

Automotive & Industrial Systems Company

Business Strategy

December 9, 2014

Panasonic Corporation
Automotive & Industrial Systems Company

President Yoshio Ito

Contents

2/20

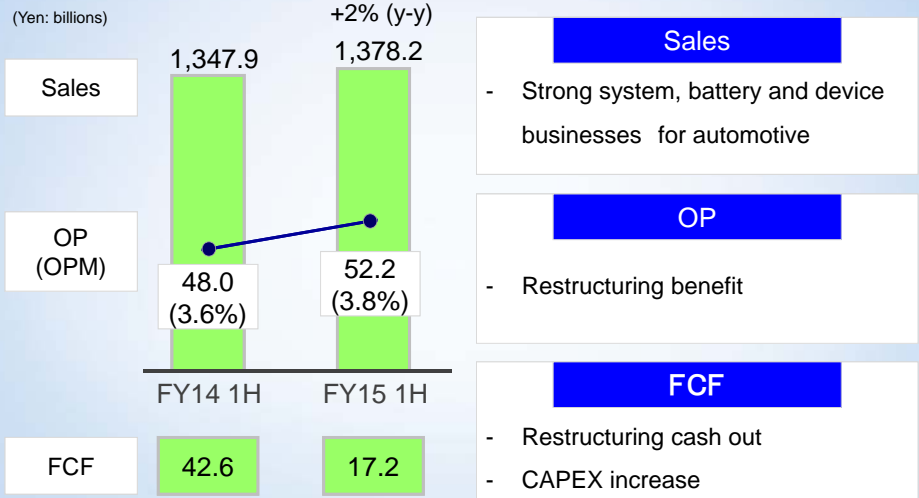
1. FY2015 Progress
2. Midterm Business Plan and
Automotive Business Strategy

Contents

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FY2015 1H Result

Sales and profit increased, FCF decreased



Note: Figures are reclassified based on new business structure as of July 1, 2014.

Restructuring Progress

5/20

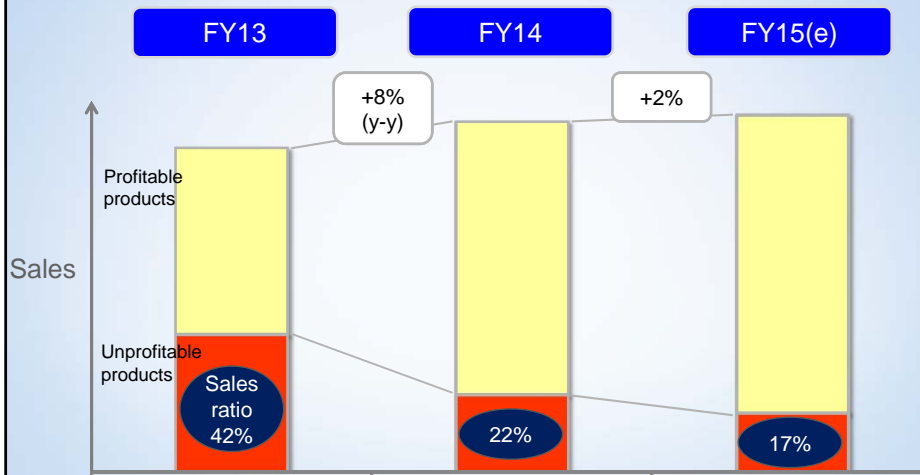
Have made solid progress on completing restructuring in FY2015

Semiconductor	April: 3 diffusion plants in Hokuriku, Japan transferred to JV
	June: Assembly lines in Southeast Asia transferred
	June: R&D, production and sales forces integrated into new company
Circuit component	August: SAW filter business transferred through absorption-type company split
Printed Circuit board	September: Equipment in plants in Vietnam and Taiwan transferred
Electromechanical component	October: General power supply business transferred

