

[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 three months ended
June 30, 2021**

**Panasonic Corporation
Osaka, Japan**

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Disclaimer Regarding Forward-Looking Statements

This quarterly report includes forward-looking statements 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 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 not achieving expected benefits in connection with the transition to a new organizational system in which Panasonic is a holding company; 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; 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.

I Corporate Information

1. Consolidated Financial Summary

	Yen (millions), except per share amounts		
	Three months ended June 30, 2021	Three months ended June 30, 2020	Year ended March 31, 2021
Net sales	1,792,421	1,391,912	6,698,794
Profit before income taxes	108,534	3,069	260,820
Net profit (loss) attributable to Panasonic Corporation stockholders	76,537	(9,833)	165,077
Comprehensive income attributable to Panasonic Corporation stockholders	91,726	56,106	655,352
Panasonic Corporation stockholders' equity	2,662,576	2,019,611	2,594,034
Total equity	2,834,275	2,167,803	2,768,502
Total assets	6,945,693	6,209,199	6,847,073
Earnings per share attributable to Panasonic Corporation stockholders, basic (yen)	32.80	(4.21)	70.75
Earnings per share attributable to Panasonic Corporation stockholders, diluted (yen)	32.79	(4.21)	70.72
Panasonic Corporation stockholders' equity / total assets (%)	38.3	32.5	37.9
Net cash provided by (used in) operating activities	130,090	(98,274)	504,038
Net cash provided by (used in) investing activities	(58,954)	44,066	176,596
Net cash provided by (used in) financing activities	(46,195)	104,494	(177,704)
Cash and cash equivalents at the end of the period	1,625,376	1,060,830	1,593,224

Notes: 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 486 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.

The Company supplies a full spectrum of electric/electronic equipment and related products, which is categorized into the following five reportable segments, "Appliances," "Life Solutions," "Connected Solutions," "Automotive," "Industrial Solutions," and other business activities which are not included in the reportable segments. Details about each segment and business transfers are described in "IV Condensed Quarterly Consolidated Financial Statements, Note 3. Segment Information."

During the three months ended June 30, 2021, there were no changes in major affiliates.

The Company's condensed quarterly consolidated financial statements have been prepared in conformity with IFRS and the scope of affiliates disclosed herein is based on the definitions in those accounting standards. The same applies to "II The Business Overview."

II Business Overview

1. Risk Factors

There was no risk newly identified during the three months ended June 30, 2021.

There were no significant changes with regard to the "Risk Factors" stated in the Company's annual securities report for the fiscal year ended March 31, 2021.

2. Management Analyses of Consolidated Financial Position, Operating Results and Cash Flows

Future expectations included in this section are as of August 6, 2021, the filing date of this quarterly report.

(1) Operating Results

During the three months ended June 30, 2021, of the current fiscal year ending March 31, 2022 (fiscal 2022), the global economy saw steady progress, with economic recovery in those countries like the U.S., that have pursued COVID-19 vaccination programs and economic normalization globally following the steps that have been taken toward this aim. On the other hand, the global economic outlook remains unclear, given the uncertainty over ongoing situation concerning COVID-19. Japan is also affected by these conditions to no small extent.

Under such management conditions, Panasonic continues to control fixed costs according to business conditions and to make efforts to capture new business opportunities reflecting changes in society brought about by COVID-19. Through all these efforts, the Company will continue to execute portfolio management and enhance its management structure in the final year of the Mid-term strategy that started in fiscal 2020. Additionally, in all of our businesses, the Company will identify the areas in which the Company should be aggressive and thoroughly enhance the competitiveness in these areas.

For the three months ended June 30, 2021, in April 2021, the Company resolved to make the U.S. company Blue Yonder Holding, Inc. ("Blue Yonder"), which is one of the leading global providers of specialized supply chain software, a wholly-owned subsidiary by additionally acquiring 80% of its shares. Accordingly, the Company reached a final agreement with Blue Yonder and its substantial shareholders. As a result, together with the 20% of Blue Yonder's shares already acquired in July 2020, the Company will acquire all the shares of Blue Yonder upon completion of necessary procedures. Through this acquisition, the Company will gain Blue Yonder's state-of-the-art artificial intelligence (AI) and machine learning (ML) technologies as well as its expertise in the supply chain package software business and recurring business, which enables the Company to further accelerate its Gemba (operational frontlines) Process business. In addition, the Company will strengthen operational capability of its own supply chain (including increasing cost competitiveness) and accelerate its transformation by incorporating and combining Blue Yonder's agile corporate culture.

Furthermore, Panasonic is scheduled to transition effective from April 2022 to a new organizational system of operating companies working with a holding company. In preparation for the transition, in October 2021, the current Divisional Company system is scheduled to be terminated and the business structure to be reorganized. Under the new structure, the Company will steadily execute the Mid-term strategy and prepare for the smooth operation of each operating company to be established on April 1, 2022.

For the three months ended June 30, 2021, the Company's consolidated group sales increased by 29% to 1,792.4 billion yen from a year ago. Domestic sales increased driven mainly by infotainment systems, and mounting machines in Process Automation. Overseas sales also increased due mainly to increased sales of automotive batteries with growing demand as well as increased sales in Home Appliances, Systems and Devices, which captured business opportunities reflecting changes in society.

