

[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, 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		
	Nine months ended December 31, 2022	Nine months ended December 31, 2021	Year ended March 31, 2022
Net sales	6,224,521	5,423,356	7,388,791
Profit before income taxes	255,447	279,376	360,395
Net profit attributable to Panasonic Holdings Corporation stockholders	162,870	195,634	255,334
Comprehensive income attributable to Panasonic Holdings Corporation stockholders	360,401	319,291	630,527
Panasonic Holdings Corporation stockholders' equity	3,459,238	2,854,801	3,164,962
Total equity	3,631,224	3,031,737	3,347,171
Total assets	8,006,613	7,376,772	8,023,583
Earnings per share attributable to Panasonic Holdings Corporation stockholders, basic (yen)	69.78	83.83	109.41
Earnings per share attributable to Panasonic Holdings Corporation stockholders, diluted (yen)	69.76	83.80	109.37
Panasonic Holdings Corporation stockholders' equity / total assets (%)	43.2	38.7	39.4
Net cash provided by (used in) operating activities	313,724	103,934	252,630
Net cash provided by (used in) investing activities	(215,799)	(760,851)	(796,149)
Net cash provided by (used in) financing activities	(516,608)	(89,883)	58,910
Cash and cash equivalents at the end of the period	820,097	889,745	1,205,873

	Three months ended December 31, 2022	Three months ended December 31, 2021
Net sales	2,160,592	1,889,802
Net profit attributable to Panasonic Holdings Corporation stockholders	55,533	42,591
Earnings per share attributable to Panasonic Holdings Corporation stockholders, basic (yen)	23.79	18.25

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 524 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 nine months ended December 31, 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 nine months ended December 31, 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 February 10, 2023, the filing date of this quarterly report.

(1) Operating Results

During the nine months ended December 31, 2022 (fiscal 2023), the global economy saw a slowdown due to such ongoing factors as the situation in Ukraine, continuing high prices of raw materials, worldwide inflation along with an increase in interest rates, and persisting shortages in some parts & materials. As for the outlook of the global economy, the risk of further slowdown remains, due to geopolitical risks, inflation spreading globally, and interest rate trends. In addition, rapid fluctuations in exchange rates have 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 nine months ended December 31, 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 plans for a US-based EV battery manufacturing facility, Panasonic Energy Co., Ltd. was approved for participation in the "Attracting Powerful Economic Expansion" incentive program of the State of Kansas, and in October 2022, the Board of Directors of the Company made the decision to construct this manufacturing facility in the U.S. Furthermore, in November 2022, Panasonic Corporation announced that its Heating & Ventilation A/C Company would acquire the commercial air-conditioning business of Systemair AB, a Swedish leading global manufacturer in the ventilation and commercial air-conditioning business.

For the nine months ended December 31, 2022, the Company's consolidated group sales increased by 15% to 6,224.5 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), automotive batteries, and automotive systems & components reflecting the recovery of automobile production 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 15% to 234.2 billion yen from a year ago. This is due mainly to the impact of price hikes in raw materials and increased fixed costs, despite increased sales and efforts such as price revisions. In addition, the impact of one-time gain recognized in the previous year was a factor of the decrease. Profit before income taxes decreased by 9% to 255.4 billion yen and net profit attributable to Panasonic Holdings Corporation stockholders decreased by 17% to 162.9 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 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 2,617.5 billion yen from a year ago. This is due to the effect of currency translation as well as steady sales of such products as A2W in Europe, showcases in North America and wiring devices for overseas. Operating profit increased by 12% to 104.2 billion yen from a year ago. This is due to increased sales as well as efforts such as price revisions for both Japan and overseas, despite price hikes in raw materials and logistics as well as procurement issues for parts & materials.

Automotive

Sales increased by 22% to 938.9 billion yen from a year ago. This is due to the recovery of automobile production as well as the effect of currency translation. Operating profit increased to 0.0 billion yen compared to a loss of 2.7 billion yen a year ago. This is due mainly to increased sales as well as such efforts as further price revisions & cost reductions, despite price hikes in parts & materials such as semiconductors and increased fixed costs.

Connect

Sales increased by 25% to 806.5 billion yen from a year ago. This is due to the new consolidation of Blue Yonder and increased sales in Avionics, reflecting market recovery in the aviation industry. Operating profit decreased by 92% from a year ago to 3.5 billion yen. This is due to the impact of amortization expenses related to Blue Yonder as well as the impact of one-time gain recognized in the previous year, despite increased sales in Avionics.

