

New Organization and Growth Strategy

October 31, 2011
Panasonic Corporation
Fumio Ohtsubo

Contents

2

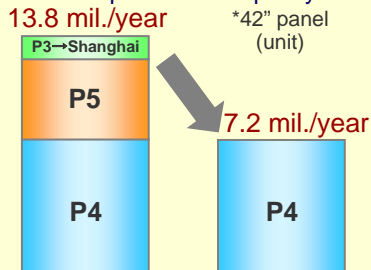
- 1. Initiatives to improve profitability**
2. New business organization
3. Growth strategy
4. Towards FY2013

Restructure business model to improve profitability

	LCD Take full advantage of IPS panel	PDP High picture quality with '3D' and 'black'
TV panel business	<p>Consolidate manufacturing sites in Japan and offer new applications</p> <hr/> <p>Japan: 2 factories for TV → Japan: 1 factory Expand usage for non-TV products</p>	<p>Consolidate global manufacturing sites to optimal scale</p> <hr/> <p>Global: 3 factories (P4 & P5 in Amagasaki and Shanghai) → Global: 1 factory (Consolidated into P4)</p>
TV set business	<p>Outsource and offer full lineup</p> <hr/> <p>Limit in-house panels to smaller size lineup → Outsource and Expand larger size lineup</p>	<p>Concentrate on profitable high-end lineup</p> <hr/> <p>All size lineup → Large size lineup</p>

PDP (panel business)

- ◆ P5: Shut off panel production and book impairment loss
- ◆ P3: Cancel relocation of equipment to Shanghai



LCD (panel business)

- ◆ Factory in Mobara: Shut off panel production
- ◆ Factory in Himeji: book impairment loss

TV set business

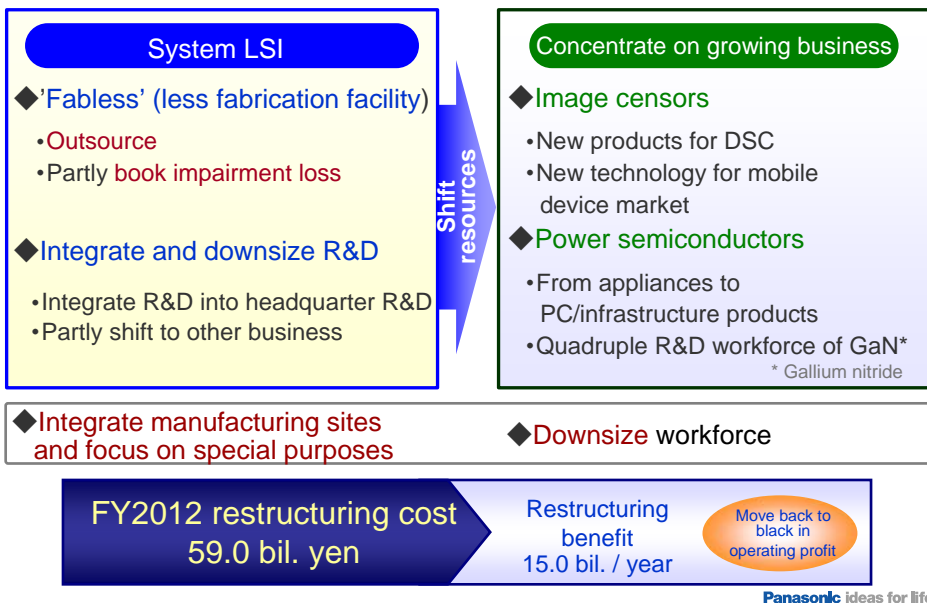
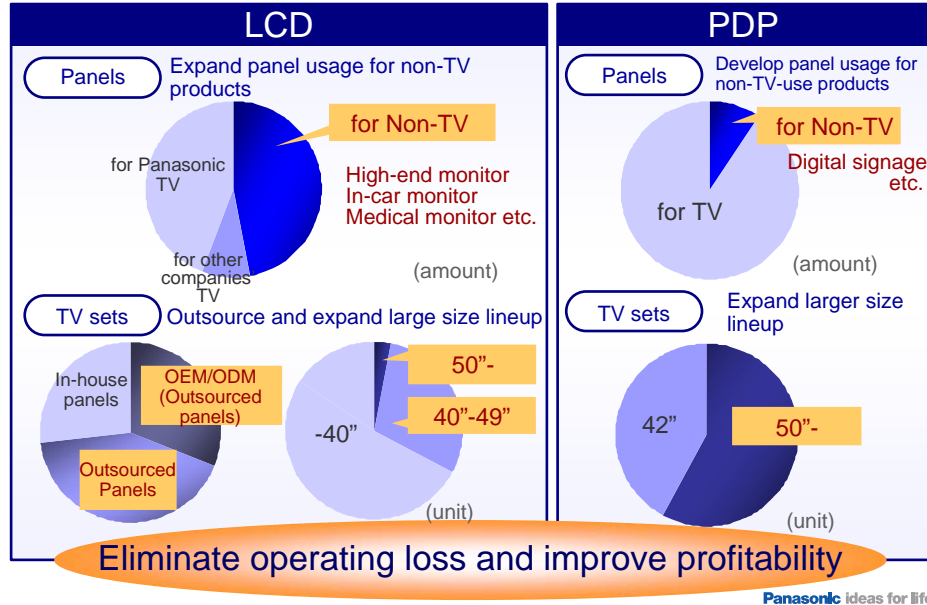
- ◆ Transform manufacturing sites in Japan
- Utsunomiya: "Innovative Production Center"
- Ibaraki: Panel R&D center

