

Fiscal 2022 First Quarter Financial Results

July 29, 2021
Panasonic Corporation



Notes: 1. This is an English translation from the original presentation in Japanese.
2. In this presentation, "Fiscal 2022" or "FY22" refers to the year ending March 31, 2022.

- This presentation gives Panasonic's consolidated financial results for the first quarter of fiscal 2022 (FY22) ended June 30, 2021.

Summary of FY22 1Q Financial Results

- **Overall sales increased** from the same quarter of FY21 (+400.5 billion yen / +29%) due to recovery from COVID-19 impact in Automotive and Appliances, as well as growth in Industrial Solutions

- **Adjusted operating profit increased significantly** (+125.4 billion yen) from the loss in FY21 1Q due to increased sales as well as controlled costs according to business conditions

Operating profit and net profit* increased

(Operating profit: +100.6 billion yen / Net profit: +86.3 billion yen)

despite impact of one-time gains in other income/loss in FY21 1Q

- **FCF improved significantly** (+125.3 billion yen) from the negative in FY21 1Q; secure level of net profit, as well as improved working capital, more than offsetting inventory increase caused by semiconductor shortages and other factors

* Net profit attributable to Panasonic Corporation stockholders

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- First, the summary of the consolidated financial results for the first quarter of FY22.
- Overall sales increased from the same quarter of FY21 due to the recovery of sales from the COVID-19 impact in Automotive and Appliances, as well as sales growth in Industrial Solutions.
- Adjusted operating profit increased significantly from the loss in FY21 1Q, due to increased sales as well as controlled costs according to the business conditions.
- Operating profit and net profit increased, despite the impact of one-time gains in other income/loss in FY21 1Q.
- FCF improved significantly from the negative in FY21 1Q by reaching a secure level of net profit, as well as by improving working capital, which more than offset inventory increase caused by semiconductor shortages and other factors.

FY22 1Q Financial Results

(yen: billions)

	FY22 1Q	FY21 1Q	Difference / vs. FY21	
Sales	1,792.4	1,391.9	+400.5 (+337.9)***	+29% (+24%)***
Adjusted OP* (% to sales)	119.5 (6.7%)	-5.9 (-0.4%)	+125.4	-
Other income/loss**	-15.1	9.7	-24.8	-
Operating profit (% to sales)	104.4 (5.8%)	3.8 (0.3%)	+100.6	-
Non-operating income/loss	4.1	-0.7	+4.8	-
Profit before income taxes (% to sales)	108.5 (6.1%)	3.1 (0.2%)	+105.4	-
Net profit attributable to Panasonic Corporation stockholders (% to sales)	76.5 (4.3%)	-9.8 (-0.7%)	+86.3	-
Exchange rates				
1 US dollar	109 yen	108 yen		
1 Euro	132 yen	118 yen		
1 Renminbi	17.0 yen	15.2 yen		

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

** Other income/loss = "Other income (expenses), net" + "Share of profit (loss) of investments accounted for using the equity method" as indicated in the Consolidated Statements of Profit or Loss of the news release

*** Excluding effect of exchange rates

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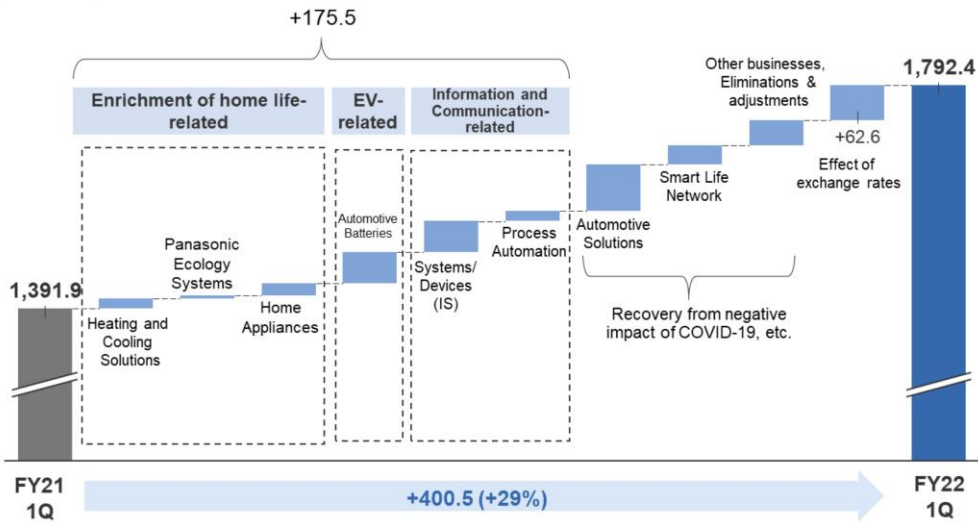
- This shows the consolidated financial results for the first quarter of FY22.
- Overall sales increased to 1,792.4 billion yen by 400.5 billion yen from the same quarter of FY21.
- Adjusted operating profit increased to 119.5 billion yen from a loss of 5.9 billion yen in FY21 1Q, which is an increase of 125.4 billion yen.
- Operating profit was 104.4 billion yen, and net profit was 76.5 billion yen. Both showed increases.

FY22 1Q Sales Analysis by Business

- Sales increased due mainly to growth in businesses that captured opportunities reflecting changes in society* and recovery from COVID-19 impact

*e.g. air-conditioning and indoor air quality, home appliances, automotive batteries, Information- and communication-infrastructure usage

(yen: billions)



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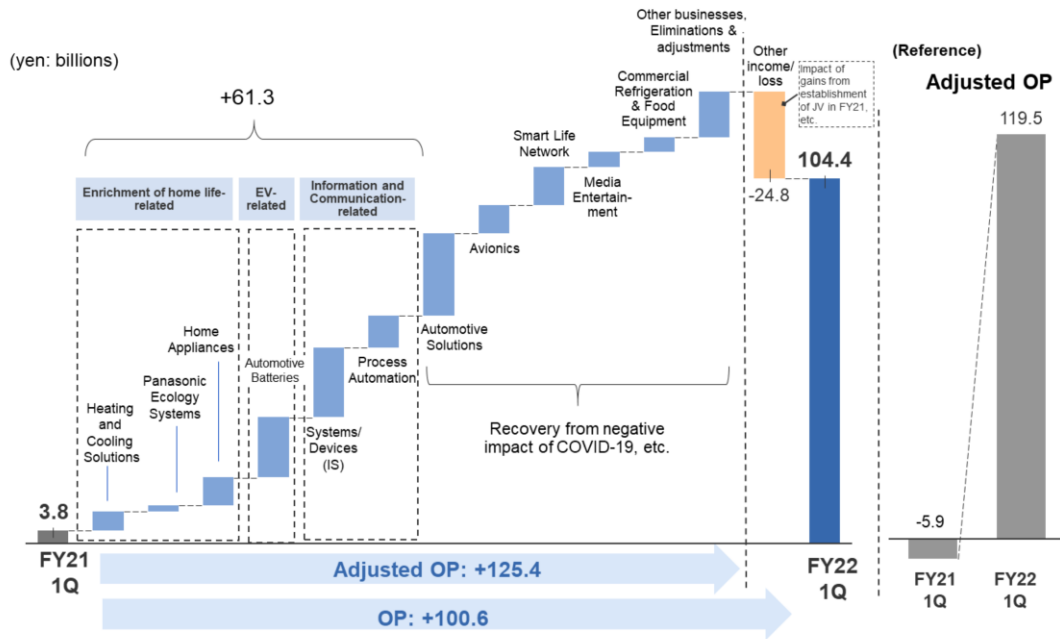
Fiscal 2022 First Quarter Financial Results

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- This slide shows our sales analysis by business.
- Overall sales increased by 400.5 billion yen (+29%).
- Among the increase, 175.5 billion was achieved by sales growth of businesses that captured opportunities reflecting changes in society, such as air-conditioning and indoor air quality, home appliances, automotive batteries as well as products for information- and communication-infrastructure usage, following FY21.
- In addition, sales in businesses such as Automotive Solutions and Smart Life Network recovered from FY21 1Q, largely impacted by COVID-19.

