

Panasonic

**Automotive & Industrial Systems Company
Business Policy
Growth Strategies for Automotive Business**

May 20, 2015

**Panasonic Corporation
Automotive & Industrial Systems Company
President Yoshio Ito**

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.

1. FY15 Results

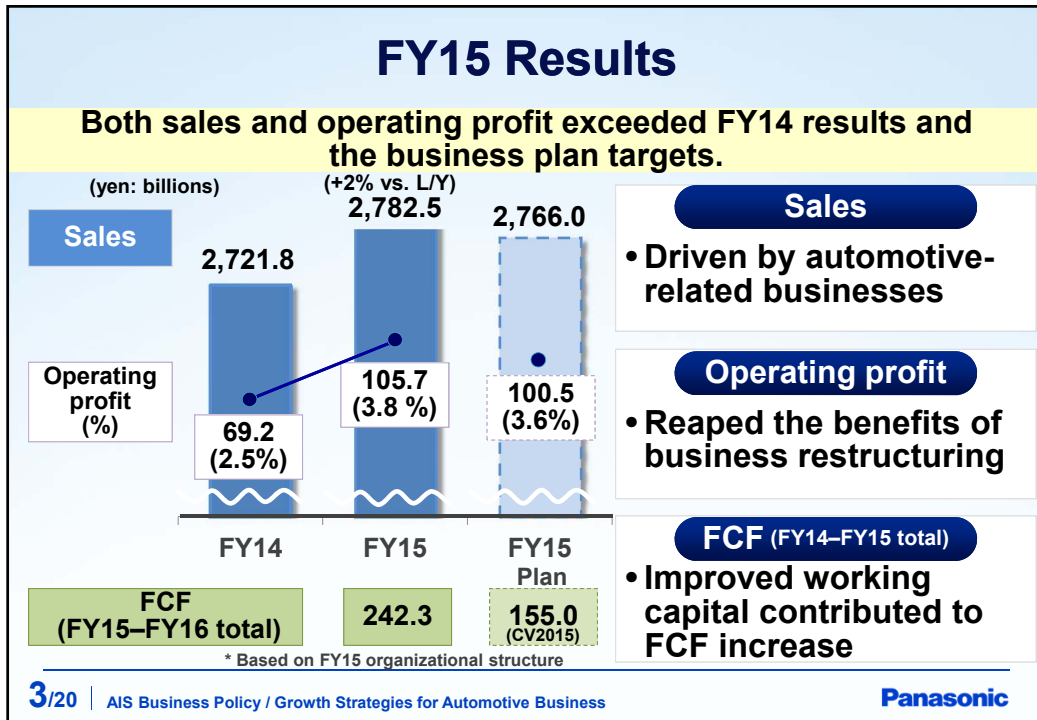
2. FY16 Business Policy

**3. Growth Strategies for
Automotive Business**

1. FY15 Results

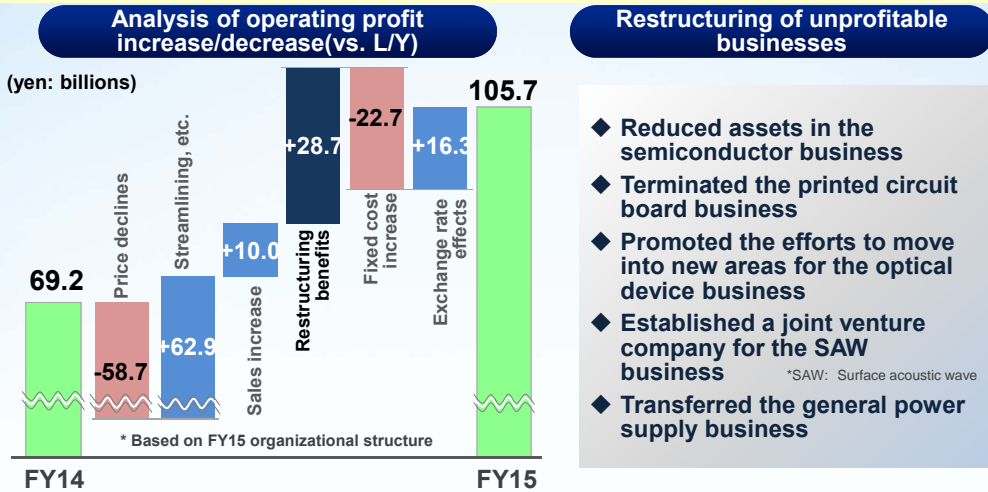
2. FY16 Business Policy

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Completed Business Restructuring



