［English summary with full translation of consolidated financial information］

Quarterly Report filed with the Japanese government pursuant to the Financial Instruments and Exchange Law of Japan

For the nine months ended December 31, 2017

Panasonic Corporation
Osaka, Japan

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Disclaimer Regarding Forward-Looking Statements

This quarterly report 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 quarterly report 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 quarterly report. 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.

Ⅰ Corporate Information

(1) Consolidated Financial Summary

	Yen (millions), except per share amounts		
	Nine months ended December 31, 2017	Nine months ended December 31, 2016	Year ended March 31, 2017
Net sales	5,912,166	5,422,385	7,343,707
Profit before income taxes	313,523	278,468	275,066
Net profit attributable to Panasonic Corporation stockholders	200,111	197,459	149,360
Comprehensive income attributable to Panasonic Corporation stockholders	331,156	197,627	174,892
Panasonic Corporation stockholders' equity	1,747,162	1,584,730	1,571,889
Total equity	1,926,481	1,786,037	1,759,935
Total assets	6,374,949	6,076,212	5,982,961
Earnings per share attributable to Panasonic Corporation stockholders, basic (yen)	85.80	85.08	64.33
Earnings per share attributable to Panasonic Corporation stockholders, diluted (yen)	85.75	85.05	64.31
Panasonic Corporation stockholders' equity / total assets (%)	27.4	26.1	26.3
Net cash provided by operating activities	264,184	130,247	385,410
Net cash used in investing activities	(353,793)	(341,530)	(420,156)
Net cash (used in) provided by financing activities	(201,572)	311,913	294,598
Cash and cash equivalents at end of period	1,007,790	1,142,977	1,270,787

	Three months ended December 31, 2017	Three months ended December 31, 2016
Net sales	2,054,302	1,882,581
Net profit attributable to Panasonic Corporation stockholders	81,200	64,004
Earnings per share attributable to Panasonic Corporation stockholders, basic (yen)	34.81	27.58

Note: The Company's condensed quarterly consolidated financial statements and consolidated financial statements are prepared in conformity with International Financial Reporting Standards (IFRS).

(2) Principal Businesses

The Panasonic Group is comprised primarily of the parent Panasonic Corporation and 590 consolidated subsidiaries in and outside of Japan, operating in close cooperation with each other. As a comprehensive electronics manufacturer, Panasonic is engaged in development, production, sales and service activities in a broad array of business areas.

Panasonic supplies a full spectrum of electric/electronic equipment and related products, which is categorized into the following five segments: Appliances, Eco Solutions, Connected Solutions, Automotive & Industrial Systems, and Other. As of April 1, 2017, there were some changes in the structure of its internal organization of the reportable segments.

The Company's consolidated financial statements are prepared in conformity with IFRS and the scope of affiliates is disclosed based on the definition of those accounting principles. The same applies to "Ⅱ The Business Overview."

During the nine months ended December 31, 2017, there were changes in major affiliated companies as follows.

Connected Solutions:

In April 2017, the Company acquired shares of Zetes Industries S.A. (Zetes), an European company of logistics and people identification solutions business, and made it a consolidated subsidiary.

AVC Networks segment has been renamed as Connected Solutions segment as of April 1, 2017.

Automotive & Industrial Systems:

In April 2017, the Company made a Spanish supplier of automotive mirrors Ficosa International S.A. (Ficosa), one of the companies under the equity method of Panasonic, a consolidated subsidiary of Panasonic, as the terms and condition for consolidation were satisfied.

Ⅱ The Business Overview

(1) Operating Results

During the nine months ended December 31, 2017 (fiscal 2018) under review, the global economy showed signs of recovery as the U.S. economy continued to perform favorably with stable personal spending and recovering capital investments. The Chinese economy also showed a steady recovery, supported by various policies. The Japanese economy has made a moderate recovery on the back of stable employment and personal income. However, uncertainties persist in the economic outlook due to factors such as geopolitical risks, downward economic swings in emerging countries, changes in financial market conditions, as well as politics and policies in various countries.

Under such business circumstances, in fiscal 2018, Panasonic is promoting its growth strategies aimed at sustainable sales and profit increase, identifying the growth areas where the Company will concentrate its management resources.

For the B2B business, the Company implemented organizational restructuring under the former AVC Networks Company and established a new internal company, named as the Connected Solutions Company on April 1, 2017. The aim was to develop a customer-oriented structure for the business that will play a central role in the growth of group-wide B2B business.

For the automotive-related business, Panasonic is further expanding its production capacity: in April 2017, the Company opened a new factory for automotive prismatic batteries in Dalian, China, and in September, Panasonic decided to start production of automotive prismatic batteries at the Himeji factory of Panasonic Liquid Crystal Display Co., Ltd. In December, Panasonic announced an agreement with Toyota Motor Corporation (Toyota) to begin studying the feasibility of a joint automotive prismatic battery business. Both companies will consider details of the collaboration with the aim of achieving the best automotive prismatic battery in the industry and contributing to the popularization of Toyota's and other automakers' electrified vehicles.

For the housing-related business, Panasonic has made PanaHome Corporation (PanaHome) a wholly-owned subsidiary through share consolidation in October 2017. As of April 1, 2018, PanaHome will be renamed as "Panasonic Homes Co., Ltd." and its brand will become "Panasonic." Panasonic will promote its growth strategies by exerting synergy of group-wide management resources. In the solar business, Panasonic starts selling individual cells during fiscal 2018, in addition to its conventional way of selling modules only. The Company is reviewing its global production structure for modules including the plan to terminate module production at the Shiga plant by the end of March 2018.

For the nine months ended December 31, 2017, the Company achieved increases in both sales and operating profit due mainly to the growth of automotive- and industry-related business.

Consolidated group sales increased by 9% to 5,912.2 billion yen from fiscal 2017 (a year ago). Domestic sales increased year on year. Overseas sales significantly increased due mainly to the large growth in the automotive-related business such as automotive infotainment systems and Energy, which includes rechargeable batteries. Effects from the new consolidations of Ficosa and Zetes as well as from foreign exchange rates also contributed to increasing sales.

Operating profit increased by 15% to 316.7 billion yen from a year ago. Sales increased mainly in Automotive and Industrial, offsetting the negative impacts from raw material cost hikes and increased fixed-costs due to upfront investments. Profit before income taxes increased by 13% to 313.5 billion yen. Net profit attributable to Panasonic Corporation stockholders increased by 1% to 200.1 billion yen from a year ago.

