

Issues and Countermeasures

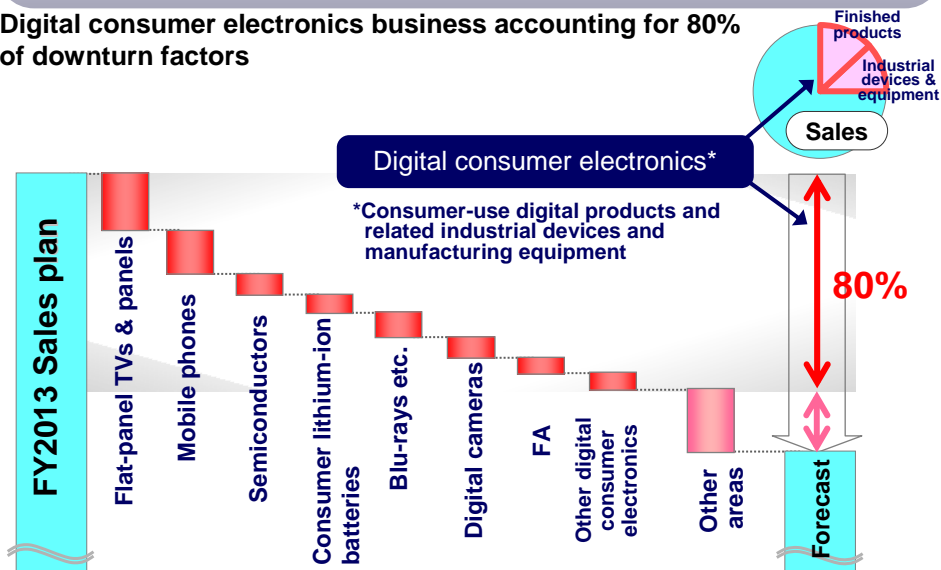
October 31, 2012

Panasonic Corporation
Kazuhiro Tsuga

Downturn in Business

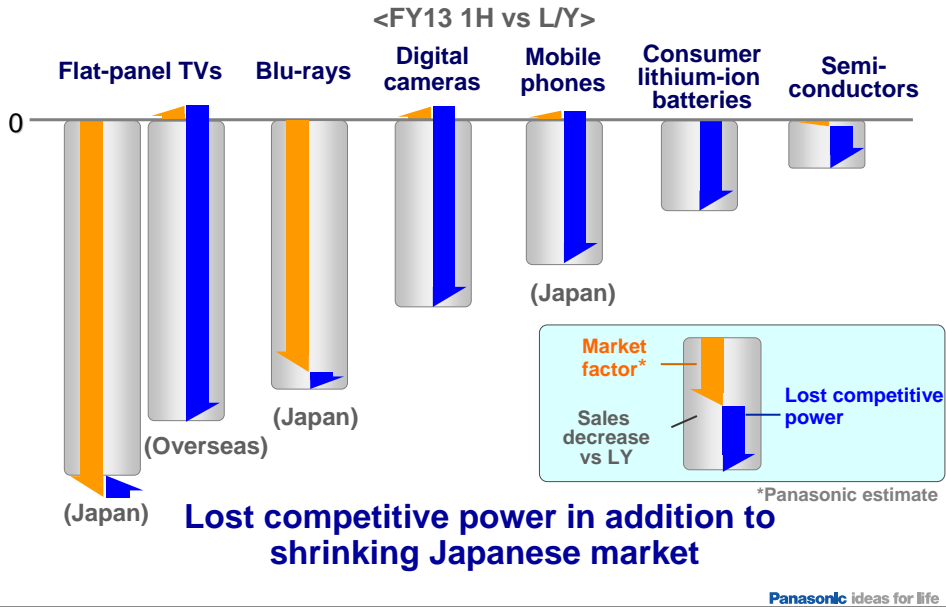
2

Digital consumer electronics business accounting for 80% of downturn factors

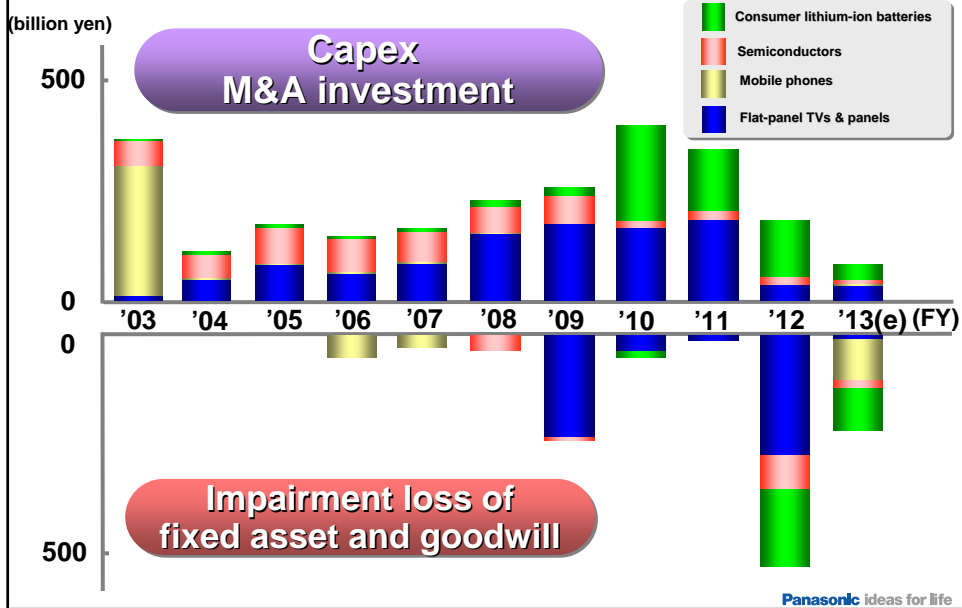


*Total sales forecast: simple sum of all BU (Business Unit) sales

Downturn in Digital Consumer Electronics 3



Capex and Impairment Loss in Digital Consumer Electronics 4



Business Structure Issue

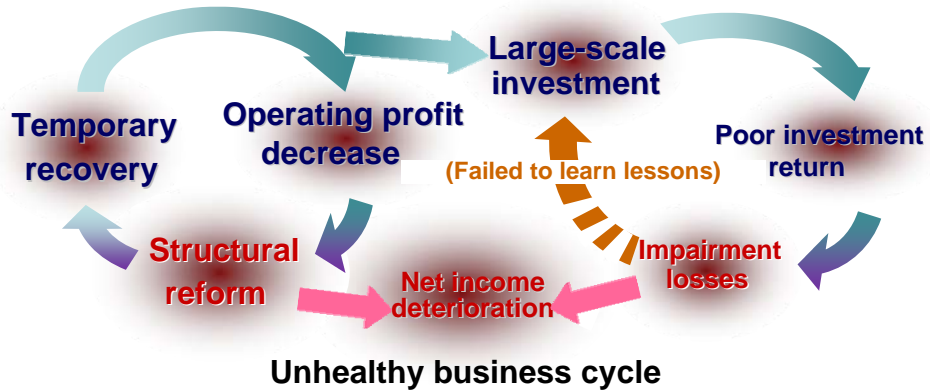
5

Slow growth and low profitability

- Deteriorating business environment
- Failed to create innovation

Poor investment return

- Wrong investment decisions
- Failed to respond to business environment



Panasonic ideas for life

Countermeasures

6

**Streamline and restructure
digital consumer electronic business**

Generate cash flow

Toward new growth
- New midterm plan -

Panasonic ideas for life

Flat-Panel TV & Panel

7

Steady business structural change

	LCD	Plasma
Panel business	Streamline and expand business for non-TV products	
	<ul style="list-style-type: none"> - Liquidate module production sites Production cessation: Czech Republic: Dec. '12, Malaysia: Jan. '13 - Non-TV panel sales ratio FY2013 over 50% 	<ul style="list-style-type: none"> - Expand digital whiteboard business Strengthen large-size product lineups (85"/103") - Non-TV panel sales ratio FY2013 over 10%
TV set business	Shift to large-size product business and outsource	
	<ul style="list-style-type: none"> - *Sales ratio of over 40": 30% - *In-house panel usage ratio: 30% 	<ul style="list-style-type: none"> - *Sales ratio of over 50": 70%

