

SANYO Electric Co., Ltd.  
Sustainability Report

2009



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# Editorial Policy

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## | Period

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April 1, 2008 to March 31, 2009

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

## | Scope

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

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

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

## | Reporting area

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Management, Environmental side, Social side

## | Change in the scope of reporting

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

## | Reference Guidelines

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- GRI Sustainability Reporting Guidelines 2006
- Environmental Reporting Guidelines, 2007 (Japanese Ministry of the Environment)
- Environmental Accounting Guidelines, 2005 (Japanese Ministry of the Environment)

The Sanyo Group fulfills its social responsibility through providing products and services that support modern living and make environmental contributions

Under the management philosophy: "We are committed to becoming an indispensable element in the lives of people all over the world," the Sanyo Group advances its business activities. With this management philosophy being the source of our CSR activities, the Sanyo Group is aiming to become a corporate group that is loved and trusted by people around the world by providing excellent products and conscientious services as well as developing original technologies.

To win a customer's trust, it is essential for a company to provide products and services, including elements like safety and reliability, at a level of quality that satisfies the customer. "Providing high-quality products and services" is an important theme for the Sanyo Group, which we must continuously keep in focus and advance in the future.

Further, it is important that the products and services Sanyo provides are highly regarded from the perspective of being sensitive to the environment. Today, we are facing various "global environmental problems," in particular "global warming," which may threaten the sustainability of the human race. With increasing environmental awareness in society, addressing environmental issues is a vital challenge for a company to continue in business. Considering this as a top priority challenge for corporate management, the Sanyo Group, as it aims to become a "leading company for energy and environment," is advancing development of various environmentally-conscious products by strengthening, fostering, and expanding environment-serving businesses.



### Advancing development of products that will help realize a low-carbon society

Amid the ongoing global economic downturn, Sanyo is operating in an extremely harsh business environment. To find a way out of this economic crisis, various nations have passed large-scale economic measures with an eye to environmental issues, such as the Green New Deal in the U.S.A., European Economic Recovery Plan, and Package to Address Economic Crisis in Japan. Common keywords found in these measures are Diffusion of next-generation vehicles; Utilization of renewable energy sources; and Construction of an energy-saving society.

The Sanyo Group's technologies for "Energy Generation," "Energy Storage," and "Energy Conservation" enable us to create various environment-related products which are directly related to the economic-stimulus packages and environmental measures of these nations, such as photovoltaic systems, HEV rechargeable batteries, and various energy-saving equipment, including commercial equipment. In this regard, we are confident we can make a significant contribution to realization of a low-carbon society. The Sanyo Group will continue to vigorously advance development of these "Energy Generation/Storage/Conservation" technologies.

Further, through promoting the diffusion of photovoltaic systems, rechargeable batteries, and various energy-saving products, Sanyo will contribute to the control of household and industrial CO<sub>2</sub> emissions. Our aim is to produce a CO<sub>2</sub> emissions control effect through use of our environment-conscious products that is at first equal to, and, ultimately, significantly surpasses the CO<sub>2</sub> output from our business activities, so as to make a substantial contribution to the realization of a "carbon minus\*" society. Expecting that the changing business environment will bring about great opportunities, we will steadily advance to make a great leap forward in the future. In this way, we will realize further business growth and a stronger management structure.

Toward the fulfillment of the Mid-term Management Policy – Becoming a “leading company for energy and environment,” the Sanyo Group launched the new Mid-term Management Plan with the Mid-term Management Goals: “Challenge 1000” in fiscal 2008. However, the financial crisis stemming from the subprime loan problems in the U.S. reverberated throughout the real economy, resulting in a once-in-a-century kind of global recession. This has led to reductions in corporate capital investment and a sharp decline in consumer spending, creating extremely harsh conditions for Sanyo during the first year of the plan.

Under such deteriorating economic circumstances, we have partially revised our Mid-term Management Plan and specified Intensive Strengthening of Management Structure and Reconstruction of Growth Strategy as priority policies for fiscal 2009. Through all directors and employees working together in accordance with these policies to overcome the harsh business environment, we firmly believe that we will unfailingly achieve the Mid-term Management Goals, “Challenge 1000,” in fiscal 2011.

In December 2008, Sanyo and Panasonic Corporation entered into a capital and business alliance agreement. As well as continuing our own efforts to improve business performance, we will work to yield maximum synergy effects with Panasonic in various areas to ensure stable generation of revenue.

| Realizing continued growth while bringing stakeholders greater satisfaction

The Sanyo Group’s social responsibility goes beyond providing high quality products and services and expanding environmentally-conscious products. We think it important to make social contributions by enhancing the satisfaction of customers, distributors/retailers, business partners, and all other stakeholders throughout the product life cycle from use to discarding to final disposal so as to forge a Win-Win relationship with them. To this end, it is vital that the quality of products and after-sales-service is improved, supply-chain management is strengthened, and a work culture is created so that a higher level of satisfaction is enjoyed by the employees who support these.

In today’s economic environment, which is undergoing a radical transformation worldwide, businesses are required to swiftly respond to changes in society. By keeping firmly in mind that our business activities are only possible through association with various people and organizations, Sanyo will continuously strive to be an enterprise capable of achieving lasting growth, as well as living up to the expectations of the stakeholders. Our ultimate aim is to “Become an indispensable element in the lives of people all over the world.”

I look forward to your continued support in the future.

\* “Carbon minus” is a term defined by Sanyo.



Seiichiro Sano  
Executive Director & President

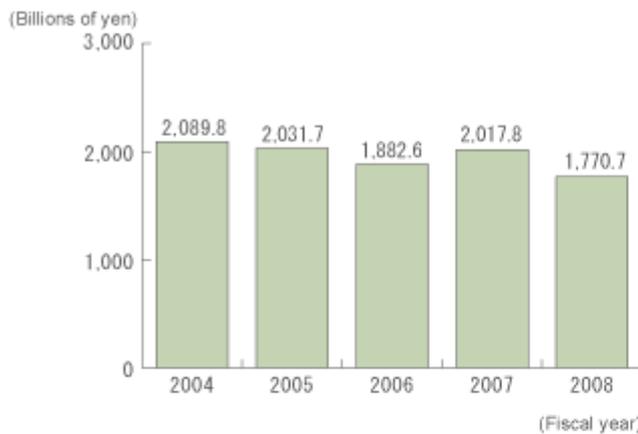
# Corporate Profile

## Outline

<b>Company Name</b>	SANYO Electric Co., Ltd.
<b>Founded</b>	February, 1947
<b>Incorporated</b>	April, 1950
<b>Head Office</b>	5-5, Keihan-Hondori 2-Chome, Moriguchi City, Osaka 570-8677, Japan
<b>President</b>	Seiichiro Sano
<b>Capital</b>	¥322,242 million (As of March 31, 2009)
<b>Number of Employees</b>	86,016 (Consolidated) 9,611 (Non-Consolidated) (As of March 31, 2009)
<b>Subsidiaries and Affiliates</b>	Domestic: 84 (Subsidiaries: 59, Equity Method Affiliates: 25) Overseas: 146 (Subsidiaries: 117, Equity Method Affiliates: 29) Total: 230 Subsidiaries and Affiliates (As of March 31, 2009)

## Financial Report

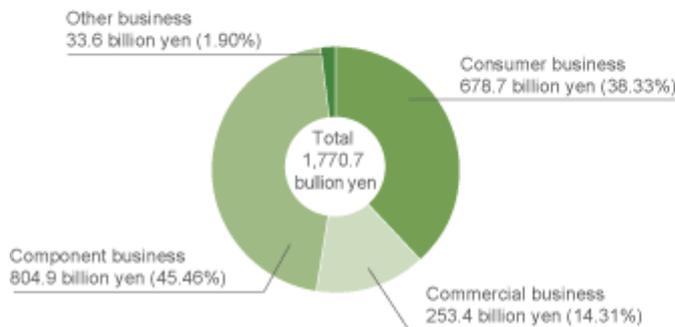
■ Net Sales (consolidated)



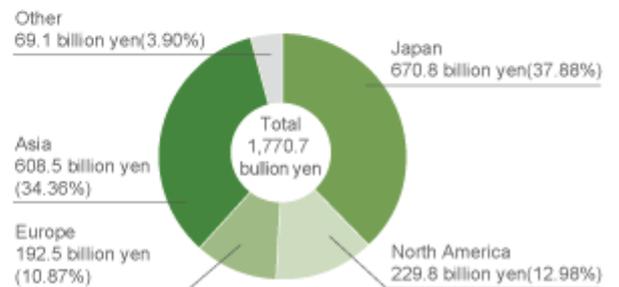
■ Operating Income / Net Income (consolidated)



■ Sales by Division (FY2008, consolidated)



■ Sales by Region (FY2008, consolidated)



## Management Philosophy

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

### | Basic Concept

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

### | Explanation

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

The founder once stated his principle in this way: "As a corporation, we seek to be like the sun, which shines upon all alike, regardless of race, creed, religion or difference in wealth." As is expressed in his statement, Sanyo 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 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 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

### | Basic Approach to Corporate Governance

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

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

### | Corporate Structure and State of Internal Control System

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

##### 1. Board Members and Board of Directors

The Company holds regular monthly meetings of the Board of Directors, to make important decisions and oversee business execution by executives. The resolution of certain important matters requires the approval of more than two-thirds of the total Board. To facilitate careful deliberation at such meetings and improve management efficiency, all board members attend the Steering Committee, which are held at least twice a month. The Steering Committee preliminarily review items on the agenda for the meeting of the Board of Directors, and make swift decisions regarding fundamental and important subjects relating to certain business implementations.

In fiscal 2008, Board of Directors' meetings were held 28 times, and the average attendance rate for outside directors was 93%.

As of June 2009, the Board of Directors comprises nine directors, two of whom are outside directors. These two directors were appointed by a resolution of the general stockholders' meeting, and were nominated by underwriters from capital increase through issuance of preferred stocks to third parties (fiscal 2005). The purpose was to have experts in the areas of investment, finance, and management strategy, participate in the Board of Directors.

##### 2. Corporate Auditors and Board of Auditors

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

In fiscal 2008, the Board of Auditors met 23 times, and the average attendance rate for outside auditors was 98%.

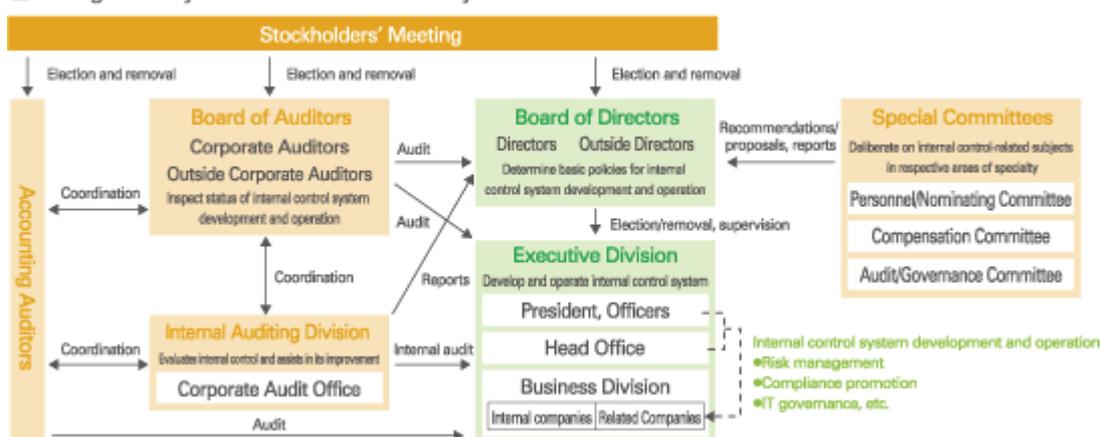
As of June 2009, the Board of Auditors comprises three corporate auditors, two of whom are outside auditors.

### 3. Special Committees

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

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

#### ■ Management System and Internal Control System



### 2. State of Internal Control System

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

### 3. Internal Control System

With the aim of strengthening and improving internal controls, Sanyo has established an Internal Control Office for unified monitoring of control activities. The top management, head office, and business divisions are unified in their goal of upholding the company's internal control system.

- Internal Audit

Sanyo promotes internal control from three perspectives: financial reporting, risk management and compliance. To further improve and strengthen internal control, Sanyo has set up the Internal Auditing Division in the company's Head Office. The Department works to ensure efficient business practices in compliance with laws and regulations, also reporting audit results and other relevant information to the Corporate Auditors. In this manner, the Department works to maintain and improve auditing quality by enhancing the efficiency and effectiveness of audit activities in coordination with the Corporate Auditors.

- Risk Management

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

- Promotion of Compliance

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

- Promotion and Strengthening of Internal Control

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

- IT Governance

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

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

### 4. Compensation Paid to the Directors and Corporate Auditors

For fiscal 2008, compensation paid to the directors was 291 million yen and that to the corporate auditors 98 million yen.

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

### | A. Business Activities

#### **A-1. Compliance with Laws, Regulations and Rules**

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

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

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

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

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

#### **A-3. Free Competition and Fair Commercial Transactions**

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

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

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

#### **A-4. Fair Commercial Transactions with Distributors**

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

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

#### **A-5. Fair Commercial Transactions with Suppliers and Consignees**

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

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

#### **A-6. Appropriate Advertising**

We will conduct advertising in a lawful and appropriate way.

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

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

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

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

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

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

#### **A-8. Entertainment and Gifts**

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

**B-1. Respect for Human Rights**

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

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

**B-2. Ensuring a Safe and Comfortable Working Environment**

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

**B-3. Conflict of Interest**

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

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

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

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

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

**C-2. Respect for Intellectual Property Rights**

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

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

**C-3. Proper Handling of Confidential Information**

We will strictly manage and properly handle confidential information.

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

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

**C-4. Proper Handling of Personal Information**

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

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

**C-5. Prohibition of Insider Trading**

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

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

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

**C-6. Recording and Disclosure of Corporate Information**

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

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

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

**D-1. Coexistence with the Earth**

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

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

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

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

**D-3. Political Activity and Political Contributions**

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

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

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

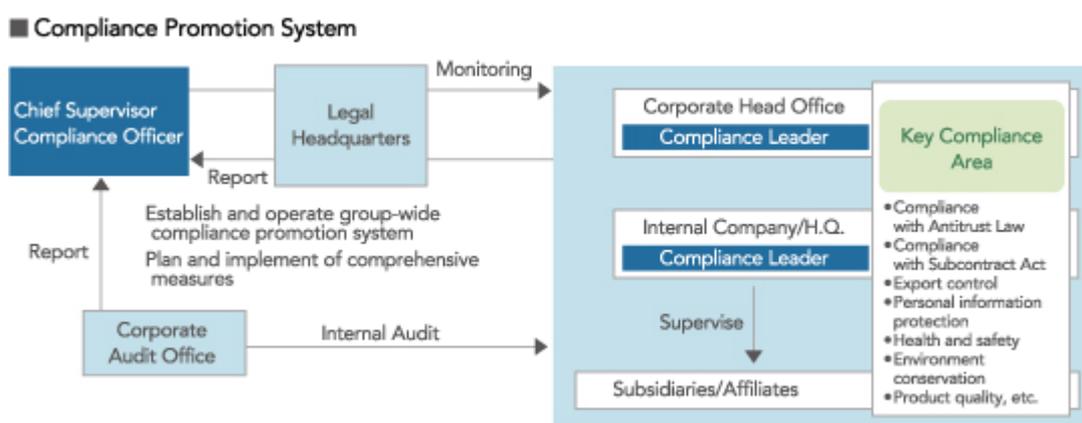
We will immediately sever contact with any antisocial forces/groups that threatens the order and safety of civil society and impedes the sound development of corporate activities. We will reject all unwarranted demands from any such antisocial forces/groups.

## Compliance

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

### Compliance Promotion System

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



### Compliance Promotion in Special Areas

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

### Compliance Hotlines

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

## 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.

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.

In fiscal 2007, a risk management system based on JIS Q 2001 (Japanese Industrial Standard) "Guidelines for development and implementation of risk management system" was introduced on a trial basis. In fiscal 2008, full-scale implementation of this system was carried out group-wide. Specifically, Sanyo is performing organizational and ongoing risk management to promote risk identification, evaluation, management, and revision on the departmental level, according to the Sanyo Electric Group Risk Management Policies.

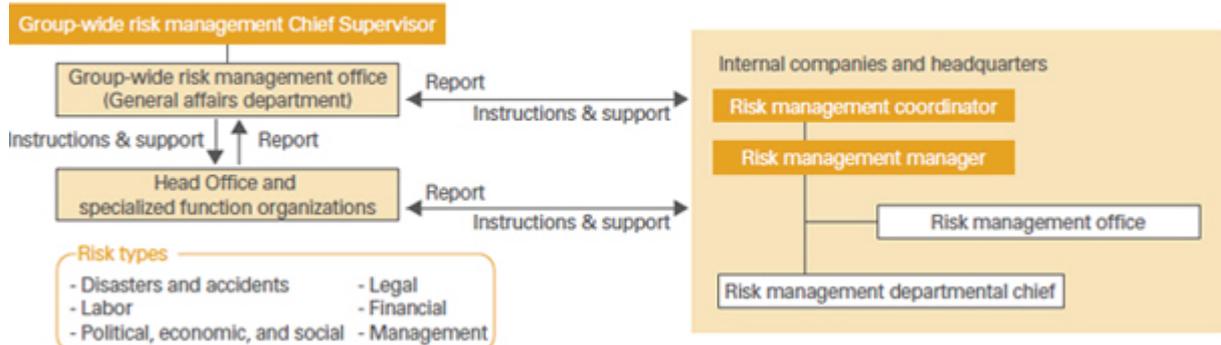
Past risk and response cases, such as large-scale disasters, health and safety accidents, and product quality problems, are put into a group database and shared on a special intranet site. This is done in order to realize rapid and effective risk response while preventing similar disasters or accidents.

### SANYO Electric Group Risk Management Policies

(Established May 2007)

1. Basic Purposes of Risk Management  
Basic purposes of risk management are to continue business due to reduction of loss in management resources and rapid restoration at occurrence of an emergency event and to increase the corporate value, by making appropriate response to risks which may have a significant effect on the operation of business.
2. Action Guidelines of Risk Management
  - (1) To try to maintain safety and health of company members and preserve management resources
  - (2) Not to damage safety and health and interest of those who are concerned
  - (3) To try to make a rapid and appropriate restoration in the event where any management resources are damaged
  - (4) To take responsible actions complying with laws and regulations and generally accepted ideas in the event where any risk event occurs
  - (5) To raise the society's valuation of the company through continuous risk management activities
  - (6) To reflect social need regarding risk on risk management

### Risk Management System



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

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

The protection of customers' personal information has been stated as a specific item in the Code of Conduct and Ethics, and this information is gathered, managed, and used within an appropriate scope based on Sanyo's personal information protection policies and internal rules. Sanyo also posts related information on its intranet site and distributes "Personal Information Reminder Cards" to all its employees in order to ensure the complete understanding of its workforce. The same measures are taken to protect the personal information of employees.

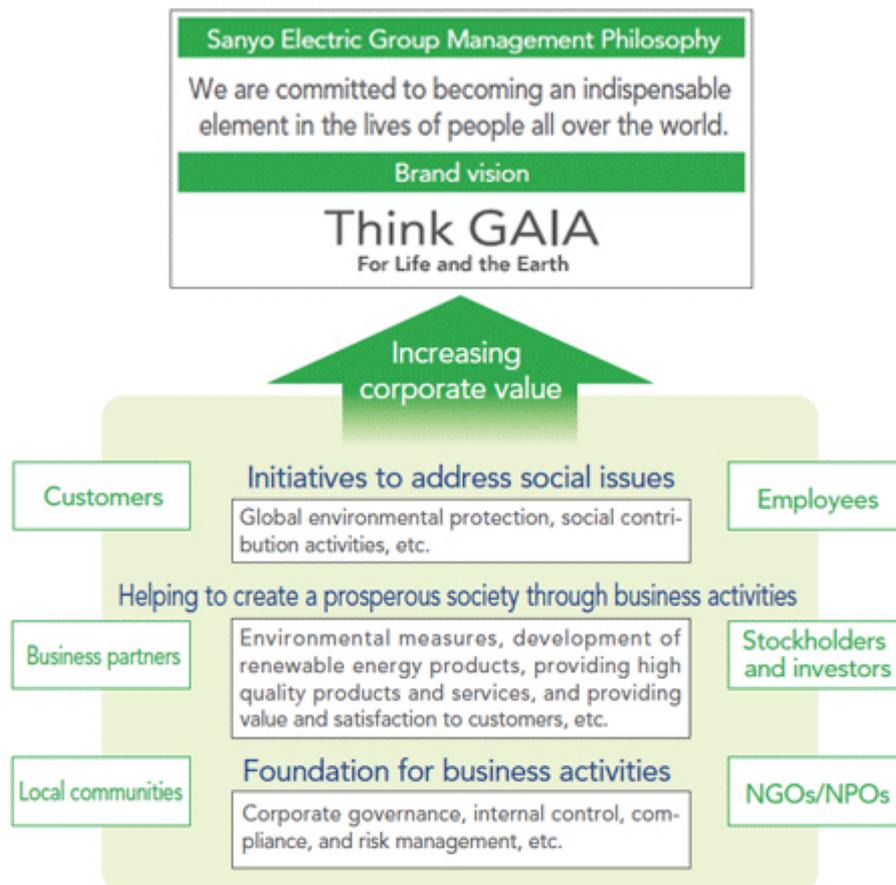
Awareness raising for these information security measures is carried out through the distribution of an Information Security Guidebook, and the training of responsible managers in each department. In this way, Sanyo is striving to maintain information security and to prevent any problems.

## CSR Concept

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. Moreover, Sanyo's Think GAIA brand vision expresses the company's intention to always consider the life and the Earth first, in order to help realize sustainable development and a sustainable society.

The Sanyo Group carries out its business activities with the aid of various stakeholders, including customers, 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.

### ■The Sanyo Group's Social Responsibility



# Environmental Mid-term Strategy

Aiming to build foundation as a "leading company for energy and environment" through realizing the Mid-term Management Plan from an environmental perspective.

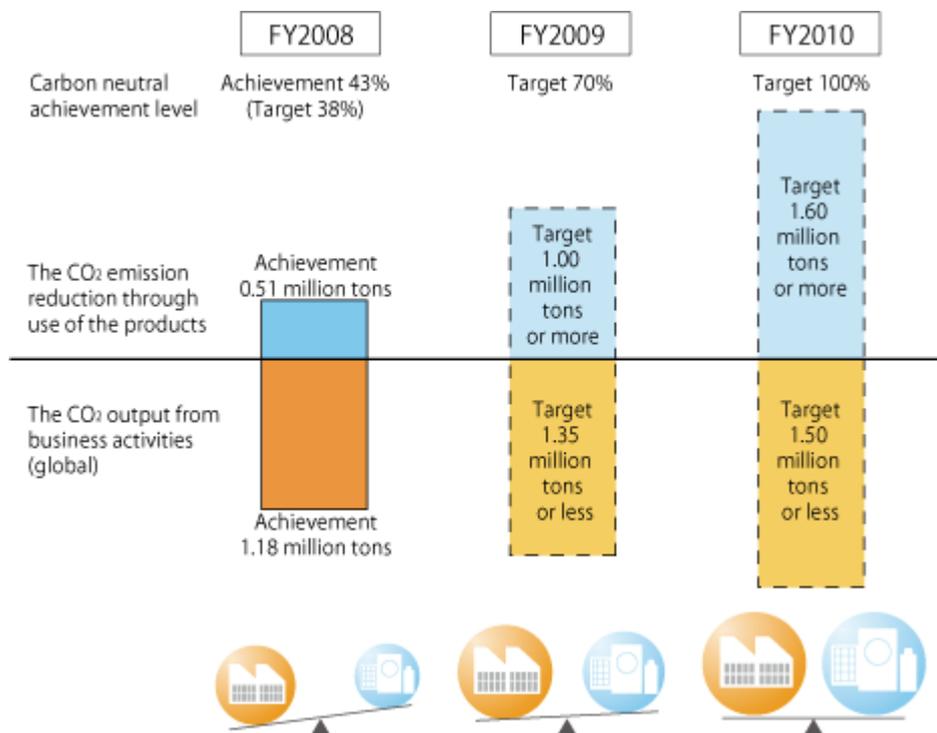
## Business Activities to Help Solve Environmental/Energy Problems

In order to become a leading company for energy and environment, the Sanyo Group is promoting the development of new products and technologies. Its aim is to help solve environmental and energy problems on a global scale, based on the company's outstanding technological capabilities. With control of CO<sub>2</sub> emissions responsible for global warming as the top-priority issue, the Sanyo Group has drafted a Global Environmental Action Plan. Among the goals laid out in the plan is the aim to become carbon neutral\*<sup>1</sup> by 2010. This means that the CO<sub>2</sub> output from business activities worldwide should be equal to the group-wide CO<sub>2</sub> emission savings achieved through use of environmentally conscious products, including solar cells and rechargeable batteries.

Specifically, CO<sub>2</sub> emission savings through the use of environmentally conscious products are being increased by raising the electrical generation capacity of solar cells and enhancing energy efficiencies and expanding sales of consumer electrical goods, business equipment, and parts. CO<sub>2</sub> emissions from business activities are being reduced by promoting energy saving efforts in plants and offices.

In fiscal 2008, CO<sub>2</sub> emission savings from product use was 510,000 tons, while the CO<sub>2</sub> output from business activities was 1.18 million tons\*<sup>2</sup>. The Carbon Neutral achievement level reached 43%, surpassing the target of 38% in the Global Environmental Action Plan. For fiscal 2009, the target CO<sub>2</sub> emission savings is 1 million tons or more, while the target Carbon Neutral achievement level is set at 70% or greater.

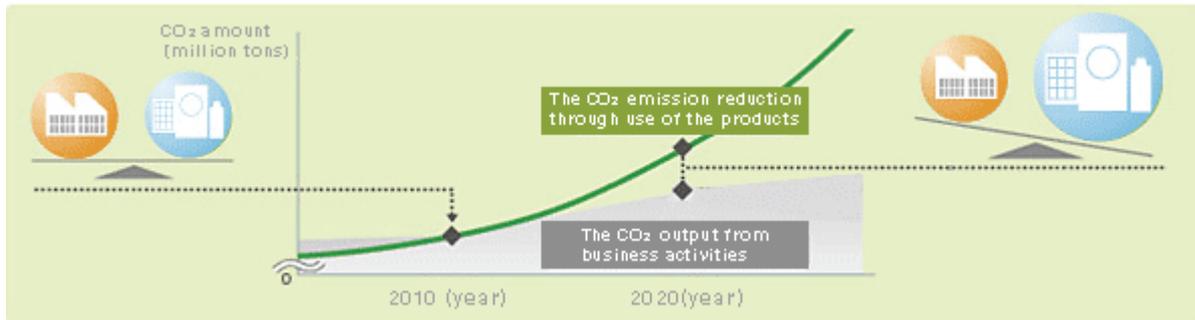
### Carbon Neutral Achievement Level: Target and Achievement



Sanyo Group is also aiming to contribute towards the realization of a "Carbon Minus"<sup>\*1</sup> society, where the amount of CO<sub>2</sub> emissions saved by using environmentally conscious products is greater than CO<sub>2</sub> emissions arising from business activities. By promoting its solar cells, HEV rechargeable batteries, and "eneloop" consumer nickel-metal hydride batteries, Sanyo expects an annual CO<sub>2</sub> emission reduction of approximately 20 million tons by 2020. Through the fusion of Sanyo's strong technologies relating to energy and environmental purification, with its electronics expertise, Sanyo will continue to provide technologies and products that the world needs to help solve its environmental and energy challenges.

At the same time, to control CO<sub>2</sub> and other greenhouse gas emissions from its business activities, Sanyo will work to achieve a common target set by the Japanese electrical and electronics industry. To be accomplished by fiscal 2010, the target entails reducing CO<sub>2</sub> emissions per basic unit of production output by 35% from the fiscal 1990 level. In addition, Sanyo has set respective goals for its GEMS<sup>\*3</sup>, Japanese manufacturing facilities, and overseas operations, and is promoting energy saving through initiatives such as production process streamlining and highly efficient energy use.

**Sanyo Group CO<sub>2</sub> Reduction Targets to be Achieved by 2020**



\*1 "Carbon Neutral" and "Carbon Minus" are terms selected for use by Sanyo. "CO<sub>2</sub> emission reduction through product use" is calculated based on Sanyo's criteria.  
 \*2 The CO<sub>2</sub> emissions factor used for purchased electricity is based on the 2003 emission factors by country released by the Japan Electrical Manufacturers' Association.  
 \*3 GEMS stands for "Group Environmental Management System," in which the main business facilities of the Sanyo Group in Japan have been integrated to promote environmental management, resulting in acquisition of ISO14001 certification as a group.

## | Promoting Thorough Environmental Compliance

With the view that observing environment-related laws and doing risk management are important matters for environmental management, Sanyo will work to minimize social/economical losses and risks associated with them. In particular, Sanyo will give priority to promoting "global-based intensive management of soil contamination statuses" and "global-based intensive management of chemical substances in products."

For soil contamination countermeasures, a land history survey will be conducted on all the lands the Sanyo Group is concerned with, including those overseas. Based on the order of priority that will be determined, Sanyo will systematically carry out surveys to check for soil contamination and investigate soil conditions.

Further, for management of chemical substances in products according to RoHS and other regulations, against a backdrop of tighter environment laws in countries all over the world and diversifying procurement/supply forms, such as overseas manufacturing and overseas distribution, Sanyo will ensure compliance with the Sanyo Group's standards and intensify management of its subsidiaries in this regard.

