

# Fiscal 2025 First Quarter Financial Results

July 31, 2024

Panasonic Holdings Corporation

Notes: 1. This is an English translation from the original presentation in Japanese.  
2. In this presentation, "Fiscal 2025" or "FY3/25" refers to the year ending March 31, 2025.

## ■ FY3/25 1Q Financial Results

- **Overall sales: Increased** with increased sales (Connect, Industry) and currency translation, despite decreased sales (Lifestyle, Automotive, Energy)

<Major factors>

- + : Favorable sales of generative AI-related products (Industry, Energy)
- : Decreased sales of A2W in Europe, consumer electronics in China (Lifestyle);  
Demand at Japan factory continued to decrease for In-vehicle (Energy)

- **Adjusted operating profit: Decreased** with decreased profit (Lifestyle, Connect, Energy) despite increased profit (Automotive, Industry)
- **Net Profit\***: **Decreased** due mainly to impact of recording of “one-time gains with the liquidation of Panasonic Liquid Crystal Display” in FY3/24
- **Operating CF**: Slightly increased year-on-year; continue to generate further operating CF
- **IRA**: Decided to elect “Transferable” for most of the tax credit applicable to FY3/24
  - Cost of transfer/monetization recorded in FY3/25 1Q (details on page 2)
  - Timing of monetization **brought forward approx. 2 years** ahead of initial assumption (Monetization scheduled during/after FY3/25 2Q)

\* Net profit attributable to Panasonic Holdings Corporation stockholders

# Impact of US IRA Tax Credit on Financial Results

- ✓ Among monetization methods of “Deductible tax credit,” “Refundable tax credit (direct pay)” and “Transferable tax credit,” **assuming to elect “Refundable” for FY3/25 1Q (same accounting treatment as before)**
- ✓ **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)
- ✓ **In July 2024, decided to elect “Transferable” for most of the tax credit applicable to FY3/24**
  - **Cost of transfer/monetization recorded in FY3/25 1Q**
  - **Timing of monetization brought forward approx. 2 years ahead of initial assumption (monetization scheduled during/after FY3/25 2Q)**

## ■ Amount recorded in profit\*1

**FY3/25 1Q  
Results**

**Adjusted OP**  
(Energy Segment)

<b>16.2 bil. yen</b>	
<b>Tax credit</b>	<b>47.3*2</b>
<b>Effective use with customers</b>	<b>-25.6*3</b>
<b><u>Cost of transfer/monetization</u></b>	<b><u>-5.5</u></b>

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

<b>21.6 bil. yen</b>	
<b>Adjusted OP</b>	<b>16.2</b>
<b>Income taxes</b>	<b>5.4*4</b>

\*1 Monetization expected after a certain time lag from profit recording when electing “Refundable”

\*2 FY3/25 1Q production & sales results: 8.7 GWh x \$35/kWh x 156 yen/dollar

\*3 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)

- -23.6 bil. yen: half of tax credit for FY3/25 1Q (47.3 bil. yen)

- -2.0 bil. yen: amount equivalent to FY3/25 1Q 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)

\*4 “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)

# FY3/25 1Q Financial Results

(yen: billions)

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

	FY3/25 1Q		FY3/24 1Q		YoY (year-on-year)			
		Excl. IRA tax credit		Excl. IRA tax credit			Excl. IRA tax credit	
Sales	2,121.7	2,141.8	2,029.7	2,053.9	105%	+92.0	104%	+87.9
					(98%)*4	(-37.7)*4	(98%)*4	(-44.2)*4
Adjusted OP*1 (% to sales)	84.3 (4.0%)	68.1 (3.2%)	92.8 (4.6%)	72.0 (3.5%)	91%	-8.5	95%	-3.9
Other income/loss*2	-0.5	-0.5	-2.4	-2.4	-	+1.9	-	+1.9
OP (% to sales)	83.8 (3.9%)	67.6 (3.2%)	90.4 (4.5%)	69.6 (3.4%)	93%	-6.6	97%	-2.0
Profit before income taxes (% to sales)	104.7 (4.9%)	88.5 (4.1%)	108.7 (5.4%)	87.9 (4.3%)	96%	-4.0	101%	+0.6
Net profit attributable to Panasonic Holdings Corporation stockholders (% to sales)	70.6 (3.3%)	49.0 (2.3%)	200.9*5 (9.9%)	174.1*5 (8.5%)	35%	-130.3	28%	-125.1
EBITDA*3 (% to sales)	196.7 (9.3%)	180.5 (8.4%)	197.5 (9.7%)	176.7 (8.6%)	100%	-0.8	102%	+3.8
Exchange rates	1 US dollar	156 yen	156 yen	137 yen		+19 yen		+19 yen
	1 Euro	168 yen	168 yen	149 yen		+19 yen		+19 yen
	1 Renminbi	21.5 yen	21.5 yen	19.6 yen		+1.9 yen		+1.9 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: Total amount of Operating profit, Depreciation (Tangible assets including property, plant and equipment / Right-of-use assets) and Amortization (Intangible assets). Adjusted with:  
 - amount equivalent to depreciation corresponding to underlying assets that are applied with Lease accounting treatment as a lessor  
 - impact of temporary accounting treatment related to "re-evaluation of assets and liabilities" upon Blue Yonder acquisition

\*4: Excluding effect of exchange rates; Including price revision impact (-17.0 bil. yen) reflecting lower raw material prices in In-vehicle (Energy)

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

# FY3/25 1Q Results by Segment

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

(yen: billions)	Sales	YoY (excl. FX)	Adjusted OP (%)	YoY	Other income/ loss	YoY	OP (%)	YoY	EBITDA*1 (%)	YoY
Lifestyle	868.0	104% (99%)	22.4 2.6%	-16.4	1.4	+1.2	23.8 2.7%	-15.2	53.2 6.1%	-12.0
Automotive	363.6	107% (99%)	10.8 3.0%	+5.2	4.0	+3.9	14.8 4.1%	+9.1	29.2 8.0%	+9.0
Connect	297.9	113% (104%)	5.2 1.7%	-1.3	0.9	+1.2	6.1 2.1%	-0.1	25.1 <sup>*2</sup> 8.4%	+1.2
Industry	274.5	110% (102%)	17.7 6.5%	+14.4	-0.3	-0.5	17.4 6.4%	+13.9	32.9 12.0%	+15.1
Energy	211.9	89% (79%)	21.7 10.2%	-8.5	-0.1	+0.6	21.6 10.2%	-7.9	39.4 <sup>*3</sup> 18.6%	-6.9
Excl. IRA tax credit	232.0	88% (79%)	5.5 2.4%	-3.9	-0.1	+0.6	5.4 2.3%	-3.3	23.2 <sup>*3</sup> 10.0%	-2.3
Other/ Eliminations & adjustments	105.8	-	6.5	-1.9	-6.4	-4.5	0.1	-6.4	16.9	-7.2
<b>Total</b>	<b>2,121.7</b>	<b>105% (98%)</b>	<b>84.3 4.0%</b>	<b>-8.5</b>	<b>-0.5</b>	<b>+1.9</b>	<b>83.8 3.9%</b>	<b>-6.6</b>	<b>196.7 9.3%</b>	<b>-0.8</b>

\*1: Total amount of Operating profit, Depreciation (Tangible assets including property, plant and equipment / Right-of-use assets) and Amortization (Intangible assets)

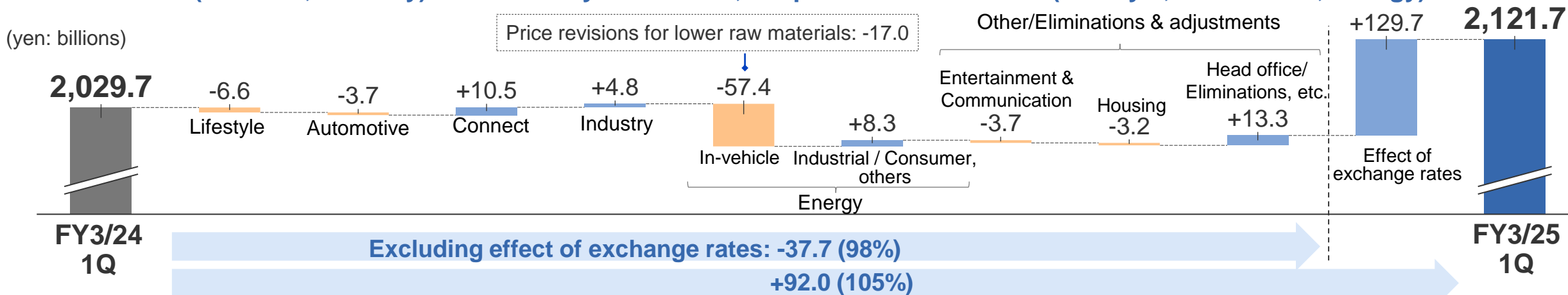
\*2: Adjusted with impact of temporary accounting treatment related to "re-evaluation of assets and liabilities" upon Blue Yonder acquisition

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

# FY3/25 1Q Sales Analysis by Segment

Overall sales increased:

Increased sales (Connect, Industry) and currency translation, despite decreased sales (Lifestyle, Automotive, Energy)



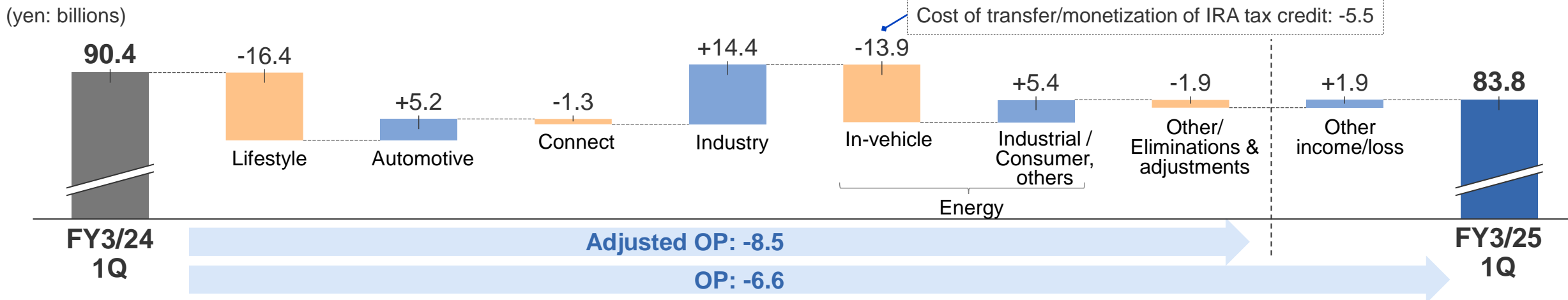
## Major increase/decrease factors (excluding effect of exchange rates)

% represents the year-on-year change relative to the previous year's figure

Lifestyle	<b>Decreased</b> overall: Aggregated sales of 4 divisional companies* were at the same level YoY; decreased sales (e.g. A2W in Europe, consumer electronics in China), increased sales (e.g. electrical construction materials in India, showcases, room air conditioners); however, decreased sales for other segment products
Automotive	<b>Decreased</b> : Discontinuation of production for certain models, sluggish sales in China, impact of reduced production by car manufacturers
Connect	<b>Increased</b> : Process Automation capturing recovery trend of smartphone demand in China, Gemba Solutions and Avionics
Industry	<b>Increased</b> : Increased sales of products for generative AI servers (capacitors, multi-layer circuit board materials) and ICT terminals (capacitors), despite decreased sales of industrial-use relays in Europe and China
Energy	<ul style="list-style-type: none"> <li>In-vehicle: <b>Decreased</b>: Demand at Japan factory continued to decrease, price revisions reflecting lower raw material prices, etc. Production in North America decreased in 1Q, adapting to temporary production adjustment; however, recovery now seen with increased models eligible for IRA tax credit, expecting favorable sales in 2Q onward</li> <li>Industrial / Consumer: <b>Increased</b> overall with favorable sales of energy storage systems for data centers driven by generative AI market, despite weak sales of secondary batteries for consumer- and power equipment-use</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 mainly by slowdown of new housing starts</li> </ul>

