

Initiatives to Improve Profitability

February 3, 2012

Panasonic Corporation
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New Group Organization

2



Lay foundation for sustainable growth
with new business models

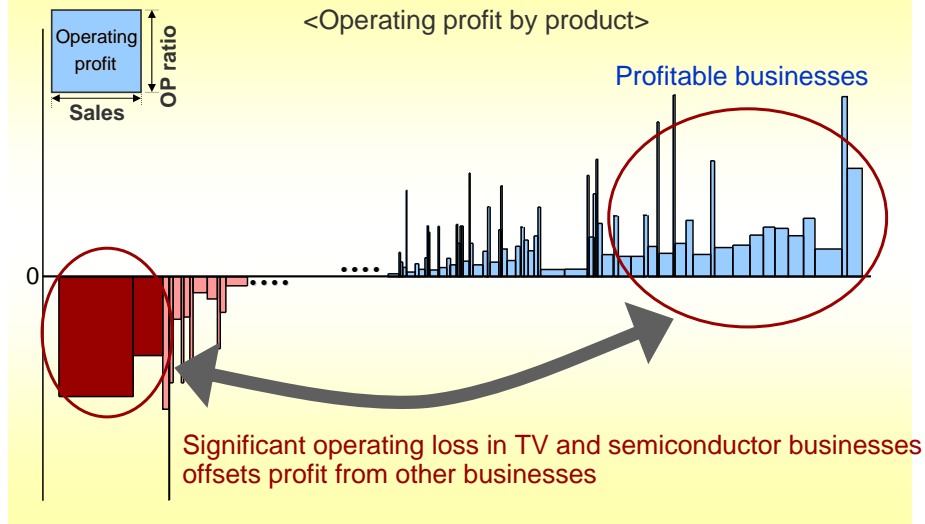
V-shaped recovery
in enhanced profit structure

