

July 31, 2023

FOR IMMEDIATE RELEASE

Panasonic Holdings Corporation
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(Japan)

Panasonic Holdings Reports its Consolidated Financial Results
for the Three Months ended June 30, 2023

Osaka, Japan, July 31, 2023 -- Panasonic Holdings Corporation ([TSE:6752] the "Company") today reported its consolidated financial results for the three months ended June 30 2023, of the current fiscal year ending March 31, 2024 (fiscal 2024).

The Company also provided the information on the revision of its consolidated financial forecast for fiscal 2024.

Summary of Consolidated Financial Results for Three Months Ended June 30, 2023 [IFRS]

July 31, 2023

Company Name: Panasonic Holdings Corporation

Listed Exchanges: Tokyo / Nagoya

Security Code: 6752

URL: <https://holdings.panasonic/global/>

Scheduled Date for Quarterly Report Filing: August 9, 2023

Scheduled Date for Dividend Payment: -

1. Consolidated Financial Results for Three Months (April 1, 2023 - June 30, 2023)

(1) Consolidated Operating Results (% represents changes compared with the same period of the previous fiscal year)

	Net sales		Operating profit		Profit before income tax		Net profit		Net profit attributable to Panasonic Holdings Corporation		Total comprehensive income	
	Yen (million)	%	Yen (million)	%	Yen (million)	%	Yen (million)	%	Yen (million)	%	Yen (million)	%
Three Months ended												
June 30, 2023	2,029,694	2.8	90,372	41.9	108,733	47.8	206,500	292.8	200,925	310.5	537,838	34.2
June 30, 2022	1,973,861	10.1	63,700	(39.0)	73,544	(32.2)	52,565	(35.3)	48,949	(36.0)	400,662	309.9

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
Three Months ended June 30, 2023	86.08		86.06	
Three Months ended June 30, 2022	20.97		20.97	

(2) Consolidated Financial Positions

	Total assets	Total equity	Equity attributable to Panasonic Holdings Corporation	Ratio of equity attributable to Panasonic Holdings Corporation to total assets
As of	Yen (million)	Yen (million)	Yen (million)	%
June 30, 2023	8,725,816	4,279,283	4,106,066	47.1
March 31, 2023	8,059,527	3,789,958	3,618,402	44.9

2. Dividends

	Annual dividends				
	End of 1 st Quarter	End of 2 nd Quarter	End of 3 rd Quarter	End of Fiscal Year	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal 2023	-	15.00	-	15.00	30.00
Fiscal 2024	-	-	-	-	-
Fiscal 2024 (Forecast)	-	-	-	-	-

Note: Revision in the dividends forecast from latest financial announcement: None

Dividend forecast for fiscal 2024 has not yet been announced.

3. Consolidated Financial Forecast for Fiscal 2024 (April 1, 2023 - March 31, 2024)

(% represents changes compared with the same period of the previous fiscal year)

	Net sales		Operating profit		Profit before Income taxes		Net profit attributable to Panasonic Holdings Corporation		Basic earnings per share
	Yen (million)	%	Yen (million)	%	Yen (million)	%	Yen (million)	%	Yen
Full Year	8,500,000	1.4	430,000	49.0	455,000	43.8	460,000	73.3	197.08

Note: Revision in the consolidated financial forecast from latest financial announcement: Yes

Notes: 1. Fiscal 2024 refers to the fiscal year ending March 31, 2024.

2. The Company's consolidated financial statements are prepared in conformity with International Financial Reporting Standards (IFRS).

3. One American depositary shares (ADS) represents one share of common share. Earnings per share attributable to Panasonic Holdings Corporation stockholders per ADS is same amount as Earnings per share attributable to Panasonic Holdings Corporation stockholders.

Consolidated Financial Results

1. Fiscal 2024 1Q ended June 30, 2023

A. Operating Results

	Yen (billions)		
	Fiscal 2024 Three Months ended June 30, 2023	Fiscal 2023 Three Months ended June 30, 2022	Percentage FY2024/2023
Net sales	2,029.7	1,973.9	103%
Operating profit	90.4	63.7	142%
Profit before income taxes	108.7	73.5	148%
Net profit attributable to Panasonic Holdings Corporation stockholders	200.9	48.9	410%

During the three months ended June 30, 2023 (fiscal 2024), the global economy saw a moderate slowdown due to geopolitical risks such as the situation in Ukraine as well as the ongoing monetary tightening implemented to counter inflation. In Japan, a gradual improvement in the economy was supported by such factors as solid demand for capital expenditure and the recovery of inbound tourism related demand. As for the outlook, economic downturn is expected to continue globally, while the overall Japanese economy is expected to recover gradually, despite concern for the negative impact of rising prices.

