

CSR Report 2011

SANYO Electric Co., Ltd.

eco
ideas



SANYO
by **Panasonic**



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| Period

April 1, 2010 to March 31, 2011

(Also includes some data and information outside of this period.)

| Scope

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

Environmental report: SANYO Electric Co., Ltd., and domestic manufacturing subsidiaries
(Also includes some data of manufacturing facilities outside Japan)

| Reporting area

Management, Social side, Environmental side

| Reference guidelines

- GRI Sustainability Reporting Guidelines 2006
- ISO26000-Guidance on social responsibility
- Environmental Reporting Guidelines, 2007 (Japanese Ministry of the Environment)
- Environmental Accounting Guidelines, 2005 (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 our most important business.

At the same time, in April 2011 SANYO Electric Co., Ltd. became 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, we 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

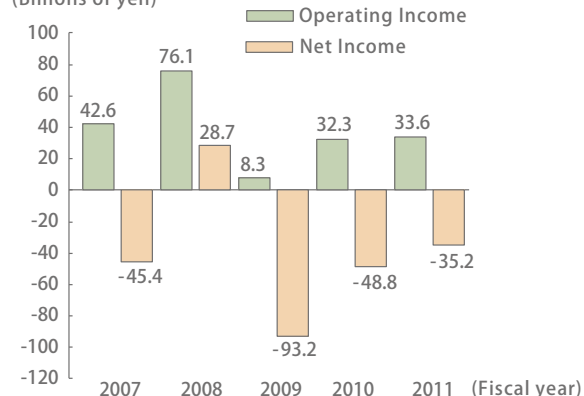
■ Net Sales (consolidated)

(Billions of yen)

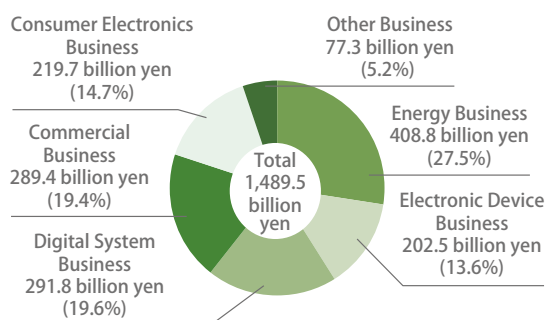


■ Operating Income / Net Income (consolidated)

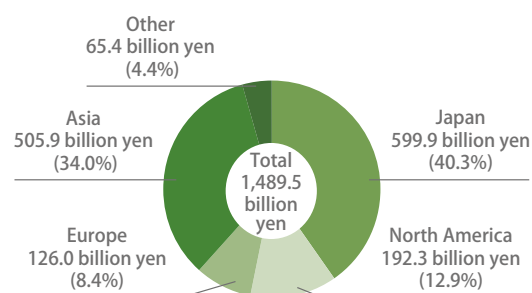
(Billions of yen)



■ Sales by Division (FY2011, consolidated)



■ Sales by Region (FY2011, consolidated)



■ Panasonic Corporation's Basic Management Objective

"Recognizing our responsibilities as industrialists, we will devote ourselves to the progress and development of society and the well-being of people through our business activities, thereby enhancing the quality of life throughout the world."

Panasonic Corporation's Basic Management Objective, formulated in 1929 by the company's founder, Konosuke Matsushita.

The Basic Management Objective is Panasonic's business philosophy that embodies our mission and devotion to the progress of society and the well being of the people worldwide through our business activities.

■ SANYO 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' 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 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.

Establishment: April 1st, 2006

| 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. Relationship with Employees

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.Assets and Information

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.Relationship with Local Communities and Society

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

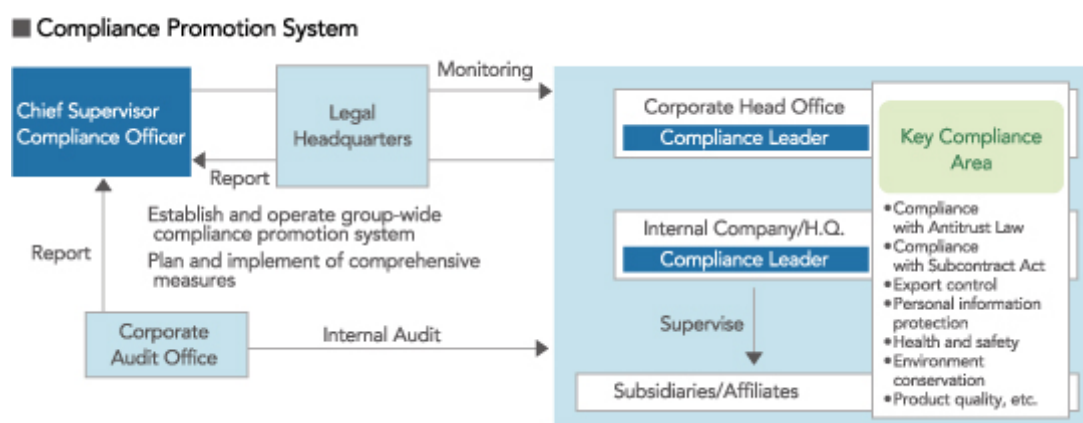
We will immediately sever contact with any antisocial forces/groups that threatens the order and safety of civil society and impedes the sound development of corporate activities. We will reject all unwarranted demands from any such antisocial forces/groups.

Compliance

The 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 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.



Managing Major Compliance Risks

Complying with Antitrust Law

In order to prevent any violations of antitrust law in its business activities, Sanyo operates an antitrust law compliance system in which each internal company division takes the initiative in ensuring compliance with antitrust law, while the chief antitrust law compliance administrator exercises group-level supervision. An antitrust law compliance promoter is appointed at each company for implementing measures to prevent violations and for 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's antitrust law compliance promoters regularly implement Antitrust Law Compliance Surveys for managers in these departments. The 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 2011, the survey covered 572 employees, mostly managers in various departments.

In October 2010, Sanyo implemented internal rules for the prevention of cartel formation as part of a Panasonic Group initiative. Accordingly, we began operation of a system requiring internal approval before employees can make contact with a competitor. Sanyo will continue to implement measures under this Panasonic Group initiative, and strengthen efforts for antitrust compliance.

| 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.

| Bribery Prevention

Sanyo and the entire Panasonic Group are working to prevent the bribing of public officials through means such as entertainment and gifts. Relevant employees throughout the Sanyo Group have been made aware of the Rules on Dealing with Government Officials. In addition to ensuring that employees obtain prior approval before entertaining or giving gifts to government officials, we are also managing our business partners, such as consultants and distributors, through measures such as anti-bribery clauses in contracts, and investigations before the start of a business relationship.

| Customs Act Compliance

To ensure proper cross-border transactions and customs declarations, Sanyo has created a system for Customs Act compliance, and has appointed Customs Act compliance managers at each site. In fiscal 2011, the company carried out a survey of its cross-border transactions including the use of couriers and the hand carrying of goods. We also held information seminars for employees featuring specific cases in order to prevent any inadvertent customs declaration mistakes.

| 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.

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.

Risk Management

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.

cant 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

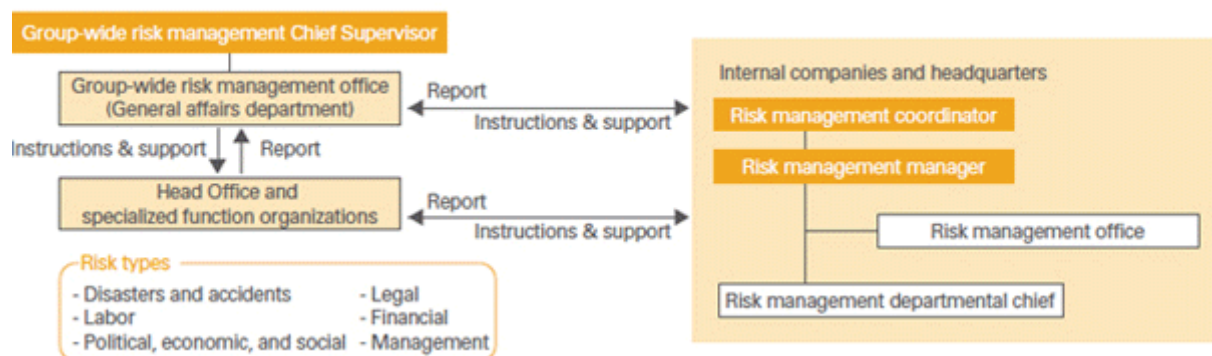
(3) To try to make a rapid and appropriate restoration in the event where any management resources are damaged

(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. We have also created an information security management system headed by a group manager, and operated by an administrator and promotion staff in each department. In this way, we are carrying out appropriate management and operation based on internal rules.

Along with the promotion of various initiatives for information protection and management, we ensure thorough employee awareness of these measures using the company's intranet. Accordingly, Sanyo is striving to improve information security levels and prevent any problems.

| Handling Confidential Information

As confidential information is a valuable corporate asset, Sanyo carries out proper management of this information based on its Code of Conduct and Ethics, basic policies for information security, and internal rules. We are striving to prevent any leakage or unauthorized use of our confidential information.

| Protecting Personal Information

Sanyo works to protect the personal information of its customers and business partners. We do this by gathering, managing, using and disposing of this information according to the proper and lawful scopes and methods, based on specific requirements of the Code of Conduct and Ethics, our personal information protection policies, and internal rules.

The Sanyo Group protects the personal information of employees in the same way.

| Promoting IT Security

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 continually implements safety measures for its IT systems.

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



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.

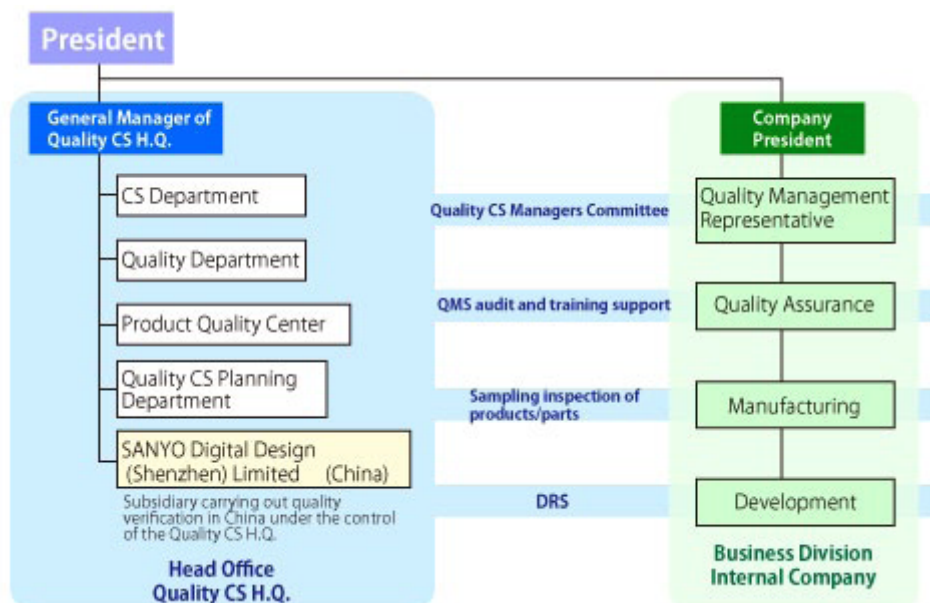
Product Quality and Safety

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. It provides advice and guidance on QMS improvements, thereby improving the safety and reliability of each product by making the QMS function even more effectively and by bringing about improvements in overall quality.

As of March 2011, the number of Sanyo manufacturing sites group-wide that have obtained ISO 9001 certification is 27 sites in Japan, and 39 overseas, for a total of 66 sites.

■Sanyo Group Quality Promotion System



■Strict Adherence to the Sanyo Group Product Safety Standard

In order to provide customers with safe and reliable products, the Sanyo Group applies its 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 product "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

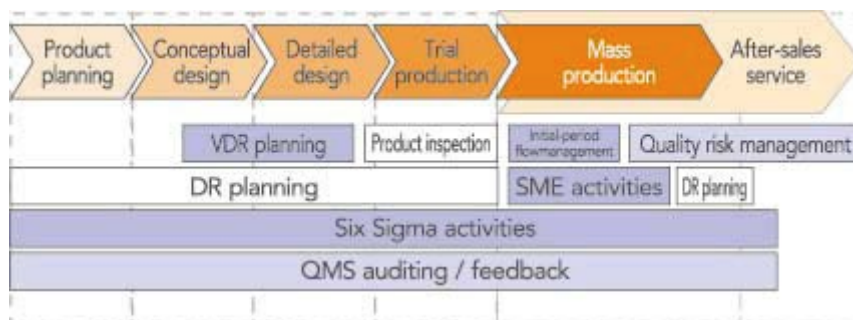
At the business divisions, we implement the Design Review Safety (DRS) separately from the Design Review (DR) for the general quality assurance of products. During reviews, we check the safety of products using a variety of indices, such as compatibility with legal regulations and Sanyo's Product Safety 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.

