

Management Policy for Fiscal 2009

January 10, 2008
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Note: The fiscal year 2009 refers to the year ending March 31, 2009.

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1. Review of fiscal 2008 results
2. Initiatives for fiscal 2009
 - Steady progress in key items
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◆ Review of fiscal 2008 results

GP3 Plan Targets for Fiscal 2010

Net sales	10 trillion yen
ROE (Return on equity)	10%
CO ₂ emission	- 300,000 tons (vs. FY07)

◆ Review of fiscal 2008 results

Review of Fiscal 2008 Results

Double-digit growth in overseas sales of consumer products	• The first year target is expected to be achieved, led by favorable sales of digital AV products and white goods
Four strategic businesses	• The first year target is expected to be achieved
Continuous selection and concentration	• Investments in PDP/semiconductor plants • Selection of businesses
Manufacturing-oriented company	• Full-scale cost reduction and new efforts to strengthen product competitiveness
Ensuring safety and quality of products	• Serious quality issues continuously occurred

◆ Review of fiscal 2008 results

Accomplishments in Fiscal 2008

Favorable expansion of digital cameras

No. 1 domestic share for 19 consecutive weeks

FX33 TZ3

Market share: over 10% in 7 European countries (Apr - Oct, 2007)

Home appliances: double-digit growth in overseas sales

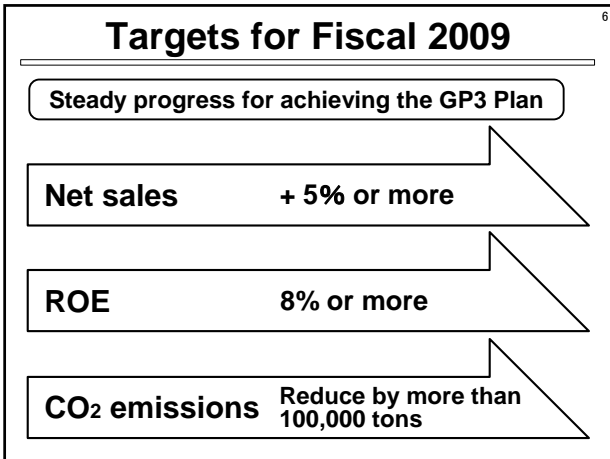
Mobile phone business: expanding

1H sales: +18% (vs. FY07)
Strengthening development of region-oriented high value-added products

1H sales: +14% (vs. FY07)
Strengthening product competitiveness through group-wide collaboration

