

# Fiscal 2021 Financial Results

# Fiscal 2022 Financial Forecast

May 10, 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 ended March 31, 2021.  
In addition, "Fiscal 2022" or "FY22" refers to the year ending March 31, 2022.

## Summary of FY21 Financial Results and FY22 Forecast

### • FY21 Financial Results

- **Results exceeded revised forecast** (as of 3Q announcement)
- Despite **overall sales decreasing** from last year due to COVID-19 impact, along with deconsolidation impact in business portfolio reform, **adjusted operating profit increased** with steady progress in enhancing management structure, and contributions from increased sales of businesses capturing opportunities reflecting changes in society
- **Operating profit and net profit\*\* decreased** due mainly to impact of one-time gains in other income/loss in FY20
- **FCF significantly improved** due mainly to business transfer and sale of assets, along with operating CF. **Net cash turned positive**, even when including lease liabilities

#### <Result trends by quarter\*>

1Q: Decreased sales & decreased profit  
2Q: Decreased sales & increased profit  
2H: **Increased sales & increased profit**

\* Sales: Excludes effect of exchange rates and deconsolidation impact  
Profit: Adjusted OP-basis

### • FY22 Financial Forecast

- **Both sales and profit expected to increase** with economic recovery in various countries, increased sales of businesses capturing opportunities reflecting changes in society, along with continued initiatives to enhance management structure;  
**Profit expected to increase in all segments**
- In the final year of Mid-term strategy, steadily promote initiatives to **overcome low-profitability structure**, and strengthen efforts to **capture business opportunities from a medium- to long-term perspective**, based on our **capital allocation policy**

\*\*Net profit attributable to Panasonic Corporation stockholders



# Fiscal 2021 Financial Results

## Fiscal 2022 Financial Forecast



### FY21 Financial Results

- **Sales:** Decreased due to COVID-19 impact, along with deconsolidation impact
- **Adjusted operating profit:** Increased due to enhancement of management structure and contributions from increased sales of businesses capturing opportunities reflecting changes in society
- **Operating profit & net profit:** Decreased due mainly to impact of one-time gains in other income/loss in FY20

(yen: billions)	FY21	FY20	vs. FY20 / Difference		FY21 (e) (as of Feb. 2, 2021)	Difference
Sales	<b>6,698.8</b>	7,490.6	-11%	-791.8	6,600.0	+98.8
			(-10%)	(-758.0)****		
			(-5%)	(-390.2)****		
Adjusted OP* (% to sales)	<b>307.2</b> (4.6%)	286.7 (3.8%)	+7%	+20.5	300.0 (4.5%)	+7.2
Other income/loss**	<b>-48.6</b>	7.1	-	-55.7	-70.0	+21.4
Operating profit (% to sales)	<b>258.6</b> (3.9%)	293.8 (3.9%)	-12%	-35.2	230.0 (3.5%)	+28.6
Non-operating income/loss	<b>2.2</b>	-2.7	-	+4.9	0.0	+2.2
Profit before income taxes (% to sales)	<b>260.8</b> (3.9%)	291.1 (3.9%)	-10%	-30.3	230.0 (3.5%)	+30.8
Net profit attributable to Panasonic Corporation stockholders (% to sales)	<b>165.1</b> (2.5%)	225.7 (3.0%)	-27%	-60.6	150.0 (2.3%)	+15.1
ROE	<b>7.2%</b>	11.5%		-4.3%		
Dividend (year-end dividend)	<b>20 yen</b> (10 yen)	30 yen (15 yen)		-10 yen		
Exchange rates	1 US dollar	106 yen	109 yen			
	1 Euro	124 yen	121 yen			
	1 Renminbi	15.7 yen	15.6 yen			

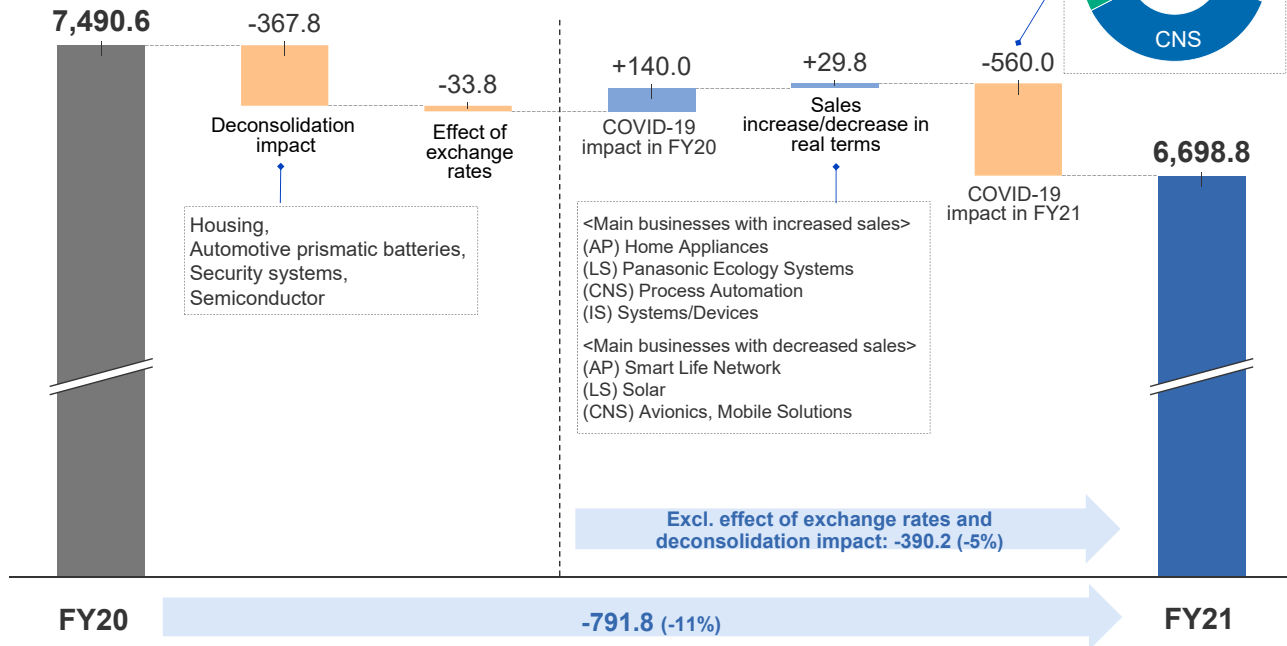
\* Adjusted OP = Sales - Cost of sales - SG&A  
 \*\* Other income/loss = Other income (expenses) + Share of profit of investments accounted for using the equity method  
 \*\*\* Excl. effect of exchange rates  
 \*\*\*\* Excl. effect of exchange rates & deconsolidation impact



# FY21 Sales Analysis

- Decreased due to COVID-19 impact, along with deconsolidation impact in business portfolio reform

(yen: billions)

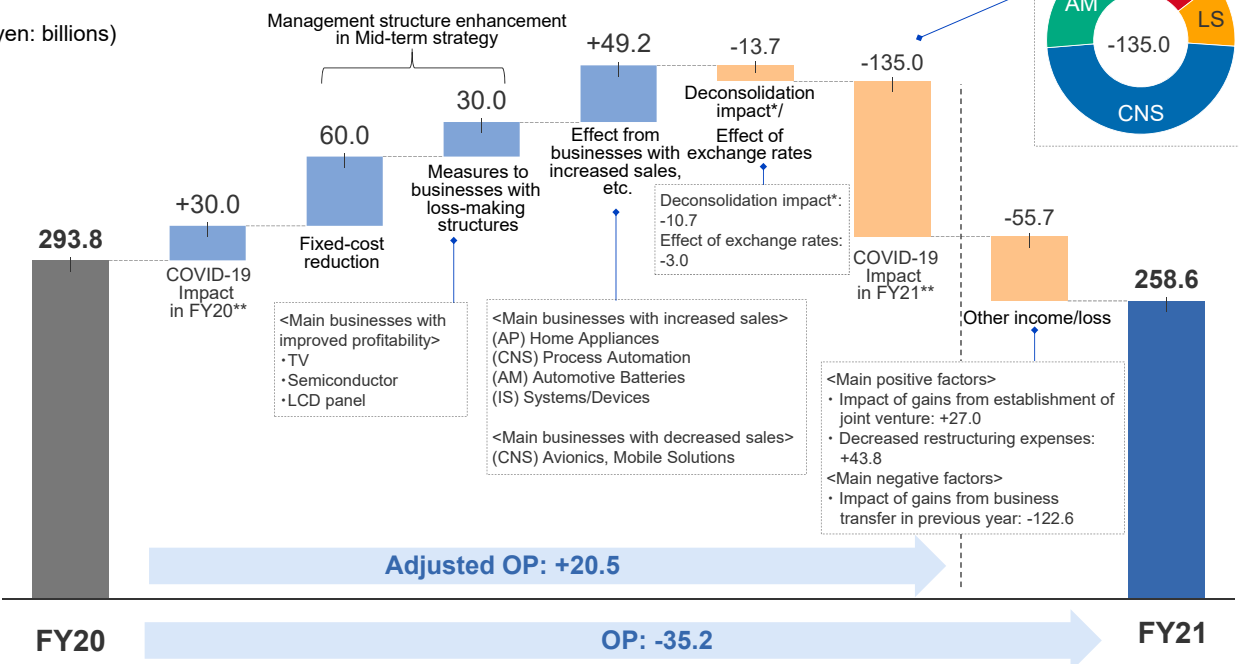


Note: Names of each Segment are as follows; AP: Appliances LS: Life Solutions CNS: Connected Solutions AM: Automotive IS: Industrial Solutions