# FY3/25 1Q Operating Profit Analysis by Segment

## Adjusted OP decreased: Decreased profit (Lifestyle, Connect, Energy) despite increased profit (Automotive, Industry)



### Adjusted OP: Major increase/decrease factors

Lifestyle	<b>Decreased:</b> Decreased sales (A2W in Europe, consumer electronics in China) and negative impact of exchange rates, despite increased sales (e.g. electrical construction materials in India, showcases, room air conditioners)
Automotive	<b>Increased:</b> Improved product mix, rationalization and price revisions to offset price hikes in parts & materials, despite increased fixed costs and decreased sales
Connect	<b>Decreased:</b> Decreased sales of Media Entertainment, upfront investments in Avionics and increased strategic investments in Blue Yonder, despite increased sales of Process Automation and Gemba Solutions
Industry	<b>Increased:</b> Increased sales of products for generative AI servers (capacitors, multi-layer circuit board materials), fixed-cost reduction, and effect of yen depreciation
Energy	<ul style="list-style-type: none"> <li>In-vehicle: <b>Decreased:</b> Decreased production in Japan, increased ramp-up costs for Wakayama and Kansas factories, and cost of transfer/monetization of IRA tax credit, despite improved profitability of North America factory (e.g. rationalization of raw materials)</li> <li>Industrial / Consumer: <b>Increased:</b> Increased sales of energy storage systems for data centers with favorable conditions in generative AI market</li> </ul>



# Lifestyle Segment: FY3/25 1Q Results by Divisional Company

(yen: billions)

	Sales	YoY (excl. FX)	Adjusted OP (%)	YoY	Other income/ loss	YoY	OP (%)	YoY	EBITDA* <sup>2</sup> (%)	YoY
Living Appliances and Solutions Company (LAS)	197.5	99% (94%)	8.4 4.3%	-5.1	0.1	+0.2	8.5 4.3%	-4.9	15.3 7.8%	-4.3
Heating & Ventilation A/C Company (HVAC)	265.7	115% (108%)	6.3 2.4%	-5.9	0.4	-0.4	6.7 2.5%	-6.3	15.4 5.8%	-4.4
Cold Chain Solutions Company (CCS)	104.5	112% (102%)	5.2 5.0%	-0.2	0.2	+0.2	5.4 5.1%	+0.0	7.9 7.6%	+0.3
Electric Works Company (EW)	231.2	100% (99%)	10.5 4.6%	-1.9	-0.4	+0.9	10.1 4.4%	-1.0	17.6 7.6%	-0.5
China and Northeast Asia Company (CNA)* <sup>1</sup>	226.9	110% (101%)	13.4 5.9%	-3.1	2.2	+0.2	15.6 6.9%	-2.9	20.9 9.2%	-2.4

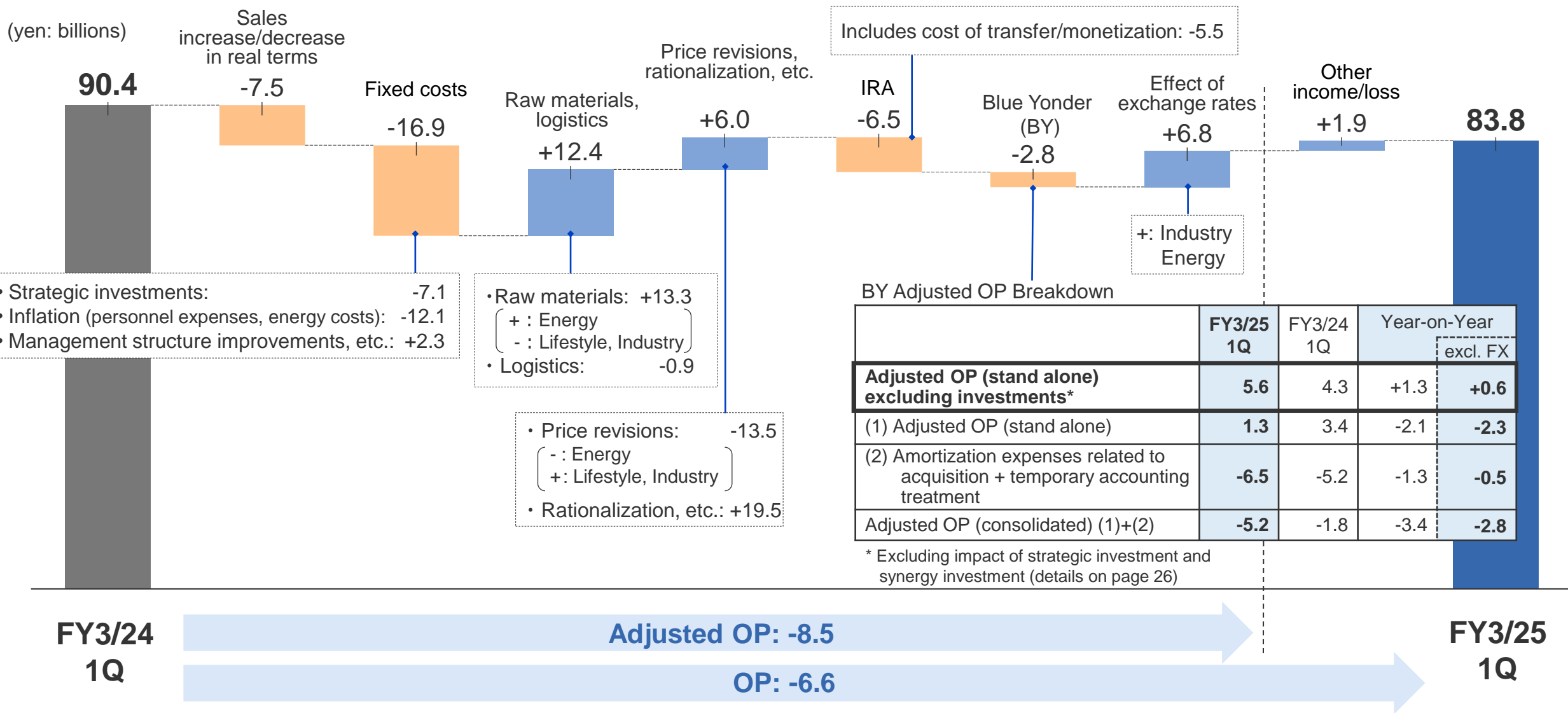
\*1: Sales and profit of CNA (except certain businesses) are also included in LAS, HVAC, and EW

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



# FY3/25 1Q Operating Profit Analysis (by Factor)

**Adjusted OP decreased: Decreased sales and increased fixed costs for future growth, despite progress in rationalization, etc.**

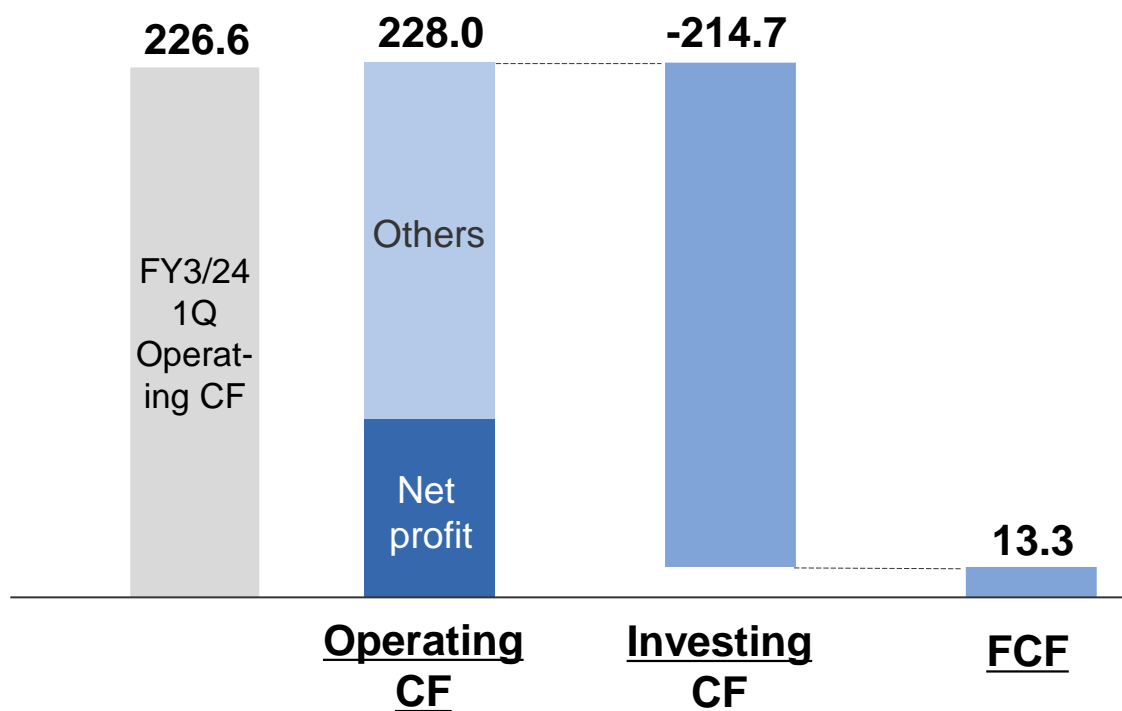


# FY3/25 1Q Cash Flows and Cash Positions

- ✓ Operating CF increased slightly year-on-year
- ✓ Continue to generate further operating CF toward medium-term target (3-year cumulative operating CF of 2 tr. yen)

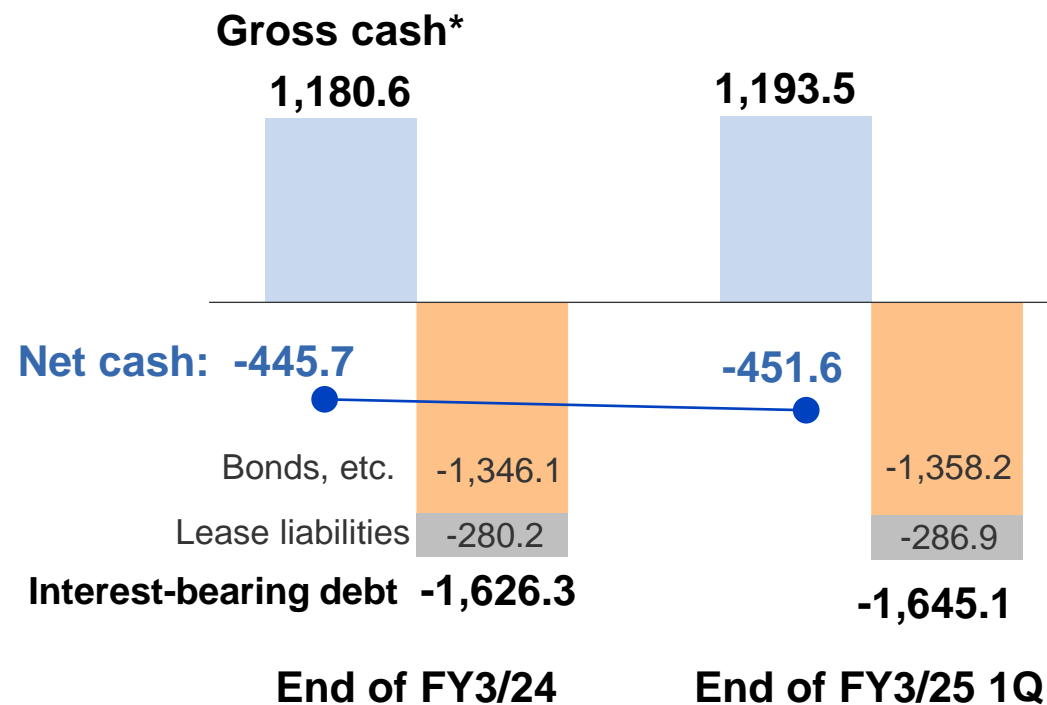
## Cash Flows

(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"

# Initiatives in Investment Areas

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

Underlined: Changes/progress from May 2024

## Automotive Battery

**Achieve profit growth focusing on North America market where we can leverage advantages (high-capacity cells) with strong business foundation, along with Japan market**

**[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); mass production of 2170 cells set to start in FY3/25 4Q
- Anode (graphite): Announced investment and long-term agreement for supply of natural graphite with Canada-based Nouveau Monde Graphite; Announced long-term agreement with Australia-based NOVONIX for supply of synthetic graphite (shipped from Tennessee, US); Both agreements strengthen North America supply chain for graphite
- Anode (silicon material): Agreement signed with UK-based Nexeon and US-based Sila Nanotechnologies Inc. to purchase silicon anode material, enabling production of higher-energy-density EV batteries

**[Expand sales channel]**

- Signed basic cooperative agreement with SUBARU CORPORATION (announced Mar. 19, '24) and agreed with Mazda Motor Corporation toward supply of battery (announced Mar. 29, '24); Establish medium- to long-term partnerships aiming to supply batteries for battery EVs to be launched in latter half of 2020s

**[Commercialization of 4680 cells]**

- Mass production at Wakayama scheduled to begin in FY3/25 2Q, 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]**

