

Panasonic IR Day 2012

Manufacturing Solutions Company Business Strategy

May 23, 2012

Manufacturing Solutions Company
Panasonic Corporation
President Yoshiro Takemoto

*Notes: 1. This is an English translation from the original presentation in Japanese.
2. In this presentation, "fiscal 2012" or "FY 2012" refers to the year ended March 31, 2012. In addition, "fiscal 2013" or "FY 2013" refers to the year ending March 31, 2013.*

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1. Domain Outline

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3. Business Policy/Growth Strategy

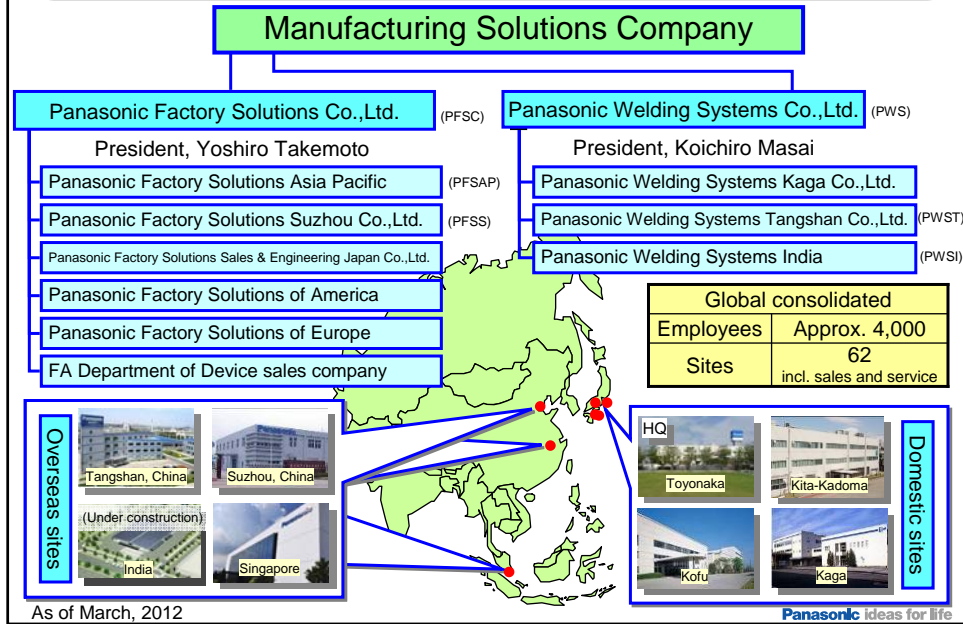
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Domain Outline

Name	Manufacturing Solutions Company (MS Company)
Representative	President : Yoshiro Takemoto Vice president : Koichiro Masai
Business Outline	Development, manufacturing, sales and service of electronic component mounting system (JISSO system), welding & robot system, etc
Headquarter Location	3-1-1 Inazu-cho Toyonaka City, Osaka, Japan
Major Sites	Japan : Toyonaka, Kadoma, Kofu, Kaga Overseas : Suzhou/Tangshan (China), Singapore, India (under construction)

Domain Outline (Organization)

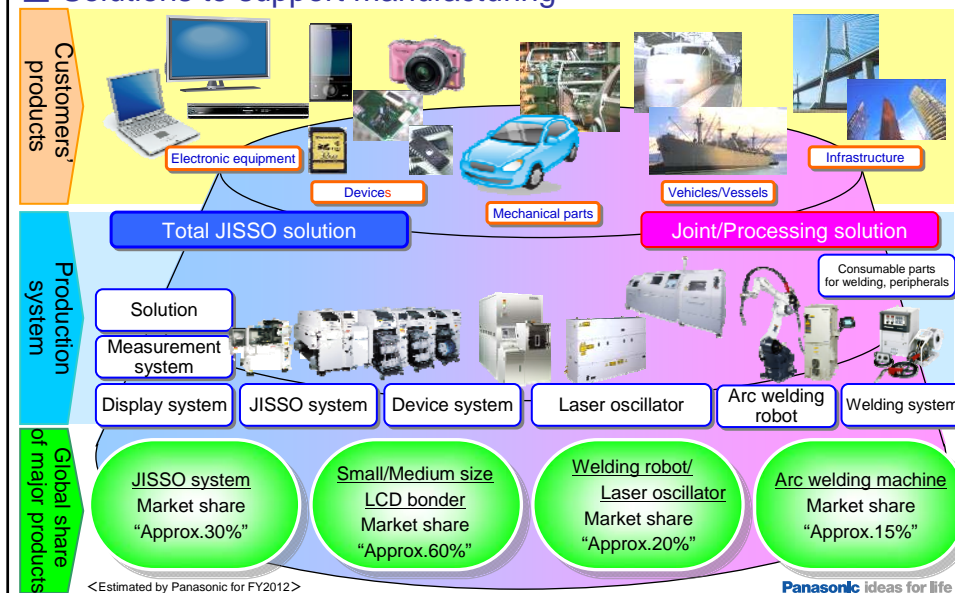
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Domain Outline (Customers and Products)

