Summary of FY21 1Q Financial Results and Full-Year Forecast

• FY21 1Q Financial Results
  - Overall sales decreased due to deconsolidation in business portfolio reform, and impact of novel coronavirus disease (COVID-19)
  - Profit decreased with largely decreased sales, despite steady progress in enhancing management structure
  - COVID-19 impact: both sales and profit have improved since June 2020

• FY21 Full-Year Forecast
  - Overall sales and profit expected to decrease for the full-year, despite outlook of gradual lessening of COVID-19 impact from 2Q onward
  - Steadily promote management structure enhancement, etc. as Mid-term strategy initiatives to improve profitability, and strengthen efforts to capture business opportunities from changes in society brought about by COVID-19
## FY21 1Q Financial Results

- **Sales**: Decreased due to deconsolidation impact in business portfolio reform and COVID-19 impact
- **Adjusted operating profit**: Decreased with largely decreased sales, despite progress in enhancing management structure such as fixed cost reduction
- **Operating profit**: Decreased, despite achieving profitability by recording of one-time gains
- **Net profit**: Decreased

<table>
<thead>
<tr>
<th>(yen: billions)</th>
<th>FY21 1Q</th>
<th>FY20 1Q</th>
<th>vs. FY20 / Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales</strong></td>
<td>1,391.9</td>
<td>1,891.1</td>
<td>(-26%) -499.2</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Excl. effect of exchange rates (-25%) (-472.7)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Excl. effect of exchange rates &amp; deconsolidation impact (-21%) (-370.5)</td>
</tr>
<tr>
<td>Adjusted operating profit*</td>
<td>-5.9</td>
<td>62.4</td>
<td>(3.3%) -68.3</td>
</tr>
<tr>
<td>(Adjusted OPM)</td>
<td></td>
<td></td>
<td>(-0.4%)</td>
</tr>
<tr>
<td>Other income/loss**</td>
<td>9.7</td>
<td>-6.0</td>
<td>-15.7</td>
</tr>
<tr>
<td>Operating profit (OPM)</td>
<td>3.8</td>
<td>56.4</td>
<td>(3.0%) -52.6</td>
</tr>
<tr>
<td></td>
<td>(0.3%)</td>
<td></td>
<td>(-93%) -53.1</td>
</tr>
<tr>
<td>Non-operating income/loss</td>
<td>-0.7</td>
<td>-0.2</td>
<td>-0.5</td>
</tr>
<tr>
<td>Profit before income taxes</td>
<td>3.1</td>
<td>56.2</td>
<td>-95% -53.1</td>
</tr>
<tr>
<td>Net profit attributable to Panasonic Corporation stockholders</td>
<td>-9.8</td>
<td>49.8</td>
<td>-59.6</td>
</tr>
</tbody>
</table>

### Exchange Rates

<table>
<thead>
<tr>
<th>Currency</th>
<th>FY21 Rate</th>
<th>FY20 Rate</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 US dollar</td>
<td>108 yen</td>
<td>110 yen</td>
<td></td>
</tr>
<tr>
<td>1 Euro</td>
<td>118 yen</td>
<td>123 yen</td>
<td>-5 yen</td>
</tr>
<tr>
<td>1 Renminbi</td>
<td>15.2 yen</td>
<td>16.1 yen</td>
<td>-0.9 yen</td>
</tr>
</tbody>
</table>

* Adjusted OP = Sales - Cost of sales - SG&A
** Other income/loss = Other income (expenses) + Share of profit of investments accounted for using the equity method
FY21 1Q Sales Analysis

- Largely decreased due to deconsolidation in business portfolio reform, and COVID-19 impact mainly in Automotive, Appliances, and Connected Solutions
- Monthly sales hit at bottom in April and May. Noticeable recovery seen mainly in Japan and China from June 2020

(yen: billions)

<table>
<thead>
<tr>
<th>Monthly sales</th>
<th>1Q</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>April</td>
</tr>
<tr>
<td>Sales vs. FY20 (excl. effect of exchange rates and deconsolidation impact)</td>
<td>-21%</td>
</tr>
</tbody>
</table>

Deconsolidation impact: -102.2

Effect of exchange rates:
- Sales increase/decrease in real terms (excl. special factors)
  - FY20 1Q: 1,891.1
  - FY21 1Q: 1,391.9
  - Effect of exchange rates: -20.5

COVID-19 impact: -350.0

Deconsolidation impact (-370.5, -26%)