- Conducted necessary initiatives for business growth; SaaS ARR increased 1.5x since acquisition of Blue Yonder
- Toward enhancing end-to-end solutions, in FY3/24, concluded acquisition of UK-based Doodle (return management) and Germany-based Flexis (production optimization and transportation planning & execution); agreed to acquire US-based One Network Enterprises (create multi-enterprise supply chain ecosystem) for further competitiveness enhancement through M&A

**[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

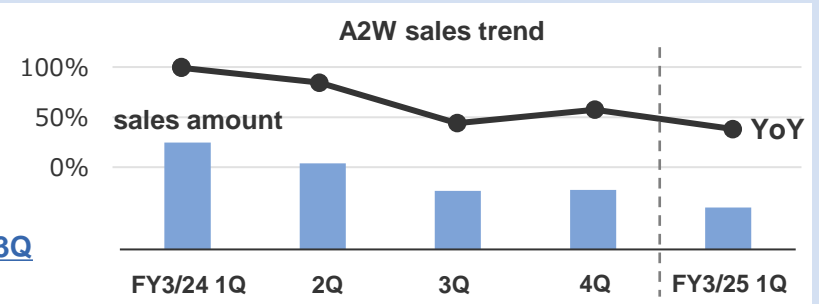
**Persistent market slowdown for A2W; in preparation for market recovery, efforts continued to enhance competitiveness**

**[External environment]**

- European economy: ECB lowered policy interest rate in June 2024 (4.5% to 4.25%)
- Subsidies: Improved in Germany (added multi-unit housing) and France (eased eligibility requirements)
- Gas/electricity prices: No significant change in the price difference between gas and electricity

**[Competitiveness enhancement]**

- Panasonic brand models made by Innova (capital & business alliance) to be launched in FY3/25 3Q
- Collaboration products with tado° (business alliance) to be launched in FY3/25 3Q



**Panasonic Connect announced a strategic capital partnership\* with ORIX Corporation regarding its projector business and related operations, aiming to accelerate further growth**

**(Share ratio of new company: 80% by ORIX Corporation and 20% by Panasonic Connect Co., Ltd.)**

\* Scheduled to be executed on April 1, 2025

## Objectives

- ✓ **Achieve further growth by leveraging Panasonic Connect's technological expertise and customer base, as well as ORIX Corporation's investment capability, along with knowledge and experience cultivated through investments in numerous companies including manufacturing and large corporations**
- ✓ **Enable continuous R&D investments in hardware technologies, as well as execution of inorganic growth strategies such as formulating global strategic alliances**

### Transfer price

EV basis (excl. cash and debt)

**118.5 billion yen**

**(To be allocated to Panasonic Connect's investment area)**

- Final transfer price will be determined after certain price adjustments, etc. under share transfer agreement
- After the transaction, Panasonic Connect will hold shares equivalent to 20% of the voting rights in the new company

### Sales recorded in FY3/24

for business subject to transaction

**Approx. 77.0 billion yen**

**Panasonic Group**

## **Disclaimer Regarding Forward-looking Statements**

*This presentation includes forward-looking statements about Panasonic Holdings Corporation (the "Company") 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. The Company 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 the Company 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 demands for corporate capital expenditures in the major markets including, but not limited to, the Americas, Europe, Japan, China and other Asian countries as well as changes of demands for a wide range of electronic products & parts from the industrial world and consumers in various regional markets; excessive currency rate fluctuations of the U.S. dollar, the euro, the Chinese yuan and other currencies against the yen having an impact on costs and prices of the Panasonic Group's products & services as well as certain other transactions that are denominated in these foreign currencies; increased costs of or limitations on raising funds, because of changes in the fund raising environment including interest rate fluctuations; current or future political or social trends in and outside Japan or changes in rules & regulations of international trade, commerce, R&Ds, production or sales having impact on the Panasonic Group or the business activities in its supply chain; introduction or enhancement of rules & regulations or abolition or reduction of tax benefit or subsidy related mainly to the environment issues including the climate change as well as to responsible supply chain (in terms of human rights, labor, health & safety global environmental conservation, information security, business ethics and others); increased costs resulting from a leakage of customers' or confidential information from IT systems of the Panasonic Group or its supply chain or business suspension caused by unauthorized access, cyberattacks or any other form of malicious, actions on the IT systems or from vulnerability of network-connected products; failure to secure or retain enough workforces to execute its business strategy; failure to retain its competitiveness in a wide range of products & services or in major countries & regions; failure to produce expected results in alliances with other companies or M&A (mergers & acquisitions) activities; failure to produce expected results in current or future business transformations of the Panasonic Group; occurrence or lengthening of disruptions in its supply chain or logistics for or price hikes in parts & materials; downward price pressure or decrease in demands for the products at a level that can be offset with efforts by the Company; failure to respond to future changes in the market needs with technological innovations or to timely utilize new technologies such as AI (Artificial Intelligence); increased costs or losses caused by occurrence of events such as compliance violations (including those related human rights or labor issues) or serious health & safety accidents in workplaces; increased costs or losses resulting from any defects or quality frauds in products or services of the Panasonic Group; infringement by third parties of intellectual property owned by the Panasonic Group or restrictions on the use of intellectual property owned by third parties; administrative/criminal penalties or compensations/damages claims resulting from violations of laws and regulations; large-scale natural disasters, global pandemics of infectious diseases, terrorism or wars; fluctuations in market prices of securities and other financial assets in which the Panasonic Group has holdings, excessive fluctuations of valuation of non-financial assets, including property, plant and equipment, goodwill and deferred tax assets, or changes or tightening of accounting policies or rules; The factors listed above are not all-inclusive and further information is contained in the most recent English translated version of the Company's securities reports under the FIEA and any other documents which are disclosed on its website.*

# 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 (in FY3/25 4Q)**
- ✓ **Currently, requirements indicated below are met; Expected to meet going forward** even with stricter requirements
- ✓ **Our battery components are FEOC-compliant** (rules applied from end of 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><u>Compliant</u></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><u>Build FEOC-compliant supply chain</u></b>
	FEOC rules to apply from:			December 31, 2024~*					

Meeting requirements and also FEOC-compliant

\*Graphite: December 31, 2026~



# 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. Final rules for section 30D (stipulating tax credits for vehicle purchasers) released in May 2024.**

## 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; public hearing conducted)**

## 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* <sup>2</sup> in North America	\$3,750
Critical minerals extracted & processed* <sup>2</sup> within FTA countries* <sup>1</sup>	\$3,750

\*<sup>1</sup> Although Japan is not an FTA country, conditions have been relaxed to include Japan

\*<sup>2</sup> Yearly thresholds set for extraction/production locations of battery components & critical minerals. FEOC restrictions apply (battery components: 2024~, critical minerals\*: 2025~)

\*Graphite: 2027~

➔ **✓ Final guidance of definition of FEOC released in March 2024**  
**✓ Final rules released in May 2024, effective from July 5.**  
**(No substantial changes from our understanding when the financial results were announced on May 9)**

# 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

<b>Foreign Entity</b>	and	<b>(1) Subject to the Jurisdiction</b>	or	<b>(2) Owned by, Controlled by, or Subject to the Direction</b>
<ul style="list-style-type: none"> <li>I. A government of a foreign country;</li> <li>II. A natural person who is not a lawful permanent resident of the United States, citizen of the United States, or any other protected individual;</li> <li>III. A partnership, association, corporation, organization, or other combination of persons organized under the laws of or having its principal place of business in a foreign country; or</li> <li>IV. An entity organized under the laws of the United States that is owned by, controlled by, or subject to the direction of an entity that qualifies as a foreign entity in paragraphs (I–III).</li> </ul>		<ul style="list-style-type: none"> <li>✓ The foreign entity is <b>incorporated</b> or <b>domiciled</b> in, or <b>has its principal place of business</b> in, a covered nation; or</li> <li>✓ With respect to the <b>critical minerals, components, or materials of a given battery</b>, the foreign entity engages in the <b>extraction, processing, or recycling</b> of such critical minerals, the <b>manufacturing</b> or <b>assembly</b> of such components, or the processing of such materials, in a covered nation.</li> </ul>		<ul style="list-style-type: none"> <li>✓ <b>25% or more of the entity's board seats, voting rights, or equity interest are cumulatively held by that other entity</b>, whether directly or indirectly via one or more intermediate entities (including the government of a foreign country that is a covered nation)</li> </ul>

## FEOC restrictions

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

\*Graphite: December 31, 2026~

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
  - New Kansas Factory: upon start of production & sales (FY3/25 4Q)
- ✓ **Wakayama Factory: expecting mass production of 4680 cells in FY3/25 2Q**

	<u>Factories</u>	<u>Credit effective from</u>	<u>Annual production</u>
<b>US</b>	<b>Nevada</b>	<b>Jan. 2023 onwards</b>	<b>Approx. 38-39 GWh</b> (as of end of FY3/24)
	<b>Kansas*</b> (New factory)	<b>Start of production &amp; sales</b> (Planned for FY3/25 4Q)	<b>Approx. 30 GWh</b> (at full production capacity)
<b>Japan</b>	• Suminoe/Kaizuka • Wakayama	<b>N/A</b>	<b>Approx. 10 GWh</b> (as of end of FY3/24)

<Ref.> Simple calculation:  
\$35/kWh x annual production

**Approx. \$1.3 bil./yr**

**Approx. \$1.0 bil./yr**

-

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

# Reference: Impact of US IRA Tax Credit on Financial Results (Unchanged from initial forecast as of May 9)

- ✓ Among monetization methods of “Deductible tax credit,” “Refundable tax credit (direct pay)” and “Transferable tax credit,” assuming to elect “Refundable,” same as before
- ✓ 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 in profit\*1

	Adjusted OP (Energy Segment)	Net profit attributable to Panasonic Holdings Corporation stockholders		
<b>FY3/24 Results</b>	<b>86.8 bil. yen</b>	<b>111.8 bil. yen</b>		
	Tax credit 188.2*2	Adjusted OP 86.8		
	Effective use with customers -101.4*3	Income taxes 25.0*6		
<b>FY3/25 Forecast</b>	<b>87.0 bil. yen</b>	<b>110.0 bil. yen</b>	}	
	Tax credit 188.0*4	Adjusted OP 87.0		<b>Unchanged from initial forecast</b>
	Effective use with customers -101.0*5	Income taxes 23.0*6		

\*1: Monetization expected after a certain time lag from profit recording when electing “Refundable”

\*2: FY3/24 production & sales results: 37.2 GWh x \$35/kWh x 145 yen/dollar

\*3: 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)

-94.1 bil. yen: half of tax credit for FY3/24 (188.2 bil. yen)

-7.3 bil. yen: amount equivalent to FY3/24 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)

\*4: FY3/25 production & sales forecast: 38.2 GWh x \$35/kWh x 140 yen/dollar

\*5: -94.0 bil. yen: half of tax credit for FY3/25 (188.0 bil. yen)

-7.0 bil. yen: amount equivalent to FY3/25 out of the half of 40.0 bil. Yen recorded in profit in FY3/23 4Q

\*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)

# Reference: FY3/25 Forecast (Unchanged from initial forecast as of May 9)

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

(yen: billions)	FY3/25 (e)	Excl. IRA tax credit
Sales	<b>8,600.0</b>	8,701.0
Adjusted operating profit* <sup>1</sup> (% to sales)	<b>450.0</b> (5.2%)	363.0 (4.2%)
Other income/loss* <sup>2</sup>	<b>-70.0</b>	-70.0
Operating profit (% to sales)	<b>380.0</b> (4.4%)	293.0 (3.4%)
Profit before income taxes (% to sales)	<b>430.0</b> (5.0%)	343.0 (3.9%)
Net profit attributable to Panasonic Holdings Corporation stockholders (% to sales)	<b>310.0</b> (3.6%)	200.0 (2.3%)
EPS* <sup>3</sup>	<b>132.80 yen</b>	-
ROE	<b>7.0%</b>	-
EBITDA* <sup>4</sup> (% to sales)	<b>860.0</b> (10.0%)	773.0 (8.9%)
Exchange rates		
1 US dollar	<b>140 yen</b>	140 yen
1 Euro	<b>150 yen</b>	150 yen
1 Renminbi	<b>20.0 yen</b>	20.0 yen

FY3/24	Excl. IRA tax credit	YoY (year-on-year)	Excl. IRA tax credit
8,496.4	8,597.8	101% Excl. FX(103%)	+103.6 101% +103.2
390.0 (4.6%)	303.2 (3.5%)	115%	+60.0 120% +59.8
-29.0	-29.0	-	-41.0 - -41.0
361.0 (4.2%)	274.2 (3.2%)	105%	+19.0 107% +18.8
425.2 (5.0%)	338.4 (3.9%)	101%	+4.8 101% +4.6
444.0* <sup>5</sup> (5.2%)	332.2* <sup>5</sup> (3.9%)	70%	-134.0 60% -132.2
190.21 yen	-	-	-57.41 yen - -
10.9%	-	-	-3.9% - -
805.9 (9.5%)	719.1 (8.4%)	107%	+54.1 107% +53.9
145 yen	145 yen		-5 yen -5 yen
157 yen	157 yen		-7 yen -7 yen
20.1 yen	20.1 yen		-0.1 yen -0.1 yen

\*1: Sales - Cost of sales - SG&A

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

\*3: Basic earnings per share attributable to Panasonic Holdings Corporation stockholders

\*4: Total amount of Operating profit, Depreciation (Tangible assets including property, plant and equipment/ Right-of-use assets) and Amortization (Intangible assets).

