

# Fiscal 2021 Third Quarter Financial Results

February 2, 2021  
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.

## Summary of FY21 3Q Financial Results

- FY21 3Q Financial Results

- **Sales in real terms\*** turned to an increase from same period last year.  
**Profit increased from same period last year**, similar to 2Q.
  - Steady progress in **enhancing management structure**
  - Contributions from **increased sales of businesses capturing changes in society**

\*Excluding effect of exchange rates and deconsolidation impact

- FY21 Full-Year Forecast

- **Company-wide:** Both sales and profit **revised upward**,  
adjusted operating profit **expected to increase from last year**
  - Segments:  
(revised upward) Appliances, Life Solutions, Automotive, Industrial Solutions  
(revised downward) Connected Solutions



# Fiscal 2021 Third Quarter Financial Results

## Fiscal 2021 Full-Year Financial Forecast

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### FY21 3Q Financial Results

- **Sales: Increased** in real terms excluding effect of exchange rates and deconsolidation impact
- **Adjusted operating profit, operating profit and net profit: Increased largely** with enhancement of management structure and increased sales

(yen: billions)	FY21 3Q	FY20 3Q	vs. FY20 / Difference	
Sales	1,814.1	1,911.2	-5% (-4%)	-97.1 (-84.9)
			Excl. effect of exchange rates & deconsolidation impact	(+2%) (+32.7)
Adjusted operating profit* (Adjusted OPM)	142.8 (7.9%)	95.3 (5.0%)	+50%	+47.5
Other income/loss**	-12.6	5.1	-	-17.7
Operating profit (OPM)	130.2 (7.2%)	100.4 (5.3%)	+30%	+29.8
Non-operating income/loss	-3.3	-0.2	-	-3.1
Profit before income taxes	126.9	100.2	+27%	+26.7
Net profit attributable to Panasonic Corporation stockholders	81.2	77.2	+5%	+4.0
Exchange rates	1 US dollar	105 yen	109 yen	
	1 Euro	125 yen	120 yen	
	1 Renminbi	15.8 yen	15.5 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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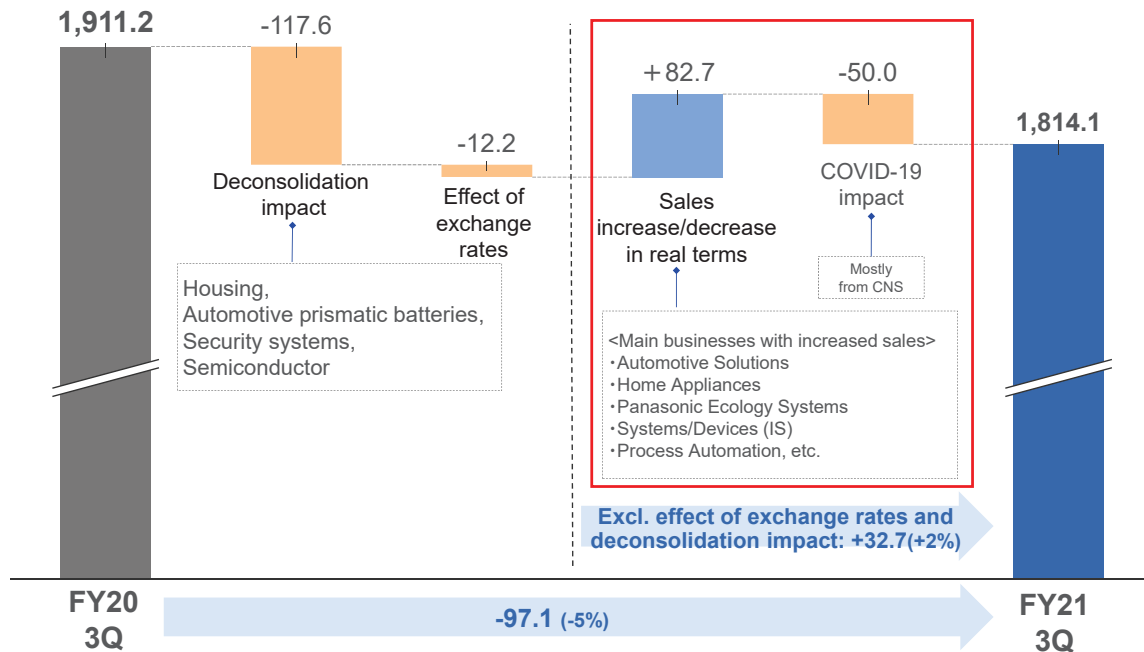
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# FY21 3Q Sales Analysis

- Sales in real terms turned to an increase, and offset COVID-19 impact, although overall sales decreased due mainly to deconsolidation impact in business portfolio reform

(yen: billions)

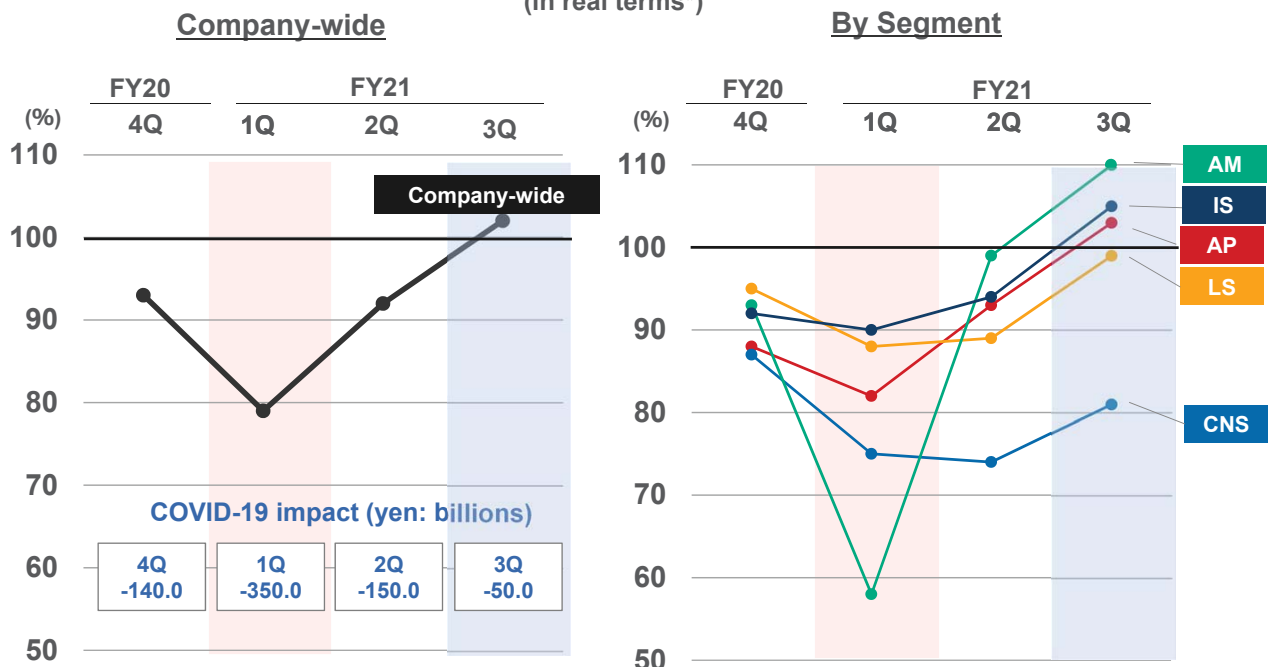


Note: Names of each Segment are as follows; AP: Appliances LS: Life Solutions CNS: Connected Solutions AM: Automotive IS: Industrial Solutions

# Sales Trends (vs. Previous Year)

- Company-wide sales in 3Q recovered to above previous year's level, after hitting the bottom in 1Q with expanded COVID-19 impact

Sales vs. previous year (in real terms\*)