Under such management conditions, the Company aims to achieve the Key Goal Indicators (KGIs) of "2.0 trillion yen of cumulative operating cash flow, ROE (Return on Equity) of 10% or more and 1.5 trillion yen of cumulative operating profit" set in its medium-term strategy. In fiscal 2024, the second year of the medium- to long-term strategy that started in fiscal 2023 when the Company transitioned to a new group organizational structure comprised of a holding company and operating companies, the Company is continuing to thoroughly enhance its competitiveness. Furthermore, the Company decided to set the automotive battery business as the priority investment area and will proceed with management initiatives by taking into consideration the revision and replacement of our business portfolio toward shifting to a growth phase.

For the three months ended June 30, 2023, Panasonic Energy Co., Ltd. ("Panasonic Energy") signed a contract to supply automotive batteries for commercial vehicles in North America with Hexagon Purus ASA, a world-leading manufacturer of zero emission mobility and infrastructure solutions in Norway. In addition, Panasonic Energy and Mazda Motor Corporation agreed to enter into discussions on establishing a medium- to long-term partnership to meet demand for battery EVs and automotive batteries in a rapidly expanding market.

For the three months ended June 30, 2023, the Company's consolidated sales increased by 3% to 2,029.7 billion yen from a year ago. This is due to increased sales in Automotive, Connect, and automotive batteries as well as the effect of currency translation, despite decreased sales in Industry.

Operating profit increased by 42% to 90.4 billion yen and profit before income taxes increased by 48% to 108.7 billion yen from a year ago. This is due mainly to increased sales, the progress of price revisions and rationalization as well as recording of tax credit under the Inflation Reduction Act in the U.S. (the "US IRA Tax Credit"), despite increased fixed costs such as strategic investments and the impact of price hikes in raw materials.

Net profit attributable to Panasonic Holdings Corporation stockholders considerably increased by 310% to 200.9 billion yen from a year ago. This is due to the above-mentioned factors as well as a decrease in income tax with the liquidation of Panasonic Liquid Crystal Display Co., Ltd. (through "Special Liquidation" defined in the Japanese Companies Act) and its debt waiver (for further details, please refer to Note 1 of "Notes to consolidated financial statement").

B. Breakdown by Reportable Segment

Lifestyle

	Yen (billions)		
	Fiscal 2024 Three Months ended June 30, 2023	Fiscal 2023 Three Months ended June 30, 2022	Percentage FY2024/2023
Sales	838.7	836.5	100%
Operating profit	39.1	38.3	102%

Sales in Lifestyle was 838.7 billion yen almost as the same as the previous year. This is due to the deconsolidation of part of businesses in China, despite increased sales mainly in electrical construction materials for the Japanese market and showcases in North America. Operating profit increased to 39.1 billion yen from a year ago. This is due mainly to increased sales of electrical construction materials for the Japanese market and showcases in North America as well as efforts in rationalization and price revisions, despite increased fixed costs mainly related to increasing production and strategic expenses.

Automotive

Yen (billions)

	Fiscal 2024 Three Months ended June 30, 2023	Fiscal 2023 Three Months ended June 30, 2022	Percentage FY2024/2023
Sales	341.0	269.6	127%
Operating profit (loss)	5.7	(10.6)	—

Sales increased by 27% to 341.0 billion yen from a year ago. This is due largely to the recovery of automobile production. Operating profit increased to 5.7 billion yen from a year ago. This is due to increased sales and efforts in price revisions to offset price hikes in parts & materials as well as efforts in cost reductions, despite increased fixed cost related to increasing production and increased personnel expenses as well as the impact of price hikes in parts & materials.