Returned to black in 1H

*FY2013 forecast

FY2013 operating profit improvement (vs LY): 110 billion yen

Panasonic ideas for life

Mobile Phone

8

Revisit overseas business

- Exit smartphone business in Europe

▶ Scheduled in FY2013

Streamline operations

- Slimmed down R&D workforce to optimal level
(end of Sep. '12)

- Ceased production in Japan (June '12)

- Had other company integrating our sales subsidiary
(Oct. '12)

Reduce 30% of fixed cost in Japan

(vs FY2013 2H business plan)

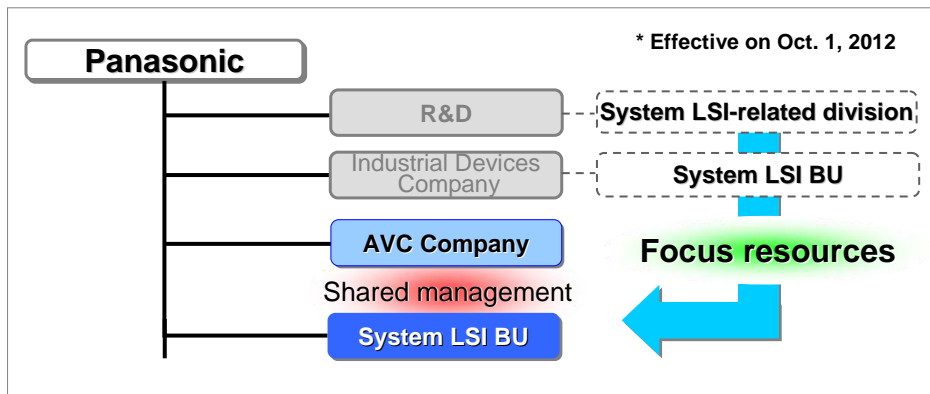
Establish new company specializing in handset business (scheduled in Apr. '13)

Create new business collaborating with AVC Company

Panasonic ideas for life

System LSI

9



Integrate related divisions
Streamline R&D functions

Strengthen external sales
by collaborating
with AVC Company

Panasonic ideas for life

Consumer Lithium-Ion Battery

10



◆ Restructure business focusing on profitability

Downsize operating sites in Japan

- Consolidate cell production sites
6 → 3

Reduce 20% of fixed cost in Japan
(FY13 → FY14)

Expand non-digital consumer electronic business

- Promote battery business for storage system and business-use equipment, etc.

◆ Shift resources to automotive batteries

Panasonic ideas for life

Solar

11

Previous
Strategy

Expanded cell production scale

Business environment change

◆ Select and reduce investment

- No additional investment in factory in Malaysia

◆ Expand system and solution business to improve profitability

- Focus on Japanese housing industry
- Integrate R&D, production and sales operations in Eco Solutions Company



