

FY2015 Business Policy

March 27, 2014

Panasonic Corporation

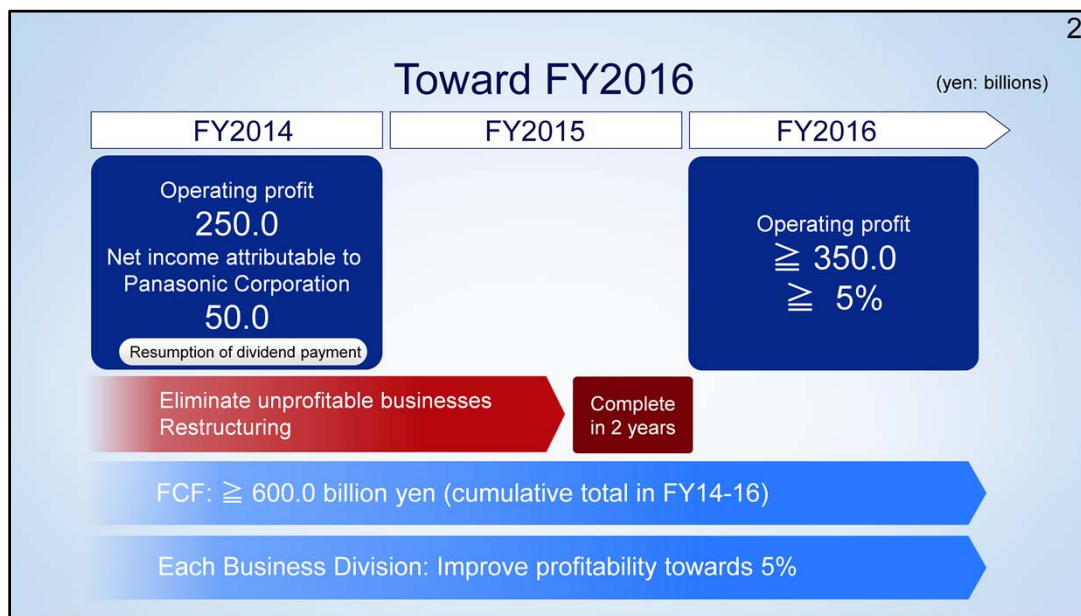
Notes: 1. This is an English translation from the original presentation in Japanese.
2. In this presentation, "fiscal 2015" or "FY2015" refers to the year ending March 31, 2015.

This presentation outlines FY2015 business policy.

FY2014 Achievements and Current Issues

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:

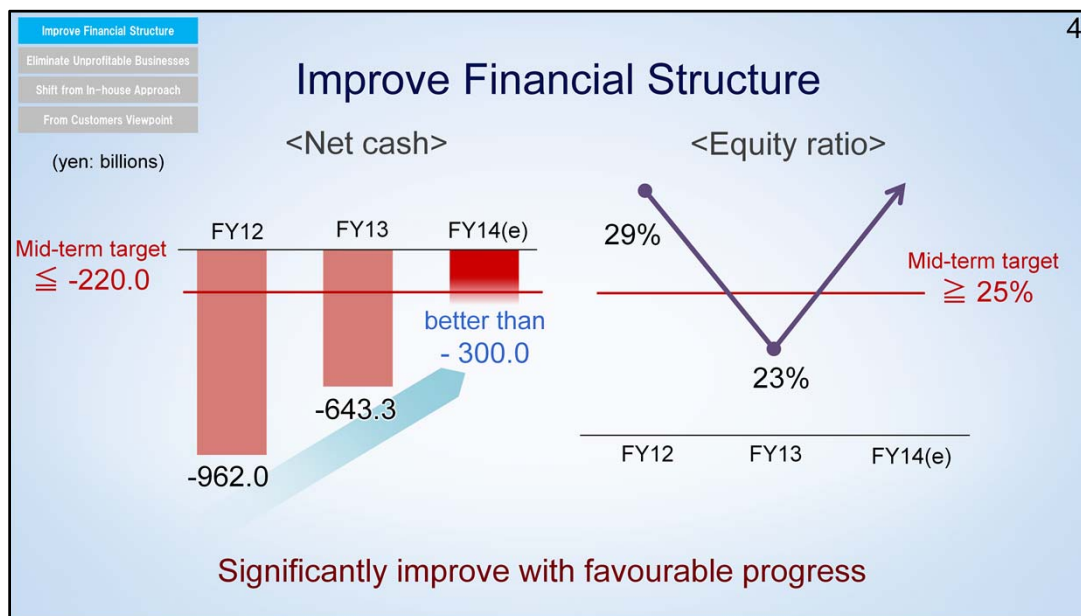
- operating profit: more than 250 billion yen
- net income attributable to Panasonic Corporation:
more than 50 billion yen to resume dividend payment.

