

# Fiscal 2011 Second Quarter and Six Months Financial Results

October 29, 2010  
Makoto Uenoyama  
Panasonic Corporation

*Notes: 1. This is an English translation from the original presentation in Japanese.  
2. In this presentation, "fiscal 2011" or "FY11" refers to the year ending March 31, 2011. In addition, "fiscal 2011 six months" or "FY11 6M" refers to the period from April to September 2010.*

- This presentation contains consolidated financial results for the second quarter and the first six months ended September 30, 2010 of fiscal year 2011.

## Summary of Six Months Results FY11 2

- 1. Sales increased in all regions led by continued double-digit growth in emerging countries**
- 2. All profits exceeded previous year's results and revised forecasts due to lower break-even point**
- 3. Both sales and profits increased in all segments**

Panasonic ideas for life

- This slide shows the three main points regarding the financial results for the first six months.
- Firstly, sales increased in all regions led by continued double-digit growth in emerging countries, despite a severe business environment due to continuous appreciation of the yen.
- Secondly, all profit results (operating profit, pre-tax income, net income attributable to Panasonic Corporation) exceeded previous year's results and revised forecasts due to lower break-even point.
- Finally, both sales and profits increased in all segments.

- 1. Summary of consolidated financial results**
2. Segment analysis
3. Full year forecasts for fiscal 2011

- This section outlines the consolidated financial results for the second quarter and the first six months of fiscal 2011.

## FY11 Six Months Results

4

(yen: billions)

	FY11 6M (Apr. to Sept.)	FY10 6M (Apr. to Sept.)	vs. FY10 /difference	vs. revised forecasts/ difference
<b>Sales</b>	<b>4,367.9</b>	<b>3,333.3</b>	<b>+31% (+6%)*</b> <b>+1,034.6</b>	<b>0%</b> <b>- 2.1</b>
Domestic	2,189.5	1,776.0	+23% (+4%)*	-
Overseas	2,178.4	1,557.3	+40% (+9%)*	-
<b>Operating profit (%)</b>	<b>169.0 (3.9%)</b>	<b>28.9 (0.9%)</b>	<b>+486%</b> <b>+140.1</b>	<b>+21%</b> <b>+29.0</b>
<b>Pre-tax income/loss (%)</b>	<b>144.6 (3.3%)</b>	<b>-26.5 (-0.8%)</b>	<b>-</b> <b>+171.1</b>	<b>+20%</b> <b>+24.6</b>
<b>Net income/loss** (%)</b>	<b>74.7 (1.7%)</b>	<b>-46.9 (-1.4%)</b>	<b>-</b> <b>+121.6</b>	<b>+36%</b> <b>+19.7</b>

\* Comparison with FY10 6M, including SANYO's results for Apr. to Sept. 2009 (unreviewed)

\*\* Net income/loss attributable to Panasonic Corporation

Panasonic ideas for life

- Consolidated sales for the first six months totaled 4,367.9 billion yen, up 31% compared with the previous year. Sales also increased by 6% compared with the previous year which included SANYO's results for April to September 2009.
- Operating profit totaled 169.0 billion yen, pre-tax income was 144.6 billion yen and net income attributable to Panasonic Corporation was 74.7 billion yen. All profit results showed significant increases of more than 100.0 billion yen compared with the previous year, exceeding revised forecasts.

## FY11 6M Financial Results (Breakdown) 5

(yen: billions)

	FY2011 6M (Apr. to Sept.)	Panasonic Group (excluding SANYO)		SANYO (including amortization of intangible assets etc.)
		Amount	vs. FY10/ difference	
Sales	4,367.9	3,553.7	+7%	814.2
Domestic	2,189.5	1,876.0	+6%	313.5
Overseas	2,178.4	1,677.7	+8%	500.7
Operating profit (%)	169.0 (3.9%)	162.9 (4.6%)	+134.0	6.1
Non-operating income/loss	-24.4	-9.0	+46.4	-15.4
Pre-tax income (%)	144.6 (3.3%)	153.9 (4.3%)	+180.4	-9.3
Net income* (%)	74.7 (1.7%)	75.0 (2.1%)	+121.9	-0.3

\* Net income attributable to Panasonic Corporation

Panasonic ideas for life

- This slide provides a breakdown of the financial results of Panasonic Group (excluding SANYO) and SANYO in the first six months of fiscal 2011.

## FY11 2nd Quarter Results (July to Sept.) 6

(yen: billions)

	FY11 2Q (July to Sept.)	FY10 2Q (July to Sept.)	vs. FY10 /difference
<b>Sales</b>	2,206.8	1,737.8	+27% (+2%)*
<b>Domestic</b>	1,135.1	917.3	+24% (+4%)*
<b>Overseas</b>	1,071.7	820.5	+31% (+1%)*
<b>Operating profit (%)</b>	85.2 (3.9%)	49.1 (2.8%)	+74% +36.1
<b>Pre-tax income (%)</b>	60.3 (2.7%)	25.3 (1.5%)	+138% +35.0
<b>Net income** (%)</b>	31.0 (1.4%)	6.1 (0.4%)	+408% +24.9

