

# **Fiscal 2017 Third Quarter and Nine-Month Financial Results**

February 2, 2017  
Panasonic Corporation

*Notes: 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.  
In addition, "FY17 Nine-Month" or "FY17 9M" refer to the period from April to December 2016.*

- This presentation contains consolidated financial results for the third quarter of fiscal 2017 as well as the nine months of fiscal 2017 ended December 31, 2016.

# Contents

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

1

Fiscal 2017 Third Quarter and Nine-Month Financial Results

**Panasonic**

- Let me start with a summary of today's presentation.

# Summary

## 3Q Results

- Sales in real terms excluding the effect of exchange rates increased due mainly to benefits from the favorable automotive battery business, although sales decreased due to the effect of exchange rates.
- The overall adjusted operating profit decreased due mainly to the effect of exchange rates. However, the adjusted operating profit increased in such areas as the Industrial Business, where sales of automotive and industrial devices expanded, and AV Business with improved profitability.

## Full-year Financial Forecast

- Full-year financial forecasts for fiscal 2017 have been revised upward due to the depreciation trend of the yen.

- In the third quarter, sales in real terms excluding the effect of exchange rates increased. This was achieved due mainly to benefits from the favorable automotive rechargeable battery business, even excluding the benefits from the new consolidation of Hussmann as a subsidiary. Meantime, overall sales decreased due to the significant effect of exchange rates.
- The overall adjusted operating profit decreased due mainly to the effect of exchange rates and sales decline in the solar business. However, the adjusted operating profit increased in such areas as the Industrial Business, where sales of automotive and industrial devices expanded, and the AV and Mobility Businesses with their improved profitability. These trends show that the Company's initiatives are achieving solid results.
- Full-year financial forecasts for fiscal 2017 have been revised upward due to the depreciation trend of the yen.

# Contents

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

- Next, the financial results for the third quarter (October to December) in fiscal 2017.

## FY17 3Q (Oct.-Dec.) Results

(yen : billions)

	IFRS (unreviewed)				US GAAP			
	FY17 3Q	FY16 3Q	vs. FY16 3Q		FY17 3Q	FY16 3Q	vs. FY16 3Q	
Sales	1,882.6	1,933.8	-3%	-51.2	1,854.5	1,910.9	-3%	-56.4
Adjusted operating profit **	107.6	123.0	(+3%)	-15.4	-	-	(+3%)	-
Other income/loss	-10.0	-29.9	-	+19.9	-	-	-	-
Operating profit	97.6	93.1	-	+4.5	96.0	119.8	-20%	-23.8
Non-operating income/loss	-0.2	1.6	-	-1.8	-17.4	-29.4	-	+12.0
Pre-tax income	97.4	94.7	-	+2.7	78.6	90.4	-13%	-11.8
Net income ***	64.0	48.2	-	+15.8	55.5	48.9	-	+6.6
FCF	33.8	45.0			28.5	38.4		
Exchange rates	1 US dollar	109 yen	122 yen					
	1 Euro	118 yen	133 yen					
	1 Renminbi	16.0 yen	18.9 yen					

\* 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)

- In the third quarter (October to December) of fiscal 2017, sales decreased from last year by 3% on an IFRS basis (unreviewed) . However, in real terms excluding the effect of exchange rates, sales increased due mainly to the favorable performance of the automotive business.
- The overall adjusted operating profit decreased by 15.4 billion yen to 107.6 billion yen largely due to the effect of exchange rates, despite a sales increase in the Industrial Business and profitability improvement in the AV Business.
- A loss of 10.0 billion yen was posted as other income/loss, an improvement of 19.9 billion yen.  
As a result, operating profit increased by 4.5 billion yen to 97.6 billion yen, and the net income attributable to owners of the parent company increased by 15.8 billion yen to 64.0 billion yen.
- Free cash flow was 33.8 billion yen. The net cash balance turned positive at the end of the third quarter. The Company will continue to enhance its management focusing on balance sheet.

# FY17 Nine-Month (Apr.-Dec.) Results

(yen : billions)

	IFRS (unreviewed)			US GAAP		
	FY17 9M	FY16 9M	vs. FY16 9M	FY17 9M	FY16 9M	vs. FY16 9M
Sales	5,422.4	5,736.8	-5% (+2%)	5,350.0	5,671.3	-6% (+1%)
Adjusted operating profit **	271.6	334.5	-19%	-	-	-
Other income/loss	4.1	-56.8	-	-	-	-
Operating profit	275.7	277.7	-1%	240.6	320.3	-25%
Non-operating income/loss	2.8	-0.7	-	-8.8	-65.8	-
Pre-tax income	278.5	277.0	+1%	231.8	254.5	-9%
Net income ***	197.5	165.8	+19%	175.4	160.2	+9%
FCF	-194.9	21.8		-198.5	15.3	
Exchange rates	1 US dollar	107 yen	122 yen			
	1 Euro	118 yen	134 yen			
	1 Renminbi	16.0 yen	19.3 yen			

