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**FOR IMMEDIATE RELEASE**

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**Panasonic Reports its Consolidated Financial Results**  
**for the Six-month ended September 30, 2016**

Osaka, Japan, October 31, 2016 -- Panasonic Corporation (Panasonic [TSE:6752]) today reported its consolidated financial results for the six months ended September 30, 2016, of the current fiscal year ending March 31, 2017 (fiscal 2017).

**Summary**

Yen (billions)

	Fiscal 2017 Six Months ended September 30, 2016	Fiscal 2016 Six Months ended September 30, 2015	Percentage 2017/2016
Net sales	3,495.5	3,760.4	93%
Domestic	1,679.9	1,708.9	98%
Overseas	1,815.6	2,051.5	89%
Operating profit *	144.6 4.1%	200.5 5.3%	72%
Income before income taxes	153.2 4.4%	164.1 4.4%	93%
Net income attributable to Panasonic Corporation	119.9 3.4%	111.3 3.0%	108%
Net income attributable to Panasonic Corporation, basic per common share	51.66 yen	48.11 yen	3.55 yen
per ADS	51.66 yen	48.11 yen	3.55 yen
Net income attributable to Panasonic Corporation, diluted per common share	51.65 yen	48.11 yen	3.54 yen
per ADS	51.65 yen	48.11 yen	3.54 yen

Notes: 1. The Company's consolidated financial statements are prepared in conformity with U.S. generally accepted accounting principles (U.S. GAAP).

2. Number of consolidated companies: 509 (including parent company)  
Number of associated companies under the equity method: 97

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

**Consolidated Statements of Income and  
Consolidated Statements of Comprehensive Income (Loss)**

**Consolidated Statements of Income**

Yen (millions)

	Fiscal 2017		Fiscal 2016		Percentage 2017/2016
	Six Months ended September 30, 2016		Six Months ended September 30, 2015		
		%		%	%
Net sales	3,495,491	100.0	3,760,428	100.0	93
Cost of sales	2,491,857	71.3	2,682,023	71.3	
<b>Gross profit</b>	<b>1,003,634</b>	<b>28.7</b>	<b>1,078,405</b>	<b>28.7</b>	<b>93</b>
Selling, general and administrative expenses	859,007	24.6	877,955	23.4	
<b>Operating profit *</b>	<b>144,627</b>	<b>4.1</b>	<b>200,450</b>	<b>5.3</b>	<b>72</b>
Other income (deductions)	8,558	0.3	(36,310)	(0.9)	
Interest income	6,979	0.2	10,951	0.3	
Dividends received	1,464	0.0	1,390	0.0	
Interest expense	(6,842)	(0.2)	(9,063)	(0.2)	
Expenses associated with the implementation of early retirement programs **	(1,476)	(0.0)	(4,228)	(0.1)	
Other income (deductions), net	8,433	0.3	(35,360)	(0.9)	
<b>Income before income taxes</b>	<b>153,185</b>	<b>4.4</b>	<b>164,140</b>	<b>4.4</b>	<b>93</b>
Provision for income taxes	30,117	0.9	48,424	1.3	
Equity in earnings of associated companies	5,404	0.2	8,134	0.2	
<b>Net income</b>	<b>128,472</b>	<b>3.7</b>	<b>123,850</b>	<b>3.3</b>	<b>104</b>
Less net income attributable to noncontrolling interests	8,570	0.3	12,517	0.3	
<b>Net income attributable to Panasonic Corporation</b>	<b>119,902</b>	<b>3.4</b>	<b>111,333</b>	<b>3.0</b>	<b>108</b>

Notes: 1. In other income (deductions), the Company incurred expenses associated with the implementation of early retirement programs of certain domestic and overseas companies.

2. Depreciation (tangible assets)	108,432 million yen	117,040 million yen
3. Capital investment	112,205 million yen	104,297 million yen
4. R&D expenditures	226,255 million yen	227,783 million yen
5. Number of employees	256,133	254,606

\* \*\* See Notes to consolidated financial statements on page 8.

**Consolidated Statements of Comprehensive Income (Loss)**

Yen (millions)

	Fiscal 2017 Six Months ended September 30, 2016	Fiscal 2016 Six Months ended September 30, 2015	Percentage 2017/2016
<b>Net income</b>	<b>128,472</b>	<b>123,850</b>	<b>% 104</b>
Other comprehensive income (loss), net of tax:			
Translation adjustments	(219,663)	(63,980)	
Unrealized holding gains (losses) of available-for-sale securities	(7,027)	8,538	
Unrealized holding gains (losses) of derivative instruments	1,857	(784)	
Pension liability adjustments	12,383	34,181	
Subtotal	(212,450)	(22,045)	
<b>Comprehensive income (loss)</b>	<b>(83,978)</b>	<b>101,805</b>	<b>--</b>
Less comprehensive income (loss) attributable to noncontrolling interests	(5,990)	4,328	
<b>Comprehensive income (loss) attributable to Panasonic Corporation</b>	<b>(77,988)</b>	<b>97,477</b>	<b>--</b>

