

Panasonic IR Day 2014

Overseas Business Strategy

May 21, 2014

Panasonic Corporation

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Notes: 1. This is an English translation from the original presentation in Japanese.
2. In this presentation, "fiscal year 2015" or "FY15" refers to the year ended March 31, 2015.

Contents

1

1. Strategic regions
2. Challenges and targets
3. Towards FY2019
4. Organizational structure

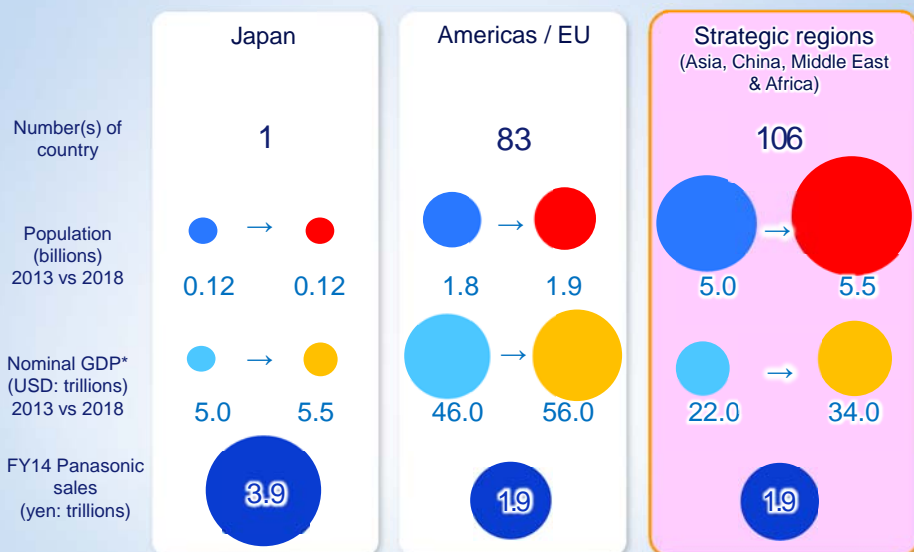
Contents

2

1. Strategic regions
2. Challenges and targets
3. Towards FY2019
4. Organizational structure

Positioning of Strategic Regions

3



High potential in strategic regions

*Source: IMF estimates

Our Advantages

4

Market growth

Electronics industry growth estimate:
AAGR 5.4%* from 2013 to 2018

AAGR: Average Annual Growth Rate
Source*: Panasonic estimates

China, Asia, Middle East and Africa

Resources

- R&D
- Production site
- Sales company

Trustworthy relationship

- Contribution to regions
- Partnership
- Brand recognition

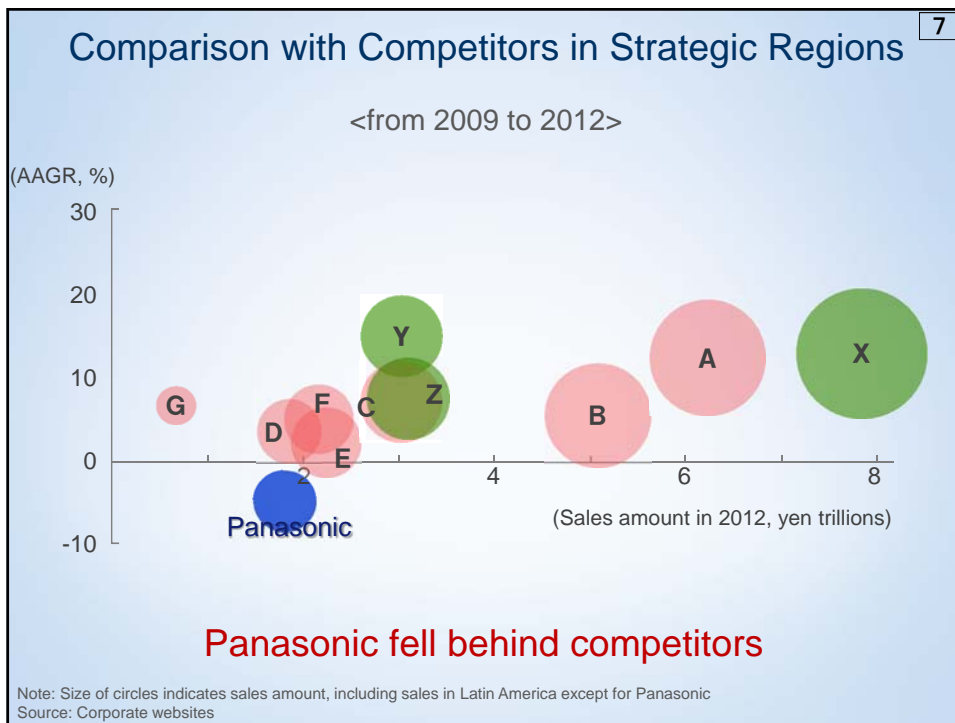