Drove profit increase with the completion of large-scale measures



Steps for Growth

Turned things around to go on the offensive in the global market of the automotive and industrial business

Investment decisions for the automotive business

- ◆ Established a new lithium-ion battery company in North America
 - Close collaboration with Tesla Motors (October 2014)
- ◆ Agreed to enter into a capital and business alliance with Ficosa
 - Joint development and commercialization of electronic mirrors (September 2014)

Addressed the global market

Europe/Automotive

Integrated four European sales companies
(October 2014)

Providing customer solutions through cooperation of sales and SE

China/Industrial

Established a China headquarter
(April 2014)

Driving and expanding the B2B business

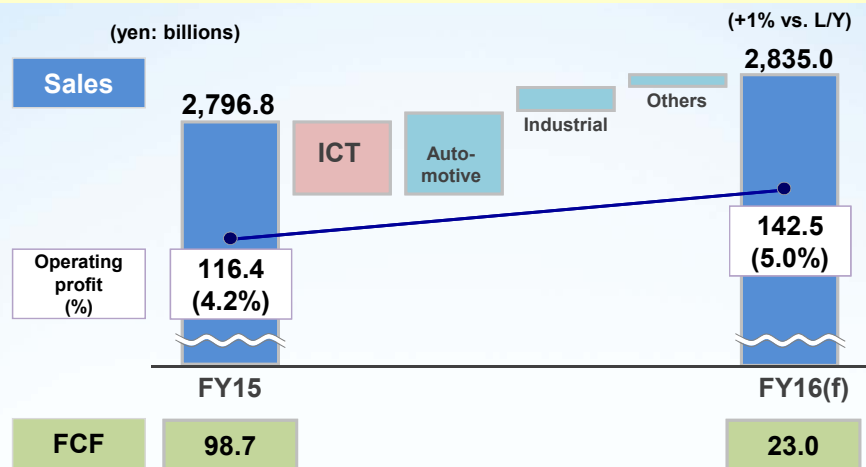
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FY16 Management Targets

Increase both sales and profit by offsetting a decline in ICT sales with the automotive and industrial businesses

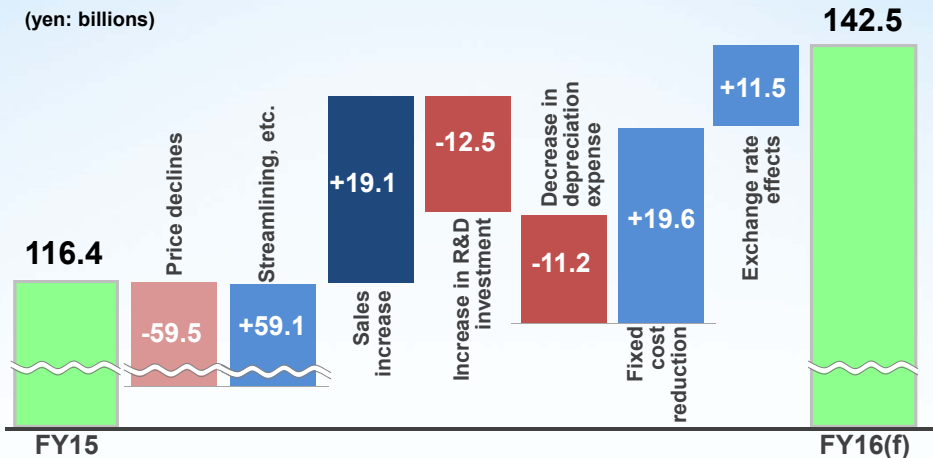


* Impact of organizational changes effective April 1, 2015 reflected; partial strategic investments included.

