

[English summary with full translation of consolidated financial information]

**Quarterly Report filed with the Japanese government  
pursuant to the Financial Instruments and Exchange  
Law of Japan**

**For the six months ended  
September 30, 2021**

**Panasonic Corporation  
Osaka, Japan**

## CONTENTS

Page

Disclaimer Regarding Forward-Looking Statements .....	1
I Corporate Information.....	2
1. Consolidated Financial Summary .....	2
2. Principal Businesses .....	3
II Business Overview.....	4
1. Risk Factors.....	4
2. Management Analyses of Consolidated Financial Position, Operating Results and Cash Flows.....	4
(1) Operating Results.....	4
(2) Operating Results by Segment.....	5
(3) Financial Conditions.....	6
(4) Cash Flows.....	6
(5) Significant Accounting Estimates and Assumptions.....	6
(6) Research and Development.....	6
(7) Capital Investment.....	6
(8) Depreciation (tangible assets only).....	6
(9) Number of Employees.....	6
(10) Policy on Control of the Company.....	7
(11) Prioritized Business and Financial Challenges.....	7
III Shares and Shareholders.....	8
1. Shares of Common Stock Issued .....	8
2. Amount of Common Stock (Stated Capital) .....	8
IV Condensed Quarterly Consolidated Financial Statements.....	9
Condensed Quarterly Consolidated Statements of Financial Position.....	9
Condensed Quarterly Consolidated Statements of Profit or Loss and Condensed Quarterly Consolidated Statements of Comprehensive Income.....	11
Condensed Quarterly Consolidated Statements of Changes in Equity.....	15
Condensed Quarterly Consolidated Statements of Cash Flows.....	17
Notes to Condensed Quarterly Consolidated Financial Statements .....	19

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

This quarterly report includes forward-looking statements about Panasonic and its Group companies (the Panasonic Group). To the extent that statements in this quarterly report do not relate to historical or current facts, they constitute forward-looking statements. These forward-looking statements are based on the current assumptions and beliefs of the Panasonic Group in light of the information currently available to it, and involve known and unknown risks, uncertainties and other factors. Such risks, uncertainties and other factors may cause the Panasonic Group's actual results, performance, achievements or financial position to be materially different from any future results, performance, achievements or financial position expressed or implied by these forward-looking statements. Panasonic undertakes no obligation to publicly update any forward-looking statements after the date of this quarterly report. Investors are advised to consult any further disclosures by Panasonic in its subsequent filings under the Financial Instrument and Exchange Act of Japan (the FIEA) and other publicly disclosed documents.

The risks, uncertainties and other factors referred to above include, but are not limited to, economic conditions, particularly consumer spending and corporate capital expenditures in the Americas, Europe, Japan, China and other Asian countries; volatility in demand for electronic equipment and components from business and industrial customers, as well as consumers in many product and geographical markets; the possibility that the spread of the novel coronavirus infections may adversely affect business activities of the Panasonic Group; the possibility that excessive currency rate fluctuations of the U.S. dollar, the euro, the Chinese yuan and other currencies against the yen may adversely affect costs and prices of Panasonic's products and services and certain other transactions that are denominated in these foreign currencies; the possibility of the Panasonic Group incurring additional costs of raising funds, because of changes in the fund raising environment; the possibility of the Panasonic Group not being able to respond to rapid technological changes and changing consumer preferences with timely and cost-effective introductions of new products in markets that are highly competitive in terms of both price and technology; the possibility of not achieving expected results or incurring unexpected losses in connection with the alliances or mergers and acquisitions; the possibility of not being able to achieve its business objectives through joint ventures and other collaborative agreements with other companies, including due to the pressure of price reduction exceeding that which can be achieved by its effort and decrease in demand for products from business partners which Panasonic highly depends on in BtoB business areas; the possibility of not achieving expected benefits in connection with the transition to a new organizational system in which Panasonic is a holding company; the possibility of the Panasonic Group not being able to maintain competitive strength in many product and geographical areas; the possibility of incurring expenses resulting from any defects in products or services of the Panasonic Group; the possibility that the Panasonic Group may face intellectual property infringement claims by third parties; current and potential, direct and indirect restrictions imposed by other countries over trade, manufacturing, labor and operations; restrictions, costs or legal liability relating to laws and regulations or failures in internal controls; fluctuations in market prices of securities and other financial assets in which the Panasonic Group has holdings or changes in valuation of non-financial assets, including property, plant and equipment, goodwill and deferred tax assets; future changes or revisions to accounting policies or accounting rules; the possibility of incurring expenses resulting from a leakage of customers' or confidential information from Panasonic Group systems due to unauthorized access or a detection of vulnerability of network-connected products of the Panasonic Group; as well as natural disasters including earthquakes, prevalence of infectious diseases throughout the world, disruption of supply chain and other events that may negatively impact business activities of the Panasonic Group. The factors listed above are not all-inclusive and further information is contained in the most recent English translated version of Panasonic's securities reports under the FIEA and any other documents which are disclosed on its website.

## I Corporate Information

### 1. Consolidated Financial Summary

	Yen (millions), except per share amounts		
	Six months ended September 30, 2021	Six months ended September 30, 2020	Year ended March 31, 2021
Net sales	3,533,554	3,059,155	6,698,794
Profit before income taxes	205,762	93,175	260,820
Net profit attributable to Panasonic Corporation stockholders	153,043	48,864	165,077
Comprehensive income attributable to Panasonic Corporation stockholders	191,162	191,084	655,352
Panasonic Corporation stockholders' equity	2,763,752	2,154,325	2,594,034
Total equity	2,936,499	2,307,187	2,768,502
Total assets	7,275,344	6,384,330	6,847,073
Earnings per share attributable to Panasonic Corporation stockholders, basic (yen)	65.59	20.94	70.75
Earnings per share attributable to Panasonic Corporation stockholders, diluted (yen)	65.56	20.93	70.72
Panasonic Corporation stockholders' equity / total assets (%)	38.0	33.7	37.9
Net cash provided by (used in) operating activities	41,576	76,007	504,038
Net cash provided by (used in) investing activities	(702,731)	27,846	176,596
Net cash provided by (used in) financing activities	29,447	116,781	(177,704)
Cash and cash equivalents at the end of the period	975,319	1,226,315	1,593,224

	Three months ended September 30, 2021	Three months ended September 30, 2020
Net sales	1,741,133	1,667,243
Net profit attributable to Panasonic Corporation stockholders	76,506	58,697
Earnings per share attributable to Panasonic Corporation stockholders, basic (yen)	32.78	25.16

Notes: The Company's condensed quarterly consolidated financial statements and consolidated financial statements are prepared in conformity with International Financial Reporting Standards (IFRS).

## 2. Principal Businesses

The Panasonic Group is comprised primarily of the parent Panasonic Corporation and 536 consolidated subsidiaries in and outside of Japan, operating in close cooperation with each other. As a comprehensive electronics manufacturer, Panasonic is engaged in development, production, sales and service activities in a broad array of business areas.

The Company supplies a full spectrum of electric/electronic equipment and related products, which is categorized into the following five reportable segments, "Appliances," "Life Solutions," "Connected Solutions," "Automotive," "Industrial Solutions," and other business activities which are not included in the reportable segments. The details of each segment are described in "IV Condensed Quarterly Consolidated Financial Statements, Note 3. Segment information."

During the six months ended September 30, 2021, there were no changes in major affiliates except as follows:

### Connected Solutions

The Company completed, on September 16, 2021, an additional acquisition of the remaining 80% of shares of Blue Yonder Holding, Inc. ("Blue Yonder"). Accordingly, with the 20% of shares Panasonic acquired in July 2020, the Company completed its acquisition of Blue Yonder. As a result, Blue Yonder, together with its subsidiaries, became a consolidated subsidiary of the Company.

The Company's condensed quarterly consolidated financial statements have been prepared in conformity with IFRS and the scope of affiliates disclosed herein is based on the definitions in those accounting standards. The same applies to "II The Business Overview."

## II Business Overview

### 1. Risk Factors

There was no risk newly identified during the six months ended September 30, 2021.

There were no significant changes with regard to the "Risk Factors" stated in the Company's annual securities report for the fiscal year ended March 31, 2021.

### 2. Management Analyses of Consolidated Financial Position, Operating Results and Cash Flows

Future expectations included in this section are as of November 12, 2021, the filing date of this quarterly report.

#### (1) Operating Results

During the six months ended September 30, 2021 (fiscal 2022), the global economy saw steady progress, with economic recovery in the U.S. and European countries, that have pursued COVID-19 vaccination programs and economic normalization following the steps that have been taken toward this aim. On the other hand, the outlook for economies worldwide remains unclear, given the uncertainties over factors such as ongoing concern regarding COVID-19 and price surges in natural resources, although the outlook for the global and Japanese economies seems to indicate a phase of moderate recovery.

Under such management conditions, Panasonic continues to control fixed costs according to business conditions and to make efforts to capture new business opportunities reflecting changes in society brought about by COVID-19. Through all these efforts, the Company will continue to enhance its management structure in the final year of the Mid-term strategy that started in fiscal 2020. Additionally, in all of our businesses, the Company will identify the areas in which the Company should be aggressive and thoroughly enhance the competitiveness in these areas.

