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.

Panasonic Group

- This presentation gives the consolidated financial results of Panasonic Holdings Corporation for the first quarter of fiscal 2025 (FY3/25) ended June 30, 2024.

Summary of FY3/25 1Q Financial Results

■ 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

- The summary of FY3/25 1Q results is as follows:
- Overall sales increased due to increased sales in Connect and Industry as well as currency translation, despite decreased sales in Lifestyle, Automotive, and Energy.
- Looking at each business, Industry and Energy showed positive factors with favorable sales of generative AI-related products. On the other hand, Lifestyle showed negative factors with decreased sales of A2W (Air to Water heat pumps) in Europe and consumer electronics in China. In-vehicle of Energy also showed negative factors with demand at the Japan factory continuing to decrease.
- Adjusted operating profit decreased overall due to decreased profit in Lifestyle, Connect and Energy, despite increased profit in Automotive and Industry.
- Net profit decreased due mainly to the impact of recording one-time gains with the liquidation of Panasonic Liquid Crystal Display in FY3/24.
- Operating cash flows slightly increased year-on-year, and we will continue to generate further operating cash flows.

- Regarding the US IRA (Inflation Reduction Act), we have decided to elect the "Transferable" monetization method for most of the tax credit applicable to FY3/24. Consequently, the cost of transfer/monetization is recorded in FY3/25 1Q. The timing of monetization is scheduled during or after FY3/25 2Q, which is brought forward approximately two years ahead of our initial assumption.

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]

	Adjusted OP (Energy Segment)	Net profit attributable to Panasonic Holdings Corporation stockholders
FY3/25 1Q Results	**16.2 bil. yen** Tax credit 47.3[*2] Effective use with customers -25.6[*3] Cost of transfer/monetization -5.5	**21.6 bil. yen** Adjusted OP 16.2 Income taxes 5.4[*4]

*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)

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- This slide explains the impact of the US IRA tax credit on our financial results. For FY3/25 1Q, we assume to elect the “Refundable” monetization method, which is the same accounting treatment and items as before.
- On the other hand, as I mentioned in the previous slide, we have decided to elect the “Transferable” method for most of the tax credit applicable to FY3/24.
- The details of such impact to FY3/25 1Q financial results are shown in the middle of this slide.
  The impact amount to adjusted operating profit is 16.2 billion yen, which includes the cost of transfer/monetization of 5.5 billion yen.

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	Excl. IRA tax credit	FY3/24 1Q	Excl. IRA tax credit	YoY (year-on-year)		Excl. IRA tax credit	
Sales	**2,121.7**	2,141.8	2,029.7	2,053.9	105% (98%)*4	+92.0 (-37.7)*4	104% (98%)*4	+87.9 (-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	137 yen		+19 yen		+19 yen
Exchange rates: 1 Euro	**168 yen**	168 yen	149 yen	149 yen		+19 yen		+19 yen
Exchange rates: 1 Renminbi	**21.5 yen**	21.5 yen	19.6 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

- For the consolidated financial results, sales increased year-on-year by 5% to 2,121.7 billion yen.
  Sales excluding the effect of exchange rates decreased by 2%.
- Adjusted operating profit decreased to 84.3 billion yen and operating profit decreased to 83.8 billion yen.
- Net profit decreased to 70.6 billion yen, due mainly to the impact of recording one-time gains with the liquidation of Panasonic Liquid Crystal Display in FY3/24, as explained earlier.

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***2 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***3 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*3 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
Total	**2,121.7**	105% (98%)	**84.3** 4.0%	-8.5	**-0.5**	+1.9	**83.8** 3.9%	-6.6	**196.7** 9.3%	-0.8

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

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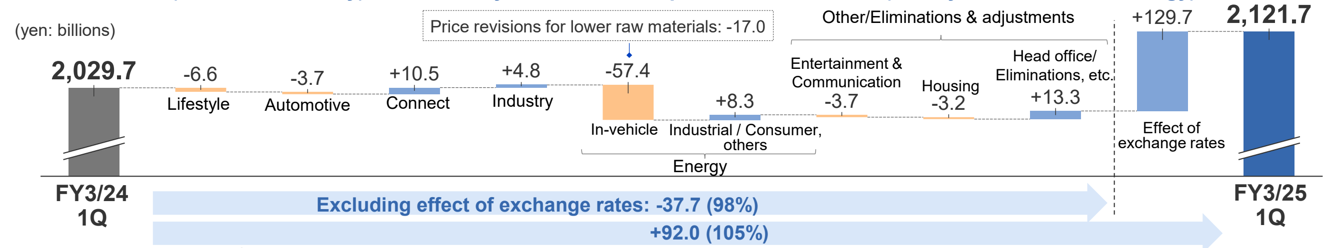
- This slide shows the results by segment.
- In the next slides, I will explain the analysis of year-on-year comparison for sales and operating profit.

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)

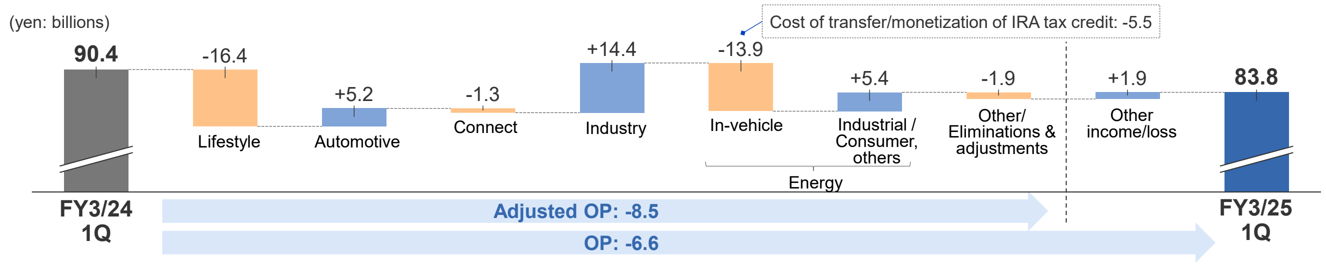
% represents the year-on-year change relative to the previous year's figure

