

[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 nine months ended  
December 31, 2021**

**Panasonic Corporation  
Osaka, Japan**

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## **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		
	Nine months ended December 31, 2021	Nine months ended December 31, 2020	Year ended March 31, 2021
Net sales	5,423,356	4,873,289	6,698,794
Profit before income taxes	279,376	220,084	260,820
Net profit attributable to Panasonic Corporation stockholders	195,634	130,142	165,077
Comprehensive income attributable to Panasonic Corporation stockholders	319,291	342,760	655,352
Panasonic Corporation stockholders' equity	2,854,801	2,282,131	2,594,034
Total equity	3,031,737	2,443,172	2,768,502
Total assets	7,376,772	6,672,760	6,847,073
Earnings per share attributable to Panasonic Corporation stockholders, basic (yen)	83.83	55.78	70.75
Earnings per share attributable to Panasonic Corporation stockholders, diluted (yen)	83.80	55.75	70.72
Panasonic Corporation stockholders' equity / total assets (%)	38.7	34.2	37.9
Net cash provided by (used in) operating activities	103,934	330,063	504,038
Net cash provided by (used in) investing activities	(760,851)	(18,201)	176,596
Net cash provided by (used in) financing activities	(89,883)	50,322	(177,704)
Cash and cash equivalents at the end of the period	889,745	1,358,889	1,593,224

	Three months ended December 31, 2021	Three months ended December 31, 2020
Net sales	1,889,802	1,814,134
Net profit attributable to Panasonic Corporation stockholders	42,591	81,278
Earnings per share attributable to Panasonic Corporation stockholders, basic (yen)	18.25	34.83

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, "Lifestyle," "Automotive," "Connect," "Industry," "Energy," and other operating segments which are not included in the reportable segments and other business activities. The Company changed its reportable segments on October 1, 2021. The details of each segment are described in "IV Condensed Quarterly Consolidated Financial Statements, Note 3. Segment information."

During the nine months ended December 31, 2021, there were no changes in major affiliates except as follows:

### Connect

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."

# Outline of the Panasonic Group

As of December 31, 2021

(Segments, main products and services)	(Major companies)	Customers
<p><b>Lifestyle</b> Refrigerators, microwave ovens, rice cookers, washing machines, vacuum cleaners, personal-care products, room air-conditioners, large-sized air-conditioners, ventilation and air-conditioning equipment, air purifiers/sterilizers, refrigerator and freezer display cases, compressors, fuel cells, lighting fixtures, lamps, wiring devices, solar photovoltaic systems, bicycles, nursing care services</p>	<p><b>(Japan)</b> Panasonic Corporation Panasonic Ecology Systems Co., Ltd. Panasonic Consumer Marketing Co., Ltd. <b>(Overseas)</b> Panasonic Appliances Air-Conditioning (Guangzhou) Co., Ltd. Panasonic Appliances Washing Machine (Hangzhou) Co., Ltd. Hussmann Corporation Panasonic Life Solutions India Pvt., Ltd. Panasonic Marketing Europe GmbH Panasonic Appliances (China) Co., Ltd.</p>	
<p><b>Automotive</b> Automotive-use cockpit systems, head-up displays, car speakers, automotive switches, vehicle camera modules, advanced driver assistance systems (ADAS), device and systems for electric automobiles, automotive mirrors</p>	<p><b>(Japan)</b> Panasonic Corporation <b>(Overseas)</b> Panasonic Corporation of North America Panasonic Automotive Systems Asia Pacific Pte. Ltd. Panasonic Automotive Systems Dalian Co., Ltd. Ficosa International, S.A.</p>	
<p><b>Connect</b> Aircraft in-flight entertainment systems and communications services, electronic-components-mounting machines, welding equipment, projectors, professional AV systems, PCs and tablets, solutions for various industries, installation/operation/maintenance services, supply chain software</p>	<p><b>(Japan)</b> Panasonic Corporation Panasonic System Solutions Japan Co., Ltd. Panasonic Smart Factory Solutions Co., Ltd. Panasonic Mobile Communications Co., Ltd. <b>(Overseas)</b> Panasonic Avionics Corporation Blue Yonder Holding, Inc.</p>	
<p><b>Industry</b> Relays, switches, power supply, touch panels, motors, sensors, laser markers, capacitors, coils, resistors, electronic circuit board materials, semiconductor device materials, molding compounds, LCD panels</p>	<p><b>(Japan)</b> Panasonic Corporation Panasonic Industrial Devices SUNX Co., Ltd. Panasonic Industrial Marketing &amp; Sales Japan Co., Ltd. <b>(Overseas)</b> Panasonic Corporation of North America Panasonic Asia Pacific Pte. Ltd. Panasonic Industry (China) Co., Ltd.</p>	
<p><b>Energy</b> Cylindrical lithium-ion batteries for in-vehicle use, small-sized lithium-ion batteries, storage battery systems, dry batteries, lithium primary batteries</p>	<p><b>(Japan)</b> Panasonic Corporation SANYO Electric Co., Ltd. <b>(Overseas)</b> Panasonic Corporation of North America SANYO Energy (Suzhou) Co., Ltd.</p>	
<p><b>Other</b> [Entertainment &amp; Communication] Consumer electronics such as audio and visual products (flat panel TVs, home audio equipment, video equipment etc.), digital camera products, communication related products (headphones, intercoms, telephones, faxes, home network systems, etc.) [Housing] Kitchen furniture, bathroom &amp; sanitary fittings products, interior products, exterior products</p>	<p><b>(Japan)</b> Panasonic Corporation KMEW Co., Ltd.</p>	

Note: Some businesses distribute its products to customers through other segment's marketing & sales companies.

## II Business Overview

### 1. Risk Factors

There was no risk newly identified during the nine months ended December 31, 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 February 10, 2022, the filing date of this quarterly report.

#### (1) Operating Results

During the nine months ended December 31, 2021 (fiscal 2022), the global economy saw progress in economic recovery as a result of a tentative stabilization of COVID-19 cases in Japan as well as many countries in the U.S. and Europe. However, there are still uncertainties over such factors as price surges in natural resources, price increases caused by supply shortages, and ongoing concern regarding the situation of COVID-19 variants. Therefore, the outlook for world economies remains unclear, although the global and Japanese economies seem 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 nine months ended December 31, 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<sup>TM</sup>" 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 former 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 continues to execute steadily the Mid-term strategy and prepare for the smooth operation of each operating company to be established on April 1, 2022.