Panel/TV set business

- ◆ Downsize workforce

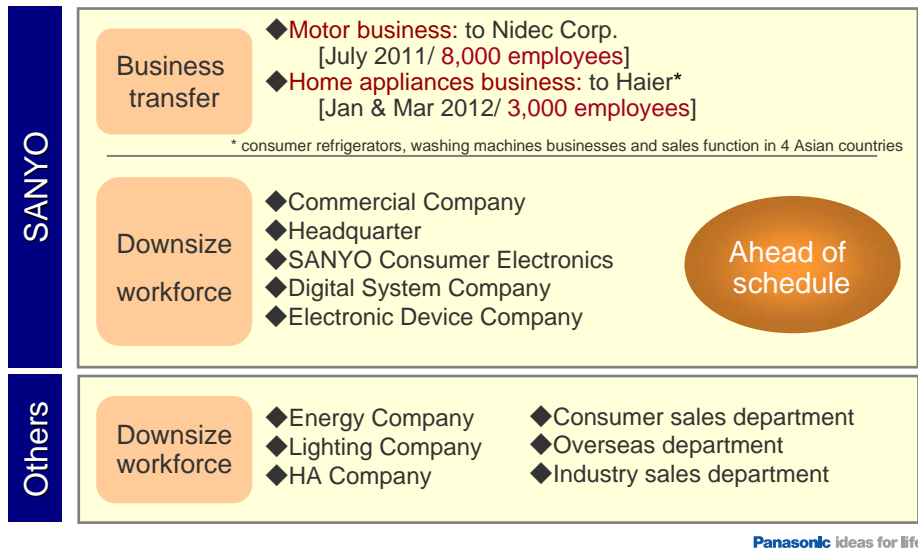
FY2012 restructuring cost
265.0 bil. yen