Lifestyle	**Decreased** 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 * Living Appliances and Solutions Company, Heating & Ventilation A/C Company, Cold Chain Solutions Company, Electric Works Company
Automotive	**Decreased**: Discontinuation of production for certain models, sluggish sales in China, impact of reduced production by car manufacturers
Connect	**Increased**: Process Automation capturing recovery trend of smartphone demand in China, Gemba Solutions and Avionics
Industry	**Increased**: 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	• In-vehicle: **Decreased**: 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 • Industrial / Consumer: **Increased** 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
Other/ Eliminations & adjustments	• Entertainment & Communication: **Decreased** overall with some product categories affected by deteriorating market conditions, despite favorable sales of digital cameras • Housing: **Decreased** affected mainly by slowdown of new housing starts

- This slide shows our sales analysis by segment.
- In Lifestyle, sales decreased.
  This is due to decreased sales of A2W in Europe and consumer electronics in China, as well as decreased sales for other segment products, despite increased sales of such products as electrical construction materials in India, showcases, and room air conditioners.
- In Automotive, sales decreased due to discontinuation of production for certain models, sluggish sales in China, and impact of reduced production by car manufacturers.
- In Connect, sales increased in Process Automation, capturing the recovery trend of smartphone demand in China, as well as increased sales in Gemba Solutions and Avionics.
- In Industry, sales increased with increased sales of products for generative AI servers and ICT terminals, despite decreased sales of industrial-use relays in Europe and China.
- In Energy, sales in In-vehicle decreased. This is due to the continuing decrease in demand at the Japan factory, as well as price revisions reflecting such factors as lower raw material prices. Furthermore, production in North America decreased in 1Q, adapting to temporary production adjustment. However, recovery there is now seen with an increased number of models eligible for IRA tax credit, so favorable sales is expected in 2Q onward.
- Sales in Industrial / Consumer increased with favorable sales of energy storage systems for data centers driven by the generative AI market.
- Within Other / Eliminations & adjustments, sales of both Entertainment & Communication and Housing decreased.

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	**Decreased**: 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	**Increased**: Improved product mix, rationalization and price revisions to offset price hikes in parts & materials, despite increased fixed costs and decreased sales
Connect	**Decreased**: 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	**Increased**: Increased sales of products for generative AI servers (capacitors, multi-layer circuit board materials), fixed-cost reduction, and effect of yen depreciation
Energy	• In-vehicle: **Decreased**: 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) • Industrial / Consumer: **Increased**: Increased sales of energy storage systems for data centers with favorable conditions in generative AI market

- This slide shows our adjusted operating profit analysis by segment.
- In Lifestyle, profit decreased due to decreased sales of A2W in Europe, consumer electronics in China, and negative impact of exchange rates, despite increased sales of such products as electrical construction materials in India, showcases, and room air conditioners.
- In Automotive, profit increased due mainly to improved product mix and rationalization, despite increased fixed costs and decreased sales.
- In Connect, profit decreased due to 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.
- In Industry, profit increased due to increased sales of products for generative AI servers, fixed-cost reduction, and effect of yen depreciation.
- In Energy, profit in In-vehicle decreased.
  This is due to the impact of decreased production in Japan, increased ramp-up costs for the Wakayama and Kansas factories, and recording of the cost of transfer/monetization of IRA tax credit, despite improved profitability of the North America factory due mainly to the rationalization of raw materials.
- Profit in Industrial / Consumer increased due to increased sales of energy storage systems for data centers serving the generative AI market.

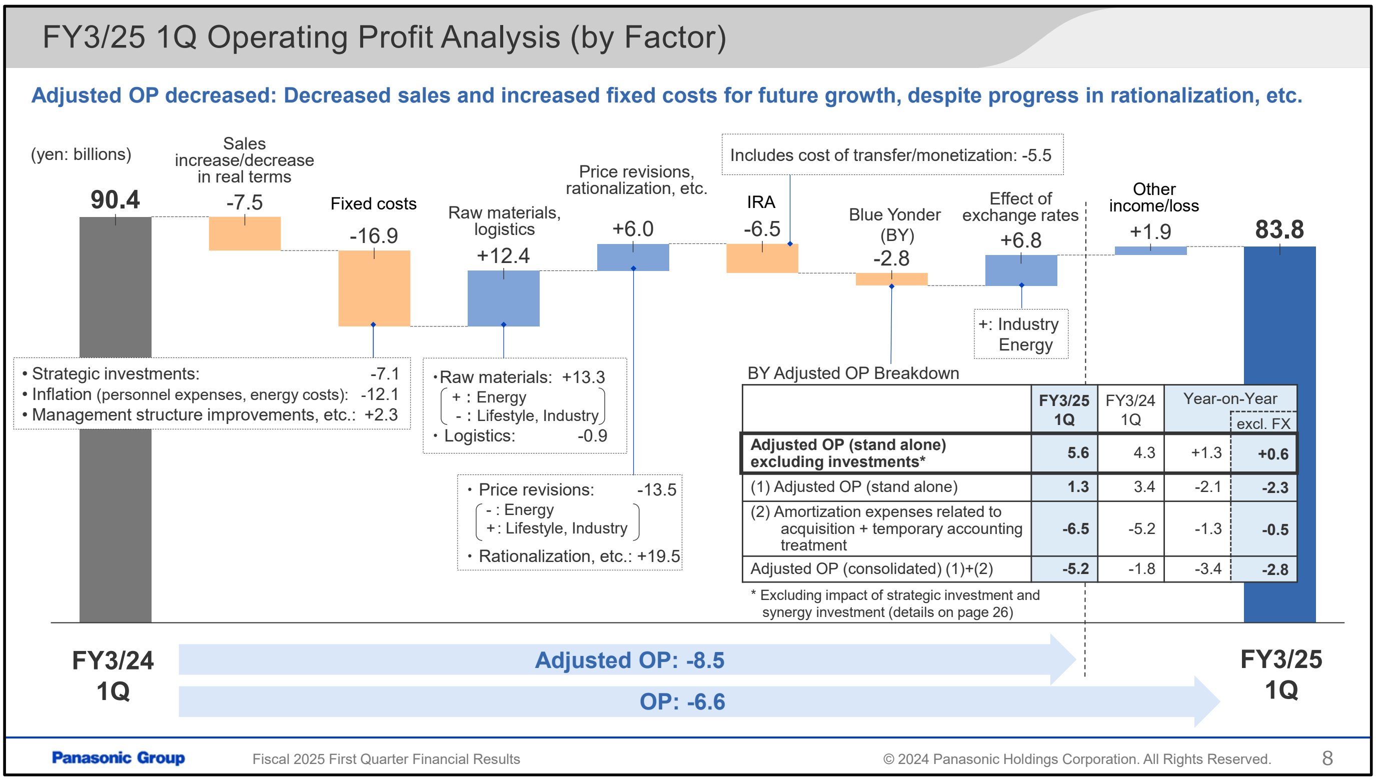
Lifestyle Segment: FY3/25 1Q Results by Divisional Company

