

Fiscal 2021 Second Quarter Financial Results

October 29, 2020
Panasonic Corporation



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

- This presentation gives Panasonic's consolidated financial results for the second quarter of fiscal 2021 (FY21) ended September 30, 2020.

Summary of FY21 2Q Financial Results

- FY21 2Q Financial Results
 - **Overall sales decreased from same period last year**, similar to 1Q, but **noticeable recovery** from 1Q due to improvements mainly in Automotive and Appliances
 - **Profits in 2Q significantly improved** from 1Q by maintaining the level of fixed costs while sales recovered; moreover, **turned to an increase from same period last year**
 - **FCF significantly improved to a solid positive in 2Q** from the negative in 1Q, which was affected by COVID-19 impact
- FY21 Full-Year Forecast
 - **Company-wide and segment forecasts remain unchanged**
 - **Accelerate enhancement of management structure and promote capturing business opportunities**, in response to COVID-19 situation

- First, the summary of the consolidated financial results for the second quarter of FY21.
- Overall 2Q sales decreased from the same period last year, similar to 1Q, although there was noticeable recovery from 1Q due to improvement mainly in Automotive and Appliances.
- Profits in 2Q significantly improved from 1Q by maintaining the level of fixed costs while sales recovered; moreover, turned to an increase from the same period last year.
- FCF significantly improved to a solid positive in 2Q from the negative in 1Q, which was affected by COVID-19 impact.
- The full-year forecasts remain unchanged for both Company-wide and segment.
- The Company will accelerate enhancement of management structure, and promote capturing certain business opportunities arising from changes in society brought about by COVID-19.

FY21 2Q Financial Results

- **Sales:** Decreased due to deconsolidation impact in business portfolio reform and COVID-19 impact
- **Adjusted operating profit:** Increased due to steady progress in reducing fixed costs, despite impact of decreased sales
- **Operating profit and net profit:** Increased due to increased adjusted operating profit as well as improvement in other income/loss

(yen: billions)	FY21 2Q	FY20 2Q	vs. FY20 / Difference	
Sales	1,667.3	1,953.3	Excl. effect of exchange rates Excl. effect of exchange rates & deconsolidation impact	-15% (-15%) (-8%) -286.0 (-284.2) (-153.8)
Adjusted operating profit* (Adjusted OPM)	95.0 (5.7%)	94.1 (4.8%)		+1% +0.9
Other income/loss**	-2.2	-10.2		- +8.0
Operating profit (OPM)	92.8 (5.6%)	83.9 (4.3%)		+11% +8.9
Non-operating income/loss	-2.7	-2.2		- -0.5
Profit before income taxes	90.1	81.7		+10% +8.4
Net profit attributable to Panasonic Corporation stockholders	58.7	51.1		+15% +7.6
Exchange Rates	1 US dollar	106 yen	107 yen	
	1 Euro	124 yen	119 yen	
	1 Renminbi	15.4 yen	15.3 yen	

* 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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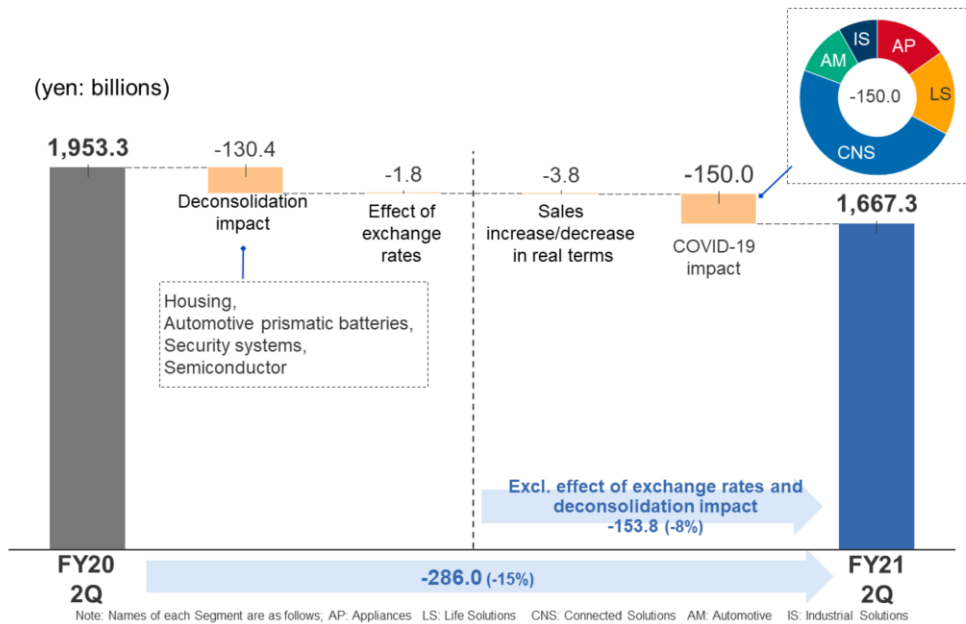
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- This shows the consolidated financial results for the second quarter of FY21.
- Overall sales decreased to 1,667.3 billion yen, due to the deconsolidation impact as well as COVID-19 impact.
- Adjusted operating profit increased due to steady progress in reducing fixed costs, despite the impact of decreased sales.
- Operating profit and net profit increased due to increased adjusted operating profit as well as improvement in other income/loss.

FY21 2Q Sales Analysis

- Decreased due to deconsolidation impact in business portfolio reform and COVID-19 impact



