

To our shareholders and investors

112th Semiannual Business Report

April 1, 2013 to September 30, 2013

Security Identification Code: 6516

<http://www.sanyodenki.co.jp>

SANYODENKI

112th



I would like to take the opportunity of the publication of our 112th Semiannual Business Report to say a few words to you.

The Sanyo Denki Group has launched a structural reform that enables the Company to expand global business activities and also enables the Group companies around the world to conduct similar business activities as the Company from the beginning of the current fiscal year. This is the activity designed to deliver our high-quality products and services to customers all around the world just as we provide to our customers in Japan.

Specifically, this activity includes unique product development according to local needs, prompt supply of samples, meticulous customizing and technical support, speedup of maintenance and repair, development of agency networks, local procurement of appropriate materials, uniformed accounting system, in-house systems and human resource development within the whole corporate group.

In the development of new products until this quarter, a lot of competitive products that are the best in the industry in terms of performance, energy saving capability and reliability have been completed according to our plan.

As for production activities, in order to increase the production capacity of servo amplifiers and stepping drivers, we have constructed a new factory with a little over 10,000m² of floor space within the site of Fujiyama Works in Ueda city, Nagano prefecture, and started its operation in last May.

In addition, we have renovated Shioda Works into a specialty factory for power conditioner for photovoltaic generation systems.

Moreover, in order to increase the production capacity of SANYODENKI PHILIPPINES, INC., we have started construction of the Third Factory. As a production factory of power supplies and stepping motors, it is scheduled to start operation in the spring of 2014.

The Company's operating results for the interim period ended September 30, 2013 are described below.

Cash dividends of ¥7.00 per share, an increase of ¥1.00 compared to the same period last year, were declared for the interim period.

In all our activities, we ask sincerely for your continued support.

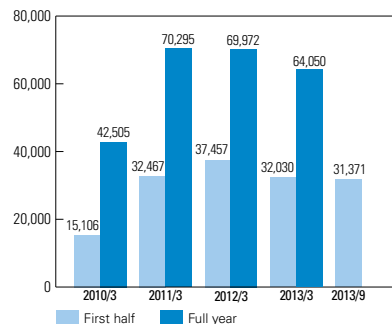
December 2013

Shigeo Yamamoto
CEO / President & COO

Consolidated Financial Highlights

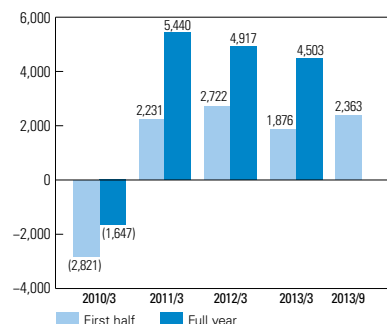
Net Sales

(Millions of Yen)



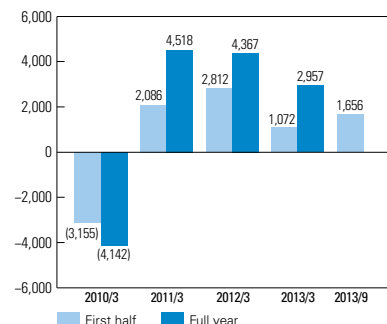
Ordinary Income

(Millions of Yen)



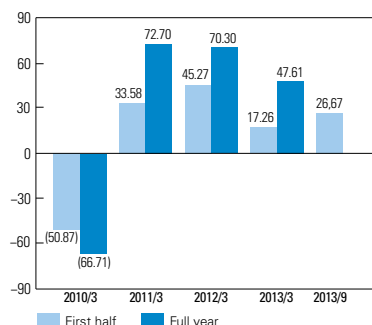
Net Income

(Millions of Yen)



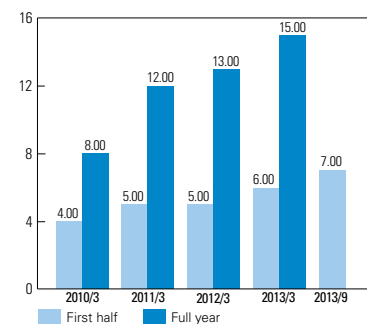
Net Income per Share

(Yen)



