

# **Fiscal 2017 Third Quarter and Nine-Month Financial Results**

February 2, 2017  
Panasonic Corporation

*Notes: 1. This is an English translation from the original presentation in Japanese.  
2. In this presentation, "Fiscal 2017" or "FY17" refers to the year ending March 31, 2017.  
In addition, "FY17 Nine-Month" or "FY17 9M" refer to the period from April to December 2016.*

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# Summary

## 3Q Results

- Sales in real terms excluding the effect of exchange rates increased due mainly to benefits from the favorable automotive battery business, although sales decreased due to the effect of exchange rates.
- The overall adjusted operating profit decreased due mainly to the effect of exchange rates. However, the adjusted operating profit increased in such areas as the Industrial Business, where sales of automotive and industrial devices expanded, and AV Business with improved profitability.

## Full-year Financial Forecast

- Full-year financial forecasts for fiscal 2017 have been revised upward due to the depreciation trend of the yen.

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## FY17 3Q (Oct.-Dec.) Results

(yen : billions)

	IFRS (unreviewed)			US GAAP		
	FY17 3Q	FY16 3Q	vs. FY16 3Q	FY17 3Q	FY16 3Q	vs. FY16 3Q
Sales	1,882.6	1,933.8	-3% (+3%)	1,854.5	1,910.9	-3% (+3%)
Adjusted operating profit **	107.6	123.0	-12%	-	-	-
Other income/loss	-10.0	-29.9	-	-	-	-
Operating profit	97.6	93.1	+5%	96.0	119.8	-20%
Non-operating income/loss	-0.2	1.6	-	-17.4	-29.4	-
Pre-tax income	97.4	94.7	+3%	78.6	90.4	-13%
Net income ***	64.0	48.2	+33%	55.5	48.9	+13%
FCF	33.8	45.0		28.5	38.4	
Exchange rates	1 US dollar	109 yen	122 yen			
	1 Euro	118 yen	133 yen			
	1 Renminbi	16.0 yen	18.9 yen			

\* Real terms excluding the effect of exchange rates (unreviewed)

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

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

## FY17 Nine-Month (Apr.-Dec.) Results

(yen : billions)

	IFRS (unreviewed)			US GAAP		
	FY17 9M	FY16 9M	vs. FY16 9M	FY17 9M	FY16 9M	vs. FY16 9M
Sales	5,422.4	5,736.8	-5% (+2%)	5,350.0	5,671.3	-6% (+1%)
Adjusted operating profit **	271.6	334.5	-19%	-	-	-
Other income/loss	4.1	-56.8	-	-	-	-
Operating profit	275.7	277.7	-1%	240.6	320.3	-25%
Non-operating income/loss	2.8	-0.7	-	-8.8	-65.8	-
Pre-tax income	278.5	277.0	+1%	231.8	254.5	-9%
Net income ***	197.5	165.8	+19%	175.4	160.2	+9%
FCF	-194.9	21.8		-198.5	15.3	
Exchange rates	1 US dollar	107 yen	122 yen			
	1 Euro	118 yen	134 yen			
	1 Renminbi	16.0 yen	19.3 yen			

