

[English summary with full translation of consolidated financial information]

**Quarterly Report filed with the Japanese government  
pursuant to the Financial Instruments and Exchange  
Law of Japan**

**For the six months ended  
September 30, 2019**

**Panasonic Corporation  
Osaka, Japan**

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

This quarterly report includes forward-looking statements about Panasonic and its Group companies (the Panasonic Group). To the extent that statements in this quarterly report 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 quarterly report. 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 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.

## I Corporate Information

### 1. Consolidated Financial Summary

	Yen (millions), except per share amounts		
	Six months ended September 30, 2019	Six months ended September 30, 2018	Year ended March 31, 2019
Net sales	3,844,424	4,008,178	8,002,733
Profit before income taxes	137,904	197,260	416,456
Net profit attributable to Panasonic Corporation stockholders	100,919	113,619	284,149
Comprehensive income attributable to Panasonic Corporation stockholders	8,419	160,618	278,477
Panasonic Corporation stockholders' equity	1,866,376	1,827,126	1,913,513
Total equity	2,025,414	1,995,128	2,084,615
Total assets	6,626,202	6,462,583	6,013,931
Earnings per share attributable to Panasonic Corporation stockholders, basic (yen)	43.27	48.71	121.83
Earnings per share attributable to Panasonic Corporation stockholders, diluted (yen)	43.24	48.68	121.75
Panasonic Corporation stockholders' equity / total assets (%)	28.2	28.3	31.8
Net cash provided by (used in) operating activities	142,593	31,440	203,677
Net cash provided by (used in) investing activities	(123,998)	(115,102)	(193,387)
Net cash provided by (used in) financing activities	66,956	34,428	(341,761)
Cash and cash equivalents at the end of the period	821,966	1,071,595	772,264

	Three months ended September 30, 2019	Three months ended September 30, 2018
Net sales	1,953,295	1,999,443
Net profit attributable to Panasonic Corporation stockholders	51,142	56,259
Earnings per share attributable to Panasonic Corporation stockholders, basic (yen)	21.92	24.12

- Notes: 1. The Company's condensed quarterly consolidated financial statements and consolidated financial statements are prepared in conformity with International Financial Reporting Standards (IFRS).  
2. Net sales do not include consumption tax, etc.

## 2. Principal Businesses

The Panasonic Group is comprised primarily of the parent Panasonic Corporation and 571 consolidated subsidiaries in and outside of Japan, operating in close cooperation with each other. As a comprehensive electronics manufacturer, Panasonic is engaged in development, production, sales and service activities in a broad array of business areas.

The Company supplies a full spectrum of electric/electronic equipment and related products, which is categorized into the following five reportable segments, "Appliances," "Life Solutions," "Connected Solutions," "Automotive," "Industrial Solutions," and other business activities which are not included in the reportable segments. The reportable segment classification was changed on April 1, 2019. Details about each segment and business transfers are described in "IV Condensed Quarterly Consolidated Financial Statements, Note 3. Segment Information."

During the six months ended September 30, 2019, there were changes in major affiliated companies as follows.

### Connected Solutions:

In May 2019, the Company concluded the liquidation of its consolidated subsidiary, MT Picture Display Co., Ltd.

### Industrial Solutions:

On April 1, 2019, the Company absorbed Panasonic Precision Devices Co., Ltd. through a merger.

The Company's condensed quarterly consolidated financial statements have been prepared in conformity with IFRS and the scopes of affiliates are disclosed based on the definition of those accounting principles. The same applies to "II The Business Overview."

## **II The Business Overview**

### **1. Risk Factors**

There was no risk newly identified during the six months ended September 30, 2019.

There were no significant changes with regard to the "Risk Factors" stated in the annual securities report of the previous fiscal year.

### **2. Management Analyses of Consolidated Financial Position, Operating Results and Cash Flows**

#### **(1) Operating Results**

During the six months ended September 30, 2019 (fiscal 2020), the global economy saw signs of some slowdown, particularly in production in the U.S. and China as well as exports from Japan and China, while the U.S. economy continued to perform favorably, in general, with stable personal spending. Furthermore, in Japan, capital investment was spurred by labor-saving related demand. Regarding the outlook for the global economy, various risk factors can be seen, such as the politics and financial circumstances in each country, increasingly widespread protectionism, and downward economic swings in emerging countries.

Under such a management environment, in fiscal 2020, as the first year of the new Mid-term strategy, the Group will execute business portfolio reform, and aim at both profit growth and profitability improvement.

During the six months ended September 30, 2019, the Company came to an agreement with Toyota Motor Corporation in May 2019 to establish a joint venture related to town development business. The integration of respective housing businesses is aimed to reinforce the foundation for such housing business in the face of severe market competition, and to grow business in the field of town development, which is expected to grow in the future. In photovoltaic business, the Company reached an agreement to collaborate with GS-Solar (China) Company Ltd. in May 2019. Through this collaboration, the Company will optimize the development and production capability. Furthermore, in August 2019, the Company announced the reform of the business management structure from October 1, 2019. In order to clarify the management roles and responsibilities, the management structure was reorganized into a group of Executive Officers, who will lead the reform of the Panasonic Group's business structure for the group-wide optimization, and a business execution layer, which will lead the transformation of individual businesses for strengthening respective businesses. This reorganization is aimed to improve profitability and secure advantages of future competitiveness for the Group and its respective businesses.

For the six months ended September 30, 2019, both sales and profits decreased.

Consolidated group sales decreased by 4% to 3,844.4 billion yen from a year ago. Domestic sales increased due mainly to favorable sales of housing-related businesses. Despite sales growth in Automotive Batteries, overseas sales decreased due mainly to sales declines in automotive-related products and electronic-component-mounting-equipment, which were impacted by deteriorating market condition in China, in addition to sluggish TV sales and the effect of exchange rates.

Operating profit decreased by 28% to 140.3 billion yen from a year ago. This was due mainly to lower sales in China, sluggish overseas TV sales, increased costs related to development expenses in Automotive Solutions in Europe and impact of gains from the sale of land in the previous year, despite favorable sales of domestic housing-related businesses. Profit before income taxes decreased by 30% to 137.9 billion yen, and net profit attributable to Panasonic Corporation stockholders decreased by 11% to 100.9 billion yen from a year ago.

#### **(2) Operating Results by Segment**

The Company's six-month consolidated sales and profits by segment with previous year comparisons are summarized as follows:

On April 1, 2019, "Automotive & Industrial Systems" was reorganized to "Automotive" and "Industrial Solutions." "Eco Solutions" was renamed as "Life Solutions." In addition, certain businesses were transferred among segments. The figures of segment information in fiscal 2019 have been reclassified to conform to the presentation for fiscal 2020.

### Appliances

Sales decreased by 2% to 1,375.8 billion yen from a year ago. Despite increased sales of room air-conditioners in Asia and Europe as well as favorable sales in Commercial Refrigeration & Food Equipment in North America, overall sales decreased due to sluggish overseas sales of TVs and digital cameras.

Operating profit decreased by 14% to 52.9 billion yen from a year ago due to the impact of lower sales mainly in TVs.

### Life Solutions

Sales increased by 4% to 993.2 billion yen from a year ago. This increase was driven by favorable sales in high functional products such as home-use distribution panel boards at Energy Systems, and stable growth in products for water-related equipment and building materials at Housing Systems.

Operating profit increased by 81% to 41.1 billion yen from a year ago due to increased sales and rationalization efforts.

### Connected Solutions

Sales decreased by 6% to 518.6 billion yen from a year ago. This was due to sales declines at Process Automation which was impacted by postponed investment resulting from weak market conditions in China as well as sales declines at Avionics which was impacted by held back investments by certain airline companies, while sales increased at Mobile Solutions due to favorable domestic sales in PCs.

Operating profit decreased by 30% to 36.3 billion yen from a year ago. This was largely due to lower sales mainly at Process Automation.

### Automotive

Sales increased by 3% to 747.2 billion yen from a year ago. Overall sales increased due to the effect of investments for capacity expansion at Automotive Batteries, while sales decreased at Automotive Solutions due to impact of deteriorating market conditions in China.

Operating profit was a loss of 22.7 billion yen, compared to a loss of 8.6 billion yen a year ago, due mainly to an increase in costs related to development expenses at Automotive Solutions despite increased profit contributions through increased sales at Automotive Batteries.

### Industrial Solutions

Sales decreased by 10% to 657.9 billion yen from a year ago. This was due mainly to decreased sales of portable rechargeable batteries resulting from strategically reducing ICT-usage, sluggish sales in FA sensors and motors, which were impacted by weakening demand for capital investments in China, and sales declines mainly in capacitors, which were impacted by deteriorating overseas market conditions.

Operating profit decreased by 56% to 16.4 billion yen from a year ago, since fixed-cost reductions and materials rationalization were unable to offset impact of lower sales.

### **(3) Financial Conditions**

The Company's consolidated total assets as of September 30, 2019 were 6,626.2 billion yen, an increase of 612.3 billion yen from March 31, 2019.

