Panasonic

Panasonic Manufacturing Malaysia Berhad

Registration No. 196501000304 (6100-K)
(Incorporated in Malaysia)

Condensed Combined Entity Statement of Comprehensive Income
for the 1st Quarter Ended 30 June 2026

	(Unaudited)		(Unaudited)	
	1st Quarter Ended		**3 Months Ended**	
	30.06.2026 RM'000	**30.06.2025 RM'000**	**30.06.2026 RM'000**	**30.06.2025 RM'000**
Revenue	155,409	179,696	155,409	179,696
Operating expenses	(155,736)	(177,804)	(155,736)	(177,804)
Other operating income	1,527	1,245	1,527	1,245
Other derivative gain	521	144	521	144
Result from operating activities	1,721	3,281	1,721	3,281
Finance cost	(8)	(11)	(8)	(11)
Finance Income	4,127	4,549	4,127	4,549
Share of profit equity-accounted associate, net of tax	2,032	958	2,032	958
Profit before taxation	7,872	8,777	7,872	8,777
Taxation	(62)	(974)	(62)	(974)
Profit after taxation for the period	7,810	7,803	7,810	7,803
Earning per share attributable to equity holders:				
Basic (sen)	13	13	13	13

(The Condensed Combined Statement of Comprehensive Income should be read in conjunction with the Annual Audited Financial Statements of the Company for the financial year ended 31 March 2026)

Condensed Combined Entity Statement of Comprehensive Income
for the 1st Quarter Ended 30 June 2026

	(Unaudited)		(Unaudited)	
	1st Quarter ended		**3 Months ended**	
	30.06.2026 RM'000	**30.06.2025 RM'000**	**30.06.2026 RM'000**	**30.06.2025 RM'000**
Profit after taxation for the period	7,810	7,803	7,810	7,803
Other comprehensive income, net of taxation	-	-	-	-
Total Comprehensive income for the period	7,810	7,803	7,810	7,803
Profit after taxation attributable to equity holders of the Company	7,810	7,803	7,810	7,803
Total Comprehensive income attributable to equity holders of the Company	7,810	7,803	7,810	7,803

(The Condensed Combined Statement of Comprehensive Income should be read in conjunction with the Annual Audited Financial Statements of the Company for the financial year ended 31 March 2026)

Condensed Combined Entity Statement of Financial Position

	(Unaudited)	(Audited)
	As at 30.06.2026 RM'000	**As at Preceding Financial Year End 31.03.2026 RM'000**
ASSETS		
Non-current assets		
Property, plant and equipment	118,449	123,592
Right-of-use assets	6,115	6,270
Intangible assets	719	757
Investment in associate	146,231	144,199
Deferred tax assets	4,775	3,844
	276,289	278,662
Current assets		
Inventories	48,303	52,574
Trade and other receivables	62,550	68,720
Current tax assets	-	188
Placement of funds with related company	475,263	467,286
Cash and bank balances	460	1,466
	586,576	590,234
Total assets	862,865	868,896
EQUITY		
Capital and reserves attributed to equity holders		
Share capital	60,746	60,746
Retained earnings	720,315	712,505
Total equity	781,061	773,251
LIABILITIES		
Non-current liabilities		
Provision for liabilities and charges	666	666
Non-current lease payable	459	550
	1,125	1,216
Current liabilities		
Trade and other payables	78,843	91,412
Taxation	215	-
Lease liabilities	423	466
Provision for liabilities and charges	1,103	1,935
Derivative financial liabilities	95	616
	80,679	94,429
Total liabilites	81,804	95,645
Total equity and liabilities	862,865	868,896
Net assets per share (RM)	12.86	12.73

(The Condensed Combined Entity Statement of Financial Position should be read in conjunction with the Annual Audited Financial Statements of the Company for the financial year ended 31 March 2026)

Condensed Combined Entity Statement of Changes in Equity
for the 1st Quarter Ended 30 June 2026

	Attibutable to equity holders		
	Share Capital	**Retained Earnings**	**Total Equity**
	RM'000	RM'000	RM'000
Financial Year Ended 30 Jun 2025			
At 1 April 2025	60,746	716,239	776,985
Total comprehensive income for the period	-	7,803	7,803
At 30 Jun 2025	60,746	724,042	784,788
Financial Year Ended 30 Jun 2026			
At 1 April 2026	60,746	712,505	773,251
Total comprehensive income for the period	-	7,810	7,810
At 30 Jun 2026	60,746	720,315	781,061

