

**Consolidated Financial Results****1. Six Months ended September 30, 2015****A. Operating Results**

	Yen (billions)		
	Fiscal 2016 six months ended Sep. 30, 2015	Fiscal 2015 six months ended Sep. 30, 2014	Percentage 2016/2015
Net sales	3,760.4	3,722.9	101%
Operating profit <sup>1</sup>	200.5	177.0	113%
Income before income taxes	164.1	121.9	135%
Net income attributable to Panasonic Corporation	111.3	80.9	138%

During the six months ended September 30, 2015 under review, the economic slowdown was seen in emerging countries including China. In the U.S., both employment environment and personal spending continued to improve. In Japan, economic recovery was slow due to weak personal spending and exportation, although employment environment improved.

Under such business circumstances, Panasonic positions its fiscal 2016 as a year to make a major change towards generating profit from sales growth. In its recent business conditions, Panasonic has determined its business fields for sustainable growth and has been promoting various initiatives.

As one of the initiatives during the six months ended September 30, 2015, for "Age-free" (elderly care) business, the Company opened an elderly housing with supportive service site in September 2015, for the first time in the neighborhood of Tokyo. Adopting Panasonic Group's housing equipment and electronic products, this is established with Panasonic's skills and experiences in nursing care facilities and services. For consumer electronics business, Panasonic exhibited Lifestyle

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

Showcase at the Internationale Funkausstellung Berlin (IFA) 2015, one of the biggest trade shows for consumer electronics in the world. The Company presented its idea of “lifestyles we all desire,” with a wide range of products from audio-visual equipment to home appliances and personal-care products.

Consolidated group sales for six months ended September 30, 2015 under review increased by 1% to 3,760.4 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, although sales in consumer electronics were stable. Overseas sales increased year on year due mainly to a positive effect from yen depreciation and sales increase in BtoB solutions business, although sales in TVs decreased due mainly to downsizing marketing activities to focus on making a profit.

Operating profit increased by 13% to 200.5 billion yen from a year ago, due to withdrawing or downsizing unprofitable businesses and improvements in the business through restructuring. The Company has strategically focused on high value-added products, which contributed to the operating profit growth as well.

Income before income taxes increased by 35% to 164.1 billion yen comparing with the same period of last year. This was 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 38% to 111.3 billion yen from a year ago, due to the benefit from the revaluation of deferred tax assets as a result of the board resolution to introduce the consolidated tax in the first quarter of fiscal 2016.

## B. Breakdown by Segment

### Appliances

	Yen (billions)		
	Fiscal 2016 six months ended Sep. 30, 2015	Fiscal 2015 six months ended Sep. 30, 2014	Percentage 2016/2015
Sales	1,171.9	1,193.1	98%
Segment profit	43.5	39.9	109%

Sales decreased by 2% to 1,171.9 billion yen from a year ago. This was due mainly to sales decrease in TV business as a result of downsizing marketing activities, and worse market condition in China. However, sales in home appliances and personal-care products were favorable mainly in Japan. Segment profit increased to 43.5 billion yen from a year ago due mainly to the impact by the sales increase offsetting the negative impact of exchange rate movement.

Eco Solutions

	Yen (billions)		
	Fiscal 2016 six months ended Sep. 30, 2015	Fiscal 2015 six months ended Sep. 30, 2014	Percentage 2016/2015
Sales	772.3	790.4	98%
Segment profit	30.4	41.8	73%

Sales decreased by 2% to 772.3 billion yen compared with the previous year. Sales decreased significantly in solar photovoltaic systems business due to worse market condition in Japan. However, businesses including wiring devices and circuit breakers were favorable. Segment profit decreased significantly to 30.4 billion yen from a year ago, since rationalization initiatives were unable to offset the impact from sales decrease in solar photovoltaic systems and exchange rate movement.

AVC Networks

	Yen (billions)		
	Fiscal 2016 six months ended Sep. 30, 2015	Fiscal 2015 six months ended Sep. 30, 2014	Percentage 2016/2015
Sales	570.8	531.6	107%
Segment profit	31.9	3.9	810%

Sales increased by 7% to 570.8 billion yen from a year ago. Sales in Vertical Solution Business maintained strong, leading segment-wide sales growth. Sales also increased in Visual and Imaging Business, including favorable sales in security system in Japan. Segment profit increased significantly to 31.9 billion yen from a year ago, due to sales increase mainly in Vertical Solution Business.

Automotive & Industrial Systems

	Yen (billions)		
	Fiscal 2016 six months ended Sep. 30, 2015	Fiscal 2015 six months ended Sep. 30, 2014	Percentage 2016/2015
Sales	1,386.6	1,386.2	100%
Segment profit	61.1	58.0	105%

Sales were 1,386.6 billion yen in line with the same period a year ago. Sales increases in LCD panels due to favorable non-TV application and automotive electronics businesses were unable to offset the impact from termination of some Industrial businesses and sales decrease in Factory Solution Business compared to the previous year when demand was temporarily strong. Segment profit grew to 61.1 billion yen from a year ago due mainly to streamlining of material-related process, fixed-cost reductions and the positive impact of exchange rate movement, although R&D costs mainly in automotive business increased.

Other

	Yen (billions)		
	Fiscal 2016 six months ended Sep. 30, 2015	Fiscal 2015 six months ended Sep. 30, 2014	Percentage 2016/2015
Sales	280.2	297.9	94%
Segment profit	1.0	1.9	51%

Sales decreased by 6% to 280.2 billion yen from a year ago due mainly to the business transfers, despite sales increase in PanaHome. Segment profit decreased to 1.0 billion yen from a year ago.

C. Consolidated Financial Condition

Net cash provided by operating activities for the six months ended September 30, 2015 amounted to 126.8 billion yen, compared with an inflow of 167.3 billion yen a year ago. This was due mainly to an increase of working capital including inventories and trade payables. Net cash used in investing activities amounted to 149.9 billion yen, compared with an outflow of 80.0 billion yen a year ago. This was due mainly to purchase of subsidiaries' and associated companies' shares, and an

increase in capital expenditures. Accordingly, free cash flow (net cash provided by operating activities plus net cash provided by investing activities) decreased by 110.4 billion yen from a year ago to an outflow of 23.1 billion yen. Net cash used in financing activities amounted to 72.5 billion yen, the same level as a year ago. Taking into consideration exchange rate movement, cash and cash equivalents totaled 1,156.1 billion yen as of September 30, 2015, down 124.4 billion yen compared with the end of the fiscal 2015.

The Company's consolidated total assets as of September 30, 2015 decreased by 84.9 billion yen to 5,872.1 billion yen from March 31, 2015. This was due mainly to decreases in cash and cash equivalent and account receivables, and some currency depreciation in emerging countries, despite the seasonal increase in its inventory. The Company's consolidated total liabilities as of September 30, 2015 decreased by 153.5 billion yen to 3,810.9 billion yen from March 31, 2015. This was due mainly to redemption of unsecured straight bonds and decrease in retirement and severance benefits. Panasonic Corporation shareholders' equity increased by 84.8 billion yen, compared with March 31, 2015, to 1,908.1 billion yen. Adding Noncontrolling interests to Panasonic Corporation shareholders' equity, total equity was 2,061.2 billion yen.

## **2. Forecast for Fiscal 2016**

The business performance forecast for fiscal 2016 remains unchanged from the previous forecast announced on April 28, 2015.

**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.*

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