FY20 1Q: 1,891.1
FY21 1Q: 1,391.9

FY21 1Q Operating Profit Analysis

- Adjusted OP decreased due to COVID-19 impact, however, steady progress with initiatives including enhancing management structure, turning profitable in June
- OP achieved profitability by recording of one-time gains

(yen: billions)

Management structure enhancement (Fixed cost reduction):
- Profitability improvement of automotive business: +8.0
- Measures to businesses with loss-making structures:
  - Increases in other businesses: +8.0
  - Deconsolidation impact: -5.6
  - Effect of exchange rates: +0.3

COVID-19 impact: -80.0

Major difference factors:
- Gains from establishment of JV: +27.0
- Loss of investments under equity method: -15.0

Other income/loss:
- +15.7
- 3.8

Adjusted OP: -68.3
Adjusted OP (excl. COVID-19 impact): +11.7

OP: -52.6

* Housing, Automotive prismatic batteries, Security systems
** Net amount of decreased sales and fixed cost improvement related to COVID-19
## FY21 1Q Results by Segment

<table>
<thead>
<tr>
<th>Segment</th>
<th>Sales (yen: billions)</th>
<th>vs. FY20 Difference</th>
<th>Adjusted OP</th>
<th>Other income/loss</th>
<th>OP vs. FY20 Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Appliances</strong></td>
<td>554.7 (-19%) (-18%)</td>
<td>-133.7</td>
<td>15.8 (-14.7)</td>
<td>-0.6 (-0.1)</td>
<td>15.2 (-14.8)</td>
</tr>
<tr>
<td><strong>Life Solutions</strong></td>
<td>325.1 (-30%) (-29%)*</td>
<td>-137.6</td>
<td>7.3 (-5.2)</td>
<td>-1.7 (-1.9)</td>
<td>5.6 (-7.1)</td>
</tr>
<tr>
<td><strong>Connected Solutions</strong></td>
<td>185.3 (-27%) (-26%)</td>
<td>-69.9</td>
<td>-16.6 (-30.8)</td>
<td>0.6 (+1.1)</td>
<td>-16.0 (-29.7)</td>
</tr>
<tr>
<td><strong>Automotive</strong></td>
<td>210.8 (-44%) (-43%)</td>
<td>-166.6</td>
<td>-29.5 (-19.7)</td>
<td>20.0 (+20.2)</td>
<td>-9.5 (0.5)</td>
</tr>
<tr>
<td><strong>Industrial Solutions</strong></td>
<td>288.6 (-12%) (-10%)</td>
<td>-38.5</td>
<td>10.7 (+3.9)</td>
<td>-1.5 (+0.1)</td>
<td>9.2 (+4.0)</td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td>52.3 (-11%)</td>
<td>-6.2</td>
<td>0.8 (-0.3)</td>
<td>-0.5 (-0.9)</td>
<td>0.3 (-1.2)</td>
</tr>
<tr>
<td><strong>Eliminations &amp; adjustments</strong></td>
<td>-224.9</td>
<td>-53.3</td>
<td>5.6 (-1.5)</td>
<td>-6.6 (-2.8)</td>
<td>-1.0 (-4.3)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,391.9 (-26%) (-25%)</td>
<td>-499.2 (-68.3)</td>
<td>9.7 (+15.7)</td>
<td>-68.3 (-52.6)</td>
<td>3.8 (-14.5)</td>
</tr>
</tbody>
</table>

* vs. FY20 excluding the effect of exchange rates and deconsolidation impact: -12%

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## FY21 1Q Sales and Profit Analysis by Segment

### Major Increase/Decrease Factors

**Sales decreased:** Largely affected by market deterioration from COVID-19 impact, despite recovery trends in some products in regions such as China and Japan.

**Profit decreased:** due to decreased sales, despite efforts to reduce fixed costs and sales promotion expenses, etc.

**Sales decreased due to market deterioration from COVID-19 impact and temporary suspension at factories resulting from lockdown measures:**

**Profit decreased:** Impacted by decreased sales, etc., despite efforts to reduce fixed costs.

**Sales decreased:** Mainly in Avionics due to sharply reduced flight operations.

**Profit decreased:** largely impacted by decreased sales, despite thorough efforts to reduce fixed costs.

**Sales decreased:** largely due to COVID-19 impact. In Automotive Solutions, steady progress made with product portfolio replacement.

**Profit decreased:** Decreased overall due to Automotive Solutions inability to offset lower sales with significant fixed-cost reductions, despite profit of Automotive Batteries maintaining the same level as previous year with improved productivity at North America factory, etc.

**Sales decreased:** Decreased overall impacted by decreased sales for automotive-use products, despite increases in power storage systems and capacitors for information- and communication-infrastructure, etc.

