

Fiscal 2018 First Quarter Financial Results

**July 31, 2017
Panasonic Corporation**

*Notes: 1. This is an English translation from the original presentation in Japanese.
2. In this presentation, "fiscal 2018" or "FY18" refers to the year ending March 31, 2018.*

- This presentation gives Panasonic's consolidated financial results for the first quarter of fiscal 2018 (FY18) ended June 30, 2017.

Summary of FY18 1Q Financial Results

- Increase in both sales and profit was achieved due to the growth of automotive-related business.
- Overall sales increased due to significant growth in the automotive-related business including rechargeable batteries despite sales decrease in Avionics Business.
- Overall operating profit increased due mainly to profitability improvement in the Industrial Business despite the impact of decline from lower sales in Avionics Business and material cost hikes.
- Net profit* increased by 19.6 billion yen from the previous year.

* Net profit attributable to Panasonic Corporation stockholders

- This shows the summary of the financial results for the first quarter of FY18.
- Panasonic positions FY18 to make a shift to achieve both sales and profit growth. In this respect, the Company was able to get off to a good start by reaching this goal in the first quarter.
- Overall sales increased due to significant growth in the automotive-related business, including rechargeable batteries, despite decreased sales in Avionics Business.
- Overall operating profit increased due mainly to profitability improvement in Industrial Business, where efforts transforming to the automotive and industrial applications have made progress, despite the impact of a decline from lower sales in Avionics Business and hikes in material costs.
- Net profit attributable to Panasonic Corporation stockholders increased by 19.6 billion yen from the previous year.

FY18 1Q Financial Results

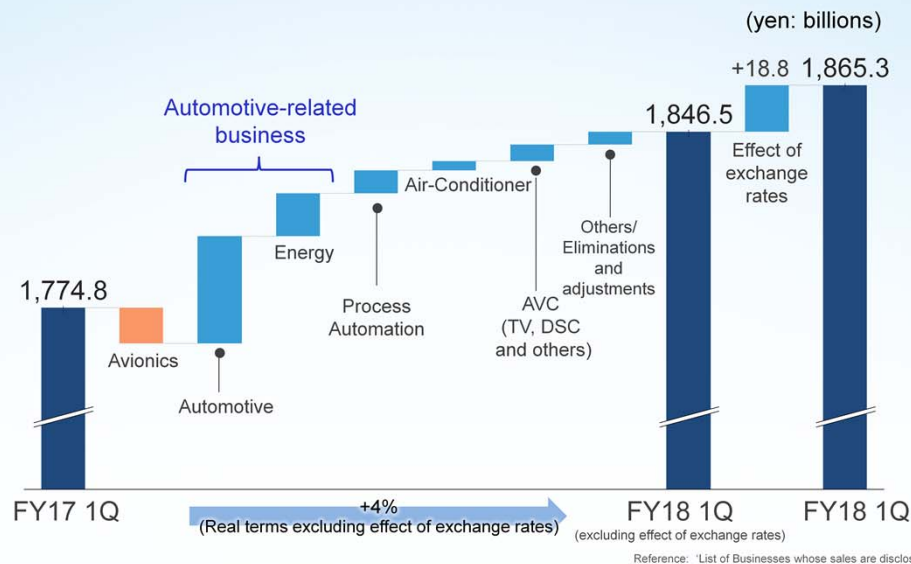
(yen: billions)

	FY18 1Q	FY17 1Q	vs. FY17 1Q	
Sales	1,865.3	1,774.8	+5% (+4%)*	+90.5
Operating profit	83.9	71.8	+17%	+12.1
Other income/loss **	4.1	-5.0	-	+9.1
Non-operating income/loss	-1.9	2.8	-	-4.7
Profit before income taxes	82.0	74.6	+10%	+7.4
Net profit ***	48.8	29.2	+67%	+19.6

