

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.

- This presentation gives Panasonic's consolidated financial results for the third quarter of fiscal 2021 (FY21) ended December 31, 2020.

- 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


- First, the summary of the consolidated financial results for the third quarter of FY21.
- Overall 3Q sales in real terms turned to an increase from the same period last year.
Profit increased from the same period last year, similar to 2Q.
- This is due to steady progress in enhancing management structure, and contributions from increased sales of businesses capturing changes in society.
- For the Company-wide full-year forecasts, both sales and profit are revised upward.
- Accordingly, adjusted operating profit for the full-year is expected to increase from last year.
- For the forecasts by segment, Appliances, Life Solutions, Automotive, and Industrial Solutions are revised upward, and Connected Solutions is revised downward.

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Fiscal 2021 Full-Year Financial Forecast

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- I will explain the details of consolidated financial results for the third quarter of FY21 from the next slide.

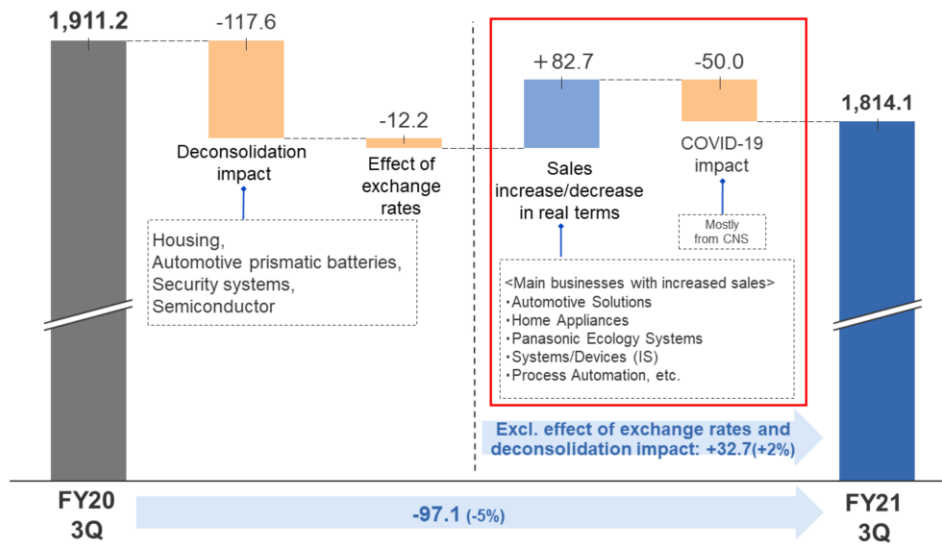
FY21 3Q Financial Results					
<ul style="list-style-type: none"> • Sales: Increased in real terms excluding effect of exchange rates and deconsolidation impact • Adjusted operating profit, operating profit and net profit: Increased largely with enhancement of management structure and increased sales 					
(yen: billions)	FY21 3Q	FY20 3Q	vs. FY20 / Difference		
Sales	1,814.1	1,911.2	Excl. effect of exchange rates Excl. effect of exchange rates & deconsolidation impact	-5% (-4%) (+2%)	-97.1 (-84.9) (+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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- This shows the consolidated financial results for the third quarter of FY21.
- Overall sales was 1,814.1 billion yen. Sales increased in real terms excluding the 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.

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)



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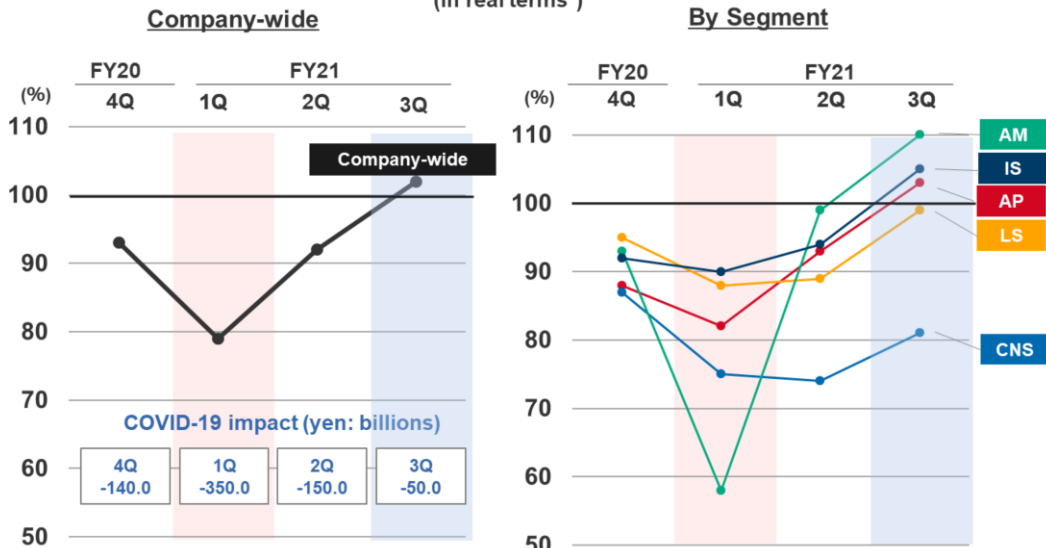
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- This slide shows our sales analysis.
- Overall sales decreased by 97.1 billion yen (-5%).
However, sales in real terms excluding the deconsolidation impact and other factors, increased by 32.7 billion yen (+2%).
This is due to increased sales in Automotive Solutions, Home Appliances and others, offsetting the impact of decreased sales by COVID-19.