**Information by Segment**

Yen (billions)

	Fiscal 2017 Six Months ended September 30, 2016					Fiscal 2016 Six Months ended September 30, 2015		
	Sales	17/16	Segment Profit	% of Sales	17/16	Sales	Segment Profit	% of Sales
Appliances	1,185.1	101	71.5	6.0	167	1,177.8	42.9	3.6
Eco Solutions	725.9	95	20.9	2.9	63	762.9	33.5	4.4
AVC Networks	492.4	85	25.7	5.2	76	576.1	34.0	5.9
Automotive & Industrial Systems	1,250.4	90	65.1	5.2	91	1,386.6	71.6	5.2
Other	261.5	96	0.6	0.2	12	272.7	5.4	2.0
Subtotal	3,915.3	94	183.8	4.7	98	4,176.1	187.4	4.5
Eliminations and adjustments	(419.8)	--	(39.2)	--	--	(415.7)	13.1	--
Total	3,495.5	93	144.6	4.1	72	3,760.4	200.5	5.3

Notes: 1. The Company's segments are classified according to a divisional company-based management system, which focuses on global consolidated management by each divisional company, in order to ensure consistency of its internal management structure and disclosure.

As of April 1, 2016, there were some changes in the structure of its internal organization of the reportable segments. Accordingly, the figures for segment information in fiscal 2016 have been reclassified to conform to the presentation for fiscal 2017.

2. Total of Segment Profit corresponds to Operating Profit of consolidated financial statements. Each figure of 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.
3. The figures in Eliminations and adjustments of Segment Profit include eliminations such as other income (deductions) which is added to each segment profit, and earnings and expenses which are not attributable to any reportable segments, for the purpose of evaluating operating results of each segment, and consolidation adjustments (including a part of amortization of intangible assets and differences of accounting principles).

**Consolidated Balance Sheets**

Yen (millions)

	September 30, 2016	March 31, 2016	Difference
<b>Current assets:</b>	<b>3,090,212</b>	<b>3,054,359</b>	<b>+ 35,853</b>
Cash and cash equivalents	1,022,012	1,014,264	+ 7,748
Time deposits	--	146	- 146
Trade receivables:			
Notes	64,453	58,715	+ 5,738
Accounts	793,712	787,033	+ 6,679
Allowance for doubtful receivables	(20,864)	(22,196)	+ 1,332
Inventories	786,943	756,448	+ 30,495
Other current assets	443,956	459,949	- 15,993
<b>Investments and advances</b>	<b>323,049</b>	<b>344,499</b>	<b>- 21,450</b>
<b>Property, plant and equipment, net of accumulated depreciation</b>	<b>1,257,648</b>	<b>1,301,175</b>	<b>- 43,527</b>
<b>Other assets</b>	<b>1,061,043</b>	<b>896,949</b>	<b>+ 164,094</b>
<b>Total assets</b>	<b>5,731,952</b>	<b>5,596,982</b>	<b>+ 134,970</b>
<b>Current liabilities:</b>	<b>2,255,305</b>	<b>2,380,900</b>	<b>- 125,595</b>
Short-term debt, including current portion of long-term debt	24,531	21,728	+ 2,803
Trade payables:			
Notes	233,222	230,065	+ 3,157
Accounts	667,393	712,179	- 44,786
Other current liabilities	1,330,159	1,416,928	- 86,769
<b>Noncurrent liabilities:</b>	<b>1,748,790</b>	<b>1,361,768</b>	<b>+ 387,022</b>
Long-term debt	1,100,571	704,191	+ 396,380
Other long-term liabilities	648,219	657,577	- 9,358
<b>Total liabilities</b>	<b>4,004,095</b>	<b>3,742,668</b>	<b>+ 261,427</b>
<b>Panasonic Corporation shareholders' equity:</b>	<b>1,592,631</b>	<b>1,705,056</b>	<b>- 112,425</b>
Common stock	258,740	258,740	--
Capital surplus	980,289	979,895	+ 394
Retained earnings	1,250,367	1,165,282	+ 85,085
Accumulated other comprehensive income (loss)	(666,218)	(468,328)	- 197,890
Treasury stock, at cost	(230,547)	(230,533)	- 14
<b>Noncontrolling interests</b>	<b>135,226</b>	<b>149,258</b>	<b>- 14,032</b>
<b>Total equity</b>	<b>1,727,857</b>	<b>1,854,314</b>	<b>- 126,457</b>
<b>Total liabilities and equity</b>	<b>5,731,952</b>	<b>5,596,982</b>	<b>+ 134,970</b>

Note: Accumulated other comprehensive income (loss) breakdown:

	September 30, 2016	March 31, 2016	Difference
Cumulative translation adjustments	(343,941)	(138,921)	- 205,020
Unrealized holding gains of available-for-sale securities	13,185	20,205	- 7,020
Unrealized gains of derivative instruments	3,480	1,646	+ 1,834
Pension liability adjustments	(338,942)	(351,258)	+ 12,316