■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-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. "Six Sigma" is based on scientific statistical analysis and involves investigating cases of defects in each process from development to manufacturing and implementing measures to eliminate them. With this method, Sanyo has reduced process defect rates and improved quality, achieving good results in each division. 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. Since fiscal 2009, the Sanyo Group has also been actively developing this program in China and Southeast Asia, where it has numerous manufacturing subsidiaries.



Black Belt training in China

| Handling Serious Quality Problems Relating to Product Quality and 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 ensure the safety and peace of mind of 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 May 2007, Sanyo established internal reporting rules for product incidents. This ensures that customers are promptly supplied with the proper information and response measures.

Moreover, if there is a major product accident, it is reported to the Japanese Ministry of Economy, Trade and Industry, based on the Consumer Product Safety Law. The information is also posted on the Sanyo Website.

Together with Customers

Providing Proper Information on Products and Services

| Ensuring Truthful Expressions and Displays in Advertising

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.

At the same time, Sanyo creates advertising based on an awareness of the important purpose of publicity and advertising activities. The purpose is to convey information that is easy to understand, allowing customers to get an intimate sense and appreciation of the company's message including its products and product concepts.

As a result of these efforts, in fiscal 2011, Sanyo's eneloop TV commercial received a silver medal^{*1} at the "Advertisement Beneficial to Consumers" Contest, sponsored by the Japan Advertisers Association, and an excellence award^{*2} at the Environmental Communication Awards, sponsored by the Ministry of the Environment and the Global Environmental Forum. In 2011, Sanyo's GOPAN TV commercial received an excellence award^{*3} at the Dentsu Advertising Awards. Consequently, Sanyo's advertising activities have been well received by customers and other companies.

*1 In the category for TV ads of 15 seconds or less

*2 In the category for environmental TV commercials

*3 In the category for TVs and home appliances

| Providing Product Safety Information

As one method to provide information on the safe usage of products, Sanyo has prepared a resource called the Tender Loving Care and Appliance Safety Tips, which is available on the Sanyo Website. In addition to this online information, Sanyo has also prepared the Tender Loving Care Guidebook outlining regular inspection items and precautions for the use of various products. The guidebook is distributed to customers through retailers and repair personnel. The Guidebook issued in fiscal 2011 was completely updated. In addition to the usual care information for products that have already been used for many years, the Guidebook features information on how to prevent accidents due to incorrect product use.

Moreover, dedicated staff are available to provide the necessary information to customers who have contacted us directly with questions about using their products. In particular, we actively place product care announcements on our website, such as reminding customers to stop using certain old-model electric fans, and to perform a self-inspection of their kerosene fan heaters just before winter. Special toll-free call centers have been set up for each announcement to answer customer questions and to send them Tender Loving Care Guidebooks.

Together with Customers

Initiatives to Improve Customer Satisfaction (CS)

| CS Improvement in Customer Service Divisions

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.

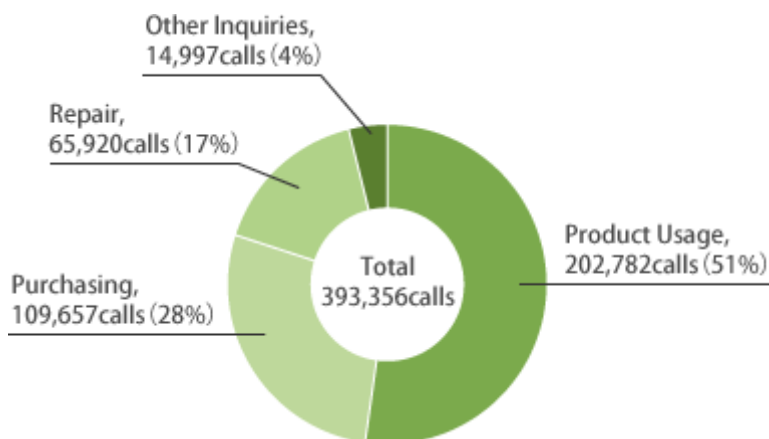
■Customer Center (for Home Appliances)

The Sanyo Customer Center receives approximately 390,000 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 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

■Customer Center Inquiry Types (FY2011)



■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

With its nationwide service network, the Sanyo Group's division for after-sales service and maintenance is able to deliver fast and attentive repair service to customers. Keeping products in top condition through proper maintenance not only ensures that customers can use their products with confidence for many years, but also maximizes the effectiveness of energy saving features and helps reduce the environmental impact of products.

The division offers 24-hour consultation service, 365 days a year, for its industrial equipment products. It also offers continual remote monitoring to customers who sign up for this service.

■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.

| Product CS Improvement Using Customer Feedback

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

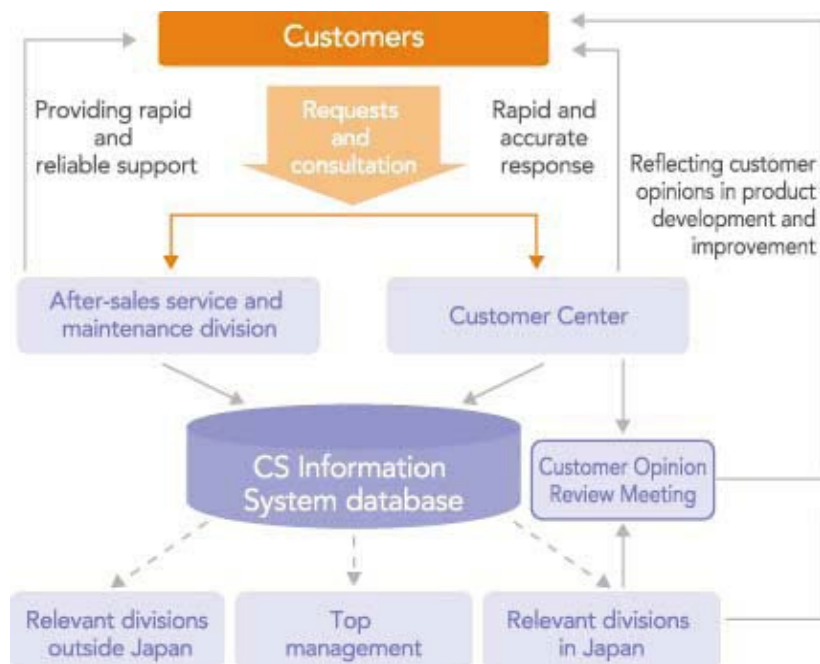
Every month the Sanyo Customer Center issues a report on feedback received from customers, and sends it to the divisions. The relevant division departments investigate the report content, send back their investigation results to the Customer Center before a deadline, and immediately take the necessary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



Customer opinion review meeting

■Customer Information Flow and Feedback



■Actively Gathering Customer Feedback

The marketing division invites owners of Sanyo products to sign up as product fans. With the product fan registration system, purchasers of Sanyo products can receive various kinds of information from the company, while also providing their opinions on the products they have purchased. The feedback is then utilized for new product development and advertising activities.

- Example of an Activity Based on the Product Fan System -

The rice bread cooker, "GOPAN," was launched in October 2010. In February and May 2011, Sanyo held GOPAN Fan Meetings open to customers signed up as GOPAN product fans. The purpose of the events was to hear the reaction and opinions of those actually using our rice bread cookers, and apply the feedback to initiatives for future product development and promotion, while also enabling GOPAN fans to communicate with each other. The valuable opinions of the participants were conveyed to the development team to facilitate steady product improvements. We also want to continue nurturing the growth of the GOPAN brand together with our product fans.



GOPAN Fan Meeting

■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.

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

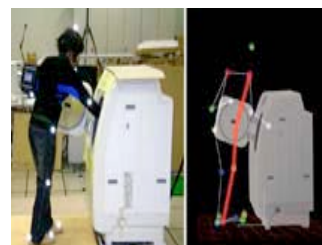
In the development stage, usability tests are carried out with simulators and existing products. By making repeated improvements for identified problem points and issues, the development team works to provide a product that is easier to use and that customers will be very satisfied with.



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, and they are utilized during the product development process. Universal design cases, including development methods and tools, are presented to an inter-departmental committee of experts, in order to steadily promote universal design initiatives group-wide.



Presentation meeting
for universal design cases

The Sanyo Customer Center (Moriguchi region) has received PrivacyMark System^{*1} certification, which is granted to businesses recognized for proper handling of personal information. By voluntarily establishing and operating a management system for an even higher level of personal information protection based on PrivacyMark requirements, Sanyo is handling personal information as required by the Japan's Act on the Protection of Personal Information, while also strictly managing and protecting customer information.

^{*1} The PrivacyMark System requires companies to establish and properly operate a system for handling personal information. Companies are given the right to display the PrivacyMark after certification through an objective third-party evaluation system, based on the Japan Industrial Standards (JIS Q 15001) "Personal Information Protection Management System - Requirements." SANYO Telephone Service Co., Ltd., which is Sanyo's Customer Center in the Moriguchi region, received its PrivacyMark certification from the Japan Institute for Promotion of Digital Economy and Community (JIPDEC).

Together with Business Partners

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 2011, a total of four seminars and briefings were held for about 380 employees, and they took the test to check the understanding degree.

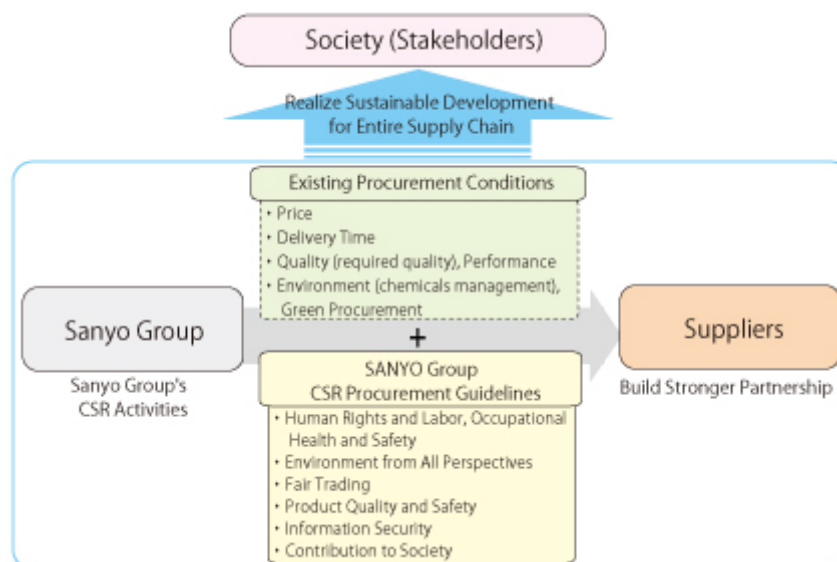
Posters are displayed in offices where supplier negotiations are held, in order to help raise the awareness of frontline employees.

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.

■Sanyo Group's Stance regarding CSR Procurement



Training Workshop for Overseas Purchasing Personnel

Each year, the Sanyo Group purchases more and more materials from China and Southeast Asia, and the value of purchases in Southern China in particular has reached at least 25% of the group's total purchase expenditure. As a result, Sanyo has expanded CSR procurement to its overseas subsidiaries.

In order to implement CSR procurement outside Japan, the company held a CSR Procurement Basic Training for buyers at subsidiaries in China. Over 100 employees attended the workshop from sites in the Dalian and Southern China regions.

With a clear understanding of the Sanyo Group's CSR concept, the guidelines contents, and promotion plans, the buyers then seek the cooperation of suppliers, in order to realize sustainable development for the entire supply chain through CSR procurement.



Workshop in Southern China

The Sanyo Group has been striving to reduce its use of environmentally hazardous chemical substances through expanding green procurement on a global basis. Accordingly, it is purchasing articles that meet Sanyo's own environmental standards from suppliers that actively practice environmental protection.

Specifically, we issued the "Sanyo Group Management Standards for Environmentally Hazardous Substances." Based on this we request our suppliers to submit "Non-use Consent" and "Non-use Warranty" documents concerning chemical substances that are prohibited for use in the manufacturing process, and concerning those that do not satisfy our management standards. Also, with their understanding and cooperation, we have been asking suppliers to enter into a basic transaction agreement or memorandum specifying their environmental obligations, while requesting them to submit Non-use Consent for specified chemical substances.

| Active Communication for Better Product Creation

The SANYO Group makes efforts to exchange information with suppliers and to obtain the opinions and feedback of suppliers for better product creation.

