

Consolidated Financial Results

1. Nine months ended December 31, 2018

A. Operating Results

	Yen (billions)		
	Fiscal 2019 Nine Months ended Dec. 31, 2018	Fiscal 2018 Nine Months ended Dec. 31, 2017	Percentage 2019/2018
Net sales	6,083.0	5,912.2	103%
Operating profit	292.8	316.7	92%
Profit before income taxes	294.3	313.5	94%
Net profit attributable to Panasonic Corporation stockholders	173.7	200.1	87%

During the nine months ended December 31, 2018 (fiscal 2019) under review, the global economy continued to moderately recover on the whole, as the U.S. economy performed favorably with stable personal spending, and Japan experienced an upturn in employment. However, the Chinese economy saw a slowdown in spending and investment. Regarding the outlook for the global economy, 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.

For the rechargeable battery business, which shows rapid expansion mainly spurred by automotive lithium-ion batteries, the Company reorganized the business based on customers and industries on April 1, 2018. This new structure allows the efficient use of development resources and the Company is accelerating its growth strategy. Furthermore, in July, in Indonesia, Panasonic came to an agreement with Honda Motor Co., Ltd., to jointly conduct a research experiment on battery sharing using detachable mobile batteries and electric motorcycles. Panasonic is striving to create new demand for batteries. In January 2019, the Company came to an

agreement with Toyota Motor Corporation to establish a joint venture related to the automotive prismatic battery business. Both companies will combine their respective management resources to further strengthen and accelerate the efforts to achieve competitive batteries.

For the home appliances business, in India, one of the Company's strategic markets along with China and Southeast Asia, Panasonic started to release made-in-India refrigerators in April 2018. In these rapidly expanding markets Panasonic continues to pursue growth with profitability.

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.

In September, the Company agreed to collaborate with two Chinese companies in the solutions businesses for the building industry. In China, where the construction market is rapidly expanding, the Company strives to accelerate its construction solutions businesses to offer comfortable and high-quality spaces at construction sites, such as improving the workers' living environment.

In November, in Japan, the Company launched CASART URBAN, an urban-style IoT home equipped with the HomeX integrated lifestyle platform. The Company devotes the group's collective strengths to enriching people's lifestyle and living spaces.

For the nine months ended December 31, 2018, the Company's consolidated group sales increased by 3% to 6,083.0 billion yen from fiscal 2018 (a year ago), continuing a year-on-year sales increase following the previous year. Domestic sales increased year on year due mainly to favorable sales of automotive-related products and Panasonic Homes Co., Ltd., despite a sales decrease for consumer products in Appliances. Overseas sales increased due mainly to favorable sales of the automotive-related business including Energy and Automotive, Commercial Refrigeration & Food Equipment in North America, and the electronic component mounting equipment business of Process Automation.

Operating profit decreased by 8% to 292.8 billion yen from a year ago. Sales increase and improved other income (expenses) such as recording a gain on the sale of land were unable to offset fixed-costs increase and raw material cost hikes. Profit before income taxes decreased by 6% to 294.3 billion yen, and net profit attributable to Panasonic Corporation stockholders decreased by 13% to 173.7 billion yen from a year ago.

B. Breakdown by Segment

Appliances

	Yen (billions)		
	Fiscal 2019 Nine months ended Dec. 31, 2018	Fiscal 2018 Nine months ended Dec. 31, 2017	Percentage 2019/2018
Sales	2,139.0	2,168.3	99%
Operating profit	88.7	106.6	83%

Sales decreased by 1% to 2,139.0 billion yen from a year ago. This decrease was due mainly to sluggish sales of air-conditioners in Asia and devices for air-conditioner in China despite sales increase in Commercial Refrigeration & Food Equipment in North America. Operating profit decreased to 88.7 billion yen from a year ago due mainly to the negative effects of sales decrease and raw material cost hikes.

Eco Solutions

	Yen (billions)		
	Fiscal 2019 Nine months ended Dec. 31, 2018	Fiscal 2018 Nine months ended Dec. 31, 2017	Percentage 2019/2018
Sales	1,468.4	1,385.6	106%
Operating profit	50.1	47.3	106%

Sales increased by 6% to 1,468.4 billion yen from a year ago. This increase was mainly driven by the favorable results from the ready-built housing business of Panasonic Homes Co., Ltd., growth in the electrical construction materials and Housing Systems for Asia, and the new consolidation of Matsumura-Gumi Corporation. Operating profit increased to 50.1 billion yen from a year ago due to sales increase and reversal of one-shot expenses in the previous year, despite the

negative effects of raw material cost hikes and upfront expenses to expand overseas electrical construction materials business.

