

October 30, 2023

FOR IMMEDIATE RELEASE

Panasonic Holdings Corporation
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(Japan)

Panasonic Holdings Reports its Consolidated Financial Results
for the Six Months ended September 30, 2023

Osaka, Japan, October 30, 2023 -- Panasonic Holdings Corporation ([TSE:6752] the "Company") today reported its consolidated financial results for the six months ended September 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 Six Months Ended September 30, 2023 [IFRS]

October 30, 2023

Company Name: Panasonic Holdings Corporation

Listed Exchanges: Tokyo / Nagoya

Security Code: 6752

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

Scheduled Date for Quarterly Report Filing: November 10, 2023

Scheduled Date for Dividend Payment: November 30, 2023

1. Consolidated Financial Results for Six Months (April 1, 2023 - September 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)	%
Six Months ended Sep. 30, 2023	4,119,424	1.4	192,835	28.8	224,331	34.6	297,965	156.9	288,379	168.7	743,334	20.3
Sep. 30, 2022	4,063,929	15.0	149,759	(25.6)	166,620	(19.0)	115,987	(28.0)	107,337	(29.9)	617,820	207.3

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six Months ended Sep. 30, 2023	123.55	123.51
Six Months ended Sep. 30, 2022	45.99	45.97

(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)	%
Sep. 30, 2023	9,125,122	4,479,134	4,303,279	47.2
Mar. 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	-	17.50	-	-	-
Fiscal 2024 (Forecast)	-	-	-	-	-

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

On August 31, 2023, the Company announced dividend forecast of interim dividend for fiscal 2024.

Forecast of year-end dividend for fiscal 2024 has not yet been determined.

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	8,400,000	0.3	400,000	38.6	455,000	43.8	460,000	73.3	197.07

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 2Q ended September 30, 2023

A. Operating Results

	Yen (billions)		
	Fiscal 2024 Six Months ended September 30, 2023	Fiscal 2023 Six Months ended September 30, 2022	Percentage FY2024/2023
Net sales	4,119.4	4,063.9	101%
Operating profit	192.8	149.8	129%
Profit before income taxes	224.3	166.6	135%
Net profit attributable to Panasonic Holdings Corporation stockholders	288.4	107.3	269%

During the six months ended September 30, 2023 (fiscal 2024), the overall 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 six months ended September 30, 2023, in April 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 has entered into discussions with Mazda Motor Corporation (announced in June 2023) and separately, SUBARU CORPORATION (announced in July 2023) on establishing a medium- to long-term partnership to supply batteries for EVs.

For the six months ended September 30, 2023, the Company's consolidated sales increased by 1% to 4,119.4 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 largely decreased sales in Industry.

Operating profit increased by 29% to 192.8 billion yen and profit before income taxes increased by 35% to 224.3 billion yen from a year ago. This is due mainly to the progress of price revisions and rationalization, the effect of exchange rates, 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 mainly related to strategic investments and the impact of price hikes in raw materials.

Net profit attributable to Panasonic Holdings Corporation stockholders considerably increased by 169% to 288.4 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 Six Months ended September 30, 2023	Fiscal 2023 Six Months ended September 30, 2022	Percentage FY2024/2023
Sales	1,683.0	1,713.5	98%
Operating profit	60.6	73.7	82%

Sales slightly decreased by 2% to 1,683.0 billion yen from a year ago. This is due to broadly weakening demand for consumer electronics, mainly in China and other Asia markets, and the situation of HVAC business affected by slowdown of demand growth in the European market, as well as the deconsolidation of part of businesses in China, despite increased sales of showcases in North America and electrical construction materials for the Japanese market. Operating profit decreased to 60.6 billion yen from a year ago. This is due to increased fixed costs mainly related to increasing production and strategic expenses, as well as recording of quality-related additional expenses, despite the progress of rationalization and price revisions, and other factors.

