

# **FY2016 Business Policy**

**March 26, 2015**  
**Panasonic Corporation**

Notes: 1. This is an English translation from the original presentation in Japanese.  
2. In this presentation, "fiscal 2016" or "FY2016" refers to the year ending March 31, 2016.

# **FY2015**

## FY2015 Forecast

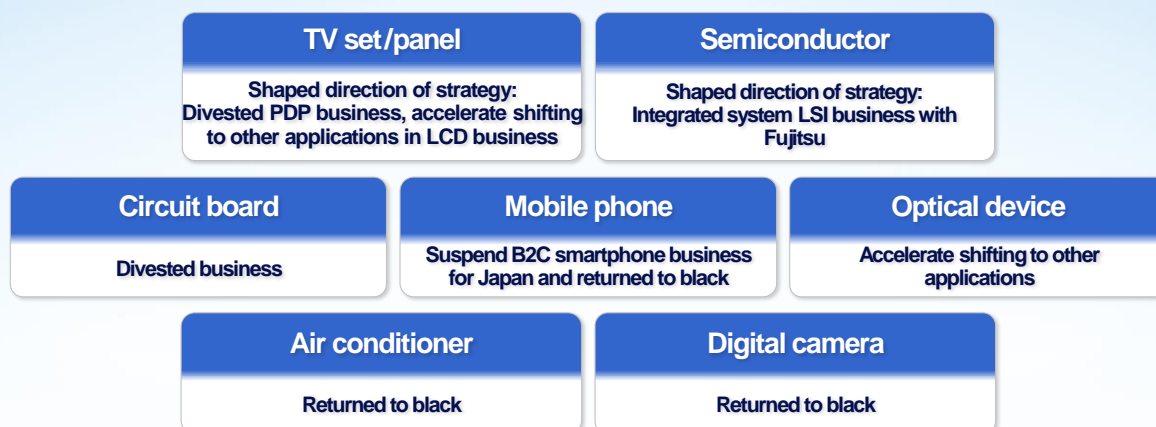
Expect to accomplish target in CV2015 one year ahead of schedule.  
Plan to achieve OPM target in FY2016.

(Yen: billions)	FY15 (e) (as of Oct. 31, 2014)		CV2015	
		vs FY14		
Sales	7,750	+/-0%	-	-
Operating profit	350	+15%	≥350	○
(%)	4.5%	+0.6%	≥5.0%	△
Net income*	175	+45%	-	-
Cumulative FCF	2 year cumulative ≥800	-	3 year cumulative ≥600	○

\*Net income attributable to Panasonic Corporation

## Completed Business Restructuring

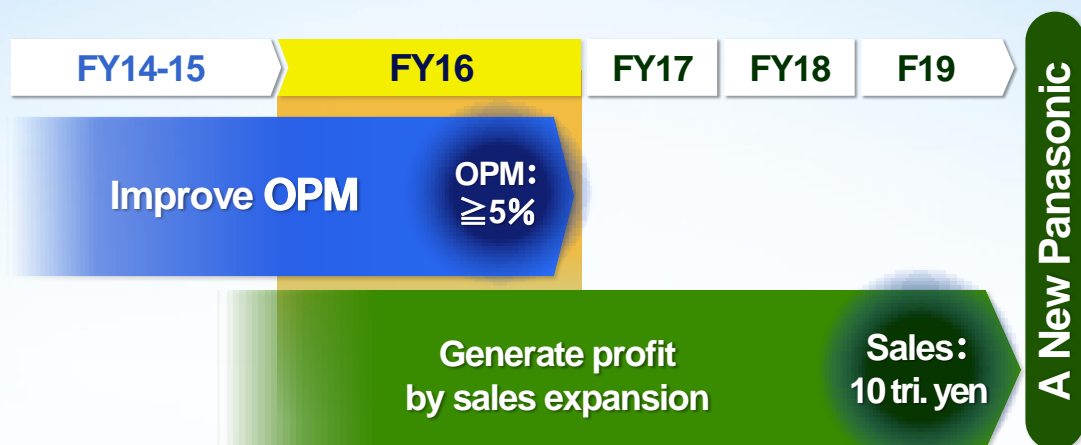
Completed major part of restructuring in unprofitable businesses



# FY2016 Business Strategy

## Towards FY2019

Advance to phase of sustainable growth



## FY2016 Financial Target

(Yen: billions)	FY15(e)	FY16(e)	vs FY15
Sales	7,750	8,000	+250
Operating profit (%)	350 (4.5%)	430 (5.4%)	+80

