

Panasonic Group Business Policy for FY2012

April 28, 2011

Panasonic Corporation
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*Notes: 1. This is an English translation from the original presentation in Japanese.
2. In this presentation, "fiscal 2011" or "FY 2011" refers to the year ended March 31, 2011. In addition, "fiscal 2012" or "FY 2012" refers to the year ending March 31, 2012.*

- This presentation outlines Panasonic Group's business policy for FY2012.

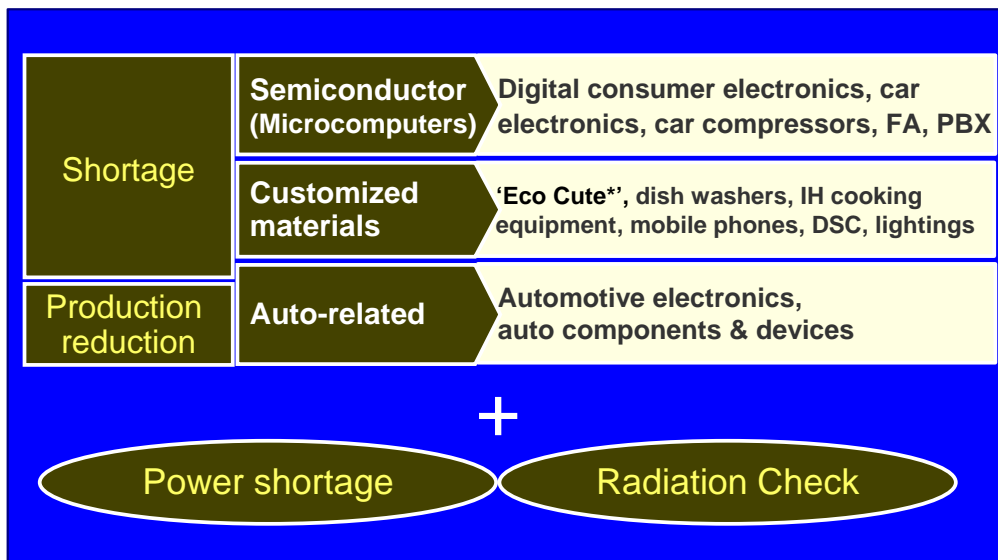
Resumption of production at facilities

Production sites	SANYO Electric Co., Ltd. Tokyo Plant located in Gunma	3/14 restarted & full operation
	Panasonic Electric Works Koriyama Co., Ltd.	3/23 restarted & full operation
	AVC Networks Company Yamagata	3/22 restarted & facility recovered
	AVC Networks Company Utsunomiya	3/22 restarted & facility recovered
	AVC Networks Company Fukushima	4/ 1 restarted & facility recovered
	AVC Networks Company Sendai	4/ 1 restarted & facility recovered
	Panasonic Liquid Crystal Display Co., Ltd. Mobara	4/28 restarted & will be sequentially restored

Panasonic ideas for life

- First, I would like to mention our recovery from Great East Japan Earthquake on March 11, 2011.
- As you can see, all of our facilities except for Panasonic Liquid Crystal Display Co., Ltd. Mobara have recovered and some of them are already in full operation.
- We finally resumed the production at Panasonic Liquid Crystal Display Co., Ltd. Mobara today and we will restore its operation sequentially.

Issues in supply chain



* natural-refrigerant water heating systems

Panasonic ideas for life

- We still have some issues in our supply chain. Many of companies manufacturing devices and materials which are difficult to substitute are visited by the earthquake.
- We have to decrease output in many of our products due to the shortage of microcomputer, condensers etc. We are not able to deliver some components and equipment due to stopping of production lines at our customers.
- It is not easy to fully recover in a short term. Restoration may be delayed due to power restriction and radiation check.

Our Firm Progress towards Recovery

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Support
disaster area

- ▶ Provide necessities and housing
- ▶ Support retail stores to resume operations

Accelerate
business recovery

- ▶ Review supply chain and emergency response
- ▶ Respond to power restriction

Review
risk management

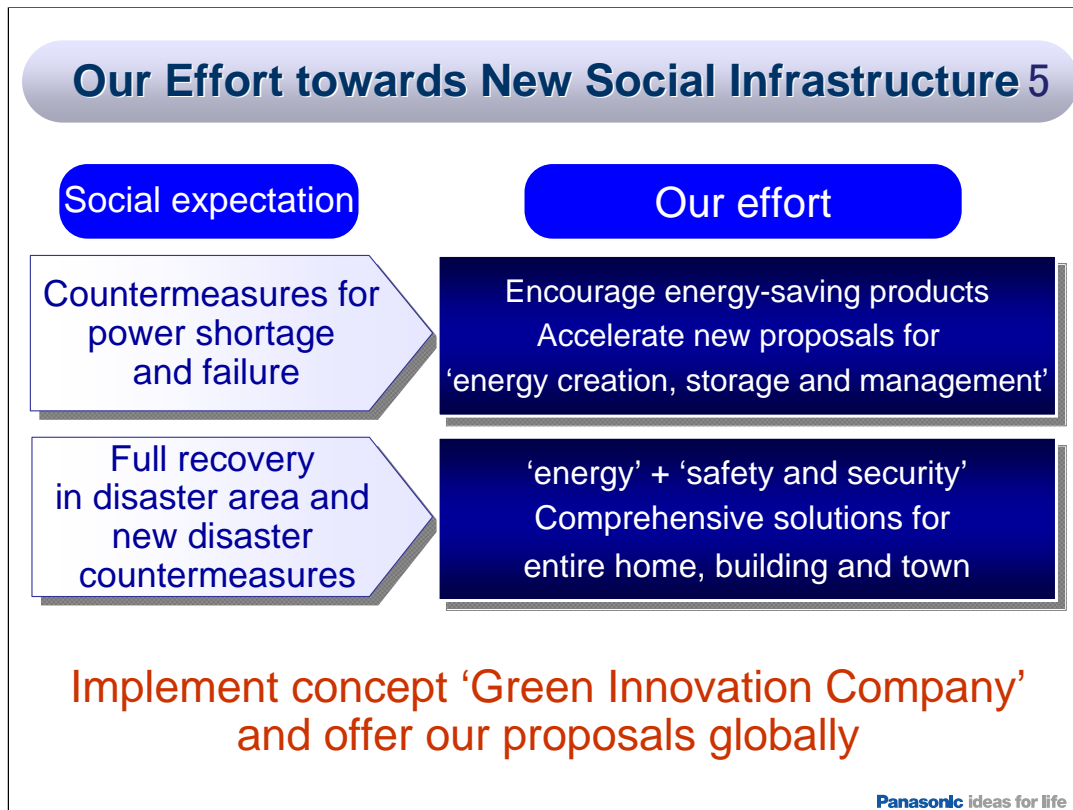
- ▶ Bolster disaster-prevention countermeasures
- ▶ Rebuild strategic placement of overseas sites

Reduce cost and investment
along with
sales fluctuation

Work on recovery
with our products
and business

Panasonic ideas for life

- We will continue to support the disaster area and accelerate business recovery to review our supply chain and respond to power restriction.
- We will also review our risk management to bolster disaster-prevention countermeasures and restructure strategic placement of overseas sites
- Along with fluctuation of sales due to the earthquake, we need to reduce cost and investment.
- Moreover, we will have to work on recovery in Japan with our products and business, which eventually lead the company's recovery.



- The disaster area and the eastern part of Japan face power shortage and failure. To respond those issues, we will encourage energy-saving products and accelerate our new proposals for 'energy creation, storage and management.'
- The disaster urged us to establish 'anti-disaster society' more than ever. We will lead to recover from the disaster with 'energy' + 'safety' and security concept in our comprehensive solutions for entire home, building and society.
- As a 'Green Innovation Company', we believe doing our business following our management principles will eventually contribute recovery in Japan.

- 1. Progress and challenge in GT12**
2. Group reorganization and new growth strategy
3. Initiative to strengthen management structure
- 'proactive' and 'change'
4. Panasonic after Reorganization

- Here are the outlines today.

FY2011 Financial Results

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(vs FY2010)		
Sales	8,692.7 bil. yen	+17% <+1%>*
Operating profit (%)	(3.5%) 305.3 bil. yen	+114.8 bil. yen
ROE	2.8%	—
Free cash Flow	266.3 bil. yen	+67.6 bil. yen
CO ₂ emission reduction	(vs FY2006) 35.18 mil. tons	(vs plan) +4.92 mil. tons

* percentage in parenthesis is comparison with FY10 including SANYO's results from April to December, 2009 (unaudited)

Panasonic ideas for life

- FY2011 financial results are shown here.
- Sales were up 1% comparing with FY2010 including SANYO's results.
- Although operating profit was dramatically improved from FY2010, operating profit ratio to sales was still low. FCF was 266.3 billion yen.
- CO₂ emission reduction was 35.18 million tons dramatically increasing from the original plan.

Three Paradigm Shifts—Transformation Indexes— 8

(yen: billion)	Indexes	FY2011	vs FY10*2	FY2013 (target)
New Business Fields	Sales ratio of six key businesses	35%	±0%	42%
	Sales of energy systems business	550.8	-2%	850
Overseas	Sales in emerging countries*1	505.1	+20%	770
	Overseas sales ratio	48%	±0%	55%
Solutions & Systems	Sales of systems & equipment business	2,271.8	+2%	2,600
	Overseas sales ratio (for systems & equipment)	32%	+1%	39%

*1 Panasonic sales in consumer and system for BRICs+Vietnam•MINTS (Mexico, Indonesia, Nigeria, Turkey, Saudi Arabia) +the Balkans

*2 Including SANYO's results in FY2010 (excluding sales in emerging countries)

Panasonic ideas for life

- The main subject of GT12 is 'three paradigm shift' shown here.
- In six key businesses, heating/refrigeration/air conditioning and LED businesses firmly expanded, but other businesses such as energy system and network AV decreased. Therefore the sales ratio remained at the same level with FY2010.
- The sales in emerging market were up 20% from FY2010 due to good sales in India and Vietnam. However the overseas sales ratio remained at the same level with FY2010 due to the yen appreciation and sales decline in North America.
- Although sales in solutions & systems were above its plan, it did not contribute to increase overseas sales ratio.