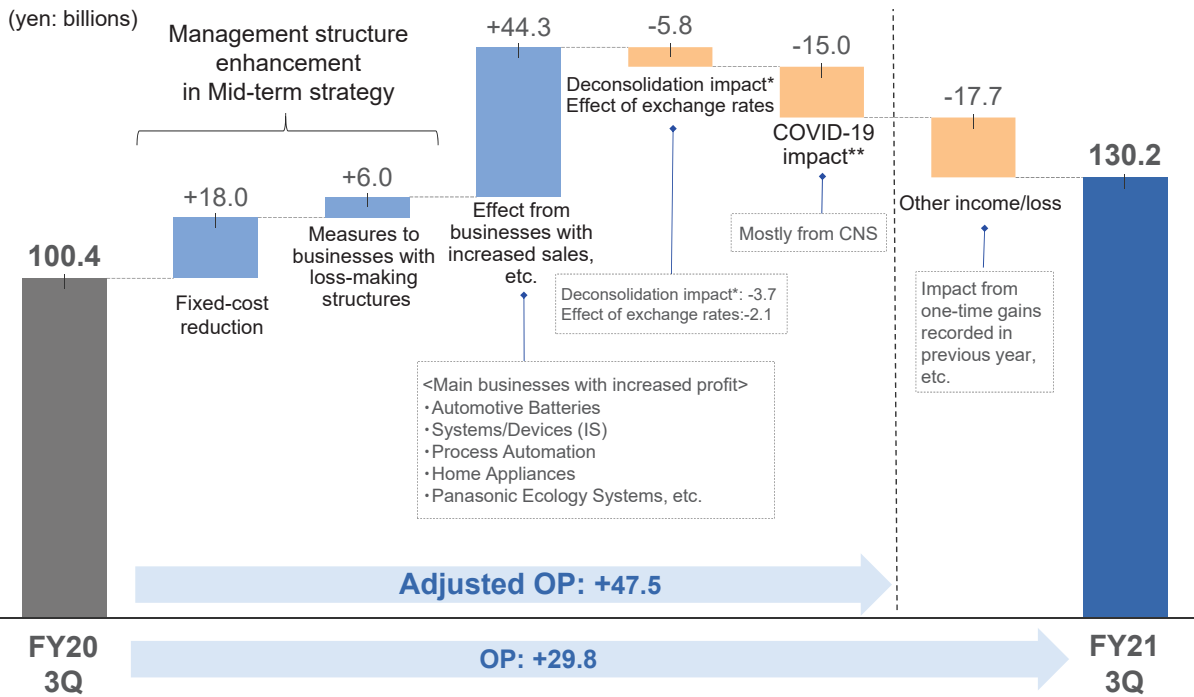


\* Excluding effect of exchange rates, deconsolidation impact, and special factors (revised presentation)

Note: Names of each Segment are as follows; AP: Appliances LS: Life Solutions CNS: Connected Solutions AM: Automotive IS: Industrial Solutions

# FY21 3Q Operating Profit Analysis

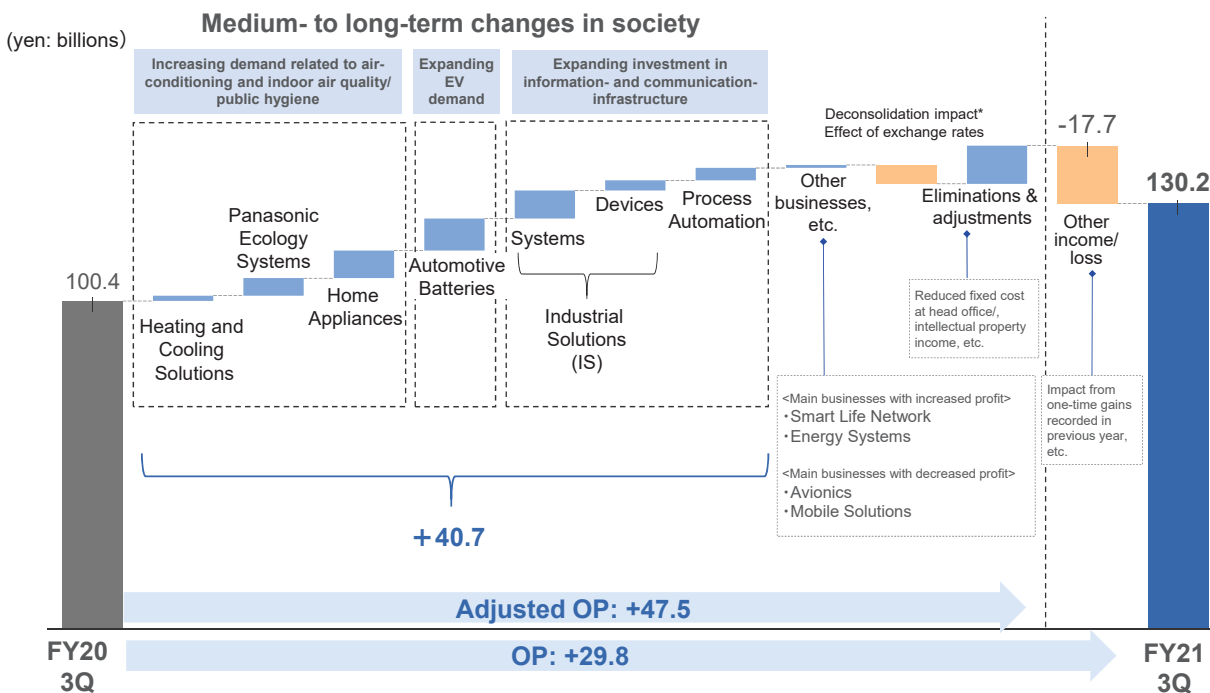
- Operating profit increased due to management structure enhancement including fixed-cost reduction and increased sales surpassing negative impact of COVID-19



# FY21 3Q Operating Profit Analysis by Business

- Increased profit driven by businesses that captured opportunities reflecting changes in society from a medium- to long-term perspective

(e.g. Air-conditioning and indoor air quality / Automotive batteries / Information- and communication-infrastructure usage)



## FY21 3Q Results by Segment

(yen: billions)	Sales	vs. FY20 (In real terms excl. effect of exchange rates)	vs. FY20 Difference	Adjusted OP (AOPM)	vs. FY20 Difference	Other income/ loss	vs. FY20 Difference	OP (OPM)	vs. FY20 Difference
Appliances	700.0	+3% (+3%)	+17.4	48.7 6.9%	+19.0	-0.6	-0.6	48.1 6.9%	+18.4
Life Solutions	405.7	-21%* (-20%)*	-108.6	38.9 9.6%	+5.5	-1.0	+2.5	37.9 9.3%	+8.0
Connected Solutions	199.7	-20% (-20%)	-51.6	4.8 2.4%	-12.8	-2.1	-24.8	2.7 1.3%	-37.6
Automotive	391.1	+7% (+8%)	+24.9	2.0 0.5%	+8.7	-5.0	-5.2	-3.0 -0.8%	+3.5
Industrial Solutions	334.0	+2% (+3%)	+7.8	25.8 7.7%	+15.8	-7.0	+9.6	18.8 5.6%	+25.4
Other	47.6	-13%	-7.1	1.1	-0.4	-0.6	+0.0	0.5	-0.4
Eliminations & adjustments	-264.0	-	+20.1	21.5	+11.7	3.7	+0.8	25.2	+12.5
<b>Total</b>	<b>1,814.1</b>	<b>-5% (-4%)</b>	<b>-97.1</b>	<b>142.8 7.9%</b>	<b>+47.5</b>	<b>-12.6</b>	<b>-17.7</b>	<b>130.2 7.2%</b>	<b>+29.8</b>
Appliances (Production and sales consolidated)	714.7	+1% (+1%)	+6.8	48.4 6.8%	+18.9	-0.3	-0.4	48.1 6.7%	+18.5

