Fiscal 2024 Second Quarter Financial Results

October 30, 2023

Panasonic Holdings Corporation

Notes: 1. This is an English translation from the original presentation in Japanese.
2. In this presentation, “Fiscal 2024” or “FY3/24” refers to the year ending March 31, 2024.

Panasonic Group

Summary of FY3/24 2Q Financial Results

■ **US Inflation Reduction Act (IRA)**

- **FY3/24 2Q**: Detailed rules not yet determined; Assumed amount equivalent to tax credit and to be effectively used with customers **recorded on P/L** (same as 1Q)
- **Full-year forecast**: **Increase in assumed amount for IRA tax credit**; Revised production/sales forecast and change in assumption of foreign currency exchange rates

■ **FY3/24 2Q Financial Results**

- **Overall sales**: **same level year-on-year** Increased sales (Automotive, Connect) and currency translation, despite largely decreased sales (Lifestyle, Industry)
- **Adjusted operating profit increased**: Increased profit of Automotive and Connect, as well as IRA impact (Energy), despite decreased profit of Lifestyle and Industry; If IRA impact is excluded: **decreased slightly**
- **Net profit* increased** due mainly to improvements in finance income/expenses (**increased** even excluding IRA impact)
- **Operating CF (1H) increased year-on-year**: Efforts to reduce strategic inventories, etc.
- **Interim dividend determined at 17.5 yen**; Year-on-year **increase of 2.5 yen** (same as Aug. 31 forecast)

■ **FY3/24 Full-year Forecast**

- **Groupwide**: Sales, Adjusted OP, and OP **revised downward** reflecting changes in business environment (Profit before income taxes & net profit* **remain unchanged**)
- By **segment**: Both sales and profit revised upward for Automotive and Connect; revised downward for Lifestyle, Industry, and Energy

*: Net profit attributable to Panasonic Holdings Corporation stockholders

Impact of US IRA Tax Credit on Financial Results & Forecast

(Same as 1Q)

- ✓ Among monetization methods "Deductible tax credit" "Refundable tax credit (direct pay)" & "Transferable tax credit," **assuming to elect "Refundable" for FY3/24**
- ✓ **Half of total tax credit amount recorded in adjusted OP**, assuming effective use of credit with customers toward strengthening/expanding North America business, taking into consideration the aim of US IRA (reduce excessive inflation and promote energy policies in US)

Amount recorded on P/L[*1]:

Increase in assumed amount for tax credit in FY3/24; Changed production/sales forecast and FX assumption

	Sales (Energy Segment)	Adjusted OP (Energy Segment)	Net profit attributable to Panasonic Holdings Corporation stockholders
FY3/24 2Q results	**-25.1 bil. yen** Equivalent to 2Q -23.3 Profit recorded for FY3/23 -1.8 (*2)	**21.4 bil. yen** Tax credit 46.5[*3] Effective use with customers -25.1[*2]	**27.6 bil. yen** Adjusted OP 21.4 Income taxes 6.2[*6]
FY3/24 full-year forecast	**-99.0 bil. yen** (not assumed as of May 10) Equivalent to FY3/24 -92.0 Profit recorded for FY3/23 -7.0 (*4)	**85.0 bil. yen** (+5.0 from May 10) Tax credit 184.0[*5] Effective use with customers -99.0[*4]	**110.0 bil. Yen** (+10.0 from May 10) Adjusted OP 85.0 Income taxes 25.0[*6]

*1: Monetization expected after a certain time lag from P/L recording

*2: Amount equivalent to be effectively used with customers recorded as deduction of sales (while method of "effective use" is undermined, revenue recognition standard is applied)
-23.3 bil. yen: half of tax credit for FY3/24 2Q (46.5 bil. yen)
-1.8 bil. yen: amount equivalent to FY3/24 2Q out of the half of 40.0 bil. yen recorded in profit in FY3/23 4Q
(multiple-year accrual accounting applied from FY3/24, to be recorded each quarter)

*3: FY3/24 2Q production & sales: 9.2 GWh x $35/kWh x 145 yen/dollar

*4: -92.0 bi. yen: half of tax credit for FY3/24 (184.0 bil. yen)
-7.0 bil. yen: amount equivalent to FY3/24 out of the half of 40.0 bil. yen recorded in profit in FY3/23 4Q

*5: FY3/24 production & sales forecast: 37 GWh x $35/kWh x 141 yen/dollar

*6: "IRA tax credit" is a non-taxable income. In addition, amount effectively used with customers to be recorded in deferred tax assets, since it is applicable for deferred tax accounting

Note: Contents of this slide are subject to change (e.g. detailed rules)

Fiscal 2024 Second Quarter Financial Results

Fiscal 2024 Full-Year Financial Forecast

FY3/24 2Q Financial Results

(yen: billions)

YoY % figures represent the year-on-year change relative to the previous year's figures

	FY3/24 2Q	FY3/24 2Q Excl. IRA impact	FY3/23 2Q	YoY (year-on-year)		YoY Excl. IRA impact	
Sales	**2,089.7**	2,114.8	2,090.0	100% (97%)*3	-0.3 (-52.3)*3	101% (99%)*3	+24.8 (-27.2)*3
Adjusted operating profit*1 (% to sales)	**99.5** (4.8%)	78.1 (3.7%)	80.2 (3.8%)	124%	+19.3	97%	-2.1
Other income/loss*2	**2.9**	2.9	5.9	–	-3.0	–	-3.0
Operating profit (% to sales)	**102.4** (4.9%)	81.0 (3.8%)	86.1 (4.1%)	119%	+16.3	94%	-5.1
Profit before income taxes (% to sales)	**115.6** (5.5%)	94.2 (4.5%)	93.1 (4.5%)	124%	+22.5	101%	+1.1
Net profit attributable to Panasonic Holdings Corporation stockholders (% to sales)	**87.5** (4.2%)	59.9 (2.8%)	58.4 (2.8%)	150%	+29.1	103%	+1.5
EBITDA*4 (% to sales)	**212.6** (10.2%)	191.2 (9.1%)	193.8 (9.3%)	110%	+18.8	99%	-2.6

Exchange rates		FY3/24 2Q	Excl. IRA impact	FY3/23 2Q
Exchange rates	1 US dollar	**145 yen**	145 yen	138 yen
	1 Euro	**157 yen**	157 yen	139 yen
	1 Renminbi	**19.9 yen**	19.9 yen	20.2 yen

*1 Sales - Cost of sales - SG&A
*2 "Other income (expenses), net" + "Share of profit (loss) of investments accounted for using the equity method" as indicated in the Consolidated Statements of Profit or Loss of the news release

*3 Excluding effect of exchange rates
*4 Total amount of Operating profit, Depreciation (Tangible assets including property, plant and equipment / Right-of-use assets) and Amortization (Intangible assets).
Adjusted with:
- amount equivalent to depreciation corresponding to underlying assets that are applied with Lease accounting treatment as a lessor
- impact of temporary accounting treatment related to "re-evaluation of assets and liabilities" upon Blue Yonder acquisition

FY3/24 2Q Results by Segment

(yen: billions)

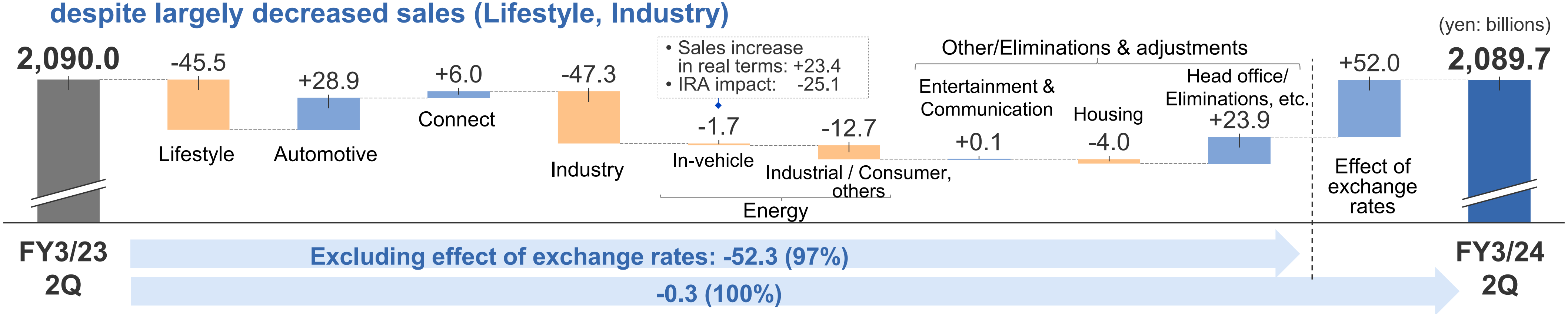
YoY % figures represent the year-on-year change relative to the previous year's figures

	Sales	YoY (excl. FX)	Adjusted OP (% to sales)	YoY	Other income/ loss	YoY	OP (% to sales)	YoY	EBITDA*1 (% to sales)	YoY
Lifestyle	**844.3**	96% (95%)	**29.6** 3.5%	-3.0	**-8.1***4	-10.9	**21.5***4 2.5%	-13.9	**48.8***4 5.8%	-12.0
Automotive	**367.2**	114% (109%)	**8.7** 2.4%	+8.6	**0.9**	+2.9	**9.6** 2.6%	+11.5	**23.3** 6.3%	+10.2
Connect	**288.5**	106% (102%)	**9.2** 3.2%	+9.5	**0.1**	+0.7	**9.3** 3.2%	+10.2	**28.1** 9.8% *2	+9.0
Industry	**261.4**	87% (84%)	**9.2** 3.5%	-10.2	**0.5**	-2.1	**9.7** 3.7%	-12.3	**24.4** 9.3%	-12.2
Energy	**238.4**	99% (95%)	**23.5** 9.8%	+9.6	**-0.5**	+1.0	**23.0** 9.6%	+10.6	**40.8** 17.1% *3	+11.8
Excl. IRA impact	263.5	109% (104%)	2.1 0.8%	-11.8	-0.5	+1.0	1.6 0.6%	-10.8	19.4 7.4% *3	-9.6
Other/ Eliminations & adjustments	**89.9**	–	**19.3**	+4.8	**10.0**	+5.4	**29.3**	+10.2	**47.2**	+12.0
Total	**2,089.7**	100% (97%)	**99.5** 4.8%	+19.3	**2.9**	-3.0	**102.4** 4.9%	+16.3	**212.6** 10.2%	+18.8

*1: Total amount of Operating profit, Depreciation (Tangible assets including property, plant and equipment / Right-of-use assets) and Amortization (Intangible assets)
*2: Adjusted with impact of temporary accounting treatment related to "re-evaluation of assets and liabilities" upon Blue Yonder acquisition
*3: Additionally adjusted with the amount equivalent to depreciation corresponding to underlying assets that are applied with Lease accounting treatment as a lessor
*4 Additional recall-related expenses of HVAC included

FY3/24 2Q Sales Analysis by Segment

Overall sales at the same level year-on-year: Increased sales (Automotive, Connect) and currency translation, despite largely decreased sales (Lifestyle, Industry)



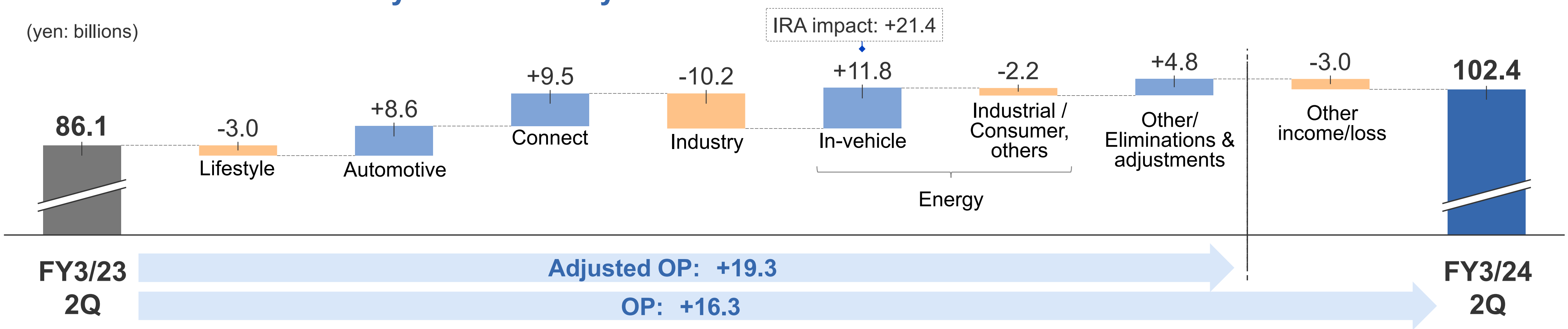
Major increase/decrease factors (excluding effect of exchange rates)

YoY % figures represent the year-on-year change relative to the previous year's figures

Lifestyle	**Decreased** overall: Decreased sales of HVAC with slowed growth in Europe (decreased sales of A2W affected by weaker overall demand), consumer electronics in Asia and China (weaker underlying demand), and deconsolidation impact of part of China business, despite increased sales of cold chain in North America and electrical construction materials, with continuing steady growth
Automotive	**Increased**: Recovery in automobile production of our customers
Connect	**Increased**: Increased sales of Avionics, Gemba Solutions and Blue Yonder, despite decreased sales of Process Automation
Industry	**Decreased** due to downturn in market conditions (e.g. FA in China, ICT infrastructure) and changes in semiconductor sales channel, despite increased sales (continuous growth of products for green vehicles, expanding demand of products for AI servers)
Energy	• In-vehicle: **Increased** in real terms (YoY 115%) excluding impact of accounting treatment for US IRA tax credit (amount to be effectively used with customers) • Industrial / Consumer: **Decreased** with weakening market conditions of batteries for consumer and power equipment, despite increased sales in energy storage systems for data centers with expanding generative AI market
Other/ Eliminations & adjustments	• Entertainment & Communication: **Increased** due to improved procurement situation for parts & materials • Housing: **Decreased** affected by deteriorating market conditions

FY3/24 2Q Operating Profit Analysis by Segment

Adjusted OP increased: Increased in Automotive and Connect, as well as IRA impact (Energy), despite decreased in Lifestyle and Industry