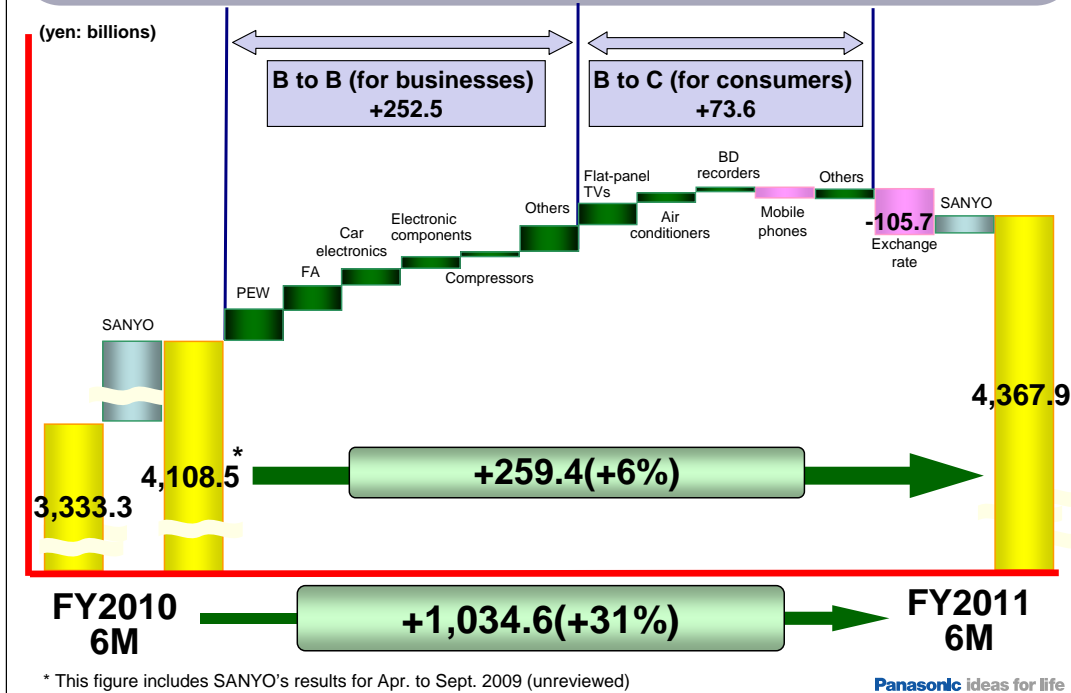
\* Comparison with FY10 2Q, including SANYO's results for July to Sept. 2009 (unreviewed)

\*\* Net income attributable to Panasonic Corporation

Panasonic ideas for life

- Consolidated sales for the second quarter (July to Sept.) totaled 2,206.8 billion yen, up 27% compared with the previous year. Sales also increased by 2% compared with the previous year which included SANYO's results for July to September 2009.
- All profit results showed significant increases. In particular, net income attributable to Panasonic Corporation increased approximately 5 times from the previous year.

## FY11 6M Sales Analysis by Products (vs. FY10 6M) 7

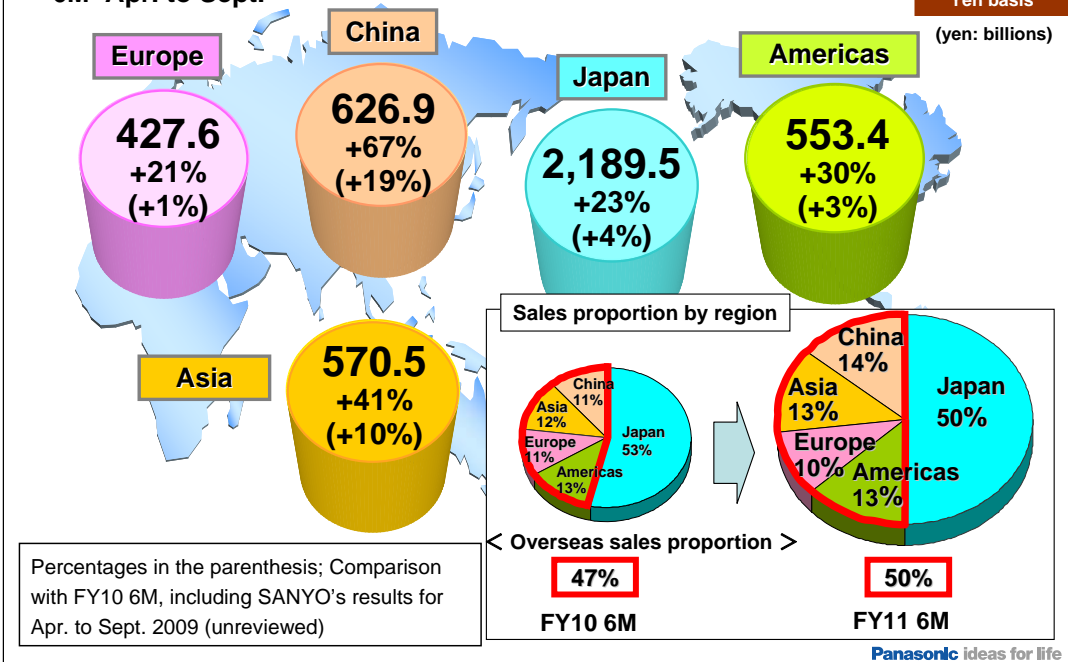


- This slide shows sales trends by major product category.
- Total sales increased by 259.4 billion yen to 4,367.9 billion yen compared with the previous year's sales of 4,108.5 billion yen which includes SANYO's results for April to September 2009.
- Although overall sales had a significant negative impact as a result of appreciation of the yen, all main products, excluding mobile phones, recorded sales increases compared with the same period last year.

## FY11 6M Global Sales by Region (vs. FY10 6M) 8

6M=Apr. to Sept.

Yen basis  
(yen: billions)