Overview of FY2011

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Accomplishments

- Expanded heating/refrigeration/air conditioning, LED business
- Expanded in emerging market
- Contributed to CO2 emission reduction with energy-saving products and production

Still in progress

- Grow in new areas & new businesses
ex. energy
- Increase overseas sales ratio

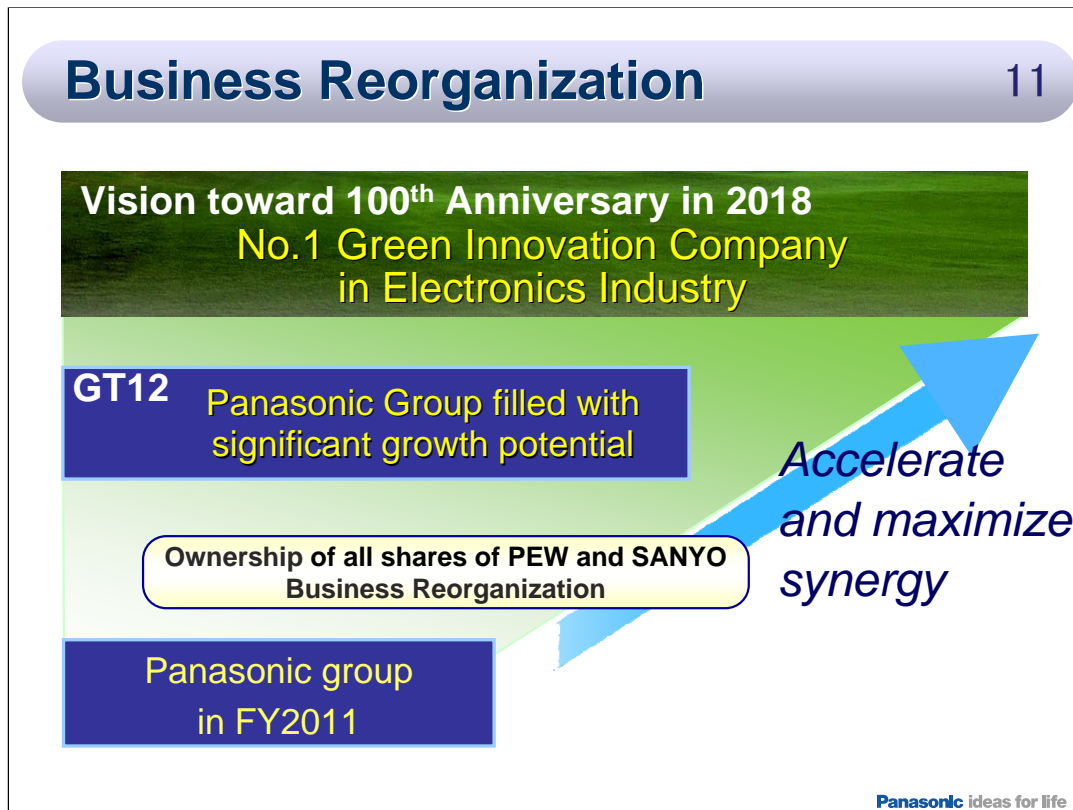
Towards high growth

Panasonic ideas for life

- Here are our accomplishments in FY2011.
- Although we achieved good results in some businesses and regions, we did not drastically increase in new business fields and overseas sales, and still slumped in a low growth structure.
- In addition, our core business such as Flat-panel TVs and lithium-ion batteries dragged down profitability.

1. Progress and Challenge of GT12
2. **Group reorganization and new growth strategy**
3. Initiative to strengthen management structure
- 'proactive' and 'change'
4. Panasonic after Reorganization

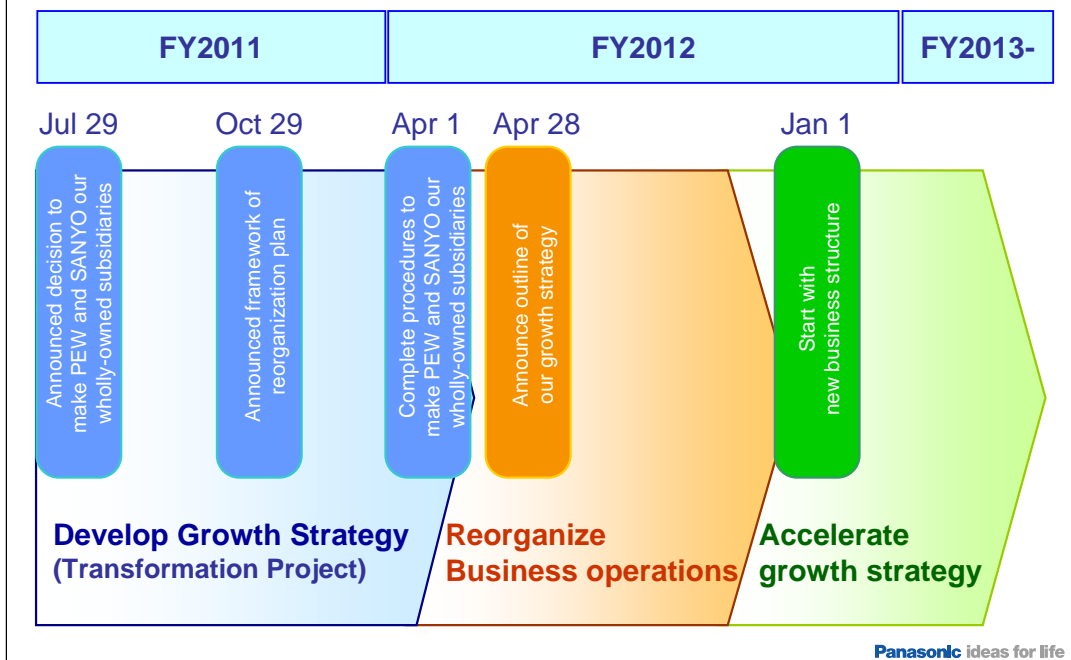
- We accelerate the biggest transformation ever, which is our group reorganization with PEW and SANYO, and implementation of new growth strategy.



- The aim of our business reorganization is that we accelerate and maximize synergy towards our vision, “No.1 Green Innovation Company in Electronics Industry” in both GT12 and 100th anniversary.

Schedule

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- We announced the full acquisition of PEW and SANYO on July 29, 2010 and started Transformation Project to discuss reorganization and our new growth strategy. I would like to explain the outline.
- As you know, we will carry out our business reorganization ahead of schedule this year and accelerate our growth strategy along with start in our new business structure on January 1, 2012.

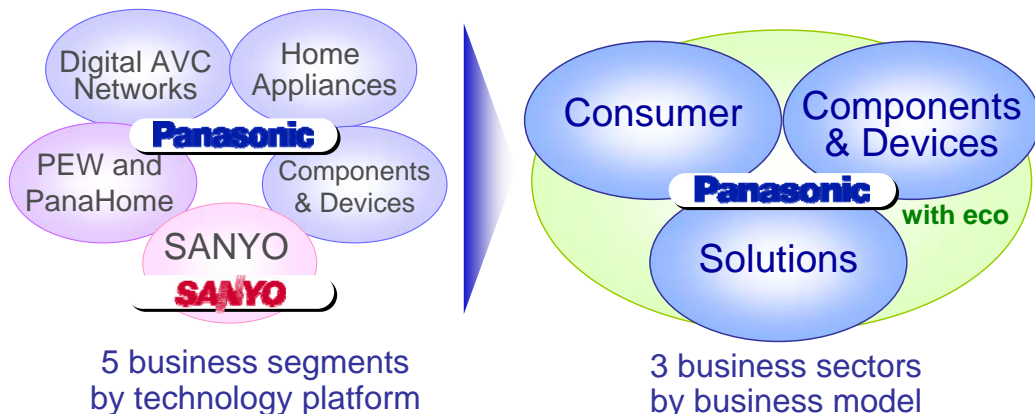
Business Reorganization

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Value creation by
strengthening connection
with customers

