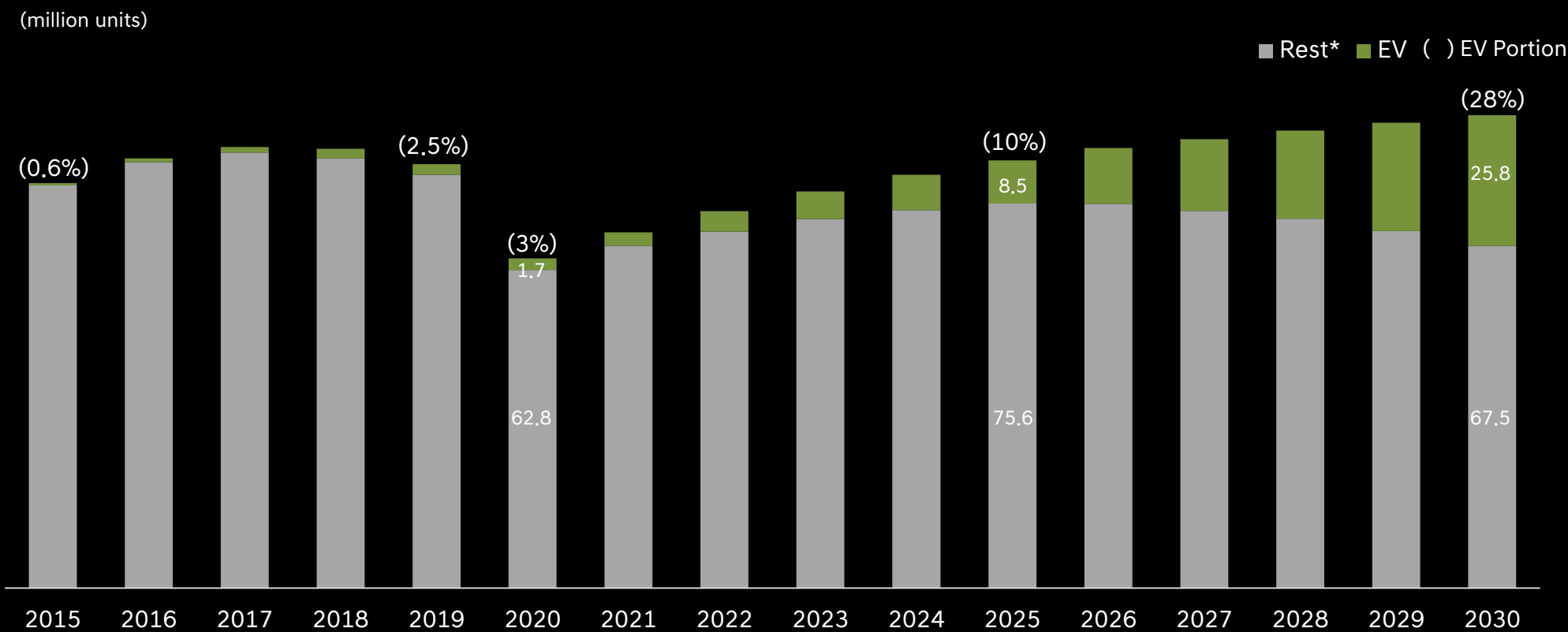


HMC FUTURE MOBILITY



HMC FUTURE MOBILITY

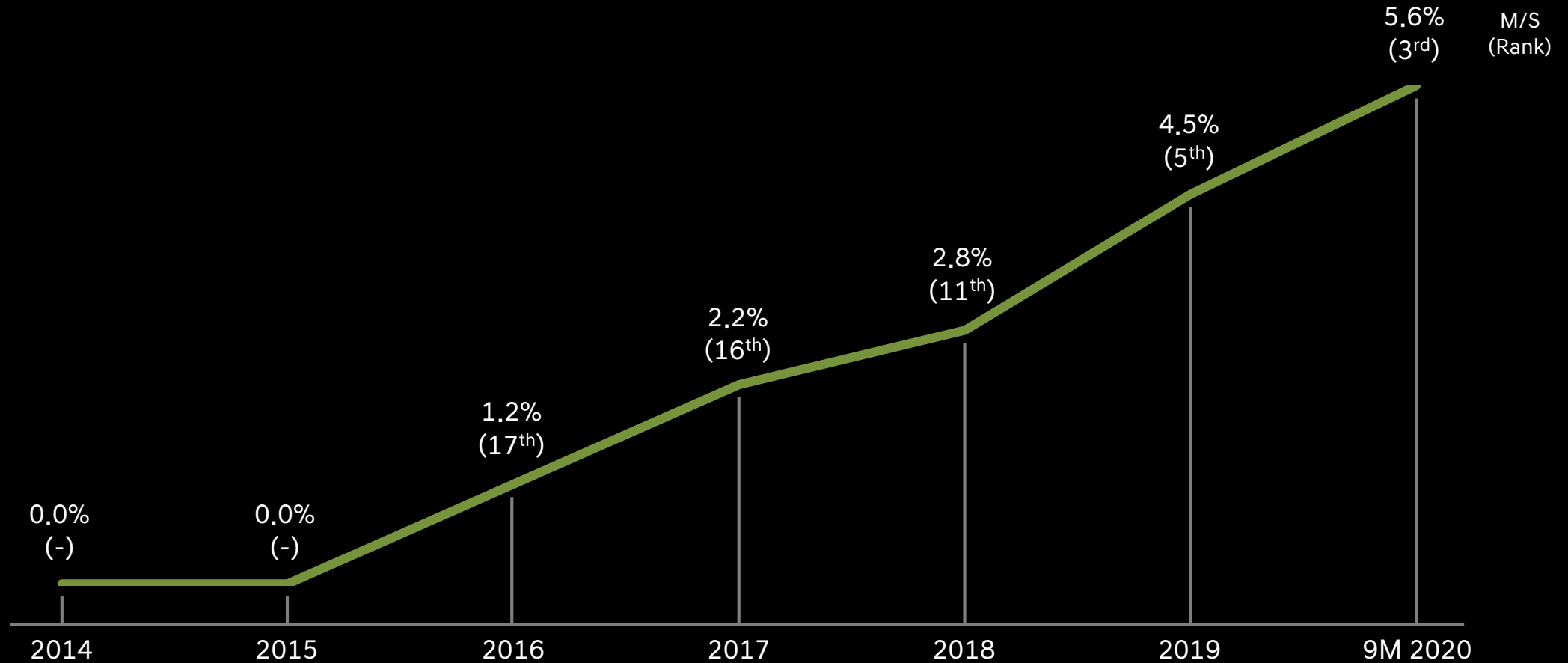
Global Auto Industry & Electric vehicle demand trend



* Rest includes ICE, HEV, PHEV, FCEV
* Source : BNEF

HMC FUTURE MOBILITY

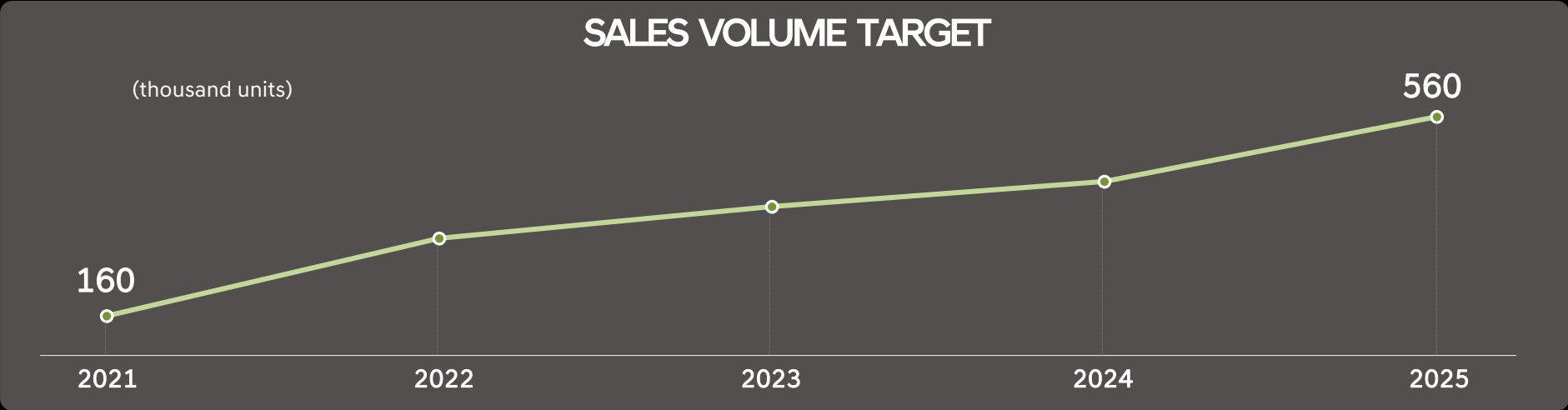
Hyundai Motor Global EV market share



* Source : IHS Markit Sep.2020

HMC FUTURE MOBILITY

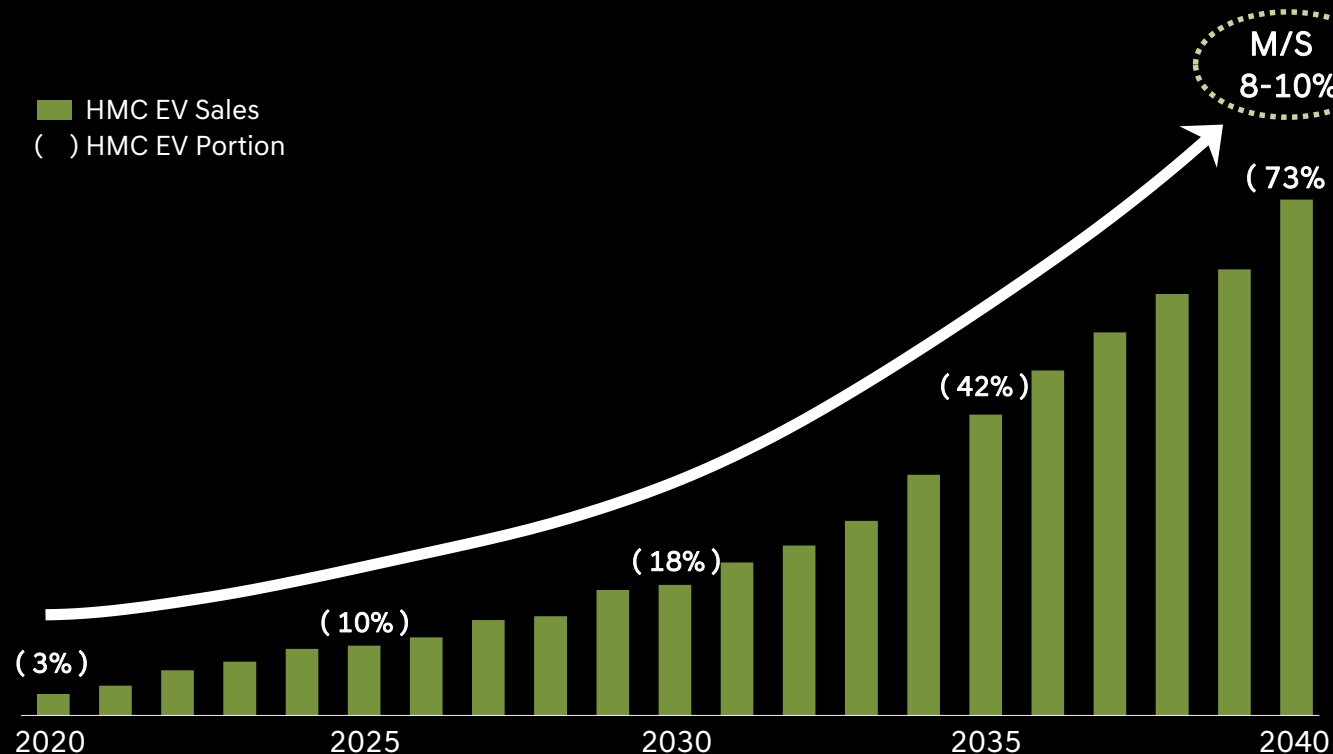
Electric Vehicle Line up



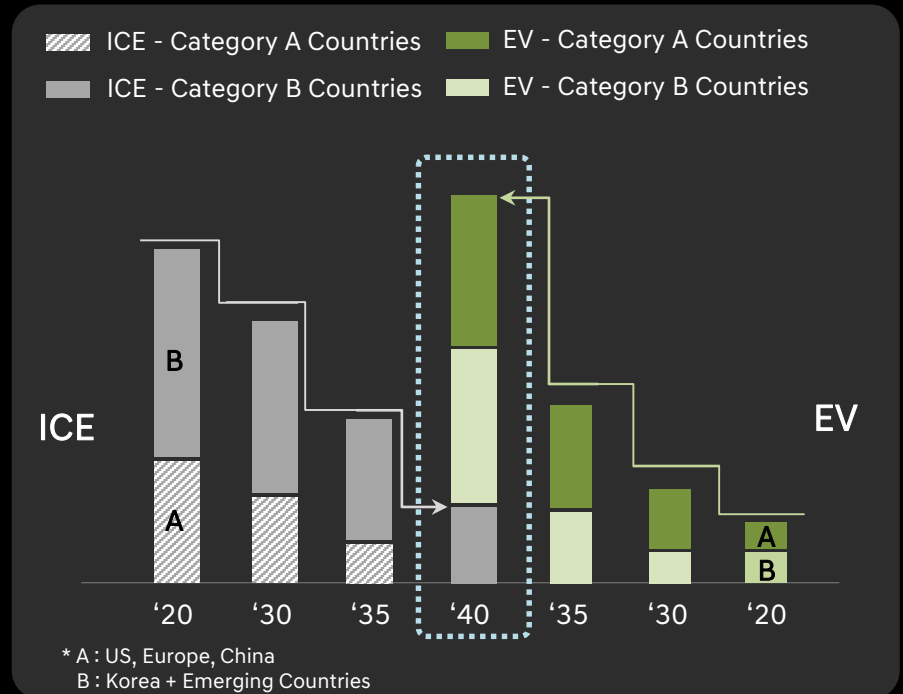
HMC FUTURE MOBILITY

Mid-to Long-Term Strategy

“8-10% Market Share
in EV Market by 2040”