Restructuring benefit
81.0 bil. yen in FY2013



Restructuring towards New Panasonic 7

Eliminate duplicative business



FY2012 Restructuring (Overview) 8

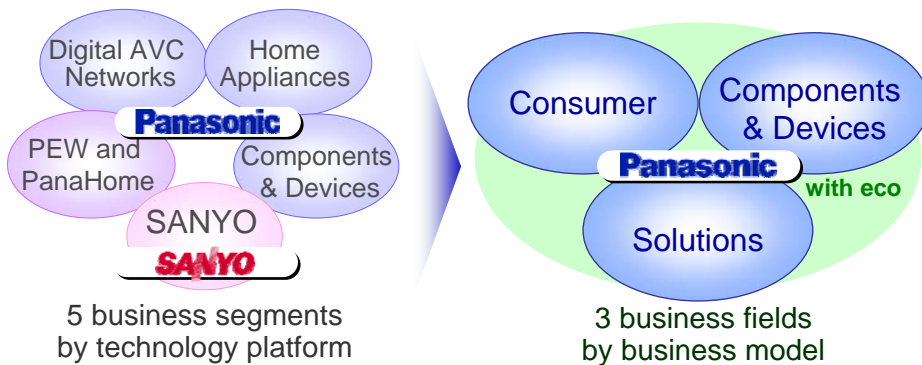
Complete restructuring programs towards new Panasonic



Workforce:
 350 thousand employees or less
 1 year earlier than original plan

1. Initiatives to improve profitability
2. **New business organization**
3. Growth strategy
4. Towards FY2013

Value creation by strengthening connection with customers	Speedy and lean management	Business growth by shifting resources
---	-------------------------------	--



New business organization as of January 2012

New Group Organization

11



Panasonic ideas for life

Consumer Business Field

12

AVC Networks Company

- Consumer AVC equipment
- Professional AVC equipment
- Devices for AVC equipment



Sales amount *
Workforce

1.9 tri. yen
33 thou. employees

Appliances Company

- Home appliances, air conditioners, personal-care products, health related products
- Commercial-use heating/refrigeration/air conditioning equipment
- Related devices



1.3 tri. yen
43 thou. employees

Global Consumer Marketing Sector

- Marketing, sales and service of consumer products worldwide

3.1 tri. yen
16 thou. employees

* sales amounts are actual results in FY2011, workforce are forecast as of January 2012

Panasonic ideas for life

Components & Devices Business Field 13

Automotive Systems Company

- In-car multimedia related equipment
- Eco-car related equipment
- Electrical component



*Sales amount
Workforce

700 bil. yen
11 thou. employees

Industrial Devices Company

- Electronic component
- Electronic material
- Semiconductor
- Storage device



1.5 tri. yen
102 thou. employees

Energy Company

- Primary battery/secondary battery
- Charger/battery application products
- Solar related products



700 bil. yen
26 thou. employees

* sales amounts are actual results in FY2011, workforce are forecast as of January 2012

Panasonic ideas for life

Solutions Business Field 14

Systems & Communications Company

- Equipment related to system, network and mobile communications
- Service engineering



Sales amount *
Workforce

940 bil. yen
28 thou. employees

Eco Solutions Company

- Lighting, wiring, power distribution, housing equipment, building products, and ventilation fan system
- Service engineering, comprehensive solutions



1.5 tri. yen
46 thou. employees

Healthcare Company

- Medical equipment, nursing-care equipment, service engineering
- Nursing service



120 bil. yen
7 thou. employees

Manufacturing Solutions Company

- Manufacturing equipment related to electronic component, device related system, welding equipment, laser oscillator



170 bil. yen
4 thou. employees

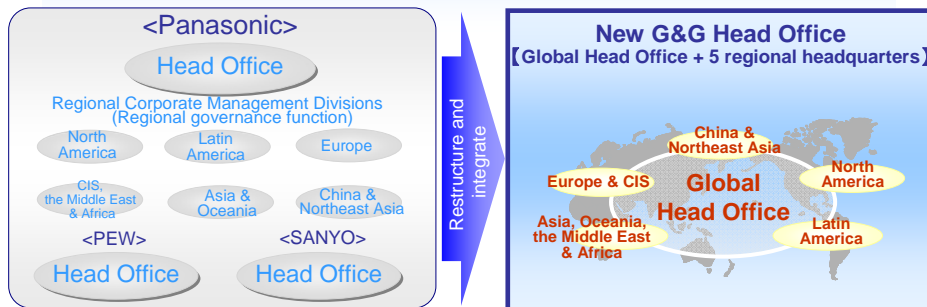
* sales amounts are actual results in FY2011, workforce are forecast as of January 2012

