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**FOR IMMEDIATE RELEASE**

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**Panasonic Reports Fiscal 2020 Annual Results**

Osaka, Japan, May 18, 2020 -- Panasonic Corporation (Panasonic [TSE:6752]) today reported its consolidated financial results for the year ended March 31, 2020 (fiscal 2020). The Company also reported its parent-alone financial results for fiscal 2020.

## Summary

### 1. Consolidated Financial Results

Yen (billions)

	Fiscal 2020 ended March 31, 2020	Fiscal 2019 ended March 31, 2019	Percentage 2020/2019
Net sales	7,490.6	8,002.7	94%
Domestic	3,609.1	3,716.6	97%
Overseas	3,881.5	4,286.1	91%
Operating profit	293.8 3.9%	411.5 5.1%	71%
Profit before income taxes	291.1 3.9%	416.5 5.2%	70%
Net profit	240.0 3.2%	302.7 3.8%	79%
Net profit attributable to Panasonic Corporation stockholders	225.7 3.0%	284.1 3.6%	79%
Earnings per share attributable to Panasonic Corporation stockholders			
Basic	96.76 yen	121.83 yen	(25.07) yen
Diluted	96.70 yen	121.75 yen	(25.05) yen

Notes: 1. The Company's consolidated financial statements are prepared in conformity with International Financial Reporting Standards (IFRS).

2. Number of consolidated companies: 529 (including parent company)

Number of companies under the equity method: 72

3. One ADS represents one share of common share. Earnings per share attributable to Panasonic Corporation stockholders per ADS is same amount as Earnings per share attributable to Panasonic Corporation stockholders.

### 2. Parent-Along Financial Results

Yen (billions)

	Fiscal 2020 ended March 31, 2020	Fiscal 2019 ended March 31, 2019	Percentage 2020/2019
Net sales	4,058.8	4,255.2	95%
Domestic	2,786.6	2,873.8	97%
Export	1,272.2	1,381.4	92%
Operating profit	85.3 2.1%	110.3 2.6%	77%
Recurring profit	137.3 3.4%	165.2 3.9%	83%
Net income	155.5 3.8%	139.1 3.3%	112%
Net income, basic per common share	66.67 yen	59.64 yen	7.03 yen
Net income, diluted per common share	66.63 yen	59.60 yen	7.03 yen

## Consolidated Financial Results

### 1. Fiscal 2020 ended March 31, 2020

#### A. Operating Results

	Yen (billions)		
	Fiscal 2020	Fiscal 2019	Percentage 2020/2019
Net sales	7,490.6	8,002.7	94%
Operating profit	293.8	411.5	71%
Profit before income taxes	291.1	416.5	70%
Net profit attributable to Panasonic Corporation stockholders	225.7	284.1	79%

During the year ended March 31, 2020 (fiscal 2020), the global economy saw a moderate growth trend in the first part of the fiscal year, supported by spending in the U.S. and favorable employment conditions in Japan. However, there were also many sudden economic downside factors such as the slump in spending and investment in China, and the slowdown of imports and exports from/to various countries, with a background of trade friction between the U.S. and China. Moreover, the period saw an increase in Japan's consumption tax, and the worldwide spread of the novel coronavirus disease toward the end of the fiscal year.

Under such a management environment, in fiscal 2020, as the first year of the new Mid-term strategy, the Company executed the portfolio management and enhancement of management structure with three classifications of "Core growth business," "Co-creation business" and "Revitalization business." Specifically, Panasonic prioritizes its resources in areas where market growth is expected as well as the Company has advantages, particularly, in Core growth business in BtoB fields. In pursuing this strategy, the Company aims for future profit growth.

In addition, toward enhancing competitiveness through collaboration and co-creation with external partners, in housing business, the Company established a joint venture with Toyota Motor Corporation related to town development business, Prime Life Technologies Corporation on January 7, 2020. This aim is to generate a unique added value by integrating "housing" and "mobility." In automotive prismatic battery business, the Company decided to establish a joint venture, Prime Planet Energy & Solutions, Inc. with Toyota Motor Corporation. The aim is to develop highly competitive batteries that have excellent quality, performance and cost-effectiveness, and to provide a stable supply of batteries. The joint venture has been in operation since April 1, 2020.