Panasonic ideas for life

Countermeasures

12

Streamline and restructure
digital consumer electronic business

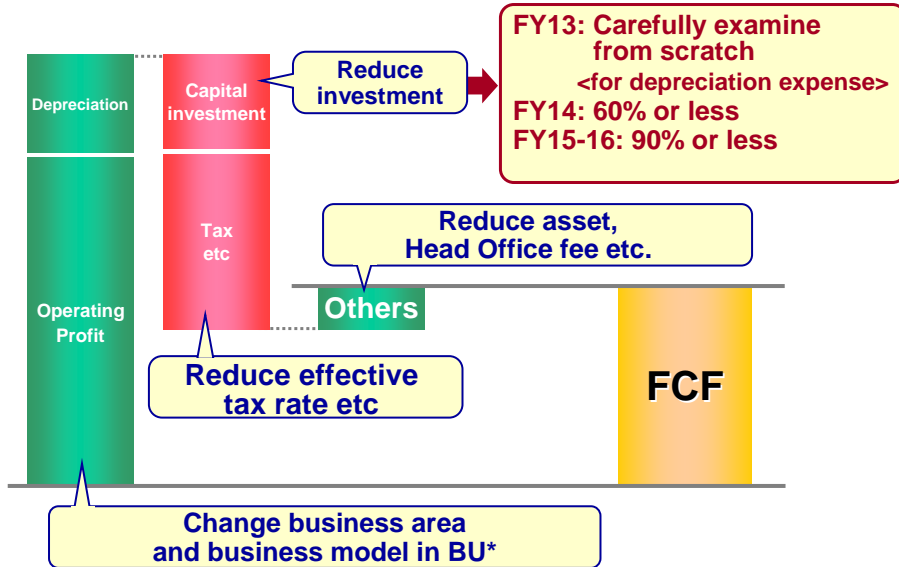
Generate cash flow

Toward new growth
- New midterm plan -

Panasonic ideas for life

Improve Free Cash Flow

13



*BU: Business Unit

Panasonic ideas for life

Corporate Emergency Countermeasure

14

▼ Cash flow performance management project

FY2013 target: 200 billion yen

Generate cash flow

Reduce investment, sell and liquidate properties etc.

▼ Emergency management countermeasure

Revisit compensation and benefit (effective in Nov. '12)

- Voluntarily return compensation (executive level)

(⇒ Monthly compensation vs L/Y
Chairman / president: - 40%
Executives: - 20%)

- Abolish executives' company cars (excluding representative directors)

- Reduce winter bonus (manager level)

(⇒ -35% vs L/Y)

Revisit corporate sport activity (effective in next season)

Will suspend basketball and badminton activities

Panasonic ideas for life

Revision of FY2013 Dividend Forecast

15

Dividend
forecast
announced
on May 11, '12

Full-year: 10 yen
(Interim: 5 yen, year-end: 5 yen)

