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Fiscal 2013 First Quarter Financial Results

July 31, 2012

Panasonic Corporation
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Notes: 1. This is an English translation from the original presentation in Japanese.
2. In this presentation, “fiscal 2013” or “FY2013” refers to the year ending March 31, 2013.

- This presentation contains consolidated financial results for the first quarter of the fiscal year 2013, ending March 31, 2013.

Summary of the 1Q FY13 Results

1. **Overall sales were down due to weak demand for digital AV products in Japan.**
2. **Operating profit increased as a result of improved management structure such as fixed cost reductions.**
3. **Pre-tax income and net income attributable to Panasonic Corporation returned to the black.**

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- The three main points are as shown here.

- Firstly, consolidated sales were lower than the previous year due to weak demand for digital AV products in Japan.

- Secondly, operating profit increased due mainly to restructuring benefits and improved management structure such as fixed cost reductions.

- Finally, pre-tax income and net income attributable to Panasonic Corporation returned to the black for the first time in the six quarters since the third quarter of fiscal 2011.

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2. Segment analysis

(N.B.) Segment information and sales figures in 1Q FY12 have been reclassified to conform with the presentation for 1Q FY13.

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- The next section outlines the financial results for the first quarter of fiscal 2013.

FY13 1Q Financial Results 4

(yen: billions)

	FY13 1Q (Apr. to Jun.)	FY12 1Q (Apr. to Jun.)	vs. FY12/ difference	
Domestic	922.1	967.6	-5%	
Overseas	892.4	961.9	-7%	(-3%)*
Sales	1,814.5	1,929.5	-6%	(-4%)* -115.0
Operating profit	38.6 (2.1%)	5.6 (0.3%)	+592%	+33.0
Pre-tax income / loss	37.8 (2.1%)	-17.4 (-0.9%)	-	+55.2
Net income / loss**	12.8 (0.7%)	-30.4 (-1.6%)	-	+43.2

* Real terms excluding the effects of exchange rates (unreviewed)
** Net income / loss attributable to Panasonic Corporation

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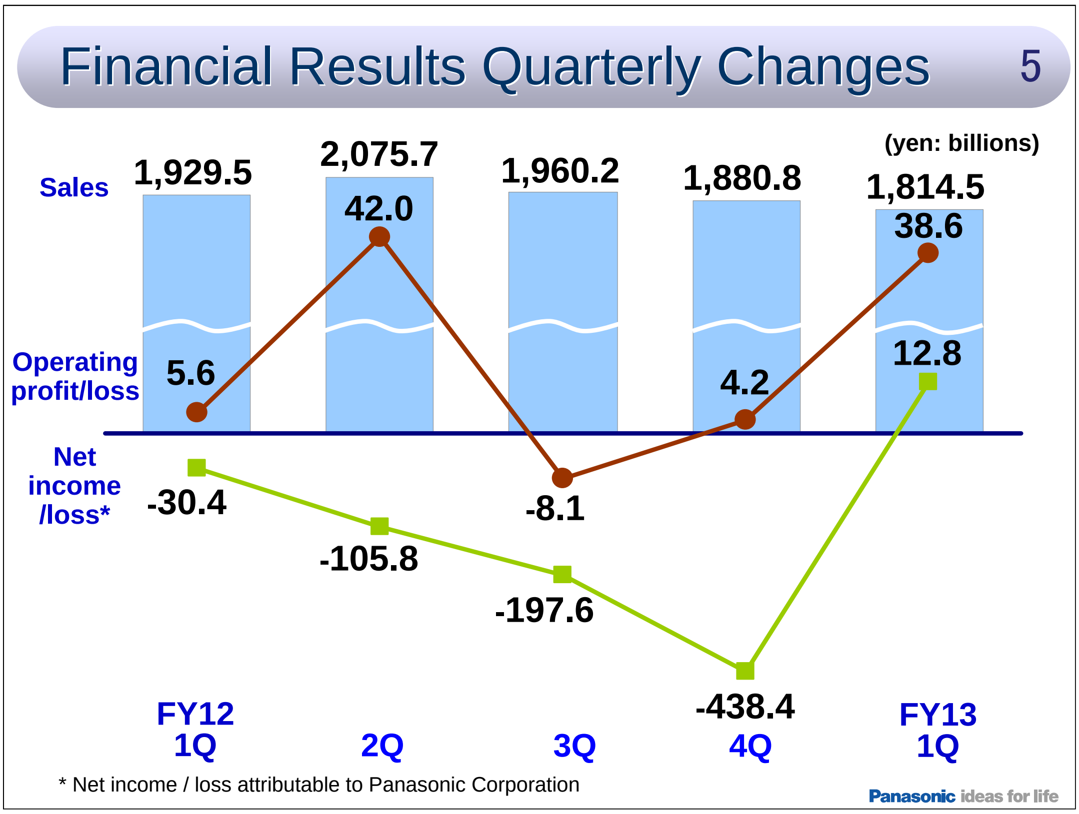
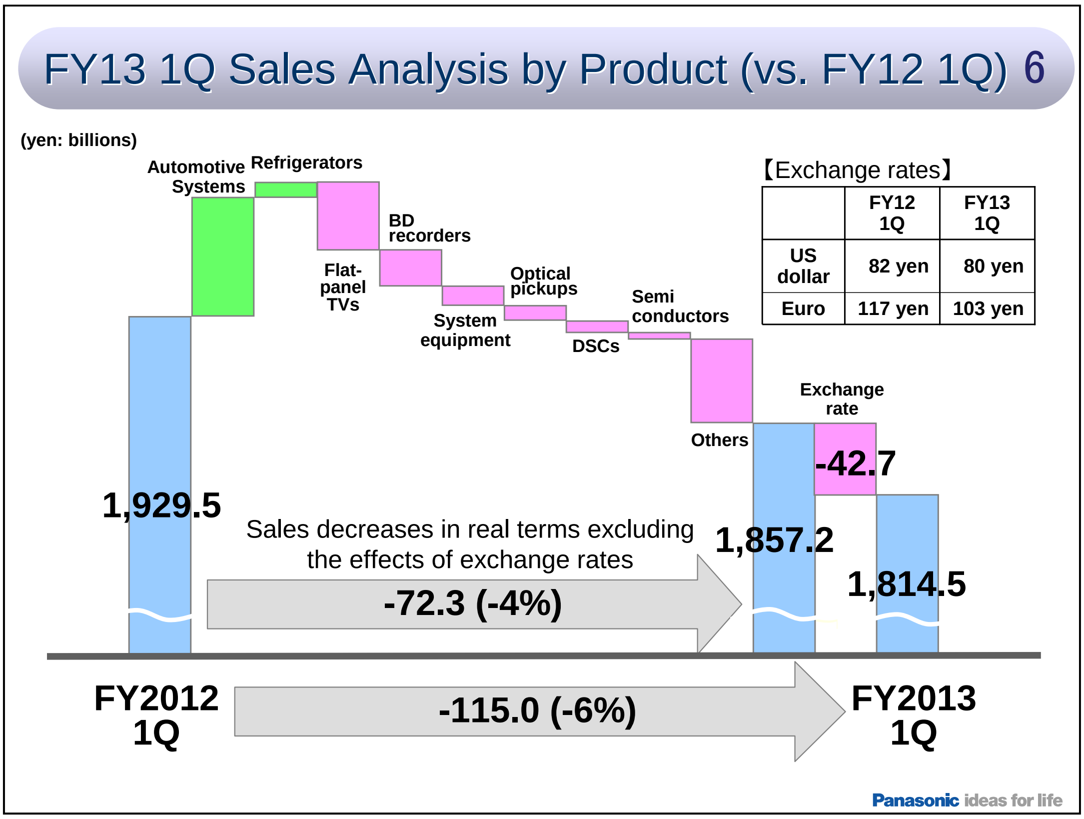
- Consolidated group sales for the first quarter totaled 1,814.5 billion yen, down by 6% compared with the previous year. In real terms, excluding the effects of exchange rates, consolidated group sales decreased by 4%.