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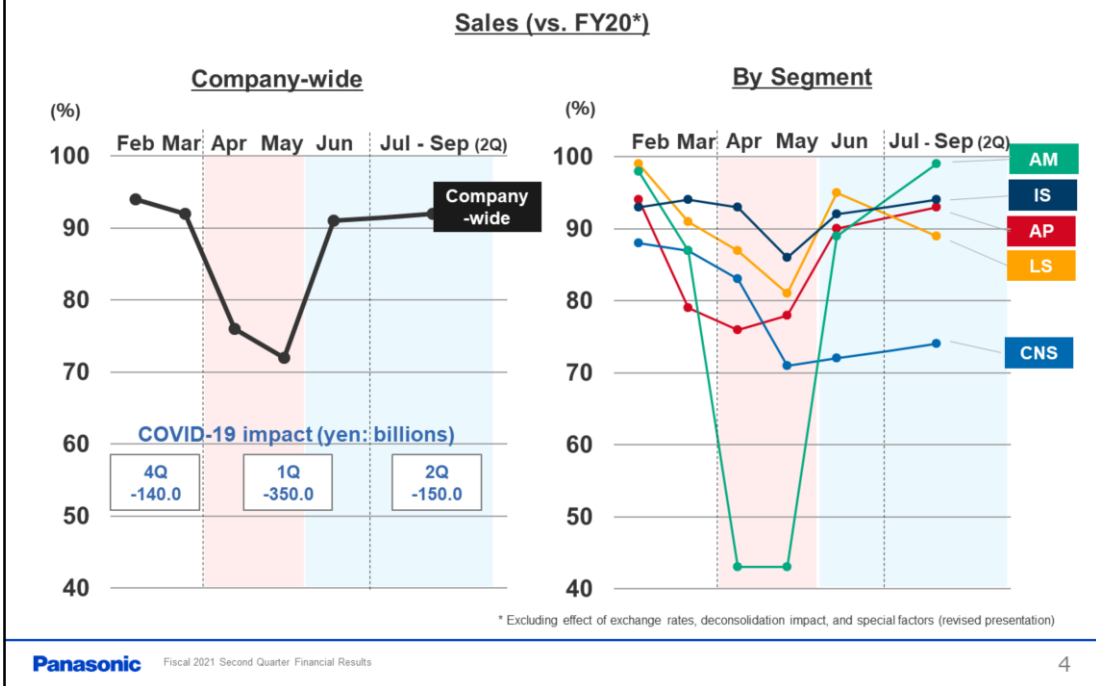
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- This slide shows our sales analysis.
- Overall sales decreased by 286.0 billion yen (-15%).
Excluding the effect of exchange rates and the deconsolidation impact, sales decreased by 153.8 billion yen (-8%).
- Of which, the COVID-19 impact was a decrease factor of 150.0 billion yen. Approximately half of this impact came from Connected Solutions, which includes Avionics.

Sales trends after spread of COVID-19 (vs. FY20)

• Company-wide COVID-19 impact expanded from April, but recovered to above 90% of FY20 since June

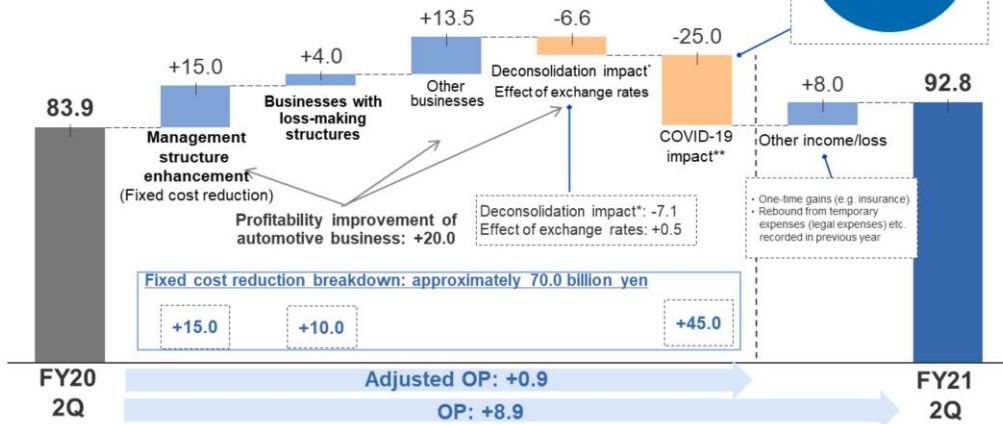


- Next, I will explain the sales trends after the spread of COVID-19.
- The graph on the left shows the trend for Company-wide sales vs. FY20.
- Company-wide COVID-19 impact expanded from April, 2020. However, sales recovered to above 90% in June and also, in 2Q.
- The graph on the right shows the trend for sales by segment. COVID-19 impact was seen mainly in Automotive, Appliances and Connected Solutions.
- In Automotive, sales halved during April and May. However, sales sharply recovered due to increased production by our automobile manufacturer customers.
- Also, in Appliances, sales was heavily impacted until May due mainly to restrictions of movement and impact of lockdown. After lifted restrictions, the recovery trend is continuing.
- On the other hand, in Connected Solutions, Avionics has been impacted by sharply reduced flight operations and significantly decreased aircraft production. Therefore, overall sales in Connected Solutions continues to face a severe situation, at below 80% of the same period last year.

FY21 2Q Operating Profit Analysis

- Adjusted operating profit increased mainly by enhancing management structure, offsetting COVID-19 impact
- Operating profit increased due to increased adjusted operating profit as well as improved other income/loss

(yen: billions)



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- This slide shows our operating profit analysis.
- Adjusted operating profit increased by 0.9 billion yen. This is due mainly to efforts in management structure enhancement which offset the COVID-19 impact.
- Mid-term strategy initiatives of profitability improvement are showing steady progress following 1Q.
- For example, management structure enhancement was an increase factor of 15.0 billion yen, and taking measures to businesses with loss-making structures was another increase factor of 4.0 billion yen.
- As for the initiatives to improve profitability of automotive business, we achieved 20.0 billion yen.
- On the other hand, the COVID-19 impact was a decrease factor of 25.0 billion yen. Connected Solutions accounted for a large portion of the impact.
- Regarding fixed-cost reduction, we achieved approximately 70.0 billion yen Company-wide in 2Q.
The Company has been enhancing fixed-cost reduction efforts as countermeasures to the impact of decreased sales caused by COVID-19.
The breakdown of reduced fixed costs is shown on this chart in the blue box.
- Overall operating profit increased by 8.9 billion yen from last year, due to the increased adjusted operating profit, as well as another increase factor of improvement in other income/loss.

