

[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, 2023**

**Panasonic Holdings Corporation
Osaka, Japan**

CONTENTS

Page

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

Disclaimer Regarding Forward-looking Statements

This quarterly report includes forward-looking statements about Panasonic 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; occurrence and continuation of supply disruption or soaring prices of raw materials or transportation; 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; 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 by third parties or intellectual property infringement claims by third parties; the possibility that change or tightening of current and potential, direct and indirect restrictions imposed in Japan or other countries over trade, manufacturing, labor and operations may adversely affect business operations of the Panasonic Group and its supply chain; failures in proper tackling of regulations and policies introduced or strengthened with respect to environmental issues including climate change or responsible procurement activities (human rights, labor, health and safety, global environmental conservation, information security, corporate ethics, etc.) in the supply chain; restrictions, costs or legal liability relating to introduction or tightening of laws and regulations; fluctuations in market prices of securities and other financial assets in which the Panasonic Group has holdings or changes in valuation of nonfinancial 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 systems of the Panasonic Group or its supply chain, service suspension or vulnerability of network-connected products due to unauthorized system access and cyberattacks etc.; the possibility not being able to acquire the necessary human resources to promote management strategies and prevent the outflow of existing employees; the possibility that the spread of infections including the novel coronavirus infections may adversely affect business activities of the Panasonic Group; volatility in demand for electronic equipment and components from business and industrial customers, as well as consumers in many product and geographical markets occurrence of events that may negatively impact business activities of the Panasonic Group, including large-scale natural disasters, prevalence of infectious diseases throughout the world and terrorism or wars. 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, 2023	Six months ended September 30, 2022	Year ended March 31, 2023
Net sales	4,119,424	4,063,929	8,378,942
Profit before income taxes	224,331	166,620	316,409
Net profit attributable to Panasonic Holdings Corporation stockholders	288,379	107,337	265,502
Comprehensive income attributable to Panasonic Holdings Corporation stockholders	725,576	601,641	518,784
Panasonic Holdings Corporation stockholders' equity	4,303,279	3,742,829	3,618,402
Total equity	4,479,134	3,930,913	3,789,958
Total assets	9,125,122	8,383,373	8,059,527
Earnings per share attributable to Panasonic Holdings Corporation stockholders, basic (yen)	123.55	45.99	113.75
Earnings per share attributable to Panasonic Holdings Corporation stockholders, diluted (yen)	123.51	45.97	113.72
Panasonic Holdings Corporation stockholders' equity / total assets (%)	47.2	44.6	44.9
Net cash provided by (used in) operating activities	391,754	209,283	520,742
Net cash provided by (used in) investing activities	(230,246)	(140,033)	(344,033)
Net cash provided by (used in) financing activities	103,064	(507,977)	(607,013)
Cash and cash equivalents at the end of the period	1,164,996	847,192	819,499

	Three months ended September 30, 2023	Three months ended September 30, 2022
Net sales	2,089,730	2,090,068
Net profit attributable to Panasonic Holdings Corporation stockholders	87,454	58,388
Earnings per share attributable to Panasonic Holdings Corporation stockholders, basic (yen)	37.47	25.02

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 520 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, 2023, there were no changes in major affiliates.

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 of 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, 2023.

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, 2023.

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

Future expectations included in this section are as of November 10, 2023, the filing date of this quarterly report.

(1) Operating Results

During the six months ended September 30, 2023 of the current fiscal year ending March 31, 2024 (fiscal 2024), the overall global economy saw a moderate slowdown due to geopolitical risks such as the situation in Ukraine as well as the ongoing monetary tightening implemented to counter inflation. In Japan, a gradual improvement in the economy was supported by such factors as solid demand for capital expenditure and the recovery of inbound tourism-related demand. As for the outlook, economic downturn is expected to continue globally, while the overall Japanese economy is expected to recover gradually, despite concern for the negative impact of rising prices.

Under such management conditions, the Panasonic Group aims to achieve the Key Goal Indicators (KGIs) of "2.0 trillion yen of cumulative operating cash flow, ROE (Return on Equity) of 10% or more, and 1.5 trillion yen of cumulative operating profit" set in its medium-term strategy. In fiscal 2024, the second year of the medium- to long-term strategy that started in fiscal 2023 when the Company transitioned to a new group organizational structure comprised of a holding company and operating companies, the Company is continuing to thoroughly enhance its competitiveness. Furthermore, the Company decided to set the automotive battery business as the priority investment area and will proceed with its management initiatives by taking into consideration the revision and replacement of our business portfolio toward shifting to a growth phase.

For the six months ended September 30, 2023, in April 2023, Panasonic Energy Co., Ltd. ("Panasonic Energy") signed a contract to supply automotive batteries for commercial vehicles in North America with Hexagon Purus ASA, a world-leading manufacturer of zero emission mobility and infrastructure solutions in Norway. In addition, Panasonic Energy has entered into discussions with Mazda Motor Corporation (announced in June 2023) and separately, SUBARU CORPORATION (announced in July 2023) on establishing a medium- to long-term partnership to supply batteries for EVs.