“Zero ICE Production from 2040
in major markets”

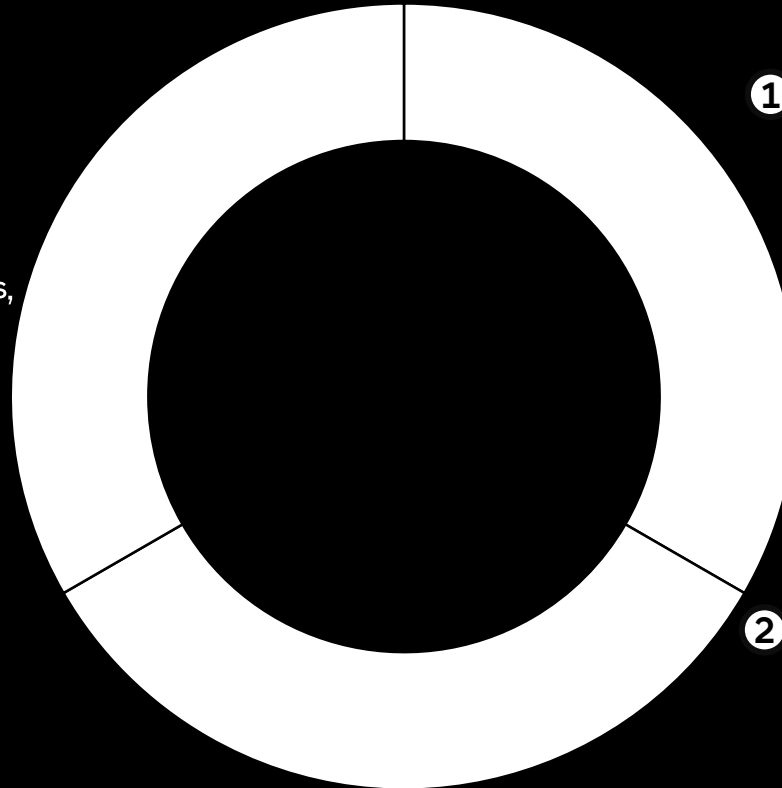


HMC FUTURE MOBILITY

3 Core Strategies

③ Enhancing execution strategy

- Clarify EV brand & line-up positioning
- Expand partnership with external experts, and reinforce development capability
- Adopt innovative EV sales channel create profit models



① Securing preemptive manufacturing competitiveness

- Similar level of EV cost as ICE to secure cost competitiveness
- Distinct competence between dedicated EV & derivative EV
- SW/HW competitiveness for 5G/6G

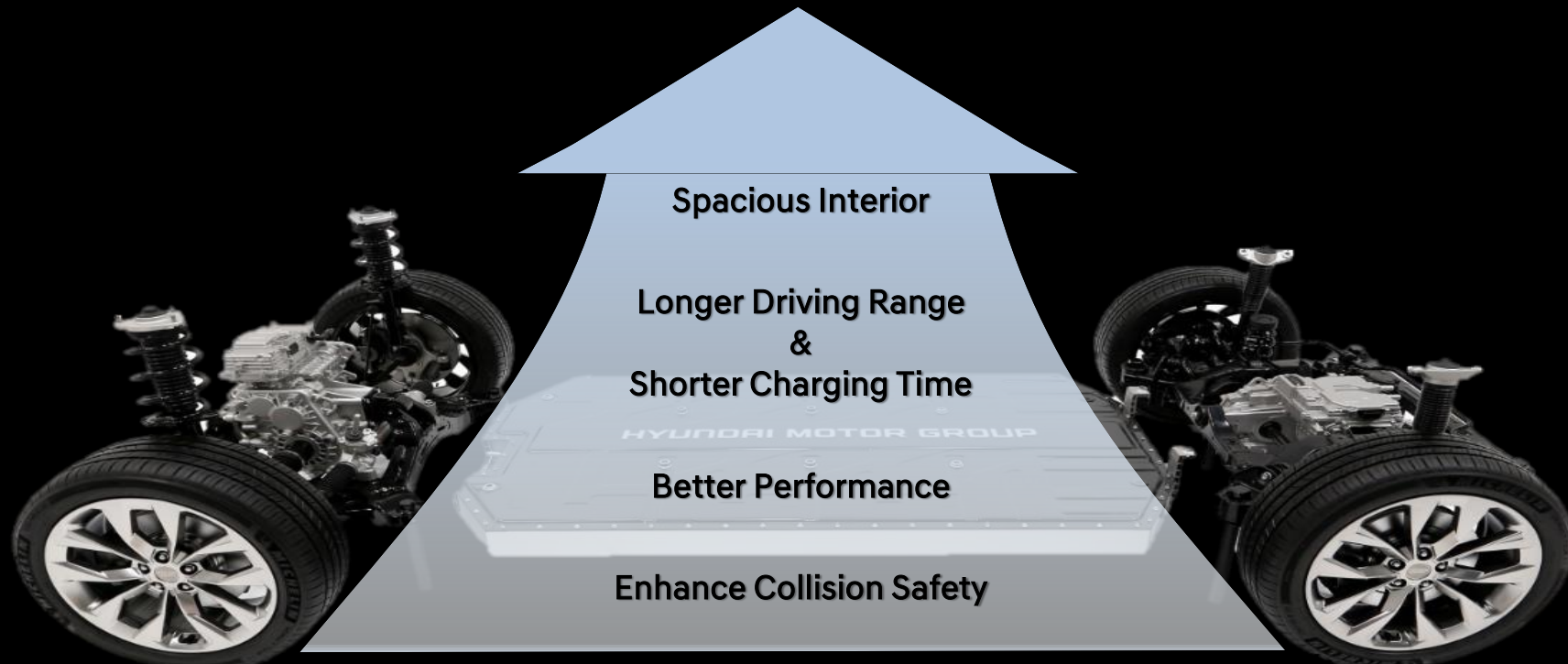
② Optimizing regional strategy

- EU · China : Bold & rapid EV transition in major electrification markets
- Korea · N.America : Expand electrification considering government policies and regulations
- Emerging countries : Securing EV leadership (2030~)

HMC FUTURE MOBILITY

E-GMP (Electric-Global Modular Platform)

Future Mobility Experience



HMC FUTURE MOBILITY

E-GMP (Electric-Global Modular Platform)

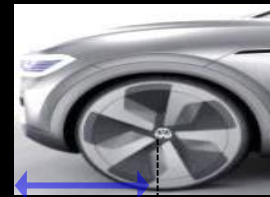
Future Mobility Experience

Spacious Interior

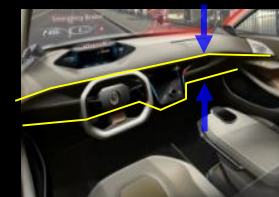
Longer Driving Range
&
Shorter Charging Time

Better Performance

Enhance Collision Safety



Short
Overhang



Slim
Cockpit



Flat
Floor



Easy
In & Out



Back seat
Childcare

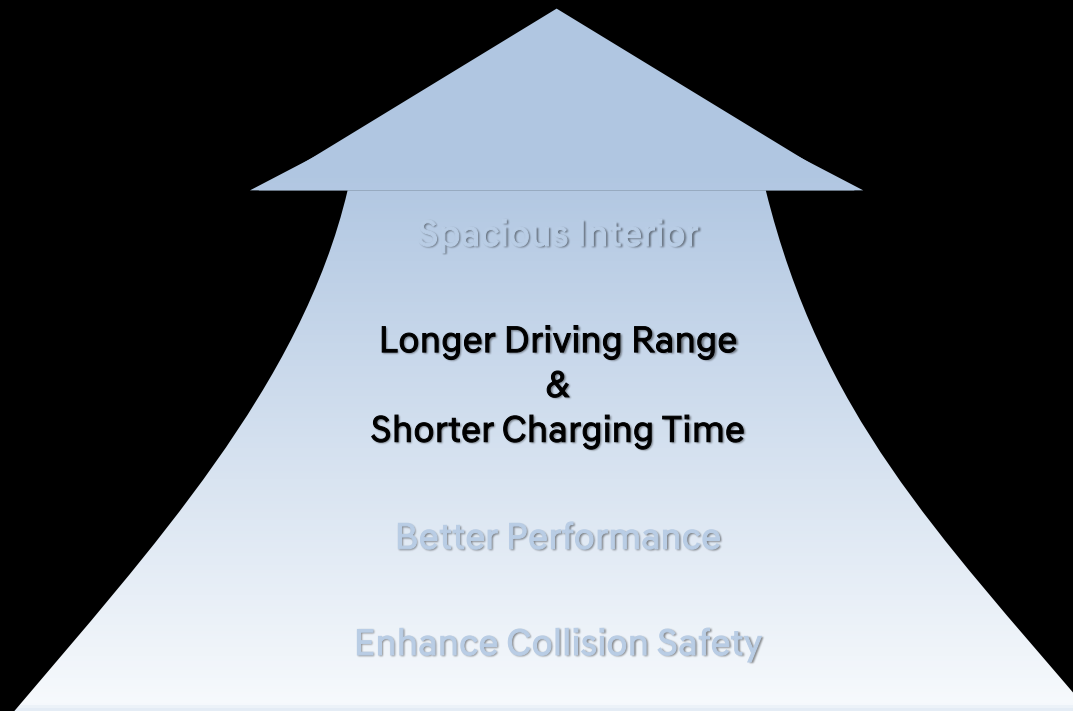


Versatile
Seat

HMC FUTURE MOBILITY

E-GMP (Electric-Global Modular Platform)

Future Mobility Experience



Driving Range 500km ↑



Charging Time 18min ↓
* up to 80%



400V/800V Multi charging

HMC FUTURE MOBILITY

E-GMP (Electric-Global Modular Platform)

Future Mobility Experience



Available 4WD/2WD



Enhance handling & Stable high-speed driving

* IDA (Integrated Drive Axle)



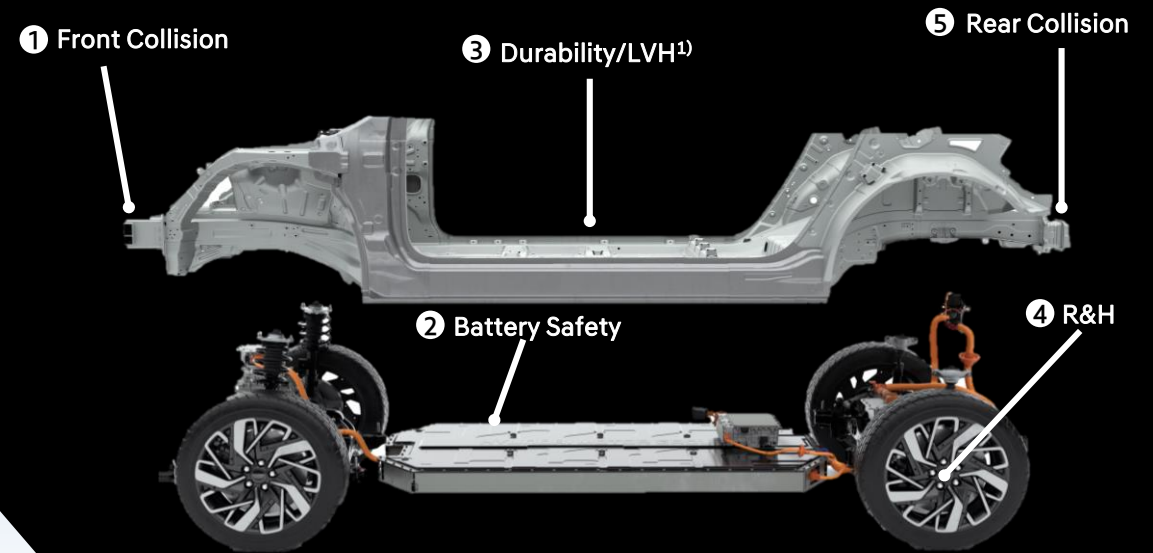
0-100kph : 5.1~5.3 sec

* IONIQ 5 & 6

HMC FUTURE MOBILITY

E-GMP (Electric-Global Modular Platform)

