

**Panasonic**

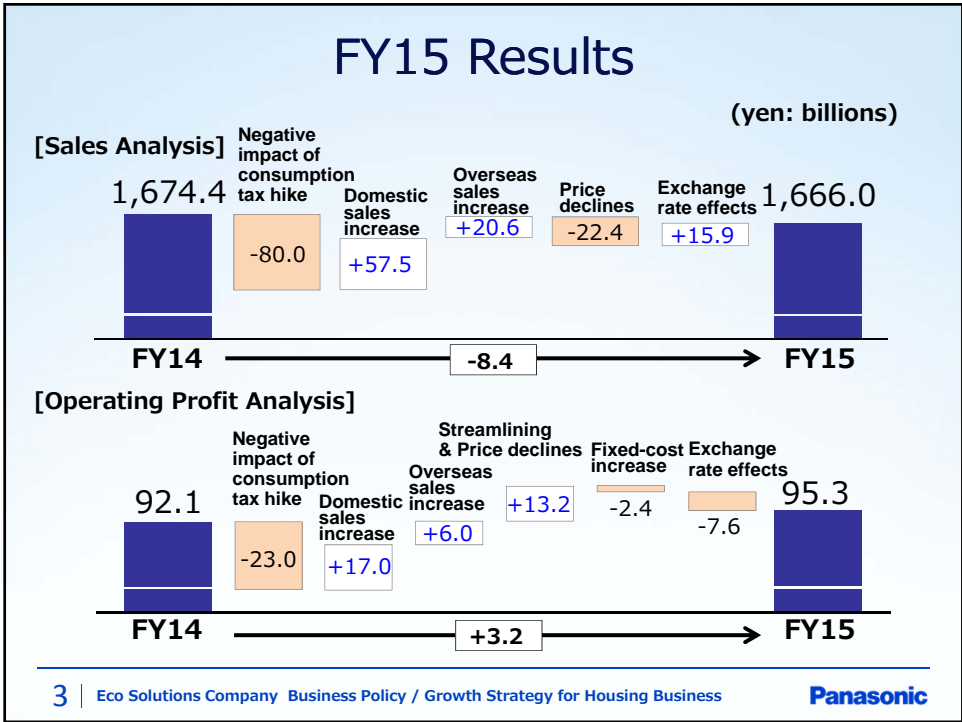
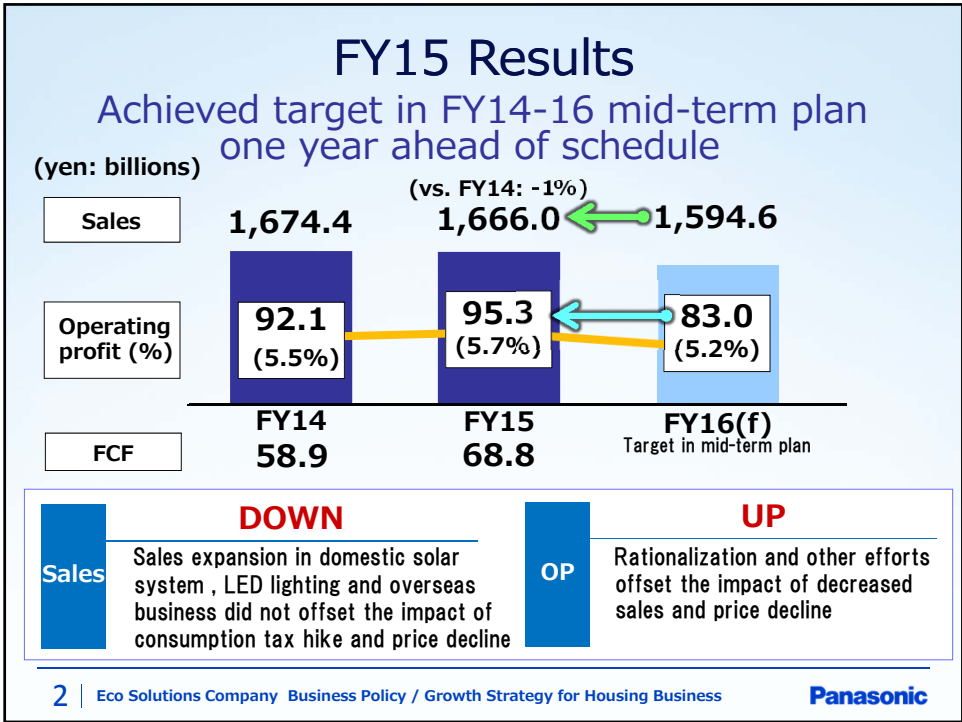
## Eco Solutions Company Growth Strategy for Housing Business

