

May 9, 2019

FOR IMMEDIATE RELEASE

Media Contact:

*Global Communications Department
(Tel: +81-3-3574-5664)
(Japan)*

Investor Relations Contact:

*Yoshinori Nakashima
Corporate Finance & IR Department
(Tel: +81-6-6908-1121)
(Japan)*

Panasonic Reports Fiscal 2019 Annual Results

Osaka, Japan, May 9, 2019 -- Panasonic Corporation (Panasonic [TSE:6752]) today reported its consolidated financial results for the year ended March 31, 2019 (fiscal 2019). The Company also reported its Parent-alone financial results for fiscal 2019.

Summary

1. Consolidated Financial Results

Yen (billions)

	Fiscal 2019 ended March 31, 2019	Fiscal 2018 ended March 31, 2018	Percentage 2019/2018
Net sales	8,002.7	7,982.2	100%
Domestic	3,716.6	3,724.1	100%
Overseas	4,286.1	4,258.1	101%
Operating profit	411.5 5.1%	380.5 4.8%	108%
Profit before income taxes	416.5 5.2%	378.6 4.7%	110%
Net profit	302.7 3.8%	252.0 3.2%	120%
Net profit attributable to Panasonic Corporation stockholders	284.1 3.6%	236.0 3.0%	120%
Earnings per share attributable to Panasonic Corporation stockholders			
Basic	121.83yen	101.20yen	20.63yen
Diluted	121.75yen	101.15yen	20.60yen

- Notes:
1. The Company's consolidated financial statements are prepared in conformity with International Financial Reporting Standards (IFRS).
 2. Number of consolidated companies: 582 (including parent company)
Number of companies under the equity method: 87
 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-Alone Financial Results

Yen (billions)

	Fiscal 2019 ended March 31, 2019	Fiscal 2018 ended March 31, 2018	Percentage 2019/2018
Net sales	4,255.2	4,056.1	105%
Domestic	2,873.8	2,768.4	104%
Export	1,381.4	1,287.7	107%
Operating profit	110.3 2.6%	196.2 4.8%	56%
Recurring profit	165.2 3.9%	321.0 7.9%	51%
Net income	139.1 3.3%	176.1 4.3%	79%
Net income, basic per common share	59.64yen	75.48yen	(15.84)yen
Net income, diluted per common share	59.60yen	75.44yen	(15.84)yen

- Notes: The Company applied "Implementation Guidance on Tax Effect Accounting" (ASBJ Guidance No. 28, February 16, 2018) from the beginning of fiscal 2019.
The figures for the parent-alone results of operations and the parent-alone financial condition in fiscal 2018 is applied retroactively to the figures by its implementation guidance.

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

Consolidated Statements of Profit or Loss

Yen (millions)

	Fiscal 2019 ended March 31, 2019		Fiscal 2018 ended March 31, 2018		Percentage 2019/2018
		%		%	%
Net sales	8,002,733	100.0	7,982,164	100.0	100
Cost of sales	(5,736,234)	(71.7)	(5,642,952)	(70.7)	
Gross profit	2,266,499	28.3	2,339,212	29.3	97
Selling, general and administrative expenses	(1,939,467)	(24.2)	(1,938,010)	(24.3)	
Share of profit of investments accounted for using the equity method	10,853	0.1	10,074	0.2	
Other income (expenses), net	73,613	0.9	(30,737)	(0.4)	
Operating profit	411,498	5.1	380,539	4.8	108
Finance income	25,603	0.3	22,772	0.3	
Finance expenses	(20,645)	(0.2)	(24,721)	(0.4)	
Profit before income taxes	416,456	5.2	378,590	4.7	110
Income taxes	(113,719)	(1.4)	(126,563)	(1.5)	
Net profit	302,737	3.8	252,027	3.2	120
Net profit attributable to:					
Panasonic Corporation stockholders	284,149	3.6	236,040	3.0	120
Non-controlling interests	18,588	0.2	15,987	0.2	116

Notes: 1. Depreciation	226,788	million yen	226,576	million yen
2. Capital investment	300,450	million yen	392,234	million yen
3. R&D expenditures	488,757	million yen	448,879	million yen
4. Number of employees	271,869		274,143	

