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ANNOUNCEMENT OF FINANCIAL RESULTS

PANASONIC REPORTS SECOND-QUARTER AND SIX-MONTH RESULTS

- Goodwill impairment and Increase in Valuation Allowances to Deferred Tax Assets Cause Net Loss; Revises Annual Forecast Downward -

Osaka, Japan, October 31, 2012 -- Panasonic Corporation (Panasonic [NYSE: PC/TSE:6752]) today reported its consolidated financial results for the second quarter and six months ended September 30, 2012, of the current fiscal year ending March 31, 2013 (fiscal 2013).

Consolidated Second-quarter Results

Consolidated group sales for the second quarter decreased by 12% to 1,823.7 billion yen compared with 2,075.7 billion yen for the second quarter of the year ended March 31, 2012 (fiscal 2012), due mainly to sales decrease in digital products under severe global competition as well as weak Japanese markets for flat-panel TVs and global note PCs. Of the consolidated group total, domestic sales amounted to 956.1 billion yen, down by 11% from 1,068.8 billion yen a year ago. Overseas sales decreased by 14% to 867.6 billion yen from 1,006.9 billion yen a year ago.

During the second quarter under review, despite signs of a moderate recovery, the global economy continues to contract with much deep remaining uncertainty due to the European financial crisis and slowdown of the Asian economic expansion including

China. In the meantime, the Japanese market partly showed its recovery with the growing reconstruction demand following the Great East Japan Earthquake and the automobile sales growth thanks to the eco-car subsidy. However, the electronics industry continued to be difficult with downturn in digital products, especially flat-panel TVs, and sales decline in electronic components.

Under such business circumstances, Panasonic has been working towards filtering unprofitable models and enhancing BtoB businesses with one of its basic guidelines, “Focus on Profitability.”

Operating profit[1] increased to 48.8 billion yen from 42.0 billion yen a year ago, due to fixed cost reductions and streamlining material costs. In the meantime, pre-tax loss was 316.5 billion yen compared with a loss of 141.9 billion yen a year ago, due mainly to business restructuring expenses including impairment losses of goodwill and intangible assets. Net loss attributable to Panasonic Corporation amounted to 698.0 billion yen compared with a loss of 105.8 billion yen a year ago as a result of the increase in valuation allowances to deferred tax assets.

Consolidated Six-month Results

Consolidated group sales for six months ended September 30, 2012 decreased by 9% to 3,638.2 billion yen, compared with 4,005.2 billion yen in the same period of fiscal 2012. Domestic sales amounted to 1,878.2 billion yen, down by 8% from 2,036.4 billion yen a year ago, while overseas sales decreased by 11% to 1,760.0 billion yen, down from 1,968.8 billion yen a year ago.

The company’s operating profit for the first six months increased to 87.4 billion yen, from 47.6 billion yen a year ago. On the other hand, pre-tax loss totaled 278.7 billion yen, compared with a loss of 159.3 billion yen a year ago. This was due mainly to business restructuring expenses of 355.5 billion yen, including impairment losses of goodwill and intangible assets in other deductions in solar, consumer-use lithium-ion batteries and mobile phone businesses. Taking into consideration significant sales decreases in Japan and continuous severe business environment in the third quarter

[1] For information about operating profit, see Note 2 of the Notes to consolidated financial statements on page 15.

onwards, in accordance with U.S. GAAP, the company increased the valuation allowances to deferred tax assets in Panasonic Corporation and Panasonic Mobile Communications Co., Ltd., and incurred provision for income taxes of 412.5 billion yen. Accordingly, Net loss attributable to Panasonic Corporation amounted to 685.2 billion yen compared with a loss of 136.2 billion yen a year ago.

Consolidated Six-month Breakdown by Segment

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

AVC Networks

Sales decreased by 24% to 690.0 billion yen from 913.6 billion yen a year ago. This result was due mainly to significant sales decline in flat-panel TVs, BD recorders and digital cameras. Segment profit significantly improved to 19.9 billion yen, compared with a loss of 15.7 billion yen a year ago due mainly to fixed cost reductions and restructuring effects.

Appliances

Sales increased by 2% to 814.0 billion yen, compared with 801.1 billion yen a year ago. Despite sales decrease in air conditioners, this result was due mainly to sales increases in refrigerators and washing machines. Segment profit was slightly lower than the previous year, amounting to 51.0 billion yen, compared with 52.8 billion yen a year ago.

Systems & Communications

Sales decreased by 12% to 357.3 billion yen from 405.2 billion yen a year ago due mainly to sales decreases in mobile phones and system-related equipment such as compact multifunction printers and private branch exchange (PBX) products. Segment loss amounted to 10.0 billion yen due mainly to sales decrease, compared with a loss of 6.6 billion yen a year ago.