# FY21 Operating Profit Analysis

- Adjusted operating profit increased due to management structure enhancement and increased sales surpassing negative impact of COVID-19
- Operating profit decreased due mainly to impact of one-time gains in other income/loss in FY20

(yen: billions)

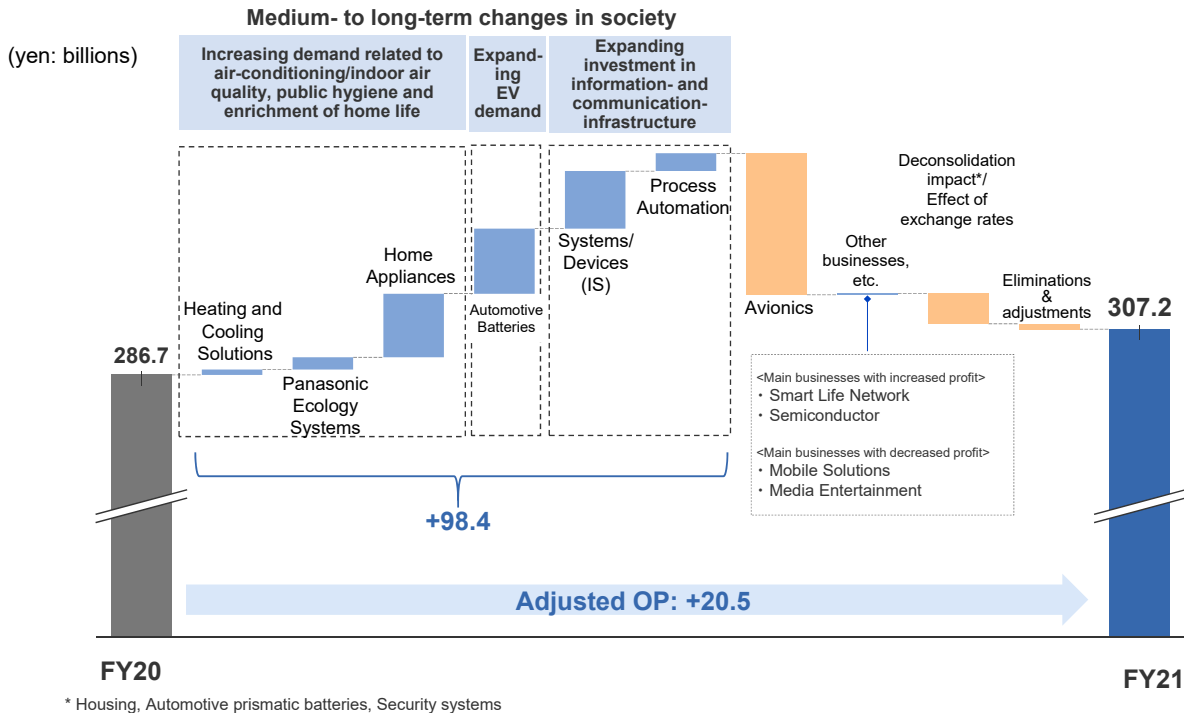


\* Housing, Automotive prismatic batteries, Security systems

\*\* Net amount: Decreased profit due to decreased sales + fixed-cost improvement, etc. related to COVID-19

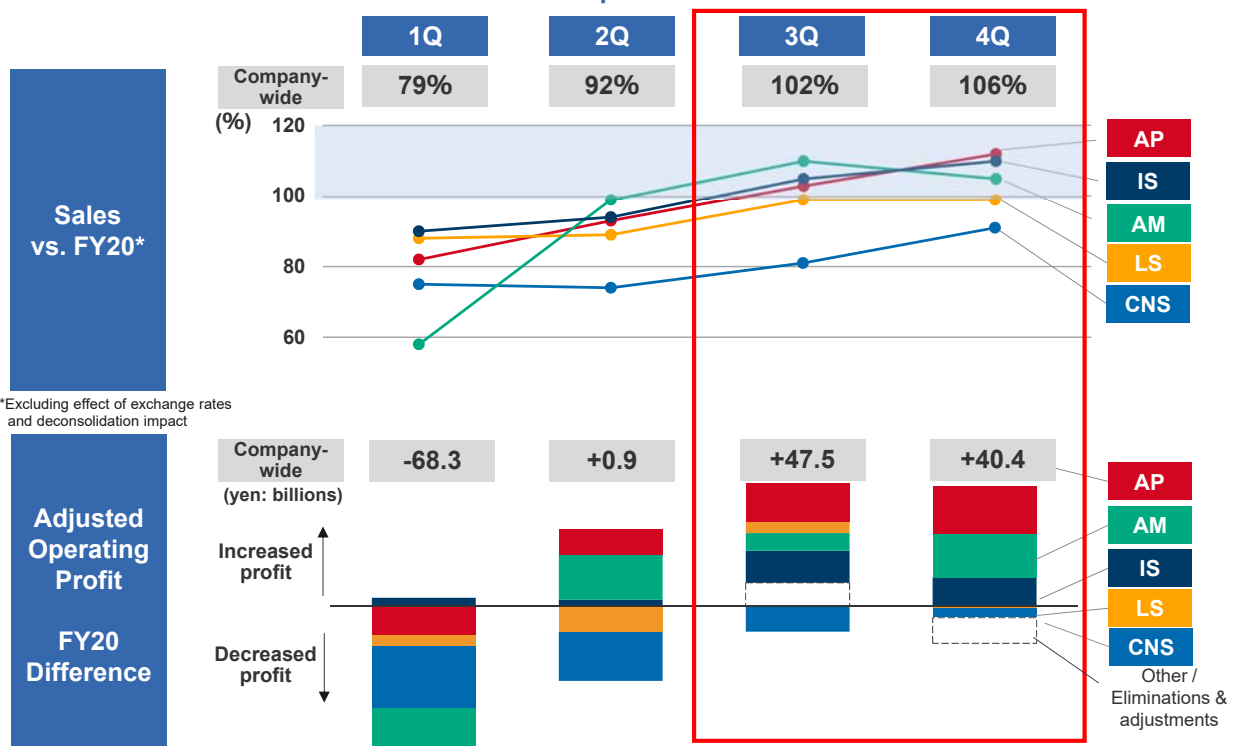
# FY21 Adjusted Operating Profit Analysis by Business

- Increased profit with businesses that captured opportunities reflecting changes in society from a medium- to long-term perspective offset decrease in Avionics business, which was largely impacted by COVID-19 (e.g. Air-conditioning and indoor air quality / Home appliances / Automotive batteries / Information- and communication-infrastructure usage)



# FY21 Result Trends by Quarter (Sales and Adjusted Operating Profit)

- 1Q: Sales and profit decreased significantly from FY20 due to COVID-19
- 2Q: Turned to a profit increase from FY20
- 2H: Achieved continuous increases in both sales and profit from FY20



# FY21 Results by Segment

(yen: billions)

	Sales	vs. FY20 (In real terms excl. effect of exchange rate)	FY20 Difference (In real terms excl. effect of exchange rate)	Adjusted OP (% to sales)	FY20 Difference	Other income/ loss	FY20 Difference	OP (% to sales)	FY20 Difference
Appliances	2,494.4	-4% (-4%)	-95.9 (-94.0)	111.6 4.5%	+40.5	-7.3	+8.1	104.3 4.2%	+48.6
Life Solutions	1,507.3	-21%* (-21%)*	-411.3 (-403.0)	84.5 5.6%	-13.9	-15.3	-97.0	69.2 4.6%	-110.9
Connected Solutions	818.2	-21% (-21%)	-216.5 (-214.3)	3.6 0.4%	-72.4	-23.6	-39.6	-20.0 -2.4%	-112.0
Automotive	1,339.4	-10% (-9%)	-143.0 (-137.1)	2.2 0.2%	+32.7	8.7	+24.8	10.9 0.8%	+57.5
Industrial Solutions	1,255.5	-2% (-2%)	-27.2 (-25.2)	74.1 5.9%	+36.5	-7.9	+25.1	66.2 5.3%	+61.6
Other/ Eliminations & adjustments	-716.0	-	+102.1	31.2	-2.9	-3.2	+22.9	28.0	+20.0
<b>Total</b>	<b>6,698.8</b>	<b>-11% (-10%)</b>	<b>-791.8 (-758.0)</b>	<b>307.2 4.6%</b>	<b>+20.5</b>	<b>-48.6</b>	<b>-55.7</b>	<b>258.6 3.9%</b>	<b>-35.2</b>
Appliances (Production and sales consolidated)	2,539.5	-5% (-4%)	-121.8 (-113.7)	110.8 4.4%	+42.3	-7.3	+8.1	103.5 4.1%	+50.4

\* vs. FY20 excluding the effect of exchange rates and deconsolidation impact: -6%

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Fiscal 2021 Financial Results / Fiscal 2022 Financial Forecast

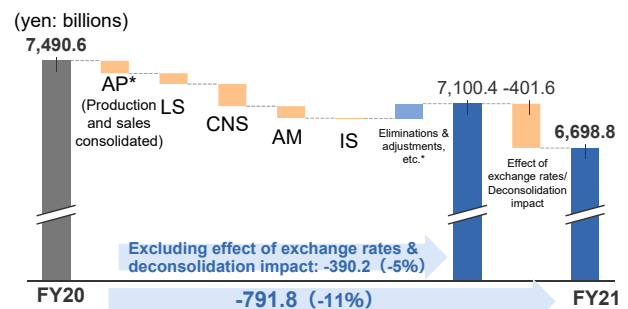
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# FY21 Sales and Profit Analysis by Segment

