

Panasonic IR Day 2013

Appliances Company Midterm Plan

May 30, 2013

Panasonic Corporation
Appliances Company

President Kazunori Takami

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

2. In this presentation, "fiscal 2014" or "FY2014" refers to the year ending March 31, 2014.

2

Contents

1. Company Profile

2. Midterm Plan

and Key Initiatives

Overview of Appliances Company

[As of March 31, 2013]

3

Location : Kusatsu-city, Shiga, Japan

Sites : 56 sites

Employees : Approx. 42,000

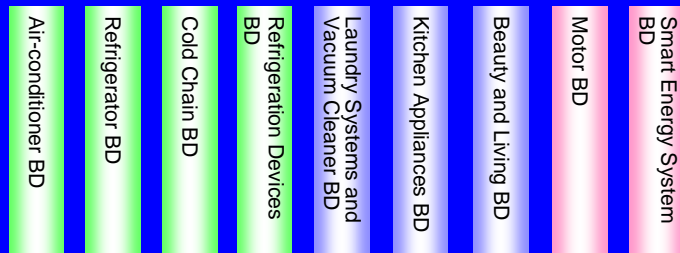
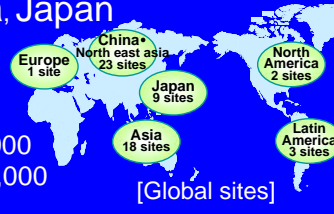
[Japan] Approx. 9,000

[Overseas] Approx. 33,000

Sales : 1,468.1 billion yen

(Production and sales consolidated)

[9 business divisions (BD)]



BD: Business Division

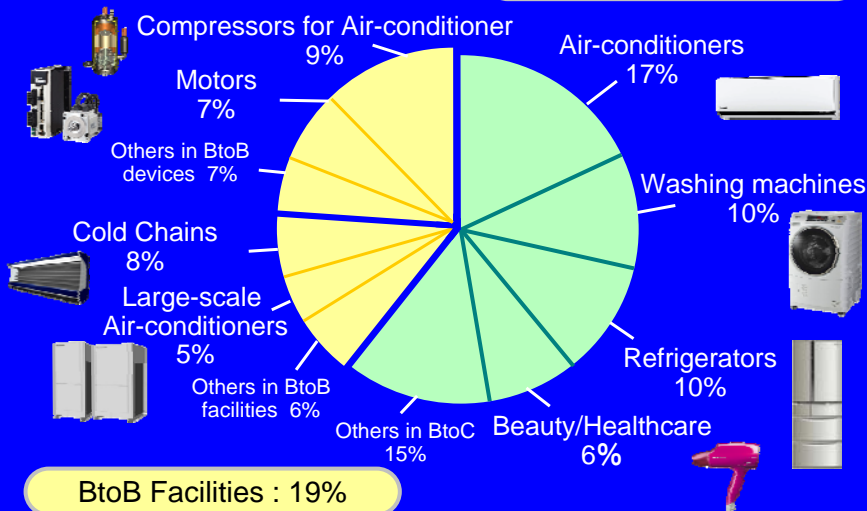
Wide Range of Business Category from BtoC to BtoB

[Sales composition by Product (FY2013)]

