

Integrated Report **2023**

Panasonic Group



Panasonic Group

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Editorial Policy

Our Integrated Report is intended to provide our investors and a wide range of other stakeholders with both financial and non-financial information, including management strategies, business performance & financial conditions, and environmental & corporate governance initiatives.

In this 2023 edition, we elaborate on our value creation process and our medium- to long-term strategy toward achieving "an ideal society with affluence both in matter and mind." We also discuss how we identify materiality to help us further improve our sustainability management.

We hope this report will serve useful for the deeper understanding of the Panasonic Group.

Disclaimer Regarding Forward-looking Statements

This Annual Report includes forward-looking statements about Panasonic Holdings Corporation (hereinafter referred to as "Panasonic Holdings") and its Group companies (the Panasonic Group). To the extent that statements in this Annual 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 Holdings undertakes no obligation to publicly update any forward-looking statements after the date of this Annual Report. Investors are advised to consult any further disclosures by Panasonic Holdings in its subsequent filings under the Financial Instrument and Exchange Act of Japan (the FIEA) and other publicly disclosed documents.

Such risks, uncertainties and other factors are not all-inclusive and further information is contained in the most recent English translated version of Panasonic Holdings' securities reports under the FIEA and any other documents which are disclosed on its website.

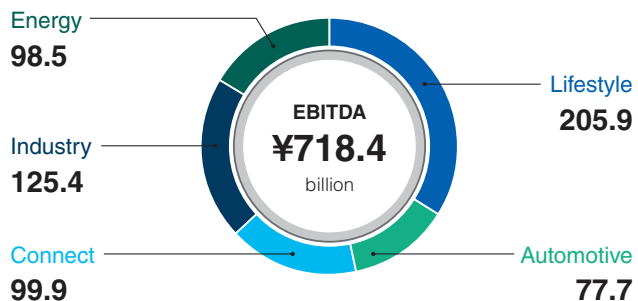
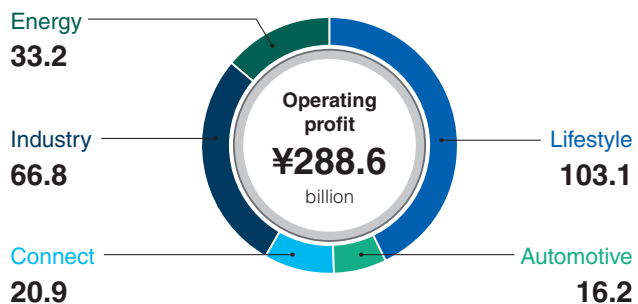
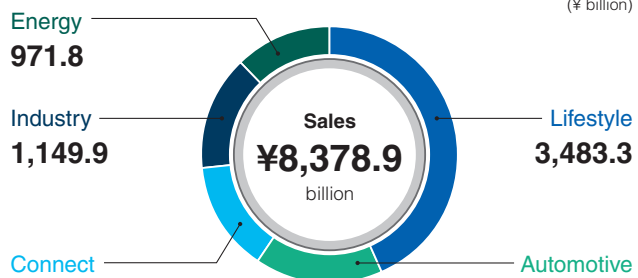


At a Glance

Composition of Group Businesses

Fiscal year ended March 2023

(¥ billion)



Please refer to "Operating Results by Segment" in the Annual Securities Report for details of each segment's sales and operating profit.
<https://holdings.panasonic/global/corporate/investors/pdf/AnnualSecuritiesReport2023.pdf>

Growth strategy of each segment

Lifestyle

(See p.12)

Proactively invest in **A2W*** in Europe, strengthen **wiring devices in Asia** and **hydrogen fuel cells for the future**. Steadily generate profits with **home appliances** in Japan and China, **electrical construction materials** in Japan, as well as **refrigerator and freezer display cases** in North America.

Automotive

(See p.13)

Increase profitability with **automotive cockpit systems** and **high-output onboard charging systems**. Accelerate development of integrated HPCs*, leveraging our infrastructure technologies. **Enhance in-vehicle experiences** based on technologies from the perspectives of people and lifestyle.

*High Performance Computer

Connect

(See p.14)

Focus investment on the **supply chain management business** to enhance competitiveness and **contribute to solving our customers' management issues**. **Aircraft in-flight entertainment systems** will recover from COVID-19 and shift to high-profitability.

Industry

(See p.15)

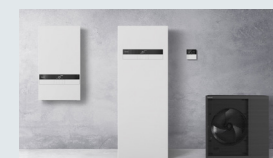
Realize growth with four businesses having advantages in **material & processing technologies**: (1) **EV relays**, (2) **capacitors**, (3) **FA solutions**, and (4) **electronic materials**, concentrating on three areas of high demand in society: (1) **automotive CASE**, (2) **information & communication infrastructure**, and (3) **factory labor-savings**.

Energy

(See p.16)

Contribute to the electrification of vehicles and reduction of environmental impact with our **automotive lithium-ion batteries**, given our track record of **safety and boosting energy density**. Support social infrastructure with our **highly reliable battery application systems**, such as **energy storage systems for data centers**.

Major products



Europe: *Air to Water heat pumps



Japan & China: Home appliances



India: Wiring devices



Cockpit systems



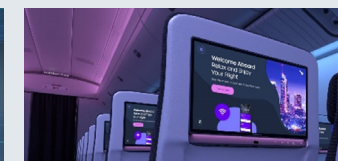
Pedestrian-detection cameras



Demonstration experiment on mobility efficiency using ICT



Supply chain management software



In-flight entertainment systems



Industrial motors



Multi-layer circuit board materials



Capacitors



Relays



Automotive cylindrical lithium-ion batteries



Energy storage systems



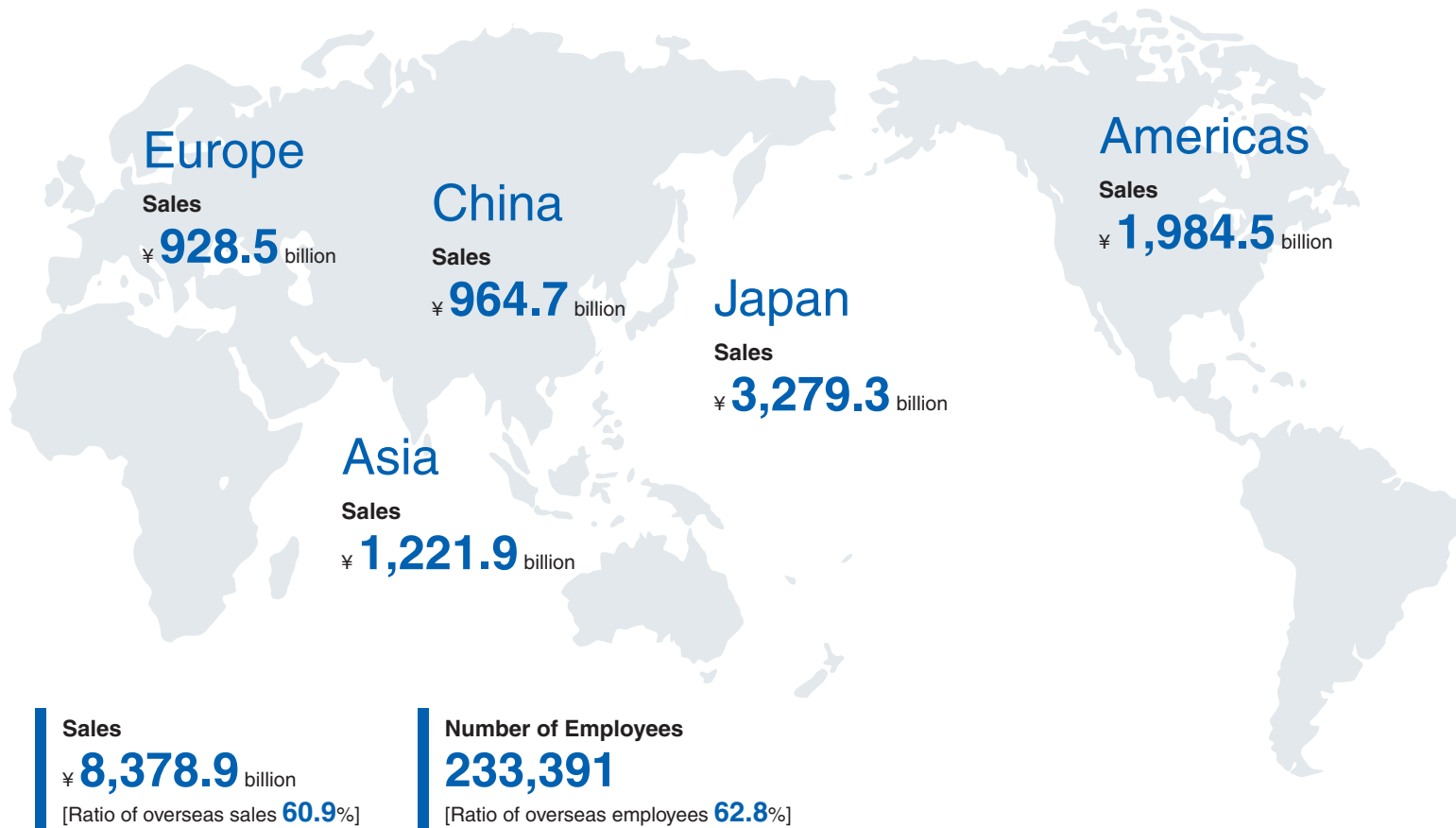
Primary batteries (dry batteries/lithium primary batteries)



At a Glance

Our Global Expansion

The company, which was founded in 1918, established an export department in 1932 and started exporting such products as wiring devices and dry batteries. In 1959, its first overseas sales company was established in the United States. Since then, the Panasonic Group has established numerous sites worldwide through which it engages in global manufacturing, sales, research and development, and other activities.



The Panasonic Group in Numbers

Operating CF ¥ 520.7 billion Medium-term KGI Cumulative: ¥ 2.0 trillion (FY23-25)	ROE 7.8 % Medium-term KGI 10 % or more (FY25)
R&D Expenditures ¥ 469.8 billion Ratio to Sales 5.6 %	GX Patent Families* 7,446 <small>*IPFs (International Patent Families) for environment-related technologies</small> (see p.26)
CO₂ Reductions (Scope 1, 2)* 360 thousand tons <small>In comparison to FY21 *Classification according to GHG Protocol</small> (see p.20)	Zero-CO₂ Factories 31 factories (see p.20)
Employee Engagement 67 % (see p.29)	Investor Dialogue Approx. 780 institutions (accumulated) (see p.55)

(For the fiscal year ended March 2023)

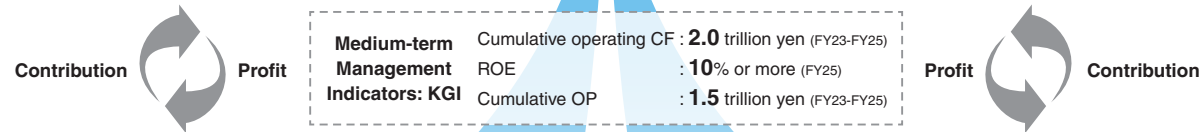
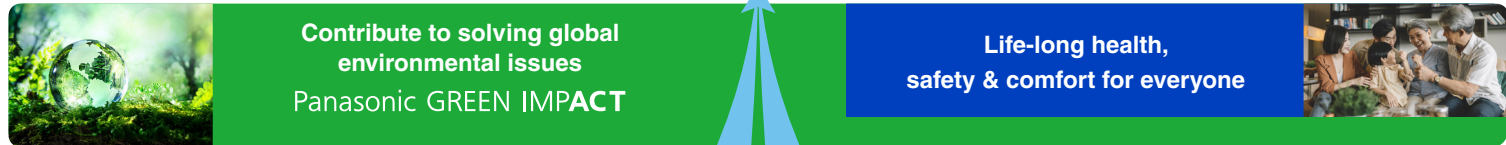


Value Creation Process

In order to achieve "an ideal society with affluence both in matter and mind," Panasonic is committed to enhancing competitiveness in terms of both strategy and operational capability under our Basic Business Philosophy. We will increase our corporate value by returning the profits we receive as a result of our contributions back to society and by making investments to strengthen our competitiveness and further expand our contributions.

Ideal society with affluence both in matter and mind

Brand Slogan **Live Your Best**



Enhancing competitiveness

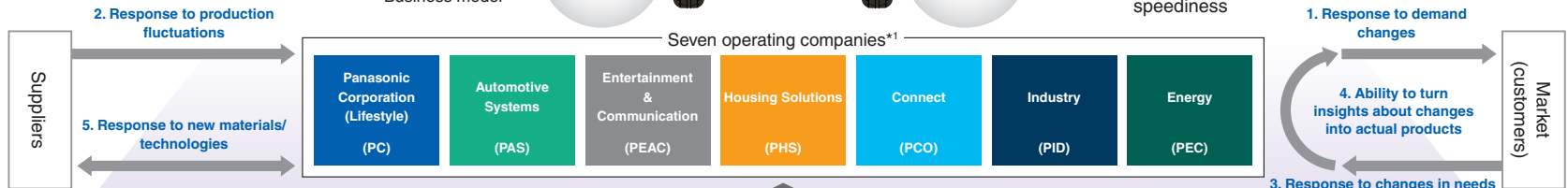
Long-term perspective
Structural advantage
Business model

Strategy



Operational Capabilities

Five capabilities toward change (1 through 5) × speediness



Strategic investment (priority investment area: automotive batteries)

Strengthen the management foundation of the Group as a whole

Panasonic Holdings (PHD)

Thorough implementation of Basic Business Philosophy

Support for enhancing competitiveness

Support for maximizing the potential of each employee and build needed platforms

Selection and concentration beyond operating company's capability / Investment in growth beyond operating company's own funds

Responding effectively to critical risks from Group's perspective

Panasonic Operational Excellence (PEX)

Corporate Governance

Implementation of Basic Business Philosophy

Employees' well-being

Human Capital

• Employees: **233** thousand (87 thousand in Japan, 146 thousand overseas)

Manufactured Capital

• Property, plant and equipment: **¥1,172.4** billion

Intellectual Capital

• Intangible assets such as technology and know-how: **¥718.6** billion
• Number of intellectual property holdings: more than **100** thousand

Brand Capital

• Brand value: **\$6,337** million
• Global brand ranking: **91**st*3

Natural Capital

• Annual energy consumption: **4.7** TWh (of which, renewable energy: 0.52 TWh*4)

Financial Capital

• Parent company shareholders' equity: **¥3,618.4** billion
• Interest-bearing debt: **¥1,457.1** billion

Management resources*2

*1 Of the seven operating companies, the five companies whose sales volume accounts for 10% or more of total sales are reported as "segments." *2 Figures are as of the end of March 2023. Figures for Natural Capital are an annual result of FY2023. *3 Research by Interbrand, a branding specialist *4 Figures from photovoltaic, wind, and biomass sources including the amount of renewable energy adopted to manufacturing and non-manufacturing sites of own group. Heat pumps not included.



Materiality

Purpose of identifying materiality

We have identified important opportunities and risks related to sustainability as priority issues (materiality) from the two perspectives of “financial effects on the Company” and “impact on society.” We aim to improve our sustainability management by promoting materiality initiatives, creating new business opportunities, and lowering risks.

Materiality will be reviewed as appropriate based on changes in the business environment and dialogues with stakeholders.

Process of identifying materiality

From a list of items that included demands from society and foreseeable future challenges, we selected issues that could represent opportunities and risks for the Group. Next, we assessed them from the two perspectives of the Group and its stakeholders, and 11 priority issues were extracted.

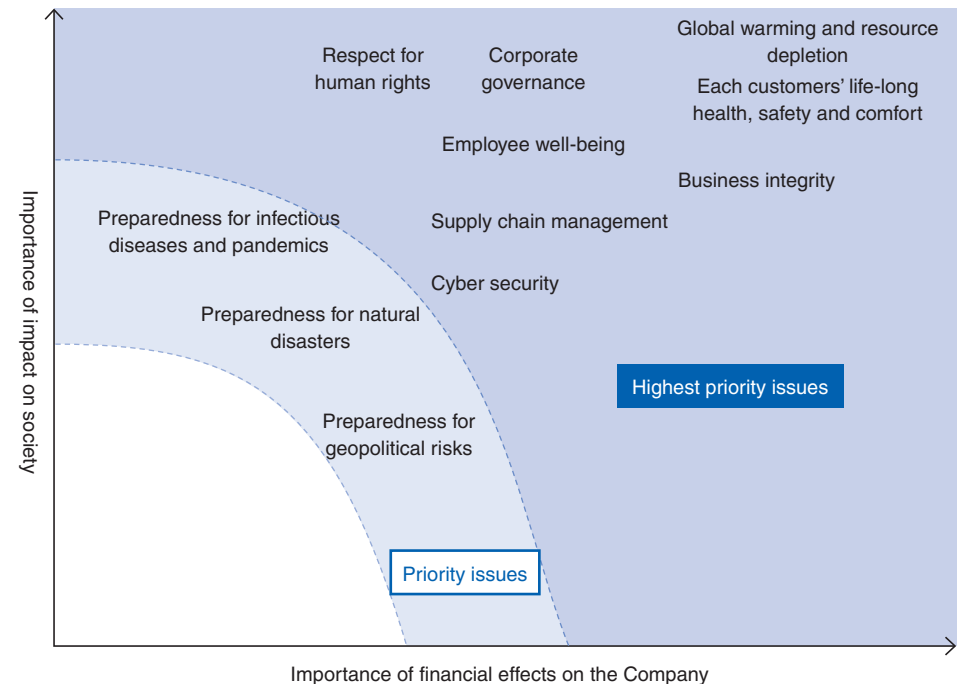
We confirmed the validity of these analysis processes and the priority issues we extracted through dialogue with external experts.

The materiality was identified after deliberation at the meetings of the Group’s Sustainability Management Committee, the Group Management Meeting, and the Board of Directors of the Company.

STEP 1	Extract sustainability-related items	Among current and future sustainability issues, selected issues that could represent opportunities and risks for the Group (based on analysis of trends in international standards and regulations, stakeholder concerns, megatrends, etc.)
STEP 2	Assess importance of items	Assessed the level of importance of “ financial effects on the Company ” and “ impact on society ” for each selected issue from the perspectives of the Group and its stakeholders
STEP 3	Select priority issues	Based on the assessment results in STEP 2, extracted 11 priority issues
STEP 4	Validate processes and results	Consulted sustainability experts on the validity of the analysis processes and the priority issues we extracted
STEP 5	Deliberate and identify	Identified materiality after deliberation at the meetings of the Sustainability Management Committee, the Group Management Meeting, and the Board of Directors of the Company

Materiality assessment results

We assessed the level of importance of each item from the perspective of the Group and its stakeholders and identified 11 priority issues.



Note: Some of the materiality items are similar to the names of “Group Major Risks / PHD Major Strategic Risks” determined by risk management activities; however, due to different objectives and identification processes, their corresponding initiatives are partly different. Risk management activities are described in the “Risk Management” section of the [Sustainability Data Book 2023 on page 130](#).



Materiality

Examples of initiatives to address priority issues

● Increase positive impact ● Mitigate negative impact

Priority issues	Main initiatives	Targets	Report on related matters	
Highest priority issues	Global warming and resource depletion	<p>Panasonic GREEN IMPACT</p> <ul style="list-style-type: none"> ● Expansion of automotive batteries for EVs, hot water heat pumps and hydrogen fuel cells ● Environmental energy technology innovation (water electrolysis, perovskite solar cells, DERMS) ● Reduction of in-house CO₂ emissions (expansion of zero-CO₂ factories, expansion of energy-saving equipment) ● Expansion of circular economy businesses and products 	<p>[Targets]</p> <ul style="list-style-type: none"> ■ CO₂ reduction impact of 300 million tons (by 2050) ■ Net-zero CO₂ emissions from all factories (by 2030) ■ Waste recycling ratio of 99% or more (by 2024) 	<p>Sustainability Data Book 2023</p> <ul style="list-style-type: none"> ■ Environment p.9 <p>Sustainability site</p> <ul style="list-style-type: none"> ■ Environment
	Each customers' life-long health, safety and comfort	<ul style="list-style-type: none"> ● As a "lifestyle solutions provider" that delivers value tailored to each customer, we combine our diverse customer touchpoints with digital technology to contribute to each customer's life-long health, safety and comfort 		—
	Business integrity	<ul style="list-style-type: none"> ● Promoting understanding of and confirming compliance with the Panasonic Group Code of Ethics & Compliance and internal rules, and complying with relevant laws ● Dissemination and appropriate operation of the whistleblowing system ● Protection and utilization of our intellectual property and respect for the intellectual property of third parties 		<p>Sustainability Data Book 2023</p> <ul style="list-style-type: none"> ■ Business Ethics p.137 ■ Intellectual Property p.121
	Supply chain management	<ul style="list-style-type: none"> ● Elimination of waste and stagnation in the supply chain ● Strengthening of supply chain by promoting multiple suppliers and review of manufacturing sites 		<p>Sustainability Data Book 2023</p> <ul style="list-style-type: none"> ■ Risk Management p.130
	Employee well-being	<ul style="list-style-type: none"> ● Creating a safe, secure, and healthy workplace (thorough implementation of safety and compliance, promotion of health initiatives) ● Encouraging employees' self-motivated endeavors and supporting their self-determined career formation (Allowing side jobs and provide opportunities for skill development, providing wider options for working time and place to work remotely, and personnel exchanges in the Group through open recruitment) ● Promoting DEI (Diversity, Equity & Inclusion) (top management commitment, creating an inclusive work environment, support for each individual) 	<p>[Targets]</p> <ul style="list-style-type: none"> ■ Eradication of serious workplace accidents and injuries ■ Global top level in the Employee Opinion Survey score categories of employee engagement and employee enablement (by 2030) 	<p>Sustainability Data Book 2023</p> <ul style="list-style-type: none"> ■ Employee Well-being p.80
	Corporate governance	<ul style="list-style-type: none"> ● ● With the transition to a holding company system, significant authority was delegated to the operating companies, with officers of the Panasonic Holdings Corporation participating in the management of the operating companies as directors ● Linkage of non-financial KPIs to executive remuneration 		<p>Corporate information site</p> <ul style="list-style-type: none"> ■ Panasonic Holdings Corporation "Corporate Governance"
	Respect for human rights	<ul style="list-style-type: none"> ● Promoting initiatives based on the Panasonic Group Human Rights and Labour Policy. ● Implementing human rights due diligence based on global standards for the Group's own operations and in the supply chain ● Promotion of engagement with stakeholders and appropriate disclosure of information 		<p>Sustainability Data Book 2023</p> <ul style="list-style-type: none"> ■ Respect for Human Rights p.74 ■ Responsible Supply Chain p.102 ■ AI Ethics p.112
Cyber security	<ul style="list-style-type: none"> ● Centralization of common cyber security functions across manufacturing, information systems, and product areas to strengthen countermeasures during normal times and incident responses during emergencies ● Gradual expansion of scope of cyber security countermeasures, including to supply chains 		<p>Sustainability Data Book 2023</p> <ul style="list-style-type: none"> ■ Cyber Security and Data Protection p.143 	
Priority issues	Preparedness for geopolitical risks	<ul style="list-style-type: none"> ● ● Monitoring of international situation and trends in policies, laws, and regulations in each country and geographic region to ascertain the impact on the Group's business and respond in a timely manner ● Closely monitoring and responding to changes in the business environment caused by economic security policies in each country in terms of business threats and opportunities 		<p>Sustainability Data Book 2023</p> <ul style="list-style-type: none"> ■ Risk Management p.130
	Preparedness for infectious diseases and pandemics	<ul style="list-style-type: none"> ● Formulating Group policies for each country based on analysis of its government policies, regulatory trends, infection conditions, etc., and setting and implementing detailed rules at each business site 		
	Preparedness for natural disasters	<ul style="list-style-type: none"> ● Enhancement of stockpiling and drills during normal times and establishment of a safety confirmation system; establishment of a Group-wide Emergency Response Headquarters system in the event of an emergency 		



Message from the Group CEO



Expanding businesses that contribute to solving global environmental issues
Setting automotive batteries as the priority investment area

Yuki Kusumi

Representative Director,
President
Group Chief Executive Officer

In the two years (fiscal year ended March 31, 2022 (fiscal 2022) and fiscal 2023) after I took office as Group CEO, I focused on enhancing competitiveness and worked to build a foundation for medium- to long-term growth rather than increasing profit temporarily. Although our efforts to enhance competitiveness yet have not been clearly reflected in our financial figures for the Group as a whole, some remarkable results were achieved at leading worksites of operation companies, such as a 50% reduction in production lead time and also a 50% reduction in safety stock. I am now confident that we can definitely improve profitability by accelerating the horizontal expansion of these good examples. I consider such confidence to be one of our major achievements of the past two years, and I feel that the foundation for enhancing competitiveness is definitely in place.

In fiscal 2024, in addition to further accelerating our efforts to enhance competitiveness, we are accelerating our transformation by further clarifying our Group vision and shifting to a growth phase. Specifically, the Group will make strategic investments in the priority investment area of automotive batteries, where we make significant contributions to solving global environmental issues and where we have made significant progress in enhancing competitive advantage. We will also move forward with business portfolio management, which has been put on hold for two years in order to concentrate on enhancing competitiveness.

With regard to management indicators (KGI) for our medium-term strategy from fiscal 2023 to fiscal 2025, we aim to achieve cumulative operating cash flow of 2.0 trillion yen, ROE of 10% or more (in fiscal



See also: [“Panasonic Group Strategy Briefing Materials”](#)

2025), and cumulative operating profit of 1.5 trillion yen. We continue to aim for achieving our operating cash flow target, which we place particular emphasis on, with constant *kaizen* (improvement) activities to reach for the ambitious target, leading to the next medium-term strategy for fiscal 2026 and beyond.

It goes without saying that my most important role as Group CEO is to increase corporate value. Our price book-value ratio (PBR) is staying around the minimum level of 1x. To improve corporate value, we will implement our Group strategy as promised, widely disclose its progress and results, and feed back the opinions we receive through dialogue with shareholders and investors into our management.

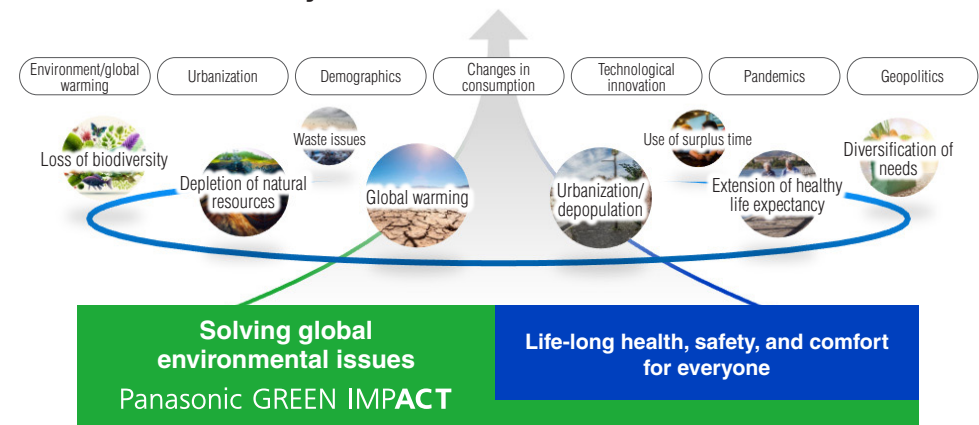
Panasonic Group Vision

Our mission is to realize what our founder, Konosuke Matsushita, pursued throughout his life: “prosperity with matter and mind as one.” In other words, we aim to achieve “an ideal society with affluence both in matter and mind.” Since our founding, to fulfill this mission, we have been making contributions to solving the societal issues and for the benefit of people through our business in keeping with the times. Even now, there are still many issues that need to be solved toward realizing this ideal society. To squarely address these issues and to make the achievement of our mission highly probable, we have focused on two aspects of contributions aimed by the Group.

The first is to contribute to “solving global environmental issues,” which I consider to be our pressing and most important issue. The second is to leverage the Group’s comprehensive strengths to contribute to the “life-long health, safety and comfort for everyone.” We have set these two areas as our Group-wide common strategies as we run the business going forward.

Panasonic Group Vision

An ideal society with affluence both in matter and mind





Message from the Group CEO

Group-wide common strategy 1: Environment (global warming prevention, resource recycling)

I recognize that global environmental issues are the biggest and most pressing issues preventing us from achieving our mission. Based on this recognition, we are working toward a solution with our long-term environmental vision “Panasonic GREEN IMPACT.” The numerical target of Panasonic GREEN IMPACT is to reduce CO₂ emissions by more than 300 Mt, which is equivalent to approximately 1% of the current total global emissions, by 2050. We will do this through emission reduction in our own value chain from approximately 100 Mt (Scope 1, 2, and 3) to net zero, and contribution to reducing CO₂ emissions in society (avoided CO₂ emissions) by approximately 200 Mt. As a milestone, we aim to achieve net zero CO₂ emissions (Scope 1 and 2) at all operating companies and avoided CO₂ emissions of approximately 100 Mt by fiscal 2031.

While it is our responsibility to achieve net zero CO₂ emissions in our own business activities (Scope 1, 2, and 3), the amount of avoided CO₂ emissions can be a new benchmark for evaluating a company's environmental contribution. The Panasonic Group is therefore promoting activities to have the value of avoided CO₂ emissions recognized internationally. We will also work to increase the Group's overall avoided CO₂ emissions by improving and utilizing the Group's knowledge and technological capabilities in electrification, energy saving, energy conversion, and resource recycling.

In our medium- to long-term strategy announced in April 2022, we identified three investment areas that can make significant environmental contributions: automotive batteries, air quality & air-conditioning, and supply chain management (SCM) software. In particular, by taking the next 10 years into consideration, Panasonic Holdings Corporation (hereinafter referred to as “Panasonic Holdings”), as the holding company, has decided to prioritize investments in the automotive battery business, which accounts for approximately 60% of the Group's avoided CO₂ emissions.

Priority investment area: automotive batteries

<Market growth potential>

We aim to expand our automotive battery business by focusing on cylindrical-type cells, mainly in the North American market. The EV market is expected to continue to expand globally as we move toward a carbon-neutral society. In North America, the market is expected to grow rapidly at a compound annual growth rate of 35%. The U.S. government has made it a national policy to establish a domestic EV supply chain, and there is a strong demand for the production of automotive batteries in the U.S. The cylindrical-type cells, which enable high energy density, safety, and low cost, are effective for cooling upon fast charging, which is increasingly important for the convenience of EVs, and as a result the demand from customers is increasing.

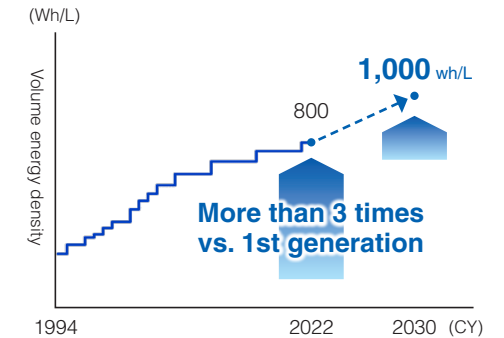
<Competitive advantage>

In the automotive battery market, where competition is intensifying, can we compete with peers with cylindrical-type automotive batteries, and can we maintain and improve our competitive advantage? In addition to discussing this point at Panasonic Holding's Board of Directors meetings, I have also visited

battery factories to see the actual products on site, and have had ongoing close discussions with members of Panasonic Energy Co., Ltd. (hereinafter referred to as “Panasonic Energy”). In the course of these discussions, I have gained a clear view of the potential for us to compete thanks to the significant progress made in both the technological and production advantages that are key to our competitiveness. I now believe we are ready to expand our supply of automotive batteries in North America.

On the technology side, the Company has led the battery industry for 30 years with higher energy density, use of less rare metals, and quality that is directly linked to safety. In terms of boosting energy density, which is currently the highest in the industry*, we will aim to achieve 1,000 Wh/L by 2030. This will greatly increase the driving distance and improve the performance of EVs equipped with our batteries. In addition, in order to meet the increasing demand for automotive batteries, it is essential to be able to manufacture them with less or without rare metals. We are the first company in the world to achieve a cobalt content of 5% or less, and technically speaking, cobalt-free batteries are within sight now. We are also developing technology for nickel-free batteries. In terms of quality, we have maintained a zero-recall record in batteries while having supplied them for 2.3 million EVs since 2008.

Future evolution in energy density of LiBs at Panasonic Energy



*As of the 116th Ordinary General Meeting of Shareholders held on June 26, 2023. Based on industry-published values of energy density calculated in Wh/L (research by Panasonic Group).

On the production side, we have developed high operational capabilities at our Nevada factory in North America. Especially in North America, where there is high turnover of factory operators, manufacturing that can be done by less experienced operators is a key to competitiveness. By improving processes and accumulating know-how, in addition to achieving production results exceeding our initial target by 10%, we were able to firmly establish the *kaizen* mindset locally, and further increases in production capacity are now within reach.

