

Fiscal 2017 Second Quarter Financial Results

**October 31, 2016
Panasonic Corporation**

*Note: 1. This is an English translation from the original presentation in Japanese.
2. In this presentation, "Fiscal 2017" or "FY17" refers to the year ending March 31, 2017.*

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- 1. Summary**
- 2. FY17 Second Quarter Financial Results**
- 3. FY17 Full-year Financial Forecast**

Summary

2Q Results

- Sales stayed at the same level as last year in real terms, but decreased by the large effect of exchange rates.
- Operating profit decreased mainly due to the impact from the special demand last year in addition to the effect of exchange rates and a fixed cost increase.

Full-year Financial Forecast

- Revised downward full-year forecast reflecting the significant effect of exchange rates and stagnant business environment.
- Target 20 yen or more of full-year dividend payout, setting the lower limit of year-end dividend as 10 yen

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3. FY17 Full-year Financial Forecast

FY17 2Q Financial Results

(yen : billions)

	IFRS(unreviewed)		
	FY17 2Q	FY16 2Q	vs. FY16 2Q
Sales	1,765.0	1,917.4	-8% (+1%) *
Adjusted operating profit **	87.2	129.8	-33% -42.6
Other income/loss	19.1	-22.6	- +41.7
Operating profit	106.3	107.2	-1% -0.9
Non-operating income/loss	0.2	-5.3	- +5.5
Pre-tax income	106.5	101.9	+5% +4.6
Net income ***	104.3	54.6	+91% +49.7

FCF	-64.0	-39.1
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Exchange rates	1 US dollar	102 yen	122 yen
	1 Euro	114 yen	136 yen
	1 Renminbi	15.4 yen	19.3 yen

US GAAP		
FY17 2Q	FY16 2Q	vs. FY16 2Q
1,747.0	1,902.6	-8% (±0%) *
-	-	- -
-	-	- -
77.7	123.9	-37% -46.2
16.7	-32.5	- +49.2
94.4	91.4	+3% +3.0
98.2	51.8	+89% +46.4

* Real terms excluding the effect of exchange rates (unreviewed)

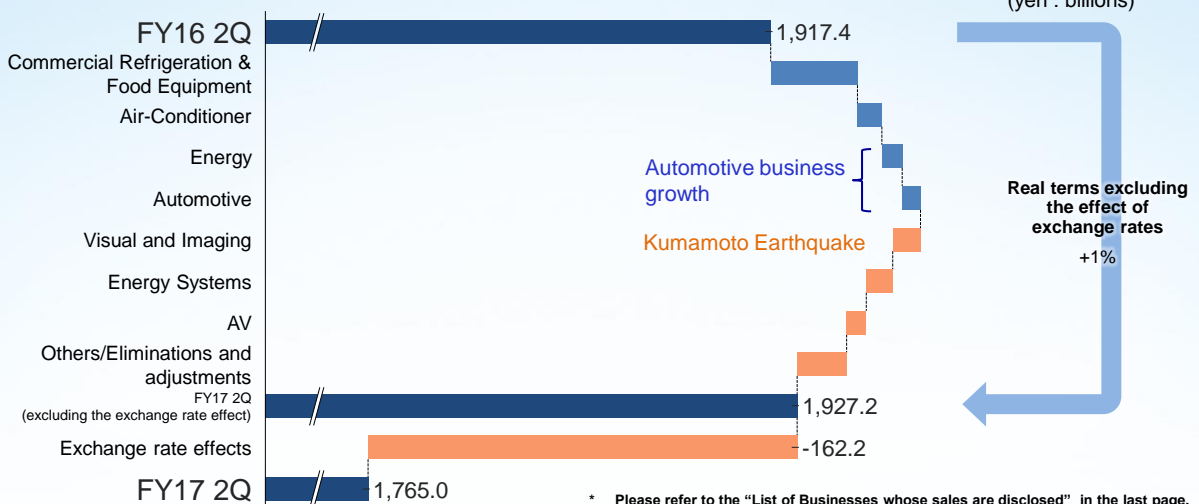
** IFRS: Adjusted operating profit = sales-cost of sales-SG&A

