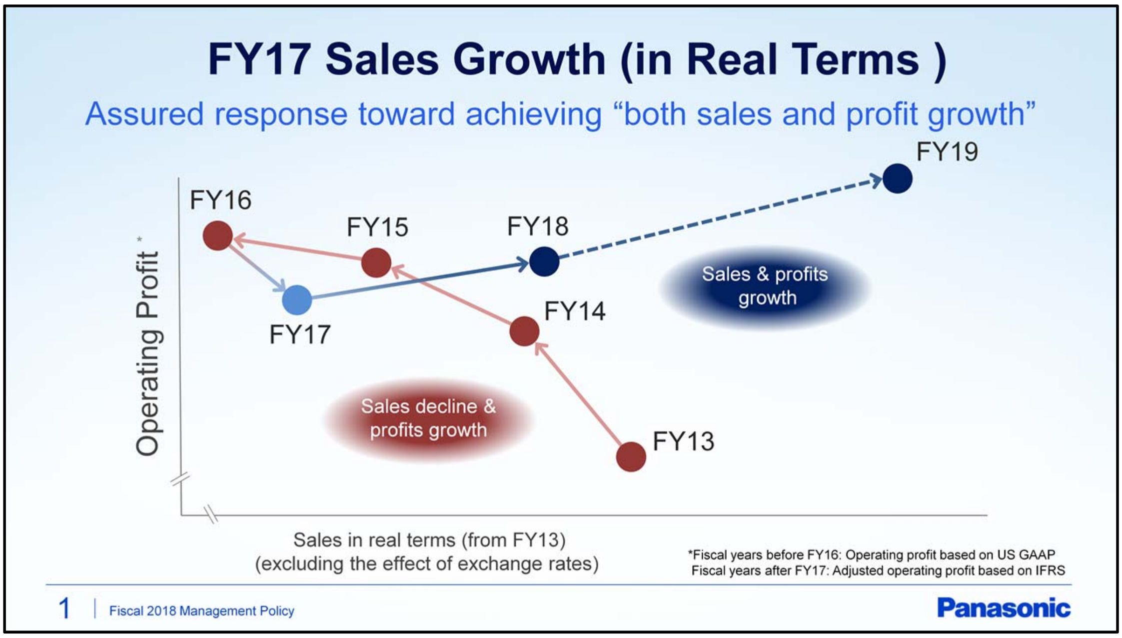
- I would like to explain Management Policy in FY18.



- This slide shows the transition of sales (in real terms) and operating profit since FY13, the year I became a president.

- Until FY16, while we managed to offset profit drop from transferring and downsizing existing businesses with rationalization and fixed cost reduction, we achieved to increase profit. In parallel with those initiatives, we continued to lay the ground work for future growth, by transforming businesses and focusing on our management resources to growth businesses.

- In FY17, we recorded the decrease in profit due to upfront investments for high-growth business. However, sales in real term eventually shiffed over to real growth. We now get an assured response towards "both sales and profit growth" from FY18 onwards.

