

# **Fiscal 2018 Second Quarter and Six-Month Financial Results**

**October 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.  
In addition, “FY18 Six-Month” or “FY18 6M” refers to the period from April to September 2017.*

## **Summary of FY18 2Q Financial Results**

- Increase in both sales and profit was achieved following the first quarter.
- Overall sales increased due to significant growth in the automotive-related business led by the Automotive Business including infotainment systems, and the Energy Business including rechargeable batteries.
- Overall operating profit increased due mainly to profitability improvement in the Industrial Business which is making a shift to automotive- and industrial-related areas.

# FY18 2Q Financial Results

(yen: billions)

	FY18 2Q	FY17 2Q	vs. FY17 2Q	
Sales	1,992.6	1,765.0	+13% (+8%)*	+227.6
Operating profit	112.7	106.3	+6%	+6.4
Other income/loss **	-10.2	19.1	-	-29.3
Non-operating income/loss	0.1	0.2	-	-0.1
Profit before income taxes	112.8	106.5	+6%	+6.3
Net profit attributable to Panasonic Corporation stockholders	70.1	104.3	-33%	-34.2

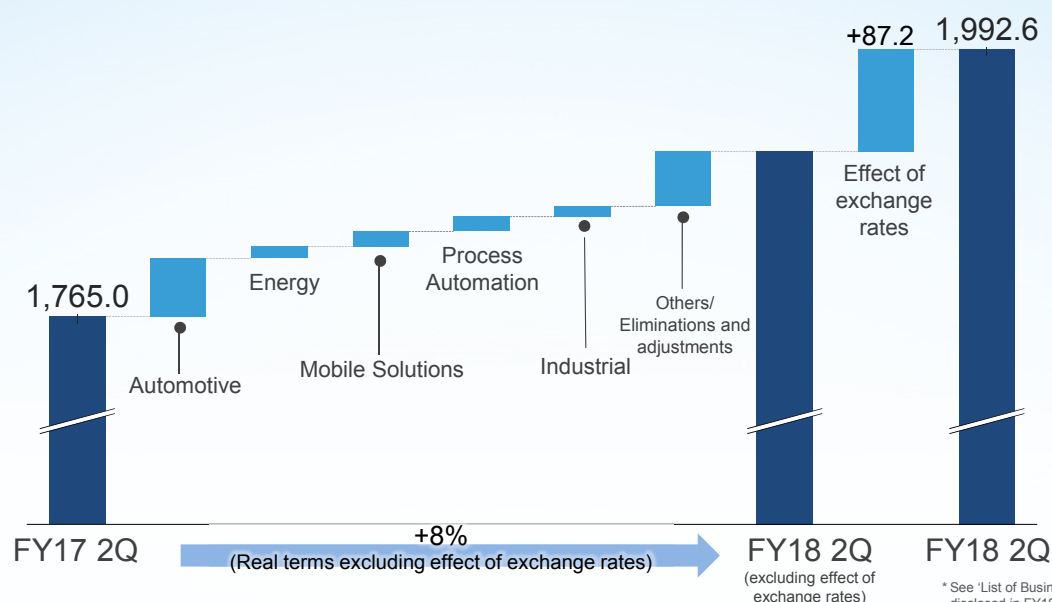
Exchange rates	1 US dollar	111 yen	102 yen
	1 Euro	130 yen	114 yen
	1 Renminbi	16.6 yen	15.4 yen

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

\*\* Other income/loss = Other income (expenses) + Share of profit of investments accounted for using the equity method