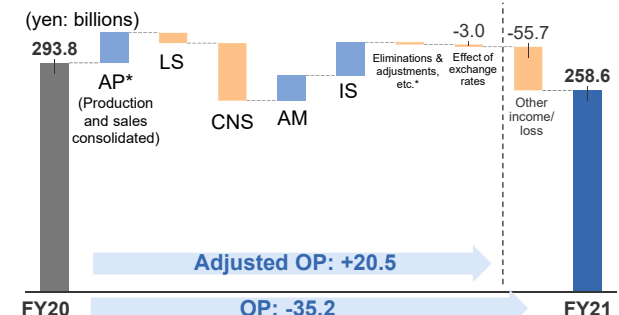
## Major increase/decrease factors

Sales / Adjusted OP	AP	<p><b>Sales decreased:</b> Largely affected by decreased sales of Smart Life Network, while Home Appliances was stable</p> <p><b>Profit increased:</b> Increased sales of Home Appliances, along with cost-control efforts in each business</p>
	LS	<p><b>Sales decreased:</b> Favorable sales of air-quality related businesses unable to offset factors including market deterioration caused by COVID-19</p> <p><b>Profit decreased:</b> Largely impacted by deconsolidation, while efforts such as thorough fixed-cost reduction offset impact of decreased sales caused by market deterioration</p>
	CNS	<p><b>Sales decreased significantly:</b> Sales decreased in Avionics, etc. largely impacted by COVID-19, while sales of mounting machines favorably reflected 5G-related demand</p> <p><b>Profit decreased significantly but achieved profitability:</b> Thorough efforts to reduce fixed-costs, etc. unable to offset impact of decreased sales</p>
	AM	<p><b>Sales decreased:</b> Largely affected by reduced production of automobiles due to COVID-19, mainly in 1Q</p> <p><b>Profit increased:</b> Reduced fixed-costs in Automotive Solutions and material rationalization, etc. of cylindrical batteries, despite COVID-19 impact, and other factors</p> <p><b>Turned profitable from 2Q, and achieved profitability for full year</b></p>
	IS	<p><b>Sales decreased:</b> Impacted by transfer of semiconductor business and trade friction between US and China, while data center- and FA-use products were favorable, along with automotive-use products recovering in 2H</p> <p><b>Profit increased:</b> Increased sales (e.g. capacitors, power storage systems, and industrial-use motors) and effect of structural reform of semiconductor business, and other factors</p>
Other income/loss	Impact of one-time gains in FY20, while restructuring expenses decreased	

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



## OP: Decreased in LS and CNS, while increased in AP, AM, and IS



\* 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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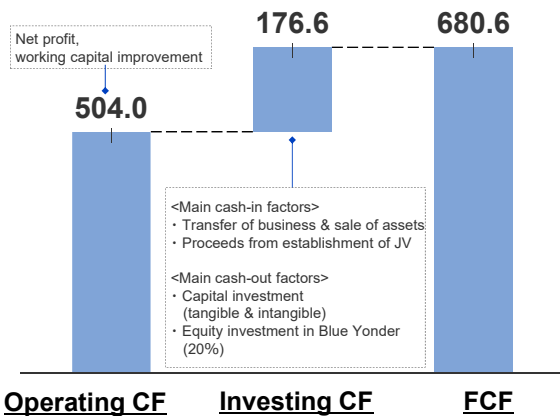
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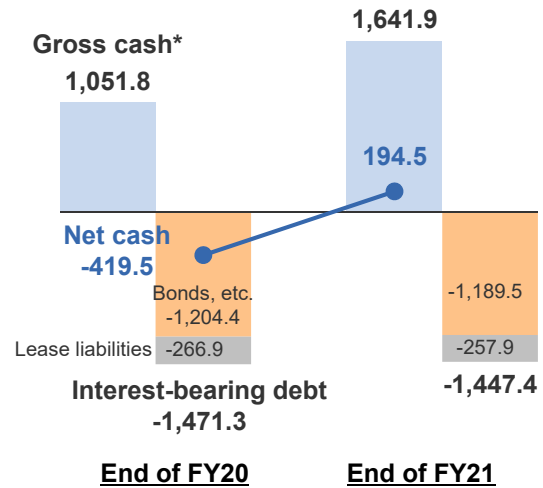
# FY21 FCF

- Generated over 600 billion-yen FCF, mainly through transfer of business and sale of assets, in addition to operating CF
- Net cash turned positive, even when including lease liabilities

## FCF (yen: billions)



## Gross cash & Interest-bearing debt / Net cash (yen: billions)



\* Gross cash: total of "Cash and cash equivalents" and time deposits and others included in "Other financial assets"

# Fiscal 2021 Financial Results

## Fiscal 2022 Financial Forecast

## FY22 Financial Forecast

- Sales expected to increase due mainly to economic recovery in various countries and increased sales of businesses capturing opportunities reflecting changes in society
- Profit expected to increase with increased sales and continued initiatives in management structure enhancement

(yen: billions)

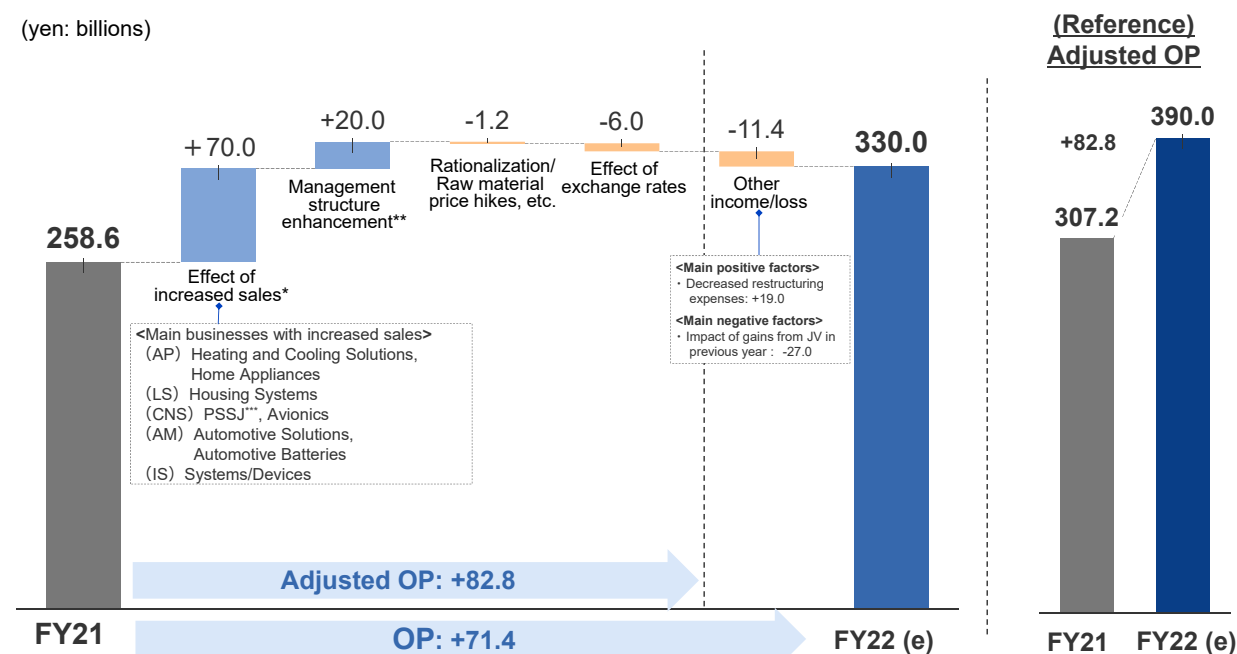
	FY22 (e)	FY21	vs. FY21 / Difference	
Sales	7,000.0	6,698.8	+4%	+301.2 (+4%) (+266.2)***
Adjusted operating profit* (% to sales)	390.0 (5.6%)	307.2 (4.6%)	+27%	+82.8
Other income/loss**	-60.0	-48.6	-	-11.4
Operating profit (% to sales)	330.0 (4.7%)	258.6 (3.9%)	+28%	+71.4
Non-operating income/loss	0.0	2.2	-	-2.2
Profit before income taxes (% to sales)	330.0 (4.7%)	260.8 (3.9%)	+27%	+69.2
Net profit attributable to Panasonic Corporation stockholders (% to sales)	210.0 (3.0%)	165.1 (2.5%)	+27%	+44.9
ROE	8.0%	7.2%		
Exchange rates	1 US dollar	105 yen	106 yen	
	1 Euro	125 yen	124 yen	
	1 Renminbi	17.0 yen	15.7 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  
 \*\*\* Excl. effect of exchange rates

## FY22 Operating Profit Analysis

- Expected to increase with effect of increased sales, as well as management structure enhancement and rationalization offsetting negative effects such as raw material price hikes

(yen: billions)



\* Effect of increased sales = profit from increased sales – increased fixed cost resulting from increased sales

\*\* Profit contribution amount by "fixed-cost reduction" and "measures to businesses with loss-making structures" in Mid-term strategy

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

## FY22 Forecast by Segment

(yen: billions)

