

February 2, 2024

FOR IMMEDIATE RELEASE

Panasonic Holdings Corporation
Corporate Finance & IR Department
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(Japan)

Panasonic Holdings Reports its Consolidated Financial Results
for the Nine Months ended December 31, 2023

Osaka, Japan, February 2, 2024 -- Panasonic Holdings Corporation ([TSE:6752] the "Company") today reported its consolidated financial results for the nine months ended December 31 2023, of the current fiscal year ending March 31, 2024 (fiscal 2024).

Summary of Consolidated Financial Results for Nine Months ended December 31, 2023 [IFRS]

February 2, 2024

Company Name: Panasonic Holdings Corporation

Listed Exchanges: Tokyo / Nagoya

Security Code: 6752

URL: <https://holdings.panasonic/global>

Scheduled Date for Quarterly Report Filing: February 9, 2024

Scheduled Date for Dividend Payment: -

1. Consolidated Financial Results for Nine Months (April 1, 2023 - December 31, 2023)

(1) Consolidated Operating Results (% represents changes compared with the same period of the previous fiscal year)

	Net sales		Operating profit		Profit before income tax		Net profit		Net profit attributable to Panasonic Holdings Corporation stockholders		Total comprehensive income	
	Yen (million)	%	Yen (million)	%	Yen (million)	%	Yen (million)	%	Yen (million)	%	Yen (million)	%
Nine Months ended Dec. 31, 2023	6,300,306	1.2	320,257	36.7	368,784	44.4	414,178	140.0	399,178	145.1	664,918	79.5
Dec. 31, 2022	6,224,521	14.8	234,220	(14.6)	255,447	(8.6)	172,575	(15.5)	162,870	(16.7)	370,485	10.7

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine Months ended Dec. 31, 2023	171.01	170.96
Nine Months ended Dec. 31, 2022	69.78	69.76

(2) Consolidated Financial Positions

	Total assets	Total equity	Equity attributable to Panasonic Holdings Corporation stockholders	Ratio of equity attributable to Panasonic Holdings Corporation to total assets
	Yen (million)	Yen (million)	Yen (million)	%
As of Dec. 31, 2023	8,910,636	4,358,350	4,180,223	46.9
Mar. 31, 2023	8,059,527	3,789,958	3,618,402	44.9

2. Dividends

	Annual dividends				
	End of 1 st Quarter	End of 2 nd Quarter	End of 3 rd Quarter	End of Fiscal Year	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal 2023	-	15.00	-	15.00	30.00
Fiscal 2024	-	17.50	-	-	-
Fiscal 2024 (Forecast)	-	-	-	-	-

Notes: Revision in the dividends forecast from latest financial announcement: None

Forecast of year-end dividend for fiscal 2024 has not yet been determined.

3. Consolidated Financial Forecast for Fiscal 2024 (April 1, 2023 - March 31, 2024)

(% represents changes compared with the same period of the previous fiscal year)

	Net sales		Operating profit		Profit before Income taxes		Net profit attributable to Panasonic Holdings Corporation stockholders		Basic earnings per share
	Yen (million)	%	Yen (million)	%	Yen (million)	%	Yen (million)	%	Yen
Full Year	8,400,000	0.3	400,000	38.6	455,000	43.8	460,000	73.3	197.07

Note: Revision in the consolidated financial forecast from latest financial announcement: None

Notes: 1. Fiscal 2024 (FY2024) refers to the fiscal year ending March 31, 2024.

2. The Company's consolidated financial statements are prepared in conformity with International Financial Reporting Standards (IFRS).

3. One American depositary shares (ADS) represents one share of common share. Earnings per share attributable to Panasonic Holdings Corporation stockholders per ADS is same amount as Earnings per share attributable to Panasonic Holdings Corporation stockholders.