Consolidated Statements of Comprehensive Income

Yen (millions)

	Fiscal 2019 ended March 31, 2019	Fiscal 2018 ended March 31, 2018	Percentage 2019/2018
			%
Net Profit	302,737	252,027	120
Other comprehensive income (loss)			
Items that will not be reclassified to profit or loss:			
Remeasurements of defined benefit plans	(12,788)	61,662	
Financial assets measured at fair value through other comprehensive income	(2,608)	6,445	
Subtotal	(15,396)	68,107	
Items that may be reclassified to profit or loss:			
Exchange differences on translation of foreign operations	9,213	(6,852)	
Net changes in cash flow hedges	(2,411)	1,626	
Subtotal	6,802	(5,226)	
Total other comprehensive income (loss)	(8,594)	62,881	
Comprehensive income	294,143	314,908	93
Comprehensive income attributable to :			
Panasonic Corporation stockholders	278,477	292,381	95
Non-controlling interests	15,666	22,527	70

Information by Segment

Yen (billions)

	Fiscal 2019 ended March 31, 2019					Fiscal 2018 ended March 31, 2018		
	Sales	19/18	Operating Profit	% of Sales	19/18	Sales	Operating Profit	% of Sales
Reportable Segments:		%		%	%			%
Appliances	2,750.6	99	85.9	3.1	80	2,784.2	107.8	3.9
Eco Solutions	2,036.1	104	64.6	3.2	80	1,957.4	81.2	4.1
Connected Solutions	1,127.7	102	94.4	8.4	91	1,110.4	103.6	9.3
Automotive & Industrial Systems	2,983.1	106	56.4	1.9	60	2,803.9	93.4	3.3
Subtotal	8,897.5	103	301.3	3.4	78	8,655.9	386.0	4.5
Other	309.5	97	1.4	0.4	69	318.5	2.0	0.6
Eliminations and adjustments	(1,204.3)	—	108.8	—	—	(992.2)	(7.5)	—
Total	8,002.7	100	411.5	5.1	108	7,982.2	380.5	4.8

Notes: 1. The Panasonic Group is divided into four 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 four reportable segments of Appliances, Eco Solutions, Connected Solutions, and Automotive & Industrial Systems.

"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, consolidation adjustments (including a recoded gain of 82.9 billion yen resulting from the revision in pension system) and eliminations of intersegment transactions.

3. Certain businesses were transferred among segments on April 1, 2018. Accordingly, the figures of segment information in fiscal 2018 have been reclassified to conform to the presentation for fiscal 2019.

Consolidated Statements of Financial Position

Yen (millions)

	March 31, 2019	March 31, 2018	Difference
Current assets:	3,274,093	3,485,958	(211,865)
Cash and cash equivalents	772,264	1,089,585	(317,321)
Trade receivables	1,190,620	1,038,984	151,636
Other financial assets	131,305	203,557	(72,252)
Inventories	1,016,437	988,609	27,828
Other current assets	163,467	165,223	(1,756)
Non-current assets:	2,739,838	2,805,190	(65,352)
Investments accounted for using the equity method	136,486	147,959	(11,473)
Other financial assets	216,225	166,466	49,759
Property, plant and equipment	1,324,374	1,374,066	(49,692)
Other non-current assets	1,062,753	1,116,699	(53,946)
Total assets	6,013,931	6,291,148	(277,217)
Current liabilities:	2,989,450	3,097,935	(108,485)
Short-term debt, including current portion of long-term debt	389,955	375,392	14,563
Trade payables	1,151,174	1,146,476	4,698
Other financial liabilities	273,817	304,977	(31,160)
Other current liabilities	1,174,504	1,271,090	(96,586)
Non-current liabilities:	939,866	1,310,928	(371,062)
Long-term debt	608,766	864,052	(255,286)
Other non-current liabilities	331,100	446,876	(115,776)
Total liabilities	3,929,316	4,408,863	(479,547)
Panasonic Corporation stockholders' equity:	1,913,513	1,707,551	205,962
Common stock	258,740	258,740	–
Capital surplus	528,880	527,408	1,472
Retained earnings	1,500,870	1,300,336	200,534
Other components of equity	(164,417)	(168,259)	3,842
Treasury stock	(210,560)	(210,674)	114
Non-controlling interests	171,102	174,734	(3,632)
Total equity	2,084,615	1,882,285	202,330
Total liabilities and equity	6,013,931	6,291,148	(277,217)