Future Mobility Experience

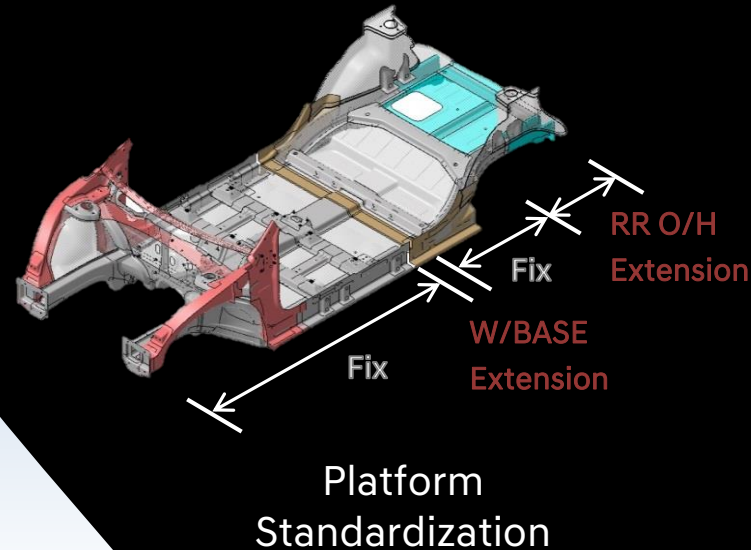
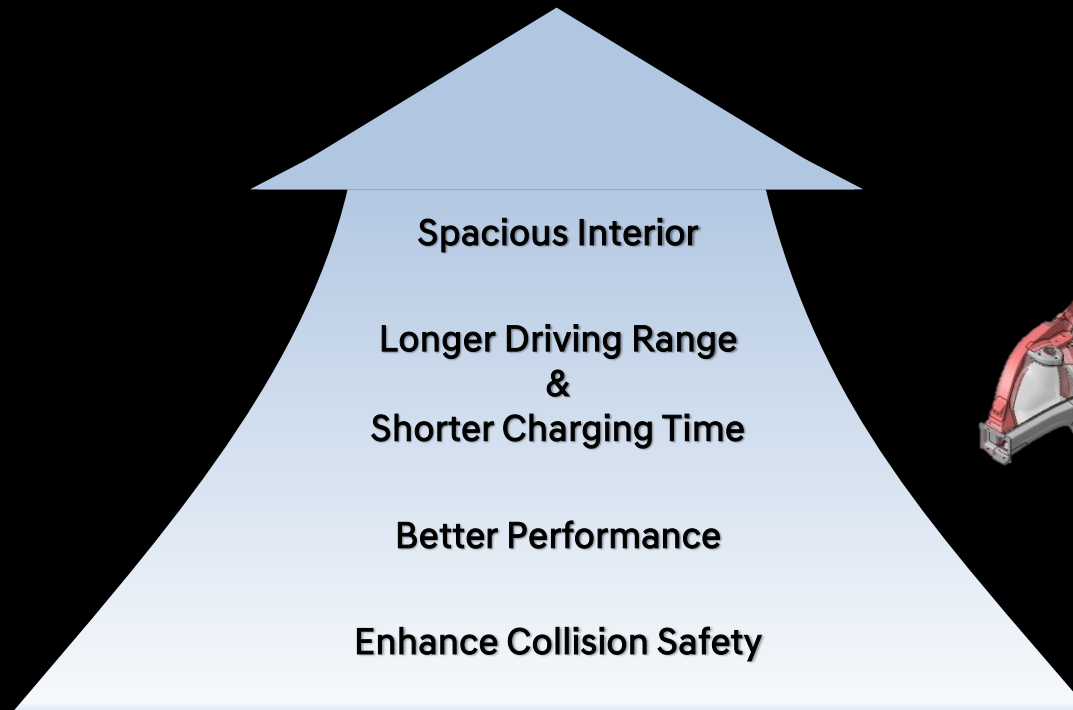


1) NVH : Noise, Vibrant, Harshness

HMC FUTURE MOBILITY

E-GMP (Electric-Global Modular Platform)

Future Mobility Experience



- ↑ Parts/Battery Commonization
- ↑ Cost Competitiveness
- ↑ Design Flexibility

HMC FUTURE MOBILITY

EV Related Business Opportunities

Battery	Charging Infrastructure	Other Biz
<ul style="list-style-type: none">• Multiple sourcing from global companies<ul style="list-style-type: none">- Strategical partnership with battery OEMs• Developing next generation batteries<ul style="list-style-type: none">- Test production of solid-state battery in 2025 (Begin mass production of EVs with Solid State in 2027, full-scale production in 2030)• Reviewing battery reuse/recycling Biz-Model<ul style="list-style-type: none">- BaaS, ESS, Waste battery disposal, etc.	<ul style="list-style-type: none">• Provide revolutionary charging experience just for EVs<ul style="list-style-type: none">- [EOU] Equity investment in IONITY- [UUS] Partnership with EA(Electrify America)- [KOR] Establish 20 ultra-fast charging stations, 120 chargers in highways / downtown by 2021• Differentiate services with launching charging package<ul style="list-style-type: none">- Provide additional services using data such as - vehicle diagnosis, charging reservation, etc.	<ul style="list-style-type: none">• Smart Grid<ul style="list-style-type: none">- Continue seeking new biz models such as - external use of vehicle power• Expand mobility area<ul style="list-style-type: none">- Respond to various market demand like - Car-sharing, Last mile delivery, etc.- Develop PBV in connection with UAM<ul style="list-style-type: none">* Purpose Built Vehicle* Urban Air Mobility

HMC FUTURE MOBILITY

THANK YOU

The background of the slide is a night sky with a dense field of stars and the Milky Way galaxy visible. At the bottom, there is a dark silhouette of a forest of evergreen trees against a faint, colorful horizon glow.

Hyundai UAM

Urban Air Mobility

December, 2020

Hyundai Motor Company

New technologies and new business models make UAM possible



UAM has clear applications that will transform the way communities connect and move

Passenger transport



Movement of goods



Public Use



Liberation from traffic congestion



Congestion

Cars on the road forecast to double from 2015-30

Pollution

Cities contribute 70% of emissions from 2% of the land area

Seamlessly integrated mobility will give back time to people to enhance quality of life

Democratization of urban air mobility



Too noisy
Over 85dB @ 500ft

Unaffordable for public
\$1,800 for Manhattan to JFK (8 minutes one-way ride)

Urban Air Mobility market is projected to grow to \$ 1,500B by 2040+

UAM market forecast

* Morgan-Stanley



* Other forecasts
BCG \$ 20-300B
McKinsey \$ 30-90B

Porsche \$ 32-74B

More than 250 companies are working on vehicle development



Hyundai UAM has unique strengths with comprehensive capabilities

1. Cost effective, high-quality mass production

37 in
10 countries

Manufacturing plants

100
million +

Cumulative sales

2. Diverse capabilities of HMG affiliated companies

Parts

MRO

Infrastructure

Financing

3. Unique technological edge & partnership

Electrification



Fuel cell



• **APTIV** •

4. Integrated mobility solution provider

Seamless experience with
Ground + Air mobility solution

Our goal is supported by 4 pillars and 4 cornerstones

4 Pillars



Safe



Quiet



Affordable



Passenger centered

4 Cornerstones

Design with utmost safety and quieter than acceptable noise level from Day 1

Flight tests in relevant environment and / or real applications

Design with manufacturability and maintainability from Day 1

Design with passenger comfort and aesthetic beauty from Day 1

Autonomous Driving Technology Update

December, 2020

Hyundai Motor Company

Philosophy of AD Technology Development

UNIVERSAL SAFETY

Provide safety features as standard



Forward Collision
-Avoidance Assist



Lane Keeping Assist



Blind-Spot Collision
-Avoidance Assist



Driver Attention Warning



Surround View
Monitor



Parking Collision
-Avoidance Assist

SELECTIVE CONVENIENCE

Provide convenience features as options



Smart Cruise Control



Navigation-based
Smart Cruise Control



Lane Following Assist



Highway Driving Assist

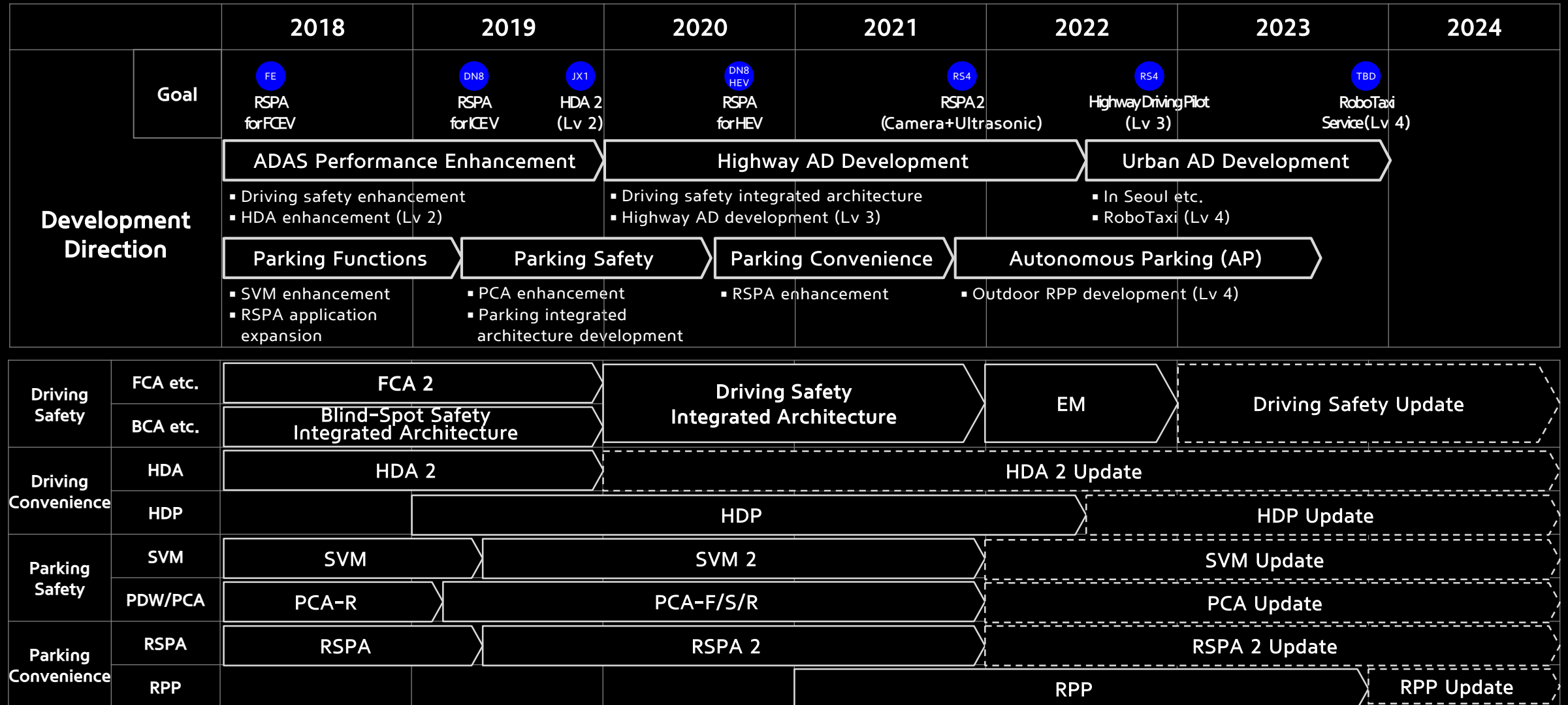


Highway Driving Assist 2



Remote Smart
Parking Assist

Technical Roadmap

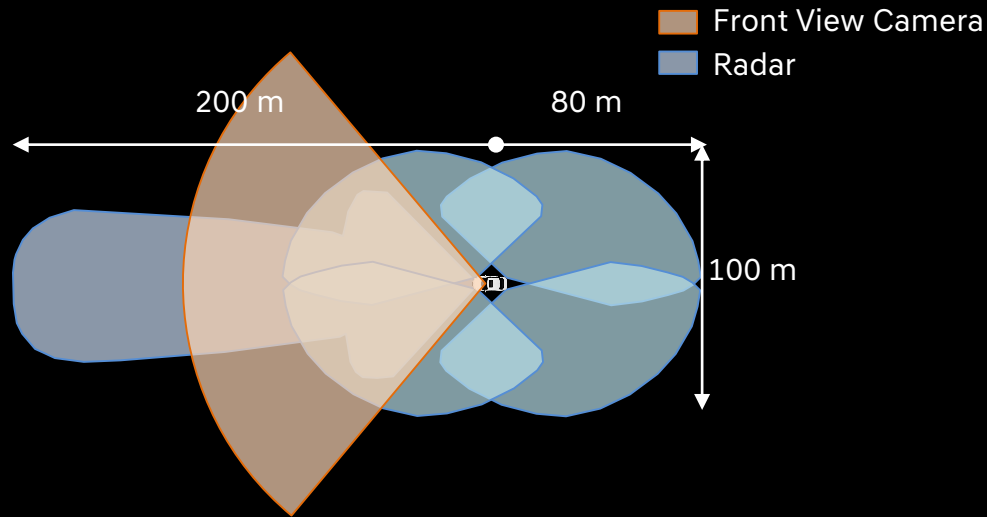


FCA: Forward Collision-Avoidance Assist, BCA: Blind-Spot Collision-Avoidance Assist, EM: Emergency Maneuver
HDA: Highway Driving Assist, HDP: Highway Driving Pilot, SVM: Surround View Monitor, PCA: Parking Collision-Avoidance Assist
RSPA: Remote Smart Parking Assist, RPP: Remote Parking Pilot

Partial AD Dev. Strategy – Sensor Fusion (1/2)

Sensor Fusion Step 1

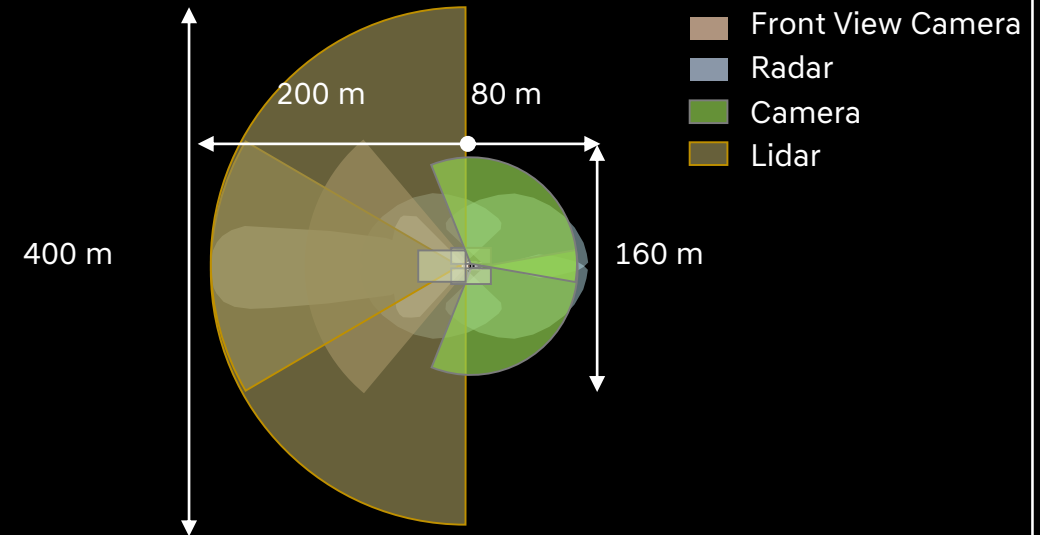
(~ 2019 → Implemented on GV80)