FY21 2Q Results by Segment

(yen: billions)	Sales	vs. FY20 (in real terms excl. effect of exchange rate)	vs. FY20 Difference	Adjusted OP	vs. FY20 Difference	Other income/ loss	vs. FY20 Difference	OP	vs. FY20 Difference
Appliances	636.4	-7% (-7%)	-49.8	35.7	+12.7	0.1	+0.2	35.8	+12.9
Life Solutions	370.4	-30% (-30%)*	-161.3	20.4	-13.0	-4.6	+0.3	15.8	-12.7
Connected Solutions	191.3	-27% (-28%)	-72.1	-1.5	-24.1	0.2	+0.2	-1.3	-23.9
Automotive	358.5	-3% (-3%)	-11.3	9.8	+22.4	-4.7	-4.6	5.1	+17.8
Industrial Solutions	307.9	-7% (-7%)	-22.9	17.0	+2.7	0.8	+3.9	17.8	+6.6
Other	53.5	-6%	-3.6	1.1	-0.4	-0.6	-0.1	0.5	-0.5
Eliminations & adjustments	-250.7	-	+35.0	12.5	+0.6	6.6	+8.1	19.1	+8.7
Total	1,667.3	-15% (-15%)	-286.0	95.0	+0.9	-2.2	+8.0	92.8	+8.9
Appliances (Production and sales consolidated)	646.4	-8% (-8%)	-52.6	35.1	+14.1	0.0	+0.2	35.1	+14.3

* vs. FY20 excluding the effect of exchange rates and deconsolidation impact: -11%

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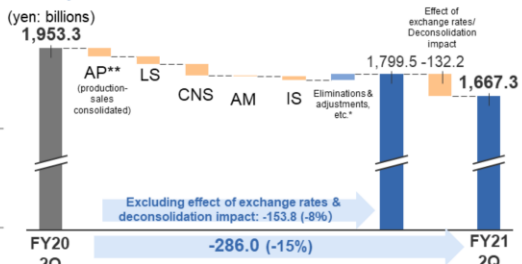
- This slide shows the results by segment.
- I will explain the details from the next slide.

FY21 2Q Sales and Profit Analysis by Segment

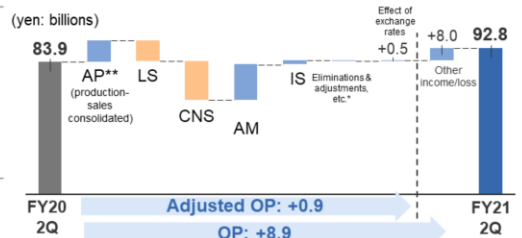
Major increase/decrease factors

Sales / Adjusted OP	AP	<p>Sales decreased due to continuing impact from COVID-19 mainly in Smart Life Network and B2B, despite recovery seen in regions such as Japan</p> <p>Profit increased due mainly to increased sales of refrigerators, air-conditioners in Europe, along with cost-control efforts (e.g. sales promotion expenses, fixed costs), despite decreased sales by COVID-19 impact</p>
	LS	<p>Sales decreased due to continuing market deterioration from COVID-19 impact, despite stable air-quality related businesses</p> <p>Profit decreased: Impacted by decreased sales, etc., despite thorough efforts to reduce fixed costs</p>
	CNS	<p>Sales decreased: Favorable mounting machine sales in China was unable to offset decreased sales in Avionics</p> <p>Profit decreased largely: Efforts to improve costs such as thorough fixed-cost reduction, were unable to offset impact of decreased sales</p>
	AM	<p>Sales decreased slightly overall: Increased in Automotive Batteries. However, decreased in Automotive Solutions due to decreased sales of display audio, etc., while sales grew in IVI*</p> <p>Profit increased due mainly to fixed-cost reductions in Automotive Solutions, along with rationalization efforts at automotive battery factory in North America. Achieved profitability for overall automotive cylindrical battery business</p>
	IS	<p>Sales decreased due to decreased sales for automotive-use products, despite favorable sales for information- and communication-infrastructure</p> <p>Profit increased due mainly to efforts to reduce fixed costs, despite decreased sales</p>
	Other income/loss	Temporary income including insurance reimbursement, and rebound from temporary expenses (e.g. legal expenses) in previous year

Sales: Decreased at all segments due mainly to COVID-19 impact



OP: LS and CNS decreased, but AP and AM turned to increase, and IS continued its increase following 1Q



* IVI: In Vehicle Infotainment

** Difference between "AP (production and sales consolidated)" and segment information is adjusted in "eliminations and adjustments"

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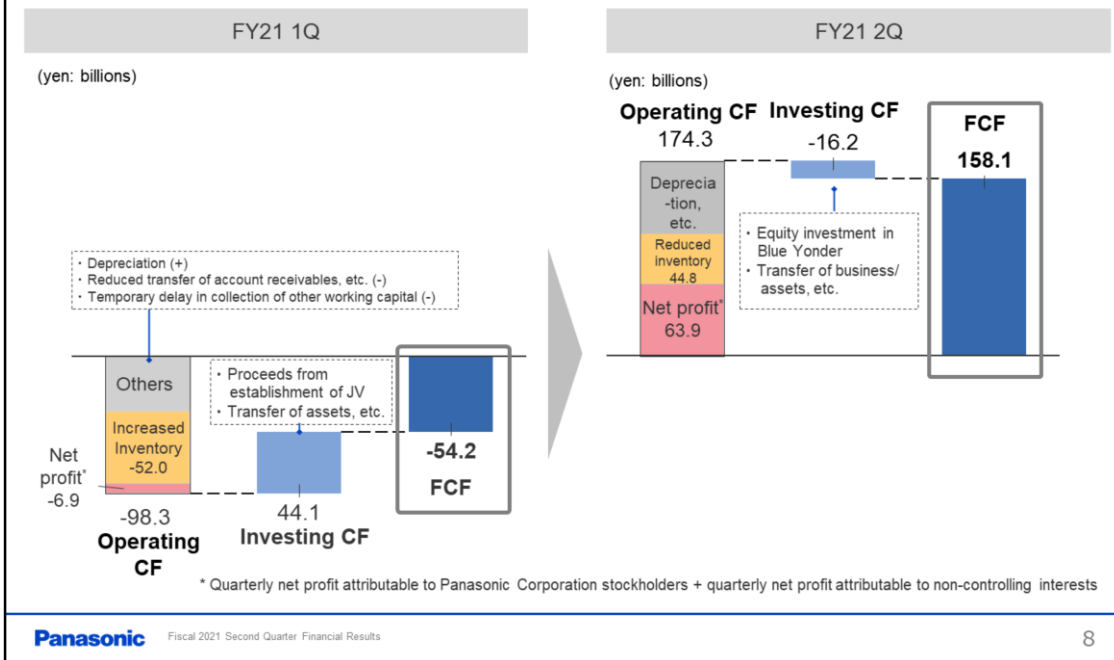
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- This slide shows major increase/decrease factors by segment.
- Sales decreased at all segments.
- For adjusted operating profit, Life Solutions and Connected Solutions decreased, Appliances and Automotive turned to an increase this 2Q, and Industrial Solutions continued to increase following 1Q.
- In Appliances, sales decreased due to COVID-19 impact, despite recovery trends seen in regions such as Japan.
Profit increased due to increased sales of refrigerators, air-conditioners in Europe, along with efforts to control costs such as reduction of sales promotion expenses, offsetting the impact of decreased sales caused by COVID-19.
- In Life Solutions, sales decreased due to the decline in new housing starts, despite stable air-quality related businesses.
Profit decreased due to decreased sales, despite thorough efforts to reduce fixed costs.
- In Connected Solutions, sales decreased. Favorable mounting machine sales in China was unable to offset decreased sales in Avionics.
Profit decreased largely despite efforts to improve costs such as thorough fixed-cost reduction.
- In Automotive, sales decreased slightly overall. Sales increased in Automotive Batteries. However, sales decreased in Automotive Solutions due to decreased sales of display audio, etc., while steadily progressing in product portfolio replacement such as sales growth of IVI, where we focus our resources.
Profit increased due mainly to fixed-cost reduction efforts in Automotive Solutions, along with rationalization efforts at automotive battery factory in North America. Automotive segment achieved profitability overall, as well as for the automotive cylindrical battery business. We will further promote technological development of higher-capacity batteries, leveraging our maximum strengths, to enhance competitiveness of this business.
- In Industrial Solutions, sales decreased due to decreased sales for automotive-use products, despite sales for information- and communication-infrastructure continued to be favorable.
Profit increased due mainly to efforts to reduce fixed costs, despite decreased sales.
- As a result, Company-wide sales, in real terms excluding the effect of exchange rates and deconsolidation impact, decreased largely by 153.8 billion yen. However, adjusted operating profit increased by 0.9 billion yen and operating profit increased by 8.9 billion yen.