4

BtoB Devices : 23%

BtoC : 58%

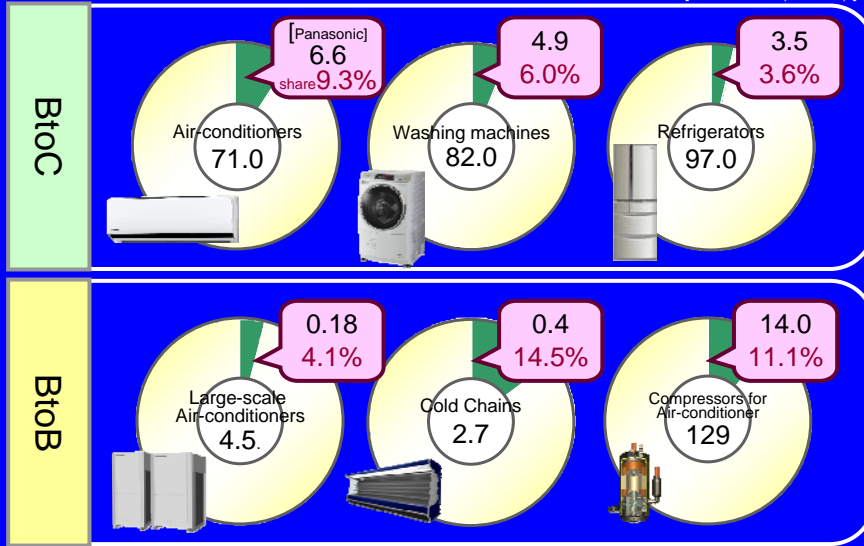


BtoB Facilities : 19%

* Sum of sales by product

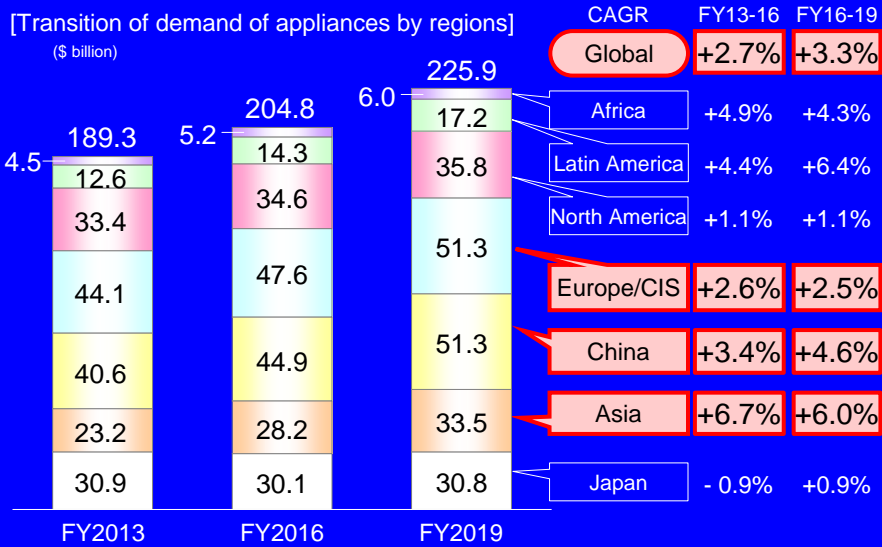
Expansion of market share is the potential of growth

[unit: millions (FY2013)]



* Note: Air-conditioners refer to room air-conditioners. Drying machines are excluded from washing machines.
 * Source: Statistics and reports from GIK, Euromonitor, JEMA, CMM, Bria and the Japan Refrigeration and The Air Conditioning Industry Association. Estimated by the AP Company

Steady growth in demand for appliances



*Note: CAGR stands for compound annual growth rate in three years indicated.
 *Source: Statistics and reports from GIK, Euromonitor, JEMA, CMM, Bria and the Japan Refrigeration and The Air Conditioning Industry Association. Estimated by the AP Company

Contents

1. Company Profile

2. Midterm Plan

and Key Initiatives

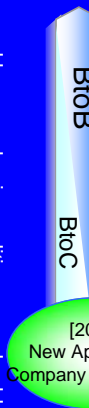
Appliances Company which creates customer value

FY2011 - 13
Establish foundation

FY2014 - 16
Expand business

FY2017 - 19
Completion towards Global No.1 company

Expand large-scale air conditioners and cold chain
Strengthen eco and energy business (fuel cells etc.)
Create black-box devices and establish as standard



Expand BtoB business

[2018]
Toward Global No.1
Appliances Company

Contribute to
"Comfort Living" and "Comfort Society"
by wider business area world wide