Connect

Yen (billions)

	Fiscal 2024 Three Months ended June 30, 2023	Fiscal 2023 Three Months ended June 30, 2022	Percentage FY2024/2023
Sales	263.6	244.8	108%
Operating profit (loss)	6.9	(9.5)	—

Sales increased by 8% to 263.3 billion yen from a year ago. This is due to increased sales in Avionics, rugged mobile terminals and notebook PCs as well as sales growth of SaaS* business in Blue Yonder, despite decreased sales in Process Automation. Operating profit increased to 6.9 billion yen from a year ago. This is due mainly to increased sales in Avionics.

*SaaS (Software as a Service):

SaaS business is a software distribution model that allows users to access necessary software applications, provided by the vendor in the cloud servers, over the internet.

Industry

Yen (billions)

	Fiscal 2024 Three Months ended June 30, 2023	Fiscal 2023 Three Months ended June 30, 2022	Percentage FY2024/2023
Sales	249.0	296.5	84%
Operating profit	3.5	26.5	13%

Sales decreased by 16% to 249.0 billion yen from a year ago. This is due to deteriorating market conditions for ICT-use products and products for the Chinese market as well as the impact of changes in the sales channel resulting from the termination of the semiconductor business, despite increased sales in products including capacitors for green vehicles. Operating profit decreased to 3.5 billion yen from a year ago. This is due largely to decreased sales by deteriorating market conditions, deteriorating product mix and other factors, despite efforts in price revisions and rationalization as well as the effect of depreciation of the yen.

Energy

Yen (billions)

	Fiscal 2024 Three Months ended June 30, 2023	Fiscal 2023 Three Months ended June 30, 2022	Percentage FY2024/2023
Sales	238.4	227.8	105%
Operating profit	29.5	16.3	182%

Overall sales increased by 5% to 238.4 billion yen from a year ago. This is due to favorable sales and production in EV batteries, despite decreased sales in Industrial / Consumer. Operating profit increased to 29.5 billion yen from a year ago. This is due mainly to increased sales in EV batteries and recording of the US IRA Tax Credit, despite decreased sales in Industrial / Consumer and an increase in fixed costs related to EV batteries.

Other (Other business activities which are not included in the reportable segments)

	Yen (billions)		
	Fiscal 2024 Three Months ended June 30, 2023	Fiscal 2023 Three Months ended June 30, 2022	Percentage FY2024/2023
Sales	290.1	284.3	102%
Operating profit	17.2	15.0	115%

Sales increased by 2% to 209.1 billion yen from a year ago. Operating profit increased to 17.2 billion yen from a year ago.

C. Consolidated Financial Condition

Net cash provided by operating activities for the three months ended June 30, 2023 amounted to 226.6 billion yen, compared with an inflow of 122.5 billion yen a year ago. This is due mainly to improvements in working capital. Net cash used in investing activities amounted to 126.1 billion yen, compared with an outflow of 74.2 billion yen a year ago. This is due mainly to an increase in capital investment. Accordingly, free cash flows (net cash provided by operating activities and investment activities) increased by 52.2 billion yen from a year ago to an inflow of 100.5 billion yen.

Net cash used in financing activities amounted to 62.3 billion yen, compared with an outflow of 380.2 billion yen a year ago. This is due mainly to the repayment of temporary borrowings in fiscal 2023, which were taken in fiscal 2022 prior to the Company's transition to a new organizational structure.

Taking such factors as exchange rate fluctuations into consideration, cash and cash equivalents totaled 909.9 billion yen as of June 30, 2023, which is an increase of 90.4 billion yen from March 31, 2023.

The Company's consolidated total assets of June 30, 2023, were 8,725.8 billion yen, an increase of 666.3 billion yen from March 31, 2023. This is due mainly to an increase in inventories and the impact of fluctuations in exchange rates caused by depreciation of the yen.

The Company's consolidated total liabilities increased by 177.0 billion yen to 4,446.5 billion yen from March 31, 2023. This is due to an increase of trade payables and the impact of fluctuations in exchange rates caused by depreciation of the yen.

Panasonic Holdings Corporation stockholders' equity increased by 487.7 billion yen to 4,106.1 billion yen, compared with March 31, 2023. This is due mainly to recording of net profit attributable to Panasonic Holdings Corporation stockholders as well as an increase of other components of equity caused by depreciation of the yen. With noncontrolling interests added to Panasonic Holdings Corporation stockholders' equity, total equity was 4,279.3 billion yen.