**Consolidated Statements of Cash Flows**

Yen (millions)

	Fiscal 2017 Six Months ended September 30, 2016	Fiscal 2016 Six Months ended September 30, 2015
<b><u>Cash flows from operating activities</u></b>		
Net income	128,472	123,850
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	129,343	136,658
Net (gain) loss on sale of investments	(174)	(1,129)
(Increase) decrease in trade receivables	(58,377)	26,126
(Increase) decrease in inventories	(63,627)	(86,615)
Increase (decrease) in trade payables	14,630	8,449
Increase (decrease) in retirement and severance benefits	(21,917)	(23,104)
Other	(98,961)	(57,434)
<b>Net cash provided by operating activities</b>	<b>29,389</b>	<b>126,801</b>
<b><u>Cash flows from investing activities</u></b>		
Proceeds from disposals of investments and advances	9,909	4,137
Increase in investments and advances	(4,037)	(23,181)
Capital expenditures	(135,960)	(119,764)
Proceeds from disposals of property, plant and equipment	7,833	12,383
(Increase) decrease in time deposits	146	15,470
Other	(134,324)	(38,967)
<b>Net cash used in investing activities</b>	<b>(256,433)</b>	<b>(149,922)</b>
<b><u>Cash flows from financing activities</u></b>		
Increase (decrease) in short-term debt	6,218	13,305
Increase (decrease) in long-term debt	354,168	(45,817)
Dividends paid to Panasonic Corporation shareholders	(34,815)	(23,113)
Dividends paid to noncontrolling interests	(9,794)	(12,234)
(Increase) decrease in treasury stock	(16)	(72)
Other	15,783	(4,601)
<b>Net cash provided by (used in) financing activities</b>	<b>331,544</b>	<b>(72,532)</b>
Effect of exchange rate changes on cash and cash equivalents	(96,752)	(28,705)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>7,748</b>	<b>(124,358)</b>
Cash and cash equivalents at beginning of period	1,014,264	1,280,408
Cash and cash equivalents at end of period	1,022,012	1,156,050

**Notes to consolidated financial statements:**

1. In order to be consistent with generally accepted financial reporting practices in Japan, operating profit, a non-GAAP measure, is presented as net sales less cost of sales and selling, general and administrative expenses. The Company believes that this is useful to investors in comparing the Company's financial results with those of other Japanese companies. Please refer to the accompanying consolidated statements of income and Note 2 for the U.S. GAAP reconciliation.
2. Under U.S. GAAP, expenses associated with the implementation of early retirement programs at certain domestic and overseas companies and the impairment losses on goodwill and fixed assets would be included as part of operating profit in the statements of income.
3. Panasonic acquired all the shares of Hussmann Parent Inc., which had all the shares of Hussmann Corporation in the U.S., as of April 1, 2016. Both Hussmann Parent Inc. and Hussmann Corporation, and their subsidiaries became subsidiaries of Panasonic.
4. Assumption for going concern : None
5. Significant changes in Panasonic Corporation shareholders' equity: None
6. Significant subsequent events: None
7. The Company decided at the Board of Directors meeting held on October 31, 2016 to liquidate its consolidated subsidiary, Panasonic Plasma Display Co., Ltd. (PPD), file a petition for the commencement of special liquidation, and forgive debts that PPD owes to Panasonic.
8. Number of consolidated companies as of September 30, 2016: 508  
Number of associated companies under the equity method as of September 30, 2016: 97
9. Panasonic will voluntarily adopt International Financial Reporting Standards (IFRS) from its year-end financial results for fiscal 2017. Accordingly, the Company discloses its consolidated financial forecasts for fiscal 2017 based on IFRS.



**Consolidated Financial Results****1. Six Months ended September 30, 2016****A. Operating Results**

	Yen (billions)		
	Fiscal 2017 Six months ended Sep. 30, 2016	Fiscal 2016 Six months ended Sep. 30, 2015	Percentage 2017/2016
Net sales	3,495.5	3,760.4	93%
Operating profit <sup>1</sup>	144.6	200.5	72%
Income before income taxes	153.2	164.1	93%
Net income attributable to Panasonic Corporation	119.9	111.3	108%

During the six months ended September 30, 2016 under review, a global economy gradually recovered, as an excessive concern for economic slowdown in China was eased and the U.S. economy moderately recovered driven by its domestic demand. In Japan, while its personal consumption remained weak, employment and income environment continued to recover. Meantime, the outlook for global economy remains uncertain, such as economic downward swing in both emerging countries in Asia and resource-rich countries, impact from U.K leaving European Union, and drastic fluctuations in exchange rates.

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 six months ended September 30, 2016, for housing business, in order to expand the remodeling business, Panasonic and PanaHome Corporation unified their brands into Panasonic Reform as of April 1,

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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.

2016. In July, the Company renovated and reopened Panasonic Center Osaka to promote housing related services, such as remodeling, real estates, financing and elderly-care.

