

[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, 2022**

**Panasonic Holdings Corporation
Osaka, Japan**

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Disclaimer Regarding Forward-looking Statements

This quarterly report includes forward-looking statements about Panasonic Holdings Corporation (Panasonic HD) 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 HD 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 HD 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 the Panasonic Group'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 including interest rate fluctuations; 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; occurrence and continuation of supply disruption or soaring prices of raw materials or transportation; 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 the Panasonic Group 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 HD 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 in Japan or other countries over trade, manufacturing, labor and operations; failures in proper tackling of environmental issues or taking initiatives in responsible procurement activities in the supply chain; 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 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 HD'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, 2022	Six months ended September 30, 2021	Year ended March 31, 2022
Net sales	4,063,929	3,533,554	7,388,791
Profit before income taxes	166,620	205,762	360,395
Net profit attributable to Panasonic Holdings Corporation stockholders	107,337	153,043	255,334
Comprehensive income attributable to Panasonic Holdings Corporation stockholders	601,641	191,162	630,527
Panasonic Holdings Corporation stockholders' equity	3,742,829	2,763,752	3,164,962
Total equity	3,930,913	2,936,499	3,347,171
Total assets	8,383,373	7,275,344	8,023,583
Earnings per share attributable to Panasonic Holdings Corporation stockholders, basic (yen)	45.99	65.59	109.41
Earnings per share attributable to Panasonic Holdings Corporation stockholders, diluted (yen)	45.97	65.56	109.37
Panasonic Holdings Corporation stockholders' equity / total assets (%)	44.6	38.0	39.4
Net cash provided by (used in) operating activities	209,283	41,576	252,630
Net cash provided by (used in) investing activities	(140,033)	(702,731)	(796,149)
Net cash provided by (used in) financing activities	(507,977)	29,447	58,910
Cash and cash equivalents at the end of the period	847,192	975,319	1,205,873

	Three months ended September 30, 2022	Three months ended September 30, 2021
Net sales	2,090,068	1,741,133
Net profit attributable to Panasonic Holdings Corporation stockholders	58,388	76,506
Earnings per share attributable to Panasonic Holdings Corporation stockholders, basic (yen)	25.02	32.78

Note: 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 (hereinafter referred to as the "Company") is comprised primarily of the parent Panasonic Holdings Corporation and 529 consolidated subsidiaries in and outside of Japan, operating in close cooperation with each other. As a comprehensive electronics manufacturer, The Company 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 details of each segment are described in "IV Condensed Quarterly Consolidated Financial Statements, Note 3. Segment information."

During the six months ended September 30, 2022, changes in major affiliates are as follows:

On April 1, 2022, through an absorption type company split, the businesses of former Panasonic Corporation were transferred to its following nine consolidated succeeding companies. On the same date, the corporate name of former Panasonic Corporation was changed to "Panasonic Holdings Corporation" and it became a holding company.

Lifestyle

Panasonic Split Preparation Co., Ltd. (name changed to "Panasonic Corporation" on the same date).

Automotive

Panasonic Automotive Systems Co., Ltd.

Connect

Panasonic System Solutions Japan Co., Ltd.

*Panasonic System Solutions Japan Co., Ltd. through an absorption-type merger conducted on the same date, as the surviving company, merged with the Company's subsidiaries, Panasonic Smart Factory Solutions Co., Ltd. and Panasonic Mobile Communications Co., Ltd. being the absorbed companies. Additionally, its name was changed to "Panasonic Connect Co., Ltd."

Industry

Panasonic Industry Co., Ltd.

Energy

Panasonic Energy Co., Ltd.

Other

Panasonic Entertainment & Communication Co., Ltd.

Panasonic Housing Solutions Co., Ltd.

Panasonic Operational Excellence Co., Ltd.

Panasonic Sports Co., Ltd.

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, 2022.

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, 2022.

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

Future expectations included in this section are as of November 11, 2022, the filing date of this quarterly report.

(1) Operating Results

During the six months ended September 30, 2022, of the current fiscal year ending March 31, 2023 (fiscal 2023), the global economy saw a slowdown due to such ongoing factors as the situation in Ukraine, continuing high prices of raw materials, shortages in parts & materials, and the impact of worldwide inflation. As for the outlook of the global economy, there is the risk of a further slowdown caused by global geopolitical risks and inflation. In addition, the impact of a sharp depreciation of the yen on domestic economic activities has become a concern particularly in Japan. Therefore, the outlook for management conditions remains unclear.

Under such management conditions, the Company transitioned to a new group organizational structure comprised of a holding company and operating companies from April 1, 2022. The Company continues to thoroughly implement autonomous management in each operating company and enhance its competitiveness in the first year of the new medium- to long-term strategy that started in fiscal 2023.

For the six months ended September 30, 2022, the Company announced the decision to commence preparations for a potential stock listing of the supply chain management business operated by Panasonic Connect Co., Ltd. in May 2022. It was decided that based on the business characteristics and market environment, a stock exchange listing of its business would be the optimal way to accelerate growth globally by utilizing the capital markets. In July 2022, with regard to the plans to build a new EV battery manufacturing facility in the U.S., Panasonic Energy Co., Ltd. submitted an application for the "Attracting Powerful Economic Expansion" incentive program to the State of Kansas, and the application was approved by the state.

For the six months ended September 30, 2022, the Company's consolidated group sales increased by 15% to 4,063.9 billion yen from a year ago. This is due to increased sales of such products as A2W (Air to Water, hot water heat pump system) and automotive batteries as well as the new consolidation of Blue Yonder Holding, Inc. ("Blue Yonder") and the effect of currency translation, despite the impact on production & sales caused by shortages in semiconductor and parts & materials.

Operating profit decreased by 26% to 149.8 billion yen from a year ago. This is due mainly to the impact of price hikes in raw materials and increased fixed costs, as well as the absence of a one-time profit recognized in the previous fiscal year, despite the increased sales and efforts such as price revisions. Profit before income taxes decreased by 19% to 166.6 billion yen and Net profit attributable to Panasonic Holdings Corporation stockholders decreased by 30% to 107.3 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 the previous fiscal year are summarized as follows:

According to the reorganization as of April 1, 2022, the segment information for fiscal 2022 has been reclassified to conform to the presentation in fiscal 2023.