The Company's consolidated total liabilities were 4,600.8 billion yen, an increase of 671.5 billion yen from March 31, 2019. These were due mainly to an increase of right-of-use-assets, investment properties and lease liabilities, by applying IFRS 16, "Leases."

Panasonic Corporation stockholders' equity decreased by 47.1 billion yen to 1,866.4 billion yen, compared to March 31, 2019. This was due to deteriorated quarterly comprehensive income by the appreciation of the yen. With non-controlling interests added to Panasonic Corporation stockholders' equity, total equity was 2,025.4 billion yen.

### **(4) Cash Flows**

#### *Cash flows from operating activities*

Net cash provided by operating activities for the six months ended September 30, 2019, amounted to 142.6 billion yen, compared with an inflow of 31.4 billion yen a year ago. This was due mainly to improved working capital and payment of one-off legal costs a year ago, in addition to impact of applying IFRS 16, "Leases" from April 1, 2019. For further details, please refer to "IV Condensed Quarterly Consolidated Financial Statements, Note 2. Basis of Preparation, (5) Application of new standards and interpretations, (i) IFRS 16, Leases, (b) Lease accounting treatment as a lessee."

#### *Cash flows from investing activities*

Net cash used in investing activities amounted to 124.0 billion yen, compared with an outflow of 115.1 billion yen a year ago. This was due mainly to decreased collection of lease receivables, while purchase of property, plant and equipment decreased by an increase of accounts payable-facility.

Accordingly, free cash flow (net cash provided by operating activities and investing activities) improved by 102.3 billion yen from a year ago to an inflow of 18.6 billion yen.

#### *Cash flows from financing activities*

Net cash provided by financing activities amounted to 67.0 billion yen, compared with an inflow of 34.4 billion yen a year ago. This was due mainly to the issuance of U.S. dollar-denominated senior notes totaling approximately 270.0 billion yen despite a decreased balance of short-term bonds and the impact of applying IFRS 16.

Taking other factors such as exchange fluctuations into consideration, cash and cash equivalents totaled 822.0 billion yen as of September 30, 2019, increased by 49.7 billion yen, compared with March 31, 2019.

### **(5) Research and Development**

Panasonic's R&D expenditures for the six months ended September 30, 2019 totaled 239.2 billion yen, up 1% from a year ago. There were no significant changes in R&D activities for the period.

### **(6) Capital Investment**

Panasonic's capital investment (tangible assets) for the six months ended September 30, 2019 totaled 133.0 billion yen, up 6% from a year ago.

### **(7) Depreciation (tangible assets only)**

Panasonic's depreciation for the six months ended September 30, 2019 totaled 104.8 billion yen, down 6% from a year ago.



**(8) Number of Employees**

Number of employees at the end of the second quarter of fiscal 2020 was 271,678, a decrease of 191 compared with the end of the fiscal 2019.

### **III Shares and Shareholders**

#### **1. Shares of Common Stock Issued as of September 30, 2019: 2,453,326,997 shares**

The common stock of the Company is listed on the Tokyo and Nagoya stock exchanges in Japan.

#### **2. Amount of Common Stock (Stated Capital) as of September 30, 2019: 258,867 million yen**

#### IV Condensed Quarterly Consolidated Financial Statements

**PANASONIC CORPORATION  
AND SUBSIDIARIES**  
**Condensed Quarterly Consolidated Statements of Financial Position**  
**September 30 and March 31, 2019**

	Yen (millions)	
	September 30, 2019	March 31, 2019
<b><u>Assets</u></b>		
Current assets:		
Cash and cash equivalents.....	821,966	772,264
Trade receivables and contract assets.....	1,180,715	1,190,620
Other financial assets.....	134,360	131,305
Inventories.....	1,005,419	1,016,437
Other current assets (Note 2).....	171,184	150,395
Assets held for sale (Note 2 and 9).....	226,843	13,072
Total current assets.....	3,540,487	3,274,093
Non-current assets:		
Investments accounted for using the equity method.....	137,251	136,486
Other financial assets.....	207,886	216,225
Property, plant and equipment.....	1,138,449	1,324,374
Right-of-use assets (Note 2).....	283,275	-
Investment property (Note 2).....	295,544	-
Goodwill and intangible assets.....	660,656	719,557
Deferred tax assets.....	311,820	288,538
Other non-current assets.....	50,834	54,658
Total non-current assets.....	3,085,715	2,739,838
Total assets.....	6,626,202	6,013,931

**PANASONIC CORPORATION**  
**AND SUBSIDIARIES**  
**Condensed Quarterly Consolidated Statements of Financial Position**  
**September 30 and March 31, 2019**

	Yen (millions)	
	September 30, 2019	March 31, 2019
<b><u>Liabilities and Equity</u></b>		
Current liabilities:		
Short-term debt, including current portion of long-term debt (Note 2).....	286,708	382,301
Lease liabilities (Note 2).....	90,043	7,654
Trade payables.....	1,064,250	1,151,174
Other financial liabilities.....	230,299	273,817
Income taxes payable.....	54,405	55,355
Provisions.....	180,183	184,512
Contract liabilities.....	136,190	113,649
Other current liabilities (Note 2).....	784,264	812,251
Liabilities directly associated with the assets held for sale (Note 2 and 9).....	76,117	8,737
Total current liabilities.....	<u>2,902,459</u>	<u>2,989,450</u>
Non-current liabilities:		
Long-term debt (Note 2).....	851,292	600,750
Lease liabilities (Note 2).....	537,631	8,016
Other financial liabilities.....	15,949	16,667
Retirement benefit liabilities.....	236,488	256,289
Provisions.....	4,345	6,116
Deferred tax liabilities.....	36,964	38,192
Contract liabilities.....	9,804	5,686
Other non-current liabilities.....	5,856	8,150
Total non-current liabilities.....	<u>1,698,329</u>	<u>939,866</u>
Total liabilities.....	<u>4,600,788</u>	<u>3,929,316</u>
Equity:		
Panasonic Corporation stockholders' equity :		
Common stock.....	258,867	258,740
Capital surplus.....	528,346	528,880
Retained earnings (Note 2).....	1,546,259	1,500,870
Other components of equity (Note 4).....	(256,880)	(164,417)
Treasury stock.....	(210,216)	(210,560)
Total Panasonic Corporation stockholders' equity (Note 5).....	<u>1,866,376</u>	<u>1,913,513</u>
Non-controlling interests.....	159,038	171,102
Total equity.....	<u>2,025,414</u>	<u>2,084,615</u>
Total liabilities and equity.....	<u>6,626,202</u>	<u>6,013,931</u>

**PANASONIC CORPORATION**  
**AND SUBSIDIARIES**  
**Condensed Quarterly Consolidated Statements of Profit or Loss**  
**Six months ended September 30, 2019 and 2018**

	Yen (millions)	
	Six months ended September 30	
	2019	2018
Net sales (Note 7).....	3,844,424	4,008,178
Cost of sales.....	(2,759,006)	(2,887,977)
Gross profit.....	1,085,418	1,120,201
Selling, general and administrative expenses.....	(928,964)	(946,371)
Share of profit of investments accounted for using the equity method.....	2,332	3,263
Other income (expenses), net (Note 8).....	(18,494)	18,147
Operating profit.....	140,292	195,240
Finance income.....	15,473	13,396
Finance expenses.....	(17,861)	(11,376)
Profit before income taxes.....	137,904	197,260
Income taxes (Note 8).....	(28,705)	(75,560)
Net profit.....	109,199	121,700
Net profit attributable to:		
Panasonic Corporation stockholders.....	100,919	113,619
Non-controlling interests.....	8,280	8,081
Yen		
Earnings per share attributable to Panasonic Corporation stockholders (Note 5)		
Basic.....	43.27	48.71
Diluted.....	43.24	48.68

**PANASONIC CORPORATION**  
**AND SUBSIDIARIES**  
**Condensed Quarterly Consolidated Statements of Comprehensive Income**  
**Six months ended September 30, 2019 and 2018**

	Yen (millions)	
	Six months ended September 30	
	2019	2018
Net Profit.....	109,199	121,700
Other comprehensive income, net of tax		
Items that will not be reclassified to profit or loss:		
Remeasurements of defined benefit plans.....	(541)	1,927
Financial assets measured at fair value through other comprehensive income.....	(4,947)	(2,032)
Subtotal.....	(5,488)	(105)
Items that may be reclassified to profit or loss:		
Exchange differences on translation of foreign operations.....	(98,831)	49,071
Net changes in fair value of cash flow hedges.....	2,802	(3,181)
Subtotal.....	(96,029)	45,890
Other comprehensive income (loss), net of tax .....	(101,517)	45,785
Total comprehensive income.....	7,682	167,485
Total comprehensive income (loss) attributable to:		
Panasonic Corporation stockholders.....	8,419	160,618
Non-controlling interests.....	(737)	6,867

