

*FOR IMMEDIATE RELEASE*

*May 10, 2018*

*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 2018 Annual Results**

Osaka, Japan, May 10, 2018 -- Panasonic Corporation (Panasonic [TSE:6752]) today reported its consolidated financial results for the year ended March 31, 2018 (fiscal 2018). The Company also reported its Parent-alone financial results for fiscal 2018.

## Summary

### 1. Consolidated Financial Results

Yen (billions)

	Fiscal 2018 ended March 31, 2018	Fiscal 2017 ended March 31, 2017	Percentage 2018/2017
Net sales	7,982.2	7,343.7	109%
Domestic	3,724.1	3,659.1	102%
Overseas	4,258.1	3,684.6	116%
Operating profit	380.5 4.8%	276.8 3.8%	137%
Profit before income taxes	378.6 4.7%	275.1 3.7%	138%
Net profit	252.0 3.2%	172.4 2.3%	146%
Net profit attributable to Panasonic Corporation stockholders	236.0 3.0%	149.4 2.0%	158%
Earnings per share attributable to Panasonic Corporation stockholders			
Basic	101.20 yen	64.33 yen	36.87 yen
Diluted	101.15 yen	64.31 yen	36.84 yen

- Notes:
1. The Company's consolidated financial statements are prepared in conformity with International Financial Reporting Standards (IFRS).
  2. Number of consolidated companies: 592 (including parent company)  
Number of companies under the equity method: 88
  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 2018 ended March 31, 2018	Fiscal 2017 ended March 31, 2017	Percentage 2018/2017
Net sales	4,056.1	3,655.2	111%
Domestic	2,768.4	2,650.5	104%
Export	1,287.7	1,004.7	128%
Operating profit	196.2 4.8%	45.9 1.3%	427%
Recurring profit	321.0 7.9%	247.7 6.8%	130%
Net income	174.0 4.3%	443.4 12.1%	39%
Net income, basic per common share	74.61 yen	190.97 yen	(116.36) yen
Net income, diluted per common share	74.57 yen	190.91 yen	(116.34) yen

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

**Consolidated Statements of Profit or Loss**

Yen (millions)

	Fiscal 2018 ended March 31, 2018		Fiscal 2017 ended March 31, 2017		Percentage 2018/2017
		%		%	%
Net sales	7,982,164	100.0	7,343,707	100.0	109
Cost of sales	(5,642,952)	(70.7)	(5,157,163)	(70.2)	
<b>Gross profit</b>	<b>2,339,212</b>	<b>29.3</b>	<b>2,186,544</b>	<b>29.8</b>	<b>107</b>
Selling, general and administrative expenses	(1,938,010)	(24.3)	(1,842,928)	(25.1)	
Share of profit of investments accounted for using the equity method	10,074	0.2	8,378	0.1	
Other income (expenses), net	(30,737)	(0.4)	(75,210)	(1.0)	
<b>Operating profit</b>	<b>380,539</b>	<b>4.8</b>	<b>276,784</b>	<b>3.8</b>	<b>137</b>
Financial income	22,772	0.3	21,832	0.3	
Financial expenses	(24,721)	(0.4)	(23,550)	(0.4)	
<b>Profit before income taxes</b>	<b>378,590</b>	<b>4.7</b>	<b>275,066</b>	<b>3.7</b>	<b>138</b>
Income taxes	(126,563)	(1.5)	(102,624)	(1.4)	
<b>Net profit</b>	<b>252,027</b>	<b>3.2</b>	<b>172,442</b>	<b>2.3</b>	<b>146</b>
Net profit attributable to:					
<b>Panasonic Corporation stockholders</b>	<b>236,040</b>	<b>3.0</b>	<b>149,360</b>	<b>2.0</b>	<b>158</b>
Non-controlling interests	15,987	0.2	23,082	0.3	69

Notes: 1. Depreciation	226,576	million yen	224,405	million yen
2. Capital investment	392,234	million yen	311,641	million yen
3. R&D expenditures	448,879	million yen	436,130	million yen
4. Number of employees	274,143		257,533	

**Consolidated Statements of Comprehensive Income**

Yen (millions)