2. Consolidated Financial Forecast for fiscal 2024

For the consolidated financial forecast for fiscal 2024, the Company revises upward the forecast announced on May 10, 2023 for net profit attributable to Panasonic Holdings Corporation stockholders. This is due mainly to a decrease in income taxes with the liquidation of Panasonic Liquid Crystal Display Co., Ltd. and its debt waiver.

The forecast for net sales, operating profit and income before income taxes remains unchanged.

The revised forecast for fiscal 2024 (April 1, 2023 - March 31, 2024)

	Yen (billions)					
	Net sales	Operating profit	Income before income taxes	Net profit attributable to Panasonic Holdings Corporation stockholders	Basic earnings per share attributable to Panasonic Holdings Corporation stockholders	(Reference) Adjusted operating profit
Previous forecast (A)	8,500.0	430.0	455.0	350.0	149.95 yen	430.0
Revised forecast (B)	8,500.0	430.0	455.0	460.0	197.08 yen	430.0
Difference (B-A)	-	-	-	110.0		-
Difference (%)	-	-	-	31.4%		-
(Reference) Financial results for fiscal 2023	8,378.9	288.6	316.4	265.5	113.75 yen	314.1

Note: Adjusted operating profit is calculated by subtracting cost of sales and selling, general and administrative expenses from net sales.

Disclaimer Regarding Forward-looking Statements

This press release includes forward-looking statements about Panasonic Holdings Corporation (Panasonic HD) 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 HD 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 HD 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; occurrence and continuation of supply disruption or soaring prices of raw materials or transportation; 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 Group'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 including interest rate fluctuations; 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 Group highly depends on in BtoB business areas; the possibility of not achieving expected benefits in connection with the transition to a new organizational system in which Panasonic is a holding company; 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 by third parties or intellectual property infringement claims by third parties; the possibility that change or tightening of current and potential, direct and indirect restrictions imposed in Japan or other countries over trade, manufacturing, labor and operations may adversely affect business operations of Panasonic Group and its supply chain; failures in proper tackling of regulations and policies introduced or strengthened with respect to environmental issues including climate change or responsible procurement activities (human rights, labor, health and safety, global environmental conservation, information security, corporate ethics, etc.) in the supply chain; restrictions, costs or legal liability relating to introduction or tightening of laws and regulations; 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 systems of Panasonic Group or its supply chain, service suspension or vulnerability of network-connected products due to unauthorized system access and cyberattacks etc.; the possibility not being able to acquire the necessary human resources to promote management strategies and prevent the outflow of existing employees; the possibility that the spread of infections including the novel coronavirus infections may adversely affect business activities of the Panasonic Group; volatility in demand for electronic equipment and components from business and industrial customers, as well as consumers in many product and geographical markets occurrence of events that may negatively impact business activities of the Panasonic Group, including large-scale natural disasters, prevalence of infectious diseases throughout the world and terrorism or wars. The factors listed above are not all-inclusive and further information is contained in the most recent English translated version of Panasonic HD's securities reports under the FIEA and any other documents which are disclosed on its website.

Condensed Quarterly Consolidated Statements of Financial Position

Yen (millions)

