This presentation outlines FY2015 business policy.
Last year, I announced our mid-term management plan ‘CV2015.’ I explained my determination and our direction to eliminate unprofitable businesses as soon as possible and simultaneously look forward to the future.

In the end of the first year of our mid-term management plan, I would like to explain the FY2014 achievements and current issues.
Our financial target in FY2014 were:
- operating profit: more than 250 billion yen
- net income attributable to Panasonic Corporation: more than 50 billion yen to resume dividend payment.
The latest estimates for FY2014 are more than our original expectation. We also plan annual dividend payment of 13 yen per share; therefore we will achieve our targets.

<table>
<thead>
<tr>
<th></th>
<th>Latest forecast (as of Feb. 4)</th>
<th>Original forecast (as of May 10)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales (yen: billions)</td>
<td>7,400.0</td>
<td>7,200.0</td>
</tr>
<tr>
<td>Operating profit (%)</td>
<td>270.0 (3.6%)</td>
<td>250.0 (3.5%)</td>
</tr>
<tr>
<td>Net income attributable to Panasonic Corporation (%)</td>
<td>100.0 (1.4%)</td>
<td>50.0 (0.7%)</td>
</tr>
<tr>
<td>FCF</td>
<td>More than 200.0</td>
<td>More than 200.0</td>
</tr>
</tbody>
</table>

- Achieve original forecast
- Resume dividend payment
I would like to explain the progress of our mid-term management plan based on four major measures.

First, to improve financial structure.

Since we have recovered our business and generated cash, the net cash position has recovered the level of better than -300.0 billion yen.

And also, shareholders’ equity ratio steadily increased, exceeding our mid-term target. Therefore our financial structure has drastically improved this year.
Second, to eliminate unprofitable businesses.

We have outlined major decisions and directions on five major unprofitable businesses including TV set / panel, assessing their future, shifting into new business areas, reducing assets and reorganizing facilities.

We have also worked on air conditioner and DSC businesses to return to the black.

We expect approximately 100 billion yen operating loss in these unprofitable businesses in FY2014. We will take every measure to complete restructuring.
Third, we have drastically restructured semiconductor business, as we have announced.

We have transferred three plants in Hokuriku region, Japan to form a joint venture with TowerJazz, an Israeli company, and transferred three subsidiaries in Asia to UTAC Manufacturing Services Ltd., a Singaporean company, to promote fabless.

Semiconductor business is essential for us to expand automotive and industrial businesses.

We will strengthen our competitiveness, shifting from in-house approach and collaborating with our partners.
Last, I would like to talk about our business from customers viewpoint.

We have steadily progressed with the business with Lawson Inc. and Fujisawa SST.

We will constantly create new value working with our partners in various industries.
This chart summarizes what we have done in FY2014.
I would like to talk about FY2015 initiatives.
What we will do in FY2015 are followings:

1. To steadily progress to achieve mid-term management plan. We will complete restructuring and accelerate transformation so that each Business Division achieve 5% operating profit margin toward the achievement of our mid-term management plan.

2. To prepare for ‘New Panasonic’ in FY2019. We will develop strategy based on business and regional viewpoints, including investment for future growth.
FY2015 Financial targets are:
- sales: 7.75 trillion yen
- operating profit: 310.0 billion yen

We should achieve these targets anyway.
This slide shows breakdown of FY2015 operating profit.

We expect 40.0 billion yen increase from FY2014. Although we resume bonus payment to normal state and expect fixed cost increase, we will offset them with benefit from restructuring and sales increase etc.

We will announce the numbers more in detail in our FY2014 earnings release.
This slide shows FY2015 operating profit by segment.

Although we expect profit decline in Eco Solutions due to the demand decline after consumption tax hike in Japan, all other segments are expected to increase profitability.

In FY2015, we will transfer home entertainment business including TV business from AVC Networks to Appliances. More detail will come up later in this presentation.
We have two things to complete in FY2015:

1. Complete business restructuring
2. Realize growth strategy
In FY2014, we have taken every measure to complete restructuring on our major unprofitable businesses.