Lifestyle

Sales increased by 12% to 1,713.5 billion yen from a year ago. This is due to steady sales of such products as A2W in Europe, showcases in Japan and North America and wiring devices in India, in addition to the effect of currency translation. Operating profit increased by 24% to 73.7 billion yen from a year ago. This is due to efforts such as price revisions and rationalization for both Japan and overseas in addition to the increased sales, which more than offset the effects of hikes in raw material prices and logistics costs as well as procurement issues for parts & materials.

Automotive

Sales increased by 19% to 592.6 billion yen from a year ago. This is due to the effect of currency translation, in addition to the recovery of automobile production. Operating profit decreased to a loss of 12.5 billion yen compared with a loss of 4.6 billion yen a year ago. This is due mainly to increased fixed costs and price hikes in parts & materials such as semiconductors, despite continuing efforts in cost reductions and price revisions in addition to the increased sales.

Connect

Sales increased by 22% to 517.9 billion yen from a year ago. This is due to increased sales in Avionics reflecting market recovery in the aviation industry, in addition to the new consolidation of Blue Yonder. Operating profit decreased to a loss of 10.4 billion yen compared with an income of 52.5 billion yen a year ago. This is due to the absence of a one-time profit recognized in the previous fiscal year, in addition to decreased sales of the solution business from a post-Olympic demand slowdown as well as the impact of amortization expenses related to Blue Yonder, despite the increased sales.

Industry

Sales increased by 7% to 596.0 billion yen from a year ago. This is due to increased sales of relays for industrial- and EV-applications as well as the effect of currency translation, despite decreased sales from factors including semiconductor shortage and the Shanghai lockdown. Operating profit increased by 5% to 48.5 billion yen from a year ago. This is due to the effect of exchange rates, in addition to efforts in rationalization and price revisions, despite the decreased sales.

Energy

Sales increased by 24% to 469.8 billion yen from a year ago. This is due to increased sales of automotive batteries with growing demand for EVs, in addition to price revisions, as well as the effect of currency translation. Operating profit decreased by 23% to 28.7 billion yen from a year ago. This is due mainly to hikes in raw material prices & logistics costs as well as increased fixed costs related to increased production, despite the effect of exchange rates.

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

Sales increased by 5% to 579.9 billion yen from a year ago due mainly to steady sales in Housing. Operating profit increased by 18% to 26.5 billion yen from a year ago.

(3) Financial Conditions

The Company's consolidated total assets of September 30, 2022 were 8,383.4 billion yen, an increase of 359.8 billion yen from March 31, 2022. This is due mainly to an increase in inventories and the fluctuations in exchange rates due to depreciation of the yen. The Company's consolidated total liabilities were 4,452.5 billion yen, a decrease of 224.0 billion yen from March 31, 2022. This is due mainly to the repayment of temporary borrowings at the end of the previous fiscal year related to the transition to the new group structure.

Panasonic Holdings Corporation stockholders' equity increased by 577.9 billion yen to 3,742.8 billion yen, compared with March 31, 2022. This is due mainly to recording of net profit attributable to Panasonic Holdings Corporation stockholders as well as an increase in other components of equity caused by depreciation of yen. With noncontrolling interests added to Panasonic Holdings Corporation stockholders' equity, total equity was 3,930.9 billion yen.

(4) Cash Flows

Cash flows from operating activities

Net cash provided by operating activities for the six months ended September 30, 2022, amounted to 209.3 billion yen, compared with an inflow of 41.6 billion yen a year ago. This is due mainly to an improvement in increase/decrease in trade payables and a decreased payment of income taxes, despite an increase in inventories.

Cash flows from investing activities

Net cash used in investing activities amounted to 140.0 billion yen, compared with an outflow of 702.8 billion yen a year ago. This is due mainly to the payment related to the acquisition to make Blue Yonder a wholly-owned subsidiary in the previous fiscal year. Accordingly, free cash flows (net cash provided by operating activities and investment activities) increased by 730.5 billion yen from a year ago to an inflow of 69.3 billion yen.

Cash flows from financing activities

Net cash used in financing activities amounted to 508.0 billion yen, compared with an inflow of 29.4 billion yen a year ago. This is due mainly to the repayment of temporary borrowings and the redemption of straight bonds. Taking factors such as exchange rate fluctuations into consideration, cash and cash equivalents totaled 847.2 billion yen as of September 30, 2022, which is a decrease of 358.7 billion yen from March 31, 2022.

(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, 2022.

(6) Research and Development

The Company's R&D expenditures for the six months ended September 30, 2022 totaled 226.6 billion yen, up 13% from a year ago. There were no significant changes in R&D activities during the period.

(7) Capital Investment

The Company's Capital investment (tangible assets) for the six months ended September 30, 2022 totaled 107.6 billion yen, up 17% from a year ago.

(8) Depreciation (tangible assets)

The Company's depreciation for the six months ended September 30, 2022 totaled 98.1 billion yen, up 12% from a year ago.

(9) Number of Employees

The number of the Company's employees at the end of the second quarter of fiscal 2023 was 238,831 a decrease of 1,367 compared with the end of the fiscal 2022.

(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, 2022 during the six months ended September 30, 2022.

(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, 2022.

III Shares and Shareholders

1. Shares of Common Stock Issued as of September 30, 2022: 2,454,056,597 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, 2022: 259,274 million yen

IV Condensed Quarterly Consolidated Financial Statements

**PANASONIC HOLDINGS CORPORATION
AND SUBSIDIARIES**
Condensed Quarterly Consolidated Statements of Financial Position
September 30 and March 31, 2022

<u>Assets</u>	Yen (millions)	
	September 30, 2022	March 31, 2022
Current assets:		
Cash and cash equivalents.....	847,192	1,205,873
Trade receivables and contract assets.....	1,383,301	1,324,618
Other financial assets.....	162,453	210,633
Inventories.....	1,435,536	1,132,664
Other current assets.....	253,948	157,409
Total current assets.....	4,082,430	4,031,197
Non-current assets:		
Investments accounted for using the equity method.....	383,307	403,201
Other financial assets.....	265,458	213,024
Property, plant and equipment.....	1,143,420	1,115,346
Right-of-use assets.....	249,749	257,706
Goodwill and intangible assets.....	1,916,703	1,680,027
Deferred tax assets.....	220,133	219,791
Other non-current assets.....	122,173	103,291
Total non-current assets.....	4,300,943	3,992,386
Total assets.....	8,383,373	8,023,583