Operating profit increased to 104.4 billion yen (3.8 billion yen for the same period last year) due mainly to increased sales as well as thorough controlled costs. Profit before income taxes increased to 108.5 billion yen (3.1 billion yen for the same period last year), and net profit attributable to Panasonic Corporation stockholders increased to 76.5 billion yen (a loss of 9.8 billion yen for the same period last year).

(2) Operating Results by Segment

The Company's three-month consolidated sales and operating profits by segment compared to previous year are summarized as follows:

From the beginning of fiscal 2022, certain businesses were transferred among reportable segments. The segment information for fiscal 2021 have been reclassified to conform to the presentation in fiscal 2022.

Appliances

Sales increased by 22% to 674.3 billion yen from a year ago due mainly to steady sales of TVs, cooking appliances, personal-care products as well as room air-conditioners in Asia and Europe.

Operating profit increased by 177% to 42.1 billion yen from a year ago due mainly to increased sales and control of sales promotion expenses, which offset factors such as the impact of price hikes of raw materials.

Life Solutions

Sales increased by 9% to 355.2 billion yen from a year ago. This is due to favorable sales of ceiling fans in overseas market as well as products such as wiring devices in Japan and overseas, which benefited from market recovery.

Operating profit increased by 127% to 12.6 billion yen from a year ago due mainly to increased sales offsetting factors such as the impact of price hikes of raw materials.

Connected Solutions

Sales increased by 13% to 208.5 billion yen from a year ago. This is due mainly to increased sales of mounting machines with growing demand for ICT terminals and 5G-related equipment.

Operating profit increased to 0.2 billion yen, compared with a loss of 16.0 billion yen a year ago due to increased sales as well as the effect of fixed cost reductions.

Automotive

Sales increased by 77% to 373.7 billion yen from a year ago. This is due mainly to increased sales in Automotive Solutions with automobile market recovery, and increased sales in Automotive Batteries with growing demand as well as the rebound after temporary suspension at customers' factories in the previous year.

Operating profit increased to 9.8 billion yen, compared with a loss of 9.5 billion yen a year ago due largely to increased sales, despite the impact of one-time gain recorded in the previous year.

Industrial Solutions

Sales increased by 24% to 357.6 billion yen from a year ago. This is due mainly to increased sales of capacitors, industrial-use motors and power storage systems.

Operating profit increased by 284% to 35.3 billion yen from a year ago due to increased sales and the effect of fixed cost reductions, despite the impact of price hikes of raw materials.

(3) Financial Conditions

The Company's consolidated total assets as of June 30, 2021 were 6,945.7 billion yen, which is an increase of 98.6 billion yen from March 31, 2021. This is due mainly to an increase in cash and cash equivalents as well as an increase in inventories. The Company's consolidated total liabilities were 4,111.4 billion yen, which is an increase of 32.8 billion yen from March 31, 2021. This is due mainly to an increase of trade payables and other current liabilities.

Panasonic Corporation stockholders' equity increased by 68.5 billion yen from March 31, 2021, to 2,662.6 billion yen. This is due mainly to recording of net profit attributable to Panasonic Corporation stockholders. With non-controlling interests added to Panasonic Corporation stockholders' equity, total equity was 2,834.3 billion yen.

(4) Cash Flows

Cash flows from operating activities

Net cash provided by operating activities for the three months ended June 30, 2021, amounted to 130.1 billion yen, compared with an outflow of 98.3 billion yen a year ago. This is due mainly to increased quarterly net profit as well as an increase in trade payables, despite an increase in inventories.

Cash flows from investing activities

Net cash used in investing activities amounted to 59.0 billion yen, compared with an inflow of 44.1 billion yen a year ago. This is due mainly to proceeds from the establishment of a joint venture in the automotive prismatic battery business in the previous year. Accordingly, free cash flow (net cash provided by operating activities and investing activities) improved by 125.3 billion yen from a year ago to an inflow of 71.1 billion yen.

Cash flows from financing activities

Net cash used in financial activities amounted to 46.2 billion yen, compared with an inflow of 104.5 billion yen a year ago. This is due mainly to the issuance of short-term bonds a year ago. Taking factors such as exchange fluctuations into consideration, cash and cash equivalents totaled 1,625.4 billion yen as of June 30, 2021, which is an increase of 32.2 billion yen from March 31, 2021.

(5) Significant Accounting Estimates and Assumptions

There were no significant changes with regard to accounting estimates and underlying assumptions described in the "Significant Accounting Estimates and Assumptions" in the Company's annual securities report for the fiscal year ended March 31, 2021.

(6) Research and Development

Panasonic's R&D expenditures for the three months ended June 30, 2021 totaled 97.4 billion yen, down 6% from a year ago. There were no significant changes in R&D activities during the period.

(7) Capital Investment

Panasonic's capital investment (tangible assets) for the three months ended June 30, 2021 totaled 41.9 billion yen, up 30% from a year ago.

(8) Depreciation (tangible assets only)

Panasonic's depreciation for the three months ended June 30, 2021 totaled 43.4 billion yen, down 2% from a year ago.

(9) Number of Employees

Number of employees at the end of the first quarter of fiscal 2022 was 240,202, a decrease of 3,338, compared with the end of the fiscal 2021.

(10) Policy on Control of the Company

There were no significant changes with regard to the "Policy on Control of the Company" stated in the Company's annual securities report for the fiscal year ended March 31, 2021 during the three months ended June 30, 2021.