(The Condensed Combined Entity Statement of Changes in Equity should be read in conjunction with the Annual Audited Financial Statements of the Company for the financial year ended 31 March 2026)

Condensed Combined Entity Cash Flow Statement
For the 1st Quarter Ended 30 June 2026

	(Unaudited) Period ended 30.06.2026 RM'000	Period ended 30.06.2025 RM'000
Profit after taxation	7,810	7,803
Adjustments for:		
Non cash flow items	761	3,523
Share of profit equity-accounted associate, net of tax	(2,032)	(958)
Operating profit before working capital changes	6,539	10,368
Changes in working capital		
Net decrease in current assets	11,621	18,867
Net decrease in current liabilities	(12,970)	(21,394)
Cash generated from operations	5,190	7,841
Other operating activities	(1,538)	(4,497)
Net cash flow from operating activities	3,652	3,344
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(674)	(1,938)
Proceeds from disposal of property, plant and equipment	-	15
Interest received	4,127	4,549
Net cash flow from Investing activities	3,453	2,626
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of lease liabilities	(134)	(115)
Net cash flow from financing activities	(134)	(115)
NET INCREASE IN CASH AND CASH EQUIVALENTS	6,971	5,855
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF THE PERIOD	468,752	475,093
CASH AND CASH EQUIVALENTS AS AT END OF THE PERIOD	475,723	480,948
Cash and cash equivalents comprise:		
Placement of funds with related company	475,263	479,953
Cash and bank balances	460	995
	475,723	480,948

(The Condensed Combined Entity Cash Flow Statement should be read in conjunction with the Annual Audited Financial Statements of the Company for the financial year ended 31 March 2026)

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Notes to the Interim Financial Statements for 1st Quarter Ended 30 June 2026

Note 1. Accounting Policies and Basis of Preparation

This interim financial report is unaudited and has been prepared in accordance with the requirements of Malaysian Financial Reporting Standard ("MFRS") 134 Interim Financial Reporting issued by the Malaysian Accounting Standards Board and paragraph 9.22 and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad. The interim financial report should be read in conjunction with the Company's audited statutory financial statements for the financial year ended 31 March 2026.

The audited financial statement of the Company for the year ended 31 March 2026 was prepared in accordance with MFRS. The accounting policies and methods of computation adopted by the Company in these quarterly financial statements are consistent with those adopted in the most recent annual audited financial statements for the year ended 31 March 2026.

Note 2. Disclosure of Audit Report Qualification

The audit report of the Company's annual financial statements for the financial year ended 31 March 2026 was not qualified.

Note 3. Seasonality or Cyclicality of Interim Operations

The Company's business operations were not materially affected by any seasonal or cyclical factors since the last balance sheet date.

The Company's products are generally dependent on consumer demand both in the domestic and export markets.

Note 4. Unusual Items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the financial period under review.

Note 5. Changes in Estimates of Amounts Reported in Prior Interim Periods for the Current Financial Year or in Prior Financial Years

There were no major changes in estimates of amounts reported in prior interim periods for the current financial year or changes in estimates of amounts reported in the prior financial year, which give a material effect in the current interim period.

Note 6. Issuances, Cancellations, Repurchases, Resale and Repayments of Debt and Equity Securities

There were no issuances and repayment of debt securities, share buy-back, share cancellations, shares held as treasury shares and resale of treasury shares since the last reporting date.

Note 7. Dividends Declared / Paid

There was no dividend paid in the current quarter ended 30 June 2026.

Note 8. Segmental Reporting

In line with Panasonic Holdings Corporation's ("PHD") announcement regarding the reorganization of its group's basic structure, effective 1 January 2026, changes were made to the Group's business and reporting structure. As part of this reorganization, the reportable segments were revised, primarily reflecting the restructuring of the former Lifestyle segment. Consequently, PMMA's reporting classification was transferred from the Lifestyle domain to the HVAC domain with effect from 1 January 2026.