PANASONIC HOLDINGS CORPORATION
AND SUBSIDIARIES
Condensed Quarterly Consolidated Statements of Financial Position
September 30 and March 31, 2022

	Yen (millions)	
	September 30, 2022	March 31, 2022
<u>Liabilities and Equity</u>		
Current liabilities:		
Short-term debt, including current portion of long-term debt.....	88,911	432,897
Lease liabilities.....	62,520	60,515
Trade payables.....	1,301,298	1,163,578
Other payables and accrued expenses.....	468,834	500,601
Other financial liabilities.....	146,459	160,534
Income taxes payable.....	69,512	45,123
Provisions.....	130,586	137,032
Contract liabilities.....	182,530	174,325
Other current liabilities.....	466,056	390,859
Total current liabilities.....	2,916,706	3,065,464
Non-current liabilities:		
Long-term debt.....	1,147,388	1,197,706
Lease liabilities.....	198,419	206,166
Other financial liabilities.....	33,500	30,412
Retirement benefit liabilities.....	51,986	68,855
Provisions.....	9,327	8,804
Deferred tax liabilities.....	75,811	81,983
Contract liabilities.....	14,075	12,771
Other non-current liabilities.....	5,248	4,251
Total non-current liabilities.....	1,535,754	1,610,948
Total liabilities.....	4,452,460	4,676,412
Equity:		
Panasonic Holdings Corporation stockholders' equity:		
Common stock.....	259,274	259,168
Capital surplus.....	523,959	525,554
Retained earnings (Note 2).....	2,469,891	2,387,283
Other components of equity (Note 2 and 4).....	699,007	202,227
Treasury stock.....	(209,302)	(209,270)
Total Panasonic Holdings Corporation stockholders' equity (Note 5).....	3,742,829	3,164,962
Non-controlling interests.....	188,084	182,209
Total equity.....	3,930,913	3,347,171
Total liabilities and equity.....	8,383,373	8,023,583

PANASONIC HOLDINGS CORPORATION
AND SUBSIDIARIES
Condensed Quarterly Consolidated Statements of Profit or Loss
Six months ended September 30, 2022 and 2021

	Yen (millions)	
	Six months ended September 30	
	2022	2021
Net sales (Note 7).....	4,063,929	3,533,554
Cost of sales.....	(2,975,474)	(2,523,589)
Gross profit.....	1,088,455	1,009,965
Selling, general and administrative expenses.....	(942,582)	(810,153)
Share of profit (loss) of investments accounted for using the equity method.....	(2,285)	(10,427)
Other income (expenses), net (Note 8).....	6,171	11,817
Operating profit.....	149,759	201,202
Finance income.....	27,015	13,752
Finance expenses.....	(10,154)	(9,192)
Profit before income taxes.....	166,620	205,762
Income taxes.....	(50,633)	(44,650)
Net profit.....	<u>115,987</u>	<u>161,112</u>
Net profit attributable to:		
Panasonic Holdings Corporation stockholders.....	107,337	153,043
Non-controlling interests.....	8,650	8,069
Yen		
Earnings per share attributable to Panasonic Holdings Corporation stockholders (Note 5)		
Basic.....	45.99	65.59
Diluted.....	45.97	65.56

PANASONIC HOLDINGS CORPORATION
AND SUBSIDIARIES
Condensed Quarterly Consolidated Statements of Comprehensive Income
Six months ended September 30, 2022 and 2021

	Yen (millions)	
	Six months ended September 30	
	2022	2021
Net profit.....	115,987	161,112
Other comprehensive income, net of tax		
Items that will not be reclassified to profit or loss:		
Remeasurements of defined benefit plans.....	12,264	1,050
Financial assets measured at fair value through other comprehensive income.....	(4,421)	(6,289)
Subtotal.....	7,843	(5,239)
Items that may be reclassified to profit or loss:		
Exchange differences on translation of foreign operations.....	505,683	48,026
Net changes in fair value of cash flow hedges.....	(11,693)	(2,875)
Subtotal.....	493,990	45,151
Other comprehensive income, net of tax.....	501,833	39,912
Total comprehensive income.....	617,820	201,024
 Total comprehensive income attributable to:		
Panasonic Holdings Corporation stockholders.....	601,641	191,162
Non-controlling interests.....	16,179	9,862

Condensed Quarterly Consolidated Statements of Profit or Loss
Three months ended September 30, 2022 and 2021

	Yen (millions)	
	Three months ended September 30	
	2022	2021
Net sales (Note 7).....	2,090,068	1,741,133
Cost of sales.....	(1,529,195)	(1,257,696)
Gross profit.....	560,873	483,437
Selling, general and administrative expenses.....	(480,673)	(403,082)
Share of profit (loss) of investments accounted for using the equity method.....	3,994	(3,879)
Other income (expenses), net (Note 8).....	1,865	20,349
Operating profit.....	86,059	96,825
Finance income.....	13,253	5,204
Finance expenses.....	(6,236)	(4,801)
Profit before income taxes.....	93,076	97,228
Income taxes.....	(29,654)	(17,363)
Net profit.....	<u>63,422</u>	<u>79,865</u>
Net profit attributable to:		
Panasonic Holdings Corporation stockholders.....	58,388	76,506
Non-controlling interests.....	5,034	3,359
		Yen
Earnings per share attributable to Panasonic Holdings Corporation stockholders (Note 5)		
Basic.....	25.02	32.78
Diluted.....	25.01	32.77

Condensed Quarterly Consolidated Statements of Comprehensive Income
Three months ended September 30, 2022 and 2021

	Yen (millions)	
	Three months ended September 30	
	2022	2021
Net profit.....	63,422	79,865
Other comprehensive income, net of tax		
Items that will not be reclassified to profit or loss:		
Remeasurements of defined benefit plans.....	141	(569)
Financial assets measured at fair value through other comprehensive income.....	(1,715)	(1,573)
Subtotal.....	(1,574)	(2,142)
Items that may be reclassified to profit or loss:		
Exchange differences on translation of foreign operations.....	158,173	30,450
Net changes in fair value of cash flow hedges.....	(2,863)	(4,902)
Subtotal.....	155,310	25,548
Other comprehensive income, net of tax.....	153,736	23,406
Total comprehensive income.....	<u>217,158</u>	<u>103,271</u>
 Total comprehensive income attributable to:		
Panasonic Holdings Corporation stockholders.....	212,589	99,436
Non-controlling interests.....	4,569	3,835

