

# Fiscal 2012 Financial Forecast

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**Notes:** 1. *This is an English translation from the original presentation in Japanese.*  
2. *In this presentation, “fiscal 2012” or “FY2012” refers to the year ending March 31, 2012.*

- This presentation contains consolidated financial forecasts for fiscal 2012, ending March 31, 2012.

## Key Factors for FY2012 Forecasts

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- 1. Consolidated group sales are expected to be at the same level as in the previous year (in real terms +1%) despite the impact of the Great East Japan Earthquake (-160.0 billion yen).**
- 2. Operating profit is expected to be lower due to the appreciation of the yen as well as the impact of the disaster. However, all segments except SANYO are expected to achieve improvement in both sales and profits.**
- 3. The Company aims to strengthen its management structure by carrying out business reform (110.0 billion yen) on schedule.**

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- The three main points are as shown here.
- Firstly, consolidated group sales are expected to be at the same level as in the previous year despite the impact of the Great East Japan Earthquake of minus 160.0 billion yen. Sales on a local currency basis are expected to increase by 1% compared with the previous year.
- Secondly, operating profit is expected to be lower from the previous year due to the appreciation of the yen as well as the impact of the disaster. However, all segments except SANYO are expected to achieve improvement in both sales and profits.
- Finally, the Company aims to strengthen its management structure by carrying out business structure reform of 110.0 billion yen on schedule.

## The Earthquake Impact on Sales

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	Products and businesses
<b>Sales decrease due to the impact of the earthquake</b>	<b>LCD TVs, automobile-related products and mobile phones</b>
<b>Sales increase due to rehabilitation and reconstruction demand</b>	<b>LED lightings, dry-batteries, solar cells, fuel cells and housing-related products</b>

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- The impact of the Great East Japan Earthquake on sales are as shown here.
- Sales decrease are seen mainly in the following products: LCD TVs, automobile-related products and mobile phones.
- This is due to the damage on the production sites, supply chain problems as well as demand decline caused by the damage at the customers' side.
- On the other hand, sales increase are seen mainly in the following products: LED lightings, dry-batteries, solar cells, fuel cells and housing-related products.

## FY2012 Full Year Forecasts

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(yen: billions)

	FY2012	FY2011	vs. FY2011	Impact of the disaster	Previous forecasts** (28 Apr.)
Sales	8,700.0	8,692.7	+7.3	-160.0	8,800.0
Operating profit (%)	270.0 (3.1%)	305.3 (3.5%)	-35.3	-90.0	310.0 (3.5%)
Pre-tax income (%)	100.0 (1.1%)	178.8 (2.1%)	-78.8		140.0 (1.6%)
Net income * (%)	30.0 (0.3%)	74.0 (0.9%)	-44.0		50.0 (0.6%)

【Exchange rates】

	FY2012	FY2011	Previous forecast
US dollar	83 yen	86 yen	83 yen
Euro	110 yen	113 yen	110 yen

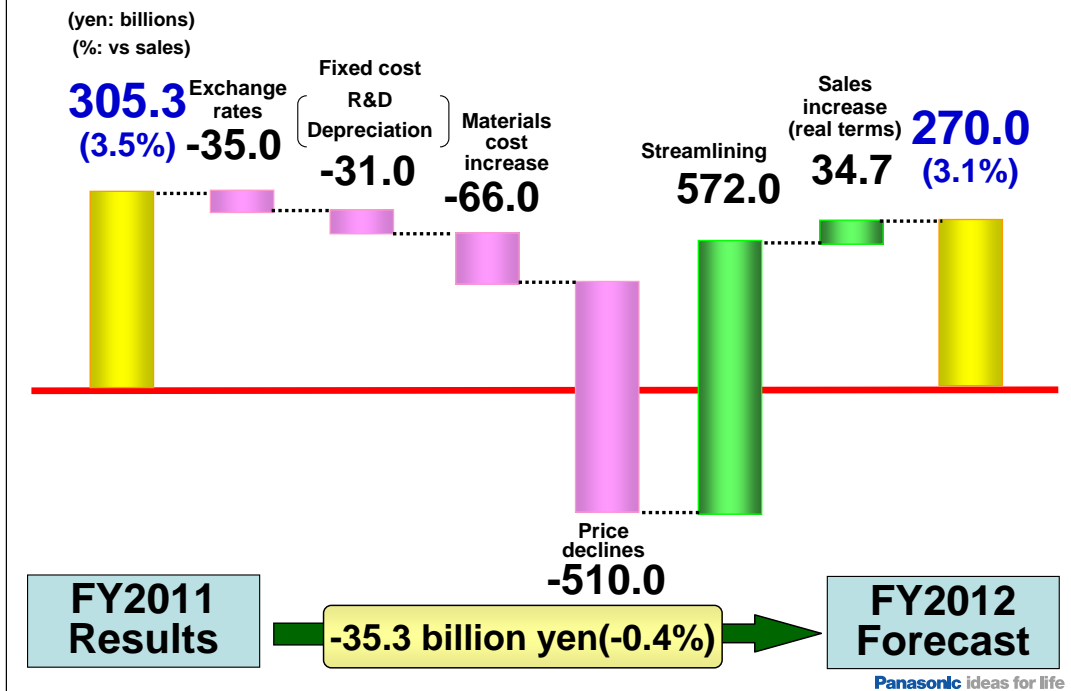
\*Net income attributable to Panasonic Corporation

\*\* excluding the impact of the Great East Japan Earthquake

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- The Company expects consolidated group sales for fiscal 2012 to be 8,700.0 billion yen, an increase of 7.3 billion yen from the previous year.
- The Company forecasts all profits to be lower as follows:  
 Operating profit 270.0 billion yen  
 Pre-tax income 100.0 billion yen  
 Net income attributable to Panasonic Corporation  
 30.0 billion yen
- The impact of the Great East Japan Earthquake on sales and operating profit is expected to be minus 160.0 billion yen and minus 90.0 billion yen, respectively.
- The exchange rate is predicted to be 83 yen for the US dollar and 110 yen for the euro, unchanged from the original forecasts (excluding the impact of the Great East Japan Earthquake) of 28 April, 2011.