- Operating profit, pre-tax income and net income attributable to Panasonic Corporation, recorded 38.6 billion yen, 37.8 billion yen and 12.8 billion yen respectively, showing significant improvements compared with the previous year.



- This slide shows quarterly changes in the financial results.

- Although overall sales in the first quarter of fiscal 2013 were lower than the previous year, the profits improved as a result of enhancing the management structure including that of the unprofitable businesses.



- This slide shows sales trends by major products. Total sales decreased by 115.0 billion yen compared with the previous year. In real terms, sales decreased by 72.3 billion yen, excluding the exchange rate effects (such as weak Euro) of 42.7 billion yen.
- By product, sales in Automotive Systems recorded a significant increase as the impact of the Great East Japan Earthquake disappeared. Sales in refrigerators were also favorable.
- On the other hand, sales in flat-panel TVs and BD recorders in Japan were down following the surge in demand before the termination of analog broadcasting in July 2011. Sales in semiconductors for these finished products were also down from last year.
- Sales in the system-related equipment were down from last year due to demand decreases in compact multifunction printers and private branch exchange (PBX) products. The increase in assembly manufacturers’ inventories in optical pickups after the disaster and weak demand in compact digital cameras also contributed to the overall sales decrease.

FY13 1Q Global Sales by Region

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(yen: billions)

	Sales	vs. FY12		Sales proportion by region (vs. FY12)	
		Yen basis	Local currency basis		
Japan	922.1	-5%	-	51%	(+1%)
Americas	244.0	+2%	+5%	13%	49% (-1%)
Europe	168.2	-15%	-4%	9%	
Asia	227.5	-10%	-5%	13%	
China	252.7	-7%	-6%	14%	
Total	1,814.5	-6%	-4%	100%	

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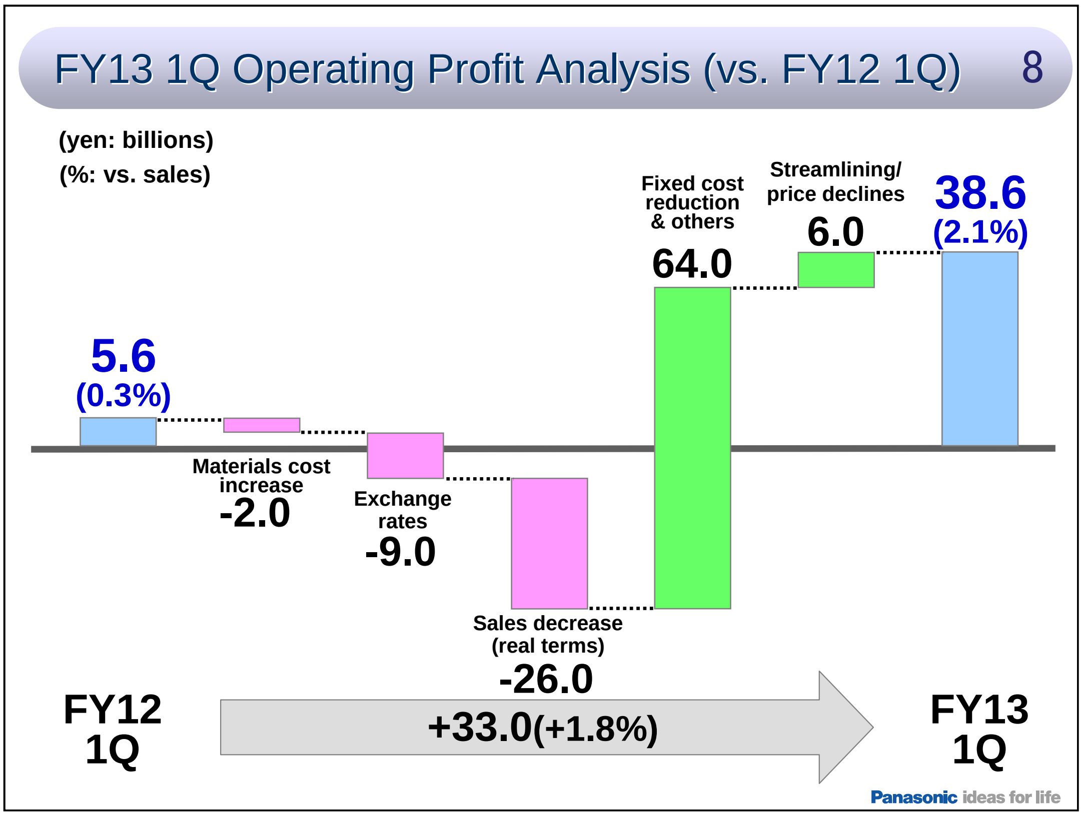
- Sales in Japan decreased by 5% from last year when there was a surge in demand before the termination of analog broadcasting.

- Sales in Americas increased by 2% on a yen basis from last year as a result of strong sales in Automotive Systems as well as stable sales in AV products. However, sales in Europe were down by 15% caused by weak sales in digital cameras, air-conditioners and solar photovoltaic systems.

- Sales in Asia were down by 10% from last year because of weak sales in AV products despite stable sales in white goods. Sales in China were down by 7% as a result of sales decline in devices such as optical pickups.



- This slide shows the operating profit analysis compared with the previous year.

- Profitability was affected by negative factors such as rising material costs, appreciation of the yen (especially against Euro), and weaker sales. However, operating profit increased by 33.0 billion yen due mainly to reduction in fixed costs. Streamlining in material costs which offset price declines also contributed to enhanced profitability.

Pre-tax and Net Income Analysis

(1Q)

(yen: billions)

	FY13	vs. FY12
Operating profit	38.6	+33.0
Financial income / loss	- 0.6	+0.5
Early retirement charges	- 0.4	+3.2
Other	0.2	+18.5
Non-operating income / loss	- 0.8	+22.2
Pre-tax income	37.8	+55.2
Provision for income taxes	27.4	- 9.9
Equity in earnings of associated companies	0.7	- 1.6
Net income	11.1	+43.7
Less net income / loss attributable to noncontrolling interests	- 1.7	- 0.5
Net income attributable to Panasonic Corporation	12.8	+43.2

