

April 28, 2011

**FOR IMMEDIATE RELEASE**

**Media Contacts:**

**Akira Kadota (Japan)**  
**International PR**  
(Tel: +81-3-6403-3040)

**Panasonic News Bureau (Japan)**  
(Tel: +81-3-3542-6205)

**Jim Reilly (U.S.)**  
(Tel: +1-201-392-6067)

**Anne Guennewig (Europe)**  
(Tel: +49-611-235-457)

**Investor Relations Contacts:**

**Makoto Mihara (Japan)**  
**Investor Relations**  
(Tel: +81-6-6908-1121)

**Yuko Iwatsu (U.S.)**  
**Panasonic Finance (America), Inc.**  
(Tel: +1-212-698-1360)

**Hiroko Carvell (Europe)**  
**Panasonic Finance (Europe) plc**  
(Tel: +44-20-3008-6887)

<b>ANNOUNCEMENT OF FINANCIAL RESULTS</b>
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**PANASONIC REPORTS FISCAL 2011 ANNUAL RESULTS**

***-All incomes increased significantly -***

Osaka, Japan, April 28, 2011 -- Panasonic Corporation (Panasonic [NYSE: PC/TSE:6752]) today reported its consolidated financial results for the year ended March 31, 2011 (fiscal 2011).

**Consolidated Results**

Consolidated group sales for fiscal 2011 increased by 17% to 8,692.7 billion yen from 7,418.0 billion yen in the year ended March 31, 2010 (fiscal 2010), due mainly to the inclusion of sales of SANYO Electric Co., Ltd. (SANYO) and its subsidiaries in the company's consolidated financial results from January 2010 onwards. Of the consolidated group total, domestic sales amounted to 4,514.3 billion yen, up 13% from 3,994.4 billion yen in fiscal 2010. Overseas sales increased by 22% to 4,178.4 billion yen from 3,423.6 billion yen in fiscal 2010.

Globally, while the growth in Europe and U.S. remained sluggish, the industry as a whole was steady driven by the emerging countries like China and India. The domestic market continued to be strong until last November due to a last minute rush before the revision of the 'eco-point' system, the Japanese government's economic stimulus program. However, in addition to sluggish demand since December, the devastation brought by the Great East Japan Earthquake on March 11, 2011 significantly impacted the world economy and fiscal 2011 ended without seeing the road to recovery.

In such a business environment, as a first step towards realizing the 100<sup>th</sup>

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anniversary vision of becoming the “No.1 Innovation Company in the Electronics Industry,” Panasonic started its three-year midterm management plan called “Green Transformation 2012 (GT12)” in fiscal 2011 and worked towards the two themes of Paradigm Shift to Growth and Laying Foundations to be a Green Innovation Company.

Regarding Paradigm Shift to Growth, the company worked towards shifting its businesses:

- 1) from existing businesses to new businesses – such as energy
  - 2) from Japan-oriented to globally-oriented
  - 3) from individual product-oriented to solutions & systems business-oriented,
- and promoted expansion of key businesses such as Heating/Refrigeration/Air Conditioning and LED, and sales increase in emerging markets through high-volume segment products.

Regarding Laying Foundations to be a Green Innovation Company, Panasonic worked for a larger contribution towards protection of the environment, through increased sales of energy saving and creating products and by reducing CO<sub>2</sub> emissions in production.

In addition, the company proceeded to discuss business reorganization and new growth strategies, as Panasonic and its subsidiaries, Panasonic Electric Works Co., Ltd. (PEW) and SANYO agreed to make these two companies wholly-owned subsidiaries of Panasonic with the aim of speeding up synergy generation and maximizing it. PEW and SANYO became wholly-owned subsidiaries of Panasonic on April 1, 2011 after related procedures.