(2) Operating Results by Segment

The Company's nine-month consolidated sales and profits by segment with previous year comparisons are summarized as follows:

As of April 1, 2017, there were some changes in the structure of its internal organization of the reportable segments. Accordingly, the figures for segment information in fiscal 2017 have been reclassified to conform to the presentation for fiscal 2018.

Appliances

Sales increased by 4% to 2,016.4 billion yen from a year ago due mainly to favorable sales of air-conditioners in Europe and China, steady sales of TVs in Japan and Latin America, in addition to expanded sales of beauty appliances mainly in China and Asia.

Operating profit increased by 4% to 103.3 billion yen from a year ago due mainly to sales increase in spite of the negative impact of raw material cost hikes.

Eco Solutions

Sales increased by 4% to 1,174.0 billion yen from a year ago. Despite a sales decrease in solar photovoltaic systems, Housing Systems showed favorable domestic sales. Electrical construction materials business, which turned to a sales increase in and outside Japan, also contributed to increased sales.

Operating profit increased by 5% to 49.4 billion yen from a year ago with sales expansion offsetting impacts such as raw material cost hikes.

Connected Solutions

Sales increased by 8% to 812.4 billion yen from a year ago. Sales increased at Process Automation with electronic component mounting equipment for the smartphone-, automotive-, and ICT-industries showing favorable results. Mobile Solutions increased sales with its favorable PC and payment terminal business in Japan, in addition to the new consolidation of Zetes.

Operating profit increased by 40% to 79.1 billion yen from a year ago due mainly to expanded sales in Mobile Solutions, Process Automation and other businesses, in addition to improved model mix in Media Entertainment. These offset declined sales in Avionics, which is one of the highly profitable businesses.

Automotive & Industrial Systems

Sales increased by 16% to 2,074.6 billion yen from a year ago. All three Businesses expanded in sales: Automotive with its favorable sales in automotive infotainment systems mainly in Europe and North America, in addition to the new consolidation of Ficosa; Energy which achieved a large growth with its automotive batteries; and Industrial with its expansion in automotive and industrial devices.

Operating profit decreased by 15% to 62.2 billion yen from a year ago. Despite sales expansion, operating profit was affected by increased fixed-costs such as upfront investments for automotive business, in addition to recording one-off gains such as reversal of provision and gains from business transfer in the previous year.

Other

Sales increased by 1% to 419.1 billion yen from a year ago.

Operating profit was 0.0 billion yen, an increase from a year ago which was a loss of 2.4 billion yen.
This is due to contribution from intellectual-property-related revenue.

(3) Assets, Liabilities and Equity

The Company's consolidated total assets as of December 31, 2017 increased by 392.0 billion yen to 6,374.9 billion yen from March 31, 2017. This was due mainly to a seasonal increase in its trade receivables and inventory as well as an increase in property, plant and equipment, despite a decrease in cash and cash equivalents.

The Company's consolidated total liabilities as of December 31, 2017 increased by 225.4 billion yen to 4,448.5 billion yen from March 31, 2017.

Panasonic Corporation stockholders' equity increased by 175.3 billion yen, compared with March 31, 2017, to 1,747.2 billion yen. This is due mainly to recording of net profit attributable to Panasonic Corporation stockholders. Adding non-controlling interests to Panasonic Corporation stockholders' equity, total equity was 1,926.5 billion yen.

(4) Cash Flows

Cash flows from operating activities

Net cash provided by operating activities for the nine months ended December 31, 2017 amounted to 264.2 billion yen, an increase of 133.9 billion yen from a year ago. This was due mainly to an increase in income taxes payable in fiscal 2018 and a significant decrease in provisions in fiscal 2017, despite an increase in working capital in line with sales increase in real terms.

Cash flows from investing activities

Net cash used in investing activities amounted to 353.8 billion yen, an increase of 12.3 billion yen from a year ago. This was due mainly to an increase in capital investments in fiscal 2018, while a significant amount was spent for acquiring Hussmann Corporation in fiscal 2017.

Accordingly, free cash flow (net cash provided by operating activities and investing activities) improved by 121.7 billion yen from a year ago to an outflow of 89.6 billion yen.

Cash flows from financing activities

Net cash used in financing activities amounted to 201.6 billion yen, compared with an inflow of 311.9 billion yen in fiscal 2017. This was due mainly to the acquisition of additional equity interest in PanaHome and others in fiscal 2018, while straight bonds of up to 400.0 billion yen were issued in fiscal 2017.

Taking exchange rate movement into consideration, cash and cash equivalents totaled 1,007.8 billion yen as of December 31, 2017, decreased by 263.0 billion yen compared with the end of fiscal 2017.

(5) Research and Development

Panasonic's R&D expenditures for the nine months ended December 31, 2017 totaled 340.3 billion yen, up 6% from a year ago. There were no significant changes in R&D activities for the period.

(6) Capital Investment

Panasonic's capital investment (tangible assets) for the nine months ended December 31, 2017 totaled 274.3 billion yen, up 38% from a year ago.

(7) Depreciation

Panasonic's depreciation for the nine months ended December 31, 2017 totaled 170.9 billion yen, up 3% from a year ago.

(8) Number of Employees

Number of employees at the end of the third quarter of fiscal 2018 was 273,870, an increase of 16,337, compared with the end of the fiscal 2017.

(9) Risk Factors

There were no risks newly identified during the nine months ended December 31, 2017.
There were no significant changes with regard to the "Risk Factors" stated in the annual securities report of the prior fiscal year.

Ⅲ Shares and Shareholders

(1) Shares of Common Stock Issued as of December 31, 2017: 2,453,053,497 shares

The common stock of the Company is listed on the Tokyo and Nagoya stock exchanges in Japan.

