

FY2015 Business Policy

March 27, 2014

Panasonic Corporation

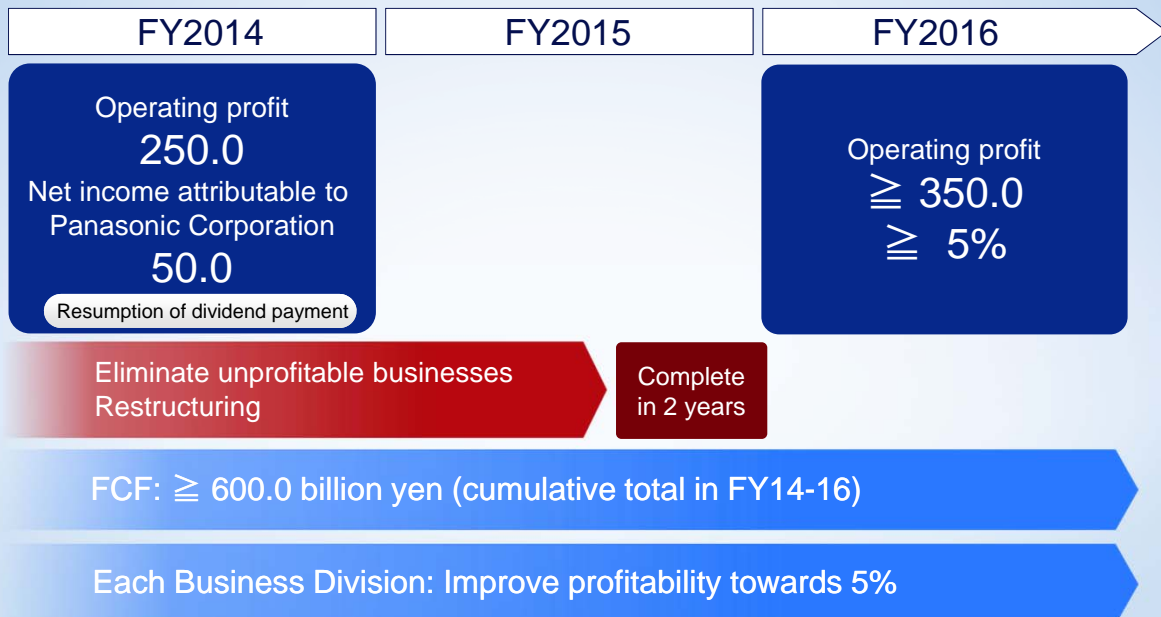
Notes: 1. This is an English translation from the original presentation in Japanese.