Adjusted OP: Major increase/decrease factors

Lifestyle	**Decreased** overall: Decreased sales of consumer electronics and upfront investment for HVAC in Europe, despite increased sales of cold chain and electrical construction materials
Automotive	**Increased**: Increased sales, price revisions to counter price hikes in parts & materials, and cost reduction efforts, despite increased fixed costs (increased production & personnel expenses) and persisting impact of price hikes in parts & materials (e.g. semiconductors)
Connect	**Increased**: Increased sales in Avionics, Gemba Solutions and Blue Yonder
Industry	**Decreased**: Decreased sales with downturn in market conditions, despite efforts in price revision and rationalization to counter price hikes in raw materials and energy costs due to inflation, as well as effect of yen depreciation
Energy	• In-vehicle: **Increased**: Increased sales in North America and IRA impact (+21.4 bil. yen), despite decreased production in Japan and increased fixed costs for future growth; if IRA impact is excluded, adjusted operating profit **decreased** • Industrial / Consumer: **Decreased**: Decreased sales (e.g. batteries for consumer products and power equipment), despite increased sales of energy storage systems for data centers

Lifestyle Segment: FY3/24 2Q Results by Divisional Company

(yen: billions)

YoY % figures represent the year-on-year change relative to the previous year's figures

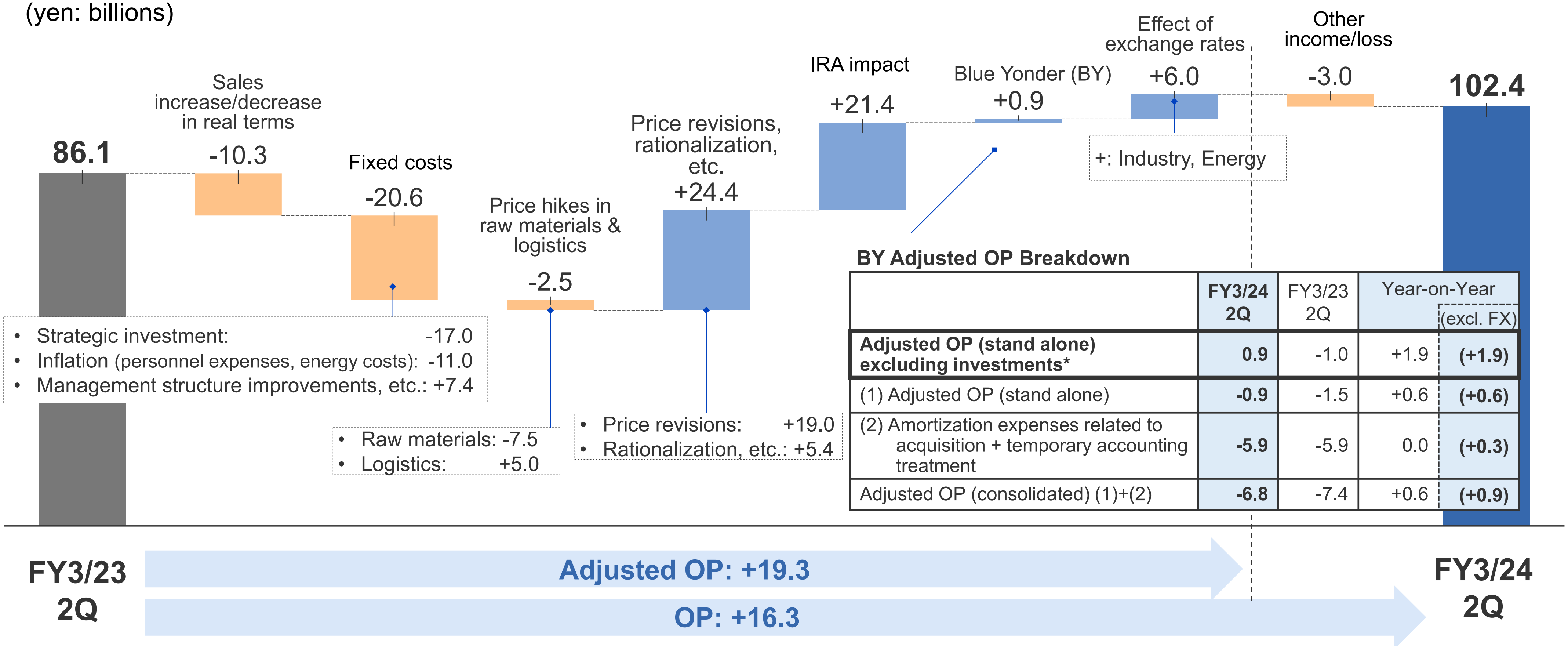
	Sales	YoY (Excl. FX)	Adjusted OP (% to sales)	YoY	Other income/ loss	YoY	OP (% to sales)	YoY	EBITDA*2 (% to sales)	YoY
Living Appliances and Solutions Company (LAS)	**214.0**	92% (91%)	**10.3** 4.8%	-3.6	**0.0**	0.0	**10.3** 4.8%	-3.6	**16.7** 7.8%	-3.1
Heating & Ventilation A/C Company (HVAC)	**191.0**	100% (98%)	**1.6** 0.9%	-2.0	**-6.1** *3	-8.6	**-4.5** *3 -2.4%	-10.6	**2.7** *3 1.4%	-9.4
Cold Chain Solutions Company (CCS)	**100.9**	111% (107%)	**6.5** 6.5%	+3.0	**0.0**	+0.1	**6.5** 6.5%	+3.1	**8.9** 8.8%	+3.4
Electric Works Company (EW)	**256.3**	102% (103%)	**16.5** 6.5%	+3.6	**-1.5**	-0.7	**15.0** 5.9%	+2.9	**22.2** 8.7%	+3.1
China and Northeast Asia Company (CNA)*1	**183.9**	81% (81%)	**10.4** 5.6%	-2.5	**-0.2**	-2.7	**10.2** 5.5%	-5.2	**15.1** 8.2%	-5.5

*1: Sales and profit of CNA (except certain businesses) are also included in LAS, HVAC, and EW
*2: Total amount of Operating profit, Depreciation (Tangible assets including property, plant and equipment / Right-of-use assets) and Amortization (Intangible assets)
*3: Additional recall-related expenses included

FY3/24 2Q Operating Profit Analysis (by Factor)

Adjusted OP increased: Progress in price revisions and rationalization, amount equivalent to IRA tax credit recorded as profit, etc.

(yen: billions)



BY Adjusted OP Breakdown

	FY3/24 2Q	FY3/23 2Q	Year-on-Year	(excl. FX)
Adjusted OP (stand alone) excluding investments*	**0.9**	-1.0	+1.9	**(+1.9)**
(1) Adjusted OP (stand alone)	**-0.9**	-1.5	+0.6	**(+0.6)**
(2) Amortization expenses related to acquisition + temporary accounting treatment	**-5.9**	-5.9	0.0	**(+0.3)**
Adjusted OP (consolidated) (1)+(2)	**-6.8**	-7.4	+0.6	**(+0.9)**

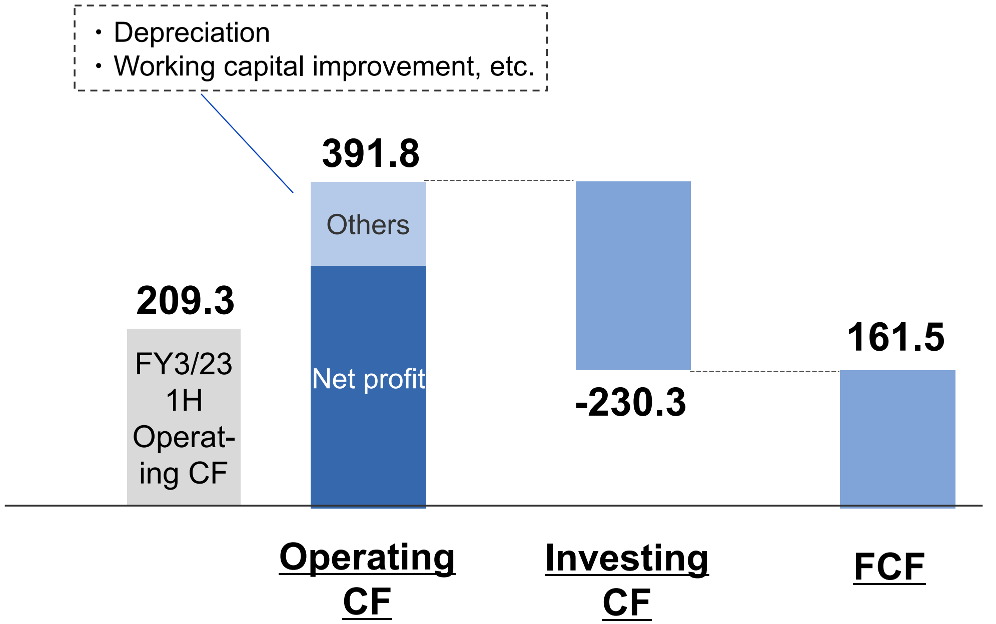
*Excluding impact of strategic investment and synergy investment (details on page 36)

FY3/24 1H Cash Flows and Cash Positions

- ✓ **Operating CF: Increased year-on-year; efforts to reduce strategic inventories, etc.**
- ✓ **Inventories: Further reduce inventories in 2H and onward, toward optimization of inventory level**

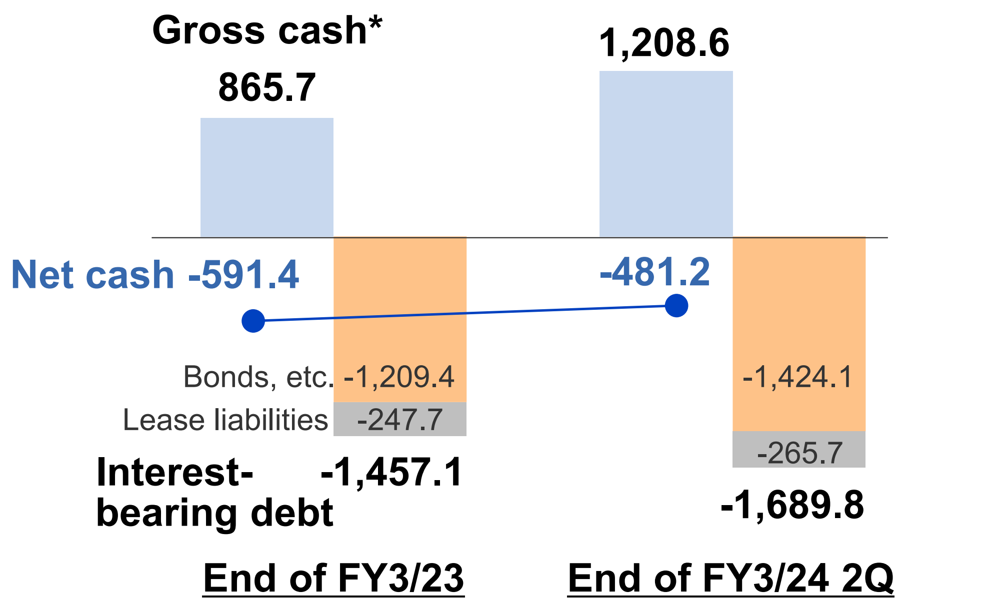
Cash Flow

(yen: billions)



Gross cash & interest-bearing debt / Net cash

(yen: billions)



* Gross cash: total of “Cash and cash equivalents” and time deposits and others included in “Other financial assets”

Shareholder Return

Interim dividend determined at 17.5 yen per share; year-on-year increase by 2.5 yen (same as forecast announced on Aug. 31)

Interim Dividend (FY3/24)	17.5 yen

✓ Forecast (as of Aug 31): 17.5 yen
✓ Interim dividend (FY3/23): 15.0 yen

- **Distribute stable and continuous dividends in line with medium-term strategy**
- **Achieve enhanced corporate value through business growth and profit increase by making investments mainly in growth areas**

Our approach to using IRA tax credit:
Basic idea: **Allocate cash from IRA tax credit to EV battery business investment in US** by taking into consideration the aim of US IRA (reduce excessive inflation and promote energy policies in US)
⇒ **Determine dividend based on net profit excluding IRA impact**

Fiscal 2024 Second Quarter Financial Results

Fiscal 2024 Full-Year Financial Forecast

FY3/24 Full-Year Forecast Revision

YoY % figures represent the year-on-year change relative to the previous year's figures

(yen: billions)		FY3/24 (e) (Oct. 30, 2023)	Excl. IRA impact	FY3/24 (e) (Jul. 31, 2023)	Difference	FY3/23	Excl. IRA impact	YoY		Excl. IRA impact	
Sales		**8,400.0**	8,499.0	8,500.0	-100.0	8,378.9	8,378.9	100%	+21.1	101%	+120.1
Adjusted operating profit*1 (% to sales)		**400.0** (4.8%)	315.0 (3.7%)	430.0 (5.1%)	-30.0	314.1 (3.7%)	314.1 (3.7%)	127%	+85.9	100%	+0.9
Other income/loss*2		**0.0**	0.0	0.0	0.0	-25.5	-25.5	–	+25.5	–	+25.5
Operating profit (% to sales)		**400.0** (4.8%)	315.0 (3.7%)	430.0 (5.1%)	-30.0	288.6 (3.4%)	288.6 (3.4%)	139%	+111.4	109%	+26.4
Profit before income taxes (% to sales)		**455.0** (5.4%)	370.0 (4.4%)	455.0 (5.4%)	0.0	316.4 (3.8%)	316.4 (3.8%)	144%	+138.6	117%	+53.6
Net profit attributable to Panasonic Holdings Corporation stockholders (% to sales)		**460.0***5 (5.5%)	350.0*5 (4.1%)	460.0*5 (5.4%)	0.0	265.5 (3.2%)	225.5 (2.7%)	173%	+194.5	155%	+124.5
EPS*3		**197.07 yen**	–	197.08 yen	-0.01 yen	113.75 yen	–	–	+83.32 yen	–	–
ROE		**12.0%**	–	12.0%	±0%	7.8%	–	–	+4.2%	–	–
EBITDA*4 (% to sales)		**850.0** (10.1%)	765.0 (9.0%)	880.0 (10.4%)	-30.0	718.4 (8.6%)	718.4 (8.6%)	118%	+131.6	106%	+46.6
Exchange rates	1 US dollar	**141 yen**	141 yen	130 yen	+11 yen	135 yen	135 yen		+6 yen		+6 yen
	1 Euro	**152 yen**	152 yen	130 yen	+22 yen	141 yen	141 yen		+11 yen		+11 yen
	1 Renminbi	**19.9 yen**	19.9 yen	20.0 yen	-0.1 yen	19.8 yen	19.8 yen		+0.1 yen		+0.1 yen

*1 Sales - Cost of sales - SG&A
*2 “Other income (expenses), net” + “Share of profit (loss) of investments accounted for using the equity method” as indicated in the Consolidated Statements of Profit or Loss of the news release
*3 Basic earnings per share attributable to Panasonic Holdings Corporation stockholders