*** Net income attributable to owners of the parent company (IFRS)/
Net income attributable to Panasonic Corporation (US GAAP)

FY17 2Q Sales Analysis by Business

IFRS

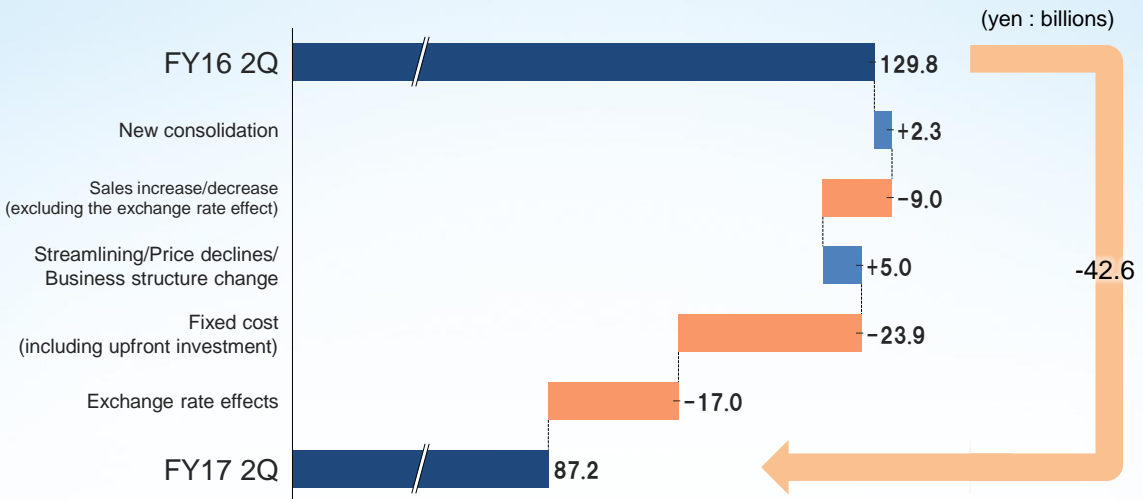
(yen : billions)



* Please refer to the "List of Businesses whose sales are disclosed" in the last page.

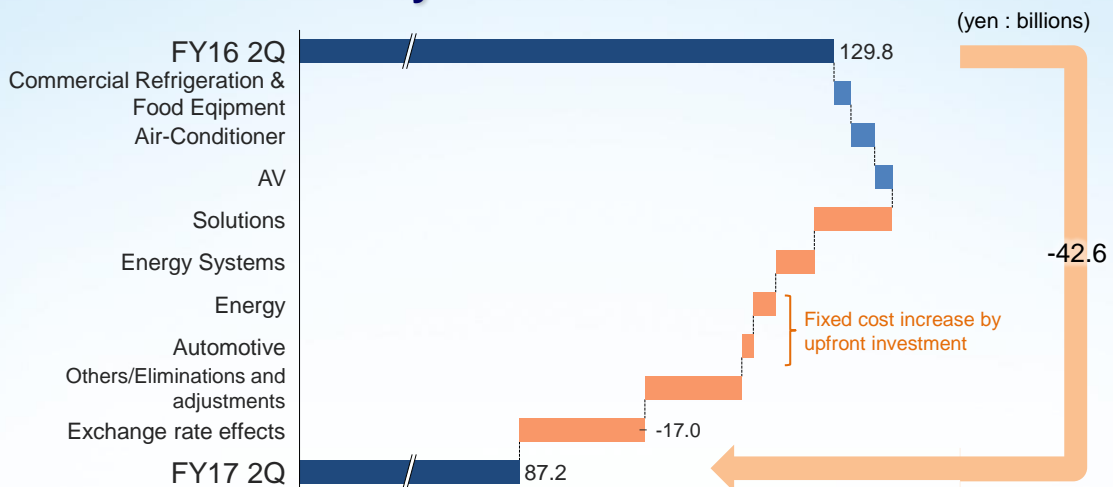
FY17 2Q Adjusted Operating Profit Analysis

IFRS



FY17 2Q Adjusted Operating Profit Analysis by Business

IFRS



* Please refer to the "List of Businesses whose sales are disclosed" in the last page.

