Business Transformation

October 31, 2013
Panasonic Corporation

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.

Business Division System Introduced in April 2013

Responsibility
- Quick decision making
- High motivation

Transparency
- Competition among business divisions
- Quick response to challenges

Expand competitive business
Integrate and restructure difficult business
Action Items in ‘CV2015’

FY14 2H

As soon as possible
eliminate unprofitable businesses

Restructure unprofitable businesses

Simultaneously
concrete plan for future

Develop strategy for future growth

Eliminate Unprofitable Businesses

FY14-16 Operating loss: improve 130 billion yen

<table>
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<tr>
<th>Category</th>
<th>Action Items</th>
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| TV/Panel               | - Improve cost price  
                          - Expand panel business into non-TV product |
| Semiconductor          | - Shift application usage to automotive/industrial areas  
                          - Promote asset compression |
| Mobile phone           | - Discontinue BtoC smartphone development  
                          - Shift technology resources to other areas |
| Circuit board          | - Revisit business strategy |
| Optical drive/pickup   | - Complete domestic integration  
                          - Expand OEM |
FY14 Operating loss: 20 bil. yen
Discontinue panel production at end of December 2013
Exit business by March 2014

US/China business
FY14 Operating loss: 8 bil. yen
US/China: Narrow down sales channels
US: Introduce 'factory direct' business model
Largely reduce operation cost

Expect to return to black in FY16
Notes 1*: Forecast for Panasonic Plasma Display
2*: Forecast for local production and sales consolidation basis

New Challenges
Air conditioner
Fall into red due to business in China and yen depreciation
Adjust channel inventory in China
Revisit R&D from customers' perspective
Strengthen large size products, integrating operation of R&D, manufacture and sales

Digital camera
Increase loss due to shrinking demand in compact camera business
Focus on high value added products
Create new business, enhancing communication/4K technology
Expand external sales in optical device business

Finalize restructuring plan in FY14
Return to black in FY15
Action Items in ‘CV2015’

As soon as possible
eliminate unprofitable businesses

Restructure unprofitable businesses

Simultaneously
concrete plan for future

Develop strategy for future
growth

FY14 2H

Panasonic in Future

Offer ‘better life’ to customers, partnering with ‘industry’
Automotive: 2 Trillion Yen Business

Expand business with computerization and electrification

AIS* leading strategic planning

Unconventional measure
M&A/business alliance in safety/security area

Business expansion
- Electrification (battery)
- Computerization (sensor, camera, display)
- Business as ‘Tier 1’

Expand sales more than 10 times per car

FY13 FY19(e)

1.0 1.7

Automotive Battery: CAPEX

Receive orders from 5 auto manufacturers for more than 10 models

For Tesla Motors: Supply 2 billion cells in 2014-17

CAPEX
Business plan: 13 bil. yen
(as of March 2013)

Additional : 18 bil. yen

Utilize existing/unused facilities

Expand business with partners

Note*: Automotive & Industrial Systems Company
Housing: 2 Trillion Yen Business

More business opportunity with ‘energy revolution’

ES* leading strategic planning

Unconventional measure
M&A/business alliance in new area and overseas sales channel

Business expansion
- HEMS
- Home remodeling
- Asia, China, India

(yen: trillions)
FY13 1.1
FY19(e) 1.7

Double sales per house

HEMS

Power conditioner
AiSEG
‘Smartmeter’
Peripheral equipment
Energy Creation-storage
Charger for EV

FY14 1H Sales: 29 bil. yen
(+11% vs FY13)

New core equipment
Schedule to launch in 2014

‘Smarthouse’

Developed by PanaHome

FY14 1H 500 houses
(FY14 full year forecast: >1,000 houses)

Note*: Eco Solutions Company
Buyout ViKO: Turkish Wiring Instrument Company

- High market share in Middle East, CIS
- No.1 market share in Asia

Towards global No. 1 market share

- FY14 Sales forecast: 15 bil. yen
- Employees: 700
- Business: in 79 countries
- Acquisition cost price: 46 bil. yen (Acquire 90% shares)

Accelerate business expansion through new sales channels

Towards 2018

- Sales 7.3
- Operating Profit Margin 5%
- BtoB (excl. housing/auto)
- Auto
- Housing
- Consumer electronics

FY13: 3.4
FY16(e): 2.0
FY19(e): 2.0

(yen: trillions)
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