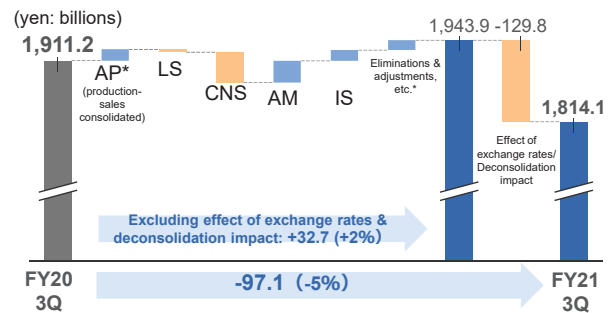
\* vs. FY20 excluding the effect of exchange rates and deconsolidation impact: -1%

## FY21 3Q Sales and Profit Analysis by Segment

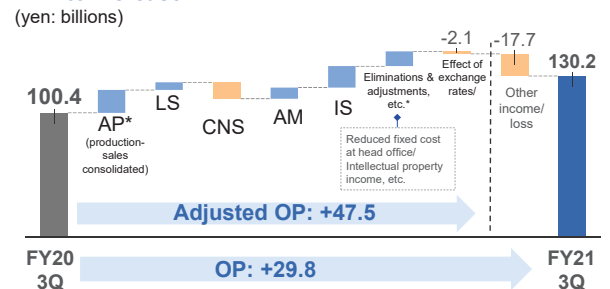
### Major increase/decrease factors

Segment	Sales / Adjusted OP
AP	<p><b>Sales increased</b> due to favorable sales of Home Appliances and others, offsetting lower sales of Smart Life Network</p> <p><b>Profit increased</b> due to increased sales (e.g. Home Appliances) along with cost-control efforts</p>
LS	<p><b>Sales at previous year's level:</b> Favorable sales of air-quality related businesses and overseas wiring devices offset impact of market deterioration in Japan</p> <p><b>Profit increased:</b> contributed by increased sales (e.g. air-quality related businesses) and thorough fixed-cost reduction</p>
CNS	<p><b>Sales decreased:</b> Continued favorable sales of mounting machines with expanding 5G-related demand, unable to offset decreased sales in Avionics, etc.</p> <p><b>Profit decreased</b> largely: Efforts to improve costs (e.g. fixed-cost reduction) unable to offset impact of decreased sales</p>
AM	<p><b>Sales increased overall:</b> Automotive Solutions saw rebounded demand after reduced production of vehicles in 1Q, despite lower sales of automotive cylindrical batteries due to modifications on production lines</p> <p><b>Profit increased</b> due mainly to increased sales, fixed-cost reductions, and rationalization efforts in automotive cylindrical batteries, despite recording temporary expenses related to onboard charging systems in Automotive Solutions</p>
IS	<p><b>Sales increased</b> due to continued favorable sales of capacitors and power storage systems for information- and communication-infrastructure, along with improved market conditions for automotive-use products</p> <p><b>Profit increased</b> due mainly to increased sales and effect of completing structural reform of semiconductor business in September 2020.</p>
Other income/loss	Impact of one-time gains in previous year, etc.

### Sales: AP, AM and IS turned to an increase in real terms



### OP: LS turned to an increase: AP, AM and IS continued to increase

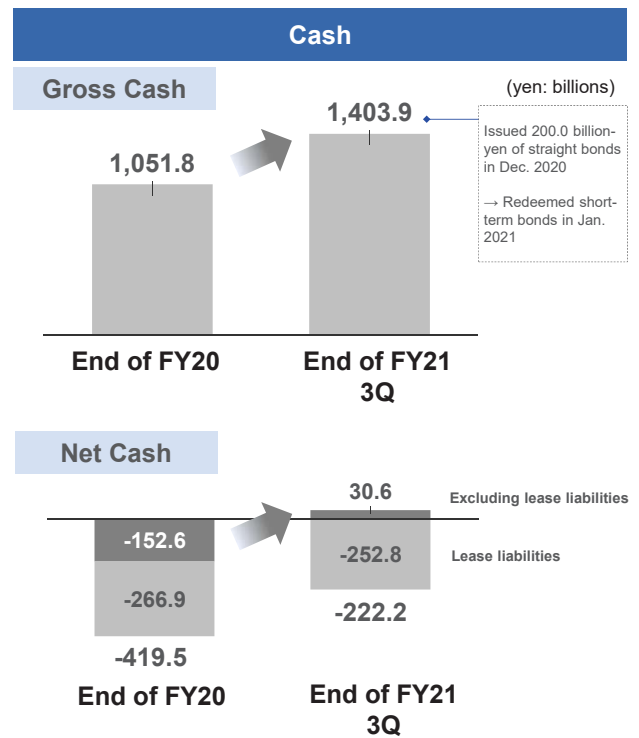
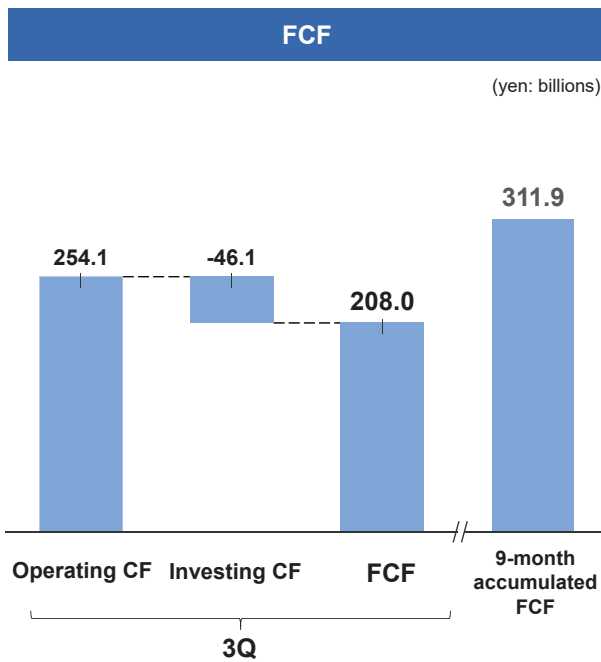


\* Difference between "AP (production and sales consolidated)" and segment information is adjusted in "eliminations and adjustments, etc."

Note: Names of each Segment are as follows; AP: Appliances LS: Life Solutions CNS: Connected Solutions AM: Automotive IS: Industrial Solutions

## FY21 3Q FCF

- Generated over 200.0 billion-yen FCF through working capital improvement, etc., in addition to net profit
- Net cash improved, and turned positive excluding lease liabilities



# Fiscal 2021 Third Quarter Financial Results

## Fiscal 2021 Full-Year Financial Forecast

## FY21 Full-Year Forecast Revision

- Both sales and profit revised upward, reflecting current management conditions
- Adjusted operating profit expected to increase from last year

(yen: billions)	FY21 (e) (as of Feb. 2)	FY21 (e) (as of Jul. 30)	Difference	(Reference)		
				FY20	vs. FY20 / Difference	
Sales	<b>6,600.0</b>	6,500.0	+100.0	7,490.6	-12% (-11%) Excl. effect of exchange rates Excl. effect of exchange rates & deconsolidation impact (-7%)	-890.6 (-832.0) (-464.2)
Adjusted operating profit* (Adjusted OPM)	<b>300.0</b> (4.5%)	220.0 (3.4%)	+80.0	286.7 (3.8%)	+5%	+13.3
Other income/loss**	<b>-70.0</b>	-70.0	-	7.1	-	-77.1
Operating profit (OPM)	<b>230.0</b> (3.5%)	150.0 (2.3%)	+80.0	293.8 (3.9%)	-22%	-63.8
Non-operating income/loss	<b>0.0</b>	0.0	-	-2.7	-	+2.7
Profit before income taxes	<b>230.0</b>	150.0	+80.0	291.1	-21%	-61.1
Net profit attributable to Panasonic Corporation stockholders	<b>150.0</b>	100.0	+50.0	225.7	-34%	-75.7
ROE	<b>7.0%</b>	5.0%	+2.0%	11.5%	-	-4.5%
Exchange rates	1 US dollar	<b>106 yen</b>	106 yen	-	109 yen	-3 yen
	1 Euro	<b>122 yen</b>	116 yen	+6 yen	121 yen	+1 yen
	1 Renminbi	<b>15.5 yen</b>	15.4 yen	+0.1 yen	15.6 yen	-0.1 yen