Industry

Sales increased by 6% to 886.6 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 of products for ICT terminals, automotive applications and in the Chinese markets. Operating profit decreased by 3% to 63.5 billion yen from a year ago. This is due to price hikes in raw materials and decreased sales, despite the effect of exchange rates as well as the efforts in rationalization and price revisions.

Energy

Sales increased by 25% to 717.2 billion yen from a year ago. This is due to price revisions and increased sales of automotive batteries with growing demand for EVs as well as the effect of currency translation. Operating profit decreased by 47% to 28.9 billion yen from a year ago. This is due mainly to price hikes in raw materials & logistics 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 887.1 billion yen from a year ago due mainly to steady sales in Housing. Operating profit increased by 29% to 38.6 billion yen from a year ago.

(3) Financial Conditions

The Company's consolidated total assets as of December 31, 2022 were 8,006.6 billion yen, a decrease of 17.0 billion yen from March 31, 2022. This is due mainly to a decrease in cash and cash equivalents related to the repayment of temporary borrowings at the end of fiscal 2022, in preparation for the Company's transition to a new group organization structure, despite an increase in inventories, and the effect of exchange rate changes due to depreciation of the yen. The Company's consolidated total liabilities decreased by 301.0 billion yen to 4,375.4 billion yen from March 31, 2022. This is due mainly to the repayment of temporary borrowings.

Panasonic Holdings Corporation stockholders' equity increased by 294.3 billion yen to 3,459.2 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 the yen. With noncontrolling interests added to Panasonic Holdings Corporation stockholders' equity, total equity was 3,631.2 billion yen.

(4) Cash Flows

Cash flows from operating activities

Net cash provided by operating activities for the nine months ended December 31, 2022, amounted to 313.7 billion yen, compared with an inflow of 103.9 billion yen a year ago. This is due mainly to such improvements as a decrease in trade receivables and an increase in trade payables, as well as decreased payment of income taxes, despite an increase in inventories.

Cash flows from investing activities

Net cash used in investing activities amounted to 215.8 billion yen, compared with an outflow of 7,608 billion yen a year ago. This is due mainly to payments related to the acquisition of Blue Yonder in the previous year. Accordingly, free cash flows (net cash provided by operating activities and used in investment activities) increased by 754.8 billion yen from a year ago to an inflow of 97.9 billion yen.

Cash flows from financing activities

Net cash used in financing activities amounted to 516.6 billion yen, compared with an outflow of 89.9 billion yen a year ago. This is due mainly to the issuance of hybrid bonds related to the acquisition of Blue Yonder in the previous year. Taking factors such as exchange rate fluctuations into consideration, cash and cash equivalents totaled 820.1 billion yen as of December 31, 2022, which is a decrease of 385.8 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 nine months ended December 31, 2022 totaled 345.1 billion yen, up 11% 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 nine months ended December 31, 2022 totaled 180.4 billion yen, up 20% from a year ago.

(8) Depreciation (tangible assets)

The Company's depreciation for the nine months ended December 31, 2022 totaled 147.5 billion yen, up 11% from a year ago.

(9) Number of Employees

The number of the Company's employees at the end of the third quarter of fiscal 2023 was 235,714 a decrease of 4,484 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 nine months ended December 31, 2022.

(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, 2022.

III Shares and Shareholders

1. Shares of Common Stock Issued as of December 31, 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 December 31, 2022: 259,274 million yen

IV Condensed Quarterly Consolidated Financial Statements

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

<u>Assets</u>	Yen (millions)	
	December 31, 2022	March 31, 2022
Current assets:		
Cash and cash equivalents.....	820,097	1,205,873
Trade receivables and contract assets.....	1,290,405	1,324,618
Other financial assets.....	148,471	210,633
Inventories.....	1,406,124	1,132,664
Other current assets.....	220,294	157,409
Total current assets.....	3,885,391	4,031,197
Non-current assets:		
Investments accounted for using the equity method.....	397,543	403,201
Other financial assets.....	239,547	213,024
Property, plant and equipment.....	1,127,182	1,115,346
Right-of-use assets.....	236,662	257,706
Goodwill and intangible assets.....	1,780,995	1,680,027
Deferred tax assets.....	220,307	219,791
Other non-current assets.....	118,986	103,291
Total non-current assets.....	4,121,222	3,992,386
Total assets.....	8,006,613	8,023,583