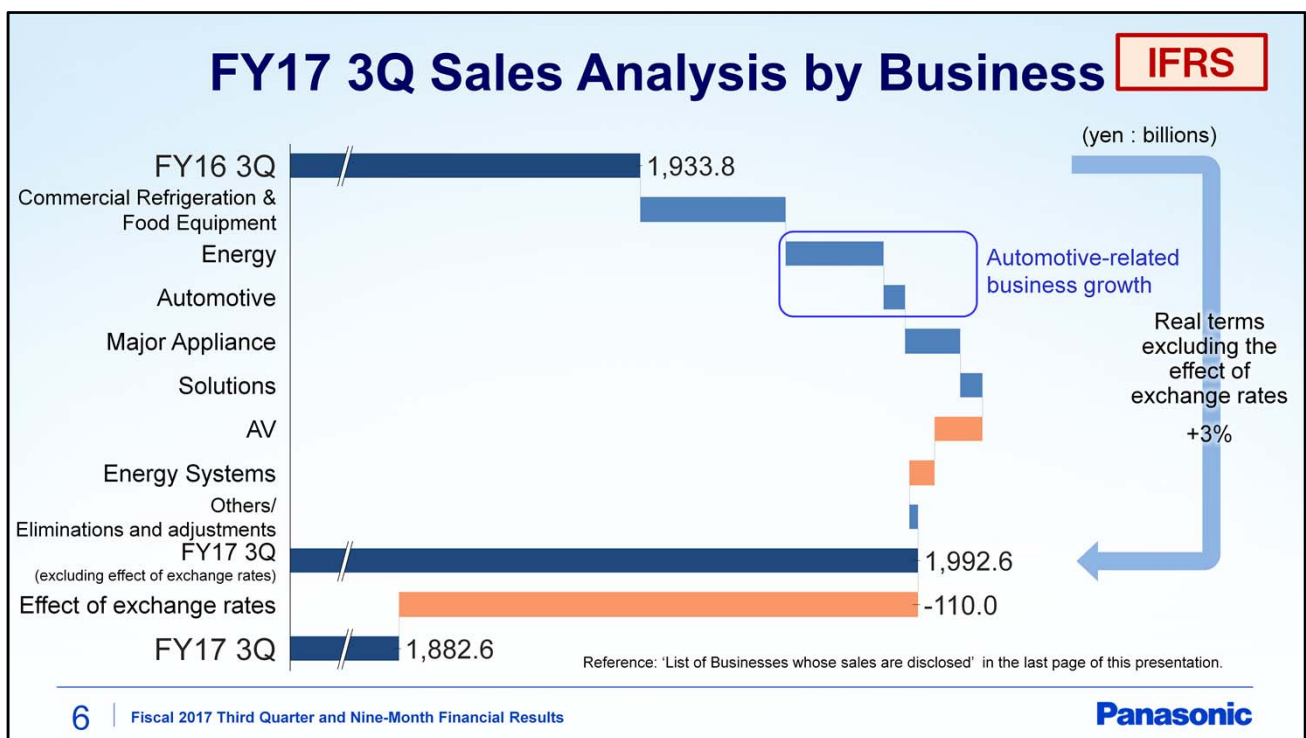
\* Real terms excluding the effect of exchange rates (unreviewed)

\*\* 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)

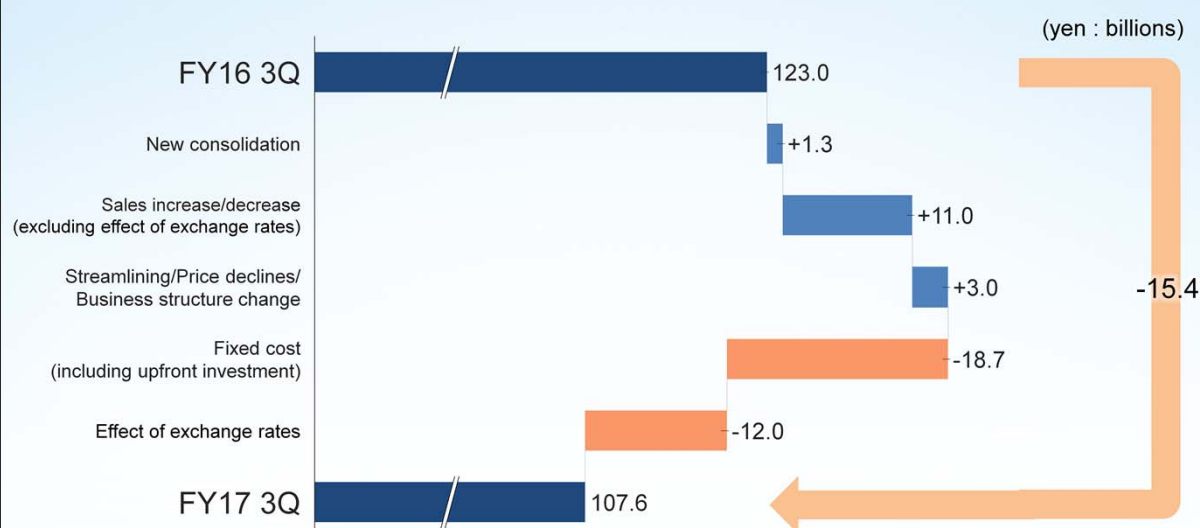
- This shows the financial results for the nine-month period (April to December) of fiscal 2017.





