

Fiscal 2015 First Quarter Financial Results

July 31, 2014
Panasonic Corporation

*Notes: 1. This is an English translation from the original presentation in Japanese.
2. In this presentation, “fiscal 2015” or “FY2015” refers to the year ending March 31, 2015.*

- This presentation contains consolidated financial results for the first quarter of the fiscal year 2015, ending March 31, 2015.

Summary of FY15 1Q Results

- Sales up : in real terms (excluding the effects of exchange rates and business transfers)
 - ✓ Housing/Automotive-related businesses expanded
 - ✓ Sales increased in all regions except Europe
- OP up : benefitted from sales increases in real terms and fixed-cost reductions
 - ✓ Management structure has strengthened steadily due mainly to business restructuring
 - ✓ Sales increases directly now enhance profitability following corporate structure changes

- This slide shows two main points regarding the first quarter of fiscal 2015.
- Firstly, sales increased in real terms (excluding the effects of exchange rates and business transfers). Sales decrease after the consumption tax increase in Japan was smaller than expected and sales in particular housing/automotive-related businesses continued to be favourable. Sales increased in all regions except Europe.
- The sales decrease trend in real terms over the last few years finally hit bottom and sales are now on an upward trend.
- Secondly, operating profit increased. Sales increases in real terms and fixed-cost reductions contributed to profit increase, offsetting the impact of the termination of corporate-wide measures.
- Ongoing business restructuring and measures to address challenging businesses are now bearing fruit and the Company's management structure is steadily strengthening. Sales increases directly now enhance profitability following these changes in corporate structure.

FY15 1Q Financial Results

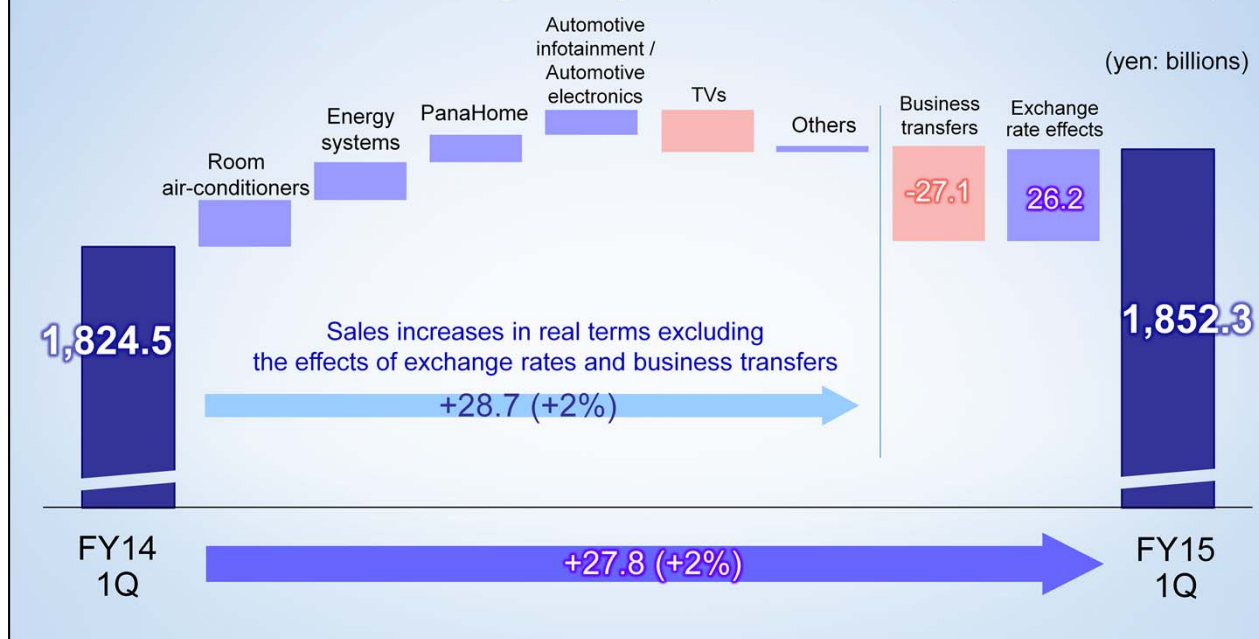
(1Q = Apr. to Jun.)