For the six months ended September 30, 2023, the Company's consolidated sales increased by 1% to 4,119.4 billion yen from a year ago. This is due to increased sales in Automotive, Connect, and automotive batteries as well as the effect of currency translation, despite largely decreased sales in Industry.

Operating profit increased by 29% to 192.8 billion yen and profit before income taxes increased by 35% to 224.3 billion yen from a year ago. This is due mainly to the progress of price revisions and rationalization, the effect of exchange rates, as well as recording of tax credits under the Inflation Reduction Act in the U.S. (the "US IRA") (for further details, please refer to "Note 8. Supplementary information" within the "Notes to Condensed Quarterly Consolidated Financial Statements"), despite increased fixed costs mainly related to strategic investments and the impact of price hikes in raw materials.

Net profit attributable to Panasonic Holdings Corporation stockholders considerably increased by 169% to 288.4 billion yen from a year ago. This is due to the above-mentioned factors as well as a decrease in income tax with the liquidation of Panasonic Liquid Crystal Display Co., Ltd. (through "Special Liquidation" defined in the Japanese Companies Act) and its debt waiver (for further details, please refer to "Note 8. Supplementary information" within the "Notes to Condensed Quarterly Consolidated Financial Statements").

(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:

Lifestyle

Sales slightly decreased by 2% to 1,683.0 billion yen from a year ago. This is due to broadly weakening demand for consumer electronics, mainly in China and other Asia markets, and the situation of HVAC business affected by slowdown of demand growth in the European market, as well as the deconsolidation of a portion of the businesses in China, despite increased sales of showcases in North America and electrical construction materials for the Japanese market. Operating profit decreased by 18% to 60.6 billion yen from a year ago. This is due to increased fixed costs mainly related to increasing production and strategic expenses, as well as recording of additional provisions for quality-related issues, despite the progress of rationalization and price revisions, and other factors.

Automotive

Sales increased by 20% to 708.2 billion yen from a year ago. This is due largely to the recovery of automobile production. Operating profit increased to 15.3 billion yen from the loss of 12.5 billion yen a year ago. This is due to increased sales and efforts in price revisions to offset price hikes in parts & materials as well as efforts in cost reductions, despite increased fixed cost related to increasing production and increased personnel expenses as well as the impact of price hikes in parts & materials.

Connect

Sales increased by 7% to 552.1 billion yen from a year ago. This is due mainly to increased sales in Avionics, rugged mobile terminals, notebook PCs and Blue Yonder, despite decreased sales in Process Automation. Operating profit increased to 16.2 billion yen from the loss of 10.4 billion yen a year ago. This is due to increased sales mainly in Avionics, improved profitability in Mobile Solutions and other factors, despite decreased sales in Process Automation.

Industry

Sales decreased by 14% to 510.4 billion yen from a year ago. This is due to deteriorating market conditions for ICT-use products, and products for the Chinese market as well as the impact of changes in the sales channel resulting from the termination of the semiconductor business, despite increased sales in some products including capacitors for green vehicles. Operating profit decreased by 73% to 13.2 billion yen from a year ago. This is due largely to such factors as decreased sales with deteriorating market conditions, despite efforts in price revisions and rationalization as well as the effect of depreciation of the yen.

Energy

Overall sales increased by 1% to 476.8 billion yen from a year ago. This is due to favorable sales and production in EV batteries, despite decreased sales in Industrial Consumer. Operating profit increased by 83% to 52.5 billion yen from a year ago. This is due mainly to increased sales of EV batteries in North America and recording of tax credits under the US IRA, despite decreased sales in Industrial / Consumer, decreased production of EV batteries in Japan and an increase in fixed costs.

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

Sales increased by 2% to 592.8 billion yen from a year ago. Operating profit increased by 17% to 31.0 billion yen from a year ago.

(3) Financial Conditions

The Company's consolidated total assets of September 30, 2023 were 9,125.1 billion yen, an increase of 1,065.6 billion yen from March 31, 2023. This is due mainly to an increase in cash and cash equivalents as well as the impact of fluctuations in exchange rates on foreign currency denominated assets caused by depreciation of the yen.

The Company's consolidated total liabilities increased by 376.4 billion yen to 4,646.0 billion yen from March 31, 2023. This is due mainly to an increase of long-term debt by the issuance of domestic unsecured straight bonds, and the impact of fluctuations in exchange rates caused by depreciation of the yen.

Panasonic Holdings Corporation stockholders' equity increased by 684.9 billion yen to 4,303.3 billion yen, compared with March 31, 2023. This is due mainly to recording of net profit attributable to Panasonic Holdings Corporation stockholders as well as an increase of other components of equity caused by depreciation of the yen. With noncontrolling interests added to Panasonic Holdings Corporation stockholders' equity, total equity was 4,479.1 billion yen.

(4) Cash Flows

Cash flows from operating activities

Net cash provided by operating activities for the six months ended September 30, 2023 amounted to 391.8 billion yen, compared with an inflow of 209.3 billion yen a year ago. This is due mainly to improvements in working capital.

Cash flows from investing activities

Net cash used in investing activities amounted to 230.3 billion yen, compared with an outflow of 140.0 billion yen a year ago. This is due mainly to an increase in capital investment.