Eliminate Unprofitable Products

6/20

Drastically decreased number of unprofitable product categories

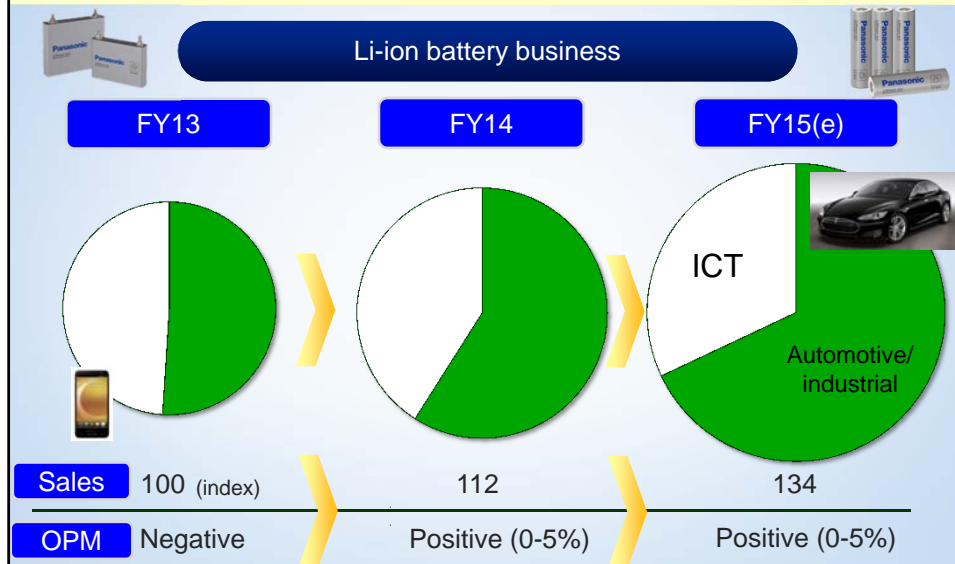


Note: Figures are reclassified based on new structure as of July 1, 2014, excluding products from other Companies.

Develop New Applications

7/20

Shift focus to automotive and industrial applications to improve profitability



Contents

8/20

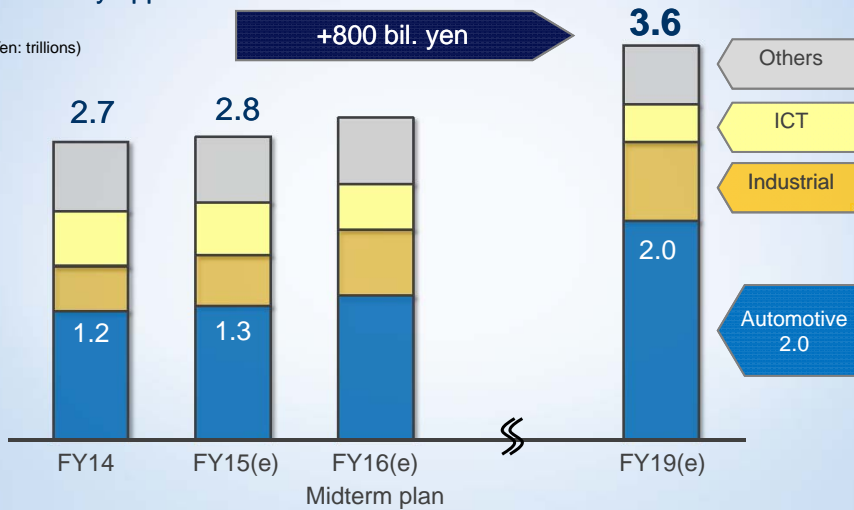
1. FY2015 Progress
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Towards FY2019

Target 3.6 trillion yen sales including 2 trillion yen sales in automotive business

<Sales by application>

(Yen: trillions)



Automotive Business: 2 Trillion Yen Sales

Grow business in 'Environment', 'Comfort' and 'Safety'

	FY14		FY19(e)
Environment	330 bil. yen	Aim for No. 1 as automotive battery supplier for eco-cars	680 bil. yen
Comfort	580 bil. yen	Expand business with next generation cockpit systems	880 bil. yen
Safety	260 bil. yen	Focus on Advanced Driving Assistance Systems (ADAS)	440 bil. yen
Total	1.2 tri. yen	M&A Business alliance	2.0 tri. yen

Li-ion Battery Business: Manufacturing Company at Tesla Gigafactory

Collaborate with Tesla to develop and produce best EV battery



Rendering of Gigafactory
(provided by Tesla)

Panasonic Energy Corporation of North America
(100% owned by Panasonic)

Increase production capacity in stages
along with car production hike

Reduce 30% of module cost

Lead-acid Battery Business: Enter into India

Establish JV with local partner to accelerate business establishment



MINDA Industries Limited
(Pantnagar plant, Uttarakhand, India)

Develop, produce and sell lead-acid battery for two-wheeled, four-wheeled and UPS*

Enter market with local production

Minimize startup period with existing plants

Note: UPS stands for Uninterruptible Power Supply.

Next-Generation Cockpit System (HUD*): Received First Order

Note: HUD stands for Head-Up Display

Take advantage group-wide collaboration to achieve smallest HUD



Display information to assist safe driving in environment with narrow viewpoint

Expand Business Areas with M&A

Capital and business alliance with FICOSA:
Accelerate launch of electronic technologically advanced automotive mirror

The diagram illustrates the expansion of business areas through M&A, specifically focusing on the launch of an electronic automotive mirror. On the left, an 'Electronic mirror' view shows a driver's perspective from the driver's seat, featuring a steering wheel, a digital instrument cluster, and a large electronic mirror mounted on the windshield. On the right, a close-up of the mirror shows the physical mirror housing and the camera lens. The mirror displays a wide field of view of the road ahead, with various icons and information overlaid on the scene, including a cyclist, a car, a dog, and a person walking.

