

Panasonic

Eco Solutions Company Business Policy

May 30, 2017

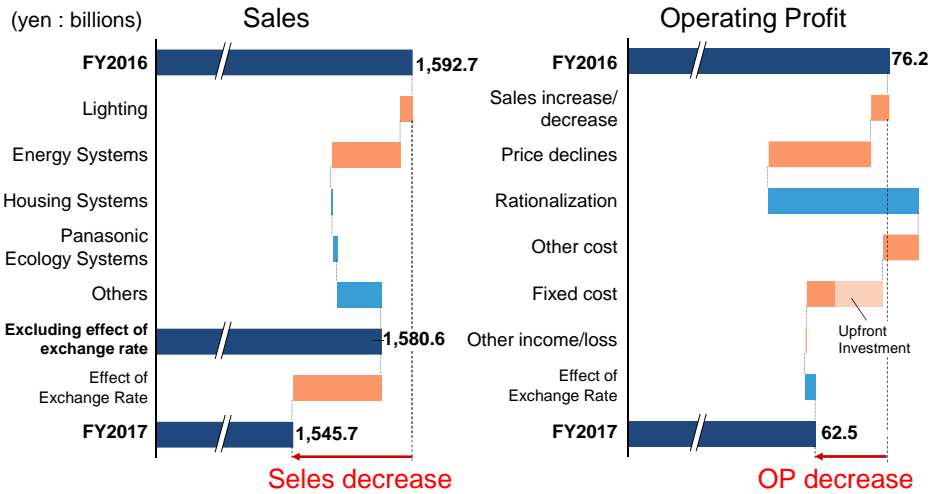
**Makoto Kitano, President
Eco Solutions Company
Panasonic Corporation**

*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.*

FY2017 Overview

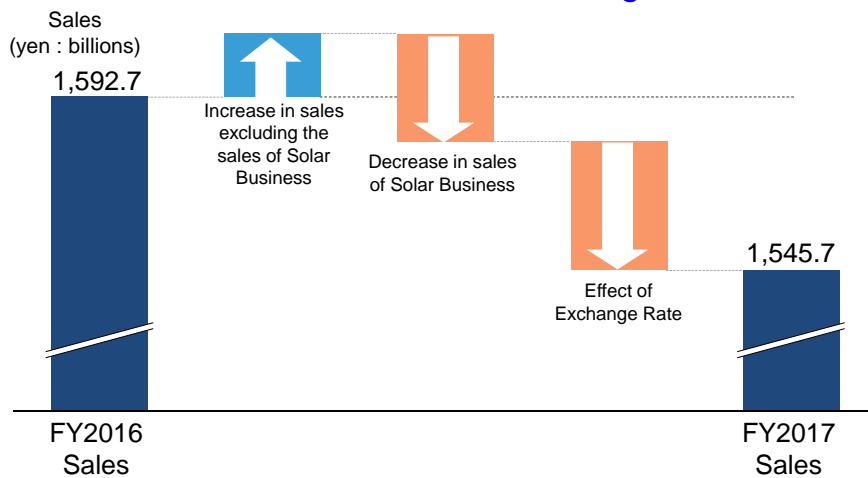
FY2017 Results

Sales and Operating profit decreased



FY2017 Results

Sales increased excluding the effects of Solar Business and exchange rate



Outcome and issues in FY2017

Outcome

- Established the new system of renovation business
- Prepared the groundwork for expanding Elderly Care business (AGE-FREE)
- Received orders in the metropolitan area (won orders for large LED solution projects)
- Achieve sales in the growing home electric equipment market particularly in the ASEAN region, India and Turkey.

Issues

- Enhance organizational skills (in customer contact, construction, etc.) to reap results from anticipatory investment
- Sales declined in the domestic commercial market which support the ES operation basis
- Solar business sales declined due to the market downturn

FY2017 results
(vs. FY2016)