Connected Solutions

Yen (billions)			
	Fiscal 2019 Nine months ended Dec. 31, 2018	Fiscal 2018 Nine months ended Dec. 31, 2017	Percentage 2019/2018
Sales	815.8	806.0	101%
Operating profit	73.5	77.5	95%

Sales increased by 1% to 815.8 billion yen from a year ago. Sales increases at the Process Automation Business and Panasonic System Solutions Japan Co., Ltd. offset sales decrease in Avionics and Media Entertainment, contributing to an overall sales increase. Despite sales expansion, operating profit decreased to 73.5 billion yen from a year ago due mainly to increased fixed-costs and reversal of provision for legal-related expenses in the previous year.

Automotive & Industrial Systems

Yen (billions)			
	Fiscal 2019 Nine months ended Dec. 31, 2018	Fiscal 2018 Nine months ended Dec. 31, 2017	Percentage 2019/2018
Sales	2,234.6	2,074.8	108%
Operating profit	55.3	63.8	87%

Sales increased by 8% to 2,234.6 billion yen from a year ago. Despite a sales decrease in Industrial Business due mainly to trade friction between U.S. and China, Energy Business with significant sales growth in automotive batteries and Automotive Business with a sales increase of automotive infotainment systems in North America, contributed to an overall sales increase. Despite profit increase by sales expansion, operating profit decreased to 55.3 billion yen from a year ago due mainly to increased ramp-up expenses for the automotive battery factories in North America and China and sales decrease of Electromechanical Control.

C. Consolidated Financial Condition

Net cash provided by operating activities for the nine months ended December

31, 2018, amounted to 78.0 billion yen, compared with an inflow of 264.2 billion yen a year ago. Net cash used in investing activities amounted to 142.6 billion yen, compared with an outflow of 353.8 billion yen a year ago. Accordingly, free cash flow (net cash provided by operating activities and investing activities) improved by 25.0 billion yen from a year ago to an outflow of 64.6 billion yen. This was due mainly to improved working capital, decreased capital expenditures, and proceeds from the sale of land, in spite of the payment of one-shot legal costs. Net cash used by financing activities amounted to 166.5 billion yen, compared with an outflow of 201.6 billion yen a year ago. This was due mainly to acquisition of additional equity interest in PanaHome Corporation in the same period of last year despite a decrease in the amount of outstanding short-term bonds. Taking exchange rate movement into consideration, cash and cash equivalents totaled 868.9 billion yen as of December 31, 2018, decreased by 220.7 billion yen compared with March 31, 2018.

The Company's consolidated total assets as of December 31, 2018, decreased by 29.3 billion yen to 6,261.9 billion yen from March 31, 2018. This was due mainly to a decrease in cash and cash equivalents in spite of increases in trade receivables and inventory in line with B2B business expansion. The Company's consolidated total liabilities as of December 31, 2018, decreased by 126.6 billion yen, compared with March 31, 2018, to 4,282.3 billion yen. Panasonic Corporation stockholders' equity increased by 101.8 billion yen, compared with March 31, 2018, to 1,809.4 billion yen. This was due mainly to the recording of net profit attributable to Panasonic Corporation stockholders. Adding non-controlling interests to Panasonic Corporation stockholders' equity, total equity was 1,979.6 billion yen.

2. Forecast for fiscal 2019

For the consolidated financial forecast for fiscal 2019, the sales forecast, announced on May 10, 2018, is revised downward due mainly to weakening sales in Appliances and Automotive & Industrial Systems. In addition, the forecasts for operating profit and profit before income taxes are also revised downward as the effects such as partial revision of pension system are unable to off-set the impact of sales decrease. On the other hand, net profit attributable to Panasonic Corporation

stockholders remains unchanged due to the improvements of income taxes and others.

Consolidated financial forecasts for fiscal 2019 as of February 4, 2019:

Sales:	8,100.0 billion yen	(101% vs fiscal 2018)
Operating profit:	385.0 billion yen	(101% vs fiscal 2018)
Profit before income taxes:	385.0 billion yen	(102% vs fiscal 2018)
Net profit attributable to Panasonic Corporation stockholders:	250.0 billion yen	(106% vs fiscal 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.