Revised
dividend
forecast

No dividend payment

Improve profitability
for stable dividend payment

Panasonic ideas for life

Countermeasure

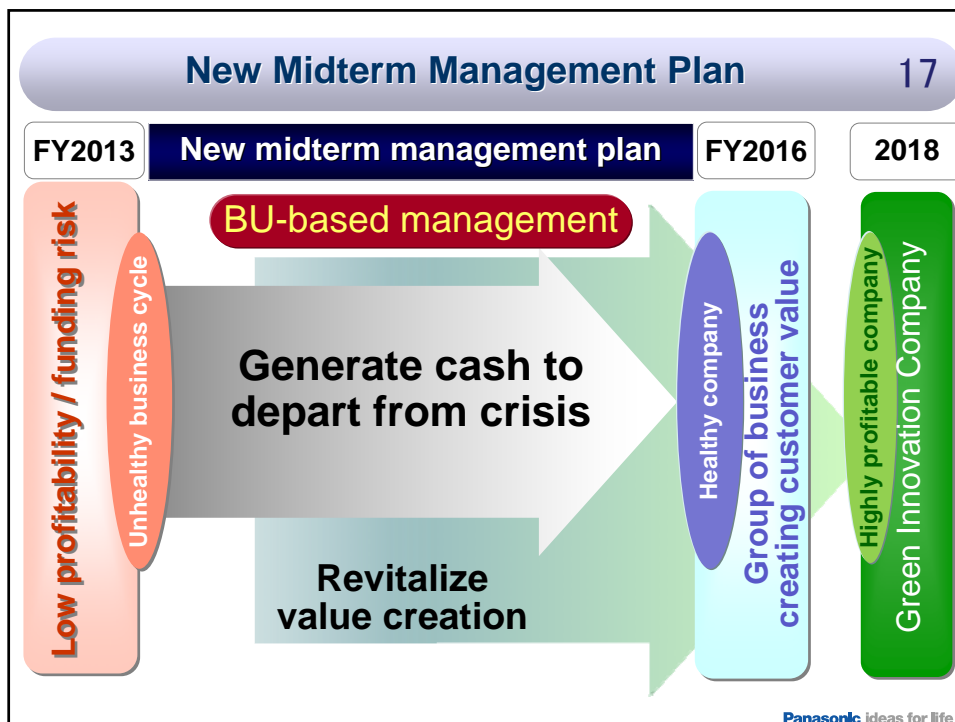
16

Streamline and restructure
digital consumer electronic business

Generate cash flow

Toward new growth
- New midterm plan -

Panasonic ideas for life



Strengthen 4 Business Areas

19

New growth with non-digital consumer electronic business

<Working groups> (domain companies)

<Focuses>

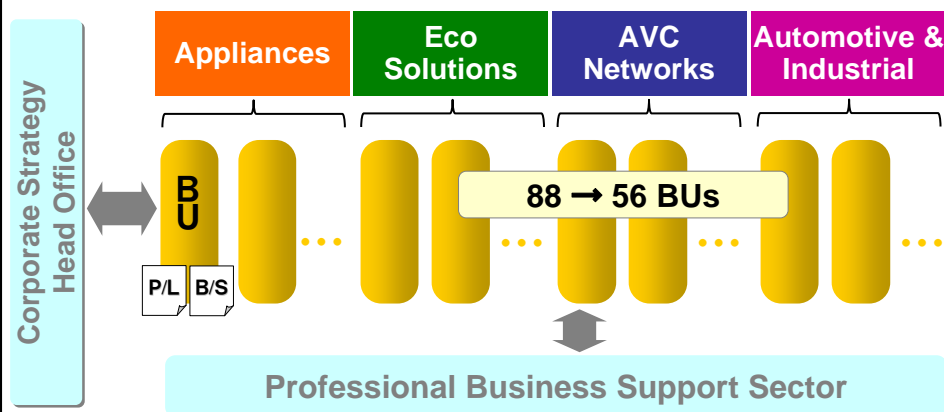
Appliances (Appliances, Healthcare)	- Strengthen global expansion - Expand B2B business
Eco Solutions (Eco Solutions)	- Strengthen energy creation & storage management system business - Expand business in non-residential engineering and services
AVC Networks & Systems (AVC, Systems & Communications)	- Shift resources and revisit market needs - Expand business in services and solutions
Automotive & Industrial (PAS*, Industrial Devices, Energy, MS*)	- Integrate and expand operations of electronic component systems business - Expand industrial business