FY21 2Q FCF (vs. 1Q)

- **FCF significantly improved to a solid positive, with net profit turning positive along with solving issues such as increased inventories due to COVID-19 impact**



- Next, I will explain the situation of FCF.
- In 1Q, FCF was negative 54.2 billion yen.
However, in 2Q, FCF turned positive, and improved to a solid positive of 158.1 billion yen.
- This is mainly contributed by operating cash flow turning significantly positive, with net profit turning positive, along with solving issues such as temporarily increased inventories caused by COVID-19 impact.
- For the first half of FY21, FCF was 103.9 billion yen, exceeding net profit of 48.9 billion yen.
In the second half of FY21, the Company continues to aim for FCF above the level of net profit.

- **COVID-19 impact** (changes from 1Q results announcement)
- **Progress in key initiatives:**
 - Capturing business opportunities in response to COVID-19

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- From the next slide, I will explain the situation of COVID-19 impact in FY21 and the progress in key initiatives in response to COVID-19.

FY21 COVID-19 impact (Changes from 1Q results announcement on July 30, 2020)						
<ul style="list-style-type: none"> Sales: Company-wide unchanged, while expecting some fluctuations by business in 2H, similar to 2Q Adjusted OP: Improved in 2Q, expecting to slightly deteriorate in 2H. Unchanged for full-year. 						
<Sales> (COVID-19 impact)		COVID-19 impact on sales* (%)				
	Nature of COVID-19 impact Major changes after 1Q results announcement are underlined	1Q	2Q		2H	
		Results	Forecast as of Jul. 30	Results	Forecast as of Jul. 30	Forecast as of Oct. 29
Company-wide	<ul style="list-style-type: none"> Market recovery to continue according to lifting restrictions on movement and resumption of economic activity in each nation Supply chain issues were solved. Not expecting another major outbreak of COVID-19 	-20%	-10 to -5%	-10 to -5%	-5 to -3%	-5 to -3%
AP	<ul style="list-style-type: none"> Recovery in air-conditioning, etc. in Europe and Asia was faster than expected as of 1Q. However, impact expected to prolong in Latin America and India. For consumer electronics in Japan, recovery trend continues, and demand related to stay-at-home and infection-prevention needs are factored in. Negative impact from continuing lower demand by overseas visitors and for non-daily-necessity products expected. Slower recovery of B2B demand continues. 	-20 to -10%	-10 to -5%	-5 to -3%	-3 to 0%	-3 to 0%
LS	<ul style="list-style-type: none"> Overseas: Despite resuming economic activity due mainly to lifted restrictions in each nation, large-scale slowdown in growth is expected. Japan: Due to held-back investment, declines in new residential and non-residential construction starts will continue throughout FY21, and the renewal market is also expected to remain weak. 	-20 to -10%	-10 to -5%	-10 to -5%	-10 to -5%	-10 to -5%
CNS	<ul style="list-style-type: none"> RPK** index for FY21 expected to decline by 66% from FY20 (worsened from 50% as of 1Q) Chinese domestic demand shows recovery, but full-scale recovery in Europe is slower than expected Information- and communication-infrastructure demand shows growth trends due mainly to working remotely becoming much more common. 	-30 to -20%	-20 to -10%	-30 to -20%	-10 to -5%	-15 to -10%
AM	<ul style="list-style-type: none"> After hitting bottom in 1Q, impact expected to remain in 2H. However, recovery trend seen in U.S. and Japan in addition to China (recovery earlier than 1Q assumption) 	-50 to -40%	-20 to -10%	-5 to -3%	-5 to -3%	-5 to -3%
IS	<ul style="list-style-type: none"> For automobile production, recovery trend seen after hitting bottom in 1Q, and automotive components demand also shows improving trend (recovery earlier than 1Q assumption) Higher level of demand for notebook PC and information- and communication-infrastructure continues with working/learning remotely becoming much more common Steady demand continues for semiconductor production equipment, but global demand for machine tools is weaker, despite continuing recovery in China. 	-10 to -5%	-5 to -3%	-5 to -3%	-3 to 0%	-3 to 0%
<small>* COVID-19 impact on FY21 sales compared to FY21 sales excluding COVID-19 impact ** RPK: Revenue Passenger Kilometers – Number of revenue passengers multiplied by haul distance (km)</small>						
<Adjusted OP> (COVID-19 impact)		1Q Results	2Q Forecast (as of Jul. 30)	2Q Results	2H Forecast (as of Jul. 30)	2H Forecast (as of Oct. 29)
		(yen: billions)				

- First, the situation of COVID-19 impact in FY21, mainly the changes from the initial assumption as of the 1Q results announcement.
- As for the impact to sales, Company-wide results for 2Q were broadly in line with the initial assumption of 1Q, while there were some fluctuations depending on businesses.
For 2H, the assumption remains unchanged from the initial assumption of 1Q for Company-wide, while some fluctuations are expected depending on businesses.
- By segment, in Appliances and Automotive, earlier-than-expected recoveries were seen in 2Q compared to our initial assumption of 1Q. On the other hand, in Connected Solutions, the situation became severe in 2Q, and is expected to continue in 2H, due to worse-than-expected deterioration of air-passenger demand.
- As for the impact to profit, Company-wide results for 2Q were better than the initial assumption of 1Q. For 2H, the impact is expected to slightly worsen. Therefore, our assumption for the full-year remains unchanged from the initial assumption of 1Q.

