

# Fiscal 2024 Third Quarter Financial Results

February 2, 2024

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.

# Summary of FY3/24 3Q Financial Results

## ■ US Inflation Reduction Act (IRA)

- Assumed amount equivalent to tax credit and to be effectively used with customers **recorded on P/L** (same as 1Q & 2Q)
- Proposed rules for section 45X released in December 2023: Only partial contents were added; **No major changes** (details on p23)

## ■ FY3/24 3Q Financial Results: Both sales and profit increased (even excluding IRA impact)

- **Overall sales increased:**  
Increased sales (Automotive) and currency translation, despite decreased sales (Lifestyle, Industry)
- **Adjusted operating profit increased:**  
Increased profit of Lifestyle, Automotive and Energy, despite decreased profit of Connect and Industry
- **Net profit\*** increased due to above factors as well as improvements in finance income/expenses, etc.
- **Operating CF** (9 months) **significantly increased year-on-year** due mainly to reduced inventories

## ■ FY3/24 Full-year Forecast

- **Groupwide:** Forecast **remains unchanged**  
(Not factored-in: Partnership with Apollo regarding Panasonic Automotive Systems' business)
- By **segment:** Forecast **revised** reflecting changes in each business environment
  - Both sales and profit **revised upward** for Automotive; **revised downward** for Lifestyle
  - Sales **revised upward** for Connect and Energy

\* Net profit attributable to Panasonic Holdings Corporation stockholders

# Impact of US IRA Tax Credit on Financial Results & Forecast

(Same as 1Q & 2Q)

- ✓ 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:

**Sales**  
(Energy Segment)

**Adjusted OP**  
(Energy Segment)

**Net profit**  
attributable to Panasonic Holdings  
Corporation stockholders

**FY3/24 3Q  
results**

**-25.8 bil. yen**

Equivalent to 3Q -23.9 } \*2  
Profit recorded for FY3/23 -1.9 }

**22.0 bil. yen**

Tax credit 47.8\*3  
Effective use with customers -25.8\*2

**28.4 bil. yen**

Adjusted OP 22.0  
Income taxes 6.4\*6

**FY3/24  
full-year forecast**

**-99.0 bil. yen**

Equivalent to FY3/24 -92.0 } \*4  
Profit recorded for FY3/23 -7.0 }

**85.0 bil. yen**

Tax credit 184.0\*5  
Effective use with customers -99.0\*4

**110.0 bil. yen**

Adjusted OP 85.0  
Income taxes 25.0\*6

**Unchanged  
from Oct. 30  
forecast**

\*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 undetermined, revenue recognition standard is applied)

-23.9 bil. yen: half of tax credit for FY3/24 3Q (47.8 bil. yen)

-1.9 bil. yen: amount equivalent to FY3/24 3Q 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 3Q production & sales: 9.3 GWh x \$35/kWh x 148 yen/dollar

\*4: -92.0 bil. 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 142 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 Third Quarter Financial Results**

## Fiscal 2024 Full-Year Financial Forecast

# FY3/24 3Q Financial Results

(yen: billions)

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

	FY3/24 3Q		FY3/23 3Q	YoY (year-on-year)			
		Excl. IRA impact				Excl. IRA impact	
Sales	<b>2,180.9</b>	2,206.7	2,160.6	101% (98%)* <sup>3</sup>	+20.3 (-40.2)* <sup>3</sup>	102% (99%)* <sup>3</sup>	+46.1 (-14.4)* <sup>3</sup>
Adjusted operating profit* <sup>1</sup> (% to sales)	<b>126.1</b> (5.8%)	104.1 (4.7%)	85.9 (4.0%)	147%	+40.2	121%	+18.2
Other income/loss* <sup>2</sup>	<b>1.4</b>	1.4	-1.5	-	+2.9	-	+2.9
Operating profit (% to sales)	<b>127.5</b> (5.8%)	105.5 (4.8%)	84.4 (3.9%)	151%	+43.1	125%	+21.1
Profit before income taxes (% to sales)	<b>144.5</b> (6.6%)	122.5 (5.6%)	88.8 (4.1%)	163%	+55.7	138%	+33.7
Net profit attributable to Panasonic Holdings Corporation stockholders (% to sales)	<b>110.8</b> (5.1%)	82.4 (3.7%)	55.6 (2.6%)	200%	+55.2	148%	+26.8
EBITDA* <sup>4</sup> (% to sales)	<b>239.2</b> (11.0%)	217.2 (9.8%)	191.9 (8.9%)	125%	+47.3	113%	+25.3
Exchange rates	1 US dollar	<b>148 yen</b>	148 yen	142 yen			
	1 Euro	<b>159 yen</b>	159 yen	144 yen			
	1 Renminbi	<b>20.4 yen</b>	20.4 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

\*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 3Q 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 *4	897.7	99% (97%)	37.7 4.2%	+6.6	-1.8	-1.2	35.9 4.0%	+5.4	63.9 7.1%	+7.7
Automotive	404.7	117% (112%)	22.1 5.5%	+10.6	0.5	-0.5	22.6 5.6%	+10.1	37.4 9.2%	+9.8
Connect *4	299.1	104% (101%)	8.6 2.9%	-5.3	0.4	+0.5	9.0 3.0%	-4.8	28.1*2 9.4%	-3.9
Industry	266.8	92% (88%)	11.1 4.1%	-5.6	0.6	+2.3	11.7 4.4%	-3.3	26.8 10.1%	-2.8
Energy	228.8	92% (89%)	30.6 13.4%	+30.0	-0.4	0.0	30.2 13.2%	+30.0	48.5*3 21.2%	+31.5
Excl. IRA impact	254.6	103% (99%)	8.6 3.4%	+8.0	-0.4	0.0	8.2 3.2%	+8.0	26.5*3 10.4%	+9.5
Other/ Eliminations & adjustments *4	83.8	—	16.0	+3.9	2.1	+1.8	18.1	+5.7	34.5	+5.0
<b>Total</b>	<b>2,180.9</b>	101% (98%)	<b>126.1</b> 5.8%	+40.2	<b>1.4</b>	+2.9	<b>127.5</b> 5.8%	+43.1	<b>239.2</b> 11.0%	+47.3

\*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

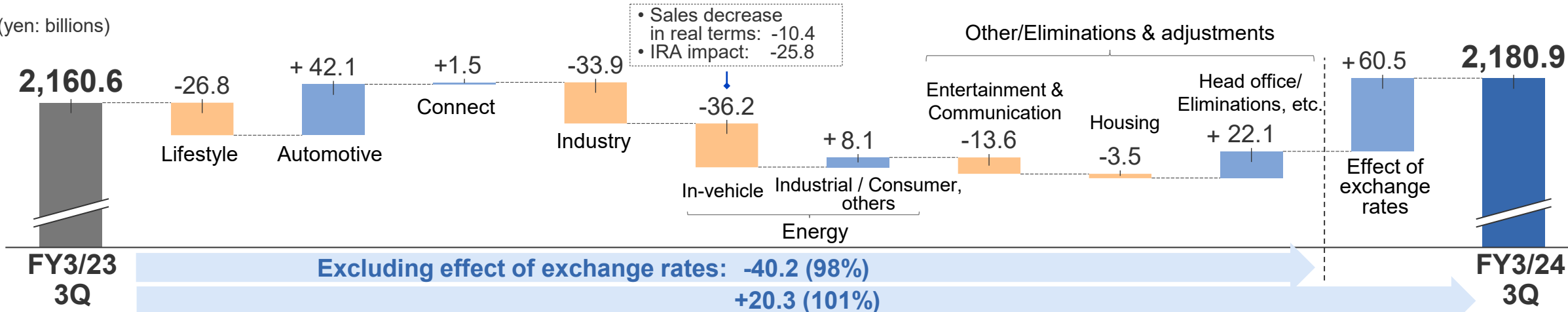
\*3: Additionally adjusted with the amount equivalent to depreciation corresponding to underlying assets that are applied with Lease accounting treatment as a lessor

\*4: From FY3/24 3Q, due to certain business transfers among Lifestyle, Connect and Other/Eliminations & adjustments segments, prior year amounts have been reclassified accordingly

# FY3/24 3Q Sales Analysis by Segment

Overall sales increased: Increased sales (Automotive) and currency translation, despite decreased sales (Lifestyle, Industry)

(yen: billions)



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

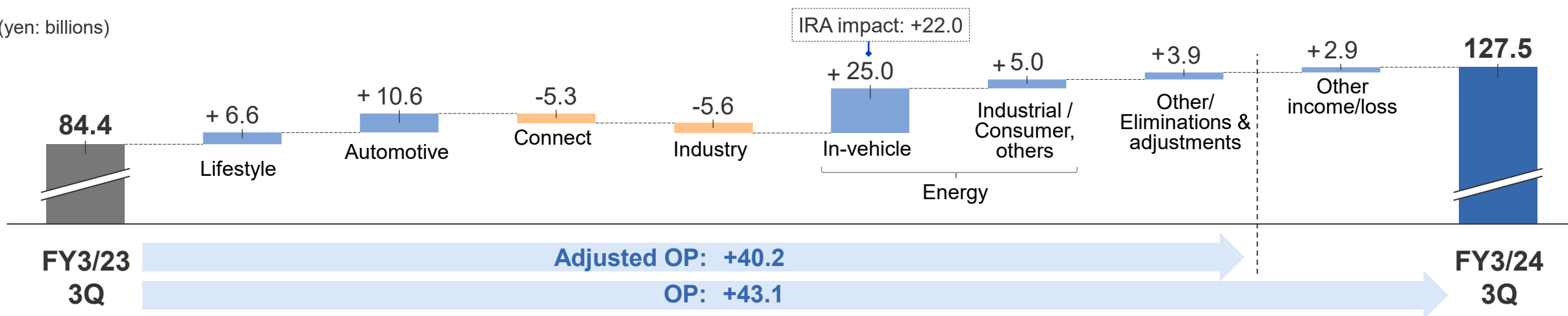
YoY % figures represent the year-on-year change relative to the previous year's figures

Lifestyle	<b>Decreased</b> overall: Weakening demand for HVAC with deteriorated market conditions in Europe, decreased sales of consumer electronics mainly in Asia and China, and deconsolidation impact of part of China business, despite steady sales continuing for cold chain in North America and electrical construction materials
Automotive	<b>Increased</b> : Recovery in automobile production of our customers
Connect	<b>Increased</b> : Increased sales of Avionics, Gemba Solutions and Blue Yonder, despite decreased sales of Process Automation
Industry	<b>Decreased</b> : Downturn in market conditions (e.g. FA in China, ICT infrastructure) and changes in semiconductor sales channel, despite increased sales of capacitors for green vehicles and products for generative AI servers (capacitors, multi-layer circuit board materials)
Energy	<ul style="list-style-type: none"> <li>In-vehicle: <b>Decreased</b> due to decreased production &amp; sales at Japan factory, despite favorable sales in North America with increased demand and improved productivity</li> <li>Industrial / Consumer: <b>Increased</b>: Driven by energy storage systems for data centers with expanding generative AI market, despite weakness in batteries for consumer products and power equipment</li> </ul>
Other/ Eliminations & adjustments	<ul style="list-style-type: none"> <li>Entertainment &amp; Communication: <b>Decreased</b> overall with some product categories affected by deteriorating market conditions, despite favorable sales of digital cameras</li> <li>Housing: <b>Decreased</b> affected by deteriorating market conditions</li> </ul>

# FY3/24 3Q Operating Profit Analysis by Segment

## Adjusted OP increased: Increased in Lifestyle, Automotive and Energy, despite decreased in Connect and Industry

(yen: billions)



### Adjusted OP: Major increase/decrease factors

Lifestyle	<b>Increased</b> overall: Increased sales (e.g. cold chain, electrical construction materials) and impact of temporary expenses in FY3/23, despite decreased sales of HVAC and consumer electronics
Automotive	<b>Increased</b> : Increased sales, price revisions to counter price hikes in parts & materials, and rationalization efforts, despite increased fixed costs (increased personnel expenses) and persisting impact of price hikes in parts & materials
Connect	<b>Decreased</b> : Decreased sales in Process Automation and increased strategic investment of Blue Yonder, despite increased sales of Avionics and Gemba Solutions
Industry	<b>Decreased</b> : 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
Energy	<ul style="list-style-type: none"> <li>In-vehicle: <b>Increased</b>: Increased sales in North America and improved balance between raw materials and selling price, despite decreased sales at Japan factory and increased fixed costs for future growth</li> <li>Industrial / Consumer: <b>Increased</b>: Increased sales of energy storage systems for data centers with expanding generative AI market, despite decreased sales (e.g. batteries for consumer products and power equipment)</li> </ul>



# Lifestyle Segment: FY3/24 3Q 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)	238.4	99% (96%)	15.6 6.5%	-5.3	-4.9	-3.8	10.7 4.5%	-9.1	17.3 7.3%	-8.6
Heating & Ventilation A/C Company (HVAC)	186.1	98% (95%)	-0.6 -0.3%	-2.2	-0.6	-2.7	-1.2 -0.7%	-4.9	6.5 3.5%	-3.5
Cold Chain Solutions Company (CCS)	101.9	110% (106%)	4.9 4.8%	+1.2	0.0	+0.0	4.9 4.8%	+1.2	7.4 7.3%	+1.5
Electric Works Company (EW)	271.7	104% (105%)	21.4 7.9%	+6.1	-0.5	+1.7	20.9 7.7%	+7.8	28.1 10.3%	+8.1
China and Northeast Asia Company (CNA)*1 & *3	195.9	93% (91%)	8.2 4.2%	+10.3	-3.6	-3.1	4.6 2.3%	+7.2	10.0 5.1%	+7.4