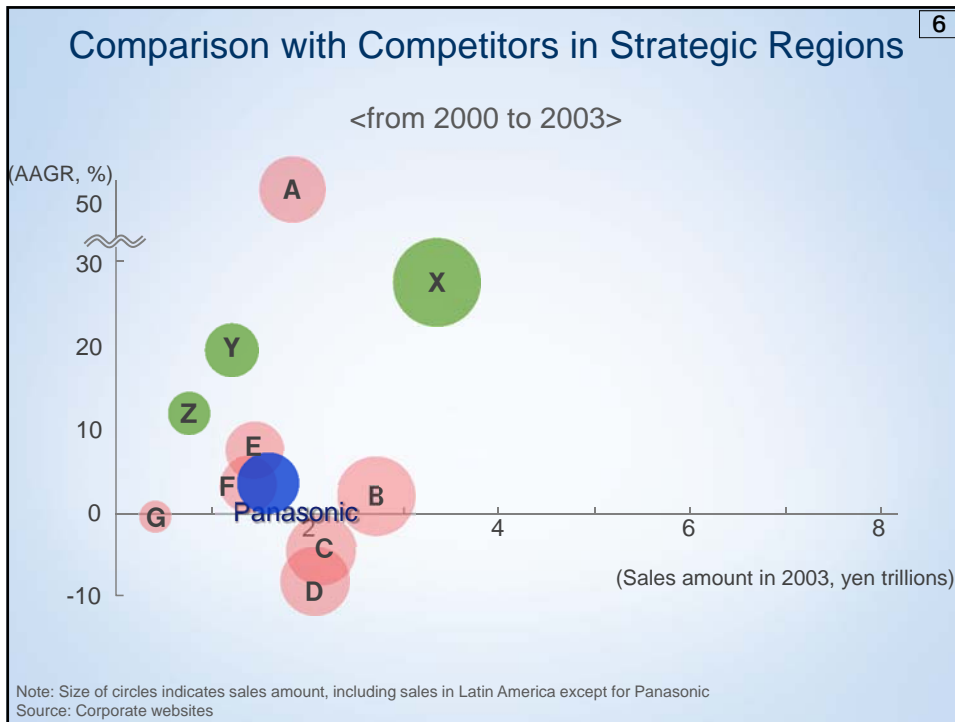
Familiarity

- Culture, lifestyle
- Economic relationship
- Pro-Japan

Contents

5

1. Strategic regions
2. Challenges and targets
3. Towards FY2019
4. Organizational structure



Our Challenges in Emerging Market

8

FY05 Mid-term plan
'Leap ahead 21'

'1 trillion sales in China'

FY08 Mid-term plan 'GP3'

'Double digit growth in overseas sales'
Promoted BRICs + V

FY11 Mid-term plan 'GT21'

'Overseas sales ratio of 55%'
Promoted BRICs + V, MINTS + B

**Have never achieved any mid-term plan
in emerging market**

Japan vs Strategic Regions

9

	Japan	Strategic regions
Market perspectives	<p>Matured</p> <p>High-end electronics</p> <p>IT solution with Cloud</p>	<p>Continuously growing</p> <p>Low-price electronics</p> <p>Unelectrified regions</p> <p>Security measures</p>
Challenges, organization, capability	<p>High brand recognition</p> <p>Unique sales channel</p> <p>Own R&D, manufacturing and sales functions</p>	<p>Low brand recognition</p> <p>Partnership is inevitable</p> <p>Complementary horizontal functions</p>