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

	Yen (millions)	
	December 31, 2022	March 31, 2022
<u>Liabilities and Equity</u>		
Current liabilities:		
Short-term debt, including current portion of long-term debt.....	225,866	432,897
Lease liabilities.....	60,300	60,515
Trade payables.....	1,263,813	1,163,578
Other payables and accrued expenses.....	441,809	500,601
Other financial liabilities.....	161,865	160,534
Income taxes payable.....	80,945	45,123
Provisions.....	127,100	137,032
Contract liabilities.....	169,822	174,325
Other current liabilities.....	429,829	390,859
Total current liabilities.....	2,961,349	3,065,464
Non-current liabilities:		
Long-term debt (Note 8).....	1,048,741	1,197,706
Lease liabilities.....	187,725	206,166
Other financial liabilities.....	27,779	30,412
Retirement benefit liabilities.....	50,316	68,855
Provisions.....	7,672	8,804
Deferred tax liabilities.....	71,776	81,983
Contract liabilities.....	13,574	12,771
Other non-current liabilities.....	6,457	4,251
Total non-current liabilities.....	1,414,040	1,610,948
Total liabilities.....	4,375,389	4,676,412
Equity:		
Panasonic Holdings Corporation stockholders' equity:		
Common stock.....	259,274	259,168
Capital surplus.....	516,409	525,554
Retained earnings (Note 2).....	2,489,838	2,387,283
Other components of equity (Note 2 and 4).....	402,942	202,227
Treasury stock.....	(209,225)	(209,270)
Total Panasonic Holdings Corporation stockholders' equity (Note 5).....	3,459,238	3,164,962
Non-controlling interests.....	171,986	182,209
Total equity.....	3,631,224	3,347,171
Total liabilities and equity.....	8,006,613	8,023,583

PANASONIC HOLDINGS CORPORATION
AND SUBSIDIARIES
Condensed Quarterly Consolidated Statements of Profit or Loss
Nine months ended December 31, 2022 and 2021

	Yen (millions)	
	Nine months ended December 31	
	2022	2021
Net sales (Note 7).....	6,224,521	5,423,356
Cost of sales.....	(4,567,173)	(3,886,716)
Gross profit.....	1,657,348	1,536,640
Selling, general and administrative expenses.....	(1,425,511)	(1,249,349)
Share of profit (loss) of investments accounted for using the equity method.....	(3,141)	(11,714)
Other income (expenses), net (Note 8).....	5,524	(1,426)
Operating profit.....	234,220	274,151
Finance income.....	37,223	19,721
Finance expenses.....	(15,996)	(14,496)
Profit before income taxes.....	255,447	279,376
Income taxes.....	(82,872)	(75,188)
Net profit.....	<u>172,575</u>	<u>204,188</u>
Net profit attributable to:		
Panasonic Holdings Corporation stockholders.....	162,870	195,634
Non-controlling interests.....	9,705	8,554
Yen		
Earnings per share attributable to Panasonic Holdings Corporation stockholders (Note 5)		
Basic.....	69.78	83.83
Diluted.....	69.76	83.80

PANASONIC HOLDINGS CORPORATION
AND SUBSIDIARIES
Condensed Quarterly Consolidated Statements of Comprehensive Income
Nine months ended December 31, 2022 and 2021

	Yen (millions)	
	Nine months ended December 31	
	2022	2021
Net profit.....	172,575	204,188
Other comprehensive income, net of tax		
Items that will not be reclassified to profit or loss:		
Remeasurements of defined benefit plans.....	11,718	1,692
Financial assets measured at fair value through other comprehensive income.....	(1,428)	(13,314)
Subtotal.....	10,290	(11,622)
Items that may be reclassified to profit or loss:		
Exchange differences on translation of foreign operations.....	197,443	146,269
Net changes in fair value of cash flow hedges.....	(9,823)	(4,181)
Subtotal.....	187,620	142,088
Other comprehensive income, net of tax.....	197,910	130,466
Total comprehensive income.....	370,485	334,654
 Total comprehensive income attributable to:		
Panasonic Holdings Corporation stockholders.....	360,401	319,291
Non-controlling interests.....	10,084	15,363

Condensed Quarterly Consolidated Statements of Profit or Loss
Three months ended December 31, 2022 and 2021

