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**FOR IMMEDIATE RELEASE**

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**ANNOUNCEMENT OF FINANCIAL RESULTS**

**PANASONIC REPORTS THIRD-QUARTER AND NINE-MONTH RESULTS**

***- Sales Decreased in Real Terms,  
Profitability in Challenging Businesses Steadily Improved -***

Osaka, Japan, February 3, 2015 -- Panasonic Corporation (Panasonic [TSE:6752]) today reported its consolidated financial results for the third quarter and nine months ended December 31, 2014, of the current fiscal year ending March 31, 2015 (fiscal 2015).

**Consolidated Third-quarter Results**

Consolidated group sales for the third quarter increased by 1% to 1,996.4 billion yen from 1,973.5 billion yen for the third quarter of the year ended March 31, 2014 (fiscal 2014). Sales of solar panels for homes continued to be stable in Japan, and demand of automotive-related business steadily increased in its global market. Yen depreciation also contributed the overseas sales increase. Of the consolidated group total, domestic sales decreased by 4% to 927.7 billion yen from 970.3 billion yen a year ago. Overseas sales increased by 7% to 1,068.7 billion yen from 1,003.2 billion yen a year ago.

During the third quarter under review, the economy slowed down in China and some ASEAN countries and was stagnated in most European countries. Meantime, U.S. employment statistics and consumer spending were stable and the signs of

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improvement from recent weak economy were seen in Japan. 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 to set growth strategy for a ‘New Panasonic’ in fiscal 2019. As one of the initiatives, regarding the automotive battery business, the company established Panasonic Energy Corporation of North America, a new manufacturing company of cylindrical lithium-ion battery cells at the Tesla Gigafactory of Tesla Motors (U.S.) Regarding the consumer electronics business, the company launched ‘J Concept’ series products in late October 2014, which have been received well. These products are specifically developed emphasizing on functions and design to propose high-quality living in harmony with the Japanese lifestyle, targeting at people in their 50’s and 60’s in Japan.

Operating profit<sup>1</sup> decreased by 3% to 113.3 billion yen from 116.6 billion yen a year ago due to sales decrease in real terms, excluding the effect of foreign exchange. Pre-tax income and net income attributable to Panasonic Corporation decreased from a year ago to 86.2 billion yen from 99.6 billion yen and to 59.5 billion yen from 73.7 billion yen respectively mainly due to some one-time capital gains recorded a year ago, and the expense to prevent further accident of residential water heating systems included in other deductions this year.

### **Consolidated Nine-month Results**

Consolidated group sales for nine months ended December 31, 2014 increased by 1% to 5,719.3 billion yen from 5,679.8 billion yen in the same period of fiscal 2014. Demand in Japan overall decreased in housing-related and consumer electronic businesses following the surge before the consumption tax hike in April 2014. Meantime, this negative effect was offset due to some effect of demand surge before the tax hike carried over in the first quarter. Sales of solar panels for homes continued to be stable in Japan, and demand of automotive-related business steadily increased in its global market. Yen depreciation also contributed the overseas sales increase. Domestic sales amounted to 2,677.6 billion yen down by 3% from 2,757.6 billion yen a year ago, while

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<sup>1</sup> For information about operating profit, see Note 2 of the Notes to consolidated financial statements on page 12-13.

overseas sales increased by 4% to 3,041.7 billion yen from 2,922.2 billion yen a year ago.

The company's operating profit for the nine months increased by 10% to 290.3 billion yen, from 263.2 billion yen a year ago, due to fixed cost reduction including the business restructuring effect despite sales decrease in real terms, which exclude the effect of foreign exchange. Pre-tax income and net income attributable to Panasonic Corporation decreased to 208.1 billion yen from 307.0 billion yen, and to 140.4 billion yen from 243.0 billion yen respectively due mainly to one-off gain from pension scheme change and some one-time capital gains in other income a year ago, and the expense relating to prevent further accident of residential water heating systems included in other deductions in the nine months ended December 31, 2014.