Consolidated Financial Results

1. Fiscal 2024 3Q ended December 31, 2023

A. Operating Results

	Yen (billions)		
	Fiscal 2024 Nine Months ended December 31, 2023	Fiscal 2023 Nine Months ended December 31, 2022	Percentage FY2024/2023
Net sales	6,300.3	6,224.5	101%
Operating profit	320.3	234.2	137%
Profit before income taxes	368.8	255.4	144%
Net profit attributable to Panasonic Holdings Corporation stockholders	399.2	162.9	245%

During the nine months ended December 31, 2023 (fiscal 2024), the overall global economy saw a moderate slowdown due to geopolitical risks such as the situations in Israel and Palestine as well as in Ukraine. The ongoing monetary tightening implemented to counter inflation was another factor. In Japan, despite some negative impact to the economy due to rising prices, 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. On the other hand, the overall Japanese economy is expected to recover gradually, despite concerns for the downside impact from rising prices.

Under such management conditions, the Company 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 management initiatives by taking into consideration the revision and replacement of our business portfolio toward shifting to a growth phase.

For the nine months ended December 31, 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. Furthermore, in November 2023, the

Company announced the basic agreement with an affiliate of Apollo Global Management Inc. to become strategic partners in the business of Panasonic Automotive Systems Co., Ltd. The parties continue discussions with the intention of finalizing the details of the agreement by the end of March 2024.

For the nine months ended December 31, 2023, the Company's consolidated sales increased by 1% to 6,300.3 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 37% to 320.3 billion yen and profit before income taxes increased by 44% to 368.8 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 credit under the Inflation Reduction Act in the U.S. (the "US IRA Tax Credit"), 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 145% to 399.2 billion yen from a year ago. This is due to the above-mentioned factors as well as a decrease in income taxes 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 1 of "Notes to consolidated financial statement").

B. Breakdown by Reportable Segment

Lifestyle

	Yen (billions)		
	Fiscal 2024 Nine Months ended December 31, 2023	Fiscal 2023 Nine Months ended December 31, 2022	Percentage FY2024/2023
Sales	2,585.0	2,625.1	98%
Operating profit	96.7	104.8	92%

Sales decreased by 2% to 2,585.0 billion yen from a year ago. This is due to decreased sales of consumer electronics mainly in the Chinese and other Asian markets and weakening demand for HVAC* business affected by deteriorated market conditions in Europe as well as the deconsolidation of part of businesses in China, despite increased sales of cold chain business in North America and electrical construction materials for the Japanese market. Operating profit decreased to 96.7 billion yen from a year ago. This is due to decreased sales in consumer electronics and HVAC business as well as recording of additional quality-related expenses, despite increased sales of cold chain business and electrical construction materials.

*HVAC: Heating, Ventilation, and Air Conditioning

Automotive

Yen (billions)

	Fiscal 2024 Nine Months ended December 31, 2023	Fiscal 2023 Nine Months ended December 31, 2022	Percentage FY2024/2023
Sales	1,112.9	938.9	119%
Operating profit	37.9	0.0	—

Sales increased by 19% to 1,112.9 billion yen from a year ago. This is due largely to the recovery of automobile production. Operating profit increased to 37.9 billion yen from a year ago. This is due to increased sales and efforts in price revisions to offset price hikes in parts & materials as well as rationalization efforts, despite increased fixed cost related to increasing production and increased personnel expenses as well as the impact of price hikes in parts & materials.

Connect

Yen (billions)

	Fiscal 2024 Nine Months ended December 31, 2023	Fiscal 2023 Nine Months ended December 31, 2022	Percentage FY2024/2023
Sales	848.9	802.9	106%
Operating profit	24.7	2.7	912%

Sales increased by 6% to 848.9 billion yen from a year ago. This is due mainly to increased sales in Avionics, Gemba Solutions and Blue Yonder, despite decreased sales in Process Automation. Operating profit increased to 24.7 billion yen from a year ago. This is due mainly to increased sales in Avionics, despite decreased sales in Process Automation.