For B2B business, the Company announced that it will implement organizational restructuring under the AVC Networks Company and establish a new internal company named the "Connected Solutions Company" on April 1, 2017 with the aim of developing a structure for the customer-oriented business that will play a major role to expand its B2B solutions business.

Consolidated group sales for six months ended September 30, 2016 under review decreased by 7% to 3,495.5 billion yen from the same period of fiscal 2016 (a year ago). 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 yen appreciation, while the sales of Hussmann Corporation (Hussmann) were newly-consolidated and home appliance sales in Asia were favorable.

Operating profit decreased by 28% to 144.6 billion yen from a year ago due mainly to profit decrease of solar photovoltaic systems for household-use and ICT-related device businesses, a fixed-cost increase such as an upfront investment toward future growth and a negative impact of exchange rate fluctuations, while rationalization and other initiatives continued to be implemented.

Income before income taxes decreased by 7% to 153.2 billion yen comparing with the same period of last year, due mainly to gains from business transfers and decrease of business restructuring expenses.

Net income attributable to Panasonic Corporation increased by 8% to 119.9 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

	Yen (billions)		
	Fiscal 2017 Six months ended Sep. 30, 2016	Fiscal 2016 Six months ended Sep. 30, 2015	Percentage 2017/2016
Sales	1,185.1	1,177.8	101%
Segment profit *	71.5	42.9	167%

Sales increased by 1% to 1,185.1 billion yen from a year ago due mainly to newly-consolidated Hussmann as well as ongoing favorable situation in home appliances in Japan and Asia. Segment profit increased to 71.5 billion yen from a year ago due mainly to Hussmann and profit improvement by shifting to 4K TVs and high value-added products such as air-conditioners.

### Eco Solutions

	Yen (billions)		
	Fiscal 2017 Six months ended Sep. 30, 2016	Fiscal 2016 Six months ended Sep. 30, 2015	Percentage 2017/2016
Sales	725.9	762.9	95%
Segment profit *	20.9	33.5	63%

Sales decreased by 5% to 725.9 billion yen compared with the previous year due mainly to sales decrease in business of solar photovoltaic systems for household-use due to significant market shrinkage in Japan and price decline. Segment profit decreased to 20.9 billion yen from a year ago due mainly to sales decrease in solar photovoltaic systems for household-use.

### AVC Networks

	Yen (billions)		
	Fiscal 2017 Six months ended Sep. 30, 2016	Fiscal 2016 Six months ended Sep. 30, 2015	Percentage 2017/2016
Sales	492.4	576.1	85%
Segment profit *	25.7	34.0	76%

Sales decreased by 15% to 492.4 billion yen from a year ago. This was due mainly to overseas sales decrease in communication business such as fixed-line

phones and a negative impact from exchange rate fluctuation. In addition, the Kumamoto Earthquake in April 2016 in Japan affected on device procurement in Visual and Imaging Business. Segment profit decreased to 25.7 billion yen from a year ago due mainly to impacts from exchange rate fluctuation and the Kumamoto Earthquake, as well as special demand in solutions business a year ago.

Automotive & Industrial Systems

Yen (billions)			
	Fiscal 2017 Six months ended Sep. 30, 2016	Fiscal 2016 Six months ended Sep. 30, 2015	Percentage 2017/2016
Sales	1,250.4	1,386.6	90%
Segment profit *	65.1	71.6	91%

Sales decreased by 10% to 1,250.4 billion yen from a year ago due to a significant impact from exchange rate fluctuation, sales decrease in the Industrial Business with downsizing LCD panel business and ICT-related device business in its stagnant demand, while sales of automotive-related business increased. Segment profit decreased to 65.1 billion yen from a year ago due mainly to impact of exchange rate fluctuation and sales decrease, and a fixed-cost increase by upfront investment for automotive business such as rechargeable batteries.

Other

Yen (billions)			
	Fiscal 2017 Six months ended Sep. 30, 2016	Fiscal 2016 Six months ended Sep. 30, 2015	Percentage 2017/2016
Sales	261.5	272.7	96%
Segment profit *	0.6	5.4	12%

Sales decreased by 4% to 261.5 billion yen from a year ago. Segment profit decreased to 0.6 billion yen from a year ago due mainly to a negative impact from fixed-cost increase in PanaHome Corporation.

\*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 six months ended September 30, 2016 amounted to 29.4 billion yen, compared with an inflow of 126.8 billion yen a year ago due mainly to an increase of trade receivables. Net cash used in investing activities amounted to 256.4 billion yen, compared with an outflow of 149.9 billion yen a year ago due mainly to the acquisition of Hussmann. Accordingly, free cash flow (net cash provided by operating activities plus net cash provided by investing activities) decreased by 203.9 billion yen from a year ago to an outflow of 227.0 billion yen. Net cash provided by financing activities amounted to 331.5 billion yen, compared with an outflow of 72.5 billion yen a year ago due mainly to an issuance of unsecured straight bonds of total 400.0 billion yen. Taking into consideration exchange rate movement, cash and cash equivalents totaled 1,022.0 billion yen as of September 30, 2016, increased by 7.7 billion yen compared with the end of the fiscal 2016.

