

Fiscal 2020 Financial Results

May 18, 2020
Panasonic Corporation



Notes: 1. This is an English translation from the original presentation in Japanese.
2. In this presentation, "Fiscal 2020" or "FY20" refers to the year ended March 31, 2020.
In addition, "Fiscal 2021" or "FY21" refers to the year ending March 31, 2021.

- This presentation gives Panasonic's consolidated financial results for fiscal 2020 (FY20) ended March 31, 2020.

● Fiscal 2020 Financial Results

vs.
forecast

- **Results broadly in line with revised forecast** (as of April 27, 2020)

vs.
FY19

- **Overall sales decreased** due to impact from spread of novel coronavirus disease (COVID-19), in addition to business portfolio reform and weak investment demand in China
- **Adjusted operating profit decreased** with decreased sales despite steady progress such as reducing fixed costs
- **Operating profit and net profit* decreased** due mainly to business restructuring expenses
- **FCF improved significantly and ensured sufficient cash liquidity**

● Fiscal 2021 Forecast

- **To be disclosed when reasonable calculations are possible, considering the great uncertainty of COVID-19 impact**

* Net profit attributable to Panasonic Corporation stockholders

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Fiscal 2020 Financial Results

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- First, the summary of the financial results for FY20.
- FY20 results were broadly in line with the revised forecast announced on April 27.
- Overall sales decreased due to COVID-19 impact, in addition to business portfolio reform and weak investment demand in China.
- Adjusted operating profit decreased with decreased sales despite the steady progress of efforts such as fixed cost reduction.
- Operating profit and net profit decreased due mainly to business restructuring expenses.
- FCF improved significantly.
In addition, the Company ensured sufficient cash liquidity.
- The Company will disclose the FY21 forecast when reasonable calculations are possible, considering the great uncertainty caused by COVID-19 impact.

FY20 Full-Year Results

- **Sales:** Decreased due to COVID-19 impact in addition to business portfolio reform and weak investment demand in China
- **Adjusted operating profit:** Decreased due to decreased sales, despite steady progress such as fixed cost reduction
- **Operating profit and net profit:** Decreased due mainly to restructuring expenses

(yen: billions)	FY20	FY19	vs. FY19 / Difference		FY20 (e) (as of Apr. 27, 2020)	vs. FY20(e) Difference
Sales	7,490.6	8,002.7	-6% (-5%)*	-512.1	7,450.0	+40.6
Adjusted operating profit** (OPM)	286.7 (3.8%)	327.0 (4.1%)	-12%	-40.3	290.0 (3.9%)	-3.3
Other income/loss***	7.1	84.5	-	-77.4	10.0	-2.9
Operating profit (OPM)	293.8 (3.9%)	411.5 (5.1%)	-29%	-117.7	300.0 (4.0%)	-6.2
Non-operating income/loss	-2.7	5.0	-	-7.7	-10.0	+7.3
Profit before income taxes	291.1	416.5	-30%	-125.4	290.0	+1.1
Net profit attributable to Panasonic Corporation stockholders	225.7	284.1	-21%	-58.4	210.0	+15.7
ROE	11.5%	15.7%		-4.2%		
Dividends (year-end)	30 yen (15 yen)	30 yen (15 yen)	-	-		
Exchange rates	1 US dollar	109 yen		111 yen		
	1 Euro	121 yen		128 yen		
	1 Renminbi	15.6 yen		16.5 yen		

* In real terms excluding the effect of exchange rates
 ** Adjusted OP = Sales - Cost of sales - SG&A
 *** Other income/loss = Other income (expenses) + Share of profit of investments accounted for using the equity method

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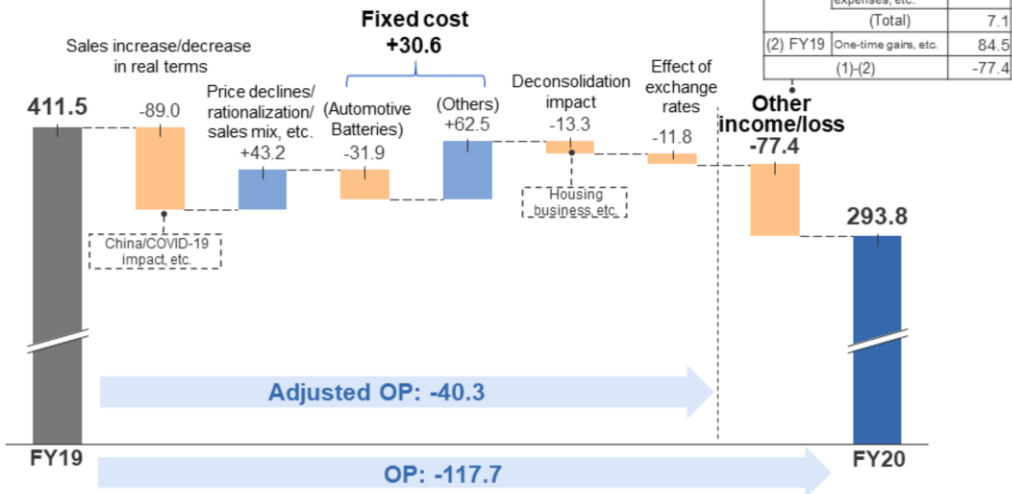
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- This shows the consolidated financial results for FY20.
- Overall sales decreased to 7,490.6 billion yen.
- Adjusted operating profit decreased to 286.7 billion yen.
- Operating profit decreased to 293.8 billion yen, due mainly to restructuring expenses.
- Net profit decreased to 225.7 billion yen, despite improvements in income taxes due to one-off effect resulting from the reorganization of subsidiaries.
- ROE was 11.5%, which decreased compared to the previous year, but achieved the level of above 10%.
- The annual dividend for FY20 is 30 yen, the same as the previous year.