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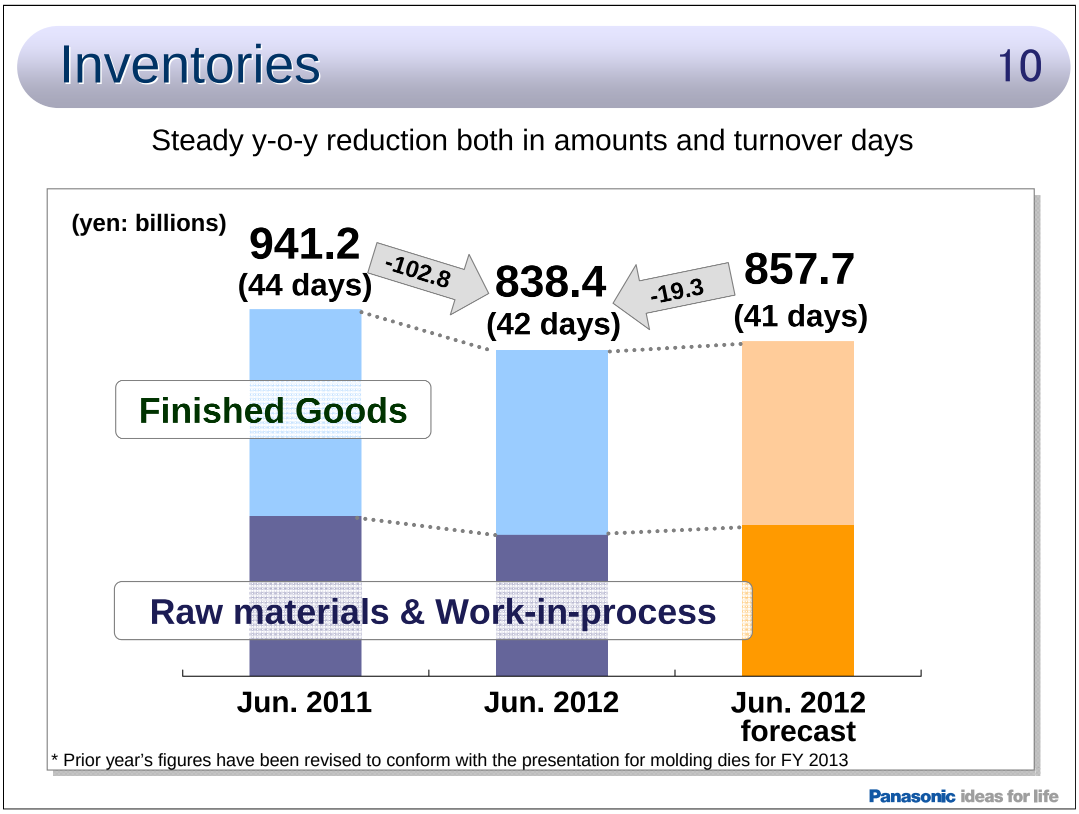
- Next, pre-tax and net income analysis.

- The non-operating loss improved by 22.2 billion yen from last year due to improvement in the financial income/loss and decrease in early retirement charges. The ending of charges related to the Great East Japan Earthquake and disposition of investments were other factors to improvement.

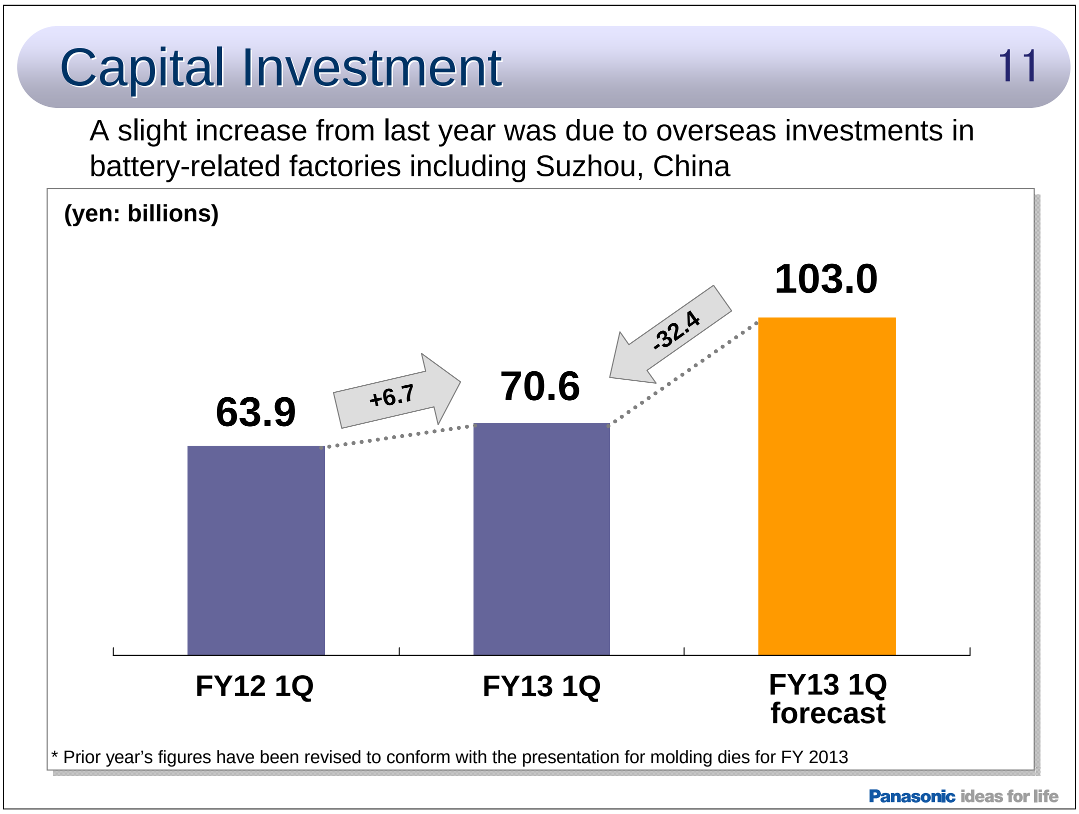
- With regard to corporate tax, the effective tax ratio stood at approximately 70% due mainly to some loss-making companies where deferred tax assets can not be recognized. As a result, net income attributable to Panasonic Corporation amounted to 12.8 billion yen.



- At the end of June 2012, total inventories were 838.4 billion yen, a decrease of 102.8 billion yen from June 2011. This was due mainly to the Company's effort to reduce inventories in flat-panel TVs. Turnover days also decreased by 2 days.

- Compared with the Company's forecast, turnover days increased by 1 day due to sales decline.

- Please note that prior year's figures have been revised to conform with the presentation for molding dies for fiscal 2013.

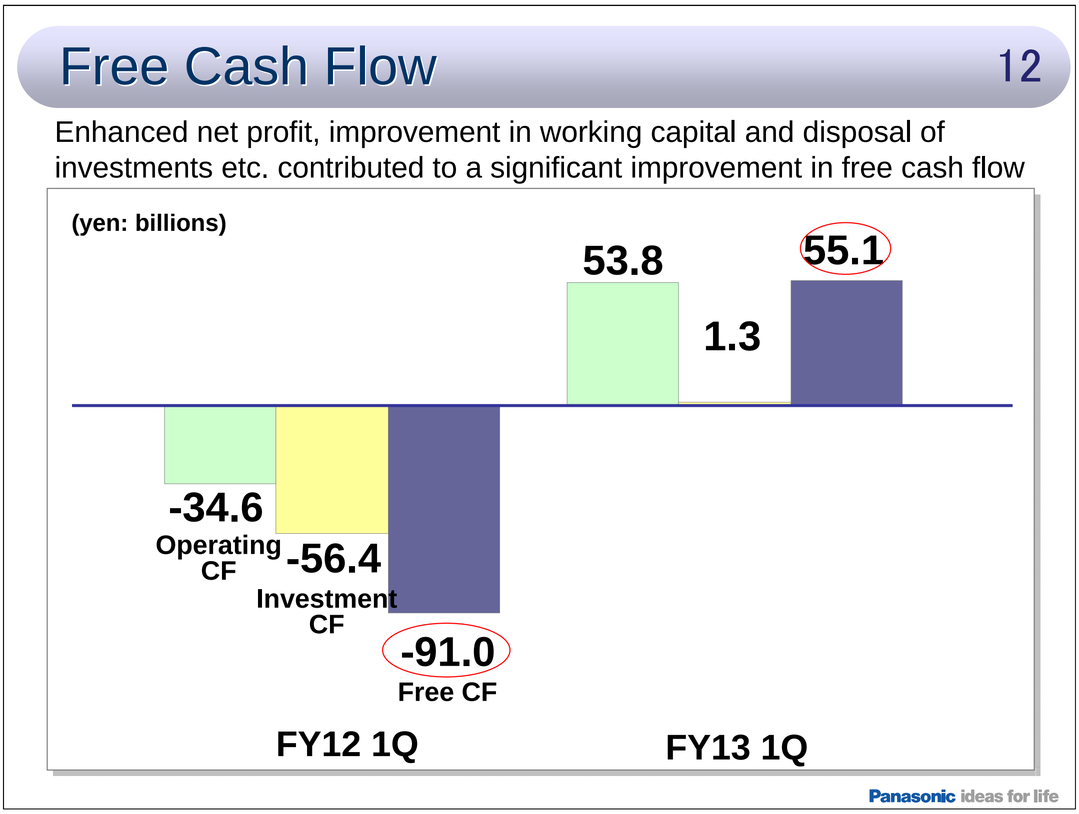


- Capital investment totaled 70.6 billion yen, an increase of 6.7 billion yen from the previous year.

