

Consolidated Financial Results

1. Fiscal 2018 ended March 31, 2018

A. Operating Results

| | Yen (billions) | | |
|---|----------------|-------------|-------------------------|
| | Fiscal 2018 | Fiscal 2017 | Percentage 2018/2017 |
| Net sales | 7,982.2 | 7,343.7 | 109% |
| Operating profit | 380.5 | 276.8 | 137% |
| Profit before income taxes | 378.6 | 275.1 | 138% |
| Net profit attributable to Panasonic Corporation stockholders | 236.0 | 149.4 | 158% |

During the year ended March 31, 2018 (fiscal 2018) under review, the global economy showed signs of recovery. The U.S. economy performed favorably with stable personal spending and recovering capital investments, while the Chinese economy also saw an increase in exports driven by expanding external demand. The Japanese economy made a moderate recovery on the back of stable employment and other factors.

Under such business circumstances, in fiscal 2018, Panasonic promoted growth strategies aimed at sustainably increasing sales and profits, identifying the growth areas where the Company will concentrate its management resources.

For the B2B business, on April 1, 2017, Panasonic established a new internal company, named the Connected Solutions Company, as a result of reorganizing the former AVC Networks Company and developed a customer-oriented structure for the business that will play a central role in the growth of the group-wide B2B business. For the automotive-related business, Panasonic is further expanding its production capacity for automotive batteries, including a new factory in Dalian, China, which started mass production and shipment. Panasonic also announced an agreement with Toyota Motor Corporation to begin studying the feasibility of a joint business to promote further advances in automotive prismatic batteries. For the housing-related business, Panasonic made PanaHome Corporation a wholly-owned subsidiary,

seeking to exert the synergy of Group-wide management resources. In the solar business, Panasonic started selling individual cell devices in addition to its conventional module sales. The Company also reviewed the module production structure, including termination of module production at the Shiga plant.

Increases in both sales and profit were achieved for fiscal 2018 due mainly to growth in the automotive- and industrial-related businesses. Consolidated group sales increased by 9% to 7,982.2 billion yen from fiscal 2017 (a year ago). Domestic sales showed favorable results. Overseas sales showed a significant increase in automotive-related business. In particular, Automotive, which includes automotive infotainment systems and car-related equipment, in addition to Energy, which includes rechargeable batteries, made contributions. Effects from the new consolidations of Ficosa and Zetes as well as from foreign exchange rates, also contributed to increasing sales.

Operating profit increased by 37% to 380.5 billion yen from a year ago. Sales increases mainly in Automotive and Industrial and rationalization efforts offset the negative impacts from raw material cost hikes and increased fixed-costs due to upfront investments. Profit before income taxes increased by 38% to 378.6 billion yen. Net profit attributable to Panasonic Corporation stockholders increased by 58% to 236.0 billion yen from a year ago.

B. Breakdown by Segment

Appliances

| | Yen (billions) | | |
|------------------|----------------|-------------|-------------------------|
| | Fiscal 2018 | Fiscal 2017 | Percentage 2018/2017 |
| Sales | 2,588.4 | 2,503.4 | 103% |
| Operating profit | 104.4 | 98.9 | 106% |

Sales increased by 3% to 2,588.4 billion yen from a year ago due mainly to favorable sales of room air-conditioners in Europe and China, large-sized air-conditioners in China, and washing machines in Asia. Operating profit increased to 104.4 billion yen from a year ago due mainly to increased sales and rationalization efforts, in spite of the negative impact of raw material cost hikes for white goods such as air-conditioners.

Eco Solutions

| | Yen (billions) | | |
|------------------|----------------|-------------|-------------------------|
| | Fiscal 2018 | Fiscal 2017 | Percentage 2018/2017 |
| Sales | 1,623.5 | 1,547.3 | 105% |
| Operating profit | 72.5 | 64.2 | 113% |

Sales increased by 5% to 1,623.5 billion yen from a year ago. Electrical construction materials business and water-related products in Japan showed sales expansion. Favorable sales in heat-exchanging ventilation units in China, and electrical construction materials business in India, Turkey and Vietnam also contributed to increased sales. Operating profit increased to 72.5 billion yen from a year ago, with sales expansion and improvements in cost competitiveness offsetting impacts such as hikes in raw material and component costs and drops in sales prices.

Connected Solutions

| | Yen (billions) | | |
|------------------|----------------|-------------|-------------------------|
| | Fiscal 2018 | Fiscal 2017 | Percentage 2018/2017 |
| Sales | 1,119.3 | 1,051.2 | 106% |
| Operating profit | 105.7 | 50.4 | 210% |

Sales increased by 6% to 1,119.3 billion yen from a year ago. Sales decreased in in-flight entertainment systems, but sales increased in mobile computers and in electronic component mounting equipment for the smartphone manufacturers, in addition to the new consolidation of Zetes. Operating profit increased to 105.7 billion yen from a year ago due mainly to a shift to high-value-added products and increased sales.