FY20 Operating Profit Analysis

- **Adjusted OP:** Fixed cost reduction and others partially offset decreased sales due to factors including COVID-19 impact
- **Other income/loss:** Promoted business portfolio reform, recorded gains from business transfer and restructuring expenses

(yen: billions)



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- This slide shows our operating profit analysis.
- Decreased sales lowered profit by 89.0 billion yen. This was due mainly to weak capital investment demand in China, as well as COVID-19 impact.
- Rationalization and others led to an increase of 43.2 billion yen, mainly through efforts at the automotive cylindrical battery factory in North America.
- Fixed cost reduction improved operating profit by 30.6 billion yen, due mainly to efforts to enhance management structure by reducing various indirect costs and others, despite an increase in Automotive Batteries related to expanding production capacity.
- Deconsolidation impact of housing business and others was a decrease of 13.3 billion yen.
- Adjusted operating profit decreased by 40.3 billion yen overall, although efforts such as fixed cost reduction partially offset impact of decreased sales.
- Other income/loss decreased by 77.4 billion yen overall from the previous year. Major factors in FY20 include: 122.6 billion yen of gains from business transfer and 115.5 billion yen of restructuring expenses, etc., resulting from promoting business portfolio reform. These two factors nearly offset each other, but there was also a rebound impact from the one-time gains, etc. recorded in the previous year.
- As a result, overall operating profit decreased by 117.7 billion yen.

FY20 Results by Segment (Full-Year):											
Comparison with FY20(e) as of February 3, 2020, without factoring in COVID-19 impact											
<ul style="list-style-type: none"> Adjusted operating profit: COVID-19 mainly impacted Appliances and Connected Solutions Other income/loss: Increased gains from business transfer, etc. despite impairment loss and others affected by COVID-19 											
(yen: billions)	Sales	vs. FY19 (In real terms excl. effect of exchange rates)	vs. FY20(e)	Adjusted OP	vs. FY19	vs. FY20(e)	Other income/ loss	vs. FY19	vs. FY20(e)	OP	vs. FY19 vs. FY20(e)
Appliances	2,592.6	-6% (-4%)	-97.4	71.1	-12.5	-12.9	-15.4	-17.4	-7.9	55.7	-29.9 -20.8
Life Solutions	1,912.5	-6% (-6%)	-47.5	98.1	+8.2	-1.9	81.7	+107.0	+7.2	179.8	+115.2 +5.3
Connected Solutions	1,035.7	-8% (-6%)	-74.3	76.2	-23.7	-4.8	16.0	+21.5	-2.0	92.2	-2.2 -6.8
Automotive	1,482.4	-3% (-1%)	-27.6	-30.5	-18.7	+9.0	-16.1	-15.8	-11.6	-46.6	-34.5 -2.6
Industrial Solutions	1,282.7	-10% (-7%)	-17.3	37.6	-25.9	-2.4	-33.0	-38.1	-6.0	4.6	-64.0 -8.4
Other	295.4	-4%	-4.6	9.7	+5.7	+7.7	-2.1	+0.2	-0.1	7.6	+5.9 +7.6
Eliminations & adjustments	-1,110.7	-	+59.3	24.5	+26.6	-8.0	-24.0	-134.8	+27.5	0.5	-108.2 +19.5
Total	7,490.6	-6%	-209.4	286.7	-40.3	-13.3	7.1	-77.4	+7.1	293.8	-117.7 -6.2
Appliances (Production and sales consolidated)	2,649.3	-6% (-4%)	-110.7	68.2	-13.0	-15.8	-15.3	-17.3	-7.8	52.9	-30.3 -23.6
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- This slide shows FY20 results by segment.
- The chart shows the differences from FY19 results as well as differences from the revised FY20 forecast as of February 3, 2020. First, I will explain the figures by comparison to the FY20 forecast (as of February 3, 2020), which did not yet factor in COVID-19 impact.
- Adjusted operating profit was below forecast by 13.3 billion yen. While we further promoted our fixed cost reduction efforts, COVID-19 impact was felt mainly at Appliances and Connected Solutions.
- On the other hand, other income/loss was above forecast by 7.1 billion yen. This was due to increased gains from business transfer, despite an impairment loss related to the automotive business and other factors affected by COVID-19.

FY20 Sales and Operating Profit Analysis by Segment (Comparison with FY19)

Major increase/decrease factors

AP	Sales	Decreased overall due to decreased sales in Smart Life Network and COVID-19 impact, despite sales increase in air-conditioners
	OP	Decreased due to decreased sales in Smart Life Network, COVID-19 impact, restructuring expenses and others, despite profit increases with Home Appliances in Japan, as well as air-conditioners
LS	Sales	Decreased due mainly to deconsolidation impact of Panasonic Homes, etc., despite steady sales such as electrical construction materials and Housing Systems
	OP	Increased due to profit increase in housing-related businesses such as Housing Systems, along with recording gains from business transfer
CNS	Sales	Decreased due to decreased sales in Process Automation and Avionics, as well as COVID-19 impact on all businesses
	OP	Decreased due to decreased sales resulting mainly from COVID-19 impact, despite profit increases in Mobile Solutions and PSSJ*, as well as gains from business transfer
AM	Sales	Decreased due to investment effect of production expansion for Automotive Batteries being unable to offset decreased sales resulting from market slowdown, COVID-19 impact, and product cycle trend of Automotive Solutions
	OP	Decreased due mainly to increased fixed costs for automotive prismatic batteries, increased development expenses to onboard charging systems for orders received in Europe, and goodwill impairment, despite significantly improved profitability of automotive cylindrical batteries
IS	Sales	Decreased due mainly to trade friction between the U.S. and China, along with COVID-19 impact
	OP	Decreased due mainly to decreased sales and impairment loss of semiconductor business

Note: Names of each Segment are as follows;

AP: Appliances, LS: Life Solutions, CNS: Connected Solutions, AM: Automotive, IS: Industrial Solutions

* Panasonic System Solutions Japan Co., Ltd.