Regarding the operating profit<sup>1</sup>, despite severe price competition, appreciation of the yen and rising material costs, along with the loss of production and subdued demand due to the Great East Japan Earthquake, the operating profit improved by 60% to 305.3 billion yen from 190.5 billion yen in fiscal 2010 due mainly to strong sales on an annual basis, and a wide range of exhaustive cost reductions, including streamlining of material costs and other general expenses. Although the restructuring cost including implementation of the retirement program and the loss related to Great East Japan Earthquake were incurred in other income (deductions), both income (loss) before income taxes and net income attributable to Panasonic Corporation improved significantly. Income (loss) before income taxes turned to a profit of 178.8 billion yen

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<sup>1</sup> For information about operating profit, see Note 2 of the Notes to consolidated financial statements on page 13.

from a loss of 29.3 billion yen and net income attributable to Panasonic Corporation turned to a profit of 74.0 billion yen from a loss of 103.5 billion yen in fiscal 2010.

### **Breakdown by Business Segment**

The company's annual consolidated sales and operating profits by business segment, with previous year comparisons, are summarized as follows:

#### **Digital AVC Networks**

Sales in this segment amounted to 3,304.0 billion yen, down 3% from 3,409.5 billion yen a year ago. Despite favorable sales of Blu-ray Disc recorders, this result was due mainly to sales declines in mobile phones and digital cameras. Operating profit increased by 32% to 114.9 billion yen from 87.3 billion yen, mainly as a result of fixed cost reduction and streamlining efforts, offsetting the impact of a sales decline and yen appreciation.

#### **Home Appliances<sup>2</sup>**

Sales in this segment increased by 6% to 1,275.9 billion yen, compared with 1,204.2 billion yen a year ago due mainly to favorable sales of air conditioners, refrigerators and compressors. Despite rising material costs, operating profit increased by 40% to 92.3 billion yen from 66.1 billion yen, due mainly to strong sales and a fixed cost reduction.

#### **PEW and PanaHome**

Sales in this segment increased by 6% to 1,735.0 billion yen from 1,632.1 billion yen a year ago. Regarding Panasonic Electric Works Co., Ltd. and its subsidiaries, in addition to favorable sales mainly in home appliances and devices such as electronic materials and automation controls, sales growth in housing/building related business such as electrical construction and building materials also contributed to the overall sales increase. For PanaHome Corporation and its subsidiaries, stable sales of housing construction such as detached housing and rental apartment housing on the back of the recovery in Japanese housing market conditions led to the increase in overall sales. Operating profit improved significantly by 110% to 73.0 billion yen from 34.7 billion yen

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<sup>2</sup> The company restructured the motor business on April 1, 2010. Accordingly, segment information for Home Appliances, and Components and Devices in fiscal 2010 are reclassified to conform to the presentation for fiscal 2011.

a year ago, as an increase in profit by strong sales and streamlining efforts, covering the impact of yen appreciation and rising material costs.

### Components and Devices<sup>2</sup>

Sales in this segment decreased to 926.3 billion yen, down 1% from 931.5 billion yen a year ago. Despite steady sales of general components, this result was due mainly to declines in sales of batteries and semiconductors. Operating profit decreased by 10% to 33.0 billion yen from 36.5 billion yen a year ago due mainly to falling sales.

### SANYO

Sales in this segment totaled 1,561.9 billion yen. Sales of photovoltaic power generation system, in-car-related equipment and cold-chain equipments were favorable, while sales of digital cameras and rechargeable batteries were sluggish due to price declines on the back of severe competition. Operating loss was 8.0 billion yen, after incurring the expenses such as the amortization of intangible assets recorded at acquisition.

### Other

Sales in this segment significantly increased by 18% to 1,197.7 billion yen from 1,012.2 billion yen a year ago, due mainly to strong sales in factory automation equipment. Operating profit also improved by 168% to 52.9 billion yen from 19.7 billion due mainly to sales increase.