Panasonic ideas for life

New Global & Group Head Office

15

- ▶ Business Domain companies: Have more responsibility for its management
- ▶ Head Office: Strengthen corporate strategic function in lean operation



Workforce

$$1 + 1 + 1 < 1$$

Integrate 3 companies and minimize total workforce in G&G head office to less than current Panasonic head office*

* Workforce target for the end of FY2013 (except for R&D)

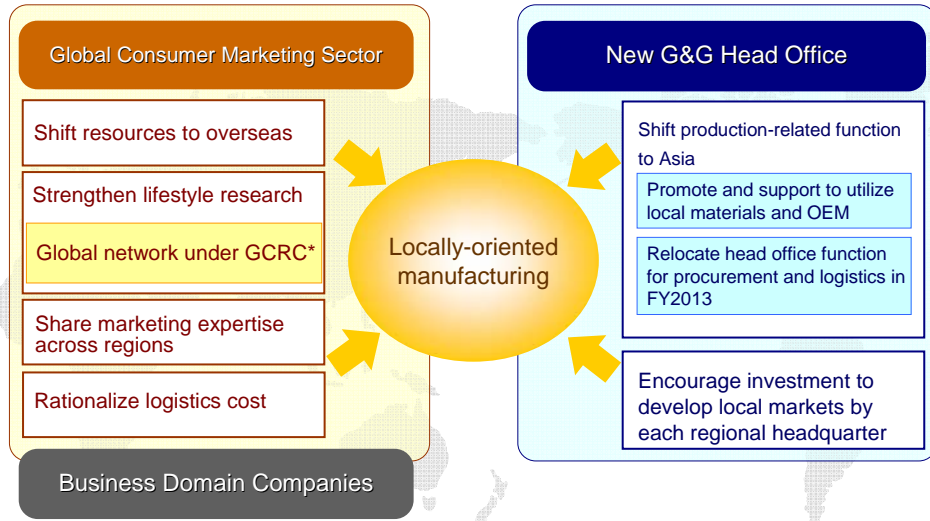
Panasonic ideas for life

Contents

16

1. Initiatives to improve profitability
2. New business organization
3. **Growth strategy**
4. Towards FY2013

Panasonic ideas for life



* Global Consumer Research Center

Panasonic ideas for life

China A23 Strategy

- Focus on rapidly growing inland areas
- Drastically expand sales channels: in 2011 (y-y)
 - x2 number of branches
 - x7 number of Panasonic shops

Target FY2011-13 Annual growth rate: 20% in consumer product sales

Large sales increase project in India

- Strengthen product lineup and marketing
- Establish new factories for air conditioners, washing machines and welding machines operating from 2012

Target FY2011-13 Annual growth rate: 80%

Large sales increase project in Brazil

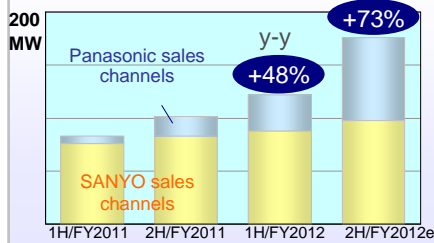
- Develop home appliances, solutions and components & devices business
- Focus on promising sales channels
- Establish new factory for refrigerators and washing machines operating from 2012