- I'll explain our sales analysis by business based on the businesses whose sales are disclosed and that have recorded a large sales increase/decrease from last year.
- Let's look at sales in real terms excluding the effect of exchange rates. Sales increases were led by four businesses: the Commercial Refrigeration & Food Equipment Business as a result of the new consolidation, the Energy and Automotive Businesses driven by the favorable performance of the automotive business, and the Major Appliance Business due to the stable sales of washing machines and other white goods.
- In contrast, sales decreased in the AV Business due to sluggish TV sales in Europe.

## FY17 3Q Adjusted Operating Profit Analysis IFRS

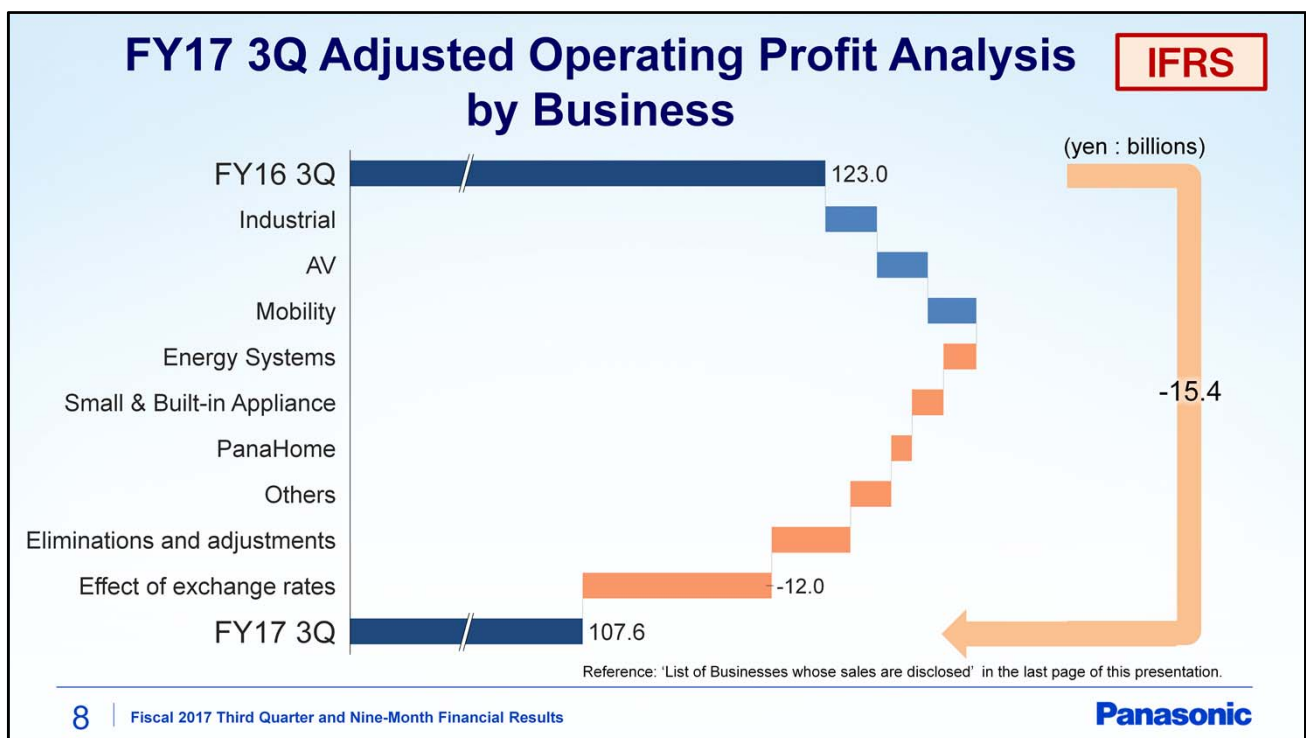


7 | Fiscal 2017 Third Quarter and Nine-Month Financial Results

**Panasonic**

- Next, I'll explain year-on-year changes in the adjusted operating profit.
- In addition to the benefits from the new consolidation, such factors as the sales increase in real terms and the streamlining of material-related processes contributed to an increase in profit.
- However, the overall adjusted operating profit decreased by 15.4 billion yen to 107.6 billion yen due to the increase in fixed costs, including upfront investments for future growth as well as the effect of exchange rates.





- This shows year-on-year changes in the adjusted operating profit for the businesses whose sales are disclosed.
- Profits increased in three businesses: the Industrial Business due to an increase in sales of automotive and industrial devices, the AV Business as a result of improved profitability, and the Mobility Business.
- However, profits decreased in the Energy Systems Business, and in the Small & Built-in Appliance Business which was affected by the downturn in the demand from inbound tourists.

