

[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, 2020**

**Panasonic Corporation  
Osaka, Japan**

## CONTENTS

	Page
Disclaimer Regarding Forward-Looking Statements .....	1
I Corporate Information.....	2
1. Consolidated Financial Summary .....	2
2. Principal Businesses .....	3
II Business Overview.....	4
1. Risk Factors.....	4
2. Management Analyses of Consolidated Financial Position, Operating Results and Cash Flows.....	5
(1) Operating Results.....	5
(2) Operating Results by Segment.....	5
(3) Financial Conditions.....	6
(4) Cash Flows.....	7
(5) Significant Accounting Estimates and Assumptions.....	7
(6) Research and Development.....	7
(7) Capital Investment.....	7
(8) Depreciation (tangible assets only).....	7
(9) Number of Employees.....	7
(10) Policy on Control of the Company.....	7
(11) Prioritized Business and Financial Challenges.....	7
(12) Plans for Capital Investment, Disposals of Property, Plants and Equipment, etc.....	8
III Shares and Shareholders.....	9
1. Shares of Common Stock Issued .....	9
2. Amount of Common Stock (Stated Capital) .....	9
IV Condensed Quarterly Consolidated Financial Statements.....	10
Condensed Quarterly Consolidated Statements of Financial Position.....	10
Condensed Quarterly Consolidated Statements of Profit or Loss and Condensed Quarterly Consolidated Statements of Comprehensive Income.....	12
Condensed Quarterly Consolidated Statements of Changes in Equity.....	16
Condensed Quarterly Consolidated Statements of Cash Flows.....	18
Notes to Condensed Quarterly Consolidated Financial Statements .....	20

## **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 the spread of the novel coronavirus infections may adversely affect business activities of the Panasonic Group; the possibility that excessive currency rate fluctuations of the U.S. dollar, the euro, the Chinese yuan and other currencies against the yen may adversely affect costs and prices of Panasonic's products and services and certain other transactions that are denominated in these foreign currencies; the possibility of the Panasonic Group incurring additional costs of raising funds, because of changes in the fund raising environment; the possibility of the Panasonic Group not being able to respond to rapid technological changes and changing consumer preferences with timely and cost-effective introductions of new products in markets that are highly competitive in terms of both price and technology; the possibility of not achieving expected results or incurring unexpected losses in connection with the alliances or mergers and acquisitions; the possibility of not being able to achieve its business objectives through joint ventures and other collaborative agreements with other companies, including due to the pressure of price reduction exceeding that which can be achieved by its effort and decrease in demand for products from business partners which Panasonic highly depends on in BtoB business areas; the possibility of the Panasonic Group not being able to maintain competitive strength in many product and geographical areas; the possibility of incurring expenses resulting from any defects in products or services of the Panasonic Group; the possibility that the Panasonic Group may face intellectual property infringement claims by third parties; current and potential, direct and indirect restrictions imposed by other countries over trade, manufacturing, labor and operations; restrictions, costs or legal liability relating to laws and regulations or failures in internal controls; fluctuations in market prices of securities and other financial assets in which the Panasonic Group has holdings or changes in valuation of non-financial assets, including property, plant and equipment, goodwill and deferred tax assets; future changes or revisions to accounting policies or accounting rules; the possibility of incurring expenses resulting from a leakage of customers' or confidential information from Panasonic Group systems due to unauthorized access or a detection of vulnerability of network-connected products of the Panasonic Group; as well as natural disasters including earthquakes, prevalence of infectious diseases throughout the world, disruption of supply chain and other events that may negatively impact business activities of the Panasonic Group. The factors listed above are not all-inclusive and further information is contained in the most recent English translated version of Panasonic's securities reports under the FIEA and any other documents which are disclosed on its website.

## I Corporate Information

### 1. Consolidated Financial Summary

	Yen (millions), except per share amounts		
	Six months ended September 30, 2020	Six months ended September 30, 2019	Year ended March 31, 2020
Net sales	3,059,155	3,844,424	7,490,601
Profit before income taxes	93,175	137,904	291,050
Net profit attributable to Panasonic Corporation stockholders	48,864	100,919	225,707
Comprehensive income attributable to Panasonic Corporation stockholders	191,084	8,419	172,443
Panasonic Corporation stockholders' equity	2,154,325	1,866,376	1,998,349
Total equity	2,307,187	2,025,414	2,155,868
Total assets	6,384,330	6,626,202	6,218,518
Earnings per share attributable to Panasonic Corporation stockholders, basic (yen)	20.94	43.27	96.76
Earnings per share attributable to Panasonic Corporation stockholders, diluted (yen)	20.93	43.24	96.70
Panasonic Corporation stockholders' equity / total assets (%)	33.7	28.2	32.1
Net cash provided by (used in) operating activities	76,007	142,593	403,303
Net cash provided by (used in) investing activities	27,846	(123,998)	(206,096)
Net cash provided by (used in) financing activities	116,781	66,956	48,222
Cash and cash equivalents at the end of the period	1,226,315	821,966	1,016,504

	Three months ended September 30, 2020	Three months ended September 30, 2019
Net sales	1,667,243	1,953,295
Net profit attributable to Panasonic Corporation stockholders	58,697	51,142
Earnings per share attributable to Panasonic Corporation stockholders, basic (yen)	25.16	21.92

- 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 520 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. 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, 2020, there were no changes in major affiliates except as follows:

### Connected Solutions

The Company resolved to make a strategic equity investment obtaining 20% of the voting rights in Blue Yonder, Inc. (Blue Yonder), a specialized supply chain software provider. The investment was concluded on July 20, 2020. As a result, Blue Yonder became an entity accounted for using the equity method by Panasonic.

### Automotive

On April 1, 2020, the Company transferred the automotive prismatic battery business of SANYO Electric Co., Ltd., and Panasonic Automotive Energy Dalian Co., Ltd., both of which are subsidiaries of Panasonic, to Prime Planet Energy & Solutions, Inc. (PPES), also a subsidiary of Panasonic. In addition, on the same date, certain shares of PPES were transferred to Toyota Motor Corporation, which resulted in PPES becoming a joint venture. Consequently, PPES became an entity accounted for using the equity method by Panasonic and is no longer a subsidiary.

### Industrial Solutions

On September 1, 2020, the Company transferred its semiconductor business, mainly operated by Panasonic Semiconductor Solutions Co., Ltd. (PSCS), a subsidiary of Panasonic, to Nuvoton Technology Corporation, under the umbrella of the Winbond Electronics Corporation group, a Taiwan-based semiconductor company. Consequently, PSCS is no longer a subsidiary of Panasonic.

## **II Business Overview**

### **1. Risk Factors**

There was no risk newly identified during the six months ended September 30, 2020.

There were no significant changes with regard to the "Risk Factors" stated in the Company's annual securities report for the fiscal year ended March 31, 2020. However, the current assessments of the impacts and countermeasures for the novel coronavirus infections as of November 13, 2020, the filing date of this quarterly report, are as follows:

Although the effects of the novel coronavirus infection are likely to persist for the time being beyond the third quarter of the fiscal year ending March 31, 2021, market conditions are expected to continue to gradually improve in line with the lifting and easing of stay-at-home restrictions and the resumption of business activities in each country. In comparison with our expectations at the time of filing the previous quarterly report, the automobile industry has shown a stronger recovery trend in demand, but in the aviation-related businesses, the recovery of demand has been slowed.