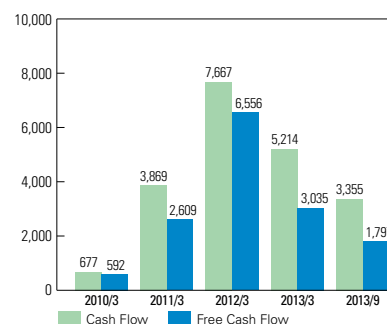
Cash Dividends per Share

(Yen)



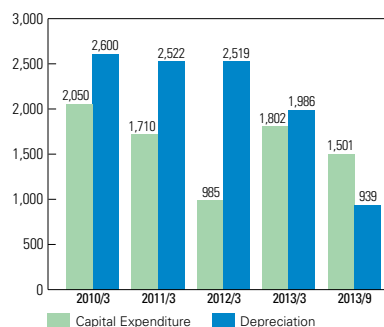
Cash Flow & Free Cash Flow

(Millions of Yen)



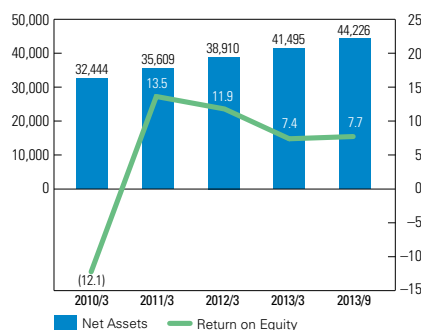
Capital Expenditure & Depreciation

(Millions of Yen)



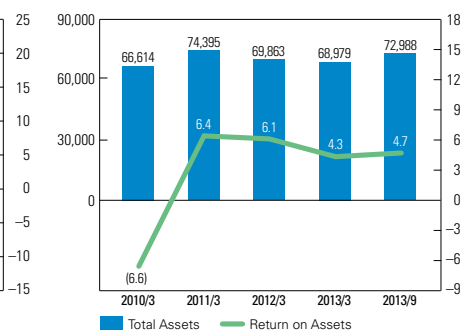
Net Assets & Return on Equity

(Millions of Yen)



Total Assets & Return on Assets

(%) (Millions of Yen)



San Ace

"San Ace" is Sanyo Denki's brand name for the cooling system products, such as cooling fans and cooling fan units, manufactured by Sanyo Denki. These are used mainly in servers, communication equipment, power supply equipment, and FA equipment.

SANUPS

"SANUPS" is the brand name for power supply equipment, including power supply conditioners for photovoltaic generation systems, uninterruptible power supply (UPS), inverters and engine generators. These are used primarily in communication systems, photovoltaic generation systems, financial terminals, FA systems, and medical care systems.

SANMOTION

"SANMOTION" is the brand name for servo systems, such as servomotors and amplifiers, stepping motors and drivers, controllers and encoders. These are used mainly in machine tool, industrial robots, injection machines, and semiconductor manufacturing equipment.

San Ace Low Power Consumption Fan

● San Ace 70 9GA Type

The product delivers the industry's greatest energy-saving and highest static pressure. It is the first model in the 70mm square lineup and the best cooling solution for 2U sized servers, power supplies, communications equipment, and data storage systems.



San Ace Counter Rotating Fan

● San Ace 60 9CRL Type

The product is a long-lived counter rotating fan that improves product life expectancy by some 3.3 times compared to our conventional product. It delivers a life expectancy of 130,000 hours (approximately 15 years) and is ideal for communications equipment, servers, and data storage systems that must operate without maintenance for extended periods.



SANUPS Cloud Service

● SANUPS NET

The product allows for easy monitoring (visualization) of the power generation conditions of remotely located photovoltaic generation systems with use of smartphones and personal computers via the Internet. It enables real-time monitoring of the conditions such as electricity production, temperature and insulation intensity.



SANUPS PV Inverter

● SANUPS P83E

The product is a power conditioner for photovoltaic generation systems with 100kW output capacity, which offers industry leading conversion efficiency of 95%. It supplies input voltage ranges from DC240 to 600V available with various combinations of photovoltaic cells.