## FY17 3Q (Oct.-Dec.) Operating Profit and Net Income

(yen : billions)

	IFRS(unreviewed)		US GAAP	
	FY17 3Q	vs. FY16 3Q	FY17 3Q	vs. FY16 3Q
Adjusted operating profit	107.6	-15.4	-	-
Other income/loss	-10.0	+19.9	-	-
Operating profit	97.6	+4.5	96.0	-23.8
Non-operating income/loss	-0.2	-1.8	-17.4	+12.0
Pre-tax income	97.4	+2.7	78.6	-11.8
Provision for income taxes	28.2	-11.4	19.1	-16.9
Net income	69.2	+14.1	59.5	+5.1
Less net income attributable to non-controlling interests	5.2	-1.7	4.0	-1.5
Net income attributable to owners of the parent company	64.0	+15.8	55.5	+6.6

\* Including equity in earnings of associated companies

\*\* Net income attributable to Panasonic Corporation

- This shows the operating profit and net income.
- Other income/loss improved by 19.9 billion yen, posting a loss of 10.0 billion yen. This was because legal and various other costs were recorded last year. Operating profit increased by 4.5 billion yen from last year to 97.6 billion yen.
- Pre-tax income increased by 2.7 billion yen to 97.4 billion yen. As a result, net income attributable to owners of the parent company increased by 15.8 billion yen to 64.0 billion yen.

# FY17 3Q (Oct.-Dec.) Results by Segment

IFRS

(yen : billions)

	FY17 3Q							
	Sales	vs. FY16 3Q	Adjusted operating profit	vs. FY16 3Q	Other income/loss	vs. FY16 3Q	Segment profit	vs. FY16 3Q
Appliances	620.1	+9.4	31.0	+1.4	0	+4.4	31.0	+5.8
Eco Solutions	392.8	-14.0	28.3	+0.4	-3.1	-0.4	25.2	0
AVC Networks	259.1	-25.6	18.8	-2.1	-3.0	-2.0	15.8	-4.1
Automotive & Industrial Systems	652.5	-24.1	23.7	-8.0	-3.3	+11.1	20.4	+3.1
Other	138.8	+9.2	0.7	-2.4	-3.7	+1.7	-3.0	-0.7
Subtotal	2,063.3	-45.1	102.5	-10.7	-13.1	+14.8	89.4	+4.1
Eliminations and adjustments	-180.7	-6.1	5.1	-4.7	3.1	+5.1	8.2	+0.4
Consolidated total (IFRS)	1,882.6	-51.2	107.6	-15.4	-10.0	+19.9	97.6	+4.5
Appliances (production and sales consolidated)	688.3	-4.9	31.4	+1.8	-0.1	+4.4	31.3	+6.2

Note: IFRS figures are unreviewed.

- Next, I'll explain the results by segment.

This shows the results for the third quarter (October to December) of fiscal 2017.

I will give you a detailed account of each segment later.

# FY17 Nine-Month (Apr.-Dec.) Results by Segment

**IFRS**

(yen : billions)

	FY17 9M							
	Sales	vs. FY16 9M	Adjusted operating profit	vs. FY16 9M	Other income/loss	vs. FY16 9M	Segment profit	vs. FY16 9M
Appliances	1,805.2	+16.7	104.0	+26.0	-1.5	+8.4	102.5	+34.4
Eco Solutions	1,118.7	-51.0	47.8	-15.9	-1.7	+3.3	46.1	-12.6
AVC Networks	751.5	-109.3	44.6	-13.4	-3.1	+1.0	41.5	-12.4
Automotive & Industrial Systems	1,902.9	-160.3	55.8	-54.1	29.7	+50.7	85.5	-3.4
Other	400.3	-2.0	1.7	-2.5	-4.1	-3.0	-2.4	-5.5
Subtotal	5,978.6	-305.9	253.9	-59.9	19.3	+60.4	273.2	+0.5
Eliminations and adjustments	-556.2	-8.5	17.7	-3.0	-15.2	+0.5	2.5	-2.5
Consolidated total (IFRS)	5,422.4	-314.4	271.6	-62.9	4.1	+60.9	275.7	-2.0
Appliances (production and sales consolidated)	1,968.3	-0.3	101.4	+27.8	-1.6	+8.3	99.8	+36.1

Note: IFRS figures are unreviewed.

- This shows the results for the nine months (April to December) of fiscal 2017.

