Panasonic Business Strategy

September 18, 2013

Panasonic Corporation
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Notes: 1. This is an English translation from the original presentation in Japanese.
2. In this presentation, “fiscal 2014” or “FY2014” refers to the year ending March 31, 2014.

Measures Taken So Far

- In the red for 2 consecutive years
- Funding risk
- No dividend

FY2013

Reorganized ‘Corporate structure’
- Head Office reform, introduction of Business Divisions & Divisional Companies

Unprofitable businesses
- Guidelines for major unprofitable businesses & reform

Reviewed transferring businesses / growth strategy
- Formulated and started new mid-term plan ‘CV2015’

Escaping from financial crisis
- Group-wide activity to generate cash
Introduce Business Division System

Each business division has responsibility for
- global R&D, production and sales
- sustainable increase in cash and profit

4 Divisional Companies support Business Divisions

<table>
<thead>
<tr>
<th>AP</th>
<th>Appliances</th>
<th>ES</th>
<th>Eco Solutions</th>
</tr>
</thead>
<tbody>
<tr>
<td>AVC</td>
<td>AVC Networks</td>
<td>AIS</td>
<td>Automotive &amp; Industrial Systems</td>
</tr>
</tbody>
</table>

Measures Taken So Far

FY2013

- In the red for 2 consecutive years
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- Reorganized ‘Corporate’ structure
  - Head Office reform, introduction of Business Divisions & Divisional Companies

- Unprofitable businesses
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- Escaping from financial crisis
  - Group-wide activity to generate cash
Improve Net Cash

(yen: billions)

<table>
<thead>
<tr>
<th></th>
<th>FY13 end of 2Q</th>
<th>FY14 end of 1Q</th>
<th>End of FY14 (target)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>-1,087.7</td>
<td>-577.8</td>
<td>&gt;-500.0</td>
</tr>
</tbody>
</table>

Dividend Restoration

(yen: billions)

Steady progress

1Q results

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>1,824.5</td>
</tr>
<tr>
<td>OP (%)</td>
<td>64.2 (3.5%)</td>
</tr>
<tr>
<td>Net income attributable to Panasonic Corporation</td>
<td>107.8</td>
</tr>
</tbody>
</table>

Pay interim dividend

 Improved financial structure

Secured dividend resource
Mid-term Plan ‘CV2015’

Action Items in ‘CV2015’

CV2015 : Cross-Value Innovation 2015

As soon as possible  Eliminate unprofitable businesses
Simultaneously  Concrete plan for the future

My determination
3-Year Mid-term Plan
(yen: billions)

<table>
<thead>
<tr>
<th>FY2014</th>
<th>FY2015</th>
<th>FY2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating profit</td>
<td>≥ 250</td>
<td>≥ 350</td>
</tr>
<tr>
<td>Net income attributable to Panasonic Corporation</td>
<td>≥ 50</td>
<td>≧ 5%</td>
</tr>
</tbody>
</table>

Eliminate unprofitable businesses
Restructuring
Complete in 2 years

Each BD: Improve profitability towards 5%

FCF: ≧ 600 billion yen (accumulating total in FY14-16)

Eliminate Unprofitable Businesses

TV / Panel
- Focus on major market, expand non-TV business

Semiconductor
- Transfer businesses, promote business alliances and asset reduction

Mobile phone
- Transfer to BtoB, improve R&D efficiency in BtoC

Eliminate all unprofitable businesses in FY16
Restructure Unprofitable Business

Portable Rechargeable Battery Business

Recent Situation
- EV battery: increase orders and expand production in Japan
- Storage battery: receive orders and ship for base stations in India

Sales ratio*
FY2016
>40%

*Lithium-ion battery

Growth strategy from customers’ viewpoint
Panasonic in Future
Offer ‘better life’ to customers, partnering with ‘industry’

Sales Breakdown

<table>
<thead>
<tr>
<th>Category</th>
<th>FY2013 (yen: trillions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer electronics</td>
<td>3.4</td>
</tr>
<tr>
<td>Housing</td>
<td>1.5</td>
</tr>
<tr>
<td>Auto</td>
<td>1.0</td>
</tr>
<tr>
<td>BtoB (excl. housing, auto)</td>
<td>1.1</td>
</tr>
<tr>
<td>BtoB (excl. housing, auto)</td>
<td>1.9</td>
</tr>
</tbody>
</table>

**BtoB (excl. housing, auto)**
ICT device, industrial equipment
Avionics, lighting for commercial use, cold chain equipment, business PC, …

**Auto**
Car navigation, car AV equipment, battery, sensor, camera, …

**Housing**
Exterior, building materials, building equipment, electric equipment, housing (PanaHome), …
Automotive Business with Computerized and Electric Cars

Expand business more than 10 times per car

Housing Business with ‘Smarthouse’

Double business per house

Current business
- Exterior building material
- Interior building material
- Building equipment
- Housing equipment
- Electric equipment

Solar panel
Power conditioner
Storage battery
Fuel cell
HEMS
LED lighting
Heat insulator (internal / external)
‘Smarthouse’

‘CASART ECO CORDIS’
Launched in April 2013

- Fully equipped with 10Kw ‘HIT’
- Smart HEMS
  Control energy for energy saving

‘Smartcity’

‘Smartcity’ Shioashiya, Japan

- ‘Net zero energy’ town
- Fujisawa SST
  Develop and manage approx. 1,000 households

Products Designed for Regional Customers

Global Home Appliance Business

Europe  China  Asia  Brazil

Average annual growth 14% in 2013-15

Offer ‘what regional customers want’

- Lifestyle research and R&D by region
  ex. Air purifier in China

- Alliance with local corporations
  ex. Alliance with Gorenje in Europe

Gain top market shares
Towards 2018

(yen: trillions)

7.3

Consumer electronics 25%
Housing 15%
Auto 14%
BtoB (excl. housing, auto) 46%

FY2013

2018(e)

High profitable BtoB (vertical solution)

Auto 2.0
Housing 2.0
Consumer electronics 2.0

A Better Life, A Better World

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