	Sales	vs. FY21	vs. FY21 Difference	Adjusted OP (% to sales)	FY21 Difference	Other income/loss	FY21 Difference	OP (% to sales)	FY21 Difference
Appliances	2,480.0	±0%	-11.9	123.0 5.0%	+11.4	-18.0	-10.7	105.0 4.2%	+0.7
Life Solutions	1,530.0	+1%	+19.9	90.0 5.9%	+5.6	-15.0	+0.2	75.0 4.9%	+5.8
Connected Solutions	890.0	+9%	+72.0	30.0 3.4%	+26.3	-12.0	+11.7	18.0 2.0%	+38.0
Automotive	1,560.0	+16%	+220.6	50.0 3.2%	+47.8	-22.0	-30.7	28.0 1.8%	+17.1
Industrial Solutions	1,300.0	+4%	+44.5	90.0 6.9%	+15.9	-5.0	+2.9	85.0 6.5%	+18.8
Other/ Eliminations & adjustments	-760.0	-	-43.9	7.0	-24.2	12.0	+15.2	19.0	-9.0
<b>Total</b>	<b>7,000.0</b>	<b>+4%</b>	<b>+301.2</b>	<b>390.0</b> 5.6%	<b>+82.8</b>	<b>-60.0</b>	<b>-11.4</b>	<b>330.0</b> 4.7%	<b>+71.4</b>
Appliances (Production and sales consolidated)	2,520.0	-1%	-17.0	125.0 5.0%	+14.2	-18.0	-10.7	107.0 4.2%	+3.5

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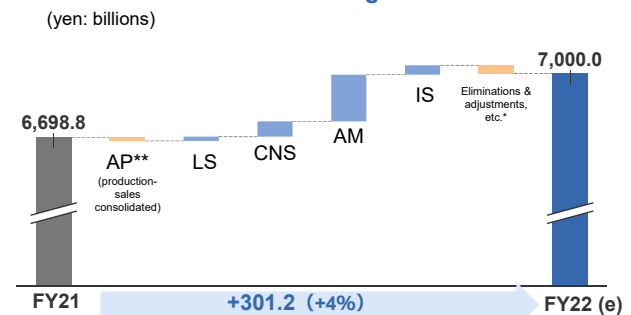
## FY22 Sales and Profit Analysis by Segment

### Major increase/decrease factors

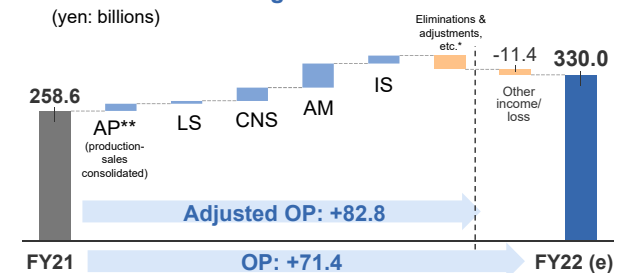
Segment	Sales / Adjusted OP
AP	<p><b>Sales at previous year's level:</b> Slow recovery in demand related to Commercial Refrigeration and Food Equipment, etc., while growth is expected in air-conditioning, etc.</p> <p><b>Profit increases:</b> Increased sales of air-conditioning, etc., and management structure enhancement, despite impact of raw material price hikes</p>
LS	<p><b>Sales increases:</b> Growth expected in overseas wiring devices, air-quality related, and housing-related businesses</p> <p><b>Profit increases:</b> Increased sales and rationalization</p>
CNS	<p><b>Sales increases:</b> Growth expected in PSSJ*, etc.; in Avionics, impact of decreased demand expected to persist but with some recovery from FY21 level</p> <p><b>Profit increases:</b> Increased sales and thorough efforts to control fixed costs</p>
AM	<p><b>Sales increases:</b> Effects of automobile market recovery, increased production of cylindrical batteries by completing launch of new cells with higher capacity at North America and Japan factories, and new production line starting operation in North America</p> <p><b>Profit increases:</b> Increased sales, further management structure enhancement in Automotive Solutions, material rationalization of cylindrical batteries, etc.</p>
IS	<p><b>Sales increases:</b> Increased sales (e.g. automotive-use products and multi-layer circuit board materials) expected to offset decreased sales from transfer of semiconductor business</p> <p><b>Profit increases:</b> Increased sales and fixed-cost reduction measures, despite upfront investment for production capacity expansion, development and others</p>

Other income/loss To be impacted by one-time gains in FY21, while restructuring expenses are expected to decrease

### Sales: Same at previous year's level in AP, increases in all other segments



### OP: Increases in all segments



\* Panasonic System Solutions Japan Co., Ltd.

\*\* 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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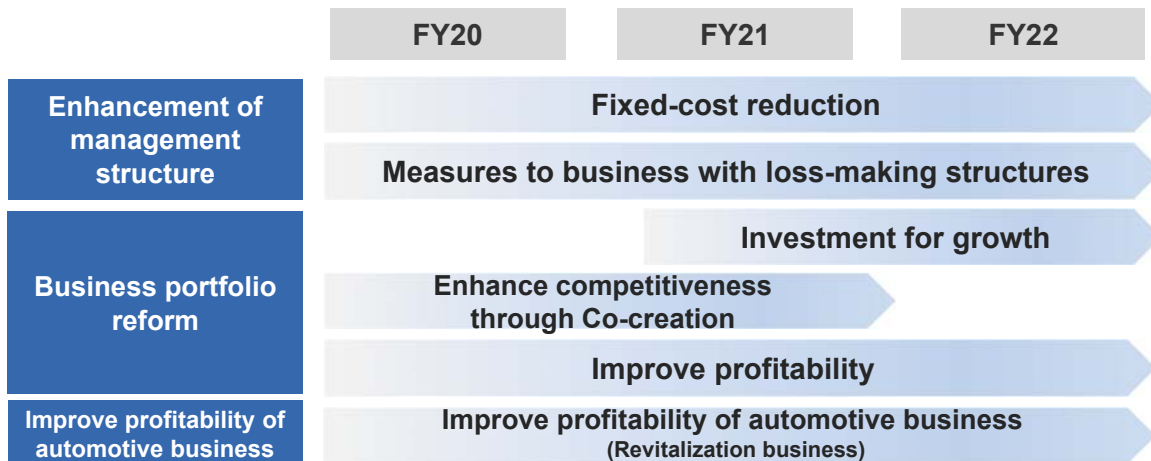
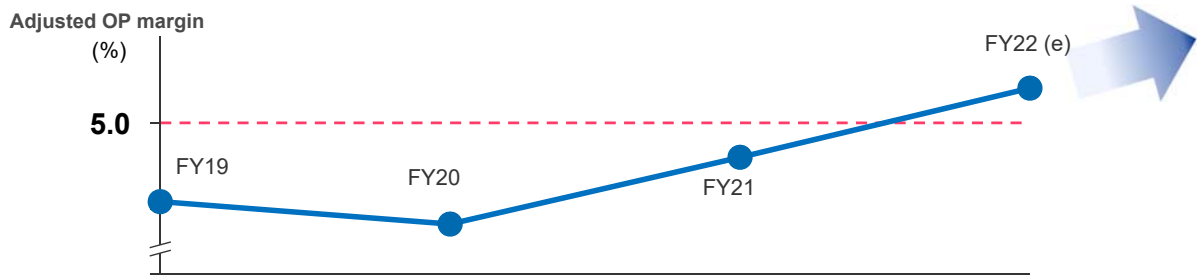
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## Progress in Mid-term Strategy to Overcome Low-profitability Structure

- Improving profitability with steady progress in promoting business portfolio reform, along with management structure enhancement