Management Policy by Business Characteristics

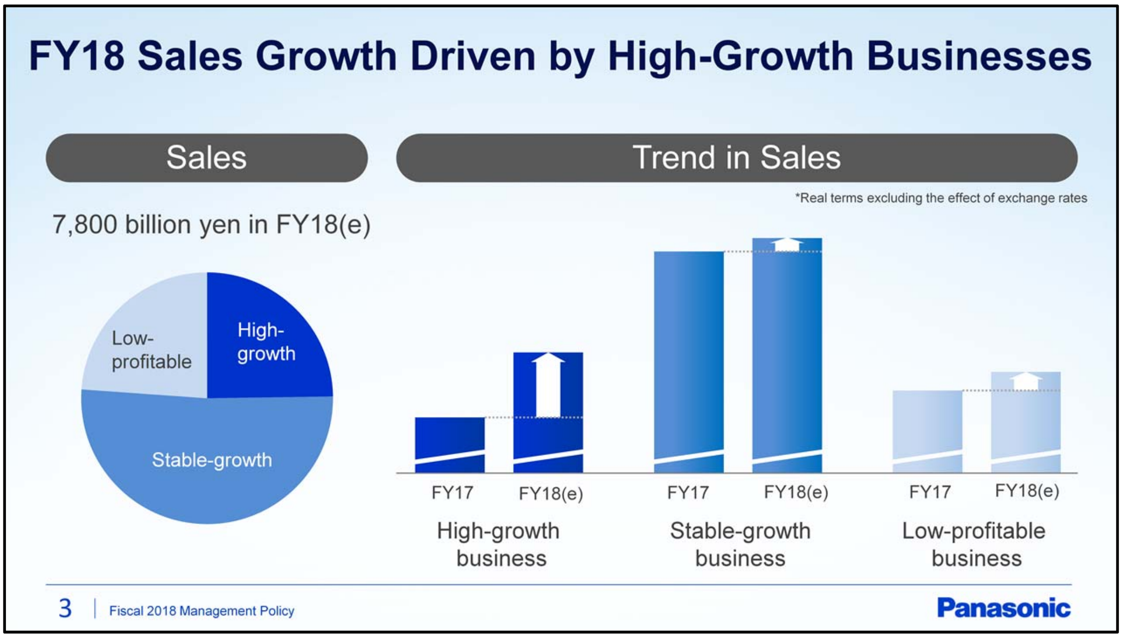
Business Characteristics		Business area
High-growth business	Leading future sales and profit growth through well-focused large scale investments and group management resources	Automotive batteries, Next-gen cockpit systems, ADAS, Air-conditioners
Stable-growth business	Steady profit generation by competitive advantage and creating investment resource for high-growth business	White goods, Avionics, Wiring devices
Low-profitable business	Improving profitability by thorough initiatives including business transformation, fixed cost reduction and rationalization	Semiconductors, LCD panels, Solar panels

- In order to assure sales and profit growth, we are going to execute our growth strategies in the following three categories of business accordingly.

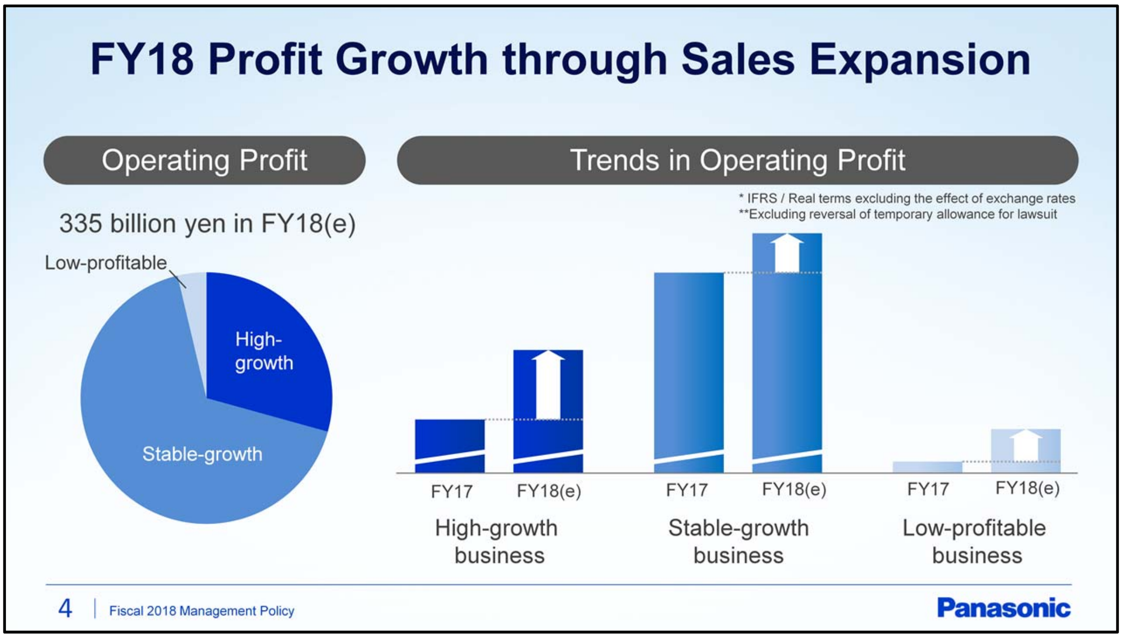
- For high-growth business such as automotive-related business whose market is continuing to expand, we make our advantage of them as the driving force for sales and profit growth and will deploy our management resources in well-focused manner.
- For stable-growth business such as white goods, generating steady profit and contributing to the stabilization of the management. And also, these businesses play roles to generate investment funds for the high-growth business.