In terms of cost competitiveness, we will improve investment efficiency in anticipation of medium- to long-term expansion. Automotive batteries are a business in which depreciation of production equipment and labor costs for maintenance account for a relatively large portion of the cost. Based on my own experience in the automotive prismatic battery business, I believe it is essential to thoroughly increase the efficiency of production facility and the assembly personnel in order to strengthen the cost competitiveness of batteries. The new Kansas factory currently under construction incorporates the know-how of the Nevada factory starting from the factory design stage, and I expect that its capital investment and manpower per GWh will be significantly better than those of the Nevada factory. In addition, we have received tremendous support in areas such as tax incentives and securing human resources from the Government of the State of Kansas in the construction of the factory.



Message from the Group CEO

As for the supply chain, we will promote local procurement in North America to ensure stable procurement and shorten lead times. This will also reduce our carbon footprint, which is becoming a factor in competitiveness, by shortening the distance materials are transported. As a specific initiative, we have concluded a long-term procurement agreement with Redwood Materials Inc. in the U.S. for recycled materials (cathode materials and copper foil). We also signed a memorandum of understanding with Nouveau Monde Graphite Inc. (NMG), a Canadian company, regarding an offtake agreement (long-term supply agreement) for eco-friendly graphite to be refined using renewable energy sources.

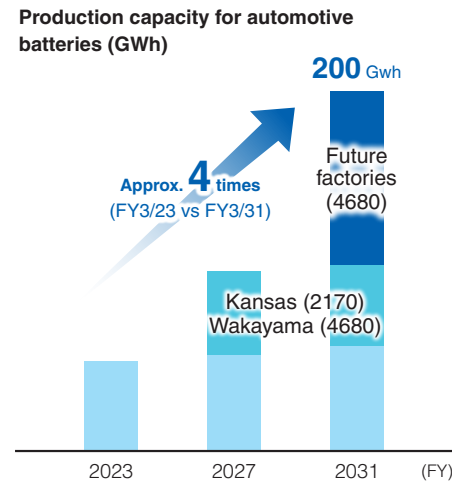
To further strengthen our competitiveness in technology and production, we will consolidate and enhance our R&D structure at the Panasonic Group. In 2024 we will establish a new production technology development base in Suminoe, Osaka to accelerate productivity improvement and respond to further production expansion, and in 2025 we will establish a new R&D base in Kadoma, Osaka to accelerate the upstream development of next-generation batteries and their materials. We will invest resources into the research and development of batteries at these locations at the Group level.

<Business expansions >

Our cylindrical-type automotive batteries have been recognized for their competitive advantages, and the number of customers who adopt them is increasing. Specifically, we have already signed agreements to supply automotive batteries for luxury EVs of Lucid Group, Inc. and commercial vehicles of Hexagon Purus ASA. As announced in June and July 2023 respectively, we have also entered into discussions with Mazda Motor Corporation and SUBARU CORPORATION to establish medium- to long-term partnerships for the supply of automotive batteries. We have received other new inquiries in addition to the above and will continue to develop new customers.

We will also increase our production capacity in order to shift to a full-fledged growth phase. Last year, we decided to mass-produce the 2170-size cylindrical-type automotive battery at our Kansas factory in order to supply the growing demand in North America. As for the 4680-size cells, after achieving stable production at the Wakayama factory, we will roll it out to new factories in North America on a larger scale. Through these efforts, we will achieve a production capacity of 200 GWh by fiscal 2031, approximately four times the current capacity.

Significant investment will be required to achieve this business expansion. We will consider various financing options, including not only the own funds of Panasonic Energy but also business portfolio management across the Group as a whole, and make investments in a flexible manner. In the future,



however, Panasonic Energy should reinvest with the cash flow it generates itself. Improving the profitability of the automotive battery business is therefore a major management issue for the Group. The Panasonic Energy's business as a whole, including industrial and consumer batteries, will increase its EBITDA margin from 10% in fiscal 2023 to 20% in fiscal 2031, excluding the impact of IRA (Inflation Reduction Act) in the U.S.

Group-wide common strategy 2: Lifestyle (health, safety, comfort)

In addition to the environment, the other Group-wide common strategy is to make contributions to each customer's life-long health, safety, and comfort. By combining the Panasonic Group's diverse customer touchpoints with the use of digital technology, we aim to become a "Lifestyle Solutions Provider" that can propose value tailored to each individual customer. Toward this aim, we will create synergies across the Group. To accelerate this Group-wide initiative from a long-term perspective, we established "PanasonicWELL," a new division at Panasonic Holdings, headed by Yoky Matsuoka, an executive officer who has also worked at Google and Apple.



Message from the Group CEO

Business portfolio

As we shift to a growth phase, we will proceed with management initiatives with a view to revising and replacing our business portfolio starting in fiscal 2024. Revising and replacing our business portfolio is just a means, which is to provide all stakeholders, including shareholders, customers, business partners, and employees, with benefits and to enhance the value of the Group. In order to make the benefits of all stakeholders sustainable for years to come, we have set two criteria for determining the Group's business portfolio.

The first is its relevance to the Group-wide common strategies. In the area of the environment, we look at the businesses from the perspective of whether they can make contributions to the reduction of CO₂ emissions in society or resources. In the area of lifestyle, we look at the businesses from the perspective of whether they can deliver value tailored to each customer's lifestyle through diverse customer touchpoints and the use of digital technology and AI. Furthermore, we look at the businesses from the viewpoint whether financial discipline can be maintained with the business and if it is possible to carry out the necessary investments within the limits of the funds generated by the business itself, without relying on Group funds.

The other criterion is the market position and competitiveness of the business. In addition to the market growth & sustainability over the next 10 years, we will thoroughly assess the position and profitability of the business in the market, both quantitatively and qualitatively.

Even before considering these two criteria for determining the Group's business portfolio, it is even more important to consider, for each business, whether we are the best owner in the first place. This is something I have personally experienced in the carve-out projects I have worked on in the past. If gaining a competitive edge outside of the Panasonic Group can increase the speed of growth more than staying within the Group, choosing that way can be ultimately more beneficial for all stakeholders. We will determine who is truly the best owner of the business from the perspectives of whether necessary

actions can be taken on the most important issues, whether necessary growth investments can be made, and whether the quality and competence can be judged.

We will set the direction in revising business portfolio based on these criteria and perspectives by the end of fiscal 2024 and execute the decisions made accordingly. As Group CEO, I have initiated discussions on this topic with the CEOs, CSOs, and CFOs of the operating companies, together with Group CSO Sumida and Group CFO Umeda. Although business portfolio management is ideally something that should be pursued by the operating companies as part of their autonomous responsible management system, it is more difficult to manage from the position closer to the operational front lines. Based on the concept of "delegating responsibility with a watchful eye," Panasonic Holdings will take responsibility for promoting and seeing through the task of business portfolio management as an important issue for the entire Group, while thoroughly discussing it with and cooperating with the operating companies.

The pie charts show the business composition before and after the business portfolio review. The scale of sales in fiscal 2031 will depend on the direction we take in fiscal 2024, but the goal is to transform the way we interact with society and customers in each business so that all of them can contribute to either "solving global environmental issues" or "life-long health, safety and comfort of each customer." This does not mean that we intend to sell or terminate any business that does not fit into either area at the present time.

I am convinced that "solving global environmental issues" is the most critical management challenge sought for by the world over the next 10 years. Therefore, we plan to greatly expand businesses that contribute to solving global environmental issues. Given our sales, profits and other financial figures are the outcomes of our contributions, we intend to grow sales of the automotive battery business, which is the priority investment area, from 650 billion yen in fiscal 2023 to 2.5 trillion yen in fiscal 2031. With regard to the profitability of the Group as a whole, I will aim for a double-digit operating margin, which is the same level as certain peers that have made a comeback in the electronics sector.

Two criteria for determining the business portfolio

1. Relevance to the Group-wide common strategies

Environment Contributions to society through avoided CO₂ emissions or less use of resources

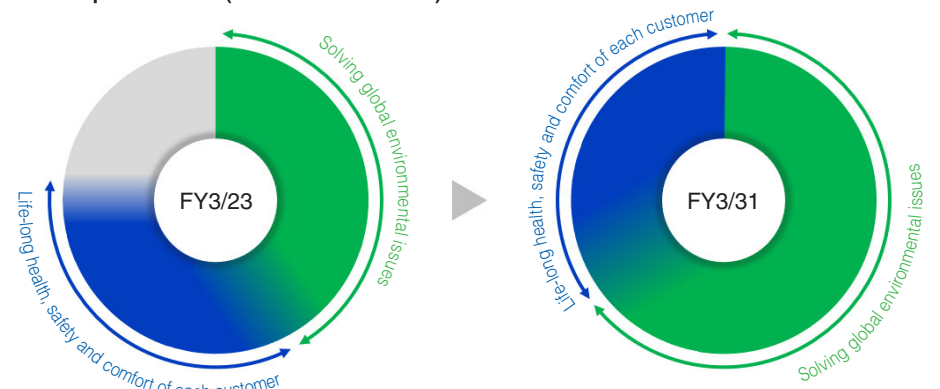
Lifestyle Delivering value tailored to each customer through diverse customer touchpoints and using digital and AI/Maintaining financial discipline

2. Market position and competitiveness

Market growth and continuity **Market position and profitability of the business**

(Quantitative) market CAGR (Qualitative) market sustainability (Quantitative) relative market share, ROIC, cash generation capability (Qualitative) past achievements, medium- to long-term advantages, future opportunities

Sales composition ratio (FY3/2023 ⇒ FY3/2031)



Expand businesses that contribute to solving global environmental issues



Message from the Group CEO

Financial strategy

Our capital allocation policy for the three years from fiscal 2023 to fiscal 2025 remains unchanged, and in principle, investments, dividends, etc. will be managed within the limits of cash generated from businesses (specifically, our cumulative operating cash flow of 2.0 trillion yen as indicated in the KGIs) and sale of assets. Of the 1.8 trillion yen to be invested, 600 billion yen will be allocated to strategic investments, mainly in the automotive battery business, our priority investment area. Investment in other areas, such as the air quality & air-conditioning and SCM software businesses, will be carried out within the limits of funds generated by the operating company in charge of each area.

Our policy of shareholder returns also remains unchanged, and we will strive to pay stable and continuous dividends with a target consolidated payout ratio of approximately 30%. By improving investment returns through focused investment in the automotive battery business, we will increase our corporate value and reward our shareholders.

Sustainability strategy

Toward achieving “an ideal society with affluence both in matter and mind,” we will enhance our competitiveness and return the cash earned in return for our useful contributions to society, including our shareholders, all the while investing to strengthen our competitiveness and further expanding our contributions. This is the concept of our Basic Business Philosophy. In other words, the concept is to make management itself sustainable by contributing to the realization of a sustainable society. For the Panasonic Group, “sustainability management” is exactly about putting our Basic Business Philosophy into practice.

To put this concept into practice, we have identified certain key opportunities and risks as “materiality” in terms of their medium- to long-term impact on our finances and on society. Among them, we have singled out two top priority issues where we can play a useful role through our Group-wide common strategies: “global warming and resource depletion” and “each customer’s life-long health, safety and comfort.” We also identified the following highest priority issues in terms of laying a foundation for sustainable growth: business integrity, supply chain management, employees’ well-being, corporate governance, respect for human rights, and cyber security.

These issues were decided upon after discussions at Panasonic Holdings’ Board of Directors meetings, and also at Sustainability Management Committee meetings, which I chair. Through our efforts to address these issues, we will strive to improve our sustainability management.

Two years have passed since I took office as Group CEO, and it is still my unwavering determination to restore the Panasonic Group’s original management tradition, strength, and uniqueness and lead us back on the path of progress and development so that we become a valued company needed by society, and thus enhance corporate value. I look forward to your continued support of the Panasonic Group.





Lifestyle (Panasonic Corporation)

Top Message



Masahiro Shinada
CEO

Achieving well-being and sustainability

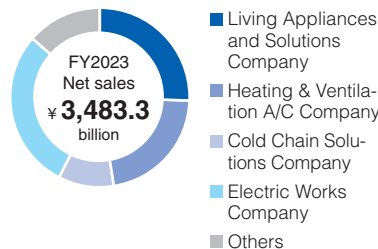
My job is to enable customers to have lifestyles that balance well-being and sustainability. To be a business entity that can both “maintain and improve well-being” and “solve social and global issues,” we will transform our portfolio to focus on seven priority businesses. At the same time, we will halve CO₂ emissions in our own value chain by fiscal year ending March 31, 2031 (fiscal 2031) and contribute to avoided emissions in society by expanding businesses such as A2W*.

*Air to Water heat pump

Major products and services

Living Appliances and Solutions Company	Refrigerators, microwave ovens, rice cookers, washing machines, vacuum cleaners, personal-care products
Heating & Ventilation A/C Company	Air-conditioners for residential and commercial use, Air to Water heat pumps, ventilation, perflation and air-conditioning equipment, air purifiers, air purifier/sterilizers
Cold Chain Solutions Company	Freezing or refrigerating showcases
Electric Works Company	Lighting fixtures, lamps, wiring devices, solar photovoltaic systems, fuel cells
Others	Compressors, bicycles, nursing care services

Net sales composition



Medium-term management indicators (KGIs) and progress

EBITDA
(FY2025)
¥**350.0** billion (10%)

Cumulative operating CF
(FY2023-FY2025)
¥**660.0** billion

ROIC
(FY2025)
10 % or higher

Profits increased in fiscal 2023, driven by growth businesses such as HVAC systems and overseas electrical construction materials. Weakening in the external environment, such as soaring raw material and logistics costs, was compensated for by stronger operational capability, including price revisions. In fiscal 2024, we expect to see another increase in profits, driven primarily by our growth leader businesses but supplemented by improved profitability in our stable profitability businesses. We will absorb soaring material prices through rationalization.

Medium-term investment for fiscal 2025 increased by ¥90 billion, mainly in growth businesses, to ¥455 billion. We aim to achieve our medium-term KGIs by investing the operating cash flow generated by our own operations in growth businesses in a focused manner.



For more detail, see also
“Panasonic Group Operating Companies: Strategy Briefing 2023.”

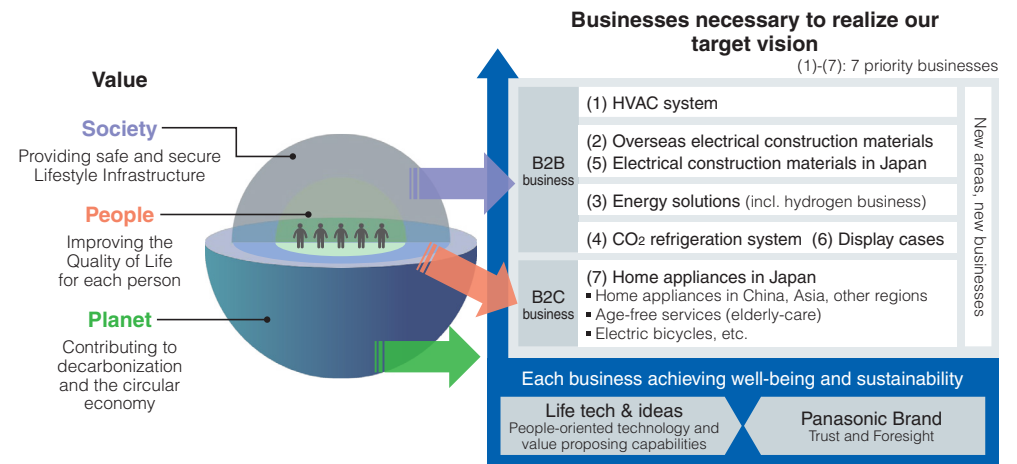
Medium- to Long-term Strategy

Looking to the future, we will grow profits in seven priority businesses, including HVAC systems and overseas electrical construction materials, while moving into new areas and new businesses to fill in the missing pieces. By integrating all the elements and values associated with “lifestyle,” we aim to be a company that can both “maintain and improve well-being” and “solve social and global issues,” which no other company can do.

We have classified the seven priority businesses into three categories: growth leaders, leader candidates, and stable profitability businesses. To accelerate the transformation of our portfolio with a sharper focus than ever before, we will link market growth and investment approaches in each category and assemble strategies and investments that fit each category.

To achieve our target vision for 2030

The best partner that can both
“maintain and improve well-being” and “solve social and global issues”



Investment approach in the seven priority businesses

Category	Corresponding priority businesses	Basic strategy
Growth leaders	(1) HVAC system (2) Overseas electrical construction materials	Upfront investment in a way that sets the pace of market development
Leader candidates	(3) Energy solutions (4) CO ₂ refrigeration system	Increased sales and profit through focused investment in growth areas
Stable profitability	(5) Electrical construction materials in Japan (6) Display cases (7) Home appliances in Japan	Improved profitability through value-added investments and operational reforms

Automotive (Panasonic Automotive Systems Co., Ltd.)

Top Message



Masashi Nagayasu
CEO

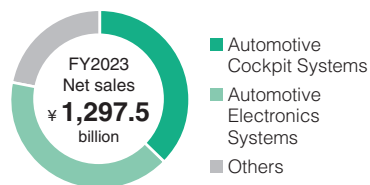
Aiming to create a “sustainable mobility society”

My job is to pursue the fulfillment of our mission, which is “to create a sustainable mobility society to promote a better life for everyone.” Panasonic Automotive will contribute to solving environmental issues and create mobility spaces that bring new value from the perspectives of human security, human comfort, and vehicle safety. To this end, we will create top-notch teams that stay close to others with love and create encounters that move their hearts.

Major products and services

- Automotive Cockpit Systems** Automotive-use infotainment systems
- Automotive Electronics Systems** Head-up displays, automotive speakers, automotive switches, advanced driver assistance systems (ADAS) and related devices, systems and devices for xEVs, Interior rearview mirrors

Net sales composition



Medium-term management indicators (KGIs) and progress

Cumulative operating CF
(FY2023-FY2025)

¥**200.0** billion

ROIC
(FY2025)

6.4 %*

*Revised from initial target value (8.5%)

For the three years beginning in fiscal year ended March 31, 2023 (fiscal 2023), we will focus on strengthening our operational capability and ability to respond to change to improve profitability and cash flow. Compared to our June 2022 forecast, net sales are expected to increase due to the impact of currency conversions and growth mainly from cross-selling to customers. Despite the fact that the operating profit margin is steadily improving, operating profit is expected to decrease due to the soaring cost of parts and materials and the impact of currency conversions, with the three-year cumulative operating profit expected to decrease by an amount equivalent to the currency conversion impact. However, cumulative operating CF will recover from the deterioration caused by the decline in profits through inventory reductions, thereby maintaining the KGI target. The ROIC for fiscal 2025 has been revised to 6.4% from the original 8.5% to reflect the currency conversion impact.

In fiscal 2028, we aim to achieve an operating margin of 5% and ROIC of 8.5% by focusing on high-output onboard charging systems and the automotive cockpit systems business to improve profitability.

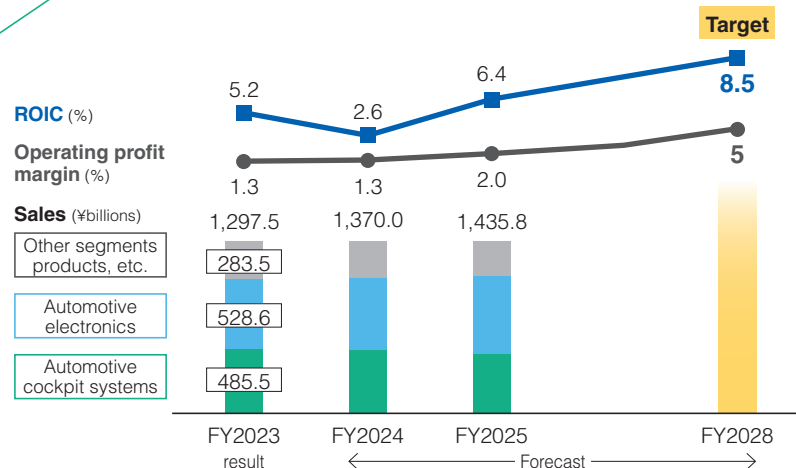
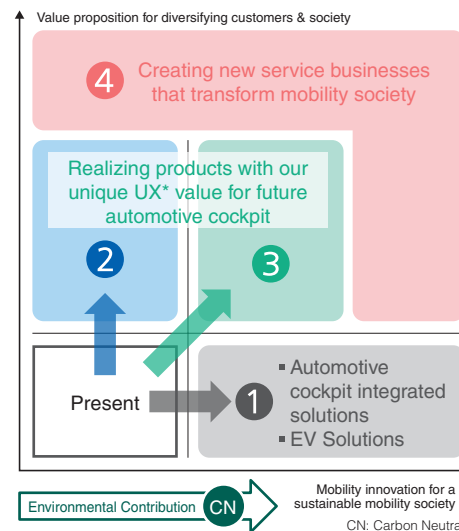
▶ For more detail, see also “Panasonic Group Operating Companies: Strategy Briefing 2023.”

Medium- to Long-term Strategy

Our automotive cockpit integrated solutions integrate multiple in-vehicle computers into a High Performance Computer (HPC), taking advantage of our strengths in infrastructure technologies such as virtualization. The goal is to achieve high-performance processing and record sales in 2030. In our EV solutions, we are expecting a significant increase in demand high-output onboard charging systems, and we are currently working to win orders by focusing on those areas where we can ensure appropriate profitability (area 1 on the right). In the creation of new UX value, we will promote solution proposals with clear target markets, such as families, seniors, and executives (areas 2 and 3). We will create new services required for the new mobility society, such as an automatic vehicle dispatch planning system (4). In terms of environmental contributions, we achieved zero CO₂ emissions in Scope 1 and 2* in fiscal 2023. We will continue to improve our non-external dependence on renewable energy and aim to achieve 100% by fiscal 2051.

*Scope 1 and 2: CO₂ emissions from our own business activities

Value matrix and business direction toward 2030





Connect (Panasonic Connect Co., Ltd.)

Top Message



Yasuyuki Higuchi
President & CEO

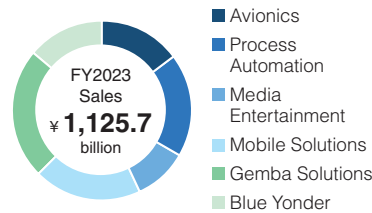
Contributing to solving management issues of B2B customers

Over the past six years I have made steady progress in selection and concentration, narrowing our focus to six business areas where we have a competitive advantage. We will increase our competitiveness through concentrated investment in the supply chain management business in order to contribute to solving management issues that our customers face at the *gemba* (operational frontlines). Cultural reform is one of the sources of competitiveness, and we are proud to be a leader in reform within the Panasonic Group.

Major products and services

Avionics	Aircraft in-flight entertainment systems and communications services
Process Automation	Electronic components-mounting machines, welding equipment
Media Entertainment	Projectors, professional AV systems
Mobile Solutions	PCs and tablets
Gemba Solutions	Solutions for various industries, installation/operation/maintenance services
Blue Yonder	Supply chain management software

Net sales composition chart



Note: "Others" is not shown in the above pie chart because the amounts are negative due to the effect of eliminations and adjustments.

Medium-term management indicators (KGIs) and progress

Cumulative operating CF (FY2023-FY2025)

¥260.0 billion

ROIC (FY2025) **4.6** %

EBITDA (FY2025) **¥150.0** billion

In fiscal year ended March 31, 2023 (fiscal 2023), EBITDA reached 99.9 billion yen, almost in line with our plan, led by the recovery of Avionics to a profit-generating business structure in second half of the fiscal year. In fiscal 2024, we are forecasting this to increase to 112.0 billion yen due to increased profits in each of our businesses, especially Avionics, and our medium-term management plan for fiscal 2025 anticipates achieving 150.0 billion yen. We have therefore set an EBITDA target of 200.0 billion yen for fiscal 2028 (100 billion yen for Avionics and Blue Yonder, and another 100 billion yen for Process Automation, Media Entertainment, Mobile Solutions, and Gemba Solutions Company).



For more detail, see also

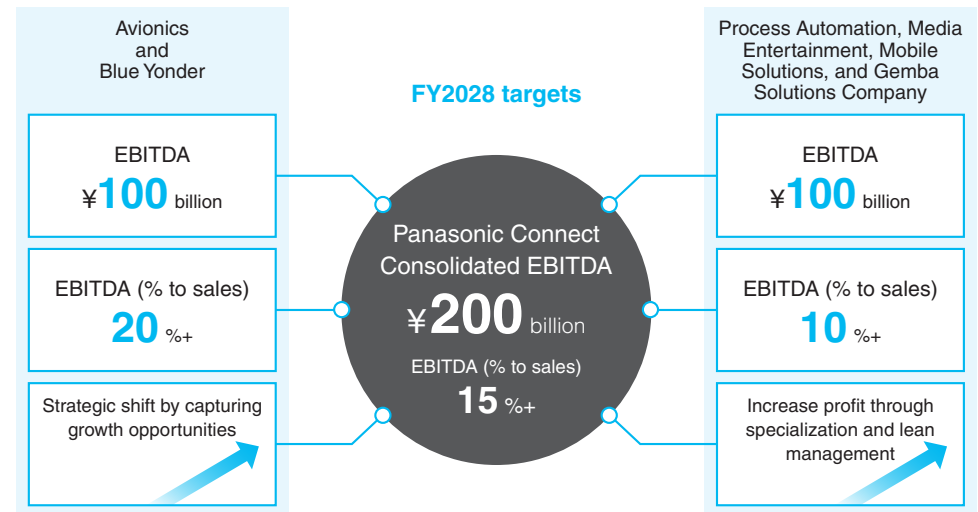
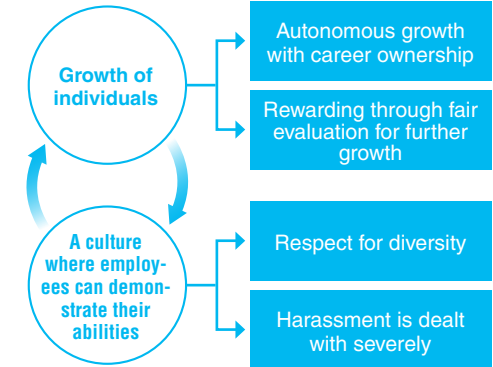
[“Panasonic Group Operating Companies: Strategy Briefing 2023.”](#)

Medium- to Long-term Strategy

In the Avionics business, the in-flight entertainment system (IFE) market is expected to grow in line with the recovery in the number of passengers and aircraft production. We will enhance our value chain in terms of both hardware, by introducing next-generation IFEs, and service systems. With regard to Blue Yonder, we will make a concentrated investment of 200 million US dollars over the next three years to establish our position as a category leader in the supply chain management software business. In the other business areas as well, we will strive to expand revenues steadily in markets where we have a strong competitive edge, while at the same time thoroughly reforming operations and improving productivity.

We will also invest 6 billion yen in human resources annually. The goal is to increase our corporate value through the development of our employees, not only through individual growth but also by establishing a culture that enables employees to demonstrate their abilities.

Human resource strategy to enhance corporate value





Industry (Panasonic Industry Co., Ltd.)

Top Message



Shinji Sakamoto
CEO

Focus on three areas: automotive CASE*, information & communication infrastructure, and factory labor-savings

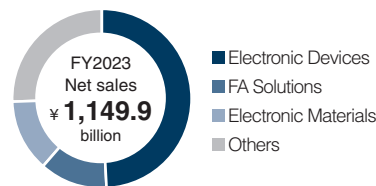
I am working to achieve our medium- to long-term management objectives by focusing on three areas where social demand is high and growth is expected to exceed the industry average, and by increasing the weight of four core businesses. At the same time, I am focusing on initiatives to support sustainable business growth, such as strengthening human capital management, taking on the challenge of becoming carbon neutral, and improving operational efficiency through digital management transformation.

*Acronym for "Connected, Autonomous/Automated, Shared, and Electric"

Major products and services

- Electronic Devices** EV relays, conductive polymer electrolytic capacitors, film capacitors for xEVs, hybrid aluminum electrolytic capacitors, automotive and HVAC motors
- FA Solutions** Motors for industrial application (servo-motors), PLCs (programmable controllers), photoelectric sensors, laser markers
- Electronic Materials** Multilayer circuit board materials, semiconductor device materials, molding compounds

Net sales composition



Medium-term management indicators (KGIs) and progress

Cumulative operating CF

(FY2023-FY2025)

¥390.0
billion or more

ROIC

(FY2025)

17 % or higher*

*Revised from initial target value (20%)

In fiscal year ended March 31, 2023 (fiscal 2023), although profit declined due to worsening market conditions starting in the second half of the fiscal year, cash flow from operating activities improved significantly from the previous fiscal year as we strengthened operational capability through inventory optimization and other measures, and we were able to generate capital for growth investment.

In fiscal 2024, although the recovery in the market is expected to remain gradual, we will continue to increase production of products for high-growth EVs. We will also invest in R&D, human resources, and digital management transformation at a scale that exceeds the previous year. We expect that full-scale market recovery in the information & communication infrastructure, ICT terminal, and China FA markets will be delayed until fiscal 2025.

With regard to medium-term management indicators (KGI), we are maintaining the cumulative operating cash flow KGI at ¥390 billion or more, but revising the ROIC to 17% or more in light of the slow recovery in the market.



For more detail, see also

[“Panasonic Group Operating Companies: Strategy Briefing 2023.”](#)

Medium- to Long-term Strategy

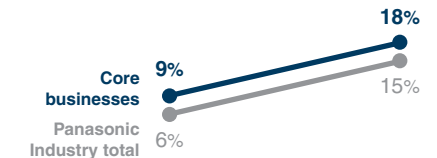
In the three areas where growth is expected, we will increase the weight of the four core businesses of EV Relays, Capacitors, Electronic Materials, and FA Solutions, where we have strengths in materials and process technologies, aiming for net sales of ¥1.8 trillion and an adjusted operating profit ratio of 15% in fiscal 2031.

We will strive for business growth in these four core businesses by advancing our strengths in materials and process technologies to further refine our unique competitiveness.

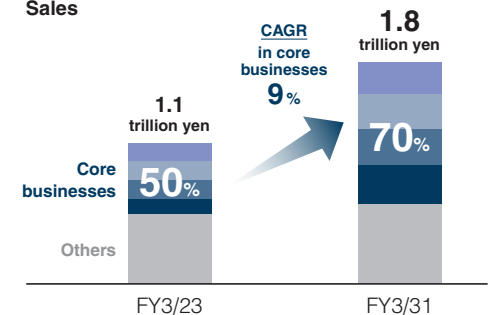
In addition, in order to build a supply chain that is resilient to changes in the external environment, we will develop a local-completion system in China, a key market, and optimize our global supply system outside of China.

In addition, we aim to achieve sustainable growth by strengthening human capital management, taking on the challenge of becoming carbon neutral in fiscal 2031, and promoting operational efficiency through digital management transformation.

Adjusted operating profit ratio



Sales



Areas	CAGR*	Contribution in core businesses
Automotive CASE	25%	Relays
Information & communication infrastructure	6%	Capacitors
Factory labor-savings	7%	Electronic Materials
		FA Solutions

*CAGR: Forecasts of growth rate for representative applications in each area (Our estimate based on various survey data)



Energy (Panasonic Energy Co., Ltd.)

Top Message



Kazuo Tadanobu
CEO

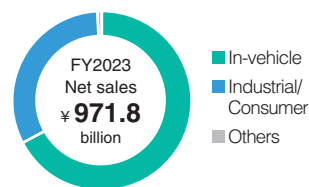
Achieving a society in which the pursuit of happiness and a sustainable environment are harmonized free of conflict

Panasonic Energy has two businesses: the In-vehicle Business, which is rapidly expanding, and the Industrial and Consumer Business, which supports social and lifestyle infrastructure. I aim to achieve sustainable growth through two-pillar management of these two businesses as well as ESG management, with the goal of reaching net sales of over ¥3 trillion by fiscal year ending March 31, 2031 (fiscal 2031). In terms of environmental initiatives, as the core business that accounts for 60% of the Group's avoided emissions target, we will contribute to reducing CO₂ emissions under the "Panasonic GREEN IMPACT."

Major products and services

In-vehicle	Automotive cylindrical lithium-ion batteries
Industrial/Consumer	Lithium-ion batteries, storage battery modules/systems, dry batteries, primary/secondary lithium batteries, nickel-metal hydride batteries

Net sales composition



Medium-term management indicators (KGIs) and progress

Cumulative operating CF (FY2023-FY2025)

¥330.0 billion

ROIC (FY2025) **12%** EBITDA (FY2025) **¥150.0** billion

CFP halved (FY 2031 (compared to FY 2022))

Excludes impact of U.S. Inflation Reduction Act tax credit and new investments such as the Kansas factory

As medium-term management targets, in addition to KGIs common to the Group such as cumulative operating cash flow and ROIC, we have set EBITDA and carbon footprint (CFP) as our own KGI targets and are working to reach them.