FY22 1Q Operating Profit Analysis by Business

- OP increased driven by businesses with increased sales



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- This slide shows our operating profit analysis by business.
- Adjusted operating profit increased by 125.4 billion yen, driven by businesses with increased sales, as previously explained.
- Among the increase, profit from businesses that captured opportunities reflecting changes in society increased by 61.3 billion yen, which accounts for approximately half of the increase.
- Operating profit in FY22 increased by 100.6 billion yen overall, resulting from the increase in adjusted operating profit, despite such an impact as one-time gains from the establishment of a joint venture in FY21 in other income/loss.

FY22 1Q Results by Segment

(yen: billions)

	Sales	vs. FY21 (In real terms excl. effect of exchange rate)	FY21 Difference (In real terms excl. effect of exchange rate)	Adjusted OP (% to sales)	FY21 Difference	Other income/ loss	FY21 Difference	OP (% to sales)	FY21 Difference	EBITDA* (% to sales)	FY21 Difference
Appliances	674.3	+22% (+17%)	+120.2 (+95.5)	42.1 6.2%	+26.3	0.0	+0.6	42.1 6.3%	+26.9	56.3 8.3%	+26.6
Life Solutions	355.2	+9% (+8%)	+28.9 (+25.7)	14.3 4.0%	+7.0	-1.7	0.0	12.6 3.6%	+7.0	25.2 7.1%	+5.8
Connected Solutions	208.5	+13% (+8%)	+23.3 (+15.3)	7.1 3.4%	+23.6	-6.9	-7.4	0.2 0.1%	+16.2	7.8 3.7%	+15.9
Automotive	373.7	+77% (+72%)	+162.9 (+151.4)	11.2 3.0%	+40.7	-1.4	-21.4	9.8 2.6%	+19.3	31.5** 8.4%	+19.0
Industrial Solutions	357.6	+24% (+18%)	+69.0 (+51.5)	34.8 9.7%	+24.1	+0.5	+2.0	35.3 9.9%	+26.1	51.7 14.5%	+26.0
Other/ Eliminations & adjustments	-176.9	-	-3.8	10.0	+3.7	-5.6	+1.4	4.4	+5.1	16.6	+6.4
Total	1,792.4	+29% (+24%)	+400.5 (+337.9)	119.5 6.7%	+125.4	-15.1	-24.8	104.4 5.8%	+100.6	189.1 10.6%	+99.7
Appliances (Production and sales consolidated)	685.3	+22% (+18%)	+122.8 (+99.1)	39.4 5.7%	+25.1	0.0	+0.6	39.4 5.8%	+25.7		

* EBITDA: total amount of Operating profit, Depreciation (Tangible assets including Property, plant and equipment / Right-of-use assets) and Amortization (Intangible assets)

** Additionally adjusted with the amount equivalent to depreciation corresponding to underlying assets that are applied with Lease accounting treatment as a lessor

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- This slide shows the results by segment.
- As shown, sales increased in all segments.
Adjusted operating profit and operating profit also increased in all segments.
- I will explain the details in the next slide.
- From this quarter, we are additionally reporting EBITDA figures, as shown on the right.

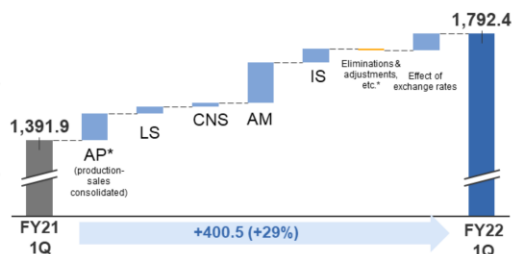
FY22 1Q Sales and Profit Analysis by Segment

Major increase/decrease factors

Sales / Adjusted OP	AP	<p>Sales increased: Stable sales of Home Appliances and Heating and Cooling Solutions, as well as recovery from COVID-19 impact</p> <p>Profit increased: Increased sales and cost-reduction efforts (e.g. control of sales promotion expenses) surpassed impact of raw material price hikes</p>
	LS	<p>Sales increased: Favorable sales (e.g. wiring devices in Japan and overseas) reflecting market recovery</p> <p>Profit increased: Increased sales and other factors surpassed such impact as raw material price hikes</p>
	CNS	<p>Sales increased: Driven by Process Automation with favorable sales of mounting machines due to growing demand for ICT terminals and 5G-related equipment</p> <p>Profit increased: Increased sales of Process Automation and Media Entertainment as well as effects of fixed-cost reduction in Avionics</p>
	AM	<p>Sales increased: Growth of Automotive Solutions mainly in IVI (In Vehicle Infotainment) with automobile market recovery; Increase in Automotive Batteries contributed by growing demand</p> <p>Profit increased: Largely contributed by increased sales of both Automotive Solutions and Automotive Batteries</p>
	IS	<p>Sales increased: Increased sales of capacitors for automotive use, industrial-use motors for labor-saving at factories, and power storage systems for ICT infrastructure surpassed decreased sales impacted by transfer of semiconductor business</p> <p>Profit increased: Increased sales and improved productivity despite impact of raw material price hikes</p>
	Other income/loss	Impact of one-time gains in FY21 (gains from establishment of automotive prismatic battery joint venture in FY21)

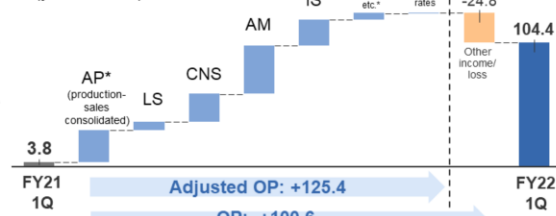
Sales: Increased in all segments

(yen: billions)



OP: Increased in all segments

(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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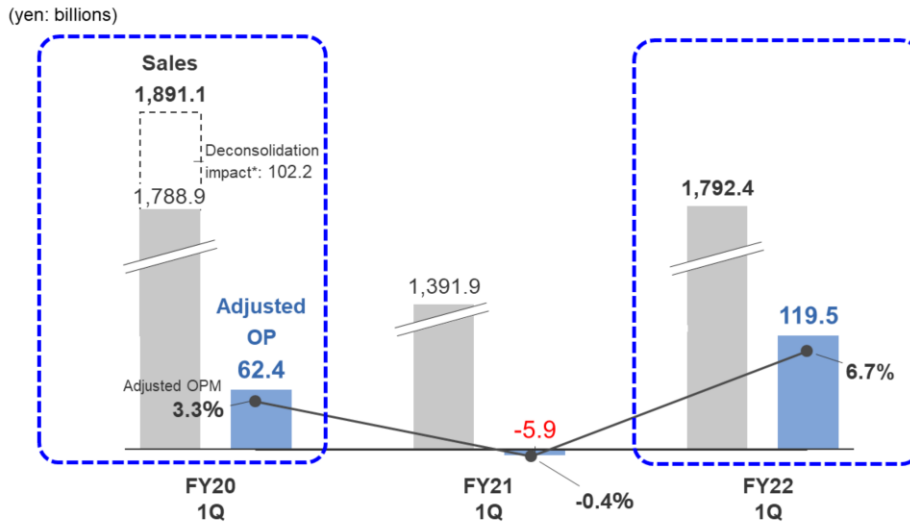
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- This slide shows major increase/decrease factors by segment.
- In Appliances, sales and profit increased.
This is due to stable sales of Home Appliances and Heating and Cooling Solutions, as well as efforts in cost-reductions, including the control of sales promotion expenses, surpassing the impact of raw material price hikes.
- In Life Solutions, sales and profit increased.
This is due mainly to favorable sales of wiring devices in Japan and overseas reflecting market recovery, despite the impact of raw material price hikes.
- In Connected Solutions, sales increased, driven by Process Automation, with favorable sales of mounting machines due to growing demand for ICT terminals and 5G-related equipment.
Profit increased due to increased sales as well as the effects of fixed-cost reductions in Avionics.
- In Automotive, sales and profit increased overall.
Sales and profit increased in Automotive Solutions, with growth mainly in IVI (In Vehicle Infotainment) with recovery in the automobile market, and increased also in Automotive Batteries with growing demand.
- In Industrial Solutions, sales increased with favorable sales of capacitors for automotive use, industrial-use motors for labor-saving at factories, and power storage systems for ICT infrastructure. All of these factors surpass the impact of the semiconductor business transfer.
Profit increased due mainly to increased sales as well as productivity improvement.