(yen: billions)

		FY15 1Q	FY14 1Q	vs. FY14 1Q/ difference	
Sales	Domestic	857.4	864.9	-1%	
	Overseas	994.9	959.6	+4%	(+1%)*
		1,852.3	1,824.5	+2%	(±0%)* +27.8
Operating profit		82.3 (4.4%)	64.2 (3.5%)	+28%	+18.1
Pre-tax income		55.1 (3.0%)	122.6 (6.7%)	-55%	-67.5
Net income **		37.9 (2.0%)	107.8 (5.9%)	-65%	-69.9
Exchange rates	1 US dollar	102 yen	99 yen	• Local currency basis excluding the effects of exchange rate (unreviewed) ** Net income attributable to Panasonic Corporation	
	1 Euro	140 yen	129 yen		
	1 Renminbi	16.40 yen	16.05 yen		

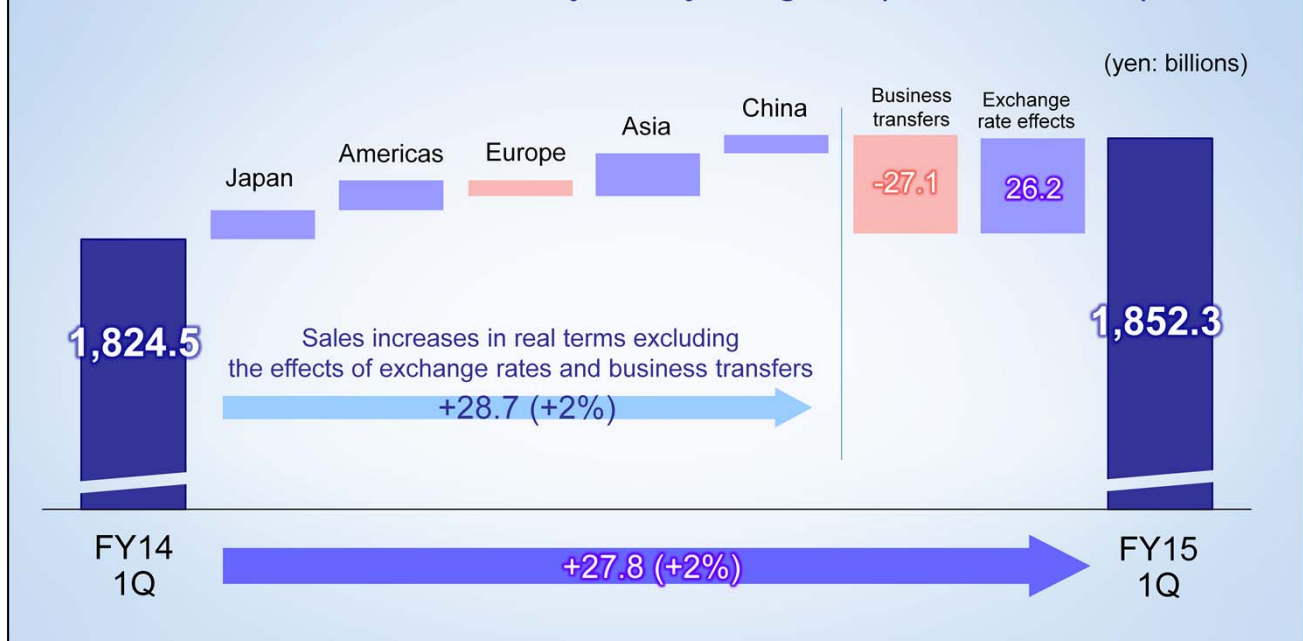
- Consolidated group sales and operating profit for the first quarter were up compared with the previous year. Both pre-tax income and net income attributable to Panasonic Corporation decreased as a one-off gain from the transition to the defined contribution pension plan was recorded in the same period last year.

FY15 1Q Sales Analysis by Major Product (vs. FY14 1Q)



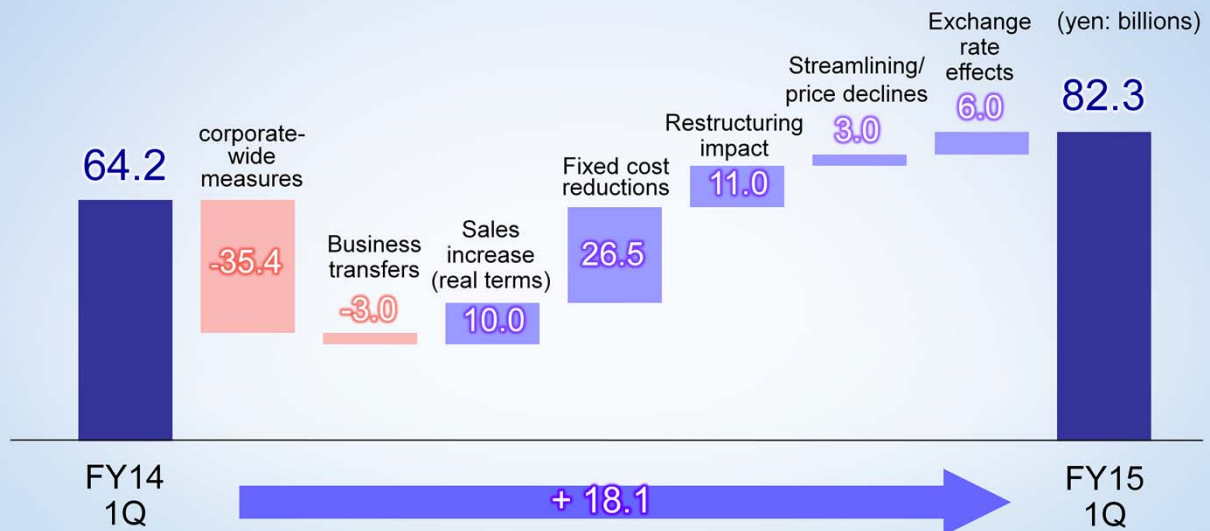
- First, this slide shows sales analysis by major product in the first quarter.
- Sales, in real terms excluding the effects of exchange rates and business transfers, increased by 28.7 billion yen from last year due to sales recovery in room air-conditioners which suffered last year in China. In addition, sales increased steadily in housing-related business such as energy systems and PanaHome, as well as automotive infotainment systems in automotive-related business.