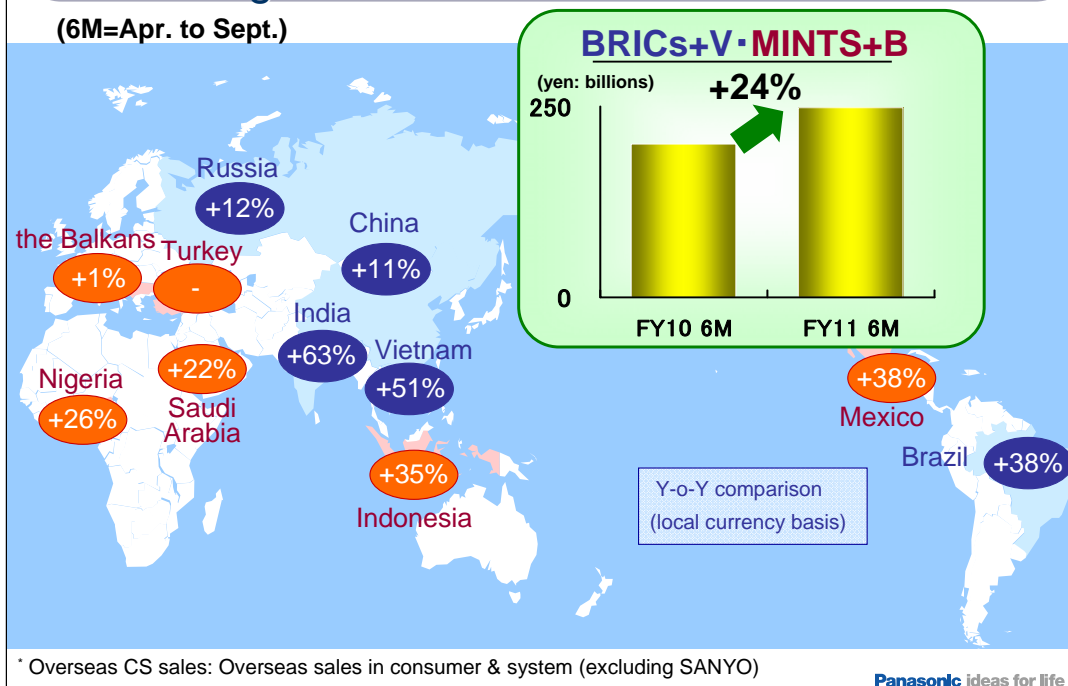


- This slide shows global sales by region in the first six months of fiscal 2011.
- The percentage in parenthesis is the comparison from the previous year including SANYO's results for April to September 2009. Even this comparison shows sales growth in all regions.
- Sales in China increased by 19% from last year due to strong sales in PEW's products and FA equipment. Sales increase in air conditioners and compressors also contributed to sales growth.
- Furthermore, sales in the Japanese consumer products achieved record high in the second quarter, following the first quarter, thanks to the 'eco-point', the Japanese government's economic stimulus program, and an extremely hot summer.
- With regard to sales proportion by region, total overseas sales increased from 47% to 50%.

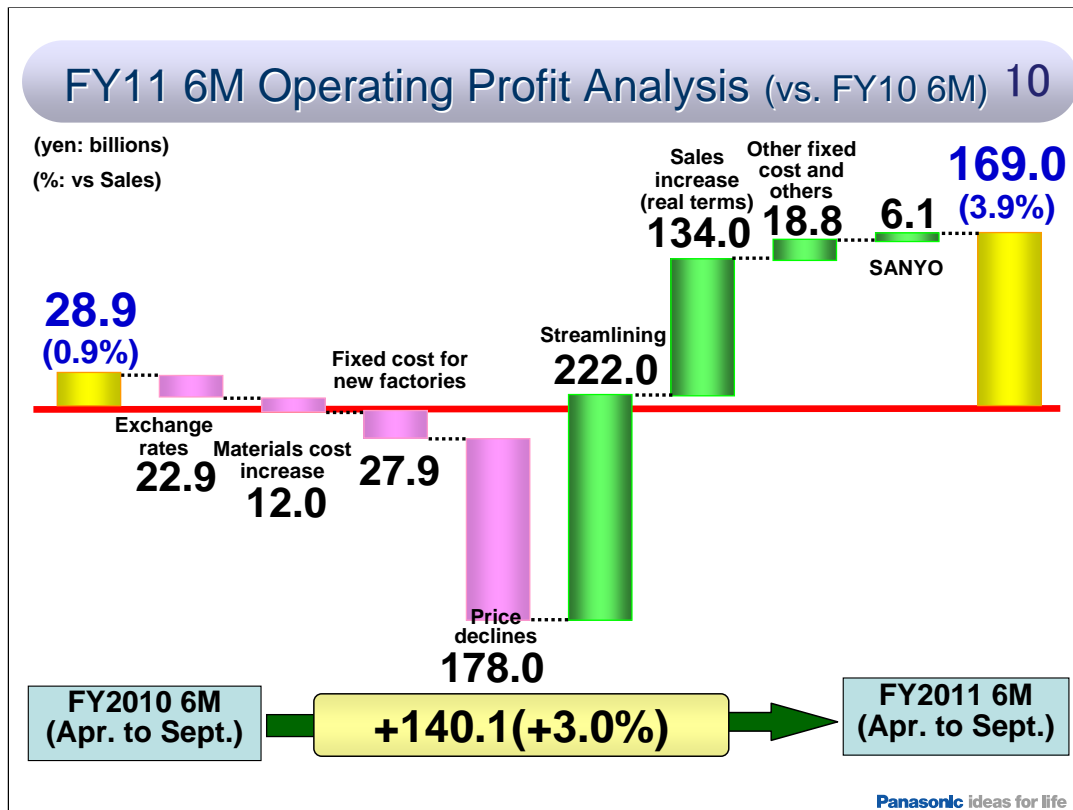
## Emerging Countries Lead Overseas CS Sales\* (excluding SANYO)

9

(6M=Apr. to Sept.)



- Sales results are shown here for the 'BRICs+V (Vietnam)' and 'MINTS+B' (Mexico, Indonesia, Nigeria, Turkey, Saudi Arabia and the Balkans) which were selected as the important emerging countries in the midterm management plan 'GT12'.
- Total sales in the overseas consumer and system (excluding SANYO) in the first six months of fiscal 2011 were up 24% from the previous year, making steady progress in the high-volume segment.



- This slide shows operating profit analysis.
- Despite appreciation of the yen and rising prices for raw materials, operating profit increased by 140.1 billion yen due mainly to through sales increase and streamlining effects which exceeded price declines.