2. In this presentation, "fiscal 2015" or "FY2015" refers to the year ending March 31, 2015.

FY2014 Achievements and Current Issues

Toward FY2016

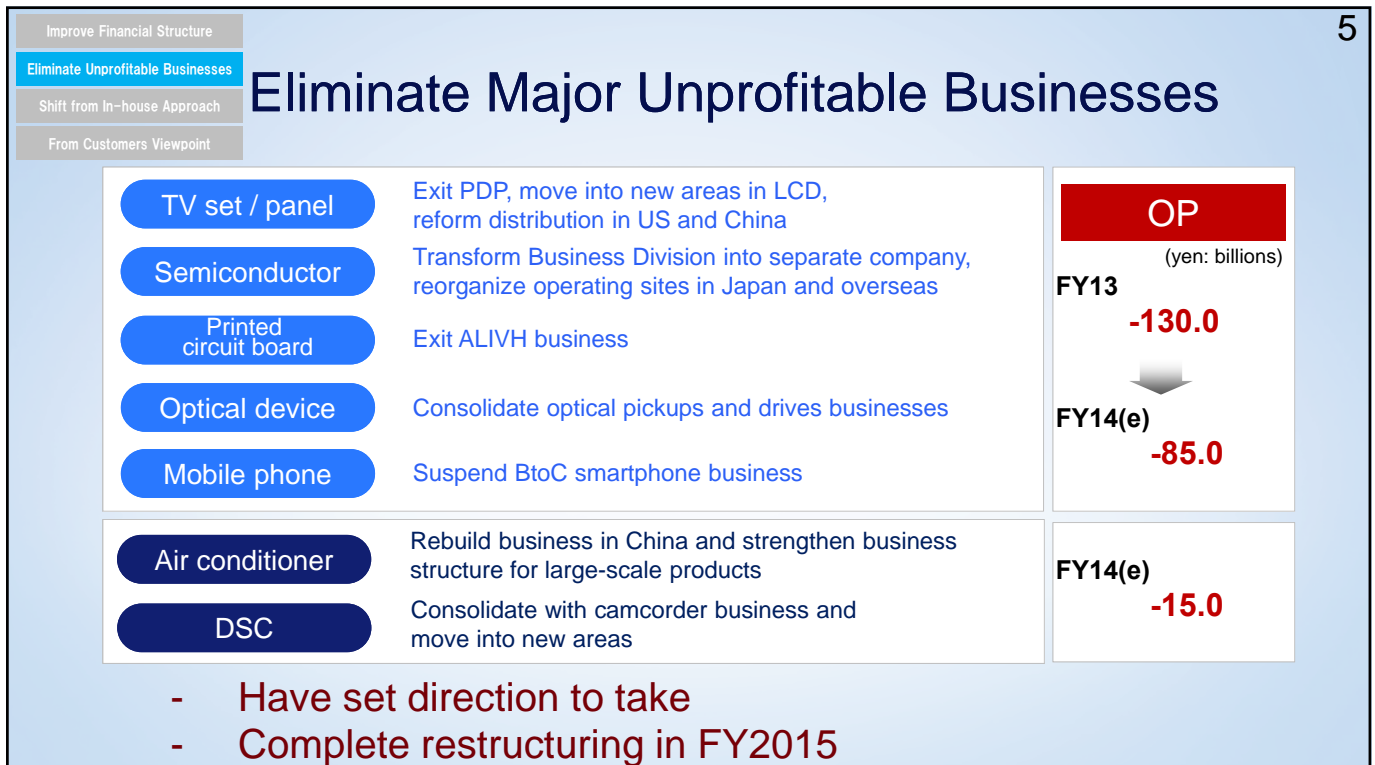
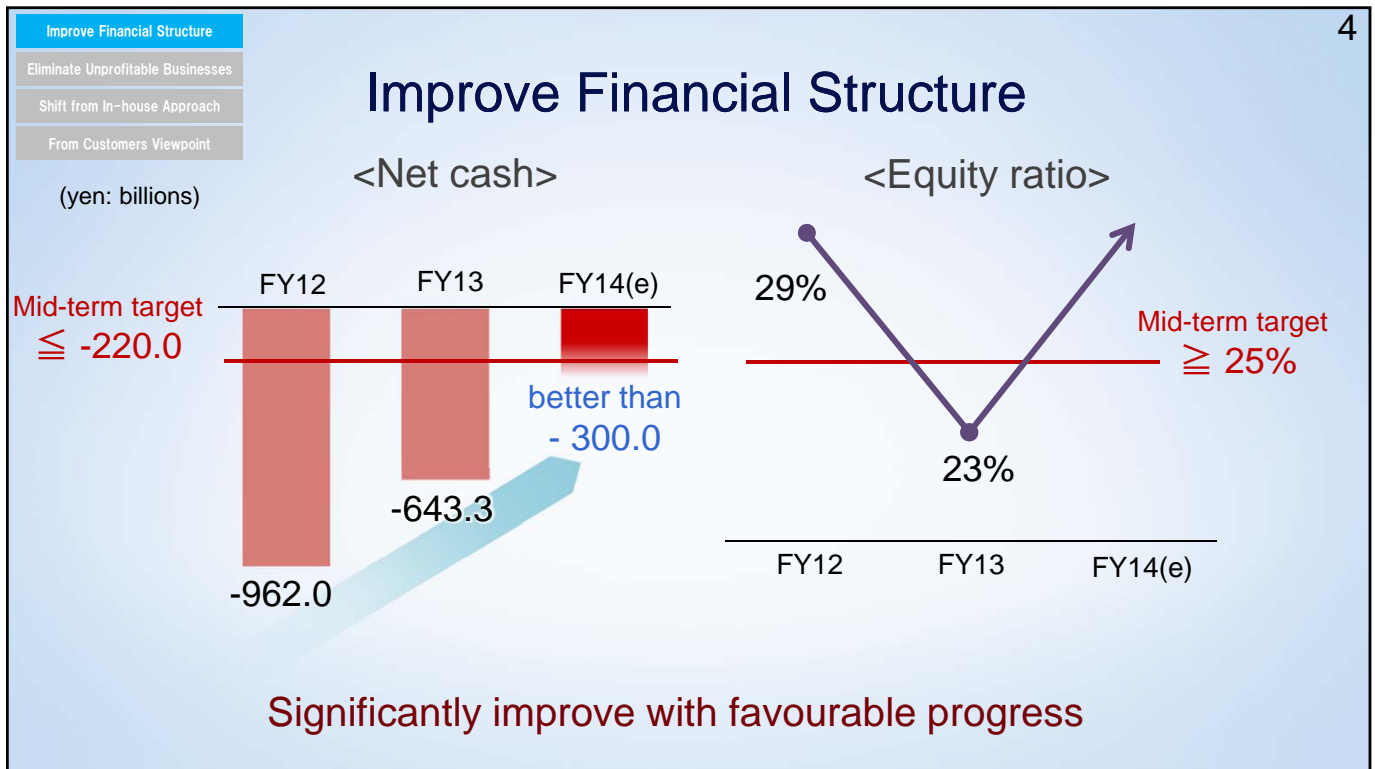
(yen: billions)