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Solutions to support manufacturing



Domain Outline (Future Goal)

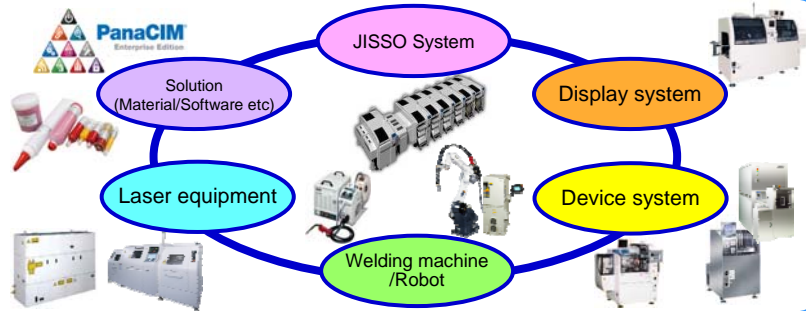
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Manufacturing Solutions Company

Mission
(Customers' Value) **Contribute to progress in global society through manufacturing solutions**

Vision
(Future goal) **- Secure top class market share for major products in the industry**
- Strong management structure against economic fluctuation

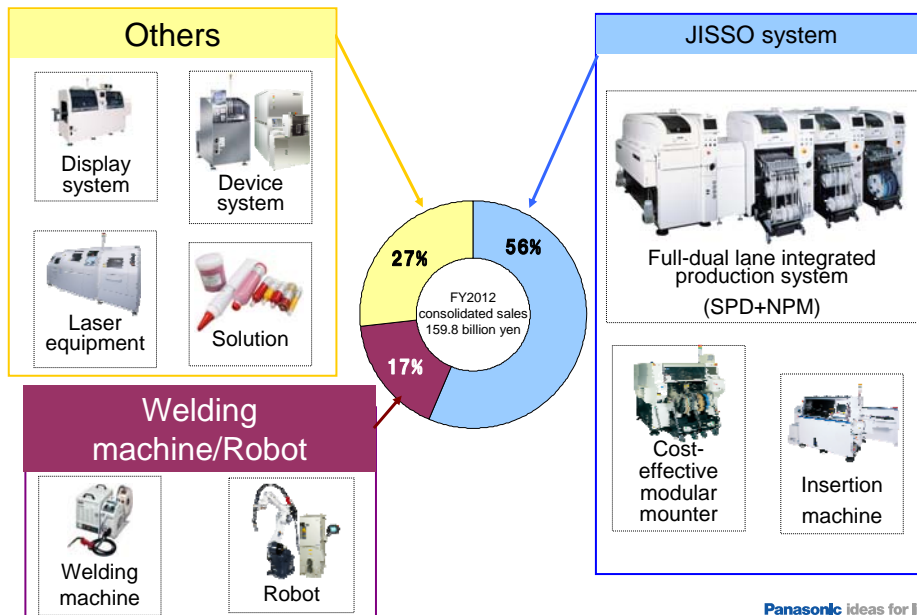
Major businesses



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Business Outline

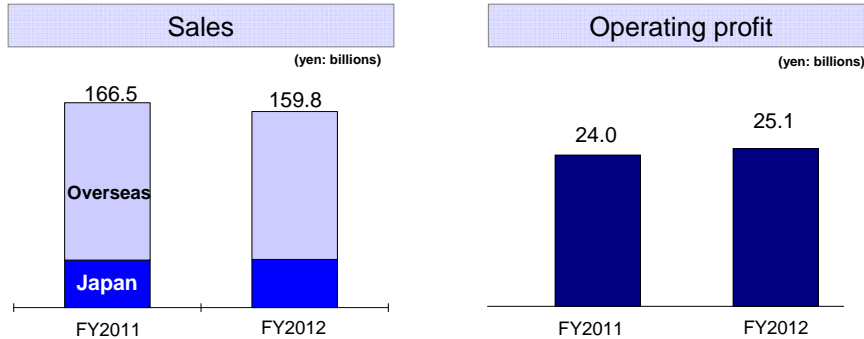
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Summary for FY2012

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【Region】

-Although sales in East Asia which is the largest market were weak, sales in emerging countries and South Asia were favorable.

