

Overview of Mid-term Management Plan (FY2008 – FY2010)

Management Philosophy

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

■Brand Vision■

Think GAIA
For Life and the Earth

Committed to our "Think GAIA" vision for people- and Earth-friendly products.

Mid-term Management Plan Major Management Indexes

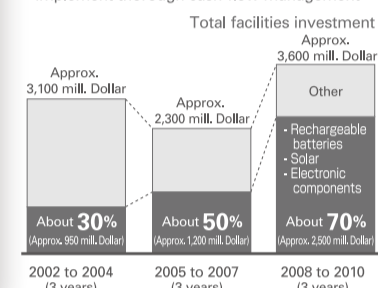
Based on Mid-term Strategy, Achieve Growth in Profits in 3 Years
(For FY2008, there will be a temporary profit decline due to cost increases in conjunction with growth strategies, in addition to the effects of the worsening external environment.)

Consolidated	Mid-term Management Plan			Vs. FY2008
	FY2008	FY2009	FY2010	
Sales	20,200	21,500	23,800	118%
Operating Profit	500	700	900 Challenge Goal: 1,000	+400

■Facilities Investment Plan: 3,600 Million Dollar (3-year total)
(Increase of approx. 1,300 million dollar over the previous 3 years)
■Maintain positive free cash flow (3-year total)

Group-wide Facilities Investment Plan

■Along with an increase in facilities investment, it is essential to improve investment efficiency and implement thorough cash-flow management



Strategic Points in Mid-term Management Plan

- Implement strategic investment to accomplish the plan for FY2010 (Emphasize and concentrate investments in the 3 component businesses)
- In 1,000 days (3 years), make all continuing businesses profitable
 - Strengthen overseas expansion of the electric appliance business, as well as improve its management efficiency
 - To expand earnings in the semiconductor business, focus on the areas of strength through selection/concentration
- Promote competitiveness enhancement measures from a mid- and long-term perspective (Improve technical/product capabilities and marketing functions for each business domain)
- Maintain a sound financial structure through thorough cash flow management

Mid-term Business Strategy (Master Plan)

■Mid-term Management Policies■

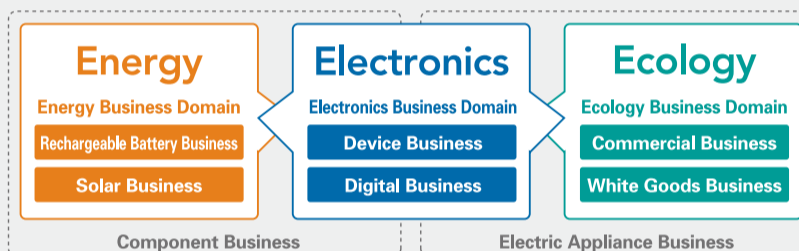
Regaining public trust and reputation and establishing the foundation for a highly profitable company to become a "leading provider of Environment- and Energy-related products"

■Mid-term Management Goals (FY2008 – FY2010)■

Challenge 1000

- In 1,000 days (3 years), make all continuing businesses profitable
- Challenge Goal for FY2010: Consolidated Operating Profit of 1,000 Million Dollar or More
["Must Accomplish" Goal: Consolidated Operating Profit of 900 Million Dollar]

Business Domain



Energy Business Domain

	FY2008	Goal (FY2010)
Sales	Approx. 5,000 Million Dollar	Approx. 6,100 Million Dollar
Operating Profit	Approx. 450 Million Dollar	Approx. 580 Million Dollar

Rechargeable Battery Business

As the No. 1 business entity further strengthen position
Achieve further growth through 1,250 million dollar scale intensive investment

- Strengthen position as a leading manufacturer through further technology development (Performance, reliability, supply capacity etc.)
- Lithium-ion batteries
 - Increase productivity through focused investments
 - Strengthen partnership with major clients
- HEVs (Rechargeable batteries for hybrid vehicles)
 - Based on SANYO's advanced battery technologies (performance / reliability), start full-swing operation with strategic investment

Solar Business

Implement 70 million dollar scale strategic investment
Focusing on overseas markets, increase sales and expand profit

- HIT Solar Cells
 - Expand overseas sales through increasing productivity of HIT solar cells
 - Multiply overseas sales scale, primarily in Europe and North America, to reach 1,000 million dollar or more by FY2010
 - Intensify the development of cost-reduction technology
 - Strengthen strategic function as a business directly controlled by Headquarters
- Next Generation Solar Cells
 - Establish "Next Generation Solar Cell Development Center"