Note: Other components of equity breakdown:

Yen (millions)

	March 31, 2019	March 31, 2018	Difference
Remeasurements of defined benefit plans*	–	–	–
Financial assets measured at fair value through other comprehensive income	40,934	47,279	(6,345)
Exchange differences on translation of foreign operations	(204,123)	(216,355)	12,232
Net changes in cash flow hedges	(1,228)	817	(2,045)

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

Consolidated Statements of Changes in Equity

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 changes in 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

Yen (millions)

Fiscal 2018 ended March 31, 2018	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, 2017	258,740	636,905	1,051,445	(164,632)	(210,569)	1,571,889	188,046	1,759,935
Comprehensive income:								
Net profit	–	–	236,040	–	–	236,040	15,987	252,027
Remeasurements of defined benefit plans	–	–	–	61,560	–	61,560	102	61,662
Financial assets measured at fair value through other comprehensive income	–	–	–	6,410	–	6,410	35	6,445
Exchange differences on translation of foreign operations	–	–	–	(13,249)	–	(13,249)	6,397	(6,852)
Net changes in cash flow hedges	–	–	–	1,620	–	1,620	6	1,626
Total comprehensive income	–	–	236,040	56,341	–	292,381	22,527	314,908
Transfer from other components of equity to retained earning	–	–	71,161	(71,161)	–	–	–	–
Cash dividends	–	–	(58,310)	–	–	(58,310)	(20,053)	(78,363)
Changes in treasury stock	–	(3)	–	–	(105)	(108)	–	(108)
Transactions with non-controlling interests and other	–	(109,494)	–	11,193	–	(98,301)	(15,786)	(114,087)
Balances as of March 31, 2018	258,740	527,408	1,300,336	(168,259)	(210,674)	1,707,551	174,734	1,882,285

Consolidated Statements of Cash Flows

Yen (millions)

	Fiscal 2019 ended March 31, 2019	Fiscal 2018 ended March 31, 2018
<u>Cash flows from operating activities</u>		
Net profit	302,737	252,027
Adjustments to reconcile net profit to net cash provided by operating activities		
Depreciation and amortization	296,041	287,754
(Increase) decrease in trade receivables	(127,464)	(156,577)
(Increase) decrease in inventories	(30,270)	(164,137)
Increase (decrease) in trade payables	14,725	143,023
Other	(252,092)	61,092
Net cash provided by operating activities	203,677	423,182
<u>Cash flows from investing activities</u>		
Purchase of property, plant and equipment	(316,083)	(394,485)
Proceeds from sale of property, plant and equipment	37,023	29,046
Purchase of investments accounted for using the equity method and other financial assets	(29,838)	(23,938)
Proceeds from sale and redemption of investments accounted for using the equity method and other financial assets	33,470	14,677
Other	82,041	(84,128)
Net cash used in investing activities	(193,387)	(458,828)
<u>Cash flows from financing activities</u>		
Increase (decrease) in short-term debt	(132,417)	239,990
Increase (decrease) in long-term debt	(108,586)	(159,908)
Dividends paid to Panasonic Corporation stockholders	(81,633)	(58,310)
Dividends paid to non-controlling interests	(18,185)	(20,053)
(Increase) decrease in treasury stock	9	(108)
Other	(949)	(130,374)
Net cash used in financing activities	(341,761)	(128,763)
Effect of exchange rate changes on cash and cash equivalents	14,150	(16,793)
Net increase (decrease) in cash and cash equivalents	(317,321)	(181,202)
Cash and cash equivalents at beginning of period	1,089,585	1,270,787
Cash and cash equivalents at the end of the period	772,264	1,089,585

Notes to consolidated financial statements:

1. Per share data (Years ended March 31)

	2019	2018
Net profit attributable to Panasonic Corporation stockholders (millions of yen)	284,149	236,040
Average common shares outstanding (number of shares)	2,332,365,043	2,332,366,262
Earnings per share attributable to Panasonic Corporation stockholders:		
Basic	121.83 yen	101.20 yen
Diluted	121.75 yen	101.15 yen

2. The Company applied IFRS 15, "Revenue from Contracts with Customers" from April 1, 2018 using the method of recognizing the cumulative effect of applying IFRS 15 at the date of initial application. Effects of applying IFRS 15 on profit/loss are insignificant. Cumulative effects of applying IFRS 15 on the opening balance of the Company's "retained earnings" at April 1, 2018 were insignificant, which are described in "Consolidated Statements of Changes in Equity."
3. The Company conducted an incorporation-type company split on April 2, 2018, in order to transfer a part of its wholly-owned subsidiaries to Panasonic Equity Management Japan Co., Ltd. ("PEMJ") that was newly incorporated. PEMJ resolved at its Board of Directors meeting held on April 23, 2019, to change its corporate form "Kabushiki Kaisha" to "Godo Kaisha" and its corporate name to "Panasonic Equity Management Japan G,K." on May 31, 2019.
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., 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 Company concluded a business-integration contract and a joint-venture contract toward the establishment of a new company (joint venture) related to the automotive prismatic battery business with Toyota Motor Corporation (Toyota) on January 22, 2019. The Company and Toyota agreed to establish the joint venture (the ratio of equity participation will be 51% for Toyota and 49% for Panasonic) by the end of 2020, upon obtaining approval by competition-law authorities of several countries and regions.
6. The Company and certain domestic subsidiaries plan to change the retirement pension system from July 1, 2019. Specifically, regarding part of the past contributions of the defined benefit pension plan, the Company will make a transition to the defined contribution pension plan. Accordingly, the retirement benefit liabilities were revised in the Company's consolidated accounts, and the Company recorded an other income in operating profit of 82.9 billion yen. This change will be effective upon the authorization of the Ministry of Health, Labour and Welfare.

7. Assumption for going concern: None

8. Significant subsequent events;

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. Panasonic Homes Co., Ltd. will become a wholly owned subsidiary of the joint venture by way of a joint transfer share method, and be no longer a subsidiary of the Company.

The Board of Directors of the Company resolved on May 9, 2019, to succeed its R&D department related to its solar business by way of an absorption-type-company split to a newly established corporation.

9. Number of consolidated subsidiaries as of March 31, 2019: 581

Number of companies under the equity method as of March 31, 2019: 87

Consolidated Financial Results

1. Fiscal 2019 ended March 31, 2019

A. Operating Results

	Yen (billions)		
	Fiscal 2019	Fiscal 2018	Percentage 2019/2018
Net sales	8,002.7	7,982.2	100%
Operating profit	411.5	380.5	108%
Profit before income taxes	416.5	378.6	110%
Net profit attributable to Panasonic Corporation stockholders	284.1	236.0	120%

During the year ended March 31, 2019 (fiscal 2019) under review, the global economy continued to perform steadily, supported mainly by spending in the U.S. and a favorable employment environment in Japan. On the other hand, the Chinese economy saw a slowdown in spending and investment. Furthermore, imports and exports from/to various countries saw signs of economic slowdown in the second half of the fiscal year.

Under such business conditions, Panasonic promoted its strategies for sustainable growth. In particular, for automotive battery business, which involves key device for the electrification of automobiles, the Company came to an agreement with Toyota Motor Corporation to establish a joint venture, with the aim of achieving high-capacity and high-output automotive prismatic batteries that lead the industry in terms of both performance and cost.

The Company's consolidated group sales for fiscal 2019 was 8,002.7 billion yen. Domestic sales was the same level as last 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 continuing 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 increased by 8% to 411.5 billion yen from a year ago, due mainly to sales increases in businesses including Automotive and Energy, gains from disposal of assets and a one-off gain resulting from the revision in pension system, despite raw material cost hikes, increased fixed-costs resulting from upfront investments and recording of restructuring expenses. Profit before income taxes increased by 10% to 416.5 billion yen, and net profit attributable to Panasonic Corporation stockholders increased by 20% to 284.1 billion yen from a year ago.