\* Adjusted OP = Sales - Cost of sales - SG&A

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

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## FY21 Full-year Forecast Revision by Segment

- Revised upward: AP, LS, AM, and IS
- Revised downward: CNS

(yen: billions)

	Sales	vs. initial forecast		Adjusted OP (AOPM)	vs. initial forecast		Other income/ loss	vs. initial forecast		OP (OPM)	vs. initial forecast	
		vs. FY20	vs. FY20		vs. FY20	vs. FY20		vs. FY20	vs. FY20			
Appliances	<b>2,480.0</b>	+110.0	-110.3	<b>105.0</b> 4.2%	+32.0	+33.9	<b>-18.0</b>	-	-2.6	<b>87.0</b> 3.5%	+32.0	+31.3
Life Solutions	<b>1,500.0</b>	+20.0	-418.6	<b>85.0</b> 5.7%	+10.0	-13.4	<b>-22.0</b>	+8.0	-103.7	<b>63.0</b> 4.2%	+18.0	-117.1
Connected Solutions	<b>820.0</b>	-80.0	-214.7	<b>5.0</b> 0.6%	-10.0	-71.0	<b>-11.0</b>	-9.0	-27.0	<b>-6.0</b> -0.7%	-19.0	-98.0
Automotive	<b>1,340.0</b>	+90.0	-142.4	<b>-5.0</b> -0.4%	+25.0	+25.5	<b>3.0</b>	+7.0	+19.1	<b>-2.0</b> -0.1%	+32.0	+44.6
Industrial Solutions	<b>1,250.0</b>	+50.0	-32.7	<b>73.0</b> 5.8%	+18.0	+35.4	<b>-9.0</b>	+3.0	+24.0	<b>64.0</b> 5.1%	+21.0	+59.4
Other/ Eliminations & adjustments	<b>-790.0</b>	-90.0	+28.1	<b>37.0</b>	+5.0	+2.9	<b>-13.0</b>	-9.0	+13.1	<b>24.0</b>	-4.0	+16.0
<b>Total</b>	<b>6,600.0</b>	+100.0	-890.6	<b>300.0</b> 4.5%	+80.0	+13.3	<b>-70.0</b>	-	-77.1	<b>230.0</b> 3.5%	+80.0	-63.8
Appliances (Production and sales consolidated)	<b>2,540.0</b>	+130.0	-121.3	<b>105.0</b> 4.1%	+34.0	+36.5	<b>-18.0</b>	+1.0	-2.6	<b>87.0</b> 3.4%	+35.0	+33.9

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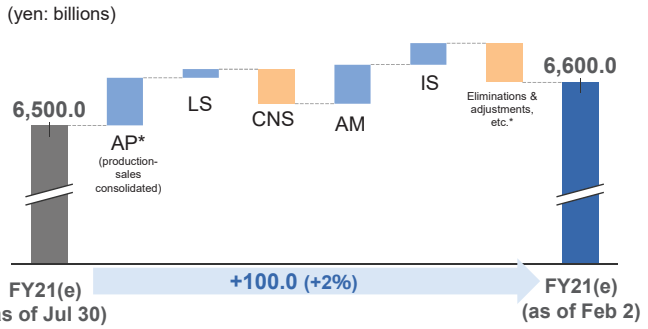
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# FY21 Segment Forecast Revision Analysis

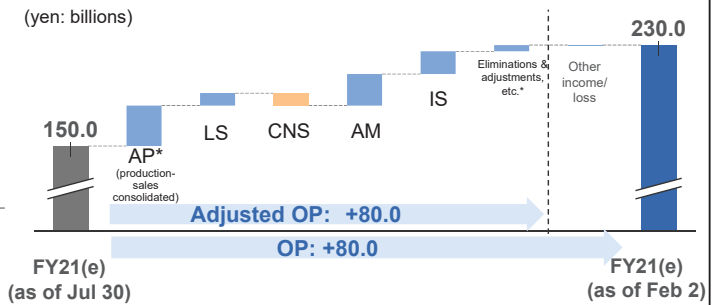
## Major factors for revision

Sales / Adjusted OP	AP	Sales: Stable sales mainly at Home Appliances in Japan Profit: Contributions of stable sales in Japan, improved profitability overseas as well as cost-control efforts
	LS	Sales: Lessened COVID-19 impact and increased sales (e.g. air-quality related businesses, overseas wiring devices) Profit: Contributions of increased sales and through fixed-cost reduction initiatives, etc.
	CNS	Sales: Delayed recovery in Avionics and Media Entertainment due to prolonged impact of COVID-19 Profit: Thorough fixed-cost reduction executed, however, unable to offset impact of decreased sales
	AM	Sales: Automotive Solutions: Automotive market recovering earlier than expected as of July 2020 Profit: Automotive Solutions: Reduced loss expected with improved profit through recovered sales, etc., despite recording temporary expenses related to onboard charging systems  Automotive cylindrical batteries: Contributions of material rationalization and effect of introducing new cells with higher battery capacity
	IS	Sales: Improved market conditions for automotive-use products and growth in products for data centers (e.g. capacitors, power storage systems) Profit: Contributed by increased sales
Other income/loss		-

### Sales



### OP

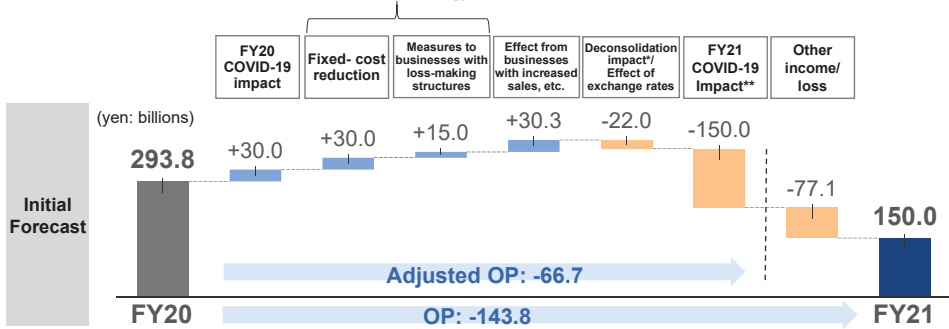


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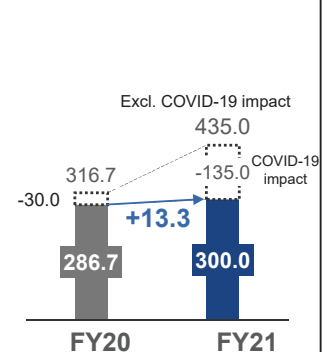
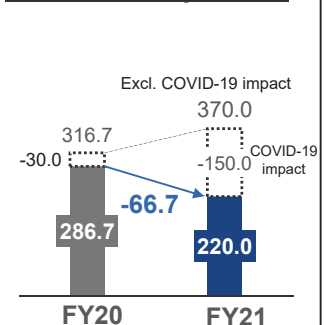
# FY21 Full-Year Operating Profit Forecast Revision Analysis

- Revised upward reflecting such factors as steady progress of management structure enhancement and turning to an increase of current sales in real terms

### Management structure enhancement (in Mid-term strategy)



### (Reference) Adjusted OP



\* Housing, Automotive prismatic batteries, Security systems

\*\* Net amount of decreased sales and related fixed-cost improvement, etc.



