Fiscal 2015 Financial Results
Fiscal 2016 Financial Forecast

April 28, 2015
Panasonic Corporation

Notes: 1. This is an English translation from the original presentation in Japanese.
2. In this presentation, “fiscal 2015” or “FY2015” refers to the year ended March 31, 2015.
In addition, “fiscal 2016” or “FY16” refers to the year ending March 31, 2016.

• This presentation contains consolidated financial results for fiscal 2015, ended March 31, 2015 and the current forecast for fiscal 2016.
• First, the financial results for fiscal 2015.
This slide shows three main points regarding fiscal 2015.

Firstly, overall sales were lower due mainly to a decrease in demand in Japan after the consumption tax hike and sales cutbacks in the challenging businesses. However, sales in the automotive business which is a prioritized area, such as lithium-ion batteries were favourable throughout the year.

Secondly, operating profit ratio stood at 5%. As a result, the Company achieved all three targets of its mid-term plan ‘CV2015’, one year ahead of schedule.

Thirdly, generation of free CF exceeded the Company’s targets for two years in a row. Accordingly, the Company’s financial structure has been improving steadily for future growth investment.
Consolidated group sales were almost unchanged from last year. However, in real terms (excluding the effects of exchange rates) consolidated group sales decreased by 3%.

Pre-tax income decreased from last year. However, both operating profit and net income attributable to Panasonic Corporation increased from last year.

ROE stood at a double digit 10.6%, improved by 2.0 points from last year.

Compared with forecasts as of the end of October 2014, sales were slightly lower than the forecast. However, all profits exceeded the forecasts.
• Next, sales analysis by region is shown here. Although sales in Japan were down significantly, sales in the Americas, Europe and Asia increased from last year.

• In Japan, a decrease in demand after the consumption tax hike impacted mainly in consumer electronics and housing-related products.

• On the other hand, strong sales in automotive- and BtoB-related businesses in the Americas, and automotive-related businesses in Europe led to an overall sales increase. In Asia, sales in air-conditioners showed steady growth.

• In China, although sales decreased in device-related products for ICTs, sales in air-conditioners recovered compared with the previous year. As a result, overall sales in China were almost the same level as last year.

• Furthermore, despite the positive impact of the yen depreciation, overall sales were slightly lower due to sales cutbacks in the challenging businesses and business transfers.
• Next, operating profit analysis compared with last year.

• Operating profit was negatively impacted by the termination of corporate-wide measures, business transfers including healthcare and sales decreases due mainly to restructuring in challenging businesses. However, operating profit increased by 76.8 billion yen due mainly to fixed-cost reductions, restructuring benefits and streamlining efforts.
**FY2015 Results by Segment**  
(yen: billions)

<table>
<thead>
<tr>
<th></th>
<th>FY15</th>
<th>vs. FY14</th>
<th>OP</th>
<th>vs. FY14</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Appliances</strong></td>
<td>1,769.7</td>
<td>±0%</td>
<td>40.5</td>
<td>+11.0</td>
</tr>
<tr>
<td><strong>Eco Solutions</strong></td>
<td>1,666.0</td>
<td>-1%</td>
<td>95.3</td>
<td>+3.2</td>
</tr>
<tr>
<td><strong>AVC Networks</strong></td>
<td>1,154.3</td>
<td>±0%</td>
<td>51.8</td>
<td>+16.1</td>
</tr>
<tr>
<td><strong>Automotive &amp; Industrial Systems (AIS)</strong></td>
<td>2,782.5</td>
<td>+2%</td>
<td>105.7</td>
<td>+36.5</td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td>764.5</td>
<td>-14%</td>
<td>14.6</td>
<td>-9.7</td>
</tr>
<tr>
<td><strong>Eliminations and adjustments</strong></td>
<td>-422.0</td>
<td>-</td>
<td>74.0</td>
<td>+19.7</td>
</tr>
<tr>
<td><strong>Consolidated total</strong></td>
<td>7,715.0</td>
<td>±0%</td>
<td>381.9</td>
<td>+76.8</td>
</tr>
<tr>
<td><strong>Appliances (production and sales consolidated)</strong> *</td>
<td>2,308.6</td>
<td>-1%</td>
<td>55.2</td>
<td>+14.2</td>
</tr>
</tbody>
</table>

*The figures in “Appliances (production and sales consolidated)” include the sales and profits of sales division for consumer products, which are included in “Eliminations and adjustments.”*

- Next, sales and operating profit results by segment. Operating profits increased in all major segments.