【Product】

-Although sales in JISSO system were weak, sales in welding machine and robot system were stable.
-Sales in new business (laser equipment etc) showed an increase.

-Operating profit increased from last year despite the negative impact of the strong yen. This was due to the strengthened management structure such as improved marginal profit ratio and "Cost Busters (CB)" activity.

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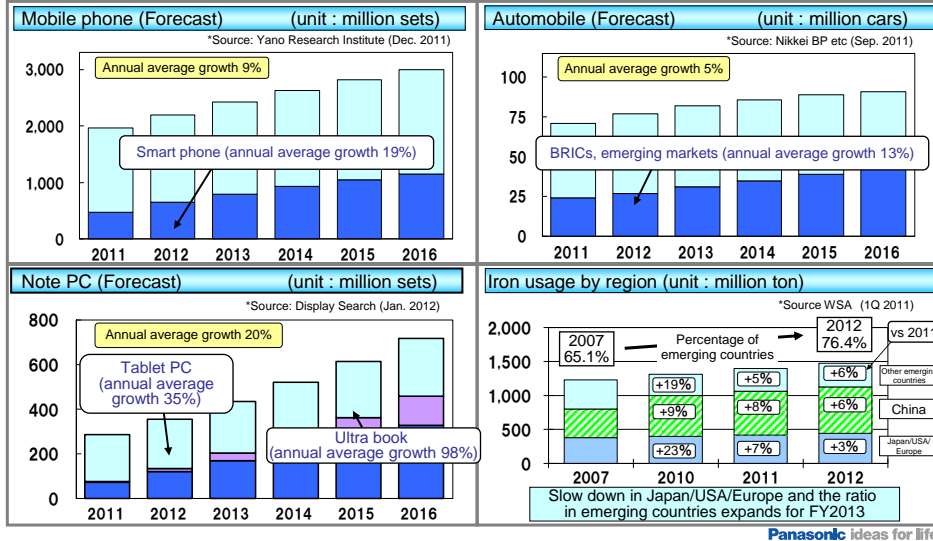
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Market Trends

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Markets are expected to show slow recovery in FY2013 due mainly to further growth in new businesses and emerging markets although financial instability in Europe remains



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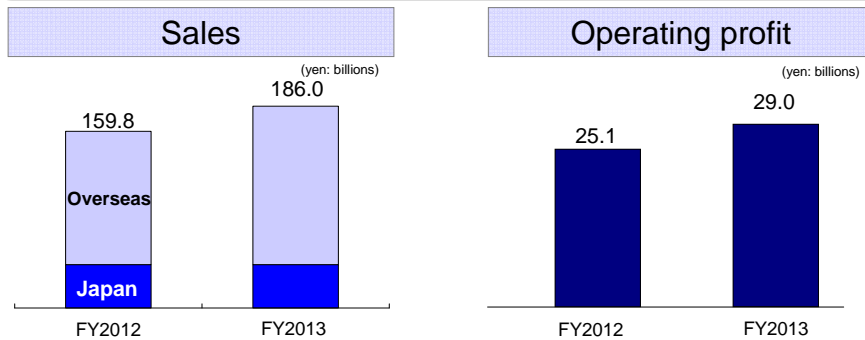
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Business Plan for FY2013

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Key points of business plan for FY2013

- 【Growth strategy】**
 - Thoroughly strengthening major businesses (JISSO system, welding machine/robot)
 - Expansion of business fields (new products/development of new customers)
- 【Global strategy】**
 - Enhancement of cost competitiveness (strengthening/expansion of overseas sites and acceleration of local production and consumption)
 - Sales expansion for emerging markets (Inland of China/India/Eastern Europe/Brazil etc)
- 【Strengthening management structure】**
 - Exertion of synergy integration

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Thoroughly Strengthen Major Businesses (JISSO System)

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Evolution Product Proposal of manufacturing for high productivity/high quality/energy-saving

Sales vs. FY12 +20%

New material

JISSO software

PanaCIM

Further Evolution of Total Solution for Screen Printer/Mounting Machine/Software/Materials

