



# 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](mailto:i_press@sanyo.com)

## **SANYO Approves Tender Offer for Shares of SANYO Electric Co., Ltd. by Panasonic Corporation**

Tokyo, November 4, 2009 – SANYO Electric Co., Ltd. (“SANYO”) announces that it resolved at the meeting of its board of directors held today (i) to express its approval of a tender offer (the “Tender Offer”) for common shares, Class A preferred shares, and Class B preferred shares of SANYO by Panasonic Corporation (“Panasonic”), (ii) to withhold its opinion on the appropriateness of the purchase price in the Tender Offer, and (iii) to leave the decision of tendering of common shares to the shareholders of common shares as set out below.

### 1. Outline of the Panasonic

(as of September 30, 2009)

(1) Trade Name	Panasonic Corporation	
(2) Address	1006, Oaza Kadoma, Kadoma-shi, Osaka	
(3) Name and Title of Representative	Fumio Ohtsubo, President	
(4) Details of Business	Manufacture and sale of electrical and electronic equipment	
(5) Capital Amount	258,740 million yen	
(6) Date of Incorporation	December 15, 1935	
(7) Major Shareholders and Shareholding Ratio (as of March 31, 2009)	The Master Trust Bank of Japan, Ltd. (trust account)	5.38%
	Moxley & Co.	5.00%
	Japan Trustee Services Bank, Ltd. (trust account)	4.84%
	Japan Trustee Services Bank, Ltd. (trust account 4G)	4.62%
	Nippon Life Insurance Company	2.73%
	* Shareholding ratio is the ratio of the number of shares held by each shareholder to the total number of issued shares.	
(8) Relationship between SANYO and Panasonic	Capital relationship	SANYO and its subsidiaries do not hold shares of Panasonic.

Personnel relationship	There is no personnel relationship of note between SANYO and Panasonic.
Business relationship	SANYO has entered into transactions with Panasonic regarding sale of products and raw materials to Panasonic and purchase of products and raw materials from Panasonic.
Related parties	Panasonic is not a related party of SANYO.

## 2. Details of Grounds and Reasons for the Opinion on the Tender Offer

### (1) Details of the opinion on the Tender Offer

SANYO resolved at the meeting of its board of directors held on November 4, 2009, (i) to express its approval of the Tender Offer for common shares, Class A preferred shares, and Class B preferred shares of SANYO by Panasonic, (ii) to withhold its opinion on the appropriateness of the purchase price in the Tender Offer, and (iii) to leave the decision of tendering of common shares to the shareholders of common shares.

### (2) Overview of the Tender Offer

Panasonic entered into the capital and business alliance agreement as of December 19, 2008 (hereinafter referred to as the “Capital and Business Alliance Agreement”) with SANYO, which is listed on the first section of the Tokyo Stock Exchange Group, Inc. (hereinafter referred to as the “Tokyo Stock Exchange”) and on the first section of the Osaka Securities Exchange (hereinafter referred to as the “Osaka Securities Exchange”), for the purpose of making SANYO its subsidiary and, with the prospect of an eventual restructuring of the organization, forming a close alliance between the companies.

According to the Notice of Commencement of Tender Offer for Shares of SANYO Electric Co., Ltd. (“Panasonic’s Press Release”) released by Panasonic today, Panasonic planned to implement a tender offer in the Capital and Business Alliance Agreement for all of the shares of SANYO (all of the common shares, Class A preferred shares and Class B preferred shares) subject to, among other conditions, the completion of the procedures and measures that are required under domestic and overseas competition laws and regulations, for the purpose of making SANYO its subsidiary. Now, upon near completion of the procedures and measures, that are required under domestic and overseas competition laws and regulations, and after confirmation of satisfaction of the conditions for Panasonic’s commencement of the Tender Offer, which are provided in the Capital and Business Alliance Agreement, commencement of

the Tender Offer has been resolved at the meeting of the Board of Directors of Panasonic held as of November 4, 2009. Panasonic will implement the Tender Offer for all of the shares of SANYO (all of the common shares, Class A preferred shares and Class B preferred shares), with 3,070,985,000 of issued shares of SANYO being the minimum number of shares to be purchased, as part of the capital and business alliance between SANYO and Panasonic based on the Capital and Business Alliance Agreement. Upon a determination that the minimum number of shares scheduled to be purchased has been tendered, the total number of share certificates, etc. tendered shall be calculated, with each Class A preferred share and each Class B preferred shares tendered in this Tender Offer being deemed 10 common shares, since the right is conferred on the Class A preferred shares and Class B preferred shares, to request SANYO issue common shares of SANYO, in exchange for its acquisition of the relevant preferred shares, at the ratio of 1 preferred share to 10 common shares (hereinafter referred to as the "Conversion").

According to Panasonic's Press Release, the number of issued shares less the number of treasury shares, in the case of Conversion of all of the above Class A preferred shares and Class B preferred shares, shall be such number (hereinafter referred to as the "Aggregate Number of Issued Shares of SANYO on a Fully Diluted Basis") (6,141,969,078 shares) as is obtained by deducting the number of the treasury shares held by SANYO as of March 31, 2009 (16,084,021 shares), which is described in its Annual Securities Report for the 85th term submitted on June 29, 2009, from the sum of (i) the total number of issued common shares as of June 30, 2009 (1,872,338,099 shares), which is described in SANYO's first Quarterly Report for the 86th term submitted on August 5, 2009, and (ii) the total number of such common shares (4,285,715,000 shares) as is obtained in the case of Conversion of all issued Class A preferred shares (182,542,200 shares) and issued Class B preferred shares (246,029,300 shares) as of June 30, 2009, both numbers are described in the first Quarterly Report for the 86th term submitted on August 5, 2009. The minimum number of shares to be purchased (3,070,985,000 shares), is equal to the majority of the Aggregate Number of Issued Shares of SANYO on a Fully Diluted Basis.