*4 Total amount of Operating profit, Depreciation (Tangible assets including property, plant and equipment/ Right-of-use assets) and Amortization (Intangible assets).
Adjusted with: - amount equivalent to depreciation corresponding to underlying assets that are applied with Lease accounting treatment as a lessor
- impact of temporary accounting treatment related to “re-evaluation of assets and liabilities” upon Blue Yonder acquisition

*5 Including recording of deferred tax assets, etc. (121.3 bil. yen) with the liquidation of Panasonic Liquid Crystal Display Co., Ltd. (through Special Liquidation) and its debts waiver, resolved by the Board of Directors

FY3/24 Full-Year Forecast Revision by Segment

YoY % figures represent the year-on-year change relative to the previous year's figures

(yen: billions)	Sales	YoY	Difference from forecast (May 10)	Adjusted OP (% to sales)	YoY	Difference from forecast (May 10)	Other income/ loss	YoY	Difference from forecast (May 10)	OP (% to sales)	YoY	Difference from forecast (May 10)	EBITDA*1 (% to sales)	YoY	Difference from forecast (May 10)
Lifestyle	**3,500.0**	100% (+16.7)	-80.0	**140.0** 4.0%	+17.6	-20.0	**-14.0** *4	+5.3	-5.0	**126.0** *4 3.6%	+22.9	-25.0	**238.0** *4 6.8%	+32.1	-21.0
Automotive	**1,460.0**	113% (+162.5)	+90.0	**33.0** 2.3%	+18.8	+15.0	**1.0**	-1.0	+1.0	**34.0** 2.3%	+17.8	+16.0	**94.0** 6.4%	+16.3	+16.0
Connect	**1,170.0**	104% (+44.3)	+30.0	**55.0** 4.7%	+26.8	+15.0	**-5.0**	+2.3	-1.0	**50.0** 4.3%	+29.1	+14.0	**125.0** *2 10.7%	+25.1	+13.0
Industry	**1,040.0**	90% (-109.9)	-50.0	**30.0** 2.9%	-33.3	-30.0	**-2.0**	-5.5	-0.5	**28.0** 2.7%	-38.8	-30.5	**88.0** 8.5%	-37.4	-34.5
Energy	**880.0**	91% (-91.8)	-150.0	**115.0** 13.1%	+75.4	-20.0	**-2.0**	+4.4	0.0	**113.0** 12.8%	+79.8	-20.0	**184.0** *3 20.9%	+85.5	-20.0
Excl. IRA impact	979.0	101% (+7.2)	-51.0	30.0 3.1%	-9.6	-25.0	-2.0	+4.4	0.0	28.0 2.9%	-5.2	-25.0	99.0 *3 10.1%	+0.5	-25.0
Other/ Eliminations & adjustments	**350.0**	(-0.7)	+60.0	**27.0**	-19.4	+10.0	**22.0**	+20.0	+5.5	**49.0**	+0.6	+15.5	**121.0**	+10.0	+16.5
Total	**8,400.0**	100% (+21.1)	-100.0	**400.0** 4.8%	+85.9	-30.0	**0.0**	+25.5	0.0	**400.0** 4.8%	+111.4	-30.0	**850.0** 10.1%	+131.6	-30.0

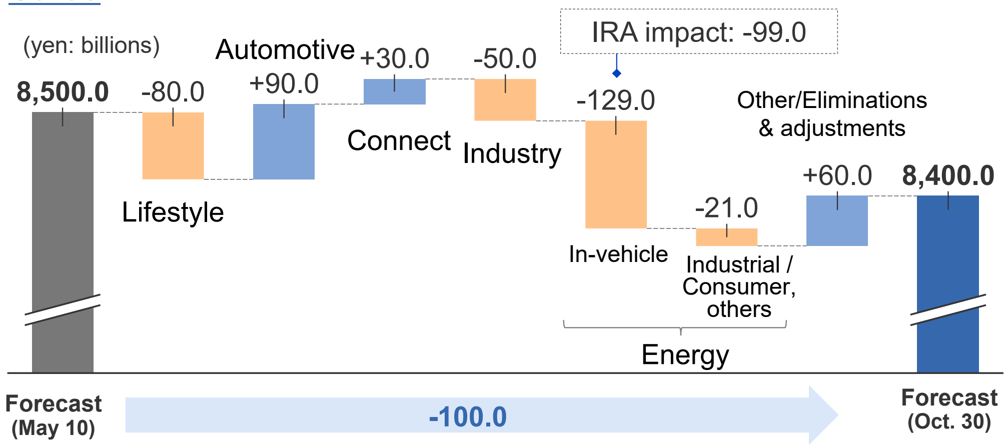
*1: Total amount of Operating profit, Depreciation (Tangible assets including property, plant and equipment / Right-of-use assets) and Amortization (Intangible assets)
*2: Adjusted with impact of temporary accounting treatment related to "re-evaluation of assets and liabilities" upon Blue Yonder acquisition
*3: Additionally adjusted with the amount equivalent to depreciation corresponding to underlying assets that are applied with Lease accounting treatment as a lessor
*4 Additional recall-related expenses of HVAC included

FY3/24 Full-year Forecast Revision Factors (by Segment)

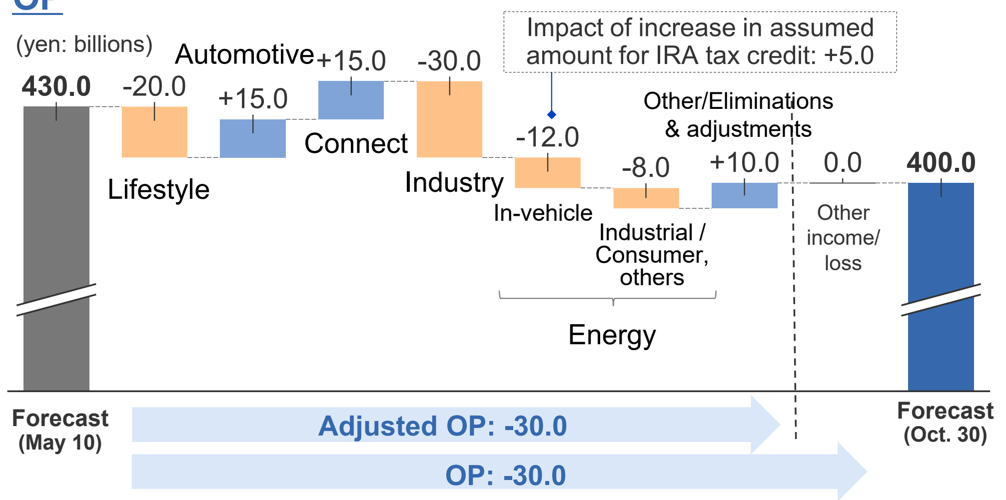
Major factors for revision (vs. initial forecast as of May 10)

Sales / Adjusted OP	Lifestyle	Both sales & profit **revised downward** • Sales: Deteriorating market conditions for consumer electronics business and changes in business environment for HVAC business, mainly A2W in Europe, despite steady cold chain business • Profit: Affected by decreased sales overseas even with cost rationalization efforts offsetting decreased sales of HVAC in Europe and consumer electronics in Japan
	Automotive	Both sales and profit **revised upward** • Sales: Currency translation, gradual recovery of automobile production • Profit: Increased sales, price revisions to counter parts & materials price hikes, rationalization, etc., despite hikes in personnel expenses, etc.
	Connect	Both sales and profit **revised upward** • Sales: Currency translation; favorable sales (e.g. Avionics, Blue Yonder) • Profit: Increased sales (e.g. Avionics, Blue Yonder)
	Industry	Both sales and profit **revised downward** • Sales: Prolonging market slowdown (e.g. FA and ICT infrastructure in China & East Asia markets), despite currency translation and increased demand of products for AI servers • Profit: Decreased sales due to prolonging market slowdown, despite increased sales of products for AI servers, yen depreciation effect
	Energy	Both sales and profit **revised downward** • Sales: In-vehicle: Despite upward forecast for North America, decreased sales & production in Japan affected by demand slowdown for high-end EVs, and impact of IRA accounting treatment Industrial / Consumer: Slower recovery of products for consumer-use and power equipment-use, despite growth of products for data centers • Profit: In-vehicle and Industrial / Consumer: Decreased sales
	Other/ Eliminations & adjustments	• Sales: Revision of elimination amount of inter-transactions due to forecast revisions in each business • Profit: **Revised upward** due mainly to improvements in head office income/expenses

Sales



OP



Lifestyle Segment: FY3/24 Full-Year Forecast Revision by Divisional Company

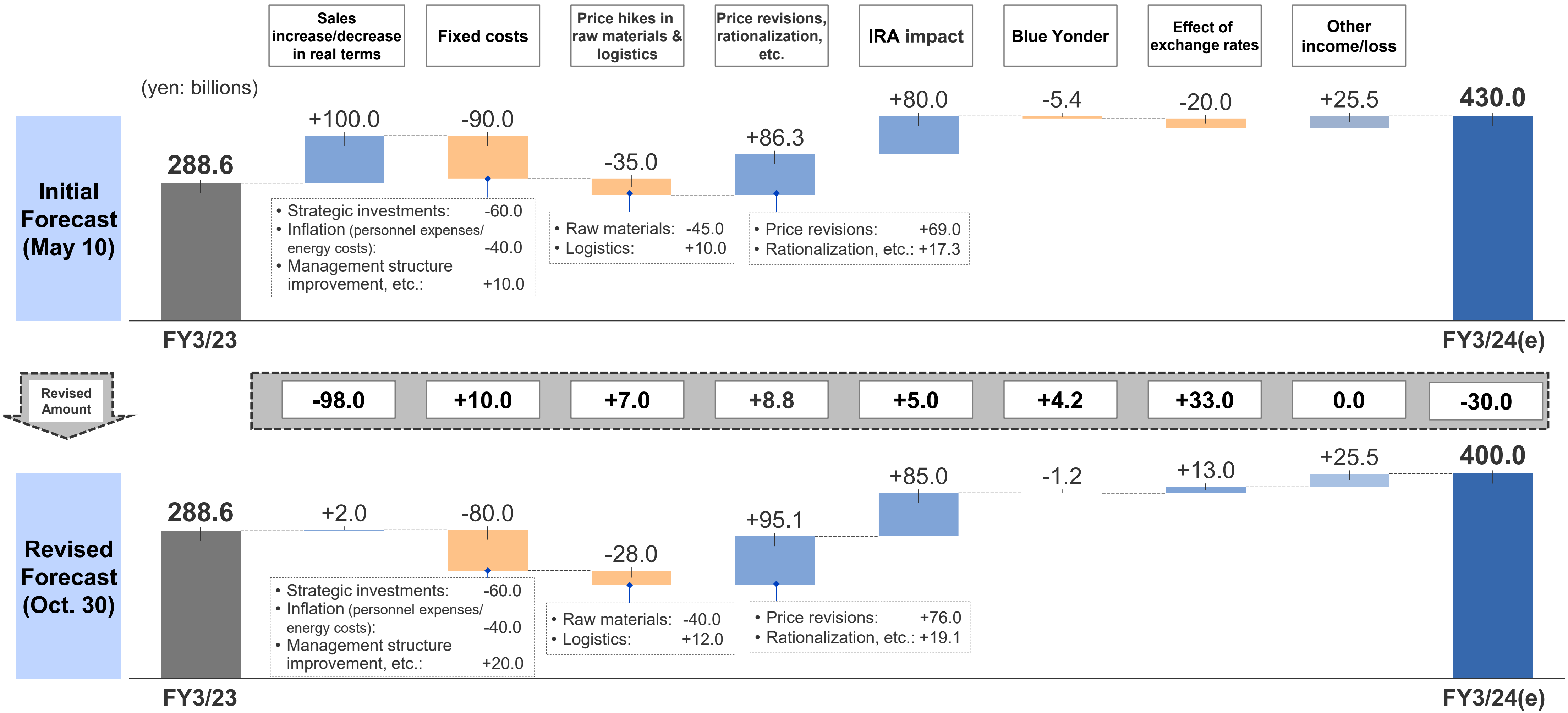
(yen: billions)

YoY % figures represent the year-on-year change relative to the previous year's figures

	Sales	YoY	Difference from forecast (May 10)	Adjusted OP (% to sales)	YoY	Difference from forecast (May 10)	Other income/ loss	YoY	Difference from forecast (May 10)	OP (% to sales)	YoY	Difference from forecast (May 10)	EBITDA*2 (% to sales)	YoY	Difference from forecast (May 10)
Living Appliances and Solutions Company (LAS)	906.0	101% (+9.3)	-70.0	63.0 7.0%	+10.2	-9.0	-4.0	-6.5	+2.0	59.0 6.5%	+3.7	-7.0	86.0 9.5%	+5.9	-4.0
Heating & Ventilation A/C Company (HVAC)	850.0	105% (+41.3)	-54.0	32.0 3.8%	+9.9	-10.0	-7.0*3	+10.6	-7.0	25.0*3 2.9%	+20.5	-17.0	55.0*3 6.5%	+26.0	-13.5
Cold Chain Solutions Company (CCS)	380.0	108% (+28.1)	+30.0	16.5 4.3%	+4.2	+2.5	0.0	-0.1	0.0	16.5 4.3%	+4.1	+2.5	25.5 6.7%	+4.5	+2.5
Electric Works Company (EW)	1,030.0	103% (+25.5)	0.0	66.0 6.4%	+13.8	+2.0	-4.0	+1.3	0.0	62.0 6.0%	+15.1	+2.0	94.0 9.1%	+19.1	0.0
China and Northeast Asia Company (CNA)*1	777.0	94% (-50.4)	-22.0	38.0 4.9%	+16.2	0.0	-7.0	-10.6	0.0	31.0 4.0%	+5.6	0.0	52.0 6.7%	+6.8	0.0

*1: Sales and profit of CNA (except certain businesses) are also included in LAS, HVAC, and EW
*2: Total amount of Operating profit, Depreciation (Tangible assets including property, plant and equipment / Right-of-use assets) and Amortization (Intangible assets)
*3: Additional recall-related expenses included

FY3/24 Full-year Operating Profit Forecast Revision Analysis (by Factor)



Lifestyle: Heating & Ventilation A/C Company - HVAC Business Situation in Europe

■ Changes in business environment

[As of June 2 (Operating Company Strategy Briefing)]

1) **Increasing demand for A2W to replace** combustion-based boilers
2) **Accelerating demand for refrigerant with lower GWP** due to tighter environment regulations (F-gas regulations)
3) **Market characteristics (Value of air-quality is highly appreciated)**