(11) Prioritized Business and Financial Challenges

There were no significant changes with regard to the "Prioritized Business and Financial Challenges" during the three months ended June 30, 2021.

III Shares and Shareholders

1. Shares of Common Stock Issued as of June 30, 2021: 2,453,563,397 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 June 30, 2021: 258,981 million yen

IV Condensed Quarterly Consolidated Financial Statements

**PANASONIC CORPORATION
AND SUBSIDIARIES**
Condensed Quarterly Consolidated Statements of Financial Position
June 30 and March 31, 2021

	Yen (millions)	
	June 30, 2021	March 31, 2021
<u>Assets</u>		
Current assets:		
Cash and cash equivalents.....	1,625,376	1,593,224
Trade receivables and contract assets.....	1,181,571	1,194,391
Other financial assets.....	140,757	149,629
Inventories.....	917,932	832,569
Other current assets (Note 2).....	158,555	152,934
Total current assets.....	4,024,191	3,922,747
Non-current assets:		
Investments accounted for using the equity method.....	449,090	455,960
Other financial assets.....	226,731	231,024
Property, plant and equipment.....	1,058,847	1,061,614
Right-of-use assets.....	253,448	249,954
Goodwill and intangible assets.....	600,439	602,042
Deferred tax assets.....	246,530	239,863
Other non-current assets.....	86,417	83,869
Total non-current assets.....	2,921,502	2,924,326
Total assets.....	6,945,693	6,847,073

PANASONIC CORPORATION
AND SUBSIDIARIES
Condensed Quarterly Consolidated Statements of Financial Position
June 30 and March 31, 2021

	Yen (millions)	
	June 30, 2021	March 31, 2021
<u>Liabilities and Equity</u>		
Current liabilities:		
Short-term debt, including current portion of long-term debt.....	314,462	309,790
Lease liabilities.....	60,347	59,346
Trade payables.....	1,069,994	1,045,617
Other financial liabilities.....	198,052	220,583
Income taxes payable.....	131,154	119,124
Provisions.....	137,174	149,095
Contract liabilities.....	116,590	113,025
Other current liabilities (Note 2).....	811,239	787,748
Total current liabilities.....	<u>2,839,012</u>	<u>2,804,328</u>
Non-current liabilities:		
Long-term debt.....	879,731	879,728
Lease liabilities.....	201,560	198,559
Other financial liabilities.....	33,336	32,794
Retirement benefit liabilities.....	103,913	104,856
Provisions.....	4,644	3,272
Deferred tax liabilities.....	34,493	34,837
Contract liabilities.....	9,945	9,671
Other non-current liabilities.....	4,784	10,526
Total non-current liabilities.....	<u>1,272,406</u>	<u>1,274,243</u>
Total liabilities.....	<u>4,111,418</u>	<u>4,078,571</u>
Equity:		
Panasonic Corporation stockholders' equity :		
Common stock.....	258,981	258,981
Capital surplus.....	529,082	529,157
Retained earnings.....	2,208,862	2,154,023
Other components of equity (Note 4).....	(124,583)	(138,370)
Treasury stock.....	(209,766)	(209,757)
Total Panasonic Corporation stockholders' equity (Note 5).....	<u>2,662,576</u>	<u>2,594,034</u>
Non-controlling interests.....	171,699	174,468
Total equity.....	<u>2,834,275</u>	<u>2,768,502</u>
Total liabilities and equity.....	<u>6,945,693</u>	<u>6,847,073</u>

PANASONIC CORPORATION
AND SUBSIDIARIES
Condensed Quarterly Consolidated Statements of Profit or Loss
Three months ended June 30, 2021 and 2020

	Yen (millions)	
	Three months ended June 30	
	2021	2020
Net sales (Note 7).....	1,792,421	1,391,912
Cost of sales.....	(1,265,893)	(1,009,721)
Gross profit.....	526,528	382,191
Selling, general and administrative expenses.....	(407,071)	(388,086)
Share of profit (loss) of investments accounted for using the equity method.....	(6,548)	(13,867)
Other income (expenses), net (Note 8).....	(8,532)	23,520
Operating profit.....	104,377	3,758
Finance income.....	8,548	4,851
Finance expenses.....	(4,391)	(5,540)
Profit before income taxes.....	108,534	3,069
Income taxes.....	(27,287)	(9,984)
Net profit (loss).....	<u>81,247</u>	<u>(6,915)</u>
Net profit (loss) attributable to:		
Panasonic Corporation stockholders.....	76,537	(9,833)
Non-controlling interests.....	4,710	2,918
Yen		
Earnings per share attributable to Panasonic Corporation stockholders (Note 5)		
Basic.....	32.80	(4.21)
Diluted.....	32.79	(4.21)

PANASONIC CORPORATION
AND SUBSIDIARIES
Condensed Quarterly Consolidated Statements of Comprehensive Income
Three months ended June 30, 2021 and 2020

	Yen (millions)	
	Three months ended June 30	
	2021	2020
Net Profit (loss).....	81,247	(6,915)
Other comprehensive income, net of tax		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans.....	1,619	(789)
Financial assets measured at fair value through other comprehensive income.....	(4,716)	72,705
Subtotal.....	(3,097)	71,916
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations.....	17,576	(7,619)
Net changes in fair value of cash flow hedges.....	2,027	2,133
Subtotal.....	19,603	(5,486)
Other comprehensive income, net of tax.....	16,506	66,430
Total comprehensive income.....	<u>97,753</u>	<u>59,515</u>
 Total comprehensive income attributable to:		
Panasonic Corporation stockholders.....	91,726	56,106
Non-controlling interests.....	6,027	3,409