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

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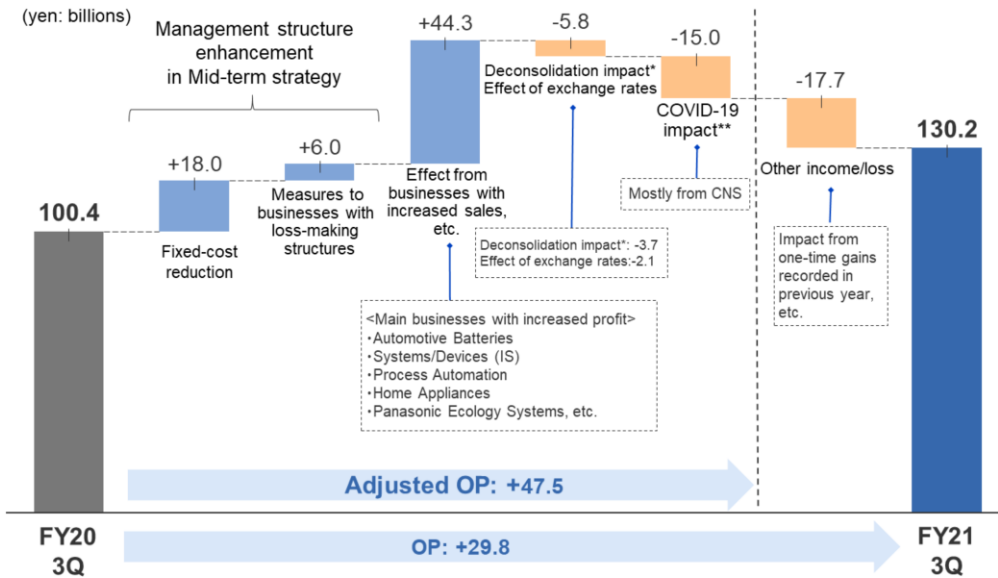
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- Next, I will explain the sales trends in comparison to the previous year.
- The graph on the left shows the trend for Company-wide sales. Sales hit the bottom in 1Q with expanded COVID-19 impact. However, sales continued on a recovery trend and reached above previous year's level in 3Q.
COVID-19 impact to sales has lessened:
For 1Q, COVID-19 impact to decreased sales was 350.0 billion yen.
For 3Q, the impact was 50.0 billion yen.
- The graph on the right shows the trends for sales by segment. Automotive, Industrial Solutions and Appliances recovered to above the previous year's level in 3Q.

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



* Housing, Automotive prismatic batteries, Security systems

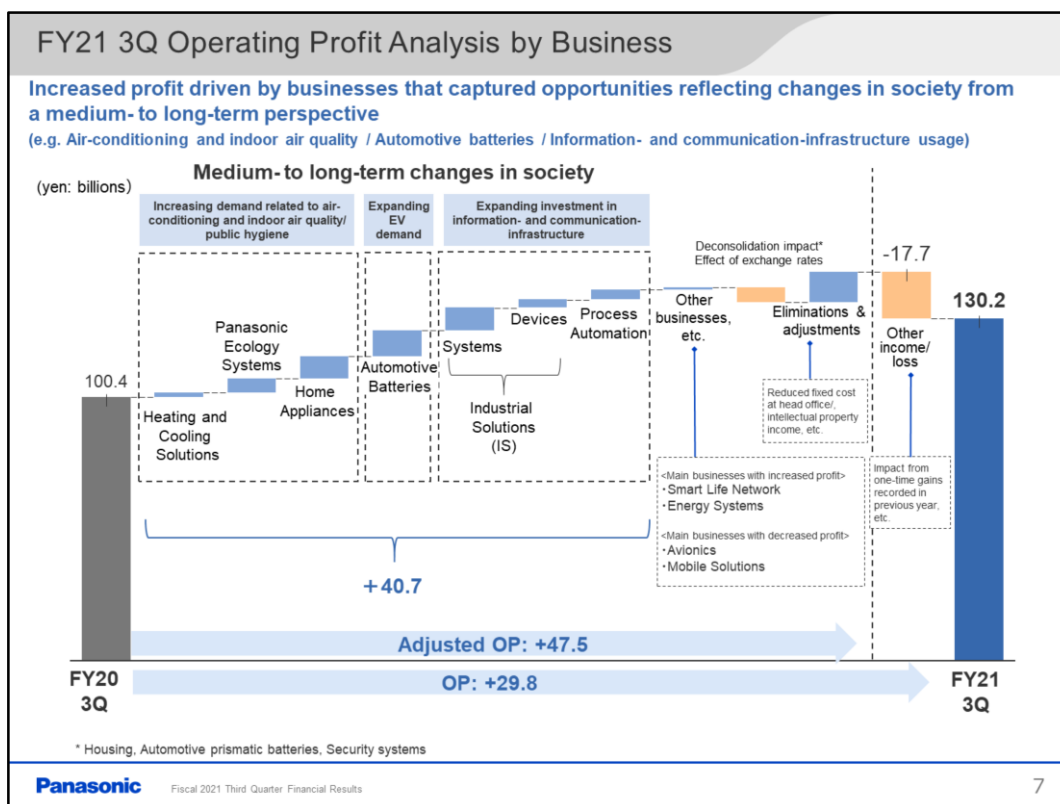
** Net amount of decreased sales and related fixed-cost improvement, etc.