Eco Solutions

Overall sales remained stable at 740.3 billion yen compared with 742.6 billion yen a year ago. Despite sales increases in the lighting and environmental system businesses, this result was due mainly to sales decreases in the energy system business especially home use fire prevention devices in Japan. Segment profit decreased by 4% to 18.6 billion yen from 19.4 billion yen a year ago.

Automotive Systems

Sales significantly increased by 38% to 382.7 billion yen from 277.6 billion yen a year ago due mainly to strong sales in car AVC equipment and car navigation systems compared with the fiscal 2012 results which were affected by the Great East Japan Earthquake. Segment profit significantly improved to 8.7 billion yen from 0.7 billion yen a year ago due mainly to sales increase.

Industrial Devices

Sales decreased by 8% to 693.6 billion yen from 751.7 billion yen a year ago. This result was due mainly to sales decreases in optical pickups and semiconductors. Segment profit significantly improved to 17.9 billion yen compared with a loss of 0.6 billion yen a year ago due mainly to fixed cost reductions.

Energy

Sales decreased by 5% to 292.5 billion yen from 307.7 billion yen a year ago. Despite sales increase in automotive-use batteries, this result was due mainly to sales decreases in consumer-use lithium-ion batteries, and solar photovoltaic systems in Europe. Segment profit improved to 2.8 billion yen compared with a loss of 9.8 billion yen a year ago due mainly to fixed cost reductions and streamlining material costs.

Other

Sales decreased significantly by 29% to 698.3 billion yen from 985.3 billion yen a year ago. The sales decline owing to the SANYO-related business transfers implemented in fiscal 2012 led to the overall sales decrease. Segment profit decreased by 36% to 9.4 billion yen from 14.7 billion yen a year ago due mainly to sales decrease of Manufacturing Solutions Company.

Consolidated Financial Condition

Net cash provided by operating activities for six months ended September 30, 2012 amounted to 20.3 billion yen, an increase of 1.2 billion yen from a year ago. The amount level was almost in line with a year ago, as the increase in valuation allowances to deferred tax assets, and impairment losses of goodwill and intangible assets do not have any impact on cash flow. Net cash used in investing activities amounted to 79.9 billion yen, a decrease of 50.2 billion yen from a year ago. This was due primarily to a decrease in capital expenditures and an increase in proceeds from disposals of investments and property, plant and equipment. Net cash used in financing activities amounted to 46.4 billion yen, a decrease of 36.6 billion yen from a year ago, due mainly to repayment for bonds maturity in fiscal 2012. Taking into consideration exchange rate fluctuations, cash and cash equivalents totaled 443.9 billion yen as of September 30, 2012, down 130.5 billion yen, compared with the end of the last fiscal year.

The company's consolidated total assets as of September 30, 2012 decreased by 1,001.3 billion yen to 5,599.8 billion yen from March 31, 2012. This was due mainly to decreases in other assets and other current assets affected by the impairment losses of goodwill and intangible assets, and the increase in valuation allowances to deferred tax assets, as well as decreases in cash and cash equivalents, and investments and advances. Panasonic Corporation shareholders' equity decreased by 780.2 billion yen, compared with March 31, 2012, to 1,149.6 billion yen. This was due mainly to decrease in retained earnings according to net loss attributable to Panasonic Corporation and deterioration in accumulated other comprehensive income (loss) along with appreciation of the yen and decline of the market value in investments. Adding Noncontrolling interests to Panasonic Corporation shareholders' equity, total equity decreased by 793.3 billion yen to 1,184.3 billion yen compared with March 31, 2012.

Difference Between Result and Forecast for Consolidated Six-month

Regarding the first six months result of fiscal 2013, sales were 3,638.2 billion yen compared with the forecast of 3,960.0 billion yen, due mainly to sales decrease in digital consumer products.

Operating profit was 87.4 billion yen, a slight decrease from the forecast of 90.0 billion yen, as fixed cost reductions and streamlining material costs could not offset the sales decrease.

In the meantime, Pre-tax loss was 278.7 billion yen, compared with the forecast of an income of 60.0 billion yen, due mainly to incurring business restructuring expenses including impairment losses of goodwill and intangible assets in other deductions. The company incurred business restructuring expenses of 355.5 billion yen. This included 237.8 billion yen of impairment loss of goodwill and 87.6 billion yen of impairment loss of intangible assets in solar, consumer-use lithium-ion battery and mobile phone businesses. With continuous price declines in solar, and consumer-use lithium-ion batteries, the company revised the strategies for sales and investment which had resulted in the aforementioned impairments. Regarding the mobile phone business, a decline in market share in Japan and the revision of the overseas development strategy resulted in the aforementioned impairments.