For the nine months ended December 31, 2021, the Company's consolidated group sales increased by 11% to 5,423.4 billion yen from a year ago. Domestic sales increased due to favorable sales of products for industrial-use as well as information- and communication-use products. Overseas sales also increased due mainly to increased sales of automotive batteries and mounting machines with growing demand as well as the effect of new consolidation of Blue Yonder.

Operating profit increased by 21% to 274.2 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 previously-held equity interest in Blue Yonder, despite the impact of raw material price hikes and other factors. Profit before income taxes increased by 27% to 279.4 billion yen and Net profit attributable to Panasonic Corporation stockholders increased by 50% to 195.6 billion yen from a year ago.

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

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

On October 1, 2021, the Company terminated its former Divisional Company system and reorganized its businesses structure. Accordingly, Panasonic recategorized into the following five reportable segments, "Lifestyle," "Automotive," "Connect," "Industry," "Energy," and other business activities which are not included in the reportable segments. The segment information for fiscal 2021 have been reclassified to conform to the presentation in fiscal 2022.

### Lifestyle

Sales increased by 3% to 2,737.6 billion yen from a year ago. This is due mainly to favorable sales of refrigerators in Asia and China as well as favorable sales of wiring devices in India.

Operating profit decreased by 30% to 105.1 billion yen from a year ago due largely to the impact of raw material price hikes, despite increased sales, rationalization efforts and others.

### Automotive

Sales increased by 7% to 774.9 billion yen from a year ago. This is due to increased sales overall, along with recovery in automotive production from the previous year, despite the impact of semiconductor shortages.

Operating profit improved to a loss of 2.7 billion yen, compared with a loss of 23.4 billion yen a year ago. This is due to increased sales and the impact from temporary expenses related to onboard charging systems in the previous year, despite the impact of price hikes in parts and components.

### Connect

Sales increased by 12% to 648.1 billion yen from a year ago. This is due mainly to the effect of consolidation of Blue Yonder, increased sales of mounting machine with growing PC and server related demand as well as sale recovery of projectors mainly in the U.S.

Operating profit increased to 42.6 billion yen, compared with a loss of 14.6 billion yen a year ago due mainly to increased sales as well as a gain recognized from the re-evaluation of the previously-held equity interest in Blue Yonder upon its consolidation into Panasonic.

### Industry

Sales increased by 16% to 840.6 billion yen from a year ago. This is due mainly to increased sales of products for information- and communication-infrastructure, capacitors and industrial-use motors.

Operating profit increased by 162% to 65.3 billion yen from a year ago. This is due mainly to the effect of rationalization and increased sales, despite the impact of factors such as raw material price hikes.

### Energy

Sales increased by 27% to 568.0 billion yen from a year ago. This is due to significant increased sales of automotive batteries with growing demand as well as favorable sales of power storage systems.

Operating profit increased by 157% to 51.9 billion yen from a year ago. This is due largely to increased sales despite the impact of raw material price hikes.

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

Sales increased by 9% to 732.2 billion yen from a year ago due to steady sales of housing related products. Operating profit increased by 13% to 11.4 billion yen from a year ago.

## **(3) Financial Conditions**

The Company's consolidated total assets as of December 31, 2021 were 7,376.8 billion yen, which is an increase of 529.7 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 4,345.0 billion yen, which is an increase of 266.5 billion yen from March 31, 2021. This is due mainly to an increase in hybrid bonds (subordinated bonds) issued to finance the consolidation of Blue Yonder.

Panasonic Corporation stockholders' equity increased by 260.8 billion yen from March 31, 2021, to 2,854.8 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 3,031.7 billion yen.

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

##### Cash flows from operating activities

Net cash provided by operating activities for the nine months ended December 31, 2021, amounted to 103.9 billion yen, compared with an inflow of 330.1 billion yen a year ago. This is due mainly to an increase in inventories as well as an increase in payment for income taxes, despite an increase in quarterly net profit.

##### Cash flows from investing activities

Net cash used in investing activities amounted to 760.8 billion yen, compared with an outflow of 18.2 billion yen a year ago. This is due to payment related to the consolidation of Blue Yonder, an increase in capital expenditures and the absence of one-off proceeds from the transfer of assets in the previous year. Accordingly, free cash flows (net cash provided by (used in) operating activities and investment activities) decreased by 968.8 billion yen from a year ago to an outflow of 656.9 billion yen.

##### Cash flows from financing activities

Net cash used in financial activities amounted to 89.9 billion yen, compared with an inflow of 50.3 billion yen a year ago. This is due mainly to the repayment of interest-bearing debt of Blue Yonder. Taking factors such as exchange fluctuations into consideration, cash and cash equivalent totaled 889.7 billion yen as of December 31, 2021, which is a decrease of 703.5 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 nine months ended December 31, 2021 totaled 311.2 billion yen, up 1% 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 nine months ended December 31, 2021 totaled 150.1 billion yen, up 32% from a year ago.

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

Panasonic's depreciation for the nine months ended December 31, 2021 totaled 132.7 billion yen, up 1% from a year ago.

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

Number of employees at the end of the third quarter of fiscal 2022 was 240,786, a decrease of 2,754, 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 nine months ended December 31, 2021.

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

There were no significant changes with regard to the "Prioritized Business and Financial Challenges" during the nine months ended December 31, 2021.

### **III Shares and Shareholders**

#### **1. Shares of Common Stock Issued as of December 31, 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 December 31, 2021: 259,168 million yen**

#### IV Condensed Quarterly Consolidated Financial Statements

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

<u>Assets</u>	Yen (millions)	
	December 31, 2021	March 31, 2021
Current assets:		
Cash and cash equivalents.....	889,745	1,593,224
Trade receivables and contract assets.....	1,270,051	1,194,391
Other financial assets.....	160,456	149,629
Inventories.....	1,059,124	832,569
Other current assets (Note 2).....	158,033	152,934
Total current assets.....	3,537,409	3,922,747
Non-current assets:		
Investments accounted for using the equity method.....	405,401	455,960
Other financial assets.....	176,687	231,024
Property, plant and equipment.....	1,069,154	1,061,614
Right-of-use assets.....	242,241	249,954
Goodwill and intangible assets.....	1,607,060	602,042
Deferred tax assets.....	247,380	239,863
Other non-current assets.....	91,440	83,869
Total non-current assets.....	3,839,363	2,924,326
Total assets.....	7,376,772	6,847,073