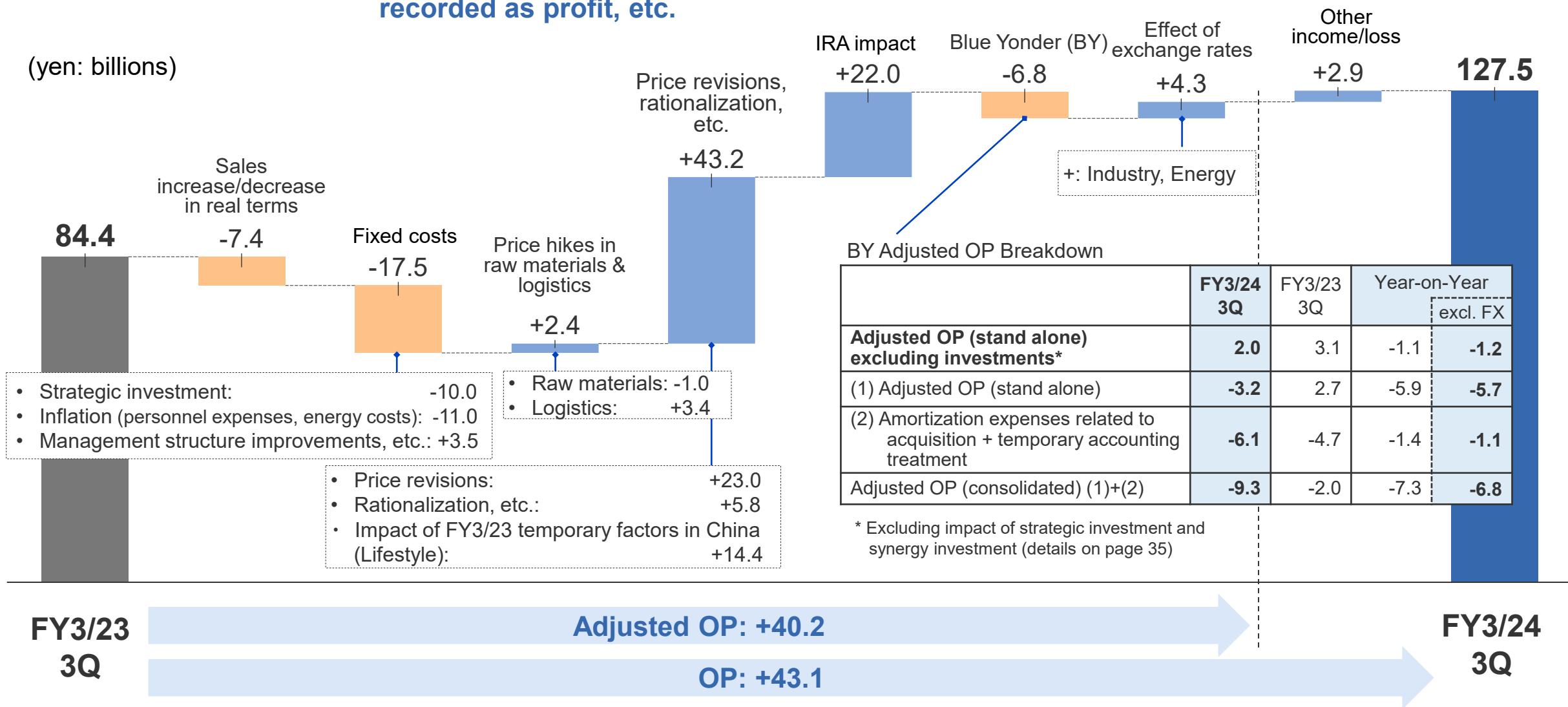
\*1: Sales and profit of CNA (except certain businesses) are also included in LAS, HVAC, and EW

\*2: Total amount of Operating profit, Depreciation (Tangible assets including property, plant and equipment / Right-of-use assets) and Amortization (Intangible assets)

\*3 From FY3/24 3Q, due to certain business transfers among Lifestyle (China and Northeast Asia Company, etc.), Connect and Other/Eliminations & adjustments segments, prior year amounts have been reclassified accordingly

# FY3/24 3Q Operating Profit Analysis (by Factor)

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

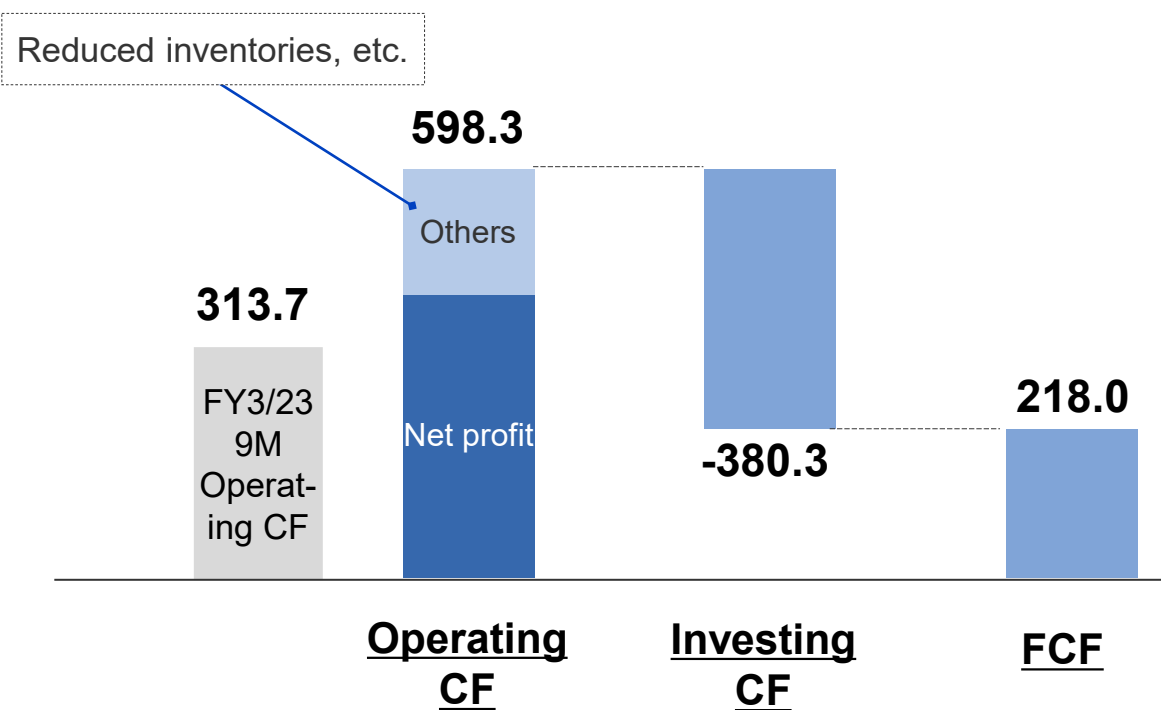


# FY3/24 Nine-Month (Apr. - Dec.) Cash Flows and Cash Positions

- ✓ Operating CF increased significantly year-on-year due mainly to reduced inventories
- ✓ Aim to further generate operating CF through profitability improvement and inventory reduction, etc.

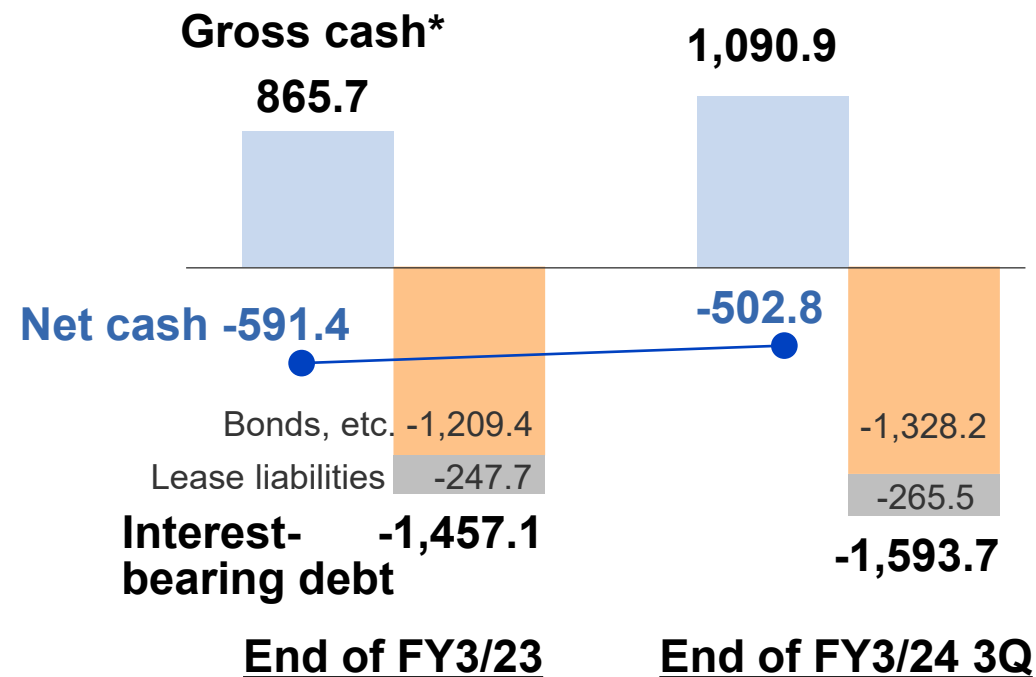
## Cash Flow

(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"

Fiscal 2024 Third Quarter Financial Results  
**Fiscal 2024 Full-Year Financial Forecast**

# FY3/24 Full-Year Forecast (Unchanged from Oct. 30)

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

(yen: billions)	FY3/24 (e)	Excl. IRA impact	
Sales	<b>8,400.0</b>	8,499.0	
Adjusted operating profit*1 (% to sales)	<b>400.0</b> (4.8%)	315.0 (3.7%)	
Other income/loss*2	<b>0.0</b>	0.0	
Operating profit (% to sales)	<b>400.0</b> (4.8%)	315.0 (3.7%)	
Profit before income taxes (% to sales)	<b>455.0</b> (5.4%)	370.0 (4.4%)	
Net profit attributable to Panasonic Holdings Corporation stockholders (% to sales)	<b>460.0</b> *5 (5.5%)	350.0*5 (4.1%)	
EPS*3	<b>197.07 yen</b>	—	
ROE	<b>12.0%</b>	—	
EBITDA*4 (% to sales)	<b>850.0</b> (10.1%)	765.0 (9.0%)	
Exchange rates	1 US dollar	<b>142 yen</b>	142 yen
	1 Euro	<b>154 yen</b>	154 yen
	1 Renminbi	<b>20.0 yen</b>	20.0 yen

FY3/23	Excl. IRA impact	YoY	Excl. IRA impact
8,378.9	8,378.9	100%	+21.1
314.1 (3.7%)	314.1 (3.7%)	127%	+85.9
-25.5	-25.5	—	+25.5
288.6 (3.4%)	288.6 (3.4%)	139%	+111.4
316.4 (3.8%)	316.4 (3.8%)	144%	+138.6
265.5*5 (3.2%)	225.5 (2.7%)	173%	+194.5
113.75 yen	—	—	+83.32 yen
7.8%	—	—	+4.2%
718.4 (8.6%)	718.4 (8.6%)	118%	+131.6
135 yen	135 yen		+7 yen
141 yen	141 yen		+13 yen
19.8 yen	19.8 yen		+0.2 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 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 (Oct. 30)	Adjusted OP (% to sales)	YoY	Difference from forecast (Oct. 30)	Other income/loss	YoY	Difference from forecast (Oct. 30)	OP (% to sales)	YoY	Difference from forecast (Oct. 30)	EBITDA*1 (% to sales)	YoY	Difference from forecast (Oct. 30)
Lifestyle *5	3,480.0	100% (-11.3)	-20.0	125.0 3.6%	+2.3	-15.0	-15.0*4	+4.4	-1.0	110.0*4 3.2%	+6.7	-16.0	223.0*4 6.4%	+16.8	-15.0
Automotive	1,490.0	115% (+192.5)	+30.0	43.0 2.9%	+28.8	+10.0	1.0	-1.0	0.0	44.0 3.0%	+27.8	+10.0	104.0 7.0%	+26.3	+10.0
Connect *5	1,180.0	105% (+58.8)	+10.0	55.0 4.7%	+27.3	0.0	-5.0	+2.3	0.0	50.0 4.2%	+29.6	0.0	125.0*2 10.6%	+25.8	0.0
Industry	1,040.0	90% (-109.9)	0.0	30.0 2.9%	-33.3	0.0	-2.0	-5.5	0.0	28.0 2.7%	-38.8	0.0	88.0 8.5%	-37.4	0.0
Energy	906.0	93% (-65.8)	+26.0	115.0 12.7%	+75.4	0.0	-2.0	+4.4	0.0	113.0 12.5%	+79.8	0.0	184.0*3 20.3%	+85.5	0.0
Excl. IRA impact	1,005.0	103% (+33.2)	+26.0	30.0 3.0%	-9.6	0.0	-2.0	+4.4	0.0	28.0 2.8%	-5.2	0.0	99.0*3 9.9%	+0.5	0.0
Other/ Eliminations & adjustments *5	304.0	(-43.2)	-46.0	32.0	-14.6	+5.0	23.0	+20.9	+1.0	55.0	+6.3	+6.0	126.0	+14.6	+5.0
<b>Total</b>	<b>8,400.0</b>	100% (+21.1)	0.0	400.0 4.8%	+85.9	0.0	0.0	+25.5	0.0	400.0 4.8%	+111.4	0.0	850.0 10.1%	+131.6	0.0

\*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

\*5 From FY3/24 3Q, due to certain business transfers among Lifestyle, Connect and Other/Eliminations & adjustments segments, prior year amounts have been reclassified accordingly

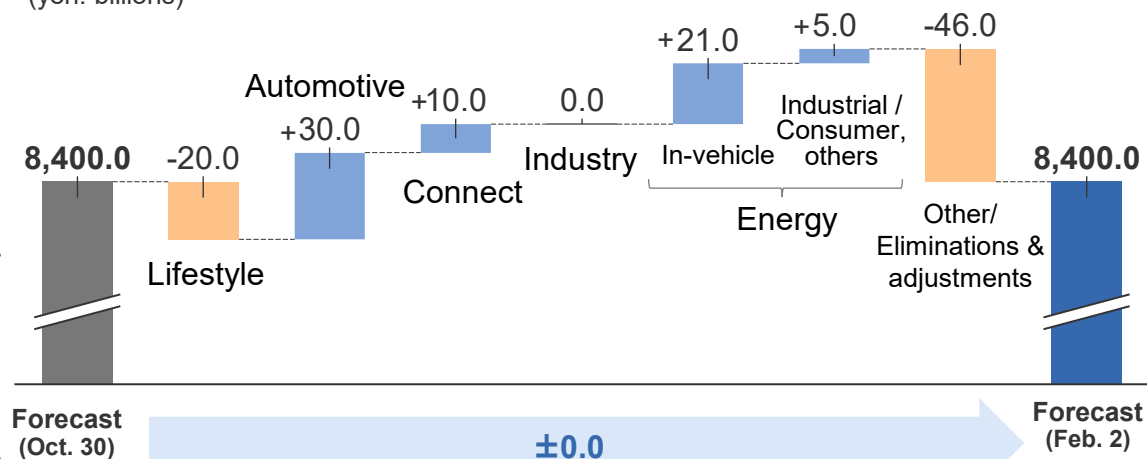
# FY3/24 Full-year Forecast Revision Factors (by Segment)

## Major factors for revision (vs. forecast as of October 30)

Sales / Adjusted OP	Lifestyle	<p>Both sales &amp; profit <b>revised downward</b></p> <ul style="list-style-type: none"> <li>• Sales: Deteriorating market conditions for overseas consumer electronics business and worsening business environment for HVAC business, mainly A2W in Europe, despite steady sales of cold chain and electrical construction materials</li> <li>• Profit: Affected by decreased sales of HVAC and consumer electronics, despite steady sales of cold chain and electrical construction materials</li> </ul>
	Automotive	<p>Both sales and profit <b>revised upward</b></p> <ul style="list-style-type: none"> <li>• Sales: Gradual recovery of automobile production</li> <li>• Profit: Increased sales and price revisions, etc., despite continuing impact of increased personnel expenses</li> </ul>
	Connect	<p>Sales <b>revised upward</b>, profit <b>remains unchanged</b></p> <ul style="list-style-type: none"> <li>• Sales: Capturing demand (e.g. aircraft, PCs both in Japan and overseas) and increased sales of Gemba Solutions</li> <li>• Profit: Remains unchanged, factoring in risks of a delayed market recovery in China, despite increased sales</li> </ul>
	Industry	<p>Both sales and profit <b>remain unchanged</b></p> <ul style="list-style-type: none"> <li>• Progressing as expected, FY3/24 full-year forecast unchanged</li> </ul>
	Energy	<p>Sales <b>revised upward</b>, profit <b>remains unchanged</b></p> <ul style="list-style-type: none"> <li>• In-vehicle: Despite sales revised upward due to increased sales in North America factory, profit revised downward due to lower-than-expected compensation for reduced cell production in Japan factory for high-end EVs in North America, along with increased expenses related to manufacturing-process issues in the past</li> <li>• Industrial/ Consumer: Both sales and profit revised upward due to increased sales of energy storage systems for data centers</li> </ul>