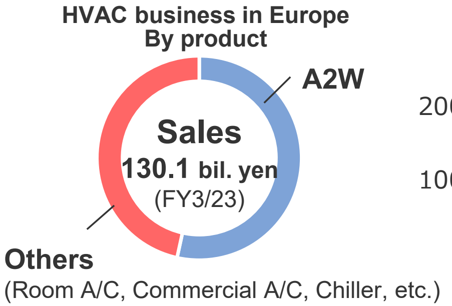
[Current situation]

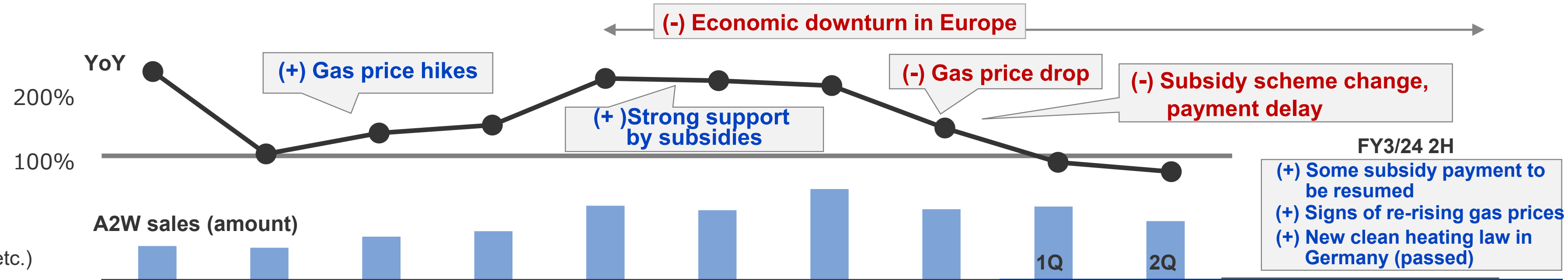
1) **Demand growth slowdown** in FY3/24
2) No changes in our assumption
3) No changes in our assumption

[Initiatives]

1) **Continue to enhance products/systems and sales base to meet expanding demand of A2W**
2) **Promote to switch & adopt low GWP refrigerant ahead of peers**
3) **Continue to expand solution-type business**

■ A2W Sales trend





	FY3/22	FY3/23	FY3/24 1H	Forecast for FY3/24 2H
A2W overall demand (unit) YoY* *estimated by Panasonic	**148%**	**147%**	**94%**	**Aim for higher-than-market growth at each country, even with ongoing challenging market conditions**
A2W sales (amount) YoY At Panasonic	**152%**	**202%**	**92%**	

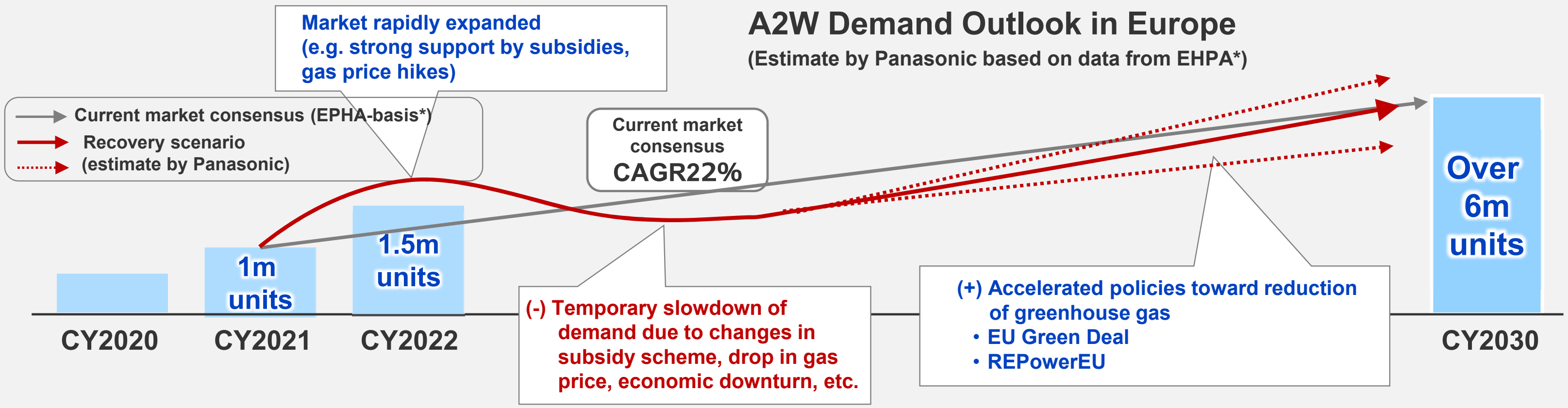
■ Outlook for FY3/24 and initiatives

By Country/region		Market conditions/outlook for FY3/24	1H	Initiatives
A. Markets with top-class share position (Poland, France, Nordic, etc.)	**Account for 60%** (FY3/23)	1H: Overall demand decreased due to impact of strong sales in FY3/23, changes in subsidy scheme, etc. 2H: Poland: Tougher market conditions to persist; continuing support to gas unit price France: Delay of subsidy payment expected to normalize	↘	**Strengthen service business by leveraging sales & customer base** • Maintenance/solution business (Customer service structure, IoT cloud services)
B. Markets to further strengthen business (Germany, UK, etc.)	**Account for 20%** (FY3/23)	1H: Demand is steady and less impacted by changes in subsidy scheme 2H: Stable sales is expected to continue	↗	**Strengthen sales capability** • Set focused area and strengthen sales structure • Expand sales channel

Medium- to Long-term Strategy for HVAC Business in Europe

■ A2W in Europe: Medium- to long-term market outlook

Expecting demand recovery toward CY2030, supported by EU carbon neutral initiatives;
Take actions with flexibility while mitigating risks (Subsidies, policy trend, energy price, economic situation)



*EHPA: European Heat Pump Association

[EU Green Deal]
1. Achieve carbon neutrality by 2050
2. Reduce 55% of greenhouse gas emission by 2030 (vs. 1990)

[REPowerEU]
1. Phase out oil/gas from Russia by 2030
2. Diversify import designations for energy
3. Accelerate shift to renewable energy
→ Aim to double installation ratio of heat pumps (A total of 10 million units for next 5 years)

■ Progress of medium- to long-term growth strategy

- Lifestyle segment's focused investment for hydronic system business in Europe (A2W, chiller)
- Take necessarily initiatives to deal with current changes in business as well as accelerate to strengthen business foundation and establish structure toward achieving one of the leading industry positions

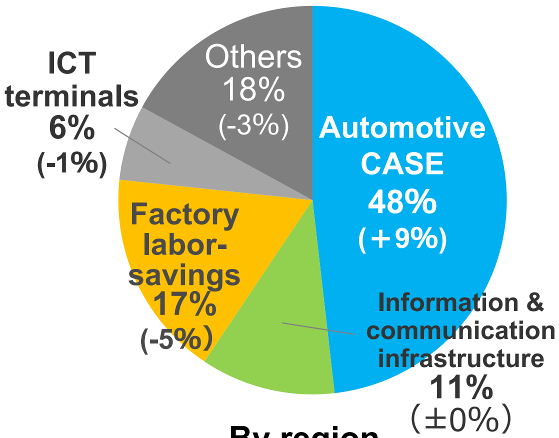
	Announcement at Operating Company Strategy Briefing (June 2, 2023)	FY3/24	FY3/25	FY3/26 onward
Production Capacity	Increase A2W production capacity at Czech factory	→ Shift production from Malaysia to Czech Republic • Start production of both internal/external units		• No changes in total of investment amount, but revises timing of some investments • **Aim to increase production capability through productivity improvement (to exceed planned 550K unit)**
M&A	Acquired chiller business to enhance light commercial field	• **Favorable sales of products for data centers** by acquired chiller business	• **Accelerate development of A2W for commercial-use** by creating new value through synergy with acquired commercial HVAC technologies and Panasonic's A2W technologies	
Products	Launch products with natural refrigerant (R290) Develop products suitable for local needs	• **R290 products launched in May** (first Japanese company to adopt)	• Respond to demand in countries (Germany, etc.) with higher consciousness in environment issues, and expand business in these countries • Establish comprehensive platform to control/integrate internal and external units	
Structure	Establish integrated operation in Europe (development, manufacturing and sales)	• Establish HVAC Business Division Europe • Establish new R&D center (Milan)	• Enhance competitiveness through centralized management with a management team at each business front • Create and develop products & services suitable for local needs / requirements	

Industry: Market Conditions by Area and Full-Year Forecast for FY3/24

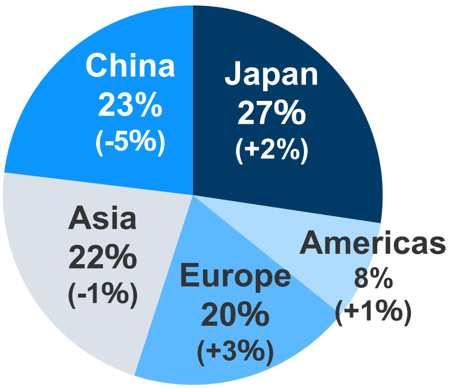
❑ Sales Composition

Panasonic Industry products FY3/24 estimate by Panasonic (YoY composition ratio)

By industry



By region



❑ FY3/24 Forecast

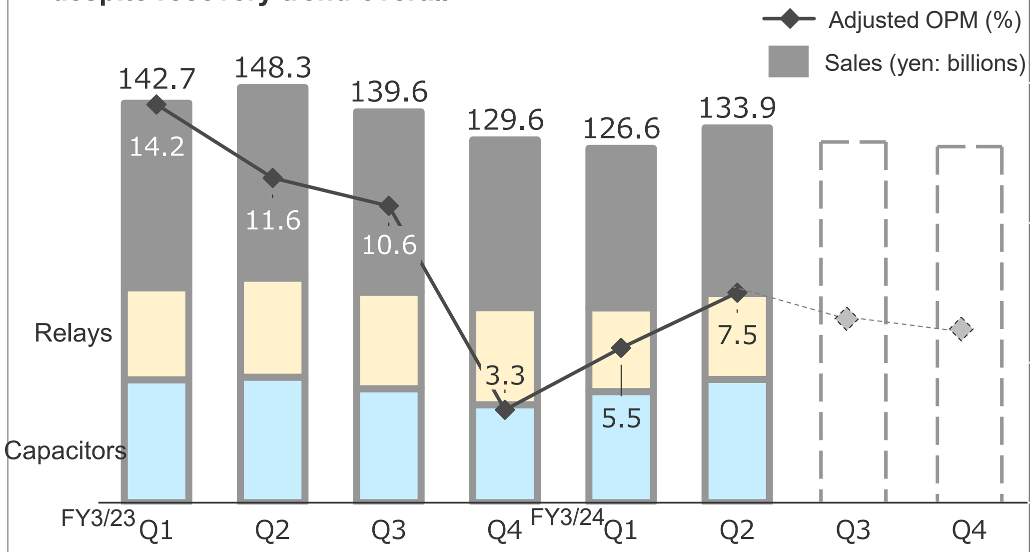
- Upper row: Market outlook (estimate by Panasonic),
- Bottom row: Sales forecast (Panasonic Industry products, vs. FY3/23, estimate by Panasonic)

Automotive CASE	Automobile	103%	Year-on-year increase for overall automobile production: Growth for green vehicle continues
	Panasonic	116%	Year-on-year increase: Growth of devices for green vehicles
Information & communication infrastructure	Servers/ Data centers	88%	Year-on-year decrease: Investment slowdown continues due to impact of demand in FY3/23
	Panasonic	98%	**Sales expected to be almost the same as FY3/23** due to growth of products for generative AI, despite market conditions
Factory labor-savings	FA/ Robots	107%	Year-on-year increase: Increased demand in North America supported by governmental initiatives despite weak China market conditions
	Panasonic	75%	Year-on-year decrease: Impact of market conditions for China business (accounts for approx. 40% sales) and intensifying competition with Chinese companies, decreased demand for semiconductor production equipment mainly in East Asia.
ICT terminals	Notebook PCs	92%	Year-on-year decrease: Replacement cycle becoming longer, despite progress of inventory adjustment
	Panasonic	85%	Year-on-year decrease: Reduced production of customers

Industry: Situation of Voluntarily Disclosed Businesses

Electronic Devices

- **Automotive CASE-related products (accounts for approx. 50% sales*): Growth in relays & capacitors for green vehicles**
- **Information & communication infrastructure products: Downturn reflecting deteriorating market conditions for general purpose servers and base stations, despite favorable capacitors for generative AI**
- **Expecting YoY decrease for full year with slight slowdown in 2H, despite recovery trend overall**



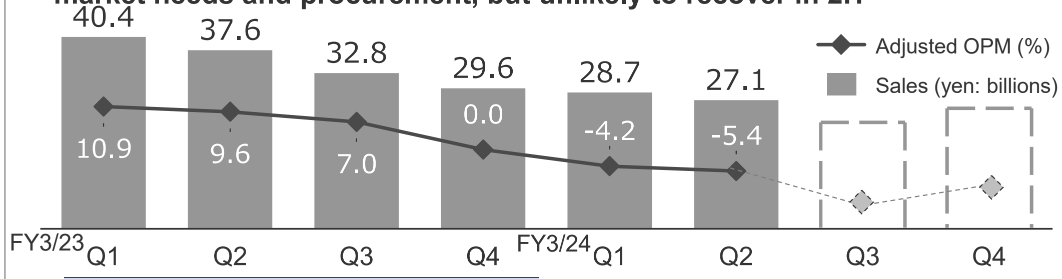
FY3/23 full year
- Sales: 560.2 billion yen
- Adjusted OPM: 10.1%

FY3/24 full year (e)
- Sales: 520.0 billion yen

* Details of sales composition ratio on page 38

FA Solutions

- **Aim for recovery of China business (accounts for approx. 40% sales*) through localization of decision making, product development meeting market needs and procurement, but unlikely to recover in 2H**

