

# Fiscal 2021 First Quarter Financial Results

## Fiscal 2021 Financial Forecast

July 30, 2020  
Panasonic Corporation



Notes: 1. This is an English translation from the original presentation in Japanese.  
2. In this presentation, "Fiscal 2021" or "FY21" refers to the year ending March 31, 2021.

### Summary of FY21 1Q Financial Results and Full-Year Forecast

- FY21 1Q Financial Results
  - **Overall sales decreased** due to deconsolidation in business portfolio reform, and **impact of novel coronavirus disease (COVID-19)**
  - **Profit decreased** with largely decreased sales, despite steady progress in enhancing management structure
  - **COVID-19 impact: both sales and profit have improved since June 2020**
- FY21 Full-Year Forecast
  - **Overall sales and profit expected to decrease for the full-year, despite outlook of gradual lessening of COVID-19 impact** from 2Q onward
  - **Steadily promote management structure enhancement, etc.** as Mid-term strategy initiatives to improve profitability, and **strengthen efforts to capture business opportunities** from changes in society brought about by COVID-19



# Fiscal 2021 First Quarter Financial Results

## Fiscal 2021 Full-Year Financial Forecast



### FY21 1Q Financial Results

- **Sales: Decreased** due to deconsolidation impact in business portfolio reform and COVID-19 impact
- **Adjusted operating profit: Decreased** with largely decreased sales, despite progress in enhancing management structure such as fixed cost reduction
- **Operating profit : Decreased**, despite achieving profitability by recording of one-time gains
- **Net profit: Decreased**

(yen: billions)	FY21 1Q	FY20 1Q	vs. FY20 / Difference	
Sales	<b>1,391.9</b>	1,891.1	-26%	-499.2
			Excl. effect of exchange rates (-25%)	(-472.7)
			Excl. effect of exchange rates & deconsolidation impact (-21%)	(-370.5)
Adjusted operating profit* (Adjusted OPM)	<b>-5.9</b> (-0.4%)	62.4 (3.3%)	-	-68.3
Other income/loss**	<b>9.7</b>	-6.0	-	+15.7
Operating profit (OPM)	<b>3.8</b> (0.3%)	56.4 (3.0%)	-93%	-52.6
Non-operating income/loss	<b>-0.7</b>	-0.2	-	-0.5
Profit before income taxes	<b>3.1</b>	56.2	-95%	-53.1
Net profit attributable to Panasonic Corporation stockholders	<b>-9.8</b>	49.8	-	-59.6
Exchange Rates	1 US dollar	<b>108 yen</b>	110 yen	
	1 Euro	<b>118 yen</b>	123 yen	
	1 Renminbi	<b>15.2 yen</b>	16.1 yen	

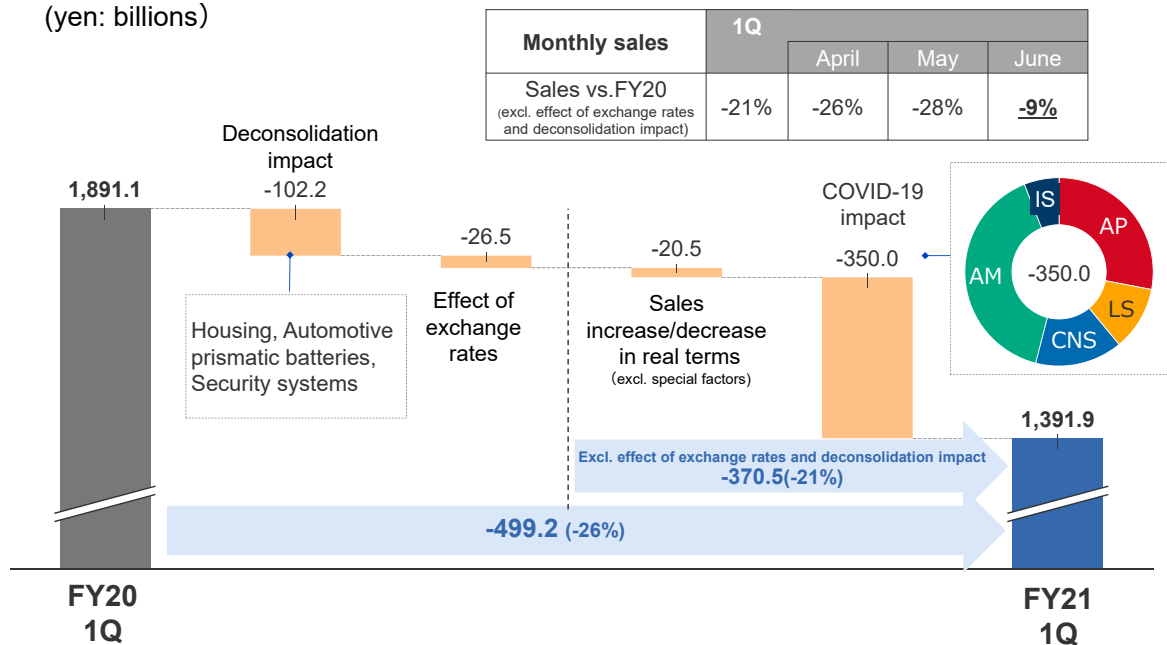
\* Adjusted OP = Sales - Cost of sales - SG&A  
 \*\* Other income/loss = Other income (expenses) + Share of profit of investments accounted for using the equity method



## FY21 1Q Sales Analysis

- Largely decreased due to deconsolidation in business portfolio reform, and COVID-19 impact mainly in Automotive, Appliances, and Connected Solutions
- Monthly sales hit at bottom in April and May. Noticeable recovery seen mainly in Japan and China from June 2020

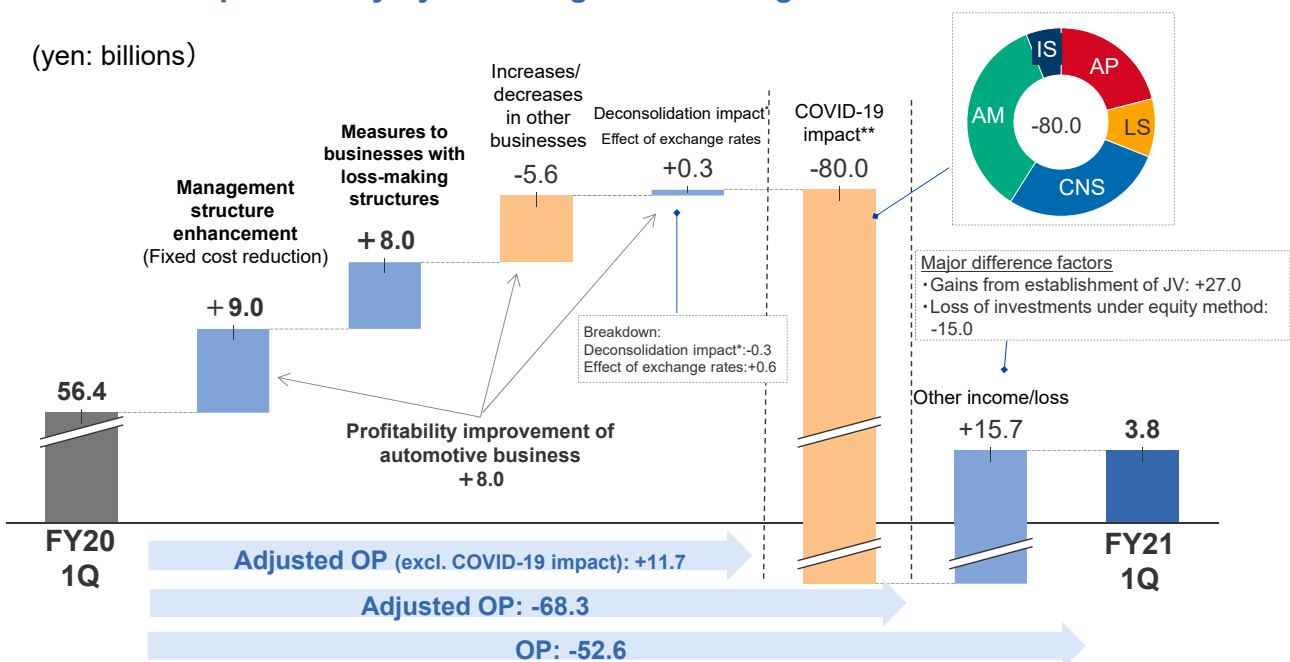
(yen: billions)



