

NOTICE OF  
THE 114TH ORDINARY GENERAL MEETING OF  
SHAREHOLDERS

to be held in Osaka, Japan on  
June 24, 2021

[ This is a translation from the  
Japanese of a notice circulated  
to shareholders in Japan. ]

**Panasonic Corporation**

Kadoma-shi, Osaka, Japan

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June 3, 2021

Dear Shareholders:

## Notice of the 114th Ordinary General Meeting of Shareholders

You are cordially notified of the Company's 114th Ordinary General Meeting of Shareholders to be held as described below.

Again this year, from the perspective of preventing the spread of the novel coronavirus disease (COVID-19), we ask that you take all efforts to exercise your voting rights in advance either via the Internet, etc. or in writing (mail), and refrain from attending this general meeting of shareholders in person, regardless of your state of health on the day.

You are sincerely requested to examine carefully the Reference Materials for Exercise of Voting Rights (p.4-p.35) contained herein and to exercise your voting rights by the Internet or mail, as soon as possible. If voting by mail, please return the voting instruction card duly signed by you after marking "for" or "against" each bill.

In addition, we will provide live streaming of this General Meeting of Shareholders so that you can watch the meeting from your home or other locations.

\* \* \* \* \*

1. Time and Date: 10:00 a.m. Thursday, June 24, 2021

2. Place: Osaka-Jo Hall

3-1 Osaka-jo, Chuo-ku, Osaka-shi

- The distance between chairs will be widened to prevent the spread of COVID-19, which will vastly reduce the seating capacity that we are able to offer. Accordingly, some shareholders arriving at the venue to attend in person may be turned away if the venue is filled to capacity. We appreciate your understanding.
- If the venue changes due to unforeseen circumstances, the information will be posted via the Internet on the Company's website: (<https://www.panasonic.com/global/corporate/ir.html>)

3. Purposes:

– Matters to be Reported:

1. The business report and report on the consolidated financial statements and financial statements for the 114th fiscal period from April 1, 2020 to March 31, 2021
2. Report of audit results of Accounting Auditors and the Audit & Supervisory Board on the consolidated financial statements

– Matters to be Acted Upon:

Bill No. 1: To Approve an Absorption-Type Company Split Agreement

Bill No. 2: To Partially Amend the Articles of Incorporation

Bill No. 3: To Elect 13 Directors

Bill No. 4: To Revise the Remuneration Limit for Outside Directors

Sincerely yours,  
Kazuhiro Tsuga  
Representative Director, President  
Panasonic Corporation  
1006 Oaza Kadoma, Kadoma-shi, Osaka, Japan

Shareholders attending the meeting are requested to hand in the voting instruction card at the reception desk of the meeting venue. Persons other than shareholders, such as proxies and accompanying persons who are not shareholders, are not permitted to attend the meeting. The Notice of Resolutions for the 114th Ordinary General Meeting of Shareholders will be posted on our website at <https://www.panasonic.com/global/corporate/ir/shareholder.html> after the General Meeting of Shareholders.

1. The financial statements and other information included in this Notice are prepared primarily on a consolidated basis in conformity with International Financial Reporting Standards (IFRS). In some cases where required, however, financial statements on a parent-alone basis, which is in conformity with generally accepted accounting principles in Japan (Japan GAAP), are also provided herein. Financial statements on a parent-alone basis and consolidated financial statements should not be confused with each other.
2. An English translation of explanations for the exercise of voting rights via the Internet is omitted herein. For foreign shareholders who maintain standing proxies in Japan, such explanations (in Japanese) are sent to, and available at, your standing proxies.
3. For supplemental information regarding the bills on pages 4 to 35, please visit the following Web site:  
<https://www.panasonic.com/global/corporate/ir/shareholder.html>

## [Reference Materials for Exercise of Voting Rights]

### The Bills and Reference Materials:

#### Bill No. 1: To Approve an Absorption-Type Company Split Agreement

##### 1. Reasons for conducting the absorption-type company split

Based on its management philosophy of "Contributing to the progress and development of society and the well-being of people worldwide through its business activities", the Panasonic Group, as a comprehensive electronics manufacturer, is developing a wide range of businesses, including the provision of a broad array of products and solutions for customers in the consumer electronics, housing, automotive, and B2B businesses.

Based on its Mid-term Strategy formulated in May 2019, Panasonic (the "Company") has focused its resources to realize profit growth particularly in core growth businesses. At the same time, the Company is steadily implementing measures to strengthen its management structure, such as reducing fixed costs and dealing with businesses with unprofitable structures, with the aim of overcoming a low-profit structure. On the other hand, the business environment surrounding the Panasonic Group is undergoing increasingly severe changes year by year, including politics and financial circumstances in each country and the impact of COVID-19, and other factors. Under such ongoing uncertainties, the Panasonic Group has been in progress of planning the details toward the transition to a holding company system in order to further enhance group management from a medium- to long-term perspective and to further ensure growth.

For the transition to the holding company system, the Company decided to conduct an absorption-type company split with its wholly-owned subsidiary established for such purpose, Panasonic Split Preparation Co., Ltd (which will change its company name to Panasonic Corporation as of April 1, 2022; "New Panasonic"), where the Company becomes the splitting company and New Panasonic becomes the succeeding company, for the transfer to New Panasonic of the Company's Home Appliance Business, China and Northeast Asia Business, Air-conditioning and Indoor Air Quality Business, Commercial Refrigeration & Distribution Business and Electrical Equipment Business (the "Absorption-type Company Split"). In addition, the Company decided to conduct each absorption-type company split, where the Company becomes the splitting company and each company listed in the "Succeeding Company" column in Annexed Table 1 becomes the succeeding company, for the transfer of the businesses listed in the "Outline of the businesses to be transferred" column in such Table (collectively, the "Other Absorption-type Company Splits"), and entered into each absorption-type company split agreement with each succeeding company as of May 31, 2021. The Absorption-type Company Split and the Other Absorption-type Company Splits are scheduled to take effect on April 1, 2022.

Overview of the business divisions and sectors constituting each company after the transition to a holding company system following the Absorption-type Company Split and the Other Absorption-type Company Splits taking effect is shown in the "Business divisions and sectors constituting each company" column in Annexed Table 2 below.

Following the absorption-type company splits, each operating company split from the Company will ensure that each business will be operated under its own responsibility with more clearly defined authority. As a result, each operating company will be able to work toward enhancing its business competitiveness significantly through swift decision-making in response to changes in the external environment and flexibly developing systems in accordance with business characteristics.

On the other hand, the Company will become "Panasonic Holdings Corporation", and, as a holding company, the Company will continue to support the business growth of each operating company and focus on defining growth areas from the perspective of optimizing the group as a whole, thereby striving to enhance the corporate value of the entire group.

Prior to the absorption-type company splits taking effect in April 2022, the Company will abolish its current Company System in October 2021, and reorganize its organizational structure into a new structure that conforms to the organizational structure following the transition to a holding company system.

This bill is to propose the absorption-type company split agreement related to the Absorption-type Company Split. The Other Absorption-type Company Splits are scheduled to be conducted without the approval at the general meeting of shareholders in accordance with Article 784, Paragraph 2 of the Companies Act since all of these absorption-type company splits satisfy the requirements under the Companies Act for the short-form absorption-type company split. However, if this bill is not approved, the Other Absorption-type Company Splits also will not be conducted.

<Annexed Table 1>

Succeeding company (*)	Outline of the businesses to be transferred
Panasonic Automotive Systems Co., Ltd.	<p><b><u>Automotive Business:</u></b> The business operated by Automotive Company and the business mainly pertaining or related thereto</p>
Panasonic Entertainment & Communication Co., Ltd.	<p><b><u>Smart Life Network (AVC) Business:</u></b> The business operated by Smart Life Network Business Division of Appliances Company and the business mainly pertaining or related thereto</p>
Panasonic Housing Solutions Co., Ltd.	<p><b><u>Housing Business:</u></b> The business operated by Housing Systems Business Division and the business mainly pertaining or related thereto</p>
Panasonic System Solutions Japan Co., Ltd.	<p><b><u>Connected Solutions Business:</u></b> The business operated by Connected Solutions Company and the business mainly pertaining or related thereto</p>
Panasonic Industry Co., Ltd.	<p><b><u>Device Business:</u></b> The business operated by Industrial Solutions Company (excluding the business operated by Energy Solutions Business Division and Energy Device Business Division, and the business mainly pertaining or related thereto) and the business mainly pertaining or related thereto</p>
Panasonic Energy Co., Ltd.	<p><b><u>Energy Business:</u></b> The business operated by Energy Solutions Business Division and Energy Device Business Division of Industrial Solutions Company, and Tesla Energy Business Division of US Company, and the business mainly pertaining or related thereto</p>
Panasonic Operational Excellence Co., Ltd.	<p><b><u>Business of Professional Business Support:</u></b> (1) The business operated by Professional Business Support Sector and the business mainly pertaining or related thereto (2) The businesses operated by Innovation Intellectual Property Center of Innovation Promotion Sector, Innovation Human Resources and Administration Center, IT Innovation Promotion Center, Innovation Accounting Center, Innovation Strategy Office External Coordination Planning Department, Technology Planning and Management Department, R&amp;D Human Resources Strategy Department, Wonder LAB Osaka, Panasonic Laboratory Tokyo and Panasonic Laboratory Fukuoka, Manufacturing Training Institute, and the Advanced Production Skills Development Center of Manufacturing Innovation Division, and the business mainly pertaining or related thereto and others</p>

※:In addition to the above, another absorption-type company split will be conducted, with Panasonic Sports Co., Ltd. as the succeeding company, for the transfer of the Sports Management Business (the business operated by Sports Management Promotion Office and the business mainly pertaining or related thereto).

<Annexed Table 2>

Company names after transition to a holding company system (*1)	Current business divisions and sectors constituting each company (Including subsidiaries constituting business divisions (*2))
Panasonic Corporation (*3)	Constituted by (i) the business division constituting China and Northeast Asia Company, Living Appliances and Solutions Company, Heating & Ventilation A/C Company, Cold Chain Solutions Company, and Electric Works Company, and (ii) Panasonic Cycle Technology Co., Ltd.
China and Northeast Asia Company	Constituted by Smart Life Appliances Business Division, Building and Housing Solutions Business Division, Cold Chain (China) Business Division, Refrigeration and Air-Conditioning Devices Business Division, and Taiwan Business Division
Living Appliances and Solutions Company	Constituted by Kitchen Appliances Business Division, Laundry Systems and Vacuum Cleaner Business Division, and Beauty and Personal Care Business Division
Heating & Ventilation A/C Company	Constituted by Heating and Cooling Solutions Business Division and Panasonic Ecology Systems Co., Ltd.
Cold Chain Solutions Company	Constituted by Hussmann Corporation and Cold Chain Business Division
Electric Works Company	Constituted by Lighting Business Division, Energy Systems Business Division and Smart Energy System Business Division
Panasonic Automotive Systems Co., Ltd.	Constituted by Automotive Infotainment Systems Business Division, HMI Systems Business Division, Automotive Systems Business Division and Ficosa International, S.A.
Panasonic Entertainment & Communication Co., Ltd.	Constituted by Smart Life Network Business Division (*4) (Scheduled to cease being a business division following the company split)
Panasonic Housing Solutions Co., Ltd.	Constituted by Housing Systems Business Division (Scheduled to cease being a business division following the company split)
Panasonic Connect Co., Ltd.	Constituted by Panasonic Avionics Corporation, Process Automation Business Division, Media Entertainment Business Division, Mobile Solutions Business Division and Panasonic System Solutions Japan Co., Ltd. (*5)
Panasonic Industry Co., Ltd.	Constituted by Electromechanical Control Business Division, Industrial Device Business Division, Device Solutions Business Division and Electronic Materials Business Division
Panasonic Energy Co., Ltd.	Constituted by Energy Device Business Division, Tesla Energy Business Division (*6) and Energy Solutions Business Division
Panasonic Operational Excellence Co., Ltd.	Mainly constituted by Professional Business Support Sector and part of the Innovation Promotion Sector (indirect functions and others)

- \*1: Panasonic Sports Co., Ltd., which will conduct an absorption-type company split shown in outside the column of Annexed Table 1 above, will be constituted mainly by Sports Management Promotion Office.
- \*2: There may be cases where each operating company does not hold shares of each subsidiary constituting a business division, but only controls and supervises such subsidiary.
- \*3: Each company under Panasonic Corporation will be divisional companies in Panasonic Corporation.
- \*4: Scheduled business division name as of October 2021: Entertainment & Communication Business Division
- \*5: Panasonic System Solutions Japan Co., Ltd. will be the succeeding company in the absorption type company split, and its company name is scheduled to be changed to "Panasonic Connect Co., Ltd." and the business thereunder is scheduled to be treated as a business division.
- \*6: Scheduled business division name as of October 2021: Mobility Energy Business Division

## 2. Details of the absorption-type company split agreement

Details of the absorption-type company split agreement related to the Absorption-type Company Split are as follows:

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### **Absorption-Type Company Split Agreement**

This Absorption-Type Company Split Agreement (this "Agreement") was entered into by and between Panasonic Corporation ("X") and Panasonic Split Preparation Co., Ltd ("Y") in respect of the absorption-type company split whereby the rights and obligations related to the business set forth in Article 1 operated by X are to be succeed to Y (the "Absorption-Type Company Split").

#### **Article 1 (Absorption-Type Company Split)**

In accordance with the provisions of this Agreement, X shall split into Y the rights and obligations set forth in Article 3, Paragraph 1 hereof, which are held by X in relation to the business operated by X set forth in the following items (the "Business"; if an organizational restructuring is conducted by X prior to the Effective Date (as defined in Article 6 hereof; the same shall apply hereinafter), each of the organizations set forth in the following items shall be deemed to be replaced with the successor departments after such organizational restructuring) by way of the absorption-type company split set forth in Article 2, Item 29 of the Companies Act, and Y shall succeed to such rights and obligations.

- (1) (a) The business operated by Appliances Company (including the Technics Business, but excluding (i) the business operated by the Smart Life Network Business Division (excluding the business mainly pertaining or related to the Technics Business) and the business mainly pertaining or related thereto, (ii) the business mainly pertaining or related to the Connected Solutions Business or the Energy Business, and (iii) the business operated by the CS Coordination Division, Strategy Planning Department, Customer Related Section) and (b) the business mainly pertaining or related thereto (including the business operated by the Innovation Promotion Sector, Manufacturing Innovation Division, Recycling Business Promotion Office and the Professional Business Support Sector, Global Procurement Company, AP Procurement Center (excluding the business operated by (i) the Smart Life Network Procurement Department within the said Center (excluding the Yamagata Procurement Section) and (ii) the Functional & Mechanical Device Contract Department, Kadoma Mechanical Section within the said Center));
- (2) The business operated by Life Solutions Company (excluding the business operated by the Construction Management Department) and the business mainly pertaining or related thereto (including the business operated by the Professional Business Support Sector, Global Procurement Company, LS Procurement Center);
- (3) The business operated by China & Northeast Asia Company and the business mainly pertaining or related thereto (including the business operated by the Corporate Strategy Division, Global Business Promotion Department, China Business Promotion Section and the business operated by

the Innovation Promotion Sector, Technology Division, Business Development Office, Active Aging Design Project);

- (4) The business operated by a US Company, the Hussmann Business Division, and the business mainly pertaining or related thereto; and
- (5) The business operated by the Innovation Promotion Sector, Design Division and the business mainly pertaining or related thereto.

## **Article 2 (Corporate names and addresses of parties hereto)**

Corporate names and addresses of X and Y are as follows:

- (X) The splitting company in the absorption-type company split

Corporate name: Panasonic Corporation (As of the Effective Date, the corporate name is planned to be changed to "Panasonic Holdings Corporation".)

Address: 1006, Oaza Kadoma, Kadoma-shi, Osaka

- (Y) The succeeding company in the absorption-type company split

Corporate name: Panasonic Split Preparation Co., Ltd (As of the Effective Date, the corporate name is planned to be changed to "Panasonic Corporation".)

Address: 1006, Oaza Kadoma, Kadoma-shi, Osaka

## **Article 3 (Rights and obligations to be succeeded to by way of Absorption-Type Company Split)**

1. The assets, liabilities, contracts and other rights and obligations related to the Business that Y is to succeed to from X by way of the Absorption-Type Company Split (the "Transferred Assets") are specified in **Exhibit** "Description of Transferred Assets".
2. With respect to the liabilities specified in **Exhibit** "Description of Transferred Assets" as the liabilities that Y is to succeed to from X pursuant to Article 1 hereof and the preceding paragraph, X will be released from such assumed liabilities.
3. If X performs or otherwise incurs any of the liabilities to be succeeded to (including, but not limited to, by performing or otherwise incurring such liabilities pursuant to Article 759, Paragraph 2 of the Companies Act), X may demand Y to reimburse the full amount incurred by X.

## **Article 4 (Consideration for Absorption-Type Company Split)**

In the Absorption-Type Company Split, Y shall distribute one (1) share of Y's common stock to X in exchange for the rights and obligations that Y is to succeed to under the preceding Article.

## **Article 5 (Amount of Y's share capital and capital reserves)**

The amount of Y's share capital and capital reserves that change upon the Absorption-Type Company Split shall be separately determined by Y in accordance with Article 37 or Article 38 of the Regulation on Corporate Accounting.

**Article 6 (Effective Date)**

The date on which the Absorption-Type Company Split comes into force (the "Effective Date") shall be April 1, 2022; provided, however, that the Effective Date may be changed through consultation and agreement between X and Y if necessary for any procedural reasons in respect of the Absorption-Type Company Split or for any other reasons.

**Article 7 (Non-compete obligations)**

Even on or after the Effective Date, X shall not owe any non-compete obligations under Article 21 of the Companies Act in respect of the Business.

**Article 8 (Approval of the Absorption-Type Company Split)**

X and Y shall, by the day immediately preceding the Effective Date, respectively obtain a formal organizational decision (including the resolution deemed to be adopted by a general meeting of shareholders, pursuant to Article 319, Paragraph 1 of the Companies Act, or a board of directors meeting, pursuant to Article 370 of the said act) on the matters that are necessary for this Agreement and the Absorption-Type Company Split.

**Article 9 (Amendment to terms and conditions of Absorption-Type Company Split and cancellation of this Agreement)**

During the period from the execution date of this Agreement until the Effective Date, if any material change occurs in the asset status or financial condition of either X or Y, or if any material event that would impede the procedures for the Absorption-Type Company Split occurs, X and Y may, upon discussion between the parties, amend the terms and conditions of the Absorption-Type Company Split or otherwise the provisions of this Agreement, or cancel this Agreement.

**Article 10 (Effect of this Agreement)**

This Agreement shall cease to be effective, if the organizational decision set forth in Article 8 hereof is not obtained by the day immediately preceding the Effective Date or the necessary approval from the relevant governmental authority is not obtained by the day immediately preceding the Effective Date.

**Article 11 (Governing law and jurisdiction)**

1. This Agreement shall be governed by and construed in accordance with the laws of Japan.
2. If any dispute arises in connection with this Agreement, the Osaka District Court shall have exclusive first-instance jurisdiction.

**Article 12 (Matters to be consulted)**

Any matters not set forth in this Agreement or any doubt arising in relation to the provisions hereof shall be settled through discussion between X and Y in good faith.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have prepared this Agreement in one original copy, having affixed their respective signatures, or their names and seals hereon, with X retaining the original hereof and Y retaining a copy.

May 31, 2021

X:                    Panasonic Corporation  
                         Representative Director President  
                         Kazuhiro Tsuga [Seal]

May 31, 2021

Y:                    Panasonic Split Preparation Co., Ltd  
                         Representative Director  
                         Masahiro Shinada [Seal]

### Description of Transferred Assets

Assets, liabilities, contracts and other rights and obligations that are to be succeeded to by Y from X by way of the Absorption-Type Company Split as of the Effective Date shall be the rights and obligations as of the time immediately prior to the Effective Date (the "Reference Time") set forth below:

#### 1. Assets

Any and all assets belonging to the Business (provided that the intellectual property rights are to be set forth in Section 2 below); however, the following assets shall be excluded:

(1) All land (including the trust beneficiary interests underlying the land); however, excluding the land located in Nakazato, Kita-ku, Tokyo

(2) The following buildings, which can be for shared use as core and compound bases (including the trust beneficiary interests underlying the buildings), and, among others, equipment used for such buildings (excluding the equipment belonging to the Business):

- The buildings located in the following areas in Kadoma-shi and Moriguchi-shi, Osaka: (i) the head office area of X, (ii) Osaka (Kadoma) area of Life Solutions Company, and (iii) the head office area of Industrial Solutions Company (hereinafter collectively referred to as the "Head Office, Nishi-kadoma District") (excluding the buildings exclusively used for research and development);
- The buildings located in Saedo-cho, Tsuzuki-ku, Yokohama-shi (excluding the buildings exclusively used for research and development); and
- The Panasonic Tokyo Shiodome Building located in Minato-ku, Tokyo

(3) Equity shares or equity interests of foreign and domestic entities; however, notwithstanding the provision in this item (3), the equity shares of the following entities shall be subject to succession; provided, further, that (i) if consent from other shareholders of the said entities are required for Y to succeed to such equity shares by way of the Absorption-Type Company Split, (ii) if it is highly unlikely to obtain such consent as of the Reference Time, and (iii) if the succession by Y to such equity shares creates a material disadvantage for X, Y or any other subsidiaries of X, the said equity shares shall be excluded from the Transferred Assets.

(i) Panasonic Associates Shiga Co., Ltd.

(ii) Panasonic Associates Tottori Co., Ltd.

(iii) Panasonic Ecology Systems Co., Ltd.

#### 2. Intellectual property rights

Intellectual property rights such as copyrights that belong to the Business; however, industrial property rights (patent rights, utility model rights, design rights and trademark rights) shall not be succeeded to by Y.

#### 3. Liabilities and debts

Any and all liabilities and debts that belong to the Business

#### 4. Contracts (excluding employment contracts)

(a) Any and all contracts belonging to the Business entered into by X as its party (including the amendments and renewal thereto, and other contracts pertaining thereto, but excluding employment contracts; further, procurement agreements and other similar trade agreements shall be deemed to be the contracts relevant to the Business, and if such contracts are also related to business other than the Business, only the portion relevant to the Business of such contracts will be succeeded to) as well as (b) the contractual status thereunder and (c) any and all the rights and obligations arising therefrom; provided, however, that the contracts set forth below and the rights and obligations arising therefrom shall be excluded. Furthermore, if (A) the succession by Y to ① X's contractual status under the contracts included in the Transferred Assets or ② the rights and obligations pursuant to the said contracts by way of the Absorption-Type Company Split, in each case, causes any conflict with the obligations set forth in the said contracts and (B)(x) the consent for the release of such obligations from the counterparties to the said contracts is not obtained, or (y) X is highly unlikely, as of the Reference Time, to fulfill the procedures required under the said contracts for Y to succeed to, among others, X's contractual status under the said contracts, and (C) such succession by Y to, among others, X's contractual status under the said contracts creates a material disadvantage for X, Y or any other subsidiaries of X, the said contracts shall be excluded from the Transferred Assets.

##### (1) Contracts related to industrial property rights

(i) The contracts which primarily set forth the procedures, assignment or license-out of the industrial property rights held or expected to be obtained in the future by X, (ii) the contracts which primarily set forth an acquisition or license-in of the industrial property rights held or expected to be obtained in the future by any third party and (iii) the contracts other than those set forth in items (i) and (ii) above that provide for the assignment or licensing of the industrial property rights, for which management responsibility has been assigned to X's organizations or subsidiaries other than X's organizations or subsidiaries that belong to the Business (excluding any contracts that will create a material disadvantage for X, Y or any other X's subsidiaries, if Y does not succeed to, among others, the contractual status under the said contracts). However, in respect of all of items (i) through (iii) above, the contracts executed by a subsidiary of X shall be excluded.

##### (2) Contracts related to intellectual property rights other than industrial property rights

Contracts concerning software licensing-in that were executed with third parties and are also required for business other than the Business; however, the contracts that will not create any material disadvantage for X, Y or any other subsidiaries of X by succeeding to by Y of, among others, the contractual status thereunder shall be excluded.

##### (3) Joint venture agreements and shareholders agreements

Joint venture agreements, shareholders agreements and any other similar agreements related to equity shares or equity interests that are not included in the Transferred Assets

##### (4) M&A transactional contracts

M&A transactional contracts of which the transactions were already closed

##### (5) Umbrella agreements

Provided, that the agreements that will not create a material disadvantage for X, Y or any other subsidiaries of X by succeeding to by Y of, among others, the contractual status thereunder shall be excluded.

(6) Settlement agreements executed with relevant governmental authorities

Provided, that the agreements that will not create a material disadvantage for X, Y or any other subsidiaries of X by succeeding to by Y of, among others, the contractual status thereunder shall be excluded.

(7) Lease contracts where X is the lessee of the land located in the Head Office, Nishi-kadoma District

**5. Employment contracts**

(1) Any contractual status under the employment contracts entered into with employees who are primarily engaged in the Business (including those who are taking a long leave of absence from work due to, among others, any illness, childcare or nursing care or those who have been out of the office for a long period for secondment or any other reasons; the same applies hereinafter) and any and all rights and obligations arising from such contracts; provided, however, that (i) the contractual status under the employment contracts that were entered into with employees with the Global ID (a global ID number assigned to each employee pursuant to the Global ID administration rules of X) indicated in the table below and employees who individually agreed that such contractual status will not be succeeded to by Y by way of the Absorption-Type Company Split and (ii) any and all rights and obligations arising from such contracts shall be excluded.

Global ID
[REDACTED]

(2) Collective agreements that have been executed by and between X as well as Panasonic Group Workers Unions Association and the workers unions under the umbrella of Panasonic Group Workers Unions Association as of the Effective Date, in respect of which the succession has been agreed upon by and between the above-mentioned parties

**6. Permits and approvals**

Any and all licenses, permits, authorizations, approvals, registration, notifications, subsidies and so on that can lawfully be succeeded to any other party

[End of document]

**3. Outline of the matters listed in each item of Article 183 of the Ordinance for Enforcement of the Companies Act**

The details of each of the matters are not presented in these reference documents for the general meeting of shareholders as they are presented on pages 110 to 111.

