

# Fiscal 2016 Third Quarter and Nine Month Financial Results

February 3, 2016  
Panasonic Corporation

*Notes: 1. This is an English translation from the original presentation in Japanese.  
2. In this presentation, "fiscal 2016" or "FY2016" refers to the year ending March 31, 2016.  
In addition, "fiscal 2016 nine months" or "FY16 9M" refer to the period from April to December 2015.*

## 3Q (Oct.-Dec.) Consolidated Financial Results and Full-year Forecasts

➤ 3Q results: Decreased in sales and increased in OP

Sales: Decreased due to struggling solar panel business in Japan and ICT related business, although appliances and B2B solution businesses were in steady growth.

OP : Improved due to strong profit structure and sales expansion in growing businesses.

➤ Full-year forecasts: Revised down in sales and OP

## FY16 3Q (Oct.-Dec.) Results

(yen: billions)		FY16 3Q	FY15 3Q	vs. FY15 3Q	
				%	amount
Sales		1,910.9	1,996.4	-4% (-4%)*	-85.5 (-78.5)*
Operating profit		119.8 (6.3%)	113.3 (5.7%)	+6%	+6.5
Pre-tax income		90.4 (4.7%)	86.2 (4.3%)	+5%	+4.2
Net income **		48.9 (2.6%)	59.5 (3.0%)	-18%	-10.6
Exchange rate	1 USD	122 yen	115 yen		
	1 EUR	133 yen	143 yen		
	1 Renminbi	18.92 yen	18.62 yen		

\* Real terms excluding effect of exchange rate (unreviewed)

\*\* Net income attributable to Panasonic Corporation

## FY16 Nine Month (Apr.-Dec.) Results

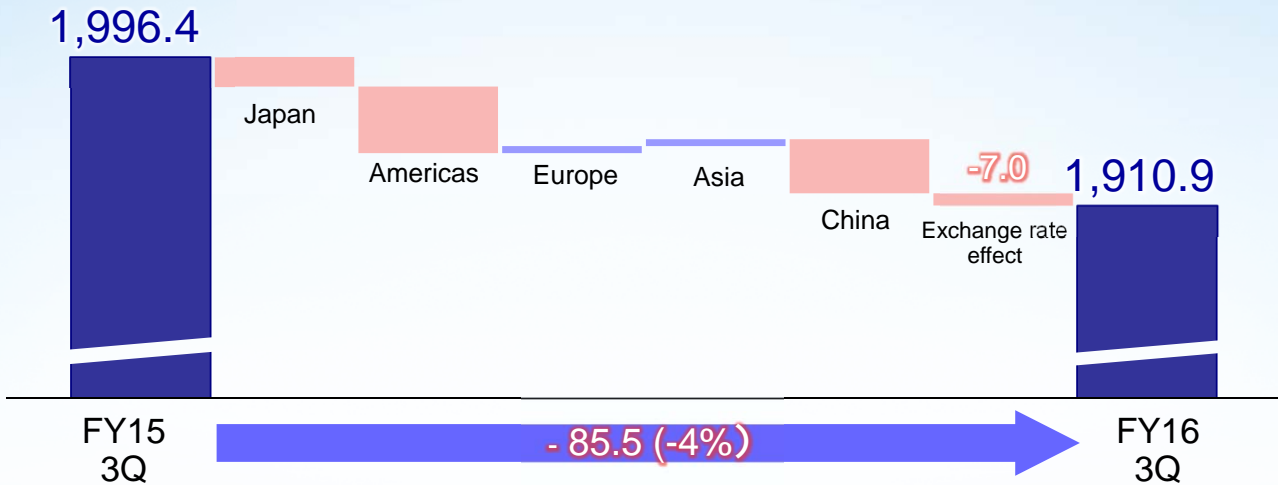
(yen: billions)		FY16 9M	FY15 9M	vs. FY15 9M	
				%	amount
Sales		5,671.3	5,719.3	-1% (-4%)*	-48.0 (-227.6)*
Operating profit		320.3 (5.6%)	290.3 (5.1%)	+10%	+30.0
Pre-tax income		254.5 (4.5%)	208.1 (3.6%)	+22%	+46.4
Net income **		160.2 (2.8%)	140.4 (2.5%)	+14%	+19.8
Exchange rate	1 USD	122 yen	107 yen		
	1 EUR	134 yen	140 yen		
	1 Renminbi	19.26 yen	17.29 yen		