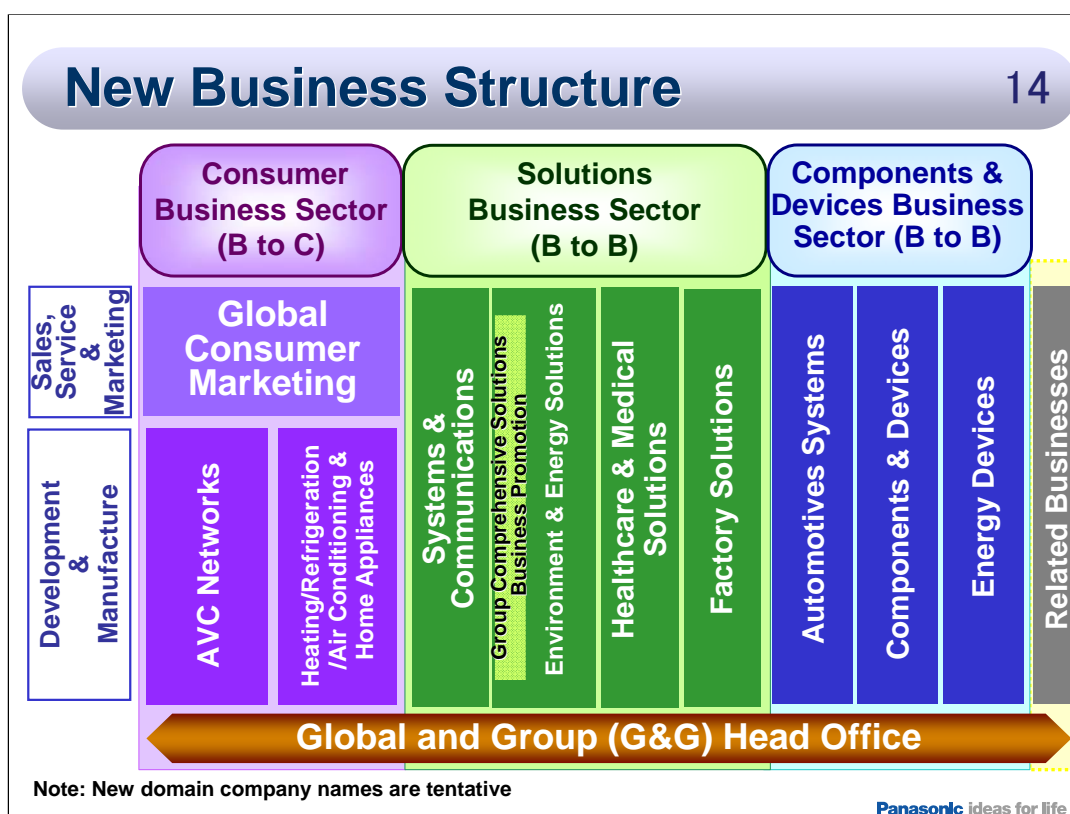
Speedy and lean
management structure

Business growth by
shifting resources



Panasonic ideas for life

- Our three main subjects in the reorganization are:
 - 1) value creation by strengthening connection with customers
 - 2) speedy and lean management structure
 - 3) business growth by shifting resources
- We reorganize from five business segments by technology platform to three business sectors by business model.

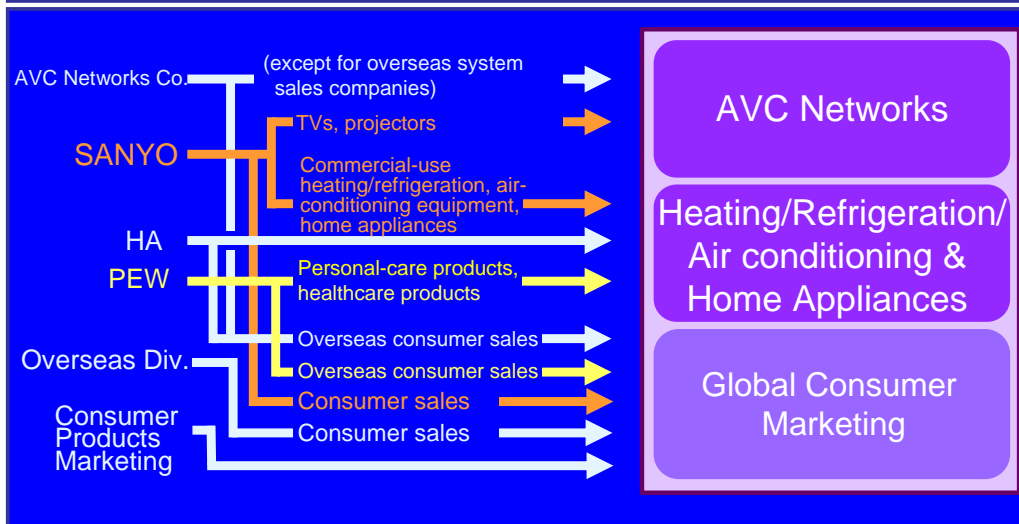


- In our new organization, we will have nine domain companies and one marketing department in three business sectors. We will establish our business model optimal to customers in each business sector, managing business with responsibility in all domain companies.
- We will strengthen each business ‘vertically’ and work together group-wide ‘horizontally’ to maximize our group potential, which is the main subject in the reorganization.

Consumer Business Sector

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- Strengthen marketing to assess customer needs
- Reduce cost and offer products suitable for each region



- In consumer business sector, we will strengthen our marketing to assess customer needs and provide each region with the most suitable products in the shortest time and with the most competitive price.
- In AVC Network Co. and HA, we will mainly integrate related business in SANYO and PEW to AVC networks and heating/refrigeration/air conditioning domain companies
- We also integrate three domestic and overseas consumer marketing divisions to one Global Consumer Marketing.
- Therefore we will survive against global competition through our close cooperation in our new structure.

Expand business with network products, synergy with SANYO, and growth in emerging market

Network products in our daily life

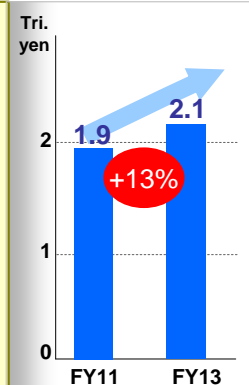
Maximize synergy with SANYO to expand market share and business and exploit new markets

- Projectors:
 - Expand product lineups aiming top ranks of permanently-installed projectors
- Upright camcorders:
 - Expand business with 'moving image + picture' shooting
 - Expand market and sales channels to gain more than 30% market share in HD products



Strengthen products for high-volume segments to increase market share in emerging market

- Flat-panel TVs:
 - Cost competitive LED TV in India with high-output speakers
 - USB video replay function highly demanded in emerging market



Sales >2.1 tri. yen
Operating profit to sales ratio +3.9%

Panasonic ideas for life

- In AVC Networks, we expand business with network products, synergy with SANYO and in emerging markets.
 - 1) Establish new business models with increase of easy-to-use network product lineups in our daily life based on common element technology and product concept to maximize profitability both in products and service.
 - 2) Maximize synergy with SANYO to expand market share and business, and exploit new markets with SANYO related products such as projectors and upright camcorders.
 - 3) Shift R&D and manufacturing sites to local operation to expand business in high-volume segments.

- We expect sales of more than 2.1 trillion yen and increase operating profit to sales ratio by 3.9% in FY2013.

No.1 'Green Innovation Company' in home appliance business



- In heating/refrigeration/air conditioning business, we aim to be No.1 'Green Innovation Company' in home appliance business:
 - 1) Expand finished products overseas, creating demand with region-oriented products with core environmental technology to increase overseas sales ratio to 60% in FY2016.
 - 2) Increase sales of cooking appliance and personal-care and healthcare products, expanding groups of products with unified concept and design as small appliance business.
 - 3) Expand BtoB with SANYO products, increasing large air conditioners and cold chain business in 'entire store' strategy.
- Although we expect to have sales decrease first in collaboration with SANYO due to resolution overlapping businesses, we expect operating profit to sales ratio up 2.5% comparing with FY2011 through shifting production to overseas site dramatically and strengthening management structure.

Global Home Appliance Business

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Large sales increase
in emerging market

Step into
untapped market

European business
in full swing


Reinforce production foundation

● New factories

 India, August 2012
 Brazil, October 2012

Expand sales
into Africa
and North
America

● Local R&D function

 Vietnam: center in ASEAN

Utilize resources in-house and external resources

● Brazil Cross-regional collaboration

 Taiwan  Brazil
 development production
 Japan

● OEM

<FY12 refrigerators/washing machines
 in Europe & India>
 vs FY11: sales 1.5times, sales ratio 47%

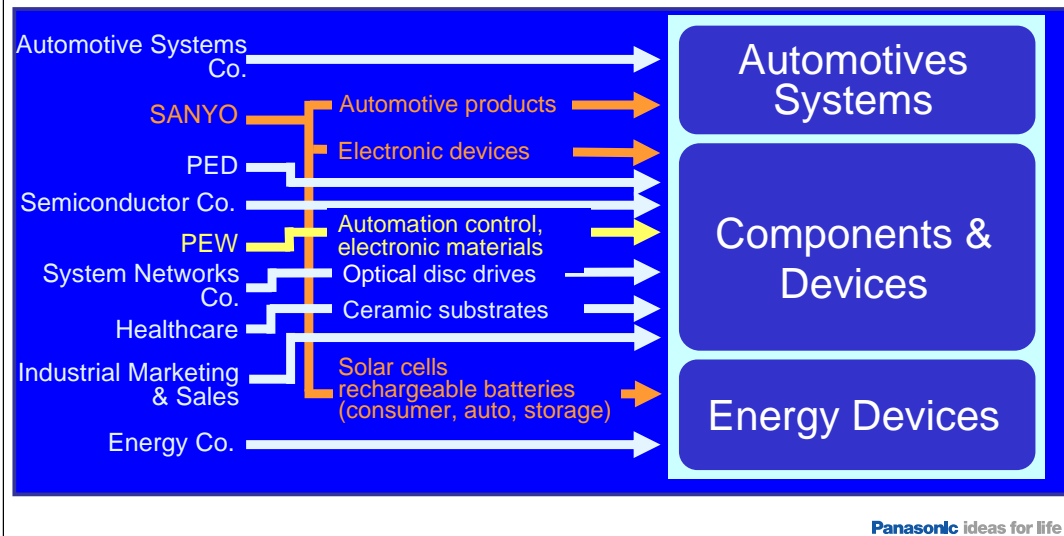
Double digit annual growth in the sales of overseas finishing products
from FY2011 to FY2016

Panasonic ideas for life

- In home appliance business, our main subjects are: 1) Large sales increase in emerging markets, 2) Step into untapped markets, and 3) European business in full swing.
- To reinforce production foundation, we will establish manufacturing sites for air conditioners, refrigerators and washing machines in India and Brazil in FY2013 not only for those markets but also for African and North American markets. To strengthen local R&D function, we will improve operating site in Vietnam as a center of ASEAN.
- To accelerate business development, we will utilize resources both in and out. In Brazilian market, we collaborate with our sites in Japan and Taiwan to accelerate our product development and production. We will also utilize OEM products.
- We aim to achieve double digit annual growth in the sales of overseas finishing products from FY2011 to FY2016.