(yen: billions)

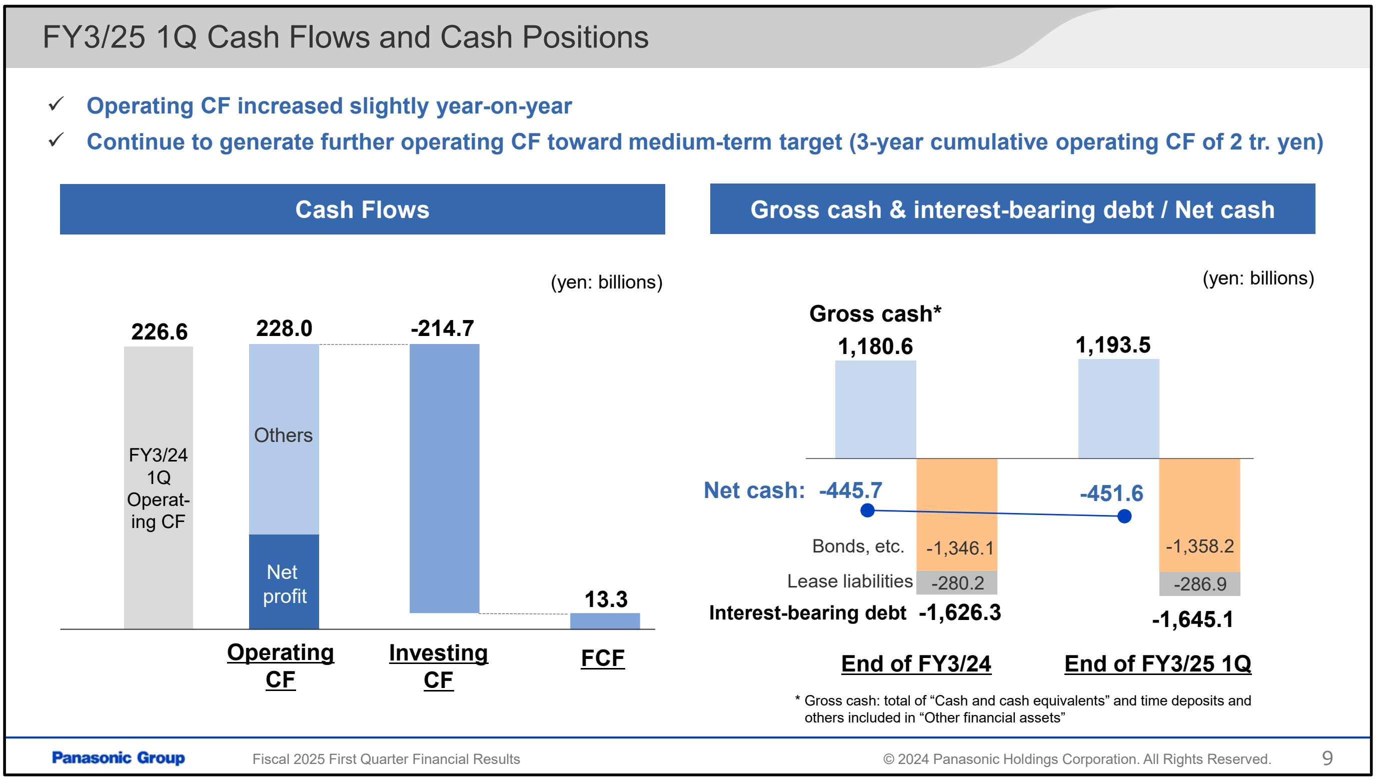
	Sales	YoY (excl. FX)	Adjusted OP (%)	YoY	Other income/ loss	YoY	OP (%)	YoY	EBITDA*2 (%)	YoY
Living Appliances and Solutions Company (LAS)	**197.5**	99% (94%)	**8.4** 4.3%	-5.1	**0.1**	+0.2	**8.5** 4.3%	-4.9	**15.3** 7.8%	-4.3
Heating & Ventilation A/C Company (HVAC)	**265.7**	115% (108%)	**6.3** 2.4%	-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)*1	**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)

- This slide shows the results of Lifestyle by divisional company.
- In Living Appliances and Solutions Company, both sales and profit decreased, largely affected by decreased sales of consumer electronics in China resulting from market downturn.
- In Heating & Ventilation A/C Company, profit decreased, largely affected by decreased sales of A2W in Europe.