SANMOTION AC Servo Amplifier

● PROFINET Interface

SANMOTION R ADVANCED MODEL

The product is an AC servo amplifier with PROFINET interface. The new amplifier's deterministic capability makes it perfect for motion control and other sophisticated applications that have strict real-time synchronization control requirements, as well as high-speed applications in the field of factory automation. It is most suitable for chip mounters, semiconductor manufacturing machines or machine tool applications.



SANMOTION Multi-axis AC Servo Amplifier

● EtherCAT Interface

SANMOTION R ADVANCED MODEL

This product is a multi-axis AC servo amplifier with EtherCAT interface. The high-speed EtherCAT with a baud rate of 100Mbps and 125 μ s communication cycle helps achieve more precise position commands and smoother servo amplifier operations. It is most suitable for injection machines and transport equipment.



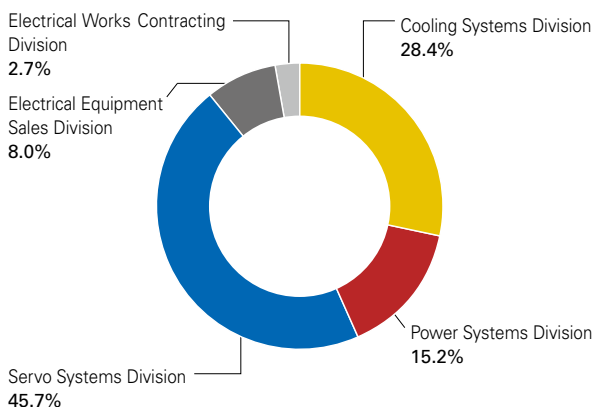
Review of Consolidated Operations

During the six-month period ended September 30, 2013, the Japanese economy moved along a recovery path thanks to demand related to reconstruction efforts responding to the Great Eastern Japan Earthquake and the effect of the government's stimulus packages, although the slowdown in growth was seen still in the Chinese economy.

In this economic climate, demand from manufacturers of machine tools, robots, manufacturing equipment for semiconductors and other capital-intensive equipment—the Company's primary customers—was sluggish.

As a result, consolidated net sales for the six-month interim period under review decreased 2.1% period on period, to ¥31,371 million, while consolidated operating income increased 7.4%, to ¥2,116 million. Consolidated ordinary income rose 26.0%, to ¥2,363 million, and net income amounted to ¥1,656 million, representing a 54.5% increase from the previous six-month period. The amount of orders received grew 2.4%, to ¥33,487 million, and the order backlog expanded 10.6%, to ¥12,501 million.

Net Sales Composition

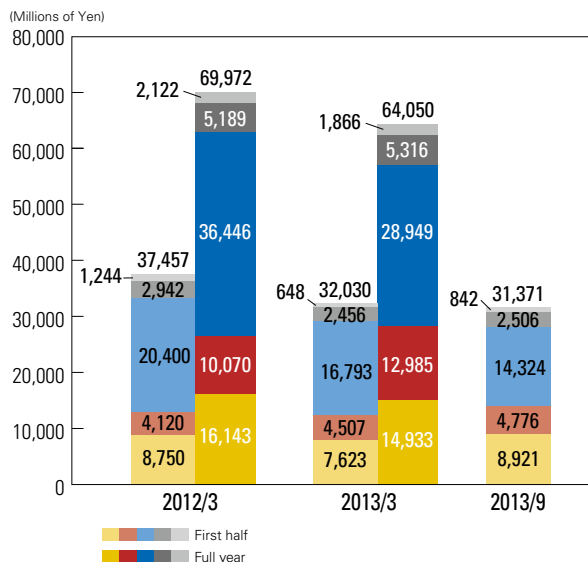


Cooling Systems Division

"San Ace," Sanyo Denki's brand name for cooling system products, experienced buoyant demand for use in new markets related to the environment mainly in Japan, such as power conditioners for photovoltaic generation systems, electric vehicle chargers and fuel cells for household use. Demand from the telecommunications industry, traditionally a large-volume client, was also brisk both in Japan and abroad thanks to increased capital spending on Long Term Evolution (LTE).

