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FOR IMMEDIATE RELEASE

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ANNOUNCEMENT OF FINANCIAL RESULTS

PANASONIC REPORTS FIRST-QUARTER RESULTS

***- Operating profit increased due mainly to sales increase in real terms
and fixed-cost reduction -***

Osaka, Japan, July 31, 2014 -- Panasonic Corporation (Panasonic [TSE:6752]) today reported its consolidated financial results for the first quarter, ended June 30, 2014, of the current fiscal year ending March 31, 2015 (fiscal 2015).

Consolidated First-quarter Results

Consolidated group sales for the first quarter increased by 2% to 1,852.3 billion yen compared with 1,824.5 billion yen for the first quarter of the year ended March 31, 2014 (fiscal 2014). Yen depreciation contributed to sales increase. Demand in Japan overall decreased mainly in consumer electronics products following demand surge before the consumption tax hike in April. Meantime, this negative effect was mostly offset due mainly to the effect of demand surge before the tax hike remaining in the first quarter for some products. Automotive-related business grew in sales with stable demand globally. Of the consolidated group total, domestic sales amounted to 857.4 billion yen, down by 1% from 864.9 billion yen a year ago. Overseas sales increased by 4% to 994.9 billion yen from 959.6 billion yen a year ago.

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During the first quarter under review, despite economic slowdown in China and ASEAN countries, the global economy moderately recovered as a whole due mainly to recovery from low demand after consumption tax hike in Japan and continuous economic recovery in Europe and the U.S.

Under such business circumstances, in fiscal 2015, the second year of the mid-term management plan "Cross-Value Innovation 2015 (CV2015)," Panasonic has been promoting the initiatives to consolidate a foundation to achieve CV2015 and set growth strategy for a 'New Panasonic' in fiscal 2019.

Operating profit¹ increased by 28% to 82.3 billion yen from 64.2 billion yen a year ago, due mainly to fixed cost reduction and sales increase in real term excluding business transfers executed a year ago. Pre-tax income and net income attributable to Panasonic Corporation decreased significantly to 55.1 billion yen from 122.6 billion yen, and to 37.9 billion yen from 107.8 billion yen, respectively, mainly on one-off gain of 79.8 billion yen from pension scheme change incurred as other income (deductions) a year ago.

Breakdown by Segment

The company transferred some businesses among segments as of April 1, 2014, due to its reorganization including Appliances Company. Accordingly, segment information for the first quarter of fiscal 2014 has been reclassified conforming to the presentation for the first quarter of fiscal 2015.

The company's first quarter consolidated sales and profits by segment with previous year comparisons are summarized as follows:

Appliances

Sales increased by 1% to 465.4 billion yen from 459.8 billion yen a year ago. Sales increased due mainly to stable shipments to restock distributors' inventory which had been at a low level after demand surge before consumption tax hike in Japan, and improvement of air-conditioner business in China which was sluggish a year ago.

¹ For information about operating profit, see Note 2 of the Notes to consolidated financial statements on page 10.

Segment profit significantly increased by 101% to 22.5 billion yen, compared with 11.2 billion yen a year ago due mainly to profit improvement of the challenging businesses. The device businesses also contributed to the overall profit increase.

Eco Solutions

Sales increased by 4% to 384.4 billion yen from 369.7 billion yen a year ago due mainly to capturing demand steadily in Japan, despite slow housing market after consumption tax hike. Securing orders in consumer spending surge before consumption tax hike at the end of fiscal 2014 also contributed to sales increase. Overseas sales expanded due to newly-consolidated VIKO and sales increases in strategic regions including India and Asia. Segment profit increased by 6% to 16.2 billion yen from 15.2 billion yen a year ago due mainly to benefit from sales increase and streamlining initiatives.

AVC Networks

Sales increased by 1% to 273.8 billion yen from 270.6 billion yen a year ago due mainly to stable sales in core businesses, although sales of PDPs and smartphones for consumers decreased due to business reform. Segment loss was 8.1 billion yen, significantly improved from a loss of 15.4 billion yen a year ago due mainly to effects of reforms in challenging businesses.

Automotive & Industrial Systems

Sales increased by 2% to 680.4 billion yen from 664.3 billion yen a year ago. Sales increased due mainly to positive impact of yen depreciation and sales growth for automotive-use businesses including infotainment systems and portable rechargeable batteries. Segment profit decreased by 18% to 23.5 billion yen from 28.7 billion yen a year ago. Sales increase and other measures were unable to offset the fixed cost increases.

Other

Sales decreased by 18% to 143.2 billion yen from 174.1 billion yen a year ago due mainly to the healthcare-related business transfer at the end of fiscal 2014. Segment loss was 2.0 billion yen, almost unchanged from a loss of 1.7 billion yen a year ago.

Consolidated Financial Condition

Net cash provided by operating activities for the first quarter of fiscal 2015 amounted to 127.6 billion yen, compared with an inflow of 102.4 billion yen a year ago, due mainly to an improvement in working capital including an increase in trade payables. Net cash used in investing activities amounted to 42.0 billion yen, compared with an outflow of 49.1 billion yen a year ago due mainly to an increase in proceeds from disposals of property, plant and equipment. Accordingly, free cash flow (net cash from operating activities plus net cash from investing activities) amounted to 85.6 billion yen, increased by 32.3 billion yen a year ago. Net cash used in financing activities amounted to 37.7 billion yen, compared with an outflow of 93.7 billion yen a year ago, due mainly to a decrease in repaying interest-bearing debt, despite an increase in dividend paid. Taking into consideration exchange rate fluctuations, cash and cash equivalents totaled 634.3 billion yen as of June 30, 2014, up 41.9 billion yen, compared with the end of the last fiscal year.

The company's consolidated total assets as of June 30, 2014 increased by 23.0 billion yen to 5,236.0 billion yen from March 31, 2014. This was due mainly to increases in cash and cash equivalents, and inventories, despite decrease in accounts receivables and property, plant and equipment. Panasonic Corporation shareholders' equity increased by 15.5 billion yen compared with March 31, 2014, to 1,563.7 billion yen, due mainly to recording net income attributable to Panasonic Corporation. Adding noncontrolling interests to Panasonic Corporation shareholders' equity, total equity was 1,587.8 billion yen.

Forecast for Fiscal 2015

The business performance forecast for fiscal 2015 remains unchanged from the previous forecast announced on April 28, 2014.

Panasonic Corporation is one of the world's leading manufacturers of electronic and electric products for consumer, business and industrial use. Panasonic's shares are listed on the Tokyo and Nagoya stock exchanges. For more information, please visit the following web sites:

Panasonic home page URL: <http://panasonic.net/>
Panasonic IR web site URL: <http://panasonic.net/ir/>

Disclaimer Regarding Forward-Looking Statements

This press release includes forward-looking statements (that include those within the meaning of Section 21E of the U.S. Securities Exchange Act of 1934) about Panasonic and its Group companies (the Panasonic Group). To the extent that statements in this press release 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 press release. 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 on 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 assets in which the Panasonic Group has holdings or changes in valuation of long-lived assets, including property, plant and equipment and goodwill, deferred tax assets and uncertain tax positions; future changes or revisions to accounting policies or accounting rules; 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.

(Financial Tables and Additional Information Attached)