\* Real terms excluding effect of exchange rate (unreviewed)

\*\* Net income attributable to Panasonic Corporation

## FY16 3Q Sales Analysis by Region (vs. FY15 3Q)

(yen: billions)

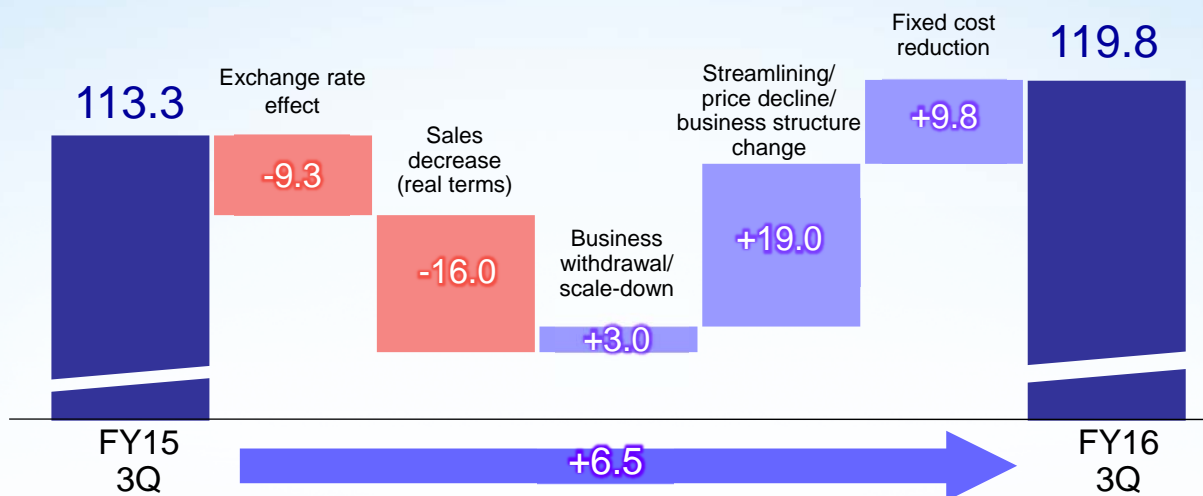


5 | Fiscal 2016 Third Quarter and Nine Month Financial Results

**Panasonic**

## FY16 3Q Operating Profit Analysis (vs. FY15 3Q)

(yen: billions)



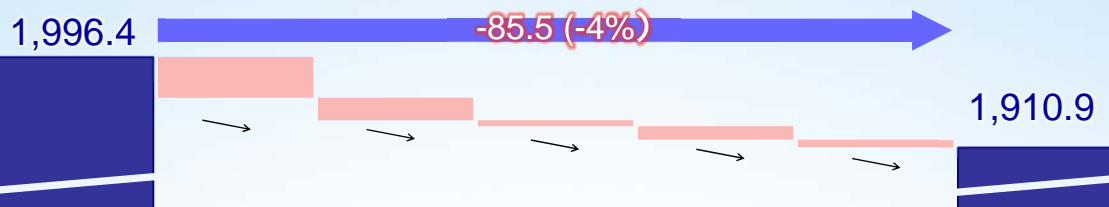
6 | Fiscal 2016 Third Quarter and Nine Month Financial Results

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## FY16 3Q Sales & OP Analysis (vs. FY15 3Q)