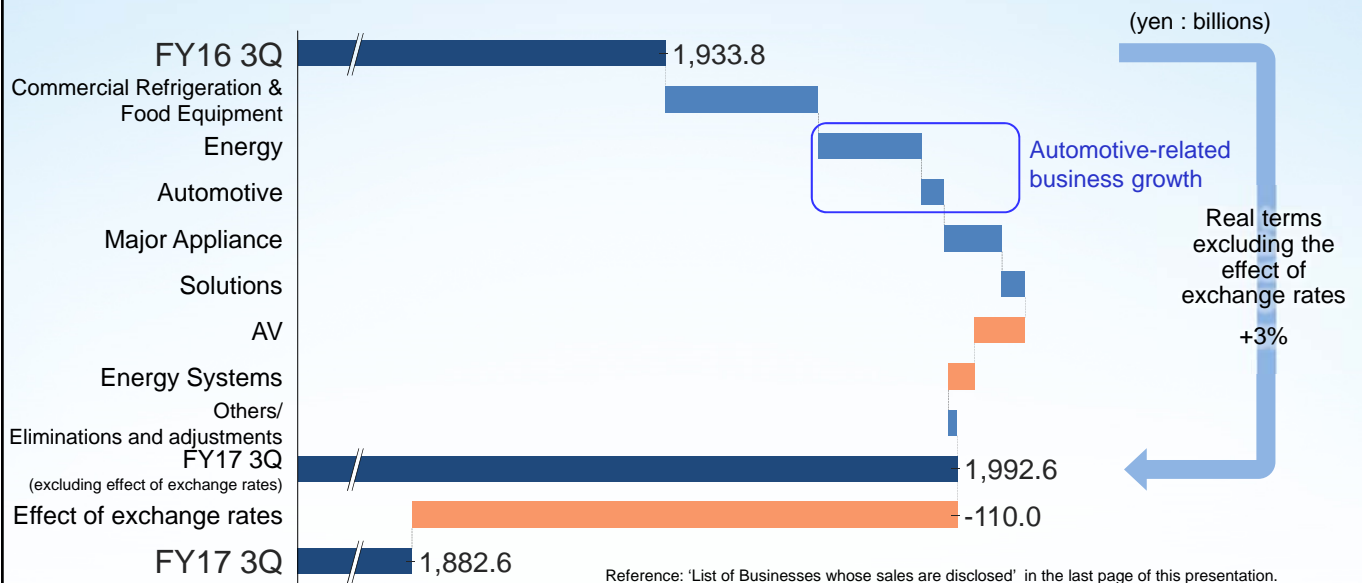
\* Real terms excluding the effect of exchange rates (unreviewed)