Industry

Yen (billions)

	Fiscal 2024 Nine Months ended December 31, 2023	Fiscal 2023 Nine Months ended December 31, 2022	Percentage FY2024/2023
Sales	777.2	886.6	88%
Operating profit	24.9	63.5	39%

Sales decreased by 12% to 777.2 billion yen from a year ago. This is due to decreased sales of products for the Chinese market affected by deteriorating market conditions 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 to 24.9 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

Yen (billions)

	Fiscal 2024 Nine Months ended December 31, 2023	Fiscal 2023 Nine Months ended December 31, 2022	Percentage FY2024/2023
Sales	705.6	717.2	98%
Operating profit	82.7	28.9	286%

Overall sales decreased by 2% to 705.6 billion yen from a year ago. This is due to decreased production of EV batteries in Japan for North America and decreased sales in Industrial / Consumer, despite favorable sales of EV batteries in North America. Also, the impact of accounting treatment concerning the US IRA Tax Credit to be effectively used with customers is another factor for the decreased sales. Operating profit increased to 82.7 billion yen from a year ago. This is due mainly to increased sales of EV batteries in North America and recording of the US IRA Tax Credit, 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)

Yen (billions)

	Fiscal 2024 Nine Months ended December 31, 2023	Fiscal 2023 Nine Months ended December 31, 2022	Percentage FY2024/2023
Sales	900.8	893.6	101%
Operating profit	47.5	38.6	123%

Sales increased by 1% to 900.8 billion yen from a year ago. Operating profit increased to 47.5 billion yen from a year ago.

C. Consolidated Financial Condition

Net cash provided by operating activities for the nine months ended December 31, 2023 amounted to 598.3 billion yen, compared with an inflow of 313.7 billion yen a year ago. This is due mainly to improvements in increase / decrease in inventories. Net cash used in investing activities amounted to 380.3 billion yen, compared with an outflow of 215.8 billion yen a year ago. This is due to an increase in capital investment mainly in EV batteries and other factors, despite the sale of some assets. Accordingly, free cash flows (net cash provided by operating activities and investment activities) increased by 120.1 billion yen from a year ago to an inflow of 218.0 billion yen.

Net cash used in financing activities amounted to 37.9 billion yen, compared with an outflow of 516.6 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 nine months ended December 31, 2023.

Taking such factors as exchange rate fluctuations into consideration, cash and cash equivalents totaled 1,038.3 billion yen as of December 31, 2023, which is an increase of 218.8 billion yen from March 31, 2023.

The Company's consolidated total assets of December 31, 2023, were 8,910.6 billion yen, an increase of 851.1 billion yen from March 31, 2023. This is due mainly to an increase of cash and cash equivalents as well as an increase in property, plant and equipment. Also, the impact of fluctuations in exchange rates on foreign currency denominated assets caused by depreciation of the yen is another factor.

The Company's consolidated total liabilities increased by 282.7 billion yen to 4,552.3 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 561.8 billion yen to 4,180.2 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 4,358.4 billion yen.

2. Consolidated Financial Forecast for fiscal 2024

The consolidated financial forecast for fiscal 2024 remains unchanged from the previous forecast announced on October 30, 2023.

Disclaimer Regarding Forward-looking Statements

This press release includes forward-looking statements about Panasonic Holdings Corporation (Panasonic HD) and its Group companies (the Panasonic Group). To the extent that statements in this press release 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 press release. 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 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 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 systems of 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.