## Expand Sales and Improve Profitability in Large Scale Businesses

FY15: 6 large scale BDs\* with below 5% OPM

Air-Conditioner      Lighting      Housing Systems  
Automotive      Rechargeable Battery      PanaHome  
Infotainment Systems

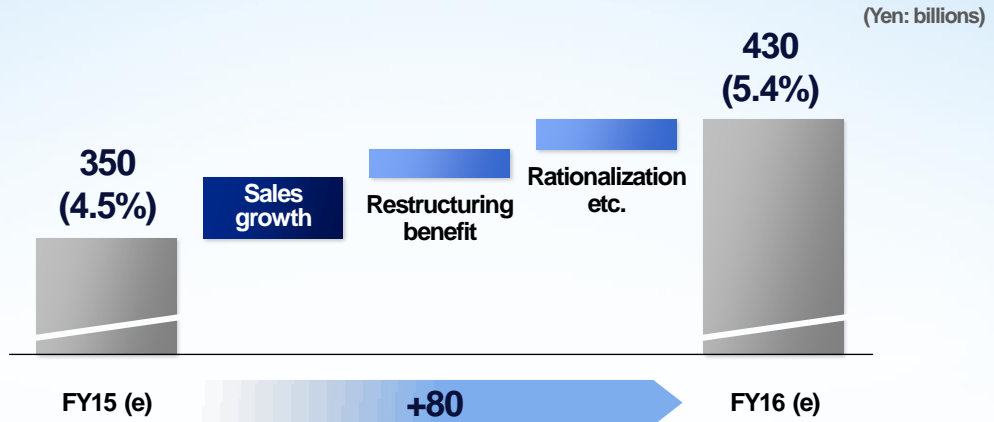
Sales: **+150 bil. yen** (vs FY15)

Operating Profit: **+39 bil. yen** (vs FY15)

\*BD stands for business division.