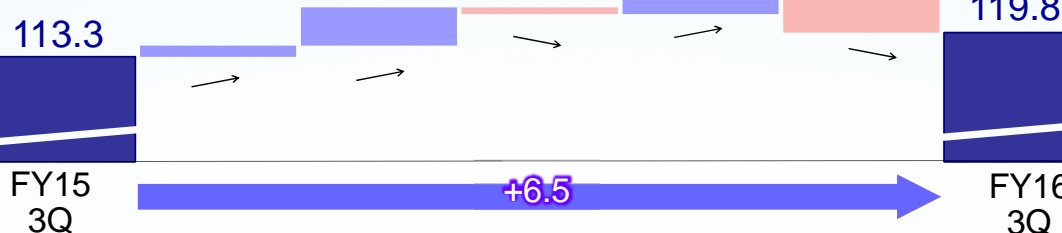
Sales

(yen: billions)



OP

Business withdrawal/  
scale-down      TV  
business      6 BDs\*      Other businesses      Exchange rate  
effect



\* BD stands for Business Division

## FY16 3Q Pre-Tax and Net Income Analysis

(yen: billions)	FY16 3Q	vs. FY15 3Q
Operating profit	119.8	+6.5
Non-operating income/loss*	-29.4	-2.3
Pre-tax income	90.4	+4.2
Provision for income taxes	39.3	+15.8
Equity in earnings of associated companies	3.3	+0.4
Net income	54.4	-11.2
Less net income attributable to noncontrolling interests	5.5	-0.6
Net income attributable to Panasonic Corp.	48.9	-10.6
* Detail of non-operating income/loss		
Business restructuring expenses	-3.3	+7.2

## FY16 3Q Results by Segment

(yen: billions)	FY16 3Q			
	Sales	vs. FY15 3Q	OP	vs. FY15 3Q
<b>Appliances</b>	<b>605.3</b>	<b>-5%</b>	<b>26.8</b>	<b>+8.4</b>
<b>Eco Solutions</b>	<b>409.9</b>	<b>-6%</b>	<b>25.2</b>	<b>-8.7</b>
<b>AVC Networks</b>	<b>283.3</b>	<b>-4%</b>	<b>18.7</b>	<b>+1.0</b>
<b>Automotive &amp; Industrial Systems</b>	<b>676.6</b>	<b>-4%</b>	<b>23.4</b>	<b>-7.5</b>
Other	134.9	-10%	3.1	+3.5
Eliminations and adjustments	-199.1	-	22.6	+9.8
Consolidated total	1,910.9	-4%	119.8	+6.5
Appliances (production and sales consolidated)*	690.2	-3%	26.8	+8.2

\* 'Appliances (production and sales consolidated)' includes sales and profits of sales division for consumer products, which are included in 'Eliminations and adjustments.'

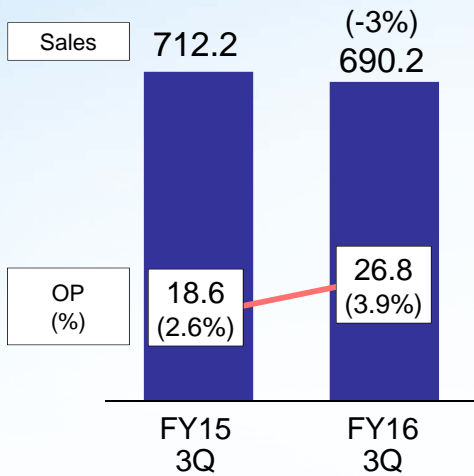
## Sales & OP in Six Large Scale BDs

(yen: billions)	FY16 3Q				
	Sales	vs. FY15 3Q	OP	OPM	vs. FY15 3Q
Air-conditioner* <sup>1</sup>	94.6	+4%	1.4	1.5%	+0.9
Lighting	89.4	+1%	8.1	9.1%	+0.8
Housing Systems	94.0	-4%	4.7	5.0%	-0.4
Automotive Infotainment Systems	136.5	+1%	2.2	1.6%	-1.9
Rechargeable Battery* <sup>2</sup>	87.2	-8%	-1.5	-1.8%	-4.0
PanaHome	80.2	+7%	2.5	3.2%	+1.1
<b>Total</b>	<b>581.9</b>	<b>+/-0</b>	<b>17.4</b>	<b>3.0%</b>	<b>-3.5</b>