Electronics Business Domain

	FY2008	Goal (FY2010)
Sales	Approx. 9,800 Million Dollar	Approx. 11,500 Million Dollar
Operating Profit	Approx. 330 Million Dollar	Approx. 520 Million Dollar

Electronic Component Business

Conduct focused investments in World's No. 1 Share Products
Further enhance technology development capabilities acquired through strong partnership with major clients to achieve continued growth

- Capacitor Business
 - Intensively specialize in high-value added capacitors
 - Continue strengthening Industry No.1 position (Production capacity, high-quality/high-reliability technologies)
- Optical Pickup Business
 - Further strengthen competitiveness to maintain the No. 1 share

Semiconductor Business

Establish stable business base by taking advantage of our Proprietary Analog Device Technology etc.

- Further concentrate resources in competitive products (Component, niche AV, in-car products)
- Increase facilities investment and pursue higher efficiency
- Strengthen cooperation with other business fields (Improve customer handling capability, increase internal procurement rate)

Digital Business

Strengthen businesses for special clients (OEM etc.)
Reorganize/consolidate the digital businesses for further revenue growth

- DI Business (Digital Camera)
 - Increase product capabilities through co-development with major clients
 - Increase orders through improving cost competitiveness
- Projector Business
 - Maintain dominant share in the production of large projectors and escalate efforts for differentiated products such as ultra-short focus projectors
- TV Business
 - Strengthen the position in the North American market and create stable profits in the emerging markets
- In-car Product Business
 - Expand sales through improvement of customer-handling capability and continuous enhancement of portable navigation system business

Ecology Business Domain

	FY2008	Goal (FY2010)
Sales	Approx. 5,000 Million Dollar	Approx. 5,800 Million Dollar
Operating Profit	Approx. 90 Million Dollar	Approx. 160 Million Dollar

Commercial Business

Boost revenues by intensively pursuing higher efficiency in the Japanese market
Shift resources to catch opportunity to expand overseas

- Air Conditioning Business
 - Increase profitability by shifting management resources to growing markets (Europe/China)
- Cold Chain Business
 - Increase profitability in Japan and focus businesses targeting growing markets (China etc.) and large accounts
- Compressor Business
 - Release new high-performance/low-cost models for the volume zone, improve customer-handling capabilities, and develop a market in U.S.A.
- Medical Business
 - Lead the medical information system industry in Japan through further strengthening business base (Medicom)
 - Expand business domain from basic research support to regenerative medical support and intensify efforts in the overseas markets (Biomedical)
- Strengthen service function (Commercial products replacement service)

White Goods Business

Turn into a global-level profitable business
Increase product capabilities by capitalizing on SANYO's strengths such as environmental technology
Promote measures to improve management efficiency through SANYO Consumer Electronics Co., Ltd.
Expand sales on a global scale (Set global-scale sales goals and clarify sales responsibilities)

Business Strategy in Component Business (Rechargeable Batteries / Solar / Electronic Devices / Semiconductors)

Facilities Investment Strategy	Concentrate 70% of the company-wide investment in the rechargeable battery, solar, and electronic component businesses
Technology Development Strategy	Further sharpen technological edge of world's No. 1 products (Lithium-ion batteries, solar cells, capacitors, optical pickups etc.)
CRM Strategy (Marketing)	Strengthen partnership with major clients Raise profits by doing customer handling from a cross-cutting, lateral business perspective

Business Strategy in Electric Appliance Business (Digital / Commercial / White Goods)

Increase global competitiveness	Set global sales goals for overall finished goods business Strengthen sales structure to achieve goals
Pursue higher efficiency of operations in Japan	To strengthen and stabilize revenue base, intensively pursue higher efficiency in the Japanese market
Strengthen marketing/product competitiveness	Promote development of differentiated products based on SANYO's proprietary technologies. Further intensify marketing targeting major clients and environmentally-advanced countries.

Electric Appliance Business Overseas Sales Strategy

Americas	Strengthen CRM activities for major accounts
Europe	Focus on regions and products for which increased demand is seen (Continue to expand sales of air conditioners and start heating/hot water supply business in full swing)
China	Take advantage of World-event and EXPO demand, expand sales of competitive commercial equipment
Asia	Expand business scope beyond white goods by taking advantage of high brand awareness and sales network
Middle East/Africa/India	Take advantage of increased purchasing power and large-scale project investments, actively provide comprehensive proposals for commercial equipment