**Condensed Quarterly Consolidated Statements of Profit or Loss**  
**Three months ended September 30, 2019 and 2018**

	Yen (millions)	
	Three months ended September 30	
	2019	2018
Net sales (Note 7).....	1,953,295	1,999,443
Cost of sales.....	(1,400,797)	(1,440,335)
Gross profit.....	552,498	559,108
Selling, general and administrative expenses.....	(458,410)	(466,860)
Share of profit of investments accounted for using the equity method.....	1,371	2,067
Other income (expenses), net (Note 8).....	(11,556)	969
Operating profit.....	83,903	95,284
Finance income.....	7,188	5,642
Finance expenses.....	(9,413)	(5,912)
Profit before income taxes.....	81,678	95,014
Income taxes.....	(26,246)	(34,836)
Net profit.....	<u>55,432</u>	<u>60,178</u>
Net profit attributable to:		
Panasonic Corporation stockholders.....	51,142	56,259
Non-controlling interests.....	4,290	3,919
	Yen	
Earnings per share attributable to Panasonic Corporation stockholders (Note 5)		
Basic.....	21.92	24.12
Diluted.....	21.91	24.10

**Condensed Quarterly Consolidated Statements of Comprehensive Income**  
**Three months ended September 30, 2019 and 2018**

	Yen (millions)	
	Three months ended September 30	
	2019	2018
Net Profit.....	55,432	60,178
Other comprehensive income, net of tax		
Items that will not be reclassified to profit or loss:		
Remeasurements of defined benefit plans.....	(292)	53
Financial assets measured at fair value through other comprehensive income.....	3,293	(12,816)
Subtotal.....	3,001	(12,763)
Items that may be reclassified to profit or loss:		
Exchange differences on translation of foreign operations.....	(28,393)	33,435
Net changes in fair value of cash flow hedges.....	2,484	(1,730)
Subtotal.....	(25,909)	31,705
Other comprehensive income (loss), net of tax .....	(22,908)	18,942
Total comprehensive income.....	<u>32,524</u>	<u>79,120</u>
 Total comprehensive income attributable to:		
Panasonic Corporation stockholders.....	32,087	74,734
Non-controlling interests.....	437	4,386



**PANASONIC CORPORATION**  
**AND SUBSIDIARIES**  
**Condensed Quarterly Consolidated Statements of Changes in Equity**  
**Six months ended September 30, 2019 and 2018**

Six months ended September 30, 2019

Yen (millions)

	Common stock	Capital surplus	Retained earnings	Other components of equity	Treasury stock	Panasonic Corporation stockholders' equity	Non- controlling interests	Total equity
Balances as of April 1, 2019.....	258,740	528,880	1,500,870	(164,417)	(210,560)	1,913,513	171,102	2,084,615
Comprehensive income:								
Net profit.....	-	-	100,919	-	-	100,919	8,280	109,199
Remeasurements of defined benefit plans.....	-	-	-	(643)	-	(643)	102	(541)
Financial assets measured at fair value through other comprehensive income.....	-	-	-	(4,935)	-	(4,935)	(12)	(4,947)
Exchange differences on translation of foreign operations.....	-	-	-	(89,717)	-	(89,717)	(9,114)	(98,831)
Net change in fair value of cash flow hedges.....	-	-	-	2,795	-	2,795	7	2,802
Total comprehensive income (loss).....	-	-	100,919	(92,500)	-	8,419	(737)	7,682
Transfer to hedged non-financial assets.....	-	-	-	283	-	283	-	283
Transfer from other components of equity to retained earnings.....	-	-	246	(246)	-	-	-	-
Cash dividends (Note 4).....	-	-	(34,986)	-	-	(34,986)	(11,043)	(46,029)
Purchase of treasury stock.....	-	-	-	-	(14)	(14)	-	(14)
Disposal of treasury stock.....	-	(2)	-	-	3	1	-	1
Share-based payment transactions (Note 2).....	127	(380)	-	-	355	102	-	102
Transactions with non-controlling interests and other.....	-	(152)	-	-	-	(152)	(284)	(436)
Cumulative effects of a new accounting standard applied (Note 2).....	-	-	(20,790)	-	-	(20,790)	-	(20,790)
Balances as of September 30, 2019....	258,867	528,346	1,546,259	(256,880)	(210,216)	1,866,376	159,038	2,025,414

## Six months ended September 30, 2018

Yen (millions)

	Common stock	Capital surplus	Retained earnings	Other components of equity	Treasury stock	Panasonic Corporation stockholders' equity	Non- controlling interests	Total equity
Balances as of April 1, 2018.....	258,740	527,408	1,300,336	(168,259)	(210,674)	1,707,551	174,734	1,882,285
Comprehensive income:								
Net profit.....	-	-	113,619	-	-	113,619	8,081	121,700
Remeasurements of defined benefit plans.....	-	-	-	1,830	-	1,830	97	1,927
Financial assets measured at fair value through other comprehensive income.....	-	-	-	(2,074)	-	(2,074)	42	(2,032)
Exchange differences on translation of foreign operations...	-	-	-	50,417	-	50,417	(1,346)	49,071
Net change in fair value of cash flow hedges.....	-	-	-	(3,174)	-	(3,174)	(7)	(3,181)
Total comprehensive income.....	-	-	113,619	46,999	-	160,618	6,867	167,485
Transfer to hedged non-financial assets.....	-	-	-	(53)	-	(53)	-	(53)
Transfer from other components of equity to retained earnings.....	-	-	4,294	(4,294)	-	-	-	-
Cash dividends (Note 4).....	-	-	(46,647)	-	-	(46,647)	(12,942)	(59,589)
Purchase of treasury stock.....	-	-	-	-	(30)	(30)	-	(30)
Disposal of treasury stock.....	-	(42)	-	-	101	59	-	59
Transactions with non-controlling interests and other.....	-	(1,522)	-	-	-	(1,522)	(657)	(2,179)
Cumulative effects of a new accounting standard applied .....	-	-	7,150	-	-	7,150	-	7,150
Balances as of September 30, 2018....	258,740	525,844	1,378,752	(125,607)	(210,603)	1,827,126	168,002	1,995,128

**PANASONIC CORPORATION**  
**AND SUBSIDIARIES**  
**Condensed Quarterly Consolidated Statements of Cash Flows**  
**Six months ended September 30, 2019 and 2018**

	Yen (millions)	
	Six months ended September 30	
	2019	2018
Cash flows from operating activities (Note 2) :		
Net profit.....	109,199	121,700
Depreciation and amortization.....	192,645	143,967
Impairment losses on property, plant and equipment, goodwill and intangible assets.....	5,773	610
Income tax expenses.....	28,705	75,560
(Increase) decrease in trade receivables and contract assets.....	(22,175)	(69,052)
(Increase) decrease in inventories.....	(28,637)	(81,018)
Increase (decrease) in trade payables.....	(48,192)	39,557
Increase (decrease) in provisions.....	(1,676)	(25,885)
Increase (decrease) in contract liabilities.....	24,466	14,810
Increase (decrease) in retirement benefit liabilities.....	(20,201)	(19,980)
Other - net (Note 8).....	(34,170)	(109,523)
Subtotal.....	<u>205,737</u>	<u>90,746</u>
Interests received.....	11,584	11,271
Dividend income received.....	1,818	2,125
Interest expenses paid.....	(17,697)	(10,780)
Income taxes paid.....	(58,849)	(61,922)
Net cash provided by (used in) operating activities.....	<u>142,593</u>	<u>31,440</u>
Cash flows from investing activities :		
Purchase of property, plant and equipment.....	(141,296)	(164,192)
Proceeds from sale of property, plant and equipment.....	9,782	28,777
Purchase of intangible assets.....	(34,322)	(37,517)
Collection of lease receivables.....	21,958	57,143
Purchase of investments accounted for using the equity method and other financial assets.....	(7,698)	(18,060)
Proceeds from sale and redemption of investments accounted for using the equity method and other financial assets.....	26,317	20,618
Acquisition of subsidiaries, net of cash acquired.....	-	(500)
Other - net.....	1,261	(1,371)
Net cash provided by (used in) investing activities.....	<u>(123,998)</u>	<u>(115,102)</u>

**PANASONIC CORPORATION**  
**AND SUBSIDIARIES**  
**Condensed Quarterly Consolidated Statements of Cash Flows**  
**Six months ended September 30, 2019 and 2018**

	Yen (millions)	
	Six months ended September 30	
	2019	2018
Cash flows from financing activities :		
Increase (decrease) in short-term debt.....	(82,134)	96,683
Proceeds from long-term debt (Note 8).....	273,236	863
Repayments of long-term debt (Note 2).....	(31,798)	(1,087)
Payments for lease liabilities (Note 2).....	(50,476)	(4,277)
Dividends paid to Panasonic Corporation stockholders (Note 4).....	(34,986)	(46,647)
Dividends paid to non-controlling interests.....	(11,043)	(12,942)
Purchase of treasury stock.....	(14)	(30)
Proceeds from sales of treasury stock.....	1	59
Transactions with non-controlling interests .....	(144)	(2,144)
Other - net.....	4,314	3,950
Net cash provided by (used in) financing activities.....	66,956	34,428
Effect of exchange rate changes on cash and cash equivalents.....	(31,742)	31,244
Net increase (decrease) in cash and cash equivalents.....	53,809	(17,990)
Cash and cash equivalents at the beginning of the period.....	772,264	1,089,585
Net decrease in cash and cash equivalents		
due to transfer to assets held for sale (Note 9).....	(4,107)	-
Cash and cash equivalents at the end of the period.....	821,966	1,071,595

**PANASONIC CORPORATION**  
**AND SUBSIDIARIES**  
**Notes to Condensed Quarterly Consolidated Financial Statements**

1. Reporting Entity

Panasonic Corporation is a company incorporated in Japan. As a comprehensive electronics manufacturer, Panasonic Corporation and its subsidiaries (together referred to as the "Company") are engaged in development, production, sales and service activities in a broad array of business areas in close cooperation with domestic and overseas group companies.