Operating Profit and Net Income

(yen : billions)

	IFRS(unreviewed)		US GAAP	
	FY17 2Q	vs. FY16 2Q	FY17 2Q	vs. FY16 2Q
Adjusted operating profit	87.2	-42.6	-	-
Other income/loss	19.1	+41.7	-	-
Operating profit	106.3	-0.9	77.7	-46.2
Non-operating income/loss	0.2	+5.5	16.7	+49.2
Pre-tax income	106.5	+4.6	94.4	+3.0
Provision for income taxes	-4.2	-43.9	-9.0	-42.2
Net income	110.7	+48.5	103.4	+45.2
Less net income attributable to non-controlling interests	6.4	-1.2	5.2	-1.2
Net income attributable to owners of the parent company	104.3	+49.7	98.2	+46.4

* Including equity in earnings of associated companies

** Net income attributable to Panasonic Corporation

FY17 2Q Results by Segment

IFRS

(yen : billions)

	FY17 2Q							
	Sales	vs. FY16 2Q	Adjusted operating profit	vs. FY16 2Q	Other income/loss	vs. FY16 2Q	Segment profit	vs. FY16 2Q
Appliances	568.8	-2.5	27.5	+5.4	-0.4	+4.6	27.1	+10.0
Eco Solutions	375.7	-21.2	17.0	-6.7	-1.1	-1.2	15.9	-7.9
AVC Networks	242.5	-58.0	13.9	-13.8	-1.1	-1.5	12.8	-15.3
Automotive & Industrial Systems	633.0	-57.0	20.2	-22.1	26.7	+31.6	46.9	+9.5
Other	144.5	-8.7	3.9	-2.4	0.2	-0.2	4.1	-2.6
Subtotal	1,964.5	-147.4	82.5	-39.6	24.3	+33.3	106.8	-6.3
Eliminations and adjustments	-199.5	-5.0	4.7	-3.0	-5.2	+8.4	-0.5	+5.4
Consolidated total (IFRS)	1,765.0	-152.4	87.2	-42.6	19.1	+41.7	106.3	-0.9
Appliances (production and sales consolidated)	608.0	-6.7	26.5	+6.3	-0.4	+4.6	26.1	+11.0

Note: IFRS figures are unreviewed.

Appliances (production and sales consolidated)

IFRS

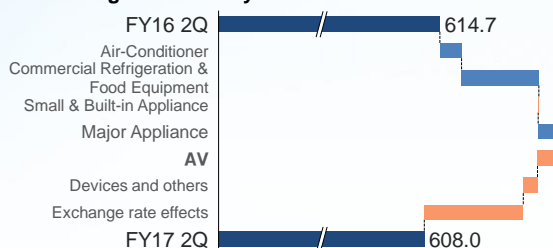
<Overview>

(yen : billions)

	Sales	Adjusted operating profit	Segment profit
FY17 2Q	608.0	26.5 4.4%	26.1 4.3%
vs. FY16 2Q	-1% (+6%)	+6.3 +1.1%	+11.0 +1.8%

* Real terms excluding the effect of exchange rates

<Changes in sales by business>



<Sales>

* Real terms excluding the effect of exchange rates

Air-Conditioner	• Sales expansion in Japan, Asia and Europe, and improvement of sales in China.
Commercial Refrigeration & Food Equipment	• Consolidated Hussmann as a subsidiary.
Small & Built-in Appliance	• Sluggish sales in the Japanese market due to a decreasing inbound demand.
Major Appliance	• Sales mainly in washing machines and refrigerators continued to be stable in Japan and Asia.
AV	• Decreased due to sluggish sales in Europe, in spite of favorable sales of 4K TVs in Japan and sales expansion in Asia.

<Segment profit>

Increased mainly due to benefits from the newly-consolidated Hussmann, improved profitability through the shift to high value-added products such as 4K TVs, sales increase in white goods, and favorable sales of premium products such as air-conditioners.