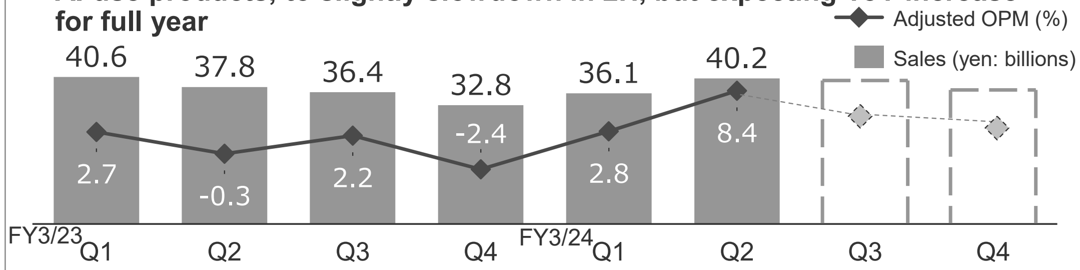


FY3/23 full year
- Sales: 140.4 bil. Yen
- Adjusted OPM: 7.3%

FY3/24 full year (e)
- Sales: 105.0 bil. yen

Electronic Materials

- **Information & communication infrastructure-related business (accounts for approx. 40% sales*): Recovery trend with favorable sales of generative AI-use products, to slightly slowdown in 2H, but expecting YoY increase for full year**



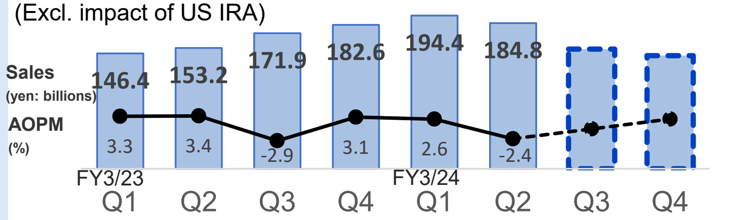
FY3/23 full year
- Sales: 147.6 billion yen
- Adjusted OPM: 0.7%

FY3/24 full year (e)
- Sales: 155.0 billion yen

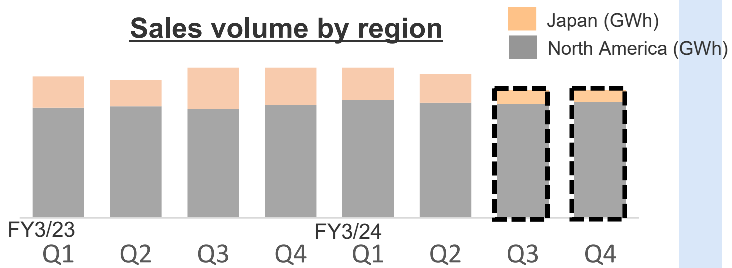
- **North American EV demand shift caused by IRA 30D:**
  Production in Japan factory affected by demand slowdown in high-end EVs, while North America factory remained steady
- **In FY3/24 2Q, profitability deteriorated considerably due to production adjustment;**
  In 2H, prevent further deterioration by optimizing fixed costs in Japan to align with lower demand

Sales & profitability trend

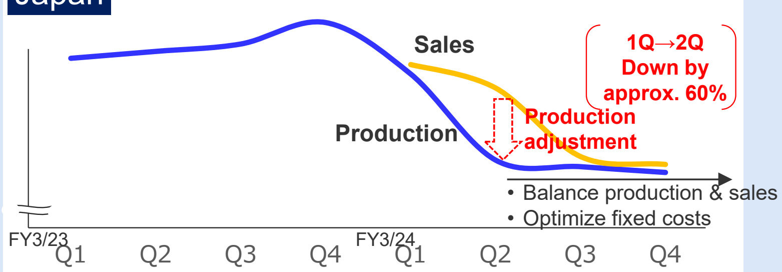
(Excl. impact of US IRA)



Sales volume by region



Japan **Production & sales of cells**



<FY3/24 2Q downturn factors>

Market **North American EV demand shift caused by IRA**

- North American EV demand shifted to models eligible for tax credit
  → Despite sales stimulus measures, demand clearly slowed down for high-end EVs
- Steady sales of vehicles eligible for tax credit

Initiatives **Production adjustment in Japan (optimize inventory level)**

- Japan factory: executed production at a certain scale until 1Q, in response to customer demand
- In 2Q, adjusted production to meet appropriate inventory level, in response to rapidly-reduced demand
  → Profitability deteriorated considerably, due to inability to offset impact of reduced production with fixed-cost reduction efforts
- Upfront costs recorded as planned (development of 4680 cells, construction of Kansas factory)

<Future initiatives to overcome downturn>

Short term

- Japan: Production & sales expected to become well-balanced in 2H
  Prevent further deterioration in profitability by **optimizing fixed costs** to algin with structurally lower demand
- North America: Respond to strong demand and contribute to profitability

Medium to long term

- Expand customer base for products manufactured in Japan factory and expand product line-up
- Carefully monitor demand trends, shift to profitability structure that reflects changes in demand

Panasonic Group

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Reference: Overview of US Inflation Reduction Act (IRA)

- ✓ **IRA: Enacted in August 2022, aimed to reduce excessive inflation and promote energy policies**
- ✓ **Panasonic Energy's business expected to be eligible for "battery cell ($35/kWh)" in Section 45X**
- ✓ **Rules on Section 30D announced in March 2023, but no additional information on Section 45X (Rules not yet determined)**

Section 45X (Advanced Manufacturing Production Credit)

- **Overview**: Tax credit for sales of EV batteries, etc.
- **Enforcement**: December 31, 2022
- **Effective**: 2023 - 2032 (10 years)
- **Eligibility & tax credit amount**:
  - **Battery cell: $35/kWh**
  - Battery module: $10/kWh

    * Tax credit starts to be reduced from 2030

    2030: Reduced by 25% , 2031: 50%, 2032: 75%
- **Conditions**:
  - Cells produced in US
  - Credits will be given based on sales volume (in kWh)

- **Detailed rules not yet determined**
- **Guidance related to 45X expected to be announced by end of 2023**

Section 30D (EV Credit)

- **Overview**: Tax credit for purchases of EVs
- **Enforcement**: December 31, 2022
- **Effective**: 2023 - 2032 (10 years)
- **Eligibility & tax credit amount**:
  - New car: up to $7,500
  - Used car: 30% of purchase value, up to $4,000
- **Conditions:**
  - Conditions for new cars:

Battery components produced & assembled in North America	$3,750
Critical minerals extracted & processed within FTA countries*	$3,750

*Although Japan is not an FTA country, conditions have been relaxed to include Japan

  - Vehicle assembled in North America (US, Canada, Mexico)

Guidance on calculation of critical mineral requirements, "Foreign Entity of Concern" provision, and related information expected to be announced by end of 2023

Reference: Eligible EV Battery Factories for IRA

✓ **Credit effective at:**
- Nevada Factory (already in operation): from launch of IRA
- Kansas Factory (under construction): upon start of production & sales during FY3/25 (planned)

Factories	Credit effective from	Annual production	<Ref.> Simple calculation: $35/kWh x annual production
Nevada	**Jan. 2023 onwards**	**Approx. 38-39 GWh (current)**	**Approx. $1.3 bil./yr**
Kansas* (New factory)	**Start of production & sales** During FY3/25 (planned)	**Approx. 30 GWh**	**Approx. $1.0 bil./yr**
Japan	**N/A**	**Approx. 11-12 GWh (current)**	-

∗Approved for "Attracting Powerful Economic Expansion (APEX)", incentive program by the State of Kansas for investment promotion; in addition to IRA tax credits
e.g.・Tax credits: Up to 15% of capital investments
・Compensation: Up to 10% per year (not to exceed 10 years)

Reference: Initiatives in Growth Areas
(Automotive Battery, Supply Chain Management Software, Air Quality & Air-conditioning)

Underlined: Changes/progress from July 2023

Automotive Battery

Achieve profit growth, focusing on North America market where we can leverage advantages (high-capacity cells) with strong business foundation => FY3/31 target: global production capacity of 200 GWh (approx. 50 GWh as of end FY3/23)

[Expand production capacity in North America / Establish supply chain in US FTA countries]

- Decision to construct new manufacturing facility in Kansas, US (announced Oct. 31,'22); construction started in Feb. '23, with mass production of 2170 cells set to start in FY3/25
- Agreement signed with UK-based Nexeon to purchase silicon anode material, enabling production of higher-energy-density EV batteries (announced Jul. 25, '23)

[Expand sales channel]

- Entered into discussions with Mazda Motor Corporation (announced Jun. 21, '23) and Subaru Corporation (Jul. 31, '23) to establish medium- to long-term partnership for supply of automotive cylindrical lithium-ion batteries; aiming to conclude supply contracts at early stage for battery EVs to be launched in latter half of the 2020s

[Commercialization of 4680 cells]

- Mass production at Wakayama rescheduled to begin during 1H FY3/25 so that higher-density technologies can be introduced to further enhance competitiveness

Supply Chain Management Software

Aim for high growth & profitability globally through SCM business, where medium-to long-term market expansion is expected

[Blue Yonder]

- Transformation in steady progress: Establishing stronger organizational structure, shifting to Native SaaS and enhancing customer experience, etc. Announced strategic partnership with Snowflake and Accenture toward further enhancement of competitiveness
- **Announced agreement to acquire UK-based Doddle, with strengths in returns management, toward enhancing end-to-end solutions (announced Oct. 13, '23)**

[Consideration of stock exchange listing of SCM business] (announced May 11, '22)

- Considering stock exchange listing of SCM business centered on Blue Yonder for enhanced global competitiveness and accelerated growth

Air Quality & Air-conditioning

Accelerate business growth with proactive investments in hydronic system business, with priority on Europe

[Europe] FY3/24 1H sales: 67.9 bil. yen (YoY 109%)

[A2W (air to water hot water heat pump)]

- **While expecting medium- to long-term demand growth toward carbon neutrality, currently facing temporary demand slowdown due mainly to decline in housing starts resulting from high interest rate & inflation, subsidy scheme changes, and decline in gas prices**. Aim to establish European regional structure for medium- to long-term growth, continue to increase production capacity and enhance the system for development, manufacturing and sales.

[Chiller] **PMI in progress** for chiller business acquired in FY3/23. **Expand line-up of Panasonic brand products**

(Reference) FY3/24 1H Results

YoY % figures represent the year-on-year change relative to the previous year's figures

(yen: billions)	FY3/24 1H	FY3/24 1H Excl. IRA impact	FY3/23 1H	YoY (year-on-year)	YoY (year-on-year)	YoY Excl. IRA impact	YoY Excl. IRA impact
Sales	**4,119.4**	4,168.7	4,063.9	101% (99%)*3	+55.5 (-47.0)*3	103% (100%)*3	+104.8 (+2.3)*3
Adjusted operating profit*1 (% to sales)	**192.3** (4.7%)	150.1 (3.6%)	145.9 (3.6%)	132%	+46.4	103%	+4.2
Other income/loss*2	**0.5**	0.5	3.9	–	-3.4	–	-3.4
Operating profit (% to sales)	**192.8** (4.7%)	150.6 (3.6%)	149.8 (3.7%)	129%	+43.0	101%	+0.8
Profit before income taxes (% to sales)	**224.3** (5.4%)	182.1 (4.4%)	166.6 (4.1%)	135%	+57.7	109%	+15.5
Net profit attributable to Panasonic Holdings Corporation stockholders (% to sales)	**288.4***5 (7.0%)	234.0*5 (5.6%)	107.3 (2.6%)	269%	+181.1	218%	+126.7
EBITDA*4 (% to sales)	**410.1** (10.0%)	367.9 (8.8%)	364.3 (9.0%)	113%	+45.8	101%	+3.6

Exchange rates		FY3/24 1H	FY3/24 1H Excl. IRA impact	FY3/23 1H
Exchange rates	1 US dollar	**141 yen**	141 yen	134 yen
	1 Euro	**153 yen**	153 yen	139 yen
	1 Renminbi	**19.8 yen**	19.8 yen	19.9 yen

*1 Sales - Cost of sales - SG&A
*2 "Other income (expenses), net" + "Share of profit (loss) of investments accounted for using the equity method" as indicated in the Consolidated Statements of Profit or Loss of the news release
*3 Excluding effect of exchange rates. Increased by 29.5 bil. yen (YoY 101%) excluding impact of IRA and FX

*4 Total amount of Operating profit, Depreciation (Tangible assets including property, plant and equipment / Right-of-use assets) and Amortization (Intangible assets). Adjusted with:
- amount equivalent to depreciation corresponding to underlying assets that are applied with Lease accounting treatment as a lessor
- impact of temporary accounting treatment related to "re-evaluation of assets and liabilities" upon Blue Yonder acquisition

*5 Including recording of deferred tax assets, etc. (121.3 bil. yen) with the liquidation of Panasonic Liquid Crystal Display Co., Ltd. (through Special Liquidation) and its debts waiver, resolved by the Board of Directors

(Reference) FY3/24 Financial Results/Forecast (1H/2H/Full-Year)

(yen: billions) YoY % figures represent the year-on-year change relative to the previous year's figures

	1H results	Excl. IRA impact	YoY	Excl. IRA impact	2H (e)	Excl. IRA impact	YoY	Excl. IRA impact	Full-year forecast	Excl. IRA impact	YoY	Excl. IRA impact
Sales	**4,119.4**	4,168.7	101% +55.5	103% +104.8	**4,280.6**	4,330.3	99% -34.4	100% +15.3	**8,400.0**	8,499.0	100% +21.1	101% +120.1
Adjusted operating profit[*1] (% to sales)	**192.3** (4.7%)	150.1 (3.6%)	132% +46.4	103% +4.2	**207.7** (4.9%)	164.9 (3.8%)	123% +39.5	98% -3.3	**400.0** (4.8%)	315.0 (3.7%)	127% +85.9	100% +0.9
Other income/loss[*2]	**0.5**	0.5	– -3.4	– -3.4	**-0.5**	-0.5	– +28.9	– +28.9	**0.0**	0.0	– +25.5	– +25.5
Operating profit (% to sales)	**192.8** (4.7%)	150.6 (3.6%)	129% +43.0	101% +0.8	**207.2** (4.8%)	164.4 (3.8%)	149% +68.4	118% +25.6	**400.0** (4.8%)	315.0 (3.7%)	139% +111.4	109% +26.4
Profit before income taxes (% to sales)	**224.3** (5.4%)	182.1 (4.4%)	135% +57.7	109% +15.5	**230.7** (5.4%)	187.9 (4.3%)	154% +80.9	125% +38.1	**455.0** (5.4%)	370.0 (4.4%)	144% +138.6	117% +53.6
Net profit attributable to Panasonic Holdings Corporation stockholders (% to sales)	**288.4**[*4] (7.0%)	234.0[*4] (5.6%)	269% +181.1	218% +126.7	**171.6** (4.0%)	116.0 (2.7%)	108% +13.4	98% -2.2	**460.0**[*4] (5.5%)	350.0[*4] (4.1%)	173% +194.5	155% +124.5
EBITDA[*4] (% to sales)	**410.1** (10.0%)	367.9 (8.8%)	113% +45.8	101% +3.6	**439.9** (10.3%)	397.1 (9.2%)	124% +85.8	112% +43.0	**850.0** (10.1%)	765.0 (9.0%)	118% +131.6	106% +46.6
Exchange rates: 1 US dollar	141 yen	141 yen	+7 yen	+7 yen	140 yen	140 yen	+3 yen	+3 yen	141 yen	141 yen	+6 yen	+6 yen
Exchange rates: 1 Euro	153 yen	153 yen	+14 yen	+14 yen	150 yen	150 yen	+7 yen	+7 yen	152 yen	152 yen	+11 yen	+11 yen
Exchange rates: 1 Renminbi	19.8 yen	19.8 yen	-0.1 yen	-0.1 yen	20.0 yen	20.0 yen	+0.4 yen	+0.4 yen	19.9 yen	19.9 yen	+0.1 yen	+0.1 yen

