Progress of Mid-term Management Plan & Growth Strategy

October 31, 2014

Panasonic Corporation

Status of FY2015

1. Achieved
   - Return to profitability
   - Resume dividends
   - Structural reform completed

2. Growth strategy from a business perspective
   - Operating profit: 350 billion yen or more
   - Free CF: 600 billion yen or more

3. Investment for growth
   - Achieve mid-term management plan
   - A New Panasonic

Growth strategy that begins with regional needs
1 Achieve mid-term plan 1 year ahead of schedule

(yen: billions)  

|                | FY2014 results | FY2015 forecast | One year ahead  
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</thead>
<tbody>
<tr>
<td>Operating profit</td>
<td>305.1</td>
<td>350</td>
<td>350 or more</td>
<td></td>
<td></td>
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<tr>
<td>(%)</td>
<td>3.9%</td>
<td>4.5%</td>
<td>5.0% or more</td>
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<tr>
<td>Accumulated free CF</td>
<td>594.1</td>
<td>2-year total 800</td>
<td>3-year total 600</td>
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<tr>
<td></td>
<td></td>
<td>or more</td>
<td>or more</td>
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2 Business divisions’ profitability: *improving*

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<thead>
<tr>
<th></th>
<th>FY2013</th>
<th>FY2014</th>
<th>FY2015 (forecast)</th>
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<tbody>
<tr>
<td>Operating profit: 5% or more</td>
<td>35%</td>
<td>41%</td>
<td>42%</td>
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<tr>
<td>0–5%</td>
<td>36%</td>
<td>39%</td>
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<tr>
<td>Operating loss</td>
<td>29%</td>
<td>20%</td>
<td>12%</td>
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*Graphs show simple sum of BD’s OP, and % on each graph shows composition ratio based on the number of BDs & BUs*
## Concentrating resources in key areas

<table>
<thead>
<tr>
<th>Consumer electronics</th>
<th>Japan</th>
<th>Europe &amp; Americas</th>
<th>Strategic Regions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Housing</td>
<td></td>
<td></td>
<td>A</td>
</tr>
<tr>
<td>Automotive</td>
<td></td>
<td>C</td>
<td></td>
</tr>
<tr>
<td>B2B solutions</td>
<td>D</td>
<td></td>
<td></td>
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<tr>
<td>Devices</td>
<td></td>
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</tbody>
</table>

- Examples of initiatives taken in A, B, C and D introduced later

## Develop competitive products in Asia

### Strategic Regions

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<tr>
<th>A</th>
<th>CE x Strategic Regions</th>
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#### Strengthen high-end category
- Introduce premium models (some made in Japan)
- Do marketing to inspire consumers “yearning”

#### Locally self-sustaining management
- (from April 2015)

**AP Asia**
- Marketing Division
- ODM Division
- Asia Business Unit: Air conditioners, refrigerators, washing machines, TVs
- About 40 models
- Development in Asia: locally oriented products
- ODM: supplement the lineup quickly

- About 400 people working on development

**Strengthen market competitiveness & brand capability**
Fully enter ASEAN market

- Develop Smart Cities
- Supply locally oriented houses

- Competitive prices
- Insulation
- Ventilation
- Waterproofing
- Halved lead-time

Set up ASEAN Housing Business HQ in April 2015

Lead innovation with partners

- Tesla Motors
  - Established Li-ion battery production company at “Gigafactory” in US
    (October 2014)

- Ficosa International S.A.
  - Build a capital & business alliance for electronic mirror business
    (Target: by end of FY2015)
Tokyo Olympics and Paralympics

Signed for Official Worldwide Paralympic Partnership (October 2014)

Sponsor categories

- Home appliances and power assisted bicycles will be added in 2017.
- Welfare devices, including “The Shower,” are for Paralympics only.

Offering “future living”

- Smart Community
- Smart Transportation
- Smart Payment
- Smart Security
- Smart Communication

Strengthen strategic growth investments

Prioritized investments

Consumer electronics
- Overseas: Home appliances

Housing
- Overseas: House building

Automotive
- Eco, comfort and safety

B2B solutions
- Retail & distribution, restaurants, logistics and social infrastructure

10 trillion yen scale

7.75 trillion yen

FY2015 sales (forecast)

Inorganic growth

Existing business

FY2019 sales (target)
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