- Operating profit was lower in Other due mainly to business transfer of the healthcare business.
Next, full-year results of the major challenging businesses.

With regard to Air-Conditioner business, sales in home-use air-conditioners were affected by weaker demand after the consumption tax hike and weather instability during summer shopping season in Japan. However, profitability improved significantly due mainly to sales increases in Asia and sales recovery in China.

With regard to the TV set business, although the Company was shifting to value-added products, the product prices declined sharply after the third quarter. There was also a negative impact from yen depreciation, resulting in the same level of profitability as the previous year.

With regard to the Semiconductor business, the level of loss was significantly reduced thanks to fixed-cost reductions and restructuring benefits.

With regard to the LCD panel business, sales for medical- and TV-use increased considerably. As a result, the level of loss reduced significantly with profits in the third and fourth quarters.
• Next, pre-tax and net income analysis.

• Non-operating loss was 199.4 billion yen. What needed to be done for fiscal 2015, The Company took firm measures to implement.

• Main items were 94.9 billion yen of business restructuring expenses and a 24.6 billion yen cost for preventing further accidents with the residential water heating system. Furthermore, 59.2 billion yen of legal costs were incurred regarding violation of the antitrust laws mainly for CRTs (Cathode-Ray Tube) and lithium-ion batteries. Gains from business transfers and proceeds from fixed assets were also recorded.

• As a result, pre-tax income was 182.5 billion yen while net income attributable to Panasonic Corporation was 179.5 billion yen.

• In the comparison from last year, pre-tax income decreased owing to one-off gains from business transfers and a pension scheme change in fiscal 2014.

• Net income attributable to Panasonic Corporation increased significantly due mainly to recording deferred tax assets (DTA), namely decrease in valuation allowances to DTA, of 130.2 billion yen for Panasonic Corporation on a consolidated basis.
Next, free cash flow, net cash and shareholders’ equity ratio.

Free cash flow on the left hand side of the slide was 353.5 billion yen, exceeding the Company’s original target of 200.0 billion yen attributable to company-wide cash generating measures.

Consequently, net cash on the right hand side of the slide was 331.5 billion yen at the end of fiscal 2015, showing a significant improvement from last year.

Furthermore, shareholders’ equity ratio was 30.6%, improved by 0.9 points from the end of fiscal 2014.
• Next, financial forecasts for fiscal 2016.
Consolidated group sales of 8,000.0 billion yen and operating profit of 430.0 billion yen for fiscal 2016 are forecast as the Company will focus on profit generation by sales growth.

In particular, the Company will increase sales and profits in the six large scale businesses with over 300.0 billion yen sales each but still under 5% of operating profit ratio. Forecasts for these six businesses will be explained later.

Both pre-tax income and net income attributable to Panasonic Corporation are expected to increase to 300.0 billion yen and 180.0 billion yen respectively.
• This slide shows the operating profit analysis for fiscal 2016.

• Although fixed-costs are expected to increase due mainly to a rise in R&D expenses, the Company aims to improve operating profit through sales expansions, restructuring benefits and continuous rationalization efforts.

• Exchange rate impact is expected to be generally neutral.
• Next, pre-tax and net income analysis.

• Pre-tax income is expected to be 300.0 billion yen as business restructuring expenses of 40.0 billion yen are planned in non-operating income/loss.

• As a result, net income attributable to Panasonic Corporation is projected to be 180.0 billion yen. As recording of 130.2 billion yen in deferred tax assets was included in fiscal 2015, the real term increase of net income attributable to Panasonic Corporation for fiscal 2016 will be significant.
• Next, forecasts of free cash flow and net cash.

• In fiscal 2016, the Company continues to generate cash through company-wide activities, aiming for free cash flow of more than 200.0 billion yen.

• As a result, net cash is expected to be approximately 500.0 billion yen.

• Strategic investment is not included in these figures.
• Next, changes in segments in fiscal 2016.

