

[English summary with full translation of consolidated financial information]

**Quarterly Report filed with the Japanese government
pursuant to the Financial Instruments and Exchange
Law of Japan**

**For the three months ended
June 30, 2020**

**Panasonic Corporation
Osaka, Japan**

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Disclaimer Regarding Forward-Looking Statements

This quarterly report includes forward-looking statements about Panasonic and its Group companies (the Panasonic Group). To the extent that statements in this quarterly report 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 quarterly report. 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.

I Corporate Information

1. Consolidated Financial Summary

	Yen (millions), except per share amounts		
	Three months ended June 30, 2020	Three months ended June 30, 2019	Year ended March 31, 2020
Net sales	1,391,912	1,891,129	7,490,601
Profit before income taxes	3,069	56,226	291,050
Net profit (loss) attributable to Panasonic Corporation stockholders	(9,833)	49,777	225,707
Comprehensive income (loss) attributable to Panasonic Corporation stockholders	56,106	(23,668)	172,443
Panasonic Corporation stockholders' equity	2,019,611	1,833,400	1,998,349
Total equity	2,167,803	1,996,235	2,155,868
Total assets	6,209,199	6,503,123	6,218,518
Earnings per share attributable to Panasonic Corporation stockholders, basic (yen)	(4.21)	21.34	96.76
Earnings per share attributable to Panasonic Corporation stockholders, diluted (yen)	(4.21)	21.33	90.70
Panasonic Corporation stockholders' equity / total assets (%)	32.5	28.2	32.1
Net cash provided by (used in) operating activities	(98,274)	104,908	403,303
Net cash provided by (used in) investing activities	44,066	(63,702)	(206,096)
Net cash provided by (used in) financing activities	104,494	(99,275)	48,222
Cash and cash equivalents at the end of the period	1,060,830	690,400	1,016,504

Notes: 1. The Company's condensed quarterly consolidated financial statements and consolidated financial statements are prepared in conformity with International Financial Reporting Standards (IFRS).

2. Net sales do not include consumption tax, etc.

2. Principal Businesses

The Panasonic Group is comprised primarily of the parent Panasonic Corporation and 524 consolidated subsidiaries in and outside of Japan, operating in close cooperation with each other. As a comprehensive electronics manufacturer, Panasonic is engaged in development, production, sales and service activities in a broad array of business areas.

The Company supplies a full spectrum of electric/electronic equipment and related products, which is categorized into the following five reportable segments, "Appliances," "Life Solutions," "Connected Solutions," "Automotive," "Industrial Solutions," and other business activities which are not included in the reportable segments. Details about each segment and business transfers are described in "IV Condensed Quarterly Consolidated Financial Statements, Note 3. Segment Information."

During the three months ended June 30, 2020, there were no changes in major affiliates except as follows:

Automotive

On April 1, 2020, the Company transferred the automotive prismatic battery business of SANYO Electric Co., Ltd., and Panasonic Automotive Energy Dalian Co., Ltd., both are subsidiaries of the Company, to Prime Planet Energy & Solutions, Inc. (PPES), also a subsidiary of the Company. In addition, on the same date, certain shares of PPES were transferred to Toyota Motor Corporation, which resulted in PPES becoming a joint venture. Consequently, PPES became an entity accounted for using the equity method by the Company and is no longer a subsidiary.

The Company's condensed quarterly consolidated financial statements have been prepared in conformity with IFRS and the scopes of affiliates are disclosed based on the definition of those accounting principles. The same applies to "II The Business Overview."

II Business Overview

1. Risk Factors

There was no risk newly identified during the three months ended June 30, 2020.

There were no significant changes with regard to the "Risk Factors" stated in the Company's annual securities report for the fiscal year ended March 31, 2020. However, the current assessments of the impacts and countermeasures for the novel coronavirus infections as of August 5, 2020, the filing date of this quarterly report, are as follows:

From the second quarter of the year ending March 31, 2021 onward, the adverse impact of the novel coronavirus infections is expected to gradually improve in line with the lifting of stay-home restrictions and the resumption of businesses in each country. On the other hand, demand in the aviation, housing and automobile industries has been slow to recover, and there is a possibility that the impact will persist in the second half of the year ending March 31, 2021.

At the Appliances, in addition to the recovery trend of home appliances in Japan, the demand for spending while staying at home and for infection prevention is continuing, but the impact of lower demand for inbound and luxury items is expected to continue. As for overseas, Europe and Asia are showing a gradual recovery in demand due to the lifting of restrictions, while in Latin America and India demand has been sluggish due to the spread of infection.

At the Life Solutions, demand is expected to remain sluggish due to the reduction in the number of new housing starts and new non-residential construction square-footage as well as a slow recovery of the renovation market throughout fiscal 2021 because of domestic investment restraints. In addition, overseas activities are gradually resuming due to the lifting of restrictions in each country, but we expect a significant slowdown in growth.

With respect to the Connected Solutions, demand for information and communication infrastructure is expanding due to the widespread practices of remote work. On the other hand, the negative impact on global air-travel passenger demand is expected to continue and recovery of demand in the aviation industry will take some time.

Looking at the Automotive, customers have resumed production sequentially since middle of May 2020, and the recovery trend is becoming more prominent in certain regions, mainly in China, but the negative impact will likely persist in the second half of the year ending March 31, 2021.

As for Industrial Solutions, demand for information and communication infrastructure is expanding due to the widespread practices of work from home and on-line education, and demand for semiconductor manufacturing equipment is also stable. On the other hand, demand for machine tools continue to be sluggish, and automobile production is expected to remain affected in the second half of the year ending March 31, 2021, resulting in continuing weak demand for automotive parts.

Under these circumstances, we are promoting portfolio management and strengthening our management structure based on our Mid-term strategy. We are implementing business portfolio reforms focused on investment in growth fields, strengthening competitiveness through co-creation, and improving profitability, while at the same time strengthening our management structure by reducing fixed costs and implementing measures against structurally unprofitable businesses.

In response to structural changes in the society caused by the novel coronavirus infections, we will take business opportunities by expanding investment in information and communication infrastructure, and by expanding sales of products related to public health, air-conditioning and air quality, where demand is expanding.

2. Management Analyses of Consolidated Financial Position, Operating Results and Cash Flows

Future expectations included in this section are as of August 5, 2020, the filing date of this quarterly report.

(1) Operating Results

During the three months ended June 30, 2020 (fiscal 2021), the global economy saw a significant slowdown on the back of the worldwide downturn in consumption and investment, caused by the impact of the novel coronavirus infections (COVID-19). There were also great uncertainties over the politics and financial circumstances in each country, as well as widespread protectionism. Japan appears to be affected to no small extent by these impacts. Furthermore, the possibility of another spread of COVID-19 cannot be denied. Therefore, it is difficult to forecast the economic outlook surrounding the management environment in fiscal 2021.

Under such a condition, the Company continues to execute portfolio management and to enhance its management structure, based on the Mid-term strategy started from the fiscal 2020, while monitoring the risks and impact on its businesses, as well as deliberating the necessary countermeasures.