Also, according to Panasonic's Press Release, Panasonic plans to convert the Class A preferred shares and Class B preferred shares of SANYO into common shares after the acquisition thereof through the Tender Offer. While no voting rights are granted to Class B preferred shares, the total number of SANYO's voting rights will increase by the Conversion of preferred shares into the common shares.

According to Panasonic's Press Release, the purchase price in the Tender Offer is 131 yen per common share, 1,310 yen per Class A preferred share, and 1,310 yen per Class B preferred share. The purchase prices for the Tender Offer represents a discount of (i) 42.5% (rounded to the first decimal place) over the closing price of the sale price of the common shares of SANYO of 228 yen on the first section of the Tokyo Stock Exchange on November 2, 2009, (ii) 38.5% (rounded to the first decimal place) over the simple average closing price of 213 yen (rounded to the whole number) in the previous one-month period ending on November 2, 2009, or (iii) 43.3% (rounded to the first decimal place) over the simple average of the closing price of 231 yen (rounded up or down according to the first whole number) in the previous three-month period

ending on November 2, 2009.

(3) Decision-making process and reasons for the Tender Offer

(a) Outline of SANYO

SANYO is developing its activities, such as manufacturing, sales, maintenance and services, in the Consumer Business Segment (imaging apparatus, such as TVs and projectors, audio equipment, information and communications equipment, such as digital cameras and navigation systems, household appliances, etc., such as refrigerators, air-conditioners and washing machines), Commercial Business Segment (commercial equipment, such as showcases and commercial air conditioners, and commercial kitchen equipment, etc.), Component Business Segment (semiconductors, electronic components, primary batteries, rechargeable batteries and PV system, etc.) and Other Business Segment (logistics, maintenance and information services), and, under the management philosophy: “We are committed to becoming an indispensable element in the lives of people all over the world”, is aiming to change into a “leading company for energy and environment” which will contribute to the global environment and to the lives of people. Especially, SANYO has a large global market share and high level of technology on a global scale, and is well-established as a leading global company, with respect to the consumer lithium-ion battery business. In addition, with respect to the lithium-ion battery business for HEV (Hybrid Electric Vehicles) and EV (Electric Vehicles), an area in which rapid market growth is expected in the future, co-development with domestic and foreign car makers is being implemented. As well as addressing development and commercialization of a much more sophisticated system, a new commercial production line was completed and introduced. In the photovoltaic systems business, to meet active demand, SANYO is promoting an increase of production capacity for the HIT (crystalline silicon) solar cell, which is the leading product, by constructing a new plant, and is promoting commercialization of the thin-film solar cell to be used for large scale power generation and industry.

Since its founding in 1947, SANYO has been diversifying its business into the radio, washing machine and television businesses, and, with the postwar development of the economy, accomplished remarkable growth, to become a global company in the electronics industry under the SANYO brand. However, being affected by the intensified competition and the price decline of the digital appliance industry, and losses at the NIIGATA SANYO ELECTRONIC CO., LTD. (presently SANYO Semiconductor Manufacturing Co., Ltd.), due to the Niigata Chuetsu Earthquake in October 2004, SANYO was in urgent need, in fiscal 2006, the year ended March 31, 2006, of strengthening its financial standing by building up stockholder’s equity and reducing interest-bearing debt, etc. Under such situation, SANYO has been continuing to strengthen its financial standing, and continuing capital investment and research and development focusing on its core-business to implement its growth strategy, by issuing, on March 14, 2006, Class A preferred shares and Class B preferred shares by way of issuance of new shares to third parties, the total amount of which was 300,000,000,000 yen and the allottees

of which were the Evolution Investments Co., Ltd., which is a 100 % subsidiary of Daiwa Securities SMBC Principal Investments Co., Ltd., Oceans Holdings Co., Ltd., which is an affiliate company of the Goldman Sachs Group, Inc. and Sumitomo Mitsui Banking Corporation. Further, SANYO formulated the Master Plan on November 27, 2007, which is the mid-term business strategy for the period from fiscal 2009, the year ended March 31, 2009 to fiscal 2011, the year ended March 31, 2011, and formulated the Mid-term Management Plan, which is based on the Master Plan, on May 22, 2008, to ensure its growth as a global company. Furthermore, in a continuously harsh economic environment, and considering the economic-stimulus packages, represented by the Green New Deal, which various advanced countries have passed and which target the environment and energy-related fields, SANYO now preferentially distributes its resources to such fields, especially rechargeable batteries for vehicles and photovoltaic system business, as part of the “Making Strategic Moves for Future Growth”.

(b) Outline of Panasonic

According to the Panasonic’s Press Release, Panasonic, as a general electronics maker, through intense cooperation with each of its domestic and foreign group companies, is globally developing its manufacturing, sales and service activity in five (5) segments: Digital AVC Networks (audio and visual equipment, such as plasma and LCD TVs, BD/DVD recorders, camcorders, digital cameras, and information and telecommunication equipment, such as PCs, optical disc drives, multi-function printers, telephones and mobile phones); Home Appliances (household appliances, etc., such as refrigerators, room air conditioners, washing machines, clothes dryers and vacuum cleaners); PEW and PanaHome (electronic materials and electric industry business, and building products and homes business); Components and Devices (semiconductors, general components, electric motors and batteries); and Other (electronic-components-mounting machines, industrial robots and other FA equipment, industrial instruments, etc.). Since its establishment in 1918, Panasonic has been guided by its basic management philosophy, which states that the mission of an enterprise is to contribute to the progress and development of society and the well-being of people worldwide through its business activities. On October 1, 2008, Panasonic changed its name from Matsushita Electric Industrial Co., Ltd. to Panasonic Corporation. Panasonic is now proceeding to unify the Panasonic brand globally, and using all of its profit, resulting from the efforts of the entire group, to lead to the improvement of the value of the Panasonic brand.