# Progress in key initiatives for FY21

Mid-term Strategy	Enhancement of management structure	<ul style="list-style-type: none"> <li><b>Expected to achieve mid-term target, 100.0 billion yen in FY21, ahead of schedule</b></li> </ul> <table border="1"> <thead> <tr> <th>(yen: billions)</th> <th>Mid-term Target</th> <th>FY20 Results</th> <th>FY21 Forecast</th> <th>Total</th> <th>FY22</th> </tr> </thead> <tbody> <tr> <td>Fixed-cost reduction*</td> <td><b>60.0</b></td> <td>20.0</td> <td>60.0</td> <td>80.0</td> <td rowspan="3">Continue to progress toward further profit contribution</td> </tr> <tr> <td>Measures to businesses with loss-making structures</td> <td><b>40.0</b></td> <td>0.0</td> <td>20.0**</td> <td>20.0**</td> </tr> <tr> <td><b>Total</b></td> <td><b>100.0</b></td> <td>20.0</td> <td>80.0</td> <td>100.0</td> </tr> </tbody> </table> <p><small>*Including activities in Mid-term strategy only (Excludes fixed-cost improvement related to decreased sales by COVID-19)      ** Excluding COVID-19 impact, adjusted OP-basis (vs. FY20)</small></p>	(yen: billions)	Mid-term Target	FY20 Results	FY21 Forecast	Total	FY22	Fixed-cost reduction*	<b>60.0</b>	20.0	60.0	80.0	Continue to progress toward further profit contribution	Measures to businesses with loss-making structures	<b>40.0</b>	0.0	20.0**	20.0**	<b>Total</b>	<b>100.0</b>	20.0	80.0	100.0
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Improve profitability of automotive business	<ul style="list-style-type: none"> <li><b>Steady progress of profitability improvement by fixed-cost reduction, productivity improvement and others</b></li> </ul> <table border="1"> <thead> <tr> <th>(yen: billions)</th> <th>FY20 Results</th> <th>FY21 Forecast</th> <th>FY22 onward</th> </tr> </thead> <tbody> <tr> <td>Adjusted OP (AM segment)</td> <td><b>-30.5</b></td> <td><b>-30.0</b> → <b>-5.0</b> (as of Jul. 30) (as of Feb. 2)</td> <td>Continue with measures to achieve 5% margin at earliest stage</td> </tr> </tbody> </table>	(yen: billions)	FY20 Results	FY21 Forecast	FY22 onward	Adjusted OP (AM segment)	<b>-30.5</b>	<b>-30.0</b> → <b>-5.0</b> (as of Jul. 30) (as of Feb. 2)	Continue with measures to achieve 5% margin at earliest stage															
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Business portfolio reform	<ul style="list-style-type: none"> <li><b>Execution of specific measures</b></li> <li>- <b>Investment for growth:</b> Executed strategic investment in Blue Yonder (Jul. 20, '20)</li> <li>- <b>Enhance competitiveness through co-creation:</b> Established automotive prismatic battery JV (Apr. 1, '20)</li> <li>- <b>Improve profitability:</b> Completed transfer of semiconductor business (Sep. 1, '20)  <b>Solar business:</b> Completed withdrawal from Buffalo factory (end Sep. '20)  <b>Withdraw from production of photovoltaic products within FY22***, completing business structural reform; continue photovoltaic module sales in and outside Japan</b></li> </ul>																							
In response to COVID-19	<ul style="list-style-type: none"> <li>Execute additional fixed-cost reductions according to business conditions ⇒ Continue fixed-cost management in well-focused manner</li> <li>Execute structural reform in Avionics business ⇒ Promote measures monitoring recovery situation (e.g. aircraft production and flight operations)</li> </ul>																							
Capture business opportunities	<ul style="list-style-type: none"> <li>Capture opportunities reflecting changes in society from medium- to long-term perspective and promote measures to offer solutions</li> </ul>																							

\*\*\* Panasonic will withdraw from its in-house production for residential, public and industrial-usage. The photovoltaic module production for a specific customer at Nishikinohama factory in Osaka and photovoltaic cell device production for commercial products such as wristwatches and electronic calculators at Fukushima factory will continue.

# Panasonic's initiatives to capture business opportunities reflecting changes in society from a medium- to long-term perspective

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

Expand Panasonic product line-up equipped with nanoe™X technology and increase adoption by corporate customers

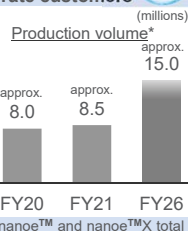


**Panasonic products**

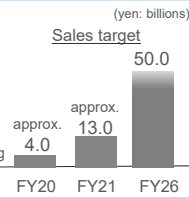
Installed in approximately 40 models (e.g. air-conditioners, air-purifiers, refrigerators)\*

**Adopted in various industries**

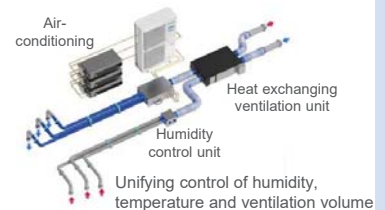
8 automakers, 11 railway companies, etc.\*



Start production of "Ziaino" in China, following Japan, toward expanding sales in global market



Scheduled for April 2021 launch: integrated air-conditioning/indoor air quality system for residential-use in China



## Expanding EV demand related to global warming prevention

### Automotive cylindrical batteries



(1) Increase battery capacity and install new production line at North America factory (toward 38-39 GWh)

- Introduction of new technology for higher battery capacity (started, September 2020)
- Install a new production line (start utilization in FY22)

(2) Advances in technological development

- 4680 cells (equipment installation for prototype production scheduled in FY22)
- Cobalt-free (aiming for commercialization in 2-3 years)

(3) Battery business in Europe

- Partnering with Norwegian companies (joint investigation, etc.)

## Expanding investment in information- and communication-infrastructure

### Mounting machines

- Expecting record high annual production
- Continue responding to expanding demand



### Conductive polymer electrolytic capacitors

- Prepare for production at full utilization
- Promote continuous investment in development



### Power storage systems

- Promote differentiation with heat-resistance features





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

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# (Reference) FY21 3Q Segment Information

## Appliances

(Production and sales consolidated)

### Overview

(yen: billions)

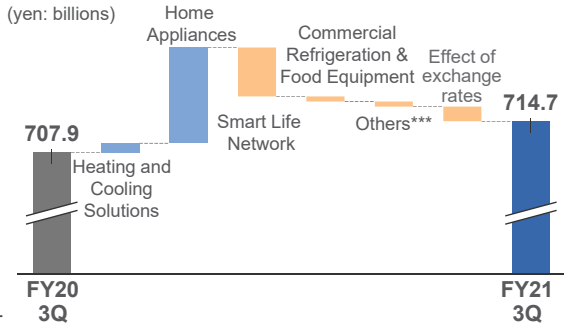
	FY21 3Q	vs. FY20/ Difference
Sales	714.7	+1% (+1%)*
Adjusted operating profit (Adjusted OPM)	48.4 (6.8%)	+18.9
Other income/loss	-0.3	-0.4
Operating profit (OPM)	48.1 (6.7%)	+18.5