During the three months ended June 30, 2020, in the automotive prismatic battery business, Prime Planet Energy & Solutions, Inc., which is a joint venture with Toyota Motor Corporation, has started its operation since April 1, 2020. The joint venture is working to develop highly competitive batteries that have excellent quality, performance and cost-effectiveness, and to provide a stable supply of batteries. In addition, in May 2020, the Company resolved to make a strategic equity investment obtaining 20% of the voting rights in a group that includes Blue Yonder, Inc., a specialized company in supply chain software. The investment was concluded in July 2020. The aim of this investment is to enhance the Company's solution capability and to accelerate its business model transformation through acquiring innovative solutions and business models that Blue Yonder, Inc. provides globally.

For the three months ended June 30, 2020, the Company's consolidated group sales decreased by 26% to 1,391.9 billion yen from a year ago. Domestic sales decreased due mainly to the impact of the spread of COVID-19 as well as the impact of the deconsolidation of housing related businesses, despite increased sales in products such as air purifiers. Overseas sales decreased due largely to the impact of the spread of COVID-19, despite increased sales including mounting machines at Process Automation and electrical materials.

Operating profit decreased by 93% to 3.8 billion yen from a year ago. This is due largely to the impact of decreased sales, despite reductions in fixed costs in line with the enhancement of management structure as well as the effect from profitability improvement efforts in automotive business. Profit before income taxes decreased by 95% to 3.1 billion yen from a year ago and net profit attributable to Panasonic Corporation stockholders decreased to a loss of 9.8 billion yen, compared with a profit of 49.8 billion yen a year ago.

(2) Operating Results by Segment

The Company's first quarter consolidated sales and profits by segment with previous year comparisons are summarized as follows:

From the beginning of fiscal 2021, certain businesses were transferred among reportable segments. The segment information in fiscal 2020 have been reclassified to conform to the presentation for fiscal 2021.

Appliances

Sales decreased by 19% to 554.7 billion yen from a year ago due largely to the impact of deteriorating market conditions, while some regions such as China and Japan, as well as certain products have shown signs of recovery in their business trends.

Operating profit decreased by 49% to 15.2 billion yen from a year ago due largely to the impact of decreased sales, despite the effect of reducing fixed cost and sales promotion expenses.

Life Solutions

Sales decreased by 30% to 325.1 billion yen from a year ago. This is due mainly to the impact of the deconsolidation of housing related businesses in addition to the impact of deteriorating market conditions.

Operating profit decreased by 56% to 5.6 billion yen from a year ago due largely to decreased sales despite the effect of fixed cost reduction efforts.

Connected Solutions

Sales decreased by 27% to 185.3 billion yen from a year ago. This is due largely to decreased sales at Avionics, which was impacted by held back investments of airline companies, despite favorable sales in mounting machines for servers and base stations in China.

Operating profit decreased to a loss of 16.0 billion yen, compared with a profit of 13.7 billion yen a year ago, due largely to decreased sales despite the effect of fixed cost reduction efforts.

Automotive

Sales decreased by 44% to 210.8 billion yen from a year ago. This is due to a sharp drop in demand following the temporary closure of customers' factories.

Operating profit was a loss of 9.5 billion yen, compared to a loss of 10.0 billion yen a year ago, due largely to the impact of decreased sales, despite fixed cost reductions and a gain recognized from the establishment of a joint venture in the automotive prismatic battery business.

Industrial Solutions

Sales decreased by 12% to 288.6 billion yen from a year ago. This is due largely to deteriorating market conditions for products such as automotive relays, despite sales growth in information- and communication-infrastructure related products such as power storage systems, capacitors and circuit board materials.

Operating profit increased by 75% to 9.2 billion yen from a year ago due mainly to increased sales in products such as power storage systems, in addition to fixed cost reduction efforts, despite the impact of decreased sales.

(3) Financial Conditions

The Company's consolidated total assets as of June 30, 2020 were 6,209.2 billion yen, decreased by 9.3 billion yen from March 31, 2020. This is due mainly to decreased assets, resulting from the establishment of a joint venture in the automotive prismatic battery business, despite increases in inventories and financial assets. The Company's consolidated total liabilities were 4,041.4 billion yen, a decrease of 21.3 billion yen from March 31, 2020. This is due mainly to a decrease in trade payables and decreased liabilities resulting from the establishment of a joint venture in the automotive prismatic battery business, despite an increased balance in short-term bonds.

Panasonic Corporation stockholders' equity increased by 21.3 billion yen to 2,019.6 billion yen, compared to March 31, 2020. This is due mainly to an increase in financial assets measured at fair value through other comprehensive income, as a result of rise on share prices. With non-controlling interests added to Panasonic Corporation stockholders' equity, total equity was 2,167.8 billion yen.

(4) Cash Flows

Cash flows from operating activities

Net cash used in operating activities for the first quarter ended June 30, 2020, amounted to 98.3 billion yen, compared with an inflow of 104.9 billion yen a year ago. This is due mainly to a decrease in quarterly net profit and deterioration of working capital.

Cash flows from investing activities

Net cash provided by investing activities amounted to 44.1 billion yen, compared with an outflow of 63.7 billion yen from a year ago. This is due mainly to a decrease in capital investment and proceeds from the establishment of a joint venture in the automotive prismatic battery business.

Accordingly, free cash flow (net cash provided by operating activities and investment activities) decreased by 95.4 billion yen from a year ago to an outflow of 54.2 billion yen.

Cash flows from financing activities

Net cash provided by financial activities amounted to 104.5 billion yen, compared with an outflow of 99.3 billion yen a year ago. This is due mainly to an increased balance in short-term bonds.

Taking factors such as exchange fluctuations into consideration, cash and cash equivalents totaled 1,060.8 billion yen as of June 30, 2020, increased by 44.3 billion yen, compared with March 31, 2020.

(5) Significant Accounting Estimates and Assumptions

There were no significant changes with regard to accounting estimates and underlying assumptions described in the "Significant Accounting Estimates and Assumptions" in the Company's annual securities report for the fiscal year ended March 31, 2020. The details of significant accounting estimates and assumptions are stated in "Condensed Quarterly Consolidated Financial Statements, Note 2. Basis of preparation, (4) Significant accounting estimates and judgments involving estimations."

(6) Research and Development

Panasonic's R&D expenditures for the three months ended June 30, 2020 totaled 103.9 billion yen, down 12% from a year ago. There were no significant changes in R&D activities for the period.

(7) Capital Investment

Panasonic's capital investment (tangible assets) for the three months ended June 30, 2020 totaled 32.1 billion yen, down 43% from a year ago.

(8) Depreciation (tangible assets only)

Panasonic's depreciation for the three months ended June 30, 2020 totaled 44.2 billion yen, down 16% from a year ago.

(9) Number of Employees

Number of employees at the end of the first quarter of fiscal 2021 was 249,349, a decrease of 10,036, compared with the end of the fiscal 2020.

(10) Policy on Control of the Company

There were no significant changes with regard to the "Policy on Control of the Company" stated in the Company's annual securities report for the fiscal year ended March 31, 2020 during the three months ended June 30, 2020.

(11) Prioritized Business and Financial Challenges

There were no significant changes with regard to the "Prioritized Business and Financial Challenges" during the three months ended June 30, 2020.

(12) Plans for Capital Investment, Disposals of Property, Plants and Equipment, etc.