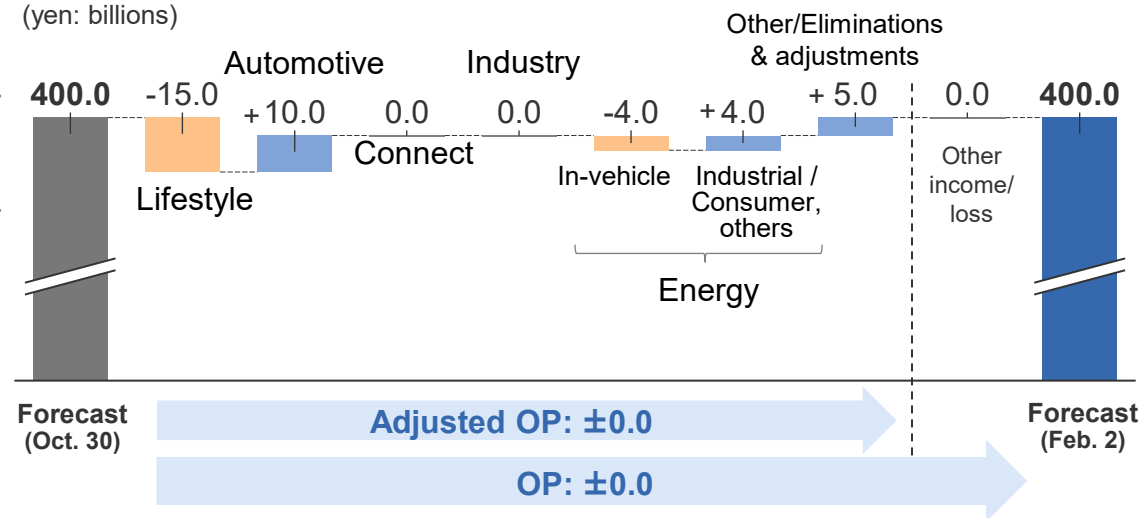
## Sales

(yen: billions)



## OP

(yen: billions)



# 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 (Oct. 30)	Adjusted OP (% to sales)	YoY	Difference from forecast (Oct. 30)	Other income/loss	YoY	Difference from forecast (Oct. 30)	OP (% to sales)	YoY	Difference from forecast (Oct. 30)	EBITDA*2 (% to sales)	YoY	Difference from forecast (Oct. 30)
Living Appliances and Solutions Company (LAS)	890.0	99% (-6.7)	-16.0	50.0 5.6%	-2.8	-13.0	-4.0	-6.5	0.0	46.0 5.2%	-9.3	-13.0	73.0 8.2%	-7.1	-13.0
Heating & Ventilation A/C Company (HVAC)	810.0	100% (+1.3)	-40.0	14.0 1.7%	-8.1	-18.0	-7.0 <sup>*3</sup>	+10.6	0.0	7.0 <sup>*3</sup> 0.9%	+2.5	-18.0	37.0 <sup>*3</sup> 4.6%	+8.0	-18.0
Cold Chain Solutions Company (CCS)	390.0	111% (+38.1)	+10.0	20.0 5.1%	+7.7	+3.5	-1.5	-1.6	-1.5	18.5 4.7%	+6.1	+2.0	27.5 7.1%	+6.5	+2.0
Electric Works Company (EW)	1,040.0	104% (+35.5)	+10.0	67.5 6.5%	+15.3	+1.5	-4.5	+0.8	-0.5	63.0 6.1%	+16.1	+1.0	94.0 9.0%	+19.1	0.0
China and Northeast Asia Company (CNA) <sup>*1&amp;*4</sup>	752.0	90% (-83.3)	-25.0	33.0 4.4%	+10.9	-5.0	-4.0	-7.5	+3.0	29.0 3.9%	+3.4	-2.0	49.0 6.5%	+3.4	-3.0

\*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 (recording amount unchanged from FY3/24 2Q)

\*4: From FY3/24 3Q, due to certain business transfers among Lifestyle (China and Northeast Asia Company, etc.), Connect and Other/Eliminations & adjustments segments, prior year amounts have been reclassified accordingly

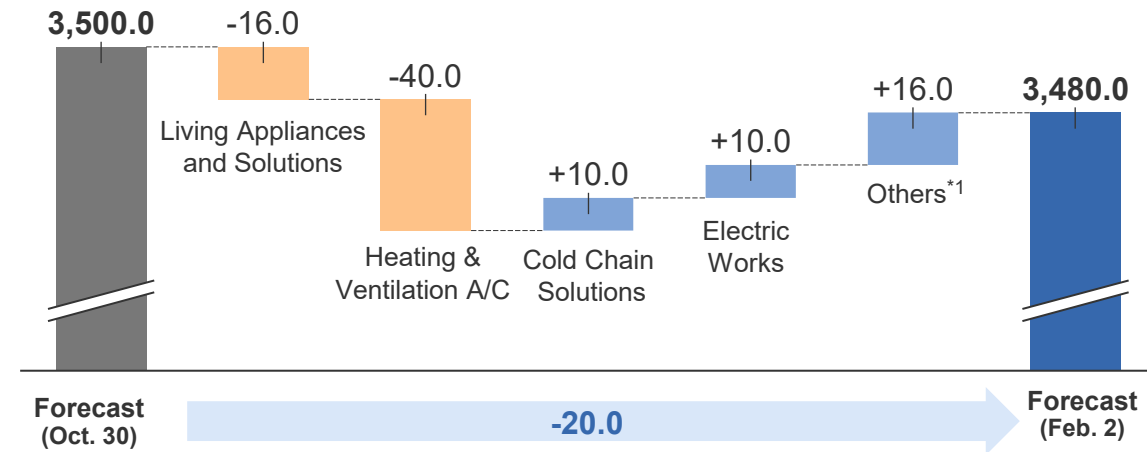


# Lifestyle Segment: FY3/24 Full-Year Forecast Revision Factors by Divisional Company

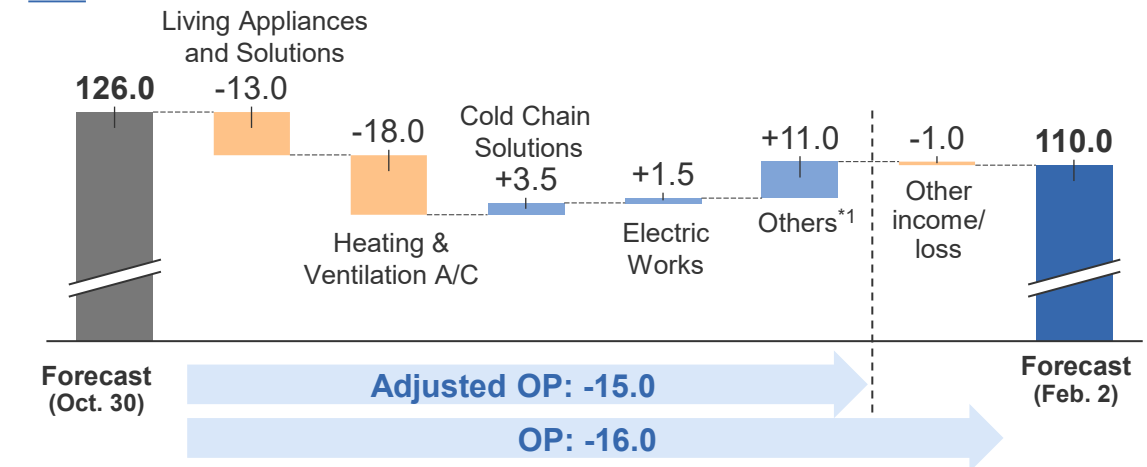
## Major factors for revision (vs. forecast as of October 30)

Sales / Adjusted OP	Living Appliances and Solutions Company (LAS)	<p>Both sales &amp; profit <b>revised downward</b></p> <ul style="list-style-type: none"> <li>• Sales: Decreasing overseas: “Double eleven” sale in China not favorable, etc. Slightly decreasing in Japan due mainly to deteriorating market conditions, delayed share-improvement (e.g. washing machines) in 2H, despite Beauty &amp; Personal care continuing to be steady. Anticipating 4Q share trend as expected.</li> <li>• Profit: Decreasing sales mainly in overseas. Expecting YoY increase in 4Q; unable to counter YoY decrease in 3Q</li> </ul>
	Heating & Ventilation A/C Company (HVAC)	<p>Both sales and profit <b>revised downward</b></p> <ul style="list-style-type: none"> <li>• Sales: Significant demand decline of A2W in Europe in 2H, revised down increase amount of room air-conditioners (e.g. Europe, Asia), deteriorating market conditions for Indoor Air Quality (IAQ) in Japan, China, etc.</li> <li>• Profit: Impact of above decreasing sales expected to continue in 4Q</li> </ul>
	Cold Chain Solutions Company (CCS)	<p>Both sales and profit <b>revised upward</b></p> <ul style="list-style-type: none"> <li>• Sales: Increasing in North America show case business: continuing demand growth for supermarkets, etc., progress in reducing backorders</li> <li>• Profit: Profit increasing due to above increased sales</li> </ul>
	Electric Works Company (EW)	<p>Both sales and profit <b>revised upward</b></p> <ul style="list-style-type: none"> <li>• Sales: Increasing for electrical construction materials in Japan, in particular, high-value added lighting products capturing societal needs (e.g. energy-saving, installability) for non-residential (e.g. offices) use</li> <li>• Profit: Increasing sales of electrical construction materials in Japan</li> </ul>
	Others	<p>Profit <b>revised upward</b></p> <ul style="list-style-type: none"> <li>• Profit: Reversal of provision of risks regarding deteriorating business conditions in 2H, cost reduction at segment head office, etc.</li> </ul>

## Sales (yen: billions)



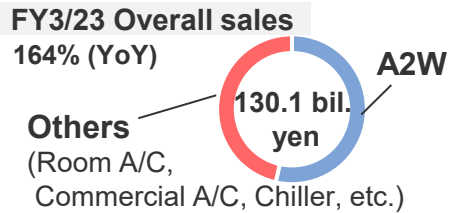
## OP (yen: billions)



\*1: Cold Chain (China) and Refrigeration, Air-Conditioning Devices, sales of other segment products, segment head office, eliminations, etc.

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

## HVAC business in Europe



(yen: billions)	FY3/24			
	1Q	2Q	3Q	9M
Overall sales	37.6	30.3	25.1	93.0
YoY	114%	103%	70%	95%

A2W is main factor for slow down for growth at HVAC business in Europe

## A2W

### 1. Changes in business environment

Assumption (as of Oct. 30)	Pace of expansion for total annual demand <b>slowed down from initial assumption at beginning of FY3/24</b>
(1H) Deteriorated YoY	(2H) Market condition expected to be better than 1H
<ul style="list-style-type: none"> <li>Subsidy scheme change, payment delay</li> <li>Gas price drop</li> <li>Economic downturn in Europe</li> </ul>	<ul style="list-style-type: none"> <li>Partial restart of subsidies</li> <li>Signs of gas price hikes</li> <li>Enforcement of new clean heating law in Germany</li> </ul>

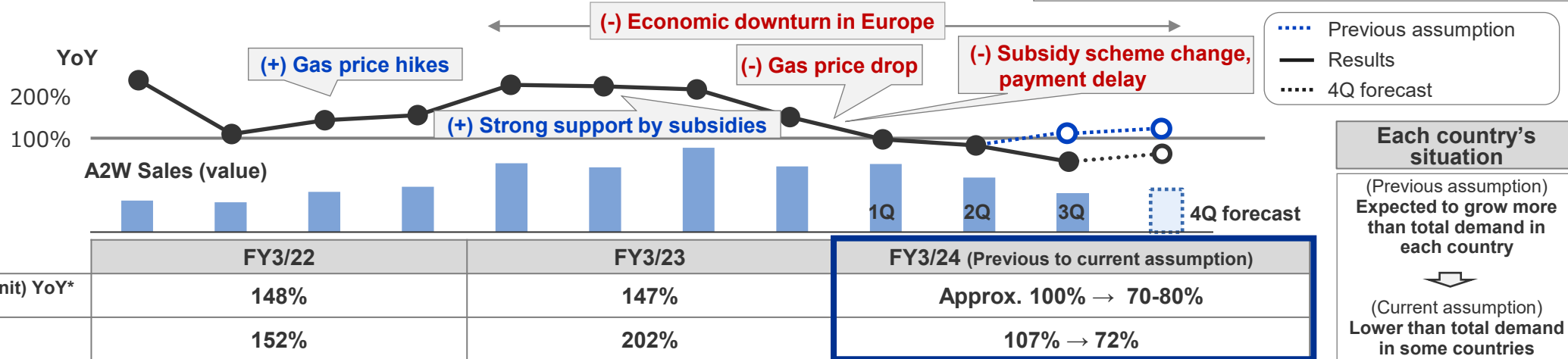
No sign of improvement in market conditions in 2H

- Subsidies : No improvement to push up demand
- Gas price : Not enough to push up A2W demand
- Enforcement of new clean heating law in Germany : No effect in pushing up actual demand

Assumption (as of Feb. 2) Total annual demand **deteriorated YoY**

- Factors for changes in our assumption in 2H
- Expanding impact by economic downturn in Europe
  - Excessive channel inventories due to weak demand
  - Decreased demand for A2W due to demand surge of heating boiler prior to enforcement of new clean heating law in Germany

### 2. Sales trend



**Each country's situation**

(Previous assumption)  
Expected to grow more than total demand in each country

↓

(Current assumption)  
Lower than total demand in some countries

### 3. Efforts to maximize offering value, etc. (Accelerating initiatives to strengthen businesses toward future, during deteriorating market condition)

- ◆ Capital and business alliance agreement with INNOVA in Italy (Announced Feb. 1, '24)
  - Market-creating innovation company that develops heat pump and ventilation businesses
  - Strengths in cutting-edge product development and providing customer value with IoT solutions
- ◆ Create unique value with IoT-based coordination & control devices for HVAC equipment as well as with improved energy saving and comfort
- ◆ Offer integrated hydronic system that improves air quality and air conditioning for home users

- ◆ Strategies for production development
  - Measures to expand sales of products equipped with natural refrigerants (R290)
  - Expand product line-ups: Acceleration of development on A2W for light commercial
- ◆ New initiatives for sales recovery
  - Consideration of sales collaboration with partners, expansion of sales sites in focused regions, etc.