FY2014 Consolidated Financial Forecast

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

- Achieve original forecast
- Resume dividend payment



Improve Financial Structure

Eliminate Unprofitable Businesses

Shift from In-house Approach

From Customers Viewpoint

Restructure Semiconductor Business

Accelerate shift to auto and industrial areas

Change to solution
business

Transform Business Division
to separate company

Set up JV with
foundry company

Transfer 3 diffusion plants
in Hokuriku region, Japan

Transfer subsidiaries
to assembly
specialized company

Transfer 3 subsidiaries operating
assembly lines in Asia

Strengthen competitiveness by shifting from in-house approach

Improve Financial Structure

Eliminate Unprofitable Businesses

Shift from In-house Approach

From Customers Viewpoint

From Customers Viewpoint

Store solutions business

Experimental store collaborating with Lawson Inc.
opened on February 6

Advanced technology and
solution business



Erase picture image of people and
analyze purchase behavior

Smart town business

Fujisawa SST will open on April 1

Keep supporting customers
through town-wide service



Offer new value working with partners

FY2014 Summary

- Improve financial structure
- Eliminate unprofitable businesses
- Exit from in-house approach for effective growth

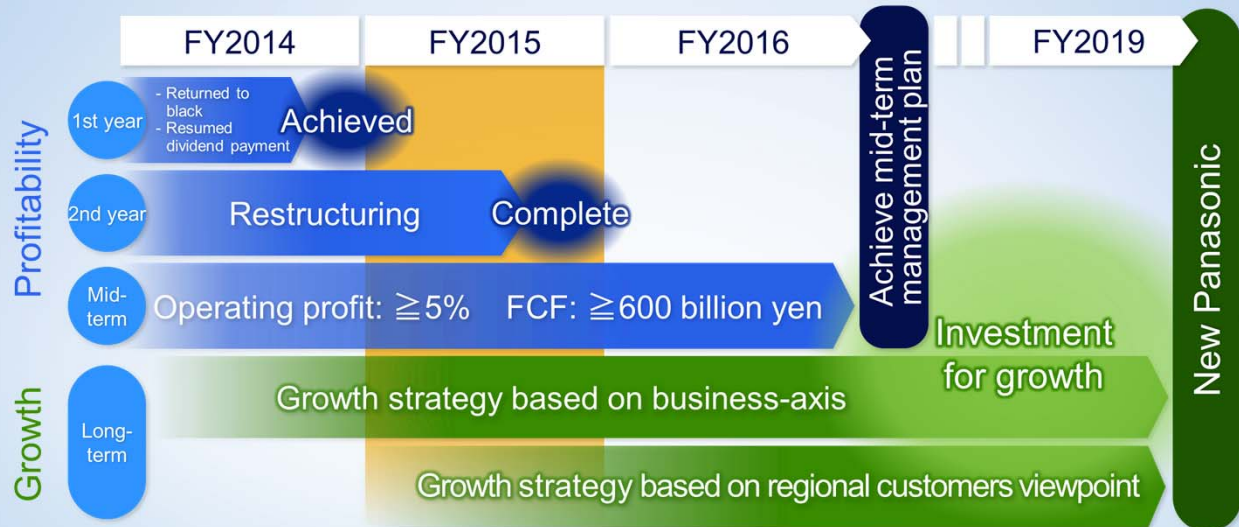
Set
direction
to take

- Growth strategy from customers viewpoint

On track
to achieve

FY2015 Initiatives

FY2015 towards FY2019



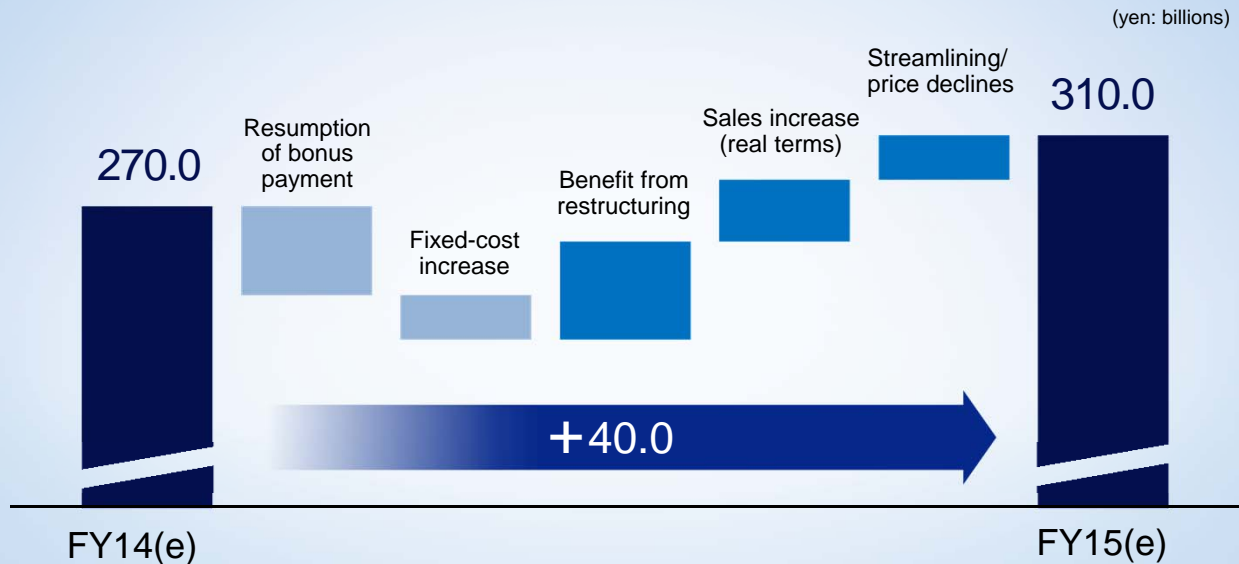
- Each Business Division achieves mid-term management plan
- Prepare for growth in future

FY2015 Financial Target

(yen: billions)	FY14(e)	FY15(e)	
Sales	7,400.0	7,750.0	
Operating profit (%)	270.0 (3.6%)	310.0 (4.0%)	FY16(e) ≥ 350.0 billion yen $\geq 5.0\%$

Towards achievement of midterm management plan

FY2015 Operating Profit



FY2015 Operating Profit by Segment

Appliances	OP ↑	Profitability to improve in unprofitable businesses such as air conditioners and TVs
Eco Solutions	OP ↓	To be affected by demand decline in housing-related business after consumption tax hike in Japan
AVC Networks	OP ↑	To improve due to stable solution business and benefits from restructuring in unprofitable businesses
Automotive & Industrial Systems	OP ↑	To improve due to sales increase by injecting more resources to auto-related business and benefits from restructuring reform in unprofitable businesses