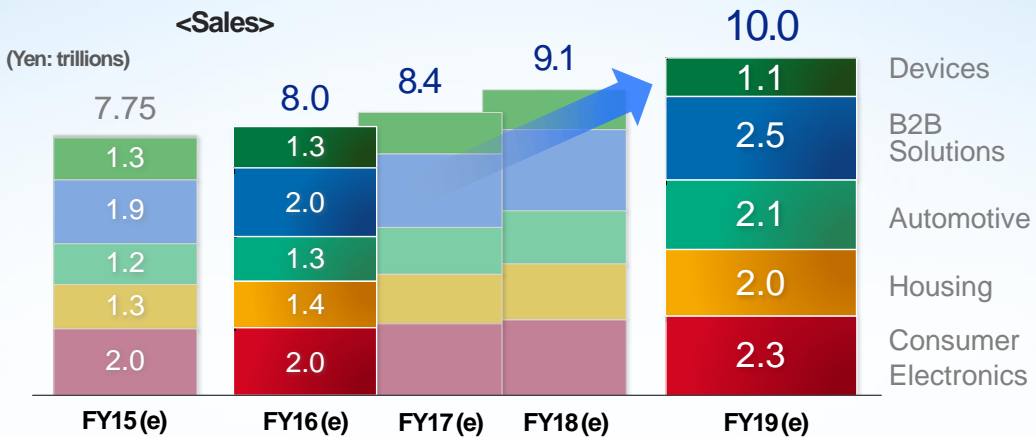
## Improve Operating Profit

Sales growth, a driver of profit improvement



## Towards FY2019

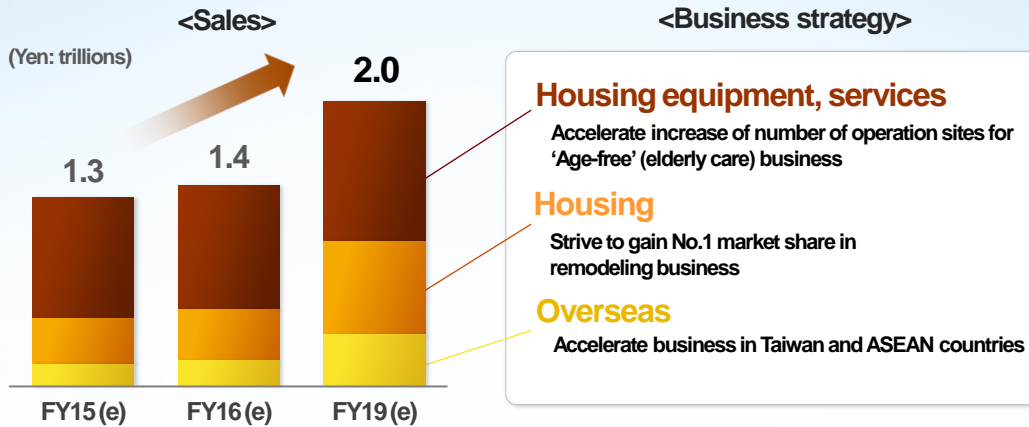
Make constant and steady progress



## Housing

# Housing Business

Business expansion in 'Age-free' (elderly care), remodeling, overseas



10

Panasonic Group FY2016 Business Policy

Panasonic

## Housing

# FY2016 Business Strategy

### 'Age-free' (elderly care)

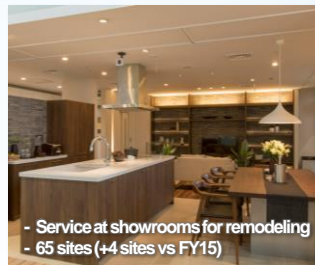
Expand elderly care service with temporary stay at facility  
(+30 operating sites in Japan, vs FY15)



Sales in FY19: 100 bil. yen (3 times vs FY15)

### Remodeling

Strengthen marketing by increasing number of showrooms,  
integrate prime contractor capability



Sales in FY19: 580 bil. yen (1.7 times vs FY15)

'Refine', wholly owned retailer  
by ES\*

Integration  
in April 2015

PanaHome Reform Co., Ltd.

ReVALUED  
by Panasonic

\*ES stands for Eco Solutions

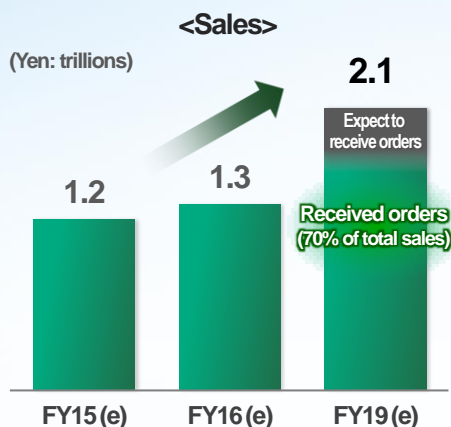
11

Panasonic Group FY2016 Business Policy

Panasonic

# FY2016 Business Strategy

Make steady progress towards 2.1 tri. yen sales in FY19



## <Business strategy>

### Comfort

Develop new products, expand sales channels

### Safety

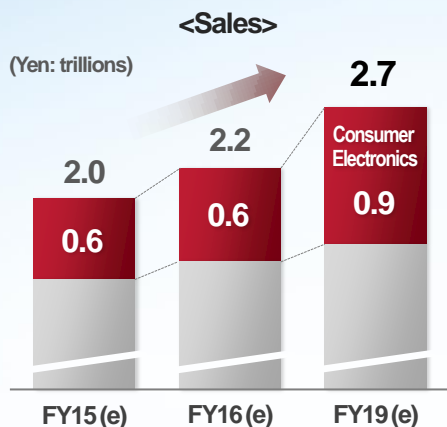
Invest on ADAS business

### Environment

Expand competitive battery business

# Expand Business in Strategic Regions

Locally integrate R&D, production and sales to accelerate business growth



## <Business strategy>

### AP\* Asia (from April 2015)

- Establish prestigious brand, 'Japan Premium'
- Expand business in target market

### AP\* China (from April 2015)

- Capture demand in wealthy class with premium products

\*AP stands for Appliances.

# 10 Trillion yen Sales Target in FY2019

## <Sales>

(Yen: trillions,  
% vs FY15)

	Japan	Americas/EU	Strategic Regions	Total
Consumer Electronics	1.0 (+3%)	0.4 (-8%)	0.9 (+60%)	2.3 (+16%)
Housing	1.6 (+38%)	0.1 (+329%)	0.3 (+125%)	2.0 (+51%)
Automotive	0.7 (+37%)	1.1 (+107%)	0.3 (+59%)	2.1 (+69%)
B2B Solutions	1.2 (+24%)	0.8 (+32%)	0.5 (+63%)	2.5 (+33%)
Devices	0.2 (-33%)	0.2 (+/-0%)	0.7 (-7%)	1.1 (-12%)

14

Panasonic Group FY2016 Business Policy

Panasonic

## B2B Solutions Business

Yasuji Enokido, newly appointed President of AVC Networks Company, will work based in the U.S. from April 2015

