

Fiscal 2016 Financial Result Fiscal 2017 Financial Forecast

April 28, 2016
Panasonic Corporation

Notes: 1. This is an English translation from the original presentation in Japanese.
2. In this presentation, "fiscal 2016" or "FY2016" refers to the year ended March 31, 2016.
In addition, "fiscal 2017" or "FY17" refers to the year ending March 31, 2017.

Summary

FY16 Financial result (US GAAP)

- Sales decreased due to downsizing businesses such as TV and slow demand in solar panel and ICT* related businesses. Profit increased due to improving profit structure.
- In particular, appliance and Vertical Solution business contributed to company-wide profit expansion.

FY17 Financial forecast (IFRS)

- Lay foundation for future growth.
- Proactively implement upfront investment in high-growth businesses with projected fixed cost increase.

* ICT stands for information and communications technology

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1. FY16 Financial Result

2. FY17 Financial Forecast

FY16 Financial Result

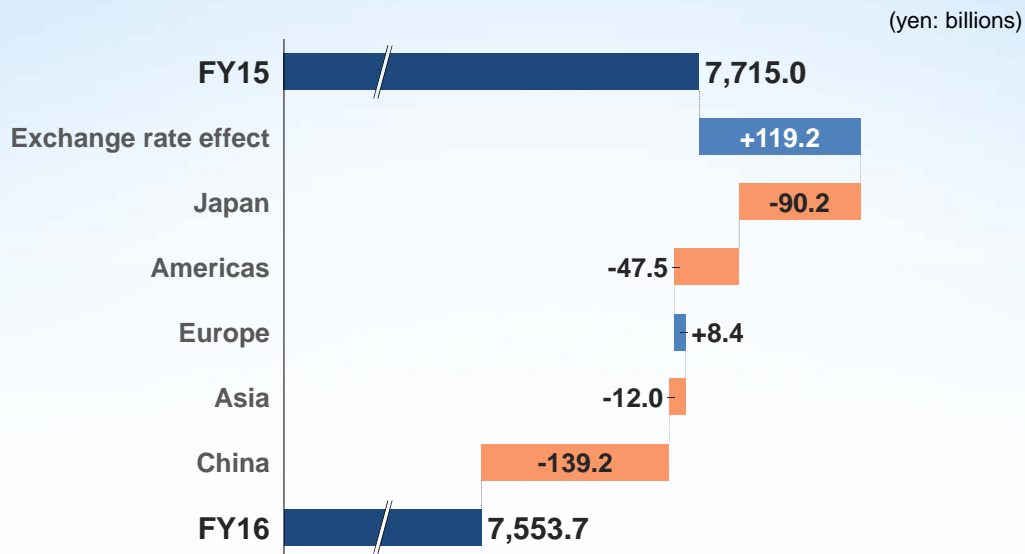
(yen: billions)

	FY16 (US GAAP)	FY15 (US GAAP)	vs. FY15 %/amount		FY16 Forecast (as of Feb. 3, 2016)
Sales	7,553.7	7,715.0	-2% (-4%)*	-161.3	7,550.0
Operating profit	415.7 (5.5%)	381.9 (5.0%)	+9%	+33.8	410.0 (5.4%)
Non-operating income/loss	-198.7	-199.4	-	+0.7	-130.0
Pre-tax income	217.0	182.5	+19%	+34.5	280.0
Net income**	193.3	179.5	+8%	+13.8	180.0
ROE	11.0%	10.6%	-	+0.4%	