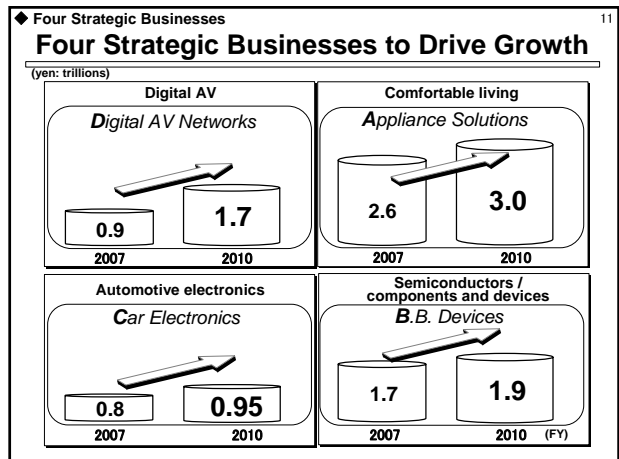
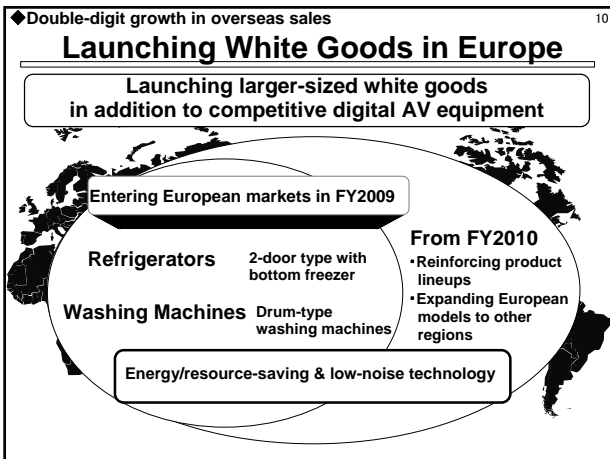
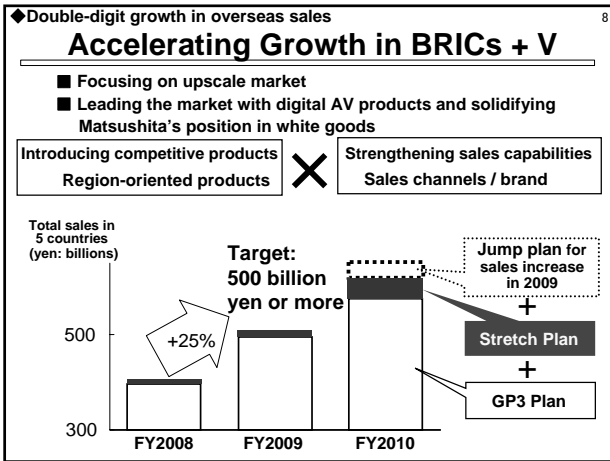
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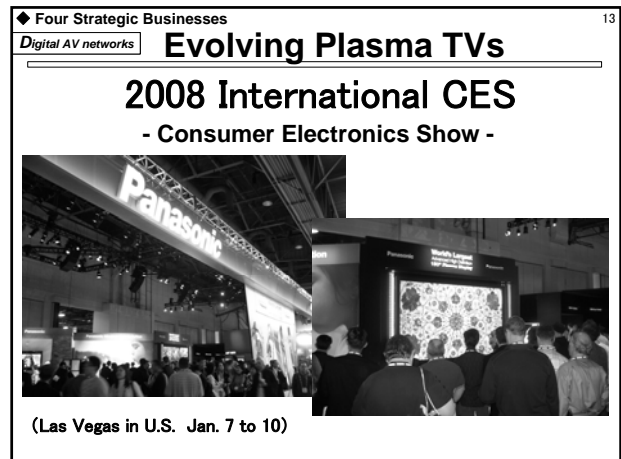
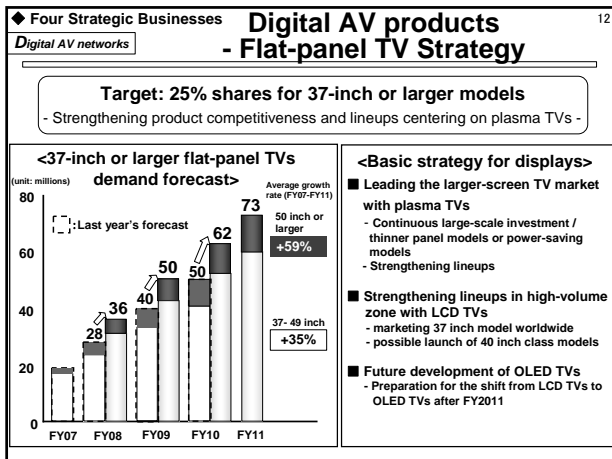
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◆ Four Strategic Businesses **Evolving Plasma TVs** 14

Digital AV networks

Super-thin plasma TV

Ultra-large screen

Thinner

High luminance efficiency

Larger

Higher energy-efficiency

Higher image quality

Leading technological innovation on flat-panel TVs

◆ Four Strategic Businesses **Strengthening LCD TV Business** 15

Digital AV networks

Alliance on LCD with Hitachi, Ltd. and Canon Inc.