FY15 1Q Sales Analysis by Region (vs. FY14 1Q)



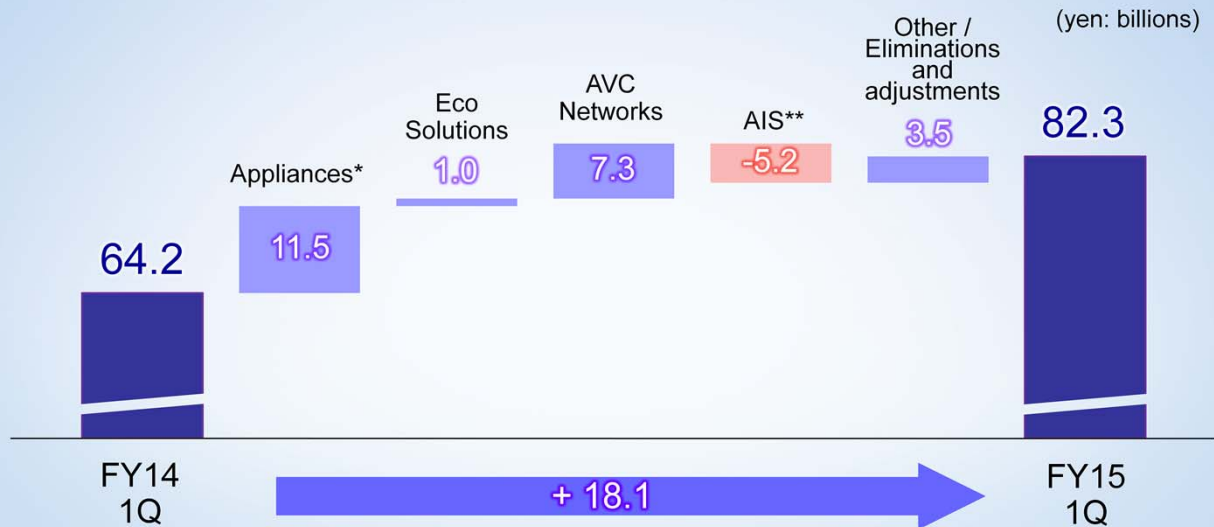
- Sales analysis by region is shown here.
- Although sales in Europe were down due to weaker sales in TVs and DSCs as well as the impact of political instability in Ukraine, sales in the other regions increased from last year.
- In Japan, the impact of demand decrease after the consumption tax hike was smaller than expected and sales in housing-related business such as PanaHome and housing systems increased. In the Americas, automotive-related business including infotainment systems and batteries led to a strong positive impact on sales. In Asia, sales in LCD panels and wiring equipment were favourable. In China, sales in air-conditioners recovered significantly compared to last year when sales had decreased.

FY15 1Q Operating Profit Analysis (vs. FY14 1Q)



- Next, operating profit analysis compared with last year.
- Although the termination of corporate-wide measures and business transfers negatively impacted profitability, operating profit improved by 18.1 billion yen in total. This was due mainly to profitability improvement on the back of sales increases in real terms, reductions in fixed-costs and benefits from business restructuring.

FY15 1Q Operating Profit Analysis by Segment (vs. FY14 1Q)



* On a production and sales consolidated basis

** AIS = Automotive & Industrial Systems

- Next, operating profit analysis by segment.
- Although profitability in AIS declined, profitability in Appliances and AVC Networks improved significantly.
- Results by segment follow later.

FY15 1Q Pre-tax and Net Income Analysis

(1Q = Apr. to Jun.)