According to Panasonic’s Press Release, on January 10, 2007, Panasonic published the GP3 Plan, the mid-term plan that deems the period from fiscal 2008, the year ended March 31, 2008 to fiscal 2010, the year ended March 31, 2010 as the period for serious phase change to obtain the right to try for global excellence. All group companies, as one body, have been promoting their efforts to realize the major themes: double-digit growth for overseas sales, four strategic businesses, manufacturing innovation and the ‘eco ideas’ strategy. Despite significant deviations from the initial supposed management conditions, such as the occurrence of the economic crisis, Panasonic has never revised the direction of the plan, including in the fiscal

2010, the year ended March 31, 2010, which is the last year of the plan, and is continuing to promote such efforts and aims for great progress during the time of market recovery.

(c) Process of the execution of the capital and business alliance agreement and its summary

SANYO and Panasonic recognize that macroeconomic uncertainty is increasing and that the competitive business environment surrounding the two companies is expected to intensify further due to the general decline in demand resulting from the global economic recession stemming from the financial crisis, the pressures on business resulting from a strong yen and rising material costs, as well as the rise of China and other emerging markets. Moreover, it is becoming increasingly difficult to sustain growth alone. SANYO and Panasonic also recognize that not only should existing strategies be accelerated, but aggressive and drastic action should also be taken in order to achieve potential growth. Therefore, SANYO and Panasonic, based upon a common understanding of the business environment, with the objective of overcoming a harsh global competitive environment, aiming to realize, to the full extent, the potential earnings growth rate and, also, to maximize the corporate values of both SANYO and Panasonic, agreed to enter into discussions regarding a capital and business alliance based on the premise of making SANYO a subsidiary of Panasonic, and made an announcement on November 7, 2008, titled "Panasonic and SANYO Agree to Start Discussions for Capital and Business Alliance." Thereafter, SANYO and Panasonic continued to engage in detailed discussions and reviews and arrived at the conclusion that the best solution for realizing aspirations for global excellence would be to further strengthen the foundation for growth through a collaboration between the companies, by combining the accumulated technologies and manufacturing knowledge of both companies, and upon resolutions being passed at meetings of the respective Board of Directors of each company that were held on December 19, 2008, SANYO and Panasonic entered into the Capital and Business Alliance Agreement.

In the capital and business alliance agreement, the matters briefly described as follows have been agreed to:

- (i) Panasonic will acquire a majority of the voting rights of all shareholders of SANYO (hereinafter referred to as the "Transactions") to make SANYO its subsidiary and, will form a close alliance with the prospect of an eventual restructuring of the organization, such as a merger with SANYO, etc.;
- (ii) Panasonic shall commence the Tender Offer subject to SANYO's endorsement of the Tender Offer and SANYO's representation to that effect; provided, however, that SANYO may reserve its opinion on the purchase price for the Tender Offer or represent its opinion to leave to the shareholders the judgment as to whether or not to tender the Tender Offer with respect to the common shares;
- (iii) SANYO represents, discloses and maintains its intention to endorse the Tender Offer subject to (a) the Tender Offer being lawful in accordance with the applicable laws inside and outside Japan, (b) the purchase price for the Tender Offer being judged not to fall below a price

considered appropriate upon the representation of intent to endorse the Tender Offer, (c) no third parties making a proposal that is reasonably judged to be more beneficial for SANYO's shareholders by improvement of SANYO's corporate value than the Transaction and (d) a possible breach of SANYO's directors' obligation of the due care of a good manager or other similar obligations does not exist in respect of SANYO's representation of its intent to endorse the Tender Offer;

(iv) SANYO must not, in principle, provide information to the other party, consider the transaction with the other party or conduct other transactions, etc. that conflict with the Transactions or that materially interfere with the conducting of the Transactions (hereinafter referred to as the "Competitive Transactions") between a third party other than Panasonic for the period until the completion of the Transactions; provided, however, that, if it is unavoidable for SANYO to accept a proposal concerning Competitive Transactions and if SANYO reasonably judges that the contents of the proposed the Competitive Transactions presented by a third party other than Panasonic contribute to the benefit of the shareholders of SANYO, SANYO shall consult with Panasonic in good faith;

(v) Excluding transactions, etc. separately agreed to by and between SANYO and Panasonic, for the period until the completion of the Transactions, SANYO shall conduct business as it has done in the past within the range of ordinary business and shall make its subsidiaries do the same, and SANYO shall not, beyond the range of ordinary business, dispose the material assets, bear obligations or liabilities, or conduct any other matters that may have a material adverse affect on SANYO's consolidated financial conditions, consolidated operating results, consolidated cash flow or future profit plan and shall make its subsidiaries do the same;

(vi) SANYO and Panasonic shall immediately set up a "Collaboration Committee" after the execution of the Capital and Business Alliance Agreement and shall consider matters with respect to the management policy and control environment after the completion of the Transactions at the time and within the extent that is permitted under applicable laws and regulations in Japan and overseas;

(vii) With respect to the matters which require negotiation with a fair trade commission, foreign countries' competition law authorities and other supervising authorities, or permission from supervising authorities on antitrust laws or competition laws in Japan or overseas in connection with the Transactions, either SANYO or Panasonic, which is obliged to respond to such matter pursuant to the relevant laws and regulations, shall perform necessary procedures under its own responsibility through consultation between SANYO and Panasonic; and

(viii) Following matters when the Transactions are completed.

(A) Even if the Transactions are completed, SANYO and Panasonic shall confirm that their common recognition is that common shares of SANYO will remain listed for the time being. In the case where common shares of SANYO may conflict with the requirement of remaining listed as a result of the Tender Offer, SANYO and Panasonic shall discuss the measures to avoid delisting.