## | Promoting Global-based Environmental Management

The environmental management system is the foundation for a business enterprise to steadily fulfill their environmental responsibility. The Sanyo Group is constantly expanding construction of its ISO14001-based environmental management system in Japan and overseas. From now on, Sanyo will also promote system construction in those overseas non-manufacturing companies in which the EMS has not been constructed yet. Thus, Sanyo will steadily improve its management system on a global basis.

Further, to promote environmental management group-wide, it is vital that employees have sufficient knowledge and awareness of environmental affairs. In this regard, the Sanyo Group will provide unified environmental education programs for employees worldwide.

### SANYO Electric Group Environmental Policies

#### Becoming a "Leading Company for energy and environment"

##### **Basic Policy**

Based on the corporate vision, "Think GAIA," and as a "leading company for energy and environment," the SANYO Electric Group is aiming to protect the global environment while also realizing a prosperous and secure society. In order to achieve this goal, SANYO is taking a leadership role in the global environmental field.

##### **Action Plan**

To put into practice the basic policy, the SANYO Group as a whole is committed to undertaking the following measures on a global level.

##### **1.Reforming awareness and behavior**

With all employees changing their thinking and actions and carrying out environmental protection activities independently, the SANYO Group also intends to actively enhance its environmental contribution through its products. In order to achieve this, SANYO will not only carry out environmental education and awareness-raising activities, it will also strengthen investment in management resources for the commercialization of products that help protect the environment.

##### **2.Compliance**

In addition to identifying environmental issues, the SANYO Group will establish and observe regulations and standards that reflect both the law and the expectations of society.

##### **3.Development of businesses that contribute to the environment**

By developing revolutionary technologies that help resolve environmental issues, the SANYO Group will actively develop business areas that promote products beneficial to the environment, and thereby increase its corporate value.

##### **4."Zero emissions" challenge**

The SANYO Group is rising to the challenge of attaining zero emissions through reforms based on the management of harmful chemical substances, the reduction of energy and materials use, and the streamlining of operations through individual employee efforts. As a result of this, SANYO will help to minimize the effects of global warming, save decreasing resources, reduce waste, and prevent pollution. Moreover, activities under the SANYO environmental management system must continually be improved, through the active setting and periodic reviewing of targets from a practical, long-term perspective.

##### **5.Working with society to improve the global environment**

By actively disclosing information and participating in the improvement of the natural environment, the SANYO Group intends to build good relationships with societies around the world, and actively contribute to the conservation of the global environment.

##### **Scope:**

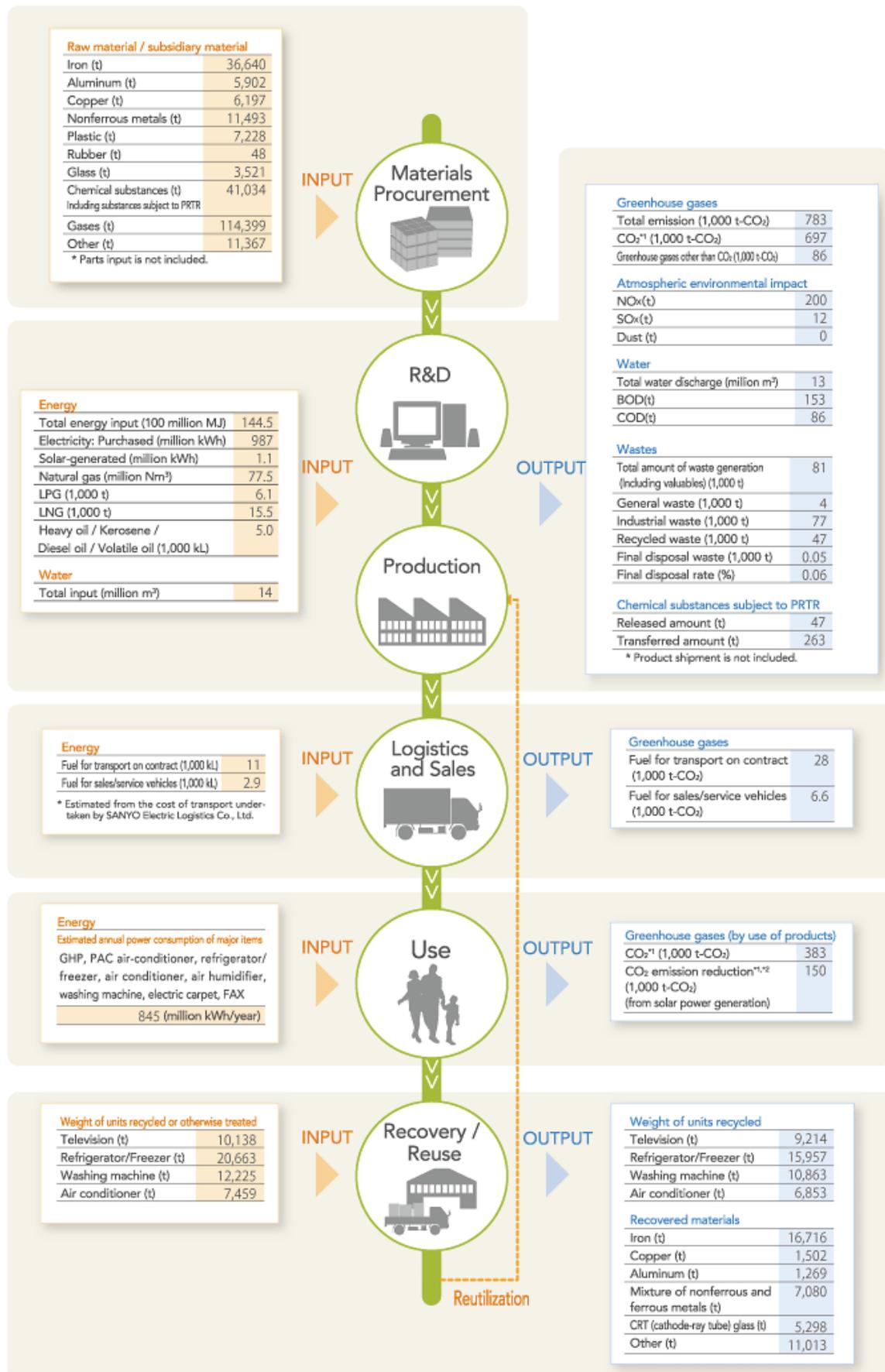
The activities mentioned above are to be systematically promoted at all product stages including R&D, design, materials procurement, manufacturing, distribution and sales, consumer use, disposal, and recycling. They apply to all business areas including the provision of products and services relating to AV and communication devices, electrical equipment, industrial equipment, electronic devices, and batteries.

Seiichiro Sano, President  
SANYO Electric Co., Ltd.  
April 2, 2007

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

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

## Overview of the Environmental Impact of the Sanyo Group (In Japan) for FY2008



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

Survey Period: Fiscal 2008 (April 1, 2008 to March 31, 2009), except for Note \*1

\*1 Data covering October 2007 to September 2008 (not including data for substances subject to PRTR)

\*2 The emission factor specified by the Federation of Electric Power Companies of Japan is used as the CO<sub>2</sub> emission factor for purchased electricity. However, since the figure for fiscal 2008 has not been announced yet, the emission factor for fiscal 2007, which was 0.453kg-CO<sub>2</sub>/kWh, is used on a temporary basis.

\*3 Solar cells are capable of continuously generating power for approximately 20 years after they are sold. For this reason, CO<sub>2</sub> emission reduction from solar power generation is indicated by the accumulated value since fiscal 2003 when sales expanded in full swing.

# Environmental Action Plan

## | Sanyo Global Environmental Action Plan

### | I . Aims and Targets for Global Promotion Items

Objectives	Indicators for assessing progress	Target for FY2008	FY2008 achievement	Self evaluation *2	Target for FY2009	Target for FY2010	Target for FY2011
		Action					
Realization of Carbon Neutral *1	Carbon Neutral *1 achievement level	38% or more *3	43%	○	70% or more	100% or more	Carbon Minus *1 rate 20% or more
	CO <sub>2</sub> reduction attributable to products	—	510 thousand tons	—	1 million tons or more	1.6 million tons or more	2 million tons or more
	CO <sub>2</sub> emissions in global business activities *4	—	1.18 million tons	—	1.35 million tons or less	1.5 million tons or less	1.65 million tons or less
	Make efforts to realize a status in which CO <sub>2</sub> reduction through use of products is equivalent to CO <sub>2</sub> output from business activities.						
	Achievement level of internal company-based goals for reduction of environmental impact in products/parts	100%	110%	○	100%	100%	100%
	To reduce CO <sub>2</sub> emissions attributable to products, develop and expand sales of energy-saving/energy-creation products.						
	Reduction rate of CO <sub>2</sub> emissions per unit of production output in global business activities (as compared to the FY2006 level) *5	3% or more	2.1%	x*8	2.5% or more	5% or more	6% or more
	In all business activities in Japan and overseas, improve energy-use efficiency and promote energy-creation and energy-saving.						
	Reduction rate of CO <sub>2</sub> emissions per unit of production output in domestic manufacturing activities (as compared to the FY 2006 level) *5 <as compared to the FY1990 level>	2% or more <29% or more>	1.2% <22%>	x*8	1.5% or more <27.5% or more>	4% or more <35% or more>	5% or more <38% or more>
	In line with the target set by the electric/electronic industry (reduction of CO <sub>2</sub> emissions per basic unit of production output by 35% from the FY 1990 level), improve manufacturing process efficiency and promote energy-creation and energy-saving.						

Intensification of soil contamination control	Thoroughness of soil contamination control	Global land history survey completion rate: 100%	100%	○	Scheduled soil contamination survey completion rate: 100% *6	Scheduled soil contamination survey completion rate: 100% *6	Scheduled soil contamination survey completion rate: 100% *6
		To reduce risks associated with global-level soil contamination, collect land information, conduct on-site surveys, and examine the necessity of purification.					
Intensification of management of chemical substances in products	Thoroughness of management of chemical substances in products	100%	100%	○	100%	100%	100%
		For each month's production, do management so that full (100%) assurance is implemented for specified chemical substances in products.					
Construction of global environmental management system	Construction level of global environmental management system	70% or more *3	80%	◎	85% or more	100%	100%
		To ensure compliance and intensify risk management, construct and environmental management system for all business facilities in Japan and overseas.					

## II. Aims and Targets for GEMS Promotion Items

Objectives	Indicators for assessing progress	Target for FY2008	FY2008 achievement	Self evaluation *2	Target for FY2009	Target for FY2010	Target for FY2011
Expansion of environmentally-conscious quality products	Percentage of advanced environmental products	70% or more	68.8%	✕*9	80% or more	100%	Target setting with new standards *7
	Percentage of top-level environmental products	10% or more	16.1%	◎	20% or more	Target setting with new standards	Target setting with new standards
Promotion of environmental technology development	No. of transferable environment-related technologies developed (cumulative total since FY 2000)	56 or more	60	◎	63 or more	66 or more	69 or more
Reduction of greenhouse gas emissions in business activities	Reduction rate of CO <sub>2</sub> emissions per unit of production output (compared to FY 2006)	4% or more	2.7%	✕*8	3% or more	6% or more	8% or more
	Expected reduction of CO <sub>2</sub> resulting from the implementation of energy-saving measures (compared to FY 2006 CO <sub>2</sub> emissions)	3.5% equivalent or more	4.1%	○	5.5% equivalent or more	6.5% equivalent or more	7.5% equivalent or more

Promotion of reuse and recycling of used products and parts	Recycling of collected recyclable materials (plastic) <amount recycled and used>	300 tons or more	327.4 tons	○	305 tons or more	405 tons or more	505 tons or more
Reduction of waste in business activities	Final waste disposal rate (GEMS average)	0.3% or less	0.096%	◎	0.3% or less	0.3% or less	0.3% or less
	Percentage of business location that achieved a final waste disposal rate of less than 0.5% (other than those engaged in sales/service)	100%	100%	○	100%	100%	100%
Reduction of chemical substance emissions in business activities	Reduction rate of emission of substances subject to PRTR (compared to FY 1999)	85% or more	89.5%	◎	Survey of usage conditions for chemical substances subject to regulation under major new law revisions	Gathering basic data for reduction aims and targets	Setting aims and targets for the reduction of chemical substances based on new standards
Intensification of management of chemical substances in products	Management level of chemical substances in products	100%	100 %	○	100%	100%	100%

Scope:

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

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

\*1 "Carbon neutral" is a term defined by Sanyo.

\*2 ◎: Target achieved at least one year ahead of schedule. ○ : Target achieved as scheduled. X: Target not achieved as scheduled.

\*3 Target was revised upward during the period, as substantial over-achievement was anticipated.

\*4 The 2006 CO<sub>2</sub> emission factor specified by the Federation of Electric Power Companies of Japan (0.410kg-CO<sub>2</sub>/kWh, the value for the target base year) was used for calculating CO<sub>2</sub> emissions in Japan. For overseas CO<sub>2</sub> emissions however, the 2003 emission factors by country released by the Japan Electrical Manufacturers' Association were used.

\*5 The calculation of CO<sub>2</sub> emissions per basic unit of production output for fiscal 2009-2011 was performed using CO<sub>2</sub> emissions per basic unit of production output (= CO<sub>2</sub> emissions ÷ [total production ÷ the Bank of Japan Corporate Goods Price Index])

\*6 Still in planning

\*7 Standards still being revised

\*8 See page entitled, "Prevention of Global Warming in Production Process"

\*9 See page entitled, "Making All Products Environmentally Conscious"

## Reduction of Environmental Impact in Products

We strive to develop and disseminate "environmentally-conscious products" to reduce the environmental impact via improving energy efficiency, reduction of usage of environmentally-hazardous chemical substances, efficient usage of recycled materials, outstanding product durability, and designing products in a way that facilitates recyclability.

### | Improving Energy Efficiency

The Sanyo Group considers the strengthening of its efforts to combat global warming to be the highest priority issue. In addressing the reduction of environmental impact in products, Sanyo focuses on development and dissemination of products and parts that can contribute to reduction of CO<sub>2</sub> emissions from product use. In this way, Sanyo will help realize a low-carbon society.

Specifically, the Sanyo Group is working to make all its products energy efficient, from household appliances such as TVs, air conditioners, refrigerators, freezers, and washer-dryers, to commercial products such as refrigeration equipment, refrigerated showcases, and ultra-low temperature freezers. Energy efficiency is also being incorporated into compressors, electronic devices, semiconductors and other parts.

The Sanyo Group also has proprietary high-energy efficiency technologies and solutions, which are utilized in various products, including HIT solar cells, "eneloop" nickel-metal hydride batteries, "Eco-Store System" in-store integrated management systems, "Eco Cute" heat pump water heaters, HEV rechargeable batteries, and "eneloop bike" Electric Hybrid Bicycles.

Sanyo's HIT solar cell in its application size is capable of the world's best cell energy conversion efficiency of 23% (at a research level) thanks to its high-quality juncture of single-crystalline silicon substrate and amorphous silicon layer and improved solar cell surface shape.

"eneloop" has extremely low self-discharge characteristics, enabling minimum waste of charged energy.

With the Eco-Store System it is possible to reduce power consumption by up to about 23% for an entire store, by realizing optimum energy savings control through uniform management using a master controller for refrigeration equipment such as the showcases placed in supermarkets in which food products are chilled and frozen, the refrigerators used to cool such showcases and the in-store air-conditioners.

"Eco Cute," using a natural refrigerant CO<sub>2</sub> compressor, contributes to energy efficiency improvement through high efficiency heat pump technology and utilization of midnight power. The government is also promoting dissemination of heat pumps as part of its measures for CO<sub>2</sub> emissions reduction.

With the prospect of global warming and resource depletion, HEV rechargeable batteries are expected to rapidly expand in the future as the essential component for hybrid electric vehicles. Sanyo will accelerate development and commercialization of increasingly high-performance HEV rechargeable batteries, to evolve current nickel-metal hydride batteries to next-generation nickel-metal hydride batteries and next-generation Lithium-ion batteries.

The "eneloop bike" features a regenerative charging function that charges the battery when coasting downhill or decelerating, by switching the electric motor to a dynamo during braking. This enables the "eneloop bike" to travel a lot further on a single charge.

Sanyo's inverter technology is an essential energy-saving feature for air conditioners and other products. The company's superior inverter technology is also used for regenerative charging and two-stage compression in CO<sub>2</sub> compressors.

As a manufacturer providing energy solutions for "Energy Generation," "Energy Storage," and "Energy Conservation," the Sanyo Group reduced CO<sub>2</sub> emissions through the expanded use of environmentally-conscious Sanyo products by consumers, and in fiscal 2008 saved 510 thousand tons of CO<sub>2</sub> as a result. In fiscal 2010, Sanyo expects to achieve Carbon Neutral status by increasing this figure to 1.6 million tons. The goal is to further increase the CO<sub>2</sub> savings to 2 million tons by fiscal 2011, and then to 20 million tons by fiscal 2020, thereby realizing Carbon Minus status.

# Reduction of Environmental Impact in Products

## Managing Chemical Substances in Products

Amid mounting concern over specified chemical substances in products, the Sanyo Group made it a priority to conduct a survey on chemical substances with a high environmental impact, including the six substances specified by RoHS Directive<sup>\*1</sup> and has been replacing these with safer substances. Consequently, Sanyo completed the removal of all six specified chemical substances from products produced in Japan and those for the EU market at the manufacturing stage by the end of December 2005. In addition, Sanyo has also responded to J-Moss<sup>\*2</sup>, China RoHS<sup>\*3</sup> and chemical regulations in the State of California, USA; Korea and other regions.

In order to comply with all these regulations, Sanyo has constructed a system for managing chemical substances contained in products and set internal rules applicable to the entire Sanyo Group to control the chemical substance data of each procured material and product.

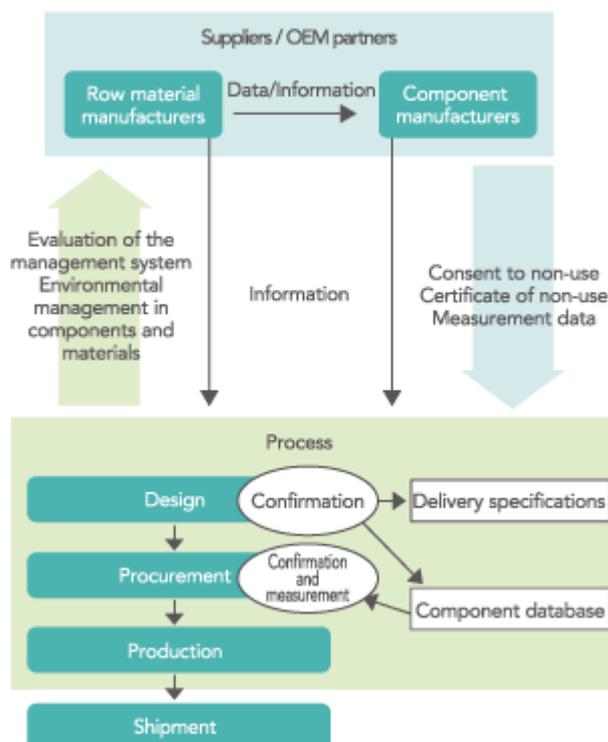
To be successful in efforts to eliminate chemical substances in products, it is vital to have the cooperation of suppliers. In line with this, in fiscal 2006 Sanyo started evaluation of the chemical substance management system of suppliers and offering instructions, in addition to management based on "Consent to non-use" and "Certificate of non-use" for procured materials in accordance with the "Sanyo Group Management Standards for Environmentally Hazardous Substances" Thus, Sanyo is working to ensure data reliability.

\*1. Restriction of the use of certain Hazardous Substances in electrical and electronic equipment (RoHS), a directive of the EU: Lead, mercury, cadmium, hexavalent chromium, polybrominated biphenyl (PBB), and polybrominated diphenyl ether (PBDE) are the six hazardous substances.

\*2. Japan – The Marking for presence Of the Specific chemical Substances for electrical and electronic equipment (J-Moss): This is the commonly used term for the Japanese JIS C 0950 standard, which specifies the marking for presence of the specific substances in electrical and electronic equipment.

\*3. Administration on the Control of Pollution Caused by Electronic Information Products (ACPEIP), or "China RoHS": This law requires the disclosure of the six hazardous substances specified under the RoHS Directive during phase one, followed by a ban on the use of these substances in phase two. As of July 2009, phase one of the law is in effect.

### Management System for Chemical Substances in Products



# Reduction of Environmental Impact in Products

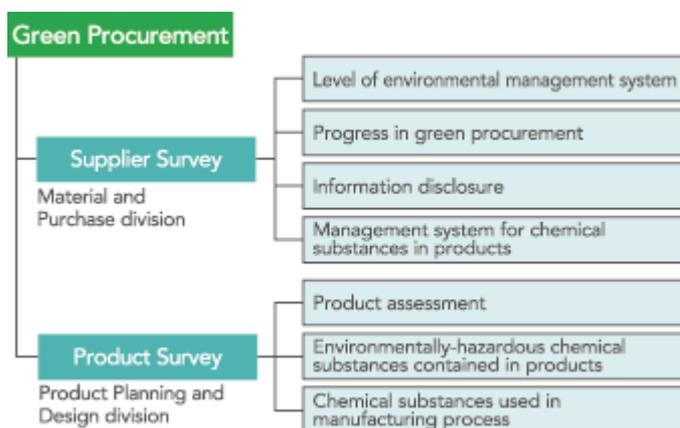
## Green Procurement Promotion

The Sanyo Group has been striving to reduce use of environmentally-hazardous chemical substances through expanding green procurement both in Japan and overseas by purchasing articles that meet Sanyo's own environmental standards from suppliers that actively practice environmental protection.

Specifically, we issued "Sanyo Group Management Standards for Environmentally Hazardous Substances," under which we request our suppliers to submit "Consent to non-use" and "Certificate of non-use" of chemical substances that are prohibited for use in the manufacturing process and of those that do not satisfy our management standards. Since fiscal 2005, we have been asking suppliers to enter into a basic transaction agreement or memorandum specifying their environmental obligations, while requesting them to submit "Consent to non-use" of specified chemical substances in products produced in Japan and those for the EU market.

These actions are also in response to the requirements of various chemical regulations around the world, including the RoHS Directive and China RoHS, as well as the Japanese J-Moss. Sanyo will continue to actively promote green procurement based on its management standards.

### Green Procurement System Chart



## Supplier Survey

The building of partnerships with suppliers is essential for the promotion of green procurement. Every year from October to December, Sanyo investigates the situation at suppliers including their environmental management systems and requests improvement as necessary. In the case of new suppliers, we execute a similar survey when the first transaction takes place. In 2006, Sanyo started management system evaluations according to the Guidelines for the Management of Chemical Substances in Products newly established by the Japan Green Procurement Survey Standardization Initiative (JGPSSI).

To facilitate management, Sanyo held briefings for suppliers on the purpose of investigation, evaluation methods, and online questionnaire system.

Today, cooperation with suppliers regarding chemical substances in products, in terms of data sharing and management system operation, is increasingly important<sup>\*1</sup> due to the necessity of observing REACH<sup>\*1</sup> etc. To this end, Sanyo is working to strengthen its management system throughout its supply chains.



REACH briefing for suppliers held in Southern China in February 2009

\*1 Registration, Evaluation, Authorization and restriction of Chemicals European regulations pertaining to registration, evaluation, authorization, and restriction of chemical substances

To ensure the environmental friendliness of purchased goods, each of our business facilities requests its suppliers to conduct a survey on chemical substances contained in their goods prior to placing the first order. If their goods are found to be noncompliant with our standards, as a result of the survey, we request them to take improvement measures and then decide whether to purchase the goods or not. The suppliers are also requested to register the data of chemical substances contained in the goods and answer our questions on our website, and this information is shared by the entire Sanyo Group. Through the promotion of green procurement, the group aims to reduce chemical substances contained in products, as well as to support the suppliers' efforts for the environment.

In addition, the Sanyo Group has specified chemical substances, which are prohibited for use in the manufacturing process, and the non-use for product to be purchased is confirmed at the time of purchase. When a finished product is purchased, the product is evaluated according to our product assessment standards, and only those products that have met the standards, are purchased.

# Reduction of Environmental Impact in Products

## Promotion of Product Assessment

In order to reduce environmental impact, the Sanyo Group conducts product assessment (preliminary environmental assessment of products) at the design and prototyping stages for all products of Sanyo, including household products, industrial products, and components.

To enable more detailed analysis and accordingly more accurate product assessment, Sanyo uses quantitative analysis, instead of conventionally-used qualitative analysis, as much as possible to indicate the results for each item in numeric terms. For each year, targets are set for the respective product groups and achievement of these targets is specified as a requirement for environmentally-conscious designing.

Up until fiscal 2006, as a rule, products subject to assessment were limited to products manufactured in Japan and those sold in Japan. As of fiscal 2007, this scope was expanded to all products manufactured and sold worldwide. In addition, during fiscal 2007 and fiscal 2008, Sanyo held in-house seminars regarding product assessment and easy-to-recycle designing, primarily for product designers at major manufacturing facilities.

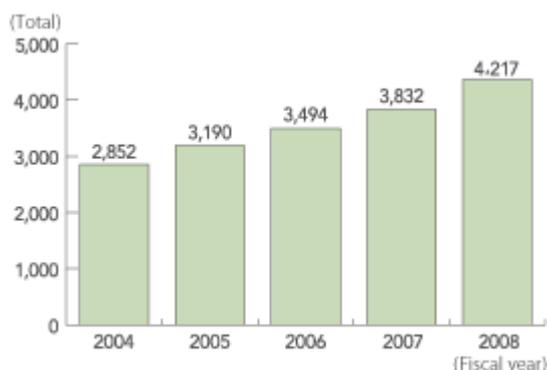
### Product Assessment Evaluation Items

1. Reduction of weight/volume
2. Use of recycled materials and parts
3. Improvement on possibility of recycled materials, etc.
4. Promotion on long term use
5. Ease of collection/transportation
6. Ease of manual disassembling/separating process
7. Ease of shredding/separation process
8. Packaging
9. Safety
10. Environmental protection
11. Conservation of energy and resources at use phase
12. Distribution of Information
13. Reduction of environmental impacts in production phase

The following items apply to appropriate products:

14. Standby power consumption
15. Recycling of portable rechargeable batteries

### Changes in Number of Product Assessments Conducted (Cumulative Total)



## Reducing Material Weight and Volume

In environmentally-conscious design creation, one of the important themes is reduction of materials used, product/packaging volume, and product weight. Sanyo addresses this as one of its product assessment evaluation items (mentioned above).

For example, Sanyo developed a gas heat pump air conditioner model (SGP-H560M1G etc.) weighing 800 kg, which is 110 kg (12%) lighter compared to the same-type already available 910 kg model and is the lightest among all the models of the same class in the industry<sup>\*1</sup>. This was made possible through utilization of aluminum materials and a thoroughgoing structure/material review.

Further, Sanyo realized the industry's smallest in size and lightest in weight for its rotary 2-stage compressor model using natural refrigerant CO<sub>2</sub> (C-CV153HOU etc.)<sup>\*2</sup>.

\*1 As of August 2007 (Source: Sanyo's internal data)

\*2 As of January 2008 (Source: Sanyo's internal data)

## Designing Products that can be Easily Recycled

To facilitate proper treatment of used equipment, the Sanyo Group strives to design products that can be easily recycled. In addition to holding "Recycling School" on a regular basis to provide engineers with on-site study experience at a recycling plant, in April 2007 the "Guidelines for Designing Easily-Recyclable Products"<sup>\*3</sup> was issued, in which important points in designing products are organized by following the equipment disassembly process. Practically, for drum-type washing/drying machines, which tend to be more difficult to recycle compared to standard automatic washing machines due to their complicated structure with many parts, structural review was conducted to increase ease of disassembly.



Drum-type washer/dryer  
AWD-AQ3000

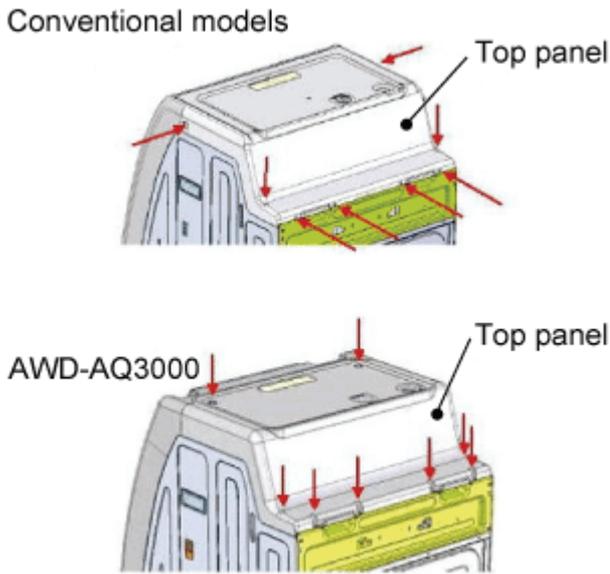
\*3 "Guidelines for Designing Easily-Recyclable Products" is a reference book for product designers, which was organized based on the opinions and views collected from recycling plant workers and Recycling School participants.