	Productivity	Quality	Cost reduction of manufacturing
Provision of value	10% or higher by independent placement New Fully independent placement (NPM-TT) Co-production of 2 models Non-stop model changeover	Secure stable quality New -Software that supports high quality production New -Feedback system -Traceability (PanaCIM)	Material to realize process innovation New Low temperature bonding material* (Reduction of reflow power supply) New Corner adhesive* (Elimination of underfill process)

*Collaboration with other business domain companies of Panasonic Panasonic ideas for life

Thoroughly Strengthen Major Businesses (Welding machine/Robot)

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Evolution Product

Proposal of manufacturing for "high productivity/high quality/energy-saving"

Sales vs. FY12 +5%

Product examples for welding robot system

- Exhaust
- Body
- Chassis
- Fuel

Product examples for arc welding machine

- Vessel
- Steel frame structure
- Main stadium of Beijing Olympics

Evolving welding system

Dynamic control robot system

Automation system

Automation system by robot/jig

Japan-China joint development Multi-purpose global model

Eco (energy-saving)& Smart (lean functions) (Welding machine RX series)

extensive welding conditions

Active process controlled welding robot system

Robot system

Large handling robot

Welding machine 350Rx1

Welding robot

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Growth Strategy (New Business : Fiber-laser) ¹⁵

■ New heat source for cutting/welding, market Introduction of fiber-laser

Expand range of solution in heat processing (cutting/joint)

New businesses

Provision of value

Energy-saving(3 times in electric conversion efficiency)

Simple (optical fiber method)

Low thermal effect (local heating, low damage)

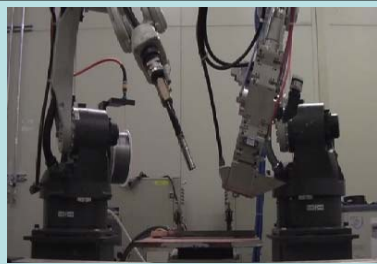
Various processing (various metals, high speed processing)

Maintenance-free (no optical parts)



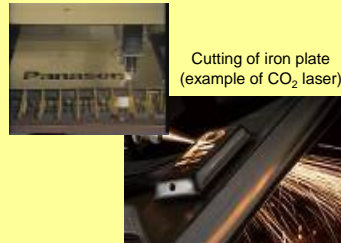
Laser oscillator

Application of fiber laser



(Left) Arc (Right) Laser

Example of laser processing (Cutting)

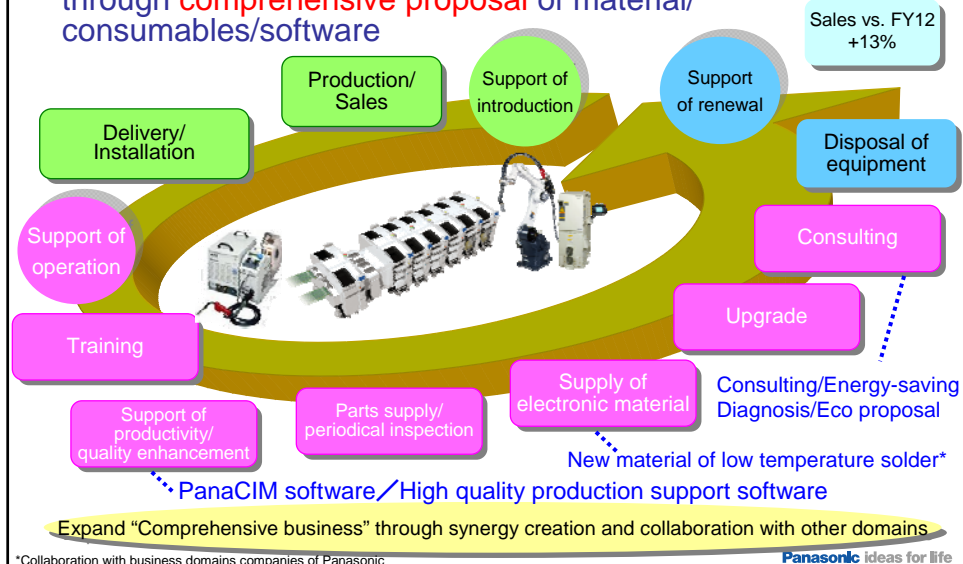


Cutting of iron plate (example of CO₂ laser)

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Growth Strategy (Expansion of Business Field :Comprehensive Business) 16

- In addition to equipment, provide customers with values through **comprehensive proposal** of material/consumables/software