- This slide shows our year-on-year operating profit analysis by factor.
- From the left, decreased profit from decreased sales in real terms was a decrease factor of 7.5 billion yen.
  The increase in fixed costs was a decrease factor of 16.9 billion yen.
  This is due mainly to investments in Energy for business growth, as well as the impact of inflation.
- The net impact of raw materials and logistics prices was an increase factor of 12.4 billion yen. The effect of price revisions and rationalization was also an increase factor of 6.0 billion yen.
- Looking at other individual factors, the impact of IRA, including the cost of transfer/monetization, was a negative factor of 6.5 billion yen.
- The breakdown of Blue Yonder is shown in the bottom-right box.
  Adjusted operating profit, on a stand-alone basis, decreased by 2.3 billion yen excluding the effect of exchange rates, due to increased strategic investment and synergy investment. On a consolidated basis, adjusted operating profit decreased by 2.8 billion yen. Excluding the impact of strategic investment and synergy investment, adjusted operating profit increased by 0.6 billion yen.
- The effect of exchange rates was an increase factor of 6.8 billion yen, mainly seen in Industry and Energy.
- As a result, adjusted operating profit decreased by 8.5 billion yen.
  Operating profit decreased by 6.6 billion yen.



- This slide shows the situation of cash flows and cash positions.
- On the left, operating cash flows amounted to 228.0 billion yen, a slight increase year-on-year.
  Going forward, we will continue to generate further operating cash flows.
- On the right, net cash was a negative of 451.6 billion yen.

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 Doddle (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

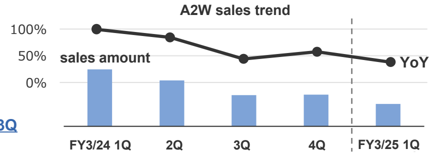
[Consideration of stock exchange listing of SCM business] (announced May 11, '22)
- Considering stock exchange listing of SCM business centered on Blue Yonder for enhanced global competitiveness and accelerated growth

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



- This slide shows an update of the progress made in the initiatives for our three investment areas. Changes from the previous announcement are underlined in blue.
- There have not been many changes in the automotive battery and supply chain management software businesses.
- In the air quality & air-conditioning business, as I explained earlier, our A2W business in Europe is facing persistent market slowdown.
  The graph at the bottom right shows the A2W sales trend since FY3/24 1Q, in terms of sales amount and year-on-year change.
  As shown here, sales decreased significantly in FY3/24 3Q, and we have not yet been able to return to a recovery trend.
  However, from a long-term perspective, this market is expected to expand.
  Therefore, in preparation for future market recovery, we will continue our efforts to enhance our competitiveness through collaborations with such companies as Innova and tado°.

Strategic Capital Partnership and Establishment of New Company of Projector Business, etc.

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)**
Sales recorded in FY3/24 for business subject to transaction	**Approx. 77.0 billion yen**

- 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

- Finally, I will explain the strategic capital partnership and establishment of a new company regarding Panasonic Connect's projector business and related operations, announced today.
- This transaction is to aim for further growth of the projector business.
  The new company will be established based on the Media Entertainment Business Division of Panasonic Connect, in which ORIX Corporation will hold 80% of the shares and Panasonic Connect will hold 20%.
- Through this partnership, we aim for further growth by leveraging Panasonic Connect's technological expertise and customer base, as well as ORIX Corporation's investment capability, along with the knowledge and experience cultivated through investments in numerous companies including manufacturing and large corporations.
- In addition, this partnership enables continuous R&D investments in hardware technologies, as well as the execution of inorganic growth strategies such as formulating global strategic alliances.
- The transfer price is 118.5 billion yen, which will be allocated to Panasonic Connect's investment area.
- Sales recorded in FY3/24 for the business subject to transaction was approximately 77.0 billion yen.

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- Thank you very much for your kind attention.

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

- ✓ 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)**

Section 30D

- ✓ **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**
Battery components	**Manufactured or assembled in North America**	**50%**	**60%**	60%	70%	80%	90%	100%	**Compliant**
	FEOC rules applied from:		December 31, 2023 ~						
Critical minerals	**Extracted or processed in US-FTA country**	**40%**	**50%**	60%	70%	80%	80%	80%	Some critical minerals will not be compliant ⇒ **Build FEOC-compliant supply chain**
	FEOC rules to apply from:			December 31, 2024~*					

Meeting requirements and also FEOC-compliant

*Graphite: December 31, 2026~

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Reference: Overview of US Inflation Reduction Act (IRA)

- ✓ **IRA: Enacted in August 2022, aimed to reduce excessive inflation and promote energy policies**
- ✓ **Panasonic Energy's business expected to be eligible for "battery cell ($35/kWh)" in section 45X**
- ✓ **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*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~)
*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

Foreign Entity

I. A government of a foreign country;
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;
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
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).

and

(1) Subject to the Jurisdiction

- ✓ The foreign entity is **incorporated** or **domiciled** in, or **has its principal place of business** in, a covered nation; or
- ✓ With respect to the **critical minerals**, **components**, or **materials of a given battery**, the foreign entity engages in the **extraction**, **processing**, or recycling of such critical minerals, the **manufacturing** or **assembly** of such components, or the processing of such materials, in a covered nation.

or

(2) Owned by, Controlled by, or Subject to the Direction

- ✓ **25% or more of the entity's board seats, voting rights, or equity interest are cumulatively held by that other entity**, whether directly or indirectly via one or more intermediate entities (including the government of a foreign country that is a covered nation)

