

brand strategy

Fall Marketing Campaign Targets

Panasonic is ratcheting up its Fall Integrated Marketing Campaign with a focus on using traditional media in some non-traditional ways, according to Mike King, group advertising manager for PCEC.

"This is something (PNA Chairman) Yoshi Yamada challenged us to do," Mike explains. "We're using traditional media, like radio, but in ways most people don't expect."

"The 'HD Tune-Ins' are a great example of that," says PNA media manager Diane Skrnich. These are radio spots describing great HD content showing each night. "Every time someone hears the HD Tune-In, we're establishing Panasonic as not only the leader in Plasma TV, but also as the HD authority. We're the source for the best information on HD programming available."

The big focus this fall is on Plasma TV and digital still cameras. Both categories have exciting new product coming out, and the TV, radio, and in-store advertising will reflect Panasonic's emphasis on reaching its strategic audience.

"For digital still cameras, we're definitely targeting younger people, college-age consumers, and we're looking to expand our appeal among women," Mike says. In fact, the marketing group might produce a few more of the popular TV commercial "vignettes" that were first introduced this past Spring, focusing specifically on digital still cameras and the female market.

In addition to this, Panasonic is always investigating so-called "grass-roots" methods of reaching consumers, with efforts like mall tours, word-of-mouth campaigns, and other interesting outreach campaigns.

"Consumers are receiving so many pieces of information from so many sources that it's tough to break through," Mike says. "This is how we reach them, this is how we build loyalty to the brand and influence their buying decisions."

Stay tuned to Panasonic Focus for more reports on this exciting effort.

hurricane relief

Panasonic Extends a Helping Hand to Victims of Hurricane Katrina



Matsushita Electric Industrial Co., Ltd. (MEI) and Panasonic Corporation of North America (PNA) have announced a corporate-wide effort to help those impacted by hurricane Katrina and its aftermath. A cash donation of \$1,000,000 will be made

equally by MEI and PNA and will be distributed as follows:

- \$500,000 to the American Red Cross (ARC) Hurricane Katrina Disaster Fund
- \$500,000 to the Bush-Clinton Katrina Relief Fund

For those who would like to make personal donations to the American Red Cross, we are providing an easy link on the company [Intranet](#) site. The link will be available to Panasonic employees from Monday, September 12, 2005 through Friday, September 23, 2005. We will report final employee contribution results in early October. We thank all our employees for their outpouring of compassion and concern.

product spotlight

New Lumix Camera Shoots In 16:9 Format



The Lumix™ DMC-LX1 is another industry first from Panasonic. This 8-megapixel digital camera is the first to feature a true 16:9 CCD for taking wide aspect pictures. With the LX1, consumers can capture the widescreen image, take the SD memory card from the camera and view the image on one of our widescreen displays. Movies and many TV shows are in 16:9. Now your personal pictures can be, too.

Like other cameras in the Lumix line, the LX1 features Panasonic's MEGA Optical Image Stabilization, the key to removing unintentional shaking from the picture-taking experience. With MEGA OIS, pictures come out crisp and clear. The DMC-LX1 has an MSRP of \$599.95.

[Click here](#) to go to the DMC-LX1 web page.

PDP update

Panasonic Plasma Still At Number One For 19th Consecutive Week

PCEC Market Research Department reports that Panasonic has maintained its dominant market position this past week with a unit share of 42.5% of sell-through. Our unit share level is now more than 3 1/2 times higher than that of our nearest competitor. On a dollar basis, we recorded an industry-leading 43.8% share of market. Once again, PCEC has the best-selling model this week, for the 19th consecutive week, with our TH-42PD50U EDTV, which represented 16.3% of all PDP units sold. Two more Panasonic (HD) units are right behind: our 50PX50U and 37PX50U. In all, the top 4 best-selling models in the marketplace this week were again Panasonic!

Panasonic ideas for life

digital camera update

Focusing On Lumix at Circuit City



After months of work by the Panasonic team, giant electronics retailer Circuit City increased its assortment of Panasonic Lumix™ digital cameras, and the result has been nothing less than picture-perfect.

"Circuit City is very pleased with our sell-through rate," says Monica Helmer, digital still camera national marketing manager.

"They recognize and appreciate Panasonic's new focus on marketing and creating demand for the digital camera line, and they attribute their good results not only to our products but to Panasonic's aggressive approach."

Circuit City's best-selling Panasonic camera is the Lumix DMC-FZ5, the first 5-megapixel digital still camera with 12x optical zoom and optical image stabilization. It is the only one of its type that Circuit carries.

"It's my goal to replicate the success we are having at Circuit City at our other major channel partners," Monica says.

Circuit City has approximately 600 stores nationwide, all of which carry Lumix cameras.



sales performance

Plasma TV Sales Continue To Soar

Panasonic plasma sales continue their upward trajectory. Data from NPD Techworld for the week ending May 14 shows that Panasonic continues to grow as the market share leader with a new record-high 37.6% unit share of sell-thru, a full 2 points above of last week's share. Among the other brands, Samsung is our nearest competitor at 15.4% (less than half our level) unit share, 13.2% dollar-wise.