IPS Alpha Technology, Ltd. becomes a subsidiary of MEI

- Realizing vertical integration and stable procurement
- Construction of new plant for LCD panels (Target: Commence production in FY2010)
- Preparing for further development of OLED business

◆ Four Strategic Businesses **Strengthening Businesses Providing Comfortable Living** 16

Appliance solutions

MEI/MEW Synergies to Create New Products and Businesses

Eco-lifestyle			Security		
IH appliance technology	New concept of kitchen space	Kitchen systems			
Security cameras IP networks	Global expansion of system businesses	Security & disaster prevention sensors			
Bio-sensors	New healthcare and wellness products	Beauty products			
Light-source technology	Producing new style of lighting systems	Lighting fixtures			
Beauty/Healthcare			Lighting		

◆ Four Strategic Businesses **Automotive Electronics Aiming for Over 1 Trillion yen Sales** 17

Car electronics

Enforcing new products by exerting collective strengths

【Case】 Visual-range supporting system

Multiple car-mounted camera images

Unique image processing technology

Converted to images that looks as if seen from above

- Car-mounted high-definition AV systems
- Responding to demand for simple navigation systems
- Power source management systems


Creation of next-generation products

◆ Four Strategic Businesses 18

B.B. devices **Expanding Semiconductor Business**

Construction of the new plant for image sensors

- Start of operation: FY2010
- Production Capacity: 30,000 sheets per month (calculated based on 200mm wafers)
- Investment: 94 billion yen
- Location: Tonami City, Toyama (planned)



Concentrating on DSC, camcorders and medical use

CO₂ emission: reduction by 30%
Pure water recycling rate: 50%

◆ Manufacturing Innovation 19

Accelerating Manufacturing-oriented Innovation Activities

Advanced Activities and Strengthened Cooperation in Each Subcommittee

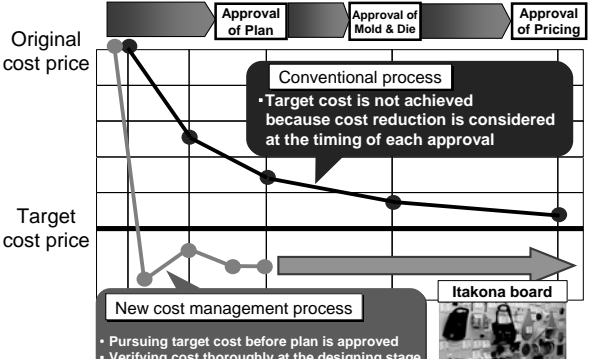
Manufacturing subcommittee	<ul style="list-style-type: none"> • Pursuing cost reduction 	Corporate IT Innovation Division
V-products subcommittee	<ul style="list-style-type: none"> • Making V-products more competitive 	
Global marketing subcommittee	<ul style="list-style-type: none"> • Strengthening competitiveness of overseas products • Forming strategies for further growth in five emerging countries 	
Management subcommittee	<ul style="list-style-type: none"> • Cultivating the fruit of logistics innovation & IT productivity improvement 	

Strengthening cost competitiveness of V-products

Strengthening overseas V-products

◆ Manufacturing Innovation 20

Pursuing Cost Reduction Processes



Original cost price

Target cost price

Conventional process

- Target cost is not achieved because cost reduction is considered at the timing of each approval

Approval of Plan

Approval of Mold & Die

Approval of Pricing

New cost management process




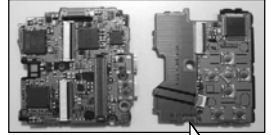
- Pursuing target cost before plan is approved
- Verifying cost thoroughly at the designing stage

Itakona board

◆ Manufacturing Innovation 21

Pursuing the Processes in Cost Reduction

Digital Camera - Integration of Printed Circuit Boards

DMC-FX7		DMC-FX33	
			

- Constitution of printed circuit boards From 3 to 2
- Number of components Reduction by 26%

◆ Eco-idea Strategies 22

Acceleration of Environmental Management

Two Targets under the GP3 plan

<p>Steady growth with profitability</p> <p>High growth potential & profitability</p>	<p>Reducing environmental impact in all business activities</p> <p>Advancement in environmental activities</p>
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Eco ideas for products = Enforcing product competitiveness