- With regard to in-flight entertainment system business, which is our major business for aviation, we categorize it as a stable growth business from this fiscal year by judging the fact that the market is getting matured.

- For low-profitable business, we have been undertaking the business transformation and fixed cost reduction in order to improve our management structure. We have already made a good progress of profitability in some areas, however, we will not stop tightening rein and undertake the improvement measure thoroughly where the business operation is still severe such as semiconductor business.
- Now, I would like to explain the outlook for FY18 based on each business category.



- Firstly, I would like to talk about the outlook for sales.
- In FY18, we expect all these business categories to achieve sales growth in real terms excluding the effect of exchange rates.
- In high-growth business area, such factors as the sales expansion of automotive battery, the new consolidation of Ficosa, sales increase of devices for automotive and industries, and air-conditioner are expected to contribute significant higher sales growth.
- In stable-growth business area, overall trend is expected to remain steady, in particular, with white goods.
- In low-profitable business, such businesses as Mobile Solutions are expected to increase sales.
- As you can see, our initiatives to date led to the strong results, and high-growth business mainly in automotive-related business will play a major role of driving force to achieve overall growth in FY18.



- Next, I would like to talk about operating profit in each business category.

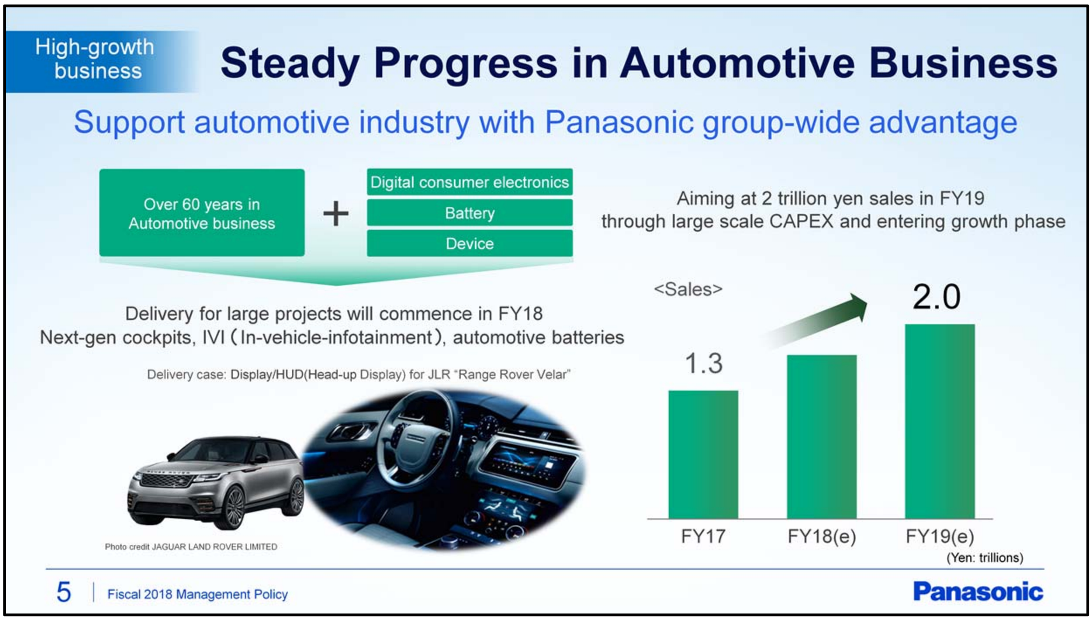
- In order to focus on our real business capability of each business, the impact of one-time profit and cost incurred in FY17 is removed in the right hand of this chart.