In fiscal 2023, we made steady progress in our In-vehicle Business by starting construction of a new factory in Kansas, U.S.A., and in our Industrial and Consumer Business by investing in high-capacity cells for infrastructure applications. In terms of strengthening competitiveness, in the In-vehicle Business, the Nevada factory achieved a productivity and loss improvement that exceeded the initial target by more than 10%. In terms of CFP reduction, we are promoting carbon neutrality at our own sites, and we are promoting strategic supply contracts for the use of recycled materials and low CFP materials to reduce our CFP in the supply chain.



For more detail, see also

["Panasonic Group Operating Companies: Strategy Briefing 2023."](#)

Medium- to Long-term Strategy

In the In-vehicle Business, we aim to expand production capacity to 200 GWh by fiscal 2031 and achieve net sales of ¥2.5 trillion. By the end of fiscal 2024, we plan to make a decision on the next new production site in North America following the Kansas factory currently under construction. Along with the construction of the new factory, we will promote the strengthening of competitiveness and supply chain resilience. In order to strengthen our competitiveness, we will increase the production capacity of the Nevada factory by 10% in fiscal 2026 in pursuit of boosting energy density and higher productivity. For the 4680-size cells currently under development, we plan to start up production using a technology for higher energy density than originally planned. At the Kansas factory, we will leverage our experience at the Nevada factory to further increase the rate of automation.

In the Industrial and Consumer Business, we will focus on social and lifestyle infrastructure, which is expected to grow in the medium to long term, and expand the advanced system business into data centers and construction machinery.

On the environmental front, we will promote global decarbonization efforts with the aim of halving our CFP by fiscal 2031.

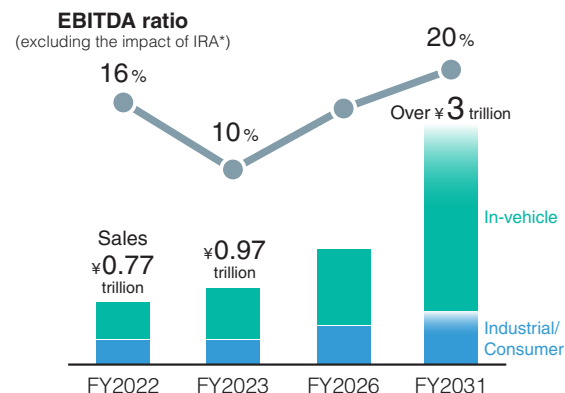
In-vehicle business strategy

Strategy Framework
"North America" & "Cylindrical cells" are the key to respond to the rapidly growing market
▶ Global production capacity to be boosted to 200 GWh in FY2031
Major Initiatives
<ul style="list-style-type: none"> Competitiveness (Higher battery capacity, Higher productivity and investment efficiency) Supply Chain Enhancement (Procurement localization in North America, Utilization of recycled materials, etc.) Boosting Production Capacity (New site location in North America to be determined by the end of FY2024)

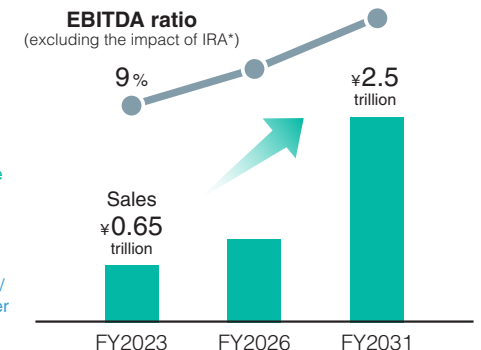
Industrial/Consumer business strategy

Growing area	
[Data Centers]	[Residential Energy Storage]
<ul style="list-style-type: none"> Long-term reliability and power saving for equipment Module integration to differentiate from competitors 	<ul style="list-style-type: none"> Fewer duplicated functions and enhanced safety by unit integration for more competitiveness
New area	
<ul style="list-style-type: none"> [Construction machinery, motorcycles, etc. (electrification)] Solution co-creation with industry-leading customers 	

Energy segment as a whole



In-vehicle business



* IRA: U.S. Inflation Reduction Act



Message from the Group CFO



Hirokazu Umeda
Representative Director,
Executive Vice President,
Group CFO

We aim to enhance corporate value by pursuing capital efficiency with improved profitability at individual businesses and Group-wide portfolio management, as well as by steadily investing in growth areas.

Basic approach to financial management

— What basic approach does the Company employ to financial management in advancing business operations?

Our basic approach to financial management emphasizes return on invested capital and financial stability. In terms of return on invested capital, we aim to stably achieve ROE of 10% or more in an effort to generate returns that exceed the cost of stockholders' equity by promoting management that is conscious of capital costs. As for financial stability, we are working to expand stockholders' equity through the accumulation of net profit and endeavoring to build a robust financial base that can drive investments for growth.

To that end, we have a capital allocation policy for cash generation and allocation. In keeping with that policy, the funds needed for investments and dividend payments are, in principle, generated from business cash flow and divestitures/sales of assets, but we also adopt a flexible approach when cash becomes necessary for investment opportunities such as an M&A deal before sufficient cash flow is generated from business.

Progress of the medium-term strategy and first-year review

— Fiscal 2023 was the first year of the medium-term strategy. What kind of progress has been made so far?

First, looking at our KGIs for fiscal year ended March 31, 2023 (fiscal 2023) to fiscal 2025, we will continue to work toward achieving cumulative operating cash flow of 2.0 trillion yen, ROE of a 10% or more (in fiscal 2025), and cumulative operating profit of 1.5 trillion yen.

Overall group sales increased year on year in fiscal 2023 because of sales increases in the following segments: the Life-style segment due to steady sales in the air-conditioning business in Europe and the electrical construction materials business for Japan and overseas; the Energy segment due to increased production and sales of automotive batteries; and, the Connect segment due to increased sales in Avionics with the market

recovery of the aviation industry. Also, the effect of currency translation contributed to the increase of group sales. While adjusted operating profit decreased year on year due mainly to the impacts of Shanghai lockdown and weaker market conditions, among other factors, net profit increased year on year due to recording of tax credit of Inflation Reduction Act (IRA) in the U.S. The impact of price hikes in raw materials and logistics was mostly offset with our efforts in price revisions and rationalization.

Progress in the medium-term strategy's three growth areas of (1) automotive batteries, (2) air quality & air-conditioning, and (3) supply chain management (SCM) software, is as follows.

- (1) Automotive batteries: We made a decision to build a new factory in the U.S. state of Kansas and started construction of the building. We are also making an effort to expand our sales channels in the U.S. One of its results is an agreement reached in December 2022 with Lucid Group, Inc. to supply automotive batteries for their luxury EVs.
- (2) Air quality & air-conditioning: The A2W (Air to Water heat pump) business in Europe is further growing and we announced a production capacity expansion for our factory in the Czech Republic. Also, for the purpose of strengthening business in the non-residential domain, we acquired the commercial air-conditioning business of Systemair AB. We will continue to actively invest in Europe and accelerate business growth there.
- (3) SCM software: Under the leadership of the new CEO, Blue Yonder has established a robust organizational structure geared toward further growth and is pressing ahead toward a shift to cloud-native SaaS. Sales, SaaS ARR*, and NRR* have steadily increased on a year-on-year basis across all four quarters. As for the stock exchange listing of the SCM business centered around Blue Yonder, which we announced in May 2022, we are continuing to evaluate the situation and will make a comprehensive decision after taking into account the circumstances concerning Blue Yonder's business and the market, among other factors.

*ARR: annual recurring revenue

*NRR: net revenue retention





Message from the Group CFO

— One year has now passed since the transition to an operating company system. How is the entrenchment of autonomous responsible management progressing and what role will Panasonic Holdings play up ahead?

The transition to an operating company system aims to position our operating companies at the front and center of their respective business fields where they can seriously compete with industry peers and double down on implementing autonomous responsible management. To achieve this, we have taken steps to ensure the operating companies can change their HR policies and make investment decisions quickly to suit their respective markets. For instance, by raising approval limits, the scope within which the operating companies can make decisions has expanded, which is partly why the speed of decision-making has increased. The acquisition of a commercial air-conditioning business in the air quality & air-conditioning field, as I mentioned earlier, is a good example of swifter decision-making under the authority of an operating company. I believe that if, from an outside perspective, the operating companies appear to be demonstrating a strong sense of independence and outward force, then that aligns with the intended aim of the operating company structure. On the other hand, in terms of an inward, or unifying force, both Group CEO Kusumi and myself sit on the boards of all the operating companies as outside directors for monitoring from a Group governance perspective in the sense that we are making sure everything is optimally aligned within the Group.

Also, to ensure financial discipline throughout the entire Group, even within the framework of autonomous responsible management, Panasonic Holdings Corporation (hereinafter referred to as “Panasonic Holdings”), implements financial discipline at each operating company, and if any of them continue to operate businesses with low profitability, the holding company is to intervene. I believe that autonomous responsible management cannot be achieved without discipline.

The primary objective of the operating company system is autonomous responsible management. When exerting control, we will do so whilst maintaining a balance between inward and outward forces with the entire Group working as one.

Initiatives for the second year and beyond of the medium-term strategy

— In advancing the Group strategy, what is the Group’s approach to the capital allocation policy already in place?

No changes have been made to the allocation policy for the three-year period from fiscal 2023 to fiscal 2025. Investments, dividends, and other expenditures are primarily carried out within the scope of funds generated from business operations. We have set cumulative operating cash flow of 2.0 trillion yen as one of our KGIs. Also, some of the cash we require is to be generated through the sale of assets and other measures. As for the allocation of cash and our rationale behind it, we plan to first invest a total of 1.8 trillion yen, of which 0.6 trillion yen will be directed toward and strategically invested in the automotive battery business as the priority investment area. Next, for shareholder returns, we will make every

Capital Allocation Policy (FY3/23–FY3/25)

Financial discipline

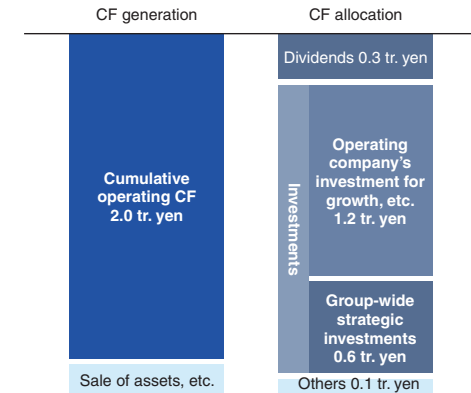
- Net Debt/EBITDA ratio: approximately 1.0x (FY3/23 results: 0.8x)
- Strengthen monitoring of operating companies

Dividends

- In principle, distribute profits to shareholders based on business performance and strive for stable and continuous dividend payments. Target dividend payout ratio of approximately 30% with respect to consolidated net profit*

Investment

- Prioritize investments in automotive battery (priority investment area)



*Dividends determined based on amount of net profit excluding IRA tax credit effect
Basic idea: Allocate cash from IRA tax credit to automotive battery business investment in the U.S. by taking into consideration the aim of IRA (reduce excessive inflation and promote energy policies in U.S.)

effort to continuously pay stable dividends, targeting a consolidated dividend payout ratio of approximately 30%. For financial discipline, we have set ourselves a net debt/EBITDA ratio target of approximately 1.0x as a financial indicator and will rigorously maintain Group-wide financial discipline.

— What is your approach to implementing business portfolio management?

After two years of dedicating our resources to enhancing competitiveness, our management approach is now shifting toward a growth phase starting in fiscal 2024. At the Group strategy briefing held on May 18, 2023, Group CEO Kusumi announced his intention to advance portfolio management. We intend to engage in business portfolio management based on two criteria that we established to ensure that we can continue to contribute to society and our customers in the future. The first is its relevance to the Group-wide common strategies. In the area of the environment, we look at the businesses from the perspective of whether they can make contributions to solving environmental issues and in the area of lifestyle, from the perspective of whether they can deliver value tailored to each customer’s lifestyle. The other criterion is the market position and competitiveness of the business. More specifically, we assume such competitiveness of the business to be based on market growth & sustainability, relative market share, ROIC, and cash generation capability. For businesses that can make contributions into the future by staying within the Group, Panasonic Holdings and the operating companies continue to collaborate extensively so as to continually enhance their competitiveness to achieve growth. Panasonic Holdings will responsibly carry out business portfolio management as a key task for the Group overall.



Message from the Group CFO

— What is your outlook for fiscal 2024?

We expect the considerable impacts seen last fiscal year, such as price hikes in raw materials and semiconductor shortages, will be mostly resolved. Despite a slower-than-expected recovery in demand for ICT devices and the absence of signs of a full-fledged recovery in the Chinese FA market, we are forecasting sales and profit growth on the back of a recovery in auto production and aircraft demand, growth in EV demand, and the recording of profits related to IRA tax credit

Driving investment in the automotive battery business

— As Group CFO, what are your views on the Group's growth strategy of driving investment in the automotive battery business?

In pursuing this investment, the major premise is to generate earnings from the production and supply of competitive automotive batteries. The decision to invest in a new factory in Kansas was made in October 2022, while our customer side called for increased production. This came about from the favorable assessment of the energy density, safety, and cost of our automotive cylindrical batteries. And given our strategic focus on cylindrical batteries and business expansion plans, mainly in the North American market, we came to the conclusion that we would be able to guarantee a certain level of competitiveness. During the investment evaluation process, we took into account the fact that our plans had been accepted by the Kansas investment incentive program, which, along with other aspects, allowed us to assess the investment's feasibility especially in terms of investment returns. In addition, from a financial stability point of view, we reached the decision for the investment after ensuring it did not deviate from our capital allocation plans during the period of the medium-term strategy.

We know that multiple auto manufacturers considering and deciding to use automotive cylindrical batteries has been a tailwind for us in the last few years. Just recently we reached agreements with Mazda Motor Corporation and SUBARU CORPORATION to engage in discussions aimed at establishing medium- to long-term partnerships, and given that we have received inquiries from multiple auto manufacturers, we are currently focused on expanding our sales channels.

At this point in time, we have not yet officially decided any concrete plan for further investments, but we have set ourselves the goal of achieving a production capacity of 200 GWh by 2030 and achieving it will require a substantial amount of capital. As we have to consider lowering the amount of our initial investment and accelerating the speed of investment execution along with other things, we should further discuss whether we adopt a similar approach to the Kansas factory whereby we handle the entire investment process from land purchase to building construction. We realize that for our 200 GWh target, we must explore various options, including ones that improve efficiency of investment and lower our own investment amount. We expect to be able to source funds for investment from cash generated by businesses and by utilizing the IRA tax credit. However, there are temporary differences in the timing of when cash flows in and out, therefore, we will flexibly secure investment capital from various options.

Swift decision-making is required to capture business opportunities in a timely and appropriate manner, and therefore it is crucial for us to keep a good balance between checking and promoting of investment plans. Checking of investment plans should be based on financial discipline as well as competitiveness and profitability, while in the course of growth strategy, promoting of such investment plans should entail generating and securing funds.

Aiming to enhance corporate value

— In connection with the enhancement of our corporate value, what are your views on the PBR and what is your stance on dialogue with the capital markets?

PBR is comprised of ROE and PER. In terms of ROE, shareholders' equity (the denominator) has increased, resulting in a shareholders' equity of 45% as of the end of fiscal 2023, which represents a sharp increase of roughly 13% from the end of fiscal 2020. Of the three components that comprise ROE—profit margin, total asset turnover, and financial leverage—we consider profit margin to be the main challenge. We believe that boosting the profitability of individual businesses, implementing business portfolio management across the entire Group, and investing in high-margin businesses whilst taking steps to deal with businesses with low profitability, will be critical to improving the profit margin and ultimately enhancing ROE. As for PER, we recognize the importance of expectations for growth from the capital markets. We intend to further our dialogue with the capital markets concerning our growth areas and earn the trust of capital markets through our execution. Our PBR is currently at around the minimum level of 1.0x. With the aim of enhancing corporate value, we will carry out the Group's strategy with the intention of further improving the PBR.

As for dialogue with the capital markets, since fiscal 2023 we have been working to improve the Group's overall disclosure of information, including financial results briefing materials, and to enhance the content of disclosures from operating companies, including balance sheets and cash flows, as well as adjusted operating profit of some voluntarily disclosed businesses, and Blue Yonder's KPIs. Panasonic Holdings too will continue to further improve its disclosure of information regarding the businesses and areas that are of most interest to the capital market. Moreover, since transitioning to the operating company system in fiscal 2023, the operating companies have continued to embrace autonomous responsible management in an effort to demonstrate their accountability to the capital markets and all other stakeholders. This was especially evident at the strategy briefing of Group operating companies held in June of this year. Going forward, the heads of each operating company will engage with the capital markets themselves and fulfill their accountability. We will incorporate the feedback of capital markets into the management of the operating companies, thereby contributing to the enhancement of corporate value across the entire Group.

We are at a stage where we can reward shareholders through stable and continuous dividends, as well as the enhancement of corporate value by reinvesting the generated profits for future growth.



Environment and Technology Strategy

▶ For our response to TCFD, see also [“Sustainability Data Book 2023.”](#)

Message from the Group CTO



We will use technology to nurture and deliver a healthy planet and a happy life for each and every person

Tatsuo Ogawa
Executive Officer
Group Chief Technology Officer (Group CTO)

In order to achieve “an ideal society with affluence both in matter and mind” advocated by Group CEO Kusumi, the Panasonic Group has identified global warming and resource depletion as one of our most important management issues, and aims to contribute to the health, safety, and comfort of each and every customer throughout their lives (For more details on identifying materiality, please refer to [P5](#)). In this context, as Group CTO, I am in charge of not only technology development but also the environment and intellectual property, among other areas.

I will also continue to focus on carbon neutrality and circular economy initiatives under the Panasonic GREEN IMPACT vision. As Group CTO, I will provide leadership in building and utilizing technological infrastructure, including AI and robotics, to support daily life (health, safety, and comfort), and in creating new businesses. Working together with the CTOs of the operating companies on overall technology management and human resource development, we will continue to build a source of competitiveness for our business going forward.

Looking back on our long history, we have led the standardization of new technologies in each era, including industry standards and international standards for home appliances, devices, and industrial equipment. We are also working to develop and strengthen our efforts in the environment and energy fields. With regard to avoided CO₂ emissions in particular, our goal is to create a standard to increase global recognition and to ensure that corporate activities to contribute to reductions are properly evaluated. I believe these efforts will contribute to the realization of a carbon-neutral society and be recognized as useful to our customers, which will accelerate the efforts themselves.

Please join me in looking forward to the future of Panasonic GREEN IMPACT, the technological development that will support it and the creation of new businesses, and even more challenges to come as we take the next step forward.

Medium-term management plan

Environmental action plan “GREEN IMPACT PLAN 2024” (extract)

As a milestone toward the 2050 targets set in “Panasonic GREEN IMPACT,” which is the Panasonic Group’s long-term environmental vision, the entire Group has formulated and is working on the GREEN IMPACT PLAN 2024 (see below), a three-year environmental action plan covering fiscal year ended March 31, 2023 (fiscal 2023) to fiscal 2025 with targets for fiscal 2031 linked to our business strategy.

In fiscal 2023, CO₂ emissions across the Company’s entire value chain increased from 107.51 million tons in fiscal 2021 to 129.21 million tons, for a total increase of 21.7 million tons (but, reduced in OWN IMPACT). In Scope 1 and 2, progress in energy conservation and renewable energy resulted in significant improvements, with 31 factories achieving net zero CO₂ emissions and a reduction of 360,000 tons. Scope 3 emissions increased by 22.07 million tons from fiscal 2021 due to the addition of a relevant amount of newly quantifiable products and the refinement of the calculation of the impacts (leakage, disposal) of refrigerants in air quality equipment and air-conditioning equipment. Compared to the same target range in fiscal 2023 as a whole, the OWN IMPACT represents a reduction of 9.39 million tons from fiscal 2021. In order to accurately recognize the target of reduction as our responsibility, we will continue to actively work on improving accuracy by reviewing the calculation scope and calculation method of Scope 3 emissions. On the other hand, the “avoided emissions” that contributed to reducing CO₂ emissions from customers and society expanded and became more visible, reaching 37.23 million tons.

In the area of resources/CE*, the global waste recycling rate remained at a level of 99%, the volume of recycled resin used totaled 12,400 tons, and four new businesses were launched under the CE business model, bringing the total to 10 businesses.

*Circular Economy

GREEN IMPACT PLAN 2024 (fiscal 2025, 2031 targets and fiscal 2023 results)

Item		Fiscal 2023 results	Fiscal 2025 targets	Fiscal 2031 targets
		GREEN IMPACT PLAN 2024		
CO ₂ /Energy	OWN IMPACT Emissions reduction in our own value chain*2	-21.70 Mt*6 (9.39 Mt)	16.34 Mt	
	Scope 1, 2 *1	Zero-CO ₂ factories CO ₂ reductions	Cumulative 31 factories 360 kt	Cumulative 37 factories 260 kt
	Scope 3 *1 (category 11)	CO ₂ reductions in use of our products by customers	-9.10 Mt	16.08 Mt
	CONTRIBUTION IMPACT *Avoided emissions” (contribution to reducing CO ₂ emissions for society) through existing businesses *3		37.23 Mt	38.30 Mt
Resources/CE*	Factory waste recycling ratio *4	99.1%	99%	
*Circular Economy	Recycled resin used *5 (GIP2024 target is total over fiscal 2023–25)	12.4 kt	Fiscal 2023 to 2025 total 90 kt	
	Circular economy business models and products (Cumulative)	10 businesses	13 businesses	

*1 Classification according to the GHG protocol (Accounting and Reporting Principles).

*2 Amount obtained by subtracting the amount of emissions in the relevant fiscal year from the amount of emissions in fiscal 2021.

*3 Amount calculated by subtracting the lifetime CO₂ emissions after introduction from the lifetime CO₂ emissions assuming that the Group’s products and services do not exist, using the IEC 2021 value as the emission factor.

*4 Amount of resources recycled/(Amount of resources recycled + Amount of landfill).

*5 Mass of recycled materials contained in the recycled resin used in our products.

*6 Includes Scope 1, 2 and Scope 3 Category 11, plus increases or decreases in Category 1 (procurement), Category 12 (disposal), and other indirect emissions. Figures in parentheses indicate the case where fiscal 2021 (starting point) is calculated with the same boundary as the fiscal 2023 target.

*7 Emission factors for electricity are calculated using the IEA World Energy Outlook 2°C scenario.



Environment and Technology Strategy

Panasonic GREEN IMPACT Progress (1) OWN IMPACT 110 Million Tons

Initiatives to reduce CO₂ emissions in Panasonic's value chain

Under the "OWN IMPACT" component of "Panasonic GREEN IMPACT," Panasonic Group's long-term vision announced in January 2022, the Company aims to move faster to thoroughly reduce CO₂ emissions by 110 million tons*¹ across the Panasonic Group value chain, and to reduce CO₂ emissions by 16.34 million tons by fiscal 2025 from fiscal 2021 in order to achieve carbon neutrality across the Panasonic Group value chain by 2050. The GREEN IMPACT PLAN 2024 (GIP2024), which specifies our medium-term targets and environmental action plan, calls for all operating companies to achieve net zero CO₂ emissions*² at their own sites by fiscal 2031, and to reduce CO₂ emissions from the use of products sold by the Group by 30% from the fiscal 2020 level by fiscal 2031.

The Group has achieved zero CO₂ emissions at a total of 31 factories since fiscal 2019, with 22 additional factories newly achieving zero CO₂ emissions in fiscal 2023. We are on track to achieve the GIP2024 goal of "Zero CO₂: 37 factories."

CO₂ emissions from the use of sold products amounted to 95.03 million tons*³. Panasonic Group is aware that our greatest social responsibility for mitigating climate change lies in this area. Against this backdrop, Heating & Ventilation A/C Company, Panasonic Corporation was awarded the Energy Conservation Center, Japan (ECCJ) Chairman's Award (LX Series 2023 model)*⁴ in the "Energy Conservation Grand Prize in fiscal 2023" competition hosted by ECCJ in recognition of the development of products with outstanding energy-saving performance. This is the second year in a row that the Company has won the Energy Conservation Grand Prize, and the LX Series was the only residential room air conditioner to receive this award in fiscal 2023.

CO₂ emissions from purchased products and services amounted to 21.55 million tons*³. As an initiative to reduce these emissions, we have been implementing the ECO-VC Activity*⁵ with our suppliers since fiscal 2010. This program is a collaboration between Panasonic Group and our suppliers, aimed to both reduce environmental impact as well as reinforce product capability and achieve further

rationalization for Panasonic Group products and suppliers. In fiscal 2023, we received 264 suggestions (equivalent to 80,000 tons of CO₂) from suppliers.

CO₂ emissions from transportation amounted to 950,000 tons*³. We are working intensively with our logistics partners to reduce transportation distances and improve loading rates through modal shift, introduction of low-emission vehicles, introduction of biodiesel fuel, direct delivery, and other measures.

*1 FY2021 result

*2 The Group defines a "zero-CO₂ factory" as one that produces net zero CO₂ emissions from its business activities by utilizing credits and power certificates derived from energy conservation and renewable energy on top of making efforts to reduce CO₂ emissions through ongoing energy-saving activities, etc.

*3 FY2023 result <https://holdings.panasonic/global/corporate/sustainability/pdf/sdb2023e.pdf>

*4 Awarded the "Energy Conservation Grand Prize in fiscal 2023" <https://news.panasonic.com/jp/topics/204984> (Japanese only)

*5 ECO-VC Activity: Value Creation Activities

Column Expanding the number of zero-CO₂ factories

All operating companies are working to establish milestones and promote initiatives to achieve net zero CO₂ emissions at their own sites by fiscal 2031.

As part of the Group's efforts to create zero-CO₂ factories, we will take the following steps, in the indicated order of priority, to ensure that CO₂ reductions are implemented: (1) Energy saving (reduction of operating loss by visualization with instrumentation, autonomous AI energy control); (2) Effective use of renewable energy utilization (integrated energy creation-storage linkage systems, hydrogen fuel cell solutions); (3) Procurement of renewable energy (100% renewable electricity, environmental value).

Specifically, we will first promote ongoing energy-saving activities, advanced energy-saving technologies such as factory energy management systems (FEMS), productivity improvement, and innovative manufacturing. In addition, we will promote the effective use of renewable energy through photovoltaic power generation systems, energy storage equipment, and pure hydrogen fuel cells, and procure electricity derived from 100% renewable energy. For the remaining emissions after reduction efforts, we will additionally make use of procurement of environmental value to achieve net zero CO₂ emissions from manufacturing at all global factories. As an example, Panasonic Electronic Devices Jiangmen Co., Ltd. (PEDJM) in China introduced a total of 3.94 MW of photovoltaic power generation systems in fiscal 2022, introduced a high-efficiency air conditioning system in fiscal 2023, and implemented energy-saving measures such as inverters for circulating water pumps. Furthermore, Panasonic Energy India Corporation (PECIN) introduced a 350 kW photovoltaic power generation system in fiscal 2023, in addition to continuing air leakage activities, optimal control of production facilities, and other energy-saving initiatives. Both sites have reduced CO₂ emissions to net zero by utilizing I-REC certificates and carbon credits.

In order to further expand the number of zero-CO₂ factories, we are promoting the introduction of photovoltaic power generation systems. In fiscal 2023, Panasonic Living Appliances and Solutions Company adopted a Power Purchase Agreement (PPA) model at its Yokaichi Factory. A total of 2,658 photovoltaic panels have been installed, with a power generation capacity of 997 kW, and a storage battery of 22.4 kW will be installed to make effective use of the power generated.



Global map of zero-CO₂ factories

*Number of factories that have achieved zero CO₂ emissions by fiscal 2023

(★: Countries with factories that have achieved this goal)



PEDJM photovoltaic power generation systems



PECIN photovoltaic power generation systems



Environment and Technology Strategy

Panasonic GREEN IMPACT Progress (2) CONTRIBUTION IMPACT 100 Million Tons

We will contribute to avoided CO₂ emissions in various areas globally through electrification, development of products that use energy efficiently, effective use of hydrogen as a decarbonized energy source, and product replacement in order to achieve a reduction impact of 93 million tons in fiscal 2031.

Spread of EVs by electrification and use of non-fossil fuels

The electrification of mobility is highly effective in achieving carbon neutrality, and our automotive battery business contributes 60% of the Group's total avoided CO₂ emissions. In North America, where we are focusing our efforts, the EV market is expected to expand, and the U.S. government has made it a national policy to establish an EV supply chain. In the automotive batteries business, in addition to reducing our own CO₂ emissions to net zero by fiscal 2031, we aim to halve CO₂ emissions in the North American supply chain by fiscal 2031 (compared to fiscal 2023 emissions at our Nevada factory) by shortening the transportation distance of materials. Furthermore, the construction of a new factory in Kansas will promote the electrification of mobility by expanding the supply capacity of automotive batteries for EVs. The goal is to reach avoided CO₂ emissions of 59 million tons by fiscal 2031, which is five times the figure from fiscal 2023.



What the Kansas factory will look like upon completion

In Europe, where there has been a rapid shift away from gas, we are expanding our air quality & air conditioning business with a focus on Air to Water heat pump that leads to reduction of CO₂ emissions by changing energy source from gas to electricity. In particular, we are strengthening our business foundation by utilizing our advantages such as maintaining heating capacity at low temperatures and IoT remote monitoring capabilities. The Czech factory will be expanded to a global production system of 1 million units as a new air-to-water production base. Furthermore, anticipating the tightening of refrigerant regulations in Europe, we are the first Japanese manufacturer to introduce natural refrigerant products.

Promote/optimize efficient use of energy

In the area of lighting, which emits a large amount of CO₂ when in use, in addition to the conventional lighting that is designed to "light up a plane," by using an index that captures the feeling of brightness in space and techniques for spatial presentation with proper lighting at the right place, we can achieve energy reductions of up to 30% without compromising comfort, thereby contributing to avoided CO₂ emissions.

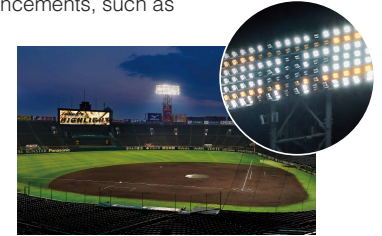
Expand use of zero-carbon energies through hydrogen

We started operation of a demonstration facility for the "RE100 solution" initiative located at our Kusatsu Factory in Shiga Prefecture, Japan, aimed at using renewable energy generated independently through a combination of pure hydrogen fuel cells and photovoltaic cells to supply 100% of the energy consumed by our business activities. Panasonic Energy (Wuxi) Co. Ltd. (PECW) in China, which started as a demonstration facility in February 2022, achieved net zero CO₂ emissions in fiscal 2022 by promoting

energy conservation, introducing solar panels, and procuring renewable energy. The medium- to long-term goal for this demonstration experiment is medium-scale commercialization at 300 kW and large-scale commercialization at 1 MW.

Decarbonization effect of product replacement

Switching to products with higher energy efficiency reduces CO₂ emissions during product use and reduces the load on grid power. In the case of air conditioners, which have become a necessity due to extreme heat with rising temperatures, Panasonic's energy-saving enhancements, such as winning the Energy Conservation Grand Prize for two consecutive years, have contributed to the replacement of older products with new ones. In addition, at the Hanshin Koshien baseball stadium, where HID lighting was replaced by LEDs in 2022, CO₂ emissions were reduced by approximately 60% compared to previous levels. The stadium lighting earned Electric Works Company, Panasonic Corporation the 41st Japan Lighting Award in 2023 from the Illuminating Engineering Institute of Japan in recognition of its image display effect using a tower-based light source.



LED stadium lighting at Hanshin Koshien Stadium

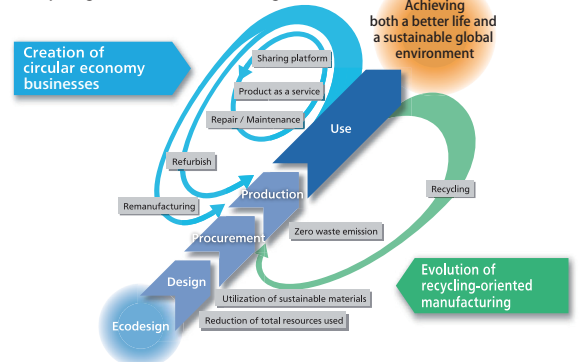
Column Circular economy (CE)

In Europe, building a circular economy (CE) for sustainable economic growth has become a major economic strategy. The CE activities promoted by the Group include the creation of CE businesses and the evolution of recycling-oriented manufacturing. Under GIP2024, our targets are to create 13 CE-type business models/products, use 90,000 tons or more of recycled resin (cumulative total for fiscal 2023-2025), and achieve a factory waste recycling rate of 99% or more.