The details of principal businesses and activities of the Company are described in "3. Segment information."

2. Basis of Preparation

(1) Compliance of the condensed quarterly consolidated financial statements with International Accounting Standard 34 "Interim Financial Reporting" (hereinafter, "IAS 34")

Pursuant to the provision of Article 93 of the Ordinance on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements, the condensed quarterly consolidated financial statements of the Company have been prepared in compliance with IAS 34 since the Company qualifies as a "Specified Company under Designated International Accounting Standards" prescribed in Article 1-2 of the Ordinance.

The Company's condensed quarterly consolidated financial statements do not include all of the information and disclosures required for a complete set of financial statements prepared in accordance with IFRS, and should be used in conjunction with the consolidated financial statements and the notes included in the Company's annual securities report for the year ended March 31, 2019.

The condensed quarterly consolidated financial statements were approved on November 13, 2019 by Representative Director and President, Kazuhiro Tsuga and Director (CFO), Hirokazu Umeda.

(2) Functional currency and presentation currency

The Company's condensed quarterly consolidated financial statements are presented in Japanese yen, which is Panasonic's functional currency, and figures are rounded to the nearest million (Japanese yen).

(3) Significant accounting policies

Significant accounting policies applied in preparation of the condensed quarterly consolidated financial statements are consistent with those used in the preparation of the Company's annual consolidated financial statements for the year ended March 31, 2019 except for the following "Investment property," "Share based payments," "Non-current assets or disposal groups held for sale" and "Leases" described in "(5) Application of new standards and interpretations."

(Investment property)

The right-of-use assets recognized in accordance with IFRS 16, "Leases," which meet the requirements of IAS 40, "Investment property," are presented as "Investment property." Investment property is held by the Company to earn rentals. Investment property is measured using the cost model and presented at the amount of cost less accumulated depreciation and any accumulated impairment losses. Depreciation is calculated to systematically allocate the cost of investment property using the straight-line method over the lease term.

(Share based payments)

The Company has introduced the Restricted Stock Compensation plan as an incentive plan for its Directors (excluding Outside Directors), Executive Officers and certain other officers. The cost of the restricted stock

compensation is measured by reference to the fair value of the shares granted on the grant date and recognized as expenses over the vesting period, with a corresponding increase in equity.

In accordance with the introduction of the new stock compensation plan, the share option plan had been abolished except for the share options already granted.

(Non-current assets or disposal groups held for sale)

Non-current assets or disposal groups are classified as held for sale if their carrying amount will be recovered principally through sale transactions rather than through continuing use. The Company considers the above criteria to be met only if it is highly probable that they will be sold within one year and can be sold immediately in their present condition. Non-current assets or disposal groups classified as held for sale are measured at the lower of their carrying amount or fair value less costs to sell and are not depreciated or amortized.

Since "Assets held for sale," which were included as part of "Other current assets" and "Liabilities directly associated with the assets held for sale," which were included as part of "Other current liabilities" as of March 31, 2019, have become material due to the business restructuring, they are separately presented from the six months ended September 30, 2019. The Consolidated Statements of Financial Position as of March 31, 2019 is reclassified to conform to this change in presentation. As a result, the amount of 13,072 million yen as of March 31, 2019, which was presented in "Other current assets," and the amount of 8,737 million yen as of March 31, 2019, which was presented in "Other current liabilities," have been reclassified and presented as "Assets held for sale" and "Liabilities directly associated with the assets held for sale," respectively.

(4) Significant accounting estimates and judgments involving estimations

The Company makes judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses for the preparation of the condensed quarterly consolidated financial statements. Actual results may differ from those accounting estimates and their underlying assumptions.

Estimates and their underlying assumptions are reviewed on an ongoing basis, and revisions to accounting estimates are recognized in the reporting period in which the estimates are revised and in future reporting periods.

The estimates and judgments that have a material effect on the Company's condensed quarterly consolidated financial statements, are consistent with those used in the preparation of the Company's annual consolidated financial statements for the year ended March 31, 2019 except for "Non-current assets or disposal groups held for sale" described in "(3) Significant accounting policies" and the items described in "(5) Application of new standards and interpretations."

(5) Application of new standards and interpretations

(i) IFRS 16, "Leases"

The Company applies IFRS 16, "Leases" from April 1, 2019. The Company has recognized the cumulative effect of applying the standard at the date of initial application as a transition method permitted under the standard. Accordingly, the comparative information prepared in accordance with the IAS 17, "Leases" is not restated.

(a) Definition of a lease

Previously, the Company determined whether a contract is, or contains, a lease in accordance with IAS 17 and IFRIC 4, "Determining whether an Arrangement contains a Lease." In adopting IFRS 16, the Company determines whether a contract is, or contains, a lease in accordance with the following definition of a lease.

- The Company has an identified asset
- The Company has the right to obtain substantially all of the economic benefits from use of the identified asset
- The Company has the right to direct the use of the identified asset

(b) Lease accounting treatment as a lessee

Previously the Company, as a lessee, classified leases as an operating lease or a finance lease based on the assessment of whether all of the risks and rewards incidental to ownership of an underlying asset are substantially transferred to the Company in accordance with the IAS 17.

Following the application of IFRS 16, the Company applies the single lease accounting model required by the standard. In principle, for all leases, right-of-use assets that represent a right to use an underlying asset and lease liabilities that represent the obligation for lease payments are recognized.

Lease liabilities are initially measured at the present value of unpaid lease payments at the lease commencement date discounted using the interest rate implicit in the lease or the lessee's incremental borrowing rate. Right-of-use assets are initially measured at cost, which comprises the amount of the initial measurement of the lease liability and prepaid lease payments, etc. Right-of-use assets are depreciated using the straight-line method over the lease term. As a result, the lease payments under operating lease that were previously recorded as expenses when incurred are recorded as depreciation for the right-of-use assets and interest expense on the lease liability from the current fiscal year. Also, in the condensed quarterly consolidated statements of cash flows, the cash payments of the lease liability excluding interest portion that were previously classified in operating activities are classified within financing activities. Furthermore, the Company does not recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases in which the underlying asset is of low value, and recognizes lease payments as an expense when incurred in the same way as previous years.

(c) Treatment on transition

The methods for measuring right-of-use assets and lease liabilities on transition are as follows. Note that, on the application of IFRS 16, the Company applies a practical expedient to the definition of lease. The Company applies IFRS 16 to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 and does not apply IFRS 16 to contracts that were previously not.

(Leases previously classified as operating leases under IAS 17)

Lease liabilities on transition are measured at the present value of the total remaining lease payments at the date of initial application, discounted using discount rate at the date of initial application. Also, right-of-use assets on transition are measured at either:

- the carrying amount as if IFRS 16 had been applied since the commencement date, but discounted using discount rate at the date of initial application; or
- an amount equal to the lease liability, adjusted by the amount of any prepaid lease payments, etc.

In addition, on the application of IFRS 16, the Company applies the following practical expedients taking into account region and business.

- A lessee may account for leases for which the lease term ends within 12 months of the date of initial application in the same way as short-term leases.
- A lessee shall adjust the right-of-use asset by the amount of any provision for onerous leases applying IAS 37, "Provisions, Contingent Liabilities and Contingent Assets" recognized immediately before the date of initial application as an alternative to performing an impairment test.
- A lessee may exclude initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- A lessee may use hindsight, such as in determining the lease term if the contract contains options to extend or terminate the lease.

(Leases previously classified as finance leases under IAS 17)

The carrying amounts of right-of-use assets and the lease liabilities at the date of initial application are determined at the carrying amount of the leased assets and lease liabilities immediately before that date measured under IAS 17.

(d) Impacts on the condensed quarterly consolidated financial statements

At the date of initial application of IFRS 16, the Company additionally recognized right-of-use assets of 307,132 million yen, investment property of 281,182 million yen, and lease liabilities of 636,271 million yen. As a result, the balance of retained earnings decreased by 20,790 million yen.