Expand business in
emerging countries

Regional Company

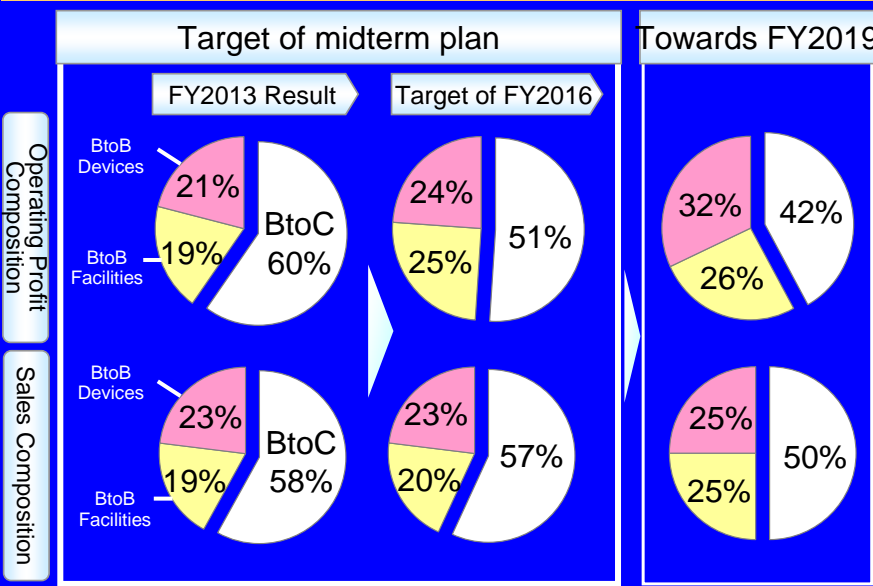
Global Company

Strengthen foundation in Japan/ China/ Asia/ Europe

Expand local business in India/ Brazil/ Vietnam

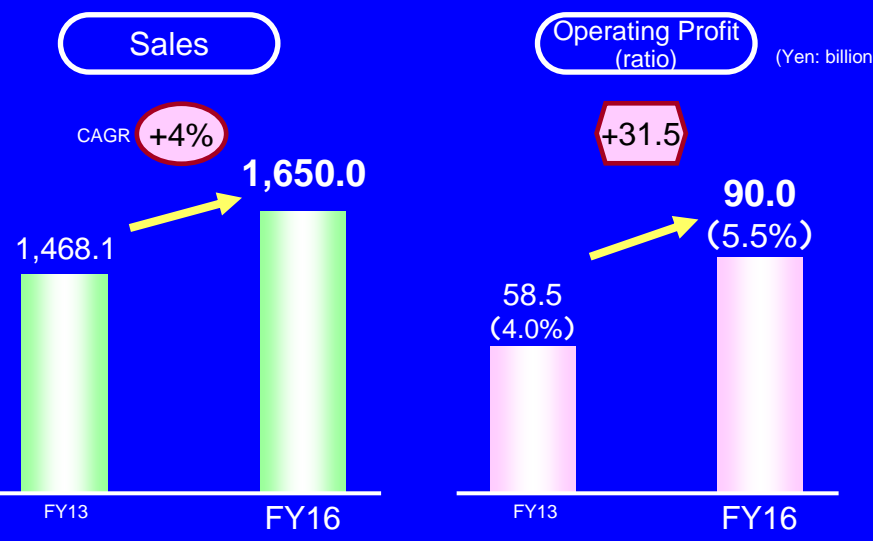
Strengthen business in Russia. Explore opportunity in Africa

Transform profit structure for the target



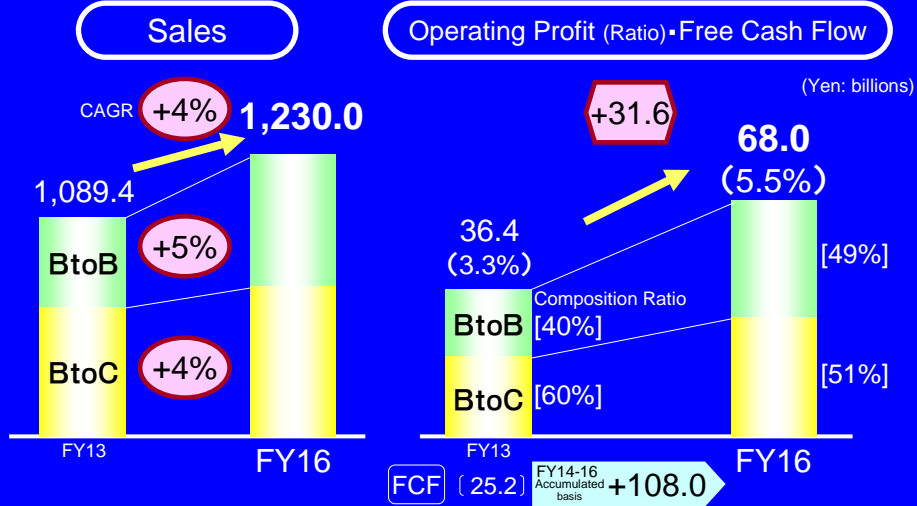
Midterm Plan

[Based on production and sales consolidated]



Midterm Plan

Mainly by BtoB, CAGR +4% in sales [Based on company shipment]
 and +30.0 billion yen in operating profit



Positioning of each business and key initiatives

BtoC	<p>Establish stable profitability as a pillar business</p> <p>Strengthen and expand by centering value-added products and promote regional strategy by setting the key markets</p>
BtoB Facilities	<p>Establish foundation of high profitable business in mid-to-long-term</p> <p>Strengthen model lineup and sales-service structure Accelerate business expansion in overseas</p>
BtoB Devices	<p>Improve profitability by business strategy transformation</p> <p>Expand external sales Strengthen high profitable area Expand business in overseas</p>