■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.

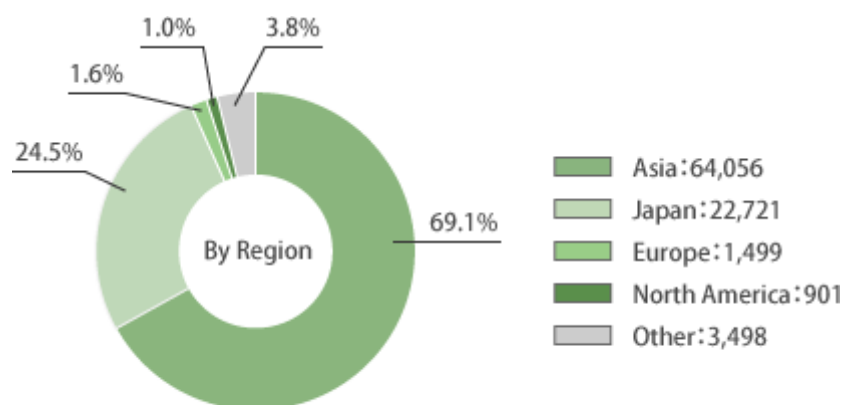
Together with Employees

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 92,675 employees worldwide, as of March 31, 2011. 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. The company never allows the use of forced labor or child labor of any kind.

■Employee Breakdown by Region in FY2011 (consolidated basis)

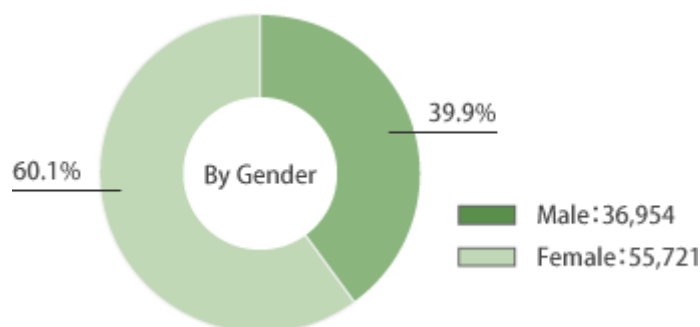


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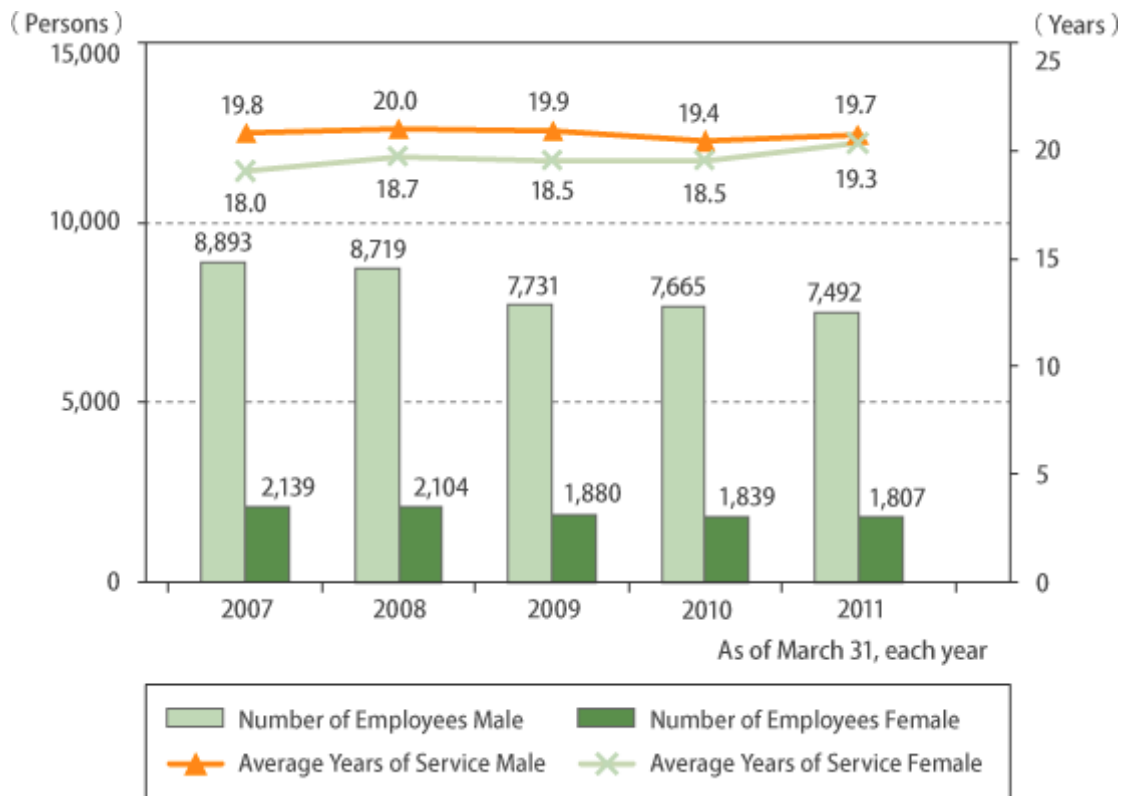
1. China has been categorized into "Asia".

2. "Other" means Central and South America, Africa, Middle East and CIS.

■Employee Breakdown by Gender in FY2011 (consolidated basis)



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



■Employment Data (non-consolidated)

| | | FY2009 | FY2010 | FY2011 |
|----------------------------|---------------|--------|--------|--------|
| Job type | Engineer | 315 | 228 | 57 |
| | Office worker | 97 | 52 | 14 |
| Gender | Male | 348 | 238 | 64 |
| | Female | 64 | 42 | 7 |
| New graduate / Experienced | New graduate | 226 | 274 | 56 |
| | Experienced | 186 | 6 | 15 |

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 brochure 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.

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.

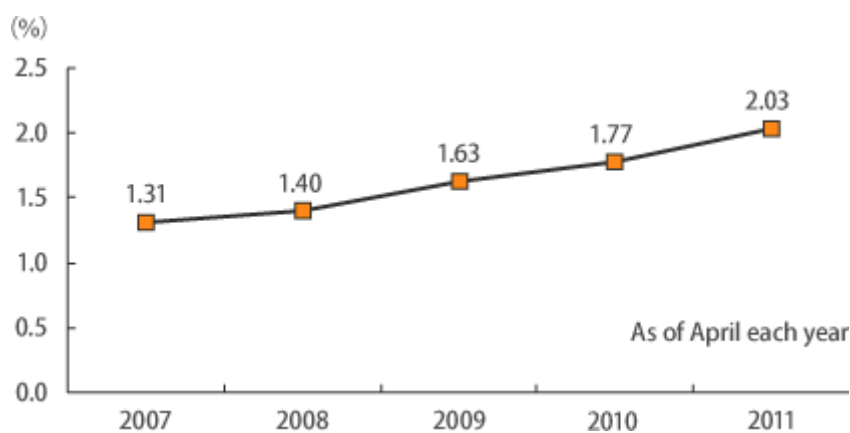
Promoting the Role of Women

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. Conversation sessions are 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.

^{*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)



Conversation sessions

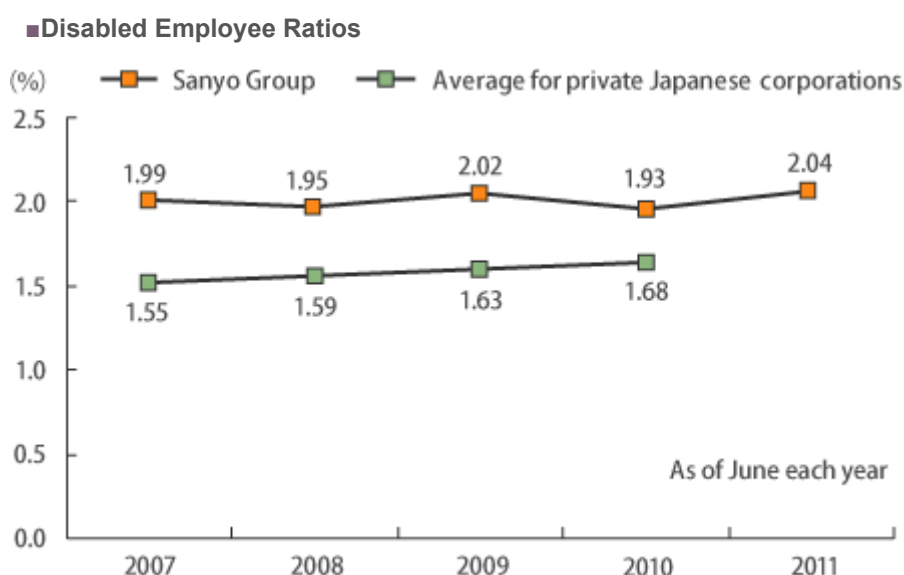
In order to create work environments that are rewarding and motivating for everyone, the Sanyo Group has been striving to increase job opportunities for people with disabilities.

Currently, disabled employees work at Sanyo sites across Japan where their abilities can be best developed, including two specially designated subsidiaries^{*2}. 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^{*3} for disabled persons in the Sanyo Group is 2.04% as of June 2011.

^{*2} 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.

^{*3} 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.



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 2011, locally-hired overseas employees accounted for about 70% 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.

Together with Employees

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. Since fiscal 2010, Sanyo has focused on the creation of a work environment which facilitates childcare leave even for men, as well as on the improvement of a program to support the return of those on maternity leave to their workplace.

As for the system of supporting family care, Sanyo has extended 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. In addition, Sanyo's Family Support System has been expanded to cover employees with a dependent family member aged 60 or older.

^{*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)

| | FY2009 | FY2010 | FY2011 |
|----------------------|------------------------------------|------------------------------------|------------------------------------|
| Maternity leave | 102 | 110 | 87 |
| Childcare leave | 124 (including 1 male employee) | 126 (including 1 male employee) | 108 (including 1 male employee) |
| Family medical leave | 4 | 4 | 6 |

| Sincere Dialogue with Employees

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 13,200 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

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.

Developing Human Resource Abilities

The Sanyo Group has established skills requirements for each job type in the personnel system and constructed 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. In this way, Sanyo is promoting the creation of work environments where all employees can pursue fulfilling and rewarding careers, while maximizing the use of their abilities.



Training sessions

| Safety and Health Management System

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

With the aim of establishing zero-hazard workplaces, the Sanyo Group carries out risk assessment to identify potential workplace dangers and hazards before devising appropriate safety measures. At the same time, the company strives to improve employees' safety awareness through a monthly in-house newsletter on safety and health, and at group-wide morning safety meetings.

■Risk Assessment

In fiscal 2011, Sanyo focused on holding risk assessment training meetings at sites in Japan, and completed the introduction of risk assessment in all manufacturing sites. As a result, activities for the establishment of zero-hazard workplaces were steadily implemented including the installation of protective covers over machinery hazards, the creation of safety equipment standards, and the thorough adoption of safe operation methods.

In fiscal 2012, Sanyo will strengthen risk assessment standards in order to raise safety management standards to the same high level, and will also introduce them at all sites in Japan including non-manufacturing sites.

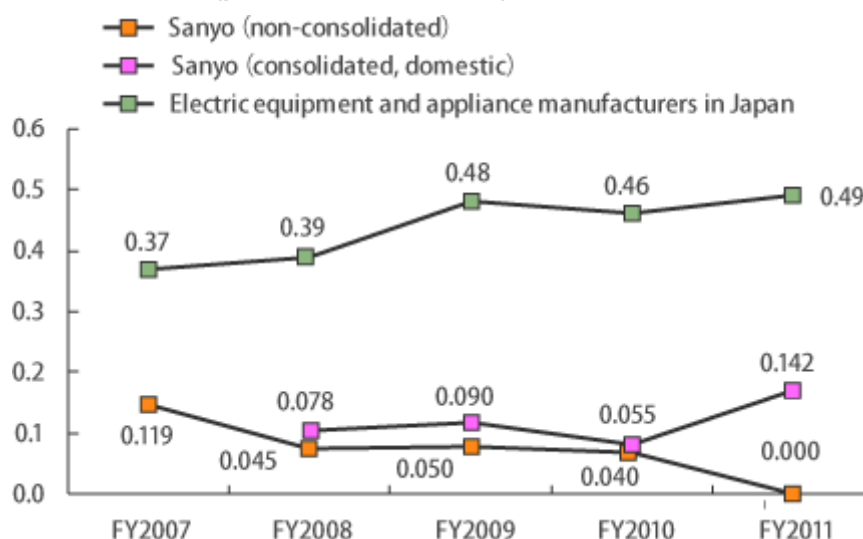
■Responding to Occupational Accidents

When an industrial accident occurs, an accident report is immediately sent to all the safety and health managers group-wide, and measures are taken, including reminders, to prevent recurrence of similar accidents. In addition, when multiple accidents occur within a three-month period, or when there is a serious accident, or one resulting in an employee missing a day or more of work for medical treatment, the site in question is designated as requiring safety management measures. The occupational safety and health committee then conducts intensive workplace inspection activities and safety patrols for three months, and confirms that a reoccurrence prevention plan is being properly implemented.