The planned capital investment for the fiscal year ending March 31, 2021, which was undecided at the time of filing the annual securities report for the fiscal year ended March 31, 2020, will be 193.0 billion yen, a decrease of 28% compared with the actual capital investment for the fiscal year ended March 31, 2020. The breakdown by segment is as follows.

Segment	Amount planned for fiscal 2021 (Billions of yen)	Main purpose of investment	Capital source
Appliances	45.0	Production of new products and streamlining of electric appliances for home and video and AV equipment	Own capital, etc.
Life Solutions	33.0	Production of new products and streamlining of electrical construction material, building material, etc.	Own capital, etc.
Connected Solutions	13.0	Production of new products and streamlining of B2B solutions business related equipment, etc.	Own capital, etc.
Automotive	56.0	Production of new products and streamlining of rechargeable batteries, automotive electrical equipment and automotive infotainment-related equipment, etc.	Own capital, etc.
Industrial Solutions	45.0	Production of new products and streamlining of electronic components, etc.	Own capital, etc.
Reportable segment total	192.0	—	—
Other & Corporate	1.0	Capital investment by head office and regional headquarters, etc.	Own capital, etc.
Total	193.0	—	—

(Notes)

1. The above amounts do not include consumption tax, etc.
2. There is no plan of other material disposals or sales of principal facilities, with the exception of disposing and selling facilities due to routine upgrading.
3. Amounts show investment in "Property, plant and equipment."

III Shares and Shareholders

1. Shares of Common Stock Issued as of June 30, 2020: 2,453,326,997 shares

The common stock of the Company is listed on the Tokyo and Nagoya stock exchanges in Japan.

2. Amount of Common Stock (Stated Capital) as of June 30, 2020: 258,867 million yen

IV Condensed Quarterly Consolidated Financial Statements

**PANASONIC CORPORATION
AND SUBSIDIARIES**
Condensed Quarterly Consolidated Statements of Financial Position
June 30 and March 31, 2020

	Yen (millions)	
	June 30, 2020	March 31, 2020
<u>Assets</u>		
Current assets:		
Cash and cash equivalents.....	1,060,830	1,016,504
Trade receivables and contract assets.....	1,018,152	1,051,203
Other financial assets.....	103,798	148,436
Inventories.....	843,016	793,516
Other current assets.....	190,564	162,822
Assets held for sale (Note 9).....	45,075	263,354
Total current assets.....	3,261,435	3,435,835
Non-current assets:		
Investments accounted for using the equity method.....	410,152	306,864
Other financial assets.....	311,709	215,293
Property, plant and equipment.....	1,013,308	1,034,632
Right-of-use assets.....	261,599	261,075
Goodwill and intangible assets.....	617,228	620,611
Deferred tax assets.....	278,881	290,365
Other non-current assets.....	54,887	53,843
Total non-current assets.....	2,947,764	2,782,683
Total assets.....	6,209,199	6,218,518

PANASONIC CORPORATION
AND SUBSIDIARIES
Condensed Quarterly Consolidated Statements of Financial Position
June 30 and March 31, 2020

	Yen (millions)	
	June 30, 2020	March 31, 2020
<u>Liabilities and Equity</u>		
Current liabilities:		
Short-term debt, including current portion of long-term debt.....	430,073	250,620
Lease liabilities.....	64,417	64,375
Trade payables.....	850,602	969,695
Other financial liabilities.....	169,802	212,674
Income taxes payable.....	33,823	38,641
Provisions.....	147,462	165,746
Contract liabilities.....	95,182	95,296
Other current liabilities.....	755,057	730,456
Liabilities directly associated with assets held for sale (Note 9).....	31,511	88,605
Total current liabilities.....	<u>2,577,929</u>	<u>2,616,108</u>
Non-current liabilities:		
Long-term debt.....	952,167	953,831
Lease liabilities.....	201,695	202,485
Other financial liabilities.....	16,607	16,316
Retirement benefit liabilities.....	223,186	221,946
Provisions.....	3,540	3,898
Deferred tax liabilities.....	51,852	33,404
Contract liabilities.....	10,545	6,366
Other non-current liabilities.....	3,875	8,296
Total non-current liabilities.....	<u>1,463,467</u>	<u>1,446,542</u>
Total liabilities.....	<u>4,041,396</u>	<u>4,062,650</u>
Equity:		
Panasonic Corporation stockholders' equity :		
Common stock.....	258,867	258,867
Capital surplus.....	530,766	531,048
Retained earnings.....	1,600,528	1,646,403
Other components of equity (Note 4).....	(160,616)	(227,957)
Treasury stock.....	(209,934)	(210,012)
Total Panasonic Corporation stockholders' equity (Note 5).....	<u>2,019,611</u>	<u>1,998,349</u>
Non-controlling interests.....	148,192	157,519
Total equity.....	<u>2,167,803</u>	<u>2,155,868</u>
Total liabilities and equity.....	<u><u>6,209,199</u></u>	<u><u>6,218,518</u></u>

PANASONIC CORPORATION
AND SUBSIDIARIES
Condensed Quarterly Consolidated Statements of Profit or Loss
Three months ended June 30, 2020 and 2019

	Yen (millions)	
	Three months ended June 30	
	2020	2019
Net sales (Note 7).....	1,391,912	1,891,129
Cost of sales.....	(1,009,721)	(1,358,209)
Gross profit.....	382,191	532,920
Selling, general and administrative expenses.....	(388,086)	(470,554)
Share of profit of investments accounted for using the equity method.....	(13,867)	961
Other income (expenses), net (Note 8).....	23,520	(6,938)
Operating profit.....	3,758	56,389
Finance income.....	4,851	8,285
Finance expenses.....	(5,540)	(8,448)
Profit before income taxes.....	3,069	56,226
Income taxes (Note 8).....	(9,984)	(2,459)
Net profit (loss).....	<u>(6,915)</u>	<u>53,767</u>
Net profit (loss) attributable to:		
Panasonic Corporation stockholders.....	(9,833)	49,777
Non-controlling interests.....	2,918	3,990
Yen		
Earnings per share attributable to Panasonic Corporation stockholders (Note 5)		
Basic.....	(4.21)	21.34
Diluted.....	(4.21)	21.33

PANASONIC CORPORATION
AND SUBSIDIARIES
Condensed Quarterly Consolidated Statements of Comprehensive Income
Three months ended June 30, 2020 and 2019

	Yen (millions)	
	Three months ended June 30	
	2020	2019
Net Profit (loss).....	(6,915)	53,767
Other comprehensive income, net of tax		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans.....	(789)	(249)
Financial assets measured at fair value through other comprehensive income.....	72,705	(8,240)
Subtotal.....	71,916	(8,489)
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations.....	(7,619)	(70,438)
Net changes in fair value of cash flow hedges.....	2,133	318
Subtotal.....	(5,486)	(70,120)
Other comprehensive income (loss), net of tax.....	66,430	(78,609)
Total comprehensive income (loss).....	59,515	(24,842)
 Total comprehensive income (loss) attributable to:		
Panasonic Corporation stockholders.....	56,106	(23,668)
Non-controlling interests.....	3,409	(1,174)