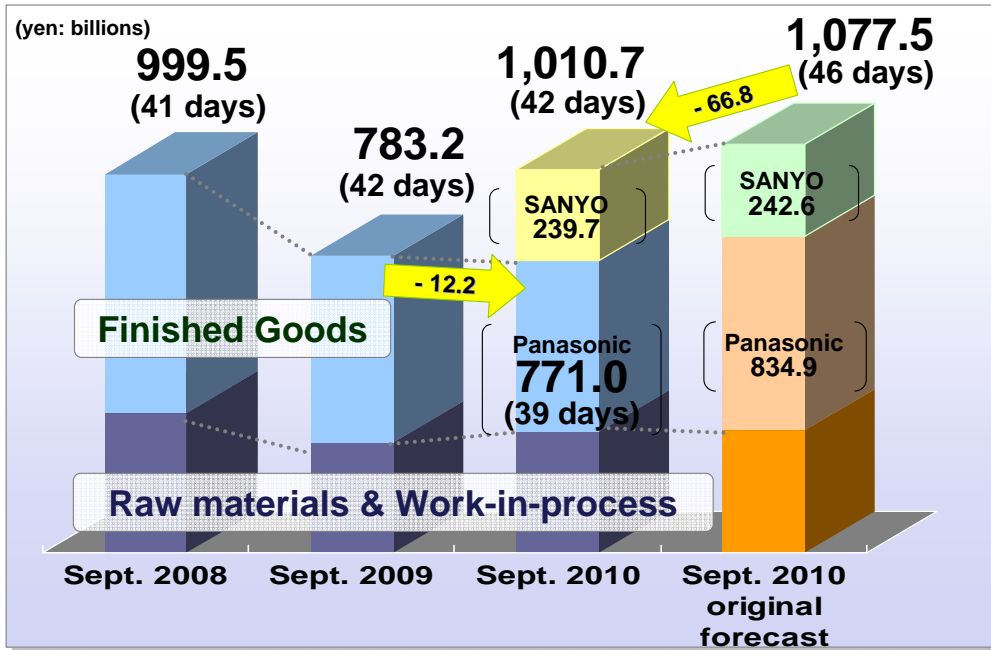
## Pre-tax and Net Income Analysis 11

(6M=Apr. to Sept.)

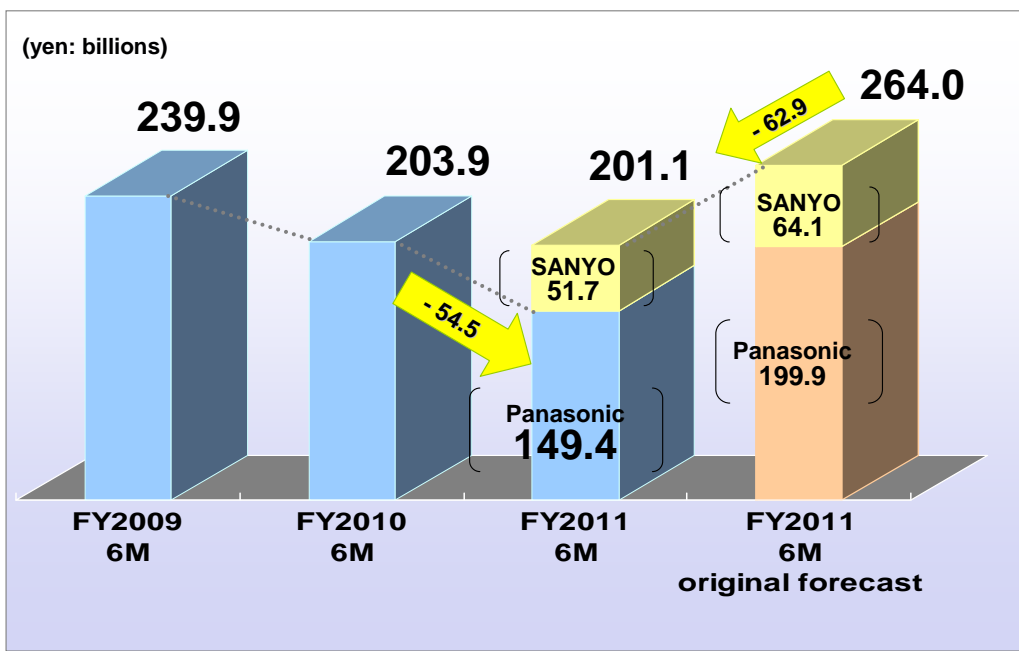
(yen: billions)	FY11 6M	vs. FY10 6M
<b>Operating profit</b>	<b>169.0</b>	<b>+140.1</b>
<b>Non-operating income/loss</b>	<b>- 24.4</b>	<b>+31.0</b>
Financial income/loss	- 5.1	- 3.6
Early retirement charges	- 1.6	+21.1
Other	- 17.7	+13.5
<b>Pre-tax income</b>	<b>144.6</b>	<b>+171.1</b>
<b>Provision for income taxes</b>	<b>64.1</b>	<b>- 41.3</b>
<b>Equity in earnings of associated companies</b>	<b>3.5</b>	<b>+5.5</b>
<b>Net income</b>	<b>84.0</b>	<b>+135.3</b>
<b>Less net income attributable to noncontrolling interests</b>	<b>9.3</b>	<b>- 13.7</b>
<b>Net income attributable to Panasonic Corporation</b>	<b>74.7</b>	<b>+121.6</b>

Panasonic ideas for life

- Next, pre-tax and net income analysis.
- Despite deteriorating financial income, the non-operating income improved by 31.0 billion yen compared with the previous year. This was due mainly to a decrease in business restructuring expenses compared to the previous year.
- The change in net income attributable to noncontrolling interests was due mainly to improved results in PEW.
- As a result, net income attributable to Panasonic Corporation improved significantly by 121.6 billion yen from a year ago.



- Next, balance sheet items.
- At the end of September 2010, SANYO's inventories totaled 239.7 billion yen. Panasonic's inventories, excluding SANYO's, were 771.0 billion yen, a decrease of 12.2 billion yen from September 2009. The Company also made a reduction in its turnover by 3 days from 42 to 39 days.
- Owing to company-wide initiatives, even compared with the Company's original forecast which included SANYO's inventories, Panasonic successfully reduced its inventory level by 66.8 billion yen and 4 turnover days.