\*<sup>1</sup> Air-Conditioner Company + its sales division (production & sales consolidated)  
\*<sup>2</sup> Rechargeable Battery BD + Tesla BU

## Appliances (AP) (production and sales consolidated)

(yen: billions)



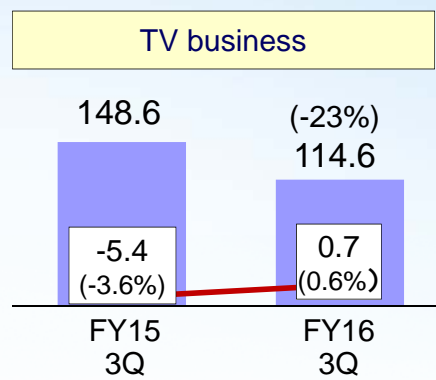
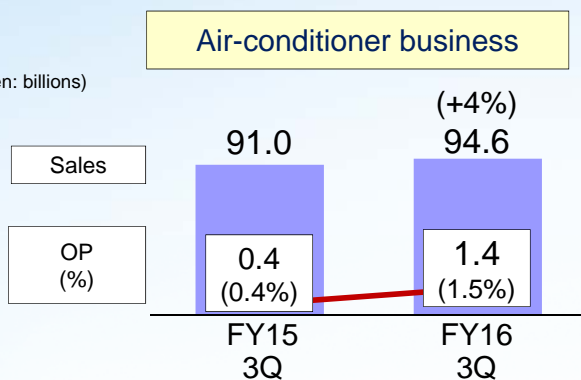
Sales	
Down	Decreased due to sales decline in TV business, while appliance business was stable.
OP	
Up	Increased due to TV business improvement and sales expansion in appliance business, offsetting negative effect from exchange rate movement.

	FY16 3Q		
	Sales	vs. FY15 %	vs. FY15 amount
Air-conditioner business*	94.6	+4%	+3.6
TV business*	114.6	-23%	-34.0
Refrigerator BD	32.7	+5%	+1.6
Laundry Systems & Vacuum Cleaner BD	57.9	+2%	+1.3
Cold Chain BD	21.8	-3%	-0.8
<b>Total*</b>	<b>690.2</b>	<b>-3%</b>	<b>-22.0</b>

\* production and sales consolidated

## Appliances: Individual Businesses (production and sales consolidated)

(yen: billions)

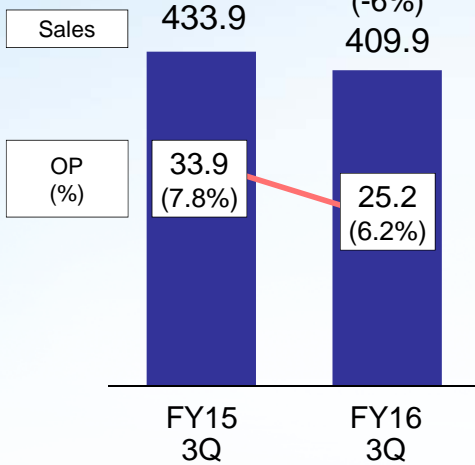


Sales	Increased due to growth in Asia, offsetting sluggish demand in China.
OP	Increased due to streamlining and fixed cost reduction.

Sales	Decreased due to scale-down in US and China from restructuring, while sales expanded in Japan and Asia.
OP	Increased due to streamlining and strategy shift focus to high-end products

## Eco Solutions (ES)

(yen: billions)