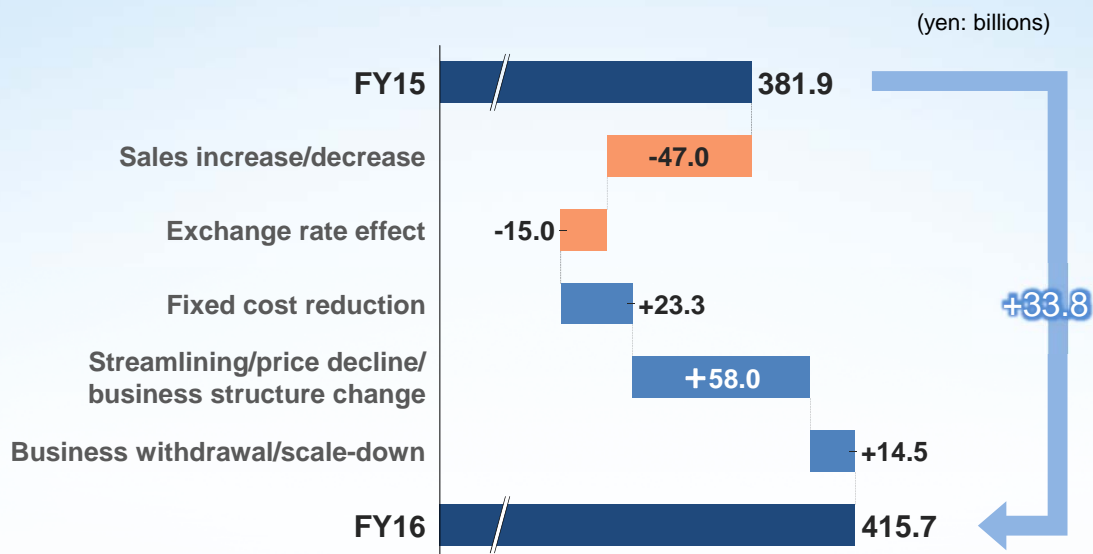
Exchange rate	1 USD	120 yen	110 yen
	1 EUR	133 yen	139 yen
	1 Renminbi	18.9 yen	17.7 yen

* Real terms excluding exchange rate effect (unaudited)
 ** Net income attributable to Panasonic Corporation

FY16 Sales Analysis by Region



FY16 Operating Profit Analysis



FY16 Pre-Tax and Net Income Analysis

(yen: billions)

	FY16	vs. FY15
Operating profit	415.7	+33.8
Non-operating income/loss*	-198.7	+0.7
Pre-tax income	217.0	+34.5
Provision for income taxes	14.5	+16.5
Equity in earnings of associated companies	12.6	+0.7
Net income	215.1	+18.7
Less net income attributable to noncontrolling interests	21.8	+4.9
Net income**	193.3	+13.8

* Detail of non-operating income/loss

Business restructuring expenses	-65.8	+29.1
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** Net income attributable to Panasonic Corporation

FY16 FCF and Net Cash

(yen: billions)

	FY16	FY15	vs. FY15
FCF * Figure excludes strategic investment.	124.4 (222.9)*	353.5	-229.1
Cash Conversion Cycle (CCC)	30 days	36 days	-6 days
Net Cash (End of fiscal year)	293.8	331.5	-37.7