Panasonic ideas for life

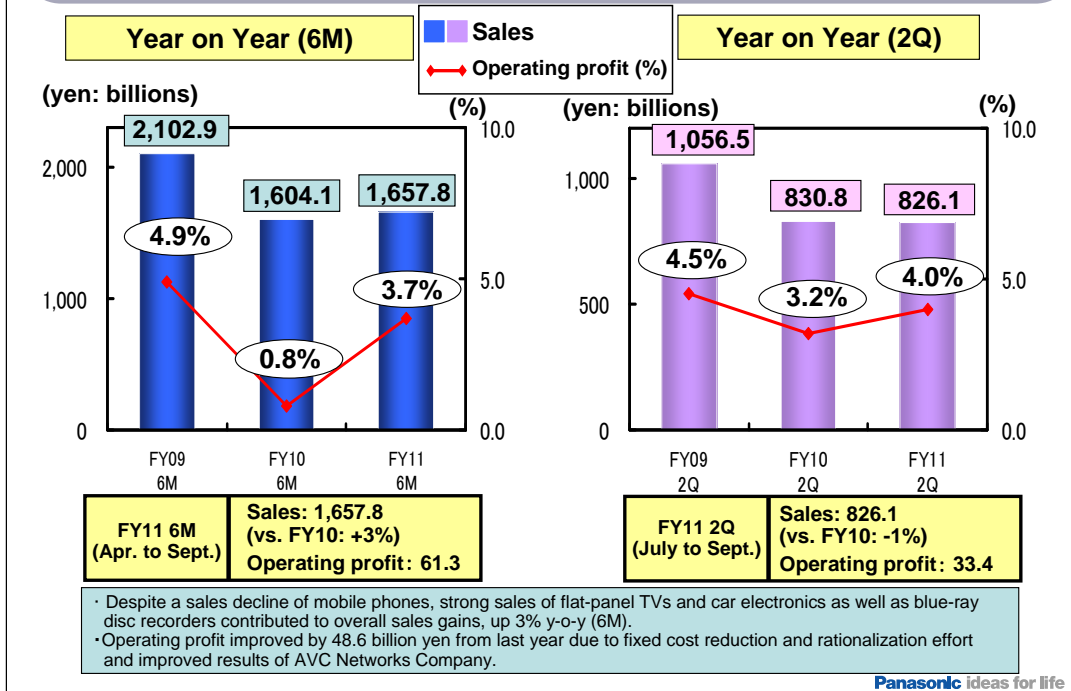
- Panasonic's capital investment (excluding SANYO's 51.7 billion yen) totaled 149.4 billion yen, a decrease of 54.5 billion yen from the previous year.
- The Company still successfully reduced its capital investment by 62.9 billion yen compared with the original forecast.

1. Summary of consolidated  
financial results

**2. Segment analysis**

3. Full year forecasts for fiscal  
2011

- Next, segment analysis.



- First, Digital AVC Networks.
- The chart on the left side shows results of the first six months in the last three years, while the chart on the right shows the results of the last three year's second quarters.
- Strong sales of flat-panel TVs and car electronics as well as blue-ray disc recorders contributed to overall sales increase, up 3% from the same period a year ago.
- Operating profit amounted to 61.3 billion yen, showing a significant increase thanks to improved results of AVC Networks Company.

(6M=Apr. to Sept.)

	AVC *		PMC **	
	FY11 6M	vs. FY10/ difference	FY11 6M	vs. FY10/ difference
(yen: billions)				
Sales	844.4	+5%	139.7	-16%
Operating profit/loss	-17.9	+15.0	6.3	-3.4
vs sales (%)	-2.1%	+2.0%	4.5%	-1.3%
Capex	60.1	-50.0	1.7	+0.6

\* AVC = AVC Networks Company

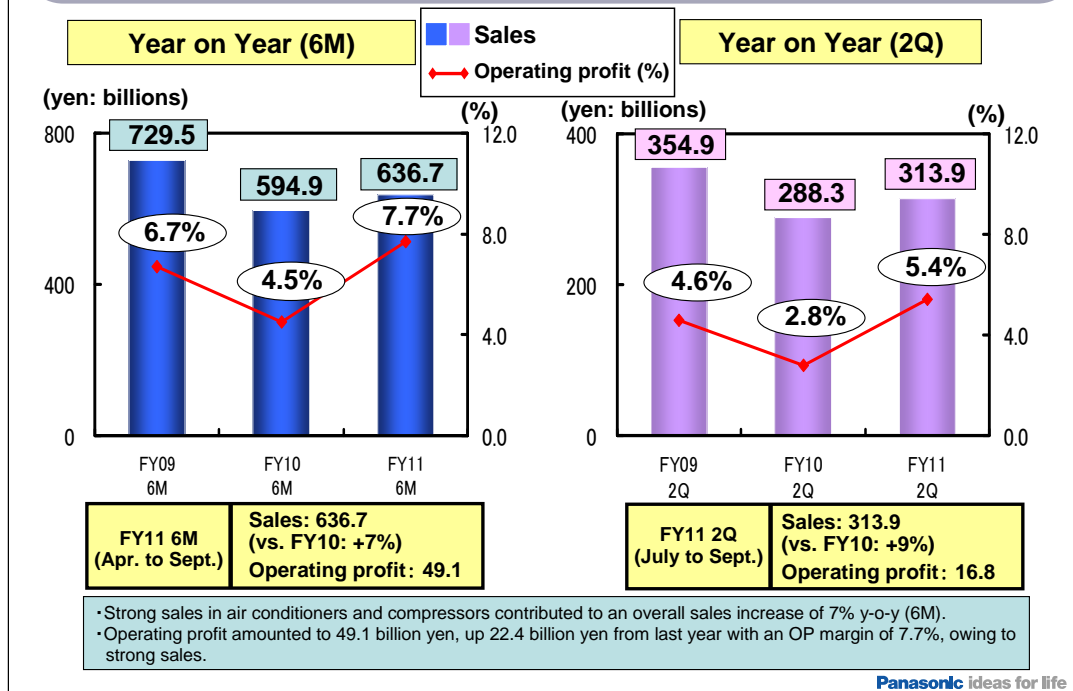
\*\* PMC = Panasonic Mobile Communications Co., Ltd.