In FY2015, we will accelerate business structure change to build a stronger business platform.

We expect approx. 300.0 billion yen restructuring expense cumulatively in these two years.
It has been a year since we introduced Business Division systems as a foundation of management to increase profitability without delay of restructuring.

Developing competitive Business Divisions, and integrating and eliminating Business Divisions which we are unable to draw future growth, we will integrate the number of Business Division from 49 to 43 in April.

Business Divisions should continue to change and evolve to meet customers’ expectation.
Here are two cases of shifting into new business areas:

1. Li-ion battery business has shifted its focus to another industry
2. Air purifier business has expanded its business areas. Each business has changed its business application into new areas for further growth.

We will take measures on rest of Business Divisions staying in the deteriorating existing business areas to achieve 5% operating profit margin.
The second thing to complete is to realize growth strategy.
This chart shows our future which we will pursue ‘A Better Life, A Better World’ for our customers, maximizing our ‘DNA of consumer electronics.’

Towards our future, we will consider how and where we invest our resources and execute our plan.
This chart shows sales in FY2019. We divide ‘BtoB, excluding housing/auto’ into ‘device’ and ‘solution’ on their specificity to draw growth strategy.

We expect approximately 10 trillion yen sales in FY2019, building every discontinuous and various measure.

We will achieve sales growth with profitability in each business area.
Consumer electronics business is essential for us to promote our brand, it has however declined in sales for the last couple of years and it is not easy to draw its future in a conventional way of thinking.

Why we have not succeeded in this business? We put excessive focus on product features, we were lack of innovation, to name a few.

Therefore, we decide to integrate our consumer business, under Appliances Company and AVC Networks Company to achieve 2 trillion yen sales.

That is, we integrate each advantage to form new competitive consumer electronics business, which is a big challenge for us.
We will expand our housing business into domestic housing improvement market where we expect a huge growth.

First, we strengthen customer relationship, renewing our 61 showrooms in Japan adjusting to housing improvement business to gain new customers.

And also, PanaHome Reform Co., Ltd., established in October 2013, will promote its direct marketing to clients and increase product lineup for housing improvement.

Second, we accelerate overseas market expansion. We achieve stable growth with electrical material business in ASEAN, China and India, and expand business in Turkey, CIS and the Middle East with our broad sales channels and brand through VIKO.
We will accelerate computerization and electrification in auto business.

We have received a large number of orders for our battery. Not only for cylindrical type li-ion battery for Tesla Motors, but also for angle type li-ion battery, we have established high evaluation and gained an increased number of orders. Therefore, our new additional facility plan is now under review and we will invest to expand the business without delay.

We have also received a increased number of orders for our infotainment business. We offer head-up display combining AIS Company’s car navigation system and AVC Networks Company's technology, and cockpit system which is offering comfort zone through cloud, with our advanced digital AV and IT technology differentiating from pure auto players.

We will be responsible for ‘comfort and security,’ ‘safety’ and ‘environmental conservation’ in our automotive business.
We will also target 2.5 trillion yen sales in FY2019 in BtoB Solutions.

It is a key to access to the market and the major customers where we can expect huge growth to build a trustworthy relationship with them.

We have succeeded in Avionics where we expanded business focusing on a specific industry and directly access to customers, or the product sales such as ‘Let’s note’ (PC) business or projector business.

We will strengthen the following two:
1. To focus on a specific industry and directly access to customers with a package of R&D, production and sales to gain new businesses like Avionics.
2. To establish engineering company in each region to offer the best solution business to customers, working across the Business Divisions and combining with products from other companies.
We will target 1.5 trillion yen sales in FY2019 in device business excluding automotive application.

The notebook PC market where we focused in the past is drastically declining and the ICT market including optical device and PC battery is deteriorated.