Components & Devices Business Sector 19

- Assess customer needs with marketing and R&D
- Establish business independent from in-house demand



- In Components and Devices sector, we will integrate our marketing and R&D and propose potential customer needs, and expand each business independent from in-house demand.
- We will reorganize current eight domain companies and Industrial Marketing & Sales Division to Automotives Systems, Components & Devices and Energy devices.

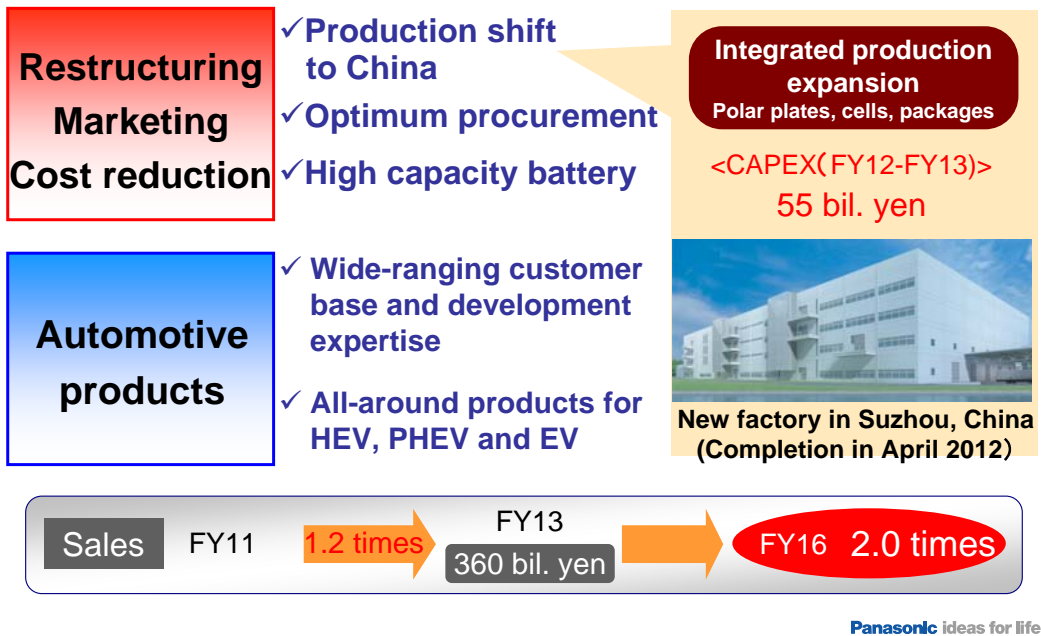
Growth drive towards 'Green Innovation Company'



- Energy devices will be the Group's growth engine towards 'Green Innovation Company'. Our growth drivers are especially lithium-ion battery and solar business.
- In lithium-ion battery business, we will maintain No.1 global market share, rebuilding competitiveness against Korean companies and aiming to exponential and nonlinear growth in new business fields such as auto battery and storage system.
- In solar business, we aim to be No.1 in Japan in FY2013 and Top 3 in global market in FY2016. We will expand our sales through group sales channels, reducing cost of highest level conversion efficient 'HIT,' expanding product lineups with purchased polycrystalline solar modules.
- We will dramatically expand our business, setting up our global supply system with introduction of higher conversion rate 'next generation HIT' in FY2013.
- We expect sales of 760 billion yen and operating profit to sales ratio up 1.6% in FY2013. Therefore, we will be able to accelerate our growth.

Lithium-Ion Battery Business

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- I would like to mention a new growth strategy for lithium-ion battery business.
- In April, 2011, we already moved both Panasonic and SANYO energy businesses to one top management, prior to starting new business structure in January, 2012.
- We will restructure our organization and strengthen marketing to be competitive in a major battlefield such as PC and mobile phones.
- For example, we will shift production sites to China for optimal procurement and cost competitiveness. We will expand integrated production of polar plates, cells and packages in Suzhou and Beijing, China. Capital investment is expected to be 55 billion yen for two years including a new factory in Suzhou.
- We will also expand business and lead market growth leveraging wide-ranging customer base, development expertise and wide product lineups in automotive related market which will be one of growth drivers.
- We expect sales of 360 billion yen in FY2013 and doubled sales in FY2016.

No.1 in Japan

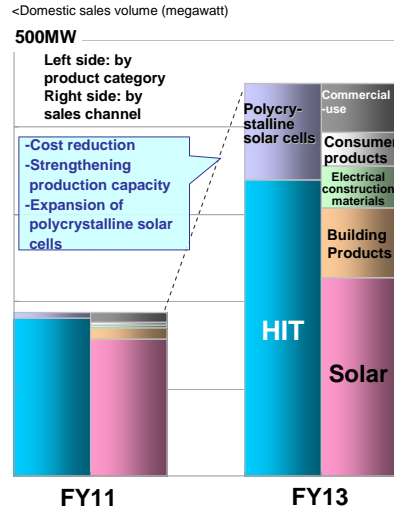
- Broad sales platform
- Product lineups with high conversion efficient 'HIT' and purchased polycrystalline solar cells



No.1 in Japan, FY13
35% market share

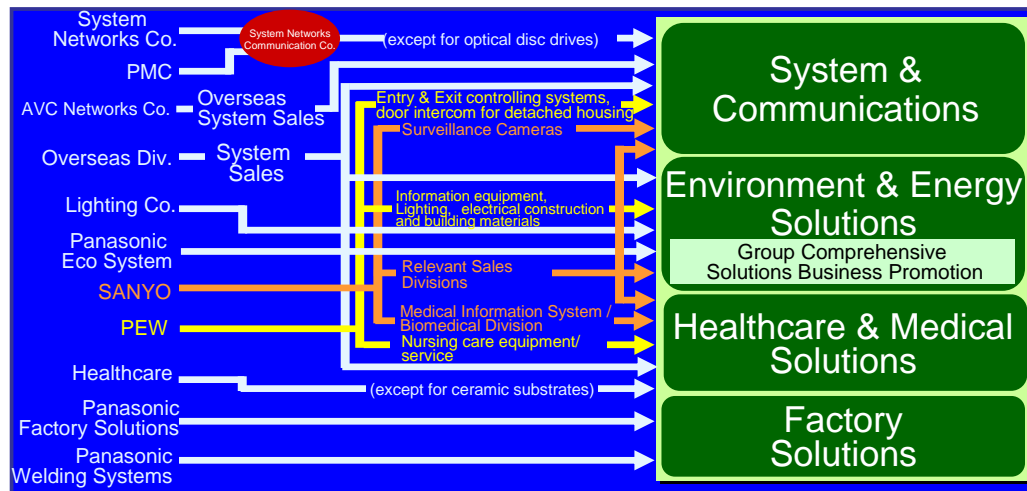
Top 3 in global market

- Higher conversion efficient next-generation 'HIT' for housing market
- 'System=solar cells + storage' for grid parity



- In solar business which is another growth driver, we will expand business in certified operators, utilizing our broad sales platforms. We will also expand BtoB to offer 'eco-school' project. We aim to gain 35% market share in Japan in FY2013, introducing polycrystalline solar cell. We also accelerate collaboration with utilities companies such as electric power and gas companies in Europe and the U.S. to strengthen our approach to large-sized projects.
- We plan to introduce new storage systems in high demand in the summer of 2011, connecting with solar photovoltaic systems and multiply-connected lithium-ion batteries.

- Assess customer needs to offer optimal solution
- Maximize profitability through vast value chain



- In Solution Business sector, we access customer needs and issues to offer optimal solutions. We aim to maximize profitability through vast value chain.
- We will reorganize current ten domain companies and overseas system sales to
 - System & Communications
 - Environment & Energy Solutions
 - Healthcare & Medical Solutions
 - Factory Solutions.
- We will also set up a new function, ‘Group Comprehensive Solutions Business Promotion’ in environment, energy solutions.

Comfortable and eco-conscious lifestyle

Strengthen global products

- Lighting: Increase LED product lineups
Capture European manufacturers,
Chinese retailers and government



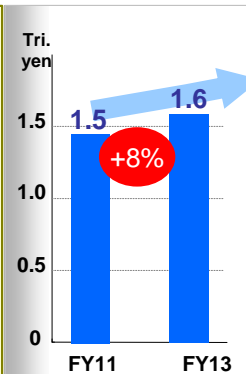
Both LED ratio & overseas ratio: >40% in FY16

- Electrical construction materials: Expand in Asia,
especially in India collaborating with Anchor
- Expand environmental engineering business
through water/air purifier technology



Expand sales of group-wide products selling through equipment business channel

High growth with 'comprehensive solutions' business



Sales:

1.6 tri. yen

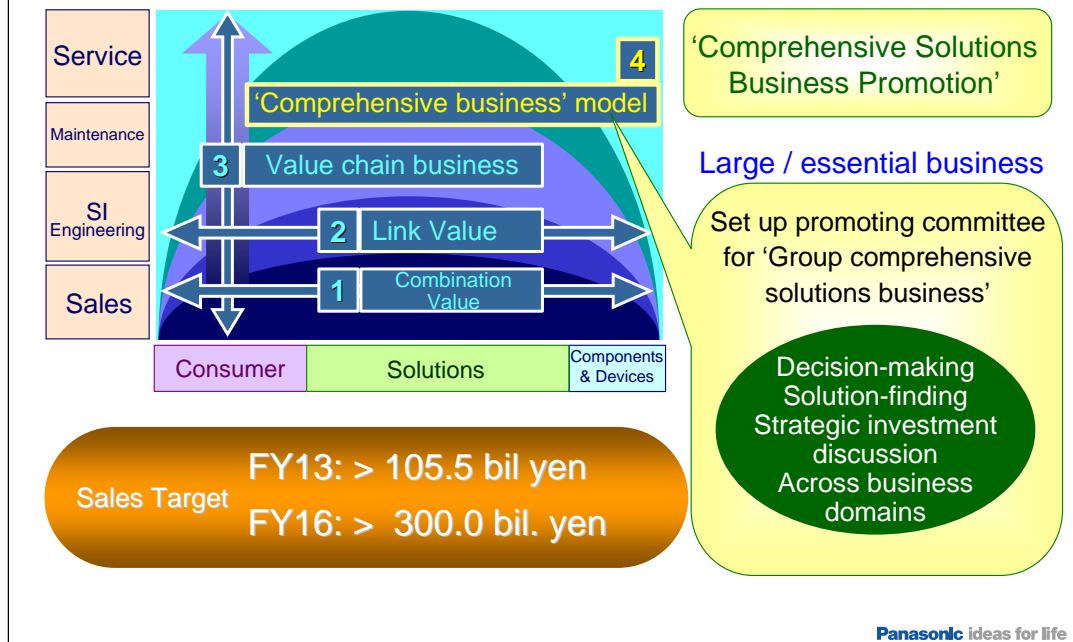
Operating profit to
sales ratio

: +1.9%

Panasonic ideas for life

- In environment & energy solutions, we will increase product lineups of LED and expand sales channels in Europe, the U.S. and China to increase both the LED ratio and overseas sales ratio to more than 40% in FY2016.
- In electronic construction materials, we will expand business in Asia centering India collaborating with Anchor.
- Moreover, we will also expand sales of our group-wide products selling through equipment business channel.
- We will aim to achieve exponential, nonlinear growth through 'comprehensive solutions' business.
- We expect sales of 1.6 trillion yen and operating profit to sales ratio up 1.9% in FY2013 to build a platform for further growth.