Accordingly, free cash flows (net cash provided by operating activities and investment activities) increased by 92.2 billion yen from a year ago to an inflow of 161.5 billion yen.

Cash flows from financing activities

Net cash provided by financing activities amounted to 103.1 billion yen, compared with an outflow of 508.0 billion yen a year ago. This is due mainly to the repayment of temporary borrowings in fiscal 2023, which were taken in fiscal 2022, the prior year of the Company's transition to a new organizational structure, and the issuance of domestic unsecured straight bonds during the six months ended September 30, 2023.

Taking such factors as exchange rate fluctuations into consideration, cash and cash equivalents totaled 1,165.0 billion yen as of September 30, 2023, which is an increase of 345.5 billion yen from March 31, 2023.

(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, 2023.

(6) Research and Development

The Company's R&D expenditures for the six months ended September 30, 2023 totaled 235.7 billion yen, up 4% 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, 2023 totaled 214.2 billion yen, up 99% from a year ago.

(8) Depreciation (tangible assets)

The Company's depreciation for the six months ended September 30, 2023 totaled 100.5 billion yen, up 2% from a year ago.

(9) Number of Employees

The number of the Company's employees at the end of the second quarter of fiscal 2024 was 232,527 a decrease of 864 compared with the end of the fiscal 2023.

(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, 2023, during the six months ended September 30, 2023.

(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, 2023.

III Shares and Shareholders

1. Shares of Common Stock Issued as of September 30, 2023: 2,454,261,297 shares

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

2. Amount of Common Stock (Stated Capital) as of September 30, 2023: 259,445 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, 2023

<u>Assets</u>	Yen (millions)	
	September 30, 2023	March 31, 2023
Current assets:		
Cash and cash equivalents.....	1,164,996	819,499
Trade receivables and contract assets.....	1,331,411	1,322,593
Other financial assets	201,117	169,665
Inventories.....	1,355,401	1,288,751
Other current assets.....	246,960	202,377
Total current assets.....	4,299,885	3,802,885
Non-current assets:		
Investments accounted for using the equity method.....	402,561	401,219
Other financial assets.....	220,642	242,672
Property, plant and equipment (Note 8).....	1,321,800	1,172,376
Right-of-use assets.....	256,432	238,833
Goodwill and intangible assets.....	1,956,355	1,796,236
Deferred tax assets (Note 8).....	408,505	249,964
Other non-current assets (Note 8).....	258,942	155,342
Total non-current assets.....	4,825,237	4,256,642
Total assets.....	9,125,122	8,059,527

PANASONIC HOLDINGS CORPORATION
AND SUBSIDIARIES
Condensed Quarterly Consolidated Statements of Financial Position
September 30 and March 31, 2023

	Yen (millions)	
	September 30, 2023	March 31, 2023
<u>Liabilities and Equity</u>		
Current liabilities:		
Short-term debt, including current portion of long-term debt.....	239,846	159,231
Lease liabilities.....	59,761	59,895
Trade payables.....	1,207,679	1,156,909
Other payables and accrued expenses.....	452,754	506,062
Other financial liabilities.....	165,882	146,213
Income taxes payable.....	88,047	57,139
Provisions.....	142,953	148,210
Contract liabilities.....	180,471	191,356
Other current liabilities.....	485,623	448,405
Total current liabilities.....	3,023,016	2,873,420
Non-current liabilities:		
Long-term debt (Note 8).....	1,184,255	1,050,116
Lease liabilities.....	205,995	187,865
Other financial liabilities.....	10,041	6,905
Retirement benefit liabilities.....	53,922	53,580
Provisions.....	5,745	6,582
Deferred tax liabilities.....	72,582	70,678
Contract liabilities (Note 8).....	83,355	13,575
Other non-current liabilities.....	7,077	6,848
Total non-current liabilities.....	1,622,972	1,396,149
Total liabilities.....	4,645,988	4,269,569
Equity:		
Panasonic Holdings Corporation stockholders' equity:		
Common stock.....	259,445	259,274
Capital surplus.....	511,294	515,760
Retained earnings.....	2,859,891	2,588,800
Other components of equity (Note 4)	881,852	463,764
Treasury stock.....	(209,203)	(209,196)
Total Panasonic Holdings Corporation stockholders' equity (Note 5)	4,303,279	3,618,402
Non-controlling interests.....	175,855	171,556
Total equity.....	4,479,134	3,789,958
Total liabilities and equity.....	9,125,122	8,059,527

PANASONIC HOLDINGS CORPORATION
AND SUBSIDIARIES
Condensed Quarterly Consolidated Statements of Profit or Loss
Six months ended September 30, 2023 and 2022

	Yen (millions)	
	Six months ended September 30	
	2023	2022
Net sales (Note 7 and 8).....	4,119,424	4,063,929
Cost of sales (Note 8).....	(2,924,475)	(2,975,474)
Gross profit.....	1,194,949	1,088,455
Selling, general and administrative expenses.....	(1,002,694)	(942,582)
Share of profit (loss) of investments accounted for using the equity method.....	2,642	(2,285)
Other income (expenses), net (Note 8).....	(2,062)	6,171
Operating profit.....	192,835	149,759
Finance income.....	43,139	27,015
Finance expenses.....	(11,643)	(10,154)
Profit before income taxes.....	224,331	166,620
Income taxes (Note 8).....	73,634	(50,633)
Net profit.....	297,965	115,987
Net profit attributable to:		
Panasonic Holdings Corporation stockholders.....	288,379	107,337
Non-controlling interests.....	9,586	8,650
Yen		
Earnings per share attributable to Panasonic Holdings Corporation stockholders (Note 5)		
Basic.....	123.55	45.99
Diluted.....	123.51	45.97