### - Product Assessment Example: Washer/Dryer -

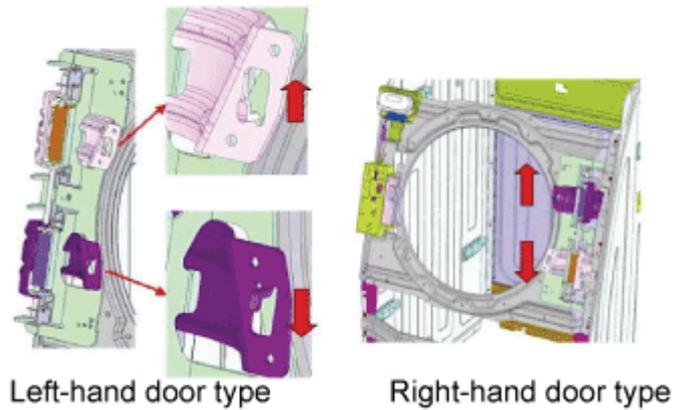
To facilitate drum-type washer/dryer recycling:

1. All the top-panel fixing screws, which had been inserted from different angles, are now inserted in one uniform direction to improve the efficiency of product disassembly work (Fig. 1);
2. The number of screws used to assemble a door has been reduced to 17 from the 19 for conventional models and the number of screws on the door cover has also been reduced to 2 from the 8 for conventional models;
3. To facilitate door dismounting, a hook has been included in the door mounting hardware. This enables safe dismounting of a door without holding it. In addition, door mounting parts are made to be commonly usable for both a right-hand and left-hand door (Fig. 2); and
4. Through efforts to reduce weight and volume, thermoplastic resin usage was reduced by approximately 3 kg (approx. 4%) compared to conventional models. For packaging materials, styrofoam usage was reduced by 118 g (approx. 17%) to 582 g (Fig. 3).

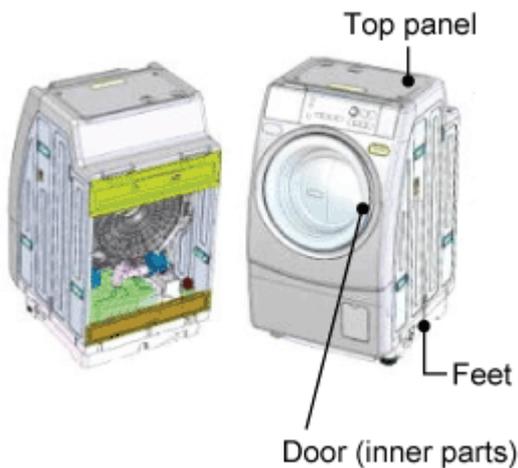
**Fig. 1**  
**Top-panel Fixing Screws Now Inserted in Same Direction**



**Fig. 2**  
**Structure of Door Mounting Part**



**Fig. 3 Reduction of Major Plastic Parts**



(Unit:g)

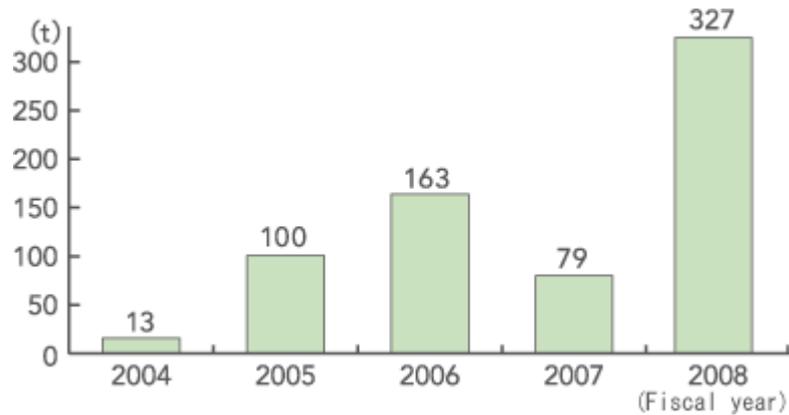
Part Name	Conventional Models	AWD-AQ3000	Amount Reduced	Remark
Top panel	1,445	1,100	345	No. of parts reduced to 1 from 2
Door	600	282	318	Structural change
Feet	3,968	2,905	1,063	Smaller feet used

Plastic usage reduced by approximately 3 kg through structural change, elimination of parts etc.

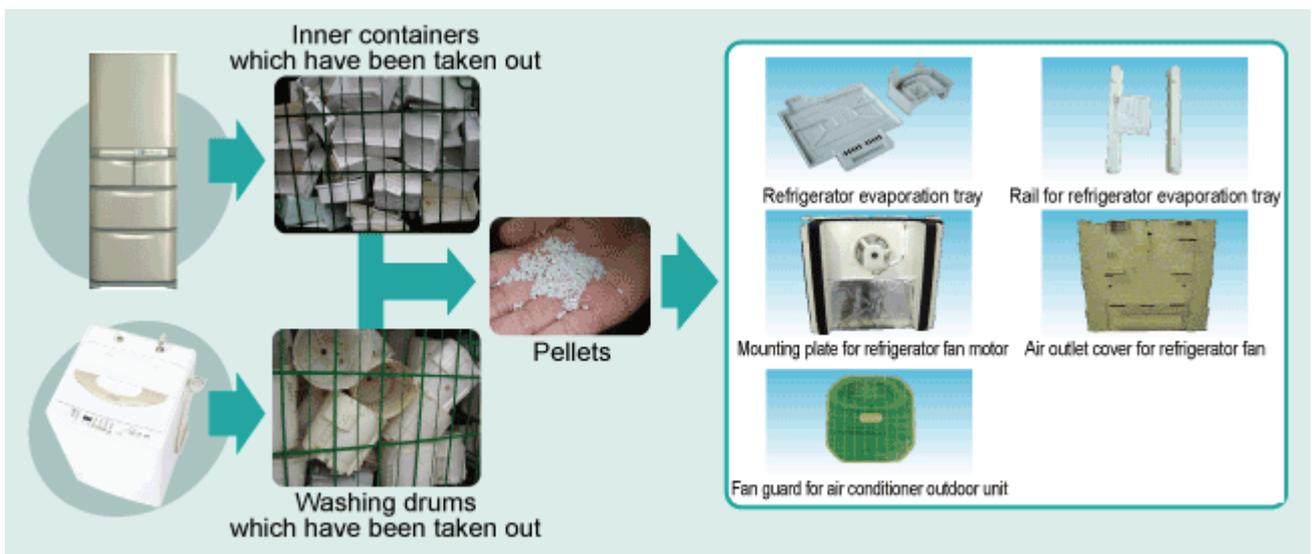
**| Widening Use and Increasing Amount of Recycled Plastic in Parts**

The Sanyo Group actively promotes "closed recycling" and use of plastic material recovered from used home appliances in new plastic parts. Specifically, we use plastic material (polypropylene) recovered from the vegetable compartments of refrigerators for parts such as refrigerator evaporation trays and rails as well as air-conditioner fan guards. In fiscal 2008, the amount rose substantially to 327 tons, as a result of an increasing shift towards the use of recycled plastic. Sanyo will continue working to increase the amount and types of its parts made from recycled plastic.

### Change in Annual Usage Amount of Recycled Plastic



### Example of Closed Recycling



### Sanyo's Efforts to Use Plastic Parts with Recycling in Mind

At the Sanyo Group, to promote the recycling of plastic parts, we make it a general rule to display the materials used for parts that weigh 25g or more, as well as the additives used to improve the characteristics of plastics. In addition, we are also promoting unification of material types and reduction of composite material.

#### Examples of Sanyo's Efforts to Use Plastic Parts with Recycling in Mind

1. Display of materials on plastic parts that weigh 25g or more based on ISO Standards.  
Display example: >PP<
2. Display of additives (reinforcing agent, flame retardant, etc.)  
Display example: >PS-FR(40)<
3. Unification of the types of plastic materials
4. Reduction of the use of composite materials
5. Display of materials on plastic containers

# Recycling School for Engineers

Sanyo Electric promotes the manufacturing of easy-to-recycle products: the product designers at Sanyo develop recyclable products by utilizing their knowledge obtained through recycling practices at recycling plants.



## 1. Lecture

Participants hear explanation about "Home Appliance Recycling Law and basics of recycling technologies."



## 2. Plant Tour

Participants learn overall recycling processes, including manual disassembly, crushing, and sorting.



## 3. Air conditioner disassembly training

Participants remove all the screws used to hold a cover and take out a compressor and heat exchanger. Screws for affixing a compressor are often rusty, which makes removal of a compressor difficult.



## 4. Refrigerator disassembly training

Participants take out resin trays, compressor, door packing, substrate etc. Resin trays are processed to be reclaimed resin by a plastic treatment business for reuse as parts for refrigerators.



## 5. Washing machine disassembly training

Participants take out an inner drum and outer drum, remove motor and resin parts, and withdraw saline solution (balancer). Washing machine designs vary widely by manufacturer and model and depending on the unit, special tools may be needed to remove an outer drum.



## 6. Television disassembly training

Participants take out a back cabinet, substrate, CRT, speaker etc. Screws to be loosened to remove parts are not indicated, which may result in slowing down parts removal work.

# Reduction of Environmental Impact in Products

## | Recycling

### | Recycling Used Home Appliances

Based on the Law for the Recycling of Specified Kinds of Home Appliances, known as the Home Appliance Recycling Law, the Sanyo Group, as a manufacturer of home appliances, collects and recycles used product units of the four specified items (air conditioner, television, refrigerator/freezer, and washing machine).

For fiscal 2008, a total of approx. 1,253 thousand used units of the four specified items were processed for recycling.

The recycling rates achieved were: 91% for air conditioners, 90% for televisions, 77% for refrigerator/freezers, and 88% for washing machines.

#### ■ Recycling Performance of Specified Kinds of Discarded Home Appliances

Category	Air conditioner	Television	Refrigerator/Freezer	Washing machine	Total
Units recovered at designated sites (thousand units)	181	354	355	375	1,266
Units processed for recycling (thousand units)	180	345	353	373	1,253
Weight of the units recycled or otherwise processed (t)	7,459	10,138	20,663	12,225	50,486
Weight of the units recycled (t)	6,853	9,214	15,957	10,863	42,888
Recycling rate (%)	91	90	77	88	-

\* "Units processed for recycling" and "Weight of the units recycled or otherwise processed" refer to the number and weight of the specified discarded home appliances that underwent processing necessary for recycling during fiscal 2008.

\* Values are rounded down to the nearest integer.

#### ■ Valuable Resources Recovered from Specified Kinds of Discarded Home Appliances

Category	Air conditioner	Television	Refrigerator/Freezer	Washing machine	Total
Iron (t)	1,809	1,173	8,511	5,223	16,718
Copper (t)	484	406	344	268	1,504
Aluminum (t)	1,105	4	78	82	1,271
Mixture of nonferrous and ferrous metals (t)	2,462	20	2,944	1,654	7,081
CRT glass (t)	-	5,298	-	-	5,298
Other valuable resources (t)	989	2,311	4,079	3,634	11,015
Total weight (t)	6,853	9,214	15,957	10,863	42,888

\* Values are rounded down to the nearest integer.

\* "Other valuable resources" include plastics and other.

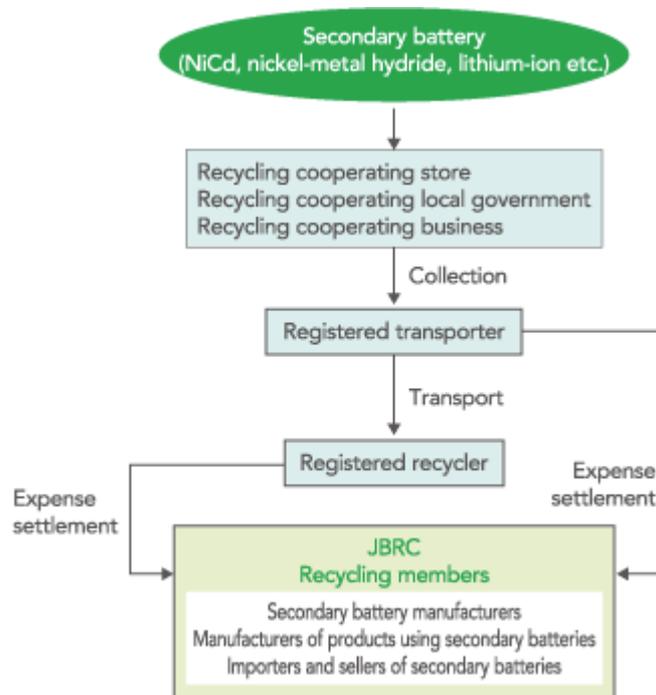
In Japan, the Law for the Promotion of Effective Utilization of Resources requires manufacturers of portable rechargeable batteries (secondary batteries) and manufacturers and importers of products using secondary batteries to collect and recycle used secondary batteries.

Voluntary collection and recycling of secondary batteries are being done through the collection system established and operated by the "Japan Portable Rechargeable Battery Recycling Center (JBRC)" with applicable enterprises being the operating members. Sanyo, as one of the founding parties of JBRC, plays a central role in the construction of collection routes, thus proactively addressing collection and recycling of secondary batteries.

The amount of used secondary batteries collected by JBRC is over 1,000 tons a year and it is increasing yearly. Regarding the recycling rate: Rate of Amount Reconverted into Resources (= Substance Quantity Reconverted into Resources x Metallic Element Content Percentage) to Collected Amount, over 70% has been achieved for NiCd and nickel-metal hydride batteries and approximately 60% for lithium-ion batteries.

In the future, Sanyo will proactively provide continued cooperation to JBRC and strive to increase the amount of used secondary batteries collected and recycled.

**Portable Secondary Battery Collection System**



To comply with the Containers and Packaging Recycling Law\*<sup>1</sup> every year the Sanyo Group calculates the annual consumption of containers and packaging materials and reports the result to the Japan Containers and Packaging Recycling Association. In addition, Sanyo is fulfilling its duty to recycle containers and packaging materials based on the recycling consignment contract concluded with said association.

Further, in response to a proposal of the Japan Business Federation in 2005 regarding formulation of "Voluntary Action Plan" to promote the 3Rs\*<sup>2</sup> for containers and packages, as a member of the consumer-electronics industry the Sanyo Group is doing the following.

\*1 Law for promotion of sorted collection and recycling of containers and packaging

\*2 Reduce, Reuse, and Recycle



Example of Packaging Materials Reduction (Eco Cute)

### Voluntary Action Plan for Promoting 3Rs of Containers and Packaging

1. Developing packaging technologies to minimize environmental impact in cooperation with various businesses in all packaging-related fields
2. Avoiding excess packaging and optimizing product strength to enable maximum protection with minimum packaging
3. Realizing improved environmentally-conscious logistics process to reduce the use of containers and packages
4. Offering consumer education to facilitate easy separate collection of waste materials

#### Used Amount of Container and Packaging Materials as a Container and Packaging User (unit: kg)

	Paper container	Plastic container	Cardboard
FY2008	128,905	192,333	6,872,038
FY2007	91,735	164,925	9,475,369
FY2006	102,742	147,947	9,549,067
FY2005	124,050	152,296	10,922,437
FY2004	185,835	148,690	10,618,329

#### Used Amount of Container and Packaging Materials as a Container and Packaging Manufacturer (unit: kg)

	Paper container	Plastic container	Cardboard
FY2008	81,074	83,657	2,446,418
FY2007	80,264	105,516	4,474,889
FY2006	79,481	94,705	4,684,110
FY2005	99,318	121,196	5,483,551
FY2004	167,364	90,595	5,296,347

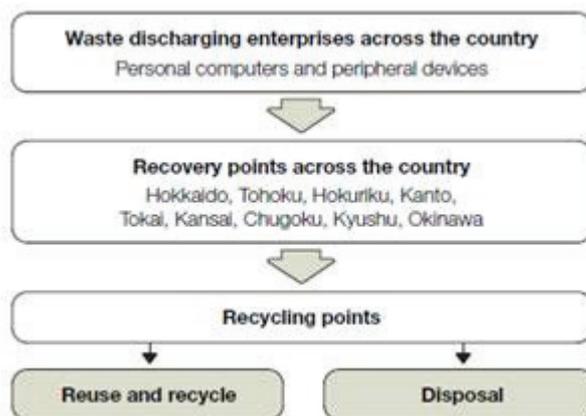
According to the “Law for Promotion of Effective Utilization of Resources<sup>\*</sup>” every PC manufacturer is obliged to recover and recycle used PCs which were manufactured by themselves.

To comply with this law, Sanyo has established a system to promptly recover our used PCs when it is requested by the customer.

In constructing this system, Sanyo designated distributors who can recover used PCs from anywhere in Japan and waste treatment providers who can recycle them.

<sup>\*</sup> Law for Promotion of Effective Utilization of Resources

■ Recovery system of Business-use PCs



■ FY 2008 Results for the Collection and Recycling of Used PCs

Component		Weight Collected (kg)	Units Collected	Amount Recycled (kg)	Amount Reused (kg)	Re-usage Rate (%) <sup>*</sup>
Desktop PC	Business	29,136	2,826	29,451	22,035	74.8
	Household	314	20			
	Total	29,450	2,846			
Laptop PC	Business	789	177	942	486	51.6
	Household	152	53			
	Total	941	230			
CRT Monitor	Business	7,604	793	11,608	9,027	77.8
	Household	4,003	320			
	Total	11,608	1,113			
LCD Monitor	Business	894	119	916	638	69.6
	Household	21	5			
	Total	916	124			

<sup>\*</sup> The re-usage rate is the percentage of collected PCs that were reused, by weight.

# Reduction of Environmental Impact in Products

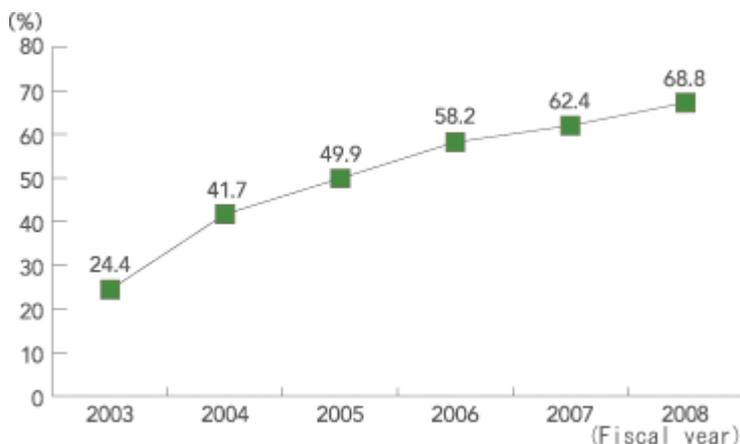
## | Making All Products Environmentally Conscious

When developing a new product, special attention should be paid to the various impacts that the product can have on the environment. The Sanyo Group makes it obligatory that all new products be compliant with the "Group Product Assessment Regulations," "Group Green Procurement Regulations," and "Group Management Regulations for Environmentally Hazardous Substances in Products," so that all Sanyo products, including general home appliances, industrial equipment, and components, be environmentally-conscious.

Among these environmentally-conscious products, those having cleared the internal standards set by the Sanyo Group are called "Advanced Environmental Products." Sanyo has also selected products with the highest-level of environmental consideration in the industry from among its Advanced Environmental Products and calls them "Top-level Environmental Products." Sanyo is working to expand the sales share for these products with targets set in the Environmental Action Plan. In fiscal 2008, Top-level Environmental Products accounted for 16.1% of total sales, surpassing the target of 10%, while Advanced Environmental Products accounted for 68.8% of total sales, just under the target of 70%. This was a result of sales for products in the industrial and electronic component fields falling below planning levels in the second half of the fiscal year.

Along with accelerated development of environmentally-conscious products, Sanyo is changing the basis of its management targets for these products from the previous "sales compared to total sales," to the "number of models in development compared to total models in development." The entire Sanyo Group is working to ensure that 100% of models in development are environmentally-conscious products, by fiscal 2010.

### ■ Share of Advanced Environmental Products in Total Sales



## | Examples of Top-level/Advanced Environmental Products

### Energy Generation

#### HIT Solar Cell Module HIP-210BKH5



One module reduces annual CO<sub>2</sub> emissions by about 77 kg<sup>\*1</sup>. Product certified with the Eco Mark of the Japan Environment Association.  
<sup>\*1</sup>. Based on a module in Osaka positioned at a 30-degree angle facing directly south.

### CO<sub>2</sub> Emission Reduction

#### eneloop bike CY-SPA226, SPE226, SPE224, SPF226, SPF224, SPH227



In auto mode, realized about 1.8 times the traveling distance with continuous travel using the Sanyo standard pattern, compared to standard mode without loop charging.

## Energy Conservation

### IC Recorder ICR-RS110MF/RS110M



Approximately 53.5 hours of continuous use is possible with just on size AA battery. The world's longest run time. (As of February 2009 with built-in radio and linear PCM recorder, source: Sanyo's internal data).

## Energy Conservation

### CO<sub>2</sub> Incubator MCO-19AIC(UVH)

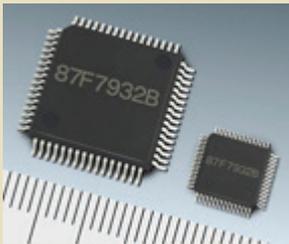


Lowest power consumption in the industry during the decontamination <sup>\*2</sup> process, based on the realization of the industry's first hydrogen peroxide gas high-speed decontamination method. (Power consumption in the decontamination process is about 312 W, about 1/8th or less than an equivalent device using the dry heat sterilization method).

\*2 Using chemicals to remove contaminants such as radioactive or harmful chemical substances from facilities, equipment, and clothing

## Energy Conservation

### Ultra-low Power 64-pin Flash Microcontroller LC87F7932B



Realized the industry's lowest current consumption of 0.5 $\mu$ A during clock operation. Helps make electronic devices more energy saving through lower power consumption (As of October 27, 2008, source: Sanyo's internal data).

## Resource Conservation

### High-definition Digital Movie Camera DMX-WH1E



Achieved about 30% reduction in packaging volume, and about 20% reduction in packaging weight, compared to a previous model (DMX-WH1).

## Resource Conservation / Water Conservation

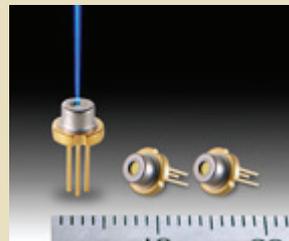
### Drum-type Washer/Dryer AWD-AQ4000



- No need for water or detergent to clean lightly soiled clothes in machines equipped with Air Wash function.
- Speed wash in 39 minutes.
- Uses 68 liters of tap water in water-saving mode.
- Bath water can be used up until the final rinse, using the sanitizer function (5 liters of tap water used).

## Resource Conservation

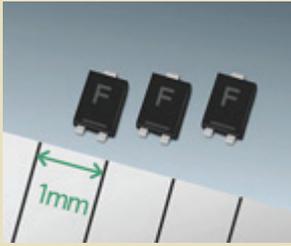
### Blue-violet Laser Diode DL-4146 Series



Realized a 62.5% reduction in size by shrinking the laser device installed in the first model.

### Resource Conservation

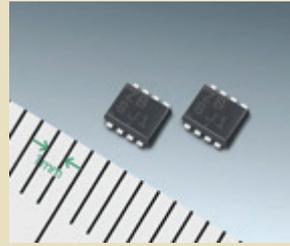
#### Industry's Smallest Junction FET for Electret Condenser Microphone TF246 Series



Smallest size in the industry, and 71% reduction in packaging volume compared to before. Industry's top-class low-noise performance. Halogen-free for environmental friendliness.

### Resource Conservation

#### Ultra-small IGBT for Xenon Flash Used in Mobile Phones TIG058E8



Realized the industry's smallest mounting area, optimal for mobile phones equipped with cameras. Realized mounting height of 0.9mm. Achieved  $I_{cp}=150A$ , which is performance equivalent to digital camera applications (As of January 22, 2009, source: Sanyo's internal data).

### Reduced Use of Chemical Substances

#### Optical Pickup SF-DS28L



Completely eliminated polyvinyl chloride in RoHS compliant models.

## Standards for Environmentally-Conscious Quality Products

Level 3 (Environmentally-Conscious Quality Products)	
<b>Top-level Environmental Products</b> Products that meet the level-2 standard and rank at the top in the same industry in one or more of the items on the right	(1) Small size and lightweight
	(2) Higher utilization of recycled components
	(3) Higher utilization of recyclable components
	(4) Longer life
	(5) Lower power and water consumption
	(6) Greater ease of disassembly
	(7) Reduced use of buffering agent
	(8) Other environmental measures incorporated
	(9) Environmental consciousness through an innovative concept
Level 2 (Environmentally-Conscious Quality Products)	
<b>Advanced Environmental Products</b> Products that meet the level-1 standard and achieve higher environmental performance in at least 3 of the items on the right.	(1) Resource conservation (higher utilization of recyclable components, reduced weight, longer life)
	(2) More effective energy conservation
	(3) Greater ease of recycling (indication of materials used, ease of disassembly)
	(4) Reduced use of chemical substances
	(5) Less packaging materials
	(6) Awarded an external prize
Level 1	
Products with environmental quality above certain levels Products that meet requirements under applicable laws and regulations and Sanyo's internal rules	(1) Group Product Assessment Regulations
	(2) Group Green Procurement Regulations
	(3) Group Management Regulations for Environmentally Hazardous Substances In Products

## Environmental Product Mark

SANYO Electric Group is promoting planning / designing / sales for environmentally-conscious quality products with lower impact on the global environment based on our brand vision "Think GAIA". Now, we have established an "Environmental Product Mark" which identifies products with high environmental performance including lower power consumption, lower CO<sub>2</sub> emission, water saving, resource saving etc.

We will offer environmental information to customers not only by placing this mark on the body of an applicable product but also by printing it on the product brochure and displaying it on the product website. Further, we will accelerate planning / designing / manufacturing / sales for such products as having qualified for this mark, aiming to become a "leading company for energy and environment."

### ◆Objectives of Environmental Product Mark

- 1.Proactive transmission of environmental information to customers and distributors
- 2.Acceleration of planning / designing / manufacturing / sales for products with high environmental performance, and
- 3.Promotion of group-wide awareness toward CO<sub>2</sub> reduction

From among those products that have met the internal standard to be called "Top-level / Advanced Environmental Products," the Environmental Product Mark shall be given to those products which meet the four criteria listed below.

A written description of environmental performance shall always be included with an Environmental Product Mark.

### ◎ Four criteria for environmental performance

- 1.Power consumption reduced (compared to same class model of a few years ago) or annual amount of CO<sub>2</sub> reduced (power consumption is converted to CO<sub>2</sub> amount)
- 2.Annual amount of CO<sub>2</sub> reduced (reduction by replacing a conventional model)
- 3.Reduction of water amount used (compared to same class model of a few years ago)
- 4.Volume of resources saved or mass reduced (compared to same class model of a few years ago)

### [Indication sample]

Environmental performance item	Environmental Product Mark	Product name, details of environmental performance etc.	Effect
Power consumption reduced (energy saving)		<p>[Product name] IH pressure rice cooker            [Product number] ECJ-XP1000            [Model compared to] ECJ-XP10 (mfg. in 2007)            [Description of environmental performance]            Annual power consumption reduced by 23.9%            Note: "Annual power consumption" is replaceable with "annual amount of CO<sub>2</sub> reduced" by calculating it with the CO<sub>2</sub> conversion factor.</p>	<p>- Power saving by using the unit            - Economical effect</p>

# Reduction of Environmental Impact in Products

## Development of Environmental Technologies and Products

The Sanyo Group is promoting the development of its own environmental technologies, including environmental purification and energy technologies. The R&D departments consider the level of environmental impact reduction as one of the selection standards for new R&D projects, and perform advance quantitative evaluation of expected environmental benefits for each R&D project based on internal standards. Sanyo also establishes annual targets for the number of basic research projects involving environmental technologies that are ready for transition to the application research and product development stages. By performing regular verification to ensure that selected R&D projects produce steady results within a planned development period, Sanyo is realizing rapid development of environmental technologies.

## Environmental Technologies and Products that Represent Sanyo

### High Performance HIT Solar Cells and Next Generation Thin-film Solar Cells

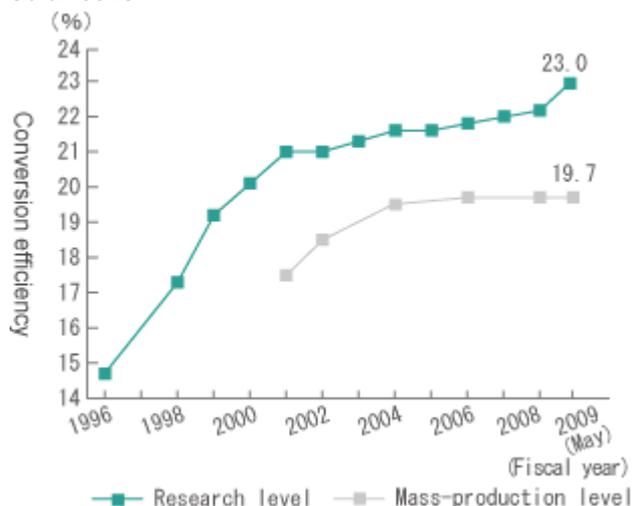
The Heterojunction with Intrinsic Thin-layer (HIT) solar cell is an original technology developed by Sanyo, and has a structure that combines a crystalline silicon substrate and an amorphous silicon thin film. In the practical size, it offers the world's highest energy conversion efficiency of 23%, on a research level. Through progressive application of this technology, Sanyo is now providing mass-produced solar panels with the world's No. 1\*<sup>1</sup> electrical generation capacity per unit of installation area. Sanyo Electric opened the Advanced Photovoltaics Development Center at its Gifu site in April 2008. The company has now established a structure to develop thin-film solar cells requiring only one percent of the silicon needed for the currently available crystalline solar cells. Since thin-film solar cells use less silicon, they contribute towards effective use of resources, and cost savings through the reduction of raw material. Moreover, these cells require less energy in manufacturing. Sanyo will continue to focus its management resources and enhance the development of even more advanced technologies.