In terms of profitability improvement, the Company decided to transfer the semiconductor business, which faces extreme fierce competitive environment, to Nuvoton Technology Corporation, under the umbrella of Winbond Electronics Corporation in Taiwan. This transfer will enable to lead sustainable growth by utilizing the Company's accumulated technical and product capabilities. Furthermore, in LCD panel business, the Company decided to end its production by 2021 due to the increasingly competitive global market environment.

The Company's consolidated group sales for fiscal 2020 decreased by 6% to 7,490.6 billion yen from a year ago. Domestic sales decreased due to the deconsolidation of housing related businesses, in addition to the impact of the spread of the novel coronavirus disease, despite sales increases in PCs and Infotainment Systems such as IVI (In-Vehicle Infotainment). Overseas sales decreased due mainly to sluggish sales in TVs and Automotive Solutions, the effect of exchange rates and the impact of the spread of the novel coronavirus disease, despite significant sales increases in Automotive Batteries.

Operating profit decreased by 29% to 293.8 billion yen from a year ago. This is due largely to the impact of decreased sales, in addition to recording of restructuring expenses, despite fixed cost reductions and rationalization efforts as well as gains from business transfers. Profit before income taxes decreased by 30% to 291.1 billion yen, and net profit attributable to Panasonic Corporation stockholders decreased by 21% to 225.7 billion yen.

## B. Breakdown by Segment

### Appliances

	Yen (billions)		
	Fiscal 2020	Fiscal 2019	Percentage 2020/2019
Sales	2,592.6	2,750.6	94%
Operating profit	55.7	85.6	65%

Sales decreased by 6% to 2,592.6 billion yen from a year ago. Despite increased sales such as room air-conditioners in Asia and large-sized air-conditioners in Japan, overall sales decreased due mainly to sluggish sales of TVs and digital cameras in Europe. Operating profit decreased to 55.7 billion yen from a year ago due mainly to decreased sales and restructuring expenses.

### Life Solutions

	Yen (billions)		
	Fiscal 2020	Fiscal 2019	Percentage 2020/2019
Sales	1,912.5	2,036.1	94%
Operating profit	179.8	64.6	278%

Sales decreased by 6% to 1,912.5 billion yen from a year ago. Despite continuing stable sales mainly in electrical construction materials business and Housing Systems, overall sales decreased mainly resulting from the impact of the deconsolidation of housing related businesses. Operating profit increased to 179.8 billion yen from a year ago due mainly to increased sales in real terms, rationalization efforts and gains from business transfer in housing related businesses.

### Connected Solutions

	Yen (billions)		
	Fiscal 2020	Fiscal 2019	Percentage 2020/2019
Sales	1,035.7	1,127.7	92%
Operating profit	92.2	94.4	98%

Sales decreased by 8% to 1,035.7 billion yen from a year ago. This is due mainly to sales declines at Avionics and Process Automation, despite growth in PCs and solution business for Japan. Operating profit decreased to 92.2 billion yen from a year ago due largely to the impact of decreased sales despite gains from business transfer of security systems.

### Automotive

	Yen (billions)		
	Fiscal 2020	Fiscal 2019	Percentage 2020/2019
Sales	1,482.4	1,523.2	97%
Operating profit	(46.6)	(12.1)	—

Sales decreased by 3% to 1,482.4 billion yen from a year ago. Despite increased sales at Automotive Batteries, resulting from the effect of investments in capacity expansion, overall sales declined due to decreased sales at Automotive Solutions which were mainly impacted by deteriorating market conditions in China. Operating profit was a loss of 46.6 billion yen due mainly to an increase in costs related to development expenses at Automotive Solutions and impairment losses of goodwill, despite profit increases at Automotive Batteries.

Industrial Solutions

	Yen (billions)		
	Fiscal 2020	Fiscal 2019	Percentage 2020/2019
Sales	1,282.7	1,422.3	90%
Operating profit	4.6	68.6	7%

Sales decreased by 10% to 1,282.7 billion yen from a year ago. This is due mainly to the impact of deteriorating market conditions in China, caused by trade friction between the U.S. and China. Operating profit decreased to 4.6 billion yen from a year ago due to decreased sales as well as recording of an impairment loss related to semiconductor business, despite fixed cost reductions and materials rationalization efforts.