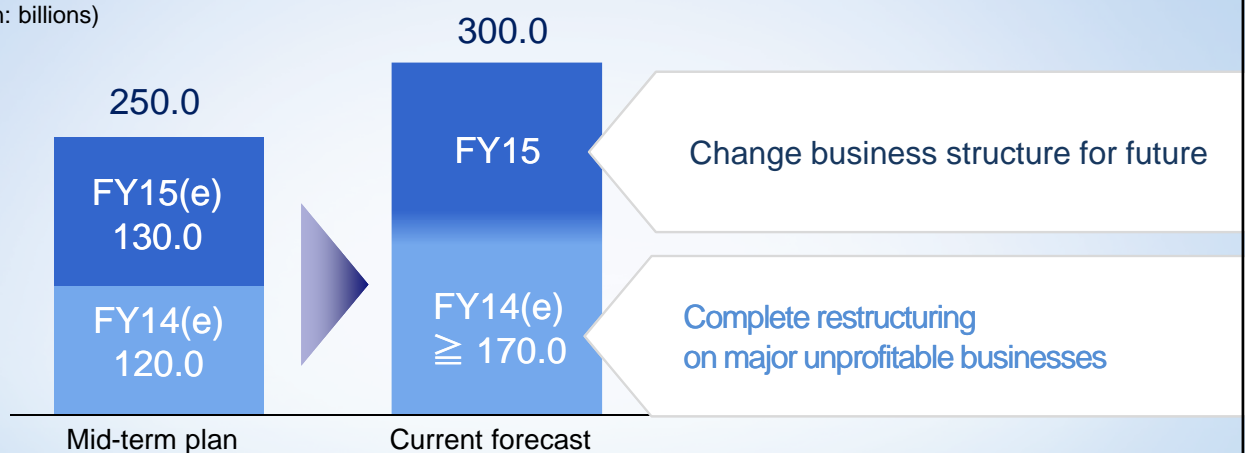
Measures to take in FY2015

Complete business restructuring

Realize growth strategy

Business Restructuring

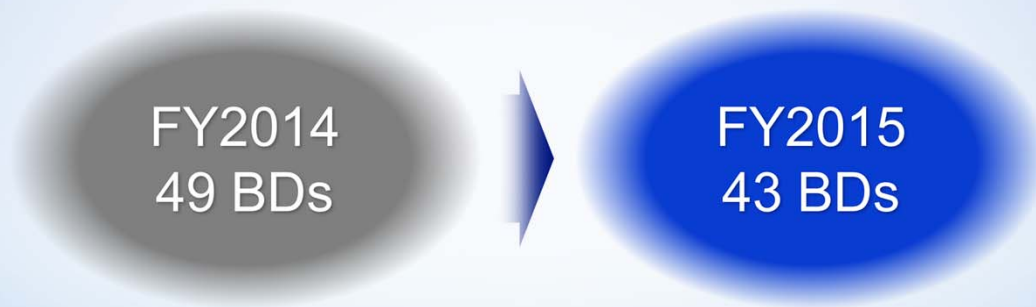
(yen: billions)



Complete within 2 years

Introduced Business Division Systems in 2013

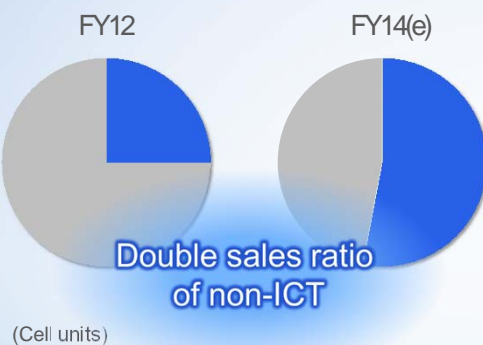
- Further develop competitive Business Divisions
- Integrate or eliminate Business Divisions unable to draw future growth