**Profit increased**: Efforts to reduce fixed costs and effects of contract alteration of semiconductor business offset decreased sales.

### Sales: Decreased at all segments due mainly to COVID-19 impact

- **Sales (yen: billions):** 1,891.1
- **Excluding effect of exchange rates & deconsolidation impact:** -370.5 (-21%)

### OP: Increased at IS, but decreased at 4 segments

- **OP: -52.6**
**FCF:** Three-month accumulated was negative, however recovered to positive in June

- **Operating CF:** Negative due to short-term factors such as COVID-19 impact (Decreased profit, increased inventory, and temporary delay in collection of other working capital)
- **Investing CF:** Positive due mainly to one-time proceeds

**Cash:** Maintained sufficient liquidity

- **Gross cash:** Secured over 1 trillion yen. No borrowing under commitment line agreements (total of 700.0 billion yen)
- **Net cash:** Improved from FY20 due to reduction of lease liabilities

**FCF:** Three-month accumulated was negative, however recovered to positive in June

- **Operating CF:** Negative due to short-term factors such as COVID-19 impact (Decreased profit, increased inventory, and temporary delay in collection of other working capital)
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- **Net cash:** Improved from FY20 due to reduction of lease liabilities
FY21 Full-Year Forecast

- Sales and profit expected to decrease for the full-year, despite outlook of gradual lessening of COVID-19 impact from 2Q onward
- Profit improvement in line with Mid-term strategy: Steadily promote enhancement of management structure, etc.

<table>
<thead>
<tr>
<th>(yen: billions)</th>
<th>FY21 (e)</th>
<th>FY20</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>6,500.0</td>
<td>7,490.6</td>
<td>-13%</td>
</tr>
<tr>
<td>Adjusted operating profit* (Adjusted OPM)</td>
<td>220.0 (3.4%)</td>
<td>286.7 (3.8%)</td>
<td>-23%</td>
</tr>
<tr>
<td>Other income/loss**</td>
<td>-70.0</td>
<td>7.1</td>
<td>-77.1</td>
</tr>
<tr>
<td>Operating profit (OPM)</td>
<td>150.0 (2.3%)</td>
<td>293.8 (3.9%)</td>
<td>-49%</td>
</tr>
<tr>
<td>Non-operating income/loss</td>
<td>0.0</td>
<td>-2.7</td>
<td>+2.7</td>
</tr>
<tr>
<td>Profit before income taxes</td>
<td>150.0</td>
<td>291.1</td>
<td>-48%</td>
</tr>
<tr>
<td>Net profit attributable to Panasonic Corporation stockholders</td>
<td>100.0</td>
<td>225.7</td>
<td>-56%</td>
</tr>
<tr>
<td>ROE</td>
<td>5.0%</td>
<td>11.5%</td>
<td></td>
</tr>
</tbody>
</table>

Exchange rates

| 1 US dollar | 106 yen (105 yen) | 109 yen |
| 1 Euro | 116 yen (115 yen) | 121 yen |
| 1 Renminbi | 15.4 yen (15.5 yen) | 15.6 yen |

• **Nature of COVID-19 Impact**

<table>
<thead>
<tr>
<th>Company-wide</th>
<th>Nature of COVID-19 Impact</th>
<th>COVID-19 impact on sales* (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1Q</td>
<td>2Q</td>
<td>2H</td>
</tr>
<tr>
<td><strong>AP</strong></td>
<td>-20 to -10%</td>
<td>-5 to -3%</td>
</tr>
<tr>
<td><strong>LS</strong></td>
<td>-20 to -10%</td>
<td>-5 to -3%</td>
</tr>
<tr>
<td><strong>CNS</strong></td>
<td>-30 to -20%</td>
<td>-10 to -5%</td>
</tr>
<tr>
<td><strong>AM</strong></td>
<td>-30 to -20%</td>
<td>-10 to -5%</td>
</tr>
<tr>
<td><strong>IS</strong></td>
<td>-10 to -5%</td>
<td>-5 to -3%</td>
</tr>
</tbody>
</table>
| **Note:** Names of each Segment are as follows; AP: Appliances LS: Life Solutions CNS: Connected Solutions AM: Automotive IS: Industrial Solutions

**Assumptions/Conditions of COVID-19 Impact (Sales)**

• While gradual recovery is factored in, impact on businesses expected to remain in 2H for: aviation, housing-related, and automotive industries