CE-type business models include "Sharing Service," "Product as a Service," and "Repair and Maintenance, Refurbish and Remanufacturing." In fiscal 2023, we added four new businesses for a total of 10 CE-type businesses. With regard to the evolution of recycling-oriented manufacturing, in fiscal 2023 we were able to utilize 12,400 tons of recycled resin in our products by supporting the component characteristics required for utilizing recycled resin, ensuring a stable supply, making full use of the resin on the manufacturing side, and developing our recycling technology. We will maintain our factory waste recycling rate at 99% in fiscal 2023 and continue our efforts to achieve zero emissions.

Aiming to achieve both "A better life" and a "Sustainable global environment" as stated in the Panasonic GREEN IMPACT PLAN, we will increase resource efficiency in the processes of design, procurement, and production.

Panasonic's concept for actions toward a circular economy
We will promote effective utilization of resources and maximization of customer value by creating circular economy businesses and evolving recycling-oriented manufacturing





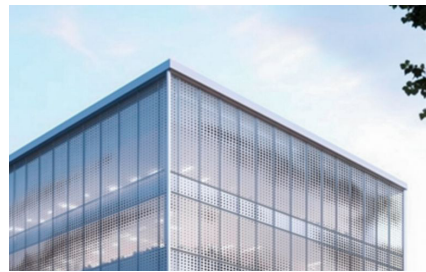
Environment and Technology Strategy

Panasonic GREEN IMPACT Progress (3) FUTURE IMPACT 100 Million Tons

The Panasonic GREEN IMPACT aims to reduce CO₂ emissions by 100 million tons by 2050 by maximizing and optimizing the use of renewable energy through new businesses and technologies. Currently, we are working on the practical application of perovskite solar cells, which are expected to become next-generation solar cells, and green hydrogen production devices, which produce CO₂-free hydrogen (green hydrogen) by electrolyzing water with electricity derived from renewable energy.

Perovskite solar cells use a hybrid of organic and inorganic materials, as opposed to conventional silicon solar cells that use inorganic materials. Its most important feature is that the power generation layer can be applied as a coating. In this way, even building windows and walls can be used as solar cells to generate electricity. The Group began development of the cells in fiscal 2015, and part of the R&D results were obtained from the results of commissioned work by the New Energy and Industrial Technology Development Organization (NEDO).

With perovskite solar cells, the power generation layer can be created by applying and drying the material to generate electricity on a substrate, which can be expected to reduce cost and energy during manufacturing. We have developed our own inkjet coating method as a manufacturing method for forming the power generation layer. The layout of coating can be freely changed, which makes this technology suitable for use as a “building integrated photovoltaic” (BIPV). We have already started a technology demonstration in Fujisawa Sustainable Smart Town, and are aiming for practical application within a few years.



Application image of Building Integrated Photovoltaic (BIPV)

(Please refer to the press release “[Panasonic Holdings Corporation to Start the World’s First Long-term Implementation Demonstration Project for the Building Integrated Perovskite Photovoltaics Glass in the Fujisawa Sustainable Smart Town](#)” dated August 31, 2023.)

Meanwhile, for the green hydrogen production devices, we are working to reduce the size, cost, and power consumption of hydrogen generation equipment. The main methods for electrolyzing water to produce hydrogen are alkaline water electrolysis and PEM (proton exchange membrane) water electrolysis, but both have problems with power consumption and equipment costs. In our case, we are working on research to generate hydrogen and oxygen through the reaction of water with electricity, i.e., in a way that is the opposite of the reaction in fuel cells, by using the technology and knowledge obtained from our research on power generation that generates electricity by reacting hydrogen and oxygen, which we have accumulated in the technology development of household fuel cells and pure hydrogen fuel cells. Development is progressing steadily, with material device technology for the anode of alkaline water electrolysis unveiled at CES in January 2023, and we aim to begin providing evaluation samples in 2025.

(Please refer to the press release “[Panasonic Group to Exhibit at CES 2023](#)” dated January 5, 2023.)

Column

Reducing microplastics with fully biodegradable cellulose fiber molding materials

In response to environmental issues such as the recent ocean microplastics issue and global warming due to petroleum use, the United Nations has the efficient use of natural resources and the prevention and drastic reduction of marine pollution as development goals, and there is a global demand for reducing the amount of petroleum-derived resin.

In 2015, Panasonic began research and development activities to reduce the amount of petroleum-based resins. In 2019, we developed a composite processing technology to mix cellulose fiber, a plant-derived component, into resin at 55% concentration, and in 2021 we were able to boost the concentration to 70% biomass content. In March 2022, we developed a molding material using plant-derived resin with a plant-derived concentration of more than 90%. In addition, to achieve complete biodegradation of molding materials, we have been working on mixing cellulose fibers into biodegradable resins.

Existing biodegradable resins have lower strength and durability than general-purpose resins such as polypropylene, limiting their use. Furthermore, when mixed with cellulose fiber, they have low flowability, making the difficult to mold into complex shapes and further limiting their application. Thus, by blending several biodegradable resins containing plant-derived polylactic acid and adding appropriate additives, we were able to develop a molding material that combines biodegradability and high elasticity that can be molded into a thin wall of 1 mm. We also succeeded in making white resin pellets that offer a high degree of freedom of coloring. For example, the material itself can be browned to achieve aesthetic design features such as wood texturing. The molding material we developed has acquired the “Biodegradable Biomass Plastic” certification mark from the Japan BioPlastics Association.

In the future, we intend to utilize the characteristics and advantages of fully biodegradable cellulose fiber molding materials to develop applications for housings for household appliances, in-vehicle mechanical components, high-strength design-based home appliance packaging and beauty appliances, clothing, accessories, daily necessities, and beverage and food containers. Through these efforts, we will promote corporate activities to realize a sustainable society by reducing the use of fossil-based resins.

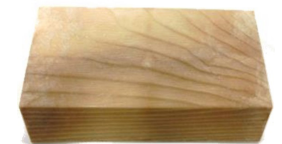
[Commercialization] “kinari,” a molding material containing 55% cellulose fiber, began mass production sales in December 2022.



kinari 55% concentration



High degree of freedom of coloring



Wood texture design through molding process technology



Environment and Technology Strategy

Panasonic
GREEN IMPACT
Progress (3)

FUTURE IMPACT 100 Million Tons

Column

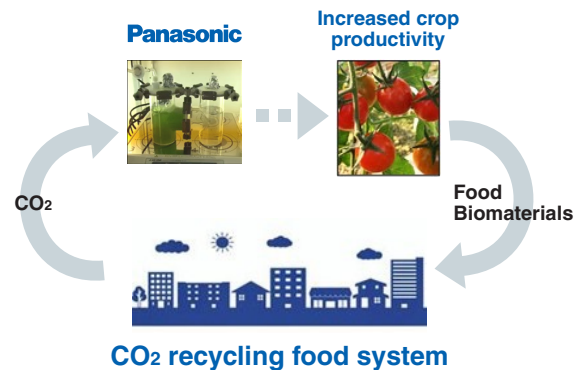
Initiatives to create value in the food and environment fields using CO₂ in the air as a raw material

We aim to apply biotechnology to create new value in the fields of food and the environment.

Our proprietary photosynthetic microorganisms secrete substances that promote plant growth, mainly from light and CO₂ in the air. When liquid materials containing the secretions are sprayed on crops, photosynthesis is activated, disease resistance is improved, and crop yields increase 1.1 to 1.4 times. The hope is that this can help achieve a sustainable food system that balances stable food production and the absorption and fixation of CO₂. Meanwhile, it will be necessary to resolve a series of issues such as the variation in efficacy in diverse natural environments and how to reasonably disseminate new biological functions to the frontlines of agriculture, which is a tradition-bound industry. We will continue to search for ways to create value and take on challenges while collaborating with the wider community.

Overview of our vision

- More from fewer resources
- Use of CO₂ for this purpose



Standardization activities to support technology and business

Since the 1990s, Panasonic has participated in various standardization organizations, played a leading role in establishing and promoting councils and consortiums, and carried out activities related to initiatives to establish rules through industry standards (de facto standards) and international standards (de jure standards) for the purpose of balancing orderly and sound global economic activities with an environment that allows consumers to use products safely and with peace of mind in the areas and themes that support daily life, such as functional safety in home appliances and equipment and communication methods such as broadcasting and mobile phones.

In recent years, we have been promoting activities to standardize avoided CO₂ emissions in the environment and energy fields.

While it is our responsibility to achieve net zero CO₂ emissions in our business activities, the amount of avoided CO₂ emissions can be a new metric to measure a company's environmental contribution. The WBCSD*1 defines avoided CO₂ emissions as the difference in emissions between the continued use of existing products and services and the introduction of new products and services that contribute to CO₂ reduction, but this definition has not been standardized internationally and is not yet a corporate evaluation metric.

As a result of our efforts to have the value of avoided CO₂ emissions recognized internationally, in November 2022 an agreement was reached at the discussion in COP27 Japan Pavilion stating that "indexation and international standardization of avoided CO₂

emissions are important for balancing economic development and a decarbonized society." In addition, we have been leading and communicating discussions on the need for quantifying contributions to reducing emissions in the WBCSD, IEC, GX League, and other organizations*2. Since then, efforts toward standardization have become more visible, such as the issuance of guidance by the WBCSD*3 on quantifying contributions to reducing emissions and the start of standardization activities for an IEC standard. The document agreed upon at the G7 Climate, Energy and Environment Ministers' Meeting in Sapporo in May 2023 clearly stated that "it is worthwhile to recognize avoided emissions."

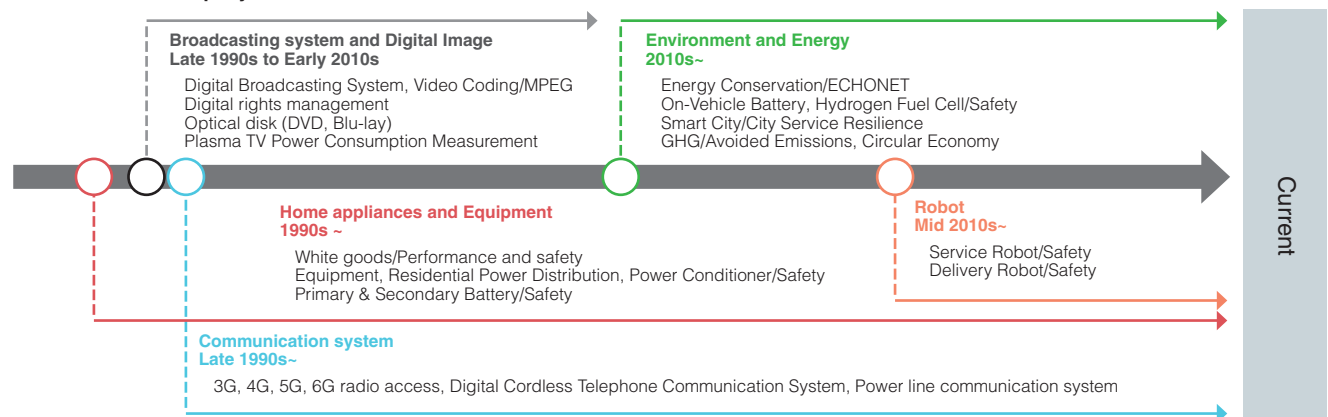
We believe that if avoided emissions are recognized by investors and the financial industry as a significant metric, this will encourage investments in businesses and companies that contribute to the environment, and accelerate decarbonization. This will lead to opportunities for Panasonic, which has strengths in this field, to enter a growth phase. Going forward, we will continue to actively promote activities involving companies, countries, and industries that share the same aspirations.

*1 WBCSD: World Business Council for Sustainable Development

*2 IEC: International Electrotechnical Commission; GX League: A forum hosted by the Ministry of Economy, Trade and Industry for companies aiming to achieve sustainable growth in the present and future to collaborate with people from government and academia engaged in similar initiatives.

*3 GX League, "Basic Guidelines for Disclosure and Evaluation of Climate-related Opportunities" https://gx-league.go.jp/aboutgxleague/document/GXLeague_guidance_en.pdf

Timeline of our company's efforts for international standardization





Environment and Technology Strategy

Technology infrastructure and new businesses that support people's lives (health, safety, and comfort)

With the goal of promoting lifelong health, safety, and comfort for each and every customer, Panasonic is developing technologies that contribute to their lifestyles by applying and advancing digital and AI technologies in situations closely related to daily life.



Panasonic × AI

For example, our facial recognition technology is regarded as among the world's best, thanks to the application of image processing technology cultivated over more than 40 years in TVs, videos, and cameras to make images sharper, as well as deep learning technology that learns facial features. We are also pursuing secure personal information management for facial recognition technology as well as usability from the user's perspective. The convenience of our world-leading facial recognition technology for access control and authentication in offices and logistics facilities is contributing to the operational efficiency of workspaces and the resolution of labor shortages in logistics facilities, which have become a social issue in Japan.

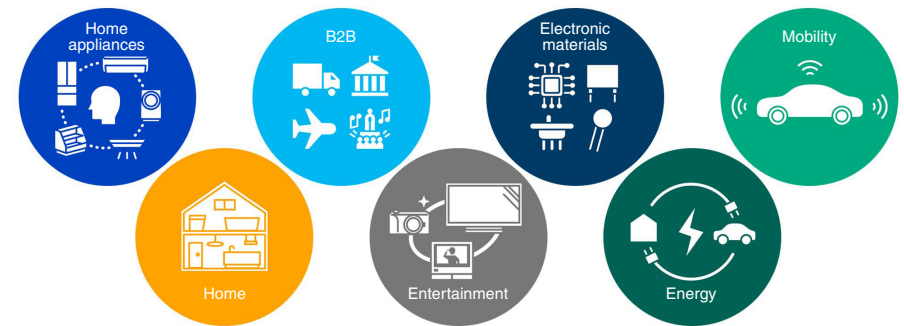
In terms of robot utilization, our AI-based remote-control system enables a single operator, without expert knowledge, to remotely monitor and operate a fleet of self-driving vehicles and handle errors and unexpected problems that arise while the vehicles are moving. The system is intended to solve the problem of labor shortages in different areas and improve the working environment.

In order to bring AI closer to more customers, we are also accelerating the use of "responsible AI" by advancing a consistent AI development process, from technology development to practical implementation. For example, we are currently developing AI technology that can be implemented with a small amount of data for quick delivery to all types of customers and AI that can be easily implemented in various physical spaces. We actively publish and present these cutting-edge research results at top conferences in the AI and robotics fields (ECCV, IROS, etc.).

Furthermore, in order to earn the trust of all our customers, we are setting up and implementing a program of AI ethics to realize "human-centered AI utilization" and working on AI quality assurance to ensure that customers can use it with confidence. In the case of "responsible AI" in particular, under the banner of "For Humans, By Humans, With Humans," we will continue to contribute to "the lifelong health, safety, and comfort of each and every person." Specifically, in addition to the AI Ethics Principles we established last year and our establishment of a Group-wide governance structure, we have initiated a system of ethics checks and are building a mechanism to integrate ethics into both basic technology and the development process.

We are also working to quickly connect cutting-edge AI technology to customer value through the world-class business development capabilities of our subsidiary Yohana, led by Yoky Matsuoka. The goal is to establish close collaboration with top researchers in the fields of AI and robotics, and speedy implementation in business, in order to link world-class technology and business development capabilities to customer value.

Going forward, we will continue to focus on AI technology that contributes to people's lives, including environmental contributions, with the goal of promoting the lifelong health, safety, and comfort of each and every customer.





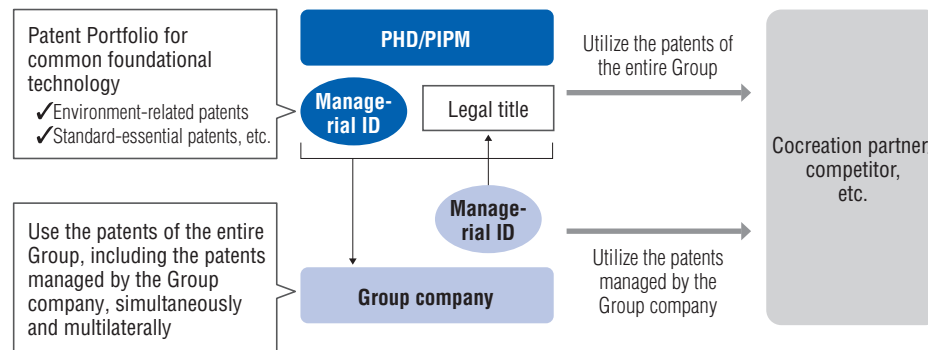
Environment and Technology Strategy

Column Intellectual property initiatives related to group synergies and environment-related technologies

The Group promotes intellectual property strategies by taking customer needs, competitors, and social issues as starting points, not only to ensure business advantages and safety now and in the future, but also to contribute to solving social issues.

In order to achieve the goals of “Panasonic GREEN IMPACT,” it is necessary to proceed innovation not only within Panasonic using the intellectual property of the entire Group, but also with business partners. In this regard, the Group has set up a mechanism to consolidate patents, including other forms of industrial property, to Panasonic Holdings Corporation (PHD) so that they can be used and utilized as assets of the entire Group simultaneously and multilaterally. PHD and its subsidiary, Panasonic IP Management, Co., Ltd. (PIPM) utilize the patents of the entire Group. Panasonic Group companies in Japan that are subject to this mechanism manage the patents they have created or obtained (i.e., they retain the “Managerial ID” (Managerial code) as the identification of responsibility to manage such patents), and such Group companies bear the costs of such patents and receive the revenues from them, even after the legal title of them has been consolidated to PHD. The Group company can then use the patents of the entire Group, and utilize externally the patents of which it holds the Managerial ID. The Group promote both internal and external innovation using the intellectual property through this mechanism (Figure 1).

(Figure 1) Mechanism of patent consolidation to create Group synergies



Next, regarding the status of the Group's environment-related patents, in an analysis of patent data by the Japan Patent Office based on the GXTI, a technology inventory that provides an overview of green transformation technologies (GX technologies), the Panasonic Group ranked fourth in the number of IPFs (International Patent Families) for all GX technologies worldwide. The Group also ranks high in its focus areas such as secondary batteries, fuel cells, and hydrogen technology (Figure 2). PHD and Electric Works Company of Panasonic Corporation (“EW”) are collaborating on hydrogen-related technologies. EW is building an intellectual property portfolio (IPPF) of differentiated technologies related to energy management and pure hydrogen fuel cells with the aim of promoting the distributed hydrogen-related market. Meanwhile, PHD is building its own IPPF with the aim to commercialization by the Group as well as cocreation with partners, utilizing its technological superiority in the area of precious metal-free highly active catalysts for lower cost and lower power

consumption of water electrolysis facilities for the production of green hydrogen. Development of fuel cells began in 1999 at the Head Office Research Division of Panasonic (currently PHD Research Division). General sales began in 2009, and a cumulative total of approximately 240,000 units have been sold in Japan and Europe to date. With regard to hydrogen-related technologies, we aim to implement them practically in various forms while maintaining and expanding the advantages of our current IPPF.

(Figure 2) Analysis of data on global environment-related patents based on GXTI*1

Rank in 2022	Overall GX technology (number of IPFs*2)	Individual fields (number of IPFs)		
		gxA09: Fuel cells	gxA10: Hydrogen technology	GXC01a: Secondary batteries
1	A (9,971)	C (1,535)	N (355)	B (4,937)
2	B (9,858)	E (1,065)	Panasonic (264)	A (4,613)
3	C (8,252)	G (862)	O (228)	C (2,855)
4	Panasonic (7,446)	D (772)	C (218)	D (2,168)
5	D (4,764)	J (637)	E (201)	Panasonic (2,154)
6	E (4,448)	Panasonic (588)	G (188)	SANYO Electric (1,327)
7	F (3,831)	A (444)	P (177)	R (1,110)
8	G (3,640)	K (443)	Q (175)	S (1,003)
9	H (3,521)	L (420)	J (135)	G (974)
10	I (3,109)	M (315)	D (129)	T (970)

*1 Prepared by Panasonic based on the JPO's “2022 Patent Information Analysis Based on GXTI (Abstract),” March 2023 (URL below)
https://www.jpo.go.jp/e/resources/statistics/gxti/report-results_patent-analysis.pdf

*2 The number of IPF (International Patent Family) means the number of inventions for which applications, including applications to the EPO or PCT applications, were filed to multiple countries or regions. (For more detail, see page 1 of the document the URL of which is indicated above)

In addition, the Panasonic Intellectual Property Department is pursuing new initiatives to realize its Purpose: “Circulating intangible assets, transforming them into value, and making the world happier.” As part of this effort, in September 2023, the “Technology Index,” a search system based on tens of thousands of pieces of intellectual property information held by the Group, was released. Addressing social issues such as climate change is not a task that can be handled by the Group alone. Going forward, the Panasonic Intellectual Property Department will continue to evolve and deepen its efforts, believing that its move to circulate intangible assets will be the starting point for various stakeholders to move forward, connect with each other, generate innovation in society, and make the world a happier place.

*Panasonic Intellectual Property Department website:
<https://holdings.panasonic/global/corporate/about/intellectual-property.html>

*Sustainability Data Book 2023 “Intellectual Property”:
<https://holdings.panasonic/global/corporate/sustainability/social/intellectual.html>

Panasonic Transformation (PX) Initiatives



Bring happiness to life. Bring happiness to work. It's digital, it's our value.

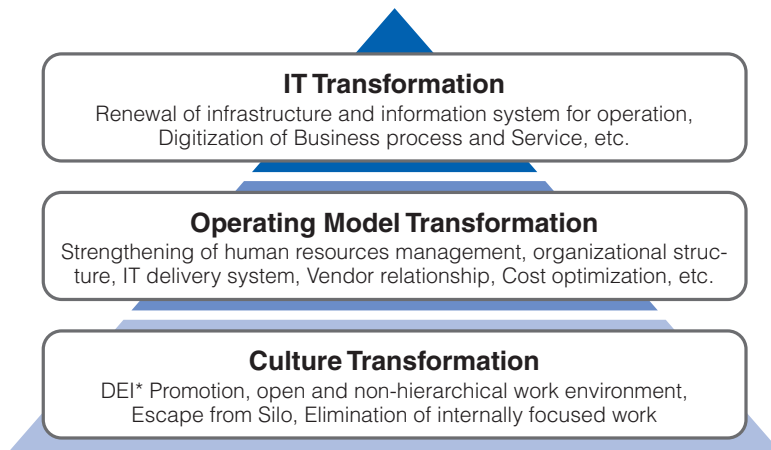
Hajime Tamaoki
Executive Officer
Group Chief Information Officer (Group CIO)



Further accelerating “Panasonic Transformation”

With digital transformation positioned as one of the key items of the Group strategy, we have been advancing our “Panasonic Transformation (PX)” project, which is a symbol for Group-wide transformation, since May 2021. The goal of PX is to create new value for the Group and help our employees and customers “live their best” by fundamentally re-examining the negative legacy accumulated over our more than 100 years of history (obsolete IT, internally focused work, outdated practices, etc.). With that in mind, I will be driving PX forward based on our management and business strategies under the ownership of Group CEO Kusumi.


Framework of PX Transformation



*Diversity, Equity & Inclusion


Formulation of “PX-7 Principles”

In March 2023, the Panasonic Group held a Group Executive Meeting with participants from Panasonic Holdings Corporation (hereinafter referred to as “Panasonic Holdings”), operating companies, and subsidiaries, with the goal of achieving a “Genuine DX” in which every single one of our 240,000 employees participates as a key player. At the Group Executive Meeting, PX was established as the Company-wide management agenda and as the foundation to support the transformation of Panasonic’s business strategies and business portfolios. All participating group executives engaged in concentrated study to link PX to the enhancement of corporate value, formulated PX-7 Principles, and each signed a commitment statement.

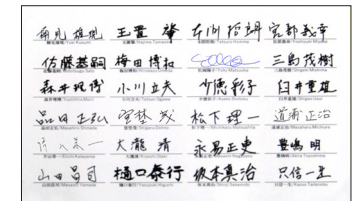


PX-7 Principles

1. Leverage data across our businesses to pursue the Panasonic Group’s purpose: “Live Your Best.”
2. Management teams* are held accountable for value creation through data and process optimization.
3. Create value through data, turning diverse customer touchpoints into our strength. We want to understand customers and consumers better than anybody else.
4. Relentlessly improve business processes as our competitive advantage.
5. Do not underestimate the complexities of the current work processes. Clarify the rationale behind the existing processes and then simplify them if necessary. Clearly define what needs to be standardized.
6. Management teams are responsible for clearly defining what to standardize.
7. Commit to developing and nurturing data and tech-savvy human resources across all levels to create value.



Signed by group executives




Case study Realization of PX-7 Principles

Panasonic Holdings and its operating companies are formulating business policies and activity guidelines to enable each company to translate PX-7 Principles into action. In addition, senior management executives are asked to express the PX-7 Principles in their own words and communicate them to employees in an effort to raise awareness and inculcate the principles.

Commitment Statement from PID Officers 1/14

Owner of Digital management transformation **Shinji Sakamoto** (CEO)



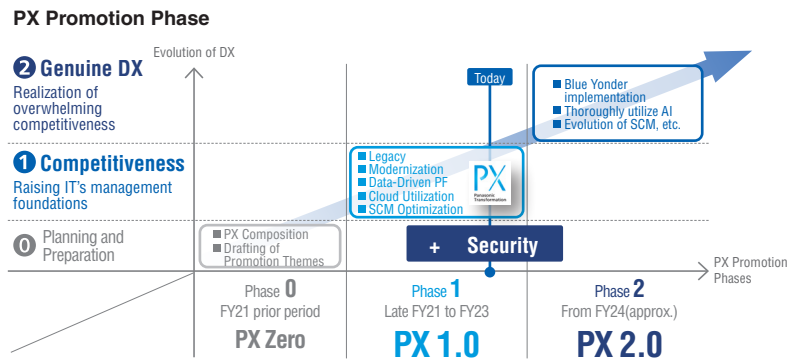
- DX推進が必要ですが、今のPIDの取組は、4:5:5です。
- 4. 業務プロセスを徹底的にデジタル化・自動化・標準化する
- 5. システム化の前に、現場の業務プロセスの現状を把握し、標準化の範囲を明確化する
- ◆ ステークホルダーによって異なったプロセスを特定し、廃止する
- ◆ 差別化できない必要プロセスは、標準化・自動化する。標準化しない場合はその理由を明確化する
- SCMのそれぞれの部門の担当者は、懸命に日々のタスクをこなしていらっしゃいます。しかし、SCMの全体プロセスを把握する、サプライチェーン全体の状況把握、在庫管理の参加が不足しています。結果、長いリードタイム、精度が低い情報の伝わりが原因で、顧客満足度が低下し、コストアップの原因です。これが我々の競争力を弱め、本来投資に使われるべき資金を奪っています。
- まずDX全体を見直し、次に標準化計画を立て、その場ごとに自動化を一気に一気に導入し精度を高めコストを下げ、AI/IT活用を積極的におこなってまいります。この過程で50%程度の削減を目指し、業務の効率化・コスト削減に貢献し、売上げ/収益/企業価値を向上させたいです。AI/IT活用を積極的に導入し、業務の効率化・コスト削減に貢献し、売上げ/収益/企業価値を向上させたいです。



Panasonic Transformation (PX) Initiatives

Phase Change toward “Genuine DX”

For the two-year period from fiscal year ended March 31, 2021 (fiscal 2021) to fiscal 2023, we are focusing on laying the groundwork for raising the level of our IT management foundation, working to transform the organization of information infrastructure and information systems, and supply chain, and producing results on a consistent basis. As soon as the measures set forth in PX 1.0 are completed, the transition to PX 2.0 begins, which involves gradually evolving and expanding initiatives toward business model transformation, new business creation, and value creation utilizing the latest digital technologies. Some of the operating companies involved in PX 2.0 are creating new businesses, which will lead to “real business outcomes” in the future.



IT Transformation

In parallel with efforts to achieve thorough enforcement and standardization of business systems and business processes, we are transforming the IT itself through four programs: (1) Legacy Modernization; (2) Data-Driven Platform; (3) Cloud Utilization; and (4) SCM Optimization. The specific results include the following (as of June 30, 2023):

- Completed 85 out of 170 themes (50%) that are common priority measures for the Group
 - Saved more than 430,000 man-hours through higher efficiency of indirect operations and saved more than 420,000 sheets of paper through paperless work
- 460% increase in number of employees utilizing data (compared to previous year)
- Transitioned 57% of all OSs to the cloud, exceeding target of 40%

Operating Model Transformation

To ensure efficient and sustainable delivery of IT that creates a competitive advantage, we are promoting an “operating model transformation” that extends to our Information Systems Department and its management resources, including talented people, products or services, and capital. Specifically, we intend to push ahead with seven programs, including the following: incorporating IT into the management agenda; personnel management reforms; global vendor governance; and IT core company transformation. The specific results include the following (as of June 30, 2023):

- Defined 12 common human resource categories covering approximately 3,900 IT professionals around the world and started job category-specific training
- Professionalized strategic coordination and relationship building with global vendors to reduce costs and enhance quality

Culture Transformation

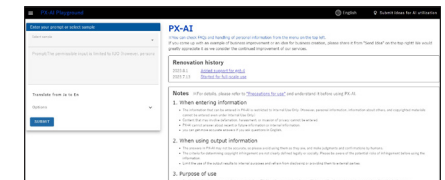
We continue to spread, both internally and externally, the concepts of One Panasonic IT, open and non-hierarchical work environment, a zero-tolerance policy (ensuring psychological safety at work), and the elimination of internally focused work. Meanwhile, we are working to reform the negative legacies of organizational inertia, the curse of tradition, and the remnants of 20th-century ways of working. The specific results include the following (as of June 30, 2023):

- Using Panasonic Operational Excellence Co., Ltd. as a model, introduced agile methods to white collar workers as a “small transformation,” saving 4,300 man-hours per year
- Held an “Agile Practice School/training hall” that graduated 61 students and implemented *gemba* kaizen using agile methods resulting in 80 employees acquiring agile-related certifications

Case study Company-wide deployment of AI assistant service “PX-AI”

Based on “ConnectAI,” the AI assistant service from Panasonic Connect Co., Ltd., we built our own Panasonic Group version called “PX-AI.” Starting in April 2023, PX-AI has been offered to approximately 90,000 Group employees in Japan, and has been used more than 700,000 times by 30,000 employees in three months. In July 2023, we expanded the service to our overseas sites, excluding Europe and China, making it available to approximately 170,000 employees worldwide. By introducing cutting-edge AI technologies and applying them to our operations across the entire Panasonic Group, we will increase the productivity of employees not only in technical positions but also in departments such as manufacturing and sales, promote the continuous evolution of our business processes, and encourage employees to realize their ideas and dreams and take on the challenge of creating new business ideas.

PX-AI main screen



Further strengthening cyber security measures

With regard to cyber security measures, which address risks to not only DX but all corporate activities, traditionally individual departments at the Group have been responsible for separate cyber security measures and promotion across the three functions of information systems, manufacturing systems, and product security. Starting in fiscal 2024, we will organically integrate the three functions as One Panasonic as part of an accelerated and intensive program of comprehensive measures covering the entire business. In addition, in order to increase the reliability of our products and contribute to greater social stability, we are focusing on developing cyber security talent through close exchanges between personnel from the three functions.

Note that cyber security has been identified as one of the Group's the highest priority issues through the process of identifying materiality. (For more details on identifying materiality, please refer to [P5](#))



Human Resources Strategy

Message from the Group CHRO



We will achieve stable “employees’ well-being” and implement management that enables each employee to reach their full potential.

Shigeki Mishima

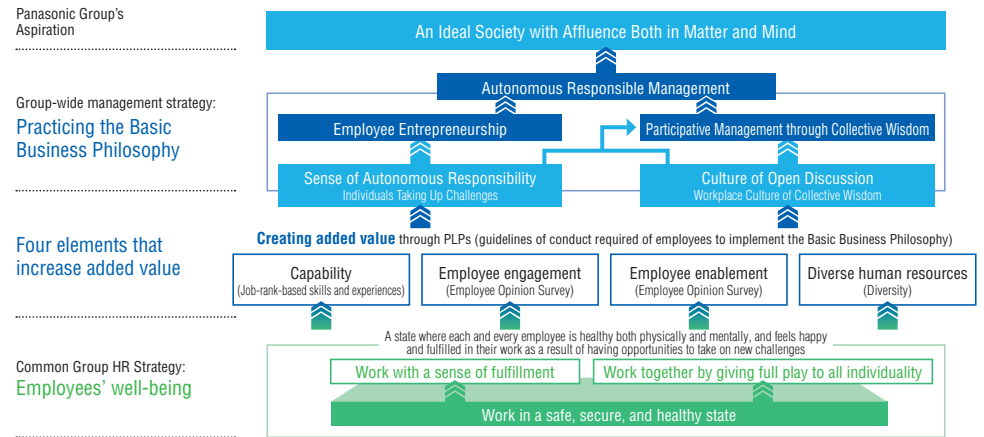
Executive Officer
Group Chief Human Resources Officer (Group CHRO)
In charge of DEI (Diversity, Equity & Inclusion) Promotion

Since its founding, the Panasonic Group has valued the concept of human capital management, which regards human resources as vital capital. We call the approach “autonomous responsible management,” which consists of “employee entrepreneurship,” which has individuals take on challenges based on their personal sense of responsibility, and “participative management through collective wisdom,” which asks people to share their wisdom by telling others what needs to be said. We implement this Basic Business Philosophy throughout the Group to improve the competitiveness of our operating companies, helping us realize our Group’s purpose of “an ideal society with affluence both in matter and mind.”

