

Panasonic

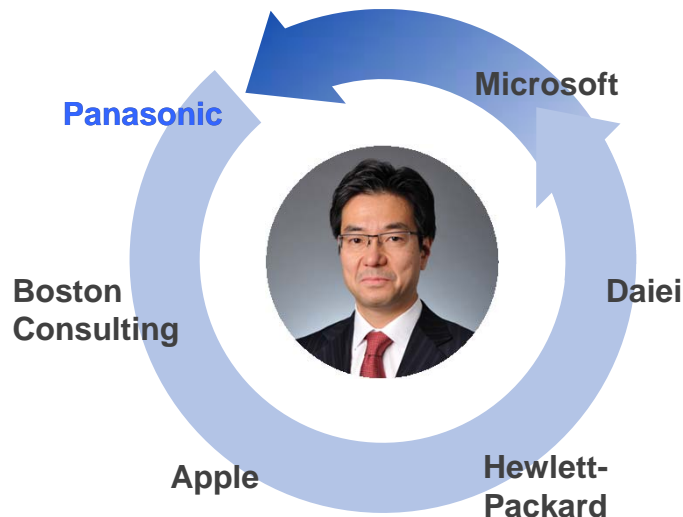
Connected Solutions Company Business Policy

May 30, 2017

President Yasuyuki Higuchi
Connected Solutions Company
Panasonic Corporation

*Notes: 1. This is an English translation from the original presentation in Japanese.
2. In this presentation, "FY18" refers to the year ending March 31, 2018.*

My Profile



My Role

To develop a clear vision and direction of transformation for the **B2B business**

→ Panasonic's positioning and sources of differentiation

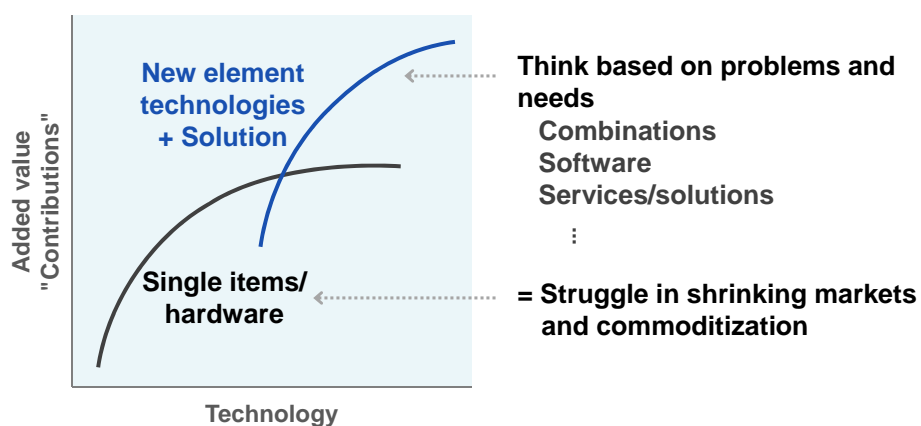
Build organizational capabilities step by step and drive the transformation toward the direction

What we want to avoid

Repetitive strategy formulation and organizational changes

→ Time consuming process without any improvement

What Is Transformation?



Become a customers' partner from being a vendor to meet the needs of customers

Our Passion in 'Connected'

- The added value of **connection** -

Connect via the cloud/IoT/software (AI, etc.)