## FY21 1Q Operating Profit Analysis

- Adjusted OP decreased due to COVID-19 impact, however, steady progress with initiatives including enhancing management structure, turning profitable in June
- OP achieved profitability by recording of one-time gains

(yen: billions)



\* Housing, Automotive prismatic batteries, Security systems

\*\* Net amount of decreased sales and fixed cost improvement related to COVID-19

## FY21 1Q Results by Segment

(yen: billions)	Sales	vs. FY20 (In real terms excl. effect of exchange rate)	vs. FY20 Difference	Adjusted OP	vs. FY20 Difference	Other income/ loss	vs. FY20 Difference	OP	vs. FY20 Difference
Appliances	554.7	-19% (-18%)	-133.7	15.8	-14.7	-0.6	-0.1	15.2	-14.8
Life Solutions	325.1	-30% (-29%)*	-137.6	7.3	-5.2	-1.7	-1.9	5.6	-7.1
Connected Solutions	185.3	-27% (-26%)	-69.9	-16.6	-30.8	0.6	+1.1	-16.0	-29.7
Automotive	210.8	-44% (-43%)	-166.6	-29.5	-19.7	20.0	+20.2	-9.5	+0.5
Industrial Solutions	288.6	-12% (-10%)	-38.5	10.7	+3.9	-1.5	+0.1	9.2	+4.0
Other	52.3	-11%	-6.2	0.8	-0.3	-0.5	-0.9	0.3	-1.2
Eliminations & adjustments	-224.9	-	+53.3	5.6	-1.5	-6.6	-2.8	-1.0	-4.3
<b>Total</b>	<b>1,391.9</b>	<b>-26%</b> <b>(-25%)</b>	<b>-499.2</b>	<b>-5.9</b>	<b>-68.3</b>	<b>9.7</b>	<b>+15.7</b>	<b>3.8</b>	<b>-52.6</b>
Appliances (Production and sales consolidated)	563.1	-20% (-19%)	-144.8	14.3	-14.5	-0.6	-0.0	13.7	-14.5

\* vs. FY20 excluding the effect of exchange rates and deconsolidation impact: -12%



Fiscal 2021 First Quarter Financial Results / Full-Year Forecast

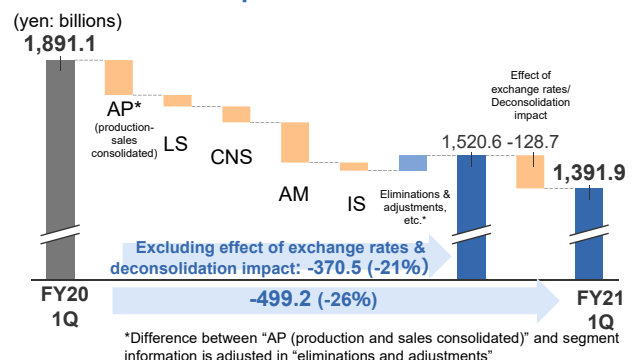
6

## FY21 1Q Sales and Profit Analysis by Segment

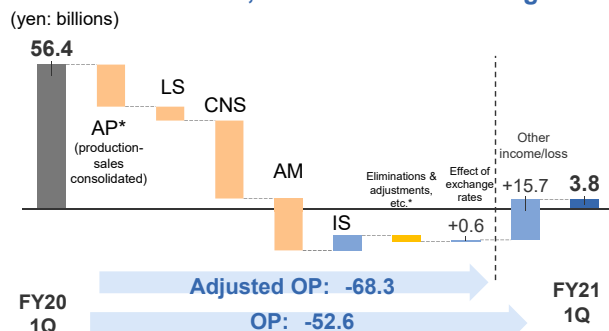
### Major increase/decrease factors

AP	<p><b>Sales decreased:</b> Largely affected by market deterioration from COVID-19 impact, despite recovery trends in some products in regions such as China and Japan</p> <p><b>Profit decreased</b> due to decreased sales, despite efforts to reduce fixed costs and sales promotion expenses, etc.</p>
LS	<p><b>Sales decreased</b> due mainly to market deterioration from COVID-19 impact and temporary suspension at factories resulting from lockdown measures</p> <p><b>Profit decreased:</b> Impacted by decreased sales, etc., despite efforts to reduce fixed costs</p>
CNS	<p><b>Sales decreased:</b> Mainly in Avionics due to sharply reduced flight operations</p> <p><b>Profit decreased</b> largely impacted by decreased sales, despite thorough efforts to reduce fixed costs</p>
AM	<p><b>Sales decreased</b> largely due to COVID-19 impact. In Automotive Solutions, steady progress made with product portfolio replacement.</p> <p><b>Profit decreased:</b> Decreased overall due to Automotive Solutions unable to offset lower sales with significant fixed-cost reductions, despite profit of Automotive Batteries maintaining the same level as previous year with improved productivity at North America factory, etc.</p>
IS	<p><b>Sales decreased:</b> Decreased overall impacted by decreased sales for automotive-use products, despite increases in power storage systems and capacitors for information- and communication-infrastructure, etc.</p> <p><b>Profit increased:</b> Efforts to reduce fixed costs and effects of contract alteration of semiconductor business offset decreased sales</p>
Other income/loss	Gains related to joint venture establishment offset loss of investments under the equity method

### Sales: Decreased at all segments due mainly to COVID-19 impact



### OP: Increased at IS, but decreased at 4 segments



Note: Names of each Segment are as follows;  
 AP: Appliances LS: Life Solutions CNS: Connected Solutions  
 AM: Automotive IS: Industrial Solutions



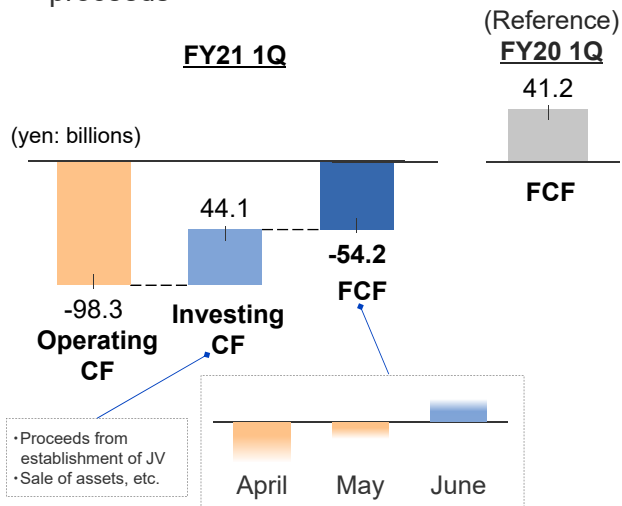
Fiscal 2021 First Quarter Financial Results / Full-Year Forecast

7

## FY21 1Q FCF and Cash

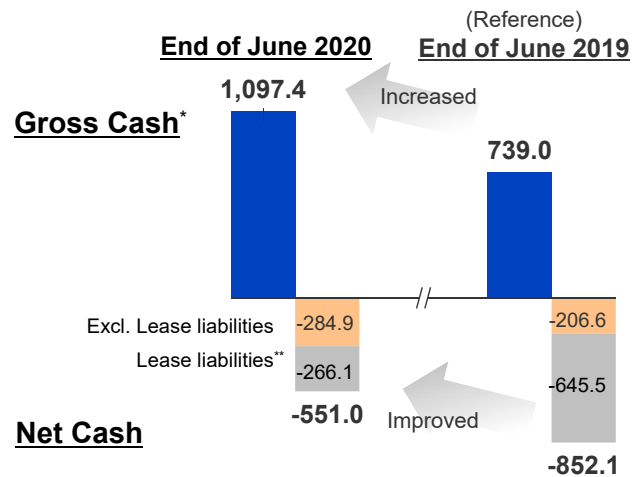
- **FCF: Three-month accumulated was negative, however recovered to positive in June**