Furthermore, the premise of our autonomous responsible management, which is our Group-wide management strategy, rests on making sure that each and every employee is healthy both physically and mentally, and feels happy and fulfilled in their work as a result of having opportunities for taking on new challenges, or in other words, ensuring “employees’ well-being.” We have set this as our common Group HR strategy and identified three pillars of “Work in a safe, secure, and healthy state,” “Work with a sense of fulfillment,” and “Work together by giving full play to all individuality,” to promote initiatives and create added value. We monitor the added value with productivity indexes using financial indicators.

We have identified “employees’ well-being” as one of the highest priority issues for the Panasonic Group through the process of identifying materiality, and it is a precondition for our autonomous responsible management system.

[\(See P5 “Materiality” for details on materiality identification\)](#)



Four elements to increase added value

To further implement our Basic Business Philosophy, we have established the Panasonic Leadership Principles (PLPs) as a set of action guidelines for our employees, and will create higher added value for society through specific actions. The four key elements that increase the added value are: “capability (job-rank-based skills development),” “employee engagement (employees’ self-motivated endeavors),” “employee enablement (a working environment that makes employees feel comfortable and helps them reach their full potential),” and “diverse human resources.” Achieving “employees’ well-being” as mentioned earlier is the foundation of these four elements.

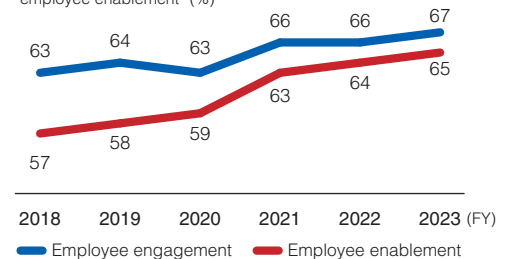
Group-wide Key Performance Indicators (KPIs)

The Panasonic Group has established indicators tied to the three pillars of initiatives to achieve the above-mentioned “employees’ well-being.” In particular, we have designated “employee engagement” and “employee enablement” indicators, the ratio of women in managerial positions (in Japan), and the number of occupational accidents as the four Group-wide key performance indicators.

The “employee engagement” and “employee enablement” indicators are measured using the Affirmative response rate (%) as assessed in the Employee Opinion Survey (hereinafter referred to as “EOS”). This is an annual survey of all global employees (approximately 150,000 respondents in fiscal year ended March 31, 2023) conducted in an effort to gain a fixed-point observation of employee awareness. Survey results have been trending upward each year, with fiscal year ended March 31, 2023 (fiscal 2023) results showing “employee engagement” at 67% (66% in the previous fiscal year) and “employee enablement”

Employee Opinion Survey (Group-wide)

Affirmative response rate for “employee engagement” and “employee enablement” (%)



Employee engagement: employees’ self-motivated endeavors
Employee enablement: the right person for the right job, comfortable working environment



Human Resources Strategy

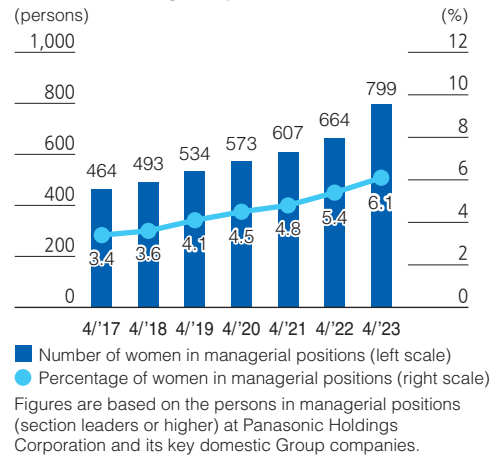
coming in at 65% (64% in the previous fiscal year)*. We will continue our initiatives based on the three pillars to achieve the highest global standards.

(Please refer to the [Sustainability Data Book 2023](#) for specific questions used to measure the “employee engagement” and “employee enablement” indicators.)

In addition, the percentage of women in managerial positions (in Japan) was 6.1% (compared to 5.4% in the previous fiscal year). We will continue promoting DEI and aim to ensure diversity in managerial positions by appointing more women.

In terms of the number of occupational accidents, there were no fatal accidents in the Group as in the previous fiscal year, while there were three serious and severe accidents in Japan and five overseas (compared with four in Japan and six overseas in the previous year). We will continue creating a safe, secure, and healthy workplace to eliminate all fatal, serious, and severe accidents.

Women in managerial positions



Work in a safe, secure, and healthy state

—Creating a safe, secure, and healthy workplace

Creating a safe and secure workplace

We regularly conduct risk assessments of machinery and equipment, hazardous substances, etc. at least once a year, based on the Occupational Health and Safety Act, in order to identify potential risks of occupational accidents and illnesses in the workplace and to reliably reduce risks starting with the highest-priority risks.

Health management

In addition to sending out a Group-wide health message and defining a policy of strengthening health investments to achieve employees' well-being, we are promoting various initiatives in Japan through Healthy Panasonic Actions, which are led by each operating company and involve the Company, labor unions, and health insurance organizations. We have sent out a message on health to the entire Group, clarifying our policy of strengthening health investments to realize employee well-being. In Japan, each Operating Company promotes various initiatives through Healthy Panasonic Actions, a unified effort from the Company, labor union, and health insurance association.

Efforts to prevent harassment and ensure 100% legal compliance (in Japan)

To encourage the Panasonic Group members to create a company free of harassment and a source of pride for all employees, we are strengthening our harassment prevention efforts in accordance with the Equal Employment Opportunity Act, the Child Care and Family Care Leave Act, the Power Harassment Prevention Act, and other relevant laws and regulations.

- We designated December as “Zero Harassment Month” and have been raising awareness about harassment.
- We are revising our disciplinary rules (with stricter disciplinary measures for harassment) as a Group-wide effort to deter harassment.

- Since 2021, we have worked toward establishing a consultation service, training the service's managers and staff.
- We are providing harassment prevention training to all Group members starting from July 2023.

Work with a sense of fulfillment

—Encouraging employees' self-motivated endeavors and supporting their self-determined career formation

Development of management executives

For the sustained development of our Group, a diverse pool of managers that can drive business forward is absolutely essential. To that end, we are working to create a pipeline of successors over the medium to long term. As specific Group-level initiatives, for the 26 key positions such as executive officers of Panasonic Holdings Corporation and presidents of operating companies, we are promoting the development of a diverse pool of management executives irrespective of nationality, work history, gender, age, or other attributes based on a policy of fast-tracking and “the right person for the right job.” Also, the Group Talent Management Committee has been established to discuss and promote the search, development, placement, and monitoring of successors from the optimal perspective of the entire Group, and is currently working on the career development of the 100 successors the Committee selected based on short, medium, and long-term perspectives. We will continue to enhance this group of successors' quality, quantity, and diversity. For the sustained development of our Group, a diverse pool of managers that can drive business forward is absolutely essential. To that end, we are working to create a pipeline of successors over the medium to long term. As specific Group-level initiatives, for the 26 key positions such as executive officers of Panasonic Holdings Corporation and presidents of operating companies, we are promoting the development of a diverse pool of management executives irrespective of nationality, work history, gender, age, or other attributes based on a policy of fast-tracking and “the right person for the right job.” Also, the Group Talent Management Committee has been established to discuss and promote the search, development, placement, and monitoring of successors from the optimal perspective of the entire Group, and is currently working on the career development of the 100 successors the Committee selected based on short, medium, and long-term perspectives. We will continue to enhance this group of successors' quality, quantity, and diversity.

Moreover, each Operating Company has a similar Talent Management Committee to discuss and promote identifying, training, assigning, and monitoring successors to important posts such as business division heads from a multifaceted perspective, helping develop managers for optimal Group-wide management.





Human Resources Strategy

Compensation system (Japan)

Panasonic Group has adopted a performance-linked compensation system that sets current fiscal-year bonuses based on the Company's previous fiscal-year performance. Corporate performance reflects in compensation more at higher levels of management. Moreover, individual bonuses are determined based on how individuals perform in their jobs the previous fiscal year. With corporate and individual performance impacting compensation to some degree, Panasonic inspires the desire to improve both aspects of performance.

(See [P44 "Compensation"](#) for compensation)

Global human resources development

In each country and region, we plan and operate our unique selective executive development training programs in cooperation with Japan to bolster our business leadership development. For instance, in Europe, we operate the Next Generation Talent Program (NGTP), a 15-month human resources training program. It includes workshops on the Basic Business Philosophy and diversity, launching and promoting actual business projects, mentoring and coaching, and various other activities. Participants work with partners from different European affiliates to improve their overall business knowledge and skills. In Japan, we hold the Senior Management Development Program (SMDP) for key senior managers (including directors, GMs, and managers) worldwide, with 27 participants from 11 countries attending the most recent program in March 2023.

Furthermore, we have a Group-wide Panasonic Global Mobility Policy that provides rules for inter-regional transfers and programs for inter-regional transfers and for overseas employees to work in Japan.

Career development support (in Japan)

We believe that the basis of "work with a sense of fulfillment" is to volunteer and take on challenges. Therefore, as a company, we support individuals' willingness to take on challenges and pursue self-directed career development. As a result, in fiscal 2023, approximately 2,000 employees volunteered for, and around 500 actually took part in a new challenge, such as job transfers across Operating Companies within the Group (relocation) and in-company multitasking (concurrent postings within the Company). One of the Group-wide initiatives to support the growth and endeavors of each employee is the "A Better Dialogue" initiative. This initiative is designed to enhance the quality and quantity of dialogue between employees and their managers. In addition to 1-on-1 meetings aimed at drawing out the thoughts of each employee, the initiative consists of three tracks: development of individual career and capabilities, goal setting and management, and competency review. The initiative helped promote various dialogue opportunities, achieving a 78% implementation rate and an 84% satisfaction rate in fiscal 2023 in Japan. To enable each employee to maximize their individuality and capabilities and enhance their job satisfaction, we strive to enhance the value of each employee's experience and create opportunities for them to take on challenges and play an active role in a variety of settings, including pre- and post-employment onboarding, career development, evaluation, promotion, and transfers and secondments.

Open job transfers within the Group

(persons)

	FY2019	FY2020	FY2021	FY2022	FY2023
Open job transfers within the Group (number of applications)	1,840	1,329	1,018	301	1,936
Open job transfers within the Group (number of transfers)	551	302	252	81	466
Concurrent postings (transfer record)	44	53	91	122	38

*Usage record of Group-wide programs. There was a temporary decrease in fiscal 2022 as applications were suspended due to the transition to an operating company system (holding company system).

Work together by giving full play to all individuality

—Promoting Diversity, Equity & Inclusion (DEI)

Top management commitment

The "top management commitment" means management members themselves are committed to promoting DEI and do so by incorporating it into business strategies.

■ Group DEI Promotion Council

All operating company presidents are committed to promoting DEI as a business strategy to achieve the goal "help maximize the potential of each employee." As a part of this initiative, we established a new Group DEI Promotion Council in fiscal 2022. The Council allows management to share a common understanding of the DEI issues that must be addressed and engage in an ongoing dialogue on Group-wide initiatives. The Group CEO serves as chairperson, with all operating company presidents and some employees as members. Its meetings determine and promote critical actions. In fiscal 2023, we accelerated our DEI initiatives by engaging in dialogue on diverse topics such as LGBTQ, disability, and disease, and sharing good examples of actions taken by each operating company.

Creating an inclusive work environment

Creating an inclusive work environment is about building an environment where every individual's diversity is valued and fully utilized.

■ Group DEI Forum

The Group DEI Forum is an internal event designed to provide an opportunity for each of us to enhance our understanding and empathy toward DEI and inspire us to take action. We have been holding this event each year since fiscal 2022 under the slogan "Dialogue. Discovery. Appreciating Differences." with the aim of making employees aware that DEI is something we must take seriously because it concerns all of us. In fiscal 2023, more than 14,000 employees watched the online live stream.

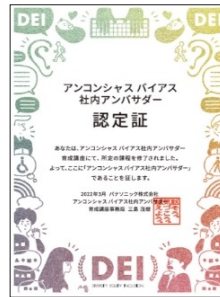




Human Resources Strategy

■ Unconscious bias training

Unconscious bias refers to prejudices and stereotypes people have based on past experiences and perceptions that they are not consciously aware of having. We conduct training to learn about and become aware of the existence of these assumptions that everyone makes about others. Through changing one-sided views and perspectives and considering other possibilities, we review communication in the workplace to create a workplace culture where everyone can work comfortably and where every individual's diversity can be fully utilized. As of April 2023, approximately 110 employees have been trained as internal unconscious bias ambassadors, and training will be continually provided to approximately 60,000 employees in Japan from fiscal 2023 onward. In addition, we also provide training in North America, Europe, Brazil, India, Singapore, and Vietnam, according to the circumstances of each region and country.

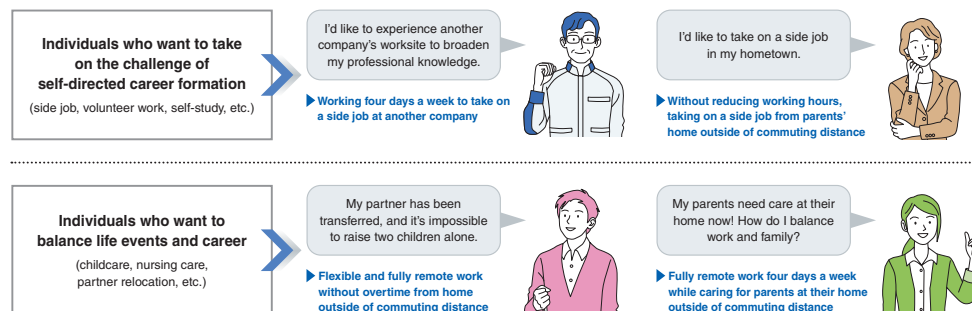


Support for every individual (in Japan)

■ Greater options for work hours and places

All Group companies are working to expand work options that support careers and encourage work-life balance. For example, we have introduced a system that allows employees to flexibly choose their working hours and days by eliminating the minimum daily working hours, enabling flexible work styles such as three- or four-day workweeks. By introducing such work styles and expanding the short-day scheduling system for career development, we encourage individuals to take on the challenge of self-directed career development, including moonlighting for other companies, volunteering, and self-learning. We are also working to expand options for working locations, such as by promoting full remote work, which allows employees to work from outside their commuting range. That allows employees to balance their careers with life events such as childcare, nursing care, or a partner's relocation.

Responding attentively to diverse needs and expanding options



■ Promoting gender equality

There are no gender-based inequalities in the Panasonic Group's compensation system. However, particularly in Japan, we are aware that there is a need to promote a greater number of women to senior management and decision-making positions, and the Panasonic Group is striving to ensure gender diversity. Therefore, in addition to creating an inclusive work environment, we are working on revising our evaluation and promotion processes from the perspective of equity. We are committed to undertaking activities such as holding study groups for female employees and career-advancement seminars for women leaders, and providing opportunities to encounter female role models' values and work ethics. In addition, we are working to improve the work system and foster a flexible workplace culture where anyone who wishes to can balance life events and career, and as one of the measures for that, we encourage male employees to take childcare/parental leave.



■ Employee Voluntary Community Efforts

Under the theme of diverse individuality, a voluntary community of over 3,000 employees is carrying out various activities across the Panasonic Group's operating companies and departments.

Examples

- Career Crossover: An in-house community where mid-career hires can become virtual co-workers and consult with each other across organizational and business boundaries
- PWN (Panasonic Women's Network): An internal community centering on female employees who wish to contribute to the company by utilizing their own strengths
- PRN (Panasonic Rainbow Network): An internal community for LGBTQ persons and allies
- Diversity & Network (D&N): An internal community that aims to create an organization where employees with disabilities can contribute actively and demonstrate their abilities
- Panasonic Deaf Association/Silent Lab: Internal communities where people who can hear and those who cannot hear work together to think about creating a comfortable working environment and make changes

These efforts lead to the creation of a work environment in which each individual supports one another, knowledge and initiatives are disseminated widely within the Group, and everyone is able to demonstrate their individuality. The Company also recognizes the importance of these activities and encourages them, for example, by awarding the Group-wide CEO Award in fiscal 2023.



Respect for Human Rights

For more details, please refer to ["Respect for Human Rights" in our Sustainability Data Book 2023.](#)

The Panasonic Group's business activities are made possible by the support of many people, and as a corporation that upholds the management philosophy that a company is a public entity of society, we recognize that we cannot allow ourselves to develop at the expense of other people. We also acknowledge that we have a responsibility to protect their rights and contribute to the well-being and happiness of all these people. As a global company operating worldwide, we comply with all applicable laws and regulations in our business activities while considering the human rights of all our stakeholders and respecting internationally recognized human rights as expressed in the International Bill of Human Rights and the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work. We strive to prevent, mitigate, and rectify any possible negative impacts our business activities, products, services, or related transactions have on individuals, workers, or society. We also ask our suppliers and business partners to understand and implement our human rights and labour compliance policies and measures, and we work with them to monitor supply chain risks and take appropriate measures to prevent and mitigate their occurrence, along with steps for rectification. We also seek the advice of external experts in this regard.

Respect for human rights has been identified through the materiality identification process as one of the highest priority issues in the Group. (For more details, [please refer to "Materiality" on page 5.](#))

Policy

The Group has established the Panasonic Group Human Rights and Labour Policy, based on compliance with, referencing the below international standards and incorporating external experts' opinions. This policy states that, predicated on compliance with international standards and the laws and regulations of each country that are applied to our business activities and transactions. It stipulates our commitment to respecting internationally recognized human rights, identifying, preventing, and rectifying human rights violation risks, promoting victim relief measures, creating a rewarding working environment, and engaging in dialogue on these issues with various stakeholders. In accordance with this policy, we have established internal rules and developed a system for implementation. We are also propelling specific initiatives aimed at upholding respect for human rights and creating a rewarding work environment.

Responsible executive and framework

The executive officer responsible for the Group's initiatives on respecting human rights is the Group Chief Human Resources Officer (Group CHRO), who is also in charge of CSR and corporate citizenship activities (as of August 2023). Performance indicators related to sustainability in the areas the Group's executive officers are responsible for have been established and reflected in their compensation. In fiscal year ending March 2024 (fiscal 2024), the short- and medium-term performance-linked compensation indicators for the Group CHRO include the initiatives for human rights and labour compliance.

(Please also refer to ["Compensation" on page 44](#) for information about compensation.)

Human rights due diligence

Based on the United Nations' Guiding Principles on Business and Human Rights and with reference to the OECD Due Diligence Guidance for Responsible Business Conduct, we conduct human rights due diligence to identify, prevent, and mitigate any adverse impact our operations could have on human

rights, correct issues that may arise, and explain the results of our actions to relevant stakeholders.

We incorporate input from external experts and stakeholders in formulating related mechanisms and processes.

The Group recognizes the need to identify human rights issues throughout its value chain and business activities and has begun analyzing priority issues. As we operate globally in a wide range of business areas, some of our businesses have extensive supply chains and we recognize the risk that workers in these supply chains may be in vulnerable positions or unsafe working environments in different countries or regions. We have therefore started by addressing human rights issues at our manufacturing sites and in our supply chain.

In fiscal 2022, we conducted a detailed self-assessment of human rights and labour issues at almost all of our overseas manufacturing companies to gain a bird's eye view of the Group's risks. In fiscal 2023, we reviewed and added questions to our list before conducting another detailed self-assessment of some domestic manufacturing sites that were selected by our operating companies alongside our overseas manufacturing companies (for a total of 127 companies and sites). To address the issues identified, the relevant companies and sites will formulate improvement plans by August 2023, and Panasonic Holdings will provide support, as appropriate, to complete the corrective measures by March 31, 2024.

In our supply chain, we use contracts and agreements to make it mandatory for our suppliers to comply with the Panasonic Supply Chain CSR Promotion Guidelines. And in line with these guidelines, we also request them to periodically complete a CSR self-assessment. From fiscal 2023 we started utilizing a risk-based approach with input from external experts to identify the suppliers we should audit first as a matter of priority. We have since carried out our own supplier audits and arranged for audits to be conducted by a third-party organization.

Grievance mechanism

In order for us to respond quickly to remedy any complaints we receive related to human rights violations, we established a global hotline (supporting 32 languages) as a point of contact where our employees or external business partners and their employees can report any issues. This hotline uses an external, independent system that prevents the identity of the internal or external person reporting from being revealed, and we have internal rules in place to ensure the confidentiality of reports and to make sure that the person reporting the violation is not subject to any form of retaliation or unfair treatment.

Participation in international and industrial partnerships

The Panasonic Group has been a participant in the United Nations Global Compact since January 2022. In addition to expressing our support of 10 fundamental principles in four different fields, including respect for human rights, we adhere to international standards in our human rights and labour initiatives, and we are fulfilling our duty to communicate with the public by disclosing the progress and results of our efforts.

We also belong to the Responsible Business Alliance (RBA) and other various industry groups, and through their activities, we are working to build a highly reliable management system.



Dialogue between the Chairperson of the Board of Directors and an Outside Director



Kazuhiro Tsuga

Director,
Chairperson of
the Board

Evolution of the Board of Directors under the new system

Kazuhiko Toyama

Outside Director

Changes in the Board of Directors following the transition to an operating company system

Enabling the Board to monitor each operating company from a higher-angle view

— What changes have been made to the Board of Directors as a result of the transition to an operating company system in October 2021 and the establishment of the holding company in April 2022?

Tsuga: In the past, our Board of Directors had a mix of large and small projects on the agenda, making the meetings somewhat lacking in context. An inside director like me was able to understand the details of these projects, but I must say that it was considerably difficult for outside directors to equally understand them. With society and the business environment undergoing major changes, it was necessary for the Board of Directors to envision how the Panasonic Group should be and to enable thorough discussions among all members of the Board of Directors. We made the decision to move to an operating company system in light of the situation of the Board of Directors among other factors, at that time. As society's expectations for us change, we too need to change our business fields, and our operating companies need to change accordingly. This is what the operating company system is designed for, so what is more important is how the

operating companies have changed rather than how the Board of Directors has changed. This is my take on how the Board of Directors should evolve in the future as a result of these changes.

Toyama: I am currently in my eighth year as an outside director, and I had the impression that this would be a daunting challenge upon assuming the position. The Panasonic Group can be said to have some 40 businesses with net sales of around ¥200 billion, and the scale of sales for each of these businesses easily puts them on par with publicly traded companies. What's more is that these are manufacturing companies, so their functions are multifaceted, requiring development, production, and sales units at the very least. Furthermore, since each business operates globally, when multiplied together, the number of management units reaches into the hundreds, and each business faces fierce competition. Only someone like Prince Shotoku, a well-known ancient multi-talented genius, would be able to manage a business like this. Also, as Mr. Tsuga pointed out, the previous Board of Directors had a mixture of many small projects. Board of Directors members had to shift their viewpoints back and forth from top to bottom, adjusting their focus for each project. When I was at the Industrial Revitalization Corporation of Japan, I was also looking at about 40 companies and reaching my limits even then. However, at that time, my workload would decrease once the revitalization support was completed, so the situation was different from the one in the Panasonic Group. To be frank, in the past, the Board of Directors had major shifts in focus from project to project, so the discussions lacked a tangible quality, and often resulted in half-hearted discussions. Even when the focus became clear from a higher-angle perspective on major themes, it was challenging as discussions shifted to a more detailed perspective when the theme changed. With the transition into a current operating company system and



Dialogue between the Chairperson of the Board of Directors and an Outside Director

the establishment of a holding company, the situation for the Board of Directors has changed dramatically. Now, we are able to monitor each operating company, in terms of whether it is functioning well or not, from a higher-angle viewpoint, and we have a more tangible feel for the entire Group. Another significant change is that the heads of operating companies have become more like presidents in reality and in name. The change is obvious. Previously, they were more like general managers, but now they exude the demeanor of a president.

Tsuga: What you just pointed out is something I also feel when visiting operating company locations. Investment decisions at each location are being made faster, and I am often impressed by how quickly they have adapted. I believe this is because the top management of these operating companies have clearly stated their management policies, and these ideas have been disseminated to each location.

In addition to the “meta-perspective,” it is necessary to have the “operational frontlines perspective that connects the holding company with the operating companies”

— What’s your take on how the Board of Directors should be and what role it should play under the holding company system?

Tsuga: Operating companies put the customer first and are always thinking about what they can do for the customer. However, when society undergoes major changes, there are cases where we may not be able to keep up with the social changes if we are too close to our existing customers. Accordingly, it is important for the holding company to fulfill its role by calmly assessing changes in society. I believe the ideal role assignment is one in which the holding company captures future changes, while the operating companies stay close to their customers.

Toyama: The holding company needs to take a meta-perspective and expand its thinking over time and space. The holding company is responsible for back casting from 10 to 20 years down the road, and this perspective is increasingly being incorporated in the discussions at Board of Directors meetings. In addition, overseeing operating companies requires both an accounting perspective to monitor mainly for profitability and a meta-based medium- to long-term perspective, and an ideal Board of Directors should have both of these two perspectives.

Tsuga: I feel that the Board of Directors’ monitoring function is dependent on the past experience and skills of outside directors. For example, an outside director who is aware of long-term changes in the

industry structure and an outside director with strong operational frontlines experience will have a different method of monitoring. Since we are a manufacturing company, I believe that in addition to having a meta-perspective, the Board of Directors also needs to have an operational frontlines perspective that connects the holding company with the operating companies.

Toyama: In this regard, I find the current composition of the Board of Directors to be good, as we have outside directors from a wide variety of backgrounds.

The Board of Directors meetings used to be more harmonious in the past, but now there are more heated debates

— What makes our Board of Directors superior or unique compared to other companies?

Toyama: I have the impression that the members of the Board of Directors are serious and transparent. However, the flip side of this is that everyone is harmonious, and the direction of the discussion is somewhat coordinated before it is brought to the Board of Directors. As such, things are not so often decided dialectically through heated exchanges at Board of Directors meetings. Previously, when I first became outside director in the Company, the Board of Directors seemed to be more harmonized, but now we have much more in-depth discussions.

Tsuga: In particular, we had intense discussions both at internal meetings and at the Board of Directors meetings regarding the acquisition of Blue Yonder.

Toyama: I like discussions like that, and it gives me an adrenaline rush. Recently, the Panasonic Group has been able to largely and promptly steer toward a better direction in terms of management. In this regard, our Board of Directors is interesting. I now truly feel a sense of fulfillment as an outside director.

Tsuga: In fact, the discussions at the Board of Directors were generally not active enough in the past, and more or less accepted the decisions made by the execution side of the business. I am grateful that the Board of Directors has been able to evolve with the help of outside directors.





Dialogue between the Chairperson of the Board of Directors and an Outside Director

Board of Directors' understanding of issues concerning the Panasonic Group

There is a need for a pillar that supports the Group, and automotive batteries are becoming this pillar

— What is the Board of Directors' understanding of the issues concerning the Panasonic Group?

Tsuga: Growth requires sales, but we have long struggled with higher sales leading to lower profitability. As a former president, I have strong concerns about how we can achieve both growth potential and profitability and enhance corporate value. Today, the Panasonic Group feels as if it has a hole somewhere, as sales of AV equipment such as TVs have fallen dramatically compared to where they were in their heyday, and we have lost a major chunk of business, such as with the sale of the semiconductor business to an outside party. So how do we fill this hole? I believe that the Panasonic Group needs new pillars, and it is important to add as many of them as possible. Of course, given the size of the Company, a multi-billion-yen business does not constitute a pillar. We have made various investments and some of those have not worked out in the past. And finally, under Mr. Kusumi's leadership, the automotive battery business is beginning to appear as a pillar. This is not so much the aspiration of the Board of Directors, but I personally have a strong desire to make sure that the Panasonic Group has several pillars.



Toyama: If we look at what you just said from a different angle, it is fair to say that this is not an issue unique to the Panasonic Group, but one that the Japanese electronics industry has faced for some time. With the progress of digitization, the sources of added value have shifted. For example, manufacturing TVs is no longer lucrative, rather, it is the video streaming companies and semiconductor companies that are booming in profitability. The current situation, where we are unable to build business pillars as before, is a highly challenging management situation. The Panasonic Group is a symbolic Japanese business entity and has confronted many of the same challenges that Japanese companies have faced in the past. A better Panasonic Group can be an inspiration for Japan, and I am not exaggerating to say I became an outside director because I expected the Panasonic Group to create new solutions. In addition, we need to be transformative as a company as

transformations take place in various fields, including digital, environmental, and other areas. In terms of corporate management theory, one can say that the business pillars will naturally emerge if the Group has transformational capabilities. The transition to an operating company system changed the external form of the Company, but now we need to change the managerial aspects of our Company. I am sure that all of the members of the Board recognize and agree to this point. Also, from a financial perspective, making capital investments in production facilities paired with technological innovations will be required going forward. Automotive batteries are a perfect example of this. We need to rapidly and continuously make capital investments in production facilities while realizing new innovations, and this way of investing entails substantial risks. For example, this is clearly riskier than building a TV factory during Japan's high-growth period. Accordingly, mature businesses must have the ability to generate cash flow to fund investments, which is one of the reasons why we place an emphasis on operating cash flow. To build a business pillar in a high-risk environment, we must generate cash from businesses where we have a competitive advantage, and then channel that cash throughout the Group. We need to discuss this point at the Board of Directors meetings going forward.

Tsuga: The transition to an operating company system led to the uptake of the large investment projects such as one in automotive batteries. The holding company can make decisions on investments that go beyond the financial capacity of the operating companies. As Mr. Toyama noted, it would be important to figure out how to circulate funds within the Group going forward.

The key to enhancing corporate value is improving earnings capabilities and building confidence in the future

— The company's P/B ratio is staying around 1x. What needs to be done to enhance corporate value?

Tsuga: The stock price is determined by whether investors have high expectations of us for the future. Stock prices go up sharply when investors have high expectations, but quickly drop when those expectations fall apart. Although the stock price will fluctuate to some extent, ideally, it should rise steadily at a faster pace than the Nikkei average. I believe it is important for the stock price to rise and lift the P/B (Price /Book-value) ratio as a result of future expectations growing in a meaningful way, and for us not to take short-term actions focusing solely on the P/B ratio.

Toyama: The P/B ratio can be broken down into ROE x PER, and these two components are interrelated. ROE indicates current earnings power, while PER (or the P/E ratio) reflects expectations for the future. In terms of the capital cycle, a higher ROE means that a company can make more investments, and when



Dialogue between the Chairperson of the Board of Directors and an Outside Director

the capital markets deem these investments appropriate, the P/E ratio goes up. Furthermore, I would like to clearly state boosting ROE by shrinking shareholders' equity, which is the denominator of ROE, is an unwise approach. Rather than simply buying back shares, we need to take action by looking five or ten years into the future. This is one common misconception among many people these days, but outside directors are not proxies for current shareholders. The appropriate way of viewing outside directors is that they are representatives of perpetual shareholders, shareholders not only today, but in the future. The stock market is a permanent system, and the most important public mission of the stock market should be to build assets for the pension funds and others that are so important to many people's lives. Life is long, and what people expect from the stock market is a long-term, sustained, and stable increase in stock prices. If there is any blame to be placed on the P/B ratio problem in Japan, it is that the P/B ratio has been low over the long term. Japanese companies, including the Panasonic Group, need to increase their P/B ratios with a view to the next 5 to 10 years.

Toward fulfilling the Panasonic Group's vision

Execution as a holding company under the operating company system will be a challenge going forward

— At the Group Strategy Briefing in May 2023, the Company announced its policy to focus on solving global environmental issues and providing life-long health, safety, and comfort for everyone. Please tell us how you plan to oversee the execution side of the business to fulfill the Group's vision.