Condensed Quarterly Consolidated Statements of Financial Position

			Yen (millions)
	December 31, 2023	March 31, 2023	Difference
Current assets:	4,048,845	3,802,885	245,960
Cash and cash equivalents	1,038,316	819,499	218,817
Trade receivables and contract assets	1,264,218	1,322,593	(58,375)
Other financial assets	202,514	169,665	32,849
Inventories	1,298,525	1,288,751	9,774
Other current assets	245,272	202,377	42,895
Non-current assets:	4,861,791	4,256,642	605,149
Investments accounted for using the equity method	406,427	401,219	5,208
Other financial assets	224,618	242,672	(18,054)
Property, plant and equipment	1,384,985	1,172,376	212,609
Right-of-use assets	255,845	238,833	17,012
Other non-current assets	2,589,916	2,201,542	388,374
Total assets	8,910,636	8,059,527	851,109
Current liabilities:	2,919,666	2,873,420	46,246
Short-term debt, including current portion of long-term debt	148,848	159,231	(10,383)
Lease liabilities	67,765	59,895	7,870
Trade payables	1,176,065	1,156,909	19,156
Other payables and accrued expenses	454,952	506,062	(51,110)
Other financial liabilities	183,561	146,213	37,348
Other current liabilities	888,475	845,110	43,365
Non-current liabilities:	1,632,620	1,396,149	236,471
Long-term debt	1,179,309	1,050,116	129,193
Lease liabilities	197,712	187,865	9,847
Other non-current liabilities	255,599	158,168	97,431
Total liabilities	4,552,286	4,269,569	282,717
Panasonic Holdings Corporation stockholders' equity:	4,180,223	3,618,402	561,821
Common stock	259,445	259,274	171
Capital surplus	511,324	515,760	(4,436)
Retained earnings	2,930,758	2,588,800	341,958
Other components of equity	687,866	463,764	224,102
Treasury stock	(209,170)	(209,196)	26
Non-controlling interests	178,127	171,556	6,571
Total equity	4,358,350	3,789,958	568,392
Total liabilities and equity	8,910,636	8,059,527	851,109

Note: Other components of equity breakdown

			Yen (millions)
	December 31, 2023	March 31, 2023	Difference
Remeasurements of defined benefit plans*	—	—	—
Financial assets measured at fair value through other comprehensive income	38,649	37,428	1,221
Exchange differences on translation of foreign operations	653,632	431,992	221,640
Net changes in fair value of cash flow hedges	(4,415)	(5,656)	1,241

* Remeasurements of defined benefit plans is directly transferred to Retained earnings from Other components of equity.

**Condensed Quarterly Consolidated Statements of Profit or Loss and
Condensed Quarterly Consolidated Statements of Comprehensive Income**

Condensed Quarterly Consolidated Statements of Profit or Loss

Yen (millions)

	Fiscal 2024 Nine Months ended December 31, 2023		Fiscal 2023 Nine Months ended December 31, 2022		Percentage FY2024/2023
		%		%	
Net sales	6,300,306	100.0	6,224,521	100.0	101
Cost of sales	(4,443,202)	(70.5)	(4,567,173)	(73.4)	
Gross profit	1,857,104	29.5	1,657,348	26.6	112
Selling, general and administrative expenses	(1,538,719)	(24.4)	(1,425,511)	(22.9)	
Share of profit (loss) of investments accounted for using the equity method	601	0.0	(3,141)	(0.0)	
Other income (expenses), net	1,271	0.0	5,524	0.1	
Operating profit	320,257	5.1	234,220	3.8	137
Finance income	67,465	1.1	37,223	0.6	
Finance expenses	(18,938)	(0.3)	(15,996)	(0.3)	
Profit before income taxes	368,784	5.9	255,447	4.1	144
Income taxes	45,394	0.7	(82,872)	(1.3)	
Net profit	414,178	6.6	172,575	2.8	240
Net profit attributable to:					
Panasonic Holdings Corporation stockholders	399,178	6.3	162,870	2.6	245
Non-controlling interests	15,000	0.3	9,705	0.2	155

Notes: 1. Depreciation (tangible)	152,028	million yen	147,518	million yen
2. Capital investment	365,106	million yen	180,400	million yen
3. R&D expenditures	360,266	million yen	345,119	million yen
4. Number of employees	230,025		235,714	

Condensed Quarterly Consolidated Statements of Comprehensive Income

Yen (millions)