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

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.

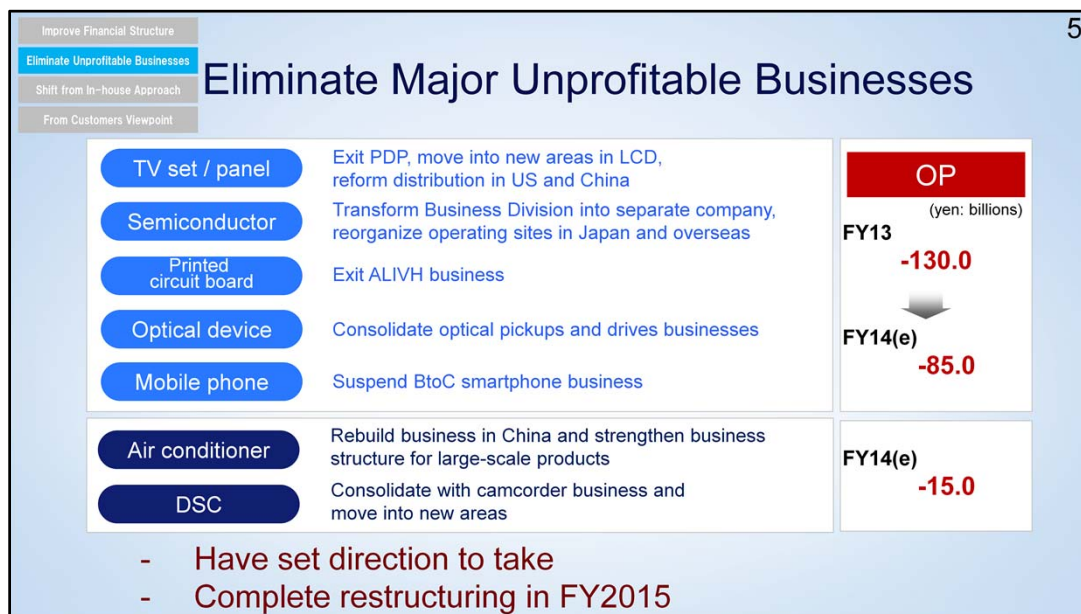


I would like to explain the progress of our mid-term management plan based on four major measures.

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.