Tsuga: Mr. Kusumi is responsible for the business execution of the entire Group, but he is not the president of any of the operating companies. The executive responsibilities of operating companies are easy to understand, but it is not that easy for us, including Mr. Kusumi, to figure out what the executive responsibilities of the holding company are. This question is profound, in terms of both the foundational question "what is execution?" and the question "is current execution effective and is it yielding results?" Figuring out how we will execute as a holding company under the operating company system will be a challenging matter going forward. In addition, my view is that even if the holding company changes alone, the entire Group will not. After all, if the operating companies do not change, the entire Group will not change. Looking ahead, it will be important for us to take the time to discuss and improve the quality of execution at both the holding company and the operating companies, and this is nothing but a pleasure to look for. Each operating company has developed its own distinctive qualities and is looking promising.

Toyama: The Panasonic Group consists of a two-tier structure, with monitoring and execution at the holding company and monitoring and execution at the operating companies. Mr. Kusumi is on the monitoring side with respect to operating companies. Our current situation reflects what the founder Konosuke Matsushita once said, "delegate responsibility with a watchful eye." I believe what matters here is how our Board of Directors makes things function given our current position. It really takes us back to the roots of the founders' approach to corporate management and corporate governance. In general terms, shareholders delegate responsibilities to the Board of Directors. The people entrusted with responsibilities are accountable to the people who delegated the responsibilities, and if they fail to produce results, the people entrusted with the responsibilities will be fired. In our Company's case, the Board of Directors of the holding company entrusts Mr. Kusumi with the execution of the Group, and if he fails to produce results, he will be replaced by someone else. The same can be said of the relationship between the holding company and operating companies. Our expectation is that the heads of operating companies should manage their companies in a way appropriate as president. As I mentioned at the beginning of this talk, I feel this is coming to fruition. Since the heads of operating companies are entrusted by Mr. Kusumi with the management of their respective company, it is expected that they will adhere to the vision that Mr. Kusumi has laid out for the Group. The responsibility for deciding how to set these expectations rests with the holding company.

Multifaceted management skills are the key

— The capital markets seem to believe that not all of our large investments made in the past have not been successful, so what will it take to make the latest investment in automotive batteries and Blue Yonder a success?

Tsuga: Some say one of our biggest mistakes in the past was our investment in plasma TVs. At the time, we made TVs our number one brand, and we sold other consumer electronics around the brand, while also operating a B2B components business. As it turned out, we were unable to compete in the plasma TV market for technological and various other reasons. I myself became the president of AVC Networks Company, which had a TV business, in 2011, and our first discussion at the management meeting was whether plasma TVs would be around in five years. Everybody answered "no." Accordingly, we switched from plasma TVs to LCD TVs, sourced them externally instead of manufacturing TV panels for them in-house, and ended our plasma TV business. Looking back on this, what will happen with automotive batteries? We need to be tuned in to industry trends, such as for all solid-state batteries, while carrying out our investments in automotive batteries. However, I understand that this is not as easy as safely earning a profit without risk, so I do believe we need to make a bet on major investments like this.



Dialogue between the Chairperson of the Board of Directors and an Outside Director

Toyama: I believe that whether we are able to demonstrate business capabilities in dealing with software-based businesses like Blue Yonder is key to success of major investments. Since digitalization will continue to progress, we need software-based businesses in addition to hardware-based businesses. The Blue Yonder acquisition was a necessary step in order for us to build our business capabilities. It goes without saying that the acquisition is not the end goal, and what matters is whether we are able to manage the company afterwards. The situation is similar for automotive batteries. It is about whether we can make investments in batteries, which require high technological capabilities, and manage them well. Every technology has a lifespan, which means we need to make a business decision whether to accelerate new investments or to withdraw from the business. With the switch to the operating company system, both leaders in the holding company and presidents of operating companies now need to have multifaceted management skills to quickly shift direction and make decisions on whether to accelerate or slow down. The key is whether we can gain these management skills throughout the entire Group.

Tsuga: In areas where change, progress, and innovation happen quickly, such as for Blue Yonder, it is important to figure out how to compete by leveraging data and using software. AI falls into this category as well. In these areas, we must make a leap from our conventional position, or we will be stuck with the notion that software is something that controls hardware, and we will not succeed. In other words, we must be able to manage the business well even after making the leap. The same is true of Yohana as well as Blue Yonder, and there are various areas where we will need to make a leap.

Selecting the right Board of Directors members is paramount

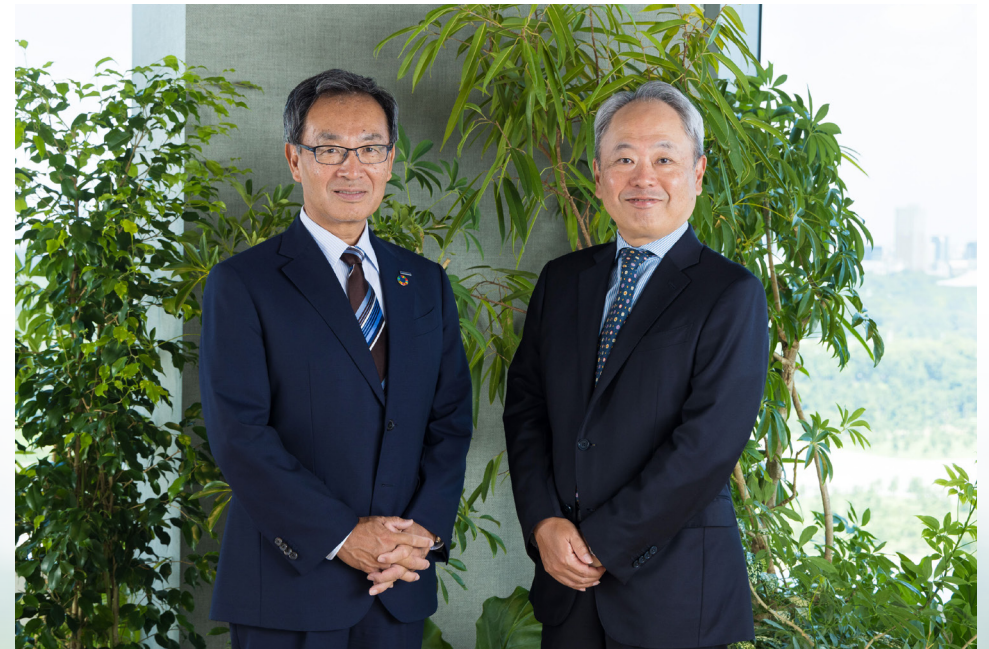
— What needs to be done to further improve the effectiveness of the Board of Directors?

Tsuga: The Panasonic Group has been known as a difficult company to understand. When viewing the Company from the outside, people tend to take a one-sided or abstract view of the Company. Accordingly, what we need to do is to make the Company easy to understand from the outside and to make sure that it is properly valued. If we are able to make this happen, we will be able to receive appropriate feedback from the capital markets and other external parties, which will in turn help to improve the effectiveness of our Board of Directors.

Toyama: The phrase “improving the effectiveness of the Board of Directors” could be replaced with “ensuring that the discussions at the Board of Directors flow and lead to the long-term prosperity and growth of the Company.” Naturally, the Board of Directors is not the place to discuss what to do today or

tomorrow, and the time frame for the discussions is much longer. This is especially true for the holding company following the transition to the operating company system. The Board of Directors needs to closely monitor operating companies to ensure that they are striving to provide greater service to its customers, receiving appropriate compensation commensurate with the value they add, and creating sources of added value from the short-, medium-, and long-term perspectives. In addition, I believe that having a firm awareness of how the Panasonic Group is viewed by society from a meta-perspective and holding discussions on this topic at Board of Directors meetings will have a major impact on our effectiveness. This is why the selection of Board of Directors members is vitally important. Again, outside directors are not proxies for shareholders, but are representatives for perpetual shareholders. We outside directors also have a fiduciary duty to the shareholders. Board of Directors members must understand this.

Tsuga: I would like to make it so that outside directors, who are not in constant contact with the Company, are able to fully explain the Panasonic Group, including both positive and negative aspects of the Company, which is generally known to be difficult to understand. If we can make this happen, I believe it's fair to say that the effectiveness of the Board of Directors has improved.





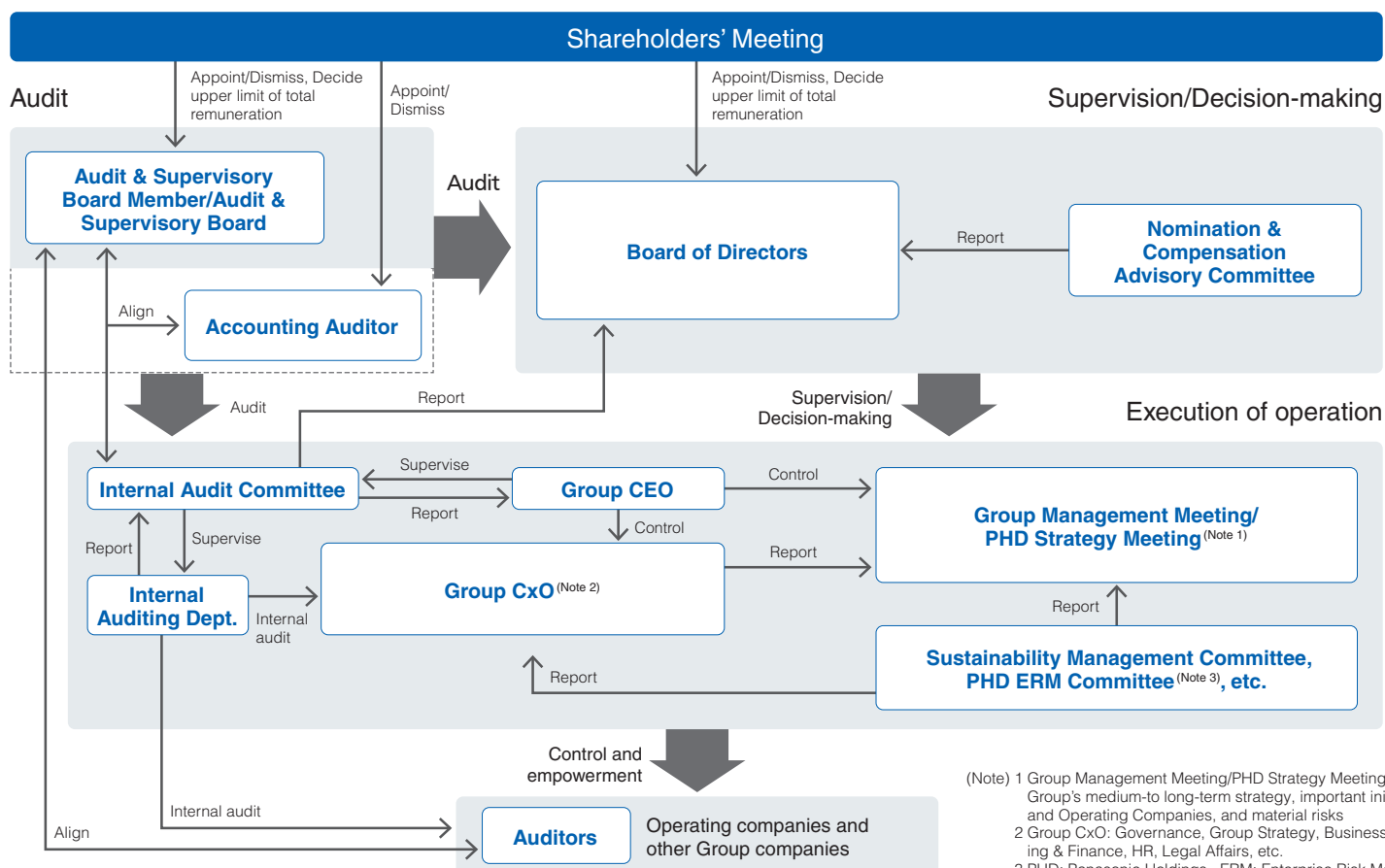
Corporate Governance Structure and Initiatives

Basic policy

The Company believes it is important to increase corporate value by fulfilling accountability through dialogue with various stakeholders such as shareholders and customers, making effort to execute transparent business activities, and swiftly conducting business activities with fairness and honesty based on its basic philosophy of “A company is a public entity of society.”

For this reason, we recognize that corporate governance is an important foundation of management. The fundamental structure is an audit and supervisory system consisting of the Board of Directors that decides the execution of strategies and important matters related to the overall Group and supervises the execution of Director duties, and the Audit & Supervisory Board Members and Audit & Supervisory Board which supervises the execution of Director duties. The entire Panasonic Group endeavors to establish and strengthen this structure as an effective system.

Corporate governance structure



(Note) 1 Group Management Meeting/PHD Strategy Meeting: Discuss/set the direction/report on Group's medium-to long-term strategy, important initiatives implemented by the Company and Operating Companies, and material risks
 2 Group CxO: Governance, Group Strategy, Business Support by functional axis of Accounting & Finance, HR, Legal Affairs, etc.
 3 PHD: Panasonic Holdings ERM: Enterprise Risk Management



Corporate Governance Structure and Initiatives

Outline of structure (As of June 26, 2023)

The Board of Directors

- The Board of Directors entrusts authority to the Operating Companies, and achieves a fast-moving decision-making process centered on the Operating Companies. It also decides the Group's medium- and long-term strategies and important Group matters, and concentrates on Group direction through Group governance and risk management, in order to make important decisions for the Group and conduct sound and suitable monitoring.
- The Company ensures the diversity of knowledge, experience, and qualifications of the Board of Directors as a whole, taking into consideration the expertise required of the Board of Directors.
- The Board of Directors has resolved to have at least one-third of the Board of Directors consist of outside directors in order to enhance the objectivity and neutrality of the Board of Directors and to strengthen its supervisory function.
- The Company elects outside directors from among business managers of external entities, who have extensive managerial experience in various careers and deep insight, and are expected to provide valuable opinions for and monitor of decision-making related to business execution and the execution of directors' duties.
- To ensure that the decisions of shareholders are appropriately reflected in management, all directors are elected every year at the annual Shareholders Meeting. (Directors' term of office is one year)

Audit & Supervisory Board Members (A&SB Members) and Audit & Supervisory Board (A&SB)

- The Company appoints A&SB members who are able to exert their auditing functions according to their individual discretionary decision, but not to majority vote decision. The A&SB members are also able to independently act upon their own decision in pursuing liabilities of directors.
- The Company appoints full-time senior A&SB members who are well versed about corporate operations and are able to comprehend the actual condition of businesses by exercising their right to visit and investigate operating sites. The senior A&SB members are elected from among those who have experience in positions equivalent to or higher than senior executive directors.

- The Company appoints outside A&SB members from among business managers, lawyers, and certified public accountants, who are capable of effectively supervising the execution of Director duties based on their advanced expertise, extensive careers, and high levels of knowledge.

Nomination and Compensation Advisory Committee

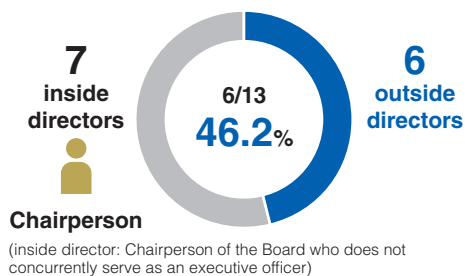
- Deliberates and reports to the Board of Directors on the results of internal review of the nomination of directors, Audit & Supervisory Board members, executive officers, and the presidents and outside directors of the operating companies, as well as on the appropriateness of details of the remuneration system and the amount of remuneration for each individual director, executive officer, and president and outside director of the operating companies.
- Deliberates on succession plans for Group CEO, executive officers, and presidents of operating companies and monitors successor candidates, and committee members can also propose the timing for replacement of the Group CEO.
- In fiscal year ended March 31, 2023 (fiscal 2023), the committee met four times (attendance rate 100% by all members). It discussed matters including the timing for replacement of the Group CEO, successor candidates for Group CEO, executive officers, and operating company presidents, the results from internal consideration of director and other candidates, and the remuneration system for directors, executive officers, and operating company presidents, and provided reports to the Board of Directors.

Group Management Meeting and PHD Strategy Meeting

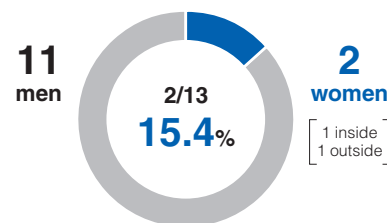
- Group Management Meeting and PHD Strategy Meeting are held to discuss, set the direction, report on Group's medium-to long-term strategy, important initiatives implemented by the Company and Operating Companies, and material risks.
- Group Management Meeting: Chaired by the Group CEO and consisting of approximately 20 management executives, including the presidents of the operating companies and functional directors (in principle, held once a month).
- PHD Strategy Meetings: Chaired by the Group CEO and consisting of approximately 10 management executives, including functional directors of Human Resources (HR), Accounting, and Legal Affairs (in principle, held at least twice a month).

The Board of Directors

Ratio of outside directors

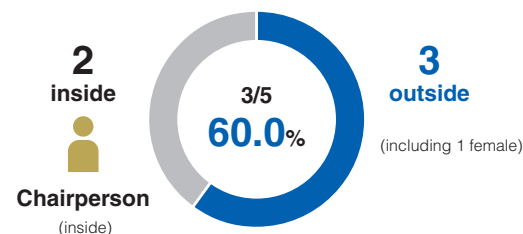


Ratio of female directors



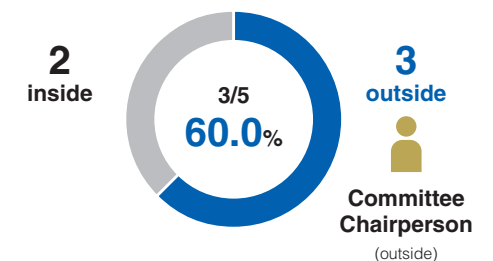
Audit & Supervisory Board

Ratio of outside Audit & Supervisory Board Member



Nomination and Compensation Advisory Committee

Ratio of outside members





Corporate Governance Structure and Initiatives

Board of Directors evaluation

Implementation and utilization of evaluation of the Board of Directors' effectiveness

Each fiscal year, Panasonic conducts an evaluation of the Board of Directors effectiveness for the members who attend Board of Directors meetings. The results of this effectiveness evaluation are shared at Board of Directors' meetings as an agenda item, and issues and improvements raised by the attending Board of Directors members are discussed at Board of Directors' meetings. Based on the results of this discussion, the future Board of Directors system, operating improvements, and other measures are discussed and implemented in order to continually operate a PDCA cycle for improving the effectiveness of the Board of Directors and strengthening corporate governance.

(1) Important fiscal 2023 measures based on the effectiveness evaluation in the previous fiscal year

The following are the primary measures that were carried out in fiscal 2023.

- In order to deepen discussion at the Board of Directors' meetings, clearly indicate the key points, issues, and directions for resolving issues that should be discussed at the Board of Directors' meetings regarding important matters.
- On the condition that agenda materials are shared in advance, simplify the presentation at the Board of Directors' meetings and allocate more time to discussion depending on the content of the agenda items.
- Utilize online tools and other means to construct a system for sharing advance questions regarding agenda items from Board of Directors members and the responses to them.
- Increase opportunities for communication between outside directors and operating company presidents.

(2) Fiscal 2023 evaluation of the Board of Directors effectiveness

In fiscal 2023, an evaluation of the Board of Directors effectiveness was carried out on the following schedule. Questionnaire question design and results analysis involved advice from an outside agency in order to ensure objectivity.

- Survey period: Late November, 2022 - Mid December, 2022
- Survey format: 27 questions (Of these, 25 were evaluations in four ranks, and two were multiple-choice questions. Free answer spaces were provided for each question.)
- Primary survey items: Structure and operations of the Board of Directors, Group strategies and Operating Company strategies, Corporate ethics and risk management, Evaluation of the management team (nomination, remuneration), and Dialogue with shareholders etc.
- Board of Directors evaluation results report and discussion: Identified issues to be addressed to improve effectiveness of the Board of Directors, material supervisory theme for the Board of Directors in fiscal 2024, and operational improvement items through two discussions at the January and March 2023 Board of Directors meetings.

(3) Board of Directors effectiveness evaluation results and issue improvement measures

It was confirmed from the survey results that, continuing from fiscal 2022, the evaluation of Board of Directors effectiveness, have been generally ensured. We received the following comment from an outside agency. "At all stages including the design stage for questions and response methods, the response stage with many constructive comments from all officers, and the review stage of collected results, the entire company was directly involved with an awareness of issues aimed at improving the effectiveness of the Board of Directors." The Panasonic question design and evaluation process, and the collected responses and comments were assessed as sufficient to confirm the effectiveness of the Board of Directors.

The identified issues were also discussed by the Board of Directors and the following improvement measures were proposed.

- Ensure sufficient time and expand discussion of Group medium- to long-term strategies and business portfolios.
- For agenda item of Operating Company medium- to long-term strategies and important matters, clearly identify the division of roles between the Board of Directors as the Panasonic holding company and the Panasonic execution side and Operating Company Board of Directors, and narrow down the list of resolutions which should be supervised and monitored by the Panasonic Board of Directors.
- From the perspective of utilizing intangible assets, functions reports on matters such as investment in human capital and DX should be connected directly to resolutions of Group management issues and Group medium- to long-term strategies, and expanded as strategic discussions that contribute to improving corporate value.
- Clearly identify the division of roles between the Board of Directors and the Nomination and Compensation Advisory Committee, and expand the activity contents and policy of the committee in order to strengthen supervision of nomination and remuneration jointly by the Board of Directors and the committee and ensure its transparency.

In fiscal 2024, based on the above improvement measures which were discussed and concluded by the Board of Directors, we continue working to improve the Board of Directors effectiveness.



Corporate Governance Structure and Initiatives

Supervision by the Board of Directors in fiscal 2023

The Board of Directors entrusts authority to the Operating Companies, and achieves a fast-moving decision-making process centered on the Operating Companies. It also decides the Group's medium- and long-term strategies and important Group matters, and concentrates on Group direction through Group governance and risk management, in order to make important decisions for the Group and conduct sound and suitable monitoring.

In fiscal 2023, the criteria for submitting proposals to the Board of Directors were raised to enable operating companies to make decisions more quickly. Furthermore, the Board of Directors devoted much of its time to discussing management strategies and functional strategies for the entire Group, thereby fulfilling its supervisory function as a monitoring board.

Key themes for fiscal 2023

Resolutions	<ul style="list-style-type: none"> ▪ Group's med-to long-term strategy ▪ Investment in new automotive battery factory in Kansas, USA ▪ Investment in Air to Water heat pump factory in Czech Republic
Reporting agenda	<ul style="list-style-type: none"> ▪ Growth strategy for the automotive battery business (discussed multiple times at the Board of Directors meetings) ▪ Medium- to long-term strategies of each operating company ▪ Board of Directors Effectiveness Evaluation/Operating Policy ▪ Ideal form of Nomination and Compensation Advisory Committee ▪ Panasonic Group Materiality ▪ Sustainability management ▪ Progress of Panasonic Transformation (PX) ▪ Current status and issues regarding IT and digital human resources ▪ Strengthening the technological foundation for business creation ▪ Financial strategies to support the Group's growth ▪ Group brand communication strategy ▪ Risk management initiatives

Information and support for outside directors and outside Audit & Supervisory Board members

To ensure that outside directors and outside Audit & Supervisory Board members are able to speak and discuss fully at Board of Directors meetings and to improve the effectiveness of the Board of Directors, the following information and other support are provided.

- Established a system that enables the members of the Board of Directors to stay informed of the status of discussions and deliberations on the execution side of the business by posting the agendas of the Board of Directors meetings, minutes of PHD Strategy meetings, and agendas of the Board of Directors meetings of operating companies on a dedicated website that can be accessed by the members of the Board of Directors.
- Preliminary briefings are held outside of Board of Directors meetings for important agenda items.
- In principle, the agenda is posted on a dedicated website at least three business days prior to Board of Directors meetings, and a system enabling members to ask questions in advance is in place.
- A wrap-up session centered on outside directors and outside Audit & Supervisory Board members are held after the Board of Directors meeting to provide an opportunity for the Chairperson of the Board and the Board of Directors Secretariat to learn about the findings and issues raised at the Board of Directors meeting.

In addition, site and factory visits for key businesses are provided to outside directors and outside Audit & Supervisory Board members to promote their understanding of the Company's business and other activities.

Visits in fiscal 2023

- **Online visit to China and Northeast Asia region**
 - ▶ Held under the concept of going on a "virtual business trip to five Chinese cities (Beijing, Shanghai, Hangzhou, Yixing, and Dalian) while staying in Japan."
- **Panasonic Connect Co., Ltd. Process Automation Business Division Toyonaka Factory**
 - ▶ Welding robot and welding equipment manufacturing process
 - ▶ Welding demonstration using welding robots
- **Panasonic Industry Co., Ltd. Electronic Materials Business Division Koriyama Factory**
 - ▶ Circuit board material manufacturing process
 - ▶ Demonstration of an initiative in which related departments meet to discuss issues and opinions and resolve them on the spot



- ▶ Status of flood damage caused by Typhoon No. 19 in 2019 and subsequent flood damage prevention measures.



Corporate Governance Structure and Initiatives

Remuneration

Remuneration system and overview

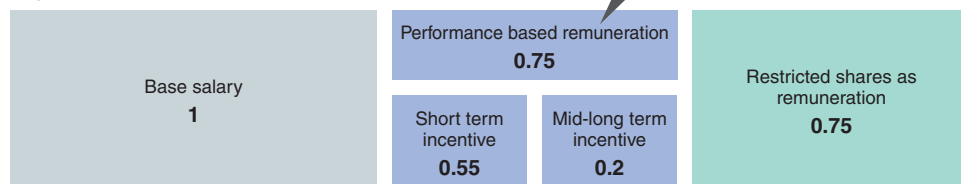
The remuneration system for directors (other than outside directors) consists of fixed base salary, performance-based remuneration as an incentive linked to short term and mid-long term business results, and restricted shares as remuneration as a long-term incentive. However, the Director and Chairperson of the Board is paid only the base salary and restricted shares as remuneration in light of the role as non-executive Chairperson of the Board. The remuneration system for outside directors and Audit & Supervisory Board (A&SB) members consists only of base salary in the light of their supervisory roles.

Overview of the remuneration system

Element of remuneration	Overview	Relative size (Note) (Where the weight of base salary is 1.0)
Base salary (monetary remuneration)	<ul style="list-style-type: none"> Fixed remuneration that is paid every month. Its amount is determined according to the role, the Company's management environment and other companies' movements. 	1
Performance based remuneration (monetary remuneration)	<ul style="list-style-type: none"> An incentive to achieve the goals described in new medium- and long-term strategies after the transition to the operating company system of the Panasonic Group. The target annual amount is set at a certain percentage of the base salary and the paid amount is determined in consideration of financial and non-financial evaluation elements. The short term incentive is paid every month. Evaluations in terms of percentage target achievement, etc. in the relevant fiscal year are reflected in the amount paid in the following fiscal year. The amount of the mid-long term incentive is determined according to evaluations in terms of percentage target achievement, etc. in the three fiscal years covered by the current mid-long term plan (fiscal 2023 to 2025). The amount payable for the three years (the target amount is 0.6 where base salary is set at 1.0) is paid every month once in the three-year period. 	0.55 0.2 0.75
Mid-long term incentive		0.2
Restricted shares as remuneration (non-monetary remuneration)	<ul style="list-style-type: none"> Remuneration in the form of shares with transfer restrictions are lifted immediately after termination of service as a director of the Company etc. (revised effective fiscal 2024). Paid as an incentive to enhance corporate value in a sustainable way and further promote value sharing with shareholders through continuous shareholding until termination of service. With its relative size set according to the role, this remuneration is paid every year, within a certain period, after the closure of the annual shareholders meeting. 	Representative Director and President 0.75 Average for directors 0.25

(Note) The relative size is based on the target annual amount.

Relative size of remuneration for Representative Director, President



Performance based remuneration

The actual amount paid as performance-based remuneration varies as follows according to financial and nonfinancial evaluation elements (chosen on the basis of the key indicators for the current mid-long term plan) where the target annual amount is set at 100%.

Both the short term and mid-long term incentive are designed in such a manner that the target annual amount is paid when the individual director's targets (set on the basis of the current mid-long term plan's targets) are achieved.

Short term incentive

Each of the financial and non-financial evaluation elements varies independently within the range of 0% (min.) and 200% (max.), and the total paid amount varies within the range of 0% (min.) and 200% (max.).

Evaluation element	Indicators and Items	Range of the actual paid amount	Weight	
			Representative Director and President	Other directors
Financial (consolidated results)	<ul style="list-style-type: none"> EBITDA (Note) 1 ROE Operating cash flow 	0% to 200%	60%	50%
Non-financial (Note) 2	<ul style="list-style-type: none"> Elimination of serious accidents and promotion of strict compliance Environmental contribution Human resources strategies Operation KPIs relating to enhancement of competitiveness 	0% to 200%	40%	50%
Total weight			100%	100%

Mid-long term incentive

The financial elements vary independently within the range of 0% (min.) and 450% (max.) and non-financial ones within the range of 0% (min.) and 200% (max.) so that the individual director will be promoted to go beyond simply achieving the mid-long term plan's targets. The weight of the financial elements is higher for the Representative Director and President than any of the other directors, given the magnitude of his/her responsibility for consolidated business performance. The total paid amount varies within the following range.

- Representative Director and President: Minimum 0% to maximum 400%
- Other directors: minimum 0% to maximum 325%

Evaluation element	Indicators and Items	Range of the actual paid amount	Weight	
			Representative Director and President	Other directors
Financial (Consolidated business performance)	<ul style="list-style-type: none"> ROE Operating cash flow 	0% to 450%	80%	50%
Non-financial (Note) 2	<ul style="list-style-type: none"> Environmental contribution Effort to raise the level of group management 	0% to 200%	20%	50%
Total weight			100%	100%

(Note) 1: A total for operating profit, depreciation expenses (tangible assets and right-of-use assets), and amortization expenses (intangible assets).
 2: Set in light of important assignments to each role and each job duty (presented below are some of the specific indicators).
 • Elimination of serious accidents and promotion of strict compliance: The number of serious accidents, the number of serious compliance issues
 • Environmental contribution: CO₂ reduction in our value chains
 • Human resources strategies: The results of employee opinion surveys, the percentage of women in high-ranking positions (promotion of Diversity, Equity & Inclusion)
 • Operation KPIs relating to enhancement of competitiveness: Strengthening of procurement and logistics capabilities, DX of business processes, increases in the number of patents.
 • Effort to raise the level of group management: Propagation and practice of the Basic Business Philosophy, management based on design thinking, improvement of brand recognition



Corporate Governance Structure and Initiatives

Process for determining the amount of remuneration

The optional Nomination and Compensation Advisory Committee, majority-staffed by independent outside directors and chaired by an independent outside director, deliberates on the appropriateness of the Company's policy and system for determining remuneration of directors and reports the results to the Board of Directors. The Board of Directors makes a resolution on the policy for determining the remuneration based on the report.

As to the annual amounts of base salary and incentive pay to be paid and the annual number of shares to be allocated to each recipient as restricted stock compensation, the Nomination and Compensation Advisory Committee examines whether these amounts and numbers are appropriate in light of the policy for determining the remuneration and reports the results to the Board of Directors. The Board of Directors has left the determination on the remuneration solely to the Representative Director, President and Chief Executive Officer of the Company, who objectively comprehends and supervises overall business execution of the Panasonic Group. As the Representative Director, President and Chief Executive Officer of the Company determines the details of base salary, incentive pay, and restricted stock compensation to each recipient in accordance with the results of deliberation at the Nomination and Remuneration Advisory Committee, the Board of Directors believes this decision is in line with the policy for determining remuneration.

Remuneration for other officers

■ Executive officers who do not concurrently serve as a director of the Company

Same basic remuneration system as that of the Company's directors (excluding outside directors) is used in principle.

■ Presidents of the Company's main operating companies

Remuneration system similar to that of the Company's directors (excluding outside directors) is used in light of the fact that they are responsible for enhancing the corporate value of the Group.

Remuneration systems for both are discussed by the Nomination and Compensation Advisory Committee.

Executive remuneration for directors and A&SB members in fiscal 2023 (Unit: million yen)

Classification	Number of remunerated persons (persons)	Total amount of remuneration, etc.						Total
		Amount actually paid in fiscal 2023 (The stated amount of performance-based remuneration is linked mostly to fiscal 2022 business performance)				Recognized allowance for performance-based remuneration in fiscal 2023 (Amount linked to fiscal 2023 business performance)		
		Total amount paid	Base salary	Short term incentive	Restricted shares as remuneration	Short term incentive	Mid-long term incentive	
Directors (excluding outside directors)	9	1,005	600	250	155	231	84	1,320
A&SB members (excluding outside A&SB members)	2	87	87	—	—	—	—	87
Outside directors	6	95	95	—	—	—	—	95
Outside A&SB members	5	48	48	—	—	—	—	48

(Note) 1: The amount actually paid in the current fiscal year includes three directors and two A&SB members who left the positions at the closure of the 115th annual shareholders meeting on June 23, 2022.