Scenario for Achieving Operating Profit Target

Effects of sales increase by moving into new areas will offset an increase in investments for growth

(yen: billions)



* Impact of organizational changes effective April 1, 2015 reflected

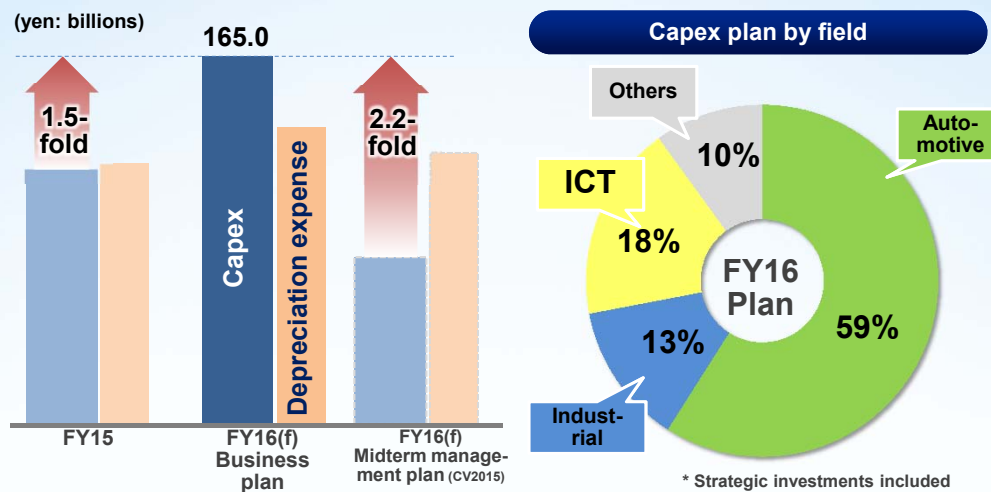
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Capex Strategies for Growth

Accelerate the efforts to turn things around and go on the offensive through proactive investments in the automotive business

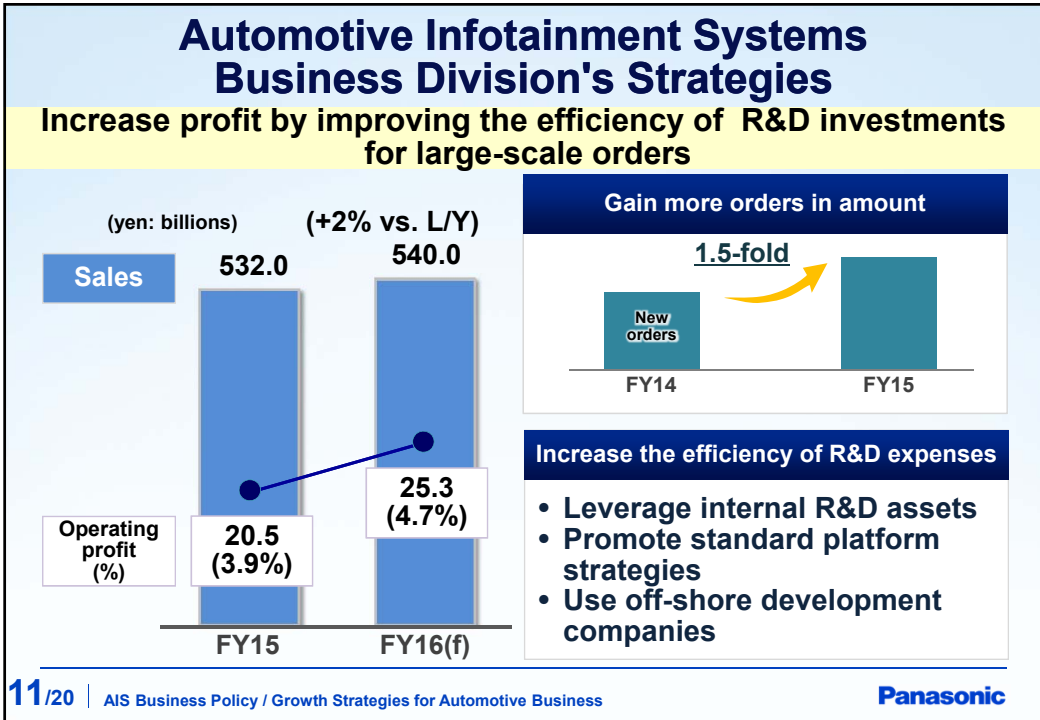
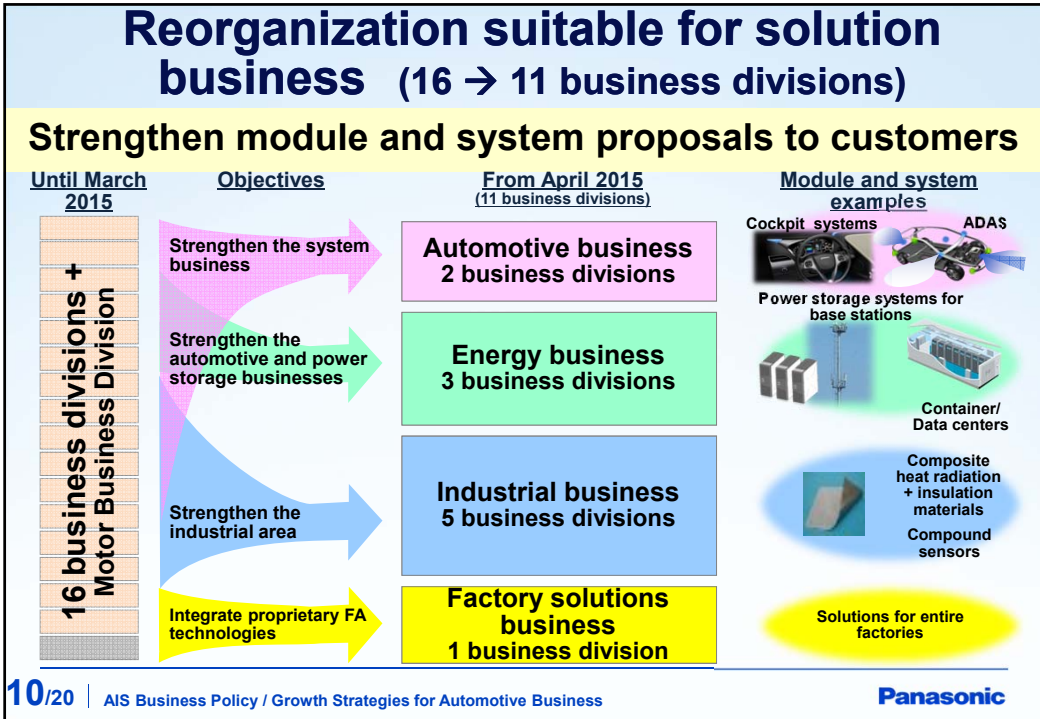
(yen: billions)