\* In real terms excluding the effect of exchange rates

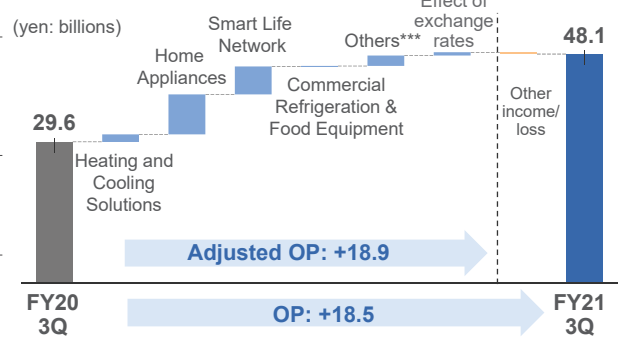
### Major increase/decrease factors

Segment	Major increase/decrease factors
Heating and Cooling Solutions	<ul style="list-style-type: none"> <li>Sales increased due to stable sales of room air-conditioners mainly in Japan and Taiwan, as well as A2W** (air-to-water) in Europe</li> <li>Profit increased due to increased sales mainly in Europe and cost-reduction efforts</li> </ul>
Home Appliances	<ul style="list-style-type: none"> <li>Sales increased due mainly to stable sales of washing machines and refrigerators in Japan and China, as well as cooking appliances</li> <li>Profit increased due to cost control efforts (e.g. sales promotion expenses) as well as increased sales (e.g. drum-type washing machines)</li> </ul>
Smart Life Network	<ul style="list-style-type: none"> <li>Sales decreased by streamlining TV product lines, mainly in Europe, despite stable sales in Japan</li> <li>Profit increased with TVs maintaining profitability from 2Q, by continuing sales strategy focused on profits and cost-reduction efforts</li> </ul>
Commercial Refrigeration & Food Equipment	<ul style="list-style-type: none"> <li>Sales decreased due to sluggish sales in Japan affected by slow recovery in demand, while sales in North America and China were stable</li> <li>Profit increased with stable sales continuing in North America and China, offsetting impact of sluggish sales in Japan</li> </ul>
Other income/loss	-

**Sales: Increased overall mainly with favorable sales of Home Appliances offsetting impact of decreased sales in Smart Life Network mainly in Europe**



**OP: Increased due to increased sales, as well as cost control efforts mainly in Home Appliances**



\*\* Hot water heat pump system  
\*\*\* Refrigeration and Air-Conditioning Devices BD, Smart Energy System BD, sales of other Divisional Company products, headquarter-related, eliminations, etc.

# (Reference) FY21 3Q Segment Information

## Life Solutions

### Overview

(yen: billions)

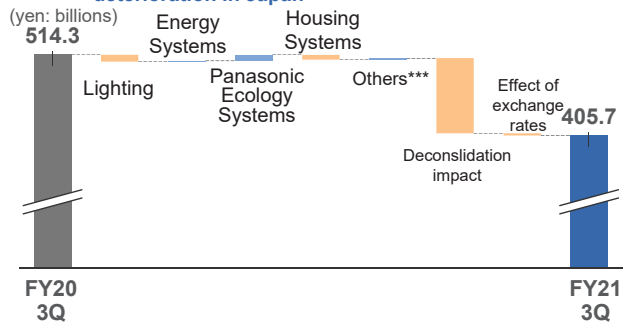
	FY21 3Q	vs. FY20/ Difference
Sales	405.7	-21% (-20%)*
Adjusted operating profit (Adjusted OPM)	38.9 (9.6%)	+5.5
Other income/loss	-1.0	+2.5
Operating profit (OPM)	37.9 (9.3%)	+8.0

\* In real terms excluding the effect of exchange rates / -1% excluding the effect of exchange rates and deconsolidation impact

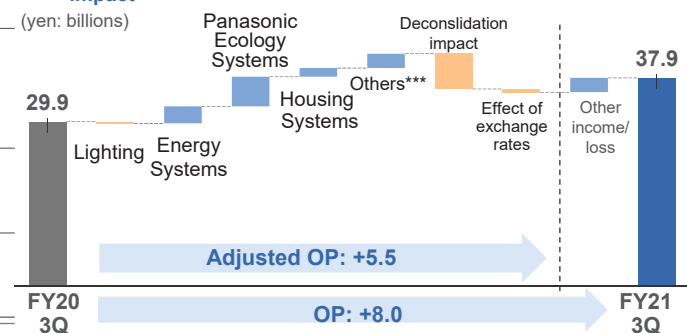
### Major increase/decrease factors

Segment	Major increase/decrease factors
Lighting	<ul style="list-style-type: none"> <li>Sales decreased due mainly to impact of business transfer in Europe</li> <li>Profit decreased: Lower manufacturing costs unable to offset impact of decreased sales</li> </ul>
Energy Systems	<ul style="list-style-type: none"> <li>Sales increased due to growth in wiring devices in India and other markets offsetting sluggish sales in solar as well as electrical construction materials in Japan</li> <li>Profit increased due mainly to increased sales overseas and fixed-cost reductions</li> </ul>
Panasonic Ecology Systems	<ul style="list-style-type: none"> <li>Sales increased contributed by increased sales of "Ziaino"*** in Japan as well as engineering businesses</li> <li>Profit increased due to increased sales and fixed-cost reduction, etc.</li> </ul>
Housing Systems	<ul style="list-style-type: none"> <li>Sales decreased due mainly to weak housing market conditions</li> <li>Profit increased: Efforts such as fixed-cost reductions offset impact of decreased sales, etc.</li> </ul>
Other income/loss	<ul style="list-style-type: none"> <li>Rebound from restructuring expenses recorded in previous year, etc.</li> </ul>

**Sales: Same level as previous year excluding deconsolidation impact (e.g. Panasonic Homes) due to favorable sales of air-quality related businesses and others, despite market deterioration in Japan**



**OP: Increased with increased sales of air-quality related businesses and efforts in fixed-cost reduction, offsetting deconsolidation impact**



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

# (Reference) FY21 3Q Segment Information

## Connected Solutions

### Overview

(yen: billions)

	FY21 3Q	vs. FY20/ Difference
Sales	199.7	-20% (-20%)*
Adjusted operating profit (Adjusted OPM)	4.8 (2.4%)	-12.8
Other income/loss	-2.1	-24.8
Operating profit (OPM)	2.7 (1.3%)	-37.6

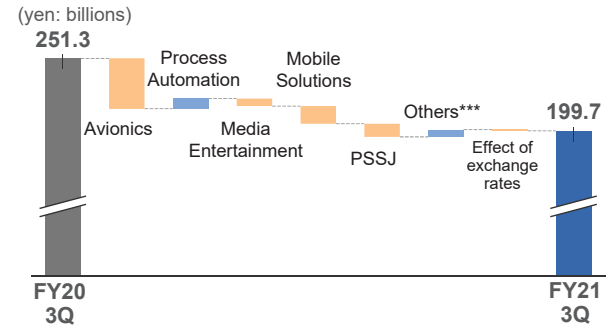
\* In real terms excluding the effect of exchange rates

### Major increase/decrease factors

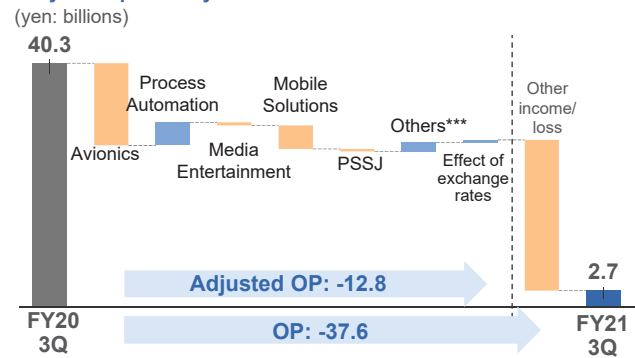
Sales / Adjusted OP	
Avionics	<ul style="list-style-type: none"> <li>Sales decreased due to continuing situation of significantly declined flight operations and reduced aircraft production</li> <li>Profit decreased significantly despite efforts to reduce costs, mainly fixed costs</li> </ul>
Process Automation	<ul style="list-style-type: none"> <li>Welding equipment returned to same level as last year. Sales and profit increased due to favorable sales of mounting machines for 5G equipment, ICT terminals, and other related products.</li> </ul>
Media Entertainment	<ul style="list-style-type: none"> <li>Sales and profit decreased due to decreased sales of projectors, etc. resulting from event cancellations worldwide, while remote-control camera sales increased</li> </ul>
Mobile Solutions	<ul style="list-style-type: none"> <li>Sales and profit decreased impacted by last year's special demand related to the end of Windows 7 support, and held-back investment by corporate customers</li> </ul>
PSSJ**	<ul style="list-style-type: none"> <li>Sales and profit decreased, mainly impacted by delays in project promotions and large corporate customers postponing investments</li> </ul>
Other income/loss	<ul style="list-style-type: none"> <li>Impact of gain from security systems business transfer in previous year, etc.</li> </ul>