**Key to success in strategic regions:
step out from Japan**

10

Achieve Overseas Growth

Create new business opportunity
Establish fully functioning structure

Establish 'Strategic Regions Business Promotion Division'
Delegate authority to executive vice president in charge of Strategic Regions,
stationed in Delhi, India from April 1

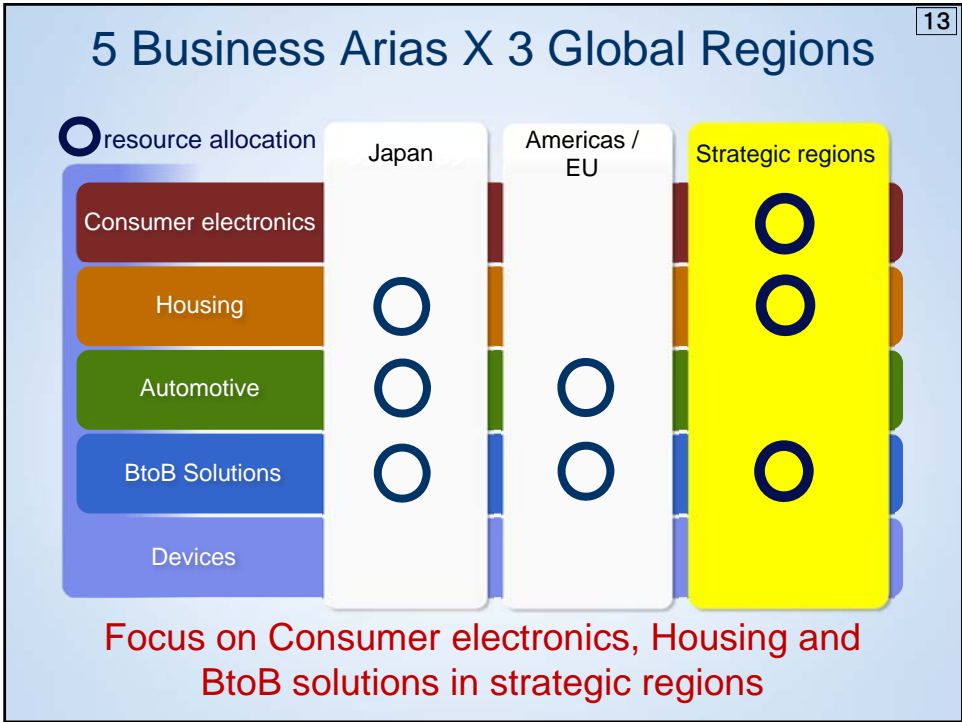
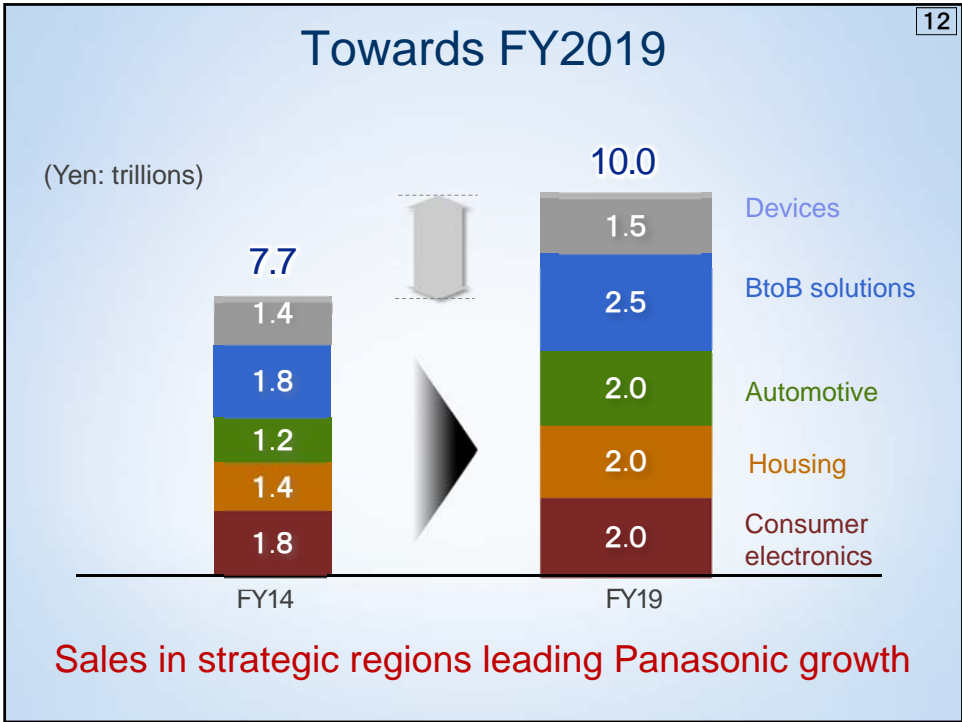
Stop being
dependent on Japan