- Lv 0~2 Autonomous Driving
 - On-coming/junction/sideways vehicle recognition
 - Increased collision-avoidance performance
 - Surround recognition during lane change
 - Close cut-in vehicle detection

Sensor Fusion Step 2

(~ 2021 → To be implemented on G90)

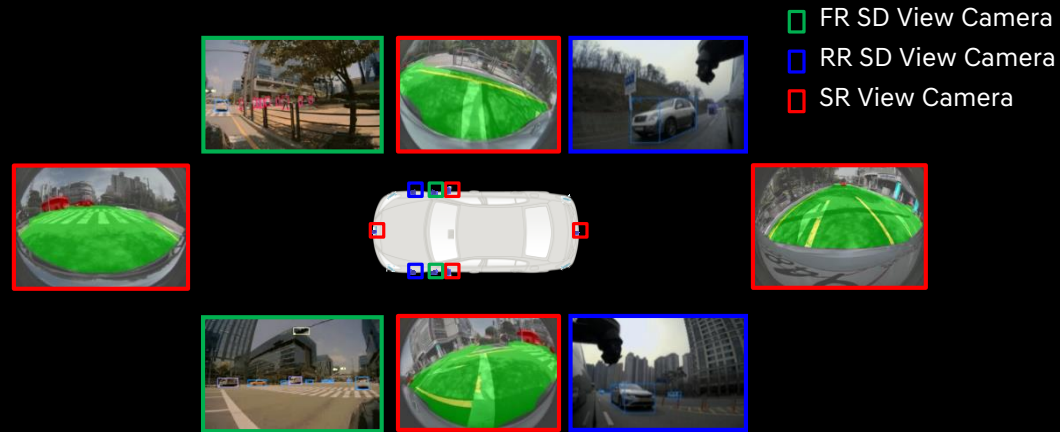


- Lv 3 Autonomous Driving
 - Motorcycle recognition
 - Stationary object recognition on the lane
 - Increased recognition range during lane change
 - Improved close cut-in vehicle detection

Partial AD Dev. Strategy – Sensor Fusion (2/2)

Camera Recognition

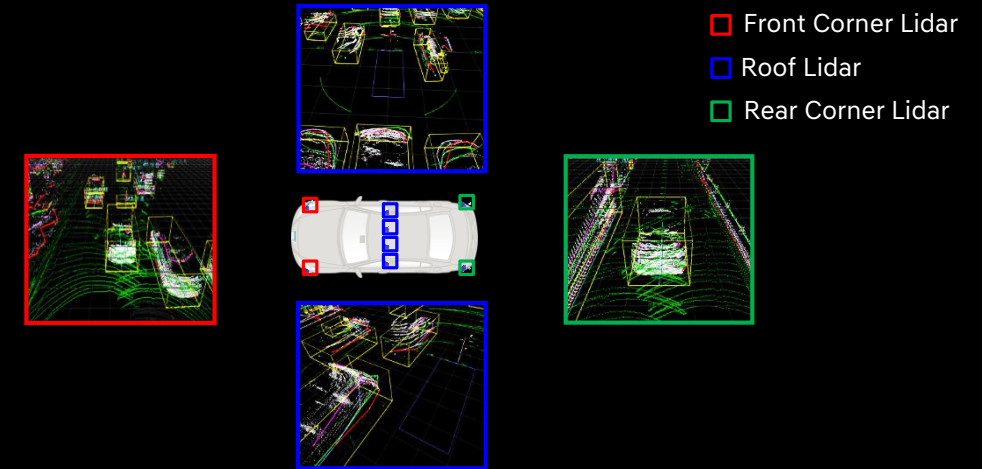
(2019, Implemented on G90 → Improving)



- Major functions
 - Object Detection
 - : Vehicle/pedestrian/PTW/small objects
 - : Close cut-in, lane change assist, biased driving
 - Road Environment Recognition
 - : Lane/road marker/parking spot/traffic lights
 - : ego-vehicle positioning, free-space detection

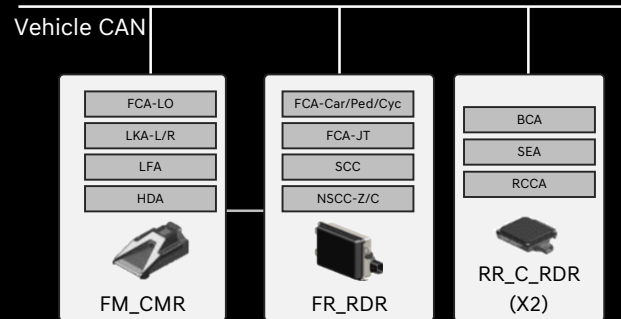
Lidar Recognition

(~ 2021 → To be implemented on G90)

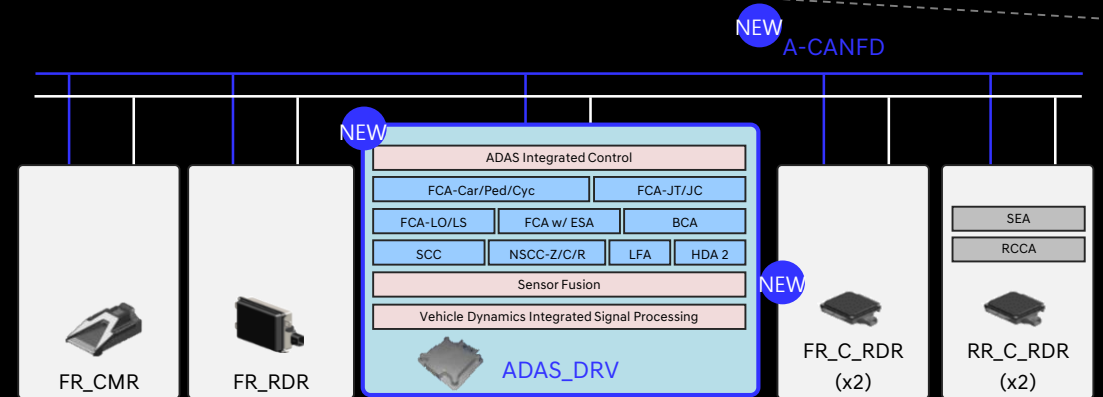


- Major functions
 - Enhanced recognition compared to camera/radar
 - Recognition of outer shape of object
 - : Stationary obstacles/road boundary
 - Surround recognition with increased detection range
 - : Long distance target & ego-vehicle positioning

Partial AD Dev. Strategy – Integrated Controller (1/2)



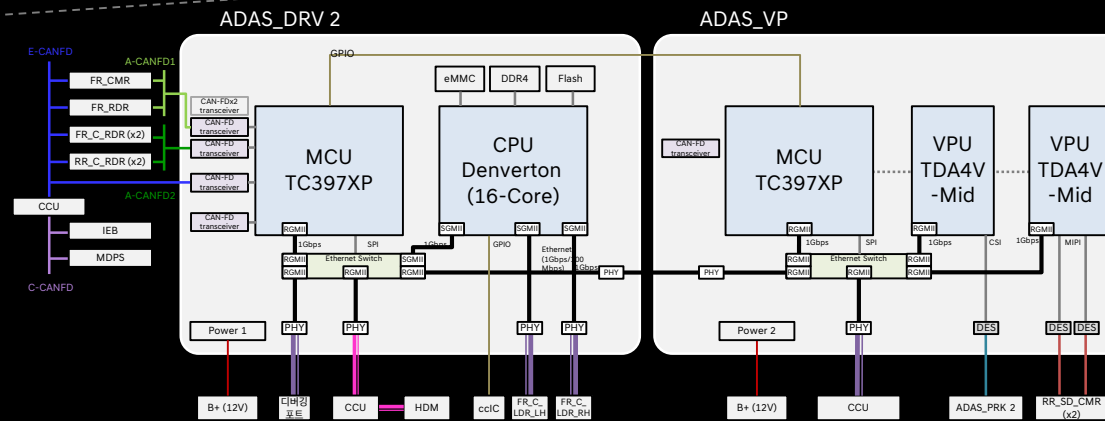
- Sensor fusion logic between FR View Camera and FR Radar were different across suppliers
 - Challenging to add new features. Had to duplicate development effort with each supplier
- Adding new features via SW update was difficult due to heavy reliance on suppliers



- Sensor fusion SW are embedded at integrated controller
 - Established centralized architecture through standardized interface and addition of A-CANFD
- Adding new features became easy based on HMC centralized architecture and development

FR_CMR: Front View Camera, FR_RDR: Front Radar, FR_C_RDR: Front Corner Radar, RR_C_RDR: Rear Corner Radar

Partial AD Dev. Strategy – Integrated Controller (2/2)



- Lv 3 Driving, Advanced Parking, and deep-learning based recognition technology are under development utilizing high performance processors
- OTA feature will be available by cooperative control with CCU, addition of security module, and power supply change (IGN → B+)
- Possible to develop SW efficiently, secure reliability for mass production. Applicable for Lv 4/5 by changing processors

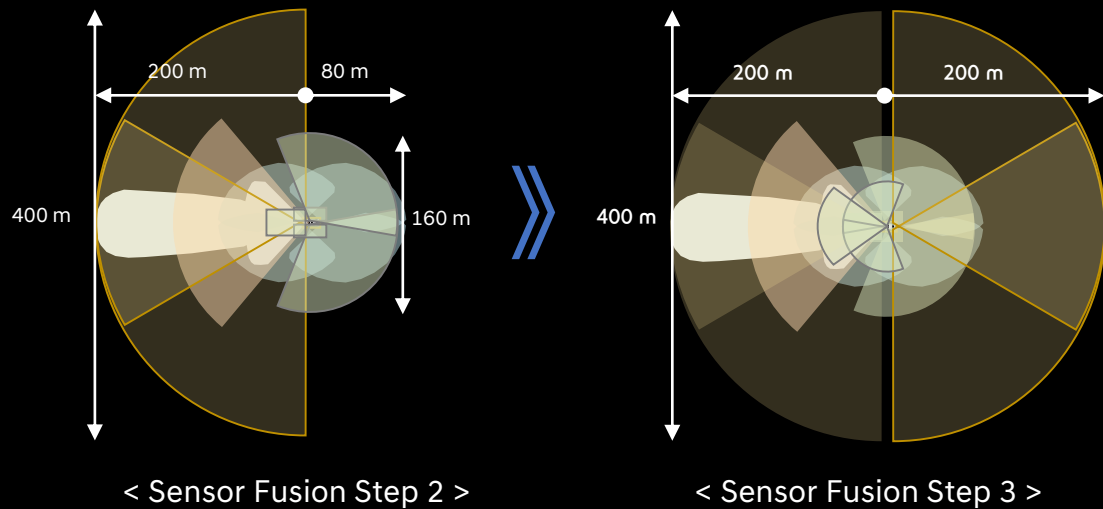


< ADAS_DRV 2 > < ADAS_PRK 2 > < ADAS_VP >

Full AD Dev. Strategy – Overview

Highway Driving Pilot (Lv 3)

- Front View Camera
- Radar
- Camera
- Lidar



RoboTaxi
(Lv 4/5)



RoboShuttle
(Lv 4/5)



RoboTruck
(Lv 4/5)



Full AD Dev. Strategy – Future Strategy



 Motional office



A decorative molecular structure in the top-left corner, consisting of three translucent blue spheres connected by thin, metallic-looking rods. The spheres have a glossy, reflective surface with internal patterns.

New Age of



HTWO

A decorative molecular structure in the bottom-right corner, similar to the one in the top-left, featuring translucent blue spheres connected by thin rods.