■Introducing Occupational Safety and Health Management Systems

To strengthen management infrastructure for the introduction of occupational safety and health management systems, Sanyo has been reestablishing its safety and health management standards group-wide, and ensuring that activities are being carried out through the implementation of Plan-Do-Check-Act (PDCA) cycles. As part of this approach, the company holds regular training sessions for safety and health managers at its business sites in Japan, to foster human resources who can serve as key persons to raise the level of safety control.

■Accident Occurrence Rate (per million labor hours)



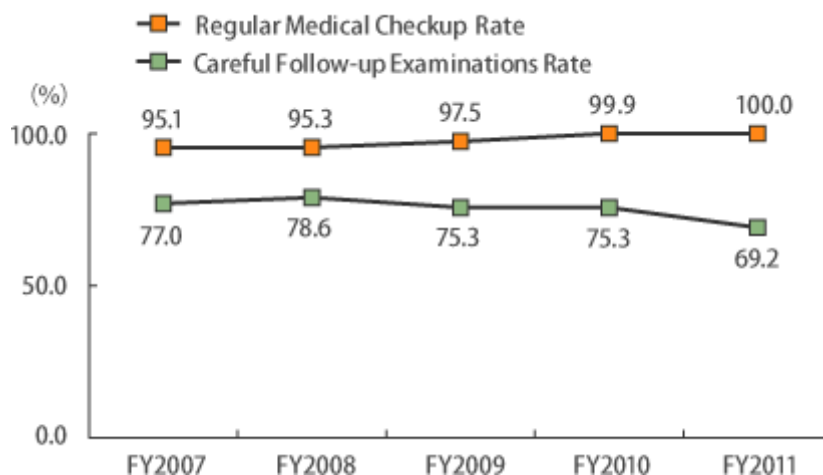
■Severity Rate (consolidated, domestic)

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

| | FY2007 | FY2008 | FY2009 | FY2010 | FY2011 |
|---|--------|--------|--------|--------|--------|
| Sanyo (non-consolidated) | 0.2988 | 0.0010 | 0.0001 | 0.0015 | 0.0000 |
| Sanyo (consolidated, domestic) | - | 0.0020 | 0.1360 | 0.0008 | 0.0020 |
| Electric equipment and appliance manufacturers in Japan | 0.05 | 0.05 | 0.04 | 0.02 | 0.13 |

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.

■Medical Checkup Rate (non-consolidated)



■Health Challenge 21

As part of Health Challenge 21, an initiative begun in fiscal 2010, Sanyo is making various efforts to help employees improve their lifestyle habits. The efforts are being promoted by the safety and health committees in each region, and involve 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.

In fiscal 2012, the company plans to combine Health Challenge 21 efforts with individual self checkups based on the annual employee medical checkups. This will further promote the health management and strength of employees, which is the foundation of workplace lifestyles.

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

■Promoting Good Mental Health

The environmental stress in companies has become more pronounced in recent years, and the percentage of employees missing work due to mental health issues has increased as a result. Therefore, appropriate measures are necessary to combat this trend.

Sanyo is promoting measures for the early discovery and treatment of employees with mental health issues, in order to reduce mental health leave. The company is working to prevent any worsening of mental health issues through the improvement of its mental health consultation system, and the promotion of activities to improve workplace environments. Specifically, in addition to regular medical checkups for employees and measures to prevent overwork, industrial physicians also carry out employee interviews, creating various opportunities for individual mental health care based on the results of personal stress checks.

Sanyo continues to provide workplaces with training to ensure proper knowledge of mental health issues and how to deal with them. As part of training for managers, Sanyo has issued guidance on how to deal with employees that take mental health leave, since it is important to maintain a good relationship with such employees. The guidance also enables managers to arrange individual support for these employees when they return to work.

■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 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.

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.

Working with and Contributing to Local Communities

The Sanyo Group carries out social contribution activities using its management resources and key business areas, by placing importance on developing youth, living together with local communities (helping to create a society where everyone can reach their potential), and protecting the environment.

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

Through these kinds of corporate citizenship activities, Sanyo is invigorating communities by building partnerships with them, while also investing in our own development.

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 2011, a total of 187 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 2011

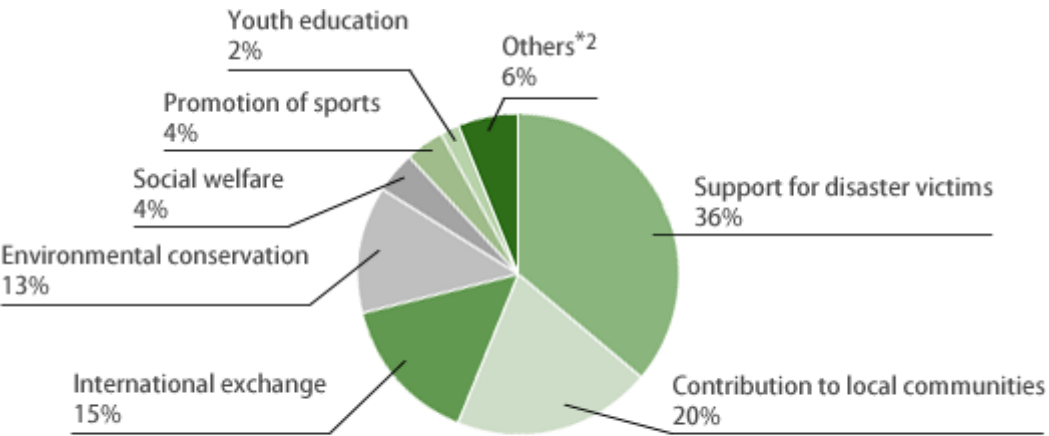
■Volunteer time off

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.)

■Content of Expense*1 to Local Communities and Social Contribution Activities in FY 2011 (non-consolidated)



*1 Cash contributions and product donations are included.

*2 Others include expence for medical welfare , support of cultual activities, etc.

■ "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. 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 433.

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.



Sanyo Forest work camp project
(from left: Gunma participants; Working in the Gunma forest; and Kyoto participants)

■ Participation in a Beach Cleanup Campaign

Sanyo participates in an international beach cleanup campaign for environmental protection. The campaign participants not only clean beaches, but also survey the quantities and types of garbage collected in order to consider the sources and what to do about them. Sanyo endorses the aim of this campaign and has been participating in a cleanup activity at Nishiki-no-Hama Beach, Kaizuka, Osaka, with other companies since fiscal 1993. As of fiscal 2011, a total of 1,407 Sanyo employees and their family members have participated as volunteers. By seeing how garbage impacts the ocean, the volunteers have learned the importance of environmental protection.

Each year, the cleanup survey reveals that cigarette butts are the most common form of beach trash. Therefore, in fiscal 2011, the Nishiki-no-Hama Beach Cleanup Committee, which includes members from Sanyo, made a proposal to Osaka Prefecture to ban smoking at local beaches, as an environmental and safety measure. This effort helped the Osaka prefectural government to revise the bylaw for public beaches in the prefecture, banning smoking in beach swimming areas, in principle.



Cleanup at Nishiki-no-Hama Beach

Types of trash collected

■Participation in Welfare Support Activities

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 and at business sites in Osaka Prefecture 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 for the non-profit organization. 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. As a result, many of our employees enjoy participating in these events, and it has been one of the company's representative social contribution activities.

Sanyo participated in the Supporting Persons with Disabilities Exhibit, sponsored by various charitable organizations, and in the Exhibition for Companies Supporting the Participation of Persons with Disabilities in Society, an event held during Persons with Disabilities Week, established by the Basic Act for Persons with Disabilities in Japan. At these events, we set up exhibits to show the Sanyo Group's efforts to support those with disabilities, and to help raise awareness of employment support for these members of society.

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 offering their unused items to other NPOs on the Com link website. Unused items are then donated through mutual agreements with the organizations in question. Sanyo is actively involved in the project as a way of answering the needs of local communities, while providing opportunities to contribute to the environment through the reuse of unused items.



Welfare support activity at Sanyo



Exhibit during Persons with Disabilities Week

■Eco Education Program for Elementary Schools: Energy and Environment Classes

Sanyo has been carrying out energy and 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 protecting the global environment and saving resources by reusing batteries. In addition to sending employee instructors to schools, Sanyo offers the teaching materials developed for these classes free of charge. In this way, we are providing broad support not just for elementary schools, but also for the environmental activities of NPOs and local governments.

In fiscal 2011, Sanyo began a new environmental education program based on solar cells, which are gaining more attention as a way to prevent global warming. By offering the kind of hands-on classes that only a solar cell manufacturer can provide, Sanyo aims to give children a broad understanding of solar technology, and to increase their interest in science.

In recent years, there has been increasing interest in environmental education outside Japan, and Sanyo's overseas group companies have held environmental classes for local schools. We have developed activities in partnership with local governments and NPOs in Suzhou, China, as well as in Singapore, Thailand, the UK, and North America. Since fiscal 2010, we have also 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. Thanks to these activities, as of March 31, 2011, over 54,000 children both within Japan and overseas have participated in Sanyo's eco education programs.



Learning activity using a solar charger



Solar cell experiment

■Food Education

In fiscal 2012, Sanyo began offering food education classes featuring our rice bread cooker "GOPAN," which can make bread using ordinary uncooked rice. The aim is to create opportunities for children, who are the leaders of tomorrow, to learn about Japan's food culture, the problem of food self sufficiency, and the importance of consuming locally produced food. In addition to a classroom talk, the children watch a video featuring interviews with rice farmers and the developers of GOPAN, and even get to taste rice bread. The class allows the students learn about those involved with rice production and technology, and experience the great taste of rice bread. We hope that by increasing the interest of children in rice, we can help ensure the future of Japanese rice agriculture.



Food education class



Tasting rice bread

| SANYO Clean Technology Foundation

The SANYO Clean Technology Foundation supports young researchers in the field of clean energy technology, as well as organizations that contribute to environmental conservation and the spread of clean energy. The Foundation receives donations from like-minded individuals, and Sanyo also donates an amount equivalent to the economic effect of the solar power generated by the Solar Ark power generation system in Gifu.

■Solar Energy Essay Contest

With the aim of supporting young researchers, and uncovering the new perspectives, technologies, and possibilities relating to solar energy, the Foundation launched an essay contest in fiscal 2011. It is open to university, graduate school, and technical college students in Japan, who are invited to submit an essay on solar energy related research, proposals, or activities. The winning essay writers (organizations) are provided with research funding.



Award ceremony for the Solar Energy Essay Contest 2010

■Gifu Earth Environment School

The Gifu Earth Environment School provides children with instruction and practical training concerning current global environment issues, and methods to help prevent further environmental damage. There are 30 parent-child teams that participate in the organization's classes, held once a month throughout the year. The Foundation is funding the activities of this organization, in order to support the school's aim of turning children into citizens of the world with a global perspective on environmental protection and nature conservation.



Gifu Earth Environment School participants

There are about 1.5 billion people living without electricity worldwide, and roughly 550 million of these people can be found in Africa. Sanyo received a letter from the African country of Uganda, explaining the problem of a lack of electricity and lighting in unelectrified regions of the country. The conditions are hindering many children from getting an adequate education. The smoke from kerosene lamps used for lighting in the evening is also causing fires and health problems for the children. Based on this letter, Sanyo decided to develop the solar LED lantern^{*3} equipped with a solar panel and rechargeable battery, two of the company's key technologies.

After releasing the product in Uganda in 2009, Sanyo joined a Growing Sustainable Business initiative (GSB)^{*4} of the United Nations Development Programme (UNDP) in 2010. The aim of the initiative is to bring the solar LED lantern to all the unelectrified regions of Africa. Together with the UNDP, Sanyo carried out a market survey in Kenya for the commercialization of the solar LED lantern. Then in 2011, we launched a pilot project, a joint public-private BOP business initiative with the Japan International Cooperation Agency (JICA).