- High-growth business is expected to achieve large increase in its profit led by automotive-related business such as automotive battery business, a consolidation of Ficosa and infotainment business.

- Stable-growth business is expected to achieve profit growth through the further profitability improvement in such businesses as white goods and wiring devices with their stable performance.

- Low-profitable business is expected to achieve profit growth through the improvement of management structure in TV and AV related businesses.

- In conclusion, in FY18, high-growth business is expected to increase profit further through sales expansion and the profitability in stable-growth and low-profitable business will be improved. Thus, we are aiming to achieve “Profit growth through sales expansion” .



- Next, I would like to highlight the major topics for each business category.

- First, I will touch upon automotive-related business which is one of our high-growth business with steady progress.

- The Company has envisaged the advent of electrification and computerization in cars 10 years ago, when I was an executive of Automotive Business. And we started to shift our resources for digital consumer technologies such as TV to automotive-related area. In addition to these initiatives, we intergraded battery and device technologies that we gained through SANYO acquisition and went on to promote growth strategy in automotive-related business with group-wide support.

- These efforts have started to bear fruit and we will gradually begin to deliver our products for large-scale projects from FY18 onwards. One of the cases is for JAGUAR LAND ROVER which we have commenced deliveries for displays and HUDs (head-up displays) .

- These progresses are quite visible and 2 trillion yen sales target in automotive-related business is becoming in our sight in FY19.

- Eco-cars including EV are continuing to widely spread and ADAS technologies are evolving rapidly. Such demand from the society for electrification and computerization are increasing. We will continue to achieve further growth by focusing on our resource into this business field where we can make our advantage.

- We will continue to make the strategic investment for high-growth business.

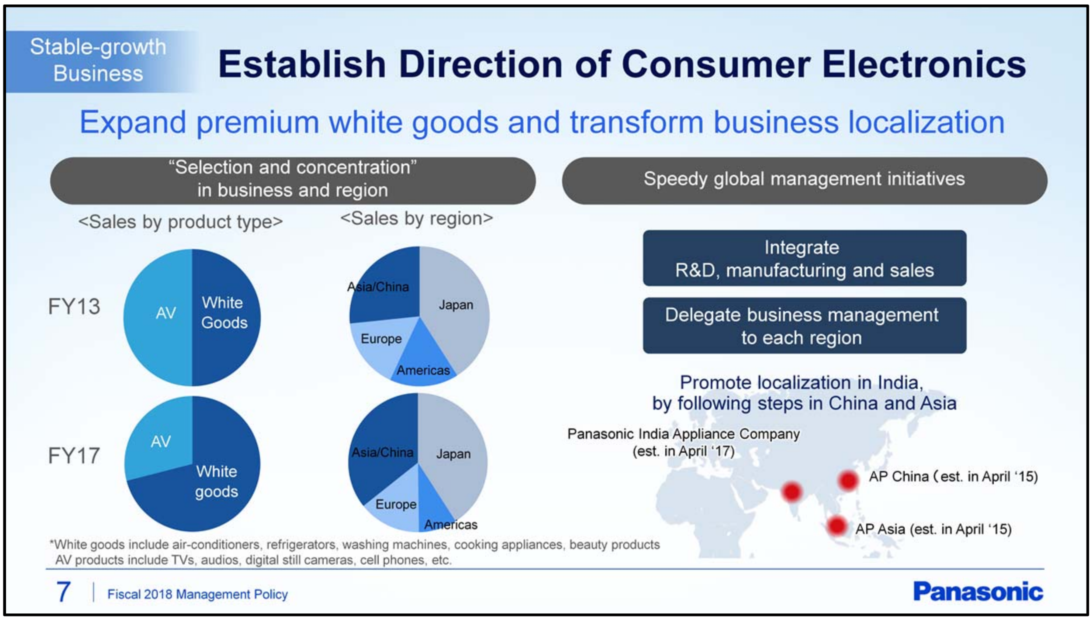
- With these investments cases, we do make our decision in a studious manner, by setting the clear direction of growth strategies and carefully monitoring the possible risk as well as return on investment.