Following the transition to the new organizational structure, the composition and the naming of the reportable segments has been realigned to reflect the revised framework. The corresponding changes will be incorporated into the Company's segmental reporting beginning in the current financial year. The details are as follows:

No.	Before	Current Quarter onwards
1.	Living Appliances and Solutions Company ("LASC")	Panasonic Corporation ("PC")
2.	Heating & Ventilation A/C Company ("HVAC")	Heating & Ventilation A/C Company ("HVAC")

Analysis of the Company's segment information is as follows:

	Revenue for the 3 Months ended		**Profit/(Loss) before tax for the 3 Months ended**	
	30.06.2026 RM'000	30.06.2025 RM'000	30.06.2026 RM'000	30.06.2025 RM'000
Panasonic Corporation ("PC") products	16,319	24,971	(1,815)	(1,283)
Heating & Ventilation A/C Company ("HVAC") products	138,675	154,179	5,121	8,605
Total	154,994	179,150	3,306	7,322
Other unallocated revenue and income	415	546	2,534	497
Share of profit from equity-accounted associate, net of tax	-	-	2,032	958
Total	**155,409**	**179,696**	**7,872**	**8,777**

Revenue information based on geographical location is as follows:

	Revenue for the 3 Months ended	
	30.06.2026 RM'000	30.06.2025 RM'000
Malaysia	79,622	88,036
ASEAN	48,316	48,759
Asia (excluding Malaysia, ASEAN, and Japan)	7,453	7,160
Middle East	10,419	27,132
Latin America	3,325	3,068
Japan	2,777	3,800
Africa	2,662	-
Europe	158	978
Others	677	763
Total	**155,409**	**179,696**

Note 9. Valuation of Property, Plant and Equipment

There was no valuation of property, plant, and equipment for the period under review.

Note 10. Significant Post Balance Sheet Events

In the interval between 30 June 2026 and the date of this announcement, there has not been any item, transaction or event of a material or unusual nature in the opinion of the Directors that is likely to affect substantially the result of the operations of the Company for the quarter ended 30 June 2026 in respect of which this announcement is made.

Note 11. Contingent Liabilities

There were no contingent liabilities since the last financial year ended 31 March 2026.

Disclosure Requirements Pursuant to Part A, Appendix 9B of Bursa Malaysia Securities Berhad Listing Requirements

Note 12. Review of Performance

(a) 1st Quarter This Year vs 1st Quarter Previous Year

	1st Quarter Ended		Change	3 Months Ended		Change
	30.06.2026 RM'000	30.06.2025 RM'000	%	30.06.2026 RM'000	30.06.2025 RM'000	%
Revenue	155,409	179,696	(13.5%)	155,409	179,696	(13.5%)
Profit before taxation	7,872	8,777	(10.3%)	7,872	8,777	(10.3%)

The Company reported revenue of RM155.4 million for the current quarter ended 30 June 2026, representing a decrease of 13.5% or RM24.3 million compared to the revenue of RM179.7 million recorded in the corresponding quarter of the previous year. This decline was primarily due to lower sales in both export and domestic markets.

Export sales declined by approximately RM15.9 million or 17% during the quarter under review compared to the corresponding quarter last year. The decline was mainly attributable to the ongoing Middle East conflict, which continued to disrupt shipping and logistics activities, particularly deliveries to the United Arab Emirates (UAE) and Iraq markets for Fan, Electric Iron and Vacuum Cleaner products.

The prolonged geopolitical tensions and related logistical disruption affected customer order fulfilment and delayed the execution of certain export orders, resulting in lower sales recognition during the quarter. In response, the Company has enhanced its market development efforts in the Africa regions, securing additional orders from this region. While these new markets provide encouraging opportunities for future growth, their sales contribution remains relatively modest at this stage to fully offset the decline in sales from the affected Middle East markets.

Domestic sales also declined amid weaker market sentiment as compared to the previous year's corresponding quarter, especially for fan products. The domestic market continued to face intense competitive pressure and an influx of lower-priced Chinese imports, which weighed on sales performance during the current quarter.

The Company remains focused on diversifying its export markets, expanding its presence in new growth regions and strengthening its competitiveness in the domestic market to mitigate near-term market headwinds and support sustainable revenue growth.

In line with the lower sales achieved, the Company recorded a combined profit before tax of RM7.9 million for the current quarter under review; representing a decrease of RM0.9 million, or 10.3%, compared to the profit before tax of RM8.8 million in the previous year's corresponding quarter.

The decline in profitability was primarily attributable to weaker sales of certain products, mainly due to disruptions arising from the prolonged Middle East conflict and the challenging operating environment. Lower sales volumes also resulted in higher fixed cost absorption arising from the underutilisation of production capacity for certain products. The impact on profitability was partially mitigated by a more favourable product sales mix during the quarter under review. In addition, the corresponding quarter last year was affected by foreign exchange losses arising from the revaluation of USD-denominated balances due to a weaker quarter-end USD/MYR exchange rate.

Overall, while profitability remained resilient amid challenging market conditions, the Company continues to closely monitor demand trends, production efficiency and market developments to manage cost pressures and support margins.