Panasonic ideas for life

Restructure unprofitable business
and promote growth strategy

Enhance group-wide operational efficiencies

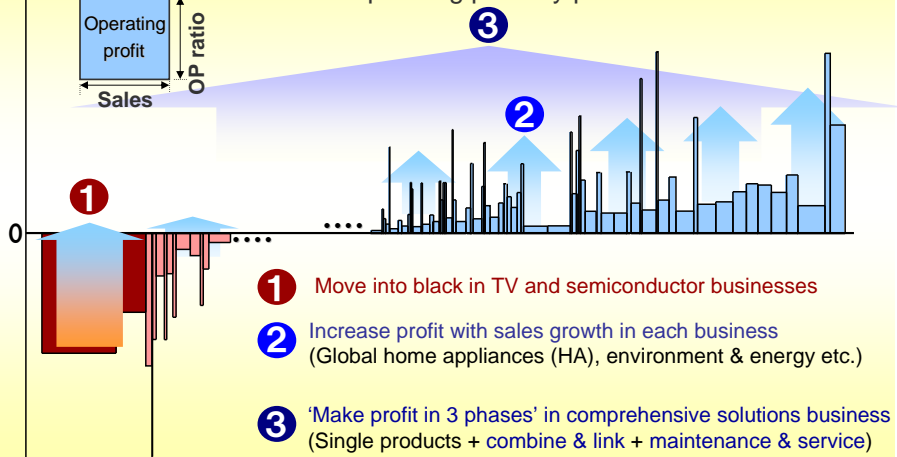
Our profit structure



Restructure and Promote Growth Strategy 5

Enhance profit structure

<Operating profit by product>



Panasonic ideas for life

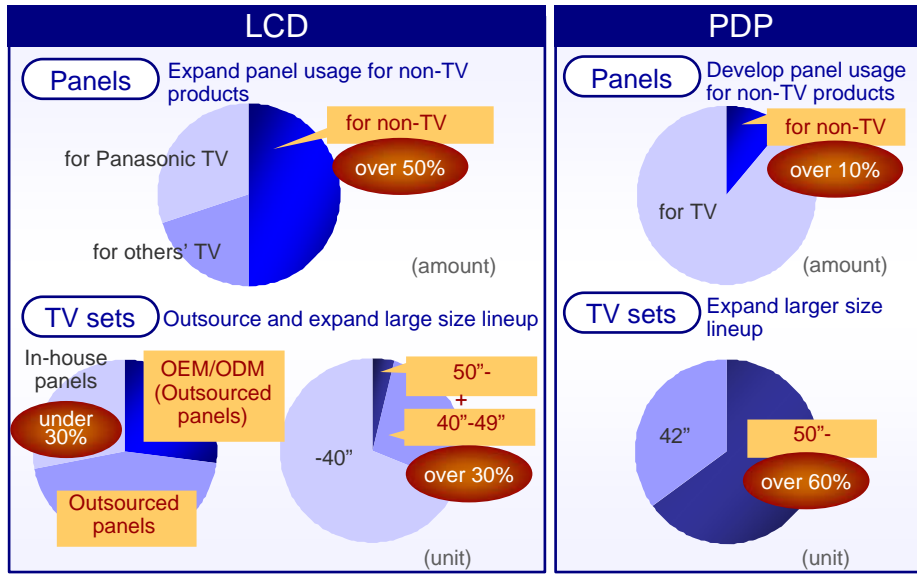
1. TV Restructure TV Business 6

Stay on track after announcement on Oct. 31, 2011

	LCD	PDP
Panels	<p>Downsize production and expand panel usage</p> <ul style="list-style-type: none"> Close 1 of 2 sites and book impairment loss of Himeji factory Completed closure and booking* Agree basically to sell Mobarra factory Expand panel usage for non-TV products Secure order with advantage of IPS alpha 	<p>Downsize to optimal scale</p> <ul style="list-style-type: none"> Close 2 of 3 sites and book impairment loss of Amagasaki P5 factory Completed closure and booking Expand panel usage for non-TV products Develop new markets with touch panel function
TV sets	<p>Outsource and offer full lineup</p> <ul style="list-style-type: none"> Shift production from in-house to overseas vendors Expand rapidly overseas vendors' panel usage Shift from 42" or smaller size to larger size lineup Launch 55" & 47" in spring, 2012 	<p>Focus on profit-making, high-end larger size lineup</p> <ul style="list-style-type: none"> Shift from full lineup to focus on larger size lineup Expand market for 65" and over

* Plan to book a part of impairment loss in 4Q, 2012

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Develop new panel usage of IPS alpha panel



- Super energy-saving: Super high aperture ratio pixel structure
- Wide view angle in all directions: New liquid crystal molecular orientation process technology

- Tablet PC
- Ultrabook PC
- Medical equipment
- High resolution monitor
- In-car monitor
- In-flight monitor

New product:
20" 4K2K IPS alpha LCD panel



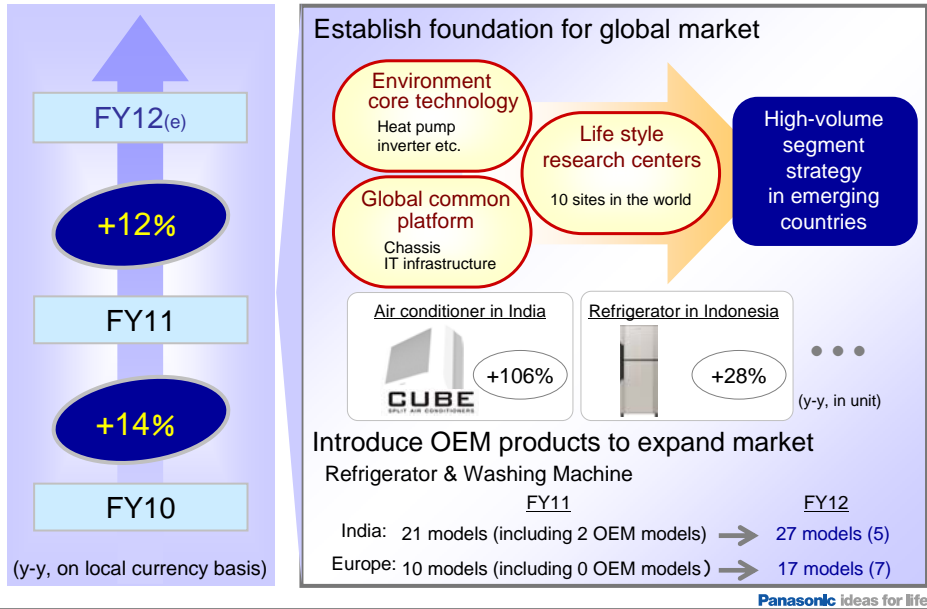
World's smallest, thinnest and highest definition