Exchange rates	1 US dollar	111 yen	108 yen	* Real terms excluding the effect of exchange rates (unreviewed)
	1 Euro	122 yen	122 yen	** Other income/loss = Other income (expenses) + Share of profit of investments accounted for using the equity method
	1 Renminbi	16.2 yen	16.5 yen	*** Net profit attributable to Panasonic Corporation stockholders

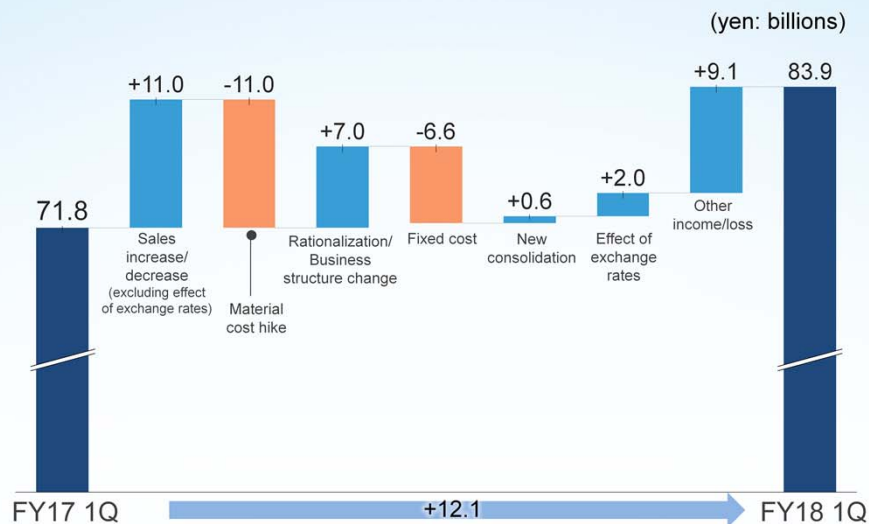
- This table shows the consolidated financial results for the first quarter of FY18.
- Sales increased by 5% from the same period last year particularly due to growth in the automotive-related business.
- Even in real terms, excluding the effect of exchange rates and new consolidations, sales also increased for three quarters in a row and continued on a growth path.
- Operating profit increased by 12.1 billion yen to 83.9 billion yen due to the favorable performance of Industrial Business and Mobile Solutions Business.
- As a result, profit before income taxes increased by 7.4 billion yen to 82.0 billion yen, and net profit attributable to Panasonic Corporation stockholders increased by 19.6 billion yen to 48.8 billion yen.

FY18 1Q Sales Analysis by Business



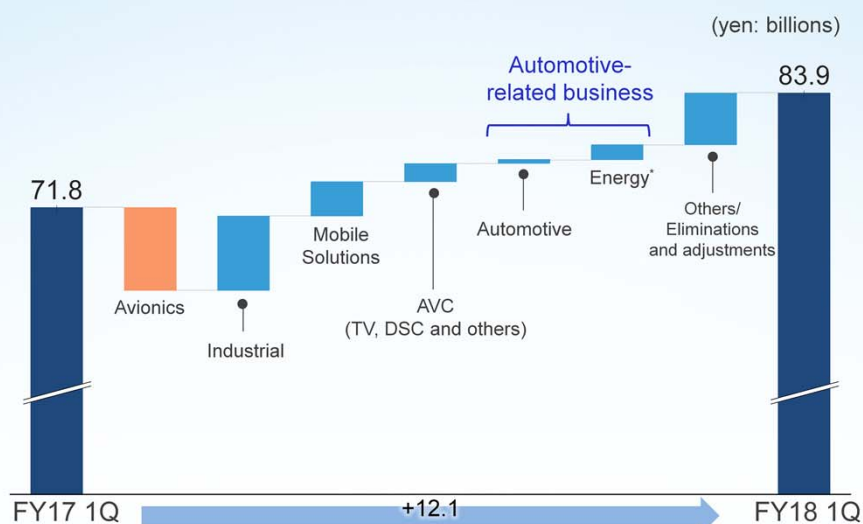
- This graph gives a sales analysis by business based on the businesses whose sales are disclosed.
- Sales decreased in Avionics Business due to weakening demand resulting from the downturn in production at aircraft manufacturers.
- Meantime, sales significantly increased in the automotive-related business due mainly to the benefits from the new consolidation of Ficosa, Automotive Business, where the performance of the automotive electronics business was favorable, and Energy Business including automotive batteries.
- In addition, other factors that contributed to the sales increase included Process Automation Business, where sales of electronic component mounting equipment expanded in response to increased smartphone production, Air-Conditioner Business, which recorded sales growth in both Japan and China, and AVC Business such as TV.