* COVID-19 impact on FY21 sales compared to FY21 sales excluding COVID-19 impact
Assumptions/Conditions of COVID-19 Impact (Adjusted Operating Profit)

- Decreased amount of profit resulting from COVID-19 impact: negative impact expected to lessen in 2Q and toward 2H

(yen: billions)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>FY21</th>
<th>(Reference) FY20</th>
</tr>
</thead>
<tbody>
<tr>
<td>1Q</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>2Q</td>
<td>50.0</td>
<td>50.0</td>
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<tr>
<td>1H</td>
<td>100.0</td>
<td></td>
</tr>
<tr>
<td>2H</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Mainly for automotive, housing-related, & aviation industries

FY21 Sales Analysis

- Sales decreases largely due to deconsolidation impact in business portfolio reform along with COVID-19 impact

(yen: billions)

Deconsolidation impact: 7,490.6 - 374.3 = 7,116.3

Effect of exchange rates: -120.0

Sales increase/decrease in real terms (excl. special factors): +13.7

FY20 COVID-19 impact: +140.0

FY21 COVID-19 impact: -650.0

Excl. effect of exchange rates/ Deconsolidation impact: 6,500.0 - 990.6 (-13%)
FY21 Operating Profit Analysis

- Decreases due to COVID-19 impact, however, steady progress with Mid-term strategy initiatives such as enhancing management structure

**Adjusted OP (excl. COVID-19 impact)**

- Excl. COVID-19 impact
  - Approx. 320.0

- FY20
  - OP: -143.8
  - Adjusted OP: -66.7

- FY21
  - Adjusted OP: -66.7

Other income/loss

- FY20
  - Other income/loss: -77.1
  - Gains from establishment of JV, etc.: 122.6
  - Restructuring expenses, and others: -115.5

- FY21
  - Other income/loss: -77.1
  - Gains from establishment of JV: 27.0
  - Restructuring expenses, and others: -97.0

**FY21 Full-Year Forecast by Segment**

<table>
<thead>
<tr>
<th>Segment</th>
<th>Sales (yen: billions)</th>
<th>vs. FY20 Difference</th>
<th>Adjusted OP</th>
<th>Other income/loss</th>
<th>OP vs. FY20 Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appliances</td>
<td>2,370.0</td>
<td>-9% (-7%)</td>
<td>-220.3</td>
<td>-18.0</td>
<td>-2.6</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>73.0</td>
<td></td>
<td>55.0</td>
</tr>
<tr>
<td>Life Solutions</td>
<td>1,480.0</td>
<td>-23% (-22%)</td>
<td>-438.6</td>
<td>-30.0</td>
<td>-111.7</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>75.0</td>
<td></td>
<td>45.0</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>-23.4</td>
<td></td>
<td>-135.1</td>
</tr>
<tr>
<td>Connected Solutions</td>
<td>900.0</td>
<td>-13% (-12%)</td>
<td>-134.7</td>
<td>-2.0</td>
<td>-18.0</td>
</tr>
<tr>
<td></td>
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<td></td>
<td>15.0</td>
<td></td>
<td>13.0</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>-61.0</td>
<td></td>
<td>-79.0</td>
</tr>
<tr>
<td>Automotive</td>
<td>1,250.0</td>
<td>-16% (-14%)</td>
<td>-232.4</td>
<td>-4.0</td>
<td>+12.1</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>-30.0</td>
<td></td>
<td>-34.0</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>+0.5</td>
<td></td>
<td>+12.6</td>
</tr>
<tr>
<td>Industrial Solutions</td>
<td>1,200.0</td>
<td>-6% (-5%)</td>
<td>-82.7</td>
<td>-12.0</td>
<td>+21.0</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>55.0</td>
<td></td>
<td>43.0</td>
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<td></td>
<td></td>
<td>+17.4</td>
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<td>+38.4</td>
</tr>
<tr>
<td>Other/</td>
<td>-700.0</td>
<td>-</td>
<td>+118.1</td>
<td>-4.0</td>
<td>+22.1</td>
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<td>Eliminations &amp;</td>
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<td>32.0</td>
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<td>28.0</td>
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<td>adjustments</td>
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<td>-2.1</td>
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<td>+20.0</td>
</tr>
<tr>
<td>Total</td>
<td>6,500.0</td>
<td>-13% (-12%)</td>
<td>-990.6</td>
<td>-70.0</td>
<td>-77.1</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>220.0</td>
<td></td>
<td>150.0</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>-66.7</td>
<td></td>
<td>-143.8</td>
</tr>
</tbody>
</table>