FY22 1Q vs. FY20 1Q: Company-wide

- Adjusted OP improved significantly through efforts in business portfolio reform and management structure enhancement



* Deconsolidation impact of Housing, Automotive prismatic batteries, and Security systems businesses

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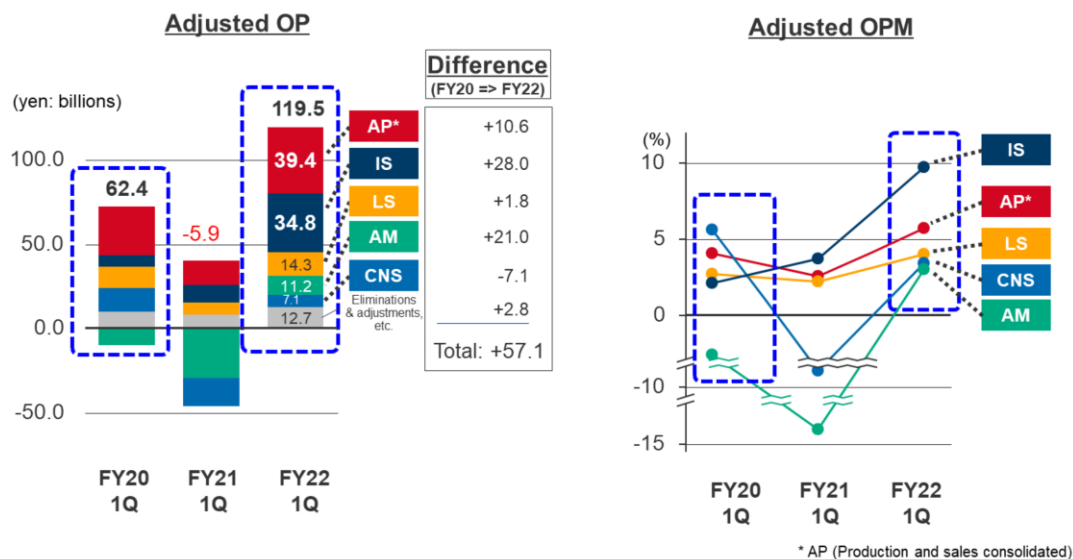
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- Now, I will explain how much our profitability structure has changed in comparison to FY20 1Q, before the outbreak of COVID-19, using four slides.
- First, a comparison from the Company-wide perspective.
- As shown on the right, FY22 1Q sales recovered to approximately 1,790 billion yen. This would be nearly the same level as FY20 1Q if we made a comparison by excluding approximately 100 billion yen of deconsolidation impact such as housing business.
- In terms of adjusted operating profit, profitability has significantly improved from 3.3% in FY20 (62.4 billion yen) to 6.7% in FY22 (119.5 billion yen), although sales was at the same level.
- We believe our steady progress in business portfolio reform and management structure enhancement under the current Mid-term strategy is reflected in these figures.

FY22 1Q vs. FY20 1Q: by Segment

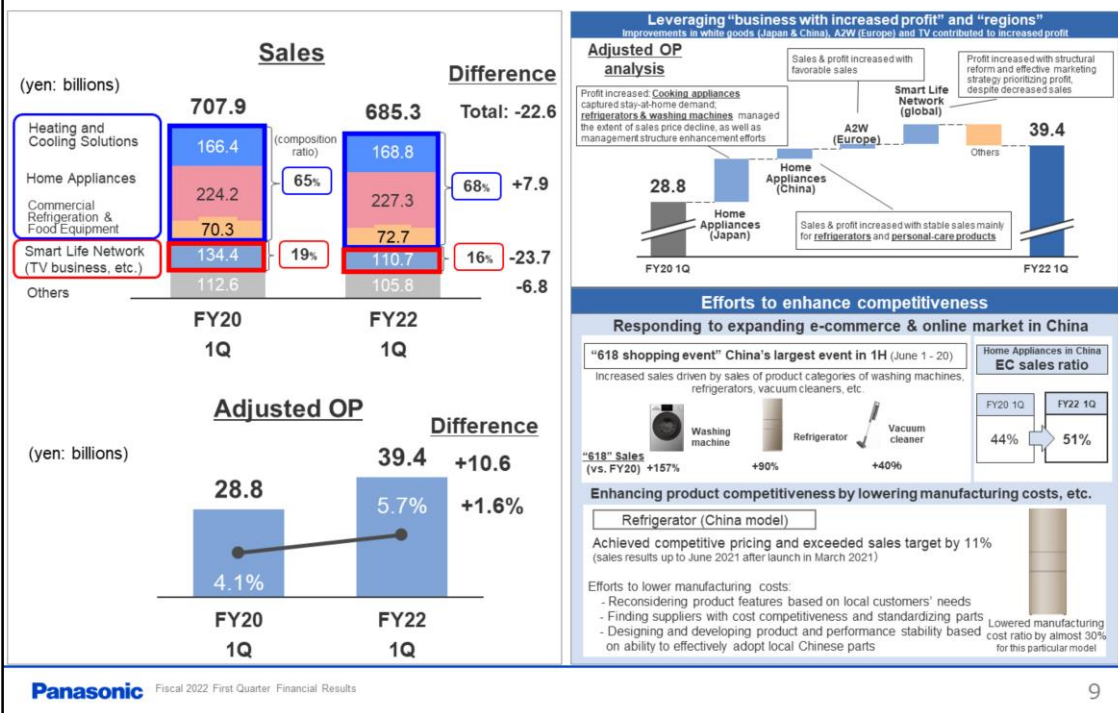
- Adjusted OP amount and profitability exceeded those of FY20 1Q at all segments except CNS, with persisting COVID-19 impact;
In particular, AP and IS drove Company-wide growth in both profit amount and profitability



- Next, a comparison of adjusted operating profit by segment.
- The graph on the left shows how profit amount has transitioned, and the graph on the right shows how profitability has transitioned.
- Profit amount and profitability exceeded those figures of FY20 in all segments except for Connected Solutions, with persisting COVID-19 impact.
- In particular, Appliances and Industrial Solutions drove Company-wide growth in both absolute amount of profit and profitability.
- In the following slides, I will explain the details of initiatives taken at these two segments.