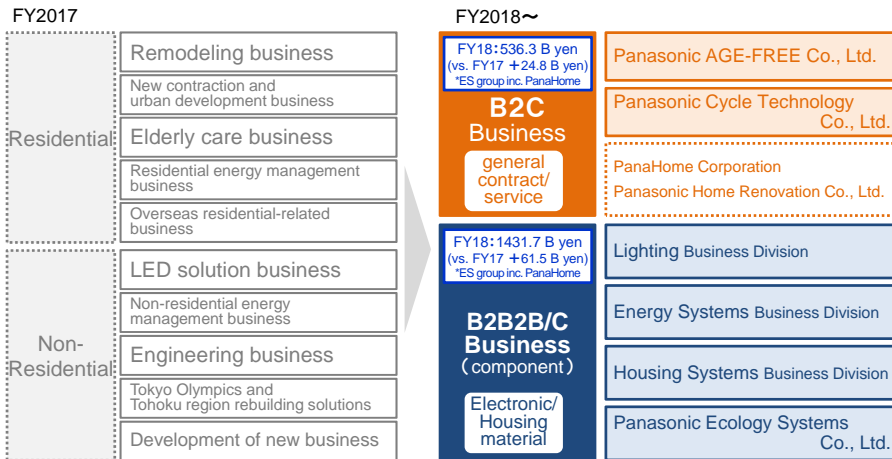
Renovation: 100%

AGE-FREE: 115%

Toward FY2019

Framing of management

Review the categories according to the business conditions

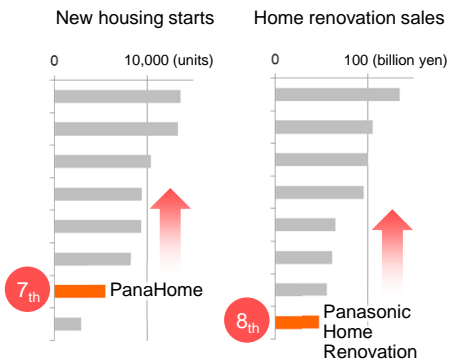


Enhance the presence in the "housing related field"

Strengthen the presence both in B2C and B2B2B/C businesses

B2C business

Aim at high ranking both in new-house and renovation markets



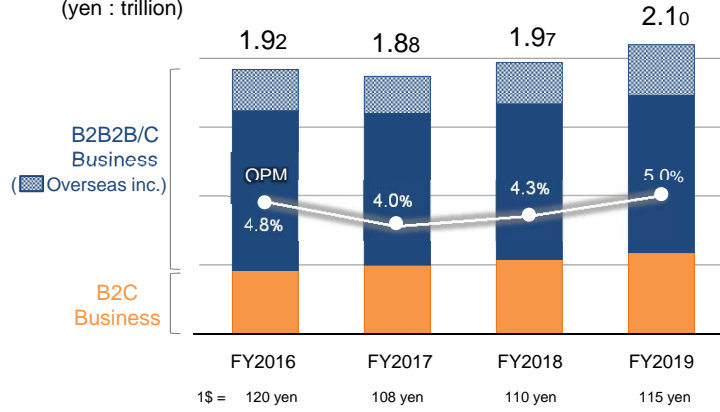
B2B2B/C business

Provide products with competitive edge with more added value. Expand a market share of home plumbing equipment.



Goal of FY2019

ES Group Sales
(yen : trillion)