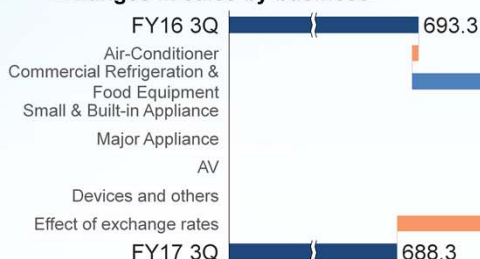
## &lt;Overview&gt;

(yen : billions)

	Sales	Adjusted operating profit	Segment profit
FY17 3Q	688.3	31.4 4.6%	31.3 4.6%
vs. FY16 3Q	-1% * (+4%)	+1.8	+6.2

\* Real terms excluding the effect of exchange rates

## &lt;Changes in sales by business&gt;



## &lt;Sales&gt;

\* Real terms excluding the effect of exchange rates

Air-Conditioner	• Decreased due to sales decreases in Asia and Europe.
Commercial Refrigeration & Food Equipment	• Significantly increased as a result of the new consolidation of Hussmann as a subsidiary.
Small & Built-in Appliance	• Decreased due to sluggish sales in Japan owing to a decreasing the demand from inbound tourists.
Major Appliance	• Increased due to continued favorable sales of washing machines and refrigerators in Japan and Asia.
AV	• Decreased due to sluggish sales in Europe, despite favorable sales of 4K TVs in Japan.

## &lt;Segment profit&gt;

Increased due to sales and profit increases in the Major Appliance Business, improved profitability through the shift to high value-added products, such as white goods and 4K TVs, and benefits from the new consolidation of Hussmann.

- Let's start with the results of Appliances based on production and sales consolidated.
- The Company increased its market share in Japan by approximately 1% from last year based on sales in the nine months from April to December, due to our continued favorable sales of home appliances in Japan with a higher growth rate than that of the industry. However, sales were sluggish in Europe, etc.
- Sales increased by 4% from last year in real terms excluding the effect of exchange rates.
- Let's look at the results by business. In the Air-Conditioner Business, sales decreased due to tough conditions in Asia and Europe, despite expanded sales in Japan.
- In the Major Appliance Business, sales increased due to continued favorable sales of washing machines and refrigerators in Japan and Asia.
- In the AV Business, overall sales decreased due to sluggish sales in the European market, despite favorable sales of 4K TVs in Japan.
- Segment profit increased due to higher sales and profit in the Major Appliance Business, including washing machines and refrigerators, and to improved profitability from the shift to high value-added products, such as white goods and 4K TVs, as well as benefits from the new consolidation.
- The Company aims to continue achieving higher growth than the industry average and will improve profitability with the shift to high value-added products.



## (yen : billions)

\* Real terms excluding the effect of exchange rates

Category	Value
FY16 3Q	406.8
Lighting	10.0
Energy Systems	10.0
Housing Systems	(2.0)
Panasonic Ecology Systems	(2.0)
Others	(2.0)
Effect of exchange rates	(14.0)
FY17 3Q	392.8

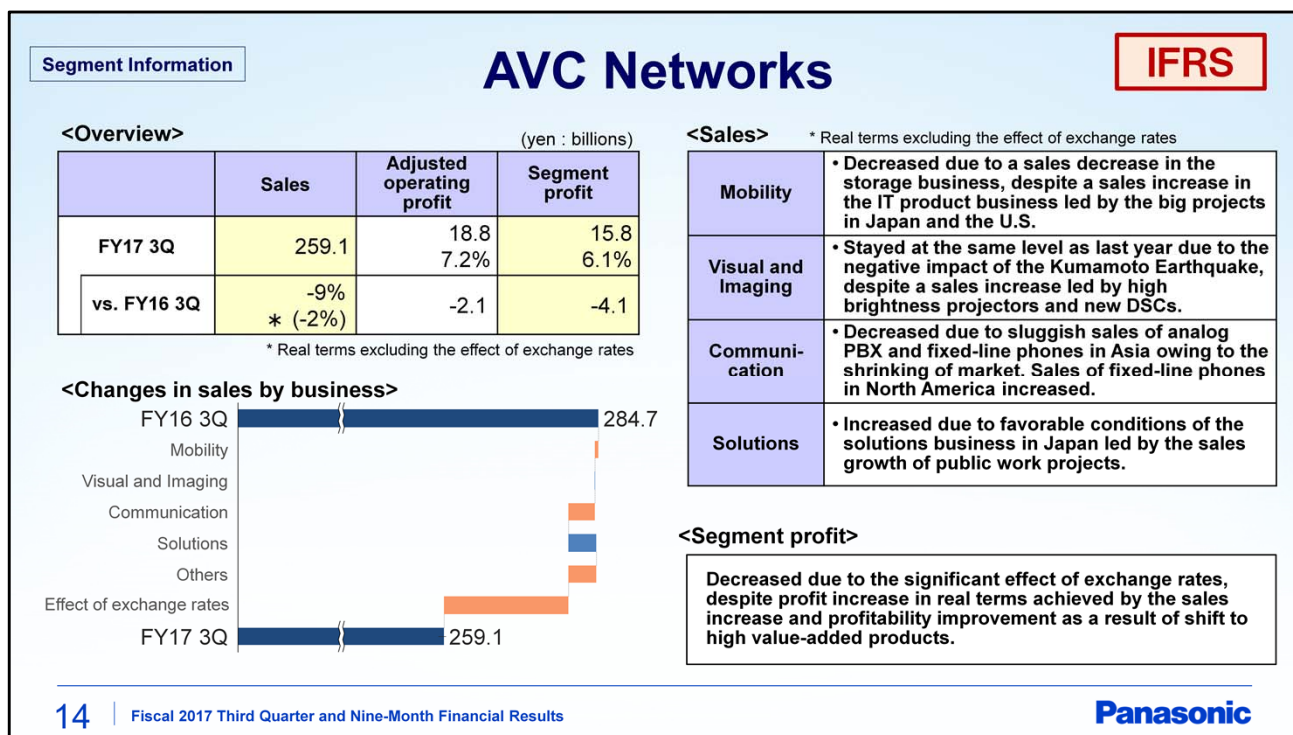
\* Real terms excluding the effect of exchange rates