(B) Even if the Transactions are completed, SANYO and Panasonic shall maintain SANYO's corporate name and SANYO brand while SANYO remains listed.

- (C) SANYO and Panasonic shall discuss SANYO's personnel affairs of new officers including dispatch of directors and auditors from Panasonic to SANYO.
  - (D) SANYO and Panasonic shall discuss the treatment of SANYO's current directors, auditors and executive officers excluding those who have been appointed or seconded from preferred shareholders based on the basic policy that they will continue to be engaged in business operation.
  - (E) Panasonic plans a 100 billion yen-scale investment for collaboration with SANYO for the purpose of acceleration of synergy realization. However, the specific content, details of timing of implementation and so forth shall be determined by consultation between SANYO and Panasonic.
  - (F) Even if the Transactions are completed, the common recognition of SANYO and Panasonic is that SANYO will voluntarily operate its business in accordance with the mid-term management plan adopted by SANYO in May 2008. In the case where it is objectively recognized that the said mid-term management plan has not been achieved or it is extremely difficult to achieve it, SANYO and Panasonic shall discuss faithfully and make a decision on the method of the collaboration in light of maximizing value for the business group.
- (d) Synergy effect expected from cooperation between SANYO and Panasonic

SANYO and Panasonic believe that, through this alliance, strong collaboration between both companies will be established in a wide range of business fields. The primary synergies currently expected are as follows:

(i) Solar business

By utilizing the business platform of Panasonic, SANYO and Panasonic aim to respond to demand for solar batteries, an area in which significant future growth is expected, through (i) further expanding business in the area of highly efficient HIT (crystalline silicon) solar photovoltaic cells and modules (batteries) and (ii) the acceleration of development and commercialization of next-generation solar cells. In addition, by utilizing domestic and overseas sales platforms of Panasonic's group, a significant increase in sales can be expected.

(ii) Rechargeable battery business (mobile energy)

SANYO has established its status as a leading company in the rechargeable battery business, primarily lithium-ion rechargeable batteries. In addition, Panasonic has utilized its original black box technology and expanded its business globally. By forging this alliance, the companies will further strengthen their competitiveness through (i) the introduction of SANYO's excellent production technology to Panasonic and (ii) the provision of Panasonic's high-capacity technology, etc. to SANYO. Active investments will be made in batteries for HEV (Hybrid Electric Vehicle) and EV (Electric Vehicle), an area in which rapid market growth is expected in the future, and as part of Panasonic's group, it is believed that SANYO's collaboration with

automakers can be strengthened and sales significantly expanded.

(iii) Strengthening financial and business position

By way of SANYO becoming a member of Panasonic's group after the execution of the Tender Offer, (i) reductions in company-wide procurement costs in areas such as materials purchasing or (ii) reductions in logistics-related costs are expected in SANYO. In addition, by introducing Panasonic's original cost reduction know-how, such as "Itakona" or "Cost Busters," to SANYO, further strengthening of the financial and business position of SANYO can be achieved.

Also, in accordance with the Capital and Business Alliance Agreement, Panasonic and SANYO have established a "Collaboration Committee," and the said committee has been considering, to the extent permitted under the applicable laws and regulations, various items in order to achieve the expected outcomes of collaboration between the two companies. After the execution of the Tender Offer, SANYO and Panasonic will implement strong measures to put the various items into practice by way of turning the energy field into a new growth driver and making the concepts of "creating energy," "storing energy," and "saving energy" the main pillars. Under these concepts, the companies will aim to realize integrated energy control for the entire house and for the entire building. Thereby, SANYO group aims to realize a comprehensive energy solution.

(e) Recent management environment surrounding SANYO

The management environment surrounding SANYO remains as tough as ever, even after the execution of the capital and business alliance agreement. SANYO's performance for the fiscal year that ended in March 2009 fell significantly below that of the previous fiscal year, with net sales of 1,770.7 billion yen, an operating income of 8.3 billion yen and a current net loss of 93.2 billion yen, all on a consolidated basis. Further, as detailed in SANYO's press release dated September 25, 2009 titled the "SANYO Revises Financial Results Forecast for FY Ending March 2010," SANYO expects to incur a loss of 30 billion yen in the consolidated current net loss for the fiscal year ending in March 2010 due to, among other issues, measures against incidents regarding its washer-dryers and the introduction of a Special Carrier Support Plan. Therefore, the reinforcement of its business position is a pressing issue for SANYO.

Bearing in mind this severe management environment surrounding SANYO, SANYO determined that a reliable and effective way for it to maximize its corporate value, paying maximum attention to the impact on the existing shareholders, is to become a subsidiary of Panasonic through the implementation of the Tender Offer, and thereby maintain and recover the confidence of SANYO's business partners, financial institutions, SANYO's employees, and other stakeholders, as well as reinforce SANYO's business position by realizing the synergy effects through cooperation with Panasonic at an early stage (see section (d) above titled "Synergy effect expected from cooperation between SANYO and Panasonic") following funding of approximately 100 billion yen expected from Panasonic as an act of cooperation with

SANYO for the purpose of accelerating the synergy effects (see section (c) above titled “Process of the execution of the capital and business alliance agreement and its summary”).

- (f) Obtainment of clearance from competition law authorities of each relevant country and remedies

SANYO and Panasonic will undertake the following remedies for resolving the competitive concerns pointed out by the Fair Trade Commission of Japan and the overseas competition law authorities in the course of their respective investigation of Panasonic’s acquisition of SANYO’s shares through the Tender Offer (hereinafter in this section referred to as the “Share Acquisition”).