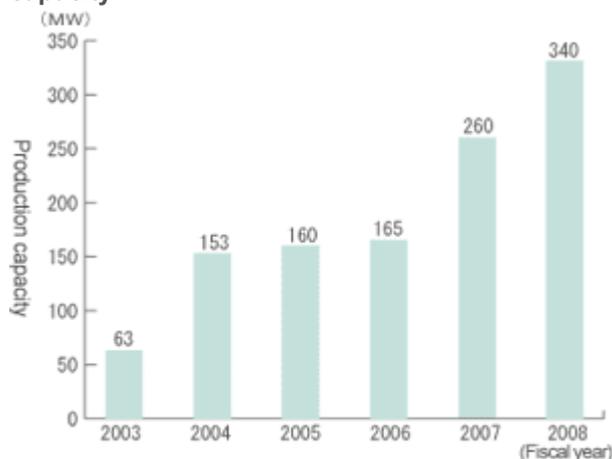
HIT solar module HIP-200BK5

\*1 According to a Sanyo survey. As of May 1, 2009, Sanyo's mass-produced solar power generation system for household use has a cell energy conversion efficiency of 19.7%.

### Changes in conversion efficiency of Sanyo's solar cells

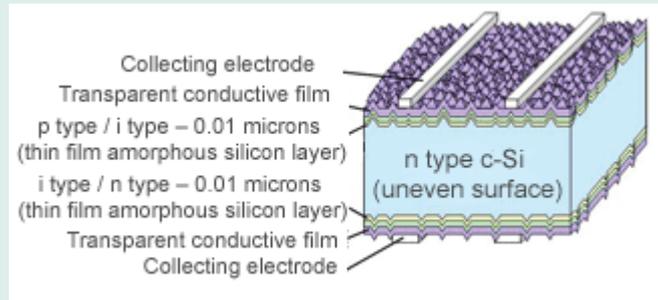


### Changes in Sanyo's solar cell production capacity



## HIT Solar Cell

Sanyo's HIT solar cell features a unique construction that combines technologies for crystalline silicon solar cell and thin film silicon solar cell. It offers a radical improvement in energy conversion efficiency, by inserting to a degree of 10 nm a non-doped intrinsic thin a-Si:H layer (i-type a-Si:H) between crystalline silicon (c-Si) and amorphous silicon (a-Si:H) doped on a p type and n type. The following are the main features of HIT solar cells.



HIT solar cell construction

1. Achieved the world's highest energy conversion efficiency in the practical size, as a silicon type solar cell.  
(In May 2009, announced the world's highest energy conversion efficiency of 23% in a 10 cm x 10 cm size.)
2. Offers both a thinner silicon wafer and improved energy conversion efficiency.  
(Achieved the world's highest conversion efficiency of 21.4% for a practical size silicon solar cell with a thickness of 100 $\mu$ m or less, using a wafer thickness of 85 $\mu$ m.)
3. Net annual power generation is great, due to a minimal decrease in summer output caused by higher temperatures (only half the decrease compared to a regular silicon solar cell).
4. World's No. 1 power generation per unit of installation area, on a mass production level.  
(As of May 2009, according to a Sanyo survey; based on a solar power generation system for household use.)
5. Sanyo's bifacial incident light type HIT Double solar panel offers the world's highest level of electrical generation performance, for light hitting either the front or back of the solar cell.

## Exhibiting at Solar Trade Shows

### Intersolar 2009: Europe's largest solar trade show

Dates: May 27 to 29, 2009 (3 days)

Location: Munich, Germany

Number of visitors: About 60,000

Marking the seventh time at this event, Sanyo exhibited its most advanced technologies, including thin film solar cells and its solar parking lot. The focus was on HIT Double bifacial photovoltaic modules that will be launched in Europe in the autumn of 2009.



Intersolar 2009

### Solar Power 2008: America's biggest solar exhibit

Dates: October 13 to 16, 2008 (4 days)

Location: San Diego, California

Visitors: About 24,000

Sanyo Energy (U.S.A.) Corporation exhibited at this trade show, and showcased the HIT Double. The company plans to raise the current capacity of the Monterey Factory by a factor of 2.5, to 50 megawatts. It is also in the process of building a new plant in Salem, Oregon in order to increase its production of ingot wafers used to make solar cells.



Solar power 2008

## Rechargeable Batteries for Hybrid Vehicles

Sanyo has been mass producing and supplying nickel-metal hydride batteries for hybrid electric vehicles (HEVs) to automakers such as the Ford Motor Company and Honda Motor Co., Ltd. The company has also been jointly developing next-generation nickel metal-hydride battery systems together with Volkswagen. Sanyo is responding to increasing demand for HEV rechargeable batteries by realizing optimal systems based its battery technology developed in various consumer product fields, and demonstrating its strength in technology for mass production with consistent quality.

In order to supply HEV lithium-ion batteries with a high level of safety and performance, Sanyo is now promoting the development of smaller, lighter, and lower cost batteries while improving the technology performance (safety, output, durability, and temperature resistance) necessary for lithium-ion batteries. In the area of safety, the company is promoting R&D into optimal cell structures and battery materials for overcoming the severe conditions associated with vehicle installation, such as over-charging, heat, and impacts.



Lithium-ion battery system for HEV (under development)

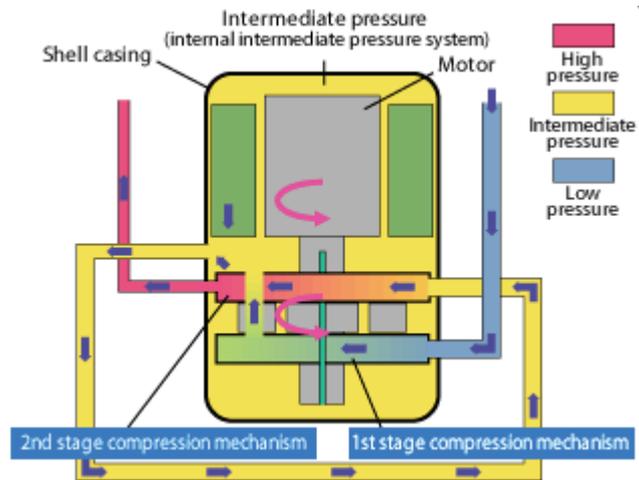
HFC refrigerants are gases that contribute greatly to global warming. In order to replace these materials in heating and cooling equipment, it has become necessary to develop natural refrigerants with low environmental impact. Since CO<sub>2</sub> is a gas occurring naturally in the atmosphere, Sanyo has been working on developing CO<sub>2</sub> compressors since 1998.

Since the natural refrigerant CO<sub>2</sub> requires an operating pressure that is 4 to 10 times greater than that of HFC refrigerant, it was necessary to develop a CO<sub>2</sub> compressor that is pressure resistant, has reliable sliding parts, is highly efficient, and lightweight. Faced with this challenge, Sanyo succeeded in developing the world's first CO<sub>2</sub> rotary 2-stage compressor, which pressurizes the CO<sub>2</sub> in two stages, from low to intermediate pressure, and then from intermediate to high pressure. This was done by using the shell interior to contain the intermediate pressure gas. The new design is a departure from the conventional single-stage compression, which raises pressure from low to high pressure all at once. As a result of this unique technology, the thickness of the compressor shell was reduced down to 65%, thereby halving the weight of the compressor, and realizing a radically more compact size.

Sanyo's CO<sub>2</sub> compressor is now being used in numerous products worldwide including heaters and water heaters, as well as in commercial refrigerators, freezers, and vending machines. This is thanks to its features of low power consumption resulting from the highly efficient two-stage compression technology, and the major benefits CO<sub>2</sub> refrigerant, which has a global warming potential (GWP) of 1.0 compared to conventional HFC refrigerants, which have GWPs of 140 to 11,700. By applying this technology to various heating and cooling equipment, Sanyo will continue to help fight global warming through its products.



CO<sub>2</sub> Rotary 2-stage compressor

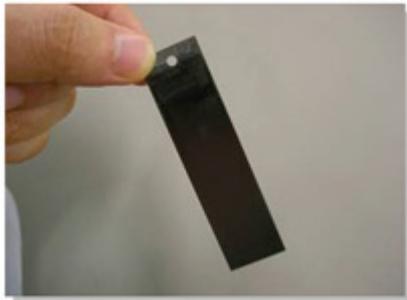


Features of CO<sub>2</sub> Rotary 2-stage compressor

Sanyo's electrolyzed water technology offers outstanding purification benefits, by performing powerful elimination of bacteria, suppression of viruses, and breakdown of organic substances. It does this through the creation of electrolyzed water that contains OH radicals and hypochlorous acid, based on the electrolyzation of tap water using chlorine-generating electrodes. Sanyo's unique electrolyzed water technology developed over many years has been applied to water and air purification, and the company has applied it to various products including the Aqua Clean System and the virus washer series.

As the next step in this electrolyzed water technology, Sanyo has now developed a unique electrolytic ozone-generating electrode, which contains a mixture of platinum (Pt) and tantalum oxide (TaOx), an insulating material. The electrolytic ozone-generating electrode is able to easily produce electrolyzed water containing activated substances with oxidizing power such as OH radicals and ozone, while also offering low power consumption\*2, with an electrode that does not contain environmentally harmful substances such as lead. This enables the creation of compact energy-saving electrolytic units. Moreover, since the new electrode can use a wide range of water qualities even in regions where chloride ions are scarce in the water supply, a large variety of applications can be expected, from commercial to consumer products.

\*2. Since this technology can create ozone using lower current density compared with a platinum electrode, the necessary power source is smaller, thereby producing less heat and saving energy. As of March 27, 2009, it offers the industry's lowest power consumption as an electrolytic ozone-generating electrode that does not contain any environmentally hazardous substances.



Electrolytic ozone-generating electrode

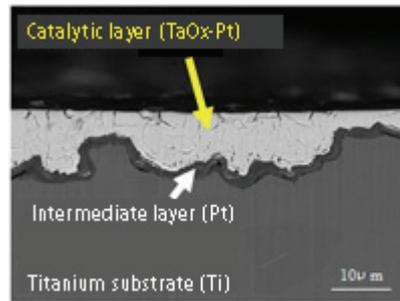


Photo of electrode cross-section

Eco-Store System Wins 2008 Eco-Products Award (Minister's Prize, the Ministry of Economy, Trade and Industry)

The "Eco-Store System" is an in-store integrated management system for supermarkets. It offers control for optimum energy savings through a master controller providing uniform energy management for in-store showcases, including refrigeration units for both frozen and chilled food showcases, and in-store air conditioning systems. Previously, these various systems and devices were operated through individual control systems, but by connecting each device to a communications network and by monitoring real-time operation conditions, the Eco-Store System is able to maintain optimum device operation, thereby ensuring food freshness while saving energy. As a result, supermarkets can achieve annual electrical savings for their refrigeration equipment of up to 23%. As of October 2008, approximately 300 stores across Japan have installed the Eco-Store System. On average, the expected reduction in annual CO<sub>2</sub> emissions for one store is approximately 60 tons, and based on that average, an annual reduction of CO<sub>2</sub> emissions for the currently installed systems is approximately 18,000 tons.



## Reduction of Environmental Impact in Business Activities

The Sanyo Group continues its efforts to reduce environmental impact in business activities with prevention of global warming, waste reduction, recycling of resources, and chemical substance control measures as top priority issues.

### | Prevention of Global Warming in Production Process

#### | Reducing CO<sub>2</sub> Emissions

With the aim of achieving "Carbon Neutral" status, the Sanyo Group strives to reduce CO<sub>2</sub> emissions from all of its business activities, including manufacturing, development, and sales.

While working to achieve the target set by the electric/electronic industry of Japan, which is "by fiscal 2010 reducing CO<sub>2</sub> emissions per basic unit of production output<sup>\*1</sup> by 35% from the fiscal 1990 level," Sanyo has set its own goals for the three areas of overseas manufacturing facilities, domestic manufacturing facilities, and GEMS, based on the Environmental Action Plan.

At its domestic manufacturing facilities, in fiscal 2008 CO<sub>2</sub> emissions per basic unit of production output were reduced by about 3% over the previous year. This was due to expanded sales of rechargeable batteries and solar cells, along with efficiency improvements for production of semiconductors and electronic components, as well as energy-saving measures for equipment and facilities. Gross CO<sub>2</sub> emissions were 637,000 tons, which is approximately 6% lower than the previous fiscal year.

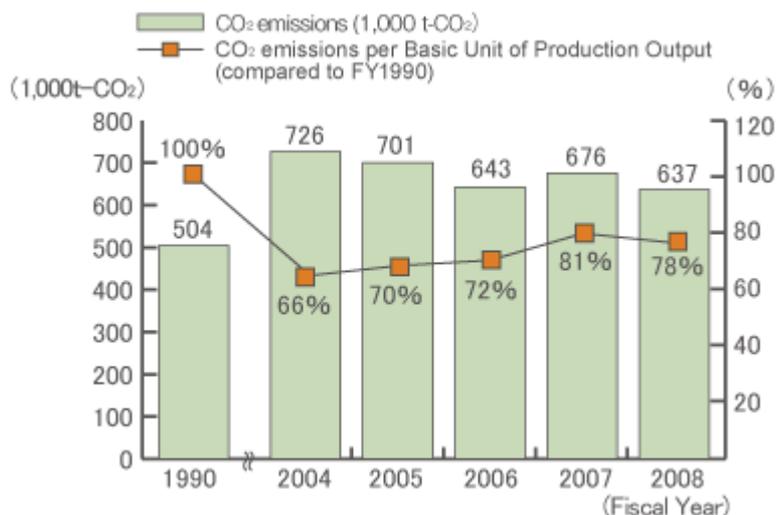
Through intensively promoting reduction of energy consumption of manufacturing equipment and air conditioners and efficiency enhancement/streamlining of the production process, Sanyo's manufacturing facilities work to minimize electricity/fuel consumption and maximize reduction of CO<sub>2</sub> emissions in the production process. Further, Sanyo is expediting introduction of fuels causing relatively low CO<sub>2</sub> emissions, such as natural gas and LNG (liquid natural gas), and new energy sources, including solar cells, cogeneration (natural gas), and waste heat utilization.

The rates of reduction for CO<sub>2</sub> emissions per basic unit of production output compared to fiscal 2006, under the Environmental Action Plan, were 2.1%, 1.2%, and 2.7%, respectively, for the areas of overseas manufacturing facilities, domestic manufacturing facilities, and EMS. These results all fell short of the respective targets of 3%, 2%, and 4%. Due to depressed sales and falling prices for parts, and production output in Japan and abroad decreasing far below planned levels, the energy-saving efforts in manufacturing processes were not sufficient to offset the non-variable emissions.

In the future, Sanyo will reduce its CO<sub>2</sub> emissions, and promote high energy efficiency in its manufacturing processes, by ensuring thorough and effective energy-saving measures especially to reduce fixed energy consumption. At the same time, the company will help fight global warming by expanding the use of rechargeable batteries and solar cells.

<sup>\*1</sup> CO<sub>2</sub> emissions per Basic Unit of Production Output = CO<sub>2</sub> emissions ÷ [gross production output ÷ corporate goods price index published by the Bank of Japan]

### ■ Changes in CO<sub>2</sub> Emissions (Manufacturing Facilities in Japan)



\* For the CO<sub>2</sub> emission factor for electricity purchased each fiscal year, the factor for all power source average (generating end) announced each fiscal year by the Federation of Electric Power Companies of Japan is used. However, since the CO<sub>2</sub> emission factor for fiscal 2008 has not been announced yet, the emission factor for fiscal 2007 was temporarily used, which is 0.453 kg-CO<sub>2</sub>/kWh.

\* Data in this table is calculated based on the GHG protocol. It should be noted that the data for each fiscal year is not absolute, because the number of facilities covered varies from year to year due to M&A.

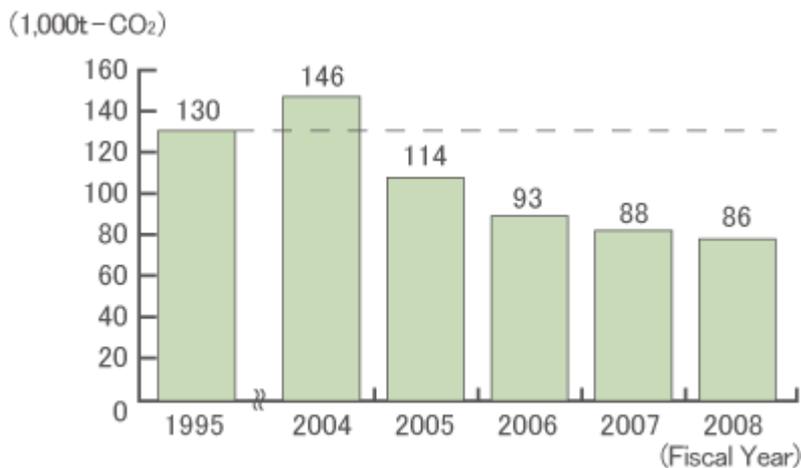
### | Curtailing the Emission of Greenhouse Gases Other than CO<sub>2</sub>

In the manufacturing process of semiconductors and related products, the Sanyo Group uses greenhouse gases other than CO<sub>2</sub>, such as perfluorocarbon (PFC), sulfur hexafluoride (SF<sub>6</sub>), and hydrofluorocarbon (HFC). In order to reduce emissions of these greenhouse gases, Sanyo is promoting their replacement with other substances, while improving manufacturing processes.

Specifically, regarding PFCs, in the semiconductor cleaning process Sanyo has implemented gas conversion from hexafluoroethane (C<sub>2</sub>F<sub>6</sub>) to perfluoropropane (C<sub>3</sub>F<sub>8</sub>) which has relatively small Global Warming Potential\*<sup>2</sup>. In addition, Sanyo is proactively considering shifting to carbonyl fluoride (COF<sub>2</sub>) which causes very little greenhouse gas after reaction. As a result, for fiscal 2008 the emission of greenhouse gases other than CO<sub>2</sub> was approximately 3% lower than the previous year (34% lower than in fiscal 1995).

\*<sup>2</sup> Global Warming Potential: An indicator representing the degree of effect on global warming. The degree is calculated based on CO<sub>2</sub> as "1."

### ■ Change in Greenhouse Gas Emissions Other Than CO<sub>2</sub> (Manufacturing Facilities in Japan)



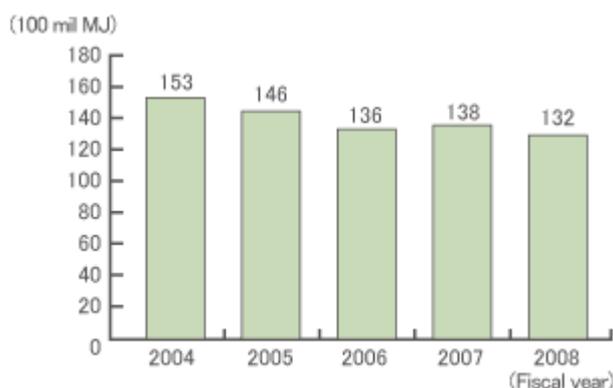
# Reduction of Environmental Impact in Business Activities

## Promoting Energy Conservation

By introducing cogeneration systems, Sanyo's factories and large-scale buildings utilize the exhaust heat generated through independent power generation to produce steam and hot water, which is then used for cooling and warming of production processes and facilities. The usage of the exhaust heat improves energy-use efficiency in production processes and thus contributes to energy conservation.

SANYO Semiconductor Co., Ltd. and SANYO Semiconductor Manufacturing Co., Ltd. are promoting the introduction of energy-saving equipment and facilities into their manufacturing sites, including turbo freezers, high-efficiency transformers, and free cooling systems. A free cooling system is one that allows water that is normally sent through a mechanical chiller during the summer, to be chilled by outside air with a cooling tower during the winter and cooler months. Since the chiller is not used in the winter, a lot of energy can be saved.

### Change in Energy Consumption (Manufacturing Facilities in Japan)



### Electricity Generated by Cogeneration Systems in FY2008 (Major Facilities in Japan)

Facility	Electricity generated (1,000 kWh)
Tokyo Plant	166,574
SANYO Energy Twicell Co., Ltd., Kaizuka Plant	3,983
Head Office Building No. 1	2,065
Head Office Building No. 2	3,484
Daito Plant	864
Total	176,970

SANYO Electric Logistics Co., Ltd. offers logistics solution services for storage, loading, shipping, and delivery using the 3PL system\*1. To reduce greenhouse gas emission, the company aims to realize comprehensive and consolidated distribution, and to do so utilizes the network that connects its bases and relevant companies to practice shared delivery and round-trip transportation which transports goods both outbound and inbound. The Sanyo group reduced its annual CO<sub>2</sub> emissions by about 700 tons in fiscal 2008, by promoting a modal shift from trucking to rail and sea transport, for the shipping of products from Tottori and Kanto (Gunma), where the company's main manufacturing facilities are located, to Hokkaido and Kyushu. Sanyo's Commercial Solutions Company has constructed a modal shift transport system together with Yamato Transport Co., Ltd., for the shipping of large commercial products such as kitchen equipment and refrigerated showcases between Koshigaya City, Saitama and Fukuoka City, Fukuoka. The Sanyo group also reduced its annual CO<sub>2</sub> emissions by about 1,300 tons in terms of total effect, by reducing the use of truck transport within Japan, through the unloading of imported products at ports closest to the regions where they are consumed.

\*1 3PL: 3rd Party Logistics. Practice of outsourcing services in which all corporate logistics functions are commissioned to one logistics agent.

**Joint Transport System with Yamato Transport**

Outbound: Large commercial products from Sanyo Electric Co., Ltd.  
 Inbound: Courier packages being shipped by Yamato Transport Co., Ltd.

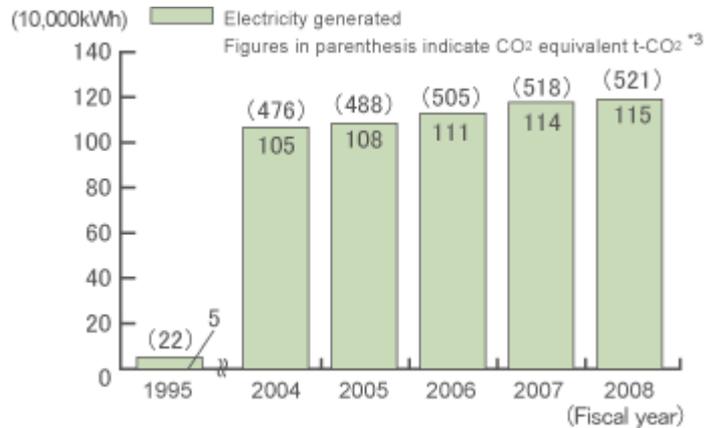


Pro-environmental Activities in Offices

The Sanyo Group intensively promotes energy-saving activities at the headquarters buildings, Sanyo office buildings, and leased buildings, such as setting air-conditioner thermostats at the specified temperature (28°C or higher for summer and 20°C or lower for winter), practicing "Cool Biz" and "Warm Biz," and turning off air conditioners, lighting, and monitors when not in use. Through air-conditioning control during summer (June - October) and winter (December - March), estimated CO<sub>2</sub> reduction of approximately 2,000 tons is expected. Further, in fiscal 2008 Sanyo again responded to the "CO<sub>2</sub> Reduction/Light Down Campaign" and turned off 42 neon signs on buildings of the Sanyo Group. From fiscal 2009, the company expects to create an annual CO<sub>2</sub> reduction effect of about 270 tons, by turning off 33 large neon signs after 8 p.m., throughout the year.

The Sanyo Group is striving to develop and disseminate clean energy technology using solar power and has introduced solar power generation systems at 10 major facilities in Japan to play a role in reducing CO<sub>2</sub> emissions. Solar Ark, Sanyo's large-scale photovoltaic power generation facility in Gifu Plant, which started operation in December 2001, has 5,046 solar panels covering the exterior surface. Its 630kW generating capacity is one of the largest generation capacities in the world, and approximately 590,000kWh was generated in fiscal 2008. The generated power is supplied to the plant via a substation located on the premises.

■ Changes in Electricity Generated by Solar Power Generation Systems<sup>\*2</sup> and CO<sub>2</sub> Equivalent (Major Facilities in Japan)



\*2 Estimate values are included.

\*3 The emission factor specified by the Federation of Electric Power Companies of Japan is used as the CO<sub>2</sub> emission factor. However, since the figure for fiscal 2008 has not been announced yet, the emission factor for fiscal 2007, which was 0.453kg-CO<sub>2</sub>/kWh, is used on a temporary basis.

■ Electricity Generated by Solar Power Generation Systems in FY2008 and CO<sub>2</sub> Equivalent (Major Facilities in Japan)

Facility	Electricity generated (kWh)	CO <sub>2</sub> equivalent (t-CO <sub>2</sub> ) <sup>*4</sup>
Gifu Plant	588,636	267
Saga SANYO Industries Co., Ltd.	128,385	58
Tokyo Plant	126,002	57
Tokushima Factory	78,259	35
SANYO Electric Logistics Co., Ltd.	58,086	26
Sanyo Building adjacent to Head Office Building No. 1	51,615	23
Shiga Plant	36,064	16
Head Office Building No. 1	27,263	12
SANYO Seimitsu Co., Ltd.	22,758	10
SANYO Energy Nandan Co., Ltd.	19,170	9
Shimane SANYO Electric Co., Ltd.	9,744	4
SANYO Energy Logistics Co., Ltd.	3,973	2
Total	1,149,955	521

\*4 The emission factor specified by the Federation of Electric Power Companies of Japan is used as the CO<sub>2</sub> emission factor. However, since the figure for fiscal 2008 has not been announced yet, the emission factor for fiscal 2007, which was 0.453kg-CO<sub>2</sub>/kWh, is used on a temporary basis.

# Reduction of Environmental Impact in Business Activities

## Controlling Waste Generation

Since fiscal 2006 the amount of final disposal by the Sanyo Group's domestic manufacturing facilities has been less than 300 tons out of the total waste generation of approximately 100,000 tons, which means that the industry's target for final disposal rate has already been reached. Currently, Sanyo is aiming to control its final disposal rate at the respective facilities to be under 0.5% while continuing to keep down the overall final disposal rate of domestic manufacturing facilities.

Overall results in fiscal 2008 were a total waste generation of approximately 80,000 tons and final disposal amount of 50 tons, resulting in a final disposal rate of 0.06%. At the same time, as for the non-manufacturing sector where reduction of final disposal rate is rather difficult due to the high general waste rate, research laboratories and the logistic division achieved a final disposal rate of under 0.5% in fiscal 2007. These efforts were continued in fiscal 2008.

Amount of waste discharged and final disposal rate (Domestic facilities of the Sanyo Group)



\* The Japanese electric/electronic industry group reached its waste-related target initially set for fiscal 2010 (maximum final disposal amount of 169,000 tons) in fiscal 2000 (final disposal amount of 139,500 tons). Since the amount of final disposal has continued to decrease thereafter, in fiscal 2006 its target setting was reviewed and the target amount of final disposal was revised and a final disposal rate was established as a new target indicator.

## Waste Reduction and Recycling in Offices

The Sanyo Group is striving to reduce office waste to achieve its final disposal ratio goal as well as to contribute to resource recycling activities through proper refuse separation. The following initiatives are being undertaken: 1. sorting waste material into 12 categories for easy disposal, 2. replacing primary batteries with rechargeable ones as the primary ones are used up, and 3. distributing organic fertilizer, which is produced from the garbage disposers at worksite cafeterias, to the local communities.

Also, used employee uniforms are collected and delivered to recyclers for disposal through a company which supplies the uniforms to the Sanyo Group. The uniforms are made from polyester and cotton. Once the polyester has been returned to its original material (dimethyl terephthalate) through a chemical recycling process, the material is reprocessed for use in making uniforms again and the residues (including cotton) other than polyester are processed into cement making materials.

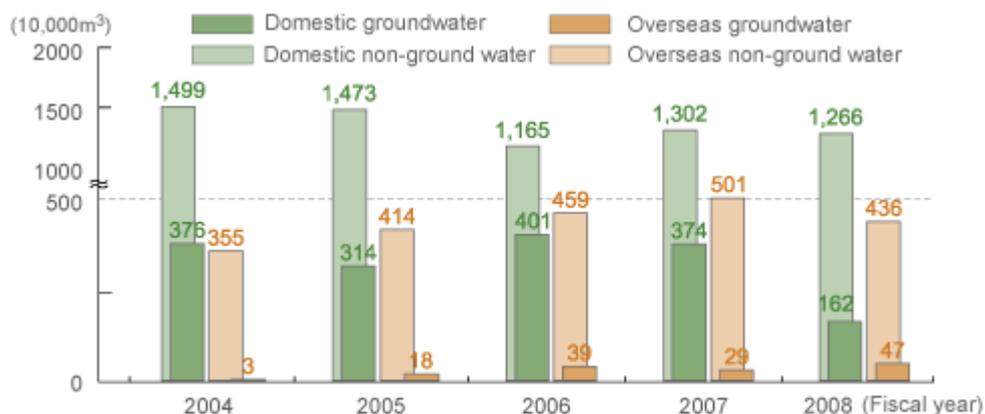
# Reduction of Environmental Impact in Business Activities

## Conservation of Water Resources

The Sanyo Group is promoting water recycling while working to reduce its water use. In fiscal 2008, the water consumption for Sanyo Group facilities worldwide was about 19.11 million m<sup>3</sup>, which represented a decrease of about 2.95 million m<sup>3</sup> over the previous year. This water conservation occurred mainly in Japan, for groundwater in particular.