Automotive

Yen (billions)

	Fiscal 2024 Six Months ended September 30, 2023	Fiscal 2023 Six Months ended September 30, 2022	Percentage FY2024/2023
Sales	708.2	592.6	120%
Operating profit (loss)	15.3	(12.5)	—

Sales increased by 20% to 708.2 billion yen from a year ago. This is due largely to the recovery of automobile production. Operating profit increased to 15.3 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 Six Months ended September 30, 2023	Fiscal 2023 Six Months ended September 30, 2022	Percentage FY2024/2023
Sales	552.1	517.9	107%
Operating profit (loss)	16.2	(10.4)	—

Sales increased by 7% to 552.1 billion yen from a year ago. This is due mainly to increased sales in Avionics, rugged mobile terminals, notebook PCs and Blue Yonder, despite decreased sales in Process Automation. Operating profit increased to 16.2 billion yen from a year ago. This is due to increased sales mainly in Avionics, improved profitability in Mobile Solutions and other factors, despite decreased sales in Process Automation.

Industry

Yen (billions)			
	Fiscal 2024 Six Months ended September 30, 2023	Fiscal 2023 Six Months ended September 30, 2022	Percentage FY2024/2023
Sales	510.4	596.0	86%
Operating profit	13.2	48.5	27%

Sales decreased by 14% to 510.4 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 some products including capacitors for green vehicles. Operating profit decreased to 13.2 billion yen from a year ago. This is due largely to such factors as decreased sales with deteriorating market conditions, despite efforts in price revisions and rationalization as well as the effect of depreciation of the yen.

Energy

Yen (billions)			
	Fiscal 2024 Six Months ended September 30, 2023	Fiscal 2023 Six Months ended September 30, 2022	Percentage FY2024/2023
Sales	476.8	469.8	101%
Operating profit	52.5	28.7	183%

Overall sales increased by 1% to 476.8 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 52.5 billion yen from a year ago. This is due mainly to increased sales of EV batteries in North America and recording of the US IRA Tax Credit, despite decreased sales in Industrial / Consumer, decreased production of EV batteries in Japan and an increase in fixed costs.

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

Yen (billions)			
	Fiscal 2024 Six Months ended September 30, 2023	Fiscal 2023 Six Months ended September 30, 2022	Percentage FY2024/2023
Sales	592.8	579.9	102%
Operating profit	31.0	26.5	117%

Sales increased by 2% to 592.8 billion yen from a year ago. Operating profit increased to 31.0 billion yen from a year ago.

C. Consolidated Financial Condition

Net cash provided by operating activities for the six months ended September 30, 2023, amounted to 391.8 billion yen, compared with an inflow of 209.3 billion yen a year ago. This is due mainly to improvements in working capital. Net cash used in investing activities amounted to 230.3 billion yen, compared with an outflow of 140.0 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 92.2 billion yen from a year ago to an inflow of 161.5 billion yen.

Net cash provided by financing activities amounted to 103.1 billion yen, compared with an outflow of 508.0 billion yen a year ago. This is due mainly to the repayment of temporary borrowings in fiscal 2023, which were taken in fiscal 2022, the prior year of the Company's transition to a new organizational structure, and the issuance of domestic unsecured straight bonds during the six months ended September 30, 2023.

Taking such factors as exchange rate fluctuations into consideration, cash and cash equivalents totaled 1,165.0 billion yen as of September 30, 2023, which is an increase of 345.5 billion yen from March 31, 2023.

The Company's consolidated total assets of September 30, 2023, were 9,125.1 billion yen, an increase of 1,065.6 billion yen from March 31, 2023. This is due mainly to an increase of cash and cash equivalents as well as the impact of fluctuations in exchange rates on foreign currency denominated assets caused by depreciation of the yen.

The Company's consolidated total liabilities increased by 376.4 billion yen to 4,646.0 billion yen from March 31, 2023. This is due mainly to an increase of long-term debt by the issuance of domestic unsecured straight bonds, and the impact of fluctuations in exchange rates caused by depreciation of the yen.

Panasonic Holdings Corporation stockholders' equity increased by 684.9 billion yen to 4,303.3 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 4,479.1 billion yen.