For the six months ended September 30, 2021, in September 2021, the Company completed its acquisition of the 80% of shares of the U.S. company Blue Yonder Holding, Inc. ("Blue Yonder"), which is one of the leading global providers of specialized supply chain software. As a result, the Company made Blue Yonder a wholly-owned subsidiary, together with the 20% of its shares acquired in July 2020. The Company aims to create new value by combining Blue Yonder's software platform, which offers state-of-the-art artificial intelligence (AI) and machine learning (ML) capabilities, with Panasonic's manufacturing expertise, which has been cultivated over many years, as well as its edge devices, IoT applications, and sensing technologies. This acquisition will accelerate Panasonic's and Blue Yonder's shared vision for an "Autonomous Supply Chain™" and will provide solutions to customers' management issues. In addition, Panasonic aims to contribute to global environmental conservation and to a sustainable society through energy-use reduction and effective utilization of resources.

In October 2021, the Company terminated the current Divisional Company system and substantially started its operations based on the new structure toward the transition to a new organizational system in which Panasonic is a holding company from April 2022. Under the new structure, the Company will steadily execute the Mid-term strategy and prepare for the smooth operation of each operating company to be established on April 1, 2022.

For the six months ended September 30, 2021, the Company's consolidated group sales increased by 16% to 3,533.6 billion yen from a year ago. Domestic sales increased driven mainly by mounting machines in Process Automation. Overseas sales also increased due mainly to increased sales of automotive batteries with growing demand as well as increased sales in Systems and Devices, which captured business opportunities reflecting changes in society.

Operating profit increased by 108% to 201.2 billion yen from a year ago. This is due mainly to increased sales as well as recognized a gain from the re-evaluation of the existing equity in Blue Yonder upon its consolidation into Panasonic, despite the impact of raw material price hikes and other factors. Profit before income taxes increased by 121% to 205.8 billion yen and Net profit attributable to Panasonic Corporation stockholders increased by 213% to 153.0 billion yen from a year ago.

## **(2) Operating Results by Segment**

The Company's six-month consolidated sales and operating profits by segment compared to previous year are summarized as follows:

From the beginning of fiscal 2022, certain businesses were transferred among reportable segments. The segment information for fiscal 2021 have been reclassified to conform to the presentation in fiscal 2022.

### Appliances

Sales increased by 7% to 1,273.5 billion yen from a year ago. This is due mainly to steady sales of refrigerators and washing machines in China as well as Commercial Refrigeration & Food Equipment in North America. Operating profit decreased by 11% to 45.5 billion yen from a year ago due largely to factors such as the impact of raw material price hikes, despite increased sales and rationalization efforts.

### Life Solutions

Sales increased by 4% to 727.8 billion yen from a year ago. This is due to favorable sales of ceiling fan in overseas market as well as products such as wiring devices, which benefited from market recovery. Operating profit increased by 19% to 25.3 billion yen from a year ago due mainly to increased sales and rationalization efforts, which more than offset factors such as the impact of raw material price hikes.

### Connected Solutions

Sales increased by 13% to 425.5 billion yen from a year ago. This is due mainly to increased sales of ICT terminals, 5G-related equipment and mounting machine with growing EV related demand. Operating profit increased to 52.2 billion yen, compared with a loss of 17.2 billion yen a year ago due mainly to increased sales as well as recognized gain from the re-evaluation of the existing equity in Blue Yonder upon its consolidation into Panasonic.

### Automotive

Sales increased by 28% to 731.3 billion yen from a year ago. This is due to increased sales in Automotive Solutions with a recovery in automotive production, and increased sales in Automotive Batteries with growing demand. Operating profit increased to 7.1 billion yen, compared with a loss of 4.4 billion yen a year ago due to increased sales.

### Industrial Solutions

Sales increased by 18% to 701.0 billion yen from a year ago. This is due mainly to increased sales of capacitors, industrial-use motors and power storage systems. Operating profit increased by 142% to 65.2 billion yen from a year ago due mainly to increased sales and the effect of business restructuring, despite the impact of factors such as raw material price hikes.

### **(3) Financial Conditions**

The Company's consolidated total assets as of September 30, 2021 were 7,275.3 billion yen, which is an increase of 428.3 billion yen from March 31, 2021. This is due mainly to an increase in inventories as well as the consolidation of Blue Yonder. The Company's consolidated total liabilities were 4,338.8 billion yen, which is an increase of 260.3 billion yen from March 31, 2021. This is due mainly to an increase in debt from raising funds related to the consolidation of Blue Yonder.

Panasonic Corporation stockholders' equity increased by 169.7 billion yen from March 31, 2021, to 2,763.8 billion yen. This is due mainly to recording of Net profit attributable to Panasonic Corporation stockholders. With non-controlling interests added to Panasonic Corporation stockholders' equity, total equity was 2,936.5 billion yen.

### **(4) Cash Flows**

#### Cash flows from operating activities

Net cash provided by operating activities for the six months ended September 30, 2021, amounted to 41.6 billion yen, compared with an inflow of 76.0 billion yen a year ago. This is due mainly to an increase in payments for income taxes despite an increase in quarterly net profit.

#### Cash flows from investing activities

Net cash used in investing activities amounted to 702.8 billion yen, compared with an inflow of 27.9 billion yen a year ago. This is due mainly to investments related to the consolidation of Blue Yonder, and one-off proceeds from the transfer of assets received in the previous year. Accordingly, free cash flows (net cash provided by operating activities and investment activities) decreased by 765.1 billion yen from a year ago to an outflow of 661.2 billion yen.

#### Cash flows from financing activities

Net cash provided by financial activities amounted to 29.4 billion yen, compared with an inflow of 116.8 billion yen a year ago. This is due mainly to the repayment of straight bonds, the repayment of interest-bearing debt of Blue Yonder as well as a decrease in the balance of short-term bonds (commercial papers), despite an increase in debt related to the consolidation of Blue Yonder. Taking factors such as exchange fluctuations into consideration, cash and cash equivalent totaled 975.3 billion yen as of September 30, 2021, which is a decrease of 617.9 billion yen from March 31, 2021.

### **(5) Significant Accounting Estimates and Assumptions**

There were no significant changes with regard to accounting estimates and underlying assumptions described in the "Significant Accounting Estimates and Assumptions" in the Company's annual securities report for the fiscal year ended March 31, 2021.

### **(6) Research and Development**

Panasonic's R&D expenditures for the six months ended September 30, 2021 totaled 200.9 billion yen, down 4% from a year ago. There were no significant changes in R&D activities during the period.

### **(7) Capital Investment**

Panasonic's capital investment (tangible assets) for the six months ended September 30, 2021 totaled 91.9 billion yen, up 32% from a year ago.

### **(8) Depreciation (tangible assets only)**

Panasonic's depreciation for the six months ended September 30, 2021 totaled 87.4 billion yen, down 1% from a year ago.

### **(9) Number of Employees**

Number of employees at the end of the second quarter of fiscal 2022 was 244,479, an increase of 939, compared with the end of the fiscal 2021.



**(10) Policy on Control of the Company**

There were no significant changes with regard to the "Policy on Control of the Company" stated in the Company's annual securities report for the fiscal year ended March 31, 2021 during the six months ended September 30, 2021.

**(11) Prioritized Business and Financial Challenges**

There were no significant changes with regard to the "Prioritized Business and Financial Challenges" during the six months ended September 30, 2021.

### **III Shares and Shareholders**

#### **1. Shares of Common Stock Issued as of September 30, 2021: 2,453,866,297 shares**

The common stock of the Company is listed on the Tokyo and Nagoya stock exchanges in Japan.

#### **2. Amount of Common Stock (Stated Capital) as of September 30, 2021: 259,168 million yen**

#### IV Condensed Quarterly Consolidated Financial Statements

**PANASONIC CORPORATION  
AND SUBSIDIARIES**  
**Condensed Quarterly Consolidated Statements of Financial Position**  
**September 30 and March 31, 2021**

<u>Assets</u>	Yen (millions)	
	September 30, 2021	March 31, 2021
Current assets:		
Cash and cash equivalents.....	975,319	1,593,224
Trade receivables and contract assets.....	1,204,272	1,194,391
Other financial assets.....	141,040	149,629
Inventories.....	996,042	832,569
Other current assets (Note 2).....	147,058	152,934
Total current assets.....	3,463,731	3,922,747
Non-current assets:		
Investments accounted for using the equity method.....	406,147	455,960
Other financial assets.....	192,477	231,024
Property, plant and equipment.....	1,059,367	1,061,614
Right-of-use assets.....	248,793	249,954
Goodwill and intangible assets.....	1,564,156	602,042
Deferred tax assets.....	246,105	239,863
Other non-current assets.....	94,568	83,869
Total non-current assets.....	3,811,613	2,924,326
Total assets.....	7,275,344	6,847,073

**PANASONIC CORPORATION  
AND SUBSIDIARIES**  
**Condensed Quarterly Consolidated Statements of Financial Position**  
**September 30 and March 31, 2021**