Scheduled to launch in 4Q of FY13

Contracted with global manufacturers for tablet PC and medical equipment, and promote furthermore

% of panel usage for non-TV products in FY13: more than 50%

2-1 Global HA Double-Digit Growth in Home Appliance 9



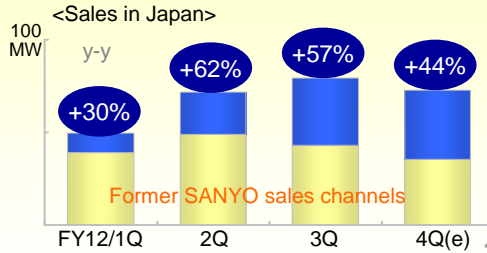
2-1 Global HA Expand Market into World 10



Keep high growth with profit

Utilize Panasonic sales channels to fullest extension

Electric-generating capacity
Industry-leading level*



High electric-generating efficiency
High output in high temperature

*Efficiency per KW in solar power generation system

Expand market further from FY13

- ◆ Promote sales to home builders with smaller size of HIT
- ◆ Establish mass production of new HIT in Malaysia in 4Q of FY13
- ◆ Propose new values cooperating with various devices & equipment
 - Home-use solar power generation systems cooperating with lithium-ion batteries (scheduled to launch in Mar., 2012)
 - Energy management system cooperating with home appliances (scheduled to launch in fall, 2012)

Supply to global automakers with experience and reliability



Tesla Motor 'Model S'
80k cars in next 4 years

Will supply to
more than 10 models
in 5 global majors
(partially already started supply)



Toyota 'Prius PHV'*

*Launched on Jan. 30, 35-40k cars/year

Sales in amount FY12 **more than 5 times** → FY13

- Increase production with 6 factory lines in Japan
- Will consider expanding further production

Develop a new business model targeting at 50 projects in FY13

Convenience stores	Offering to majors (in Japan, China, Asia)
Hotel guest rooms (green rooms)	Introduced in The Westin Beijing Chaoyang
Techno-Structure (entire home)	Expect 3,850 units in FY12
Factories (energy-saving system)	Promote approx 40 items in FY12
Hospitals	Government project, test demonstrations
House interior decoration in China	Expect approx. 3,000 units in FY12
⋮	

130 employees working under Corporate Division for Comprehensive Solutions Business in Eco Solutions Company


Case 1: Techno-Structure (building structure for wooden houses)

Basic Offer earthquake-proof building structure through broad sales channels (368 exclusive builders)

Consolidation Promote comprehensive "Eco" solutions

Super insulated structure, Naturally well-planned **X** Creating, storing and saving-energy equipment **X** Visualization Energy management **→** Energy bill -500k yen or more /year

Target More than 4,000 units in FY13 Up to 6ml yen /unit




Case 2: Home interior decoration in China

Basic Offer high quality interior decoration through joint 2 developers

Consolidation - Strengthen development consultation and service
- Promote lighting, air conditioning, air cleaning, water filtration and energy management etc.

Target 3,500 units in FY13 Up to 5ml yen /unit



Enhance Operational Efficiencies 15

Complete restructuring and maximize synergy
(downsize workforce, integrate sites)

Eliminate cost in all expense items
(fixed cost, material cost, etc.)