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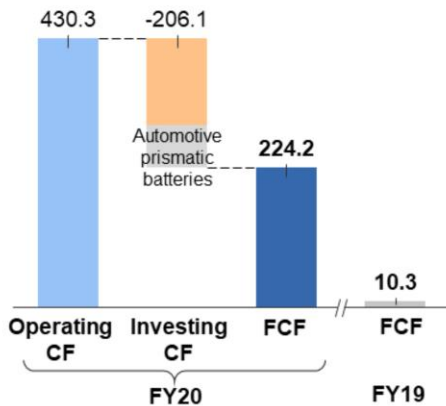
- Next, I will explain the major increase and decrease factors of sales and operating profit by segment, compared with FY19. For details, please refer to reference materials from page 16.
- For Appliances, sales decreased overall due to decreased sales in Smart Life Network and COVID-19 impact, despite sales increase in air-conditioners. Operating profit decreased due to decreased sales, restructuring expenses and others, despite profit increases with Home Appliances in Japan, as well as air-conditioners.
- For Life Solutions, sales decreased due mainly to deconsolidation impact of Panasonic Homes, etc., despite steady sales such as electrical construction materials including wiring devices and Housing Systems. Operating profit increased due to profit increase in housing-related businesses, along with recording gains from business transfer.
- For Connected Solutions, sales decreased due to decreased sales in Process Automation and Avionics, as well as COVID-19 impact on all businesses. Operating profit decreased due to decreased sales, despite profit increases in Mobile Solutions and PSSJ, as well as gains from business transfer.
- For Automotive, sales decreased due to investment effect of production expansion for Automotive Batteries being unable to offset decreased sales resulting from market slowdown, COVID-19 impact, and product cycle trend of Automotive Solutions. Operating profit decreased: The North America factory for automotive cylindrical batteries was profitable in the fourth quarter following the third quarter, thus significantly improved profitability. However, increased fixed costs for automotive prismatic batteries, increased development expenses to onboard charging systems for orders received in Europe, goodwill impairment and others led to decreased profit.
- For Industrial Solutions, sales and profit decreased due mainly to trade friction between the U.S. and China, along with COVID-19 impact. Impairment loss of semiconductor business and other factors led to decreased profit.

FCF and Cash

- **FCF: Improved significantly from FY19**

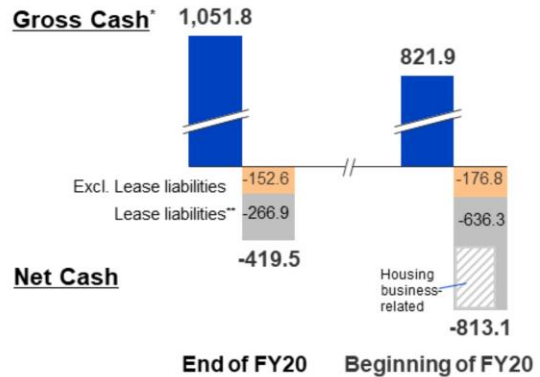
- Contributed by investment control and reduction of inventories, as well as business transfer and other factors

(yen: billions)



- **Cash: Ensured sufficient liquidity**

- **Gross cash:** Secured over 1 trillion yen. In addition, entered into commitment line agreements (total of 700.0 billion yen) to secure a means of stable financing
- **Net cash:** Improved significantly due to FCF improvement and reduction of lease liabilities through business reorganization



* Total of cash "cash and cash equivalents" and time deposits and others included in "other financial assets"
 ** Lease liabilities by applying IFRS 16

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- This slide shows the situation for FCF and cash.
- FCF was 224.2 billion yen, a significant improvement from the previous year.
- While we made upfront investment in automotive prismatic batteries, efforts such as thorough control of other capital investment and reduction of inventories contributed to this improvement, along with business transfer and other factors.
- The graph on the right describes our cash position.
- The Company ensures sufficient liquidity:
 Gross cash was secured over 1 trillion yen toward the end of FY20. While there was a repayment of straight bonds of 220.0 billion yen this March, improvement of FCF, as well as the issuance of bonds and other factors, contributed to this amount. In addition, the Company has entered into commitment line agreements of a total of 700.0 billion yen. During FY21, there will be no repayment of straight bonds.
- Net cash balance was -419.5 billion yen, a significant improvement from the beginning of FY20. This was contributed by the improvement of FCF, and the exclusion of lease liabilities related to housing business due to deconsolidation, as an example of promoting business portfolio reform.

Business Portfolio Reform Progress	
<ul style="list-style-type: none"> • Promoted Co-creation initiatives (automotive prismatic battery, town development, and security systems) • Set a firm direction for loss-making businesses including semiconductors, liquid crystal display panels, and solar 	
Enhance competitiveness through Co-creation	Automotive prismatic battery business - Established Prime Planet Energy & Solutions Inc., a joint venture with Toyota Motor Corporation (April 1, 2020)
	Town development business - Established Prime Life Technologies Corporation, a joint venture with Toyota Motor Corporation (January 7, 2020)
	Security systems business - Announced strategic co-investment with Polaris Capital Group Co., Ltd. (May 31, 2019). Completed reorganization (November, 2019)
Improve profitability	Semiconductor business - Announced transfer of semiconductor business (November 28, 2019). Scheduled to complete in June 2020. (subject to approval from relevant authorities) <u>*Announced transfer part of discrete semiconductor business (April 23, 2019). Completed end-November, 2019.</u>
	Liquid crystal display panel business - Announced end of production of liquid crystal display panels by 2021 (November 21, 2019)
	Solar business - Announced optimization of development & production capability (May 9, 2019). To be completed subject to approval from relevant authorities. - <u>Announced to wind down production in Buffalo, NY, USA. (February 26, 2020). Scheduled to cease production by the end of May 2020 and exit the facility by the end of September 2020.</u>
	TV business - Aim to eliminate losses during FY22 through structural reform. (Terminated TV production in Mexico at the end of July 2019)
	Lighting business - <u>Announced share transfer of European lighting device company (February 5, 2020).</u> <u>Transfer completed (late February 2020)</u>
Note: Changes after 3Q announcement are underlined	
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- This slide shows our progress made in business portfolio reform.
- During FY20, the Company promoted initiatives for co-creation with partners in such businesses as automotive prismatic batteries, town development, and security systems, to enhance competitiveness of each business.
- In terms of loss-making businesses, the Company has firmly set the direction to take for semiconductors, liquid crystal display panels, and solar.