PANASONIC HOLDINGS CORPORATION
AND SUBSIDIARIES
Condensed Quarterly Consolidated Statements of Changes in Equity
Six months ended September 30, 2022 and 2021

Six months ended September 30, 2022

Yen (millions)

	Common stock	Capital surplus	Retained earnings	Other components of equity	Treasury stock	Panasonic Holdings Corporation stockholders' equity	Non- controlling interests	Total equity
Balances as of April 1, 2022.....	259,168	525,554	2,387,283	202,227	(209,270)	3,164,962	182,209	3,347,171
Effect of hyperinflation (Note 2).....	—	—	(3,260)	15,883	—	12,623	—	12,623
Restated balances as of April 1, 2022..	259,168	525,554	2,384,023	218,110	(209,270)	3,177,585	182,209	3,359,794
Comprehensive income:								
Net profit.....	—	—	107,337	—	—	107,337	8,650	115,987
Remeasurements of defined benefit plans.....	—	—	—	12,196	—	12,196	68	12,264
Financial assets measured at fair value through other comprehensive income.....	—	—	—	(3,932)	—	(3,932)	(489)	(4,421)
Exchange differences on translation of foreign operations.....	—	—	—	497,758	—	497,758	7,925	505,683
Net change in fair value of cash flow hedges.....	—	—	—	(11,718)	—	(11,718)	25	(11,693)
Total comprehensive income.....	—	—	107,337	494,304	—	601,641	16,179	617,820
Transfer to hedged non-financial assets.....	—	—	—	132	—	132	—	132
Transfer from other components of equity to retained earnings.....	—	—	13,539	(13,539)	—	—	—	—
Cash dividends (Note 4).....	—	—	(35,008)	—	—	(35,008)	(9,225)	(44,233)
Purchase of treasury stock.....	—	—	—	—	(37)	(37)	—	(37)
Disposal of treasury stock.....	—	(0)	—	—	2	2	—	2
Share-based payments.....	106	(4)	—	—	3	105	—	105
Transactions with non-controlling interests and other.....	—	(1,591)	—	—	—	(1,591)	(1,079)	(2,670)
Balances as of September 30, 2022.....	259,274	523,959	2,469,891	699,007	(209,302)	3,742,829	188,084	3,930,913

Six months ended September 30, 2021

Yen (millions)

	Common stock	Capital surplus	Retained earnings	Other components of equity	Treasury stock	Panasonic Holdings 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

PANASONIC HOLDINGS CORPORATION
AND SUBSIDIARIES
Condensed Quarterly Consolidated Statements of Cash Flows
Six months ended September 30, 2022 and 2021

	Yen (millions)	
	Six months ended September 30	
	2022	2021
Cash flows from operating activities:		
Net profit.....	115,987	161,112
Depreciation and amortization.....	188,530	157,879
Impairment losses on property, plant and equipment, right-of-use assets, goodwill and intangible assets.....	345	1,801
Income tax expenses.....	50,633	44,650
(Increase) decrease in trade receivables and contract assets.....	18,820	20,019
(Increase) decrease in inventories.....	(226,782)	(163,204)
Increase (decrease) in trade payables.....	110,316	25,130
Increase (decrease) in provisions.....	(8,848)	(6,164)
Increase (decrease) in contract liabilities.....	(1,999)	(8,872)
Increase (decrease) in retirement benefit liabilities.....	(4,948)	(2,403)
Other - net (Note 8).....	8,549	(86,835)
Subtotal.....	<u>250,603</u>	<u>143,113</u>
Interest received.....	8,643	5,837
Dividend income received.....	2,890	1,553
Interest expenses paid.....	(11,037)	(9,070)
Income taxes paid.....	<u>(41,816)</u>	<u>(99,857)</u>
Net cash provided by (used in) operating activities.....	<u>209,283</u>	<u>41,576</u>
Cash flows from investing activities:		
Purchase of property, plant and equipment.....	(117,298)	(108,305)
Proceeds from sale of property, plant and equipment.....	10,382	4,698
Purchase of intangible assets.....	(38,837)	(29,954)
Collection of lease receivables.....	181	12,120
Purchase of investments accounted for using the equity method and other financial assets.....	(13,257)	(24,230)
Proceeds from sale and redemption of investments accounted for using the equity method and other financial assets.....	15,768	15,710
Acquisition of subsidiaries resulting in change in scope of consolidation (Note 9).....	—	(578,427)
Proceeds from loss of control of subsidiaries or other businesses.....	1,663	6,194
Other - net.....	<u>1,365</u>	<u>(537)</u>
Net cash provided by (used in) investing activities.....	<u>(140,033)</u>	<u>(702,731)</u>

PANASONIC HOLDINGS CORPORATION
AND SUBSIDIARIES
Condensed Quarterly Consolidated Statements of Cash Flows
Six months ended September 30, 2022 and 2021

	Yen (millions)	
	Six months ended September 30	
	2022	2021
Cash flows from financing activities:		
Increase (decrease) in short-term debt (Note 8 and 9).....	(306,751)	305,647
Proceeds from long-term debt.....	1,318	720
Repayments of long-term debt.....	(109,349)	(201,773)
Payments for lease liabilities.....	(36,331)	(31,514)
Dividends paid to Panasonic Holdings Corporation stockholders (Note 4).....	(35,008)	(23,333)
Dividends paid to non-controlling interests.....	(9,225)	(11,743)
Purchase of treasury stock.....	(37)	(23)
Proceeds from sales of treasury stock.....	2	1
Transactions with non-controlling interests.....	(1,575)	(117)
Other - net.....	(11,021)	(8,418)
Net cash provided by (used in) financing activities.....	(507,977)	29,447
Effect of exchange rate changes on cash and cash equivalents.....	92,784	13,170
Net increase (decrease) in cash and cash equivalents.....	(345,943)	(618,538)
Cash and cash equivalents at the beginning of the period.....	1,205,873	1,593,224
Net increase (decrease) in cash and cash equivalents resulting from transfer to assets held for sale.....	(12,738)	633
Cash and cash equivalents at the end of the period.....	847,192	975,319

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

1. Reporting entity

Panasonic Holdings Corporation is a company incorporated in Japan. As a comprehensive electronics manufacturer, Panasonic Holdings 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.