BtoC: Strengthen and expand by value-added products 1

Target Marketing to upper-middle and high income class in emerging countries

Room Air-conditioners	<p>CAGR +7% (Yen: billions)</p> <p>[Sales]</p> <p>FY13: 190.0 FY16: 230.0</p>	<ul style="list-style-type: none"> Expand inverter model and locally-tailored products [sales composition ratio of inverter model (overseas)] +7% (FY13→16) Strengthen sales & marketing structure in China and Asia 	Global expansion of Econavi
Refrigerators	<p>CAGR +8% (Yen: billions)</p> <p>[Sales]</p> <p>FY13: 110.0 FY16: 140.0</p>	<ul style="list-style-type: none"> Expand sales of multi-doors and large capacity models [sales composition ratio of more than 3 doors, indirect refrigeration (China)] +12% (FY13→16) Strengthen products (Econavi & Inverter) 	
Washing Machines	<p>CAGR +6% (Yen: billions)</p> <p>[Sales]</p> <p>FY13: 120.0 FY16: 140.0</p>	<ul style="list-style-type: none"> Expand large capacity models and strengthen original washing technology [sales composition ratio of over 7kg (China)] +13% (FY13→16) Expand model lineups manufactured in new factories (India, Vietnam, Brazil) 	

BtoC: Strengthen and expand by value-added products 2

Global promotion of product group and strengthening of products competitiveness

Beauty	<p>CAGR +4% (Yen: billions)</p> <p>[Sales]</p> <p>FY13: 54.0 FY16: 60.0</p>	<ul style="list-style-type: none"> Full launch in Europe/ North America and global expansion of beauty products Enhance brand by product group promotion of nanocare Accelerate global promotion of products for men Correspond to different hair type by advanced technology of blades 	
Small Cooking Appliances	<p>CAGR +4% (Yen: billions)</p> <p>[Sales]</p> <p>FY13: 51.0 FY16: 58.0</p>	<ul style="list-style-type: none"> Strengthen Panasonic & SANYO synergy products Effectively reflect research on rice to product development Expansion of "designed in Europe" cooking products to other regions Address North America following Europe, Middle East, and Asia 	

BtoC: Strengthen and expand by value-added products 3

Promote regional strategy by setting China, Asia, and Europe as key markets

Role	Region	Basic Strategy	FY2013-16 Sales CAGR
Profitability and growth	China	<ul style="list-style-type: none"> Strengthen Econavi lineup and promote beauty/ small cooking appliances as groups of products Expand sales channel in unexplored area (Air-conditioner : Eastern China, Washing machine: County/ Township market in northern, mid, & western area) 	16%
	Asia	<ul style="list-style-type: none"> Expand business in India, Indonesia, and Vietnam (Sales increase in 3 countries FY13→16: more than 50 billion yen) Strengthen locally-tailored products centering local site 	13%
	Europe	<ul style="list-style-type: none"> Expand sales of 3 flagship products, fully launch beauty products and cooking appliances Establish Panasonic brand with continuous exhibition at IFA 	12%
Growth	Brazil	<ul style="list-style-type: none"> Expand business from new factories for return of investment (Production capability: [Refrigerator] 350 k. [Washing Machine] 100 k.) Strengthen product lineup of inverter & Econavi products 	43%

* Numbers are based on production and sales consolidated, CAGR excludes currency fluctuation

BtoB Facilities: Strengthen model lineup and sales-service structure

Large scale Air-conditioning

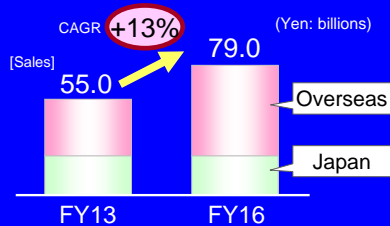
- Introduce low cost products to China and Asia



[Cost reduction from conventional model] - 38%

- Strengthen sales and support structure

[Employees of sales/ SE] + 100 and over (FY13→16) (China and Asia)



Cold Chain

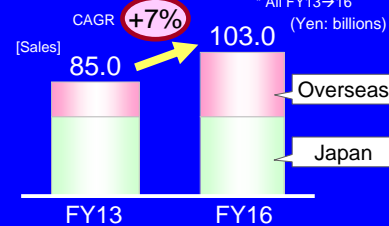
- Strengthen lineup of environmentally conscious models



