

Fiscal 2019 Second Quarter Financial Results

October 31, 2018
Panasonic Corporation



Notes: 1. This is an English translation from the original presentation in Japanese.
2. In this presentation, "Fiscal 2019" or "FY19" refers to the year ending March 31, 2019.

Summary of FY19 2Q Financial Results

- 2Q results
 - **Overall sales increased**, driven mainly by Energy and Automotive.
 - **Operating profit decreased**, impacted from one-off income recorded in previous year, along with ramp-up expenses at automotive battery factory in North America, weakening investment demand in China, and sluggish sales of consumer electronics.
- Full-year forecast
 - Segment forecasts have been revised, but:
Company-wide sales, operating profit, and net profit* forecasts are unchanged.

* Net profit attributable to Panasonic Corporation stockholders

Fiscal 2019 2Q Financial Results

Fiscal 2019 Full-Year Financial Forecast



FY19 2Q Results

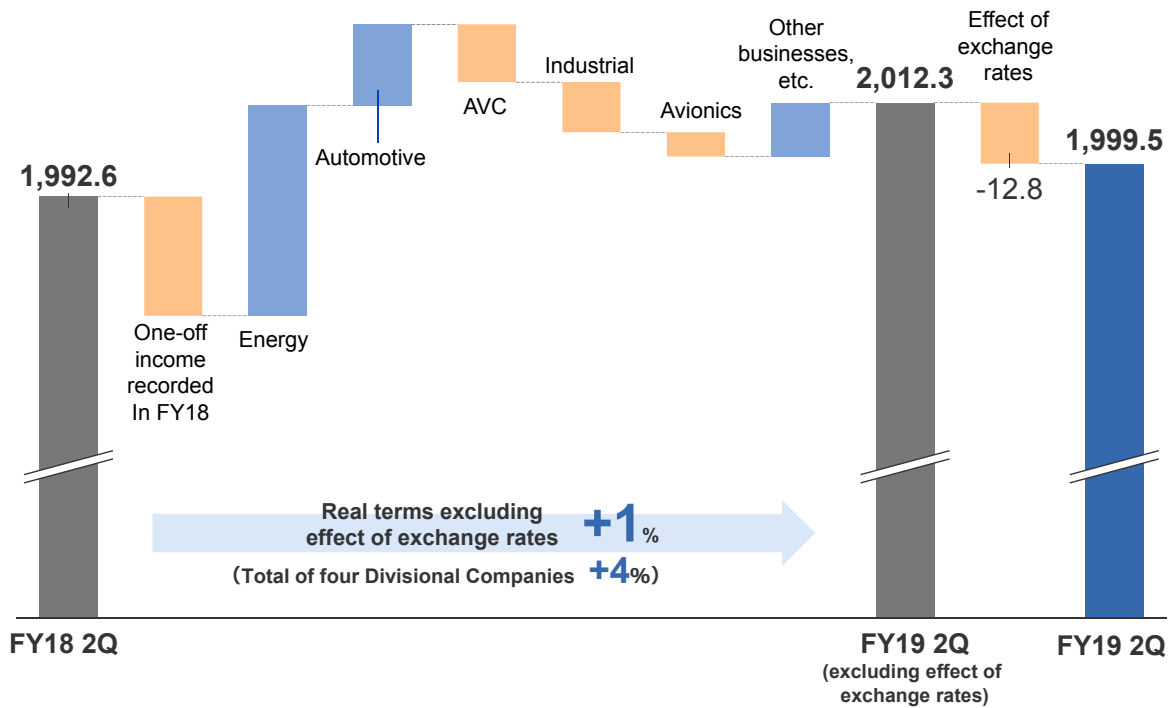
(yen: billions)

	FY19 2Q	FY18 2Q	vs. FY18 / Difference	
Sales	1,999.5	1,992.6	±0% (+1%) *	+6.9
Operating profit	95.2	112.7	-15%	-17.5
Other income/loss **	3.0	-10.2	—	+13.2
Non-operating income/loss	-0.1	0.1	—	-0.2
Profit before income taxes	95.1	112.8	-16%	-17.7
Net profit attributable to Panasonic Corporation stockholders	56.2	70.1	-20%	-13.9
Exchange rates				
1 US dollar	111 yen	111 yen		
1 Euro	130 yen	130 yen		
1 Renminbi	16.4 yen	16.6 yen		

* In real terms excluding the effect of exchange rates
 ** Other income/loss = Other income (expenses) +
 Share of profit investments accounted for using the
 equity method