	Yen (millions)	
	September 30, 2021	March 31, 2021
<b><u>Liabilities and Equity</u></b>		
Current liabilities:		
Short-term debt, including current portion of long-term debt (Note 8).....	716,581	309,790
Lease liabilities.....	60,491	59,346
Trade payables.....	1,073,828	1,045,617
Other financial liabilities.....	194,596	220,583
Income taxes payable.....	53,553	119,124
Provisions.....	143,212	149,095
Contract liabilities.....	139,801	113,025
Other current liabilities (Note 2).....	774,554	787,748
Total current liabilities.....	<u>3,156,616</u>	<u>2,804,328</u>
Non-current liabilities:		
Long-term debt.....	774,961	879,728
Lease liabilities.....	198,291	198,559
Other financial liabilities.....	33,190	32,794
Retirement benefit liabilities.....	105,631	104,856
Provisions.....	4,723	3,272
Deferred tax liabilities.....	47,135	34,837
Contract liabilities.....	13,385	9,671
Other non-current liabilities.....	4,913	10,526
Total non-current liabilities.....	<u>1,182,229</u>	<u>1,274,243</u>
Total liabilities.....	<u>4,338,845</u>	<u>4,078,571</u>
Equity:		
Panasonic Corporation stockholders' equity:		
Common stock.....	259,168	258,981
Capital surplus.....	528,928	529,157
Retained earnings.....	2,284,850	2,154,023
Other components of equity (Note 4).....	(99,683)	(138,370)
Treasury stock.....	(209,511)	(209,757)
Total Panasonic Corporation stockholders' equity (Note 5).....	<u>2,763,752</u>	<u>2,594,034</u>
Non-controlling interests.....	172,747	174,468
Total equity.....	<u>2,936,499</u>	<u>2,768,502</u>
Total liabilities and equity.....	<u>7,275,344</u>	<u>6,847,073</u>

**PANASONIC CORPORATION  
AND SUBSIDIARIES**  
**Condensed Quarterly Consolidated Statements of Profit or Loss**  
**Six months ended September 30, 2021 and 2020**

	Yen (millions)	
	Six months ended September 30	
	2021	2020
Net sales (Note 7).....	3,533,554	3,059,155
Cost of sales.....	(2,523,589)	(2,190,412)
Gross profit.....	1,009,965	868,743
Selling, general and administrative expenses.....	(810,153)	(779,598)
Share of profit (loss) of investments accounted for using the equity method.....	(10,427)	(14,920)
Other income (expenses), net (Note 8).....	11,817	22,402
Operating profit.....	201,202	96,627
Finance income.....	13,752	8,194
Finance expenses.....	(9,192)	(11,646)
Profit before income taxes.....	205,762	93,175
Income taxes.....	(44,650)	(36,200)
Net profit.....	<u>161,112</u>	<u>56,975</u>
Net profit attributable to:		
Panasonic Corporation stockholders.....	153,043	48,864
Non-controlling interests.....	8,069	8,111
Yen		
Earnings per share attributable to Panasonic Corporation stockholders (Note 5)		
Basic.....	65.59	20.94
Diluted.....	65.56	20.93

**PANASONIC CORPORATION  
AND SUBSIDIARIES**  
**Condensed Quarterly Consolidated Statements of Comprehensive Income**  
**Six months ended September 30, 2021 and 2020**

	Yen (millions)	
	Six months ended September 30	
	2021	2020
Net profit.....	161,112	56,975
Other comprehensive income, net of tax		
Items that will not be reclassified to profit or loss:		
Remeasurements of defined benefit plans.....	1,050	(2,066)
Financial assets measured at fair value through other comprehensive income.....	(6,289)	163,440
Subtotal.....	(5,239)	161,374
Items that may be reclassified to profit or loss:		
Exchange differences on translation of foreign operations.....	48,026	(19,708)
Net changes in fair value of cash flow hedges.....	(2,875)	2,142
Subtotal.....	45,151	(17,566)
Other comprehensive income, net of tax.....	39,912	143,808
Total comprehensive income.....	<u>201,024</u>	<u>200,783</u>
Total comprehensive income attributable to:		
Panasonic Corporation stockholders.....	191,162	191,084
Non-controlling interests.....	9,862	9,699

**Condensed Quarterly Consolidated Statements of Profit or Loss**  
**Three months ended September 30, 2021 and 2020**

	Yen (millions)	
	Three months ended September 30	
	2021	2020
Net sales (Note 7).....	1,741,133	1,667,243
Cost of sales.....	(1,257,696)	(1,180,691)
Gross profit.....	483,437	486,552
Selling, general and administrative expenses.....	(403,082)	(391,512)
Share of profit (loss) of investments accounted for using the equity method.....	(3,879)	(1,053)
Other income (expenses), net (Note 8).....	20,349	(1,118)
Operating profit.....	96,825	92,869
Finance income.....	5,204	3,343
Finance expenses.....	(4,801)	(6,106)
Profit before income taxes.....	97,228	90,106
Income taxes.....	(17,363)	(26,216)
Net profit.....	79,865	63,890
Net profit attributable to:		
Panasonic Corporation stockholders.....	76,506	58,697
Non-controlling interests.....	3,359	5,193
Yen		
Earnings per share attributable to Panasonic Corporation stockholders (Note 5)		
Basic.....	32.78	25.16
Diluted.....	32.77	25.14

**Condensed Quarterly Consolidated Statements of Comprehensive Income**  
**Three months ended September 30, 2021 and 2020**

	Yen (millions)	
	Three months ended September 30	
	2021	2020
Net profit.....	79,865	63,890
Other comprehensive income, net of tax		
Items that will not be reclassified to profit or loss:		
Remeasurements of defined benefit plans.....	(569)	(1,277)
Financial assets measured at fair value through other comprehensive income.....	(1,573)	90,735
Subtotal.....	(2,142)	89,458
Items that may be reclassified to profit or loss:		
Exchange differences on translation of foreign operations.....	30,450	(12,089)
Net changes in fair value of cash flow hedges.....	(4,902)	9
Subtotal.....	25,548	(12,080)
Other comprehensive income, net of tax.....	23,406	77,378
Total comprehensive income.....	<u>103,271</u>	<u>141,268</u>
 Total comprehensive income attributable to:		
Panasonic Corporation stockholders.....	99,436	134,978
Non-controlling interests.....	3,835	6,290



**PANASONIC CORPORATION  
AND SUBSIDIARIES**  
**Condensed Quarterly Consolidated Statements of Changes in Equity**  
**Six months ended September 30, 2021 and 2020**

Six months ended September 30, 2021

Yen (millions)

	Common stock	Capital surplus	Retained earnings	Other components of equity	Treasury stock	Panasonic Corporation stockholders' equity	Non- controlling interests	Total equity
Balances as of April 1, 2021.....	258,981	529,157	2,154,023	(138,370)	(209,757)	2,594,034	174,468	2,768,502
Comprehensive income:								
Net profit .....	—	—	153,043	—	—	153,043	8,069	161,112
Remeasurements of defined benefit plans.....	—	—	—	978	—	978	72	1,050
Financial assets measured at fair value through other comprehensive income.....	—	—	—	(6,243)	—	(6,243)	(46)	(6,289)
Exchange differences on translation of foreign operations.....	—	—	—	46,228	—	46,228	1,798	48,026
Net change in fair value of cash flow hedges.....	—	—	—	(2,844)	—	(2,844)	(31)	(2,875)
Total comprehensive income.....	—	—	153,043	38,119	—	191,162	9,862	201,024
Transfer to hedged non-financial assets.....	—	—	—	1,685	—	1,685	—	1,685
Transfer from other components of equity to retained earnings.....	—	—	1,117	(1,117)	—	—	—	—
Cash dividends (Note 4).....	—	—	(23,333)	—	—	(23,333)	(11,743)	(35,076)
Purchase of treasury stock.....	—	—	—	—	(23)	(23)	—	(23)
Disposal of treasury stock.....	—	(0)	—	—	1	1	—	1
Share-based payments.....	187	(287)	—	—	268	168	—	168
Transactions with non-controlling interests and other.....	—	58	—	—	—	58	160	218
Balances as of September 30, 2021.....	259,168	528,928	2,284,850	(99,683)	(209,511)	2,763,752	172,747	2,936,499

## Six months ended September 30, 2020

Yen (millions)

	Common stock	Capital surplus	Retained earnings	Other components of equity	Treasury stock	Panasonic Corporation stockholders' equity	Non- controlling interests	Total equity
Balances as of April 1, 2020.....	258,867	531,048	1,646,403	(227,957)	(210,012)	1,998,349	157,519	2,155,868
Comprehensive income:								
Net profit.....	—	—	48,864	—	—	48,864	8,111	56,975
Remeasurements of defined benefit plans.....	—	—	—	(2,442)	—	(2,442)	376	(2,066)
Financial assets measured at fair value through other comprehensive income.....	—	—	—	163,368	—	163,368	72	163,440
Exchange differences on translation of foreign operations.....	—	—	—	(20,904)	—	(20,904)	1,196	(19,708)
Net change in fair value of cash flow hedges.....	—	—	—	2,198	—	2,198	(56)	2,142
Total comprehensive income.....	—	—	48,864	142,220	—	191,084	9,699	200,783
Transfer to hedged non-financial assets.....	—	—	—	511	—	511	—	511
Transfer from other components of equity to retained earnings.....	—	—	83,496	(83,496)	—	—	—	—
Cash dividends (Note 4).....	—	—	(34,994)	—	—	(34,994)	(9,530)	(44,524)
Purchase of treasury stock.....	—	—	—	—	(13)	(13)	—	(13)
Disposal of treasury stock.....	—	(1)	—	—	2	1	—	1
Share-based payments.....	114	(162)	—	—	163	115	—	115
Transactions with non-controlling interests and other.....	—	(728)	—	—	—	(728)	(4,826)	(5,554)
Balances as of September 30, 2020.....	258,981	530,157	1,743,769	(168,722)	(209,860)	2,154,325	152,862	2,307,187