Target FY2012-14 Annual growth rate: 40%

Panasonic ideas for life

Rapidly increase sales in Japan

Take advantage of group-wide sales channels



Globally expand business

Expand business focusing on markets' perspective

	Japan	EU	US	Others
Residential-use				
Commercial-use				
Large-scale System				

Focus on Highly efficient HIT

Utilize Standard models offering unique system & solutions

Customize for each project

Reduce cost and strengthen product lineup

Reduce cost in HIT
Increase outsource of standard models

Introduce next generation HIT (2013-)

Expand solutions business

Expand solar system for cooperation with
energy storage battery (FY2012-)

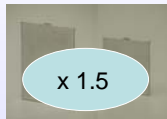
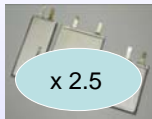
Start solutions business: ex. SI

Sales Target in FY2013: No.1 in Japan, 750 MW globally

Panasonic ideas for life

Focus on promising products

Expand production capacity

Wide Prismatic type
【for smartphone】Pouch type
【for PC/Tablet】

* Growth from FY2012 to end of FY2013

Establish strong production structure

Integrate global operating sites

- Move up production
in Suzhou factory

- Reform domestic operating sites

- Wakayama: Reduce production to be consolidated in Suminoe
- Re-evaluate 2nd phase construction in Suminoe

For in-car use

Cylinder type
(18650)

-Supply to Tesla Motors 'Model S'

For more than 80,000 cars in next 4 years



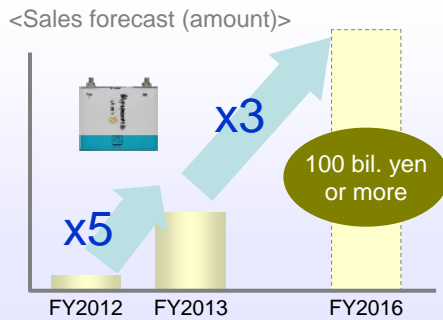
Get back to global No.1 market position ASAP

Panasonic ideas for life

Basic strategy: All-around

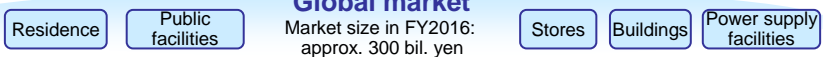
- Our strength**
- Built-in customer base → Propose to leading car-manufacturers and contract business
 - Technology & expertise → Standardize cell size / lead in R&D and mass production

Quickly respond to market growth



Strengthen production systems

- Increase production capacity in existing factories
 - Steadily increase production gaining new customers
 - Evaluate new production lines and factories
 - Continue to invest in growing markets
- Customer's perspective**
- Produce locally, sell locally
 - Optimize technology, quality and cost
- Establish globally optimum production



Post-earthquake market demand

Preparing for blackouts

+ Saving electricity

+ Energy management

Portable type



Currently available
130Wh

Solar charging type

Ensure self-sustaining solar operation



Residential-use

AC charging type

- Backup for emergency
- Peak shift in power use



For stores/facilities

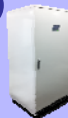
Currently available
Accepting order on Nov. 15

For residence

1.6/3.2kWh

Energy management type for cooperation with solar

- Ready for AC & solar charging
- Optimum power control & use



Accepting order on Dec. 15

Residential-use

For public facilities

15kWh



Enter EU and US markets with components & devices

Supply storage for residence and stabilizing power grid operation

Expand into solutions business



Storage battery

Leverage energy-saving technology and interior decorating technology

* Consumer mass retailer stores (Source: GfK Japan)

Lead Japanese market Secure top market share in rapidly growing market	<LED light bulb market*> (amount)	FY2012 Q1	FY2012 Q2
	y-y	+79%	+41%
	Panasonic market share	34% (No.1)	35% (No.1)

Maintain No.1 position in Japan with outstanding product lineup

	FY2012	FY2016
Lamps	30 types	400 types
Equipment	2,000 types	5,600 types

Expand into global market

- Lamps ▶ Expand all over the world
- Equipment ▶ Focus on China & Asia
- Devices ▶ Focus on manufacturers in Europe & U.S.