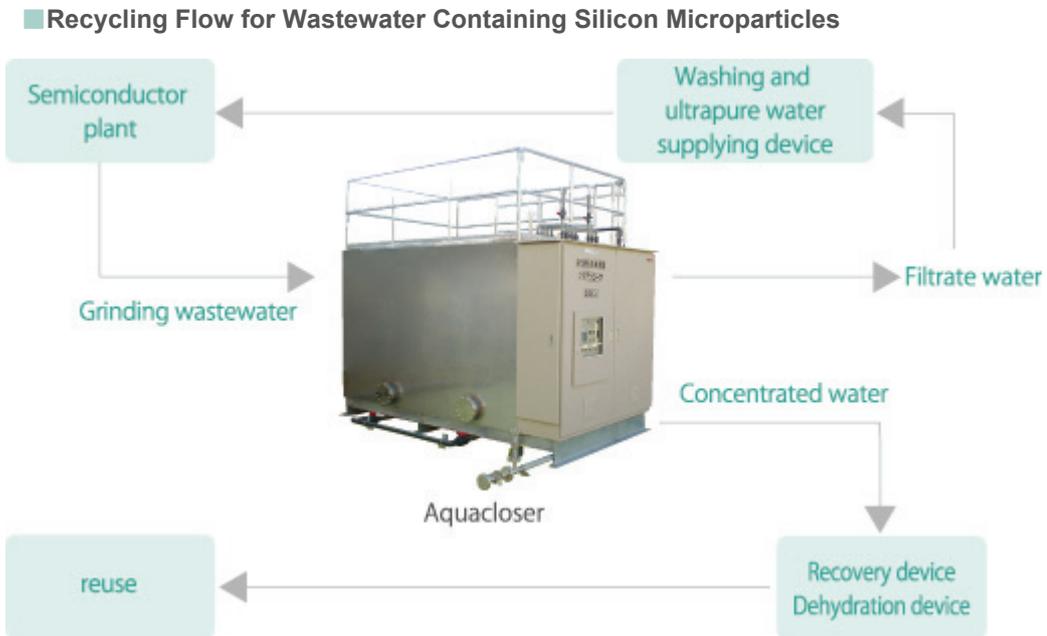
The semiconductor division, which is responsible for approximately 60% of the Sanyo Group's water consumption, has developed its own wastewater treatment technology. Water discharged from the manufacturing process is separated into silicon sludge and water. The separated water can then be reused as low-grade washing water and cooling water, or purified for reuse as ultrapure water. In this way, the Sanyo Group is developing comprehensive water usage measures for its plants.

### Changes in Water Consumption



- \* Non-groundwater is mainly industrial water and tap water, including water drawn from rivers and lakes.
- \* Groundwater is mainly well water, which is used in areas with abundant groundwater, such as at the foot of a mountain.
- \* The survey scope covers ISO14001-certified bases among all manufacturing bases worldwide. (A certain grace period is granted for some bases, such as new companies which have recently been ISO14001 certified.)

At the semiconductor division, pure water is used mainly for silicon wafer cutting/grinding. Water discharged from this process is separated into silicon sludge and water, and the separated water is purified for reuse as ultrapure water and also reused as low-grade washing water and cooling water. Thus, the entire Sanyo Group implements measures to promote factory-wide comprehensive utilization of water. Silicon recovered from silicon sludge is reutilized instead of being disposed of in a landfill.



To prevent its business activities from having serious impact on regional bio-diversity, the Sanyo Group addresses management of chemical substances and protection of water resources, and at the same time, makes constant efforts to protect bio-diversity through preservation of forested areas, protection of rare creatures etc.

At the Hanyu Plant of Kanto Sanyo Semiconductors Co., Ltd., a "Zero Water Discharge System" has been established to recycle water used in the production process for effective use in the plant. In addition, the plant has created a biotope space on the premises which is used to protect and cultivate a protected species "Aldrovanda vesiculosa," known as the waterwheel plant, by utilizing recycled water. Cultivated plants are divided and given to neighboring elementary schools etc. for use as supplementary study material.



Blossoming Waterwheel Plants (*Aldrovanda vesiculosa*)

# Reduction of Environmental Impact in Business Activities

## | Proper Management of Chemical Substances and Reduction of Chemical Substance Emission

The Sanyo Group conducted a survey based on its original chemical substance management system to find out how environment-polluting chemical substances are being released into the environment from its domestic manufacturing facilities including subsidiaries. Based on the findings of the survey, Sanyo is shifting to alternative substances and planning and implementing improvement of manufacturing processes and strengthening of management to control the release of such substances and reduce their environmental impact.

## | Pollutant Release and Transfer Register (PRTR\*)

The Sanyo group has identified the processes within our facilities including subsidiaries, where chemical substances that can pollute the environment are used, and has been conducting a survey to find out how these substances are released. Based on the finding of the survey, we are taking measures to control the release of such substances and reduce their environmental impact.

Approximately 15 facilities in Japan notify the relevant administrative bodies of the PRTR substances before June every year, in accordance with the PRTR Law in Japan.

### [Material Balance]



\*1 PRTR (Pollutant Release and Transfer Register) is a system to collect data, make reports, and disclose information on sources and quantities of harmful chemical substances released to the environment or transferred off-site in the form of waste.

## | Reduction of PRTR Substance Emission

In fiscal 2008, the emission of substances subject to PRTR Law into the environment by Sanyo's domestic manufacturing facilities was 47 tons. The major emission control measures taken include: (1) improving the processes (reduction of consumption of fluid chemicals etc.); (2) Substituting the applicable chemical substances (switching from oil-based coating materials to water-based/powder coating materials); (3) recovering emissions to the maximum extent possible; and (4) installing harm removal devices.

PRTR survey result for FY2008 (Manufacturing facilities in Japan)

(ton/year)

Substance name	Amount used	Amount released				Amount transferred			Amount consumed as products	Amount removed and treated	Amount recycled
		Amount released to atmosphere	Amount released to water system	Amount released into the soil	Total amount released	Amount transferred as industrial waste	Amount transferred to sewage systems	Total amount transferred			
Zinc Compounds (water-soluble)	69.20	0.00	0.04	0.00	0.04	0.00	0.00	0.00	66.05	0.00	3.12
2-Aminoethanol	32.94	0.66	0.00	0.00	0.66	32.28	0.00	32.28	0.00	0.00	0.00
Antimony and its compounds	3.54	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.53	0.00	1.02
Ethylbenzene	7.29	1.62	0.00	0.00	1.62	1.04	0.00	1.04	0.00	4.63	0.00
Ethylene glycol monomethyl ether	1.67	0.17	0.00	0.00	0.17	0.00	0.00	0.00	0.00	1.50	0.00
Ethylenediamine	5.36	0.42	0.00	0.00	0.42	2.45	0.00	2.45	0.00	2.49	0.00
Cadmium and its compounds	1,256.85	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,252.27	0.00	4.58
Xylene	37.41	13.37	0.00	0.00	13.37	9.70	0.00	9.70	0.00	14.35	0.00
Silver and water-soluble silver compounds	49.68	0.00	0.00	0.00	0.00	0.00	0.00	0.00	48.40	0.00	1.28
Cobalt and its compounds	1,513.16	0.00	0.00	0.00	0.00	0.26	0.00	0.26	1,443.38	0.00	69.53
2-ethoxyethyl acetate	1.03	0.21	0.00	0.00	0.21	0.00	0.00	0.00	0.00	0.82	0.00
Dichloropenta fluoropropane	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00
N,N-Dimethylformamide	1.28	0.45	0.00	0.00	0.45	0.83	0.00	0.83	0.00	0.00	0.00
Tetrahydromethyl phthalic anhydride	11.83	0.00	0.00	0.00	0.00	2.55	0.00	2.55	9.28	0.00	0.00
1,3,5-trimethylbenzen	7.03	0.79	0.00	0.00	0.79	0.00	0.00	0.00	0.00	6.24	0.00
Toluene	2.27	2.03	0.00	0.00	2.03	0.00	0.00	0.00	0.00	0.24	0.00
Nickel	3,240.80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,143.72	0.00	97.08
Nickel compounds	1,717.98	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,703.22	0.00	14.76
Aromatic nitro compounds	1.70	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.70
Hydrazine	1.40	0.00	0.00	0.00	0.00	1.05	0.00	1.05	0.00	0.35	0.00
Pyrocatechol	21.96	0.00	0.00	0.00	0.00	21.96	0.00	21.96	0.00	0.00	0.00
Phenol	7.31	1.13	0.00	0.00	1.13	4.81	0.00	4.81	0.00	1.37	0.00
Hydrogen fluoride and water-soluble salts	199.54	0.11	26.43	0.00	26.54	85.34	0.00	85.34	0.00	0.00	87.67
Manganese and its compounds	549.88	0.00	0.00	0.00	0.00	100.32	0.00	100.32	446.42	0.00	3.15
Dioxines(Unit in mg-TEQ /year)	1,232	179	0	0	179	1,053	0	1,053	0	0	0
Total	8,742.11	20.95	26.46	0.00	47.41	262.58	0.00	262.58	8,115.26	31.98	284.88

To Control emission of VOC\*2, a cause of photochemical smog, the revised Air Pollution Control Law requires business entities to take appropriate measures to collect data on VOC emitted to the atmosphere in the course of their activities, and reduce those emissions.

The Sanyo Group endeavors to restrain the emissions of VOC to the atmosphere at domestic 14 manufacturing facilities out of 33 manufacturing facilities including subsidiaries, based on self action plan made by electric/electronics industry group. 112 tons of VOC was released to the atmosphere by the Sanyo group in FY2008 that is 7% lower than previous year, but reduction rate of emissions was 76% as compared to FY2000 level.

\*2 VOC (Volatile Organic Compounds): Organic compounds that easily evaporate at room temperature, including methanol, isopropyl alcohol, toluene, benzene and xylene.

**Results of the Sanyo Group Voluntary Efforts to Curtail Emission of VOC**

(ton/year)

Fiscal Year	FY2000		FY2007		FY2008	
	Amount used	Amount released to atmosphere	Amount used	Amount released to atmosphere	Amount used	Amount released to atmosphere
4 Japanese electric/electronics industry group action plan Emission limitation Substances						
1. Isopropyl alcohol	601.0	63.1	360.1	23.1	284.8	24.6
2. Toluene	16.1	14.6	1.3	1.2	2.4	2.1
3. Acetone	117.0	57.3	55.5	7.3	39.4	6.8
4. Butyl acetate	264.3	85.6	140.5	14.0	99.5	10.5
5. Methanol	412.2	93.4	182.3	16.2	128.5	1.7
6. Xylene	112.1	57.3	55.9	20.8	39.7	14.5
7. Methyl ethyl ketone	8.9	3.1	8.3	4.0	2.1	2.1
8. Dichloromethane	2.0	1.6	-	-	-	-
9. Styrene	1.7	0.1	16.6	0.2	-	-
10. Ethanol	12.0	5.7	20.0	13.0	23	12.5
11. Ethylbenzene	-	-	11.0	2.7	7.1	0.9
12. Tetrahydrofuran	-	-	-	-	-	-
13. 1-Methoxy-2-propanol	88.9	2.7	158.7	7.3	134.3	11.9
14. 1-Butanol	11.2	0.9	41.6	0.0	58.4	6.1
15. Chloroform	-	-	-	-	-	-
16. Methyl isobutyl ketone	4.8	2.4	3.9	0.1	3.3	0.1
17. n-Heptane	201.1	81.1	101.7	10.5	64.6	5.7
18. Acetic ether	-	-	-	-	-	-
19. Trichloroethylene	1.7	0.5	-	-	-	-
20. Cyclohexanone	1.8	0.1	-	-	2.1	2.1
Total	1,856.7	469.4	1,157.5	120.4	889.1	111.5
As compared to FY2000 (%)	100	100	62	26	48	24

Note: Dash ( - ) indicates the amount of those facilities was less than a ton

Based on the Law Concerning the Recovery and Destruction of Fluorocarbons<sup>\*3</sup> implemented in April 2002, a number of service business sites of the Sanyo Group have been registered with regulatory authorities as a business entity that recovers fluorocarbons from commercial refrigeration/air-conditioning equipment to be disposed of. Recovery performance is reported from each site to the corresponding regulatory authorities. Meanwhile, an industry-association based survey is conducted every year on the amount of fluorocarbons recovered, not only from equipment to be disposed of, but also through service/maintenance activities. For fiscal 2008 the amount of fluorocarbons recovered by the Sanyo Group are CFCs: 325 kg, HCFCs: 15,490 kg, and HFCs: 55,726 kg.

\*3 Law Concerning the Recovery and Destruction of Fluorocarbons: Act on Ensuring the Implementation of Recovery and Destruction of Fluorocarbons concerning Designated Products

**Amount of Fluorocarbons Recovered by the Sanyo Group**

(kg)

	FY2004	FY2005	FY2006	FY2007	FY2008
CFC	797	207	362	321	325
HCFC	16,737	13,672	12,762	15,432	15,490
HFC	13,101	13,101	14,723	11,259	55,726

CFCs (chlorofluorocarbon): Chemical compounds CFC11, CFC12, and CFC113-115, which have high ozone depletion potential (0.6 - 0.1)

HCFCs (hydrochlorofluorocarbon): Chemical compounds HCFC123 and FCFC22, which have relatively low ozone depletion potential (0.02 - 0.055)

HFCs (hydrofluorocarbon): Chemical compounds HFC134a, HFC152a, HFC32, HFC143a, and HFC125, which have zero ozone depletion potential

**Management of Items that Contain PCBs**

Main PCBs-containing items possessed by the Sanyo Group include electrical condensers (about 300 units) attached to the buildings and condenser chips (about 110,000 units) recovered from some waste home appliances and old fluorescent ballast.

At the Sanyo group, we established the "Regulations for Controlling PCB-Containing Items" within the scope of Group Environmental Management System (GEMS) and obligate each facility to store PCB-containing items appropriately and report its storage to the relevant authority. On the other facilities beyond the scope of GEMS, we also apply the regulations to some company-owned buildings as well as related and collaborating companies to ensure appropriate control of PCB-containing items.

The removal of PCBs in Sanyo's possession is being carried in stages according to a disposal plan of the Japan Environmental Safety Corporation (JESCO), which performs PCB disposal.

# Reduction of Environmental Impact in Business Activities

## | Pollution Risk Survey and Information Disclosure

Since the mid 1990s, the Sanyo Group has conducted a survey on how organochlorine compounds and heavy metals have been used at its facilities and how such use has affected the soil and groundwater in the premises.

## | Measures to Control Contamination by Organic Chlorine Solvents

From the mid to late 1990s, the Sanyo Group conducted a survey on how organochlorine compounds were used at almost all of its manufacturing facilities including subsidiaries at 36 locations, and later at all the other facilities that were found to have used the compounds. As a result of the survey, contaminations higher than the environmental standard level were found in some facilities. We soon reported these contaminations to the relevant administrative bodies and took measures to decontaminate and excavate the contaminated soil.

### ■ Countermeasures Situation against Organic Chlorine Solvents

Facility	Contamination situation	Measures
Tokyo Plant	Trichloroethylene, etc.	Decontamination in progress
Shiga Factory	cis-1, 2-dichloroethylene, etc.	Decontamination completed
Kasai Plant No. 2 (Former Kyoei SANYO)	Trichloroethylene, etc.	Decontamination in progress
Former site of Sanwa Electric Co., Ltd. (Yamagata)	Trichloroethylene	Decontamination in progress

\* Former Kyoei SANYO Industry Co., Ltd. was absorbed by SANYO Consumer Electronics Co., Ltd. in January 2009, and changed its name to Kasai Plant No. 2.

## | Measure to Control Contamination by Heavy Metals

Since 1999, the Sanyo Group has been surveying contaminations by heavy metals at all of its manufacturing facilities including subsidiaries, first tracking how these facilities have used chemical substances and then conducting on-the-spot surveys. When contaminations were found in the premises, we took measures to decontaminate and excavate the contaminated soil.

### ■ Progress Status of Heavy Metal Contamination Surveys

Facility	Status of survey	Status
Tokyo Plant	Complete	No problems
Sumoto Factory	Complete	No problems
Tokushima Factory	Complete	No problems
Kasai Factory (Former Tokonabe Factory)	Complete	No problems
Research Laboratories	Complete	No problems
SANYO Mediatec, Mochizuki Factory	Complete	Countermeasures completed
Daito Plant	Complete	Countermeasures completed
Gifu Factory	Complete	No problems
Shiga Factory	in progress	Countermeasures partly completed
Other subsidiaries	in progress	-

# Environmental Management

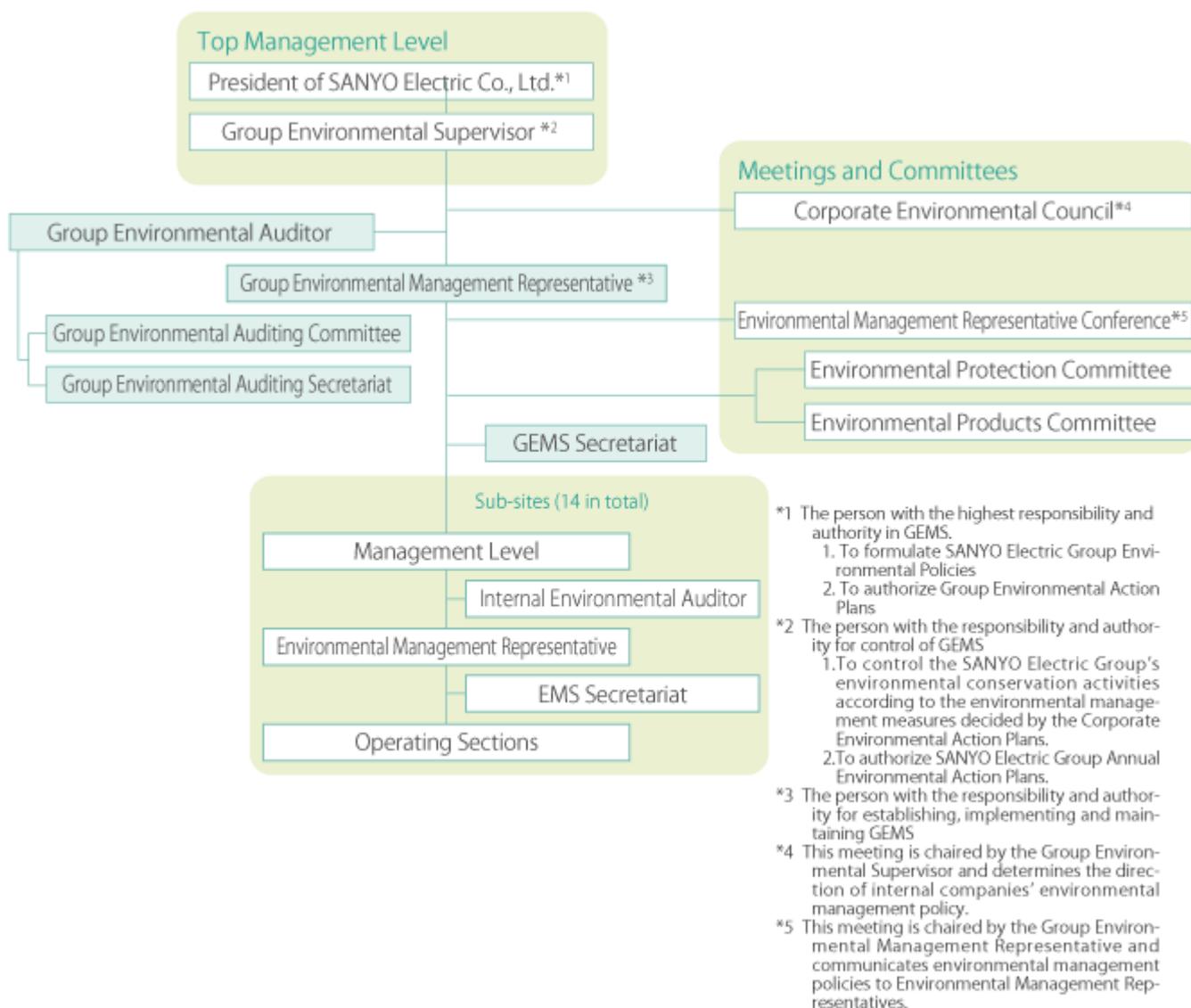
In transforming into a "leading company for energy and environment," the Sanyo Group is promoting groupwide environmental management to ensure a sound global environment while realizing a prosperous and secure society.

## Environmental Management System

With a view to promoting environmental management on a Group-wide basis, the Sanyo Group established the Group Environmental Management System (GEMS) to be the core of its environmental management in which major sites and sales bases as part of the domestic business divisions (internal companies, subsidiaries etc.) are integrated into one body to obtain ISO14001 certification. Under this system, each division in the integrated body is called a sub-site. Through this system, Sanyo ensures that the Sanyo Electric Group Environmental Policies will be fully observed, while expediting the decision-making process and promoting the Environmental Action Plan.

The GEMS Secretariat is responsible for supervising and measuring the progress of the Group Environmental Action Plan on a monthly basis and submitting a report to the Group Environmental Management Representative and the Group Environmental Supervisor. Respective sub-sites, in addition to the common targets presented by the Group Environmental Management Representative, set their own environmental targets based on the environmental impact assessment regarding their primary business and work to reduce environmental impact in day-to-day operations.

### Organizational Structure for Promoting Group Environmental Management System (As of March 31, 2009)



## | Identifying Significant Environmental Aspects

Once a year we conduct an "environmental impact assessment" (at GEMS, sub-site and operational division level) to clarify aspects of our corporate activities, products and services that affect or are likely to affect the environment. We then identify the aspects with significant environmental impact.

### Main Significant Environmental Impacts for GEMS

- Use of energy (electricity)
- Use of chemical substances (sodium hydroxide) as materials
- Use of chemical substances (nickel, nickel compounds, etc.) contained in materials
- Generation of industrial waste (sludge, waste oil, etc.)
- Generation of specially controlled industrial waste (waste alkalis, waste acids, etc.)
- Emission of PRTR substances into the atmosphere
- Research and development on themes important to the environment

## | Setting Objectives and Targets for GEMS

To ensure continued improvement of environmental performance with respect to significant environmental aspects, Group-wide mid-term targets (targets to be attained in three years) set by the President of SANYO Electric are incorporated into the Sanyo Group Environmental Action Plan. Based on this, the Group Environmental Supervisor develops annual targets and plans, and supervises their implementation. The GEMS Secretariat is responsible to supervise and measure the progress of the Group Environmental Action Plan monthly and submit report to the Group Environmental Management Representative and the Group Environmental Supervisor.

## | Environmental Management at Sub-Site

Following the instructions of the Group Environmental Management Representative, the sub-sites have set their own specific targets based on the Group Environmental Action Plan. The sub-sites also pursue improvement of "significant environmental aspects" based on their own objectives and targets, not included in the Group Environmental Action Plan. The environmental aspects that have been improved to a certain level are then reclassified as items that need maintaining, to which efforts are directed to maintain the current level.

## | Effects of the Environmental Risk on the Economic Aspects

The Sanyo Group considers the "possibility of physical impact on the global environment" and the "possibility of environment-related economic losses to be incurred by the Sanyo Group" as two major environmental risks, while specific environmental risks are identified by each sub-site within the group. The environment-related economic losses to be incurred by the Sanyo Group can include direct monetary losses and intangible damage to our corporate image that may lead to monetary losses in the future. To be specific, such losses include the followings.

1. The possibility of impact on the global environment, including natural disasters, accidents at facilities, and environmental pollution, and the possibility of economic losses of the Company caused by the above events.  
[Example] The Possibility of soil pollution by toxic substances in the coating material.

2. The economic damage to the Company in case of a negative impact on the global environment.  
[Example] The possibility of losing a sales opportunity in the case where a product contains a chemical substance that has a high environmental impact.
3. The possibility of economic damage to the Company caused by requirements concerning social environment including environmental regulations.  
[Example] The possibility of objections and demands from the local residents arising as a result of insufficient explanation of the construction works, etc.
4. The possibility of economic damage caused to the Company as a result of the actions of others that have negative effects on the global environment.  
[Example] The possibility of the brand value decreasing, caused by the illegal dumping of our refrigerators and its reporting.

## | Environmental Risk Management

The Sanyo Group has formulated and is promoting a range of measures to cope with environmental risks, and incorporates the measures which have been judged especially important as a result of environmental impact assessment in the Group Environmental Action Plan or subsites' objectives and targets to ensure these measures are implemented without fail. For items that have achieved the targets, we set higher targets. However, for items where no future improvement is expected from pursuing numerical targets, we set new targets from a different angle while striving to maintain the current situation.

## | Emergency Relief Measures

Emergencies are defined as unexpected events that can cause serious impact, such as pollution, to the environment beyond the control of a sub-site or outside its boundaries following a natural disaster or accident. Each sub-site carries out an environmental impact evaluation in the event of an emergency. The storage of large quantities of substances that can cause serious impact to the environment in the case of leakage is identified as a significant environmental risk that can cause an emergency situation. Such substances include: chemicals such as hydrofluoric acid, sodium hydroxide, and nitric acid; cadmium and its compounds; solvents and other chemical substances; and hazardous wastes (waste alkalis, waste acids and waste oil).

To cope with such emergencies, protective and preventive facilities and equipment are in place, and emergency procedures are set. These procedures are tested regularly and any inadequacies are reviewed and rectified.

To ensure information and instructions are given promptly and effective Group-wide action is taken in case of emergency, the Group Environmental Management Representative and the GEMS Secretariat conduct a simulation test every year assuming an emergency at a sub-site.

# Environmental Management

## | Continual Improvement through External and Reciprocal In-house Check

The ISO14001-certified facilities undergo assessment by an external body every year and each sub-site conducts internal environmental audits on a regular basis.

For GEMS overall, a "Group Environmental Audit" is conducted every year, where the group environmental auditors selected from each sub-site audit the activities of other sub-sites to verify the conformity with the requirements and the effectiveness of the internal environmental audit. The Group Environmental Audit enables sub-sites to share their cases of successful activities and achievements within the group and thus contributes to the improvement of the operation of GEMS.

Through the Group Environmental Audit for fiscal 2008, 21 findings were identified (no minor nonconformities and 21 cases requiring observation), which were many fewer than the 32 cases last fiscal year. This was due to a decrease in the number of sub-sites after organizational changes in April 2008, and the EMS activities promoted so far have taken root as part of daily operations. Even with the external audit in fiscal 2008, the ongoing GEMS improvements have been recognized, and continuing from the previous fiscal year, the inspection results were all "improved" for each sub-site and the integrated body of GEMS.

## | Environmental Education/Training for All Employees

Sanyo provides various educational opportunities on a regular basis to increase awareness of the need for environmental conservation and provide relevant knowledge for all employees within the scope of GEMS (approximately 29,000, including subcontractors working within the premises of the Sanyo Group).

In particular, employees who are involved in operations which may have significant impact on the environment, such as handling of boilers, cogeneration systems and chemicals, and those in charge of environmental laws and regulations are subject to specialized education and training and if necessary external training courses to prevent emergency situations and accidents from occurring.

For the associated companies that are independently ISO-certified, environmental education is provided based on the requirements by the corresponding standards. Further, for the purpose of training internal auditors crucial to the operation of the environmental management system, internal auditor training is conducted in-house on a regular basis.



Environmental education/training

## | Compliance with Environmental Laws and Regulations

Each sub-site ensures that information on all new environmental laws and regulations, as well as amendments to existing ones is obtained and communicated within the organization without fail, and does thorough and regular monitoring and checking of the various laws and regulations, as well as through compliance evaluation. Sanyo Group also endeavors to observe other requirements to which the group has subscribed, such as an agreement amongst industry groups. In addition, the Sanyo Group not only observes regional environmental ordinances of prefectural and municipal governments, but also sets voluntary standards higher than those of the ordinances to prevent any deviation from regulation values.

In fiscal 2008, there was a temporary deviation from regulation values relating to water quality at some of the sub-sites. However, the causes were investigated and correction measures were promptly put in place. The administrative authorities issued no instructions, cautions, orders, or penalties.

## | Environmental Accounting

To promote environmental conservation activities efficiently and effectively, the Sanyo Group introduced environmental accounting in fiscal 1998 as part of its environmental management. Through practicing it, Sanyo uniformly manages its environmental conservation activity performance to help improve activity contents and efficiency.

## | Calculation Method for Fiscal 2008

1. Environmental conservation costs (based on the Environmental Accounting Guidelines by the Ministry of the Environment)  
Investment amount: amount of expenditure intended for environmental conservation  
Expense: costs of labor intended for environmental conservation and depreciation expenses related to investments in environmental conservation
2. Environmental conservation effects  
Direct effects: the effects which have direct impact on the environment and which can be converted directly into a monetary sum
3. Environmental conservation indicators: calculation of environmental conservation achievements that are thought to have significant effect on the environment
4. Period of survey: April 2008 to March 2009
5. Scope of survey: 103 domestic and overseas related companies of the Sanyo Group with ISO14001 certification (52 companies in Japan and 51 overseas)

## | Environmental Conservation Cost

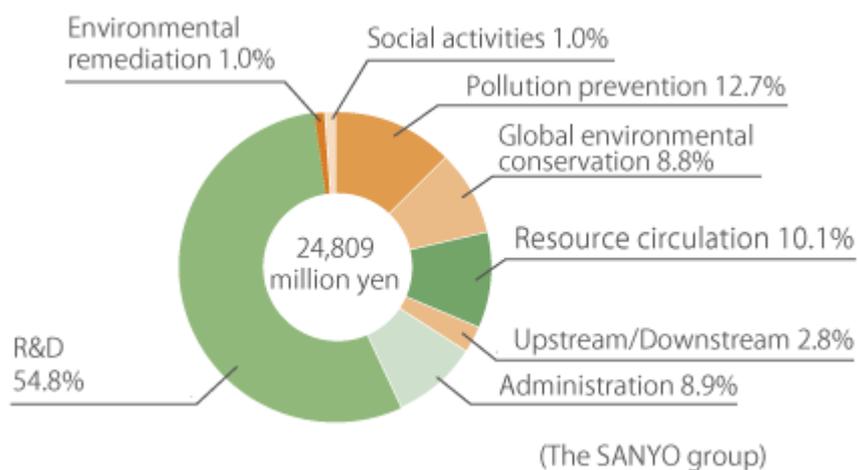
The fiscal 2008 environmental conservation cost was 24,809 million yen, and investment was 5,762 million yen. The cost amount has stayed much the same since fiscal 2007, while the investment amount increased 26%. In addition to R&D costs for environmentally conscious products, the main portion of the cost amount is the pollution prevention cost, including expenses for the installation of exhaust gas treatment facilities and maintenance of wastewater plants. The main cause for the increase in the investment amount was R&D investment relating to hybrid vehicle batteries, and investment in pollution reduction equipment arising from increased investment in solar cell manufacturing plants.