Be more  
globalized

Face customers in largest market  
in the world to create more business

15

Panasonic Group FY2016 Business Policy

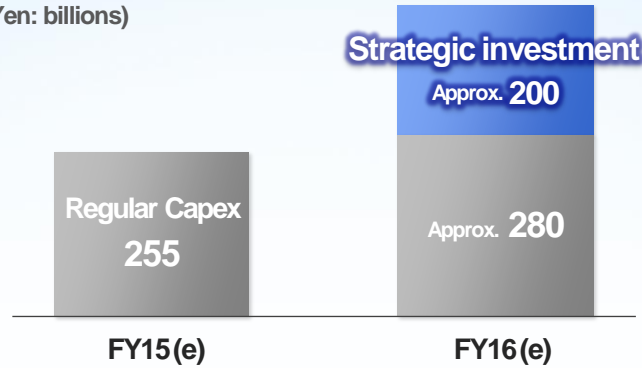
Panasonic



# Investment Strategy

Strategically spend 1 trillion yen towards FY2019

(Yen: billions)



# Panasonic

### Disclaimer Regarding Forward-Looking Statements

This presentation includes forward-looking statements (that include those within the meaning of Section 21E of the U.S. Securities Exchange Act of 1934) about Panasonic and its Group companies (the Panasonic Group). To the extent that statements in this presentation do not relate to historical or current facts, they constitute forward-looking statements. These forward-looking statements are based on the current assumptions and beliefs of the Panasonic Group in light of the information currently available to it, and involve known and unknown risks, uncertainties and other factors. Such risks, uncertainties and other factors may cause the Panasonic Group's actual results, performance, achievements or financial position to be materially different from any future results, performance, achievements or financial position expressed or implied by these forward-looking statements. Panasonic undertakes no obligation to publicly update any forward-looking statements after the date of this presentation. Investors are advised to consult any further disclosures by Panasonic in its subsequent filings under the Financial Instrument and Exchange Act of Japan (the FIEA) and other publicly disclosed documents.

The risks, uncertainties and other factors referred to above include, but are not limited to, economic conditions, particularly consumer spending and corporate capital expenditures in the Americas, Europe, Japan, China and other Asian countries; volatility in demand for electronic equipment and components from business and industrial customers, as well as consumers in many product and geographical markets; the possibility that excessive currency rate fluctuations of the U.S. dollar, the euro, the Chinese yuan and other currencies against the yen may adversely affect costs and prices of Panasonic's products and services and certain other transactions that are denominated in these foreign currencies; the possibility of the Panasonic Group incurring additional costs of raising funds, because of changes in the fund raising environment; the possibility of the Panasonic Group not being able to respond to rapid technological changes and changing consumer preferences with timely and cost-effective introductions of new products in markets that are highly competitive in terms of both price and technology; the possibility of not achieving expected results on the alliances or mergers and acquisitions; the possibility of not being able to achieve its business objectives through joint ventures and other collaborative agreements with other companies, including due to the pressure of price reduction exceeding that which can be achieved by its effort and decrease in demand for products from business partners which Panasonic highly depends on in BtoB business areas; the possibility of the Panasonic Group not being able to maintain competitive strength in many product and geographical areas; the possibility of incurring expenses resulting from any defects in products or services of the Panasonic Group; the possibility that the Panasonic Group may face intellectual property infringement claims by third parties; current and potential, direct and indirect restrictions imposed by other countries over trade, manufacturing, labor and operations; fluctuations in market prices of securities and other assets in which the Panasonic Group has holdings or changes in valuation of long-lived assets, including property, plant and equipment and goodwill, deferred tax assets and uncertain tax positions; future changes or revisions to accounting policies or accounting rules; as well as natural disasters including earthquakes, prevalence of infectious diseases throughout the world, disruption of supply chain and other events that may negatively impact business activities of the Panasonic Group. The factors listed above are not all-inclusive and further information is contained in the most recent English translated version of Panasonic's securities reports under the FIEA and any other documents which are disclosed on its website.

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.

## (Reference) Segments and Business Divisions

### Appliances

Air-Conditioner Company  
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  
TV BD  
Panasonic Cycle Technology Co., Ltd.  
Smart Energy System BD

### 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)

### Automotive & Industrial Systems

Automotive Infotainment Systems BD  
Automotive Electronics Systems BD  
Rechargeable Battery BD  
Panasonic Storage Battery Co., Ltd.  
Energy Device BD  
Electromechanical Control BD  
Panasonic Semiconductor Solutions Co., Ltd.  
Device Solutions BD  
Electronic Materials BD  
Panasonic Liquid Crystal Display Co., Ltd.  
Smart Factory Solutions BD

### Eco Solutions

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

### Other

PanaHome Corporation

As of April 1, 2015