FY16 Result by Segment

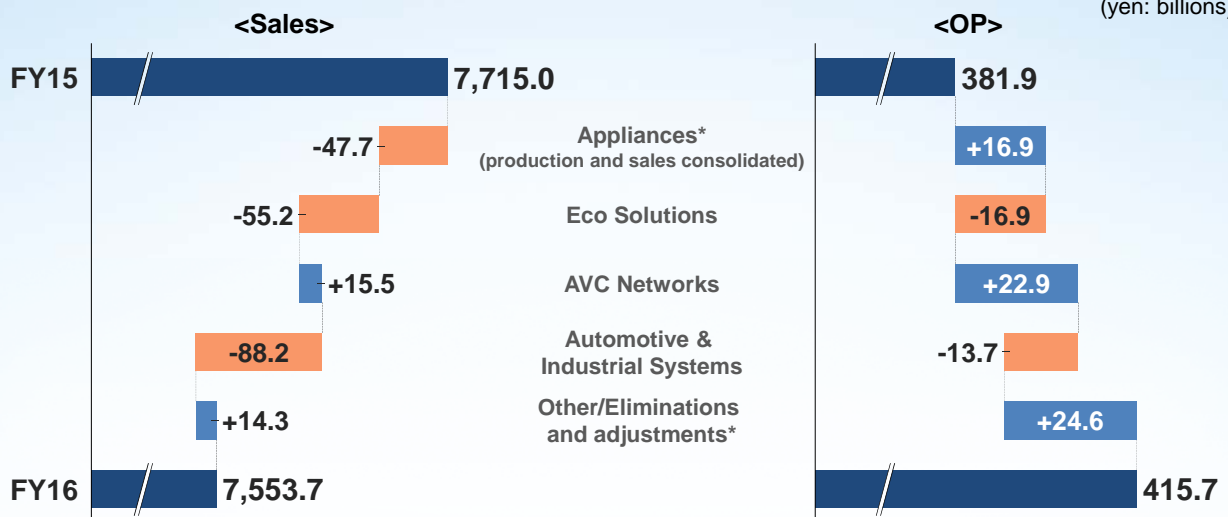
(yen: billions)

	FY16 (US GAAP)			
	Sales	vs. FY15	OP	vs. FY15
Appliances	2,269.4	-3%	72.2	+22.4
Eco Solutions	1,610.8	-3%	78.4	-16.9
AVC Networks	1,169.8	+1%	74.7	+22.9
Automotive & Industrial Systems	2,708.6	-3%	102.7	-13.7
Other	661.4	-13%	16.1	+1.5
Eliminations and adjustments	-866.3	-	71.6	+17.6
Consolidated total	7,553.7	-2%	415.7	+33.8
Appliances (production and sales consolidated)*	2,504.8	-2%	67.8	+16.9

* Appliances (production and sales consolidated) includes sales and profits of sales division for consumer products which are included in Eliminations and adjustments.

FY16 Sales and OP Analysis by Segment

(yen: billions)



* Difference between Appliances (production and sales consolidated) and Appliances is adjusted in Other/eliminations and adjustments.

FY16 Sales and OP in Six Large-scale and TV BDs

(yen: billions)

	FY16			
	Sales	vs. FY15	OP	vs. FY15
Air-conditioner*	465.6	+1%	18.3	+2.4
Lighting	320.3	+1%	20.3	+5.4
Housing Systems	353.6	-4%	14.0	+2.8
Automotive Infotainment Systems	534.1	+/-0%	17.2	-3.2
Rechargeable Battery**	352.8	-7%	0.1	-7.3
PanaHome	353.0	+8%	15.9	+3.1
Total	2,379.4	+/-0%	85.8	+3.2
TV*	350.8	-22%	1.3	+16.2

* Production and sales consolidated

** Rechargeable Battery BD + Tesla BU

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1. FY16 Financial Result

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IFRS Voluntary Adoption

<Schedule>

Financial period	Materials to disclose	Adopted accounting standard
FY17 Q1, Q2 and Q3	- Quarterly financial result - Quarterly report	US GAAP
FY17 year end	- Financial result - Financial documents under the Companies Act - Annual securities report	IFRS

FY17 Financial Forecast (IFRS)

(yen: billions)

	FY17(e) (IFRS)	vs. FY16* %/amount	<reference> FY17(e) (US GAAP)
Sales	7,600.0	+/-0% (+3%)**	7,500.0
Adjusted operating profit***	385.0	-7%	-
Other income/loss	-75.0	- +107.9	-
Operating profit	310.0	+35% +79.7	375.0
Non-operating income/loss	-10.0	- -8.0	-105.0
Pre-tax income	300.0	+31% +71.7	270.0
Net income****	145.0	-9% -14.6	135.0
FCF (excl. strategic investment)	More than 150.0		
Exchange rate	1 USD	115 yen	
	1 EUR	125 yen	
	1 Renminbi	17.6 yen	

