Eco Solutions Company
Growth Strategy in Non-housing Related Market
0.8 Trillion Yen Sales Target in BtoB Solutions Business
November 26, 2014

Panasonic Corporation
Eco Solutions Company
President Tamio Yoshioka

Notes: 1. This is an English translation from the original presentation in Japanese.
2. In this presentation, “fiscal 2015” or “FY2015” refers to the year ending March 31, 2015.
In addition, “fiscal 2015 six months” or “FY15 6M” refer to the period from April to September 2014.

Contents
1. FY2015 six month result and full year forecast
2. Towards FY2019
3. Growth strategy in non-housing related market
**FY15 Six Month Result**

<table>
<thead>
<tr>
<th>Sales</th>
<th>Operating profit</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FY14</strong></td>
<td><strong>FY15</strong></td>
</tr>
<tr>
<td>Sales</td>
<td>771.2</td>
</tr>
<tr>
<td>Operating Profit (Operating Profit margin)</td>
<td>39.6 (5.1%)</td>
</tr>
</tbody>
</table>

- **Japan:** favourable sales in solar business for housing and LED lighting business offsetting effect of consumption tax hike.
- **Overseas:** newly-consolidated VIKO and sales in strategic regions contribute to overall growth.

**Sales Increase in solar business and lighting business contributed to improvement.**

**FY15 Forecast**

<table>
<thead>
<tr>
<th>Sales</th>
<th>Operating Profit</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FY14</strong></td>
<td><strong>FY15</strong></td>
</tr>
<tr>
<td>Sales</td>
<td>1,674.4</td>
</tr>
<tr>
<td>Operating Profit (Operating Profit margin)</td>
<td>92.1 (5.5%)</td>
</tr>
</tbody>
</table>

*1 and *2: Sales and OP without effects of last minute surge in demand before consumption tax hike, and corporate-wide measures.

*1 and *2: Sales and OP without effects of last minute surge before consumption tax hike, and corporate-wide measures.
1. FY2015 six month result and full year forecast

2. Towards FY2019

3. Growth strategy in non-housing related market

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### FY19 Panasonic and Eco Solutions Company

#### Five Business Areas

<table>
<thead>
<tr>
<th>Business Area</th>
<th>FY14</th>
<th>FY19 Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>7.7</td>
<td>10.0</td>
</tr>
<tr>
<td>Eco Solutions Company</td>
<td>1.4</td>
<td>1.5</td>
</tr>
<tr>
<td>Device</td>
<td>1.8</td>
<td>2.5</td>
</tr>
<tr>
<td>BtoB Solutions</td>
<td>1.2</td>
<td>2.0</td>
</tr>
<tr>
<td>Auto</td>
<td>1.4</td>
<td>2.0</td>
</tr>
<tr>
<td>Housing</td>
<td>1.8</td>
<td>2.0</td>
</tr>
<tr>
<td>Combined with PanaHome</td>
<td></td>
<td>2.0</td>
</tr>
<tr>
<td>Consumer Electronics</td>
<td>2.0</td>
<td>2.0</td>
</tr>
<tr>
<td>Total</td>
<td>2.8</td>
<td>2.8</td>
</tr>
</tbody>
</table>

(yen: trillions)
Contents

1. FY2015 six month result and full year forecast

2. Towards Fiscal 2019

3. Growth strategy in non-housing related market

Target in Eco Solutions Company

Housing-Related Business

- Strengthen remodeling business
- Expand home energy management system business
- Develop business operation in overseas strategic regions (Focus on “ACTION 3000” project in the growing market: ASEAN, China, Turkey, India)
- Expand housing business
- Enhance “Age Free” (elderly care) business

Sales

<table>
<thead>
<tr>
<th>FY14</th>
<th>FY19 Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.4</td>
<td>2.0</td>
</tr>
</tbody>
</table>

(PanaHome)

(yen: trillions)

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### Non-Housing Related Business