## Bill No. 2: To Partially Amend the Articles of Incorporation

### 1. Reasons for Amendments

(i) Change of trade name and purpose (Articles 1 and 3)

The Company plans a transition to a holding company system as described in Bill No. 1 "Approval of Absorption-type Company Split Agreement". Accordingly, from the viewpoint of clarifying its role as a holding company, trade name and purpose are proposed to be amended.

These amendments will become effective on the effective date of the Absorption-type Company Split, subject to the Absorption-type Company Split taking effect.

(ii) Amendment to provision regarding Directors with Special Titles (Articles 13, 19 and 26)

In order to clearly separate management function from executive function and enable flexible establishment of a management structure, the proposed amendment is to allow the President as the Chief Executive Officer of the Company to be appointed from among the Executive Officers, and the relevant provisions will be amended accordingly.

### 2. Details of Amendments

The current Articles of Incorporation and proposed amendments are as follows:

(Underlined portions show the amendments.)

Current Articles of Incorporation	Proposed Amendments
<p>(Trade Name) Article 1. The Company shall be called <u>Panasonic Kabushiki Kaisha</u>, and written in English as <u>Panasonic Corporation</u>.</p>	<p>(Trade Name) Article 1. The Company shall be called <u>Panasonic Holdings Kabushiki Kaisha</u>, and written in English as <u>Panasonic Holdings Corporation</u>.</p>
<p>(Purpose) Article 3. The purpose of the Company shall be to engage in the following businesses:</p> <p>1. through 19. (Omitted)</p> <p>20. business related to publishing, printing, freight forwarding, security, maintenance of buildings, nursing care, dispatch of workers, general leasing, financing, non-life insurance agency and buying, selling, maintaining and leasing of real estate;</p>	<p>(Purpose) Article 3. 1. The purpose of the Company shall be, <u>by holding shares or equities of such companies (including foreign companies), partnerships (kumiai) (including equivalents in other jurisdictions), or other entities equivalent thereto, among others to manage and control such companies which</u> engages in the following businesses:</p> <p>1. through 19. (Unchanged)</p> <p>20. business related to publishing, printing, freight forwarding, security, maintenance of buildings, nursing care, <u>employment placement</u>, dispatch of workers, general leasing, financing, non-life insurance agency and buying,</p>

Current Articles of Incorporation	Proposed Amendments
<p>21. through 23. (Omitted)</p> <p>(Newly established)</p>	<p>selling, maintaining and leasing of real estate;</p> <p>21. through 23. (Unchanged)</p> <p>2. <u>The Company may engage in any of the businesses listed in the items of the preceding paragraph and any business incidental or related thereto.</u></p>
<p>(Chairman)</p> <p>Article 13. 1. Chairmanship of general meetings of shareholders shall be assumed by the <u>President</u>.</p> <p>2. Should the <u>President</u> be unable to act, <u>one of the other Representative Directors</u> shall be the chairman of the general meeting of shareholders in accordance with the order previously determined by the Board of Directors.</p>	<p>(Chairman)</p> <p>Article 13. 1. Chairmanship of general meetings of shareholders shall be assumed by the <u>President</u>.</p> <p><i>(Change in Japanese only; English unchanged)</i></p> <p>2. Should the <u>President</u> be <u>vacant</u> or unable to act, <u>a substitute</u> shall be the chairman of the general meeting of shareholders in accordance with the order previously determined by the Board of Directors.</p>
<p>(Representative Directors and Directors with Special Titles)</p> <p>Article 19. 1. The Company may, by a resolution of the Board of Directors, appoint from among the Directors one Chairman of the Board of Directors, one Vice Chairman of the Board of Directors, <u>and one President</u>.</p> <p>2. (Omitted)</p>	<p>(Representative Directors and Directors with Special Titles)</p> <p>Article 19. 1. The Company may, by a resolution of the Board of Directors, appoint from among the Directors one Chairman of the Board of Directors and one Vice Chairman of the Board of Directors.</p> <p>2. (Unchanged)</p>
<p>(Executive Officers)</p> <p>Article 26. 1. (Omitted)</p> <p>(Newly established)</p> <p>2. (Omitted)</p>	<p>(Executive Officers)</p> <p>Article 26. 1. (Unchanged)</p> <p>2. <u>The Company may, by a resolution of the Board of Directors, appoint one President Executive Officer from among the Executive Officers and other Executive Officers with special titles.</u></p> <p>3. (Unchanged)</p>
<p>(Newly established)</p>	<p><u>(Supplementary Provisions)</u></p> <p><u>The amendments to Articles 1 and 3 shall become effective subject to the absorption-type company split under the absorption-type company split agreement dated May 31, 2021 entered into</u></p>

Current Articles of Incorporation	Proposed Amendments
	<p><u>between the Company and Panasonic Split Preparation Co., Ltd taking effect. This article shall be automatically deleted immediately after the end of the effective date of such absorption-type company split.</u></p>

## Bill No. 3: To Elect 13 Directors

The terms of all 12 Directors currently in office will expire at the conclusion of the 114th Ordinary General Meeting of Shareholders. Yuko Kawamoto will retire as of June 21, and Shusaku Nagae will retire at this occasion.

The Company has a rule of a one-year term of office for Directors in accordance with the Articles of Incorporation, as a structure that reflects the decisions of our shareholders to management appropriately. As for the composition of directors, Outside Directors shall account for more than a third of a total of directors. The Company is also working to ensure the diversity of knowledge, experience and capabilities among Directors.

Accordingly, the Company proposes the election of the following 13 Directors including the six Outside Directors.

In addition, the nomination of candidates for Directors was deliberated at the optional "Nomination and Compensation Advisory Committee," a majority of whose members as well as whose chair are Outside Directors who are Independent Directors.

The details of the candidates are as follows:

No.	Name		Current position and responsibilities in the Company
1	Kazuhiro Tsuga	Reappointment	Representative Director, President; Member of the Nomination and Compensation Advisory Committee
2	Mototsugu Sato	Reappointment	Representative Director; Executive Vice President; Director, Corporate Strategy Division; CEO, US Company/ In charge of Procurement and Logistics; Occupational Safety and Health Director
3	Yasuyuki Higuchi	Reappointment	Representative Director; Senior Managing Executive Officer; CEO, Connected Solutions Company
4	Tetsuro Homma	Reappointment	Representative Director; Executive Vice President; CEO, China & Northeast Asia Company; Regional Head for China & Northeast Asia; Chairman, Panasonic Corporation of China
5	Yoshinobu Tsutsui	Reappointment Outside Director Independent Director	Director; Member of the Nomination and Compensation Advisory Committee
6	Hiroko Ota	Reappointment Outside Director Independent Director Female Director	Director; Chairperson of the Nomination and Compensation Advisory Committee
7	Kazuhiko Toyama	Reappointment Outside Director Independent Director	Director; Member of the Nomination and Compensation Advisory Committee
8	Kunio Noji	Reappointment Outside Director Independent Director	Director
9	Michitaka Sawada	Reappointment Outside Director Independent Director	Director
10	Hirokazu Umeda	Reappointment	Director; Senior Managing Executive Officer; Chief Financial Officer (CFO)/In charge of Groupwide Cost Busters Project, BPR Project, and Facility Management; CEO, Panasonic Holding (Netherlands) B.V.; President, Panasonic Equity Management Japan G. K.
11	Laurence W. Bates	Reappointment	Director; Managing Executive Officer; General Counsel (GC); Chief Risk Management Officer (CRO); Chief Compliance Officer (CCO); Director, Legal & Compliance Division

No.	Name		Current position and responsibilities in the Company
12	Yuki Kusumi	New candidate	Chief Executive Officer (CEO);
13	Shinobu Matsui	New candidate Outside Director Independent Director Female Director	

Name and date of birth	Career summary, position and responsibilities in the Company and other important concurrently held positions	Number of the Company's shares held (as of March 31, 2021)
1 Kazuhiro Tsuga November 14, 1956  Reappointment	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; Apr. 2021 Representative Director and President of the Company (to the present) <i>(Vice Chairman, The Tokyo Organising Committee of the Olympic and Paralympic Games)</i> <i>&lt;Reasons for election of the candidate&gt;</i> <i>Panasonic expects Kazuhiro Tsuga to apply his extensive experience as a corporate manager inside the Group and his experience as President of the Company in serving on the Board of Directors to work on helping the Company realize business growth and boost corporate value in the future, and to appropriately supervise the entire Group.</i> <i>&lt;Notable conflicts of interest between the candidate and the Company&gt;</i> <i>None</i>	311,320 shares

Name and date of birth	Career summary, position and responsibilities in the Company and other important concurrently held positions	Number of the Company's shares held (as of March 31, 2021)
2 Mototsugu Sato October 17, 1956  Reappointment	<p>Apr. 1979 Joined Matsushita Electric Works, Ltd.;</p> <p>Apr. 2008 Executive Officer, Matsushita Electric Works, Ltd.;</p> <p>Apr. 2011 Senior Executive Officer, Panasonic Electric Works Co., Ltd.;</p> <p>Jan. 2012 Managing Officer, Eco Solutions Company of the Company/Director, Accounting Center;</p> <p>Oct. 2013 Executive Officer of the Company/in charge of Planning, BPR Project, and Business Creation Project;</p> <p>Jun. 2014 Director of the Company;</p> <p>Apr. 2015 Managing Director of the Company;</p> <p>Apr. 2016 Representative Director and Senior Managing Director of the Company/in charge of Human Resources;</p> <p>Jun. 2017 Representative Director, Senior Managing Executive Officer, Chief Strategy Officer (CSO), and Chief Human Resources Officer (CHRO) of the Company;</p> <p>Apr. 2018 In charge of General Affairs and Social Relations of the Company;</p> <p>Feb. 2019 Director, Corporate Strategy Division of the Company (incumbent);</p> <p>Apr. 2019 Representative Director and Executive Vice President of the Company (incumbent);</p> <p>Aug. 2019 CEO, US Company of the Company (incumbent);</p> <p>Apr. 2021 In charge of Procurement of the Company (incumbent);</p> <p>May 2021 In charge of Logistics of the Company (to the present)</p> <p><i>&lt;Reasons for election of the candidate&gt;</i>  <i>Mototsugu Sato has extensive experience as a corporate manager involved primarily in accounting and other professional functions inside the Group. From the perspective of strategic execution, Panasonic expects him to apply his knowledge in serving on the Board of Directors to work on helping the Company realize business growth and boost corporate value in the future, and to appropriately supervise the entire Group.</i></p> <p><i>&lt;Notable conflicts of interest between the candidate and the Company&gt;</i>  <i>None</i></p>	93,589 shares

Name and date of birth	Career summary, position and responsibilities in the Company and other important concurrently held positions	Number of the Company's shares held (as of March 31, 2021)
3 Yasuyuki Higuchi November 28, 1957  Reappointment	<p>Apr. 1980 Joined the Company;</p> <p>Apr. 1992 Joined The Boston Consulting Group, Inc.;</p> <p>Jul. 1994 Joined Apple Japan, Inc.;</p> <p>Jul. 1997 Joined Compaq Computer Corporation;</p> <p>May 2003 Representative Director and President, Hewlett-Packard Japan, Ltd.;</p> <p>May 2005 Representative Director and President, The Daiei, Inc.;</p> <p>Mar. 2007 Representative Executive Officer and COO, Microsoft Kabushiki Kaisha (currently Microsoft Japan Co., Ltd.);</p> <p>Apr. 2008 Representative Executive Officer and President, Microsoft Kabushiki Kaisha/Vice President, Microsoft Corporation;</p> <p>Jul. 2015 Representative Executive Officer and Chairman, Microsoft Japan Co., Ltd.;</p> <p>Apr. 2017 Senior Managing Executive Officer of the Company/CEO, Connected Solutions Company (incumbent);</p> <p>Jun. 2017 Representative Director and Senior Managing Executive Officer of the Company (to the present)</p> <p><i>&lt;Reasons for election of the candidate&gt;</i>  <i>Yasuyuki Higuchi has extensive experience as a corporate manager of major international corporations, as well as a global perspective. In his role as a representative of business execution, Panasonic expects him to apply that experience and perspective in serving on the Board of Directors to work on helping the Company realize business growth and boost corporate value in the future, and to appropriately supervise the entire Group.</i></p> <p><i>&lt;Notable conflicts of interest between the candidate and the Company&gt;</i>  <i>None</i></p>	51,277 shares

Name and date of birth	Career summary, position and responsibilities in the Company and other important concurrently held positions	Number of the Company's shares held (as of March 31, 2021)
4 Tetsuro Homma October 28, 1961  Reappointment	<p>Apr. 1985 Joined the Company;</p> <p>Oct. 2013 Executive Officer of the Company/Senior Vice President, Appliances Company/in charge of Cold Chain Business/Director, Refrigerator Business Division;</p> <p>Apr. 2015 Managing Executive Officer of the Company; President, Appliances Company/in charge of Consumer Business;</p> <p>Jun. 2015 Managing Director of the Company;</p> <p>Apr. 2016 Representative Director and Senior Managing Director of the Company;</p> <p>Jun. 2017 Senior Managing Executive Officer of the Company;</p> <p>Apr. 2019 CEO, China &amp; Northeast Asia Company (incumbent) and Regional Head for China &amp; Northeast Asia of the Company (incumbent);</p> <p>Jun. 2019 Representative Director and Senior Managing Executive Officer of the Company;</p> <p>Apr. 2020 Chairman, Panasonic Corporation of China of the Company (incumbent);</p> <p>Apr. 2021 Representative Director and Executive Vice President of the Company (to the present)</p> <p><i>&lt;Reasons for election of the candidate&gt;</i>  <i>Tetsuro Homma has extensive experience as a corporate manager involved primarily in managing operations inside the Group. In his role as a representative of business execution, Panasonic expects him to apply his knowledge in serving on the Board of Directors to work on helping the Company realize business growth and boost corporate value in the future, and to appropriately supervise the entire Group.</i></p> <p><i>&lt;Notable conflicts of interest between the candidate and the Company&gt;</i>  <i>None</i></p>	35,411 shares

Name and date of birth	Career summary, position and responsibilities in the Company and other important concurrently held positions	Number of the Company's shares held (as of March 31, 2021)
5 Yoshinobu Tsutsui January 30, 1954  Reappointment  Outside Director 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 (to the present) <i>(Chairman, NIPPON LIFE INSURANCE COMPANY)</i> <i>(Outside Director, Imperial Hotel, Ltd.)</i> <i>(Outside Director, Sumitomo Mitsui Financial Group, Inc.)</i> <i>(Outside Director, West Japan Railway Company)</i> <Number of years in office as Outside Director> 6 years (At the conclusion of this Ordinary General Meeting of Shareholders) <Reasons for election of the candidate and expected roles> Panasonic proposes the election of Yoshinobu Tsutsui for the post of Outside Director on account of his extensive managerial experience and deep insight, which the Company expects will be reflected in the management of the Company. <Notable conflicts of interest between the candidate and the Company> None	0 shares

Name and date of birth	Career summary, position and responsibilities in the Company and other important concurrently held positions	Number of the Company's shares held (as of March 31, 2021)
<p>6 Hiroko Ota February 2, 1954</p> <p>Reappointment</p> <p>Outside Director Independent Director Female Director</p>	<p>May 1981 Research Fellow, Japan Institute of Life Insurance;</p> <p>Apr. 1993 Visiting Associate Professor, Economics Faculty, Osaka University;</p> <p>Apr. 1996 Associate Professor, Saitama University;</p> <p>Oct. 1997 Associate Professor, NATIONAL GRADUATE INSTITUTE FOR POLICY STUDIES;</p> <p>Apr. 2001 Professor, NATIONAL GRADUATE INSTITUTE FOR POLICY STUDIES;</p> <p>Apr. 2002 Director, Cabinet Office;</p> <p>Mar. 2003 Deputy Director General, Cabinet Office;</p> <p>Apr. 2004 Director General for Economic Research, Cabinet Office;</p> <p>Aug. 2005 Professor, NATIONAL GRADUATE INSTITUTE FOR POLICY STUDIES;</p> <p>Sep. 2006 Minister for Economic and Fiscal Policy;</p> <p>Aug. 2008 Professor, NATIONAL GRADUATE INSTITUTE FOR POLICY STUDIES;</p> <p>Jun. 2013 Director of the Company (incumbent);</p> <p>Apr. 2019 Senior Professor of NATIONAL GRADUATE INSTITUTE FOR POLICY STUDIES (to the present)</p> <p><i>(Senior Professor, NATIONAL GRADUATE INSTITUTE FOR POLICY STUDIES)</i>  <i>(Outside Director, ENEOS Holdings, Inc.)</i>  <i>(Outside Director, Japan Platform of Industrial Transformation, Inc.)</i></p> <p>&lt;Number of years in office as Outside Director&gt;  <i>8 years (At the conclusion of this Ordinary General Meeting of Shareholders)</i></p> <p>&lt;Reasons for election of the candidate and expected roles&gt;  <i>Panasonic proposes the election of Hiroko Ota for the post of Outside Director on account of her extensive experience and deep insight in economics and finance, which the Company expects will be reflected in the management of the Company. Although Hiroko Ota does not have past experience of being involved in company management other than as an Outside Director or Outside Audit &amp; Supervisory Board Member, the Company believes that she can appropriately perform her duties as an Outside Director on account of the reasons mentioned above.</i></p> <p>&lt;Notable conflicts of interest between the candidate and the Company&gt;  <i>None</i></p>	<p>5,000 shares</p>

Name and date of birth	Career summary, position and responsibilities in the Company and other important concurrently held positions	Number of the Company's shares held (as of March 31, 2021)
<p>7 Kazuhiko Toyama April 15, 1960</p> <p>Reappointment</p> <p>Outside Director Independent Director</p>	<p>Apr. 1985 Joined The Boston Consulting Group, Inc.;</p> <p>Apr. 1986 Participated in establishment of Corporate Directions, Inc.;</p> <p>Mar. 1993 Director, Corporate Directions, Inc.;</p> <p>Apr. 2000 Managing Director, Corporate Directions, Inc.;</p> <p>Apr. 2001 President, Corporate Directions, Inc.;</p> <p>Apr. 2003 Senior Representative Director and COO, Industrial Revitalization Corporation of Japan;</p> <p>Apr. 2007 Representative Director and CEO, Industrial Growth Platform, Inc. (incumbent);</p> <p>Jun. 2016 Director of the Company (incumbent);</p> <p>Oct. 2020 Chairman, Industrial Growth Platform, Inc. (incumbent);</p> <p>Dec. 2020 Representative Director, President, Japan Platform of Industrial Transformation, Inc. (to the present)</p> <p><i>(Chairman, Industrial Growth Platform, Inc.)</i> <i>(Representative Director, President, Japan Platform of Industrial Transformation, Inc.)</i></p> <p><i>&lt;Number of years in office as Outside Director&gt;</i> <i>5 years (At the conclusion of this Ordinary General Meeting of Shareholders)</i></p> <p><i>&lt;Reasons for election of the candidate and expected roles&gt;</i> <i>Panasonic proposes the election of Kazuhiko Toyama for the post of Outside Director on account of his extensive managerial experience and deep insight, which the Company expects will be reflected in the management of the Company.</i></p> <p><i>&lt;Notable conflicts of interest between the candidate and the Company&gt;</i> <i>None</i></p>	<p>20,000 shares</p>
<p>8 Kunio Noji November 17, 1946</p> <p>Reappointment</p> <p>Outside Director Independent Director</p>	<p>Apr. 1969 Joined Komatsu Ltd.;</p> <p>Jun. 1997 Director, Komatsu Ltd.;</p> <p>Jun. 2001 Managing Director and Senior Executive Officer (Jomu), Komatsu Ltd.;</p> <p>Apr. 2003 Director and Senior Executive Officer (Senmu), Komatsu Ltd.;</p> <p>Jun. 2007 President and Representative Director, and CEO, Komatsu Ltd.;</p> <p>Apr. 2013 Chairman of the Board and Representative Director, Komatsu Ltd.;</p> <p>Apr. 2016 Chairman of the Board and Director, Komatsu Ltd.;</p> <p>Jun. 2019 Director of the Company (to the present)</p> <p><i>(Adviser, Komatsu Ltd.)</i> <i>(Outside Director, KOMATSU MATERE Co., Ltd.)</i></p> <p><i>&lt;Number of years in office as Outside Director&gt;</i> <i>2 years (At the conclusion of this Ordinary General Meeting of Shareholders)</i></p> <p><i>&lt;Reasons for election of the candidate and expected roles&gt;</i> <i>Panasonic proposes the election of Kunio Noji for the post of Outside Director on account of his extensive managerial experience and deep insight, which the Company expects will be reflected in the management of the Company.</i></p> <p><i>&lt;Notable conflicts of interest between the candidate and the Company&gt;</i> <i>None</i></p>	<p>5,000 shares</p>

Name and date of birth	Career summary, position and responsibilities in the Company and other important concurrently held positions	Number of the Company's shares held (as of March 31, 2021)
<p>9 Michitaka Sawada December 20, 1955</p> <p>Reappointment</p> <p>Outside Director Independent Director</p>	<p>Apr. 1981 Joined Kao Soap Co., Ltd. (currently Kao Corporation);</p> <p>Jun. 2006 Executive Officer, Kao Corporation;</p> <p>Jun. 2008 Director, Executive Officer, Kao Corporation;</p> <p>Jun. 2012 Representative Director, President and Chief Executive Officer, Kao Corporation;</p> <p>Jun. 2020 Director of the Company (incumbent);</p> <p>Jan. 2021 Director, Chair, Kao Corporation (to the present) <i>(Director, Chair, Kao Corporation)</i></p> <p><i>&lt;Number of years in office as Outside Director&gt;</i> <i>1 year (At the conclusion of this Ordinary General Meeting of Shareholders)</i></p> <p><i>&lt;Reasons for election of the candidate and expected roles&gt;</i> <i>Panasonic proposes the election of Michitaka Sawada for the post of Outside Director on account of his extensive managerial experience and deep insight, which the Company expects will be reflected in the management of the Company.</i></p> <p><i>&lt;Notable conflicts of interest between the candidate and the Company&gt;</i> <i>None</i></p>	<p>0 shares</p>
<p>10 Hirokazu Umeda January 13, 1962</p> <p>Reappointment</p>	<p>Apr. 1984 Joined the Company;</p> <p>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 Groupwide Cost Busters Project (incumbent), and BPR Project (incumbent);</p> <p>Jun. 2017 Director, Executive Officer, and Chief Financial Officer (CFO) of the Company (incumbent);</p> <p>Apr. 2018 Director, Managing Executive Officer of the Company, and President, Panasonic Equity Management Japan Co., Ltd. (currently Panasonic Equity Management Japan Godo Kaisha) (incumbent);</p> <p>Sep. 2019 CEO, Panasonic Holding (Netherlands) B.V. (incumbent);</p> <p>Apr. 2021 Director, Senior Managing Executive Officer of the Company/in charge of Facility Management (to the present)</p> <p><i>&lt;Reasons for election of the candidate&gt;</i> <i>Hirokazu Umeda has extensive experience as a corporate manager involved primarily in accounting inside the Group. From the perspective of financial execution, Panasonic expects him to apply his knowledge in serving on the Board of Directors to help the Company realize business growth and boost corporate value in the future, and to appropriately supervise the entire Group.</i></p> <p><i>&lt;Notable conflicts of interest between the candidate and the Company&gt;</i> <i>None</i></p>	<p>37,804 shares</p>

Name and date of birth	Career summary, position and responsibilities in the Company and other important concurrently held positions	Number of the Company's shares held (as of March 31, 2021)
<p>11 Laurence W. Bates February 13, 1958</p> <p>Reappointment</p>	<p>Sep. 1980 Yale-China Association Teaching Fellow, Wuhan University, Wuhan, China;</p> <p>Sep. 1986 Corporate Associate, Paul, Weiss, Rifkind, Wharton &amp; Garrison LLP, New York and Beijing;</p> <p>Mar. 1987 Admitted to New York State Bar;</p> <p>Jan. 1990 Fulbright Senior Professional Research Fellow and Lecturer, Tokyo University Faculty of Law;</p> <p>Sep. 1990 Corporate Associate, Morrison &amp; Foerster LLP, Tokyo;</p> <p>Feb. 1992 General Counsel-GE Medical Systems Asia, Tokyo and Hong Kong;</p> <p>Sep. 1998 General Counsel-Japan, General Electric Company, Tokyo;</p> <p>Jan. 2013 President, American Chamber of Commerce in Japan, Tokyo;</p> <p>Apr. 2014 Senior Managing Director and Chief Legal Officer, LIXIL Group Corporation, Tokyo;</p> <p>Apr. 2018 General Counsel(GC) (incumbent), Chief Risk Management Officer (CRO) (incumbent), Chief Compliance Officer (CCO) (incumbent)/Director, Risk Governance Management Division, Executive Officer of the Company;</p> <p>Jun. 2018 Director of the Company;</p> <p>Apr. 2019 Director, Managing Executive Officer of the Company/Director, Legal &amp; Compliance Division (to the present)</p> <p><i>&lt;Reasons for election of the candidate&gt;</i>  <i>As a lawyer, Laurence W. Bates has global and extensive experience in major international corporations, as well as a legal and compliance perspective. Panasonic expects him to apply that experience and perspective in serving on the Board of Directors to work on helping the Company realize business growth and boost corporate value in the future, and to appropriately supervise the entire Group.</i></p> <p><i>&lt;Notable conflicts of interest between the candidate and the Company&gt;</i>  <i>None</i></p>	<p>20,540 shares</p>