In accordance with the application of IFRS 16, "Lease liabilities," which were included in "Short-term debt, including current portion of long-term debt" and "Long-term debt" as of March 31, 2019, have become material and are separately presented from the current fiscal year. Consolidated Statements of Financial Position as of March 31, 2019 is reclassified to conform to this change in presentation. As a result, the amount of 7,654 million yen as of March 31, 2019, which was presented in "Short-term debt, including current portion of long-term debt," and the amount of 8,016 million yen as of March 31, 2019, which was presented in "Long-term debt," have been reclassified and presented as "Lease liabilities" (Current liabilities) and "Lease liabilities" (Non-current liabilities), respectively.

Also, "Payments for lease liabilities," which was included in "Payments of long-term debt" within "Cash flows from financing activities" for the year ended March 31, 2019 has become material and is separately presented from the current fiscal year. Condensed Quarterly Consolidated Statements of Cash Flows for the six months ended September 30, 2018 is reclassified to conform to this change in presentation. As a result, the amount of (4,277) million yen for the six months ended September 30, 2018, which was presented in "Repayments of long-term debt" within "Cash flows from financing activities," has been reclassified and presented as "Payments for lease liabilities" within "Cash flows from financing activities."

Furthermore, there is a difference of 518,021 million yen between future minimum lease payments of 118,250 million yen under non-cancellable operating leases disclosed applying IAS 17 as of March 31, 2019, which was immediately before the date of initial application, and the lease liabilities of 636,271 million yen measured as of the date of initial application. These differences are due to reasons such as, in the application of IFRS 16, recording lease liabilities for cancelable operating lease and recording lease liabilities for variable lease payments, which were not included in future minimum lease payments under IAS 17, measured using an index or a rate at the date of initial application.

(ii) IFRIC 23, "Uncertainty over Income Tax Treatments"

The Company applies IFRIC 23, "Uncertainty over Income Tax Treatments" from April 1, 2019. IFRIC 23 aims to clarify the application of IAS 12, "Income taxes" when there is uncertainty over income tax treatment. The impact of the application of IFRIC 23 on the condensed quarterly consolidated financial statements was not material.



### 3. Segment Information

#### (1) Reportable segments

The reportable segments are the components of the Company for which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. The Company classifies and discloses five reportable segments, namely "Appliances," "Life Solutions," "Connected Solutions," "Automotive" and "Industrial Solutions."

"Appliances" is comprised of developing, manufacturing, selling and providing services of products such as room air-conditioners, large-sized air-conditioners, TVs, digital cameras, video equipment, home audio equipment, fixed-phones, refrigerators, washing machines, vacuum cleaners, microwave ovens, rice cookers, personal-care products, compressors, fuel cells and showcases. "Life Solutions" is comprised of developing, manufacturing, selling and providing services of products such as lighting fixtures, lamps, wiring devices, solar photovoltaic systems, water-related products, interior furnishing materials, exterior finishing materials, ventilation and air-conditioning equipment, air purifiers, detached housing, rental apartment housing, land and buildings for sale, home remodeling, bicycles, and nursing-care-related products. "Connected Solutions" is comprised of developing, manufacturing, selling and providing services of products such as aircraft in-flight entertainment systems and communications services, electronic-components-mounting machines, welding equipment, projectors, professional AV systems, PCs and tablets, surveillance cameras. "Automotive" is comprised of developing, manufacturing, selling and providing services of products such as car navigation systems, car AV systems, meter cluster displays, head-up displays, telematics communication units, switches, sensing devices, ECUs, energy management devices and batteries for automobiles. "Industrial Solutions" is comprised of developing, manufacturing, selling and providing services of products such as automation controls, electric motors, FA sensors and components, small lithium-ion batteries, battery modules for power storage, electronic components, dry batteries, micro batteries, electronic materials, semiconductors and LCD panels.

"Other" includes business activities not belonging to the reportable segments, such as sales of raw materials.

The reportable segment classification has been changed from the four segments of "Appliances," "Eco Solutions," "Connected Solutions" and "Automotive and Industrial Systems" to the five segments as listed above due to a reorganization on April 1, 2019.

The former "Eco Solutions" segment has changed its name to "Life Solutions." Additionally, the former "Automotive and Industrial Systems" segment has been divided into "Automotive" and "Industrial Solutions."

Accordingly, the segment information for the six months and the three months ended September 30, 2018 has been reclassified to conform to the presentation for the six months and the three months ended September 30, 2019.

(2) Information by reportable segments

Information by segment for the six months ended September 30, 2019 and 2018 is shown in the tables below.

(i) For the six months ended September 30, 2019

		Yen (millions)							
		The reportable segments						Eliminations and adjustments	Consolidated Total
		Appliances	Life Solutions	Connected Solutions	Automotive	Industrial Solutions	Other		
Sales:									
Customers.....	1,266,651	903,957	460,470	727,339	556,047	111,401	(181,441)	3,844,424	
Intersegment.....	109,188	89,231	58,124	19,910	101,809	4,186	(382,448)	-	
Total.....	<u>1,375,839</u>	<u>993,188</u>	<u>518,594</u>	<u>747,249</u>	<u>657,856</u>	<u>115,587</u>	<u>(563,889)</u>	<u>3,844,424</u>	
Segment profit (loss)...	52,908	41,149	36,280	(22,728)	16,438	2,521	13,724	140,292	

(ii) For the six months ended September 30, 2018

		Yen (millions)							
		The reportable segments						Eliminations and adjustments	Consolidated Total
		Appliances	Life Solutions	Connected Solutions	Automotive	Industrial Solutions	Other		
Sales:									
Customers.....	1,296,321	862,069	486,397	707,772	626,097	113,661	(84,139)	4,008,178	
Intersegment.....	112,504	88,992	62,735	18,067	105,718	3,916	(391,932)	-	
Total.....	<u>1,408,825</u>	<u>951,061</u>	<u>549,132</u>	<u>725,839</u>	<u>731,815</u>	<u>117,577</u>	<u>(476,071)</u>	<u>4,008,178</u>	
Segment profit (loss)...	61,603	22,788	51,820	(8,573)	37,534	1,632	28,436	195,240	

The accounting policies for reportable segments are the same as the Company's accounting policies that are described in Note 2 "(3) Significant accounting policies" except for management accounting adjustments referred to below.

Transactions between segments have been conducted at arm's length prices.

Profit of the reportable segments is calculated on an operating profit basis.

The figures in "Eliminations and Adjustments" include 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.

Adjustments to segment sales to customers for the six months ended September 30, 2019 and 2018 mainly include price differences between sales prices to external customers and the internal sales prices adopted for performance measurement purposes for the sales of consumer products through certain sales departments, management accounting adjustments for sales price and revenue of corporate headquarters, etc.

Adjustments to segment profit for the six months ended September 30, 2019 and 2018 include profit of corporate headquarters (including gain on sales of certain property, plant and equipment for the six months ended September 30, 2018), and profit which is attributable to certain sales departments of consumer products. Consolidation adjustments also include amortization of certain intangible assets acquired in business combination, share of profit of investments accounted for using the equity method which are not attributable to any specific segments.

Information by segment for the three months ended September 30, 2019 and 2018 is shown in the tables below.

(i) For the three months ended September 30, 2019

		Yen (millions)							
		The reportable segments						Eliminations and adjustments	Consolidated Total
		Appliances	Life Solutions	Connected Solutions	Automotive	Industrial Solutions	Other		
Sales:									
Customers.....	633,586	485,643	235,695	359,094	278,218	55,014	(93,955)	1,953,295	
Intersegment.....	53,241	45,439	27,673	10,798	52,547	2,103	(191,801)	-	
Total.....	<u>686,827</u>	<u>531,082</u>	<u>263,368</u>	<u>369,892</u>	<u>330,765</u>	<u>57,117</u>	<u>(285,756)</u>	<u>1,953,295</u>	
Segment profit (loss)...	22,910	28,486	22,575	(12,685)	11,191	1,006	10,420	83,903	

(ii) For the three months ended September 30, 2018

		Yen (millions)							
		The reportable segments						Eliminations and adjustments	Consolidated Total
		Appliances	Life Solutions	Connected Solutions	Automotive	Industrial Solutions	Other		
Sales:									
Customers.....	630,784	461,544	243,827	360,539	306,693	43,929	(47,873)	1,999,443	
Intersegment.....	57,884	45,167	30,974	8,878	53,475	2,247	(198,625)	-	
Total.....	<u>688,668</u>	<u>506,711</u>	<u>274,801</u>	<u>369,417</u>	<u>360,168</u>	<u>46,176</u>	<u>(246,498)</u>	<u>1,999,443</u>	
Segment profit (loss)...	22,510	22,839	29,382	(7,109)	20,715	1,558	5,389	95,284	

The accounting policies for reportable segments are the same as the Company's accounting policies that are described in Note 2 "(3) Significant accounting policies" except for management accounting adjustments referred to below.