FY18 1Q Operating Profit Analysis



- Next, let's look at year-on-year changes in operating profit.
- As shown here, operating profit increased owing to sales growth but was also greatly affected by the recent price hikes of raw materials.
- To minimize this negative impact, the Company is strengthening its effort to promote rationalization and also improving fixed-cost management by reviewing figures as necessary.
- The main factor for an increase in fixed costs was investment in growing businesses such as the automotive-related business.
- Meanwhile, other income/loss improved due mainly to intellectual-property-related revenue. Consequently, the overall operating profit increased by 12.1 billion yen to 83.9 billion yen.

FY18 1Q Operating Profit Analysis by Business



* Profit generated from business excluding other income/loss.
Reference: "List of Businesses whose sales are disclosed in FY18" on the last page.

- This shows an analysis of year-on-year changes in operating profit by the businesses whose sales are disclosed.
- Decreased sales in the highly profitable Avionics Business had a substantial impact on operating profit.
- Meantime, Industrial Business greatly contributed to increased profit due to the favorable performance of the electromechanical control business, which is positioned as a high-growth business, as well as progress made in improving the profitability of the liquid crystal display business and device solutions business.
- Other positive factors included the strong sales of payment terminals in Mobile Solutions Business and a shift to high-end models in AVC Business. Consequently, the overall operating profit increased.
- Regarding the automotive-related business, operating profit increased only slightly from last year. However, the automotive-related business is projected to make a full-scale contribution to profit from the latter half of FY18 to FY19, as originally planned.

FY18 1Q Results by Segment

(yen: billions)

	FY18 1Q				Reference: Included in Operating profit	
	Sales	vs. FY17 1Q	Operating profit	vs. FY17 1Q	Other income/loss	vs. FY17 1Q
Appliances	683.3	+16.2	45.0	+1.7	0.4	+1.8
Eco Solutions	361.2	+12.0	5.4	+0.1	-0.2	-2.6
Connected Solutions	248.8	-1.1	16.1	-1.3	1.3	+0.2
Automotive & Industrial Systems	656.4	+74.1	17.7	+3.2	0.2	-6.0
Other *	127.4	+2.1	-1.4	+2.1	4.1	+4.7
Subtotal	2,077.1	+103.3	82.8	+5.8	5.8	-1.9
Eliminations and adjustments	-211.8	-12.8	1.1	+6.3	-1.7	+11.0
Total	1,865.3	+90.5	83.9	+12.1	4.1	+9.1
Appliances (production and sales consolidated)	728.5	+12.7	42.6	+1.4	0.4	+1.8

* PanaHome is included in Other segment.

- Next, this chart shows results by segment.
- Appliances, Eco Solutions, and Automotive & Industrial Systems showed increased sales and profit, while Connected Solutions posted decreased sales and profit.
- In Other segment, profit increased mainly due to revenue from intellectual property. With regard to eliminations and adjustments, profit increased because a loss from business transfer was recorded last year.
- Now, let me explain the details segment by segment.