### **Consolidated Nine-month Breakdown by Segment**

Some 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 nine-month consolidated sales and profits by segment with previous year comparisons are summarized as follows:

#### **Appliances**

Sales increased by 1% to 1,380.7 billion yen, compared with 1,361.3 billion yen a year ago due mainly to favorable sales in home appliances, cold chain equipment and device businesses including motors, despite sales decrease in TVs. Segment profit increased by 68% to 44.6 billion yen, compared with 26.6 billion yen a year ago due mainly to improved profitability by streamlining in air conditioner business and profit increase in motors.

#### **Eco Solutions**

Sales increased by 2% to 1,224.3 billion yen from 1,202.9 billion yen a year ago. In Japan, sales in housing systems decreased due to weakening demand in housing market after the consumption tax hike. Meantime, sales in housing solar panels and

LED lighting 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 7% to 75.7 billion yen from 70.7 billion yen a year ago due mainly to sales increase in solar business and streamlining initiatives.

#### AVC Networks

Sales decreased by 1% to 827.8 billion yen from 832.9 billion yen a year ago. Sales decreased due mainly to exit from unprofitable businesses and business contraction including plasma display panels and DSCs, though sales in three month ended December 31, 2014 increased due mainly to positive effect from yen depreciation. Segment profit significantly increased by 134% to 21.6 billion yen from 9.2 billion yen a year ago due mainly to sales increase of stable BtoB business and benefit from restructuring of challenging business.

#### Automotive & Industrial Systems

Sales increased by 2% to 2,079.1 billion yen from 2,039.4 billion yen a year ago due mainly to favorable sales for automotive-related business in Automotive Infotainment Systems Business Division and electronic component mounting equipment offsetting sales decreases by business termination and transfers. The positive effect from yen depreciation also contributed to increase in sales. Segment profit increased by 11% to 80.3 billion yen from 72.4 billion yen a year ago due mainly to streamlining initiatives and benefit from the restructuring of challenging businesses.

#### Other

Sales decreased by 18% to 447.2 billion yen from 548.0 billion yen a year ago due mainly to the transfer of the healthcare business at the end of fiscal 2014. Segment profit significantly decreased by 85% to 1.5 billion yen compared with 10.3 billion yen a year ago.

#### **Consolidated Financial Condition**

Net cash provided by operating activities for nine months ended December 31, 2014 amounted to 369.0 billion yen compared with an inflow of 355.2 billion yen a year ago due mainly to an improvement in working capital including a decrease in trade receivables. Net cash used in investing activities amounted to 107.6 billion yen

compared with an outflow of 77.0 billion yen a year ago due mainly to decrease in proceeds from disposals of investments in equity and increase in capital expenditures. Free cash flow (net cash from operating activities plus net cash from investing activities) amounted to 261.4 billion yen decreased by 16.8 billion yen from a year ago. Net cash used in financing activities amounted to 122.8 billion yen compared with an outflow of 302.6 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 815.6 billion yen as of December 31, 2014 increasing 223.1 billion yen compared with the end of the last fiscal year.

The company's consolidated total assets as of December 31, 2014 increased by 404.5 billion yen to 5,617.5 billion yen from the end of fiscal 2014 due mainly to an increase in cash and cash equivalents and inventories as well as yen depreciation. The company's consolidated total liabilities as of December 31, 2014 increased by 45.4 billion yen to 3,671.9 billion yen from the end of fiscal 2014. In real terms excluding the effect of foreign exchanges, the company's consolidated total liabilities decreased due mainly to repayments of unsecured straight bonds. Panasonic Corporation shareholders' equity increased by 226.9 billion yen to 1,775.0 billion yen from March 31, 2014 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 1,945.6 billion yen.

### **Forecast for Fiscal 2015**

The business performance forecast for fiscal 2015 remains unchanged from the forecast announced on October 31, 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.com/global/corporate/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)