Therefore, we will shift our focus from ICT to industrial areas.

We take advantage of our core technology with energy device to focus on the industrial market where technology of downsizing, integration, modularization and systemization is essential, through our competitive solution business with the broad business areas.
We categorize global regions into Japan, Americas/EU and ‘Strategic regions’ including Asia, China, the Middle East and Africa, and develop strategy to achieve 10 trillion yen sales in FY2019.

As we see in the chart, GDP of Americas/EU and the number of population of the strategic regions are the largest, where we have a lot of business opportunity.
We have developed a large scale business and created a new business based on the management with Business Division and lumping together Business Divisions under the Divisional Companies so that they can easily access to various industries.

To achieve 10 trillion yen sales in FY2019, we should drastically change our business management, adding regional point of view where our customers are to business areas.

This chart shows ‘5X3 matrix’ indicating 5 business areas crossing 3 global regions to distinctively tell us what we should focus.

As you can see, we can see huge difference between the current and our FY2019 target sales in the indicated with circles. We will challenge these business areas, drastically investing our human, material and financial resources focusing on overseas.
We develop post Japan focus strategy for ‘strategic regions’ where we see a lot of business opportunity.

We set up ‘Strategic Regions Business Promotion Division’ as of April 1 and I will delegate authority to executive vice president Yoshihiko Yamada, stationed in Delhi, India. It is the first time for us to stationing a representative director abroad.

There will be no success for us without growth in ‘strategic regions.’ We should achieve this plan anyway.
So far as I present, we will accelerate business structure change to achieve the mid-term management plan and develop our growth strategy toward ‘new Panasonic’ in FY2019.

Thank you for your cooperation.
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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.
# Segments and Business Divisions

<table>
<thead>
<tr>
<th><strong>Appliances</strong></th>
<th><strong>AVC Networks</strong></th>
<th><strong>Automotive &amp; Industrial Systems</strong></th>
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</thead>
<tbody>
<tr>
<td>Air-conditioner BD</td>
<td>Imaging Network BD</td>
<td>Automotive Infotainment Systems BD</td>
</tr>
<tr>
<td>Refrigeration and Air-Conditioning Devices BD</td>
<td>Storage BD</td>
<td>Automotive Electronics BD</td>
</tr>
<tr>
<td>Refrigerator BD</td>
<td>Visual Systems BD</td>
<td>Energy Device BD</td>
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<tr>
<td>Cold Chain BD</td>
<td>Avionics BD</td>
<td>Panasonic Storage Battery Co., Ltd.</td>
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<tr>
<td>Laundry Systems and Vacuum Cleaner BD</td>
<td>IT Products BD</td>
<td>Portable Rechargeable Battery BD</td>
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<tr>
<td>Kitchen Appliances BD</td>
<td>Security Systems BD</td>
<td>Automotive Battery BD</td>
</tr>
<tr>
<td>Beauty and Living BD</td>
<td>Communication Products BD</td>
<td>Capacitor BD</td>
</tr>
<tr>
<td>Home Entertainment BD</td>
<td>Office Products BD</td>
<td>Circuit Components BD</td>
</tr>
<tr>
<td>Motor BD</td>
<td>Infrastructure Systems BD</td>
<td>Electromechanical Components BD</td>
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<td>Smart Energy System BD</td>
<td>System Solutions Company (Japan)</td>
<td>Electronic Materials BD</td>
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<tr>
<td>Eco Solutions</td>
<td>Panasonic Liquid Crystal Display Co., Ltd.</td>
<td>Automation Controls BD</td>
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<tr>
<td>Lighting BD</td>
<td>Other</td>
<td>Semiconductor BD</td>
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<td></td>
<td>Panasonic Precision Devices Co., Ltd.</td>
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<tr>
<td>Housing Systems BD</td>
<td>PananHome Corporation</td>
<td>Panasonic Factory Solutions Co., Ltd.</td>
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BD: Business Division

As of April 1, 2014