The 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, 2022.

The condensed quarterly consolidated financial statements were approved on November 11, 2022 by Representative Director, President, Yuki Kusumi, and Representative Director, Executive Vice President (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 Holdings Corporation'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, 2022.

At the beginning of the current fiscal year on April 1, 2022, the consumer price index in the Republic of Turkey indicated that the cumulative inflation rate over three years had exceeded 100 percent. Consequently, the Company concluded that the subsidiaries, whose functional currency is Turkish lira, were operating in a hyperinflationary economy. Accordingly, in accordance with IAS 29, "Financial Reporting in Hyperinflationary Economies," accounting adjustments have been made to the financial statements of those subsidiaries from April 1, 2022.

IAS 29 requires that the Company's consolidated financial statements include the financial statements of the subsidiaries, which shall be adjusted to reflect the measuring unit current at the end of the reporting period.

The subsidiaries have adjusted their non-monetary items reported at historical cost using the cumulative inflation rate based on when the items were initially recognized. Monetary items and certain non-monetary items, which are stated in terms of the measuring unit current at the end of the reporting period, were not restated.

The effect of inflation on the net monetary position of the subsidiaries is presented as part of finance income in

the Condensed Consolidated Statements of Profit or Loss. And the adjusted financial statements of the subsidiaries were translated at the closing exchange rate, and then reflected in the condensed quarterly consolidated financial statements.

As a result of reflecting the cumulative effect of hyperinflation through the end of the previous fiscal year in accordance with IAS 29, the opening balances of "Retained earnings" and "Other components of equity" as of April 1, 2022 were decreased by 3,260 million yen and increased by 15,883 million yen, respectively.

(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 previous fiscal year.

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, microwave ovens, rice cookers, washing machines, vacuum cleaners, personal-care products, air-conditioners for residential and commercial use, air to water heat pump system, ventilation, perflation and air-conditioning equipment, and air purifiers, showcases, commercial refrigerators, lighting fixtures, lamps, wiring devices, solar photovoltaic systems, fuel cells, compressors, bicycles, and nursing care services. "Automotive" includes the development, manufacturing and sale of and provision of related services for products such as automotive-use infotainment systems, head-up displays, automotive speakers, automotive switches, advanced driver assistance systems (ADAS) and automotive mirrors. "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 management (SCM) software. "Industry" includes the development, manufacturing and sale of and provision of related services for products such as automation controls, motors and FA devices, 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, primary batteries (dry batteries and micro batteries), and small secondary batteries (cells and their system products).

"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, audio equipment, telephones, kitchen & bath, interior furnishing materials, exterior finishing materials, and sales of raw materials.

On April 1, 2022, certain sales functions within "Lifestyle" were transferred to each reportable segment. As a result, the related sales previously reported in "Lifestyle" are presented in each reportable segment and "Other" to which the transfers were made. In addition, the segment performance was monitored using sales that included management accounting adjustments to sales prices in the previous fiscal year, but such adjustments are not made from the current fiscal year.

Due to the above changes, segment information for the six and the three months ended September 30, 2021 has been reclassified to conform to the presentation for the six and the three months ended September 30, 2022.

(2) Information by reportable segment

Information by segment for the six months ended September 30, 2022 and 2021 is shown in the tables below.

(i) For the six months ended September 30, 2022

Yen (millions)								
	Reportable segments						Eliminations and adjustments	Consolidated Total
	Lifestyle	Automotive	Connect	Industry	Energy	Other		
Sales:								
External customers...	1,587,643	585,370	483,057	527,016	439,302	441,541	—	4,063,929
Intersegment.....	125,828	7,245	34,795	68,993	30,494	138,324	(405,679)	—
Total.....	<u>1,713,471</u>	<u>592,615</u>	<u>517,852</u>	<u>596,009</u>	<u>469,796</u>	<u>579,865</u>	<u>(405,679)</u>	<u>4,063,929</u>
Segment profit (loss)..	73,697	(12,493)	(10,363)	48,461	28,670	26,459	(4,672)	149,759

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

Yen (millions)								
	Reportable segments						Eliminations and adjustments	Consolidated Total
	Lifestyle	Automotive	Connect	Industry	Energy	Other		
Sales:								
External customers...	1,409,162	492,118	364,054	504,226	346,362	417,632	—	3,533,554
Intersegment.....	115,390	4,754	59,177	51,887	31,193	133,850	(396,251)	—
Total.....	<u>1,524,552</u>	<u>496,872</u>	<u>423,231</u>	<u>556,113</u>	<u>377,555</u>	<u>551,482</u>	<u>(396,251)</u>	<u>3,533,554</u>
Segment profit (loss)..	59,363	(4,562)	52,537	46,032	37,396	22,401	(11,965)	201,202

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.

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 items such as eliminations of intersegment transactions, profit and loss which are not attributable to any reportable segment and the consolidation adjustments referred to below.

Adjustments to profit for the six months ended September 30, 2022 and 2021 include profit of the corporate headquarters. Adjustments also include consolidation adjustments for 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, 2022 and 2021 is shown in the tables below.

(i) For the three months ended September 30, 2022

Yen (millions)								
Reportable segments								
	Lifestyle	Automotive	Connect	Industry	Energy	Other	Eliminations and adjustments	Consolidated Total
Sales:								
External customers...	810,921	319,718	255,200	260,805	227,549	215,875	—	2,090,068
Intersegment.....	66,006	3,330	17,880	38,690	14,459	79,710	(220,075)	—
Total.....	876,927	323,048	273,080	299,495	242,008	295,585	(220,075)	2,090,068
Segment profit (loss)..<	35,382	(1,940)	(818)	22,006	12,403	11,451	7,575	86,059

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

Yen (millions)								
Reportable segments								
	Lifestyle	Automotive	Connect	Industry	Energy	Other	Eliminations and adjustments	Consolidated Total
Sales:								
External customers...	685,062	235,263	185,202	249,903	173,904	211,799	—	1,741,133
Intersegment.....	57,745	2,610	30,855	22,149	15,682	72,594	(201,635)	—
Total.....	742,807	237,873	216,057	272,052	189,586	284,393	(201,635)	1,741,133
Segment profit (loss)..<	14,289	(6,769)	52,393	19,558	18,757	7,035	(8,438)	96,825

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.