Adjusted with: - amount equivalent to depreciation corresponding to underlying assets that are applied with Lease accounting treatment as a lessor  
- impact of temporary accounting treatment related to "re-evaluation of assets and liabilities" upon Blue Yonder acquisition

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

# Reference: FY3/25 Forecast by Segment (Unchanged from initial forecast as of May 9)

(yen: billions)

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

	Sales	YoY	Adjusted OP (% to sales)	YoY	Other income/ loss	YoY	OP (% to sales)	YoY	EBITDA*1 (% to sales)	YoY
Lifestyle	3,540.0	102% (+83.5)	135.0 3.8%	+1.2	-5.0	+9.1	130.0 3.7%	+10.3	253.0 7.1%	+22.3
Automotive	1,460.0	98% (-31.9)	43.0 2.9%	+1.8	1.0	-0.6	44.0 3.0%	+1.2	95.0 6.5%	-6.5
Connect	1,240.0	103% (+34.7)	75.0 6.0%	+31.4	-2.0	+2.5	73.0 5.9%	+33.9	145.0*2 11.7%	+30.9
Industry	1,060.0	102% (+17.4)	53.0 5.0%	+21.8	-4.0	-3.9	49.0 4.6%	+17.9	115.0 10.8%	+24.3
Energy	877.0	96% (-38.9)	111.0 12.7%	+16.4	-2.0	+3.8	109.0 12.4%	+20.2	187.0*3 21.3%	+26.6
Excl. IRA tax credit	978.0	96% (-39.3)	24.0 2.5%	+16.2	-2.0	+3.8	22.0 2.2%	+20.0	100.0*3 10.2%	+26.4
Other/ Eliminations & adjustments	423.0	-	33.0	-12.6	-58.0	-51.9	-25.0	-64.5	65.0	-43.5
<b>Total</b>	<b>8,600.0</b>	<b>101% (+103.6)</b>	<b>450.0 5.2%</b>	<b>+60.0</b>	<b>-70.0</b>	<b>-41.0</b>	<b>380.0 4.4%</b>	<b>+19.0</b>	<b>860.0 10.0%</b>	<b>+54.1</b>

\*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



# Reference: Lifestyle Segment: FY3/25 Forecast by Divisional Company

(Unchanged from initial forecast as of May 9)

(yen: billions)

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

	Sales	YoY	Adjusted OP (%)	YoY	Other income/ loss	YoY	OP (%)	YoY	EBITDA* <sup>2</sup> (%)	YoY
Living Appliances and Solutions Company (LAS)	875.0	101% (+7.7)	55.0 6.3%	+6.9	0.0	+5.1	55.0 6.3%	+12.0	85.0 9.7%	+15.0
Heating & Ventilation A/C Company (HVAC)	880.0	108% (+66.1)	17.0 1.9%	+2.3	-1.0	+5.9	16.0 1.8%	+8.2	51.0 5.8%	+13.5
Cold Chain Solutions Company (CCS)	400.0	101% (+4.0)	21.0 5.3%	+0.7	0.0	+0.1	21.0 5.3%	+0.8	30.0 7.5%	+0.2
Electric Works Company (EW)	1,060.0	102% (+16.8)	73.0 6.9%	+2.6	-5.0	-0.3	68.0 6.4%	+2.3	100.0 9.4%	+5.2
China and Northeast Asia Company (CNA)* <sup>1</sup>	768.0	105% (+35.6)	35.0 4.6%	-0.5	1.0	+4.8	36.0 4.7%	+4.3	58.0 7.6%	+5.9

\*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)



### Overview

(yen: billions)	FY3/25 1Q	YoY (year-on-year)
Sales	<b>868.0</b>	104% (99%)*1
Adjusted operating profit (% to sales)	<b>22.4</b> (2.6%)	-16.4
Other income/loss	<b>1.4</b>	+1.2
Operating profit (% to sales)	<b>23.8</b> (2.7%)	-15.2

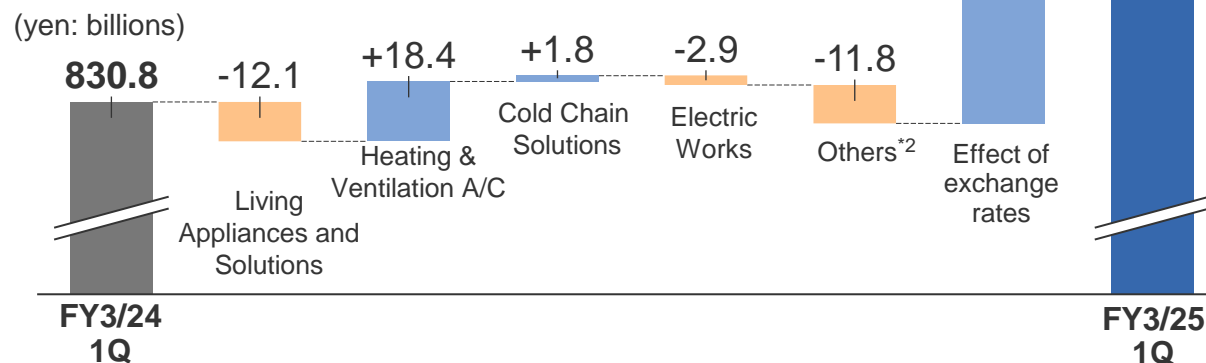
\*1: In real terms excluding the effect of exchange rates

### Major increase/decrease factors

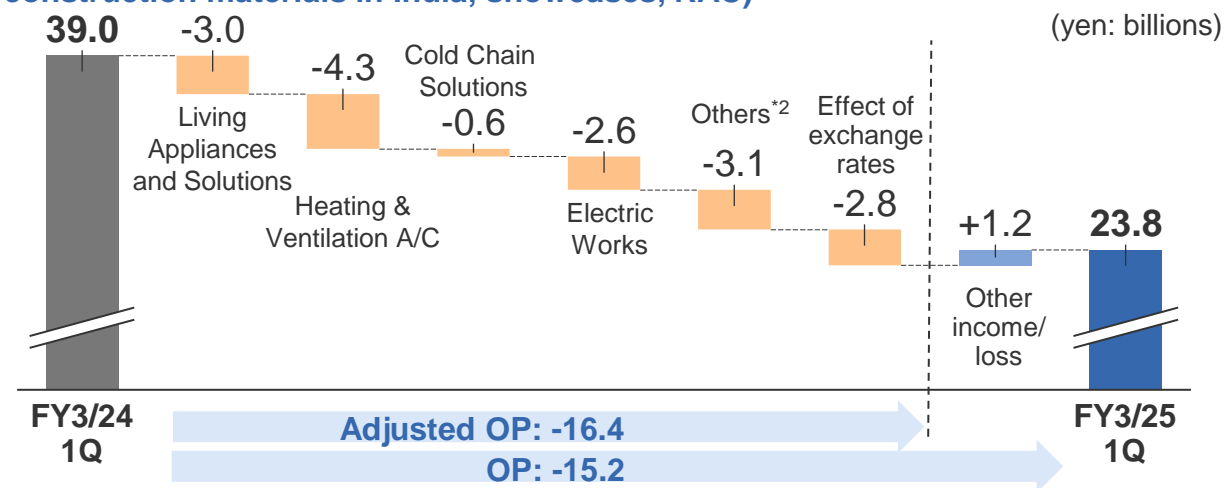
Adjusted OP	Living Appliances and Solutions Company (LAS)	+: Market share in Japan showing signs of improvement -: • Shrinking demand in China • Currency impact for sales in Japan
	Heating & Ventilation A/C Company (HVAC)	+: • Increased sales of room air conditioners (RAC), etc. • Effect of rationalization -: • Decreased demand of A2W in Europe • Currency impact for sales of RAC in Japan
	Cold Chain Solutions Company (CCS)	+: Steady sales of showcases in Japan
	Electric Works Company (EW)	+: Steady sales of electrical construction materials in India -: Decrease in construction starts due to labor shortages
Other income/loss	Gains from sale of fixed assets, etc.	

Sales decreased overall (excluding effect of exchange rates):  
 Aggregated sales of 4 divisional companies\* were at the same level YoY;  
 decreased sales (A2W in Europe, consumer electronics in China), increased sales (e.g. electrical construction materials in India, showcases, RAC);  
 however, decreased sales for other segment products

\* LAS, HVAC, CCS, EW



OP decreased: Decreased sales of A2W in Europe, consumer electronics in China, and negative impact of exchange rates, despite increased sales (e.g. electrical construction materials in India, showcases, RAC)



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

### Overview

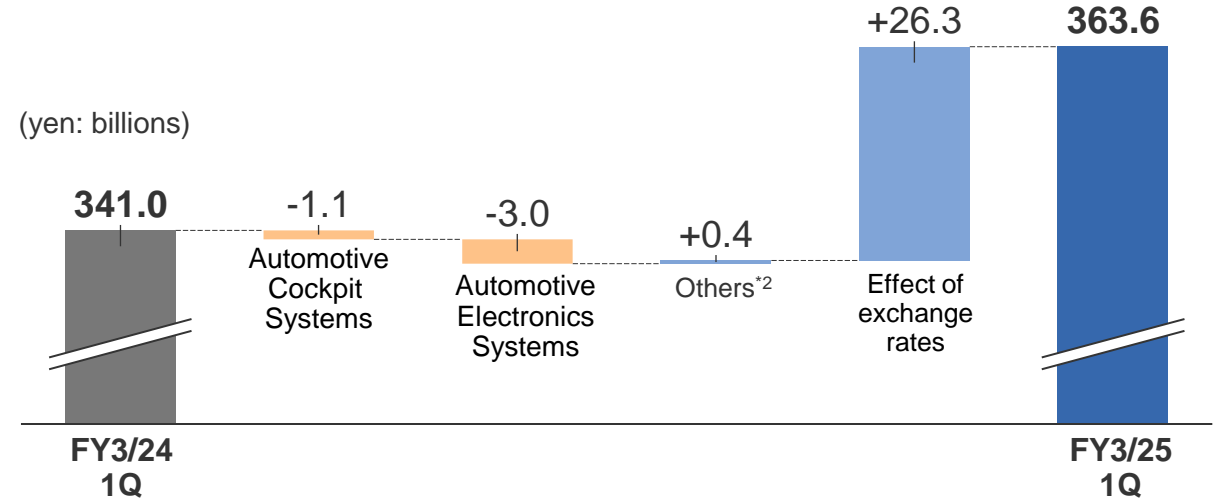
(yen: billions)	FY3/25 1Q	YoY (year-on-year)
Sales	<b>363.6</b>	107% (99%)*1
Adjusted operating profit (% to sales)	<b>10.8</b> <b>(3.0%)</b>	+5.2
Other income/loss	<b>4.0</b>	+3.9
Operating profit (% to sales)	<b>14.8</b> <b>(4.1%)</b>	+9.1