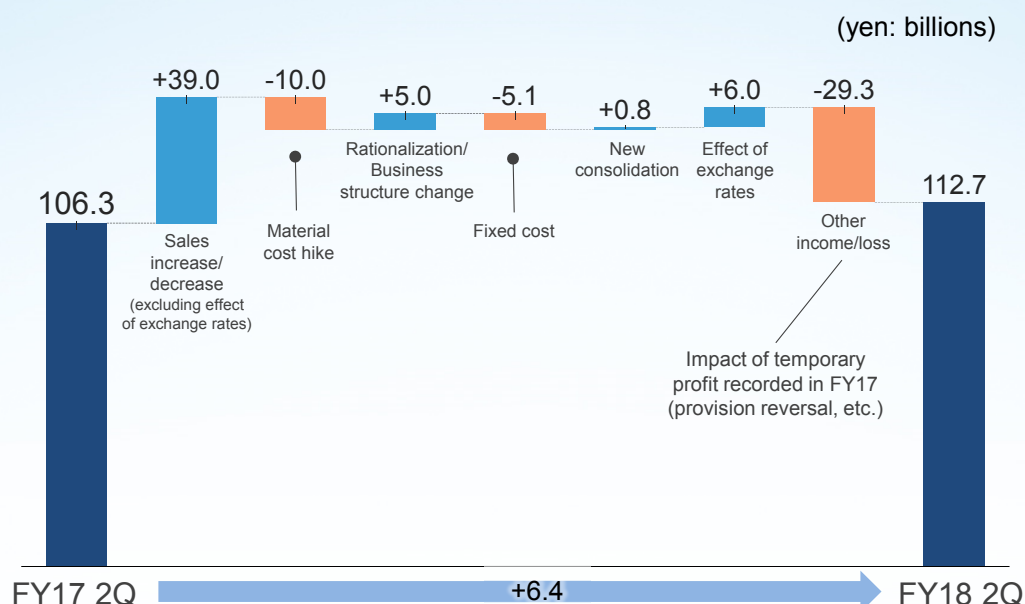
# FY18 2Q Sales Analysis by Business\*

(yen: billions)

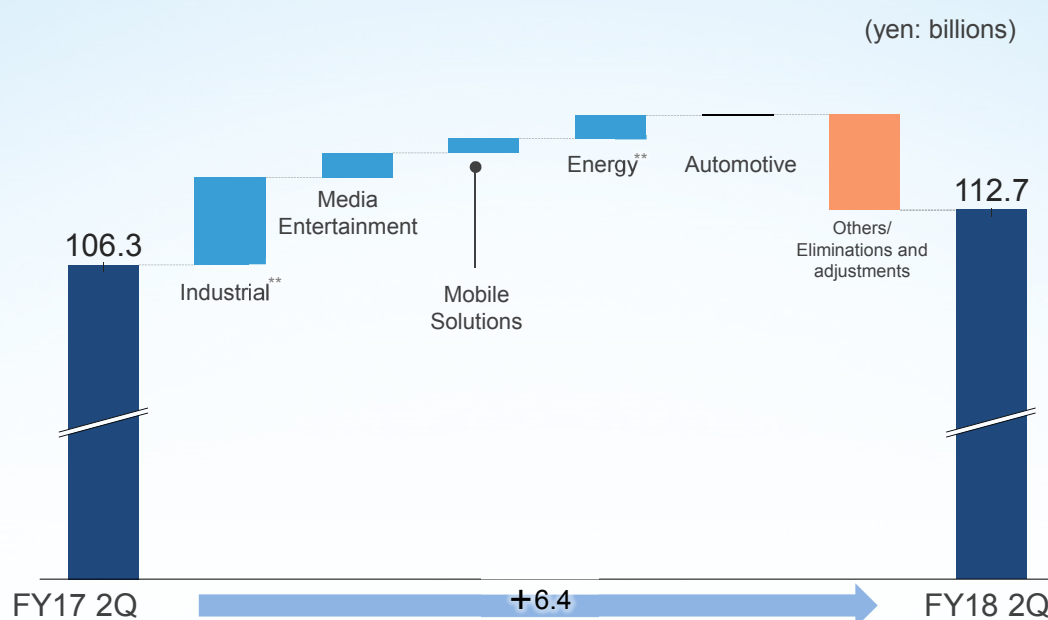


\* See 'List of Businesses whose sales are disclosed in FY18' on the last page.