PANASONIC HOLDINGS CORPORATION
AND SUBSIDIARIES
Condensed Quarterly Consolidated Statements of Comprehensive Income
Six months ended September 30, 2023 and 2022

	Yen (millions)	
	Six months ended September 30	
	2023	2022
Net profit.....	297,965	115,987
Other comprehensive income, net of tax		
Items that will not be reclassified to profit or loss:		
Remeasurements of defined benefit plans.....	(1,370)	12,264
Financial assets measured at fair value through other comprehensive income.....	19,681	(4,421)
Subtotal.....	18,311	7,843
Items that may be reclassified to profit or loss:		
Exchange differences on translation of foreign operations.....	428,712	505,683
Net changes in fair value of cash flow hedges.....	(1,654)	(11,693)
Subtotal.....	427,058	493,990
Other comprehensive income, net of tax.....	445,369	501,833
Total comprehensive income.....	<u>743,334</u>	<u>617,820</u>
 Total comprehensive income attributable to:		
Panasonic Holdings Corporation stockholders.....	725,576	601,641
Non-controlling interests.....	17,758	16,179

Condensed Quarterly Consolidated Statements of Profit or Loss
Three months ended September 30, 2023 and 2022

	Yen (millions)	
	Three months ended September 30	
	2023	2022
Net sales (Note 7 and 8).....	2,089,730	2,090,068
Cost of sales (Note 8).....	(1,483,016)	(1,529,195)
Gross profit.....	606,714	560,873
Selling, general and administrative expenses.....	(507,296)	(480,673)
Share of profit (loss) of investments accounted for using the equity method.....	4,421	3,994
Other income (expenses), net (Note 8).....	(1,376)	1,865
Operating profit.....	102,463	86,059
Finance income.....	19,784	13,253
Finance expenses.....	(6,649)	(6,236)
Profit before income taxes.....	115,598	93,076
Income taxes	(24,133)	(29,654)
Net profit.....	<u>91,465</u>	<u>63,422</u>
Net profit attributable to:		
Panasonic Holdings Corporation stockholders.....	87,454	58,388
Non-controlling interests.....	4,011	5,034
Yen		
Earnings per share attributable to Panasonic Holdings Corporation stockholders (Note 5)		
Basic.....	37.47	25.02
Diluted.....	37.45	25.01

Condensed Quarterly Consolidated Statements of Comprehensive Income
Three months ended September 30, 2023 and 2022

	Yen (millions)	
	Three months ended September 30	
	2023	2022
Net profit.....	91,465	63,422
Other comprehensive income, net of tax		
Items that will not be reclassified to profit or loss:		
Remeasurements of defined benefit plans.....	(66)	141
Financial assets measured at fair value through other comprehensive income.....	(10,103)	(1,715)
Subtotal.....	(10,169)	(1,574)
Items that may be reclassified to profit or loss:		
Exchange differences on translation of foreign operations.....	123,599	158,173
Net changes in fair value of cash flow hedges.....	601	(2,863)
Subtotal.....	124,200	155,310
Other comprehensive income, net of tax.....	114,031	153,736
Total comprehensive income.....	<u>205,496</u>	<u>217,158</u>
 Total comprehensive income attributable to:		
Panasonic Holdings Corporation stockholders.....	198,691	212,589
Non-controlling interests.....	6,805	4,569

PANASONIC HOLDINGS CORPORATION
AND SUBSIDIARIES
Condensed Quarterly Consolidated Statements of Changes in Equity
Six months ended September 30, 2023 and 2022

Six months ended September 30, 2023

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, 2023.....	259,274	515,760	2,588,800	463,764	(209,196)	3,618,402	171,556	3,789,958
Comprehensive income:								
Net profit.....	—	—	288,379	—	—	288,379	9,586	297,965
Remeasurements of defined benefit plans.....	—	—	—	(1,019)	—	(1,019)	(351)	(1,370)
Financial assets measured at fair value through other comprehensive income.....	—	—	—	17,903	—	17,903	1,778	19,681
Exchange differences on translation of foreign operations.....	—	—	—	421,901	—	421,901	6,811	428,712
Net change in fair value of cash flow hedges.....	—	—	—	(1,588)	—	(1,588)	(66)	(1,654)
Total comprehensive income.....	—	—	288,379	437,197	—	725,576	17,758	743,334
Transfer to hedged non-financial assets.....	—	—	—	(1,385)	—	(1,385)	—	(1,385)
Transfer from other components of equity to retained earnings.....	—	—	17,724	(17,724)	—	—	—	—
Cash dividends (Note 4).....	—	—	(35,012)	—	—	(35,012)	(10,248)	(45,260)
Purchase of treasury stock.....	—	—	—	—	(28)	(28)	—	(28)
Disposal of treasury stock.....	—	(0)	—	—	1	1	—	1
Share-based payments.....	171	(44)	—	—	20	147	—	147
Transactions with non-controlling interests and other.....	—	(4,422)	—	—	—	(4,422)	(3,211)	(7,633)
Balances as of September 30, 2023.....	259,445	511,294	2,859,891	881,852	(209,203)	4,303,279	175,855	4,479,134

