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FOR IMMEDIATE RELEASE

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ANNOUNCEMENT OF FINANCIAL RESULTS

PANASONIC REPORTS SECOND-QUARTER AND SIX-MONTH RESULTS

- Operating Profit Increased and Full Year Forecast Revised Upward -

Osaka, Japan, October 31, 2014 -- Panasonic Corporation (Panasonic [TSE:6752]) today reported its consolidated financial results for the second quarter and six months ended September 30, 2014, of the current fiscal year ending March 31, 2015 (fiscal 2015).

Consolidated Second-quarter Results

Consolidated group sales for the second quarter decreased by 1% to 1,870.6 billion yen compared with 1,881.8 billion yen for the second quarter of the year ended March 31, 2014 (fiscal 2014). Despite sales increase in solar and automotive businesses, this was mainly due to sales decrease of challenging businesses such as TVs, and sluggish demand in Japan after the consumption tax hike in April. Of the consolidated group total, domestic sales amounted to 892.5 billion yen, down by 3% from 922.4 billion yen a year ago, and overseas sales increased by 2% to 978.1 billion yen from 959.4 billion yen a year ago.

During the second quarter under review, the global economy moderately recovered. Seen slowdown in China and ASEAN countries, economy has continued to recover in Japan, Europe and the U.S. even with a sign of a partial slowdown.

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. As one of the initiatives, the company reached the capital and business alliance agreement with Ficosa International S.A. (Spain) in order to facilitate smooth launch of electronic mirror business in the automotive business. In automotive battery business, the company signed an agreement with Tesla Motors (U.S.) on construction of a large-scale battery manufacturing plant in the U.S. where the company will produce cylindrical lithium-ion cells to supply to Tesla Motors.

Operating profit[1] increased by 15% to 94.7 billion yen, from 82.4 billion yen a year ago, due mainly to fixed cost reduction. Pre-tax income and net income attributable to Panasonic Corporation decreased from a year ago, to 66.8 billion yen from 84.8 billion yen and to 43.0 billion yen from 61.5 billion yen, respectively mainly due to some one-time capital gains recorded a year ago.

Consolidated Six-month Results

Consolidated group sales for six months ended September 30, 2014 were 3,722.9 billion yen, much the same with 3,706.3 billion yen in the same period of fiscal 2014. Demand in Japan overall backed off in consumer electronic products following the surge before the consumption tax hike in April. Meantime, this negative effect was mostly offset thanks to the effect of demand surge before the tax hike in some products carried over in the first quarter. Sales of housing solar business were stable, and sales of automotive business such as car navigation systems and car AVC equipment steadily increased in its global market. Domestic sales amounted to 1,749.9 billion yen, down by 2% from 1,787.3 billion yen a year ago, while overseas sales increased by 3% to 1,973.0 billion yen, up from 1,919.0 billion yen a year ago.

The company’s operating profit for the first six months increased by 21% to 177.0 billion yen, from 146.6 billion yen a year ago, due mainly to sales increase in real terms

[1] For information about operating profit, see Note 2 of the Notes to consolidated financial statements on page 12.

excluding the business transfer in fiscal 2014 and fixed-cost reduction. Pre-tax income and net income attributable to Panasonic Corporation decreased to 121.9 billion yen from 207.4 billion yen, and to 80.9 billion yen from 169.3 billion yen, respectively due mainly to one-off gain from pension scheme change and some one-time capital gains in other income in the first quarter ended June 30, 2013.

Consolidated Six-month Breakdown by Segment

Certain businesses were transferred among segments on April 1, 2014 and July 1, 2014. Accordingly, the figures for segment information in fiscal 2014 have been reclassified to conform to the presentation for July 1, 2014.

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

Appliances

Sales increased by 1% to 916.4 billion yen, compared with 906.3 billion yen a year ago due mainly to favorable sales in air-conditioners and devices, although sales in TVs decreased due mainly to terminating PDP business. Segment profit significantly increased by 141% to 32.4 billion yen, compared with 13.5 billion yen a year ago due mainly to improved profitability in challenging businesses. The device businesses, such as motor business, also contributed to profit improvement.