Connect single items and element technologies

Connect people across organizations

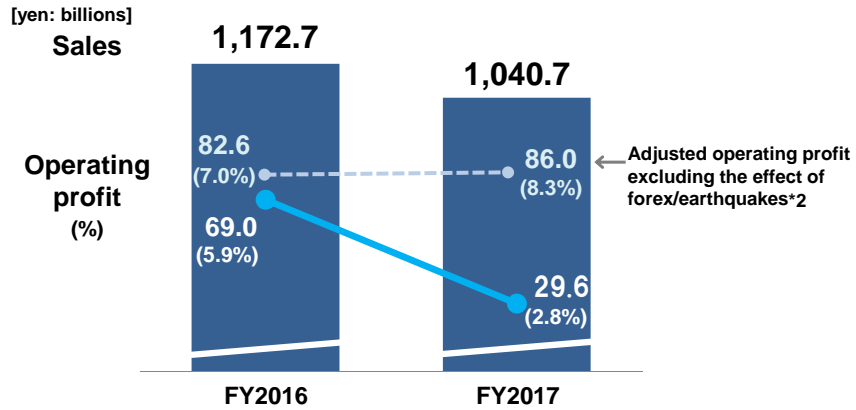
Connect with customers

FY2017 Summary

Based on the previous structure

FY2017 Results

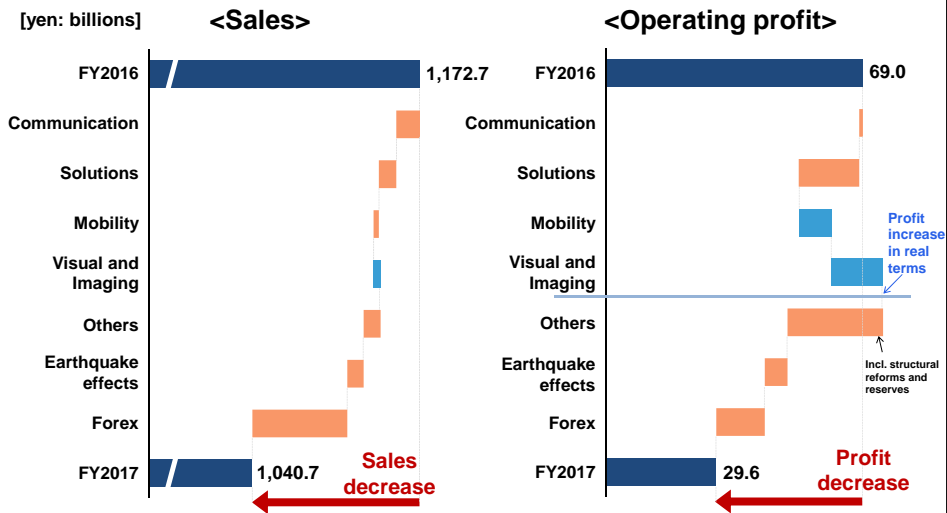
Sales and profit decreased, profit in real terms increased *1



* 1 Adjusted operating profit excluding the effect of forex/earthquakes
 * 2 Adjusted operating profit including the effect of forex/earthquakes : ¥66.9 Bil.

Based on the previous structure

FY2017 Results



* Adjusted operating profit excluding the effect of forex/earthquakes

FY2017 Achievements and Challenge

Achievements

Stronger managerial foundation for B2B business growth

- Reorganized businesses (integrated the PA business and transferred the consumer electronics business)
- Substantially eliminated the number of unprofitable businesses
- Rebuilt the PC and security businesses in North America
- Created new solutions
Visual presentation technologies (Rio Olympics), Regi-robot, next generation signage (established joint venture company with Tokyu Corporation)