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

PANASONIC HOLDINGS CORPORATION
AND SUBSIDIARIES
Condensed Quarterly Consolidated Statements of Cash Flows
Six months ended September 30, 2023 and 2022

	Yen (millions)	
	Six months ended September 30	
	2023	2022
Cash flows from operating activities:		
Net profit.....	297,965	115,987
Depreciation and amortization.....	195,331	188,530
Impairment losses on property, plant and equipment, right-of-use assets, goodwill and intangible assets.....	209	345
Income tax expenses (Note 8).....	(73,634)	50,633
(Increase) decrease in trade receivables and contract assets.....	68,591	18,820
(Increase) decrease in inventories.....	(5,290)	(226,782)
Increase (decrease) in trade payables.....	26,099	110,316
Increase (decrease) in provisions.....	(1,627)	(8,848)
Increase (decrease) in contract liabilities (Note 8).....	52,918	(1,999)
Increase (decrease) in retirement benefit liabilities.....	(4,483)	(4,948)
Other - net (Note 8).....	(124,325)	8,549
Subtotal.....	<u>431,754</u>	<u>250,603</u>
Interest received.....	18,741	8,643
Dividend income received.....	3,369	2,890
Interest expenses paid.....	(10,411)	(11,037)
Income taxes paid.....	<u>(51,699)</u>	<u>(41,816)</u>
Net cash provided by (used in) operating activities.....	<u>391,754</u>	<u>209,283</u>
Cash flows from investing activities:		
Purchase of property, plant and equipment.....	(234,276)	(117,298)
Proceeds from sale of property, plant and equipment.....	5,066	10,382
Purchase of intangible assets.....	(43,094)	(38,837)
Collection of lease receivables.....	—	181
Purchase of investments accounted for using the equity method and other financial assets.....	(7,430)	(13,257)
Proceeds from sale and redemption of investments accounted for using the equity method and other financial assets.....	48,176	15,768
Proceeds from loss of control of subsidiaries or other businesses.....	2,577	1,663
Other - net.....	<u>(1,265)</u>	<u>1,365</u>
Net cash provided by (used in) investing activities.....	<u>(230,246)</u>	<u>(140,033)</u>

PANASONIC HOLDINGS CORPORATION
AND SUBSIDIARIES
Condensed Quarterly Consolidated Statements of Cash Flows
Six months ended September 30, 2023 and 2022

	Yen (millions)	
	Six months ended September 30	
	2023	2022
Cash flows from financing activities:		
Increase (decrease) in short-term debt	(420)	(306,751)
Proceeds from long-term debt (Note 8).....	264,078	1,318
Repayments of long-term debt.....	(71,538)	(109,349)
Payments for lease liabilities.....	(39,129)	(36,331)
Dividends paid to Panasonic Holdings Corporation stockholders (Note 4).....	(35,012)	(35,008)
Dividends paid to non-controlling interests.....	(10,248)	(9,225)
Purchase of treasury stock.....	(28)	(37)
Proceeds from sales of treasury stock.....	1	2
Transactions with non-controlling interests.....	(6,004)	(1,575)
Other - net.....	1,364	(11,021)
Net cash provided by (used in) financing activities.....	103,064	(507,977)
Effect of exchange rate changes on cash and cash equivalents.....	80,925	92,784
Net increase (decrease) in cash and cash equivalents.....	345,497	(345,943)
Cash and cash equivalents at the beginning of the period.....	819,499	1,205,873
Net increase (decrease) in cash and cash equivalents resulting from transfer to assets held for sale.....	—	(12,738)
Cash and cash equivalents at the end of the period.....	1,164,996	847,192

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

1. Reporting entity

Panasonic Holdings Corporation (hereinafter referred to as "Panasonic HD") is a company incorporated in Japan. As a comprehensive electronics manufacturer, Panasonic HD 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, 2023.

The condensed quarterly consolidated financial statements were approved on November 10, 2023 by Representative Director and President, Yuki Kusumi, and Representative Director and 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 HD's functional currency, and figures are rounded to the nearest million (Japanese yen).

(3) Material accounting policies

Material 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, 2023, except for the following item.

Effective April 1, 2023, the Company applies IFRS 17, "Insurance Contracts" and revised IAS 12, "Income Taxes" (Deferred Tax related to Assets and Liabilities arising from a Single Transaction). The impact of the application of IFRS 17 and revised IAS 12 on the condensed quarterly consolidated financial statements of the Company is not material.

(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 involving estimations, which have a material effect on the Company's condensed quarterly consolidated financial statements, are consistent with those used in the preparation of the Company's annual consolidated financial statements for the year ended March 31, 2023.

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 (A2W) hot 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 electronic components, motors, FA devices 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.