New management based on Business unit
plus regional axis
Establish strategy overseas, not in Japan

11

Contents

1. Strategic regions
2. Challenges and targets
3. Towards FY2019
4. Organizational structure



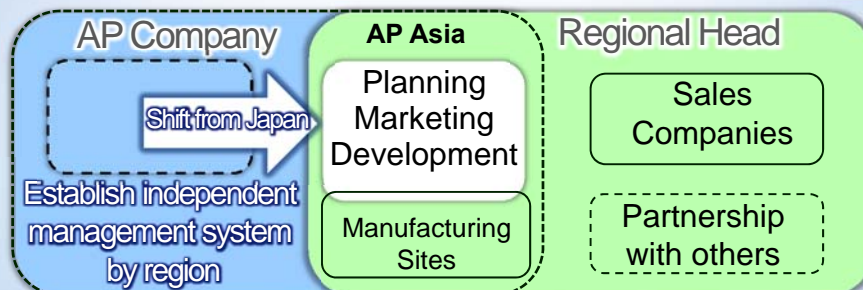
Strategic Regions: Create New Business Opportunity



Consumer Electronics

Promote consumer electronics business by region

Marketing and product development from lifestyle perspective
to differentiate from competitors



Each region has own function, authority
and responsibility

BtoB Solutions (1)

16

Promote regional business from customer perspective

Create new business model with partners

Promote
business
development



Expand engineering function focusing on
specific industry

India

ASEAN

China

Executives respond to customers in timely manner

BtoB Solutions (2)

17

Storage system for BTS (Base
Tranceiver Station of mobile phone)
in unelectrified regions

Solar/Li-ion battery for unelectrified district
and alternative generator fuel



Food distribution store solutions:
monitoring and control

Energy saving with fridge showcase,
air conditioning and lighting with energy
management system



India (1)

18

Introduce 'authority delegation to each region' first to India



Establish business development center



Develop product from regional perspective



Leverage executives for BtoB business expansion



Expand consumer electronics + BtoB businesses in regional perspective

India (2)

19

Introduce products suitable for Indian lifestyle

TV



Dynamic sound system
'Sound for India'