■ Pursued steady execution of business portfolio reform

- Promoted co-creation
- Set the direction for loss-making businesses

■ Enhanced management structure

- Reduced fixed costs
- Improved cash flows

- This shows a review of FY20.
- There are two major points I'd like to make.
- First, we have pursued steady execution of our business portfolio reform. As explained in the previous slide, we have promoted co-creation, and made progress in setting the direction for loss-making businesses.
- Second, we enhanced our management structure. We have made efforts to reduce fixed costs and, at the same time, significantly improved free cash flows.
- While sales and profit decreased compared to the previous year due to decreased sales mainly affected by the weak market conditions in China and COVID-19 impact, we continued and accelerated our initiatives to overcome the low-profitability structure.

Outlook for FY2021

- Response to spread of COVID-19
- Factors affecting financial performance:
 - (1) COVID-19 impact on businesses (FY21 1Q)
 - (2) Initiatives to improve profitability

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- From the next slide, I will explain our outlook for FY21.
- First, our response to the spread of COVID-19.
- Second, factors affecting financial performance including COVID-19 impact.

Response to spread of COVID-19	
<p>Securing health and safety of various stakeholders (customers, business partners, employees and others)</p>	<p>■ In accordance with laws and policies in nations and regions, executing initiatives toward preventing further spread of disease as the highest priority</p> <p>[Initiatives]</p> <ul style="list-style-type: none"> ➢ Implementing basic policy of working from home as much as possible by employees who can. ➢ Taking measures to prevent infection in manufacturing fronts (in addition, taking thorough safety measures in case of outbreak)
<p>Contributing to society</p>	<p>■ Helping to solve social concerns by utilizing group resources, providing products and services as well as medical supplies, etc.</p> <p>[Initiatives]</p> <ul style="list-style-type: none"> ➢ [Japan] Providing supplies suitable for medical repurposing, production of face masks, and increasing battery production for medical equipment, etc. ➢ [Overseas] Providing supplies suitable for each nation's situations such as in China, Asia, Europe and the U.S. (Panasonic products including air-conditioners, Ziaino air purifier/sterilizers, etc., services, batteries for medical equipment, face masks, protective gears, resin materials, etc.)
<p>Business Continuity Planning (BCP)</p>	<p>■ Promoting countermeasures to fulfill the Company's social responsibilities</p> <p>[Initiatives]</p> <ul style="list-style-type: none"> ➢ Making best efforts to prevent spread of infection at factories while fulfilling a supplier's responsibility ➢ Taking initiatives to maintain and secure supply chain ➢ Ensuring liquidity in case of prolonging COVID-19 impact
<p>Panasonic Fiscal 2020 Financial Results 10</p>	

- In this slide, I will explain three aspects of the Panasonic Group's response to the spread of COVID-19.
- First, we will secure the health and safety of various stakeholders, including customers, business partners, employees, and others.
- In accordance with the laws and policies of the government in the nations or regions, the Company is taking initiatives toward preventing further spread of the disease as the highest priority, such as having employees work from home and taking infection-prevention measures at factories.
- Second, we will continue to contribute to society.
- The Company is mobilizing resources to help solve social concerns by providing products and services, as well as medical supplies, etc., according to the situation in each nation.
- Third is business continuity planning.
- With the aim of fulfilling its social responsibilities, the Company is taking measures for business continuity, from various perspectives including factory production, maintaining and securing supply chains, and ensuring cash liquidity in case or prolonging COVID-19 impact.

Factors Affecting Financial Performance: (1) COVID-19 Impact on Businesses (FY21 1Q)	
Demand: <u>Impact expanding beyond China due to weak market conditions of automobile and aviation industries, and restrictions on movements within various nations</u> Supply : <u>While supply chain issues in China are gradually being solved, impact of temporary factory suspensions, due to lockdowns in Asia, etc.</u>	
Changes after FY20 4Q are <u>underlined</u>	
AP	Demand: <u>Decreased mainly in Japan, Europe and Asia</u> , due to restrictions on movement and lockdowns, etc. Supply : Air-conditioners, TVs and others were impacted by <u>temporary suspension of factories in Malaysia, India, etc.</u>
LS	Demand: In Japan, major impact comes mainly from weak market conditions and postponed construction. <u>In overseas markets (e.g. India), demand decreased due to lockdowns</u> Supply : <u>Temporary suspension of factories in India, Malaysia and Mexico</u> impacted wiring devices and ventilating fans, etc.
CNS	Demand: Decreased by the impact of <u>weakening aviation and automobile industries</u> , as well as entertainment industry, resulting from event cancellations Supply : Impacted by <u>lower utilization at factories such as those in Asia</u> due to lockdowns and parts and components procurement issues
AM	Demand: <u>Sharp decrease impacted by customers temporarily suspending operations at factories in light of lockdowns and other concerns</u> Supply : <u>Sharp decline in demand impacted production and utilization for Automotive Solutions and cylindrical batteries</u> . Automotive Solutions also impacted by parts and components procurement issues
IS	Demand: <u>Decreased for automotive-usage</u> , while impact on industrial-usage was limited Supply : Motors and capacitors were impacted due to <u>temporary suspension of factories such as those in Asia</u> in light of lockdowns along with parts and components procurement issues
Note: Names of each Segment are as follows; AP: Appliances, LS: Life Solutions, CNS: Connected Solutions, AM: Automotive, IS: Industrial Solutions	
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- Next, I will explain the COVID-19 impact on our businesses during the first quarter, as possible factors affecting FY21 financial performance.
- In the press release dated April 27, we qualitatively explained the impact for the fourth quarter of FY20.
During the current first quarter of FY21, we are seeing some changes that are underlined on this slide.
- First, in terms of demand, which affects our sales.
During the fourth quarter of FY20, the impact was felt mostly in China. In the first quarter of FY21, the impact is expanding beyond China due to weak market conditions of automobile and aviation industries, and restrictions on movements within various nations.
- Second, in terms of supply, which affects our production.
While the supply chain issues in China seen in the fourth quarter are gradually being solved, the impact of temporary factory suspensions, due to lockdowns in Asia, etc. is starting to arise.
- The impact on each segment is shown on this slide.