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

	Yen (millions)	
	December 31, 2021	March 31, 2021
<b><u>Liabilities and Equity</u></b>		
Current liabilities:		
Short-term debt, including current portion of long-term debt.....	254,384	309,790
Lease liabilities.....	59,669	59,346
Trade payables.....	1,119,795	1,045,617
Other financial liabilities.....	210,065	220,583
Income taxes payable.....	66,291	119,124
Provisions.....	136,696	149,095
Contract liabilities.....	134,311	113,025
Other current liabilities (Note 2).....	761,095	787,748
Total current liabilities.....	<u>2,742,306</u>	<u>2,804,328</u>
Non-current liabilities:		
Long-term debt (Note 8).....	1,179,580	879,728
Lease liabilities.....	192,386	198,559
Other financial liabilities.....	28,490	32,794
Retirement benefit liabilities.....	105,996	104,856
Provisions.....	4,777	3,272
Deferred tax liabilities.....	73,581	34,837
Contract liabilities.....	12,774	9,671
Other non-current liabilities.....	5,145	10,526
Total non-current liabilities.....	<u>1,602,729</u>	<u>1,274,243</u>
Total liabilities.....	<u>4,345,035</u>	<u>4,078,571</u>
Equity:		
Panasonic Corporation stockholders' equity:		
Common stock.....	259,168	258,981
Capital surplus.....	526,567	529,157
Retained earnings.....	2,297,408	2,154,023
Other components of equity (Note 4).....	(18,903)	(138,370)
Treasury stock.....	(209,439)	(209,757)
Total Panasonic Corporation stockholders' equity (Note 5).....	<u>2,854,801</u>	<u>2,594,034</u>
Non-controlling interests.....	176,936	174,468
Total equity.....	<u>3,031,737</u>	<u>2,768,502</u>
Total liabilities and equity.....	<u>7,376,772</u>	<u>6,847,073</u>

**PANASONIC CORPORATION  
AND SUBSIDIARIES**  
**Condensed Quarterly Consolidated Statements of Profit or Loss**  
**Nine months ended December 31, 2021 and 2020**

	Yen (millions)	
	Nine months ended December 31	
	2021	2020
Net sales (Note 7).....	5,423,356	4,873,289
Cost of sales.....	(3,886,716)	(3,454,058)
Gross profit.....	1,536,640	1,419,231
Selling, general and administrative expenses.....	(1,249,349)	(1,187,305)
Share of profit (loss) of investments accounted for using the equity method.....	(11,714)	(17,922)
Other income (expenses), net (Note 8).....	(1,426)	12,796
Operating profit.....	274,151	226,800
Finance income.....	19,721	12,188
Finance expenses.....	(14,496)	(18,904)
Profit before income taxes.....	279,376	220,084
Income taxes.....	(75,188)	(75,822)
Net profit.....	<u>204,188</u>	<u>144,262</u>
Net profit attributable to:		
Panasonic Corporation stockholders.....	195,634	130,142
Non-controlling interests.....	8,554	14,120
Yen		
Earnings per share attributable to Panasonic Corporation stockholders (Note 5)		
Basic.....	83.83	55.78
Diluted.....	83.80	55.75

**PANASONIC CORPORATION  
AND SUBSIDIARIES**  
**Condensed Quarterly Consolidated Statements of Comprehensive Income**  
**Nine months ended December 31, 2021 and 2020**

	Yen (millions)	
	Nine months ended December 31	
	2021	2020
Net profit.....	204,188	144,262
Other comprehensive income, net of tax		
Items that will not be reclassified to profit or loss:		
Remeasurements of defined benefit plans.....	1,692	(2,237)
Financial assets measured at fair value through other comprehensive income.....	(13,314)	243,487
Subtotal.....	(11,622)	241,250
Items that may be reclassified to profit or loss:		
Exchange differences on translation of foreign operations.....	146,269	(26,321)
Net changes in fair value of cash flow hedges.....	(4,181)	1,678
Subtotal.....	142,088	(24,643)
Other comprehensive income, net of tax.....	130,466	216,607
Total comprehensive income.....	334,654	360,869
 Total comprehensive income attributable to:		
Panasonic Corporation stockholders.....	319,291	342,760
Non-controlling interests.....	15,363	18,109

**Condensed Quarterly Consolidated Statements of Profit or Loss**  
**Three months ended December 31, 2021 and 2020**

	Yen (millions)	
	Three months ended December 31	
	2021	2020
Net sales (Note 7).....	1,889,802	1,814,134
Cost of sales.....	(1,363,127)	(1,263,646)
Gross profit.....	526,675	550,488
Selling, general and administrative expenses.....	(439,196)	(407,707)
Share of profit (loss) of investments accounted for using the equity method.....	(1,287)	(3,002)
Other income (expenses), net (Note 8).....	(13,243)	(9,606)
Operating profit.....	72,949	130,173
Finance income.....	5,969	3,994
Finance expenses.....	(5,304)	(7,258)
Profit before income taxes.....	73,614	126,909
Income taxes.....	(30,538)	(39,622)
Net profit.....	<u>43,076</u>	<u>87,287</u>
Net profit attributable to:		
Panasonic Corporation stockholders.....	42,591	81,278
Non-controlling interests.....	485	6,009
	Yen	
Earnings per share attributable to Panasonic Corporation stockholders (Note 5)		
Basic.....	18.25	34.83
Diluted.....	18.24	34.82

**Condensed Quarterly Consolidated Statements of Comprehensive Income**  
**Three months ended December 31, 2021 and 2020**

	Yen (millions)	
	Three months ended December 31	
	2021	2020
Net profit.....	43,076	87,287
Other comprehensive income, net of tax		
Items that will not be reclassified to profit or loss:		
Remeasurements of defined benefit plans.....	642	(171)
Financial assets measured at fair value through other comprehensive income.....	(7,025)	80,047
Subtotal.....	(6,383)	79,876
Items that may be reclassified to profit or loss:		
Exchange differences on translation of foreign operations.....	98,243	(6,613)
Net changes in fair value of cash flow hedges.....	(1,306)	(464)
Subtotal.....	96,937	(7,077)
Other comprehensive income, net of tax.....	90,554	72,799
Total comprehensive income.....	<u>133,630</u>	<u>160,086</u>
 Total comprehensive income attributable to:		
Panasonic Corporation stockholders.....	128,129	151,676
Non-controlling interests.....	5,501	8,410

**PANASONIC CORPORATION  
AND SUBSIDIARIES**  
**Condensed Quarterly Consolidated Statements of Changes in Equity**  
**Nine months ended December 31, 2021 and 2020**