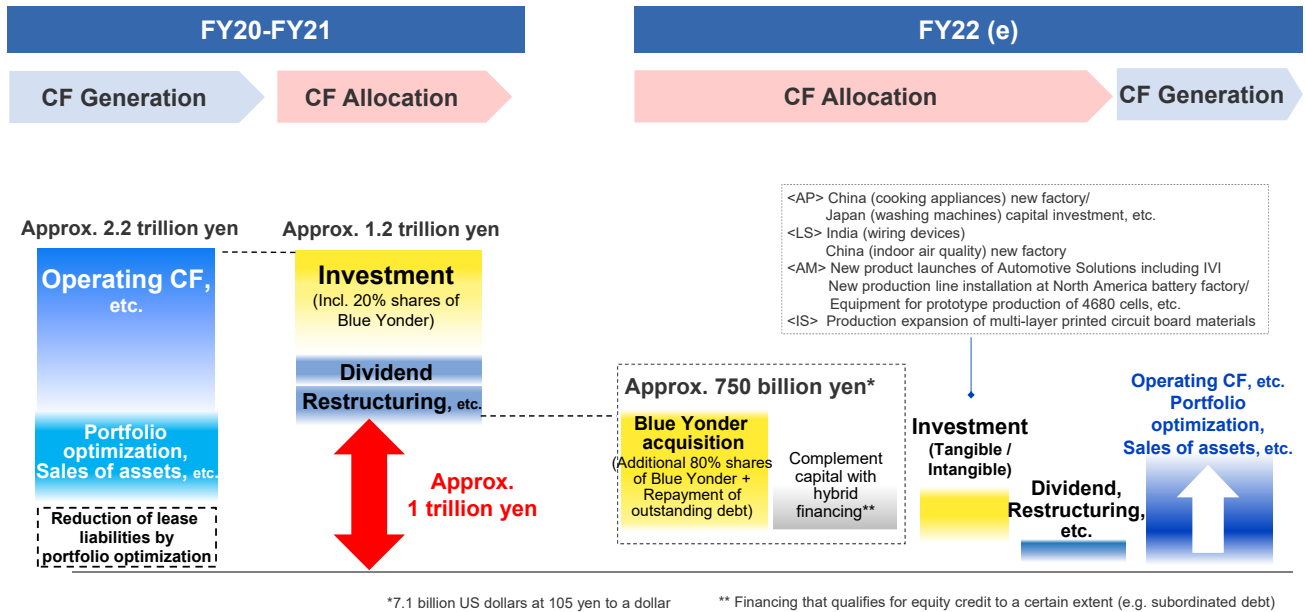


## Mid-term Strategy: Progress in Key Initiatives

Enhancement of management structure	<ul style="list-style-type: none"> <li><b>Significant progress in fixed-cost reduction: Achieved Mid-term target of 100.0 billion yen in FY21, ahead of schedule. In FY22, continue further efforts for profit contributions</b></li> </ul>					
	(yen: billions)	Mid-term target	FY20**	FY21**	2-year total	FY 22 (e)**
	Fixed cost reduction*	60.0	20.0	60.0	80.0	20.0
Businesses with loss-making structures	40.0	0.0	30.0	30.0	0.0	
Total	100.0	20.0	90.0	110.0	20.0	
<small>*Including only activities in Mid-term strategy (Excluding fixed-cost improvement related to decreased sales by COVID-19) **Amount improved from previous year (Adjusted OP-basis)</small>						
Business portfolio reform	Investment for growth	<ul style="list-style-type: none"> <li><b>Gemba Process:</b> Resolved to acquire all shares of Blue Yonder (Apr. 23, '21)</li> <li><b>Automotive Batteries:</b> Introduced technology for higher battery capacity. Increased production capacity at North America factory. (FY21) / Additional production line to be installed. (FY22)</li> </ul>				
		Co-creation	<ul style="list-style-type: none"> <li><b>Automotive prismatic battery:</b> Established JV (Apr. 1, '20)</li> <li><b>Town development:</b> Established JV (Jan. 7, '20)</li> <li><b>Security systems:</b> Completed procedures of strategic co-investment (Nov. '19)</li> </ul>			
	Improve profitability	<ul style="list-style-type: none"> <li>Completed share transfers of lighting device businesses in Europe and North America (Europe: late Feb. '21, North America: Mar. 12, '21)</li> <li>Announced share transfer of European dry battery business (Mar. 17, '21)</li> <li>Completed transfer of satellite communication service provider, ITC Global (Apr. 30, '21)</li> </ul>				
Improve profitability of automotive business	<ul style="list-style-type: none"> <li><b>Significant improvement in profitability: (e.g. fixed-cost reduction, improved productivity, and material rationalization)</b></li> </ul>					
<AM Segment>	FY20	FY21	FY22 (e)			
Adjusted OP (% to sales)	-30.5 (-2.1%)	2.2 (0.2%)***	50.0 (3.2%)			
<small>*** Turned profitable overall even when including temporary expenses</small>						

# Mid-term Capital Allocation

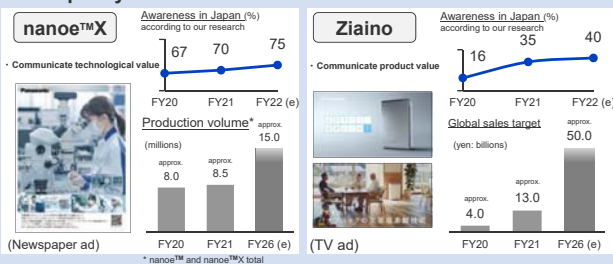
- Over 1 trillion yen of excess funds during FY20-FY21 through portfolio optimization and sale of assets, in addition to generation of operating CF
- In FY22, continue to promote further CF generation, while also making investments such as acquisition of Blue Yonder



# Panasonic's Initiatives Toward Growth from a Medium- to Long-term Perspective

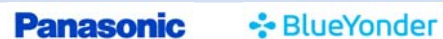
## Appliances & Life Solutions (Lifestyle)

- Strongly communicate the value of core devices (nanoe™, Ziaino) toward future growth of air-conditioning and indoor air quality businesses



## Connected Solutions (Gemba Process)

- Supply chain area: Accelerate growth strategy through acquisition of all shares of Blue Yonder



- Steadily promote PMI to accelerate growth of Blue Yonder
- Enhance our own Company-wide operational capabilities by introducing Blue Yonder's solutions within Panasonic
- Global development of Gemba process business using Blue Yonder's customer base

- Fine processing area:

- Continue production capacity expansion of mounting machines in response to favorable demand for 5G and ICT equipment
  - Accelerate lineup expansion of new models that enhance processing control (e.g. iWNB\*)
- \*\* Integrated Welding Network Box

## Automotive (Automotive Batteries)

- Expand production capacity at North America factory

- FY21: Introduced technology for higher battery capacity ⇒ Reached 35GWh
- FY22: Install new production line ⇒ Toward 38-39GWh

- Maximize use of Japan factory

- 1865 cells: Expand production
- 4680 cells: Advance in R&D, install equipment for prototype production in FY22



## Industrial Solutions (Devices)

- Concentrate on growth areas, make preparations for future and expand investment

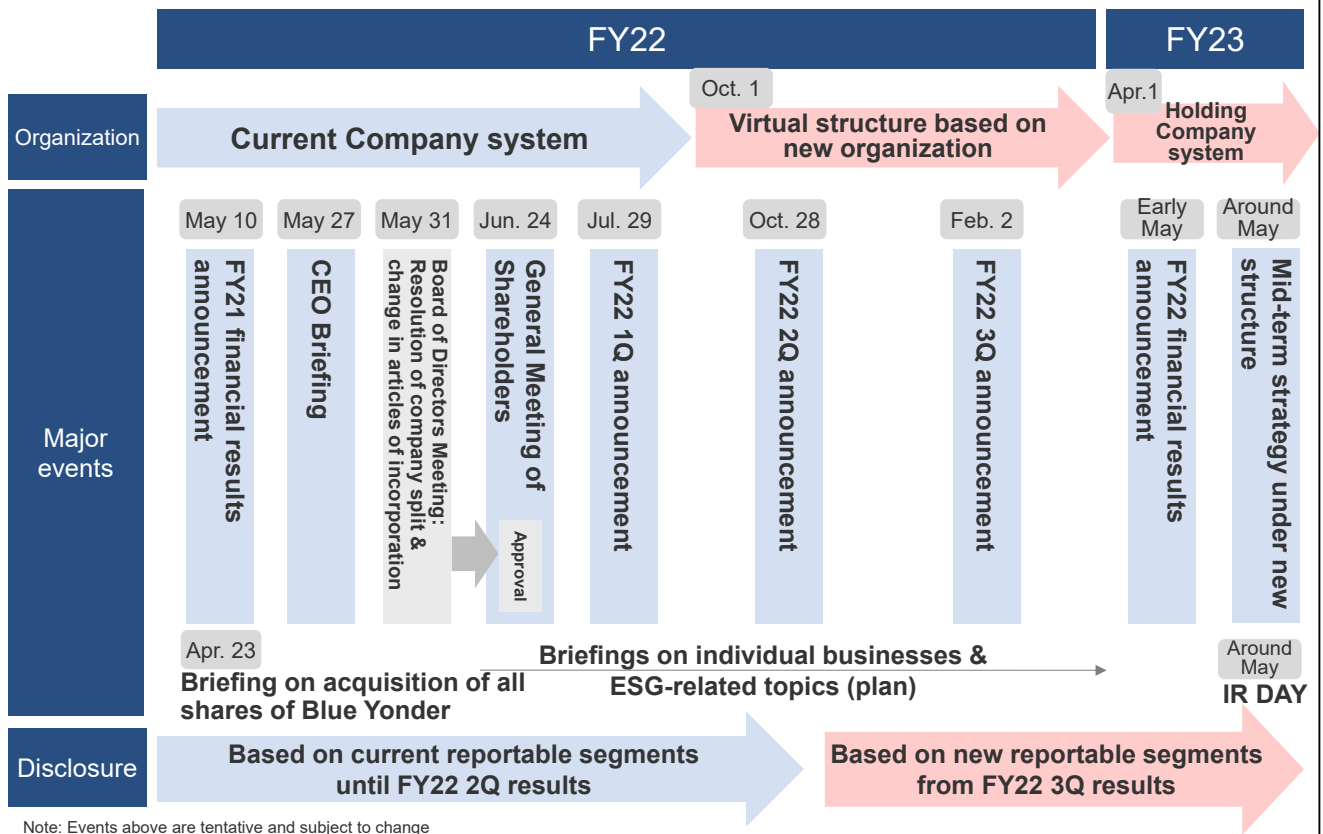
### High-growth areas

- Automotive CASE
- Information- and communication-infrastructure
- Labor-saving at factories

### Investment focusing on three core businesses

- Capacitors: Expand production of conductive polymer electrolytic capacitors
- Electronic Materials: Expand production of "MEGTRON", materials for multi-layer printed circuit boards
- FA Solutions: Localize Chinese business and enhance R&D

# IR Activities Schedule (Plan)



Note: Events above are tentative and subject to change



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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 Segment Information**

**Appliances**

(Production and sales consolidated)

**Overview**

(yen: billions)	FY21	vs. FY20/ Difference
Sales	<b>2,539.5</b>	-5% (-4%)*
Adjusted operating profit (Adjusted OPM)	<b>110.8</b> (4.4%)	+42.3
Other income/loss	<b>-7.3</b>	+8.1
Operating profit (OPM)	<b>103.5</b> (4.1%)	+50.4

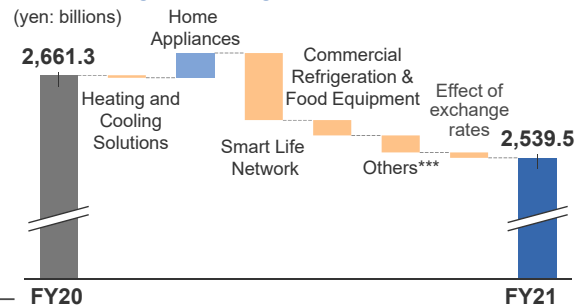
\* In real terms excluding the effect of exchange rates