(2) Information by reportable segment

Information by reportable segment for the six months ended September 30, 2023 and 2022 is shown in the tables below.

(i) For the six months ended September 30, 2023

		Yen (millions)							
		Reportable segments						Eliminations and adjustments	Consolidated Total
		Lifestyle	Automotive	Connect	Industry	Energy	Other		
Sales:									
External customers...	1,580,603	703,619	517,067	418,800	454,253	445,082	—	4,119,424	
Intersegment.....	102,384	4,585	35,029	91,601	22,580	147,722	(403,901)	—	
Total.....	<u>1,682,987</u>	<u>708,204</u>	<u>552,096</u>	<u>510,401</u>	<u>476,833</u>	<u>592,804</u>	<u>(403,901)</u>	<u>4,119,424</u>	
Segment profit.....	60,611	15,322	16,169	13,200	52,456	31,028	4,049	192,835	

(ii) 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	

The accounting policies for reportable segments are the same as the Company's accounting policies described in Note "2. (3) Material accounting policies."

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, 2023 and 2022 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 reportable segment for the three months ended September 30, 2023 and 2022 is shown in the tables below.

(i) For the three months ended September 30, 2023

Yen (millions)								
Reportable segments							Eliminations and adjustments	Consolidated Total
Lifestyle	Automotive	Connect	Industry	Energy	Other			
Sales:								
External customers...	792,694	364,606	269,610	213,447	226,361	223,012	—	2,089,730
Intersegment.....	51,596	2,582	18,932	47,983	12,046	79,718	(212,857)	—
Total.....	844,290	367,188	288,542	261,430	238,407	302,730	(212,857)	2,089,730
Segment profit.....	21,486	9,589	9,276	9,730	22,929	13,818	15,635	102,463

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

Yen (millions)								
Reportable segments							Eliminations and adjustments	Consolidated Total
Lifestyle	Automotive	Connect	Industry	Energy	Other			
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

The accounting policies for reportable segments are the same as the Company's accounting policies described in Note "2. (3) Material accounting policies."

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, 2023 and 2022 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, 2023	March 31, 2023
Remeasurements of defined benefit plans (*).....	—	—
Financial assets measured at fair value through other comprehensive income.....	36,588	37,428
Exchange differences on translation of foreign operations.....	853,893	431,992
Net changes in fair value of cash flow hedges.....	(8,629)	(5,656)
Total.....	<u>881,852</u>	<u>463,764</u>

(*)As the result of remeasurements of defined benefit plans, other components of equity decreased by 1,019 million yen (net of tax), which was directly transferred from other components of equity to retained earnings for the six months ended September 30, 2023.

(2) Dividends

1) Dividends for the six months ended September 30, 2023 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, 2023	Common stock	35,012	Retained Earnings	15.0	March 31, 2023	June 2, 2023

(ii) Cash dividends resolved in the six months ended September 30, 2023 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 30, 2023	Common stock	40,850	Retained earnings	17.5	September 30, 2023	November 30, 2023

2) 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

5. Per share information

Panasonic HD stockholders' equity per share is as follows:

	Yen	
	September 30, 2023	March 31, 2023
Panasonic Holdings Corporation stockholders' equity per share.....	1,843.49	1,550.23

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

(1) For the six months ended September 30, 2023 and 2022

	Yen (millions)	
	2023	2022
Net profit attributable to Panasonic Holdings Corporation stockholders.....	288,379	107,337
Adjustment to net profit.....	(10)	(3)
Net profit used to calculate basic earnings per share.....	288,369	107,334
Adjustment to net profit.....	10	3
Net profit used to calculate diluted earnings per share.....	288,379	107,337

	Number of shares	
	2023	2022
Average common shares outstanding.....	2,334,115,675	2,333,884,576
Dilutive effect:		
Stock acquisition rights.....	694,100	767,710
Restricted stock.....	80,200	74,471
Diluted common shares outstanding.....	2,334,889,975	2,334,726,757

	Yen	
	2023	2022
Earnings per share attributable to Panasonic Holdings Corporation stockholders:		
Basic.....	123.55	45.99
Diluted.....	123.51	45.97

(2) For the three months ended September 30, 2023 and 2022:

	Yen (millions)	
	2023	2022
Net profit attributable to Panasonic Holdings Corporation stockholders.....	87,454	58,388
Adjustment to net profit.....	(5)	(3)
Net profit used to calculate basic earnings per share.....	87,449	58,385
Adjustment to net profit.....	5	3
Net profit used to calculate diluted earnings per share.....	87,454	58,388
	Number of shares	
	2023	2022
Average common shares outstanding.....	2,334,139,396	2,333,898,965
Dilutive effect:		
Stock acquisition rights.....	689,662	767,689
Restricted stock.....	120,500	112,900
Diluted common shares outstanding.....	2,334,949,558	2,334,779,554
	Yen	
	2023	2022
Earnings per share attributable to Panasonic Holdings Corporation stockholders:		
Basic.....	37.47	25.02
Diluted.....	37.45	25.01

6. Fair values of financial instruments

(1) Comparison between fair values and the carrying amounts

	Yen (millions)			
	September 30, 2023		March 31, 2023	
	Book value	Fair value	Book value	Fair value
Long-term debt, including current portion of long-term debt.....	1,418,494	1,382,195	1,204,848	1,154,855