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 items such as eliminations of intersegment transactions, profit and loss which are not attributable to any reportable segment and the consolidation adjustments referred to below.

Adjustments to profit for the three months ended September 30, 2022 and 2021 include profit of the corporate headquarters. Adjustments also include consolidation adjustments for the 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, 2022	March 31, 2022
Remeasurements of defined benefit plans (*).....	—	—
Financial assets measured at fair value through other comprehensive income.....	25,384	30,659
Exchange differences on translation of foreign operations.....	684,881	171,240
Net changes in fair value of cash flow hedges.....	(11,258)	328
Total.....	<u>699,007</u>	<u>202,227</u>

(*)As the result of remeasurements of defined benefit plans, other components of equity increased by 12,196 million yen (net of tax), which was directly transferred from other components of equity to retained earnings for the six months ended September 30, 2022.

(2) Dividends

1) Dividends for the six months ended September 30, 2022 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 11, 2022	Common stock	35,008	Retained Earnings	15.0	March 31, 2022	June 2, 2022

(ii) Cash dividends resolved in the six months ended September 30, 2022 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 31, 2022	Common stock	35,011	Retained earnings	15.0	September 30, 2022	November 30, 2022

2) 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

5. Per share information

Panasonic Holdings Corporation stockholders' equity per share is as follows:

	Yen	
	September 30, 2022	March 31, 2022
Panasonic Holdings Corporation stockholders' equity per share.....	1,603.57	1,356.08

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

(1) For the six months ended September 30, 2022 and 2021

	Yen (millions)	
	2022	2021
Net profit attributable to Panasonic Holdings Corporation stockholders.....	107,337	153,043
Adjustment to net profit.....	(3)	(6)
Net profit used to calculate basic earnings per share.....	107,334	153,037
Adjustment to net profit.....	3	6
Net profit used to calculate diluted earnings per share.....	107,337	153,043

	Number of shares	
	2022	2021
Average common shares outstanding.....	2,333,884,576	2,333,389,195
Dilutive effect:		
Stock acquisition rights.....	767,710	1,023,665
Restricted stock.....	74,471	98,429
Diluted common shares outstanding.....	2,334,726,757	2,334,511,289

	Yen	
	2022	2021
Earnings per share attributable to Panasonic Holdings Corporation stockholders:		
Basic.....	45.99	65.59
Diluted.....	45.97	65.56

(2) For the three months ended September 30, 2022 and 2021:

	Yen (millions)	
	2022	2021
Net profit attributable to Panasonic Holdings Corporation stockholders.....	58,388	76,506
Adjustment to net profit.....	(3)	(6)
Net profit used to calculate basic earnings per share.....	58,385	76,500
Adjustment to net profit.....	3	6
Net profit used to calculate diluted earnings per share.....	58,388	76,506

	Number of shares	
	2022	2021
Average common shares outstanding.....	2,333,898,965	2,333,453,009
Dilutive effect:		
Stock acquisition rights.....	767,689	974,836
Restricted stock.....	112,900	158,950
Diluted common shares outstanding.....	2,334,779,554	2,334,586,795

	Yen	
	2022	2021
Earnings per share attributable to Panasonic Holdings Corporation stockholders:		
Basic.....	25.02	32.78
Diluted.....	25.01	32.77

6. Fair values of financial instruments

(1) Comparison between fair values and the carrying amounts

	Yen (millions)			
	September 30, 2022		March 31, 2022	
	Book value	Fair value	Book value	Fair value
Long-term debt, including current portion of long-term debt.....	1,221,961	1,187,212	1,309,870	1,306,985

Fair values shown above are estimated, based on the market price or the present value of the future cash flows, which are calculated using the observable discount rate at September 30 and March 31, 2022. 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, 2022			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets measured at FVTPL				
Derivative assets				
Foreign exchange forward contracts.....	—	7,249	—	7,249
Cross currency swaps.....	—	100	—	100
Cross currency interest rate swaps.....	—	56,844	—	56,844
Commodity futures.....	9,885	10,846	—	20,731
Subtotal.....	9,885	75,039	—	84,924
Financial assets measured at FVTOCI				
Shares.....	47,603	—	136,411	184,014
Others.....	—	283	—	283
Subtotal.....	47,603	283	136,411	184,297
Total financial assets.....	57,488	75,322	136,411	269,221
Financial liabilities:				
Financial liabilities measured at FVTPL				
Derivative liabilities				
Foreign exchange forward contracts.....	—	12,715	—	12,715
Cross currency interest rate swaps.....	—	1,758	—	1,758
Commodity futures.....	16,845	7,513	—	24,358
Total financial liabilities.....	16,845	21,986	—	38,831

	Yen (millions)			
	March 31, 2022			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets measured at FVTPL				
Derivative assets				
Foreign exchange forward contracts.....	—	20,055	—	20,055
Cross currency interest rate swaps.....	—	42,009	—	42,009
Commodity futures.....	26,495	8,232	—	34,727
Subtotal.....	26,495	70,296	—	96,791
Financial assets measured at FVTOCI				
Shares.....	55,282	—	100,473	155,755
Others.....	—	281	—	281
Subtotal.....	55,282	281	100,473	156,036
Total financial assets.....	81,777	70,577	100,473	252,827
Financial liabilities:				
Financial liabilities measured at FVTPL				
Derivative liabilities				
Foreign exchange forward contracts.....	—	9,115	—	9,115
Cross currency swaps.....	—	22	—	22
Cross currency interest rate swaps.....	—	1,158	—	1,158
Commodity futures.....	13,720	21,962	—	35,682
Total financial liabilities.....	13,720	32,257	—	45,977

The Company's marketable shares and commodity futures are included in Level 1, which are 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 assessment 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, 2022, there were no financial instruments of which a significant transfer was made between levels.