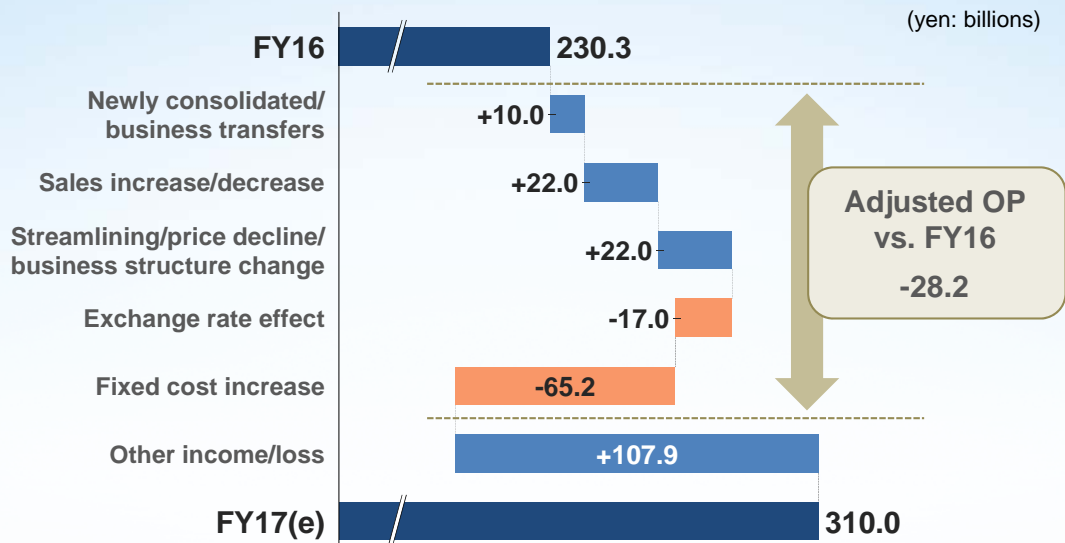
* FY16 figures are based on IFRS (unaudited)

** Real terms excluding exchange rate effect

*** Adjusted operating profit=sales-cost of sales-SG&A

**** Net income attributable to owners of parent company

FY17 Operating Profit Analysis



* FY16 figures are unaudited.

FY17 Segment Forecast (IFRS)

(yen: billions)

	FY17(e) (IFRS)							
	Sales	vs. FY16	Adjusted OP	vs. FY16	Other income/loss	vs. FY16	OP	vs. FY16
Appliances	2,370.0	+91.2	106.4	+25.0	-9.4	+12.4	97.0	+37.4
Eco Solutions	1,640.0	+47.3	95.8	+7.9	-5.8	+5.8	90.0	+13.7
AVC Networks	1,175.0	+2.3	74.5	-8.1	-15.5	-1.9	59.0	-10.0
Automotive & Industrial Systems	2,640.0	-67.3	117.0	-18.2	-17.0	+68.0	100.0	+49.8
Other	690.0	+42.9	14.0	-2.2	-9.0	-6.9	5.0	-9.1
Eliminations and adjustments	-915.0	-142.7	-22.7	-32.6	-18.3	+30.5	-41.0	-2.1
Consolidated total	7,600.0	-26.3	385.0	-28.2	-75.0	+107.9	310.0	+79.7
Appliances (production and sales consolidated)	2,600.0	+94.3	109.4	+33.1	-9.4	+12.3	100.0	+45.4

* FY16 figures are based on IFRS (unaudited)

By Segment

Appliances (Production and sales consolidated) (1)

<Sales and OP> (yen: billions)