## FY18 2Q Operating Profit Analysis



## FY18 2Q Operating Profit Analysis by Business



\* See 'List of Businesses whose sales are disclosed in FY18' on the last page.  
 \*\* Excluding the effects of other income/loss

## FY18 2Q Operating Profit and Net Profit

(yen: billions)

	FY18 2Q	FY17 2Q	vs. FY17 2Q
Operating profit	112.7	106.3	+6.4
Non-operating income/loss	0.1	0.2	-0.1
Profit before income taxes	112.8	106.5	+6.3
Income taxes	-39.0	4.2	-43.2
Net profit	73.8	110.7	-36.9
Net profit attributable to Panasonic Corporation stockholders	70.1	104.3	-34.2
Net profit attributable to non-controlling interests	3.7	6.4	-2.7

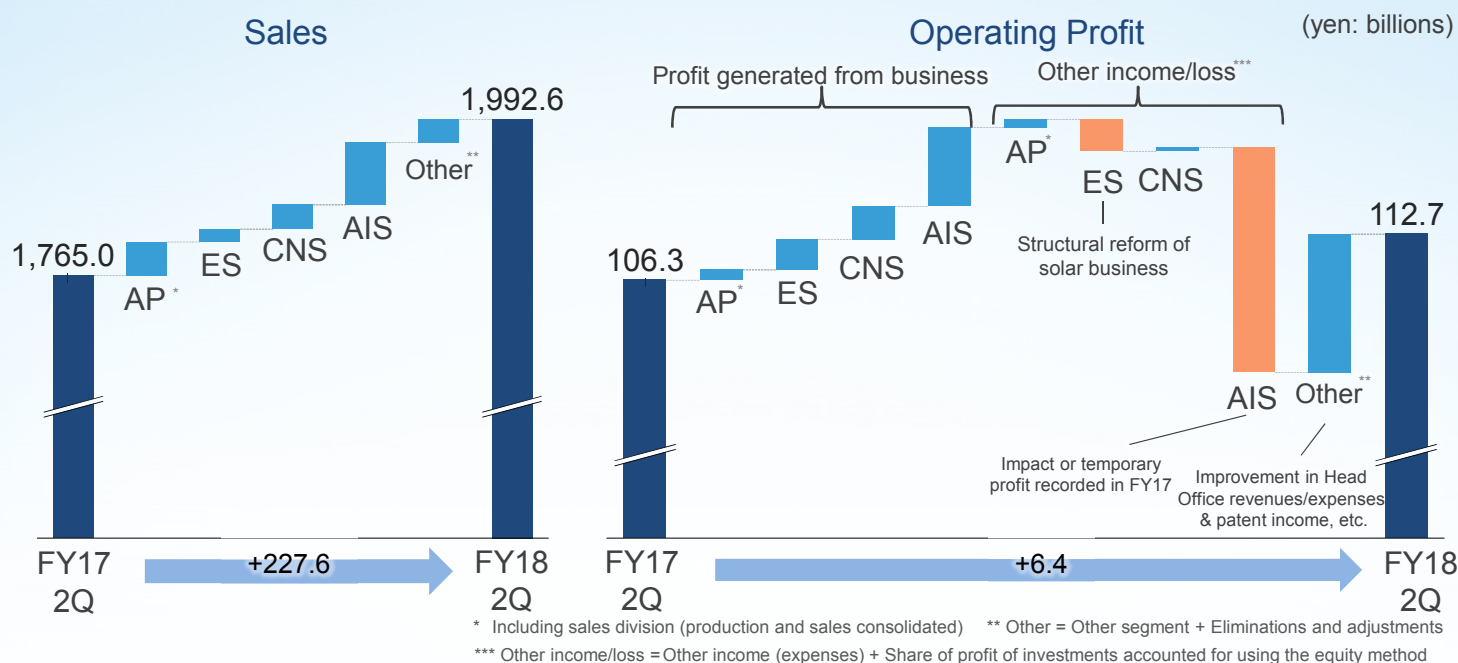
## FY18 2Q Results by Segment

(yen: billions)