Standardize and package devices ▶ Establish common platform / Promote external sales

FY2013 Sales target: 120 bil. yen or more

Focus on growing market with strengths of new structure

<New Industrial Devices Company>

Electronic materials + Semiconductor + Components & Devices

Work together in marketing and R&D

Create new market-oriented business

- ◆ 'Look-ahead' marketing
- ◆ Customers' perspective
- ◆ Propose package solutions

Mobile device Smartphone, Tablet PC, etc.	Connector, motherboard (ALIVH), touch panel, light-touch switch, Sensor, anti-heat sheet, speaker, PA/SW, FPC material
Eco-cars HEV, EV, Railroad, Bike, etc.	Film type capacitor, relay, sensor, in-car switch, in-car camera, In-car LED, in-car electric power IC, multilayer panel, molding material
Environmental infrastructure Power conditioner for solar photovoltaic power generation, etc.	Multilayer panel, sealing semiconductor, relay, sensor, film type capacitor, Reactor, microcomputer control, power semiconductor, inverter module

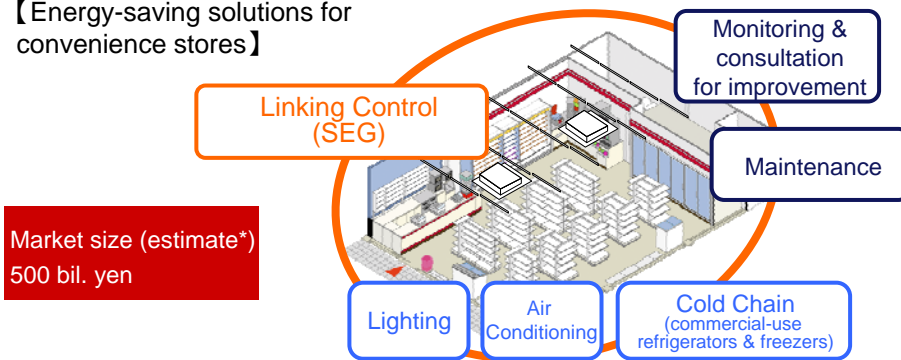
FY2013 Sales target: 200 bil. yen

1. Competitive single products
2. Combine & Link
3. Maintenance & service



Establish business model of making profits in 3 phases by providing value to customers

【Energy-saving solutions for convenience stores】



* Estimate based on number of stores 5 Japanese companies globally own in FY2011

◆ Project '100 arrows'

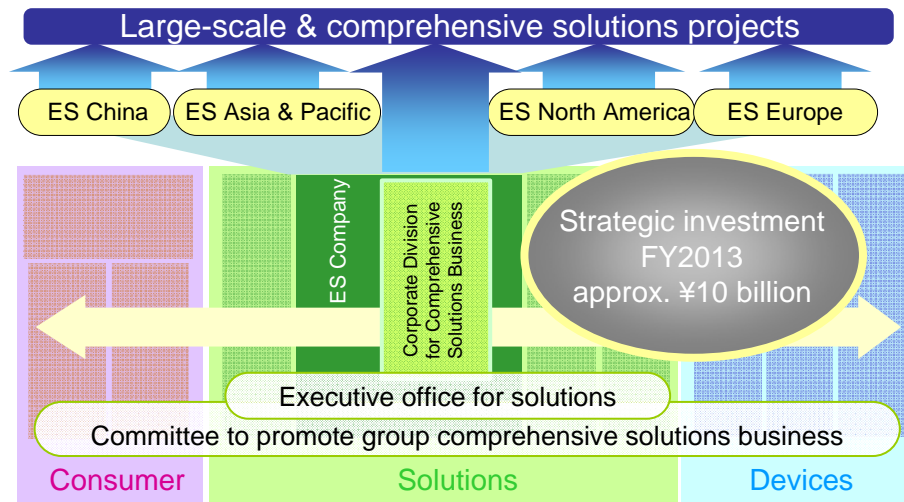
		Japan	China	Europe	North America	...
Residential	Housing complexes	<p>Clarify value that Panasonic can offer as comprehensive solutions proposals in matrix of industries and regions</p>				
	Stores					
Non-residential	Public Buildings					
	Medical					
	Education					
	Factories					
	Power grids					
	...					
	...					
	...					
...						