PANASONIC CORPORATION
AND SUBSIDIARIES
Condensed Quarterly Consolidated Statements of Changes in Equity
Three months ended June 30, 2021 and 2020

Three months ended June 30, 2021								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, 2021.....	258,981	529,157	2,154,023	(138,370)	(209,757)	2,594,034	174,468	2,768,502
Comprehensive income:								
Net profit.....	-	-	76,537	-	-	76,537	4,710	81,247
Remeasurements of defined benefit plans.....	-	-	-	1,556	-	1,556	63	1,619
Financial assets measured at fair value through other comprehensive income.....	-	-	-	(4,742)	-	(4,742)	26	(4,716)
Exchange differences on translation of foreign operations.....	-	-	-	16,362	-	16,362	1,214	17,576
Net change in fair value of cash flow hedges.....	-	-	-	2,013	-	2,013	14	2,027
Total comprehensive income	-	-	76,537	15,189	-	91,726	6,027	97,753
Transfer to hedged non- financial assets.....	-	-	-	233	-	233	-	233
Transfer from other components of equity to retained earnings.....	-	-	1,635	(1,635)	-	-	-	-
Cash dividends (Note 4).....	-	-	(23,333)	-	-	(23,333)	(8,408)	(31,741)
Purchase of treasury stock.....	-	-	-	-	(10)	(10)	-	(10)
Disposal of treasury stock.....	-	(0)	-	-	0	0	-	0
Share-based payments.....	-	24	-	-	1	25	-	25
Transactions with non-controlling interests and other.....	-	(99)	-	-	-	(99)	(388)	(487)
Balances as of June 30, 2021.....	258,981	529,082	2,208,862	(124,583)	(209,766)	2,662,576	171,699	2,834,275

Three months ended June 30, 2020

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, 2020.....	258,867	531,048	1,646,403	(227,957)	(210,012)	1,998,349	157,519	2,155,868
Comprehensive income:								
Net profit (loss).....	-	-	(9,833)	-	-	(9,833)	2,918	(6,915)
Remeasurements of defined benefit plans.....	-	-	-	(1,003)	-	(1,003)	214	(789)
Financial assets measured at fair value through other comprehensive income.....	-	-	-	72,694	-	72,694	11	72,705
Exchange differences on translation of foreign operations.....	-	-	-	(7,893)	-	(7,893)	274	(7,619)
Net change in fair value of cash flow hedges.....	-	-	-	2,141	-	2,141	(8)	2,133
Total comprehensive income	-	-	(9,833)	65,939	-	56,106	3,409	59,515
Transfer to hedged non- financial assets.....	-	-	-	354	-	354	-	354
Transfer from other components of equity to retained earnings.....	-	-	(1,048)	1,048	-	-	-	-
Cash dividends (Note 4).....	-	-	(34,994)	-	-	(34,994)	(7,974)	(42,968)
Purchase of treasury stock.....	-	-	-	-	(3)	(3)	-	(3)
Disposal of treasury stock.....	-	(1)	-	-	1	0	-	0
Share-based payments.....	-	(55)	-	-	80	25	-	25
Transactions with non-controlling interests and other.....	-	(226)	-	-	-	(226)	(4,762)	(4,988)
Balances as of June 30, 2020.....	258,867	530,766	1,600,528	(160,616)	(209,934)	2,019,611	148,192	2,167,803

PANASONIC CORPORATION
AND SUBSIDIARIES
Condensed Quarterly Consolidated Statements of Cash Flows
Three months ended June 30, 2021 and 2020

	Yen (millions)	
	Three months ended June 30	
	2021	2020
Cash flows from operating activities:		
Net profit (loss).....	81,247	(6,915)
Depreciation and amortization.....	77,080	78,441
Impairment losses on property, plant and equipment, right-of-use assets, goodwill and intangible assets.....	202	1,564
Income tax expenses.....	27,287	9,984
(Increase) decrease in trade receivables and contract assets.....	12,455	27,703
(Increase) decrease in inventories.....	(86,734)	(51,953)
Increase (decrease) in trade payables.....	26,287	(116,644)
Increase (decrease) in provisions.....	(12,281)	(19,799)
Increase (decrease) in contract liabilities.....	(275)	3,850
Increase (decrease) in retirement benefit liabilities.....	(1,430)	(559)
Other - net (Note 8).....	34,489	9,390
Subtotal.....	<u>158,327</u>	<u>(64,938)</u>
Interest received.....	3,212	2,973
Dividend income received.....	1,502	1,457
Interest expenses paid.....	(4,046)	(4,589)
Income taxes paid.....	<u>(28,905)</u>	<u>(33,177)</u>
Net cash provided by (used in) operating activities.....	<u>130,090</u>	<u>(98,274)</u>
Cash flows from investing activities:		
Purchase of property, plant and equipment.....	(58,976)	(47,849)
Proceeds from sale of property, plant and equipment.....	2,276	5,221
Purchase of intangible assets.....	(15,092)	(13,772)
Collection of lease receivables.....	1,398	109
Purchase of investments accounted for using the equity method and other financial assets.....	(1,498)	(3,359)
Proceeds from sale and redemption of investments accounted for using the equity method and other financial assets.....	7,073	1,096
Proceeds from loss of control of subsidiaries or other businesses.....	6,194	103,011
Other - net.....	<u>(329)</u>	<u>(391)</u>
Net cash provided by (used in) investing activities.....	<u>(58,954)</u>	<u>44,066</u>