Paradigm Shift and Green New Deal

- **Key Factors of Industrial Revolution: Network, Power Source, Transportation** Jeremy Rifkin <The Green New Deal(2020)>
- **Global Movement towards De-carbonization in the 21st Century**

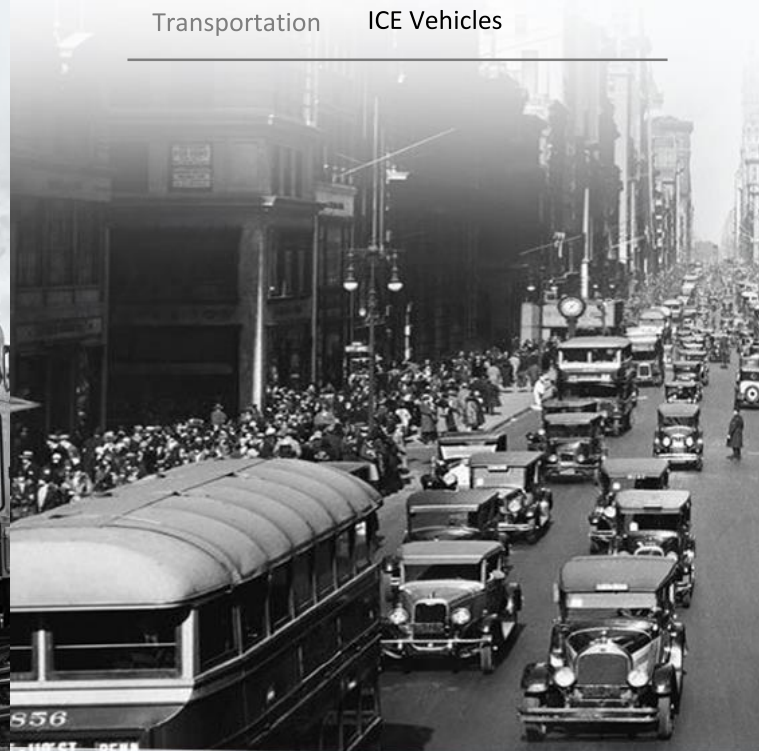
19c

Network	Printing, Telegraphy
Power Source	Coal
Transportation	Railroads



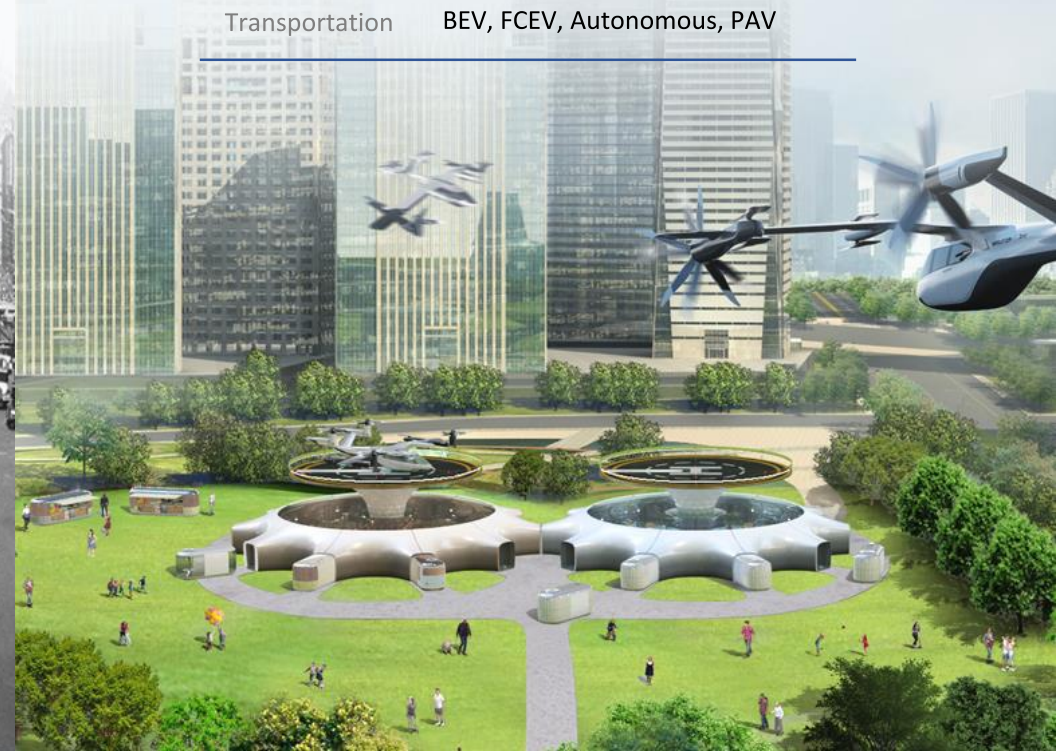
20c

Network	Phone, Radio, TV
Power Source	Petroleum
Transportation	ICE Vehicles



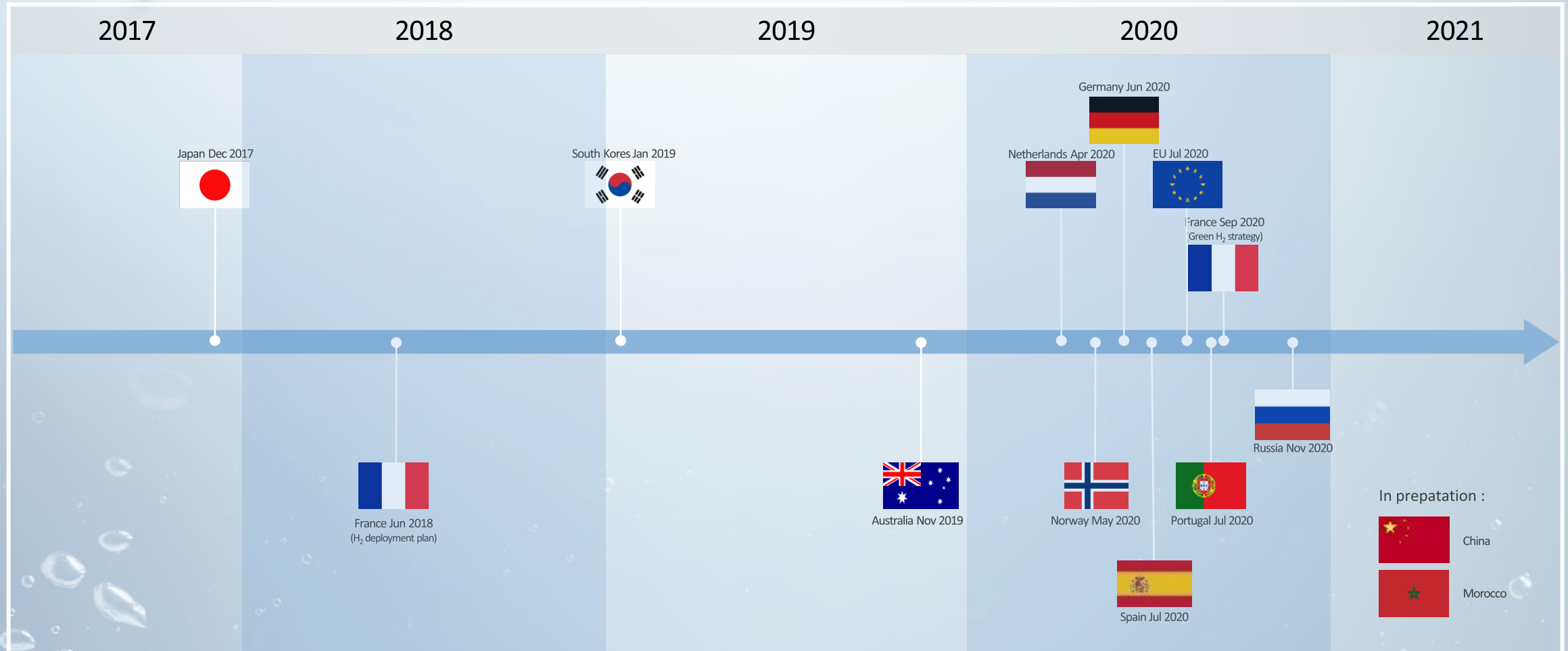
21c

Network	IoT, 5G
Power Source	Solar, Wind, Hydrogen
Transportation	BEV, FCEV, Autonomous, PAV



Hydrogen Society comes to reality

Timeline of National Hydrogen Strategies Announcement



Source : International Hydrogen Strategies ('20.9, World Energy Council)

Fuel Cell Technology of HMC



1998

Initiated
Fuel Cell
Development

2000

First Developed
FCEV model
(Santa Fe-based)

2004

Independent
Development
of Stack

2005

Independent
Development of
Fuel Cell System

2013




1st Generation FCEV
(Tucson ix)
"The world's 1st
mass production"

2018

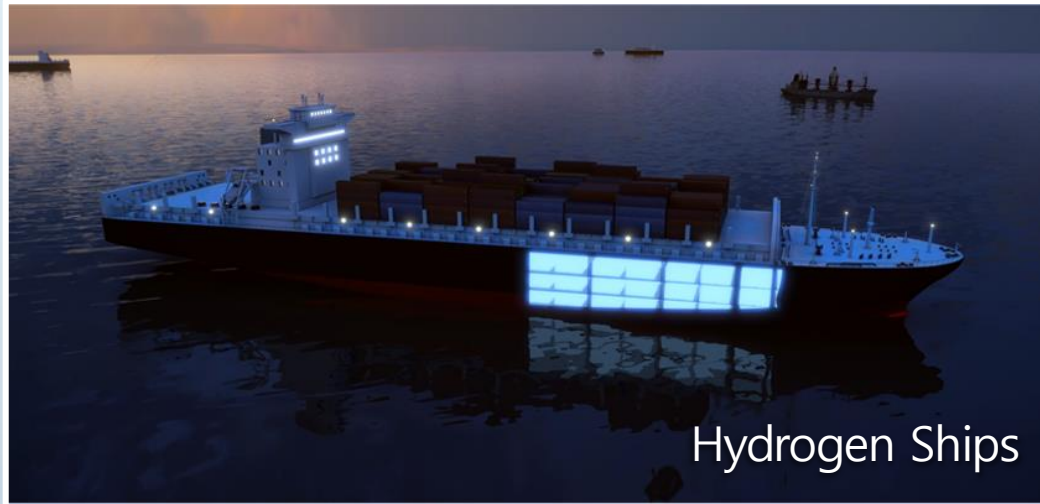
2nd Generation FCEV
(NEXO)
"Superior maximum range
and energy efficiency"

2020

Fuel Cell Commercial Vehicle
(Xcient Fuel Cell)
"World 1st Fuel Cell
Electric Truck"

Stages of technological development	Passenger Vehicle 	Commercial Vehicle 	UAM, etc. 
Performance	●	●	●
Durability	●	●	
Cost	●		

Business in Non-Automotive Sector



Hyundai Fuel Cell System Brand : HTWO

1998~2012
**Research &
Development**



2013~2020
**FCEV
mass production**



2021~
**Expand Fuel Cell system
business**



Global Partnership



Aramco(Saudi Arabia)



INEOS INEOS (UK)



Cummins (US)



GRZ Technologies (Switzerland)



Global Partnership



Hyundai Fuel Cell System Brand : HTWO

Expand FCEV supply



Expand Fuel Cell system business



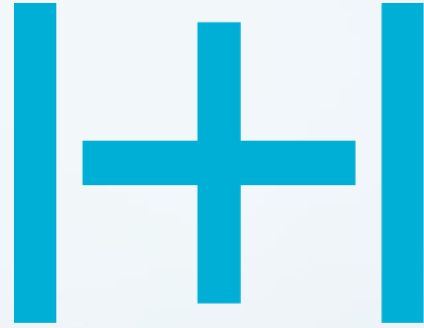
Promote FC business by Cooperating with the new government



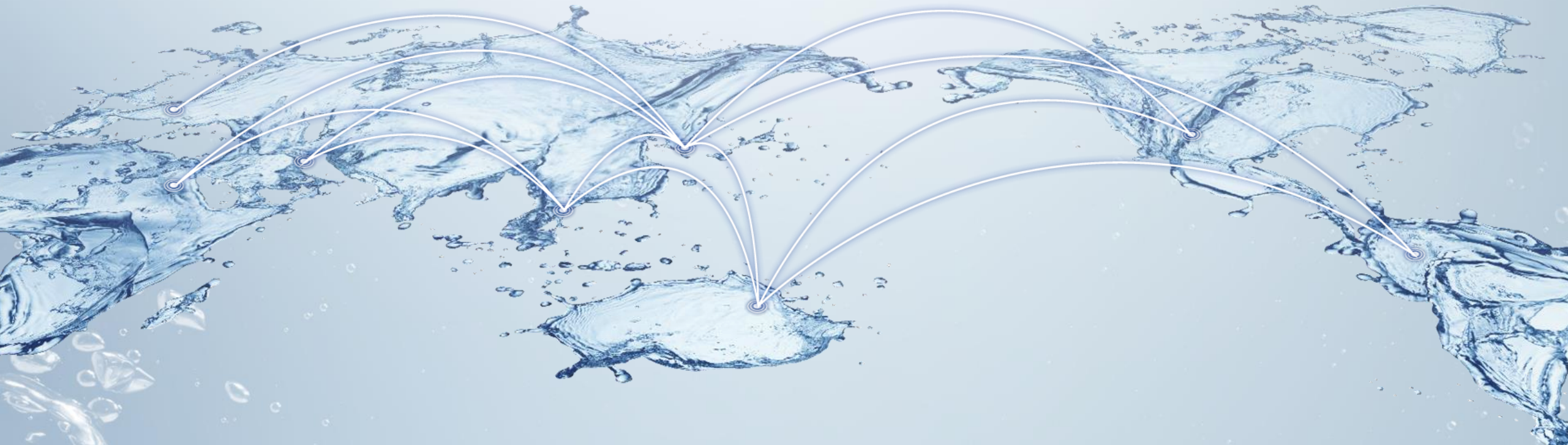
Create FC market & Secure a leading position



Global business expansion



HTWO





HTWO

Hydrogen — Humanity



Establishing Fuel Cell System Line-up



NEXO
FC system

Improvement Performance,
Durability, Cost competitiveness

Next Gen. FC system

Light weighting/high performance

General Type

high durability/power

Together for a better future!