Nine months ended December 31, 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 .....	—	—	195,634	—	—	195,634	8,554	204,188
Remeasurements of defined benefit plans.....	—	—	—	1,611	—	1,611	81	1,692
Financial assets measured at fair value through other comprehensive income.....	—	—	—	(13,374)	—	(13,374)	60	(13,314)
Exchange differences on translation of foreign operations.....	—	—	—	139,531	—	139,531	6,738	146,269
Net change in fair value of cash flow hedges.....	—	—	—	(4,111)	—	(4,111)	(70)	(4,181)
Total comprehensive income.....	—	—	195,634	123,657	—	319,291	15,363	334,654
Transfer to hedged non-financial assets.....	—	—	—	1,900	—	1,900	—	1,900
Transfer from other components of equity to retained earnings.....	—	—	6,090	(6,090)	—	—	—	—
Cash dividends (Note 4).....	—	—	(58,339)	—	—	(58,339)	(12,075)	(70,414)
Purchase of treasury stock.....	—	—	—	—	(36)	(36)	—	(36)
Disposal of treasury stock.....	—	(0)	—	—	2	2	—	2
Share-based payments.....	187	(277)	—	—	352	262	—	262
Transactions with non-controlling interests and other.....	—	(2,313)	—	—	—	(2,313)	(820)	(3,133)
Balances as of December 31, 2021.....	259,168	526,567	2,297,408	(18,903)	(209,439)	2,854,801	176,936	3,031,737

Nine months ended December 31, 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.....	—	—	130,142	—	—	130,142	14,120	144,262
Remeasurements of defined benefit plans.....	—	—	—	(2,634)	—	(2,634)	397	(2,237)
Financial assets measured at fair value through other comprehensive income.....	—	—	—	243,409	—	243,409	78	243,487
Exchange differences on translation of foreign operations.....	—	—	—	(29,757)	—	(29,757)	3,436	(26,321)
Net change in fair value of cash flow hedges.....	—	—	—	1,600	—	1,600	78	1,678
Total comprehensive income.....	—	—	130,142	212,618	—	342,760	18,109	360,869
Transfer to hedged non-financial assets.....	—	—	—	428	—	428	—	428
Transfer from other components of equity to retained earnings.....	—	—	84,406	(84,406)	—	—	—	—
Cash dividends (Note 4).....	—	—	(58,327)	—	—	(58,327)	(9,738)	(68,065)
Purchase of treasury stock.....	—	—	—	—	(26)	(26)	—	(26)
Disposal of treasury stock.....	—	(1)	—	—	3	2	—	2
Share-based payments.....	114	(213)	—	—	272	173	—	173
Transactions with non-controlling interests and other.....	—	(1,228)	—	—	—	(1,228)	(4,849)	(6,077)
Balances as of December 31, 2020.....	258,981	529,606	1,802,624	(99,317)	(209,763)	2,282,131	161,041	2,443,172

**PANASONIC CORPORATION**  
**AND SUBSIDIARIES**  
**Condensed Quarterly Consolidated Statements of Cash Flows**  
**Nine months ended December 31, 2021 and 2020**

	Yen (millions)	
	Nine months ended December 31	
	2021	2020
Cash flows from operating activities:		
Net profit.....	204,188	144,262
Depreciation and amortization.....	245,697	235,251
Impairment losses on property, plant and equipment, right-of-use assets, goodwill and intangible assets.....	2,382	4,721
Income tax expenses.....	75,188	75,822
(Increase) decrease in trade receivables and contract assets.....	(31,281)	(105,208)
(Increase) decrease in inventories.....	(210,000)	(6,993)
Increase (decrease) in trade payables.....	58,280	1,586
Increase (decrease) in provisions.....	(12,626)	(23,645)
Increase (decrease) in contract liabilities.....	1,593	8,707
Increase (decrease) in retirement benefit liabilities.....	(5,027)	1,319
Other - net (Note 8).....	(97,291)	37,894
Subtotal.....	<u>231,103</u>	<u>373,716</u>
Interest received.....	9,317	9,133
Dividend income received.....	1,839	1,786
Interest expenses paid.....	(14,057)	(13,130)
Income taxes paid.....	<u>(124,268)</u>	<u>(41,442)</u>
Net cash provided by (used in) operating activities.....	<u>103,934</u>	<u>330,063</u>
Cash flows from investing activities:		
Purchase of property, plant and equipment.....	(167,454)	(131,224)
Proceeds from sale of property, plant and equipment.....	10,427	13,319
Purchase of intangible assets.....	(45,996)	(46,770)
Collection of lease receivables.....	22,481	4,130
Purchase of investments accounted for using the equity method and other financial assets.....	(31,230)	(101,815)
Proceeds from sale and redemption of investments accounted for using the equity method and other financial assets.....	28,803	116,308
Acquisition of subsidiaries resulting in change in scope of consolidation (Note 9).....	(583,186)	—
Proceeds from loss of control of subsidiaries or other businesses.....	7,559	127,889
Other - net.....	<u>(2,255)</u>	<u>(38)</u>
Net cash provided by (used in) investing activities.....	<u>(760,851)</u>	<u>(18,201)</u>

**PANASONIC CORPORATION**  
**AND SUBSIDIARIES**  
**Condensed Quarterly Consolidated Statements of Cash Flows**  
**Nine months ended December 31, 2021 and 2020**

	Yen (millions)	
	Nine months ended December 31	
	2021	2020
Cash flows from financing activities:		
Increase (decrease) in short-term debt (Note 9).....	(155,974)	(1,669)
Proceeds from long-term debt (Note 8).....	400,721	203,677
Repayments of long-term debt.....	(202,887)	(25,850)
Payments for lease liabilities.....	(49,275)	(53,530)
Dividends paid to Panasonic Corporation stockholders (Note 4).....	(58,339)	(58,327)
Dividends paid to non-controlling interests.....	(12,075)	(9,738)
Purchase of treasury stock.....	(36)	(26)
Proceeds from sales of treasury stock.....	2	2
Transactions with non-controlling interests.....	(3,243)	(187)
Other - net.....	(8,777)	(4,030)
Net cash provided by (used in) financing activities.....	(89,883)	50,322
Effect of exchange rate changes on cash and cash equivalents.....	42,764	(19,799)
Net increase (decrease) in cash and cash equivalents.....	(704,036)	342,385
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.....	557	—
Cash and cash equivalents at the end of the period.....	889,745	1,358,889

**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 February 10, 2022 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 "Lifestyle," "Automotive," "Connect," "Industry" and "Energy."