	FY18 2Q				Reference: Included in Operating profit	
	Sales	vs. FY17 2Q	Operating profit	vs. FY17 2Q	Other income/loss	vs. FY17 2Q
Appliances	644.1	+34.0	27.7	+1.5	0.8	+1.2
Eco Solutions	396.1	+18.7	15.9	-0.3	-5.6	-4.5
Connected Solutions	282.5	+35.2	24.3	+5.2	-0.4	+0.5
Automotive & Industrial Systems	686.6	+91.1	20.8	-20.5	-5.0	-31.5
Other *	160.1	+10.7	3.6	-0.5	0.6	+0.4
Subtotal	2,169.4	+189.7	92.3	-14.6	-9.6	-33.9
Eliminations and adjustments	-176.8	+37.9	20.4	+21.0	-0.6	+4.6
Total	1,992.6	+227.6	112.7	+6.4	-10.2	-29.3
Appliances (production and sales consolidated)	691.3	+49.4	27.3	+2.6	0.7	+1.2

\* PanaHome is included in Other segment.

# Sales and Operating Profit Analysis by Segment



## Segment Information

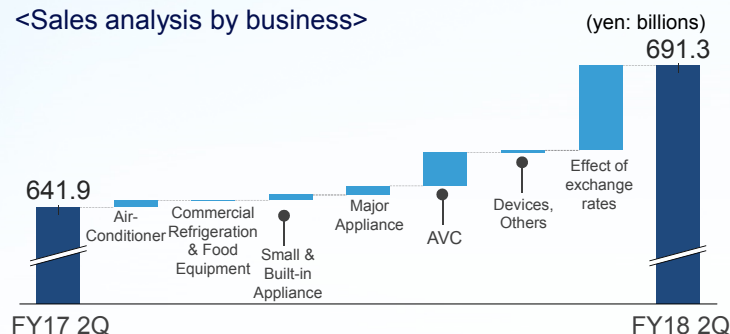
# Appliances (production & sales consolidated)

## <Overview>

	Sales	Operating profit	Other income/loss
FY18 2Q	691.3	27.3 3.9%	0.7
vs. FY17 2Q	+8% * (+3%)	+2.6	+1.2

\* Real terms excluding the effect of exchange rates

## <Sales analysis by business>



## <Sales\*>

\* Real terms excluding the effect of exchange rates

Air-Conditioner	Increased with sales expansion in China and Europe which offset the decrease in Asia.
Commercial Refrigeration & Food Equipment	Increased due mainly to sales expansion of showcases in Japan which offset a decrease caused by sluggish demand from North American customers.
Small & Built-in Appliance	Increased with stable sales of beauty care appliances in Japan, China and Europe, along with stable sales of cooking appliances in Japan and China.
Major Appliance	Achieved stable sales of refrigerators in Japan, Asia and China, along with stable sales of washing machines Asia.
AVC	Expanded TV sales in Asia. Sales of digital single-lens mirrorless cameras continued to be strong in Europe and North America.

## <Operating profit>

- Severe business environment continues mainly for Air-Conditioner and TVs due to raw material and component cost hikes.
- Increased overall profit due mainly to increased sales in white goods and digital single-lens mirrorless cameras, and a shift to high value-added products.

## Segment Information

# Eco Solutions

### <Overview>

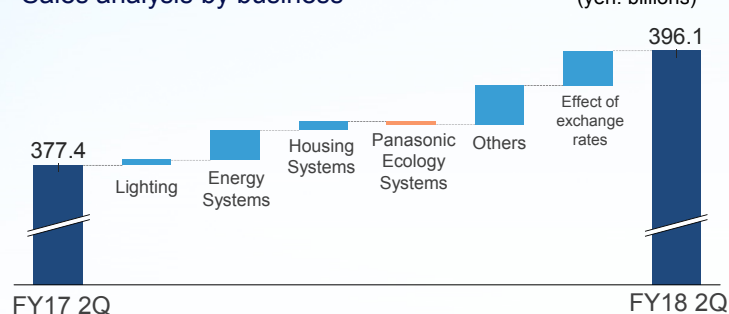
(yen: billions)