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- This slide shows our operating profit analysis.
- Regarding management structure enhancement set in the Mid-term strategy, we made steady progress with profit contributions of: 18.0 billion yen with fixed-cost reduction and 6.0 billion yen with measures to businesses with loss-making structures.
- In addition, the effect from businesses with increased sales, etc. contributed to overall profit growth by 44.3 billion yen.
- On the other hand, COVID-19 impact was a decrease factor of 15.0 billion yen.
- Adjusted operating profit increased by 47.5 billion yen.
- Overall operating profit increased by 29.8 billion yen, despite a decrease in other income/loss impacted by one-time gains recorded in the previous year and other factors.



- This slide shows our operating profit analysis by business.
- Increased profit was driven by businesses that captured opportunities reflecting changes in society from a medium- to long-term perspective such as air-conditioning/indoor air quality, automotive batteries as well as information- and communication-infrastructure usage.
- Adjusted operating profit increased by 47.5 billion yen, out of which, 40.7 billion yen came from such businesses.
- For example, profit increased in businesses that captured increasing demand related to air-conditioning/indoor air quality and public hygiene such as: Heating and Cooling Solutions and Home Appliances expanding product lineup equipped with nanoeTMX; Panasonic Ecology Systems with expanding production of Ziaino spatial sterilizing/deodorizing equipment using sodium hypochlorite.
- In addition, automotive cylindrical batteries, amid expanding EV demand, largely increased profit with progress in rationalization and other factors.
- Furthermore, profit increased in Systems and Devices of Industrial Solutions, as well as Process Automation, capturing expanding investment demand related to information and communication.

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
Total	1,814.1	-5% (-4%)	-97.1	142.8 7.9%	+47.5	-12.6	-17.7	130.2 7.2%	+29.8
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%

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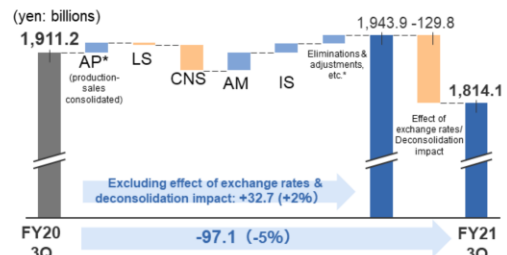
- This slide shows the results by segment.
- Adjusted operating profit was positive at all segments.

FY21 3Q Sales and Profit Analysis by Segment

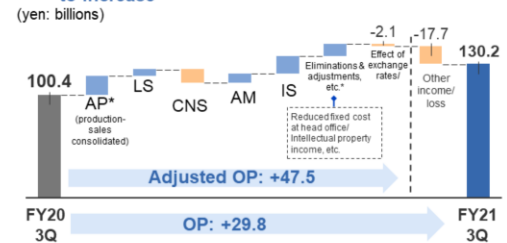
Major increase/decrease factors

Sales / Adjusted OP	AP	Sales increased due to favorable sales of Home Appliances and others, offsetting lower sales of Smart Life Network Profit increased due to increased sales (e.g. Home Appliances) along with cost-control efforts
	LS	Sales at previous year's level: Favorable sales of air-quality related businesses and overseas wiring devices offset impact of market deterioration in Japan Profit increased: contributed by increased sales (e.g. air-quality related businesses) and thorough fixed-cost reduction
	CNS	Sales decreased: Continued favorable sales of mounting machines with expanding 5G-related demand, unable to offset decreased sales in Avionics, etc. Profit decreased largely: Efforts to improve costs (e.g. fixed-cost reduction) unable to offset impact of decreased sales
	AM	Sales increased overall: 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 Profit increased 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
	IS	Sales increased 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 Profit increased due mainly to increased sales and effect of completing structural reform of semiconductor business in September 2020.
	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

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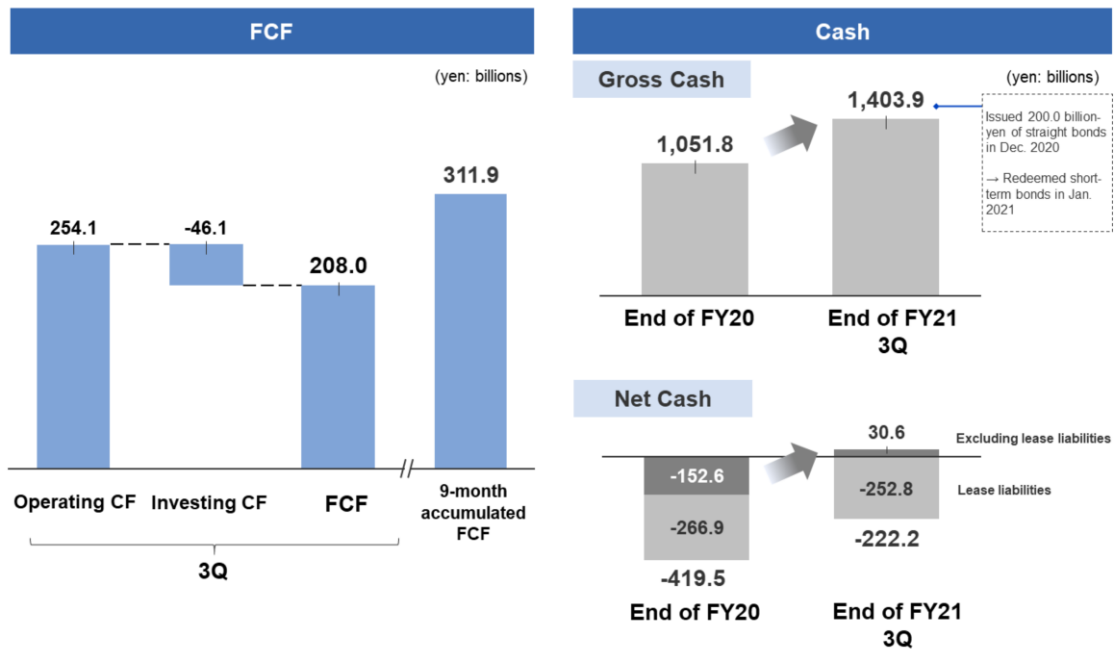
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- This slide shows major increase/decrease factors by segment.
- In Appliances, sales and profit increased due to favorable sales of products such as washing machines and refrigerators, along with cost-control efforts.
- In Life Solutions, sales was at previous year's level.
Favorable sales of air-quality related businesses and overseas wiring devices offset the impact of market deterioration in Japan.
Profit increased, contributed by increased sales including air-quality related businesses and thorough fixed-cost reduction.
- In Connected Solutions, sales and profit decreased.
Continued favorable sales of mounting machines and efforts to improve costs were unable to offset the decreases in Avionics and others.
However, Connected Solutions turned profitable overall after recording losses in 1Q and 2Q.
- In Automotive, sales increased overall.
Sales in 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.
Profit increased overall.
Profit increased largely in automotive cylindrical batteries through rationalization and other factors. However, profit decreased in Automotive Solutions due to recording of temporary expenses related to the issues of onboard charging systems, while there were increased sales and fixed-cost reduction effect.
- In Industrial Solutions, sales and profit increased due mainly to continued favorable sales of products for information- and communication-infrastructure as well as the effect from structural reform of semiconductor business.