Progress in key initiatives for FY21		
Mid-term Strategy	Enhancement of management structure	<ul style="list-style-type: none"> • Steady progress toward profit contribution <ul style="list-style-type: none"> - Fixed cost reduction: 1H results: 24.0 billion yen (Full-year target: 30.0 billion yen) - Measures to businesses with loss-making structures 1H results: 12.0 billion yen* (Full-year target: 15.0 billion yen*)
	Improve profitability of automotive business	<ul style="list-style-type: none"> • Steady progress by focusing on areas where we have advantages and improving productivity <ul style="list-style-type: none"> - 1H results: 28.0 billion yen* (Full-year target: 35.0 billion yen*)
	Business portfolio reform	<ul style="list-style-type: none"> • Execution of specific measures <ul style="list-style-type: none"> - Investment for growth: Executed strategic investment in Blue Yonder (Jul. 20, '20) - Enhance competitiveness through co-creation: Established automotive prismatic battery JV (Apr. 1, '20) - Improve profitability: Completed transfer of semiconductor business (Sep. 1, '20) Completed withdrawal from Buffalo factory in solar business (end Sep. '20)
In response to COVID-19	Respond to negative impact on business	<ul style="list-style-type: none"> • Fixed-cost reduction from last year of approximately 70.0 billion yen in both 1Q and 2Q • Execute structural reform in avionics business, which faces significant impact
	Capture business opportunities	<ul style="list-style-type: none"> • Expand and strengthen products with rising demand due to COVID-19. Promote measures to expand production capacity
* Excluding COVID-19 impact & adjusted OP-basis (vs. FY20)		
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- This slide shows the progress in key initiatives for FY21 explained at 1Q results announcement.
- First, we made steady progress in management structure enhancement and improvement in profitability of automotive business, which was included in Mid-term strategy.
We will accelerate our initiatives in 2H, aiming to achieve results above full-year target.
- With regard to business portfolio reform, the Company continues to execute specific measures for: investment for growth, enhance competitiveness through co-creation, and improve profitability, as shown in this slide.
- With regard to initiatives in response to COVID-19, we are undertaking thorough fixed-cost reduction initiatives Company-wide as countermeasures to the negative impact. The Company reduced approximately 70.0 billion yen from last year in both 1Q and 2Q.
- In addition, the Company executed structural reform, particularly in the businesses heavily affected by COVID-19.
- At the same time, the Company promotes capturing business opportunities, which will be explained in the next slide.

Capture business opportunities in response to COVID-19

- Expand and strengthen products with rising demand brought about by COVID-19, and expand production capacity

Increasing demand related to public hygiene/air-conditioning and indoor air quality

- Expand line-up and promote products with “nanoe-X” (air-conditioners, air purifiers, washing machines, refrigerators, etc.)
- Measures to expand production capacity of “Ziaino”*



Ziaino

* Spatial sterilizing/deodorizing equipment using sodium hypochlorite

Expanding EV demand supported by green recovery plans, etc.

- Further technological development for higher-capacity of automotive cylindrical batteries, etc.



Automotive cylindrical batteries

Expanding investment in information- and communication-infrastructure

- Increase supply of conductive polymer electrolytic capacitors
- Steadily capture demand in power storage systems for data centers



Conductive polymer electrolytic capacitors



Power storage systems

Increasing demand in manufacturing equipment for servers and ICT terminals, etc.

- Respond to demand with full utilization at mounting machine factories



Mounting machines

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- This slide shows examples of our initiatives to capture business opportunities arising from changes in society brought about by COVID-19.
- Under COVID-19 circumstances, we expect:
increasing demand related to public hygiene, air-conditioning and indoor air quality;
expanding demand for investment in information- and communication-infrastructure;
expanding EV demand, supported by such policies as green recovery plans in Europe; and
increasing demand for manufacturing equipment for servers, etc.
- Panasonic intends to steadily promote expanding and strengthening products with rising demand and will take measures to expand production capacity, such as the following:
For public hygiene, air-conditioning and indoor air quality, we will expand line-up and promote products with “nanoe-X,” as well as expanding production capacity of “Ziaino.”
For information- and communication-infrastructure, we will increase the supply of conductive polymer electrolytic capacitors and power storage systems.
Regarding EV, we will further enhance the technological development of automotive cylindrical batteries, aiming for higher-capacity.
For manufacturing equipment, we will respond to demand with full utilization at our mounting machine factories.

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 very much 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 the spread of the novel coronavirus infections may adversely affect business activities of the Panasonic Group; 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) Business Portfolio Reform Progress since FY20

Completed transfer of semiconductor business and withdrawal from Buffalo factory of solar business

Investment for growth	Gemba (operational frontlines) process business - Made strategic equity investment (20%) in Blue Yonder, a leading supply chain software provider (July 20, 2020)
	Automotive prismatic battery business - Established Prime Planet Energy & Solutions Inc., a joint venture with Toyota Motor Corporation (April 1, 2020)
Enhance competitiveness through Co-creation	Town development business Completed in FY20 - Established Prime Life Technologies Corporation, a joint venture with Toyota Motor Corporation (January 7, 2020)
	Security systems business Completed in FY20 - Completed procedures of strategic co-investment with Polaris Capital Group Co., Ltd. (November, 2019)
Improve profitability	Semiconductor business - Announced transfer of semiconductor business (November 28, 2019). <u>Transfer completed (September 1, 2020)</u> *Announced transfer part of discrete semiconductor business (April 23, 2019). Completed November 2019.
	Liquid crystal display panel business - Announced end of production of liquid crystal display panels by 2021 (November 21, 2019)
	Solar business - Resolved to end partnership with GS-Solar, a Chinese photovoltaic module manufacturer, agreed in May 2019. Aim to restore profitability by FY23 looking into every possible measure including new business collaboration with other partners (July 30, 2020). - Announced to wind down production in Buffalo, NY, USA. (February 26, 2020). Ceased production by the end of June 2020 and <u>completed withdrawal at the end of September 2020</u>
	Smart Life Network business (TV business, etc.) - Aim to eliminate losses during FY22 through structural reform
	Lighting business Completed in FY20 - Announced share transfer of European lighting device company (February 5, 2020). Transfer completed (late February 2020)