■ Enhancement of management structure

- Fixed cost reduction
- Taking measures to businesses with loss-making structures

■ Achieve profitability with automotive business**■ Continue and accelerate business portfolio reform**

- Finally, this slide shows our initiatives to improve profitability, as possible factors affecting FY21 financial performance.
- During FY21, we will continue to enhance management structure, such as by reducing fixed costs and taking measures to loss-making businesses.
- For our automotive business, where there is an urgent need to turn profitable, we will make efforts to improve profitability such as by reducing development expenses at Automotive Solutions, as well as expanding sales and improving productivity of automotive cylindrical batteries.
- We will continue our steady execution of our business portfolio reform.
- While we anticipate further uncertainties in the management environment due mainly to the further spread of COVID-19, we will steadily promote these initiatives to overcome the low-profitability structure.

The Panasonic logo is centered within a large, empty rectangular frame. The logo itself is the word "Panasonic" in a bold, blue, sans-serif typeface.

- Thank you for your kind attention.

Disclaimer Regarding Forward-Looking Statements

This presentation includes forward-looking statements 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. 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; restrictions, costs or legal liability relating to laws and regulations or failures in internal controls; 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) FY20 Full-Year Operating Profit & Net Profit

(yen: billions)

	FY20	FY19	vs. FY19 Difference
Operating profit	293.8	411.5	-117.7
Non-operating income/loss	-2.7	5.0	-7.7
Profit before income taxes	291.1	416.5	-125.4
Income taxes	-51.1	-113.8	+62.7
Net profit	240.0	302.7	-62.7
Net profit attributable to Panasonic Corporation stockholders	225.7	284.1	-58.4
Net profit attributable to non-controlling interests	14.3	18.6	-4.3

(Reference) Segment Information

Appliances

(Production and sales consolidated)

Overview

(yen: billions)

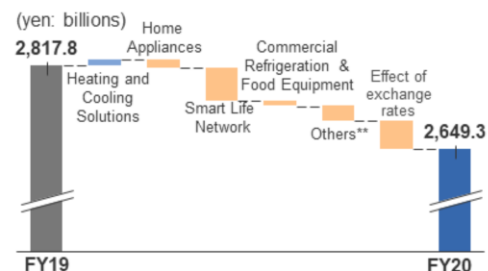
	FY20	vs. FY19/ Difference
Sales	2,649.3	-6% (-4%)*
Adjusted operating profit	68.2 (2.6%)	-13.0
Other income/loss	-15.3	-17.3
Operating profit	52.9 (2.0%)	-30.3

* In real terms excluding the effect of exchange rates

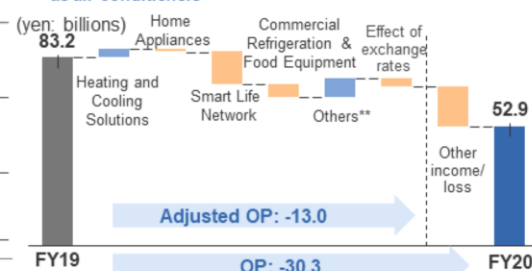
Major increase/decrease factors

Sales / Adjusted OP	Heating and Cooling Solutions	• Sales and profit increased due to stable growth in overseas room air-conditioners mainly in Asia and Europe, and stable sales of commercial air-conditioners in Japan.
	Home Appliances	• Sales and profit decreased due to sluggish overseas sales mainly in China and Asia as well as COVID-19 impact, despite stable sales of washing machines, refrigerators, and personal-care products in Japan
	Smart Life Network	• Sales and profit decreased due to sluggish sales of TVs / digital cameras mainly in Europe, despite stable sales of TVs in Japan
	Commercial Refrigeration & Food Equipment	• Sales and profit decreased due to sluggish sales of showcases for large-scale stores in Japan
Other income/loss		• Decreased due to restructuring expenses of TVs, drink vending machines and others

Sales: Decreased due to decreased sales in Smart Life Network and COVID-19 impact despite sales increase in air-conditioners



OP: Decreased due to decreased sales in Smart Life Network, COVID-19 impact, restructuring expenses and others despite profit increases with Home Appliances in Japan, as well as air-conditioners



** Refrigeration and Air-Conditioning Devices BD, Smart Energy System BD, sales of other Divisional Company products, headquarter-related, eliminations, etc.