**<Segment profit>**

Stayed almost at the same level as last year because a profit decrease in solar and other businesses was offset by improved profitability in the Lighting Business and a sales increase in the Housing Systems Business.

- Next, let's examine Eco Solutions.
- In the third quarter, the business continued to be in a tough condition due to the shrinking residential solar market in Japan, although new housing starts in Japan showed signs of exceeding last year's level.
- Sales decreased from last year by 1% in real terms excluding the effect of exchange rates.
- While sales increased in the Housing Systems Business, the residential solar market shrank in Japan, and the Lighting Business suffered from decreased U.S. and Europe sales in the devices business.
- Segment profit remained at almost the same level as last year. This was mainly because decreased profit in the solar business, offset by improved profitability in the Lighting Business and increased sales in the Housing Systems Business.





- Next, let's look at AVC Networks.
- Sales decreased from last year by 2% in real terms.
- The Mobility Business showed decreased overall sales due to a drop in sales of its storage business's existing products, despite increased sales in the IT product business due to the delivery of products for major projects in Japan and the U.S.
- The Visual and Imaging Business stayed at the same level as last year due to the lingering negative impact of the Kumamoto Earthquake, despite a sales increase in real terms led by high brightness projectors and new digital still cameras, including digital single lens mirrorless cameras.
- The Communication Business showed decreased overall sales mainly due to sluggish sales of analog PBX and fixed-line phones in Asia, where the market is continuing to shrink.
- The Solutions Business marked increased sales due to sales growth mainly in public work projects involving the solutions business in Japan.
- Segment profit decreased due to the effect of exchange rates, which could not be offset by the increased profit achieved by higher sales in the solutions business in Japan and by improved profitability as a result of the shift to high value-added products in the Mobility Business.

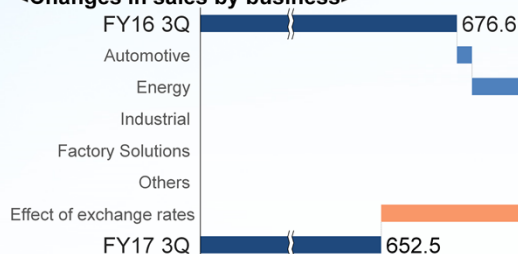
## &lt;Overview&gt;

(yen : billions)

	Sales	Adjusted operating profit	Segment profit
FY17 3Q	652.5	23.7 3.6%	20.4 3.1%
vs. FY16 3Q	-4% * (+5%)	-8.0	+3.1

\* Real terms excluding the effect of exchange rates

## &lt;Changes in sales by business&gt;



## &lt;Sales&gt;

\* Real terms excluding the effect of exchange rates

Automotive	• Increased due to favorable sales of electrical components such as car-mounted cameras, sensors, and switches.
Energy	• Increased due to the significant sales expansion of lithium-ion batteries for automotive use.
Industrial	• Increased due to the sales expansion of products such as car-mounted relays and electronic materials for automotive and industrial use, despite the negative impact of withdrawal as well as some business downsizing.
Factory Solutions	• Increased due to favorable sales of electronic component mounting equipment for Chinese local smartphone manufacturers.

## &lt;Segment profit&gt;

The adjusted operating profit decreased due to the significant effect of exchange rates, while the sales and profit of automotive and industrial devices expanded. The segment profit increased resulting from an improvement in the other income/loss from last year.

- Finally, let me discuss Automotive & Industrial Systems.
- In the business environment of the third quarter, vehicle sales were generally favorable on a global basis. Meanwhile, ICT-related devices such as smartphones and notebook PCs showed a moderately improving sales trend, resulting in only a low growth of sales.
- Under these circumstances, sales increased by 5% from last year in real terms excluding the effect of exchange rates. All of the segments whose sales are disclosed achieved higher sales.
- The Automotive Business achieved favorable sales of electrical components such as car-mounted cameras, sensors, and switches.
- In the Energy Business, the significantly expanded sales of lithium-ion batteries for automotive use contributed to the overall increase in sales.
- In the Industrial Business, sales increased due to the expanded sales of products such as automotive relays and electronic materials for automotive and industrial use, despite the negative impact of withdrawing from the LCD panel business for TVs as well as some business downsizing.
- The Factory Solutions Business increased sales due to favorable sales of electronic component mounting equipment for Chinese regional smartphone manufacturers.
- Overall segment profit increased due to the improvement in other income/loss, including increased sales and profit of automotive and industrial devices as well as reduced allowance costs from last year. This was achieved despite the negative impact of an increase in upfront investment in the Automotive Business in addition to the effect of exchange rates.
- The Company aims at continuing to increase sales, in real terms, of mainly automotive and industrial devices and to tackle measures such as streamlining of material-related processes and reducing fixed costs.

