

Consolidated Financial Results**1. Fiscal 2019 1Q ended June 30, 2018****A. Operating Results**

	Yen (billions)		
	Fiscal 2019 Three Months ended Jun. 30, 2018	Fiscal 2018 Three Months ended Jun. 30, 2017	Percentage 2019/2018
Net sales	2,008.7	1,865.3	108%
Operating profit	100.0	83.9	119%
Profit before income taxes	102.2	82.0	125%
Net profit attributable to Panasonic Corporation stockholders	57.4	48.8	118%

During the three months ended June 30, 2018 (fiscal 2019) under review, the global economy continued to moderately recover as the U.S. economy performed favorably, with stable personal spending and recovering capital investments. The Chinese economy also saw an increase in exports driven by expanding external demand; furthermore, the Japanese economy showed a recovery on the back of stable employment and other factors. While the economy is expected to continue to improve, risk factors such as the politics and financial situation of various countries, the spread of protectionism, and downward economic swings in emerging countries can be seen.

Under such business conditions, Panasonic is promoting its strategies for sustainable growth, identifying the areas where the Company will concentrate its management resources.

As one of the initiatives taken during the three months ended June 30, 2018, the Company reorganized its rechargeable battery business based on customers and industries on April 1. The aim here is to achieve further growth in the rechargeable battery business which shows rapid expansion mainly spurred by automotive lithium-ion batteries. This new structure allows the efficient use of development resources and will accelerate the Company's growth strategy. In India, the Company's strategic

market for its home appliances business along with China and Southeast Asia, Panasonic started to release made-in-India refrigerators in April. Panasonic will continue to expand its home appliances business in this fast-growing market by offering products designed for the Indian consumers in a speedy manner. In June, the Company came to an agreement with Nitto Kogyo Corporation to study comprehensive collaboration on businesses such as distribution boards. Looking to the domestic and overseas markets, both companies will cooperate in the areas of production, development, and technology, aiming to offer solutions that bring yet higher customer satisfaction.

For the three months ended June 30, 2018, increases in both sales and profits continued from last year.

Consolidated group sales increased by 8% to 2,008.7 billion yen from fiscal 2018 (a year ago). Domestic sales increased year on year due mainly to favorable sales of automotive-related products and PCs, despite a sales decline for consumer products in Appliances. Overseas sales significantly increased due mainly to favorable sales of the automotive-related business including Automotive and Energy, and the electronic component mounting equipment of Process Automation.

Operating profit increased by 19% to 100.0 billion yen from a year ago. This result is due mainly to sales increase offsetting the negative impact from fixed-costs increase and raw material cost hikes. Improved other income (expenses) such as recording a gain on the sale of land also contributed to profit increase. Profit before income taxes increased by 25% to 102.2 billion yen, and net profit attributable to Panasonic Corporation stockholders increased by 18% to 57.4 billion yen from a year ago.

B. Breakdown by Reportable Segment

Appliances

	Fiscal 2019 First quarter	Fiscal 2018 First quarter	Yen (billions) Percentage 2019/2018
Sales	720.2	726.6	99%
Operating profit	39.1	45.9	85%

Sales decreased by 1% to 720.2 billion yen from a year ago. Despite favorable sales through e-commerce in China, and Commercial Refrigeration & Food Equipment in North America, sales decreased due mainly to weak sales in air-conditioners and AVC products. Operating profit decreased to 39.1 billion yen from a year ago. Rationalization initiatives could not offset the negative effects of sales decrease and raw material cost hikes.

Eco Solutions

	Yen (billions)		
	Fiscal 2019 First quarter	Fiscal 2018 First quarter	Percentage 2019/2018
Sales	444.4	421.0	106%
Operating profit	(0.1)	1.1	—

Sales increased by 6% to 444.4 billion yen from a year ago. This increase was driven by stable growth in the electrical construction materials business mainly for India and China, favorable results from new construction orders and the ready-built housing business of Panasonic Homes Co., Ltd., and the new consolidation of Matsumura-Gumi Corporation. Operating profit decreased to a loss of 0.1 billion yen from a year ago due mainly to the negative effects of raw material cost hikes and upfront expenses to expand overseas electrical construction materials business.

Connected Solutions

	Yen (billions)		
	Fiscal 2019 First quarter	Fiscal 2018 First quarter	Percentage 2019/2018
Sales	274.3	247.0	111%
Operating profit	22.4	15.8	142%

Sales increased by 11% to 274.3 billion yen from a year ago. Sales increased at Process Automation Business with electronic component mounting equipment for automotive industries showing strong results, Mobile Solutions Business with stable sales in PCs, and Panasonic System Solutions Japan Co., Ltd. with sales growth for retail and logistics industries. Operating profit increased to 22.4 billion yen due mainly to the impact of sales increase in Process Automation Business.

Automotive & Industrial Systems

	Yen (billions)		
	Fiscal 2019 First quarter	Fiscal 2018 First quarter	Percentage 2019/2018
Sales	733.8	656.5	112%
Operating profit	15.4	18.1	85%

Sales increased by 12% to 733.8 billion yen from a year ago. All three Businesses expanded in sales; Automotive Business with sales increase of infotainment systems in Japan, Europe, and the U.S., Energy Business with sales growth in power storage systems in addition to automotive batteries, and Industrial Business with its expansion in automotive- and industrial-use devices. Despite significant profit increase by sales expansion, operating profit decreased to 15.4 billion yen from a year ago due mainly to increased ramp-up expenses for the automotive battery factory in North America.

C. Consolidated Financial Condition

Net cash provided by operating activities for the first quarter ended June 30, 2018 amounted to 36.6 billion yen, compared with an inflow of 78.5 billion yen a year ago. This was due mainly to an increase in income taxes payments, and the payment of one-shot legal costs, in spite of an improvement of increase (decrease) in inventories. Net cash used in investing activities amounted to 77.1 billion yen, compared with an outflow of 125.2 billion yen a year ago. This was due mainly to a decrease in capital expenditures and an increase in proceeds from sale of fixed assets. Accordingly, free cash flow (net cash provided by operating activities and investing activities) improved by 6.2 billion yen from a year ago to an outflow of 40.5 billion yen. Net cash used in financing activities amounted to 4.7 billion yen, compared with an outflow of 131.7 billion yen a year ago. This was due mainly to an issuance of short-term bonds of 50.0 billion yen this year, and acquisition of additional equity interest in PanaHome Corporation in the same period of last year. Taking exchange rate movement into consideration, cash and cash equivalents totaled 1,058.6 billion yen as of June 30, 2018, decreased by 31.0 billion yen compared with the end of fiscal 2018.

The Company's consolidated total assets as of June 30, 2018 increased by 94.4 billion yen to 6,385.5 billion yen from March 31, 2018. This was due mainly to increases in trade receivables and inventory due to seasonal influence and B2B business expansion. The Company's consolidated total liabilities as of June 30, 2018 increased by 57.3 billion yen, compared with March 31, 2018, to 4,466.1 billion yen. Panasonic Corporation stockholders' equity increased by 46.1 billion yen, compared with March 31, 2018, to 1,753.7 billion yen due mainly to recording of Net profit attributable to Panasonic Corporation stockholders. Adding Non-controlling interests to Panasonic Corporation stockholders' equity, total equity was 1,919.4 billion yen.

2. Forecast for fiscal 2019

The consolidated financial forecast for fiscal 2019 remains unchanged from the previous forecast announced on May 10, 2018.

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.

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 financial assets in which the Panasonic Group has holdings or changes in valuation of non-financial assets, including property, plant and equipment, goodwill and deferred tax assets; 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 Group 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.