Looking Back on the Period from Fiscal 2013

Medium-to-Long Term Business Overview

From a Decrease in Net Sales and Increase in Profits to Increases in Both by Improving Performance and Rebuilding Business Fields

- Kazuhiro Tsuga appointed as the Company’s president
- Group Strategy Meeting established. Put in place a structure and systems for using collective wisdom and making timely decision making
- Net loss for two consecutive periods due to such factors as the slump in flat-screen TV sales; undertook steps to promote structural reforms while bringing about a return to positive cash flows
- Improving the Company’s financial position became the most important management issue; suspended annual dividend payments
- Completed business restructuring measures and all necessary steps to address unprofitable businesses

Cross-Value Innovation 2015 (CV2015) mid-term management plan

- Introduced a Business Division system in order to engage in autonomous operations while visualizing management. Established four Divisional Companies to support Business Division growth and development
- Promoted four key initiatives
  1. Eliminate unprofitable businesses
  2. Improve the Company’s financial structure
  3. Promote growth and increased efficiency by exiting from an in-house approach
  4. Promote a growth strategy that begins with customer needs
- Put in place the Brand Slogan “A Better Life, A Better World”
- Resumed the payment of dividends
- Achieved the numerical targets set out under CV2015 ahead of schedule with the Automotive and Housing businesses serving as growth engines
  - Operating profit target: 350 billion yen or more
  - Operating profit to sales ratio target: 5% or more
  - Cumulative free cash flow target: 400 billion yen or more
- Overarching target of net sales totaling 10 trillion yen in the fiscal year ending March 2019 (FY2019)
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Strategic investment totaling 1 trillion yen (Please refer to pages 19–20.)

- Commenced strategic investments totaling 1 trillion yen focusing mainly on M&As and capital expenditures aiming for inorganic growth
- Commenced a capital and business alliance with Ficosa International, S.A., a Spanish automotive parts and systems supplier (made a consolidated subsidiary in FY2018)
• Reflecting on the original principle that profit shows how much we contribute to customers, shifted our focus to profit away from net sales as the Company’s FY2019 key management goal.
• Categorized all Business Divisions into the three high-growth, stable-growth, and low-profitable businesses; undertook well-focused investments.
• Realized sales growth in real terms after excluding the effects of exchange rates.

Notes:
1. Performance data prior to the fiscal year ended March 2017 (FY2017) is presented on a U.S. GAAP basis. Performance data is presented on an IFRS basis effective from FY2017.
2. Net profit is recorded as net income attributable to Panasonic Corporation in and before FY2016 and net profit attributable Panasonic Corporation stockholders from FY2017.

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<tbody>
<tr>
<td>Net sales</td>
<td>7,343.7</td>
<td>7,982.2</td>
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<tr>
<td>Operating profit</td>
<td>276.8</td>
<td>380.5</td>
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<tr>
<td>Net profit</td>
<td>149.4</td>
<td>236.0</td>
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- Made Hussmann Corporation, a U.S. industrial refrigerator and freezer display case manufacturer, a consolidated subsidiary.
- Operations launched at the Panasonic battery cell production facility inside the Gigafactory of Tesla of the U.S.
- Made PanaHome Corporation (currently Panasonic Homes Co., Ltd.) a wholly owned subsidiary.
- Made Zetes Industries S.A. of Belgium, which is involved in logistics solutions, a wholly owned subsidiary.
- Commenced mass production and shipment of automotive batteries from a factory established in Dalian, China.
- Established Connected Solutions Company; strengthened the solutions business targeting the corporate sector.
- Announced an agreement between the Company and Toyota Motor Corporation to begin studying the feasibility of a joint automotive prismatic battery business.
- Realized increase in both net sales and operating profit (for the first time in seven years in real terms after excluding the effects of exchange rates).
- Outlook of continued increases in both net sales and profits driven by high-growth businesses and especially the automotive battery business.

Net sales 8,300 billion yen
Operating profit 425 billion yen
Net profit 250 billion yen