The Company's consolidated total assets as of September 30, 2016 increased by 135.0 billion yen to 5,732.0 billion yen from March 31, 2016. This was due mainly to an increase in other assets including recording goodwill by acquisition of Hussmann and a seasonal increase in inventory, despite an impact from yen appreciation. The Company's consolidated total liabilities as of September 30, 2016 increased by 261.4 billion yen to 4,004.1 billion yen from March 31, 2016 due mainly to an issuance of unsecured straight bonds. Panasonic Corporation shareholders' equity decreased by 112.4 billion yen, compared with March 31, 2016, to 1,592.6 billion yen due mainly to worsening accumulated other comprehensive income (loss) in the situation of yen appreciation, despite recording net income attributable to Panasonic Corporation. Adding Noncontrolling interests to Panasonic Corporation shareholders' equity, total equity was 1,727.9 billion yen.

## **2. Forecast for Fiscal 2017**

Panasonic revised downward its consolidated financial sales forecast for fiscal 2017 taking into account the impact of exchange rate fluctuation as yen became higher than expected. The Company also revised downward its forecast of operating profit, income before income taxes, and net income attributable to owners of the parent company respectively. In addition to the exchange rate fluctuation, Panasonic took into account such as profit decrease in solar photovoltaic systems for household-use and ICT-related device businesses.

The consolidated financial forecasts for fiscal 2017 (IFRS) as of October 31, 2016 are:

Sales: 7,200.0 billion yen

Operating profit: 245.0 billion yen

Income before income taxes: 240.0 billion yen

Net income attributable to owners of the parent company: 120.0 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.*

**Supplemental Consolidated Financial Data for Fiscal 2017  
Second Quarter and Six Months, ended September 30, 2016**

Note: As of April 1, 2016, there were some changes in the structure of its internal organization of the reportable segments. Accordingly, the figures for segment information in fiscal 2016 have been reclassified to conform to the presentation for fiscal 2017.

**1. Segment Information**

yen(billions)

	Fiscal 2017 2Q					Fiscal 2017 Six Months ended September 30, 2016				
	Sales	17/16	Segment Profit *1	% of sales	17/16	Sales	17/16	Segment Profit *1	% of sales	17/16
Appliances (AP)	568.8	100%	27.1	4.8%	159%	1,185.1	101%	71.5	6.0%	167%
Eco Solutions (ES)	375.7	95%	15.9	4.2%	67%	725.9	95%	20.9	2.9%	63%
AVC Networks (AVC)	242.5	81%	12.8	5.3%	46%	492.4	85%	25.7	5.2%	76%
Automotive & Industrial Systems (AIS)	633.0	92%	46.9	7.4%	125%	1,250.4	90%	65.1	5.2%	91%
Other	144.5	94%	4.1	2.9%	62%	261.5	96%	0.6	0.2%	12%
Subtotal	1,964.5	93%	106.8	5.4%	95%	3,915.3	94%	183.8	4.7%	98%
Eliminations and adjustments	-217.5	-	-29.1	-	-	-419.8	-	-39.2	-	-
Total	1,747.0	92%	77.7	4.4%	63%	3,495.5	93%	144.6	4.1%	72%
Appliances (production and sales consolidated) *2	608.0	99%	26.1	4.3%	172%	1,280.0	100%	68.5	5.3%	178%

\*1 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. Segment Profit figures in fiscal 2016 also have been calculated in the same manner as those for fiscal 2017. The figures in Eliminations and adjustments of Segment Profit include eliminations such as other income (deductions) which is added to each segment profit, and earnings and expenses which are not attributable to any reportable segments, for the purpose of evaluating operating results of each segment, and consolidation adjustments (including a part of amortization of intangible assets and differences of accounting principles). Total of Segment Profit corresponds to Operating Profit of consolidated financial statements.

\*2 The figures in "Appliances (production and sales consolidated)" include the sales and segment profit of sales division for consumer products, which are included in "Eliminations and adjustments."

**2. Business Division Information**

yen(billions)

	Fiscal 2017 2Q		Fiscal 2017 Six Months ended September 30, 2016		
	Sales	17/16	Sales	17/16	
AP*1	Air-Conditioner Business	109.1	101%	264.2	98%
	Commercial Refrigeration & Food Equipment Business	65.3	189%	137.5	186%
	Small & Built-in Appliance Business	92.5	93%	189.9	95%
	Major Appliance Business	129.2	97%	249.0	98%
	AV Business	100.8	86%	208.4	91%
ES	Lighting BD	74.5	96%	141.5	95%
	Energy Systems BD	79.7	85%	154.6	84%
	Housing Systems BD	91.3	98%	173.7	97%
	Panasonic Ecology Systems Co., Ltd.	35.6	96%	73.5	99%
AVC*2	Mobility Business	40.8	81%	86.7	88%
	Visual and Imaging Business	56.6	75%	116.1	83%
	Communication Business	26.7	73%	53.8	75%
	Solutions Business	108.9	87%	215.0	90%
AIS*3	Automotive Business	159.8	92%	321.1	93%
	Energy Business	118.8	96%	226.4	95%
	Industrial Business	219.4	87%	438.3	86%
	Factory Solutions Business	38.4	100%	74.4	88%

\*1 Each business in Appliances consists of the following BDs. The figures of BDs are production and sales consolidated basis.