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- Liquid crystal module
- Camera
- Image processing technology
- Computerized system technology

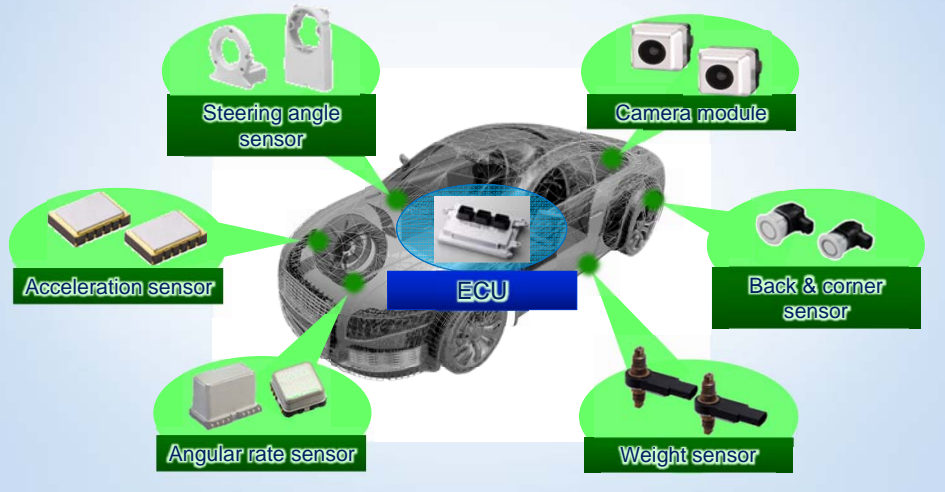
FICOSA

- Mirror technology
- Frame design technology
- Respond to regulations
- Evaluation technology

Sensor and ECU*

Note: ECU stands for Electronic Control Unit

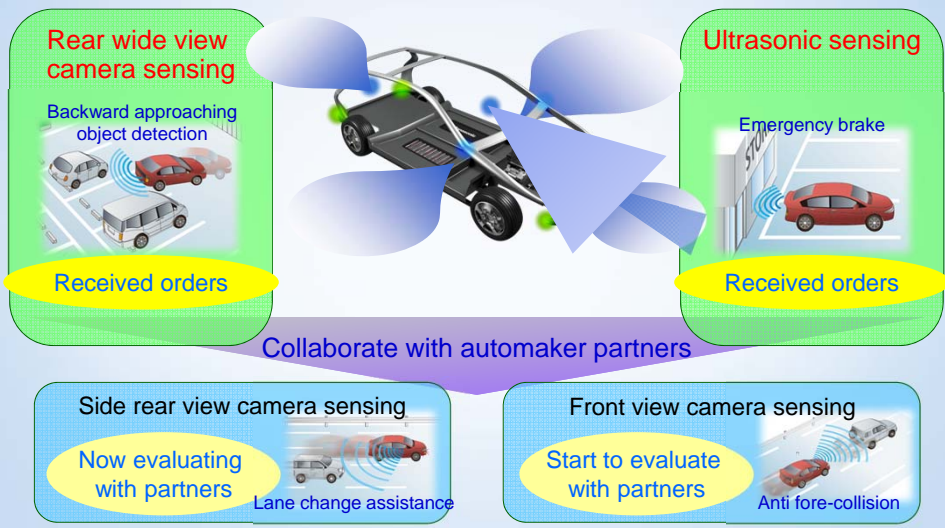
Support 'cognition and judgment while driving' with device gaining high market share and ECU



Focus on ADAS*

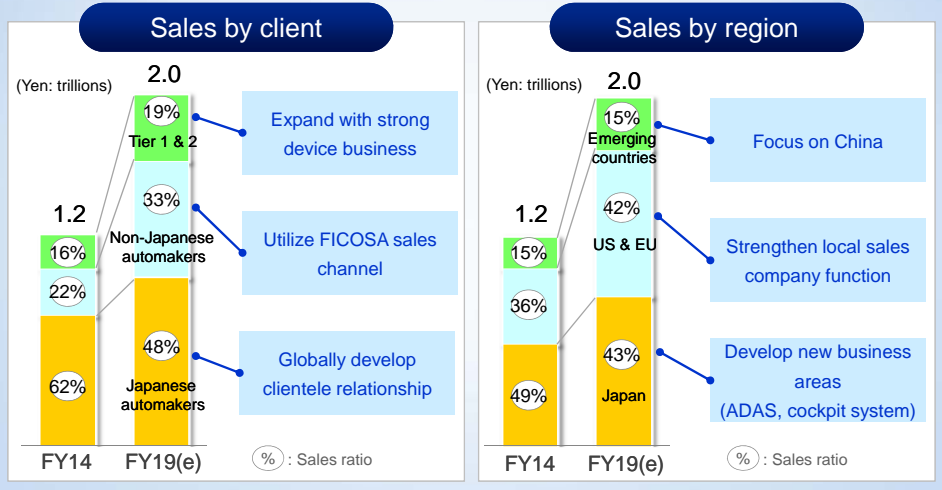
Note: ADAS stands for Advanced Driver Assistance Systems

Integrate knowledge to accelerate business launch



Expand Sales

Expand business with non-Japanese automakers adding to Japanese automakers



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