Note: Changes after FY21 1Q announcement are underlined

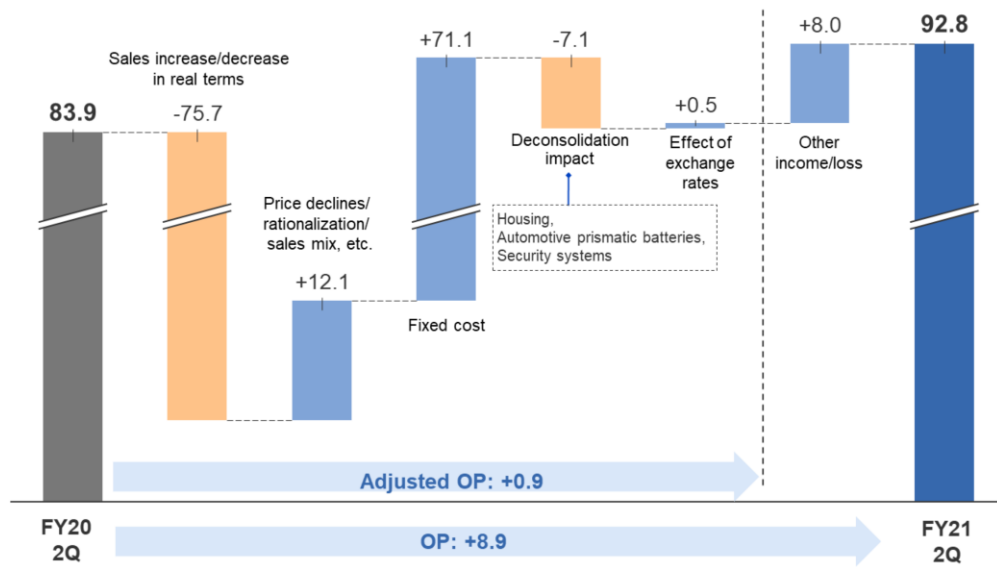
(Reference) FY21 2Q Operating Profit & Net Profit

(yen: billions)

	FY21 2Q	FY20 2Q	vs. FY20 Difference
Operating profit	92.8	83.9	+8.9
Non-operating income/loss	-2.7	-2.2	-0.5
Profit before income taxes	90.1	81.7	+8.4
Income taxes	-26.2	-26.3	+0.1
Net profit	63.9	55.4	+8.5
Net profit attributable to Panasonic Corporation stockholders	58.7	51.1	+7.6
Net profit attributable to non-controlling interests	5.2	4.3	+0.9

(Reference) FY21 2Q Operating Profit Analysis

(yen: billions)



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(Reference) Segment Information

Appliances

(Production and sales consolidated)

Overview

(yen: billions)

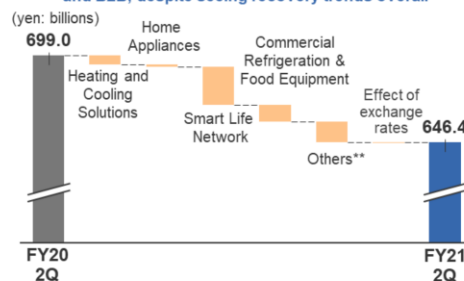
	FY21 2Q	vs. FY20/ Difference
Sales	646.4	-8% (-8%)*
Adjusted operating profit (Adjusted OPM)	35.1 (5.4%)	+14.1
Other income/loss	0.0	+0.2
Operating profit (OPM)	35.1 (5.4%)	+14.3

* In real terms excluding the effect of exchange rates

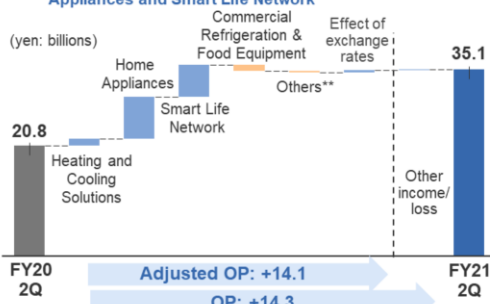
Major increase/decrease factors

Sales / Adjusted OP	
Heating and Cooling Solutions	<ul style="list-style-type: none"> Sales decreased due mainly to sluggish sales of large-scale air-conditioners in Japan, despite stable sales of air-conditioners and A2W (air-to-water) in Europe Profit increased due to increased sales in Europe and cost-reduction efforts
Home Appliances	<ul style="list-style-type: none"> In China, favorable sales in refrigerators and washing machines; In Japan, same level of sales as last year with favorable sales of drum washers (last year, there was a surge in consumer spending before consumption tax hike in Japan) Profit increased due to efforts to reduce sales promotion expenses and fixed costs in addition to increased sales mainly in refrigerators and washing machines
Smart Life Network	<ul style="list-style-type: none"> Sales decreased by narrowing down TV sales, in addition to COVID-19 impact Profit increased due to sales strategy focusing on profits and cost reduction efforts as well as TVs turning to profitability
Commercial Refrigeration & Food Equipment	<ul style="list-style-type: none"> Sales and profit decreased due to sluggish sales in Japan from slow recovery of demand, despite improved business performance in North America and China
Other income/loss	-

Sales: Decreased at all businesses, mainly in Smart Life Network and B2B, despite seeing recovery trends overall



OP : Increased due to cost control efforts mainly in Home Appliances and Smart Life Network



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

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(Reference) Segment Information

Life Solutions

Overview (yen: billions)

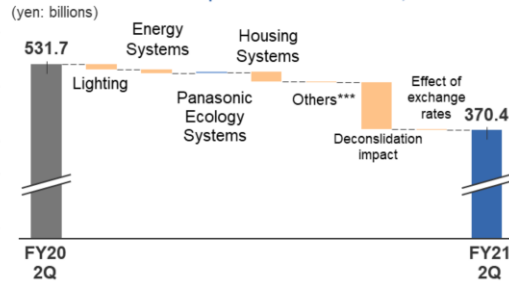
	FY21 2Q	vs. FY20/ Difference
Sales	370.4	-30% (-30%)*
Adjusted operating profit (Adjusted OPM)	20.4 (5.5%)	-13.0
Other income/loss	-4.6	+0.3
Operating profit (OPM)	15.8 (4.3%)	-12.7