- Air-Conditioner Business : Air-Conditioner Company
- Commercial Refrigeration & Food Equipment Business : Cold Chain BD, Hussmann Corporation
- Small & Built-in Appliance Business : Kitchen Appliances BD, Beauty and Living BD
- Major Appliance Business : Refrigerator BD, Laundry Systems and Vacuum Cleaner BD
- AV Business : TV BD, Home Entertainment BD

\*2 Each business in AVC Networks consists of the following BDs, etc.

- Mobility Business : IT Products BD, Storage BD
- Visual and Imaging Business : Imaging Network BD, Visual Systems BD, Security Systems BD
- Communication Business : Communication Products BD, Office Products BD
- Solutions Business : Panasonic Avionics Corporation, Domestic/Overseas Solutions

\*3 Each business in Automotive & Industrial Systems consists of the following BDs.

- Automotive Business : Automotive Infotainment Systems BD, Automotive Electronics Systems BD
- Energy Business : Rechargeable Battery BD, Energy Device BD
- Industrial Business : Electromechanical Control BD, Panasonic Semiconductor Solutions Co., Ltd., Device Solutions BD, Electronic Materials BD, Panasonic Liquid Crystal Display Co., Ltd.
- Factory Solutions Business : Smart Factory Solutions BD



### 3. Sales by Region

yen(billions)

	Fiscal 2017 2Q			Fiscal 2017 Six Months ended September 30, 2016		
		Yen basis 17/16	Local currency basis 17/16		Yen basis 17/16	Local currency basis 17/16
Domestic	875.3	99%	99%	1,679.9	98%	98%
Overseas	871.7	86%	102%	1,815.6	89%	103%
North and South America	303.7	97%	113%	610.2	98%	112%
Europe	132.9	75%	89%	296.6	85%	98%
Asia	229.9	90%	105%	490.5	90%	104%
China	205.2	76%	93%	418.3	78%	93%
Total	1,747.0	92%	100%	3,495.5	93%	101%

### 4. Capital Investment by Segments

yen(billions)

	Fiscal 2017 2Q		Fiscal 2017 Six Months ended September 30, 2016	
		17-16		17-16
Appliances	10.1	-0.3	17.2	-2.3
Eco Solutions	8.8	-1.3	15.3	-1.7
AVC Networks	5.9	-0.8	10.0	-2.2
Automotive & Industrial Systems	34.0	+2.9	56.5	+8.3
Other	9.3	+5.8	13.2	+5.8
Total	68.1	+6.3	112.2	+7.9

Note: These figures are calculated on an accrual basis.

### 5. Foreign Currency Exchange Rates

	Rates Used for Consolidation				
	Fiscal 2016 2Q	Fiscal 2016 Six Months ended September 30, 2015	Fiscal 2016 Full Year	Fiscal 2017 2Q	Fiscal 2017 Six Months ended September 30, 2016
U.S. Dollars	¥122	¥122	¥120	¥102	¥105
Euro	¥136	¥135	¥133	¥114	¥118
Renminbi	¥19.3	¥19.4	¥18.9	¥15.4	¥16.0

\* Average rate

### 6. Number of Employees

(persons)

	End of September 2015	End of March 2016	End of June 2016	End of September 2016
Domestic	105,804	104,067	105,928	104,898
Overseas	148,802	145,453	150,867	151,235
Total	254,606	249,520	256,795	256,133

## 7. Fiscal 2017 Forecast (IFRS)

Panasonic will voluntarily adopt International Financial Reporting Standards (IFRS) from its year-end financial results for the fiscal year ending March 31, 2017 (fiscal 2017). Accordingly, the Company discloses its annual forecasts for fiscal 2017 based on IFRS. The changes from fiscal 2016 are also calculated based on IFRS (unaudited).