- Operating CF: Negative due to short-term factors such as COVID-19 impact (Decreased profit, increased inventory, and temporary delay in collection of other working capital)
- Investing CF: Positive due mainly to one-time proceeds



- **Cash: Maintained sufficient liquidity**

- **Gross cash:** Secured over 1 trillion yen. No borrowing under commitment line agreements (total of 700.0 billion yen)
- **Net cash:** Improved from FY20 due to reduction of lease liabilities



\* Total of "cash and cash equivalents" and time deposits and others included in "other financial assets"

\*\* Lease liabilities by applying IFRS 16

# Fiscal 2021 First Quarter Financial Results

## Fiscal 2021 Full-Year Financial Forecast

## FY21 Full-Year Forecast

- Sales and profit expected to decrease for the full-year, despite outlook of gradual lessening of COVID-19 impact from 2Q onward
- Profit improvement in line with Mid-term strategy: Steadily promote enhancement of management structure, etc.

(yen: billions)	FY21 (e)		FY20	Difference	
Sales	6,500.0		7,490.6	-13%	-990.6 (-870.6)
				Excl. Effect of exchange rates (-12%)	
				Excl. Effect of exchange rates/ Deconsolidation impact (-7%)	(-496.3)
Adjusted operating profit* (Adjusted OPM)	220.0 (3.4%)		286.7 (3.8%)	-23%	-66.7
Other income/loss**	-70.0		7.1	—	-77.1
Operating profit (OPM)	150.0 (2.3%)		293.8 (3.9%)	-49%	-143.8
Non-operating income/loss	0.0		-2.7	—	+2.7
Profit before income taxes	150.0		291.1	-48%	-141.1
Net profit attributable to Panasonic Corporation stockholders	100.0		225.7	-56%	-125.7
ROE	5.0%		11.5%		
		Full-year	2Q onward	Full-year	
Exchange rates	1 US dollar	106 yen	(105 yen)	109 yen	
	1 Euro	116 yen	(115 yen)	121 yen	
	1 Renminbi	15.4 yen	(15.5 yen)	15.6 yen	

\* Adjusted OP = Sales - Cost of sales - SG&A  
 \*\* Other income/loss = Other income (expenses)  
 + Share of profit investments accounted for using the equity method

## Assumptions/Conditions of COVID-19 Impact (Sales)

- While gradual recovery is factored in, impact on businesses expected to remain in 2H for: aviation, housing-related, and automotive industries

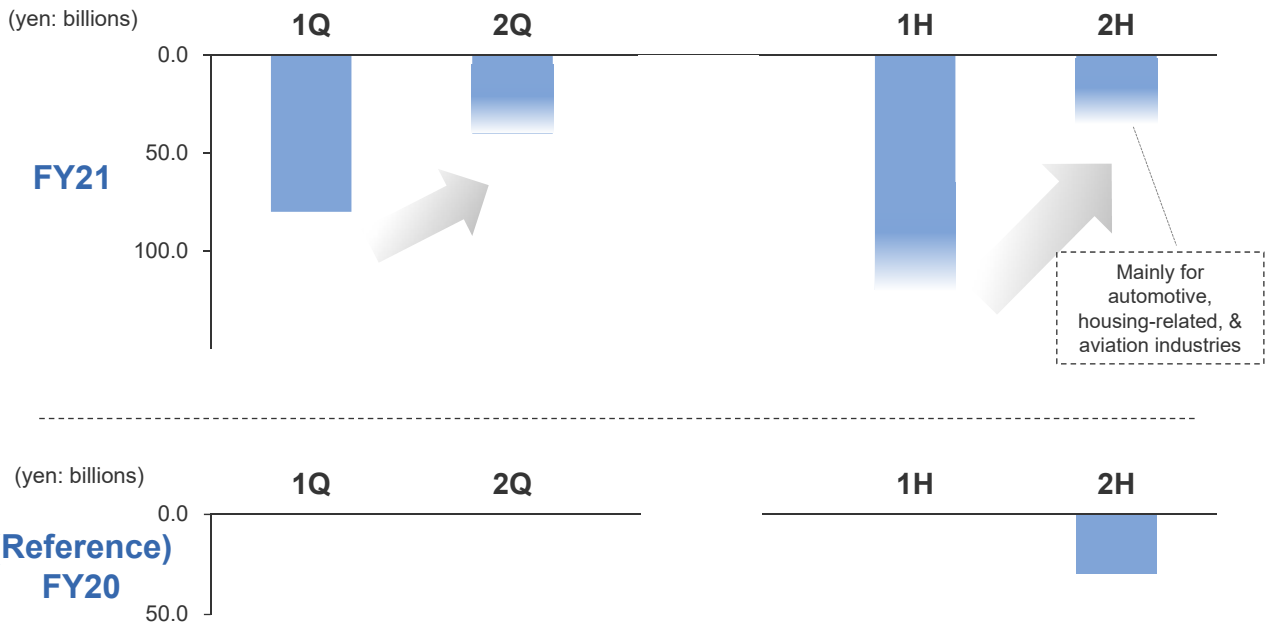
	Nature of COVID-19 Impact	COVID-19 impact on sales* (%)		
		1Q	2Q	2H
<b>Company-wide</b>	• <b>Market recovery to continue</b> according to particular situations, e.g. lifting restrictions on movement and resumption of economic activity in various nations. <b>Supply issues expected to recede. Not expecting another major outbreak of COVID-19;</b>	-20%	-10 to -5%	-5 to -3%
<b>AP</b>	• <b>Gradual recovery trend expected in Europe and Asia due to lifted restrictions; however, impact expected to prolong in Latin America and India</b> • For consumer electronics in Japan, recovery trend and demand related to stay-at-home and infection-prevention needs are factored in; at the same time, negative impact from continuing lower demand by overseas visitors and for non-daily-necessity products	-20 to -10%	-10 to -5%	-3 to 0%
<b>LS</b>	• <b>Overseas:</b> Despite resuming economic activity due mainly to lifted restrictions in various nations, <b>large-scale slowdown in growth</b> is expected • <b>Japan:</b> Due to held-back investment, declines in new residential and non-residential construction starts will continue throughout FY21, and the renewal market is also expected to remain weak	-20 to -10%	-10 to -5%	-10 to -5%
<b>CNS</b>	• Worldwide air passenger demand for FY21 expected to decline by 50% from FY20 • Chinese domestic demand shows trends of recovery, but full-scale recovery in Europe and Americas only expected in FY22 or later • Information- and communication-infrastructure demand shows growth trends due mainly to working remotely becoming much more common	-30 to -20%	-20 to -10%	-10 to -5%
<b>AM</b>	• Since mid-May, customers resumed production; recovery trends seen in various markets starting in China, but impact expected to persist in 2H	-50 to -40%	-20 to -10%	-5 to -3%
<b>IS</b>	• For automobile production, COVID-19 impact expected to remain during 2H, and weak demand for automotive components will continue • Growing demand for information- and communication-infrastructure with working/learning remotely becoming much more common • Weak demand continues for machine tools, but steady for semiconductor production equipment	-10 to -5%	-5 to -3%	-3 to 0%

\* COVID-19 impact on FY21 sales compared to FY21 sales excluding COVID-19 impact

Note: Names of each Segment are as follows; AP: Appliances LS: Life Solutions CNS: Connected Solutions AM: Automotive IS: Industrial Solutions

