

Panasonic

ideas for life

THE MARKET

Panasonic is best known for its outstanding line of consumer electronics products. However, in Canada and around the world, the company is also one of the foremost suppliers of quality products to business and industry. From photocopiers to iris recognition systems. From semi-conductors to batteries, the Panasonic Group of Companies has always been inspired by the business philosophy of founder Konosuke Matsushita: To provide quality products at a fair price while respecting society and the environment. Paramount in this philosophy is the understanding that the customer comes first and that a company is indebted to society for its existence.

ACHIEVEMENTS

"We may not always be the first to do something, but whatever we do — we strive to be the best," says Ian Vatcher, President, Panasonic Canada Inc. (PCI). "We make extremely high-quality products and offer exceptional service at a reasonable price, and most importantly we always put the customer first."

It is this "customer first" approach to business that distinguishes Panasonic. PCI has received many awards for product quality and has been recognized as one of the ten most trusted and recognized brands in Canada.

Panasonic is a Worldwide Sponsor of the Olympic Games. Giant LED Astrovision™ screens flanked the Olympic Torch in Athens in 2004, and shone in Torino in 2006, where thousands of Panasonic products kept the world informed throughout the Games. Again in 2008, the

Panasonic Kid Witness News program supports selected elementary schools across the country with tools and guidance to develop children's cognitive and communication



Panasonic brand will be evident in Beijing, where the company's support for sport and international competition will be at the forefront.

Social and educational initiatives also define the Panasonic brand in Canada. For example, the

skills. Kids record and edit their own movies using donated Panasonic digital camcorders, computers and digital editing software.

The environment is arguably the most important issue we face today. While many consumers and businesses have recently become concerned with their impact on the environment, Panasonic has been a leader in this area for many years. The Panasonic environmental statement pledges to practice prudent, sustainable use of the earth's natural resources and the protection of the environment.

In 1996, Panasonic implemented the ISO 14001 Environmental Management System across all facilities in North and South America. Since then all manufacturing plants and company-owned businesses with over 100 employees worldwide have achieved this important certification.

Panasonic won the Energy Star® award for seven consecutive years to 2005 for its breadth of energy-conscious products, and currently manufactures more than 300 Energy Star® qualified products across 14 categories.

Carrying the company's commitment to the environment even further is Panasonic's development of Green Products, which are designed to establish performance benchmarks while reducing their impact on the environment.

HISTORY

As a young man, Konosuke Matsushita worked for the Osaka Electric Light Company as a wiring assistant. In 1918, at the age of 23, he had an idea for a two-branch electrical socket adaptor which would allow Japanese homes — equipped with only one outlet — to use a lightbulb and an extra electrical appliance simultaneously. He suggested this new product to his boss, who rejected it out of hand. Despite the odds against him, Matsushita, believing his idea could improve people's lives, opened the Matsushita Electric Appliance Factory and started making the adaptor himself. Over the next decades his small Osaka workshop would grow into a vast multinational corporation employing many thousands of people, making and marketing thousands of products around the world.

More than a gifted industrialist, Matsushita became known for his humanistic philosophies and his innovative perspectives on business. He believed that business should serve a public function: that first and foremost it has a social responsibility. Business should be about people before being about products.

Even after his death in 1989, Matsushita's philosophies and visions were kept alive and continue to drive every Matsushita company today.

Comprising over 600 companies, Matsushita Electric Industrial Co. Ltd. (MEI) is one of the world's premier manufacturers of quality electronics products for industry, business and the home. MEI manufactures and markets over 15,000



products under brands such as Panasonic, National and Technics.

The Panasonic brand was created in 1955 and was first used as a brand for audio speakers since pan means all and sonic means sound. In 1959, the company expanded to the United States, and in 1967 came to Canada. Since 2003, Panasonic has been the brand name for all consumer and other electronics products around the globe as well as audio, visual, information and communications devices in Japan.

THE PRODUCT

There are three business divisions that form PCI. They include the Consumer Division, the Industrial and Commercial Division, and finally the Communications and Digital Systems Division.