C. Consolidated Financial Condition

Net cash provided by operating activities for fiscal 2020 amounted to 430.3 billion yen, compared with an inflow of 203.7 billion yen a year ago. This is due mainly to improved working capital and impact of applying IFRS 16, "Leases" from April 1, 2019 (for further details, please refer to Note 2. of "Notes" section). Net cash used in investing activities amounted to 206.1 billion yen, compared with an outflow of 193.4 billion yen a year ago. This is due mainly to decreased collection of lease receivables from a year ago, despite capital investment controls and gains from business transfers. Accordingly, free cash flow (net cash provided by operating activities and investing activities) improved by 213.9 billion yen from a year ago to an inflow of 224.2 billion yen. Net cash provided by financing activities amounted to 48.2 billion yen, compared with an outflow of 341.8 billion yen a year ago. This is due mainly to an increased balance in short-term bonds as well as the issuance of U.S. dollar-denominated senior notes totaling approximately 270.0 billion yen and unsecured straight bonds in Japan in the aggregate principal amount of 100.0 billion yen, despite of the impact of applying IFRS 16 and a reimbursement of bonds. Taking factors such as exchange fluctuations into consideration, cash and cash equivalents totaled 1,016.5 billion yen as of March 31, 2020, increased by 244.2 billion yen, compared with the end of fiscal 2019.

The Company's consolidated total assets as of March 31, 2020 were 6,218.5 billion yen, an increase of 204.6 billion yen from March 31, 2019. The Company's consolidated total liabilities were 4,062.7 billion yen, an increase of 133.3 billion yen from March 31, 2019. These are due mainly to an increase of right-of-use-assets and lease liabilities by applying IFRS 16, in addition to an increase in cash and cash equivalents and long-term debt by issuing straight bonds, despite the impact of the deconsolidation of housing related businesses. Panasonic Corporation stockholders' equity increased by 84.8 billion yen to 1,998.3 billion yen, compared to March 31, 2019. This is due mainly to recording of Net

profit attributable to Panasonic Corporation stockholders. With non-controlling interests added to Panasonic Corporation stockholders' equity, total equity was 2,155.9 billion yen.

## **2. Forecast for fiscal 2021**

The Company will promptly disclose the consolidated financial forecast for fiscal year ending March 31, 2021, when it is possible to reasonably calculate the figures, considering the great uncertainty caused by the impact of the further spread of the novel coronavirus disease.

As for the impact of the spread of the novel coronavirus disease affecting to Panasonic Group in the first quarter of fiscal 2021, in terms of demand, the impact is expanding beyond China due to factors such as weak market conditions in automobile and aviation industries, and restrictions on movements within various nations. In terms of supply, while supply chain issues in China are gradually being solved, the impact of temporary suspensions of factories due to lockdowns in Asia and other regions are starting to arise.

## **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 2020, which includes the interim dividend of 15 yen per share paid on November 29, 2019 and a year-end dividend of 15 yen per share, payable June 11, 2020. In fiscal 2020, 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.

### **Disclaimer Regarding Forward-Looking Statements**

This press release includes forward-looking statements 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.



**Consolidated Statements of Financial Position**

Yen (millions)

	March 31, 2020	March 31, 2019	Difference
<b>Current assets:</b>	<b>3,435,835</b>	<b>3,274,093</b>	<b>161,742</b>
Cash and cash equivalents	1,016,504	772,264	244,240
Trade receivables and contract assets	1,051,203	1,190,620	(139,417)
Other financial assets	148,436	131,305	17,131
Inventories	793,516	1,016,437	(222,921)
Other current assets	162,822	150,395	12,427
Assets held for sale	263,354	13,072	250,282
<b>Non-current assets:</b>	<b>2,782,683</b>	<b>2,739,838</b>	<b>42,845</b>
Investments accounted for using the equity method	306,864	136,486	170,378
Other financial assets	215,293	216,225	(932)
Property, plant and equipment	1,034,632	1,324,374	(289,742)
Right-of-use assets	261,075	—	261,075
Other non-current assets	964,819	1,062,753	(97,934)
<b>Total assets</b>	<b>6,218,518</b>	<b>6,013,931</b>	<b>204,587</b>
<b>Current liabilities:</b>	<b>2,616,108</b>	<b>2,989,450</b>	<b>(373,342)</b>
Short-term debt, including current portion of long-term debt	250,620	382,301	(131,681)
Lease liabilities	64,375	7,654	56,721
Trade payables	969,695	1,151,174	(181,479)
Other financial liabilities	212,674	273,817	(61,143)
Other current liabilities	1,030,139	1,165,767	(135,628)
Liabilities directly associated with the assets held for sale	88,605	8,737	79,868
<b>Non-current liabilities:</b>	<b>1,446,542</b>	<b>939,866</b>	<b>506,676</b>
Long-term debt	953,831	600,750	353,081
Lease liabilities	202,485	8,016	194,469
Other non-current liabilities	290,226	331,100	(40,874)
<b>Total liabilities</b>	<b>4,062,650</b>	<b>3,929,316</b>	<b>133,334</b>
<b>Panasonic Corporation stockholders' equity:</b>	<b>1,998,349</b>	<b>1,913,513</b>	<b>84,836</b>
Common stock	258,867	258,740	127
Capital surplus	531,048	528,880	2,168
Retained earnings	1,646,403	1,500,870	145,533
Other components of equity	(227,957)	(164,417)	(63,540)
Treasury stock	(210,012)	(210,560)	548
<b>Non-controlling interests</b>	<b>157,519</b>	<b>171,102</b>	<b>(13,583)</b>
<b>Total equity</b>	<b>2,155,868</b>	<b>2,084,615</b>	<b>71,253</b>
<b>Total liabilities and equity</b>	<b>6,218,518</b>	<b>6,013,931</b>	<b>204,587</b>