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, 2023. 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, 2023			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets measured at FVTPL				
Derivative assets				
Foreign exchange forward contracts.....	—	9,995	—	9,995
Cross currency interest rate swaps.....	—	62,260	—	62,260
Commodity futures.....	11,202	2,922	—	14,124
Subtotal.....	11,202	75,177	—	86,379
Financial assets measured at FVTOCI				
Shares.....	53,354	—	122,162	175,516
Others.....	—	174	—	174
Subtotal.....	53,354	174	122,162	175,690
Total financial assets.....	64,556	75,351	122,162	262,069
Financial liabilities:				
Financial liabilities measured at FVTPL				
Derivative liabilities				
Foreign exchange forward contracts.....	—	12,438	—	12,438
Cross currency interest rate swaps.....	—	2,901	—	2,901
Commodity futures.....	5,933	9,951	—	15,884
Total financial liabilities.....	5,933	25,290	—	31,223

	Yen (millions)			
	March 31, 2023			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets measured at FVTPL				
Derivative assets				
Foreign exchange forward contracts.....	—	7,304	—	7,304
Cross currency interest rate swaps.....	—	30,905	—	30,905
Commodity futures.....	12,423	2,601	—	15,024
Subtotal.....	12,423	40,810	—	53,233
Financial assets measured at FVTOCI				
Shares.....	72,087	—	109,090	181,177
Others.....	—	222	—	222
Subtotal.....	72,087	222	109,090	181,399
Total financial assets.....	84,510	41,032	109,090	234,632
Financial liabilities:				
Financial liabilities measured at FVTPL				
Derivative liabilities				
Foreign exchange forward contracts.....	—	541	—	541
Cross currency interest rate swaps.....	—	1,662	—	1,662
Commodity futures.....	5,962	11,416	—	17,378
Total financial liabilities.....	5,962	13,619	—	19,581

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 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. For the six months ended September 30, 2023, there were no financial instruments for which a significant transfer was made between levels.

For the six months ended September 30, 2023, there were no significant movements of the financial instruments, classified as Level 3.

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, microwave ovens, rice cookers, washing machines, vacuum cleaners and personal-care products. "Heating & Ventilation A/C" includes products such as air-conditioners for residential and commercial use, Air-to-Water (A2W) hot 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 from other companies.

The products of Connect are categorized into "Hardware Solutions" and "SCM Solutions." "Hardware Solutions," 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," includes products such as solution business of Gemba Solution Company and SCM software.

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

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.

Disaggregated revenue is set out below.

In addition, for the year ended March 31, 2023, the products of Industry were categorized into "Control Devices," "FA Solutions," "Electronic Devices," "Electronic Materials" and "Other," however, due to review of product categories, from the year ending March 31, 2024, the product categories have been changed to "Electronic Devices," "FA Solutions," "Electronic Materials" and "Other."

As a result, relays and switches that were previously classified as "Control Devices" in the six months and the three months ended September 30, 2022 have been reclassified to "Electronic Devices" and "Other," respectively.

The disaggregated revenue for the six months ended September 30, 2023 and 2022 is as follow:

(i) For the six months ended September 30, 2023

(million yen)

Reportable segments	By product category	Sales	By geographical area	Sales
Lifestyle	Living Appliances and Solutions	456,423	Japan	725,753
	Heating & Ventilation A/C	365,642	Americas	193,415
	Cold Chain Solutions	173,808	Europe	107,275
	Electric Works	314,142	Asia, China and others	478,587
	Other	195,015		
	Total (Note 1)	1,505,030	Total (Note 1)	1,505,030
Automotive	Automotive Cockpit Systems	265,751	Japan	219,962
	Automotive Electronics Systems	281,677	Americas	185,925
	Other	77,089	Europe	131,115
			Asia, China and others	87,515
	Total (Note 1)	624,517	Total (Note 1)	624,517
Connect	Hardware Solutions	375,066	Japan	133,162
	SCM Solutions	167,283	Americas	238,821
			Europe	85,946
			Asia, China and others	84,420
	Total (Note 1)	542,349	Total (Note 1)	542,349
Industry	Electronic Devices	269,585	Japan	122,501
	FA Solutions	39,385	Americas	33,458
	Electronic Materials	73,319	Europe	81,622
	Other	65,204	Asia, China and others	209,912
		Total (Note 1)	447,493	Total (Note 1)
Energy	In-vehicle	328,250	Japan	40,271
	Industrial / Consumer	156,716	Americas	378,162
			Europe	13,533
			Asia, China and others	53,000
	Total (Note 1)	484,966	Total (Note 1)	484,966
	Other (Note 2)	515,069		
	Consolidated total	4,119,424		

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 150,706 million yen and sales of Housing products of 185,629 million yen.

(ii) 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	Electronic Devices	302,900	Japan	124,705
	FA Solutions	42,986	Americas	42,192
	Electronic Materials	74,889	Europe	76,921
	Other	101,086	Asia, China and others	278,043
		Total (Note 1)	521,861	Total (Note 1)
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.

