

May 15, 2017

To whom it may concern,

Company name: SANYO DENKI CO., LTD.
Representative: Shigeo Yamamoto
Chief Executive Officer
President and Chief Operating Officer
(Code number: 6516,
listed on the First Section of the Tokyo
Stock Exchange)
Contact: Keiichi Kitamura
Operating Officer for Administration
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Notice Regarding Change in the Number of Shares Constituting One Unit, Consolidation of Shares and Partial Amendments to the Articles of Incorporation

SANYO DENKI CO., LTD. (the “Company”) hereby announces that it resolved at the Board of Directors’ Meeting held on May 15, 2017 to propose the consolidation of shares and a partial amendment to its Articles of Incorporation (pertaining to the change in the number of shares constituting one unit, etc.) at the 115th Annual General Meeting of Shareholders (hereinafter referred to the “Shareholders’ Meeting”) scheduled to be held on June 14, 2017.

1. Change in the number of shares constituting one unit
 - (1) Reasons for change
Following the determination made by Japanese Stock Exchanges to unify the trading unit for common shares of all domestically listed companies to 100 shares, the Company has decided to change the trading unit for shares of the Company.
 - (2) Details of change
The Company will change the number of shares constituting one unit of its common shares from 1,000 shares to 100 shares.
 - (3) Conditions and date of change
Under the condition that the proposals regarding the consolidation of shares and a partial amendment to the Articles of Incorporation (pertaining to the change in the number of shares constituting one unit, etc.) are both approved as proposed at the Shareholders’ Meeting, the change and amendments shall become effective as of October 1, 2017.
2. Consolidation of shares
 - (1) Objectives of consolidation
Along with the change in the number of shares constituting one unit mentioned above, the Company has decided to consolidate the investment units of the Company’s shares to a level considered desirable by the stock exchange (50,000 yen or more and less than 500,000 yen).
 - (2) Details of the consolidation
 - (i) Class of shares to be consolidated
Common shares

(ii) Method and ratio of the consolidation

As of October 1, 2017, every five shares held by shareholders listed or recorded on the final register of shareholders as of September 30, 2017 (effectively September 29, 2017), will be consolidated into one share.

(iii) Number of shares reduced through the consolidation

Total number of outstanding shares before the consolidation(as of March 31, 2017)	64,860,935 shares
Number of shares reduced through the consolidation	51,888,748 shares
Total number of outstanding shares after the consolidation	12,972,187 shares

(Note) “Number of shares reduced through the consolidation” and “Total number of outstanding shares after the consolidation” are theoretical values calculated based on the “Total number of outstanding shares before the consolidation” and the consolidation ratio.

(3) Number of shareholders reduced through the consolidation

Shareholder composition as of March 31, 2017 is as follows:

	Number of shareholders (percentage of total)		Number of shares owned (percentage of total)	
Total number of shareholders	4,566	(100.00%)	64,860,935	(100.00%)
Less than 5 shares	114	(2.50%)	150	(0.00%)
5 or more shares	4,452	(97.50%)	64,860,785	(100.00%)

(Note) If the consolidation of shares is carried out, 114 shareholders who hold less than five shares (a total number of 150 shares owned) would lose their position as a shareholder.

(4) Treatment in case of fractional shares constituting less than one share

If fractions constituting less than one share arise as a result of the consolidation of shares, such shares shall be subject to bulk disposal by the Company, and the Company shall distribute the proceeds of the disposal to the shareholders for which fractions arise in proportion to their respective fractional ratios.

(5) Total number of authorized shares as of the effective date

Subject to the effect of consolidation, the Company will reduce the total number of authorized shares in accordance with the consolidation ratio (one-fifth) on the effective date of October 1, 2017.

Total number of authorized shares before change	Total number of authorized shares after change (as of October 1, 2017)
250,000,000 shares	50,000,000 shares

(6) Conditions for share consolidation

Under the condition that the proposals regarding the consolidation of shares and a partial amendment to the Articles of Incorporation (pertaining to the change in the number of shares constitution one unit, etc.) are both approved as proposed at the Shareholders' Meeting.

3. Partial amendment of Articles of Incorporation

The amendments to the Articles of Incorporation will become effective as of October 1, 2017, under the condition that the proposals regarding the consolidation of shares and a partial amendment to the Articles of Incorporation (pertaining to the change in the number of shares constituting one unit, etc.) are both approved as proposed at the Shareholders' Meeting.

(Changes are underlined.)

Current Articles of Incorporation	Proposal for amendment
(Total number of authorized shares) Article 6. The total number of authorized shares by the Company shall be <u>250,000,000</u> shares.	(Total number of authorized shares) Article 6. The total number of authorized shares by the Company shall be <u>50,000,000</u> shares.
(Number of shares constituting one unit) Article 8. The number of shares constituting one unit of the Company shall be <u>one thousand (1,000)</u> shares.	(Number of shares constituting one unit) Article 8. The number of shares constituting one unit of the Company shall be <u>one hundred (100)</u> shares.