Notes: 1. Common stock increased resulting from issuance of new shares as restricted stock compensation.

2. Other components of equity breakdown:

Yen (millions)

	March 31, 2020	March 31, 2019	Difference
Remeasurements of defined benefit plans*	—	—	—
Financial assets measured at fair value through other comprehensive income	57,794	40,934	16,860
Exchange differences on translation of foreign operations	(293,633)	(204,123)	(89,510)
Net change in fair value of cash flow hedges	7,882	(1,228)	9,110

\* Remeasurements of defined benefit plans is directly transferred to Retained earnings from Other components of equity.

**Consolidated Statements of Profit or Loss and  
Consolidated Statements of Comprehensive Income**

**Consolidated Statements of Profit or Loss**

Yen (millions)

	Fiscal 2020 ended March 31, 2020		Fiscal 2019 ended March 31, 2019		Percentage 2020/2019
		%		%	%
Net sales	7,490,601	100.0	8,002,733	100.0	94
Cost of sales	(5,339,557)	(71.3)	(5,736,234)	(71.7)	
<b>Gross profit</b>	<b>2,151,044</b>	<b>28.7</b>	<b>2,266,499</b>	<b>28.3</b>	<b>95</b>
Selling, general and administrative expenses	(1,864,381)	(24.9)	(1,939,467)	(24.2)	
Share of profit of investments accounted for using the equity method	5,298	0.1	10,853	0.1	
Other income (expenses), net	1,790	0.0	73,613	0.9	
<b>Operating profit</b>	<b>293,751</b>	<b>3.9</b>	<b>411,498</b>	<b>5.1</b>	<b>71</b>
Finance income	31,360	0.4	25,603	0.3	
Finance expenses	(34,061)	(0.4)	(20,645)	(0.2)	
<b>Profit before income taxes</b>	<b>291,050</b>	<b>3.9</b>	<b>416,456</b>	<b>5.2</b>	<b>70</b>
Income taxes	(51,012)	(0.7)	(113,719)	(1.4)	
<b>Net profit</b>	<b>240,038</b>	<b>3.2</b>	<b>302,737</b>	<b>3.8</b>	<b>79</b>
Net profit attributable to:					
<b>Panasonic Corporation stockholders</b>	<b>225,707</b>	<b>3.0</b>	<b>284,149</b>	<b>3.6</b>	<b>79</b>
Non-controlling interests	14,331	0.2	18,588	0.2	77

Notes: 1. Depreciation	204,990	million yen	226,788	million yen
2. Capital investment	268,850	million yen	300,450	million yen
3. R&D expenditures	475,005	million yen	488,757	million yen
4. Number of employees	259,385		271,869	

**Consolidated Statements of Comprehensive Income**

Yen (millions)

