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# **AVC Networks Company Business Policy BtoB Solutions Growth Strategy**

May 20, 2015

Panasonic Corporation  
AVC Networks Company  
President Yasuji Enokido

Notes: 1. This is an English translation from the original presentation in Japanese.  
2. In this presentation, "FY16" refers to the year ending March 31, 2016.

## Contents

1. FY15 Results
2. FY16 Business Policy
3. BtoB Solutions Growth Strategy

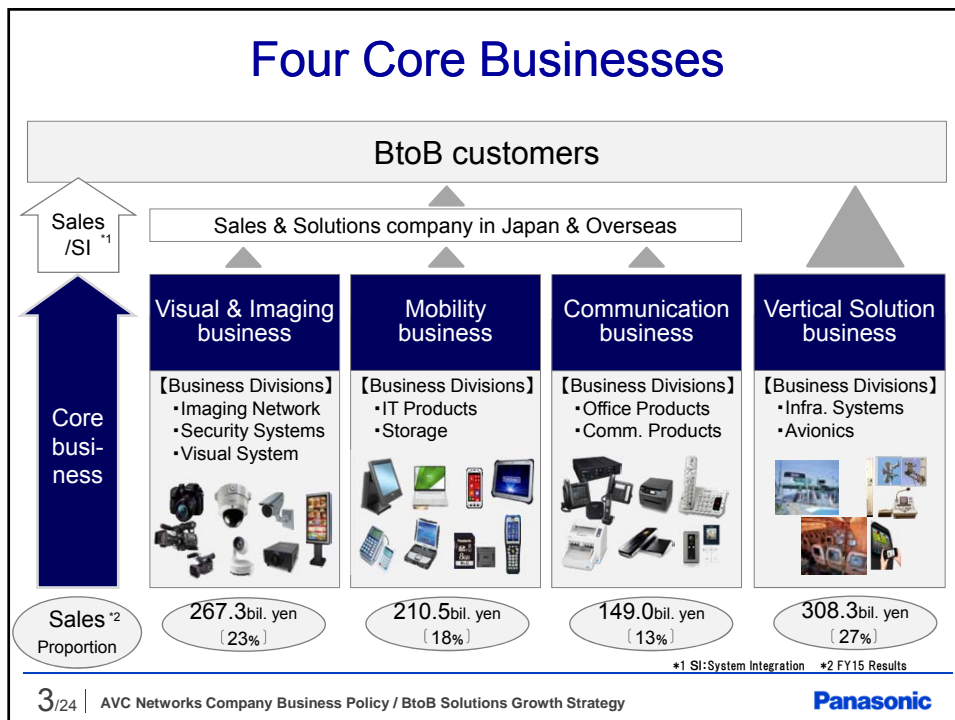
# Contents

## 1. FY15 Results

## 2. FY16 Business Policy

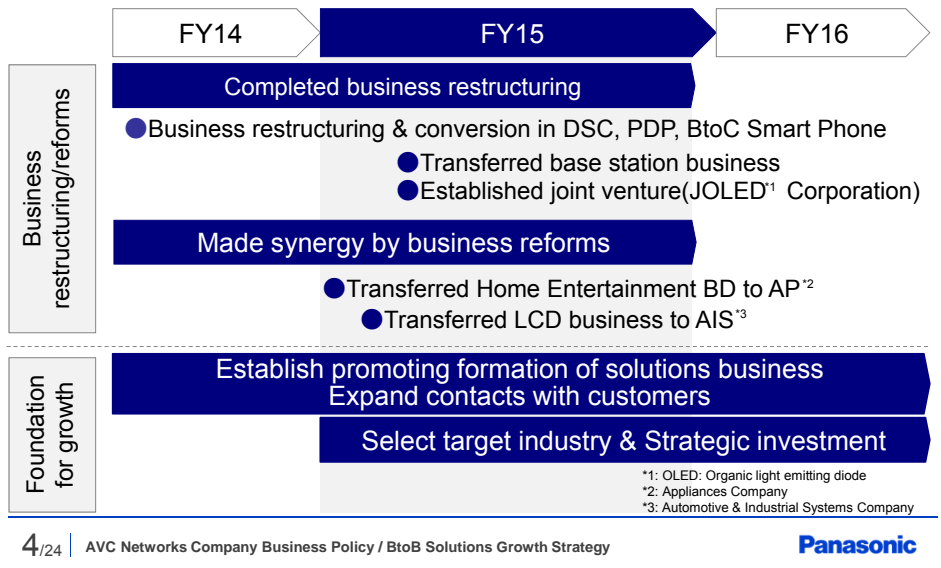
## 3. BtoB Solutions Growth Strategy

## Four Core Businesses

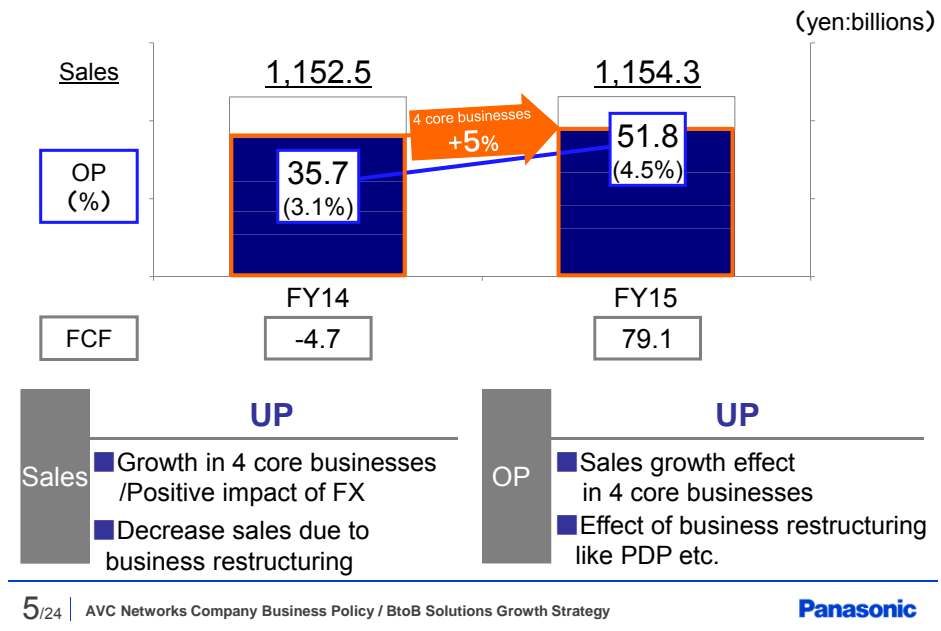


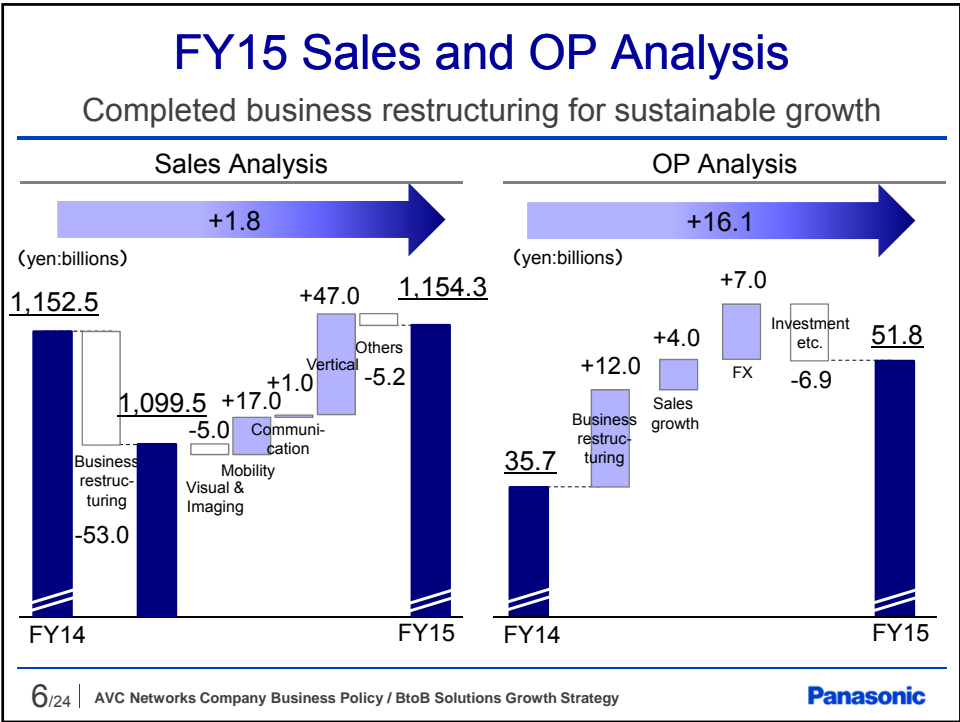
# Status of FY15

Completed business restructuring and reforms  
Commencement of building foundation for growth