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Overview

(yen: billions)

	FY20	vs. FY19/ Difference
Sales	1,912.5	-6% (-6%)*
Adjusted operating profit	98.1 (5.1%)	+8.2
Other income/loss	81.7	+107.0
Operating profit	179.8 (9.4%)	+115.2

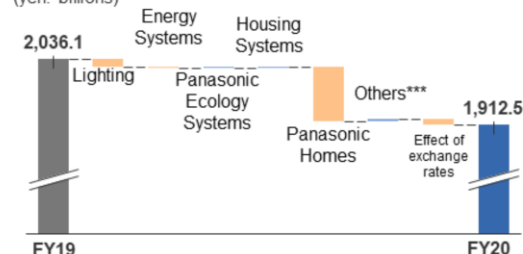
* In real terms excluding the effect of exchange rates

Major increase/decrease factors

Sales / Adjusted OP	Lighting	<ul style="list-style-type: none"> Sales and profit decreased due mainly to sluggish sales of devices in Europe and U.S. despite stable sales of lighting in Asia and Japan.
	Energy Systems	<ul style="list-style-type: none"> Sales decreased due to sluggish solar business, despite sales in wiring devices was the same level as previous year. Achieved profit increase due mainly to reduced fixed costs.
	Panasonic Ecology Systems	<ul style="list-style-type: none"> Sales and profit increased due to favorable sales in indoor air quality (IAQ) business such as ventilation systems, and environmental engineering business.
	Housing Systems	<ul style="list-style-type: none"> Sales and profit increased due to stable sales in building materials and water-related products
	Panasonic Homes	<ul style="list-style-type: none"> Despite deconsolidation impact from 4Q, both sales and profit continued to be favorable due mainly to prime contractor for home building until 3Q.
Other income/loss		<ul style="list-style-type: none"> Increased due to gains from housing-related business transfer and others.

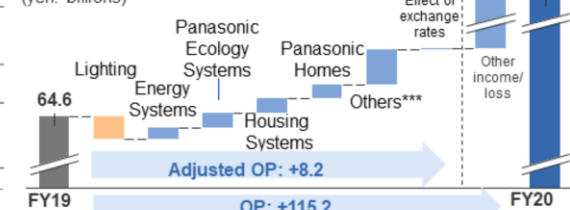
Sales: Decreased due mainly to deconsolidation impact of Panasonic Homes, etc., despite steady sales such as electrical construction materials** and Housing Systems

(yen: billions)



OP: Increased due to profit increase in housing-related businesses such as Housing Systems, along with recording gains from business transfer

(yen: billions)



** Electrical construction materials (e.g. wiring devices) do not include solar

*** Prime contractor business, bicycle, nursing-care, sales & marketing, eliminations, etc.

(Reference) Segment Information

Connected Solutions

Overview

(yen: billions)

	FY20	vs. FY19/ Difference
Sales	1,035.7	-8% (-6%)*
Adjusted operating profit	76.2 (7.4%)	-23.7
Other income/loss	16.0	+21.5
Operating profit	92.2 (8.9%)	-2.2

* In real terms, excluding the effect of exchange rates

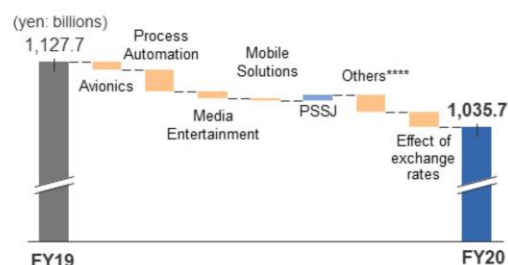
Major increase/decrease factors

Sales / Adjusted OP	Avionics	<ul style="list-style-type: none"> Sales and profit decreased due to sales decrease of IFEC** hardware resulting mainly from held-back investment in some airline companies
	Process Automation	<ul style="list-style-type: none"> Sales and profit decreased: <ul style="list-style-type: none"> - Capital investment stagnation resulting from trade friction between U.S. and China - Decreased sales in mounting machines due to held-back investment in automobile industry, in addition to COVID-19 impact
	Media Entertainment	<ul style="list-style-type: none"> Sales and profit decreased: <ul style="list-style-type: none"> - Fixed costs reduction efforts were unable to offset sales decrease in major products, such as projectors and production cameras
	Mobile Solutions	<ul style="list-style-type: none"> Sales decreased due to COVID-19 impact despite special demand with end of Windows 7 support leading to sales expansion of PCs in Japan Profit increased due mainly to fixed cost reductions
	PSSJ***	<ul style="list-style-type: none"> Sales and profit increased due to sales expansion of solution business arising from Olympic-related projects and PC replacement demand
	Other income/loss	<ul style="list-style-type: none"> Increased due to gains from security system business transfer and others

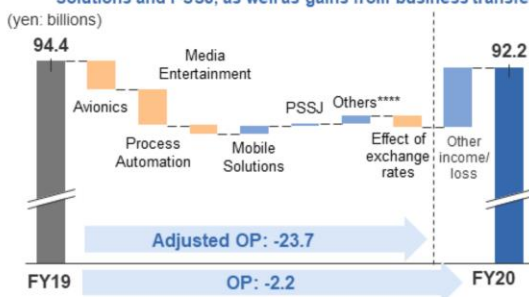
** IFEC (Infight entertainment and connectivity)

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

Sales: Decreased due to decreased sales in Process Automation and Avionics, as well as COVID-19 impact on all businesses



OP: Decreased due to decreased sales resulting mainly from impact of COVID-19, despite profit increases in Mobile Solutions and PSSJ, as well as gains from business transfer



**** Includes other businesses, eliminations and others

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(Reference) Segment Information

Automotive

Overview

(yen: billions)

	FY20	vs. FY19/ Difference
Sales	1,482.4	-3% (-1%)*
Adjusted operating profit	-30.5 (-2.1%)	-18.7
Other income/loss	-16.1	-15.8
Operating profit	-46.6 (-3.1%)	-34.5

