

Consolidated Financial Results

1. Nine Months ended December 31, 2015

A. Operating Results

	Yen (billions)		
	Fiscal 2016 nine months ended Dec. 31, 2015	Fiscal 2015 nine months ended Dec. 31, 2014	Percentage 2016/2015
Net sales	5,671.3	5,719.3	99%
Operating profit ¹	320.3	290.3	110%
Income before income taxes	254.5	208.1	122%
Net income attributable to Panasonic Corporation	160.2	140.4	114%

During the nine months ended December 31, 2015 under review, the economic growth in China slowed down, while employment environment and personal spending in the U.S. were favorable, and economy in Europe continued to recover. In Japan, economy continued to moderately recover, while weakness was still seen such as in personal spending and exportation.

In this recent business condition, Panasonic has determined its business fields for sustainable growth and has been promoting various initiatives to make a major change towards generating profit from sales growth.

As one of the initiatives, for automotive business, Panasonic took a 49% stake in Ficosa International, S.A. (Ficosa) in Spain in June 2015. The Company started business alliance with Ficosa to launch electronic mirror system business in a timely manner. For housing business, the Company opened an elderly housing with supportive service in September 2015, for the first time in the neighborhood of Tokyo. In food distribution solution business, one of the core BtoB solution business, the Company announced to acquire Hussmann Corporation in December 2015, a

¹ For information about operating profit, see Note 1 of the Notes to consolidated financial statements on page 8.

leading company in commercial refrigerated and freezer display cases in the U.S. Panasonic has been promoting energy-efficient and environment-conscious refrigerated and freezer display cases for food distribution solution business mainly in Japan, China and Asia and this acquisition will enable Panasonic to combine Hussmann's customer relationship and maintenance and service ability with Panasonic's wide-range product lineup. The Company will make this synergy into growth in the U.S. and its neighboring countries.

Consolidated group sales for nine months ended December 31, 2015 decreased by 1% to 5,671.3 billion yen from the same period of fiscal 2015 (a year ago). Domestic sales decreased year on year due mainly to sales decrease of solar photovoltaic systems and home and building products, while sales in home appliances were stable. Overseas sales slightly increased year on year due mainly to positive effect from yen depreciation for six months ended September 30, 2015 and sales increase in BtoB solution business, while sales in devices declined and sales in TVs decreased due mainly to downsizing marketing activities to focus profitability.

Operating profit increased by 10% to 320.3 billion yen from a year ago due to withdrawing and downsizing unprofitable businesses and improvement through restructuring. The Company has strategically focused high value-added products, which contributed to overall growth as well.

Income before income taxes increased by 22% to 254.5 billion yen comparing with the same period of last year due mainly to the reduction of expenses for preventing further accidents with the residential water heating systems in other income (deductions) incurred a year ago.

Net income attributable to Panasonic Corporation increased by 14% to 160.2 billion yen from a year ago.

B. Breakdown by Segment

Appliances

			Yen (billions)
	Fiscal 2016 nine months ended Dec. 31, 2015	Fiscal 2015 nine months ended Dec. 31, 2014	Percentage 2016/2015
Sales	1,777.2	1,827.1	97%
Segment profit	70.3	58.3	121%

Sales decreased by 3% to 1,777.2 billion yen from a year ago due mainly to sales decrease in TV business as a result of downsizing marketing activities. Sales in air-conditioners and refrigeration and air-conditioning devices in China decreased, while sales in home appliances and personal-care products were favorable mainly in Japan and Asia. Segment profit increased to 70.3 billion yen from a year ago due mainly to sales increase in home appliances and profit improvement in TVs, offsetting the negative impact of exchange rate movement.

Eco Solutions

			Yen (billions)
	Fiscal 2016 nine months ended Dec. 31, 2015	Fiscal 2015 nine months ended Dec. 31, 2014	Percentage 2016/2015
Sales	1,182.2	1,224.3	97%
Segment profit	55.6	75.7	73%

Sales decreased by 3% to 1,182.2 billion yen compared with the previous year. Sales in housing related business and solar photovoltaic systems decreased suffering from weak demand in Japan, while sales in wiring devices and circuit breakers were favorable mainly in Asia. Segment profit decreased significantly to 55.6 billion yen from a year ago due to considerable sales decrease in solar photovoltaic systems.