(yen: billions)

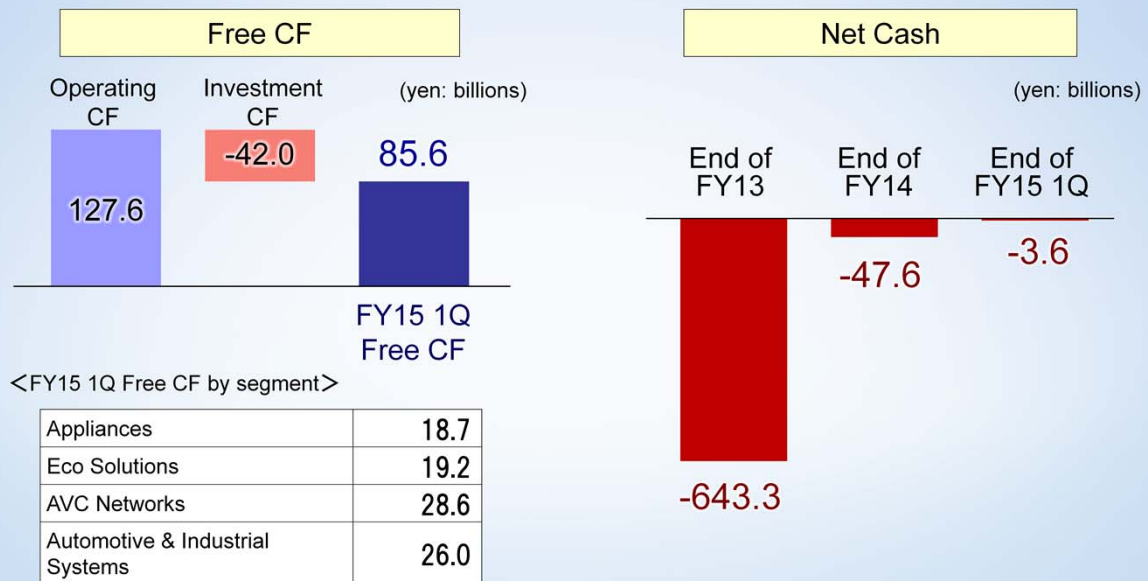
	FY15 1Q	vs. FY14 1Q
Operating profit	82.3	+18.1
Non-operating income / loss *	-27.2	-85.6
Pre-tax income	55.1	-67.5
Provision for income taxes	15.0	+0.9
Equity in earnings of associated companies	2.0	+0.7
Net income	42.1	-67.7
Less net income attributable to noncontrolling Interests	4.2	+2.2
Net income attributable to Panasonic Corporation	37.9	-69.9

* Detail of non-operating income / loss

Business restructuring expenses	-6.2	-1.9
Early retirement charges	-3.8	-3.6

- Next, pre-tax and net income analysis.
- Non-operating loss was 27.2 billion yen of which 6.2 billion yen was business restructuring expenses.
- With regard to measures to prevent further accidents of residential water heating systems, the Company is devoting all its effort to reassure its customers about the safety. This action is estimated to cost 9.2 billion yen which has been included in non-operating loss.
- Pre-tax income was 55.1 billion yen and net income attributable to Panasonic Corporation was 37.9 billion yen. Decreases in both profit figures were because of a one-off gain from the transition to the defined contribution pension plan recorded in the same period last year.

FY15 1Q Free CF and Net Cash



- Next, free cash flow and net cash.
- Free cash flow on the left hand side of the slide was 85.6 billion yen. As a result, net cash on the right hand side of the slide was minus 3.6 billion yen at the end of the first quarter of fiscal 2015.

FY15 1Q Results by Segment

(1Q = Apr. to Jun.)

(yen: billions)

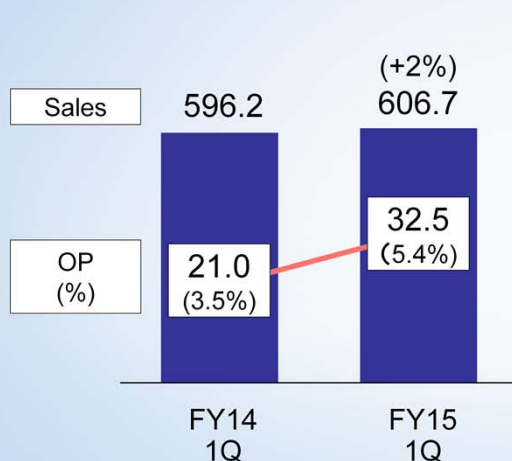
	FY15 1Q			
	Sales	vs. FY14 1Q	OP	vs. FY14 1Q
Appliances	465.4	+1%	22.5	+11.3
Eco Solutions	384.4	+4%	16.2	+1.0
AVC Networks	273.8	+1%	-8.1	+7.3
Automotive & Industrial Systems	680.4	+2%	23.5	-5.2
Other	143.2	-18%	-2.0	-0.3
Eliminations and adjustments	-94.9	-	30.2	+4.0
Consolidated total	1,852.3	+2%	82.3	+18.1
Appliances (production and sales consolidated) *	606.7	+2%	32.5	+11.5

* The figures in "Appliances (production and sales consolidated)" include the sales and profits of sales division for consumer products, which are included in "Eliminations and adjustments."