## Assumptions/Conditions of COVID-19 Impact (Adjusted Operating Profit)

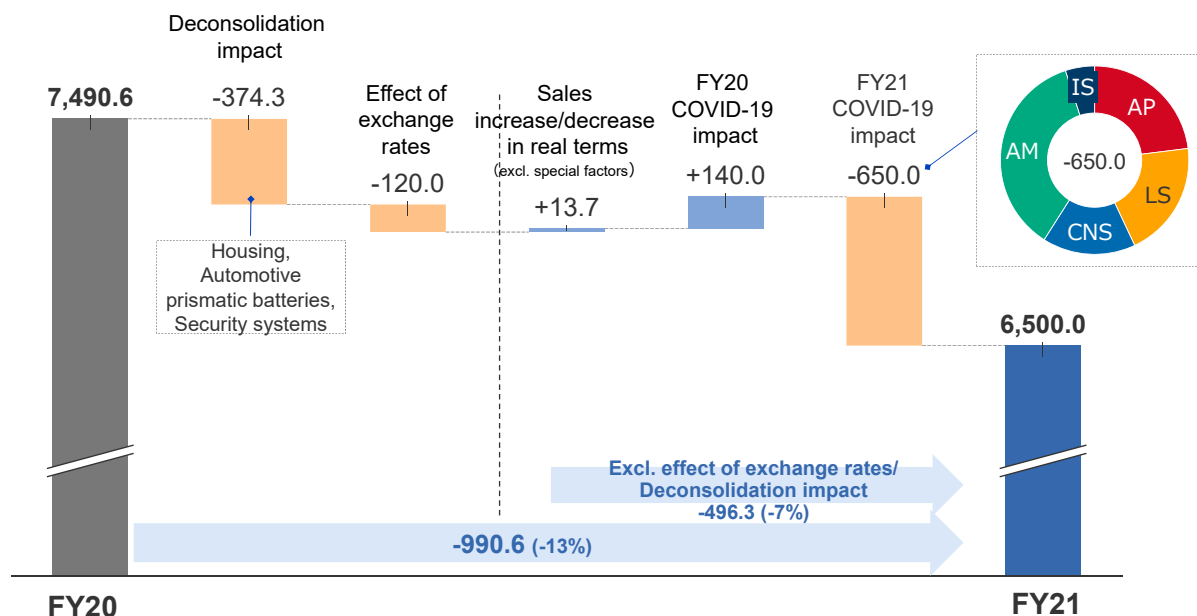
- Decreased amount of profit resulting from COVID-19 impact: negative impact expected to lessen in 2Q and toward 2H



## FY21 Sales Analysis

- Sales decreases largely due to deconsolidation impact in business portfolio reform along with COVID-19 impact

(yen: billions)

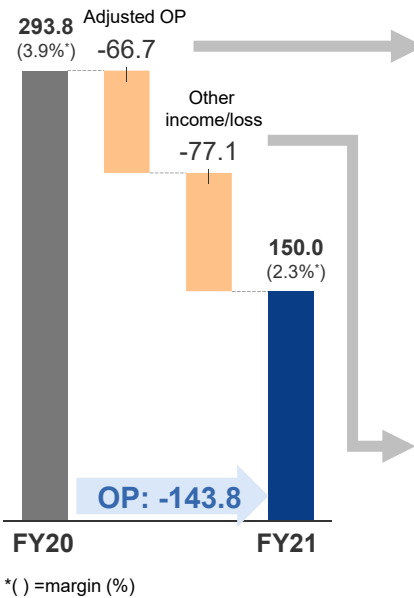


## FY21 Operating Profit Analysis

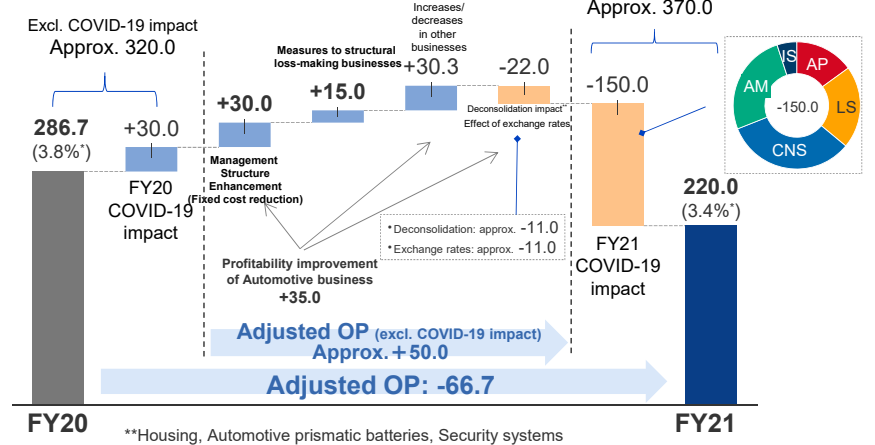
- Decreases due to COVID-19 impact, however, steady progress with Mid-term strategy initiatives such as enhancing management structure

### OP

(yen: billions)



### Adjusted OP



### Other income/loss

#### FY20

Gains from establishment of JV, etc.	122.6
Restructuring expenses, and others (Restructuring expenses)	-115.5 (-102.8)
<b>(Total)</b>	<b>7.1</b>

Other income/loss: -77.1

#### FY21

Gains from establishment of JV	27.0
Restructuring expenses, and others (Restructuring expenses)	-97.0 (-50.0)
<b>(Total)</b>	<b>-70.0</b>

\* ( ) = margin (%)

## FY21 Full-Year Forecast by Segment

(yen: billions)

	Sales	vs. FY20 (Excl. effect of exchange rates)	vs. FY20 Difference	Adjusted OP	vs. FY20 Difference	Other income/loss	vs. FY20 Difference	OP	vs. FY20 Difference
Appliances	2,370.0	-9% (-7%)	-220.3	73.0	+1.9	-18.0	-2.6	55.0	-0.7
Life Solutions	1,480.0	-23% (-22%*)	-438.6	75.0	-23.4	-30.0	-111.7	45.0	-135.1
Connected Solutions	900.0	-13% (-12%)	-134.7	15.0	-61.0	-2.0	-18.0	13.0	-79.0
Automotive	1,250.0	-16% (-14%)	-232.4	-30.0	+0.5	-4.0	+12.1	-34.0	+12.6
Industrial Solutions	1,200.0	-6% (-5%)	-82.7	55.0	+17.4	-12.0	+21.0	43.0	+38.4
Other/ Eliminations & adjustments	-700.0	-	+118.1	32.0	-2.1	-4.0	+22.1	28.0	+20.0
<b>Total</b>	<b>6,500.0</b>	<b>-13% (-12%)</b>	<b>-990.6</b>	<b>220.0</b>	<b>-66.7</b>	<b>-70.0</b>	<b>-77.1</b>	<b>150.0</b>	<b>-143.8</b>
Appliances (Production & sales consolidated)	2,410.0	-9% (-8%)	-251.3	71.0	+2.5	-19.0	-3.6	52.0	-1.1

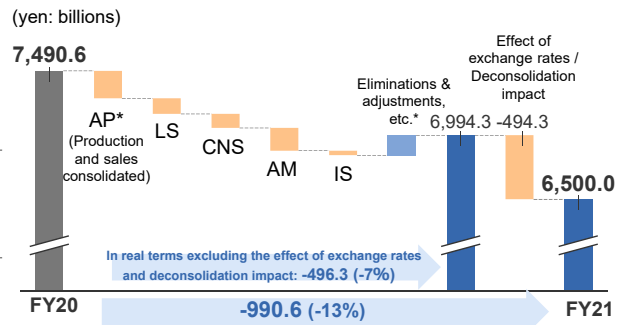
\* vs. FY20 excluding the effect of exchange rates and deconsolidation impact: -7%