May 20, 2015

Panasonic Corporation  
Eco Solutions Company  
President Tamio Yoshioka

*Notes: 1. This is an English translation from the original presentation in Japanese.  
2. In this presentation, "fiscal year 2016" or "FY16" refers to the year ending March 31, 2016.*

## FY15 Results

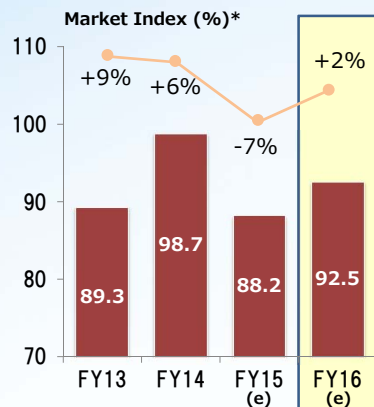


# FY16 Business Policy

## Market Environment in Japan

### New Housing Starts

(Unit: Ten thousand dwelling unit)

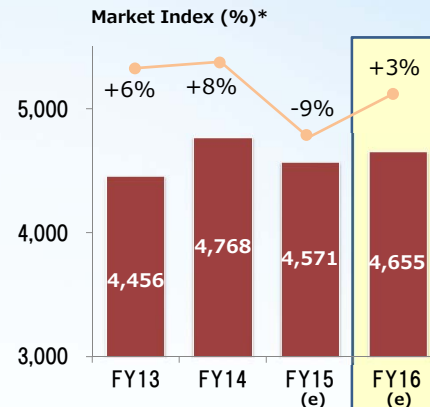


Source: Japan Center for Economic Research

\*Market Index (%): The index indicates revised comparison with the previous year taking into account the time lag from the start of construction work to the delivery of products. This index is based on Panasonic's estimation.

### Floor Area of Non-housing Starts

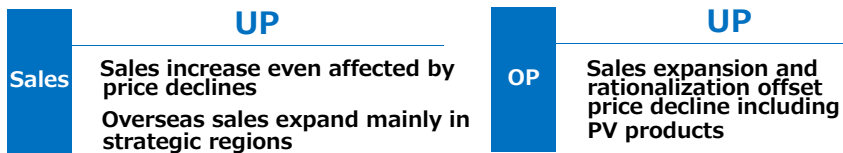
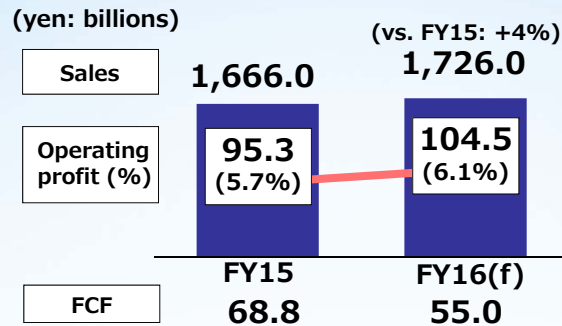
(Unit: Ten thousand square meters)