The movement in financial instruments classified as Level 3 in the fair value measurement hierarchy for the six months ended September 30, 2022, is mainly due to the reclassification of an investment from investments in affiliates to financial assets measured at FVTOCI. This reclassification was caused by a decrease of the Company's equity share in the investment accounted for using the equity method.

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, microwave ovens, rice cookers, vacuum cleaners and personal-care products. "Heating & Ventilation A/C" includes products such as air-conditioners for residential and commercial use, air to water heat pump system, ventilation, perflation and air-conditioning equipment, and air purifiers. "Cold Chain Solutions" includes products such as showcases 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 services.

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

The products of Connect are categorized into "Hardware Solutions" and "SCM Solutions." "Hardware Solutions," representing products of core businesses, includes products such as aircraft in-flight entertainment systems and communications services, electronic-components-mounting machines, welding equipment, projectors, professional AV systems, PCs and tablets. "SCM Solutions," representing products of growth businesses, includes products such as solution business of Gemba Solution Company and SCM software.

The products of Industry are categorized into "Control Devices," "FA Solutions," "Electronic Devices," "Electronic Materials" and "Other." "Control Devices" includes products such as relays and switches. "FA Solutions" includes products such as industrial motors and FA devices. "Electronic Devices" includes products such as capacitors. "Electronic Materials" includes products such as electronic circuit board materials, semiconductor device materials. "Other" includes products such as LCD panels.

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

Other includes products of the Entertainment & Communication business, the Housing business, and sales of raw materials. Entertainment & Communication includes products such as TVs, digital cameras, video equipment, audio equipment, telephones, and Housing includes products such as kitchen & bath, interior furnishing materials, and exterior furnishing materials.

As described in Note "3. Segment information," certain sales functions within the "Lifestyle" segment were transferred to each reportable segment on April 1, 2022. As a result, the related sales previously reported in the "Lifestyle" segment are presented in each reportable segment and "Other" to which the transfers were made. The segment performance was monitored using sales that included management accounting adjustments to sales prices in the previous fiscal year, but such adjustments are not made from the current fiscal year. In addition, the product categories of the "Connect" segment and the "Industry" segment in the disaggregated revenue were revised.

Due to the above changes, the disaggregated revenue for the six and the three months ended September 30, 2021 has been reclassified to conform to the presentation for the six and the three months ended September 30, 2022.

The disaggregated revenue for the six months ended September 30, 2022 and 2021 is as follow:

(i) For the six months ended September 30, 2022

(million yen)

Reportable segments	By product category	Sales	By geographical area	Sales
Lifestyle	Living Appliances and Solutions	477,691	Japan	708,497
	Heating & Ventilation A/C	362,628	Americas	173,357
	Cold Chain Solutions	163,356	Europe	101,931
	Electric Works	302,399	Asia, China and others	531,149
	Other	208,860		
	Total (Note 1)	1,514,934	Total (Note 1)	1,514,934
Automotive	Automotive Cockpit Systems	223,004	Japan	177,566
	Automotive Electronics Systems	240,885	Americas	156,151
	Other	68,886	Europe	100,191
			Asia, China and others	98,867
	Total (Note 1)	532,775	Total (Note 1)	532,775
Connect	Hardware Solutions	353,672	Japan	114,528
	SCM Solutions	145,885	Americas	185,449
			Europe	75,473
			Asia, China and others	124,107
	Total (Note 1)	499,557	Total (Note 1)	499,557
Industry	Control Devices	152,999	Japan	124,705
	FA Solutions	42,986	Americas	42,192
	Electronic Devices	196,196	Europe	76,921
	Electronic Materials	74,889	Asia, China and others	278,043
	Other	54,791		
	Total (Note 1)	521,861	Total (Note 1)	521,861
Energy	In-vehicle	293,250	Japan	39,032
	Industrial / Consumer	183,291	Americas	343,861
			Europe	13,273
			Asia, China and others	80,375
	Total (Note 1)	476,541	Total (Note 1)	476,541
	Other (Note 2)	518,261		
	Consolidated total	4,063,929		

Note 1: The difference between "Total" in the above table and the respective segment's "Sales to external customers" in Note "3. (2) Information by reportable segment" mainly includes an adjustment to sales for products of each segment sold by other segments.

2: "Other" includes sales of Entertainment & Communication products of 156,978 million yen and sales of Housing products of 191,101 million yen.

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

(million yen)

Reportable segments	By product category	Sales	By geographical area	Sales
Lifestyle	Living Appliances and Solutions	418,521	Japan	691,966
	Heating & Ventilation A/C	303,826	Americas	129,308
	Cold Chain Solutions	127,129	Europe	75,436
	Electric Works	262,309	Asia, China and others	420,674
	Other	205,599		
	Total (Note 1)	1,317,384	Total (Note 1)	1,317,384
Automotive	Automotive Cockpit Systems	205,795	Japan	184,582
	Automotive Electronics Systems	196,273	Americas	120,964
	Other	50,178	Europe	81,972
			Asia, China and others	64,728
	Total (Note 1)	452,246	Total (Note 1)	452,246
Connect	Hardware Solutions	329,059	Japan	141,139
	SCM Solutions	76,886	Americas	95,646
			Europe	49,531
			Asia, China and others	119,629
	Total (Note 1)	405,945	Total (Note 1)	405,945
Industry	Control Devices	121,489	Japan	131,598
	FA Solutions	39,025	Americas	29,473
	Electronic Devices	186,888	Europe	55,712
	Electronic Materials	71,362	Asia, China and others	264,240
	Other	62,259		
		Total (Note 1)	481,023	Total (Note 1)
Energy	In-vehicle	219,883	Japan	35,673
	Industrial / Consumer	164,771	Americas	256,811
			Europe	15,042
			Asia, China and others	77,128
	Total (Note 1)	384,654	Total (Note 1)	384,654
	Other (Note 2)	492,302		
	Consolidated total	3,533,554		

Note 1: The difference between "Total" in the above table and the respective segment's "Sales to external customers" in Note "3. (2) Information by reportable segment" mainly includes an adjustment to sales for products of each segment sold by other segments.

2: "Other" includes sales of Entertainment & Communication products of 172,759 million yen and sales of Housing products of 175,370 million yen.