* In real terms excluding the effect of exchange rates /
-11% excluding the effect of exchange rates and deconsolidation impact

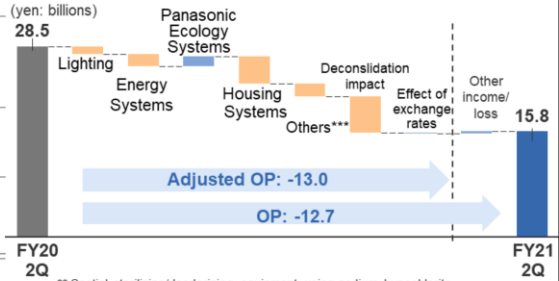
Major increase/decrease factors

Sales / Adjusted OP	Lighting	<ul style="list-style-type: none"> Sales decreased due to weak demand caused by COVID-19 and impact of business transfer in Europe Profit decreased: Lower manufacturing costs unable to offset impact of decreased sales
	Energy Systems	<ul style="list-style-type: none"> Sales decreased due to decreased sales in solar as well as electrical construction materials in Japan from COVID-19 impact, despite growth in wiring devices in India and other markets Profit decreased: Fixed-cost reductions, etc. were unable to offset impact of decreased sales
	Panasonic Ecology Systems	<ul style="list-style-type: none"> Sales increased with increased sales of "Zlaineo"*** in Japan as well as engineering businesses Profit increased due to increased sales along with fixed-cost reductions, etc.
	Housing Systems	<ul style="list-style-type: none"> Sales decreased due mainly to impact from consumption tax hike in previous year and weak demand caused by COVID-19 impact. Profit decreased: Fixed-cost reductions, etc. were unable to offset impact of decreased sales, etc.
	Other income/loss	<ul style="list-style-type: none"> Restructuring expenses in solar business, etc. (same level of restructuring expenses, etc. recorded in previous year)

Sales: Decreased due mainly to continuing decreased sales from market deterioration caused by COVID-19 impact, in addition to deconsolidation impact of Panasonic Homes, etc.



OP: Decreased due mainly to decreased sales caused by COVID-19 impact, despite increased profit in air-quality related businesses and efforts in fixed-cost reduction



** Spatial sterilizing/deodorizing equipment using sodium hypochlorite
*** Bicycle, nursing-care, sales & marketing, eliminations, etc.

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(Reference) Segment Information

Connected Solutions

Overview (yen: billions)

	FY21 2Q	vs. FY20/ Difference
Sales	191.3	-27% (-28%)*
Adjusted operating profit (Adjusted OPM)	-1.5 (-0.8%)	-24.1
Other income/loss	0.2	+0.2
Operating profit (OPM)	-1.3 (-0.7%)	-23.9

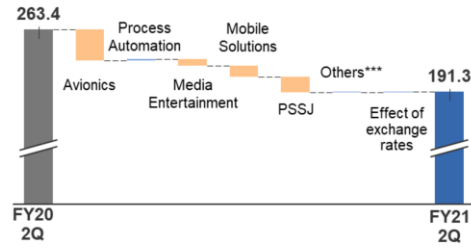
* In real terms excluding the effect of exchange rates

Major increase/decrease factors

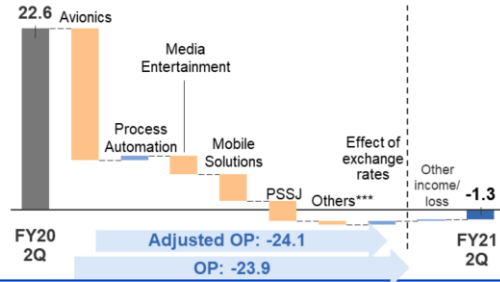
Sales / Adjusted OP	Avionics	<ul style="list-style-type: none"> Sales decreased due to sharp decline of flight operations and significantly reduced aircraft production Profit decreased significantly despite thorough efforts to reduce costs, mainly personnel costs
	Process Automation	<ul style="list-style-type: none"> Sales and profit increased due to increased sales of mounting machines for servers, ICT terminals, and other related products in China, despite weak sales of equipment for automobile industry
	Media Entertainment	<ul style="list-style-type: none"> Sales and profit decreased with decreased sales of projectors etc. resulting from event cancellations worldwide
	Mobile Solutions	<ul style="list-style-type: none"> Sales and profit decreased: Mobile PC impacted by held-back investment by large corporate customers in Japan, as well as slowdown of marketing activities resulting from another spread of COVID-19 in Europe
	PSSJ**	<ul style="list-style-type: none"> Sales and profit decreased, mainly impacted by delays in project promotions caused by COVID-19 and large corporate customers postponing investments
	Other income/loss	-

** Panasonic System Solutions Japan Co., Ltd. *** Other businesses, eliminations, etc.

Sales: Decreased despite increased sales of mounting machines in China, which were unable to offset decreased sales in Avionics



OP: Significantly decreased despite efforts to improve costs, such as thorough reduction of fixed costs, which were unable to offset impact of decreased sales



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(Reference) Segment Information

Automotive

Overview

(yen: billions)

	FY21 2Q	vs. FY20/ Difference
Sales	358.5	-3% (-3%)*
Adjusted operating profit (Adjusted OPM)	9.8 (2.7%)	+22.4
Other income/loss	-4.7	-4.6
Operating profit (OPM)	5.1 (1.4%)	+17.8

* In real terms excluding the effect of exchange rates

Major increase/decrease factors

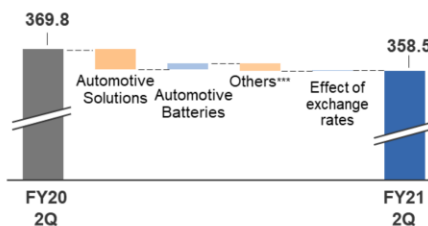
Sales / Adjusted OP	Automotive Solutions	<p>[Sales]</p> <ul style="list-style-type: none"> Decreased with impact of decreased sales of display audio products and others, while further progress made with portfolio replacement to "IVI", which we focus our resources within infotainment products <p>[Profit]</p> <ul style="list-style-type: none"> Achieved profitability and increased from same period last year, due to effect of fixed-cost reductions and rebound from recording an impairment loss for onboard charging systems in previous year
	Automotive Batteries	<p>[Sales]</p> <ul style="list-style-type: none"> Increased due mainly to increased sales of cylindrical batteries by North America factory <p>[Profit]</p> <ul style="list-style-type: none"> Increased due mainly to advances in rationalization efforts and improved productivity at North America factory for cylindrical batteries, along with fixed cost reductions and other efforts at Japan factory Achieved profitability in 2Q for the overall automotive cylindrical battery business (North America factory and Japan factory were profitable)
Other income/loss		<ul style="list-style-type: none"> Automotive prismatic battery joint venture equity method loss, etc.