* Strategic investments included

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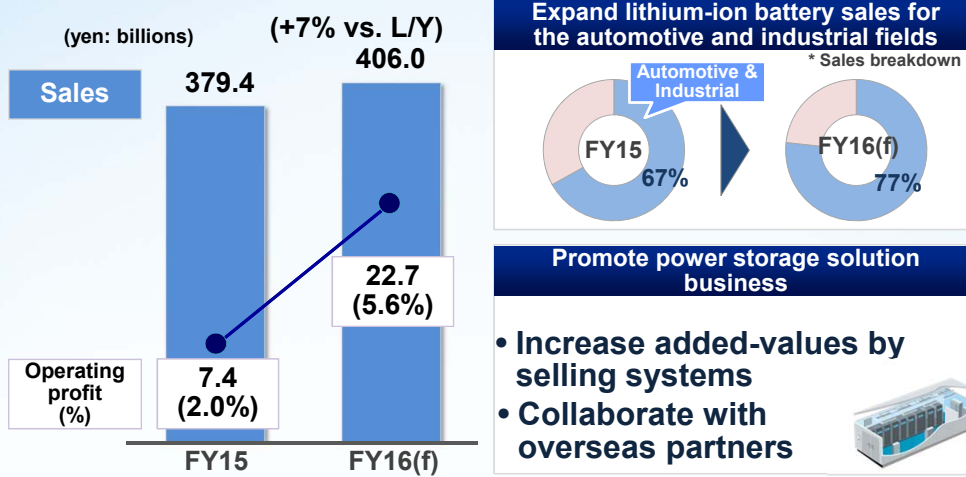
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Rechargeable Battery Business* Strategies