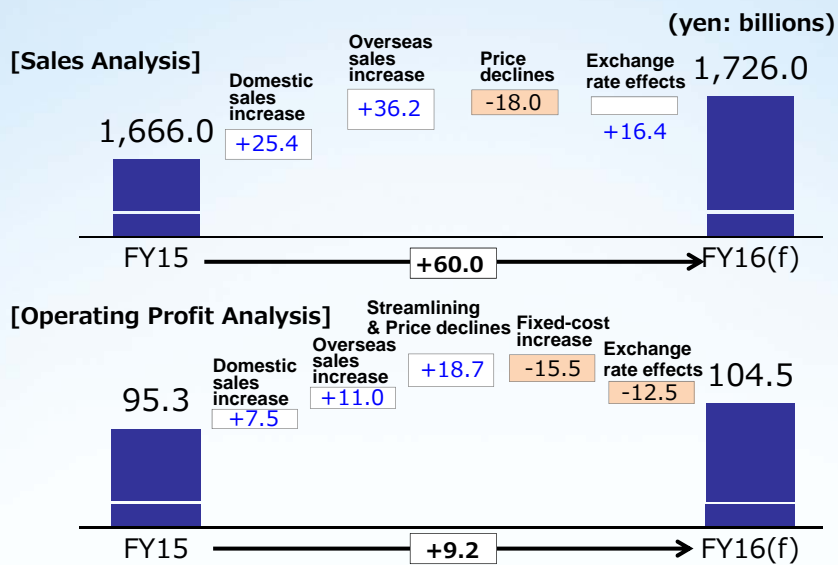
Source: Research Institute of Construction and Economy

\*Market Index (%): The index indicates revised comparison with the previous year taking into account the time lag from the start of construction work to the delivery of products. This index is based on Panasonic's estimation.

## FY16 Financial Target

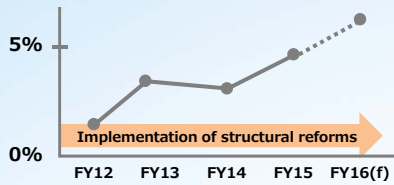


## FY16 Financial Target



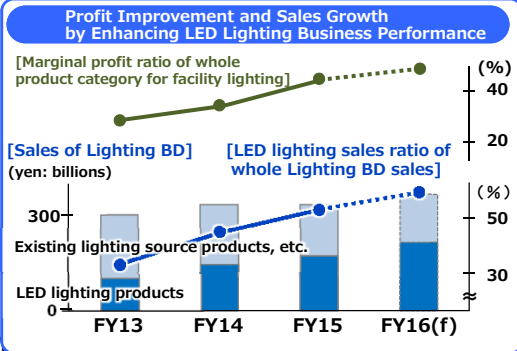
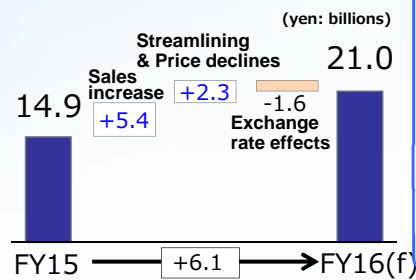
# Initiatives of Lighting BD

## [Operating Profit Margin]



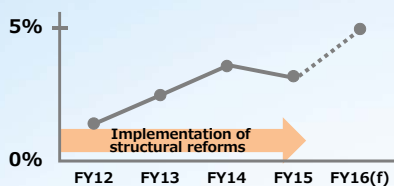
(yen: billions)	FY15	FY16(f)	vs. FY15
Sales	317.7	342.3	+8%
OP	14.9	21.0	+6.1
OPM	4.7%	6.1%	+1.4pt

## [Operating Profit Analysis]



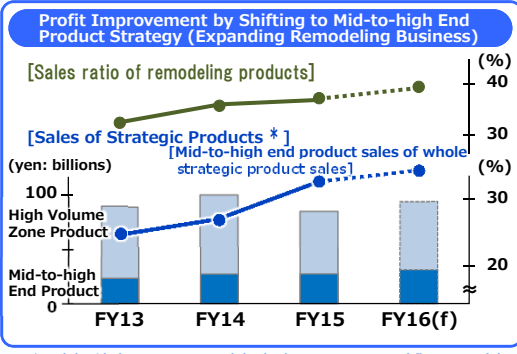
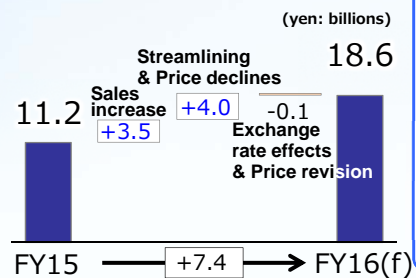
# Initiatives of Housing Systems BD

## [Operating Profit Margin]



(yen: billions)	FY15	FY16(f)	vs. FY15
Sales	366.4	374.6	+2%
OP	11.2	18.6	+7.4
OPM	3.1%	5.0%	+1.9pt