	Yen (millions)	
	Three months ended December 31	
	2022	2021
Net sales (Note 7).....	2,160,592	1,889,802
Cost of sales.....	(1,591,699)	(1,363,127)
Gross profit.....	568,893	526,675
Selling, general and administrative expenses.....	(482,929)	(439,196)
Share of profit (loss) of investments accounted for using the equity method.....	(856)	(1,287)
Other income (expenses), net (Note 8).....	(647)	(13,243)
Operating profit.....	84,461	72,949
Finance income.....	10,208	5,969
Finance expenses.....	(5,842)	(5,304)
Profit before income taxes.....	88,827	73,614
Income taxes.....	(32,239)	(30,538)
Net profit.....	<u>56,588</u>	<u>43,076</u>
Net profit attributable to:		
Panasonic Holdings Corporation stockholders.....	55,533	42,591
Non-controlling interests.....	1,055	485
		Yen
Earnings per share attributable to Panasonic Holdings Corporation stockholders (Note 5)		
Basic.....	23.79	18.25
Diluted.....	23.78	18.24

Condensed Quarterly Consolidated Statements of Comprehensive Income
Three months ended December 31, 2022 and 2021

	Yen (millions)	
	Three months ended December 31	
	2022	2021
Net profit.....	56,588	43,076
Other comprehensive income, net of tax		
Items that will not be reclassified to profit or loss:		
Remeasurements of defined benefit plans.....	(546)	642
Financial assets measured at fair value through other comprehensive income.....	2,993	(7,025)
Subtotal.....	2,447	(6,383)
Items that may be reclassified to profit or loss:		
Exchange differences on translation of foreign operations.....	(308,240)	98,243
Net changes in fair value of cash flow hedges.....	1,870	(1,306)
Subtotal.....	(306,370)	96,937
Other comprehensive income (loss), net of tax.....	(303,923)	90,554
Total comprehensive income (loss).....	<u>(247,335)</u>	<u>133,630</u>
 Total comprehensive income attributable to:		
Panasonic Holdings Corporation stockholders.....	(241,240)	128,129
Non-controlling interests.....	(6,095)	5,501

PANASONIC HOLDINGS CORPORATION
AND SUBSIDIARIES
Condensed Quarterly Consolidated Statements of Changes in Equity
Nine months ended December 31, 2022 and 2021

Nine months ended December 31, 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.....	—	—	162,870	—	—	162,870	9,705	172,575
Remeasurements of defined benefit plans.....	—	—	—	11,635	—	11,635	83	11,718
Financial assets measured at fair value through other comprehensive income.....	—	—	—	(897)	—	(897)	(531)	(1,428)
Exchange differences on translation of foreign operations.....	—	—	—	196,716	—	196,716	727	197,443
Net change in fair value of cash flow hedges.....	—	—	—	(9,923)	—	(9,923)	100	(9,823)
Total comprehensive income.....	—	—	162,870	197,531	—	360,401	10,084	370,485
Transfer to hedged non-financial assets.....	—	—	—	265	—	265	—	265
Transfer from other components of equity to retained earnings.....	—	—	12,964	(12,964)	—	—	—	—
Cash dividends (Note 4).....	—	—	(70,019)	—	—	(70,019)	(15,567)	(85,586)
Purchase of treasury stock.....	—	—	—	—	(45)	(45)	—	(45)
Disposal of treasury stock.....	—	(0)	—	—	3	3	—	3
Share-based payments.....	106	(35)	—	—	87	158	—	158
Transactions with non-controlling interests and other.....	—	(9,110)	—	—	—	(9,110)	(4,740)	(13,850)
Balances as of December 31, 2022.....	259,274	516,409	2,489,838	402,942	(209,225)	3,459,238	171,986	3,631,224

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

PANASONIC HOLDINGS CORPORATION
AND SUBSIDIARIES
Condensed Quarterly Consolidated Statements of Cash Flows
Nine months ended December 31, 2022 and 2021

