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**FOR IMMEDIATE RELEASE**

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<b>ANNOUNCEMENT OF FINANCIAL RESULTS</b>
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**PANASONIC REPORTS SECOND-QUARTER AND SIX-MONTH RESULTS**

***- Company Begins Recovery by Strengthening the Management Structure;  
Revises Annual Earnings Forecast Upward -***

Osaka, Japan, October 30, 2009 -- Panasonic Corporation (Panasonic [NYSE symbol: PC]) today reported its consolidated financial results for the second quarter and six months ended September 30, 2009, of the current fiscal year ending March 31, 2010 (fiscal 2010).

**Consolidated Second-quarter Results**

Consolidated group sales for the second quarter decreased 21% to 1,737.8 billion yen, from 2,191.7 billion yen in the same three-month period a year ago. Of the consolidated group total, domestic sales amounted to 917.3 billion yen, down 14% from 1,065.4 billion yen a year ago. Overseas sales decreased 27% to 820.5 billion yen, from 1,126.3 billion yen in the second quarter of the previous year.

In the electronics industry during the second quarter under review, despite visible sign of market stabilization in some regions, severe business conditions continued as the global recession and shrinking demand coincided with changes in the market structure including a demand shift to emerging markets and lower-priced products. Responding to these business conditions, Panasonic simultaneously rebuilds its

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management structure while preparing and taking action for future growth in fiscal 2010 as the final year of the GP3 plan.

Specifically, Panasonic implements drastic business structural reforms to rebuild its management structure. In addition, the company pursues penetration and internalization of “Itakona,” acceleration of procurement cost reduction, reinforcement of comprehensive cost reduction efforts, and capital investment and inventory reductions. On the other hand, regarding preparations and actions for future growth, the company strengthens product competitiveness by creating products that are unique to Panasonic on the basis of “super link,” “super energy saving” and “thorough universal design.” Besides, the company continues to focus on the four major themes of the GP3 plan: double-digit growth in overseas sales, four strategic businesses, manufacturing innovation and the ‘eco ideas’ strategy.

Regarding earnings, operating profit<sup>1</sup> for the second quarter was 49.1 billion yen, down from 118.6 billion yen a year ago. However, it recovered from a loss in the first quarter. This result was due mainly to initiatives such as fixed cost reduction and streamlining of material cost in spite of the effect of a sharp sales decrease and price decline. As a result of these and other factors, the company recorded a pre-tax income of 25.3 billion yen, down from 84.0 billion yen in the previous year. Accordingly, net income attributable to Panasonic Corporation resulted in 6.1 billion yen, down from 55.5 billion yen a year ago.

### **Consolidated Six-month Results**

Consolidated group sales for the six months ended September 30, 2009 decreased 23% to 3,333.3 billion yen, compared with 4,343.7 billion yen in the same six-month period a year ago. Domestic sales amounted to 1,776.0 billion yen, down 16% from 2,110.6 billion yen in the previous year’s six months, while overseas sales decreased 30% to 1,557.3 billion yen from 2,233.1 billion yen a year ago.

For reasons similar to those given for the second quarter results, the company’s operating profit for the six months was 28.9 billion yen, compared with the previous

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<sup>1</sup> For information about operating profit, see Note 2 of the Notes to consolidated financial statements on page 15.

year's 228.2 billion yen. In other income (deductions), the company incurred 22.7 billion yen as expenses associated with the implementation of early retirement programs. These and other factors resulted in a pre-tax loss of 26.5 billion yen, down from a pre-tax income of 203.3 billion yen in the same period a year ago. Net income attributable to Panasonic Corporation turned to a loss of 46.9 billion yen, down from a net income of 128.5 billion yen in the six months of the previous year.

### **Consolidated Six-month Sales Breakdown by Product Category**

The company's six-month consolidated sales by product category, as compared with prior year amounts, are summarized as follows:

#### **Digital AVC Networks**

Digital AVC Networks sales decreased 23% to 1,510.6 billion yen, from 1,969.0 billion yen in the same period of the previous year. Sales of video and audio equipment decreased 21% from the previous year. Although domestic sales of flat-panel TVs and global sales of BD recorders were favorable, this result was due mainly to sluggish overseas sales of flat-panel TVs and global sales of digital cameras. In information and communications equipment, weak sales of notebook PCs and other products led to a 26% overall sales decrease from a year ago.

#### **Home Appliances**

Sales of Home Appliances decreased 18% to 538.2 billion yen, compared with 654.1 billion yen in the previous year, due mainly to a sales decline of air conditioners and compressors, despite favorable sales in refrigerators.

#### **PEW and PanaHome**

Sales of PEW and PanaHome decreased 18% to 688.3 billion yen, from 837.2 billion yen a year ago. Sluggish housing market conditions led to a decrease in sales in PEW and Pana Home.