# FY15 Results





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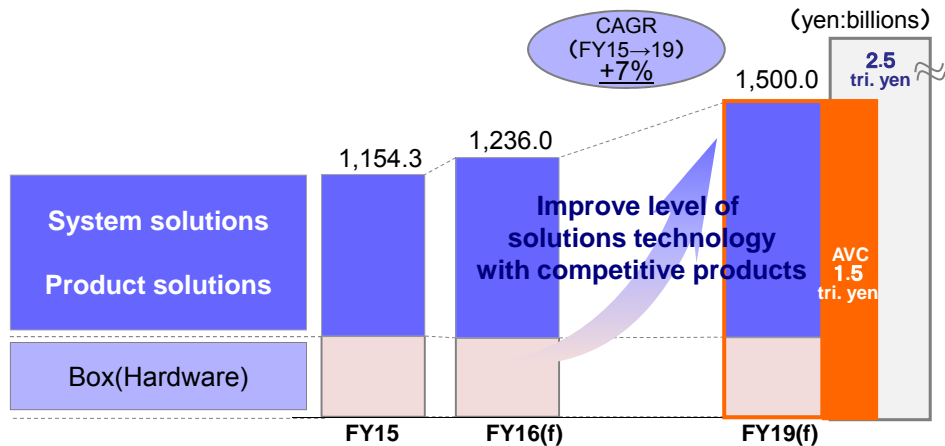
1. FY15 Financial Results
2. FY16 Business Policy
3. BtoB Solutions Growth Strategy

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## Vision of AVC Networks Company

Directly offer business solutions to BtoB customers  
by AV and ICT technology integration  
- contribute to smart society in the cloud era -

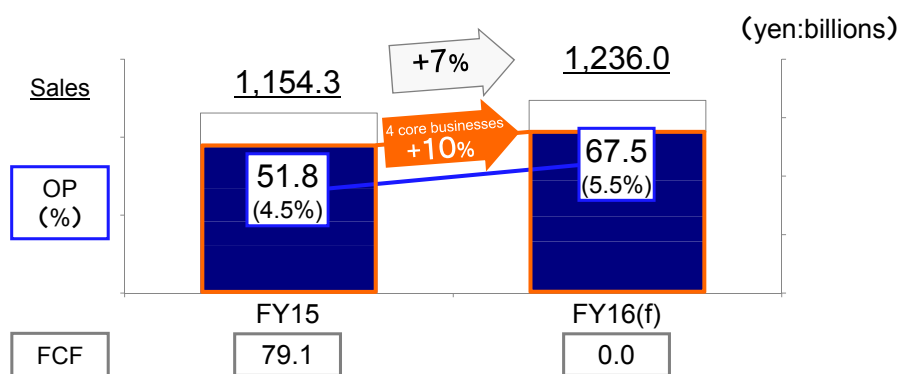
■ 1.5 tri. yen contribution within "Corporate BtoB solutions total sales 2.5 tri. yen" in FY19



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## FY16 Business Policy and Targets