• Firstly, business transfers associated with reorganization. Motor BD has been transferred from Appliances to AIS (Automotive & Industrial Systems). Japanese and Chinese sales divisions which were included in ‘Eliminations and adjustments’ have been transferred to Appliances.

• Secondly, changes in the businesses for disclosure of results which previously were mainly major unprofitable businesses. The Company will now disclose results for six BDs which will contribute significantly to an overall profit increase. Forecasts for these six BDs will be explained later.
Re-clarification following Changes in Segments

<table>
<thead>
<tr>
<th></th>
<th>FY15 (former segments)</th>
<th>FY15 (new segments)</th>
</tr>
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- This chart shows the comparison of fiscal 2015 results in new and former segment frames. Changes are highlighted in the red boxes.
- Forecasts for fiscal 2016 will use the 'new segment' basis.
### FY2016 Full Year Segment Forecast

<table>
<thead>
<tr>
<th>Segment</th>
<th>FY16 forecast</th>
<th>vs. FY15</th>
<th>OP</th>
<th>vs. FY15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appliances</td>
<td>2,320.0</td>
<td>-1%</td>
<td>71.0</td>
<td>+21.2</td>
</tr>
<tr>
<td>Eco Solutions</td>
<td>1,726.0</td>
<td>+4%</td>
<td>104.5</td>
<td>+9.2</td>
</tr>
<tr>
<td>AVC Networks</td>
<td>1,236.0</td>
<td>+7%</td>
<td>67.5</td>
<td>+15.7</td>
</tr>
<tr>
<td>Automotive &amp; Industrial Systems</td>
<td>2,835.0</td>
<td>+1%</td>
<td>142.5</td>
<td>+26.1</td>
</tr>
<tr>
<td>Other</td>
<td>670.0</td>
<td>-12%</td>
<td>12.0</td>
<td>-2.6</td>
</tr>
<tr>
<td>Eliminations and adjustments</td>
<td>-787.0</td>
<td>-</td>
<td>32.5</td>
<td>-21.5</td>
</tr>
<tr>
<td>Consolidated total</td>
<td>8,000.0</td>
<td>+4%</td>
<td>430.0</td>
<td>+48.1</td>
</tr>
<tr>
<td>Appliances (production and sales consolidated) *</td>
<td>2,590.0</td>
<td>+1%</td>
<td>73.6</td>
<td>+22.8</td>
</tr>
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* The figures in “Appliances (production and sales consolidated)” include the sales and profits of sales division for consumer products, which are included in “Eliminations and adjustments.”

- Full year forecasts for fiscal 2016 on a new segment basis are shown here.
These are the six BDs which were previously mentioned.

All BDs’ sales and profits are expected to increase. In particular, sales in Air-Conditioner and profitability in Rechargeable Battery BD will lead the growth.

Total sales of six BDs are forecast to increase by 6%, up 139.4 billion yen on last year, with an operating profit increase of 41.8 billion yen.

Next, by segment.
First, Appliances based on a production and sales consolidated basis. Sales are predicted to increase by 1% on last year.

In the Consumer Electronics field, a sales decrease in TV set business is predicted. However, the Company will implement locally self-sustainable management and marketing structure in Asia and China where high growth is expected. It will also launch premium products, aiming at wealthy classes, as well as expanding sales through product development to meet each market’s requirements.

Furthermore, with regard to BtoB businesses such as large sized air-conditioners and cold-chain, the Company will increase its product line-ups and strengthen sales structure in overseas markets in order to increase sales.

On the other hand, the Company aims for steady profitability increase with sales growth through profit structure change by shifting sales and development resources to BtoB and overseas businesses.

With regard to TV set business which is positioned as a challenging business, its restructuring and the re-direction of business have been completed by fiscal 2015. As a result, profit improvement is expected.
• Sales in Eco Solutions is expected to increase by 4% from last year.

• Regarding the housing market in Japan, the impact of the consumption tax hike will disappear, and the non-housing market is predicted to be favourable. However, a small increase in sales is forecast due to price declines in solar and LED products.

• On the other hand, in overseas markets, the Company will increase sales in wiring and lighting devices mainly in strategic areas such as India, China and ASEAN.