	Yen (millions)	
	Nine months ended December 31	
	2022	2021
Cash flows from operating activities:		
Net profit.....	172,575	204,188
Depreciation and amortization.....	284,809	245,697
Impairment losses on property, plant and equipment, right-of-use assets, goodwill and intangible assets.....	814	2,382
Income tax expenses.....	82,872	75,188
(Increase) decrease in trade receivables and contract assets.....	55,466	(31,281)
(Increase) decrease in inventories.....	(249,342)	(210,000)
Increase (decrease) in trade payables.....	102,264	58,280
Increase (decrease) in provisions.....	(10,717)	(12,626)
Increase (decrease) in contract liabilities.....	(8,131)	1,593
Increase (decrease) in retirement benefit liabilities.....	(3,139)	(5,027)
Other - net (Note 8).....	(34,399)	(97,291)
Subtotal.....	<u>393,072</u>	<u>231,103</u>
Interest received.....	15,550	9,317
Dividend income received.....	3,589	1,839
Interest expenses paid.....	(16,746)	(14,057)
Income taxes paid.....	<u>(81,741)</u>	<u>(124,268)</u>
Net cash provided by (used in) operating activities.....	<u>313,724</u>	<u>103,934</u>
Cash flows from investing activities:		
Purchase of property, plant and equipment.....	(191,277)	(167,454)
Proceeds from sale of property, plant and equipment.....	24,363	10,427
Purchase of intangible assets.....	(58,194)	(45,996)
Collection of lease receivables.....	952	22,481
Purchase of investments accounted for using the equity method and other financial assets.....	(34,877)	(31,230)
Proceeds from sale and redemption of investments accounted for using the equity method and other financial assets.....	32,419	28,803
Acquisition of subsidiaries resulting in change in scope of consolidation (Note 9).....	—	(583,186)
Proceeds from loss of control of subsidiaries or other businesses.....	8,999	7,559
Other - net.....	<u>1,816</u>	<u>(2,255)</u>
Net cash provided by (used in) investing activities.....	<u>(215,799)</u>	<u>(760,851)</u>

PANASONIC HOLDINGS CORPORATION
AND SUBSIDIARIES
Condensed Quarterly Consolidated Statements of Cash Flows
Nine months ended December 31, 2022 and 2021

	Yen (millions)	
	Nine months ended December 31	
	2022	2021
Cash flows from financing activities:		
Increase (decrease) in short-term debt (Note 9).....	(248,047)	(155,974)
Proceeds from long-term debt (Note 8).....	1,442	400,721
Repayments of long-term debt.....	(110,550)	(202,887)
Payments for lease liabilities.....	(54,720)	(49,275)
Dividends paid to Panasonic Holdings Corporation stockholders (Note 4).....	(70,019)	(58,339)
Dividends paid to non-controlling interests.....	(15,567)	(12,075)
Purchase of treasury stock.....	(45)	(36)
Proceeds from sales of treasury stock.....	3	2
Transactions with non-controlling interests.....	(3,017)	(3,243)
Other - net.....	(16,088)	(8,777)
	(516,608)	(89,883)
Effect of exchange rate changes on cash and cash equivalents.....	32,907	42,764
Net increase (decrease) in cash and cash equivalents.....	(385,776)	(704,036)
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.....	—	557
Cash and cash equivalents at the end of the period.....	820,097	889,745

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 February 10, 2023 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 nine and the three months ended December 31, 2021 has been reclassified to conform to the presentation for the nine and the three months ended December 31, 2022.

(2) Information by reportable segment

Information by segment for the nine months ended December 31, 2022 and 2021 is shown in the tables below.

(i) For the nine months ended December 31, 2022

Yen (millions)								
Reportable segments								
	Lifestyle	Automotive	Connect	Industry	Energy	Other	Eliminations and adjustments	Consolidated Total
Sales:								
External customers...	2,431,385	927,974	752,300	769,598	669,739	673,525	—	6,224,521
Intersegment.....	186,133	10,927	54,232	116,980	47,453	213,561	(629,286)	—
Total.....	<u>2,617,518</u>	<u>938,901</u>	<u>806,532</u>	<u>886,578</u>	<u>717,192</u>	<u>887,086</u>	<u>(629,286)</u>	<u>6,224,521</u>
Segment profit (loss)..	104,220	36	3,464	63,489	28,902	38,614	(4,505)	234,220

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

Yen (millions)								
Reportable segments								
	Lifestyle	Automotive	Connect	Industry	Energy	Other	Eliminations and adjustments	Consolidated Total
Sales:								
External customers...	2,168,544	762,957	568,007	756,386	526,707	640,755	—	5,423,356
Intersegment.....	176,280	7,432	77,035	81,859	47,806	204,704	(595,116)	—
Total.....	<u>2,344,824</u>	<u>770,389</u>	<u>645,042</u>	<u>838,245</u>	<u>574,513</u>	<u>845,459</u>	<u>(595,116)</u>	<u>5,423,356</u>
Segment profit (loss)..	92,844	(2,725)	43,113	65,292	54,843	29,953	(9,169)	274,151

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 nine months ended December 31, 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 December 31, 2022 and 2021 is shown in the tables below.