PANASONIC CORPORATION
AND SUBSIDIARIES
Condensed Quarterly Consolidated Statements of Cash Flows
Three months ended June 30, 2021 and 2020

	Yen (millions)	
	Three months ended June 30	
	2021	2020
Cash flows from financing activities:		
Increase (decrease) in short-term debt.....	5,621	204,864
Proceeds from long-term debt.....	451	1,095
Repayments of long-term debt.....	(1,411)	(25,387)
Payments for lease liabilities.....	(14,882)	(18,810)
Dividends paid to Panasonic Corporation stockholders (Note 4).....	(23,333)	(34,994)
Dividends paid to non-controlling interests.....	(8,408)	(7,974)
Purchase of treasury stock.....	(10)	(3)
Transactions with non-controlling interests.....	(105)	-
Other - net.....	(4,118)	(14,297)
Net cash provided by (used in) financing activities.....	<u>(46,195)</u>	<u>104,494</u>
Effect of exchange rate changes on cash and cash equivalents.....	6,578	(4,898)
Net increase (decrease) in cash and cash equivalents.....	31,519	45,388
Cash and cash equivalents at the beginning of the period.....	1,593,224	1,016,504
Net increase (decrease) in cash and cash equivalents resulting from transfer to assets held for sale.....	<u>633</u>	<u>(1,062)</u>
Cash and cash equivalents at the end of the period.....	<u><u>1,625,376</u></u>	<u><u>1,060,830</u></u>

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 with close cooperation between domestic and overseas group companies.

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

2. Basis of preparation

(1) Compliance of the 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 Quarterly 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 of 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 consolidated financial statements and the notes included in the Company's annual securities report for the year ended March 31, 2021.

The condensed quarterly consolidated financial statements were approved on August 6, 2021 by Representative Director, President, Yuki Kusumi, 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 Panasonic'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, 2021.

(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 the condensed quarterly consolidated financial statements. Actual results may differ from those 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, which 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, 2021.

(5) Changes in presentation

Non-current assets or disposal groups held for sale

Since "Assets held for sale" and "Liabilities directly associated with assets held for sale," which were separately presented as of March 31, 2021, have become immaterial, they are included as part of "Other current assets" and "Other current liabilities," respectively, as of June 30, 2021. The consolidated statement of financial position as of March 31, 2021 has been reclassified to conform to this change in presentation. As a result, the amount of 8,101 million yen as of March 31, 2021, which was presented as "Assets held for sale," and the amount of 2,884 million yen as of March 31, 2021, which was presented as "Liabilities directly associated with assets held for sale," have been reclassified and presented within "Other current assets" and "Other current liabilities," respectively.

3. Segment information

(1) Reportable segments

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 in deciding how to allocate resources and in assessing performance. The Company classifies and discloses five reportable segments, namely "Appliances," "Life Solutions," "Connected Solutions," "Automotive" and "Industrial Solutions."

"Appliances" includes the development, manufacturing and sale of, and provision of related services for, products such as room air-conditioners, large-sized air-conditioners, TVs, digital cameras, video equipment, home audio equipment, fixed-phones, refrigerators, washing machines, vacuum cleaners, microwave ovens, rice cookers, personal-care products, compressors, fuel cells and showcases. "Life Solutions" includes the development, manufacturing and sale of, and provision of related services for, 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" includes the development, manufacturing and sale of, and provision of related services for, products such as aircraft in-flight entertainment systems and communications services, electronic-components-mounting machines, welding equipment, projectors, professional AV systems, PCs and tablets. "Automotive" includes the development, manufacturing, and sale of, and provision of related services for, products such as car navigation systems, car AV systems, meter cluster displays, head-up displays, telematics communication units, switches, sensing devices, ECUs, energy management devices and batteries for automobiles. "Industrial Solutions" includes the development, manufacturing, and sale of, and provision of related services for, products such as automation controls, electric motors, FA sensors and components, small lithium-ion batteries, battery modules for power storage, electronic components, dry batteries, micro batteries, electronic materials, semiconductors (which was disposed of on September 1, 2020) and LCD panels.

"Other" includes business activities not belonging to any reportable segments, such as sales of raw materials.

As of April 1, 2021, certain businesses were transferred between reportable segments, and segment information for the three months ended June 30, 2020 has been reclassified to conform to the presentation for the three months ended June 30, 2021.

(2) Information by reportable segment

Information by reportable segment is shown in the tables below.