	Fiscal 2020 ended March 31, 2020	Fiscal 2019 ended March 31, 2019	Percentage 2020/2019
			%
<b>Net Profit</b>	<b>240,038</b>	<b>302,737</b>	<b>79</b>
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Remeasurements of defined benefit plans	5,986	(12,788)	
Financial assets measured at fair value through other comprehensive income	21,172	(2,608)	
Subtotal	27,158	(15,396)	
Items that may be reclassified to profit or loss:			
Exchange differences on translation of foreign operations	(98,944)	9,213	
Net change in fair value of cash flow hedges	8,773	(2,411)	
Subtotal	(90,171)	6,802	
Total other comprehensive income	(63,013)	(8,594)	
<b>Comprehensive income</b>	<b>177,025</b>	<b>294,143</b>	<b>60</b>
Comprehensive income attributable to :			
<b>Panasonic Corporation stockholders</b>	<b>172,443</b>	<b>278,477</b>	<b>62</b>
Non-controlling interests	4,582	15,666	29

**Consolidated Statements of Changes in Equity**

Yen (millions)

Fiscal 2020 ended March 31, 2020	Common stock	Capital surplus	Retained earnings	Other components of equity	Treasury stock	Panasonic Corporation stockholders' equity	Non- controlling interests	Total equity
Balances as of April 1, 2019	258,740	528,880	1,500,870	(164,417)	(210,560)	1,913,513	171,102	2,084,615
Comprehensive income:								
Net profit	—	—	225,707	—	—	225,707	14,331	240,038
Remeasurements of defined benefit plans	—	—	—	6,209	—	6,209	(223)	5,986
Financial assets measured at fair value through other comprehensive income	—	—	—	21,246	—	21,246	(74)	21,172
Exchange differences on translation of foreign operations	—	—	—	(89,510)	—	(89,510)	(9,434)	(98,944)
Net change in fair value of cash flow hedges	—	—	—	8,791	—	8,791	(18)	8,773
Total comprehensive income	—	—	225,707	(53,264)	—	172,443	4,582	177,025
Transfer from other components of equity to retained earning	—	—	10,595	(10,595)	—	—	—	—
Cash dividends	—	—	(69,979)	—	—	(69,979)	(14,654)	(84,633)
Changes in treasury stock	—	(2)	—	—	(31)	(33)	—	(33)
Share-based payment transactions	127	(477)	—	—	579	229	—	229
Transactions with non-controlling interests and other	—	2,647	—	319	—	2,966	(3,511)	(545)
Cumulative effect of a new accounting standard applied	—	—	(20,790)	—	—	(20,790)	—	(20,790)
Balances as of March 31, 2020	258,867	531,048	1,646,403	(227,957)	(210,012)	1,998,349	157,519	2,155,868

Yen (millions)

Fiscal 2019 ended March 31, 2019	Common stock	Capital surplus	Retained earnings	Other components of equity	Treasury stock	Panasonic Corporation stockholders' equity	Non- controlling interests	Total equity
Balances as of April 1, 2018	258,740	527,408	1,300,336	(168,259)	(210,674)	1,707,551	174,734	1,882,285
Comprehensive income:								
Net profit	—	—	284,149	—	—	284,149	18,588	302,737
Remeasurements of defined benefit plans	—	—	—	(12,850)	—	(12,850)	62	(12,788)
Financial assets measured at fair value through other comprehensive income	—	—	—	(2,627)	—	(2,627)	19	(2,608)
Exchange differences on translation of foreign operations	—	—	—	12,232	—	12,232	(3,019)	9,213
Net change in fair value of cash flow hedges	—	—	—	(2,427)	—	(2,427)	16	(2,411)
Total comprehensive income	—	—	284,149	(5,672)	—	278,477	15,666	294,143
Transfer from other components of equity to retained earning	—	—	(9,132)	9,132	—	—	—	—
Cash dividends	—	—	(81,633)	—	—	(81,633)	(18,185)	(99,818)
Changes in treasury stock	—	(105)	—	—	114	9	—	9
Transactions with non-controlling interests and other	—	1,577	—	382	—	1,959	(1,113)	846
Cumulative effect of a new accounting standard applied	—	—	7,150	—	—	7,150	—	7,150
Balances as of March 31, 2019	258,740	528,880	1,500,870	(164,417)	(210,560)	1,913,513	171,102	2,084,615

**Consolidated Statements of Cash Flows**

Yen (millions)