Name and date of birth	Career summary, position and responsibilities in the Company and other important concurrently held positions	Number of the Company's shares held (as of March 31, 2021)
12 Yuki Kusumi January 22, 1965  New candidate	<p>Apr. 1989 Joined the Company;</p> <p>Oct. 2002 Director, Panasonic R&amp;D Center Europe, Europe Matsushita Electric Co., Ltd.;</p> <p>Sep. 2004 General Manager, Storage Device Business Alliance Promotion Office, Panasonic AVC Networks Company of the Company;</p> <p>Oct. 2005 General Manager, Product Engineering Group, Video Business Unit, Network Business Group, Panasonic AVC Networks Company of the Company;</p> <p>Apr. 2008 Director, Corporate R&amp;D Strategy office and Director, Center for Promotion of Industry-Academia Collaboration of the Company;</p> <p>Apr. 2012 Director, Next-Generation Platform Development Center, AVC Networks Company of the Company;</p> <p>Oct. 2012 Director, TV Business Division, Network Business Group, AVC Networks Company of the Company;</p> <p>Apr. 2014 Executive Officer and Senior Vice President, Appliances Company/in charge of Home Entertainment and Beauty Living Business/Director, Home Entertainment Business Division of the Company;</p> <p>Nov. 2015 Executive Officer and Vice President, Appliances Company/in charge of Home Appliances Business of the Company;</p> <p>Apr. 2017 Executive Officer and Vice President, Appliances Company/in charge of TV, Imaging Products Business and Major Appliances Business of the Company;</p> <p>Jan. 2018 Executive Officer and Vice President, Automotive &amp; Industrial Systems Company of the Company; Director, Rechargeable Battery Business Division of SANYO Electric Co., Ltd.;</p> <p>Apr. 2018 Executive Officer and Vice President, Automotive &amp; Industrial Systems Company of the Company; Director, Automotive Energy Business Division of SANYO Electric Co., Ltd.;</p> <p>Apr. 2019 Managing Executive Officer/in charge of Automotive Segment/CEO, Automotive Company of the Company;</p> <p>Apr. 2021 Chief Executive Officer (CEO) of the Company (to the present)</p> <p><i>&lt;Reasons for election of the candidate&gt;</i>  <i>Yuki Kusumi has extensive experience as a corporate manager involved primarily in managing operations inside the Group. In his role as a representative of business execution, Panasonic expects him to apply his knowledge in serving on the Board of Directors to work on helping the Company realize business growth and boost corporate value in the future, and to appropriately supervise the entire Group.</i></p> <p><i>&lt;Notable conflicts of interest between the candidate and the Company&gt;</i>  <i>None</i></p>	28,961 shares

Name and date of birth	Career summary, position and responsibilities in the Company and other important concurrently held positions	Number of the Company's shares held (as of March 31, 2021)
<p>13 Shinobu Matsui January 27, 1977</p> <p>New candidate</p> <p>Outside Director Independent Director Female Director</p>	<p>Oct. 1999 Joined Ota Showa &amp; Co. (currently Ernst &amp; Young ShinNihon LLC)</p> <p>Oct. 2001 Joined PricewaterhouseCoopers Tax Office (currently PwC Tax Japan)</p> <p>Mar. 2014 Corporate Auditor, Uzabase, Inc.</p> <p>Aug. 2015 Joined Uzabase, Inc. (retired as Corporate Auditor, Uzabase, Inc.)</p> <p>Jan. 2018 Executive Officer (Head of Corporate Division), Uzabase, Inc.</p> <p>Jan. 2019 Executive Officer and Chief Operating Officer, Uzabase, Inc.</p> <p>Jan. 2020 Executive Officer and Chief People and Administrative Officer, Uzabase, Inc.</p> <p>Mar. 2021 Director and Chief People and Administrative Officer, Uzabase, Inc. (to the present)</p> <p><i>(Director, Uzabase, Inc.)</i></p> <p><i>(Outside Director, UniFa Inc.)</i></p> <p><i>&lt;Reasons for election of the candidate&gt;</i>  <i>Panasonic proposes the election of Shinobu Matsui for the post of Outside Director on account of her extensive experience and deep insight on accounting and management, which the Company expects will be reflected in the management of the Company. The Company also expects her to contribute to changing corporate culture and promoting diversity.</i></p> <p><i>&lt;Notable conflicts of interest between the candidate and the Company&gt;</i>  <i>None</i></p>	<p>0 shares</p>

- (Notes) 1. Yoshinobu Tsutsui, Hiroko Ota, Kazuhiko Toyama, Kunio Noji, Michitaka Sawada and Shinobu Matsui are candidates for Outside Directors as stipulated in Article 2, Paragraph 3, Item 7 of the Enforcement Regulations of the Companies Act. The Company sent respective notifications of the continuing status of Yoshinobu Tsutsui, Hiroko Ota, Kazuhiko Toyama, Kunio Noji and Michitaka Sawada and a notification of the status of Shinobu Matsui anew as Independent Directors to the stock exchanges of Japan on which the Company's shares are publicly listed. Yoshinobu Tsutsui is Representative Director, NIPPON LIFE INSURANCE COMPANY, and the amount of the transaction between the company and the Company in fiscal 2021 was less than 1% of both of their consolidated net sales. Hiroko Ota had a consulting agreement with the Company but terminated it in May 2013. The amount of remuneration based on the consulting agreement was ¥3 million for a period of approximately six months. Kazuhiko Toyama had a consulting agreement with the Company but terminated it in March 2016. The amount of remuneration based on the consulting agreement was ¥6 million per year. Kunio Noji comes from Komatsu Ltd., and the amount of the transaction between the company and the Company in fiscal 2021 was less than 1% of both of their consolidated net sales. Michitaka Sawada is Director, Kao Corporation, and the amount of the transaction between the company and the Company in fiscal 2021 was less than 1% of both of their consolidated net sales. Shinobu Matsui is Director, Uzabase, Inc., and the amount of the transaction between the company and the Company in fiscal 2021 was less than 1% of both of their consolidated net sales. The independence criteria for the Company's Outside Directors are described on pages 33 to 34.
2. Additional information concerning candidates for Outside Directors:  
Summary of contracts for limitation of liability:  
Yoshinobu Tsutsui, Hiroko Ota, Kazuhiko Toyama, Kunio Noji and Michitaka Sawada are currently Outside Directors of the Company. The Company has entered into contracts for limitation of liability with each Outside Director, respectively, which limit the amount of each Outside Director's respective liability, as defined under Article 423, Paragraph 1 of the Companies Act to the minimum amount stipulated in Article 425, Paragraph 1 of the Companies Act, presuming that they perform their respective duties in good faith and without gross negligence. If the reappointments of Yoshinobu Tsutsui, Hiroko Ota, Kazuhiko Toyama, Kunio Noji and Michitaka Sawada are approved, the Company intends to extend those contracts with each of them. If the appointment of Shinobu Matsui is approved, the Company intends to enter into the same contract as those mentioned above with her.
3. The Company has entered into a directors' and officers' liability insurance policy with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act to cover compensation for damages to be borne by the insured in the event that a claim for damages is made against the insured including Directors of the Company due to an act committed by the insured (except for the case of willful or intentional violation of duty of due care). If each of the candidates is elected as Director and assumes office, he or she will become an insured under the above-mentioned insurance policy. In addition, the Company plans to renew the insurance policy with the same details at the next renewal.

Reference: Key knowledge and experience of candidates for Directors

Candidate No.	Name	Management experience	Expertise						Internationality / Diversity
			Manufacturing / R&D / IT	Finance/ Accounting	Legal	Planning	Governance	Economy	
1	Kazuhiro Tsuga	●	●						●
2	Mototsugu Sato	●		●					●
3	Yasuyuki Higuchi	●	●						●
4	Tetsuro Homma	●				●			●
5	Yoshinobu Tsutsui	●				●			●
6	Hiroko Ota						●	●	●
7	Kazuhiko Toyama	●					●		●
8	Kunio Noji	●	●						●
9	Michitaka Sawada	●	●						●
10	Hirokazu Umeda	●		●					●
11	Laurence W. Bates				●		●		●
12	Yuki Kusumi	●	●						●
13	Shinobu Matsui	●		●					●

Note: Up to three of the knowledge and experience each candidate possesses are listed. The above table does not represent all of the knowledge and experience each candidate possesses.

<Overview of the Independence Standards for Outside Directors / Audit & Supervisory Board Members>

The following persons are not considered independent.

- (1) A person executing the operations of a parent company or a subsidiary of the parent company of the Company (Including a person who corresponds to such a person recently or previously, hereinafter, "executing person")
- (2) A person whose major business partner is the Company or an executing person of the same, or a major business partner of the Company or an executing person of the same
- (3) A consultant, accounting expert, or legal expert who receives a significant amount of money or other property from the Company other than compensation as a Director / Audit & Supervisory Board Member. If the person who receives such property is an organization such as a legal entity or association, a person who belongs or belonged to the organization corresponds to the relevant person.
- (4) A principal shareholder of the Company (If the principal shareholder is a legal entity, an executing person of such legal entity)
- (5) A close relative listed in items (1) to (4) above (A second-degree or closer relative applies. The same applies hereinafter.) or a close relative of an executing person of the Company or a subsidiary of the Company (If an Outside Audit & Supervisory Board Member is appointed to as an Independent Director / Audit & Supervisory Board Member, a person who is or who was an non-executing director / accounting advisor is included in the executing person.)

(Notes)

- i) In the items (1), (2), (4) and (5) above, an "executing person" corresponds to any of the following.
  - An executive director, an executive officer (shikkouyaku) or a director / audit & supervisory board member who executes business of a legal entity, etc.
  - An employee who executes business, a person responsible of serving duties of an employee who executes business of a legal entity in the case that the legal entity is an employee who executes business, or other such equivalent person
  - A worker

Also, the wording "recently" shall be assumed to be the point of time when the content of the bill of the general meeting of shareholders electing the person as a director or an audit & supervisory board member is decided, and the wording "previously" shall be assumed to be within the last three years.

- ii) In the item (2) above, "major" shall be applied to the case in which the amount of the transaction between the Company and a business partner, exceeds 2% of either of their annual consolidated net sales.
- iii) In the item (3) above, "a significant amount" shall be applied to the case in which the person oneself who provides a service (individual) or the organization such as a corporation or association to which a service provider belongs, in providing a service to the Company, corresponds to any of the followings. "A person who belongs or belonged" includes not only a partner, but also an associate as it is so called.
  - A person oneself who provides a service: Receives compensation of more than or equal to 12 million yen per year from the Company.
  - An organization to which a service provider belongs: The amount of the transaction between the Company and the organization exceeds 2% of either of their annual consolidated net sales."A person who belonged to an organization" shall be assumed to be identified based on whether the person belonged to the organization within the last three years.

- iv) In the item (4) above, "a principal shareholder" shall mean a shareholder holding 10% or more of the voting rights of the Company.
- v) In the item (5) above, "A person who was a non-executive director / accounting advisor" shall be assumed to be identified based on whether the person was in the position within the last three years.

## Bill No. 4: To Revise the Remuneration Limit for Outside Directors

The remuneration limit for Outside Directors has been determined to be an annual amount of ¥80 million, which was approved at the 109th Ordinary General Meeting of Shareholders held on June 24, 2016. In light of various circumstances, such as roles expected from Outside Directors, changes in the economic environment, the Company proposes to revise this amount to ¥150 million.

The remuneration limit for Directors has been determined to be an annual amount of ¥1,500 million, which was approved at the 100th Ordinary General Meeting of Shareholders held on June 27, 2007.

The overview of the details of the Company's Policy Concerning Decisions on the Details of Remuneration, etc. for each Director is provided on page 65 to 66 of the attached Business Report . The Company does not plan to change the aforementioned policy if this Bill is approved. Moreover, the Company deems that the content of this Bill to revise only the fixed monetary remuneration limit to be granted to Outside Directors to be necessary and reasonable in light of considerations given to the roles expected of Outside Directors, the Company's management environment, and the trends of other companies, and that the Bill is appropriate.

If Bill No. 3 is approved and adopted as originally proposed, the number of Directors will be thirteen (13) (including six (6) Outside Directors).

(Reference)

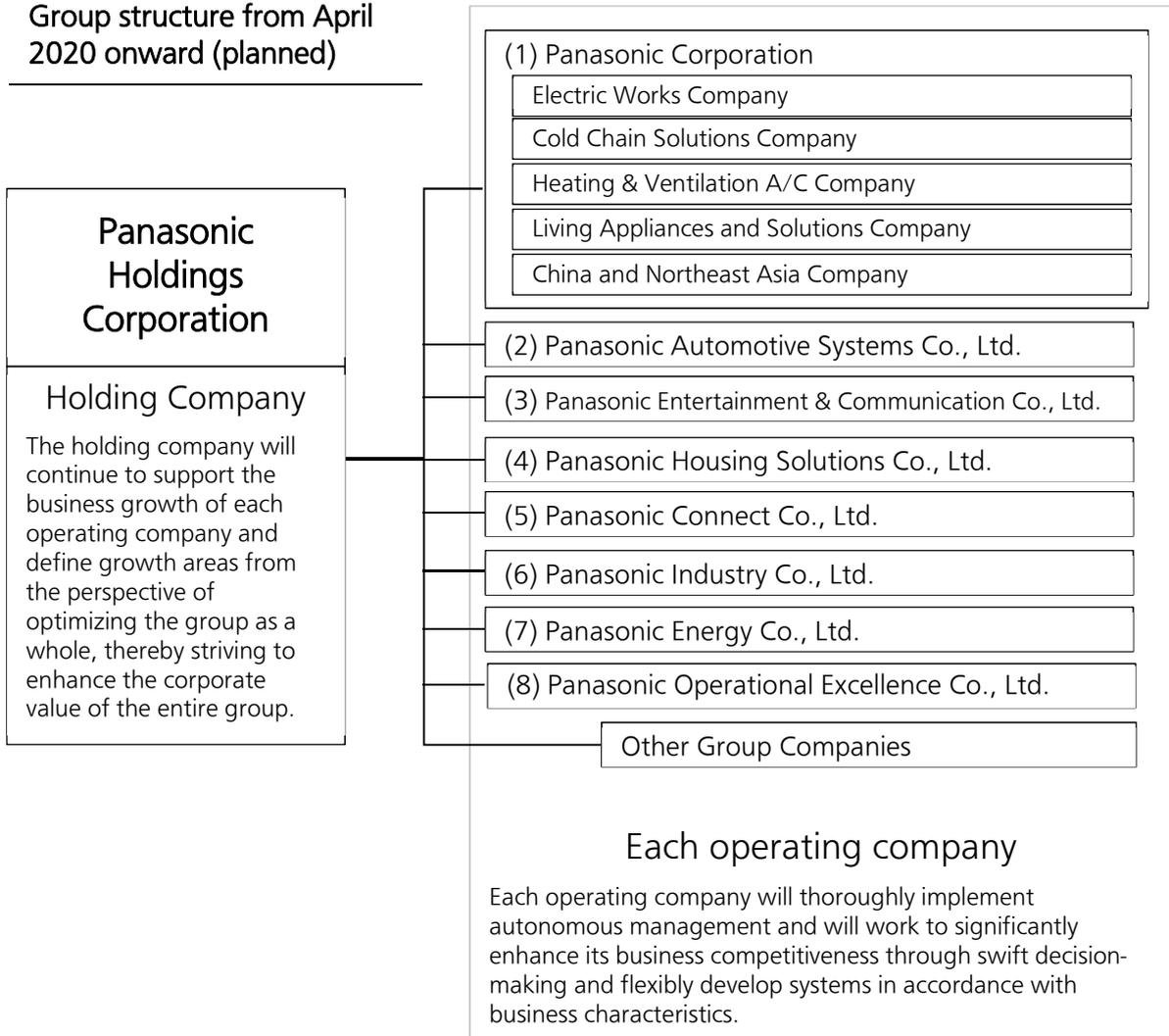
## Conceptual Diagram of the Transition to a Holding Company System

To further enhance group management from a medium- to long-term perspective and to ensure growth

### Current group structure



### Group structure from April 2020 onward (planned)



Impact on shareholders	<ul style="list-style-type: none"> <li>• The Company will be a holding company and maintain its listed status. There will be no change in the position of shareholders.</li> <li>• The Company's corporate name will be changed, and the shareholders will continue as shareholders of "Panasonic Holdings Corporation." There is no need for shareholders to undertake procedures of any kind at a securities company, etc.</li> </ul>
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## Outline of Business Structure after the Transition to a Holding Company System

Company names after transition to a holding company system	Current business divisions and sectors constituting each company (Including subsidiaries constituting business divisions (*1))
(1) Panasonic Corporation (*2)	Constituted by (i) the business division constituting China and Northeast Asia Company, Living Appliances and Solutions Company, Heating & Ventilation A/C Company, Cold Chain Solutions Company, and Electric Works Company, and (ii) Panasonic Cycle Technology Co., Ltd.
China and Northeast Asia Company	Constituted by Smart Life Appliances Business Division, Building and Housing Solutions Business Division, Cold Chain (China) Business Division, Refrigeration and Air-Conditioning Devices Business Division, and Taiwan Business Division
Living Appliances and Solutions Company	Constituted by Kitchen Appliances Business Division, Laundry Systems and Vacuum Cleaner Business Division, and Beauty and Personal Care Business Division
Heating & Ventilation A/C Company	Constituted by Heating and Cooling Solutions Business Division and Panasonic Ecology Systems Co., Ltd.
Cold Chain Solutions Company	Constituted by Hussmann Corporation and Cold Chain Business Division
Electric Works Company	Constituted by Lighting Business Division, Energy Systems Business Division and Smart Energy System Business Division
(2) Panasonic Automotive Systems Co., Ltd.	Constituted by Automotive Infotainment Systems Business Division, HMI Systems Business Division, Automotive Systems Business Division and Ficosa International, S.A.
(3) Panasonic Entertainment & Communication Co., Ltd.	Constituted by Smart Life Network Business Division (*3) (Scheduled to cease being a business division following the company split)
(4) Panasonic Housing Solutions Co., Ltd.	Constituted by Housing Systems Business Division (Scheduled to cease being a business division following the company split)
(5) Panasonic Connect Co., Ltd.	Constituted by Panasonic Avionics Corporation, Process Automation Business Division, Media Entertainment Business Division, Mobile Solutions Business Division and Panasonic System Solutions Japan Co., Ltd. (*4)
(6) Panasonic Industry Co., Ltd.	Constituted by Electromechanical Control Business Division, Industrial Devices Business Division, Device Solutions Business Division and Electronic Materials Business Division
(7) Panasonic Energy Co., Ltd.	Constituted by Energy Device Business Division, Tesla Energy Business Division (*5) and Energy Solutions Business Division
(8) Panasonic Operational Excellence Co., Ltd.	Mainly constituted by Professional Business Support Sector and part of the Innovation Promotion Sector (indirect functions and others)

\*1: There may be cases where each operating company does not hold shares of each subsidiary constituting a business division, but only controls and supervises such subsidiary.

\*2: Each company under Panasonic Corporation will be divisional companies in Panasonic Corporation.

\*3: Scheduled business division name as of October 2021: Entertainment & Communication Business Division

\*4: Panasonic System Solutions Japan Co., Ltd. will be the succeeding company in the absorption type company split, and its company name is scheduled to be changed to "Panasonic Connect Co., Ltd." and the business thereunder is scheduled to be treated as a business division.

\*5: Scheduled business division name as of October 2021: Mobility Energy Business Division

## Business Report for the 114th Fiscal Period

(From April 1, 2020 to March 31, 2021)

### 1. Brief Business Review of the Panasonic Group

#### (1) Progress and Results during the Period

During the year ended March 31, 2021 (fiscal 2021), the global economy saw a decline in consumption and investment due to the prolonged impact of the novel coronavirus disease (COVID-19). Despite the economic measures taken in various countries and the recovery of share prices, the economic outlook remained difficult to predict, given the growing uncertainties over the political and financial circumstances as well as the risk of trade stagnation. Japan was also affected by these global conditions to no small extent.

Under such a management environment, the Company has been capturing opportunities reflecting changes in society brought about by COVID-19 and promoting measures for solutions. At the same time, initiatives such as reducing fixed costs have been taken in line with business conditions. In addition, based on the Mid-term strategy started from fiscal 2020, the Company continued to execute portfolio management in "Core growth business," "Co-creation business," and "Revitalization business" as well as to enhance its management structure.

More specifically, with regard to the investment for growth in the Gemba Process business, the Company made a strategic equity investment obtaining 20% of the voting rights in Blue Yonder Holding, Inc. ("Blue Yonder"), a U.S.-based specialized supply chain<sup>(Note 1)</sup> software provider, in July 2020<sup>(Note 2)</sup>. This investment aims to enhance the Company's solution capabilities and accelerate its business model<sup>(Note 3)</sup> transformation through acquiring innovative solutions and business model that Blue Yonder provides globally.

With regard to the enhancement of competitiveness through collaboration and co-creation with external partners, in the automotive prismatic battery business, Prime Planet Energy & Solutions, Inc. which is a joint venture with Toyota Motor Corporation, has started its operation since April 1, 2020. The joint venture is working to develop highly competitive batteries that have excellent quality, performance and cost effectiveness, and to provide a stable supply of batteries.

With regard to the improvement of profitability, in the semiconductor business, the Company completed the transfer of its semiconductor business to Nuvoton Technology Corporation, a Taiwan-based semiconductor company in September 2020. Also, in the solar business, for the purpose of optimization in the development and production capability, the Company ceased its U.S. production of photovoltaic cells and modules at the plant in Buffalo (New York, U.S.) in June 2020. The withdrawal was completed in September 2020. Additionally, the Company announced in February 2021 to withdraw from its in-house photovoltaic production for residential, public and industrial-usage during fiscal 2022.<sup>(Note 4)</sup>

Furthermore, in November 2020, the Company resolved to transition to a holding company system scheduled for April 2022. The aim of the transition is to strengthen the competitiveness of its business from a medium- to long-term perspective. As a result, each operating company will work to significantly enhance its business competitiveness through swift decision-making in response to changes in the external environment and flexibly develop systems in accordance with business characteristics. On the other hand, the holding company will continue to support the business growth of each operating company and define growth areas from the perspective of optimizing the group as a whole, thereby striving to enhance the corporate value of the entire group.

The Company's consolidated group sales for fiscal 2021 decreased by 11% to ¥6,698.8 billion from a year ago. Domestic sales decreased due mainly to the impact of the spread of COVID-19 as well as the impact of deconsolidation in housing related businesses, despite increased sales in products such as air purifiers. Overseas sales decreased due largely to the impact of the spread of COVID-19, despite increased sales in products such as mounting machines at Process Automation, power storage systems for information- and communication-infrastructure as well as industrial-use motors.

Operating profit decreased by 12% to ¥258.6 billion from a year ago. This is due largely to the impact of decreased sales and the impact of gain from business transfer in the previous year, despite fixed cost

reductions for management structure enhancement as well as increased sales for business such as air-conditioning and indoor air quality, automotive batteries and information- and communication-infrastructure, which capture business opportunities reflecting changes in society from a medium- to long-term perspective. Profit before income taxes decreased by 10% to ¥260.8 billion from a year ago, and Net profit attributable to Panasonic Corporation stockholders decreased by 27% to ¥165.1 billion from a year ago.

(Note 1) Supply chain: A series of processes involved in delivering a product or goods to consumers, including procurement, manufacturing, inventory management, delivery, and sales.

(Note 2) At the Board of Directors' meeting held on April 23, 2021, the Company resolved to acquire additional 80% of the shares of Blue Yonder Holding, Inc., to make it a wholly owned subsidiary.

(Note 3) Business model: A mechanism for generating sales and profits

(Note 4) The Company will continue the sales of photovoltaic modules under the Panasonic brand in Japan by subcontracting production to its manufacturing partners. For the global market outside Japan, the Company will also continue to sell outsourced photovoltaic modules as it has been doing in North America and other regions.

### Segment Information

The Panasonic Group is divided into seven companies for business management, and they support the autonomy of each business division and execute businesses in their respective areas on a global scale. The results of their performance are classified, evaluated and disclosed in the five reportable segments of "Appliances", "Life Solutions", "Connected Solutions", "Automotive", and "Industrial Solutions".

Business divisions and main businesses by segment are listed on the next page, with net sales and operating profit for each segment presented starting on the following page. Due to the organizational change, the segment information for fiscal 2020 has been reclassified to conform to the presentation for fiscal 2021.

Business Divisions and Main Businesses by Reportable Segments

(As of March 31, 2021)

Reportable segments	Business Division	Main products and services
<b>Appliances</b>	Heating and Cooling Solutions BD, Kitchen Appliances BD, Laundry Systems and Vacuum Cleaner BD, Beauty and Personal Care BD, Smart Life Network BD, Cold Chain BD, Hussmann Corporation, Air-Conditioning & Heating Devices BD, Smart Energy System BD	Room air-conditioners, large-sized air-conditioners, refrigerators, microwave ovens, rice cookers, washing machines, vacuum cleaners, personal-care products, TVs, digital cameras, video equipment, home audio equipment, fixed-phones, showcases, compressors, fuel cells
<b>Life Solutions</b>	Lighting BD, Energy Systems BD, Panasonic Ecology Systems Co., Ltd., Housing Systems BD, Panasonic Cycle Technology Co., Ltd.	Lighting fixtures, lamps, wiring devices, solar photovoltaic systems, ventilation and air-conditioning equipment, air purifiers, air purifier/sterilizers, kitchen & bath, interior furnishing materials, exterior finishing materials, bicycles, nursing care service
<b>Connected Solutions</b>	Panasonic Avionics Corporation, Process Automation BD, Media Entertainment BD, Mobile Solutions BD, Panasonic System Solutions Japan Co., Ltd.	Aircraft in-flight entertainment systems and communications services, electronic-components-mounting machines, welding equipment, projectors, professional AV systems, PCs and tablets, Solutions for various industries, installation/operation/maintenance services
<b>Automotive</b>	Automotive Solutions Business: Infotainment Systems BD, HMI Systems BD, Automotive Systems BD, Ficosa International S.A.  Automotive Batteries Business: Tesla Energy BD	Automotive-use infotainment systems, head-up displays, automotive audio systems, automotive switches, in-vehicle cameras, Advanced driver assistance systems (ADAS), Device and systems for electric automobiles, automotive mirrors, cylindrical and prismatic lithium-ion batteries (Prismatic batteries are manufactured by Prime-Planet Energy & Solutions Corporation)
<b>Industrial Solutions</b>	Systems Business: Electromechanical Control BD, Industrial Device BD, Energy Solutions BD Devices Business: Device Solutions BD, Energy Device BD, Electronic Materials BD	Relays, switches, power supply, motors, sensors, small lithium-ion batteries, energy storage modules, capacitors, coils, resistors, dry batteries, micro batteries, electronic circuit board materials, LCD panels

### ***Appliances***

Sales decreased by 4% to ¥2,494.4 billion from a year ago.

This is due mainly to the impact of deteriorating market conditions during the first half as well as the impact of streamlining in product lines for TVs and digital cameras, despite continued steady sales in products such as room air-conditioners, refrigerators and washing machines in Japan and China, and other regions saw signs of recovery.