Net loss attributable to Panasonic Corporation was 685.2 billion yen, a deterioration from the original forecast of an income of 15.0 billion yen, due mainly to an increase in valuation allowances to deferred tax assets. The company increased the valuation allowances to deferred tax assets in Panasonic Corporation (371.5 billion yen) and Panasonic Mobile Communications Co., Ltd. (41.0 billion yen) and incurred provision for income taxes of 412.5 billion yen in total in accordance with U.S. GAAP. Based on a decline in profitability due mainly to significant sales decreases in digital consumer products including flat-panel TVs in Japan and continuous severe business environment in the third quarter onwards, the company increased valuation allowances to deferred tax assets of the aforementioned two companies after a careful consideration over the realizability of deferred tax assets in accordance with U.S. GAAP. An increase in valuation allowances to deferred tax assets, as well as impairment losses of goodwill and intangible assets, do not have any impact on cash flow.

Net loss attributable to Panasonic Corporation, per share was 296.39 yen, compared with the forecast of an income of 6.49 yen.

<u>Forecast for Fiscal 2013</u>

Regarding full year forecast for fiscal 2013, the company revised its original sales forecast of 8,100.0 billion yen significantly downward to 7,300.0 billion yen, due mainly to worsening market conditions in digital consumer products and the slowdown economy in emerging countries.

Operating profit is expected to be 140.0 billion yen, a decrease from the previous forecast of 260.0 billion yen due mainly to sales decrease.

Pre-tax loss is forecast to be 365.0 billion yen, a deterioration from the original forecast of an income of 160.0 billion yen, owing primarily to business restructuring expenses in other deductions incurred in six months ended September 30, 2012. Anticipated additional business restructuring expenses in third quarter onward are also expected to contribute to the downward revision of full year forecasts. Total restructuring expenses for fiscal 2013 are expected to be 440.0 billion yen, compared with the original forecast of 41.0 billion yen.

Net loss attributable to Panasonic Corporation is expected to be 765.0 billion yen, a deterioration from the previous forecast of an income of 50.0 billion yen mainly as a result of the aforementioned increase in valuation allowances to deferred tax assets.

Net income attributable to Panasonic Corporation, per share is anticipated to be a loss of 330.93 yen, compared with the previous forecast of an income of 21.63 yen.

Basic Policy for Providing Return to Shareholders and Dividend forecast for fiscal 2013

Since its establishment, Panasonic has managed its businesses under the concept that returning profits to shareholders is one of its most important policies. From the perspective of return on the capital investment made by shareholders, Panasonic, in principle, distributes profits to shareholders based on its business performance and is aiming for stable and continuous growth in dividends, targeting a dividend payout ratio of between 30% and 40% with respect to consolidated net income attributable to Panasonic Corporation.

In fiscal 2013, the company previously announced on May 11, 2012, its forecast of a total dividend of 10.0 yen per common share to shareholders (5.0 yen each for interim and year-end dividends), considering the above policy and ensuring the stable return of profits to shareholders. However, the company now forecasts a significant net loss again following last fiscal year, while there is an urgent need to improve its financial position. Under such conditions, the Board of Directors of the company resolved today not to distribute dividends for the interim (semi-annual) for fiscal 2013. The year-end dividend for fiscal 2013 is also expected not to be distributed. The company regrets the need to undertake this revision. Though business conditions are expected to become much more severe, every possible effort will be made to improve both business and financial positions as soon as possible aiming for the stable return of profits to shareholders.

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, Osaka, Nagoya and New York 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 (within the meaning of Section 27A of the U.S. Securities Act of 1933 and 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 with the U.S. Securities and Exchange Commission pursuant to the U.S. Securities Exchange Act of 1934 and its other filings.

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 United States, 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; currency rate fluctuations, notably between the yen, the U.S. dollar, the euro, the Chinese yuan, Asian currencies and other currencies in which the Panasonic Group operates businesses, or in which assets and liabilities of the Panasonic Group are denominated; the possibility of the Panasonic Group incurring additional costs of raising funds, because of changes in the fund raising environment; the ability of the Panasonic Group 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 including the business reorganization after the acquisition of all shares of Panasonic Electric Works Co., Ltd. and SANYO Electric Co., Ltd.; the ability of the Panasonic Group to achieve its business objectives through joint ventures and other collaborative agreements with other companies; the ability of the Panasonic Group 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 Panasonic's latest annual reports, Form 20-F, and any other reports and documents which are on file with the U.S. Securities and Exchange Commission.

(Financial Tables and Additional Information Attached)