* Rechargeable Battery Business Division + Tesla BU

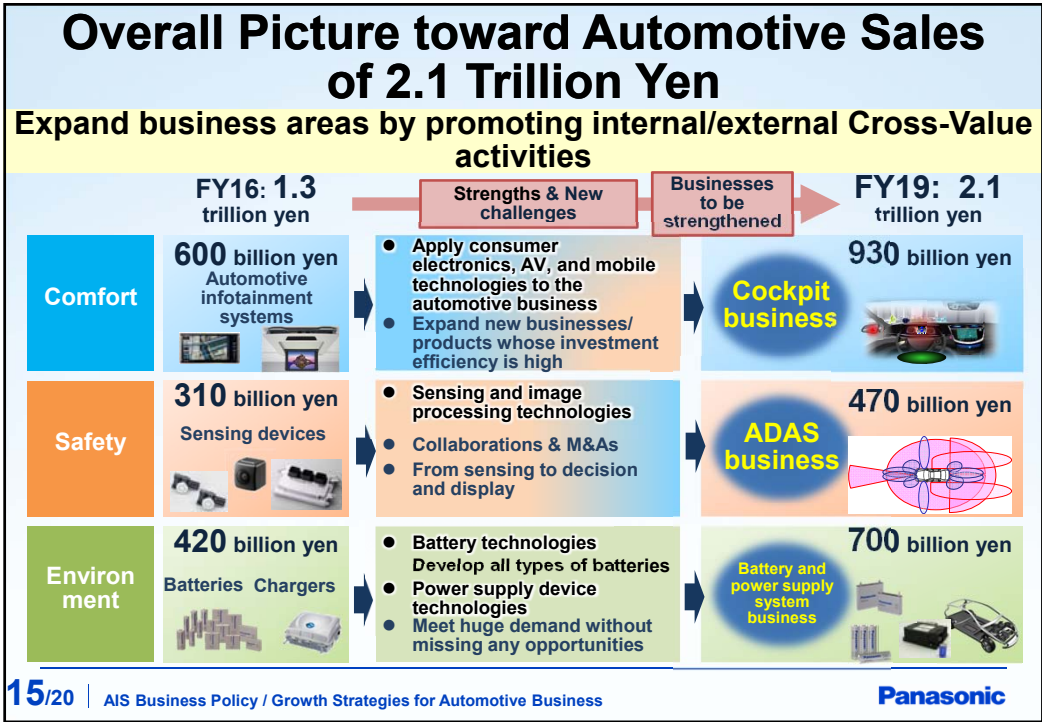
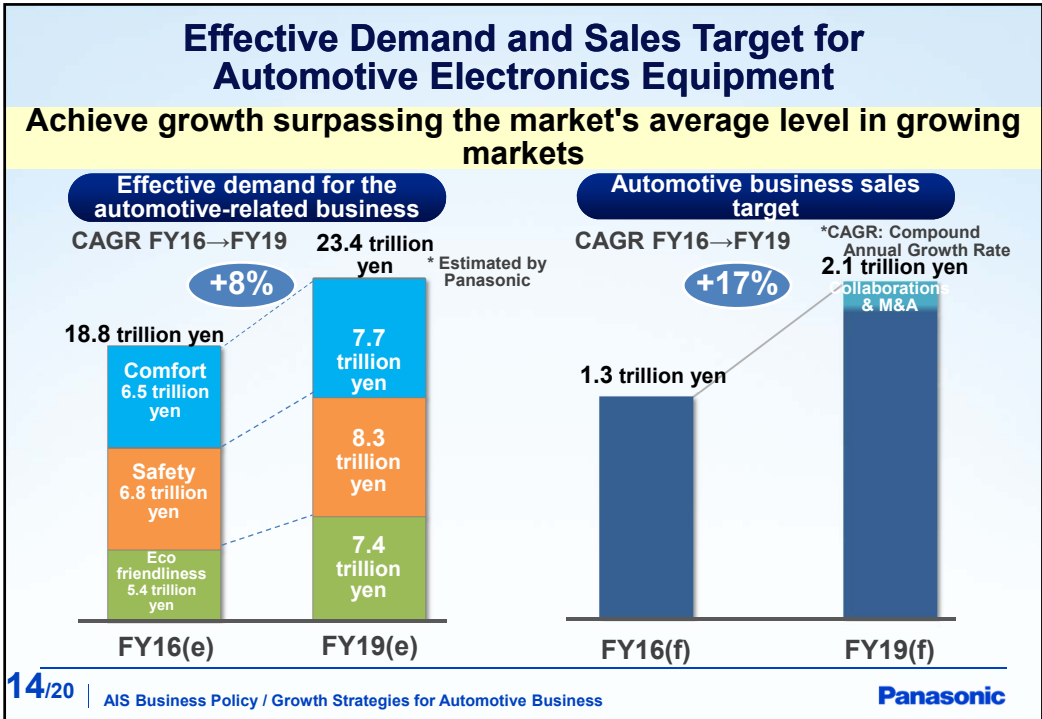
Secure growth and profitability by shifting to the automotive and industrial businesses