At the Appliances, in addition to the recovery trend of home appliances in Japan, a higher spending for staying- at- home demand and the demand of infection prevention items is continuing, but the impact of lower demand for inbound and luxury items is expected to persist. As for the overseas markets, while in Europe and Asia, air conditioning and certain other appliances have recovered more than expected at the time of filing the previous quarterly report, in Latin America and India the adverse impact of the infections has been prolonged. At the Life Solutions, demand is expected to remain sluggish due to the reduction in the number of new housing starts and new non-residential construction square-footage as well as a slow recovery of the renovation market throughout fiscal 2021 because of domestic investment restraints. In addition, in overseas business activities are gradually resuming mainly due to the lifting of restrictions in each country, but we still expect a significant slowdown in growth.

With respect to the Connected Solutions, demand for information and communication infrastructure is continuing to expand due to the normalization of work from home. On the other hand, the outlook for global air passenger demand has deteriorated more than expected at the time of filing the previous quarterly report, and demand in the aviation industry will take some time to recover.

Looking at the Automotive, demand for the automobile industry is on a stronger recovery trend in Japan and the United States following that in China, compared to our expectations at the time of filing the previous quarterly report, but some negative impact will still remain in the second half of the fiscal year ending March 31, 2021.

As for the Industrial Solutions, demand for automobile parts is recovering and demand for notebook PCs and information and communication infrastructure is expanding due to the widespread practices of work from home and on-line education. Demand for semiconductor manufacturing equipment will also remain stable. On the other hand, demand for machine tools is expected to remain sluggish globally, although demand in China is on a recovery trend.

Under these circumstances, we are promoting portfolio management and strengthening our management structure based on our mid-term strategy. We are implementing business portfolio reforms centered on investment in growth fields, strengthening competitiveness through co-creation, and improving profitability, while at the same time strengthening our management structure by reducing fixed costs and implementing measures against structurally unprofitable businesses.

In response to structural changes in the society caused by the novel coronavirus infections, we will take business opportunities by expanding investment in information and communication infrastructure, and by expanding sales of products related to public health, air-conditioning and air quality, where demand is expanding.

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

Future expectations included in this section are as of November 13, 2020, the filing date of this quarterly report.

### (1) Operating Results

During the six months ended September 30, 2020 (fiscal 2021), the global economy saw a significant slowdown in consumption and investment, caused by the continuing spread of the novel coronavirus disease (COVID-19) infections. There remained also great uncertainties over the politics and financial circumstances in each country, as well as the widespread of protectionism. Japan is also considered to be affected by these uncertainties to no small extent. Therefore, it continues to be difficult to forecast the economic outlook surrounding the management environment in fiscal 2021.

Under these circumstances, the Company continues to execute portfolio management and enhance its management structure, based on the Mid-term strategy started from the fiscal 2020, while monitoring the risks and impact on its businesses, as well as deliberating the necessary countermeasures.

During the six months ended September 30, 2020, with regard to the investment for growth, in the Gemba Process Business, the Company made a strategic equity investment obtaining 20% of the voting rights in Blue Yonder, Inc. (Blue Yonder), a specialized supply chain software provider in July, 2020. The aim of the investment is to enhance the Company's solution capability and to accelerate its business model transformation through acquiring innovative solutions and the business model that Blue Yonder provides globally.

With regard to the enhancement of competitiveness through Co-creation, in the automotive prismatic battery business, Prime Planet Energy & Solutions, Inc. which is a joint venture with Toyota Motor Corporation, started its operation on April 1, 2020. The joint venture is working to develop highly competitive batteries that have excellent quality, performance and cost effectiveness, and to provide a stable supply of batteries.

Furthermore, with regard to the improvement of profitability, in the semiconductor business, the Company completed the transfer of its semiconductor business to Nuvoton Technology Corporation, under the umbrella of the Winbond Electronics Corporation group, a Taiwan-based semiconductor company, in September, 2020. Also, in the solar business, the Company ceased its U.S. production of photovoltaic cells and modules at the plant in Buffalo (New York, U.S.) in June, 2020. The withdrawal was completed in September, 2020.

For the six months ended September 30, 2020, the Company's consolidated group sales decreased by 20% to 3,059.2 billion yen from a year ago. Domestic sales decreased due to the impact of the spread of COVID-19 as well as the impact of deconsolidation such as housing related businesses, despite increased sales in products such as air purifiers. Overseas sales decreased due largely to the impact of the spread of COVID-19, despite increased sales such as mounting machines at Process Automation, and power storage systems for information- and communication-infrastructure as well as industrial-use motors.

Operating profit decreased by 31% to 96.6 billion yen from a year ago. This is due largely to the impact of decreased sales, despite fixed cost reductions to enhance management structure as well as the effect from profitability improvement efforts in the automotive business. Profit before income taxes decreased by 32% to 93.2 billion yen from a year ago, and net profit attributable to Panasonic Corporation stockholders decreased by 52% to 48.9 billion yen from a year ago.

### (2) Operating Results by Segment

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

From the beginning of fiscal 2021, certain businesses were transferred among reportable segments. The segment information for fiscal 2020 have been reclassified to conform to the presentation in fiscal 2021.

### Appliances

Sales decreased by 13% to 1,191.1 billion yen from a year ago. This is due largely to the impact of deteriorating market conditions, while steady sales continued in China and other regions showed signs of recovery in their business trends.

Operating profit decreased by 4% to 51.0 billion yen from a year ago due largely to the impact of decreased sales, despite the effect of reductions including fixed costs and sales promotion expenses.

### Life Solutions

Sales decreased by 30% to 695.5 billion yen from a year ago. This is due to the impact of the deconsolidation of housing related businesses as well as the impact of deteriorating market conditions, despite favorable sales in air purifiers.

Operating profit decreased by 48% to 21.4 billion yen from a year ago due largely to the impact of decreased sales, despite the effect of fixed cost reductions.

### Connected Solutions

Sales decreased by 27% to 376.6 billion yen from a year ago. This is due largely to decreased sales at Avionics, which was impacted by a sharp decline in the number of flight operations and a significant reduction in aircraft productions, despite favorable sales of mounting machines for servers and others in China.

Operating profit decreased to a loss of 17.3 billion yen, compared with a profit of 36.3 billion yen a year ago, due largely to decreased sales, despite the effect of fixed cost reductions.

### Automotive

Sales decreased by 24% to 569.3 billion yen from a year ago. This is due to a decline in demand following the temporary closure of customers' factories.

Operating profit was a loss of 4.4 billion yen, improved from a loss of 22.7 billion yen a year ago, due mainly to fixed cost reduction efforts and improvement of productivity in automotive battery at North America factory.

### Industrial Solutions

Sales decreased by 9% to 596.5 billion yen from a year ago. This is due mainly to the impact of deteriorating market conditions for automotive relays, despite sales growth in information- and communication- infrastructure related products such as power storage systems and capacitors.