# FY21 Full-year Sales and Profit Analysis by Segment

## Major increase/decrease factors

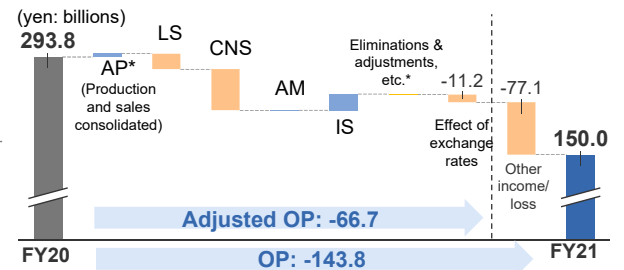
Sales / Adjusted OP	AP	<p><b>Sales decreases:</b> Despite outlook of recovery trend in 2H onward, COVID-19 impact expected to be significant mainly at Smart Life Network</p> <p><b>Profit increases</b> through initiatives to enhance management structure mainly with air-conditioning and white goods businesses, despite sales decrease</p>
	LS	<p><b>Sales decreases</b> due mainly to COVID-19 impact, despite strong air quality-related business in Japan</p> <p><b>Profit decreases:</b> Fixed cost reductions, etc. unable to offset impact of decreased sales</p>
	CNS	<p><b>Sales decreases:</b> Sales of Avionics, etc. largely impacted by COVID-19, despite sales increase at Process Automation due to favorable sales of mounting machines</p> <p><b>Profit decreases:</b> Efforts to reduce costs (mainly personnel costs) unable to offset decreased sales by COVID-19 impact</p>
	AM	<p><b>Sales decreases</b> at both Automotive Solutions and Automotive Batteries due to COVID-19 impact. Steady progress in product portfolio replacement at Automotive Solutions.</p> <p><b>Overall loss expected to be at same level as previous year:</b> Decreases at Automotive Solutions due to efforts in reducing fixed costs unable to offset COVID-19 impact, but increases at Automotive Batteries with improved productivity, etc. at North America factory</p>
	IS	<p><b>Sales decreases:</b> Decreased sales of automotive-use products due to COVID-19 impact, despite favorable demand of products for information- and communication-infrastructure</p> <p><b>Profit increases:</b> Fixed cost reduction and business restructuring effects (e.g. semiconductor business) offset decreased sales</p>
Other income/loss	Impact from one-time gains in the previous year, despite restructuring expenses to decrease	

## Sales: Decreases at all segments due to COVID-19, etc.



\* Difference between "AP (production and sales consolidated)" and segment information is adjusted in "eliminations and adjustments"

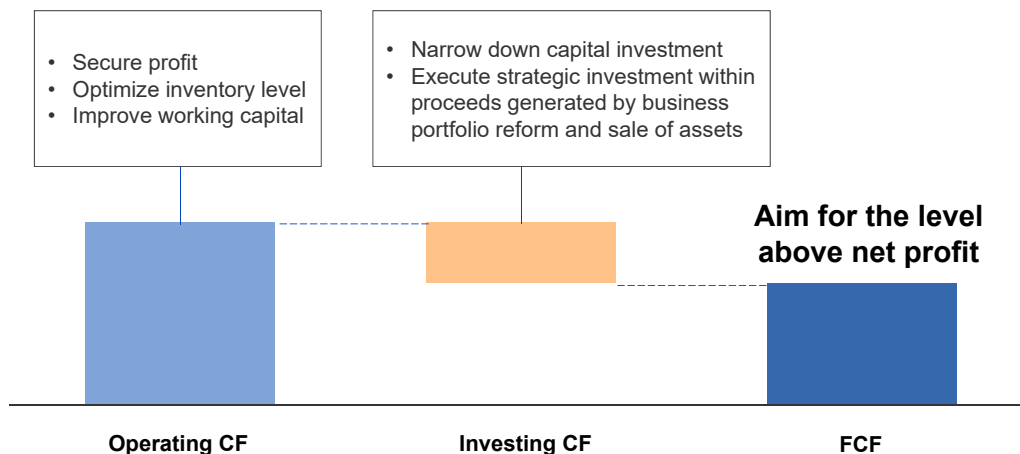
## OP: Decreases overall due mainly to decreased profit at CNS, etc. and rebound from one-time gains in the previous year, despite AP and IS achieving increases



Note: Names of each Segment are as follows;  
 AP: Appliances LS: Life Solutions CNS: Connected Solutions  
 AM: Automotive IS: Industrial Solutions

## FY21 FCF

- From 2Q onward, promote securing profit, optimizing inventory level, improving working capital and narrowing down capital investment
  - Execute strategic investment within the proceeds generated by business portfolio reform and sale of assets
- For the full-year, aim for FCF above the level of net profit



## Business Portfolio Reform Progress since FY20

### Investment for growth

#### Gemba (operational frontlines) process business

- Made strategic equity investment (20%) in Blue Yonder, a leading supply chain software provider (July 20, 2020)

### Enhance competitiveness through Co-creation

#### Automotive prismatic battery business

- Established Prime Planet Energy & Solutions Inc., a joint venture with Toyota Motor Corporation (April 1, 2020)

#### Town development business

- Established Prime Life Technologies Corporation, a joint venture with Toyota Motor Corporation (January 7, 2020) **Completed in FY20**

#### Security systems business

- Completed strategic capital alliance procedures co-investment with Polaris Capital Group Co., Ltd. (November, 2019) **Completed in FY20**

### Improve profitability

#### Semiconductor business

- Announced transfer of semiconductor business (November 28, 2019). Received approval related to competition law from Taiwanese and Chinese authorities, and proceed toward completion in September 2020.
- \*Announced transfer part of discrete semiconductor business (April 23, 2019). Completed November 2019.

#### Liquid crystal display panel business

- Announced end of production of liquid crystal display panels by 2021 (November 21, 2019)

#### Solar business

- Resolved to end partnership with GS-Solar, a Chinese photovoltaic module manufacturer, agreed in May 2019. Aim to restore profitability by FY23 looking into every possible measure including new business collaboration with other partners (July 30, 2020).
- Announced to wind down production in Buffalo, NY, USA. (February 26, 2020). Scheduled to cease production by the end of June 2020 and exit the facility at the end of September 2020

#### Smart Life Network business (TV business, etc.)

- Aim to eliminate losses during FY22 through structural reform

#### Lighting business

- Announced share transfer of European lighting device company (February 5, 2020). Transfer completed (late February 2020) **Completed in FY20**

Note: Changes after FY20 full-year announcement are underlined

## Key Initiatives for FY21

### Execute Mid-term strategy and countermeasures to COVID-19 to overcome low-profitability structure

#### Mid-term Strategy

- **Enhancement of management structure**
  - Fixed cost reduction
  - Taking measures to businesses with loss-making structures
- **Improve profitability of automotive business**
  - Focus on areas where we have advantages/ Improve efficiency of development
  - Improve productivity
- **Business portfolio reform**
  - Invest for growth
  - Enhance competitiveness through collaboration
  - Improve profitability

#### Execute countermeasures to COVID-19

##### ■ Respond to business risks

- Temporary
- Medium-term

- Cost reductions (mainly fixed costs)
- Accelerate and promote countermeasures responding to structural changes

##### ■ Capture business opportunities

- Expanding investments in information- and communication-infrastructure
- Increasing demand related to public health/ air-conditioning and indoor air quality