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

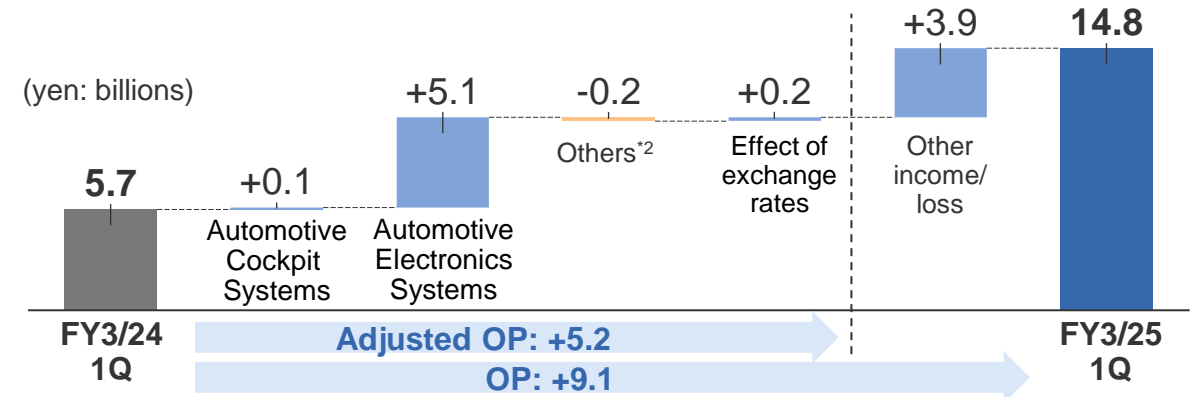
### Major increase/decrease factors

Adjusted OP	Automotive Cockpit Systems	+: • Improved product mix • Progress in rationalization • Price revisions to offset price hikes in parts & materials -: • Decreased sales due to discontinuation of production for certain models • Increased expenses (R&D, personnel)
	Automotive Electronics Systems	+: • Improved product mix • Progress in rationalization • Rebound increase from recording quality-related expenses in FY3/24 -: • Persisting impact of price hikes in parts & materials • Increased expenses (R&D, personnel)
	Other income/loss	Improved with gains from transfer of partial business

**Sales: Decreased (excluding effect of exchange rates) due to discontinuation of production for certain models, sluggish sales in China, and impact of reduced production by car manufacturers**



**OP: Increased due to improved product mix, rationalization and price revisions to offset price hikes in parts & materials, despite increased fixed costs and decreased sales**



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

## Overview

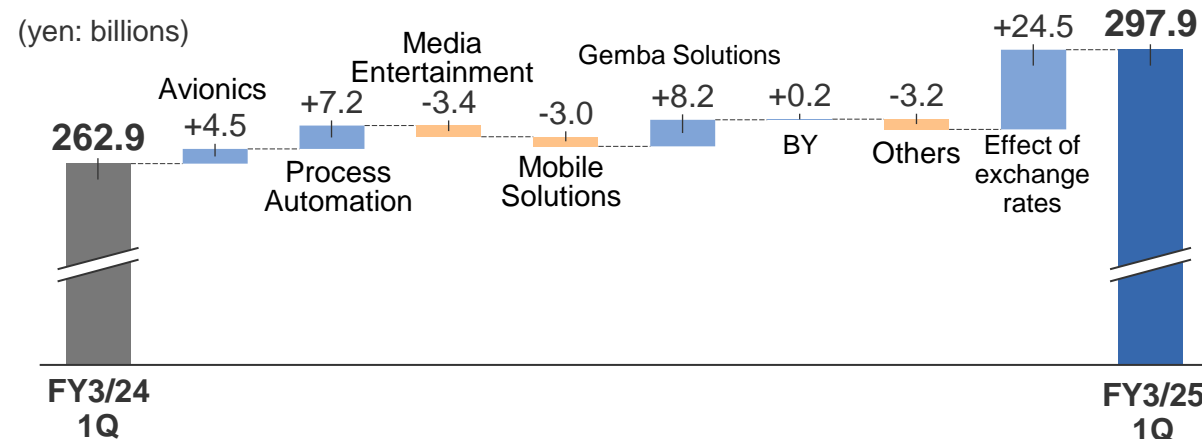
(yen: billions)	FY3/25 1Q	YoY (year-on-year)
Sales	<b>297.9</b>	113% (104%)*1
Adjusted operating profit (% to sales)	<b>5.2 (1.7%)</b>	-1.3
Other income/loss	<b>0.9</b>	+1.2
Operating profit (% to sales)	<b>6.1 (2.1%)</b>	-0.1

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

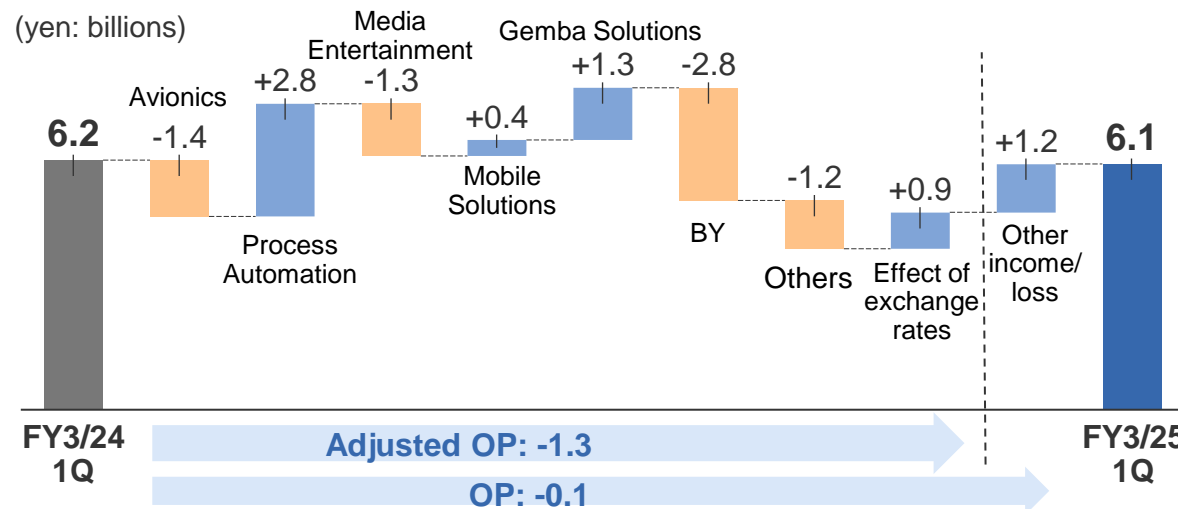
## Major increase/decrease factors

Adjusted OP	Avionics	-:	Decreased due to upfront investments for development of next-generation satellite communication
	Process Automation	+	Increased sales by capturing recovery trend of smartphone demand in China
	Media Entertainment	-:	Decreased sales due to market downturn mainly in Europe
	Mobile Solutions	+	Increased due to improved profitability
	Gemba Solutions	+	Increased sales with steady orders of solution-type projects in Japan
	Blue Yonder (BY)	-:	Decreased due to increased strategic investments
Other income/loss	One-time gains from sale of assets		

## Sales: Increased sales of Process Automation capturing recovery trend of smartphone demand in China, Gemba Solutions and Avionics

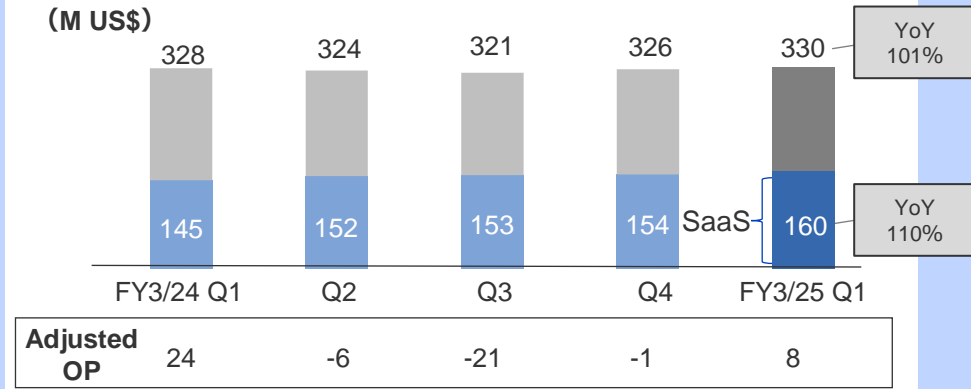


## OP: Same level YoY; increased sales of Process Automation and Gemba Solutions offset upfront investments in Avionics and increased strategic investments in Blue Yonder



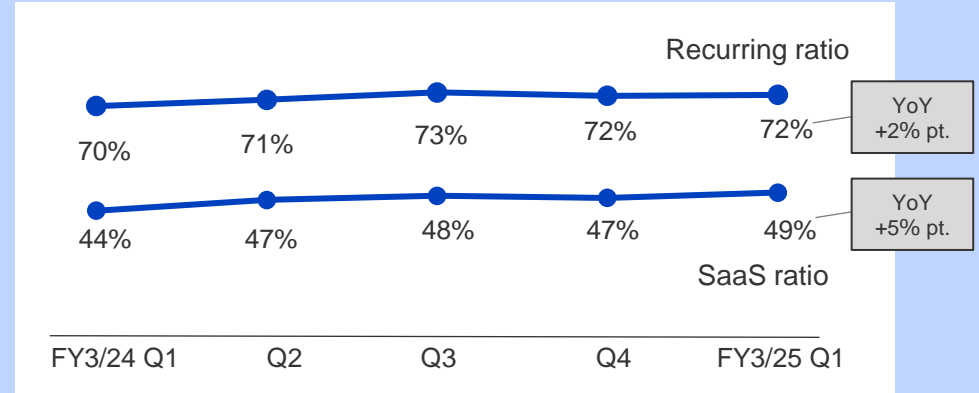
## Sales / Adjusted OP (stand alone)

- Steady growth of SaaS  
Adjusted OP increased QoQ, despite strategic investment



## Recurring / SaaS ratio

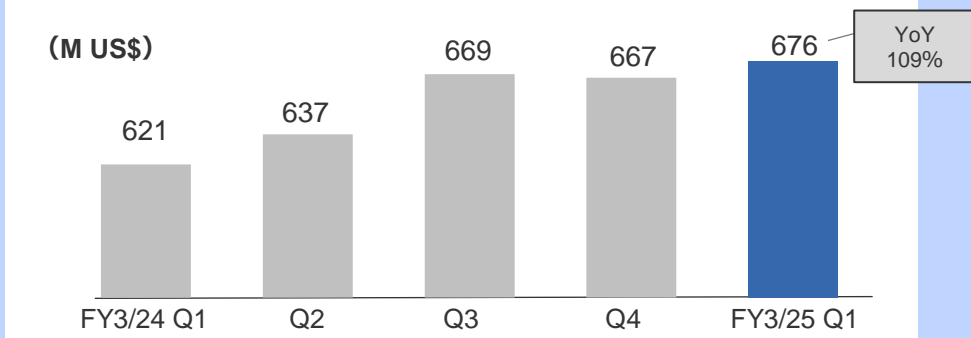
- Steady trend for both recurring and SaaS ratio



- Recurring revenue business ratio in total revenue
- All figures based on FY3/25(e) rates as of May 9 (USD:140 yen / Euro: 150 yen) to exclude FX effect

## SaaS ARR (Annual Recurring Revenue)

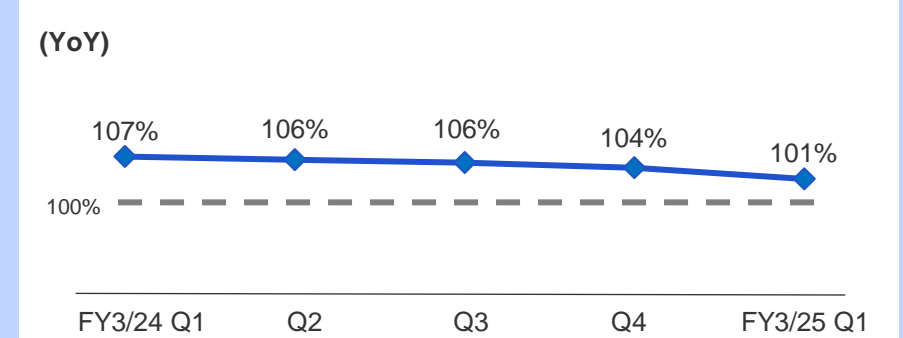
- Growth of SaaS ARR (YoY / QoQ), despite customers' investments in response to COVID-19 supply chain disruptions showing sign of leveling off



- ARR indicates secured annualized revenue during the year starting next quarter
- All figures based on FY3/25(e) rates as of May 9 (USD: 140 yen / Euro: 150 yen) to exclude FX effect

## SaaS NRR (Net Revenue Retention)

- SaaS NRR maintains above 100% level, despite customers' investments in response to COVID-19 supply chain disruptions showing sign of leveling off



- Net revenue retention rate with existing customers
- All figures based on FY3/25(e) rates as of May 9 (USD:140 yen / Euro: 150 yen) to exclude FX effect

## Adjusted OP (stand alone) excluding investments increased by 1.3 bil. yen in FY3/25 1Q

Unchanged from initial forecast

Breakdown of adjusted operating profit (yen: billions)