*1 Sales - Cost of sales - SG&A

*2 "Other income (expenses), net" + "Share of profit (loss) of investments accounted for using the equity method" as indicated in the Consolidated Statements of Profit or Loss of the news release

*3 Total amount of Operating profit, Depreciation (Tangible assets including property, plant and equipment/ Right-of-use assets) and Amortization (Intangible assets).
Adjusted with: - amount equivalent to depreciation corresponding to underlying assets that are applied with Lease accounting treatment as a lessor
- impact of temporary accounting treatment related to "re-evaluation of assets and liabilities" upon Blue Yonder acquisition

*4 Including recording of deferred tax assets, etc. (121.3 bil. yen) with the liquidation of Panasonic Liquid Crystal Display Co., Ltd. (through Special Liquidation) and its debts waiver, resolved by the Board of Directors

(Reference) FY3/24 Financial Results/Forecast by Segment（1H/2H/Full-Year)

(yen: billions)

YoY % figures represent the year-on-year change relative to the previous year's figures

	1H				2H (e)				Full-year forecast			
	Sales	YoY	Adjusted OP (% to sales)	YoY	Sales	YoY	Adjusted OP (% to sales)	YoY	Sales	YoY	Adjusted OP (% to sales)	YoY
Lifestyle	**1,683.0**	98%	**68.5** 4.1%	+0.2	**1,817.0**	103%	**71.5** 3.9%	+17.4	**3,500.0**	100%	**140.0** 4.0%	+17.6
Automotive	**708.2**	120%	**14.3** 2.0%	+26.3	**751.8**	107%	**18.7** 2.5%	-7.5	**1,460.0**	113%	**33.0** 2.3%	+18.8
Connect	**552.1**	107%	**16.4** 3.0%	+26.0	**617.9**	102%	**38.6** 6.3%	+0.8	**1,170.0**	104%	**55.0** 4.7%	+26.8
Industry	**510.4**	86%	**12.5** 2.5%	-31.2	**529.6**	96%	**17.5** 3.3%	-2.1	**1,040.0**	90%	**30.0** 2.9%	-33.3
Energy	**476.8**	101%	**53.7** 11.3%	+23.3	**403.2**	80%	**61.3** 15.2%	+52.1	**880.0**	91%	**115.0** 13.1%	+75.4
Excl. IRA impact	526.1	112%	11.5 2.2%	-18.9	452.9	90%	18.5 4.1%	+9.3	979.0	101%	30.0 3.1%	-9.6
Other/ Eliminations & adjustments	**188.9**	–	**26.9**	+1.8	**161.1**	–	**0.1**	-21.2	**350.0**	–	**27.0**	-19.4
Total	**4,119.4**	101%	**192.3** 4.7%	+46.4	**4,280.6**	99%	**207.7** 4.9%	+39.5	**8,400.0**	100%	**400.0** 4.8%	+85.9

(Reference) Lifestyle Segment: FY3/24 Financial Results/Forecast by Divisional Company (1H/2H/Full-year)

(yen: billions)

YoY % figures represent the year-on-year change relative to the previous year's figures

	1H				2H (e)				Full-year forecast			
	Sales	YoY	Adjusted OP (% to sales)	YoY	Sales	YoY	Adjusted OP (% to sales)	YoY	Sales	YoY	Adjusted OP (% to sales)	YoY
Living Appliances and Solutions Company (LAS)	**419.9**	96%	**24.2** 5.8%	-2.6	**486.1**	106%	**38.8** 8.0%	+12.8	**906.0**	101%	**63.0** 7.0%	+10.2
Heating & Ventilation A/C Company (HVAC)	**422.3**	99%	**13.8** 3.3%	-3.6	**427.7**	112%	**18.2** 4.2%	+13.5	**850.0**	105%	**32.0** 3.8%	+9.9
Cold Chain Solutions Company (CCS)	**194.4**	115%	**11.9** 6.1%	+6.3	**185.6**	101%	**4.6** 2.5%	-2.1	**380.0**	108%	**16.5** 4.3%	+4.2
Electric Works Company (EW)	**488.7**	105%	**28.9** 5.9%	+8.8	**541.3**	100%	**37.1** 6.9%	+5.0	**1,030.0**	103%	**66.0** 6.4%	+13.8
China and Northeast Asia Company (CNA)*1	**393.1**	86%	**26.7** 6.8%	+2.1	**383.9**	103%	**11.3** 2.9%	+14.1	**777.0**	94%	**38.0** 4.9%	+16.2

*1: Sales and profit of CNA (except certain businesses) are also included in LAS, HVAC, and EW

Reference: FY3/24 2Q Segment Information

Lifestyle

Overview

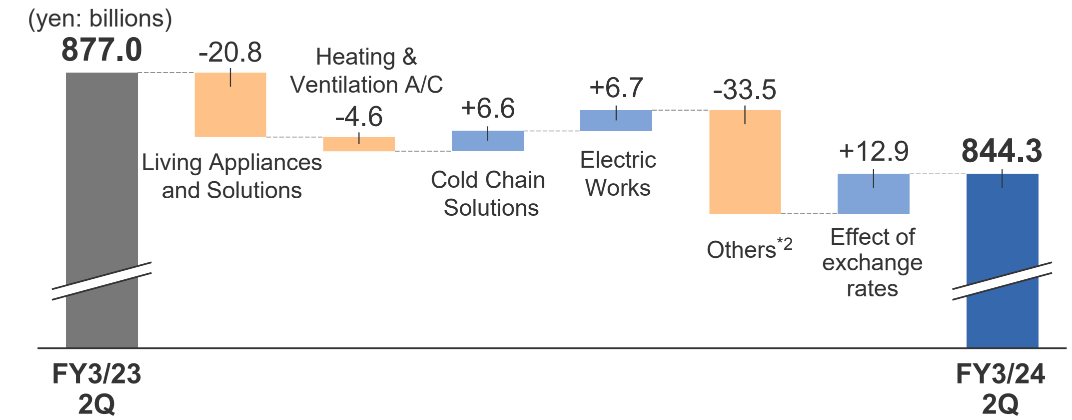
(yen: billions)	FY3/24 2Q	YoY (year-on-year)
Sales	**844.3**	96% (95%) *1
Adjusted operating profit (% to sales)	**29.6 (3.5%)**	-3.0
Other income/loss	**-8.1**	-10.9
Operating profit (% to sales)	**21.5 (2.5%)**	-13.9

*1: In real terms excluding the effect of exchange rates

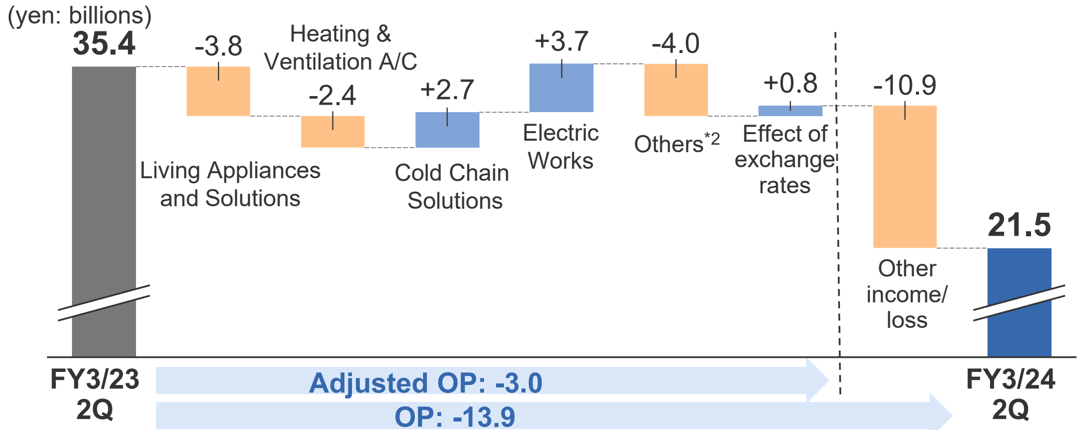
Major increase/decrease factors

Adjusted OP	Living Appliances and Solutions Company	+ : Partially improved external environment factors (e.g. costs of raw materials, logistics), progress of cost rationalization efforts – : Shrinking demand caused by inflation worldwide
Adjusted OP	Heating & Ventilation A/C Company	+ : Increased sales in Japan and effect of rationalization, etc. – : Slowdown of demand growth in Europe
Adjusted OP	Cold Chain Solutions Company	+ : Increased sales prices, Improved productivity – : Inflation (e.g. costs of materials, labor cost)
Adjusted OP	Electric Works Company	+ : Increased sales and effect of price revisions
Other income/loss		Quality-related expenses, etc.

Sales: Decreased due to slowed growth of HVAC business in Europe, weaker demand for consumer electronics in Asia and China, deconsolidation impact, despite steady sales of cold chain mainly in North America and electrical construction materials



OP: Decreased overall due to decreased sales of consumer electronics, upfront investment for HVAC business in Europe, despite increased profit of cold chain and electrical construction materials



*2: Cold Chain (China) and Refrigeration, Air-Conditioning Devices, sales of other segment products, segment head office, eliminations, etc.

Reference: FY3/24 2Q Segment Information

Automotive

Overview

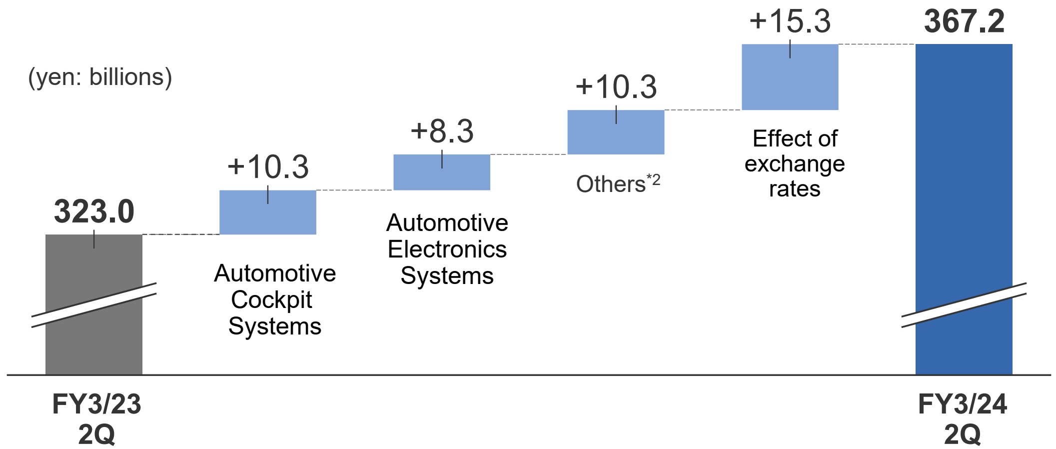
(yen: billions)	FY3/24 2Q	YoY (year-on-year)
Sales	**367.2**	114% (109%) *1
Adjusted operating profit (% to sales)	**8.7 (2.4%)**	+8.6
Other income/loss	**0.9**	+2.9
Operating profit (% to sales)	**9.6 (2.6%)**	+11.5

*1: In real terms excluding the effect of exchange rates

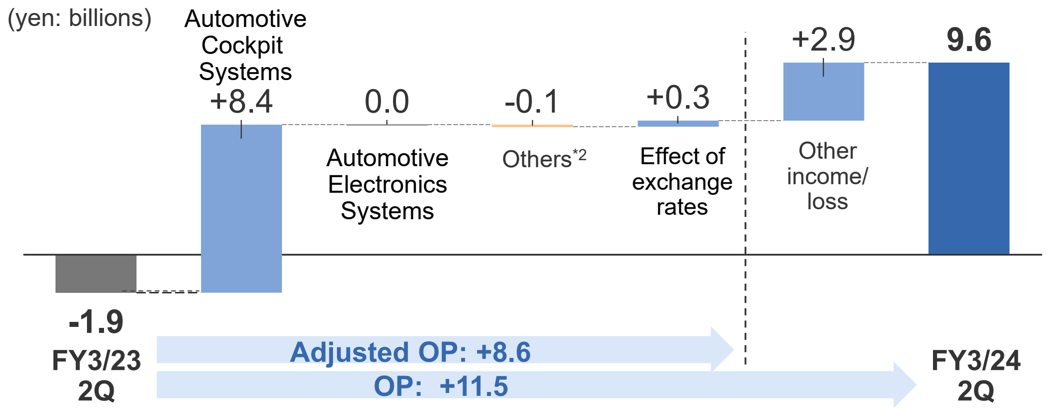
Major increase/decrease factors

Adjusted OP	Automotive Cockpit Systems	＋ : Increased sales, price revision to counter price hikes in parts & materials, cost reduction efforts ー : Increased fixed costs due to increased production and increased personnel expenses, price hikes in parts & materials (e.g. semiconductors)
Adjusted OP	Automotive Electronics Systems	＋ : Increased sales, price revision to counter price hikes in parts & materials, cost reduction efforts ー : Increased fixed costs due to increased production and increased personnel expenses, price hikes in parts & materials (e.g. semiconductors)
Other income/loss		Proceeds from sales of fixed assets, insurance reimbursement, etc.

Sales: Increased due to recovery in automobile production of our customers



OP: Increased due mainly to increased sales, price revisions to counter price hikes in parts & materials, and cost reduction efforts, despite increased fixed costs (increased production & personnel expenses) and persisting impact of price hikes in parts & materials (e.g. semiconductors)



*2: Sales of other segment products, etc.