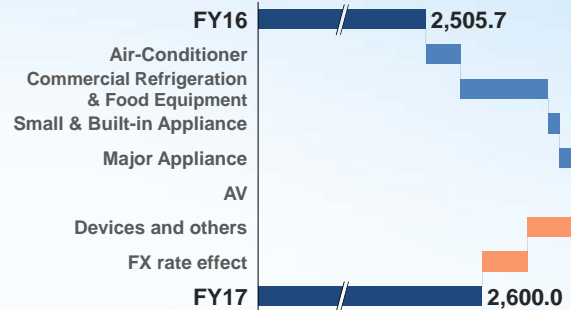
	Sales	Adjusted OP	OP
FY17(e)	2,600.0	109.4 4.2%	100.0 3.8%
vs. FY16 %/amount	+4% (+7%)*	+33.1 +1.2%	+45.4 +1.7%

* Real terms excluding effect of exchange rate

<Business environment>

Japan	<ul style="list-style-type: none"> - Consumer electronics market is expected to continue to grow moderately. - Consumer sentiment toward energy-efficient and high-end products is expected to be strong.
Asia	<ul style="list-style-type: none"> - Consumer electronics market in Vietnam and the Philippines is expected to continue to expand.
China	<ul style="list-style-type: none"> - Market for major appliance business is expected to be softened due to less demand. - Inventory of air-conditioners is expected to be continuously adjusted. - Small appliance is expected to be driven by e-commerce market.

<Sales analysis>



<Adjusted OP analysis>

- Adjusted OP in air-conditioner business is expected to expand due to sales increase and improvement of profit structure.
- Adjusted OP is expected to increase due to marketing focusing on high-end consumer products in Japan, Asia and China.
- Newly-consolidated Hussmann Corp. will contribute to adjusted OP increase.

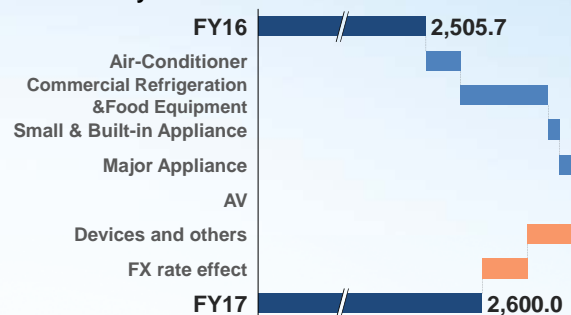
By Segment

Appliances (Production and sales consolidated) (2)

<Forecast by BD>

Air-Conditioner	<p>[Room air-conditioner]</p> <ul style="list-style-type: none"> - Japan/Asia: shift focus to high-end products. - China: re-establish brand strategy focusing on health products. <p>[Commercial air-conditioner]</p> <ul style="list-style-type: none"> - Overseas sales are expected double digit growth, shifting resources.
Commercial Refrigeration & Food Equipment	<ul style="list-style-type: none"> - Create synergy with consolidation of Hussmann Corp. - OP is expected to increase by strengthening dispenser business for beverage industry.
Small & Built-in Appliance	<ul style="list-style-type: none"> - Continue to capture domestic demand from overseas tourists and utilize e-commerce to meet demand in China. - Overseas sales are expected to increase mainly in Europe.
Major Appliance	<ul style="list-style-type: none"> - Sales are expected to expand with high-end products and strong product lineup in prioritized areas such as Japan, Asia and China.
AV	<ul style="list-style-type: none"> - Shift focus more to high-end products with 4KTV mainly in Japan and Europe.

<Sales analysis>



<FY17 Sales ratio by BD>

* BD stands for Business Division



By Segment

Eco Solutions (1)

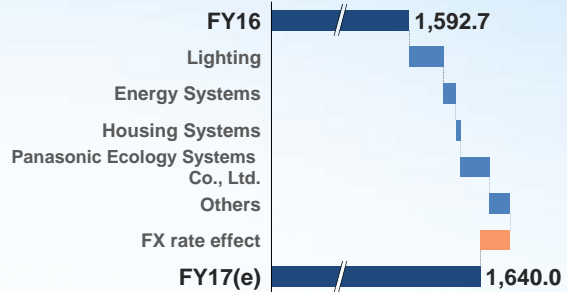
<Sales and OP>

(yen: billions)