	Fiscal 2020 ended March 31, 2020	Fiscal 2019 ended March 31, 2019
<u>Cash flows from operating activities</u>		
Net profit	240,038	302,737
Adjustments to reconcile net profit to net cash provided by operating activities		
Depreciation and amortization	372,975	296,041
(Increase) decrease in trade receivables and contract assets	62,770	(127,464)
(Increase) decrease in inventories	30,938	(30,270)
Increase (decrease) in trade payables	(85,896)	14,725
Other	(190,522)	(252,092)
Net cash provided by operating activities	430,303	203,677
<u>Cash flows from investing activities</u>		
Purchase of property, plant and equipment	(273,920)	(316,083)
Proceeds from sale of property, plant and equipment	23,104	37,023
Purchase of investments accounted for using the equity method and other financial assets	(18,732)	(29,838)
Proceeds from sale and redemption of investments accounted for using the equity method and other financial assets	49,132	33,470
Other	14,320	82,041
Net cash used in investing activities	(206,096)	(193,387)
<u>Cash flows from financing activities</u>		
Increase (decrease) in short-term debt	105,119	(132,417)
Increase (decrease) in long-term debt	31,911	(108,586)
Dividends paid to Panasonic Corporation stockholders	(69,979)	(81,633)
Dividends paid to non-controlling interests	(14,654)	(18,185)
(Increase) decrease in treasury stock	(33)	9
Other	(4,142)	(949)
Net cash provided by (used in) financing activities	48,222	(341,761)
Effect of exchange rate changes on cash and cash equivalents, and other	(28,189)	14,150
Net increase (decrease) in cash and cash equivalents	244,240	(317,321)
Cash and cash equivalents at beginning of period	772,264	1,089,585
Cash and cash equivalents at the end of the period	1,016,504	772,264

**Notes to consolidated financial statements:**

1. Per share data (Years ended March 31)

	2020	2019
Net profit attributable to Panasonic Corporation stockholders (millions of yen)	225,707	284,149
Average common shares outstanding (number of shares)	2,332,621,373	2,332,365,043
Earnings per share attributable to Panasonic Corporation stockholders:		
Basic	96.76 yen	121.83 yen
Diluted	96.70 yen	121.75 yen

2. The Company applied IFRS 16, "Leases" from April 1, 2019 using the modified retrospective method by recognizing the cumulative effect of applying IFRS 16 at the date of initial application. By applying IFRS 16, as of the date of initial application, right-of-use assets increased by 307.1 billion yen, investment properties increased by 281.2 billion yen and lease liabilities increased by 636.3 billion yen, respectively, and retained earnings decreased by 20.8 billion yen. Accordingly, "Right-of-use assets" and "Lease liabilities (current liabilities and non-current liabilities)" are separately presented in Consolidated Statements of Financial Position, for the year ended March 31, 2020. As for the majority of investment properties and corresponding lease liabilities are related to Panasonic Homes Co., Ltd., these are not included in Consolidated Statements of Financial Position for the year ended March 31, 2020 (for further details, please refer to Note 9. of "Notes" section). In Consolidated Statements of Cash Flows, the majority of lease payments is included in "Increase (decrease) in long-term debt" of cash flows from financing activities for the year ended March 31, 2020, that was previously included in cash flows from operating activities.
3. The Company applied IFRIC 23, "Uncertainty over Income Tax Treatments" from April 1, 2019. The impact of the application of IFRIC 23 on the consolidated financial statement of the Company is not material.
4. The Company resolved at the Board of Directors meeting held on December 21, 2018, to merge Panasonic Precision Devices Co., Ltd. ("PPRD") from Panasonic Equity Management Japan Co., Ltd. (currently Panasonic Equity Management Japan G.K.), which is a wholly owned consolidated subsidiary of Panasonic, through an absorption-type company split. Through these procedures, the Company absorbed PPRD on April 1, 2019.
5. The Board of Directors of the Company resolved on May 9, 2019, to succeed its R&D department related to solar business by way of an absorption-type company split to a newly established corporation.
6. The Company issued a total of 2.5 billion of senior notes denominated in U.S. dollars in the overseas markets outside Japan, on July 19, 2019.