* In real terms excluding effect of exchange rates

Major increase/decrease factors

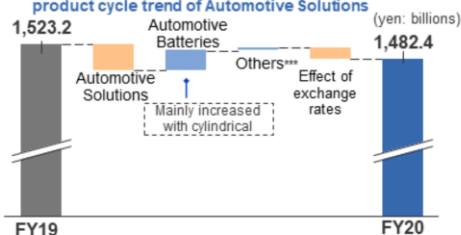
Sales / Adjusted OP	Automotive Solutions	<p>Sales:</p> <ul style="list-style-type: none"> Decreased: Despite expansion of growth-expected products (e.g. IVI**), sales decreased due to product cycle trend, deteriorating automobile market conditions mainly in China, and COVID-19 impact <p>Profit:</p> <ul style="list-style-type: none"> Development expenses (onboard charging systems for orders received in Europe) increased Decreased with decreased sales due mainly to product cycle trend, market slowdown and COVID-19 impact
	Automotive Batteries	<p>Sales:</p> <ul style="list-style-type: none"> Prismatic: Increased with investment effect of production expansion despite COVID-19 impact Cylindrical: Increased with investment effect of production expansion at North America factory offsetting sales decrease from Japan factory <p>Profit:</p> <ul style="list-style-type: none"> Prismatic: Decreased due mainly to increased fixed costs related to production start of high-capacity cells at Himeji Factory and other factors Cylindrical: Increased due to production expansion effect at North America factory, offsetting sales decrease impact from Japan factory (excl. automotive-use.) North America factory turned profitable for 2H.
Other income/loss		<ul style="list-style-type: none"> Goodwill impairment of FICOSA business and restructuring expenses for European business sites at Automotive Solutions, etc.

** IVI: In-Vehicle Infotainment

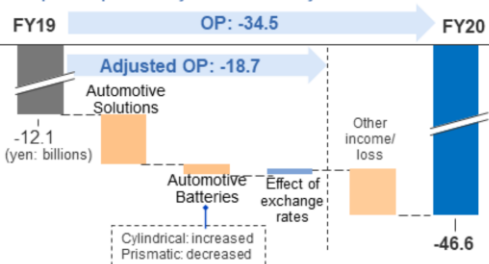
Note: Grouping of Businesses whose sales are disclosed

(Automotive Solutions) Automotive Infotainment Systems, HMI Systems, Automotive Systems, Ficosa (Automotive Batteries) Automotive Energy, Tesla Energy

Sales: Decreased due to investment effect of production expansion for Automotive Batteries being unable to offset decreased sales resulting from market slowdown, COVID-19 impact, and product cycle trend of Automotive Solutions



OP: Decreased due mainly to increased fixed costs for automotive prismatic batteries, increased development expenses to onboard charging systems for orders received in Europe, and goodwill impairment of FICOSA business, despite significantly improved profitability of automotive cylindrical batteries



Overview

(yen: billions)

	FY20	vs. FY19/ Difference
Sales	1,282.7	-10% (-7%)*
Adjusted operating profit	37.6 (2.9%)	-25.9
Other income/loss	-33.0	-38.1
Operating profit	4.6 (0.4%)	-64.0

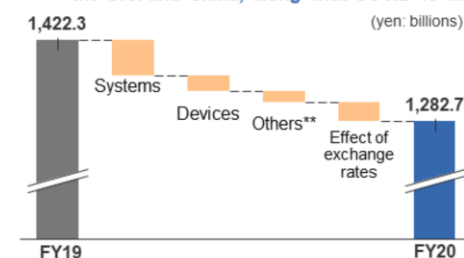
* In real terms excluding the effect of exchange rates

Major increase/decrease factors

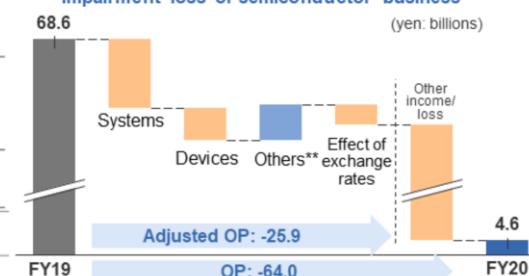
Sales / Adjusted OP	Systems	<ul style="list-style-type: none"> Sales and profit decreased due mainly to held-back capital investment in China and sluggish sales of FA sensors, motors and relays impacted by COVID-19, and shrinkage of rechargeable battery business for ICT-use, despite steady growth in automotive power supplies and storage battery systems for data centers
	Devices	<ul style="list-style-type: none"> Sales and profit decreased due to downturn in passive components (e.g. capacitors) mainly impacted by weak market conditions in China, despite steady expansion of circuit board materials for 5G infrastructure and automotive inductors
	Others	<ul style="list-style-type: none"> Profit improved due to contract alteration in semiconductor business despite decreased sales resulting from deteriorated market conditions
Other income/loss		<ul style="list-style-type: none"> Impairment loss related to decision on semiconductor business transfer, etc.

Note: Grouping of Businesses whose sales are disclosed
 [Systems] Electromechanical Control, Industrial Device, Energy Solutions
 [Devices] Device Solutions, Energy Device, Electronic Materials

Sales: Decreased due mainly to trade friction between the U.S. and China, along with COVID-19 impact



OP: Decreased due mainly to decreased sales and impairment loss of semiconductor business



** Includes semiconductor, LCD, sales of other Divisional Company products, eliminations, etc.

(Reference) Relevance of Portfolio Classification in Mid-term Strategy and Disclosed Segments (FY20)

Portfolio Classification	Business areas	Appliances	Life Solutions	Connected Solutions	Automotive	Industrial Solutions
Core growth business	Spatial Solutions	Heating and Cooling Solutions, Commercial Refrigeration & Food Equipment	Lighting, Energy Systems*, Panasonic Ecology Systems	Media Entertainment		
	Gemba Process			Avionics, Process Automation, Mobile Solutions, PSSJ		
	Industrial Solutions					Systems, Devices
Revitalization business	Automotive Solutions				Automotive Solutions	
	Automotive Batteries				Automotive Batteries	
Co-creation business	Consumer Electronics	Home Appliances, Smart Life Network				
	Housing		Housing Systems, Panasonic Homes			

* Does not include Solar business

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(Reference) Core Growth Business: FY20 Full-Year Results