Reducing CO₂ emission = Improving productivity

Practice of environmental management = Strengthening product competitiveness

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Target/Evaluation Criteria in Environmental Activities

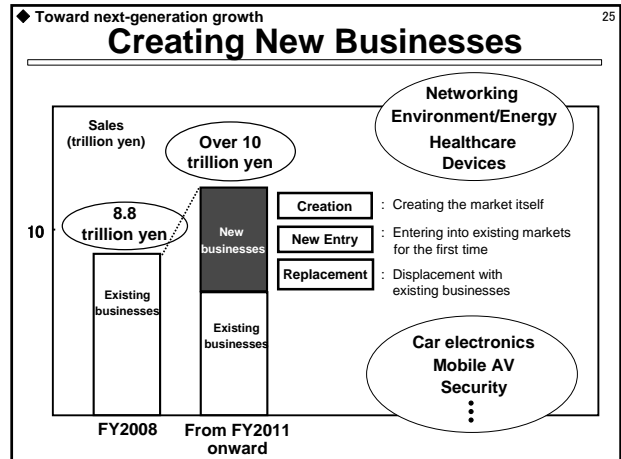
		FY2009	FY2010	
Energy-efficient products	Increase most energy-efficient products	Over 150 models <vs. FY07 x 1.5>	200 models	CCM (80)
	Eliminate energy-inefficient products	Products under 30% of share to be halved compared with FY08	Products under 30% of share to be zero ✱	
CO ₂ emission	Overall global reduction <vs. FY07>	Reduce by over 160,000 tons (FY08 60,000 tons FY09 100,000 tons)	Reduce by over 300,000 tons (7.5% reduction)	Sales (20) + CO ₂ emission (10)

✱ Targeted products: 13 items which have top runners standard

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◆ Toward next-generation growth

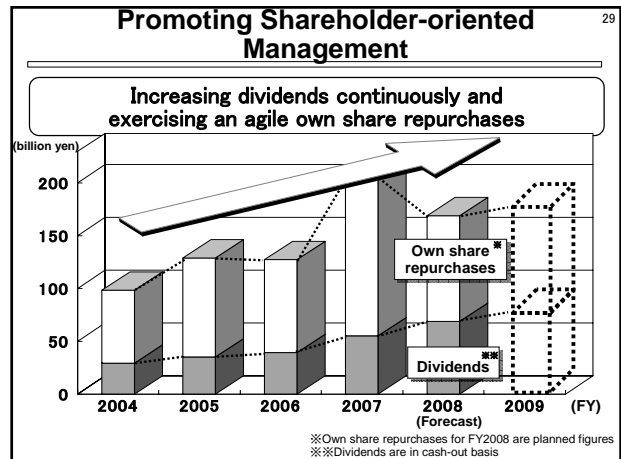
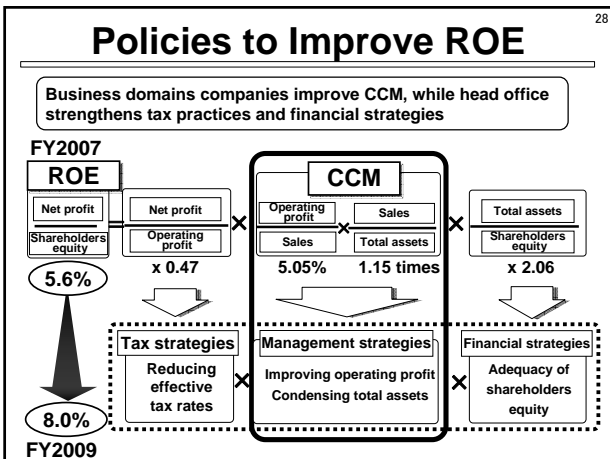
Unify Company Name and Brand

New Company Name	Panasonic Corporation Companies in our group which use "Matsushita" or "National" in their current company names, will also change their names using "Panasonic."
Brand	Unified to Panasonic
Effective Date	Company Name : October 1st, 2008 Brand : Undertaking brand name change upon company name change Unifying brands by the end of FY2010

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Management Slogan for 2008

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