Eco Solutions

IFRS

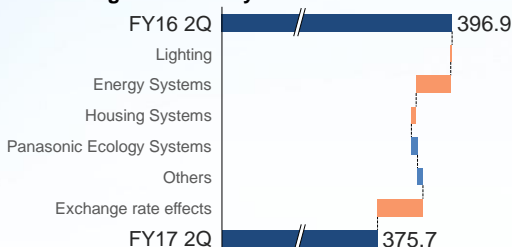
<Overview>

(yen : billions)

	Sales	Adjusted operating profit	Segment profit
FY17 2Q	375.7	17.0 4.5%	15.9 4.2%
vs. FY16 2Q	-5% (-2%)	-6.7 -1.5%	-7.9 -1.8%

* Real terms excluding the effect of exchange rates

<Changes in sales by business>



<Sales>

* Real terms excluding the effect of exchange rates

Lighting	• Overall sales were at the same level as last year led by the sales of facility / emergency lighting in Japan, despite a sales decrease in lighting source business, and the devices business in the U.S. and Europe.
Energy Systems	• Significantly impacted by sales decreases due to the shrinking solar market in Japan. • Businesses other than the solar business such as wiring devices performed at the same level as last year.
Housing Systems	• Impacted by the sales decrease due to a continuously sluggish market condition in China.
Panasonic Ecology Systems	• Led by the sales in China (air purifiers, heat exchange units, bathroom heater / dryer systems) and Asia (dehumidifiers).
Others	• Led by the Age-Free (elderly-care) and overseas engineering businesses.

<Segment profit>

Decreased mainly due to the sales decrease of solar-related products.

AVC Networks

IFRS

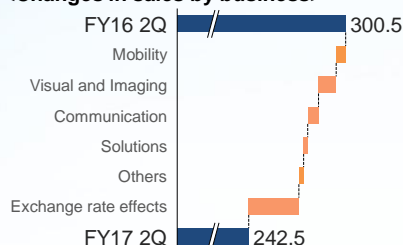
<Overview>

(yen : billions)

	Sales	Adjusted operating profit	Segment profit
FY17 2Q	242.5	13.9 5.7%	12.8 5.3%
vs. FY16 2Q	-19% (-9%)	-13.8 -3.5%	-15.3 -4.1%

* Real terms excluding the effect of exchange rates

<Changes in sales by business>



<Sales>

* Real terms excluding the effect of exchange rates

Mobility	• Overall sales decreased compared to last year when there were the big projects such as the payment terminals in Japan, while sales increased as a result of initiatives for strengthening the sales force for the IT products in the U.S.
Visual and Imaging	• Sales decreased due to the negative impact of the Kumamoto Earthquake, despite the progress in the shift to high value-added products such as digital single lens mirrorless cameras and high brightness projectors.
Communication	• Overseas sales were sluggish due to the impact of the shrinking markets for fixed-line phones and analog PBX.
Solutions	• Sales decreased compared to last year when there was special demand in the avionics business last year, while the solutions business in Japan and overseas is growing steadily.

<Segment profit>

Decreased mainly due to the impact from special demand in the solutions business last year in addition to the effect of exchange rates and the Kumamoto Earthquake.

Automotive & Industrial Systems

IFRS

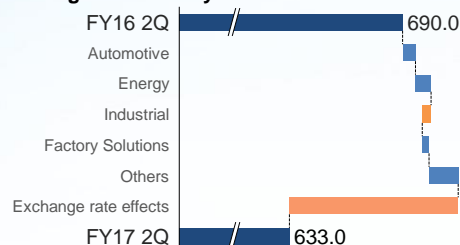
<Overview>

(yen : billions)

	Sales	Adjusted operating profit	Segment profit
FY17 2Q	633.0	20.2 3.2%	46.9 7.4%
vs. FY16 2Q	-8% (+4%)	-22.1 -2.9%	+9.5 +2.0%

* Real terms excluding the effect of exchange rates

<Changes in sales by business>



<Sales>

* Real terms excluding the effect of exchange rates

Automotive	• Sales expansion in display audio for the U.S. and China was achieved, and the sales of car-mounted cameras and switches were favorable.
Energy	• The demand for lithium-ion batteries slumped for ICT applications, but the demand for automotive use increased.
Industrial	• Favorable performance by automotive and industrial devices. • Decreased due to the downsizing of the LCD panel business, as well as the impact of withdrawal of unprofitable businesses.
Factory Solutions	• Sales of electronic component mounting equipment for industrial infrastructure and integrated floor management system expanded.

