



For Reference

SANYO Electric Co., Ltd.

Global Communications Department

Tel:+81-3-6364-3611 / Fax:+81-3-3837-6271

URL:<http://sanyo.com> / E-mail: i_press@sanyo.com

Combining Technologies for Energy Creation, Storage, and Saving SANYO to Enter the Energy Solutions Market

October 29, 2009 --- SANYO Electric Co. Ltd. (SANYO) will be entering the energy solutions business with system proposals to reduce running costs and CO2 emissions for factories, schools, stores and other facilities. The company will offer systems that combine SANYO's technologies for energy creation (solar cell), energy storage (rechargeable battery), and energy saving (commercial equipment).

The objective of SANYO's energy solution business will be to provide Sanyo smart energy systems (SanyoSES) that reduce running costs by saving energy while greatly reducing CO2 emissions. With an SES, electricity from solar panels or from the grid, drawn late at night when power rates are cheaper, is stored in rechargeable batteries. Power conditioners are then utilized to ensure the most efficient use of power for refrigerated showcases, air conditioning, and lighting. SANYO will develop this business area by maximizing its strengths, including commercial equipment, which has secured a large market share due to energy-saving features based on heating and cooling technologies developed over many years. SANYO will also use its strength in high-quality rechargeable batteries, drawing on a wide range of technology developed for public and commercial applications, as well as HIT solar cells, which offer the world's highest-level energy conversion efficiency at the practical level.

Although full-scale business operations are scheduled for the spring of next year, SANYO is now promoting the following steps to ensure early profitability: 1) development of large-capacity and high-voltage lithium-ion battery systems, 2) acceleration of product development based on demonstration testing, 3) collaboration with other companies according to product characteristics, and 4) constructing a framework for promoting.

While the photovoltaic system and rechargeable battery businesses are expected to enjoy substantial market growth in the future, the business environment is becoming increasingly difficult due to a sudden drop in prices and the intensification of competition. Consequently, in addition to further strengthening these business areas, which are already at the top of the industry, SANYO plans to expand the energy solutions market from large-scale facilities such as factories and high-rise buildings to small and medium-scale users such as retail stores, schools, and homes, while contributing towards environmental protection through the development of solutions based on its strengths. SANYO is aiming to reach a scale of operation of 100 billion yen for its energy solutions business by the fiscal year ending March 2016.

* A smart grid is a system that efficiently supplies electricity through optimal power generation, by connecting factories, buildings, and stores (electrical users) to the power generation infrastructure using an information network. On the other hand, a smart energy system is a system that efficiently optimizes the use of energy for individual electrical users through the creation and storage of power with minimal CO2 emissions, and by combining rechargeable batteries with renewable energy sources such as solar power. By producing and consuming electricity locally with minimal CO2 emissions, it reduces the negative impact of increasing renewable energy on system coordination.

Initiatives for rapid business realization

1. Development of large-capacity and high-voltage lithium-ion battery systems

Sales to begin in spring 2010. *Further details to be announced later.

2. Acceleration of product development based on demonstration testing

About 5 billion yen is being invested in a new production facility at the Kasai Plant (Tokonabe-cho, Kasai, Hyogo), and the latest energy systems are being installed. Demonstration testing is being carried out, which will be useful for future product development. The plant will also be open for public viewing, which will help promote sales development.

*System diagram attached

3. Collaboration with other companies according to product characteristics

SANYO is promoting cooperation with a wide range of industry-leading companies

E.g.

- Initiative with Kajima Corporation

SANYO is promoting development with Kajima Corporation concerning installation methods that will enable efficient electrical generation, by combining construction materials with HIT Double bifacial solar panels that generate electricity on both sides. (Installation planned for the administration building at the Kasai Plant)

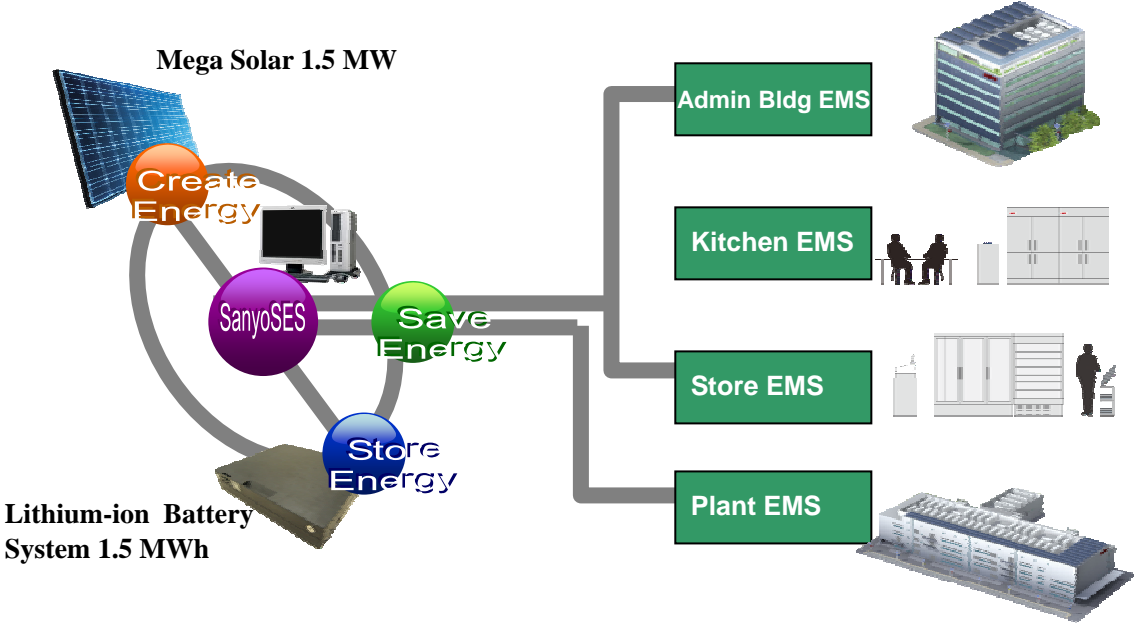
- Initiative with Lawson, Inc.

SANYO has installed refrigerated showcases, lead batteries (10 kWh), and solar cells (10 kW) in Lawson convenience stores. Demonstration testing is underway to show the CO2 emission reduction, and energy-saving effects.

4. Construction of a promotion system

For the promotion of the energy solutions business, a special independent organization, the Energy Solution Business Division, will be set up directly under the President of SANYO on November 1. This department will coordinate the technology development, sales strategy, quality control, and service development functions, and will initially have a staff of about 70 people.

Energy System at the New Kasai Production Facility



Along with the installation of solar panels (1 MW), lithium-ion batteries (1.5 MWh), solar LED street lights, and solar bicycle parking lots at the new Kasai facility, SANYO will also install an energy management system (EMS) that connects air conditioning and lighting equipment in each building, including the plant and administration buildings. This will enable comprehensive energy control, and efficient use of electricity. Through these initiatives, SANYO plans to reduce its CO2 emissions by about 2,480 tons annually. This facility design has obtained the highest evaluation assessment, class S (excellent), under CASBEE (Comprehensive Assessment System for Built Environment Efficiency).