**PANASONIC CORPORATION
AND SUBSIDIARIES**
Condensed Quarterly Consolidated Statements of Changes in Equity
Three months ended June 30, 2020 and 2019

Three months ended June 30, 2020		Yen (millions)						
	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, 2020.....	258,867	531,048	1,646,403	(227,957)	(210,012)	1,998,349	157,519	2,155,868
Comprehensive income:								
Net profit (loss).....	-	-	(9,833)	-	-	(9,833)	2,918	(6,915)
Remeasurements of defined benefit plans.....	-	-	-	(1,003)	-	(1,003)	214	(789)
Financial assets measured at fair value through other comprehensive income.....	-	-	-	72,694	-	72,694	11	72,705
Exchange differences on translation of foreign operations.....	-	-	-	(7,893)	-	(7,893)	274	(7,619)
Net change in fair value of cash flow hedges.....	-	-	-	2,141	-	2,141	(8)	2,133
Total comprehensive income	-	-	(9,833)	65,939	-	56,106	3,409	59,515
Transfer to hedged non- financial assets.....	-	-	-	354	-	354	-	354
Transfer from other components of equity to retained earnings.....	-	-	(1,048)	1,048	-	-	-	-
Cash dividends (Note 4).....	-	-	(34,994)	-	-	(34,994)	(7,974)	(42,968)
Purchase of treasury stock.....	-	-	-	-	(3)	(3)	-	(3)
Disposal of treasury stock.....	-	(1)	-	-	1	0	-	0
Share-based payments.....	-	(55)	-	-	80	25	-	25
Transactions with non-controlling interests and other.....	-	(226)	-	-	-	(226)	(4,762)	(4,988)
Balances as of June 30, 2020.....	258,867	530,766	1,600,528	(160,616)	(209,934)	2,019,611	148,192	2,167,803

Three months ended June 30, 2019

Yen (millions)

	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, 2019.....	258,740	528,880	1,500,870	(164,417)	(210,560)	1,913,513	171,102	2,084,615
Comprehensive income:								
Net profit.....	-	-	49,777	-	-	49,777	3,990	53,767
Remeasurements of defined benefit plans.....	-	-	-	(326)	-	(326)	77	(249)
Financial assets measured at fair value through other comprehensive income.....	-	-	-	(8,211)	-	(8,211)	(29)	(8,240)
Exchange differences on translation of foreign operations.....	-	-	-	(65,230)	-	(65,230)	(5,208)	(70,438)
Net change in fair value of cash flow hedges.....	-	-	-	322	-	322	(4)	318
Total comprehensive income (loss).....	-	-	49,777	(73,445)	-	(23,668)	(1,174)	(24,842)
Transfer to hedged non- financial assets.....	-	-	-	81	-	81	-	81
Transfer from other components of equity to retained earnings.....	-	-	69	(69)	-	-	-	-
Cash dividends (Note 4).....	-	-	(34,986)	-	-	(34,986)	(8,023)	(43,009)
Purchase of treasury stock.....	-	-	-	-	(6)	(6)	-	(6)
Disposal of treasury stock.....	-	(1)	-	-	1	0	-	0
Transactions with non-controlling interests and other.....	-	(744)	-	-	-	(744)	930	186
Cumulative effects of a new accounting standard applied.....	-	-	(20,790)	-	-	(20,790)	-	(20,790)
Balances as of June 30, 2019.....	258,740	528,135	1,494,940	(237,850)	(210,565)	1,833,400	162,835	1,996,235

PANASONIC CORPORATION
AND SUBSIDIARIES
Condensed Quarterly Consolidated Statements of Cash Flows
Three months ended June 30, 2020 and 2019

	Yen (millions)	
	Three months ended June 30	
	2020	2019
Cash flows from operating activities:		
Net profit (loss).....	(6,915)	53,767
Depreciation and amortization.....	78,441	97,630
Impairment losses on property, plant and equipment, right-of-use assets, goodwill and intangible assets.....	1,564	509
Income tax expenses (Note 8).....	9,984	2,459
(Increase) decrease in trade receivables and contract assets.....	27,703	18,751
(Increase) decrease in inventories.....	(51,953)	(38,806)
Increase (decrease) in trade payables.....	(116,644)	(31,288)
Increase (decrease) in provisions.....	(19,799)	(2,157)
Increase (decrease) in contract liabilities.....	3,850	28,548
Increase (decrease) in retirement benefit liabilities.....	(559)	(6,700)
Other - net (Note 8).....	9,390	24,011
Subtotal.....	<u>(64,938)</u>	<u>146,724</u>
Interest received.....	2,973	6,455
Dividend income received.....	1,457	1,556
Interest expenses paid.....	(4,589)	(8,214)
Income taxes paid.....	<u>(33,177)</u>	<u>(41,613)</u>
Net cash provided by (used in) operating activities.....	<u>(98,274)</u>	<u>104,908</u>
Cash flows from investing activities:		
Purchase of property, plant and equipment.....	(47,849)	(72,531)
Proceeds from sale of property, plant and equipment.....	5,221	5,900
Purchase of intangible assets.....	(13,772)	(16,864)
Collection of lease receivables.....	109	20,407
Purchase of investments accounted for using the equity method and other financial assets.....	(3,359)	(5,075)
Proceeds from sale and redemption of investments accounted for using the equity method and other financial assets.....	1,096	4,062
Proceeds from loss of control of subsidiaries or other businesses.....	103,011	-
Other - net.....	<u>(391)</u>	<u>399</u>
Net cash provided by (used in) investing activities.....	<u>44,066</u>	<u>(63,702)</u>

PANASONIC CORPORATION
AND SUBSIDIARIES
Condensed Quarterly Consolidated Statements of Cash Flows
Three months ended June 30, 2020 and 2019

	Yen (millions)	
	Three months ended June 30	
	2020	2019
Cash flows from financing activities:		
Increase (decrease) in short-term debt.....	204,864	(4,791)
Proceeds from long-term debt.....	1,095	305
Repayments of long-term debt.....	(25,387)	(31,499)
Payments for lease liabilities.....	(18,810)	(26,579)
Dividends paid to Panasonic Corporation stockholders (Note 4).....	(34,994)	(34,986)
Dividends paid to non-controlling interests.....	(7,974)	(8,023)
Purchase of treasury stock.....	(3)	(6)
Other - net.....	(14,297)	6,304
Net cash provided by (used in) financing activities.....	<u>104,494</u>	<u>(99,275)</u>
Effect of exchange rate changes on cash and cash equivalents.....	<u>(4,898)</u>	<u>(23,795)</u>
Net increase (decrease) in cash and cash equivalents.....	45,388	(81,864)
Cash and cash equivalents at the beginning of the period.....	<u>1,016,504</u>	<u>772,264</u>
Net decrease in cash and cash equivalents		
due to transfer to assets held for sale (Note 9).....	(1,062)	-
Cash and cash equivalents at the end of the period.....	<u><u>1,060,830</u></u>	<u><u>690,400</u></u>

**PANASONIC CORPORATION
AND SUBSIDIARIES**
Notes to Condensed Quarterly Consolidated Financial Statements

1. Reporting entity

Panasonic Corporation is a company incorporated in Japan. As a comprehensive electronics manufacturer, Panasonic Corporation and its subsidiaries (together referred to as the "Company") are engaged in development, production, sales and service activities in a broad array of business areas with close cooperation between domestic and overseas group companies.