• Operating profit is expected to increase due to sales expansion and rationalization by offsetting price decline and the negative impact of currency fluctuation.
• Next, AVC Networks.
• Sales expansion is expected mainly in Visual & Imaging and Mobility Businesses, making an overall sales increase of 7% on last year.
• In Visual & Imaging Business, the Company will strengthen its line-ups such as 4K compatible digital cameras and security cameras as well as high-intensity projectors. It strives to expand business in high picture quality and high value-added fields.
• In Mobility Business, the Company aims to strengthen line-ups in tablets and hand-held terminals which are unique with ruggedized technology. Accordingly, it will endeavour to expand business for corporates that are engaged in various environments with differing conditions.
• Furthermore, it will strengthen development and engineering structures to expand solution businesses by utilizing these core products.
• As a result, a fixed-cost increase due to strengthening the structures is expected. However, operating profit is anticipated to increase due to sales increases and rationalization in materials.
• Next, Automotive & Industrial Systems.

• Sales are expected to increase by 1% on last year. Although sales decreases in unprofitable businesses are projected due to business contraction and withdrawal, overall sales are expected to increase. This is due mainly to sales increases in products for automotive and industrial use, such as batteries and electronics for automotive, FA (factory automation) and storage battery systems. The positive impact of yen depreciation is also expected to contribute to the overall sales increase.

• Development investment and depreciation expenses for growing automotive and industrial use are expected to increase. However, operating profit is forecast to improve due to sales increases mainly in businesses for automotive and industrial use, and due to rationalization.

Although the Company currently adopts U.S. GAAP, it has decided to adopt IFRS voluntarily from its year-end financial results for the fiscal year ending March 31, 2017.

By unifying all group companies accounting standard with IFRS, the Company will achieve high standardization of control ability and enhance governance. It will also make efforts to accelerate corporate value enhancement by focusing on cash flow.
• Thank you for your continued support.
Disclaimer Regarding Forward-Looking Statements

This presentation includes forward-looking statements (that include those within the meaning of Section 27A of the U.S. Securities Act of 1933, as amended, and Section 21E of the U.S. Securities Exchange Act of 1934), as amended about Panasonic and its Group companies (the Panasonic Group).

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

The risks, uncertainties and other factors referred to above include, but are not limited to, economic conditions, particularly consumer spending and corporate capital expenditures in the Americas, Europe, Japan, China and other Asian countries; volatility in demand for electronic equipment and components from business and industrial customers, as well as consumers in many product and geographical markets; the possibility that 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 on 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; fluctuations in market prices of securities and other assets in which the Panasonic Group has holdings or changes in valuation of long-lived assets, including property, plant and equipment and goodwill, deferred tax assets and uncertain tax positions; future changes or revisions to accounting policies or accounting rules; 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.

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.
# Segments and Business Divisions

## Appliances
- Air-Conditioner Company
- Refrigeration and Air-Conditioning Devices BD
- Refrigerator BD
- Cold Chain BD
- Laundry Systems and Vacuum Cleaner BD
- Kitchen Appliances BD
- Beauty and Living BD
- Home Entertainment BD
- TV BD
- Panasonic Cycle Technology Co., Ltd.
- Smart Energy System BD

## AVC Networks
- Imaging Network BD
- Storage BD
- Visual Systems BD
- Avionics BD
- IT Products BD
- Security Systems BD
- Communication Products BD
- Office Products BD
- Infrastructure Systems BD
- System Solutions Company (Japan)

## Automotive & Industrial Systems
- Automotive Infotainment Systems BD
- Automotive Electronics Systems BD
- Rechargeable Battery BD
- Energy Device BD
- Panasonic Storage Battery Co., Ltd.
- Electromechanical Control BD
- Panasonic Semiconductor Solutions Co., Ltd.
- Device Solutions BD
- Electronic Materials BD
- Panasonic Liquid Crystal Display Co., Ltd.
- Smart Factory Solutions BD

## Eco Solutions
- Lighting BD
- Energy Systems BD
- Housing Systems BD
- Panasonic Ecology Systems Co., Ltd.

## Other
- PanaHome Corporation

*As of April 1, 2015*