(i) For the three months ended December 31, 2022

Yen (millions)								
Reportable segments								
	Lifestyle	Automotive	Connect	Industry	Energy	Other	Eliminations and adjustments	Consolidated Total
Sales:								
External customers...	843,742	342,604	269,243	242,582	230,437	231,984	—	2,160,592
Intersegment.....	60,305	3,682	19,437	47,987	16,959	75,237	(223,607)	—
Total.....	904,047	346,286	288,680	290,569	247,396	307,221	(223,607)	2,160,592
Segment profit (loss)..	30,523	12,529	13,827	15,028	232	12,155	167	84,461

(ii) 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...	759,382	270,839	203,953	252,160	180,345	223,123	—	1,889,802
Intersegment.....	60,890	2,678	17,858	29,972	16,613	70,854	(198,865)	—
Total.....	820,272	273,517	221,811	282,132	196,958	293,977	(198,865)	1,889,802
Segment profit (loss)..	33,481	1,837	(9,424)	19,260	17,447	7,552	2,796	72,949

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 December 31, 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)	
	December 31, 2022	March 31, 2022
Remeasurements of defined benefit plans (*).....	—	—
Financial assets measured at fair value through other comprehensive income.....	28,433	30,659
Exchange differences on translation of foreign operations.....	383,839	171,240
Net changes in fair value of cash flow hedges.....	(9,330)	328
Total.....	<u>402,942</u>	<u>202,227</u>

(*)As the result of remeasurements of defined benefit plans, other components of equity increased by 11,635 million yen (net of tax), which was directly transferred from other components of equity to retained earnings for the nine months ended December 31, 2022.

(2) Dividends

(i) Dividends for the nine months ended December 31, 2022 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 11, 2022	Common stock	35,008	Retained Earnings	15.0	March 31, 2022	June 2, 2022
The Board of Directors meeting held on October 31, 2022	Common stock	35,011	Retained earnings	15.0	September 30, 2022	November 30, 2022

(ii) 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

5. Per share information

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

	Yen	
	December 31, 2022	March 31, 2022
Panasonic Holdings Corporation stockholders' equity per share.....	1,482.04	1,356.08

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

(1) For the nine months ended December 31, 2022 and 2021

	Yen (millions)	
	2022	2021
Net profit attributable to Panasonic Holdings Corporation stockholders.....	162,870	195,634
Adjustment to net profit.....	(6)	(9)
Net profit used to calculate basic earnings per share.....	162,864	195,625
Adjustment to net profit.....	6	9
Net profit used to calculate diluted earnings per share.....	162,870	195,634

	Number of shares	
	2022	2021
Average common shares outstanding.....	2,333,915,866	2,333,464,380
Dilutive effect:		
Stock acquisition rights.....	754,485	982,279
Restricted stock.....	83,040	109,820
Diluted common shares outstanding.....	2,334,753,391	2,334,556,479

	Yen	
	2022	2021
Earnings per share attributable to Panasonic Holdings Corporation stockholders:		
Basic.....	69.78	83.83
Diluted.....	69.76	83.80

(2) For the three months ended December 31, 2022 and 2021:

	Yen (millions)	
	2022	2021
Net profit attributable to Panasonic Holdings Corporation stockholders.....	55,533	42,591
Adjustment to net profit.....	(3)	(3)
Net profit used to calculate basic earnings per share.....	55,530	42,588
Adjustment to net profit.....	3	3
Net profit used to calculate diluted earnings per share.....	55,533	42,591
	Number of shares	
	2022	2021
Average common shares outstanding.....	2,333,972,122	2,333,623,938
Dilutive effect:		
Stock acquisition rights.....	728,033	899,508
Restricted stock.....	110,850	148,850
Diluted common shares outstanding.....	2,334,811,005	2,334,672,296
	Yen	
	2022	2021
Earnings per share attributable to Panasonic Holdings Corporation stockholders:		
Basic.....	23.79	18.25
Diluted.....	23.78	18.24