	Sales	Operating profit	Other income/loss
FY18 2Q	396.1	15.9 4.0%	-5.6
vs. FY17 2Q	+5% *(+3%)	-0.3	-4.5

\* Real terms excluding the effect of exchange rates

### <Sales analysis by business>

(yen: billions)



### <Sales\*>

\* Real terms excluding the effect of exchange rates

Lighting	Increased with stable lighting fixture business in China.
Energy Systems	Increased sales mainly with wiring devices in the electrical construction materials business for both domestic and overseas markets.
Housing Systems	Increased sales driven by water-related products business, including mid-to-high end modular kitchen and bath systems, and associated products.
Panasonic Ecology Systems	Decreased influenced by orders received in large-scale engineering business projects last year, despite sales increase in ventilation systems in Japan, and heat exchangers and bathroom dryer systems in China.
Others	Increased with stable businesses at Panasonic Cycle Technology Co., Ltd. and Panasonic AGE-FREE Co., Ltd. (elderly-care).

### <Operating profit>

- Decreased affected by business restructuring expenses.
- Operating profit generated from business has steadily improved, offsetting price declines and material cost hikes with sales expansion and strengthened rationalization efforts.

## Segment Information

# Connected Solutions

### <Overview>

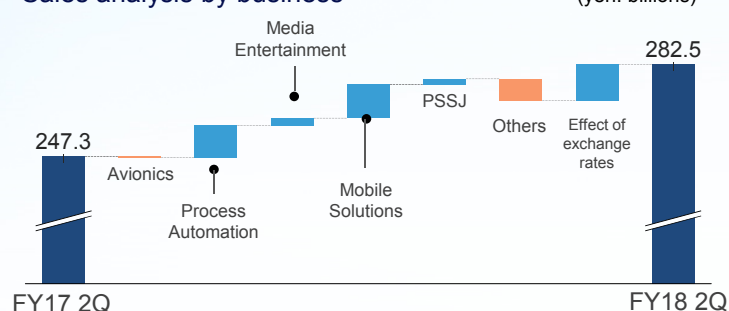
(yen: billions)

	Sales	Operating profit	Other income/loss
FY18 2Q	282.5	24.3 8.6%	-0.4
vs. FY17 2Q	+14% *(+9%)	+5.2	+0.5

\* Real terms excluding the effect of exchange rates

### <Sales analysis by business>

(yen: billions)



### <Sales\*>

\* Real terms excluding the effect of exchange rates

Avionics	Achieved same level as last year with strong communication, repair and maintenance businesses, despite weakened demand for inflight entertainment.
Process Automation	Increased due to favorable sales of electronic component mounting equipment mainly for the smartphone industry.
Media Entertainment	Increased due to sales expansion of high-brightness projector sales mainly in China.
Mobile Solutions	Increased due to new consolidation effect of Zetes in addition to favorable sales of notebook PCs and payment terminals for the Japanese market.
PSSJ **	Increased driven by system products for retail and logistics industries.

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

### <Operating profit>

- Achieved profit increase for the first time in 5 quarters with improved model mix in Media Entertainment in addition to sales expansion in Mobile Solutions and Process Automation and other businesses.



## Segment Information

# Automotive & Industrial Systems

### <Overview>

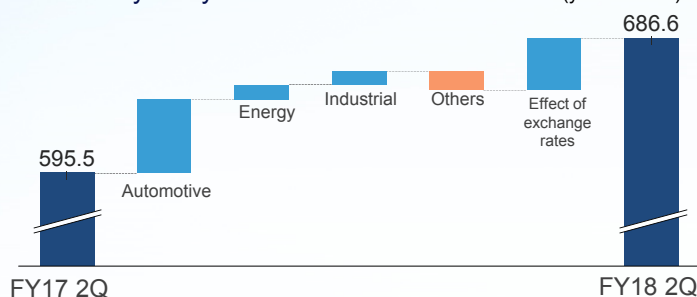
(yen: billions)