<Segment profit>

Overall profit increased due to the reversal of allowance for legal cost and the gain from business transfer, despite a profit decrease due to the effect of exchange rates and the impact of an increase in upfront investment for automotive.

TV and Six Large-Scale BDs

IFRS

(yen : billions)

	FY17 2Q							
	Sales	vs. FY16 2Q	Adjusted operating profit	vs. FY16 2Q	Other income/loss	vs. FY16 2Q	BD profit ***	vs. FY16 2Q
Air-Conditioner *	109.1	+0.5	4.9	+3.8	-0.6	+0.3	4.3	+4.1
Lighting	74.5	-3.3	4.1	-0.5	0.1	+1.2	4.2	+0.7
Housing Systems	91.3	-1.6	3.9	-0.5	-1.2	-1.2	2.7	-1.7
Automotive Infotainment Systems	119.2	-14.2	6.0	-2.3	-0.1	-0.2	5.9	-2.5
Rechargeable Battery **	87.7	-1.7	-5.7	-6.9	14.3	+17.8	8.6	+10.9
PanaHome	93.0	-5.6	4.2	-2.2	0.0	-0.0	4.2	-2.2
TV *	71.0	-16.2	1.7	+1.0	0.1	+3.4	1.8	+4.4

* Including sales division (production & sales consolidated)

** Rechargeable Battery BD + Tesla BU

*** "BD profit" refers to IFRS operating profit.

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3. FY17 Full-year Financial Forecast

FY17 Full-Year Forecast Revision

IFRS

(yen: billions)

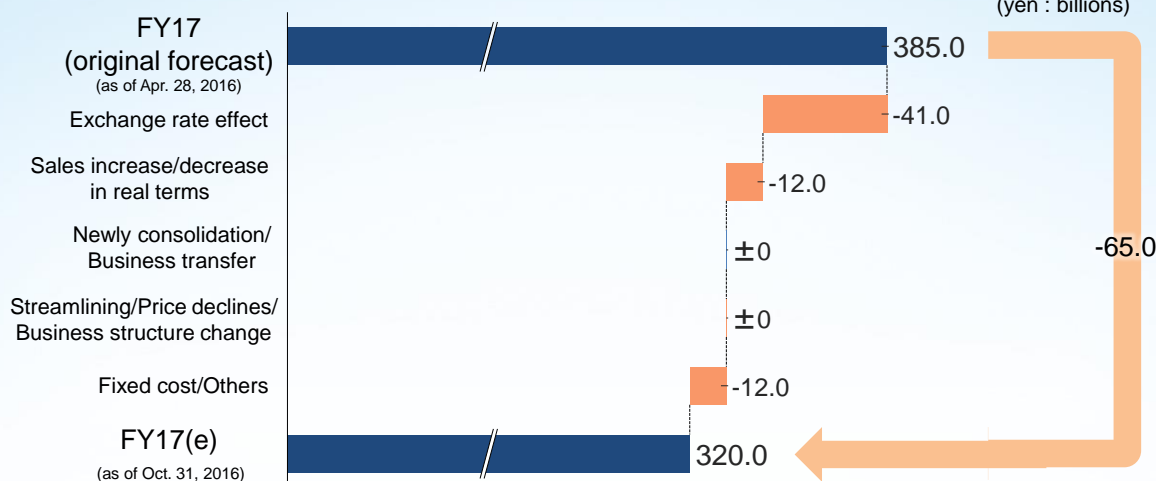
		FY17(e) (As of Oct. 31, 2016)	FY17 (original forecast) (as of Apr. 28, 2016)	vs FY17 original forecast	FY16*	vs FY16*
Sales		7,200.0	7,600.0	-400.0	7,626.3	-426.3
Adjusted operating profit		320.0	385.0	-65.0	413.2	-93.2
Other income/loss		-75.0	-75.0	-	-182.9	+107.9
Operating profit		245.0	310.0	-65.0	230.3	+14.7
Non-operating income/loss		-5.0	-10.0	+5.0	-2.0	-3.0
Pre-tax income		240.0	300.0	-60.0	228.3	+11.7
Net income attributable to owners of the parent company		120.0	145.0	-25.0	159.6	-39.6
FCF (excluding strategic investment)		≥ 150.0	≥ 150.0	-	227.3	-
Exchange rates	1 US dollar	103 yen	115 yen	-12 yen	120 yen	-17 yen
	1 Euro	114 yen	125 yen	-11 yen	133 yen	-19 yen
	1 Renminbi	15.5 yen	17.6 yen	-2.1 yen	18.9 yen	-3.4 yen