**“As a first mover in the forthcoming hydrogen economy,
we will lead a society that uses hydrogen as its main source of energy.”**



Strategy 2025

December 10, 2020

Hyundai Motor Company

Strategy 2025 Performance

Despite the challenging business environment caused by COVID-19, 2020 was the year that laid the foundation for growth for our Strategy 2025

Challenging
Business
Environment
caused by
COVID-19



The Beginning of
Strategy 2025

Key achievements of Strategy 2025

Smart Mobility Device

Improved mix via increased sales of high-margin vehicles and global M/S expansion
Ranked Top 3 in global sales of BEV and launched exclusive EV brand 'IONIQ'

Smart Mobility Service

Launched fleet management solution and vehicle subscription service
Operated Open data service based on integrated mobility platform

Strategy 2025 Performance | Smart Mobility Device

Achieved product mix improvement and global M/S expansion by increasing high-margin lineup of SUV and Genesis models under the Balanced & Steady growth strategy
 Moreover, ranked Global Top 3 in EV sales, launched exclusive EV brand 'IONIQ', and mass-produced the world's first hydrogen fuel cell truck

ENHANCE COMPETITIVENESS AS OEM

Strengthen global market position and highly profitable vehicle lineup



Enhancing SUV lineup

Launch all new Tucson/Creta, SantaFe F/L



Successful launch of new vehicles in major markets

Launch of GV80 (first SUV), G80



Expanding high performance N lineup

New vehicle launches of N brand

***Profit-oriented sales mix improvement
& global M/S expansion***
(5.1%⇒5.2%*)

* 2020 3Q YTD

TOP-TIER LEADERSHIP IN ELECTRIFICATION

Promote 『Securing Top-tier xEV leadership』 through differentiating customer value

BEV Sales

Global Top3 Brand**

IONIQ



Launch of exclusive
EV brand 'IONIQ'

VISION: Advance in the EV experience

Mass-production of
Fuel cell bus/truck

** IHS Markit September 20

Strategy 2025 Performance | Smart Mobility Device

Launched Fleet Management Solution (FMS) for corporate customers, as well as “Hyundai Selection”, a vehicle subscription service for individual customers as a product+ service package provider.

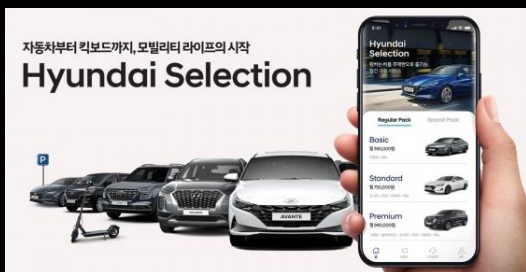
Enhanced customers’ vehicle experience and built a foundation for mobility ecosystem via launching “Hyundai/Genesis Developers”, which provides open APIs to 3rd parties based on an integrated mobility platform.

PRODUCT + SERVICE PACKAGE

Provide major services as vehicle and vehicle management, finance, and car life

MOCEAN

Provided integrated rental car management services, such as vehicle management · location control/ black box related services to small- and medium-sized rental car companies



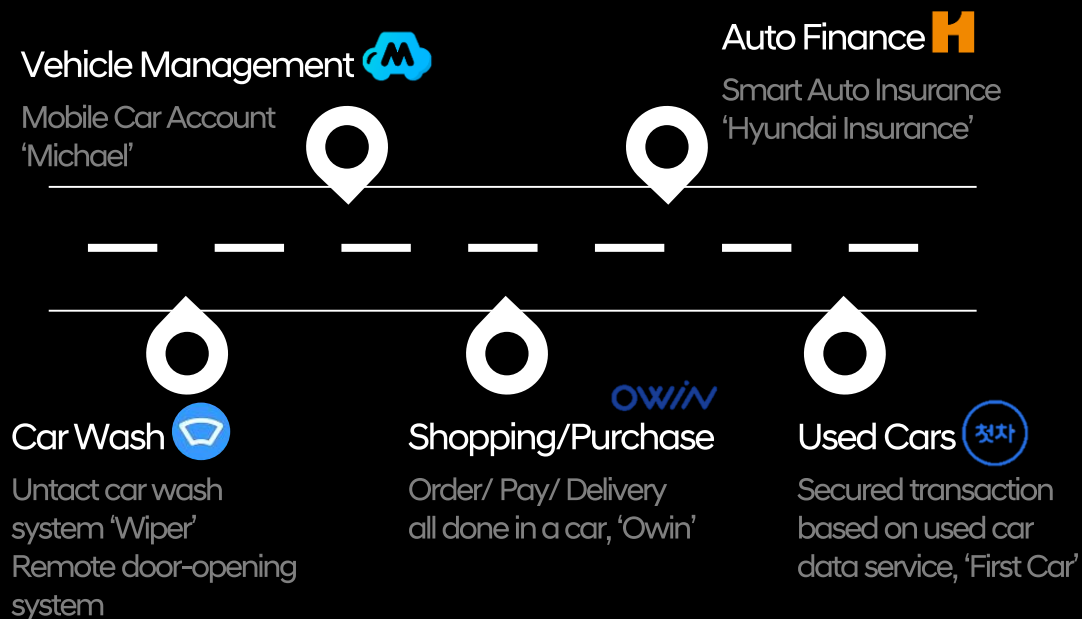
Launched subscription application ‘Hyundai Selection’, in which users can utilize cars and electric scooters
Users: approx. 6,000 / Average Utilization: ~95%

OPEN DATA SERVICE

Develop customized service with partners based on customer/vehicle data

Hyundai/Genesis Developers

Secured more than 100 partners since the launch in Oct '19



Due to the outbreak of COVID-19, the importance of ESG is rising, while Digital Transformation and Energy Shift to electric energy is accelerated
Hyundai Motor Company updated Strategy 2025 to respond to changes among customers and auto industry

Customer

ESG

Environment / Social issue
awareness and participation ↑
Sustainability required

Industry Transformation

Digital Transformation



Energy Shift

Ontact Value Chain
Digital Device & Platform Business

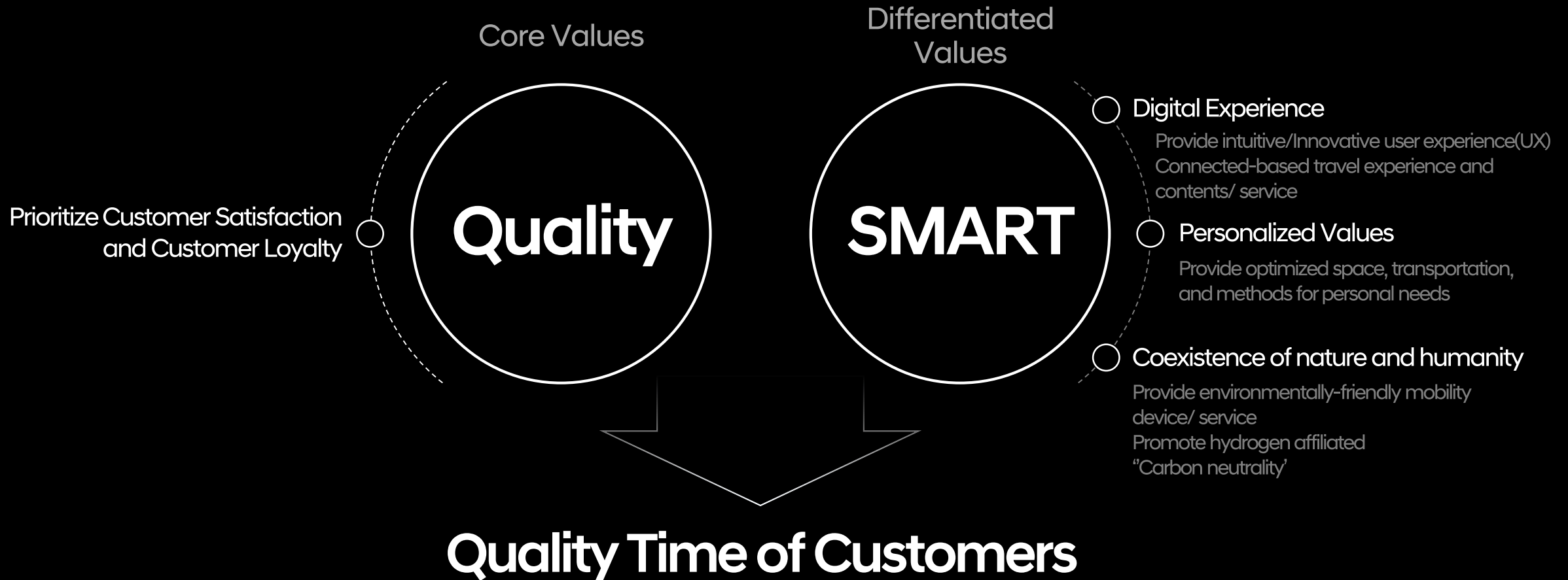
Fossil Fuel ⇒ Electric (renewable)
Energy
Hydrogen Economy ↑

Strategy 2025 Update | Customer Value



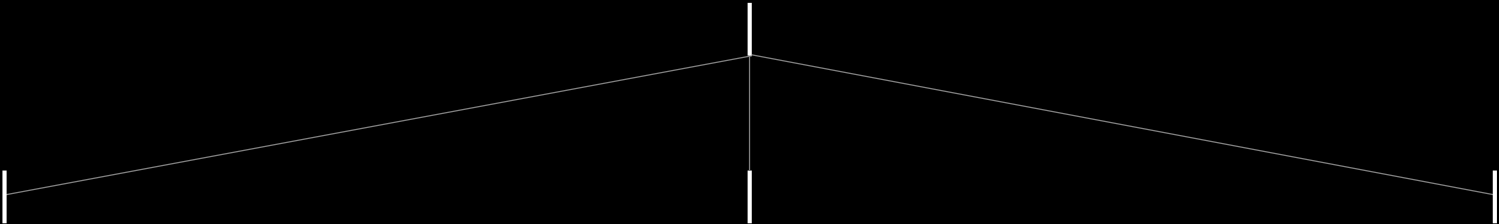
Customers are leading the market by purchasing products from sustainable & reliable brands and pursuing data-based customized consumption

HMC aims to provide all customers with 'Quality Time' by providing 'SMART', a digital-based and sustainable travel experience based on quality, the basis of customer loyalty, as a differentiated value

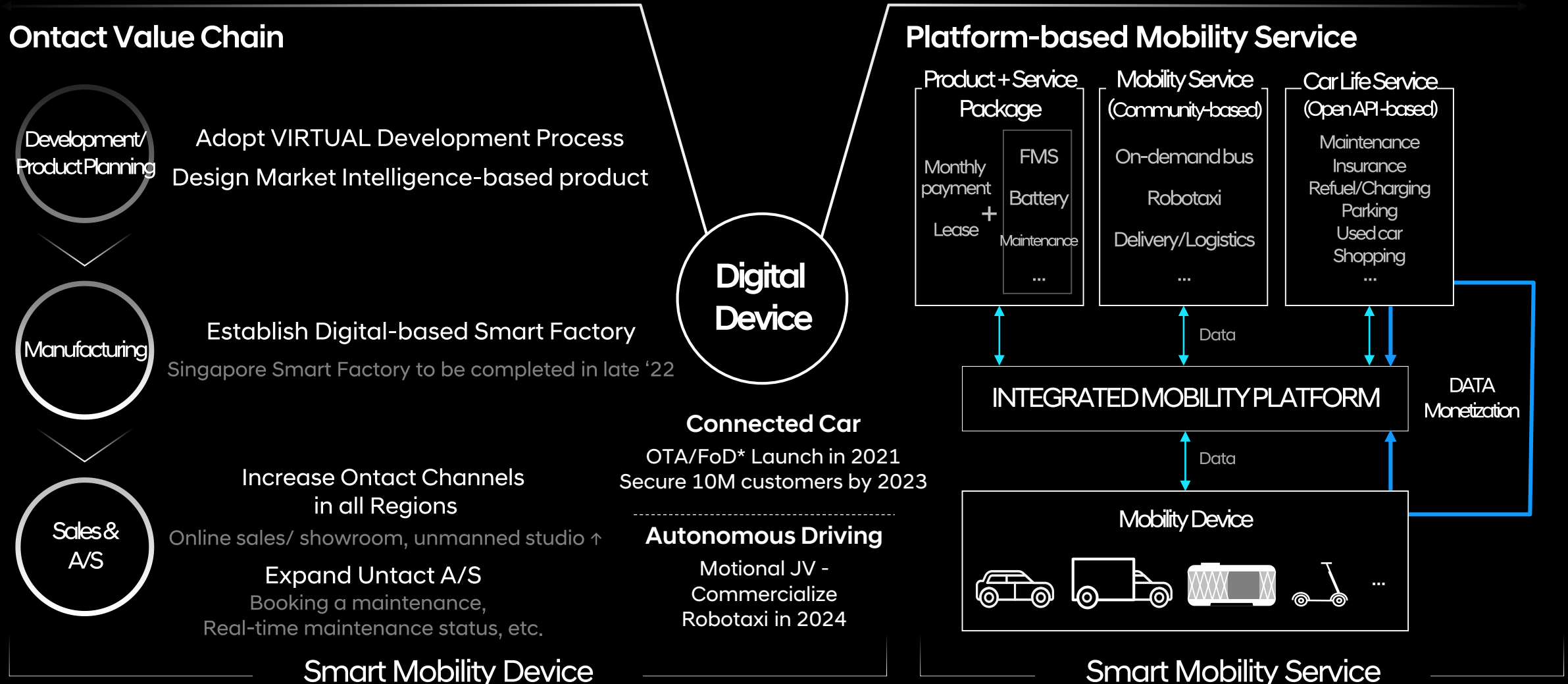


In addition to Smart Mobility Device & Service, ‘H₂ Solution’, a fuel-cell based business, is updated into core business area
Hyundai Motor Company will carry out mid-to-long term strategy based on the three core business areas

Smart Mobility Solution Provider

			
3 CORE BUSINESS PILLARS	Smart Mobility Device	Smart Mobility Service	H ₂ Solution
STRATEGIC DIRECTION	Enhance OEM competitiveness & Lead electrification	Establish basis for mobility service business	Secure H ₂ ecosystem initiative
CORE BUSINESS STRATEGIES	Balanced & Steady Growth (Promote Profitability + Volume Growth)	Support Car Sales & Secure Business Competence	Prevail in hydrogen fuel-cell based H ₂ market