# Initiatives in Growth Areas

Underlined: Changes/progress from October 2023

(Automotive Battery, Supply Chain Management Software, Air Quality & Air-conditioning)

## 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
- Anode (graphite): Signed MOU with Canada-based Nouveau Monde Graphite toward offtake contract; in progress with discussions (announced progress update Sep. 22, '23)
- Anode (silicon material): Agreement signed with UK-based Nexeon (announced Jul. 25, '23) and US-based Sila Nanotechnologies Inc. (announced Dec. 12, '23) to purchase silicon anode material, enabling production of higher-energy-density EV batteries

**[Expand sales channel]**

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

**[Commercialization of 4680 cells]**

- Mass production at Wakayama scheduled to begin during 1H FY3/25, introducing higher-density technologies 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 closing of acquisition of UK-based Doodle, with strengths in returns management, toward enhancing end-to-end solutions (Nov. 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

**Continue to address currently deteriorating market conditions in Europe, to strengthen business structure for the medium- to long-term**

**[Europe] FY3/24 9M sales: 93.0 bil. yen (YoY 95%)**

**[Hydronic System (A2W & Chiller) ]**

- Capital and business alliance with Italy-based INNOVA; Create unique value (e.g. energy saving, comfort) with IoT-based device coordination & control (announced Feb. 1, '24)
- PMI in progress for chiller business acquired in FY3/23, accelerating product development of commercial A2W combining Panasonic technologies
- Strengthen development, manufacturing and sales structure of products for data centers with continuing sales growth

**Panasonic Group**

## **Disclaimer Regarding Forward-Looking Statements**

*This presentation includes forward-looking statements about Panasonic Holdings Corporation (Panasonic HD) and its Group companies (the Panasonic Group). To the extent that statements in this presentation 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 presentation. 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.*

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# Reference: Our Advantages with Regards to US IRA

## Our Advantages

- ✓ Stable mass-production capability at Nevada Factory  
(New Kansas factory under construction)
- ✓ Strong customer base built in North America
- ✓ Panasonic's battery components are FEOC\*-compliant

\*FEOC: Foreign Entity of Concern

If a clean vehicle is not FEOC-compliant, it will not be eligible for Section 30D

## IRA

Section 45X

Section 30D

- ✓ Production/sales at Nevada **already eligible upon IRA enforcement** (end of Dec. 2022.)
- ✓ Kansas **expected to be eligible when production/sales start (during FY3/25)**
- ✓ **Currently, requirements indicated below are met; Expected to meet going forward** even with stricter requirements
- ✓ **Our battery components are FEOC-compliant** (rules applied from Dec. 2023); **Qualification for 30D remains unchanged**

### ■ Section 30D requirements (value-based threshold)

		2023	2024	2025	2026	2027	2028	2029	Outlook of FEOC compliance, based on our current supply chain
<b>Battery components</b>	<b>Manufactured or assembled in North America</b>	50%	60%	60%	70%	80%	90%	100%	<b>Compliant</b>
	FEOC rules applied from:	December 31, 2023 ~							
<b>Critical minerals</b>	<b>Extracted or processed in US-FTA country</b>	40%	50%	60%	70%	80%	80%	80%	Some critical minerals will not be compliant ⇒ <b>Build FEOC-compliant supply chain</b>
	FEOC rules to apply from:	December 31, 2024~							

Meeting requirements and also FEOC-compliant



# 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
- ✓ Proposed rules for section 45X released in December 2023

## 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:**
  - Battery cells & modules produced in US
  - Credits will be given based on sales volume (in kWh)

➔ Proposed rules released in December 2023  
(No major changes; contents of section 45X expected to be finalized after receiving public comments and public hearing)

## 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:**
  - Eligibility: Vehicles assembled in North America (US, Canada, Mexico)
  - Conditions for new cars:

Battery components produced & assembled*2 in North America	\$3,750
Critical minerals extracted & processed*2 within FTA countries*1	\$3,750

\*1 Although Japan is not an FTA country, conditions have been relaxed to include Japan  
\*2 Yearly thresholds set for extraction/production locations of battery components & critical minerals. FEOC restrictions apply (battery components: 2024~, critical minerals: 2025~)

➔ ✓ Detailed rules announced in March 2023  
✓ Definition of Foreign Entity of Concern (FEOC) announced in December 2023

# Reference: Proposed Rules of US IRA Section 45X

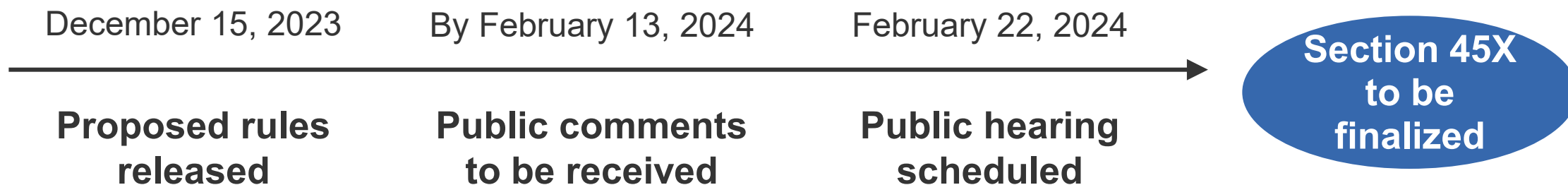
- ✓ **Proposed rules released in December 2023: only partial contents were added; No major changes**
- ✓ **Contents of section 45X expected to be finalized after receiving public comments and public hearing**

## Main additions

Excerpts sourced from “proposed rule” by the Internal Revenue Service on December 15, 2023

- ✓ Sales are taken into account only for eligible components (battery cells and battery modules) produced within the US, or a US territory; constituent elements, materials and subcomponents used in the production of eligible components are not subject to the domestic\* production rule \*domestic: United States or a United States territory
- ✓ If a taxpayer manufactures one or more eligible components, the taxpayer may claim a section 45X credit for each eligible component (e.g. the same company manufacturing both battery cells and battery modules)

## Schedule (US Time)



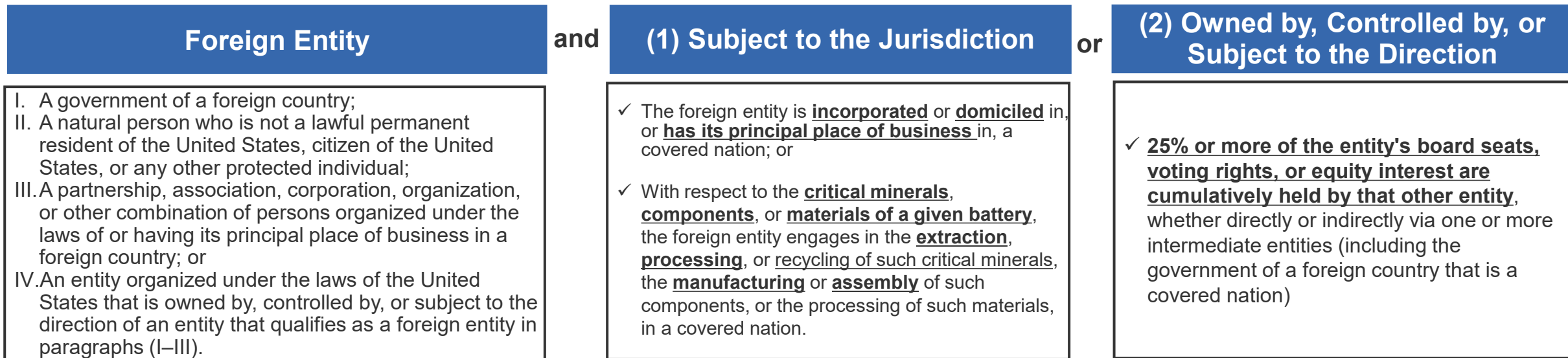


# Reference: Summary of Foreign Entity of Concern (FEOC)

If a clean vehicle contains “Battery Components” or “Critical Minerals” from a FEOC, it will not qualify for section 30D and no tax credit will be granted to EV purchasers

## ■ Definition of FEOC

Excerpts sourced from "A Proposed Rule by the Energy Department" released on December 4, 2023



## ■ FEOC restrictions

	<u>Applicable to</u>	<u>Starting date</u>	<u>Section 30D tax credit to EV purchasers</u>
<b>Battery Components</b>	<b>Cathode electrode, Anode electrode, Separators, Electrolytes, etc.</b>	December 31, <b>2023</b>	<b>\$3,750</b>
<b>Critical Minerals</b>	<b>Lithium, Nickel, Cobalt, Graphite, Aluminium, etc.</b>	December 31, <b>2024</b>	<b>\$3,750</b>

If a clean vehicle contains “Battery Components” or “Critical Minerals” from a FEOC, it will not qualify for section 30D and no tax credit will be granted to EV purchasers

# Reference: Eligible EV Battery Factories for US IRA Section 45X

✓ **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)

<u>Factories</u>	<u>Credit effective from</u>	<u>Annual production</u>	
<b>Nevada</b>	Jan. 2023 onwards	Approx. 38-39 GWh (current)	<div style="border: 1px dashed black; padding: 5px;"> <p>&lt;Ref.&gt; Simple calculation: \$35/kWh x annual production</p> <p>Approx. \$1.3 bil./yr</p> <p>Approx. \$1.0 bil./yr</p> <p>-</p> </div>
<b>Kansas*</b> (New factory)	Start of production & sales During FY3/25 (planned)	Approx. 30 GWh	
<b>Japan</b>	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)

- ✓ Continuing discussions with the intention of finalizing the details of agreement by March 31, 2024
- ✓ No new information since the announcement on November 17, 2023

## Overview of announcement

### Current situation

- ✓ Panasonic Holdings Corporation (“PHD”) **agreed** with an affiliate of Apollo Global Management, Inc. (“Apollo”) **to become strategic partners in the business of Panasonic Automotive Systems Co., Ltd. (“PAS”) and signed a memorandum of understanding on November 17, 2023**
- ✓ **Discussions continue** with the intention of **finalizing the details of the agreement by March 31, 2024**

### Positioning of PAS going forward

- ✓ If the transaction based on this memorandum is completed, funds that are managed by Apollo will acquire a portion of PHD’s ownership of PAS, of which PHD is currently the sole shareholder, and **PAS is expected to become an equity-method affiliate of PHD.**
- ✓ **Through a potential future public listing,** PAS **will realize continued growth** as a leading global supplier of automotive infotainment and connectivity system solutions with world class competitiveness and management.

<https://holdings.panasonic/global/corporate/investors/pdf/en231117-1.pdf>

# Reference: FY3/24 Nine-Month (Apr. - Dec.) Results

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

(yen: billions)	FY3/24 9M		FY3/23 9M	YoY (year-on-year)		Excl. IRA impact	
		Excl. IRA impact					
Sales	<b>6,300.3</b>	6,375.4	6,224.5	101% (99%)* <sup>3</sup>	+75.8 (-87.2)* <sup>3</sup>	102% (100%)* <sup>3</sup>	+150.9 (-12.1)* <sup>3</sup>
Adjusted operating profit* <sup>1</sup> (% to sales)	<b>318.4</b> (5.1%)	254.2 (4.0%)	231.8 (3.7%)	137%	+86.6	110%	+22.4
Other income/loss* <sup>2</sup>	<b>1.9</b>	1.9	2.4	—	-0.5	—	-0.5
Operating profit (% to sales)	<b>320.3</b> (5.1%)	256.1 (4.0%)	234.2 (3.8%)	137%	+86.1	109%	+21.9
Profit before income taxes (% to sales)	<b>368.8</b> (5.9%)	304.6 (4.8%)	255.4 (4.1%)	144%	+113.4	119%	+49.2
Net profit attributable to Panasonic Holdings Corporation stockholders (% to sales)	<b>399.2</b> * <sup>5</sup> (6.3%)	316.4* <sup>5</sup> (5.0%)	162.9 (2.6%)	245%	+236.3	194%	+153.5
EBITDA* <sup>4</sup> (% to sales)	<b>649.3</b> (10.3%)	585.1 (9.2%)	556.2 (8.9%)	117%	+93.1	105%	+28.9

Exchange rates	1 US dollar	<b>143 yen</b>	143 yen	137 yen
	1 Euro	<b>155 yen</b>	155 yen	141 yen
	1 Renminbi	<b>20.0 yen</b>	20.0 yen	19.9 yen

\*<sup>4</sup> 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

\*<sup>5</sup> 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

\*<sup>1</sup> Sales - Cost of sales - SG&A

\*<sup>2</sup> "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

\*<sup>3</sup> Excluding effect of exchange rates.

# Reference: FY3/24 Financial Results/Forecast (3Q/4Q & 2H)

(yen: billions)

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

	3Q results		YoY	Excl. IRA impact	4Q (e)		YoY	Excl. IRA impact	2H (e)		YoY	Excl. IRA impact	
		Excl. IRA impact				Excl. IRA impact				Excl. IRA impact			
Sales	<b>2,180.9</b>	2,206.7	101%	102%	<b>2,099.7</b>	2,123.6	97%	99%	<b>4,280.6</b>	4,330.3	99%	100%	
Adjusted operating profit* <sup>1</sup> (% to sales)	<b>126.1</b> (5.8%)	104.1 (4.7%)	147% +40.2	121% +18.2	<b>81.6</b> (3.9%)	60.8 (2.9%)	99% -0.7	74% -21.5	<b>207.7</b> (4.9%)	164.9 (3.8%)	123% +39.5	98% -3.3	
Other income/loss* <sup>2</sup>	<b>1.4</b>	1.4	- +2.9	- +2.9	<b>-1.9</b>	-1.9	- +26.0	- +26.0	<b>-0.5</b>	-0.5	- +28.9	- +28.9	
Operating profit (% to sales)	<b>127.5</b> (5.8%)	105.5 (4.8%)	151% +43.1	125% +21.1	<b>79.7</b> (3.8%)	58.9 (2.8%)	147% +25.3	108% +4.5	<b>207.2</b> (4.8%)	164.4 (3.8%)	149% +68.4	118% +25.6	
Profit before income taxes (% to sales)	<b>144.5</b> (6.6%)	122.5 (5.6%)	163% +55.7	138% +33.7	<b>86.2</b> (4.1%)	65.4 (3.1%)	141% +25.2	107% +4.4	<b>230.7</b> (5.4%)	187.9 (4.3%)	154% +80.9	125% +38.1	
Net profit attributable to Panasonic Holdings Corporation stockholders (% to sales)	<b>110.8</b> (5.1%)	82.4 (3.7%)	200% +55.2	148% +26.8	<b>60.8</b> (2.9%)	33.6 (1.6%)	59% -41.8	54% -29.0	<b>171.6</b> (4.0%)	116.0 (2.7%)	108% +13.4	98% -2.2	
EBITDA* <sup>3</sup> (% to sales)	<b>239.2</b> (11.0%)	217.2 (9.8%)	125% +47.3	113% +25.3	<b>200.7</b> (9.6%)	179.9 (8.5%)	124% +38.5	111% +17.7	<b>439.9</b> (10.3%)	397.1 (9.2%)	124% +85.8	112% +43.0	
Exchange rates	1 US dollar	148 yen	148 yen	+6 yen	+6 yen	140 yen	140 yen	+8 yen	+8 yen	144 yen	141 yen	+7 yen	+7 yen
	1 Euro	159 yen	159 yen	+15 yen	+15 yen	150 yen	150 yen	+8 yen	+8 yen	155 yen	155 yen	+12 yen	+12 yen
	1 Renminbi	20.4 yen	20.4 yen	+0.5 yen	+0.5 yen	20.0 yen	20.0 yen	+0.7 yen	+0.7yen	20.2 yen	20.2 yen	+0.6 yen	+0.6 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

# Reference: FY3/24 Financial Results/Forecast by Segment (3Q/4Q & 2H)

(yen: billions)