B. Breakdown by Segment

Appliances

	Yen (billions)		
	Fiscal 2019	Fiscal 2018	Percentage 2019/2018
Sales	2,750.6	2,784.2	99%
Operating profit	85.9	107.8	80%

Sales decreased by 1% to 2,750.6 billion yen from a year ago. This decrease was due mainly to sluggish sales of devices for air-conditioner in China despite sales increases mainly in Commercial Refrigeration & Food Equipment in North America. Operating profit decreased to 85.9 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	Fiscal 2018	Percentage 2019/2018
Sales	2,036.1	1,957.4	104%
Operating profit	64.6	81.2	80%

Sales increased by 4% to 2,036.1 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., electrical construction materials in Asia and the new consolidation of Matsumura-Gumi Corporation. Despite sales expansion, operating profit decreased to 64.6 billion yen from a year ago due mainly to an impairment loss of fixed assets in solar business.

Connected Solutions

	Yen (billions)		
	Fiscal 2019	Fiscal 2018	Percentage 2019/2018
Sales	1,127.7	1,110.4	102%
Operating profit	94.4	103.6	91%

Sales increased by 2% to 1,127.7 billion yen from a year ago. Sales increases mainly in Process Automation and Mobile Solutions offset sales decreases mainly in Avionics, contributing to an overall sales increase. Despite sales expansion, operating profit decreased to 94.4 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	Fiscal 2018	Percentage 2019/2018
Sales	2,983.1	2,803.9	106%
Operating profit	56.4	93.4	60%

Sales increased by 6% to 2,983.1 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 with an increased sales of automotive infotainment systems in Japan and North America, contributed to an overall sales increase. Operating profit decreased to 56.4 billion yen from a year ago due mainly to raw material cost hikes and sales decrease of Electromechanical Control as well as an impairment loss of development expenses in Automotive

C. Consolidated Financial Condition

Net cash provided by operating activities for fiscal 2019 amounted to 203.7 billion yen, compared with an inflow of 423.2 billion yen a year ago. Net cash used in investing activities amounted to 193.4 billion yen, compared with an outflow of 458.8 billion yen a year ago. Accordingly, free cash flow (net cash provided by operating activities and investing activities) improved by 45.9 billion yen from a year ago to an inflow of 10.3 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-off legal costs. Net cash used by financing activities amounted to 341.8 billion yen, compared with an outflow of 128.8 billion yen a year ago. This was due mainly to decreased balance of short-term straight bonds, despite acquisition of additional equity interest in PanaHome Corporation in the previous year. Taking exchange rate movement into consideration, cash and cash equivalents totaled 772.3 billion yen as of March 31, 2019, decreased by 317.3 billion yen compared with the end of fiscal 2018.

The Company's consolidated total assets as of March 31, 2019, decreased by 277.2 billion yen to 6,013.9 billion yen from March 31, 2018. This was due mainly to a decrease in cash and cash equivalents, in spite of increase in its trade receivables in line with B2B business expansion. The Company's consolidated total liabilities as of March 31, 2019, decreased by 479.5 billion yen, compared with March 31, 2018, to 3,929.3 billion yen. Panasonic Corporation stockholders' equity increased by 206.0 billion yen, compared with March 31, 2018, to 1,913.5 billion yen 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 2,084.6 billion yen.

2. Forecast for fiscal 2020

Consolidated financial forecasts for fiscal 2020 as of May 9, 2019:

Sales:	7,900.0 billion yen	(99% vs fiscal 2018)
Operating profit:	300.0 billion yen	(73% vs fiscal 2018)
Profit before income taxes:	290.0 billion yen	(70% vs fiscal 2018)
Net profit attributable to Panasonic Corporation stockholders:	200.0 billion yen	(70% vs fiscal 2018)

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 2019, which includes the interim dividend of 15 yen per share paid on November 30, 2018 and a year-end dividend of 15 yen per share, payable June 7, 2019. In fiscal 2019, 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 (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.