

AVC Networks Company Business Strategy

September 17, 2014

**Panasonic Corporation
AVC Networks Company**

President Yoshiyuki Miyabe

*Notes: 1. This is an English translation from the original presentation in Japanese.
2. In this presentation, "fiscal year 2015" or "FY15" refers to the year ending March 31, 2015.*

Contents

- 1. Vision of AVC Networks Company**
- 2. Initiatives to Expand Businesses**

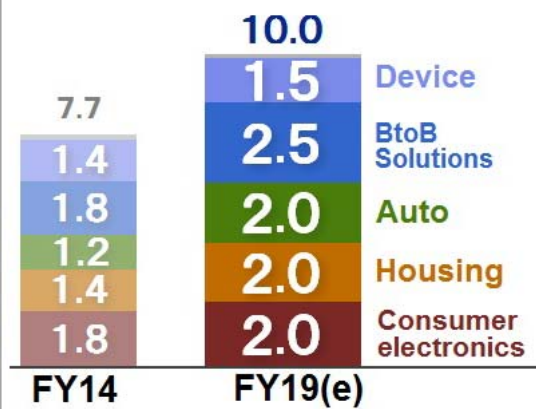
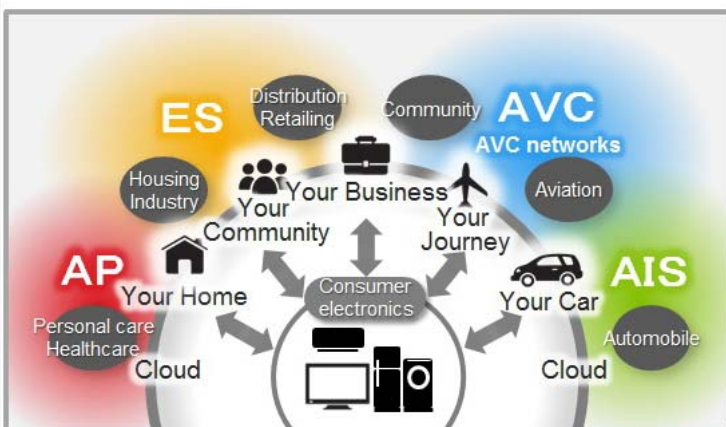
Contents

1. Vision of AVC Networks Company
2. Initiatives to Expand Businesses

Towards FY2019

3 / 12

(yen: trillions)