"Lifestyle" includes the development, manufacturing and sale of and provision of related services for products such as refrigerators, washing machines, vacuum cleaners, microwave ovens, rice cookers, personal-care products, room air-conditioners, large-sized air-conditioners, ventilation and air-conditioning equipment, air purifiers / sterilizers, refrigerator and freezer display cases, lighting fixtures, lamps, wiring devices, solar photovoltaic systems, fuel cells, compressors, bicycles, and nursing-care-related products. "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 and energy management devices. "Connect" 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, tablets and supply chain software. "Industry" includes the development, manufacturing and sale of and provision of related services for products such as automation controls, electric motors, FA sensors and components, electronic components and electronic materials. "Energy" includes the development, manufacturing and sale of and provision of related services for products such as cylindrical lithium-ion batteries for in-vehicle use, small secondary batteries, power storage systems and primary batteries (dry batteries and micro batteries).

"Other" includes operating segments which are not included in the above mentioned reportable segments and other business activities, and deals with products such as TVs, digital cameras, video equipment, home audio equipment, fixed-phones, water-related products, interior furnishing materials and exterior finishing materials, and sales of raw materials.

With the reorganization of the group operating structure that took effect on October 1, 2021, the former five reportable segments, namely "Appliances," "Life Solutions," "Connected Solutions," "Automotive" and "Industrial Solutions" have been reorganized into the new reportable segments listed above.

The "Lifestyle" segment comprises principally former "Appliances" and "Life Solutions." The Automotive Solutions business of former "Automotive" was transferred to the new "Automotive" segment. Former "Connected Solutions" was renamed with no change to the "Connect" segment. The new "Industry" segment comprises the Electromechanical Control, Industrial Device, Device Solutions, and Electronic Materials businesses of former "Industry Solutions." The "Energy" segment comprises the Automotive Batteries business of former "Automotive," and the Energy Solutions and Energy Device businesses of former "Industrial Solutions."

Due to the above changes in the segment composition, segment information for the nine and the three months ended December 31, 2020 has been reclassified to conform to the presentation for the nine and the three months ended December 31, 2021.

(2) Information by reportable segment

Information by segment for the nine months ended December 31, 2021 and 2020 is shown in the tables below.

(i) For the nine months ended December 31, 2021

Yen (millions)								
	Reportable segments						Eliminations and adjustments	Consolidated Total
	Lifestyle	Automotive	Connect	Industry	Energy	Other		
Sales:								
External customers...	2,562,931	766,161	569,213	758,778	499,061	527,078	(259,866)	5,423,356
Intersegment.....	174,698	8,768	78,850	81,869	68,898	205,158	(618,241)	—
Total.....	<u>2,737,629</u>	<u>774,929</u>	<u>648,063</u>	<u>840,647</u>	<u>567,959</u>	<u>732,236</u>	<u>(878,107)</u>	<u>5,423,356</u>
Segment profit.(loss)..	105,145	(2,725)	42,625	65,292	51,915	11,359	540	274,151

(ii) For the nine months ended December 31, 2020

Yen (millions)								
	Reportable segments						Eliminations and adjustments	Consolidated Total
	Lifestyle	Automotive	Connect	Industry	Energy	Other		
Sales:								
External customers...	2,476,783	720,190	491,630	653,304	373,474	458,739	(300,831)	4,873,289
Intersegment.....	174,768	5,652	84,471	71,996	72,435	210,604	(619,926)	—
Total.....	<u>2,651,551</u>	<u>725,842</u>	<u>576,101</u>	<u>725,300</u>	<u>445,909</u>	<u>669,343</u>	<u>(920,757)</u>	<u>4,873,289</u>
Segment profit (loss)..	149,474	(23,382)	(14,571)	24,918	20,212	10,071	60,078	226,800

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.

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 nine months ended December 31, 2021 and 2020 include mainly management accounting adjustments to sales prices and revenue of corporate headquarters, etc.

Adjustments to segment profit for the nine months ended December 31, 2021 and 2020 include profit of corporate headquarters. 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 December 31, 2021 and 2020 is shown in the tables below.

(i) For the three months ended December 31, 2021

Yen (millions)								
Reportable segments								
	Lifestyle	Automotive	Connect	Industry	Energy	Other	Eliminations and adjustments	Consolidated Total
Sales:								
External customers...	899,158	271,172	204,283	253,059	169,521	188,544	(95,935)	1,889,802
Intersegment.....	60,298	4,020	18,289	29,975	24,714	73,756	(211,052)	—
Total.....	<u>959,456</u>	<u>275,192</u>	<u>222,572</u>	<u>283,034</u>	<u>194,235</u>	<u>262,300</u>	<u>(306,987)</u>	<u>1,889,802</u>
Segment profit (loss)..	37,815	1,837	(9,615)	19,260	16,300	4,565	2,787	72,949

(ii) For the three months ended December 31, 2020

Yen (millions)								
Reportable segments								
	Lifestyle	Automotive	Connect	Industry	Energy	Other	Eliminations and adjustments	Consolidated Total
Sales:								
External customers...	919,965	299,445	169,244	232,171	140,211	156,701	(103,603)	1,814,134
Intersegment.....	62,511	2,406	30,520	26,551	25,728	91,225	(238,941)	—
Total.....	<u>982,476</u>	<u>301,851</u>	<u>199,764</u>	<u>258,722</u>	<u>165,939</u>	<u>247,926</u>	<u>(342,544)</u>	<u>1,814,134</u>
Segment profit (loss)..	74,415	(7,641)	2,652	13,458	12,017	12,765	22,507	130,173

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.

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 December 31, 2021 and 2020 mainly include management accounting adjustments to sales prices and revenue of corporate headquarters, etc.

Adjustments to segment profit for the three months ended December 31, 2021 and 2020 include profit of corporate headquarters. 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)	
	December 31, 2021	March 31, 2021
Remeasurements of defined benefit plans (*).....	—	—
Financial assets measured at fair value through other comprehensive income.....	16,979	34,832
Exchange differences on translation of foreign operations.....	(40,329)	(179,860)
Net changes in fair value of cash flow hedges.....	4,447	6,658
Total.....	<u>(18,903)</u>	<u>(138,370)</u>

(\*)As the result of remeasurements of defined benefit plans, other components of equity increased by 1,611 million yen (net of tax), which was directly transferred from other components of equity to retained earnings for the nine months ended December 31, 2021.