Through the survey and the pilot project, Sanyo is examining ways to increase social benefits such as expanding educational opportunities for children and improving the lives of people through the use of solar LED lanterns. In order to continually expand the project, Sanyo is also examining the possibility of business models that use microfinance^{*5}, and the construction of supply chains based on local circumstances.

By developing sustainable business models that promote both business development and the resolution of social issues, Sanyo intends to help build a sustainable society through its business activities, in many unelectrified regions around the world.

*2 Base of the Pyramid (BOP) is the low-income population primarily living in developing countries (approx. 4 billion individuals, or 70% of the world's total population, with annual per capita incomes below US\$3,000)

*3 A rechargeable LED lantern with a built-in rechargeable battery to store electricity from a solar charger equipped with solar cells.

*4 A program to support the promotion of company-led anti-poverty measures. The aim is to help companies to develop future business markets while assisting impoverished people to obtain and maintain the necessary products and services, as well as employment opportunities and livelihoods.

*5 Small-sum loans to poor people

Initiatives to Improve Product Quality

A manufacturer of cold-chain equipment, SANYO Commercial Solutions (Thailand) Co., Ltd. operates an ISO 9001 quality management system, and is working to further improve the quality of its products.

A QDC improvement presentation meeting is held every three months. At the meetings, participating line managers, supervisors, and assistant managers offer ideas and exchange opinions regarding issues relating to quality, delivery and cost reported by procurement departments, quality assurance, product design & development, and production.

Every month, quality assurance department staff visit customers and listen to their opinions and needs, and discuss ways to resolve issues. Through these kinds of activities, the company is building and maintaining relationships of trust with its customers.



Customer visit by the quality assurance department

Supplier Initiatives

The company held a briefing for suppliers to coincide with the launch of a new management system for chemical substances contained in products (Panasonic Group's GP-WEB system) in order to comply with the REACH regulations in Europe. It is essential to have the cooperation of suppliers for the proper management of chemical substances contained in procured materials, and the company asked for their cooperation in inputting information into the new system.



Briefing for suppliers

Maintaining Good Relations with Employees

The company has set up suggestion boxes in five locations in the plant, and receives various opinions, requests, and proposals from employees. Each month the submissions are checked and summarized. The details are then reported to employees at a general morning meeting, and are useful for improving management.

Reducing the Environmental Impact of Business Activities

The company carries out thorough sorting of waste generated onsite so that it can be properly disposed of and recycled. Black bins are used to collect waste from production processes, while yellow bins are used for recyclable waste, green bins are used for general waste, and red bins are used for hazardous waste.



Sorted waste collection

Initiatives to Improve Customer Satisfaction

SANYO (Thailand) Co., Ltd. is a vendor of household appliances including washing machines and color TVs, as well as digital devices such as security cameras, LCD projectors, and digital cameras. Each month the company holds free seminars for customers that have purchased SANYO digital cameras, enabling them to learn about proper camera usage and photography techniques.

Every year, the company also holds a PC product training session for staff at sales distributors and large retailers, in order to further enhance their knowledge of SANYO computers. Participants learn skills such as image processing.



Digital camera seminar



PC product training

Environmental Classes at Elementary Schools

As part of its social contribution activities, since fiscal 2009 the company has been providing environmental classes to local elementary schools, using employee volunteers as instructors. The company first holds a seminar on the environmental classes for representatives from prospective elementary schools. After obtaining their understanding of the environmental class curriculum, classroom visits are then carried out. In fiscal 2011, the company provided classes to six elementary schools in Bangkok, as well as to ten elementary schools inland, which was a first for the program. Altogether 49 classes were taught to 1,704 elementary school students.



Environmental classes

(Left: Elementary school in Bangkok / Right: Elementary school inland)

Environmental Protection Activities

SANYO (Thailand) also participates in environmental protection activities conducted by the Panasonic Group in Thailand. In June 2010, a cleanup activity was carried out on the shore near Sattahip, Chonburi province, in order to help protect the sea turtle and its habitat. In August 2010, a tree-planting effort was carried out at Huai Mongkol Temple, in Huahin, Prachuap Khiri Khan province. About 450 Panasonic Group employees in Thailand, and their family members, took part in the activity.



Beach cleanup



Tree planting

In order to strengthen information security, the company uses Information Security Guidebooks prepared by SANYO Electric Co., Ltd. head office. The materials have been translated into Thai and distributed to employees. With the addition of simple explanations of cases often encountered in Thailand, the guidebooks are used to educate employees about the proper handling of customer, employee, and company information.

SANYO Automedia Sdn. Bhd. (Malaysia)

| Initiatives to Improve Customer Satisfaction

■Improving Product Quality

A manufacturer and vendor of car audio systems, SANYO Automedia Sdn. Bhd. has obtained ISO/TS 16949 certification^{*1}. The company operates a quality management system based on this certification, and is promoting continual initiatives for the improvement of product quality and customer satisfaction.

In order to incorporate client automaker requirements and feedback into quality improvement, the company has adopted quality management programs required by different automakers, as part of its standard processes. Any quality-related feedback from clients is accurately analyzed and incorporated. The company also ensures thorough quality training so that the same requests for improvement are not received again in response to new products. Furthermore, the company regularly conducts customer satisfaction surveys concerning its products. Top management then reviews the results, sets out management indicators, and specifies further points for improvement. The quality department also performs daily inspection patrols of the production lines, and confirms whether activities are being carried out according to internal standards, and whether points indicated in internal quality system audits are being properly addressed.

^{*1} Certification based on the international quality management system standard, ISO 9001, with specific additional requirements for the automotive industry.

■Improving After-sales Service

SANYO Automedia is striving to improve its after-sales service for audio products. Efforts include providing a product exchange program for replacing any defective units with new ones, as well as warranty coverage for three years or 100,000 kilometers, whichever comes first.

The company has also designated service centers in each region in order to ensure that dealers are promptly exchanging or repairing products during the warranty period according to customer needs. Service center awareness for service improvement is also being raised by issuing them with service notices and bulletins.

| Maintaining Good Relations with Employees

Each year, SANYO Automedia surveys all employees concerning their awareness of and satisfaction with company welfare programs, operations knowledge, and working conditions. The programs are revised and other improvements are made based on the survey results. This helps maintain good relations with employees, and increases their work motivation.

Supporting Programs for Cooperation with Educational Institutions

P.T. SANYO Electronics Indonesia is a manufacturer of LCD and color TVs. The company is participating in an apprenticeship program that aims to provide high school students with work experience at companies and give them career opportunities after graduation.

In fiscal 2011, the company welcomed a total of 25 students from an engineering high school and an economics high school. During a four-month practical training period, the students were able to apply their academic knowledge and become immersed in a workplace environment.

The company also plans to renew its participation in another program for strengthening cooperation between industry and educational institutions.

Between fiscal 2008 and fiscal 2010 the company carried out exchanges with the engineering faculty of Gadjah Mada University.



Apprenticeship

Donation of TVs

SANYO Electronics Indonesia donated its LCD TVs to a local kindergarten, elementary school, and police station. This effort was part of national and local programs to support education and community security development in Indonesia.



TV donation to an elementary school

Communication with Employees

SANYO Energy (Suzhou) Co., Ltd. (SECSUZ), a manufacturer and vendor of nickel-cadmium, nickel-metal hydride, and lithium-ion batteries, holds regular conferences for female employee representatives. These serve as opportunities for communication with women workers and to hear their unique perspectives.

The conferences have been held once every three years since 2001, and FY2011 marks the fourth such conference. This year, the conference elected the members of the female employees' committee, which gathers opinions from women workers and their managers regarding maternity leave benefits and working conditions for women. The conference also advanced discussion on initiatives for the protection of female workers. These kinds of initiatives are expected to raise female workers' job-retention rate.

SECSUZ also established a monthly employee-executive communication day as a regular opportunity for employees to freely exchange opinions with top management. On these days, employees and executives discuss problems relating to jobs or living conditions. This enables the company to seriously consider various issues, large and small, such as problems for moving into employee dormitories and concerns over interpersonal relations. The company and employees are then able to work together on solutions.



Conference for female employee representatives

High-Tech Company Qualification Achieved

In December 2010, SECSUZ received high-tech company qualification from the Province of Jiangsu. This qualification recognizes the company's advanced products and internal systems, and is awarded to companies that manufacture and sell high-tech products.

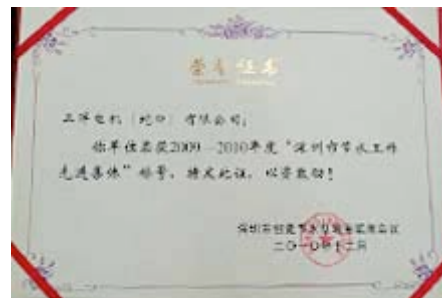


High-Tech Company qualification

Commended as a Water-Saving Company

SANYO Electric (Shekou) Limited (SESK) manufactures and sells electronic components including speakers, plastic molds, and electric wires. The company has been commended by the city of Shenzhen as an advanced water-saving manufacturer.

To receive this recognition, a company must be examined by the city of Shenzhen to measure balanced water usage. The examination determines whether various criteria are being met, including whether the company has an environmental management system, is complying with environmental regulations, and uses water-saving equipment. In addition to meeting these criteria, SESK was recognized for its adoption of water-saving faucets, reuse of treated wastewater, and other initiatives.



Official recognition as an advanced water-saving company by the city of Shenzhen

SANYO Technology Center (Shenzhen) Co., Ltd. (Shenzhen, Guangdong)

Product Quality Improvement through Cooperation with SANYO Group Companies

SANYO Technology Center (Shenzhen) Co., Ltd. (SSTC) designs AV equipment such as LCD TVs, plasma TVs, information displays, and projectors. The company is contributing to the improvement of product quality by working closely with group AV equipment manufacturing plants in China and Indonesia.

SSTC contributes to the on-schedule realization of mass trial and mass production at manufacturing plants. It provides support in various areas relating to manufacturing including technical guidance and explanation of new models to service personnel, guidance on quality control methods, confirmation of quality and component receiving standards, as well as confirmation and issue resolution for production processes and manufacturing specifications at the time of mass trial and mass production, and dispatch of engineers when new models are introduced at SANYO group manufacturing plants.

SSTC internally shares the experience and knowledge gained by its engineers dispatched to the production frontlines, through the use of development management systems such as FMEA^{*1}. By also using the experience and knowledge in other cases, optimal product development is realized according to the plant production environments.

^{*1} Failure Mode and Effect Analysis (FMEA) is a systematic method for analyzing potential malfunctions and defects with the aim of averting process and product problems before they occur.

Initiatives for Suppliers

SANYO Electric International Logistics (Shenzhen) Co., Ltd. (SSZ) procures and supplies components for overseas group production sites, while also performing warehouse logistics and transport in the Shenzhen Free Trade Zone. The company is promoting development purchasing^{*2} with its suppliers. In addition to reducing procurement costs, SSZ is obtaining related information from suppliers including industry and market price information. This is useful for timely adjustment of purchasing strategy, and helps SSZ to maintain good relations with its supply chain companies.

To comply with the REACH regulations already in effect in Europe, the company began operation of a new management system for chemical substances contained in products, Panasonic Group's GP-WEB. To efficiently and properly provide information on chemical substances contained in purchased parts and materials, SSZ has held briefings on the new GP-WEB system for suppliers, and they have registered the necessary chemical substance information into the system.

^{*2} Purchasing of parts by consulting with suppliers from the initial development stage (purchase negotiations and product planning), regarding matters such as cost, quality, safety, environmental consciousness, and others.

Operational Improvement Activities by Employees

SSZ is building a continual improvement activity program as an initiative for addressing operational issues in an ongoing way. The program encourages employees to take on a central player's awareness by independently and actively identifying workplace problems and issues such as operation flow and corporate culture. It functions as a stepping stone to operational improvement.

The improvement activities are promoted under the leadership of the promotion office. Each department submits its own internal improvement proposal to the office each quarter, and the office follows up on the department's progress and results. At the end of each fiscal year, the departments with the most outstanding improvement proposals are voted on and formally recognized. In this way, SSZ is striving to raise department awareness for operational improvement activities.



Improvement proposal
presentation and evaluation



Improvement proposal
award ceremony

Activities to Reduce Environmental Impact

SANYO Solar of Oregon LLC manufactures and sells wafers and ingots for solar cells. The company is actively engaged in recycling its waste saw wire and graphite parts. In January 2011, local recycling programs were created for these materials, which are given free of charge to a nearby scrap metal dealer and steel mill for recycling. Through these recycling programs, each month 1.1 tons of waste graphite parts are recycled, and the cost of transporting 9,000 kilograms of saw wire waste is also saved.