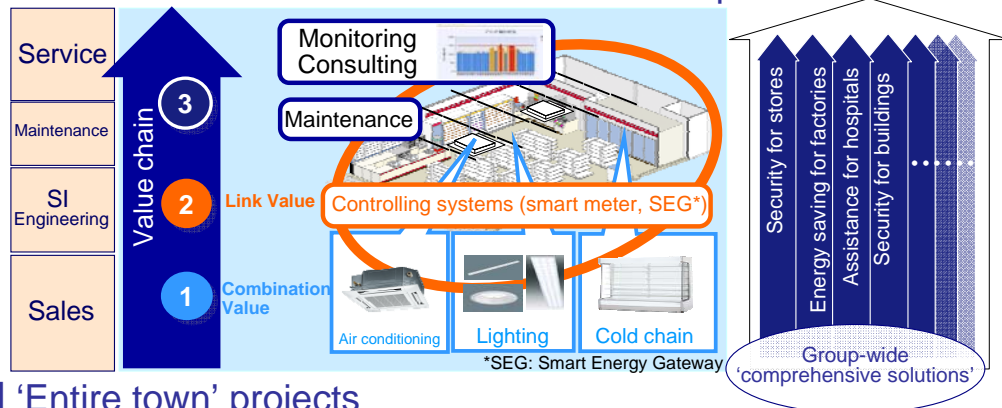
'Comprehensive Solutions' Strategy (1) 25



- There are four values when we promote our 'comprehensive solutions business'. The first value is 'combination value' which gathers and combines a variety of products. The second is 'link value' which connects and links those products. The third is vertical 'value chain business' which includes repair, maintenance and service business. The fourth is creation of 'comprehensive business' model which contains those values vertically and horizontally. Comprehensive Solutions Business Promotion Division will be in charge of strategy planning and business development to create these four values.
- We expect sales of more than 105.5 billion yen in FY2013 and more than 300 billion yen in FY2016 creating new businesses.
- We will set up 'Group comprehensive solutions business committee.' The committee which comprises of group executives works on large-scale and major projects. The committee will make decisions, find solutions, and discuss strategic investments across business domains.

'Comprehensive Solutions' Strategy (2) 26

Eco-conscious solutions for stores from Japan to China



'Entire town' projects

FUJISAWA Sustainable Smart Town



190 thousand sq. m
1,000 housings

- Collaborate with Fujisawa city
- Collaborate with alliance companies
- Contribute to equipment, management systems and service (Energy, security, etc.)

'Eco city' in Tianjin, China

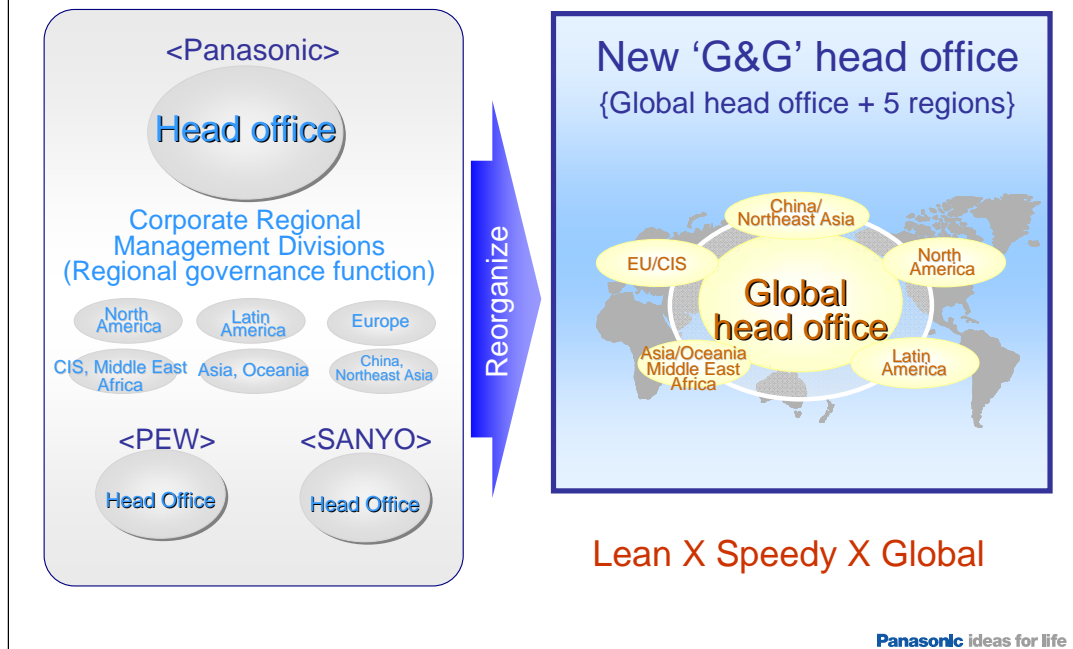


30 kilo sq. m
110 thou. housings

- Collaborate with Hitachi
- Offer air conditionings and HEMS
- Expand all in China

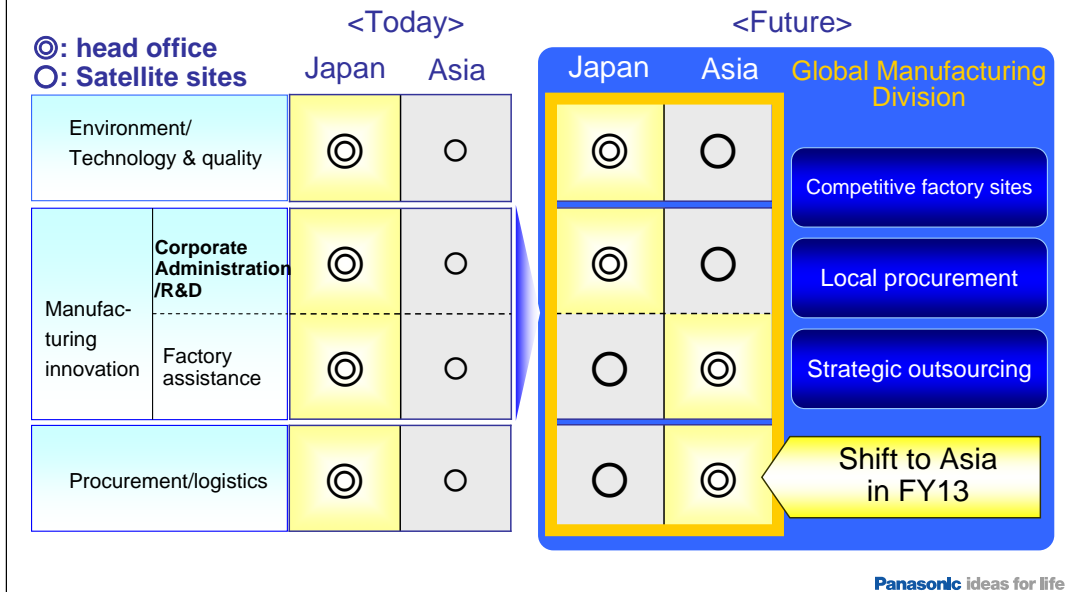
Panasonic ideas for life

- One of our examples of 'comprehensive solutions' is our project offering energy-saving solutions to shops through 1) combining a variety of products, 2) linking those products, and 3) liaising and controlling systems. Moreover, we will provide a package solution which includes repair, maintenance, monitoring and consulting. We will expand these value chain business, not only in Japan but also in China.
- In addition, we also create a lot of value chain business such as assistance for hospitals and security for buildings. Making a bundle of those value chain business, we intend to carry out our group 'comprehensive solutions' business.
- We are now promoting proposal of energy management at 'FUJISAWA sustainable smart town' in Fujisawa-city, Japan and 'eco city' in Tianjin, China as large-scale and major projects of 'comprehensive solutions' for entire town.
- The disaster raised attention to those projects, therefore we will accelerate Fujisawa and Tianjin projects and expand our 'comprehensive solutions' globally.