### 【Business Policy】

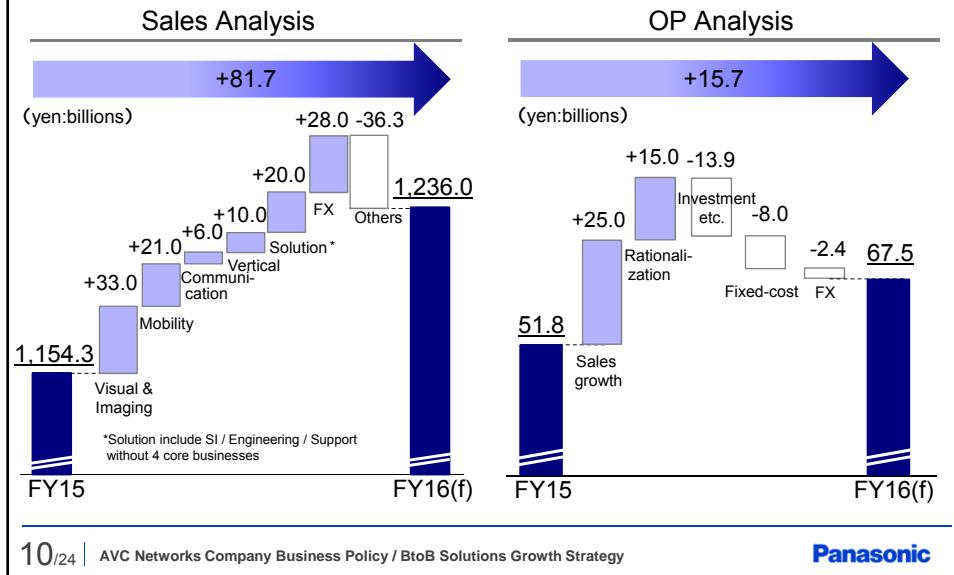
1. Sales and OP expansion by strengthening core businesses
2. Strengthen contacts with customers for business growth

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# FY16 Sales and OP Analysis

Advance to generate profit by sales expansion

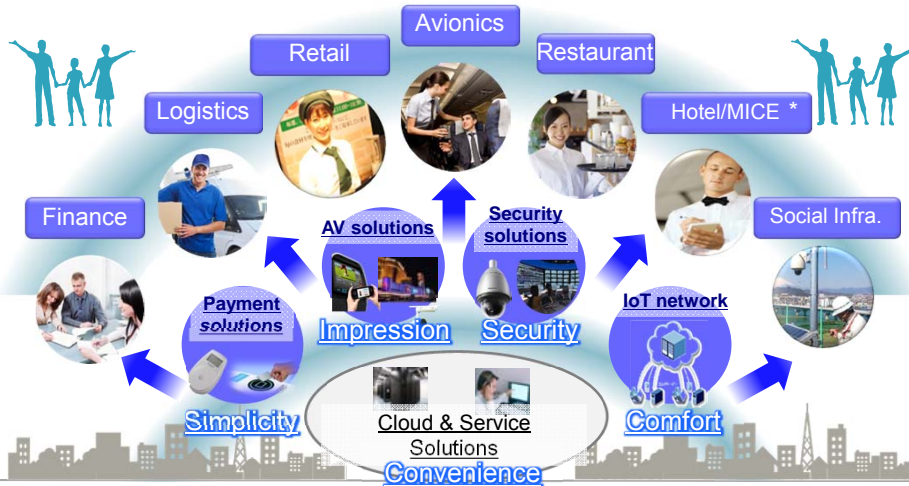


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# Overview of BtoB Solutions

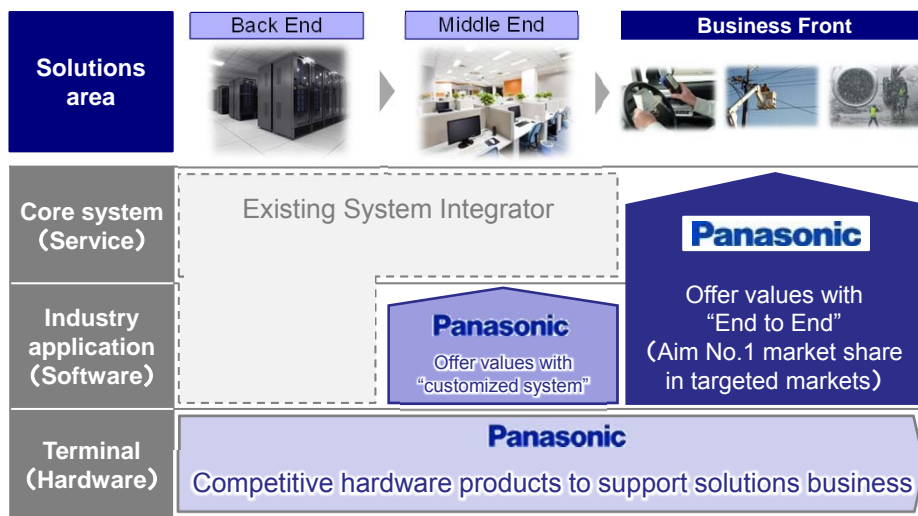
Offering values to service industries by utilizing our "DNA" experienced in consumer electronics business



\*MICE stands for Meeting, Incentive, Convention, Exhibition etc.