Projection mapping for the opening ceremony of the Olympic Games



Challenge

Further growth in the overseas solutions business

* Process automation business

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What We Aim

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Address Social Issues

- Problems and needs -



Contribute to Society via Innovation at Operational Fronts

A Better Life

Achieving "better living" with continued happiness



A Better World

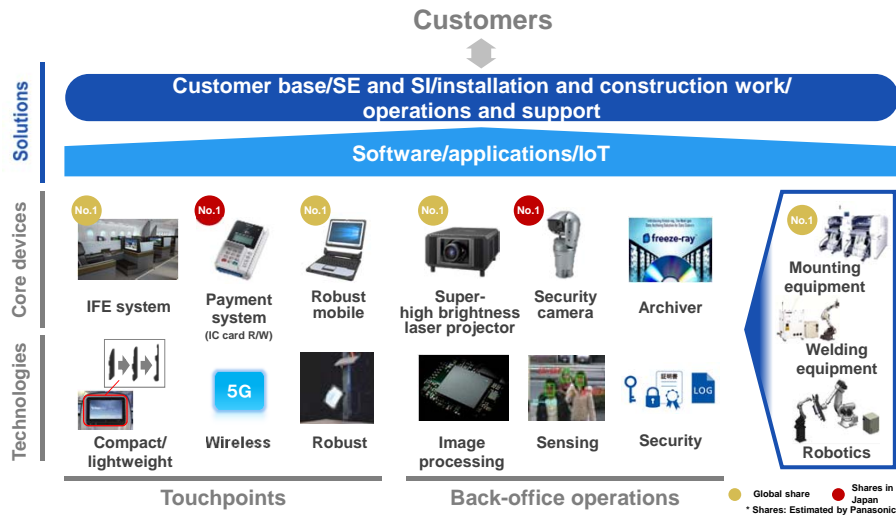
Achieving a sustainable society



B2B

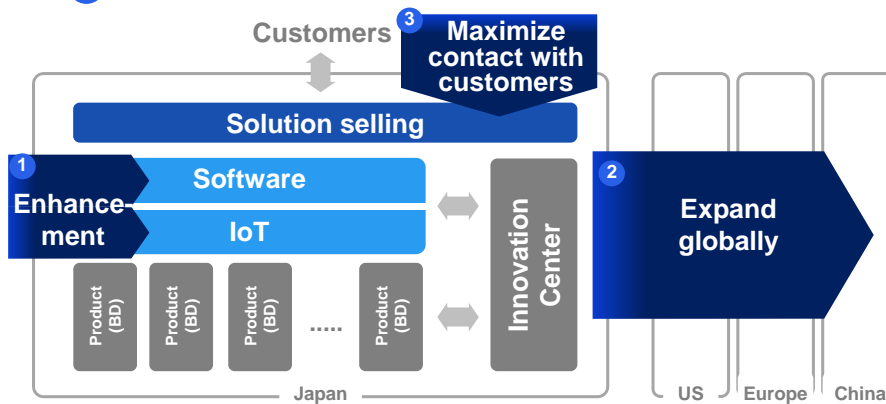
Contributions in B2B

As a total integrator in operating sites



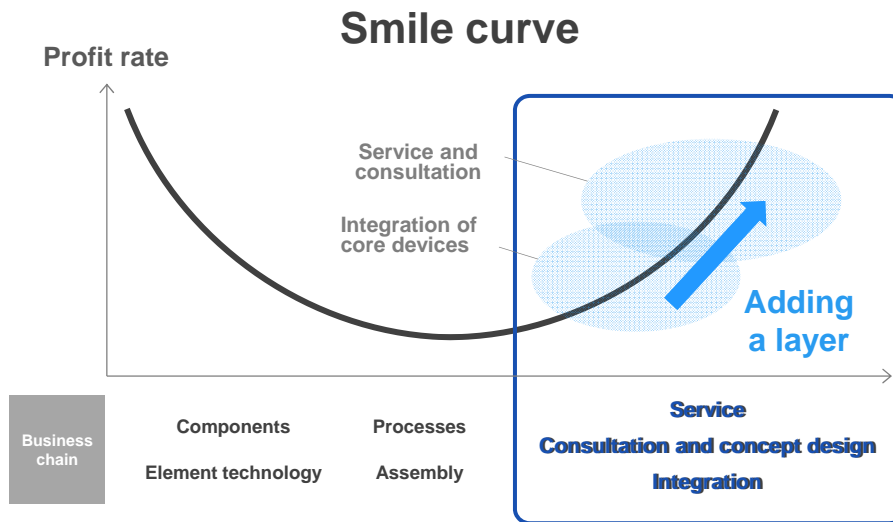
Structural Reform

- 1 Enhance software and IoT technologies
- 2 Expand business model in Japan to Europe, the US and China
- 3 Maximize contact with customers