The disaggregated revenue for the three months ended September 30, 2023 and 2022 is as follow:

(i) For the three months ended September 30, 2023

(million yen)

Reportable segments	By product category	Sales	By geographical area	Sales
Lifestyle	Living Appliances and Solutions	231,666	Japan	376,984
	Heating & Ventilation A/C	165,323	Americas	100,884
	Cold Chain Solutions	90,288	Europe	50,542
	Electric Works	164,769	Asia, China and others	225,003
	Other	101,367		
	Total (Note 1)	753,413	Total (Note 1)	753,413
Automotive	Automotive Cockpit Systems	136,786	Japan	113,714
	Automotive Electronics Systems	145,123	Americas	96,018
	Other	42,741	Europe	67,662
			Asia, China and others	47,256
	Total (Note 1)	324,650	Total (Note 1)	324,650
Connect	Hardware Solutions	193,751	Japan	72,955
	SCM Solutions	88,902	Americas	122,288
			Europe	44,226
			Asia, China and others	43,184
	Total (Note 1)	282,653	Total (Note 1)	282,653
Industry	Electronic Devices	137,401	Japan	60,912
	FA Solutions	19,668	Americas	16,413
	Electronic Materials	38,737	Europe	40,733
	Other	31,185	Asia, China and others	108,933
		Total (Note 1)	226,991	Total (Note 1)
Energy	In-vehicle	158,628	Japan	19,942
	Industrial / Consumer	83,923	Americas	189,164
			Europe	7,011
			Asia, China and others	26,434
	Total (Note 1)	242,551	Total (Note 1)	242,551
	Other (Note 2)	259,472		
	Consolidated total	2,089,730		

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 78,245 million yen and sales of Housing products of 94,673 million yen.

(ii) 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	Electronic Devices	155,177	Japan	62,199
	FA Solutions	23,367	Americas	22,565
	Electronic Materials	38,908	Europe	41,088
	Other	47,503	Asia, China and others	139,103
		Total (Note 1)	264,955	Total (Note 1)
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.

8. Supplementary information

(1) Other income (expenses)

"Other income (expenses), net" for the six months and the three months ended September 30, 2023 include a reversal of impairment losses of 10,352 million yen, and the profit recognized in the condensed quarterly consolidated statement of profit or loss is presented as part of "Other - net" within cash flows from operating activities as an adjustment to "Net profit" in the condensed quarterly consolidated statement of cash flows.

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

(2) Income taxes

For the six months ended September 30, 2023, the provision for "Income taxes" includes an income tax reduction of 121,348 million yen recognized based on the resolution of Board of Directors meeting of Panasonic HD on July 31, 2023, to liquidate Panasonic Liquid Crystal Display Co., Ltd. ("PLD"), a consolidated subsidiary, and to file a petition for commencement of special liquidation as well as to waive its debts of PLD owed to Panasonic Equity Management Japan G.K., which is also a consolidated subsidiary.

The reduction in "Income taxes" consists of an income tax reduction of 131,422 million yen due to the recognition of "Deferred tax assets" for the deductible temporary difference arising from its investment in PLD that has become probable of reversing in the foreseeable future, and income tax expense of 10,074 million yen due to a write down of deferred tax assets as a result of the reassessment of the recoverability of deferred tax assets for the domestic group companies applying the group tax relief system in Japan.

(3) The issuance of bonds

In September 2023, the Company issued unsecured straight bonds totaling 260,000 million yen in the domestic market.

(4) 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, 2023 and 2022 are 214,225 million yen and 107,622 million yen, respectively.

(5) 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, 2023 is 5,429 million yen.

The decreases in the carrying amounts of "Property, plant and equipment" due to sales or disposal in the six months ended September 30, 2022 is 8,813 million yen, including a decrease due to the recognition of a finance lease as a lessor.

(6) Tax credits under the Inflation Reduction Act in the U.S.

The expected amount of tax credits to be directly refundable under the Inflation Reduction Act in the U.S. (the "US IRA") in connection with the manufacture and sale of EV batteries is recognized as a reduction from "Cost of sales" in accordance with IAS 20, "Accounting for Government Grants," and is presented as part of "Other non-current assets" in the condensed quarterly consolidated statement of financial position. The amounts recognized as a reduction from "Cost of sales" for the six months and the three months ended September 30, 2023 are 91,485 million yen and 46,497 million yen, respectively. In the condensed quarterly consolidated statement of cash flows, an (increase)/decrease in tax credits refundable under US IRA of (91,485) million yen is included in "Other - net" within cash flows from operating activities.

In addition, of the expected amount of tax credits under the US IRA, the amount to be effectively utilized with customers to strengthen and expand the business in North America in the future is recognized as a reduction from "Net sales" in accordance with IFRS 15, "Revenue from Contracts with Customers," and is presented as part of "Contract liabilities" in the condensed quarterly consolidated statement of financial position, although the method of such effective use has not yet to be determined. The amounts recognized as a reduction from "Net sales" for the six months and the three months ended September 30, 2023 are 49,298 million yen and 25,072 million yen, respectively. In the condensed quarterly consolidated statement of cash flows, the amount is included in "Increase (decrease) in contract liabilities" within cash flows from operating activities.

9. 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.