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

**Sales:** Decreased due to decreased sales in Avionics, etc. unable to be offset by mounting machine sales which continued to be favorable



**OP:** Returned to profitability due to cost-reduction efforts (e.g. fixed costs), while continuing to decrease from the same period last year impacted by decreased sales



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# (Reference) FY21 3Q Segment Information

## Automotive

### Overview

(yen: billions)

	FY21 3Q	vs. FY20/ Difference
Sales	391.1	+7% (+8%)*
Adjusted operating profit (Adjusted OPM)	2.0 (0.5%)	+8.7
Other income/loss	-5.0	-5.2
Operating profit (OPM)	-3.0 (-0.8%)	+3.5

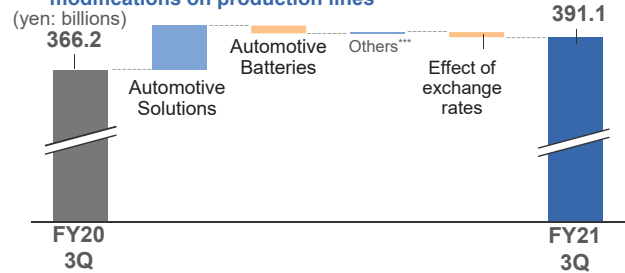
\* In real terms excluding the effect of exchange rates

### Major increase/decrease factors

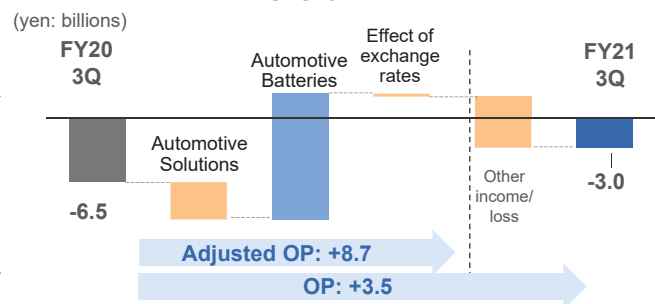
\*\* IVI: In Vehicle Infotainment

Sales / Adjusted OP	
Automotive Solutions	<p><b>[Sales]</b></p> <ul style="list-style-type: none"> <li>Increased due mainly to rebound in demand from reduced production of automobiles in 1Q, and increased sales of IVI**, one of our focus areas</li> </ul> <p><b>[Profit]</b></p> <ul style="list-style-type: none"> <li>Decreased and resulted in a loss: recorded temporary expenses toward reduction of future losses in onboard charging systems for orders received in Europe, while effects were seen from increased sales and fixed-cost reduction through management structure enhancement initiatives</li> <li>Increased and achieved profitability, if temporary expenses related to onboard charging systems are excluded</li> </ul>
Automotive Batteries	<p><b>[Sales]</b></p> <ul style="list-style-type: none"> <li>Decreased due to temporarily decreased sales of cylindrical batteries resulting from modifications on production lines to introduce technology for higher battery capacity</li> </ul> <p><b>[Profit]</b></p> <ul style="list-style-type: none"> <li>Increased due mainly to material rationalization efforts for cylindrical batteries and introduction of new cells with higher capacity</li> <li>Continued to achieve profitability in 3Q for the overall automotive cylindrical battery business</li> </ul>
Other income/loss	<ul style="list-style-type: none"> <li>Automotive prismatic battery joint venture equity method loss, etc.</li> </ul>

**Sales:** Increased overall with rebound in demand from reduced production of automobiles in 1Q for Automotive Solutions, despite lower sales in automotive cylindrical batteries due to modifications on production lines



**OP:** Reduced amount of loss compared to same period last year; adjusted OP was profitable due mainly to increased sales, fixed-cost reduction, and material rationalization for cylindrical batteries, despite recording temporary expenses related to onboard charging systems in Automotive Solutions



\*\*\*Others: sales of other Divisional Company products, 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



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# (Reference) FY21 3Q Segment Information

## Industrial Solutions

### Overview

(yen: billions)

	FY21 3Q	vs. FY20/ Difference
Sales	334.0	+2% (+3%)*
Adjusted operating profit (Adjusted OPM)	25.8 (7.7%)	+15.8
Other income/loss	-7.0	+9.6
Operating profit (OPM)	18.8 (5.6%)	+25.4

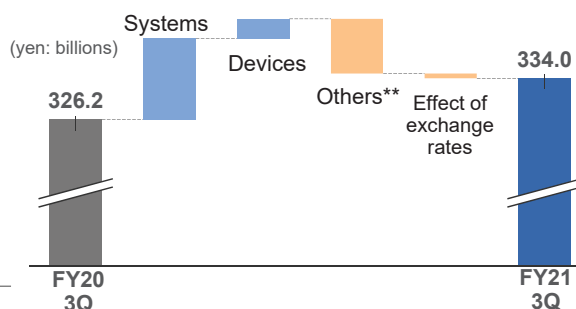
\* In real terms excluding the effect of exchange rates

### Major increase/decrease factors

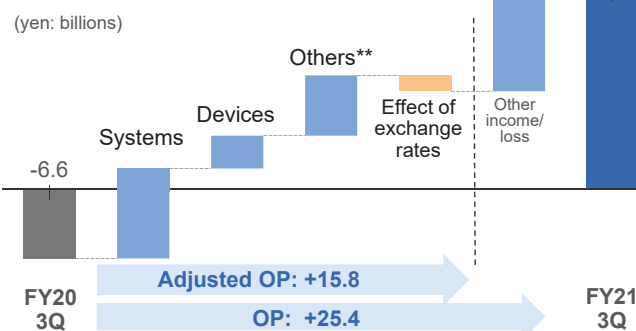
Sales / Adjusted OP	Systems	Devices	Others	Other income/loss
Sales	<ul style="list-style-type: none"> <li>Sales increased due to continued favorable sales of power storage systems for data centers and industrial-use motors, along with recovered sales of automotive-use products (e.g. relays, power supplies)</li> <li>Profit increased with increased sales along with material-cost rationalization and fixed-cost reduction</li> </ul>	<ul style="list-style-type: none"> <li>Sales increased mainly with capacitors for ICT infrastructure and automotive-use, despite sluggish sales of circuit board materials due to trade friction between US and China</li> <li>Profit increased due to increased sales (e.g. capacitors) and material rationalization</li> </ul>	<ul style="list-style-type: none"> <li>Profit increased due to fixed-cost reduction, despite decreased sales from transfer of semiconductor business</li> </ul>	<ul style="list-style-type: none"> <li>Rebound from restructuring expenses related to semiconductor business recorded in previous year, etc.</li> </ul>

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

**Sales:** Increased due to favorable sales of power storage systems/capacitors for information-infrastructure and industrial-use motors, as well as recovered market conditions for automotive-use, offsetting decreased sales resulting from semiconductor business transfer



**OP:** Increased due to increased sales of competitive products and effect of structural reform of semiconductor business



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

# (Reference) Business Portfolio Reform Progress since FY20

### 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)

### 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 **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). Transfer completed (September 1, 2020)  
 \*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