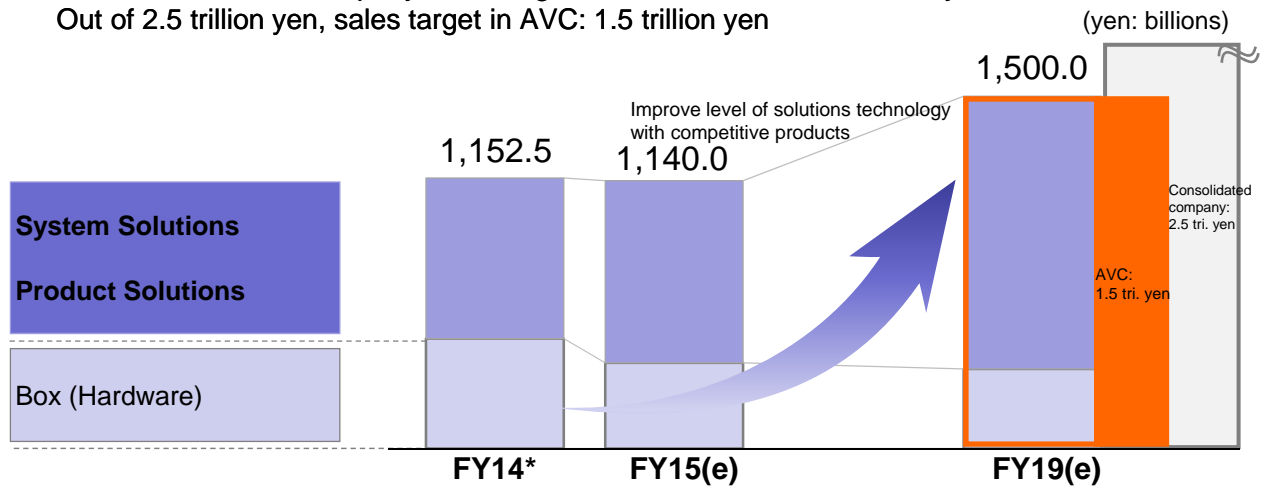


Vision of AVC Networks Company

4 / 12

■ Directly offer business solutions to BtoB customers, integrating AV and ICT technology
- contribute to smart society in cloud era -

■ FY19 consolidated company sales target in BtoB Solutions: 2.5 trillion yen
Out of 2.5 trillion yen, sales target in AVC: 1.5 trillion yen

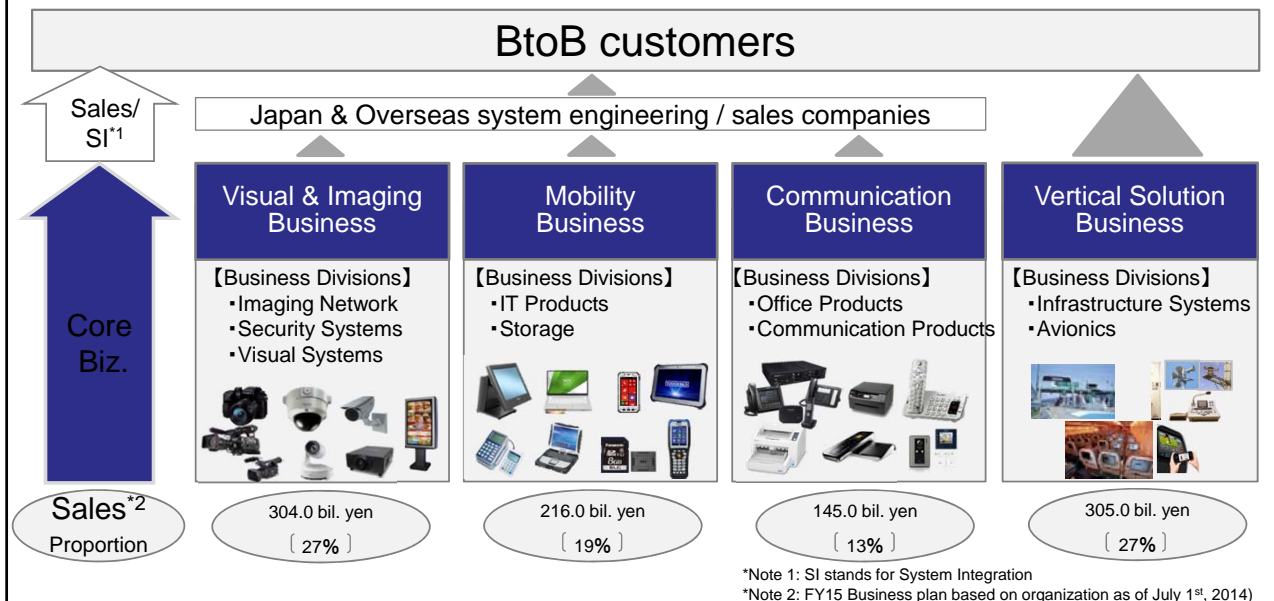


Contents

1. Vision of AVC Networks Company
2. Initiatives to Expand Businesses

Four Core Businesses

6 / 12



Strengthen Core Businesses (Competitive Hardware)