(2) Amount of Common Stock (Stated Capital) as of December 31, 2017: 258,740 million yen

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PANASONIC CORPORATION
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Condensed Quarterly Consolidated Statements of Financial Position
December 31 and March 31, 2017

	Yen (millions)	
	December 31, 2017	March 31, 2017
Assets		
Current assets:		
Cash and cash equivalents	1,007,790	1,270,787
Trade receivables	1,034,296	847,003
Other financial assets	151,584	143,519
Inventories	1,048,112	806,309
Other current assets	171,263	137,201
Total current assets	3,413,045	3,204,819
Non-current assets:		
Investments accounted for using the equity method	146,853	155,987
Other financial assets	185,902	161,986
Property, plant and equipment	1,445,798	1,323,282
Goodwill and intangible assets	761,713	665,132
Deferred tax assets	366,088	407,720
Other non-current assets	55,550	64,035
Total non-current assets	2,961,904	2,778,142
Total assets	6,374,949	5,982,961

PANASONIC CORPORATION
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Condensed Quarterly Consolidated Statements of Financial Position
December 31 and March 31, 2017

	Yen (millions)	
	December 31, 2017	March 31, 2017
Liabilities and Equity		
Current liabilities:		
Short-term debt, including current portion of long-term debt..	190,814	177,038
Trade payables..	1,134,326	955,965
Other financial liabilities...	345,008	329,625
Income taxes payable..	104,837	66,785
Provisions..	303,540	317,261
Other current liabilities...	901,268	865,389
Total current liabilities...	2,979,793	2,712,063
Non-current liabilities:		
Long-term debt..	967,126	946,966
Other financial liabilities...	17,614	-
Retirement benefit liabilities...	397,973	467,749
Provisions..	17,769	17,679
Deferred tax liabilities...	56,315	62,531
Other non-current liabilities..	11,878	16,038
Total non-current liabilities..	1,468,675	1,510,963
Total liabilities...	4,448,468	4,223,026
Equity:		
Panasonic Corporation stockholders' equity :		
Common stock..	258,740	258,740
Capital surplus..	527,949	636,905
Retained earnings..	1,241,403	1,051,445
Other components of equity(Note 4)....................................	(70,270)	(164,632)
Treasury stock...	(210,660)	(210,569)
Total Panasonic Corporation stockholders' equity(Note 5)	1,747,162	1,571,889
Non-controlling interests...	179,319	188,046
Total equity..	1,926,481	1,759,935
Total liabilities and equity...	6,374,949	5,982,961

PANASONIC CORPORATION
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Condensed Quarterly Consolidated Statements of Profit or Loss
Nine months ended December 31, 2017 and 2016

	Yen (millions)	
	Nine months ended December 31	
	2017	2016
Net sales	5,912,166	5,422,385
Cost of sales	(4,165,937)	(3,820,149)
Gross profit	1,746,229	1,602,236
Selling, general and administrative expenses	(1,418,823)	(1,330,623)
Share of profit of investments accounted for using the equity method	6,504	5,952
Other income (expenses), net (Note 7)	(17,212)	(1,836)
Operating profit	316,698	275,729
Finance income	18,136	18,923
Finance expenses	(21,311)	(16,184)
Profit before income taxes	313,523	278,468
Income taxes (Note 7)	(101,589)	(64,362)
Net profit	211,934	214,106
Net profit attributable to:		
Panasonic Corporation stockholders	200,111	197,459
Non-controlling interests	11,823	16,647
	Yen	
Earnings per share attributable to Panasonic Corporation stockholders (Note 5)		
Basic	85.80	85.08
Diluted	85.75	85.05

PANASONIC CORPORATION
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Condensed Quarterly Consolidated Comprehensive Income
Nine months ended December 31, 2017 and 2016

	Yen (millions)	
	Nine months ended December 31	
	2017	2016
Net Profit	211,934	214,106
Other comprehensive income (loss), net of tax		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	38,788	3,533
Financial assets measured at fair value through other comprehensive income	15,985	1,381
Subtotal	54,773	4,914
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	86,343	(9,196)
Net changes in fair value of cash flow hedges	195	(1,371)
Subtotal	86,538	(10,567)
Total other comprehensive income	141,311	(5,653)
Comprehensive income	353,245	208,453
Comprehensive income attributable to:		
Panasonic Corporation stockholders	331,156	197,627
Non-controlling interests	22,089	10,826

Condensed Quarterly Consolidated Statements of Profit or Loss
Three months ended December 31, 2017 and 2016

	Yen (millions)	
	Three months ended December 31	
	2017	2016
Net sales	2,054,302	1,882,581
Cost of sales	(1,444,982)	(1,323,259)
Gross profit	609,320	559,322
Selling, general and administrative expenses	(484,615)	(451,660)
Share of profit of investments accounted for using the equity method	2,511	2,568
Other income (expenses), net (Note 7)	(7,069)	(12,589)
Operating profit	120,147	97,641
Finance income	5,770	5,403
Finance expenses	(7,179)	(5,687)
Profit before income taxes	118,738	97,357
Income taxes	(32,839)	(28,184)
Net profit	85,899	69,173
Net profit attributable to:		
Panasonic Corporation stockholders	81,200	64,004
Non-controlling interests	4,699	5,169
	Yen	
Earnings per share attributable to Panasonic Corporation stockholders (Note 5)		
Basic	34.81	27.58
Diluted	34.79	27.56

Condensed Quarterly Consolidated Comprehensive Income
Three months ended December 31, 2017 and 2016

	Yen (millions)	
	Three months ended December 31	
	2017	2016
Net Profit	85,899	69,173
Other comprehensive income (loss), net of tax		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	(1,247)	(1,125)
Financial assets measured at fair value through other comprehensive income	1,481	8,387
Subtotal	234	7,262
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	25,518	211,171
Net changes in fair value of cash flow hedges	997	(2,790)
Subtotal	26,515	208,381
Total other comprehensive income	26,749	215,643
Comprehensive income	112,648	284,816
Comprehensive income attributable to:		
Panasonic Corporation stockholders	104,482	268,298
Non-controlling interests	8,166	16,518

PANASONIC CORPORATION
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Condensed Quarterly Consolidated Statements of Changes in Equity
Nine months ended December 31, 2017 and 2016

Nine months ended December 31, 2017 — Yen (millions)

	Common stock	Capital surplus	Retained earnings	Other components of equity	Treasury stock	Panasonic Corporation stockholders' equity	Non-controlling interests	Total equity
Balances as of April 1, 2017	258,740	636,905	1,051,445	(164,632)	(210,569)	1,571,889	188,046	1,759,935
Comprehensive income (loss):								
Net profit	-	-	200,111	-	-	200,111	11,823	211,934
Remeasurements of defined benefit plans	-	-	-	38,869	-	38,869	(81)	38,788
Financial assets measured at fair value through other comprehensive income	-	-	-	15,930	-	15,930	55	15,985
Exchange differences on translation of foreign operations	-	-	-	76,055	-	76,055	10,288	86,343
Net change in fair value of cash flow hedges	-	-	-	191	-	191	4	195
Total comprehensive income	-	-	200,111	131,045	-	331,156	22,089	353,245
Transfer to hedged non- financial assets	-	-	-	(280)	-	(280)	-	(280)
Transfer from other components of equity to retained earnings	-	-	48,157	(48,157)	-	-	-	-
Cash dividends (Note 4)	-	-	(58,310)	-	-	(58,310)	(16,583)	(74,893)
Purchase of treasury stock	-	-	-	-	(98)	(98)	-	(98)
Disposal of treasury stock	-	(0)	-	-	7	7	-	7
Purchase of subsidiaries (Note 8)	-	-	-	-	-	-	23,548	23,548
Transactions with non-controlling interests and other (Note 7)	-	(108,956)	-	11,754	-	(97,202)	(37,781)	(134,983)
Balances as of December 31, 2017	258,740	527,949	1,241,403	(70,270)	(210,660)	1,747,162	179,319	1,926,481