4. Schedule

Resolution of Board of Directors' Meeting	May 15, 2017
Date of the Annual General Shareholders' Meeting	June 14, 2017 (scheduled)
Effective date of consolidation of shares	October 1, 2017 (scheduled)
Effective date of change in the total number of authorized shares	October 1, 2017 (scheduled)
Effective date of change in the number of shares constituting one unit	October 1, 2017 (scheduled)

(Note)

The consolidation of shares and change in the number of share units will come into effect as of October 1, 2017, however the change in the trading unit of 1,000 shares to 100 shares on the Tokyo Stock Exchange, Inc. will be effective from September 27, 2017, due to reasons in relation to the transfer procedure following the buying and selling of shares.

(Attached Material)

Reference: Q&A Regarding Consolidation of Shares and Change in the Number of Shares Constituting One Unit

Reference: Q&A Regarding Consolidation of Shares and Change in the Number of Shares Constituting One Unit

Q1. What is a consolidation of shares?

A. A consolidation of shares means combining a number of shares to reduce the number of shares. The Company will thus consolidate five shares into one.

Q2. What is the change in the number of shares constituting one unit?

A. A change in the number of shares constituting one share unit means a change in the share units which are the basis for the number of voting rights at a general meeting of shareholders and the number of trading units on the stock exchanges. The number of shares constituting one share unit of the Company will change from 1,000 shares to 100 shares.

Q3. What is the purpose of the consolidation of shares and the change in the number of shares constituting one unit?

A. Japanese stock exchanges have announced the “Action Plan for Consolidating Trading Units”, ultimately aiming to unify the trading unit for common shares of all domestically listed companies to 100 shares by October 1, 2018.

As a company listed on the TSE, the Company shall respect this intention and change its number of shares constituting one share unit from 1,000 shares to 100 shares. In addition, the Company has decided to consolidate shares taking into consideration the level of investment unit considered desirable for the Company’s shares by the stock exchanges (50,000 yen or more and less than 500,000 yen).

Q4. The number of shares held will be reduced after the consolidation of shares. Will this affect asset value?

A. Apart from market fluctuations or other factors, the shareholders’ asset value will not be affected, because the Company’s assets and capitalization will not change before or after the consolidation. While the number of shares owned by shareholders will be reduced to one-fifth of the number prior to the consolidation of shares, the asset value per share will multiply fivefold after consolidation. Theoretically, the share price after the Consolidation of Shares will be five times the share price prior to the consolidation.

Q5. Will this affect dividends?

A. Although share ownership will become one-fifth after the consolidation of shares, we will set dividend per share taking the 1-for-5 ratio into account after the effective date of the consolidation of shares. Thus, apart from change in performance results or other factors, total dividends of each shareholder after the consolidation of shares will not be affected. However, dividends will not be paid on the fractional shares (less than one share) resulting from the consolidation of shares.

Q6. What will happen to share ownership and voting rights?

A. Share ownership after the consolidation of shares will be the number of shares recorded in the latest shareholder register as of the close of September 30, 2017 multiplied by one-fifth (any fraction less than one share shall be rounded off). The number of voting rights will be one per 100 shares owned. Specifically, share ownership and voting rights will be as follows before and after the effective date of the consolidation of shares and the change in the number of shares constituting one share unit.

	Before effective date		After effective date		
	Number of shares held	Number of voting rights	Number of shares held	Number of voting rights	Fractional shares
Example (1)	2,000	2	400	4	None
Example (2)	1,263	1	252	2	0.6
Example (3)	1,000	1	200	2	None
Example (4)	665	None	133	1	None
Example (5)	337	None	67	None	0.4
Example (6)	4	None	0	None	0.8

If a shareholder owns fractional shares less than one share (examples (2), (5), (6) above) as a result of the consolidation of shares, all fractional shares shall be subject to bulk disposal or the Company shall purchase them as treasury shares, and distribute the proceeds to the shareholders who owned less than one share on the basis of the proportion of their fractional shares. The Company will announce the amount to be paid and the procedures in December 2017.

If a shareholder owns four shares (example (6) above) before the effective date, all shares owned will become fractional shares as a result of the consolidation of shares, and the Company will dispose of these four shares as fractional shares. As a result, the shareholder will lose the opportunity to own a share in the Company. Please note that shareholders who own less than five shares before the effective date of the consolidation of shares will lose their positions as shareholders. We appreciate your understanding.

Q7. Is there any way to ensure there are no fractional shares?

A. Shareholders can avoid fractional share ownership by taking advantage of the systems of “selling shares less than one share unit” or “purchasing shares less than one share unit” prior to the effective date of the consolidation of shares.

For details on specific procedures, please consult your securities company, or, in the case that you do not own an account with a securities company, send an inquiry to the Company’s administrator of the registry of shareholders.

Q8. Will the Company buy back or sell odd-lot shares even after the consolidation of shares?

A. Shareholders can take advantage of the systems of “selling shares less than one share unit” or “purchasing shares less than one share unit” even after the effective date of the consolidation of shares.

For details on specific procedures, please consult your securities company, or, in the case that you do not own an account with a securities company, send an inquiry to the Company’s administrator of the registry of shareholders.

Q9. Are there any procedures that shareholders must take?

A. No special procedures are necessary.

[Contact information for Inquiries]

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