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



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- Next, I will explain the situation of FCF and cash positions.
- FCF was 208.0 billion yen.
This was contributed by operating cash flow becoming significantly positive through working capital improvement, etc., in addition to net profit.
- For the nine-month of FY21, FCF was 311.9 billion yen.
- The graph on the right describes our cash positions.
- Gross cash was approximately 1,400.0 billion yen.
The amount was largely increased compared to the end of FY20 by issuing 200.0 billion yen of straight bonds in December 2020, which was already used to redeem short-term bonds in January 2021.
- Net cash was negative 222.2 billion yen. This has been improved compared to the end of FY20, and turned positive excluding lease liabilities.

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Fiscal 2021 Full-Year Financial Forecast

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- I will explain the FY21 full-year forecast revision from the next slide.

FY21 Full-Year Forecast Revision						
<ul style="list-style-type: none"> 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	6,600.0	6,500.0	+100.0	7,490.6	-12% (-11%) Excl. effect of exchange rates & deconsolidation impact (-7%)	-890.6 (-832.0) (-464.2)
Adjusted operating profit* (Adjusted OPM)	300.0 (4.5%)	220.0 (3.4%)	+80.0	286.7 (3.8%)	+5%	+13.3
Other income/loss**	-70.0	-70.0	-	7.1	-	-77.1
Operating profit (OPM)	230.0 (3.5%)	150.0 (2.3%)	+80.0	293.8 (3.9%)	-22%	-63.8
Non-operating income/loss	0.0	0.0	-	-2.7	-	+2.7
Profit before income taxes	230.0	150.0	+80.0	291.1	-21%	-61.1
Net profit attributable to Panasonic Corporation stockholders	150.0	100.0	+50.0	225.7	-34%	-75.7
ROE	7.0%	5.0%	+2.0%	11.5%	-	-4.5%
Exchange rates	1 US dollar	106 yen	106 yen	-	109 yen	-3 yen
	1 Euro	122 yen	116 yen	+6 yen	121 yen	+1 yen
	1 Renminbi	15.5 yen	15.4 yen	+0.1 yen	15.6 yen	-0.1 yen
<small>* Adjusted OP = Sales - Cost of sales - SG&A ** Other income/loss = Other income (expenses) + Share of profit investments accounted for using the equity method</small>						
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- The FY21 full-year financial forecast is revised from the initial forecast announced on July 30, 2020, reflecting current management conditions.
- Sales are revised upward by 100.0 billion yen.
- Adjusted operating profit and operating profit are revised upward by 80.0 billion yen, respectively.
Net profit is revised upward by 50.0 billion yen.
- Accordingly, adjusted operating profit is expected to turn to an increase from last year by 13.3 billion.

FY21 Full-year Forecast Revision by Segment

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

- Revised downward: CNS

(yen: billions)

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

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- Revised forecasts by segment are shown on this slide.
- Appliances, Life Solutions, Automotive, and Industrial Solutions are revised upward.
Connected Solutions is revised downward.
- Details are shown from the next slide.

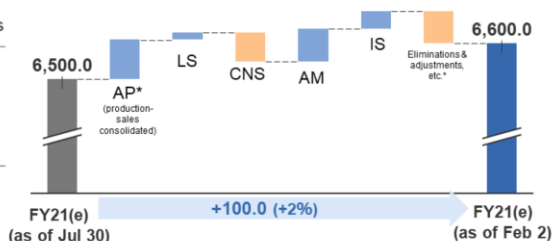
FY21 Segment Forecast Revision Analysis

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 thorough 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		-

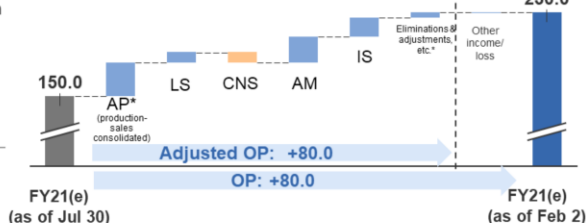
Sales

(yen: billions)



OP

(yen: billions)