FY19 2Q Sales Analysis by Business

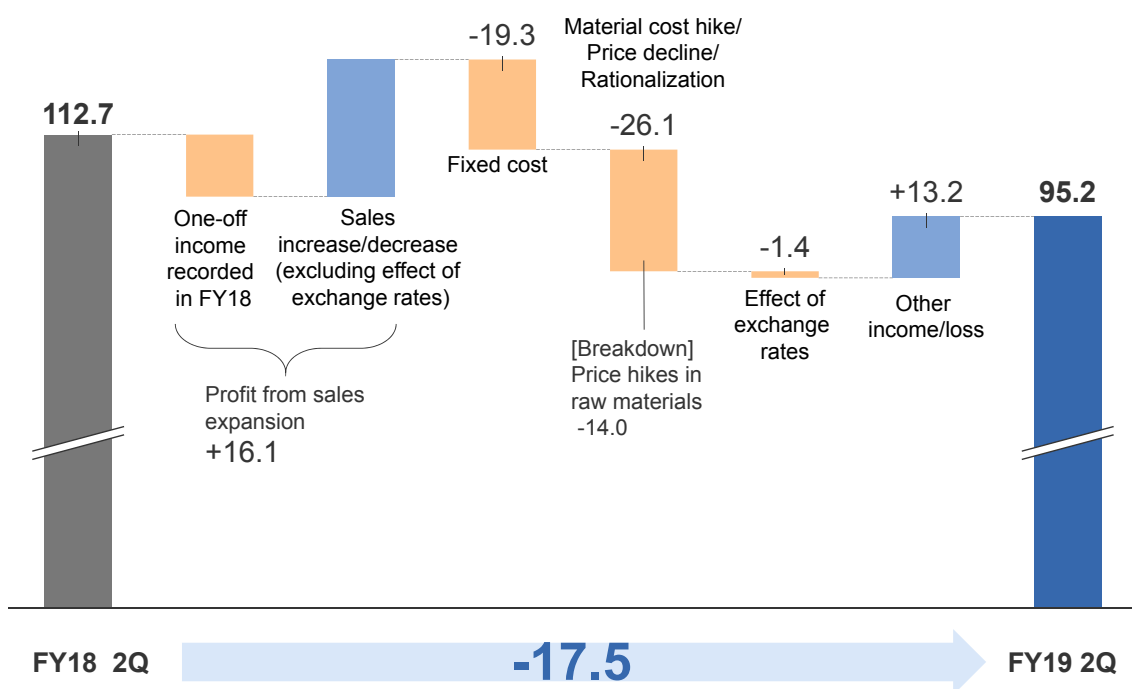
(yen: billions)



* 'List of Businesses whose sales are disclosed in FY19' included in the end of presentation.

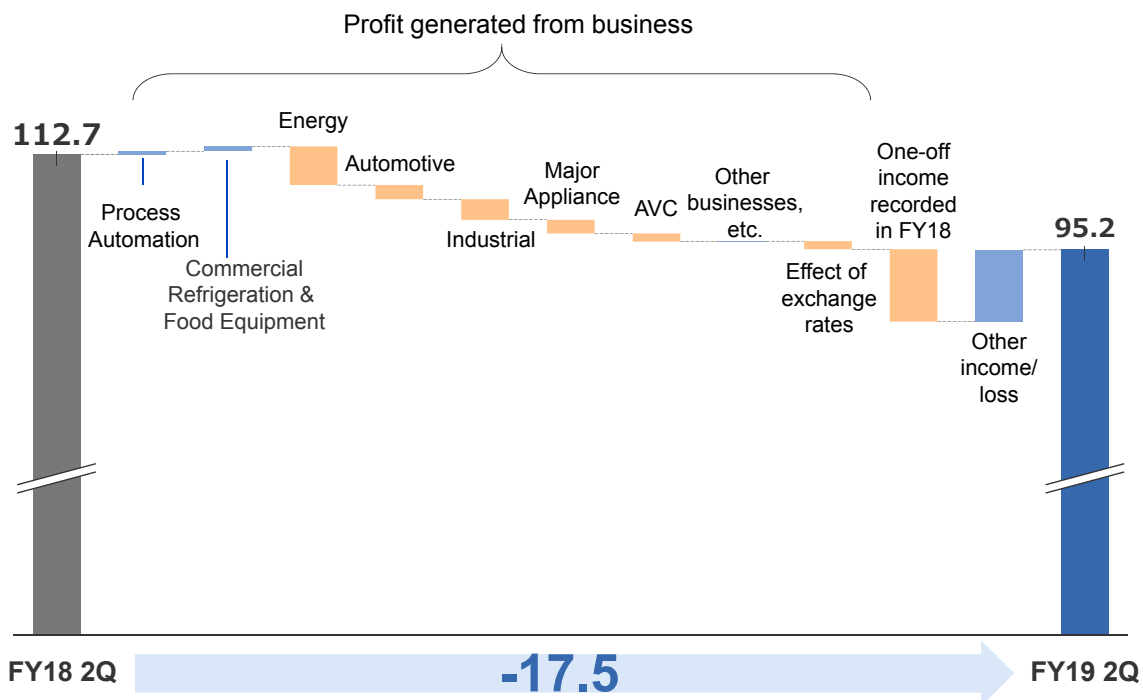
FY19 2Q Operating Profit Analysis

(yen: billions)



FY19 2Q Operating Profit Analysis by Business

(yen: billions)



* 'List of Businesses whose sales are disclosed in FY19' included in the end of presentation.