- Next, results by segment.

Appliances (production and sales consolidated)

(yen: billions)



<FY15 1Q>

Sales

UP

- Shipments up for distributors' restocking after strong demand prior to the consumption tax increase in Japan.
- Sales recovery in air-conditioners in China.

Operating profit

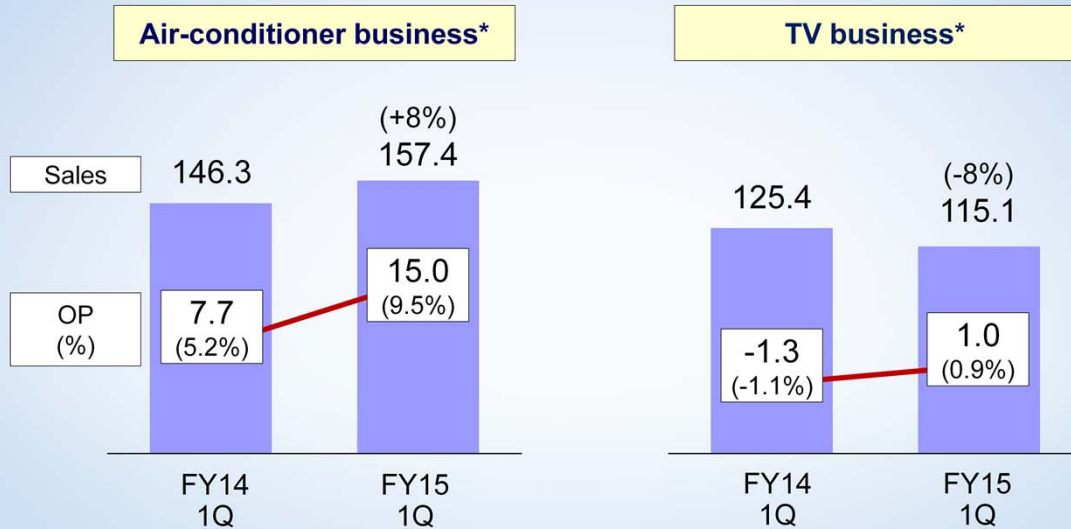
UP

- Profitability improved in the challenging businesses.
- Profitability in device businesses increased.

- First, Appliances based on a production and sales consolidated.
- Overall sales increased. In Japan, although lower demand after the consumption tax increase had a negative impact, shipments in air-conditioners and some other products were favourable. This was due to restocking distributors' inventory which had been at a low level after strong demand prior to the consumption tax increase. Overseas sales also increased due to sales recovery in air-conditioners in China compared with last year when sales had sharply decreased.
- Operating profit increased due to improvements in the profitability of the challenging businesses including air-conditioners and TVs. The device businesses such as motors and compressors, which are shifting to higher margin products range, also contributed to the overall profit increase.

Major Challenging Businesses

(yen: billions)

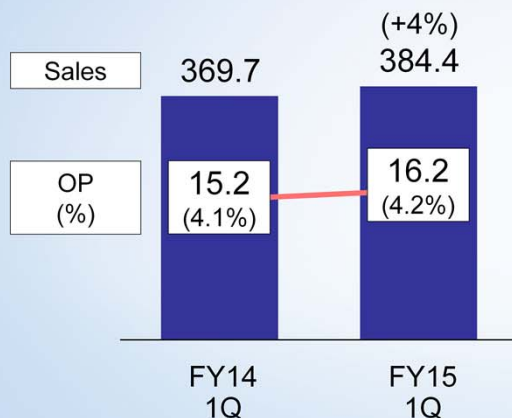


* Production and sales consolidated

- Next, results in air-conditioner and TV businesses.
- Sales in air-conditioner business on the left hand side of the slide increased due to shipment increases on the back of retailers' restocking in Japan and sales recovery in China. Operating profit also improved due mainly to positive impacts from enhanced sales and rationalization.
- In particular, in the challenging market of China, the Company achieved sales exceeding its target due to wide acclaim for the new products and enhancing sales promotion. The Company continues to enhance sales promotion in stores in order to steadily improve profitability.
- Results in the TV business are shown on the right hand side of the slide. Sales increased in Japan but overall sales including in North America decreased owing to the termination of PDP business. Operating profit turned into the black due mainly to distribution reform and rationalization.
- Increasing line-ups in large-sized LCD TVs and distribution reform in North America continue to contribute to the stable profit improvement.