##### (2) Dividends

(i) Dividends for the nine months ended December 31, 2021 are summarized as follows:

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
The Board of Directors meeting held on October 28, 2021	Common stock	35,006	Retained earnings	15.0	September 30, 2021	November 30, 2021

(ii) Dividends for the nine months ended December 31, 2020 are summarized as follows:  
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
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	
	December 31, 2021	March 31, 2021
Panasonic Corporation stockholders' equity per share.....	1,223.24	1,111.73

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

(1) For the nine months ended December 31, 2021 and 2020

	Yen (millions)	
	2021	2020
Net profit attributable to Panasonic Corporation stockholders.....	195,634	130,142
Adjustment to net profit.....	(9)	(5)
Net profit used to calculate basic earnings per share.....	195,625	130,137
Adjustment to net profit.....	9	5
Net profit used to calculate diluted earnings per share.....	195,634	130,142

	Number of shares	
	2021	2020
Average common shares outstanding.....	2,333,464,380	2,333,081,385
Dilutive effect:		
Stock acquisition rights.....	982,279	1,153,114
Restricted stock.....	109,820	86,830
Diluted common shares outstanding.....	2,334,556,479	2,334,321,329

	Yen	
	2021	2020
Earnings per share attributable to Panasonic Corporation stockholders:		
Basic.....	83.83	55.78
Diluted.....	83.80	55.75

(2) For the three months ended December 31, 2021 and 2020:

	Yen (millions)	
	2021	2020
Net profit attributable to Panasonic Corporation stockholders.....	42,591	81,278
Adjustment to net profit.....	(3)	(4)
Net profit used to calculate basic earnings per share.....	42,588	81,274
Adjustment to net profit.....	3	4
Net profit used to calculate diluted earnings per share.....	42,591	81,278

	Number of shares	
	2021	2020
Average common shares outstanding.....	2,333,623,938	2,333,198,988
Dilutive effect:		
Stock acquisition rights.....	899,508	1,085,002
Restricted stock.....	148,850	115,750
Diluted common shares outstanding.....	2,334,672,296	2,334,399,740

	Yen	
	2021	2020
Earnings per share attributable to Panasonic Corporation stockholders:		
Basic.....	18.25	34.83
Diluted.....	18.24	34.82

6. Fair values of financial instruments

(1) Comparison between fair values and the carrying amounts

	Yen (millions)			
	December 31, 2021		March 31, 2021	
	Book value	Fair value	Book value	Fair value
Long-term debt, including current portion of long-term debt.....	1,371,377	1,387,500	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 December 31 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)			
	December 31, 2021			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets measured at FVTPL				
Derivative assets				
Foreign exchange forward contracts.....	—	11,157	—	11,157
Cross currency swaps.....	—	1	—	1
Cross currency interest rate swaps.....	—	28,128	—	28,128
Commodity futures.....	13,896	1,399	—	15,295
Subtotal.....	13,896	40,685	—	54,581
Financial assets measured at FVTOCI				
Shares.....	56,694	—	68,153	124,847
Others.....	—	281	—	281
Subtotal.....	56,694	281	68,153	125,128
Total financial assets.....	70,590	40,966	68,153	179,709
Financial liabilities:				
Financial liabilities measured at FVTPL				
Derivative liabilities				
Foreign exchange forward contracts.....	—	3,558	—	3,558
Cross currency interest rate swaps.....	—	651	—	651
Commodity futures.....	8,331	13,656	—	21,987
Total financial liabilities.....	8,331	17,865	—	26,196
	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. During the nine months ended December 31, 2021, due to the listing of a certain previously unlisted stock on the stock exchange, the stock classified as financial asset measured at FVTOCI was transferred from Level 3 to Level 1 in the fair value measurement hierarchy.

The main movements in financial instruments, classified as Level 3 in the fair value measurement hierarchy, for the nine months ended December 31, 2021, were caused by a decrease in financial assets measured at FVTPL as a result of the investee becoming a consolidated subsidiary, as well as a decrease in financial assets measured at FVTOCI as a result of the transfer to Level 1 upon listing of an unlisted stock on the stock exchange and the sale of certain unlisted stocks.

## 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 Lifestyle are categorized into "Living Appliances and Solutions," "Heating & Ventilation A/C," "Cold Chain Solutions," "Electric Works" and "Other." "Living Appliances and Solutions" includes products such as refrigerators, washing machines, vacuum cleaners, microwave ovens, rice cookers and personal-care products. "Heating & Ventilation A/C" includes products such as room air-conditioners, ventilation and air-conditioning equipment and air purifiers / sterilizers. "Cold Chain Solutions" includes products such as refrigerator and freezer display cases and commercial refrigerators. "Electric Works" includes products such as lighting fixtures, lamps, wiring devices, solar photovoltaic systems and fuel cells. "Other" includes products such as compressors, bicycles and nursing-care-related products.

The products of Automotive are categorized into "Automotive Cockpit Systems," "Automotive Electronics Systems" and "Other." "Automotive Cockpit Systems" includes products automotive-use infotainment systems. "Automotive Electronics Systems" includes products such as head-up displays, car speaker systems, automotive switches, advanced driver assistance systems (ADAS) and automotive mirrors. "Other" includes products purchased by other companies.

The products of Connect 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, welding equipment and supply chain software. "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 Industry are categorized into "Control Devices / FA Solutions," "Electronic Devices / Electronic Materials" and "Other." "Control Devices / FA Solutions" includes products such as automation controls and electric motors, which are the group of businesses focused on systems and modules. "Electronic Devices / Electronic Materials" includes products such as electronic components and electronic materials, which are the group of businesses that differentiates in materials and processes. "Other" includes products such as LCD panels.

The products of Energy are categorized into "In-vehicle" and "Industrial / Consumer." "In-vehicle" includes products cylindrical lithium-ion batteries for in-vehicle use. "Industrial / Consumer" includes products such as small secondary batteries and their system products, primary batteries (dry batteries and micro batteries).

Other includes products of the "Entertainment & Communication" business and the "Housing" business, and sales of raw materials. "Entertainment & Communication" includes products such as TVs, digital cameras, video equipment, home audio equipment, fixed-phones, and "Housing" includes products such as water-related products, interior furnishing materials, exterior furnishing materials.

As described in Note "3 Segment information," the composition of the reportable segments has been changed due to the reorganization of the group operating structure that took effect on October 1, 2021.

Due to the above changes in the segment composition, the product categories of each reportable segment in the disaggregated revenue have been revised. Accordingly, the disaggregated revenue for the nine and the three months ended December 31, 2020 has been reclassified to conform to the presentation for the nine and the three months ended December 31, 2021.