# Direction of Business Development

Resolving customers' issue in "Business Front"



## Key Initiatives for Growth

- Strengthen Products & Solutions
- Strengthen Contacts with Customers
- Strategic Investment

## Initiatives for Visual & Imaging business

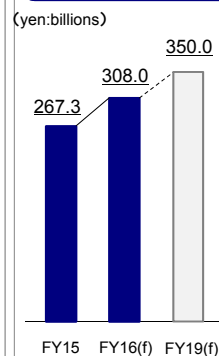
Sales growth with solutions by strengthening competitive hardware

### e.g. Strengthen products(4K line-up)

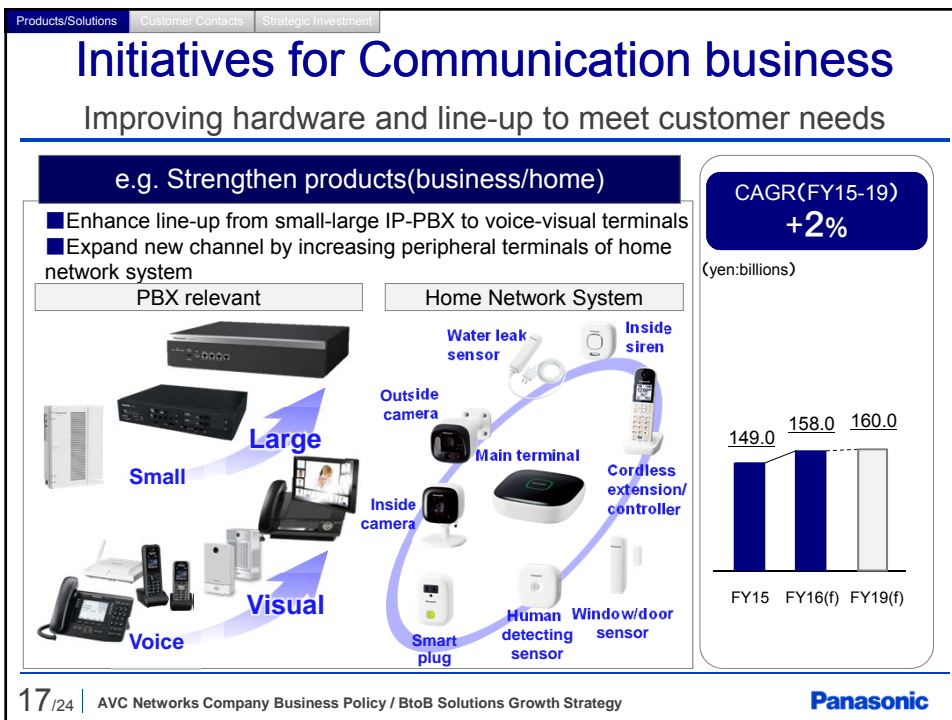
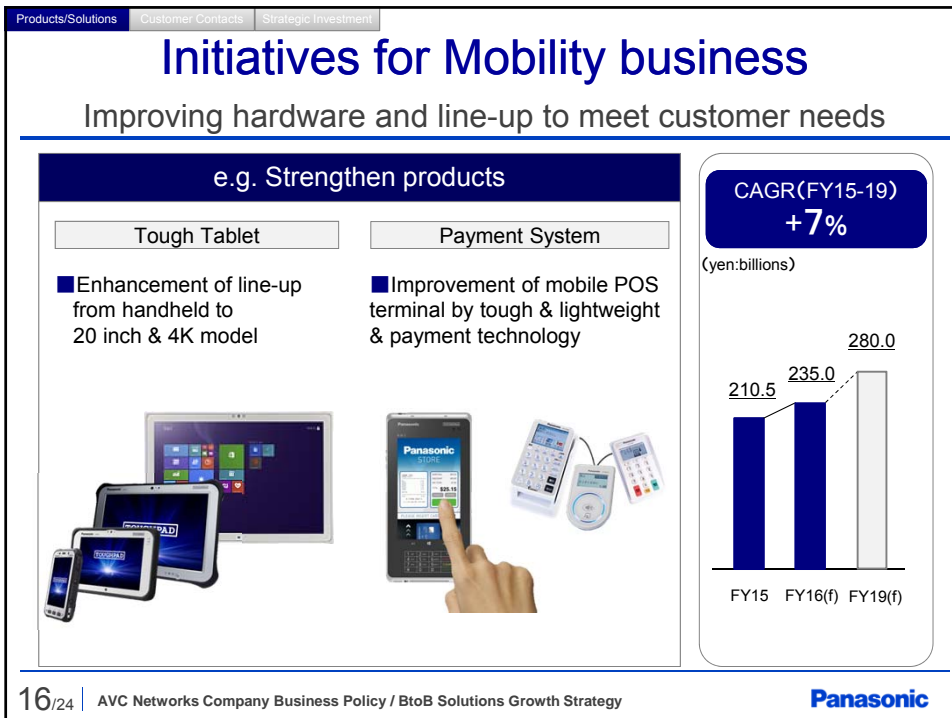
- Products differentiation by high resolution & visual processing/analysis & optical technology
- Suggestion of 4K solutions and wide usage like video production, store management, open exhibition, education etc..