	Fiscal 2018 ended March 31, 2018	Fiscal 2017 ended March 31, 2017	Percentage 2018/2017
<b>Net Profit</b>	<b>252,027</b>	<b>172,442</b>	<b>% 146</b>
Other comprehensive income (loss)			
Items that will not be reclassified to profit or loss:			
Remeasurements of defined benefit plans	61,662	73,513	
Financial assets measured at fair value through other comprehensive income	6,445	4,260	
Subtotal	68,107	77,773	
Items that may be reclassified to profit or loss:			
Exchange differences on translation of foreign operations	(6,852)	(61,304)	
Net changes in cash flow hedges	1,626	964	
Subtotal	(5,226)	(60,340)	
Total other comprehensive income	62,881	17,433	
<b>Comprehensive income</b>	<b>314,908</b>	<b>189,875</b>	<b>166</b>
Comprehensive income attributable to :			
<b>Panasonic Corporation stockholders</b>	<b>292,381</b>	<b>174,892</b>	<b>167</b>
Non-controlling interests	22,527	14,983	150

### Information by Segment

Yen (billions)

	Fiscal 2018 ended March 31, 2018					Fiscal 2017 ended March 31, 2017		
	Sales	18/17	Operating Profit	% of Sales	18/17	Sales	Operating Profit	% of Sales
		%		%	%			%
Appliances	2,588.4	103	104.4	4.0	106	2,503.4	98.9	3.9
Eco Solutions	1,623.5	105	72.5	4.5	113	1,547.3	64.2	4.2
Connected Solutions	1,119.3	106	105.7	9.4	210	1,051.2	50.4	4.8
Automotive & Industrial Systems	2,803.5	116	91.4	3.3	98	2,416.6	93.0	3.8
Other	675.9	100	10.8	1.6	134	674.4	8.0	1.2
Subtotal	8,810.6	108	384.8	4.4	122	8,192.9	314.5	3.8
Eliminations and adjustments	(828.4)	--	(4.3)	--	--	(849.2)	(37.7)	--
Total	7,982.2	109	380.5	4.8	137	7,343.7	276.8	3.8

Notes: 1. The Company's segments are classified according to a divisional company-based management system, which focuses on global consolidated management by each divisional company, in order to ensure consistency of its internal management structure and disclosure.

Certain businesses were transferred among segments on April 1, 2017. Accordingly, the figures for segment information in fiscal 2017 have been reclassified to conform to the presentation for fiscal 2018.

2. The figures in "Eliminations and adjustments" include revenues and expenses which are not attributable to any segments for the purpose of evaluating operating results of each segment, and consolidation adjustments, and eliminations of intersegment transactions.

3. AVC Networks segment has been renamed as Connected Solutions segment from fiscal 2018.

# Consolidated Statements of Financial Position

Yen (millions)

	March 31, 2018	March 31, 2017	Difference
<b>Current assets:</b>	<b>3,485,958</b>	<b>3,204,819</b>	<b>281,139</b>
Cash and cash equivalents	1,089,585	1,270,787	(181,202)
Trade receivables	1,038,984	847,003	191,981
Other financial assets	203,557	143,519	60,038
Inventories	988,609	806,309	182,300
Other current assets	165,223	137,201	28,022
<b>Non-current assets:</b>	<b>2,805,190</b>	<b>2,778,142</b>	<b>27,048</b>
Investments accounted for using the equity method	147,959	155,987	(8,028)
Other financial assets	166,466	161,986	4,480
Property, plant and equipment	1,374,066	1,323,282	50,784
Other non-current assets	1,116,699	1,136,887	(20,188)
<b>Total assets</b>	<b>6,291,148</b>	<b>5,982,961</b>	<b>308,187</b>
<b>Current liabilities:</b>	<b>3,097,935</b>	<b>2,712,063</b>	<b>385,872</b>
Short-term debt, including current portion of long-term debt	375,392	177,038	198,354
Trade payables	1,146,476	955,965	190,511
Other financial liabilities	304,977	329,625	(24,648)
Other current liabilities	1,271,090	1,249,435	21,655
<b>Non-current liabilities:</b>	<b>1,310,928</b>	<b>1,510,963</b>	<b>(200,035)</b>
Long-term debt	864,052	946,966	(82,914)
Other non-current liabilities	446,876	563,997	(117,121)
<b>Total liabilities</b>	<b>4,408,863</b>	<b>4,223,026</b>	<b>185,837</b>
<b>Panasonic Corporation stockholders' equity:</b>	<b>1,707,551</b>	<b>1,571,889</b>	<b>135,662</b>
Common stock	258,740	258,740	--
Capital surplus	527,408	636,905	(109,497)
Retained earnings	1,300,336	1,051,445	248,891
Other components of equity	(168,259)	(164,632)	(3,627)
Treasury stock	(210,674)	(210,569)	(105)
<b>Non-controlling interests</b>	<b>174,734</b>	<b>188,046</b>	<b>(13,312)</b>
<b>Total equity</b>	<b>1,882,285</b>	<b>1,759,935</b>	<b>122,350</b>
<b>Total liabilities and equity</b>	<b>6,291,148</b>	<b>5,982,961</b>	<b>308,187</b>