Nine months ended December 31, 2016 — Yen (millions)

	Common stock	Capital surplus	Retained earnings	Other components of equity	Treasury stock	Panasonic Corporation stockholders' equity	Non-controlling interests	Total equity
Balances as of April 1, 2016	258,740	645,949	878,208	(107,922)	(230,533)	1,444,442	202,791	1,647,233
Comprehensive income (loss):								
Net profit	-	-	197,459	-	-	197,459	16,647	214,106
Remeasurements of defined benefit plans	-	-	-	3,577	-	3,577	(44)	3,533
Financial assets measured at fair value through other comprehensive income	-	-	-	1,365	-	1,365	16	1,381
Exchange differences on translation of foreign operations	-	-	-	(3,348)	-	(3,348)	(5,848)	(9,196)
Net change in fair value of cash flow hedges	-	-	-	(1,426)	-	(1,426)	55	(1,371)
Total comprehensive income	-	-	197,459	168	-	197,627	10,826	208,453
Transfer to hedged non- financial assets	-	-	-	151	-	151	-	151
Transfer from other components of equity to retained earnings	-	-	3,728	(3,728)	-	-	-	-
Cash dividends (Note 4)	-	-	(58,025)	-	-	(58,025)	(12,779)	(70,804)
Purchase of treasury stock	-	-	-	-	(35)	(35)	-	(35)
Disposal of treasury stock	-	(1)	-	-	4	3	-	3
Transactions with non-controlling interests and other	-	907	-	-	-	907	469	1,376
Cumulative effect of new accounting standards applied	-	-	9,032	(9,372)	-	(340)	-	(340)
Balances as of December 31, 2016	258,740	646,855	1,030,402	(120,703)	(230,564)	1,584,730	201,307	1,786,037

PANASONIC CORPORATION
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Condensed Quarterly Consolidated Statements of Cash Flows
Nine months ended December 31, 2017 and 2016

	Yen (millions)	
	Nine months ended December 31	
	2017	2016
Cash flows from operating activities :		
Net profit	211,934	214,106
Depreciation and amortization	216,725	198,154
Impairment losses on property, plant and equipment, goodwill and intangible assets	9,446	2,525
Income tax expenses	101,589	64,362
(Increase) decrease in trade receivables	(128,796)	(116,366)
(Increase) decrease in inventories	(199,208)	(68,537)
Increase (decrease) in trade payables	119,522	42,071
Other - net	(976)	(132,187)
Subtotal	330,236	204,128
Interests received	16,033	11,812
Dividends income received	2,103	1,725
Interests expenses paid	(17,610)	(16,377)
Income taxes paid	(66,578)	(71,041)
Net cash provided by operating activities	264,184	130,247
Cash flows from investing activities :		
Purchase of property, plant and equipment	(290,410)	(205,219)
Proceeds from sale of property, plant and equipment	18,838	29,534
Purchase of intangible assets	(57,295)	(43,150)
Purchase of investments accounted for using the equity method and other financial assets	(16,814)	(16,684)
Proceeds from investments accounted for using the equity method and other financial assets	7,518	15,753
Proceeds from sales of shares of subsidiaries	183	11,343
Purchase of shares of subsidiaries, net of cash acquired (Note 8)	(11,422)	(131,727)
Other - net	(4,391)	(1,380)
Net cash used in investing activities	(353,793)	(341,530)

PANASONIC CORPORATION
AND SUBSIDIARIES

Condensed Quarterly Consolidated Statements of Cash Flows
Nine months ended December 31, 2017 and 2016

	Yen (millions)	
	Nine months ended December 31	
	2017	2016
Cash flows from financing activities :		
Increase (decrease) in short-term debt	2,862	4,867
Proceeds from long-term debt (Note 7)	4,272	400,511
Repayments of long-term debt	(11,251)	(48,018)
Dividends paid to Panasonic Corporation stockholders (Note 4)	(58,310)	(58,025)
Dividends paid to non-controlling interests	(16,583)	(12,779)
Purchase of treasury stocks	(98)	(35)
Proceeds from sales of treasury stocks	7	3
Transactions with non-controlling interests (Note 7)	(129,199)	(1,153)
Other - net	6,728	26,542
Net cash (used in) provided by financing activities	(201,572)	311,913
Effect of exchange rate changes on cash and cash equivalents	28,184	29,681
Net increase (decrease) in cash and cash equivalents	(262,997)	130,311
Cash and cash equivalents at beginning of period	1,270,787	1,012,666
Cash and cash equivalents at end of period	1,007,790	1,142,977

PANASONIC CORPORATION
AND SUBSIDIARIES

Notes to Condensed Quarterly Consolidated Financial Statements

1. Reporting Entity

Panasonic Corporation is a company incorporated in Japan. As a comprehensive electronics manufacturer, Panasonic Corporation and its subsidiaries (together referred to as the "Company") are engaged in development, production, sales and service activities in a broad array of business areas in close cooperation with domestic and overseas group companies.

The details of principal businesses and activities of the Company are stated in "3. Segment information."

2. Basis of Preparation

(1) Compliance of condensed quarterly consolidated financial statements with International Accounting Standard 34 "Interim Financial Reporting" (hereinafter,"IAS 34")

Pursuant to the provision of Article 93 of the Ordinance on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements, the condensed quarterly consolidated financial statements of the Company have been prepared in compliance with IAS 34 since the Company qualifies as a "Specified Company under Designated International Accounting Standards" prescribed in Article 1-2 of the Ordinance.

The Company's condensed quarterly consolidated financial statements do not include all the information and disclosures required for a complete set of financial statements prepared in accordance with IFRS, and should be used in conjunction with the financial statements and the notes included in the Company's annual consolidated financial statements for the year ended March 31, 2017.