* 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

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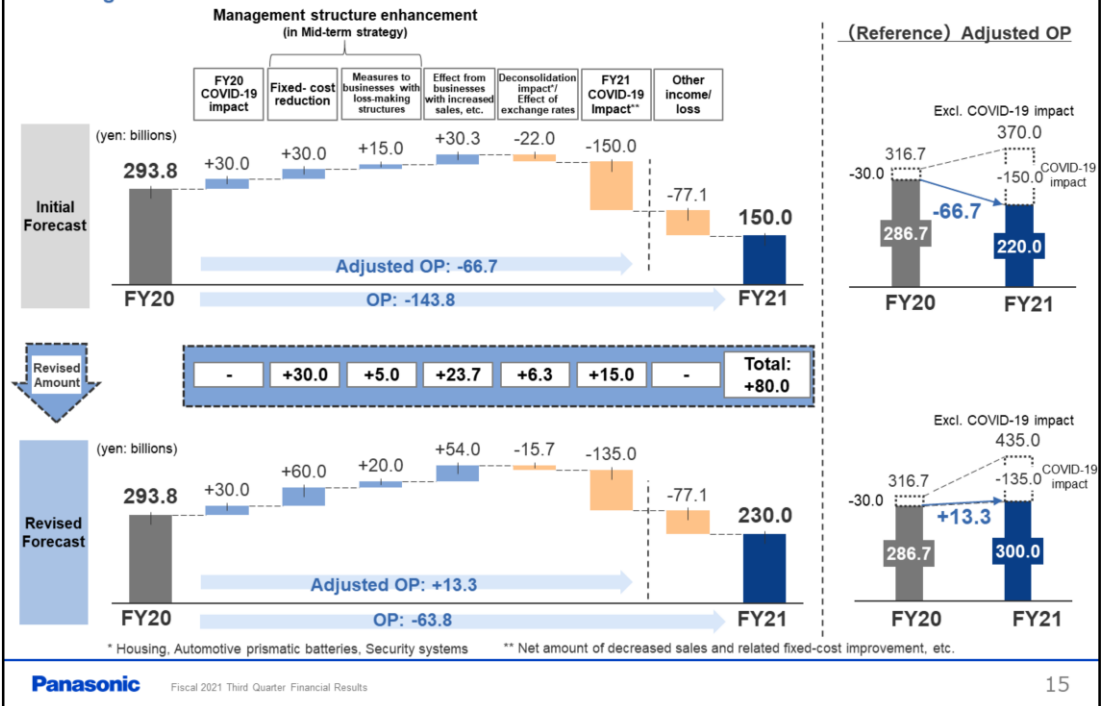
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- This slide shows the revision factors by segment.
- In Appliances, both sales and profit are revised upward, driven by stable sales of Home Appliances and progress in cost-control efforts and other factors.
- In Life Solutions, both sales and profit are revised upward with lessened COVID-19 impact, as well as increased sales of air-quality related businesses and thorough fixed-cost reduction initiatives, and other factors.
- On the other hand, in Connected Solutions, both sales and profit are revised downward reflecting delayed recovery in Avionics and others due to prolonged impact of COVID-19, despite thorough fixed-cost reduction.
- In Automotive, sales is revised upward with the effect of earlier-than-expected recovery in the automobile market for Automotive Solutions. Profit is also revised upward expecting reduced loss compared to the initial forecast mainly with recovered sales, despite recording temporary expenses related to onboard charging systems in Automotive Solutions. Rationalization and the effect of introducing new cells in automotive cylindrical batteries also contributed to the upward revision.
- In Industrial Solutions, both sales and profit are revised upward with improved market conditions for automotive-use products and growth in products for data centers.
- As a result, on a Company-wide basis, sales are revised upward by 100.0 billion yen, adjusted operating profit and operating profit are revised upward by 80.0 billion yen, respectively.

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



- Now I will explain the revision of operating profit by factor.
- This slide shows the analysis of increase/decrease factors from last year. The upper graph shows the initial forecast as of July 30, and the lower graph shows the revised forecast as of February 2. In between, the breakdown of the revised amount of 80.0 billion yen is shown by factor.
- Major factors of the revision include:
 - Profit contribution from fixed-cost reduction set in the Mid-term strategy initiatives is expected to increase by 30.0 billion yen, through steady progress of management structure enhancement.
 - As for the effect from businesses with increased sales, etc., 23.7 billion yen is expected to improve, reflecting such factors as turning to an increase of current sales in real terms.
 - Regarding the COVID-19 impact in FY21, we factored in 15.0 billion yen of lessened impact compared to the initial forecast, reflecting current circumstances.
- With regard to adjusted operating profit, the comparison to last year, as well as the amount excluding COVID-19 impact, is shown on the right as a reference.

Progress in key initiatives for FY21

Mid-term Strategy	Enhancement of management structure	<ul style="list-style-type: none"> Expected to achieve mid-term target, 100.0 billion yen in FY21, ahead of schedule 					
		(yen: billions)	Mid-term Target	FY20 Results	FY21 Forecast	Total	FY22
		Fixed-cost reduction*	60.0	20.0	60.0	80.0	Continue to progress toward further profit contribution
		Measures to businesses with loss-making structures	40.0	0.0	20.0**	20.0**	
		Total	100.0	20.0	80.0	100.0	
	<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>						
	Improve profitability of automotive business	<ul style="list-style-type: none"> Steady progress of profitability improvement by fixed-cost reduction, productivity improvement and others 					
		(yen: billions)	FY20 Results	FY21 Forecast		FY22 onward	
		Adjusted OP (AM segment)	-30.5	-30.0 → -5.0 <small>(as of Jul. 30) (as of Feb. 2)</small>		Continue with measures to achieve 5% margin at earliest stage	
	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) 					
<ul style="list-style-type: none"> Solar business: Completed withdrawal from Buffalo factory (end Sep. '20) Withdraw from production of photovoltaic products within FY22***, completing business structural reform; continue photovoltaic module sales in and outside Japan 							
In response to COVID-19		<ul style="list-style-type: none"> Execute additional fixed-cost reductions according to business conditions ⇒ Continue fixed-cost management in well-focused manner Execute structural reform in Avionics business ⇒ Promote measures monitoring recovery situation (e.g. aircraft production and flight operations) 					
Capture business opportunities		<ul style="list-style-type: none"> Capture opportunities reflecting changes in society from medium- to long-term perspective and promote measures to offer solutions 					