Operating profit increased by 64% to 27.0 billion yen from a year ago due mainly to fixed cost reduction efforts, which offset the impact of decreased sales.

## **(3) Financial Conditions**

The Company's consolidated total assets of September 30, 2020 were 6,384.3 billion yen, an increase of 165.8 billion yen from March 31, 2020. This is due mainly to an increase in cash and cash equivalents as well as an equity investment in Blue Yonder, despite decreased assets as a result of the establishment of a joint venture in the automotive prismatic battery business and the transfer of Company's semiconductor business. The Company's consolidated total liabilities were 4,077.1 billion yen, an increase of 14.5 billion yen from March 31, 2020. This is due mainly to an increase in the balance of short-term bonds, despite decreased liabilities in trade payables and others.

Panasonic Corporation stockholders' equity increased by 156.0 billion yen to 2,154.3 billion yen, compared with March 31, 2020. This is due mainly to recording of quarterly net profit attributable to Panasonic Corporation stockholders as well as an increase in financial assets measured at fair value through other comprehensive income. With non-controlling interests added to Panasonic Corporation stockholders' equity, total equity was 2,307.2 billion yen.



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

##### Cash flows from operating activities

Net cash provided by operating activities for the six months ended September 30, 2020, amounted to 76.0 billion yen, compared with an inflow of 142.6 billion yen a year ago. This is due mainly to a decrease in quarterly net profit and a decrease in trade payables.

##### Cash flows from investing activities

Net cash provided by investing activities amounted to 27.9 billion yen, compared with an outflow of 124.0 billion yen a year ago. This is due mainly to capital investment controls, proceeds from the establishment of a joint venture in the automotive prismatic battery business as well as transfer of assets, despite an equity investment in Blue Yonder.

Accordingly, free cash flow (net cash provided by operating activities and investment activities) increased by 85.3 billion yen from a year ago to an inflow of 103.9 billion yen.

##### Cash flows from financing activities

Net cash provided by financial activities amounted to 116.8 billion, compared with an inflow of 67.0 billion yen a year ago. This is due mainly to an increase in the balance of short-term bonds during the six months ended September 30, 2020, despite the issuance of U.S. dollar-denominated senior notes totaling approximately 270.0 billion yen a year ago.

Taking factors such as exchange fluctuations into consideration, cash and cash equivalents totaled 1,226.3 billion yen as of September 30, 2020, increased by 209.8 billion yen, compared with March 31, 2020.

#### **(5) Significant Accounting Estimates and Assumptions**

There were no significant changes with regard to accounting estimates and underlying assumptions described in the "Significant Accounting Estimates and Assumptions" in the Company's annual securities report for the fiscal year ended March 31, 2020. The details of significant accounting estimates and assumptions are stated in "Condensed Quarterly Consolidated Financial Statements, Note 2. Basis of preparation, (4) Significant accounting estimates and judgments involving estimations."

#### **(6) Research and Development**

Panasonic's R&D expenditures for the six months ended September 30, 2020 totaled 209.9 billion yen, down 12% from a year ago. There were no significant changes in R&D activities during the period.

#### **(7) Capital Investment**

Panasonic's capital investment (tangible assets) for the six months ended September 30, 2020 totaled 69.8 billion yen, down 48% from a year ago.

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

Panasonic's depreciation for the six months ended September 30, 2020 totaled 88.0 billion yen, down 16% from a year ago.

#### **(9) Number of Employees**

Number of employees at the end of the second quarter of fiscal 2021 was 246,512, a decrease of 12,873, compared with the end of the fiscal 2020.

#### **(10) Policy on Control of the Company**

There were no significant changes with regard to the "Policy on Control of the Company" stated in the Company's annual securities report for the fiscal year ended March 31, 2020 during the six months ended September 30, 2020.

#### **(11) Prioritized Business and Financial Challenges**

There were no significant changes with regard to the "Prioritized Business and Financial Challenges" during the six months ended September 30, 2020.

**(12) Plans for Capital Investment, Disposals of Property, Plants and Equipment, etc.**

The planned capital investment for the fiscal year ending March 31, 2021, which was undecided at the time of filing the annual securities report for the fiscal year ended March 31, 2020, will be 193.0 billion yen, a decrease of 28% compared with the actual capital investment for the fiscal year ended March 31, 2020. The breakdown by segment is as follows.

There is no change from the first quarter of the fiscal year ending March 31, 2021.

Segment	Amount planned for fiscal 2021 (Billions of yen)	Main purpose of investment	Capital source
Appliances	45.0	Production of new products and streamlining of electric appliances for home and video and AV equipment	Own capital, etc.
Life Solutions	33.0	Production of new products and streamlining of electrical construction material, building material, etc.	Own capital, etc.
Connected Solutions	13.0	Production of new products and streamlining of B2B solutions business related equipment, etc.	Own capital, etc.
Automotive	56.0	Production of new products and streamlining of rechargeable batteries, automotive electrical equipment and automotive infotainment-related equipment, etc.	Own capital, etc.
Industrial Solutions	45.0	Production of new products and streamlining of electronic components, etc.	Own capital, etc.
Reportable Segment Total	192.0	—	—
Other & Corporate	1.0	Capital investment by head office and regional headquarters, etc.	Own capital, etc.
Total	193.0	—	—

(Notes)

1. The above amounts do not include consumption tax, etc.
2. There is no plan of other material disposals or sales of principal facilities, with the exception of disposing and selling facilities due to routine upgrading.
3. Amounts show investment in "Property, plant and equipment."

### **III Shares and Shareholders**

#### **1. Shares of Common Stock Issued as of September 30, 2020: 2,453,563,397 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, 2020: 258,981 million yen**

#### IV Condensed Quarterly Consolidated Financial Statements

**PANASONIC CORPORATION  
AND SUBSIDIARIES**  
**Condensed Quarterly Consolidated Statements of Financial Position**  
**September 30 and March 31, 2020**

	Yen (millions)	
	September 30, 2020	March 31, 2020
<b><u>Assets</u></b>		
Current assets:		
Cash and cash equivalents.....	1,226,315	1,016,504
Trade receivables and contract assets.....	1,077,204	1,051,203
Other financial assets.....	122,169	148,436
Inventories.....	793,581	793,516
Other current assets.....	164,131	162,822
Assets held for sale (Note 9).....	-	263,354
Total current assets.....	3,383,400	3,435,835
Non-current assets:		
Investments accounted for using the equity method.....	463,860	306,864
Other financial assets.....	341,651	215,293
Property, plant and equipment.....	995,772	1,034,632
Right-of-use assets.....	262,291	261,075
Goodwill and intangible assets.....	613,119	620,611
Deferred tax assets.....	271,393	290,365
Other non-current assets.....	52,844	53,843
Total non-current assets.....	3,000,930	2,782,683
Total assets.....	6,384,330	6,218,518

**PANASONIC CORPORATION**  
**AND SUBSIDIARIES**  
**Condensed Quarterly Consolidated Statements of Financial Position**  
**September 30 and March 31, 2020**