- (i) Remedy concerning rechargeable portable nickel metal-hydride batteries

In the course of the investigation of the Share Acquisition under applicable competition law, each of the United States Federal Trade Commission, the Ministry of Commerce of the People’s Republic of China (hereinafter referred to as the “Ministry of Commerce of China”), and the European Commission pointed out that the Share Acquisition would give rise to competitive concerns in the market for rechargeable portable nickel metal-hydride batteries. In order to resolve such concerns, SANYO will transfer to FDK Corporation (hereinafter referred to as “FDK”) all the shares of SANYO Energy Twicell Co., Ltd. (hereinafter referred to as “SANYO Energy Twicell”) which conducts the business concerning rechargeable portable nickel metal-hydride batteries. The detailed steps for such transfer are as follows. In order to enable SANYO Energy Twicell to conduct, as an entity that is independent of SANYO, the business concerning rechargeable portable nickel metal-hydride batteries, SANYO plans to, prior to the transfer of all the shares of SANYO Energy Twicell to FDK, (i) have SANYO Energy Twicell succeed to SANYO’s business concerning rechargeable portable nickel metal-hydride batteries by way of the absorption-type company split, (ii) have a new company succeed to the SANYO Energy Twicell’s business other than one concerning rechargeable portable nickel metal-hydride batteries by way of the incorporation-type company split, (iii) acquire all the shares of such new company, (iv) transfer, and grant a license of, SANYO’s intellectual property rights related to the business concerning rechargeable portable nickel metal-hydride batteries to SANYO Energy Twicell and (v) conduct any other relevant actions. SANYO and FDK announced their execution of the memorandum of understanding on the relevant transaction on October 28, 2009, and subject to, among other things, obtaining the approval of the competition law authority for the share transfer, will carry out the share transfer on December 21, 2009.

- (ii) Remedy concerning primary cylindrical lithium batteries and rechargeable coin-shaped lithium batteries

In the course of the investigation of the Share Acquisition under the applicable competition law, each of the Fair Trade Commission of Japan and the European Commission pointed out that the Share Acquisition would give rise to competitive concerns in the market for primary cylindrical

lithium batteries or cylindrical manganese dioxide lithium batteries, a type of primary cylindrical lithium batteries. Furthermore, in the course of the investigation of the Share Acquisition under applicable competition law, each of the Ministry of Commerce of China and the European Commission pointed out that the Share Acquisition would give rise to competitive concerns in the market for rechargeable coin-shaped lithium batteries. In order to resolve such concerns, SANYO will transfer to FDK all the shares of SANYO Energy Tottori Co., Ltd. (hereinafter referred to as “SANYO Energy Tottori”) that conducts the business concerning primary cylindrical lithium batteries (With respect to primary cylindrical lithium batteries, SANYO conducts the business only concerning cylindrical manganese dioxide lithium batteries.) and rechargeable coin-shaped batteries including rechargeable coin-shaped lithium batteries and the business concerning processing nickel-cadmium battery plates. The detailed steps for such transfer are as follows. In order to enable SANYO Energy Tottori to conduct, as an entity that is independent of SANYO, the business concerning primary cylindrical lithium batteries and rechargeable coin-shaped batteries, SANYO plans to, prior to the transfer of all the shares of SANYO Energy Tottori to FDK, (i) have SANYO Energy Tottori succeed to SANYO’s business concerning primary cylindrical lithium batteries and rechargeable coin-shaped batteries and part of business concerning processing nickel-cadmium battery plates by way of the absorption-type company split, (ii) transfer, and a grant of license, SANYO’s intellectual property right related to the business concerning primary cylindrical lithium batteries and rechargeable coin-shaped batteries to SANYO Energy Tottori and (iii) conduct any other relevant actions. SANYO and FDK announced their execution of the memorandum of understanding on the relevant transaction on October 28, 2009, and subject to, among other things, obtaining the approval of the competition law authority for the share transfer, will carry out the share transfer on December 21, 2009.

(iii) Remedy concerning rechargeable nickel metal-hydride batteries for automotive use

(a) Transfer of Panasonic’s business concerning rechargeable nickel metal-hydride batteries for automotive use

In the course of the investigation of the Share Acquisition under applicable competition law, the Ministry of Commerce of China pointed out that the Share Acquisition would give rise to competition concerns in the market for rechargeable nickel metal-hydride batteries for automotive use. According to Panasonic’s Press Release, as one measure to resolve these concerns, Panasonic plans to transfer its business concerning rechargeable nickel metal-hydride batteries for automotive use to a third party.

(b) Remedy concerning PEVE undertaken by Panasonic

In the course of the investigation of the Share Acquisition under applicable competition law, the Ministry of Commerce of China pointed out that the Share Acquisition would give rise to competition concerns in the market for rechargeable nickel metal-hydride batteries for automotive use.

According to Panasonic’s Press Release, as one measure to resolve these concerns, with respect to Panasonic EV Energy Co., Ltd. (hereinafter referred to as “PEVE”), which is

the joint venture by and between Panasonic and Toyota Motor Corporation, and which is in the business of developing, manufacturing, and selling, etc. rechargeable nickel metal-hydride batteries for automotive use, Panasonic will implement measures agreed with the Ministry of Commerce of China necessary for completely eliminating the influence by Panasonic on the business concerning rechargeable nickel metal-hydride batteries for automotive use conducted by PEVE.

By taking each remedial action (“Remedial Action”) stated above, SANYO will be duly authorized, or is reasonably expected to be authorized by the commencement of settlement of the Tender Offer, by the Japan Fair Trade Commission, United States Federal Trade Commission, Ministry of Commerce of China, European Commission, and other authorities on antitrust or competition law to conduct the Tender Offer and business alliance.