**Major increase/decrease factors**

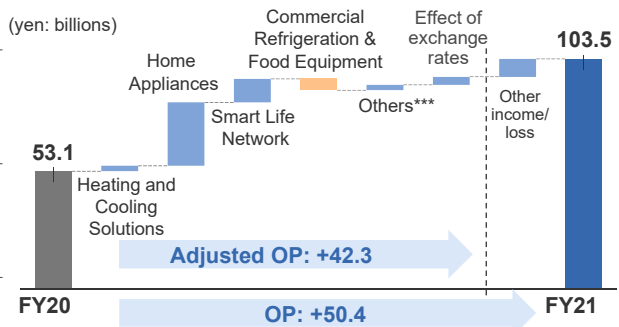
Segment	Major increase/decrease factors
Heating and Cooling Solutions	<ul style="list-style-type: none"> <li>Sales decreased overall: Sluggish sales of large-scale air-conditioners in Japan and room air-conditioners mainly in Asia, while sales increased mainly in Europe, China, and Taiwan</li> <li>Profit increased: Increased sales (e.g. room air-conditioners mainly in China and Taiwan, A2W** in Europe) and cost-reduction efforts</li> </ul>
Home Appliances	<ul style="list-style-type: none"> <li>Sales increased: Stable sales of drum-type washing machines and refrigerators mainly in Japan and China, as well as favorable sales of cooking appliances</li> <li>Profit increased: Increased sales and enhanced management structure through cost-control efforts</li> </ul>
Smart Life Network	<ul style="list-style-type: none"> <li>Sales decreased significantly: Streamlined product lines, mainly in Europe</li> <li>Profit increased overall: TV business achieved profitability mainly with profit-focused sales strategy and cost-reduction efforts</li> </ul>
Commercial Refrigeration & Food Equipment	<ul style="list-style-type: none"> <li>Sales and profit decreased: Slow recovery of demand in Japan, while sales in North America and China became stable in 2H</li> </ul>

Other income/loss Restructuring expenses (e.g. Smart Life Network) decreased from FY20

**Sales: Decreased significantly, affected by decreased sales of Smart Life Network, while Home Appliances, and Heating and Cooling Solutions turned to an increase in 2H**



**OP: Increased due to increased sales of Home Appliances, along with cost-control efforts in each business**



\*\* 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.

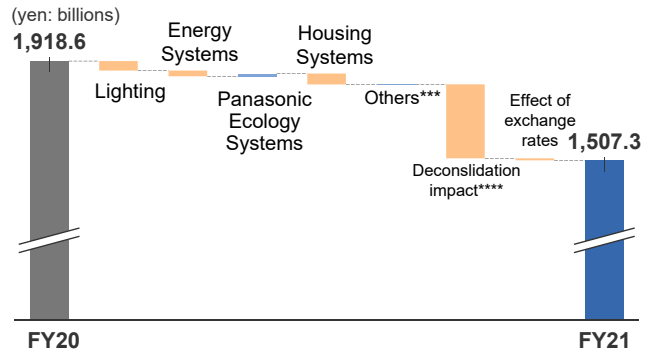
# (Reference) FY21 Segment Information

## Overview

(yen: billions)	FY21	vs. FY20/ Difference
Sales	1,507.3	-21% (-21%)*
Adjusted operating profit (Adjusted OPM)	84.5 (5.6%)	-13.9
Other income/loss	-15.3	-97.0
Operating profit (OPM)	69.2 (4.6%)	-110.9

\* In real terms excluding the effect of exchange rates /  
-6% excluding the effect of exchange rates and deconsolidation impact

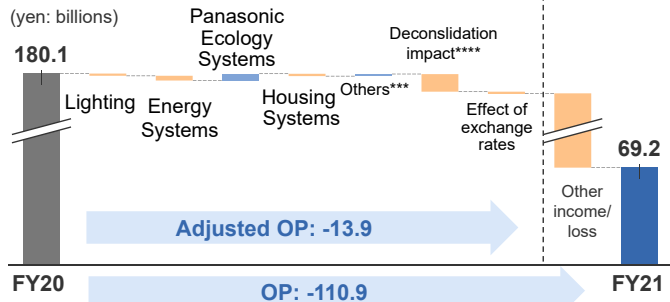
Sales: Decreased impacted by COVID-19 and deconsolidation, while sales of air-quality related businesses and others were favorable



## Major increase/decrease factors

Sales / Adjusted OP	Factors
Lighting	<ul style="list-style-type: none"> <li>Sales decreased: Mainly by business transfer in Europe and COVID-19 impact</li> <li>Profit decreased: Reduced costs unable to offset impact of decreased sales</li> </ul>
Energy Systems	<ul style="list-style-type: none"> <li>Sales and profit decreased: Recovery in sales of wiring devices mainly in India unable to offset struggles in Japan and overseas caused by COVID-19</li> </ul>
Panasonic Ecology Systems	<ul style="list-style-type: none"> <li>Sales increased: Growth in indoor air quality (IAQ) businesses (e.g. Ziaino**) in Japan</li> <li>Profit increased: Effect of increased sales, as well as rationalization and efforts to reduce fixed costs</li> </ul>
Housing Systems	<ul style="list-style-type: none"> <li>Sales and profit decreased: Mainly by impacts of demand surge prior to the consumption tax hike in Japan in previous year and by COVID-19</li> </ul>
Other income/loss	<ul style="list-style-type: none"> <li>Impact of gains from transfer of housing business in FY20, and restructuring expenses (e.g. solar, lighting) in FY21</li> </ul>

OP: Decreased due mainly to decreased sales and deconsolidation impact, while fixed-cost reduction efforts were made



OP: -110.9

\*\* Spatial sterilizing/deodorizing equipment using sodium hypochlorite  
\*\*\* Bicycle, nursing-care, sales & marketing, eliminations, etc.  
\*\*\*\* Impact of deconsolidation of Panasonic Homes, etc. since January 2020

# (Reference) FY21 Segment Information

## Overview

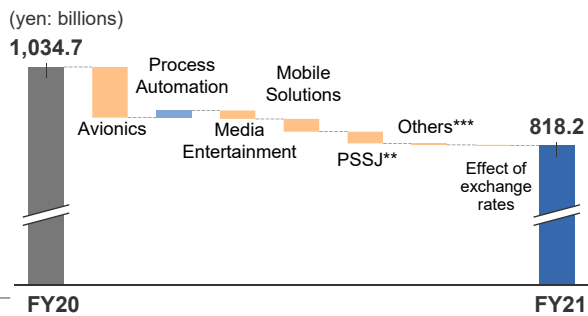
(yen: billions)	FY21	vs. FY20/ Difference
Sales	818.2	-21% (-21%)*
Adjusted operating profit (Adjusted OPM)	3.6 (0.4%)	-72.4
Other income/loss	-23.6	-39.6
Operating profit (OPM)	-20.0 (-2.4%)	-112.0

\* In real terms excluding the effect of exchange rates

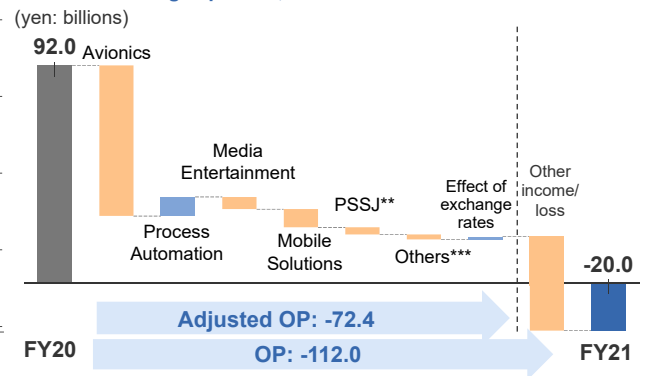
## Major increase/decrease factors

Sales / Adjusted OP	Factors
Avionics	<ul style="list-style-type: none"> <li>Sales decreased due to significantly declined flight operations and reduced aircraft production</li> <li>Profit decreased significantly despite reduced costs, mainly fixed costs</li> </ul>
Process Automation	<ul style="list-style-type: none"> <li>Sales and profit increased driven by mounting machines reaching record high-annual production with increased demand (e.g. 5G equipment and ICT terminals)</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</li> </ul>
Mobile Solutions	<ul style="list-style-type: none"> <li>Sales and profit decreased impacted mainly by previous 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 affected by postponed Tokyo Olympic Games and delays in project promotions due to COVID-19 impact</li> </ul>
Other income/loss	<ul style="list-style-type: none"> <li>Impact of gains from security systems business transfer in FY20</li> <li>Impairment loss for Avionics business due to COVID-19 impact, etc.</li> </ul>

Sales: Decreased due to decreased sales mainly in Avionics, unable to be offset by favorable sales of mounting machines



OP: Decreased significantly due to impact of decreased sales and restructuring expenses, etc. while fixed costs were reduced



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

# (Reference) FY21 Segment Information

## Automotive

### Overview

(yen: billions)	FY21	vs. FY20/ Difference
Sales	1,339.4	-10% (-9%)*
Adjusted operating profit (Adjusted OPM)	2.2 (0.2%)	+32.7
Other income/loss	8.7	+24.8
Operating profit (OPM)	10.9 (0.8%)	+57.5