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

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

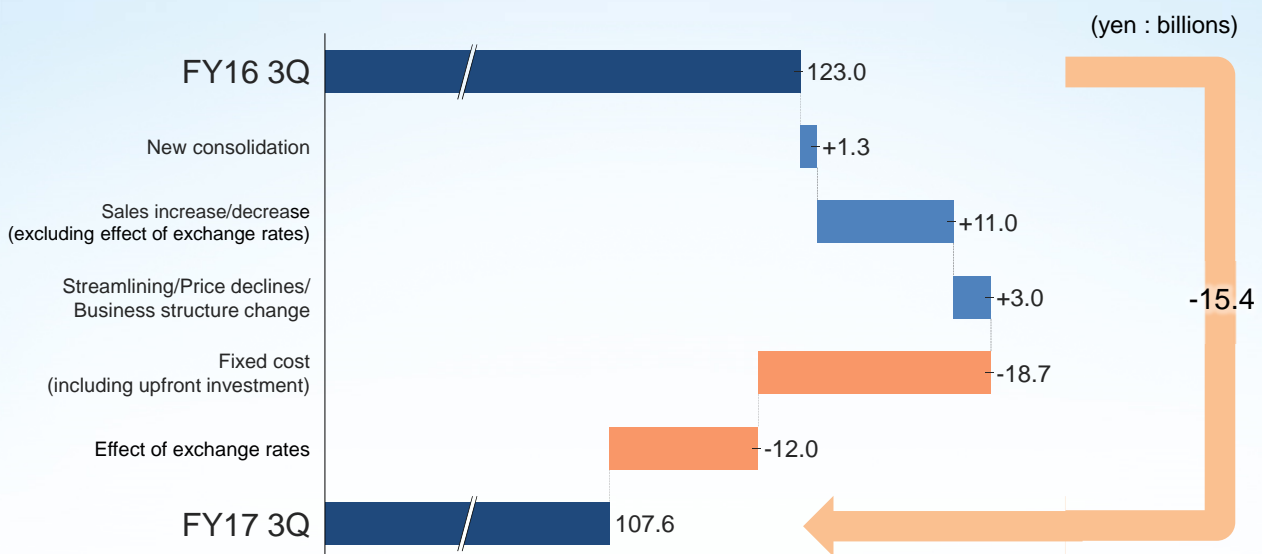
# FY17 3Q Sales Analysis by Business

IFRS



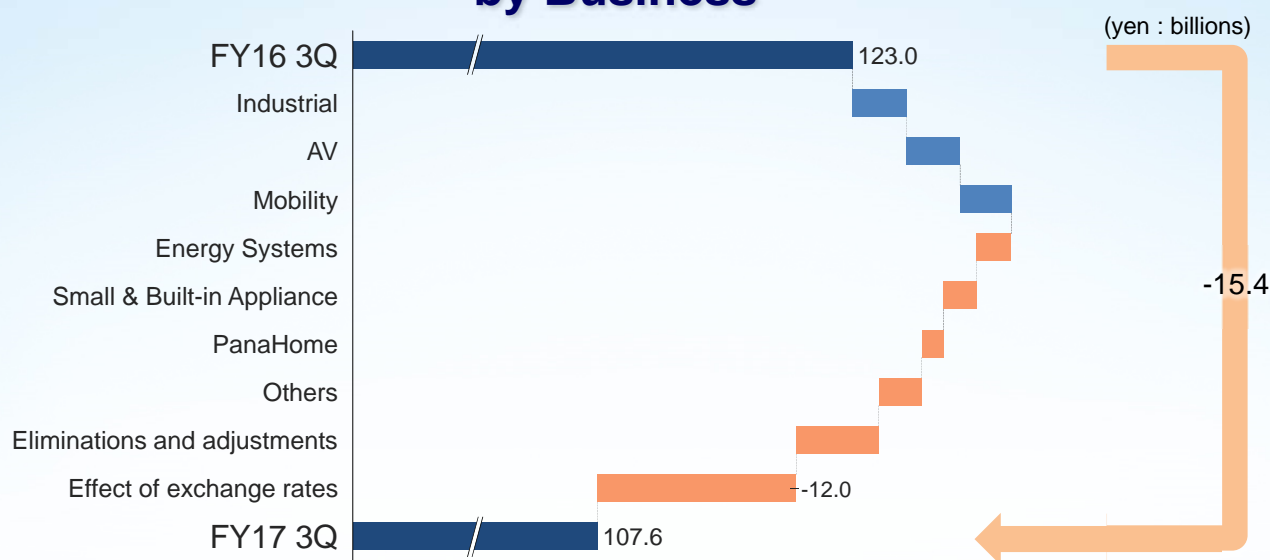
# FY17 3Q Adjusted Operating Profit Analysis

IFRS



## FY17 3Q Adjusted Operating Profit Analysis by Business

IFRS



Reference: 'List of Businesses whose sales are disclosed' in the last page of this presentation.

## FY17 3Q (Oct.-Dec.) Operating Profit and Net Income

(yen : billions)

	IFRS(unreviewed)		US GAAP	
	FY17 3Q	vs. FY16 3Q	FY17 3Q	vs. FY16 3Q
Adjusted operating profit	107.6	-15.4	-	-
Other income/loss	-10.0	+19.9	-	-
Operating profit	97.6	+4.5	96.0	-23.8
Non-operating income/loss	-0.2	-1.8	-17.4	+12.0
Pre-tax income	97.4	+2.7	78.6	-11.8
Provision for income taxes	28.2	-11.4	19.1	-16.9
Net income	69.2	+14.1	59.5	+5.1
Less net income attributable to non-controlling interests	5.2	-1.7	4.0	-1.5
Net income attributable to owners of the parent company	64.0	+15.8	55.5	+6.6

\* Including equity in earnings of associated companies

\*\* Net income attributable to Panasonic Corporation

## FY17 3Q (Oct.-Dec.) Results by Segment

IFRS

(yen : billions)

	FY17 3Q							
	Sales	vs. FY16 3Q	Adjusted operating profit	vs. FY16 3Q	Other income/loss	vs. FY16 3Q	Segment profit	vs. FY16 3Q
Appliances	620.1	+9.4	31.0	+1.4	0	+4.4	31.0	+5.8
Eco Solutions	392.8	-14.0	28.3	+0.4	-3.1	-0.4	25.2	0
AVC Networks	259.1	-25.6	18.8	-2.1	-3.0	-2.0	15.8	-4.1
Automotive & Industrial Systems	652.5	-24.1	23.7	-8.0	-3.3	+11.1	20.4	+3.1
Other	138.8	+9.2	0.7	-2.4	-3.7	+1.7	-3.0	-0.7
Subtotal	2,063.3	-45.1	102.5	-10.7	-13.1	+14.8	89.4	+4.1
Eliminations and adjustments	-180.7	-6.1	5.1	-4.7	3.1	+5.1	8.2	+0.4
Consolidated total (IFRS)	1,882.6	-51.2	107.6	-15.4	-10.0	+19.9	97.6	+4.5
Appliances (production and sales consolidated)	688.3	-4.9	31.4	+1.8	-0.1	+4.4	31.3	+6.2