Business Divisions continue to change and evolve

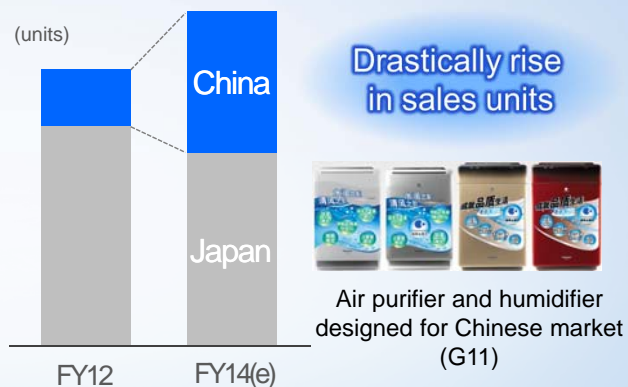
Shift into New Business Areas

Lithium-ion battery



Gain customer trust with durability and high capacity

Air purifier



Localize R&D, manufacturing and sales, and launch new products

Measures to Take in FY2015

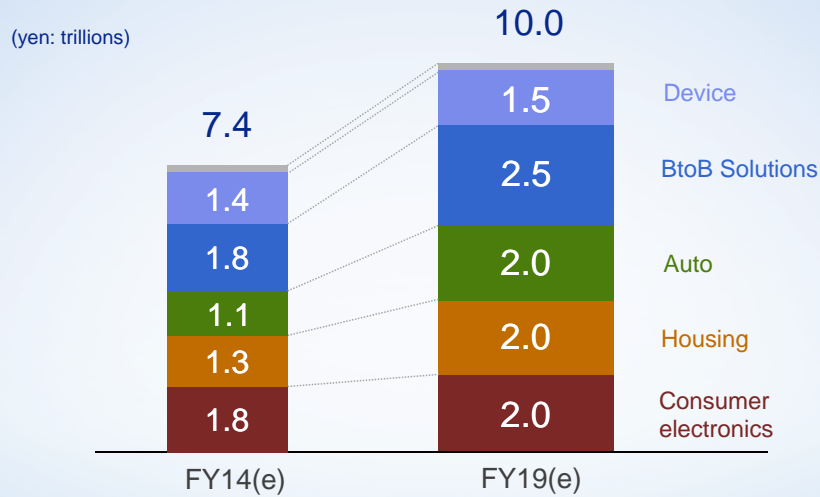
Complete business restructuring

Realize growth strategy

What Panasonic aims to offer A Better Life, A Better World



Towards FY2019



Sales growth with profitability in each business area

Consumer Electronics
2 trillion yen sales

Integrate Consumer Business

AP AVC
ES AIS

Before

Excessively focused on product features
Lack of innovation

Followed competitors

Overly emphasized Japanese market

⋮

Current AP

- Accommodate to regions with life-style research
- Integrate mechanical and electronic technology

New AP

Consumer electronics business
in AVC Networks

- Develop into the world
- Develop advanced digital communication technology

TV, audio, BD recorder, accessory
Overseas Consumer Marketing Division

Integrate advantages for new consumer electronics business

Housing
2 trillion yen sales

Expand Basic Business

AP	AVC
ES	AIS

Expand into domestic housing improvement market

- Strengthen customer relationship with renewal of showrooms
- Expand product lineup



Focus on overseas market

- Increase business in AC&I and Turkey

ASEAN

Take advantage of sales channels

China

Accelerate accommodation to regions

India

Accelerate growth

Turkey

Establish business as a new strategic area

Accelerate development of products and services in Japan and overseas

Auto
2 trillion yen sales

Computerization and Electrification

AP	AVC
ES	AIS

Expand battery business

- Continuously receiving new orders
- New facility plan under review



Li-ion battery

NiMH energy recovery system

Expand next-gen cockpit business

- Differentiate by AV&IT technology from pure auto players



Cockpit system

Responsible for 'comfort and security', 'safety' and 'environmental conservation'