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FY19 2Q Results by Segment

(yen: billions)

	Sales	vs. FY18	Excl. effect of exchange rates	Operating profit	vs. FY18	Other income/loss	vs. FY18
Appliances	688.6	±0%	+1%	22.6	-5.9	0.7	-0.1
Eco Solutions*	506.7	+5%	+6%	22.9	+3.5	0.5	+5.9
Connected Solutions	274.8	-2%	-2%	29.4	+5.7	1.6	+2.1
Automotive & Industrial Systems	735.8	+7%	+7%	13.6	-7.7	-0.3	+4.7
Other*	46.2	-34%	-	1.5	+1.4	0.5	+0.1
Eliminations and adjustments	-252.6	-	-	5.2	-14.5	0.0	+0.5
Total	1,999.5	±0%	+1%	95.2	-17.5	3.0	+13.2
Appliances (production and sales consolidated)	699.2	-2%	-1%	20.3	-6.9	0.6	-0.2

* PanaHome became a fully-owned subsidiary in FY18 and was renamed Panasonic Homes in April 2018. In FY19, it was transferred from Other to Eco Solutions.

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Segment information

Appliances (Production and sales consolidated)

Overview

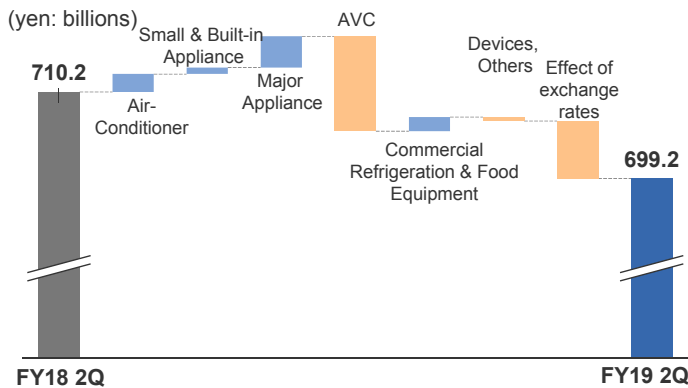
(yen: billions)

	Sales	OP	Other income/loss
FY19 2Q	699.2	20.3 2.9%	0.6
vs. FY18/ Difference	-2% (-1%)*	-6.9	-0.2

* In real terms excluding the effect of exchange rates

Sales analysis

(yen: billions)



Sales

Air-Conditioner	Stable sales for mid- to high-end models, despite aggressive approach in high-volume segment in Japan by competitors.
Small & Built-in Appliance	Increased mainly due to e-commerce in China.
Major Appliance	Increased due to sales expansion for washing machines in Japan, China and Asia offsetting sales decrease in refrigerators in Japan.
AVC	Decreased due to sluggish sales in TV in Europe and India, as well as audio equipment.
Commercial Refrigeration & Food Equipment	Increased with stable orders from existing customers in North America as well as developing potential customers.

Operating profit

- Air-Conditioner: Despite sales increase, profit decreased due to price hikes in materials and negative impact of exchange rates for emerging countries, in addition to impact from one-off profit in previous year.
- Major Appliance: Despite sales increase, profit decreased due to sales decline in refrigerators, market-related costs resulting from aggressive approach by competitors, and price hikes of materials such as resin.
- AVC: Same level as previous year due to rebound from temporary expenses in previous year, despite sales decrease.
- Commercial Refrigeration & Food Equipment: Increased due to favorable sales in North America.

	Sales	vs.** FY18	OP	vs.** FY18	Other Income /loss	vs.** FY18
Air-Conditioner	117.3	+1.5	2.2	-2.7	-0.3	-2.3

** Including the effect of exchange rates

Segment Information

Eco Solutions

Overview

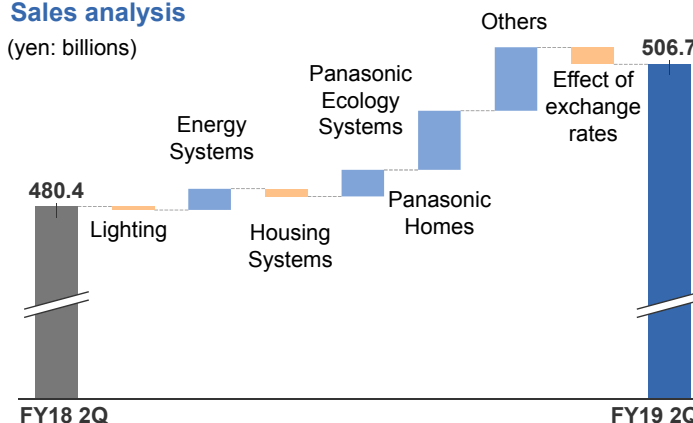
(yen: billions)