*PAS: Automotive Systems, MS: Manufacturing Solutions

Panasonic ideas for life

4 Company System (Effective in April 2013) 20

Support BUs in larger management units

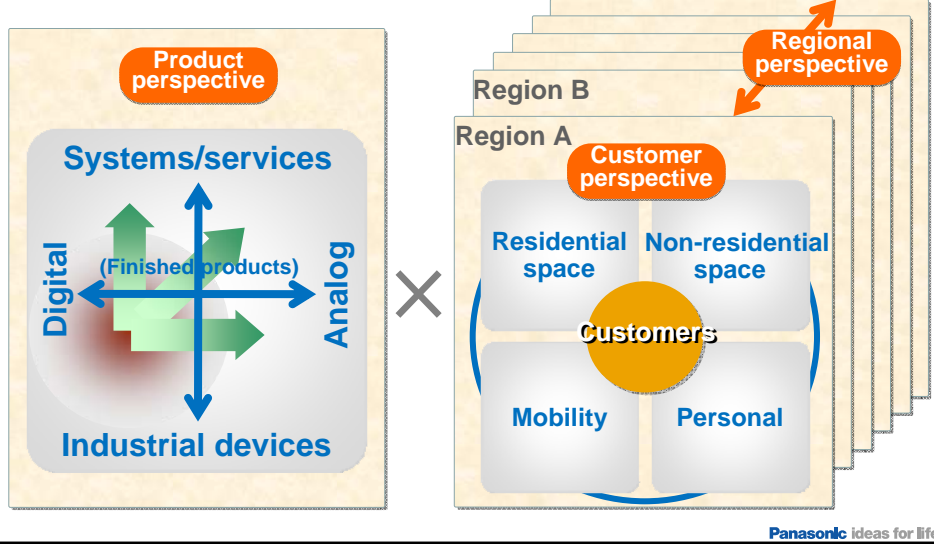


Note : Company names are tentative

Change Panasonic with transformation of BUs

Panasonic ideas for life

Growth potential with product, customer and regional perspectives



Panasonic
ideas for life

Disclaimer Regarding Forward-Looking Statements

This presentation includes forward-looking statements (within the meaning of Section 27A of the U.S. Securities Act of 1933 and Section 21E of the U.S. Securities Exchange Act of 1934) about Panasonic and its Group companies (the Panasonic Group). To the extent that statements in this presentation do not relate to historical or current facts, they constitute forward-looking statements. These forward-looking statements are based on the current assumptions and beliefs of the Panasonic Group in light of the information currently available to it, and involve known and unknown risks, uncertainties and other factors. Such risks, uncertainties and other factors may cause the Panasonic Group's actual results, performance, achievements or financial position to be materially different from any future results, performance, achievements or financial position expressed or implied by these forward-looking statements. Panasonic undertakes no obligation to publicly update any forward-looking statements after the date of this presentation. Investors are advised to consult any further disclosures by Panasonic in its subsequent filings with the U.S. Securities and Exchange Commission pursuant to the U.S. Securities Exchange Act of 1934 and its other filings.

The risks, uncertainties and other factors referred to above include, but are not limited to, economic conditions, particularly consumer spending and corporate capital expenditures in the United States, Europe, Japan, China, and other Asian countries; volatility in demand for electronic equipment and components from business and industrial customers, as well as consumers in many product and geographical markets; currency rate fluctuations, notably between the yen, the U.S. dollar, the euro, the Chinese yuan, Asian currencies and other currencies in which the Panasonic Group operates businesses, or in which assets and liabilities of the Panasonic Group are denominated; the possibility of the Panasonic Group incurring additional costs of raising funds, because of changes in the fund raising environment; the ability of the Panasonic Group to respond to rapid technological changes and changing consumer preferences with timely and cost-effective introductions of new products in markets that are highly competitive in terms of both price and technology; the possibility of not achieving expected results on the alliances or mergers and acquisitions including the business reorganization after the acquisition of all shares of Panasonic Electric Works Co., Ltd. and SANYO Electric Co., Ltd.; the ability of the Panasonic Group to achieve its business objectives through joint ventures and other collaborative agreements with other companies; the ability of the Panasonic Group to maintain competitive strength in many product and geographical areas; the possibility of incurring expenses resulting from any defects in products or services of the Panasonic Group; the possibility that the Panasonic Group may face intellectual property infringement claims by third parties; current and potential, direct and indirect restrictions imposed by other countries over trade, manufacturing, labor and operations; fluctuations in market prices of securities and other assets in which the Panasonic Group has holdings or changes in valuation of long-lived assets, including property, plant and equipment and goodwill, deferred tax assets and uncertain tax positions; future changes or revisions to accounting policies or accounting rules; as well as natural disasters including earthquakes, prevalence of infectious diseases throughout the world, disruption of supply chain and other events that may negatively impact business activities of the Panasonic Group. The factors listed above are not all-inclusive and further information is contained in Panasonic's latest annual reports, Form 20-F, and any other reports and documents which are on file with the U.S. Securities and Exchange Commission.

In order to be consistent with generally accepted financial reporting practices in Japan, operating profit (loss) is presented in accordance with generally accepted accounting principles in Japan. The company believes that this is useful to investors in comparing the company's financial results with those of other Japanese companies. Under United States generally accepted accounting principles, expenses associated with the implementation of early retirement programs at certain domestic and overseas companies, and impairment losses on long-lived assets are usually included as part of operating profit (loss) in the statement of income.