	Sales	Adjusted OP	OP
FY17(e)	1,640.0	95.8 5.8%	90.0 5.5%
vs. FY16 %/amount	+3% (+4%)*	+7.9 +0.3%	+13.7 +0.7%

* Real terms excluding effect of exchange rate

<Sales analysis>



<Business environment>

- In Japan, demand in remodeling and elderly-care market is expected to grow, although domestic housing starts expected to decline.
- Domestic non-housing demand is expected steadily expanding due mainly to the Olympic Games in Tokyo.
- Overseas business in strategic regions and North America is expected to grow.

<Adjusted OP analysis>

Adjusted OP is expected to increase due to sales expansion and streamlining, offsetting negative impact from fixed cost increase in upfront investment for business expansion (including personnel cost) in remodeling and elderly-care businesses.

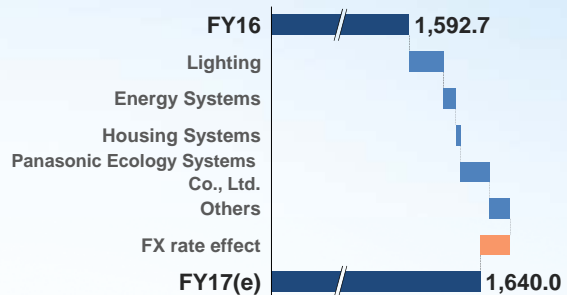
By Segment

Eco Solutions (2)

<Forecast by BD>

Lighting	- Sales are expected to continue to expand in domestic business and overseas LED lighting business.
Energy Systems	[Solar panel business] - Increase solar panel market share in Japan despite slight market decline. - Expand overseas business mainly in India and Turkey.
Housing Systems	- Increase market share in remodeling market. - Sales are expected to increase due to new business development such as non-housing and elderly-care businesses.
Panasonic Ecology Systems Co., Ltd.	- Sales are expected to grow in domestic ventilation system business and overseas business in air purifiers and pumps.
Others	- Sales are expected to expand such as in elderly-care business.

<Sales analysis>



<FY17 Sales ratio by BD>



By Segment

AVC Networks (1)

<Sales and OP>

(yen: billions)

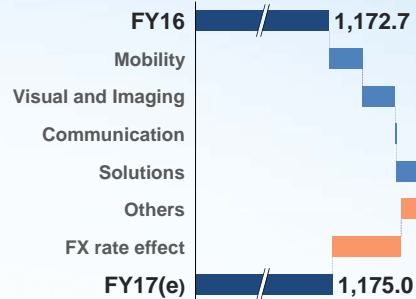
	Sales	Adjusted OP	OP
FY17(e)	1,175.0	74.5 6.3%	59.0 5.0%
vs. FY16 %/amount	+/-0% (+4%)*	-8.1 -0.7%	-10.0 -0.9%

* Real terms excluding effect of exchange rate

<Business environment>

Mobility	- Demand in durable mobile devices is expected to increase particularly in tablet PCs.
Visual and Imaging	- High value added product market such as 4K products is expected to steadily expand.
Communication	- Demand in land-line phones is expected to steadily increase in office application and decrease in household application.
Solutions	- Aircraft related market is expected to expand. - IoT related investment in service industry is expected to increase.

<Sales analysis>



<Adjusted OP analysis>

Adjusted OP is expected to decline y-y due mainly to Solutions business where one-time demand increase in FY16 was seen and upfront investment to strengthen global business structure; while adjusted OP in Mobility, Visual and Imaging and Communication businesses is expected to increase with sales expansion.