	Sales	OP	Other income/loss
FY19 2Q	506.7	22.9 4.5%	0.5
vs. FY18/ Difference	+5% (+6%)*	+3.5	+5.9

* In real terms excluding the effect of exchange rates

Sales analysis

(yen: billions)



Sales

Lighting	Decreased due mainly to sluggish sales in Europe and the U.S., despite stable sales in outdoor lighting equipment and light-modulation systems in Japan.
Energy Systems	Increased driven by growth in overseas electrical construction materials in key regions such as India.
Housing Systems	Decreased due to sluggish sales mainly in building materials and exterior wall materials, despite stable sales in water-related products.
Panasonic Ecology Systems	Increased due to sales and orders received for large-scale engineering business, while sales such as ceiling fans in the Middle East were sluggish.
Panasonic Homes	Increased due to stable growth from ready-built housing and overseas businesses, in addition to recovery in new construction orders.
Others	Increased due to new consolidation of Matsumura-Gumi Corporation.

Operating profit

- Energy Systems: Increased due to sales expansion of overseas electrical construction materials and rebound from temporary expenses recorded in previous year.
- Panasonic Homes and Panasonic Ecology Systems: Increased with stable sales growth.
- Lighting and Housing Systems: Decreased with impacts such as sales decline, price decline, and raw material price hikes.

Overview

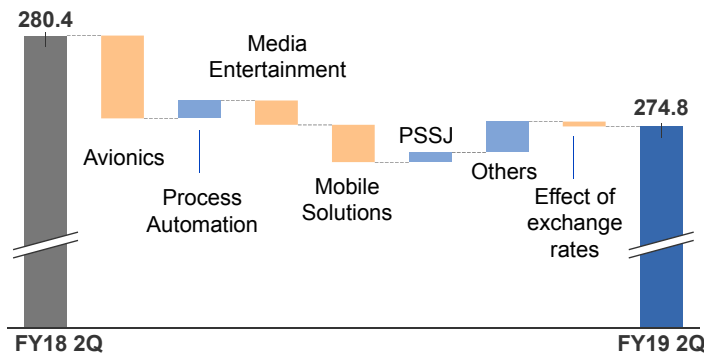
(yen: billions)

	Sales	OP	Other income/loss
FY19 2Q	274.8	29.4 10.7%	1.6
vs. FY18 / Difference	-2% (-2%)*	+5.7	+2.1

* In real terms excluding the effect of exchange rates

Sales analysis

(yen: billion)



Sales

Avionics	Overall sales decreased due to sales decline in IFEC** despite continuous growth in communication services, digital solutions & services including contents, and repair & maintenance business.
Process Automation	Increased due to favorable sales in mounting machines and welding equipment for automotive industry.
Media Entertainment	Overall sales decreased due to negative impact of natural disasters in production camera sales, although favorable sales for projectors continued.
Mobile Solutions	Despite favorable sales of rugged PCs in North America, overall sales decreased due to impact from last year's large-scale orders for PCs in Japan and payment terminals.
PSSJ ***	Sales increased due to sales growth for public services and local governments, despite impact from sales declines in PCs.

Operating profit

- Avionics: Increased due to rebound from temporary expenses such as quality-related provision in previous year, despite sales decrease.
- Process Automation and PSSJ: Increased due to stable sales growth.
- Media Entertainment: Increased with a better product mix, despite sales decrease.
- Mobile Solutions: Decreased due to sales decrease of PCs in Japan.

** IFEC (Inflight entertainment + connectivity)
 *** Panasonic Systems Solutions Japan Co., Ltd.

Overview

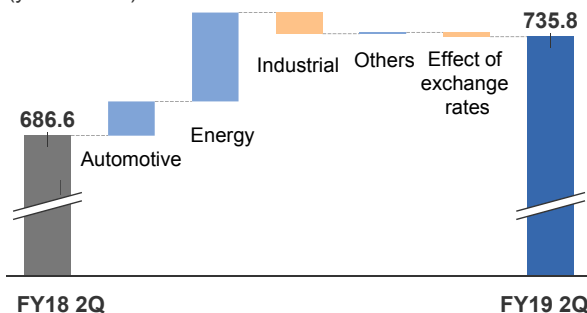
(yen: billions)