- This was due to investments in energy-related business such as the factory producing lithium-ion batteries for consumer-use in Suzhou, China and the solar battery factory in Malaysia.

- Investment was lower than forecast due mainly to delays in investment.

- Please note that prior year's figures have been revised to conform with the presentation for molding dies for fiscal 2013.



- Free cash flow improved significantly from an outflow of 91.0 billion yen last year to an inflow of 55.1 billion yen.

- In operating cash flow, main reasons for the improvement were an increase in net profit and an improvement in working capital such as trade receivables, inventories and trade payables.

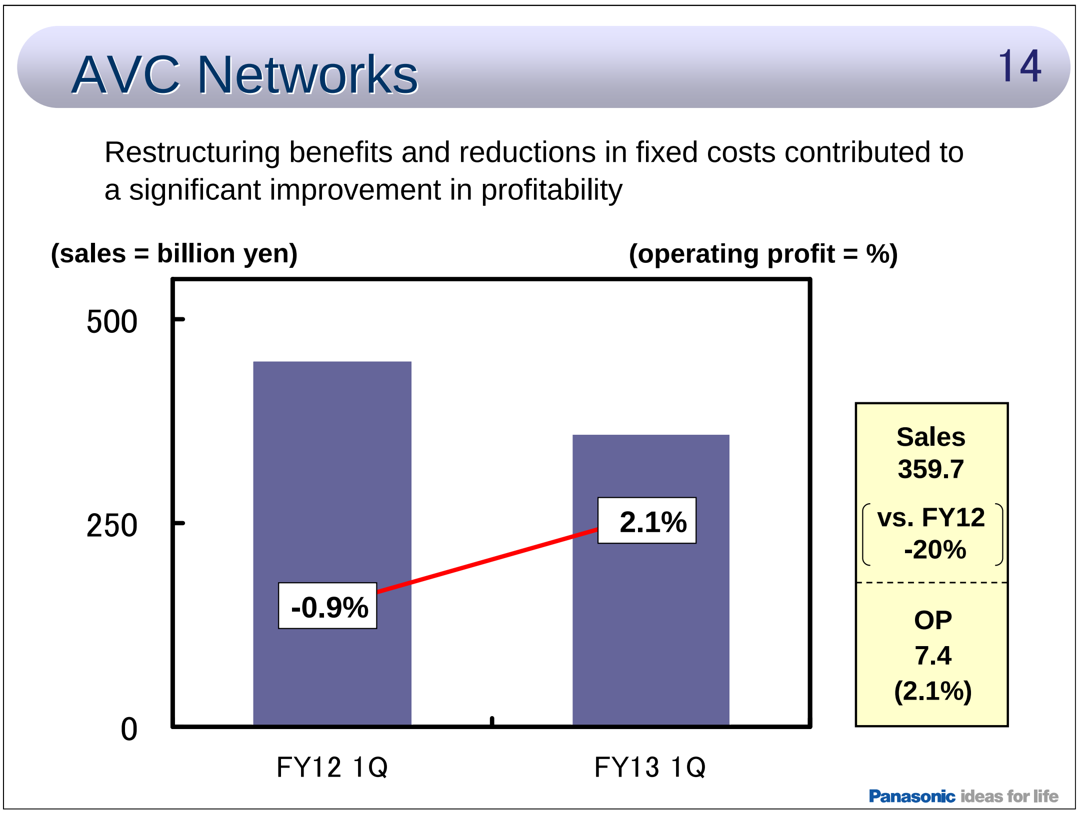
- Investment cash flow also improved due to an increase in proceeds from disposals of investments and property, plant and equipment.

1. Fiscal 2013 first quarter financial results

2. Segment analysis

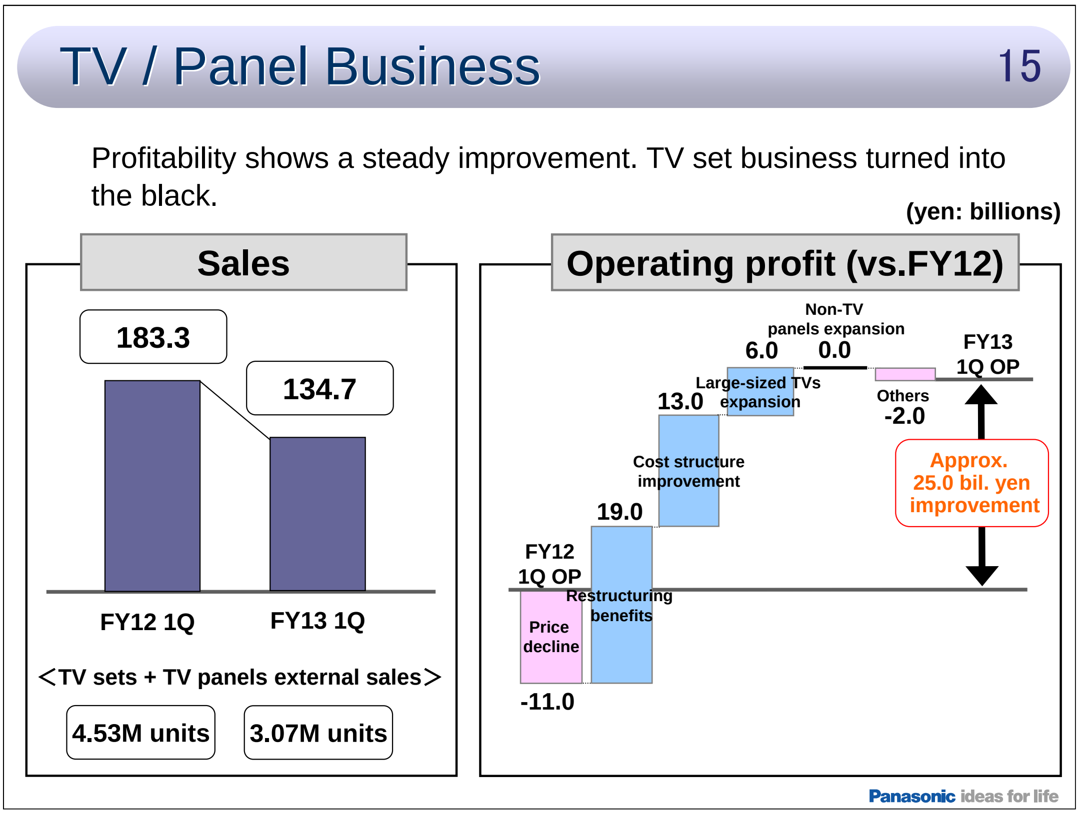
(N.B.) Segment information and sales figures in 1Q FY12 have been reclassified to conform with the presentation for 1Q FY13.

- Next, segment analysis.



- Sales in AVC Networks decreased by 20% from last year due to sales declines in BtoC business such as flat-panel TVs and BD recorders despite favorable sales in BtoB business such as note PCs and others.