## [Operating Profit Analysis]



\*Modular kitchen systems, Modular bathroom systems and floor materials

# Growth Strategy for Housing Business - Towards FY19 -

## Business Vision and Business Brand

Business vision

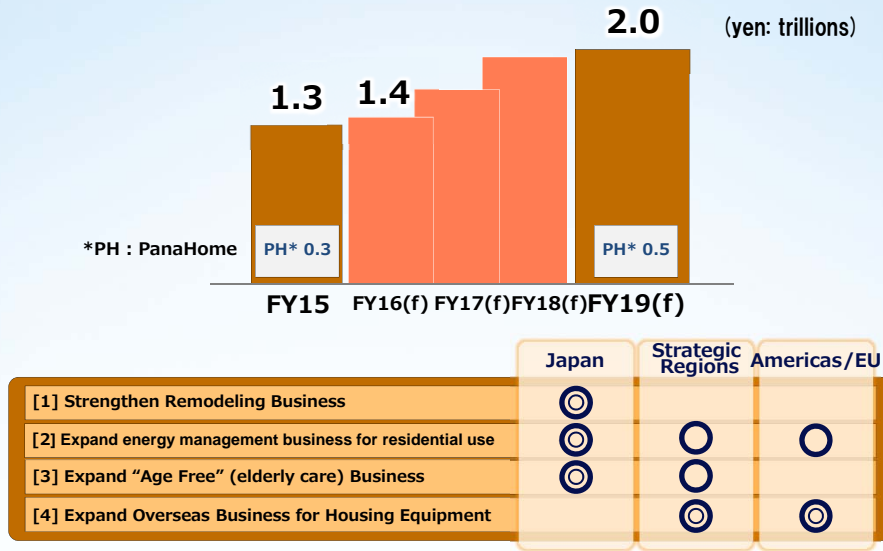
# Homes & Living

A better life begins at home.