Eco Solutions

Sales increased by 2% to 790.4 billion yen from 771.2 billion yen a year ago. In Japan, sales in housing systems decreased due to weakening demand in housing market after the consumption tax hike. Nonetheless, sales in housing solar business and LED lighting business increased. Overseas sales increased due to newly-consolidated VIKO, a Turkish company, as well as sales growth in strategic regions such as India. Segment profit increased by 6% to 41.8 billion yen from 39.6 billion yen a year ago due mainly to sales increase and rationalization initiatives.

AVC Networks

Sales decreased by 3% to 531.6 billion yen from 549.3 billion yen a year ago. Although sales increased in BtoB business such as ruggedized PCs and tablets, sales decreased due mainly to exit from unprofitable businesses and downsizing businesses including plasma display panels and DSCs. Segment profit was 3.9 billion yen improved from a loss of 2.4 billion yen a year ago due mainly to sales increase in BtoB business and benefit from the restructuring carried out last fiscal year.

Automotive & Industrial Systems

Sales increased by 2% to 1,378.2 billion yen from 1,347.9 billion yen a year ago due mainly to favorable sales for automotive business such as Automotive Infotainment Systems Business Division and electronic component mounting equipment. Yen depreciation also contributed to increase in sales. Segment profit increased by 9% to 52.2 billion yen from 48.0 billion yen a year ago due mainly to above-mentioned sales increase, restructuring on challenging businesses such as semiconductors, and rationalization.

Other

Sales decreased by 18% to 297.9 billion yen from 364.2 billion yen a year ago, due mainly to the transfer of the healthcare business at the end of fiscal 2014. Segment profit was 1.9 billion yen, decreased by 71% from 6.6 billion yen a year ago.

Consolidated Financial Condition

Net cash provided by operating activities for six months ended September 30, 2014 amounted to 167.3 billion yen, compared with an inflow of 161.5 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 80.0 billion yen, compared with an outflow of 46.3 billion yen a year ago due mainly to decrease in proceeds from disposals of investments in equity. Accordingly, free cash flow (net cash from operating activities plus net cash from investing activities) amounted to 87.3 billion yen, decreased by 27.9 billion yen from a year ago. Net cash used in financing activities amounted to 78.2 billion yen, compared with an outflow of 170.2 billion yen a year ago, due mainly to a decrease in repayment of the interest-bearing debt, despite an increase in dividend payment. Taking into consideration exchange rate fluctuations, cash and cash equivalents totaled 634.6 billion yen as of September 30, 2014, up 42.1 billion yen, compared with the end of the last fiscal year.

The company’s consolidated total assets as of September 30, 2014 increased by 131.5 billion yen to 5,344.5 billion yen from March 31, 2014 due mainly to yen depreciation and seasonal increase in its inventory, despite decrease in property, plant and equipment. The company’s consolidated total liabilities as of September 30, 2014 decreased by 30.0 billion yen to 3,596.5 billion yen, due mainly to repayments of unsecured straight bonds. Panasonic Corporation shareholders’ equity increased by 42.1 billion yen compared with March 31, 2014, to 1,590.3 billion yen. This was due mainly to recording net income attributable to Panasonic Corporation and an improvement in accumulated other comprehensive income (loss) by yen depreciation, despite a decrease in capital surplus accompanied by the acquisition of additional interests of its subsidiaries. Adding noncontrolling interests to Panasonic Corporation shareholders’ equity, total equity was 1,748.0 billion yen.

Forecast for Fiscal 2015

The company upward revised its full year forecast for fiscal 2015 reflecting profit increase from favorable sales in solar business in Eco Solutions. The company upward revised operating profit forecast of 310.0 billion yen to 350.0 billion yen, pre-tax income forecast of 120.0 billion yen to 160.0 billion yen, and net income attributable to Panasonic Corporation forecast of 140.0 billion yen to 175.0 billion yen, respectively. Sales forecast of 7,750.0 billion yen remains unchanged.

Net income attributable to Panasonic Corporation, per share is anticipated to be 75.71 yen, compared with the previous forecast of 60.57 yen.

Panasonic Corporation is one of the world's leading 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

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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)