**FY20**

| FY20 FY21 | OP: -143.8 | (-3.9%) | Adjusted OP: -66.7 | (-2.3%) | Other income/loss: -77.1 |

**FY21**

| FY20 FY21 | OP: -143.8 | (-3.9%) | Adjusted OP: -66.7 | (-2.3%) | Other income/loss: -77.1 |

* vs. FY20 excluding the effect of exchange rates and deconsolidation impact: -7%
Major increase/decrease factors

AP
Sales decreases: Despite outlook of recovery trend in 2H onward, COVID-19 impact expected to be significant mainly at Smart Life Network
Profit increases through initiatives to enhance management structure mainly with air-conditioning and white goods businesses, despite sales decrease

LS
Sales decreases due mainly to COVID-19 impact, despite strong air quality-related business in Japan
Profit decreases: Fixed cost reductions, etc. unable to offset impact of decreased sales

CNS
Sales decreases: Sales of Avionics, etc. largely impacted by COVID-19, despite sales increase at Process Automation due to favorable sales of mounting machines
Profit decreases: Efforts to reduce costs (mainly personnel costs) unable to offset decreased sales by COVID-19 impact

AM
Sales decreases at both Automotive Solutions and Automotive Batteries due to COVID-19 impact. Steady progress in product portfolio replacement at Automotive Solutions.
Overall loss expected to be at same level as previous year: Decreases at Automotive Solutions due to efforts in reducing fixed costs unable to offset COVID-19 impact, but increases at Automotive Batteries with improved productivity, etc. at North America factory

IS
Sales decreases: Decreased sales of automotive-use products due to COVID-19 impact, despite favorable demand of products for information- and communication-infrastructure
Profit increases: Fixed cost reduction and business restructuring effects (e.g. semiconductor business) offset decreased sales

Other income/loss
Impact from one-time gains in the previous year, despite restructuring expenses to decrease

Sales: Decreases at all segments due to COVID-19, etc.
(yen: billions)

OP: Decreases overall due mainly to decreased profit at CNS, etc. and rebound from one-time gains in the previous year, despite AP and IS achieving increases
(yen: billions)

FY21 FCF

- From 2Q onward, promote securing profit, optimizing inventory level, improving working capital and narrowing down capital investment
- Execute strategic investment within the proceeds generated by business portfolio reform and sale of assets
For the full-year, aim for FCF above the level of net profit

- Secure profit
- Optimize inventory level
- Improve working capital
- Narrow down capital investment
- Execute strategic investment within proceeds generated by business portfolio reform and sale of assets

Aim for the level above net profit

Operating CF  Investing CF  FCF
## Business Portfolio Reform Progress since FY20

| Investment for growth | Automotive prismatic battery business  
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>- Made strategic equity investment (20%) in Blue Yonder, a leading supply chain software provider (July 20, 2020)</td>
</tr>
</tbody>
</table>
|                      | Security systems business  
|                      | - Completed strategic capital alliance procedures co-investment with Polaris Capital Group Co., Ltd. (November, 2019) |
| Improve profitability | Gemba (operational frontlines) process business  
|                      | - Established Prime Planet Energy & Solutions Inc., a joint venture with Toyota Motor Corporation (April 1, 2020) |
|                      | - Established Prime Life Technologies Corporation, a joint venture with Toyota Motor Corporation (January 7, 2020)  
|                      | - Announced transfer of semiconductor business (November 28, 2019). Received approval related to competition law from Taiwanese and Chinese authorities, and proceed toward completion in September 2020.  
|                      | - Completed in FY20 |
|                      | Hospital (operational frontlines) process business  
|                      | - Resolved to end partnership with GS-Solar, a Chinese photovoltaic module manufacturer, agreed in May 2019.  
|                      | Aim to restore profitability by FY23 looking into every possible measure including new business collaboration with other partners (July 30, 2020).  
|                      | - Announced transfer part of discrete semiconductor business (April 23, 2019); Completed November 2019.  
|                      | - Completed in FY20 |
|                      | Solar business  
|                      | - Completed in FY20 |
|                      | Liquid crystal display panel business  
|                      | - Completed in FY20 |
|                      | LED business  
|                      | - Completed in FY20 |

### Note: Changes after FY20 full-year announcement are underline

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## Key Initiatives for FY21

### Execute Mid-term strategy and countermeasures to COVID-19 to overcome low-profitability structure

#### Mid-term Strategy

- **Enhancement of management structure**
  - Fixed cost reduction
  - Taking measures to businesses with loss-making structures

- **Improve profitability of automotive business**
  - Focus on areas where we have advantages/
    Improve efficiency of development
  - Improve productivity