FY22 1Q vs. FY20 1Q: Appliances

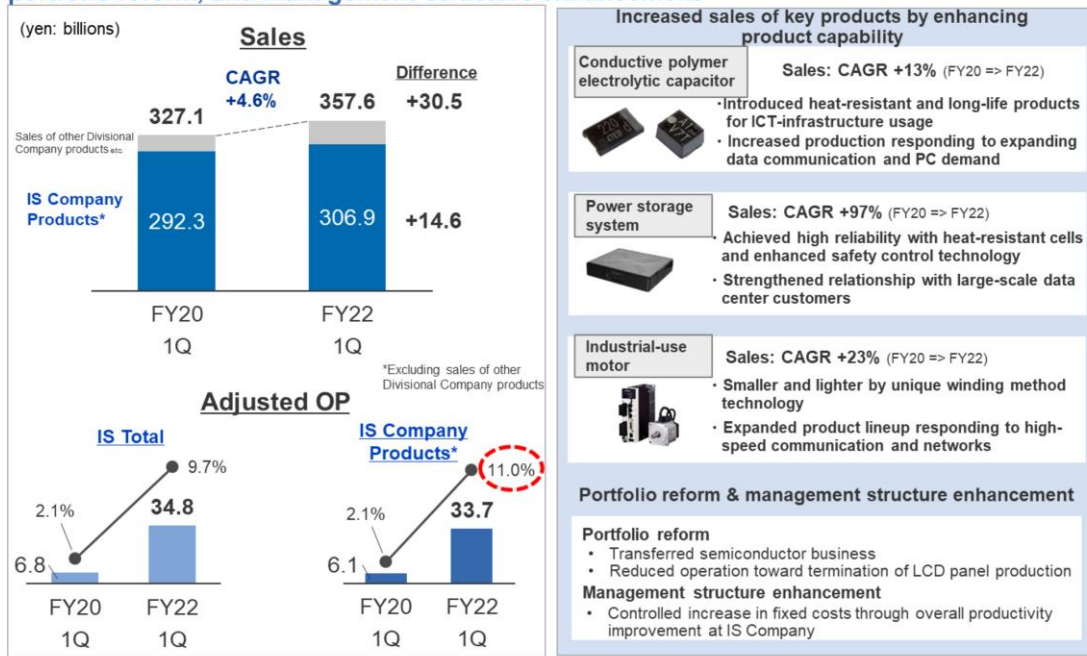
- Improved profitability through portfolio reform: progress made by shifting business structure to Home Appliances, etc.
- Steady progress in enhancing competitiveness (e.g. lowering manufacturing costs) and improving management structure



- Firstly, Appliances, comparing FY22 1Q to FY20 1Q.
- The upper left part of this slide shows the sales composition ratio, comparing FY22 to FY20. For the past two years, we have promoted business portfolio reform, and made progress in shifting the business structure to Home Appliances, where we are competitive.
- As a result, in terms of adjusted operating profit for Appliances overall, both the amount and profitability have improved.
- The graph at the upper right shows major increase/decrease factors, from the perspectives of business and region.
- Home Appliances drove increased profit in Japan and China. In particular, in China, sales increased almost by 40% compared to FY20 1Q, in real terms excluding exchange rates, mainly with refrigerators.
- In Europe, A2W (Air to Water), or our hot water heat pump system, performed favorably, approximately 2.3 times in real terms.
- Smart Life Network achieved increased profit despite decreased sales, through structural reform and other measures.
- The lower right area shows our initiatives in the China and Northeast Asia region as examples of efforts to enhance competitiveness, which CEO Kusumi emphasized at the CEO briefing in May 2021.
- We have achieved increased sales and profit through by responding to China's expanding e-commerce and online market, as well as enhancing product competitiveness through such efforts as to lower manufacturing costs.

FY22 1Q vs. FY20 1Q: Industrial Solutions

Increased profit and improved profitability through increased sales of key products, portfolio reform, and management structure enhancement



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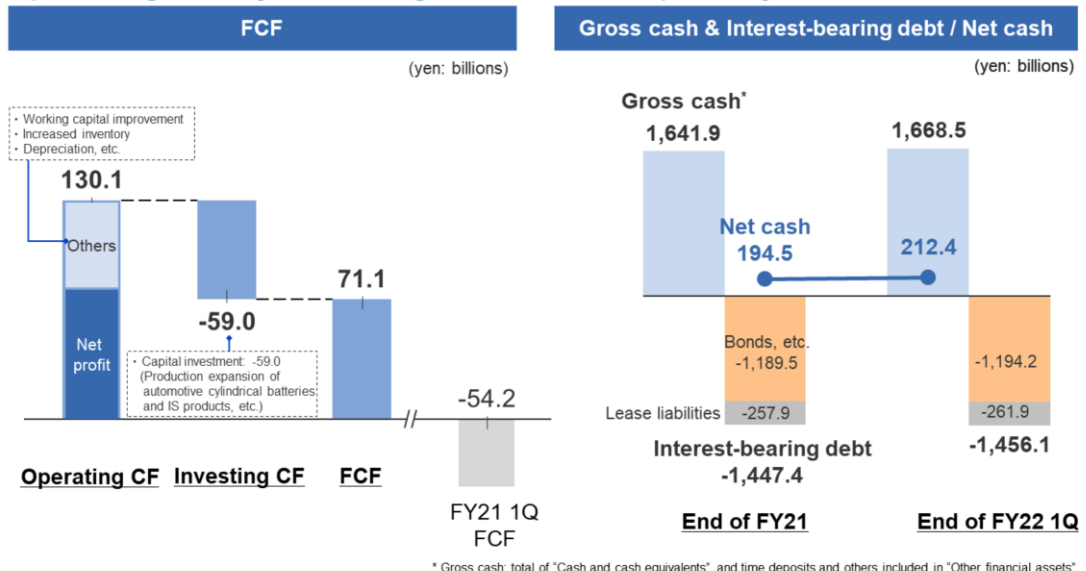
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- Next, Industrial Solutions.
- Even under COVID-19 circumstances, sales grew stably, and the CAGR (Compound Annual Growth Rate) from FY20 1Q to FY22 1Q was 4.6%.
- The graph at the lower left shows adjusted operating profit. The margin for Industrial Solutions total has improved to 9.7% from 2.1% in FY20 1Q. If we count only the products manufactured by Industrial Solutions (IS Company Products,) we achieved a double-digit adjusted operating profit margin at 11%.
- This improvement is due to increased sales of key products and steady progress in business portfolio reform and management structure enhancement.
- In particular, sales increased significantly for key products with growing demand for ICT-infrastructure usage as well as by thoroughly enhancing product capability in such products as conductive polymer electrolytic capacitors, power storage systems, and industrial-use motors.
- In addition, portfolio reforms such as transfer of semiconductor business and reducing operation of LCD panel business, as well as management structure enhancement such as improving productivity, have contributed to increased profit and improved profitability.

FY22 1Q FCF and Cash

- Generated 71.1 billion yen FCF mainly with secure level of net profit, as well as improved working capital, more than offsetting inventory increase caused by semiconductor shortages and other factors
- Improved significantly from the negative in FY21 1Q impacted by COVID-19



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- Next, I will explain the situation of FCF and cash positions.
- As shown on the left, we generated 71.1 billion yen of FCF, mainly by reaching a secure level of net profit, as well as improving working capital, which more than offset the increase in inventory caused by semiconductor shortages and other factors.
- FCF improved significantly from the negative in FY21 1Q impacted by COVID-19.
- The graph on the right describes our cash positions.