#### FY2014 Sales

<table>
<thead>
<tr>
<th>Category</th>
<th>Sales (yen: trillions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Engineering Business Centering on Energy Management</td>
<td>0.1</td>
</tr>
<tr>
<td>- Major Energy Management Products for Non-housing Buildings</td>
<td></td>
</tr>
<tr>
<td>- Engineering Business in Japan</td>
<td></td>
</tr>
<tr>
<td>2. LED Solutions Business</td>
<td>0.2</td>
</tr>
<tr>
<td>- Major Lighting Fixtures</td>
<td></td>
</tr>
<tr>
<td>- (Store lighting, Facility lighting and Outdoor lighting)</td>
<td></td>
</tr>
<tr>
<td>- Engineering Business in Japan (Lighting)</td>
<td></td>
</tr>
<tr>
<td>3. Others</td>
<td>0.2</td>
</tr>
<tr>
<td>- Electrical Construction Materials</td>
<td></td>
</tr>
<tr>
<td>- (Distribution panelboard, Fire alarm equipment, Conduit piping system)</td>
<td></td>
</tr>
<tr>
<td>- Industrial solar power generation system</td>
<td></td>
</tr>
<tr>
<td>- Other In-house Company's Products</td>
<td></td>
</tr>
<tr>
<td>- Industrial air-conditioning system</td>
<td></td>
</tr>
<tr>
<td>4. Overseas Business</td>
<td>0.13</td>
</tr>
<tr>
<td>- Electrical Construction Materials</td>
<td></td>
</tr>
<tr>
<td>- Lighting Fixtures for Non-housing Buildings / Lighting Devices</td>
<td></td>
</tr>
<tr>
<td>- Overseas Engineering Business</td>
<td></td>
</tr>
<tr>
<td>- (Solar power generation system business, Fire prevention system business, Environmental engineering business)</td>
<td></td>
</tr>
</tbody>
</table>

#### FY14 vs FY19 Target

<table>
<thead>
<tr>
<th>Category</th>
<th>FY14</th>
<th>FY19 Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overseas sales</td>
<td>0.63</td>
<td>0.8</td>
</tr>
<tr>
<td>Domestic sales</td>
<td>0.5</td>
<td>0.6</td>
</tr>
</tbody>
</table>
**1. Engineering Business Centering on Energy Management**

**Energy Management Solutions (1)**

<table>
<thead>
<tr>
<th>Amendment of Energy Saving Act in Japan</th>
<th>Contract Electricity</th>
<th>Extra-high Voltage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electricity system reform</td>
<td>2,000kW</td>
<td>Large-lot electricity users</td>
</tr>
<tr>
<td>Subsidies for business operators to rationalize energy use</td>
<td>500kW</td>
<td>Small-lot high voltage electricity users *1</td>
</tr>
<tr>
<td></td>
<td>50kW</td>
<td>Low voltage electricity users *2</td>
</tr>
</tbody>
</table>

* BEMS in preliminary phase

Providing optimum products and services to owners of small and medium-sized*1 buildings including offices and stores

Emanage™ Emanage is under application for trademark registration by Panasonic.

*1: Contract electricity is less than 500kW such as small and medium-sized office buildings, stores and commercial and industrial facilities
*2: Standard homes

**1. Engineering Business Centering on Energy Management**

**Energy Management Solutions (2)**

Easy-to-use equipment and systems / Affordable price / Support from installation to consultation

**Emanage**

Will start in Autumn, 2015

Support from analysis of electric power consumption to consultation on efficient energy management

**Measuring electrical power**

- Storage battery (planned)
- PV system (planned)
- Air-conditioning system
- Lighting equipment

**Visualize Energy Consumption**

**Control automate demand response**

**Control and analyze total amount**

- Cloud server
- Tablet
- PC monitor

Energy Management Solutions (2)

**Engineering Business**

- Remote monitoring service for energy-management related equipment
- Build up 180 regional disaster prevention bases in Tohoku region, Japan with "Green New Deal" foundation program