6. Fair values of financial instruments

(1) Comparison between fair values and the carrying amounts

	Yen (millions)			
	December 31, 2022		March 31, 2022	
	Book value	Fair value	Book value	Fair value
Long-term debt, including current portion of long-term debt.....	1,202,857	1,149,815	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 December 31 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)			
	December 31, 2022			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets measured at FVTPL				
Derivative assets				
Foreign exchange forward contracts.....	—	9,741	—	9,741
Cross currency interest rate swaps.....	—	36,996	—	36,996
Commodity futures.....	15,390	4,441	—	19,831
Subtotal.....	15,390	51,178	—	66,568
Financial assets measured at FVTOCI				
Shares.....	59,668	—	110,024	169,692
Others.....	—	283	—	283
Subtotal.....	59,668	283	110,024	169,975
Total financial assets.....	75,058	51,461	110,024	236,543
Financial liabilities:				
Financial liabilities measured at FVTPL				
Derivative liabilities				
Foreign exchange forward contracts.....	—	12,302	—	12,302
Cross currency swaps.....	—	13	—	13
Cross currency interest rate swaps.....	—	3,111	—	3,111
Commodity futures.....	18,232	7,088	—	25,320
Total financial liabilities.....	18,232	22,514	—	40,746

	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 nine months ended December 31, 2022, an investment, previously classified as financial assets measured at FVTOCI, was transferred from Level 3 to Level 1, as it was listed on a stock exchange.

The movements in financial instruments classified as Level 3 in the fair value measurement hierarchy for the nine months ended December 31, 2022, are mainly an increase caused by the reclassification of an investment from investments accounted for using the equity method to financial assets measured at FVTOCI as a result of a

decrease of the Company's equity share, and a decrease caused by the reclassification to Level 1 upon listing of an unlisted stock on a stock exchange described above and caused by partial sales of its shares.

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 nine and the three months ended December 31, 2021 has been reclassified to conform to the presentation for the nine and the three months ended December 31, 2022.

The disaggregated revenue for the nine months ended December 31, 2022 and 2021 is as follow:

(i) For the nine months ended December 31, 2022

(million yen)

Reportable segments	By product category	Sales	By geographical area	Sales
Lifestyle	Living Appliances and Solutions	739,363	Japan	1,088,843
	Heating & Ventilation A/C	518,804	Americas	269,786
	Cold Chain Solutions	251,757	Europe	164,445
	Electric Works	475,146	Asia, China and others	776,701
	Other	314,705		
	Total (Note 1)	2,299,775	Total (Note 1)	2,299,775
Automotive	Automotive Cockpit Systems	354,261	Japan	281,703
	Automotive Electronics Systems	379,316	Americas	237,879
	Other	105,743	Europe	166,878
			Asia, China and others	152,860
	Total (Note 1)	839,320	Total (Note 1)	839,320
Connect	Hardware Solutions	548,187	Japan	189,926
	SCM Solutions	233,268	Americas	304,622
			Europe	115,610
			Asia, China and others	171,297
	Total (Note 1)	781,455	Total (Note 1)	781,455
Industry	Control Devices	233,794	Japan	193,457
	FA Solutions	61,917	Americas	62,462
	Electronic Devices	288,064	Europe	123,175
	Electronic Materials	109,708	Asia, China and others	393,082
	Other	78,693		
	Total (Note 1)	772,176	Total (Note 1)	772,176
Energy	In-vehicle	462,871	Japan	62,497
	Industrial / Consumer	267,275	Americas	534,494
			Europe	20,495
			Asia, China and others	112,660
	Total (Note 1)	730,146	Total (Note 1)	730,146
	Other (Note 2)	801,649		
	Consolidated total	6,224,521		

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 256,586 million yen and sales of Housing products of 293,926 million yen.

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

(million yen)

Reportable segments	By product category	Sales	By geographical area	Sales
Lifestyle	Living Appliances and Solutions	666,770	Japan	1,057,785
	Heating & Ventilation A/C	439,041	Americas	198,625
	Cold Chain Solutions	191,499	Europe	116,568
	Electric Works	414,472	Asia, China and others	650,745
	Other	311,941		
	Total (Note 1)	2,023,723	Total (Note 1)	2,023,723
Automotive	Automotive Cockpit Systems	317,657	Japan	279,719
	Automotive Electronics Systems	303,084	Americas	180,152
	Other	75,189	Europe	126,122
			Asia, China and others	109,937
	Total (Note 1)	695,930	Total (Note 1)	695,930
Connect	Hardware Solutions	481,025	Japan	195,971
	SCM Solutions	139,685	Americas	163,573
			Europe	81,248
			Asia, China and others	179,918
	Total (Note 1)	620,710	Total (Note 1)	620,710
Industry	Control Devices	181,313	Japan	201,863
	FA Solutions	57,022	Americas	44,038
	Electronic Devices	282,562	Europe	88,151
	Electronic Materials	107,823	Asia, China and others	393,039
	Other	98,371		
	Total (Note 1)	727,091	Total (Note 1)	727,091
Energy	In-vehicle	333,635	Japan	58,021
	Industrial / Consumer	252,601	Americas	391,434
			Europe	20,680
			Asia, China and others	116,101
	Total (Note 1)	586,236	Total (Note 1)	586,236
	Other (Note 2)	769,666		
	Consolidated total	5,423,356		

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 272,827 million yen and sales of Housing products of 274,673 million yen.