Consumer Division. The Consumer Division at Panasonic boasts a wealth of technologies that were unheard of a few years ago, including VIERA® high-definition plasma television panels designed for today's demanding source material, Blu-ray high-definition video players that amaze with picture quality and flexibility and LUMIX® digital still cameras that redefine photography. There are also SD memory cards the size of postage stamps; powerful, attractive, sleek home theatre systems, and high-quality cinema projectors. PCI also manufactures home essentials like microwave ovens, vacuum cleaners and air conditioners; personal health care items including men's and ladies' shavers; telephones and fax machines, as well as a variety of accessories and telecommunications systems. In each of these categories, the company's products are recognized for their quality, value, durability, and reliability.



Industrial and Commercial Division. Panasonic provides components and design solutions to leading manufacturers of consumer electronics, telecommunications, computers, home appliances and batteries. The breadth of Panasonic's Industrial and Commercial Division line-up includes cordless power tools, energy-efficient lighting, industrial batteries, alternative energy solutions and components.

Communications and Digital Systems Division (CDS). CDS provides many products that ensure that businesses will operate effectively and efficiently, including Hospitality Systems,



Document Systems, Telecommunications Systems, Computer Systems, and Professional Imaging and Display Products.

RECENT DEVELOPMENTS

Panasonic has long been recognized for the innovation and quality found in its Palmcorder® brand of camcorders. In 2002, the company introduced a line of cameras that matched remarkable performance with elegant design. Today the LUMIX® brand of digital still cameras boasts industry-leading features like MEGA Optical Image Stabilization and the world's first intelligent ISO control to automatically keep shots razor sharp, even during the most challenging photographic circumstances.

Sales of plasma panels in Canada have risen dramatically. Recently, PCI's parent company MEI doubled its production capacity with the opening of the world's largest plasma-display factory in Japan, and is now capable of producing eleven million plasma panels each year.

The plasma panel represents the crystallization of Panasonic's more than 50-year history as a manufacturer of cutting-edge television sets.

Panasonic continues to care for the environment by reducing product power consumption; by reviewing and redesigning critical circuitry; by adding settings such as one that automatically powers a unit down during periods of inactivity, and including functions that automatically adjust the brightness of a television screen relative to the brightness of the room.

Panasonic was the first to produce a lead-free panel used in its VIERA® plasma panels. With the development of a lead-free alternative, bismuth, Panasonic can now claim an annual reduction of about 300 tonnes of lead.

PROMOTION

In April 2003, Panasonic announced that the company would position Panasonic as its main global brand in order to strengthen brand competitiveness worldwide.

The Panasonic brand is the cornerstone on which the company's branding and communications are based, across many media, depending on the objectives of the campaign. For example, when promoting the company's popular VIERA®

brand of flat panel televisions, television advertising provides a direct link to users who watch and buy televisions.

Often print may be the primary medium of choice. More interactive and 'pull' strategies have become available with the increased use of the Internet, search engines and on-line marketing. PCI works to ensure that it delivers a targeted message using the best media for the task. From October 2006 to March 2007, the television commercials *Guatemala* and *Playground* were viewed more than 16,000 times via the PCI website, and the original music track composed for *Guatemala* was downloaded more than 8,000 times.

Sponsorship continues to be a key area in which Panasonic works to build community and promote the brand. Among the company's sponsorship properties are global sponsorship of the Olympics and Formula 1 racing. And, at the local level, the Department of Canadian Heritage's Racism. Stop

it! National Video Competition is among the many projects that the company supports. Further, the arts, education, and the environment are key to promoting not only the company's brand, but its core message that it is a company built on ideas: ideas for life.

BRAND VALUES

Panasonic's global branding is *Panasonic ideas for life*. The slogan represents the company's commitment of all employees from R&D and manufacturing to marketing,

sales and service, to supplying products and services based on valuable ideas that will enrich people's personal and professional lives, protect the earth and advance societies across the globe. *Panasonic ideas for life* means making products that promise ease of use, safety, brand loyalty, and inspiration — simply, products that people want.

THINGS YOU DIDN'T KNOW ABOUT PANASONIC CANADA, INC.

- PCI's unique management philosophy is centred on the "Water Philosophy," which means the only mission of an industrialist should be to make his goods as widely and easily available to all as water is from a tap.
- PCI began sales operations in Toronto with seven employees in 1967.
- Panasonic is ranked fifth among the Top 100 companies in Canada for brand recognition.
- In July 2006, the world's first manned flight using dry cell batteries took place in Japan powered by Panasonic Oxyride dry cell batteries.