Looking at the main Business Divisions (BDs), sales in the Heating & Cooling Solutions BD decreased due to struggling sales of mainly room air-conditioners in Asia and India, despite steady sales of room air-conditioners in China and Northeast Asia, as well as heat pump water heaters in Europe.

In the Kitchen Appliances BD, sales increased due to steady sales of refrigerators and cooking appliances in Japan, China, and Northeast Asia.

In the Laundry Systems and Vacuum Cleaner BD, sales increased due to brisk sales of drum-type washing machines in Japan, China, and Northeast Asia.

In the Smart Life Network BD, sales dropped as a result of streamlining product lines for TVs and digital cameras, particularly in Europe.

Operating profit increased ¥48.6 billion to ¥104.3 billion from a year ago, as a result of the effect of improved profitability outside Japan and fixed cost reductions and sales promotion expenses in addition to solid performance of domestic businesses, especially of the home appliances business.

### ***Life Solutions***

Sales decreased by 21% to ¥1,507.3 billion from a year ago, because, in addition to the deconsolidation of the housing related businesses, sales of wiring devices and lighting fixtures decreased in the domestic non-residential market, while overseas sales also declined due to lockdowns in India and Malaysia, despite strong performance of the IAQ (Indoor Air Quality) business.

Looking at the main BDs, sales in the Lighting BD dropped due to the business transfer in Europe and weak demand.

In the Energy Systems BD, although overseas sales in the electric materials business recovered, especially in India, domestic sales of wiring devices, etc. were weak as a result of the delays in non-residential construction and renewal projects. Accordingly, overall BD sales decreased due not only to the reasons given above, but also to other reasons such as sales reductions inside and outside Japan and withdrawal of a production site in North America in the solar cell business.

At Panasonic Ecology Systems Co., Ltd., sales increased due to a significant sales increase of air purifier/sterilizers "Ziaino" in the IAQ business as well as strong sales of air purifiers in Japan and China.

In the Housing Systems BD, sales decreased due to such reasons as deterioration in market conditions and loss of recruitment opportunities caused by the spread of COVID-19.

Operating profit decreased ¥110.9 billion to ¥69.2 billion from a year ago, because favorable effects of higher profit from sales in the IAQ business and fixed cost reduction were offset by a reaction to the gain from stock transfers etc. in the housing business in the previous fiscal year, in addition to losses on lower sales due to weak overall demand and recording of restructuring expenses.

### ***Connected Solutions***

Sales decreased by 21% to ¥818.2 billion from a year ago, declining overall because strong sales in the process automation business fell short of offsetting the adverse impact on other businesses of the market downturn caused by the spread of COVID-19.

Looking at the main BDs, Panasonic Avionics Corporation saw a decrease in sales due to a substantial sales decline in the in-flight entertainment and communication systems business and repair & maintenance services triggered by a major reduction in aircraft production and significant decrease in the number of flights.

In the Process Automation BD, sales of welding equipment decreased due to sluggish demand. However, overall BD sales increased as a result of strong sales of mounting machines for 5G equipment and ICT (Information and Communication Technology) devices.

In the Media Entertainment BD, sales of remote cameras were strong due to growing demand. However, overall BD sales dropped with decreased sales of projectors and other products resulting from event cancellations worldwide.

In the Mobile Solutions BD, sales decreased as a result of a reactionary drop in sales after the exceptional demand related to the discontinuation of Windows 7 (\*) support in the previous fiscal year and deterred investments by companies.

Panasonic System Solutions Japan Co., Ltd. saw a decline in sales, affected by the postponement of Tokyo 2020 Projects and deferred investments by leading companies.

The segment recorded an operating loss of ¥20.0 billion, ¥112.0 billion down from a year ago, mainly because of a reaction to recording a gain on the transfer of the security systems business in the previous fiscal year and the recording of impairment losses, in addition to sales decline in the avionics and other businesses.

(\*) Windows is a trademark of Microsoft Corporation in the U.S. registered in the U.S. and other countries.

### ***Automotive***

Sales decreased by 10% to ¥1,339.4 billion from a year ago.

Both the automotive solution business and the automotive batteries business saw a decline in sales on a full year basis as a result of a significant decrease in automotive production in the first half of the fiscal year due to the spread of COVID-19, despite a rapid recovery in demand thereafter.

In the automotive solution business, steady progress has been made in portfolio replacement with sales growth of cockpit systems, on which Panasonic focuses its resources.

In the automotive batteries business, Panasonic has endeavored to promote further technological innovation to meet customers' needs by introducing a new high-capacity cylindrical lithium-ion battery product with improved energy density. Through the introduction of this technology, the production capacity of the North America factory for batteries has reached its target of 35GWh.

The segment recorded an operating profit of ¥10.9 billion, ¥57.5 billion up from a year ago, mainly because of losses on lower sales due to the spread of COVID-19. On the other hand, the automotive solutions business saw a significant increase in profit from a year ago, as a result of a rebound from the recognition of impairment losses on goodwill in the previous fiscal year, in addition to a substantial reduction in fixed costs by accelerating measures to enhance the management structure. Meanwhile, the automotive batteries business also saw an increase in profit because of the rationalization of materials for cylindrical lithium-ion batteries and effects of introducing a new high-capacity product, as well as the recording of profits from the establishment of a joint venture engaged in the prismatic lithium-ion battery business. Furthermore, the automotive cylindrical battery business recorded a profit on a full year basis for the first time since the establishment of the North America factory for batteries.

### ***Industrial Solutions***

Sales decreased by 2% to ¥1,255.5 billion from a year ago, mainly due to the effects of the transfer of the semiconductors business, although the adverse impact of the spread of COVID-19 in the first half of the fiscal year was made up for by the recovery in market conditions in the second half.

Looking at the main businesses, sales of industrial motors expanded in the systems business, reflecting a strong semiconductor production equipment market and recovery in demand for production facilities in China. Moreover, the systems business saw an increase in sales due to robust sales of power storage systems for data centers, supported by growing data traffic volume along with the further advancement of informatization, as well as a recovery in sales of automotive components such as relays and switches in the second half of the fiscal year.

In the devices business, sales of capacitors for environmentally friendly vehicles recovered early, and capacitors for data centers also sold well. However, overall sales decreased due to weaker sales of micro batteries resulting from stagnant industrial activities caused by the spread of COVID-19, in addition to struggling sales of substrate materials for base stations following the U.S.-China trade dispute.

The semiconductors, LCD panels, and other businesses recorded lower sales, affected by the business transfer and business contraction.

Operating profit increased ¥61.6 billion to ¥66.2 billion from a year ago, mainly due to a rebound from the recording of restructuring expense in the previous fiscal year, in addition to increases in sales and profit of industrial motors, as well as of capacitors and power storage systems, especially for data centers, and efforts to reduce fixed costs and promote the rationalization of materials.

## Segment Information

Segment	Sales (billions of yen)	Year-on-year comparison (%)	Operating profit (billions of yen)	Profit ratio (%)	Year-on-year comparison (%)
Appliances	2,494.4	96	104.3	4.2	187
Life Solutions	1,507.3	79	69.2	4.6	38
Connected Solutions	818.2	79	(20.0)	(2.4)	–
Automotive	1,339.4	90	10.9	0.8	–
Industrial Solutions	1,255.5	98	66.2	5.3	–
Reporting segment total	7,414.8	89	230.6	3.1	81
Other	287.9	97	1.5	0.5	20
Eliminations and Adjustments	(1,003.9)	–	26.5	–	–
Consolidated Total	6,698.8	89	258.6	3.9	88

- (Notes) 1. Amounts less than ¥100 million have been rounded to the nearest ¥100 million, and profit ratios have been rounded to one decimal place. Year-on-year comparison figures have been rounded to the nearest whole number.
2. For year-on-year comparison of sales and operating profit, segment information for fiscal 2020 has been reclassified to conform to the structure of fiscal 2021.
3. Sales of segments include intersegment sales.
4. The figures in “Eliminations and Adjustments” include income and expenses which are not attributable to any segments, for the purpose of evaluating operating results of each segment, consolidation adjustments, and eliminations of intersegment transactions.
5. The sales of fiscal 2021 consist of sales in Japan that decreased by 14% from fiscal 2020 to ¥3,113.3 billion, and sales outside Japan that decreased by 8% from fiscal 2020 to ¥3,585.5 billion.

## (2) Research and Development

The Panasonic Group concentrated on development of new technologies and new products to underpin its future based on the growth strategies for the major business fields. In addition, the Group developed technologies such as IoT<sup>(Note 1)</sup> and artificial intelligence (AI), solved social issues in the new normal era, and contributed to sustainable energies. R&D expenditures totaled ¥419.8 billion in fiscal 2021. Key development initiatives and achievements were as follows:

- (1) Solving new social issues of public health, air conditioning and indoor air quality through evolving and applying our technologies cultivated in the appliance business

Panasonic has evolved the panel manufacturing technology that has contributed to energy saving in refrigerators and other products, and developed a unique processing technique to cast-mold a vacuum-insulated cubic product. The seamless box solves the issue of cold air leakage. The vacuum-insulated box called "VIXELL" is capable of holding the temperature in the box at -75°C +/- 15°C for at most 18 days with refrigerant such as dry ice. The box enables to keep temperature ranges strictly required for transporting pharmaceutical products such as vaccines.

Through years of research on electrified microparticulate water (nanoe™ x) containing OH radicals generated by applying high voltage to water from the air for years, Panasonic has verified that the water controls bacteria, fungus, viruses and allergens. The world suffers from the pandemic of the novel coronavirus (SARS-CoV-2). Panasonic and a third-party laboratory tested the electrified microparticulate water (nanoe™ x) under certain conditions. The test result indicates that the water has the antiproliferative effect on the virus.

The Panasonic Group will apply its technologies cultivated in the consumer electronics business to solve new social issues of public health and air quality from air conditioners and contribute to building a society for people in the world to live in a healthy way.

- (2) Developing high capacity li-ion battery to meet expanding demand on EV against global warming

The Panasonic Group developed a new technology to drastically amplify "energy density," the amount of energy stored per battery cell. The energy density per volume has jumped 5% of the conventional company products without compromising safety. The energy density is likely to be up 20% compared to the conventional company products in the next five years. In addition, the Panasonic Group has already established a technology to remove a cost-consuming material cobalt from batteries. This technology is expected to go commercial in next two to three years.

Working on the worldwide movement on greenhouse gas reduction, the Panasonic Group will continue to help global warming prevention by developing lithium-ion batteries, a key device of electric vehicles.

- (3) Developing a robotic mobility solution toward the new normal era

The Panasonic Group developed an automatic guided vehicle system that fuses the safety and low-latency autonomous vehicle (AV) transmission technology with the anti-hacking security technology. This unique AI monitoring system realized the Japan's first remote monitor on two transportation robots in the transportation services on public roads. To translate the system into practical use earlier, residents and enterprises in the Fujisawa Sustainable Smart Town, and the Panasonic Group are demonstrating multiple service possibilities with the system.

The Panasonic Group will contribute to realizing convenient and lively lifestyles through meeting demands for addressing deepening labor shortage, reducing workloads, non-face-to-face, and non-contact technologies.

- (4) Developed contactless authentication solution centering on the face recognition technology to make it 10-times faster than conventional technology

The Panasonic Group has developed an authentication system through evolving the world's highest level face recognition technology. The system recognizes faces at most ten times faster than the conventional company system. The speed enables the system to check faces one hundred thousand times or more per hour. Improvements of the matching algorithm increases the rate of recognizing faces wearing masks 2.2 times higher than the conventional company rate of recognition. Using these as a core engine, the Group has started providing the contactless authentication solution.

The recent spread of COVID-19 increased the need for contactless sensing technologies. On that, the Panasonic Group will accelerate revolving the face recognition technology.

(Note) IoT: Internet of Things, which refers to the connection of many things, or devices, to the internet

### (3) Capital Investment

The Panasonic Group made capital investment totaling ¥231.0 billion in fiscal 2021 under a philosophy of investing steadily in its key businesses for future growth.

The main capital investments have been made in production facilities in the U.S. for lithium-ion batteries, etc. for automotive use in the Automotive segment, in production facilities for electronic components, control equipments, etc. in the Industrial Solutions segment, and in production facilities for electric appliances for home use in the Appliances segment.

### (4) Corporate Financing

The Panasonic Group's basic policy is to generate necessary funds for its business activities through its own efforts. The generated funds are utilized efficiently through internal Group finance operations. In cases where it becomes necessary to secure funds for purposes such as for working capital or business investments, corporate financing is secured from an external source by appropriate means after due consideration of the Group's financial standing and financial market conditions.

During fiscal 2021, the Group raised working capital, etc., mainly by issuing commercial papers (CPs). The Group has secured cash and cash equivalents over one trillion yen as a reserve for risks of aggravating financial economy environments, etc. The Group issues the unsecured straight bonds of ¥200.0 billion in December 2020 and allots redemption flows from the CPs to ensure medium- to long-term financing.

As a result, the balance of unsecured straight bonds was ¥880.0 billion, the balance of unsecured USD-denominated straight bonds was USD2.5 billion as of March 31, 2021.

Panasonic entered into three-year commitment line agreements<sup>(Note)</sup> with several banks in June 2018 to prepare for financing risk in the precarious financial and economic environment. The upper limit for unsecured borrowing based on the agreements is a total of ¥700.0 billion, but there is no borrowing under this agreement.

(Note) Commitment line agreements: contracts made with financial institutions to secure financing subject to pre-agreed limits on the time period and commitment line

### (5) Environmental, Social, and Governance (ESG) Activities

The Panasonic Group engages in the ESG activities as its management foundation under the management philosophy, "contributing to the progress and development of society and the well-being of people worldwide through its business activities." In view of world trends such as the Paris Agreement and Sustainable Development Goals (SDGs), the Group aims for sustainable growth and higher corporate value.

#### <Environmental Activities>

Social sustainability has been threatened due to frequent damage from extreme heat and torrential rains considered an influence of climate change. In light, the Japanese government declared October 2020 to go carbon neutral by 2050, aiming for the net zero CO<sub>2</sub> emission. The Panasonic Group commits to both more energy saving and more energy creation under the "Panasonic Environment Vision 2050," whose ultimate goals are to realize both "a better life" and "a sustainable global environment." The Group's businesses cover many products and technologies to realize carbon neutrality, including hydrogen technology and onboard battery cells contributing to generating and using clean energy, and devices, solutions, and energy-saving appliances to improve energy efficiency. Extending these businesses, the Group attempts to actualize the environmental vision and increase contributions to realize carbon neutrality.

Panasonic has a product that helps to reduce CO<sub>2</sub>, which is tempered vacuum insulated glass to constrain heat loss from building windows and freezing or refrigerating showcases. Applying the plasma display panel technology, Panasonic achieved a 6-mm thickness and the industry-leading level of insulation. The glass earned the Energy Conservation Award 2020. For production activities, the Panasonic Group commits to promoting zero-CO<sub>2</sub> factories. Zero-CO<sub>2</sub> factory means a factory that ensures net zero CO<sub>2</sub> emission by fully improving the production efficiency, including energy saving, introducing renewable energies, and purchasing environmental values. The Panasonic Group realized a new zero-CO<sub>2</sub> factory in fiscal 2021 at Panasonic Energy (Wuxi) Co. Ltd., which produces secondary batteries. The Group also realized its first zero-CO<sub>2</sub> showroom as a non-manufacturing site at the corporate showroom Panasonic Center Tokyo.

CO2 emission in the Group's production activities is steadily declining. In fiscal 2020<sup>(Note 1)</sup>, the Group reduced its global CO2 emission by 34% over fiscal 2014 to 2.23 million tons. The Group is on the right track toward the CO2 reduction target recognized as SBTs<sup>(Note 2)</sup>. The Panasonic Group has proactively introduced renewable energies and procured green electricity. The Group exceeds the industrial average toward the goal of "100% Renewable Power by 2050," a global initiative RE100<sup>(Note 3)</sup>, in which the Group is participating since 2019.

(Note 1) The fiscal 2020 result is reported because the fiscal 2021 result will be finalized in August 2021.

(Note 2) SBTs: Science Based Targets, which are greenhouse gas reduction targets consistent with the level required by the Paris Agreement.

(Note 3) RE100: an organization that promotes the goal of using 100% renewable energy for electricity used in business activities

### <Social Activities>

The Panasonic Code of Conduct has explicit statement, "we must respect human rights and do our best to understand, acknowledge and respect the diverse cultures, religions, mindsets, laws and regulations of people in the different countries and regions where we conduct business." Panasonic makes efforts to reflect global human rights concepts on its business management, by employees education, as well as by identifying and addressing human rights risks. Panasonic promotes human resource development and diversity, provides a broad range of opportunities for those with ability and ambition, and actively strives to create safe, comfortable, rewarding workplace environments.

In procurement activities, Panasonic attempts not only to seek excellent technologies and quality but to purchase from those business partners who proactively promote green and clean procurement with commitments to human rights, occupational health and safety, environment, compliance, and information security.

To promote fair operating practices by observing laws and regulations and corporate ethics in all countries and regions of the world, Panasonic established internal rules to prevent acts of dishonesty, including the "global-wide rules for preventing bribery and corruption" and the whistle-blower system aiming for early detection and solution of misconducts. Panasonic globally provides compliance e-learning every year to enlighten employees.

With respect to raising quality levels and ensuring product safety, Panasonic engages in ongoing efforts to improve quality, which has involved establishing its Group-wide Quality Policy and publishing its Quality Management System (P-QMS) Guidelines containing the requirements of the ISO 9001 standard with Panasonic's own quality assurance methods and experiences.

Panasonic also aims to resolve social issues, in line with its management philosophy and SDGs, through its corporate citizenship activities in conjunction with conducting business. In fiscal 2021, Panasonic increased its cafeterias to 52, which serve foods certified as sustainable fishery or aquaculture products as an initiative to engage employees in society and simultaneously conserve marine biological diversity. We provided learning support programs on video production, Olympics, Paralympics and career design as an initiative to develop the next generations.

To make all employees understood the basics of these corporate social responsibilities (CSR), Panasonic provided all employees in Japan with the CSR e-learning in fiscal 2021.

### <Governance Activities>

The Panasonic Group's governance activities are described in this report under "6. Systems and Policies of the Company, (1) Corporate Governance of the Company" (from pages 72 to 73).

## (6) Challenges for the Panasonic Group

Based on the Basic Management Objective set by the founder Konosuke Matsushita, the Company has committed itself to making contributions to the progress and development of society and the well-being of people worldwide through our business activities over a long period of time. Inheriting this philosophy as the Company's unchanging *raison d'être*, we commit ourselves to making further contributions through delivering excellent products and services more rapidly and to many more customers, toward realization of ideal lifestyles and society along with solving such social issues as conservation of the global environment.

In the management environment of fiscal 2022, the international economic outlook remains unclear, given growing uncertainty over political and financial circumstances in other countries and stagnation of trade, along with COVID-19 situation which is dependent on vaccine dissemination. The Company projects that these events in the global economy will not have a small impact on Japan.

Under such management conditions, the Panasonic Group will continue to manage fixed costs in line with business conditions and make continuous efforts to capture new business opportunities reflecting social changes brought by COVID-19. Through all those efforts, the Company will continue to execute portfolio management and enhance its management structure in the final year of the Mid-term strategy that started in fiscal 2020. Accordingly, in all of our businesses, the Company will identify the areas in which the Company should be aggressive and thoroughly enhance the competitiveness in those areas.

The Panasonic Group is scheduled to implement the transition to a holding company system from April 2022. In preparation for the transition, in October 2021, the current Divisional Company system is scheduled to be terminated and the business structure to be reorganized. Under the new structure, the Company will steadily execute the Mid-term strategy and prepare for the smooth operation of each operating company to be established on April 1, 2022.

Under the holding company system, each operating company will accelerate efforts to significantly enhance its business competitiveness through wide-ranging autonomous management. This will lead to swift decision-making in response to changes in external conditions and flexible development of systems in accordance with business characteristics. The holding company will proactively support each operating company enhance its competitiveness, as well as promote growth strategies from a Group-wide perspective, striving to enhance the corporate value of the entire Group.

At the Board of Directors' meeting held on April 23, 2021, the Company resolved to make the U.S. company Blue Yonder Holding, Inc. ("Blue Yonder"), which is the leading end-to-end, digital fulfillment platform provider, a wholly owned subsidiary by additionally acquiring 80% of the shares. The Company reached a final agreement with Blue Yonder and its substantial shareholders. As a result, together with the 20% of Blue Yonder's shares already acquired in July 2020, the Company will acquire all the shares of Blue Yonder.

In the field of the Gemba (operational frontlines) Process business in the supply chain area, which is one of our business pillars, there are many issues to be addressed, such as extreme fluctuations in demand caused by COVID-19, increased burden on logistics, responding to changes in consumer needs, labor shortages, conserving resources and elimination of carbon. The Company, through its knowledge and expertise gained as a manufacturer for 100 years, can visualize the movement of people, objects, and equipment at actual sites as digital data and analyze it in cyberspace. By linking this information to management decisions, and shortening lead times globally, reducing inventories, eliminating bottlenecks, etc., the Company aims to solve the business issues facing our customers while protecting the global environment and realizing a sustainable society through energy conservation and effective use of resources.

In order to provide services with higher added value for our customers, the pressing issues are the deepening of hardware products available, shift toward solutions business, expansion of recurring<sup>(Note)</sup> business and innovation through software. Through this investment, the Company will gain Blue Yonder's state-of-the-art artificial intelligence (AI) and machine learning (ML) technologies and its expertise in the supply chain package software business and recurring business as a world class supply chain software specialist, enabling the Company to further accelerate its Gemba Process business. In addition, the Company will strengthen the operations of its own supply chain (including increasing cost competitiveness, etc.) and accelerate its transformation by incorporating and combining Blue Yonder's agile corporate culture.

(Note) Recurring: a system that continuously generates revenue

## <Strategic direction of initiatives in each reporting segment>

### Appliances

The area of air-conditioning and home appliances is expected to continue to grow driven by increasing awareness of environment, energy saving, health and hygiene, as well as shifts in lifestyles and values. However, in the AV area such as TVs and home audio equipment, growth is expected to decelerate as technological evolution slows and commoditization advances further.

For the air-conditioning business, which is considered a growth area, Panasonic will build a competitive advantage by focusing on the combination of “products and regions” where its strengths lie, and by differentiating from competitors, leveraging its proprietary technologies (e.g. nanoe™) and products. For the Smart Life Network business in which products such as TVs have struggled, the Company will strive to improve profitability through continued business restructuring. For the home appliances business consisting primarily of home appliances, Panasonic will develop products and services centered on customers’ behaviors and activities, standardize designs and products by deepening collaboration between Japan and China, and create new customer values through more efficient use of development resources, to expand the business globally.

### Life Solutions

A global shift in lifestyle and workstyle is expected to drive people’s growing awareness about health, hygiene, and especially Indoor Air Quality<sup>(Note)</sup> as well as workplace diversity. In Japan, demand for lifestyle solutions has remained affected by a decline in new construction starts amid the COVID-19 pandemic. Meanwhile, demand overseas is expected to recover/expand especially in India and South East Asia.

In Japan, mostly in the non-residential field, Panasonic will provide a wider variety of offerings, spanning from data analyses for addressing customers’ issues, consulting based on such analyses to maintenance and customer services after delivery, in addition to sales and installation of systems linking multiple products. Overseas, especially in India, Turkey, and Vietnam, the Company will work on efforts to strengthen the structure of its project business and to launch new businesses, which help address each customer’s specific needs, while enhancing its sales and production structure and expanding the electrical construction materials business, to ultimately expand business abroad. Through these efforts, Panasonic will engage in businesses that take the customers’ viewpoint in realizing better and more comfortable lives globally.

(Note) Indoor Air Quality (IAQ): the quality of air in a space in terms of ventilation, humidity control, air flow and other air quality attributes

### Connected Solutions

As the labor force declines, customers’ personal preferences diversify further, and adaptation to ‘New Normal’ advances, markets are expected to continue growing in the business areas of manufacturing, logistics, and distribution. Recently, demand for solutions to problems especially in supply chain has been growing worldwide.

In the Gemba (operational frontlines) Process business, Panasonic will contribute to resolving a variety of business challenges of customers through the innovation of operational processes primarily of “produce,” “transport,” and “sell.” In the supply chain area centered on logistics and distribution, the Company will help customers expand sales and reduce costs by modeling and implementing solutions that provide high added value to customers, such as solutions to streamline warehousing, transport and delivery operations, as well as optimize inventories. Panasonic will also accelerate the realization of Autonomous Supply Chain™ jointly with Blue Yonder, with which the Company has enhanced a strategic partnership through capital alliance. In the area of fine processing (manufacturing), Panasonic will maximize the value of production activities with the control of machining process at the core, and deal with customers throughout the entire set of processes from development, manufacturing, sales to services, continuously delivering value to customers in every process, to ultimately expand sales of solutions.

### Automotive

In the automotive industry, initiatives to address the evolution of CASE<sup>(Note 1)</sup> have gained traction, although the COVID-19 pandemic has affected the industry. Needs for more comfortable mobile space and for driving safety support have further increased.

For the automotive solutions business, Panasonic will contribute to improving the comfort and safety of vehicles by focusing on the following fields where the Company can leverage its existing strengths: cockpit systems<sup>(Note 2)</sup>, HUD<sup>(Note 3)</sup>, and ADAS<sup>(Note 4)</sup>. The Company will establish its competitive advantage in cockpit systems, leveraging its proprietary know-how on how to achieve high operational performance and optimal information display, as well as its strong software development capability that supports rapidly evolving in-vehicle information systems which have become more complex and larger in recent years. The Company also seeks to raise the operational performance, visibility, and safety of vehicles to maximize customer value. In particular, it will strengthen development of HUD (allowing bright and clear display with less distortion in a small-sized monitor), as well as ADAS (integrating competitive devices such as in-vehicle cameras and advanced technologies such as image recognition). For the automotive batteries business, Panasonic has achieved higher battery capacity of cylindrical lithium-ion batteries, while making investments to expand production capacity of the North America factory. Panasonic aims for continued growth through developing new types of batteries and exploring the possibility of European business. We also expect commercialization of cobalt-free batteries in two to three years.