■ FEOC restrictions

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

*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

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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**

	Factories	Credit effective from	Annual production	<Ref.> Simple calculation: $35/kWh x annual production
US	Nevada	Jan. 2023 onwards	Approx. 38-39 GWh (as of end of FY3/24)	Approx. $1.3 bil./yr
US	Kansas* (New factory)	Start of production & sales (Planned for FY3/25 4Q)	Approx. 30 GWh (at full production capacity)	Approx. $1.0 bil./yr
Japan	• Suminoe/Kaizuka • Wakayama	N/A	Approx. 10 GWh (as of end of FY3/24)	-

∗**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	
FY3/24 Results	**86.8 bil. yen** Tax credit 188.2*2 Effective use with customers -101.4*3	**111.8 bil. yen** Adjusted OP 86.8 Income taxes 25.0*6	
FY3/25 Forecast	**87.0 bil. yen** Tax credit 188.0*4 Effective use with customers -101.0*5	**110.0 bil. yen** Adjusted OP 87.0 Income taxes 23.0*6	Unchanged from initial forecast

*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	FY3/24	Excl. IRA tax credit	YoY (year-on-year)		Excl. IRA tax credit	
Sales		**8,600.0**	8,701.0	8,496.4	8,597.8	101% Excl. FX(103%)	+103.6	101%	+103.2
Adjusted operating profit*1 (% to sales)		**450.0** (5.2%)	363.0 (4.2%)	390.0 (4.6%)	303.2 (3.5%)	115%	+60.0	120%	+59.8
Other income/loss*2		**-70.0**	-70.0	-29.0	-29.0	-	-41.0	-	-41.0
Operating profit (% to sales)		**380.0** (4.4%)	293.0 (3.4%)	361.0 (4.2%)	274.2 (3.2%)	105%	+19.0	107%	+18.8
Profit before income taxes (% to sales)		**430.0** (5.0%)	343.0 (3.9%)	425.2 (5.0%)	338.4 (3.9%)	101%	+4.8	101%	+4.6
Net profit attributable to Panasonic Holdings Corporation stockholders (% to sales)		**310.0** (3.6%)	200.0 (2.3%)	444.0*5 (5.2%)	332.2*5 (3.9%)	70%	-134.0	60%	-132.2
EPS*3		**132.80 yen**	-	190.21 yen	-	-	-57.41 yen	-	-
ROE		**7.0%**	-	10.9%	-	-	-3.9%	-	-
EBITDA*4 (% to sales)		**860.0** (10.0%)	773.0 (8.9%)	805.9 (9.5%)	719.1 (8.4%)	107%	+54.1	107%	+53.9
Exchange rates	1 US dollar	**140 yen**	140 yen	145 yen	145 yen		-5 yen		-5 yen
	1 Euro	**150 yen**	150 yen	157 yen	157 yen		-7 yen		-7 yen
	1 Renminbi	**20.0 yen**	20.0 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

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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
Total	**8,600.0**	101% (+103.6)	**450.0** 5.2%	+60.0	**-70.0**	-41.0	**380.0** 4.4%	+19.0	**860.0** 10.0%	+54.1

*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*2 (%)	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)*1	**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	**868.0**	104% (99%)*1
Adjusted operating profit (% to sales)	**22.4** **(2.6%)**	-16.4
Other income/loss	**1.4**	+1.2
Operating profit (% to sales)	**23.8** **(2.7%)**	-15.2

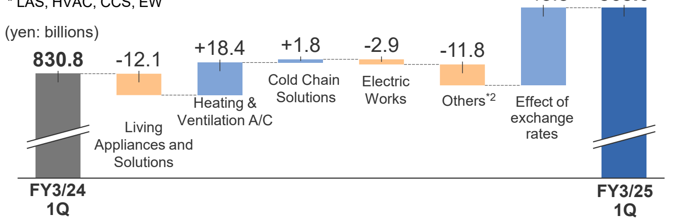
*1: In real terms excluding the effect of exchange rates

Major increase/decrease factors

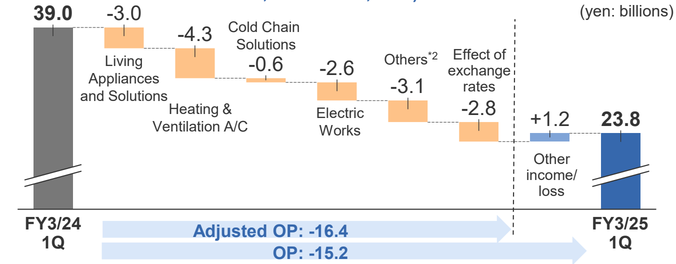
Adjusted OP	Living Appliances and Solutions Company (LAS)	+:	Market share in Japan showing signs of improvement
		-:	• Shrinking demand in China • Currency impact for sales in Japan
	Heating & Ventilation A/C Company (HVAC)	+:	• Increased sales of room air conditioners (RAC), etc. • Effect of rationalization
		-:	• 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.