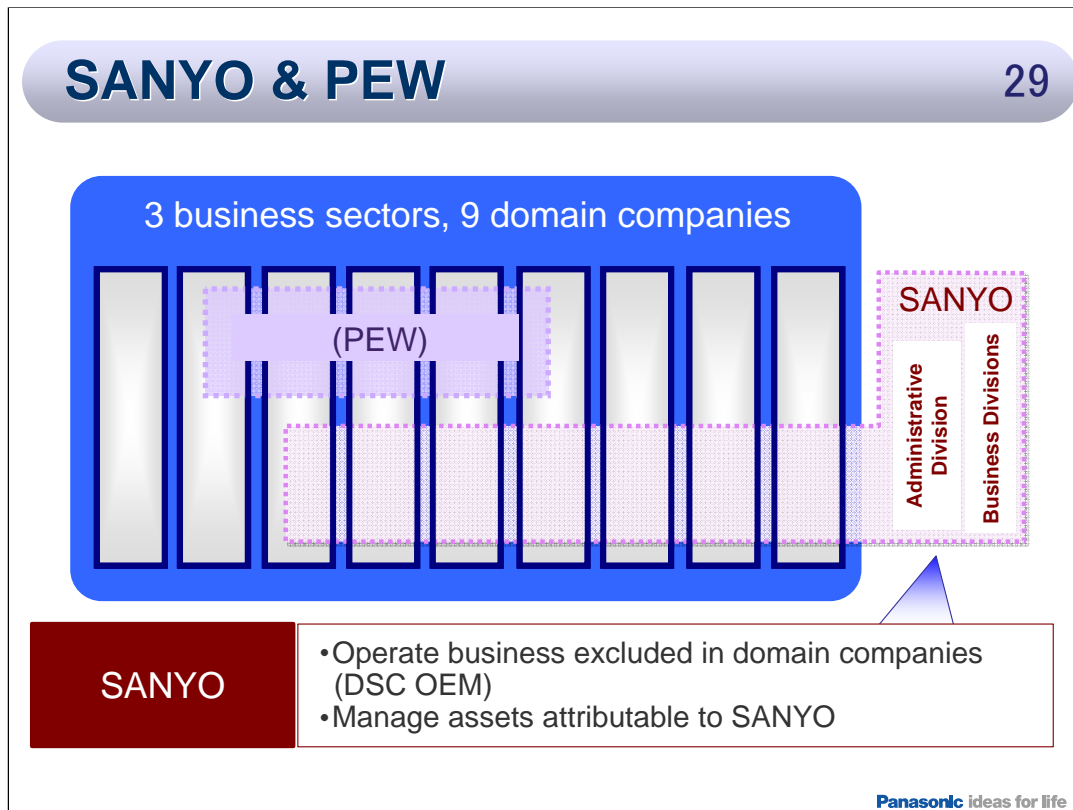


- In our new head office, we will integrate three head offices of Panasonic, PEW and SANYO and six Corporate Regional Management divisions to 'Global and Group (G&G)' head office.
- We will also set up five global head offices around the world for lean, speedy and global operation, collaborating 'G&G' head office.

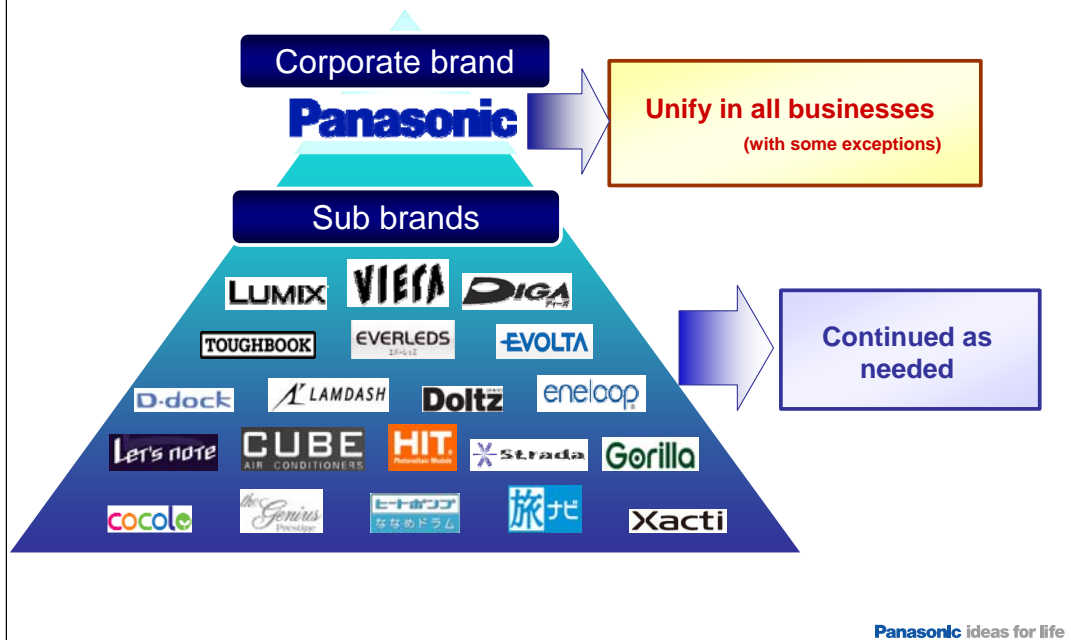
Shift production-related divisions to Asia



- In global job function, we will shift part of head office for production-related divisions to Asia and also strengthen those satellite sites in other divisions.
- We position these divisions as global manufacturing department to accelerate improvement of our global production function, pursuing competitive factory sites, local procurement and strategic outsourcing.



- I would like to mention the position of SANYO and PEW after reorganization.
- We will combine SANYO and PEW into Panasonic domain companies. The basic subject is the same that nine domain companies will be controlled by domain presidents for autonomous management.
- However, we have issues such as SANYO's OEM business which is Panasonic's competitor, its overseas joint ventures and its businesses which will be ceased. We do not merge these businesses into domain companies. Therefore, SANYO continues to have its corporation form for the time being. We will make SANYO operate businesses excluded in domain companies and manage assets attributable to SANYO separately from nine domain companies.
- On the other hand, we completely merge all PEW business to Panasonic domain companies. We also discuss a possibility to integrate a corporation of PEW into Panasonic.



- We will unify our corporate brand in all businesses into 'Panasonic' with exceptions in some products and areas.
- Meantime, we discuss whether many of our sub brands should be continued in future. Some of sub brands may be kept ensuring consistency in the group.

1. Progress and Challenge of GT12
2. Group reorganization and new growth strategy
- 3. Initiative to strengthen management structure
- 'proactive' and 'change'**
4. Panasonic after Reorganization

- I would like to talk about initiative to strengthen management structure: 'proactive' and 'change.'

FY2012 Forecast (reference)

32

*Excluding effect from the Great East Japan Earthquake

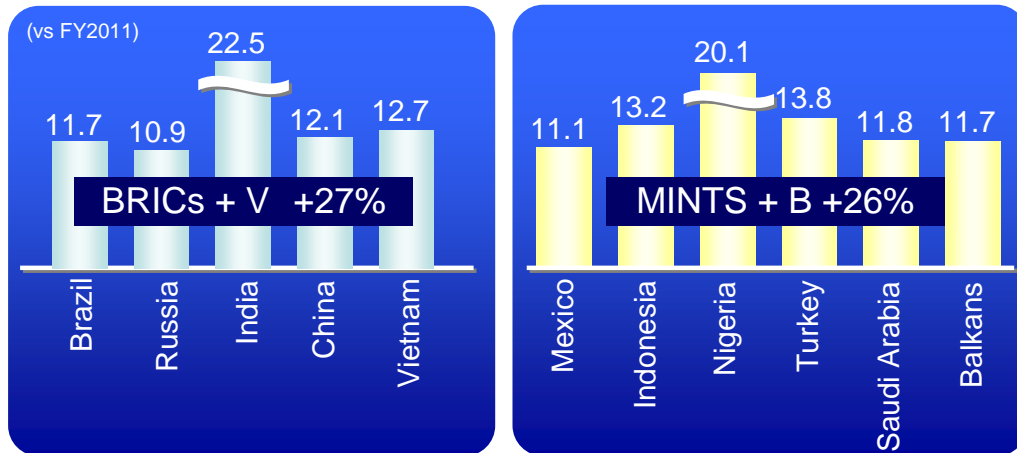
(vs FY2011)

Sales	8,800 bil. yen	+1%
Operating profit (%)	(3.5%) 310 bil. yen	+4.7 bil. yen
ROE	1.9%	-0.9%
Free cash flow	100 bil. yen	-166.3 bil. yen
CO2 emission reduction	vs FY06 37.5 mil. tons	+2.32 mil. tons

Panasonic ideas for life

- Here are FY2012 forecast excluding effect from the earthquake.

615 bil. yen (+27% vs FY2011)



Note: Panasonic overseas sales in consumer & system in local currency

- In 'proactive' strategy, we will accelerate expansion in growing market & area and new business.
- The main growing markets are emerging countries.
- Sales targets of BRICs + V and MINTS + B is 615 billion yen, up 27% in FY2012 comparing with FY2011.
- We will expand all sales of emerging countries with double growth in India and Nigeria.

Product lineup

- Increase Panasonic beauty care products



- Increase OEM products
 - 15 home appliance products



Marketing

B to C

- brand shops: from 118 to 200
- collaboration with Anchor

Local market expansion

B to B

- Open showroom in Mumbai 'Panasonic Experience Center'



Techno Park

- Home Appliance (Air conditioning, washing machine), Welding Systems
 - suppliers, local staff

Sales Target

FY13

100 bil. yen ► 200 bil. yen

- In India, we continue our project for dramatic increase in sales for two years. We increase product lineups especially 'Panasonic Beauty' and OEM products and utilizing Anchor channel to strengthen our marketing structure.
- We aim to achieve sales of 100 billion yen in FY2012 and 200 billion yen in FY2013 through business development tailored to local market.