The Company also recorded a higher share of profit from its associated company of RM2.0 million, compared with RM1.0 million in the corresponding quarter last year, mainly due to lower operating expenses of the associated company, particularly general and administrative costs.

Review by Segment

Panasonic Corporation ("PC")

Revenue for the PC products segment declined by approximately 35% compared to the corresponding quarter of the previous year. The decrease was primarily attributable to lower export sales of Electric Irons and Vacuum Cleaners to the Middle East market. Export performance was adversely impacted, a decrease of 39%, amid ongoing shipping and logistic

disruptions arising from the prolonged conflict in the region. Domestic sales were also affected by softer market demand, further contributing to the decline in revenue for this segment.

In line with the weaker revenue performance, the PC products segment recorded a loss before tax of RM1.8 million for the quarter under review, compared to a loss before tax of RM1.3 million in the corresponding quarter of the previous year, representing an increase in losses of RM0.5 million or 42%. The higher loss was also attributable to lower sales volumes, which adversely affected operational efficiency and resulted in higher fixed-cost absorption per unit and weaker profitability. The Company continues to monitor market conditions and export demand while taking measures to improve production utilisation and operational efficiency.

Heating & Ventilation Company (HVAC)

Revenue from the HVAC products segment decreased by approximately 10% compared to the same quarter last year, mainly driven by the impact of the Middle East conflict and lower sales in the domestic market. Both domestic and export sales declined by 9% and 11% respectively, amid a challenging operating environment.

Corresponding to lower revenue, the HVAC products segment recorded a profit before tax of RM5.1 million, representing a decrease of RM3.5 million or 41% compared to RM8.6 million in the corresponding quarter of the previous year.

Note 13. Material Changes in Quarterly Results Compared to Preceding Quarter

	Current 1st Quarter 30.06.2026 RM'000	**Preceding 4th Quarter** 31.03.2026 RM'000	**Difference** RM'000	**Difference** %
Revenue	155,409	160,467	(5,058)	(3.2%)
Operating expenses	(155,736)	(163,603)	+7,867	+4.8%
Other operating income	1,527	1,350	+177	+13.1%
Others:				
- Fair value gain/(loss) on derivative financial instruments	521	(1,024)	+1,545	+150.9%
Results from operating activities	**1,721**	**(2,810)**	**+4,531**	**+161.2%**
Finance cost	(8)	(9)	+1	+11.1%
Finance income	4,127	4,088	+39	+1.0%
Share of results of associated company (net of tax)	2,032	3,193	(1,161)	(36.4%)
Profit before taxation	**7,872**	**4,462**	**+3,410**	**+76.4%**

The Company's revenue of RM155.4 million in the current quarter was 3.2% or RM5.1 million lower than the RM160.5 million recorded in the preceding quarter. The decline was mainly in the export markets, primarily attributable to weaker export sales to Middle East markets for Fan, Vacuum Cleaner and Electric Iron products, where prolonged regional geopolitical tensions continued to weigh on demand. In addition, export performance for Fan products was also affected by lower sales in Hong Kong and Singapore markets, amid intensified price competition and softer market conditions.

The decline in export sales was partially offset by a 27% quarter-on-quarter increase in domestic sales of RM17.1 million, driven mainly by higher Fan product sales, supported by dealer inventory replenishment following the festive season, project-related orders, and encouraging demand for the entry-level DC fan models launched during the quarter.

Despite the lower revenue, profit before taxation increased by RM3.4 million compared with the preceding quarter. The improvement was primarily driven by lower operating expenses, a more favourable product sales mix, and the reversal of certain raw material provisions recognised in the preceding quarter following the utilisation of the materials during the current quarter. The improvement was partially offset by a lower contribution from the associated company.

Note 14. Prospects and Outlook

Operating conditions for the current financial year ending 31st March 2027 are expected to remain challenging and highly competitive. Ongoing geopolitical tensions, shipping and logistics disruptions, as well as elevated input and logistics costs, are expected to continue to present headwinds to the Company's operating performance.

Against this backdrop, the Company remains focused on strengthening its market position, improving operational efficiency and pursuing targeted growth opportunities, while maintaining prudent cost and capital discipline. The Company will continue to focus on its core products and established distribution channels, while expanding project-based and B2B opportunities to diversify its revenue streams. Efforts will also be directed towards enhancing factory productivity, optimising capacity utilisation and improving overall cost efficiency.

On the export front, the Company will continue to selectively pursue opportunities in markets with sustainable demand and favourable commercial prospects, while closely monitoring geopolitical developments, market conditions and logistics risk.