2. Consolidated Financial Forecast for fiscal 2024

For the consolidated financial forecast for fiscal 2024, the Company revises downward the forecast for net sales and operating profit, announced on July 31, 2023, due mainly to changes in business environment.

The downward revision of net sales is due mainly to the impact of accounting treatment for the US IRA Tax Credit in Energy*, as well as the deteriorating market conditions in Lifestyle and Industry, despite the upward forecast for sales in Automotive with the gradual recovery of automobile production, and in Connect with favorable sales of Avionics.

The downward revision of operating profit is due to the downward forecast for mainly in Lifestyle and Industry, despite the improvement by the effect of exchange rates.

The forecast for income before income taxes and net profit attributable to Panasonic Holdings Corporation stockholders remain unchanged. This is due to the improvement in finance income / expenses.

*The Company assumes to effectively use the US IRA tax credit with customers toward strengthening and expanding its North America business, taking the aim of US IRA into consideration. While the method of effective use is undetermined, the Company records half of the amount equivalent to the total of tax credit as deduction of sales by applying the revenue recognition standard.

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	460.0	197.08 yen	430.0
Revised forecast (B)	8,400.0	400.0	455.0	460.0	197.07 yen	400.0
Difference (B-A)	-100.0	-30.0	-	-		-30.0
Difference (%)	-1.2%	-7.0%	-	-		-7.0%
(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)
	September 30, 2023	March 31, 2023	Difference
Current assets:	4,299,885	3,802,885	497,000
Cash and cash equivalents	1,164,996	819,499	345,497
Trade receivables and contract assets	1,331,411	1,322,593	8,818
Other financial assets	201,117	169,665	31,452
Inventories	1,355,401	1,288,751	66,650
Other current assets	246,960	202,377	44,583
Non-current assets:	4,825,237	4,256,642	568,595
Investments accounted for using the equity method	402,561	401,219	1,342
Other financial assets	220,642	242,672	(22,030)
Property, plant and equipment	1,321,800	1,172,376	149,424
Right-of-use assets	256,432	238,833	17,599
Other non-current assets	2,623,802	2,201,542	422,260
Total assets	9,125,122	8,059,527	1,065,595
Current liabilities:	3,023,016	2,873,420	149,596
Short-term debt, including current portion of long-term debt	239,846	159,231	80,615
Lease liabilities	59,761	59,895	(134)
Trade payables	1,207,679	1,156,909	50,770
Other payables and accrued expenses	452,754	506,062	(53,308)
Other financial liabilities	165,882	146,213	19,669
Other current liabilities	897,094	845,110	51,984
Non-current liabilities:	1,622,972	1,396,149	226,823
Long-term debt	1,184,255	1,050,116	134,139
Lease liabilities	205,995	187,865	18,130
Other non-current liabilities	232,722	158,168	74,554
Total liabilities	4,645,988	4,269,569	376,419
Panasonic Holdings Corporation stockholders' equity:	4,303,279	3,618,402	684,877
Common stock	259,445	259,274	171
Capital surplus	511,294	515,760	(4,466)
Retained earnings	2,859,891	2,588,800	271,091
Other components of equity	881,852	463,764	418,088
Treasury stock	(209,203)	(209,196)	(7)
Non-controlling interests	175,855	171,556	4,299
Total equity	4,479,134	3,789,958	689,176
Total liabilities and equity	9,125,122	8,059,527	1,065,595

Note: Other components of equity breakdown

			Yen (millions)
	September 30, 2023	March 31, 2023	Difference
Remeasurements of defined benefit plans*	—	—	—
Financial assets measured at fair value through other comprehensive income	36,588	37,428	(840)
Exchange differences on translation of foreign operations	853,893	431,992	421,901
Net changes in fair value of cash flow hedges	(8,629)	(5,656)	(2,973)