Convenience store	Offered to major stores (Japan / China / Asia)
Hotel guest room (Green Room)	Launched in Beijing
Techno structure (Entire home)	approx. 4,000 cases in FY2012 (estimated)
Factory (Energy-saving)	approx. 40 cases in FY2012 (estimated)
Hospital	Test demonstration

Started to work on 30 arrows out of 100

◆ Promote Smart City projects

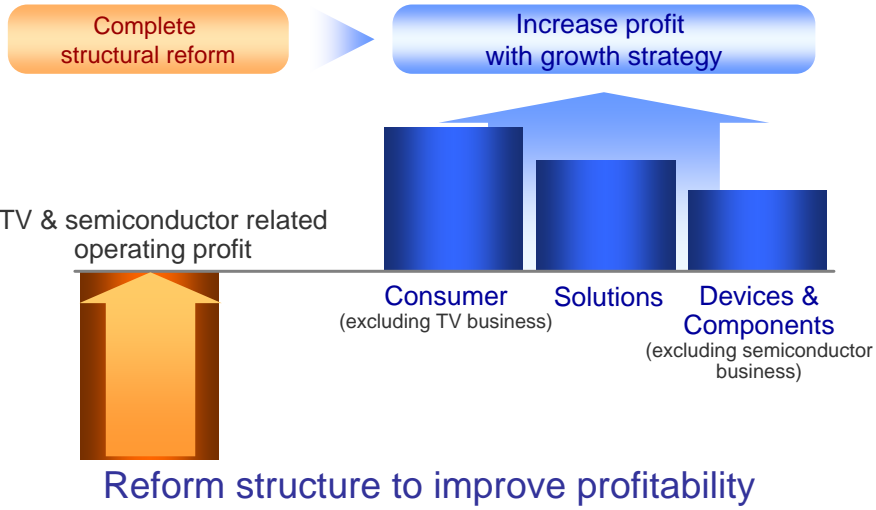
- Fujisawa Sustainable Smart Town
- Yokohama Smart City
- Dailian Best City
- Tianjin Eco City
- Verification testing at Punggol Eco Town in Singapore
- Guangzhou Knowledge City ...



Sales target: FY2013 105.5 bil. yen or more, FY2016 300 bil. yen or more

1. Initiatives to improve profitability
2. New business organization
3. Growth strategy
- 4. Towards 2013**

<Composition of operating profit by new business fields>



Panasonic
ideas for life

Disclaimer Regarding Forward-Looking Statements

This presentation includes forward-looking statements (within the meaning of Section 27A of the U.S. Securities Act of 1933 and 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 with the U.S. Securities and Exchange Commission pursuant to the U.S. Securities Exchange Act of 1934 and its other filings.

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; natural disasters including earthquakes, prevalence of infectious diseases throughout the world and other events that may negatively impact business activities of the Panasonic Group; as well as direct or indirect adverse effects of the Great East Japan Earthquake on the Panasonic Group in terms of, among others, component procurement, manufacturing, distribution, economic conditions in Japan including consumer spending and sales activities overseas, and direct or indirect adverse effects of the flooding in Thailand on the Panasonic Group in terms of, among others, component procurement and manufacturing. The factors listed above are not all-inclusive and further information is contained in Panasonic's latest annual reports, Form 20-F, and any other reports and documents which are on file with the U.S. Securities and Exchange Commission.

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.