Note: IFRS figures are unreviewed.

## FY17 Nine-Month (Apr.-Dec.) Results by Segment

IFRS

(yen : billions)

	FY17 9M							
	Sales	vs. FY16 9M	Adjusted operating profit	vs. FY16 9M	Other income/loss	vs. FY16 9M	Segment profit	vs. FY16 9M
Appliances	1,805.2	+16.7	104.0	+26.0	-1.5	+8.4	102.5	+34.4
Eco Solutions	1,118.7	-51.0	47.8	-15.9	-1.7	+3.3	46.1	-12.6
AVC Networks	751.5	-109.3	44.6	-13.4	-3.1	+1.0	41.5	-12.4
Automotive & Industrial Systems	1,902.9	-160.3	55.8	-54.1	29.7	+50.7	85.5	-3.4
Other	400.3	-2.0	1.7	-2.5	-4.1	-3.0	-2.4	-5.5
Subtotal	5,978.6	-305.9	253.9	-59.9	19.3	+60.4	273.2	+0.5
Eliminations and adjustments	-556.2	-8.5	17.7	-3.0	-15.2	+0.5	2.5	-2.5
Consolidated total (IFRS)	5,422.4	-314.4	271.6	-62.9	4.1	+60.9	275.7	-2.0
Appliances (production and sales consolidated)	1,968.3	-0.3	101.4	+27.8	-1.6	+8.3	99.8	+36.1

Note: IFRS figures are unreviewed.

# Appliances (production and sales consolidated)

IFRS

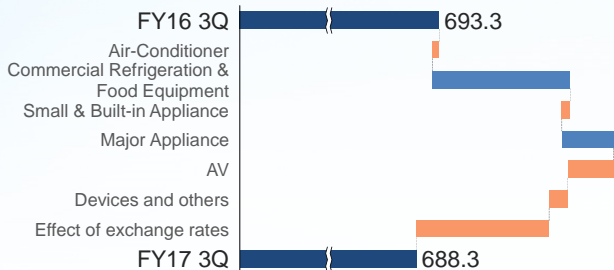
## &lt;Overview&gt;

(yen : billions)

	Sales	Adjusted operating profit	Segment profit
FY17 3Q	688.3	31.4 4.6%	31.3 4.6%
vs. FY16 3Q	-1% * (+4%)	+1.8	+6.2

\* Real terms excluding the effect of exchange rates

## &lt;Changes in sales by business&gt;



## &lt;Sales&gt;

\* Real terms excluding the effect of exchange rates

Air-Conditioner	• Decreased due to sales decreases in Asia and Europe.
Commercial Refrigeration & Food Equipment	• Significantly increased as a result of the new consolidation of Husmann as a subsidiary.
Small & Built-in Appliance	• Decreased due to sluggish sales in Japan owing to a decreasing the demand from inbound tourists.
Major Appliance	• Increased due to continued favorable sales of washing machines and refrigerators in Japan and Asia.
AV	• Decreased due to sluggish sales in Europe, despite favorable sales of 4K TVs in Japan.

## &lt;Segment profit&gt;

Increased due to sales and profit increases in the Major Appliance Business, improved profitability through the shift to high value-added products, such as white goods and 4K TVs, and benefits from the new consolidation of Husmann.