#### **Components and Devices**

Sales of Components and Devices were down 27% to 397.0 billion yen, compared with 541.9 billion yen in the previous year, due mainly to a sales downturn of semiconductors and general electronic components.

### Other

Sales of Other totaled 199.2 billion yen, down 42% from 341.5 billion yen in the same period a year ago, due mainly to a significant sales decline in factory automation equipment.

### **Consolidated Financial Condition**

Net cash provided by operating activities in the fiscal 2010 six months ended September 30, 2009 amounted to 156.2 billion yen. This was attributable primarily to depreciation and an increase in trade payables, despite a net loss and an increase in trade receivables. Net cash used in investing activities amounted to 20.2 billion yen. Despite a decrease in time deposits, this result was due primarily to capital expenditures for tangible fixed assets mainly consisting of manufacturing facilities of the company's priority business areas, such as flat-panel TVs and batteries. Net cash provided by financing activities was 372.6 billion yen, due mainly to an increase in short-term debt by issuing short-term bonds. All these activities associated with the effect of exchange rate fluctuations, resulted in cash and cash equivalents of 1,459.5 billion yen as of September 30, 2009, an increase of 485.6 billion yen, compared with the end of the last fiscal year (March 31, 2009).

The company's consolidated total assets as of September 30, 2009 increased 405.2 billion yen to 6,808.6 billion yen, compared with the end of the last fiscal year. This was due mainly to increases in cash and cash equivalents by issuing short-term bonds, an increase in accounts receivables, and an increase in tangible fixed assets. Panasonic Corporation shareholders' equity decreased 82.8 billion yen, compared with the end of the last fiscal year, to 2,701.2 billion yen as of September 30, 2009. This result was due primarily to a decrease in retained earnings.

### **Interim and Year-end Dividend**

The Board of Directors of the company resolved today to distribute an interim (semiannual) cash dividend of 5.0 yen per common share to shareholders of record as of September 30, 2009, payable November 30, 2009. This is a decrease from last year's interim dividend of 22.5 yen. The company also plans to distribute a year-end cash dividend of 5.0 yen per common share (payable to shareholders of record as of March 31, 2010). If implemented, total dividends for fiscal 2010, including the

aforementioned interim dividend of 5.0 yen per common share, will be 10.0 yen per common share.

### **Outlook for Fiscal 2010**

The electronics industry from the third quarter onwards is not expected to make a rapid recovery, due to negative effects such as uncertain business economic trends mainly in Europe and the United States, a rapidly proceeding appreciation of the yen, weak consumer spendings and sluggish capital investment. Panasonic, however, revised its previous earnings forecast upward. This was taking account of the second quarter results, despite the completion of the favorable effects from economic stimulus measures for consumer electronics products in each country and ever-intensified global price competition. Regarding consolidated results forecast for fiscal 2010, its sales forecast of 7,000 billion yen remains unchanged. Operating profit is expected to be 120 billion yen, an improvement from the previous forecast of 75 billion yen. Loss before income taxes<sup>2</sup> is expected to improve from 95 billion yen to 40 billion yen. Net loss attributable to Panasonic Corporation is expected to improve from 195 billion yen to 140 billion yen. Net loss per share attributable to Panasonic Corporation common shareholders is expected to improve from 94.17 yen to 67.61 yen.

Panasonic Corporation is one of the world's leading manufacturers of electronic and electric products for consumer, business and industrial use. Panasonic's shares are listed on the Tokyo, Osaka, Nagoya and New York stock exchanges.

For more information, please visit the following web sites:

Panasonic home page URL: <http://panasonic.net/>

Panasonic IR web site URL: <http://panasonic.net/ir/>

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<sup>2</sup> Factors affecting the forecast for other income (deductions) of 160 billion yen (the difference between operating profit and loss before income taxes) include business restructuring expenses of 88 billion yen.

**Disclaimer Regarding Forward-Looking Statements**

*This press release includes forward-looking statements (within the meaning of Section 27A of the U.S. Securities Act of 1933 and Section 21E of the U.S. Securities Exchange Act of 1934) 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 with the U.S. Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934 and its other filings.*

*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 United States, 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; currency rate fluctuations, notably between the yen, the U.S. dollar, the euro, the Chinese yuan, Asian currencies and other currencies in which the Panasonic Group operates businesses, or in which assets and liabilities of the Panasonic Group are denominated; the possibility of the Panasonic Group incurring additional costs of raising funds, because of changes in the fund raising environment; the ability of the Panasonic Group 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 on the alliances or mergers and acquisitions; the ability of the Panasonic Group to achieve its business objectives through joint ventures and other collaborative agreements with other companies; the ability of the Panasonic Group 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; as well as natural disasters including earthquakes, prevalence of infectious diseases throughout the world 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 Panasonic's latest annual report on Form 20-F, which is on file with the U.S. Securities and Exchange Commission.*

(Financial Tables and Additional Information Attached)