Overall, the Company remains cautiously optimistic and will continue to adopt a disciplined and agile approach to navigate the prevailing uncertainties while positioning the business for sustainable growth over the longer term.

Note 15. Profit Forecast, Profit Guarantee or Internal Targets

The Company did not issue or publicly announce or disclose any profit forecasts, profit guarantee or internal targets for the period under review.

Note 16. Taxation

	Current Quarter Ended 30.06.2026 RM'000	Preceding Year's Quarter Ended 30.06.2025 RM'000	3 Months ended 30.06.2026 RM'000	3 Months ended 30.06.2025 RM'000
Taxation over provision/(charge):				
- current financial year	(994)	(1,091)	(994)	(1,091)
- prior financial year	-	-	-	-
Deferred Tax expense:				
- origination and reversal of temporary differences	932	117	932	117
- over/(under) provision of deferred tax benefit in prior year	-	-	-	-
	(62)	**(974)**	**(62)**	**(974)**
Effective income tax rate	0.8%	11.1%	0.8%	11.1%

The Company's effective income tax rate was lower than the statutory tax rate of 24% due to eligibility of tax incentives such as double deduction from R&D expenses and promotion of export to be claimed.

Note 17. Corporate Proposals

There were no corporate proposals announced but not completed as at the date of the issuance of this interim financial report.

Note 18. Derivatives

Derivative financial instruments are entered into by the Company in currencies other than Ringgit Malaysia for highly probable forecasted transactions to manage the exposure to fluctuation in foreign currency exchange rates.

In general, the Company's policy is to enter into foreign currency forward contracts to mitigate foreign exchange risk of highly probable forecasted transactions, such as anticipated future export sales, purchases of equipment and raw materials, as well as payment on services and other related expenditure. There is no change to the Company's policy in managing these derivatives since the previous financial year.

As at 30 June 2026, the details of derivative financial instruments outstanding measured at fair values together with their corresponding contract / notional values are as follows: -

Type of Derivatives	Contract / Notional Value RM'000	Fair Value of Assets RM'000	Fair Value of Liabilities RM'000
Less than 1 year - Sell USD	8,105	-	(95)
Less than 1 year - Buy JPY	-	-	-
Less than 1 year - Sell Euro	-	-	-
Less than 1 year - Buy SGD	3	- *	-
		-	**(95)**

* denotes -RM32

Note 19. Material Litigation

There were no material litigations pending on the date of this announcement.

Note 20. Dividends

No interim dividend has been declared or recommended for the current quarter ended 30 June 2026 (2025: Nil)

Note 21. Earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to the shareholders by the weighted average number of ordinary shares in issue as at 30 June 2026 of 60,745,780 shares.

(a) Basic earnings per share

	3 Months ended 30.06.2026	3 Months ended 30.06.2026
Profit after taxation for the period (RM'000)	7,810	7,803
Weighted average number of ordinary shares in issue (RM'000)	60,746	60,746
Basic earnings per share (sen)	13	13

(b) Summary of earnings per share

	Basic (sen)	Diluted (sen)
Quarter 1	13	Not Applicable
Year-to-date	13	Not Applicable

Note 22. Commitments for Capital Expenditure

Analyzed as follows: Property, plant and equipment	**As at 30.06.2026 RM'000**	**As at 30.06.2025 RM'000**
Contracted	4,728	6,010
Not contracted	-	20
Total	**4,728**	**6,030**

Note 23. Notes to the Condensed Combined Statement of Comprehensive Income

Included in the Total Comprehensive Income for the period are the following:

	1st Quarter ended		**3 Months ended**	
	30.06.2026 RM'000	30.06.2025 RM'000	30.06.2026 RM'000	30.06.2025 RM'000
Interest Income	4,127	4,549	4,127	4,549
Interest Expenses	-	-	-	-
Depreciation & Amortization	6,010	6,656	6,010	6,656
Provision For/Write Off of Receivables	-	-	-	-
Provision For/Write Off of Inventories	-	-	-	-
Gain/(Loss) on Disposal of Quoted and Unquoted Investment or Properties*	N/A	N/A	N/A	N/A
Impairment Loss of Assets	N/A	N/A	N/A	N/A
Gain/(Loss) on Foreign Exchange	225	(2,038)	225	(2,038)
Gain on Derivatives	521	144	521	144

* N/A: Not Applicable to the Combined Entity

By Order of the Board
Leong Oi Wah
Company Secretary
26 August 2026