The details of principal businesses and activities of the Company are described in "3. Segment information."

2. Basis of preparation

(1) Compliance of the condensed quarterly consolidated financial statements with International Accounting Standard 34 "Interim Financial Reporting" (hereinafter, "IAS 34")

Pursuant to the provision of Article 93 of the Ordinance on Terminology, Forms, and Preparation Methods of Quarterly Consolidated Financial Statements, the condensed quarterly consolidated financial statements of the Company have been prepared in compliance with IAS 34 since the Company qualifies as a "Specified Company under Designated International Accounting Standards" prescribed in Article 1-2 of the Ordinance.

The Company's condensed quarterly consolidated financial statements do not include all of the information and disclosures required for a complete set of financial statements prepared in accordance with IFRS, and should be used in conjunction with the consolidated financial statements and the notes included in the Company's annual securities report for the year ended March 31, 2020.

The condensed quarterly consolidated financial statements were approved on August 5, 2020 by Representative Director and President, Kazuhiro Tsuga and Director (CFO), Hirokazu Umeda.

(2) Functional currency and presentation currency

The Company's condensed quarterly consolidated financial statements are presented in Japanese yen, which is Panasonic's functional currency, and figures are rounded to the nearest million (Japanese yen).

(3) Significant accounting policies

Significant accounting policies applied in preparation of the condensed quarterly consolidated financial statements are consistent with those used in the preparation of the Company's annual consolidated financial statements for the year ended March 31, 2020.

(4) Significant accounting estimates and judgments involving estimations

The Company makes judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses for the preparation of the condensed quarterly consolidated financial statements. Actual results may differ from those accounting estimates and their underlying assumptions.

Estimates and their underlying assumptions are reviewed on an ongoing basis, and revisions to accounting estimates are recognized in the reporting period in which the estimates are revised and in future reporting periods.

The estimates and judgments, which have a material effect on the Company's condensed quarterly consolidated financial statements, are consistent with those used in the preparation of the Company's annual consolidated financial statements for the year ended March 31, 2020.

Regarding the effects of the novel coronavirus infections, the Company assumes that the impact will continue for a certain period in the future based on internal information, such as recent orders and sales trends, as well as information from multiple external sources, such as economic, market and consumption forecasts, and other relevant information. Accounting estimates, including "Recoverability of deferred tax assets" and "Impairment of non-financial assets (including goodwill)," were made under those assumptions. There were no significant deviations from the projections assumed in the year ended March 31, 2020, and there were no significant changes in underlying assumptions used in accounting estimate for the Company's condensed quarterly financial statements.

In the first quarter of the year ending March 31, 2021, an adverse economic impact of sluggish markets resulting from the lower demand in the automobile and aviation industries as well as stay-at-home orders implemented worldwide expanded from China to across the globe. While supply chain issues in China have improved, the suspension of factories in other parts of the world including Asian countries as a result of the lockdown affected the Company's procurement and manufacturing operations. From the second quarter of the year ending March 31, 2021 onward, the adverse impact is expected to gradually improve with the recovery of market conditions in line with the lifting of stay-home restrictions and the resumption of businesses in each country and the resolution of supply-side issues. On the other hand, the adverse impact will likely persist in the aviation, housing and automobile industries in the second half of the year ending March 31, 2021. In addition, the negative impact on global air-travel passenger demand is expected to continue and recovery of demand in the aviation industry will take some time. The above accounting estimates are made based on these assumptions regarding future outlook.

There are significant uncertainties regarding the overall duration and severity of the impact of the spread of the novel coronavirus infections and any changes in the above assumptions could adversely affect the financial position and the operating results of the Company in the future.

3. Segment information

(1) Reportable segments

Reportable segments are the components of the Company for which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. The Company classifies and discloses five reportable segments, namely "Appliances," "Life Solutions," "Connected Solutions," "Automotive" and "Industrial Solutions."

"Appliances" includes the development, manufacturing and sale of, and provision of related services for, products such as room air-conditioners, large-sized air-conditioners, TVs, digital cameras, video equipment, home audio equipment, fixed-phones, refrigerators, washing machines, vacuum cleaners, microwave ovens, rice cookers, personal-care products, compressors, fuel cells and showcases. "Life Solutions" includes the development, manufacturing and sale of, and provision of related services for, products such as lighting fixtures, lamps, wiring devices, solar photovoltaic systems, water-related products, interior furnishing materials, exterior finishing materials, ventilation and air-conditioning equipment, air purifiers, bicycles, and nursing-care-related products (including detached housing, rental apartment housing, land and buildings for sale, home remodeling in the three months ended June 30, 2019). "Connected Solutions" includes the development, manufacturing and sale of, and provision of related services for, products such as aircraft in-flight entertainment systems and communications services, electronic-components-mounting machines, welding equipment, projectors, professional AV systems, PCs and tablets. "Automotive" includes the development, manufacturing, and sale of, and provision of related services for, products such as car navigation systems, car AV systems, meter cluster displays, head-up displays, telematics communication units, switches, sensing devices, ECUs, energy management devices and batteries for automobiles. "Industrial Solutions" includes the development, manufacturing, and sale of, and provision of related services for, products such as automation controls, electric motors, FA sensors and components, small lithium-ion batteries, battery modules for power storage, electronic components, dry batteries, micro batteries, electronic materials, semiconductors and LCD panels.

"Other" includes business activities not belonging to reportable segments, such as sales of raw materials.

As of April 1, 2020, certain businesses were transferred between reportable segments, and segment information for the three months ended June 30, 2019 has been reclassified to conform to the presentation for the three months ended June 30, 2020.

(2) Information by reportable segment

Information by reportable segment is shown in the tables below.

(i) For the three months ended June 30, 2020

	Yen (millions)							
	Reportable segments							
	Appliances	Life Solutions	Connected Solutions	Automotive	Industrial Solutions	Other	Eliminations and adjustments	Consolidated Total
Sales:								
External customers....	505,404	289,879	161,993	206,976	252,125	50,604	(75,069)	1,391,912
Intersegment.....	49,278	35,239	23,333	3,814	36,430	1,680	(149,774)	-
Total.....	<u>554,682</u>	<u>325,118</u>	<u>185,326</u>	<u>210,790</u>	<u>288,555</u>	<u>52,284</u>	<u>(224,843)</u>	<u>1,391,912</u>
Segment profit (loss)..	15,208	5,611	(16,028)	(9,475)	9,202	289	(1,049)	3,758

(ii) For the three months ended June 30, 2019

	Yen (millions)							
	Reportable segments							
	Appliances	Life Solutions	Connected Solutions	Automotive	Industrial Solutions	Other	Eliminations and adjustments	Consolidated Total
Sales:								
External customers....	632,451	418,891	224,775	368,245	277,829	56,387	(87,449)	1,891,129
Intersegment.....	55,947	43,792	30,451	9,112	49,262	2,083	(190,647)	-
Total.....	<u>688,398</u>	<u>462,683</u>	<u>255,226</u>	<u>377,357</u>	<u>327,091</u>	<u>58,470</u>	<u>(278,096)</u>	<u>1,891,129</u>
Segment profit (loss)..	29,981	12,711	13,705	(10,043)	5,247	1,515	3,273	56,389

The accounting policies for reportable segments are the same as the Company's accounting policies described in Note 2 "(3) Significant accounting policies" except for management accounting adjustments referred to below.