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

	3Q results				4Q (e)				2H (e)			
	Sales	YoY	Adjusted OP (% to sales)	YoY	Sales	YoY	Adjusted OP (% to sales)	YoY	Sales	YoY	Adjusted OP (% to sales)	YoY
Lifestyle *1	897.7	99%	37.7 4.2%	+6.6	895.0	103%	18.6 2.1%	-4.1	1,792.7	101%	56.3 3.1%	+2.5
Automotive	404.7	117%	22.1 5.5%	+10.6	377.1	105%	6.6 1.7%	-8.1	781.8	111%	28.7 3.7%	+2.5
Connect *1	299.1	104%	8.6 2.9%	-5.3	331.1	104%	30.5 9.2%	+6.4	630.2	104%	39.1 6.2%	+1.1
Industry	266.8	92%	11.1 4.1%	-5.6	262.8	100%	6.4 2.4%	+3.5	529.6	96%	17.5 3.3%	-2.1
Energy	228.8	92%	30.6 13.4%	+30.0	200.4	79%	30.7 15.3%	+22.1	429.2	85%	61.3 14.3%	+52.1
Excl. IRA impact	254.6	103%	8.6 3.4%	+8.0	224.3	88%	9.9 4.4%	+1.3	478.9	95%	18.5 3.9%	+9.3
Other/ Eliminations & adjustments *1	83.8	-	16.0	+3.9	33.3	-	-11.2	-20.5	117.1	-	4.8	-16.6
<b>Total</b>	<b>2,180.9</b>	<b>101%</b>	<b>126.1</b> 5.8%	<b>+40.2</b>	<b>2,099.7</b>	<b>97%</b>	<b>81.6</b> 3.9%	<b>-0.7</b>	<b>4,280.6</b>	<b>99%</b>	<b>207.7</b> 4.9%	<b>+39.5</b>

\*1 From FY3/24 3Q, due to certain business transfers among Lifestyle, Connect and Other/Eliminations & adjustments segments, prior year amounts have been reclassified accordingly

# Reference: Lifestyle Segment: FY3/24 Financial Results/Forecast by Divisional Company (3Q/4Q & 2H)

(yen: billions)

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

	3Q results				4Q (e)				2H (e)			
	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)	238.4	99%	15.6 6.5%	-5.3	231.7	106%	10.2 4.4%	+5.1	470.1	102%	25.8 5.5%	-0.2
Heating & Ventilation A/C Company (HVAC)	186.1	98%	-0.6 -0.3%	-2.2	201.6	105%	0.8 0.4%	-2.3	387.7	101%	0.2 0.1%	-4.5
Cold Chain Solutions Company (CCS)	101.9	110%	4.9 4.8%	+1.2	93.7	104%	3.2 3.4%	+0.2	195.6	107%	8.1 4.1%	+1.4
Electric Works Company (EW)	271.7	104%	21.4 7.9%	+6.1	279.6	101%	17.2 6.2%	+0.4	551.3	102%	38.6 7.0%	+6.5
China and Northeast Asia Company (CNA) <sup>*1 &amp;*2</sup>	195.9	93%	8.2 4.2%	+10.3	158.8	97%	-2.1 -1.3%	-1.1	354.7	95%	6.1 1.7%	+9.2

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

\*2: From FY3/24 3Q, due to certain business transfers among Lifestyle (China and Northeast Asia Company, etc.), Connect and Other/Eliminations & adjustments segments, prior year amounts have been reclassified accordingly



Overview

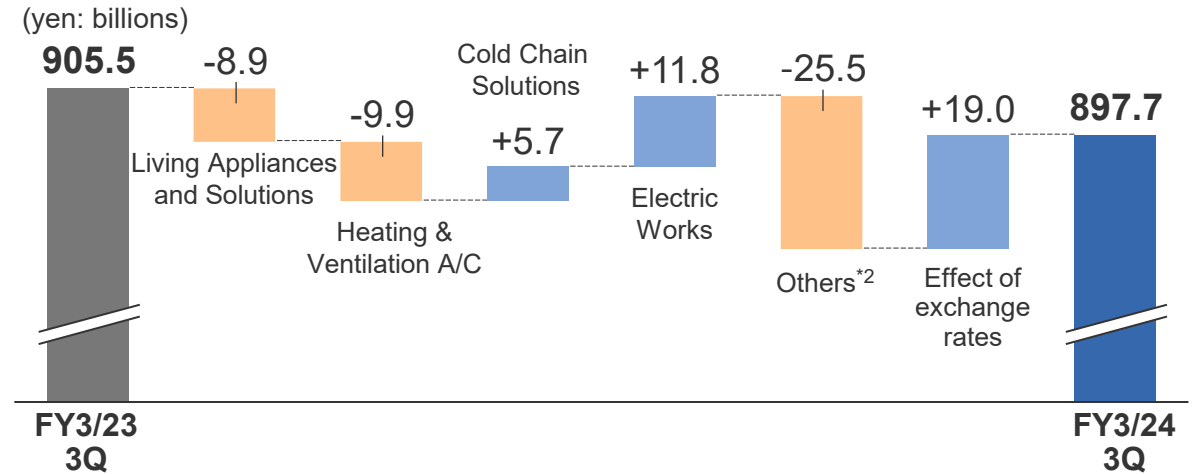
(yen: billions)	FY3/24 3Q	YoY (year-on-year)
Sales	<b>897.7</b>	99% (97%) *1
Adjusted operating profit (% to sales)	<b>37.7</b> (4.2%)	+6.6
Other income/loss	<b>-1.8</b>	-1.2
Operating profit (% to sales)	<b>35.9</b> (4.0%)	+5.4

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

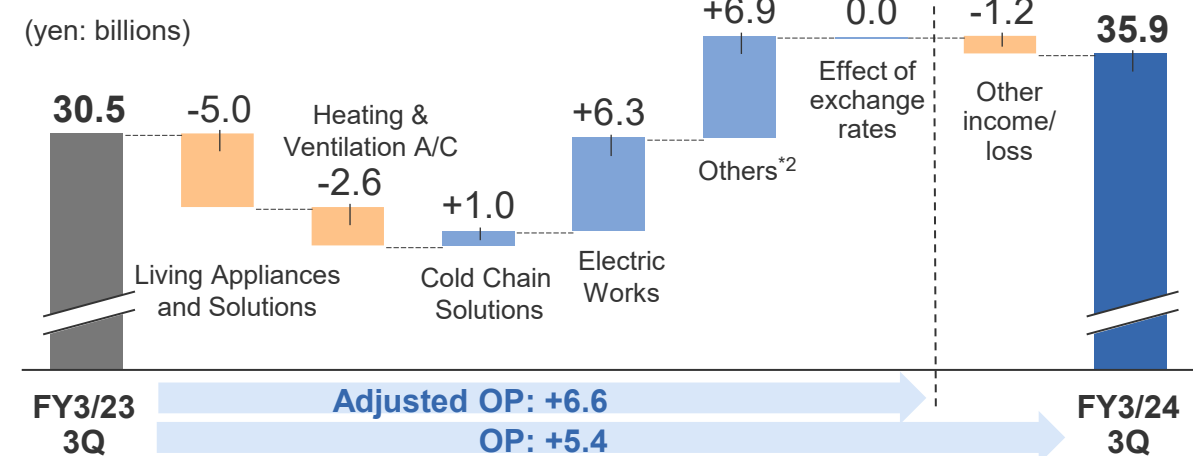
Major increase/decrease factors

Adjusted OP	Living Appliances and Solutions Company	+ : Improved external environment factors (e.g. costs of raw materials, logistics), progress in rationalization efforts - : Shrinking demand caused by inflation worldwide
	Heating & Ventilation A/C Company	+ : Increased sales in Japan and effect of rationalization, etc. - : Slowdown of demand in Europe
	Cold Chain Solutions Company	+ : Increased sales prices and increased sales volume, improved production lead time - : Inflation (e.g. materials, personnel expenses)
	Electric Works Company	+ : Increased sales and effect of price revisions for electrical construction materials in Japan
Other income/loss	Restructuring expenses, etc.	

**Sales:** Decreased overall with weakening demand for HVAC business affected by deteriorated market conditions in Europe and decreased sales of consumer electronics mainly in Asia and China, deconsolidation impact of part of China business, despite steady sales continuing for cold chain in North America and electrical construction materials



**OP:** Increased overall due to increased sales of cold chain and electrical construction materials, impact of temporary expenses in FY3/23, despite decreased sales of HVAC and consumer electronics



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



Overview

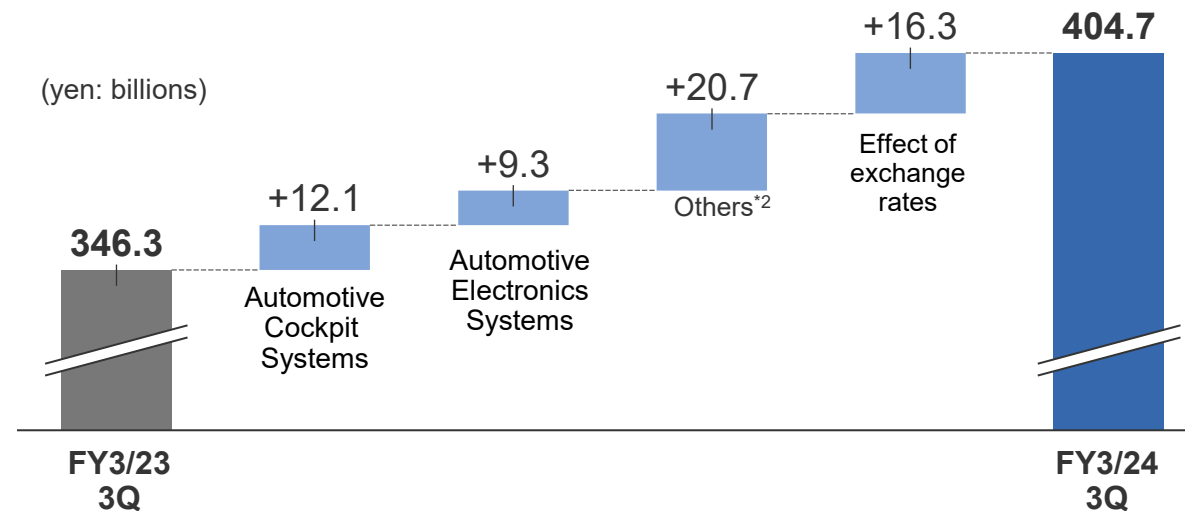
(yen: billions)	FY3/24 3Q	YoY (year-on-year)
Sales	<b>404.7</b>	117% (112%) *1
Adjusted operating profit (% to sales)	<b>22.1</b> (5.5%)	+10.6
Other income/loss	<b>0.5</b>	-0.5
Operating profit (% to sales)	<b>22.6</b> (5.6%)	+10.1

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

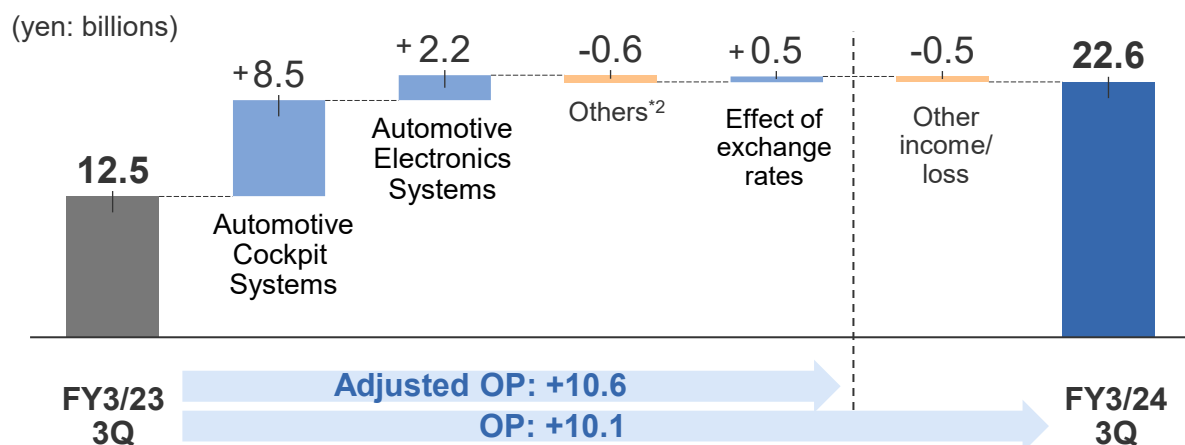
Major increase/decrease factors

Adjusted OP	Automotive Cockpit Systems	+ : Increased sales, price revisions to counter price hikes in parts & materials, rationalization - : Increased fixed costs due to increased personnel expenses, price hikes in parts & materials
	Automotive Electronics Systems	+ : Increased sales, price revisions to counter price hikes in parts & materials, rationalization - : Increased fixed costs due to increased personnel expenses, price hikes in parts & materials
	Other income/loss	Decreased amount of subsidies, payment of compensation, 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 rationalization, despite increased fixed costs (increased personnel expenses) and persisting impact of price hikes in parts & materials



\*2: Sales of other segment products, etc.