Expand inverter products and freon-free CO₂ refrigerant products

- Strengthen business in Asia

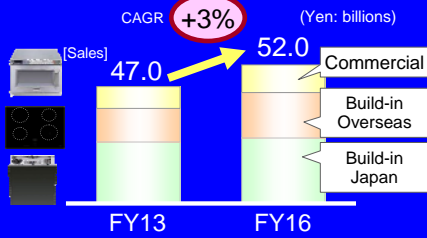
[Production capacity of Thailand factory] x2
 [Number of employee in sales/ SE] +20 and over
 [Sales] CAGR +40% (Asia only) * All FY13→16



BtoB Facilities: Accelerate business expansion in overseas

Build-in/ Commercial appliances

- Accelerate expansion of build-in products to overseas
 - 【Sales】 CAGR +12% (FY13→16)
 - 【Production】 Utilization of ODM + in-house production (Original technology)
 - 【Channel】 Entry to consumer channel → expand to facility channel
- Expand commercial appliances by alliance with convenience stores & restaurants
 - 【sales】 CAGR approx. 7% (FY13→16) (global commercial products)



Fuel Cells

- Expand the spread by cost reduction
 - 【Cost reduction】 Approx. -25%*
 - 【Sales】 CAGR +16% (FY13→16) *compared from conventional model
- Start sales in European market
 - Introduce "first in Europe" home-use fuel cell
 - Start from Germany and expand to surrounding countries



BtoB Devices: Improve profitability by business strategy transformation

Expand external sales by utilizing core technologies

Nano-e Devices

- Expand to automotive & facility market
 - Ratio of sales to other companies (FY13→16) 40→57%
 - Strengthen air purify function etc by alliance with academies

Compressors for Air-conditioner

- Strengthen sales to other companies by set proposal and compact size
 - Sales to non-in-house production companies CAGR+15% (FY13→16)
 - Deployment of heat-pump technology to new business field

Strengthen high profitable area

Motors

- Expand industrial and automotive motor business
 - Sales composition ratio (FY13→16) 43→49%
 - Develop high performance product for FA servo

Compressors for Refrigerator

- Increase inverter sales composition ratio
 - Sales composition ratio (FY13→16) 19→28%
 - Differentiate with high efficiency, compact size, and light weight

Expand business in overseas

VIP (Vacuum Insulation Panel)

- Increase sales composition ratio of Thailand manufactured panels
 - Sales composition ratio (FY13→16) 0→38%
 - Expand sales for oversea refrigerator manufacturers

Gas Meter Devices

- Expand into Europe starting from Italy
 - Sales unit in Europe (FY13→16) 0.01→1.80 mil.
 - Gain high market share in utility and meter manufacturers

* Ratio of sales in small Air-conditioning compressors

Create new businesses: Cross-Value Innovation

Establish new business model by utilizing smart home appliances

FY13 Product Launched



Launched 8 product categories vs. FY12(*) +6%
* vs. same model range, unit base

Future Create value by connecting to customers

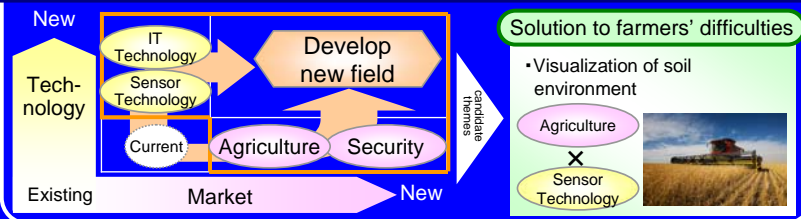
Service business

- Health/ food service (healthy recipe, menu advice)
- Consider collaboration with other companies

Customization

- Favorite function record
- Add and update the application

Create new businesses beyond existing appliances area



Management target of FY2014

Based on production and sales consolidated	Sales	1,510.0 bil. yen
	Operating Profit (Ratio)	63.0 bil. yen (4.2%)
Based on company shipment	Sales	1,120.0 bil. yen
	Operating Profit (Ratio)	43.0 bil. yen (3.8%)
	FCF	28.0 bil. yen

Panasonic

Disclaimer Regarding Forward-Looking Statements

This presentation includes forward-looking statements (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 United States, 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; currency rate fluctuations, notably between the yen, the U.S. dollar, the euro, the Chinese yuan, Asian currencies and other currencies in which the Panasonic Group operates businesses, or in which assets and liabilities of the Panasonic Group are denominated; the possibility of the Panasonic Group incurring additional costs of raising funds, because of changes in the fund raising environment; the ability of the Panasonic Group 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 including the business reorganization after the acquisition of all shares of Panasonic Electric Works Co., Ltd. and SANYO Electric Co., Ltd.; the ability of the Panasonic Group to achieve its business objectives through joint ventures and other collaborative agreements with other companies; the ability of the Panasonic Group 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 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.