■ Environmental Conservation Cost (Upper: The Sanyo Group/Lower: SANYO Electric Co., Ltd.)

(million yen)

Item	Main contents	Investment	Expense
1. Pollution prevention	Installation of exhaust gas treatment facilities and maintenance of wastewater plant	1,339	3,144
		662	1,659
2. Global environmental conservation	Maintenance of cogeneration systems	943	2,185
		382	1,554
3. Resource circulation	Waste disposal	347	2,508
		141	885
4. Upstream/Downstream	Outsourcing of recycling	56	685
		11	189
5. Administration	Maintenance and operation of environmental management systems	164	2,205
		154	1,162
6. R&D	Research and development for environmentally-conscious products	2,855	13,584
		2,430	10,398
7. Social activities	Solar Ark programs	23	256
		19	133
8. Environmental remediation	Groundwater purification	35	242
		35	232
	Total	5,762	24,809
		3,834	16,211

■ Breakdown of Environmental Conservation Costs (Expenses)



| Environmental Conservation Effects

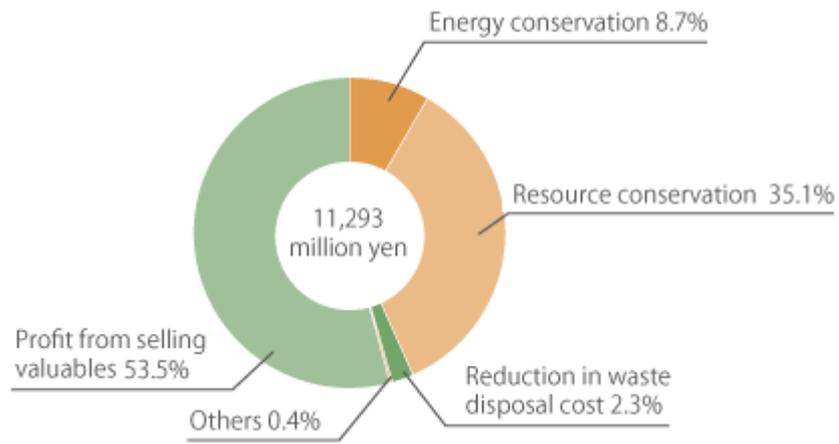
The fiscal 2008 environmental conservation effect was a direct effect of 11,293 million yen, which represented a 25% rise from fiscal 2007. The main cause for the increase was a reduction in the amount of materials used due to improvements in efficiency for the battery manufacturing process.

**Environmental Conservation Effect (Upper: The Sanyo Group/Lower: SANYO Electric Co., Ltd.)**

(million yen)

Item		Main contents	Monetary effect
Direct effects	1. Energy conservation	Reducing energy consumption through the introduction of electricity saving equipment	982 122
	2. Resource conservation	Reduction of chemical usage	3,958 3,784
	3. Reduction in waste disposal cost	Reduction of emissions of industrial waste	264 73
	4. Income from used paper collection	Sales of used paper	22 1
	5. Environment-related business activities	Environmental analysis	28 24
	6. Profit from selling valuables related to waste disposal and recycling	Profits on sale of scrap	6,039 3,703
	Total of direct effects		11,293 7,708
Indirect effects	1. Environmental education effect	Reduction of external training costs by using internal training	59 14
	2. EMS construction effect		36 2
	3. Reduction in payment of non-installment-type insurance premiums		1 0
	4. Improvement in operation rate and loss avoidance through accident prevention	Accident prevention measures	28 0
	5. Avoidance of remediation by preventing pollution	Preventing pollution outflow using groundwater purification equipment	511 510
	6. Reduction in payment for compensation, etc.		1 0
	7. Inserts on newspapers	PR activities involving articles on Sanyo's environmental products and initiatives	49 39
	8. TV coverage	Featuring solar products	7 3
	9. Access to environmental web site		85 84
	10. Writing environment-related research papers, award money, and lecture presentation		0 0
	11. CO <sub>2</sub> reduction effect	Introduction of electricity saving equipment	69 1
	12. Energy and resource conservation effects of environmentally-conscious quality products sold	Reducing energy consumption by customers through the sales of environmentally-conscious quality products	6,312 6,183
	13. Effects on reduction of chemical substance with environmental impact of environmentally-conscious quality products sold	Reducing environmental risk by selling environmentally-conscious quality products	3,518 0
Total of indirect effects		10,677 6,836	
Total effects		21,970 14,544	

■ Breakdown of Environmental Conservation Effects (Direct Effects)



## Calculation and Details of Indirect Effects

Indirect effect items	Details, calculation formula of effect
Indirect effect of education costs	
Environmental education effect	Environmental education conducted internally instead of attending external education programs $\Rightarrow \Sigma [\text{Internal environmental education participants}] \times [\text{Expense to attend external lectures}]$
EMS construction effect	EMS constructed internally instead of hiring external consultants $\Rightarrow \Sigma [\text{Number of new facilities constructing EMS}] \times [\text{Fee for external consultants}]$
Environmental risk avoidance effect	
Reduction in paying non-installment-type insurance premiums	Reduction when paying environmental-related premiums $\Rightarrow \Sigma [\text{Payment in previous year}] - [\text{Payment this year}]$
Improvement in operation ratio through accident prevention	Improvement in expected operation ratio and loss avoidance when measures are taken to prevent accidents $\Rightarrow \Sigma [\text{Sales}] - [\text{Sales cost}] \times [\text{Expected number of operation suspension days}] / [\text{Number of operation days}]$
Reduced water purification costs due to pollution prevention	Reduced purification costs when measures are taken to prevent pollution $\Rightarrow \Sigma [\text{Volume of heavy metal leakage}] \times [\text{Compensation cost per unit weight}] + [\text{Volume of soil pollution}] \times [\text{Unit price of purification}]$
Reduction in payment of compensation, etc.	Reduction in compensation when paying on an ongoing basis $\Rightarrow \Sigma [\text{Payment in previous year}] - [\text{Payment this year}]$
Environmental PR effect	
Articles in newspapers	Effects when environmental activities are introduced in a positive way $\Rightarrow \Sigma [\text{Article space of the page introducing Sanyo's environmental activities introduced in a positive way}] \times [\text{Advertising cost per space}]$
TV coverage	PR effects when Sanyo's environmental activities are introduced in a positive way on TV or other media $\Rightarrow \Sigma [\text{On-air time introducing Sanyo's environmental activities in a positive way}] \times [\text{On-air advertising price}]$
Access to environmental web site	Monetary conversion of access to environmental web site $\Rightarrow \Sigma [\text{Number of environmental web site hits}] \times [\text{Access unit price}]$
Writing environment-related research papers, award money	$\Sigma [\text{Amount received}]$
Social contribution effect	
CO <sub>2</sub> reduction effect through the introduction of cogeneration equipment	Monetary conversion of CO <sub>2</sub> emissions reduction, other than activities leading to direct economic effects as a result of the introduction of energy conservation equipment $\Rightarrow \Sigma [\text{CO}_2 \text{ reduction volume}] \times [\text{CO}_2 \text{ reduction unit price}]$
Energy and resource saving effects for environmentally conscious products sold	Monetary conversion of energy resource conservation effects when using environmentally conscious products $\Rightarrow \Sigma [\text{Annual electricity cost of conventional or previous models}] - [\text{Annual electricity cost of environmentally conscious products}] \times [\text{Number of sales}]$
Environmental impact chemical substance reduction effects for environmentally conscious products sold	Monetary conversion of reduced chemical substances contained in environmentally conscious products sold $\Rightarrow \Sigma [\text{Compensation cost per unit weight}] \times [\text{Reduced weight per unit}] \times [\text{Number of sales}]$

# Global Environmental Performance Data

## Global Environmental Performance Data

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

In fiscal 2008, the total energy input for the worldwide manufacturing facilities of the Sanyo Group was about 20 billion megajoules, with a ratio of 2:1 for manufacturing facilities in and outside Japan. The corresponding greenhouse gas emissions were about 1.3 million tons including other types of greenhouse gases.

### Domestic Production Facilities

Item		FY2007	FY2008
Total energy input	Electricity, fuel (MJ)	13,844 million	13,158 million
Greenhouse gases <sup>*1*2</sup>	Total emission (t-CO <sub>2</sub> )	725 thousand	724 thousand
Waste <sup>*3</sup>	Total amount of waste generation (t)	90 thousand	81 thousand
	Final disposal waste (t)	160	50
Substances subject to PRTR	Released amount (t)	42	47
NOx <sup>*4</sup>	Released amount (t)	222	200
SOx <sup>*4</sup>	Released amount (t)	15	12

### Overseas Production Facilities

Item		FY2007	FY2008
Total energy input	Electricity, fuel (MJ)	7,162 million	6,721 million
Greenhouse gases <sup>*1*5</sup>	Total emission (t-CO <sub>2</sub> )	579 thousand	555 thousand
Waste <sup>*6</sup>	Total amount of waste generation (t)	33,000 thousand	34 thousand
	Final disposal waste (t)	1,958	1,723
NOx <sup>*7</sup>	Released amount (t)	273	127
SOX <sup>*7</sup>	Released amount (t)	60	7

\*1 This includes carbon dioxide (CO<sub>2</sub>) and other greenhouse gases such as methane (CH<sub>4</sub>), dinitrogen monoxide (N<sub>2</sub>O), hydrofluorocarbon (HFC<sub>s</sub>), perfluorocarbon (PFC<sub>s</sub>), and sulfur hexafluoride (SF<sub>6</sub>).

\*2 The emission factor specified by the Federation of Electric Power Companies of Japan is used as the CO<sub>2</sub> emission factor for purchased electricity. However, since the figure for fiscal 2008 has not been announced yet, the emission factor for fiscal 2007, which was 0.453kg-CO<sub>2</sub>/kWh, is used on a temporary basis.

\*3 Includes data for non-manufacturing facilities in Japan

\*4 The coverage in FY2008 includes 36 domestic manufacturing facilities.

\*5 The CO<sub>2</sub> emissions factor used for purchased electricity is based on the 2003 emission factors by country released by the Japan Electrical Manufacturers' Association.

\*6 The coverage in FY2008 includes 46 overseas manufacturing facilities.

\*7 The coverage in FY2008 includes 46 overseas manufacturing facilities.

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 dialog with customers and business partners, while placing priority on safety and reliability of products and service.

## Improving Customer Satisfaction

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

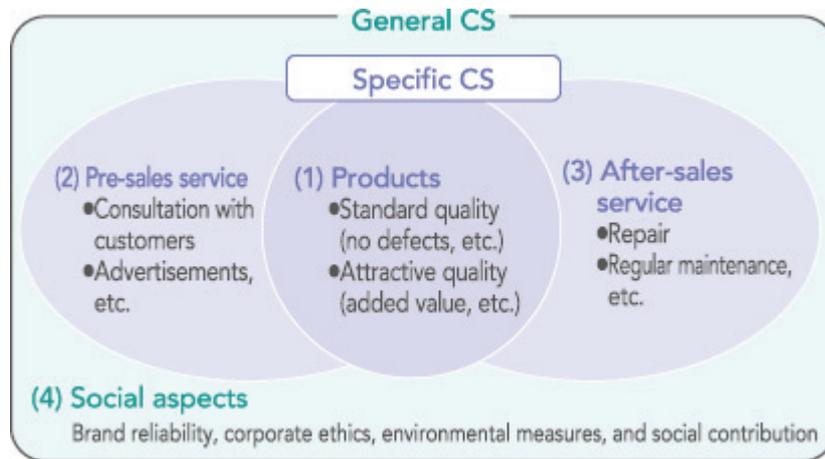
## Initiatives to Improve Management Quality

### Basic Policy for Management Quality Improvement

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

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

## ■ Elements of Customer Satisfaction(CS)



## | Measures to Enhance Overall Management Quality

The Sanyo Group has adopted the concept of the Japan Quality Program proposed by the Japan Quality Award\*, which is to develop organizational structures and corporate cultures for voluntarily evaluating and innovating the management system on a continuous basis.

Further, the Sanyo Group provides effective management quality education programs. In addition to setting up opportunities to attend lectures on management quality for the respective personnel levels from new employees to management in-house or outside the company, SANYO conducts its own original 2-day management quality training, primarily for managers at the corporate planning departments. Through this training, attendees are reminded of the importance of viewing things "from a customer's perspective" and their awareness is heightened for innovation of management quality, product quality, and review quality. In the future, the scope of personnel subject to this training is scheduled to be expanded.

\*The Japan Quality Award was established in 1995 by the Japan Productivity Center. This Award is presented to Japanese companies and other corporate entities displaying outstanding management qualities, selected in accordance with its own assessment criteria for innovative management practice to meet the changing needs of society.

# Together with Customers

## | Aiming for Higher Quality

### | Improving Quality, the Basis of Customer Satisfaction

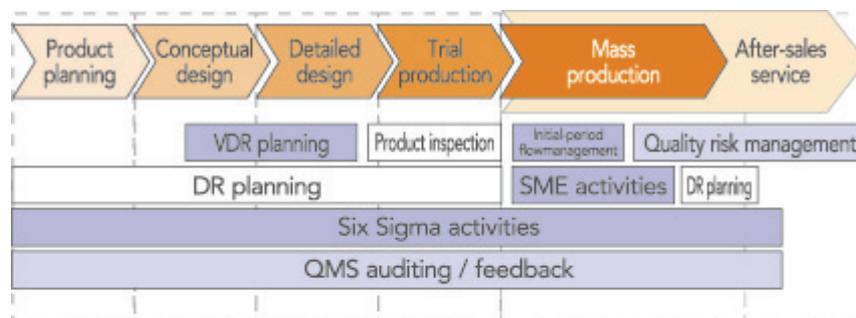
In the manufacturing business, product quality is the most fundamental element of customer satisfaction. The Sanyo Group's concept of product quality includes not just the safety, reliability, usability, and basic performance of the products themselves, but also the quality of service before and after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

In fiscal 2008, the head office quality department created a system for independent and objective evaluation and guidance provision for quality improvement activities and the Quality Management Systems (QMS) being operated and promoted at each Sanyo Group site. By making its Quality Management Systems function even more effectively, Sanyo is improving the safety, reliability and quality of its products.

### | Implementing Strict Product Inspection

At the quality assurance departments of the head office and various divisions, the Sanyo Group carries out multifaceted inspections of the products that it manufactures and sells, according to inspection standards and methods devised for each product category. The inspection standards include legally required standards, Sanyo's own standards relating to safety and performance, and criteria based on customer perspectives. Products that have some items identified by inspectors during the inspection that they do not meet all the requirements are subject to strict measures for improvement confirmation and shipment determination.

#### ■ 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

## | Evaluation of Product Safety

In order to provide customers with safe and reliable products, the Sanyo Group has prepared and implemented its own product safety standards in Japanese, Chinese, and English that surpass the stringent standards established by law and external agencies. These standards include clear product testing conditions, and ensure the creation of safe and reliable products by detailing examples of possible product accidents. A checklist has also been prepared to ensure that the standards are strictly followed.

Moreover, in order to evaluate and verify safety through actual testing, the Product Safety Test Lab located at Sanyo's Tokyo Plant actually burns products and components, and shares the results with each operating division for use in product development and design.

## Quality Problems in Fiscal 2008

In fiscal 2008, Sanyo experienced quality problems with a microwave oven and a washing machine, which needed to be disclosed. Regrettably, this caused inconvenience to customers and retailers.

As Sanyo takes such incidents very seriously, an accident investigation committee consisting of external experts was formed, and measures were taken to completely eliminate the accident causes and prevent any reoccurrence.

Reports containing the investigation results were shared with all the quality departments in the Sanyo Group to serve as future reference cases. The preventative measures arising from these incidents were then reflected in the product safety standards, and will be utilized for preventative safety in the development of future products. The reports were also presented at a group-wide quality and customer satisfaction conference, and employees in not only quality and customer satisfaction departments, but also in various other departments, were reminded of the importance of putting safety and reliability first.

## Promoting Quality-related Training

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

The company holds internal briefings to ensure that the 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 are observed strictly.

The Sanyo Group has adopted the "Six Sigma" method as one way to improve quality, and carries out employee training using this technique. The "Six Sigma" is based on scientific statistical analysis, and involves investigating the cause of problems that occur in the manufacturing process along with measures to deal with them, in order to reduce process defect rates and improve quality. Each division is obtaining good results with this method. In order to have the "Six Sigma" method function effectively, it is necessary to train numerous project leaders called "Black Belts."

Accordingly, a group of mostly younger section chiefs 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. This activity has now also begun outside Japan, and in April 2008, 15 people from five companies in Southern China underwent Black Belt training in this region. The Sanyo Group plans to actively expand this activity in China and Southeast Asia, where it has many manufacturing subsidiaries.



Black Belt training in China

## | Providing Information to Customers

### | 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 28 different products. The guidebook is distributed to customers through retailers and repair personnel. Moreover, dedicated staff are available to provide the necessary information directly to customers who have contacted us through the Customer Center for questions about using their products.

Especially, announcements have been placed positively on our website to remind customers to stop using electric fans over 30 years old just before summer and to perform a self-inspection of their kerosene fan heaters just before winter. In any case, a toll-free number is set up to provide information on inspections and to answer customer questions. The Tender Loving Care Guidebook is also sent to customers to explain the self-inspections.

### | Important Notice concerning Product Safety

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

### | Providing Lecturers and Distributing Awareness-raising Videos

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

Sanyo Group includes "Appropriate Publicity and Advertising" in the "Code of Conduct and Ethics" and promotes publicity and advertising activities accordingly. In particular, based on the publicity/advertisement related laws and regulations, the JAA (Japan Advertisers Association Inc.) Advertising Ethics, 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.

Furthermore, we recognize that the main purpose of publicity/advertising activities is to communicate our development concepts and our messages put in the products, as well as product functions, in an easily understood manner so that our customers closely identify with them. For example, in a TV commercial for the waterproof "Xacti" digital movie camera, the point that the camera can be used in situations not possible for a conventional camera, was conveyed through the message that "Xacti" can capture the moment when a child opens his or her eyes underwater for the first time. This was meaningful to a lot of consumers, and sales of the camera rose as a result. In a commercial for the "eneloop" rechargeable battery, a child gave a simple talk on the economical benefits of reusing batteries, using a formula on a blackboard. In 2008, this commercial won the bronze prize in the TV commercial category of the 48th Contest of Advertisements that Enlighten Consumers, hosted by the Japan Advertisers Association.

## | Placing Importance on Customer Dialog

### | Call Centers Respond Directly to Customers

Sanyo has a range of specialized centers to provide information to and receive requests from customers. For example, the Customer Center provides general information to consumers about purchasing or using Sanyo home appliances and products. The sales desks at each of the Sanyo business divisions respond to corporate customers concerning industrial equipment and parts. Finally, the after-sales service and maintenance division answers all kinds of repair inquiries. The specialized staff at all of these centers are ready to listen to callers and strive to achieve customer satisfaction.

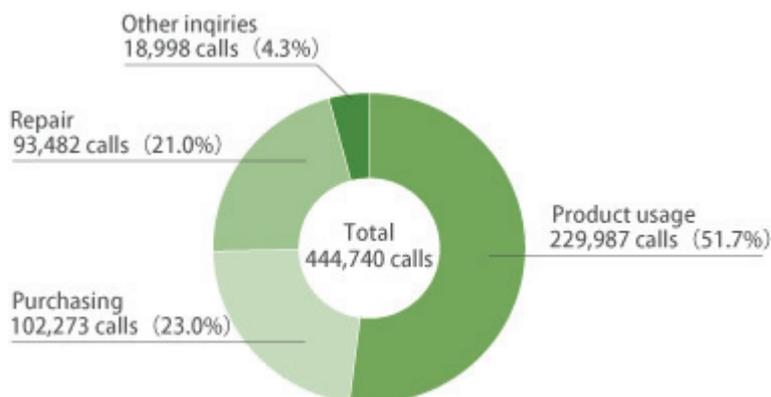
#### ■ Customer Center

The Sanyo Customer Center receives over 400,000 calls annually. In order to respond quickly and accurately to these requests and inquiries, an interactive voice response system (IVR) is used to connect callers to the relevant specialized staff without delay. The 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 (FY2008)



#### ■ Sales Desks in the Business Divisions

With corporate customers it is necessary to offer proposals for office equipment or parts that 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.

## ■ After-sales Service and Maintenance Division

SANYO Electric Service Co., Ltd., is the Sanyo Group's division for after-sales service and maintenance. In addition to providing service and maintenance for all Sanyo products and industrial equipment, this division also strives to improve customer satisfaction through various kinds of support activities ranging from proposals for optimal devices and systems to meet customer needs, to the design and building of these products. With a service network of 120 locations across Japan, the division is able to deliver fast and attentive repair service to customers. Keeping products in top condition through proper maintenance ensures the effectiveness of energy saving features and helps reduce the environmental impact of products.

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

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

## | Utilizing Customer Feedback in Product Development

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

## ■ Customer Feedback Reports and Opinion Review Meetings

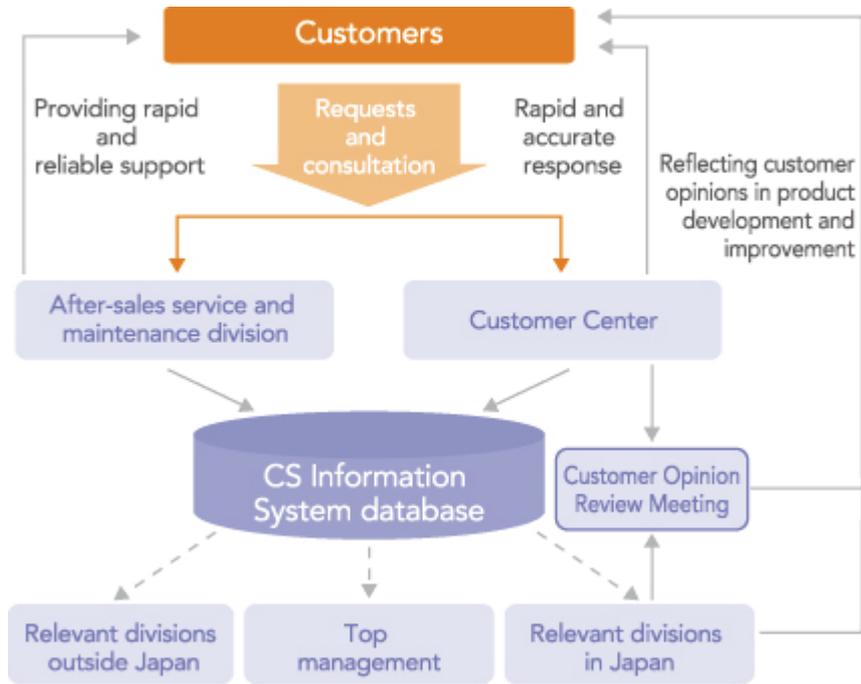
Every month the Sanyo Customer Center issues a report on feedback received from customers, and sends it to the divisions. The relevant division departments investigate the report content, send back their investigation results to the Customer Center before a deadline, and immediately take the necessary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

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



Customer opinion review meeting

■ Customer Information Flow and Feedback



■ SANYO e-LIFE CLUB and CS Voice Program

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

## | Efforts to Develop Universal Design Products

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

Universal design is realized through the following specific steps.

### ■ Having Designers Experience Customer Realities

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



Designers' experience

### ■ Clarifying Requirements through Customer Interviews

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



Customer interviews

### ■ Verifying Usability with Evaluation Tests

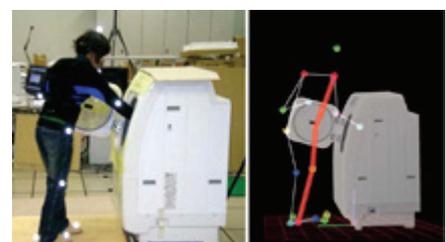
In the development stage, usability tests are carried out with simulators and existing products. By making repeated improvements for identified problem points and issues, the development team works to provide a product that is easier to use and that customers will be very satisfied with.



Usability evaluation tests

### ■ Objective Data Analysis based on Scientific Investigation

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



Scientific investigation

## ■ Sharing Knowledge through Guidelines and Development Tools

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



Inter-departmental committees

# SANYO's Universal Design Products

## SANYO's Universal Design Products

### ■ IH Pressure Rice Cooker ECJ-XP1000



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

### ■ Drum-type Washer/Dryer AWD-AQ3000



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

### ■ Wireless Bone Conduction Telephone TEL-KU2



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

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

### | Impartial and Fair Transactions

#### | Basic Purchasing Policy

Based on a Basic Purchasing Policy, 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.

### Basic Purchasing Policy

#### 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, we will promote global and open purchasing activities for optimal quality, prices and delivery.

#### 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 and Respect for Social Norms

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 2008, a total of nine seminars and briefings were held for about 500 employees. 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.

In order to prevent any violations of the Japanese Antitrust Law in its business activities, the Sanyo Group regularly implements Antitrust Law Compliance Surveys for managers in its sales, purchasing, technology, and manufacturing departments. The survey is based on a checklist prepared according to various guidelines provided by the relevant authorities. The survey participants are interviewed or complete a written questionnaire, and are told to make the necessary improvements when any issues are discovered. In fiscal 2008, the survey covered 575 employees, mostly managers in various departments.

## Strengthening Partnerships

### Active Communication and Participation

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



Suppliers' Conferences

### Development Purchasing Efforts

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

<sup>\*1</sup> 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 fulfill its corporate social responsibilities together with suppliers, the company has issued the SANYO Quality Control Guidelines. These guidelines indicate Sanyo's basic expectations of suppliers, and have been distributed to partner companies worldwide. The Sanyo Group also requires that suppliers ensure thorough compliance and participate in its green procurement program. This is achieved mainly through initiatives to prevent quality problems before they arise, based on Sanyo's quality policies and concept of product creation with safety first.

## Strengthening Global Procurement Abilities

In recent years, the group's procurement from China and Southeast Asia has rapidly increased. The amount of purchasing from southern China in particular is equal to about 20% of the group's entire procurement. Consequently, the international procurement center set in this region is promoting initiatives to improve the group's purchasing abilities, and to build relationships of trust with suppliers. As there is a growing trend towards local procurement in other parts of Asia besides the Northern and Eastern regions of China where part procurement and production capacity is high, Sanyo will promote the same initiatives in these other regions as well.

## Together with Stockholders/Investors

The Sanyo Group, in order to ensure sustainable progress with the supports of stockholders and investors, engages in investor relations activities with the stress on the disclosure of information and communications.

### IR\*1 Activities Based on the Appropriate Disclosure of Information

#### Policy for Information Disclosure and IR Activities

Sanyo discloses important information about our social responsibilities including financial and environmental aspects to stockholders, investors and other stakeholders with various backgrounds in an appropriate manner.

Aware of the importance of transparent, unbiased and continuous disclosure of information, we, freely and willingly, provide our stockholders and investors with information required under the timely disclosure rules of the stock exchanges in Japan, and also with presentation materials used in our IR meetings and others on our website.

By so doing, we assist stockholders and investors in understanding and evaluating our performance and making investment decisions, and seek to ensure smooth and equitable trading in securities (Sanyo shares and bonds).

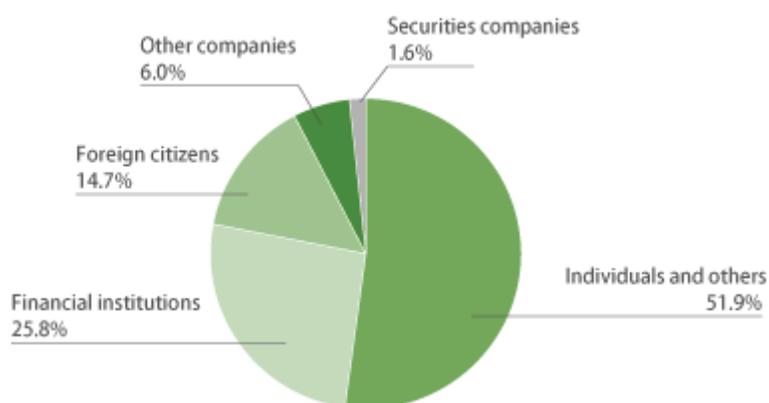
In conducting IR activities, we endeavor to continue to reflect the opinions of our stockholders and investors in our corporate activities not only by disclosing information but also by promoting direct dialogs with them in order to increase our corporate value.

\*1 IR (Investor Relations) : Publicity for stockholders and investors.

#### Total Number of Shares that can be Issued, Actually Issued, and Number of Stockholders\*2

Type	Total number of shares that can be issued	Total number of shares issued	Number of stockholders
Common shares	7,060,300,000	1,872,338,099	263,615
Preferred shares A	182,600,000	182,542,200	3
Preferred shares B	246,100,000	246,029,300	3

#### Stockholdings by Category of Stockholder (Common Shares)\*2



\*2 As of March 31, 2009

Sanyo seeks to meet the needs of stockholders and investors in different situations and with different requirements by its IR activities. Through these IR activities, the opinions we receive from stockholders and investors are immediately communicated from the departments responsible for IR to top management so that they can be reflected in future business and IR activities.