Segment Information

Appliances (production & sales consolidated)

<Overview>

(yen: billions)

	Sales	Operating profit	Other income/loss
FY18 1Q	728.5	42.6 5.9%	0.4
vs. FY17 1Q	+2% * (+1%)	+1.4	+1.8

* Real terms excluding the effect of exchange rates

<Sales analysis by business>

(yen: billions)

Business Segment	Change (FY18 1Q vs FY17 1Q)
Air-Conditioner	+
Commercial Refrigeration & Food Equipment	-
Small & Built-in Appliance	+
Major Appliance	+
AVC	+
Devices, Others	+
Effect of exchange rates	+
Total	+12.7

<Sales>

* Real terms excluding the effect of exchange rates

Air-Conditioner	• Increased due to sales expansion in Japan and China, which offset the slump in demand in Asia caused by fluctuating weather conditions.
Commercial Refrigeration & Food Equipment	• Decreased due to sluggish demand for showcases caused by slowdown of new store openings by customers in North America.
Small & Built-in Appliance	• Achieved favorable sales of beauty care appliances in Japan, Europe, and China. • Recorded strong sales for microwave ovens in Japan and Asia.
Major Appliance	• Achieved favorable sales of refrigerators and washing machines mainly in Japan and Asia.
AVC	• Increased in AV consumer electronics such as TVs and digital cameras.

<Operating profit>

Overall operating profit increased mainly by outperforming the industry average growth in the consumer electronics business in Japan and the shift to high value-added products, despite the significant impact of rising prices of raw materials and major components.

7

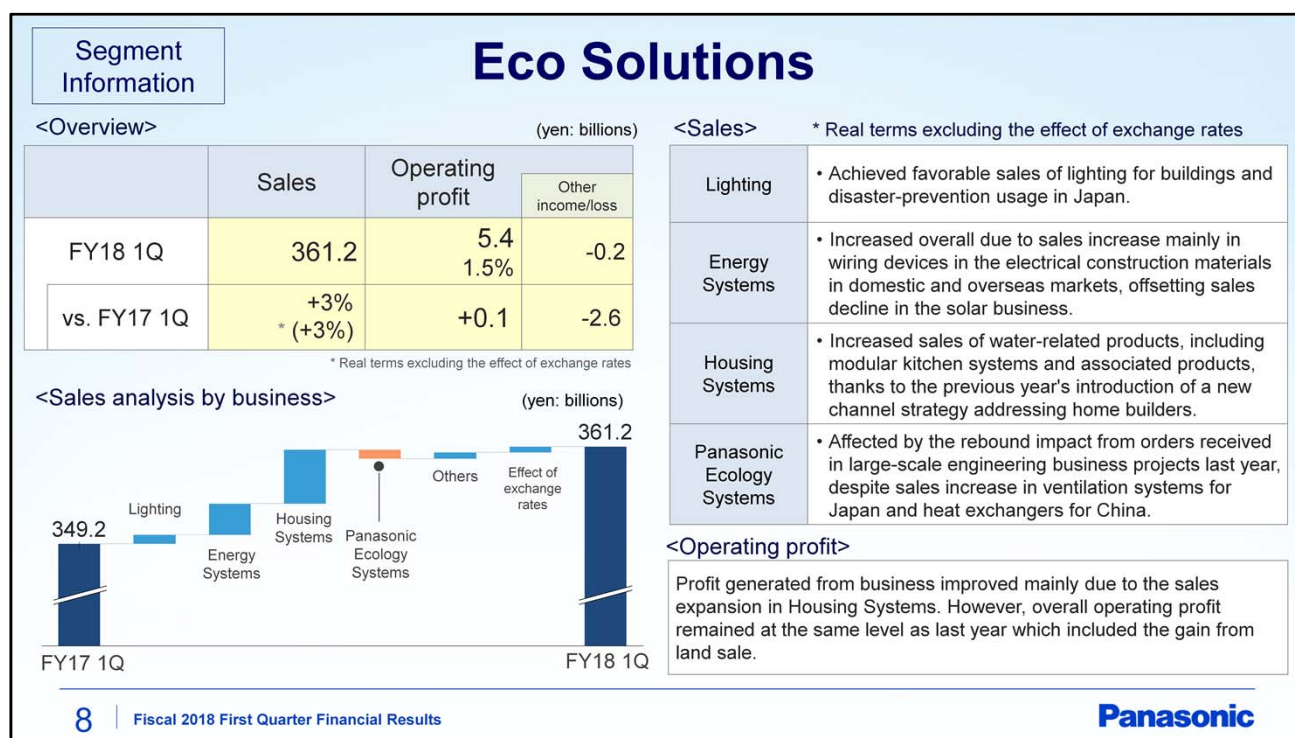
Fiscal 2018 First Quarter Financial Results