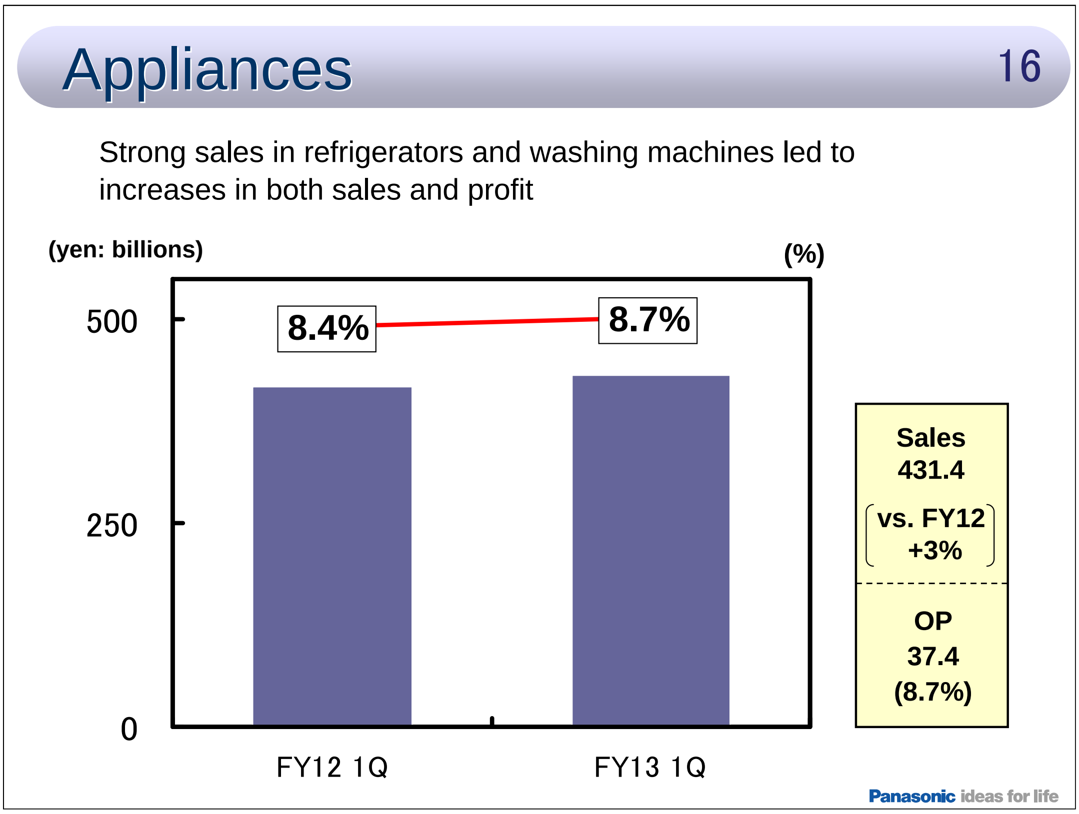
- On the other hand, operating profit showed a significant improvement as a result of restructuring benefits and reductions in fixed costs.



- After the Company established profit as its top priority rather than sales, the flat-panel TV business shows a steady improvement.

- Although sales decreased significantly, both in terms of value and volume, due mainly to cutbacks in the unprofitable models, operating profit improved approximately by 25.0 billion yen from last year.

- As a result, the profitability in the TV set business turned into the black in the first quarter of fiscal 2013. Even for the panel business, the Company receives steady orders for the non-TV use panels. It strives to return the panel business to the black in the fourth quarter, putting profitability as the top priority.

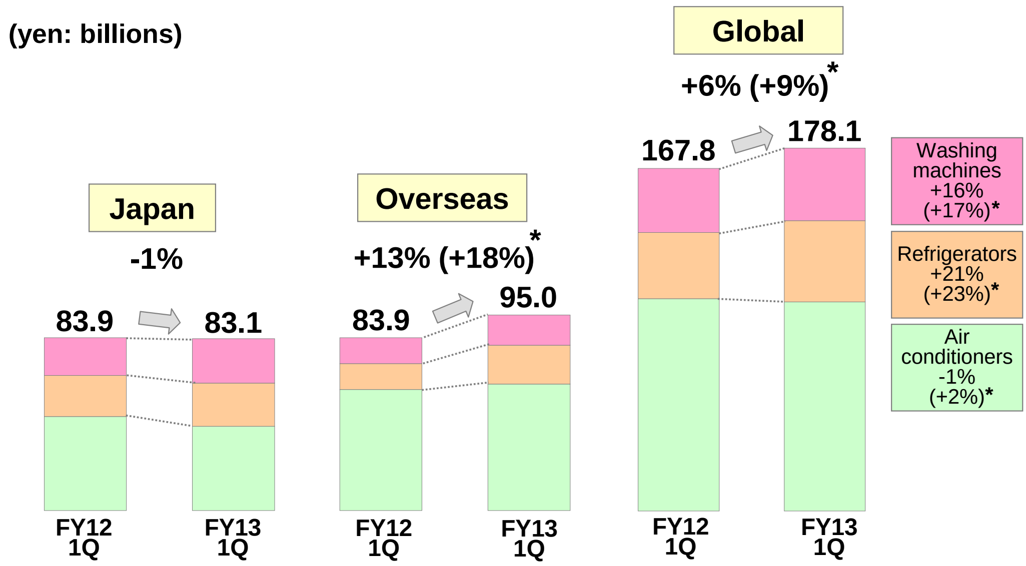


- Overall sales in Appliances increased by 3% due to strong sales in refrigerators and washing machines despite sales decreases in compressors and motors.

- Operating profit improved due mainly to reductions in fixed costs while operating profit to sales ratio improved to 8.7% from 8.4% in the previous year.