* Figures in FY16 are unaudited.

FY17 Full-year Adjusted Operating Profit Forecast Revision Analysis

IFRS

(yen : billions)

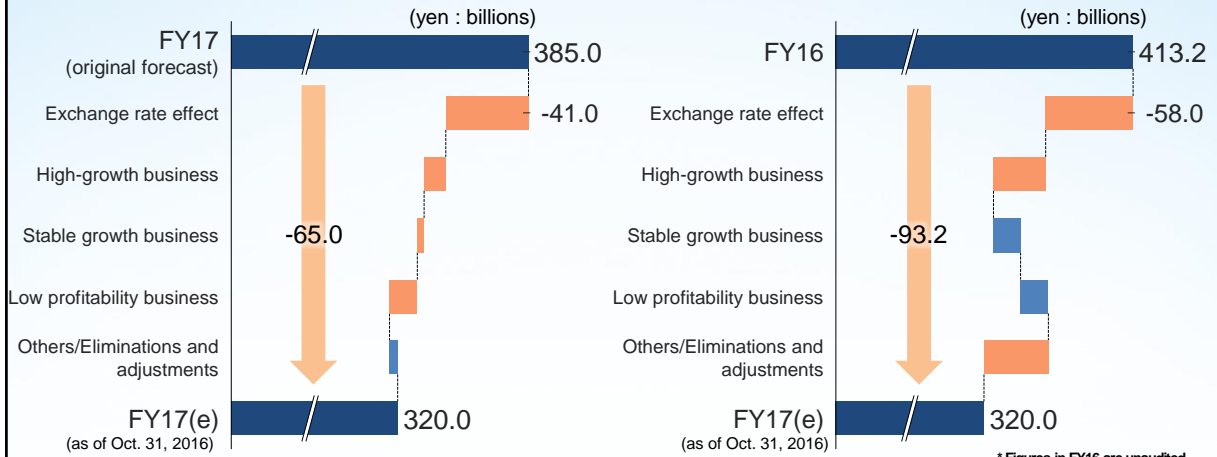


FY17 Full-year Adjusted Operating Profit Forecast Revision Analysis

IFRS

vs FY17 original forecast

vs FY16*



FY17 Full-Year Forecast Revision by Segment

IFRS

(yen: billions)

	FY17(e) (as of Oct. 31, 2016)							
	Sales	Difference	Adjusted operating profit	Difference	Other income/loss	Difference	Segment profit	Difference
Appliances	2,280.0	-90.0	110.0	+3.6	-7.0	+2.4	103.0	+6.0
Eco Solutions	1,570.0	-70.0	84.0	-11.8	-5.0	+0.8	79.0	-11.0
AVC Networks	1,045.0	-130.0	60.0	-14.5	-10.0	+5.5	50.0	-9.0
Automotive & Industrial Systems	2,470.0	-170.0	76.0	-41.0	17.0	+34.0	93.0	-7.0
Other	630.0	-60.0	12.0	-2.0	-7.0	+2.0	5.0	-
Eliminations and adjustments	-795.0	+120.0	-22.0	+0.7	-63.0	-44.7	-85.0	-44.0
Consolidated total (IFRS)	7,200.0	-400.0	320.0	-65.0	-75.0	-	245.0	-65.0
Appliances (production and sales consolidated)	2,500.0	-100.0	110.0	+0.6	-7.0	+2.4	103.0	+3.0

Forecast revision in TV and Six Large-Scale BDs

IFRS

(yen: billions)