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- Let's start with the results of Appliances based on consolidated production and sales.
- Sales increased by 1% from last year in real terms, excluding the effect of exchange rates.
- Commercial Refrigeration & Food Equipment Business showed decreased sales due to sluggish demand for showcases in North America.
- On the other hand, favorable sales were achieved in Air-Conditioner Business in Japan and China, Major Appliance Business in Japan and Asia, and TVs and other products of AVC Business.

Thanks to these positive factors, overall sales of Appliances increased.

- Operating profit increased mainly due to the shift to high value-added products, despite the significant impact of rising prices of raw materials and major components.



- Next, let's look at Eco Solutions.
- Sales increased by 3% from last year in real terms, excluding the effect of exchange rates.
- In Energy Systems Business, sales increased due to favorable performance of electrical construction materials in Japan and in Asia, where the housing-related market is growing, despite decreased sales in the solar business.
- Housing Systems Business showed increased sales due to the favorable performance of kitchen systems and other water-related products, which was achieved through a sales strategy that has been implemented since last fiscal year.
- Operating profit remained at the same level as last year which included a gain on the sale of land in other income/loss. However, profit from businesses has improved mainly due to increased sales in Housing Systems Business.

Segment Information

Connected Solutions

<Overview>

(yen: billions)

	Sales	Operating profit	Other income/loss
FY18 1Q	248.8	16.1 6.5%	1.3
vs. FY17 1Q	+/-0% * (-2%)	-1.3	+0.2

* Real terms excluding the effect of exchange rates

<Sales analysis by business>

(yen: billions)

Business	Change (FY18 1Q vs FY17 1Q)
Avionics	Decrease
Process Automation	Increase
Media Entertainment	Increase
Mobile Solutions	Increase
PSSJ	Increase
Others	Increase
Effect of exchange rates	Increase
Total	248.8 (FY18 1Q) - 249.9 (FY17 1Q) = -1.1

<Sales>

* Real terms excluding the effect of exchange rates

Avionics	• Sales of inflight entertainment business declined largely due to a weakening demand for aircrafts.
Process Automation	• Increased due to the favorable sales of electronic component mounting equipment for the smartphone industry.
Media Entertainment	• Increased due to favorable projector sales in China.
Mobile Solutions	• Increased due to favorable sales in notebook PCs and payment terminals for Japan and new consolidation of Zetes.
PSSJ **	• Increased driven by system products for retail and logistics industries in addition to social infrastructure businesses.