- **Business portfolio reform**
  - Invest for growth
  - Enhance competitiveness through collaboration
  - Improve profitability

#### Execute countermeasures to COVID-19

- **Respond to business risks**
  - Temporary
  - Medium-term
  - Cost reductions (mainly fixed costs)
  - Accelerate and promote countermeasures responding to structural changes

- **Capture business opportunities**
  - Expanding investments in information- and communication-infrastructure
  - Increasing demand related to public health/
    air-conditioning and indoor air quality
  - Develop products & services, invest in expanded capacity
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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 the spread of the novel coronavirus infections may adversely affect business activities of the Panasonic Group; 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 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; restrictions, costs or legal liability relating to laws and regulations or failures in internal controls; 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) FY21 1Q Operating Profit Analysis

(yen: billions)

<table>
<thead>
<tr>
<th></th>
<th>FY20 1Q</th>
<th>FY21 1Q</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales increase/decrease in real terms</td>
<td>-137.2</td>
<td>56.4</td>
<td>-137.2</td>
</tr>
<tr>
<td>Price declines/ rationalization/ sales mix, etc.</td>
<td>-3.7</td>
<td>+72.3</td>
<td>+72.3</td>
</tr>
<tr>
<td>Fixed cost</td>
<td>+0.3</td>
<td>-15.7</td>
<td>-15.7</td>
</tr>
<tr>
<td>Effect of exchange rates</td>
<td>-0.6</td>
<td>+15.7</td>
<td>+15.7</td>
</tr>
<tr>
<td>Other income/loss</td>
<td>+3.8</td>
<td>-3.8</td>
<td>-3.8</td>
</tr>
</tbody>
</table>

### (Reference) FY21 1Q Operating Profit & Net Profit

(yen: billions)

<table>
<thead>
<tr>
<th></th>
<th>FY21 1Q</th>
<th>FY20 1Q</th>
<th>vs. FY20 Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating profit</td>
<td>3.8</td>
<td>56.4</td>
<td>-52.6</td>
</tr>
<tr>
<td>Non-operating income/loss</td>
<td>-0.7</td>
<td>-0.2</td>
<td>-0.5</td>
</tr>
<tr>
<td>Profit before income taxes</td>
<td>3.1</td>
<td>56.2</td>
<td>-53.1</td>
</tr>
<tr>
<td>Income taxes</td>
<td>-10.0</td>
<td>-2.4</td>
<td>-7.6</td>
</tr>
<tr>
<td>Net profit</td>
<td>-6.9</td>
<td>53.8</td>
<td>-60.7</td>
</tr>
<tr>
<td>Net profit attributable to Panasonic Corporation stockholders</td>
<td>-9.8</td>
<td>49.8</td>
<td>-59.6</td>
</tr>
<tr>
<td>Net profit attributable to non-controlling interests</td>
<td>2.9</td>
<td>4.0</td>
<td>-1.1</td>
</tr>
</tbody>
</table>
### (Reference) Segment Information

#### Overview

<table>
<thead>
<tr>
<th></th>
<th>FY21 1Q</th>
<th>vs. FY20/ Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>563.1</td>
<td>-20% (-19%)</td>
</tr>
<tr>
<td>Adjusted operating profit (Adjusted OPM)</td>
<td>14.3</td>
<td>-14.5</td>
</tr>
<tr>
<td>Other income/loss</td>
<td>-0.6</td>
<td>-0.0</td>
</tr>
<tr>
<td>Operating profit (OPM)</td>
<td>13.7</td>
<td>-14.5</td>
</tr>
</tbody>
</table>

* In real terms excluding the effect of exchange rates

#### Major increase/decrease factors

- **Heating and Cooling Solutions**
  - Sales and profit decreased: Stable sales of room air-conditioners in China; in Japan, recovery trends seen in May onward, but sales impacted by market deterioration due to lockdowns in Europe, Asia, etc. and by a temporary suspension at factories in Malaysia

- **Home Appliances**
  - Sales decreased: Despite stable sales of personal-care products in China, COVID-19 mainly affected refrigerators and washing machines in Asia and Latin America
  - Profit increased due mainly to reducing fixed costs and sale promotion expenses, despite decreased sales

- **Smart Life Network**
  - Sales and profit decreased: Digital still camera sales decreased due to market deteriorated mainly in Europe, along with TV supply shortage caused by temporary suspension at factories and other factors

- **Commercial Refrigeration & Food Equipment**
  - Sales and profit decreased mainly in showcases for large-scale stores affected by COVID-19 in Japan and North America