* New organization applied in and after FY2017

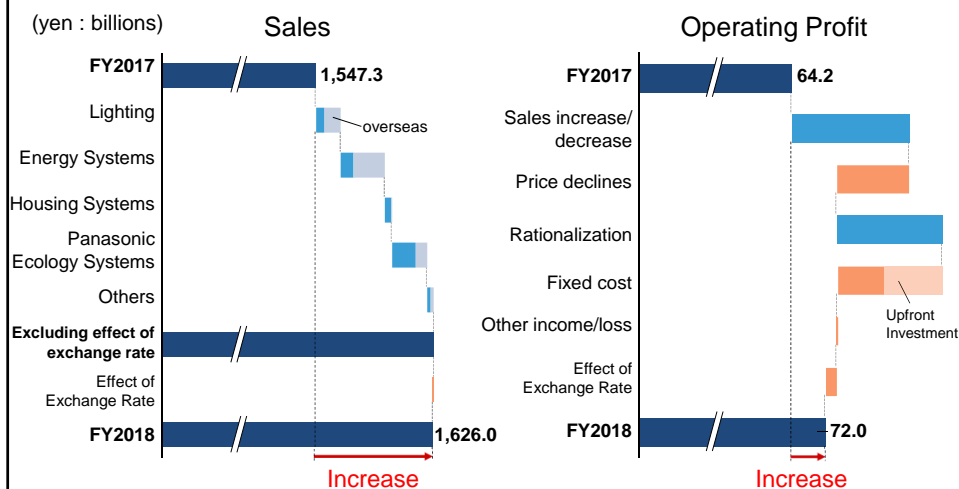
FY2018 Business Policy

Market Environment

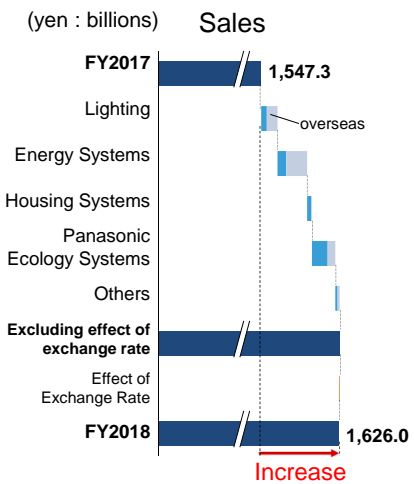
B2C Business	Japan	Remodeling →	Stable transition of housing remodeling FY18 forecast: 6.2 trillion yen (101.6% yr/yr)
	Japan	Aged household →	Aged household increases though total population and households decreases FY16→FY21 CAGR(households consisting of aged only) : 4.0%
B2B2B/C Business	Japan	New building →	Strong market situation and investment in the metropolitan area on the background of the Tokyo Olympics in 2020 FY18 forecast: 46.02 million m2 (101.0% yr/yr)
	Japan	Renewal →	Subsidy for investment for energy saving(LED, BEMS etc.) helps market to grow FY18 forecast: 8.1 trillion yen (101.5% yr/yr)
	Overseas	Real GDP →	Economic of key area and country steadily expands FY18→FY21 CAGR: ASEAN+5.2%, North America+1.9%, ISAMEA&Turkey+5.3%

FY18 Financial Target

Increase sales in all business divisions and increase profit by covering the fixed cost with profit of sales increase



FY18 Financial Target



Business Division	Strategy
Lighting	Increases sales in overseas and new businesses, keeping the same size of sales in Japan.
Energy Systems	Expands overseas business in electrical construction materials and strengthens solar business leveraging collaboration with Tesla
Housing Systems	Focuses on remodeling market by strengthening products and contact points with customers. Accelerates the growth of new category.
Panasonic Ecology Systems	Strengthens expanding global IAQ business. (Especially the business in North America centering on new plant in Mexico.) Expand engineering business by promoting projects in Japan
other	Makes steady growth of Elderly care business(AGE-FREE) and Panasonic Cycle Technology.

Summary of Company business strategies

B2C business

Achieve high profitable growth by enhancing organizational skills (customer contact, construction, etc.)

B2B2B/C business

Enhance the appeal of products and sales capabilities to ensure steady growth in domestic sales

Promote aggressive sales in the growing overseas market toward expanding sales

Secure profits by controlling fixed costs according to the fluctuation of sales

B2C business

FY2018: 166.3 billion yen
(vs. FY2017 +14.4 billion yen)

*Total of AGEE-FREE, Cycle Technology,
and other business in ES segments

Panasonic AGE-FREE

Achieve steady growth in service business

- Improve an occupancy rate of existing bases
- Enhance recruitment and development of service staffs

Home-care service facilities
"AGE-FREE Care Center"



Senior housing and nursing facilities
"AGE-FREE House"



Offer improved value in service business

- Improve efficiency and service quality at facilities by using advanced technologies
- Expand sales/rental sales of new products



Robotic bed-and-wheelchair
"Resyone PLUS"



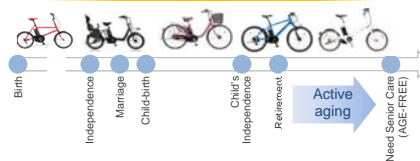
Status monitoring system for
senior facilities

Panasonic Cycle Technology

Contribute to creating a more enriched life stage from the viewpoint of users

- Attract customers with demand generating products and enhanced marketing

Contribution through power-assisted
bicycle business



- Create synergy with business division and sales division of ES company

(Example) Bicycle sharing business
connecting with urban development



- Overseas:
Expand device business and produce high profit by introducing bicycles compliant with new EN standards and new motors

B2B2B/C business

(Electronic/Housing material)

Domestic

FY2018: 1,157.0 billion yen
(vs. FY2017 +21.6 billion yen)

Enhance the appeal of products

- Create new markets with new values



Light ID-equipped
device

LinkRay



High efficiency bacteria
and odor removal unit
"Zaiino"

Strengthen sales capabilities

- Strengthen sales force and proposal skills
(shift in resources) for the LED renewal market
[Frontline about 200 employee]

- Win orders in large projects and from demand in the metropolitan area



Overseas

FY2018: 302.7 billion yen
(vs. FY2017 +42.7 billion yen)

Reap results from growing market demand

- Expand sales of LED, IAQ (indoor air quality) solution and wiring devices
- Provide additional production capabilities to meet a sharp increase in demand
(wiring devices in Vietnam, ventilation system in the U.S.)



Additional building in Vietnam



New plant in Mexico

Local-driven, integrated management of production and sales

- Delegate authority from Japan to establish a local-driven management system (ISAMEA region)
- Promote production of best-suited products for each country on a footing of Anchor Electricals and PES Turkey (former VIKO)

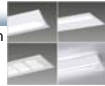
Six Large-Scale BDs

Lighting Business Division

(yen: billions)	FY2017 results	vs. FY2016	FY2018 forecast	vs. FY2017
Sales	307.9	-12.4	325.0	+17.1
OP (margin)	21.9 (7.1%)	+8.9	24.3 (7.5%)	+2.4

Maintain domestic sales

- Expand sales of iD series through cooperation between production and sales sections