** PSSJ: Panasonic System Solutions Japan Co., Ltd.

<Operating profit>

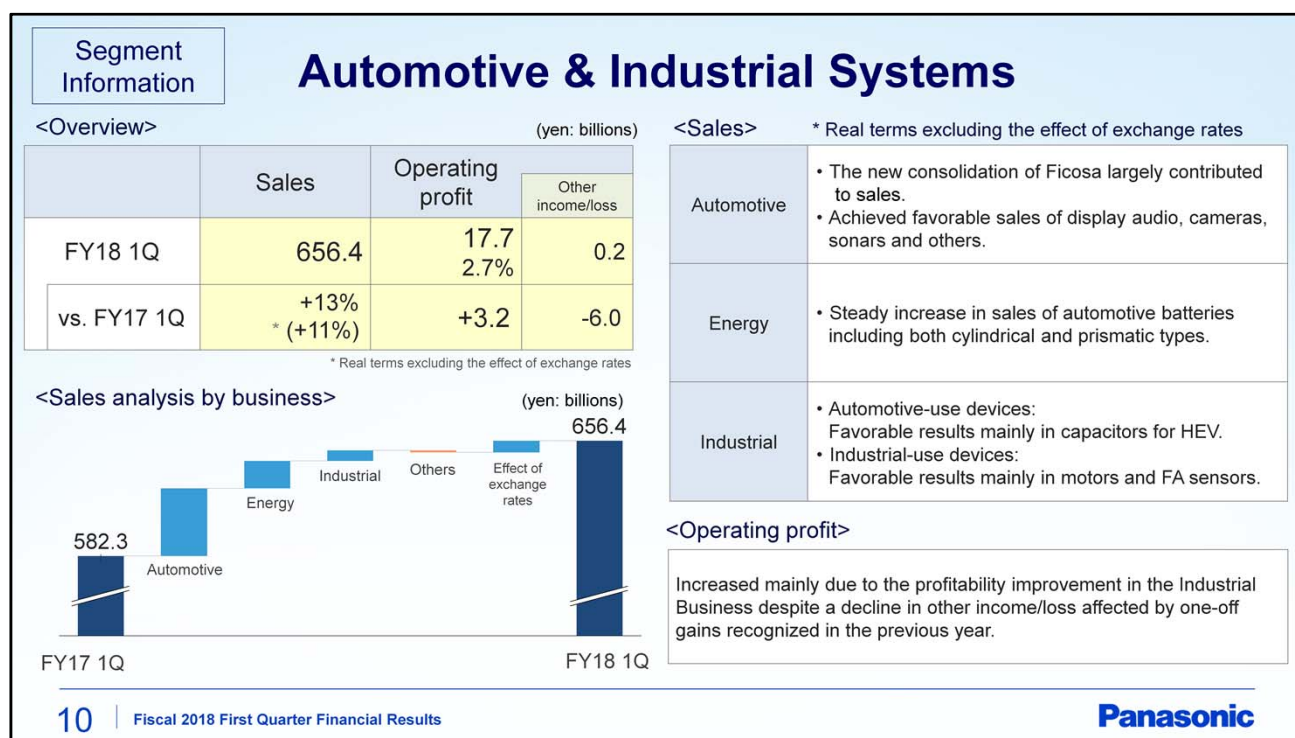
Decreased due to the impact of sales decline in Avionics, despite sales expansion in Process Automation, Mobile Solutions and other businesses.

9

Fiscal 2018 First Quarter Financial Results

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- Next, let's look at Connected Solutions.
- Sales decreased by 2% from last year in real terms, excluding the effect of exchange rates.
- This was caused mainly by decreased sales in Avionics Business due to the impact of scaled-back production by aircraft manufacturers in response to weakening demand for aircraft.
- Meantime, Process Automation Business showed favorable sales of electronic component mounting equipment to the smartphone industry.
- In Mobile Solutions Business, sales increased due to the new consolidation of Zetes and sales growth in notebook computers and payment terminals in Japan.
As shown here, sales increased in all businesses except Avionics Business.
- Overall operating profit decreased due to the impact of a decline from lower sales in Avionics Business, despite the growth in profit through expanded sales in Process Automation, Mobile Solutions, and other businesses.



- Lastly, Automotive & Industrial Systems.
- Sales in real terms excluding the effect of exchange rates increased by 11% from last year.
- In Automotive Business, the new consolidation of Ficosa and the growth of existing products greatly contributed to increased sales.
- In Energy Business, both cylindrical and prismatic automotive batteries showed significant growth.
- Industrial Business showed increased sales due to growth in automotive and industrial devices, despite a decline due to withdrawing from the business of LCD panels for TVs.
- Operating profit increased mainly due to profit growth in Industrial Business, which was achieved by favorable performance in the electromechanical control business, one of the high-growth businesses, and improved profit in the LCD panel business. However, there was a decline in the other income/loss due to the impact from the reversal of provision recorded in the previous year.