**Other income/loss**

### Life Solutions

#### Overview

<table>
<thead>
<tr>
<th></th>
<th>FY21 1Q</th>
<th>vs. FY20/ Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>325.1</td>
<td>-30% (-29%)</td>
</tr>
<tr>
<td>Adjusted operating profit (Adjusted OPM)</td>
<td>7.3</td>
<td>-5.2</td>
</tr>
<tr>
<td>Other income/loss</td>
<td>-1.7</td>
<td>-1.9</td>
</tr>
<tr>
<td>Operating profit (OPM)</td>
<td>5.6</td>
<td>-7.1</td>
</tr>
</tbody>
</table>

* In real terms excluding the effect of exchange rates / -12% excluding the effect of exchange rates and deconsolidation impact

#### Major increase/decrease factors

- **Lighting**
  - Despite sales decrease due to weak demand caused by COVID-19 and business transfer in Europe, profit increased with lower manufacturing costs and reduced expenses, etc.

- **Energy Systems**
  - Sales and profit decreased due to decreased sales from COVID-19 impact, including market deterioration caused by lockdowns and temporary suspensions at factories (e.g. India)

- **Panasonic Ecology Systems**
  - Sales decreased due to decreased sales of in door air quality (IAQ) business in Asia and North America, despite sales increase of Ziaino air purifier/sterilizers in Japan
  - Profit increased: Efforts to reduce fixed costs, etc. offset decreased sales

- **Housing Systems**
  - Sales and profit decreased due to market deterioration caused by COVID-19 impact and delayed product supply, etc.

**Other income/loss**

### Reference

**Appliances**

Sales: Decreased, largely affected by market deterioration from COVID-19 impact (e.g. lockdowns), despite recovery trends in some products in regions such as China and Japan

OP: Decreased due to decreased sales, but negative impact mitigated by management enhancement initiatives (e.g. reducing fixed costs and sales promotion expenses)

**Life Solutions**

Sales: Decreased due to deconsolidation (e.g. Panasonic Homes) as well as decreased sales affected due to market deterioration, etc. caused by COVID-19

OP: Decreased due mainly to decreased sales caused by COVID-19 impact, despite progress in efforts to reduce fixed costs
**Connected Solutions**

### Overview (yen: billions)

<table>
<thead>
<tr>
<th>FY21 1Q</th>
<th>vs. FY20/ Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>185.3</td>
</tr>
<tr>
<td>Adjusted operating profit (Adjusted OPM)</td>
<td>-16.0 (-8.8%)</td>
</tr>
<tr>
<td>Other income/loss</td>
<td>0.6 +1.1</td>
</tr>
<tr>
<td>Operating profit (OPM)</td>
<td>-16.0 (-8.8%)</td>
</tr>
</tbody>
</table>

* Major increase/decrease factors

**Avionics**
- Sales decreased due to decreased sales of IFEC**, hardware, and repair & maintenance services, caused by airline companies holding back investment, etc., due to sharp decline of flight operations.
- Profit decreased despite thorough efforts to reduce costs, mainly personnel costs.

**Process Automation**
- Sales and profit decreased due to weak automobile market conditions, despite increased sales of servers and mounting machines for 5G base stations in China.

**Media Entertainment**
- Sales and profit decreased with decreased sales of projectors etc. resulting from event cancellations worldwide.

**Mobile Solutions**
- Sales and profit decreased: Notebook PC demand increased with more people working remotely; however, a negative impact was felt relative to last year’s special demand for the end of Windows 7 support; furthermore, production affected by component procurement issues.

**PSSJ**
- Sales and profit decreased: Delays in project promotion activities caused by COVID-19, and negative impact relative to special demand for the end of Windows 7 support.

**Others**
- Deconsolidation of security systems business, etc.

* In real terms excluding the effect of exchange rates

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**Automotive**

### Overview (yen: billions)

<table>
<thead>
<tr>
<th>FY21 1Q</th>
<th>vs. FY20/ Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>210.8</td>
</tr>
<tr>
<td>Adjusted operating profit (Adjusted OPM)</td>
<td>-29.5 (-14.0%)</td>
</tr>
<tr>
<td>Other income/loss</td>
<td>20.0 +20.2</td>
</tr>
<tr>
<td>Operating profit (OPM)</td>
<td>-9.5 (-4.5%)</td>
</tr>
</tbody>
</table>

* Major increase/decrease factors

**Automotive**
- Decreased largely due to COVID-19; steady progress made with portfolio replacement to IVI, which is our focus area.
- Significant fixed-cost reductions with accelerated management enhancement measures unable to offset decreased sales from COVID-19 impact.
- Same level as previous year with rationalization efforts at North America factory for cylindrical batteries; improved productivity and reduced losses offset COVID-19 impact.
- North America factory for cylindrical batteries returned to profitability in June on a single-month basis.