The condensed quarterly consolidated financial statements were approved on February 14, 2018 by Representative Director, President, Kazuhiro Tsuga and Director (CFO) Hirokazu Umeda.

(2) Functional currency and presentation currency

The Company's condensed quarterly consolidated financial statements are presented in Japanese yen, which is the Company's functional currency, and figures are rounded to the nearest million (Japanese yen).

(3) Significant accounting policies

Significant accounting policies applied in preparation of the condensed quarterly consolidated financial statements are consistent with those used in the preparation of the Company's annual consolidated financial statements for the year ended March 31, 2017.

(4) Significant accounting estimates and judgments involving estimations

The Company makes judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses for the preparation of condensed quarterly consolidated financial statements. Actual results may differ from the accounting estimates and their underlying assumptions.

Estimates and their underlying assumptions are reviewed on an ongoing basis, and revisions to accounting estimates are recognized in the reporting period in which the estimates are revised and in future reporting periods.

The estimates and judgments that have a material effect on the Company's condensed quarterly consolidated financial statements, are consistent with those used in the preparation of the Company’s annual consolidated financial statements for the year ended March 31, 2017.

3. Segment Information

(1) The reportable segments outline

The reportable segments are the components of the Company for which separate financial information is available that is evaluated regularly by the chief operating decision maker of the Company in deciding how to allocate resources and in assessing performance.

"Appliances" is comprised of developing, manufacturing, selling and providing services of products such as room air-conditioners, TVs, refrigerators, washing machines, personal-care products, digital cameras, fixed-phones, microwave ovens, video equipment, home audio equipment, vacuum cleaners, rice cookers, showcases, large-sized air-conditioners, compressors and fuel cells. "Eco Solutions" is comprised of developing, manufacturing, selling and providing services of products such as lighting fixtures, lamps, wiring devices, solar photovoltaic systems, water-related products, interior furnishing materials, exterior finishing materials, ventilation and air-conditioning equipment, air purifiers, bicycles and nursing-care-related products. "Connected Solutions" is comprised of developing, manufacturing, selling and providing services of products such as in-flight entertainment systems and connectivity, electronic-components-mounting machines, welding equipment, PCs and tablets, projectors, broadcast and professional AV systems and surveillance cameras. "Automotive & Industrial Systems" is comprised of developing, manufacturing, selling and providing services of products such as automotive-use infotainment systems, electrical components, automotive mirrors, lithium-ion batteries, automotive-use batteries, dry batteries, automation controls, electric motors, electronic components, electronic materials, semiconductors and LCD panels. "Other" consists of PanaHome Corporation and others.

Starting from April 1, 2017, "AVC Networks" has been renamed as "Connected Solutions." Additionally, as of April 1 2017, certain businesses such as digital cameras and fixed-phones have been transferred from formerly "AVC Networks" to "Appliances." Bicycles business has been transferred from "Appliances" to "Eco Solutions." Electronic-components-mounting machines and welding equipment businesses have been transferred from "Automotive & Industrial Systems" to "Connected Solutions." Moreover, from April 1, 2017, certain sales departments of consumer products in Southeast Asia which were previously not allocated to any reportable segments have been transferred to "Appliances."
Accordingly, segment information for the nine months and three months ended December 31, 2016 has been reclassified to conform to the presentation for the nine months and three months ended December 31, 2017.

(2) By Segment

Information by segment for the nine months ended December 31, 2017 and 2016 is shown in the tables below.

(i) For the nine months ended December 31, 2017

	Yen (millions)						
	Appliances	Eco Solutions	Connected Solutions	Automotive & Industrial Systems	Other	Eliminations and adjustments	Consolidated Total
Sales:							
Customers.................	1,843,949	1,018,655	768,330	1,962,349	413,490	(94,607)	5,912,166
Intersegment.............	172,481	155,345	44,111	112,217	5,629	(489,783)	-
Total........................	2,016,430	1,174,000	812,441	2,074,566	419,119	(584,390)	5,912,166
Segment profit...........	103,259	49,379	79,074	62,227	9	22,750	316,698

(ii) For the nine months ended December 31, 2016

	Yen (millions)						
	Appliances	Eco Solutions	Connected Solutions	Automotive & Industrial Systems	Other	Eliminations and adjustments	Consolidated Total
Sales:							
Customers.................	1,785,064	956,337	708,730	1,685,802	410,313	(123,861)	5,422,385
Intersegment.............	161,317	167,449	46,399	108,660	5,359	(489,184)	-
Total........................	1,946,381	1,123,786	755,129	1,794,462	415,672	(613,045)	5,422,385
Segment profit (loss)...	99,375	47,224	56,313	73,119	(2,350)	2,048	275,729

The accounting policies for reportable segments are the same as the Company's accounting policies that are provided in Note 2. "(3) Significant accounting policies." Transactions between segments have been conducted at arm's length prices. Profit (loss) of the reportable segments is calculated on an operating profit basis.

The figures in "Eliminations and adjustments" include 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.

Adjustments to segment sales to customers for the nine months ended December 31, 2017 and 2016 include price differences between sales prices to external customers and the internal sales prices adopted for performance measurement purposes for the sales of consumer products through certain sales departments, consolidation adjustments for sales price and sales of corporate headquarters, etc.

Adjustments to segment profit for the nine months ended December 31, 2017 and 2016 include profit (loss) of corporate headquarters, etc. and profit (loss) which is attributable to certain sales departments of consumer products. Consolidation adjustments also include amortization of certain intangible assets acquired in business combination, and share of profit of investments accounted for using the equity method which are not attributable to any specific segments. The amount of share of profit of investments accounted for using the equity method which are attributable to each segment is immaterial.

Information by segment for the three months ended December 31, 2017 and 2016 is shown in the tables below.

(i) For the three months ended December 31, 2017

	Yen (millions)						
	Appliances	Eco Solutions	Connected Solutions	Automotive & Industrial Systems	Other	Eliminations and adjustments	Consolidated Total
Sales:							
Customers..................	634,675	359,587	265,903	690,840	129,258	(25,961)	2,054,302
Intersegment.............	54,337	57,141	15,282	40,769	2,327	(169,856)	-
Total........................	689,012	416,728	281,185	731,609	131,585	(195,817)	2,054,302
Segment profit (loss)...	30,537	28,067	38,690	23,768	(2,155)	1,240	120,147

(ii) For the three months ended December 31, 2016

	Yen (millions)						
	Appliances	Eco Solutions	Connected Solutions	Automotive & Industrial Systems	Other	Eliminations and adjustments	Consolidated Total
Sales:							
Customers..................	619,313	335,213	240,487	578,484	139,419	(30,335)	1,882,581
Intersegment.............	49,869	61,969	17,479	38,169	1,591	(169,077)	-
Total........................	669,182	397,182	257,966	616,653	141,010	(199,412)	1,882,581
Segment profit (loss)...	29,865	25,735	19,806	17,284	(2,991)	7,942	97,641

The accounting policies for reportable segments are the same as the Company's accounting policies that are provided in Note 2. "(3) Significant accounting policies." Transactions between segments have been conducted at arm's length prices. Profit (loss) of the reportable segments is calculated on an operating profit basis.