* 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 Six Months ended September 30, 2023		Fiscal 2023 Six Months ended September 30, 2022		Percentage FY2024/2023
		%		%	
Net sales	4,119,424	100.0	4,063,929	100.0	101
Cost of sales	(2,924,475)	(71.0)	(2,975,474)	(73.2)	
Gross profit	1,194,949	29.0	1,088,455	26.8	110
Selling, general and administrative expenses	(1,002,694)	(24.3)	(942,582)	(23.2)	
Share of profit (loss) of investments accounted for using the equity method	2,642	0.1	(2,285)	(0.1)	
Other income (expenses), net	(2,062)	(0.1)	6,171	0.2	
Operating profit	192,835	4.7	149,759	3.7	129
Finance income	43,139	1.0	27,015	0.7	
Finance expenses	(11,643)	(0.3)	(10,154)	(0.3)	
Profit before income taxes	224,331	5.4	166,620	4.1	135
Income taxes	73,634	1.8	(50,633)	(1.2)	
Net profit	297,965	7.2	115,987	2.9	257
Net profit attributable to:					
Panasonic Holdings Corporation stockholders	288,379	7.0	107,337	2.6	269
Non-controlling interests	9,586	0.2	8,650	0.3	111

Notes: 1. Depreciation (tangible)	100,493	million yen	98,052	million yen
2. Capital investment	214,225	million yen	107,622	million yen
3. R&D expenditures	235,651	million yen	226,624	million yen
4. Number of employees	232,527		238,831	

Condensed Quarterly Consolidated Statements of Comprehensive Income

Yen (millions)

	Fiscal 2024 Six Months ended September 30, 2023	Fiscal 2023 Six Months ended September 30, 2022	Percentage FY2024/2023
Net Profit	297,965	115,987	257 %
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Remeasurements of defined benefit plans	(1,370)	12,264	
Financial assets measured at fair value through other comprehensive income	19,681	(4,421)	
Subtotal	18,311	7,843	
Items that may be reclassified to profit or loss:			
Exchange differences on translation of foreign operations	428,712	505,683	
Net changes in fair value of cash flow hedges	(1,654)	(11,693)	
Subtotal	427,058	493,990	
Total other comprehensive income	445,369	501,833	
Comprehensive income	743,334	617,820	120
Comprehensive income attributable to :			
Panasonic Holdings Corporation stockholders	725,576	601,641	121
Non-controlling interests	17,758	16,179	110

Condensed Quarterly Consolidated Statements of Changes in Equity

Yen (millions)

Fiscal 2024 Six Months ended September 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	—	—	288,379	—	—	288,379	9,586	297,965
Remeasurements of defined benefit plans	—	—	—	(1,019)	—	(1,019)	(351)	(1,370)
Financial assets measured at fair value through other comprehensive income	—	—	—	17,903	—	17,903	1,778	19,681
Exchange differences on translation of foreign operations	—	—	—	421,901	—	421,901	6,811	428,712
Net changes in fair value of cash flow hedges	—	—	—	(1,588)	—	(1,588)	(66)	(1,654)
Total comprehensive income	—	—	288,379	437,197	—	725,576	17,758	743,334
Transfer from other components of equity to retained earnings	—	—	17,724	(17,724)	—	—	—	—
Cash dividends	—	—	(35,012)	—	—	(35,012)	(10,248)	(45,260)
Changes in treasury stock	—	(0)	—	—	(27)	(27)	—	(27)
Share-based payment transactions	171	(44)	—	—	20	147	—	147
Transactions with non-controlling interests and other	—	(4,422)	—	(1,385)	—	(5,807)	(3,211)	(9,018)
Balances as of September 30, 2023	259,445	511,294	2,859,891	881,852	(209,203)	4,303,279	175,855	4,479,134

Yen (millions)