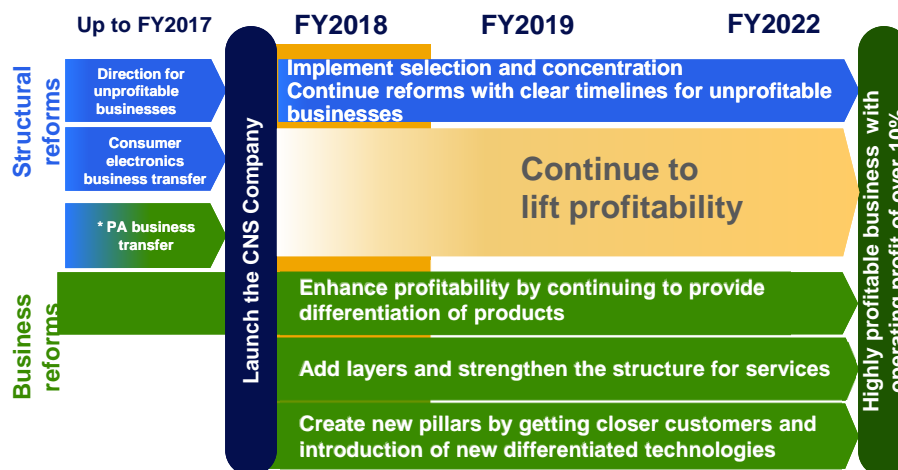
* BD: business division

Our Profit-making Business Model



Toward FY2022

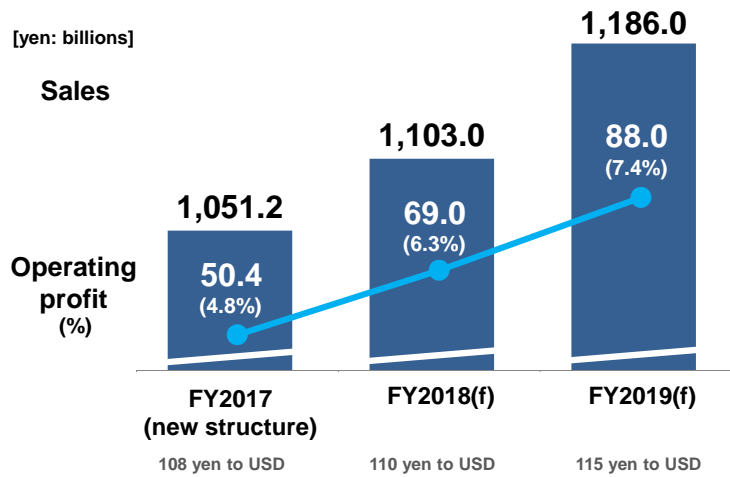
Clearly identify our target areas, lay the groundwork for growth