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

(i) For the three months ended December 31, 2022

(million yen)

Reportable segments	By product category	Sales	By geographical area	Sales
Lifestyle	Living Appliances and Solutions	261,672	Japan	380,346
	Heating & Ventilation A/C	156,176	Americas	96,429
	Cold Chain Solutions	88,401	Europe	62,514
	Electric Works	172,747	Asia, China and others	245,552
	Other	105,845		
	Total (Note 1)	784,841	Total (Note 1)	784,841
Automotive	Automotive Cockpit Systems	131,257	Japan	104,137
	Automotive Electronics Systems	138,431	Americas	81,728
	Other	36,857	Europe	66,687
			Asia, China and others	53,993
	Total (Note 1)	306,545	Total (Note 1)	306,545
Connect	Hardware Solutions	194,515	Japan	75,398
	SCM Solutions	87,383	Americas	119,173
			Europe	40,137
			Asia, China and others	47,190
	Total (Note 1)	281,898	Total (Note 1)	281,898
Industry	Control Devices	80,795	Japan	68,752
	FA Solutions	18,931	Americas	20,270
	Electronic Devices	91,868	Europe	46,254
	Electronic Materials	34,819	Asia, China and others	115,039
	Other	23,902		
	Total (Note 1)	250,315	Total (Note 1)	250,315
Energy	In-vehicle	169,621	Japan	23,465
	Industrial / Consumer	83,984	Americas	190,633
			Europe	7,222
			Asia, China and others	32,285
	Total (Note 1)	253,605	Total (Note 1)	253,605
	Other (Note 2)	283,388		
	Consolidated total	2,160,592		

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 99,608 million yen and sales of Housing products of 102,825 million yen.

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

(million yen)

Reportable segments	By product category	Sales	By geographical area	Sales
Lifestyle	Living Appliances and Solutions	248,249	Japan	365,819
	Heating & Ventilation A/C	139,079	Americas	69,317
	Cold Chain Solutions	60,506	Europe	41,132
	Electric Works	152,163	Asia, China and others	230,071
	Other	106,342		
	Total (Note 1)	706,339	Total (Note 1)	706,339
Automotive	Automotive Cockpit Systems	111,862	Japan	95,137
	Automotive Electronics Systems	106,811	Americas	59,188
	Other	25,011	Europe	44,150
			Asia, China and others	45,209
	Total (Note 1)	243,684	Total (Note 1)	243,684
Connect	Hardware Solutions	151,966	Japan	54,832
	SCM Solutions	62,799	Americas	67,927
			Europe	31,717
			Asia, China and others	60,289
	Total (Note 1)	214,765	Total (Note 1)	214,765
Industry	Control Devices	59,824	Japan	70,265
	FA Solutions	17,997	Americas	14,565
	Electronic Devices	95,674	Europe	32,439
	Electronic Materials	36,461	Asia, China and others	128,799
	Other	36,112		
		Total (Note 1)	246,068	Total (Note 1)
Energy	In-vehicle	113,752	Japan	22,348
	Industrial / Consumer	87,830	Americas	134,623
			Europe	5,638
			Asia, China and others	38,973
	Total (Note 1)	201,582	Total (Note 1)	201,582
	Other (Note 2)	277,364		
	Consolidated total	1,889,802		

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 100,068 million yen and sales of Housing products of 99,303 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 nine and the three months ended December 31, 2022.

"Other income (expenses), net" for the nine and the three months ended December 31, 2021 included 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 included 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) 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").

(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, 2022 and 2021 are 180,400 million yen and 150,061 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, 2022 and 2021 are 23,273 million yen and 30,264 million yen, respectively, including a decrease due to the recognition of a finance lease as a lessor.

9. Business combination

(1) For the nine months ended December 31, 2022

Business combinations are immaterial individually or collectively.

(2) For the nine months ended December 31, 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 3,140 million yen, both of which are included in "Other income (expenses), net" for the nine months ended December 31, 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 nine and the three months ended December 31, 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 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 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.