### (1) Segment Information (IFRS)

	As of April 28, 2016					As of October 31, 2016				
	Sales	17/16	Segment Profit	% of sales	17/16	Sales	17/16	Segment Profit	% of sales	17/16
Appliances	2,370.0	104%	97.0	4.1%	163%	2,280.0	100%	103.0	4.5%	173%
Eco Solutions	1,640.0	103%	90.0	5.5%	118%	1,570.0	99%	79.0	5.0%	104%
AVC Networks	1,175.0	100%	59.0	5.0%	86%	1,045.0	89%	50.0	4.8%	72%
Automotive & Industrial Systems	2,640.0	98%	100.0	3.8%	199%	2,470.0	91%	93.0	3.8%	185%
Other	690.0	107%	5.0	0.7%	35%	630.0	97%	5.0	0.8%	35%
Subtotal	8,515.0	101%	351.0	4.1%	130%	7,995.0	95%	330.0	4.1%	123%
Eliminations and Adjustments *1	-915.0	-	-41.0	-	-	-795.0	-	-85.0	-	-
Consolidated total	7,600.0	100%	310.0	4.1%	135%	7,200.0	94%	245.0	3.4%	106%

yen(billions)

Appliances (production and sales consolidated) *2	2,600.0	104%	100.0	3.8%	183%	2,500.0	100%	103.0	4.1%	189%
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\*1 The figures in "Eliminations and Adjustments" include earnings and expenses which are not attributable to any reportable segments, for the purpose of evaluating operating results of each segment, and consolidation adjustments (including a part of amortization of intangible assets and differences of accounting principles).

\*2 The figures in "Appliances (production and sales consolidated)" include the sales and profits of sales division for consumer products, which are included in "Eliminations and Adjustments."

### (2) Foreign Currency Exchange Rates

	Rates Used for Consolidation	
	As of April 28, 2016	As of October 31, 2016
U.S. Dollars	¥115	¥103
Euro	¥125	¥114
Renminbi	¥17.6	¥15.5

\* Average rate

#### Disclaimer Regarding Forward-Looking Statements

This document 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 document 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 document. 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 the Company's systems due to unauthorized access or a detection of vulnerability of network-connected products of the Company; 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.

<Attachment 1> Reference

Segment Information for Fiscal 2017

Sales

	yen(billions)	
	1st quarter (Apr.-June)	2nd quarter (July-Sep.)
Appliances	616.3	568.8
Eco Solutions	350.2	375.7
AVC Networks	249.9	242.5
Automotive & Industrial Systems	617.4	633.0
Other	117.0	144.5
Subtotal	1,950.8	1,964.5
Eliminations and adjustments	-202.3	-217.5
Total	1,748.5	1,747.0
Appliances (production and sales consolidated) *1	672.0	608.0

Segment Profit \*2

	yen(billions)	
	1st quarter (Apr.-June)	2nd quarter (July-Sep.)
Appliances	44.4	27.1
Eco Solutions	5.0	15.9
AVC Networks	12.9	12.8
Automotive & Industrial Systems	18.2	46.9
Other	-3.5	4.1
Subtotal	77.0	106.8
Eliminations and adjustments	-10.1	-29.1
Total	66.9	77.7
Appliances (production and sales consolidated) *1	42.3	26.1

\*1 The figures in "Appliances (production and sales consolidated)" include the sales and segment profit of sales division for consumer products, which are included in "Eliminations and adjustments."

\*2 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. Segment Profit figures in fiscal 2016 also have been calculated in the same manner as those for fiscal 2017.

The figures in Eliminations and adjustments of Segment Profit include eliminations such as other income (deductions) which is added to each segment profit, and earnings and expenses which are not attributable to any reportable segments, for the purpose of evaluating operating results of each segment, and consolidation adjustments (including a part of amortization of intangible assets and differences of accounting principles).

Total of Segment Profit corresponds to Operating Profit of consolidated financial statements.

## <Attachment 2> Reference

### Segment Information for Fiscal 2016

Note: The figures for each segment in fiscal 2016 have been reclassified to conform to the presentation for fiscal 2017.

#### Sales

	yen(billions)	
	1st quarter (Apr.-June)	2nd quarter (July-Sep.)
Appliances	606.5	571.3
Eco Solutions	366.0	396.9
AVC Networks	275.6	300.5
Automotive & Industrial Systems	696.6	690.0
Other	119.5	153.2
Subtotal	2,064.2	2,111.9
Eliminations and adjustments	-206.4	-209.3
Total	1,857.8	1,902.6
Appliances (production and sales consolidated) *1	660.6	614.7

#### Segment Profit \*2

	yen(billions)	
	1st quarter (Apr.-June)	2nd quarter (July-Sep.)
Appliances	25.8	17.1
Eco Solutions	9.7	23.8
AVC Networks	5.9	28.1
Automotive & Industrial Systems	34.2	37.4
Other	-1.3	6.7
Subtotal	74.3	113.1
Eliminations and adjustments	2.3	10.8
Total	76.6	123.9
Appliances (production and sales consolidated) *1	23.4	15.2

\*1 The figures in "Appliances (production and sales consolidated)" include the sales and segment profit of sales division for consumer products, which are included in "Eliminations and adjustments."

\*2 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. Segment Profit figures in fiscal 2016 also have been calculated in the same manner as those for fiscal 2017.

The figures in Eliminations and adjustments of Segment Profit include eliminations such as other income (deductions) which is added to each segment profit, and earnings and expenses which are not attributable to any reportable segments, for the purpose of evaluating operating results of each segment, and consolidation adjustments (including a part of amortization of intangible assets and differences of accounting principles).

Total of Segment Profit corresponds to Operating Profit of consolidated financial statements.