*Process automation business

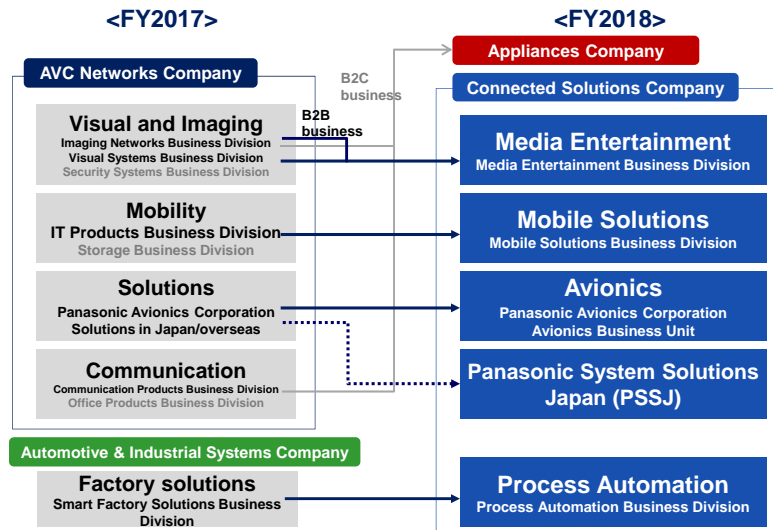
FY2019 Management Targets

Operating profit: aim at ¥88 billion yen



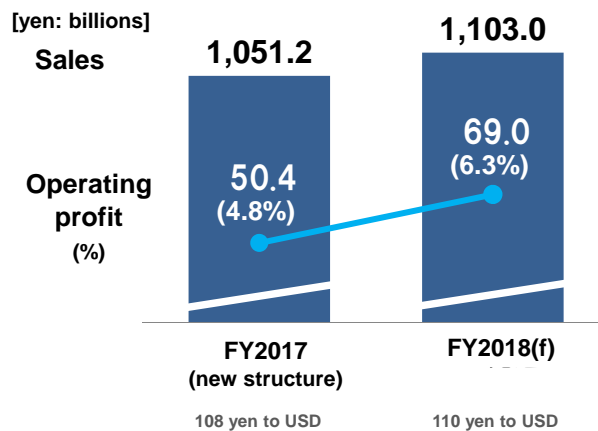
FY2018 Business Policy

FY2018 Disclosed Business Categories



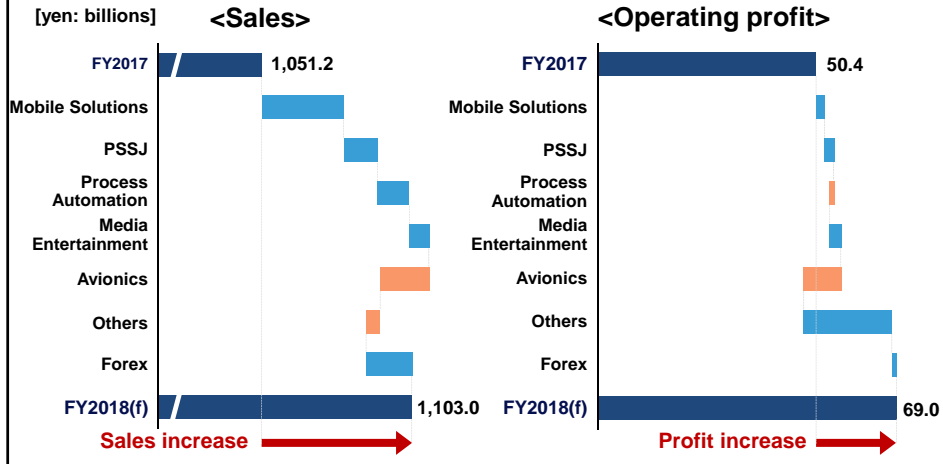
FY2018 Management Targets

Sales increase with new consolidation and expanding solutions business
 Profit increase due to impact of special factors in the previous fiscal year



FY2018 Management Targets

Sales increase via new consolidation of Zetes, etc.
Sales/profit decrease in Avionics due to decline in demand for airplanes

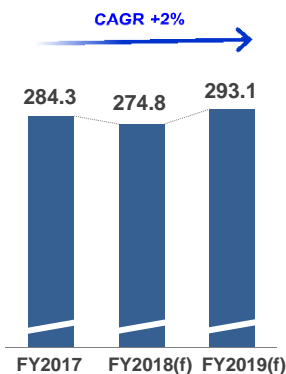


Avionics

Delight Passengers and Enhance airline value

Sales targets

[yen: billions]



Stable growth by global business platform

Grow with IFE, Connectivity and PTS.
Differentiate by global business platform and digital connectivity technology.



Innovation by next gen solution

Develop 『NEXT』 Platform as next-gen IFEC

4K, UI, Connected with Smart phone

“Connected Aircraft”

remote media upload. Real time system check



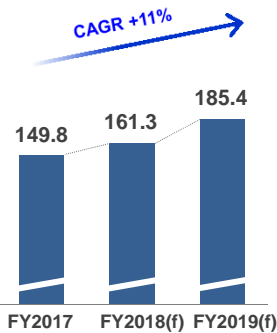
Process Automation

Provide value to customers in their entire process throughout the whole operation life cycle

Avionics	Manufacturing	Entertainment
Distribution	Logistics	Public services

Sales targets

[yen: billions]



From selling devices to proposing improvements and providing services

Continue and evolve by maintaining connections with customers for overall operations



Integrated line control system

Applying automation know-how to non-manufacturing industries

Bring about innovations to increasingly complex store operations with automation technology



Regi-robo®

Incorporating RFID

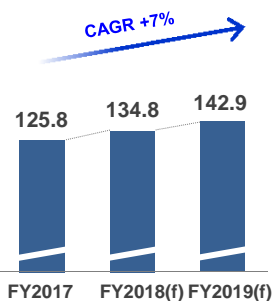
Media Entertainment

Shift to provide solutions based on video x audio x light

Avionics	Manufacturing	Entertainment
Distribution	Logistics	Public services

Sales targets

[yen: billions]



Establish solutions business in North America

Provide impressive experiences in the space design field using our know-how from Olympic performances, to steadily expand our business area



Theme parks



IR/MICE



Sports stadiums

Enhance edge devices to support solutions

Maintain No. 1* share for high brightness projectors

Build core products specialized for the media entertainment industry e.g. high-speed cameras for stadiums



*For brightness of 5,000 lumens or more (Panasonic estimates based on PMA Research data)

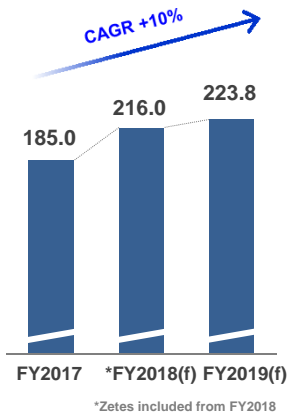
Mobile Solutions

Expand the business with supply chain solutions and strengthen capabilities to meet customer needs

Avionics	Manufacturing	Entertainment
Distribution	Logistics	Public services

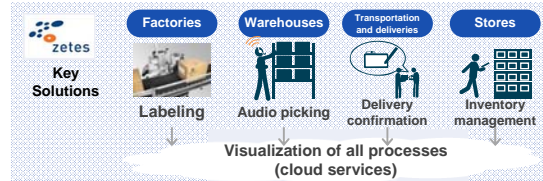
Sales targets

[yen: billions]