The figures in "Eliminations and adjustments" include 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.

Adjustments to segment sales to customers for the three months ended December 31, 2017 and 2016 include price differences between sales prices to external customers and the internal sales prices adopted for performance measurement purposes for the sales of consumer products through certain sales departments, consolidation adjustments for sales price and sales of corporate headquarters, etc.

Adjustments to segment profit for the three months ended December 31, 2017 and 2016 include profit (loss) of corporate headquarters, etc. and profit (loss) which is attributable to certain sales departments of consumer products. Consolidation adjustments also include amortization of certain intangible assets acquired in business combination, and share of profit of investments accounted for using the equity method which are not attributable to any specific segments. The amount of share of profit of investments accounted for using the equity method which are attributable to each segment is immaterial.

4. Equity

(1) Other components of equity

A breakdown of other components of equity is as follows:

	Yen (millions)	
	December 31, 2017	March 31, 2017
Remeasurements of defined benefit plans (*)	-	-
Financial assets measured at fair value through other comprehensive income	57,112	38,716
Exchange differences on translation of foreign operations	(127,051)	(203,106)
Net changes in fair value of cash flow hedges	(331)	(242)
Total	(70,270)	(164,632)

(*) As the result of remeasurements of defined benefit plans, other components of equity increased by 38,869 million yen (net of tax), which is directly transferred from other components of equity to retained earnings for the nine months ended December 31, 2017.

(2) Dividends

1) Dividends for the nine months ended December 31, 2017 are summarized as follows:

Amount of cash dividends paid

Resolution date	Class	Cash dividends (millions of yen)	Dividends resource	Cash dividends per share (yen)	Record date	Effective date
The Board of Directors meeting held on May 11, 2017	Common stock	34,986	Retained earnings	15.0	March 31, 2017	June 8, 2017
The Board of Directors meeting held on October 31, 2017	Common stock	23,324	Retained earnings	10.0	September 30, 2017	November 30, 2017

2) Dividends for the nine months ended December 31, 2016 are summarized as follows:

Amount of cash dividends paid

Resolution date	Class	Cash dividends (millions of yen)	Dividends resource	Cash dividends per share (yen)	Record date	Effective date
The Board of Directors meeting held on April 28, 2016	Common stock	34,815	Retained earnings	15.0	March 31, 2016	June 3, 2016
The Board of Directors meeting held on October 31, 2016	Common stock	23,210	Retained earnings	10.0	September 30, 2016	November 30, 2016

5. Per share information

Panasonic Corporation stockholders' equity per share as of December 31 and March 31, 2017 are as follows:

	Yen	
	December 31, 2017	March 31, 2017
Panasonic Corporation stockholders' equity per share	749.10	673.93

The reconciliation for the basic and diluted earnings per share attributable to Panasonic Corporation stockholders for the nine months ended December 31, 2017 and 2016 are as follows:

	Yen (millions)	
	2017	2016
Net profit attributable to Panasonic Corporation stockholders	200,111	197,459

	Number of shares	
	2017	2016
Average common shares outstanding	2,332,374,586	2,320,983,890
Dilutive effect:		
Stock acquisition rights	1,156,385	700,853
Diluted common shares outstanding	2,333,530,971	2,321,684,743

	Yen	
	2017	2016
Earnings per share attributable to Panasonic Corporation stockholders:		
Basic	85.80	85.08
Diluted	85.75	85.05

The reconciliation for the basic and diluted earnings per share attributable to Panasonic Corporation stockholders for the three months ended December 31, 2017 and 2016 are as follows:

	Yen (millions)	
	2017	2016
Net profit attributable to Panasonic Corporation stockholders	81,200	64,004

	Number of shares	
	2017	2016
Average common shares outstanding	2,332,355,116	2,320,974,347
Dilutive effect:		
Stock acquisition rights	1,314,614	958,466
Diluted common shares outstanding	2,333,669,730	2,321,932,813

	Yen	
	2017	2016
Earnings per share attributable to Panasonic Corporation stockholders:		
Basic	34.81	27.58
Diluted	34.79	27.56

6. Fair values of financial instruments

(1) Comparison between fair values and carrying amounts are as follows:

	Yen (millions)			
	December 31, 2017		March 31, 2017	
	Book value	Fair value	Book value	Fair value
Long-term debt.........................	1,133,318	1,144,436	1,107,550	1,120,226

Fair values shown above are estimated, based on the market price or its present value of the market price or the future cash flow, which is calculated using the observable discount rate at December 31 and March 31, 2017. They are all categorized as level 2 (refer to "(2) Fair value measurement hierarchy").

With regard to financial assets and financial liabilities measured at amortized cost other than the above, their fair values approximate their carrying amounts.

(2) Fair value measurement hierarchy

IFRS 13 "Fair Value Measurement" provides that fair values shall be categorized into the following three levels according to the extent to which the input information used in the measurement is observable from the outside:

- Level 1: Fair value measured by quoted prices in active markets
- Level 2: Fair value measured directly or indirectly using inputs other than quoted prices included within Level 1 that are observable
- Level 3: Fair value measured through valuation techniques which include inputs that are not based on observable market data

The fair value measurement hierarchy level used in the measurement is determined by the lowest-level of significant input in the measurement of fair value.