(Note 1) CASE: Connected (Connected to a telecommunications network to enjoy services, such as infotainment including driving support information), Autonomous (Autonomous driving), Shared & Services (Services for car-sharing), and Electric (Electrification)

(Note 2) Cockpit systems: In-vehicle systems that provide audible/visual support for safe (information essential to driving) and comfortable (entertainment) driving

(Note 3) HUD: Head-Up Display (a display device that supports safety driving by projecting essential driving information in the field of view of the driver so that he or she does not have to take his or her eyes away from the road ahead)

(Note 4) ADAS: Advanced Driver Assistance Systems (safety-driving support systems, including automatic braking and automatic parking, take over control of the vehicle to avoid an accident when a danger is detected)

#### Industrial Solutions

Amid the advancement of IoT society and mobility, and declining labor force, in the areas of information- and communication-infrastructure, automotive CASE, and labor-saving at factories, which Panasonic has positioned as key areas, demand is expected to grow, while continuing to evolve over the medium- to long-term in line with rising needs for stability, safety, automation and networking.

Panasonic will concentrate its management resources on these high-growth areas and contribute to resolving social issues through delivery of value to customers with “competitive devices” and “systems with competitive devices as the core.” These include: low-loss and longer-guaranteed devices and systems for 5G base stations and data centers in the information-and communication-infrastructure category, small-sized high-efficiency and high-reliability devices and systems for electrification and xEV<sup>(Note)</sup> in the automotive CASE category, and package products combining devices with software and support services to production facilities etc. for labor-saving. Panasonic will strengthen its device products with technologies essential to these products and enhance the attraction of system products through co-creation with customers, to achieve growth outpacing industry peers’ over the medium to long term.

(Note) xEV: electric vehicle [generic name for electric vehicles, hybrid electric vehicles, plug-in hybrid (electric) vehicles, and (hydrogen) fuel cell vehicles]

## <Foundations toward sustainable growth>

### Corporate Governance

Panasonic recognizes that its corporate governance practices constitute the key foundation in its efforts to enhance its medium- to long-term corporate value. As such, the Company promotes efforts to strengthen the effectiveness of its corporate governance structure under the Board of Directors and the Audit & Supervisory Board Member / Audit & Supervisory Board structure. The Board of Directors enhances the effectiveness of its supervisory functions and corporate decision-making functions through discussions on the vision of the Group towards the transition to a holding company system, and thorough deliberations leading up to the resolution of the replacement of the head of the Nomination and Compensation Advisory Committee. In addition, using the framework to evaluate the effectiveness of the Nomination and Compensation Advisory Committee and the Board of Directors, Panasonic is committed to activities for enhancing management flexibility and transparency.

### Environment

Looking toward the “Panasonic Environment Vision 2050” which was formulated with the aim of helping to realize both better lifestyles and sustainable global environment, Panasonic is taking steps to promote efforts that involve reducing energy used, while generating energy in excess of such amounts consumed, by developing products, technologies and solutions relating to creation, storage, and conservation of energy and energy management. Towards realizing carbon neutrality, Panasonic also has been striving to “create circular-economy<sup>(Note 1)</sup> business” to accommodate changes in lifestyles and values of customers, having recognized that making effective use of resources as well as energy is an important challenge for the Group. Furthermore, in view of the TCFD<sup>(Note 2)</sup> Recommendations, the Company identifies risks and opportunities, including businesses determined as vulnerable to climate change, to analyze scenarios and assess measures.

(Note 1) Circular economy: an economic strategy aiming at sustainable growth without dependence on resource consumption

(Note 2) TCFD: Task Force on Climate-related Financial Disclosures, set up by the Financial Stability Board

### Human Resources Strategy

The Panasonic Group, aiming for both profit growth and improved profitability, is committed to creating an organizational climate where each individual can take on challenges and fully deploy one’s talents. To build a flexible and robust business structure resilient to drastic changes in business conditions, the Company has clarified the roles and responsibilities of the management by categorizing them into “executive officers” who will lead the structural reform of business for group-wide optimization, and “those in business execution layer” who are responsible for strengthening and transforming respective businesses, to drive motivation towards business transformation. Furthermore, for the business execution layer, a core part of Panasonic’s business management, tasked with improving profitability and generating future competitive advantage in their respective businesses, in fiscal 2021 we introduced a compensation system that rewards results, demands clearer accountability, and further encourages them to take up the challenge of instigating change for the future.

The Group has also constructed a global talent platform, as a way to strengthen the development of people who can play global roles, regardless of age, years of service, or nationality. Using a global talent database, which allows talent management information to be made visible and to be utilized, will allow postings or appointments and career or skill development beyond the boundaries of nations, regions, and Group companies, aiming to standardize talent management at a high level globally and improve its organizational abilities.

## (7) Financial Summary

### 1) Consolidated business results and financial condition

Fiscal period	FY2018	FY2019	FY2020	FY2021 (current fiscal year under review)
Net sales (billions of yen)	7,982.2	8,002.7	7,490.6	6,698.8
Operating profit (billions of yen)	380.5	411.5	293.8	258.6
Profit before income taxes (billions of yen)	378.6	416.5	291.1	260.8
Net profit attributable to Panasonic Corporation stockholders (billions of yen)	236.0	284.1	225.7	165.1
Basic earnings per share attributable to Panasonic Corporation stockholders (yen)	101.20	121.83	96.76	70.75
Total assets (billions of yen)	6,291.1	6,013.9	6,218.5	6,847.1
Panasonic Corporation stockholders' equity (billions of yen)	1,707.6	1,913.5	1,998.3	2,594.0
Panasonic Corporation stockholders' equity per share (yen)	732.12	820.41	856.57	1,111.73

(Note) Amounts less than ¥100 million are rounded to the nearest ¥100 million.

- In fiscal 2018, sales increased due to growth in the automotive and industrial-related businesses, as well as new consolidations of Ficosa International S.A. and Zetes Industries S.A. and foreign exchange rates. Regarding earnings, as sales increase and rationalization efforts offset the negative impacts of raw material cost hikes and increased fixed-costs due to upfront investments, operating profit, profit before income taxes and net profit attributable to Panasonic Corporation stockholders' equity all increased.
- In fiscal 2019, domestic sales were at the same level as the previous year because increases in sales of the automotive-related business, Panasonic Homes Co., Ltd., etc., were offset by a sales decrease for consumer products in Appliances. Overseas sales increased due to the strong performance of the automotive-related business, Commercial Refrigeration & Food Equipment in North America and others. Regarding earnings, operating profit, profit before income taxes and net profit attributable to Panasonic Corporation stockholders all increased due mainly to gains from disposal of assets and a one-off gain resulting from the revision in pension system.
- In fiscal 2020, sales decreased due to the impact of the COVID-19 pandemic, as well as portfolio reform and sluggish investment demand in China. Operating profit, profit before income taxes, and net profit attributable to Panasonic Corporation stockholders all decreased due largely to the impact of decreased sales and recognition of restructuring expenses, despite fixed-costs reduction, rationalization and gains from business transfers.
- Details of operations for fiscal 2021 are described in the preceding pages under "(1) Progress and Results during the Period".

## 2) Business results and financial condition on a parent-alone basis

Fiscal period	FY2018	FY2019	FY2020	FY2021
Sales (billions of yen)	4,056.1	4,255.2	4,058.8	3,812.6
Ordinary income (billions of yen)	321.0	165.2	137.3	137.1
Net income (loss) (billions of yen)	174.0	139.1	155.5	78.8
Net income (loss) per share (yen)	74.61	59.64	66.67	33.77
Total assets (billions of yen)	4,427.7	4,438.4	4,432.7	4,482.2
Net assets (billions of yen)	1,379.7	1,439.1	1,518.0	1,545.2
Net assets per share (yen)	591.03	616.38	650.16	661.79

(Notes) 1. Amounts less than ¥100 million are rounded to the nearest ¥100 million.

2. From fiscal 2019, Panasonic has applied the "Implementation Guidance on Tax Effect Accounting" (ASBJ Guidance No. 28, February 16, 2018). The cumulative effect of this change in accounting policy is reflected in the carrying amount of net assets at the beginning of fiscal 2019 (112th period).

- In fiscal 2018, Panasonic recorded an increase in sales, mainly attributable to automotive-related business. Regarding earnings, despite a decline in dividend income, ordinary income increased boosted partly by the rise in sales. On the other hand, net income significantly decreased due to a lack of gain on sales of shares in subsidiaries and affiliates and others that was recorded as extraordinary income in fiscal 2017.
- In fiscal 2019, Panasonic recorded an increase in sales due to higher sales particularly in the automotive-related business, continuing from the previous year. Regarding earnings, ordinary income and net income decreased mainly due to transfer pricing adjustments and a decrease in dividend income.
- In fiscal 2020, Panasonic recorded a decrease in sales, which was attributable mainly to a decrease in sales of electronic components for China and consumer electronics products, including air-conditioners. Regarding earnings, ordinary income decreased because of a decline in earnings resulting from a decrease in sales. However, net income increased due to the booking of gain on sales of shares in subsidiaries and affiliates and others as extraordinary income.
- In fiscal 2021, Panasonic recorded a decrease in sales, which was mainly attributable to a decrease in sales from Avionics caused by the impact of the COVID-19. Regarding earnings, ordinary income decreased because of a decline in earnings resulting from a decrease in sales. Net income for the current fiscal year also declined as gain on sales of shares in subsidiaries and affiliates and others were recognized in extraordinary income in the previous fiscal year.

(8) Major Business Sites of the Panasonic Group

1) Major business sites of the Company

(as of March 31, 2021)

Name	Location in Japan
<b>Corporate head office</b>	Kadoma-shi, Osaka
<b>Corporate branch office</b>	
Government and External Relations Division	Minato-ku, Tokyo
<b>Research and development division</b>	
Technology Division	Kadoma-shi, Osaka
<b>Production divisions</b>	
Appliances Company	Kusatsu-shi, Shiga
Life Solutions Company	Kadoma-shi, Osaka
Connected Solutions Company	Chuo-ku, Tokyo
Automotive Company	Yokohama-shi, Kanagawa
Industrial Solutions Company	Kadoma-shi, Osaka
China & Northeast Asia Company	Beijing, China
US Company	New Jersey, U.S.

(Notes) 1. Locations of main offices of Divisions and Divisional Companies are listed above.  
2. The sales divisions are included within the production divisions.

2) Principal domestic subsidiaries

(as of March 31, 2021)

Name	Common stock (millions of yen)	Ratio of voting right (%)	Principal businesses	Location in Japan
Panasonic Ecology Systems Co., Ltd.	12,092	100.0	Manufacture and sale of ventilation, perflation, air-conditioning equipment and air purifiers, etc.	Kasugai-shi, Aichi
Panasonic Smart Factory Solutions Co., Ltd.	9,000	100.0*	Manufacture and sale of production equipment for electric/electronic machinery and industrial robots	Kadoma-shi, Osaka
KMEW Co., Ltd.	8,000	50.0	Manufacture and sale of exterior building and housing related products	Osaka-shi, Osaka
Panasonic Liquid Crystal Display Co., Ltd.	500	100.0*	Manufacture and sale of LCD panels	Himeji-shi, Hyogo
SANYO Electric Co., Ltd.	400	100.0*	Manufacture and sale of rechargeable batteries, etc.	Daito-shi, Osaka
Panasonic System Solutions Japan Co., Ltd.	350	100.0	Manufacture and sale of surveillance cameras, settlement and construction verification terminals, IP-related equipment, etc.	Fukuoka-shi, Fukuoka
Panasonic Consumer Marketing Co., Ltd.	100	100.0*	Sale of various electric and electronic products	Osaka-shi, Osaka

(Note) Percentages with an asterisk (\*) include indirect ownership.

### 3) Principal overseas subsidiaries

(as of March 31, 2021)

Name	Common stock (all currency in millions)	Ratio of voting right (%)	Principal businesses	Location in overseas
Panasonic Corporation of North America	US\$ 537.2	100.0*	Manufacture and sale of various electric and electronic products, and Regional headquarters functions	U.S.
Panasonic Avionics Corporation	US\$ 22.0	100.0*	Manufacture, sale and service of aircraft in-flight entertainment and communications systems	U.S.
Hussmann Corporation	US\$ –	100.0*	Manufacture, sale and service of commercial-use refrigerated and freezer showcases	U.S.
Panasonic do Brasil Limitada	BRL\$ 1,156.9	100.0	Manufacture and sale of various electric and electronic products	Brazil
Panasonic Holding (Netherlands) B.V.	US\$ 0.2	100.0	Supervision of overseas subsidiaries and management of investment and financing	Netherlands
Panasonic Europe Ltd.	EUR 0.01	100.0*	Regional headquarters	Netherlands
Ficosa International S.A.	EUR 31.7	69.0*	Manufacture and sale of automotive components such as electric mirrors	Spain
Panasonic AVC Networks Czech s.r.o.	CZK 2,414.0	100.0*	Manufacture and sale of TV, etc.	Czech Republic
Panasonic Asia Pacific Pte. Ltd.	US\$ 1,478.2	100.0*	Manufacture and sale of various electric and electronic products, and regional headquarters functions	Singapore
Panasonic India Pvt. Ltd.	INR 18,304.9	100.0*	Manufacture and sale of various electric and electronic products	India
Panasonic Taiwan Co., Ltd.	NT\$ 3,422.2	69.8	Manufacture and sale of various electric and electronic products	Taiwan
Panasonic Corporation of China	RMB 12,838.3	100.0	Sale of various electric and electronic products, and Regional headquarters functions	China
Panasonic Appliances Air-Conditioning (Guangzhou) Co., Ltd.	RMB 282.2	67.8*	Manufacture and sale of air conditioner-related products	China
Panasonic Automotive Systems Dalian Co., Ltd.	RMB 94.0	60.0*	Manufacture and sale of in-car electronic equipment	China

(Notes) 1. Percentages with an asterisk (\*) include indirect ownership.

2. Common stock of Hussmann Corporation is zero.

## (9) Employees

(as of March 31, 2021)

Segment	Number of employees
Appliances	66,054
Life Solutions	47,400
Connected Solutions	25,192
Automotive	25,909
Industrial Solutions	63,138
Reporting segment total	227,693
Other	12,967
Corporate	2,880
Total	243,540

- (Notes) 1. The number of employees refers solely to full-time employees of the Company on a consolidated basis.  
2. The number of employees has decreased by 15,845 from the end of the preceding fiscal period.  
3. Of the total above, the number of employees at the parent company was as follows:

Number of employees	Average age	Average length of service (years)
59,006	45.8	22.7

## (10) Transfer of Businesses, etc.

The primary transactions with respect to the Panasonic Group during fiscal 2021 were as follows:

- On April 1, 2020, the Company transferred the automotive prismatic battery business and other businesses of SANYO Electric Co., Ltd., which is a subsidiary of Panasonic, to Prime Planet Energy & Solutions, Inc. ("PPES"), which was also a subsidiary of Panasonic. On the same day, the Company transferred part of its outstanding shares of PPES to Toyota Motor Corporation and established a joint venture. After the share transfer, PPES was an entity accounted for using the equity method by the Company and became no longer a consolidated subsidiary of the Company.
- On July 20, 2020, the Company acquired 20% of the shares of Blue Yonder, a specialized supply chain software provider, and making it as an entity accounted for using the equity method by the Company. Furthermore, at the Board of Directors' meeting held on April 23, 2021, the Company resolved the additional acquisition of 80% shares of Blue Yonder and making it as a wholly owned subsidiary. The Company has reached a definitive agreement with Blue Yonder and its substantial shareholders. As a result, together with the 20% of the shares already held by the Company, the Company will acquire all the shares of Blue Yonder.
- On September 1, 2020, the Company completed the transfer of its semiconductor business, operated mainly by Panasonic Semiconductor Solutions Co., Ltd. ("PSCS"), a consolidated subsidiary of the Company, to Nuvoton Technology Corporation, a Taiwan-based semiconductor company under the umbrella of Winbond Electronics Corporation. As a result, PSCS became no longer a consolidated subsidiary of the Company.

## 2. Stock Information (as of March 31, 2021)

(1) Number of Shares Authorized to Be Issued:	4,950,000,000
(2) Number of Shares Issued:	2,453,563,397
(3) Number of Shareholders:	477,323
(4) Major Shareholders (Top 10):	

Name	Share ownership (in thousands of shares)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (trust account)	207,193	8.87
Custody Bank of Japan, Ltd. (trust account)	174,974	7.49
NIPPON LIFE INSURANCE COMPANY	69,056	2.95
Custody Bank of Japan, Ltd. (trust account 7)	46,859	2.00
Panasonic Corporation Employee Shareholding Association	38,992	1.67
SUMITOMO LIFE INSURANCE COMPANY	37,465	1.60
MOXLEY AND CO LLC	35,324	1.51
STATE STREET BANK WEST CLIENT - TREATY 505234	34,165	1.46
Custody Bank of Japan, Ltd. (trust account 5)	32,701	1.40
Matsushita Real Estate Co., Ltd.	29,121	1.24

- (Notes) 1. The figures in Share ownership are rounded down to the nearest thousands of shares.  
 2. Shareholding ratio is calculated by deducting the Company's treasury stock (120,239,132) and rounded down to two decimal places.  
 3. The English names of foreign shareholders above are based on the General Shareholders Notification notified by Japan Securities Depository Center, Inc.

### (5) Status of shares delivered as compensation for the execution of duties by Directors of the Company

	Class and number of shares	Number of persons granted
Directors (excluding Outside Directors)	Common stock 105,300	6

(Note) These shares are granted in accordance with the Company's Stock Compensation plan. Details of the plan are provided in "4. (2) Remuneration for Directors and Audit & Supervisory Board Members" on page 65 to 67 under Business Report.

### 3. Status of Stock Acquisition Rights, etc. (Items Disclosed on the Internet)

#### (1) Summary of stock acquisition rights issued by the Company

Name	Stock acquisition rights allotment date	Number of stock acquisition rights	Class and number of shares to be acquired upon exercise of stock acquisition rights	Amount to be paid (per stock acquisition right)	Exercise price (per share)	Period during which stock acquisition rights may be exercised
Stock acquisition rights issued in August of fiscal year 2015	August 22, 2014	2,088	Common stock 208,800 shares	¥105,400	¥1	From August 23, 2014 to August 22, 2044
Stock acquisition rights issued in August of fiscal year 2016	August 20, 2015	1,729	Common stock 172,900 shares	¥112,400	¥1	From August 21, 2015 to August 20, 2045
Stock acquisition rights issued in August of fiscal year 2017	August 23, 2016	5,800	Common stock 580,000 shares	¥71,300	¥1	From August 24, 2016 to August 23, 2046
Stock acquisition rights issued in August of fiscal year 2018	August 23, 2017	3,561	Common stock 356,100 shares	¥112,800	¥1	From August 24, 2017 to August 23, 2047
Stock acquisition rights issued in July of fiscal year 2019	July 18, 2018	3,473	Common stock 347,300 shares	¥106,400	¥1	From July 19, 2018 to July 18, 2048
Stock acquisition rights issued in July of fiscal year 2021	July 13, 2020	58	Common stock 5,800 shares	¥63,300	¥1	From July 14, 2020 to July 13, 2050

#### (2) Status of stock acquisition rights delivered as compensation for the execution of duties by Directors as of March 31, 2021

Name	Number of stock acquisition rights	Class and number of shares to be acquired upon exercise of stock acquisition rights	Directors (excluding Outside Directors)	
			Number of holders	Number of stock acquisition rights held
Stock acquisition rights issued in August of fiscal year 2015	621	Common stock 62,100 shares	4 Directors	621
Stock acquisition rights issued in August of fiscal year 2016	530	Common stock 53,000 shares	4 Directors	530
Stock acquisition rights issued in August of fiscal year 2017	601	Common stock 60,100 shares	2 Directors	601
Stock acquisition rights issued in August of fiscal year 2018	547	Common stock 54,700 shares	4 Directors	547
Stock acquisition rights issued in July of fiscal year 2019	1,393	Common stock 139,300 shares	6 Directors	1,393

(Notes) 1. No allotment was made to Outside Directors and Audit & Supervisory Board Members for this issuance of stock acquisition rights.

2. The above numbers include stock acquisition rights granted prior to appointment as Director.

(3) Status of stock acquisition rights delivered as compensation for the execution of duties by employees during the fiscal year ended March 31, 2021

Name	Number of stock acquisition rights	Class and number of shares to be acquired upon exercise of stock acquisition rights	Employees, etc. of the Company	
			Number of persons granted	Number of stock acquisition rights held
Stock acquisition rights issued in July of fiscal 2021	58	Common stock 5,800 shares	1	58

## 4. Panasonic Directors and Audit & Supervisory Board Members, etc.

### (1) Directors and Audit & Supervisory Board Members, etc.

(Titles and responsibilities are all as of March 31, 2021)

Title	Name	Major responsibility
Chairman of the Board Representative Director, President	Shusaku Nagae Kazuhiro Tsuga	Chief Executive Officer (CEO)
Representative Director, Executive Vice President	Mototsugu Sato	Director, Corporate Strategy Division CEO, US Company In charge of General Affairs and Social Relations, Occupational Safety and Health Director
Representative Director, Senior Managing Executive Officers	Yasuyuki Higuchi Tetsuro Homma	CEO, Connected Solutions Company CEO, China & Northeast Asia Company Regional Head for China & Northeast Asia Chairman, Panasonic Corporation of China
Directors	Yoshinobu Tsutsui Hiroko Ota Kazuhiko Toyama Kunio Noji Michitaka Sawada Yuko Kawamoto Hirokazu Umeda	
Director, Managing Executive Officers	Laurence W. Bates	Chief Financial Officer (CFO), In charge of Groupwide Cost Busters Project, and BPR Project CEO, Panasonic Holding (Netherlands) B.V. President, Panasonic Equity Management Japan G.K. General Counsel (GC), Chief Risk Management Officer (CRO), Chief Compliance Officer (CCO), Director, Legal & Compliance Division
Senior Audit & Supervisory Board Members	Toshihide Tominaga Eiji Fujii	
Audit & Supervisory Board Members	Yoshio Sato Toshio Kinoshita Setsuko Yufu	

- (Notes) 1. Yoshinobu Tsutsui, Hiroko Ota, Kazuhiko Toyama, Kunio Noji, Michitaka Sawada, and Yuko Kawamoto are Outside Directors as stipulated in Article 2, Item 15 of the Companies Act. The Company sent notification of the statuses of these Directors as Independent Directors to the stock exchanges of Japan on which the Company's shares are G.K. listed.
2. Yoshio Sato, Toshio Kinoshita and Setsuko Yufu are Outside Audit & Supervisory Board Members as stipulated in Article 2, Item 16 of the Companies Act. The Company sent notification of the statuses of these Audit & Supervisory Board Members as Independent Audit & Supervisory Board Members to the stock exchanges of Japan on which the Company's shares are publicly listed.
3. Toshihide Tominaga, Senior Audit & Supervisory Board Member, comes from the Company's accounting division, and has a considerable knowledge of finance and accounting. Toshio Kinoshita, Audit & Supervisory Board Member, has a considerable knowledge of finance and accounting through his long-standing involvement as a certified public accountant in the corporate accounting of global corporations in Japan and overseas.
4. Changes in Directors and Audit & Supervisory Board Members during fiscal 2021 were as follows.
- (1) Appointments  
At the 113th Ordinary General Meeting of Shareholders held on June 25, 2020, Michitaka Sawada and Yuko Kawamoto were newly elected as Director, and Eiji Fujii and Setsuko Yufu were newly elected as Audit & Supervisory Board Member, and each assumed office.

(2) Retirement

At the conclusion of the 113th Ordinary General Meeting of Shareholders held on June 25, 2020, Mamoru Yoshida and Mitsuko Miyagawa retired from the Audit & Supervisory Board Member upon the expiration of their terms.

5. On June 29, 2017, Panasonic added the positions such as CEO and CFO listed under the "Major responsibility" column with respect to Directors and Executive Officers in this section of the report (4. Panasonic Directors and Audit & Supervisory Board Members, etc.), in order to more clearly indicate basic functions and roles that are essential with respect to executing business of the Company.

6. Important concurrently held positions of Directors and Audit & Supervisory Board Members are as follows:

<b>Title</b>	<b>Name</b>	<b>Name of corporation or organization</b>	<b>Details</b>
Director	Shusaku Nagae	Vehicle Information and Communication System Center	Chairman
	Kazuhiro Tsuga	The Tokyo Organising Committee of the Olympic and Paralympic Games	Vice Chairman

Details of important concurrently held positions by Outside Directors and Outside Audit & Supervisory Board Members can be found in (3) Outside Directors and Audit & Supervisory Board Members.

7. Directors, Audit & Supervisory Board Members, and Executive Officers as of April 1, 2021 are as follows:  
 (1) Directors and Audit & Supervisory Board Members

Title	Name	Major responsibility
Chairman of the Board	Shusaku Nagae	
Representative Director, President	Kazuhiro Tsuga	
Representative Director, Executive Vice Presidents	Mototsugu Sato	Director, Corporate Strategy Division
		CEO, US Company
		In charge of Procurement
		Occupational Safety and Health Director
	Tetsuro Homma	CEO, China & Northeast Asia Company
		Regional Head for China & Northeast Asia
Representative Director, Senior Managing Executive Officer	Yasuyuki Higuchi	Chairman, Panasonic Corporation of China
Directors	Yoshinobu Tsutsui	CEO, Connected Solutions Company
	Hiroko Ota	
	Kazuhiko Toyama	
	Kunio Noji	
	Michitaka Sawada	
	Yuko Kawamoto	
Director, Senior Managing Executive Officer	Hirokazu Umeda	Chief Financial Officer (CFO)
		In charge of Groupwide Cost Busters Project, BPR Project, and Facility Management
		CEO, Panasonic Holding (Netherlands) B.V.
		President, Panasonic Equity Management Japan G.K.
Director, Managing Executive Officer	Laurence W. Bates	General Counsel (GC), Chief Risk Management Officer (CRO), Chief Compliance Officer (CCO), Director, Legal & Compliance Division
Senior Audit & Supervisory Board Members	Toshihide Tominaga	
Audit & Supervisory Board Members	Eiji Fujii	
	Yoshio Sato	
	Toshio Kinoshita	
	Setsuko Yufu	

(2) Executive Officers who are not concurrently serving as Directors

Title	Name	Major responsibility
Senior Managing Executive Officers	Yuki Kusumi	Chief Executive Officer (CEO)
	Yoshiyuki Miyabe	Representative in Tokyo
		In charge of Government and External Relations
		In charge of Tokyo Olympic & Paralympic Business Promotion
		Director, Tokyo Olympic & Paralympic Enterprise Division
Managing Executive Officers		In charge of Solution Sales
		Director, Business Solutions Division
		Director, Integrated Resort Business Promotion Division
	Masahisa Shibata	In charge of Automotive Sales
	Shinji Sakamoto	CEO, Industrial Solutions Company
Executive Officers	Masahiro Shinada	In charge of the Appliances Segment
		CEO, Appliances Company
		In charge of Consumer Business and FF Customer Support & Management
	Masaharu Michiura	In charge of the Life Solutions Segment
		CEO, Life Solutions Company
		In charge of Construction Safety Regulations Administration Department
	Eiichi Katayama	Chief Strategy Officer (CSO)
Executive Officers		In charge of Business Development and Sports Management Business
	Yoky Matsuoka	Director, Lifestyle Business Strategy Division
	Masashi Nagayasu	In charge of the Automotive Segment
		CEO, Automotive Company
	Manish Sharma	President, Panasonic India Pvt. Ltd.
	Shigeki Mishima	Chief Human Resources Officer (CHRO)
		In charge of General Affairs and Social Relations, CSR and Corporate Citizenship Activities
Executive Officers		In charge of Brand Strategy
	Tatsuo Ogawa	Chief Technology Officer (CTO)
		In charge of Pharmaceutical Affairs
	Yoshihiro Morii	Director, Groupwide Brand Strategy Division
Executive Officers		General Manager, Brand Strategy Management Department
	Shigeo Usui	In charge of Design
		Director, Design Division

## (2) Remuneration for Directors and Audit & Supervisory Board Members

### 1. Remuneration Policy, etc.

Remuneration for Directors and Audit & Supervisory Board Members of Panasonic is determined within the framework of the maximum total amounts of remuneration for Directors and Audit & Supervisory Board Members which has been determined respectively by resolution of a general meeting of shareholders.