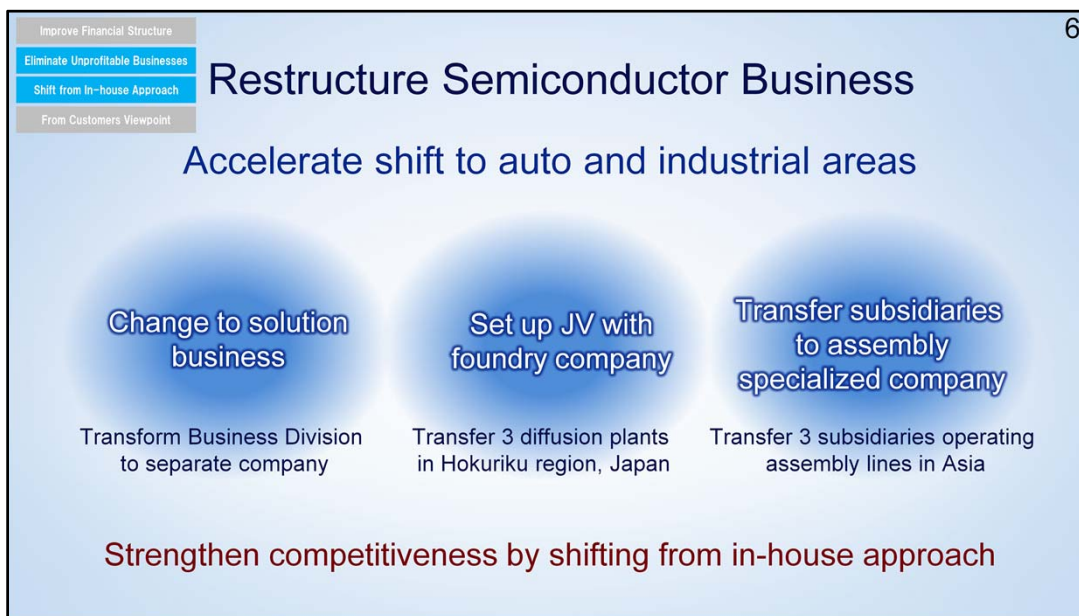


Second, to eliminate unprofitable businesses.

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.

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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

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.

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

This chart summarizes what we have done in FY2014.

FY2015 Initiatives

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 Target

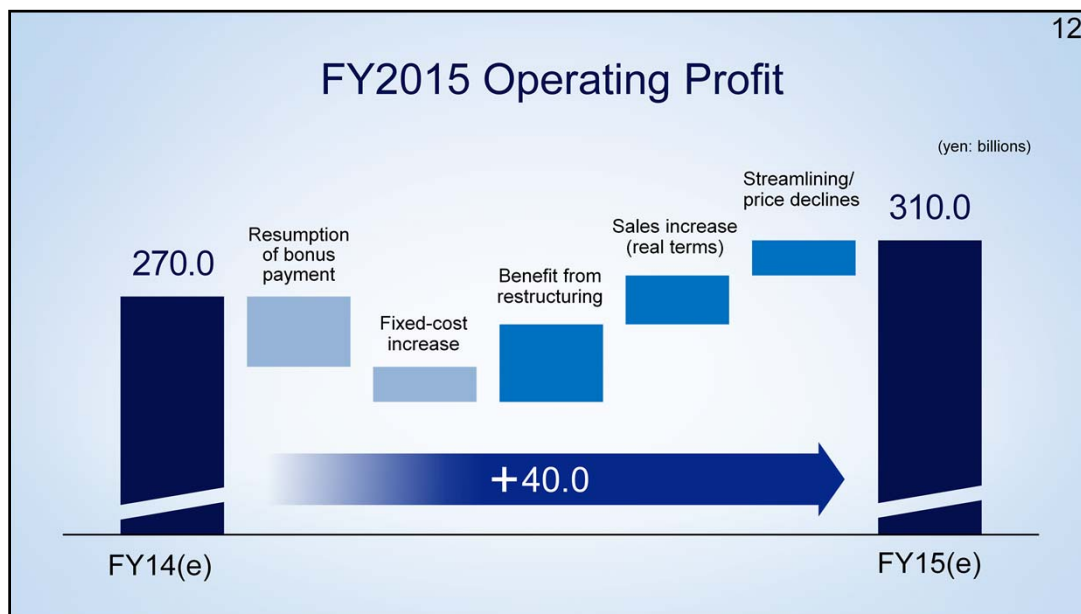
(yen: billions)	FY14(e)	FY15(e)	
Sales	7,400.0	7,750.0	
Operating profit (%)	270.0 (3.6%)	310.0 (4.0%)	FY16(e) ≥ 350.0 billion yen ≥ 5.0%

Towards achievement of midterm management plan

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.