For the fifth consecutive week, the TH-42PD50U is again the industry's best-seller. And, in fact, Panasonic occupied three of the industry's top six best-selling model spots and six of the industry's top twelve spots this week.

plasma leadership

DisplaySearch Confirms Panasonic Worldwide Plasma Leadership

Respected market research firm DisplaySearch confirmed Panasonic's worldwide lead in plasma TV for the first quarter of calendar 2005. The company found that Panasonic remained the leader in plasma TV sales in Japan and North America, moved from number two to number one in sales in China and held on to double-digit share in Europe against market leader Philips. For more information, see the DisplaySearch press release at: <http://www.displaysearch.com/index.html>.

Panasonic ideas for life

focus on change

Interview with John Baisley, President, Panasonic Broadcast & Television Systems Company



On Implementing Change: Panasonic Broadcast is creating a new culture that emphasizes speed, communication and teamwork. We are building the structure and processes to support this culture.

On FY '05: Fiscal '05 was also our first year as a domain company. This required a whole different way of thinking. In the past, our objectives were not aligned with the factory because we had non-consolidated inventory targets and separate P&L's. Now under the domain concept we are totally aligned with our objectives and much more efficient. We've reduced inventory from 26 days to 13 days and this year I expect we can reach 9 days. In addition, we've also reduced operating costs by 30% and went from two sales forces to one.

On Fiscal'06: This year we improved how the factory and sales company work together, but in the new fiscal year, we will integrate the channel partner in the effort. That means setting up metrics with the channel partner on inventory targets, similar to what PCEC has with its VMI program. We want the supply chain to be a competitive advantage for us. If we can reduce inventory at the channel partner side, we can improve the channel partners' cash flow and ours. As we align the factory, sales company and channel partner we will maximize the focus on the customer.

What I tell our people: I ask our team members to question everything and raise issues. I sincerely believe we need everyone to be part of the process of improving and changing our company and its processes. I value our people's ideas and input for change.

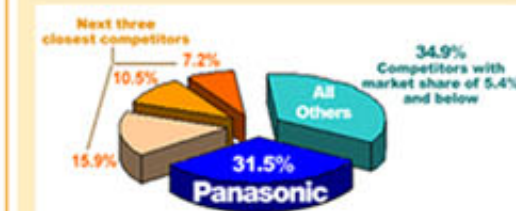
On PNA: The focus has to be on speed. PBTS now works much more quickly than it did before. PNA and especially the shared services functions have to be faster at what they do. And it's not just speed for speed's sake. Speed relates directly to customer satisfaction.

Business Outlook: This will be a very exciting year for us. We will emphasize High Definition and P2 solid-state recording as well as our flat-panel displays. The AG-HVX 200, a revolutionary handheld HD video camera utilizing our P2 format, has been on the market now for a month and a half and we're still filling backorders. It has given us a great opportunity to grab share from our competitors and expand our P2 format.

Our Vision: We are becoming a fast, agile, responsive company from the factory floor to the sales company to the customer, across the entire supply chain. But moving product from the factory through the channel partner to the customer efficiently is not enough. We need to make sure the customer's voice is heard and that we make the products they are asking for.

PDP update

Panasonic Market Share On The Rise



Panasonic's TH-42PD50U regained its best selling plasma TV position this week after being displaced by Zenith's heavily promoted 50" HD model, which dropped from 17.1% to 4.3% as the rebate promotions subsided. Panasonic's market share is rising once again, having had the top three best-selling models, despite continued rebate promotions from Pioneer and Sylvania. Panasonic's unit share this week stands at 31.5% of sell-through, and we once again posted an industry-high dollar share.

brand strength

Leveraging the Panasonic Brand With QVC

QVC QUALITY VALUE CONVENIENCE Score another winning day for Panasonic on QVC, the national television shopping network. The Panasonic Vortex Linear Pivot Shaver with HydraClean System, a men's shaver that uses only water (not alcohol) for self-cleaning, proved to be one of the fastest selling consumer electronics products ever sold on QVC.

Every day of the year except Christmas, QVC identifies a product as "Today's Special Value" or TSV. The most coveted days for TSVs are in the lead up to the holiday selling season. Panasonic's Personal Care team saw an opportunity for the Vortex, and QVC saw an opportunity in the Panasonic brand.



Panasonic Personal Care team: Grace Janus, Tom McCormack, Aki Kato, David Williams, Rich Cronin.

"What made this work for us was the high recognition of the Panasonic brand among our viewers," says Tom Kluxen, buyer for home and personal care, QVC. "We've had terrific success with other Panasonic products, like camcorders, but in the last year especially, with the popularity of the Panasonic plasma, everyone knows that Panasonic is a company of innovation and quality."

Personal Care's Rich Cronin says that QVC had confidence that the Panasonic Vortex would be a better performer than the traditional market leaders in men's electric shavers, like Braun and Norelco.

"We worked closely with Tom and his team at QVC to create an exclusive offer for QVC viewers," Rich says. "And those viewers responded by buying out the entire inventory by 6 p.m., six hours before the end of that TSV."

Tom Kluxen himself was so impressed with the Vortex that he acted as a model during one of the Vortex segments, getting a shave and operating the all-water cleaning system.

And Rich was more than impressed. "This was the most awesome collaborative event in my 25 year consumer product experience," Rich exclaims. "My goal now? To top this performance the next time around."