(i) For the three months ended June 30, 2021

	Yen (millions)							
	Reportable segments						Eliminations and adjustments	Consolidated Total
	Appliances	Life Solutions	Connected Solutions	Automotive	Industrial Solutions	Other		
Sales:								
External customers....	620,360	318,384	183,122	366,874	310,000	59,809	(66,128)	1,792,421
Intersegment.....	53,909	36,812	25,388	6,867	47,639	1,481	(172,096)	-
Total.....	<u>674,269</u>	<u>355,196</u>	<u>208,510</u>	<u>373,741</u>	<u>357,639</u>	<u>61,290</u>	<u>(238,224)</u>	<u>1,792,421</u>
Segment profit.....	42,147	12,632	174	9,807	35,316	1,158	3,143	104,377

(ii) For the three months ended June 30, 2020

	Yen (millions)							
	Reportable segments						Eliminations and adjustments	Consolidated Total
	Appliances	Life Solutions	Connected Solutions	Automotive	Industrial Solutions	Other		
Sales:								
External customers....	504,788	291,052	160,806	206,976	252,125	50,604	(74,439)	1,391,912
Intersegment.....	49,278	35,239	24,423	3,814	36,430	1,680	(150,864)	-
Total.....	<u>554,066</u>	<u>326,291</u>	<u>185,229</u>	<u>210,790</u>	<u>288,555</u>	<u>52,284</u>	<u>(225,303)</u>	<u>1,391,912</u>
Segment profit (loss)..	15,208	5,557	(15,974)	(9,475)	9,202	289	(1,049)	3,758

The accounting policies for reportable segments are the same as the Company's accounting policies described in Note 2 "(3) Significant accounting policies" except for management accounting adjustments referred to below.

Transactions between segments have been conducted at arm's length prices.

Segment profit is calculated based on operating profit. In addition, Segment profit (loss) of "Automotive" for the three months ended June 30, 2021 and 2020 includes a loss of 1,458 million yen and 6,595 million yen, respectively, on the investments accounted for using the equity method.

The amounts in "Eliminations and adjustments" include revenues and expenses, which are not attributable to any reportable segment 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 June 30, 2021 and 2020 mainly 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, management accounting adjustments to sales prices, and revenue of corporate headquarters, etc.

Adjustments to segment profit for the three months ended June 30, 2021 and 2020 include profit of corporate headquarters and profit which is attributable to certain sales departments for consumer products. Adjustments also include consolidation adjustments such as amortization on certain intangible assets acquired in business combinations and share of profit of investments accounted for using the equity method which are not allocated to any specific segments.

4. Equity

(1) Other components of equity

A breakdown of other components of equity is as follows:

	Yen (millions)	
	June 30, 2021	March 31, 2021
Remeasurements of defined benefit plans (*).....	-	-
Financial assets measured at fair value through other comprehensive income.....	30,011	34,832
Exchange differences on translation of foreign operations.....	(163,498)	(179,860)
Net changes in fair value of cash flow hedges.....	8,904	6,658
Total.....	<u>(124,583)</u>	<u>(138,370)</u>

(*) As the result of remeasurements of defined benefit plans, other components of equity increased by 1,556 million yen (net of tax), which was directly transferred from other components of equity to retained earnings for the three months ended June 30, 2021.

(2) Dividends

(i) Dividends for the three months ended June 30, 2021 is 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 10, 2021	Common stock	23,333	Retained Earnings	10.0	March 31, 2021	June 4, 2021

(ii) Dividends for the three months ended June 30, 2020 is 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 18, 2020	Common stock	34,994	Retained Earnings	15.0	March 31, 2020	June 11, 2020

5. Per share information

Panasonic Corporation stockholders' equity per share is as follows:

	Yen	
	June 30, 2021	March 31, 2021
Panasonic Corporation stockholders' equity per share.....	1,141.11	1,111.73

The reconciliation for the basic and diluted earnings per share attributable to Panasonic Corporation stockholders is as follows:

	Yen (millions)	
	2021	2020
Net profit (loss) attributable to Panasonic Corporation stockholders.....	76,537	(9,833)
Adjustment to net profit (loss).....	(0)	-
Net profit (loss) used to calculate basic earnings per share.....	76,537	(9,833)
Adjustment to net profit (loss).....	0	-
Net profit (loss) used to calculate diluted earnings per share.....	76,537	(9,833)

	Number of shares	
	2021	2020
Average common shares outstanding.....	2,333,307,368	2,332,973,474
Dilutive effect:		
Stock acquisition rights.....	1,072,491	(*) -
Restricted stock.....	13,300	(*) -
Diluted common shares outstanding.....	2,334,393,159	(*) 2,332,973,474

(*) The calculation of the average number of diluted common shares does not include the increases in common shares of 1,200,213 due to stock acquisition rights and those of 13,300 due to restricted stock because of their anti-dilutive effect.

	Yen	
	2021	2020
Earnings per share attributable to Panasonic Corporation stockholders:		
Basic.....	32.80	(4.21)
Diluted.....	32.79	(4.21)

6. Fair values of financial instruments

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

	Yen (millions)			
	June 30, 2021		March 31, 2021	
	Book value	Fair value	Book value	Fair value
Long-term debt, including current portion of long-term debt.....	1,163,818	1,181,684	1,164,796	1,181,260

Fair values shown above are estimated, based on the market price or its present value of the future cash flows, which is calculated using the observable discount rate at June 30 and March 31, 2021. All fair values are 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 is as follows:

	Yen (millions)			
	June 30, 2021			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets measured at FVTPL				
Shares.....	-	-	45,418	45,418
Derivative assets				
Foreign exchange forward contracts.....	-	10,141	-	10,141
Cross currency swaps.....	-	35	-	35
Cross currency interest rate swaps.....	-	20,612	-	20,612
Commodity futures.....	15,356	2,138	-	17,494
Subtotal.....	15,356	32,926	45,418	93,700
Financial assets measured at FVTOCI				
Shares.....	32,634	-	104,553	137,187
Others.....	-	281	-	281
Subtotal.....	32,634	281	104,553	137,468
Total financial assets.....	47,990	33,207	149,971	231,168
Financial liabilities:				
Financial liabilities measured at FVTPL				
Derivative liabilities				
Foreign exchange forward contracts.....	-	3,100	-	3,100
Commodity futures.....	9,300	14,031	-	23,331
Total financial liabilities.....	9,300	17,131	-	26,431