Note: Other components of equity breakdown:

Yen (millions)

	March 31, 2018	March 31, 2017	Difference
Remeasurements of defined benefit plans*	--	--	--
Financial assets measured at fair value through other comprehensive income	47,279	38,716	8,563
Exchange differences on translation of foreign operations	(216,355)	(203,106)	(13,249)
Net changes in cash flow hedges	817	(242)	1,059

\* 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 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

Fiscal 2017 ended March 31, 2017	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, 2016	258,740	645,949	878,208	(107,922)	(230,533)	1,444,442	202,791	1,647,233
Comprehensive income:								
Net profit	--	--	149,360	--	--	149,360	23,082	172,442
Remeasurements of defined benefit plans	--	--	--	74,005	--	74,005	(492)	73,513
Financial assets measured at fair value through other comprehensive income	--	--	--	4,227	--	4,227	33	4,260
Exchange differences on translation of foreign operations	--	--	--	(53,633)	--	(53,633)	(7,671)	(61,304)
Net changes in cash flow hedges	--	--	--	933	--	933	31	964
Total comprehensive income	--	--	149,360	25,532	--	174,892	14,983	189,875
Transfer from other components of equity to retained earning	--	--	72,870	(72,870)	--	--	--	--
Cash dividends	--	--	(58,025)	--	--	(58,025)	(17,648)	(75,673)
Changes in treasury stock	--	(6,324)	--	--	19,964	13,640	--	13,640
Transactions with non-controlling interests and other	--	(2,720)	--	--	--	(2,720)	(12,080)	(14,800)
Cumulative effect of new accounting standards applied	--	--	9,032	(9,372)	--	(340)	--	(340)
Balances as of March 31, 2017	258,740	636,905	1,051,445	(164,632)	(210,569)	1,571,889	188,046	1,759,935

**Consolidated Statements of Cash Flows**

Yen (millions)

	Fiscal 2018 ended March 31, 2018	Fiscal 2017 ended March 31, 2017
<u>Cash flows from operating activities</u>		
Net profit	252,027	172,442
Adjustments to reconcile net profit to net cash provided by operating activities		
Depreciation and amortization	287,754	270,767
(Increase) decrease in trade receivables	(156,577)	(7,983)
(Increase) decrease in inventories	(164,137)	(36,612)
Increase (decrease) in trade payables	143,023	64,044
Other	61,092	(77,248)
Net cash provided by operating activities	423,182	385,410
<u>Cash flows from investing activities</u>		
Purchase of property, plant and equipment	(394,485)	(278,594)
Proceeds from sale of property, plant and equipment	29,046	51,155
Purchase of investments accounted for using the equity method and other financial assets	(23,938)	(29,119)
Proceeds from sale and redemption of investments accounted for using the equity method and other financial assets	14,677	31,163
Other	(84,128)	(194,761)
Net cash used in investing activities	(458,828)	(420,156)
<u>Cash flows from financing activities</u>		
Increase (decrease) in short-term debt	239,990	6,261
Increase (decrease) in long-term debt	(159,908)	349,649
Dividends paid to Panasonic Corporation stockholders	(58,310)	(58,025)
Dividends paid to non-controlling interests	(20,053)	(17,648)
(Increase) decrease in treasury stock	(108)	(97)
Other	(130,374)	14,458
Net cash provided by (used in) financing activities	(128,763)	294,598
Effect of exchange rate changes on cash and cash equivalents	(16,793)	(1,731)
Net increase (decrease) in cash and cash equivalents	(181,202)	258,121
Cash and cash equivalents at beginning of period	1,270,787	1,012,666
Cash and cash equivalents at the end of the period	1,089,585	1,270,787



