

Consolidated Financial Results

1. Nine Months ended December 31, 2016

A. Operating Results

	Fiscal 2017 Nine Months ended Dec. 31, 2016	Fiscal 2016 Nine Months ended Dec. 31, 2015	Yen (billions) Percentage 2017/2016
Net sales	5,350.0	5,671.3	94%
Operating profit ¹	240.6	320.3	75%
Income before income taxes	231.8	254.5	91%
Net income attributable to Panasonic Corporation	175.4	160.2	109%

During the nine months ended December 31, 2016 under review, a global economy gradually recovered, as excessive concern for the Chinese economic slowdown eased and the U.S. economy started to recover on the back of its steady personal spending and improvement of capital investment. In Japan, although its personal spending remained at a standstill, signs of recovery in export were seen. While the global economy is expected to moderately recover, risk factors such as deterioration in emerging countries' economy, financial market fluctuation, and political and policy changes in some countries still remain.

Under such business circumstances, Panasonic positions its fiscal 2017 as "a year to lay a solid foundation for growth" toward its management targets in fiscal 2019 and focuses on its growth business. The Company has been executing various initiatives.

As one of the initiatives during the nine months ended December 31, 2016, for housing business, the Company unified the brands for the reform businesses of Panasonic and PanaHome Corporation (PanaHome) into Panasonic Reform in April

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

2016. In December 2016, the Company announced that Panasonic would acquire PanaHome as a wholly owned subsidiary in August 2017 through a share exchange in order to further collaborate with PanaHome and promote business strategies by making the maximum use of their management resources. In December 2016, Panasonic also announced that the Company reached the agreement with Tesla Motors Inc. to collaborate in manufacturing solar cells and modules in the U.S.

For B2B business, in Commercial Refrigeration & Food Equipment business, one of the core businesses of Panasonic, the Company acquired Hussmann Corporation in the U.S. to have Hussmann Corporation and its subsidiaries as subsidiaries of Panasonic as of April 1, 2016. The Company announced in September 2016 the implementation of organizational restructuring in AVC Networks Company to establish a new internal company named 'Connected Solutions Company' in April 2017. In December 2016, the Company also announced that Panasonic would acquire Panasonic Industrial Devices SUNX Co., Ltd. as a wholly-owned subsidiary in March 2017 through a share exchange. By this action, Panasonic will further enhance group-wide strength of its factory automation equipment business.

Consolidated group sales for nine months ended December 31, 2016 decreased by 6% to 5,350.0 billion yen from the same period of fiscal 2016 (a year ago) due to the significant yen appreciation, although sales in real terms excluding the effect of exchange rates increased. Domestic sales decreased year on year due mainly to sales decrease of solar photovoltaic systems for household-use, while sales in home appliances and automotive-related products were stable. Overseas sales also decreased year on year due mainly to a considerable impact from exchange rates, even though the sales of newly-consolidated Hussmann were added and rechargeable battery and electromechanical control device businesses were favorable.

Operating profit decreased by 25% to 240.6 billion yen from a year ago due mainly to sales decline of solar photovoltaic systems for household-use, a fixed-cost increase such as an upfront investment toward future growth and a negative effect of exchange rates, while rationalization and other initiatives continued to be

implemented.

Income before income taxes decreased by 9% to 231.8 billion yen comparing with the same period of last year, due mainly to decrease of business restructuring expenses. Net income attributable to Panasonic Corporation increased by 9% to 175.4 billion yen from a year ago due mainly to the additional deferred-tax assets (a decrease in provision for income taxes) as a result of the board resolution to liquidate a consolidated subsidiary.

B. Breakdown by Segment

Appliances

	Fiscal 2017 Nine Months ended Dec. 31, 2016	Fiscal 2016 Nine Months ended Dec. 31, 2015	Percentage 2017/2016
Sales	1,805.2	1,788.5	101%
Segment profit *	102.5	68.1	151%

Sales increased by 1% to 1,805.2 billion yen from a year ago due mainly to newly-consolidated Hussmann and home appliance business in Japan and Asia which was continuously favorable, in spite of the negative effect of exchange rates. Segment profit increased to 102.5 billion yen from a year ago due mainly to Hussmann acquisition and profit improvement by shifting to high value-added products such as home appliances and 4K TVs.

Eco Solutions

	Fiscal 2017 Nine Months ended Dec. 31, 2016	Fiscal 2016 Nine Months ended Dec. 31, 2015	Percentage 2017/2016
Sales	1,118.7	1,169.7	96%
Segment profit *	46.1	58.7	78%

Sales decreased by 4% to 1,118.7 billion yen compared with the previous year. Sales in solar photovoltaic systems for household-use decreased, suffering from weak demand in Japan and price decline. Segment profit decreased to 46.1 billion

yen from a year ago due mainly to sales decrease in solar photovoltaic systems for household-use.