By taking the Remedial Action, SANYO will lose part of its business, which will have a certain negative effect on its corporate value (dissynergy). However, SANYO has determined that, in the current severe business environment, the benefits to be obtained by SANYO as a result of the Tender Offer, including the synergy effects resulting from cooperating with Panasonic (see section (d) above titled “Synergy effect expected from cooperation between SANYO and Panasonic”), are greater than the loss to be incurred by SANYO as a result of the dissynergy and Remedial Action, and that cooperation with Panasonic through the Tender Offer will be in the best interests of shareholders of SANYO.

(g) Opinion on the Tender Offer

For the above reasons, SANYO resolved at the meeting of its board of directors to express its approval of the Tender Offer.

However, the purchase price in the Tender Offer was eventually determined through negotiations between Panasonic, Evolution Investments Co., Ltd., Ocean Holdings Co., Ltd., and Sumitomo Mitsui Banking Corporation, and is the discount rate for either (i) the closing price of SANYO’s stock in regular trading on the Tokyo Stock Exchange first section on November 2, 2009, (ii) the simple average closing price for the one-month period ended November 2, 2009, or (iii) the simple average closing price for the three-month period ended November 2, 2009 as stated above. Therefore, SANYO’s board of directors resolved to withhold its opinion on the appropriateness of the purchase price in the Tender Offer and to leave the decision of tendering of common shares to the shareholders of common shares.

(4) Summary of action taken regarding decision-making for the Tender Offer

With respect to the resolution to approve the Tender Offer, SANYO’s board of directors took the following action to ensure the fairness of the Tender Offer.

In order to review the purchase price and other terms and conditions of the Tender Offer in commencing the Tender Offer, SANYO requested ABeam M&A Consulting Ltd. (“ABeam”), a third-party appraiser independent from SANYO and Panasonic, to assess the value of SANYO’s stock, and obtained a valuation report dated November 2, 2009 (the “Valuation Report”) and an opinion (the “Opinion”) from ABeam. ABeam used the market price method, comparable company comparison method, and DCF (discounted cash flow) method in the Valuation Report. The values per common share in SANYO calculated in accordance with each of these methods are stated below. ABeam calculated the values per common share in SANYO using the comparable company comparison method and the DCF method on a fully diluted basis (after converting Class A preferred shares and Class B preferred shares into common shares). The valuations made by ABeam do not reflect the synergy effects resulting from the Tender Offer or the effects from the scheduled funding of approximately 100 billion yen from the Panasonic as an act of cooperation for the purpose of accelerating the synergy effects (see section 2.(3)(c) above titled “Process of the execution of the capital and business alliance agreement and its summary”). The following valuations calculated by ABeam were made using values calculated before the effects of the Remedial Action impacted the stock value of SANYO and values calculated after the effects of the Remedial Action impacted the stock value of SANYO.

Market price method: 213 yen to 236 yen  
Comparable company comparison method: 104 yen to 156 yen  
DCF method: 87 yen to 187 yen

According to the Opinion received from ABeam together with the Valuation Report, ABeam determined that the purchase price in the Tender Offer is not an unreasonable price from a financial point of view (ignoring the outlook based on the valuation through the market price method), taking into account that although the purchase price is below the minimum value of the range of values calculated through the market price method, it is within the range of values calculated through the comparable company comparison method and the DCF method.

On the other hand, according to Panasonic’s Press Release, Panasonic obtained valuation reports dated December 19, 2008 and September 30, 2009 from Merrill Lynch Japan Securities Co., Ltd., financial advisor that is an independent third-party appraiser, as reference for the determination of the purchase price of SANYO’s shares in the Tender Offer. (See Panasonic’s Press Release for the process behind calculating the purchase price for shares in SANYO in the Tender Offer.)

Also, SANYO’s board of directors received legal advice on decisions regarding the Tender Offer from Mori Hamada & Matsumoto, legal advisor to SANYO.

As a result of prudent reviews of the purchase price and other terms and conditions of the Tender Offer based on the advice detailed above, SANYO’s board of directors determined that the purchase price and other terms and conditions of the Tender Offer are reasonable for

SANYO to express its approval of the acquisition of SANYO's shares by Panasonic through the Tender Offer.

However, the purchase price in the Tender Offer was eventually determined through negotiations between Panasonic, Evolution Investments Co., Ltd., Ocean Holdings Co., Ltd., and Sumitomo Mitsui Banking Corporation, and is the discount rate for either (a) the closing price of SANYO's stock in regular trading on the Tokyo Stock Exchange first section on November 2, 2009, (b) the simple average closing price for the one-month period ended November 2, 2009, or (c) the simple average closing price for the three-month period ended November 2, 2009 as stated above. Therefore, SANYO resolved to withhold its opinion on the appropriateness of the purchase price in the Tender Offer and to leave the decision of tendering of common shares to the shareholders of common shares.

For the above reasons, SANYO determined that the most reliable and effective way for SANYO to maximize its corporate value in the current severe business environment is to become a subsidiary of Panasonic through the Tender Offer and thereby maintain and recover the confidence of SANYO's business partners, financial institutions, SANYO's employees and other stakeholders, as well as to reinforce SANYO's business position by realizing the synergy effects stated above through cooperation with Panasonic at an early stage, following funding of approximately 100 billion yen expected from Panasonic as an act of cooperation with SANYO for the purpose of accelerating the synergy effects. SANYO also determined that cooperation with Panasonic through the Tender Offer will be in the best interests of shareholders of SANYO, taking into account that the benefits to be obtained by SANYO as a result of the Tender Offer, including the synergy effects resulting from cooperating with Panasonic, can be expected to be greater than the loss to be incurred by SANYO as a result of the Remedial Action and the Tender Offer. SANYO further determined that the terms and conditions of the Tender Offer are reasonable for SANYO to express its approval of the acquisition of SANYO's shares by Panasonic. Thus, SANYO resolved at its board of directors meeting held on November 4, 2009 to express its approval of the Tender Offer with the unanimous approval of all directors who participated in the resolution.