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

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.

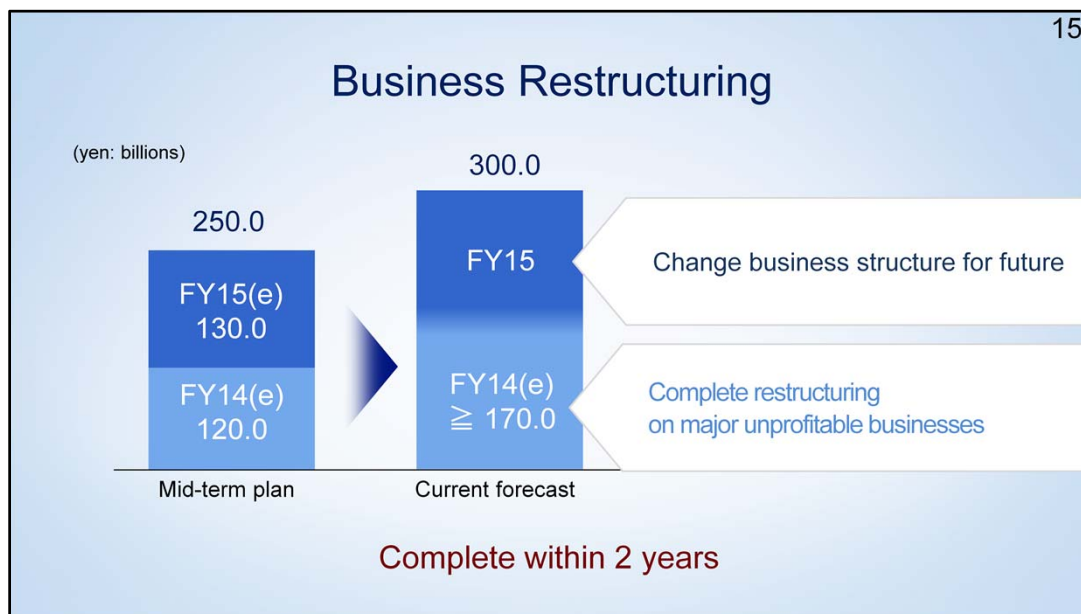
Measures to take in FY2015

Complete business restructuring

Realize growth strategy

We have two things to complete in FY2015:

1. Complete business restructuring
2. Realize growth strategy



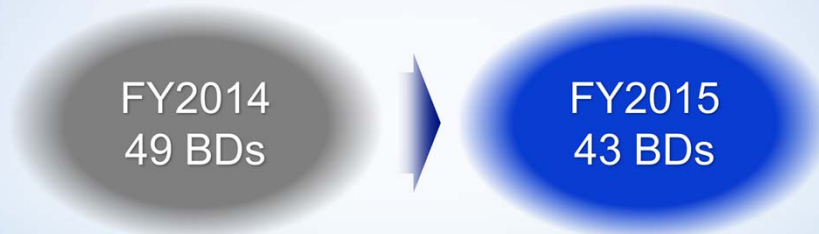
In FY2014, we have taken every measure to complete restructuring on our major unprofitable businesses.

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.

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

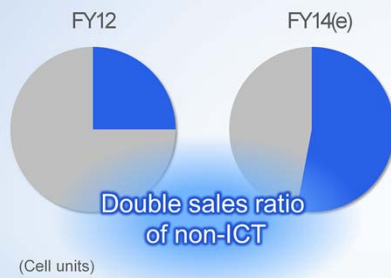
It has been a year since we introduced Business Division systems as a foundation of management to increase profitability without delay of restructuring.

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.