	June 30, 2023	March 31, 2023	Difference
Current assets:	4,019,694	3,802,885	216,809
Cash and cash equivalents	909,948	819,499	90,449
Trade receivables and contract assets	1,308,182	1,322,593	(14,411)
Other financial assets	180,413	169,665	10,748
Inventories	1,378,864	1,288,751	90,113
Other current assets	242,287	202,377	39,910
Non-current assets:	4,706,122	4,256,642	449,480
Investments accounted for using the equity method	399,262	401,219	(1,957)
Other financial assets	305,555	242,672	62,883
Property, plant and equipment	1,247,413	1,172,376	75,037
Right-of-use assets	252,478	238,833	13,645
Other non-current assets	2,501,414	2,201,542	299,872
Total assets	8,725,816	8,059,527	666,289
Current liabilities:	2,969,328	2,873,420	95,908
Short-term debt, including current portion of long-term debt	160,196	159,231	965
Lease liabilities	60,041	59,895	146
Trade payables	1,221,605	1,156,909	64,696
Other payables and accrued expenses	473,448	506,062	(32,614)
Other financial liabilities	167,814	146,213	21,601
Other current liabilities	886,224	845,110	41,114
Non-current liabilities:	1,477,205	1,396,149	81,056
Long-term debt	1,067,493	1,050,116	17,377
Lease liabilities	202,333	187,865	14,468
Other non-current liabilities	207,379	158,168	49,211
Total liabilities	4,446,533	4,269,569	176,964
Panasonic Holdings Corporation stockholders' equity:	4,106,066	3,618,402	487,664
Common stock	259,274	259,274	—
Capital surplus	512,063	515,760	(3,697)
Retained earnings	2,754,369	2,588,800	165,569
Other components of equity	789,568	463,764	325,804
Treasury stock	(209,208)	(209,196)	(12)
Non-controlling interests	173,217	171,556	1,661
Total equity	4,279,283	3,789,958	489,325
Total liabilities and equity	8,725,816	8,059,527	666,289

Note: Other components of equity breakdown

Yen (millions)

	June 30, 2023	March 31, 2023	Difference
Remeasurements of defined benefit plans*	—	—	—
Financial assets measured at fair value through other comprehensive income	65,319	37,428	27,891
Exchange differences on translation of foreign operations	732,599	431,992	300,607
Net changes in fair value of cash flow hedges	(8,350)	(5,656)	(2,694)

* Remeasurements of defined benefit plans is directly transferred to Retained earnings from Other components of equity.

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

Condensed Quarterly Consolidated Statements of Profit or Loss

Yen (millions)

	Fiscal 2024 Three Months ended June 30, 2023		Fiscal 2023 Three Months ended June 30, 2022		Percentage 2024/2023
		%		%	
Net sales	2,029,694	100.0	1,973,861	100.0	103
Cost of sales	(1,441,459)	(71.0)	(1,446,279)	(73.3)	
Gross profit	588,235	29.0	527,582	26.7	111
Selling, general and administrative expenses	(495,398)	(24.4)	(461,909)	(23.4)	
Share of profit (loss) of investments accounted for using the equity method	(1,779)	(0.1)	(6,279)	(0.3)	
Other income (expenses), net	(686)	(0.0)	4,306	0.2	
Operating profit	90,372	4.5	63,700	3.2	142
Finance income	23,355	1.2	13,762	0.7	
Finance expenses	(4,994)	(0.3)	(3,918)	(0.2)	
Profit before income taxes	108,733	5.4	73,544	3.7	148
Income taxes	97,767	4.8	(20,979)	(1.0)	
Net profit	206,500	10.2	52,565	2.7	393
Net profit attributable to:					
Panasonic Holdings Corporation stockholders	200,925	9.9	48,949	2.5	410
Non-controlling interests	5,575	0.3	3,616	0.2	154

Notes: 1. Depreciation (tangible)	49,747	million yen	48,532	million yen
2. Capital investment	95,528	million yen	44,404	million yen
3. R&D expenditures	114,669	million yen	110,132	million yen
4. Number of employees	232,447		241,423	

Condensed Quarterly Consolidated Statements of Comprehensive Income

Yen (millions)

	Fiscal 2024 Three Months ended June 30, 2023	Fiscal 2023 Three Months ended June 30, 2022	Percentage 2024/2023
Net Profit	206,500	52,565	393 %
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Remeasurements of defined benefit plans	(1,304)	12,123	
Financial assets measured at fair value through other comprehensive income	29,784	(2,706)	
Subtotal	28,480	9,417	
Items that may be reclassified to profit or loss:			
Exchange differences on translation of foreign operations	305,113	347,510	
Net changes in fair value of cash flow hedges	(2,255)	(8,830)	
Subtotal	302,858	338,680	
Total other comprehensive income	331,338	348,097	
Comprehensive income	537,838	400,662	134
Comprehensive income attributable to :			
Panasonic Holdings Corporation stockholders	526,885	389,052	135
Non-controlling interests	10,953	11,610	94

Condensed Quarterly Consolidated Statements of Changes in Equity

Yen (millions)