	Sales	OP	Other income/loss
FY19 2Q	735.8	13.6 1.8%	-0.3
vs. FY18/ Difference	+7% (+7%)*	-7.7	+4.7

* In real terms excluding the effect of exchange rates

Sales analysis

(yen: billions)

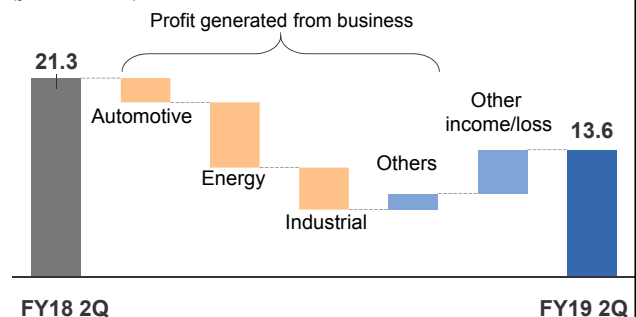


Summary

Sales	Automotive: Sales increased in infotainment systems, ADAS-related and charging systems, etc. Energy: Significant increase driven by growth in automotive batteries. Industrial: Sales decreased significantly in Electromechanical Control due to a slowdown in demand for capital investment in China.
OP	Decreased due to fixed-cost increases including automotive development investment and ramp-up expenses for automotive battery factory in North America, in addition to impact of sales decline in Electromechanical Control.

Operating profit analysis

(yen: billions)



Results by business

(yen: billions)

FY19 2Q	Sales	vs. FY18	Excl. effect of exchange rates	Operating profit	vs. FY18	Other income/loss	vs. FY18
Automotive	236.6	+7%	+8%	5.0	-2.8	0.1	-0.2
Energy	177.7	+33%	+33%	-7.3	-6.9	-0.0	+0.1
Industrial	230.6	-5%	-4%	10.2	+1.3	0.0	+5.8

Automotive	<p>Sales: Favorable performance of infotainment systems for Japanese and North American car manufacturers, in addition to ADAS- and electrification-related equipment.</p> <p>OP: Decreased, with gains such as sales expansion effect unable to offset fixed cost increases including development expenses.</p>
Energy	<p>Sales: Significant growth in automotive batteries, mainly cylindrical types, along with stable performance of storage battery systems.</p> <p>OP: Decreased mainly due to ramp-up expenses for automotive battery factories in North America and China.</p>
Industrial	<p>Sales: Sluggish in Electromechanical Control, mainly from impact of weaker investment demand in China resulting from trade friction between U.S. and China.</p> <p>OP: Increased with sales increase in passive components such as capacitors and improvements in other income/loss by rebound from structural reform expenses recorded in previous year, despite impact of decline in Electromechanical Control sales.</p>

Fiscal 2019 2Q Financial Results

Fiscal 2019 Full-Year Financial Forecast

FY19 Full-Year Forecast

Sales, operating profit, profit before income taxes, and net profit are unchanged.

(yen: billions)

	FY19 (e) (As of October 31, 2018)	FY19 (e) (As of May10, 2018)	Difference	FY18	vs. FY18
Sales	8,300.0	8,300.0	-	7,982.2	+317.8
Operating profit	425.0	425.0	-	380.5	+44.5
Other income/loss *	15.0	-35.0	+50.0	-20.7	+35.7
Non-operating income/loss	-5.0	-5.0	-	-1.9	-3.1
Profit before income taxes	420.0	420.0	-	378.6	+41.4
Net profit attributable to Panasonic Corporation stockholders	250.0	250.0	-	236.0	+14.0
Exchange rates					
1 US dollar	110 yen	105 yen	+5 yen	111 yen	-1 yen
1 Euro	130 yen	130 yen	-	130 yen	+0 yen
1 Renminbi	16.6 yen	17.0 yen	-0.4 yen	16.8 yen	-0.2 yen

* Other income/loss = Other income (expenses) + Share of profit investments accounted for using the equity method

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Fiscal 2019 Second Quarter Financial Results

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FY19 Segment Forecast Revision

Full-year forecast revision from May 10, 2018

(yen: billions)

	Sales			Operating profit			Other income/loss		
	FY19 (e) (as of Oct. 31)	vs. FY18	vs. initial forecast	FY19 (e) (as of Oct. 31)	vs. FY18	vs. initial forecast	FY19 (e) (as of Oct. 31)	vs. FY18	vs. initial forecast
Appliances	2,800.0	+15.8	-30.0	108.0	+0.2	-13.0	0.5	-3.0	+3.5
Eco Solutions *	2,030.0	+72.6	-31.0	93.0	+11.8	-8.0	2.0	+8.9	+6.0
Connected Solutions	1,120.0	+9.6	+27.0	88.0	-15.6	+5.0	-2.0	-3.7	+1.0
Automotive & Industrial Systems	3,070.0	+266.1	+70.0	103.0	+9.6	-33.0	-13.0	-3.8	-2.0
Other *	310.0	-8.5	-	0.0	-2.0	-	0.0	-1.7	-
Eliminations and adjustments	-1,030.0	-37.8	-36.0	33.0	+40.5	+49.0	27.5	+39.0	+41.5
Total	8,300.0	+317.8	-	425.0	+44.5	-	15.0	+35.7	+50.0
Appliances (production and sales consolidated)	2,900.0	+26.3	-50.0	108.0	+0.9	-13.0	0.5	-2.8	+3.5