Expand solutions in expanding markets

Concentrate on traceability and expand business globally with Zetes



Create added value by strengthening capabilities to meet customer needs

Spread throughout the industry by meeting the needs of individual customers with product robustness and customization
Enhance new business models/OPEX maximizing sales with the lightest model



PSSJ

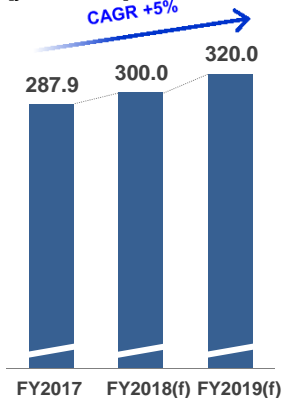
(Panasonic System Solutions Japan Co., Ltd.)

Focus on 3 core industries and capturing demand for the Olympic/Paralympic Games

Avionics	Manufacturing	Entertainment
Distribution	Logistics	Public services

Sales targets

[yen: billions]



Expand the business looking toward new demand

Public services

Growth with ETC and wireless disaster prevention warning system



Logistics / Distribution

Establish automated/next generation store solutions

Social (transportation, energy, communications, broadcasting, etc.)

Security, advertising signage, etc.



Surely capture demand for the Olympic/Paralympic Games

Strengthen promotion to gain related demand



Maximize Contact with Customers

Make united efforts to stay closer to customers and accelerate collaboration

Relocate our headquarter to Tokyo

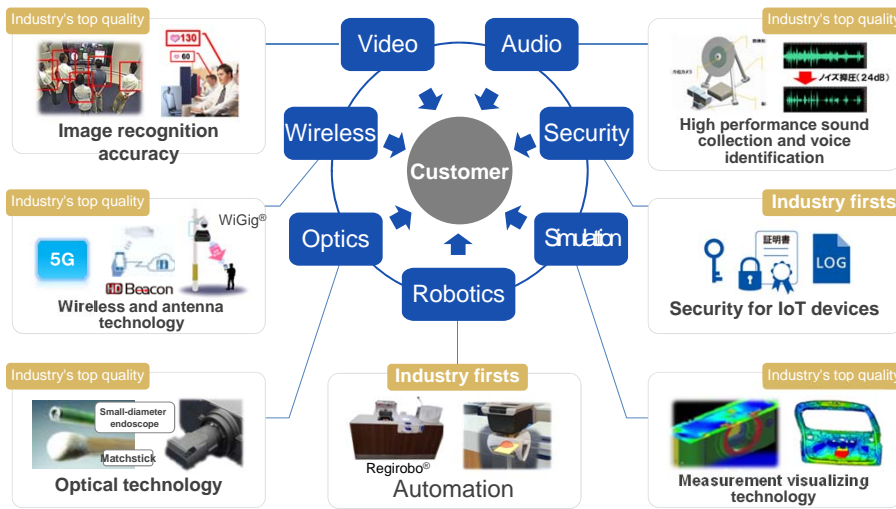
(Operation planned to start from Oct. 2017)

Concentrate headquarter strategic functions and technology, design and sales functions in Shiodome, Tokyo



Powerful Technologies to Create New Value

Total integrator for operational fronts



Panasonic

A Better Life, A Better World

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This presentation includes forward-looking statements (that include those within the meaning of Section 27 A of the U.S. Securities Act of 1933, as amended, and Section 21E of the U.S. Securities Exchange Act of 1934), as amended about Panasonic and its Group companies (the Panasonic Group). Panasonic discloses its consolidated financial forecasts for fiscal 2017 based on International Financial Reporting Standards (IFRS). 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.






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(Reference) Disclosed Businesses Categories

Businesses categories

Main products and services

Avionics		In-flight entertainment systems, global communications services, repairs and maintenance
Process Automation		Chip mounters, screen printers, FPD bonders, electronic component insertion machines, welding-related systems, lasers, integrated line control systems
Media Entertainment		Projectors, professional displays, professional broadcasting equipment, total spatial design solutions
Mobile Solutions		Personal computers, tablets, payment systems Supply chain solutions
PSSJ		Development of system solutions (public systems, social systems, logistics/distribution, etc.), system integration, construction, operation, maintenance