**PANASONIC CORPORATION**  
**AND SUBSIDIARIES**  
**Condensed Quarterly Consolidated Statements of Cash Flows**  
**Six months ended September 30, 2021 and 2020**

	Yen (millions)	
	Six months ended September 30	
	2021	2020
Cash flows from operating activities:		
Net profit.....	161,112	56,975
Depreciation and amortization.....	157,879	156,347
Impairment losses on property, plant and equipment, right-of-use assets, goodwill and intangible assets.....	1,801	4,059
Income tax expenses.....	44,650	36,200
(Increase) decrease in trade receivables and contract assets.....	20,019	(37,342)
(Increase) decrease in inventories.....	(163,204)	(7,218)
Increase (decrease) in trade payables.....	25,130	(90,806)
Increase (decrease) in provisions.....	(6,164)	(29,685)
Increase (decrease) in contract liabilities.....	(8,872)	5,005
Increase (decrease) in retirement benefit liabilities.....	(2,403)	658
Other - net (Note 8).....	(86,835)	4,579
Subtotal.....	<u>143,113</u>	<u>98,772</u>
Interest received.....	5,837	5,821
Dividend income received.....	1,553	1,528
Interest expenses paid.....	(9,070)	(9,179)
Income taxes paid.....	<u>(99,857)</u>	<u>(20,935)</u>
Net cash provided by (used in) operating activities.....	<u>41,576</u>	<u>76,007</u>
Cash flows from investing activities:		
Purchase of property, plant and equipment.....	(108,305)	(90,908)
Proceeds from sale of property, plant and equipment.....	4,698	9,718
Purchase of intangible assets.....	(29,954)	(31,992)
Collection of lease receivables.....	12,120	2,967
Purchase of investments accounted for using the equity method and other financial assets.....	(24,230)	(100,931)
Proceeds from sale and redemption of investments accounted for using the equity method and other financial assets.....	15,710	111,842
Acquisition of subsidiaries resulting in change in scope of consolidation (Note 9).....	(578,427)	—
Proceeds from loss of control of subsidiaries or other businesses.....	6,194	127,889
Other - net.....	<u>(537)</u>	<u>(739)</u>
Net cash provided by (used in) investing activities.....	<u>(702,731)</u>	<u>27,846</u>

**PANASONIC CORPORATION  
AND SUBSIDIARIES**  
**Condensed Quarterly Consolidated Statements of Cash Flows**  
**Six months ended September 30, 2021 and 2020**

	Yen (millions)	
	Six months ended September 30	
	2021	2020
Cash flows from financing activities:		
Increase (decrease) in short-term debt (Note 8 and 9).....	305,647	229,647
Proceeds from long-term debt.....	720	2,340
Repayments of long-term debt.....	(201,773)	(24,859)
Payments for lease liabilities.....	(31,514)	(36,270)
Dividends paid to Panasonic Corporation stockholders (Note 4).....	(23,333)	(34,994)
Dividends paid to non-controlling interests.....	(11,743)	(9,530)
Purchase of treasury stock.....	(23)	(13)
Proceeds from sales of treasury stock.....	1	1
Transactions with non-controlling interests.....	(117)	(1)
Other - net.....	(8,418)	(9,540)
Net cash provided by (used in) financing activities.....	29,447	116,781
Effect of exchange rate changes on cash and cash equivalents.....	13,170	(10,823)
Net increase (decrease) in cash and cash equivalents.....	(618,538)	209,811
Cash and cash equivalents at the beginning of the period.....	1,593,224	1,016,504
Net increase in cash and cash equivalents resulting from transfer to assets held for sale.....	633	—
Cash and cash equivalents at the end of the period.....	975,319	1,226,315

**PANASONIC CORPORATION**  
**AND SUBSIDIARIES**  
**Notes to Condensed Quarterly Consolidated Financial Statements**

1. Reporting entity

Panasonic Corporation is a company incorporated in Japan. As a comprehensive electronics manufacturer, Panasonic Corporation and its subsidiaries (together referred to as the "Company") are engaged in development, production, sales and service activities in a broad array of business areas with close cooperation between domestic and overseas group companies.

Details of principal businesses and activities of the Company are described in Note "3. Segment information."

2. Basis of preparation

(1) Compliance of the condensed quarterly consolidated financial statements with International Accounting Standard 34 "Interim Financial Reporting" (hereinafter, "IAS 34")

Pursuant to the provision of Article 93 of the Ordinance on Terminology, Forms, and Preparation Methods of Quarterly Consolidated Financial Statements, the condensed quarterly consolidated financial statements of the Company have been prepared in compliance with IAS 34 since the Company qualifies as a "Specified Company under Designated International Accounting Standards" prescribed in Article 1-2 of the Ordinance.

The Company's condensed quarterly consolidated financial statements do not include all of the information and disclosures required for a complete set of financial statements prepared in accordance with IFRS, and should be used in conjunction with the consolidated financial statements and the notes included in the Company's annual securities report for the year ended March 31, 2021.

The condensed quarterly consolidated financial statements were approved on November 12, 2021 by Representative Director, President, Yuki Kusumi, and Director (Group CFO), Hirokazu Umeda.

(2) Functional currency and presentation currency

The Company's condensed quarterly consolidated financial statements are presented in Japanese yen, which is Panasonic's functional currency, and figures are rounded to the nearest million (Japanese yen).

(3) Significant accounting policies

Significant accounting policies applied in preparation of the condensed quarterly consolidated financial statements are consistent with those used in the preparation of the Company's annual consolidated financial statements for the year ended March 31, 2021.

(4) Significant accounting estimates and judgments involving estimations

The Company makes judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses for the preparation of the condensed quarterly consolidated financial statements. Actual results may differ from those accounting estimates and their underlying assumptions.

Estimates and their underlying assumptions are reviewed on an ongoing basis, and revisions to accounting estimates are recognized in the reporting period in which the estimates are revised and in future reporting periods.

The estimates and judgments, which have a material effect on the Company's condensed quarterly consolidated financial statements, are consistent with those used in the preparation of the Company's annual consolidated financial statements for the year ended March 31, 2021.

(5) Changes in presentation

Non-current assets or disposal groups held for sale

Since "Assets held for sale" and "Liabilities directly associated with assets held for sale," which were separately presented as of March 31, 2021, have become immaterial, they are included as part of "Other current assets" and "Other current liabilities," respectively, as of June 30, 2021. The consolidated statement of financial position as of March 31, 2021 has been reclassified to conform to this change in presentation. As a result, the amount of 8,101 million yen as of March 31, 2021, which was presented as "Assets held for sale," and the amount of 2,884 million yen as of March 31, 2021, which was presented as "Liabilities directly associated with assets held for sale," have been reclassified and presented within "Other current assets" and "Other current liabilities," respectively.

### 3. Segment information

#### (1) Reportable segments

Reportable segments are the components of the Company for which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. The Company classifies and discloses five reportable segments, namely "Appliances," "Life Solutions," "Connected Solutions," "Automotive" and "Industrial Solutions."

"Appliances" includes the development, manufacturing and sale of and provision of related services for products such as room air-conditioners, large-sized air-conditioners, TVs, digital cameras, video equipment, home audio equipment, fixed-phones, refrigerators, washing machines, vacuum cleaners, microwave ovens, rice cookers, personal-care products, compressors, fuel cells and showcases. "Life Solutions" includes the development, manufacturing and sale of and provision of related services for products such as lighting fixtures, lamps, wiring devices, solar photovoltaic systems, water-related products, interior furnishing materials, exterior finishing materials, ventilation and air-conditioning equipment, air purifiers, bicycles, and nursing-care-related products. "Connected Solutions" includes the development, manufacturing and sale of and provision of related services for products such as aircraft in-flight entertainment systems and communications services, electronic-components-mounting machines, welding equipment, projectors, professional AV systems, PCs and tablets. "Automotive" includes the development, manufacturing and sale of and provision of related services for products such as car navigation systems, car AV systems, meter cluster displays, head-up displays, telematics communication units, switches, sensing devices, ECUs, energy management devices and batteries for automobiles. "Industrial Solutions" includes the development, manufacturing and sale of and provision of related services for products such as automation controls, electric motors, FA sensors and components, small lithium-ion batteries, battery modules for power storage, electronic components, dry batteries, micro batteries, electronic materials, semiconductors (which was disposed of on September 1, 2020) and LCD panels.

"Other" includes business activities not belonging to any reportable segments, such as sales of raw materials.

As of April 1, 2021, certain businesses were transferred between reportable segments, and segment information for the six and three months ended September 30, 2020 has been reclassified to conform to the presentation for the six and three months ended September 30, 2021.

(2) Information by reportable segment

Information by segment for the six months ended September 30, 2021 and 2020 is shown in the tables below.