Transactions between segments have been conducted at arm's length prices.

Profit of the reportable segments is calculated on an operating profit basis.

The figures in "Eliminations and Adjustments" include 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.

Adjustments to segment sales to customers for the three months ended September 30, 2019 and 2018 mainly include price differences between sales prices to external customers and the internal sales prices adopted for performance measurement purposes for the sales of consumer products through certain sales departments, management accounting adjustments for sales price and revenue of corporate headquarters, etc.

Adjustments to segment profit for the three months ended September 30, 2019 and 2018 include profit of corporate headquarters and profit which is attributable to certain sales departments of consumer products. Consolidation adjustments also include amortization of certain intangible assets acquired in business combination, share of profit of investments accounted for using the equity method which are not attributable to any specific segments.

#### 4. Equity

##### (1) Other components of equity

A breakdown of other components of equity is as follows:

	Yen (millions)	
	September 30, 2019	March 31, 2019
Remeasurements of defined benefit plans (*).....	-	-
Financial assets measured at fair value through other comprehensive income.....	35,110	40,934
Exchange differences on translation of foreign operations.....	(293,840)	(204,123)
Net changes in fair value of cash flow hedges.....	1,850	(1,228)
Total.....	<u>(256,880)</u>	<u>(164,417)</u>

(\*)As the result of remeasurements of defined benefit plans, other components of equity decreased by 643 million yen (net of tax), which was directly transferred from other components of equity to retained earnings for the six months ended September 30, 2019.

##### (2) Dividends

1) Dividends for the six months ended September 30, 2019 are summarized as follows:

###### (i) Amount of cash dividends paid

Resolution date	Class	Cash dividends (millions of yen)	Dividends resource	Cash dividends per share (yen)	Record date	Effective date
The Board of Directors meeting held on May 9, 2019	Common stock	34,986	Retained Earnings	15.0	March 31, 2019	June 7, 2019

###### (ii) Cash dividends resolved in the six months ended September 30, 2019 but effective after the period

Resolution date	Class	Cash dividends (millions of yen)	Dividends resource	Cash dividends per share (yen)	Record date	Effective date
The Board of Directors meeting held on October 31, 2019	Common stock	34,993	Retained Earnings	15.0	September 30, 2019	November 29, 2019

2) Dividends for the six months ended September 30, 2018 are summarized as follows:

(i) Amount of cash dividends paid

Resolution date	Class	Cash dividends (millions of yen)	Dividends resource	Cash dividends per share (yen)	Record date	Effective date
The Board of Directors meeting held on May 10, 2018	Common stock	46,647	Retained Earnings	20.0	March 31, 2018	June 8, 2018

(ii) Cash dividends resolved in the six months ended September 30, 2018 but effective after the period

Resolution date	Class	Cash dividends (millions of yen)	Dividends resource	Cash dividends per share (yen)	Record date	Effective date
The Board of Directors meeting held on October 31, 2018	Common stock	34,986	Retained Earnings	15.0	September 30, 2018	November 30, 2018

## 5. Per share information

Panasonic Corporation stockholders' equity per share is as follows:

	Yen	
	September 30, 2019	March 31, 2019
Panasonic Corporation stockholders' equity per share.....	800.04	820.41

The reconciliation for the basic and diluted earnings per share attributable to Panasonic Corporation stockholders is as follows:

(1) For the six months ended September 30, 2019 and 2018

	Yen (millions)	
	2019	2018
Net profit attributable to Panasonic Corporation stockholders.....	100,919	113,619
Adjustment to net profit.....	(2)	-
Net profit used to calculate basic earnings per share.....	100,917	113,619
Adjustment to net profit.....	2	-
Net profit used to calculate diluted earnings per share.....	100,919	113,619

	Number of shares	
	2019	2018
Average common shares outstanding.....	2,332,471,627	2,332,359,114
Dilutive effect:		
Stock acquisition rights.....	1,496,537	1,446,635
Restricted stock .....	50,300	-
Diluted common shares outstanding.....	2,334,018,464	2,333,805,749

	Yen	
	2019	2018
Earnings per share attributable to Panasonic Corporation stockholders:		
Basic.....	43.27	48.71
Diluted.....	43.24	48.68

(2) For the three months ended September 30, 2019 and 2018:

	Yen (millions)	
	2019	2018
Net profit attributable to Panasonic Corporation stockholders.....	51,142	56,259
Adjustment to net profit.....	(2)	-
Net profit used to calculate basic earnings per share.....	51,140	56,259
Adjustment to net profit.....	2	-
Net profit used to calculate diluted earnings per share.....	51,142	56,259

	Number of shares	
	2019	2018
Average common shares outstanding.....	2,332,533,759	2,332,373,955
Dilutive effect:		
Stock acquisition rights.....	1,426,964	1,620,094
Restricted stock .....	88,025	-
Diluted common shares outstanding.....	2,334,048,748	2,333,994,049

	Yen	
	2019	2018
Earnings per share attributable to Panasonic Corporation stockholders:		
Basic.....	21.92	24.12
Diluted.....	21.91	24.10

6. Fair values of financial instruments

(1) The comparison between fair values and the carrying amounts is as follows:

	Yen (millions)			
	September 30, 2019		March 31, 2019	
	Book value	Fair value	Book value	Fair value
Long-term debt, including current portion of long-term debt.....	1,095,716	1,109,800	873,432	882,425

Fair values shown above are estimated, based on the market price or the present value of the future cash flows, which is calculated using the observable discount rate at September 30 and March 31, 2019. They are all categorized as level 2 (refer to "(2) Fair value measurement hierarchy").

With regard to financial assets and financial liabilities measured at amortized cost other than the above, their fair values approximate their carrying amounts.

(2) Fair value measurement hierarchy

IFRS 13, "Fair Value Measurement" provides that fair values shall be categorized into the following three levels according to the extent to which the input information used in the measurement is observable from the outside:

- Level 1: Fair value measured by quoted prices in active markets
- Level 2: Fair value measured directly or indirectly using inputs other than quoted prices included within Level 1 that are observable
- Level 3: Fair value measured through valuation techniques which include inputs that are not based on observable market data

The fair value measurement hierarchy level used in the measurement is determined by the lowest-level of significant input in the measurement of fair value.



The breakdown of financial instruments measured at fair value is as follows:

	Yen (millions)			
	September 30, 2019			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets measured at FVTPL				
Derivative assets				
Foreign exchange contracts.....	-	3,373	-	3,373
Cross currency swaps.....	-	27	-	27
Cross currency interest rate swaps.....	-	4,038	-	4,038
Commodity futures.....	5,885	3,653	-	9,538
Subtotal.....	5,885	11,091	-	16,976
Financial assets measured at FVTOCI				
Equity securities.....	78,503	-	67,225	145,728
Others.....	-	2,346	-	2,346
Subtotal.....	78,503	2,346	67,225	148,074
Total financial assets.....	84,388	13,437	67,225	165,050
Financial liabilities:				
Financial liabilities measured at FVTPL				
Derivative liabilities				
Foreign exchange contracts.....	-	4,826	-	4,826
Commodity futures.....	9,437	4,029	-	13,466
Total financial liabilities.....	9,437	8,855	-	18,292

	Yen (millions)			
	March 31, 2019			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets measured at FVTPL				
Derivative assets				
Foreign exchange contracts.....	-	5,295	-	5,295
Cross currency swaps.....	-	36	-	36
Commodity futures.....	4,295	1,099	-	5,394
Subtotal.....	4,295	6,430	-	10,725
Financial assets measured at FVTOCI				
Equity securities.....	85,739	-	85,580	171,319
Others.....	-	2,344	-	2,344
Subtotal.....	85,739	2,344	85,580	173,663
Total financial assets.....	90,034	8,774	85,580	184,388
Financial liabilities:				
Financial liabilities measured at FVTPL				
Derivative liabilities				
Foreign exchange contracts.....	-	2,514	-	2,514
Cross currency swaps.....	-	16	-	16
Commodity futures.....	4,457	5,504	-	9,961
Total financial liabilities.....	4,457	8,034	-	12,491

The Company's marketable equity securities and commodity futures are included in Level 1, which are valued using an unadjusted quoted market price in active markets with sufficient volume and frequency of transactions. Level 2 derivatives including foreign exchange contracts, cross currency swaps, cross currency interest rate swaps and commodity futures are valued using quotes obtained from brokers, which are periodically validated by pricing models using observable market inputs, such as foreign currency exchange rates, market interest rates and market prices for commodity futures.

Equity securities classified as Level 3 are unlisted stocks, and their fair values are measured by an appropriate valuation method that comprehensively takes into account the future prospects of profitability of the investee and quantitative information such as net asset value and major assets held by the investee, in accordance with the policy and procedures set by the Company for using the most appropriate and highly relevant, available data. The reasonableness of this assessment is verified by the department in charge of accounting using various methods and approved by the manager of the department. Specific methods of verification include the use of external valuation service organizations.