2: The stated amount of performance-based remuneration and restricted shares as remuneration is the amount recognized as expenses in fiscal 2023.

Executive remunerated for directors who received over 100 million yen in fiscal 2023 (Unit: million yen)

Name	Classification	Total amount of remuneration etc.						Total
		Amount actually paid in the fiscal 2023				Recognized allowance for performance-based remuneration in fiscal 2023		
		Total amount paid	Base salary	Short term incentive	Restricted shares as remuneration	Short term incentive	Mid-long term incentive	
Kazuhiro Tsuga	Director	141	100	23	18	—	—	141
Yuki Kusumi	Director	219	108	42	69	55	20	294
Tetsuro Homma	Director	128	86	42	—	41	15	184
Mototsugu Sato	Director	143	79	40	24	41	15	199
Hirokazu Umeda	Director	118	70	30	18	36	13	167
Yoshiyuki Miyabe	Director	84	51	20	13	36	13	133

(Note) Considering the revision of remuneration system in April 2022 and changes in accounting treatment due to that, the payment of actual payout of performance-based remuneration in fiscal 2023 (short term incentive in Amount actually paid in the current fiscal year as listed above) and recognized allowance for performance-based remuneration paid in fiscal 2024 (short term incentive and mid-long term incentive in Recognized allowance for performance-based remuneration in the current fiscal year as listed above) is recorded as two years' worth of expenses, only in fiscal 2023.

Limits on remuneration for directors and Audit & Supervisory Board members

Classification	Type of remuneration	Date of resolution	Remunerated individuals	Maximum total remuneration etc.	Number of remunerated individuals at the time of resolution
Directors	Monetary remuneration	July 27, 2007 (100th Annual Shareholders Meeting)	Directors	1,500 million yen	19
		June 24, 2021 (114th Annual Shareholders Meeting)	Outside directors	Of the above, 150 million yen	6
	Non-monetary remuneration (Restricted shares as remuneration)	June 27, 2019 (112th Annual Shareholders Meeting)	Directors (excluding outside directors)	500 million yen (1 million shares)	7
A&SB members	Monetary remuneration	June 26, 2023 (116th Annual Shareholders Meeting)	A&SB members	170 million yen	5

(For more detailed information on executive remuneration, please refer to [pages 102–109 of the annual securities report \(116th term\)](#).)



Composition of the Board of Directors and Audit & Supervisory Board Members (As of June 26, 2023)

Knowledge expectations of directors and Audit & Supervisory Board members

The Board of Directors entrusts authority to the Operating Companies, and achieves a fast-moving decision-making process centered on the Operating Companies. It also decides the Group's medium- and long-term strategies and important Group matters, and concentrates on Group direction through Group governance and risk management, in order to make important decisions for the Group and conduct sound and suitable monitoring.

In order for our Board of Directors to fulfill the above roles, we have identified the following eight areas of knowledge that the Board of Directors must possess, based on the premise that the directors are serious about social issues and have the enthusiasm and commitment to make changes that will enhance our corporate value.

Of the knowledge areas, the table below lists the top four areas where each director and Audit & Supervisory Board member is expected to demonstrate particular knowledge.

- (1) Business experience as a member of management (Business management)
- (2) Long-term changes in global industrial structures and mega trends (Industry structures, mega trends)
- (3) Technical trends related to IT and digital transformation (IT, digital)
- (4) Global perspective (Global, international situation)
- (5) Financial insight and large-scale investment decisions (Finance, investment decisions)
- (6) Promotion of innovation, strengthening of competitiveness (Technologies, manufacturing, supply chain)
- (7) Risk control and governance related to execution of duties (Governance, risk management)
- (8) Environment and society

Knowledge required of the Board of Directors

	Name	Gender	Position	Attributes and Committee Members Appointment Status <small>Outside: Outside Director and Outside A&SB Members Independent: Independent Director N & CAC: Nomination and Compensation Advisory Committee Member</small>	Attendance in fiscal 2023 <small>[Attendance after assuming position on June 23, 2022]</small>	Specific expected knowledge							
						Business management	Industry structures, mega trends	IT, digital	Global, international situation	Finance, investment decisions	Technologies, manufacturing, supply chain	Governance and risk management	Environment and society
Directors	Kazuhiro Tsuga	Male	Chairperson of the Board	Chairperson of the Board N & CAC	Board of Directors' meeting 12/12 (100%)	●	●	●				●	
	Yuki Kusumi	Male	Representative Director President	N & CAC	Board of Directors' meeting 12/12 (100%)	●				●	●		●
	Tetsuro Homma	Male	Representative Director Executive Vice President		Board of Directors' meeting 12/12 (100%)	●	●		●			●	
	Mototsugu Sato	Male	Representative Director Executive Vice President		Board of Directors' meeting 12/12 (100%)	●			●	●		●	
	Hirokazu Umeda	Male	Representative Director Executive Vice President		Board of Directors' meeting 12/12 (100%)	●			●	●		●	
	Yoshiyuki Miyabe	Male	Director Executive Vice President		Board of Directors' meeting 10/10 (100%)*		●	●			●		●
	Ayako Shotoku	Female	Director Executive Officer		Board of Directors' meeting 10/10 (100%)*				●			●	●
	Shinobu Matsui	Female	Director	Outside Independent	Board of Directors' meeting 12/12 (100%)			●		●		●	●
	Keita Nishiyama	Male	Director	New Outside Independent	-		●	●	●	●			
	Kunio Noji	Male	Director	Outside Independent	Board of Directors' meeting 12/12 (100%)	●			●		●	●	
	Michitaka Sawada	Male	Director (Chairperson)	Outside Independent N & CAC	Board of Directors' meeting 12/12 (100%)	●					●	●	●
	Kazuhiko Toyama	Male	Director	Outside Independent N & CAC	Board of Directors' meeting 12/12 (100%)		●	●	●			●	
	Yoshinobu Tsutsui	Male	Director	Outside Independent N & CAC	Board of Directors' meeting 12/12 (100%)	●	●		●	●			
Audit & Supervisory Board Members	Eiji Fujii	Male	Senior Audit & Supervisory Board Member	Chairperson of Audit & Supervisory Board	Board of Directors' meeting 12/12 (100%) Audit & Supervisory Board meeting 13/13 (100%)			●			●	●	●
	Hidetoshi Baba	Male	Senior Audit & Supervisory Board Member	New	-				●	●		●	
	Akihiro Eto	Male	Audit & Supervisory Board Member	Outside Independent	Board of Directors' meeting 10/10 (100%)* Audit & Supervisory Board meeting 10/10 (100%)*	●			●	●		●	
	Akihiko Nakamura	Male	Audit & Supervisory Board Member	Outside Independent	Board of Directors' meeting 10/10 (100%)* Audit & Supervisory Board meeting 10/10 (100%)*				●	●		●	
	Setsuko Yufu	Female	Audit & Supervisory Board Member	Outside Independent	Board of Directors' meeting 12/12 (100%) Audit & Supervisory Board meeting 13/13 (100%)				●			●	●



Directors, Audit & Supervisory Board Members, and Executive Officers (As of June 26, 2023)

Names are listed in alphabetical order of last name within each position.

Directors



**Director,
Chairperson of the
Board**
Kazuhiro Tsuga

Apr. 1979 Joined the Company
Jun. 2004 Executive Officer of the Company
Apr. 2008 Managing Executive Officer of the Company
Apr. 2011 Senior Managing Executive Officer of the Company
Jun. 2011 Representative Director and Senior Managing Director of the Company
Jun. 2012 Representative Director and President of the Company
Jun. 2017 Representative Director, President and Chief Executive Officer (CEO) of the Company
Jun. 2021 Chairperson of the Board of the Company (incumbent)



**Representative
Director**
Yuki Kusumi
President
Group CEO

Apr. 1989 Joined the Company
Apr. 2014 Executive Officer of the Company
Apr. 2019 Managing Executive Officer of the Company
Apr. 2021 Chief Executive Officer (CEO) of the Company
Jun. 2021 Representative Director and President of the Company (incumbent)
Oct. 2021 Group Chief Executive Officer (Group CEO) (incumbent), Group Chief Strategy Officer (Group CSO) of the Company



**Representative
Director**
Tetsuro Homma
Executive Vice
President
Group Regional Head
for China & Northeast
Asia of the Company

Apr. 1985 Joined the Company
Oct. 2013 Executive Officer of the Company
Apr. 2015 Managing Executive Officer of the Company
President, Appliances Company / in charge of Consumer Business
Jun. 2015 Managing Director of the Company
Apr. 2016 Representative Director and Senior Managing Director of the Company
Apr. 2019 CEO, China & Northeast Asia Company and Regional Head for China & Northeast Asia of the Company
Jun. 2019 Representative Director and Senior Managing Executive Officer of the Company
Apr. 2020 Chairperson, Panasonic Corporation of China (incumbent)
Apr. 2021 Representative Director and Executive Vice President of the Company (incumbent)
Apr. 2022 Group Regional Head for China & Northeast Asia of the Company / President, Panasonic Operational Excellence China and Northeast Asia, Panasonic Operational Excellence Co., Ltd. (incumbent)



**Representative
Director**
Mototsugu Sato
Executive Vice
President
Group CFO

Apr. 1979 Joined Matsushita Electric Works, Ltd.
Apr. 2008 Executive Officer, Matsushita Electric Works, Ltd.
Apr. 2011 Senior Executive Officer, Panasonic Electric Works Co., Ltd./ in charge of Accounting
Oct. 2013 Executive Officer, Panasonic Corporation / in charge of Planning
Jun. 2014 Director of the Company / in charge of Planning
Apr. 2015 Managing Director of the Company / in charge of Planning
Apr. 2016 Representative Director and Senior Managing Director of the Company / in charge of Planning and Human Resources
Jun. 2017 Representative Director, Senior Managing Executive Officer, Chief Strategy Officer (CSO), and Chief Human Resources Officer (CHRO) of the Company
Apr. 2019 Representative Director and Executive Vice President of the Company (incumbent) / Director, Corporate Strategy Division
Apr. 2022 Representative Director, Member of the Board, President, Panasonic Operational Excellence Co., Ltd. Chief Executive Officer (CEO) (incumbent)



**Representative
Director**
Hirokazu Umeda
Executive Vice
President
Group CFO

Apr. 1984 Joined the Company
Apr. 2017 Executive Officer of the Company / in charge of Accounting and Finance / General Manager, Corporate Management Support Department, Corporate Strategy Division / in charge of Group-wide Cost Busters Project, BPR Project
Jun. 2017 Director, Executive Officer, and Chief Financial Officer (CFO) of the Company
Apr. 2018 Director, Managing Executive Officer of the Company President, Panasonic Equity Management Japan Co., Ltd. (currently Panasonic Equity Management Japan Godo Kaisha) (incumbent)
Sep. 2019 CEO, Panasonic Holding (Netherlands) B.V. (incumbent)
Apr. 2021 Director, Senior Managing Executive Officer of the Company / in charge of Facility Management (incumbent)
Oct. 2021 Group Chief Financial Officer (Group CFO) of the Company (incumbent) / in charge of Group Cost Busters Project, in charge of Prime Life Technologies Corporation (incumbent)
Apr. 2022 Director and Executive Vice President of the Company / in charge of Group MUDA Busters Activity (incumbent)
Jun. 2022 Representative Director and Executive Vice President of the Company (incumbent)



Director
Yoshiyuki Miyabe
Executive
Vice President

Apr. 1983 Joined the Company
Apr. 2008 Executive Officer of the Company
Apr. 2011 Managing Executive Officer of the Company
Jun. 2011 Managing Director of the Company
Apr. 2013 President, AVC Networks Company of the Company
Apr. 2014 Representative Director and Senior Managing Director of the Company
Jun. 2017 Senior Managing Executive Officer of the Company, Chief Technology Officer (CTO), Chief Manufacturing Officer (CMO), Chief Quality Officer (CQO), Chief Procurement Officer (CPO), Chief Information Officer (CIO)/in charge of FF Customer Support & Management, Motor Business Management Office
Apr. 2021 Representative in Tokyo of the Company (incumbent)/in charge of Government and External Relations (incumbent), Tokyo Olympic & Paralympic Business Promotion, Solution Sales
Oct. 2021 In charge of Solution Partner of the Company (in-cumbent)
Apr. 2022 Executive Vice President of the Company
Jun. 2022 Director of the Company (incumbent)



Director
Ayako Shotoku
Executive Officer
Group GC

Apr. 1991 Joined the Company
Oct. 2013 Manager, Business Legal Affairs Group, Legal Center, AVC Networks Company of the Company
Jan. 2014 Director, Legal Center, AVC Networks Company of the Company, Manager, Business Legal Affairs Group
Apr. 2017 Managing Officer, Connected Solutions Company of the Company, Director, Legal Affairs Center
Apr. 2019 Managing Officer, Automotive Company of the Company, Director, Legal Affairs Center
Oct. 2021 Managing Officer, Automotive Company of the Company, General Counsel (GC), Chief Risk Management Officer (CRO), Director, Legal Affairs Center / Executive of the Company in charge of Legal Strategy, Corporate Strategy and Technology Sector
Apr. 2022 Executive Officer of the Company (incumbent); Group General Counsel (Group GC) (incumbent)
Jun. 2022 Director of the Company (incumbent)



Directors, Audit & Supervisory Board Members, and Executive Officers (As of June 26, 2023)

Names are listed in alphabetical order of last name within each position.

Outside Directors



Shinobu Matsui
(Independent director)

- Oct. 1999 Joined Ota Showa & Co. (currently Ernst & Young ShinNihon LLC)
- Oct. 2001 Joined PricewaterhouseCoopers Tax Office (currently PwC Tax Japan)
- Mar. 2014 Corporate Auditor, Uzabase, Inc.
- Aug. 2015 Joined Uzabase, Inc. (retired as Corporate Auditor, Uzabase, Inc.)
- Jan. 2018 Executive Officer (Head of Corporate Division), Uzabase, Inc.
- Jan. 2019 Executive Officer and Chief Operating Officer, Uzabase, Inc.
- Jan. 2020 Executive Officer and Chief People and Administrative Officer, Uzabase, Inc.
- Mar. 2021 Board Director and Chief People and Administrative Officer, Uzabase, Inc.
- Jun. 2021 Director of the Company (incumbent)
- Jan. 2022 Board Director and Group Executive Officer, Uzabase, Inc. (incumbent)
- Feb. 2023 Executive Officer and CHRO, Uzabase, Inc. (incumbent)



Kunio Noji
(Independent director)

- Apr. 1969 Joined Komatsu Ltd.
- Jun. 1997 Director, Komatsu Ltd.
- Jun. 2001 Managing Director and Senior Executive Officer (Jomu), Komatsu Ltd.
- Apr. 2003 Director and Senior Executive Officer (Senmu), Komatsu Ltd.
- Jun. 2007 President and Representative Director, and CEO, Komatsu Ltd.
- Apr. 2013 Chairman of the Board and Representative Director, Komatsu Ltd.
- Apr. 2016 Chairman of the Board and Director, Komatsu Ltd.
- Jun. 2019 Adviser, Komatsu Ltd. (incumbent)
- Jun. 2019 Director of the Company (incumbent)



Kazuhiko Toyama
(Independent director)

- Apr. 1985 Joined The Boston Consulting Group, Inc.
- Apr. 1986 Participated in establishment of Corporate Directions, Inc.
- Mar. 1993 Director, Corporate Directions, Inc.
- Apr. 2000 Managing Director, Corporate Directions, Inc.
- Apr. 2001 President, Corporate Directions, Inc.
- Apr. 2003 Senior Representative Director and COO, Industrial Revitalization Corporation of Japan
- Apr. 2007 Representative Director and CEO, Industrial Growth Platform, Inc.
- Jun. 2016 Director of the Company (incumbent)
- Oct. 2020 Chairman, Industrial Growth Platform, Inc. (incumbent)
- Dec. 2020 Representative Director, President, Japan Platform of Industrial Transformation, Inc. (incumbent)



Keita Nishiyama
(Independent director)

- Apr. 1985 Joined the Ministry of International Trade and Industry (currently the Ministry of Economy, Trade and Industry)
- Nov. 2002 Planning Officer, Preparation Department, Industrial Revitalization Corporation, Cabinet Office
- Jul. 2003 Director, Office of Research and Planning, Trade Policy Bureau, Ministry of Economy, Trade and Industry
- Jun. 2004 Director, Asia and Pacific Division, Trade Policy Bureau, Ministry of Economy, Trade and Industry
- Jul. 2007 Director, Industrial Structure Policy Division, Economic and Industrial Policy Bureau, Ministry of Economy, Trade and Industry
- Jul. 2009 Executive Managing Director, Innovation Network Corporation of Japan
- Jun. 2011 Director-General of the Secretariat, TEPCO Management and Finance Investigation Task Force, Cabinet Secretariat
- Jul. 2012 Director-General, Ministry of Economy, Trade and Industry
- Jul. 2014 Deputy Chief, TEPCO-NDF Liaison Office, Nuclear Damage Compensation Facilitation Corporation
Concurrently Executive Officer, Tokyo Electric Power Company, Incorporated
- Jun. 2015 Director and Executive Officer, Tokyo Electric Power Company, Incorporated
- Jul. 2018 Director-General, Commerce and Information Policy Bureau, Ministry of Economy, Trade and Industry
- Jul. 2020 Departed from the Ministry of Economy, Trade and Industry
- Jun. 2023 Director of the Company (incumbent)



Michitaka Sawada
(Independent director)

- Apr. 1981 Joined Kao Soap Co., Ltd. (currently Kao Corporation)
- Jun. 2006 Executive Officer, Kao Corporation
- Jun. 2008 Director, Executive Officer, Kao Corporation
- Jun. 2012 Representative Director, President and Chief Executive Officer, Kao Corporation
- Jun. 2020 Director of the Company (incumbent)
- Jan. 2021 Director, Chair, Kao Corporation (incumbent)



Yoshinobu Tsutsui
(Independent director)

- Apr. 1977 Joined NIPPON LIFE INSURANCE COMPANY
- Jul. 2004 Director, NIPPON LIFE INSURANCE COMPANY
- Jan. 2007 Director and Executive Officer, NIPPON LIFE INSURANCE COMPANY
- Mar. 2007 Director and Managing Executive Officer, NIPPON LIFE INSURANCE COMPANY
- Mar. 2009 Director and Senior Managing Executive Officer, NIPPON LIFE INSURANCE COMPANY
- Mar. 2010 Representative Director and Senior Managing Executive Officer, NIPPON LIFE INSURANCE COMPANY
- Apr. 2011 President, NIPPON LIFE INSURANCE COMPANY
- Jun. 2015 Director of the Company (incumbent)
- Apr. 2018 Chairman, NIPPON LIFE INSURANCE COMPANY (incumbent)



Directors, Audit & Supervisory Board Members, and Executive Officers (As of June 26, 2023)

Names are listed in alphabetical order of last name within each position.

Senior Audit & Supervisory Board Members



Eiji Fujii

- Apr. 1984 Joined the Company
- Jul. 2015 Managing Officer, Automotive & Industrial Systems Company of the Company / Director, Engineering Division
- Apr. 2017 Executive Officer of the Company / Vice President, Automotive & Industrial Systems Company / In charge of Technology and Director, Engineering Division
- Apr. 2019 Executive Officer of the Company / Vice President, Industrial Solutions Company / In charge of Technology and Director, Engineering Division / In charge of Intellectual Property
- Jun. 2020 Senior Audit & Supervisory Board Member of the Company (incumbent)



Hidetoshi Baba

- Apr. 1987 Joined Kyushu Matsushita Electric Co., Ltd.
- Apr. 1998 Director, Accounting Division, America Kyushu Matsushita Electric Co., Ltd.
- Apr. 2004 Counselor, Financial IR Team, Accounting Group, Panasonic Communications Co., Ltd.
- Apr. 2008 Director and Vice President of Panasonic Communications (Malaysia) Sdn Bhd
- Aug. 2010 Vice President, Panasonic System Networks Europe
- Apr. 2016 Managing Officer, AVC Networks Company of the Company/Director, Accounting Center
- Oct. 2020 General Manager, Auditing Division of the Company
- Apr. 2022 Executive, in charge of Internal Audit of the Company / General Manager, Internal Auditing Department, Panasonic Operational Excellence Co., Ltd.
- Jun. 2023 Senior Audit & Supervisory Board Member of the Company (incumbent)

Outside Audit & Supervisory Board Members



Akihiro Eto
(Independent Audit & Supervisory Board member)

- Apr. 1986 Joined Bridgestone Corporation
- Jul. 2010 Vice President and Officer, Bridgestone Corporation
- Sep. 2012 Vice President and Senior Officer, Bridgestone Corporation
- Sep. 2014 Senior Vice President, Bridgestone Corporation
- Jan. 2016 Executive Vice President, Bridgestone Corporation
- Mar. 2016 Executive Vice President and Executive Officer, Bridgestone Corporation
- Jan. 2019 COO and Representative Executive Officer, President, Bridgestone Corporation
- Mar. 2019 Director, COO and Representative Executive Officer, President, Bridgestone Corporation
- Jul. 2020 Director, Bridgestone Corporation
- Nov. 2021 Member of the Supervisory Board and its Audit Committee, Daimler Truck AG (incumbent)
- Dec. 2021 Member of the Supervisory Board and its Audit Committee, Daimler Truck Holding AG (incumbent)
- Jun. 2022 Audit & Supervisory Board Member of the Company (incumbent)



Akihiko Nakamura
(Independent Audit & Supervisory Board member)

- Mar. 1982 Joined Price Waterhouse Certified Public Accountants Office
- Sep. 1986 Registered as Certified Public Accountant (incumbent)
- Jul. 1998 Representative Partner, Aoyama Audit Corporation Partner, PricewaterhouseCoopers Co., Ltd. (PwC)
- Apr. 2000 Representative Partner, ChuoAoyama Audit Corporation
- Sep. 2006 Representative Partner, Aarata Kansa Hojin (currently PricewaterhouseCoopers Aarata LLC)
- Jul. 2017 President, Akihiko Nakamura CPA Office (incumbent)
- Jun. 2022 Audit & Supervisory Board Member of the Company (incumbent)



Setsuko Yufu
(Independent Audit & Supervisory Board member)

- Apr. 1981 Registered as Attorney at Law (Japan) (incumbent)
- Joined law firm of Adachi Henderson Miyatake & Fujita
- Sep. 1986 Joined Loeff Claeyss Verbeke (Brussels) (currently Allen & Overy (Brussels))
- Jan. 2002 Partner, Atsumi & Usui (currently Atsumi & Sakai Janssen Foreign Law Joint Enterprise) (incumbent)
- Jun. 2020 Audit & Supervisory Board Member of the Company (incumbent)

Executive Officers

President

Yuki Kusumi
Group CEO

Executive Vice Presidents

Tetsuro Homma

Group Regional Head for China & Northeast Asia
*President, Panasonic Operational Excellence China and Northeast Asia, Panasonic Operational Excellence Co., Ltd. Chairperson, Panasonic Corporation of China

Yoshiyuki Miyabe

Representative in Tokyo / In charge of Government and External Relations, and Solution Partners

Mototsugu Sato

Group CRO / In charge of Procurement and Logistics Occupational Safety and Health Director
*Representative Director, President, CEO, and Member of the Board in charge of DEI Promotion, Panasonic Operational Excellence Co., Ltd.

Hirokazu Umeda

Group CFO / In charge of Group MUDA Busters Project and Facility Management / CEO, Panasonic Holding (Netherlands) B.V. / President, Panasonic Equity Management Japan G.K. / In charge of Prime Life Technologies Corporation

Executive Officers

Yoky Matsuoka

Director, Future Business Division

Shigeki Mishima

Group CHRO / In charge of General Affairs and Social Relations, CSR and Corporate Citizenship Activities, DEI Promotion, and Construction Safety and Regulations Administration

*Director, Member of the Board, CHRO, and Executive Officer in charge of General Affairs, CSR and Corporate Citizenship Activities, Panasonic Operational Excellence Co., Ltd.

Yoshihiro Morii

In charge of Brand and Communications Strategy

*Executive Officer in charge of Brand and Communications, Panasonic Operational Excellence Co., Ltd.

Masashi Nagayasu

In charge of Prime Planet Energy & Solutions, Inc.

*Representative Director, President, CEO, and Executive Officer in charge of DEI Promotion, Panasonic Automotive Systems Co., Ltd.

Tatsuo Ogawa

Group CTO / In charge of Pharmaceutical Affairs

Ayako Shotoku

Group GC

Kazuyo Sumida

Group CSO / General Manager, Corporate Planning Group

Hajime Tamaoki

Group CIO / In charge of Cyber Security
*President, Panasonic Information Systems Co., Ltd.

Shigeo Usui

In charge of Design
*Executive Officer, Chief Customer Experience Officer (CCXO), in charge of Design, in charge of Brand and Communications, Panasonic Corporation

Note: Senior Audit & Supervisory Board Member Eiji Fujii chairs the Audit & Supervisory Board of Panasonic Holdings Corporation.

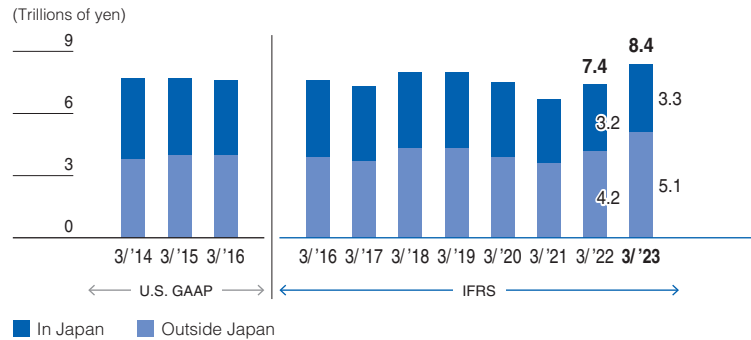
Note: *Indicates business responsibilities at companies other than Panasonic Holdings Corporation.



Corporate Data Highlights (Financial Data)

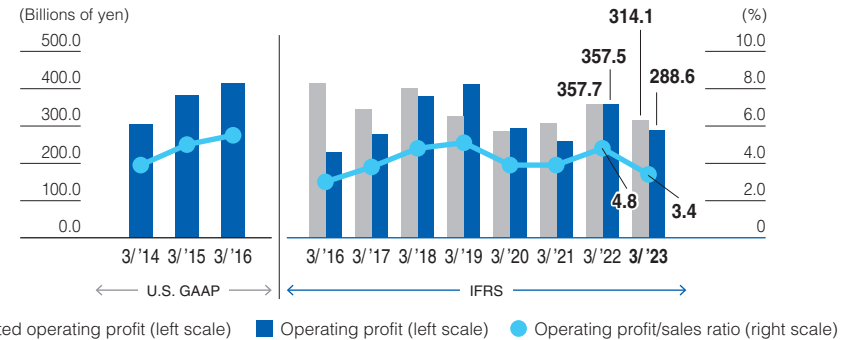
The Company and subsidiaries, years ended March 31
 The Company began applying International Financial Reporting Standards (IFRS) on a voluntary basis in the fiscal year ended March 31, 2017 (fiscal 2017). Financial figures for fiscal 2016 are presented in accordance with both newly applied IFRS and conventionally applied U.S. GAAP (Generally Accepted Accounting Principles) respectively.

Net sales



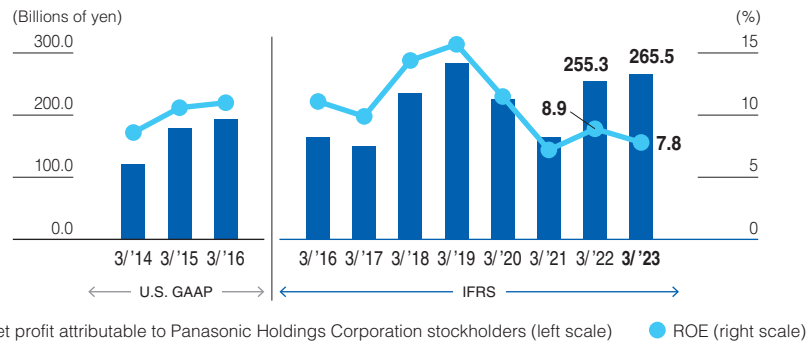
Sales increased year on year despite the impact of semiconductor shortages on production and sales, thanks to growing demand for Air to Water heat pumps in Europe, higher sales of automotive solutions and automotive batteries on the back of a recovery in automobile production, as well as the newly consolidated Blue Yonder and the impact of foreign currency translation.

Operating profit and ratio to sales



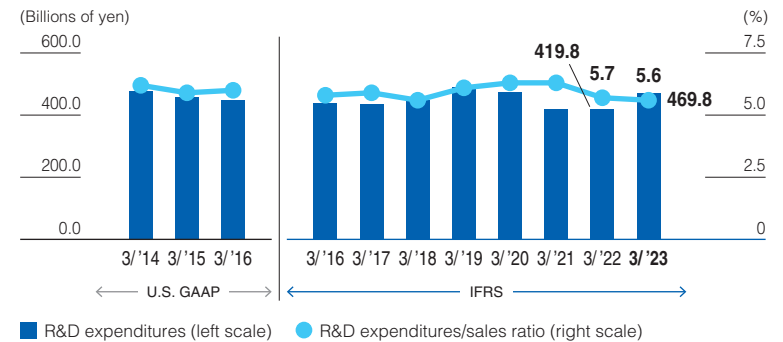
Adjusted operating profit decreased year on year, with higher profits in the Automotive and Connect segments offset by larger drops in the Industry and Energy segments. We were unable to offset the impact of soaring raw material prices and increased fixed costs by increased sales and efforts such as price revisions. Operating profit also declined year on year, mainly by the impact of one-off gain in the previous year.

Net profit attributable to Panasonic Holdings Corporation stockholders and ROE



Net profit attributable to Panasonic Holdings Corporation stockholders increased year on year reflecting the recording of U.S. Inflation Reduction Act (IRA) tax credit (tax deduction). On the other hand, ROE fell year on year owing to an increase in shareholders' equity, partly due to the impact of foreign currency translation.

R&D expenditures and ratio to sales

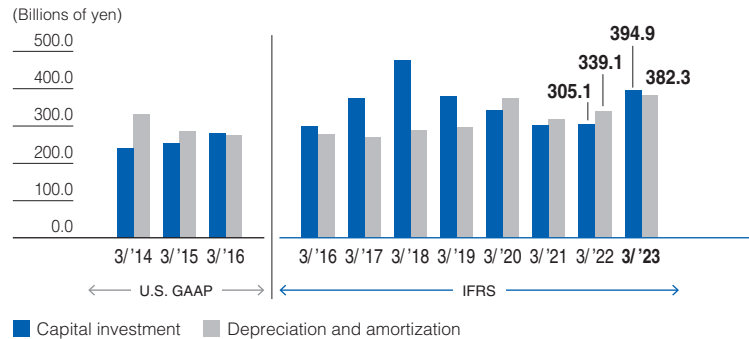


We are working on the initiatives to achieve the targets set forth in the "Panasonic GREEN IMPACT," including those related to carbon neutrality and circular economy, as well as developing technologies to support the initiatives. Furthermore, we are building and leveraging AI, robotics, and other technology pillars and creating new businesses to support people's lives (health, safety, and comfort). We will continue to actively develop technologies that underpin our growth strategy and aim to sustainably develop the lives of individuals and society while also enhancing well-being of people both in mind & body.



Corporate Data Highlights (Financial Data)

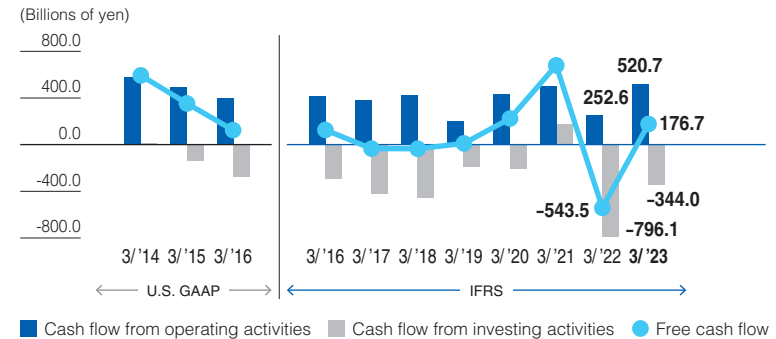
Capital investment, depreciation and amortization



We are making capital investments based on the idea of steadily investing in key businesses for future growth. Major capital investments made this fiscal year include production facilities for home-use electric appliances & electrical construction materials, automotive lithium-ion batteries (in Japan and the U.S.), electronic components & control equipment, and automotive solutions, as well as production facilities for equipment related to the B2B solutions business.

Note: Capital investment represents the amount of property, plant and equipment and intangible assets on an accrual basis (excluding increases due to business combinations). Depreciation and amortization is the amount of depreciation of property, plant and equipment and right-of-use assets (from fiscal 2020) as well as the amount of amortization of intangible assets.