Downsize inventory and CAPEX

Inventory: -2 days (y-y)
CAPEX : Zero-base review to minimize

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Toward V-Shaped Recovery in FY13 16

(yen: billions)

1. Restructuring effect FY13 total 146.0 - FY12 posted 21.0	125.0
2. Streamlining effect from integrating 3 companies	20.0
3. Fixed cost reduction	30.0
4. Procurement shift to overseas	15.0
5. Retrieval from the flooding in Thailand	60.0
Total	250.0

+

Profit increase with growth strategy

Note: This chart does not include downturn factors

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Reference for p.11

Link Energy Equipment

Solar power generation systems cooperating with lithium-ion batteries

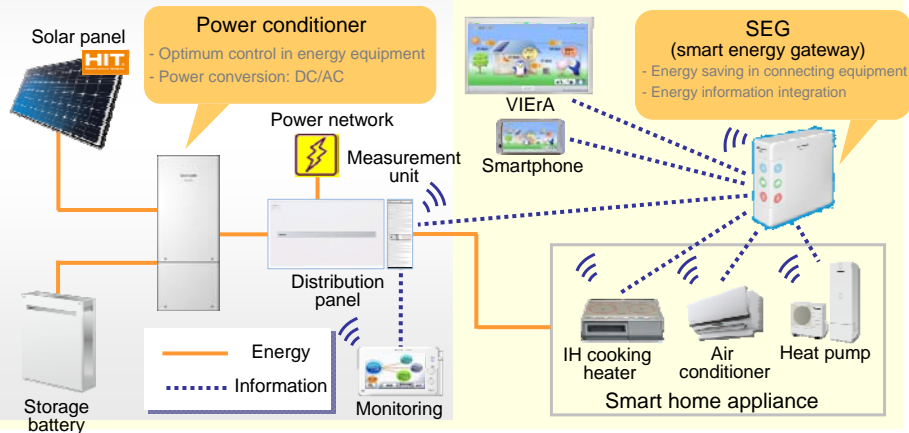
Scheduled to launch in Mar. 2012

- Enable to charge by solar panel
- Enable to backup without reconnection

Energy management system cooperating with home appliances

Scheduled to launch in fall 2012

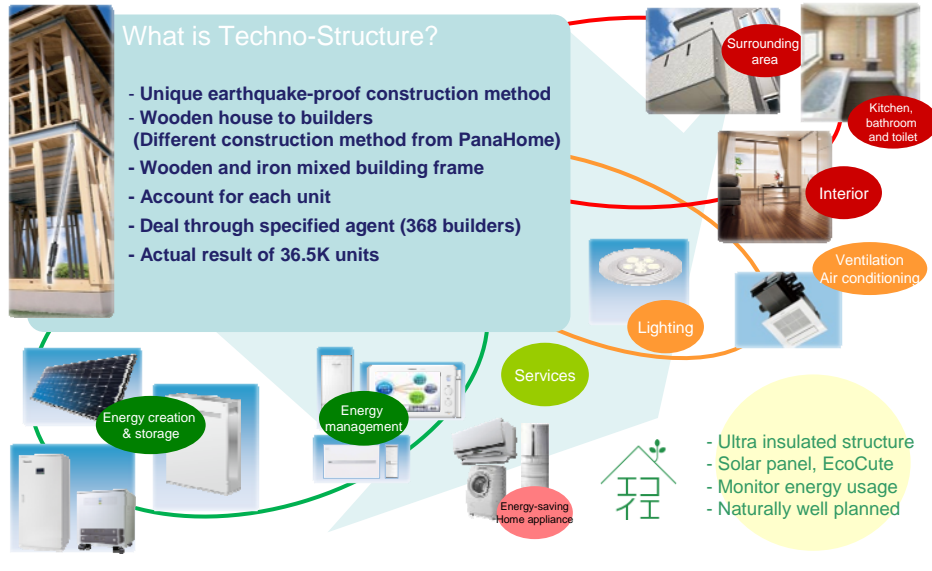
- Enable to monitor all energy usage
- Enable to switch/control energy saving function
- Link with VIERA and smartphone



Reference for p.14

Techno-Structure in Japan

From building frame business to comprehensive solutions ('Eco-house')



Reference for p.14

Home Interior Decoration in China

Home interior decoration market in China:

In China, people traditionally buy pre-decorated apartments (skeleton) and later decorate interior through developers. Recently the number who buy/sell post primary interior decoration has increased as same as in Japan.



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