## Sales/OP

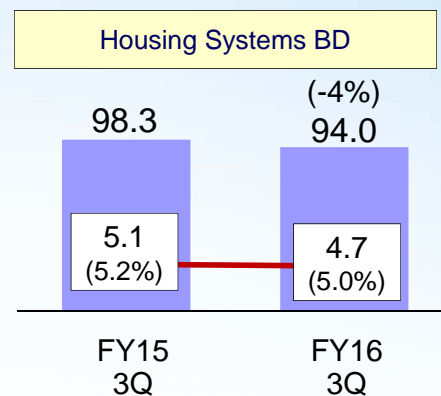
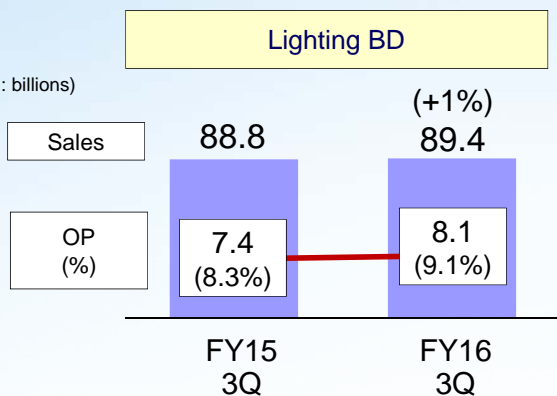
Down

■ Decreased due to struggling sales in solar panel, commoditized housing systems and air-purifier business.

	FY16 3Q		
	Sales	vs. FY15 %	vs. FY15 amount
Lighting BD	89.4	+1%	+0.5
Energy Systems BD	91.3	-13%	-13.8
Housing Systems BD	94.0	-4%	-4.3
Panasonic Ecology Systems Co., Ltd.	40.7	-6%	-2.6
<b>Total</b>	<b>409.9</b>	<b>-6%</b>	<b>-24.0</b>

## Eco Solutions: Individual businesses

(yen: billions)

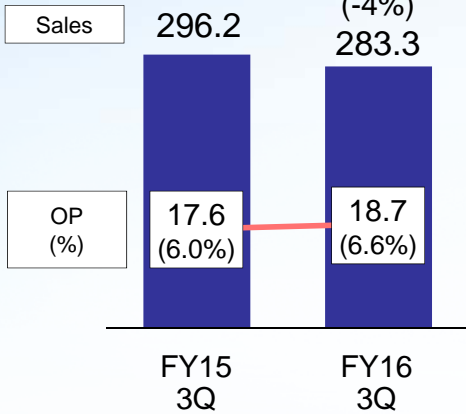


Sales	Increased due to favorable non-housing related LED business.
OP	Increased due to sales expansion and streamlining.

Sales	Decreased due to struggling commoditized product business.
OP	Decreased due to material cost hike from exchange rate movement, wiping out streamlining benefit.

## AVC Networks

(yen: billions)



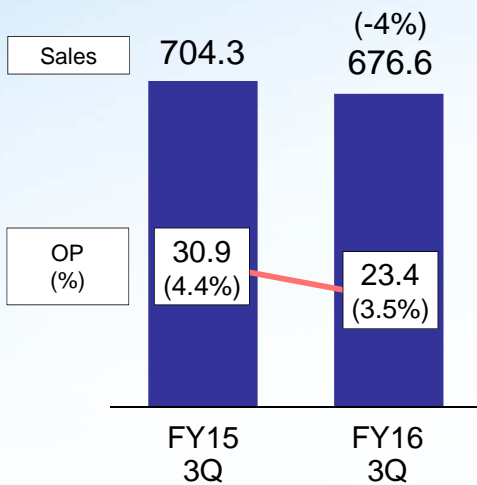
Sales	
<b>Down</b>	■ Decreased due to struggling Mobility Business in North America and Communication Business.
OP	
<b>Up</b>	■ Increased due to expanding Vertical Solution Business and restructuring benefit.