7 / 12

Expand solution business with our competitive hardware

	Visual & Imaging Business	Mobility Business	Communication Business	Vertical Solution Business
Differentiation	Picture Processing, Optical Technology	Tough, Slim & light	Wireless Communication, Sound Processing	Customize, Operation Supporting
Competitive Products and Position in market	<p>High luminance Projector Global No.1</p> <p>Broadcast/Industry Camcorder Global No.2</p> <p>Security system Global No.4 Japan No.1</p>	<p>Tough PC, Tough Tablet Global No.1</p> <p>Industrial SD memory Global No.1</p> <p>Payment terminal, IC Card R/W Japan No.1</p>	<p>Fixed Phone Global No.1</p> <p>PBX Global No.4</p> <p>Door phone Japan No.1</p>	<p>In-Flight Entertainment Global No.1</p> <p>Disaster prevention wireless system Japan No.1</p> <p>ETC system Japan No.2</p>

*Note: FY14(Tough PC/Tough Tablet is 2013) market share based on amount (except for PBX) number of extension (PBX). Panasonic estimates, including third-party sources.

Expand Solution Business

8 / 12

■ Create new business with 'ICT-oriented Business Front'

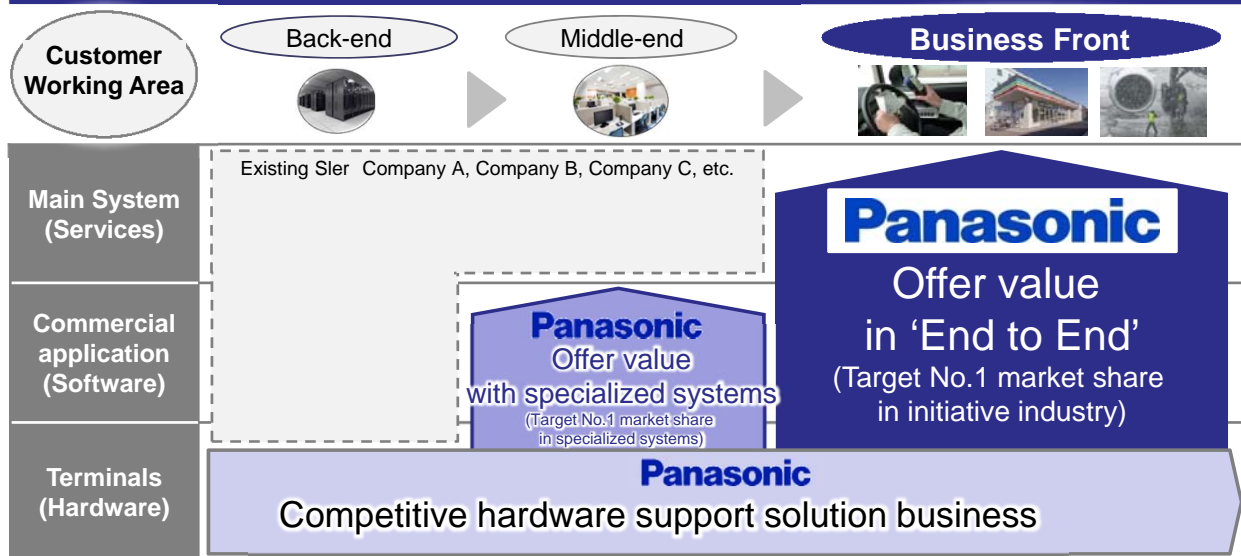


*Note: ICT stands for Information and Communication Technology

Target Area in Solution Business

9 / 12

■ Offer our value in 'Middle-end' and 'Business Front'



Examples of Solution in 'Business Front'

10 / 12

For Avionics

- In-Flight Entertainment
- Repair & Maintenance
- Global Communication Service
- Contents Service (ex. Weather info.)
- Panasonic Weather Service (Acquired ex-AirDat)

Imaging Area

- In-Car Camera
- In-Car Recorder
- Wearable Camera
- Security Camera *
- Evidence picture Management System
- Picture monitoring System
- patrol car
- Police