The remuneration system comprises the "basic remuneration," which is a fixed remuneration, "performance based remuneration," which is a short-term incentive, and "restricted stock compensation," which is a long-term incentive. The ratios between the basic remuneration, the performance based remuneration (when standard values were achieved), and the restricted stock compensation are set at 1:0.75:0.25.

The Company determines the amounts of the basic remuneration based on the roles of recipients, taking also into account the management environment, their responsibilities and the remuneration trends of other companies.

The objective of the performance based remuneration is to provide incentive to boost business performance, and it shall be determined based on the evaluation of performance for a single fiscal year of Panasonic as a whole and specific businesses of which a Director is in charge. The performance based remuneration is designed so that the amount of remuneration increases in line with performance and range between a minimum of 0% and a maximum of 150% of the basic remuneration (75% when the standard value is achieved). The performance is measured using a combination of key management indicators which the Company should continue to attach importance to, such as adjusted operating profit<sup>(Note)</sup>, net profit attributable to Panasonic Corporation stockholders and operating cash flows. Specifically, the performance of Directors is evaluated based on the comparison between the results of each of such indicators in the previous fiscal year and numerical targets of the fiscal year in which they are evaluated. Numerical targets and results of key indicators are as follows:

Key indicators associated with performance based remuneration (previous fiscal year, consolidated basis)	(Unit: Billions of yen)	
	Target for fiscal 2020 (announced in May 2019)	Results for fiscal 2020
Adjusted operating profit <sup>(Note)</sup>	300.0	286.7
Net profit attributable to Panasonic Corporation stockholders	200.0	225.7

(Note) A management indicator for Panasonic calculated by subtracting Cost of sales and Selling, general and administrative expenses from Net sales.

Restricted stock compensation is a type of stock compensation in which the restriction of transfer of shares is lifted subject to Directors serving the Company for a specified period of time, and is allocated with the aim of providing an incentive to continuously improve corporate value and promote further value sharing with the Company's shareholders. The ratio of the incentive option to the overall remuneration package is designed to increase as the position of the recipient Director gets higher. In addition, the total amount for each recipient is set based on overall considerations of various factors, such as duties of each Director and the balance with monetary remuneration.

The transfer restriction period for the restricted stock compensation is three years from the allocation. All the allocated shares, the transfer restrictions will be lifted at the end of the transfer restriction period based on the condition that the recipients continue to be either a Panasonic Director, Executive Officer not concurrently serving as a Panasonic Director, a Fellow, an employee, or a person who is at the position predetermined by the Panasonic Board of Directors during the transfer restriction period. In cases where applicable Directors retire due to expiration of their term, other appropriate reason or decease, transfer restriction will be lifted on all or part of the shares allocated in accordance with the allocation agreement. The Company will acquire without consideration any allocated shares for which the transfer restriction is not lifted. During the current fiscal year, Panasonic allocated a total of 105,300 shares to its six Directors, on July 13, 2020, at 961.4 yen per share, the closing price of Panasonic

common stock on the First Section of the Tokyo Stock Exchange on June 24, 2020 (the business day prior to the resolution of the Board of Directors on the issuance of new shares as restricted stock compensation). The transfer restriction period for the shares allocated is from July 13, 2020 to July 13, 2023.

Basic remuneration and performance based remuneration are paid as monetary remuneration each month. Restricted stock compensation is allocated within a certain period time after the Ordinary General Meeting of Shareholders each year. The Company pays only basic remuneration to Outside Directors and Audit & Supervisory Members in the form of monthly monetary remuneration.

The optional Nomination and Compensation Advisory Committee, majority-staffed and chaired by independent Outside Directors, 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 amounts of basic remuneration and performance based remuneration to be paid and the number of shares to be allocated to each recipient, the Nomination and Compensation Advisory Committee examines whether these amounts and number 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 decision-making on the remuneration solely to Representative Director and President of the Company who objectively comprehends and supervises overall business execution of the Panasonic Group. As Representative Director and President of the Company makes decisions as to basic remuneration, performance based remuneration, 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 his decision is in line with the policy for determining remuneration. Five members of the Nomination and Remuneration Advisory Committee, Director Hiroko Ota (Outside, Chair), Director Yoshinobu Tsutsui (Outside), Director Kazuhiko Toyama (Outside), Director and Chairman of the Board Shusaku Nagae, and Representative Director and President Kazuhiro Tsuga, held a meeting to discuss the remuneration for the current fiscal year. As a result, Representative Director and President Kazuhiro Tsuga determined the details of the remuneration based on the results of the discussion.

## 2. Amounts of Remuneration for Directors and Audit & Supervisory Board Members

Title	Number of persons	Amount (millions of yen)	Breakdown of amount (millions of yen)		
			Basic remuneration	Performance based remuneration	Restricted stock compensation
Directors, (of which, Outside Directors)	13 (6)	994 (80)	587 (80)	307 (-)	100 (-)
Audit & Supervisory Board Members (of which, Outside Audit & Supervisory Board Members)	7 (4)	118 (40)	118 (40)	-	-
Total	20	1,112	705	307	100

- (Notes)
- Two Audit & Supervisory Board Members who retired at the conclusion of the 113th Ordinary General Meeting of Shareholders held on June 25, 2020 are included in the above figures for Number of persons and Amounts.
  - The remuneration limit for Directors has been determined to be an annual amount of ¥1,500 million by resolution of a general meeting of shareholders. (Resolution was passed at the 100th Ordinary General Meeting of Shareholders held on June 27, 2007. The number of Directors subject to the resolution as of the resolution date was 19.)
  - The remuneration limit for Outside Directors has been determined to be an annual amount of ¥80 million within the framework mentioned in 2. above by resolution of a general meeting of shareholders. (Resolution was passed at the 109th Ordinary General Meeting of Shareholders held on June 24, 2016. The number of Directors subject to the resolution as of the resolution date was four.)
  - The remuneration limit related to the allotment of restricted stock compensation to Directors has been determined to be an annual amount of ¥500 million by resolution of a general meeting of shareholders. (Resolution was passed at the 112th Ordinary General Meeting of Shareholders held on June 27, 2019. The number of Directors subject to the resolution, as of the resolution date, on the restricted stock compensation, which was to be allocated separately from the remuneration stated in 2. above, was seven.)
  - The remuneration limit for Audit & Supervisory Board Members has been determined to be an annual amount of ¥140 million by resolution of a general meeting of shareholders. (Resolution was passed at the 100th Ordinary General Meeting of Shareholders held on June 27, 2007. The number of Audit & Supervisory Board Members subject to the resolution as of the resolution date was five.)
  - Amounts less than one million yen have been rounded to the nearest million yen.

(3) Outside Directors and Audit & Supervisory Board Members

1. Other important concurrently held positions

(as of March 31, 2021)

Title	Name	Name of corporation or organization	Details
Outside Directors	Yoshinobu Tsutsui	NIPPON LIFE INSURANCE COMPANY Imperial Hotel, Ltd. Sumitomo Mitsui Financial Group, Inc. West Japan Railway Company	Chairman Outside Director Outside Director Outside Director
	Hiroko Ota	NATIONAL GRADUATE INSTITUTE FOR POLICY STUDIES ENEOS Holdings, Inc. Japan Platform of Industrial Transformation, Inc.	Senior Professor Outside Director Outside Director
	Kazuhiko Toyama	Industrial Growth Platform, Inc. Japan Platform of Industrial Transformation, Inc.	Chairman of IGPI Group Representative Director, President
	Kunio Noji	Komatsu Ltd. KOMATSU MATERE Co., Ltd.	Senior Adviser Outside Director
	Michitaka Sawada	Kao Corporation	Director, Chair
	Yuko Kawamoto	Waseda Business School (Graduate School of Business and Finance) Thomson Reuters Founders Share Company Shinsei Bank, Limited SoftBank Group Corp.	Professor Director Outside Director Outside Director
Outside Audit & Supervisory Board Members	Yoshio Sato	SUMITOMO LIFE INSURANCE COMPANY YOMIURI TELECASTING CORPORATION Rengo Co., Ltd. SAKATA INX CORPORATION	Chairman of the Board Outside Director Outside Director Outside Audit & Supervisory Board Member
	Toshio Kinoshita	Global Professional Partners Corporation ADK Holdings Inc. TACHI-S CO., LTD. GiG Works Inc. Denka Company Limited Cool Japan Fund Inc.	Representative Director, President Outside Director Outside Director Outside Director Outside Director Outside Audit & Supervisory Board Member
	Setsuko Yufu	Atsumi & Sakai	Senior Partner

- (Notes) 1. NIPPON LIFE INSURANCE COMPANY and SUMITOMO LIFE INSURANCE COMPANY are major shareholders (top 10) of Panasonic, but both have shareholding ratios of less than 3%.
2. There are no transactions exceeding 1% of consolidated net sales of either party between the Company and the other organizations where concurrent positions are held by Outside Directors and Outside Audit & Supervisory Board Members.
3. There are no noteworthy relationships between the Company and corporations and organizations except the relationships mentioned in 1., 2. above.

## 2. Major activities during fiscal 2021

Title	Name	Number of attendance	Major activities and overview of duties in roles that are expected to be fulfilled by Outside Directors
Outside Directors	Yoshinobu Tsutsui	Board of Directors' meeting: 14/14 (100%)	He has extensive management experience and deep insight as a corporate manager in the life insurance business. The Company expected him to supervise and advise on business execution from his professional viewpoint and he actively made remarks at the Board of Directors' meetings, thus having fulfilled his duties appropriately. In addition, he was a member of the Nomination and Compensation Advisory Committee.
	Hiroko Ota	Board of Directors' meeting: 14/14 (100%)	She has extensive experience and deep insight in economics and finance. The Company expected her to supervise and advise on its business execution from her professional viewpoint, and she actively made remarks at the Board of Directors' meetings, thus having fulfilled her duties appropriately. In addition, she was a chairperson of the Nomination and Compensation Advisory Committee.
	Kazuhiko Toyama	Board of Directors' meeting: 14/14 (100%)	He has extensive experience and deep insight as a management consultant. The Company expected him to supervise and advise on its business execution from his professional viewpoint, and he actively made remarks at the Board of Directors' meetings, thus having fulfilled his duties appropriately. In addition, he was a member of the Nomination and Compensation Advisory Committee.
	Kunio Noji	Board of Directors' meeting: 14/14 (100%)	He has extensive knowledge and deep insight as a corporate manager of a diversified machinery manufacturer. The Company expected him to supervise and advise on its business execution from his professional viewpoint, and he actively made remarks at the Board of Directors' meetings, thus having fulfilled his duties appropriately.
	Michitaka Sawada	Board of Directors' meeting: 12/12 (100%)	He has extensive knowledge and deep insight as a corporate manager of a diversified chemicals manufacturer. The Company expected him to supervise and advise on its business execution from his professional viewpoint, and he actively made remarks at the Board of Directors' meetings, thus having fulfilled his duties appropriately.
	Yuko Kawamoto	Board of Directors' meeting: 11/12 (92%)	She has extensive knowledge and deep insight in finance and governance. The Company expected her to supervise and advise on its business execution from her professional viewpoint, and she actively made remarks at the Board of Directors' meetings, thus having fulfilled her duties appropriately.

Title	Name	Number of attendance	Major activities and overview of duties in roles that are expected to be fulfilled by Outside Directors
Outside Audit & Supervisory Board Members	Yoshio Sato	Board of Directors' meeting: 14/14 (100%) Audit & Supervisory Committee meeting: 13/13 (100%)	He has extensive knowledge and deep insight as a corporate manager in life insurance business and outside directors, based on which he actively made remarks at the Board of Directors' meetings and Audit & Supervisory Committee meetings, thus having fulfilled his duties appropriately.
	Toshio Kinoshita	Board of Directors' meeting: 14/14 (100%) Audit & Supervisory Committee meeting: 13/13 (100%)	He has extensive knowledge and deep insight as a certified public accountant and outside officers, based on which he actively made remarks at the Board of Directors' meetings and Audit & Supervisory Committee meetings, thus having fulfilled his duties appropriately.
	Setsuko Yufu	Board of Directors' meeting: 11/12 (92%) Audit & Supervisory Committee meeting: 10/10 (100%)	She has extensive knowledge and deep insight as a lawyer, based on which she actively made remarks at the Board of Directors' meetings and Audit & Supervisory Committee meetings, thus having fulfilled her duties appropriately.

(Notes) 1. Two (2) resolutions made by the Board of Directors in writing are excluded.

2. For Director Sawada, Director Kawamoto, and Audit & Supervisory Member Yufu, the numbers of attendance represent those after they assumed the post of Director/Audit & Supervisory Board Member on June 25, 2020.

### 3. Summary of contracts for limitation of liability

The Company has entered into contracts for limitation of liability with all Outside Directors and Outside Audit & Supervisory Board Members, respectively, which limit the amount of each Outside Director's and Outside Audit & Supervisory Board Member's respective liability, as defined under Article 423, Paragraph 1 of the Companies Act to the minimum amount stipulated in Article 425, Paragraph 1 of the Companies Act, presuming they perform their respective duties in good faith and without gross negligence.

## 5. Accounting Auditors

- (1) Name of Accounting Auditors  
KPMG AZSA LLC

- (2) Remuneration, etc. Paid to Accounting Auditors for Fiscal 2021

Classification	Details	Amount (millions of yen)
(1)	Amount of remuneration, etc.	836
(2)	Total amount of cash and other property benefits to be paid by the Company and its subsidiaries	1,207

- (Notes) 1. The audit contract between the Company and its accounting auditors does not distinguish between remuneration for audits based on the Companies Act and remuneration for audits based on the Financial Instruments and Exchange Act. For this reason, the amount of (1) in the above table is presented in the aggregate amounts.
2. The Company and some of its consolidated subsidiaries paid compensation to accounting auditors for advisory services relating to accounting that are not covered by Article 2, Paragraph 1 of the Certified Public Accountants Act of Japan.
3. The financial statements and supplementary data of some of consolidated subsidiaries and others are audited by accounting auditors other than KPMG AZSA LLC.

- (3) Grounds for Approval of Accounting Auditors' Remuneration, etc. by Audit & Supervisory Board

The Company's Audit & Supervisory Board reviewed matters including the content of the accounting auditors' audit plan, progress made in performing audits, and the basis on which remuneration estimates are calculated. After deliberating on these matters, the Audit & Supervisory Board granted the consent required pursuant to Article 399, Paragraph 1 of the Companies Act for the compensation, etc. paid to the accounting auditors.

- (4) Policy regarding Decision to Dismiss or not Reappoint Accounting Auditor

In the event that dismissal of the accounting auditor is valid pursuant to any of the provisions of Article 340, Paragraph 1 of the Companies Act, the Audit & Supervisory Board may dismiss the accounting auditor with the approval of all Audit & Supervisory Board Members.

In addition, in the event that appropriate audit by the accounting auditor is not expected for any reason, the Audit & Supervisory Board shall determine the content of a proposal calling for dismissal or non-reappointment of the accounting auditor, for submission to a general meeting of shareholders.

## 6. Systems and Policies of the Company

### (1) Corporate Governance of the Company

#### 1) Basic policy

The Company, since its establishment, has operated its business under its management philosophy, “contributing to the progress and development of society and the well-being of people worldwide through its business activities”. Also, 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”.

The Company recognizes that corporate governance is the important basic structure for the aforementioned purpose, and endeavors to establish and strengthen the effective corporate governance structure based on the Audit & Supervisory Board System composed of the Board of Directors and Audit & Supervisory Board Member / Audit & Supervisory Board.

#### 2) Corporate governance structure

In order to ensure swift and strategic decision-making, along with sound and appropriate monitoring at the same time, the Board of Directors of the Company, concentrates on decisions about the corporate strategies and the supervision of the Divisional Companies. Taking into consideration the diverse scope of its business operations, the Company has opted to maintain a system where Executive Officers, who are most familiar with the specifics of the operations, take an active part in the Board of Directors.

On the basis of this approach, in fiscal 2021, the Company has acted to strengthen its corporate governance structure by utilizing mechanisms that include the optional committees and the evaluation of the Board of Directors effectiveness, under the Board of Directors and the Audit & Supervisory Board Member / Audit & Supervisory Board structure, detailed as follows.

##### i) Board of Directors

The term of each Director is limited to one (1) year and all Directors are reelected at an annual general meeting of shareholders. The structure of the Board of Directors makes it possible to appropriately apply decisions of shareholders to management. The Board of Directors, which is composed of thirteen (13) Directors including six (6) Outside Directors, of which two (2) are women (at least one-third of its Directors are Outside Directors), seeks to ensure the diversity of the knowledge, experience and qualifications of the Board of Directors as a whole. Chairman of the Board who is not involved in execution of business takes on the position of a chairman.

##### ii) Audit & Supervisory Board Members and Audit & Supervisory Board

The Audit & Supervisory Board is composed of five (5) Audit & Supervisory Board Members, of which three (3) are Outside Audit & Supervisory Board Members and one (1) is a woman. A majority of its members are Outside Audit & Supervisory Board Members, to ensure independence of the Audit & Supervisory Board. From the standpoint of executing duties assigned to Audit & Supervisory Board Members, it includes two (2) members who have appropriate knowledge in finance and accounting.

##### iii) Nomination and Compensation Advisory Committee

The Company established the Nomination and Compensation Advisory Committee in 2015. Upon receiving inquiries from the Board of Directors, the committee deliberates on the results of internal reviews regarding the nomination of candidates for Director, Executive Officer, and Audit & Supervisory Board Member, and also on the appropriateness of the remuneration system for Directors and Executive Officers.

As of March 31, 2021, the committee is composed of five (5) members, Outside Director Hiroko Ota (chairperson), Outside Director Yoshinobu Tsutsui, Outside Director Kazuhiko Toyama, Chairman of the Board Shusaku Nagae, and Representative Director and President Kazuhiro Tsuga. The Company has enhanced the objectivity and transparency of the committee, by ensuring that it is chaired by an Outside Director and that Outside Directors constitute a majority of its membership.

3) Conduct and utilization of evaluation of the Board of Directors effectiveness

The Company, to enhance effectiveness of the Board of Directors, conducts a survey to all the Board members who attend the meeting annually, and reports the results and evaluations of the survey at the Board.

**Items and results of the survey in fiscal 2021**

i) Items of the survey

- 1) Verification of the Board of Directors operation policy for fiscal 2021
- 2) The role of the Board of Directors in a holding company
- 3) The role of the Directors in a holding company
- 4) Others, including effectiveness evaluation methods

ii) Results of the survey

Upon analyzing the results of the survey, the Company's findings with respect to the effectiveness of the Board of Directors are such that the current state of the Board is essentially appropriate in terms of its monitoring and decision-making function. Findings with respect to the transition to a holding company system, however, included opinions that discussion on the role of the Board of Directors, and on other needed issues should be further studied. As such, the Company is methodically addressing such issues and implementing improvements.

\* For the independence standards for the Company's Outside Directors and Audit & Supervisory Board Members and the remuneration policy for Directors and Audit & Supervisory Board Members, please see "Overview of the Independence Standards for Outside Directors / Audit & Supervisory Board Members" in the convocation notice(p.33 to 34) and "Remuneration Policy" in the Business Report (p.65 to 66), respectively.

(2) Systems for Ensuring the Properness of the Company's Operations

The Company's Board of Directors made the following resolution concerning the Company's basic policy regarding the development of internal control systems. It was decided at the Board of Directors' meeting held on July 30, 2020 that this basic policy should be continued with some amendments made to it to reflect the business environment, status of the Company, etc.

1) System for ensuring legal compliance in the performance of Directors' duties

The Company shall ensure legal compliance in the performance of Directors' duties by developing effective corporate governance and monitoring systems, as well as by ensuring total compliance awareness among Directors.

2) System for retention and management of information pertaining to the performance of Directors' duties

The Company shall properly retain and manage information on the performance of Directors' duties in accordance with all applicable laws and regulations and the internal rules of the Company.

3) Rules and other measures for financial risk management

The Company shall establish rules for risk management, and identify material risk through assessment of risks affecting management of the business. The Company shall also take countermeasures against each material risk, while monitoring the progress of such countermeasures with the aim of seeking continual improvement.

4) System for ensuring efficiency of the performance of Directors' duties

The Company shall ensure efficiency in the performance of Directors' duties by clarifying business goals based on its business strategies, and examining progress towards achievement of such goals, while seeking to expedite decision-making.

5) System for ensuring compliance with applicable laws in the performance of employees' duties

The Company shall seek to increase employees' awareness of compliance issues by clarifying the Company's compliance policy. The Company shall also ensure legal compliance in the performance of employees' duties by developing effective monitoring systems.

6) System for ensuring the properness of operations across the Panasonic Group

While respecting the autonomy of each Group company's management practices, the Company shall fully ensure that Group companies adhere to the Company's management policy, management philosophy and basic policy regarding the development of internal control systems,

and shall develop a system for reporting to the Company to thoroughly ensure proper operations of the Panasonic Group as a whole.

- 7) Employees who assist Audit & Supervisory Board Members in auditing, and such employees' independence from Directors  
The Company shall establish a body independent from Directors, tasked with enhancing the effectiveness of audits by Audit & Supervisory Board Members and facilitating the smooth performance of audits.
- 8) Ensuring effectiveness of instructions given by Audit & Supervisory Board Members to employees who assist Audit & Supervisory Board Members  
Staff members assisting the Audit & Supervisory Board Members, while still subject to the internal rules of the Company, shall be under the instruction and supervision of the respective Audit & Supervisory Board Members, and personnel-related matters shall be undertaken upon prior discussion with Audit & Supervisory Board Members.
- 9) System for Directors, employees and other staffs of the Company and its subsidiaries to report to the Company's Audit & Supervisory Board Members  
The Company shall ensure opportunities and systems that enable Directors, employees and other staffs of the Company and Group companies to properly report to the respective Audit & Supervisory Board Members, and moreover shall ensure opportunities and systems that enable audit & supervisory officers, who are non-statutory senior auditors, of Divisional Companies and other such bodies, and Audit & Supervisory Board Members of Group companies to report to the Company's Audit & Supervisory Board Members.
- 10) System for ensuring that parties who have reported to Audit & Supervisory Board Members do not incur unfavorable treatment as a consequence of such reporting  
In ensuring opportunities and systems for Company and Group company employees and other staffs to report to Audit & Supervisory Board Members, the Company shall make sure that employees and other staffs who have duly reported do not incur unfavorable treatment as a consequence of such reporting.
- 11) Policy on management of expenses and debt incurred in execution of Audit & Supervisory Board Member duties  
The Company shall calculate budgets on an annual basis for expenses arising with respect to the execution of duties of Audit & Supervisory Board Members to ensure effectiveness of audits, and moreover shall provide pre-payment or reimbursement in accordance with laws and regulations with respect to expenses incurred beyond amounts budgeted.
- 12) Other systems for ensuring effective performance of audits by the Audit & Supervisory Board Members  
The Company shall have audit & supervisory officers assigned to Divisional Companies and other such entities to assist with audits by Audit & Supervisory Board Members. Moreover, the Company shall develop a system enabling effective performance of audits, including mutual cooperation with the accounting auditors and the internal auditing group, in accordance with the Audit Plan established by the Audit & Supervisory Board Members each year.

### **Status of Basic Policy Implementation in the Company**

- 1) System for ensuring legal compliance in the performance of Directors' duties
  - (i) The Company has established internal rules such as the Panasonic Code of Conduct and the Code of Ethics for Directors and Executive Officers, and endeavors to ensure that its Directors act in accordance with laws, regulations and the Company's Articles of Incorporation. Additionally, when Directors assume their positions, the Company provides them with opportunities to acquire the knowledge necessary to fulfill their roles and obligations, and during their terms of office it continues to provide Directors with opportunities to acquire the knowledge they need, including presentations on management and compliance by external experts as required.
  - (ii) The Company strengthens its supervisory functions by ensuring that at least one-third of the Board of Directors' members are Outside Directors, and by providing opportunities for the Outside Directors to actively communicate through Board of Directors' meetings and other such occasions. Moreover, the Company has also established a Nomination and Compensation Advisory Committee which is chaired by an Outside Director, and a majority of its members are also Outside

Directors, to ensure objectivity and transparency in the process of determining the nomination and remuneration of Directors.