## Overview

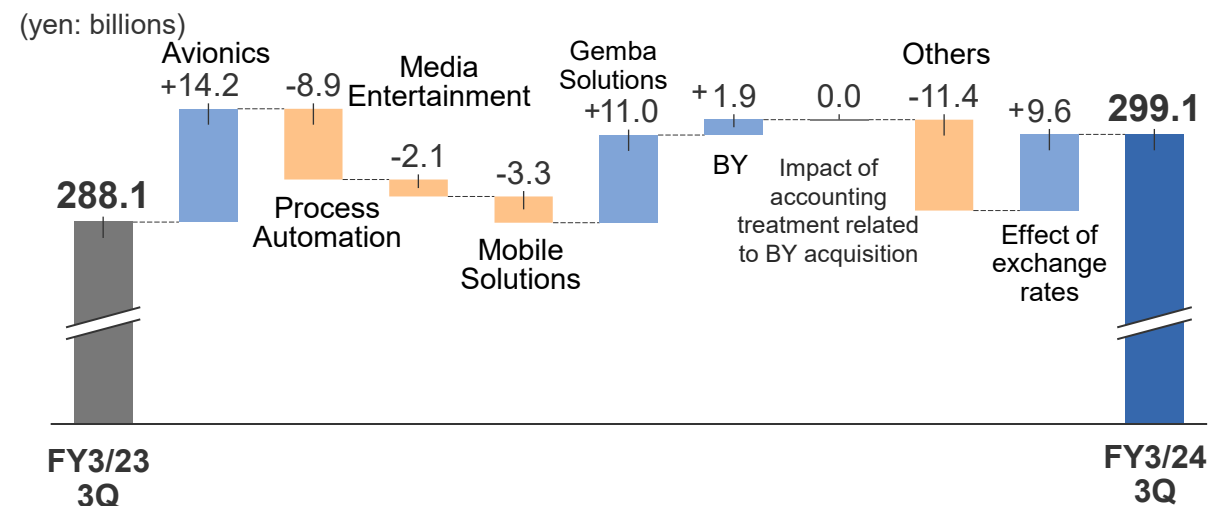
(yen: billions)	FY3/24 3Q	YoY (year-on-year)
Sales	<b>299.1</b>	104% (101%)*1
Adjusted operating profit (% to sales)	<b>8.6</b> (2.9%)	-5.3
Other income/loss	<b>0.4</b>	+0.5
Operating profit (% to sales)	<b>9.0</b> (3.0%)	-4.8

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

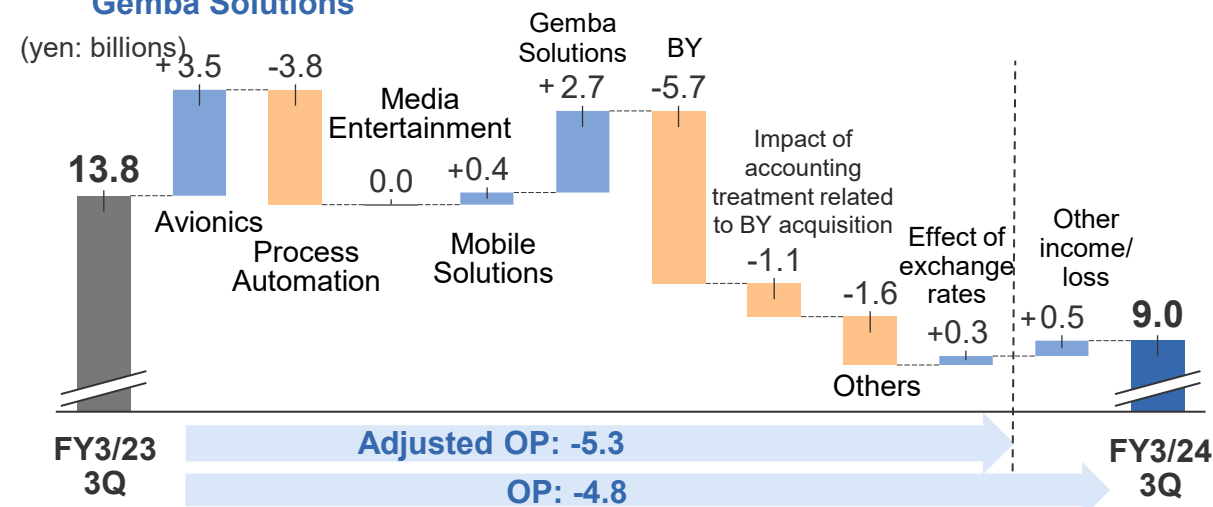
## Major increase/decrease factors

Adjusted OP	Avionics	+ : Increased sales of in-flight entertainment (IFE) systems, connectivity and repair & maintenance services due to steady demand trend continuing in aviation market
	Process Automation	- : Decreased sales by decreased demand affected by continuing deteriorated market conditions in China
	Media Entertainment	± : Recovery with fixed-cost reduction, despite decreased sales affected by investment cycle in Europe and US
	Mobile Solutions	+ : Increased profit with improved marginal profit due to resolved issues in parts & materials, etc.
	Gemba Solutions	+ : Increased sales with steady orders of solution-type projects
	Blue Yonder (BY)	- : Decreased due mainly to increased strategic investments and bonus provision
Other income/loss	-	

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

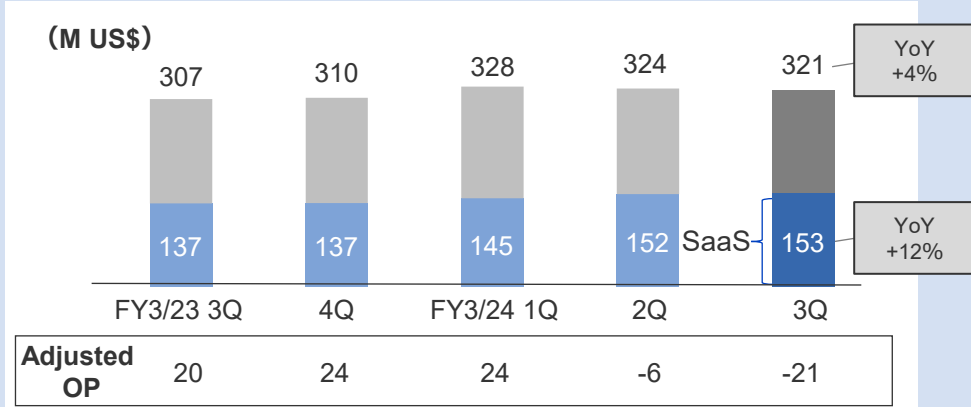


## OP: Decreased due to decreased sales in Process Automation and increased strategic investment of Blue Yonder, despite increased sales of Avionics and Gemba Solutions



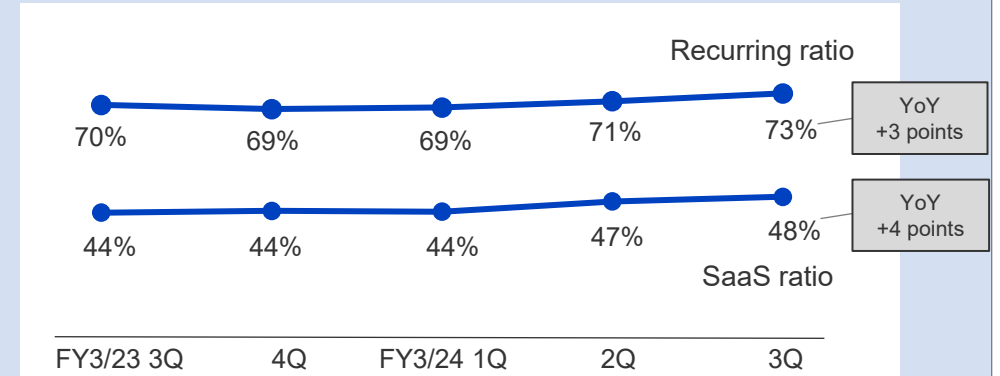
## Revenue / Adjusted OP (stand alone)

- Sales: Steady growth of both total sales and SaaS Profit: decreased YoY due to strategic investment, etc.



## Recurring / SaaS ratio

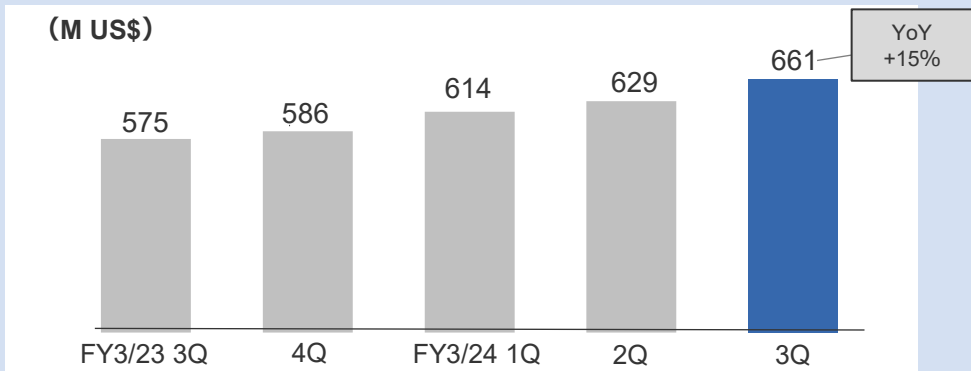
- Steady sales trend for both recurring and SaaS ratio



- 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)

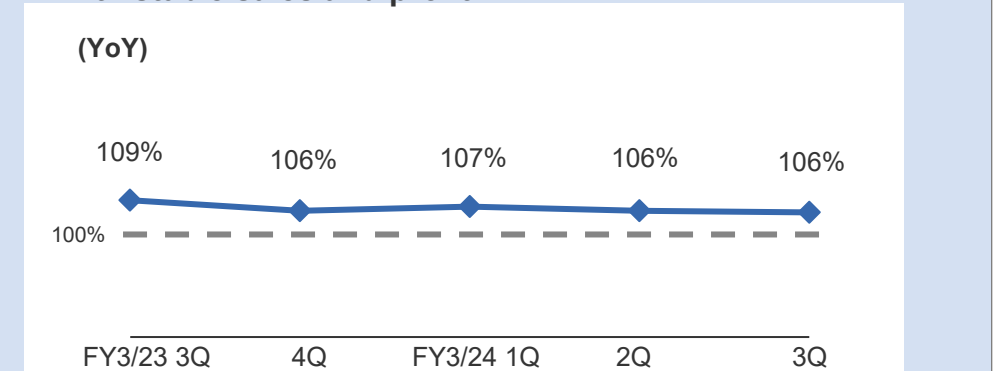
- Continuing steady growth



- 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

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

- ✓ **In 9M: Increased year-on-year by 3.9 bil. yen to 7.2 bil. yen**
- ✓ **For full-year: Expecting year-on-year increase**

Breakdown of adjusted operating profit (yen: billions)

			<b>FY3/24 9M</b>	FY3/23 9M	YoY	<b>FY3/24 Full-year Forecast</b>	FY3/23 Full-year Results	YoY
Stand alone (Blue Yonder)	Adjusted OP (excl. investments)	(1) – a – b	7.2	3.3	+3.9	12.8	6.8	+6.0
	(Additional strategic investment) *1	a	(-5.9)	(0.0)	(-5.9)	(-7.7)	(0.0)	(-7.7)
	(Synergy investment) *2	b	(-2.0)	(-1.3)	(-0.7)	(-2.3)	(-1.5)	(-0.8)
	Adjusted OP	(1)	-0.7	2.0	-2.7	2.8	5.3	-2.5
Panasonic Group consolidated -basis	Amortization expenses related to acquisition	(2)	-16.9	-13.2	-3.7	-22.4	-18.2	-4.2
	Temporary accounting treatment related to acquisition	(3)	-0.3	-5.2	+4.9	-0.3	-5.3	+5.0
	Adjusted OP	(1)+(2)+(3)	-17.9	-16.4	-1.5	-19.9	-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

Unchanged from Oct. 30, 2023

Overview

(yen: billions)	FY3/24 3Q	YoY (year-on-year)	PID Products*1
Sales	<b>266.8</b>	92% (88%)*2	236.2
Adjusted operating profit (% to sales)	<b>11.1</b> (4.1%)	-5.6	10.5 (4.4%)
Other income/loss	<b>0.6</b>	+2.3	0.5
Operating profit (% to sales)	<b>11.7</b> (4.4%)	-3.3	11.0 (4.6%)

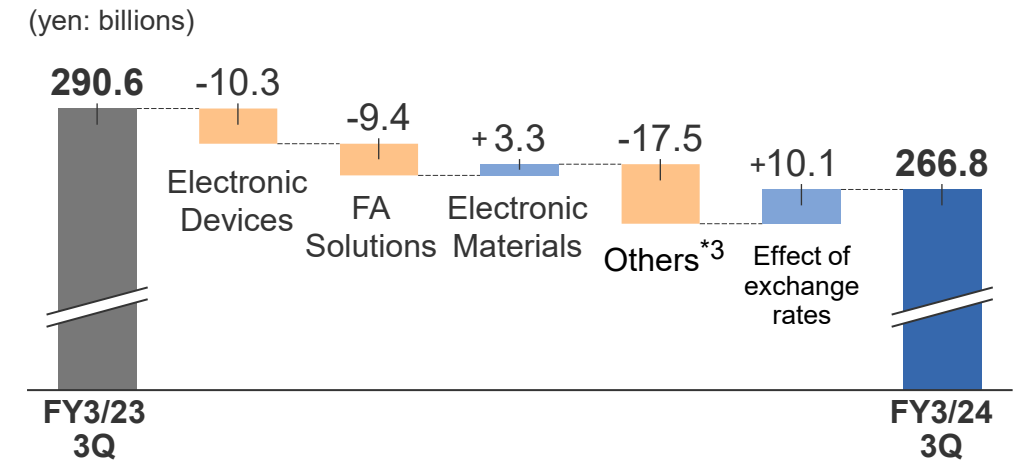
\*1: Figures of PID (Panasonic Industry Co., Ltd.) products exclude sales of other segment products (e.g. compressor), etc.

\*2: In real terms excluding the effect of exchange rates

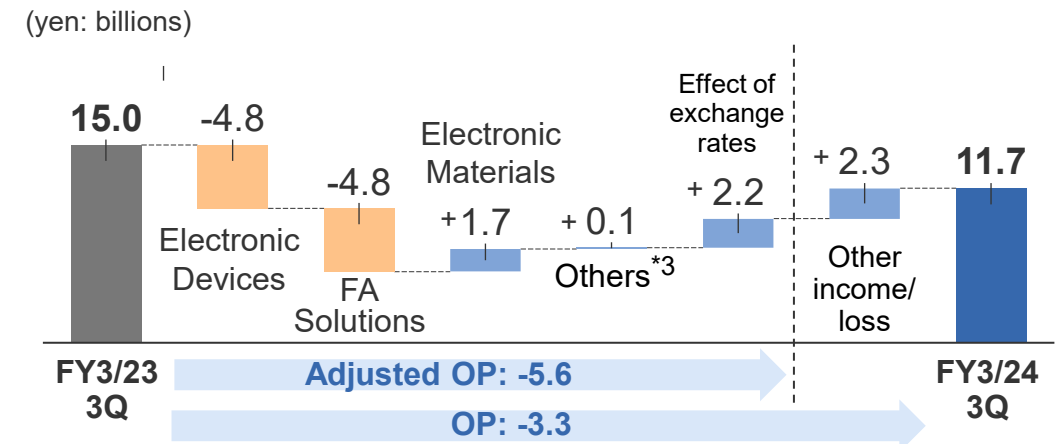
Major increase/decrease factors

Adjusted OP	Electronic Devices	+ : Increased sales of capacitors for green vehicles and products for generative AI servers - : Decreased sales due to market downturn (China market, ICT infrastructure)
	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 generative AI servers (multi-layer circuit board materials), efforts in price revision and rationalization
Other income/loss	Impact of expenses related to site re-organization in FY3/23	

Sales: Decreased due mainly to downturn in market conditions (e.g. FA in China, ICT infrastructure) and changes in semiconductor sales channel, despite increased sales of capacitors for green vehicles and products for generative AI servers (capacitors, multi-layer circuit board materials)



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

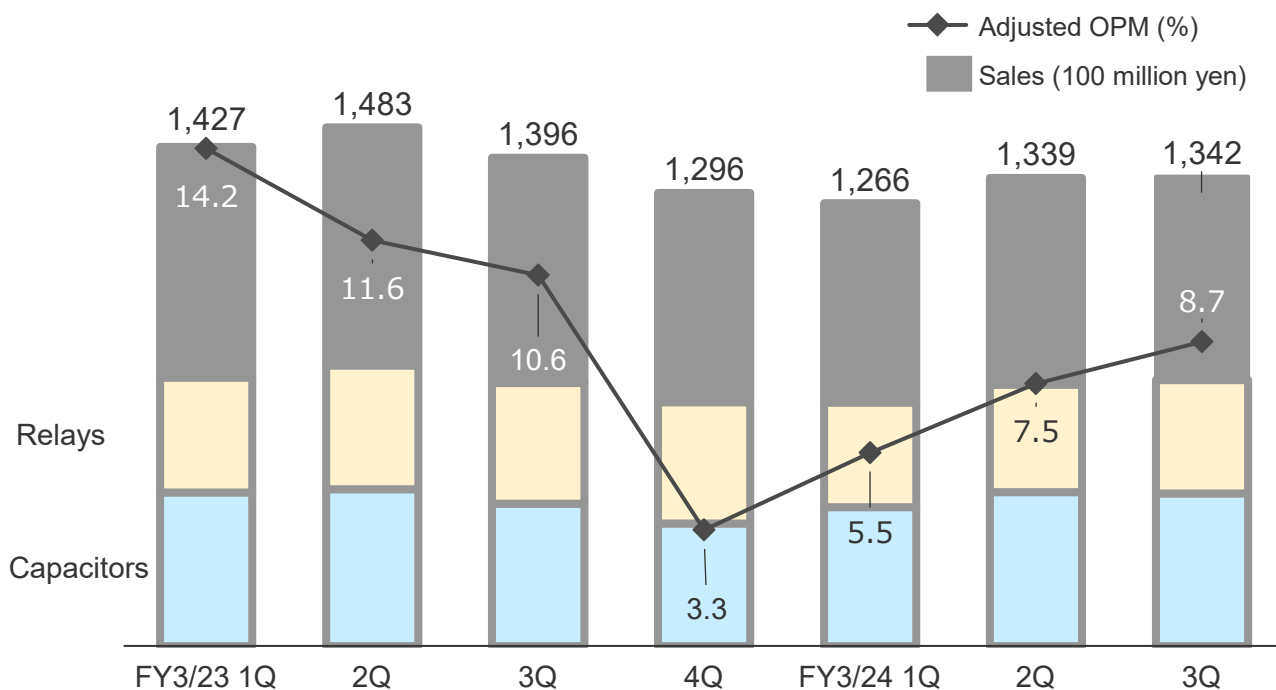


\*3: Sales of other segment products, etc.