(i) For the six months ended September 30, 2021

		Yen (millions)						
		Reportable segments					Eliminations and adjustments	Consolidated Total
		Appliances	Life Solutions	Connected Solutions	Automotive	Industrial Solutions		
Sales:								
External customers...	1,170,580	654,408	374,327	715,569	612,483	129,845	(123,658)	3,533,554
Intersegment.....	102,890	73,397	51,164	15,756	88,559	3,316	(335,082)	—
Total.....	<u>1,273,470</u>	<u>727,805</u>	<u>425,491</u>	<u>731,325</u>	<u>701,042</u>	<u>133,161</u>	<u>(458,740)</u>	<u>3,533,554</u>
Segment profit.....	45,531	25,342	52,240	7,080	65,226	1,617	4,166	201,202

(ii) For the six months ended September 30, 2020

		Yen (millions)						
		Reportable segments					Eliminations and adjustments	Consolidated Total
		Appliances	Life Solutions	Connected Solutions	Automotive	Industrial Solutions		
Sales:								
External customers...	1,093,443	624,663	329,585	557,195	515,995	102,387	(164,113)	3,059,155
Intersegment.....	96,406	73,637	46,752	12,074	80,472	3,401	(312,742)	—
Total.....	<u>1,189,849</u>	<u>698,300</u>	<u>376,337</u>	<u>569,269</u>	<u>596,467</u>	<u>105,788</u>	<u>(476,855)</u>	<u>3,059,155</u>
Segment profit (loss)..	50,998	21,353	(17,223)	(4,386)	26,995	796	18,094	96,627

The accounting policies for reportable segments are the same as the Company's accounting policies described in Note "2 (3) Significant accounting policies" except for management accounting adjustments referred to below.

Transactions between segments have been conducted at arm's length prices.

Segment profit is calculated based on operating profit. In addition, Segment profit (loss) of "Automotive" for the six months ended September 30, 2021 and 2020 includes a loss of 5,154 million yen and 10,202 million yen, respectively, on the investments accounted for using the equity method.

The amounts in "Eliminations and adjustments" include revenues and expenses which are not attributable to any reportable segment for the purpose of evaluating operating results of each segment, consolidation adjustments and eliminations of intersegment transactions.

Adjustments to segment sales to customers for the six months ended September 30, 2021 and 2020 include mainly price differences between sales prices to external customers and the internal sales prices adopted for performance measurement purposes for the sales of consumer products through certain sales departments, management accounting adjustments to sales prices and revenue of corporate headquarters, etc.

Adjustments to segment profit for the six months ended September 30, 2021 and 2020 include profit of corporate headquarters and profit which is attributable to certain sales departments for consumer products. Adjustments also include consolidation adjustments such as the amortization on certain intangible assets acquired in business combinations and the share of profit of investments accounted for using the equity method which are not allocated to any specific segments.



Information by segment for the three months ended September 30, 2021 and 2020 is shown in the tables below.

(i) For the three months ended September 30, 2021

		Yen (millions)							
		Reportable segments						Eliminations and adjustments	Consolidated Total
		Appliances	Life Solutions	Connected Solutions	Automotive	Industrial Solutions	Other		
Sales:									
External customers...	550,220	336,024	191,205	348,695	302,483	70,036	(57,530)	1,741,133	
Intersegment.....	48,981	36,585	25,776	8,889	40,920	1,835	(162,986)	—	
Total.....	<u>599,201</u>	<u>372,609</u>	<u>216,981</u>	<u>357,584</u>	<u>343,403</u>	<u>71,871</u>	<u>(220,516)</u>	<u>1,741,133</u>	
Segment profit (loss)..<	3,384	12,710	52,066	(2,727)	29,910	459	1,023	96,825	

(ii) For the three months ended September 30, 2020

		Yen (millions)							
		Reportable segments						Eliminations and adjustments	Consolidated Total
		Appliances	Life Solutions	Connected Solutions	Automotive	Industrial Solutions	Other		
Sales:									
External customers...	588,655	333,611	168,779	350,219	263,870	51,783	(89,674)	1,667,243	
Intersegment.....	47,128	38,398	22,329	8,260	44,042	1,721	(161,878)	—	
Total.....	<u>635,783</u>	<u>372,009</u>	<u>191,108</u>	<u>358,479</u>	<u>307,912</u>	<u>53,504</u>	<u>(251,552)</u>	<u>1,667,243</u>	
Segment profit (loss)..<	35,790	15,796	(1,249)	5,089	17,793	507	19,143	92,869	

The accounting policies for reportable segments are the same as the Company's accounting policies described in Note "2 (3) Significant accounting policies" except for management accounting adjustments referred to below.

Transactions between segments have been conducted at arm's length prices.

Segment profit is calculated based on operating profit. In addition, Segment profit (loss) of "Automotive" for the three months ended September 30, 2021 and 2020 include a loss of 3,696 million yen and 3,607 million yen, respectively, on the investments accounted for using the equity method.

The amounts in "Eliminations and adjustments" include revenues and expenses, which are not attributable to any reportable segment for the purpose of evaluating operating results of each segment, consolidation adjustments, and eliminations of intersegment transactions.

Adjustments to segment sales to customers for the three months ended September 30, 2021 and 2020 mainly include price differences between sales prices to external customers and the internal sales prices adopted for performance measurement purposes for the sales of consumer products through certain sales departments, management accounting adjustments to sales prices, and revenue of corporate headquarters, etc.

Adjustments to segment profit for the three months ended September 30, 2021 and 2020 include profit of corporate headquarters and profit which is attributable to certain sales departments for consumer products. Adjustments also include consolidation adjustments such as amortization on certain intangible assets acquired in business combinations and share of profit of investments accounted for using the equity method which are not allocated to any specific segments.

#### 4. Equity

##### (1) Other components of equity

A breakdown of other components of equity is as follows:

	Yen (millions)	
	September 30, 2021	March 31, 2021
Remeasurements of defined benefit plans (*).....	—	—
Financial assets measured at fair value through other comprehensive income.....	28,450	34,832
Exchange differences on translation of foreign operations.....	(133,632)	(179,860)
Net changes in fair value of cash flow hedges.....	5,499	6,658
Total.....	<u>(99,683)</u>	<u>(138,370)</u>

(\*)As the result of remeasurements of defined benefit plans, other components of equity increased by 978 million yen (net of tax), which was directly transferred from other components of equity to retained earnings for the six months ended September 30, 2021.

##### (2) Dividends

1) Dividends for the six months ended September 30, 2021 are summarized as follows:

(i) Amount of cash dividends paid

Resolution date	Class	Cash dividends (millions of yen)	Dividends resource	Cash dividends per share (yen)	Record date	Effective date
The Board of Directors meeting held on May 10, 2021	Common stock	23,333	Retained earnings	10.0	March 31, 2021	June 4, 2021

(ii) Cash dividends resolved in the six months ended September 30, 2021 but effective after the period

Resolution date	Class	Cash dividends (millions of yen)	Dividends resource	Cash dividends per share (yen)	Record date	Effective date
The Board of Directors meeting held on October 28, 2021	Common stock	35,006	Retained earnings	15.0	September 30, 2021	November 30, 2021

2) Dividends for the six months ended September 30, 2020 are summarized as follows:

(i) Amount of cash dividends paid

Resolution date	Class	Cash dividends (millions of yen)	Dividends resource	Cash dividends per share (yen)	Record date	Effective date
The Board of Directors meeting held on May 18, 2020	Common stock	34,994	Retained earnings	15.0	March 31, 2020	June 11, 2020

(ii) Cash dividends resolved in the six months ended September 30, 2020 but effective after the period

Resolution date	Class	Cash dividends (millions of yen)	Dividends resource	Cash dividends per share (yen)	Record date	Effective date
The Board of Directors meeting held on October 29, 2020	Common stock	23,333	Retained earnings	10.0	September 30, 2020	November 30, 2020

## 5. Per share information

Panasonic Corporation stockholders' equity per share is as follows:

	Yen	
	September 30, 2021	March 31, 2021
Panasonic Corporation stockholders' equity per share.....	1,184.25	1,111.73

Reconciliation for the basic and diluted earnings per share attributable to Panasonic Corporation stockholders is as follows:

(1) For the six months ended September 30, 2021 and 2020

	Yen (millions)	
	2021	2020
Net profit attributable to Panasonic Corporation stockholders.....	153,043	48,864
Adjustment to net profit.....	(6)	(2)
Net profit used to calculate basic earnings per share.....	153,037	48,862
Adjustment to net profit.....	6	2
Net profit used to calculate diluted earnings per share.....	153,043	48,864

	Number of shares	
	2021	2020
Average common shares outstanding.....	2,333,389,195	2,333,020,675
Dilutive effect:		
Stock acquisition rights.....	1,023,665	1,187,153
Restricted stock.....	98,429	78,771
Diluted common shares outstanding.....	2,334,511,289	2,334,286,599

	Yen	
	2021	2020
Earnings per share attributable to Panasonic Corporation stockholders:		
Basic.....	65.59	20.94
Diluted.....	65.56	20.93

(2) For the three months ended September 30, 2021 and 2020:

	Yen (millions)	
	2021	2020
Net profit attributable to Panasonic Corporation stockholders.....	76,506	58,697
Adjustment to net profit.....	(6)	(3)
Net profit used to calculate basic earnings per share.....	76,500	58,694
Adjustment to net profit.....	6	3
Net profit used to calculate diluted earnings per share.....	76,506	58,697

	Number of shares	
	2021	2020
Average common shares outstanding.....	2,333,453,009	2,333,063,836
Dilutive effect:		
Stock acquisition rights.....	974,836	1,174,092
Restricted stock.....	158,950	124,550
Diluted common shares outstanding.....	2,334,586,795	2,334,362,478

	Yen	
	2021	2020
Earnings per share attributable to Panasonic Corporation stockholders:		
Basic.....	32.78	25.16
Diluted.....	32.77	25.14

6. Fair values of financial instruments

(1) Comparison between fair values and the carrying amounts

	Yen (millions)			
	September 30, 2021		March 31, 2021	
	Book value	Fair value	Book value	Fair value
Long-term debt, including current portion of long-term debt.....	967,112	983,449	1,164,796	1,181,260

Fair values shown above are estimated, based on the market price or the present value of the future cash flows, which is calculated using the observable discount rate at September 30 and March 31, 2021. All fair values are categorized as level 2 (referred to "(2) Fair value measurement hierarchy" below).