SANYO's board of directors also resolved at the meeting for the reasons stated above to withhold its opinion on the appropriateness of the purchase price in the Tender Offer and to leave the decision of tendering of common shares to the shareholders of common shares.

The director of SANYO who was nominated by Sumitomo Mitsui Banking Corporation and was appointed as director of SANYO at SANYO's ordinary general meeting of shareholders held in June 2009 (namely Koichi Maeda) did not participate in the deliberation and resolution at the board of directors meeting stated above for the purpose of avoiding a conflict of interest between SANYO and some of its major shareholders. The directors of SANYO who were appointed as directors of SANYO at its ordinary general meeting of shareholders held in June

2009 and were nominated by Ocean Holdings Co., Ltd. (namely Kentaro Yamagishi and Ankur Sahu) both resigned from their positions as directors on July 30, 2009, and the directors who were nominated by Evolution Investments Co., Ltd. (namely Kazuhiko Suruta and Toshihiko Onishi) both resigned from their positions as directors on September 30, 2009. Further, the three statutory auditors of SANYO attended the board of directors meeting and expressed that the resolution by SANYO's board of directors to approve the Tender Offer, and for the board of directors to withhold its opinion on the appropriateness of the purchase price in the Tender Offer, leaving the decision of tendering of common shares in the Tender Offer to SANYO's shareholders does not constitute a breach of the board of directors' duty of care.

(5) Prospects for delisting and reasons therefore

SANYO's shares are listed on the Tokyo Stock Exchange and the Osaka Securities Exchange. Because Panasonic has not set an upper limit on the number of shares that it will purchase in the Tender Offer, in the event that, as a result of the Tender Offer, the shares of SANYO fall under the standards for delisting of shares from the Tokyo Stock Exchange or the Osaka Securities Exchange, there is the possibility that following the implementation of the specified procedures, the shares of SANYO will be delisted. However, that SANYO and Panasonic share a common understanding that they will continue to maintain, for the foreseeable future, even after the Tender Offer, the listing of SANYO's shares on the Tokyo Stock Exchange and the Osaka Securities Exchange, and the Tender Offer does not contemplate the delisting of SANYO's common shares as a result of the Tender Offer.

In the event that, as a result of the Tender Offer, it becomes likely that SANYO's shares will fall under such standards for the delisting of shares of the Tokyo Stock Exchange or the Osaka Securities Exchange, SANYO and Panasonic will consult each other to seek measures to avoid delisting. According to Panasonic's Press Release, at the present time, Panasonic does not intend to purchase further shares, etc. of SANYO subsequent to the completion of the Tender Offer. Further, according to that same press release, Panasonic is considering the prospects of an eventual restructuring of the organization with SANYO as described in section 2.(3) (c). However, at the present time, Panasonic has no definite schedule or plan.

3. Matters concerning Material Agreements Between Panasonic and the Shareholders and the directors of SANYO Regarding the Tender of SANYO's Shares in the Tender Offer

According to Panasonic's Press Release, Panasonic entered into a tender agreement with Evolution Investments Co., Ltd. (a wholly-owned subsidiary of Daiwa Securities SMBC Principal investments Co., Ltd.) on March 31, 2009, under which Evolution Investments Co., Ltd. will tender in the Tender Offer all of the Class A preferred shares (89,804,900 shares) and a part of the Class B preferred shares (64,134,300 shares) of SANYO held by Evolution Investments Co., Ltd. However, according to that same press release, the performance by the

obligation of Evolution Investments Co., Ltd. to tender SANYO's shares in the Tender Offer is subject to the following conditions precedent: (1) all representations and warranties of Panasonic set forth in the said tender agreement are true and correct in all material respects; (2) Panasonic is not in any material respects in breach of any of its obligations under the said tender agreement; (3) SANYO's endorsement of the Tender Offer, SANYO's representation to that effect (including SANYO's abstention from publicizing its opinion on the offering price of the Tender Offer, and the publication of its opinion, with respect to common shares, that whether to tender SANYO's shares in the Tender Offer is left to the judgment of each shareholder), and SANYO's maintenance of the foregoing; (4) the nonexistence of any judgment, decision, order, etc. of any court or administrative agency, or any pending case, prohibiting or restricting Evolution Investments Co., Ltd. from tendering the shares to be tendered; and (5) the nonexistence of unpublicized, material facts (as defined in Paragraph 2, Article 166 of the Financial Instruments and Exchange Law (Law No. 25 of 1948, as amended, the "Law") with respect to SANYO. (Provided, however, that the tender of the shares to be tendered in the Tender Offer, which falls under Article 166, Paragraph 6, Item 7 of the Law shall be excluded.) Unless the conditions precedent set forth above are satisfied, Evolution Investments Co., Ltd. will not be obligated to tender the shares of SANYO in the Tender Offer. (Provided, however, that Evolution Investments Co., Ltd. may waive the performance of all or any part of the above conditions precedent and still tender the shares of SANYO in the Tender Offer.) According to Panasonic's Press Release, there is a possibility that, instead of tendering said Class B preferred shares, Evolution Investments Co., Ltd. will convert said Class B preferred shares to common shares and tender the common shares in the Tender Offer. The aggregate number of common shares of SANYO (1,539,392,000 shares), assuming that the aforementioned Class A preferred shares and Class B preferred shares are converted into common shares, would be equivalent to approximately 25.06% (rounded to the second decimal place) of the Aggregate Number of Issued Shares of SANYO on a Fully Diluted Basis. According to Amendment Report No. 13 of the Substantial Shareholding Report filed by Evolution Investments Co., Ltd. with the Director of Kanto Local Finance Bureau on October 6, 2009, Evolution Investments Co., Ltd. converted Class B preferred shares (24,632,300 shares) that it held, excluding those it has agreed to tender in the Tender Offer pursuant to the tender agreement stated above, into common shares of SANYO, acquiring 246,323,000 common shares of SANYO on September 30, 2009.