			FY3/25 1Q	FY3/24 1Q	YoY	FY3/25 Forecast	FY3/24 Results	YoY
Stand alone (Blue Yonder)	Adjusted OP [excl. investments]	(1) - a - b	5.6	4.3	+1.3	25.2	11.9	+13.3
	(Additional strategic investment) *1	a	(-3.6)	(-0.6)	(-3.0)	(-12.0)	(-9.8)	(-2.2)
	(Synergy investment) *2	b	(-0.7)	(-0.3)	(-0.4)	(-4.2)	(-2.9)	(-1.3)
	Adjusted OP	(1)	1.3	3.4	-2.1	9.0	-0.8	+9.8
Panasonic Group consolidated- basis	Amortization expenses related to acquisition	(2)	-6.4	-5.1	-1.3	-24.4	-23.1	-1.3
	Temporary accounting treatment related to acquisition	(3)	-0.1	-0.1	0.0	-0.2	-0.3	+0.1
	Adjusted OP	(1)+(2)+(3)	-5.2	-1.8	-3.4	-15.6	-24.2	+8.6

\*1: Additional strategic investment of USD 200M (1 USD=140 yen) planned for 3 years from FY3/24 to FY3/26

\*2: Strategic investment to generate synergy with Panasonic Group

## Overview

(yen: billions)	FY3/25 1Q	YoY (year-on-year)	PID Products*1
Sales	<b>274.5</b>	110% (102%)*2	244.4
Adjusted operating profit (% to sales)	<b>17.7</b> (6.5%)	+14.4	17.0 (6.9%)
Other income/loss	<b>-0.3</b>	-0.5	-0.3
Operating profit (% to sales)	<b>17.4</b> (6.4%)	+13.9	16.7 (6.8%)

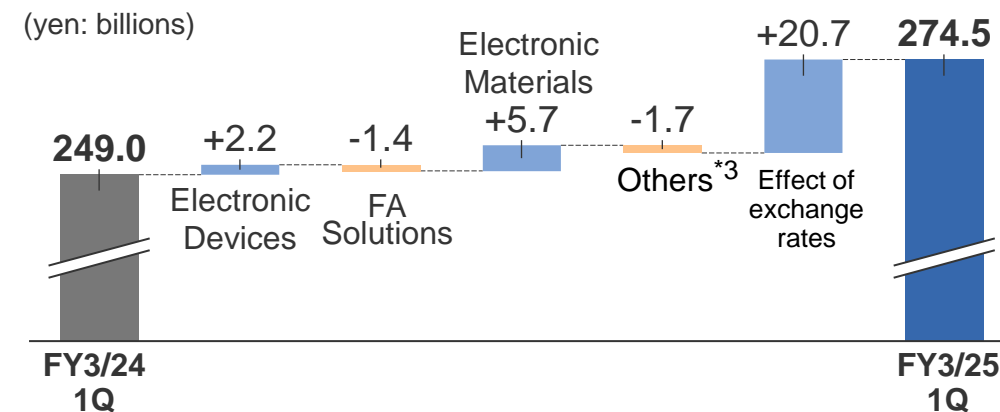
\*1: Figures of PID (Panasonic Industry Co., Ltd.) products exclude sales of other segment products (e.g. compressor), etc.

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

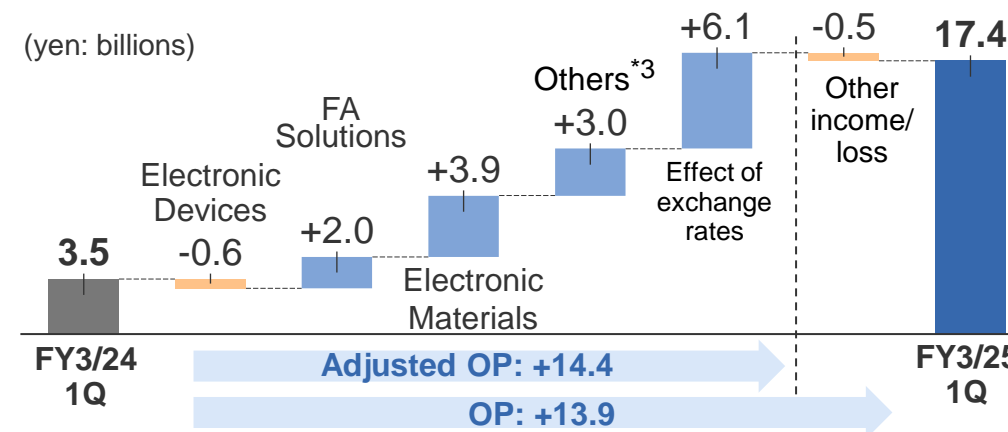
## Major increase/decrease factors

Adjusted OP	Electronic Devices	+ : Increased sales of capacitors for information & communication infrastructure and ICT terminals - : Decreased sales (e.g. industrial-use relays)
	FA Solutions	+ : Fixed cost reduction, rationalization, increased sales in China
	Electronic Materials	+ : Increased sales of multi-layer circuit board materials (MEGTRON), price revisions and rationalization - : Raw material price hikes
Other income/loss	-	

**Sales: Increased due mainly to increased sales of products for generative AI servers (capacitors, multi-layer circuit board materials), ICT terminals (capacitors), despite decreased sales of industrial-use relays in Europe and China**



**OP: Increased due to increased sales of capacitors and multi-layer circuit board materials, fixed-cost reduction, as well as effect of yen depreciation**

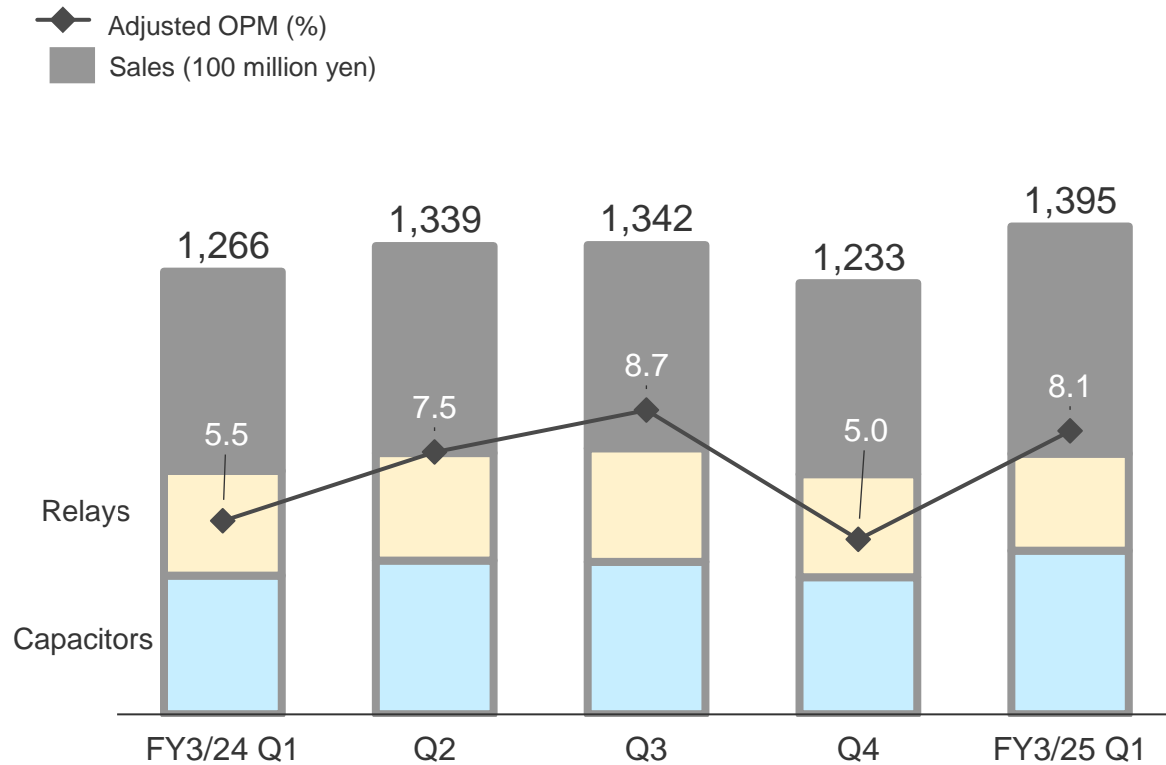


\*3: Sales of other segment products, etc.

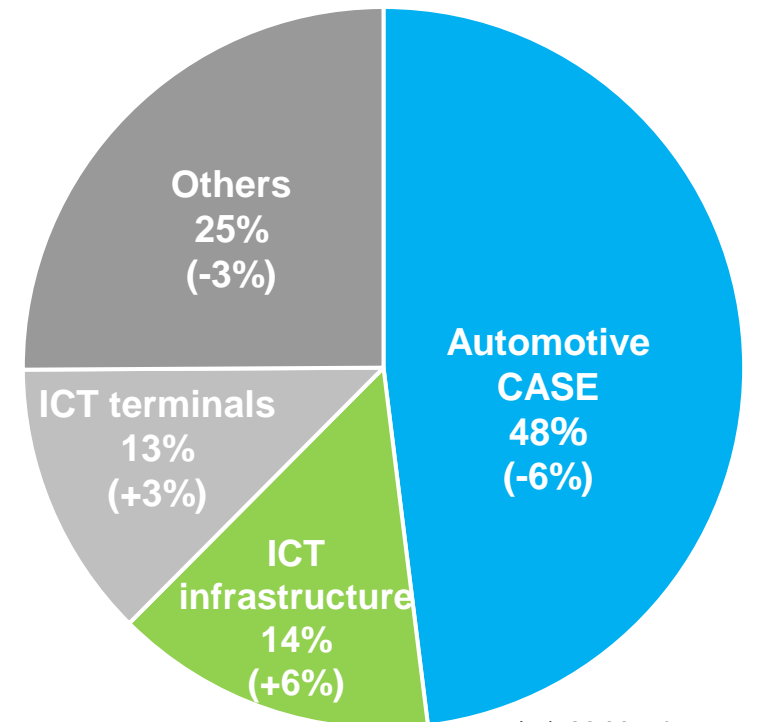
**Electronic Devices**

- **1Q: Both sales and profit increased**
  - +: Continuing favorable sales of capacitors for generative AI servers in the information & communication infrastructure area; Favorable sales of capacitors for ICT terminals
  - : Decreased sales (e.g. industrial-use relays) in Europe and China
- **FY3/25: Aim for sales expansion overall**
  - Continuously expanded demand expected for generative AI servers, despite anticipated impact of market slowdown (automotive/industrial) in Europe and China

Sales & adjusted OPM trend



FY3/25 1Q sales composition by application\*



(%): YoY sales composition ratio  
\* Estimated by PID

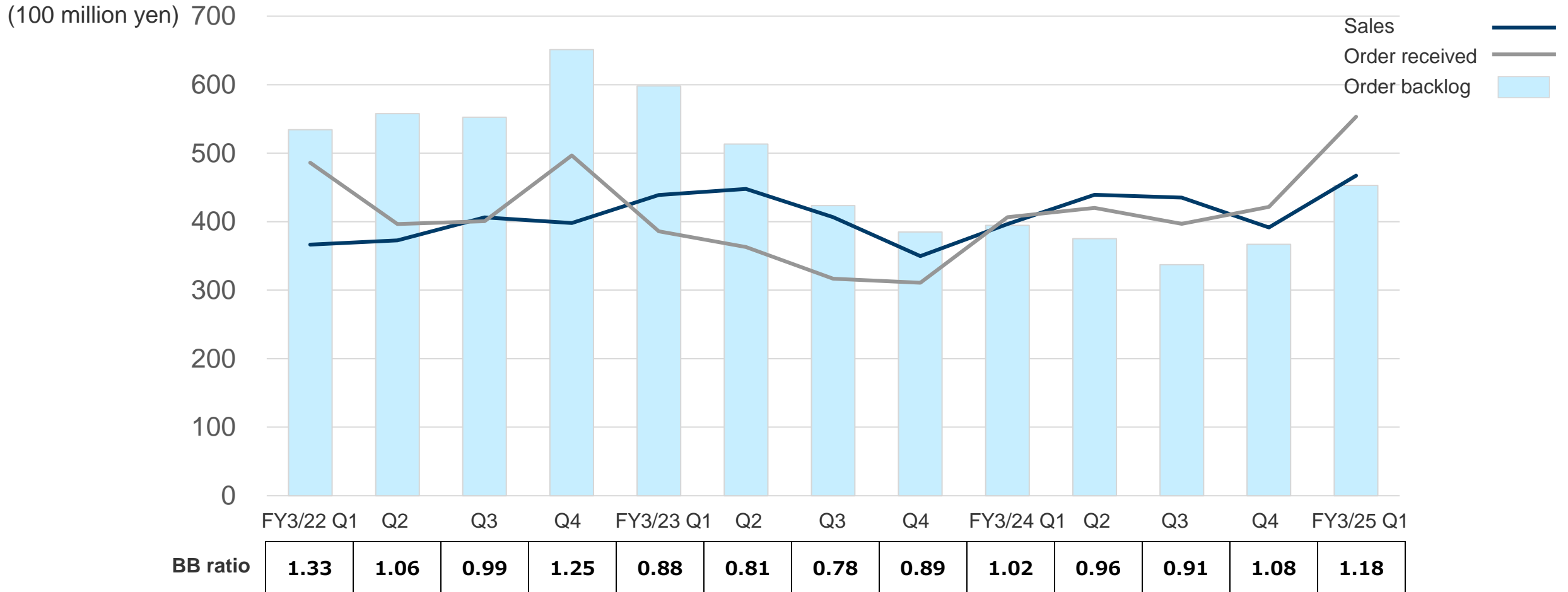


### Electronic Devices: BB ratio\* of capacitors

\*BB ratio: book-to-bill ratio

■ FY3/25 1Q BB ratio reached 1.18, exceeding FY3/24 4Q:

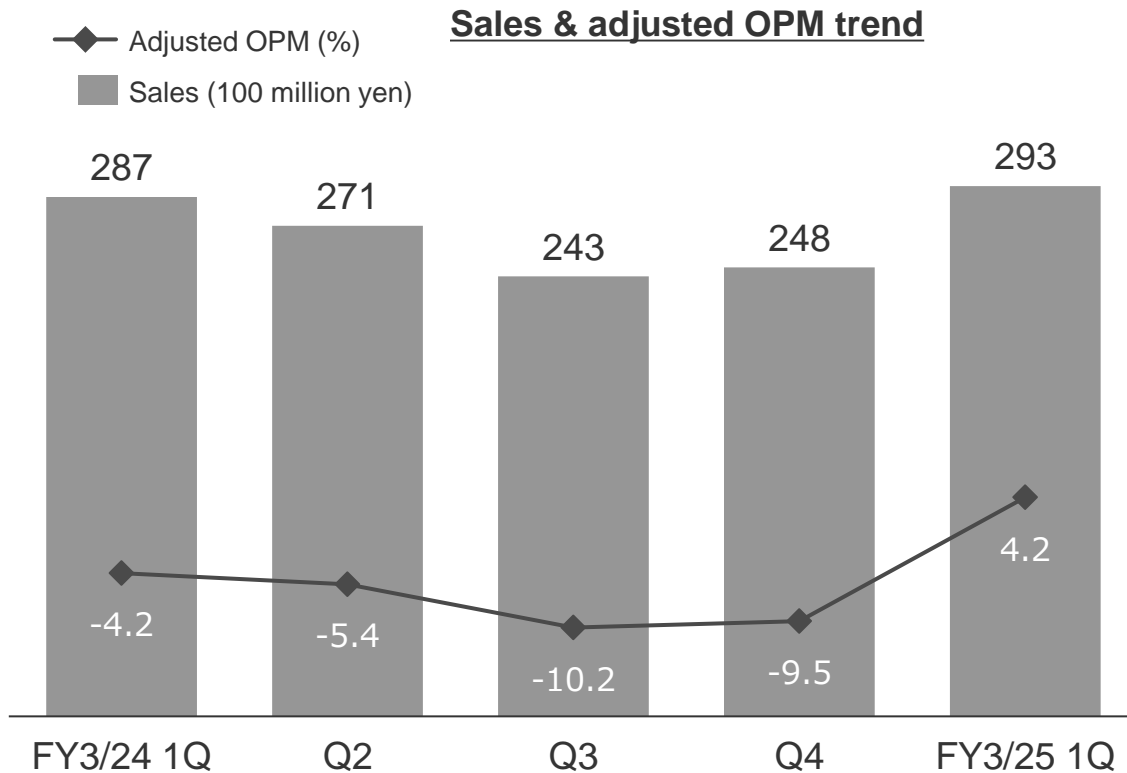
Sharp increase in orders received for the information & communication infrastructure area and ICT terminals, despite continuing weak orders for Automotive CASE



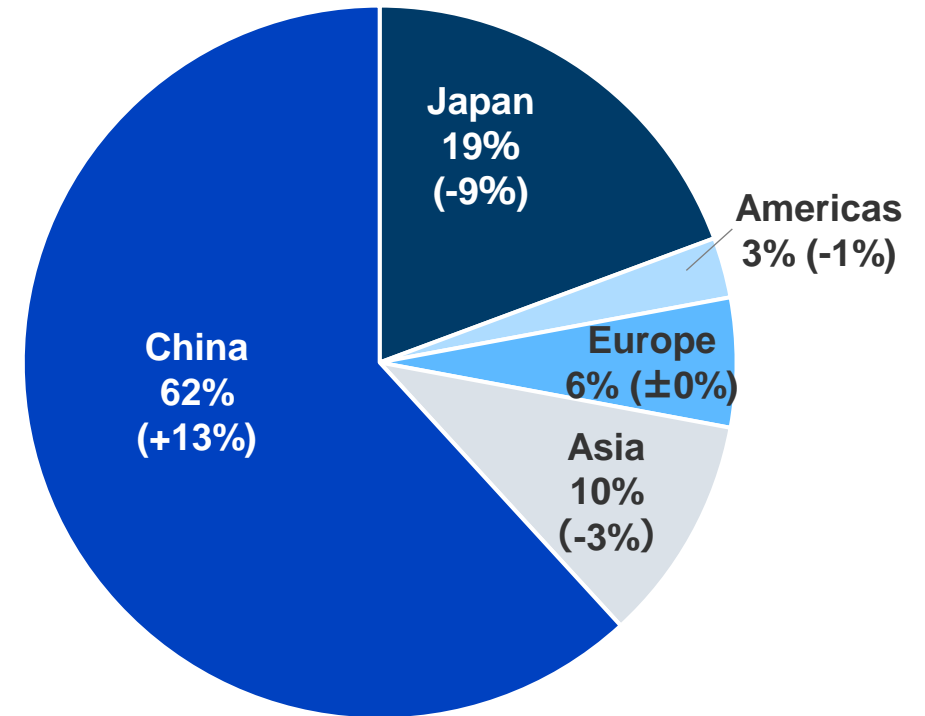
FA Solutions

- 1Q: Both sales and profit increased overall
  - Sales increased due to normalization of distribution inventory and increased demand for 3C\*-related capital investment in China, despite decreased sales in Japan
  - Profit increased due to increased sales in China, fixed-cost reduction, and rationalization efforts
- FY3/25: Aim for profitability
  - Continue to take profitability improvement measures
  - Thoroughly localize management in China
  - Launch new products with improved cost competitiveness

\* 3C: Consumer, Computer, Communication



FY3/25 1Q sales composition by region\*

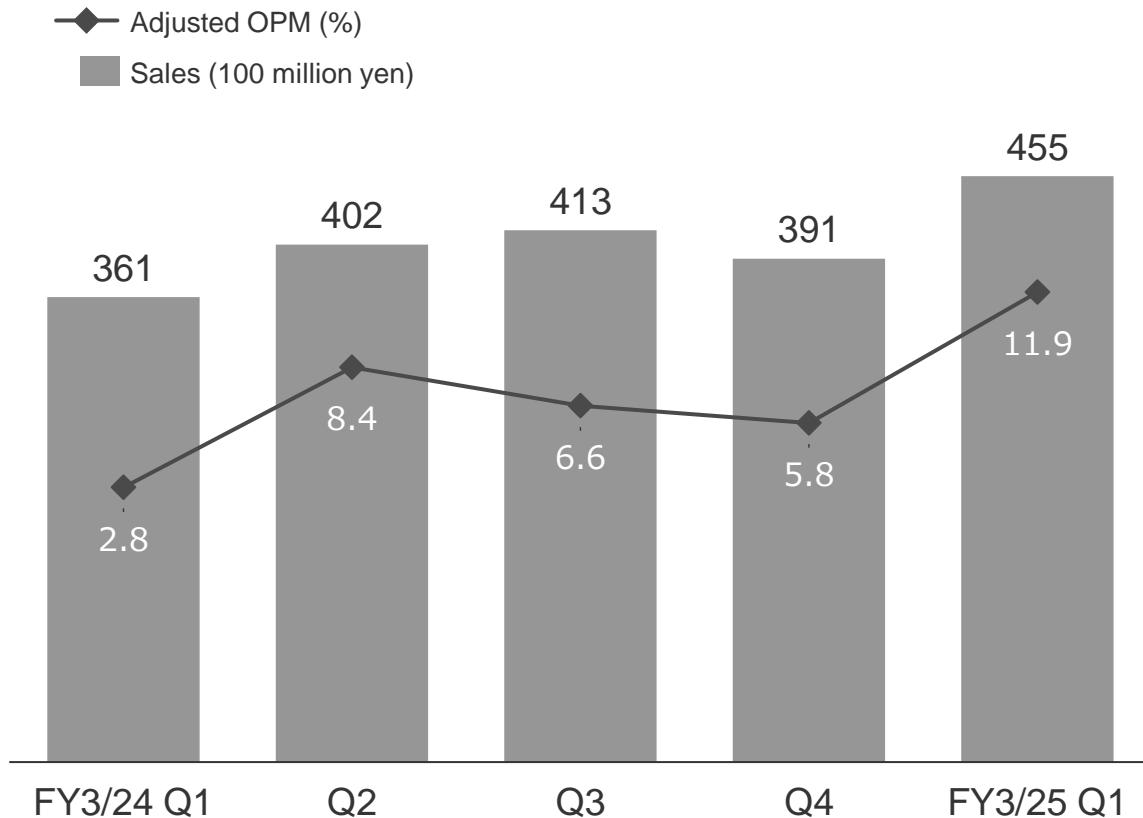


(%): YoY sales composition ratio  
\* Estimated by PID

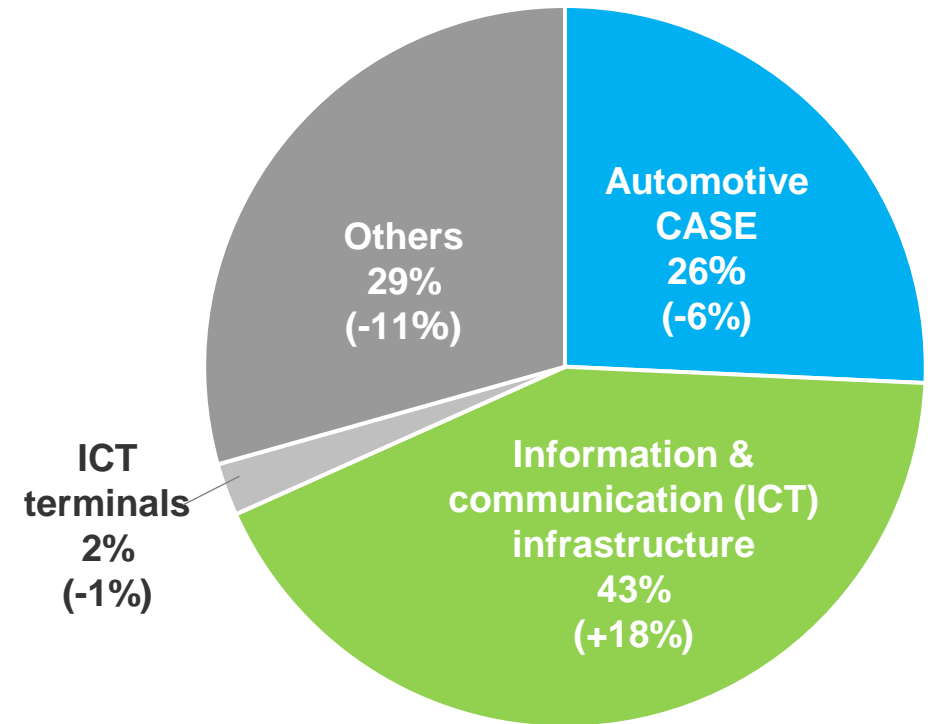
## Electronic Materials

- **1Q: Sales and profit increased due to favorable sales of multi-layer circuit board materials for generative AI servers in the information & communication infrastructure area**
- **FY3/25: Aim for sales expansion, capturing growing demand for rapidly expanding generative AI server market**