With regard to financial assets and financial liabilities measured at amortized cost other than the above, their fair values approximate their carrying amounts.

(2) Fair value measurement hierarchy

IFRS 13, "Fair Value Measurement" provides that fair values shall be categorized into the following three levels according to the extent to which the input information used in the measurement is observable from the outside:

- Level 1: Fair value measured by quoted prices in active markets
- Level 2: Fair value measured directly or indirectly using inputs other than quoted prices included within Level 1 that are observable
- Level 3: Fair value measured through valuation techniques which include inputs that are not based on observable market data

The fair value measurement hierarchy level used in the measurement is determined by the lowest-level of significant input in the measurement of fair value.

The breakdown of financial instruments measured at fair value is as follows:

	Yen (millions)			
	September 30, 2021			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets measured at FVTPL				
Derivative assets				
Foreign exchange forward contracts.....	—	3,448	—	3,448
Cross currency swaps.....	—	9	—	9
Cross currency interest rate swaps.....	—	21,455	—	21,455
Commodity futures.....	16,604	2,309	—	18,913
Subtotal.....	16,604	27,221	—	43,825
Financial assets measured at FVTOCI				
Shares.....	33,352	—	111,473	144,825
Others.....	—	281	—	281
Subtotal.....	33,352	281	111,473	145,106
Total financial assets.....	49,956	27,502	111,473	188,931
Financial liabilities:				
Financial liabilities measured at FVTPL				
Derivative liabilities				
Foreign exchange forward contracts.....	—	2,971	—	2,971
Cross currency interest rate swaps.....	—	200	—	200
Commodity futures.....	14,430	12,214	—	26,644
Total financial liabilities.....	14,430	15,385	—	29,815
	Yen (millions)			
	March 31, 2021			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets measured at FVTPL				
Shares.....	—	—	42,117	42,117
Derivative assets				
Foreign exchange forward contracts.....	—	7,639	—	7,639
Cross currency interest rate swaps.....	—	18,662	—	18,662
Commodity futures.....	11,690	1,584	—	13,274
Subtotal.....	11,690	27,885	42,117	81,692
Financial assets measured at FVTOCI				
Shares.....	34,440	—	109,079	143,519
Others.....	—	281	—	281
Subtotal.....	34,440	281	109,079	143,800
Total financial assets.....	46,130	28,166	151,196	225,492
Financial liabilities:				
Financial liabilities measured at FVTPL				
Derivative liabilities				
Foreign exchange forward contracts.....	—	5,195	—	5,195
Cross currency swaps.....	—	1	—	1
Commodity futures.....	4,657	14,066	—	18,723
Total financial liabilities.....	4,657	19,262	—	23,919

The Company's marketable shares and commodity futures are included in Level 1 and valued using an unadjusted quoted market price in active markets with sufficient volume and frequency of transactions.

Level 2 derivatives including foreign exchange forward contracts, cross currency swaps, cross currency interest rate swaps and commodity futures are valued using quotes obtained from brokers, which are periodically validated by pricing models using observable market inputs, such as foreign currency exchange rates, market interest rates and market prices for commodity futures.

Shares classified as Level 3 are unlisted stocks, and their fair values are measured by an appropriate valuation method that comprehensively takes into account the outlook for future profitability of the investee and quantitative information such as net asset value and major assets held by the investee, in accordance with the policy and procedures set by the Company for using the most appropriate and highly relevant available data. The reasonableness of this assessment is verified by the department in charge of accounting using various methods and approved by the manager of the department. Specific methods of verification include the use of external valuation service organizations.

For financial instruments classified as Level 3, significant changes in fair value occurring when unobservable inputs are changed to reasonably possible alternative assumptions are not expected.

Transfers between levels are recognized on the day when the event or change in circumstances that caused the transfer occurred. In the six months ended September 30, 2021, there were no financial instruments of which a significant transfer was made between levels.

The main movement in financial instruments, classified as Level 3 in the fair value measurement hierarchy for the six months ended September 30, 2021, is caused by a decrease of financial assets measured at FVTPL as a result of the investee becoming a consolidated subsidiary.



## 7. Revenue

### Disaggregation of revenue

Revenue from contracts with customers is disaggregated by product category to properly reflect its nature and the geographical area where the customers are located. Revenue by product and geographical area is further disaggregated by reportable segment.

The products of Appliances are categorized into "B2C" and "B2B." "B2C" includes products such as room air-conditioners, TVs, digital cameras, video equipment, home audio equipment, fixed-phones, refrigerators, washing machines, vacuum cleaners, microwave ovens, rice cookers and personal-care products. "B2B" includes products such as compressors, fuel cells and showcases.

The products of Life Solutions are categorized into "Electrical construction materials," "Home building products" and "Other." "Electrical construction materials" includes products such as lighting fixtures, lamps, wiring devices, solar photovoltaic systems, ventilation and air-conditioning equipment and air purifiers. "Home building products" includes products such as water-related products, interior furnishing materials, exterior furnishing materials. "Other" includes products such as bicycles and nursing-care-related products.

The products of Connected Solutions are categorized into "Vertical solutions" and "Product solutions." "Vertical solutions" is a solution business provided directly by business divisions where development, production and sales are integrated and includes products such as aircraft in-flight entertainment systems and communications services, electronic-components-mounting machines and welding equipment. "Product solutions" is a solution business provided by developing and manufacturing business divisions through sales departments and includes products such as projectors, professional AV systems, PCs and tablets.

The products of Automotive are categorized into "Automotive solutions" and "Automotive batteries." "Automotive solutions" includes products such as automotive-use infotainment systems, electrical components and automotive mirrors. "Automotive batteries" includes products related to automotive-use batteries.

The products of Industrial Solutions are categorized into "Systems," "Device" and "Other." "Systems" includes products such as automation controls, electric motors and lithium-ion batteries, which are the group of businesses focused on systems and modules. "Device" includes products such as electronic components, electronic materials and dry batteries, which are the group of businesses that differentiates in materials and processes. "Other" includes products such as semiconductors (which was disposed of on September 1, 2020) and LCD panels.

The disaggregated revenue for the six months ended September 30, 2021 and 2020 is as follow:

(i) For the six months ended September 30, 2021

Yen (millions)			
By product category	Sales	By geographical area	Sales
<b>Reportable segments</b>			
<b>Appliances</b>			
B2C.....	770,248	Japan.....	424,296
B2B.....	251,548	North and South America.....	129,570
		Europe.....	115,696
		Asia, China and others.....	352,234
Total.....	<u>1,021,796</u>	Total.....	<u>1,021,796</u>
<b>Life Solutions</b>			
Electrical construction materials.....	352,831	Japan.....	509,130
Home building products.....	165,187	North and South America.....	16,288
Other.....	125,699	Europe.....	16,113
		Asia, China and others.....	102,186
Total.....	<u>643,717</u>	Total.....	<u>643,717</u>
<b>Connected Solutions</b>			
Vertical solutions.....	175,040	Japan.....	141,139
Product solutions.....	230,905	North and South America.....	95,646
		Europe.....	49,531
		Asia, China and others.....	119,629
Total.....	<u>405,945</u>	Total.....	<u>405,945</u>
<b>Automotive</b>			
Automotive solutions.....	402,068	Japan.....	184,582
Automotive batteries.....	270,061	North and South America.....	340,878
		Europe.....	81,972
		Asia, China and others.....	64,697
Total.....	<u>672,129</u>	Total.....	<u>672,129</u>
<b>Industrial Solutions</b>			
Systems.....	308,326	Japan.....	167,271
Device.....	275,209	North and South America.....	66,370
Other.....	62,259	Europe.....	70,754
		Asia, China and others.....	341,399
Total.....	<u>645,794</u>	Total.....	<u>645,794</u>
Other.....	144,173	Other.....	144,173
Consolidated total.....	<u><u>3,533,554</u></u>	Consolidated total.....	<u><u>3,533,554</u></u>

(ii) For the six months ended September 30, 2020

Yen (millions)