High growth


Next Generation Lighting Devices

35

■ Organic EL lighting

- Energy-saving, high luminance
- Planar light emission appropriate for fluorescent
- Well designed -'thin', 'transparent' and 'flexible'

OLED will make market with LED



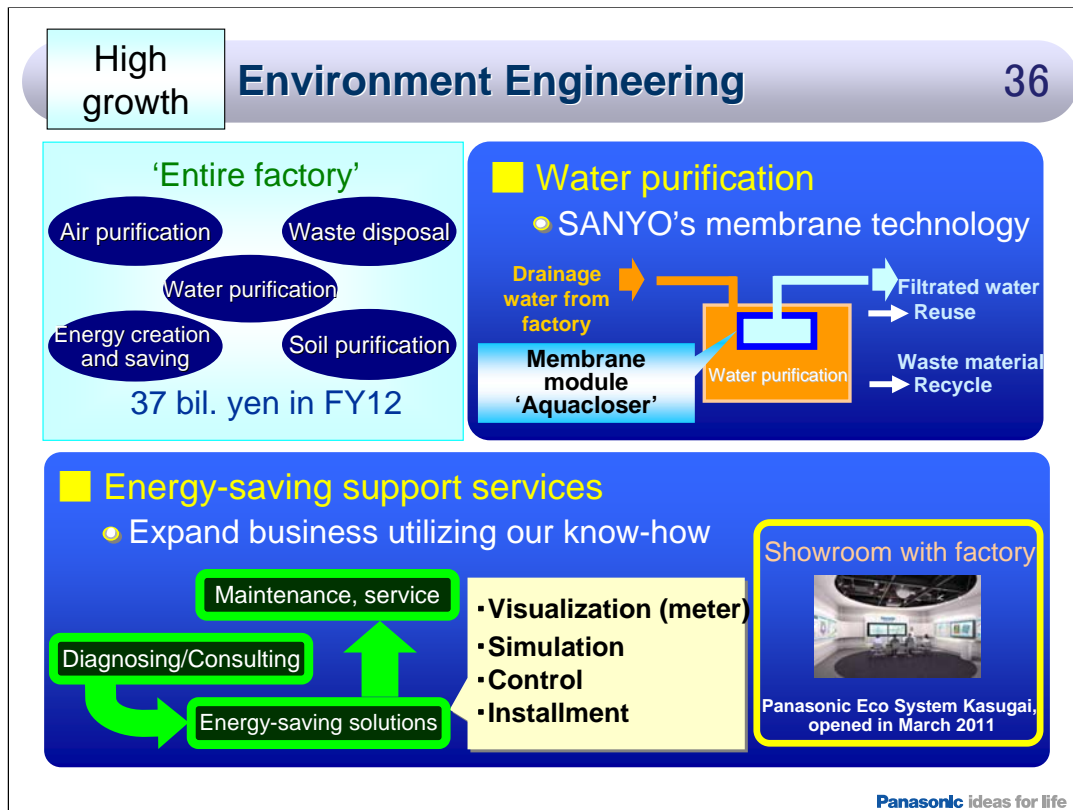
Panasonic Idemitsu OLED Lighting Co.,Ltd.

established on April 12, 2011

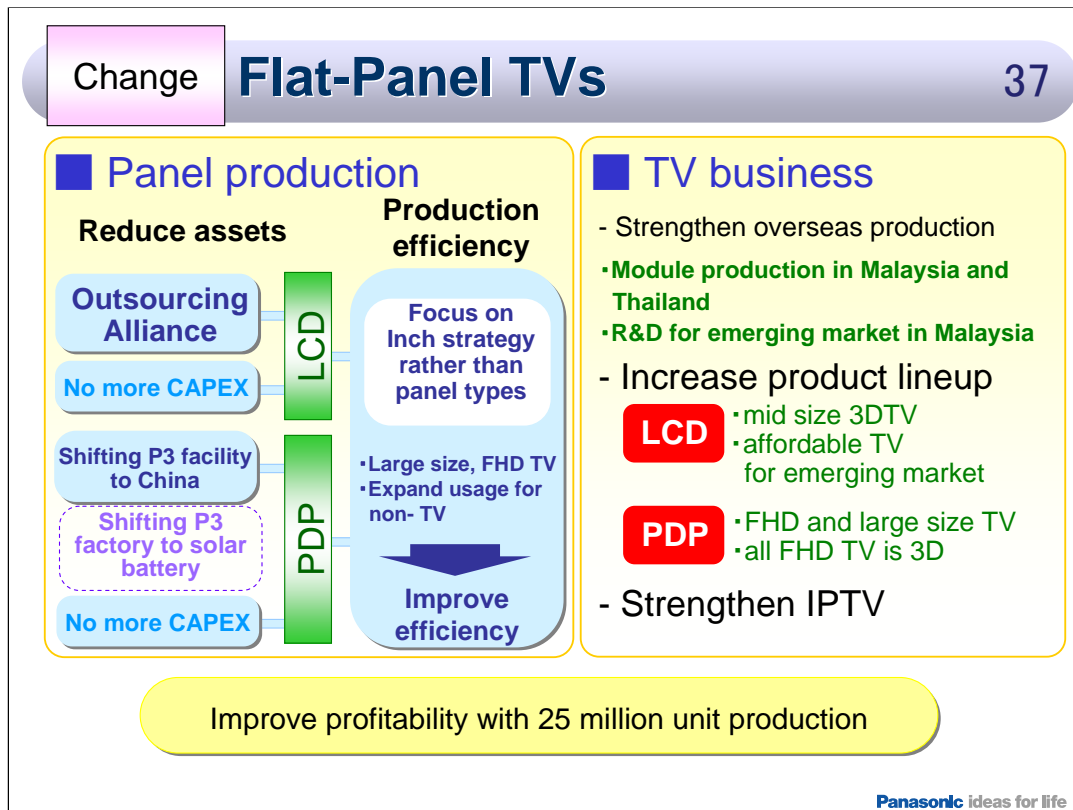
<p>PEW (51%)</p> <p style="font-size: small; color: #00a0e3;">Designing/Manufacturing (lighting panels)</p>	×	<p>Idemitsu Kosan (49%)</p> <p style="font-size: small; color: #00a0e3;">materials (low-molecular materials)</p>	▶	<p style="text-align: center; margin: 0;">Expand business in OLED</p>
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ideas for life

- We also develop the next generation lighting devices, Organic EL lighting (OLED) as a new growth area.
- OLED has advantages such as energy saving / high luminance, planar light emission, and well-designed. We expect OLED might have the potential to be one of the two powers in the market with LED lighting in the future.
- To take the initiative on this promising area, we established Panasonic Idemitsu OLED Lighting Co., Ltd. as of April 12, 2011. It will start a new OLED business.



- We will expand environment engineering business working on environmental issues in factories.
- We aim to achieve sales of 37 billion yen in FY2012, 1.3 times comparing with FY2011 through utilizing our comprehensive solutions for entire factory.
- We will expand water purification business with SANYO's membrane technology.
- In energy creation and energy saving, we will also work on energy-saving support services from diagnosing / consulting to energy saving solutions and maintenance and service.
- We would like to expand business to assess growing customer needs for energy-saving including power restrictions caused by the earthquake.



- In 'change' strategy, we will restructure current business.
- We urge to improve profitability in flat-panel TV business even in severe competition.
- We will reduce assets as much as possible, outsourcing LCD, expanding alliance, shifting PDP facility to China and freezing new investment.
- On the other hand, we will also improve production efficiency through focusing on competitive inch size strategy rather than panel types.
- We will also shift R&D function overseas to increase product lineups focusing on Full HD, 3D and emerging markets.
- We concentrate on profitability improvement under annual sales of 25 million units in FY2012.

Expand business away from solo system LSI strategy

Today

All resources to
system LSI business

Existing & in-house
customers

Domestic & in-house
production

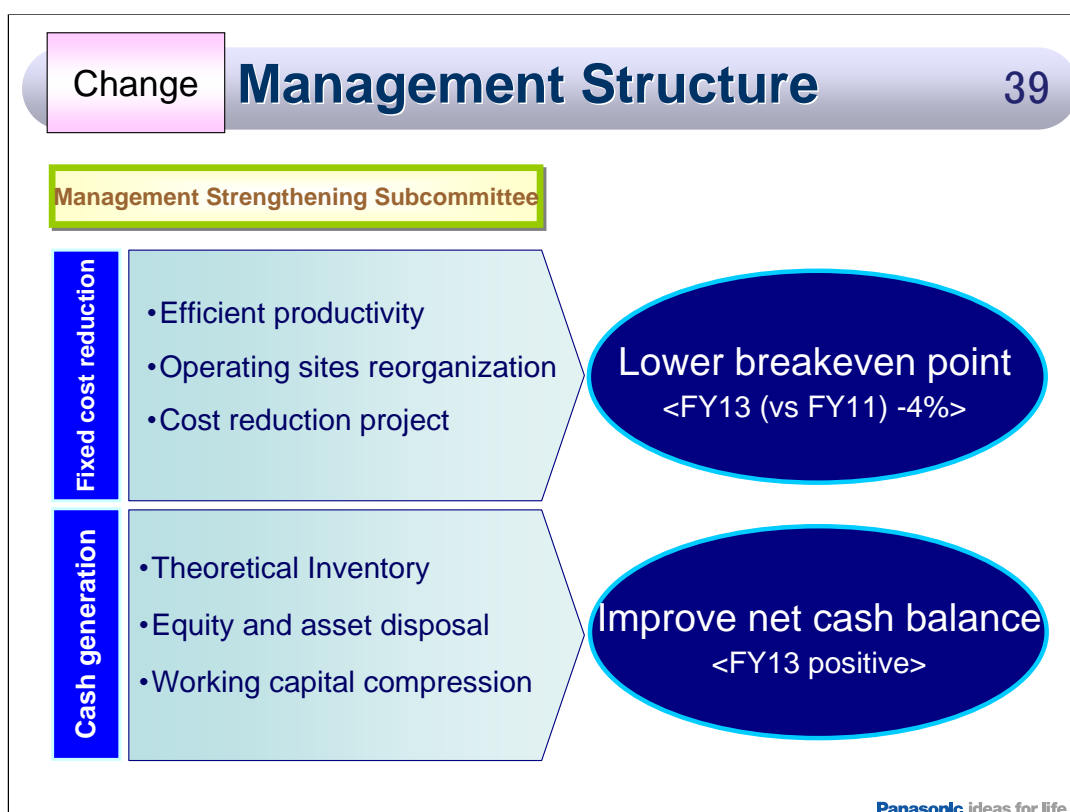
Future

Environment, energy, network AV
(GaN power, MOS sensor)