Business area	(yen: billions)	
	FY20 results	vs. FY19
Spatial Solutions	Sales	1,920.5 -43.9
	Adjusted OP (Adjusted OPM)	113.8 (5.9%) -4.1
	EBITDA (EBITDA margin)	142.4 (7.4%) -22.6
Gemba Process	Sales	886.8 -69.7
	Adjusted OP (Adjusted OPM)	68.2 (7.7%) -19.4
	EBITDA (EBITDA margin)	86.8 (9.8%) -14.8
Industrial Solutions	Sales	972.3 -108.5
	Adjusted OP (Adjusted OPM)	52.2 (5.4%) -33.8
	EBITDA (EBITDA margin)	97.2 (10.0%) -53.8
Core growth business total	Sales	3,779.6 -222.1
	Adjusted OP (Adjusted OPM)	234.2 (6.2%) -57.4
	EBITDA (EBITDA margin)	326.5 (8.6%) -91.2

(Reference) List of Businesses whose sales are disclosed in FY20

	Businesses	Major Business Divisions	Sales Composition (Based on FY20 results)
AP	<ul style="list-style-type: none"> • Heating and Cooling Solutions • Home Appliances • Smart Life Network • Commercial Refrigeration & Food Equipment 	<ul style="list-style-type: none"> : Heating and Cooling Solutions BD : Kitchen Appliances BD, Laundry Systems and Vacuum Cleaner BD, Beauty and Personal Care BD : Smart Life Network BD : Cold Chain BD, Hussmann Corporation 	
LS	<ul style="list-style-type: none"> • Lighting • Energy Systems • Panasonic Ecology Systems • Housing Systems • Panasonic Homes 	<ul style="list-style-type: none"> : Lighting BD : Energy Systems BD : Panasonic Ecology Systems Co., Ltd. : Housing Systems BD : Panasonic Homes Co., Ltd. 	
CNS	<ul style="list-style-type: none"> • Avionics • Process Automation • Media Entertainment • Mobile Solutions • PSSJ 	<ul style="list-style-type: none"> : Panasonic Avionics Corporation, Avionics BU : Process Automation BD : Media Entertainment BD : Mobile Solutions BD : Panasonic System Solutions Japan Co., Ltd. 	
AM	<ul style="list-style-type: none"> • Automotive Solutions • Automotive Batteries 	<ul style="list-style-type: none"> : Automotive Infotainment Systems BD, HMI Systems BD, Automotive Systems BD, Ficosa International, S.A. : Automotive Energy BD, Tesla Energy BD 	
IS	<ul style="list-style-type: none"> • Systems • Devices 	<ul style="list-style-type: none"> : Electromechanical Control BD, Industrial Device BD, Energy Solutions BD : Device Solutions BD, Energy Device BD, Electronic Materials BD 	

Notes: 1. Sales and profit of China & Northeast Asia Company are mainly included in AP and LS segments.
Sales and profit of US Company are mainly included in AP and AM segments.
2. Panasonic Homes was deconsolidated in January 2020. 3. Sales composition is based on FY20 results.

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(Reference) List of Sub-segments (formerly Businesses whose sales are disclosed) in FY21

	Sub-segments	Major Business Divisions, etc.
AP	<ul style="list-style-type: none">• Heating and Cooling Solutions• Home Appliances• Smart Life Network• Commercial Refrigeration & Food Equipment• Others	<ul style="list-style-type: none">: Heating and Cooling Solutions BD: Kitchen Appliances BD, Laundry Systems and Vacuum Cleaner BD, Beauty and Personal Care BD: Smart Life Network BD: Cold Chain BD, Hussmann Corporation: Refrigeration and Air-Conditioning Devices BD, Smart Energy System BD, sales of other Divisional Company products, headquarter-related, eliminations, etc.
LS	<ul style="list-style-type: none">• Lighting• Energy Systems• Panasonic Ecology Systems• Housing Systems• Others	<ul style="list-style-type: none">: Lighting BD: Energy Systems BD: Panasonic Ecology Systems Co., Ltd.: Housing Systems BD: Bicycle, nursing-care, sales & marketing, eliminations, etc.
CNS	<ul style="list-style-type: none">• Avionics• Process Automation• Media Entertainment• Mobile Solutions• PSSJ• Others	<ul style="list-style-type: none">: Panasonic Avionics Corporation, Avionics BU: Process Automation BD: Media Entertainment BD: Mobile Solutions BD: Panasonic System Solutions Japan Co., Ltd.: Other businesses, eliminations, etc.
AM	<ul style="list-style-type: none">• Automotive Solutions• Automotive Batteries• Others	<ul style="list-style-type: none">: Automotive Infotainment Systems BD, HMI Systems BD, Automotive Systems BD, Ficosa International, S.A.: Tesla Energy BD, etc.: Sales of other Divisional Company products, etc.
IS	<ul style="list-style-type: none">• Systems• Devices• Others	<ul style="list-style-type: none">: Electromechanical Control BD, Industrial Device BD, Energy Solutions BD: Device Solutions BD, Energy Device BD, Electronic Materials BD: Semiconductor, LCD, sales of other Divisional Company products, eliminations, etc.
Other	<ul style="list-style-type: none">• Sales of raw materials, etc.	
Eliminations & adjustments	<ul style="list-style-type: none">• Revenues and expenses which are not attributable to any reportable segments for the purpose of evaluating operating results of each segment, consolidation adjustments, and eliminations of intersegment transactions.	
<p>Notes: 1. Sales and profit of China & Northeast Asia Company are mainly included in AP and LS segments. Sales and profit of US Company are mainly included in AP and AM segments. 2. Panasonic Homes was deconsolidated in January 2020. Automotive Energy BD was deconsolidated in April 2020. Share of profit of investments accounted for using the equity method for Prime Life Technologies Corporation and Prime Planet Energy & Solutions Inc. included in "Eliminations & adjustments" and "AM segment," respectively</p>		
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