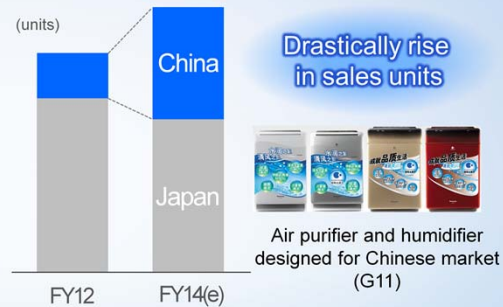
Shift into New Business Areas

Lithium-ion battery



Gain customer trust with durability and high capacity

Air purifier



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

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.

Measures to Take in FY2015

Complete business restructuring

Realize growth strategy

The second thing to complete is to realize growth strategy.

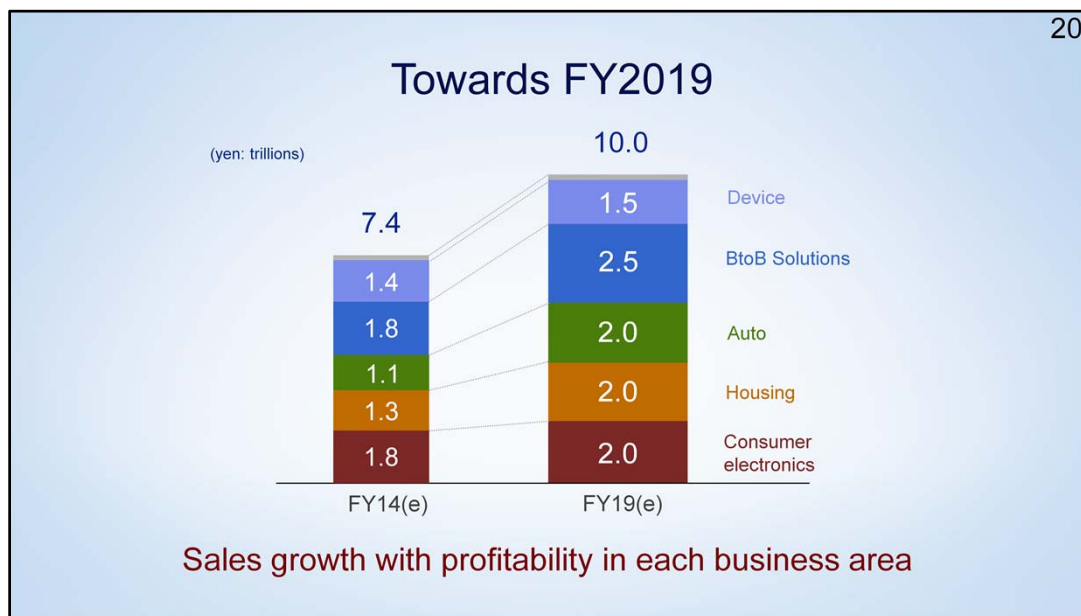
What Panasonic aims to offer

A Better Life, A Better World



This chart shows our future which we will pursue 'A Better Life, A Better World' for our customers, maximizing our 'DNA of consumer electronics.'