The breakdown of financial instruments measured at fair value as of December 31 and March 31, 2017 is as follows:

	Yen (millions)			
	December 31, 2017			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets measured at FVTPL				
Derivative assets				
Foreign exchange contracts.....................	-	3,315	-	3,315
Cross currency swaps..............................	-	57	-	57
Commodity futures.................................	30,129	1,335	-	31,464
Subtotal...	30,129	4,707	-	34,836
Financial assets measured at FVTOCI				
Equity securities...	114,173	-	30,893	145,066
Others..	-	2,501	-	2,501
Subtotal...	114,173	2,501	30,893	147,567
Total financial assets.......................	144,302	7,208	30,893	182,403
Financial liabilities:				
Financial liabilities measured at FVTPL				
Derivative liabilities				
Foreign exchange contracts.....................	-	3,318	-	3,318
Commodity futures.................................	25,489	11,380	-	36,869
Total financial liabilities.................	25,489	14,698	-	40,187

	Yen (millions)			
	March 31,2017			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets measured at FVTPL				
Derivative assets				
Foreign exchange contracts	-	2,930	-	2,930
Commodity futures	11,793	993	-	12,786
Subtotal	11,793	3,923	-	15,716
Financial assets measured at FVTOCI				
Equity securities	96,683	-	25,412	122,095
Others	-	2,534	-	2,534
Subtotal	96,683	2,534	25,412	124,629
Total financial assets	108,476	6,457	25,412	140,345
Financial liabilities:				
Financial liabilities measured at FVTPL				
Derivative liabilities				
Foreign exchange contracts	-	3,704	-	3,704
Cross currency swaps	-	23	-	23
Commodity futures	7,132	11,037	-	18,169
Total financial liabilities	7,132	14,764	-	21,896

The Company's existing marketable equity securities and commodity futures are included in Level 1, which are valued using an unadjusted quoted market price in active markets with sufficient volume and frequency of transactions. Level 2 derivatives including foreign exchange contracts, cross currency swaps and commodity futures are valued using quotes obtained from brokers, which are periodically validated by pricing models using observable market inputs, such as foreign currency exchange rates and market prices for commodity futures.

Equity securities classified as Level 3 are unlisted stocks, and their fair values are measured by an appropriate valuation method that comprehensively takes into account the outlook for future profitability of the investee and quantitative information such as net asset value and major assets held by the investee, in accordance with the policy and procedures set by the Company for using the most appropriate and highly relevant, available data. The reasonableness of this assessment is verified by the department in charge of accounting using various methods and approved by the manager of the department. Specific methods of verification include use of external assessment organizations.

For financial instruments classified as Level 3, significant changes in fair value occurring when unobservable inputs are changed to reasonably possible alternative assumptions are not expected.

Transfers between levels are recognized on the day when the event or change in circumstances that caused the transfer occurred. In the nine months ended December 31, 2017, there were no financial instruments of which a significant transfer was made between levels.

For the nine months ended December 31, 2017, significant movements of the financial instruments, categorized as level 3, have not occurred.

7. Supplementary Information

(1) Other income (expenses)

"Other income (expenses), net" for the nine and three months ended December 31, 2017 includes expenses associated with discontinuation or voluntary recall of products of 16,501 million yen and 11,267 million yen, respectively.

The Company did not disclose supplementary information of "Other income (expenses), net" as each item is immaterial both for the nine and three months ended December 31, 2016.

(2) Income taxes

Included in provision for "Income taxes" for the nine months ended December 31, 2016 was an income tax benefit (gain) associated with assessment of the recoverability of deferred tax assets of 18,183 million yen in Panasonic Corporation on consolidation. This change in the judgement is a result of liquidation of Panasonic Plasma Display Co., Ltd. ("PPD") and write-off of the loan in Panasonic Corporation towards PPD, which were resolved on October 31, 2016 by Panasonic's Board of Directors.

(3) Acquisitions of property, plant and equipment

The acquisition costs of "Property, plant and equipment" for the nine months ended December 31, 2017 and 2016 are 274,273 million yen and 199,320 million yen, respectively.

(4) Acquisition of non-controlling interests

The Company made PanaHome a wholly-owned subsidiary through the additional acquisition of the shares as a result of tender offer, the share consolidation by PanaHome, and the purchase of fractional shares by Panasonic during the nine months ended December 31, 2017. The consideration for additional acquisition of shares is 92,788 million yen, and as a result of the acquisition, "Capital surplus" has decreased by 55,358 million yen, and "Other components of equity" has increased by 11,754 million yen as "Transactions with non-controlling interests."

The Company additionally acquired the shares of Panasonic Liquid Crystal Display Co., Ltd. ("PLD"), the Company's consolidated subsidiary, and made PLD a wholly-owned subsidiary during the nine months ended December 31, 2017. As a result of the acquisition, "Capital surplus" has decreased by 20,718 million yen as "Transactions with non-controlling interests."

(5) Issuance of bonds

Panasonic issued Fifteenth, Sixteenth and Seventeenth Series of Unsecured Straight Bonds (aggregate principal amount of 400 billion yen) for the nine months ended December 31, 2016.

8. Business Combinations

(1) For the period ended December 31, 2016

On April 1, 2016, the Company acquired all outstanding shares of Hussmann Parent Inc., which in turn owned all shares of Hussmann Corporation of the United States, and accordingly, obtained control in the two companies and their subsidiaries (hereinafter, collectively including their subsidiaries, referred to as "Hussmann") from the acquisition date.

Hussmann is in the business of manufacturing, selling, developing and providing services related to commercial-use refrigerated and freezer display cases. This acquisition will enable the combination of Hussmann's strengths in customer relationship, maintenance and services with the Company's wide-ranging technology and product lineup. The Company will use this synergy to drive growth and further innovation on a global basis. Hussmann will be able to leverage core refrigeration product technology and case platforms including the Company's CO_2 systems and foodservice products. Other synergy opportunities include LED's, remote monitoring and other technology platforms that will enhance retail customer's merchandising and consumer connectivity.

The fair value of consideration paid for the controlling interests of Hussmann as of the acquisition date was 141,771 million yen and was paid in cash. Acquisition-related cost was not material.

Assets acquired and liabilities assumed as of the acquisition date were as follows:

	Yen (millions)
Cash and cash equivalents	16,917
Goodwill	91,156
Intangible assets	96,733
Other acquired assets	51,893
Total assets acquired	256,699
Debt	41,371
Deferred tax liabilities	31,523
Other assumed liabilities	42,034
Total liabilities assumed	114,928
Total net assets acquired	141,771

The total amount of goodwill was included in "Appliances" segment, and was not deductible for tax purpose.

Intangible assets of 67,185 million yen were subject to amortization, which include customer of 62,130 million yen with a 21-year useful life. Intangible assets of 29,548 million yen were not subject to amortization, all of which relates to trademark.

Net sales and profit before income taxes of Hussmann that were included in the condensed consolidated statements of profit or loss for the nine months and three months ended December 31, 2016 were not material.

Pro forma information has been omitted as the acquisition occurred at the beginning of the period ended December 31, 2016.