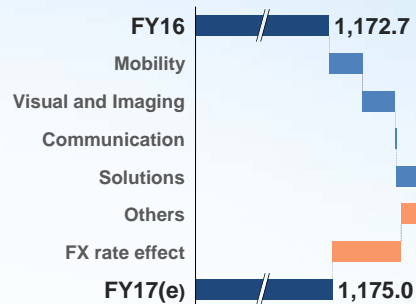
By Segment

AVC Networks (2)

<Forecast by BD>

Mobility	- Sales are expected to expand in durable mobile devices for mobile workers in distribution, police, utility (electricity, gas) industries.
Visual and Imaging	- Sales are expected to increase with high quality imaging and high value added products mainly in 4K products, such as projectors, digital cameras, broadcasting cameras and surveillance cameras.
Communication	- Sales are expected to increase in IP-PBXs, IP phones for mid and small offices where demand is relatively heavy.
Solutions	- Aircraft related sales are expected to remain the same level as FY16 due to one-time demand increase in FY16, while business is expected to expand in such as construction, support and service areas, strengthening relationship with major customers in service industry.

<Sales analysis>



<FY17 Sales ratio by BD>



By Segment

Automotive & Industrial Systems (1)

<Sales and OP>

(yen: billions)

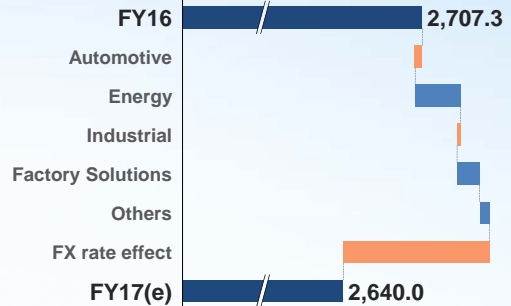
	Sales	Adjusted OP	OP
FY17(e)	2,640.0	117.0 4.4%	100.0 3.8%
vs. FY16 %/amount	-2% (+2%)*	-18.2 -0.6%	+49.8 +1.9%

* Real terms excluding effect of exchange rate

<Business environment>

Automotive	- Growing demand for ADAS and tighter environmental regulation are expected to boost business opportunity.
Industrial	- FA: Increasing needs for IoT and automation is expected to expand market. - Storage battery: Demand for infrastructure is expected to expand in emerging countries.
ICT	- ICT device market is expected to remain slow. (Application for PCs: lower growth than FY16 smartphones: soften growth)

<Sales analysis>



<Adjusted OP analysis>

Adjusted OP is expected to decrease due to investment increase for future growth such as automotive and industrial businesses, although sales increase mainly in Energy business is expected to contribute to profit increase.

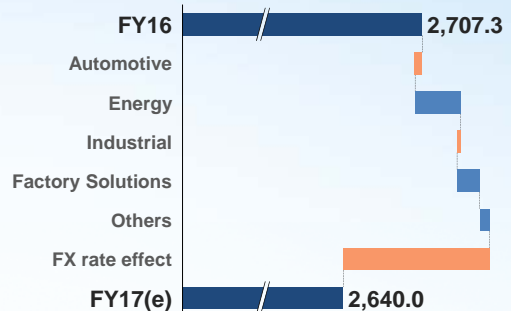
By Segment

Automotive & Industrial Systems (2)

<Forecast by BD>

Automotive	- Sales are expected to decrease due to curbing to receive orders in 2011 and 2012 to prioritize BCP (business continuity plan) establishment as a disaster countermeasure. - Sales are expected to expand from FY18 due to starting delivery for new major customers.
Energy	- Sales are expected to increase due to rechargeable battery business accelerating focus shift to automotive and storage battery applications.
Industrial	- Sales are expected to decrease due to sluggish demand for ICT and downsizing of LCD TV panel business, while sales for automotive and industrial businesses such as relays and multi-layer devices are expected to increase.
Factory Solutions	- Sales are expected to increase due to solution business expansion for system, support and service industries.