	Yen (millions)			
	March 31, 2021			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets measured at FVTPL				
Shares.....	-	-	42,117	42,117
Derivative assets				
Foreign exchange forward contracts.....	-	7,639	-	7,639
Cross currency interest rate swaps.....	-	18,662	-	18,662
Commodity futures.....	11,690	1,584	-	13,274
Subtotal.....	11,690	27,885	42,117	81,692
Financial assets measured at FVTOCI				
Shares.....	34,440	-	109,079	143,519
Others.....	-	281	-	281
Subtotal.....	34,440	281	109,079	143,800
Total financial assets.....	46,130	28,166	151,196	225,492
Financial liabilities:				
Financial liabilities measured at FVTPL				
Derivative liabilities				
Foreign exchange forward contracts.....	-	5,195	-	5,195
Cross currency swaps.....	-	1	-	1
Commodity futures.....	4,657	14,066	-	18,723
Total financial liabilities.....	4,657	19,262	-	23,919

The Company's marketable shares 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 forward contracts, cross currency swaps, cross currency interest rate 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, market interest rates and market prices for commodity futures.

Shares 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 valuation service 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 three months ended June 30, 2021 there were no financial instruments of which a significant transfer was made between levels.

For the three months ended June 30, 2021, there were no significant movements of the financial instruments, classified as Level 3.

7. Revenue

Disaggregation of revenue

Revenue from contracts with customers is disaggregated by product category to reflect its nature properly and geographical area where customers are located. Revenue by product and geographical area is further disaggregated by reportable segment.

The products of Appliances are categorized into "B2C" and "B2B." "B2C" includes products such as room air-conditioners, TVs, digital cameras, video equipment, home audio equipment, fixed-phones, refrigerators, washing machines, vacuum cleaners, microwave ovens, rice cookers and personal-care products. "B2B" includes products such as compressors, fuel cells and showcases.

The products of Life Solutions are categorized into "Electrical construction materials," "Home building products" and "Other." "Electrical construction materials" includes products such as lighting fixtures, lamps, wiring devices, solar photovoltaic systems, ventilation and air-conditioning equipment and air purifiers. "Home building products" includes products such as water-related products, interior furnishing materials, exterior furnishing materials. "Other" includes products such as bicycles and nursing-care-related products.

The products of Connected Solutions are categorized into "Vertical solutions" and "Product solutions." "Vertical solutions" is a solution business provided directly by business divisions where development, production and sales are integrated and includes products such as aircraft in-flight entertainment systems and communications services, electronic-components-mounting machines and welding equipment. "Product solutions" is a solution business provided by developing and manufacturing business divisions through sales departments, and includes products such as projectors, professional AV systems, PCs and tablets.

The products of Automotive are categorized into "Automotive solutions" and "Automotive batteries." "Automotive solutions" includes products such as automotive-use infotainment systems, electrical components and automotive mirrors. "Automotive batteries" includes products related to automotive-use batteries.

The products of Industrial Solutions are categorized into "Systems," "Device" and "Other." "Systems" includes products such as automation controls, electric motors and lithium-ion batteries, which are the group of businesses focused on systems and modules. "Device" includes products such as electronic components, electronic materials and dry batteries, which are the group of businesses that differentiates in materials and processes. "Other" includes products such as semiconductors (which was disposed of on September 1, 2020) and LCD panels.

The disaggregated revenue is as follows:

For the three months ended June 30, 2021

		Yen (millions)	
By product category	Sales	By geographical area	Sales
Reportable segments			
Appliances			
B2C.....	410,899	Japan.....	224,439
B2B.....	125,697	North and South America.....	62,249
		Europe.....	59,974
		Asia, China and others.....	189,934
Total.....	<u>536,596</u>	Total.....	<u>536,596</u>
Life Solutions			
Electrical construction materials.....	174,486	Japan.....	242,856
Home building products.....	80,425	North and South America.....	8,206
Other.....	55,672	Europe.....	8,362
		Asia, China and others.....	51,159
Total.....	<u>310,583</u>	Total.....	<u>310,583</u>
Connected Solutions			
Vertical solutions.....	87,055	Japan.....	75,234
Product solutions.....	113,181	North and South America.....	46,908
		Europe.....	24,704
		Asia, China and others.....	53,390
Total.....	<u>200,236</u>	Total.....	<u>200,236</u>
Automotive			
Automotive solutions.....	211,755	Japan.....	98,222
Automotive batteries.....	133,347	North and South America.....	162,760
		Europe.....	46,851
		Asia, China and others.....	37,269
Total.....	<u>345,102</u>	Total.....	<u>345,102</u>
Industrial Solutions			
Systems.....	156,222	Japan.....	87,744
Device.....	138,173	North and South America.....	32,089
Other.....	35,596	Europe.....	36,589
		Asia, China and others.....	173,569
Total.....	<u>329,991</u>	Total.....	<u>329,991</u>
Other.....	<u>69,913</u>	Other.....	<u>69,913</u>
Consolidated total.....	<u>1,792,421</u>	Consolidated total.....	<u>1,792,421</u>