Speed up growth of new businesses

SpacePlayer

Create new business models



Metallurgical technology

Create new values



Expand overseas business through local-oriented marketing



China



Indonesia



India

Housing Systems Business Division

(yen: billions)	FY2017 results	vs. FY2016	FY2018 forecast	vs. FY2017
Sales	367.1	+0.1	372.0	+4.9
OP (margin)	15.5 (4.2%)	+1.9	16.9 (4.5%)	+1.3

Accelerate the shift to growing markets

- Aggressive sales in the renovation market by enhancing product appeal and customer contact skills



Appealing living space value
Strengthen sales of mid- to high-end categories

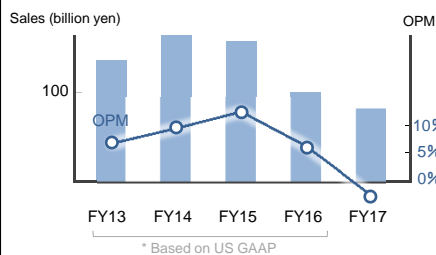
- Boost the growth of new categories (home delivery locker, street delivery locker, etc.)



Solar business

Revive sales by leveraging collaboration with Tesla

Management figures



Collaboration with Tesla

Promote collaboration by leveraging advantages of the two companies

Panasonic

Engineering and manufacturing prowess in the solar photovoltaic field

Tesla

Creativity, innovation and sales capabilities

Agreed on production cooperation and long-term purchase of solar PV cells and modules manufactured in Tesla-affiliated solar plant in Buffalo, New York

→ Production capacity over 1 GW in 2019

Future actions

- Strengthen and expand overseas sales
- Carry out cost reduction and enhance business structure to increase competitiveness

Supply cells for solar roof etc.



Roof innovation

Integration of roof material and solar panel

Create synergy with PanaHome

Offer distinctive houses and renovation that Panasonic can do,
but competitors can't do

PanaHome

Housing design, architectural technologies,
management capabilities to
control material/construction quality



Panasonic

Expertise and engineering prowess
in housing equipment, customer contact
Resources owned by ES and Panasonic Group
Lighting, air quality, energy, sound/vision, beauty, health, etc.



Leverage resources with each other

Renovation business

FY18:340.0 B yen
(vs. FY17 +20.0 B yen)
*ES group inc. PanaHome

PanaHome

Renovation prime contractor
(Panasonic Home Renovation)

Secure more orders by enhancing customer contact

- Strengthen sales force in the metropolitan area having a growing demand
- Raise the level of sales efficiency through human resources development, etc.
- Increase customer contact by utilizing existing, wholly-owned branches(60 branches)



Panasonic

Renovation products supplier

Expand the sales of renovation products

- Expand the lineup of products saving time and manpower in construction; mid- to high-end products
- Stimulate demand by conducting renovation campaign
- Enhance introduction service of renovation companies at showrooms










A Better Life, A Better World

Disclaimer Regarding Forward-Looking Statements

This presentation includes forward-looking statements (that include those within the meaning of Section 27A 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). 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 or incurring unexpected losses in connection with 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 financial assets in which the Panasonic Group has holdings or changes in valuation of non-financial assets, including property, plant and equipment, goodwill and deferred tax assets; future changes or revisions to accounting policies or accounting rules; the possibility of incurring expenses resulting from a leakage of customers' or confidential information from Panasonic Group systems due to unauthorized access or a detection of vulnerability of network-connected products of the Panasonic Group; 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.

Businesses whose sales are disclosed

Businesses whose sales are disclosed	Main products/service				
Lighting BD 	Lighting Equipment Lighting equipment(for residential, facility, out door, store etc.), lighting device, lamp				
Energy Systems BD 	Electronic Material, Solar PV System, Storage Battery Wiring device, home distribution board, electric tool, Home Energy Management system, Solar PV system				
Housing Systems BD 	Housing Facility, Building Material System kitchen, system bathroom, tankless toilet, interior door, floor material, drainpipe, roof material				
Panasonic Ecology Systems 	IAQ Products/ Environmental Systems and Engineering Ventilation system, ceiling fan, air purifier, purifying system of water, air and soil				
other 	<table border="0"> <tr> <td data-bbox="836 835 1002 866">Panasonic AGE-FREE</td> <td data-bbox="1007 835 1212 866">Panasonic Cycle Technology</td> </tr> <tr> <td data-bbox="836 869 1002 934">Elderly Care Service & products</td> <td data-bbox="1007 869 1212 934">Power-Assisted Bicycle, Electric Motor Unit</td> </tr> </table>	Panasonic AGE-FREE	Panasonic Cycle Technology	Elderly Care Service & products	Power-Assisted Bicycle, Electric Motor Unit
Panasonic AGE-FREE	Panasonic Cycle Technology				
Elderly Care Service & products	Power-Assisted Bicycle, Electric Motor Unit				