	FY17(e) (as of Oct. 31, 2016)							
	Sales	vs. FY16	Adjusted operating profit	vs. FY16	Other income/loss	vs. FY16	Segment profit	vs. FY16
Air-Conditioner *	458.5	-46.1	29.7	-	-2.2	-	27.5	-
Lighting	319.0	-19.8	25.2	-	-0.9	-	24.3	-
Housing Systems	370.0	-	17.0	-	-0.6	-	16.4	-
Automotive Infotainment Systems	478.0	-28.1	25.6	-	-0.1	-	25.5	-
Rechargeable Battery **	333.8	-33.0	-13.8	-24.0	12.3	+19.0	-1.5	-5.0
PanaHome ***	370.0	-30.0	-	-	-	-	16.0	-5.5
TV *	303.4	-22.4	5.3	-	-2.2	-	3.1	-

* Including sales division (production & sales consolidated)

** Rechargeable Battery BD + Tesla BU

*** PanaHome Corporation's forecast (Japan GAAP)

Progress of ¥1-trillion strategic investments

Approx. 70% of Investment: completed or projects are finalized



Set Lower Limit of Year-End Dividends

Interim dividends	Year-end dividends (e)	Total dividend (e)
10 yen	10 yen or more	20 yen or more

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). Panasonic discloses its consolidated financial forecasts for fiscal 2017 based on International Financial Reporting Standards (IFRS). 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 or incurring unexpected losses in connection with 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; the possibility of incurring expenses resulting from a leakage of customers' or confidential information from Panasonic's systems due to unauthorized access or a detection of vulnerability of network-connected products of the Panasonic Group; 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.

(Reference) Main Changes in Accounting Standards(P/L)

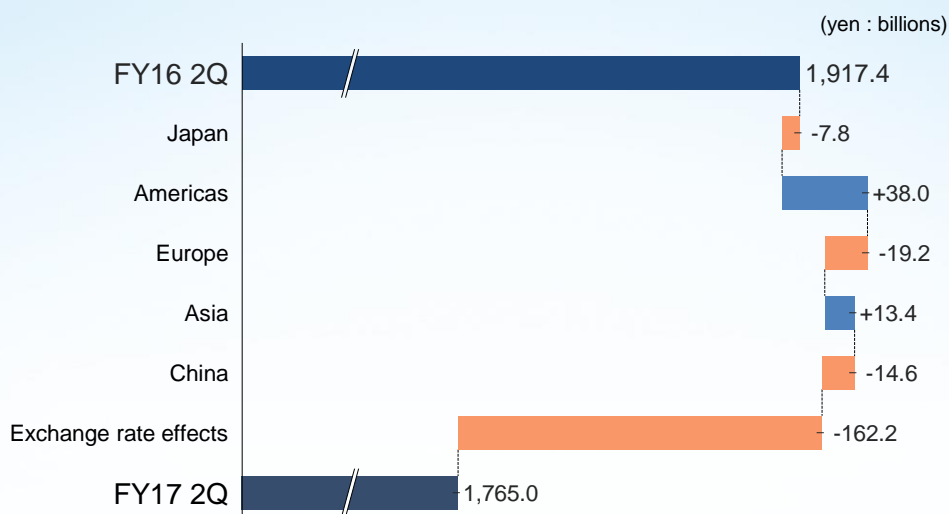
	FY17 2Q (IFRS)*		FY17 2Q (US GAAP)
Sales	1,765.0	Difference of consolidation scope, etc.	1,747.0
Adjusted operating profit	87.2		—
Other income/loss	19.1	Capitalization of R&D expenses, etc.	—
Operating profit	106.3		77.7
Non-operating income/loss	0.2	Non-operating income/loss (US GAAP) excluding financial income/loss and exchange gains/losses	16.7
Pre-tax income	106.5		94.4
Provision for income taxes	-4.2		-6.7
Equity in earnings of associated companies	—		2.3
Less net income attributable to non-controlling interests	6.4		5.2
Net income attributable to owners of the parent company	104.3		** 98.2