Overview

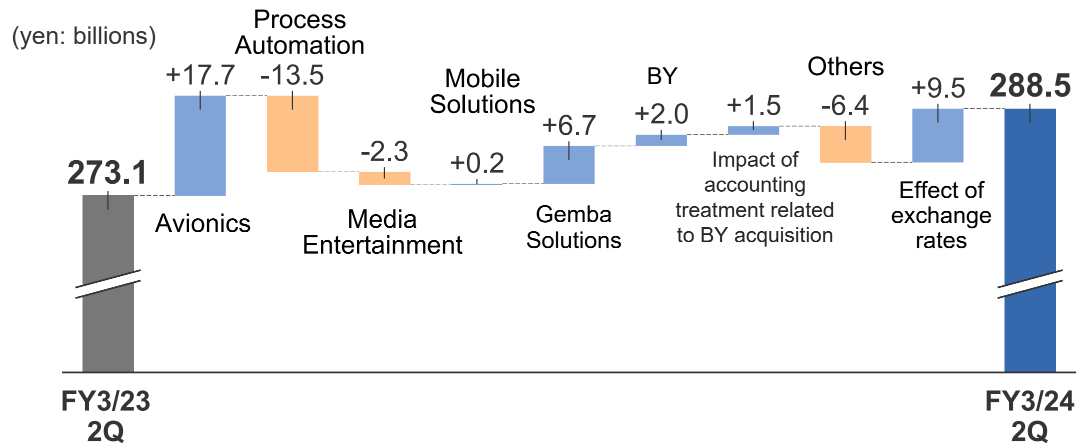
(yen: billions)	FY3/24 2Q	YoY (year-on-year)
Sales	**288.5**	106% (102%) *1
Adjusted operating profit (% to sales)	**9.2** (3.2%)	+9.5
Other income/loss	**0.1**	+0.7
Operating profit (% to sales)	**9.3** (3.2%)	+10.2

*1: In real terms excluding the effect of exchange rates

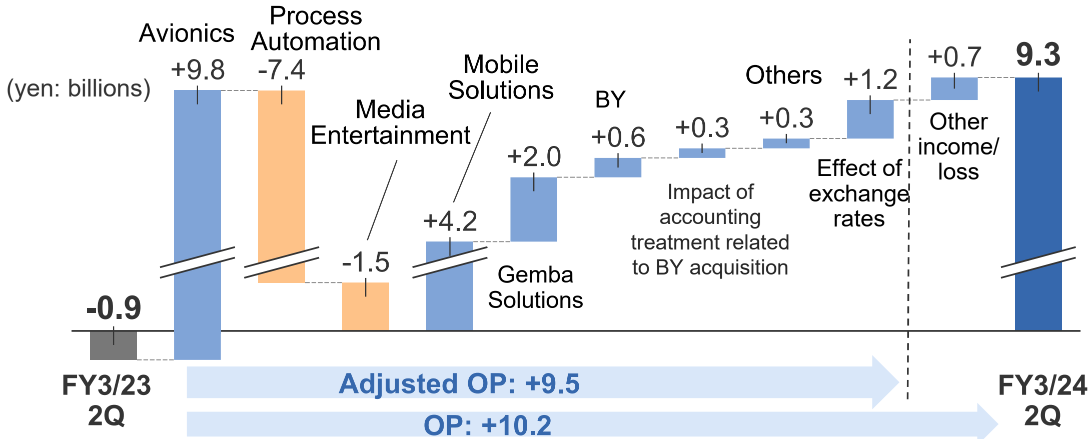
Major increase/decrease factors

Adjusted OP	Avionics	+ : Increased sales of in-flight entertainment (IFE) systems and repair & maintenance services due to demand recovery in aviation market
	Process Automation	– : Decreased sales affected by investment slowdown for PCs and smartphones and continuing deteriorated market conditions in China
	Media Entertainment	– : Decreased sales due to weakening demand for professional broadcasting equipment along with investment cycle in Europe
	Mobile Solutions	+ : Increased profit with improved marginal profit with resolved issues in parts & materials, etc.
	Gemba Solutions	+ : Increased sales with steady orders of solution-type projects
	Blue Yonder (BY)	+ : Sales growth of SaaS
Other income/loss	–	

Sales: Increased overall due to increased sales in Avionics, Gemba Solutions and Blue Yonder, despite decreased sales in Process Automation



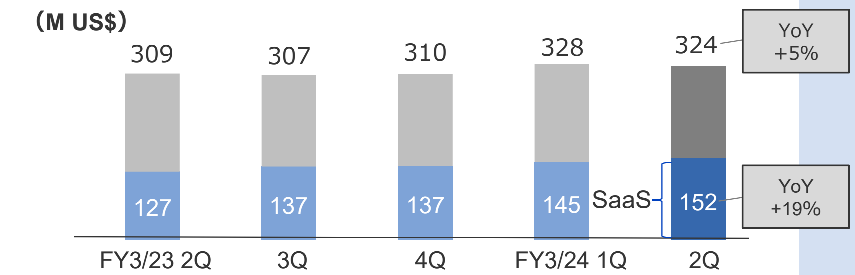
OP: Increased due to increased sales (e.g. Avionics) and improved profitability in Mobile Solutions, despite decreased sales in Process Automation



Reference: Blue Yonder’s KPIs

Revenue / Adjusted OP (stand alone)

■ Sales: Steady growth of both total sales and SaaS
Profit: ncreased YoY in real terms excl. strategic investment

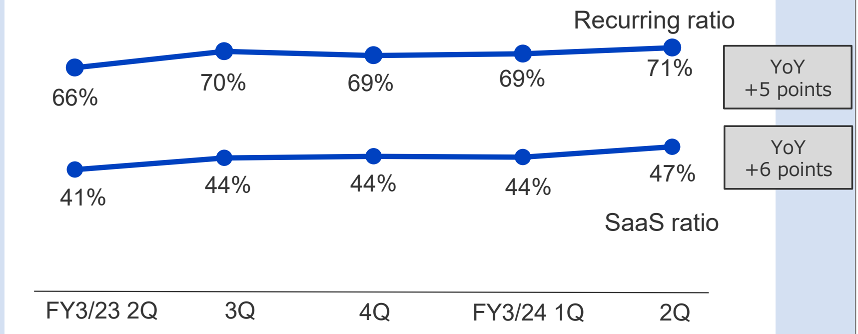


	FY3/23 2Q	3Q	4Q	FY3/24 1Q	2Q
Adjusted OP	-11	20	24	24	-6

■ Adjusted OP in 2Q: decreased factor from 1Q
✓Increased personnel costs due to upward revision for full-year
✓Impact of one-time large projects in 1Q

Recurring / SaaS ratio

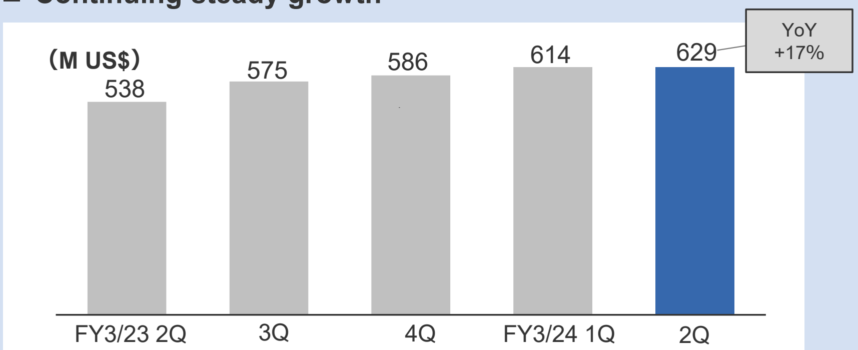
■ Steady sales trend for both recurring and SaaS ratio



・Recurring revenue business ratio in total revenue
・All figures based on FY3/24(e) rates as of May 10 (US$: 130 yen / Euro: 130 yen) to exclude FX effect

SaaS ARR (Annual Recurring Revenue)

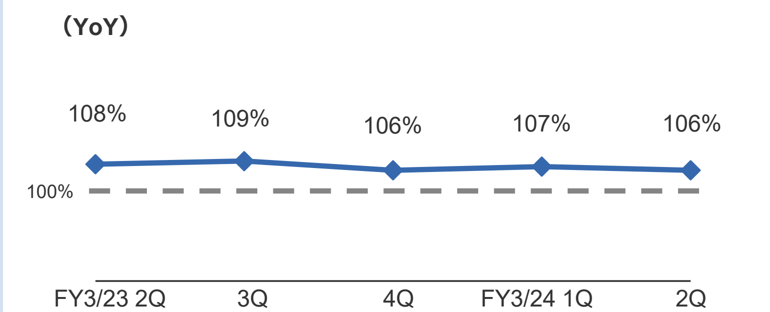
■ Continuing steady growth



- ARR indicates secured annualized revenue during the year starting next quarter
- All figures based on FY3/24(e) rates as of May 10 (US$: 130 yen / Euro: 130 yen) to exclude FX effect

SaaS NRR (Net Revenue Retention)

■ Maintained retention rate higher than previous year with stable sales and profit



• Net revenue retention rate with existing customers
• All figures based on FY3/24(e) rates as of May 10 (US$: 130 yen / Euro: 130 yen) to exclude FX effect

Reference: FY3/24 Full-Year Forecast of Blue Yonder

Adjusted OP (stand alone) excluding strategic investment for future growth (product enhancement & synergy creation):

- ✓ **In 1H: Increased year-on-year by 5.0 bil. yen to 5.2 bil. yen**
- ✓ **For full-year: Forecast revised upward, expecting year-on-year increase**

Breakdown of adjusted operating profit (yen: billions)

			FY3/24 1H	FY3/23 1H	YoY	FY3/24 Revised forecast (As of Oct. 30, 2023)	FY3/24 Forecast (As of May 30, 2023)	FY3/23 Results	YoY
Stand alone (Blue Yonder)	**Adjusted OP (excl. investments)**	(1) – a – b	**5.2**	0.2	+5.0	**12.8**	8.7	6.8	+6.0
	(Additional strategic investment) *1	a	**(-2.1)**	(0.0)	(-2.1)	**(-7.7)**	(-8.4)	(0.0)	(-7.7)
	(Synergy investment) *2	b	**(-0.6)**	(-0.9)	(+0.3)	**(-2.3)**	(-2.8)	(-1.5)	(-0.8)
	Adjusted OP	(1)	**2.5**	-0.7	+3.2	**2.8**	-2.5	5.3	-2.5
Panasonic Group consolidated-basis	**Amortization expenses related to acquisition**	(2)	**-10.9**	-8.6	-2.3	**-22.4**	-20.8	-18.2	-4.2
	Temporary accounting treatment related to acquisition	(3)	**-0.2**	-5.1	+4.9	**-0.3**	-0.3	-5.3	+5.0
	Adjusted OP	(1)+(2)+(3)	**-8.6**	-14.4	+5.8	**-19.9**	-23.6	-18.2	-1.7

*1: Additional strategic investment of US$ 200M planned for 3 years from FY3/24 to FY3/26
*2: Strategic investment to generate synergy with Panasonic Group

Adjusted OP revised amount: +3.7 bil. yen
Note: +3.7 bil. yen including FX impact. 4.2 bil. yen in page 17 excluding FX impact

Overview

(yen: billions)	FY3/24 2Q	YoY (year-on-year)	PID Products*1
Sales	**261.4**	87% (84%)*2	231.8
Adjusted operating profit (% to sales)	**9.2** **(3.5%)**	-10.2	8.5 (3.7%)
Other income/loss	**0.5**	-2.1	0.4
Operating profit (% to sales)	**9.7** **(3.7%)**	-12.3	8.9 (3.8%)

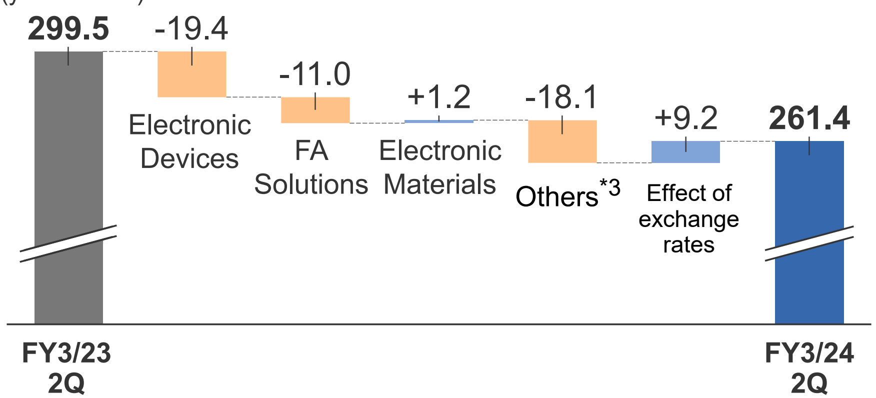
*1 Figures of PID (Panasonic Industry Company) products exclude sales of other segment products (e.g. compressor), etc.
*2: In real terms excluding the effect of exchange rates

Major increase/decrease factors

Adjusted OP	Electronic Devices	+ : Increased sales of products for AI servers and capacitors for green vehicles − : Decreased sales due to market downturn (e.g. China market, ICT)
	FA Solutions	+ : Fixed cost reduction − : Decreased sales due to market condition in China and weakening demand for semiconductor related capital investment in East Asia, etc.
	Electronic Materials	+ : Increased sales of products for AI servers, efforts in price revision and rationalization − : Decreased sales due to deteriorated market condition for semiconductors
Other income/loss		Impact of gain related to semiconductor business transfer (additional) in FY3/23

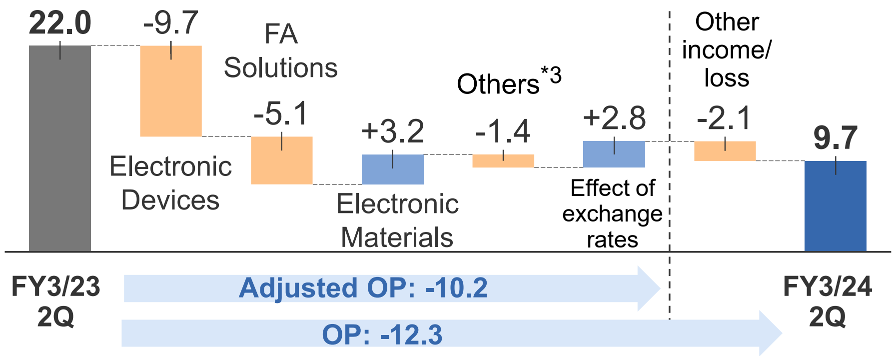
Sales: Decreased due mainly to downturn in market conditions (e.g. China, ICT) and changes in semiconductor sales channel, despite continuous growth of green vehicles markets and expanding demand in products for AI servers

(yen: billions)



OP: Decreased due to decreased sales affected by downturn in market conditions, despite price revisions & rationalization to counter price hikes in raw materials & energy costs caused by inflation, as well as effect of yen depreciation

(yen: billions)



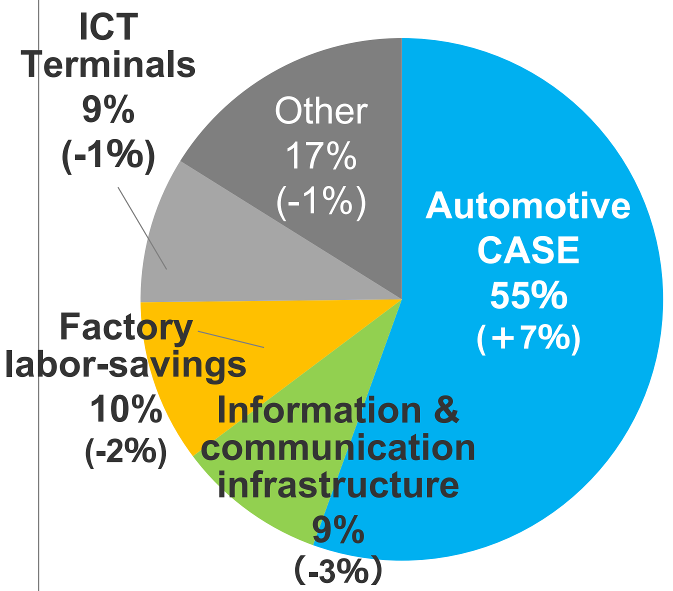
*3: Sales of other segment products, etc.