- Develop products & services, invest in expanded capacity



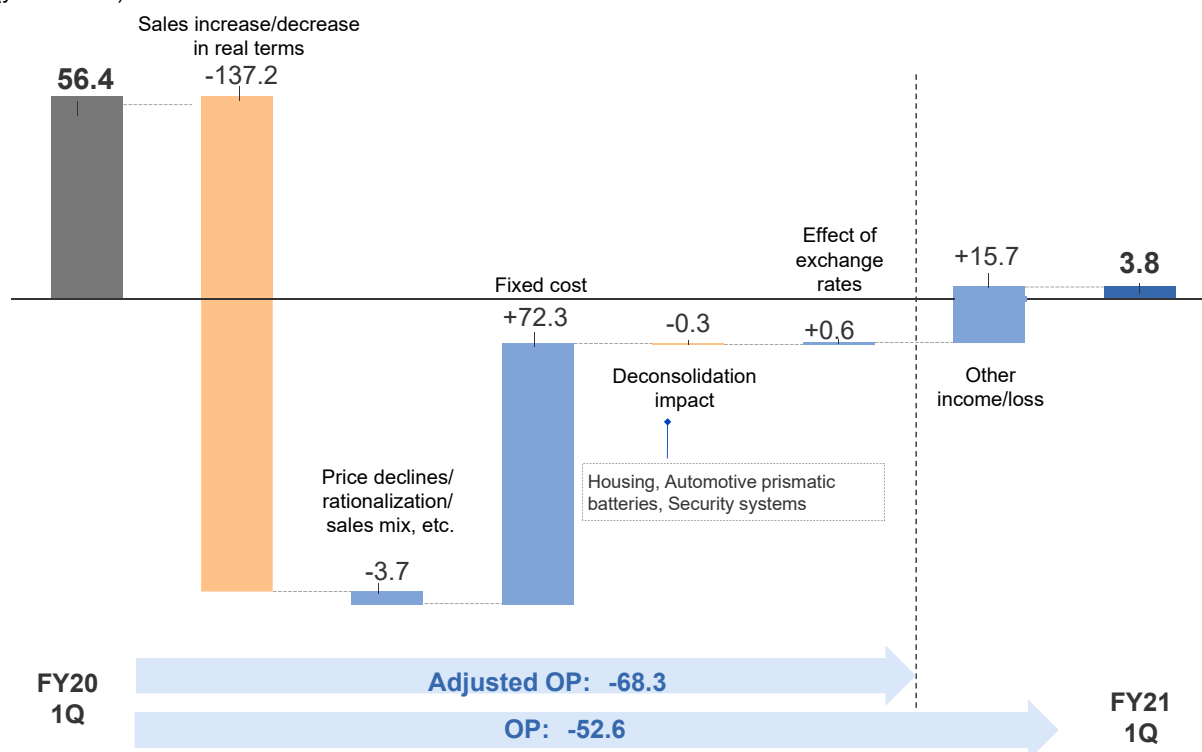
#### **Disclaimer Regarding Forward-Looking Statements**

*This presentation includes forward-looking statements about Panasonic and its Group companies (the Panasonic Group). To the extent that statements in this presentation 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 presentation. 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 the spread of the novel coronavirus infections may adversely affect business activities of the Panasonic Group; 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; restrictions, costs or legal liability relating to laws and regulations or failures in internal controls; 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.*

## (Reference) FY21 1Q Operating Profit Analysis

(yen: billions)



## (Reference) FY21 1Q Operating Profit & Net Profit

(yen: billions)

	FY21 1Q	FY20 1Q	vs. FY20 Difference
Operating profit	3.8	56.4	-52.6
Non-operating income/loss	-0.7	-0.2	-0.5
Profit before income taxes	3.1	56.2	-53.1
Income taxes	-10.0	-2.4	-7.6
Net profit	-6.9	53.8	-60.7
Net profit attributable to Panasonic Corporation stockholders	-9.8	49.8	-59.6
Net profit attributable to non-controlling interests	2.9	4.0	-1.1

## (Reference) Segment Information

## Appliances

(Production and sales consolidated)

### Overview

(yen: billions)

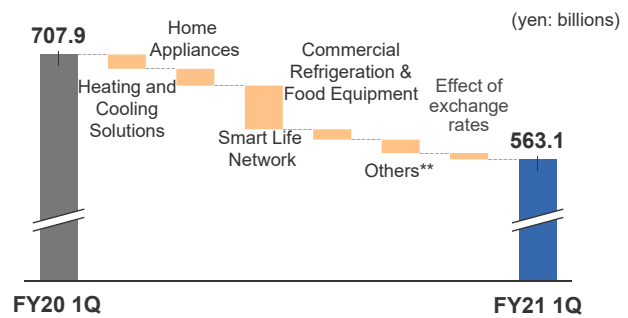
	FY21 1Q	vs. FY20/ Difference
Sales	<b>563.1</b>	-20% (-19%)*
Adjusted operating profit (Adjusted OPM)	<b>14.3</b> (2.5%)	-14.5
Other income/loss	<b>-0.6</b>	-0.0
Operating profit (OPM)	<b>13.7</b> (2.4%)	-14.5

\* In real terms excluding the effect of exchange rates

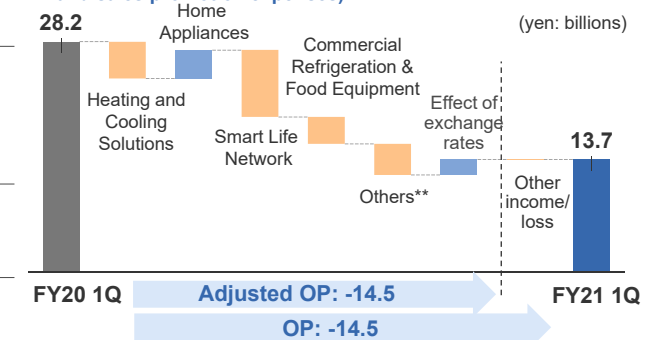
### Major increase/decrease factors

Sales / Adjusted OP	Major increase/decrease factors
Heating and Cooling Solutions	<ul style="list-style-type: none"> <li>Sales and profit decreased: Stable sales of room air-conditioners in China; in Japan, recovery trends seen in May onward, but sales impacted by market deterioration due to lockdowns in Europe, Asia, etc. and by a temporary suspension at factories in Malaysia</li> </ul>
Home Appliances	<ul style="list-style-type: none"> <li>Sales decreased: Despite stable sales of personal-care products in China, COVID-19 mainly affected refrigerators and washing machines in Asia and Latin America</li> <li>Profit increased due mainly to reducing fixed costs and sale promotion expenses, despite decreased sales</li> </ul>
Smart Life Network	<ul style="list-style-type: none"> <li>Sales and profit decreased: Digital still camera sales decreased due to market deteriorated mainly in Europe, along with TV supply shortage caused by temporary suspension at factories and other factors</li> </ul>
Commercial Refrigeration & Food Equipment	<ul style="list-style-type: none"> <li>Sales and profit decreased mainly in showcases for large-scale stores affected by COVID-19 in Japan and North America</li> </ul>
Other income/loss	-

**Sales: Decreased, largely affected by market deterioration from COVID-19 impact (e.g. lockdowns), despite recovery trends in some products in regions such as China and Japan**



**OP: Decreased due to decreased sales, but negative impact mitigated by management enhancement initiatives (e.g. reducing fixed costs and sales promotion expenses)**



\*\* Refrigeration and Air-Conditioning Devices BD, Smart Energy System BD, sales of other Divisional Company products, headquarter-related, eliminations, etc.