# Eco Solutions

IFRS

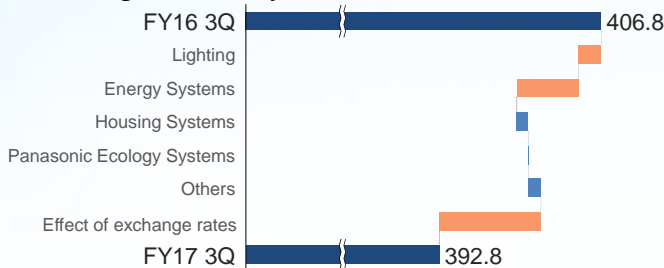
## &lt;Overview&gt;

(yen : billions)

	Sales	Adjusted operating profit	Segment profit
FY17 3Q	392.8	28.3 7.2%	25.2 6.4%
vs. FY16 3Q	-3% * (-1%)	+0.4	0

\* Real terms excluding the effect of exchange rates

## &lt;Changes in sales by business&gt;



## &lt;Sales&gt;

\* Real terms excluding the effect of exchange rates

Lighting	• Decreased in the lighting source business and the devices business in the U.S. and Europe.
Energy Systems	• Decreased due to a large sales decline in the solar business owing to the shrinking market in Japan, despite an increase in the sales of wiring devices, whose overseas sales were stable.
Housing Systems	• Increased due to the benefits of new water-related products and demand for recovery from the Kumamoto Earthquake in April 2016 in the exterior business.
Panasonic Ecology Systems	• Led by the sales in China (air purifiers, heat exchange units, bathroom heater/dryer systems) and Asia (dehumidifiers).
Others	• Increased due to the expansion of the Age-Free (elderly-care) and other businesses resulting from an increase in nursing care service facilities.

## &lt;Segment profit&gt;

Stayed almost at the same level as last year because a profit decrease in solar and other businesses was offset by improved profitability in the Lighting Business and a sales increase in the Housing Systems Business.

## AVC Networks

IFRS

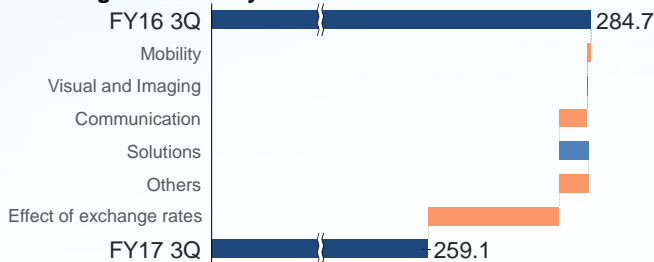
## &lt;Overview&gt;

(yen : billions)

	Sales	Adjusted operating profit	Segment profit
FY17 3Q	259.1	18.8 7.2%	15.8 6.1%
vs. FY16 3Q	-9% * (-2%)	-2.1	-4.1

\* Real terms excluding the effect of exchange rates

## &lt;Changes in sales by business&gt;



## &lt;Sales&gt;

\* Real terms excluding the effect of exchange rates

Mobility	• Decreased due to a sales decrease in the storage business, despite a sales increase in the IT product business led by the big projects in Japan and the U.S.
Visual and Imaging	• Stayed at the same level as last year due to the negative impact of the Kumamoto Earthquake, despite a sales increase led by high brightness projectors and new DSCs.
Communication	• Decreased due to sluggish sales of analog PBX and fixed-line phones in Asia owing to the shrinking of market. Sales of fixed-line phones in North America increased.
Solutions	• Increased due to favorable conditions of the solutions business in Japan led by the sales growth of public work projects.

## &lt;Segment profit&gt;

Decreased due to the significant effect of exchange rates, despite profit increase in real terms achieved by the sales increase and profitability improvement as a result of shift to high value-added products.

## Automotive &amp; Industrial Systems

IFRS

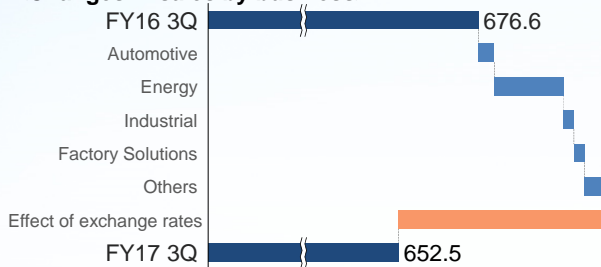
## &lt;Overview&gt;

(yen : billions)