Panasonic ideas for life

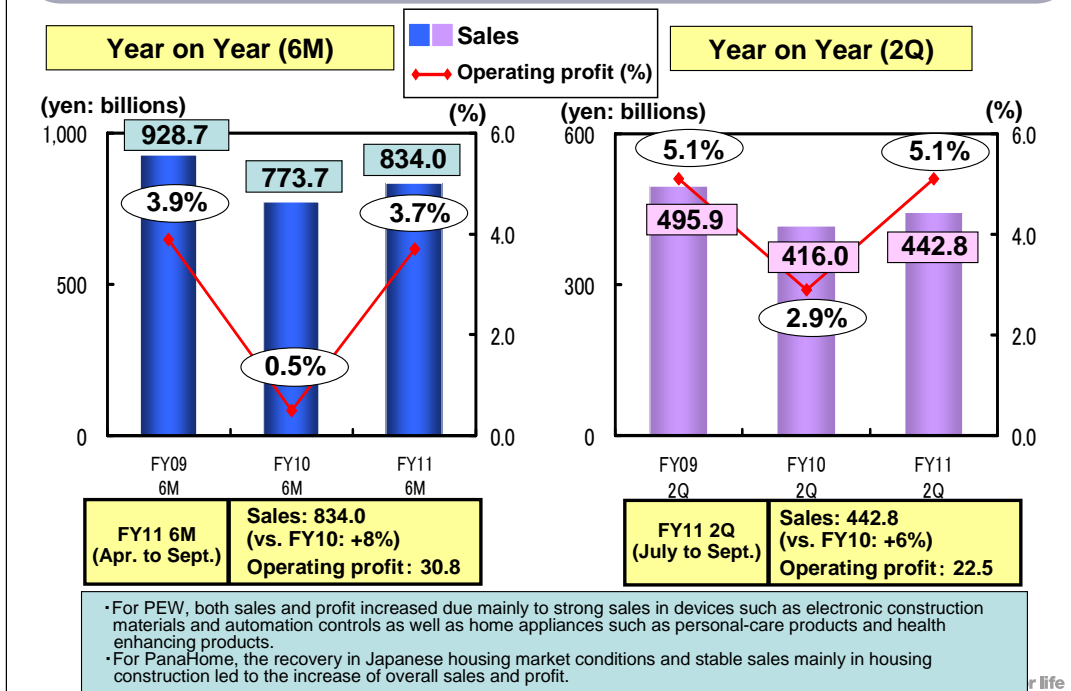
- AVC and PMC results are shown here.
- For AVC, sales in LCD TVs in Japan, China and Asia increased by approximately 30% in each region. Sales in blue-ray disc recorders also showed steady growth. Accordingly overall sales increased by 5% from the same period a year ago. Although there was an overall operating loss for the first six months of 17.9 billion yen, there was a return to profitability in the second quarter.
- For PMC, sales were down by 16% and operating profit decreased by 3.4 billion yen in the first six months, despite increases both in sales and operating profit in the second quarter.

# Home Appliances

17



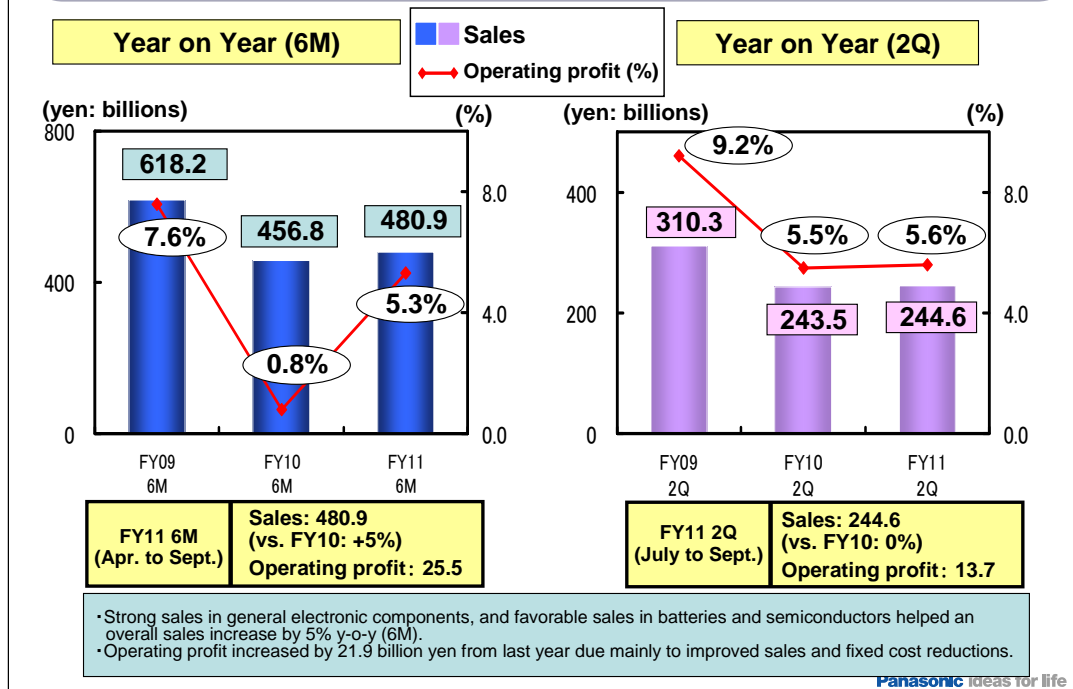
- In Home Appliances, sales of air conditioners recorded double-digit growth in all regions except Europe, due mainly to extremely hot summer conditions experienced globally. Favorable sales in refrigerators and washing machines/dryers also contributed to an overall sales increase by 7% compared with the same period a year ago.
- Operating profit amounted to 49.1 billion yen, up 22.4 billion yen from last year with an operating profit to sales ratio of 7.7%, owing to strong sales.