## FY2012 Operating Profit Analysis (vs. FY2011) 5



- This chart shows the operating profit analysis compared to the previous year.
- Operating profit will be enhanced by positive factors such as the Company's comprehensive streamlining efforts which offset price declines as well as sales increase. However, full-year operating profit is forecast to be lower by 35.3 billion yen from last year due mainly to the appreciation of the yen and fixed cost increase as well as rising raw material costs such as rare metal and silver.

## FY2012 Operating Profit Breakdown (changes from the previous forecast)

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(yen: billions)

Contents		Amounts
Previous operating profit forecast* (28 April)		310.0
Changes	Impact of the disaster	-90.0
	Profit increase due mainly to rehabilitation and reconstruction demand	+50.0
	(Total)	-40.0
Revised operating profit forecast (20 June)		270.0

\*excluding the impact of the Great East Japan Earthquake

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- Next, operating profit analysis.
- The impact of the disaster on operating profit is expected to be minus 90.0 billion yen. However, the Company anticipates a profit increase of 50.0 billion yen from rehabilitation and reconstruction demand. As a result, full-year operating profit is revised to be 270.0 billion yen, a decrease of 40.0 billion yen from the previous forecast.

## FY2012 Pre-tax Income Breakdown (changes from the previous forecast)

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(yen: billions)

Contents		Amounts
Previous pre-tax income forecast* (28 April)		140.0
Changes	Difference in operating profit	-40.0
	Impact of the disaster	-4.0
	Others	+4.0
	(non-operating income total)	0.0
	(Total)	-40.0
Revised pre-tax income forecast (20 June)		100.0

\*excluding the impact of the Great East Japan Earthquake

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- Next, pre-tax income analysis.
- Although the revised operating profit is now expected to be lower by 40.0 billion yen, non-operating loss is expected to be unchanged from the previous forecast as impact of the disaster of 4.0 billion yen is expected to be offset by other items.
- The Company is determined to carry out the business structure reform of 110.0 billion yen on schedule.

## FY2012 Forecasts by Segment

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(yen: billions)

	FY2012			FY2011		
	Sales	Operating profit (%)		Sales	Operating profit (%)	
Digital AVC Networks	3,340.0	121.0	(3.6%)	3,304.0	114.9	(3.5%)
Home Appliances	1,320.0	104.0	(7.9%)	1,275.9	92.3	(7.2%)
PEW and PanaHome	1,810.0	76.0	(4.2%)	1,735.0	73.0	(4.2%)
Components and Devices	945.0	35.0	(3.7%)	926.3	33.0	(3.6%)
SANYO	1,335.0	-63.0	(-4.7%)	1,561.9	-8.0	(-0.5%)
Other	1,210.0	55.0	(4.5%)	1,197.7	52.9	(4.4%)
Corporate and Eliminations	-1,260.0	-58.0		-1,308.1	-52.8	
(Total)	8,700.0	270.0	(3.1%)	8,692.7	305.3	(3.5%)

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- The forecasts by segment are as shown here.
- All segments except SANYO are expected to increase in both sales and profits.

## FY2012 Forecasts for Primary Domain Companies 9

(yen: billions)

	FY2012			FY2011		
	Sales	Operating profit (%)		Sales	Operating profit (%)	
<b>AVC</b>	<b>1,728.1</b>	<b>0.0</b>	<b>(0.0%)</b>	<b>1,700.6</b>	<b>-28.1</b>	<b>(-1.7%)</b>
<b>PED</b>	<b>374.0</b>	<b>16.2</b>	<b>(4.3%)</b>	<b>365.8</b>	<b>12.4</b>	<b>(3.4%)</b>
<b>FA Business</b>	<b>192.3</b>	<b>28.8</b>	<b>(15.0%)</b>	<b>174.2</b>	<b>24.0</b>	<b>(13.8%)</b>

AVC = AVC Networks Company

PED = Panasonic Electronic Devices Co., Ltd.

FA Business = Factory Automation Business

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- The forecasts for primary domain companies are as shown here.

## FY2012 Capital Investment etc.

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(yen: billions)

	FY2012	FY2011	vs. FY2011	Previous forecast* (28 Apr.)
Capital investment	320.0	403.8	-83.8	340.0
Depreciation (tangible assets)	303.0	284.2	+18.8	305.0
R&D expenditures	540.0	527.8	+12.2	540.0

\*excluding the impact of the Great East Japan Earthquake

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- Forecasts for capital investment and others are as shown here.
- Capital investment is expected to be 320.0 billion yen, a decrease of 83.8 billion yen from the previous year.
- Depreciation cost is anticipated to increase to 303.0 billion yen as a result of an increase in capital investment in the previous year.
- R&D expenditure is projected to be 540.0 billion yen.



- This presentation contains the Company's forecasts for fiscal 2012 based on the impacts of the Great East Japan Earthquake, current business environment and trend.
- Thank you for your continued support.

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*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.*