External customers under our BU
system across R&D, production
and sales

Global optimum &
outsourcing production
(Freeze microfabrication investment)

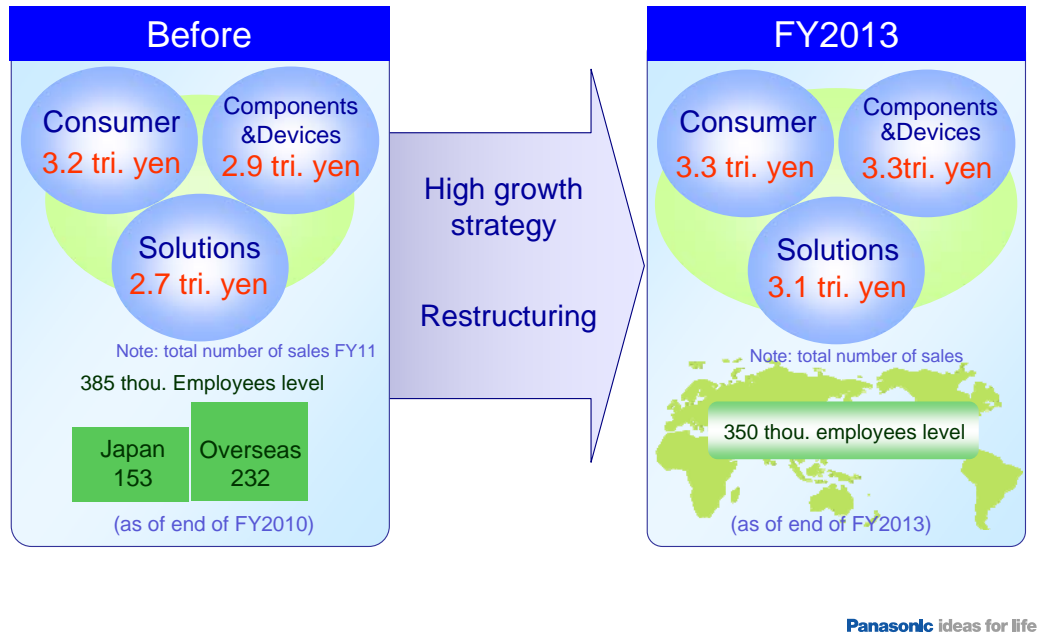
- In semi-conductor business, we will shift our focus from system LSI to establish strong and independent devices business:
 - 1) Streamline R&D for system LSI and shift its resources to environment, energy and network AV business.
 - 2) Expand new external customers in growing area under our business unit system across R&D, production and sales.
 - 3) Accelerate global optimum production, expand outsourcing such as silicon foundry (front-end wafer processing) and freeze microfabrication investment.



- We will urge to change our management structure due to low profitability and negative net cash.
- We establish 'management strengthening subcommittee' in FY2012 and will work on as follows:
 - 1) cost reduction to lower breakeven point 4% by FY2013 with efficient productivity and operating sites reorganization.
 - 2) cash generation to improve net cash positive in FY2013 pursuing theoretical inventory and equity and asset disposal.

1. Progress and Challenge of GT12
2. Group reorganization and new growth strategy
3. Initiative to strengthen management structure
- 'proactive' and 'change'
4. **Panasonic after Reorganization**

- I would finally like to talk about Panasonic after reorganization as of January, 2012.



- We used to focus on consumer business much more than solution business. Total number of employees was 385 thousand level.
- Through implementation of new growth strategy, we will reorganize to focus evenly on three business sectors (consumer, devices and solutions) with sales of more than 3 trillion yen in each business in FY2013.
- We also accelerate business restructuring to have 350 thousand level employees to be more competitive globally.

Integrate business

- Home appliance, air conditioning
- Car navigation • Projector
- Surveillance camera

Integrate function

- Head office, R&D
- Back office subsidiaries
- Sales sites/companies
- Facilities (dorms, housings)

Sellout business

- SANYO semiconductor, motor
- SANYO logistics

Rationalize business

Accelerate in each business

Integration and relocation of sites and personnel

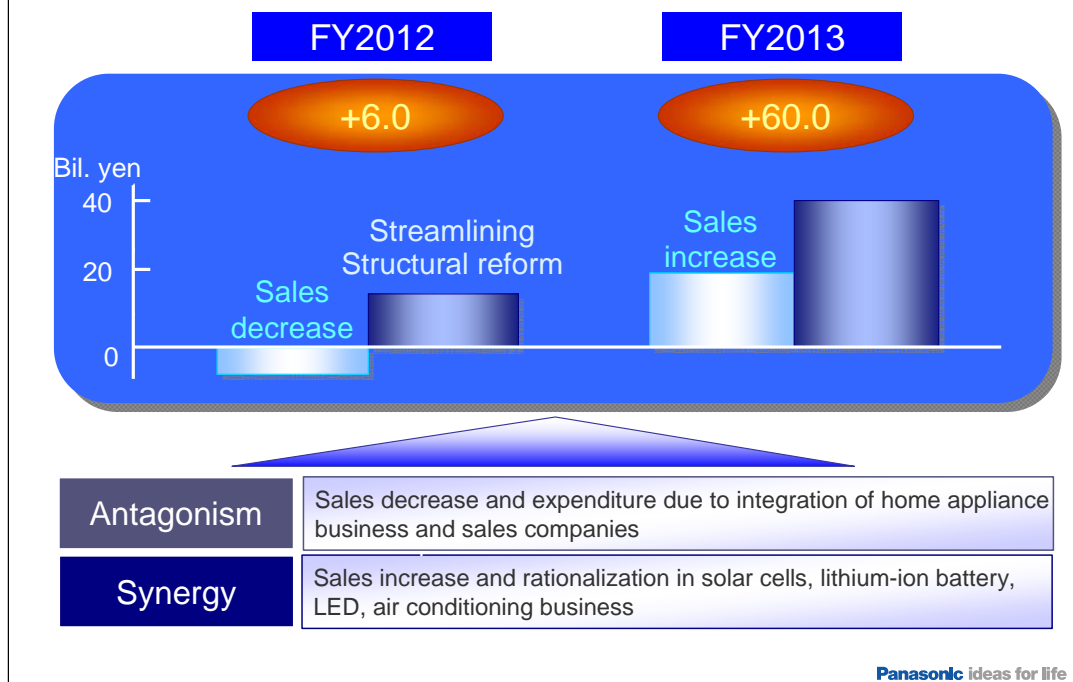
Structural Reform cost (estimate)

FY2012: 110 bil. yen FY2013: 50 bil. yen

Panasonic ideas for life

- We will expect large business restructuring expenses. For example, in home appliance business, we will drastically restructure overlapping areas and sell out some business. We also integrate common function of head office and restructure each business to strengthen management structure.
- We will drastically integrate and relocate sites and personnel.
- We expect structural reform cost of 160 billion yen for two years in total.

Maximize Synergy (Operating Profit) 43



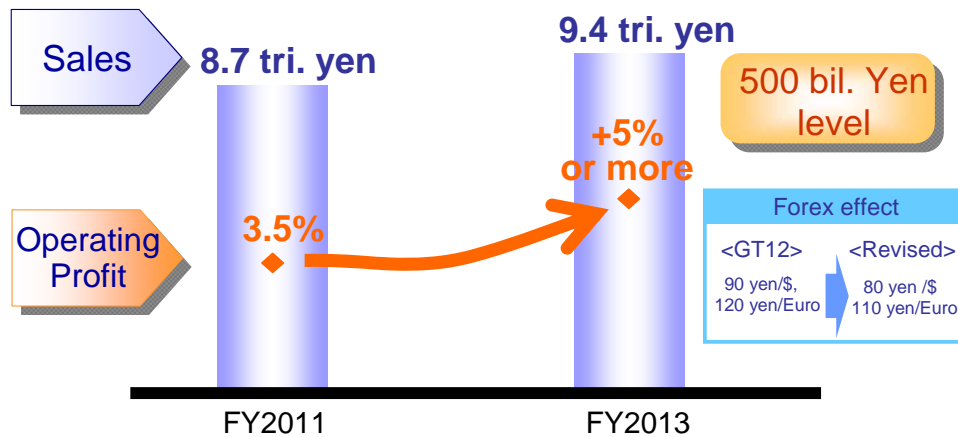
- Synergy integrating SANYO and PEW is shown here. In FY2012, although we expect some sales decrease and expenditure to integrate overlapping businesses, we expect synergy of 6.0 billion yen in total mainly from structural reform and streamlining.
- In FY2013, we expect synergy of 60.0 billion yen operating profit mainly from sales increase of solar cells, lithium-ion battery and LED, and restructuring benefit.

Sales & Operating Profit

44

Toward operating profit to sales ratio more than 5%

Note: including Forex effect



Panasonic ideas for life

- In GT12, we used to target sales of 10 trillion yen and operating profit to sales ratio of more than 5% in FY2013, however we reviewed our original target and changed Forex assumption with 80 yen/dollar and 110 yen/euro. Therefore, we revised our target of sales with 9.4 trillion yen including Forex effect. We maintain our target of operating profit to sales ratio of more than 5%, which is operating profit of 500 billion yen, the same level at the original target.
- Those figures are not included the impact of the earthquake and we may have negative impact in a short-term. However, we will work on recovery from the earthquake and transform ourselves, which will, we believe, eventually lead us to achieve those targets.



Panasonic
ideas for life

- Thank you for your continuous support.

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