*** Panasonic will withdraw from its in-house production for residential, public and industrial-use. 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.

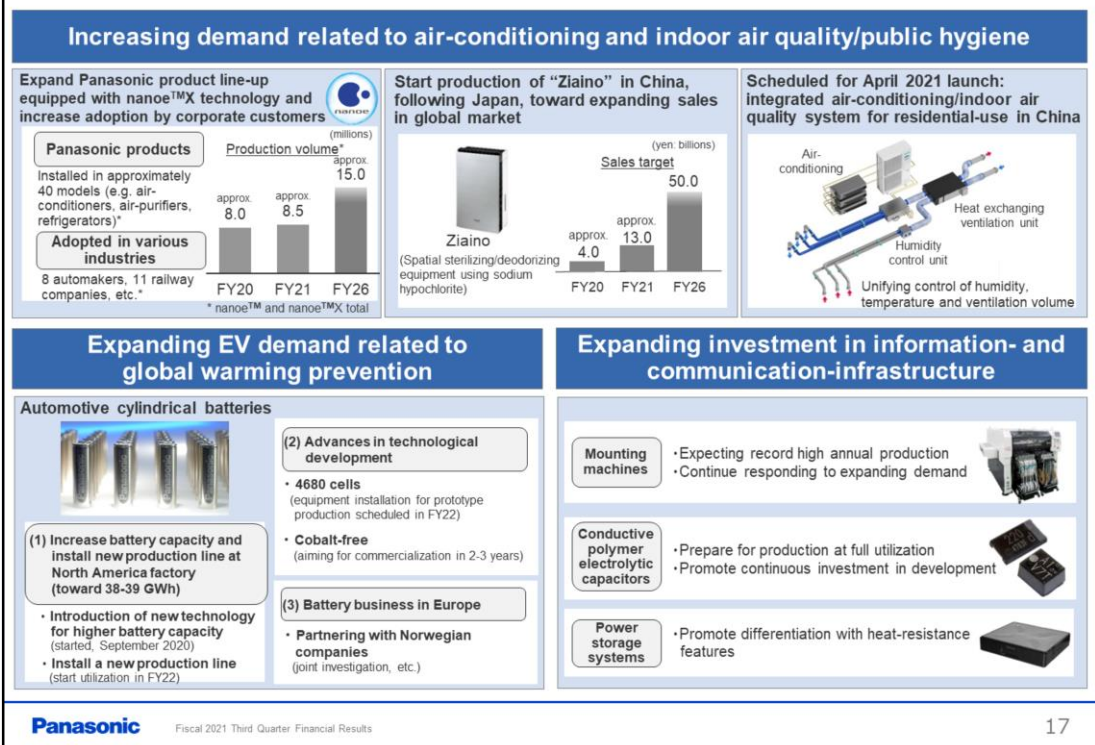
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- This slide shows our progress in key initiatives.
- In terms of management structure enhancement set in the Mid-term strategy, we expect to achieve the Mid-term target of 100.0 billion yen in the first 2 years, ahead of schedule.
We will continue to promote our efforts, aiming for further profit contributions.
- Our work to improve profitability of the automotive business has made steady progress through fixed-cost reductions and profitability improvements, despite COVID-19 impact. We will continue these measures with the aim of achieving 5% profit margin at the earliest stage.
- With regard to business portfolio reform, yesterday, we announced the withdrawal from the production of photovoltaic products.
Going forward, Panasonic will enhance its energy solution business combining products such as HEMS (Home Energy Management System), power-conditioners and storage batteries.
- In response to COVID-19, we are taking further fixed-cost reduction initiatives addressing decreased sales, according to each business situation.
We will continue with thorough fixed-cost management in a well-focused manner.
- For the Avionics business, we have been executing structural reform. We will continue with the necessary measures by closely monitoring the industry's recovery, such as resumption of aircraft production and flight operations.
- In the next slide, I will explain details of initiatives to capture business opportunities.

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



- Triggered by COVID-19, changes in society are accelerating in various business areas.
- Panasonic is promoting its initiatives to offer solutions to social issues through its business activities, capturing opportunities arising with such changes from a medium- to long-term perspective.
- First, with the increasing demand related to air-conditioning, indoor air quality, and public hygiene, we are expanding our product line-up equipped with nanoe™X technology. Production volume, including nanoe™ products, is expected to increase from 8 million units in FY20 to 8.5 million units in FY21. We will increase this volume to the range of 15 million units in 5 years.
- Next, for the Ziaino spatial sterilizing/deodorizing equipment using sodium hypochlorite, we are increasing production capacity such as starting production in China, toward a sales target of 50.0 billion yen in FY26.
- We are also focusing on solutions such as an integrated air-conditioning and indoor air quality system, scheduled for launch in the Chinese residential market.
- With regard to the expanding demand for EVs related to global warming prevention and other factors, we can exert our technological expertise in automotive cylindrical battery business. We are strengthening initiatives such as increasing production capacity at the North America factory and developing new technology, as well as partnering with Norwegian companies to investigate the potential for our European business.
- Also, responding to the expanding investments in information- and communication-infrastructure, we are increasing production capacity, investing in technological development, and promoting product differentiation in such businesses as mounting machines, conductive polymer electrolytic capacitors, and power storage systems, respectively.
- While these businesses are already driving our profit growth, we will continue with the initiatives as mentioned above, leading to sustainable profit growth.