- (iii) The Company continues to aim for further enhancement in the effectiveness of the Board of Directors, and as part of its efforts, it conducts an annual questionnaire survey of members of the Board of Directors and Audit & Supervisory Board. The results and evaluations are reported at the Board of Directors meetings, and the Company reviews the opinions received and implements appropriate measures for improvement accordingly.
  - (iv) Audits are conducted by Audit & Supervisory Board Members and the Audit & Supervisory Board. In addition, at the Divisional Companies, management committees have been established and audit & supervisory officers have been appointed, which correspond in function to the Board of Directors and the Audit & Supervisory Board Members, respectively.
  - (v) The Company aims to resolutely prevent any association with anti-social forces (such as organized criminal networks) through initiatives that include implementing training for members of the Board of Directors, partially revising the Regulations of Executive Officers, and obtaining written pledges with regard to combating organized crime within the Company.
- 2) System for retention and management of information pertaining to the performance of Directors' duties
- The minutes of meetings of the Board of Directors are prepared after each meeting of the Board of Directors and retained permanently by the section responsible for administration relating to the Board of Directors. Records of approval by the President are also retained permanently by the responsible department.
- 3) Rules and other measures for financial risk management
- Based on Basic Risk Management Regulations, the Company identifies material risks by collecting and assessing information on risks in an integrated and comprehensive fashion through the Global and Group (G&G) Risk Management Committee, and takes countermeasures proportionate to the materiality of each risk.
- 4) System for ensuring efficiency of the performance of Directors' duties
- (i) The Company expedites decision-making through Rules of Approval for Decision-making in Important Matters, clarification of the positions of Directors and Executive Officers, the delegation of authority to entities such as Divisional Companies and business divisions, the holding of "Group Strategy Meetings", and the implementation of an IT system that ensures the rapid and accurate collection and transmission of important management information.
  - (ii) The Company plans and implements measures to achieve the business goals it sets based on its business strategies by confirming and examining the status of progress towards the goals at the time of monthly settlement of accounts.
- 5) System for ensuring compliance with applicable laws in the performance of employees' duties
- (i) The Company has established internal rules such as the Panasonic Code of Conduct and implements compliance initiatives and various awareness-building activities such as trainings tailored to specific employee levels and e-learnings, for its employees including Group companies.
  - (ii) The Company seeks to detect improper acts at an early stage through "operational audits", "internal control audits", and "compliance audits", and by operating a global hotline that is available in multiple languages, in addition to other measures. In addition, the "Panasonic Code of Conduct" and the "Rules on the Prohibition of Retaliatory Behavior against Whistleblowers, and Others" stipulate that whistleblowers shall be protected from any retaliation as a consequence of having used the hotline or other means to report violations of laws or regulations, or concerns otherwise in that regard.
  - (iii) The Company has been stepping up its efforts to implement fair business practices emphasizing compliance and taking measures to react to its changing business environments accordingly by establishing organizations that perform the functions of promoting compliance and conducting compliance audit, handling business legal affairs, risk management, and administration of corporate governance.
  - (iv) The Company aims to resolutely prevent any association with anti-social forces (such as organized criminal networks) by assigning an employee in the division overseeing such preventative measures specifically to the task of blocking any relations with such forces, and through initiatives that

include partially revising the Employee Work Regulations, and obtaining written pledges with regard to combating organized crime within the Company.

- 6) System for ensuring the properness of operations across the Panasonic Group
  - (i) The Company ensures that basic policy for internal control systems is fully implemented by Group companies, and disseminates relevant information among Group companies. Initiatives to that end include: implementing the Panasonic Code of Conduct and the Rules of Approval for Decision-Making in Important Matters; establishing group-wide regulations respecting individual professional functions; dispatching Directors and Audit & Supervisory Board Members to Group companies and exercising the Company's shareholder rights thereof; establishing rules of governance that are to be observed by Group companies; conducting regular operational audits, internal control audits, and compliance audits of Group companies through the internal auditing group, and; sharing and disseminating information on business objectives through management policy announcements.
  - (ii) The framework described above ensures the properness of operations, thereby enabling the Panasonic Group to establish the internal controls necessary for financial reporting based on the Financial Instruments and Exchange Act.
- 7) Employees who assist Audit & Supervisory Board Members in auditing, and such employees' independence from Directors  
The Company has established the Audit & Supervisory Board Member's Office, whose dedicated staff is under the direct control of the Audit & Supervisory Board and separate from any operating function of the Company's business. The Company assigns Audit & Supervisory Board Member assistant staff members who possess appropriate capabilities and knowledge as required by the Audit & Supervisory Board Members.
- 8) Ensuring effectiveness of instructions given by Audit & Supervisory Board Members to employees who assist Audit & Supervisory Board Members
  - (i) Respective Audit & Supervisory Board Members issue instructions to their staff members, and those staff members accordingly assist the Audit & Supervisory Board Members in performing their duties.
  - (ii) The Company consults with Audit & Supervisory Board Members in advance of undertaking personnel-related matters including employee transfers and other affairs involving staff members who assist the Audit & Supervisory Board Members.
- 9) System for Directors, employees and other staffs of the Company and its subsidiaries to report to the Company's Audit & Supervisory Board Members
  - (i) Directors, employees and other staffs of the Company and Group companies report on business operations and other issues at respective regular meetings held by Audit & Supervisory Board Members and other such occasions, and also report as necessary at other important meetings with Audit & Supervisory Board Members, where their attendance has been requested. Moreover, Audit & Supervisory Board Members of Group companies report as necessary to the Company's Audit & Supervisory Board Members regarding content of reports at respective Group companies. Audit & supervisory officers conduct inquiries at respective Divisional Companies regarding business operations and issues at such Divisional Companies, and report such matters as necessary to the Company's Audit & Supervisory Board Members.
  - (ii) The Company has established an Audit Report System by which employees of the Company and Group companies directly report to the Company's Audit & Supervisory Board about irregularities or concerns in regards to accounting or auditing.
- 10) System for ensuring that parties who have reported to Audit & Supervisory Board Members do not incur unfavorable treatment as a consequence of such reporting  
The Audit Report System enables parties to report matters anonymously, while the Panasonic Code of Conduct and the Rules on the Prohibition of Retaliatory Behavior against Whistleblowers, and Others ensure that whistleblowers shall not be subject to unfavorable treatment as a consequence of such reporting.
- 11) Policy on management of expenses and debt incurred in execution of Audit & Supervisory Board Member duties

- (i) To ensure effectiveness of audits, the Company calculates preliminary budgets with respect to anticipated expenses required by Audit & Supervisory Board Members in executing their duties, in accordance with Audit & Supervisory Standards.
  - (ii) The Company also provides pre-payment or reimbursement for expenses paid under urgent or extraordinary circumstances in accordance with laws and regulations.
  - (iii) In making payment of audit expenses, Audit & Supervisory Board Members are required to remain mindful of efficiency and appropriateness in that regard.
- 12) Other systems for ensuring effective performance of audits by the Audit & Supervisory Board Members
- (i) Audit & supervisory officers tasked with monthly reporting and implementing liaison meetings are assigned to Divisional Companies and other such entities. Any decisions on personnel-related matters involving the audit & supervisory officers require the agreement of Audit & Supervisory Board Members.
  - (ii) The Company has established and operates the Panasonic Group Audit & Supervisory Board Members' Meeting chaired by the Company's Senior Audit & Supervisory Board Member, in order to facilitate cooperation among the Audit & Supervisory Board Members of the Company, the audit & supervisory officers of Divisional Companies and other such entities, and the Audit & Supervisory Board Members of Group companies.
  - (iii) Representative Directors and Audit & Supervisory Board Members exchange opinions regularly and whenever necessary. Moreover, respective departments cooperate in implementing visiting audits of business offices inside and outside Japan conducted by Audit & Supervisory Board Members. Internal auditing groups also cooperate to enhance the effectiveness of audits carried out by Audit & Supervisory Board Members through collaboration with Audit & Supervisory Board Members, including reporting as appropriate to the Audit & Supervisory Board Members.
  - (iv) When the accounting auditors formulate their audit plans, perform quarterly reviews, and conduct final audits, the Audit & Supervisory Board Members hold regular meetings with the accounting auditors at which they receive explanations and reports, and exchange opinions with the accounting auditors as necessary.

(Note) "Group companies" means subsidiaries as defined in the Companies Act.

### (3) Policy on Control of the Company

#### 1) Efforts to raise corporate value of the Company

Based on the Basic Management Objective set by the founder Konosuke Matsushita, the Company has committed itself to making contributions to the progress and development of society and the well-being of people worldwide through our business activities over a long period of time. Inheriting this philosophy as the Company's unchanging *raison d'être*, we commit ourselves to making further contributions through delivering excellent products and services more rapidly and to many more customers, toward realization of ideal lifestyles and society along with solving such social issues as conservation of the global environment. The Company will fulfill its social responsibilities through management based on ESG (Environmental, Social, and Governance), such as corporate governance enhancement, corporate culture reform, human resources management, and addressing global environmental issues, along with capturing business opportunities. By doing this, we will work to sustainably grow its corporate value by offering value that satisfies our shareholders, investors, customers, business partners, employees and all other stakeholders.

#### 2) Measures against large-scale purchase

Panasonic has a basic policy that shareholders should make final decision in the event that a large-scale purchase of the Company's shares is offered, regarding whether or not the offer should be accepted. However, in such cases, there is a possibility that shareholders might not be provided with sufficient information required to make appropriate decisions, and a concern that corporate value and shareholder interest might be significantly damaged.

Panasonic will take appropriate measures within the scope permitted by the Financial Instruments and Exchange Act, the Companies Act, and other related laws and regulations, including requesting any party proposing a Large-scale Purchase of the Company's shares to provide sufficient information necessary to assist shareholders in making appropriate decisions, expressing or disclosing opinions or other statements from the Board of Directors, and endeavoring to secure sufficient time for shareholders to consider the proposed purchase. Before the Board of Directors' opinions or other statements are expressed or disclosed, the Company will set up an independent committee comprising Outside Directors and Outside Audit & Supervisory Board Members and the Board of Directors will consult this committee regarding its opinion and treat the committee's verdict with the utmost respect.

### (4) Policy on Appropriation of Retained Earnings for Dividend Payments, etc.

Since its foundation, Panasonic has managed its businesses under the concept that returning profits to shareholders is one of its most important policies. From the perspective of providing returns on the capital investment made by shareholders, the Company, in principle, distributes profits to shareholders based on its business performance and strives to provide stable and continuous dividends, targeting a dividend payout ratio of approximately 30% with respect to consolidated net profit attributable to Panasonic Corporation stockholders. Regarding the repurchase of treasury stock, the Company is fundamentally repurchasing its own shares as it considers appropriate, taking comprehensively into consideration strategic investments and the Company's financial condition, with the aim of increasing shareholder value per share and return on capital.

In fiscal 2021, we regret to inform that the Company recorded decreased net profit, due to the impact of decreased sales in addition to the absence of gains from business transfers recorded in the previous fiscal year, and other factors, despite our promotion of initiatives stipulated in the Mid-term strategy such as the portfolio management and enhancement of management structure under unclear environment as a result of the prolonged impact of the COVID-19 pandemic. Based on this performance, and in comprehensive consideration of the Company's dividend policy to distribute profits according to consolidated performance in principle, as well as a condition of financial structure and others, Panasonic expects to pay an annual dividend of ¥20 per share for fiscal 2021, which includes the interim dividend of ¥10 per share paid on November 30, 2020 and a year-end dividend of ¥10 per share, which is ¥10 reduced dividend from last year.

In fiscal 2021, the Company did not repurchase its treasury stock except for acquiring shares of less than one trading unit and other minor transactions.

The Company aims for continuous profit growth through following initiatives including enhancing management structure, dealing with the impact of the COVID-19 pandemic as well as working to create new businesses based on medium- to long-term changes of the society, and then let us return profits to shareholders.

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## Consolidated Financial Statements

The consolidated financial statements of Panasonic Corporation (the "Company") are prepared in conformity with International Financial Reporting Standards (IFRS).

### Consolidated Statement of Financial Position

(As of March 31, 2021)

(millions of yen)

#### **Assets**

##### **Current assets**

	<b>3,922,747</b>
Cash and cash equivalents.....	1,593,224
Trade receivables and contract assets .....	1,194,391
Other financial assets.....	149,629
Inventories .....	832,569
Other current assets .....	144,833
Assets held for sale.....	8,101

##### **Non-current assets**

	<b>2,924,326</b>
Investments accounted for using the equity method.....	455,960
Other financial assets.....	231,024
Property, plant and equipment .....	1,061,614
Right-of-use assets .....	249,954
Goodwill and intangible assets.....	602,042
Other non-current assets .....	323,732

##### **Total assets**

**6,847,073**

(millions of yen)

## Liabilities

<b>Current liabilities</b>	<b>2,804,328</b>
Short-term debt, including current portion of long-term debt .....	309,790
Lease liabilities .....	59,346
Trade payables .....	1,045,617
Other financial liabilities .....	220,583
Other current liabilities .....	1,166,108
Liabilities directly associated with the assets held for sale .....	2,884
<b>Non-current liabilities</b>	<b>1,274,243</b>
Long-term debt .....	879,728
Lease liabilities .....	198,559
Other financial liabilities .....	32,794
Other non-current liabilities .....	163,162
<b>Total liabilities</b>	<b>4,078,571</b>
<b>Equity</b>	
<b>Panasonic Corporation stockholders' equity</b>	<b>2,594,034</b>
Common stock .....	258,981
Capital surplus .....	529,157
Retained earnings .....	2,154,023
Other components of equity .....	(138,370)
Treasury stock .....	(209,757)
<b>Non-controlling interests</b>	<b>174,468</b>
<b>Total equity</b>	<b>2,768,502</b>
<b>Total liabilities and equity</b>	<b>6,847,073</b>

## Consolidated Statement of Profit

(From April 1, 2020 to March 31, 2021)

	(millions of yen)
Net sales.....	6,698,794
Cost of sales .....	<u>(4,723,943)</u>
<b>Gross profit</b>	<b>1,974,851</b>
Selling, general and administrative expenses.....	(1,667,696)
Share of profit of investments accounted for using the equity method.....	(20,753)
Other income (expenses), net.....	<u>(27,802)</u>
<b>Operating profit</b>	<b>258,600</b>
Financial income .....	20,846
Financial expenses.....	<u>(18,626)</u>
<b>Profit before income taxes</b> .....	<b>260,820</b>
Income taxes .....	<u>(76,926)</u>
<b>Net profit</b> .....	<b>183,894</b>
Net profit attributable to:	
<b>Panasonic Corporation stockholders</b> .....	<b>165,077</b>
Non-controlling interests .....	<u>18,817</u>

(Note) Other income (expenses), net includes a gain from the establishment of a joint venture in the automotive prismatic battery business of ¥27,676 million, and business restructuring expenses (including impairment losses of ¥38,109 million, etc.).

## Consolidated Statement of Changes in Equity

(From April 1, 2020 to March 31, 2021)

(millions of yen)

	Common stock	Capital surplus	Retained earnings	Other components of equity	Treasury stock	Panasonic Corporation stockholders' equity	Non-controlling interests	Total equity
<b>Balances as of April 1, 2020</b>	<b>258,867</b>	<b>531,048</b>	<b>1,646,403</b>	<b>(227,957)</b>	<b>(210,012)</b>	<b>1,998,349</b>	<b>157,519</b>	<b>2,155,868</b>
Comprehensive income								
Net profit	-	-	165,077	-	-	165,077	18,817	183,894
Remeasurements of defined benefit plans	-	-	-	82,817	-	82,817	1,005	83,822
Financial assets measured at fair value through other comprehensive income	-	-	-	295,091	-	295,091	1,150	296,241
Exchange differences on translation of foreign operations	-	-	-	113,773	-	113,773	10,250	124,023
Net changes in cash flow hedges	-	-	-	(1,406)	-	(1,406)	25	(1,381)
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>165,077</b>	<b>490,275</b>	<b>-</b>	<b>655,352</b>	<b>31,247</b>	<b>686,599</b>
Transfer to hedged non-financial assets	-	-	-	182	-	182	-	182
Transfer from other components of equity to retained earnings	-	-	400,870	(400,870)	-	-	-	-
Cash dividends	-	-	(58,327)	-	-	(58,327)	(14,615)	(72,942)
Changes in treasury stock	-	(2)	-	-	(39)	(41)	-	(41)
Share-based payment transactions	114	(178)	-	-	294	230	-	230
Transactions with non-controlling interests and other	-	(1,711)	-	-	-	(1,711)	317	(1,394)
<b>Balances as of March 31, 2021</b>	<b>258,981</b>	<b>529,157</b>	<b>2,154,023</b>	<b>(138,370)</b>	<b>(209,757)</b>	<b>2,594,034</b>	<b>174,468</b>	<b>2,768,502</b>

# Notes to Consolidated Financial Statements

## Basis of Presentation of Consolidated Financial Statements

### 1. Accounting standard applied to Consolidated Financial Statements

The Company prepares its consolidated financial statements on the basis of International Financial Reporting Standards ("IFRS"), in compliance with Article 120, Paragraph 1 of the Ordinance of Companies Accounting. However, in compliance with the second sentence of Article 120, Paragraph 1 of the Ordinance of Companies Accounting, certain disclosures and notes required on the basis of IFRS are omitted.

### 2. Scope of Consolidation and Application of the Equity Method

#### (1) Number of consolidated subsidiaries

522

#### (2) Number of companies under the equity method

69

On April 1, 2020, the automotive prismatic battery business of SANYO Electric Co., Ltd., which is a consolidated subsidiary of the Company and other related business were transferred to Prime Planet Energy & Solutions, Inc. ("PPES"), also a consolidated subsidiary of the Company at the time, and on the same day, the Company transferred part of the shares of PPES to Toyota Motor Corporation, making PPES a joint venture. As a result, PPES became an entity accounted for using the equity method by the Company and is no longer a consolidated subsidiary of the Company.

On July 20, 2020, the Company acquired approximately 20% of the shares of Blue Yonder Holding, Inc., the parent company of Blue Yonder, Inc., a provider of supply chain software. The group of companies under Blue Yonder Holdings, Inc. became an entity accounted for using the equity method by the Company.

On September 1, 2020, the Company transferred the semiconductor business operated primarily by Panasonic Semiconductor Solutions Co., Ltd. ("PSCS"), a consolidated subsidiary of the Company, to Nuvoton Technology Corporation, a company operating under the corporate umbrella of Winbond Electronics Corporation, a Taiwan-based semiconductor company, a semiconductor company headquartered in Taiwan. As a result, PSCS became no longer a consolidated subsidiary of the Company.

### 3. Significant Accounting Policies

#### (1) Financial assets

##### 1) Non-derivative financial assets

##### (i) Initial recognition and measurement

Financial assets are initially recognized on the trade date or the date when the transaction was executed and are classified into either financial assets measured at amortized cost or financial assets measured at fair value upon the initial recognition. The equity instruments measured at fair value are in principle designated as financial assets measured at fair value through other comprehensive income.

These financial assets, except for financial assets measured at fair value through profit or loss, are measured in principle at the fair value plus transaction costs directly attributable to these financial assets on the trade date or the date when the transaction was executed.

##### (ii) Subsequent measurement

The financial assets classified as measured at amortized cost are measured at amortized cost using the effective interest method, while interests thereon are recognized as financial income in profit or loss. For the financial assets classified as measured at fair value, except for those measured at fair value through profit or loss, changes in fair value are in principle recognized in other comprehensive income, and the cumulative gain or loss is transferred to retained earnings when the assets are derecognized. However, dividend income is recognized as financial income in profit or loss.

For financial assets measured at amortized cost, an amount equivalent to the expected credit losses for 12 months or an amount equivalent to the expected credit losses for the whole period is recognized as allowance for doubtful receivables in principle depending on whether or not there is a significant increase in the credit risk at the end of the fiscal year since initial recognition. For trade receivables and contract assets, etc., however, an amount equivalent to the expected credit losses for the whole period is recognized as allowance for doubtful receivables at all times. The amount of the expected credit losses is calculated as the difference between the present value of the estimated future cash flows discounted at the original effective interest rate for these financial assets and its carrying amount.

Allowance for doubtful receivables is recognized in profit or loss. If an event arises subsequently that reduces the allowance for doubtful receivables, the previously recognized allowance is reversed through profit or loss.

## 2) Derivatives

Derivatives are initially recognized at fair value at the time when the contract is entered into, and measured at fair value thereafter.

Changes in fair value are recognized in profit or loss.

## (2) Inventories

Inventories are recognized at the lower of cost and net realizable value. Cost is principally calculated on average basis. Net realizable value is the estimated selling price less the estimated cost of completion and the estimated costs necessary to make the sale.

## (3) Property, plant and equipment

Property, plant and equipment are measured using the cost model, and are depreciated using the straight-line method over their estimated useful lives. The depreciation method, estimated useful lives and residual values are reviewed at the end of each fiscal year and revised as necessary.

## (4) Goodwill and intangible assets

Goodwill is measured as the excess of the total of consideration transferred, amount of non-controlling interests in the acquiree and fair value of the equity interest in the acquiree previously held by the acquirer over the net amount of identifiable assets acquired and the liabilities assumed on the acquisition date.

Intangible assets are measured, at the initial recognition, using the cost model when such assets are acquired individually, and measured at fair value when acquired as part of a business combination. Intangible assets with definite useful lives are amortized using the straight-line method over their estimated useful lives. Intangible assets with indefinite useful lives are not amortized, but measured at the acquisition costs less accumulated impairment losses. The depreciation method and estimated useful lives are reviewed at the end of each fiscal year, and revised as necessary.

## (5) Impairment of non-financial assets

Non-financial assets other than inventories, deferred tax assets, etc. with definite useful lives are assessed at the end of each fiscal year to determine whether there is any indication of impairment in each asset or cash-generating unit. If any such indication exists, the recoverable amount of the asset or the cash-generating unit is estimated and the impairment test is performed by comparing the recoverable amount against its carrying amount. The recoverable amount is calculated using the higher of either the amount of value in use, measured by the discounted cash flow method, or the amount of fair value less costs of disposal, measured principally by the discounted cash flow method and the comparable listed company analysis method. Under the discounted cash flow method, the estimated amount of future cash flows based on the most recent business plan approved by the Board of Directors are discounted to the present value. The period of the future projection is established based on the period of the business plan after reflecting past experience and verifying its consistency with external information. The discount rate is calculated based on a weighted average cost of capital determined for each cash-generating unit, and the growth rate is determined in view of the long-term average growth rates of the markets or countries to which each cash-generating unit belongs.

In terms of goodwill and intangible assets with indefinite useful lives, regardless of whether or not there are indications of impairment, an impairment test is performed at least annually, or more frequently whenever an indication of impairment becomes apparent.

If the recoverable amount of an asset or a cash-generating unit is below its carrying amount, the carrying amount is reduced to the recoverable amount, and the difference is recognized as an impairment loss in profit or loss.

(6) Provisions

Provisions are recognized when Panasonic or its consolidated subsidiary has present legal or constructive obligations arising from past events, it is probable that outflows of resources embodying economic benefits will be required to settle the obligations, and the amount of obligation can be estimated reliably. When the effect of time value of money is material, provisions are measured by discounting the expenses expected to be necessary for settlement of obligations to the present value.

(7) Employee benefits

The Company and its consolidated subsidiaries maintain defined benefit plans and defined contribution plans.

The present value of obligations under the defined benefit plan and the service cost are calculated based on the actuarial calculations using the projected unit credit method. In addition, the funded status, which is the difference between the fair value of the plan assets and the obligations under the defined benefit plan projected based on the actuarial calculations is presented as an asset or a liability in the consolidated statement of financial position. The adjustments due to re-measurements of the present value of obligations under the defined benefit plan and the fair value of the plan assets are recognized in other comprehensive income and immediately transferred to retained earnings. The present value of obligations under the defined benefit plan is calculated by discounting future estimated benefit payments and the discount rate is determined by reference to market yields on high quality corporate bonds at the end of the fiscal year, which reflect the estimated timing and amount of future benefit payments.

Service cost and net interest on the net defined benefit liability or asset are recognized in profit or loss. Past service cost is immediately recognized in profit or loss.

Obligations for contributions to defined contribution plans are recognized as expenses during the period when the related service is provided.

(8) Revenue

Revenue is recognized based on the following five-step approach:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligations

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations

Step 5: Recognize revenue when satisfying a performance obligation

The Company is mainly engaged in sales of products such as consumer products, industrial products, manufacturing devices, and supplies. For such sales transactions, in principle, the Company recognizes revenue at the time of delivery, because the customer obtains control of the products and the Company satisfies its performance obligation when products are delivered. The Company is also engaged in construction contracts and rendering of services. For such transactions, in principle, the Company recognizes revenue in accordance with the progress towards complete satisfaction because the Company transfers control of goods or service and satisfies its performance obligation over time.

The Company has entered into various transaction arrangements with customers through a combination of products, devices, installation, maintenance or other deliverables. If the revenue obtained from such transactions satisfies certain requirements, it shall be recognized separately for each performance obligation.

The Company deducts from sales certain price adjustment expenses that compensate for the decline in product prices in connection with sales to its consumer business distributors and sales rebates.

The Company determines whether it is a principal or an agent to the transaction for each contract. If the Company is determined to be a principal to the transaction, the net sales corresponding to that contract will be presented on a gross basis, and if the Company is determined to be an agent of the transaction, the net sales corresponding to that transaction will be presented on a net basis.

(9) Leases

The Company recognizes a right-of-use asset representing its right to use an underlying asset over the lease term, and a lease liability representing its obligation to make lease payments, for all leases in principle. The lease term is determined as the non-cancellable period of a lease, together with periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option.

Right-of-use assets are initially measured at cost, which comprises the amount of the initial measurement of the lease liability adjusted for any prepaid lease payments, etc. Right-of-use assets are depreciated using the straight-line method over the lease term. Lease liabilities are initially measured at the present value of unpaid lease payments at the lease commencement date discounted using the interest rate implicit in the lease or the lessee's incremental borrowing rate. After the commencement date, lease liabilities are measured at amortized cost using the effective interest method, and interest expenses on lease liabilities are recognized as financial expenses. With regard to short-term leases that have a lease term of 12 months or less and leases for which the underlying asset is of low value, right-of-use assets and lease liabilities are not recognized, and lease payments for these leases are recognized as expenses as incurred.

(10) Share based payments

The Company has introduced a Restricted Stock Compensation plan as an incentive plan for its Directors (excluding Outside Directors), Executive Officers and certain other officers. The compensation cost for the Restricted Stock Compensation plan is measured by reference to the fair value of the common shares Panasonic granted on the grant date and is recognized as expenses over the vesting period, with a corresponding increase in equity.