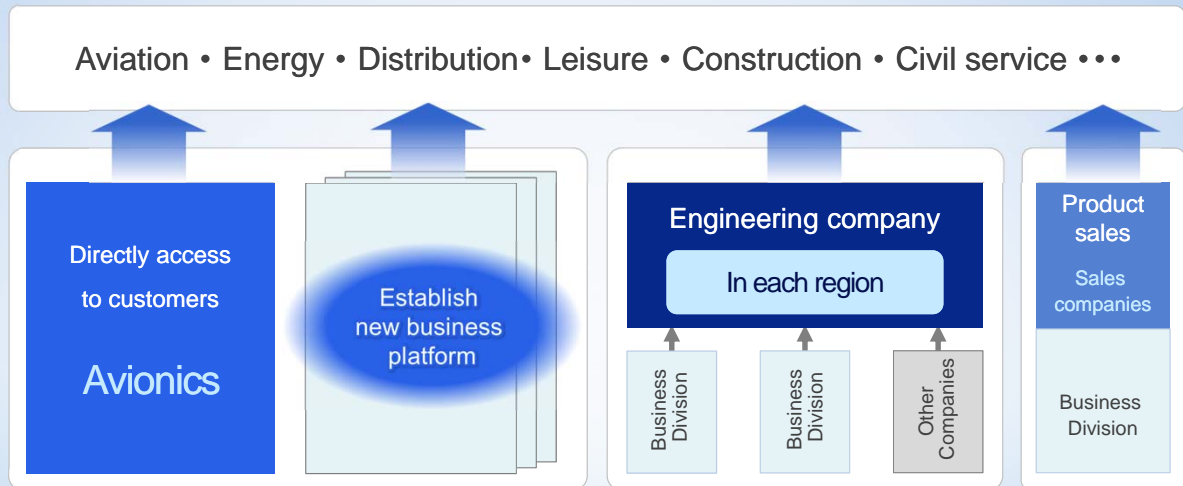
BtoB Solutions
2.5 trillion yen sales

Access to Major Customers



Business frames

Customers



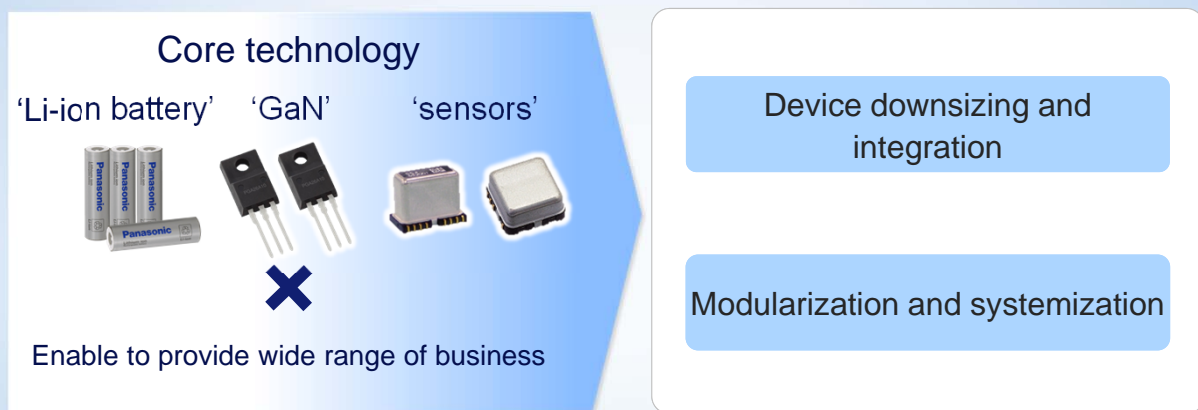
- Focus on industry
- Strengthen engineering technology

Device
1.5 trillion yen sales

Develop into Industrial Market

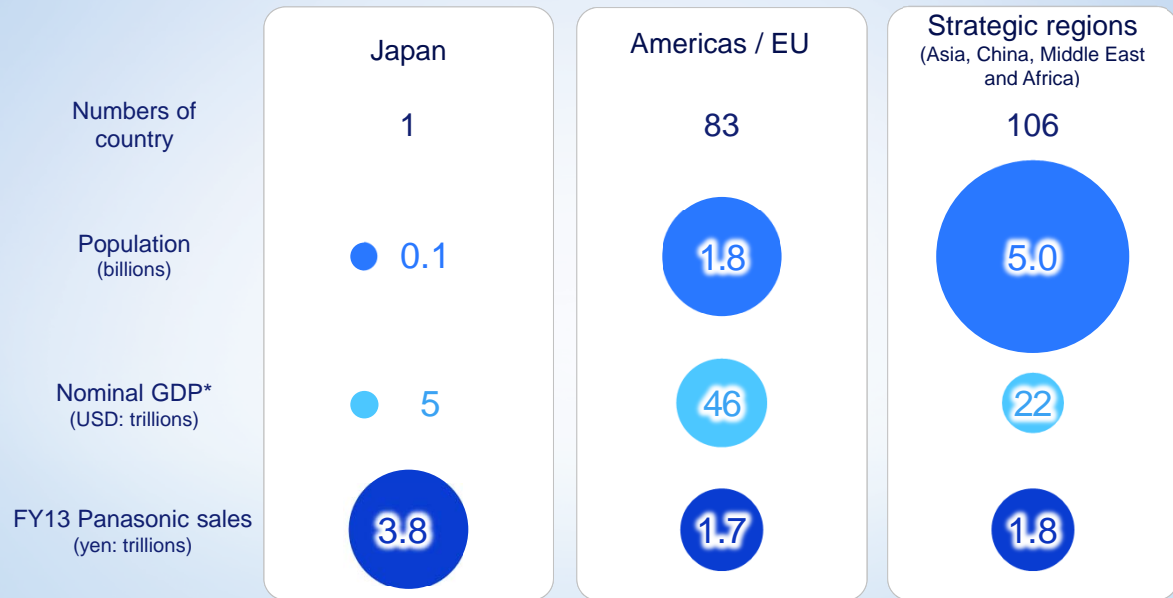
(excluding automotive application)