Transactions between segments have been conducted at arm's length prices.

Segment profit is calculated based on operating profit. In addition, Segment loss of "Automotive" for the three months ended June 30, 2020 includes investment loss of 6,595 million yen by using the equity method.

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

Adjustments to segment sales to customers for the three months ended June 30, 2020 and 2019 mainly include price differences between sales prices to external customers and the internal sales prices adopted for performance measurement purposes for the sales of consumer products through certain sales departments, management accounting adjustments to sales prices, and revenue of corporate headquarters, etc.

Adjustments to segment profit for the three months ended June 30, 2020 and 2019 include profit of corporate headquarters and profit which is attributable to certain sales departments for consumer products. Adjustments also include consolidation adjustments such as amortization on certain intangible assets acquired in business combinations and share of profit of investments accounted for using the equity method which are not allocated to any specific segments.

4. Equity

(1) Other components of equity

A breakdown of other components of equity is as follows:

	Yen (millions)	
	June 30, 2020	March 31, 2020
Remeasurements of defined benefit plans (*).....	-	-
Financial assets measured at fair value through other comprehensive income.....	130,533	57,794
Exchange differences on translation of foreign operations.....	(301,526)	(293,633)
Net changes in fair value of cash flow hedges.....	10,377	7,882
Total.....	<u>(160,616)</u>	<u>(227,957)</u>

(*)As the result of remeasurements of defined benefit plans, other components of equity decreased by 1,003 million yen (net of tax), which was directly transferred from other components of equity to retained earnings for the three months ended June 30, 2020.

(2) Dividends

(i) Dividends for the three months ended June 30, 2020 is summarized as follows:

Amount of cash dividends paid

Resolution date	Class	Cash dividends (millions of yen)	Dividends resource	Cash dividends per share (yen)	Record date	Effective date
The Board of Directors meeting held on May 18, 2020	Common stock	34,994	Retained Earnings	15.0	March 31, 2020	June 11, 2020

(ii) Dividends for the three months ended June 30, 2019 is summarized as follows:

Amount of cash dividends paid

Resolution date	Class	Cash dividends (millions of yen)	Dividends resource	Cash dividends per share (yen)	Record date	Effective date
The Board of Directors meeting held on May 9, 2019	Common stock	34,986	Retained Earnings	15.0	March 31, 2019	June 7, 2019

5. Per share information

Panasonic Corporation stockholders' equity per share is as follows:

	Yen	
	June 30, 2020	March 31, 2020
Panasonic Corporation stockholders' equity per share.....	865.67	856.57

The reconciliation for the basic and diluted earnings per share attributable to Panasonic Corporation stockholders is as follows:

	Yen (millions)	
	2020	2019
Net profit (loss) attributable to Panasonic Corporation stockholders.....	(9,833)	49,777
Adjustment to net profit (loss).....	-	-
Net profit (loss) used to calculate basic earnings per share.....	(9,833)	49,777
Adjustment to net profit (loss).....	-	-
Net profit (loss) used to calculate diluted earnings per share.....	(9,833)	49,777

	Number of shares	
	2020	2019
Average common shares outstanding.....	2,332,973,474	2,332,387,733
Dilutive effect:		
Stock acquisition rights.....	(*) -	1,566,110
Restricted stock.....	(*) -	-
Diluted common shares outstanding.....	(*) 2,332,973,474	2,333,953,843

(*) The calculation of the average number of diluted common shares does not include the increases in common shares of 1,200,213 due to stock acquisition rights and those of 13,300 due to restricted stock because of their anti-dilutive effect.

	Yen	
	2020	2019
Earnings per share attributable to Panasonic Corporation stockholders:		
Basic.....	(4.21)	21.34
Diluted.....	(4.21)	21.33

6. Fair values of financial instruments

(1) The comparison between fair values and carrying amounts are as follows:

	Yen (millions)			
	June 30, 2020		March 31, 2020	
	Book value	Fair value	Book value	Fair value
Long-term debt, including current portion of long-term debt.....	954,363	973,042	981,439	977,296

Fair values shown above are estimated, based on the market price or its present value of the future cash flows, which is calculated using the observable discount rate at June 30 and March 31, 2020. All fair values are categorized as level 2 (refer to "(2) Fair value measurement hierarchy").

With regard to financial assets and financial liabilities measured at amortized cost other than the above, their fair values approximate their carrying amounts.

(2) Fair value measurement hierarchy

IFRS 13, "Fair Value Measurement" provides that fair values shall be categorized into the following three levels according to the extent to which the input information used in the measurement is observable from the outside:

- Level 1: Fair value measured by quoted prices in active markets
- Level 2: Fair value measured directly or indirectly using inputs other than quoted prices included within Level 1 that are observable
- Level 3: Fair value measured through valuation techniques which include inputs that are not based on observable market data

The fair value measurement hierarchy level used in the measurement is determined by the lowest-level of significant input in the measurement of fair value.

The breakdown of financial instruments measured at fair value is as follows:

	Yen (millions)			
	June 30, 2020			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets measured at FVTPL				
Derivative assets				
Foreign exchange forward contracts.....	-	787	-	787
Cross currency swaps.....	-	12	-	12
Cross currency interest rate swaps.....	-	19,013	-	19,013
Commodity futures.....	8,272	1,529	-	9,801
Subtotal.....	8,272	21,341	-	29,613
Financial assets measured at FVTOCI				
Equity securities.....	193,706	-	74,047	267,753
Others.....	-	280	-	280
Subtotal.....	193,706	280	74,047	268,033
Total financial assets.....	201,978	21,621	74,047	297,646
Financial liabilities:				
Financial liabilities measured at FVTPL				
Derivative liabilities				
Foreign exchange forward contracts.....	-	3,336	-	3,336
Commodity futures.....	7,094	7,080	-	14,174
Total financial liabilities.....	7,094	10,416	-	17,510

	Yen (millions)			
	March 31, 2020			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets measured at FVTPL				
Derivative assets				
Foreign exchange forward contracts.....	-	3,025	-	3,025
Cross currency swaps.....	-	153	-	153
Cross currency interest rate swaps.....	-	17,423	-	17,423
Commodity futures.....	7,804	6,005	-	13,809
Subtotal.....	7,804	26,606	-	34,410
Financial assets measured at FVTOCI				
Equity securities.....	106,923	-	64,603	171,526
Others.....	-	281	-	281
Subtotal.....	106,923	281	64,603	171,807
Total financial assets.....	114,727	26,887	64,603	206,217
Financial liabilities:				
Financial liabilities measured at FVTPL				
Derivative liabilities				
Foreign exchange forward contracts.....	-	4,202	-	4,202
Commodity futures.....	16,001	3,298	-	19,299
Total financial liabilities.....	16,001	7,500	-	23,501

The Company's marketable equity securities and commodity futures are included in Level 1, which are valued using an unadjusted quoted market price in active markets with sufficient volume and frequency of transactions.