- As of today, we have identified more than a total of 1 trillion yen investment including some candidates. Having said that, we will make a decision to execute well-focused investments.

- By the end of FY17, we have already invested approximately a total of 400 billion yen in capital expenditure for secondary batteries, the acquisition of Ficosa and others.

- From now on, our investment will be focused mainly on automotive battery as a capital expenditure.

- With regard to return on capital expenditure relating to automotive-related business in US and China, we are aiming to accelerate the depreciation period by cutting from common 7-10 years to shorter term.



- Now, I would like to explain consumer electronics which represent one of our stable-growth business.

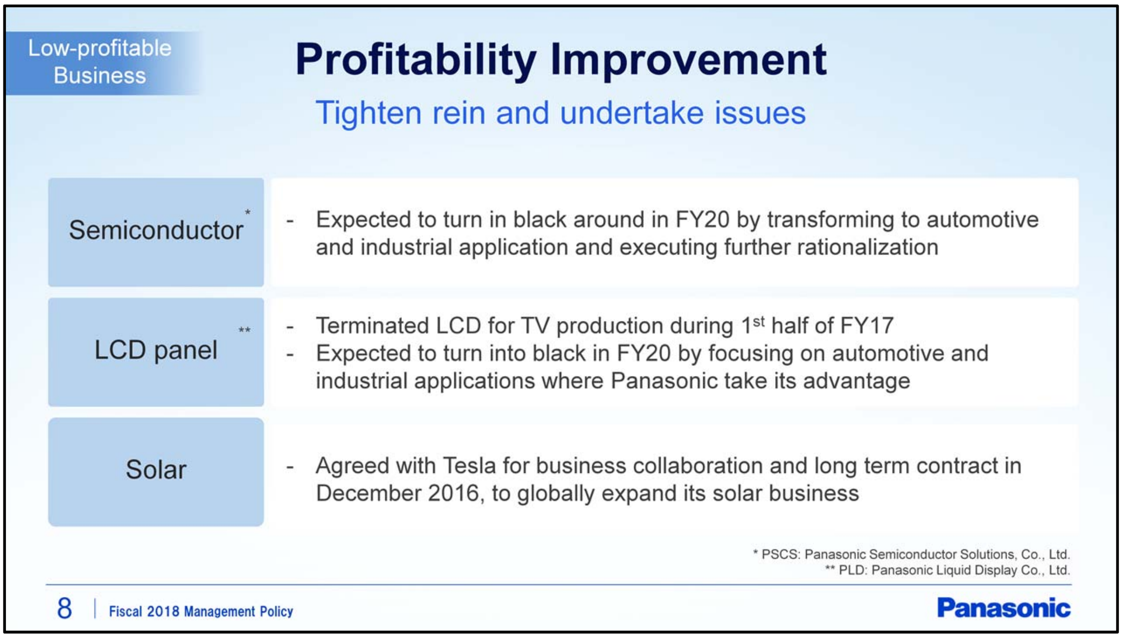
- We have been implementing to enhance our management structure and promote "Selection and Concentration" for recent years. As a result, we have established the direction of consumer electronics business led by white goods.

- First, we extensively shifted our resource from AV-related businesses including TV and audio to white goods.

- Second, we promoted value-added 'premium' products in line with our strategic white goods growth plan and made steady progress to increase profit.

- In addition to these initiatives, we promoted the integration of development, manufacturing and sales, and delegated the local management drastically in order to establish speedy global management structure. As a result, FY17 saw significant sales growth in Asia and China region.

- Following these achievements, our consumer electronic business in India is going to enter into a new phase at this fiscal year and we established "Panasonic India Appliance Company" in April 2017. Through the vigorous localization initiatives, we would like to materialize the growth in the region where the room for growth is foreseen.