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Aim for the No. 1 position in the automotive infotainment systems business

Comfort

Expand sales through new businesses and products whose investment efficiency is high

Sales target in the comfort area

(yen: billions)

Fiscal Year	Sales Target (yen: billions)
FY15	580
FY16 (f)	600
FY19 (f)	930

Key initiatives

New businesses

- Expand business areas with HMI technology as the core
 - Received the first HUD order from Europe in FY15
 - * HUD: Head-Up Display
 - * HMI: Human Machine Interface
 - Collaboration with Ficosa

<Next-generation cockpit systems> <Electronic mirrors>

New products

- Standardize and share platforms for various products
 - Large scale orders intake in FY15

<Connected audio with displays and car navigation systems>

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Strengthen ADAS Business

ADAS: Advanced Driver Assistance Systems

Develop systems through collaboration with other companies by leveraging AIS's strengths (sensing and image processing)

Sales target in the safety area

(yen: billions)

Fiscal Year	Sales Target (yen: billions)
FY15	280
FY16 (f)	310
FY19 (f)	470

Strengthen the ADAS business through integration with cockpits

Sensing

- Stereo cameras
- Image processing, lens technologies
- Side cameras
- Surround-sensing camera systems

Decision

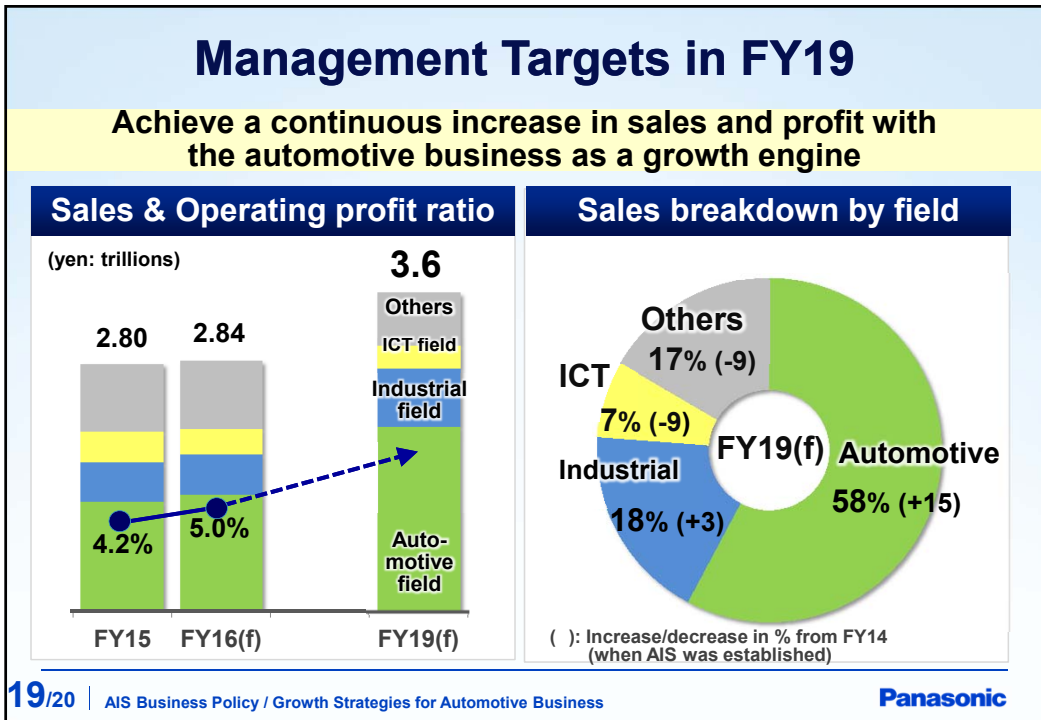
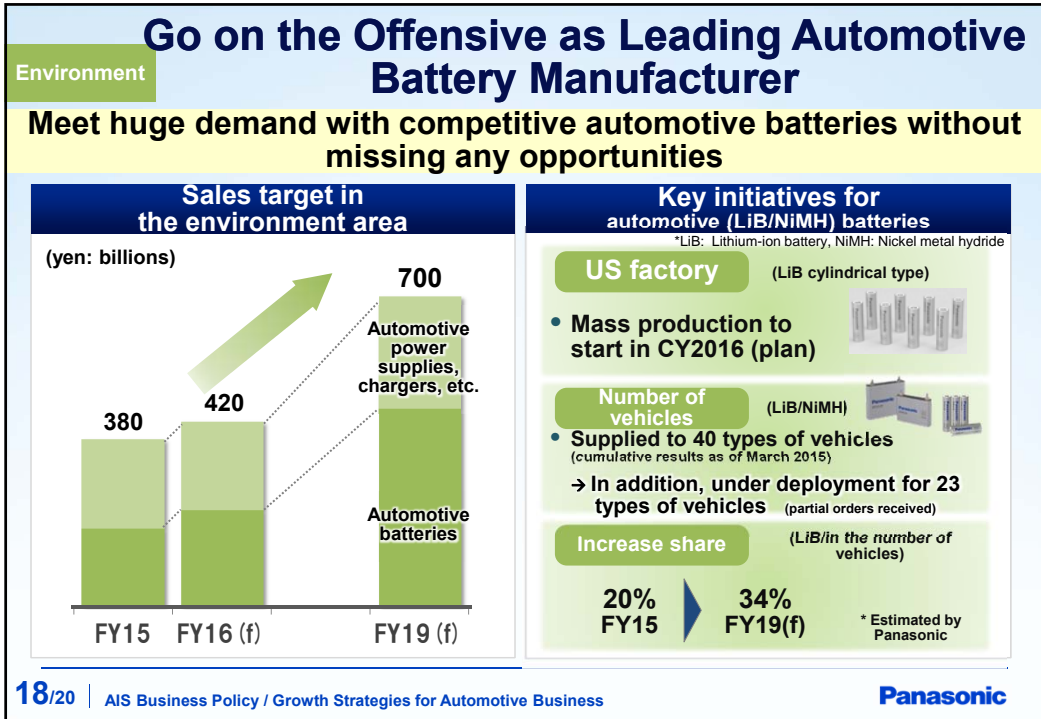
- ADAS integration processing units