Reference: FY3/25 1Q Segment Information

Automotive

Overview

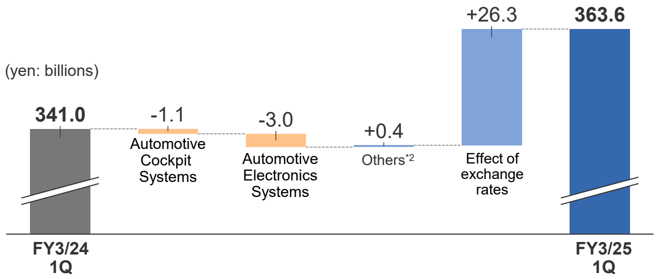
(yen: billions)	FY3/25 1Q	YoY (year-on-year)
Sales	**363.6**	107% (99%)*1
Adjusted operating profit (% to sales)	**10.8** (3.0%)	+5.2
Other income/loss	**4.0**	+3.9
Operating profit (% to sales)	**14.8** (4.1%)	+9.1

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

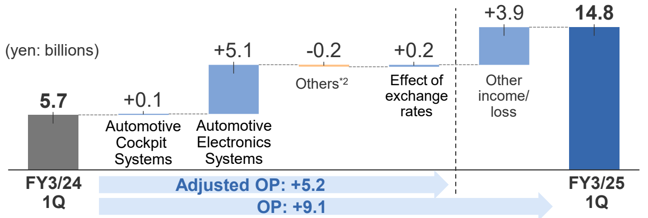
Major increase/decrease factors

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

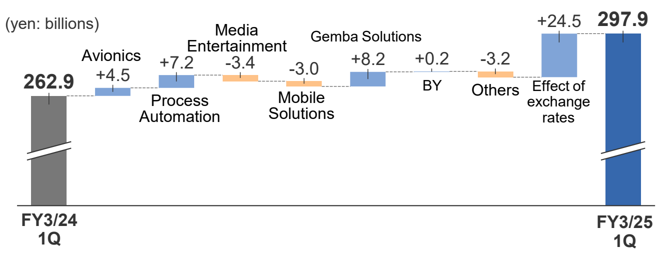
(yen: billions)	FY3/25 1Q	YoY (year-on-year)
Sales	**297.9**	113% (104%)*1
Adjusted operating profit (% to sales)	**5.2** (1.7%)	-1.3
Other income/loss	**0.9**	+1.2
Operating profit (% to sales)	**6.1** (2.1%)	-0.1

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

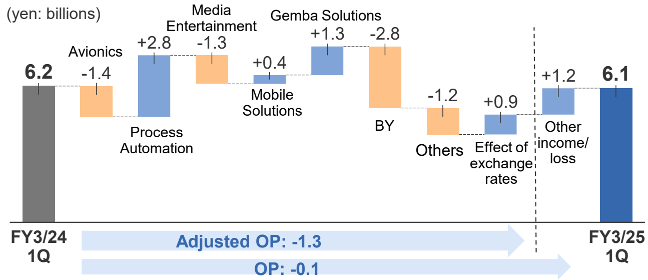
Major increase/decrease factors

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

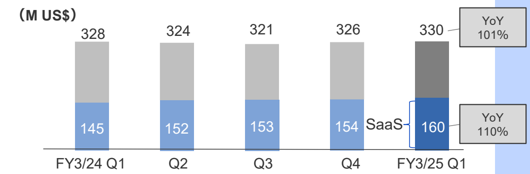


OP: Same level YoY; increased sales of Process Automation and Gemba Solutions offset upfront investments in Avionics and increased strategic investments in Blue Yonder



Sales / Adjusted OP (stand alone)

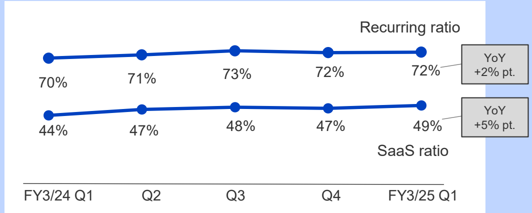
■ Steady growth of SaaS
Adjusted OP increased QoQ, despite strategic investment



Adjusted OP	24	-6	-21	-1	8

Recurring / SaaS ratio

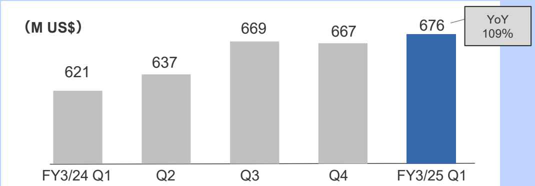
■ Steady trend for both recurring and SaaS ratio



- 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)

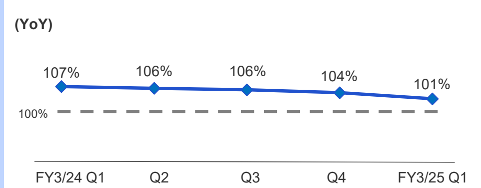
■ Growth of SaaS ARR (YoY / QoQ), despite customers' investments in response to COVID-19 supply chain disruptions showing sign of leveling off



- 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

Breakdown of adjusted operating profit (yen: billions)

			FY3/25 1Q	FY3/24 1Q	YoY	FY3/25 Forecast (Unchanged from initial 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

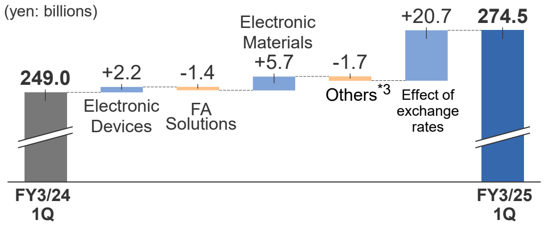
(yen: billions)	FY3/25 1Q	YoY (year-on-year)	PID Products*1
Sales	**274.5**	110% (102%)*2	244.4
Adjusted operating profit (% to sales)	**17.7** **(6.5%)**	+14.4	17.0 (6.9%)
Other income/loss	**-0.3**	-0.5	-0.3
Operating profit (% to sales)	**17.4** **(6.4%)**	+13.9	16.7 (6.8%)