(2) For the period ended December 31, 2017

(i) Consolidation of Ficosa International S. A.

With regard to Ficosa International S.A. (hereinafter, collectively including their subsidiaries, referred to as "Ficosa"), 49% of whose shares were owned by the Company and accounted for using the equity method, the terms and conditions to exercise call options to acquire additional 20% shares were satisfied on April 19, 2017, and Ficosa became a consolidated subsidiary due to the potential voting rights set in the call options.

Ficosa is involved in research and development, manufacturing, and marketing of system and components in automotive business. As a result of this alliance, Panasonic and Ficosa accelerate the expansion of businesses, which show great potential growth, such as next generation cockpit systems and ADAS.

The fair value of provisional consideration paid for the acquisition of control, which were measured based on discounted cash flow method classified in Level 3 and provisional non-controlling interests, which were measured at their proportionate share of net identifiable assets provisionally, were as follows:

	Yen (million)
Fair value of total consideration:	
Equity interests held by Panasonic immediately before the date of acquisition	22,818
Non-controlling interests	14,167
Total	36,985

As a result of remeasuring the equity interest held by Panasonic immediately before the date of acquisition, the valuation gain or loss recognized was not material. Acquisition cost was also not material.

Assets acquired and liabilities assumed as of the acquisition date (the fair value as of the acquisition date is under calculation, and the below amounts are subject to changes) were as follows:

	Yen (millions)
Cash and cash equivalents	15,442
Trade receivables	27,521
Property, plant and equipment	23,250
Goodwill	9,206
Intangible assets	25,477
Other acquired assets	20,098
Total assets acquired	120,994
Current liabilities and non-current liabilities	32,462
Trade Payables	27,129
Other assumed liabilities	24,418
Total liabilities assumed	84,009
Total net assets acquired	36,985

The total amount of goodwill was included in "Automotive and Industrial Systems" segment, and was not deductible for tax purpose.

All intangible assets were subject to amortization, including technology and customer, and their useful lives were 5 to 10 years.

Net sales and profit before income taxes of Ficosa that were included in the condensed consolidated statements of profit or loss for the nine months ended December 31, 2017 were 113,944 million yen and 2,828 million yen, respectively. Net sales and profit before income taxes of Ficosa that were included in the condensed consolidated statements of profit or loss for the three months ended December 31, 2017 were 41,451 million yen and 1,594 million yen, respectively.

Pro forma information has been omitted as the amounts excluded in the condensed consolidated statements of profit or loss for the nine months ended December 31, 2017 were not material.

(ii) Acquisition of control of Zetes Industries S. A.

On April 27, 2017, the Company acquired 56.66% of shares excluding treasury stock to obtain control of Zetes Industries S.A., which is incorporated in Belgium (hereinafter, collectively including their subsidiaries, referred to as "Zetes").

Zetes is involved in the businesses of goods and people identification and mobility solutions in Europe. As a result of this acquisition, both Panasonic and Zetes will be able to satisfy the global customers' needs by combining Zetes' identification and mobility solutions and Panasonic's advanced research and development capabilities, technological expertise, and global customer network, to expand the solution and service in the area of supply chain solutions and security solutions.

The fair value of consideration paid for the controlling interests of Zetes as of the acquisition date and non-controlling interests, which were measured at their proportionate share of net identifiable assets, were as follows:

	Yen (millions)
Fair value of total consideration:	
Cash	20,044
Non-controlling interests	8,247
Total	28,291

Costs incurred for acquisition of control were not material.

Assets acquired and liabilities assumed as of the acquisition date were as follows:

	Yen (millions)
Cash and cash equivalents	2,427
Goodwill	9,263
Intangible assets	20,062
Other acquired assets	16,412
Total assets acquired	48,164
Current liabilities and non-current liabilities	1,567
Deferred tax liabilities	6,935
Other assumed liabilities	11,371
Total liabilities assumed	19,873
Total net assets acquired	28,291

The total amount of goodwill was included in "Connected Solutions" segment, and was not deductible for tax purpose.

Intangible assets with the amount of 18,605 million yen were subject to amortization, including customer of 15,299 million yen, whose useful life was 25 to 29 years.

Net sales and profit before income taxes of Zetes that were included in the condensed consolidated statements of profit or loss for the nine months and three months ended December 31, 2017 were not material.

Pro forma information has been omitted as the amounts were not material.

9. Commitment and Contingent Liabilities

Litigation, etc.

The Company and certain of its subsidiaries are subject to a number of legal proceedings including civil litigations related to trade, tax, products or intellectual properties, or governmental investigations. The Company has been dealing with the various litigations and investigations. Depending upon the outcome of these different proceedings, the Company and certain of its subsidiaries may be subject to an uncertain amount of fines, and accordingly the Company has accrued for certain probable and reasonable estimated amounts for the fines.

Since November 2007, the Company and MT Picture Display Co., Ltd. (MTPD), a subsidiary of the Company, had been subjected to investigations by the Japan Fair Trade Commission (JFTC), in respect of alleged antitrust violations relating to cathode ray tubes (CRTs). MTPD and its three subsidiaries appealed the Tokyo High Court to revoke the decisions of the Japan Fair Trade Commission, including the fine assessed in 2010, but the court rendered the judgment to reject the appeal in April, 2016. MTPD and the subsidiaries appealed to the Supreme Court of Japan. The Supreme Court rendered the judgement to reject the appeal and the judgment of the Tokyo High Court against MTPD and the subsidiaries became final in December, 2017.

The Company and SANYO Electric Co., Ltd. are also subject to relevant litigations mainly in the U.S.

The business operations of the Company's U.S. subsidiary Panasonic Avionics Corporation are the subject of an investigation by the United States Department of Justice and the United States Securities and Exchange Commission (the U.S. government authorities) under the Foreign Corrupt Practices Act and other securities related laws. The Company continues discussions with the U.S. government authorities with a view towards resolving the matter.

Other than those above, there are a number of legal actions against the Company and certain subsidiaries. Management is of the opinion that damages, if any, resulting from these actions, will not have a material effect on the Company's consolidated financial statements.

The ability to predict the outcome of these actions and proceedings is difficult to assess given that certain of the investigations and legal proceedings are still at an early stage, present novel legal theories, involving a large number of parties or taking place in jurisdictions outside of Japan where the laws are complex or unclear. Accordingly, the Company is unable to estimate the losses or range of losses for the actions and proceedings where there is only a reasonable possibility that a loss exceeding the amounts already recognized may have been incurred.