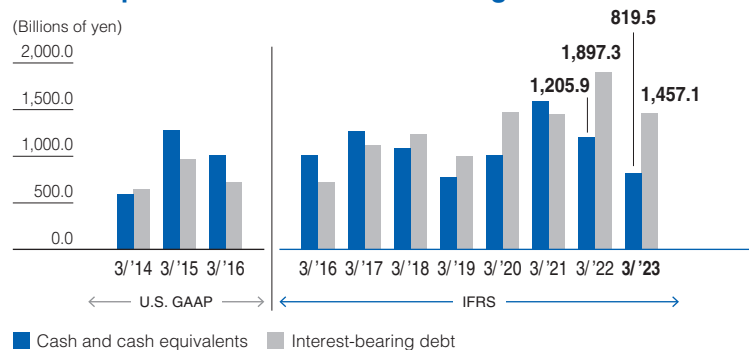
Free cash flows



Net cash provided by operating activities was 520.7 billion yen, compared to 252.6 billion yen in the previous fiscal year, mainly due to improvements in inventories and trade receivables, as well as decreased payment of income taxes. Net cash used in investing activities was 344.0 billion yen compared to an outflow of 796.1 billion yen in the previous year. This is due mainly to investment related to the consolidation of Blue Yonder in the previous year, despite an increase in capital investment and a decrease in sales of assets.

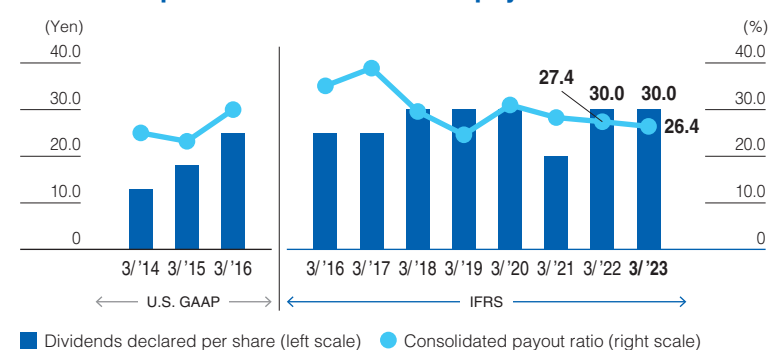
Note: Lease receivables collected as a result of application of finance lease accounting as lessor — based on product supply contracts determined to contain leases — are included in cash flows from investing activities.

Cash and cash equivalents and interest-bearing debt



Cash and cash equivalents decreased year on year. We borrowed 300 billion yen from financial institutions on March 31, 2022 as part of the absorption-type split executed in conjunction with the transition to a holding company took place in April 2022. However, the borrowings were transferred to each operating company as debt obligations, and the full repayment of the borrowings was completed on April 1, 2022. Additionally, in July 2022, we redeemed USD 1.0 billion of US dollar-denominated unsecured straight bonds (issued in July 2019). The decrease in interest-bearing debt is attributable to the repayment of borrowings from financial institutions and redemption of bonds.

Dividends declared per share / consolidated payout ratio



We are committed to providing stable and continuous dividends, with a target consolidated payout ratio of 30%, based on the principle of distributing profits in accordance with consolidated business performance from the perspective of providing a return on invested capital from our shareholders.

For Fiscal 2023, we distributed an annual dividend of 30 yen per share, due to our overall policy of distributing profits based on consolidated business performance, as well as our financial position. By taking the aim of US IRA into consideration we determined the amount of dividend based on net profit excluding IRA effect.

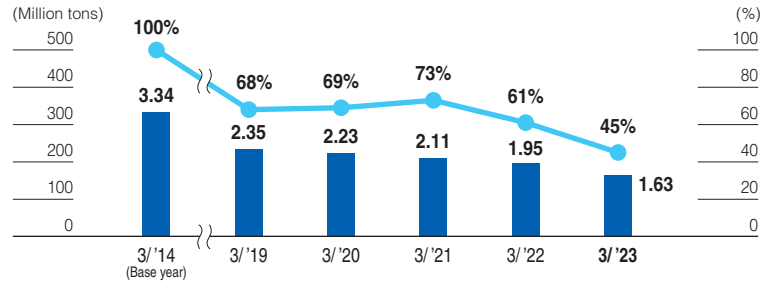
Retained earnings will be used to further enhance our management structure and for future business development.



Corporate Data Highlights (Non-financial Data)

For more non-financial data, see also "[Sustainability Data Book](#)".

CO2 emissions in production activities and CO2 emissions per basic unit



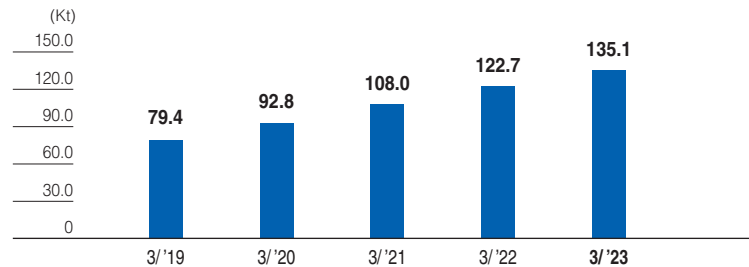
■ Volume of CO2 emissions (left scale)
● CO2 emissions per basic unit (Improvement rate compared to the fiscal year ended March 2014) (right scale)

With the aim of achieving the targets set in the Panasonic GREEN IMPACT, we have announced internally and externally that the Group will achieve net zero CO2 emissions at own sites of all operating companies by 2030. Against such a backdrop, we are working to create factories with net zero CO2 emissions by implementing advanced energy-saving technologies and promoting the use of renewable energy sources, both in Japan and overseas. In fiscal year ended March 31, 2023 (fiscal 2023) Panasonic Automotive Systems, Inc. achieved net zero CO2 emissions at all of its sites both in and outside Japan (six in Japan and eight overseas).

Note: For CO2 emissions per basic unit, CO2 emissions are divided by the Group's overall net sales, and then the improvement rate compared to fiscal 2014 is calculated.

For details: <https://holdings.panasonic/global/corporate/sustainability/pdf/sdb2023e-eco.pdf>

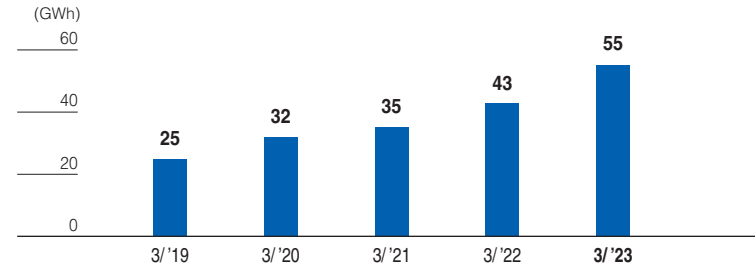
Results of recycled resin usage (cumulative total from fiscal 2015)



To promote recycling-oriented manufacturing, we are further reducing resource consumption and working to establish a circular system according to resource type and features. Panasonic Eco Technology Center Co., Ltd. (PETEC), the Group's home appliance recycling plant, and the Kato Plastic Recycling Factory of Living Appliances and Solutions Company of Panasonic Corporation work together for resin recycling. In fiscal 2023, we used approx. 12.4 kt of recycled resin in our products such as TVs, air conditioners, refrigerators, and washing machines.

For details: <https://holdings.panasonic/global/corporate/sustainability/pdf/sdb2023e-eco.pdf>

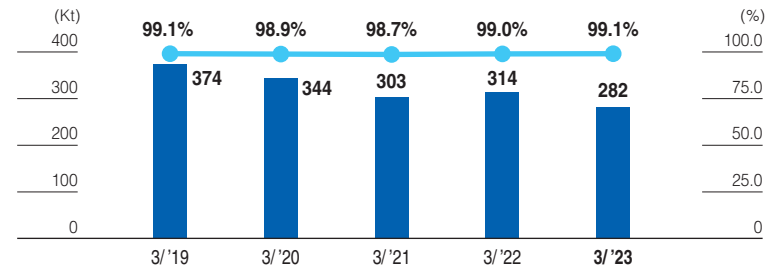
Amount of renewable energy adoption



The amount of renewable energy adopted at our own sites in fiscal 2023 marked 55 GWh, up 28% from the previous year. Installation of renewable energy facilities has been actively encouraged in our own sites across the world in a way to suite to the regional characteristics. Particularly, photovoltaic power generation systems are recommended for installation wherever possible.

For details: <https://holdings.panasonic/global/corporate/sustainability/pdf/sdb2023e-eco.pdf>

Amount and recycling rate of total wastes including revenue-generating waste



■ Total amount of waste (incl. revenue-generating waste) (left scale) ● Factory waste recycling rate (right scale)

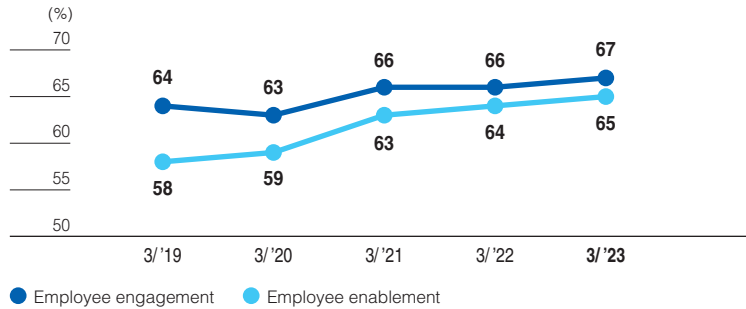
As an initiative to reduce the amount of final disposal of waste and valuables, we will reduce the amount of materials that are particularly difficult to recycle, such as thermosetting resins. We are also strictly adhering to waste sorting practices in production processes to further expand the reuse of resources. We will introduce more activities which aim to maintain and improve the factory waste recycling rate including recycling waste plastic.

For details: <https://holdings.panasonic/global/corporate/sustainability/pdf/sdb2023e-eco.pdf>



Corporate Data Highlights (Non-financial Data)

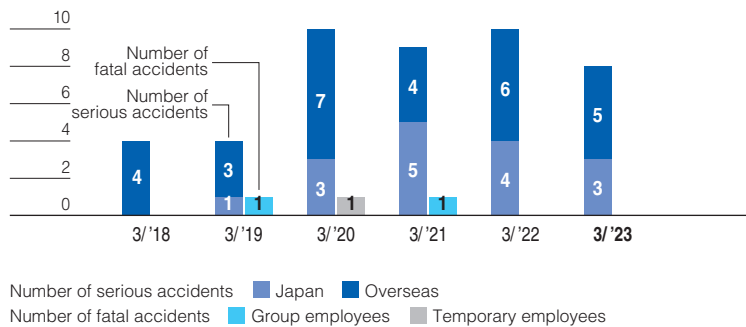
Affirmative response rate in the employee opinion survey



Through the process of identifying, we have identified employee well-being as one of the Group's highest priority issues, and in our efforts to work on this, we focus on the scores in the employee engagement and employee enablement categories in the employee opinion survey as part of our key indicators. The survey results have been trending upward yearly, and we will continue to aim to achieve the highest global standard in the affirmative response rates.

For details: <https://holdings.panasonic/global/corporate/sustainability/pdf/sdb2023e-employee.pdf>

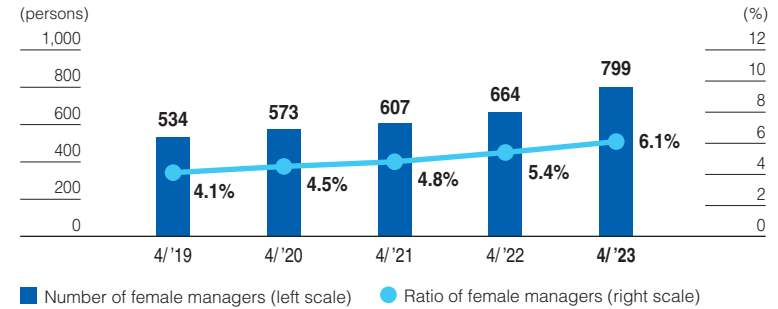
Number of occupational accidents



Working to create a safe, secure, and healthy workplace, we aim to eliminate fatal, serious, and severe accidents. In fiscal 2023, the Group had zero fatal workplace accidents in continuation from the previous year, as well as three serious and severe workplace accidents in Japan and five overseas (compared to four in Japan and six overseas in the previous year). Going forward, we will continue to work toward eliminating such workplace accidents.

For details: <https://holdings.panasonic/global/corporate/sustainability/pdf/sdb2023e-employee.pdf>

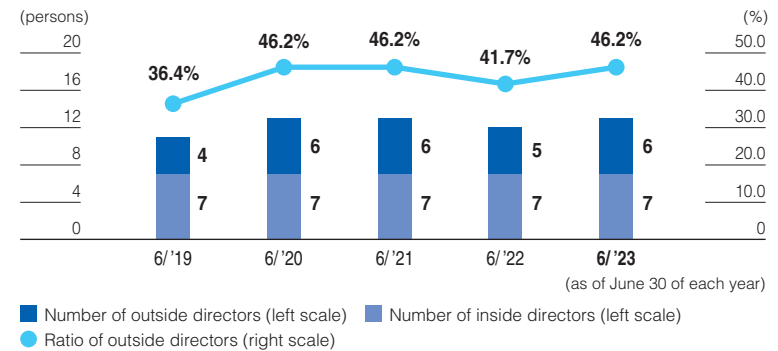
Number and ratio of women in managerial positions (in Japan)



We aim to be a company that gathers diverse opinions and insights to enable higher quality decision-making. To this end, we recognize the need to promote more women to managerial positions. Through the implementation of various measures, both the number and ratio of women in managerial positions have increased year by year, and these measures are continuing. Going forward, we will continue to promote DEI and aim to ensure diversity in managerial positions by appointing more women in the managerial positions.

For details: <https://holdings.panasonic/global/corporate/sustainability/pdf/sdb2023e-employee.pdf>

Number of board members and ratio outside directors



We ensure that the Board of Directors possesses a broad cross-section of knowledge, experience, and capabilities as a whole and endeavor to optimize the number of Board members so that the Board's functions can be demonstrated effectively and efficiently. Also, to enhance the Board's objectivity and neutrality and to strengthen its supervisory function, we adhere to an outside directors ratio of at least one third. As of June 30, 2023, we had 13 directors in total, with an outside director ratio of 46.2%.

For details: <https://holdings.panasonic/global/corporate/about/group-companies/phd/corporate-governance.html>



10-year Financial Summary

The Company and Subsidiaries, Years ended March 31

The Company began applying International Financial Reporting Standards (IFRS) on a voluntary basis in the fiscal year ended March 2017.

Financial figures for the fiscal year ended March 2016 are presented in accordance with both newly applied IFRS and conventionally applied U.S. GAAP (Generally Accepted Accounting Principles) respectively.

	U.S. GAAP			IFRS							
	3/2014	3/2015	3/2016	3/2016	3/2017	3/2018	3/2019	3/2020	3/2021	3/2022	3/2023
For the Year (Millions of yen)											
Net sales	7,736,541	7,715,037	7,553,717	7,626,306	7,343,707	7,982,164	8,002,733	7,490,601	6,698,794	7,388,791	8,378,942
Adjusted operating profit	305,114	381,913	415,709	413,246	343,616	401,202	327,032	286,663	307,155	357,700	314,077
Operating profit	—	—	—	230,299	276,784	380,539	411,498	293,751	258,600	357,526	288,570
Profit before income taxes	206,225	182,456	217,048	227,529	275,066	378,590	416,456	291,050	260,820	360,395	316,409
Net profit attributable to Panasonic Holdings Corporation stockholders	120,442	179,485	193,256	165,212	149,360	236,040	284,149	225,707	165,077	255,334	265,502
Capital investment	239,127	253,610	279,993	299,881	373,208	475,187	380,678	342,098	301,494	305,108	394,891
Depreciation and amortization	330,786	286,326	274,401	277,716	269,998	287,324	295,694	372,973	317,572	339,148	382,289
R&D expenditures	478,817	457,250	449,828	438,851	436,130	448,879	488,757	475,005	419,764	419,807	469,785
Free cash flow	594,078	353,455	124,406	125,551	(34,746)	(35,646)	10,290	224,207	680,634	(543,519)	176,709
At Year-End (Millions of yen)											
Cash and cash equivalents	592,467	1,280,408	1,014,264	1,012,666	1,270,787	1,089,585	772,264	1,016,504	1,593,224	1,205,873	819,499
Total assets	5,212,994	5,956,947	5,596,982	5,488,024	5,982,961	6,291,148	6,013,931	6,218,518	6,847,073	8,023,583	8,059,527
Interest-bearing debt	642,112	972,916	725,919	724,841	1,124,004	1,239,444	998,721	1,471,311	1,447,423	1,897,284	1,457,107
Panasonic Holdings Corporation stockholders' equity	1,548,152	1,823,293	1,705,056	1,444,442	1,571,889	1,707,551	1,913,513	1,998,349	2,594,034	3,164,962	3,618,402
Total equity	1,586,438	1,992,552	1,854,314	1,647,233	1,759,935	1,882,285	2,084,615	2,155,868	2,768,502	3,347,171	3,789,958

Items with different terminology under U.S. GAAP and IFRS

U.S. GAAP	IFRS
Operating profit	Adjusted operating profit
Net income attributable to Panasonic Holdings Corporation	Net profit attributable to Panasonic Holdings Corporation stockholders
Panasonic Holdings Corporation shareholders' equity	Panasonic Holdings Corporation stockholders' equity
Net income attributable to Panasonic Holdings Corporation per common share	Earnings per share attributable to Panasonic Holdings Corporation stockholders

Notes to this table

Our consolidated financial statements are now prepared in accordance with IFRS. Prior to the fiscal year ended March 2016, however, they were prepared in accordance with U.S. GAAP, but are presented on the table above using the comparable IFRS terms provided on the table on the left.

Notes to IFRS

- Adjusted operating profit = Net sales - Cost of sales - SG&A
- The figures for "Capital investment" are amounts on an accrual basis for property, plant and equipment and intangible assets. (Excludes increases due to business combinations)
- Depreciation and amortization is the amount of depreciation of property, plant and equipment and right-of-use assets (from the fiscal year ended March 31, 2020) and the amount of amortization of intangible assets.



10-year Financial Summary

	U.S. GAAP			IFRS							3/2023	
	3/2014	3/2015	3/2016	3/2016	3/2017	3/2018	3/2019	3/2020	3/2021	3/2022		
Per Share Data (Yen)												
Earnings per share attributable to Panasonic Holdings Corporation stockholders												
Basic	52.10	77.65	83.40	71.30	64.33	101.20	121.83	96.76	70.75	109.41		113.75
Diluted	—	77.64	83.39	71.29	64.31	101.15	121.75	96.70	70.72	109.37		113.72
Dividends declared per share	13.00	18.00	25.00	25.00	25.00	30.00	30.00	30.00	20.00	30.00		30.00
Panasonic Holdings Corporation stockholders' equity per share	669.74	788.87	734.62	622.34	673.93	732.12	820.41	856.57	1,111.73	1,356.08		1,550.23
Financial Indicators												
Operating profit/sales (%)	3.9	5.0	5.5	3.0	3.8	4.8	5.1	3.9	3.9	4.8		3.4
Profit before income taxes/sales (%)	2.7	2.4	2.9	3.0	3.7	4.7	5.2	3.9	3.9	4.9		3.8
ROE (%)	8.6	10.6	11.0	11.1	9.9	14.4	15.7	11.5	7.2	8.9		7.8
Net profit attributable to Panasonic Holdings Corporation stockholders/sales (%)	1.6	2.3	2.6	2.2	2.0	3.0	3.6	3.0	2.5	3.5		3.2
Total asset turnover ratio (Times)	1.5	1.4	1.3	1.3	1.3	1.3	1.3	1.2	1.0	1.0		1.0
Financial leverage (Times)	3.8	3.3	3.3	3.8	3.8	3.7	3.4	3.1	2.8	2.6		2.4
Interest-bearing debt/total assets (%)	12.3	16.3	13.0	13.2	18.8	19.7	16.6	23.7	21.1	23.6		18.1
Panasonic Holdings Corporation stockholders' equity/total assets (%)	29.7	30.6	30.5	26.3	26.3	27.1	31.8	32.1	37.9	39.4		44.9
Payout ratio (%)	25.0	23.2	30.0	35.1	38.9	29.6	24.6	31.0	28.3	27.4		26.4
Exchange Rate (Yen)												
1 USD	100	110	120	120	108	111	111	109	106	112		135
1 EUR	134	139	133	133	119	130	128	121	124	131		141
1 RMB	16.4	17.7	18.9	18.9	16.1	16.8	16.5	15.6	15.7	17.5		19.8

Items with different terminology under U.S. GAAP and IFRS

U.S. GAAP	IFRS
Panasonic Holdings Corporation shareholders' equity	Panasonic Holdings Corporation stockholders' equity
Net income attributable to Panasonic Holdings Corporation per common share	Earnings per share attributable to Panasonic Holdings Corporation stockholders
Panasonic Holdings Corporation shareholders' equity per share	Panasonic Holdings Corporation stockholders' equity per share
Net income attributable to Panasonic Corporation/sales	Net profit attributable to Panasonic Holdings Corporation stockholders/sales
Panasonic Holdings Corporation shareholders' equity/total assets	Panasonic Holdings Corporation stockholders' equity/total assets

Notes to this table

Our consolidated financial statements are now prepared in accordance with IFRS. Prior to the fiscal year ended March 2016, however, they were prepared in accordance with U.S. GAAP, but are presented on the table above using the comparable IFRS terms provided on the table on the left.

Formulas for financial ratios are as follows:

- ROE (Return on equity) = Net profit attributable to Panasonic Holdings Corporation stockholders / Average Panasonic Holdings Corporation stockholders' equity at the beginning and the end of each fiscal year
- Total assets turnover = Net Sales / Average total assets at the beginning and the end of each fiscal year
- Financial leverage = Average total asset at the beginning and the end of each fiscal year / Average Panasonic Holdings Corporation stockholders' equity at the beginning and the end of each fiscal year
- Interest-bearing debt ratio = Interest-bearing debt / Total assets
- Payout ratio = Dividends declared per share / Basic earnings per share attributable to Panasonic Holdings Corporation stockholders

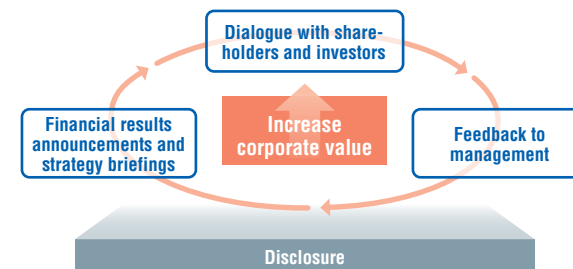
Notes to IFRS

1. "Dividends declared per share" reflect those declared by the Company in each fiscal year and consist of interim dividends paid during the fiscal year and year-end dividends paid after the fiscal year-end.
2. Exchange rate is the average rate for the fiscal year.
3. "Interest-bearing debt" is equal to the sum of short-term debt, including current portion of long-term debt, long-term debt, and lease liabilities.



Status of Dialogue with Capital Markets

Based on our basic philosophy that “A company is a public entity of society,” we are committed to transparency in our business activities and accountability to our stakeholders. We also aim to improve the quality of our management and enhance the medium- to long-term corporate value by engaging in constructive dialogue with our shareholders and investors and feeding back the insights gained from this dialogue to the management team.



Main IR (Investor Relations) activities

Activities	Main presenters	Annual results (fiscal year ended March 31, 2023)	
Strategy briefing*	Group CEO, operating company presidents	6 times Group Strategy Briefing (April 2022) Growth Strategy for Supply Chain Management Business (May) Panasonic Group IR Day 2022 (June) Panasonic Group's Sustainability: Second Briefing (July) Briefing on Lifestyle Segment (November) Panasonic Energy CTO Briefing (February 2023)	
Financial results announcements*	Group CFO	4 times	
Group/individual meetings	Group CEO, Group CFO, operating company presidents	Approx. 180 institutions (accumulated)	Japanese and overseas institutional investors (fund managers, analysts), ESG investment managers, securities company analysts, etc.
	Corporate Finance & IR Department General Manager and managers, IR personnel	Approx. 600 institutions (accumulated)	

General meeting of shareholders	Main presenters	Results	
The 116th ordinary general meeting of shareholders* (June 2023)	Directors, Audit & Supervisory Board members, executive officers, operating company presidents	Number of unit shareholders	398,554
		Number of shareholders present at the meeting	730
		Number of shareholders who watched the livestream	841

*In order to provide timely information to a wide range of stakeholders, the contents of these activities are posted on our website (in Japanese and English).
A video streaming of the General Meeting of Shareholders is available on the Company's website for one month after the meeting.

Main topics of interest in capital markets

Investor's perspective	Matters of concern
Ability to generate cash flow	<ul style="list-style-type: none"> Impact of the U.S. Inflation Reduction Act (IRA) on automotive battery business Goodwill impairment risk in supply chain management business (Blue Yonder) Measures to address deteriorating businesses in quarterly financial results and timing of recovery Measures and targets for reducing inventories, which are increasing
Growth potential	<ul style="list-style-type: none"> Expansion of production capacity in automotive batteries and contribution to medium- to long-term profits Expansion of the air quality & air-conditioning business (such as air to water heat pump system) in Europe and strengthening of its foundations Progress on medium- to long-term strategies (enhancing competitiveness, Group synergy, capital allocation, business portfolio management, etc.)
Stability and continuity	<ul style="list-style-type: none"> Progress on materiality analysis Progress in initiatives to meet environmental targets Initiatives to respect human rights in the supply chain Approach to Group governance and executive compensation system

Key feedback to management

	Frequency	Reporting method	Content of reporting
Investors' and analysts' comments, stock index and stock price information	5-6 times/year	Report to Board of Directors	To provide reference information for discussions on improving corporate value, we report on capital market reactions after announcements on financial results and briefings on business policies, including investor and analyst feedback and stock price movements.
Results of IR activities including feedback from investors	Quarterly	Email, internal information sharing site	To improve understanding and raise awareness of IR activities, and to utilize them in improvement activities for each business, we summarize the feedback, opinions, and activity results obtained at group and individual meetings, and then share them with senior management, relevant internal departments, and relevant departments of operating companies.

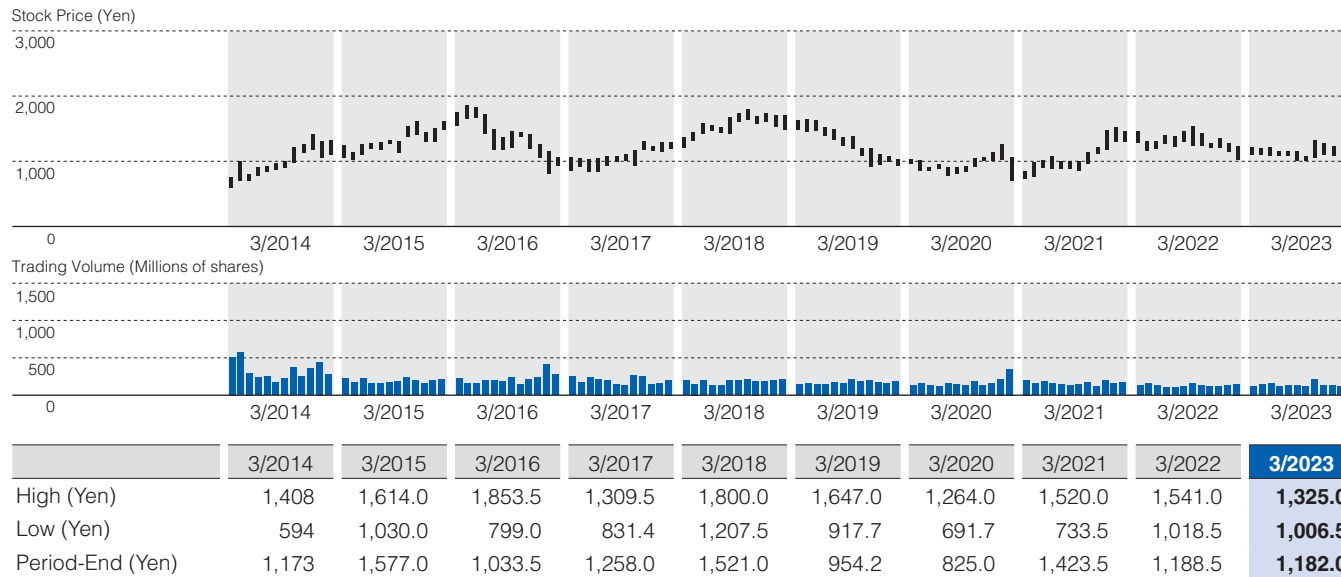
We review those opinions and requests received via our website, correspondence, phone calls, etc. and incorporate them into feedback to management team.



Corporate Information (As of March 31, 2023)


Company stock price and trading volume

(Years ended March 31) Tokyo Stock Exchange monthly basis




External recognition & inclusion into index

The Company is included in the following index.




FTSE4Good
https://www.ftserussell.com/products/indices/FTSE4Good




2023 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX


The inclusion of Panasonic Holdings Corporation in any MSCI index, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement or promotion of Panasonic Holdings Corporation by MSCI or any of its affiliates. The MSCI indexes are the exclusive property of MSCI. MSCI and The MSCI index names and logos are trademarks or service marks of MSCI or its affiliates.



FTSE Blossom Japan
https://www.ftserussell.com/products/indices/blossom-japan




S&P/JPX Carbon Efficient Index



MSCI ESG RATINGS AA

In 2022, Panasonic Holdings Corporation received a rating of AA (on a scale of AAA-CCC) in the MSCI ESG Ratings assessment.



JPX-NIKKEI 400

Please also refer to our [Sustainability Data Book](#) for more information about our approach to social and environmental initiatives.

IR (Investor Relations) offices

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Corporate Finance & Investor Relations Department
Panasonic Holdings Corporation
1006, Kadoma, Kadoma City, Osaka 571-8501, Japan
Phone: +81-6-6908-1121

Tokyo

Investor Relations
Corporate Finance & Investor Relations Department
Panasonic Holdings Corporation
TOKYO MIDTOWN HIBIYA 14F,
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Phone: +81-3-3437-1121

Europe

Investor Relations
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Phone: +44-1344-853135

IR and Sustainability websites

IR

Please refer to the Company's IR website for information including financial results and presentation materials.
<https://holdings.panasonic/global/corporate/investors.html>

Sustainability

Please refer to the "Sustainability" section of the Company's website for more information regarding environmental and social initiatives.
<https://holdings.panasonic/global/corporate/sustainability.html>



Panasonic Group Milestones

Since its founding, the Company has conducted its businesses based on its Basic Business Philosophy of “contributing to the progress and development of society and the well-being of people worldwide through its business.” Going forward, we will continue to make contributions to our customers and society in the areas of “lifestyle” and “environment” in order to achieve an “ideal society with affluence both in matter and mind.”

1918 Founded



Founder Konosuke Matsushita surrounded by our products (photographed in 1964)

Started our business with wiring devices and now our products and services range from home appliances such as washing machines, refrigerators, and TVs to components and industrial fields, contributing to making life easier

1998

- Launched first LED light



2008

- Started mass production of lithium-ion batteries for automotive use (1865 size)



2009

- Launched ENE-FARM*



*A system that efficiently generates electricity and hot water using hydrogen and oxygen

2021

- Acquired Blue Yonder, a U.S. company specialized in supply chain software



2023

- Started construction of a new factory of automotive batteries in Kansas, the U.S.

2018

- Started A2W (Air to Water heat pump)* production in Europe



*A heating system that captures heat from the air to create hot water for use and heating in homes

2022

- Announced the Group's long-term environmental vision “Panasonic GREEN IMPACT”

Panasonic GREEN IMPACT

The photos of the battery for 2008 and the A2W heat pump for 2018 are not exactly reflective of the actual models mentioned in this page.

1918

Milestones in strengthening corporate governance

We are working to establish and strengthen our corporate governance structure based on our recognition that effective corporate governance is a key foundation for making contributions to our customers and society through our business and furthermore increasing our corporate value.

2000

2013

- Appointed first female director

2014

- Started stock option compensation system for stock-type compensation (continued until 2018)

2015

- Established Nomination and Compensation Advisory Committee
- Started evaluating the effectiveness of the Board of Directors
- Established Outside Directors and Outside A&SB Members Committee

2017

- Raised the minimum ratio of outside directors to one third (46.2% as of the end of June 2023)

2019

- Started restricted stock compensation system

2023

2022

- Transitioned to an operating company system
- Added new non-financial performance indicators to the performance-based compensation system for directors, etc. (see p.43)

Panasonic Group

Panasonic Holdings Corporation

<https://holdings.panasonic/global>