	Sales	Operating profit	Other income/loss
FY18 2Q	686.6	20.8 3.0%	-5.0
Vs. FY17 2Q	+15% * (+9%)	-20.5	-31.5

\* Real terms excluding the effect of exchange rates

### <Sales analysis by business>

(yen: billions)



### <Sales\*>

\* Real terms excluding the effect of exchange rates

Automotive	<ul style="list-style-type: none"> <li>Large increase in sales of infotainment systems including display audios for US and Chinese markets.</li> <li>The new consolidation of Ficosa contributed to sales.</li> </ul>
Energy	<ul style="list-style-type: none"> <li>Expanded sales of automotive batteries including both cylindrical and prismatic types.</li> <li>Decrease in sales of lithium-ion batteries for conventional use such as ICT.</li> </ul>
Industrial	<ul style="list-style-type: none"> <li>Automotive-use: Increased sales mainly in film condensers.</li> <li>Industrial-use: Increased sales mainly in motors, FA sensors and multi-layer circuit board materials.</li> </ul>

### <Operating profit>

- Decreased due to temporary profit recorded in FY17.
- Increased sales in automotive- and industrial-use devices, and automotive batteries contributed to an increase in profits generated from business.

## FY18 2Q TV and Six Large-Scale BDs

(yen: billions)

	FY18 2Q				Reference: Included in Operating profit	
	Sales	vs. FY17 2Q	Operating profit	vs. FY17 2Q	Other income/loss	vs. FY17 2Q
Air-Conditioner *	115.9	+6.8	4.8	+0.6	2.1	+2.7
Lighting	76.9	+2.5	5.8	+1.6	-0.5	-0.6
Housing Systems	92.8	+1.6	4.6	+1.9	0.5	+1.7
Automotive Infotainment Systems	141.6	+22.4	5.2	-0.7	0.0	+0.2
Rechargeable Battery **	99.6	+11.9	-3.5	-12.1	-0.1	-14.5
PanaHome	90.2	-2.8	3.5	-0.7	0.3	+0.3
TV *	84.9	+13.9	-0.8	-2.6	-1.3	-1.5

\* Including sales division (production & sales consolidated)

\*\* Rechargeable Battery BD + Tesla BU

## Revision of FY18 Forecast for TV and Six Large-Scale BDs

(As of October 31, 2017)

(yen: billions)

	FY18				Reference: Included in Operating profit	
	Sales	vs. original forecast	Operating profit	vs. original forecast	Other income/loss	vs. original forecast
Air-Conditioner *	494.5	-20.0	27.6	-3.1	+1.8	+2.3
Lighting	325.0	—	24.3	—	-1.0	—
Housing Systems	372.0	—	16.9	—	-0.1	—
Automotive Infotainment Systems	555.5	+40.0	27.0	—	0.0	—
Rechargeable Battery **	471.5	—	6.6	—	0.8	—
PanaHome	365.0	-5.0	11.7	-1.0	-0.3	—
TV *	324.9	+20.0	0.7	-2.5	-0.6	+0.5

\* Including sales division (production & sales consolidated)

\*\* Rechargeable Battery BD + Tesla BU

No changes to Company-wide or segment forecasts

## FY18 Full-year Forecast

(Announced on May 11, 2017)

(yen: billions)

	FY18 Forecast		Reference: 6M Results	
		vs. FY17		vs. FY17 6M
Sales	7,800.0	+456.3	3,857.9	+318.1
Operating profit	335.0	+58.2	196.6	+18.5
Other income/loss *	-50.0	+16.8	-6.1	-20.2
Profit before income taxes	325.0	+49.9	194.8	+13.7
Net profit attributable to Panasonic Corporation stockholders	160.0	+10.6	118.9	-14.6

\* Other income/loss = Other income (expenses) + Share of profit of investments accounted for using the equity method





# A Better Life, A Better World

## **Disclaimer Regarding Forward-Looking Statements**

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(Reference)