AVC Networks

			Yen (billions)
	Fiscal 2016 nine months ended Dec. 31, 2015	Fiscal 2015 nine months ended Dec. 31, 2014	Percentage 2016/2015
Sales	854.1	827.8	103%
Segment profit	50.6	21.6	234%

Sales increased by 3% to 854.1 billion yen from a year ago. Vertical Solution Business maintained strong sales, leading segment-wide growth. Sales in Visual and Imaging Business also increased including security systems. Segment profit increased significantly to 50.6 billion yen from a year ago, due to sales increase mainly in Vertical Solution Business and restructuring benefit from previous years.

Automotive & Industrial Systems

			Yen (billions)
	Fiscal 2016 nine months ended Dec. 31, 2015	Fiscal 2015 nine months ended Dec. 31, 2014	Percentage 2016/2015
Sales	2,063.2	2,090.5	99%
Segment profit	84.5	88.9	95%

Sales decreased by 1% to 2,063.2 billion yen from a year ago. Sales increase in automotive electronics and automotive infotainment systems in North America was unable to offset impact from some business termination in Industrial Business and sales decline in ICT related rechargeable batteries in Energy Business. Segment profit decreased to 84.5 billion yen from a year ago due mainly to sales decrease and R&D cost increase in growing areas such as Automotive Business.

Other

	Yen (billions)		
	Fiscal 2016 nine months ended Dec. 31, 2015	Fiscal 2015 nine months ended Dec. 31, 2014	Percentage 2016/2015
Sales	415.1	447.2	93%
Segment profit	4.1	1.5	271%

Sales decreased by 7% to 415.1 billion yen from a year ago due mainly to business transfers, while sales in PanaHome increased. Segment profit increased to 4.1 billion yen from a year ago due to PanaHome.

C. Consolidated Financial Condition

Net cash provided by operating activities for the nine months ended December 31, 2015 amounted to 222.6 billion yen compared with an inflow of 369.0 billion yen a year ago due mainly to an increase of working capital including trade payables and inventories. Net cash used in investing activities amounted to 207.3 billion yen compared with an outflow of 107.6 billion yen a year ago due mainly to purchase of subsidiaries' and associated companies' shares. Free cash flow (net cash provided by operating activities plus net cash provided by investing activities) decreased by 246.0 billion yen from a year ago to an inflow of 15.3 billion yen. Net cash used in financing activities amounted to 105.3 billion yen, compared with an outflow of 122.8 billion yen a year ago due mainly to increase in short-term borrowings. Taking into consideration exchange rate movement, cash and cash equivalents totaled 1,157.9 billion yen as of December 31, 2015, decreased by 122.5 billion yen compared with the end of the fiscal 2015.

The Company's consolidated total assets as of December 31, 2015 decreased by 92.1 billion yen to 5,864.9 billion yen from March 31, 2015 due mainly to decrease in cash and cash equivalents and account receivables in addition to several currencies' depreciation, while inventory seasonally increased. The Company's consolidated total liabilities as of December 31, 2015 decreased by 182.9 billion yen to 3,781.5 billion yen from March 31, 2015 due mainly to redemption of unsecured straight bonds and decrease in retirement and severance benefit. Panasonic Corporation shareholders' equity increased by 105.3 billion yen,

compared with March 31, 2015, to 1,928.6 billion yen due mainly to record of net income attributable to Panasonic Corporation. Adding noncontrolling interests to Panasonic Corporation shareholders' equity, total equity was 2,083.4 billion yen.

2. Forecast for Fiscal 2016

Panasonic revised its consolidated financial forecasts for fiscal 2016 from the forecasts announced on April 28, 2015. Business environment has worsened due to economic accompanied by slowdown in emerging countries including China. Under such business circumstance, sales in air-conditioners and devices in China, ICT related rechargeable batteries and housing related business including solar photovoltaic systems in Japan have declined. Accordingly the Company revised its sales forecasts. Operating profit and income before income taxes forecasts are also revised along with sales decrease.

Consolidated financial forecasts for fiscal 2016 as of February 3, 2016 are:

Sales: 7,550.0 billion yen (vs. FY15: -2%)

Operating profit: 410.0 billion yen (vs. FY15: +7%)

Income before income taxes: 280.0 billion yen (vs. FY15: +53%)

Net income attributable to

Panasonic Corporation: 180.0 billion yen (vs. FY15:+0%)

Disclaimer Regarding Forward-Looking Statements

This press release 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 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 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 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; the possibility of incurring expenses resulting from a leakage of customers' or confidential information from Panasonic's 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.