Accelerate digital transformation of value chain/ product/ business model to provide optimized vehicle/ service based on customer data

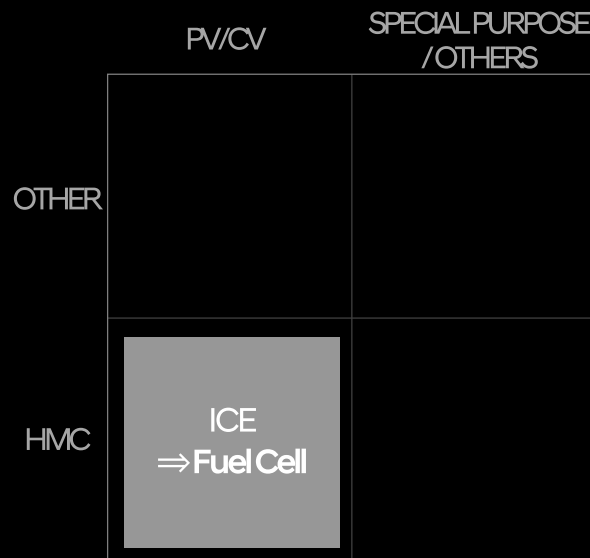


Strategy 2025 Update | H₂ Solution Business

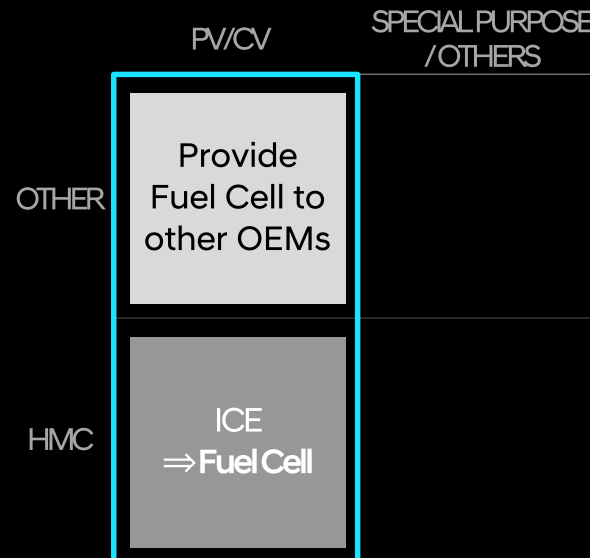


Advance fuel cell system to secure initiative in hydrogen ecosystem and extend its application to all transportation means

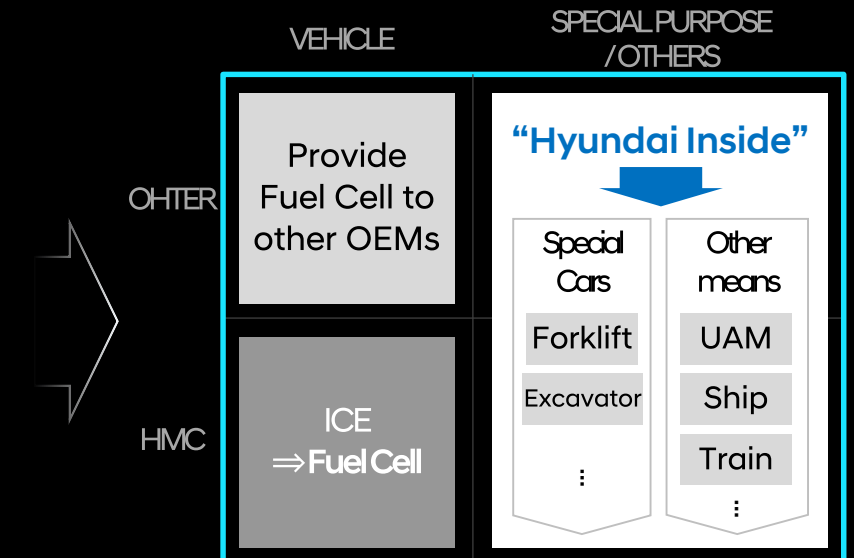
Replace HMC ICE



Sales to other OEMs



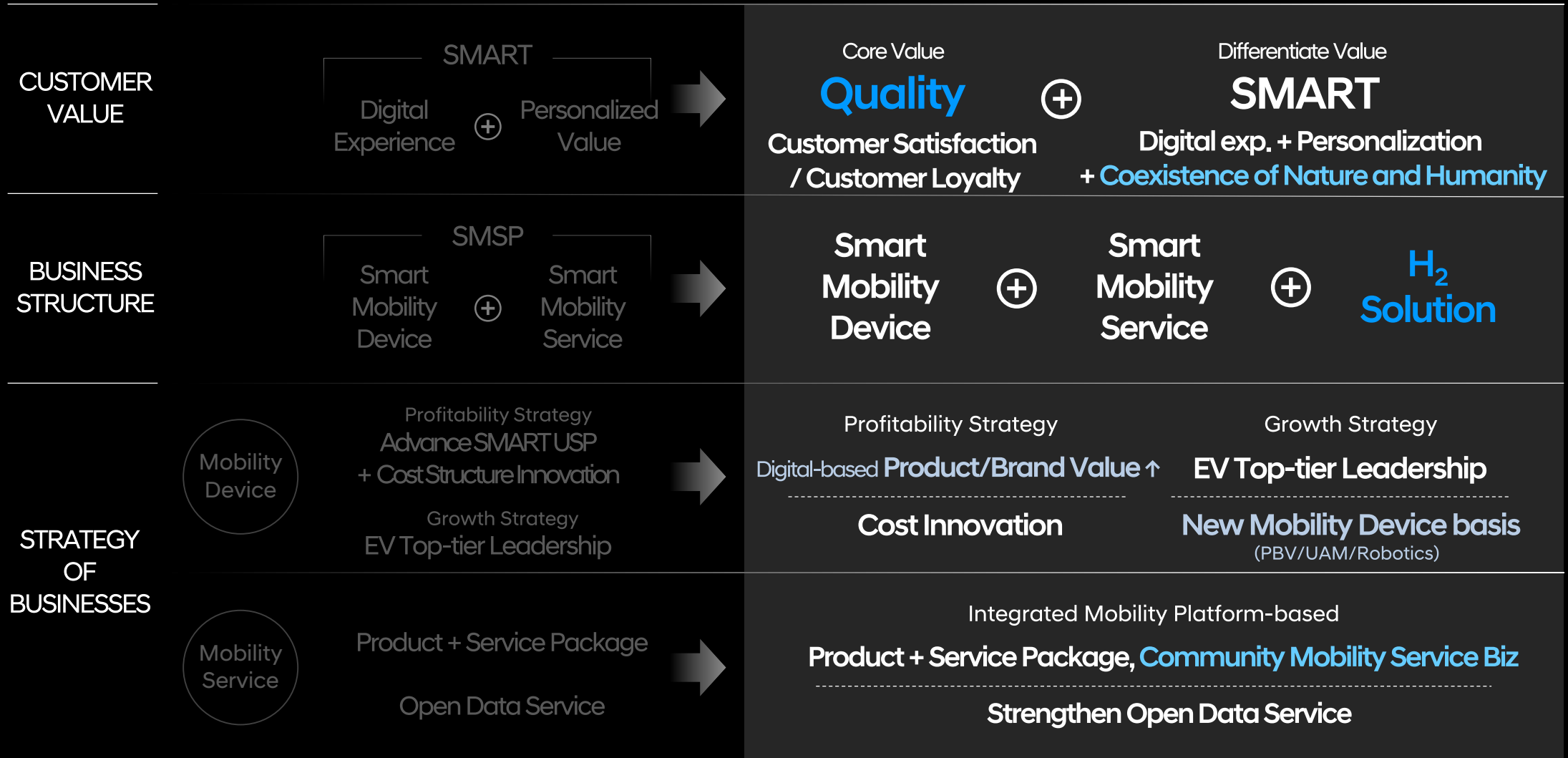
Replace all transportation engines



Expand Application of Fuel Cell System

Strategy 2025 Update | Summary

Through Strategy 2025 update, HMC aims to enhance customer loyalty by continuous emphasis on 'quality', transform business structure to better implement H₂ Solution business, and utilize digital transformation opportunities



Successful transition into a SMSP by 2025

Hyundai Motor Company aims to Connect People with Quality Time under Strategy 2025, and will continue to strive to successfully transform into a Smart Mobility Solution Provider



Smart Mobility Solution Provider

Business & Financial Target

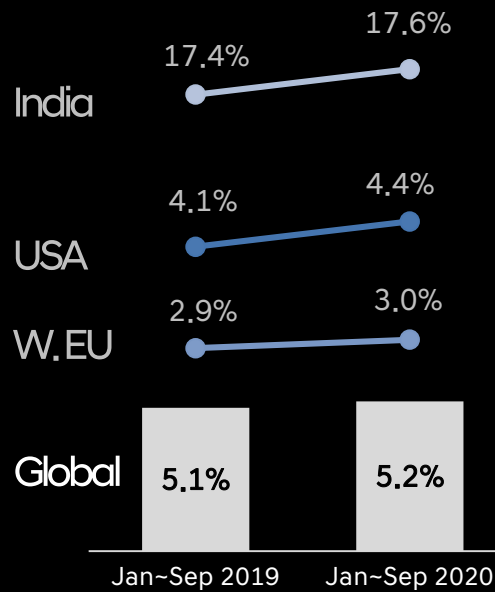
December 10, 2020

Hyundai Motor Company

2020 Earnings Result

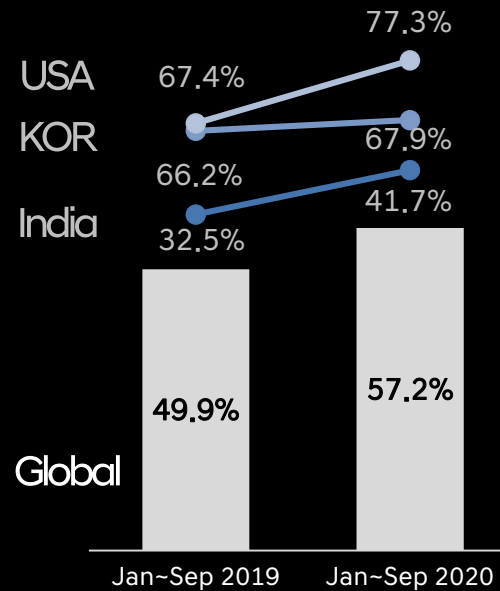
Despite weak auto demand due to the outbreak of COVID-19, auto division's earnings remained stable with solid fundamental improvement

Market Share

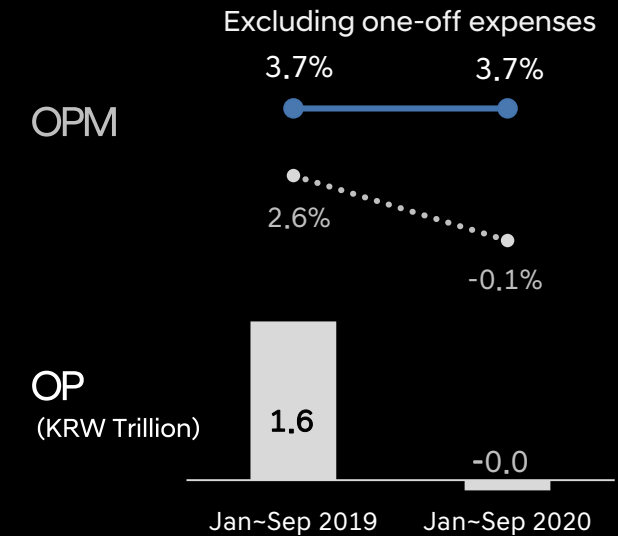


High-margin Product

SUV + Genesis + D-Seg



Auto Div. Profitability

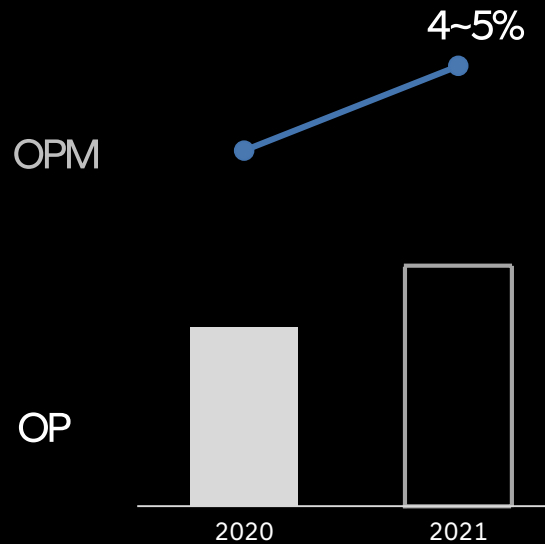


2021 Earnings Forecast

Market Demand & Sales



Auto Div. Profitability



Profitability Drivers

- Volume ↑ : Recovery of overseas sales
- Mix ↑ : Genesis full lineup & new SUVs
- Cost ↓ : Expand commonization, reduce cost of electrification

Currency: Weak USD & EM currencies

Mix: IONIQ EV

Marketing Cost: Brand launching cost

Mid- to Long-Term Financial Target

Revising 2022 target due to slow recovery of global demand

Conservative target for 2025 in reflection of changes in business environment post COVID-19

Previous Target				
Global Demand (Million Units)	2022	95.8	2025	105.2
Market Share	2025	5% Range		
Auto OPM	2022	7%	2025	8%
Auto ROE	2022	9%		
Investment Plan (KRW Trillion)	2020-2025	61.1		

Revised Target				
Global Demand (Million Units)	2022	82.5	2025	90.7
Market Share	2025	5% Range		
Auto OPM	2022	5.5%	2025	8%
Auto ROE	2022	7.5%	2025	9.5%
Investment Plan (KRW Trillion)	2020-2025	60.1		

· Global Demand : IHS Global Demand

Strategic Direction of Mid- to Long-Term Profit

Internal Combustion Engine



Securing investment resources through profitability recovery

- Recovery of global demand post COVID-19
- Commonization effect via 3rd generation platform
- Optimized production and sales innovation under regional HQ system
- Global launching of Genesis brand

Electric Vehicle



Achieving similar profit level as ICE by 2025

- Increase M/S in major markets (EU · China)
- Enhance competitiveness of new vehicles with E-GMP launch in 2021
- Adopt new EV architecture development system from 2024
- Differentiate service of sales distribution channels, charging infrastructure

Future New Business



Establishing foundations for profit creation after 2025

- Execute platform-based mobility service biz
- Prepare commercialization of autonomous driving business
- Build foundation of Hydrogen business
- Enter new business of UAM, Robotics, PBV etc.