Sales of Three Major White Goods 17

Good results continued due to double-digit sales growth in overseas



* Real terms excluding the effects of exchange rates

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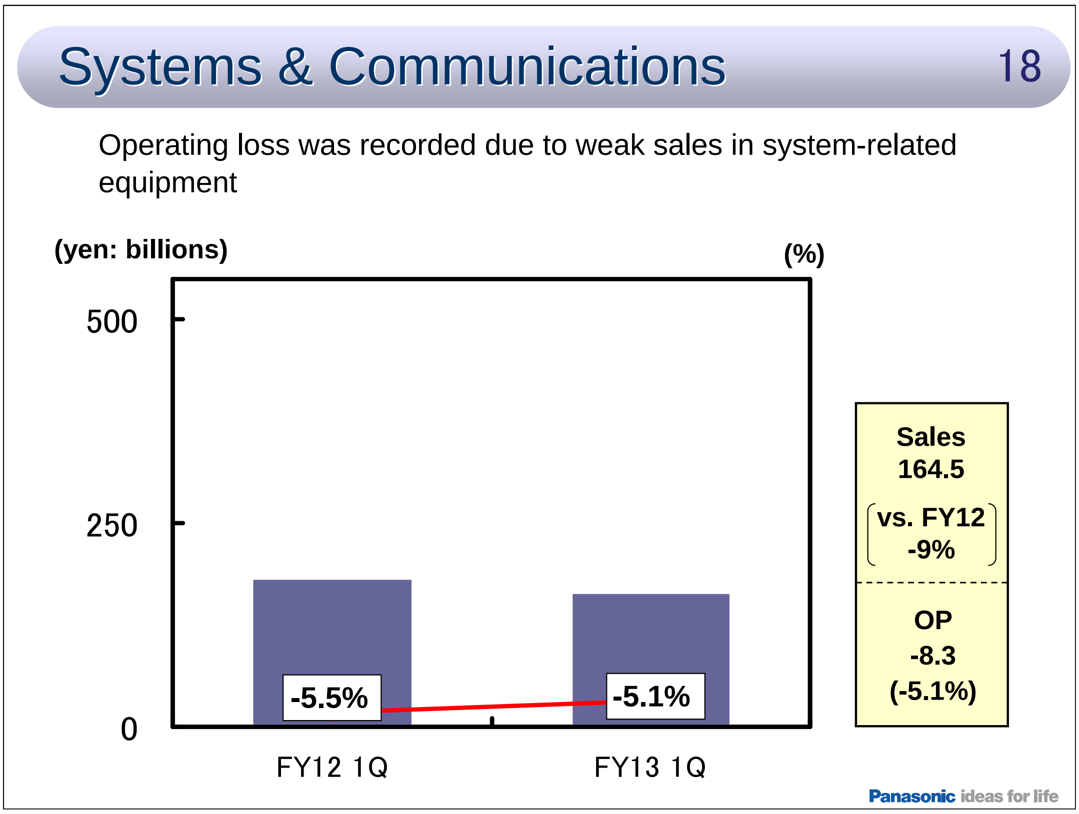
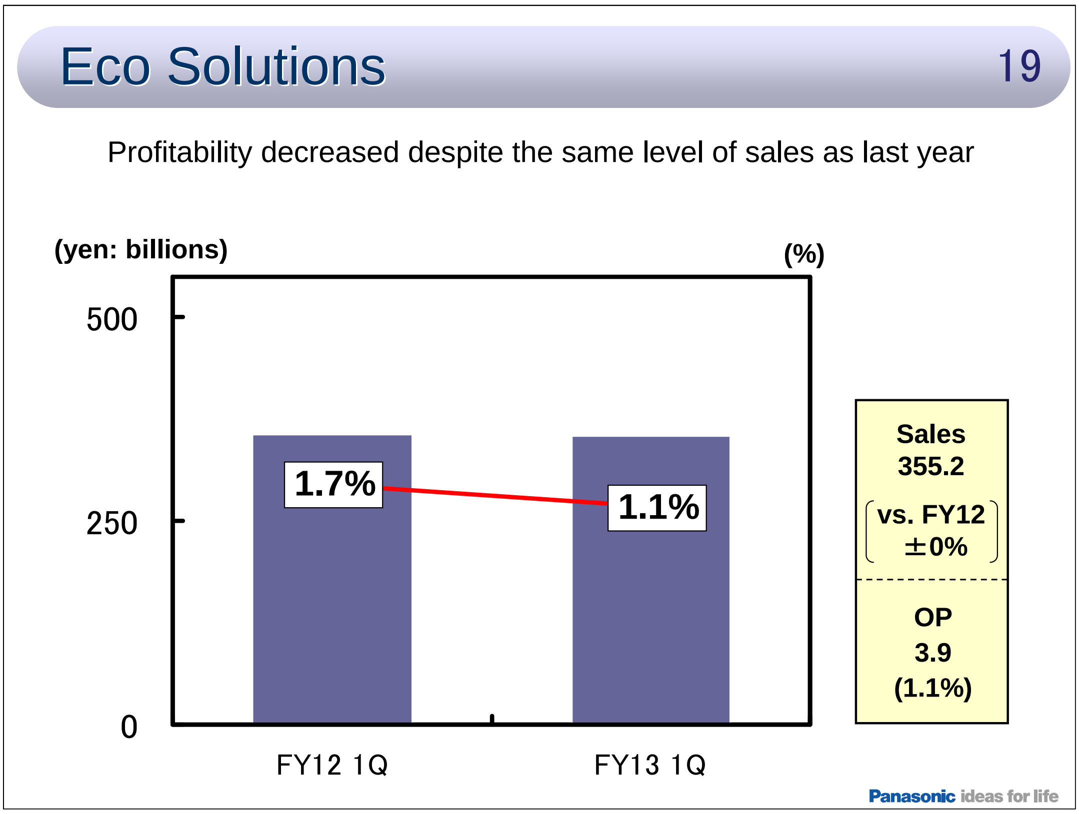
- Total global sales of three major white goods - air conditioners, refrigerators and washing machines - were up by 6%, recording double-digit growth in overseas.
- Sales in refrigerators in particular showed a strong increase of 48% in overseas from the last year while overall sales were up by 21%.
- The Company achieves its strength in refrigerators because its vertical business model allows advances in technology developments. The in-house device business, including key components such as compressors, coils and vacuum insulation materials enables the Company to differentiate from its competitors in the high energy saving technologies.
- The Company strives to enhance growth and profitability in Appliance business by focusing on three main products including air-conditioners and washing machines.



- Sales in Systems & Communications decreased by 9% from last year due to sales decreases in system-related equipment such as compact multifunction printers and private branch exchange (PBX) products. Disappointing sales in mobile phones compared with its planned targets, also contributed to overall sales decline.

- Although operating loss amounted to 8.3 billion yen, the level of operating loss is improving from last year due mainly to reductions in fixed costs.

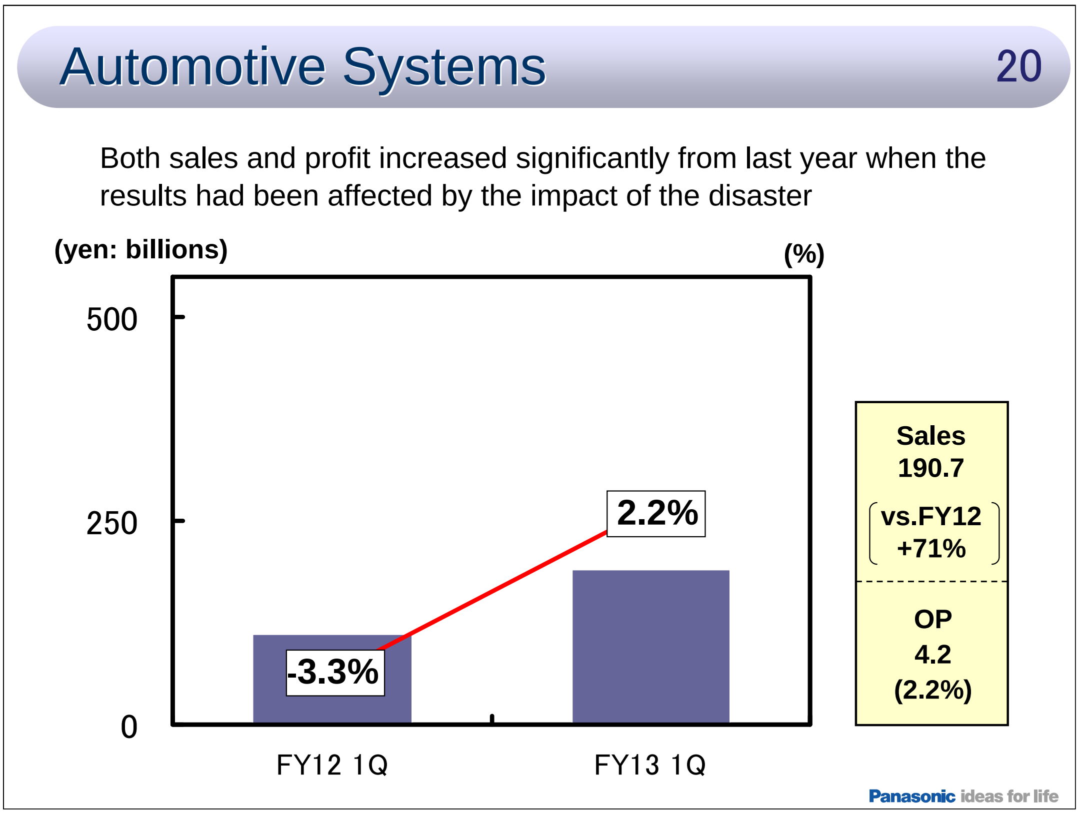
- Although the Company aims to improve its profitability focusing on security business such as network cameras, the severe business environment is expected to continue especially in the mobile phone business.