	Fiscal 2024 Nine Months ended December 31, 2023	Fiscal 2023 Nine Months ended December 31, 2022	Percentage FY2024/2023
Net Profit	414,178	172,575	240 %
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Remeasurements of defined benefit plans	(583)	11,718	
Financial assets measured at fair value through other comprehensive income	21,674	(1,428)	
Subtotal	21,091	10,290	
Items that may be reclassified to profit or loss:			
Exchange differences on translation of foreign operations	225,732	197,443	
Net changes in fair value of cash flow hedges	3,917	(9,823)	
Subtotal	229,649	187,620	
Total other comprehensive income	250,740	197,910	
Comprehensive income	664,918	370,485	179
Comprehensive income attributable to :			
Panasonic Holdings Corporation stockholders	644,533	360,401	179
Non-controlling interests	20,385	10,084	202

Condensed Quarterly Consolidated Statements of Changes in Equity

Yen (millions)

Fiscal 2024 Nine Months ended December 31, 2023	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	—	—	399,178	—	—	399,178	15,000	414,178
Remeasurements of defined benefit plans	—	—	—	(266)	—	(266)	(317)	(583)
Financial assets measured at fair value through other comprehensive income	—	—	—	20,129	—	20,129	1,545	21,674
Exchange differences on translation of foreign operations	—	—	—	221,640	—	221,640	4,092	225,732
Net changes in fair value of cash flow hedges	—	—	—	3,852	—	3,852	65	3,917
Total comprehensive income	—	—	399,178	245,355	—	644,533	20,385	664,918
Transfer from other components of equity to retained earnings	—	—	18,642	(18,642)	—	—	—	—
Cash dividends	—	—	(75,862)	—	—	(75,862)	(10,364)	(86,226)
Changes in treasury stock	—	(0)	—	—	(38)	(38)	—	(38)
Share-based payment transactions	171	(1)	—	—	64	234	—	234
Transactions with non-controlling interests and other	—	(4,435)	—	(2,611)	—	(7,046)	(3,450)	(10,496)
Balances as of December 31, 2023	259,445	511,324	2,930,758	687,866	(209,170)	4,180,223	178,127	4,358,350

Yen (millions)

Fiscal 2023 Nine Months ended December 31, 2022	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	—	—	(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 changes 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 from other components of equity to retained earnings	—	—	12,964	(12,964)	—	—	—	—
Cash dividends	—	—	(70,019)	—	—	(70,019)	(15,567)	(85,586)
Changes in treasury stock	—	(0)	—	—	(42)	(42)	—	(42)
Share-based payment transactions	106	(35)	—	—	87	158	—	158
Transactions with non-controlling interests and other	—	(9,110)	—	265	—	(8,845)	(4,740)	(13,585)
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

Note: Effective fiscal 2023, IAS 29 "Financial Reporting in Hyperinflationary Economies" applies to financial statements of subsidiaries whose functional currency is the Turkish lira. Accordingly, the beginning balance has been adjusted.

Condensed Quarterly Consolidated Statements of Cash Flows

Yen (millions)

	Fiscal 2024 Nine Months ended December 31, 2023	Fiscal 2023 Nine Months ended December 31, 2022
<u>Cash flows from operating activities</u>		
Net profit	414,178	172,575
Adjustments to reconcile net profit to net cash provided by operating activities		
Depreciation and amortization	295,640	284,809
(Increase) decrease in trade receivables and contract assets	104,697	55,466
(Increase) decrease in inventories	27,140	(249,342)
Increase (decrease) in trade payables	6,312	102,264
Other	(249,634)	(52,048)
Net cash provided by operating activities	598,333	313,724
<u>Cash flows from investing activities</u>		
Purchase of property, plant and equipment	(373,968)	(191,277)
Proceeds from sale of property, plant and equipment	40,523	24,363
Purchase of investments accounted for using the equity method and other financial assets	(22,314)	(34,877)
Proceeds from sale and redemption of investments accounted for using the equity method and other financial assets	50,539	32,419
Other	(75,087)	(46,427)
Net cash used in investing activities	(380,307)	(215,799)
<u>Cash flows from financing activities</u>		
Increase (decrease) in short-term debt	(3,321)	(248,047)
Increase (decrease) in long-term debt	56,196	(163,828)
Dividends paid to Panasonic Holdings Corporation stockholders	(75,862)	(70,019)
Dividends paid to non-controlling interests	(10,364)	(15,567)
(Increase) decrease in treasury stock	(38)	(42)
Other	(4,461)	(19,105)
Net cash used in financing activities	(37,850)	(516,608)
Effect of exchange rate changes on cash and cash equivalents, and other	38,641	32,907
Net increase (decrease) in cash and cash equivalents	218,817	(385,776)
Cash and cash equivalents at beginning of period	819,499	1,205,873
Cash and cash equivalents at the end of the period	1,038,316	820,097