CAGR(FY15-19)  
+7%







Products/Solutions | Customer Contacts | Strategic Investment

## Initiatives for Vertical Solution business



Offering solution to customers with wide range of customer services

### e.g. Initiatives for Avionics Business

IFE/GCS(Global Communication System)

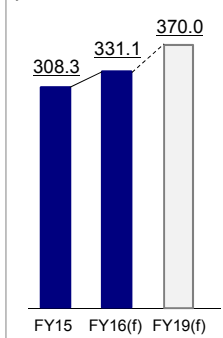
Repair & Maintenance

- Integration of personal terminal
- Stabilized network quality
- Enhance remote maintenance

**CAGR(FY15-19)**  
**+5%**

(yen;billions)




Fiscal Year	Revenue (yen;billions)
FY15	308.3
FY16(f)	331.1
FY19(f)	370.0

### e.g. Initiatives for Infra. System Business

ITS

- Improve efficiency of installation by downsizing



Next development: **ETC2.0**

- Discount rate toll applied for vehicles taking detour
- Support traffic control for commercial vehicle

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Products/Solutions | Customer Contacts | Strategic Investment

## Initiatives for Strengthening Solution

Expansion of values for customer after installation of products  
Offer customized solutions

SI

SE · Construction

Support · Service

### e.g. Stadium solution

- Expansion of experience and know-how about installation of big screen system at the outdoors.
- Offer customized solutions with other products such as wide camera



Example of delivered case : Lincoln Financial Field(Pennsylvania, United States)






### Strengthen Solution by reinforcement of SI & Engineering

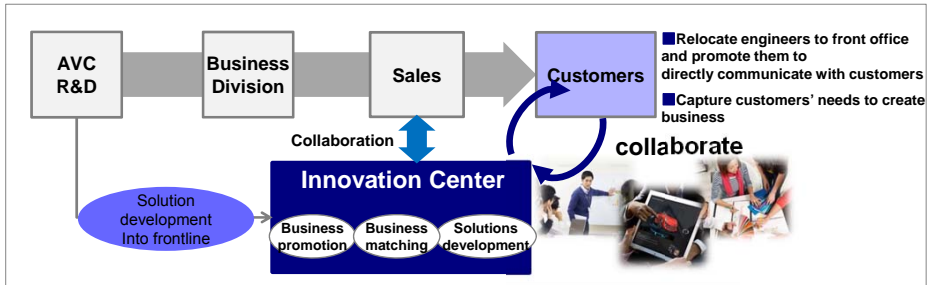
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# Enhancement of Customer Touch points

New Establishment of "Innovation Center" (April 1, 2015)