FY18 Forecast by Segment

(Announced on May 11, 2017)

(yen: billions)

Additional Information

	FY18				Reference: Included in Operating profit	
	Sales	vs. FY17	Operating profit	vs. FY17	Other income/loss	vs. FY17
Appliances	2,550.0	+46.6	111.0	+12.1	-4.0	+3.9
Eco Solutions	1,626.0	+78.7	72.0	+7.8	-12.0	-0.3
Connected Solutions	1,103.0	+51.8	69.0	+18.6	-8.0	+26.4
Automotive & Industrial Systems	2,660.0	+243.4	93.0	+0.0	-12.0	-36.1
Other*	680.0	+5.6	7.0	-1.0	-4.0	+1.0
Subtotal	8,619.0	+426.1	352.0	+37.5	-40.0	-5.1
Eliminations and adjustments	-819.0	+30.2	-17.0	+20.7	-10.0	+21.9
Total	7,800.0	+456.3	335.0	+58.2	-50.0	+16.8
Appliances (production and sales consolidated)	2,750.0	+52.8	112.0	+12.3	-4.0	+4.4

* PanaHome is included in Other segment.

- Finally, the forecast of other income/loss is disclosed as additional information to FY18 financial forecast announced on May 11, 2017. The aim is to enable stakeholders in the capital market to more accurately evaluate our business competence.
- Toward the attainment of FY18 full-year forecast shown here, sales and operating profit increased in the first quarter, making a good start.
- Currently, raw material prices are increasing at a greater pace than expected. However, this negative impact will be minimized through rationalization and fixed-cost management.
- From the second quarter onward, Avionics Business is expected to constrain the drop in sales and operating profit from last year. Furthermore, the automotive-related business is expected to make a significant contribution to profit from the second half onward. Panasonic will continue to strive for achieving its FY18 financial forecast through comprehensive company-wide efforts.

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A Better Life, A Better World

- 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). 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. Furthermore, figures in the presentation, at the time of the disclosure, are under the review procedure based on Financial Instruments and Exchange Act. 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 financial assets in which the Panasonic Group has holdings or changes in valuation of non-financial assets, including property, plant and equipment, goodwill and deferred tax assets; 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 Group 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.

(Reference)

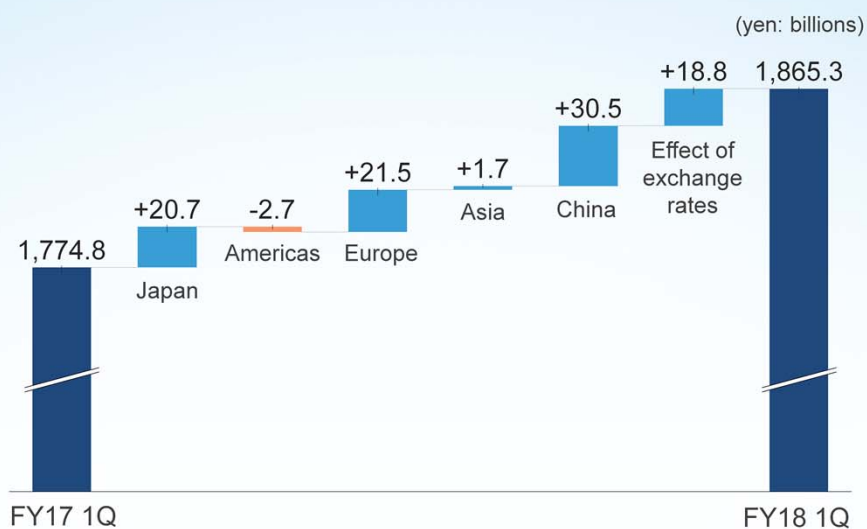
FY2018 1Q Operating Profit and Net Profit

(yen: billions)

	FY18 1Q	FY17 1Q	vs. FY17 1Q
Operating profit	83.9	71.8	+12.1
Non-operating income/loss	-1.9	2.8	-4.7
Profit before income taxes	82.0	74.6	+7.4
Income taxes	-29.8	-40.4	+10.6
Net profit	52.2	34.2	+18.0
Net profit attributable to Panasonic Corporation stockholders	48.8	29.2	+19.6
Net profit attributable to non-controlling interests	3.4	5.0	-1.6

