

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.*

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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

TV/Panel	<ul style="list-style-type: none"> - Improve cost price - Expand panel business into non-TV product
Semiconductor	<ul style="list-style-type: none"> - Shift application usage to automotive/industrial areas - Promote asset compression
Mobile phone	<ul style="list-style-type: none"> - Discontinue BtoC smartphone development - Shift technology resources to other areas
Circuit board	<ul style="list-style-type: none"> - Revisit business strategy
Optical drive/pickup	<ul style="list-style-type: none"> - Complete domestic integration - Expand OEM

Various
improvement
progress



Accelerate
restructuring

TV/Panel

PDP business

FY14 Operating loss: 20 bil. yen^{1*}

Discontinue panel production
at end of December 2013

Exit business by March 2014

US/China business

FY14 Operating loss: 8 bil. yen^{2*}

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



Finalize restructuring plan in FY14

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



Return to black in FY15

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

Panasonic in Future

Offer 'better life' to customers, partnering with 'industry'



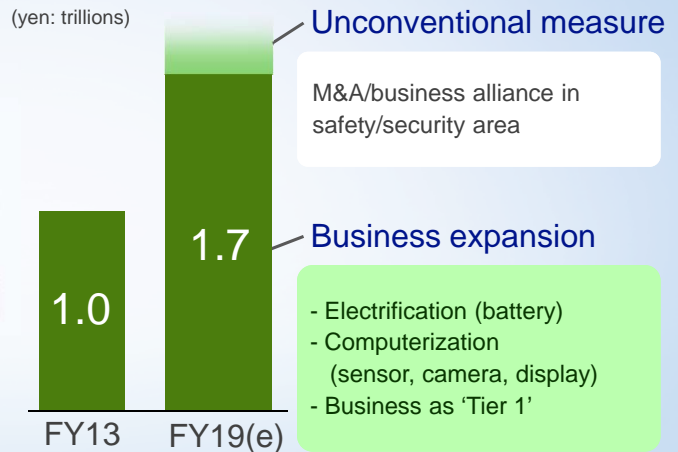
Automotive: 2 Trillion Yen Business

Expand business with computerization
and electrification

AIS* leading strategic planning



Expand sales more than
10 times per car



Note*: Automotive & Industrial Systems Company

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

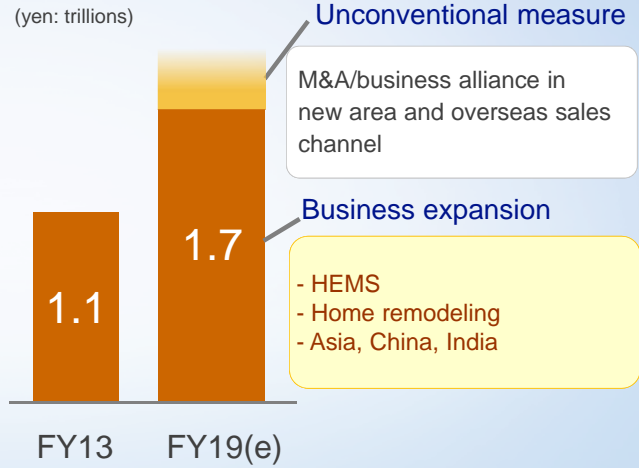


Housing: 2 Trillion Yen Business

More business opportunity with 'energy revolution' ES* leading strategic planning

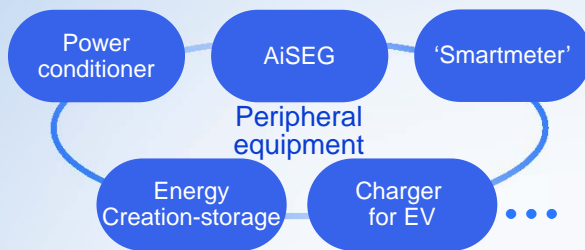


Double sales per house



Note*: Eco Solutions Company

HEMS



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

+

New core equipment
Schedule to launch in 2014

'Smarthouse'

PanaHome

CASART ECO CORDIS

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

Developed by PanaHome

Buyout ViKO: Turkish Wiring Instrument Company



FY14 Sales forecast: 15 bil. yen
 Employees: 700
 Business: in 79 countries

Acquisition cost price:
 46 bil. yen
 (Acquire 90% shares)

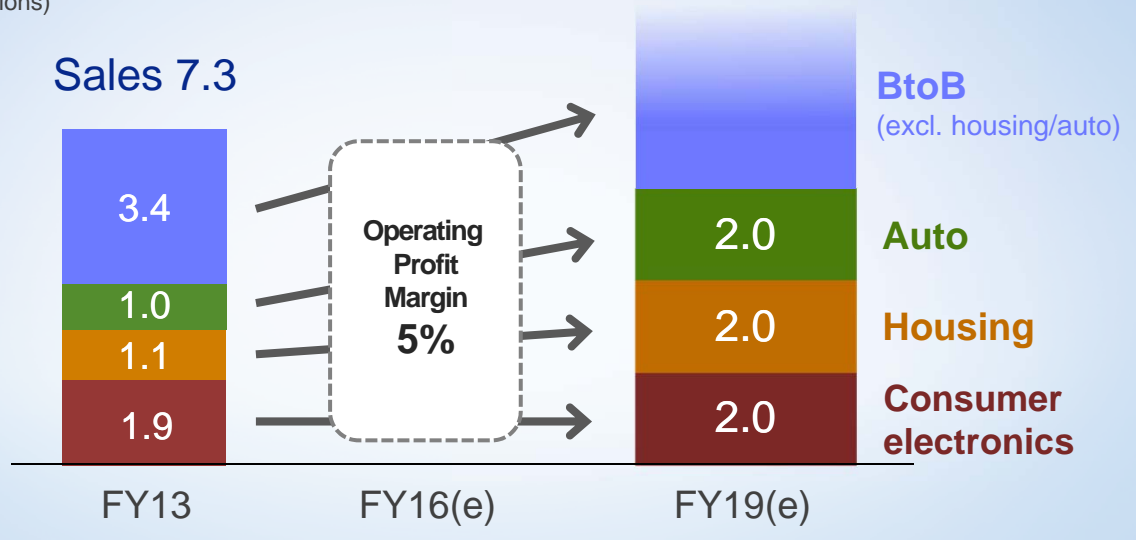
Towards global No. 1 market share

Accelerate business expansion through new sales channels

Towards 2018

(yen: trillions)

Sales 7.3



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