* PanaHome became a fully-owned subsidiary in FY18 and was renamed Panasonic Homes in April 2018. In FY19, it was transferred from Other to Eco Solutions.

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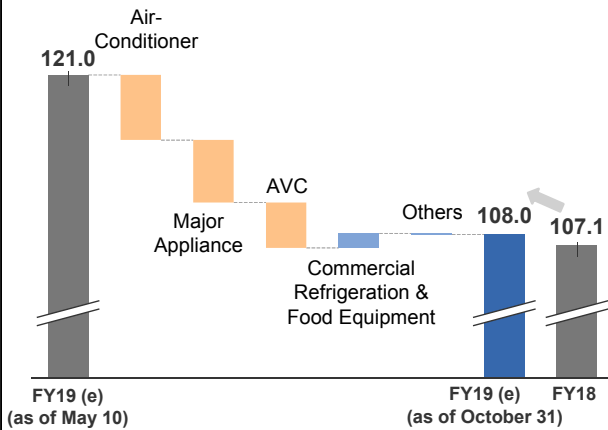
Segment Forecast Revision

Appliances (production and sales consolidated)

FY19 (e)	Sales	vs. FY18	vs. initial forecast	Operating profit	vs. FY18	vs. initial forecast	Other income/loss	vs. FY18	vs. initial forecast
Appliances (Production and sales consolidated)	2,900.0	+26.3	-50.0	108.0	+0.9	-13.0	0.5	-2.8	+3.5
Air-Conditioner (Production and sales consolidated)	510.0	+22.1	-14.5	21.8	-2.9	-5.3	0.0	-1.8	+1.1

Operating profit revision analysis

(yen: billions)



Analysis

- Struggles of air-conditioners in Asia, refrigerators in Japan, as well as TV in Europe and India.
- Impact of exchange rates in emerging countries and costs of materials such as resin remaining high.

Challenges

- Air-Conditioner: Aggressive approach by competitors with specialized sales channels.
- Refrigerator: Competitive price approach in high-volume segment by competitors.
- TV: Competitive price approach by competitors and price hikes of panels.

Countermeasures

- Air-Conditioner (Asia): Strengthening of sales structure specializing in air-conditioners.
- Refrigerator (Japan): Launch of new large-capacity models and rationalization efforts with common usage of components.
- TV: Acceleration of shift to premium products such as OLED TVs and large-screen 4K TVs.
- Thorough fixed-cost reduction and rationalization.

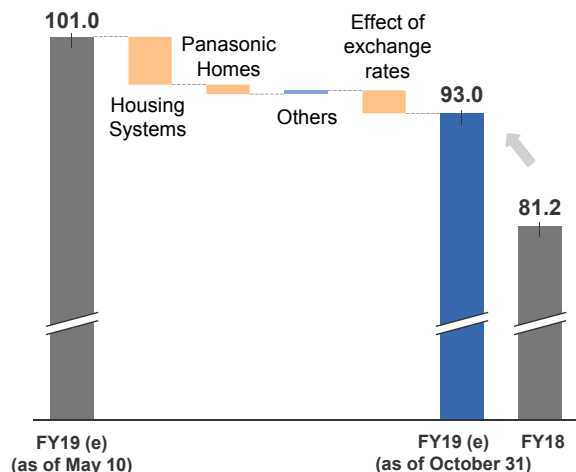
Segment Forecast Revision

Eco Solutions

FY19 (e)	Sales	vs FY18	vs. initial forecast	Operating profit	vs FY18	vs. initial forecast	Other income/loss	vs FY18	vs. initial forecast
Eco Solutions	2,030.0	+72.6	-31.0	93.0	+11.8	-8.0	2.0	+8.9	+6.0

Operating profit revision analysis

(yen: billions)



Analysis

- Shortfall in Housing Systems sales in Japan.
- Weakening sales of Panasonic Homes in new construction orders.

Challenges

- Improving sales mix and marginal profit through sales increase in new construction orders.

Countermeasures

- Housing Systems: Sales expansion in new products such as mid- to high-end segment of exterior wall materials, and price revision of building materials.
- Panasonic Homes: Strengthening of marketing capabilities in new construction order businesses and cost improvement through rationalization.