The disaggregated revenue for the nine months ended December 31, 2021 and 2020 is as follow:

(i) For the nine months ended December 31, 2021

Yen (millions)			
By product category	Sales	By geographical area	Sales
<b>Reportable segments</b>			
<b>Lifestyle</b>			
Living Appliances and Solutions.....	666,770	Japan.....	1,057,785
Heating & Ventilation A/C.....	439,041	North and South America.....	198,625
Cold Chain Solutions.....	191,499	Europe.....	116,568
Electric Works.....	414,472	Asia, China and others.....	650,745
Other.....	311,941		
Total.....	<u>2,023,723</u>	Total.....	<u>2,023,723</u>
<b>Automotive</b>			
Automotive Cockpit Systems.....	317,657	Japan.....	279,719
Automotive Electronics Systems.....	303,084	North and South America.....	180,152
Other.....	75,189	Europe.....	126,122
		Asia, China and others.....	109,937
Total.....	<u>695,930</u>	Total.....	<u>695,930</u>
<b>Connect</b>			
Vertical solutions.....	278,055	Japan.....	195,971
Product solutions.....	342,655	North and South America.....	163,573
		Europe.....	81,248
		Asia, China and others.....	179,918
Total.....	<u>620,710</u>	Total.....	<u>620,710</u>
<b>Industry</b>			
Control Devices / FA Solutions.....	332,853	Japan.....	201,863
Electronic Devices / Electronic Materials...	295,867	North and South America.....	44,038
Other.....	98,371	Europe.....	88,151
		Asia, China and others.....	393,039
Total.....	<u>727,091</u>	Total.....	<u>727,091</u>
<b>Energy</b>			
In-vehicle.....	333,635	Japan.....	58,021
Industrial / Consumer.....	252,601	North and South America.....	391,434
		Europe.....	20,680
		Asia, China and others.....	116,101
Total.....	<u>586,236</u>	Total.....	<u>586,236</u>
Other.....	<u>769,666</u>	Other.....	<u>769,666</u>
Consolidated total.....	<u><u>5,423,356</u></u>	Consolidated total.....	<u><u>5,423,356</u></u>

(ii) For the nine months ended December 31, 2020

Yen (millions)

By product category	Sales	By geographical area	Sales
<b>Reportable segments</b>			
<b>Lifestyle</b>			
Living Appliances and Solutions.....	595,825	Japan.....	1,070,997
Heating & Ventilation A/C.....	408,290	North and South America.....	168,292
Cold Chain Solutions.....	164,723	Europe.....	96,135
Electric Works.....	407,122	Asia, China and others.....	524,731
Other.....	284,195		
Total.....	<u>1,860,155</u>	Total.....	<u>1,860,155</u>
<b>Automotive</b>			
Automotive Cockpit Systems.....	301,098	Japan.....	284,782
Automotive Electronics Systems.....	277,355	North and South America.....	161,133
Other.....	82,713	Europe.....	112,263
		Asia, China and others.....	102,988
Total.....	<u>661,166</u>	Total.....	<u>661,166</u>
<b>Connect</b>			
Vertical solutions.....	211,455	Japan.....	196,845
Product solutions.....	342,483	North and South America.....	146,873
		Europe.....	66,264
		Asia, China and others.....	143,956
Total.....	<u>553,938</u>	Total.....	<u>553,938</u>
<b>Industry</b>			
Control Devices / FA Solutions.....	264,131	Japan.....	174,235
Electronic Devices / Electronic Materials...	246,624	North and South America.....	35,809
Other.....	99,792	Europe.....	66,659
		Asia, China and others.....	333,844
Total.....	<u>610,547</u>	Total.....	<u>610,547</u>
<b>Energy</b>			
In-vehicle.....	223,607	Japan.....	51,839
Industrial / Consumer.....	234,427	North and South America.....	271,216
		Europe.....	35,990
		Asia, China and others.....	98,989
Total.....	<u>458,034</u>	Total.....	<u>458,034</u>
Other.....	729,449	Other.....	729,449
Consolidated total.....	<u><u>4,873,289</u></u>	Consolidated total.....	<u><u>4,873,289</u></u>

The disaggregated revenue for the three months ended December 31, 2021 and 2020 is as follow:

(i) For the three months ended December 31, 2021

Yen (millions)			
By product category	Sales	By geographical area	Sales
<b>Reportable segments</b>			
<b>Lifestyle</b>			
Living Appliances and Solutions.....	248,249	Japan.....	365,819
Heating & Ventilation A/C.....	139,079	North and South America.....	69,317
Cold Chain Solutions.....	60,506	Europe.....	41,132
Electric Works.....	152,163	Asia, China and others.....	230,071
Other.....	106,342		
Total.....	<u>706,339</u>	Total.....	<u>706,339</u>
<b>Automotive</b>			
Automotive Cockpit Systems.....	111,862	Japan.....	95,137
Automotive Electronics Systems.....	106,811	North and South America.....	59,188
Other.....	25,011	Europe.....	44,150
		Asia, China and others.....	45,209
Total.....	<u>243,684</u>	Total.....	<u>243,684</u>
<b>Connect</b>			
Vertical solutions.....	103,015	Japan.....	54,832
Product solutions.....	111,750	North and South America.....	67,927
		Europe.....	31,717
		Asia, China and others.....	60,289
Total.....	<u>214,765</u>	Total.....	<u>214,765</u>
<b>Industry</b>			
Control Devices / FA Solutions.....	110,015	Japan.....	70,265
Electronic Devices / Electronic Materials...	99,941	North and South America.....	14,565
Other.....	36,112	Europe.....	32,439
		Asia, China and others.....	128,799
Total.....	<u>246,068</u>	Total.....	<u>246,068</u>
<b>Energy</b>			
In-vehicle.....	113,752	Japan.....	22,348
Industrial / Consumer.....	87,830	North and South America.....	134,623
		Europe.....	5,638
		Asia, China and others.....	38,973
Total.....	<u>201,582</u>	Total.....	<u>201,582</u>
Other.....	<u>277,364</u>	Other.....	<u>277,364</u>
Consolidated total.....	<u><u>1,889,802</u></u>	Consolidated total.....	<u><u>1,889,802</u></u>

(ii) For the three months ended December 31, 2020

Yen (millions)