- Announced withdrawal from production of photovoltaic products at factories in Malaysia and Shimane Prefecture, Japan (February 1, 2021.) Sales of photovoltaic modules in and outside Japan will continue. To complete business structural reform within FY22, and aim to restore profitability of overall energy solution business in FY23.  
 - Resolved to end partnership with GS-Solar, a Chinese photovoltaic module manufacturer, agreed in May 2019. (July 30, 2020).  
 - Announced to wind down production in Buffalo, NY, USA. (February 26, 2020).  
 Ceased production by the end of June 2020 and completed withdrawal at the end of September 2020

#### Smart Life Network business (TV business, etc.)

- Aim to eliminate losses in TV business during FY21, one year ahead of initial plan, through structural reform

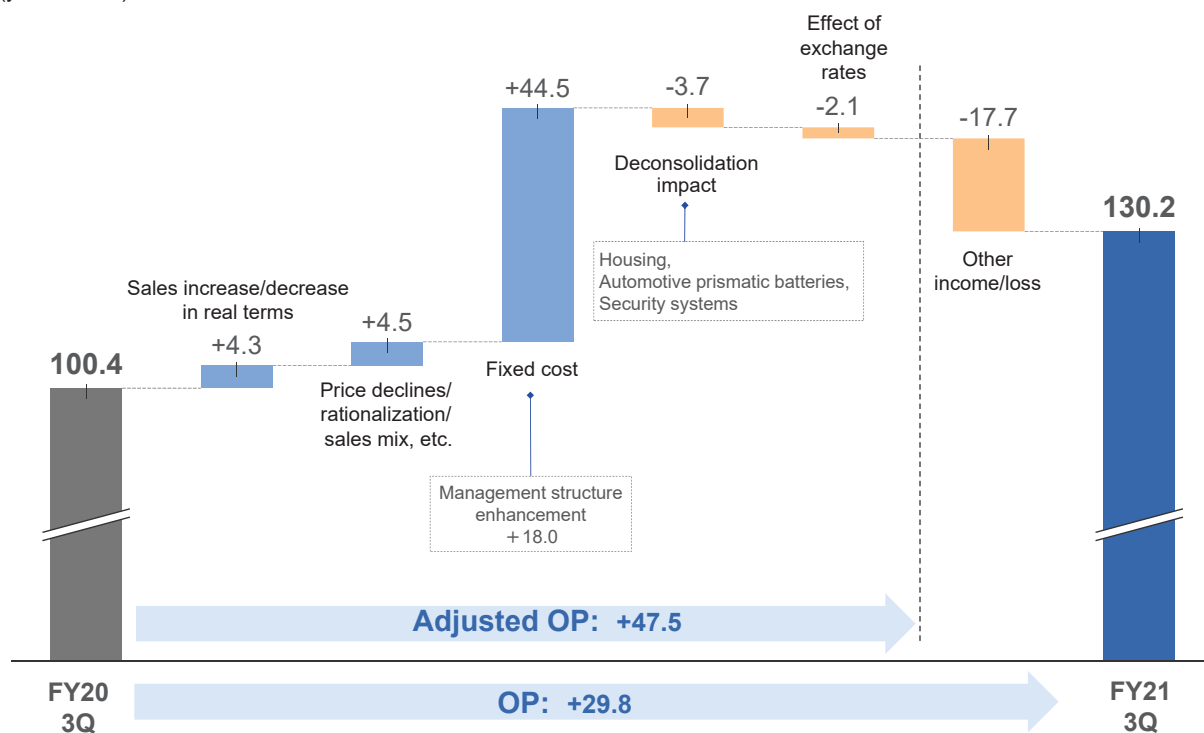
#### Lighting business **Completed in FY20**

- Announced share transfer of European lighting device company (February 5, 2020).  
 Transfer completed (late February 2020)

Note: Changes after FY21 2Q announcement are underlined

## (Reference) FY21 3Q Operating Profit Analysis

(yen: billions)



## (Reference) FY21 3Q Operating Profit & Net Profit

(yen: billions)

	FY21 3Q	FY20 3Q	vs. FY20 Difference
Operating profit	130.2	100.4	+29.8
Non-operating income/loss	-3.3	-0.2	-3.1
Profit before income taxes	126.9	100.2	+26.7
Income taxes	-39.6	-18.8	-20.8
Net profit	87.3	81.4	+5.9
Net profit attributable to Panasonic Corporation stockholders	81.2	77.2	+4.0
Net profit attributable to non-controlling interests	6.1	4.2	+1.9

## (Reference) FY21 Nine-Month (Apr. – Dec.) Results

(yen: billions)

	FY21 9M	FY20 9M	vs. FY20 / Difference	
Sales	4,873.3	5,755.6	-15%	-882.3
			Excl. effect of exchange rates (-15%)	
			Excl. effect of exchange rates & deconsolidation impact (-9%)	
Adjusted operating profit* (Adjusted OPM)	231.9 (4.8%)	251.8 (4.4%)	-8%	-19.9
Other income/loss**	-5.1	-11.1	-	+6.0
Operating profit (OPM)	226.8 (4.7%)	240.7 (4.2%)	-6%	-13.9
Non-operating income/loss	-6.7	-2.6	-	-4.1
Profit before income taxes	220.1	238.1	-8%	-18.0
Net profit attributable to Panasonic Corporation stockholders	130.1	178.1	-27%	-48.0
Exchange Rates				
1 US dollar	106 yen	109 yen		
1 Euro	122 yen	121 yen		
1 Renminbi	15.4 yen	15.6 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) List of Sub-segments in FY21

Sub-segments	Major Business Divisions, etc.
<b>AP</b>	<ul style="list-style-type: none"> <li>Heating and Cooling Solutions : Heating and Cooling Solutions BD</li> <li>Home Appliances : Kitchen Appliances BD, Laundry Systems and Vacuum Cleaner BD, Beauty and Personal Care BD</li> <li>Smart Life Network : Smart Life Network BD</li> <li>Commercial Refrigeration &amp; Food Equipment : Cold Chain BD, Hussmann Corporation</li> <li>Others : Refrigeration and Air-Conditioning Devices BD, Smart Energy System BD, sales of other Divisional Company products, headquarter-related, eliminations, etc.</li> </ul>
<b>LS</b>	<ul style="list-style-type: none"> <li>Lighting : Lighting BD</li> <li>Energy Systems : Energy Systems BD</li> <li>Panasonic Ecology Systems : Panasonic Ecology Systems Co., Ltd.</li> <li>Housing Systems : Housing Systems BD</li> <li>Others : Bicycle, nursing-care, sales &amp; marketing, eliminations, etc.</li> </ul>
<b>CNS</b>	<ul style="list-style-type: none"> <li>Avionics : Panasonic Avionics Corporation, Avionics BU</li> <li>Process Automation : Process Automation BD</li> <li>Media Entertainment : Media Entertainment BD</li> <li>Mobile Solutions : Mobile Solutions BD</li> <li>PSSJ : Panasonic System Solutions Japan Co., Ltd.</li> <li>Others : Other businesses, eliminations, etc.</li> </ul>
<b>AM</b>	<ul style="list-style-type: none"> <li>Automotive Solutions : Automotive Infotainment Systems BD, HMI Systems BD, Automotive Systems BD, Ficosa International, S.A.</li> <li>Automotive Batteries : Tesla Energy BD, Automotive prismatic battery business</li> <li>Others : Sales of other Divisional Company products, etc.</li> </ul>
<b>IS</b>	<ul style="list-style-type: none"> <li>Systems : Electromechanical Control BD, Industrial Device BD, Energy Solutions BD</li> <li>Devices : Device Solutions BD, Energy Device BD, Electronic Materials BD</li> <li>Others : Semiconductor, LCD, sales of other Divisional Company products, eliminations, etc.</li> </ul>
<b>Other</b>	<ul style="list-style-type: none"> <li>Sales of raw materials, etc.</li> </ul>
<b>Eliminations &amp; adjustments</b>	<ul style="list-style-type: none"> <li>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.</li> </ul>

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

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