As a result, net sales increased 17.0% period on period, to ¥8,921 million. The amount of orders received jumped 22.8%, to ¥9,382 million, and the order backlog grew 32.4%, to ¥2,374 million.

Net Sales by Segment



Power Systems Division

“SANUPS” is the brand name for power supply equipment. Sales volumes of power conditioners for photovoltaic generation systems were sluggish due to restriction of the market expansion caused by both insufficient supply of domestic-made solar panels and delay of the installation works owing to a lack of contractors. On the other hand, we saw healthy demand for engine generators for government agencies and the telecommunications and broadcasting industry.

Accordingly, net sales rose 6.0% period on period, to ¥4,776 million. The amount of orders received increased 1.5%, to ¥6,103 million, while the order backlog decreased 1.3%, to ¥3,402 million.

Servo Systems Division

“SANMOTION,” Sanyo Denki’s brand name for servo system products, suffered sluggish demand from machine tools for China and general industries due to the weaker Chinese market. On the other hand, demand from manufacturing equipment for semiconductors industry remained brisk.

As a result, net sales decreased 14.7% period on period, to ¥14,324 million. The amount of orders received declined 7.4%, to ¥14,471 million, while the order backlog increased 6.3%, to ¥3,764 million.

Electrical Equipment Sales Division

(Sales of products other than those of SANYO DENKI CO., LTD.)

Sales of industrial electrical equipment, control equipment and electric materials were sluggish due to little progress in demand recovery in general industries related to medical equipment and semiconductor manufacturing equipment. In contrast, we saw strong demand from equipment related to new energies such as power conditioners for photovoltaic generation systems and power conditioner boards. However, inquiries on the replacement of steel-related equipment that had been old and outdated were sluggish due to some postponement.

Consequently, net sales increased 2.0% period on period, to ¥2,506 million. The amount of orders rose 16.5%, to ¥2,976 million, and the order backlog expanded 36.0%, to ¥2,700 million.

Electrical Works Contracting Division

Works related to steel mill plant equipment, the division’s primary business area, were sluggish due to a decrease in inquiries related to new construction and repair works. Conversely, the Company achieved completion of much construction thanks to active demand in total construction including equipment installation and construction design of photovoltaic generation systems.

As a result, net sales increased 29.9% period on period, to ¥842 million. The amount of orders received fell 35.6%, to ¥553 million, and the order backlog declined 51.0%, to ¥258 million.

Construction of a New Wing Completed at the Fujiyama Works

The F2 wing at the Fujiyama Works commenced operations in May 2013. With the opening of the F2 wing, production capacity of servo amplifiers and stepping drivers increased by 30%.

Overview of the F2 Wing at the Fujiyama Works

Floor area	10,053 m ²
Items produced	Servo amplifiers, stepping drivers
Production value	Approximately ¥1.3 billion per month



Production lines of servo amplifiers

SANYO DENKI PHILIPPINES, INC. to Build Third Factory

We began constructing the third factory to improve the production capacity of SANYODENKI PHILIPPINES, INC. As a production factory of power supplies and stepping motors, it is scheduled to start operation in the spring of 2014.

Overview of the Third Factory for SANYO DENKI PHILIPPINES, INC.

Floor area	14,400m ²
Items to be produced	UPS, power conditioners (approximately 9,300 units per month)
Production capacity	Stepping motors (approximately 185,000 units per month)



Rendering of the third factory

Relocation of the Head Office

The Head Office relocated in August 2013. The newly opened showroom of the Head Office contains the Hikari (illuminated) wall, reflecting the history of Sanyo Denki products, in addition to an exhibition of new products and demonstration machines.



Showroom

Operation of the Specialized Works for Power Conditioner for Photovoltaic Generation Systems

The Shioda Works was renewed as the specialized works for power conditioner for photovoltaic generation systems.