Eco Solutions

(yen: billions)



<FY15 1Q>

Sales

UP

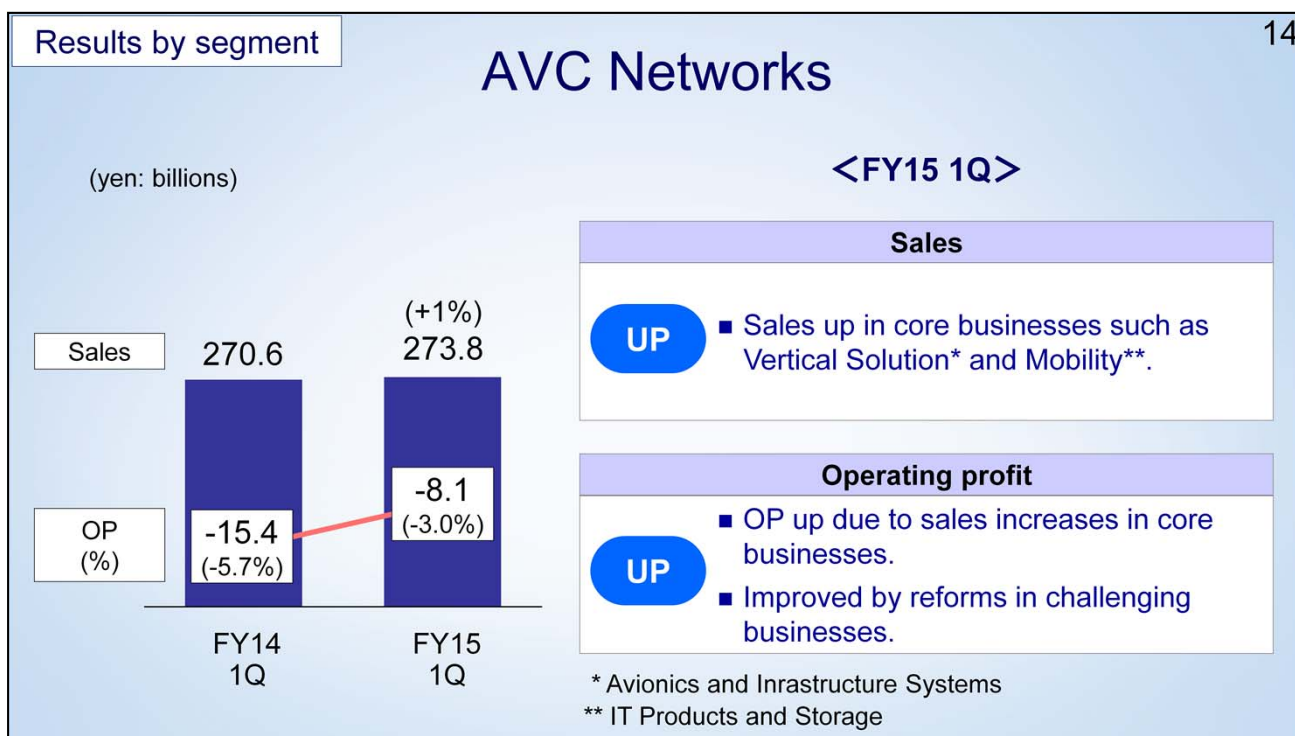
- The Company steadily captured demand in the housing-related business in Japan.
- Overseas sales expanded due to additionally-consolidated VIKO. There were also sales increases in strategic regions.

Operating profit

UP

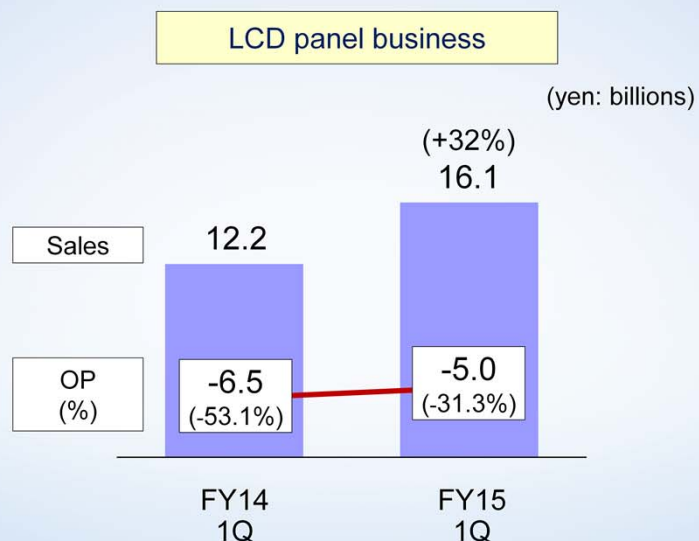
- Benefitted from sales increases and rationalization.
- Profitability in solar business for housing continued to be favourable.