According to the Panasonic's Press Release, Panasonic also entered into a tender agreement with Sumitomo Mitsui Banking Corporation on April 30, 2009, under which Sumitomo Mitsui Banking Corporation will tender in the Tender Offer all of the Class A preferred shares (2,932,400 shares) and a part of the Class B preferred shares (54,349,700 shares) of SANYO held by Sumitomo Mitsui Banking Corporation. However, according to that same press release, the obligation of Sumitomo Mitsui Banking Corporation to tender SANYO's shares in the Tender Offer is subject to the following conditions precedent: (1) all representations and warranties of Panasonic set forth in the said tender agreement are true and correct in all material respects; (2) Panasonic is not, in any material respects, in breach of any of its obligations under the said tender agreement; (3) SANYO's endorsement of the Tender Offer, SANYO's

representation to that effect (including SANYO's abstention from publicizing its opinion on the offering price of the Tender Offer, and the publication of its opinion, with respect to common shares, that whether to tender SANYO's shares in the Tender Offer is left to the judgment of each shareholder), and SANYO's maintenance of the foregoing; (4) the nonexistence of any judgment, decision, order, etc. of any court or administrative agency, or any pending case, prohibiting or restricting Sumitomo Mitsui Banking Corporation from tendering the shares to be tendered; and (5) the nonexistence of unpublicized, material facts (as defined in Article 166, Paragraph 2 of the Law) with respect to SANYO. (Provided, however, that the tender of the shares to be tendered in the Tender Offer, which falls under Item 7, Paragraph 6 of Article 166 of the Law shall be excluded.) Unless the conditions precedent set forth above are satisfied, Sumitomo Mitsui Banking Corporation will not be obligated to tender the shares of SANYO. (Provided, however, that Sumitomo Mitsui Banking Corporation may waive the performance of all or any part of the above conditions precedent and still tender the shares of SANYO in the Tender Offer.) According to Panasonic's Press Release, there is a possibility that, instead of tendering said Class B preferred shares, Sumitomo Mitsui Banking Corporation will convert said Class B preferred shares to common shares and tender the common shares in the Tender Offer. The aggregate number of common shares of SANYO (572,821,000 shares), assuming that the aforementioned Class A preferred shares and Class B preferred shares are converted into common shares, would be equivalent to approximately 9.33% (rounded to the second decimal place) of the Aggregate Number of Issued Shares of SANYO on a Fully Diluted Basis.

In addition, according to Panasonic's Press Release, Panasonic entered into a tender agreement with Oceans Holdings Co., Ltd. (an affiliate of Goldman Sachs Group, Inc.) on September 18, 2009 under which Oceans Holdings Co., Ltd. will tender in the Tender Offer all of the Class A preferred shares (89,804,900 shares) and a part of the Class B preferred shares (6,876,455 shares) of SANYO held by Oceans Holdings Co., Ltd. However, according to that same press release, the performance by Oceans Holdings Co., Ltd. of the obligation to tender shares is subject to the following conditions precedent: (1) the nonexistence of any judgment, decision, order, etc. of any court or administrative agency having jurisdiction over Oceans Holdings Co., Ltd. prohibiting or restricting Oceans Holdings Co., Ltd. from tendering the shares to be tendered; (2) the nonexistence of material facts (as defined in Article 166, Paragraph 2 of the Law) with respect to SANYO that have not been made public in the manner set forth in Paragraph 4, Article 166 of the Law, (provided, however, that the tender of the shares to be tendered in the Tender Offer, which falls under Article 166, Paragraph 6, Item 7 of the Law shall be excluded); and (3) among the information received from SANYO or Panasonic by the executives and regular employees of Oceans Holdings Co., Ltd. or an affiliate thereof involved in the decision making process on the disposition of SANYO's shares held by Oceans Holdings Co., Ltd., all material information concerning SANYO's management, operation or assets that may reasonably be considered to influence the investment decisions of investors as defined in Article 1, Paragraph 4, Item 14 of the Cabinet Office Ordinance on Financial Instruments Business have been made public. Unless the conditions precedent set forth above are satisfied, Oceans Holdings Co., Ltd. will not be obligated to tender the shares of SANYO in the Tender

Offer. (Provided, however, that Oceans Holdings Co., Ltd. may waive the performance of all or any part of the above conditions precedent and still tender the shares of SANYO in the Tender Offer.) The aggregate number of common shares of SANYO (966,813,550 shares), assuming that the aforementioned Class A preferred shares and Class B preferred shares are converted into common shares, would be equivalent to approximately 15.74% (rounded to the second decimal place) of the aggregate number of issued shares of SANYO on a fully diluted basis. According to Amendment Report No. 25 of the Substantial Shareholding Report filed by Goldman Sachs Japan Co., Ltd. with the Director of Kanto Local Finance Bureau on September 24, 2009, Oceans Holdings Co., Ltd., converted Class B preferred shares (81,890,145 shares) that it held, excluding those it has agreed to tender in the Tender Offer pursuant to the tender agreement stated above, into common shares of SANYO, acquiring 818,901,450 common shares of SANYO.

There is no material agreement between Panasonic and the directors of SANYO regarding tendering of shares in the Tender Offer.

4. Details of Profit Sharing by Panasonic or its Special Related Parties

N/A

5. Policy Based on the Basic Policy regarding Control over SANYO

N/A

6. Questions to Panasonic

N/A

7. Request for Extension of Tender Offer Period

N/A

(Reference)

For the Outline of the Tender Offer by Panasonic, Panasonic announced today, please visit Panasonic web site at <http://panasonic.net/ir/>