Heat exchanger installed in plant

The company is also controlling the quantity of materials input into the wafer manufacturing process. With a target to reduce the amount of lactic acid added to hot water for the wafer cleaning process, the company has introduced a new cleaning bench that will reduce the concentration and amount of lactic acid used. The aim is to reduce lactic acid use by 500 liters per month, as a result. In the future, the company intends to eliminate the use of lactic acid altogether on the new cleaning bench.

Energy-saving measures are being implemented in an effort to further reduce energy usage. Such measures include the use of crystal growing furnace cooling water to pre-heat other process water, by installing heat exchangers and plumbing.

Developing Employee Skills

SANYO Solar of Oregon is improving education opportunities for all its employees, by introducing a tuition reimbursement program. Employees that apply to the program can have their outside educational costs refunded upon successful completion. As part of the Goals and Growth section of Performance Management reviews, employees are encouraged to obtain additional education.

Occupational Health and Safety Activities

Disease management has been initiated to encourage ill employees to take control of their illness, and all employees with health insurance now have access to a health risk assessment. In order to reduce back injuries, the company added gravity lifts and pallets jacks, and revamped the containers used in the Crystal Growing department. To reduce hand injuries, existing no-cut gloves were replaced with a higher quality of glove, and full length gloves were also added to reduce burns. Safety caution signs have been posted throughout the facility as a reminder to work safely.



Two-part container used to prevent back injuries during work

Initiatives for CO₂ Emissions Reduction

As the North America regional headquarters for SANYO Group operations, SANYO North America Corporation (SNA) is actively engaged in initiatives to reduce CO₂ emissions.

SNA's Corporate Division General Affairs Department is engaged in a "San Diego Office CO₂ Emissions Reduction Project." As part of this effort, the San Diego office aims to reduce its energy consumption by reducing its purchased power by fully utilizing a 202-kW solar PV system on site, and through efficient appliances such as the temperature control system for heating / air-conditioning units. The office has also halved its energy costs through the replacement of 400 W metal-halide lighting in its warehouse with six-lamp T8 fixtures.

SNA's Corporate Division Corporate Communications Department participated in a sustainability fair hosted by a non-profit environmental organization, the California Center for Sustainable Energy. At the fair, the company exhibited its eneloop bike (electric-assist bicycle) as a method of alternative sustainable transportation that is environmentally friendly. By promoting the eneloop bike, the company is offering a new way to commute that helps reduce CO₂ emissions.



Solar PV system installed at the company



eneloop bike exhibit

Coastal Cleanup Activities

SNA voluntarily participated and attended the International Coastal Cleanup, the largest single day annual coastline Cleanup effort around the world. Employees from all SANYO Group companies in the US, Canada and Mexico and their family members volunteered to participate in regional cleanup events. As part of this effort, employees in the San Diego office collected and sorted beverage cans and bottles disposed in the office and donated the proceeds from rebates received through the recycling efforts to "I Love A Clean San Diego," an environmental NPO and the sponsor of the local cleanup event, for their future environmental protection activities.



San Diego (USA) Team



Chatsworth (USA) Team



Toronto (Canada) Team



Torrance (USA) Team



Salem (USA) Team

As part of Ford's World Excellence Awards 2010 to recognize outstanding suppliers that have made a major contribution to the corporate activities of the Ford Motor Company, the Automotive and HEV Divisions of SANYO North America Corporation (SNA) received Gold and Silver Awards, respectively. The president of SNA's Automotive Division accepted the awards on behalf of SANYO.

The awards are presented to suppliers that contribute greatly to Ford's business performance. Suppliers are chosen for achieving the highest levels of excellence in quality, cost, technology, and delivery, as well as for bringing to Ford diverse aspects of culture and novel ideas through their products and services. This year, the 13th year of the awards program, 15 Gold Awards, 26 Silver Awards, and 12 Recognitions of Achievement were presented to a total of 53 companies from 16 countries. SNA's Automotive Division received its Gold Award for audio equipment, while HEV Division received its Silver Award for HEV batteries. Both divisions were commended for their reliability in continually providing high quality products and service, based on long relationships with Ford.



Awards ceremony (from the left)

John Fleming, Executive Vice President, Manufacturing and Labor Affairs
(Ford Motor Company)

Derrick Kuzak, Group Vice President, Global Product Development
(Ford Motor Company)

Reid Sigety, Division President of SANYO North America Corp., Automotive Division

Mark Fields, Executive Vice President and President, the Americas
(Ford Motor Company)

Tony Brown, Group Vice President, Global Purchasing
(Ford Motor Company)



Gold (left) and Silver (right) Awards

Environmental Classes

In December 2010, SNA sponsored a special SANYO Eco Class at an environmental conscious non-profit organization (NPO), "Springs Preserve" in Las Vegas, Nevada, where SANYO's solar panels are creating clean energy. The solar PV system was installed at the Springs Preserve's parking lot, as part of their mission of reducing CO₂ emissions. The class was attended by 20 students from Roundy Elementary School as part of an after school program being hosted by the NPO to educate the local public about environmental preservation.

During the interactive Eco Class, the students learned about basic battery technologies by conducting a human battery experiment, in which children work together as a group to power a small music box. Students also learned importance of applying 3R's* in everyday life by using SANYO's sustainable technologies as an example. Students were keen in learning more about SANYO's eneloop rechargeable battery which meets all three "R's".

The instructor offered information focusing on a lifestyle that values reusing and recycling, through the adoption of rechargeable batteries, a topic of great interest from the students. The class received much appreciation and positive feedback from students, teachers, and other school staff.

Future environmental classes are planned to be held at public elementary and middle schools in California, Nevada, and Oregon.



SANYO Eco Class at Springs Preserve in Las Vegas, NV.

* Reduce, Reuse, and Recycle

In order to enhance communication between employees and management, SNA holds “Lunch & Learn” meetings regularly. At the lunchtime meetings, the president has an opportunity to express appreciation for employees' daily hard work as well as offer a venue for the president to have a direct and candid conversation with staff concerning the direction of the company. The meetings are also lively Q&A sessions between the president and employees. Submissions to the company's suggestion box are also addressed. The box was set up to receive any concerns or questions employees may have.

Many of these meetings are also used to educate employees about SANYO's products, and often include a trained expert from the sales group who not only explains the benefits of the products, but offers a hand-on demonstration. The meetings encourage brand loyalty and confidence in what makes SANYO unique in the marketplace.



“Lunch & Learn” meeting
at San Diego, CA. Office



Product demonstration Luncheon
for employees at Chatsworth, CA. Office

SANYO Energy, S.A. de C.V. (Mexico)

Activities to Reduce Environmental Impact: Recycling

SANYO Energy, S.A. de C.V. manufactures and assembles rechargeable battery packs and photovoltaic panels. The company has been actively pursuing waste recycling activities since fiscal 2003. It has a manual for the sorting of waste generated by the manufacturing process into various types. Waste including cardboard, plastic, steel, wooden pallets, paper, and hazardous substances is collected as generated, and is then sorted and stored, preventing it from being sent to a landfill. The materials are then sold to various governments authorized recycling companies, according to the type of waste, and recycled. As a result of this initiative, the company is recycling over 500 tons of cardboard, over 24 tons of plastic, over 28 tons of steel and over 61 tons of wooden pallets each year.

The revenue from the sale of these recycled materials is used to fund employee benefits and in-house environmental campaigns. As part of these campaigns, the company provides ISO 14001 education for employees including new hires, carries out sorting of various types of waste for recycling, conducts chemical substance management training during inventory periods, conducts internal audits for the improvement of environmental controls, and offers employee training for waste and container recycling.



Cardboard is compacted for storage



Sorted steel being stored

Occupational Health and Safety Activities

Since its founding, SANYO Energy, S.A. de C.V. has made health and safety the top priorities in its rechargeable battery manufacturing operations. In October 2006, the company obtained OHSAS 18001 certification (an international occupational health and safety management system), and has made preparations in the event of possible unexpected situations in the plant relating to occupational safety or the environment. Firefighting, medical, chemical spill, rescue and evacuation brigades have been formed and receive ongoing training. Emergency drills are also carried out at least once or twice a year to prepare for other related risks.

With employee health as one of its top priorities, the company is striving to improve the health of its workers. In addition to various in-house health campaigns held each month, the company also works with local government and participates in various other campaigns related to vaccination, eye health, pregnancy care, breast cancer prevention, weight management, and nutrition.



Evacuation drill



Eye testing

Supplier Meetings

Since 2007, the company has been holding meetings for local and foreign suppliers, and is striving to create strong relationships with them.

At the supplier meeting held in fiscal 2011, the discussion focused on business targets for fiscal 2011, market conditions, sales strategy, and design engineering functions, green procurement conditions, recent procurement results, as well as the future forecast and strategy. The meeting enabled the company to exchange various opinions with suppliers. Finally, supplier awareness was also enhanced through provision of awards to outstanding suppliers in areas such as quality standards, on time delivery, service and consistency during the fiscal year.



Suppliers meeting

Initiative for Recycling Photovoltaic Modules

SANYO Component Europe GmbH is a vendor of solar cells, rechargeable batteries and electronic components. The company is promoting activities as a member of PV Cycle, which is a voluntary association founded by the photovoltaic industry in order to collect and recycle end-of-life photovoltaic modules.

The association has established collection points across Europe for accepting end-of-life photovoltaic modules from EU and EFTA^{*1} countries. The modules are then sent to European recycling companies. All types of modules made by member manufacturers are collected^{*2}. Currently aluminum and glass materials are recovered, and sold back to the glass and aluminum industries. The organization is also encouraging the recycling companies to improve their processes, in order that they will be able to recycle silicon as well.

The aim of the organization is to collect 65% of PV modules available as end-of-life modules 30 years after installation.



HIT[®]*3 photovoltaic module (HIT-N240SE10)
with 19.0% module conversion efficiency

*1. The four EFTA countries of Iceland, Norway, Switzerland, and Lichtenstein (not members of the EU)

*2. Not including those made by First Solar, which has its own collection and recycling system

*3. HIT[®] is a registered trademark of SANYO Electric Co., Ltd. The name "HIT[®]" comes from "Heterojunction with intrinsic Thin-layer" which is an original technology of SANYO Electric Co., Ltd.

Environmental Protection Activities

From 2006 to 2010, photovoltaic module manufacturer, SANYO Hungary Kft., carried out a voluntary program for the collection of discarded batteries. Alkali-manganese, nickel cadmium, lithium-ion, nickel-metal hydride, and other batteries were collected and sent to a recycling company in Germany, based on permits obtained by the company. The program was implemented in cooperation with the city of Dorog and other companies in Hungary. Over the five years, the program collected and shipped over 20 tons of batteries, which has greatly contributed to waste reduction and resource recycling.

SANYO Hungary also provided 10,000 cubic meters of soil necessary for restoring a former landfill site in the suburbs near Dorog. The donated material was topsoil excavated for the construction of the SANYO Hungary facilities, which had been saved according to Hungarian law. As a result of the restoration, the landfill site has now become a beautiful meadow, much to the delight of local residents who had wanted this restoration.



Used batteries packed
in drums for transport



Land restoration

SANYO Hungary is actively engaged in raising the awareness of local residents concerning environmental issues. Since fiscal 2009, the company has been carrying out tree and flower planting with local kindergarten children and their parents. The activity is carried out at a different kindergarten each day during the week beginning on April 22, Earth Day.

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 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.

SANYO Hungary also holds an environmental competition in order 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 form three-person teams and compete by addressing a different assignment set each month. These assignments cover a wide range of topics from environmental protection to SANYO and Japan, thereby providing the students with a variety of theoretical and practical exercises. Activity examples include environmental knowledge tests, and the creation of products using waste material. The competition project is entirely run by SANYO Hungary employees, from the planning to the implementation stages.



Children planting a tree



Environmental competition

SANYO Gulf FZE (United Arab Emirates)

Participating in an Environmental Protection Campaign in Jordan

SANYO Gulf FZE handles importation of SANYO consumer and commercial products into the Middle East, and sales of these products in the United Arab Emirates. Over the last year, the company has been supporting the NGO, Jordan Inbound Tour Operators Association (JITOA), in its "Don't Mess with Nature" campaign. The aim of the campaign is to protect the environment of Jerash, a historical city and tourist destination in Jordan.

A kickoff event was held on July 2, 2010, featuring a city cleanup activity, the collection of discarded dry cell batteries and plastic, and an initiative to encourage people to switch to environmentally friendly products. In addition to the Jordanian ministers of environment and tourism, the event was attended by 400 student volunteers, who began the cleanup activities.