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

- Thank you very much for your kind attention.

Disclaimer Regarding Forward-Looking Statements

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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) 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

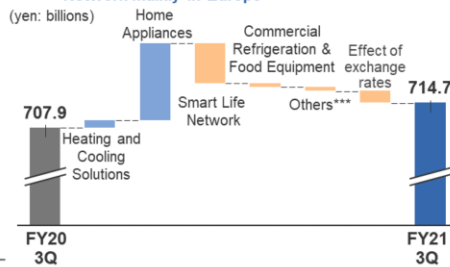
* In real terms excluding the effect of exchange rates

Major increase/decrease factors

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

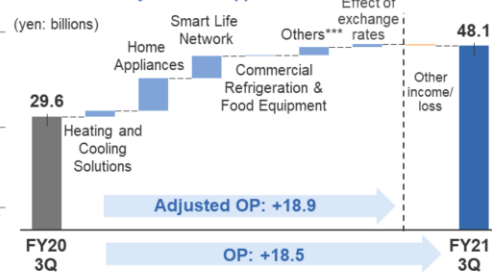
Sales: Increased overall mainly with favorable sales of Home Appliances offsetting impact of decreased sales in Smart Life Network mainly in Europe

(yen: billions)



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

(yen: billions)



** 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.

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Fiscal 2021 Third Quarter Financial Results

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(Reference) FY21 3Q Segment Information

Life Solutions

Overview (yen: billions)

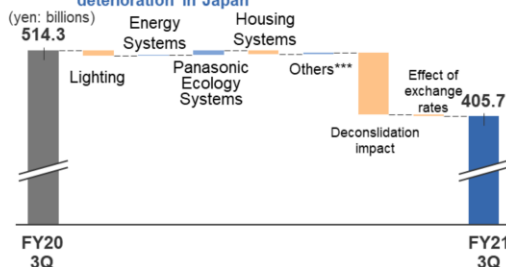
	FY21 3Q	vs. FY20/ Difference
Sales	405.7	-21% (-20%)*
Adjusted operating profit (Adjusted OPM)	38.9 (9.6%)	+5.5
Other income/loss	-1.0	+2.5
Operating profit (OPM)	37.9 (9.3%)	+8.0

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

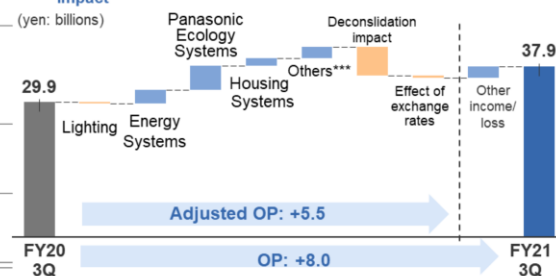
Major increase/decrease factors

Sales / Adjusted OP	Lighting	<ul style="list-style-type: none"> Sales decreased due mainly to 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 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 Profit increased due mainly to increased sales overseas and fixed-cost reductions
	Panasonic Ecology Systems	<ul style="list-style-type: none"> Sales increased contributed by increased sales of "Zlano"*** in Japan as well as engineering businesses Profit increased due to increased sales and fixed-cost reduction, etc.
	Housing Systems	<ul style="list-style-type: none"> Sales decreased due mainly to weak housing market conditions Profit increased: Efforts such as fixed-cost reductions offset impact of decreased sales, etc.
Other income/loss		<ul style="list-style-type: none"> Rebound from restructuring expenses recorded in previous year, etc.

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.

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(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

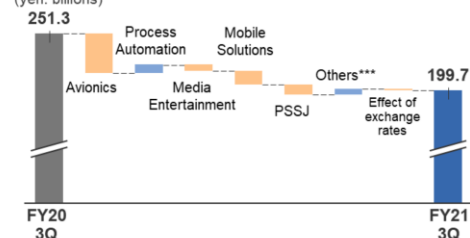
Major increase/decrease factors

Sales / Adjusted OP	Avionics	<ul style="list-style-type: none"> Sales decreased due to continuing situation of significantly declined flight operations and reduced aircraft production Profit decreased significantly despite efforts to reduce costs, mainly fixed costs
	Process Automation	<ul style="list-style-type: none"> 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.
	Media Entertainment	<ul style="list-style-type: none"> Sales and profit decreased due to decreased sales of projectors, etc. resulting from event cancellations worldwide, while remote-control camera sales increased
	Mobile Solutions	<ul style="list-style-type: none"> 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
	PSSJ**	<ul style="list-style-type: none"> Sales and profit decreased, mainly impacted by delays in project promotions and large corporate customers postponing investments
Other income/loss		<ul style="list-style-type: none"> Impact of gain from security systems business transfer in previous year, etc.