**■ Communications with Individual Investors**

We provide individual investors with information on a wide range of issues through our reports for stockholders ("SANYO NOW") and annual reports and other publications as well as on our corporate website. To provide all the investors with the necessary information in an easy-to-understand manner, such media present the Sanyo group's business performance and financial statements using many photographs and diagrams. At our General Meeting of Stockholders, attended by approximately 2,000 stockholders, our management personnel commit themselves to presenting the group's business performance in an easy-to-understand manner, and responding to questions and comments from stockholders respectfully.



Annual Report



SANYO NOW (Japanese Only)

**■ Communications with Institutional Investors and Analysts**

For institutional investors and analysts, the company holds explanatory meetings for our financial statements quarterly and IR meetings to explain corporate policy and business strategy by the management and the persons in charge of IR. We are also willing to accept individual requests for interviews by institutional investors and analysts whenever possible and perform the constructive dialog with. As a result, the number of interviews we received during FY2008 totaled 360.

**■ IR Information Disclosure on Our Website**

On our website we offer a wide variety of "Investor Relations" information, including our financial statements, fact books, annual report, information subject to the timely disclosure rules, and handouts distributed at financial results briefings, so that the investors will be able to understand the wide range of activities conducted by the Sanyo Group.

We are making efforts toward improvement of information retrieval so that our website may become more user-friendly.



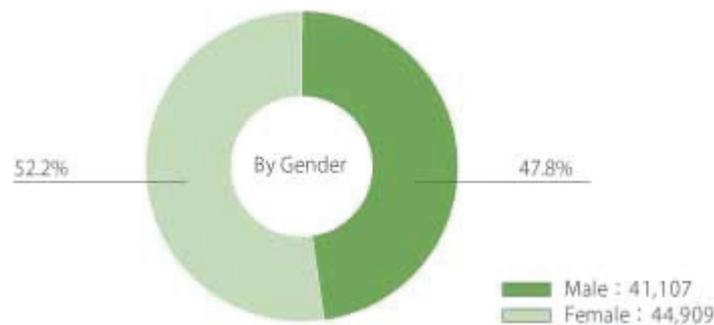
"Investor Relations" information on Sanyo's corporate website

Respecting the diversity of individuals, and creating workplace environments that allow all employees to fully realize their abilities and career goals.

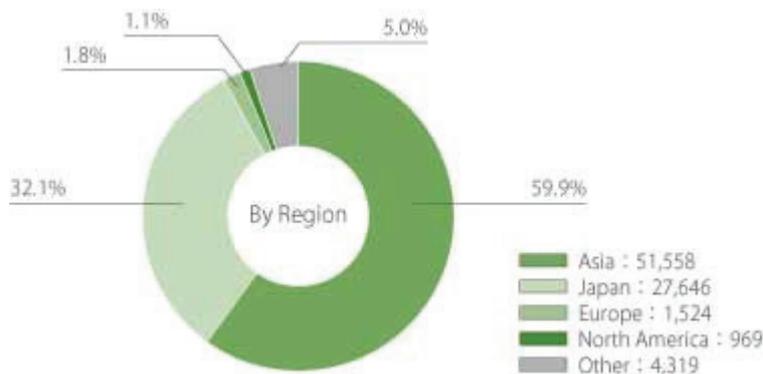
## Fair Employment

With operations on a global scale, the Sanyo Group employs 86,016 employees worldwide, as of March 31, 2009. The ratio of male and female employees is mostly equal, employment regions span the globe, and the Sanyo workforce is rich in diversity. Recruitment, hiring, promotion and training are carried out in an open and fair manner in every respect, according to the Sanyo Group's Principles of Conduct, and its Code of Conduct and Ethics. In addition to observing the relevant laws and regulations in each country concerned, Sanyo respects the intent of the UN's Universal Declaration of Human Rights, and the ILO's International Labor Standards. The individual rights of Sanyo employees are respected, and there is no toleration of discrimination and limitation based on race, religion, nationality, age, or gender.

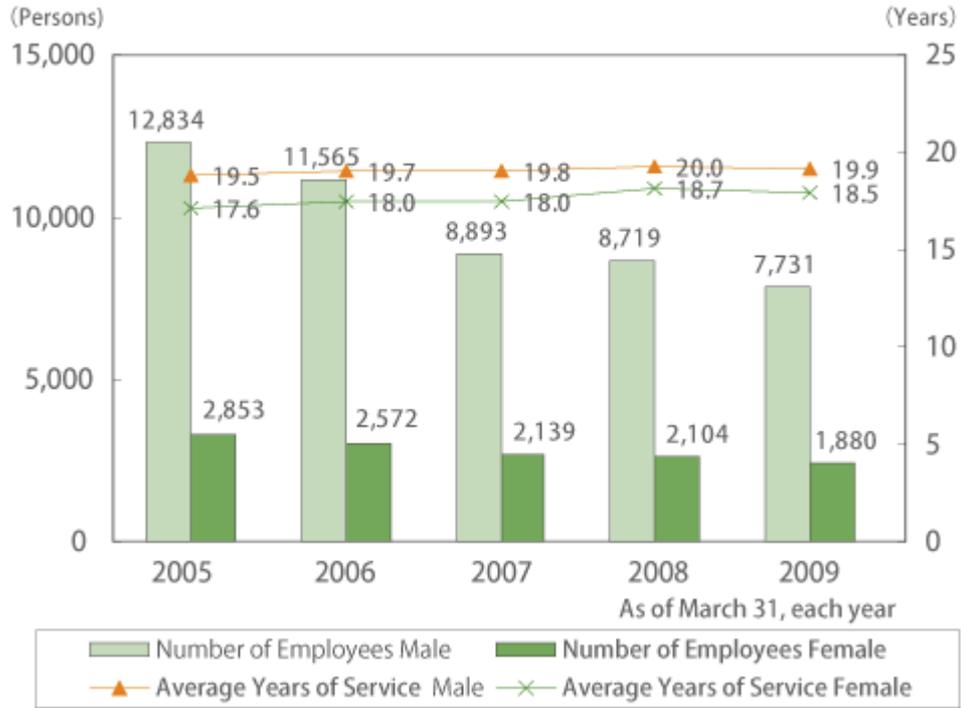
### Employee Breakdown by Gender in FY2008 (consolidated basis)



### Employee Breakdown by Region in FY2008 (consolidated basis)



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



■ Employment Data (non-consolidated)

		FY2006	FY2007	FY2008
Job type	Office worker	51	75	97
	Engineer	129	211	315
Gender	Male	162	258	348
	Female	18	28	64
New graduate/ Experienced	New graduate	141	110	226
	Experienced	39	176	186

## | Promoting Diversity

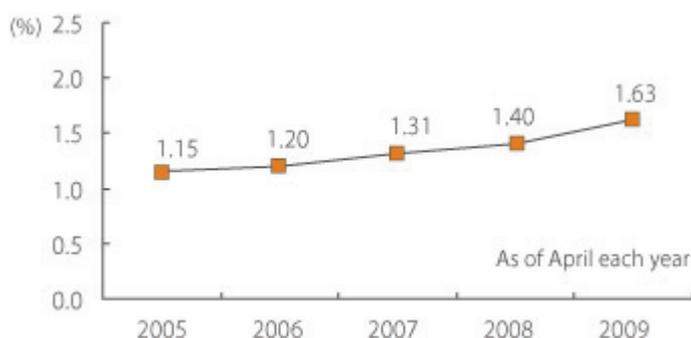
It is the diversity of individual Sanyo employees that helps create new value, and that serves as the driving force behind the growth of the company. Accordingly, Sanyo is working to address issues such as nationality diversity, creating opportunities for women, hiring persons with disabilities, and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

## | Promoting the Role of Women

In order to further promote the role of women in the company, Sanyo has established a Positive Action Committee comprised of labor and management members, half of whom are female, both for labor and management. The committee actively discusses issues relating to the proper evaluation and treatment of men and women, and initiatives based on these discussions have steadily produced results. Women now have a greater role in many divisions, including planning, sales, and technology development.

In fiscal 2008, a Sanyo Women's Forum was held, and about 100 female employees participated. After a keynote speech by a female speaker from outside the company, role-model conversation sessions were held between female Sanyo managers<sup>\*1</sup> and regular female employees. The participants enjoyed lively discussions and shared their daily thoughts and concerns about issues such as managing work and family lives, as well as the relation between job satisfaction and advancement.

### ■ Change in the Percentage of Women in Overall Management Positions<sup>\*1</sup> (non-consolidated; including secondees to the group companies)



Role-model conversation sessions

<sup>\*1</sup> Defined as a management position of section manager or higher.

## | Creating Rewarding Workplaces for Employees with Disabilities

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

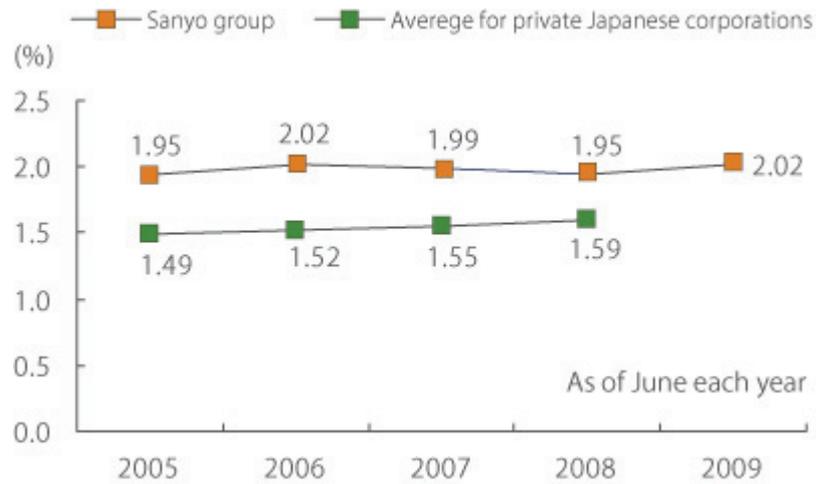
Currently, disabled employees are working at Sanyo sites across Japan where their abilities can be best developed, including two specially designated subsidiaries<sup>\*2</sup>. One is SANYO Heart Ecology Co., Ltd., which cultivates and operates a lease service for orchids and ornamental plants, while also creating and looking after flowerbeds, under the basic philosophy of blooming together in harmony. The other is Harima SANYO Industry Co., Ltd., which assembles electrical products such as high-performance massage devices and vacuum cleaners. The goal of this company is to enable persons with disabilities to share in our abundant environment.

The employment ratio<sup>\*3</sup> for disabled persons in the Sanyo Group is 2.02% as of June 2009.

<sup>\*2</sup> These are subsidiaries that must satisfy certain conditions, including employing those with disabilities for at least 20% of the workforce. Under the Japanese Law for Employment Promotion, etc., of the Disabled, the employees in these subsidiaries can be included in the calculation of the disabled employee ratio for the parent company.

<sup>\*3</sup> This calculation includes SANYO Electric Co., Ltd. as a parent company, two specially designated subsidiaries, and 7 subsidiaries authorized for consolidation in the disabled persons employment calculation.

### ■ Disabled Employee Ratios



### | Active Promotion of Locally Hired Human Resources

Along with the global expansion of its operations, Sanyo is carrying out local hiring at overseas sites in various fields including not just manufacturing, but also technology development, quality control, sales, and business planning. 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.

## | Creating Supportive Workplaces

### | Encouraging a Balance of Work and Family Life

The Sanyo Group is creating a welcoming work environment for both male and female employees who want to balance work and family life. Support programs for working parents have been created through the labor-management Committee for Measures to Support the Development of the Next Generation, and the company has been actively fostering a work environment where employees are aware of and utilize these programs. Starting in April 2008, Sanyo expanded the eligibility period under its system of shorter working hours for parents with young children. Employees are now eligible for the system until March 31st of the year in which the child completes grade 3. Starting in fiscal 2009, as part of a third action plan for child-rearing support, the company is making it easier for both male and female employees to take childcare leave, while improving a program to support those on leave who are returning to the workplace. As a result of these initiatives, Sanyo obtained certification<sup>\*1</sup> based on the Next Generation Nurturing Support Measures Promotion Law, in April 2007, and also in April 2009.

<sup>\*1</sup> 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)

	FY2006	FY2007	FY2008
Maternity leave	127	124	102
Childcare leave	175 (including 2 male employees)	152 (including zero male employees)	124 (including 1 male employees)
Family medical leave	4	6	4

#### Message from a Male Employee in the Gunma Region who Took Childcare Leave

Although I had already used the system for shorter working hours, I finally decided to take the important step of going on childcare leave. In addition to giving me the time necessary to look after my small child, I was also able to catch up on my studies during spare moments. It was a very worthwhile use of my time, and I felt mentally refreshed. Above all, my kid is now a lot calmer and more emotionally secure than before I went on leave, so it was an invaluable experience for me. Although it took a little time to redistribute the workload after I returned to work, I had no problems resuming my duties, and I am grateful for the understanding of my colleagues.

## | Prevention of Sexual Harassment

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

The Sanyo Group places importance on dialogue with its labor union and building good relations with employees. The SANYO Electric Workers' Union is made up of about 17,000 employees from SANYO Electric Co., Ltd., and its main subsidiaries in Japan. The company holds daily discussions with the union on employee labor conditions and other matters, and both management and union leaders attend the Joint Management-Labor Conference, which is held regularly. At this conference, top management explains management policy and listens to the opinions of employees from the union perspective, and strives to reflect them in management of the company.



General Management-Labor Conference

### | Proper Evaluation and Treatment/Skills Development

#### | Proper Evaluation and Treatment

In order to ensure sustainable growth in the future, it is important for the Sanyo Group to specify organizational roles according to the brand vision 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 specialized 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 specialized skills and the execution of the expected role, and by reflecting this in the treatment and remuneration, a more results-oriented personnel system has been established for better satisfaction, transparency and fairness.

#### | Policy regarding Inventions by Corporate Researchers

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

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



Awards ceremony in the Convention

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

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



Training sessions

■ **Examples of Training Course for specialized ability**

**International Training Course (ITC)**

In order to raise the overall strength of the Sanyo Group as global entity, it is important to share the same values and goals, to improve management abilities, and to promote interaction between people in the group. Consequently, every year Sanyo holds an International Training Course (ITC) for upper rank managers from principal subsidiaries and affiliates outside Japan. The participants reviewed the current situation of Sanyo Electric and its business environment, as well as the company's future directions. A total of 12 people from 9 countries including the US, Germany, Indonesia participated in the fiscal 2008 ITC.

**Workshops for Strategy Creation and Application**

Continual change is essential for the sustained growth of a company. Based on this concept, Sanyo provides training through active learning that goes beyond listening to lectures. The workshops teach participants how to devise strategies that will lead to specific corporate changes. They are offered to managers from various parts of the value chain, namely, research and technology development, product planning, production technology, purchasing, quality assurance, and sales. Teams are created that cross professional and organizational boundaries, and each team carries out cross-organizational investigation of management issues common to the Sanyo Group, in a total of four training sessions. The teams devise strategies to resolve the issues using innovative approaches, along with plans for their implementation, before explaining them to executives. Afterwards, participants become leaders for changing awareness and behavior in the workplace, based on the management strategies and application methods they have learned in the workshops.

## | Occupational Health and Safety

### | Health and Safety Management System

The Sanyo Group has established an occupational health and safety committee made up of the industrial physician and representatives from labor, management, and the employee health insurance society. The central health and safety committee determines the health and safety policies for the whole group, while the individual health and safety 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 Health and Safety Conference, attended by both top management and workplace staff, confirms the current conditions for occupational health and safety management in the Sanyo Group, and reviews the action plan for the fiscal year. The conference also raises awareness of health and safety through the reporting of activity cases from various sites.



The Group-wide Health and Safety Conference

### Basic Policy for Health and Safety

1. Establish zero-hazard workplaces
2. Promote overall health
3. Hold health and safety activities for all employees

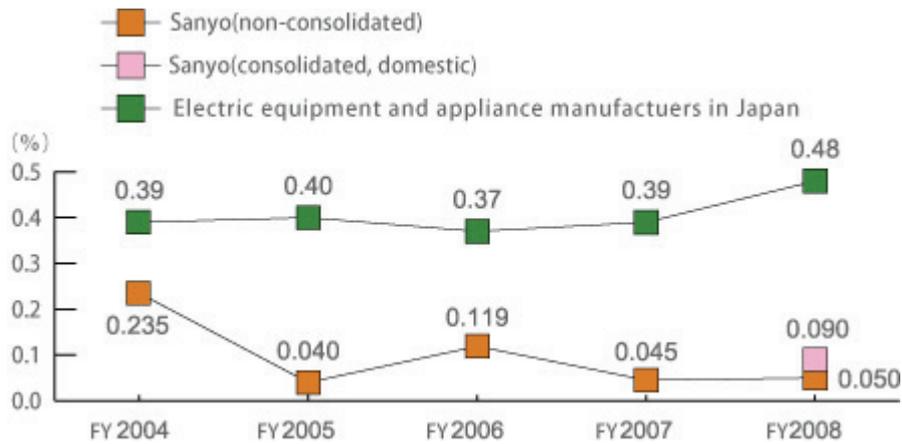
### | Working towards Zero Occupational Accidents

The Sanyo Group has introduced a risk management approach that identifies potential workplace dangers and hazards before devising the appropriate safety measures, and the company is striving to improve awareness for safety management through group-wide morning safety meetings held each month.

When an industrial accident occurs, an accident report is immediately sent to all the health and safety managers, and measures are taken 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 health and safety committee then conducts intensive workplace inspection activities and safety patrols for three months, and confirms that a reoccurrence prevention plan is being properly implemented.

In order to achieve accident-free workplaces and as part of further risk reduction measures, Sanyo implements risk assessments for large equipment operation and for chemical substances. It is also introducing safety audits in order to strengthen the system for identifying sites requiring safety management measures.

### ■ Accident Occurrence Rates (per million labor hours)



## | Initiatives for Preventing Health Problems

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

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

### ■ 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 health and safety management measures. Sanyo is carrying out improvement to workplace environments based on opinion reports prepared by industrial physicians. The physicians interview employees that perform overtime work beyond the group-wide standard or a site's own more rigorous standards. In the future, the plan is to strengthen measures by lowering the standard for the number of overworks hours after which interviews are required.

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

### ■ 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 provides mental health materials for employees on the company intranet, including a checklist for self-evaluation of stress levels, and information on consultation offices at the company's industrial health centers. And the company is executing an individual caring and improving the workplace environment based on the result of the stress check by this system. Furthermore, in order to deepen awareness of good mental health, and to detect and help employees with mental health issues in the early stages, Sanyo offers classes for managers given by internal and outside mental health experts, as well as "active listening" training for mental health counseling, at each Sanyo site. Along with continuing these initiatives in the future, Sanyo is preparing specific manuals and practical training programs, so that appropriate recovery support can be given to employees experiencing mental health issues.

## ■ Pandemic Influenza Measures

Since the outbreak of Influenza A (H5N1), also known as bird flu, in 2006, Sanyo has promoted employee awareness and precautions as part of measures to deal with pandemic influenza.

With the outbreak of Influenza A (H1N1), known as swine flu, in 2009, measures were taken based on the alert level trend and recommendations of the Japanese Ministry of Health, Labour and Welfare. When the WHO raised the influenza pandemic alert to phase 4, taskforce headquarters were set up in each site region and at the Sanyo head office. Efforts were focused on infection prevention in and outside Japan, and measures to prevent the spread of infection. In addition to encouraging employees to wash their hands, gargle, and wear masks, employees were given health checks along with appropriate instructions. Sanyo also issued restrictions concerning international travel, both for employees and their families stationed outside Japan, and for employees taking business trips. A highly detailed business continuity plan (BCP) will be implemented in preparation for the start of the upcoming flu season in the autumn.

## Together with Local Community

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

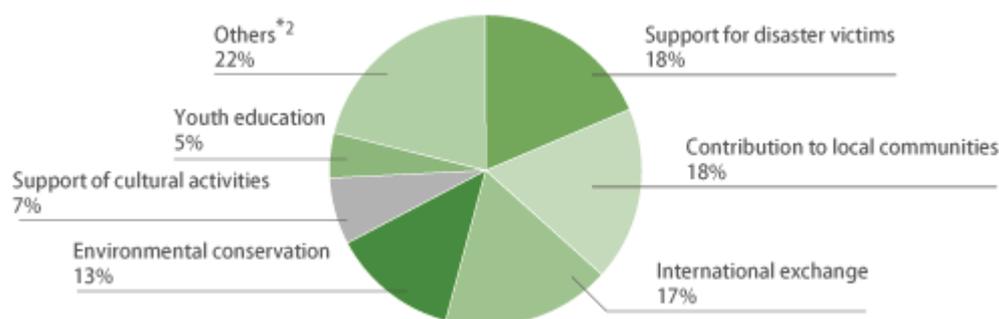
### Dialogue with Local Communities

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

### Corporate Contribution together with Society

By utilizing its management resources and specialized technology, Sanyo is helping local communities to grow and prosper in the areas of environmental protection, youth education, and employee volunteer activity support. These kinds of corporate citizenship activities help instill the spirit of volunteerism in every Sanyo employee. Having closer ties with local residents gives employees more energy for their work, and more richness in their lives. By building community partnerships for a society based on cooperation, Sanyo is also investing in its own business future.

#### Content of Expense<sup>\*1</sup> to Local Communities and Social Contribution Activities in FY 2008 (non-consolidated)



\*1 Cash contributions and product donations are included.

\*2 Others include expense for promotion of sports, medical and social welfare, etc.

# Together with Local Community

## | Examples of Activities

### | Providing Opportunities to Visit Factories

As part of its communications with local communities, each Sanyo factory actively accepts visitors, whether as part of education in schools or as training of central and local government officials. In fiscal 2008, a total of 1,545 visitors in 43 groups visited when the visits for the three factories were combined. 1,240 people of them were visitors of the students from schools or local children groups. We provide children such opportunities so that they can increase awareness of our society or global environment by seeing the site of manufacturing directly.

### | Environment for All Activities

The Sanyo Forest work camp project was begun in fiscal 2005, as part of efforts for Japanese forest and water protection. Sanyo Forests have been established in Kurabuchi, Takasaki, Gunma, and in Miyama, Nantan, Kyoto. While promoting goodwill among local residents, the forest protection activities carried out at these camps include undergrowth thinning, bear damage<sup>\*1</sup> prevention measures, tree planting, and the creation of vegetation buffer zones<sup>\*2</sup>. As an employee volunteer activity eligible for the company's volunteer leave program, the total number of participants to date has now reached 278.

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

\*2. A buffer area around the core forest for minimizing the effect of outside environment on the protected area, as one of the zones created at the time of nature preserve establishment



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

### | Participation in "Beach Cleanup" Campaign

The campaign is intended not only to clean beaches but also to survey the quantity and types of garbage left on them. Its purpose is to formulate environmental protection measures based on the analysis of pollution sources. Sanyo endorsed the aim and has been participating in cleanup activity at Nishiki-no-Hama Beach, Kaizuka, Osaka with other companies since 1992. A total of 1,255 employees from Sanyo participated as volunteers by 2008 and learned the importance of the environmental protection by knowing the influence that garbage gave to the ocean.



"Beach Cleanup" campaign

Since 2006, Sanyo has been participating in the Bikkuri Eco 100 Goods Exhibition, an ecological event that involves the participation of industry, government, universities, and residents of Kyoto, the birthplace of the Kyoto Protocol. In order to raise the awareness of local citizens concerning environmental problems, this event highlights numerous issues that require the changing of consumer behavior and lifestyles. Sanyo supports the aim of this event and the important message being sent from Kyoto, by exhibiting products that are useful for saving energy, conserving water, and reducing waste. Sanyo employees also participate in the Kyoto Protocol Walk held after the exhibition, which calls for greater efforts to achieve the reduction targets for greenhouse gas emissions. Through these public awareness raising activities, Sanyo is helping many people from all over the world to understand the importance of environmental protection, and is working for the expansion of environmental efforts in the future.

"ECO EDUCATION PROGRAM for Elementary Schools"

Sanyo has been carrying out environmental education for school children, centered on the topic of Sanyo's eneloop rechargeable batteries, which can be reused about 1,000 times. Since April 2006, Sanyo instructors have visited 133 elementary schools in Japan and have given lessons to 10,470 students about the importance of protecting the global environment through practical "reusing batteries" experience. In order to provide environmental education to even more elementary schools, Sanyo also provides classroom materials free of charge to teachers involved in environmental education. In addition to elementary school teachers, NPO and local government instructors have received these Sanyo materials in order to convey the importance of rechargeable batteries and the 3Rs\*3 for the global environment to about 13,080 children.

The Eco Island Miyakojima Project was initiated by Sanyo, a major Japanese travel agency, and the city of Miyakojima, which is designated as an "Eco-Model City." In fiscal 2008, Sanyo provided a global environment classes to children in Miyakojima, as part of this project. In this way, the company is promoting environmental education through new forms of partnerships with local governments and other companies.

In recent years, the demand for environmental education is also increasing outside Japan, and Sanyo is providing support from Japan so that classes can be held that match the educational styles in the countries concerned.

\*3 Reduce, reuse and recycle



Environmental classes at elementary schools

Located at the Gifu site, the Solar Ark solar power generation system is a symbol of the Sanyo Group's commitment to developing potential for and realizing the dream of clean energy. With its impressive appearance, the Solar Ark has helped raise awareness of solar power. There is a unique solar energy museum next to the Solar Ark, where various exhibitions useful to cultivate a better appreciation of solar power generation, and thereby of both ecology and science. These facilities accept tours of the student from an elementary school to the university who carries the future, educators and the administrative person concerned.



the Solar Ark

Interacting with Communities through Sports

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

In 1992, the badminton team set up a junior badminton school, under the guidance of mostly retired team members. In cooperation with local leagues, the members gave classes in elementary school gymnasiums. In addition to contributing to the sound development of elementary and junior high school students through a community, school, and corporate partnership, Sanyo's badminton team is actively participating in activities with the aim of increasing the popularity of badminton, including technique training sessions across Japan. The retired members of Sanyo's Wild Knights rugby team provide coaching at rugby schools for elementary and junior high school students. The players and staff also meet with children across Japan to play tag rugby\*4. Through interaction with 16,861 children in fiscal 2008, Sanyo's rugby team has been supporting the sound development of children, while increasing the number of rugby fans and promoting local sport.

\*4 Instead of tackling, players attempt to pull waist tags from the ball carrier



Badminton workshop



Tag rugby

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 1992 as a specific workplace improvement policy. In fiscal 2008, a total of 147 volunteer time off were acquired, and the place of employee's volunteer activities has extended to various fields. In fiscal 2006, 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 2008

■ Volunteer time off

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

■ Volunteer temporary leave

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

Sanyo is supporting activities by volunteer organizations or NPOs for the sound development of youth and social education as well as environmental conservation and the spread of renewable energy through SANYO Think GAIA foundation. The Foundation has been donating the economic effect equivalent value by the power generation of “the Solar Ark” to such groups or organizations since 2002. In the seven years since the foundation's original establishment, it has given 40 grants<sup>\*5</sup> totaling about 45 million yen to 25 organizations.

\*5 Since some projects are ongoing, the number of grants is greater than the number of organizations.

■ Recipients of the SANYO Think GAIA Foundation in FY2008

Name of organization (Location)	Theme of activity	Supported activity
Otsu Environmental Forum (Shiga Pref. Japan)	Aiming for sustainable community development with minimal environmental impact, by promoting a local action plan for global environmental protection based on cooperation between residents, companies, and government	<ul style="list-style-type: none"> <li>•the Otsu Environmental Forum's raw garbage recycling business</li> <li>•"Soil reformation trends and the quality of cultivated vegetables" analyzing business</li> </ul>
Youngsters' Science Festival-Gifu Festival Executive Committee (Gifu Pref. Japan)	Helping to create a brighter future by getting young people interested in science and technology through craft-making and various mathematic and natural science experiments	2008 Gifu Youngsters' Science Festival at the Solar Ark
Gifu Earth Environment School Conference (Gifu Pref. Japan)	Activities to raise the awareness of children and increase their desire to solve environmental problems starting with their own communities and daily lifestyles	Gifu Earth Environmental School
National Federation of Land Improvement Associations (Tokyo, Japan)	Teaching children and other city residents about how food is grown from soil and water, the importance of farming, and the multifaceted environmental protection function of farming villages	<ul style="list-style-type: none"> <li>•Event that enjoys blessing of water and the earth by touching exhibited real rice plant and living thing of waterside</li> <li>•Exhibition of picture that children drew with rice field and water as theme</li> </ul>
Ichikawa Child Cultural Station (Chiba Pref. Japan)	Helping to create a community where children understand the connections between people, through hands-on cultural activities	Environmental seminars and other opportunities for parents and children to learn about the environment

## | P.T. SANYO Energy Batam (Indonesia)

## | Environmental Conservation Activities

As a manufacturer and vendor of batteries and battery-application products, P.T. SANYO Energy Batam is striving to reduce the waste produced by its business activities, while sorting waste into plastic, paper, and toxic substances for proper disposal. In addition to cutting its use of electricity and water, the company is striving to lower its environmental impact through monitoring of air quality around the plant. As part of measures for compliance with environmental regulations, SANYO Energy Batam is carrying out initiatives to increase the environmental awareness of its workforce, including prompt notification of employees when new environmental requirements come into effect, and the holding of environmental management seminars for new hires.



Environmental audit



Confirming the presence of specified chemical substances

## | Initiatives Involving Suppliers

The company promotes green procurement in order to realize proper management of substances regulated by the RoHS Directive and other chemical substances in products. In addition to informing suppliers of the company's green procurement system, SANYO Energy Batam ensures thorough implementation of green procurement by including environmental provisions in business agreements with suppliers, and by conducting annual supplier audits.