SANYO Gulf provided recycling boxes for the safe disposal of dry cell batteries. It has also been promoting the expanded use of rechargeable enloop batteries to replace non-reusable dry cell batteries, through the provision of environmental video classes for residents and school children in the region.



The President of SANYO Gulf delivers a speech at the kickoff event

Donation of a Photovoltaic System

SANYO Gulf donated a solar system to Trakhees-Environment, Health and Safety (EHS), the regulatory arm of Trakhees - Ports, Customs & Free Zone Corporation (PCFC), in Dubai, where the company is located. The donated system features a combination of SANYO's HIT photovoltaic panels and high efficiency solar inverters from SMA Solar Technology of Germany. This effort was in line with the SANYO Group's Green Innovation vision, which is to contribute to the realization of a clean energy society. The solar system installed at Trakhees-EHS can provide enough electricity to power all the lighting and two LCD TVs in the agency's reception area, as well as the lighting and an LCD projector in its main conference room. Each year, the system is expected to generate 2,400 kilowatt hours of electricity, thereby reducing commercial power consumption, and lowering CO₂ emissions by 1,300 kilograms.



HIT photovoltaic panels installed at Trakhees-EHS

SANYO Gulf FZE, South Africa Branch (South Africa)

Supporting Regions without Electricity through Photovoltaic Systems

SANYO Gulf FZE, South Africa Branch, is a vendor of photovoltaic systems in South Africa and surrounding countries. Through the introduction of photovoltaic systems as a power source in regions without electricity or power infrastructure, the branch is helping to protect the environment and improve the lives of people in these regions. With the cooperation of the Botswana Ministry of Local Government, in fiscal 2011, the branch installed photovoltaic systems at 30 schools in districts without electricity in that country. In Botswana, where about 60% of the countryside is not electrified; many schools still use candles or kerosene lamps for lighting. This not only restricts opportunities for children to receive a high quality education, but also poses safety concerns. Consequently, the government is working to improve the classroom environment. The electricity generated by the photovoltaic systems installed by the South Africa Branch is mainly used to power lights in the classrooms and staff rooms, as well as TVs, PCs, and audio equipment used in class. This is helping to improve the level of education in these schools.



Solar panels installed at an elementary school



Electric lights and TV in a classroom

Environmental Initiatives

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”^{*1} and the “‘eco ideas’ Declaration”^{*1}. The company is strengthening its initiatives for contributing to CO₂ emissions reduction and resource recycling, as Green indexes for becoming No. 1 in the industry, while also promoting ‘eco ideas’ for Lifestyles and Business-styles.

^{*1} Refer to Panasonic Corporation’s Environmental Vision and Strategy:

<http://panasonic.net/eco/vision/ecoideas/>

| Helping to Solve Environmental and Energy Problems through Business Activities

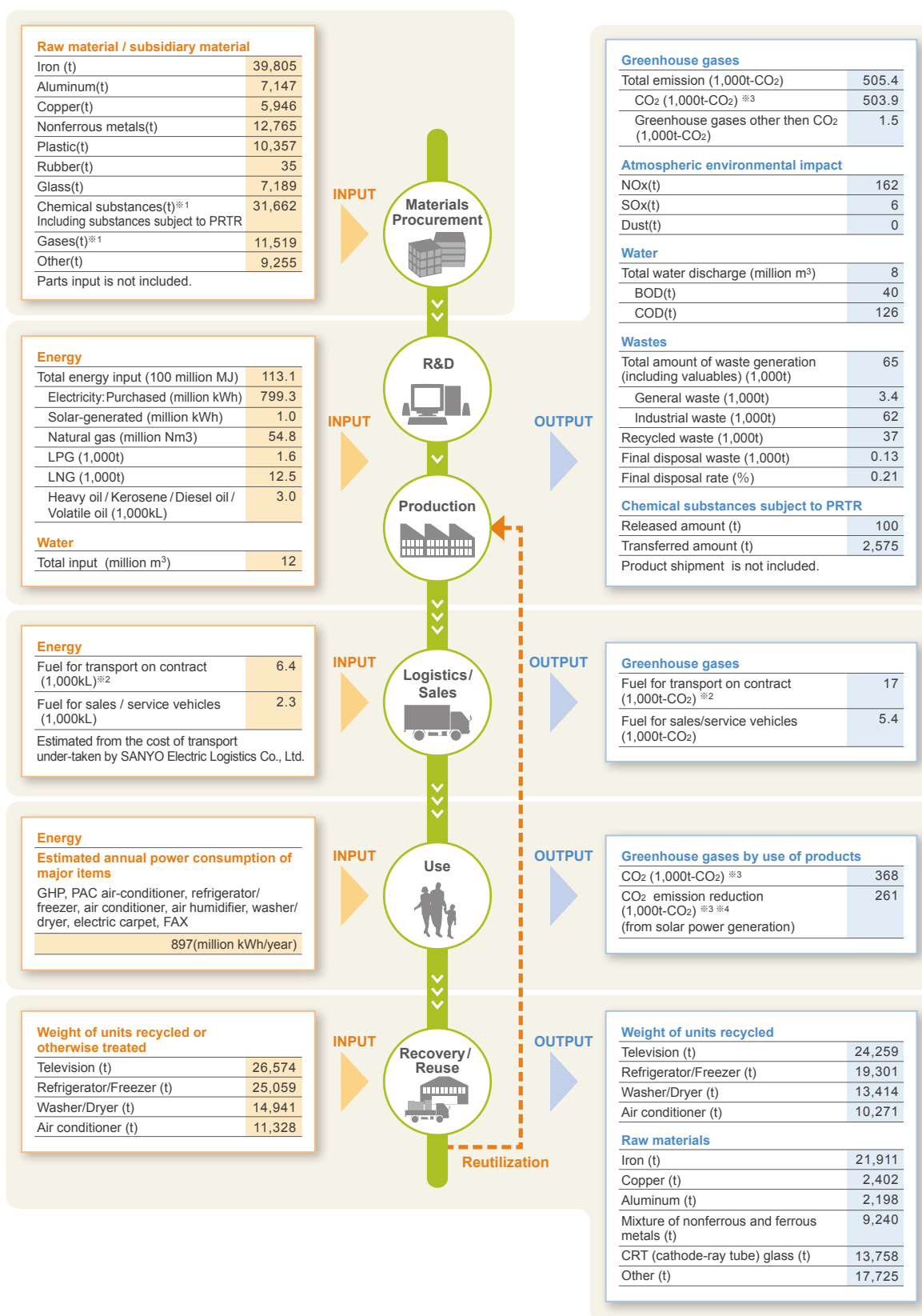
The Sanyo Group considers environmental contribution through business activities to be its most important management theme, and is actively developing and promoting products and services that can contribute to the solving of environmental and energy issues in the daily lives and workplaces of customers. 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 that demonstrate our capabilities to Create Energy, Store Energy, Save Energy, and Manage Energy. The aim is to contribute towards the solving of today’s environmental problems.

| Contribution to Resource Recycling

As a member of the Panasonic Group that is promoting recycling-oriented manufacturing, Sanyo is aiming to maximize the amount of recycled resources against total resources used and to achieve zero waste emissions from production activities. Through these initiatives, we are making efforts to minimize the impact of resource mining and waste emissions on the natural environment and thus contribute to the conservation of biodiversity.

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 (Japan) for FY2011



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

Survey Period: Fiscal 2011 (April 1, 2010 to March 31, 2011), except for Note *1

*1 Data covering October 2009 to September 2010

*2 In Fiscal 2011, the weight unit used for transport amount calculations was changed from volume-equivalent weight to actual weight.

*3 0.410 kg-CO₂/kWh was used as the CO₂ emission factor for purchased electricity. This figure is the FY2007 result released by the Federation of Electric Power Companies of Japan.

*4 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.

I. Aims and Targets for Global Promotion Items

Scope: All business facilities in Japan and overseas

| Items | Specific indicators | Initiatives | FY2011 targets | FY2011 results | Target achievement |
|---|---|---|--|--------------------|--------------------|
| Realization of Carbon Neutral* ¹ (Promotion of Carbon Minus* ¹) | Carbon Neutral achievement level | Initiatives designed to reach the balance where CO ₂ reduction through use of products is equivalent to CO ₂ emissions from business activities (carbon neutral). | 150% or more (Carbon Minus) | 225% | ○ |
| | CO ₂ reduction attributable to products* ² | Since FY2011, we have been promoting initiatives to achieve a virtuous cycle in which CO ₂ reduction attributable to products exceeds CO ₂ emissions from business activities (carbon minus). | 1.8 million tons or more | 2.18 million tons | ○ |
| | CO ₂ emissions in global business activities | | 1.15 million tons or less | 970 thousand tons | ○ |
| | New midterm management plan | | | | |
| | Contribution to reducing CO ₂ emissions through products* ³ | New CO ₂ reduction initiatives that have been promoted throughout the Panasonic Group since FY2011 in accordance with the new midterm management plan | 9.15 million tons or more | 9.004 million tons | × |
| | Contribution to reducing CO ₂ emissions through production activities | | 77 thousand tons or more | 117 thousand tons | ○ |
| Ensuring soil contamination control | Thoroughness of soil contamination control | To reduce risks associated with global-level soil contamination, we carry out land-use history and soil surveys, ensure that contamination never spreads out of our business unit premises, and then set about measures to address contamination sources. | Scheduled soil contamination survey completion rate 100% | 100% | ○ |
| Construction of global environmental management system | Construction level of global environmental management system | To ensure compliance and enhance risk management, we construct an environmental management system for all business facilities in Japan and overseas. | 100% | 100% | ○ |

*1 "Carbon neutral" and "Carbon minus" are terms defined by Sanyo. Refer to the "Initiatives" columns for their definitions.

*2 "CO₂ reduction attributable to products of the applicable fiscal year" is calculated with this formula: (Reduction in CO₂ emissions of the target model compared to its base-year model) x (Sales quantity of the target model during the applicable fiscal year). The calculated value will be added until the end of each product's lifetime as defined by Sanyo.

*3 "Contribution to reducing CO₂ emissions through products" of the applicable fiscal year is calculated with this formula: (Reduction in CO₂ emissions of the target model compared to its base-year model) x (Sales quantity of the target model during the applicable fiscal year) x (Number of years until the end of the product life defined by Sanyo).

II. Aims and Targets for GEMS Promotion Items

Scope: Integrated ISO14001-certified organizational body with SANYO Electric Co., Ltd. being the main entity.*4

| Items | Specific indicators | FY2011 targets | FY2011 results | Target achievement |
|---|--|---|----------------|--------------------|
| Expansion of environmentally conscious quality products | Percentage of Advanced Plus environmental products*5 | 30% or more | 40.6% | ○ |
| | Percentage of Top-level Plus environmental products*5 | 5% or more | 22.2% | ○ |
| Promotion of environmental technology development | No. of transferable environment-related technologies developed (cumulative total since FY 2001) | 72 or more | 74 | ○ |
| Reduction of greenhouse gas emissions at business units | Reduction rate of CO ₂ emissions per unit of production output*6 (vs. FY2010) | 4% or more | 19.1% | ○ |
| Promotion of reuse and recycling of used products and parts | Amount of collected recyclable materials (plastic) recycled and used | 360 tons or more | 507 tons | ○ |
| Reduction of waste in business units | Recycling ratio | 90% or more | 99.7% | ○ |
| | Improvement ratio of amount of generated waste & revenue generating valuables per basic unit of production | 3% or more | 11.4% | ○ |
| Reduction of chemical substance use in business activities | Improvement ratio of chemical substances per basic unit of production (impact on human health & environment) | Collection of chemical substance registration forms for setting aims and targets of efforts to reduce the use, release and transfer of chemical substances in business units 100% | 100% | ○ |

*4 See page 65.

*5 Top-level Plus environmental products: Products with the industry's highest environmental performance, such as in energy and resource conservation
Advanced Plus environmental products: Products with the industry's top 30% environmental performance

*6 CO₂ emissions per basic unit of production output = CO₂ emissions per basic unit of actual production output = (CO₂ emissions) / (Total production / Bank of Japan Corporate Goods Price Index)

The Sanyo Group's major environmental performance indexes are as follows.

In fiscal 2011, the total energy input for the worldwide manufacturing facilities was about 18.2 billion megajoules, with a ratio of 8:5 for manufacturing facilities in and outside Japan. The corresponding greenhouse gas emissions were about 0.95 million tons, including other types of greenhouse gases.