### Consolidated Financial Condition

Net cash provided by operating activities for the year ended March 31, 2011 amounted to 469.2 billion yen. This was attributable primarily to net income and depreciation expense. Net cash used in investing activities amounted to 202.9 billion yen. This was due mainly to capital expenditures on manufacturing facilities such as flat-panel TVs and batteries, which are the company's priority business areas, offsetting proceeds from disposition of investments and advances, and proceeds from disposals of property, plant and equipment. Despite long term debt increased due to unsecured straight bonds issuance, net cash used in financing activities was 354.6 billion yen, due mainly to expenditures related to purchasing of noncontrolling interests of the company's subsidiaries, including the tender offers for PEW and SANYO. Taking into consideration exchange rate fluctuations, cash and cash equivalents totaled 974.8 billion yen as of March 31, 2011, a decrease of 135.1 billion yen, compared with the

end of the last fiscal year.

The company's consolidated total assets as of March 31, 2011 decreased by 535.2 billion yen to 7,822.9 billion yen, from the end of fiscal 2010. This was due mainly to appreciation of the yen and a decrease in investments and advances affected by decreases in the market value of investments, in addition to falls in cash and cash equivalent and account receivables. Panasonic Corporation shareholders' equity decreased by 233.5 billion yen, compared with the end of fiscal 2010 to 2,559.0 billion yen as of March 31, 2011. This was mainly due to deterioration in accumulated other comprehensive income (loss) influenced by appreciation of the yen and decrease in capital surplus owing to acquisition of noncontrolling interests of the company's subsidiaries. Noncontrolling interests decreased by 499.9 billion yen, from the end of fiscal 2010, to 387.3 billion yen due mainly to the tender offer.

### **Non-Consolidated (Parent Company Alone) Results<sup>3</sup>**

Parent-alone sales increased by 6% to 4,143.0 billion yen from 3,926.6 billion yen in fiscal 2010. Of the total sales, domestic sales amounted 2,411.6 billion yen, up 3% from 2,340.8 billion yen in fiscal 2010. Overseas sales increased by 9% to 1,731.4 billion yen from 1,585.8 billion yen in fiscal 2010. Regarding parent-alone earnings, operating profit increased by 96% to 104.3 billion yen from 53.2 billion yen in fiscal 2010. Recurring profit increased by 213% to 146.4 billion yen from 46.7 billion yen in fiscal 2010. Parent-alone net loss was 49.9 billion yen, improved from a loss of 124.9 billion yen in fiscal 2010.

### **Dividend**

Total cash dividends for fiscal 2011, ended March 31, 2011, are expected to be 10.0 yen per share, including an interim dividend of 5.0 yen per share paid on November 30, 2010.

### **Forecast for Fiscal 2012**

As it is difficult to assess the impact of the Great East Japan Earthquake on March 11, 2011 on its consolidated financial results, the company is currently unable to

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<sup>3</sup> Non-consolidated (parent company alone) results are in conformity with Japanese generally accepted accounting principles.

provide financial forecasts for fiscal 2012. The company will announce the forecast when it is feasible.

For your reference, consolidated results forecasts for fiscal 2012 (excluding the impact of the Great East Japan Earthquake) are as follows:

Sales are forecast to be 8,800.0 billion yen

Operating profit is forecast to be 310.0 billion yen

Income (loss) before income taxes<sup>4</sup> is forecast to be 140.0 billion yen

Net income attributable to Panasonic Corporation is forecast to be 50.0 billion 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>4</sup> Factors affecting the forecast for other income (deductions) of 170.0 billion yen (the difference between operating profit and income before income taxes) include business restructuring expenses of 110.0 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 U.S. 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 including the business reorganization after the acquisition of all shares of Panasonic Electric Works Co., Ltd. and SANYO Electric Co., Ltd.; 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; natural disasters including earthquakes, prevalence of infectious diseases throughout the world and other events that may negatively impact business activities of the Panasonic Group; as well as direct or indirect adverse effects of the Great East Japan Earthquake on Panasonic Group in terms of, among others, component procurement, manufacturing, distribution, and economic conditions in Japan and overseas including consumer spending and corporate capital investment. The factors listed above are not all-inclusive and further information is contained in Panasonic's latest annual reports, on Form 20-F, and any other reports and documents which are on file with the U.S. Securities and Exchange Commission.

(Financial Tables and Additional Information Attached)