<Sales analysis>



<FY17 Sales ratio by BD>



FY17 Forecast in Six Large-Scale and TV BDs

(yen: billions)

	FY17(e) (IFRS)							
	Sales	vs. FY16	Adjusted OP	vs. FY16	Other income/loss	vs. FY16	OP	vs. FY16
Air-conditioner*	504.6	+39.3	29.7	+10.6	-2.2	+0.9	27.5	+11.5
Lighting	338.8	+18.5	25.2	+2.7	-0.9	+8.6	24.3	+11.3
Housing Systems	370.0	+2.9	17.0	+1.7	-0.6	+1.0	16.4	+2.7
Automotive Infotainment Systems	506.1	-28.0	25.6	-8.0	-0.1	-0.5	25.5	-8.5
Rechargeable Battery**	366.8	+14.0	10.2	+6.7	-6.7	+59.9	3.5	+66.6
PanaHome***	400.0	+47.0	-	-	-	-	21.5	+5.6
TV*	325.8	-24.9	5.3	+3.5	-2.2	+8.3	3.1	+11.8

* Production and sales consolidated

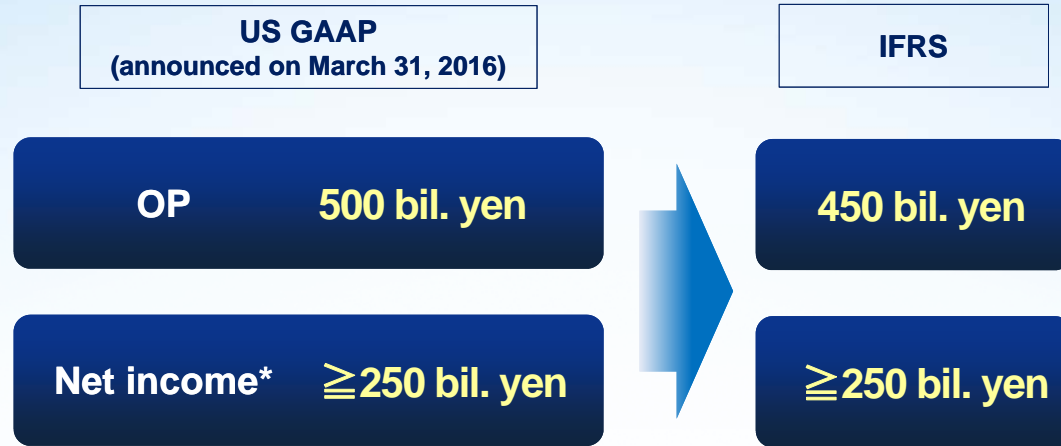
** Rechargeable Battery BD + Tesla BU

*** Figures are disclosed from PanaHome (Japan GAAP)

Improve Low Profitability Business



FY19 Group Financial Target



* Net income attributable to Panasonic Corporation (US GAAP)
Net income attributable to owners of the parent company (IFRS)

Panasonic

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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.

(Reference) Segments and Business Divisions

Appliances

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

AVC Networks

Imaging Network BD
Storage BD
Visual Systems BD
Panasonic Avionics Corporation
IT Products BD
Security Systems BD
Communication Products BD
Office Products 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 28, 2016

(Reference) Sales disclosure businesses in FY17

Appliances

- Air-Conditioner Business : Air-Conditioner Company
- Commercial Refrigeration & Food Equipment Business : Cold Chain BD, Hussmann Corporation
- Small & Built-in Appliance Business: Kitchen Appliances BD, Beauty and Living BD
- Major Appliance Business : Refrigerator BD, Laundry Systems and Vacuum Cleaner BD
- AV Business : TV BD, Home Entertainment BD

AVC Networks

- Mobility Business : IT Products BD, Storage BD
- Visual and Imaging Business : Imaging Network BD, Security Systems BD, Visual Systems BD
- Communication Business : Office Products BD, Communication Products BD
- Solutions Business : Panasonic Avionics Corporation, Domestic/Overseas Solutions

Automotive & Industrial Systems

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