Fiscal 2024 Three Months ended June 30, 2023	Common stock	Capital surplus	Retained earnings	Other components of equity	Treasury stock	Panasonic Holdings Corporation stockholders' equity	Non- controlling interests	Total equity
Balances as of April 1, 2023	259,274	515,760	2,588,800	463,764	(209,196)	3,618,402	171,556	3,789,958
Comprehensive income:								
Net profit	—	—	200,925	—	—	200,925	5,575	206,500
Remeasurements of defined benefit plans	—	—	—	(1,046)	—	(1,046)	(258)	(1,304)
Financial assets measured at fair value through other comprehensive income	—	—	—	28,593	—	28,593	1,191	29,784
Exchange differences on translation of foreign operations	—	—	—	300,607	—	300,607	4,506	305,113
Net changes in fair value of cash flow hedges	—	—	—	(2,194)	—	(2,194)	(61)	(2,255)
Total comprehensive income	—	—	200,925	325,960	—	526,885	10,953	537,838
Transfer from other components of equity to retained earnings	—	—	(344)	344	—	—	—	—
Cash dividends	—	—	(35,012)	—	—	(35,012)	(9,088)	(44,100)
Changes in treasury stock	—	(0)	—	—	(12)	(12)	—	(12)
Share-based payment transactions	—	44	—	—	—	44	—	44
Transactions with non-controlling interests and other	—	(3,741)	—	(500)	—	(4,241)	(204)	(4,445)
Balances as of June 30, 2023	259,274	512,063	2,754,369	789,568	(209,208)	4,106,066	173,217	4,279,283

Yen (millions)

Fiscal 2023 Three Months ended June 30, 2022	Common stock	Capital surplus	Retained earnings	Other components of equity	Treasury stock	Panasonic Holdings Corporation stockholders' equity	Non- controlling interests	Total equity
Balances as of April 1, 2022	259,168	525,554	2,387,283	202,227	(209,270)	3,164,962	182,209	3,347,171
Effect of hyperinflation	—	—	(3,260)	15,883	—	12,623	—	12,623
Restated balances as of April 1, 2022	259,168	525,554	2,384,023	218,110	(209,270)	3,177,585	182,209	3,359,794
Comprehensive income:								
Net profit	—	—	48,949	—	—	48,949	3,616	52,565
Remeasurements of defined benefit plans	—	—	—	12,071	—	12,071	52	12,123
Financial assets measured at fair value through other comprehensive income	—	—	—	(2,497)	—	(2,497)	(209)	(2,706)
Exchange differences on translation of foreign operations	—	—	—	339,378	—	339,378	8,132	347,510
Net changes in fair value of cash flow hedges	—	—	—	(8,849)	—	(8,849)	19	(8,830)
Total comprehensive income	—	—	48,949	340,103	—	389,052	11,610	400,662
Transfer from other components of equity to retained earnings	—	—	12,435	(12,435)	—	—	—	—
Cash dividends	—	—	(35,008)	—	—	(35,008)	(8,433)	(43,441)
Changes in treasury stock	—	(0)	—	—	(28)	(28)	—	(28)
Share-based payment transactions	—	40	—	—	3	43	—	43
Transactions with non-controlling interests and other	—	(935)	—	(1,292)	—	(2,227)	(214)	(2,441)
Balances as of June 30, 2022	259,168	524,659	2,410,399	544,486	(209,295)	3,529,417	185,172	3,714,589

Note: Effective fiscal 2023, IAS 29 "Financial Reporting in Hyperinflationary Economies" applies to financial statements of subsidiaries whose functional currency is the Turkish lira. Accordingly, the beginning balance has been adjusted.

Condensed Quarterly Consolidated Statements of Cash Flows

Yen (millions)