AVC Networks

	Fiscal 2017 Nine Months ended Dec. 31, 2016	Fiscal 2016 Nine Months ended Dec. 31, 2015	Percentage 2017/2016
Sales	751.5	860.8	87%
Segment profit *	41.5	53.9	77%

Sales decreased by 13% to 751.5 billion yen from a year ago due mainly to overseas sales decrease in Communication Business such as fixed-line phones and the negative effect of exchange rates. In addition, the Kumamoto Earthquake in April 2016 in Japan affected on device procurement in Visual and Imaging Business. Segment profit decreased to 41.5 billion yen from a year ago due mainly to the effect of exchange rates, as well as special demand in solutions business a year ago.

Automotive & Industrial Systems

	Fiscal 2017 Nine Months ended Dec. 31, 2016	Fiscal 2016 Nine Months ended Dec. 31, 2015	Percentage 2017/2016
Sales	1,902.9	2,063.2	92%
Segment profit *	85.5	88.9	96%

Sales decreased by 8% to 1,902.9 billion yen from a year ago due to the significant effect of exchange rates, an impact from downsizing LCD panel business, in addition to sales decrease in ICT-related device business during six months ended September 30, 2016, while sales of automotive-related business increased. Segment profit decreased to 85.5 billion yen from a year ago due mainly to the effect of exchange rates and a fixed-cost increase by an upfront investment for automotive business such as rechargeable batteries.

Other

	Yen (billions)		
	Fiscal 2017 Nine Months ended Dec. 31, 2016	Fiscal 2016 Nine Months ended Dec. 31, 2015	Percentage 2017/2016
Sales	400.3	402.3	100%
Segment profit (loss) *	-2.4	3.1	-

Sales were 400.3 billion yen in line with the same period a year ago. Segment profit turned to a loss of 2.4 billion yen due mainly to a negative impact from fixed-cost increase in PanaHome.

*Segment profit consists of, instead of the ordinary Operating Profit, Operating Profit plus other income (deductions) excluding financial income (loss) and exchange gains (losses) from fiscal 2017. The segment profit figures in fiscal 2016 also have been calculated in the same manner as those for fiscal 2017.

C. Consolidated Financial Condition

Net cash provided by operating activities for the nine months ended December 31, 2016 amounted to 111.7 billion yen compared with an inflow of 222.6 billion yen a year ago, due mainly to an increase of trade receivables. Net cash used in investing activities amounted to 310.2 billion yen compared with an outflow of 207.3 billion yen a year ago, due mainly to the acquisition of Hussmann. Accordingly, free cash flow (net cash provided by operating activities and investing activities) decreased by 213.9 billion yen from a year ago to an outflow of 198.5 billion yen. Net cash provided by financing activities amounted to 300.7 billion yen, compared with an outflow of 105.3 billion yen a year ago, due mainly to an issuance of unsecured straight bonds of total 400.0 billion yen. Taking into consideration the effect of exchange rates, cash and cash equivalents totaled 1,146.3 billion yen as of December 31, 2016, increased by 132.0 billion yen compared with the end of the fiscal 2016.

The Company's consolidated total assets as of December 31, 2016 increased by 548.0 billion yen to 6,145.0 billion yen from March 31, 2016. This was due mainly to an increase in other assets including recording goodwill by acquisition of Hussmann, a seasonal increase in trade receivables and inventories, and an

increase in cash and cash equivalents. The Company's consolidated total liabilities as of December 31, 2016 increased by 420.5 billion yen to 4,163.2 billion yen from March 31, 2016 due mainly to an issuance of unsecured straight bonds. Panasonic Corporation shareholders' equity increased by 130.2 billion yen, compared with March 31, 2016, to 1,835.2 billion yen due mainly to record of net income attributable to Panasonic Corporation. Adding noncontrolling interests to Panasonic Corporation shareholders' equity, total equity was 1,981.8 billion yen.

2. Forecast for Fiscal 2017

Panasonic revised upward its forecast of consolidated financial sales, operating profit, income before income taxes and net income attributable to owners of the parent company for fiscal 2017. The Company took into account the effect of exchange rates, as yen has become lower since the time of the last announcement on October 31, 2016.

The consolidated financial forecasts for fiscal 2017 (IFRS) as of February 2, 2017 are:

Sales: 7,350.0 billion yen

Operating profit: 265.0 billion yen

Income before income taxes: 260.0 billion yen

Net income attributable to owners of the parent company: 130.0 billion yen

Notes: The above figures of consolidated financial forecasts for fiscal 2017 are based on International Financial Reporting Standards (IFRS).

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). Panasonic discloses its consolidated financial forecasts for fiscal 2017 based on International Financial Reporting Standards (IFRS). 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.