Mid-term Strategy: Progress in Key Initiatives

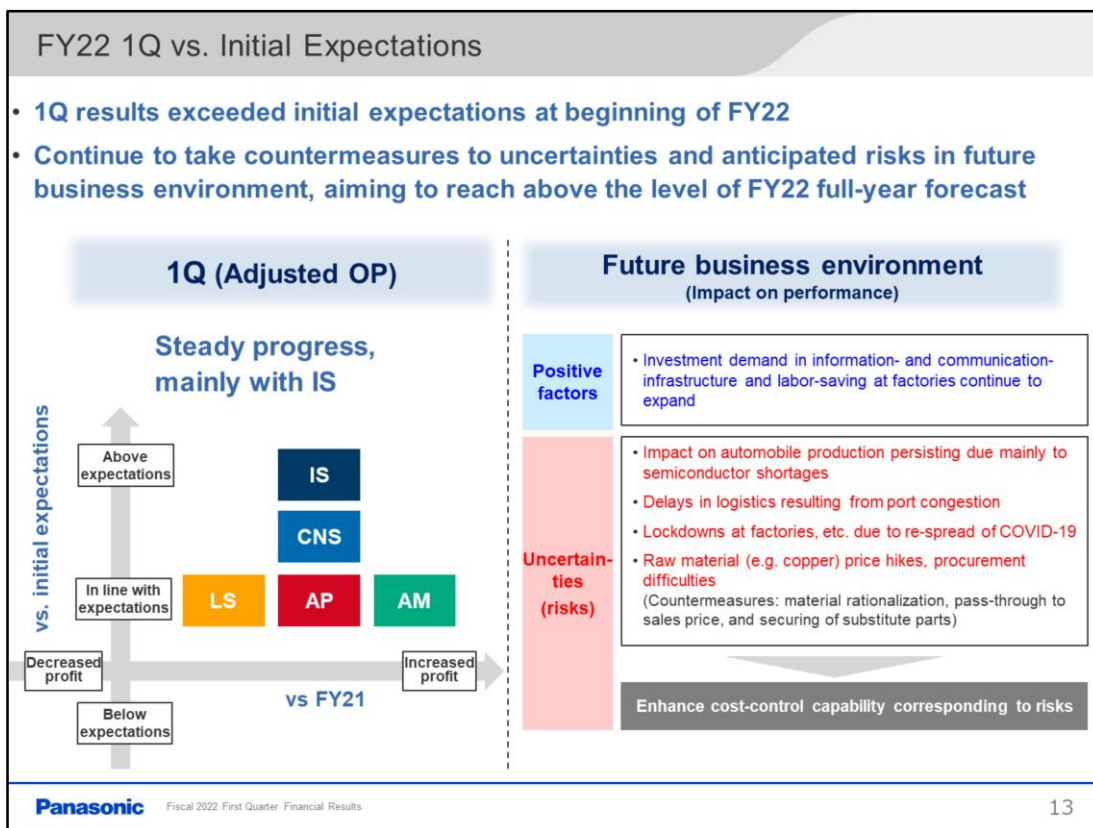
Enhancement of management structure		■ Steady progress in 1Q (15.0 billion yen) against full-year target (20.0 billion yen)					
		(yen: billions)	FY22	(Reference)			
			1Q Result	Mid-term target	FY20	FY21	FY22 (e)
							3-year total
		Fixed cost reduction*	8.0	60.0	20.0	60.0	20.0
		Businesses with loss-making structures	7.0	40.0	0.0	30.0	0.0
		Total	15.0	100.0	20.0	90.0	20.0
		* Does not include fixed-cost improvement related to decreased sales by COVID-19; improved amount is Adjusted OP-basis					
Business portfolio reform	Investment for growth	Gemba Process <ul style="list-style-type: none"> Resolved to acquire all shares of Blue Yonder (Apr. 23, '21) In process toward completion of making Blue Yonder a wholly-owned subsidiary by FY22 3Q 					
	Improve profitability	Automotive Batteries <ul style="list-style-type: none"> Preparing to install new production line in North America factory (Expecting to start operation in Aug. '21) 					
Improve profitability of automotive business		1Q results improved significantly compared to FY21 1Q with contributions from: <ul style="list-style-type: none"> Automotive Solutions: increased sales with automobile market recovery Automotive Batteries: increased sales with growing demand, as well as effect of introducing new cells with higher battery capacity and material rationalization 					
		<AM Segment> (yen: billions)	FY22	(Reference)	FY20	FY21	FY22 (e)
			1Q Result	vs. FY21		vs. FY20	
		Adjusted OP (% to sales)	11.2 (3.0%)	+40.7	-30.5 (-2.1%)	2.2** (0.2%)	50.0 (3.2%)
						+32.7	+47.8
		** Turned profitable overall even when including temporary expenses					

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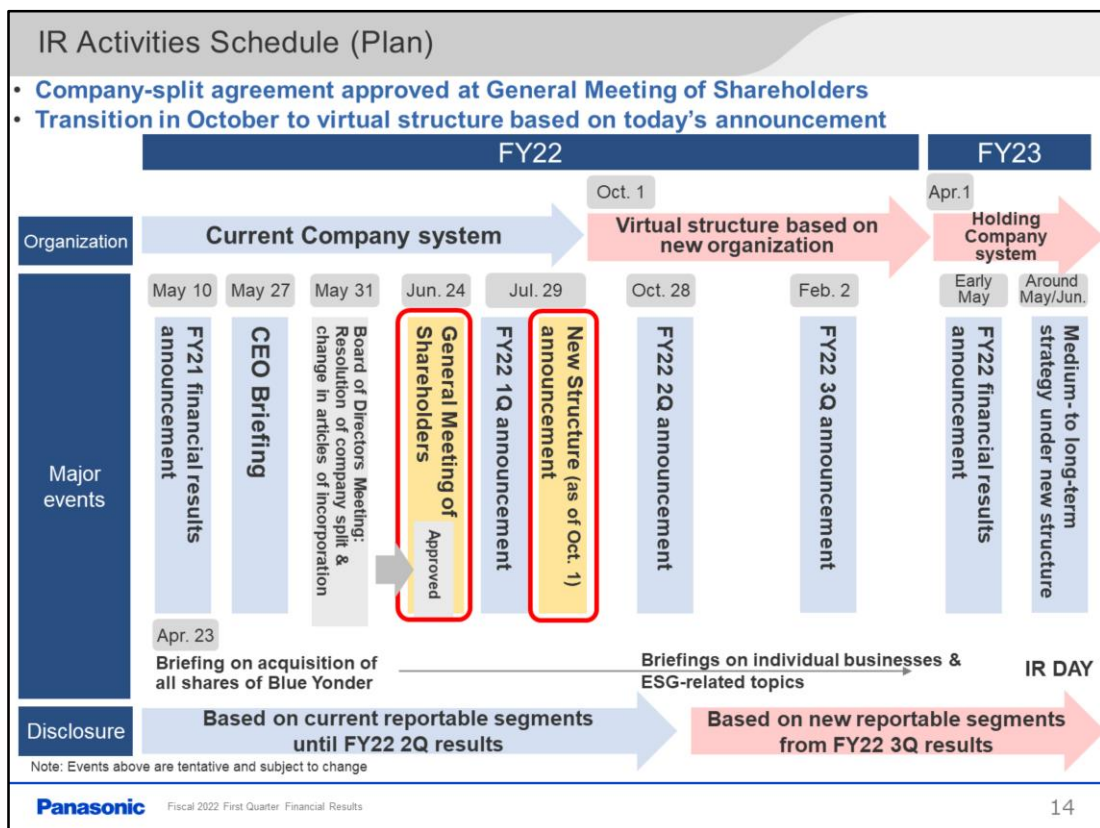
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- This slide shows the progress made in key initiatives set in the Mid-term strategy, during the first quarter of FY22.
- In terms of management structure enhancement, a total of 15.0 billion yen contributed to profit improvement, which included 8.0 billion yen in fixed-cost reductions and 7.0 billion yen in reduced losses in “businesses with loss-making structures.”
- We are making steady progress toward the full-year target of 20.0 billion yen.
- Furthermore, in terms of businesses with loss-making structures, toward 2H, we expect the amount of loss to increase compared to FY21, particularly in the LCD panel business, resulting from termination of production. Therefore, our full-year forecast of zero (0) remains unchanged.
- In terms of business portfolio reform, we have already announced that we will make Blue Yonder a wholly-owned subsidiary as an investment for growth. The process toward completion by FY22 3Q is underway according to plan.
- In Automotive Batteries, the new production line in the North America factory is expected to start operations in August 2021.
- Finally, with regard to the profitability improvement of automotive business, as previously explained, adjusted operating profit increased to 11.2 billion yen, which is an improvement of over 40.0 billion yen from FY21 1Q, mainly with contributions from increased sales.
- In conclusion, we are making steady progress toward the full-year target of 50.0 billion yen.