	Fiscal 2024 Three Months ended June 30, 2023	Fiscal 2023 Three Months ended June 30, 2022
<u>Cash flows from operating activities</u>		
Net profit	206,500	52,565
Adjustments to reconcile net profit to net cash provided by operating activities		
Depreciation and amortization	96,414	93,158
(Increase) decrease in trade receivables and contract assets	70,653	31,663
(Increase) decrease in inventories	(44,319)	(128,791)
Increase (decrease) in trade payables	48,657	58,444
Other	(151,286)	15,477
Net cash provided by operating activities	226,619	122,516
<u>Cash flows from investing activities</u>		
Purchase of property, plant and equipment	(114,859)	(58,322)
Proceeds from sale of property, plant and equipment	2,774	3,758
Purchase of investments accounted for using the equity method and other financial assets	(5,402)	(7,548)
Proceeds from sale and redemption of investments accounted for using the equity method and other financial assets	8,754	3,898
Other	(17,359)	(16,033)
Net cash used in investing activities	(126,092)	(74,247)
<u>Cash flows from financing activities</u>		
Increase (decrease) in short-term debt	854	(303,737)
Increase (decrease) in long-term debt	(18,104)	(18,645)
Dividends paid to Panasonic Holdings Corporation stockholders	(35,012)	(35,008)
Dividends paid to non-controlling interests	(9,088)	(8,433)
(Increase) decrease in treasury stock	(12)	(28)
Other	(945)	(14,358)
Net cash provided by (used in) financing activities	(62,307)	(380,209)
Effect of exchange rate changes on cash and cash equivalents, and other	52,229	73,950
Net increase (decrease) in cash and cash equivalents	90,449	(257,990)
Cash and cash equivalents at beginning of period	819,499	1,205,873
Cash and cash equivalents at the end of the period	909,948	947,883

Notes to consolidated financial statements:

1. The Board of Directors of the Company resolved on July 31, 2023, to liquidate Panasonic Liquid Crystal Display Co., Ltd. ("PLD"), a consolidated subsidiary of the Company, and to file a petition for commencement of special liquidation as well as to waive debts that PLD owes to Panasonic Equity Management Japan G.K. which is also a consolidated subsidiary of the Company.

Accordingly, taking into consideration of the recoverability of deferred tax assets in its consolidated financial results, it becomes highly likely that the temporary difference associated with the investment in PLD is expected to reverse in the foreseeable future. Therefore, the Company recognizes 121.3 billion yen of a decrease in income taxes (e.g., recognition of deferred tax assets and other factors).

2. Effective April 1, 2023, the Company applied IFRS 17 "Insurance Contracts" and the revised IAS 12 "Income Taxes" applied to the consolidated financial statements.

The impact of the adoption of IFRS 17 and IAS 12 on the consolidated financial statements of the Company is not material.

3. Significant subsequent events:

The Board of Directors of the Company resolved on July 31, 2023, to issue a total of up to 260 billion yen of unsecured straight bonds in the Japanese market. The details of the issuance, including the aggregate principal amount of bonds, issue price, coupon rate, maturity and date of issue, will be determined in the later stage.

4. Assumption for going concern: None

5. Number of consolidated subsidiaries (as of June 30, 2023): 520
Number of companies under the equity method (as of June 30, 2023): 67

Information by Segment

Yen (billions)

	Fiscal 2024 Three Months ended June 30, 2023					Fiscal 2023 Three Months ended June 30, 2022		
	Sales	24/23	Operating Profit	% of Sales	24/23	Sales	Operating Profit (Loss)	% of Sales
Reportable Segments:		%		%	%			%
Lifestyle	838.7	100	39.1	4.7	102	836.5	38.3	4.6
Automotive	341.0	127	5.7	1.7	—	269.6	(10.6)	(3.9)
Connect	263.6	108	6.9	2.6	—	244.8	(9.5)	(3.9)
Industry	249.0	84	3.5	1.4	13	296.5	26.5	8.9
Energy	238.4	105	29.5	12.4	182	227.8	16.3	7.1
Subtotal	1,930.7	103	84.7	4.4	139	1,875.2	61.0	3.2
Other	290.1	102	17.2	5.9	115	284.3	15.0	5.3
Eliminations and adjustments	(191.1)	—	(11.5)	—	—	(185.6)	(12.3)	—
Total	2,029.7	103	90.4	4.5	142	1,973.9	63.7	3.2

Notes: 1. The Panasonic Group divides its reportable segments into the following five segments, "Lifestyle," "Automotive," "Connect," "Industry" and "Energy."

"Other" includes operating segments which are not included in the above-mentioned reportable segments and other business activities, such as Entertainment & Communication, Housing and sales of raw materials.

2. The figures in "Eliminations and adjustments" include eliminations of intersegment transactions, adjustments of profits and losses which are not attributable to any segments, and consolidation adjustments.