7. The Company resolved at the Board of Directors meeting held on May 31, 2019, to sign a share purchase agreement and shareholder agreement with Polaris Capital Group Co., Ltd. ("Polaris") regarding the transfer, through an absorption-type company split, of its security systems business to a SPC (Special Purpose Company) which would be established by Polaris. This transfer would take place on the basis that the security system business would be transferred to a newly established entity by Panasonic. On November 20, 2019, the Company transferred the shares of the newly established entity, Panasonic i-PRO Sensing Solutions Co., Ltd., to the SPC, PSP Holdings Co., Ltd.
8. The Board of Directors of the Company resolved on November 28, 2019, to transfer the semiconductor business-related intellectual property rights and certain business contracts, and others held by the Company, to Panasonic Semiconductor Solutions, Co., Ltd., a subsidiary of the Company, through an absorption-type company split. The company split is related to the transfer of the semiconductor business of Panasonic Group to Nuvoton Technology Corporation, a Taiwan based semiconductor company under the umbrella of Winbond Electronics Corporation. Assets and liabilities, which will be transferred from the Group, are reclassified as "Assets held for sale" and "Liabilities directly associated with assets held for sale", respectively.
9. The Board of Directors of the Company resolved on May 9, 2019, to conclude an integration contract toward the establishment of a new joint venture related to the town development business with Toyota Motor Corporation. On January 7, 2020, Panasonic Homes Co., Ltd. became a wholly owned subsidiary of the joint venture, Prime Life Technologies Corporation by way of a joint transfer share method, and is no longer a subsidiary of the Company.
10. The Company issued a total of 100.0 billion yen of domestic unsecured straight bonds, on March 5, 2020.
11. Assumption for going concern: None
12. Significant subsequent events;  
On April 1, 2020, the Company transferred the automotive prismatic battery business and other businesses of SANYO Electric Co., Ltd., which is a subsidiary of Panasonic, to Prime Planet Energy & Solutions, Inc. ("PPES"), which is also a subsidiary of Panasonic. On the same day, the Company transferred part of its outstanding shares of PPES to Toyota Motor Corporation and organized the joint venture. After the share transfer, PPES became no longer a subsidiary of Panasonic. In Consolidated Statements of Financial Position for the year ended March 31, 2020, assets and liabilities, which are transferred to PPES and under the umbrella of PPES from the Group, are reclassified as assets held for sale and liabilities directly associated with assets held for sale, respectively.
13. Number of consolidated subsidiaries as of March 31, 2020: 528  
Number of companies under the equity method as of March 31, 2020: 72

**Information by Segment**

Yen (billions)

	Fiscal 2020 ended March 31, 2020					Fiscal 2019 ended March 31, 2019		
	Sales	20/19	Operating Profit (Loss)	% of Sales	20/19	Sales	Operating Profit (Loss)	% of Sales
Reportable Segments:		%		%	%			%
Appliances	2,592.6	94	55.7	2.1	65	2,750.6	85.6	3.1
Life Solutions	1,912.5	94	179.8	9.4	278	2,036.1	64.6	3.2
Connected Solutions	1,035.7	92	92.2	8.9	98	1,127.7	94.4	8.4
Automotive	1,482.4	97	(46.6)	(3.1)	–	1,523.2	(12.1)	(0.8)
Industrial Solutions	1,282.7	90	4.6	0.4	7	1,422.3	68.6	4.8
Subtotal	8,305.9	94	285.7	3.4	95	8,859.9	301.1	3.4
Other	295.4	96	7.6	2.6	454	306.6	1.7	0.5
Eliminations and adjustments	(1,110.7)	–	0.5	–	–	(1,163.8)	108.7	–
Total	7,490.6	94	293.8	3.9	71	8,002.7	411.5	5.1

Notes :1. The Panasonic Group is divided into Divisional Companies for business management, and they support the autonomy of each business division and execute businesses in their respective areas on a global scale. The results of their performance are classified and disclosed in the five reportable segments of "Appliances," "Life Solutions," "Connected Solutions," "Automotive" and "Industrial Solutions."

"Other" includes business activities not belonging to the reportable segments, such as sales of raw materials.

2. The figures in "Eliminations and adjustments" include revenues and expenses which are not attributable to any segments for the purpose of evaluating operating results of each segment, consolidation adjustments (including a recorded gain of 82.9 billion yen resulting from the revision in pension system in Fiscal 2019) and eliminations of intersegment transactions.

3. On April 1, 2019, "Automotive & Industrial Systems" was reorganized to "Automotive" and "Industrial Solutions." "Eco Solutions" was renamed as "Life Solutions." In addition, certain businesses were transferred among segments. Accordingly, the figures of segment information in fiscal 2019 have been reclassified to conform to the presentation for fiscal 2020.