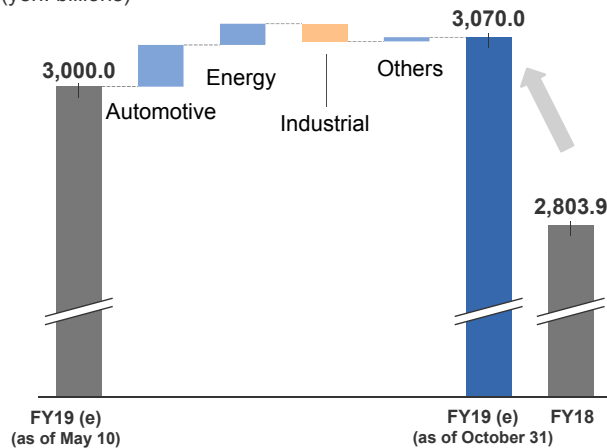
Segment Forecast Revision

Automotive & Industrial Systems

FY19(e)	Sales	vs. FY18	vs. initial forecast	Operating profit	vs. FY18	vs. initial forecast	Other income/loss	vs. FY18	vs. initial forecast
Automotive & Industrial Systems	3,070.0	+266.1	+70.0	103.0	+9.6	-33.0	-13.0	-3.8	-2.0
Automotive	981.7	+52.9	+59.0	27.4	-4.3	-16.0	-4.6	+0.3	-4.6
Energy	788.0	+225.5	+30.0	22.1	+11.0	-7.0	-2.5	-7.5	0.0
Industrial	959.1	+13.9	-25.0	48.8	+6.8	-7.0	-4.9	+2.4	+2.5

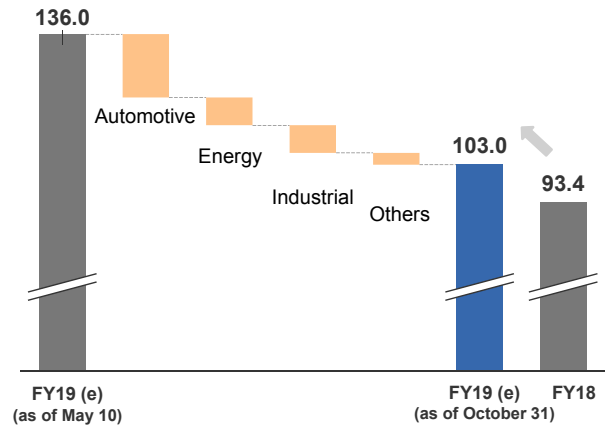
Sales revision

(yen: billions)



Operating profit revision

(yen: billions)



Segment Forecast Revision

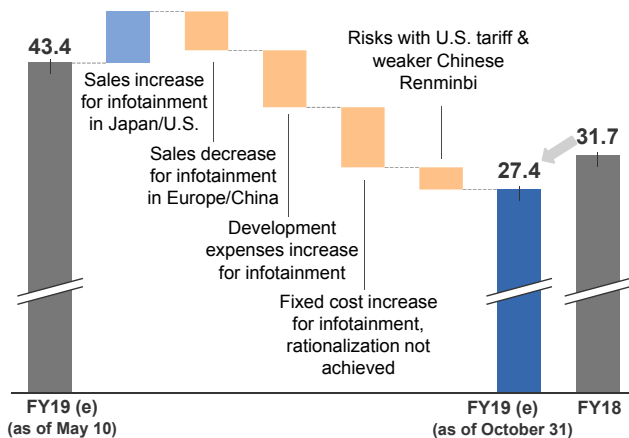
Automotive & Industrial Systems

Automotive Business

FY19(e)	Sales	vs. FY18	vs. initial forecast	Operating profit	vs. FY18	vs. initial forecast	Other income/loss	vs. FY18	vs. initial forecast
Automotive	981.7	+52.9	+59.0	27.4	-4.3	-16.0	-4.6	+0.3	-4.6

Operating profit revision analysis

(yen: billions)



Analysis

- Positive impact of sales expansion of infotainment systems in Japan and North America; however, negative impact from sales decline in Europe and China regions in addition to increased development expenses and fixed cost.
- Tariff impact from trade friction between U.S. & China.

Challenges*

- Additional development needed to respond to customer requests, in particular controlling development expenses in Europe.
- U.S. tariff risks.

Countermeasures

- Optimize global development management system, in particular review development system in Europe and enhance project management.
- Accelerate common use of platforms.
- Mitigate tariff risks by transferring manufacturing sites.