- Next, Eco Solutions.
- Sales increased in all business divisions.
- In Japan, despite deceleration of growth in the housing market after the consumption tax rate hike, sales were favourable as the Company steadily captured demand. Backlog orders associated with a demand surge at the end of last quarter also contributed to sales increase. Overseas sales expanded due to newly-consolidated VIKO. There were also sales increases in strategic regions such as India and Asia.
- Operating profit increased attributable mainly to sales increases and rationalization. In particular, profitability in solar business for housing continues to be strong and contributes to overall operating profit.



- Next, AVC Networks.
- Sales decreased as a result of reforms in the challenging businesses such as PDPs and smartphones for consumer-use. However, overall sales increased due to favourable sales in core businesses such as Vertical Solution (Avionics and Infrastructure Systems) and Mobility (IT Products and Storage).
- Although operating loss was recorded in the first quarter due to the seasonal nature of the business, the level of profitability improved significantly compared with last year. Profitability increased in the core businesses centring on Mobility business. In the challenging businesses such as DSCs and mobile phones, profitability improved due to the impact of new products and cutbacks in products. Profitability in LCD panels also contributed to overall operating profit improvement due to steady sales increase.

Major Challenging Business

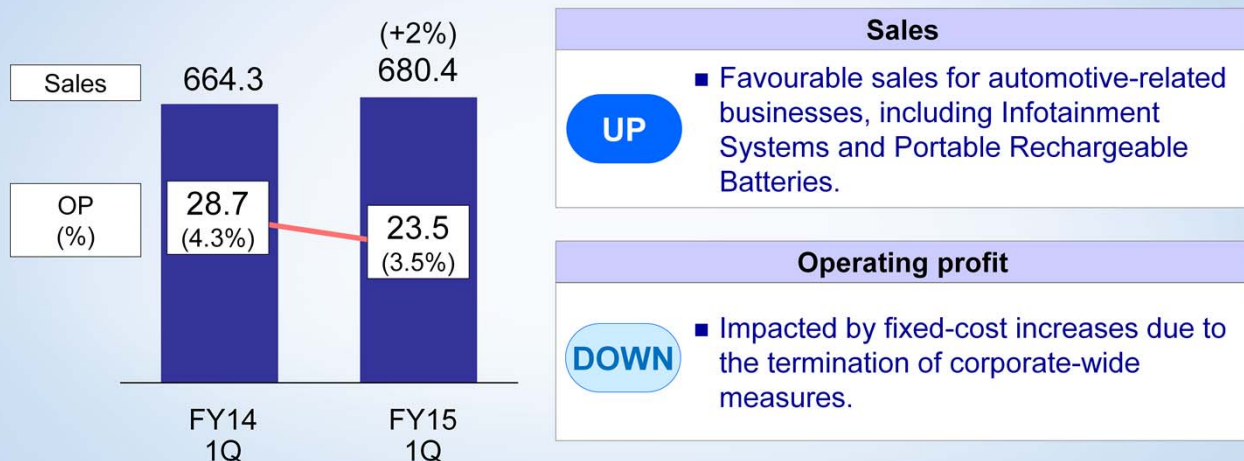


- This slide shows results of LCD panel business.
- A significant sales increase for industrial-use panels as well as sales expansion for TV-use panels contributed to overall sales increase. Operating profit also improved as a consequence of marginal profit improvement and reductions in fixed-costs.
- The Company makes every effort to improve profitability through measures such as enhancing sales for industrial-use panels.

Automotive & Industrial Systems (AIS)

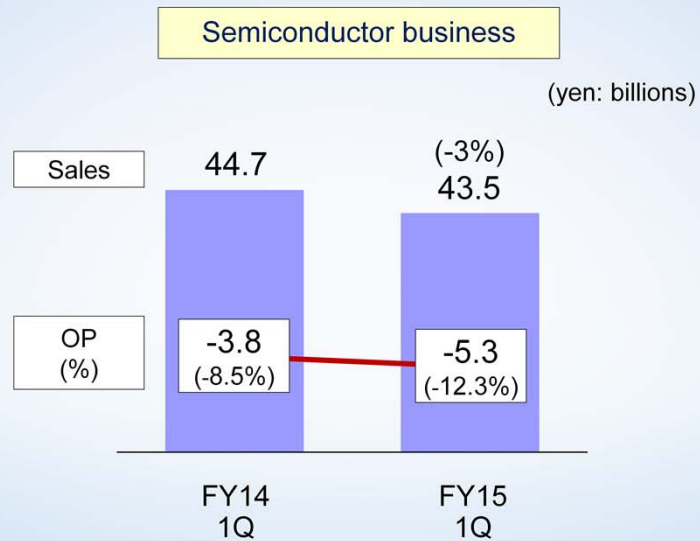
(yen: billions)