<Attachment 3> Reference

Business Division Information for Fiscal 2017 (Sales)

		yen(billions)	
		1st quarter (Apr.-June)	2nd quarter (July-Sep.)
AP <sup>*1</sup>	Air-Conditioner Business	155.1	109.1
	Commercial Refrigeration & Food Equipment Business	72.2	65.3
	Small & Built-in Appliance Business	97.4	92.5
	Major Appliance Business	119.8	129.2
	AV Business	107.6	100.8
ES	Lighting BD	67.0	74.5
	Energy Systems BD	74.8	79.7
	Housing Systems BD	82.4	91.3
	Panasonic Ecology Systems Co., Ltd.	37.9	35.6
AVC <sup>*2</sup>	Mobility Business	45.9	40.8
	Visual and Imaging Business	59.4	56.6
	Communication Business	27.1	26.7
	Solution Business	106.1	108.9
AIS <sup>*3</sup>	Automotive Business	161.3	159.8
	Energy Business	107.6	118.8
	Industrial Business	218.8	219.4
	Factory Solutions Business	35.9	38.4

\*1 Each business in Appliances consists of the following BDs. The figures of BDs are production and sales consolidated basis.

- Air-Conditioner Business : Air-Conditioner Company
- Commercial Refrigeration & Food Equipment Business : Cold Chain BD, Hussmann Corporation
- Small & Built-in Appliance Business : Kitchen Appliances BD, Beauty and Living BD
- Major Appliance Business : Refrigerator BD, Laundry Systems and Vacuum Cleaner BD
- AV Business : TV BD, Home Entertainment BD

\*2 Each business in AVC Networks consists of the following BDs, etc.

- Mobility Business : IT Products BD, Storage BD
- Visual and Imaging Business : Imaging Network BD, Visual Systems BD, Security Systems BD
- Communication Business : Communication Products BD, Office Products BD
- Solutions Business : Panasonic Avionics Corporation, Domestic/Overseas Solutions

\*3 Each business in Automotive & Industrial Systems consists of the following BDs.

- Automotive Business : Automotive Infotainment Systems BD, Automotive Electronics Systems BD
- Energy Business : Rechargeable Battery BD, Energy Device BD
- Industrial Business : Electromechanical Control BD, Panasonic Semiconductor Solutions Co., Ltd., Device Solutions BD, Electronic Materials BD, Panasonic Liquid Crystal Display Co., Ltd.
- Factory Solutions Business : Smart Factory Solutions BD

## <Attachment 4> Reference

### Business Division Information for Fiscal 2016 (Sales)

Note: The figures for each Business Division in fiscal 2016 are conformed to the presentation for fiscal 2017.

		yen(billions)	
		1st quarter (Apr.-June)	2nd quarter (July-Sep.)
AP*1	Air-Conditioner Business	161.8	108.6
	Commercial Refrigeration & Food Equipment Business	39.3	34.5
	Small & Built-in Appliance Business	99.1	99.7
	Major Appliance Business	121.9	133.0
	AV Business	112.6	117.4
ES	Lighting BD	71.5	77.8
	Energy Systems BD	90.0	94.1
	Housing Systems BD	85.6	92.8
	Panasonic Ecology Systems Co., Ltd.	36.9	37.0
AVC*2	Mobility Business	48.0	50.7
	Visual and Imaging Business	64.3	75.3
	Communication Business	35.1	36.8
	Solution Business	113.9	125.5
AIS*3	Automotive Business	170.9	173.0
	Energy Business	114.6	124.3
	Industrial Business	253.9	253.2
	Factory Solutions Business	45.7	38.4

\*1 Each business in Appliances consists of the following BDs. The figures of BDs are production and sales consolidated basis.

- Air-Conditioner Business : Air-Conditioner Company
- Commercial Refrigeration & Food Equipment Business : Cold Chain BD, Hussmann Corporation
- Small & Built-in Appliance Business : Kitchen Appliances BD, Beauty and Living BD
- Major Appliance Business : Refrigerator BD, Laundry Systems and Vacuum Cleaner BD
- AV Business : TV BD, Home Entertainment BD

\*2 Each business in AVC Networks consists of the following BDs, etc.

- Mobility Business : IT Products BD, Storage BD
- Visual and Imaging Business : Imaging Network BD, Visual Systems BD, Security Systems BD
- Communication Business : Communication Products BD, Office Products BD
- Solutions Business : Panasonic Avionics Corporation, Domestic/Overseas Solutions

\*3 Each business in Automotive & Industrial Systems consists of the following BDs.

- Automotive Business : Automotive Infotainment Systems BD, Automotive Electronics Systems BD
- Energy Business : Rechargeable Battery BD, Energy Device BD
- Industrial Business : Electromechanical Control BD, Panasonic Semiconductor Solutions Co., Ltd., Device Solutions BD, Electronic Materials BD, Panasonic Liquid Crystal Display Co., Ltd.
- Factory Solutions Business : Smart Factory Solutions BD