By product category	Sales	By geographical area	Sales
<b>Reportable segments</b>			
<b>Lifestyle</b>			
Living Appliances and Solutions.....	228,267	Japan.....	382,589
Heating & Ventilation A/C.....	126,980	North and South America.....	60,308
Cold Chain Solutions.....	59,873	Europe.....	36,154
Electric Works.....	153,843	Asia, China and others.....	191,213
Other.....	101,301		
Total.....	<u>670,264</u>	Total.....	<u>670,264</u>
<b>Automotive</b>			
Automotive Cockpit Systems.....	126,276	Japan.....	119,004
Automotive Electronics Systems.....	115,480	North and South America.....	65,945
Other.....	34,711	Europe.....	51,746
		Asia, China and others.....	39,772
Total.....	<u>276,467</u>	Total.....	<u>276,467</u>
<b>Connect</b>			
Vertical solutions.....	71,095	Japan.....	69,333
Product solutions.....	122,052	North and South America.....	48,069
		Europe.....	24,792
		Asia, China and others.....	50,953
Total.....	<u>193,147</u>	Total.....	<u>193,147</u>
<b>Industry</b>			
Control Devices / FA Solutions.....	97,713	Japan.....	66,386
Electronic Devices / Electronic Materials...	85,216	North and South America.....	12,836
Other.....	36,815	Europe.....	25,839
		Asia, China and others.....	114,683
Total.....	<u>219,744</u>	Total.....	<u>219,744</u>
<b>Energy</b>			
In-vehicle.....	86,204	Japan.....	15,423
Industrial / Consumer.....	81,319	North and South America.....	102,809
		Europe.....	14,677
		Asia, China and others.....	34,614
Total.....	<u>167,523</u>	Total.....	<u>167,523</u>
Other.....	286,989	Other.....	286,989
Consolidated total.....	<u><u>1,814,134</u></u>	Consolidated total.....	<u><u>1,814,134</u></u>

The reconciliation of "Disaggregated revenue" by reportable segment with "Sales to external customers" in Note "3 Segment information" is set out below.

As described in Note "3 (1) Reportable segments", segment information for the nine and the three months ended December 31, 2020 has been reclassified to conform to the presentation for the nine and the three months ended December 31, 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. "Cross-selling" of Lifestyle mainly represents its sales of "Entertainment & Communication" products. "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 nine months ended December 31, 2021

	Yen (millions)				
	Lifestyle	Automotive	Connect	Industry	Energy
Disaggregated revenue.....	2,023,723	695,930	620,710	727,091	586,236
Adjustments for management accounting.....	184,943	5,181	8,116	4,708	11,069
Cross-selling.....	353,009	65,479	(60,388)	27,155	(98,544)
Sales of third-party products, etc. ....	1,256	(429)	775	(176)	300
Note "3 (2) Information by reportable segment" Sales to external customers.....	<u>2,562,931</u>	<u>766,161</u>	<u>569,213</u>	<u>758,778</u>	<u>499,061</u>

(ii) For the nine months ended December 31, 2020

	Yen (millions)				
	Lifestyle	Automotive	Connect	Industry	Energy
Disaggregated revenue.....	1,860,155	661,166	553,938	610,547	458,034
Adjustments for management accounting.....	219,592	7,545	8,621	2,433	14,866
Cross-selling.....	394,720	51,022	(70,578)	38,747	(99,469)
Sales of third-party products, etc. ....	2,316	457	(351)	1,577	43
Note "3 (2) Information by reportable segment" Sales to external customers.....	<u>2,476,783</u>	<u>720,190</u>	<u>491,630</u>	<u>653,304</u>	<u>373,474</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 December 31, 2021 and 2020 is as follows.

(i) For the three months ended December 31, 2021

	Yen (millions)				
	Lifestyle	Automotive	Connect	Industry	Energy
Disaggregated revenue.....	706,339	243,684	214,765	246,068	201,582
Adjustments for management accounting.....	66,342	1,909	2,708	1,683	4,094
Cross-selling.....	125,592	26,021	(13,709)	4,999	(36,028)
Sales of third-party products, etc. ....	885	(442)	519	309	(127)
Note "3 (2) Information by reportable segment" Sales to external customers.....	<u>899,158</u>	<u>271,172</u>	<u>204,283</u>	<u>253,059</u>	<u>169,521</u>

(ii) For the three months ended December 31, 2020

	Yen (millions)				
	Lifestyle	Automotive	Connect	Industry	Energy
Disaggregated revenue.....	670,264	276,467	193,147	219,744	167,523
Adjustments for management accounting.....	74,282	3,711	3,009	896	5,477
Cross-selling.....	174,534	19,247	(26,908)	11,517	(33,334)
Sales of third-party products, etc. ....	885	20	(4)	14	545
Note "3 (2) Information by reportable segment" Sales to external customers.....	<u>919,965</u>	<u>299,445</u>	<u>169,244</u>	<u>232,171</u>	<u>140,211</u>

## 8. Supplementary information

### (1) Other income (expenses)

"Other income (expenses), net" for the nine months and the three months ended December 31, 2021 include expenses associated with the implementation of early retirement programs of 34,978 million yen and 3,990 million yen, respectively.

In addition, "Other income (expenses), net" for the nine months ended December 31, 2021 includes a gain of 58,260 million yen from the re-measurement of the previously-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 (as described in Note "9. Business combination"). The revaluation gain is allocated to the "Connect" 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.

"Other income (expenses), net" for the nine months ended December 31, 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.

The gain is presented as part of "Eliminations and adjustments" in segment profit disclosed in Note "3. Segment information." Furthermore, the gain 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 December 31, 2020.

### (2) The issuance of bonds

In the nine months ended December 31, 2021, the Company issued publicly offered hybrid bonds (subordinated bonds) totaling 400,000 million yen as part of a financing plan for the acquisition of additional shares of Blue Yonder for the purpose of making it a wholly-owned subsidiary (as described in Note "9. Business combination").

In the nine months ended December 31, 2020, the Company issued unsecured straight bonds totaling 200,000 million yen.

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

The increases in the carrying amounts of "Property, plant and equipment" due to acquisition in the nine months ended December 31, 2021 and 2020 are 150,061 million yen and 113,984 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 nine months ended December 31, 2021 and 2020 are 30,264 million yen and 20,103 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 previously-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 previously-held equity interest to its fair value was 58,260 million yen and acquisition-related costs were 3,140 million yen, both of which are included in "Other income (expenses), net" for the nine months ended December 31, 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. The amounts of measurement period adjustments recognized during the three months ended December 31, 2021 were not material.

	<u>Yen (millions)</u>
Cash and cash equivalents	37,845
Trade receivables and contract assets	24,365
Goodwill	605,248
Intangible assets	359,959
Other acquired assets	18,623
Total assets acquired	<u>1,046,040</u>
Trade payables	2,628
Short-term debt	192,620
Contract liabilities	16,740
Deferred tax liabilities	40,322
Other assumed liabilities	29,748
Total liabilities assumed	<u>282,058</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 "Connect" 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 the nine months ended December 31, 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 the nine months ended December 31, 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.