	Sales	Adjusted operating profit	Segment profit
FY17 3Q	652.5	23.7 3.6%	20.4 3.1%
vs. FY16 3Q	-4% * (+5%)	-8.0	+3.1

\* Real terms excluding the effect of exchange rates

## &lt;Changes in sales by business&gt;



## &lt;Sales&gt;

\* Real terms excluding the effect of exchange rates

Automotive	• Increased due to favorable sales of electrical components such as car-mounted cameras, sensors, and switches.
Energy	• Increased due to the significant sales expansion of lithium-ion batteries for automotive use.
Industrial	• Increased due to the sales expansion of products such as car-mounted relays and electronic materials for automotive and industrial use, despite the negative impact of withdrawal as well as some business downsizing.
Factory Solutions	• Increased due to favorable sales of electronic component mounting equipment for Chinese local smartphone manufacturers.

## &lt;Segment profit&gt;

The adjusted operating profit decreased due to the significant effect of exchange rates, while the sales and profit of automotive and industrial devices expanded. The segment profit increased resulting from an improvement in the other income/loss from last year.



(yen : billions)

	FY17 3Q							
	Sales		Adjusted operating profit		Other income/loss		BD profit ***	
		vs. FY16 3Q		vs. FY16 3Q		vs. FY16 3Q		vs. FY16 3Q
Air-Conditioner *	90.2	-6.3	3.6	+1.4	0.9	+1.7	4.5	+3.1
Lighting	85.4	-4.0	9.2	+0.5	-0.6	+1.4	8.6	+1.9
Housing Systems	98.5	+0.8	6.1	+1.0	0.5	+1.0	6.6	+2.0
Automotive Infotainment Systems	125.1	-11.3	6.0	-0.2	0.1	0	6.1	-0.2
Rechargeable Battery **	100.2	+13.1	-2.4	-1.8	-2.5	+10.1	-4.9	+8.3
PanaHome	84.5	+4.3	1.3	-1.3	-0.1	+0.2	1.2	-1.1
TV *	96.0	-18.6	2.6	+1.8	-0.3	+2.5	2.3	+4.3

\* Including sales division (production &amp; sales consolidated)

\*\* Rechargeable Battery BD + Tesla BU

\*\*\* "BD profit" refers to IFRS operating profit.

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## FY17 Full-Year Forecast Revision

IFRS

(yen : billions)

	FY17(e) (As of Feb. 2, 2017)	FY17(e) (As of Oct. 31, 2016)	Difference	FY16*	vs FY16	
Sales	7,350.0	7,200.0	+150.0	7,626.3	-276.3	
Adjusted operating profit	340.0	320.0	+20.0	413.2	-73.2	
Other income/loss	-75.0	-75.0	-	-182.9	+107.9	
Operating profit	265.0	245.0	+20.0	230.3	+34.7	
Non-operating income/loss	-5.0	-5.0	-	-2.0	-3.0	
Pre-tax income	260.0	240.0	+20.0	228.3	+31.7	
Net income attributable to owners of the parent company	130.0	120.0	+10.0	159.6	-29.6	
FCF (excluding strategic investment)	≥ 150.0	≥ 150.0	-	227.3	-	
Exchange rates	1 US dollar	108 yen	103 yen	+5 yen	120 yen	-12 yen
	1 Euro	119 yen	114 yen	+5 yen	133 yen	-14 yen
	1 Renminbi	15.9 yen	15.5 yen	+0.4 yen	18.9 yen	-3.0 yen

\* Figures in FY16 are unaudited.

## FY17 Full-Year Forecast Revision by Segment

IFRS

(yen : billions)

	FY17(e) (as of Feb. 2, 2017)							
	Sales	Difference	Adjusted Operating Profit	Difference	Other Income/loss	Difference	Operating profit	Difference
Appliances	2,300.0	+20.0	110.0	-	-7.0	-	103.0	-
Eco Solutions	1,580.0	+10.0	84.0	-	-5.0	-	79.0	-
AVC Networks	1,075.0	+30.0	65.0	+5.0	-10.0	-	55.0	+5.0
Automotive & Industrial Systems	2,520.0	+50.0	88.0	+12.0	17.0	-	105.0	+12.0
Other	640.0	+10.0	12.0	-	-7.0	-	5.0	-
Eliminations and adjustments	-765.0	+30.0	-19.0	+3.0	-63.0	-	-82.0	+3.0
Consolidated total	7,350.0	+150.0	340.0	+20.0	-75.0	-	265.0	+20.0
Appliances (production and sales consolidated)	2,530.0	+30.0	110.0	-	-7.0	-	103.0	-