	FY16 3Q		
	Sales	vs. FY15 %	vs. FY15 amount
Mobility Business	49.8	-11%	-6.2
Visual and Imaging Business	70.4	+1%	+1.0
Communication Business	32.2	-17%	-6.4
Vertical Solution Business	86.7	+6%	+4.6
<b>Total</b>	<b>283.3</b>	<b>-4%</b>	<b>-12.9</b>

Mobility Business : IT Products BD, Storage BD  
 Visual and Imaging Business : Imaging Network BD, Security Systems BD, Visual Systems BD  
 Communication Business : Office Products BD, Communication Products BD  
 Vertical Solution Business : Avionics BD, Infrastructure Systems BD

## Automotive &amp; Industrial Systems (AIS)

(yen: billions)



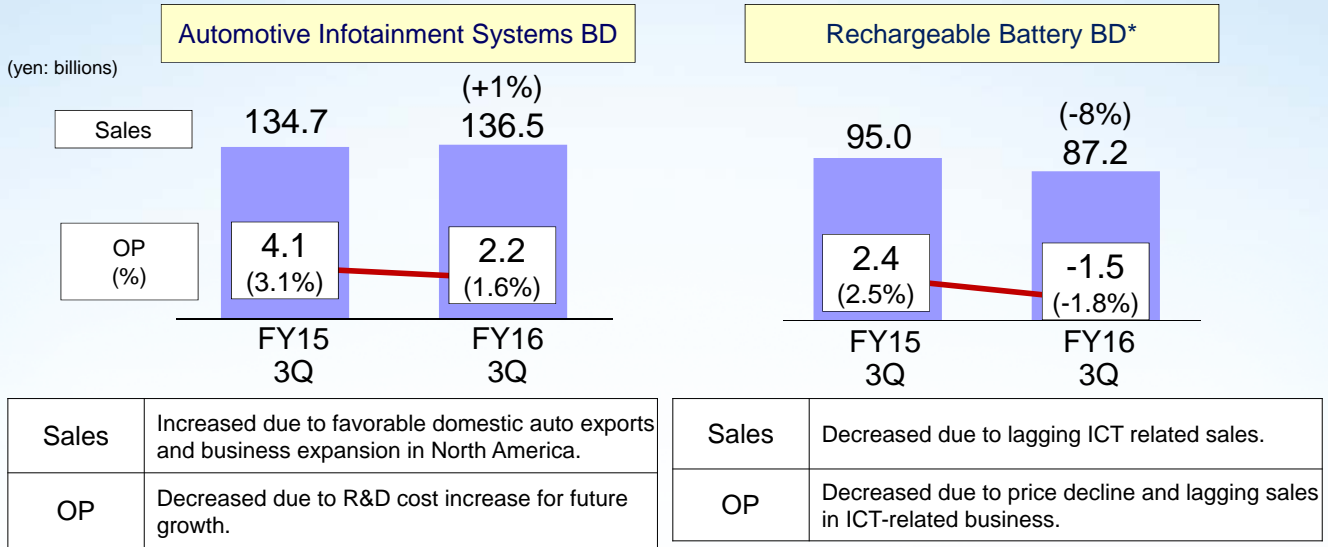
Sales	
<b>Down</b>	■ Decreased in Energy and Industrial Businesses due to weak ICT related business, while Automotive and Factory Solutions Businesses expanded.
OP	
<b>Down</b>	■ Decreased due to auto related R&D cost increase and sales decline in Energy and Industrial businesses.

	FY16 3Q		
	Sales	vs. FY15 %	vs. FY15 amount
Automotive Business	177.1	+2%	+2.8
Energy Business	141.4	-4%	-6.0
Industrial Business	198.2	-8%	-16.8
Factory Solutions Business	71.3	+3%	+2.2
<b>Total</b>	<b>676.6</b>	<b>-4%</b>	<b>-27.7</b>

Automotive Business : Automotive Infotainment Systems BD, Automotive Electronics Systems BD  
 Energy Business : Rechargeable Battery BD, Energy Device BD, Panasonic Storage Battery Co., Ltd.  
 Industrial Business : Electromechanical Control BD, Panasonic Semiconductor Solutions Co., Ltd.  
 Device Solutions BD, Electronic Materials BD, Panasonic Liquid Crystal Display Co., Ltd.