Note: Grouping of Businesses whose sales are disclosed

[Automotive Solutions] Automotive Infotainment Systems, HMI Systems, Automotive Systems, Ficosa [Automotive Batteries] Tesla Energy, Automotive prismatic battery business

Sales: Decreased due mainly to decreased sales of display audio products at Automotive Solutions, while sales increased in automotive battery business

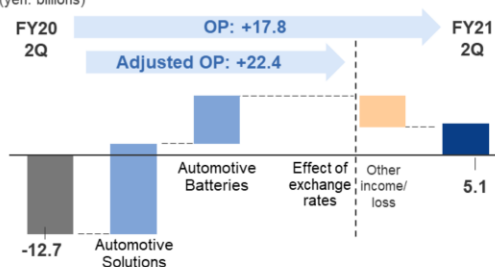
(yen: billions)



***Others: sales of other Divisional Company products, etc.

OP: Achieved profitability mainly through fixed-cost reduction, as well as further advances in rationalization efforts at North America factory for batteries

(yen: billions)



(Reference) Segment Information

Industrial Solutions

Overview

(yen: billions)

	FY21 2Q	vs. FY20/ Difference
Sales	307.9	-7% (-7%)*
Adjusted operating profit (Adjusted OPM)	17.0 (5.5%)	+2.7
Other income/loss	0.8	+3.9
Operating profit (OPM)	17.8 (5.8%)	+6.6

* In real terms excluding the effect of exchange rates

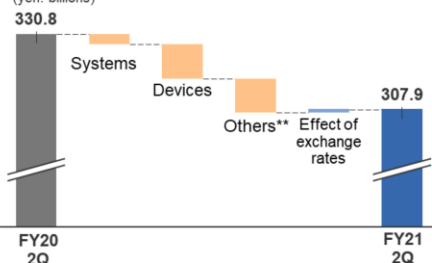
Major increase/decrease factors

Sales / Adjusted OP	Systems	<ul style="list-style-type: none"> Sales decreased with weak sales of automotive-use products (e.g. relays, switches) impacted by COVID-19; however, profit increased with increased sales of power storage systems for data centers and growth in industrial-use motors along with efforts such as fixed-cost reduction
	Devices	<ul style="list-style-type: none"> Sales decreased with weak sales of automotive components (e.g. coils, sensors) and impact of trade friction between US and China, despite growth in capacitors for IT infrastructure Profit decreased, with fixed-cost reduction unable to offset impact of decreased sales
	Others	<ul style="list-style-type: none"> Sales decreased due mainly to deconsolidation of semiconductor business (completed transfer on September 1); however, profit increased due to fixed-cost reduction that included effects of structural reform
Other income/loss	Insurance reimbursement for damage due to typhoon at Koriyama factory in Japan (October 2019), as well as rebound from legal expenses recorded in previous year, etc.	

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

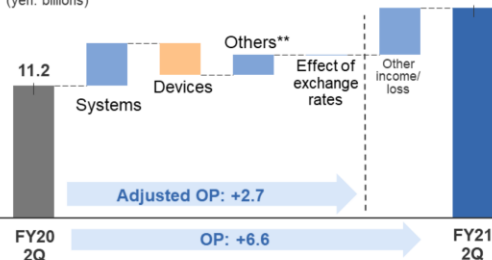
Sales: Decreased due mainly to decreased sales of automotive-use products resulting from COVID-19 and deconsolidation impact in semiconductor business

(yen: billions)



OP: Increased due to fixed-cost reduction and improvement of other income/loss, despite decreased sales

(yen: billions)



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

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(Reference) FY21 Six-Month (Apr. – Sep.) Results

(yen: billions)

	FY21 1H	FY20 1H	vs. FY20 / Difference	
			-20%	
Sales	3,059.2	3,844.4	Excl. effect of exchange rates (-20%) Excl. effect of exchange rates & deconsolidation impact (-15%)	-785.2
Adjusted operating profit* (Adjusted OPM)	89.1 (2.9%)	156.5 (4.1%)	-43%	-67.4
Other income/loss**	7.5	-16.2	-	+23.7
Operating profit (OPM)	96.6 (3.2%)	140.3 (3.6%)	-31%	-43.7
Non-operating income/loss	-3.4	-2.4	-	-1.0
Profit before income taxes	93.2	137.9	-32%	-44.7
Net profit attributable to Panasonic Corporation stockholders	48.9	100.9	-52%	-52.0
Exchange Rates	1 US dollar	107 yen	109 yen	
	1 Euro	121 yen	121 yen	
	1 Renminbi	15.3 yen	15.7 yen	


* Adjusted operating profit (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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(Reference) Relevance of Portfolio Classification in Mid-term Strategy and Disclosed Segments (FY21)						
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			
* Does not include Solar business						
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(Reference) Core Growth Business: FY21 1H Results

(yen: billions)

Business area		FY21 1H results	vs. FY20/ Difference
Spatial Solutions	Sales	833.1	-155.0
	Adjusted OP (Adjusted OPM)	40.8 (4.9%)	-16.1
	EBITDA (EBITDA margin)	59.0 (7.1%)	-16.4
Gemba Process	Sales	337.4	-100.9
	Adjusted OP (Adjusted OPM)	-15.4 (-)	-47.3
	EBITDA (EBITDA margin)	-4.6 (-)	-46.3
Industrial Solutions	Sales	458.1	-45.9
	Adjusted OP (Adjusted OPM)	29.4 (6.4%)	-2.0
	EBITDA (EBITDA margin)	60.6 (13.2%)	+5.1
Core growth business total	Sales	1,628.6	-301.9
	Adjusted OP (Adjusted OPM)	54.8 (3.4%)	-65.5
	EBITDA (EBITDA margin)	115.0 (7.1%)	-57.6

(Reference) List of Sub-segments 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, Automotive prismatic battery business: 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. Semiconductor was deconsolidated in September 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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