Notes to consolidated financial statements:

1. The Board of Directors of the Company resolved on July 31, 2023, to liquidate Panasonic Liquid Crystal Display Co., Ltd. ("PLD"), a consolidated subsidiary of the Company, and to file a petition for commencement of special liquidation as well as to waive debts that PLD owes to Panasonic Equity Management Japan G.K. which is also a consolidated subsidiary of the Company.
Accordingly, taking into consideration the recoverability of deferred tax assets in Company's consolidated financial results, it becomes highly likely that the temporary difference associated with the investment in PLD is expected to reverse in the foreseeable future. Therefore, the Company recognizes 121.3 billion yen of a decrease in income taxes (e.g., recognition of deferred tax assets and other factors).
2. Effective April 1, 2023, the Company applied IFRS 17 "Insurance Contracts" and the revised IAS 12 "Income Taxes" applied to the consolidated financial statements.
The impact of the adoption of IFRS 17 and IAS 12 on the consolidated financial statements of the Company is not material.
3. The Company issued a total of 260.0 billion yen of domestic unsecured straight bonds on September 14, 2023.
4. Significant subsequent events: None
5. Assumption for going concern: None
6. Number of consolidated subsidiaries (as of December 31, 2023): 505
Number of companies under the equity method (as of December 31, 2023): 66

Information by Segment

Yen (billions)

	Fiscal 2024 Nine Months ended December 31, 2023					Fiscal 2023 Nine Months ended December 31, 2022		
	Sales	FY24/23	Operating profit	% of Sales	FY24/23	Sales	Operating profit	% of Sales
Reportable Segments:		%		%	%			%
Lifestyle	2,585.0	98	96.7	3.7	92	2,625.1	104.8	4.0
Automotive	1,112.9	119	37.9	3.4	—	938.9	0.0	0.0
Connect	848.9	106	24.7	2.9	912	802.9	2.7	0.3
Industry	777.2	88	24.9	3.2	39	886.6	63.5	7.2
Energy	705.6	98	82.7	11.7	286	717.2	28.9	4.0
Subtotal	6,029.6	101	266.9	4.4	133	5,970.7	199.9	3.3
Other	900.8	101	47.5	5.3	123	893.6	38.6	4.3
Eliminations and adjustments	(630.1)	—	5.9	—	—	(639.8)	(4.3)	—
Total	6,300.3	101	320.3	5.1	137	6,224.5	234.2	3.8

Notes: 1. The Panasonic Group divides its reportable segments into the following five segments, "Lifestyle," "Automotive," "Connect," "Industry," and "Energy."

"Other" includes operating segments which are not included in the above-mentioned reportable segments and other business activities, such as Entertainment & Communication, Housing and sales of raw materials.

2. The figures in "Eliminations and adjustments" include eliminations of intersegment transactions, adjustments of profits and losses which are not attributable to any segments, and consolidation adjustments.

3. On October 1, 2023, certain businesses were transferred among segments. Accordingly, the figures of segment information in fiscal 2023 and 2024 have been reclassified.