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

(i) For the three months ended September 30, 2022

(million yen)

Reportable segments	By product category	Sales	By geographical area	Sales
Lifestyle	Living Appliances and Solutions	259,727	Japan	368,168
	Heating & Ventilation A/C	159,354	Americas	92,920
	Cold Chain Solutions	87,256	Europe	50,200
	Electric Works	157,586	Asia, China and others	259,018
	Other	106,383		
	Total (Note 1)	770,306	Total (Note 1)	770,306
Automotive	Automotive Cockpit Systems	120,720	Japan	96,269
	Automotive Electronics Systems	129,620	Americas	82,424
	Other	40,161	Europe	50,000
			Asia, China and others	61,808
	Total (Note 1)	290,501	Total (Note 1)	290,501
Connect	Hardware Solutions	189,413	Japan	69,949
	SCM Solutions	78,863	Americas	101,042
			Europe	38,034
			Asia, China and others	59,251
	Total (Note 1)	268,276	Total (Note 1)	268,276
Industry	Control Devices	76,768	Japan	62,199
	FA Solutions	23,367	Americas	22,565
	Electronic Devices	99,047	Europe	41,088
	Electronic Materials	38,908	Asia, China and others	139,103
	Other	26,865		
	Total (Note 1)	264,955	Total (Note 1)	264,955
Energy	In-vehicle	150,820	Japan	19,492
	Industrial / Consumer	92,969	Americas	176,734
			Europe	7,144
			Asia, China and others	40,419
	Total (Note 1)	243,789	Total (Note 1)	243,789
	Other (Note 2)	252,241		
	Consolidated total	2,090,068		

Note 1: The difference between "Total" in the above table and the respective segment's "Sales to external customers" in Note "3. (2) Information by reportable segment" mainly includes an adjustment to sales for products of each segment sold by other segments.

2: "Other" includes sales of Entertainment & Communication products of 72,551 million yen and sales of Housing products of 96,384 million yen.

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

(million yen)

Reportable segments	By product category	Sales	By geographical area	Sales
Lifestyle	Living Appliances and Solutions	213,789	Japan	346,497
	Heating & Ventilation A/C	124,162	Americas	67,500
	Cold Chain Solutions	65,550	Europe	34,788
	Electric Works	135,954	Asia, China and others	198,212
	Other	107,542		
	Total (Note 1)	646,997	Total (Note 1)	646,997
Automotive	Automotive Cockpit Systems	99,249	Japan	86,360
	Automotive Electronics Systems	91,064	Americas	60,730
	Other	24,847	Europe	35,121
			Asia, China and others	32,949
	Total (Note 1)	215,160	Total (Note 1)	215,160
Connect	Hardware Solutions	164,611	Japan	65,905
	SCM Solutions	41,098	Americas	48,738
			Europe	24,827
			Asia, China and others	66,239
	Total (Note 1)	205,709	Total (Note 1)	205,709
Industry	Control Devices	60,362	Japan	61,247
	FA Solutions	18,785	Americas	14,625
	Electronic Devices	92,811	Europe	28,300
	Electronic Materials	36,138	Asia, China and others	130,587
	Other	26,663		
	Total (Note 1)	234,759	Total (Note 1)	234,759
Energy	In-vehicle	111,867	Japan	18,280
	Industrial / Consumer	81,044	Americas	137,044
			Europe	5,865
			Asia, China and others	31,722
	Total (Note 1)	192,911	Total (Note 1)	192,911
	Other (Note 2)	245,597		
	Consolidated total	1,741,133		

Note 1: The difference between "Total" in the above table and the respective segment's "Sales to external customers" in Note "3. (2) Information by reportable segment" mainly includes an adjustment to sales for products of each segment sold by other segments.

2: "Other" includes sales of Entertainment & Communication products of 80,907 million yen and sales of Housing products of 90,430 million yen.

8. Supplementary information

(1) Other income (expenses)

The amounts of each individual item included in "Other income (expenses), net" are immaterial for both the six months and the three months ended September 30, 2022.

"Other income (expenses), net" for the six months and the three months ended September 30, 2021 included 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 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") to the fair value upon the acquisition to make Blue Yonder a wholly-owned subsidiary (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.

(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) 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, 2022 and 2021 are 107,622 million yen and 91,859 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, 2022 and 2021 are 8,813 million yen and 17,633 million yen, respectively, including a decrease due to the recognition of a finance lease as a lessor.

9. Business combination

(1) For the six months ended September 30, 2022

Business combinations are immaterial individually or collectively.

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

Acquisition to make Blue Yonder, 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 previously accounted for using the equity method, in which the Company had owned 20% of shares, and obtained control of Blue Yonder and its subsidiaries. This acquisition of shares was carried out by merging a special purpose subsidiary established by the Company for the transaction with Blue Yonder.

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 reduction in energy-use and effective utilization of resources.

The fair value of 20% shares previously-held by the Company and the fair value of the consideration paid in cash (after reflecting adjustments to the provisional amounts) 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 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, and are allocated to the "Connect" segment. 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>
Fair value of existing 20% shares held by the Company.....	142,933
Fair value of the consideration paid in cash for additional 80% shares.....	<u>622,831</u>
Total.....	<u><u>765,764</u></u>

The amounts (after reflecting adjustments to the provisional amounts) of assets acquired and liabilities assumed as of the acquisition date are as follows.

	<u>Yen (millions)</u>
Cash and cash equivalents.....	37,845
Trade receivables and contract assets.....	24,365
Goodwill.....	607,030
Intangible assets.....	359,959
Other acquired assets.....	<u>18,623</u>
Total assets acquired.....	<u>1,047,822</u>
Trade payables.....	2,628
Short-term debt.....	192,620
Contract liabilities.....	16,740
Deferred tax liabilities.....	40,322
Other assumed liabilities.....	<u>29,748</u>
Total liabilities assumed.....	<u>282,058</u>
Total net assets acquired.....	<u><u>765,764</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 proprietary technologies.

Short-term debt was 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 six months and three months ended September 30, 2021 were not material.

Pro forma information has been omitted as the amounts not reflected in the condensed quarterly consolidated statements of profit or loss for the 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 made provisions for certain probable and reasonably estimated amounts for the settlements and fines.

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.