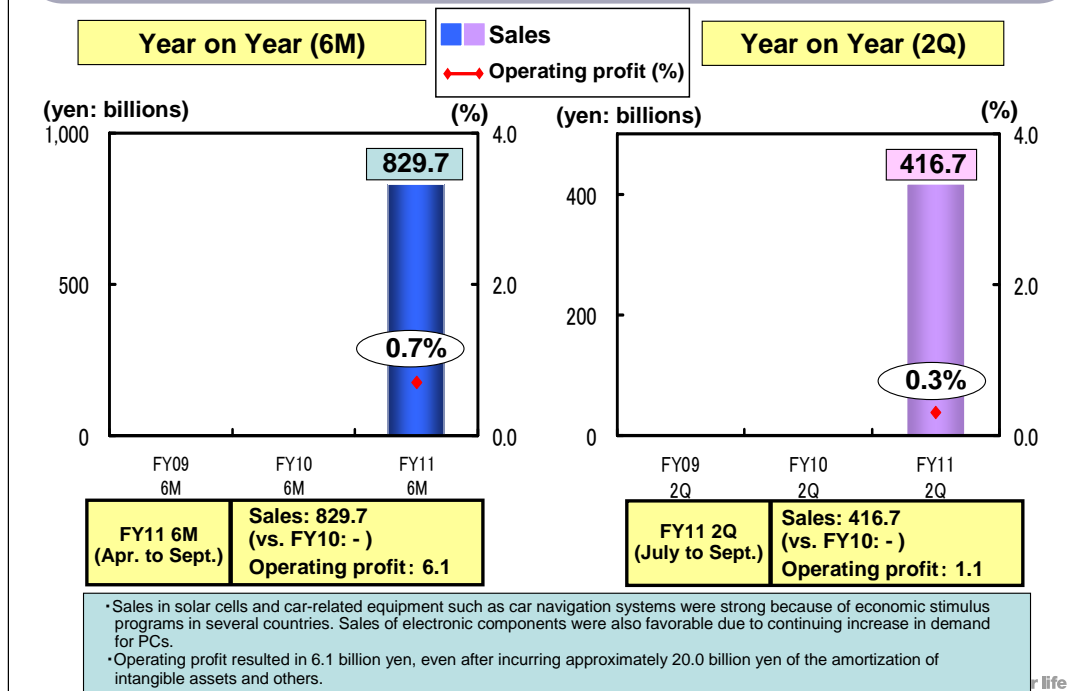
- For PEW, both sales and profit increased due mainly to strong sales in devices such as electronic construction materials and automation controls. In home appliances, favorable sales in beauty care products such as men’s electric shavers and ‘nanocare’ facial ionic steamers also contributed to overall results.
- For PanaHome, both sales and profit increased. While the recovery in the Japanese housing market is apparent in some areas and businesses, stable sales of housing construction led to overall growth.

# Components and Devices

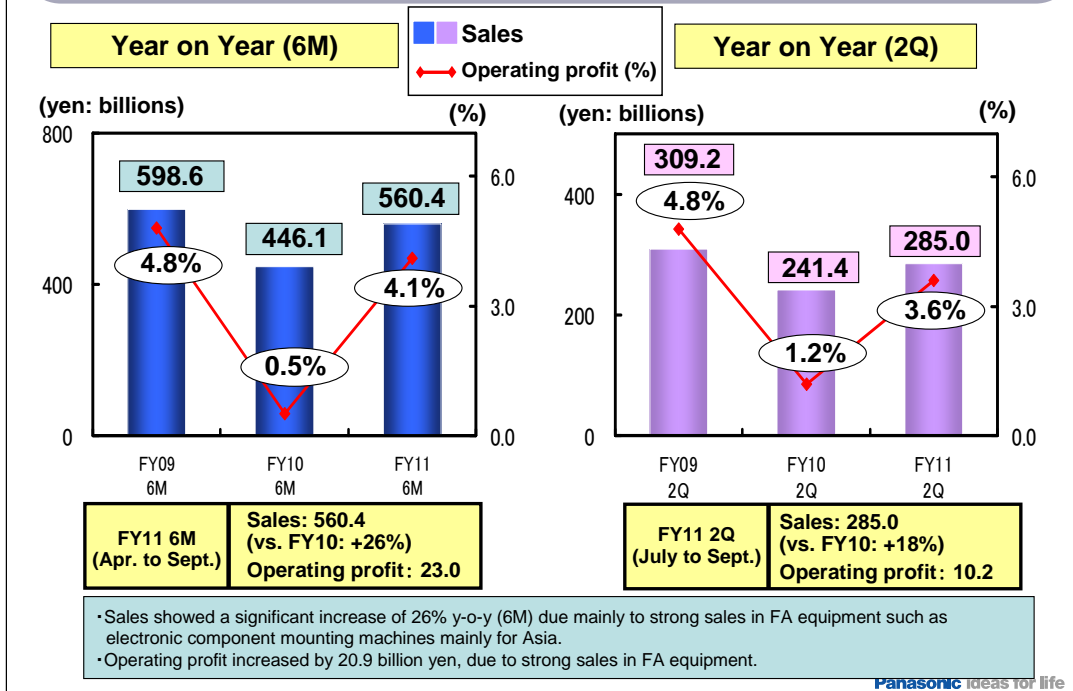
19



- Although demand in notebook PCs, flat-panel TVs and car-related products slowed down in the second quarter from the first quarter, total sales in the first six months were favorable. Strong sales in general electronic components, and favorable sales in semiconductors and batteries helped an overall sales increase by 5% compared with the previous year.
- Operating profit amounted to 25.5 billion yen, up approximately 7 times from the previous year due mainly to improved sales and fixed cost reductions.