*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

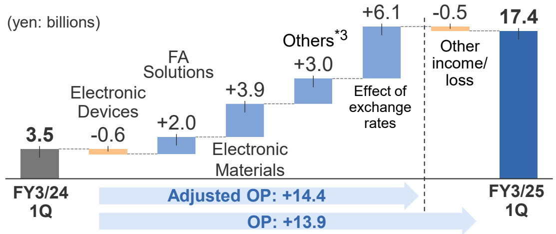
Major increase/decrease factors

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

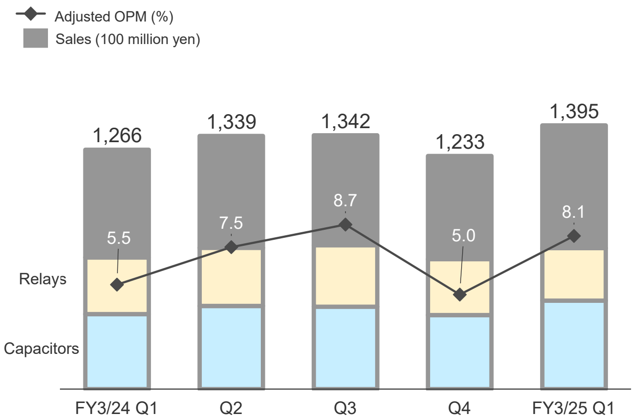


*3: Sales of other segment products, etc.

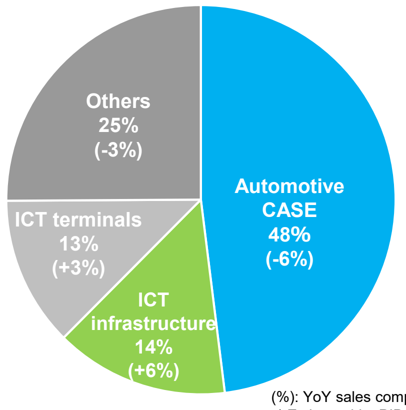
Electronic Devices

- **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*

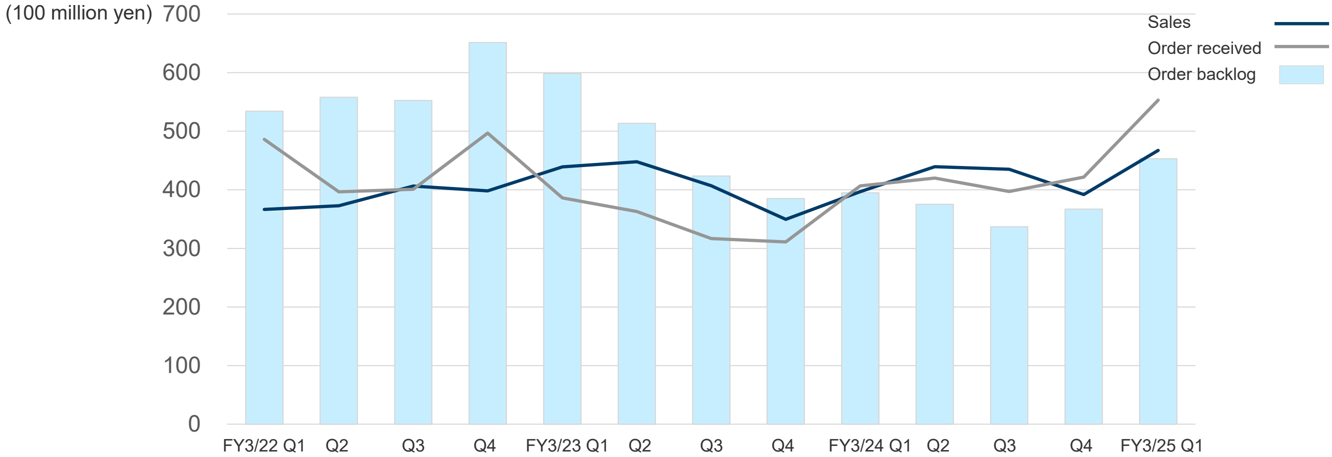


(%): YoY sales composition ratio
* Estimated by PID

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



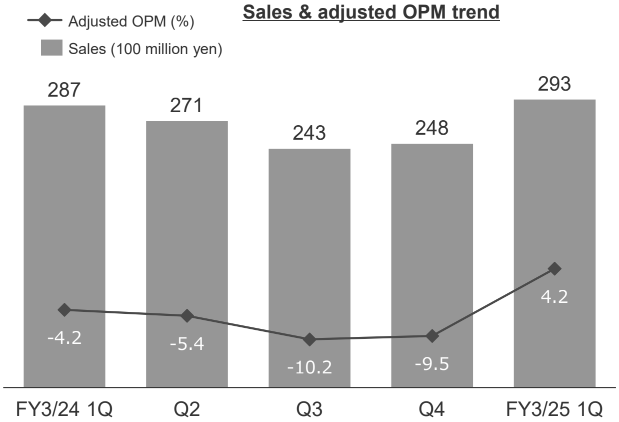
BB ratio	1.33	1.06	0.99	1.25	0.88	0.81	0.78	0.89	1.02	0.96	0.91	1.08	1.18