In fiscal 2011, the amount of waste generation, final disposal and NOx release significantly decreased, in particular at overseas manufacturing facilities partly due to a reduction in the number of facilities subject to data collection as a result of business transfer.

■Domestic Production Facilities

| Item | | FY2010 | FY2011 |
|--|---|----------------|----------------|
| Total energy input | Electricity, fuel (MJ) | 12,415 million | 11,199 million |
| Greenhouse gases (including five specified gases)*1, *2 | Total emission (t-CO ₂) | 610 thousand | 500 thousand |
| Waste | Total amount of waste generation (tons) | 78 thousand | 65 thousand |
| | Final disposal waste (tons) | 61 | 135 |
| Substances subject to PRTR | Total emission (tons) | 48 | 35 |
| NOx*3 | Total emission (tons) | 178 | 162 |
| SOx*3 | Total emission (tons) | 9 | 6 |

■Overseas Production Facilities

| Item | | FY2010 | FY2011 |
|--|---|---------------|---------------|
| Total energy input | Electricity, fuel (MJ) | 6,331 million | 6,970 million |
| Greenhouse gases (including five specified gases)*1, *4 | Total emission (t-CO ₂) | 436 thousand | 448 thousand |
| Waste*5 | Total amount of waste generation (tons) | 102 thousand | 54 thousand |
| | Final disposal waste (tons) | 7,985 | 2,944 |
| NOx*5 | Total emission (tons) | 209 | 26 |
| SOx*5 | Total emission (tons) | 3 | 7 |

*1 This includes carbon dioxide (CO₂) and five specified gases (methane, dinitrogen monoxide, hydrofluorocarbons, perfluorocarbons, and sulfur hexafluoride).

*2 0.410 kg-CO₂/kWh was used as the CO₂ emission factor for purchased electricity. This figure is the FY2006 result released by the Federation of Electric Power Companies of Japan.

*3 The data cover 32 Japanese manufacturing facilities for FY2010 and 29 for FY2011.

*4 The CO₂ emission factor used for purchased electricity is based on the CO₂ emission factors in 2002 that were specified by country in the GHG Protocol (2005).

*5 The data cover 49 facilities for FY2010 and 40 for FY2011.

Establishment of Environmental Management Systems

The Sanyo Group upholds a basic policy of promoting environmental management on a global basis in accordance with the Sanyo Electric Group Environmental Policies, and it shares the group-wide direction of becoming the No. 1 Green Innovation Company in the Electronics Industry. We have established environmental management systems at SANYO Electric Co., Ltd. and its subsidiaries in Japan and overseas whose levels are classified in accordance with the operations of each company. Manufacturing companies must obtain the ISO14001 certification, and non-manufacturing departments such as sales companies are required to appoint an Environmental Compliance Administrator, survey environment-related regulations applicable to individual companies, and establish the necessary system to meet the regulations. Within the Sanyo Global Environmental Action Plan, we have set the target for the "Construction level of global environmental management system" and promoted the establishment of environmental management systems. As a result, we completed the establishment of environmental management systems at all applicable subsidiaries, including overseas non-manufacturing companies, by the end of fiscal 2011.

Companies that have obtained the ISO14001 certification

During FY2011, two subsidiaries, one each in Japan and overseas, obtained the ISO14001 certification. As of the end of March 2011, the number of certified companies totaled 76, 35 in Japan and 41 overseas, within the Sanyo Group (SANYO Electric Co., Ltd. and subsidiaries)*1.

*1 Some sites consist of two or more related companies, and some facilities of a company are registered as one site on its own. In the case of GEMS, 27 Japanese subsidiaries and associated companies in total and major facilities of SANYO Electric Co., Ltd. (internal companies) together comprise one ISO-certificated site.

■1.Entire GEMS (Japan); Manufacturing companies: 11, Sales companies: 9, Other companies: 8

(Obtained certification in March 2001)

| Company names | |
|---|---|
| (1) Manufacturing | |
| SANYO Electric Co., Ltd. SANYO Consumer Electronics Co., Ltd. Harima SANYO Industries Co., Ltd. SANYO Amorton Co., Ltd. Sendai SANYO Industries Co., Ltd. SANYO Tuners Industries Co., Ltd. | SANYO Tokyo Manufacturing Co., Ltd. Techno Device Co., Ltd. Prodex Co., Ltd. (Oizumi factory) SANYO Showa Panel System Co., Ltd. SANYO Aqua Corporation |
| (2) Sales | |
| SANYO Solar Energy System Co., Ltd. SANYO Electronic Device Sales Co., Ltd. SANYO Electric System Solutions Co., Ltd. SANYO Electric Commercial Equipment Systems Co., Ltd. SANYO Electric Facility Engineering Co., Ltd. | SANYO Electric Sales Co., Ltd. Okinawa SANYO Sales Corporation Gifu SANYO Sales Corporation OS Electronics Co., Ltd. <Associated company> |
| (3) Others | |
| SANYO Creative Service Co., Ltd. SANYO Associate Support Co., Ltd. Sanyo Life Co., Ltd. SANYO Cash Management Center Co., Ltd. | SANYO Electric Service Co., Ltd. SANYO Telephone Service Co., Ltd. SANYO Heart Ecology Co., Ltd. Haier Sanyo Electric Co., Ltd. <Associated company> |

■2.Independent Certification (Japan); Manufacturing companies: 10

| Company names | Attainment of certification |
|------------------------------------|-----------------------------|
| (1) Manufacturing | |
| SANYO Energy Kaizuka Co., Ltd. | 10/1997 |
| Shimane SANYO Electric Co., Ltd. | 12/1997 |
| SANYO Seimitsu Co., Ltd. | 12/1997 |
| Sanyo GS Soft Energy Co., Ltd. | 12/1997 |
| Tega SANYO Industry Co., Ltd. | 2/1998 |
| SANYO Mediatec Co., Ltd. | 3/1998 |
| Saga SANYO Industries Co., Ltd. | 3/1998 |
| SANYO Energy Nandan Co., Ltd. | 3/2000 |
| SANYO Energy Logistics Co., Ltd. | 3/2001 |
| Prodex Co., Ltd. (Saitama factory) | 2/2004 |

■3.Independent Certification (overseas); Manufacturing companies: 39, Sales companies: 2
[Asia]

| Country names | Company names | Attainment of certification |
|-------------------|--|-----------------------------|
| (1) Manufacturing | | |
| China | Dalian SANYO Cold-Chain Co., Ltd. | 9/1997 |
| | Dalian SANYO Compressor Co., Ltd. | 3/1998 |
| | Dalian SANYO Refrigeration Co., Ltd. | 6/1998 |
| | Dalian SANYO Home Appliance Co., Ltd. | 7/1998 |
| | Dalian SANYO Air Conditioner Co., Ltd. | 1/1999 |
| | Dalian SANYO Meica Electronics Co., Ltd. | 5/1999 |
| | SANYO Electric (Shekou) Limited | 1/1998 |
| | SANYO Motor Technology (Dongguan) Co., Ltd. | 2/1998 |
| | Shenzhen SANYO Huaqiang Optical Technology Co., Ltd. | 3/1998 |
| | SANYO Motor Parts (Shenzhen) Co., Ltd. | 2/2006 |
| | SANYO Optical Component (Huizhou) Co., Ltd. | 12/2006 |
| | Tottori SANYO Electric (Guangzhou) Co., Ltd. | 1/1999 |
| | SANYO Electric Home Appliances (Suzhou) Co., Ltd. | 8/1997 |
| | Suzhou SANYO Electro-Mechanical Co., Ltd. | 6/1998 |
| | SANYO Energy (Suzhou) Co., Ltd. | 11/2002 |
| | SANYO Electronic Components (Suzhou) Co., Ltd. | 12/2005 |
| | SANYO Energy (Tianjin) Co., Ltd. | 12/2001 |
| | Shenyang SANYO Airconditioner Co., Ltd. | 2/2003 |
| | SANYO Energy (Beijing) Co., Ltd. | 4/2003 |
| | Guangzhou SANYO Car Electronics Co., Ltd. | 2/2008 |
| | Dalian SANYO High-Efficient Refrigeration System Co., Ltd. | 8/2010 |
| Thailand | SANYO Commercial Solutions (Thailand) Co., Ltd. | 4/2010 |
| Malaysia | SANYO Automedia Sdn. Bhd. (Its Japanese branch office is operating on GEMS' premises.) | 12/1998 |
| Indonesia | P.T. SANYO Energy Batam | 7/1997 |
| | P.T. SANYO Jaya Components Indonesia | 8/1997, 7/1998 |
| | P.T. SANYO Indonesia | 8/1998 |
| | P.T. SANYO Electronics Indonesia | 12/1998 |
| | P.T. JAYA Indah Casting | 2/1999 |
| | P.T. SANYO Precision Batam | 11/2001 |
| Vietnam | SANYO HA Asean Corporation | 3/2000 |
| | SANYO DI Solutions Vietnam Corporation | 7/2006 |
| | SANYO Opt Device Vietnam Company Limited | 12/2009 |
| (2) Sales | | |
| Taiwan | SANYO Energy (Taiwan) Co., Ltd. | 1/2002 |

[Americas]

| Country names | Company names | Attainment of certification |
|-------------------|----------------------------------|-----------------------------|
| (1) Manufacturing | | |
| U.S. | SANYO Manufacturing Co., Ltd. | 9/1997, 11/1997 |
| | SANYO E & E Corporation | 3/1998 |
| | SANYO Solar (USA) L.L.C. | 1/2000 |
| Mexico | SANYO Manufacturing S.A. de C.V. | 9/1997 |
| | SANYO Energy, S.A. de C.V. | 3/1998, 2/2002 |
| | SANYO E&E S.A. de C.V. | 3/1998 |

[Europe]

| Country names | Company names | Attainment of certification |
|-------------------|-----------------------------|-----------------------------|
| (1) Manufacturing | | |
| Hungary | SANYO Hungary Kft. | 8/2001 |
| (2) Sales | | |
| Germany | SANYO Component Europe GmbH | 1/1998 |

Changes from the previous report are as follows.

<Newly obtained certification: 3 companies>

SANYO Heart Ecology Co., Ltd., Dalian SANYO High-Efficient Refrigeration System Co., Ltd., SANYO Commercial Solutions (Thailand) Co., Ltd. newly obtained the certification.

<Excluded: 18 companies>

- SANYO Semiconductor Co., Ltd., SANYO Semiconductor Manufacturing Co., Ltd., SANYO Semicon Device Co., Ltd., SANYO LSI Design System Soft Co., Ltd., SANYO Semiconductor Electronics (H.K.) Co., Ltd., SANYO Electronic (Taichung) Co., Ltd., SANYO Semiconductor (Shekou) Ltd., SANYO Semiconductor (Thailand) Co., Ltd., SANYO Semiconductor Manufacturing Philippines Corporation, SANYO Semiconductor (Vietnam) Co., Ltd., SANYO Electric Logistics Co., Ltd., Hokkaido SANYO Logistics Co., Ltd. have been excluded as a result of business transfer.
- Torisan Business Service Co., Ltd. has been excluded as a result of the completion of business liquidation processes.
- Guangdong SANYO Air Conditioner Co., Ltd., SANYO GS Battery (Shanghai) Ltd., SANYO Electric (Penang) Sdn. Bhd., SANYO Industries (U.K.) Limited, SANYO da Amazonia S.A. have been excluded because they are inactive.

<Company name changes>

- Dongguan Huangjiang Sanyo Motor Co., Ltd. and SANYO HQ Device Vietnam Company Limited have changed their names to SANYO Motor Technology (Dongguan) Co., Ltd. and SANYO Opt Device Vietnam Company Limited respectively.

<Others>

- Although the business of the semiconductor department of Kanto SANYO Semiconductors Co., Ltd. has been transferred, the Amorton department obtained certification as SANYO Amorton Co., Ltd.
- As for SANYO Showa Panel System Co., Ltd., the Ashikaga Plant has been excluded from independent certification because of closure, but the Oizumi Plant obtained certification as part of the Entire GEMS certification. Accordingly, these changes did not affect the total number of certified companies within the Sanyo Group.
- Although Prodex Co., Ltd. obtained the certification for each facility, the entire company was counted as one in the total number of certified companies within the Sanyo Group.

CSR Report 2011

SANYO Electric Co., Ltd. Panasonic Group

CSR & Compliance Department
Legal H.Q.

2-5-5, Keihan-hondori, Moriguchi City, Osaka 570-8677, Japan
Telephone +81-6-6994-3536
FAX +81-6-6994-6831

<http://panasonic.net/sanyo/csr/en/>

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