Mid- to Long-Term Investment Plan

Unit : KRW Trillion

Investment
Plan for 6 Years **60.1**

R&D	22.3
CAPEX	27.6
Strategic Investment	10.2

Strengthen core business
competitiveness **36.6**

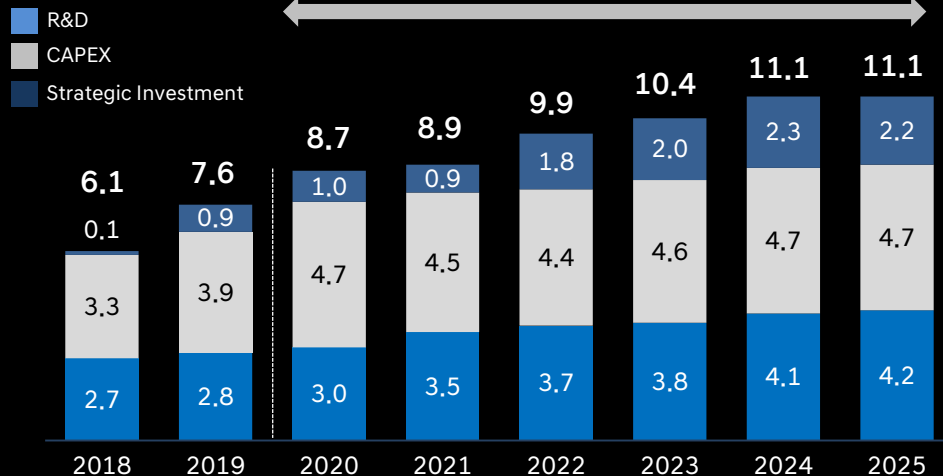
R&D: Developing new vehicle, meeting regulations	24.7
CAPEX: New plant, customer channels	11.9

Prev Plan
41.1

Secure future growth
business capability **23.5**

Electrification*	10.8	9.8
Hydrogen Biz	4.1	0.6
Autonomous Driving	1.6	1.6
Mobility Service/Platform	1.2	1.7
Connectivity	1.0	0.9
UAM / Robotics / A.I.	4.8	5.4

20.0

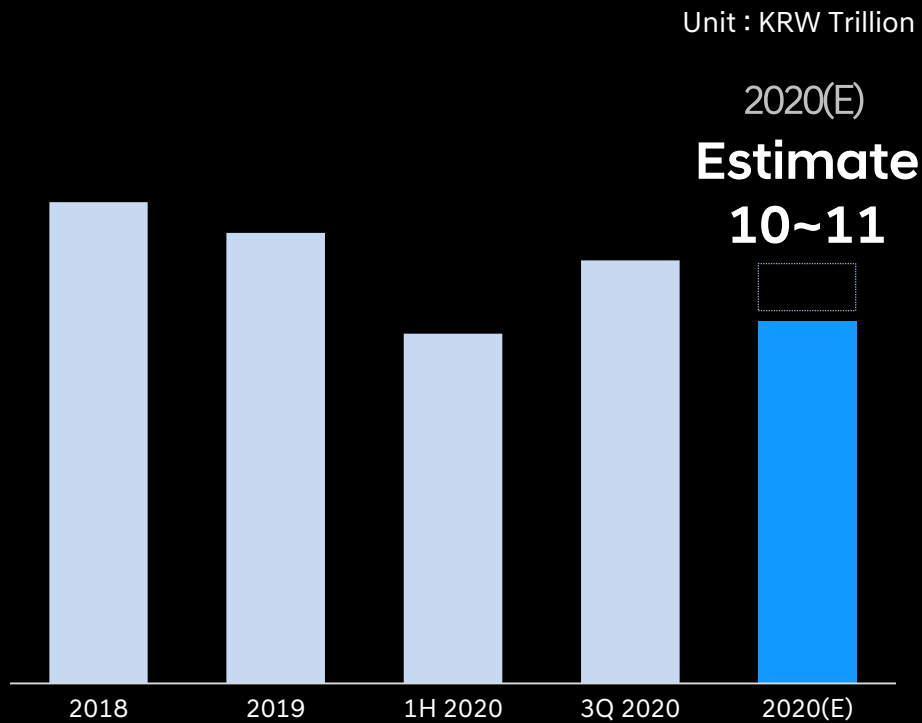


* 2019 Electrification Investment Plan 9.7T, 9.8T including waste battery biz

Securing Investment Resource

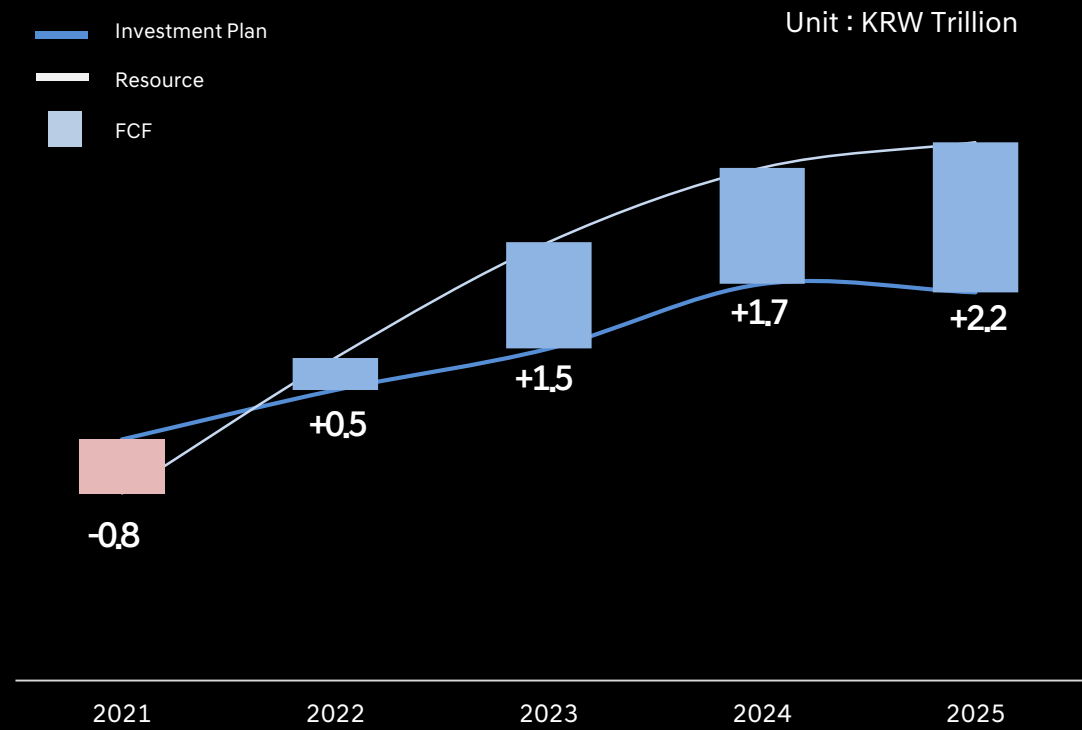
Securing future growth investment resources as cash flow improves from 2022

Auto Division Net cash



· 2019 CEO Investor Day : Ex-finance net cash

Mid- to Long-Term FCF



· 2019 CEO Investor Day : FCF with shareholder return cash out

Mid- to Long-Term Financial Target

Enhance Cost Competitiveness

In addition to the existing Cost Innovation Committee activities, promote additional measures of cost competitiveness enhancement

2018 - 2019

Cost Innovation Committee

Regional cost optimization	Commonization	Electrification	Reduce sales-related cost
Enhance productivity	Enhance operational efficiency	Quality cost	Genesis

Reduce KRW 34.5 ㎲ through 8 categories from 2018 to 2022

2020

Additional Cost Competitiveness Enhancement

Expand areas of Cost Innovation Committee	<p>Enhancement Review for additional commonization Pricing of electrification products · profit strategy</p> <p>New Improve complexity Lineup + production optimization Reduce number of parts</p> <p>Sub-Committee Localize overseas parts sourcing for new vehicle ⇒ Regional cost optimization Reduce additional cost of 3rd gen platform ⇒ Enhance operational efficiency</p>
Total Cost Management	<p>Expand areas of cost management Material cost → Total cost</p> <p>Operate integrated organization Design + Procurement + Cost management team</p>
Manage Parts cost by units	<p>Reduce parts cost in early development stage Increase efficiency</p> <p>Manage parts cost by units Managed by a vehicle → single unit of parts</p>

Mid- to Long-Term Financial Target

Reduction target for Cost Innovation Committee

Extend previous 5-year cost reduction target of KRW34.5 T to KRW41.0T by 2025

Unit : KRW Trillion

Previous Target

2018-2022 **34.5**

Commonization & Electrification	12.9
Regional cost optimization	9.0
Productivity, Operational efficiency	2.9
Sales-related cost	6.1
Genesis & Quality cost	3.6

Revised Target

2018-2025 **41.0**

2018-2020 agg. results **8.1**

Commonization & Electrification	19.5
Regional cost optimization	13.5
Productivity, Operational efficiency	4.5
Sales-related cost	3.1
Genesis & Quality cost	0.4

Changes

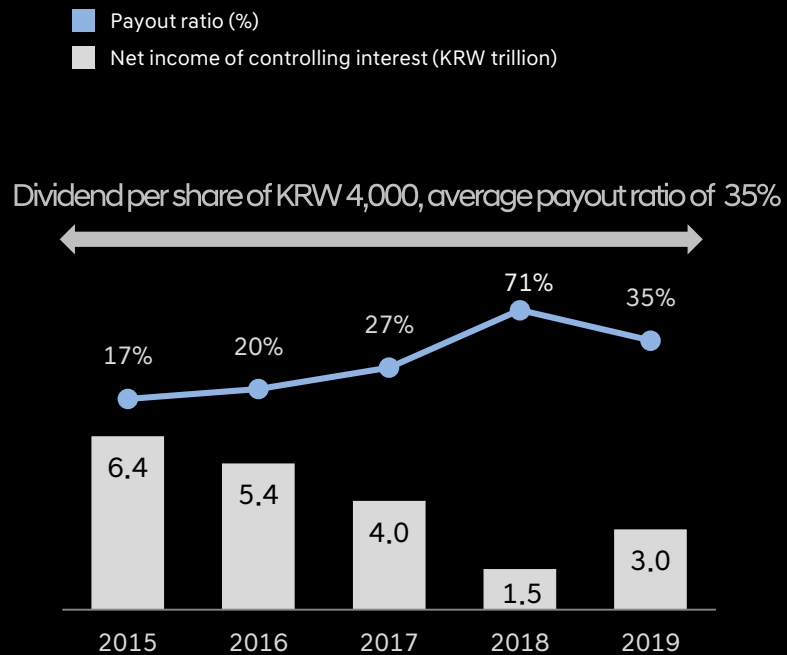
+ 5 years → 8 years (extend period)

■ Volume decrease due to COVID-19
Revise target with consideration of weak demand and high competition

Shareholder Return

Balanced shareholder return with consideration of future investment

Dividends for past 5 years



Shareholder return policy for 2020

- Suspended interim dividend due to crisis management and securing liquidity
- Consider earnings recovery and business environment for 2020 year-end dividend
- Execute flexible shareholder return policy for 2021 considering future investment



Summary of Financial Targets

2021 Profit Target

Auto Division Operating
Profit Margin

4~5%

Mid-to Long-Term Profit Target

Auto Division
Operating Profit Margin

2022

5.5%

2025

8%

Mid-to Long-Term ROE Target

Auto Division

2022

7.5%

2025

9.5%

Mid- to Long-Term Investment Target

2020-2025

60.1 T

Attachment: Cost Innovation Committee

9 Sub-Committees

Commonization (Platform,Part)

Platform integration planning,
reduce number of parts through
standardized design, maximize
effectiveness of integrated purchase

Productivity

Improve production process &
utilization rate, adopt new
production technology

Sales-related Cost

Mix improvement · Feet reduction
· reducing incentive of new cars
with enhanced product quality

Regional Cost Optimization

Parts localization for overseas plants,
local optimization of design & sales

(+) localization of overseas
new car sourcing

Operational Efficiency

Enhancing efficiency of line-up,
investment, and stagnated business

(+) additional reduction of PT parts
through 3rd generation platform

Genesis

Enhancing brand investment
efficiency, early acquisition of
business value in new markets

Electrification

Design innovation of green car
parts (battery, PE) &
sourcing improvement

2020
Added

Complexity

Optimize lineup & production,
reduce parts

Quality Cost

Minimize claims & campaign costs,
strengthening precautionary
activities