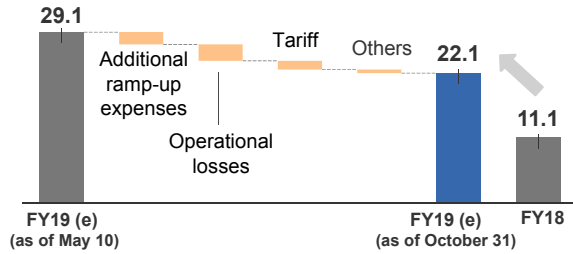
* Last year's challenge of operational-related issues in Automotive Infotainment has been settled.

Energy Business

FY19 (e)	Sales	vs. FY18	vs. initial forecast	Operating Profit	vs. FY18	vs. initial forecast	Other income/loss	vs. FY18	vs. initial forecast
Energy	788.0	+225.5	+30.0	22.1	+11.0	-7.0	-2.5	-7.5	0.0

Operating profit revision analysis

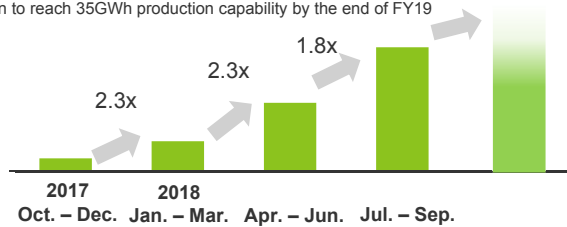
(yen: billions)



Ramp-up at automotive battery factory in North America

(Cell production volume by quarter)

- Under rapid production capacity expansion
- Plan to reach 35GWh production capability by the end of FY19



Analysis

- Additional temporary expenses in line with rapid ramp-up at North America automotive battery factory.
- Operational loss increased due to temporary inefficiencies following rapid production expansion.
- Tariff impact from trade friction between U.S. & China.

Challenges

- Ability to maintain stable operations at North America automotive battery factory.
- U.S. tariff risks.

Countermeasures

- Reap benefits from expanded sales in second half and onwards, in addition to promoting rationalization and fixed-cost reduction.
- Minimize impact of U.S tariffs by negotiating with our customers.

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. Furthermore, figures in the presentation, at the time of the disclosure, are under the review procedure based on Financial Instruments and Exchange Act. 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 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; 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.

(Reference) FY19 2Q Operating Profit & Net Profit

(yen: billions)

	FY19 2Q	FY18 2Q	vs. FY18
Operating profit	95.2	112.7	-17.5
Non-operating income/loss	-0.1	0.1	-0.2
Profit before income taxes	95.1	112.8	-17.7
Income taxes	-34.9	-39.0	-4.1
Net profit	60.2	73.8	-13.6
Net profit attributable to Panasonic Corporation stockholders	56.2	70.1	-13.9
Net profit attributable to non-controlling interests	4.0	3.7	+0.3

(Reference) Segments and Business Divisions (as of October 31, 2018)

Appliances (AP)

- Air-Conditioner Company
- TV BD
- Imaging Network BD
- Home Entertainment BD
- Communication Products BD
- Refrigerator BD
- Laundry Systems and Vacuum Cleaner BD
- Kitchen Appliances BD
- Beauty and Living BD
- Refrigeration and Air-Conditioning Devices BD
- Smart Energy System BD
- Cold Chain BD
- Hussmann Corporation

Eco Solutions (ES)

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

Connected Solutions (CNS)

- Panasonic Avionics Corporation
- Process Automation BD
- Media Entertainment BD
- Mobile Solutions BD
- Security Systems BD
- Panasonic System Solutions Japan Co., Ltd.

Automotive & Industrial Systems (AIS)

- Automotive Infotainment Systems BD
- Automotive Electronics Systems BD
- Ficosa International, S.A.
- Energy Device BD
- Energy Solutions BD
- Tesla Energy BD
- Automotive Energy BD
- Electromechanical Control BD
- Panasonic Semiconductor Solutions Co., Ltd.
- Device Solutions BD
- Electronic Materials BD
- Panasonic Liquid Crystal Display Co., Ltd.

(Reference) List of Businesses whose sales are disclosed in FY19

Appliances (AP)

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

Eco Solutions (ES)

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

Connected Solutions (CNS)

- Avionics Business : Panasonic Avionics Corporation, Avionics BU
- Process Automation BD
- Media Entertainment BD
- Mobile Solutions BD
- PSSJ : Panasonic System Solutions Japan Co., Ltd.

Automotive & Industrial Systems (AIS)

- Automotive Business : Automotive Infotainment Systems BD, Automotive Electronics Systems BD, Ficosa International, S.A.
- Energy Business : Energy Device BD, Energy Solutions BD, Tesla Energy BD, Automotive Energy BD
- Industrial Business : Electromechanical Control BD, Panasonic Semiconductor Solutions Co., Ltd., Device Solutions BD, Electronic Materials BD, Panasonic Liquid Crystal Display Co., Ltd.