- Sales in Eco solutions remained at the same level as last year despite lower sales in lighting source devices, solar photovoltaic systems in Europe and home use fire alarms in Japan. This was due mainly to sales increases in LEDs and solar photovoltaic systems in Japan.

- Operating profit was lower than the previous year due mainly to a sales decrease in fire alarms in Japan. In addition, the retirement benefit system of the former Panasonic Electric Works was brought in line with that of Panasonic Corporation which also led to the lower profitability.

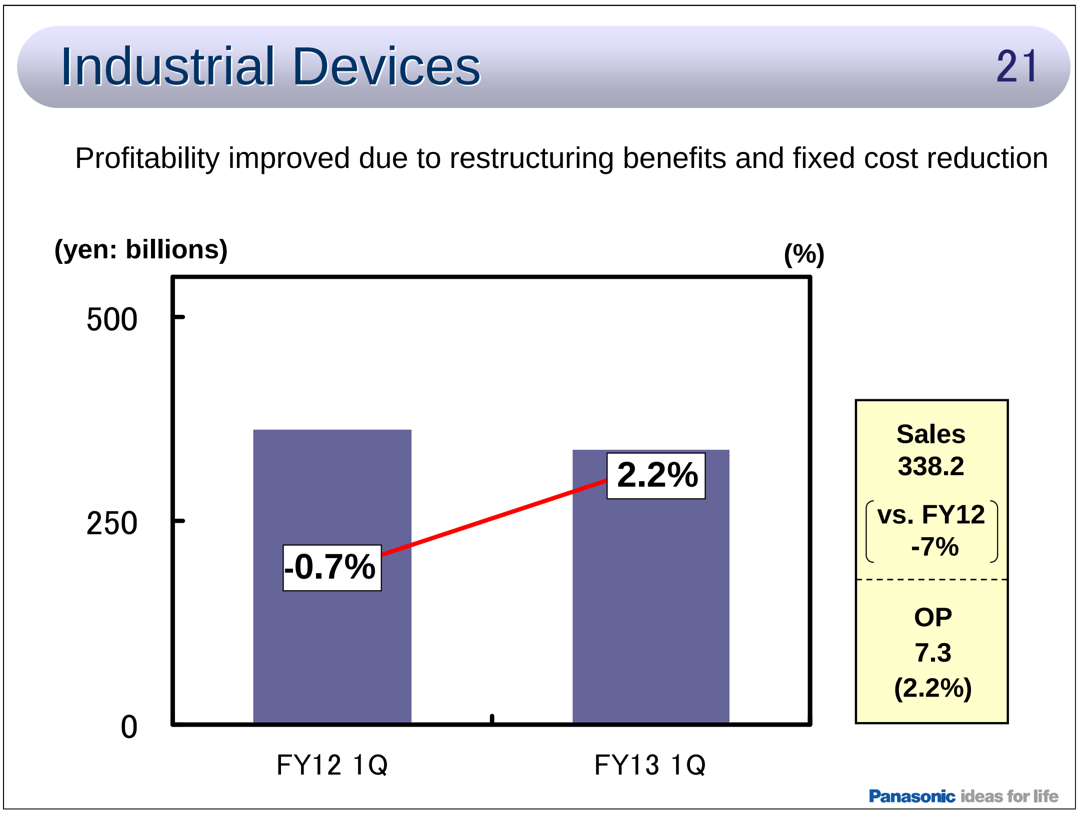
- The Company aims to improve its profitability by sales expansion mainly in LEDs, a growing market.



- Sales in Automotive Systems increased significantly by 71% from last year when the results had been affected by the impact of the Great East Japan Earthquake. This was due mainly to sales increases in car audios and navigations as well as exclusive parts for eco-cars.

- Operating profit also showed a significant improvement from last year due mainly to sales increase.

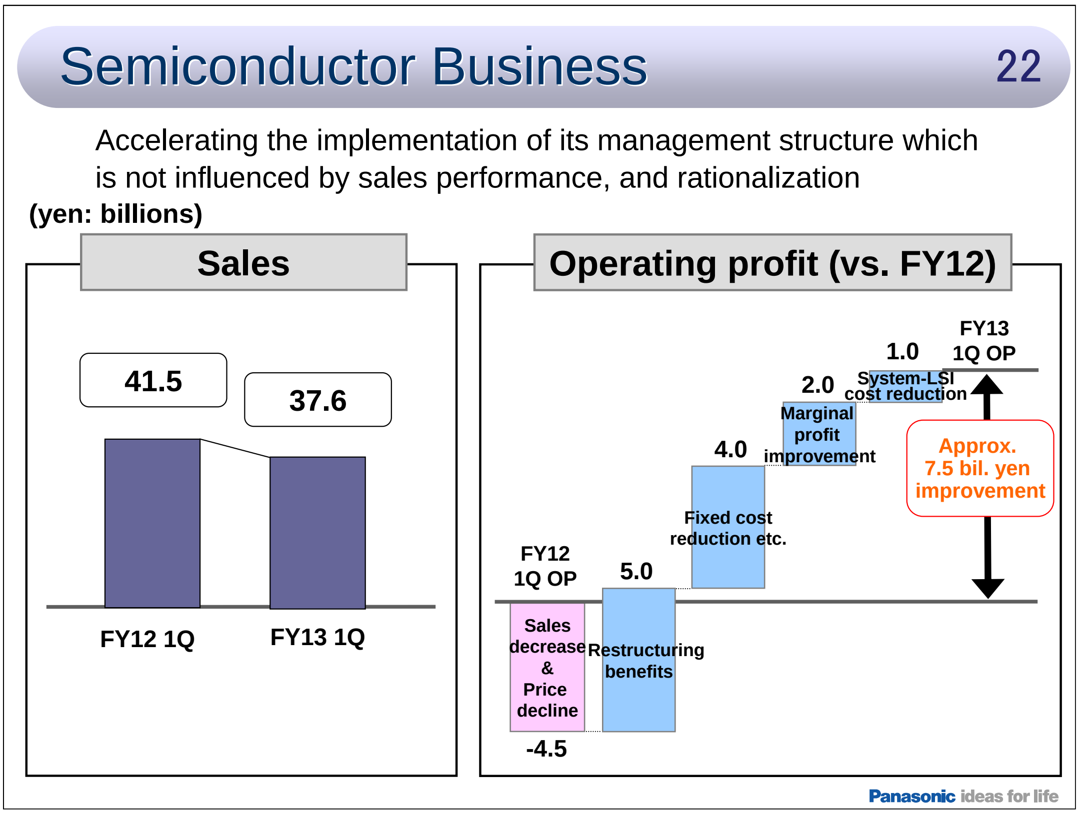
- Further improvement in profitability is expected to continue with the recovery in the automobile industry.



- Overall sales in Industrial Devices decreased by 7% from last year. Despite sales increases in electronic components and materials, this result was due mainly to sales decreases in optical pickups and semiconductors.

- Operating profit improved significantly due to restructuring benefits and reductions in fixed costs.