(yen : billions)

	FY17 3Q							
	Sales	vs. FY16 3Q	Adjusted operating profit	vs. FY16 3Q	Other income/loss	vs. FY16 3Q	BD profit ***	vs. FY16 3Q
Air-Conditioner *	90.2	-6.3	3.6	+1.4	0.9	+1.7	4.5	+3.1
Lighting	85.4	-4.0	9.2	+0.5	-0.6	+1.4	8.6	+1.9
Housing Systems	98.5	+0.8	6.1	+1.0	0.5	+1.0	6.6	+2.0
Automotive Infotainment Systems	125.1	-11.3	6.0	-0.2	0.1	0	6.1	-0.2
Rechargeable Battery **	100.2	+13.1	-2.4	-1.8	-2.5	+10.1	-4.9	+8.3
PanaHome	84.5	+4.3	1.3	-1.3	-0.1	+0.2	1.2	-1.1
TV *	96.0	-18.6	2.6	+1.8	-0.3	+2.5	2.3	+4.3

\* Including sales division (production &amp; sales consolidated)

\*\* Rechargeable Battery BD + Tesla BU

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

- This shows the third-quarter results of the six large-scale business divisions and the TV Business Division.
- The increased sales achieved by the Rechargeable Battery Business Division reflect its efforts in the automotive business, which is one of our growth areas.
- Adjusted operating profits of the Automotive Infotainment Systems and Rechargeable Battery Business Divisions as well as PanaHome decreased from last year due to the upfront investments that have been made in these divisions as growth-phase measures toward future profitability. The rest of the large-scale business divisions and the TV Business Division recorded increased profits from last year, showing the steady improvement of the management structure.

# Contents

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

- Next, I'll go through FY17 full-year forecast.

# FY17 Full-Year Forecast Revision

IFRS

(yen : billions)

	FY17(e) (As of Feb. 2, 2017)	FY17(e) (As of Oct. 31, 2016)	Difference	FY16*	vs FY16
Sales	7,350.0	7,200.0	+150.0	7,626.3	-276.3
Adjusted operating profit	340.0	320.0	+20.0	413.2	-73.2
Other income/loss	-75.0	-75.0	-	-182.9	+107.9
Operating profit	265.0	245.0	+20.0	230.3	+34.7
Non-operating income/loss	-5.0	-5.0	-	-2.0	-3.0
Pre-tax income	260.0	240.0	+20.0	228.3	+31.7
Net income attributable to owners of the parent company	130.0	120.0	+10.0	159.6	-29.6
FCF (excluding strategic investment)	≥ 150.0	≥ 150.0	-	227.3	-

Exchange rates	1 US dollar	108 yen	103 yen	+5 yen	120 yen	-12 yen
	1 Euro	119 yen	114 yen	+5 yen	133 yen	-14 yen
	1 Renminbi	15.9 yen	15.5 yen	+0.4 yen	18.9 yen	-3.0 yen

\* Figures in FY16 are unaudited.

- The full-year financial forecasts for fiscal 2017 are revised upward with the revised exchange rates due to the depreciation trend of the yen.
- Sales are revised upward by 150.0 billion yen from the forecast as of Oct. 31, 2016 to 7.35 trillion yen.
- Adjusted operating profit is revised upward by 20.0 billion yen to 340.0 billion yen.  
Net income attributable to the owners of the parent company is revised upward by 10.0 billion yen to 130.0 billion yen.
- Free cash flow excluding the strategic investment remains unchanged to achieve 150.0 billion yen or more.



# FY17 Full-Year Forecast Revision by Segment

IFRS

(yen : billions)

	FY17(e) (as of Feb. 2, 2017)							
	Sales	Difference	Adjusted Operating Profit	Difference	Other Income/loss	Difference	Operating profit	Difference
Appliances	2,300.0	+20.0	110.0	-	-7.0	-	103.0	-
Eco Solutions	1,580.0	+10.0	84.0	-	-5.0	-	79.0	-
AVC Networks	1,075.0	+30.0	65.0	+5.0	-10.0	-	55.0	+5.0
Automotive & Industrial Systems	2,520.0	+50.0	88.0	+12.0	17.0	-	105.0	+12.0
Other	640.0	+10.0	12.0	-	-7.0	-	5.0	-
Eliminations and adjustments	-765.0	+30.0	-19.0	+3.0	-63.0	-	-82.0	+3.0
Consolidated total	7,350.0	+150.0	340.0	+20.0	-75.0	-	265.0	+20.0
Appliances (production and sales consolidated)	2,530.0	+30.0	110.0	-	-7.0	-	103.0	-

- This shows FY17 full-year forecast revision by segment.
- As shown on the slide, sales and adjusted operating profit are revised upward mainly in segments with large effect of exchange rates fluctuation.