For financial instruments classified as Level 3, significant changes in fair value occurring when unobservable inputs are changed to reasonably possible alternative assumptions are not expected.

Transfers between levels are recognized on the day when the event or change in circumstances that caused the transfer occurred. In the six months ended September 30, 2019, there were no financial instruments of which a significant transfer was made between levels.

The main movement in financial instruments, classified as Level 3 in the fair value measurement hierarchy for the six months ended September 30, 2019, is caused by a sale of certain equity instruments.

## 7. Revenue

### Disaggregation of revenue

Revenue from contracts with customers is disaggregated by product category and geographical area where customers are located to reflect its nature properly. Revenue by product and geographical area is further disaggregated by reportable segments.

The products of Appliances are categorized into "B2C" and "B2B." "B2C" includes products such as room air-conditioners, TVs, digital cameras, video equipment, home audio equipment, fixed-phones, refrigerators, washing machines, vacuum cleaners, microwave ovens, rice cookers and personal-care products. "B2B" includes products such as compressors, fuel cells and showcases.

The products of Life Solutions are categorized into "Electrical construction materials," "Architecture" and "Other (including home building products)." "Electrical construction materials" includes products such as lighting fixtures, lamps, wiring devices, solar photovoltaic systems, ventilation and air-conditioning equipment and air purifiers. "Architecture" includes products such as detached housing, rental apartment housing, land and buildings for sale and home remodeling. "Other (including home building products)" includes products such as water-related products, interior furnishing materials, exterior furnishing materials, bicycles, and nursing-care-related products.

The products of Connected Solutions are categorized into "Vertical solutions" and "Product solutions." "Vertical solutions" is the solution business provided directly by business divisions where development, production and sales are integrated and it includes products such as aircraft in-flight entertainment systems and communications services, electronic-components-mounting machines and welding equipment. "Product solutions" is the solution business provided by developing and manufacturing business divisions through sales departments, and it includes products such as projectors, professional AV systems, PCs and tablets and surveillance cameras.

The products of Automotive are categorized into "Automotive solutions" and "Automotive batteries." "Automotive solutions" includes products such as automotive-use infotainment systems, electrical components and automotive mirrors. "Automotive batteries" includes products related to automotive-use batteries.

The products of Industrial Solutions are categorized into "Systems," "Device" and "Other." "Systems" includes products such as automation controls, electric motors and lithium-ion batteries, which are the group of businesses focused on system and modules. "Device" includes products such as electronic components, electronic materials and dry batteries, which are the group of businesses that differentiates in materials and processes. "Other" includes products such as semiconductors, LCD panels.

The disaggregated revenue of each reportable segments for the six months and the three months ended September 30, 2018 have been reclassified to conform to the presentation for the six months and the three months ended September 30, 2019.

The disaggregated revenue for the six months ended September 30, 2019 and 2018 is as follow:

(i) For the six months ended September 30, 2019

Yen (millions)			
By product category	Sales	By geographical area	Sales
<b>The reportable segments</b>			
<b>Appliances</b>			
B2C.....	798,184	Japan.....	481,457
B2B.....	253,310	North and South America.....	128,933
		Europe.....	116,277
		Asia, China and others.....	324,827
Total.....	<u>1,051,494</u>	Total.....	<u>1,051,494</u>
<b>Life Solutions</b>			
Electrical construction materials.....	376,283	Japan.....	763,544
Architecture.....	223,556	North and South America.....	27,066
Other (including home building products)..	305,663	Europe.....	22,898
		Asia, China and others.....	91,994
Total.....	<u>905,502</u>	Total.....	<u>905,502</u>
<b>Connected Solutions</b>			
Vertical solutions.....	209,119	Japan.....	166,941
Product solutions.....	288,505	North and South America.....	187,320
		Europe.....	53,260
		Asia, China and others.....	90,103
Total.....	<u>497,624</u>	Total.....	<u>497,624</u>
<b>Automotive</b>			
Automotive solutions.....	459,253	Japan.....	209,293
Automotive batteries.....	219,930	North and South America.....	312,028
		Europe.....	88,678
		Asia, China and others.....	69,184
Total.....	<u>679,183</u>	Total.....	<u>679,183</u>
<b>Industrial Solutions</b>			
Systems.....	253,537	Japan.....	166,446
Device.....	264,812	North and South America.....	56,190
Other.....	68,084	Europe.....	70,481
		Asia, China and others.....	293,316
Total.....	<u>586,433</u>	Total.....	<u>586,433</u>
Other.....	<u>124,188</u>	Other.....	<u>124,188</u>
Consolidated total.....	<u><u>3,844,424</u></u>	Consolidated total.....	<u><u>3,844,424</u></u>

(ii) For the six months ended September 30, 2018

Yen (millions)

By product category	Sales	By geographical area	Sales
The reportable segments			
Appliances			
B2C.....	839,930	Japan.....	469,784
B2B.....	257,804	North and South America.....	139,743
		Europe.....	128,446
		Asia, China and others.....	359,761
Total.....	<u>1,097,734</u>	Total.....	<u>1,097,734</u>
Life Solutions			
Electrical construction materials.....	375,776	Japan.....	709,912
Architecture.....	203,832	North and South America.....	29,602
Other (including home building products)..	284,506	Europe.....	23,704
		Asia, China and others.....	100,896
Total.....	<u>864,114</u>	Total.....	<u>864,114</u>
Connected Solutions			
Vertical solutions.....	239,503	Japan.....	153,184
Product solutions.....	288,993	North and South America.....	205,552
		Europe.....	63,019
		Asia, China and others.....	106,741
Total.....	<u>528,496</u>	Total.....	<u>528,496</u>
Automotive			
Automotive solutions.....	472,782	Japan.....	173,323
Automotive batteries.....	188,358	North and South America.....	304,061
		Europe.....	99,185
		Asia, China and others.....	84,571
Total.....	<u>661,140</u>	Total.....	<u>661,140</u>
Industrial Solutions			
Systems.....	290,061	Japan.....	176,241
Device.....	285,194	North and South America.....	64,502
Other.....	79,814	Europe.....	75,430
		Asia, China and others.....	338,896
Total.....	<u>655,069</u>	Total.....	<u>655,069</u>
Other.....	<u>201,625</u>	Other.....	<u>201,625</u>
Consolidated total.....	<u><u>4,008,178</u></u>	Consolidated total.....	<u><u>4,008,178</u></u>

The disaggregated revenue for the three months ended September 30, 2019 and 2018 is as follow:

(i) For the three months ended September 30, 2019

Yen (millions)			
By product category	Sales	By geographical area	Sales
<b>The reportable segments</b>			
<b>Appliances</b>			
B2C.....	390,781	Japan.....	244,319
B2B.....	129,050	North and South America.....	65,752
		Europe.....	57,732
		Asia, China and others.....	152,028
Total.....	<u>519,831</u>	Total.....	<u>519,831</u>
<b>Life Solutions</b>			
Electrical construction materials.....	195,433	Japan.....	417,881
Architecture.....	127,216	North and South America.....	12,561
Other (including home building products)..	165,306	Europe.....	11,211
		Asia, China and others.....	46,302
Total.....	<u>487,955</u>	Total.....	<u>487,955</u>
<b>Connected Solutions</b>			
Vertical solutions.....	103,720	Japan.....	90,112
Product solutions.....	150,257	North and South America.....	94,998
		Europe.....	26,056
		Asia, China and others.....	42,811
Total.....	<u>253,977</u>	Total.....	<u>253,977</u>
<b>Automotive</b>			
Automotive solutions.....	222,602	Japan.....	108,026
Automotive batteries.....	113,935	North and South America.....	153,349
		Europe.....	40,545
		Asia, China and others.....	34,617
Total.....	<u>336,537</u>	Total.....	<u>336,537</u>
<b>Industrial Solutions</b>			
Systems.....	125,666	Japan.....	86,618
Device.....	135,232	North and South America.....	28,550
Other.....	34,564	Europe.....	35,594
		Asia, China and others.....	144,700
Total.....	<u>295,462</u>	Total.....	<u>295,462</u>
Other.....	59,533	Other.....	59,533
Consolidated total.....	<u><u>1,953,295</u></u>	Consolidated total.....	<u><u>1,953,295</u></u>

(ii) For the three months ended September 30, 2018

Yen (millions)

By product category	Sales	By geographical area	Sales
The reportable segments			
Appliances			
B2C.....	393,185	Japan.....	228,749
B2B.....	129,665	North and South America.....	72,334
		Europe.....	60,378
		Asia, China and others.....	161,389
Total.....	<u>522,850</u>	Total.....	<u>522,850</u>
Life Solutions			
Electrical construction materials.....	191,609	Japan.....	385,411
Architecture.....	129,107	North and South America.....	15,703
Other (including home building products)..	140,293	Europe.....	12,315
		Asia, China and others.....	47,580
Total.....	<u>461,009</u>	Total.....	<u>461,009</u>
Connected Solutions			
Vertical solutions.....	118,516	Japan.....	78,829
Product solutions.....	144,684	North and South America.....	102,409
		Europe.....	30,340
		Asia, China and others.....	51,622
Total.....	<u>263,200</u>	Total.....	<u>263,200</u>
Automotive			
Automotive solutions.....	233,508	Japan.....	88,831
Automotive batteries.....	103,660	North and South America.....	161,152
		Europe.....	44,498
		Asia, China and others.....	42,687
Total.....	<u>337,168</u>	Total.....	<u>337,168</u>
Industrial Solutions			
Systems.....	136,456	Japan.....	88,082
Device.....	146,004	North and South America.....	33,017
Other.....	39,683	Europe.....	37,139
		Asia, China and others.....	163,905
Total.....	<u>322,143</u>	Total.....	<u>322,143</u>
Other.....	<u>93,073</u>	Other.....	<u>93,073</u>
Consolidated total.....	<u><u>1,999,443</u></u>	Consolidated total.....	<u><u>1,999,443</u></u>

The reconciliation of "Disaggregated revenue" by reportable segments with the "Sales to customers" in Note 3 "(2) Information by reportable segments" for the six months ended September 30, 2019 and 2018 is as follows.