# Panasonic

## **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). Panasonic discloses its consolidated financial forecasts for fiscal 2017 based on International Financial Reporting Standards (IFRS). 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.*

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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) **Main Changes in Accounting Standards(P/L)**

(yen : billions)

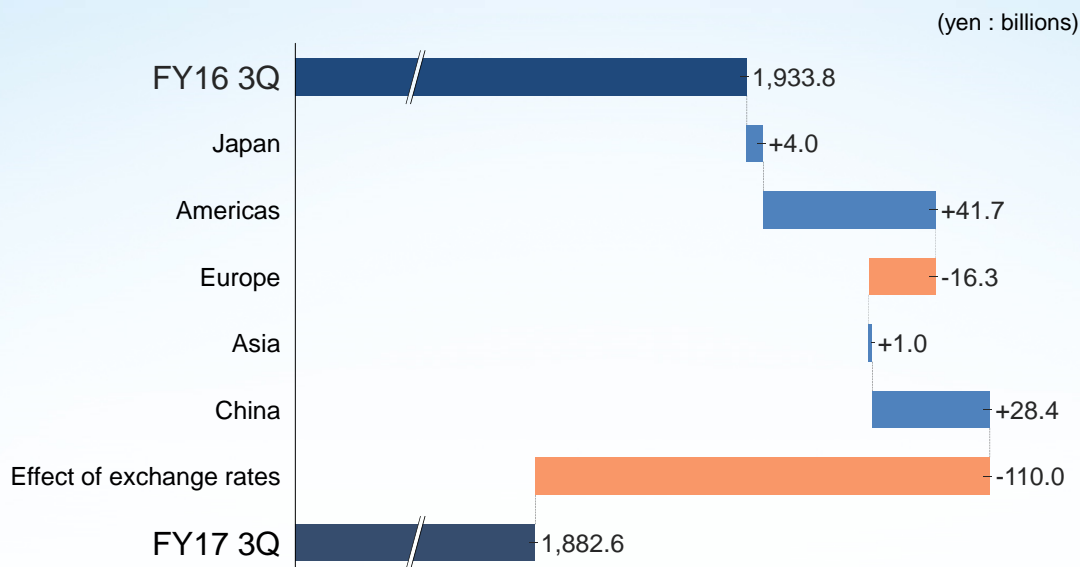
	FY17 3Q (IFRS) *		FY17 3Q (US GAAP)
Sales	1,882.6	← Difference of consolidation scope, etc.	1,854.5
Adjusted operating profit	107.6	← Capitalization of R&D expenses, etc.	—
Other income/loss	-10.0	← Non-operating income/loss (US GAAP) excluding financial income/loss and exchange gains/losses	—
Operating profit	97.6		96.0
Non-operating income/loss	-0.2		-17.4
Pre-tax income	97.4		78.6
Provision for income taxes	28.2		22.6
Equity in earnings of associated companies	—		3.5
Less net income attributable to non-controlling interests	5.2		4.0
Net income attributable to owners of the parent company	64.0		** 55.5

\* Unreviewed

\*\* Net income attributable to Panasonic Corporation

(Reference) **FY17 3Q Sales Analysis by Region**

**IFRS**



## (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  
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

Note: As of February 2, 2017

## (Reference) List of Businesses whose sales are disclosed

### Appliances

- Air-Conditioner Business : Air-Conditioner Company
- Commercial Refrigeration & Food Equipment Business : Cold Chain BD, Husmann 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

### Eco Solutions

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

### AVC Networks

- Mobility Business : IT Products BD, Storage BD
- Visual and Imaging Business : Imaging Network BD, Visual Systems BD, Security Systems BD
- Communication Business : Communication Products BD, Office 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