Camcorder



Wedding ceremony shot

Microwave oven



64 Indian cuisine recipe

Appliance



Air Conditioner
Air purifier
against PM 2.5

Smartphone

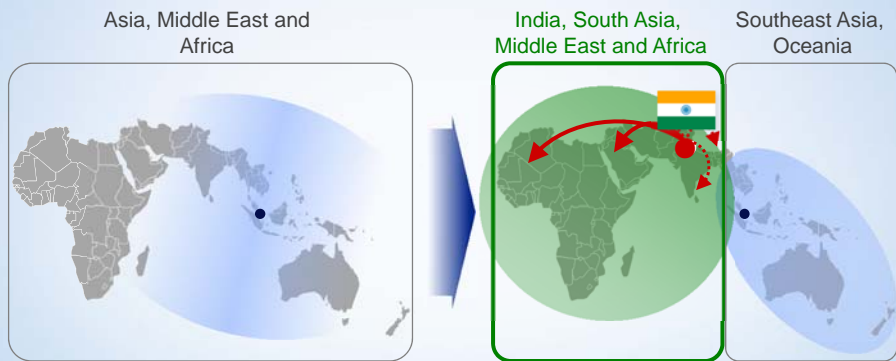


Traditional cell phone



From India to Middle East and Africa

Establish controlling function in India over South Asia, Middle East and Africa



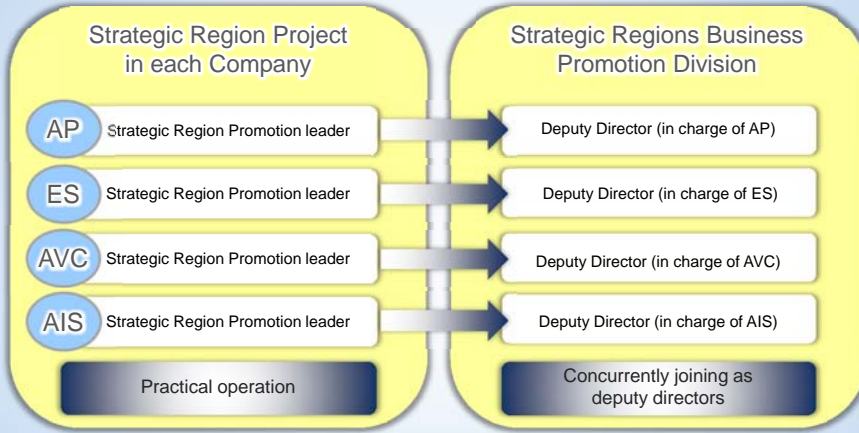
Develop business model preceding in India to other regions

Contents

1. Strategic regions
2. Challenges and targets
3. Towards FY2019
4. Organizational structure

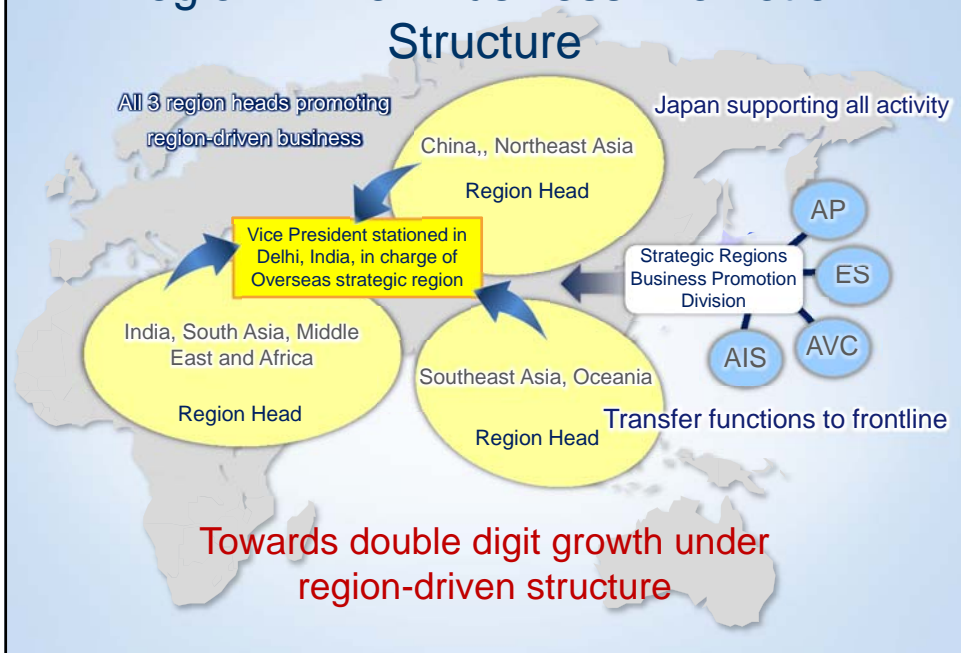
Collaborate with Four Companies

All strategic region promotion leaders of 4 Companies joining 'Strategic Regions Business Promotion Division'



Companies collaborate with regions

Region-Driven Business Promotion Structure



Panasonic

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