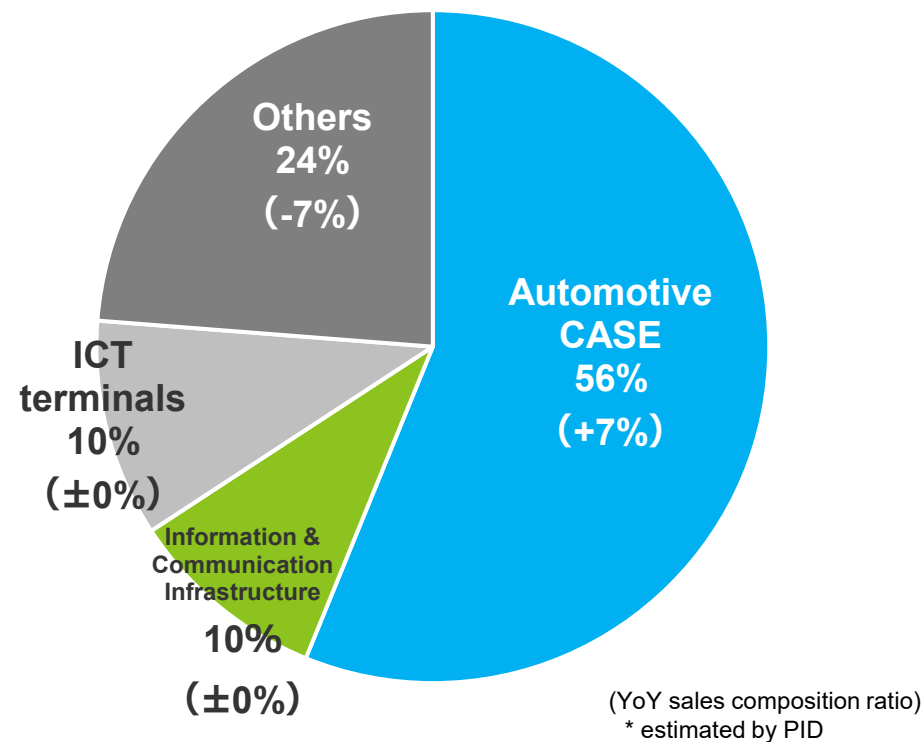
**Electronic Devices**

- **Automotive CASE: Growth in capacitors & relays for green vehicles**
- **Information & communication infrastructure (ICT): Continued weak market trends in general purpose servers and base stations, as well as market conditions in China, despite favorable sales of capacitors for generative AI servers**
- **Overall, both sales and profit continued to increase QoQ since FY3/24 1Q due mainly to increased demand for generative AI, profitability enhancement (e.g. price revisions) and recent recovery trend of ICT terminals**

Sales & adjusted OPM trend



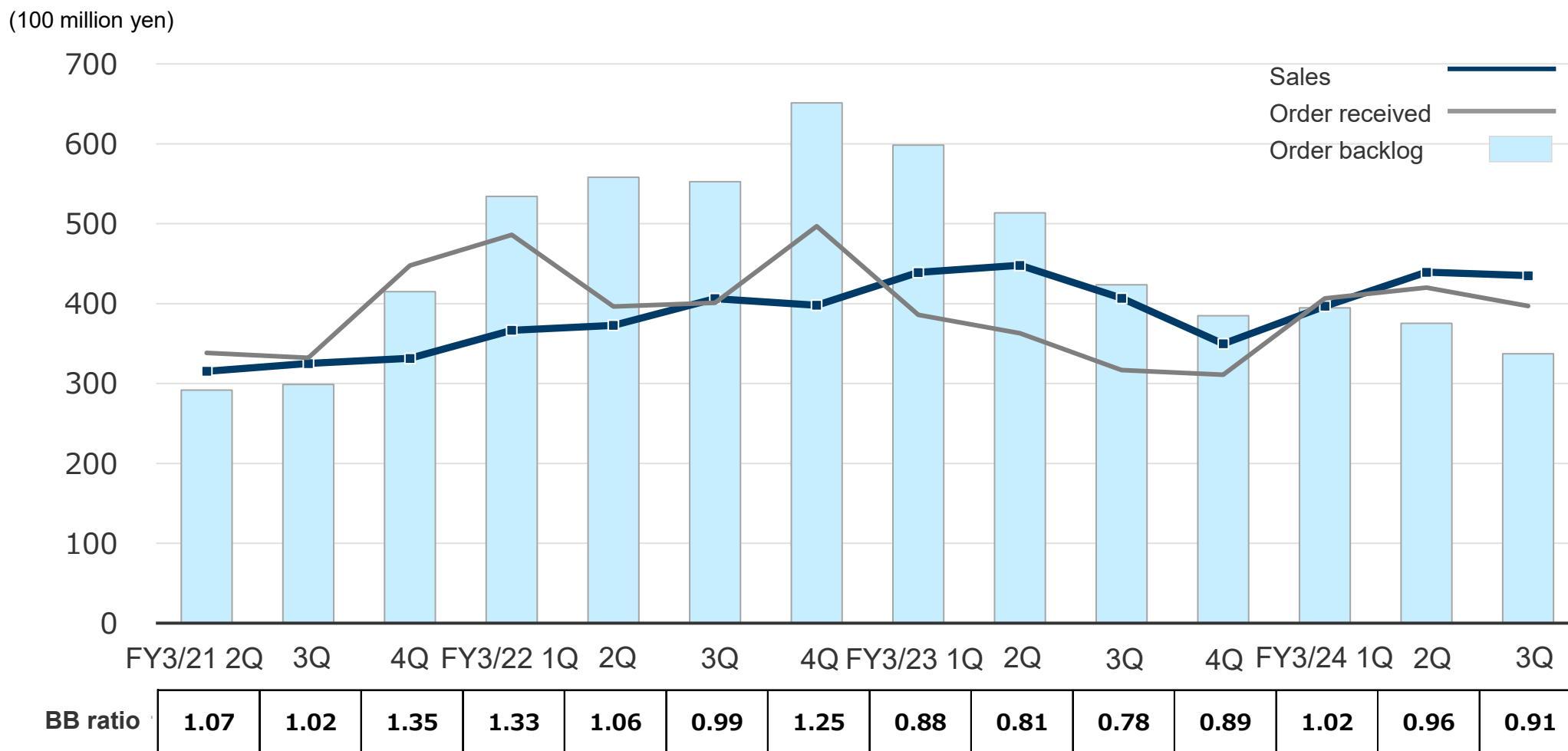
FY3/24 3Q results  
Sales composition by application\*



### Electronic Devices: BB ratio\* of capacitors

\*BB ratio: book-to-bill ratio

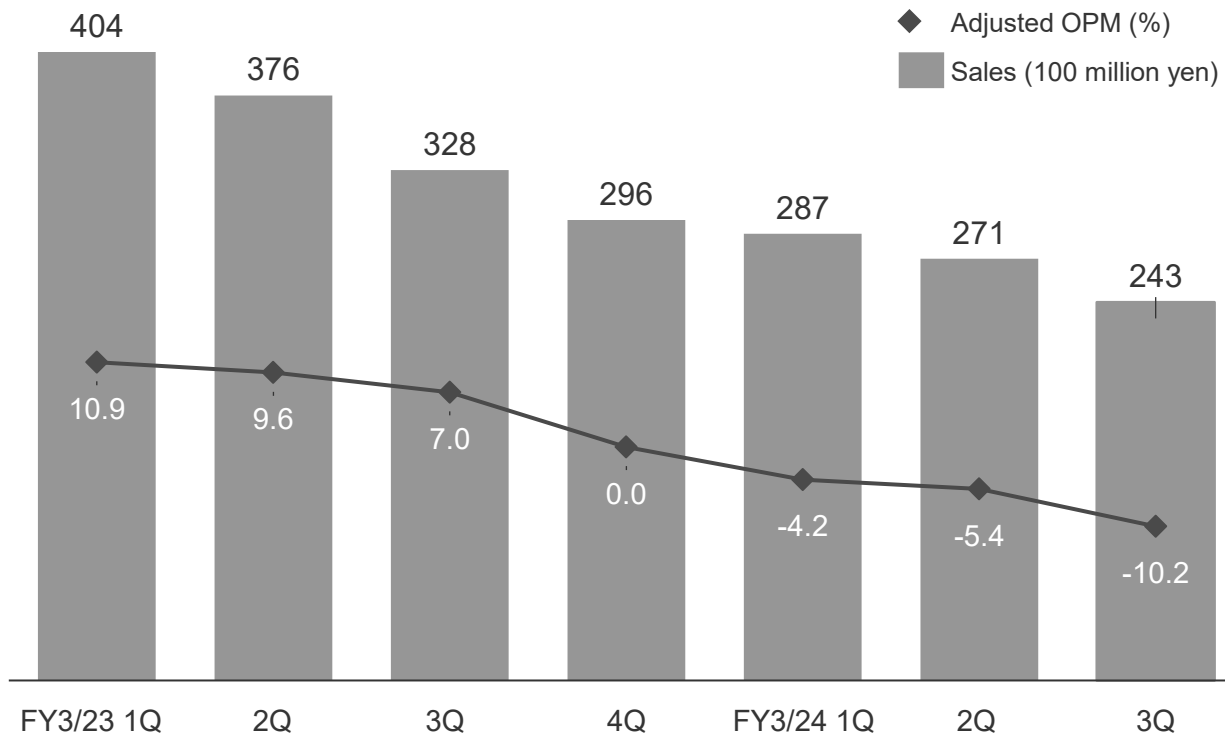
■ Recovery trend in orders received, despite a less than 1 BB ratio of capacitors for Automotive CASE, Information & Communication infrastructure and ICT terminals



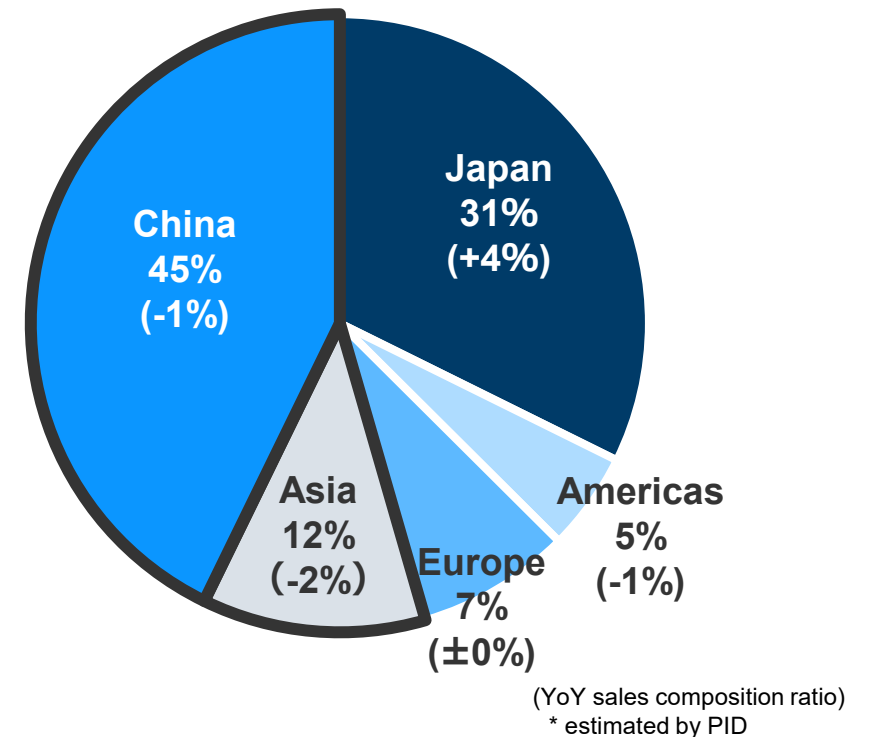
**FA Solutions**

- Both sales and profit decreased due to downturn in market conditions as well as intensifying competition mainly in China and other Asia markets. YoY decrease is also expected for the full-year.
- Currently conducting profitability improvement such as fixed cost reductions. Also, planning to introduce new products with improved cost competitiveness for Chinese market in FY3/25 and aim to regain market share.
- Demand for factory labor-savings related products are expected to grow from medium- to long-term perspective. Continue to strengthen its business foundation and take initiatives for business growth, despite current difficult market conditions