### Sales & adjusted OPM trend



### FY3/24 sales composition by application\*



(%): YoY sales composition ratio  
 \* Estimated by PID

Overview

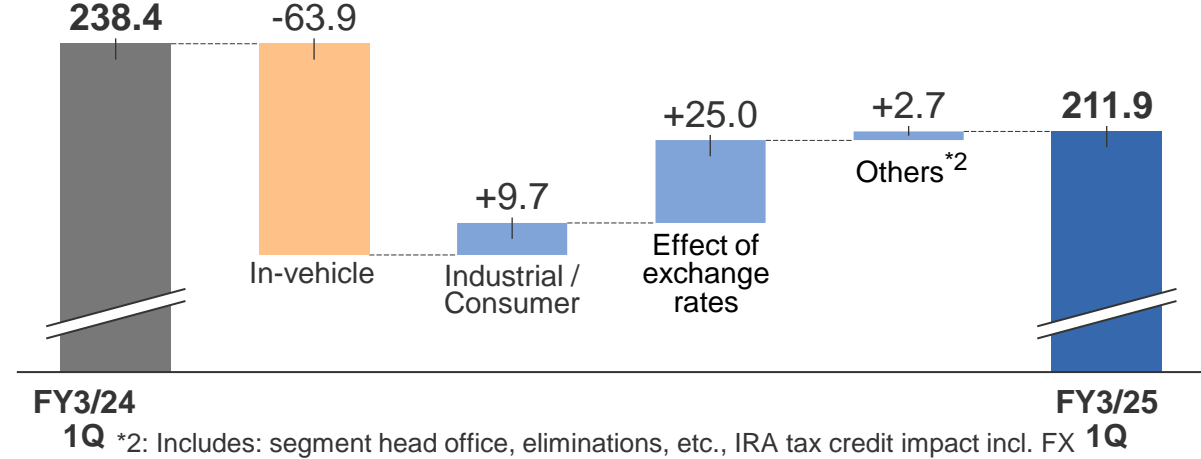
(yen: billions)	FY3/25 1Q	YoY (year-on-year)
Sales	211.9	89% (79%)*1
Adjusted operating profit (% to sales)	21.7 (10.2%)	-8.5
Other income/loss	-0.1	+0.6
Operating profit (% to sales)	21.6 (10.2%)	-7.9

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

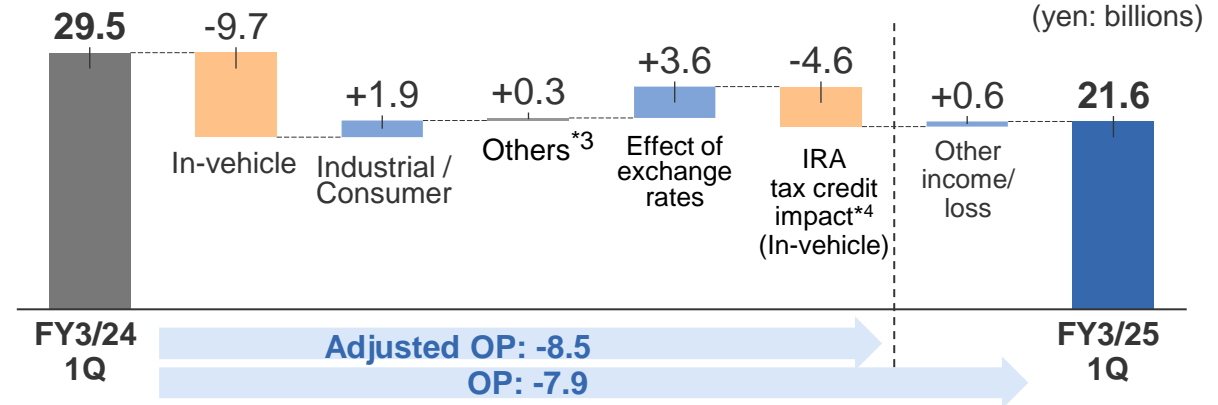
Major increase/decrease factors

Adjusted OP	In-vehicle	+: • Improved profitability of Nevada factory in North America (e.g. rationalization of raw materials) -: • Continuing decreased production at Japan factory • Increased upfront costs for ramp-up of Kansas and Wakayama factories
	Industrial / Consumer	+: • Increased sales of energy storage systems for data centers -: • Decreased sales of Li-ion batteries for consumer and power equipment
Other income/loss	Rebound increase from recording of investment write-down for lead-acid battery JV in FY3/24	

Sales: Decreased due to decreased sales in In-vehicle with decreased production at Japan factory and price revisions reflecting lower raw material prices, despite increased sales in Industrial / Consumer with favorable sales of energy storage systems for data centers (yen: billions)



OP: Decreased due to decreased sales at Japan factory and increased upfront costs for ramp-up of new factories in In-vehicle, despite increased profit in Industrial / Consumer with favorable sales of energy storage systems and improved profitability of North America in In-vehicle



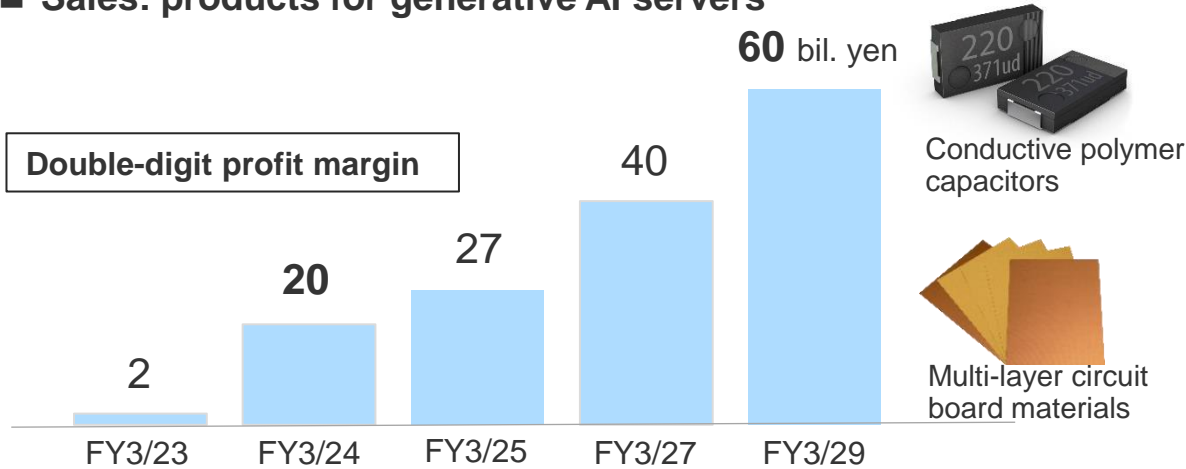
\*3: Segment head office, eliminations, etc. \*4: IRA tax credit impact incl. FX

## Achieve business growth by capturing opportunity of market expansion for generative AI

### Industry

- ✓ Product:
  - Conductive polymer capacitors (Electronic Devices)
  - Multi-layer circuit board materials (Electronic Materials)
- ✓ Usage: Generative AI servers
- ✓ Value Proposition:
  - Capacitors: High capacity & high reliability which support stable supply of large current circuit
  - Multi-layer circuit board materials: Ultra-low transmission loss enabling high-capacity & high-speed transmission

#### ■ Sales: products for generative AI servers

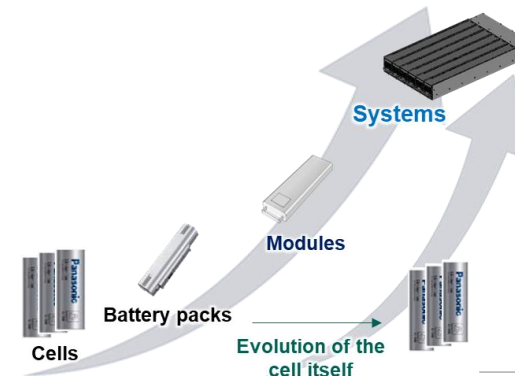


### Energy

- ✓ Product: Energy storage systems (Industrial / Consumer)
- ✓ Usage: Data centers
- ✓ Value Proposition: Development & supply capability of power supply solutions with control function, in addition to features such as high input/output, high durability, safety, and energy efficiency

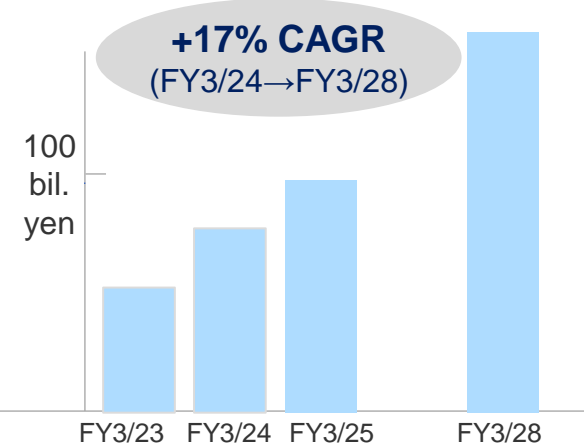
#### ■ Evolution of energy storage systems

“Evolution of cells x Systemized products” in response to rapid evolution of generative AI servers



#### ■ Total sales for data center (incl. generative AI-use)

Sales expansion with systemized products to meet growing demand of data centers



# Reference: FY3/25 1Q Operating Profit & Net Profit

(yen: billions)

	FY3/25 1Q	FY3/24 1Q	YoY (year-on-year)
Operating profit	<b>83.8</b>	90.4	-6.6
Non-operating income/loss	<b>20.9</b>	18.3	+2.6
Profit before income taxes	<b>104.7</b>	108.7	-4.0
Income taxes	<b>-28.5</b>	97.8 <sup>*1</sup>	-126.3
Net profit	<b>76.2</b>	206.5 <sup>*1</sup>	-130.3
Net profit attributable to Panasonic Holdings Corporation stockholders	<b>70.6</b>	200.9 <sup>*1</sup>	-130.3
Net profit attributable to non-controlling interests	<b>5.6</b>	5.6	0.0

\*1: Including deferred tax assets, etc. (121.3 bil. yen) with liquidation of Panasonic Liquid Crystal Display Co., Ltd. (through Special Liquidation) and its debts waiver, resolved by Board of Directors

# Reference: Medium-term Management Indicators: KGI

(yen: billions)	Cumulative Operating CF (FY3/23-FY3/25)		Reference (2-year cumulative results)		ROIC (FY3/25)	
	Initial Target	Forecast (as of May 2024)	FY3/23 - FY3/24 Cumulative	Progress Rate (vs forecast as of May 2024)	Initial Target	Forecast (as of May 2024)
Lifestyle	660.0	<b>516.0</b>	300.3	58%	10.0% or more	<b>6.0%</b>
Automotive	200.0	<b>270.0</b>	169.1	63%	6.4%	<b>10% or more</b>
Connect	260.0	<b>255.0</b>	150.0	59%	4.6%	<b>2.6%</b>
Industry	390.0 or more	<b>300.0 or more</b>	217.8	73%	17% or more	<b>6.2%</b>
Energy	330.0	<b>330.0</b>	209.9	64%	12.0%* <sup>1</sup>	<b>9.1%*<sup>2</sup></b>
<b>Group Total</b>	<b>2,000.0</b>	<b>FY3/25 (Remainder) 612.4</b>	<b>1,387.6</b>	<b>69%</b>	<b>ROE 10% or more</b>	<b>ROE 7.0%</b>

Target 2,000.0 – 2 year cumulative results 1,387.6

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

\*1: Excluding impact of US IRA tax credit and new investment (e.g. Kansas factory)

\*2: Including impact of US IRA tax credit and new investment (e.g. Kansas factory)



# Reference: List of Voluntarily Disclosed Businesses in FY3/25

Lifestyle (Panasonic Corporation)	Businesses with Sales Disclosed (Adjusted OP disclosed for underlined businesses)	Major Business Divisions, etc.
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>	Note 1: Sales and profit of CNA (except certain businesses) are also included in LAS, HVAC, and EW
Heating & Ventilation A/C Company (HVAC)	Sales disclosed by region (Europe, Japan, China & Northeast Asia)	Major Business Divisions: HVAC BD Europe, Commercial Equipment Solutions BD, Residential System Equipment BD
Cold Chain Solutions Company (CCS)	-	: Hussmann Corporation, Cold Chain BD
Electric Works Company (EW)	<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)	-	: Smart Life Appliances BD, Building and Housing Solutions BD, Taiwan BD
Others	-	: Sales of other segment products, segment head office, eliminations, etc.
Automotive (Panasonic Automotive Systems Co., Ltd.)	<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>	Note 2: Media Entertainment BD's imaging business transferred from Panasonic Connect Co., Ltd. to Panasonic Entertainment & Communication Co., Ltd. as of April 1, 2024
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 3: 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>	