(Reference)

FY18 1Q Sales Analysis by Region



(Reference)

FY18 1Q TV and Six Large-Scale BDs

(yen: billions)

	FY18 1Q				Reference: Included in Operating profit	
	Sales	vs. FY17 1Q	Operating profit	vs. FY17 1Q	Other income/loss	vs. FY17 1Q
Air-Conditioner *	160.3	+5.2	16.5	-1.1	-0.1	+0.3
Lighting	68.2	+1.2	2.2	-0.2	0.1	-1.8
Housing Systems	88.9	+6.5	2.1	+0.6	-0.2	-0.5
Automotive Infotainment Systems	128.6	+4.2	3.8	-2.2	0.1	+0.1
Rechargeable Battery **	94.5	+17.7	-4.9	-5.7	-0.8	-6.5
PanaHome	64.8	-4.5	-4.3	-1.6	-0.2	+0.0
TV *	78.3	+1.7	1.5	-1.5	0.8	+1.1

* Including sales division (production & sales consolidated)

** Rechargeable Battery BD + Tesla BU

(Reference)

FY18 Forecast for TV and Six Large-Scale BDs

(Announced on May 11, 2017)

(yen: billions)

Additional information

	FY18				Reference: Included in Operating profit	
	Sales	vs. FY17	Operating profit	vs. FY17	Other income/loss	vs. FY17
Air-Conditioner *	514.5	+52.2	30.7	+2.1	-0.5	-0.6
Lighting	325.0	+17.1	24.3	+2.4	-1.0	-1.4
Housing Systems	372.0	+4.9	16.9	+1.3	-0.1	+0.4
Automotive Infotainment Systems	515.5	+9.2	27.0	+2.4	0.0	-0.0
Rechargeable Battery **	471.5	+108.9	6.6	+1.9	0.8	-16.7
PanaHome	370.0	+10.4	12.7	+1.3	-0.3	+0.1
TV *	304.9	-2.2	3.2	-1.4	-1.1	-0.1

* Including sales division (production & sales consolidated)

** Rechargeable Battery BD + Tesla BU

(Reference)

Segments and Business Divisions

Appliances	Connected Solutions	Automotive & Industrial Systems
Air-Conditioner Company TV BD Imaging Network BD Home Entertainment BD Communication Products BD Refrigerator BD Laundry Systems and Vacuum Cleaner BD Kitchen Appliances BD Beauty and Living BD Refrigeration and Air-Conditioning Devices BD Smart Energy System BD Cold Chain BD Husmann Corporation	Panasonic Avionics Corporation Process Automation BD Media Entertainment BD Mobile Solutions BD Security Systems BD Panasonic System Solutions Japan Co., Ltd.	Automotive Infotainment Systems BD Automotive Electronics Systems BD Ficosa International, S.A. 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.
Eco Solutions	Other	
Lighting BD Energy Systems BD Housing Systems BD Panasonic Ecology Systems Co., Ltd. Panasonic Cycle Technology Co., Ltd.	PanaHome Corporation	

As of July 31, 2017

(Reference)

List of Businesses whose sales are disclosed in FY18

Appliances	•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
	•AVC Business	: TV BD, Imaging Network BD, Home Entertainment BD, Communication Products BD
Eco Solutions	•Lighting BD	
	•Energy Systems BD	
	•Housing Systems BD	
	•Panasonic Ecology Systems Co., Ltd	
Connected Solutions	•Avionics Business	: Panasonic Avionics Corporation, Avionics BU
	•Process Automation BD	
	•Media Entertainment BD	
	•Mobile Solutions BD	
	•PSSJ	: Panasonic System Solutions Japan Co., Ltd.
Automotive & Industrial Systems	•Automotive Business	: Automotive Infotainment Systems BD, Automotive Electronics Systems BD, Ficosa International, S.A.
	•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.

As of July 31, 2017