Sales & adjusted OPM trend



FY3/24 3Q results  
Sales composition by region\*

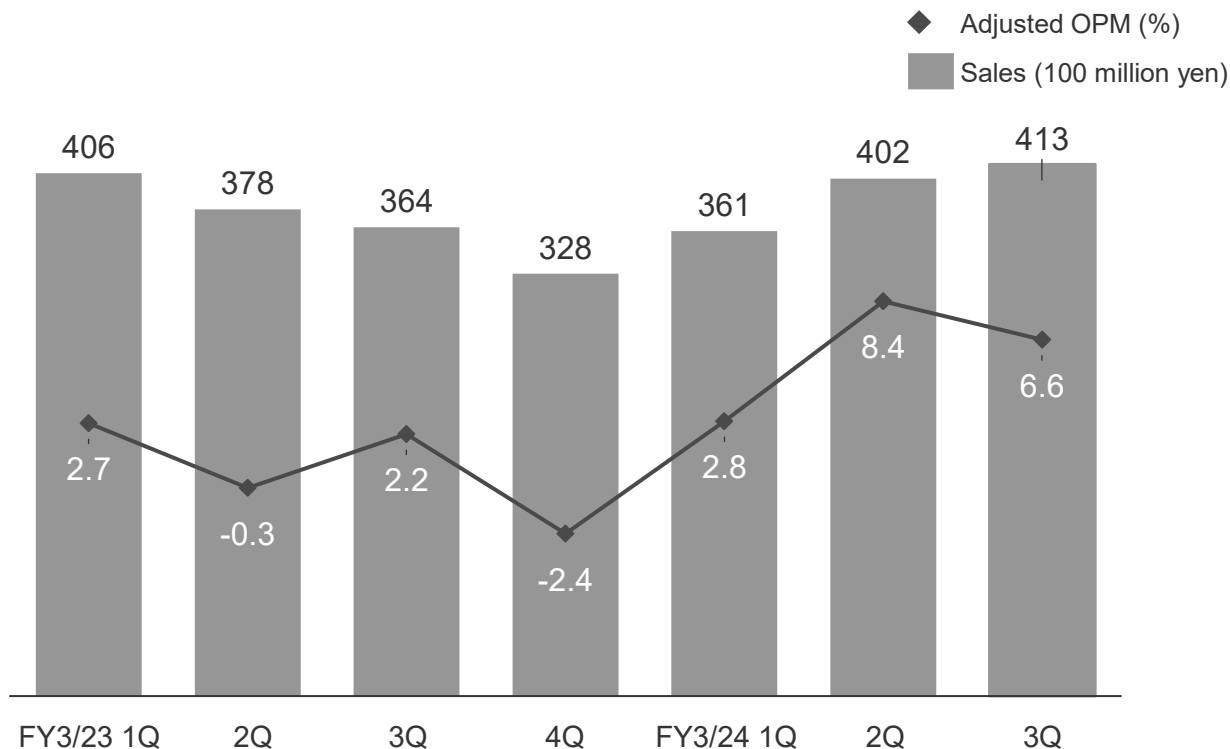




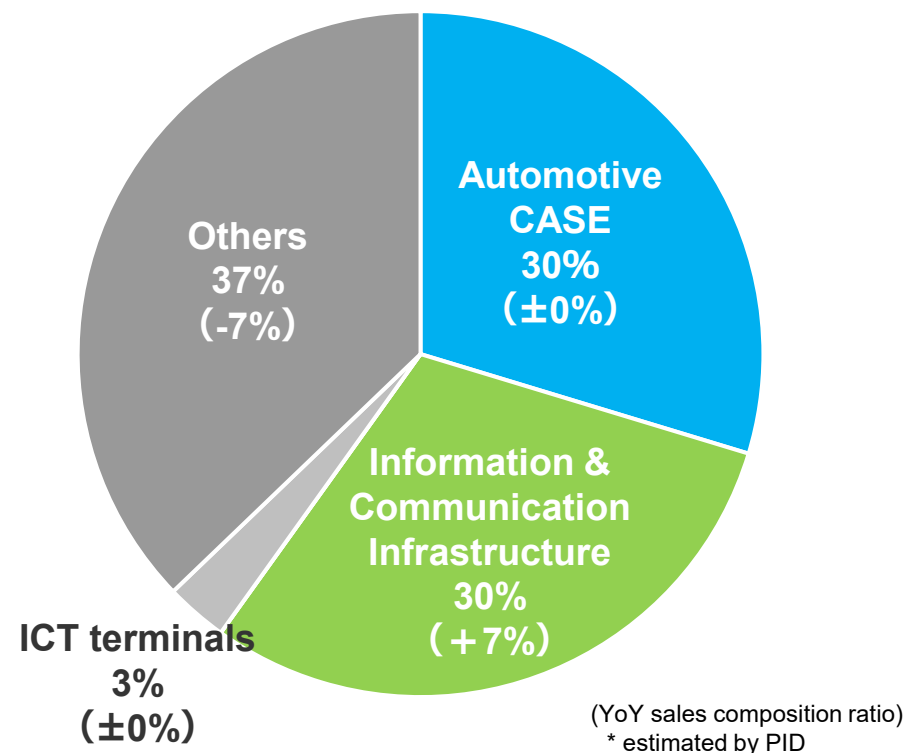
**Electronic Materials**

- **Information & communication infrastructure: Favorable sales in multi-layer circuit board materials for generative AI, despite downturn in market conditions for servers and data centers**
- **Overall: YoY increase of both sales and profit continued from FY3/24 2Q, due mainly to increased demand for generative AI related products and efforts in price revisions and rationalization**

Sales & adjusted OPM trend



FY3/24 3Q results  
Sales composition by application\*



## Overview

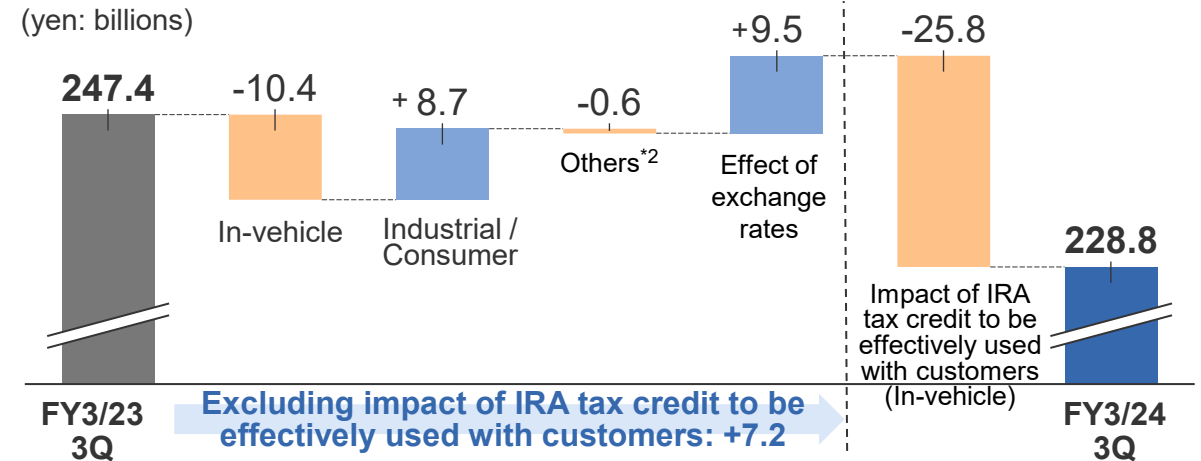
(yen: billions)	FY3/24 3Q	YoY (year-on-year)
Sales	<b>228.8</b>	92% (89%)*1
Adjusted operating profit (% to sales)	<b>30.6</b> (13.4%)	+30.0
Other income/loss	<b>-0.4</b>	0.0
Operating profit (% to sales)	<b>30.2</b> (13.2%)	+30.0

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

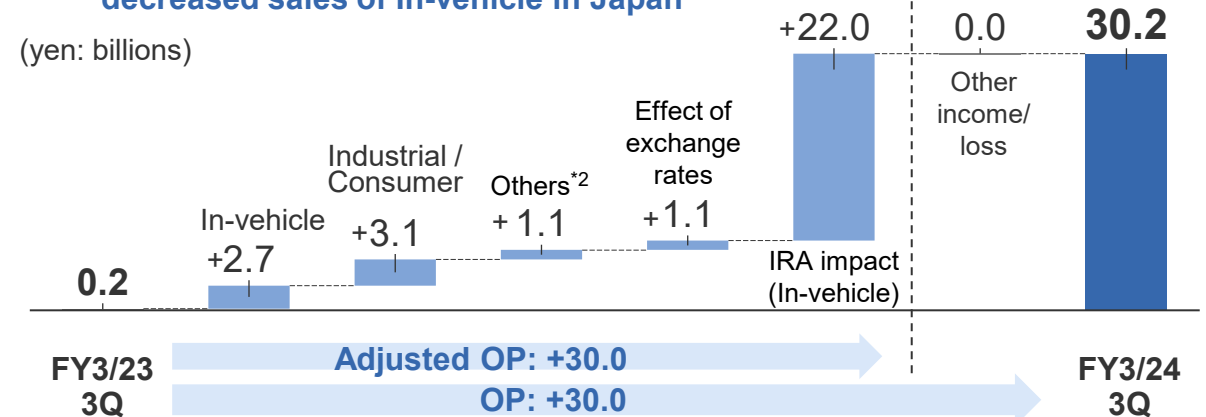
## Major increase/decrease factors

	In-vehicle	Industrial / Consumer
Adjusted OP	<ul style="list-style-type: none"> <li>+ : Increased sales at North America factory, improved balance between raw materials and selling price</li> <li>• IRA impact recorded (+22.0 billion yen): 22.0 bil. yen = 47.8 bil. yen (tax credit for 3Q sales) - 25.8 bil. yen (“effective use with customers”)</li> <li>- : Decreased production and sales in Japan due to changes in demand by IRA</li> <li>• Increased fixed costs (e.g. 4680 cells development, Kansas factory construction-related expenses)</li> </ul>	<ul style="list-style-type: none"> <li>+ : Increased sales of energy storage systems for data centers with expansion of generative AI market</li> <li>- : Decreased sales of Li-ion batteries for consumer and power equipment due to weakening market conditions</li> </ul>

**Sales:** Increased in real terms excluding IRA impact, also with effect of exchange rates; In In-vehicle, decreased due to decreased production and sales in Japan, despite favorable sales in North America.  
In Industrial / Consumer, increased driven by energy storage systems



**OP:** Increased even excluding IRA impact due to increased sales of In-vehicle in North America and energy storage systems, improved balance between raw materials and selling price to counter increased fixed costs, despite decreased sales of In-vehicle in Japan



\*2: Segment head office, eliminations, etc.

## In response to decreased demand at Japan factory for FY3/24 2H onward

- ✓ Aim to optimize fixed costs to align with current demand
- ✓ Seize the decrease in demand at the domestic sites as an opportunity, and study the possibility of restructuring the customer base and the product portfolio

	Current action	Initiatives toward growth
Production lines	<ul style="list-style-type: none"> <li>• Shift some of the production lines from in-vehicle to industrial- and consumer-products</li> <li>• Flexibly meet increased demand from customers</li> </ul>	<ul style="list-style-type: none"> <li>• Expand the customer base and restructure the product portfolio               <ul style="list-style-type: none"> <li>- Expand production of 2170 cells</li> <li>- Assess demand for 1865 cells</li> </ul> </li> </ul>
Resources	<ul style="list-style-type: none"> <li>• Downsize production of 1865 cells               <ul style="list-style-type: none"> <li>- Optimize the number of manufacturing personnel</li> <li>- Reduce the fixed energy costs</li> </ul> </li> <li>• Shift to the North American site               <ul style="list-style-type: none"> <li>- Support productivity improvement and contribute to further growth in North America</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Shift to the Wakayama/Kansas sites               <ul style="list-style-type: none"> <li>- Support launch of new products (e.g., 4680 cells) and new sites</li> </ul> </li> <li>• Increase the number of manufacturing and production engineers toward production expansion in the future</li> </ul>

New building at the Suminoe Factory



# Reference: FY3/24 3Q Operating Profit & Net Profit

(yen: billions)

	FY3/24 3Q	FY3/23 3Q	YoY (year-on-year)
Operating profit	127.5	84.4	+43.1
Non-operating income/loss	17.0	4.4	+12.6
Profit before income taxes	144.5	88.8	+55.7
Income taxes	-28.3	-32.2	+3.9
Net profit	116.2	56.6	+59.6
Net profit attributable to Panasonic Holdings Corporation stockholders	110.8	55.6	+55.2
Net profit attributable to non-controlling interests	5.4	1.0	+4.4

# 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% <sup>*1</sup>
Connect	260	4.6%
Industry	390 or more	17% or more <sup>*2</sup>
Energy	330	12.0% <sup>*3</sup>
<b>Group Total</b>	<b>2,000</b>	<b>ROE 10% or more</b>

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

Lifestyle (Panasonic Corporation)	Businesses with Sales Disclosed (Adjusted OP disclosed for underlined businesses)	Major Business Divisions, etc.	Note 1: Sales and profit of CNA (except certain businesses) are also included in LAS, HVAC, and EW
Living Appliances and Solutions Company (LAS)	<ul style="list-style-type: none"> <li>• Kitchen Appliances : Kitchen Appliances BD</li> <li>• Laundry Systems and Vacuum Cleaner : Laundry Systems and Vacuum Cleaner BD</li> <li>• Beauty and Personal Care : Beauty and Personal Care BD</li> </ul>		
Heating & Ventilation A/C Company (HVAC)	<p>Sales disclosed by region (Europe, Japan, China &amp; Northeast Asia)</p> <p>Major Business Divisions: HVAC BD Europe, Commercial Equipment Solutions BD, Residential System Equipment BD</p>		
Cold Chain Solutions Company (CCS)	<ul style="list-style-type: none"> <li>- : Hussmann Corporation, Cold Chain BD</li> </ul>		
Electric Works Company (EW)	<ul style="list-style-type: none"> <li>• Lighting : Lighting BD</li> <li>• Electrical Construction Materials &amp; Living Energy : Electrical Construction Materials &amp; Living Energy BD</li> </ul>		
China and Northeast Asia Company (CNA)	<ul style="list-style-type: none"> <li>- : Smart Life Appliances BD, Building and Housing Solutions BD, Taiwan BD</li> </ul>		
Others	<ul style="list-style-type: none"> <li>- : Sales of other segment products, segment head office, eliminations, etc.</li> </ul>		
Automotive (Panasonic Automotive Systems Co., Ltd.)	<ul style="list-style-type: none"> <li>• <u>Automotive Cockpit Systems</u> : Infotainment Systems BD</li> <li>• Automotive Electronics Systems : HMI Systems BD, Automotive Systems BD, Ficosa International, S.A.</li> <li>• Others : Sales of other segment products, etc.</li> </ul>		
Connect (Panasonic Connect Co., Ltd.)	<ul style="list-style-type: none"> <li>• Avionics : Panasonic Avionics Corporation, Avionics BU</li> <li>• <u>Process Automation</u> : Process Automation BD</li> <li>• Media Entertainment : Media Entertainment BD</li> <li>• Mobile Solutions : Mobile Solutions BD</li> <li>• <u>Gemba Solutions</u> : Gemba Solutions Company</li> <li>• <u>Blue Yonder</u> : Blue Yonder Holding, Inc.</li> <li>• Others : Other businesses, eliminations, etc.</li> </ul>		
Industry (Panasonic Industry Co., Ltd.)	<ul style="list-style-type: none"> <li>• <u>Electronic Devices</u> : Electromechanical Control BD, Industrial Devices BD, Device Solutions BD</li> <li>• <u>FA Solutions</u> : Industrial Devices BD</li> <li>• <u>Electronic Materials</u> : Electronic Materials BD</li> <li>• Others : Electromechanical Control BD, Sales of other segment products, eliminations, etc.</li> </ul>		
Energy (Panasonic Energy Co., Ltd.)	<ul style="list-style-type: none"> <li>• <u>In-vehicle</u> : Mobility Energy BD</li> <li>• <u>Industrial / Consumer</u> : Energy Devices BD, Energy Solutions BD</li> <li>• Others : Segment head office, eliminations, etc.</li> </ul>		
Other	<ul style="list-style-type: none"> <li>• Entertainment &amp; Communication : Panasonic Entertainment &amp; Communication Co., Ltd.</li> <li>• Housing : Panasonic Housing Solutions Co., Ltd.</li> </ul>		Note 2: Equity method income/loss of Prime Planet Energy & Solutions, Inc. is included in "Eliminations & adjustments"
Eliminations & adjustments	<ul style="list-style-type: none"> <li>• Eliminations of intersegment transactions, adjustments of profits and losses not attributable to any segments, and adjustments of consolidations, etc.</li> </ul>		