* In real terms excluding the effect of exchange rates

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* *IFEC (Inflight entertainment and connectivity)** Panasonic System Solutions Japan Co., Ltd. **PSSJ**: Others: sales of other Divisional Company products, etc.
### (Reference) Segment Information

**Overview** (yen: billions)

<table>
<thead>
<tr>
<th>FY21 1Q</th>
<th>vs. FY20/Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>288.6</td>
</tr>
<tr>
<td>-12% (-10%)*</td>
<td></td>
</tr>
<tr>
<td>Adjusted operating profit (Adjusted OPM)</td>
<td>10.7 (3.7%)</td>
</tr>
<tr>
<td>+3.9</td>
<td></td>
</tr>
<tr>
<td>Other income/loss</td>
<td>-1.5</td>
</tr>
<tr>
<td>+0.1</td>
<td></td>
</tr>
<tr>
<td>Operating profit (OPM)</td>
<td>9.2 (3.2%)</td>
</tr>
<tr>
<td>+4.0</td>
<td></td>
</tr>
</tbody>
</table>

* In real terms excluding the effect of exchange rates

#### Major increase/decrease factors

**Systems**
- Sales decreased with automotive-use products (e.g. relays) impacted by COVID-19; however, profit increased with increased sales of power storage systems for data centers and growth in industrial-use motors, and efforts to reduce fixed costs offset decreased sales.

**Devices**
- Sales and profit decreased mainly with weak sales of automotive-use products (e.g. coils, sensors) impacted by COVID-19, despite growth in capacitors and circuit board materials for information- and communication-infrastructure.

**Others**
- Sales decreased due to market deterioration, but profit increased due mainly to reduced fixed costs and contract alteration effect of semiconductor business.

**Note:** Grouping of Businesses whose sales are disclosed

**[Systems] Electromechanical Control, Industrial Device, Energy Solutions**

**[Devices] Device Solutions, Energy Device, Electronic Materials**

**[Other]**

**Other income/loss** -

---

### (Reference) List of Sub-segments (formerly Businesses whose sales are disclosed) in FY21

**Sub-segments**

- **AP**
  - Heating and Cooling Solutions
  - Home Appliances
  - Smart Life Network
  - Commercial Refrigeration & Food Equipment
  - Others

- **LS**
  - Lighting
  - Energy Systems
  - Panasonic Ecology Systems
  - Housing Systems
  - Others

- **CNS**
  - Avionics
  - Process Automation
  - Media Entertainment
  - Mobile Solutions
  - PSSJ
  - Others

- **AM**
  - Automotive Solutions
  - Automotive Batteries
  - Others

- **IS**
  - Systems
  - Devices
  - Others

- **Other**
  - Sales of raw materials, etc.

**Eliminations & adjustments**

- Revenues and expenses which are not attributable to any reportable segments for the purpose of evaluating operating results of each segment, consolidation adjustments, and eliminations of intersegment transactions.

**Notes:**
1. Sales and profit of China & Northeast Asia Company are mainly included in AP and LS segments. Sales and profit of US Company are mainly included in AP and AM segments.
2. Panasonic Homes was deconsolidated in January 2020. Automotive Energy BD was deconsolidated in April 2020.
3. Share of profit of investments accounted for using the equity method for Prime Life Technologies Corporation and Prime Planet Energy & Solutions Inc. included in “Eliminations & adjustments” and “AM segment,” respectively.

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**Industrial Solutions**

Sales: Decreased with weak automotive-use products (e.g. relays) impacted by COVID-19, despite growth in power storage systems, capacitors, and circuit board materials for information- and communication-infrastructure.

<table>
<thead>
<tr>
<th>(yen: billions)</th>
<th>Systems</th>
<th>Devices</th>
<th>Others**</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY21 1Q</td>
<td>327.1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY20 1Q</td>
<td>288.6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Effect of exchange rates</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**FY20 1Q**

- Adjusted OP: +3.9
- OP: +4.0

**FY21 1Q**

- Adjusted OP: +3.9
- OP: +4.0

**Effect of exchange rates**:

- Systems: 5.2
- Devices: 
- Others**: 

**Other income/loss**: 

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**Note:** Includes semiconductor, LCD, sales of other Divisional Company products, eliminations, etc.