Fiscal 2021 First Quarter Financial Results / Full-Year Forecast

## (Reference) Segment Information

## Life Solutions

### Overview

(yen: billions)

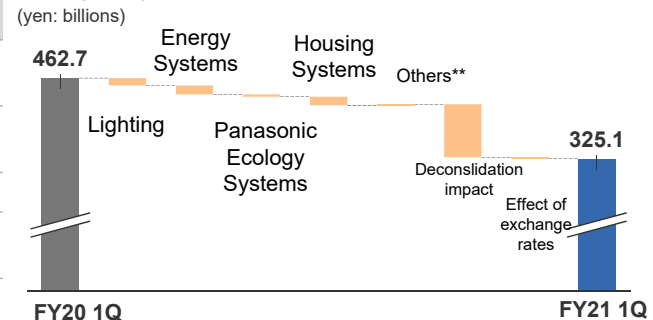
	FY21 1Q	vs. FY20/ Difference
Sales	<b>325.1</b>	-30% (-29%)*
Adjusted operating profit (Adjusted OPM)	<b>7.3</b> (2.3%)	-5.2
Other income/loss	<b>-1.7</b>	-1.9
Operating profit (OPM)	<b>5.6</b> (1.7%)	-7.1

\* In real terms excluding the effect of exchange rates / -12% excluding the effect of exchange rates and deconsolidation impact

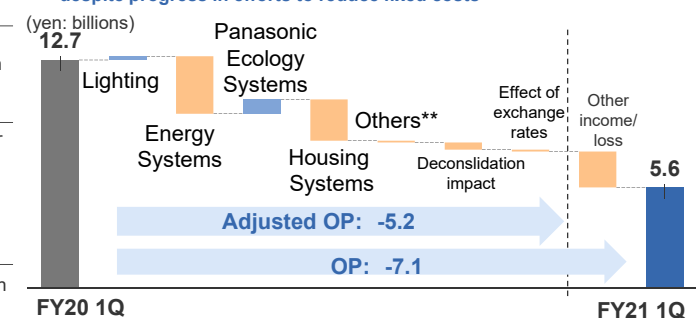
### Major increase/decrease factors

Sales / Adjusted OP	Major increase/decrease factors
Lighting	<ul style="list-style-type: none"> <li>Despite sales decrease due to weak demand caused by COVID-19 and business transfer in Europe, profit increased with lower manufacturing costs and reduced expenses, etc.</li> </ul>
Energy Systems	<ul style="list-style-type: none"> <li>Sales and profit decreased due to decreased sales from COVID-19 impact, including market deterioration caused by lockdowns and temporary suspensions at factories (e.g. India)</li> </ul>
Panasonic Ecology Systems	<ul style="list-style-type: none"> <li>Sales decreased due to decreased sales of in door air quality (IAQ) business in Asia and North America, despite sales increase of Ziaino air purifier/sterilizers in Japan</li> <li>Profit increased: Efforts to reduce fixed costs, etc. offset decreased sales</li> </ul>
Housing Systems	<ul style="list-style-type: none"> <li>Sales and profit decreased due to market deterioration caused by COVID-19 impact and delayed product supply, etc.</li> </ul>
Other income/loss	<ul style="list-style-type: none"> <li>Restructuring expenses, etc.</li> </ul>

**Sales: Decreased due to deconsolidation (e.g. Panasonic Homes) as well as decreased sales affected due to market deterioration, etc. caused by COVID-19**



**OP: Decreased due mainly to decreased sales caused by COVID-19 impact, despite progress in efforts to reduce fixed costs**



\*\* Bicycle, nursing-care, sales & marketing, eliminations, etc.



Fiscal 2021 First Quarter Financial Results / Full-Year Forecast

# (Reference) Segment Information

## Connected Solutions

### Overview

(yen: billions)

	FY21 1Q	vs. FY20/ Difference
Sales	185.3	-27% (-26%)*
Adjusted operating profit (Adjusted OPM)	-16.6 (-8.9%)	-30.8
Other income/loss	0.6	+1.1
Operating profit (OPM)	-16.0 (-8.6%)	-29.7

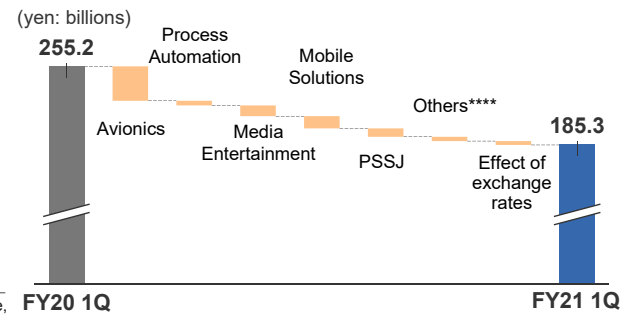
\* In real terms excluding the effect of exchange rates

### Major increase/decrease factors

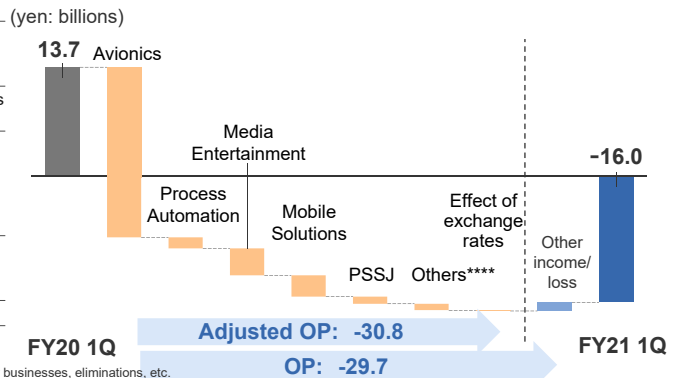
Sales / Adjusted OP	Factor	Description
Avionics	Sales	Sales decreased due to decreased sales of IFEC**, hardware, and repair & maintenance services, caused by airline companies holding back investment, etc., due to sharp decline of flight operations
Avionics	Profit	Profit decreased despite thorough efforts to reduce costs, mainly personnel costs
Process Automation	Sales and profit	Sales and profit decreased due to weak automobile market conditions, despite increased sales of servers and mounting machines for 5G base stations in China
Media Entertainment	Sales and profit	Sales and profit decreased with decreased sales of projectors etc. resulting from event cancellations worldwide
Mobile Solutions	Sales and profit	Sales and profit decreased: Notebook PC demand increased with more people working remotely; however, a negative impact was felt relative to last year's special demand for the end of Windows 7 support; furthermore, production affected by component procurement issues
PSSJ**	Sales and profit	Sales and profit decreased: Delays in project promotion activities caused by COVID-19, and negative impact relative to special demand for the end of Windows 7 support
Others	Profit	Deconsolidation of security systems business, etc.
Other income/loss		-

\*\* IFEC (Inflight entertainment and connectivity) \*\*\* Panasonic System Solutions Japan Co., Ltd. \*\*\*\* Other businesses, eliminations, etc.

Sales: Decreased mainly at Avionics, affected by sharp decline of flight operations



OP: Decreased: Thorough efforts to reduce fixed costs, etc. unable to offset decreased sales from COVID-19 impact



Fiscal 2021 First Quarter Financial Results / Full-Year Forecast

# (Reference) Segment Information

## Automotive

### Overview

(yen: billions)

	FY21 1Q	vs. FY20/ Difference
Sales	210.8	-44% (-43%)*
Adjusted operating profit (Adjusted OPM)	-29.5 (-14.0%)	-19.7
Other income/loss	20.0	+20.2
Operating profit (OPM)	-9.5 (-4.5%)	+0.5

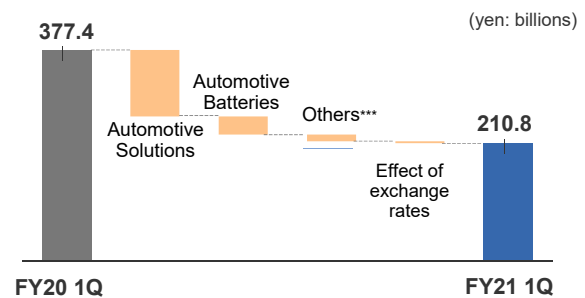
\* In real terms excluding the effect of exchange rates

### Major increase/decrease factors

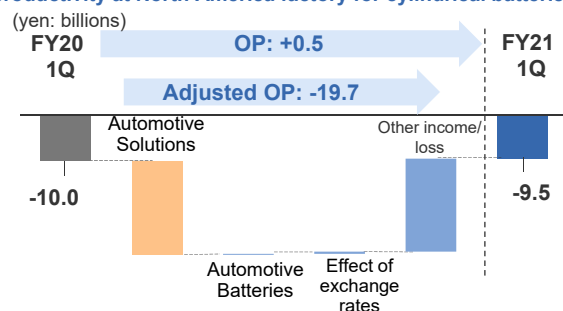
Sales / Adjusted OP	Factor	Description
Automotive Solutions	[Sales]	Decreased largely due to COVID-19; steady progress made with portfolio replacement to IVI**, on which we focus our resources within infotainment products
Automotive Solutions	[Profit]	Significant fixed-cost reductions with accelerated management enhancement measures unable to offset decreased sales from COVID-19 impact
Automotive Batteries	[Sales]	Decreased largely due to COVID-19; North America factory for cylindrical batteries resumed production at beginning of April; all production lines returned to near-normal capacity.
Automotive Batteries	[Profit]	Same level as previous year with rationalization efforts at North America factory for cylindrical batteries; improved productivity and reduced losses offset COVID-19 impact
Automotive Batteries	[Profit]	North America factory for cylindrical batteries returned to profitability in June on a single-month basis
Other income/loss		Automotive prismatic battery joint venture equity method loss, and profits from transactions related to joint venture establishment