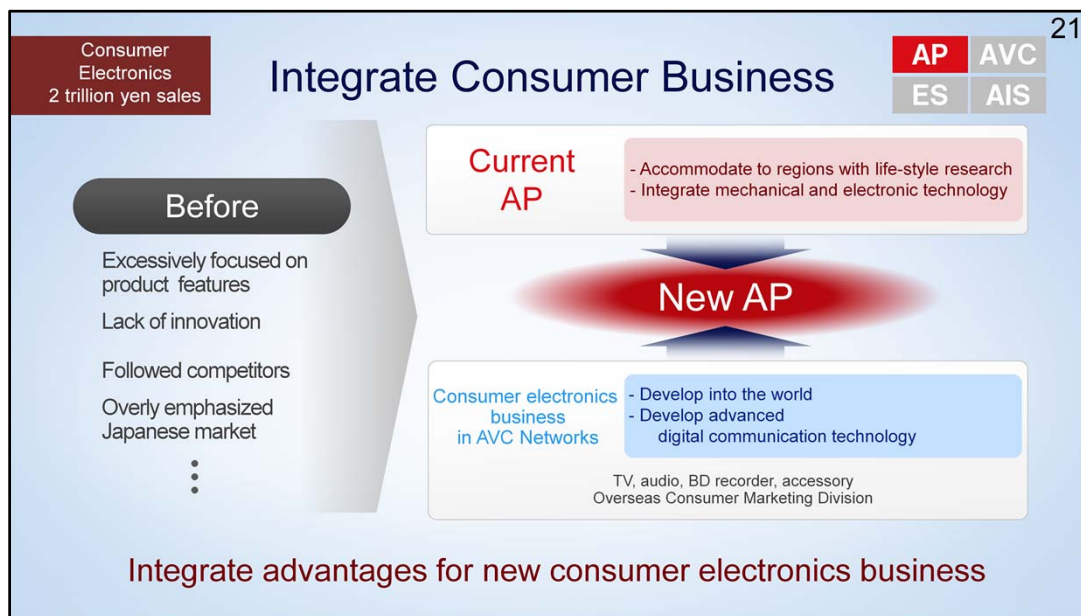
Towards our future, we will consider how and where we invest our resources and execute our plan.



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.

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Auto
2 trillion yen sales

Computerization and Electrification

AP


ES


AVC

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'

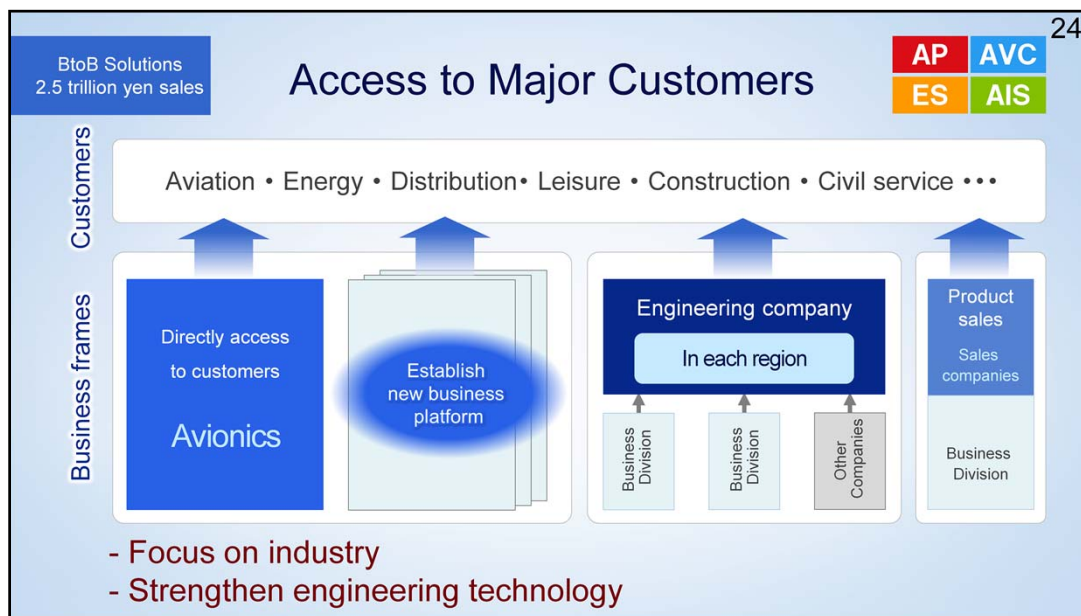
We will accelerate computerization and electrification in auto business.

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.