	Yen (millions)	
	September 30, 2020	March 31, 2020
<b><u>Liabilities and Equity</u></b>		
Current liabilities:		
Short-term debt, including current portion of long-term debt.....	655,080	250,620
Lease liabilities.....	64,460	64,375
Trade payables.....	876,972	969,695
Other financial liabilities.....	161,789	212,674
Income taxes payable.....	66,454	38,641
Provisions.....	138,294	165,746
Contract liabilities.....	96,430	95,296
Other current liabilities.....	751,359	730,456
Liabilities directly associated with the assets held for sale (Note 9).	-	88,605
Total current liabilities.....	2,810,838	2,616,108
Non-current liabilities:		
Long-term debt.....	748,700	953,831
Lease liabilities.....	200,931	202,485
Other financial liabilities.....	17,115	16,316
Retirement benefit liabilities.....	222,181	221,946
Provisions.....	2,933	3,898
Deferred tax liabilities.....	55,575	33,404
Contract liabilities.....	10,465	6,366
Other non-current liabilities.....	8,405	8,296
Total non-current liabilities.....	1,266,305	1,446,542
Total liabilities.....	4,077,143	4,062,650
Equity:		
Panasonic Corporation stockholders' equity:		
Common stock.....	258,981	258,867
Capital surplus.....	530,157	531,048
Retained earnings.....	1,743,769	1,646,403
Other components of equity (Note 4).....	(168,722)	(227,957)
Treasury stock.....	(209,860)	(210,012)
Total Panasonic Corporation stockholders' equity (Note 5).....	2,154,325	1,998,349
Non-controlling interests.....	152,862	157,519
Total equity.....	2,307,187	2,155,868
Total liabilities and equity.....	6,384,330	6,218,518

**PANASONIC CORPORATION**  
**AND SUBSIDIARIES**  
**Condensed Quarterly Consolidated Statements of Profit or Loss**  
**Six months ended September 30, 2020 and 2019**

	Yen (millions)	
	Six months ended September 30	
	2020	2019
Net sales (Note 7).....	3,059,155	3,844,424
Cost of sales.....	(2,190,412)	(2,759,006)
Gross profit.....	868,743	1,085,418
Selling, general and administrative expenses.....	(779,598)	(928,964)
Share of profit of investments accounted for using the equity method.....	(14,920)	2,332
Other income (expenses), net (Note 8).....	22,402	(18,494)
Operating profit.....	96,627	140,292
Finance income.....	8,194	15,473
Finance expenses.....	(11,646)	(17,861)
Profit before income taxes.....	93,175	137,904
Income taxes (Note 8).....	(36,200)	(28,705)
Net profit .....	<u>56,975</u>	<u>109,199</u>
Net profit attributable to:		
Panasonic Corporation stockholders.....	48,864	100,919
Non-controlling interests.....	8,111	8,280
Yen		
Earnings per share attributable to Panasonic Corporation stockholders (Note 5)		
Basic.....	20.94	43.27
Diluted.....	20.93	43.24

**PANASONIC CORPORATION  
AND SUBSIDIARIES**  
**Condensed Quarterly Consolidated Statements of Comprehensive Income**  
**Six months ended September 30, 2020 and 2019**

	Yen (millions)	
	Six months ended September 30	
	2020	2019
Net Profit .....	56,975	109,199
Other comprehensive income, net of tax		
Items that will not be reclassified to profit or loss:		
Remeasurements of defined benefit plans.....	(2,066)	(541)
Financial assets measured at fair value through other comprehensive income.....	163,440	(4,947)
Subtotal.....	161,374	(5,488)
Items that may be reclassified to profit or loss:		
Exchange differences on translation of foreign operations.....	(19,708)	(98,831)
Net changes in fair value of cash flow hedges.....	2,142	2,802
Subtotal.....	(17,566)	(96,029)
Other comprehensive income (loss), net of tax .....	143,808	(101,517)
Total comprehensive income .....	200,783	7,682
 Total comprehensive income (loss) attributable to:		
Panasonic Corporation stockholders.....	191,084	8,419
Non-controlling interests.....	9,699	(737)

**Condensed Quarterly Consolidated Statements of Profit or Loss**  
**Three months ended September 30, 2020 and 2019**

	Yen (millions)	
	Three months ended September 30	
	2020	2019
Net sales (Note 7).....	1,667,243	1,953,295
Cost of sales.....	(1,180,691)	(1,400,797)
Gross profit.....	486,552	552,498
Selling, general and administrative expenses.....	(391,512)	(458,410)
Share of profit of investments accounted for using the equity method.....	(1,053)	1,371
Other income (expenses), net (Note 8).....	(1,118)	(11,556)
Operating profit.....	92,869	83,903
Finance income.....	3,343	7,188
Finance expenses.....	(6,106)	(9,413)
Profit before income taxes.....	90,106	81,678
Income taxes.....	(26,216)	(26,246)
Net profit .....	<u>63,890</u>	<u>55,432</u>
Net profit attributable to:		
Panasonic Corporation stockholders.....	58,697	51,142
Non-controlling interests.....	5,193	4,290
Yen		
Earnings per share attributable to Panasonic Corporation stockholders (Note 5)		
Basic.....	25.16	21.92
Diluted.....	25.14	21.91



**Condensed Quarterly Consolidated Statements of Comprehensive Income**  
**Three months ended September 30, 2020 and 2019**

	Yen (millions)	
	Three months ended September 30	
	2020	2019
Net Profit .....	63,890	55,432
Other comprehensive income, net of tax		
Items that will not be reclassified to profit or loss:		
Remeasurements of defined benefit plans.....	(1,277)	(292)
Financial assets measured at fair value through other comprehensive income.....	90,735	3,293
Subtotal.....	89,458	3,001
Items that may be reclassified to profit or loss:		
Exchange differences on translation of foreign operations.....	(12,089)	(28,393)
Net changes in fair value of cash flow hedges.....	9	2,484
Subtotal.....	(12,080)	(25,909)
Other comprehensive income (loss), net of tax .....	77,378	(22,908)
Total comprehensive income .....	<u>141,268</u>	<u>32,524</u>
 Total comprehensive income attributable to:		
Panasonic Corporation stockholders.....	134,978	32,087
Non-controlling interests.....	6,290	437

**PANASONIC CORPORATION**  
**AND SUBSIDIARIES**  
**Condensed Quarterly Consolidated Statements of Changes in Equity**  
**Six months ended September 30, 2020 and 2019**

Six months ended September 30, 2020

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, 2020.....	258,867	531,048	1,646,403	(227,957)	(210,012)	1,998,349	157,519	2,155,868
Comprehensive income:								
Net profit .....	-	-	48,864	-	-	48,864	8,111	56,975
Remeasurements of defined benefit plans.....	-	-	-	(2,442)	-	(2,442)	376	(2,066)
Financial assets measured at fair value through other comprehensive income.....	-	-	-	163,368	-	163,368	72	163,440
Exchange differences on translation of foreign operations.....	-	-	-	(20,904)	-	(20,904)	1,196	(19,708)
Net change in fair value of cash flow hedges.....	-	-	-	2,198	-	2,198	(56)	2,142
Total comprehensive income.....	-	-	48,864	142,220	-	191,084	9,699	200,783
Transfer to hedged non-financial assets.....	-	-	-	511	-	511	-	511
Transfer from other components of equity to retained earnings.....	-	-	83,496	(83,496)	-	-	-	-
Cash dividends (Note 4).....	-	-	(34,994)	-	-	(34,994)	(9,530)	(44,524)
Purchase of treasury stock.....	-	-	-	-	(13)	(13)	-	(13)
Disposal of treasury stock.....	-	(1)	-	-	2	1	-	1
Share-based payments.....	114	(162)	-	-	163	115	-	115
Transactions with non-controlling interests and other.....	-	(728)	-	-	-	(728)	(4,826)	(5,554)
Balances as of September 30, 2020.....	258,981	530,157	1,743,769	(168,722)	(209,860)	2,154,325	152,862	2,307,187