- Now I will explain the 1Q results compared with initial expectations.
- The graph on the left shows adjusted operating profit in 1Q.
- The vertical axis shows the comparison to initial expectations and the horizontal axis shows the difference from FY21.
1Q showed steady results overall, mainly with Industrial Solutions and Connected Solutions, and other businesses almost in line with expectations.
- On the right, we analyze both the positive factors and the risks we should consider for the future business environment from the perspective of the impact on our performance.
- As positive factors, we can expect continuous expansion of investment demand in information- and communication-infrastructure and labor-saving at factories, mainly impacting Industrial Solutions.
- On the other hand, as uncertainties and risks, we assume a persistent impact on automobile production due mainly to semiconductor shortages, delays in logistics resulting from port congestion, and lockdowns at factories or other sites due to the re-spread of COVID-19.
- In addition, while raw material price hikes, including copper, and procurement difficulties are becoming apparent, we will take countermeasures such as material rationalization to offset such impact.
- Nonetheless, we will enhance our overall cost-control capability in response to these uncertainties and risks, maintain the favorable results of 1Q, and thus aim to reach above the level of the FY22 full-year forecast overall.



- This slide shows our planned schedule for IR activities going forward.
- At the General Meeting of Shareholders held June 2021, the company-split agreement for the new Group structure to start in April 2022 was approved.
- In October 2021, we will transition to a virtual structure based on today's announcement regarding the new structure.

For further details, please refer to the IR website:

<https://www.panasonic.com/global/corporate/ir/relevant.html>

Release dated July 29, 2021:

“Panasonic Announces Group’s New Structure and Personnel Changes on Executive Officers and Others Effective October 1, 2021”

- As for disclosure, the announcement of results will be made based on new reportable segments from FY22 3Q.
In addition, we plan to hold briefings on individual businesses and ESG-related topics.

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

- Thank you very much for your kind attention.

Disclaimer Regarding Forward-Looking Statements

This presentation includes forward-looking statements about Panasonic and its Group companies (the Panasonic Group). To the extent that statements in this presentation do not relate to historical or current facts, they constitute forward-looking statements. These forward-looking statements are based on the current assumptions and beliefs of the Panasonic Group in light of the information currently available to it, and involve known and unknown risks, uncertainties and other factors. Such risks, uncertainties and other factors may cause the Panasonic Group's actual results, performance, achievements or financial position to be materially different from any future results, performance, achievements or financial position expressed or implied by these forward-looking statements. Panasonic undertakes no obligation to publicly update any forward-looking statements after the date of this presentation. Investors are advised to consult any further disclosures by Panasonic in its subsequent filings under the Financial Instrument and Exchange Act of Japan (the FIEA) and other publicly disclosed documents.

The risks, uncertainties and other factors referred to above include, but are not limited to, economic conditions, particularly consumer spending and corporate capital expenditures in the Americas, Europe, Japan, China and other Asian countries; volatility in demand for electronic equipment and components from business and industrial customers, as well as consumers in many product and geographical markets; the possibility that the spread of the novel coronavirus infections may adversely affect business activities of the Panasonic Group; the possibility that excessive currency rate fluctuations of the U.S. dollar, the euro, the Chinese yuan and other currencies against the yen may adversely affect costs and prices of Panasonic's products and services and certain other transactions that are denominated in these foreign currencies; the possibility of the Panasonic Group incurring additional costs of raising funds, because of changes in the fund raising environment; the possibility of the Panasonic Group not being able to respond to rapid technological changes and changing consumer preferences with timely and cost-effective introductions of new products in markets that are highly competitive in terms of both price and technology; the possibility of not achieving expected results or incurring unexpected losses in connection with the alliances or mergers and acquisitions; the possibility of not being able to achieve its business objectives through joint ventures and other collaborative agreements with other companies, including due to the pressure of price reduction exceeding that which can be achieved by its effort and decrease in demand for products from business partners which Panasonic highly depends on in BtoB business areas; the possibility of not achieving expected benefits in connection with the transition to a new organizational system in which Panasonic is a holding company; 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) FY22 1Q Segment Information

Appliances

(Production and sales consolidated)

Overview

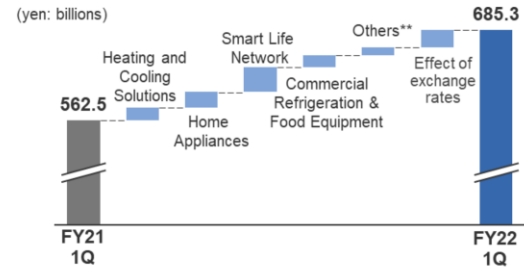
(yen: billions)	FY22 1Q	vs. FY21 1Q/ Difference
Sales	685.3	+22% (+18%)*
Adjusted operating profit (% to sales)	39.4 (5.7%)	+25.1
Other income/loss	0.0	+0.6
Operating profit (% to sales)	39.4 (5.8%)	+25.7

* In real terms excluding the effect of exchange rates

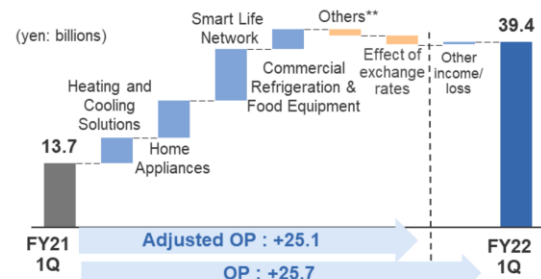
Major increase/decrease factors

Sales / Adjusted OP	Heating and Cooling Solutions	<ul style="list-style-type: none"> Sales increased: Stable sales mainly of room air-conditioners in Asia and Europe as well as A2W in Europe Profit increased: Rationalization and control of sales promotion expenses, etc. offset impact of raw material price hikes
	Home Appliances	<ul style="list-style-type: none"> Sales increased: Stable sales mainly of cooking appliances in Japan, and personal-care products in China Profit increased: Increased sales and cost-reduction efforts (e.g. control of sales promotion expenses)
	Smart Life Network	<ul style="list-style-type: none"> Sales increased: Recovery from COVID-19 impact mainly in TVs and digital cameras in Japan and Europe Profit increased: Increased sales and fixed-cost reduction efforts, etc.
	Commercial Refrigeration & Food Equipment	<ul style="list-style-type: none"> Sales and profit increased: Stable sales in North America and recovery trend from COVID-19 impact in Japan
	Other income/loss	—

Sales: Increased due to stable sales of Home Appliances and Heating and Cooling Solutions, as well as recovery from COVID-19 impact