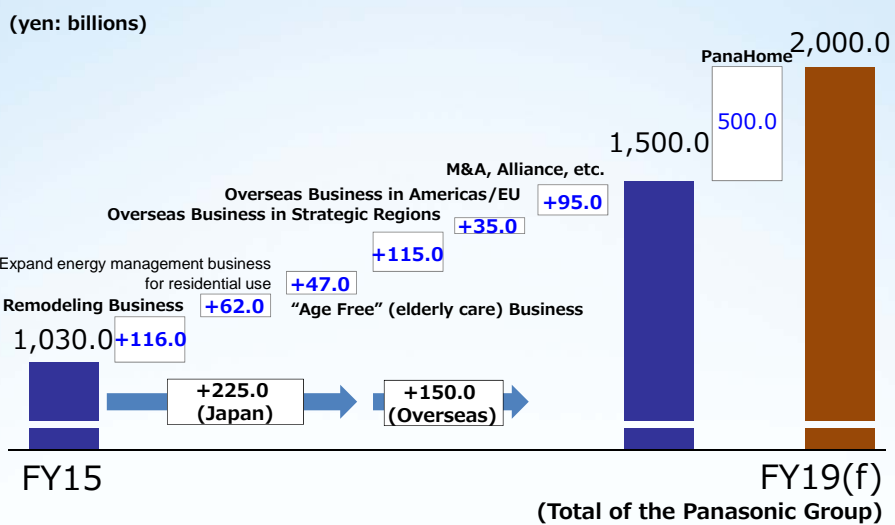
Business brand

**Panasonic**  
Homes & Living

# Growth Strategy for Housing Business



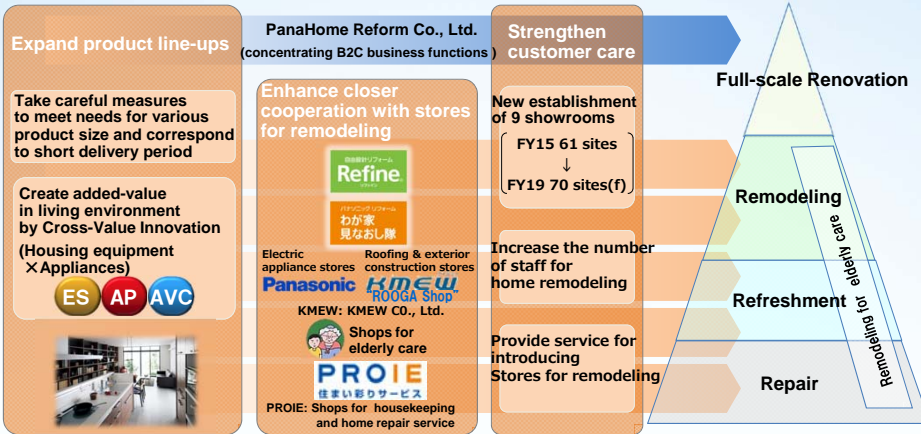
# Growth Strategy for Housing Business



# Japan [1] Strengthen Remodeling Business

Business Area for Examination of M&A & Alliance

(yen: billions)	FY15	FY19(f)	vs. FY15
Sales in Remodeling Business	264.0	380.0	+116.0

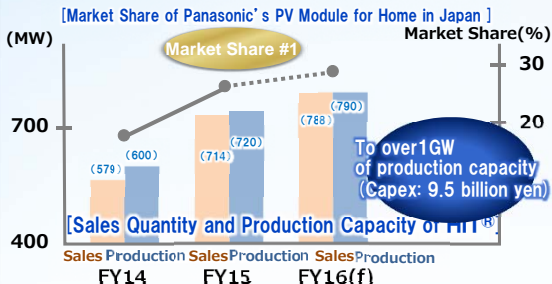


# Japan [2-1] Expand energy management business for residential use

Expand Solar Cell and Storage Battery Businesses with PV Module HIT<sup>®</sup>

(yen: billions)	FY15	FY19(f)	vs. FY15
Sales in energy management business for residential use	168.0	230.0	+62.0

## Develop Solar Cell Business



Expand the business mainly in the domestic market for home (high efficiency of power generation and reliability)

HIT is a registered trademark of the Panasonic Group.

## Furthermore...

Provide solar cells together with storage batteries at special price



Provide Services for Purchasing Surplus Electricity

Profitable Purchasing Services



Panasonic's services for purchasing solar energy "Solar+Premium"





**Japan [2-2] Expand energy management business for residential use**  
 Lead the Industry in Standardization of HEMS

**Develop HEMS-related Business**  
 (HEMS plays an extremely important role in electric utility infrastructure)

Change approx. half of Panasonic's distribution panelboards to "Smart Cosmo" for HEMS

Expand product line-ups of HEMS-related equipment  
 Ceiling-embedded air purifier  
 Electric window shutter

Market Share #1

Distribution Panelboards "Smart Cosmo"  
 Smart Cosmo is a registered trademark of the Panasonic Group.

**Service Business for Purchasing Surplus Electricity**  
 Expand business aiming for more than half a million of retail contracts (FY19)

House with solar power generation system → Purchasing electricity at a premium price → **Panasonic** → Providing electric power-related services → Customers purchasing electricity

**Overseas**  
 Expand B2B2C business in energy creation and storage business areas  
 Press release in June  
 (Plan to announce collaborate with electric utility companies)

16 | Eco Solutions Company Business Policy / Growth Strategy for Housing Business **Panasonic**

**Japan [3] Expand "Age Free" (elderly care) Business**  
 Provide sense of security from 17-year experience and comfort with cutting-edge equipment

Business Area for Examination of M&A & Alliance

	FY15	FY25(e)	(yen: billions)	FY15	FY19(f)	vs. FY15
Elderly Care Market Trend	Approx. 5.6MM	Approx. 7.0MM	Sales in "Age Free" Business	28.0	75.0	+47.0
Rate of aging	26.8%	30.3%				

**1998**      **2014**      **2018**

**Start of Business**      **Expansion of Services**      **Elderly Care Services Business**

Nursing Home      107 sites (3 sites) → 255 sites(f) (200 sites)(f)

In-home Care      **Elderly Housing with Supportive Services Business**

Direct Management Shop for Nursing Care      9 sites → 150 sites(f) (On a contract basis)

Day Care      **Remodeling Business for Elderly Care**

Sales & Rental of Nursing Care Equipment      30,000/year → 60,000/year(f)