Level 2 derivatives including foreign exchange forward contracts, cross currency swaps, cross currency interest rate swaps and commodity futures are valued using quotes obtained from brokers, which are periodically validated by pricing models using observable market inputs, such as foreign currency exchange rates, market interest rates and market prices for commodity futures.

Equity securities classified as Level 3 are unlisted stocks, and their fair values are measured by an appropriate valuation method that comprehensively takes into account the outlook for future profitability of the investee and quantitative information such as net asset value and major assets held by the investee, in accordance with the policy and procedures set by the Company for using the most appropriate and highly relevant, available data. The reasonableness of this assessment is verified by the department in charge of accounting using various methods and approved by the manager of the department. Specific methods of verification include use of external valuation service organizations.

For financial instruments classified as Level 3, significant changes in fair value occurring when unobservable inputs are changed to reasonably possible alternative assumptions are not expected.

Transfers between levels are recognized on the day when the event or change in circumstances that caused the transfer occurred. In the three months ended June 30, 2020 and financial year ended March 31, 2020, there were no financial instruments of which a significant transfer was made between levels.

For the three months ended June 30, 2020, there were no significant movements of the financial instruments, classified as Level 3.

7. Revenue

Disaggregation of revenue

Revenue from contracts with customers is disaggregated by product category to reflect its nature properly and geographical area where customers are located. Revenue by product and geographical area is further disaggregated by reportable segment.

The products of Appliances are categorized into "B2C" and "B2B." "B2C" includes products such as room air-conditioners, TVs, digital cameras, video equipment, home audio equipment, fixed-phones, refrigerators, washing machines, vacuum cleaners, microwave ovens, rice cookers and personal-care products. "B2B" includes products such as compressors, fuel cells and showcases.

The products of Life Solutions are categorized into "Electrical construction materials," "Home building products" and "Other." "Electrical construction materials" includes products such as lighting fixtures, lamps, wiring devices, solar photovoltaic systems, ventilation and air-conditioning equipment and air purifiers. "Home building products" includes products such as water-related products, interior furnishing materials, exterior furnishing materials. "Other" includes products such as bicycles and nursing-care-related products.

The products of Connected Solutions are categorized into "Vertical solutions" and "Product solutions." "Vertical solutions" is a solution business provided directly by business divisions where development, production and sales are integrated and includes products such as aircraft in-flight entertainment systems and communications services, electronic-components-mounting machines and welding equipment. "Product solutions" is a solution business provided by developing and manufacturing business divisions through sales departments, and includes products such as projectors, professional AV systems, PCs and tablets.

The products of Automotive are categorized into "Automotive solutions" and "Automotive batteries." "Automotive solutions" includes products such as automotive-use infotainment systems, electrical components and automotive mirrors. "Automotive batteries" includes products related to automotive-use batteries.

The products of Industrial Solutions are categorized into "Systems," "Device" and "Other." "Systems" includes products such as automation controls, electric motors and lithium-ion batteries, which are the group of businesses focused on systems and modules. "Device" includes products such as electronic components, electronic materials and dry batteries, which are the group of businesses that differentiates in materials and processes. "Other" includes products such as semiconductors and LCD panels.

Disaggregated revenue is set out below. In addition, for the three months ended June 30, 2019, the products of Life Solutions were categorized into "Electrical construction materials," "Architecture" and "Other (including home building products)," however, due to the reorganization of the housing business, from the three months ended June 30, 2020, the product categories have been changed to "Electrical construction materials," "Home building products" and "Other." As a result, detached housing, rental apartment housing, land and buildings for sale and home remodeling that were previously classified as "Architecture" in the three months ended June 30, 2019 have been reclassified as "Other."

For the three months ended June 30, 2020

		Yen (millions)	
By product category	Sales	By geographical area	Sales
Reportable segments			
Appliances			
B2C.....	322,995	Japan.....	197,187
B2B.....	95,900	North and South America.....	43,719
		Europe.....	37,574
		Asia, China and others.....	140,415
Total.....	<u>418,895</u>	Total.....	<u>418,895</u>
Life Solutions			
Electrical construction materials.....	156,851	Japan.....	237,298
Home building products.....	76,051	North and South America.....	8,800
Other.....	54,309	Europe.....	5,211
		Asia, China and others.....	35,902
Total.....	<u>287,211</u>	Total.....	<u>287,211</u>
Connected Solutions			
Vertical solutions.....	70,279	Japan.....	61,106
Product solutions.....	106,046	North and South America.....	51,116
		Europe.....	19,829
		Asia, China and others.....	44,274
Total.....	<u>176,325</u>	Total.....	<u>176,325</u>
Automotive			
Automotive solutions.....	117,964	Japan.....	63,793
Automotive batteries.....	71,977	North and South America.....	78,607
		Europe.....	20,741
		Asia, China and others.....	26,800
Total.....	<u>189,941</u>	Total.....	<u>189,941</u>
Industrial Solutions			
Systems.....	108,252	Japan.....	70,862
Device.....	119,494	North and South America.....	24,560
Other.....	34,190	Europe.....	26,662
		Asia, China and others.....	139,852
Total.....	<u>261,936</u>	Total.....	<u>261,936</u>
Other.....	<u>57,604</u>	Other.....	<u>57,604</u>
Consolidated total.....	<u><u>1,391,912</u></u>	Consolidated total.....	<u><u>1,391,912</u></u>

For the three months ended June 30, 2019

		Yen (millions)	
By product category	Sales	By geographical area	Sales
Reportable segments			
Appliances			
B2C.....	407,403	Japan.....	237,138
B2B.....	124,260	North and South America.....	63,181
		Europe.....	58,545
		Asia, China and others.....	172,799
Total.....	<u>531,663</u>	Total.....	<u>531,663</u>
Life Solutions			
Electrical construction materials.....	180,850	Japan.....	345,663
Home building products.....	83,733	North and South America.....	14,505
Other.....	152,964	Europe.....	11,687
		Asia, China and others.....	45,692
Total.....	<u>417,547</u>	Total.....	<u>417,547</u>
Connected Solutions			
Vertical solutions.....	105,399	Japan.....	76,829
Product solutions.....	138,248	North and South America.....	92,322
		Europe.....	27,204
		Asia, China and others.....	47,292
Total.....	<u>243,647</u>	Total.....	<u>243,647</u>
Automotive			
Automotive solutions.....	236,651	Japan.....	101,267
Automotive batteries.....	105,995	North and South America.....	158,679
		Europe.....	48,133
		Asia, China and others.....	34,567
Total.....	<u>342,646</u>	Total.....	<u>342,646</u>
Industrial Solutions			
Systems.....	127,871	Japan.....	79,828
Device.....	129,580	North and South America.....	27,640
Other.....	33,520	Europe.....	34,887
		Asia, China and others.....	148,616
Total.....	<u>290,971</u>	Total.....	<u>290,971</u>
Other.....	<u>64,655</u>	Other.....	<u>64,655</u>
Consolidated total.....	<u><u>1,891,129</u></u>	Consolidated total.....	<u><u>1,891,129</u></u>

The reconciliation of "Disaggregated revenue" by reportable segment with "Sales to external customers" in Note "3 (2) Information by reportable segment" is set out below.