For the three months ended June 30, 2020

		Yen (millions)	
By product category	Sales	By geographical area	Sales
Reportable segments			
Appliances			
B2C.....	322,995	Japan.....	197,187
B2B.....	95,900	North and South America.....	43,719
		Europe.....	37,574
		Asia, China and others.....	140,415
Total.....	<u>418,895</u>	Total.....	<u>418,895</u>
Life Solutions			
Electrical construction materials.....	156,851	Japan.....	237,298
Home building products.....	76,051	North and South America.....	8,800
Other.....	54,309	Europe.....	5,211
		Asia, China and others.....	35,902
Total.....	<u>287,211</u>	Total.....	<u>287,211</u>
Connected Solutions			
Vertical solutions.....	70,279	Japan.....	61,106
Product solutions.....	106,046	North and South America.....	51,116
		Europe.....	19,829
		Asia, China and others.....	44,274
Total.....	<u>176,325</u>	Total.....	<u>176,325</u>
Automotive			
Automotive solutions.....	117,964	Japan.....	63,793
Automotive batteries.....	71,977	North and South America.....	78,607
		Europe.....	20,741
		Asia, China and others.....	26,800
Total.....	<u>189,941</u>	Total.....	<u>189,941</u>
Industrial Solutions			
Systems.....	108,252	Japan.....	70,862
Device.....	119,494	North and South America.....	24,560
Other.....	34,190	Europe.....	26,662
		Asia, China and others.....	139,852
Total.....	<u>261,936</u>	Total.....	<u>261,936</u>
Other.....	57,604	Other.....	57,604
Consolidated total.....	<u>1,391,912</u>	Consolidated total.....	<u>1,391,912</u>

The reconciliation of "Disaggregated revenue" by reportable segment with "Sales to external customers" in Note 3 "(2) Information by reportable segment" is set out below.

As of April 1, 2021, certain businesses were transferred between reportable segments, and reportable segment figures for the three months ended June 30, 2020 have been reclassified to conform to the presentation for the three months ended June 30, 2021.

"Disaggregated revenue" of each reportable segment adjusted for "Adjustments for management accounting," "Cross-selling" and "Sales of third party products, etc." reconciles to "Sales to external customers" in Note 3 "(2) Information by reportable segment." "Adjustments for management accounting" mainly includes adjustments to sales prices for management accounting. "Cross-selling" mainly includes adjustment for sales of products through other segments. "Sales of third party products, etc." mainly includes adjustments for sales of products manufactured by third parties which are not included in sales for management accounting purposes.

For the three months ended June 30, 2021

	Yen (millions)				
	Appliances	Life Solutions	Connected Solutions	Automotive	Industrial Solutions
Disaggregation revenue.....	536,596	310,583	200,236	345,102	329,991
Adjustments for management accounting.....	69,294	7,539	1,094	1,894	4,945
Cross-selling.....	16,108	(28)	(18,249)	19,466	(24,926)
Sales of third party products, etc.	(1,638)	290	41	412	(10)
Note 3 "(2) Information by reportable segment" Sales to external customers.....	<u>620,360</u>	<u>318,384</u>	<u>183,122</u>	<u>366,874</u>	<u>310,000</u>

For the three months ended June 30, 2020

	Yen (millions)				
	Appliances	Life Solutions	Connected Solutions	Automotive	Industrial Solutions
Disaggregation revenue.....	418,895	287,211	176,325	189,941	261,936
Adjustments for management accounting.....	71,827	8,572	1,103	2,631	4,897
Cross-selling.....	18,829	(4,895)	(16,645)	12,507	(15,310)
Sales of third party products, etc.....	(4,763)	164	23	1,897	602
Note 3 "(2) Information by reportable segment" Sales to external customers.....	<u>504,788</u>	<u>291,052</u>	<u>160,806</u>	<u>206,976</u>	<u>252,125</u>

8. Supplementary information

(1) Other income (expenses)

The Company did not disclose supplementary information of "Other income (expenses), net" as each item was immaterial for the three months ended June 30, 2021.

"Other income (expenses), net" for the three months ended June 30, 2020 includes a gain of 27,676 million yen recognized as a result of the execution of a series of transactions associated with the establishment of a joint venture related to the automotive prismatic battery business, which is allocated to the "Automotive" segment. The gain noted above is presented as part of "Other - net" within cash flows from operating activities in the condensed quarterly consolidated statements of cash flows.

(2) Acquisitions of "Property, plant and equipment"

The increases in carrying amounts of "Property, plant and equipment" due to acquisition in the three months ended June 30, 2021 and 2020 are 41,859 million yen and 32,090 million yen, respectively.

(3) Sales or disposal of "Property, plant and equipment"

The decreases in carrying amounts of "Property, plant and equipment" due to sales or disposal in the three months ended June 30, 2021 and 2020 are 4,234 million yen and 5,248 million yen, respectively, including a decrease due to recognition of finance lease as a lessor.

9. Contingent liabilities

Litigation, etc.

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

Panasonic Corporation and one of its subsidiaries, SANYO Electric Co., Ltd., are subject to litigation in North America related to an anti-trust matter concerning their rechargeable battery business.

Other than this matter, there are a number of legal actions against the Company. Management is of the opinion that damages, if any, resulting from these actions, will not have a material effect on the Company's condensed quarterly 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 are 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.