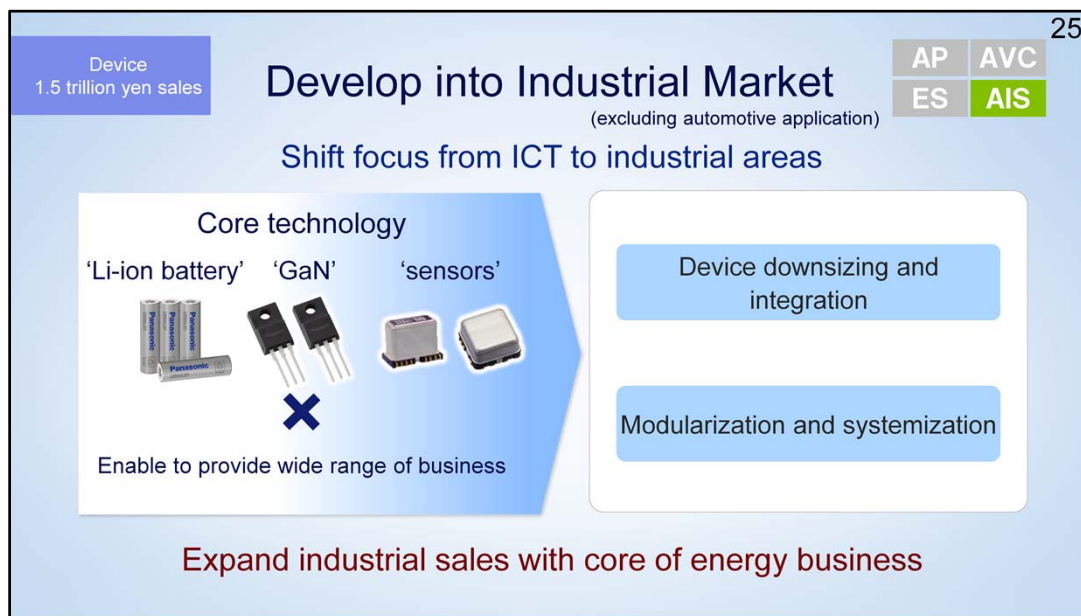
We will also target 2.5 trillion yen sales in FY2019 in BtoB Solutions.

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.

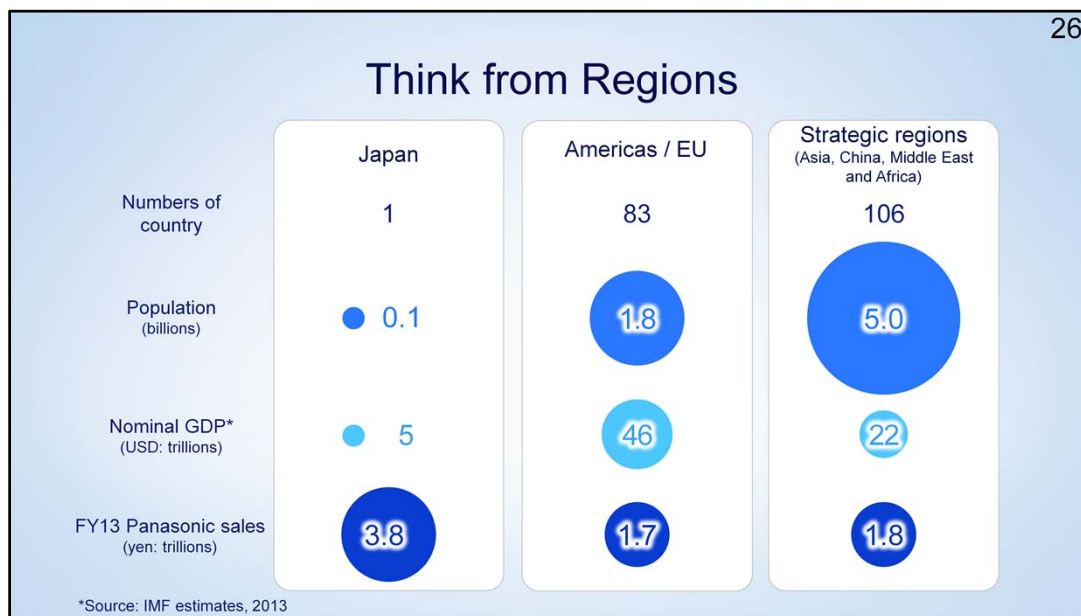


We will target 1.5 trillion yen sales in FY2019 in device business excluding automotive application.