"Disaggregated revenue" of each reportable segment adjusted for "Adjustments for management accounting," "Cross-selling" and "Sales of third party products, etc." reconciles to "Sales to external customers" in Note 3 "(2) Information by reportable segment." "Adjustments for management accounting" mainly includes adjustments to sales prices for management accounting. "Cross-selling" mainly includes adjustment for sales of products through other segments. "Sales of third party products, etc." mainly includes adjustments for sales of products manufactured by third parties which are not included in sales for management accounting purposes.

For the three months ended June 30, 2020

	Yen (millions)				
	Appliances	Life Solutions	Connected Solutions	Automotive	Industrial Solutions
Disaggregated revenue.....	418,895	287,211	176,325	189,941	261,936
Adjustments for management accounting.....	71,827	8,572	1,103	2,631	4,897
Cross-selling.....	18,829	(6,068)	(15,458)	12,507	(15,310)
Sales of third party products, etc.	(4,147)	164	23	1,897	602
Note 3 "(2) Information by reportable segment" Sales to external customers.....	<u>505,404</u>	<u>289,879</u>	<u>161,993</u>	<u>206,976</u>	<u>252,125</u>

For the three months ended June 30, 2019

	Yen (millions)				
	Appliances	Life Solutions	Connected Solutions	Automotive	Industrial Solutions
Disaggregated revenue.....	531,663	417,547	243,647	342,646	290,971
Adjustments for management accounting.....	87,782	9,708	2,360	3,446	5,619
Cross-selling.....	21,178	(9,044)	(21,158)	21,856	(20,501)
Sales of third party products, etc.....	(8,172)	680	(74)	297	1,740
Note 3 "(2) Information by reportable segment" Sales to external customers.....	<u>632,451</u>	<u>418,891</u>	<u>224,775</u>	<u>368,245</u>	<u>277,829</u>

8. Supplementary information

(1) Other income (expenses)

"Other income (expenses), net" for the three months ended June 30, 2020 includes a gain of 27,676 million yen recognized as a result of the execution of a series of transactions associated with the establishment of a joint venture related to the automotive prismatic battery business (refer to "9. Disposal groups held for sale"), which is allocated to the "Automotive" segment. The gain noted above is presented as part of "Other - net" within cash flows from operating activities in the condensed quarterly consolidated statements of cash flows.

The Company did not disclose supplementary information of "Other income (expenses), net" as each item was immaterial for the three months ended June 30, 2019.

(2) Income taxes

Included in current tax expenses for the three months ended June 30, 2019 is an income tax benefit (gain) of 21,458 million yen of Panasonic Corporation on consolidation. This benefit is a result of the write-off of the Company's loan to MT Picture Display Co., Ltd (MTPD) as part of the liquidation procedures of MTPD.

(3) Acquisitions of "Property, plant and equipment"

The increases in carrying amounts of "Property, plant and equipment" due to acquisition in the three months ended June 30, 2020 and 2019 are 32,090 million yen and 56,033 million yen, respectively.

(4) Sales or disposal of "Property, plant and equipment"

The decreases in carrying amounts of "Property, plant and equipment" due to sales or disposal in the three months ended June 30, 2020 and 2019 are 5,248 million yen and 26,112 million yen, respectively, including a decrease due to recognition of finance lease as a lessor.

9. Disposal groups held for sale

Components of "Assets held for sale" and "Liabilities directly associated with assets held for sale" are as follows:

	Yen (millions)	
	June 30, 2020	March 31, 2020
Assets held for sale:		
Trade receivables and contract assets.....	873	5,496
Inventories.....	22,048	37,630
Property, plant and equipment.....	4,984	164,845
Right-of-use assets.....	3,180	12,867
Other.....	13,990	42,516
Total.....	45,075	263,354
Liabilities directly associated with assets held for sale:		
Trade payables.....	10,782	28,017
Lease liabilities.....	4,164	14,995
Other.....	16,565	45,593
Total.....	31,511	88,605

"Assets held for sale" and "Liabilities directly associated with assets held for sale" as of March 31, 2020 are assets and liabilities mainly related to the automotive prismatic battery business and the semiconductor business. "Assets held for sale" and "Liabilities directly associated with assets held for sale" as of June 30, 2020 are assets and liabilities mainly related to the semiconductor business.

On April 1, 2020, the Company transferred the automotive prismatic battery business of SANYO Electric Co., Ltd., a subsidiary of the Company, through a company split to Prime Planet Energy & Solutions, Inc. (PPES), which shares are held by Panasonic Equity Management Japan G.K. (PEMJ), a subsidiary. At the same time, all equity shares of Panasonic Automotive Energy Dalian Co., Ltd. held by Panasonic Corporation of China, a subsidiary, were transferred to PPES. In addition, on the same date, certain shares of PPES held by PEMJ were transferred to Toyota Motor Corporation, which resulted in PPES becoming a joint venture. The Company's ownership ratio in PPES after these transfers is 49%. Consequently, PPES became an entity accounted for using the equity method by the Company and is no longer a subsidiary.

In addition, at the board of directors meeting on November 28, 2019, the Company resolved to transfer the semiconductor business to Nuvoton Technology Corporation, a Taiwan-based semiconductor company under the umbrella of Winbond Electronics Corporation Group. The transfer is scheduled to be carried out in September 2020. Accordingly, at June 30, 2020 and March 31, 2020, assets and liabilities of the business in the Panasonic group to be transferred are classified as "Assets held for sale" and "Liabilities directly associated with assets held for sale."

10. Contingent liabilities

Litigation, etc.

The Company is subject to a number of legal proceedings including civil litigation related to trade, tax, products or intellectual properties, or governmental investigations. The Company has been dealing with various litigations and investigations. Depending upon the outcome of these different proceedings, the Company may be subject to an uncertain amount of settlements or fines, and accordingly the Company has accrued for certain probable and reasonably estimated amounts for the settlements and fines.

Panasonic Corporation and one of its subsidiaries, SANYO Electric Co., Ltd., are subject to litigation in North America related to an anti-trust matter concerning their rechargeable battery business.

Other than this matter, there are a number of legal actions against the Company. Management is of the opinion that damages, if any, resulting from these actions, will not have a material effect on the Company's condensed quarterly consolidated financial statements.

The ability to predict the outcome of these actions and proceedings is difficult to assess given that certain of the investigations and legal proceedings are still at an early stage, present novel legal theories, involving a large number of parties or are taking place in jurisdictions outside of Japan where the laws are complex or unclear. Accordingly, the Company is unable to estimate the losses or range of losses for the actions and proceedings where there is only a reasonable possibility that a loss exceeding the amounts already recognized may have been incurred.

11. Subsequent events

Investment in a U.S. software company

On July 20, 2020, the Company made an equity investment in Blue Yonder, Inc. (Blue Yonder), a provider of end-to-end supply chain software, and acquired approximately 20% of the shares of Blue Yonder Holding, Inc., the parent company of Blue Yonder, for 813,488 thousand U.S. dollars. Accordingly, Blue Yonder became an entity accounted for using the equity method by the Company.