* Unreviewed

** Net income attributable to Panasonic Corporation

(Reference) FY17 2Q Sales Analysis by Region

IFRS



(Reference) FY17 1H Financial Results (Six months ended Sep. 30)

(yen : billions)

	IFRS (unreviewed)			US GAAP		
	FY17 1H	FY16 1H	vs. FY16 1H	FY17 1H	FY16 1H	vs. FY16 1H
Sales	3,539.8	3,803.0	-7% (+1%) *	3,495.5	3,760.4	-7% (+1%) *
Adjusted operating profit	164.0	211.5	-22% -47.5	—	—	— —
Other income/loss **	14.1	-26.9	— +41.0	—	—	— —
Operating profit	178.1	184.6	-4% -6.5	144.6	200.5	-28% -55.9
Non-operating income/loss	3.0	-2.3	— +5.3	8.6	-36.4	— +45.0
Pre-tax income	181.1	182.3	-1% -1.2	153.2	164.1	-7% -10.9
Net income ***	133.5	117.6	+13% +15.9	119.9	111.3	+8% +8.6
FCF	-228.7	-23.2		-227.0	-23.1	
Exchange rates	1 US dollar	105 yen	122 yen			
	1 Euro	118 yen	135 yen			
	1 Renminbi	16.0 yen	19.4 yen			

* Real terms excluding the effects of exchange rates (unreviewed)

** IFRS: Adjusted operating profit = sales-cost of sales-SG&A

*** Net income attributable to owners of the parent company (IFRS)/
Net income attributable to Panasonic Corporation (US GAAP)

(Reference)

Major Business Areas in Three Business Categories

High-growth business

Automotive Batteries, Next-generation Cockpit Systems, ADASs (Advanced Driver Assistance Systems), Avionics, Commercial Refrigeration & Food Equipment, Remodeling, Age-Free (Elderly-Care), etc.

Stable growth business

Air-conditioners, White goods, Small Appliances, Surveillance System, FA (Factory Automation), Lighting Equipment, Electric Materials, Dry Batteries, Wiring Devices / Solar Systems, etc.

Low profitability business

TVs, Semiconductors, LCD (Liquid Crystal Display) panels, Digital Cameras, Fixed-line Phones / FAX, Ruggedized PCs, Building Products, etc.

(Reference)

Segments and Business Divisions

Appliances

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

AVC Networks

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

Automotive & Industrial Systems

Automotive Infotainment Systems BD
Automotive Electronics Systems BD
Rechargeable Battery BD
Energy Device BD
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 October 31, 2016

(Reference)

List of Businesses whose sales are disclosed

Appliances	<ul style="list-style-type: none">•Air-Conditioner Business•Commercial Refrigeration & Food Equipment Business•Small & Built-in Appliance Business•Major Appliance Business•AV Business	<ul style="list-style-type: none">: Air-Conditioner Company: Cold Chain BD, Hussmann Corporation: Kitchen Appliances BD, Beauty and Living BD: Refrigerator BD, Laundry Systems and Vacuum Cleaner BD: TV BD, Home Entertainment BD
Eco Solutions *	<ul style="list-style-type: none">•Lighting BD•Energy Systems BD•Housing Systems BD•Panasonic Ecology Systems Co., Ltd	<ul style="list-style-type: none">* Four BDs are the sales disclosure businesses in FY17.
AVC Networks	<ul style="list-style-type: none">•Mobility Business•Visual and Imaging Business•Communication Business•Solutions Business	<ul style="list-style-type: none">: IT Products BD, Storage BD: Imaging Network BD, Visual Systems BD, Security Systems BD: Communication Products BD, Office Products BD: Panasonic Avionics Corporation, Domestic/Overseas Solutions
Automotive & Industrial Systems	<ul style="list-style-type: none">•Automotive Business•Energy Business•Industrial Business•Factory Solutions Business	<ul style="list-style-type: none">: Automotive Infotainment Systems BD, Automotive Electronics Systems BD: Rechargeable Battery BD, Energy Device BD: Electromechanical Control BD, Panasonic Semiconductor Solutions Co., Ltd., Device Solutions BD, Electronic Materials BD, Panasonic Liquid Crystal Display Co., Ltd.: Smart Factory Solutions BD