\* In real terms excluding the effect of exchange rates

### Major increase/decrease factors

\*\* IVI: In Vehicle Infotainment

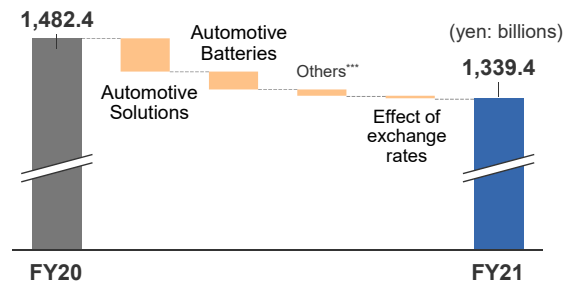
Sales / Adjusted OP	Automotive Solutions
[Sales]	<ul style="list-style-type: none"> <li>Decreased largely affected by reduced production of automobiles in 1Q, but demand saw a rapid recovery</li> <li>Progress made in portfolio replacement to focus areas; sales growth in IVI**</li> </ul>
[Profit]	<ul style="list-style-type: none"> <li>Slightly decreased and resulted in a loss: Affected by temporary expenses related to onboard charging systems recorded in 3Q. Impact of decreased sales was offset by such efforts as fixed-cost reduction through enhancing management structure</li> <li>Profit increased and achieved profitability, excluding temporary expenses related to onboard charging systems</li> </ul>
Sales / Adjusted OP	Automotive Batteries
[Sales]	<ul style="list-style-type: none"> <li>Decreased in cylindrical batteries affected by temporary suspension of production due to COVID-19 in 1Q and modifications on production lines to introduce new technology for higher battery capacity</li> </ul>
[Profit]	<ul style="list-style-type: none"> <li>Increased due mainly to material rationalization efforts for cylindrical batteries and launch of new cells with higher capacity</li> <li>Achieved profitability for full year, for the first time since establishment of North America factory</li> </ul>

Other income/loss: Rebound from impairment loss for Ficosa business incurred in FY20. Gains from automotive prismatic battery joint venture, in addition to equity method loss, etc.

Note: Grouping of Businesses whose sales are disclosed

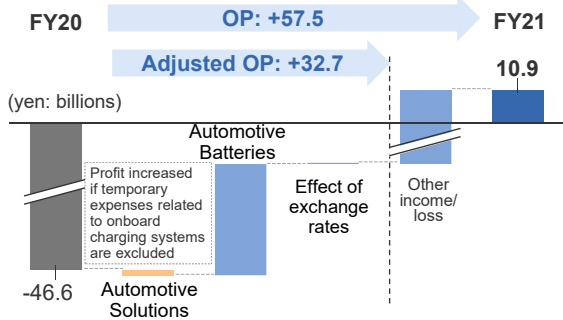
[Automotive Solutions] Automotive Infotainment Systems, HMI Systems, Automotive Systems, Ficosa [Automotive Batteries] Tesla Energy, Automotive prismatic battery business

Sales: Decreased affected by such factors as reduced production of automobiles due to COVID-19 mainly in 1Q and modifications on production lines for cylindrical batteries



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

OP: Increased due mainly to fixed-cost reductions in Automotive Solutions and material rationalization of cylindrical batteries, despite COVID-19 impact; turned profitable from 2Q, and achieved profitability for full year



# (Reference) FY21 Segment Information

## Industrial Solutions

### Overview

(yen: billions)	FY21	vs. FY20/ Difference
Sales	1,255.5	-2% (-2%)*
Adjusted operating profit (Adjusted OPM)	74.1 (5.9%)	+36.5
Other income/loss	-7.9	+25.1
Operating profit (OPM)	66.2 (5.3%)	+61.6

\* In real terms excluding the effect of exchange rates

### Major increase/decrease factors

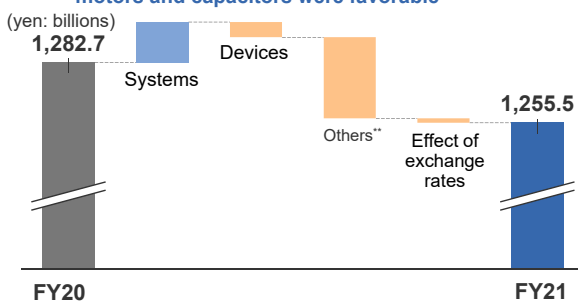
Sales / Adjusted OP	Systems
[Sales]	<ul style="list-style-type: none"> <li>Sales increased due to favorable sales of power storage systems for data centers, industrial-use motors, along with sales recovery of automotive-use products in 2H</li> <li>Profit increased due to increased sales as well as material rationalization and fixed-cost reduction</li> </ul>
Sales / Adjusted OP	Devices
[Sales]	<ul style="list-style-type: none"> <li>Sales and profit decreased due to sluggish sales of circuit board materials impacted by trade friction between US and China, while sales of capacitors for automotive- and information-infrastructure were favorable</li> </ul>
Sales / Adjusted OP	Others
[Sales]	<ul style="list-style-type: none"> <li>Profit increased due mainly to structural reform effect, despite decreased sales from transfer of semiconductor business</li> </ul>

Other income/loss: Rebound from restructuring expenses recorded in FY20

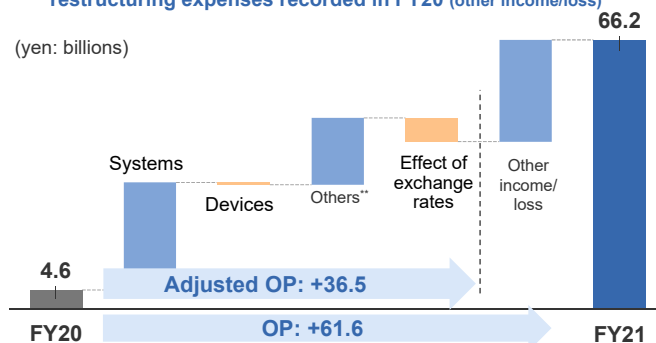
Note: Grouping of Businesses whose sales are disclosed

[Systems] Electromechanical Control, Industrial Device, Energy Solutions [Devices] Device Solutions, Energy Device, Electronic Materials

Sales: Decreased due to such factors as sluggish sales of circuit board materials and transfer of semiconductor business, while sales of power storage systems, industrial-use motors and capacitors were favorable



OP: Increased due to increased sales of competitive products and effect of structural reform, as well as rebound from restructuring expenses recorded in FY20 (other income/loss)



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

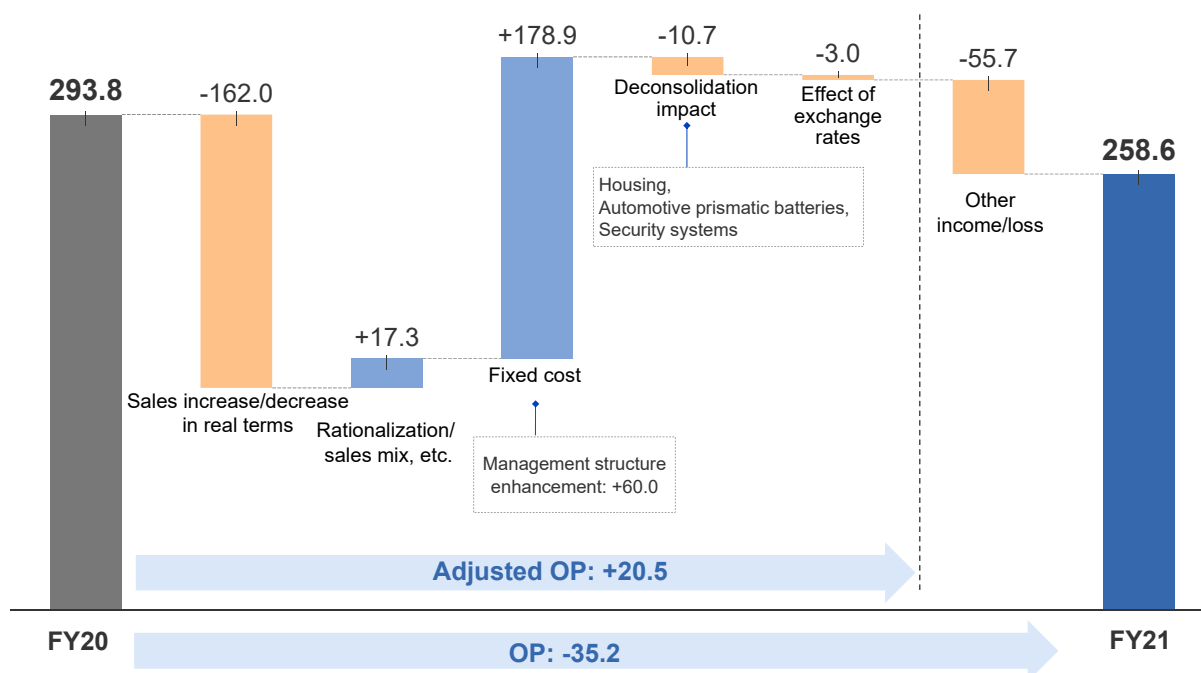
## (Reference) Business Portfolio Reform Progress since FY20