Shift focus from ICT to industrial areas



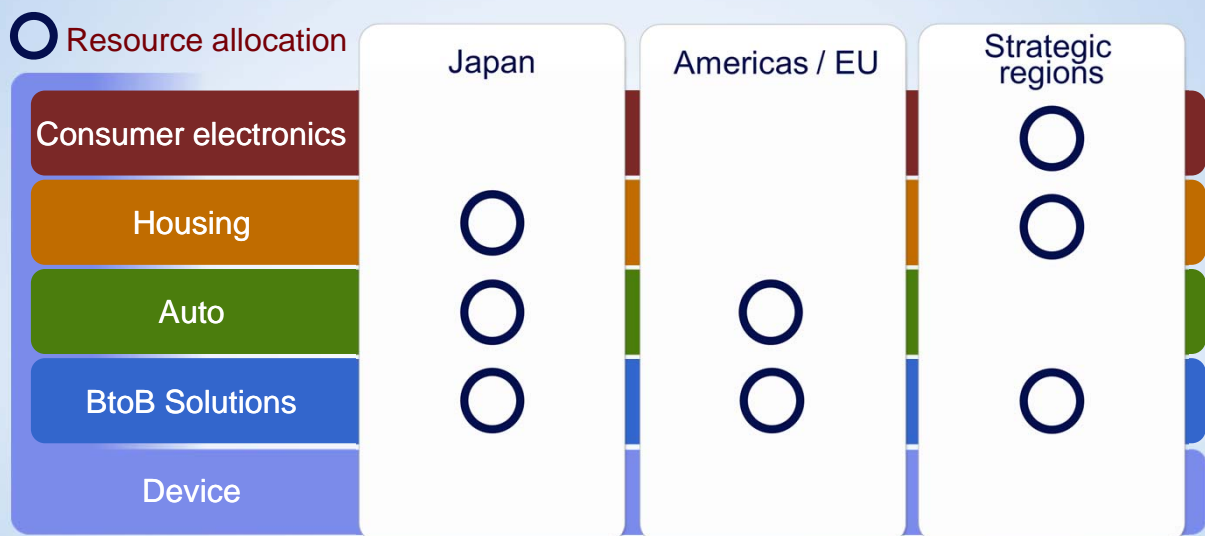
Expand industrial sales with core of energy business

Think from Regions



*Source: IMF estimates, 2013

5 Business Areas X 3 Global Regions



Drastically shift resources

Achieve Overseas Growth

Set up 'Strategic Regions Business Promotion Division' as of April 1

Delegate authority to executive vice president Yoshihiko Yamada,
stationed in Delhi, India

Create new business opportunity
Establish fully functioning structure

Post Japan focus strategy

No Success without growth

Panasonic

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(Reference)

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Segments and Business Divisions

Appliances

Air-conditioner BD
Refrigeration and Air-Conditioning Devices BD
Refrigerator BD
Cold Chain BD
Laundry Systems and Vacuum Cleaner BD
Kitchen Appliances BD
Beauty and Living BD
Home Entertainment BD
Motor BD
Smart Energy System BD

Eco Solutions

Lighting BD
Energy Systems BD
Housing Systems BD
Panasonic Ecology Systems Co., Ltd.

AVC Networks

Imaging Network BD
Storage BD
Visual Systems BD
Avionics BD
IT Products BD
Security Systems BD
Communication Products BD
Office Products BD
Infrastructure Systems BD
System Solutions Company (Japan)
Panasonic Liquid Crystal Display Co., Ltd.

Other

PanaHome Corporation
System LSI BD

Automotive & Industrial Systems

Automotive Infotainment Systems BD
Automotive Electronics BD
Energy Device BD
Panasonic Storage Battery Co., Ltd.
Portable Rechargeable Battery BD
Automotive Battery BD
Capacitor BD
Circuit Components BD
Electromechanical Components BD
Electronic Materials BD
Automation Controls BD
Semiconductor BD
Panasonic Precision Devices Co., Ltd.
Panasonic Factory Solutions Co., Ltd.
Panasonic Welding Systems Co., Ltd.
Panasonic Cycle Technology Co., Ltd.

BD : Business Division

As of April 1, 2014