- For SANYO, sales in solar cells and car-related equipment such as car navigation systems were strong because of economic stimulus programs in several countries. Sales of electronic components were also favorable due to continuing increase in demand for PCs.
- Operating profit resulted in 6.1 billion yen, even after incurring approximately 20.0 billion yen of the amortization of intangible assets and others.



- In Other segment, sales showed a significant increase due mainly to strong sales in FA equipment.
- Due to strong sales in FA equipment, operating profit totaled 23.0 billion yen, up approximately 11 times from the previous year. The operating profit to sales ratio also improved by 3.6% to 4.1%.

(6M=Apr. to Sept.)		PED *		FA business**	
(yen: billions)		FY11 6M	vs. FY10/ difference	FY11 6M	vs. FY10/ difference
Sales		193.9	+8%	96.6	+140%
Operating profit		8.3	+9.2	15.4	+24.9
vs sales (%)		4.3%	+4.8%	15.9%	+39.5%
Capex		13.1	+4.0	0.8	-0.6

\* PED= Panasonic Electronic Devices Co., Ltd.

\*\* FA=Factory Automation

Panasonic ideas for life

- In PED which develops general components, sales for PC- and automobile-related products continued to show strong in the second quarter, following the first quarter. This resulted in an 8% increase in overall sales from the previous year. Operating profit also increased by 9.2 billion yen.
- In the FA business, strong sales in electronic component mounting machines mainly in Asia and sales in welding equipment for emerging markets such as China and India attributed to the significant increase of 140% in overall sales compared with the same period last year. The operating profit to sales ratio was 15.9%, showing a significant recovery from last year's negative growth.

1. Summary of consolidated financial results
2. Segment analysis
- 3. Full year forecasts for fiscal 2011**

- Next, full year forecasts for fiscal 2011.

## FY11 Full Year Financial Results Forecasts 24

(yen: billions)

	Original forecasts (May 7)	Revised forecasts (July 29)	Present forecasts (October 29)
Sales	8,800.0	8,900.0	8,900.0
Operating profit (%)	250.0 (2.8%)	310.0 (3.5%)	310.0 (3.5%)
Pre-tax income (%)	150.0 (1.7%)	210.0 (2.4%)	210.0 (2.4%)
Net income* (%)	50.0 (0.6%)	85.0 (1.0%)	85.0 (1.0%)

\* Net income attributable to Panasonic Corporation

<Foreign Exchange Rates for FY2011>	2H (Oct 2010- Mar 2011)		Full year	
	USD	90 yen	90 yen	88 yen
EURO	120 yen	120 yen	110 yen	112 yen

- Taking into account current yen appreciation, the Company's exchange rate for US dollars in the second half has been changed from 88 yen to 83 yen.
- There are negative factors in the second half such as yen appreciation and rising prices for raw materials. However, there were also positive factors in the first six months, such as profit results which exceeded the Company's forecasts. Taking into account all of these business conditions, Panasonic has not changed the full year forecasts for fiscal 2011.
- The Company strives to achieve its targets which were announced on July 29, 2010.

Panasonic ideas for life

## Revised 'Full Year Forecasts by Segment' 25

(yen: billions)

	Sales (forecasts as of Oct 29)		Operating profit (forecasts as of Oct 29)	
		+/- from original forecasts (May 7)		+/- from original forecasts (May 7)
<b>Digital AVC Networks</b>	<b>3,450.0</b>	<b>0.0</b>	<b>142.0</b> <b>(4.1%)</b>	<b>+17.0</b> <b>(+0.5%)</b>
<b>Home Appliances</b>	<b>1,280.0</b>	<b>+30.0</b>	<b>89.0</b> <b>(7.0%)</b>	<b>+12.0</b> <b>(+0.8%)</b>
<b>PEW and PanaHome</b>	<b>1,695.0</b>	<b>+45.0</b>	<b>63.5</b> <b>(3.7%)</b>	<b>+21.5</b> <b>(+1.2%)</b>
<b>Components and Devices</b>	<b>940.0</b>	<b>-40.0</b>	<b>41.0</b> <b>(4.4%)</b>	<b>-10.0</b> <b>(-0.8%)</b>
<b>SANYO</b>	<b>1,700.0</b>	<b>-50.0</b>	<b>0.0</b> <b>(0.0%)</b>	<b>0.0</b> <b>(0.0%)</b>
<b>Other</b>	<b>1,150.0</b>	<b>+130.0</b>	<b>40.0</b> <b>(3.5%)</b>	<b>+9.0</b> <b>(+0.5%)</b>
<b>Consolidated Result</b>	<b>8,900.0</b>	<b>+100.0</b>	<b>310.0</b> <b>(3.5%)</b>	<b>+60.0</b> <b>(+0.7%)</b>

Panasonic Ideas for life

- Details of full year forecasts by segment, are shown here. The Company has revised original forecasts which were announced on May 7, 2010.



- Thank you for your continued support.

**Disclaimer Regarding Forward-Looking Statements**

*This presentation 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 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 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 acquisition of all shares of Panasonic Electric Works Co., Ltd. and SANYO Electric Co., Ltd. through tender offers and share exchanges; 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 reports, on Form 20-F, and any other reports and documents which are on file with the U.S. Securities and Exchange Commission.*

*In order to be consistent with generally accepted financial reporting practices in Japan, operating profit (loss) is presented in accordance with generally accepted accounting principles in Japan. The company believes that this is useful to investors in comparing the company's financial results with those of other Japanese companies. Under United States generally accepted accounting principles, expenses associated with the implementation of early retirement programs at certain domestic and overseas companies, and impairment losses on long-lived assets are usually included as part of operating profit (loss) in the statement of income.*