- Solar power generation system + Storage battery
- Confirmation report of the operational status

2. LED Solutions Business

**Gain Market Share**

- "Quality of light" and "value of space"
- Wide range of product lineup and flexible customization capability
- Top market share by industrial sector in Japan

- Light wavelength control technology
- Sensation-of-Room-Brightness Index "Feu" and Modulation
- LED lighting fixture "Favourable color ID" series

- LED component solutions
- New LED downlight

- Competitive Products for low-end market
- Competitiveness with value added products

Business development in various areas by leveraging Panasonic advantages

- Store lighting
- Facility lighting
- Outdoor lighting

FY2014 FY2019 (Target) Sales: 0.2 ⇒ 0.24 (yen: trillions)

*1: LED product market share by industrial sector in Japan as of June 11, 2014, Panasonic survey
2. LED Solutions Business

Create New Demand / Develop New Business

**Provide new value of space by fusing lighting and projected image**

*Cross-Value Innovation*

**New business development**

**LED Sign Lighting Fixture**
- Smooth and bright both-face emission with thinnest light guide panel in the Industry *1*
- Launched This Product in September 2014

*1: In LED signage lighting market in Japan as of August 19, 2014

**LED lighting device business development**

**UV-LED lighting module**
- Deep UV rays emission with disinfection function
- Able to be embedded into small home appliance

Launched in June, 2014

**Apply lighting technology to transportation**


3. Overseas Business

**ASEAN, China and Taiwan**

**Expand sales of non-housing LED lighting products**

**China**
- For stores, factories and offices
  - LED downlight
  - LED spotlight
  - LED base light

**Indonesia**
- For stores, factories and streets
  - LED downlight
  - LED base light
  - LED street light

**Develop environmental engineering business**

- Equipment for effluent treatment, chemical recycling, and exhaust gas treatment
- Clean room and air-conditioning system

**Develop New Business**

- Wiring duct business in China
- Switching hub business in Indonesia
- Power supply business for areas without electricity

Power Supply Container contains solar modules and storage batteries.

**Sales:** 0.13 ⇒ 0.2 (yen: trillions)

FY2014 FY2019 (Target)
### 3. Overseas Business

#### India

**Anchor** by Panasonic

- Entered non-housing LED lighting business
- Launched LED lighting fixtures for office and store (from November 2014)
- Utilizing strong sales channel of wiring devices

**Expand system engineering business**

- Expand security system business centering on fire alarm business as prime general contracting company
- Reinforce profitability by expanding maintenance service business

### North America

**Expand PV solutions business**

*Establish operating company as prime contractor to increase Orders*

- Propose and Operate tax-efficient business model by leveraging U.S. renewable energy program
- Operating company receive packaged order including design, procurement, installation and maintenance as prime contractor

### 4. Business related to 2020 Olympics/Paralympics and reconstruction of Tohoku region, Japan

#### 2020 Olympics/Paralympics related business

**Verify product specs for designed transportation infrastructure**

- Products for non-housing market
  - Building automation system
  - Industrial storage battery system
  - Heat exchange ventilation unit
  - Large-scale solar power generation system
  - Facility lighting fixture
  - Street lighting fixture

**Transportation Infrastructure (road and railroad)**

- Railway, subway, metropolitan areas and construction facility

**Newly propose to related facilities**

- Indoor LED lighting fixture for stadiums
- Stage lighting fixture
- LED floodlight
- Street lighting fixture
- Crowd-riding system

**Support new town planning**

- Propose town planning by utilizing ICT (Information and Communication Technology)
- Support town planning with virtual reality system

**Build regional disaster prevention bases**

- Utilize “Green New Deal” foundation program
- Build 180 regional disaster prevention bases in Tohoku region, Japan

**Newly open sales office in Ofunato city, Iwate, Japan**

- Develop community-based proposal

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Sales

FY2019 (Target)

Increase: +0.02 (yen: trillions)
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