<FY15 1Q>



- Lastly, results of AIS.
- Sales decreased in cutback and withdrawal businesses such as optical pick-ups and circuit boards. However, overall sales increased thanks to favourable sales for automotive-related businesses such as Infotainment Systems and Portable Rechargeable Batteries. Positive impact of exchange rates also contributed to sales increase.
- Operating profit decreased. Although profitability for automotive-related business continues to be strong, it was unable to offset fixed-cost increases associated with the termination of corporate-wide measures.

Major Challenging Business



- Next, results of semiconductor business.
- Although sales for automotive and industrial use were favourable, overall sales were down owing to sales decreases in semiconductors for AV and ICT use.
- Although operating profit decreased, this was largely attributable to last year's corporate-wide measures. If the impact of this is excluded, profitability improved.
- The Company aims to improve profitability by prioritizing efforts in automotive and industrial use semiconductors, offsetting sales decrease for AV and ICT use. At the same time, the Company focuses on reaping the benefits of business restructuring carried out last year.

Reclassified FY15 Full Year Forecast by Segment following Reorganization

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Reflected reorganization on July 1, 2014

(yen: billions)

	FY15 full year				Revised figures	
	Sales	vs. FY14	OP	vs. FY14	Sales	OP
Appliances	1,819.0	+2%	37.5	+8.0	+30.0	+2.5
Eco Solutions	1,637.0	-2%	62.5	-29.6	-	-
AVC Networks	1,140.0	-1%	47.0	+11.3	-91.0	+4.0
Automotive & Industrial Systems (AIS)	2,766.0	+2%	100.5	+31.3	-11.0	-6.5
Other	700.0	-21%	10.0	-14.3	-	-
Eliminations and adjustments	-312.0	-	52.5	-1.8	+72.0	-
Consolidated total	7,750.0	±0%	310.0	+4.9	-	-
Appliances (production and sales consolidated)	2,309.0	-1%	54.5	+13.4	+29.0	+2.5

- Lastly, full year segment forecast revision.
- The April forecasts for fiscal 2015 have been reclassified following reorganization among segments on July 1, 2014.
- Panasonic Liquid Crystal Display Co., Ltd. has been moved from AVC Networks to AIS while Panasonic Cycle Technology Co., Ltd. has moved from AIS to Appliances.

Summary of FY15 1Q Results

(yen: billions)

	FY15 1Q	vs. FY14 1Q	FY15 full year forecast
Sales	1,852.3	+27.8	7,750.0
Operating profit	82.3	+18.1	310.0
Pre-tax income	55.1	-67.5	120.0
Net income *	37.9	-69.9	140.0

* Net income attributable to Panasonic Corporation

- Fiscal 2015 got off to a good start with better-than-expected first quarter results.
- On the other hand, the Company forecasts the second quarter cautiously taking account of demand decreases in particular in the housing-related business in Japan.
- The Company makes every effort to expand profitability by monitoring demand carefully and setting the published forecasts as minimum targets.



- Thank you for your continued support.

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Segments and Business Divisions

Appliances	AVC Networks	Automotive & Industrial Systems
Air-Conditioner BD	Imaging Network BD	Automotive Infotainment Systems BD
Refrigeration and Air-Conditioning Devices BD	Storage BD	Automotive Electronics BD
Refrigerator BD	Visual Systems BD	Energy Device BD
Cold Chain BD	Avionics BD	Panasonic Storage Battery Co., Ltd.
Laundry Systems and Vacuum Cleaner BD	IT Products BD	Portable Rechargeable Battery BD
Kitchen Appliances BD	Security Systems BD	Automotive Battery BD
Beauty and Living BD	Communication Products BD	Capacitor BD
Home Entertainment BD	Office Products BD	Circuit Components BD
Motor BD	Infrastructure Systems BD	Electromechanical Components BD
Smart Energy System BD	System Solutions Company (Japan)	Electronic Materials BD
Panasonic Cycle Technology Co., Ltd.		Automation Controls BD
Eco Solutions	Other	Panasonic Semiconductor Solutions Co., Ltd.
Lighting BD	PanaHome Corporation	Panasonic Precision Devices Co., Ltd.
Energy Systems BD	System LSI BD	Panasonic Factory Solutions Co., Ltd.
Housing Systems BD		Panasonic Welding Systems Co., Ltd.
Panasonic Ecology Systems Co., Ltd.		Panasonic Liquid Crystal Display Co., Ltd.

BD : Business Division

As of July 1, 2014