FY2010
Total energy input	Electricity, fuel (MJ)	6,317 million	6,331 million
Greenhouse gases ^{*1*5}	Total emission (t-CO ₂)	429 thousand	436 thousand
Waste ^{*6}	Total amount of waste generation (t)	34 thousand	102 thousand
	Final disposal waste (t)	1,723	7,985
NOx ^{*6}	Released amount (t)	127	178
SOx ^{*6}	Released amount (t)	7	9

^{*1} This includes carbon dioxide (CO₂) and other greenhouse gases such as methane (CH₄), dinitrogen monoxide (N₂O), hydrofluorocarbon (HFCs), perfluorocarbon (PFCs), and sulfur hexafluoride (SF₆).

^{*2} The emission factor specified by the Federation of Electric Power Companies of Japan is used as the CO₂ emission factor for purchased electricity. However, since the figure for fiscal 2009 has not been announced yet, the emission factor for fiscal 2008, which was 0.373kg-CO₂/kWh, is used on a temporary basis.

^{*3} Includes data for non-manufacturing facilities in Japan

^{*4} The coverage in FY2010 includes 32 domestic manufacturing facilities.

^{*5} The CO₂ emissions factor used for purchased electricity is based on the 2002 emission factors by country as indicated on the GHG Protocol 2005.

^{*6} The coverage in FY2010 includes 51 overseas manufacturing facilities.

Sustainability Report 2010

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