OP : Increased due to increased sales and cost-reduction efforts (e.g. control of sales promotion expenses) surpassing impact of raw material price hikes



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

Panasonic

Fiscal 2022 First Quarter Financial Results

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Overview

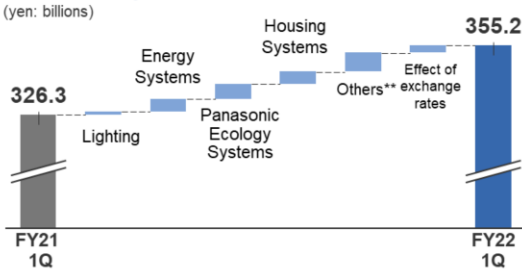
(yen: billions)	FY22 1Q	vs. FY21 1Q/ Difference
Sales	355.2	+9% (+8%)*
Adjusted operating profit (% to sales)	14.3 (4.0%)	+7.0
Other income/loss	-1.7	0.0
Operating profit (% to sales)	12.6 (3.6%)	+7.0

* In real terms excluding the effect of exchange rates

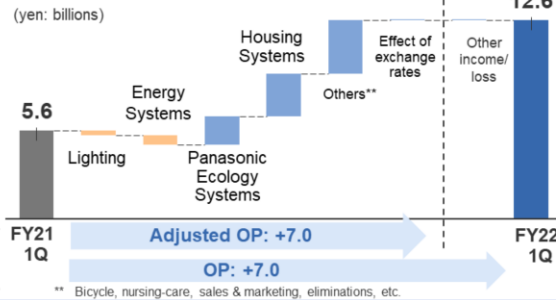
Major increase/decrease factors

Sales / Adjusted OP	Lighting	<ul style="list-style-type: none">Sales increased: Increased sales in Japan and overseas offset negative impact of business transfer in North AmericaProfit decreased: Mainly by raw material price hikes
	Energy Systems	<ul style="list-style-type: none">Sales increased: Growth of wiring devices in Japan, India and TurkeyProfit decreased: Mainly by raw material price hikes and semiconductor procurement difficulties
	Panasonic Ecology Systems	<ul style="list-style-type: none">Sales and profit increased: Growth of ceiling fans in overseas markets and indoor air quality (IAQ) businesses (e.g. ventilation products) in Japan
	Housing Systems	<ul style="list-style-type: none">Sales and profit increased: Favorable sales of water-related products and construction materials due mainly to sales promotion utilizing online exhibitions, emphasizing new products responding to new normal lifestyle (e.g. anti-virus specification)
	Others	<ul style="list-style-type: none">Sales and profit increased: Mainly by growth of overseas sales divisions due to market recovery
Other income/loss	Remained almost at the same level from last year: FY22 1Q: recorded expenses for reorganizing sites, etc. FY21 1Q: recorded restructuring expenses of solar business	

Sales: Increased due mainly to favorable sales (e.g. wiring devices in Japan and overseas) reflecting market recovery



OP: Increased due mainly to increased sales and other factors surpassing such impact as raw material price hikes



** Bicycle, nursing-care, sales & marketing, eliminations, etc.

Overview

(yen: billions)	FY22 1Q	vs. FY21 1Q/ Difference
Sales	208.5	+13% (+8%)*
Adjusted operating profit (% to sales)	7.1 (3.4%)	+23.6
Other income/loss	-6.9	-7.4
Operating profit (% to sales)	0.2 (0.1%)	+16.2

* In real terms excluding the effect of exchange rates

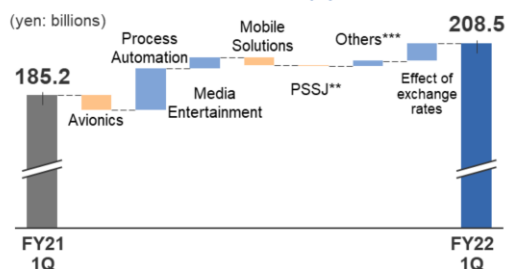
Major increase/decrease factors

Sales / Adjusted OP	Avionics	<ul style="list-style-type: none"> Sales decreased due to decreased IFE (inflight entertainment) sales with reduced aircraft production, while improved sales of maintenance and repair services with recovery of U.S. and China domestic flight operations Profit increased due to effects of fixed-cost reduction measures in FY21
	Process Automation	<ul style="list-style-type: none"> Sales and profit increased due to favorable sales of mounting machines with growing demand in China (e.g. ICT terminals and 5G-related equipment)
	Media Entertainment	<ul style="list-style-type: none"> Sales and profit increased due to increased sales of projectors with market recovery trend in Europe, U.S., and China, as well as favorable sales of remote-control cameras
	Mobile Solutions	<ul style="list-style-type: none"> Sales and profit decreased mainly by delayed store installation of payment terminals due to COVID19 impact
	PSSJ**	<ul style="list-style-type: none"> Sales remained at the previous year's level, however profit increased due to increased sales of solutions offsetting decreased sales of payment terminals
Other income/loss		Impacted mainly by loss from transfer of ITC Global

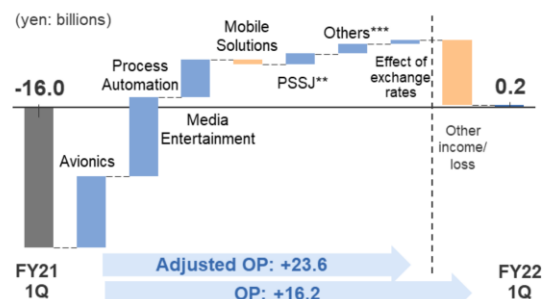
** Panasonic System Solutions Japan Co., Ltd.

*** Other businesses, eliminations, etc.

Sales: Increased driven by Process Automation, with favorable sales of mounting machines due to growing demand for ICT terminals and 5G-related equipment



OP : Increased due to increased sales of Process Automation and Media Entertainment as well as effects of fixed cost reduction in Avionics



(Reference) FY22 1Q Segment Information

Automotive

Overview

(yen: billions)	FY22 1Q	vs. FY21 1Q/ Difference
Sales	373.7	+77% (+72%)*
Adjusted operating profit (% to sales)	11.2 (3.0%)	+40.7
Other income/loss	-1.4	-21.4
Operating profit (% to sales)	9.8 (2.6%)	+19.3

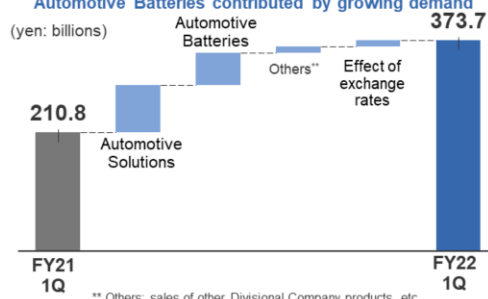
* In real terms excluding the effect of exchange rates

Major increase/decrease factors

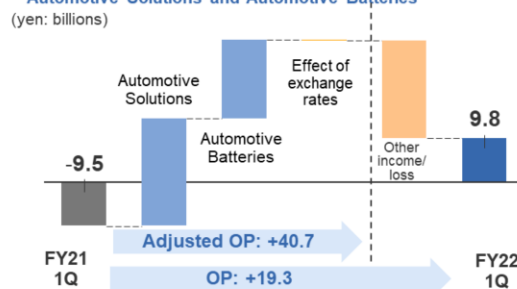
Sales / Adjusted OP	Automotive Solutions	[Sales] • Increased: In particular, sales growth of IVI (In Vehicle Infotainment), a focus area, along with automobile market recovery, despite partial impact of semiconductor shortages [Profit] • Increased: Largely contributed by increased sales, despite increased fixed costs with the rebound from temporary factory suspension due to COVID-19 in FY21
	Automotive Batteries	[Sales] • Increased in cylindrical batteries due mainly to rebound from temporary factory suspension caused by COVID-19 in FY21 and growing demand [Profit] • Increased in cylindrical batteries due mainly to increased sales, effect from completing launch of new cells with higher capacity at end of FY21, and material rationalization efforts
	Other income/loss	• Impact of gains from establishment of automotive prismatic battery JV (-27.7) in FY 21 and other factors