Note: Grouping of Businesses whose sales are disclosed [Automotive Solutions] Automotive Infotainment Systems, HMI Systems, Automotive Systems, Ficosa [Automotive Batteries] Tesla Energy, Automotive prismatic battery business

Sales: Nearly halved due to COVID-19 impact; In Automotive Solutions, steady progress made with portfolio replacement to IVI, which is our focus area



OP: Decreased in Automotive Solutions, significant fixed-cost reductions unable to offset COVID-19 impact; achieved same level as previous year in Automotive Batteries through improved productivity at North America factory for cylindrical batteries, etc.



Fiscal 2021 First Quarter Financial Results / Full-Year Forecast

# (Reference) Segment Information

## Industrial Solutions

### Overview

(yen: billions)

	FY21 1Q	vs. FY20/ Difference
Sales	288.6	-12% (-10%)*
Adjusted operating profit (Adjusted OPM)	10.7 (3.7%)	+3.9
Other income/loss	-1.5	+0.1
Operating profit (OPM)	9.2 (3.2%)	+4.0

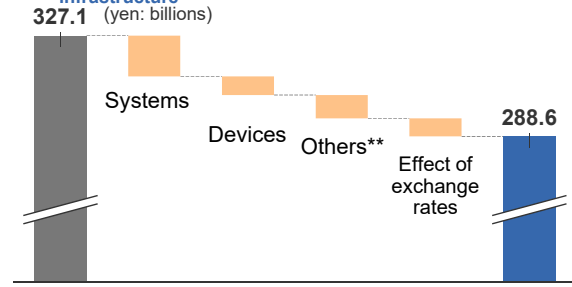
\* In real terms excluding the effect of exchange rates

### Major increase/decrease factors

Sales / Adjusted OP	
Systems	<ul style="list-style-type: none"> <li>Sales decreased with automotive-use products (e.g. relays) impacted by COVID-19; however, profit increased with increased sales of power storage systems for data centers and growth in industrial-use motors, and efforts to reduce fixed costs offset decreased sales</li> </ul>
Devices	<ul style="list-style-type: none"> <li>Sales and profit decreased mainly with weak sales of automotive-use products (e.g. coils, sensors) impacted by COVID-19, despite growth in capacitors and circuit board materials for information- and communication-infrastructure</li> </ul>
Others	<ul style="list-style-type: none"> <li>Sales decreased due to market deterioration, but profit increased due mainly to reduced fixed costs and contract alteration effect of semiconductor business</li> </ul>
Other income/loss	-

Note: Grouping of Businesses whose sales are disclosed  
 [Systems] Electromechanical Control, Industrial Device, Energy Solutions  
 [Devices] Device Solutions, Energy Device, Electronic Materials

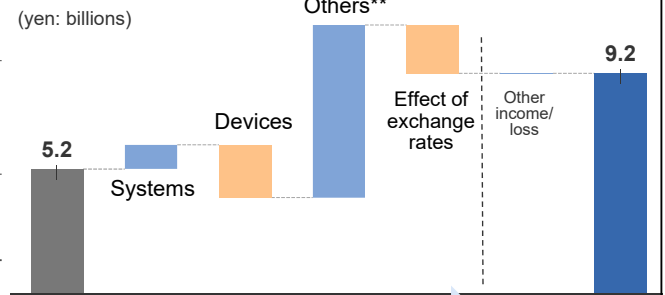
Sales: Decreased with weak automotive-use products (e.g. relays) impacted by COVID-19, despite growth in power storage systems, capacitors, and circuit board materials for information- and communication-infrastructure



FY20 1Q

FY21 1Q

OP: Increased with increased sales of power storage systems, etc., fixed-cost reduction and improvement of semiconductor business reform offsetting decreased sales of automotive-use products



FY20 1Q

FY21 1Q

\*\* Includes semiconductor, LCD, sales of other Divisional Company products, eliminations, etc.



Fiscal 2021 First Quarter Financial Results / Full-Year Forecast

# (Reference) List of Sub-segments (formerly Businesses whose sales are disclosed) in FY21

Sub-segments	Major Business Divisions, etc.
<b>AP</b>	<ul style="list-style-type: none"> <li>Heating and Cooling Solutions : Heating and Cooling Solutions BD</li> <li>Home Appliances : Kitchen Appliances BD, Laundry Systems and Vacuum Cleaner BD, Beauty and Personal Care BD</li> <li>Smart Life Network : Smart Life Network BD</li> <li>Commercial Refrigeration &amp; Food Equipment : Cold Chain BD, Hussmann Corporation</li> <li>Others : Refrigeration and Air-Conditioning Devices BD, Smart Energy System BD, sales of other Divisional Company products, headquarter-related, eliminations, etc.</li> </ul>
<b>LS</b>	<ul style="list-style-type: none"> <li>Lighting : Lighting BD</li> <li>Energy Systems : Energy Systems BD</li> <li>Panasonic Ecology Systems : Panasonic Ecology Systems Co., Ltd.</li> <li>Housing Systems : Housing Systems BD</li> <li>Others : Bicycle, nursing-care, sales &amp; marketing, eliminations, etc.</li> </ul>
<b>CNS</b>	<ul style="list-style-type: none"> <li>Avionics : Panasonic Avionics Corporation, Avionics BU</li> <li>Process Automation : Process Automation BD</li> <li>Media Entertainment : Media Entertainment BD</li> <li>Mobile Solutions : Mobile Solutions BD</li> <li>PSSJ : Panasonic System Solutions Japan Co., Ltd.</li> <li>Others : Other businesses, eliminations, etc.</li> </ul>
<b>AM</b>	<ul style="list-style-type: none"> <li>Automotive Solutions : Automotive Infotainment Systems BD, HMI Systems BD, Automotive Systems BD, Ficosa International, S.A.</li> <li>Automotive Batteries : Tesla Energy BD, Automotive prismatic battery business</li> <li>Others : Sales of other Divisional Company products, etc.</li> </ul>
<b>IS</b>	<ul style="list-style-type: none"> <li>Systems : Electromechanical Control BD, Industrial Device BD, Energy Solutions BD</li> <li>Devices : Device Solutions BD, Energy Device BD, Electronic Materials BD</li> <li>Others : Semiconductor, LCD, sales of other Divisional Company products, eliminations, etc.</li> </ul>
<b>Other</b>	<ul style="list-style-type: none"> <li>Sales of raw materials, etc.</li> </ul>
<b>Eliminations &amp; adjustments</b>	<ul style="list-style-type: none"> <li>Revenues and expenses which are not attributable to any reportable segments for the purpose of evaluating operating results of each segment, consolidation adjustments, and eliminations of intersegment transactions.</li> </ul>

Notes: 1. Sales and profit of China & Northeast Asia Company are mainly included in AP and LS segments. Sales and profit of US Company are mainly included in AP and AM segments.  
 2. Panasonic Homes was deconsolidated in January 2020. Automotive Energy BD was deconsolidated in April 2020.  
 Share of profit of investments accounted for using the equity method for Prime Life Technologies Corporation and Prime Planet Energy & Solutions Inc. included in "Eliminations & adjustments" and "AM segment," respectively



Fiscal 2021 First Quarter Financial Results / Full-Year Forecast