Mobility Area

- Freight Management System
- Distribution Management System
- Driver's terminal
- Terminal Supporting Display goods
- Payment by electronic money
- Distribution warehouse
- (Acquired KOUEI SYSTEM)
- Network

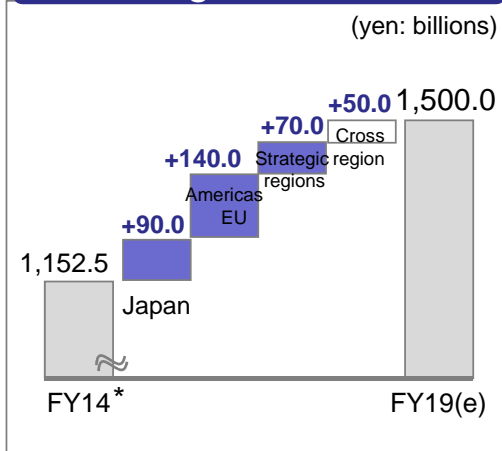
*Note: Sales for USA, EU and China (without for Japan)

Sales Target by Region

11 / 12

Expand business, improving our value for customers by region

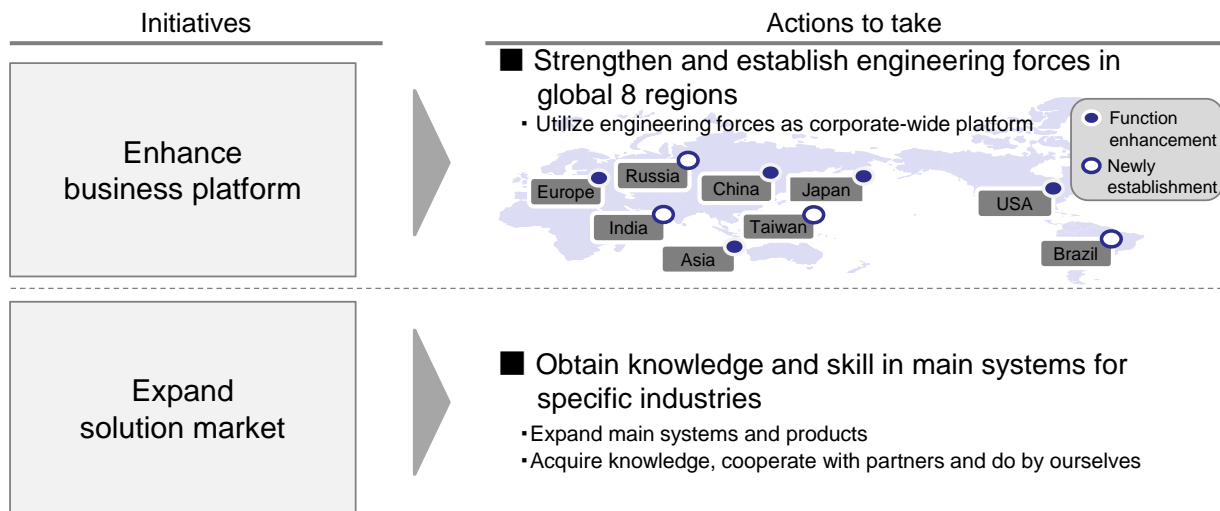
Sales target toward FY19



	Sales growth* (FY14 to FY19)	Expand business
Japan	+90.0 bil. yen	• Introduce next generation products and services
Americas /EU	+140.0 bil. yen	• Develop solution business and strengthen alliance
Strategic regions	+70.0 bil. yen	• Cooperate with local partners and customers

*Note: FY14 is reclassified to conform to the presentation as of July 1, 2014, including Panasonic estimates

■ Plan to invest 100 billion yen including M&A in total by FY19



Panasonic

Disclaimer Regarding Forward-Looking Statements

This presentation includes forward-looking statements (that include those within the meaning of 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 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 on 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 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; 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.

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.