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 due to growth of Automotive Solutions mainly in IVI with automobile market recovery, and increase in Automotive Batteries contributed by growing demand



OP: Increased largely contributed by increased sales in both Automotive Solutions and Automotive Batteries



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(yen: billions)	FY22 1Q	vs. FY21 1Q/ Difference	IS Company Products*
Sales	357.6	+24% (+18%)**	306.9
Adjusted operating profit (% to sales)	34.8 (9.7%)	+24.1	33.7 (11.0%)
Other income/loss	0.5	+2.0	0.5
Operating profit (% to sales)	35.3 (9.9%)	+26.1	34.2 (11.1%)

* Excluding sales of other Divisional Company products (e.g. compressor, SD card), etc.

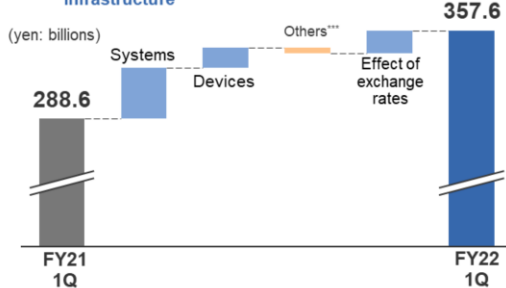
** In real terms excluding the effect of exchange rates

Major increase/decrease factors

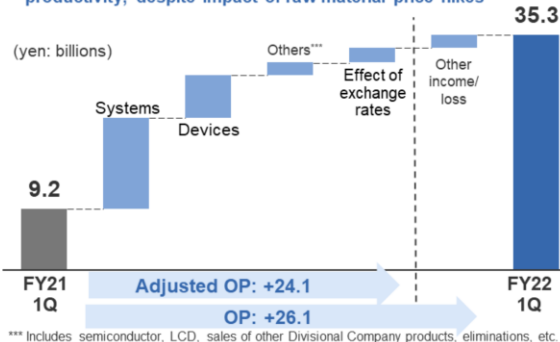
Sales / Adjusted OP	Systems	<ul style="list-style-type: none"> Sales and profit increased: <ul style="list-style-type: none"> Continuing favorable sales of: <ul style="list-style-type: none"> power storage systems for data centers with robust demand for networks industrial-use motors with favorable market conditions for semiconductor production equipment and mounting machines automotive components (e.g. relays and power supply) with automobile market recovery
	Devices	<ul style="list-style-type: none"> Sales and profit increased due to increased sales of passive components (e.g. capacitors) for ICT-infrastructure and automotive, offsetting impact of raw material price hikes
	Others	<ul style="list-style-type: none"> Profit increased due mainly to structural reform effect, despite decreased sales from transfer of semiconductor business
	Other income/loss	<ul style="list-style-type: none"> Rebound from quality-related and legal expenses in FY21 and other factors

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 increased sales of mainstay products for automotive-use, labor-saving at factories, and ICT-infrastructure

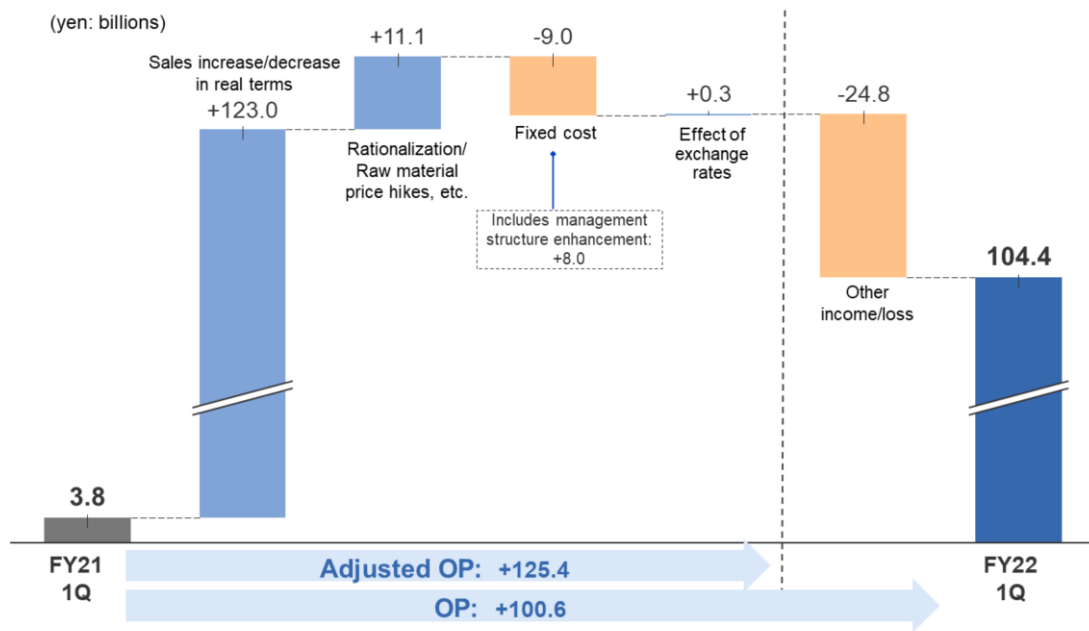


OP: Increased due mainly to increased sales and improved productivity, despite impact of raw material price hikes



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

(Reference) FY22 1Q Operating Profit Analysis (by Factor)



(Reference) FY22 1Q Operating Profit & Net Profit

(yen: billions)

	FY22 1Q	FY21 1Q	Difference
Operating profit	104.4	3.8	+100.6
Non-operating income/loss	4.1	-0.7	+4.8
Profit before income taxes	108.5	3.1	+105.4
Income taxes	-27.3	-10.0	-17.3
Net profit	81.2	-6.9	+88.1
Net profit attributable to Panasonic Corporation stockholders	76.5	-9.8	+86.3
Net profit attributable to non-controlling interests	4.7	2.9	+1.8

(Reference) Business Portfolio Reform Progress since FY20

Note: Changes after FY21 financial results announcement are underlined

Investment for growth	Gemba (operational frontlines) process business - Resolved to acquire all shares of Blue Yonder, a global leader specialized in supply chain software (April 23, 2021)
	Automotive prismatic battery business Completed in FY21 - 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 Completed in FY21 - 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). Proceeding toward termination of production as scheduled.
	Solar business - 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 Completed in FY21 - 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.
	Smart Life Network business (TV business, etc.) - TV business turned profitable during FY21 by streamlining development of non-profitable models, focusing on selling high value-added models, drastically revised costs, etc. Reorganizing global manufacturing sites along with ODM. In negotiation for comprehensive collaboration with external partners.
	Lighting business - Completed share transfer of North American lighting device company (March 12, 2021) Completed in FY21 - Completed share transfer of European lighting device company (late February 2020) Completed in FY20
	Dry battery business Completed in FY22 - Announced share transfer of European dry battery business (March 17, 2021); Transfer completed (June 4, 2021)
	Avionics business Completed in FY22 - Completed transfer of satellite communication service provider ITC Global (April 30, 2021)

(Reference) List of Sub-segments in FY22

	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 : 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. 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 & Solutions Inc. is included in AM segment