- Panasonic will continue to take company-wide proactive measures and accelerate its initiatives toward sustainable future growth.
- Thank you for your continuous support and understanding.

## 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)

(yen : billions)

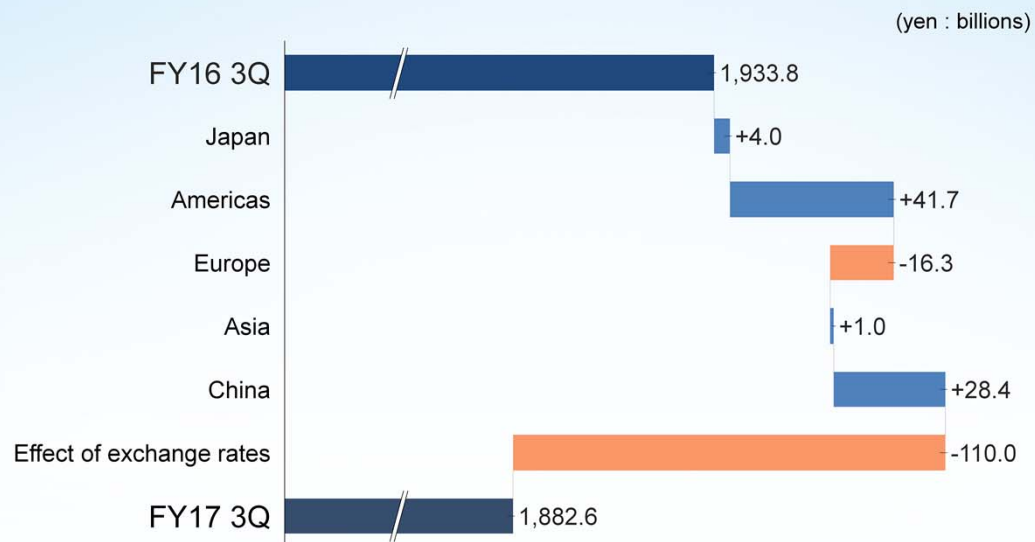
	FY17 3Q (IFRS) *		FY17 3Q (US GAAP)
Sales	1,882.6	← Difference of consolidation scope, etc.	1,854.5
Adjusted operating profit	107.6	←	—
Other income/loss	-10.0	← Capitalization of R&D expenses, etc.	—
Operating profit	97.6	←	96.0
Non-operating income/loss	-0.2	← Non-operating income/loss (US GAAP) excluding financial income/loss and exchange gains/losses	-17.4
Pre-tax income	97.4		78.6
Provision for income taxes	28.2		22.6
Equity in earnings of associated companies	—		3.5
Less net income attributable to non-controlling interests	5.2		4.0
Net income attributable to owners of the parent company	64.0		** 55.5

\* Unreviewed

\*\* Net income attributable to Panasonic Corporation

(Reference) **FY17 3Q Sales Analysis by Region**

IFRS



## (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

Note: As of February 2, 2017

(Reference) **List of Businesses whose sales are disclosed**

<b>Appliances</b>	•Air-Conditioner Business	: Air-Conditioner Company
	•Commercial Refrigeration & Food Equipment Business	: Cold Chain BD, Hussmann Corporation
	•Small & Built-in Appliance Business	: Kitchen Appliances BD, Beauty and Living BD
	•Major Appliance Business	: Refrigerator BD, Laundry Systems and Vacuum Cleaner BD
	•AV Business	: TV BD, Home Entertainment BD
<b>Eco Solutions</b>	•Lighting BD	
	•Energy Systems BD	
	•Housing Systems BD	
	•Panasonic Ecology Systems Co., Ltd	
<b>AVC Networks</b>	•Mobility Business	: IT Products BD, Storage BD
	•Visual and Imaging Business	: Imaging Network BD, Visual Systems BD, Security Systems BD
	•Communication Business	: Communication Products BD, Office Products BD
	•Solutions Business	: Panasonic Avionics Corporation, Domestic/Overseas Solutions
<b>Automotive &amp; Industrial Systems</b>	•Automotive Business	: Automotive Infotainment Systems BD, Automotive Electronics Systems BD
	•Energy Business	: Rechargeable Battery BD, Energy Device BD
	•Industrial Business	: Electromechanical Control BD, Panasonic Semiconductor Solutions Co., Ltd., Device Solutions BD, Electronic Materials BD, Panasonic Liquid Crystal Display Co., Ltd.
	•Factory Solutions Business	: Smart Factory Solutions BD