## 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 payments.....	127	(380)	-	-	355	102	-	102
Transactions with non-controlling interests and other.....	-	(152)	-	-	-	(152)	(284)	(436)
Cumulative effects of a new accounting standard applied .....	-	-	(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

**PANASONIC CORPORATION**  
**AND SUBSIDIARIES**  
**Condensed Quarterly Consolidated Statements of Cash Flows**  
**Six months ended September 30, 2020 and 2019**

	Yen (millions)	
	Six months ended September 30	
	2020	2019
Cash flows from operating activities:		
Net profit.....	56,975	109,199
Depreciation and amortization.....	156,347	192,645
Impairment losses on property, plant and equipment, right-of-use assets, goodwill and intangible assets.....	4,059	5,773
Income tax expenses (Note 8).....	36,200	28,705
(Increase) decrease in trade receivables and contract assets.....	(37,342)	(22,175)
(Increase) decrease in inventories.....	(7,218)	(28,637)
Increase (decrease) in trade payables.....	(90,806)	(48,192)
Increase (decrease) in provisions.....	(29,685)	(1,676)
Increase (decrease) in contract liabilities.....	5,005	24,466
Increase (decrease) in retirement benefit liabilities.....	658	(20,201)
Other - net (Note 8).....	4,579	(34,170)
Subtotal.....	<u>98,772</u>	<u>205,737</u>
Interests received.....	5,821	11,584
Dividend income received.....	1,528	1,818
Interest expenses paid.....	(9,179)	(17,697)
Income taxes paid.....	<u>(20,935)</u>	<u>(58,849)</u>
Net cash provided by (used in) operating activities.....	<u>76,007</u>	<u>142,593</u>
Cash flows from investing activities:		
Purchase of property, plant and equipment.....	(90,908)	(141,296)
Proceeds from sale of property, plant and equipment.....	9,718	9,782
Purchase of intangible assets.....	(31,992)	(34,322)
Collection of lease receivables.....	2,967	21,958
Purchase of investments accounted for using the equity method and other financial assets.....	(100,931)	(7,698)
Proceeds from sale and redemption of investments accounted for using the equity method and other financial assets.....	111,842	26,317
Proceeds from loss of control of subsidiaries or other businesses.....	127,889	-
Other - net.....	<u>(739)</u>	<u>1,261</u>
Net cash provided by (used in) investing activities.....	<u>27,846</u>	<u>(123,998)</u>

**PANASONIC CORPORATION**  
**AND SUBSIDIARIES**  
**Condensed Quarterly Consolidated Statements of Cash Flows**  
**Six months ended September 30, 2020 and 2019**

	Yen (millions)	
	Six months ended September 30	
	2020	2019
Cash flows from financing activities:		
Increase (decrease) in short-term debt.....	229,647	(82,134)
Proceeds from long-term debt (Note 8).....	2,340	273,236
Repayments of long-term debt.....	(24,859)	(31,798)
Payments for lease liabilities.....	(36,270)	(50,476)
Dividends paid to Panasonic Corporation stockholders (Note 4).....	(34,994)	(34,986)
Dividends paid to non-controlling interests.....	(9,530)	(11,043)
Purchase of treasury stock.....	(13)	(14)
Proceeds from sales of treasury stock.....	1	1
Transactions with non-controlling interests.....	(1)	(144)
Other - net.....	(9,540)	4,314
Net cash provided by (used in) financing activities.....	116,781	66,956
Effect of exchange rate changes on cash and cash equivalents.....	(10,823)	(31,742)
Net increase (decrease) in cash and cash equivalents.....	209,811	53,809
Cash and cash equivalents at the beginning of the period.....	1,016,504	772,264
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.....	1,226,315	821,966

**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 with close cooperation between 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 Quarterly 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, 2020.

The condensed quarterly consolidated financial statements were approved on November 13, 2020 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, 2020.

(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, which 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, 2020.

Regarding the effects of the novel coronavirus infections, the Company assumes that the impact will continue for a certain period in the future based on internal information, such as recent orders and sales trends, as well as information from multiple external sources, such as economic, market and consumption forecasts, and other relevant information. Accounting estimates, including "Recoverability of deferred tax assets" and "Impairment of non-financial assets (including goodwill)," were made under those assumptions. During the six months ended September 30, 2020, there were no significant deviations from the projections assumed in the year ended March 31, 2020, and there were no significant changes in underlying assumptions used in accounting estimate for the Company's condensed quarterly financial statements.

In the first quarter of the year ending March 31, 2021, an adverse economic impact of sluggish markets resulting from the lower demand in the automobile and aviation industries as well as stay-at-home orders implemented worldwide expanded from China to across the globe. While supply chain issues in China have improved, the suspension of factories in other parts of the world including Asian countries as a result of the lockdown affected the Company's procurement and manufacturing operations. In the second quarter of the year ending March 31, 2021, the adverse impact is gradually easing with the recovery of market conditions in line with the lifting of stay-at-home restrictions and the resumption of business activities in each country and the resolution of supply chain issues. In particular, the automobile industry has been on a recovery trend not only in China but also in the United States and Japan. On the other hand, in the aviation industry, market conditions continue to be sluggish with the deterioration of air passenger demand indicators. Although market conditions are expected to continue to improve gradually through the third quarter of the fiscal year ending March 31, 2021 and beyond, the aviation, housing and automobile industries are more likely to remain affected in the second half of the year ending March 31, 2021. In addition, the negative impact on global air-travel passenger demand is expected to continue and demand in the aviation industry will take some time to recover. The above accounting estimates are made based on these assumptions regarding future outlook.

There are significant uncertainties regarding the overall duration and severity of the impact of the spread of the novel coronavirus infections and any changes in the above assumptions could adversely affect the financial position and the operating results of the Company in the future.

### 3. Segment Information

#### (1) Reportable segments

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" includes the development, manufacturing and sale of, and provision of related services for, 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" includes the development, manufacturing and sale of, and provision of related services for, 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, bicycles, and nursing-care-related products (including detached housing, rental apartment housing, land and buildings for sale, home remodeling in the six and three months ended September 30, 2019). "Connected Solutions" includes the development, manufacturing and sale of, and provision of related services for, products such as aircraft in-flight entertainment systems and communications services, electronic-components-mounting machines, welding equipment, projectors, professional AV systems, PCs and tablets. "Automotive" includes the development, manufacturing, and sale of, and provision of related services for, 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" includes the development, manufacturing, and sale of, and provision of related services for, 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 (which was disposed of on September 1, 2020) and LCD panels.