By product category	Sales	By geographical area	Sales
<b>Reportable segments</b>			
<b>Appliances</b>			
B2C.....	697,584	Japan.....	417,970
B2B.....	207,140	North and South America.....	103,219
		Europe.....	95,986
		Asia, China and others.....	287,549
Total.....	<u>904,724</u>	Total.....	<u>904,724</u>
<b>Life Solutions</b>			
Electrical construction materials.....	338,703	Japan.....	502,515
Home building products.....	156,198	North and South America.....	19,414
Other.....	120,585	Europe.....	12,746
		Asia, China and others.....	80,811
Total.....	<u>615,486</u>	Total.....	<u>615,486</u>
<b>Connected Solutions</b>			
Vertical solutions.....	140,360	Japan.....	127,512
Product solutions.....	220,431	North and South America.....	98,804
		Europe.....	41,472
		Asia, China and others.....	93,003
Total.....	<u>360,791</u>	Total.....	<u>360,791</u>
<b>Automotive</b>			
Automotive solutions.....	336,697	Japan.....	165,778
Automotive batteries.....	185,405	North and South America.....	232,591
		Europe.....	60,517
		Asia, China and others.....	63,216
Total.....	<u>522,102</u>	Total.....	<u>522,102</u>
<b>Industrial Solutions</b>			
Systems.....	232,212	Japan.....	144,265
Device.....	248,722	North and South America.....	53,977
Other.....	62,977	Europe.....	62,133
		Asia, China and others.....	283,536
Total.....	<u>543,911</u>	Total.....	<u>543,911</u>
Other.....	<u>112,141</u>	Other.....	<u>112,141</u>
Consolidated total.....	<u><u>3,059,155</u></u>	Consolidated total.....	<u><u>3,059,155</u></u>

The disaggregated revenue for the three months ended September 30, 2021 and 2020 is as follow:

(i) For the three months ended September 30, 2021

Yen (millions)			
By product category	Sales	By geographical area	Sales
<b>Reportable segments</b>			
<b>Appliances</b>			
B2C.....	359,349	Japan.....	199,857
B2B.....	125,851	North and South America.....	67,321
		Europe.....	55,722
		Asia, China and others.....	162,300
Total.....	<u>485,200</u>	Total.....	<u>485,200</u>
<b>Life Solutions</b>			
Electrical construction materials.....	178,345	Japan.....	266,274
Home building products.....	84,762	North and South America.....	8,082
Other.....	70,027	Europe.....	7,751
		Asia, China and others.....	51,027
Total.....	<u>333,134</u>	Total.....	<u>333,134</u>
<b>Connected Solutions</b>			
Vertical solutions.....	87,985	Japan.....	65,905
Product solutions.....	117,724	North and South America.....	48,738
		Europe.....	24,827
		Asia, China and others.....	66,239
Total.....	<u>205,709</u>	Total.....	<u>205,709</u>
<b>Automotive</b>			
Automotive solutions.....	190,313	Japan.....	86,360
Automotive batteries.....	136,714	North and South America.....	178,118
		Europe.....	35,121
		Asia, China and others.....	27,428
Total.....	<u>327,027</u>	Total.....	<u>327,027</u>
<b>Industrial Solutions</b>			
Systems.....	152,104	Japan.....	79,527
Device.....	137,036	North and South America.....	34,281
Other.....	26,663	Europe.....	34,165
		Asia, China and others.....	167,830
Total.....	<u>315,803</u>	Total.....	<u>315,803</u>
Other.....	<u>74,260</u>	Other.....	<u>74,260</u>
Consolidated total.....	<u><u>1,741,133</u></u>	Consolidated total.....	<u><u>1,741,133</u></u>

(ii) For the three months ended September 30, 2020

Yen (millions)

By product category	Sales	By geographical area	Sales
<b>Reportable segments</b>			
<b>Appliances</b>			
B2C.....	374,589	Japan.....	220,783
B2B.....	111,240	North and South America.....	59,500
		Europe.....	58,412
		Asia, China and others.....	147,134
Total.....	485,829	Total.....	485,829
<b>Life Solutions</b>			
Electrical construction materials.....	181,852	Japan.....	265,217
Home building products.....	80,147	North and South America.....	10,614
Other.....	66,276	Europe.....	7,535
		Asia, China and others.....	44,909
Total.....	328,275	Total.....	328,275
<b>Connected Solutions</b>			
Vertical solutions.....	70,081	Japan.....	66,406
Product solutions.....	114,385	North and South America.....	47,688
		Europe.....	21,643
		Asia, China and others.....	48,729
Total.....	184,466	Total.....	184,466
<b>Automotive</b>			
Automotive solutions.....	218,733	Japan.....	101,985
Automotive batteries.....	113,428	North and South America.....	153,984
		Europe.....	39,776
		Asia, China and others.....	36,416
Total.....	332,161	Total.....	332,161
<b>Industrial Solutions</b>			
Systems.....	123,960	Japan.....	73,403
Device.....	129,228	North and South America.....	29,417
Other.....	28,787	Europe.....	35,471
		Asia, China and others.....	143,684
Total.....	281,975	Total.....	281,975
Other.....	54,537	Other.....	54,537
Consolidated total.....	1,667,243	Consolidated total.....	1,667,243

The reconciliation of "Disaggregated revenue" by reportable segment with "Sales to external customers" in Note "3 (2) Information by reportable segment" is set out below.

As of April 1, 2021, certain businesses were transferred between reportable segments, and reportable segment figures for the six and three months ended September 30, 2020 have been reclassified to conform to the presentation for the six and three months ended September 30, 2021.

"Disaggregated revenue" of each reportable segment adjusted for "Adjustments for management accounting," "Cross-selling" and "Sales of third-party products, etc." reconciles to "Sales to external customers" in Note "3 (2) Information by reportable segment." "Adjustments for management accounting" mainly includes adjustments to sales prices for management accounting. "Cross-selling" mainly includes adjustment for sales of products through other segments. "Sales of third-party products, etc." mainly includes adjustments for sales of products manufactured by third parties which are not included in sales for management accounting purposes.

(i) For the six months ended September 30, 2021

	Yen (millions)				
	Appliances	Life Solutions	Connected Solutions	Automotive	Industrial Solutions
Disaggregated revenue.....	1,021,796	643,717	405,945	672,129	645,794
Adjustments for management accounting.....	126,065	15,434	4,239	3,272	9,991
Cross-selling.....	30,309	(4,894)	(35,263)	39,541	(43,265)
Sales of third-party products, etc. ....	(7,590)	151	(594)	627	(37)
Note "3 (2) Information by reportable segment" Sales to external customers.....	<u>1,170,580</u>	<u>654,408</u>	<u>374,327</u>	<u>715,569</u>	<u>612,483</u>

(ii) For the six months ended September 30, 2020

	Yen (millions)				
	Appliances	Life Solutions	Connected Solutions	Automotive	Industrial Solutions
Disaggregated revenue.....	904,724	615,486	360,791	522,102	543,911
Adjustments for management accounting.....	158,274	17,619	3,353	3,834	10,927
Cross-selling.....	40,603	(8,754)	(34,545)	30,606	(39,825)
Sales of third-party products, etc. ....	(10,158)	312	(14)	653	982
Note "3 (2) Information by reportable segment" Sales to external customers.....	<u>1,093,443</u>	<u>624,663</u>	<u>329,585</u>	<u>557,195</u>	<u>515,995</u>

The reconciliation of "Disaggregated revenue" by reportable segments with the "Sales to external customers" in Note "3 (2) Information by reportable segments" for the three months ended September 30, 2021 and 2020 is as follows.

(i) For the three months ended September 30, 2021

	Yen (millions)				
	Appliances	Life Solutions	Connected Solutions	Automotive	Industrial Solutions
Disaggregated revenue.....	485,200	333,134	205,709	327,027	315,803
Adjustments for management accounting.....	56,771	7,895	3,145	1,378	5,046
Cross-selling.....	14,201	(4,866)	(17,014)	20,075	(18,339)
Sales of third-party products, etc. ....	(5,952)	(139)	(635)	215	(27)
Note "3 (2) Information by reportable segment" Sales to external customers.....	<u>550,220</u>	<u>336,024</u>	<u>191,205</u>	<u>348,695</u>	<u>302,483</u>

(ii) For the three months ended September 30, 2020

	Yen (millions)				
	Appliances	Life Solutions	Connected Solutions	Automotive	Industrial Solutions
Disaggregated revenue.....	485,829	328,275	184,466	332,161	281,975
Adjustments for management accounting.....	86,447	9,047	2,250	1,203	6,030
Cross-selling.....	21,774	(3,859)	(17,900)	18,099	(24,515)
Sales of third-party products, etc. ....	(5,395)	148	(37)	(1,244)	380
Note "3 (2) Information by reportable segment" Sales to external customers.....	<u>588,655</u>	<u>333,611</u>	<u>168,779</u>	<u>350,219</u>	<u>263,870</u>

## 8. Supplementary information

### (1) Other income (expenses)

"Other income (expenses), net" for the six months and the three months ended September 30, 2021 include expenses associated with the implementation of early retirement programs of 30,988 million yen and 29,424 million yen, respectively.