Global Strategy 17

Accelerate local production and local consumption to respond to "QCDE+S" and customers' requests speedily

- Optimal manufacturing locations for globally created business, according to market size and customers trends
- Companies in Japan continuously strengthen to create new businesses and business models
- Overseas companies expand functions as well as increase production

Japan

Creation of new projects and businesses

Overseas

Local production and local consumption
Competitiveness in manufacturing

	FY2012	FY2013
Sales ratio of overseas	80%	80%
Production ratio of overseas	20%	30%

- Strengthen sites in China, the largest market
- Strengthen Singapore sites to tackle emerging markets/develop into India

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Global Strategy (Strengthen Sites in China) 18



Strengthen sites in China, the largest market

<p>◆ Suzhou, China (PFSS)</p>	<p>Strengthen manufacturing in the largest market, Manufacturing → Business company</p>
 <p>Operation started in April, 2012</p> <p>Expand local manufacturing by operation of new factory</p>	<div style="display: flex; justify-content: space-around;"> <div style="background-color: #4CAF50; color: white; padding: 5px; border-radius: 5px;">Expand production (Double)</div> <div style="background-color: #4CAF50; color: white; padding: 5px; border-radius: 5px;">Strengthen development function</div> <div style="background-color: #4CAF50; color: white; padding: 5px; border-radius: 5px;">Strengthen service function</div> </div> <div style="border: 1px solid black; padding: 2px; margin-top: 5px;"> <p>Site area : 35,000m², Floor space : 20,000m² Employees: approx.360</p> </div>
<p>◆ Tangshan, China (PWST)</p>	<p>Strengthen capability to meet customers requirement by strengthening manufacturing and development abilities</p>
 <p>Upgrading development building and expand production capacity</p>	<div style="display: flex; justify-content: space-around;"> <div style="background-color: #4CAF50; color: white; padding: 5px; border-radius: 5px;">Expand production (1.4 times)</div> <div style="background-color: #4CAF50; color: white; padding: 5px; border-radius: 5px;">Upgrading development center</div> <div style="background-color: #4CAF50; color: white; padding: 5px; border-radius: 5px;">Support of operation start in India</div> </div> <div style="border: 1px solid black; padding: 2px; margin-top: 5px;"> <p>Site area : 46,000m², Floor space : 32,000m² Employees: approx.590</p> </div>

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Global Strategy (Strengthen Emerging Market) 19

Strengthen site in Singapore for emerging markets / development into India

<p>◆ Singapore (PFSAP)</p>	<p>Global site with development, manufacturing, sales and service integrated, expansion of new businesses</p>
 <p>Create new businesses based on more than 30 years experience</p>	<div style="display: flex; justify-content: space-around;"> <div style="background-color: #4CAF50; color: white; padding: 5px; border-radius: 5px;">Expand production (1.4 times)</div> <div style="background-color: #4CAF50; color: white; padding: 5px; border-radius: 5px;">Accelerate total solution for LED production system</div> <div style="background-color: #4CAF50; color: white; padding: 5px; border-radius: 5px;">Further expansion of insertion machine business</div> </div> <div style="border: 1px solid black; padding: 2px; margin-top: 5px;"> <p>Site area : 25,000m², floor space : 25,000m² Employees: approx.400</p> </div>
<p>◆ India (PWSI)</p>	<p>Start manufacturing in the next growing markets</p>
 <p>Image of completion</p> <p>Production start in Dec.,2012</p> <p>Generate sales and expand local production</p>	<div style="display: flex; justify-content: space-around;"> <div style="background-color: #4CAF50; color: white; padding: 5px; border-radius: 5px;">Start operation</div> <div style="background-color: #4CAF50; color: white; padding: 5px; border-radius: 5px;">Strengthen sales networks Expand technical center & distributors</div> <div style="background-color: #4CAF50; color: white; padding: 5px; border-radius: 5px;">Secure/develop local human resources</div> </div> <div style="border: 1px solid black; padding: 2px; margin-top: 5px;"> <p>Site area : 22,000m², floor space : 8,000m² (Employees: approx.130)</p> </div>

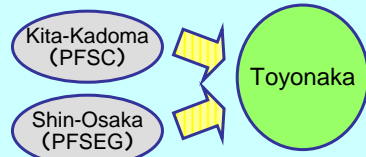
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Strengthen Management Structure (Generate Synergy Effects)

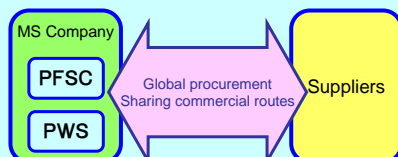
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Generate synergy effects and strengthen management structure