Note: Changes after FY21 3Q announcement are underlined

<b>Investment for growth</b>	<b>Gemba (operational frontlines) process business</b>
	- Resolved to acquire all shares of Blue Yonder, a global leader specialized in supply chain software (April 23, 2021)
<b>Enhance competitiveness through Co-creation</b>	<b>Automotive prismatic battery business</b> <b>Completed in FY21</b>
	- Established Prime Planet Energy & Solutions Inc., a joint venture with Toyota Motor Corporation (April 1, 2020)
	<b>Town development business</b> <b>Completed in FY20</b>
	- Established Prime Life Technologies Corporation, a joint venture with Toyota Motor Corporation (January 7, 2020)
	<b>Security systems business</b> <b>Completed in FY20</b>
	- Completed procedures of strategic co-investment with Polaris Capital Group Co., Ltd. (November 2019)
<b>Improve profitability</b>	<b>Semiconductor business</b> <b>Completed in FY21</b>
	- 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.
	<b>Liquid crystal display panel business</b>
	- Announced end of production of liquid crystal display panels by 2021 (November 21, 2019)
	<b>Solar business</b>
	- 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 <b>Completed in FY21</b>
	- Announced to withdraw from production of solar cells at Malaysia factory and Shimane factory. (February 1, 2021) Continue sales of solar cells in domestic and overseas markets. Complete structural reform within FY22, and aim to restore profitability of energy solution business as a whole by FY23.
	<b>Smart Life Network business (TV business, etc.)</b>
	- TV business turned profitable during FY21 by streamlining development of non-profitable models, focusing on selling <u>high value-added models, drastically revised costs, etc.</u> Reorganizing global manufacturing sites (Malaysia, the Czech Republic, Taiwan, and Brazil) along with ODM. In negotiation for comprehensive collaboration with external partners.
	<b>Lighting business</b>
- Announced share transfer of North American lighting device company (March 12, 2021) <b>Completed in FY21</b>	
- Completed share transfer of European lighting device company (late February 2020) <b>Completed in FY20</b>	
<b>Dry battery business</b>	
- <u>Announced share transfer of European dry battery business (March 17, 2021); Closing expected in June 2021</u>	
<b>Avionics business</b>	
- Completed transfer of satellite communication service provider ITC Global (April 30, 2021)	

## (Reference) FY21 Operating Profit Analysis (by Factor)

(yen: billions)



## (Reference) FY21 Operating Profit & Net Profit

(yen: billions)

	FY21	FY20	Difference
Operating profit	258.6	293.8	-35.2
Non-operating income/loss	2.2	-2.7	+4.9
Profit before income taxes	260.8	291.1	-30.3
Income taxes	-76.9	-51.1	-25.8
Net profit	183.9	240.0	-56.1
Net profit attributable to Panasonic Corporation stockholders	165.1	225.7	-60.6
Net profit attributable to non-controlling interests	18.8	14.3	+4.5

## (Reference) Core Growth Business\*: FY21 Results

\* Based on portfolio business classification of Mid-term strategy (May 2019)

Business area	(yen: billions)	FY21 Results	FY20 Difference**
Spatial Solutions	Sales	1,774.0	-154.6
	Adjusted OP (Adjusted OPM)	104.1 (5.9%)	-8.9
	EBITDA (EBITDA margin)	134.5 (7.6%)	-6.1
Gemba Process	Sales	709.2	-176.6
	Adjusted OP (Adjusted OPM)	2.8 (0.4%)	-65.2
	EBITDA (EBITDA margin)	-0.4 (-)	-87.0
Industrial Solutions	Sales	976.3	+4.0
	Adjusted OP (Adjusted OPM)	73.7 (7.5%)	+21.5
	EBITDA (EBITDA margin)	126.7 (13.0%)	+29.5
Core growth business total	Sales	3,459.5	-327.2
	Adjusted OP (Adjusted OPM)	180.6 (5.2%)	-52.6
	EBITDA (EBITDA margin)	260.8 (7.5%)	-63.6

\*\* Information for FY20 has been reclassified to conform to the presentation for FY21

Comprised of the following Sub-segments:

- Spatial Solutions: Heating and Cooling Solutions, Commercial Refrigeration & Food Equipment, Lighting, Energy Systems (excl. Solar), Panasonic Ecology Systems, Media Entertainment
- Gemba Process: Avionics, Process Automation, Mobile Solutions, PSSJ
- Industrial Solutions: Systems, Devices



## (Reference) List of Sub-segments in FY21

	<u>Sub-segments</u>	<u>Major Business Divisions, etc.</u>
<b>AP</b>	<ul style="list-style-type: none"> <li>• Heating and Cooling Solutions</li> <li>• Home Appliances</li> <li>• Smart Life Network</li> <li>• Commercial Refrigeration &amp; Food Equipment</li> <li>• Others</li> </ul>	<ul style="list-style-type: none"> <li>: Heating and Cooling Solutions BD</li> <li>: Kitchen Appliances BD, Laundry Systems and Vacuum Cleaner BD, Beauty and Personal Care BD</li> <li>: Smart Life Network BD</li> <li>: Cold Chain BD, Hussmann Corporation</li> <li>: 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</li> <li>• Energy Systems</li> <li>• Panasonic Ecology Systems</li> <li>• Housing Systems</li> <li>• Others</li> </ul>	<ul style="list-style-type: none"> <li>: Lighting BD</li> <li>: Energy Systems BD</li> <li>: Panasonic Ecology Systems Co., Ltd.</li> <li>: Housing Systems BD</li> <li>: Bicycle, nursing-care, sales &amp; marketing, eliminations, etc.</li> </ul>
<b>CNS</b>	<ul style="list-style-type: none"> <li>• Avionics</li> <li>• Process Automation</li> <li>• Media Entertainment</li> <li>• Mobile Solutions</li> <li>• PSSJ</li> <li>• Others</li> </ul>	<ul style="list-style-type: none"> <li>: Panasonic Avionics Corporation, Avionics BU</li> <li>: Process Automation BD</li> <li>: Media Entertainment BD</li> <li>: Mobile Solutions BD</li> <li>: Panasonic System Solutions Japan Co., Ltd.</li> <li>: Other businesses, eliminations, etc.</li> </ul>
<b>AM</b>	<ul style="list-style-type: none"> <li>• Automotive Solutions</li> <li>• Automotive Batteries</li> <li>• Others</li> </ul>	<ul style="list-style-type: none"> <li>: Automotive Infotainment Systems BD, HMI Systems BD, Automotive Systems BD, Ficosa International, S.A.</li> <li>: Tesla Energy BD, Automotive prismatic battery business</li> <li>: Sales of other Divisional Company products, etc.</li> </ul>
<b>IS</b>	<ul style="list-style-type: none"> <li>• Systems</li> <li>• Devices</li> <li>• Others</li> </ul>	<ul style="list-style-type: none"> <li>: Electromechanical Control BD, Industrial Device BD, Energy Solutions BD</li> <li>: Device Solutions BD, Energy Device BD, Electronic Materials BD</li> <li>: 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>	
<p>Notes: 1. Sales and profit of China &amp; 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 &amp; Solutions Inc. included in "Eliminations &amp; adjustments" and "AM segment," respectively</p>		

## (Reference) List of Sub-segments in FY22

	<u>Sub-segments</u>	<u>Major Business Divisions, etc.</u>
<b>AP</b>	<ul style="list-style-type: none"> <li>• Heating and Cooling Solutions</li> <li>• Home Appliances</li> <li>• Smart Life Network</li> <li>• Commercial Refrigeration &amp; Food Equipment</li> <li>• Others</li> </ul>	<ul style="list-style-type: none"> <li>: Heating and Cooling Solutions BD</li> <li>: Kitchen Appliances BD, Laundry Systems and Vacuum Cleaner BD, Beauty and Personal Care BD</li> <li>: Smart Life Network BD</li> <li>: Cold Chain BD, Hussmann Corporation</li> <li>: 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</li> <li>• Energy Systems</li> <li>• Panasonic Ecology Systems</li> <li>• Housing Systems</li> <li>• Others</li> </ul>	<ul style="list-style-type: none"> <li>: Lighting BD</li> <li>: Energy Systems BD</li> <li>: Panasonic Ecology Systems Co., Ltd.</li> <li>: Housing Systems BD</li> <li>: Bicycle, nursing-care, sales &amp; marketing, eliminations, etc.</li> </ul>
<b>CNS</b>	<ul style="list-style-type: none"> <li>• Avionics</li> <li>• Process Automation</li> <li>• Media Entertainment</li> <li>• Mobile Solutions</li> <li>• PSSJ</li> <li>• Others</li> </ul>	<ul style="list-style-type: none"> <li>: Panasonic Avionics Corporation, Avionics BU</li> <li>: Process Automation BD</li> <li>: Media Entertainment BD</li> <li>: Mobile Solutions BD</li> <li>: Panasonic System Solutions Japan Co., Ltd.</li> <li>: Other businesses, eliminations, etc.</li> </ul>
<b>AM</b>	<ul style="list-style-type: none"> <li>• Automotive Solutions</li> <li>• Automotive Batteries</li> <li>• Others</li> </ul>	<ul style="list-style-type: none"> <li>: Automotive Infotainment Systems BD, HMI Systems BD, Automotive Systems BD, Ficosa International, S.A.</li> <li>: Tesla Energy BD, Automotive prismatic battery business</li> <li>: Sales of other Divisional Company products, etc.</li> </ul>
<b>IS</b>	<ul style="list-style-type: none"> <li>• Systems</li> <li>• Devices</li> <li>• Others</li> </ul>	<ul style="list-style-type: none"> <li>: Electromechanical Control BD, Industrial Device BD, Energy Solutions BD</li> <li>: Device Solutions BD, Energy Device BD, Electronic Materials BD</li> <li>: 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>	
<p>Notes: 1. Sales and profit of China &amp; 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. 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 Planet Energy &amp; Solutions Inc. is included in AM segment</p>		