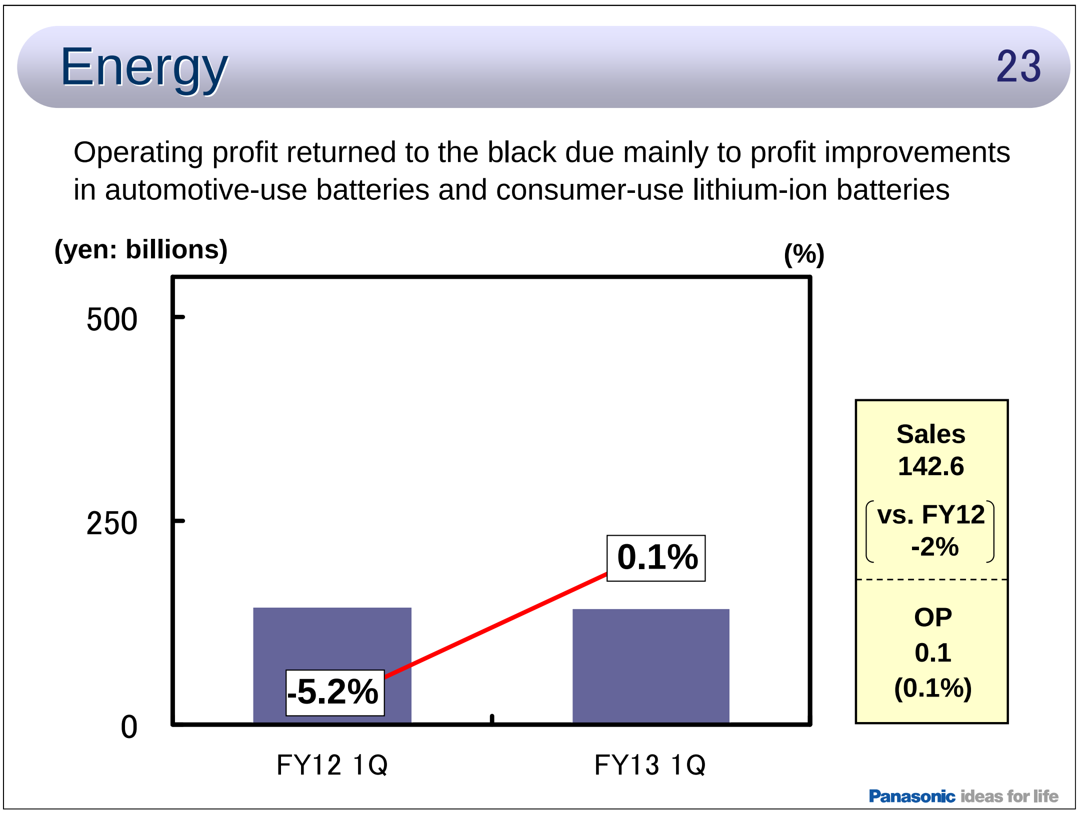
- Although sales decrease is expected to continue in optical pickups and semiconductors, profitability is forecast to improve compared with the previous year due to restructuring benefits and reductions in fixed costs.



- In the semiconductor business, the Company is accelerating the implementation of its management structure which is not influenced by sales performance, and rationalization.

- Operating profit improved by 7.5 billion yen due to restructuring benefits and fixed cost reductions despite a significant sales decrease for flat-panel TVs. Sales increases for smartphones and automobiles also contributed to enhanced profitability.

- Although an operating loss was still recorded in the first quarter, the business performance is improving as planned. The Company expects to achieve full-year profitability.



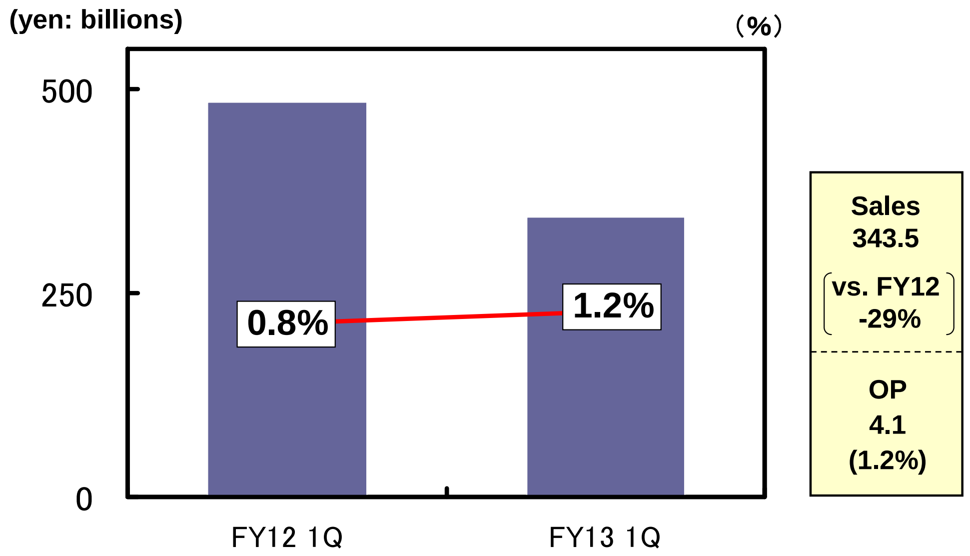
- Sales in Energy decreased by 2% from last year. Despite sales increases in automotive-use batteries and solar photovoltaic systems in Japan, this result was due mainly to sales decreases in solar photovoltaic systems in Europe, consumer-use lithium-ion and dry batteries.

- Operating profit in the Energy segment returned to the black as profitability in the automotive-use batteries and consumer-use lithium-ion batteries showed steady improvements.

- In July 2012, the factory in Suzhou, China, producing lithium-ion batteries for consumer-use, started operation. To enhance profitability, the Company aims to establish its supply system as soon as possible for the markets and products where demand is strong.

Other

Despite sales decline owing to business transfers in FY12, operating profit increased due to fixed cost reductions



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- Overall sales in Other decreased by 29% from last year. This was due mainly to sales decline owing to the SANYO-related business transfers in fiscal 2012.

- Operating profit increased due mainly to fixed cost reductions.

Healthcare and MS Companies

(yen: billions)

	Healthcare Company		MS Company*	
	FY13 1Q	vs. FY12/ difference	FY13 1Q	vs. FY12/ difference
Sales	**32.3**	**+3%**	**44.6**	**-6%**
Operating profit	**1.8 (5.6%)**	**+ 0.9**	**6.3 (14.2%)**	**- 0.4**

*Manufacturing Solutions Company

- This slide shows the results of two companies in the Other segment.

- Sales in the Healthcare Company increased by 3% and operating profit also increased. These were due mainly to increased sales in blood glucose monitoring systems.

- Sales in the Manufacturing Solutions Company was down by 6% from last year as Chinese companies held back investments. Although operating profit was slightly lower than last year, operating profit to sales ratio remained at a high level of 14.2%.

Management Targets

1. Profit as top priority

2. Intensive cash flow management

3. Re-build strong financial structure

- Finally, three management targets are shown here.
- The Company will review products from the customers' point of view. With regard to management control, it focuses on more details by examining all the business units under the domain companies. It will also carry out resource shifts on an unprecedented scale and detailed risk management.
- In addition, the Company will further strive to accelerate the implementation of cash-focused operations in all its business activities.
- The first quarter results showed signs of improvement despite lower sales, profitability was enhanced. As a whole, the management structure has been improving.
- Although the outlook for the second quarter onwards remains cautious due to uncertainty in the global economy and overall demand, the Company endeavors to improve its management structure to focus on profitability.

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- Thank you for your continuous support.

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In order to be consistent with generally accepted financial reporting practices in Japan, operating profit (loss) is presented in accordance with generally accepted accounting principles in Japan. The company believes that this is useful to investors in comparing the company's financial results with those of other Japanese companies. Under United States generally accepted accounting principles, expenses associated with the implementation of early retirement programs at certain domestic and overseas companies, and impairment losses on long-lived assets are usually included as part of operating profit (loss) in the statement of income.