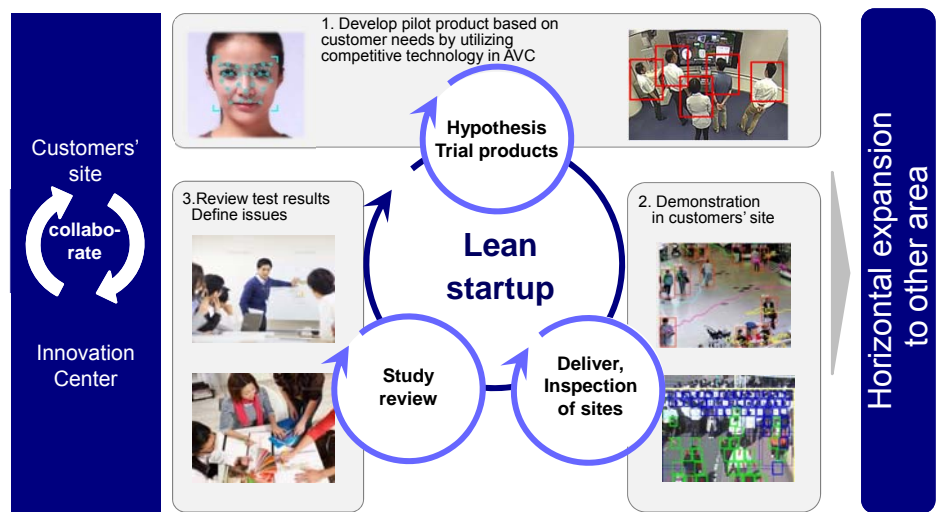
Accelerate innovation of "Business Front" with customers with closer relationship between marketing and R&D

- Employees : approximately 500 people(including around 400 engineers)
- Main location : Yokohama city in Japan



# Innovation Center: Co-create with customers

Deliver value and suggest solutions for customers' problem



## Non-organic Growth by Strategic Investment

Promoting M&A and partnership centering on main industries

### Strategy

- Complement of products and technology
- Acquisition of sales channel
- Establish SI and engineering organization

### FY15 Results

- Promoted M&A in global (10 cases in JP/US/EU etc.)
- Contributed 20.0 bil. yen in sales growth in FY16

Satellite communication services Co.

**ITC Global**

Have entered into a definitive agreement for Panasonic to acquire ITC Global

### FY16~

- Accelerate activities in FY16 and FY17 to reach 1.5 tri. yen in FY19
- Study and executive investment strategy centering on service industries and North America

## Initiatives for North America

Will newly establish AVC Networks North America Division

### Objective

- Enhance relationship with customers whose headquarters located in North America
- Accelerate growth strategy for business in North America

### Initiatives

- Establish relationship with partners' executives and promote collaboration
- Promote non-organic growth strategy(M&A and alliance etc.)

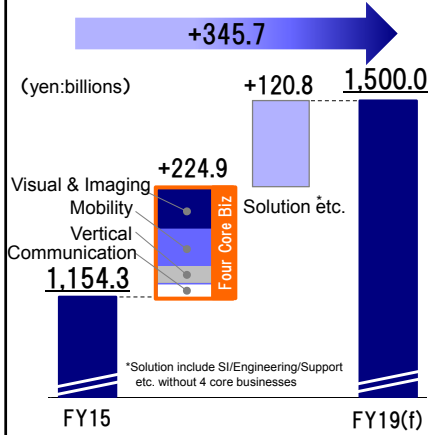
President of AVC Networks Company based in U.S.  
to promote growth strategy promptly

# Toward 1.5 Trillion yen in FY19

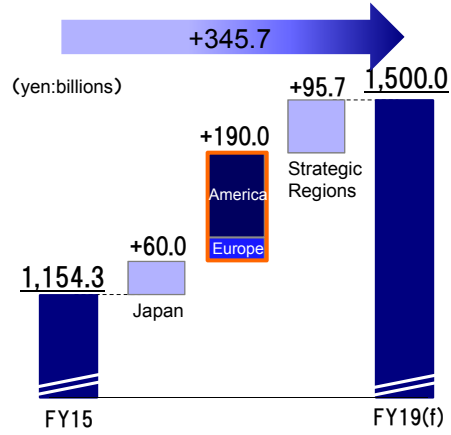
Core business: 4 core businesses and solutions

Regional business: Europe and Americas

## Sales Analysis by Core Businesses



## Sales Analysis by Regions



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