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.

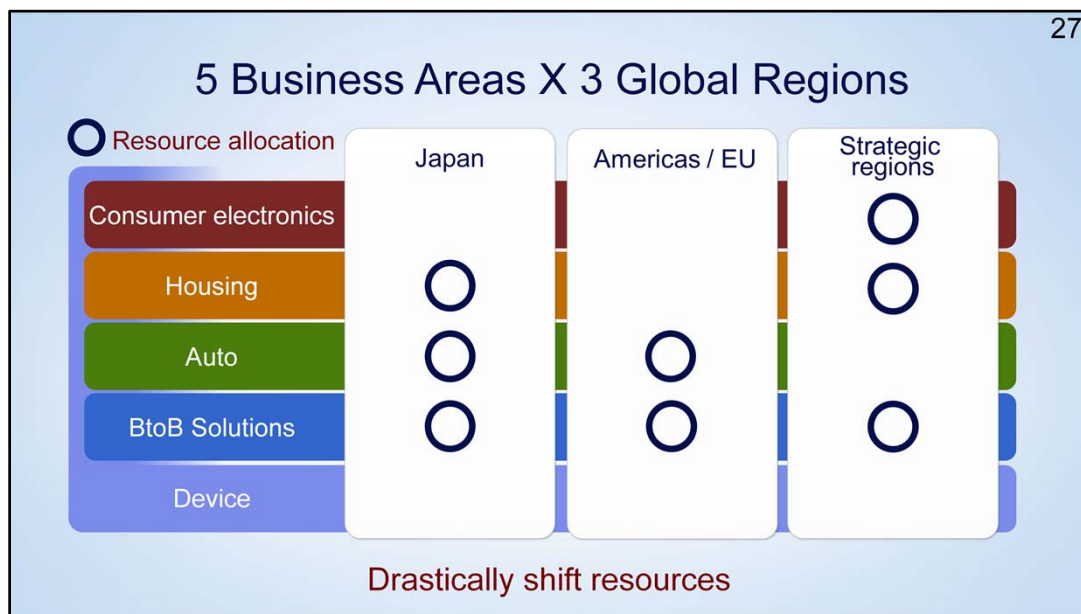
Therefore, we will shift our focus from ICT to industrial areas.

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.

Achieve Overseas Growth



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.

Disclaimer Regarding Forward-Looking Statements

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Segments and Business Divisions

Appliances	AVC Networks	Automotive & Industrial Systems
Air-conditioner BD	Imaging Network BD	Automotive Infotainment Systems BD
Refrigeration and Air-Conditioning Devices BD	Storage BD	Automotive Electronics BD
Refrigerator BD	Visual Systems BD	Energy Device BD
Cold Chain BD	Avionics BD	Panasonic Storage Battery Co., Ltd.
Laundry Systems and Vacuum Cleaner BD	IT Products BD	Portable Rechargeable Battery BD
Kitchen Appliances BD	Security Systems BD	Automotive Battery BD
Beauty and Living BD	Communication Products BD	Capacitor BD
Home Entertainment BD	Office Products BD	Circuit Components BD
Motor BD	Infrastructure Systems BD	Electromechanical Components BD
Smart Energy System BD	System Solutions Company (Japan)	Electronic Materials BD
	Panasonic Liquid Crystal Display Co., Ltd.	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.
Eco Solutions	Other	
Lighting BD	PanaHome Corporation	
Energy Systems BD	System LSI BD	
Housing Systems BD		
Panasonic Ecology Systems Co., Ltd.		

BD : Business Division

As of April 1, 2014