Shioda Works

Consolidated Financial Statements

Consolidated Balance Sheets

(Millions of Yen)

	FY2014 (As of September 30, 2013)	FY2013 (As of March 31, 2013)	Change		FY2014 (As of September 30, 2013)	FY2013 (As of March 31, 2013)	Change
ASSETS:				LIABILITIES:			
Current Assets	46,596	44,209	2,386	Current Liabilities	23,534	22,386	1,148
Fixed Assets	26,391	24,769	1,622	Long-term Liabilities	5,227	5,097	130
Property, plant and equipment, net	18,794	18,110	684	Total Liabilities	28,762	27,483	1,278
Intangible assets	549	578	(29)	NET ASSETS:			
Investments and other assets	7,047	6,079	968	Shareholders' Equity	42,453	41,359	1,093
Total Assets	72,988	68,979	4,009	Accumulated Other Comprehensive Income	1,768	131	1,636
				Minority Interests	4	4	0
				Total Net Assets	44,226	41,495	2,730
				Liabilities and Net Assets	72,988	68,979	4,009

Consolidated Statements of Income

(Millions of Yen)

	FY2014 (Six months ended September 30, 2013)	FY2013 (Six months ended September 30, 2012)	Change
Net Sales	31,371	32,030	(659)
Cost of Sales	24,201	25,547	(1,345)
Gross Profit	7,169	6,483	686
Selling, General and Administrative Expenses	5,053	4,512	540
Operating Income	2,116	1,971	145
Non-operating Income	304	103	200
Non-operating Expenses	57	199	(141)
Ordinary Income	2,363	1,876	487
Extraordinary Income	1	1	(0)
Extraordinary Loss	172	376	(204)
Income before Income Taxes	2,192	1,501	691
Income Taxes	536	422	113
Income before Minority Interests	1,656	1,079	577
Minority Interests	(0)	6	(6)
Net Income	1,656	1,072	584

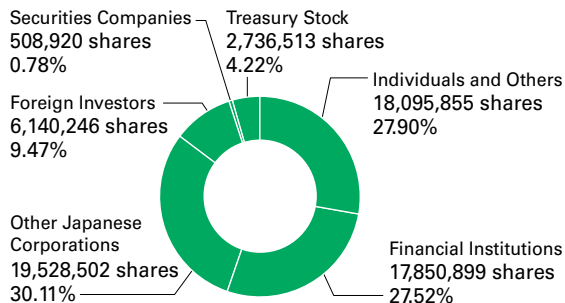
Consolidated Statements of Cash Flows

(Millions of Yen)

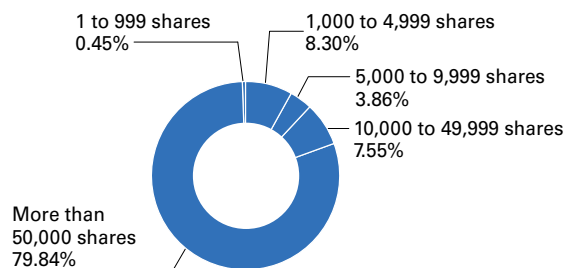
	FY2014 (Six months ended September 30, 2013)	FY2013 (Six months ended September 30, 2012)	Change
Cash Flows from Operating Activities	3,355	3,120	235
Cash Flows from Investing Activities	(1,558)	(502)	(1,056)
Cash Flows from Financing Activities	(830)	(2,629)	1,798
Cash and Cash Equivalents Translation Difference	755	19	736
Net Increase (Decrease) in Cash and Cash Equivalents	1,722	8	1,713
Cash and Cash Equivalents at Beginning of Period	9,733	9,378	355
Cash and Cash Equivalents at End of Period	11,455	9,386	2,068

Investor Information

Breakdown by Type of Shareholders



Breakdown by Number of Shares Held



Number of Shares and Shareholders

(As of September 30, 2013)

Number of Authorized Shares	250,000,000 shares
Number of Issued Shares	64,860,935 shares
Number of Shareholders	5,219

Major Shareholders

(As of September 30, 2013)