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

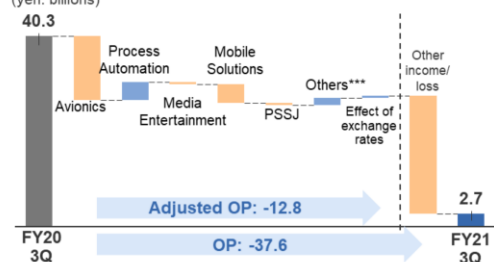
Sales: Decreased due to decreased sales in Avionics, etc. unable to be offset by mounting machine sales which continued to be favorable

(yen: billions)



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

(yen: billions)



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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

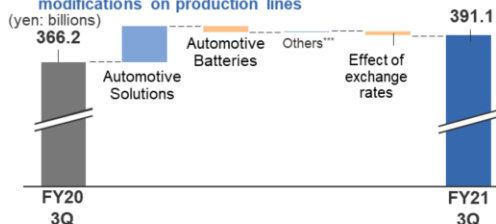
** IVI: In Vehicle Infotainment

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

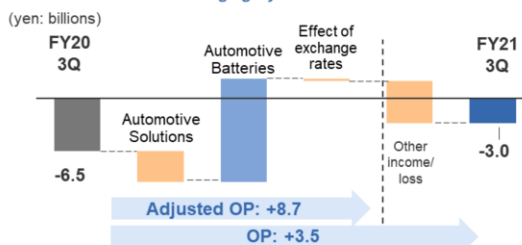
Note: Grouping of Businesses whose sales are disclosed

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

Sales: 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.

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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

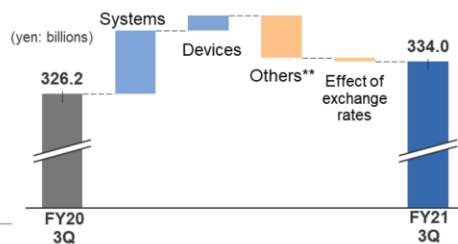
* In real terms excluding the effect of exchange rates

Major increase/decrease factors

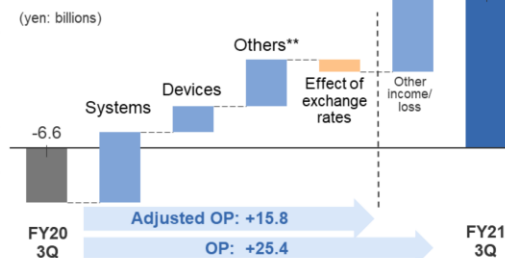
Sales / Adjusted OP	Systems	<ul style="list-style-type: none"> Sales increased due to continued favorable sales of power storage systems for data centers and industrial-use motors, along with recovered sales of automotive-use products (e.g. relays, power supplies) Profit increased with increased sales along with material-cost rationalization and fixed-cost reduction
	Devices	<ul style="list-style-type: none"> 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 Profit increased due to increased sales (e.g. capacitors) and material rationalization
	Others	<ul style="list-style-type: none"> Profit increased due to fixed-cost reduction, despite decreased sales from transfer of semiconductor business
Other income/loss	Rebound from restructuring expenses related to semiconductor business 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: 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.

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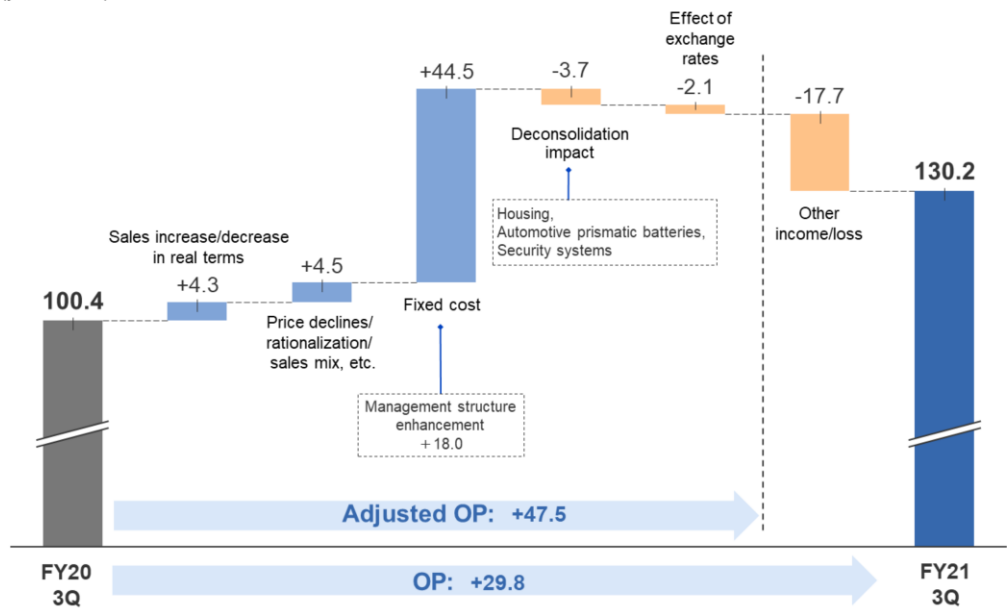
(Reference) Business Portfolio Reform Progress since FY20

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)
	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). 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 - <u>Announced withdrawal from production of photovoltaic products at factories in Malaysia and Shimane Prefecture, Japan (February 1, 2021.)</u> Sales of photovoltaic modules in and outside Japan will continue. <u>To complete business structural reform within FY22, and aim to restore profitability of overall energy solution business in FY23.</u> - 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.) - <u>Aim to eliminate losses in TV business during FY21, one year ahead of initial plan, through structural reform</u>
	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	
			-15%	
Sales	4,873.3	5,755.6	Excl. effect of exchange rates (-15%)	-882.3
			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.
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. 	

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