## FY18 Six-Month (Apr.-Sep.) Results

(yen: billions)

	FY18 6M	FY17 6M	vs. FY17 6M	
Sales	3,857.9	3,539.8	+9% (+6%)*	+318.1
Operating profit	196.6	178.1	+10%	+18.5
Other income/loss**	-6.1	14.1	-	-20.2
Non-operating income/loss	-1.8	3.0	-	-4.8
Profit before income taxes	194.8	181.1	+8%	+13.7
Net profit attributable to Panasonic Corporation stockholders	118.9	133.5	-11%	-14.6

Exchange rates	1 US dollar	111 yen	105 yen
	1 Euro	126 yen	118 yen
	1 Renminbi	16.4 yen	16.0 yen

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

\*\* Other income/loss = Other income (expenses) + Share of profit of investments accounted for using the equity method

(Reference)

## FY18 Six-Month (Apr.-Sep.) Operating Profit and Net Profit

(yen: billions)

	FY18 6M	FY17 6M	vs. FY17 6M
Operating profit	196.6	178.1	+18.5
Non-operating income/loss	-1.8	3.0	-4.8
Profit before income taxes	194.8	181.1	+13.7
Income taxes	-68.8	-36.2	-32.6
Net profit	126.0	144.9	-18.9
Net profit attributable to Panasonic Corporation stockholders	118.9	133.5	-14.6
Net profit attributable to non-controlling interests	7.1	11.4	-4.3

(Reference)

## FY18 Six-Month (Apr.-Sep.) Results by Segment

(yen: billions)

	FY18 6M				Reference: Included in Operating profit	
	Sales	vs. FY17 6M	Operating profit	vs. FY17 6M	Other income/loss	vs. FY17 6M
Appliances	1,327.4	+50.2	72.7	+3.2	1.2	+3.0
Eco Solutions	757.3	+30.7	21.3	-0.2	-5.8	-7.1
Connected Solutions	531.3	+34.1	40.4	+3.9	0.9	+0.7
Automotive & Industrial Systems	1,343.0	+165.2	38.5	-17.3	-4.8	-37.5
Other *	287.5	+12.8	2.2	+1.6	4.7	+5.1
Subtotal	4,246.5	+293.0	175.1	-8.8	-3.8	-35.8
Eliminations and adjustments	-388.6	+25.1	21.5	+27.3	-2.3	+15.6
Total	3,857.9	+318.1	196.6	+18.5	-6.1	-20.2
Appliances (production and sales consolidated)	1,419.8	+62.1	69.9	+4.0	1.1	+3.0

\* PanaHome is included in Other segment.

(Reference)

## FY18 Six-Month (Apr.-Sep.) TV and Six Large-Scale BDs

(yen: billions)

	FY18 6M				Reference: Included in Operating profit	
	Sales	vs. FY17 6M	Operating profit	vs. FY17 6M	Other income/loss	vs. FY17 6M
Air-Conditioner *	276.1	+12.0	21.3	-0.5	2.0	+3.0
Lighting	145.1	+3.7	8.0	+1.4	-0.4	-2.4
Housing Systems	181.7	+8.0	6.7	+2.5	0.3	+1.2
Automotive Infotainment Systems	270.2	+26.6	9.0	-2.9	0.1	+0.2
Rechargeable Battery **	194.1	+29.6	-8.4	-17.8	-0.9	-21.0
PanaHome	155.0	-7.3	-0.8	-2.3	0.1	+0.3
TV *	163.2	+15.6	0.7	-4.1	-0.6	-0.3

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

\*\* Rechargeable Battery BD + Tesla BU

(Reference)

## Segments and Business Divisions

### Appliances

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

### Connected Solutions

Panasonic Avionics Corporation  
Process Automation BD  
Media Entertainment BD  
Mobile Solutions BD  
Security Systems BD  
Panasonic System Solutions Japan Co., Ltd.

### Automotive & Industrial Systems

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

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

### Other

PanaHome Corporation

As of October 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, Husmann 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 October 31, 2017