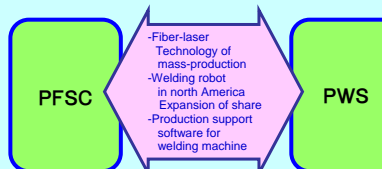
◇Function centralization in Osaka



◇Sharing global procurement routes



◇Sharing core technology and commercial routes



◇Expansion and mutual utilization of overseas sites

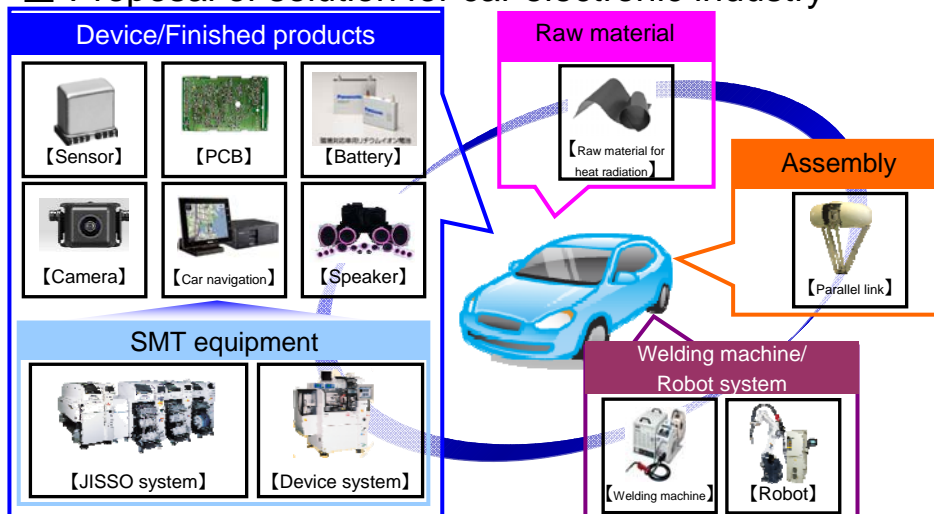


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Synergy Creation - Solution for Automotive Industry -

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■ Proposal of solution for car electronic industry



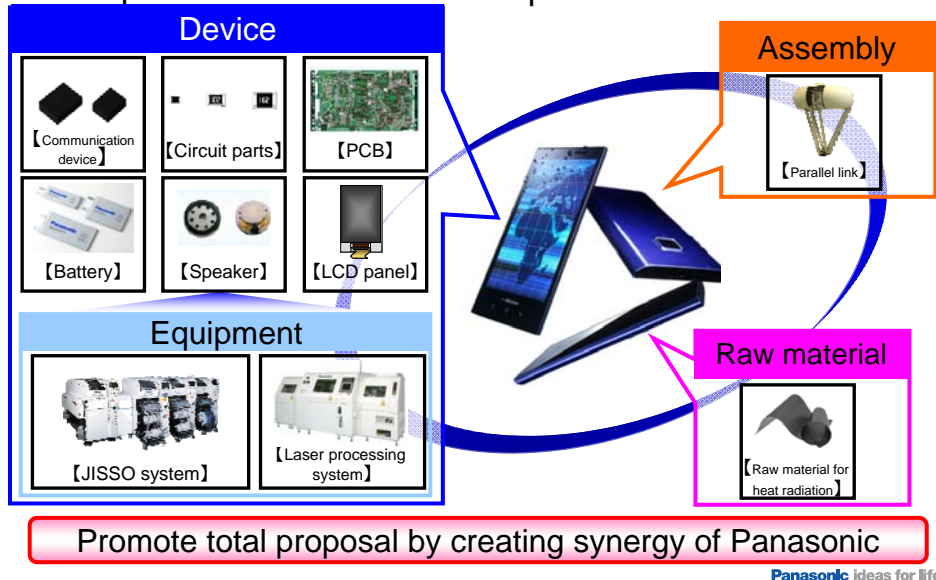
Promote total proposal to automotive industry by creating synergy of Panasonic

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Synergy Creation - Solution for Communication Industry -

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■ Proposal of solution for smart phone/tablet PC Industries



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Toward Achievement of Business Plan for FY2013

- No. 1 global market share for major businesses
- Accelerate growth by expanding of new businesses/fields
- Maintaining high profitability by strong management structure



Early achievement of over
200.0 billion yen sales target

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