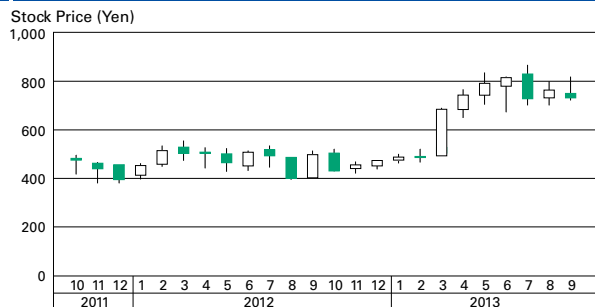
Name	Thousands of Shares	% of Total Shares
KYODO KOGYO CO., LTD.	9,229	14.23
Japan Trustee Services Bank, Ltd. (trust account)	5,343	8.24
SN Kohsan Ltd.	2,740	4.22
Mizuho Bank Ltd.	2,274	3.51
SANYO KAIHATSU CO., LTD.	2,134	3.29
The Master Trust Bank of Japan, Ltd. (trust account)	2,116	3.26
TOKIO MARINE & NICHIDO FIRE INSURANCE CO., LTD.	1,913	2.95
Nippon Life Insurance Company	1,456	2.25
CBLND RE FUND 116	1,039	1.60
THE HACHIJUNI BANK, LTD.	975	1.50

Notes: 1. The number of shares shown in the above list is rounded down to the nearest thousand shares.

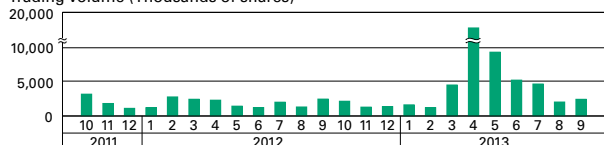
2. The Company holds 2,736 thousand shares of treasury stock, which are excluded from the major shareholders listed above.

Stock Price Range (Tokyo Stock Exchange)

(As of September 30, 2013)



Trading Volume (Thousands of shares)



Corporate Information

Corporate Data

(As of September 30, 2013)

Company Name	SANYO DENKI CO., LTD.
Established	August 1927
Head Office	3-33-1, Minami-Otsuka, Toshima-ku, Tokyo 170-8451, Japan TEL: +81-3-5927-1020
Paid-in Capital	¥9,926 million
Number of Employees	2,926 (Consolidated)

Board of Directors and Corporate Auditors

(As of September 30, 2013)

Representative Director*	Shigeo Yamamoto
Director*	Kaoru Tamura
Director*	Nobumasa Kodama
Director*	Yoshimasa Matsumoto
Director	Yuichiro Miyake
Director	Toru Suzuki
Corporate Auditor (Full time)	Sakon Hatanaka
Corporate Auditor (Full time)	Fumio Amano
Corporate Auditor	Hisayuki Ogura
Corporate Auditor	Takeshi Yamamoto

*Operating Officer

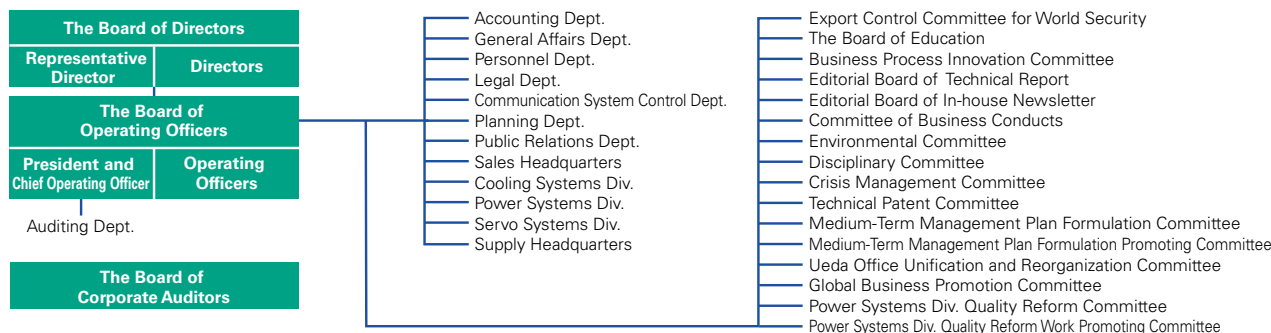
Operating Officers

(As of September 30, 2013)