## | P.T. SANYO Jaya Components Indonesia (Indonesia)

## | Promoting Environmental Management

P.T. SANYO Jaya Components Indonesia manufactures and sells optical pickups, POSCAP<sup>\*1</sup>, and digital cameras. In order to reduce the environmental impact of the company's own business activities, SANYO Jaya Components Indonesia has established reduction targets for CO<sub>2</sub> emissions per basic unit of production output, and is implementing energy consumption controls including those for natural gas, gasoline, LPG, fuel oil, diesel, and electricity used in manufacturing. The company is also implementing plant-wide environmental management measures by reducing its use of purified water and groundwater, while managing toxic and hazardous waste emissions.



Environmental examination by the Indonesian government

Once every three months the Indonesian Ministry of Environment comes to perform an environmental examination of these green management activities. The company also performs its own internal audits, including management of toxic and hazardous waste, noise investigations, and testing of purified water, wastewater, and gas emission samples.

\*1 Tantalum Solid Capacitors with Conductive Polymer

## Environmental Training for Suppliers

SANYO Jaya Components Indonesia provides education on environmentally hazardous chemical substances, green procurement, and its own environmental policies to all local suppliers with which it has business relationships. The environmental information meetings for suppliers are held once a year, and go beyond environmental education to include an explanation of SANYO's Think GAIA brand vision, and the company's approach to materials procurement.

## P.T. SANYO Precision Batam (Indonesia)

### Implementing Environmental Management

Specializing in micro-motor production and circuit board mounting, P.T. SANYO Precision Batam is reducing its environmental impact through various initiatives for proper environmental management. The company is striving to cut its use of electricity and water, while establishing optimal time periods for their usage. The company is also controlling its waste output and paper consumption through the use of recycled packaging and paper. While calculating its monthly CO<sub>2</sub> emissions from business activities and managing emission trends, SANYO Precision Batam also sorts its waste into general and toxic waste, for appropriate disposal.



Quality and environmental management review

In order to raise the environmental awareness of employees, and to further promote these kinds of activities in the company, regular environmental training is provided to both new and experienced employees.

### Promoting Green Procurement

SANYO Precision Batam performs proper management of chemical substances in products, including the distribution of information to suppliers in order that they can meet the company's green procurement standards. It is striving to minimize procurement part risks by implementing relevant supplier audits and visits relating to procurement risks, environmental measures, and the quality of the parts procured. In fiscal 2008, the company performed 8 audits and 15 inspections visits for its suppliers in Indonesia.

### Maintaining Good Relations with Employees

In order to develop their abilities, employees are given various opportunities for education and training in and outside the company. Good employee relations are maintained through a monthly labor-management meeting, as an opportunity to get direct feedback from employees. Furthermore, as part the employee welfare program, SANYO Precision Batam provides facilities and covers costs for certain sporting events and recreation activities requested by employees.



Christmas Celebration



Hari Raya Celebration

| Initiatives to Reduce Environmental Impact

P.T. SANYO Indonesia manufactures and sells refrigeration/freezer units, air-conditioner compressors, refrigerators, and pumps. Since fiscal 2006, the company has been pursuing its own project for reducing electricity, water, and gas consumption. By implementing company-wide measures such as setting air conditioner thermostats at 27°C, turning off equipment and computers when not in use, and working to conserve water, the company has achieved reductions of at least 20% in all three areas.

In order to conserve water in its facilities, the company is utilizing the Aquaoasis water purification system that it manufactures. This has enabled the company to make effective use of water resources by purifying collected rainwater and using it in the production process.



Water conservation sign on a restroom door Energy-saving reminder on an air conditioner

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

| Global Environment Classes for Elementary Schools

A vendor of batteries and battery-application products, SANYO Energy (Singapore) Corporation Pte., Ltd. is providing global environment classes for local elementary school students. These classes are based on the same teaching materials that SANYO uses for environmental classes in Japan, and local educational consultants are hired as the instructors. The global environment classes also have the support of the Embassy of Japan in Singapore and the Singaporean Minister of the Environment and Water Resources, who has provided guidance for the selection of recipient schools. The class content has also been widely explained to Japanese companies in Singapore through the Japanese Embassy.



Global environment class

| Lifestyle, Product and Environmental Quality Week

Every year since 2006, SANYO Semiconductor (Thailand) Co., Ltd. has held an open house for local residents. The event is designed to explain the company's safety and quality initiatives, including environmental protection activities, and to promote understanding and confidence in the company's semiconductor manufacturing operations. All 2,000 employees attend the events, and other dignitaries are also invited including provincial officials, local mayors, police chiefs, hospital administrators, as well as elementary school principals and students. These occasions are well received by all concerned, and help instill company pride in employees.

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



Lifestyle, product and environmental quality week



Aerobic dance contest

| Community Involvement Activities

SANYO Semiconductor (Thailand) strives for active involvement at local elementary schools. Together with D D Fire & Safety Co., Ltd., the company provided basic fire-extinguishing training to students at Watsakae Elementary School. The children received hands-on training for the proper way to put out a fire in an emergency. Working with the Wongpanit Garbage Recycling Separation Plant, the company also helped establish Ayutthaya province's first recycling club at the same school, in order to raise the student's awareness of environmental protection.



Fire-extinguishing training



Recycling club

## Donation and Support Activities

In order to fulfill its responsibilities as a corporate citizen, every year SANYO Semiconductor (Thailand) provides donations and support to various local institutions including elementary schools and temples. In fiscal 2008, the company provided financial assistance to persons with disabilities and disaster victims, while also donating food, clothing and other daily necessities, as well as used electrical goods.



Donating supplies to an elementary school

## SANYO Commercial Solutions (Thailand) Co., Ltd. (Thailand)

### Seeking Employee Opinions

SANYO Commercial Solutions (Thailand) Co., Ltd. manufactures cold chain equipment. In order to obtain workforce feedback, the company has set up suggestion boxes at five locations in its plant, and is receiving various opinions, requests, and proposals from employees.

After the submissions are tallied and checked each month, the details are announced to employees at morning assemblies, and are also used for making management improvements. Monthly workplace improvement meetings are also held with representatives from each workplace, and various opinions are exchanged on occupational health, safety, and welfare.



Suggestion box in the plant

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

### Exhibiting Products

SANYO (Thailand) Co., Ltd. sells home appliances including washing machines and color TVs, as well as digital products such as security cameras, LCD projectors, and digital cameras. The company holds various events and exhibits for the media, business partners, and customers, enabling people to experience the SANYO brand. In fiscal 2008, SANYO Thailand held press conferences on the topics of LCD projectors, Xacti digital movie cameras, and security cameras. In March 2009, it also exhibited SANYO solar cells at the World Alternative Energy Science Expo 2009, held in Bangkok. The event was sponsored by the Thai Ministry of Science and Technology for the purpose of building networks to combat global warming. Through these activities the company was able to explain the advantages of SANYO products to customers and business partners, while exchanging opinions with them.



Dual Camera Xacti press conference



World Alternative Energy Science Expo 2009

In February 2009, SANYO Thailand provided a global environment class to students at an Kasetsart University Laboratory School. The same program had already been offered to Japanese schools in Thailand, but in order to help commemorate the company's 40th anniversary and contribute to the local community, the class was held for the first time in an elementary school for Thai children.

The environmental lesson was given to 7 of the 40 classes at the school, reaching about 300 children. As a result, these students now have a greater awareness of issues surrounding energy and the environment. The company was also able to leave the kids with a positive impression of SANYO as a leading company that helps combat global warming.



Global environment class

Helping to Protect Thai Heritage

SANYO Thailand has begun an initiative involving the donation of security cameras to Buddhist temples in that country. Numbering over 25,000 many temples in Thailand are at least 1,000 years old and contain ancient Buddha statues. The initiative for security camera installation was begun to help prevent the theft of these valuable treasures, which has been increasing in recent years. The initiative was implemented as part of the company's efforts to fulfill its responsibility to local communities. In fiscal 2008, the first cameras were donated to ten temples in ten provinces of Thailand. In the future, SANYO Thailand plans to make one temple camera donation for every 100 security cameras that it sells.



Temple receiving a security camera donation

| Energy-saving Initiatives

As a manufacturer and vendor of car audio systems and battery packs for laptop computers, SANYO Automedia Sdn. Bhd. is engaged in various activities to reduce its environmental impact. In order to cut the electricity used at its plant, the company has installed a few capacitor banks and a VSD\*<sup>2</sup>-compressed air supply system. It is also using electricity more efficiently, by replacing conventional ballasts with electronic ballasts in fluorescent lighting. Energy-saving awareness has been raised among all employees, by ensuring that equipment and lighting are turned off when not in use, and by switching off the air condition systems 15 minutes before the end of the work day. The president and managers are taking the lead in these efforts by emphasizing energy-saving activities in meetings.



VSD compressor installed at the plant

Three times a year, waste water from the plant is sampled and analyzed, and monitoring is carried out concerning the quality of air discharged into the atmosphere, in order to ensure emissions below regulatory levels. In addition to internal audits every six months, all activities relating to the company's environmental management are subject to verification by an independent certification organization.

\*<sup>2</sup> Variable Speed Drive (VSD): Offers greater control and energy efficiency than a constant speed drive

| Environmental Training for Suppliers etc

SANYO Automedia provides environmental training to all its staffs and local suppliers concerning the company's environmental policies and green procurement system. Information is also provided on environmentally hazardous chemical substances including those regulated by the RoHS Directive. The training promotes understanding of SANYO's Think GAIA brand vision, and the company's responsibility to minimize the environmental impact of its business activities.

| Participation in a Product Show for Local Residents

A product show for local residents was held on December, 2008, at a hotel on the island of Penang. It was organized by Consulate-General of Japan in Penang, and coincided with the birthday of the Japanese Emperor. As a local company, SANYO Automedia took part in the event and exhibited its products. Many other Japanese-owned companies in Malaysia also participated in this important event, and it was attended by numerous honored guests including the Chief Minister of the state of Penang. SANYO's enloop rechargeable batteries and related products caught the attention of many visitors.



SANYO booth

| Supporting Clean Up Australia

A vendor of LCD projectors, digital cameras, security products, consumer electronics, and batteries, SANYO Oceania Pty. Ltd. is providing support to Clean Up Australia, an organization coordinating that nation's largest cleanup event. In a country with among the highest level of waste per capita, the Clean Up Australia Day event has been held annually for the last 20 years, and allows all Australians to participate in community cleanup activities. About 800,000 people participated in Clean Up Australia Day 2009, held on March 1. Together with the Business Clean Up Day held on February 24, and the Schools Clean Up day on March 27, more than a million Australians participated in the organization's cleanup events this year.



SANYO's support for Clean Up Australia detailed on an eneloop package

SANYO Oceania is one of four corporate event sponsors, and is providing active support to Clean Up Australia by donating five cents from every eneloop rechargeable battery sold. On the day of the event, Clean Up Australia announced its Green Teacher Awards to recognize teachers who have been a positive influence on students by carrying out environmental projects within their school community. As an event sponsor, SANYO provided the national and state winners with various prizes including an LCD projector and eneloop rechargeable battery sets.

The SANYO logo was displayed at event sites, in event materials, on the Clean Up Australia website, and even on the bags used for collecting rubbish. This provided a lot of positive promotion for the Sanyo Group.

## | SANYO Energy (Suzhou) Co., Ltd. (Suzhou City, Jiangsu Province)

### | Establishment of a Green Education Fund

A manufacturer and vendor of nickel-cadmium, nickel-metal hydride, and lithium-ion batteries, SANYO Energy (Suzhou) Co., Ltd. was instrumental in establishing a Green Education Fund. An event to mark the establishment of the fund was held in Suzhou on September 24, 2008. Through the company's initiative, the fund was created with the aim of strengthening local arts and culture education, environmental protection, and the community through educational support. In order to develop the fund into an activity that bring local companies together, both Japanese subsidiaries and other companies were invited to contribute to the fund, and 13 firms have already contributed 100,000 yuan.



Green Education Fund establishment event

### | SANYO Environmental Protection Star Awards

To mark World Environment Day on June 5, 2008, the SANYO Environmental Protection Star awards were held at Xukou Central Elementary School in Suzhou. As the first local school of its kind to hold environmental classes, the school also carries out various other ecological activities such as inviting students to submit ideas for environmental protection, raising public awareness of green issues, and holding essay and painting contests relating to the environment. At the awards ceremony, 72 students were recognized for their outstanding performance in activities such as the essay and painting contests, as well as the environmental classes provided by the school.

The award ceremony was attended by 300 people, including an assistant bureau chief of the local environmental agency, a section chief from the education authority, officials from the local Xukou government, the school principal and teachers, and of course many of the students for whom the event was being held.



SANYO Environmental Protection Star awards ceremony

## | International Exchange Activities

In response to Xukou Central Elementary School's desire to carry out an exchange with a Japanese elementary school, SANYO Energy (Suzhou) arranged an introduction with the Japanese school in Suzhou. The two schools came up with a cultural exchange plan, and agreed to begin teacher and student exchanges in 2009, in the areas of art, calligraphy, and painting. In addition to promoting China-Japan friendship, Xukou Central Elementary School is also aiming to find a sister school in Japan, in order to further promote their exchange activities.



Exchange event at Xukou Central Elementary School

## | Environment Protection Awareness Raising Activities

With the aim of promoting physical fitness, showing support for the Beijing Olympics, and helping to protect a lake environment, SANYO Energy (Suzhou) and the Bank of China sponsored a cycling event on the shores of Lake Tai. The event was held on July 27, 2008, and attracted a total of 60 participants. Through this event, the Sanyo Group was able to promote its environmental philosophy, raise environmental awareness among local residents, and strengthen relations with the local Bank of China branch.



Cycling event

## | SANYO Energy (Beijing) Co., Ltd. (Beijing)

### | Building Good Relations with Customers

SANYO Energy (Beijing) Co., Ltd. manufactures and sells lithium-ion batteries, as well as unit and assembled batteries. It participated in an environmental result review meeting held by a partner company on the theme of improving market competitiveness through better environmental performance. SANYO Energy (Beijing) reported on the development and production of environmentally friendly batteries and the Sanyo Group's Think GAIA brand vision. At the review meeting, the company enjoyed an open exchange of opinions with the other participating companies, and told them about its zero emission initiatives and environmentally friendly batteries. SANYO Energy (Beijing) also offers plant inspections and tours when requested by partner companies, and strives to improve customer appreciation of its initiatives.



Plant inspection by a partner company



Plant tour

### | Performing REACH Surveys

The company carries out surveys of its suppliers concerning the use of substances controlled by Chinese law and the European REACH regulations, as they relate to materials used in the assembled lithium-ion batteries manufactured by the company. These surveys are carried out for the purpose of managing the use of specified harmful chemical substances, based on the Administrative Measures for the Prevention and Control of Environmental Pollution by Electronic Waste. Last fiscal year 33 suppliers took part in these surveys.

### | Communicating with Employees

SANYO Energy (Beijing) measures employee satisfaction concerning the company cafeteria and worker transportation service. A questionnaire is given to 2,400 workers as part of efforts to increase employee satisfaction. In order to improve the living environments for temporary workers, the company also visited their dormitories, and exchanged opinions with their managers and worker representatives.



Discussion meeting between labor and management

### | Shenyang SANYO Airconditioner Co., Ltd. (Shenyang City, Liaoning Province)

#### | Encouraging "Golden Ideas"

Shenyang SANYO Airconditioner Co., Ltd. manufactures, sells, and services air conditioners. The company is developing a "Golden Ideas" program that allows employees to convey their ideas for better operation efficiency to the management. In fiscal 2008, the employees submitted a total of 22 ideas relating to the company welfare program, new products, revision of operating manuals, streamlining of manufacturing processes, and the introduction of equipment and fixtures into the plant. Together with improvement ideas already being implemented, most of the Golden Ideas have been adopted as efficiency measures in company operations, and improvements are being carried out.

## | CSR Achievement Award for Foreign-Owned Subsidiaries in Liaoning

In recognition of the company's social responsibility (CSR) activities in Liaoning province carried out since its establishment in 1993, Shenyang SANYO Airconditioner has received a corporate award for outstanding CSR efforts by a foreign-owned enterprise in Liaoning. The award is presented by the Liaoning Provincial Bureau of Foreign Trade and Economic Cooperation and the Liaoning Association of Enterprises with Foreign Investment. Eligibility for the award includes active participation in volunteer work, along with the provision of high-quality products and services, while respecting employee rights, and having a high degree of environmental awareness and legal compliance. Shenyang SANYO Airconditioner has obtained ISO 9001 and the Chinese quality and environmental certification, and has undertaken outstanding initiatives in the areas of quality and environmental protection. Moreover, the company was recognized for its active volunteer activities including the provision of hearing aids to children with hearing disabilities, as well as for its employee support initiatives such as a welfare program and a personnel performance evaluation system.

## | Guangzhou SANYO Car Electronics Co., Ltd. (Guangzhou City, Guangdong Province)

### | Supply Chain Management

Guangzhou SANYO Car Electronics Co., Ltd. performs development, manufacturing, sales, and after-sales service for car electronics and small portable electronic devices. Every year, the company holds training seminars for its suppliers in order to build good relations with these partners. In fiscal 2008, Guangzhou SANYO Car Electronics provided manager development training to all of its suppliers in a total of five sessions.



Training seminar for suppliers

### | Employee Satisfaction Survey

As part of efforts to increase understanding between labor and management, the company conducts an employee satisfaction questionnaire in December every year. Just like in the previous fiscal year, the fiscal 2008 survey investigated the levels of employee appreciation and satisfaction relating to wages and the company welfare program. The survey also sought to measure understanding between co-workers and between workers and managers, as well as satisfaction with top management, workplace health and safety, and working conditions. By determining points where the satisfaction and appreciation levels are comparatively low, the company will emphasize the necessary improvement measures in its activity guidelines and action plans for the coming fiscal year.

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

### | Briefings on Environmental Regulations and Inspections

The Sanyo Group headquarters in China, SANYO Electric (China) Co., Ltd., holds briefings on Chinese environmental regulations and internal environmental inspections for group companies in China. In August 2008, a briefing was held for nine subsidiaries and affiliated companies (60 people) in the Dalian region, followed by another briefing in October for five such companies (40 people) in the Eastern China region.



Environmental briefing

SANYO Electric (China) sends out experts on intellectual property rights to group companies, and strives to protect its trademark rights including the SANYO brand. In particular, knockoff products being sold in the Chinese market or shipped overseas not only damage the SANYO brand, but also have a major negative impact on SANYO's business and its customers. In order to strengthen control of fake brand goods, through JETRO\*<sup>1</sup> and the Quality Brands Protection Committee\*<sup>2</sup>, the company is working with other Japanese and Western-owned subsidiaries in China to support control activities by relevant Chinese government agencies. These activities include briefings on how to identify knockoff products for Chinese customs and other relevant government institutions. In fiscal 2008, such briefings were held in 15 regions including Zhejiang and Guangdong provinces, thereby enhancing mutual understanding with the relevant agencies. In 2008, the SANYO brand name in English script was officially designated as a chiming (famous) trademark\*<sup>3</sup> by the Trademark Office of the State Administration for Industry and Commerce in China. In 2009, the same designation was received for the SANYO brand name in Chinese characters. SANYO Electric (China) is striving to ensure that Chinese customers will be able to purchase SANYO products with confidence, by further protecting the SANYO brand, while supporting the business activities of group companies in China.



Briefing on knockoff product identification  
(December 10, 2008 in Shantou, Guangdong)

\*1. Japan External Trade Organization

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

\*3. A certification granted in recognition of strong brand penetration across China.

| Dongguan Huaqiang SANYO Electronics Co., Ltd. (Dongguan City, Guangdong Province)

| Initiatives regarding Chemical Substances in Products

A manufacturer and vendor of color TVs and projectors, Dongguan Huaqiang SANYO Electronics Co., Ltd. (HSE) held a briefing for suppliers concerning its REACH regulation survey. The briefing was sponsored by SANYO Electric Co., Ltd., and provided suppliers with an explanation of the European REACH regulations, MSDS Plus\*<sup>4</sup> and AIS\*<sup>5</sup> forms, as well as the Sanyo Group's chemical substance management standards. It was attended by 123 people from 77 supplier companies, as well as four representatives from HSE, and six employees from Shenzhen Huaqiang SANYO Technology Design Co., Ltd., a group company that designs AV equipment.

Using a questionnaire prepared by SANYO Electric Co., Ltd., HSE has been investigating the use of perfluorooctanesulfonic acid (PFOS) and similar compounds by suppliers, as the substances has been banned in the European market. In fiscal 2008, questionnaire responses were received from 91 suppliers. Through measures based on the questionnaire results, HSE is ensuring that suppliers do not use these substances in their products.

\*4. Material Safety Data Sheet Plus: A survey tool that conveys information on chemical substances, pharmaceuticals, and materials not found on the MSDS form in order to supplement legally required information.

\*5. Article Information Sheet: A survey tool that conveys information on chemical substances that are contained in molded products in certain concentrations.



Briefing on REACH regulation surveys

| In-house Activities to Reduce Environmental Impact

A designer of AV equipment, Shenzhen Huaqiang SANYO Technology Design Co., Ltd. (HST) has been carrying out improvement activities based on ISO 14001 requirements for the reduction of the company's environmental impact. The company sorts and collects waste from its plant, and carries out appropriate disposal according to the type of waste. HST also conducts supplier surveys for six specified chemical substances, and confirms that these substances are not used in its products, as part of measures to manage environmentally harmful chemicals. In this way, the company is complying with Sanyo Group standards and the Chinese version of the RoHS Directive.



Separate collection containers for different types of waste

| Employee Training System

In order to expand the responsibilities and improve the skills and motivation of every employee at HST, the company has introduced and is implementing its own employee training system.

In addition to having younger engineers mentored by more skilled and experienced engineers, management training is provided by a specialized outside organization. Japanese language training is given especially to new hires, and employees are also sent overseas for training, and to Japan for joint development projects. In fiscal 2008, over 30 employees traveled outside China for training or joint development work.



HST engineer receiving training in Japan

### | SANYO Solar (U.S.A.) L.L.C. (U.S.A.)

#### | Six Sigma Training

A manufacturer of solar-cell ingots and wafers, SANYO Solar (U.S.A.) L.L.C. has introduced a Six Sigma training program for its managers. The training is offered through “SANYO University,” a training system set up by SANYO North America Corporation. The program was developed for the purpose of lowering defect rates while improving service quality and productivity in operation processes. The participants take classes once a week for 16 weeks. A total of 40 managers participated in the program in fiscal 2008. The company will continue the Six Sigma training in fiscal 2009.



Six Sigma program participants

### | SANYO Electronic Device (U.S.A.) Corporation (U.S.A.)

#### | Support for an NPO

A vendor of electronic components, SANYO Electronic Device (U.S.A.) Corporation is providing support for the annual Creek to Bay Cleanup in San Diego. The company’s employees raise money for this event through the sale of drinks and candies at work, and donate the profits to the event’s NPO sponsor, “I Love A Clean San Diego.” The San Diego office employees also support the cleanup program by collecting and sorting recyclable cans and bottles used in the office, and by delivering them to the NPO. Through these efforts, the company raised about 1,500 USD for the organization.



Employees involved in the recycling activities

| New Recycling Program

A distribution services company in North America, SANYO Logistics Corporation began its own recycling program in fiscal 2008. The company collects cardboard boxes and packaging material at its warehouses, while also recovering and sorting waste paper, empty cans and bottles in its offices. The entire management of SANYO Logistics is behind this recycling program, and is taking the lead in the recycling activities.

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



Separation of waste in warehouse

| Health and Safety Training

SANYO Logistics Corporation started offering health and safety training programs to its employees from April 2008. The curriculum and the materials are provided by Mitsui Sumitomo Insurance Group, an employee insurance broker for SANYO Logistics to educate employee with the prevention of labor accidents in the workplace. This health and safety training is given through video seminars, has been provided to warehouse, and office personnel.

| SANYO North America Corporation (U.S.A.)

| Participating in Beach Cleanup

On April 26, 2008, SANYO North America Corporation, a regional corporate office, and three group companies based in the U.S. participated in the 6th Creek to Bay Cleanup in San Diego, California. A total of 52 volunteers, including employees and their family members, joined together with others to clean up the Mission Bay area. This beach cleanup is organized by a San Diego's NPO, "I Love A Clean San Diego," which is dedicated to protecting the natural environment of California.



Beach cleanup

## Pro-environmental Activities in Office

To promote reduction of office waste, the San Diego office of SANYO North America Corporation started the “Let’s Start eneloop Style” campaign in April 2009 to encourage corporate members to gradually replace dry cell batteries with SANYO’s “eneloop” rechargeable batteries. Targeted items are devices used in-house, such as PC mouse, wall clocks, digital cameras, and flashlights.

In addition, the San Diego office recycles rechargeable batteries, mobile phones, and PCs in cooperation with RBRC - Rechargeable Battery Recycling Corporation (NPO). By placing a recycling box inside the office, many used items were collected during the past year, including 20 mobile phones, approximately 100 rechargeable batteries, and 5 computer batteries.



“eneloop” charging station set up in the office



Recycle box placed in the office

## Organizing “SANYO University”

To support employees’ efforts to develop their skills and capability, “SANYO University” provides employees with in-house education opportunities. The curriculum offered is given preferential tax treatment from the State of California. In addition, tuition can be fully refunded by the state and any employee based in California is entitled to participate in a course free of cost with the approval of their supervisor.



SANYO University

## Offering Educational Support to a University Student

On April 16, 2008, a scholarship was granted to a San Diego State University student to support her Japanese language study in Japan. This scholarship program was established by a professor in the Japanese language program of San Diego State University and this year marks the 25th anniversary of the program.

The vice president of SANYO North America Corporation attended the scholarship award ceremony held on the university campus and delivered a congratulatory speech.



Scholarship program

## | Supporting HIV/AIDS Study

SANYO North America Corporation has been proactively donating to “The Institute of Human Virology” since its establishment. “The Institute of Human Virology” is located in Baltimore, Maryland and conducts HIV/AIDS study and medical treatment. A corporate member of SANYO North America Corporation responsible for the commercial equipment department acts as an adviser to this institute together with others who are world-renowned medical specialists.

## | Donating Electric Assist Bicycles - "eneloop bike"

After participating in the “Sustainability Summit” hosted by the State of Oregon, on February 19, 2009, SANYO North America Corporation presented both the State of Oregon and the City of Salem - the state capital of Oregon, with a SANYO electric assist bicycle – “eneloop bike.” These “eneloop bikes” were presented for their test use as a product that personifies the concept of the summit meeting.



Donating electric assist bicycles “eneloop bike”

## | SANYO Hungary Kft. (Hungary)

### | Employees Carry Out Environmental Activities

SANYO Hungary Kft. manufactures solar cell modules, and its employees, including managers, are actively engaged in environmental protection activities. One such activity involves picking up litter in the industrial park where the company is situated, to mark World Environment Day on June 5.

A summer festival event is also held every year for the employees and their families in order to increase environmental awareness. In fiscal 2008, the festival included the goal of obtaining a Guinness record for the largest logo made from flowering plants. With the participation of 450 employees, a flowerbed depicting the SANYO brand logo was planted, and the result was recognized as a Guinness record for Hungary. Through these kinds of nature-appreciation events, the employees of SANYO Hungary are gaining a deeper understanding of the Sanyo Group's Think GAIA brand vision. The events have become great opportunities for employees to show their commitment to environmental protection.



The largest flower logo



Certificate record

### | Involvement with the Local Community

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, and energy-saving products are also put on display. At the SANYO booth, used dry cell batteries are collected from visitors in exchange for small gifts.

SANYO Hungary also held a Think GAIA Competition that was well received by the community. The aim of the competition was to raise environmental awareness among fifth and six graders at three elementary schools in the city of Dorog, during the school year from September to June. The students formed three-person teams and competed to achieve the best results while addressing a different environmental issue set each month. The issues covered environmental protection topics and Sanyo Group themes, providing the students with a variety of theoretical and practical exercises. The competition project was entirely run by SANYO Hungary employees, from the planning to the implementation stages.



Environmental Children's Day



Think GAIA Competition

| SANYO Component Europe GmbH (Germany)

| Environmental Classes Held at Japanese Schools in Munich and Paris

SANYO Component Europe GmbH, a sales company for various batteries and electronic components, held environmental classes featuring a rechargeable battery that can be used over and over at Japanische Internationale Schule Munchen in Germany and INSTITUT CULTUREL FRANCO-JAPONAIS in Paris, France on September 16 and 18, 2008, respectively. A total of 92 elementary and junior high school students participated (grades 4 through 9 in Munich, and grade 4 in Paris) in these first classes to ever be held in Europe.

The students learned how batteries work and their impact on the environment, and had the opportunity to think about their futures. After the class students wrote their reaction with one student commenting, "In the future a job related to batteries sounds interesting!"

One of the goals of the company is to share with European children how leading a lifestyle of "reusing instead of disposing" is a way of caring for the environment. They are looking at the possibility of holding further classes in other major German cities.



Environmental class in Munich, Germany

| SANYO Europe Ltd. (U.K.)

| Environmental Efforts

The Sanyo Group's regional headquarters in Europe, SANYO Europe Ltd., is striving to reduce the environmental impact of its business activities. The company's building has been designed to the latest environmental standards in order to conserve energy, and also generates clean electricity using HIT solar panels installed on the roof.

SANYO Europe takes active steps to recycle paper and other waste materials. All new employees receive a handbook with a section on recycling and trash reduction, thereby helping to strengthen the environmental awareness of employees.



HIT solar panels installed on the roof of the company's building

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