**Panasonic's products and Technologies**  
 Housing equipment and materials  
 Robot technology  
 Rehabilitation equipment and devices

217 | Eco Solutions Company Business Policy / Growth Strategy for Housing Business **Panasonic**

**Overseas [4] Expand Overseas Business for Housing Equipment**  
 Wiring Device, Indoor Air Quality Businesses as Engines Driving Growth in Overseas Business

Business Area for Examination of M&A & Alliance

(yen: billions)	FY15	FY19(f)	vs. FY15
Sales in Housing Business	160.0	310.0	+150.0

**[India/Turkey/ASEAN]**  
**Develop Business with Wiring Device Business**

- Development of new business including LED lighting and disaster prevention related products
- Development of business in new market including Africa and Middle East

**[China]**  
**Accelerate Business Growth with LED Lighting and Air Purifier**

- Strengthen sales channels including online market
- Enhance competitive edge with distinguished performance including PM2.5 correspondence

**[North America]**  
**Expand Business with Ventilation Fans**

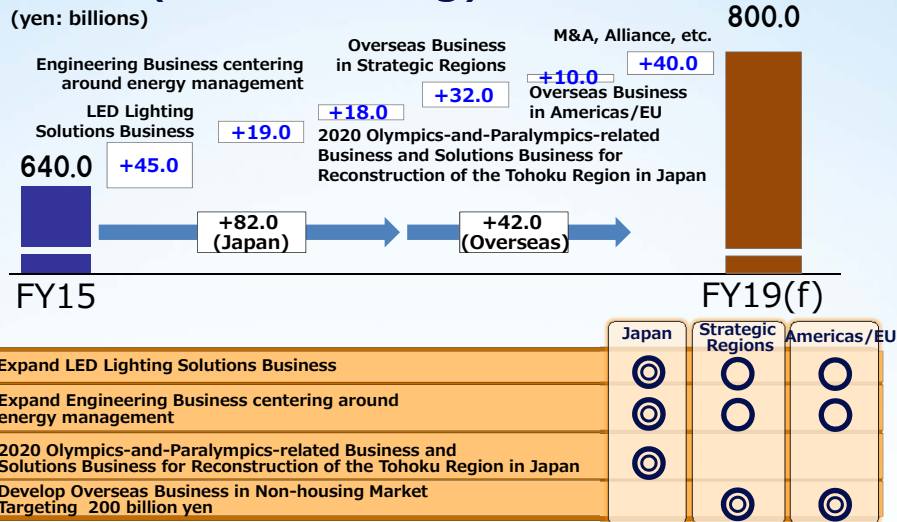
- Capture Top 400 builders
- Examine to set up local production for local market business structure

18 | Eco Solutions Company Business Policy / Growth Strategy for Housing Business **Panasonic**

**Growth Strategy for B2B Solutions (Non-housing) Business - Towards FY19 -**

19 | Eco Solutions Company Business Policy / Growth Strategy for Housing Business **Panasonic**

# Growth Strategy for B2B Solutions (Non-housing) Business



## Key Initiatives

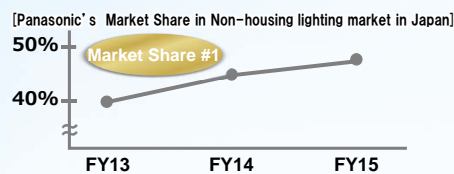
Business Area for Examination of M&A

### Expand LED Lighting Solutions Business

Increase Market Share of Lighting Fixtures in Japan

Develop competitive product for each market

- Facility and Emergency Lighting
- Outdoor Lighting
- Store Lighting



### Expand Automotive-related Business

Develop new business areas



### Efforts to Create Demand

Develop new products in new areas through Cross-Value Innovation



### Expand PV Solution Business in North America

Increase orders as prime contractors by using financing scheme

- Receive packaged orders from material and part supply, designing, procurement, construction to maintenance



# Panasonic

#### **Disclaimer Regarding Forward-Looking Statements**

*This presentation includes forward-looking statements (that include those within the meaning of Section 27A of the U.S. Securities Act of 1933, as amended, and Section 21E of the U.S. Securities Exchange Act of 1934), as amended 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.*