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

As of April 1, 2020, certain businesses were transferred between reportable segments, and segment information for the six and three months ended September 30, 2019 has been reclassified to conform to the presentation for the six and three months ended September 30, 2020.



(2) Information by reportable segments

Information by segment for the six months ended September 30, 2020 and 2019 is shown in the tables below.

(i) For the six months ended September 30, 2020

		Yen (millions)							
		Reportable segments						Eliminations and adjustments	Consolidated Total
		Appliances	Life Solutions	Connected Solutions	Automotive	Industrial Solutions	Other		
Sales:									
External customers...	1,094,700	621,869	332,403	557,195	515,995	102,387	(165,394)	3,059,155	
Intersegment.....	96,406	73,637	44,176	12,074	80,472	3,401	(310,166)	-	
Total.....	<u>1,191,106</u>	<u>695,506</u>	<u>376,579</u>	<u>569,269</u>	<u>596,467</u>	<u>105,788</u>	<u>(475,560)</u>	<u>3,059,155</u>	
Segment profit (loss)..	50,997	21,407	(17,277)	(4,386)	26,995	796	18,095	96,627	

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

		Yen (millions)							
		Reportable segments						Eliminations and adjustments	Consolidated Total
		Appliances	Life Solutions	Connected Solutions	Automotive	Industrial Solutions	Other		
Sales:									
External customers...	1,265,391	905,146	460,470	727,339	556,047	111,401	(181,370)	3,844,424	
Intersegment.....	109,188	89,231	58,124	19,910	101,809	4,186	(382,448)	-	
Total.....	<u>1,374,579</u>	<u>994,377</u>	<u>518,594</u>	<u>747,249</u>	<u>657,856</u>	<u>115,587</u>	<u>(563,818)</u>	<u>3,844,424</u>	
Segment profit (loss)..	52,866	41,222	36,280	(22,728)	16,438	2,521	13,693	140,292	

The accounting policies for reportable segments are the same as the Company's accounting policies 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.

Segment profit is calculated based on operating profit. In addition, Segment loss of "Automotive" for the six months ended September 30, 2020 includes a loss of 10,202 million yen on the investments accounted for using the equity method.

The amounts in "Eliminations and adjustments" include revenues and expenses, which are not attributable to any reportable segment 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, 2020 and 2019 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 to sales prices, and revenue of corporate headquarters, etc.

Adjustments to segment profit for the six months ended September 30, 2020 and 2019 include profit of corporate headquarters and profit which is attributable to certain sales departments for consumer products. Adjustments also include consolidation adjustments such as amortization on certain intangible assets acquired in business combinations and share of profit of investments accounted for using the equity method which are not allocated to any specific segments.

Information by segment for the three months ended September 30, 2020 and 2019 is shown in the tables below.

(i) For the three months ended September 30, 2020

		Yen (millions)							
		Reportable segments						Eliminations and adjustments	Consolidated Total
		Appliances	Life Solutions	Connected Solutions	Automotive	Industrial Solutions	Other		
Sales:									
External customers...	589,296	331,990	170,410	350,219	263,870	51,783	(90,325)	1,667,243	
Intersegment.....	47,128	38,398	20,843	8,260	44,042	1,721	(160,392)	-	
Total.....	<u>636,424</u>	<u>370,388</u>	<u>191,253</u>	<u>358,479</u>	<u>307,912</u>	<u>53,504</u>	<u>(250,717)</u>	<u>1,667,243</u>	
Segment profit (loss)...	35,789	15,796	(1,249)	5,089	17,793	507	19,144	92,869	

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

		Yen (millions)							
		Reportable segments						Eliminations and adjustments	Consolidated Total
		Appliances	Life Solutions	Connected Solutions	Automotive	Industrial Solutions	Other		
Sales:									
External customers...	632,940	486,255	235,695	359,094	278,218	55,014	(93,921)	1,953,295	
Intersegment.....	53,241	45,439	27,673	10,798	52,547	2,103	(191,801)	-	
Total.....	<u>686,181</u>	<u>531,694</u>	<u>263,368</u>	<u>369,892</u>	<u>330,765</u>	<u>57,117</u>	<u>(285,722)</u>	<u>1,953,295</u>	
Segment profit (loss)...	22,885	28,511	22,575	(12,685)	11,191	1,006	10,420	83,903	

The accounting policies for reportable segments are the same as the Company's accounting policies 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.

Segment profit is calculated based on operating profit. In addition, Segment profit of "Automotive" for the three months ended September 30, 2020 includes a loss of 3,607 million yen on the investments accounted for using the equity method.

The amounts in "Eliminations and adjustments" include revenues and expenses, which are not attributable to any reportable segment 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, 2020 and 2019 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 to sales prices, and revenue of corporate headquarters, etc.

Adjustments to segment profit for the three months ended September 30, 2020 and 2019 include profit of corporate headquarters and profit which is attributable to certain sales departments for consumer products. Adjustments also include consolidation adjustments such as amortization on certain intangible assets acquired in business combinations and share of profit of investments accounted for using the equity method which are not allocated 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, 2020	March 31, 2020
Remeasurements of defined benefit plans (*).....	-	-
Financial assets measured at fair value through other comprehensive income.....	135,224	57,794
Exchange differences on translation of foreign operations.....	(314,537)	(293,633)
Net changes in fair value of cash flow hedges.....	10,591	7,882
Total.....	<u>(168,722)</u>	<u>(227,957)</u>

(\*)As the result of remeasurements of defined benefit plans, other components of equity decreased by 2,442 million yen (net of tax), which was directly transferred from other components of equity to retained earnings for the six months ended September 30, 2020.

##### (2) Dividends

1) Dividends for the six months ended September 30, 2020 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 18, 2020	Common stock	34,994	Retained Earnings	15.0	March 31, 2020	June 11, 2020

###### (ii) Cash dividends resolved in the six months ended September 30, 2020 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 29, 2020	Common stock	23,333	Retained Earnings	10.0	September 30, 2020	November 30, 2020

2) 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

## 5. Per share information

Panasonic Corporation stockholders' equity per share is as follows:

	Yen	
	September 30, 2020	March 31, 2020
Panasonic Corporation stockholders' equity per share.....	923.31	856.57

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, 2020 and 2019

	Yen (millions)	
	2020	2019
Net profit attributable to Panasonic Corporation stockholders.....	48,864	100,919
Adjustment to net profit.....	(2)	(2)
Net profit used to calculate basic earnings per share.....	48,862	100,917
Adjustment to net profit.....	2	2
Net profit used to calculate diluted earnings per share.....	48,864	100,919

	Number of shares	
	2020	2019
Average common shares outstanding.....	2,333,020,675	2,332,471,627
Dilutive effect:		
Stock acquisition rights.....	1,187,153	1,496,537
Restricted stock.....	78,771	50,300
Diluted common shares outstanding.....	2,334,286,599	2,334,018,464

	Yen	
	2020	2019
Earnings per share attributable to Panasonic Corporation stockholders:		
Basic.....	20.94	43.27
Diluted.....	20.93	43.24

(2) For the three months ended September 30, 2020 and 2019:

	Yen (millions)	
	2020	2019
Net profit attributable to Panasonic Corporation stockholders.....	58,697	51,142
Adjustment to net profit.....	(3)	(2)
Net profit used to calculate basic earnings per share.....	58,694	51,140
Adjustment to net profit.....	3	2
Net profit used to calculate diluted earnings per share.....	58,697	51,142

	Number of shares	
	2020	2019
Average common shares outstanding.....	2,333,063,836	2,332,533,759
Dilutive effect:		
Stock acquisition rights.....	1,174,092	1,426,964
Restricted stock.....	124,550	88,025
Diluted common shares outstanding.....	2,334,362,478	2,334,048,748

	Yen	
	2020	2019
Earnings per share attributable to Panasonic Corporation stockholders:		
Basic.....	25.16	21.92
Diluted.....	25.14	21.91

6. Fair values of financial instruments

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

	Yen (millions)			
	September 30, 2020		March 31, 2020	
	Book value	Fair value	Book value	Fair value
Long-term debt, including current portion of long-term debt.....	951,594	973,315	981,439	977,296

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, 2020. All fair values are 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, 2020			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets measured at FVTPL				
Shares.....	-	-	33,094	33,094
Derivative assets				
Foreign exchange forward contracts.....	-	1,285	-	1,285
Cross currency swaps.....	-	12	-	12
Cross currency interest rate swaps.....	-	11,739	-	11,739
Commodity futures.....	8,543	554	-	9,097
Subtotal.....	8,543	13,590	33,094	55,227
Financial assets measured at FVTOCI				
Shares.....	191,162	-	80,238	271,400
Others.....	-	281	-	281
Subtotal.....	191,162	281	80,238	271,681
Total financial assets.....	199,705	13,871	113,332	326,908
Financial liabilities:				
Financial liabilities measured at FVTPL				
Derivative liabilities				
Foreign exchange forward contracts.....	-	1,398	-	1,398
Commodity futures.....	4,662	9,202	-	13,864
Total financial liabilities.....	4,662	10,600	-	15,262

	Yen (millions)			
	March 31, 2020			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets measured at FVTPL				
Derivative assets				
Foreign exchange forward contracts.....	-	3,025	-	3,025
Cross currency swaps.....	-	153	-	153
Cross currency interest rate swaps.....	-	17,423	-	17,423
Commodity futures.....	7,804	6,005	-	13,809
Subtotal.....	7,804	26,606	-	34,410
Financial assets measured at FVTOCI				
Shares.....	106,923	-	64,603	171,526
Others.....	-	281	-	281
Subtotal.....	106,923	281	64,603	171,807
Total financial assets.....	114,727	26,887	64,603	206,217
Financial liabilities:				
Financial liabilities measured at FVTPL				
Derivative liabilities				
Foreign exchange forward contracts.....	-	4,202	-	4,202
Commodity futures.....	16,001	3,298	-	19,299
Total financial liabilities.....	16,001	7,500	-	23,501



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 forward 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.

Shares classified as Level 3 are unlisted stocks, and their fair values are measured by an appropriate valuation method that comprehensively takes into account the outlook for future 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 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, 2020, 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, 2020, is caused by a purchase of financial assets measured at FVTPL.

## 7. Revenue

### Disaggregation of revenue

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

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," "Home building products" and "Other." "Electrical construction materials" includes products such as lighting fixtures, lamps, wiring devices, solar photovoltaic systems, ventilation and air-conditioning equipment and air purifiers. "Home building products" includes products such as water-related products, interior furnishing materials, exterior furnishing materials. "Other" includes products such as bicycles and nursing-care-related products.

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

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 systems 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 (which was disposed of on September 1, 2020) and LCD panels.

Disaggregated revenue is set out below. In addition, for the six and three months ended September 30, 2019, the products of Life Solutions were categorized into "Electrical construction materials," "Architecture" and "Other (including home building products);" however, due to the reorganization of the housing business, from the fiscal year 2021, the product categories have been changed to "Electrical construction materials," "Home building products" and "Other." As a result, detached housing, rental apartment housing, land and buildings for sale and home remodeling that were previously classified as "Architecture" in the six and three months ended September 30, 2019 have been reclassified as "Other."

The disaggregated revenue for the six months ended September 30, 2020 and 2019 is as follow:

(i) For the six months ended September 30, 2020

Yen (millions)			
By product category	Sales	By geographical area	Sales
<b>Reportable segments</b>			
<b>Appliances</b>			
B2C.....	697,584	Japan.....	417,970
B2B.....	207,140	North and South America.....	103,219
		Europe.....	95,986
		Asia, China and others.....	287,549
Total.....	<u>904,724</u>	Total.....	<u>904,724</u>
<b>Life Solutions</b>			
Electrical construction materials.....	338,703	Japan.....	502,515
Home building products.....	156,198	North and South America.....	19,414
Other.....	120,585	Europe.....	12,746
		Asia, China and others.....	80,811
Total.....	<u>615,486</u>	Total.....	<u>615,486</u>
<b>Connected Solutions</b>			
Vertical solutions.....	140,360	Japan.....	127,512
Product solutions.....	220,431	North and South America.....	98,804
		Europe.....	41,472
		Asia, China and others.....	93,003
Total.....	<u>360,791</u>	Total.....	<u>360,791</u>
<b>Automotive</b>			
Automotive solutions.....	336,697	Japan.....	165,778
Automotive batteries.....	185,405	North and South America.....	232,591
		Europe.....	60,517
		Asia, China and others.....	63,216
Total.....	<u>522,102</u>	Total.....	<u>522,102</u>
<b>Industrial Solutions</b>			
Systems.....	232,212	Japan.....	144,265
Device.....	248,722	North and South America.....	53,977
Other.....	62,977	Europe.....	62,133
		Asia, China and others.....	283,536
Total.....	<u>543,911</u>	Total.....	<u>543,911</u>
Other.....	<u>112,141</u>	Other.....	<u>112,141</u>
Consolidated total.....	<u><u>3,059,155</u></u>	Consolidated total.....	<u><u>3,059,155</u></u>

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

Yen (millions)

By product category	Sales	By geographical area	Sales
<b>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
Home building products.....	176,705	North and South America.....	27,066
Other.....	352,514	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>

The disaggregated revenue for the three months ended September 30, 2020 and 2019 is as follow:

(i) For the three months ended September 30, 2020

Yen (millions)			
By product category	Sales	By geographical area	Sales
<b>Reportable segments</b>			
<b>Appliances</b>			
B2C.....	374,589	Japan.....	220,783
B2B.....	111,240	North and South America.....	59,500
		Europe.....	58,412
		Asia, China and others.....	147,134
Total.....	<u>485,829</u>	Total.....	<u>485,829</u>
<b>Life Solutions</b>			
Electrical construction materials.....	181,852	Japan.....	265,217
Home building products.....	80,147	North and South America.....	10,614
Other.....	66,276	Europe.....	7,535
		Asia, China and others.....	44,909
Total.....	<u>328,275</u>	Total.....	<u>328,275</u>
<b>Connected Solutions</b>			
Vertical solutions.....	70,081	Japan.....	66,406
Product solutions.....	114,385	North and South America.....	47,688
		Europe.....	21,643
		Asia, China and others.....	48,729
Total.....	<u>184,466</u>	Total.....	<u>184,466</u>
<b>Automotive</b>			
Automotive solutions.....	218,733	Japan.....	101,985
Automotive batteries.....	113,428	North and South America.....	153,984
		Europe.....	39,776
		Asia, China and others.....	36,416
Total.....	<u>332,161</u>	Total.....	<u>332,161</u>
<b>Industrial Solutions</b>			
Systems.....	123,960	Japan.....	73,403
Device.....	129,228	North and South America.....	29,417
Other.....	28,787	Europe.....	35,471
		Asia, China and others.....	143,684
Total.....	<u>281,975</u>	Total.....	<u>281,975</u>
Other.....	54,537	Other.....	54,537
Consolidated total.....	<u><u>1,667,243</u></u>	Consolidated total.....	<u><u>1,667,243</u></u>

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

Yen (millions)

By product category	Sales	By geographical area	Sales
<b>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
Home building products.....	92,972	North and South America.....	12,561
Other.....	199,550	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.....	<u>59,533</u>	Other.....	<u>59,533</u>
Consolidated total.....	<u><u>1,953,295</u></u>	Consolidated total.....	<u><u>1,953,295</u></u>

The reconciliation of "Disaggregated revenue" by reportable segment with "Sales to external customers" in Note "3 (2) Information by reportable segment" is set out below.

"Disaggregated revenue" of each reportable segment adjusted for "Adjustments for management accounting," "Cross-selling" and "Sales of third-party products, etc." reconciles to "Sales to external customers" in Note 3 "(2) Information by reportable segment." "Adjustments for management accounting" mainly includes adjustments to sales prices for management accounting. "Cross-selling" mainly includes adjustment for sales of products through other segments. "Sales of third-party products, etc." mainly includes adjustments for sales of products manufactured by third parties which are not included in sales for management accounting purposes.

(i) For the six months ended September 30, 2020

	Yen (millions)				
	Appliances	Life Solutions	Connected Solutions	Automotive	Industrial Solutions
Disaggregation of revenue.....	904,724	615,486	360,791	522,102	543,911
Adjustments for management accounting.....	158,274	17,619	3,353	3,834	10,927
Cross-selling.....	40,603	(11,548)	(31,727)	30,606	(39,825)
Sales of third-party products, etc. ....	(8,901)	312	(14)	653	982
Note 3 "(2) Information by reportable segments" Sales to external customers.....	<u>1,094,700</u>	<u>621,869</u>	<u>332,403</u>	<u>557,195</u>	<u>515,995</u>

(ii) 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 products, etc. ....	(7,294)	1,220	773	310	2,179
Note 3 "(2) Information by reportable segments" Sales to external customers.....	<u>1,265,391</u>	<u>905,146</u>	<u>460,470</u>	<u>727,339</u>	<u>556,047</u>

The reconciliation of "Disaggregated revenue" by reportable segments with the "Sales to external customers" in Note 3 "(2) Information by reportable segments" for the three months ended September 30, 2020 and 2019 is as follows.

(i) For the three months ended September 30, 2020

	Yen (millions)				
	Appliances	Life Solutions	Connected Solutions	Automotive	Industrial Solutions
Disaggregation of revenue.....	485,829	328,275	184,466	332,161	281,975
Adjustments for management accounting.....	86,447	9,047	2,250	1,203	6,030
Cross-selling.....	21,774	(5,480)	(16,269)	18,099	(24,515)
Sales of third-party products, etc. ....	(4,754)	148	(37)	(1,244)	380
Note 3 "(2) Information by reportable segments" Sales to external customers.....	<u>589,296</u>	<u>331,990</u>	<u>170,410</u>	<u>350,219</u>	<u>263,870</u>

(ii) 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 products, etc. ....	878	540	847	13	439
Note 3 "(2) Information by reportable segments" Sales to external customers.....	<u>632,940</u>	<u>486,255</u>	<u>235,695</u>	<u>359,094</u>	<u>278,218</u>



## 8. Supplementary Information

### (1) Other income (expenses)

"Other income (expenses), net" for the six months ended September 30, 2020 includes a gain of 27,676 million yen recognized as a result of the execution of a series of transactions associated with the establishment of a joint venture related to the automotive prismatic battery business (refer to "9. Disposal groups held for sale"), which is allocated to the "Automotive" segment. The gain noted above is presented as part of "Other - net" within cash flows from operating activities in the condensed quarterly consolidated statements of cash flows.

The Company did not disclose supplementary information of "Other income (expenses), net" as each item was immaterial for the six months ended September 30, 2019.

The amount of each individual item included in "Other income (expenses), net" was immaterial both for the three months ended September 30, 2020 and 2019.

### (2) Income taxes

Included in current tax expenses 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.

### (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, 2020 and 2019 are 69,796 million yen and 132,999 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, 2020 and 2019 are 14,655 million yen and 32,937 million yen, respectively, including a decrease due to recognition of finance lease as a lessor.

### (5) Investment in a U.S. software company

On July 20, 2020, the Company acquired approximately 20% of the shares of Blue Yonder Holding, Inc., the parent company of Blue Yonder, Inc., a supply-chain software provider, for 87,347 million yen. The investment is accounted for primarily as part of "Investments accounted for using the equity method."

### (6) 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 for the six months ended September 30, 2019 and 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 assets held for sale" are as follows:

	Yen (millions)	
	September 30, 2020	March 31, 2020
Assets held for sale:		
Trade receivables and contract assets.....	-	5,496
Inventories.....	-	37,630
Property, plant and equipment.....	-	164,845
Right-of-use assets.....	-	12,867
Other.....	-	42,516
Total.....	-	263,354
Liabilities directly associated with the assets held for sale:		
Trade payables.....	-	28,017
Lease liabilities.....	-	14,995
Other.....	-	45,593
Total.....	-	88,605

"Assets held for sale" and "Liabilities directly associated with assets held for sale" as of March 31, 2020 are assets and liabilities mainly related to the automotive prismatic battery business and the semiconductor business.

On April 1, 2020, the Company transferred the automotive prismatic battery business of SANYO Electric Co., Ltd., a subsidiary of the Company, through a company split to Prime Planet Energy & Solutions, Inc. (PPES), which shares are held by Panasonic Equity Management Japan G.K. (PEMJ), a subsidiary. At the same time, all equity shares of Panasonic Automotive Energy Dalian Co., Ltd. held by Panasonic Corporation of China, a subsidiary, were transferred to PPES. In addition, on the same date, certain shares of PPES held by PEMJ were transferred to Toyota Motor Corporation, which resulted in PPES becoming a joint venture. The Company's ownership ratio in PPES after these transfers is 49%. Consequently, PPES became an entity accounted for using the equity method by the Company and is no longer a subsidiary.

In addition, on September 1, 2020, the Company transferred the semiconductor business to Nuvoton Technology Corporation, under the umbrella of the Winbond Electronics Corporation group, a Taiwan-based semiconductor company.

## 10. Contingent Liabilities

### Litigation, etc.

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

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

Other than this matter, 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 are 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.