Display (Comfort)

- Head-up displays
- Electronic mirrors
- Smart meter
- Next-generation cockpit systems

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F Ficosa

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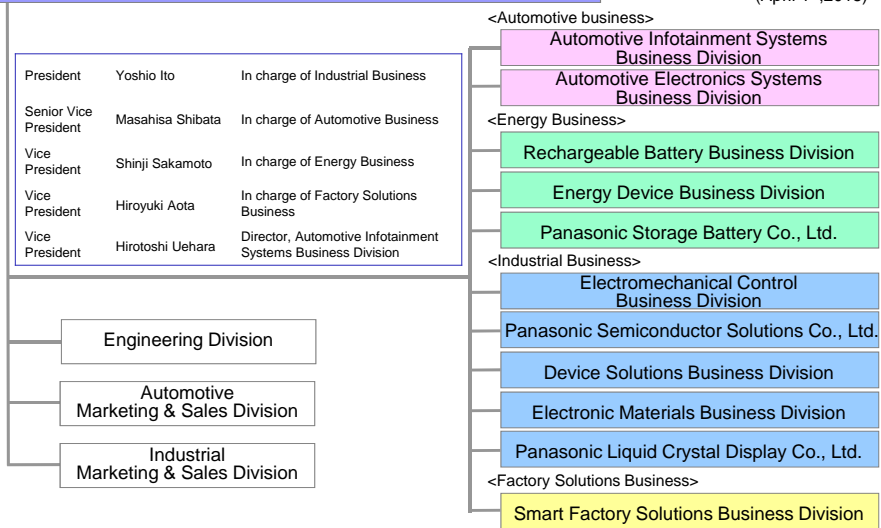
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Reference: AIS Company New Organization

Automotive & Industrial Systems Company (AIS Company)

(April 1st, 2015)



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