In addition, "Other income (expenses), net" for the six months and the three months ended September 30, 2021 both include a gain of 58,260 million yen from the re-measurement of the existing held 20% equity interest in Blue Yonder Holding, Inc. ("Blue Yonder") at a provisional fair value amount upon its initial consolidation as Blue Yonder became a wholly-owned subsidiary. The revaluation gain is allocated to the "Connected Solutions" segment (as described in Note "9. Business combination").

The gain described above is presented as part of "Other - net" within cash flows from operating activities in the condensed quarterly consolidated statements of cash flows.

"Other income (expenses), net" for the six months ended September 30, 2020 includes a gain of 27,676 million yen recognized as a result of the execution of a series of transactions associated with the establishment of a joint venture related to the automotive prismatic battery business, which is allocated to the "Automotive" segment.

The gain described above is presented as part of "Other - net" within cash flows from operating activities in the condensed quarterly consolidated statements of cash flows.

The amount of each individual item included in "Other income (expenses), net" was immaterial for the three months ended September 30, 2020.

### (2) Financing by a bridge loan

In September 2021, the Company entered into agreements to secure a syndicated loan with several banks and carried out the borrowing of 400,000 million yen. The loan was a bridge loan with the aim to make Blue Yonder a wholly-owned subsidiary (as described in Note "9. Business combination"), and has been fully repaid using the funds raised through the public offering of hybrid bonds (subordinated bonds) (as described in Note "11. Subsequent events") in October 2021.

### (3) Acquisitions of "Property, plant and equipment"

The increases in the carrying amounts of "Property, plant and equipment" due to acquisition in the six months ended September 30, 2021 and 2020 are 91,859 million yen and 69,796 million yen, respectively.

### (4) Sales or disposal of "Property, plant and equipment"

The decreases in the carrying amounts of "Property, plant and equipment" due to sales or disposal in the six months ended September 30, 2021 and 2020 are 17,633 million yen and 14,655 million yen, respectively, including a decrease due to the recognition of a finance lease as a lessor.



## 9. Business combination

Acquisition to make Blue Yonder Holding, Inc., a U.S.-based software provider, a wholly owned subsidiary  
On September 16, 2021, the Company and its subsidiary in the U.S. acquired the additional 80% shares of Blue Yonder Holding, Inc. ("Blue Yonder"), a U.S.-based entity accounted for using the equity method, in which the Company had owned 20% of shares, and obtained control of Blue Yonder and its subsidiaries.

Through this transaction the Company aims to create new value, by combining Blue Yonder's software platform, which offers state of the art artificial intelligence (AI) and machine learning (ML) capabilities, with Panasonic's manufacturing expertise, which has been cultivated over many years, as well as its edge devices, IoT applications, and sensing technologies. The acquisition will accelerate Panasonic's and Blue Yonder's shared vision for an "Autonomous Supply Chain™" and will provide solutions to customers' management issues. In addition, Panasonic aims to contribute to global environmental conservation and to a sustainable society through energy-use reduction and effective utilization of resources.

The provisional fair value of 20% shares existing held by the Company and the provisional fair value of the consideration paid in cash for additional 80% shares as of the acquisition date are set forth below. A gain recognized from the re-measurement of the existing held equity interest to its fair value was 58,260 million yen and acquisition-related costs were 2,733 million yen, both of which are included in "Other income (expenses), net" for the six months and the three months ended September 30, 2021. The effect of foreign exchange forward contracts entered into to hedge foreign exchange risks associated with the acquisition consideration was not material.

	<u>Yen (millions)</u>
Provisional fair value of 20% shares existing held by the Company already	142,933
Provisional fair value of the consideration paid in cash for additional 80% shares	621,049
Total	<u><u>763,982</u></u>

The provisional amounts of assets acquired and liabilities assumed as of the acquisition date are set forth below. These amounts are subject to change because the fair values of the acquired assets and liabilities assumed at the acquisition date are currently being calculated and the allocation of acquisition costs has not been completed.

	<u>Yen (millions)</u>
Cash and cash equivalents	37,845
Trade receivables and contract assets	24,365
Goodwill	716,895
Intangible assets	229,368
Other acquired assets	28,241
Total assets acquired	<u>1,036,714</u>
Trade payables	2,628
Short-term debt	192,620
Contract liabilities	34,188
Deferred tax liabilities	12,677
Other assumed liabilities	30,619
Total liabilities assumed	<u>272,732</u>
Total net assets acquired	<u><u>763,982</u></u>

Goodwill is mainly attributable to expected future earnings potential. The total amount of goodwill is allocated to the "Connected Solutions" segment, and is not deductible for tax purpose. Intangible assets include customer relationships and propriety technologies.

Short-term debt were fully repaid after the acquisition date in the three months ended September 30, 2021.

Net sales and profit or loss of Blue Yonder since the acquisition date that were included in the condensed quarterly consolidated statements of profit or loss for six months and three months ended September 30, 2021 were not material.

Pro former information has been omitted as the amounts not reflected in the condensed quarterly consolidated statements of profit or loss for six months ended September 30, 2021 were not material.

## 10. Contingent liabilities

Litigation, etc.

The Company is subject to a number of legal proceedings including civil litigation related to trade, tax, products or intellectual properties, or governmental investigations. The Company has been dealing with various litigations and investigations. Depending upon the outcome of these different proceedings, the Company may be subject to an uncertain amount of settlements or fines, and accordingly the Company has accrued for certain probable and reasonably estimated amounts for the settlements and fines.

Panasonic Corporation and one of its subsidiaries, SANYO Electric Co., Ltd., had been subject to litigation in North America related to an anti-trust matter concerning their rechargeable battery business. Panasonic Corporation and SANYO Electric Co., Ltd. previously received full judicial approval on the settlement with the plaintiffs in the lawsuit, and as of September 2021, all appeals from the settlement have been completed. While the action will remain open until the remaining appeals from the plaintiff's settlements with certain other co-defendants are completed, it is highly unlikely that proceedings regarding the settlement of the Company and SANYO Electric Co., Ltd. are reopened and the effect on the Company's condensed quarterly consolidated financial statements would not be significant.

Other than this matter, there are a number of legal actions against the Company. Management is of the opinion that damages, if any, resulting from these actions would not have a material effect on the Company's condensed quarterly consolidated financial statements.

The ability to predict the outcome of these actions and proceedings is difficult to assess given that certain of the investigations and legal proceedings are still at an early stage, present novel legal theories, involving a large number of parties or are taking place in jurisdictions outside of Japan where the laws are complex or unclear. Accordingly, the Company is unable to estimate the losses or range of losses for the actions and proceedings in which there is only a reasonable possibility that a loss exceeding the amounts already recognized may have been incurred.

## 11. Subsequent events

Issuance of publicly offered hybrid bonds (subordinated bonds)

Panasonic Corporation issued publicly offered hybrid bonds (subordinated bonds) totaling 400 billion yen on October 14, 2021. The bonds were issued as part of a financing plan for the acquisition of additional shares of Blue Yonder Holding, Inc. for the purpose of making it a wholly-owned subsidiary (as described in Note "9. Business combination") and used for the repayment of the bridge loan (as described in Note "8. (2) Financing by a bridge loan"). The principal terms and conditions of the bonds are as follows:

Series	First unsecured subordinated bonds with optional interest payment deferral and early redemption provisions	Second unsecured subordinated bonds with optional interest payment deferral and early redemption provisions	Third unsecured subordinated bonds with optional interest payment deferral and early redemption provisions
Aggregate principal amount issued	150 billion yen	100 billion yen	150 billion yen
Denomination of each bond	100 million yen		
Initial Coupon rate (per annum)	0.740% (*1)	0.885% (*2)	1.000% (*3)
Issue price	100% of the principal amount		
Interest payment dates	April 14 and October 14 of each year (First interest payment date will be April 14, 2022)		
Optional deferral of interest payment	Panasonic may, at its option, defer the payment of interest, in whole or in part, in respect of the Bonds that would otherwise be due to be paid on an interest payment date		
Maturity date	October 14, 2081		
Early redemption	Panasonic may, at its option, redeem the Bonds on any interest payment date on or after October 14, 2026, or upon the occurrence and continuation of a taxation event or capital event on or after the payment date	Panasonic may, at its option, redeem the Bonds on any interest payment date on or after October 14, 2028, or upon the occurrence and continuation of a taxation event or capital event on or after the payment date	Panasonic may, at its option, redeem the Bonds on any interest payment date on or after October 14, 2031, or upon the occurrence and continuation of a taxation event or capital event on or after the payment date
Subordination	The Bonds are ranked subordinated to Panasonic's general debt and senior to common stock		
Equity credit	Equity credit on 50% of the capital procurement amount is recognized by Rating and Investment Information, Inc. and S&P Global Ratings Japan Inc.		

(\*1) The fixed interest rate will be applied from the day after October 14, 2021 to October 14, 2026, and a variable interest rate from the day after October 14, 2026 ("Step-up interest rates" will be applied from the day after October 14, 2046).

(\*2) The fixed interest rate will be applied from the day after October 14, 2021 to October 14, 2028, and a variable interest rate from the day after October 14, 2028 ("Step-up interest rates" will be applied from the day after October 14, 2048).

(\*3) The fixed interest rate will be applied from the day after October 14, 2021 to October 14, 2031, and a variable interest rate from the day after October 14, 2031 ("Step-up interest rates" will be applied from the day after October 14, 2051).