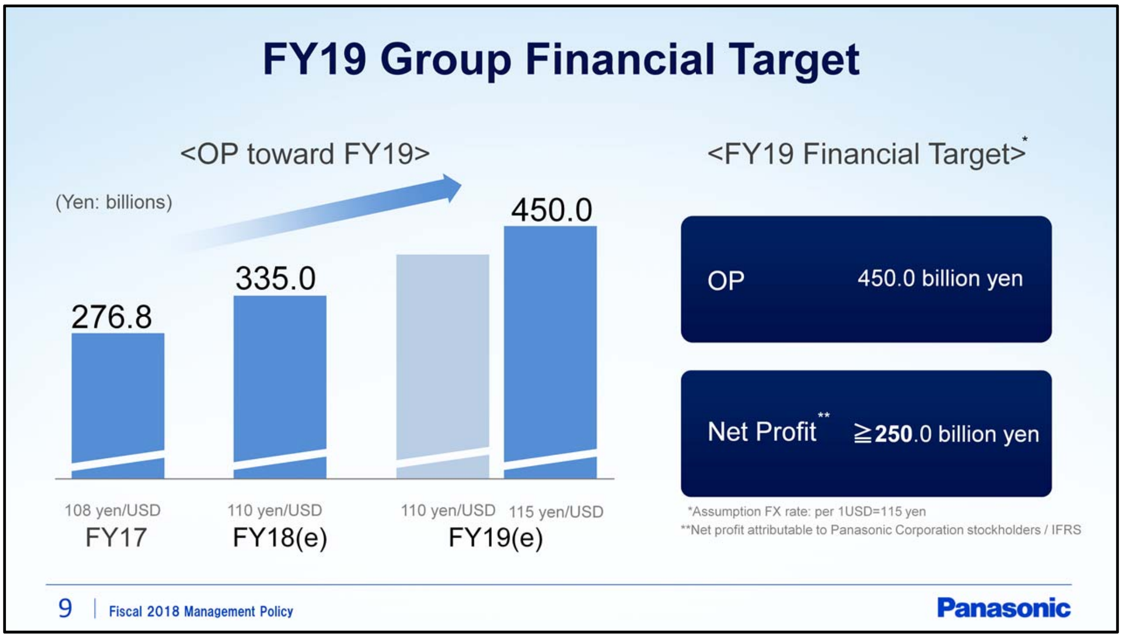
- Last, I would like to explain low-profitable business area. For the past years, we have steadily undertaken the measurements in order to improve earnings. As a result, the profitability has been gradually turning to positive.

- However, tough conditions in these three businesses are likely to continue. Therefore, we will prioritise to make “profit improvement” as our top priority going forward.

- We continue to transform semiconductor business into automotive and industrial applications and carry out fixed cost reduction and pushing further rationalization thoroughly. Through these efforts, we expect this business turn in black in FY20.

- With regard to LCD panels, we will continue to specialize them for industrial and automotive applications, of which we can enjoy our advantage. We also expect this business turn in black in FY20.

- In solar business, the domestic market will remain in challenging environment. Therefore, we are aiming to expand overseas business by utilizing the channel including Anchor and also strengthen our collaboration with Tesla in the US which was announced in December 2016.



- As explained in my presentation, the foundation for future growth has been in place and we now get an assured response towards "both sales and profit growth" in FY18.

- And also towards FY19, we forecast high-growth business such as automotive-related will significantly contribute our earnings, stable-growth business will generate profit steadily, and low- profitable business will be improved.

- Herewith, we will stick to the financial target in FY19 of 450 billion yen operating profit and 250 billion yen or above of net income. Panasonic Group will strive together to achieve the financial target.

- Thank you for your continuous support and understanding.

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FY18 Business Areas by Business Characteristics

High-growth business	Automotive Batteries, Next-generation Cockpit Systems, ADAS (Advanced Driver Assistance Systems), Air-conditioners, Electromechanical Control Devices
Stable-growth business	White Goods, Small Appliances, Commercial Refrigeration & Food Equipment, Wiring Devices, Lighting Equipment, Remodeling, Age-free (elderly-care), Avionics, Process Automation, Surveillance System, Electric Materials, Dry Batteries, etc.
Low-profitable business	TVs, Fixed-line Phones / FAX, Building Products, Solar Systems, Ruggedized PCs, Semiconductor, LCD (Liquid Crystal Display) panels, etc.