## **Notes to consolidated financial statements:**

### 1. Per share data (Years ended March 31)

	2018	2017
Net profit attributable to Panasonic Corporation stockholders (millions of yen)	236,040	149,360
Average common shares outstanding (number of shares)	2,332,366,262	2,321,856,424
Earnings per share attributable to Panasonic Corporation stockholders:		
Basic	101.20 yen	64.33 yen
Diluted	101.15 yen	64.31 yen

2. The Company reorganized AVC Networks Company to establish a new internal company named Connected Solutions Company as of April 1, 2017. Accordingly, AVC Networks segment was renamed as Connected Solutions segment in fiscal 2018.
3. The Company conducted an absorption-type company split to succeed the B2B solution related business of Panasonic System Networks Co., Ltd. (PSN), a wholly-owned consolidated subsidiary of Panasonic, as of April 1, 2017. Subsequently, PSN was renamed as Panasonic System Solutions Japan Co., Ltd.
4. The Company's specified subsidiary\*, SANYO Asia Pte. Ltd., has been dissolved as of April 3, 2017, as a result of an absorption-type merger with Panasonic Asia Pacific Pte. Ltd., which is the surviving company. Accordingly, SANYO Asia Pte. Ltd. is excluded from the Company's specified subsidiaries.  
\* Specified subsidiaries are the subsidiaries defined in the Financial Instruments and Exchange Act of Japan.
5. In April 2017, the Company made Ficosa International S.A. (Ficosa), one of the companies under the equity method of Panasonic, a consolidated subsidiary of Panasonic, as the terms and condition for consolidation were satisfied. In July, Panasonic acquired an additional 20% of Ficosa's issued shares after going through necessary procedures. The Company currently owns 69% of the issued shares.
6. In April 2017, the Company acquired 56.66% of shares in Zetes Industries S.A. (Zetes), a European company of goods and people identification and mobility solutions businesses. (The percentage of the total number of issued shares excluding treasury shares.) With this acquisition, Zetes became a consolidated subsidiary of Panasonic. The Company then launched a mandatory takeover bid under Belgian law and came to hold more than 95% of the issued shares as of June 2017. Subsequently, Panasonic conducted a squeeze-out procedure in July 2017 and successfully completed the acquisition of 100% ownership of Zetes.

7. The Company resolved at the Board of Directors meeting held on April 21, 2017, to acquire shares of common stock of PanaHome Corporation (PanaHome) through a tender offer in accordance with the Financial Instruments and Exchange Act. The tender offer was conducted commencing on April 28 and was completed on June 13, 2017. As a result of the tender offer, ownership percentage of PanaHome shares became approximately 80.1%.  
Subsequently, PanaHome resolved at the extraordinary shareholders meeting held on August 31, 2017, to consolidate shares, abolish provisions relating to the share unit number and amend part of the Articles of Incorporation. Through the October 2, 2017 share consolidation, followed by the acquiring of fractional shares, the Company has made PanaHome a wholly-owned subsidiary. Shares of PanaHome have been delisted from the Tokyo Stock Exchange as of September 27, 2017. PanaHome was renamed as Panasonic Homes Co., Ltd. as of April 1, 2018.
8. Assumption for going concern : None
9. Significant subsequent events: None
10. Number of consolidated subsidiaries as of March 31, 2018: 591  
Number of companies under the equity method as of March 31, 2018: 88