President and Chief Operating Officer		Shigeo Yamamoto
Major Operating Officer	In charge of Supply, General Manager of Supply Headquarters	Kaoru Tamura
Major Operating Officer	In charge of Technical Development, General Manager of Cooling Systems Div.	Nobumasa Kodama
Major Operating Officer	In charge of Sales Organization, General Manager of Sales Headquarters, In charge of Overseas Sales Bases	Yoshimasa Matsumoto
Major Operating Officer	Representative of Ueda Factories, In charge of Corporate Planning Organization In charge of Quality Control, Manager of Planning Dept.	Shigejiro Miyata
Operating Officer	In charge of Production Organization and Production Engineering Chairman and Director of SANYO DENKI PHILIPPINES, INC.	Kazuyuki Kitazawa
Operating Officer	Deputy General Manager of Sales Headquarters, In charge of Power Systems Business	Yasuyuki Koizumi
Operating Officer	General Manager of Power Systems Div.	Yoshihiro Wada
Operating Officer	In charge of Administrative Organization, Manager of Accounting Dept.	Kanichiro Tamokami
Operating Officer	President and Representative Director of SANYO DENKI Techno Service Co., Ltd.	Keiichi Kitamura
Operating Officer	General Manager of Servo Systems Div.	Toshihiko Baba

Organization

(As of September 30, 2013)



SHAREHOLDER INFORMATION

Fiscal Year	From April 1 to March 31 of the following year
Regular General Meeting of Shareholders	To be held within three months from April 1 each year
Record Date for Shareholders Entitled to Receive Dividends	For year-end cash dividends: March 31 of each year For interim dividends: September 30 of each year
Method of Notification	Via electronic notification. (In case electronic notification is unavailable because of unavoidable circumstances, notification will be published in the Nihon Keizai Shimbun.)
Custodian of Shareholder Registration	JAPAN SECURITIES AGENTS, LTD. 1-2-4, Nihonbashi-Kayabacho, Chuo-ku, Tokyo 103-8202, Japan
Handling Office	JAPAN SECURITIES AGENTS, LTD. (Head Office) 1-2-4, Nihonbashi-Kayabacho, Chuo-ku, Tokyo 103-8202, Japan
Mailing Address and Telephone Referral	JAPAN SECURITIES AGENTS, LTD. (Agency Department) 2-8-4, Izumi, Suginami-ku, Tokyo 168-0063, Japan Toll Free: 0120-707-843 (In Japan only)

Stock-related Inquiries and Notifications:

Payment of unpaid dividends

Please contact the above-mentioned custodian of shareholder registration.

Contact for changes of address, requests for buyback of odd-lot shares or sales of additional lots, and the payment of dividends

Please contact the securities company with which your account is held.

*If you set up a special account in lieu of an account with a securities company, please contact JAPAN SECURITIES AGENTS, LTD. As for shareholders of former SANYO KOGYO CO., LTD., please contact Tokyo Securities Transfer Agent Co., Ltd. (Toll Free: 0120-49-7009) as the account managing agency for procedures associated with shares recorded in the special account.

Requests regarding various kinds of share-related procedures can be made via the Internet.

JAPAN SECURITIES AGENTS, LTD.:

<http://www.jsa-hp.co.jp/name/index.html>

Tokyo Securities Transfer Agent Co., Ltd.:

<http://www.tosyodai.co.jp/holder/listed/procedure/index.html>

(Some of the forms can be printed out.)

Sanyo Denki's IR Information Section:

http://www.sanyodenki.co.jp/ir/index_ir.html

This Business Report contains forward-looking statements including earnings forecasts. The actual results may differ materially from the forecasts herein due to various factors.

SANYO DENKI CO., LTD.

Head Office: 3-33-1, Minami-Otsuka, Toshima-ku, Tokyo 170-8451, Japan
TEL: +81-3-5927-1020

URL: <http://www.sanyodenki.co.jp>