"Disaggregated revenue" of each reportable segment with the adjustments for "Adjustments for management accounting," "Cross-selling" and "Sales of third party's products, etc." matches with "Sales to customers" in Note 3 "(2) Information by reportable segments." "Adjustments for management accounting" mainly includes the adjustment for sales price for management accounting. "Cross-selling" mainly includes the adjustment for sales of products through other segments. "Sales of third party's products, etc." mainly includes the adjustment for sales of products manufactured by third parties which are not included in sales for management accounting purpose.

(i) For the six months ended September 30, 2019

	Yen (millions)				
	Appliances	Life Solutions	Connected Solutions	Automotive	Industrial Solutions
Disaggregation of revenue.....	1,051,494	905,502	497,624	679,183	586,433
Adjustments for management accounting.....	175,671	16,089	4,742	4,231	11,801
Cross-selling.....	45,520	(17,665)	(42,669)	43,615	(44,366)
Sales of third party's products, etc. ....	(6,034)	31	773	310	2,179
Note 3 "(2) Information by reportable segments" Sales to customers.....	<u>1,266,651</u>	<u>903,957</u>	<u>460,470</u>	<u>727,339</u>	<u>556,047</u>

(ii) For the six months ended September 30, 2018

	Yen (millions)				
	Appliances	Life Solutions	Connected Solutions	Automotive	Industrial Solutions
Disaggregation of revenue.....	1,097,734	864,114	528,496	661,140	655,069
Adjustments for management accounting.....	160,050	20,833	3,240	3,885	11,909
Cross-selling.....	49,094	(23,255)	(44,103)	43,501	(41,670)
Sales of third party's products, etc. ....	(10,557)	377	(1,236)	(754)	789
Note 3 "(2) Information by reportable segments" Sales to customers.....	<u>1,296,321</u>	<u>862,069</u>	<u>486,397</u>	<u>707,772</u>	<u>626,097</u>



The reconciliation of "Disaggregated revenue" by reportable segments with the "Sales to customers" in Note 3 "(2) Information by reportable segments" for the three months ended September 30, 2019 and 2018 is as follows.

(i) For the three months ended September 30, 2019

	Yen (millions)				
	Appliances	Life Solutions	Connected Solutions	Automotive	Industrial Solutions
Disaggregation of revenue.....	519,831	487,955	253,977	336,537	295,462
Adjustments for management accounting.....	87,889	6,381	2,382	785	6,182
Cross-selling.....	24,342	(8,621)	(21,511)	21,759	(23,865)
Sales of third party's products, etc. ....	1,524	(72)	847	13	439
Note 3 "(2) Information by reportable segments" Sales to customers.....	<u>633,586</u>	<u>485,643</u>	<u>235,695</u>	<u>359,094</u>	<u>278,218</u>

(ii) For the three months ended September 30, 2018

	Yen (millions)				
	Appliances	Life Solutions	Connected Solutions	Automotive	Industrial Solutions
Disaggregation of revenue.....	522,850	461,009	263,200	337,168	322,143
Adjustments for management accounting.....	79,879	11,166	1,703	1,887	5,938
Cross-selling.....	29,354	(10,860)	(20,449)	21,583	(21,589)
Sales of third party's products, etc. ....	(1,299)	229	(627)	(99)	201
Note 3 "(2) Information by reportable segments" Sales to customers.....	<u>630,784</u>	<u>461,544</u>	<u>243,827</u>	<u>360,539</u>	<u>306,693</u>

## 8. Supplementary Information

### (1) Other income (expenses)

The amount of each individual item included in "Other income (expenses), net" was immaterial for the six months ended September 30, 2019.

"Other income (expenses), net" for the six months ended September 30, 2018 includes a gain on sales of property, plant and equipment of 25,224 million yen.

The amount of each individual item included in "Other income (expenses), net" was immaterial both for the three months ended September 30, 2019 and 2018.

The gain on sales of property, plant and equipment is presented in "Other - net" within cash flows from operating activities in the condensed quarterly consolidated statements of cash flows.

### (2) Income taxes

Included in provision for income taxes for the six months ended September 30, 2019 is an income tax benefit (gain) of 21,458 million yen in Panasonic Corporation on consolidation. This benefit is a result of the write-off of the Company's loan to MT Picture Display Co., Ltd ("MTPD") as part of the liquidation procedures of MTPD, which have been completed during the six months ended September 30, 2019.

### (3) Acquisitions of "Property, plant and equipment"

The increases in the carrying amounts of "Property, plant and equipment" due to acquisition in the six months ended September 30, 2019 and 2018 are 132,999 million yen and 125,348 million yen, respectively.

### (4) Sales or disposal of "Property, plant and equipment"

The decreases in the carrying amounts of "Property, plant and equipment" due to sales or disposal in the six months ended September 30, 2019 and 2018 are 32,937 million yen and 54,999 million yen, respectively, including a decrease due to recognition of finance lease as a lessor.

### (5) The issuance of USD-denominated senior notes

The Company issued senior notes denominated in U.S. dollars (total amount of US\$ 2.5 billion) in the overseas markets outside Japan on July 19, 2019.

The Company signed cross currency interest rate swap contracts to hedge the risk of changes in currency exchange rates associated with the senior notes. Hedge accounting is applied for these cross currency interest rate swaps and a portion of the change in their fair value that is determined to be effective in offsetting the designated hedged risk is recognized as other comprehensive income.

## 9. Disposal groups held for sale

Components of assets held for sale and liabilities directly associated with the assets held for sale are as follows:

	Yen (millions)	
	September 30, 2019	March 31, 2019
Assets held for sale:		
Trade receivables and contract assets.....	2,962	74
Inventories.....	23,603	5,085
Property, plant and equipment.....	138,504	4,738
Other.....	61,774	3,175
Total.....	<u>226,843</u>	<u>13,072</u>
Liabilities directly associated with the assets held for sale:		
Trade payables.....	22,672	3,929
Other.....	53,445	4,808
Total.....	<u>76,117</u>	<u>8,737</u>

Assets held for sale and liabilities directly associated with the assets held for sale as of September 30, 2019 are assets and liabilities mainly related to the automotive prismatic battery business.

The Company and Toyota Motor Corporation (Toyota) concluded on January 22, 2019, a business-integration contract and a joint venture contract toward the establishment of a new company (joint venture) related to this business. The ratio of equity participation was agreed to be 51% for Toyota and 49% for the Company, and Toyota and the Company are preparing to start the operation in spring 2020. As clearance was obtained under the Competition Act during the three months ended September 30, 2019, we classify assets held for sale and liabilities directly associated with the assets held for sale including assets and liabilities to be transferred to the joint venture.

## 10. Contingent Liabilities

Litigation, etc.

The Company are subject to a number of legal proceedings including civil litigations related to trade, tax, products or intellectual properties, or governmental investigations. The Company has been dealing with the various litigations and investigations. Depending upon the outcome of these different proceedings, the Company may be subject to an uncertain amount of fines, and accordingly the Company has accrued for certain probable and reasonable estimated amounts for the fines.

Panasonic Corporation and one of its subsidiaries, SANYO Electric Co., Ltd., are subject to relevant litigations in North America related to an anti-trust matter concerning their rechargeable battery business.

Other than those above, there are a number of legal actions against the Company. Management is of the opinion that damages, if any, resulting from these actions, will not have a material effect on the Company's condensed quarterly consolidated financial statements.

The ability to predict the outcome of these actions and proceedings is difficult to assess given that certain of the investigations and legal proceedings are still at an early stage, present novel legal theories, involving a large number of parties or taking place in jurisdictions outside of Japan where the laws are complex or unclear. Accordingly, the Company is unable to estimate the losses or range of losses for the actions and proceedings where there is only a reasonable possibility that a loss exceeding the amounts already recognized may have been incurred.