(Reference) FY3/24 Full-Year Sales Forecast by Voluntarily Disclosed Business

Electronic Devices

Forecast for FY3/24

Sales **520.0 billion yen**

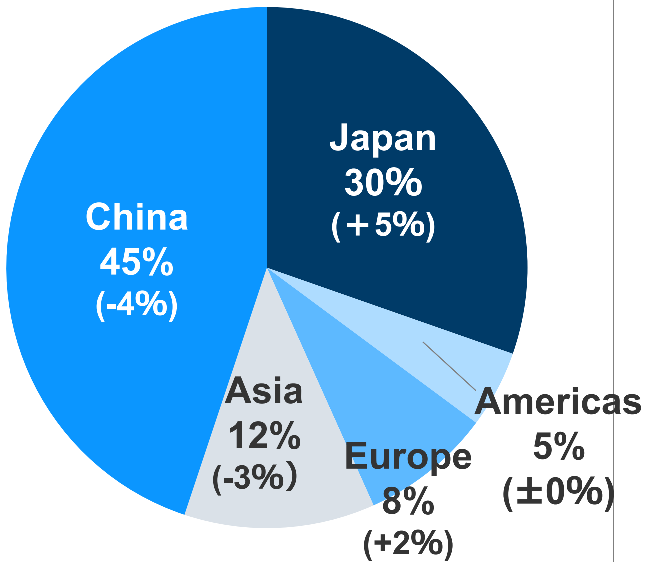


(YoY sales composition ratio)

FA Solutions

Forecast for FY3/24

Sales **105.0 billion yen**

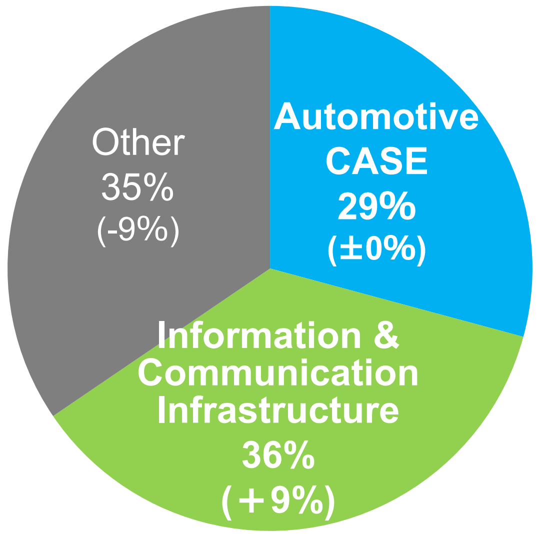


(YoY sales composition ratio)

Electronic Materials

Forecast for FY3/24

Sales **155.0 billion yen**



(YoY sales composition ratio)

Note: Panasonic Industry Products
(estimated by Panasonic)

Overview

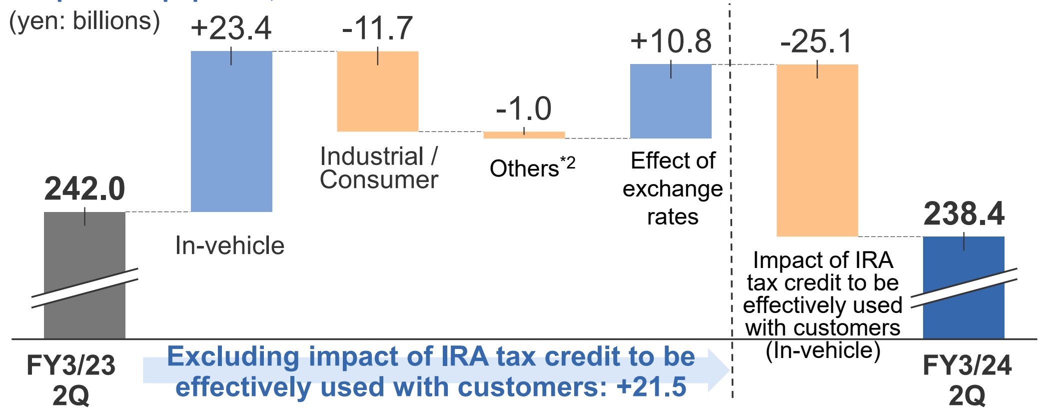
(yen: billions)	FY3/24 2Q	YoY (year-on-year)
Sales	**238.4**	99% (95%) *1
Adjusted operating profit (% to sales)	**23.5** (9.8%)	+9.6
Other income/loss	**-0.5**	+1.0
Operating profit (% to sales)	**23.0** (9.6%)	+10.6

*1: In real terms excluding the effect of exchange rates

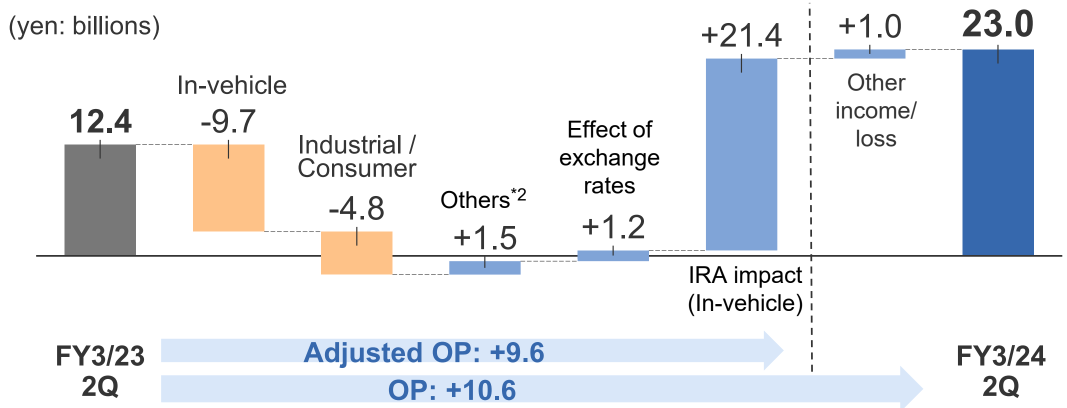
Major increase/decrease factors

Adjusted OP	In-vehicle	+ : • Favorable production & sales at North America factory • IRA impact recorded (+21.4 billion yen): 21.4 bil. yen = 46.5 bil. yen (tax credit for 2Q sales) - 25.1 bil. yen ("effective use with customers") - : • Decreased production in Japan due to changes in demand by IRA • Increased fixed costs (e.g. 4680 cells development, Kansas factory construction-related expenses)
	Industrial / Consumer	+ : • Increased sales of energy storage systems for data centers with expansion of generative AI market - : • Decreased sales of Li-ion batteries for consumer and power equipment due to weakening market conditions
Other income/loss		Impact of recording site restructuring expenses in FY3/23

Sales: Sales increased in real terms excluding IRA impact to be effectively used with customers; In In-vehicle, favorable sales mainly at North America factory, despite reduced production in Japan. In Industrial / Consumer, weakening demand for power equipment, etc.



OP: Increased due to increased sales of In-vehicle at North America and IRA impact, despite reduced production in Japan, increased fixed costs and decreased sales in Industrial / Consumer



*2: Segment head office, eliminations, etc.

Reference: FY3/24 2Q Operating Profit & Net Profit

(yen: billions)

	FY3/24 2Q	FY3/23 2Q	YoY (year-on-year)
Operating profit	**102.4**	86.1	+16.3
Non-operating income/loss	**13.2**	7.0	+6.2
Profit before income taxes	**115.6**	93.1	+22.5
Income taxes	**-24.1**	-29.7	+5.6
Net profit	**91.5**	63.4	+28.1
Net profit attributable to Panasonic Holdings Corporation stockholders	**87.5**	58.4	+29.1
Net profit attributable to non-controlling interests	**4.0**	5.0	-1.0

Reference: Medium-term Management Indicators: KGI

(yen: billions)

	Cumulative Operating CF (FY3/23-25)	ROIC (FY3/25)
Lifestyle	660	10.0% or more
Automotive	200	6.4% *1
Connect	260	4.6%
Industry	390 or more	17% or more *2
Energy	330	12.0% *3
Group Total	2,000	ROE 10% or more

Note: Above data from presentation materials of Group CEO Briefing (April 1, 2022) and Operating Companies Strategy Briefing (June 1 & 2, 2023)

*1 Revised from initial target (8.5%)

*2 Revised from initial target (20.0%)

*3 Excluding impact of US IRA tax credit and new investment (e.g. Kansas factory)

Reference: List of Voluntarily Disclosed Businesses in FY3/24

Segment	Businesses with Sales Disclosed (Adjusted OP disclosed for underlined businesses)	Major Business Divisions, etc.
Lifestyle (Panasonic Corporation)		
Living Appliances and Solutions Company (LAS)	• Kitchen Appliances • Laundry Systems and Vacuum Cleaner • Beauty and Personal Care	: Kitchen Appliances BD : Laundry Systems and Vacuum Cleaner BD : Beauty and Personal Care BD
Heating & Ventilation A/C Company (HVAC)	Sales disclosed by region (Europe, Japan, China & Northeast Asia)	Major Business Divisions: HVAC BD Europe, Commercial Equipment Solutions BD, Residential System Equipment BD
Cold Chain Solutions Company (CCS)	-	: Hussmann Corporation, Cold Chain BD
Electric Works Company (EW)	• Lighting • Electrical Construction Materials & Living Energy	: Lighting BD : Electrical Construction Materials & Living Energy BD
China and Northeast Asia Company (CNA)	-	: Smart Life Appliances BD, Building and Housing Solutions BD, Taiwan BD
Others	-	: Sales of other segment products, segment head office, eliminations, etc.
Automotive (Panasonic Automotive Systems Co., Ltd.)	• <u>Automotive Cockpit Systems</u> • Automotive Electronics Systems • Others	: Infotainment Systems BD : HMI Systems BD, Automotive Systems BD, Ficosa International, S.A. : Sales of other segment products, etc.
Connect (Panasonic Connect Co., Ltd.)	• Avionics • <u>Process Automation</u> • Media Entertainment • Mobile Solutions • <u>Gemba Solutions</u> • <u>Blue Yonder</u> • Others	: Panasonic Avionics Corporation, Avionics BU : Process Automation BD : Media Entertainment BD : Mobile Solutions BD : Gemba Solutions Company : Blue Yonder Holding, Inc. : Other businesses, eliminations, etc.
Industry (Panasonic Industry Co., Ltd.)	• <u>Electronic Devices</u> • <u>FA Solutions</u> • <u>Electronic Materials</u> • Others	: Electromechanical Control BD, Industrial Devices BD, Device Solutions BD : Industrial Devices BD : Electronic Materials BD : Electromechanical Control BD, Sales of other segment products, eliminations, etc.
Energy (Panasonic Energy Co., Ltd.)	• <u>In-vehicle</u> • <u>Industrial / Consumer</u> • Others	: Mobility Energy BD : Energy Devices BD, Energy Solutions BD : Segment head office, eliminations, etc.
Other	• Entertainment & Communication • Housing	: Panasonic Entertainment & Communication Co., Ltd. : Panasonic Housing Solutions Co., Ltd.
Eliminations & adjustments	• Eliminations of intersegment transactions, adjustments of profits and losses not attributable to any segments, and adjustments of consolidations, etc.	

Note 1: Sales and profit of CNA (except certain businesses) are also included in LAS, HVAC, and EW

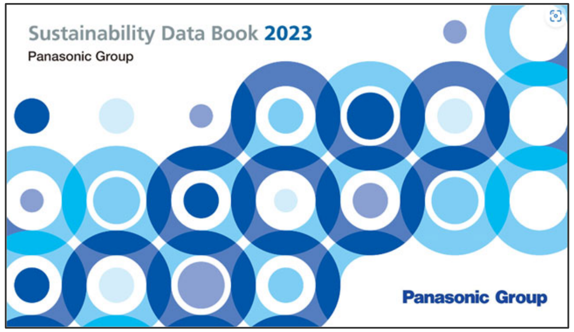
Note 2: Equity method income/loss of Prime Planet Energy & Solutions, Inc. is included in “Eliminations & adjustments”

(Reference) Integrated Report 2023

Released in September 2023

[Integrated Report (former Annual Report) - Library - Investor Relations - Panasonic Holdings]

Sustainability Data Book is also available



[Sustainability Data Book - Sustainability - Panasonic Holdings]

Main contents of Integrated Report 2023

Group CEO Message	✓ Expanding businesses that contribute to solving global environmental issues ✓ Our approach to business portfolio management
Group CFO Message	✓ Progress of the medium-term strategy and outlook for fiscal 2024 and onward ✓ Our approach to dialogue with capital markets
Materiality	✓ Process of identifying and addressing priority issues (featured in the Integrated Report for the first time)
Environment & Technology Strategy	✓ Our actions toward achieving goals set in our environmental vision “Panasonic GREEN IMPACT”
Dialogue between Chairperson & Outside Director	✓ Evolution of the Board under new system ✓ How issues of the Group are shared at the board