Fiscal 2023 Six Months ended September 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	—	—	107,337	—	—	107,337	8,650	115,987
Remeasurements of defined benefit plans	—	—	—	12,196	—	12,196	68	12,264
Financial assets measured at fair value through other comprehensive income	—	—	—	(3,932)	—	(3,932)	(489)	(4,421)
Exchange differences on translation of foreign operations	—	—	—	497,758	—	497,758	7,925	505,683
Net changes in fair value of cash flow hedges	—	—	—	(11,718)	—	(11,718)	25	(11,693)
Total comprehensive income	—	—	107,337	494,304	—	601,641	16,179	617,820
Transfer from other components of equity to retained earnings	—	—	13,539	(13,539)	—	—	—	—
Cash dividends	—	—	(35,008)	—	—	(35,008)	(9,225)	(44,233)
Changes in treasury stock	—	(0)	—	—	(35)	(35)	—	(35)
Share-based payment transactions	106	(4)	—	—	3	105	—	105
Transactions with non-controlling interests and other	—	(1,591)	—	132	—	(1,459)	(1,079)	(2,538)
Balances as of September 30, 2022	259,274	523,959	2,469,891	699,007	(209,302)	3,742,829	188,084	3,930,913

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 Six Months ended September 30, 2023	Fiscal 2023 Six Months ended September 30, 2022
<u>Cash flows from operating activities</u>		
Net profit	297,965	115,987
Adjustments to reconcile net profit to net cash provided by operating activities		
Depreciation and amortization	195,331	188,530
(Increase) decrease in trade receivables and contract assets	68,591	18,820
(Increase) decrease in inventories	(5,290)	(226,782)
Increase (decrease) in trade payables	26,099	110,316
Other	(190,942)	2,412
Net cash provided by operating activities	391,754	209,283
<u>Cash flows from investing activities</u>		
Purchase of property, plant and equipment	(234,276)	(117,298)
Proceeds from sale of property, plant and equipment	5,066	10,382
Purchase of investments accounted for using the equity method and other financial assets	(7,430)	(13,257)
Proceeds from sale and redemption of investments accounted for using the equity method and other financial assets	48,176	15,768
Other	(41,782)	(35,628)
Net cash used in investing activities	(230,246)	(140,033)
<u>Cash flows from financing activities</u>		
Increase (decrease) in short-term debt	(420)	(306,751)
Increase (decrease) in long-term debt	153,411	(144,362)
Dividends paid to Panasonic Holdings Corporation stockholders	(35,012)	(35,008)
Dividends paid to non-controlling interests	(10,248)	(9,225)
(Increase) decrease in treasury stock	(27)	(35)
Other	(4,640)	(12,596)
Net cash provided by (used in) financing activities	103,064	(507,977)
Effect of exchange rate changes on cash and cash equivalents, and other	80,925	80,046
Net increase (decrease) in cash and cash equivalents	345,497	(358,681)
Cash and cash equivalents at beginning of period	819,499	1,205,873
Cash and cash equivalents at the end of the period	1,164,996	847,192

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 the recoverability of deferred tax assets in Company's 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. The Company issued a total of 260.0 billion yen of domestic unsecured straight bonds on September 14, 2023.
4. Significant subsequent events: None
5. Assumption for going concern: None
6. Number of consolidated subsidiaries (as of September 30, 2023): 520
Number of companies under the equity method (as of September 30, 2023): 67

Information by Segment

Yen (billions)

	Fiscal 2024 Six Months ended September 30, 2023					Fiscal 2023 Six Months ended September 30, 2022		
	Sales	24/23	Operating profit	% of Sales	24/23	Sales	Operating profit (loss)	% of Sales
Reportable Segments:		%		%	%			%
Lifestyle	1,683.0	98	60.6	3.6	82	1,713.5	73.7	4.3
Automotive	708.2	120	15.3	2.2	—	592.6	(12.5)	(2.1)
Connect	552.1	107	16.2	2.9	—	517.9	(10.4)	(2.0)
Industry	510.4	86	13.2	2.6	27	596.0	48.5	8.1
Energy	476.8	101	52.5	11.0	183	469.8	28.7	6.1
Subtotal	3,930.5	101	157.8	4.0	123	3,889.8	128.0	3.3
Other	592.8	102	31.0	5.2	117	579.9	26.5	4.6
Eliminations and adjustments	(403.9)	—	4.0	—	—	(405.8)	(4.7)	—
Total	4,119.4	101	192.8	4.7	129	4,063.9	149.8	3.7

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.