## **Consolidated Financial Results**

### **1. Fiscal 2018 ended March 31, 2018**

#### **A. Operating Results**

	Yen (billions)		
	Fiscal 2018	Fiscal 2017	Percentage 2018/2017
Net sales	7,982.2	7,343.7	109%
Operating profit	380.5	276.8	137%
Profit before income taxes	378.6	275.1	138%
Net profit attributable to Panasonic Corporation stockholders	236.0	149.4	158%

During the year ended March 31, 2018 (fiscal 2018) under review, the global economy showed signs of recovery. The U.S. economy performed favorably with stable personal spending and recovering capital investments, while the Chinese economy also saw an increase in exports driven by expanding external demand. The Japanese economy made a moderate recovery on the back of stable employment and other factors.

Under such business circumstances, in fiscal 2018, Panasonic promoted growth strategies aimed at sustainably increasing sales and profits, identifying the growth areas where the Company will concentrate its management resources.

For the B2B business, on April 1, 2017, Panasonic established a new internal company, named the Connected Solutions Company, as a result of reorganizing the former AVC Networks Company and developed a customer-oriented structure for the business that will play a central role in the growth of the group-wide B2B business. For the automotive-related business, Panasonic is further expanding its production capacity for automotive batteries, including a new factory in Dalian, China, which started mass production and shipment. Panasonic also announced an agreement with Toyota Motor Corporation to begin studying the feasibility of a joint business to promote further advances in automotive prismatic batteries. For the housing-related business, Panasonic made PanaHome Corporation a wholly-owned subsidiary,

seeking to exert the synergy of Group-wide management resources. In the solar business, Panasonic started selling individual cell devices in addition to its conventional module sales. The Company also reviewed the module production structure, including termination of module production at the Shiga plant.

Increases in both sales and profit were achieved for fiscal 2018 due mainly to growth in the automotive- and industrial-related businesses. Consolidated group sales increased by 9% to 7,982.2 billion yen from fiscal 2017 (a year ago). Domestic sales showed favorable results. Overseas sales showed a significant increase in automotive-related business. In particular, Automotive, which includes automotive infotainment systems and car-related equipment, in addition to Energy, which includes rechargeable batteries, made contributions. Effects from the new consolidations of Ficosa and Zetes as well as from foreign exchange rates, also contributed to increasing sales.

Operating profit increased by 37% to 380.5 billion yen from a year ago. Sales increases mainly in Automotive and Industrial and rationalization efforts offset the negative impacts from raw material cost hikes and increased fixed-costs due to upfront investments. Profit before income taxes increased by 38% to 378.6 billion yen. Net profit attributable to Panasonic Corporation stockholders increased by 58% to 236.0 billion yen from a year ago.

## B. Breakdown by Segment

### Appliances

	Yen (billions)		
	Fiscal 2018	Fiscal 2017	Percentage 2018/2017
Sales	2,588.4	2,503.4	103%
Operating profit	104.4	98.9	106%

Sales increased by 3% to 2,588.4 billion yen from a year ago due mainly to favorable sales of room air-conditioners in Europe and China, large-sized air-conditioners in China, and washing machines in Asia. Operating profit increased to 104.4 billion yen from a year ago due mainly to increased sales and rationalization efforts, in spite of the negative impact of raw material cost hikes for white goods such as air-conditioners.

### Eco Solutions

	Yen (billions)		
	Fiscal 2018	Fiscal 2017	Percentage 2018/2017
Sales	1,623.5	1,547.3	105%
Operating profit	72.5	64.2	113%

Sales increased by 5% to 1,623.5 billion yen from a year ago. Electrical construction materials business and water-related products in Japan showed sales expansion. Favorable sales in heat-exchanging ventilation units in China, and electrical construction materials business in India, Turkey and Vietnam also contributed to increased sales. Operating profit increased to 72.5 billion yen from a year ago, with sales expansion and improvements in cost competitiveness offsetting impacts such as hikes in raw material and component costs and drops in sales prices.