FA Solutions

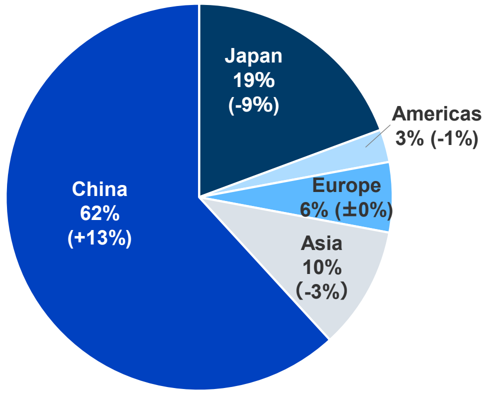
* 3C: Consumer, Computer, Communication

- **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**

Sales & adjusted OPM trend



FY3/25 1Q sales composition by region*

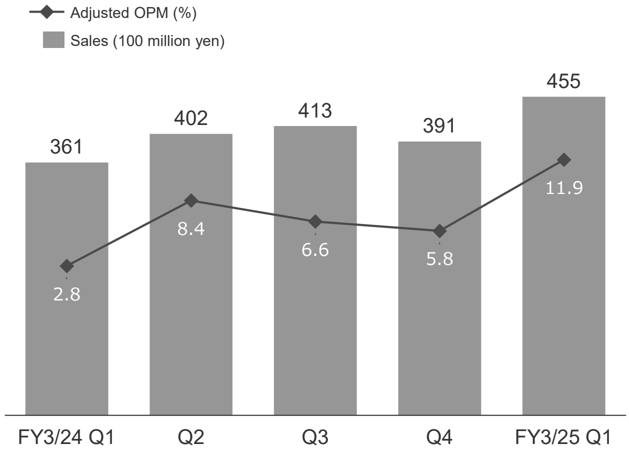


(%): YoY sales composition ratio
* Estimated by PID

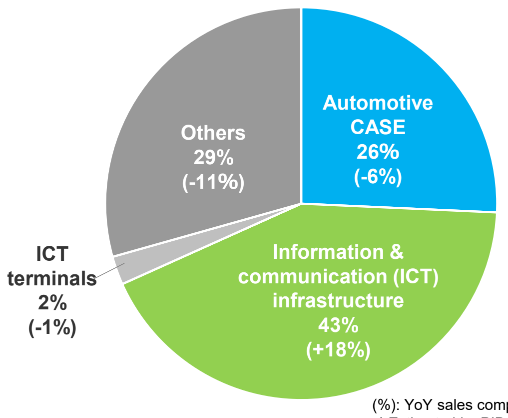
Electronic Materials

- 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

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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

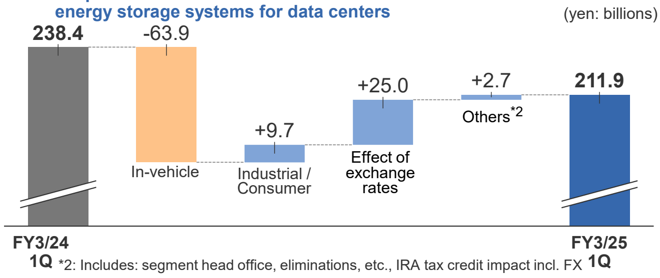
Major increase/decrease factors

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

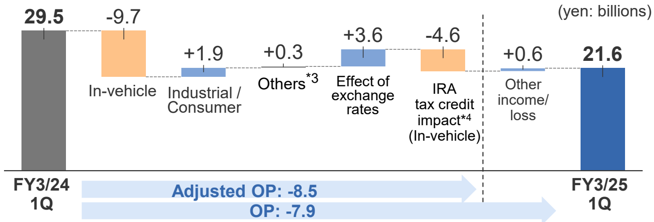
(yen: billions)



*2: Includes: segment head office, eliminations, etc., IRA tax credit impact incl. FX

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

(yen: billions)



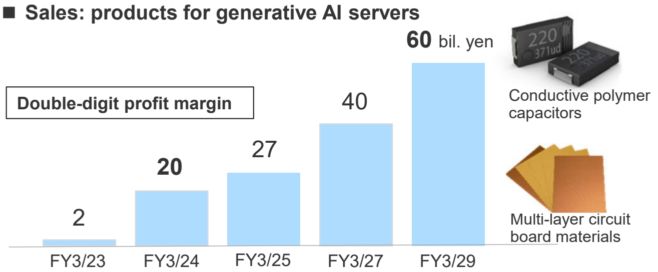
*3: Segment head office, eliminations, etc. *4: IRA tax credit impact incl. FX

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**

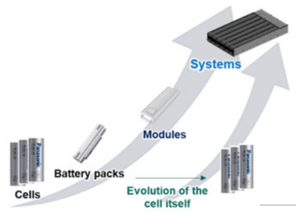


Energy

- ✓ 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

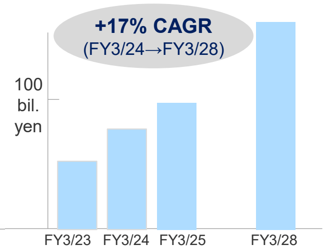
■ **Evolution of energy storage systems**

"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	**83.8**	90.4	-6.6
Non-operating income/loss	**20.9**	18.3	+2.6
Profit before income taxes	**104.7**	108.7	-4.0
Income taxes	**-28.5**	97.8 *1	-126.3
Net profit	**76.2**	206.5 *1	-130.3
Net profit attributable to Panasonic Holdings Corporation stockholders	**70.6**	200.9 *1	-130.3
Net profit attributable to non-controlling interests	**5.6**	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	**516.0**	300.3	58%	10.0% or more	**6.0%**
Automotive	200.0	**270.0**	169.1	63%	6.4%	**10% or more**
Connect	260.0	**255.0**	150.0	59%	4.6%	**2.6%**
Industry	390.0 or more	**300.0 or more**	217.8	73%	17% or more	**6.2%**
Energy	330.0	**330.0**	209.9	64%	12.0%*1	**9.1%***2
Group Total	2,000.0	**FY3/25 (Remainder) 612.4**	1,387.6	69%	ROE 10% or more	**ROE 7.0%**

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

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

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

Note 2: Media Entertainment BD's imaging business transferred from Panasonic Connect Co., Ltd. to Panasonic Entertainment & Communication Co., Ltd. as of April 1, 2024

Note 3: Equity method income/loss of Prime Planet Energy & Solutions, Inc. is included in "Eliminations & adjustments"