Automotive & Industrial Systems

| | Yen (billions) | | |
|------------------|----------------|-------------|-------------------------|
| | Fiscal 2018 | Fiscal 2017 | Percentage 2018/2017 |
| Sales | 2,803.5 | 2,416.6 | 116% |
| Operating profit | 91.4 | 93.0 | 98% |

Sales increased by 16% to 2,803.5 billion yen from a year ago. In Automotive, sales increased in electrification- and computerization-related equipment due to

market growth for eco-cars and expanded demand in Advanced Driver Assistance Systems (ADAS). In Industrial, sales of devices in China were favorable. The new consolidation of Ficosa also contributed increased sales. Operating profit decreased to 91.4 billion yen from a year ago. Despite sales expansion, operating profit was affected by recording one-off gains in the previous year, such as reversal of provision and gains from business transfer.

Other

| | Yen (billions) | | |
|------------------|----------------|-------------|-------------------------|
| | Fiscal 2018 | Fiscal 2017 | Percentage 2018/2017 |
| Sales | 675.9 | 674.4 | 100% |
| Operating profit | 10.8 | 8.0 | 134% |

Sales were 675.9 billion yen, almost in line with a year ago. Operating profit increased from a year ago to 10.8 billion yen due to intellectual-property-related revenue.

C. Consolidated Financial Condition

Net cash provided by operating activities for fiscal 2018 amounted to 423.2 billion yen, compared with an inflow of 385.4 billion yen a year ago. This was due mainly to increases in net profit and income taxes payable in fiscal 2018 and a significant decrease in provisions in fiscal 2017, despite an increase in working capital in line with sales increase in real terms. Net cash used in investing activities amounted to 458.8 billion yen, compared with an outflow of 420.1 billion yen a year ago. This was due mainly to an increase in capital investments in fiscal 2018, while a significant amount was spent to acquire Hussmann in fiscal 2017. Accordingly, free cash flow (net cash provided by operating activities and investing activities) decreased by 0.9 billion yen from a year ago to an outflow of 35.6 billion yen. Net cash used in financing activities amounted to 128.8 billion yen, compared with an inflow of 294.6 billion yen a year ago. Despite the issuance of short-term bonds of up to 240.0 billion yen for fiscal 2018, this was due mainly to the issuance of straight bonds of up to 400.0 billion yen in fiscal 2017, as well as the acquisition of additional equity interest in PanaHome and repayments of straight bonds of 150.0 billion yen in fiscal 2018.

The Company's consolidated total assets as of March 31, 2018 was 6,291.1 billion yen, increased by 308.2 billion yen from March 31, 2017. This increase was due mainly to increases in its trade receivables and inventories in line with increased sales as well as increased property, plant and equipment by capital expenditures. The Company's consolidated total liabilities as of March 31, 2018 was 4,408.8 billion yen, increased by 185.8 billion yen from March 31, 2017. This increase was due mainly to the issuance of short-term bonds and an increase in trade payables. Panasonic Corporation stockholders' equity was 1,707.6 billion yen, increased by 135.7 billion yen from March 31, 2017. This increase was due mainly to recording of net profit attributable to Panasonic Corporation stockholders. Adding non-controlling interests to Panasonic Corporation stockholders' equity, total equity was 1,882.3 billion yen.

2. Forecast for fiscal 2019

Consolidated financial forecasts for fiscal 2019 as of May 10, 2018:

| | | |
|--|---------------------|-----------------------|
| Sales: | 8,300.0 billion yen | (104% vs fiscal 2018) |
| Operating profit: | 425.0 billion yen | (112% vs fiscal 2018) |
| Profit before income taxes: | 420.0 billion yen | (111% vs fiscal 2018) |
| Net profit attributable to Panasonic Corporation stockholders: | 250.0 billion yen | (106% vs fiscal 2018) |

3. Basic Policy on Appropriation of Retained Earnings

Since its foundation, Panasonic has managed its business, recognizing 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 strives for stable and continuous dividend payments. We target a dividend payout ratio of approximately 30% with respect to consolidated Net profit attributable to Panasonic Corporation stockholders. Regarding the repurchase of treasury stock, the Company fundamentally repurchases its own shares where appropriate, while comprehensively taking into consideration strategic investments

and its financial condition to increase shareholder value per share and return on capital.

In view of this basic policy as well as its current financial position, Panasonic expects to pay an annual dividend of 30 yen per share for fiscal 2018, which includes the interim dividend of 10 yen per share paid on November 30, 2017 and a year-end dividend of 20 yen per share. In fiscal 2018, the Company did not repurchase its treasury stock except for acquiring shares of less than one trading unit and other minor transactions.

Basic Policy of Adopting of Financial Reporting Standards

Panasonic has voluntarily adopted International Financial Reporting Standards (IFRS) from its year-end financial results for fiscal 2017.

Panasonic is striving to increase its corporate value by adapting unified group accounting rules for improvement of management quality and enhancement of corporate governance.