### Connected Solutions

	Yen (billions)		
	Fiscal 2018	Fiscal 2017	Percentage 2018/2017
Sales	1,119.3	1,051.2	106%
Operating profit	105.7	50.4	210%

Sales increased by 6% to 1,119.3 billion yen from a year ago. Sales decreased in in-flight entertainment systems, but sales increased in mobile computers and in electronic component mounting equipment for the smartphone manufacturers, in addition to the new consolidation of Zetes. Operating profit increased to 105.7 billion yen from a year ago due mainly to a shift to high-value-added products and increased sales.

### Automotive & Industrial Systems

	Yen (billions)		
	Fiscal 2018	Fiscal 2017	Percentage 2018/2017
Sales	2,803.5	2,416.6	116%
Operating profit	91.4	93.0	98%

Sales increased by 16% to 2,803.5 billion yen from a year ago. In Automotive, sales increased in electrification- and computerization-related equipment due to

market growth for eco-cars and expanded demand in Advanced Driver Assistance Systems (ADAS). In Industrial, sales of devices in China were favorable. The new consolidation of Ficosa also contributed increased sales. Operating profit decreased to 91.4 billion yen from a year ago. Despite sales expansion, operating profit was affected by recording one-off gains in the previous year, such as reversal of provision and gains from business transfer.

### Other

	Yen (billions)		
	Fiscal 2018	Fiscal 2017	Percentage 2018/2017
Sales	675.9	674.4	100%
Operating profit	10.8	8.0	134%

Sales were 675.9 billion yen, almost in line with a year ago. Operating profit increased from a year ago to 10.8 billion yen due to intellectual-property-related revenue.

### C. Consolidated Financial Condition

Net cash provided by operating activities for fiscal 2018 amounted to 423.2 billion yen, compared with an inflow of 385.4 billion yen a year ago. This was due mainly to increases in net profit and income taxes payable in fiscal 2018 and a significant decrease in provisions in fiscal 2017, despite an increase in working capital in line with sales increase in real terms. Net cash used in investing activities amounted to 458.8 billion yen, compared with an outflow of 420.1 billion yen a year ago. This was due mainly to an increase in capital investments in fiscal 2018, while a significant amount was spent to acquire Hussmann in fiscal 2017. Accordingly, free cash flow (net cash provided by operating activities and investing activities) decreased by 0.9 billion yen from a year ago to an outflow of 35.6 billion yen. Net cash used in financing activities amounted to 128.8 billion yen, compared with an inflow of 294.6 billion yen a year ago. Despite the issuance of short-term bonds of up to 240.0 billion yen for fiscal 2018, this was due mainly to the issuance of straight bonds of up to 400.0 billion yen in fiscal 2017, as well as the acquisition of additional equity interest in PanaHome and repayments of straight bonds of 150.0 billion yen in fiscal 2018.

The Company's consolidated total assets as of March 31, 2018 was 6,291.1 billion yen, increased by 308.2 billion yen from March 31, 2017. This increase was due mainly to increases in its trade receivables and inventories in line with increased sales as well as increased property, plant and equipment by capital expenditures. The Company's consolidated total liabilities as of March 31, 2018 was 4,408.8 billion yen, increased by 185.8 billion yen from March 31, 2017. This increase was due mainly to the issuance of short-term bonds and an increase in trade payables. Panasonic Corporation stockholders' equity was 1,707.6 billion yen, increased by 135.7 billion yen from March 31, 2017. This increase was due mainly to recording of net profit attributable to Panasonic Corporation stockholders. Adding non-controlling interests to Panasonic Corporation stockholders' equity, total equity was 1,882.3 billion yen.

## **2. Forecast for fiscal 2019**

Consolidated financial forecasts for fiscal 2019 as of May 10, 2018:

Sales:	8,300.0 billion yen	(104% vs fiscal 2018)
Operating profit:	425.0 billion yen	(112% vs fiscal 2018)
Profit before income taxes:	420.0 billion yen	(111% vs fiscal 2018)
Net profit attributable to Panasonic Corporation stockholders:	250.0 billion yen	(106% 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 2018, which includes the interim dividend of 10 yen per share paid on November 30, 2017 and a year-end dividend of 20 yen per share. In fiscal 2018, 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.