## AIS: Individual businesses



## FY16 Full-year Forecast Revision

(yen: billions)	FY16(e) (as of Feb. 3, 2016)	Original forecast (as of Apr. 28, 2015)	vs Original forecast	FY15
Sales	7,550.0	8,000.0	-450.0	7,715.0
Operating profit	410.0 (5.4%)	430.0 (5.4%)	-20.0	381.9 (5.0%)
Pre-tax income	280.0 (3.7%)	300.0 (3.8%)	-20.0	182.5 (2.4%)
Net income*	180.0 (2.4%)	180.0 (2.3%)	-	179.5 (2.3%)

\* Net income attributable to Panasonic Corporation

## FY16 Full-year Forecast Revision by Segment

(yen: billions)	FY16 (as of Feb. 3, 2016)				vs Original forecast	
	Sales	vs. FY15	OP	vs. FY15	Sales	OP
Appliances	2,260.0	-3%	71.0	+21.2	-60.0	-
Eco Solutions	1,610.0	-3%	82.0	-13.3	-116.0	-22.5
AVC Networks	1,170.0	+1%	72.0	+20.2	-66.0	+4.5
Automotive & Industrial Systems	2,730.0	-2%	110.0	-6.4	-105.0	-32.5
Other	640.0	-16%	16.0	+1.4	-30.0	+4.0
Eliminations and adjustments	-860.0	-	59.0	+5.0	-73.0	+26.5
Consolidate total	7,550.0	-2%	410.0	+28.1	-450.0	-20.0
Appliances (production and sales consolidated)*	2,520.0	-1%	73.6	+22.8	-70.0	-

\* 'Appliances (production and sales consolidated)' includes sales and profits of sales division for consumer products, which are included in 'Eliminations and adjustments.'

## FY16 Full-year Forecast Revision in Six Large Scale BDs

(yen: billions)	FY16 (e) (Feb. 3, 2016)				vs Original forecast	
	Sales	vs. FY15	OP	vs. FY15	Sales	OP
Air-Conditioner* <sup>1</sup>	483.0	+5%	19.8	+3.9	-30.3	-
Lighting	327.0	+3%	21.0	+6.1	-15.3	-
Housing Systems	354.0	-3%	14.5	+3.3	-20.6	-4.1
Automotive Infotainment Systems	540.0	+2%	13.3	-7.2	-	-12.0
Rechargeable Battery* <sup>2</sup>	360.0	-5%	0.5	-6.9	-46.0	-22.2
PanaHome	345.0	+6%	17.1	+4.3	-	-
Total	2,409.0	+1%	86.2	+3.5	-112.2	-38.3
(Reference) TV* <sup>1</sup>	350.0	-22%	0.3	+15.2	-10.9	-

\*<sup>1</sup> production and sales consolidated  
\*<sup>2</sup> Rechargeable Battery BD + Tesla BU

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(Reference)

## Segments and Business Divisions

### Appliances

Air-Conditioner Company  
Refrigeration and Air-Conditioning Devices BD  
Refrigerator BD  
Cold Chain BD  
Laundry Systems and Vacuum Cleaner BD  
Kitchen Appliances BD  
Beauty and Living BD  
Home Entertainment BD  
TV BD  
Panasonic Cycle Technology Co., Ltd.  
Smart Energy System BD

### AVC Networks

Imaging Network BD  
Storage BD  
Visual Systems BD  
Avionics BD  
IT Products BD  
Security Systems BD  
Communication Products BD  
Office Products BD  
Infrastructure Systems BD  
System Solutions Company (Japan)

### Automotive & Industrial Systems

Automotive Infotainment Systems BD  
Automotive Electronics Systems BD  
Rechargeable Battery BD  
Energy Device BD  
Panasonic Storage Battery Co., Ltd.  
Electromechanical Control BD  
Panasonic Semiconductor Solutions Co., Ltd.  
Device Solutions BD  
Electronic Materials BD  
Panasonic Liquid Crystal Display Co., Ltd.  
Smart Factory Solutions BD

### Eco Solutions

Lighting BD  
Energy Systems BD  
Housing Systems BD  
Panasonic Ecology Systems Co., Ltd.

### Other

PanaHome Corporation

As of February 3, 2016