(11) Non-current assets or disposal groups held for sale

Non-current assets or disposal groups are classified as held for sale, if their carrying amount is expected to be recovered principally through a sale transaction, rather than through continuing use. The asset or disposal group is considered to meet the above requirement only if its sale is highly probable within one year and it is available for immediate sale in its present condition. Non-current assets or disposal groups classified as held for sale are measured at the lower of their carrying amount or fair value less cost to sell, and is neither depreciated nor amortized.

(12) Consumption tax and local consumption tax are excluded from all items in the consolidated statement of profit.

#### 4. Accounting estimates

Of the items recognized in the current year consolidated financial statements using accounting estimates, those with a significant risk of resulting in a material adjustment within the next fiscal year are set out below. Please refer to "3. Significant Accounting Policies" for more details on the estimation method of certain of these estimates.

- Recoverability of deferred tax assets (deferred tax assets of ¥239,863 million)
- Impairment of non-financial assets (property, plant and equipment of ¥1,061,614 million, right-of-use assets of ¥249,954 million, and goodwill and intangible assets of ¥602,042 million)
- Obligations under the defined benefit plan (retirement benefit liabilities of ¥104,856 million included in Other non-current liabilities)

For deferred tax assets, the recoverability is assessed mainly based on the timing and amount of estimated future taxable income derived from the business plans. The business plans include certain key assumptions such as future market trends. Changes in these assumptions due to changes in uncertain

future economic conditions, among others, may have a material effect on the recoverability of deferred tax assets.

For non-financial assets, the recoverable amount of non-financial assets used in the impairment testing may be materially affected if there are changes in key assumptions including those in the business plan, and in the estimates of the discount rates and the growth rates.

For obligations under the defined benefit plan, the amount of retirement benefit liabilities may be materially affected by changes in the discount rate in response to changes in market interest rates.

Regarding the impact of the spread of COVID-19, accounting estimates including the recoverability of deferred tax assets and the impairment of non-financial assets reflect the assumption that the impact on businesses for the aviation industry will continue through the next fiscal year in light of, among others, internal information, such as the most recent order and sales results, as well as external information from multiple sources related to, for example, economic, market and consumption trends.

## Note to the Consolidated Statement of Financial Position

1. Trade receivables and contract assets	
Trade receivables .....	¥ 1,036,357 million
Contract assets .....	¥ 174,748 million
2. Allowance for doubtful receivables directly deducted from Trade receivables, contract assets and Other financial assets	
.....	¥ 17,518 million
3. Property, plant and equipment	
Land.....	¥ 238,357 million
Buildings and structures .....	¥ 1,410,816 million
Machinery and equipment .....	¥ 3,015,991 million
Construction in progress .....	¥ 71,307 million
Accumulated depreciation and impairment losses .....	¥(3,674,857) million
4. Deferred tax assets	
Deferred tax assets included in Other non-current assets .....	¥ 239,863 million
5. Income taxes payable	
Income taxes payable included in Other current liabilities	
.....	¥ 119,124 million
6. Provisions	
Total provisions such as provisions for product warranties and provisions for restructuring included in Other current liabilities and Other non-current liabilities	
.....	¥ 152,367 million
7. Contract liabilities	
Total contract liabilities included in Other current liabilities and Other non-current liabilities	
.....	¥ 122,696 million
8. Other components of equity	
Financial assets measured at fair value through other comprehensive income .....	¥ 34,832 million
Exchange differences on translation of foreign operations .....	¥ (179,860) million
Net changes in cash flow hedges.....	¥ 6,658 million
9. Recourse obligation for trade receivables sold, etc.	
.....	¥ 8,991 million

## Notes on the Consolidated Statement of Changes in Equity

1. Type and number of shares issued as of the fiscal year-end	
Common stock .....	2,453,563,397
2. Type and number of shares of treasury stock as of the fiscal year-end	
Common stock .....	120,239,132

### 3. Dividends

#### (1) Dividends paid

Resolution	Type of share	Cash dividends (millions of yen)	Cash dividends per share (yen)	Record date	Effective date
May 18, 2020 Board of Directors' Meeting	Common stock	34,994	15.0	March 31, 2020	June 11, 2020
October 29, 2020 Board of Directors' Meeting	Common stock	23,333	10.0	September 30, 2020	November 30, 2020

#### (2) Dividends with the record date in the fiscal year ended March 31, 2021 and the effective date in the following fiscal year

Scheduled to be resolved	Type of share	Cash dividends (millions of yen)	Cash dividends per share (yen)	Record date	Effective date
May 10, 2021 Board of Directors' Meeting	Common stock	23,333	10.0	March 31, 2021	June 4, 2021

#### 4. Type and number of shares to be acquired upon exercise of stock acquisition rights (Excluding those for which the exercise periods have not yet started)

Common stock ..... 707,600

### Notes to Financial Instruments

#### 1. Status of Financial Instruments

Panasonic and its consolidated subsidiaries are exposed to various financial risks in the course of carrying out business activities (credit risk, liquidity risk and market risk). To avoid or reduce these risks, the Company and its consolidated subsidiaries manage these risks in accordance with certain policies.

The Company and its consolidated subsidiaries limit the use of derivatives to means to mitigate risks associated with transactions for actual demand and do not own or issue any speculative derivatives.

#### 2. Fair value information of Financial Instruments

Carrying amount and fair value of the financial instruments as of the end of the current fiscal year are as follows;

Financial instruments measured at fair value and financial instruments of which carrying amounts approximate to their fair value included in the Consolidated Statement of Financial Position, are not included in the table below:

	(millions of yen)	
	Carrying amount	Fair value
Long-term debt, including current portion of long-term debt	1,164,796	1,181,260

The fair value of long-term debt is calculated based on quoted market prices or the present value of future cash flows using appropriate discount rates at the end of each fiscal year.

Regarding the year-end cash dividends for the fiscal year ended March 31, 2021, the Board of Directors resolved to pay ¥10 per share on May 10, 2021.

## Per Share Information

Panasonic Corporation stockholders' equity per share .....	¥ 1,111.73
Earnings per share attributable to Panasonic Corporation stockholders (Basic) .....	¥ 70.75
Earnings per share attributable to Panasonic Corporation stockholders (Diluted) .....	¥ 70.72

## Significant Subsequent Events

Acquisition of the shares of Blue Yonder, a U.S. software provider (to make Blue Yonder a wholly owned subsidiary)

The Board of Directors of the Company resolved on April 23, 2021 the additional acquisition of 80% shares of Blue Yonder Holding, Inc. and making it as a wholly-owned subsidiary. In addition, an agreement to acquire the remaining shares of Blue Yonder was reached among the Company, Blue Yonder, New Mountain Capital and Blackstone Group Inc., the substantial existing shareholders of Blue Yonder. As a result, the Company will acquire all the shares of Blue Yonder together with the 20% of shares already held by the Company.

Through the transaction, the Company will obtain from Blue Yonder, a world top-class software provider specialized in supply chain software, its expertise in the supply chain packaging software business and recurring business, as well as its state-of-the-art artificial intelligence (AI) and machine learning (ML) technologies, further accelerating the evolution of the Gemba Process business. In addition, the Company will accelerate the transformation by adopting and integrating Blue Yonder's agile corporate culture, strengthening the operation capabilities (such as improving cost competitiveness) of the own supply chain business.

The consideration of the acquisition is estimated to be USD 7.1 billion, including USD 5.6 billion for the additional shares and the reimbursement of its outstanding debts. The acquisition is to be made by the Company and its U.S. subsidiary.

# Financial Statements on a Parent-Along Basis of the Company

## Balance Sheet

(As of March 31, 2021)

(millions of yen)

### Assets

<b>Current assets</b> .....	<b>956,334</b>
Cash and deposits .....	8,734
Trade notes receivable .....	2,376
Trade accounts receivable .....	475,495
Merchandise and finished goods .....	165,854
Work in process .....	18,622
Raw materials and supplies.....	46,291
Other receivables .....	150,834
Short-term loan receivable from subsidiaries and affiliates .....	52,993
Other current assets .....	36,013
Allowance for doubtful receivables.....	(878)
<b>Fixed assets</b> .....	<b>3,525,832</b>
<b>Net tangible fixed assets</b> .....	<b>417,075</b>
Buildings .....	149,387
Structures.....	5,305
Machinery and equipment.....	74,758
Vehicles .....	309
Tools, furniture and fixtures .....	29,846
Land .....	141,792
Leased assets.....	2,945
Construction in progress .....	12,733
<b>Intangibles</b> .....	<b>57,800</b>
Patent and trademark rights .....	827
Software .....	54,736
Right of using facilities.....	2,237
<b>Investments and advances</b> .....	<b>3,050,957</b>
Investment securities .....	49,308
Shares in subsidiaries and affiliates .....	528,263
Investments in equity, other than capital stock .....	8
Investments in subsidiaries and affiliates .....	1,610,404
Allowance for investment loss.....	(3,539)
Long-term loan receivable from subsidiaries and affiliates .....	737,434
Prepaid pension costs .....	10,183
Deferred tax assets.....	107,621
Other investments and other assets.....	12,021
Allowance for doubtful receivables.....	(746)
<b>Total assets</b> .....	<b>4,482,166</b>

(millions of yen)

**Liabilities**

<b>Current liabilities</b> .....	<b>2,025,164</b>
Trade notes payable .....	111,985
Trade accounts payable.....	452,652
Short-term loan payable from subsidiaries and affiliates.....	89,000
Current portion of bonds .....	280,000
Lease obligations.....	1,303
Other payables.....	21,716
Accrued expenses.....	332,783
Accrued income taxes .....	3,945
Advance receipts .....	16,948
Deposits received .....	583,174
Provision for bonuses.....	53,283
Provision for sales promotion.....	36,936
Provision for warranty.....	17,984
Other current liabilities .....	23,455
<b>Long-term liabilities</b> .....	<b>911,774</b>
Bonds .....	870,325
Lease obligations.....	2,003
Long-term deposits received .....	24,710
Other long-term liabilities.....	14,736
<b>Total liabilities</b> .....	<b>2,936,938</b>
<b>Net Assets</b>	
<b>Shareholders' equity</b> .....	<b>1,531,266</b>
<b>Common stock</b> .....	<b>258,981</b>
<b>Capital surplus</b> .....	<b>558,683</b>
Legal capital surplus .....	240
Other capital surplus.....	558,443
<b>Retained earnings</b> .....	<b>923,581</b>
Legal reserve .....	42,114
Other retained earnings .....	881,467
Retained earnings brought forward.....	881,467
<b>Treasury stock</b> .....	<b>(209,979)</b>
<b>Difference of valuation, translation and other adjustments</b> .....	<b>12,898</b>
Unrealized holding gains (losses) of available-for-sale securities, etc. ....	12,933
Deferred gain (loss) on hedges .....	(35)
<b>Stock acquisition rights</b> .....	<b>1,064</b>
<b>Total net assets</b> .....	<b>1,545,228</b>
<b>Total liabilities and net assets</b> .....	<b>4,482,166</b>

## Statement of Income

(From April 1, 2020 to March 31, 2021)

	(millions of yen)
Sales.....	3,812,591
Cost of sales .....	2,909,988
<b>Gross profit</b> .....	<b>902,603</b>
Selling, general and administrative expenses.....	(866,583)
Interest and dividend income .....	78,770
Other income.....	64,732
Interest expense .....	(5,077)
Other expense .....	(37,343)
<b>Ordinary income</b> .....	<b>137,102</b>
Extraordinary income	
Gain on sales of fixed assets .....	2,505
Gain on sales of investment securities.....	3,401
Extraordinary loss	
Loss on sales of fixed assets .....	(1,504)
Impairment losses .....	(4,898)
Loss on sales of shares in subsidiaries and affiliates.....	(9,893)
Loss on valuation of investment securities .....	(1,905)
Loss on valuation of shares in subsidiaries and affiliates .....	(1,588)
Business restructuring expenses .....	(24,318)
<b>Income before income taxes</b> .....	<b>98,902</b>
Income taxes	
Current .....	21,130
Deferred.....	(1,020)
<b>Net income</b> .....	<b>78,792</b>

## Statement of Changes in Net Assets

(From April 1, 2020 to March 31, 2021)

(millions of yen)

	Shareholders' equity						
	Common stock	Capital surplus			Retained earnings		
		Legal capital surplus	Other capital surplus	Total of capital surplus	Legal reserve	Other retained earnings Retained earnings brought forward	Total of retained earnings
<b>Balances at beginning of period</b>	<b>258,867</b>	<b>126</b>	<b>558,581</b>	<b>558,707</b>	<b>36,281</b>	<b>867,074</b>	<b>903,355</b>
<b>Changes during the period</b>							
Issuance of new shares	114	114		114			
Provision of legal reserve					5,833	(5,833)	—
Dividends from retained earnings						(58,327)	(58,327)
Decrease by corporate division						(239)	(239)
Net income						78,792	78,792
Repurchase of treasury stock							
Sale of treasury stock			(138)	(138)			
Net changes of items other than shareholders' equity							
<b>Total changes during the period</b>	<b>114</b>	<b>114</b>	<b>(138)</b>	<b>(24)</b>	<b>5,833</b>	<b>14,393</b>	<b>20,226</b>
<b>Balances at end of period</b>	<b>258,981</b>	<b>240</b>	<b>558,443</b>	<b>558,683</b>	<b>42,114</b>	<b>881,467</b>	<b>923,581</b>

	Shareholders' equity		Difference of valuation, translation and other adjustments			Stock acquisition rights	Total net assets
	Treasury stock	Total of shareholders' equity	Unrealized holding gains (losses) of available-for-sale securities, etc.	Deferred gain (loss) on hedges	Total of difference of valuation, translation and other adjustments		
<b>Balances at beginning of period</b>	<b>(210,234)</b>	<b>1,510,695</b>	<b>7,612</b>	<b>(1,515)</b>	<b>6,097</b>	<b>1,218</b>	<b>1,518,010</b>
<b>Changes during the period</b>							
Issuance of new shares		228					228
Provision of legal reserve		—					—
Dividends from retained earnings		(58,327)					(58,327)
Decrease by corporate division		(239)					(239)
Net income		78,792					78,792
Repurchase of treasury stock	(43)	(43)					(43)
Sale of treasury stock	298	160					160
Net changes of items other than shareholders' equity			5,321	1,480	6,801	(154)	6,647
<b>Total changes during the period</b>	<b>255</b>	<b>20,571</b>	<b>5,321</b>	<b>1,480</b>	<b>6,801</b>	<b>(154)</b>	<b>27,218</b>
<b>Balances at end of period</b>	<b>(209,979)</b>	<b>1,531,266</b>	<b>12,933</b>	<b>(35)</b>	<b>12,898</b>	<b>1,064</b>	<b>1,545,228</b>

## Notes on the Basis of Presentation of Financial Statements on a Parent-Along Basis

### Summary of Significant Accounting Policies

1. Standards and methods for valuation of assets
  - (1) Securities
    - Investments in subsidiaries and affiliates: valuation at cost, with cost determined by the moving average method
    - Other securities
      - Items with a market value: market valuation method based on year-end closing market price, etc. (The difference, net of tax, between acquisition cost and carrying market value of other securities is reported as a separate component of shareholders' equity. The cost of other securities sold is computed based on the moving average method.)
      - Items with no market value: valuation at cost, with cost determined by the moving average method
  - (2) Derivatives
    - Fair value method
  - (3) Inventories
    - Valuation at cost, with cost determined by the weighted average method (method of lowering carrying amount due to decline in profitability)
2. Method of depreciation and amortization of fixed assets
  - (1) Tangible fixed assets (Excluding leased assets)
    - Straight-line method
  - (2) Intangibles
    - Straight-line method
  - (3) Leased assets
    - (Finance leases other than those that transfer ownership rights)
    - Straight-line method over the lease term (useful life) with no residual value.
3. Accounting for allowances and provisions
  - (1) Allowance for doubtful receivables
    - Allowance for doubtful receivables is provided at an amount calculated based on historical experience, while specific allowances for doubtful receivables are provided for the estimated amounts considered to be uncollectible after reviewing individual collectability.
  - (2) Allowance for investment loss
    - Loss on investments in subsidiaries and affiliates in Japan and overseas is estimated according to Company's policies and taking into consideration the financial condition of those companies.
  - (3) Provision for bonuses
    - Provision for bonuses is provided at an amount calculated based on estimated bonus payments.
  - (4) Provision for sales promotion
    - Based on the various sales promotion initiatives of Panasonic Corporation (the "Company"), estimates of costs related to sales commissions, product sales and other required expenses incurred for product promotion are recorded in accordance with prescribed Company standards.
  - (5) Provision for warranty
    - Provision for warranty related to product after-sales services is made at an amount calculated for estimated service costs during the period of the warranty based on historical experience.
  - (6) Provision for employee retirement and severance benefits
    - Provision for employee retirement and severance benefits are made based on the projected benefit obligation and pension fund assets at the year-end. Because as at March 31, 2021, the amount of pension fund asset exceeded the amount of projected benefit obligation adjusted by adding or reducing unrecognized actuarial gains and losses and unrecognized past service cost, the excess amount was recorded as prepaid pension costs. In calculating the projected benefit obligation, the Company attributed expected retirement benefits to periods of service up to fiscal 2021 on a straight-line basis.
    - Past service benefit is amortized on a straight-line basis over the average remaining service period of the employees. Actuarial loss is amortized in the succeeding years on a straight-line basis over the average remaining benefit payment period of the affected recipients.
    - However, actuarial losses, arising until the time of the transfer of a part of the past contributions in the Panasonic Group Defined Benefit Corporate Pension (formerly the Panasonic Corporate Pension Fund) to a defined contribution plan, are amortized in the succeeding years on a straight-line basis over the average remaining service period of the employees.
4. Other significant items related to the preparation of financial statements
  - (1) Accounting treatment of deferred assets
    - Bond issuance cost ..... The whole amount is considered as expenses when incurred.
  - (2) Basis of hedge accounting
    - The Company applies deferral hedge accounting as defined in the accounting standards for financial instruments to its foreign exchange contracts and commodity futures trading.
    - If interest rate and currency swaps satisfy requirements for integrated accounting treatment (designated hedge accounting, exceptional accounting treatment), the integrated accounting treatment has been applied.
  - (3) Consumption tax and local consumption tax
    - Consumption tax and local consumption tax are excluded from all items in the statement of income.

(4) Tax consolidation

The Company applies the framework of consolidated tax return.

(5) Application of tax effect accounting for the transition from the consolidated taxation system to the group tax sharing system

For the transition to the group tax sharing system created under the "Act Partially Amending the Income Tax Act, etc." (Act No. 8 of 2020) and items for which the non-consolidated taxation system was reviewed in line with the transition to the group tax sharing system, the Company has not applied the provisions of paragraph 44 of the "Implementation Guidance on Tax Effect Accounting" (ASBJ Guidance No. 28, February 16, 2018) and has recorded the amounts of deferred tax assets and deferred tax liabilities based on the provisions of the tax law before the revision, as allowed in the provisions of paragraph 3 of the "Treatment of Tax Effect Accounting for the Transition from the Consolidated Taxation System to the Group Tax Sharing System" (ASBJ PITF No. 39, March 31, 2020).

**Changes in Presentation Method**

(Application of "Accounting Standard for Disclosure of Accounting Estimates")

Commencing with the financial statements of the fiscal year ended March 31, 2021, the Company has adopted "Accounting Standard for Disclosure of Accounting Estimates" (ASBJ Statement No. 31, March 31, 2020) and presents a note on significant accounting estimates for the financial statements.

**Notes on Accounting Estimates**

Of the items recognized in the financial statements for the fiscal year ended March 31, 2021 based on accounting estimates, the following item has a significant risk of resulting in a material adjustment within the next fiscal year:

Deferred tax assets            ¥ 107,621 million

The recoverability of deferred tax assets is estimated from the timing and amount of taxable income based on the future business plan. Furthermore, the Company uses the consolidated taxation system, and market trends are factored as key assumptions into the business plans of companies that apply the consolidated taxation system. Accordingly, if there are changes in these assumptions, for example, due to changes in uncertain future economic conditions, it may have a material effect on the amount of deferred tax assets in the financial statements in the next fiscal year.

### Notes on the Balance Sheet

1. Accumulated depreciation of tangible fixed assets.....	¥ 1,398,439 million
2. Contingent liabilities	
Recourse obligation for trade receivables sold.....	¥ 177 million
3. Receivables from and liabilities to subsidiaries and affiliates	
Short-term receivables from subsidiaries and affiliates.....	¥ 460,337 million
Long-term receivables from subsidiaries and affiliates.....	¥ 737,466 million
Short-term liabilities to subsidiaries and affiliates.....	¥ 950,544 million
Long-term liabilities to subsidiaries and affiliates.....	¥ 37,070 million

### Notes on the Statement of Income

1. Transactions with subsidiaries and affiliates	
Sales to subsidiaries and affiliates.....	¥ 2,529,742 million
Purchases from subsidiaries and affiliates.....	¥ 1,281,370 million
Turnover with subsidiaries other than sales and purchases.....	¥ 90,671 million
2. Details regarding gain on sales of fixed assets	
Gain on sales of fixed assets is composed of gain on sales of land, etc.	
3. Details regarding gain on sales of investment securities	
Gain on sales of investment securities is composed of gain on sales of other securities.	
4. Details regarding loss on sales of fixed assets	
Loss on sales of fixed assets is composed of loss on sales of land, etc.	
5. Details regarding impairment losses	
Impairment losses occurred due to a reduction in the net carrying amount of manufacturing facilities, etc. to their recoverable amount in line with the deterioration in profitability.	
6. Details regarding loss on sales of shares in subsidiaries and affiliates	
Loss on sales of shares in subsidiaries and affiliates is composed of loss on sales of shares of foreign subsidiaries and affiliates.	
7. Details regarding loss on valuation of investment securities	
Loss was incurred due to a reduction in the carrying amount of other securities which had a significant decrease in substantial value and are considered not to be recoverable.	
8. Details regarding loss on valuation of shares in subsidiaries and affiliates	
Loss was incurred due to a reduction in the carrying amount of shares in subsidiaries and affiliates which had a significant decrease in substantial value and are considered not to be recoverable.	
9. Details regarding business restructuring expenses	
Mainly one-time costs related to business restructuring for the automotive solutions related business.	

### Notes on the Statement of Changes in Net Assets

Type and number of shares of treasury stock as of the fiscal year-end	
Common stock.....	120,239,132

## Notes on Tax Effect Accounting

Breakdown of significant reasons for the recording of deferred tax assets and deferred tax liabilities:

### Deferred tax assets

Inventory provision .....	¥	18,429 million
Accrued expenses .....	¥	19,622 million
Provision for bonuses .....	¥	16,198 million
Provision for sales promotion .....	¥	11,229 million
Provision for warranty .....	¥	5,467 million
Depreciation and amortization .....	¥	25,053 million
Allowance for doubtful receivables .....	¥	494 million
Allowance for investment loss .....	¥	1,076 million
Shares in subsidiaries and affiliates .....	¥	48,188 million
Foreign tax credit carryforwards .....	¥	24,928 million
Tax loss carryforwards .....	¥	10,805 million
Others .....	¥	<u>40,140 million</u>
Total gross deferred tax assets .....	¥	221,629 million
Valuation allowance on tax loss carryforwards .....	¥	(4,300) million
Valuation allowance on total deductible temporary differences .....	¥	<u>(93,511) million</u>
Total valuation allowance .....	¥	<u>(97,811) million</u>
Net deferred tax assets .....	¥	123,818 million

### Deferred tax liabilities

Prepaid pension costs .....	¥	(3,096) million
Unrealized holding gains (losses) of available-for-sale securities, etc. ....	¥	(5,649) million
Others .....	¥	<u>(7,452) million</u>
Total gross deferred tax liabilities .....	¥	<u>(16,197) million</u>
Net deferred tax assets .....	¥	<u>107,621 million</u>

## Notes to Transactions with Related Parties

(millions of yen)

Classification	Related parties	Ownership including voting right	Relationship Between Panasonic Corporation and related parties	Transactions	Amount of transactions	Account	As of March 31, 2021
Subsidiary	Panasonic Global Treasury Center B.V.	*100.0%	Deposit and lending of funds with the Company's subsidiaries and affiliates	—	—	Long-term loan receivable from subsidiaries and affiliates (Note)	737,084

(Note) \* (asterisk) indicates a ratio including indirect ownership.

Transaction conditions and policies in deciding the transaction conditions

(Note) Interests are determined through mutual agreement in reference to market interest rates. The repayment period is ten years, and the period will be automatically renewed thereafter.

### Notes to Per Share Data

Net assets per share .....	¥ 661.79
Net income per share .....	¥ 33.77
Net income diluted per share .....	¥ 33.75

### Significant Subsequent Events

The same as described in "Significant Subsequent Events" under the Notes to Consolidated Financial Statements.

### Note to Application of Restrictions on Maximum Dividend Payments

The Company is subject to restrictions on maximum dividend payments on a consolidated basis.

### Other Notes

- All monetary amounts have been rounded to the nearest million yen.
- On November 13, 2020, the Company announced that it planned to transition to a holding company system on April 1, 2022 through the method of absorption-type company splits. In addition, at a Board of Directors' meeting held on February 25, 2021, the Company resolved the outline of absorption-type company splits and the business structure after Company's transition to a holding company system. The Company plans to implement the transition to a holding company system subject to the approvals of prescribed resolutions at the Company's Ordinary General Meeting of Shareholders scheduled to be held in June 2021, and, as necessary, approvals from relevant government agencies.

**Audit Report** (from April 1, 2020 to March 31, 2021)

**Copy of Report of Accounting Auditors Concerning  
Consolidated Financial Statements**

**Independent Auditor's Report**

May 7, 2021

To the Board of Directors of Panasonic Corporation:

KPMG AZSA LLC  
Osaka Office, Japan

Masahiro Mekada (Seal)  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Masaki Hirota (Seal)  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Masato Nakagawa (Seal)  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

**Opinion**

We have audited the consolidated financial statements, which comprise the consolidated statement of financial position, the consolidated statement of profit, the consolidated statement of changes in equity and notes to the consolidated financial statements of Panasonic Corporation ("the Company") and its consolidated subsidiaries (collectively referred to as "the Group"), as at March 31, 2021 and for the year from April 1, 2020 to March 31, 2021 in accordance with Article 444-4 of the Companies Act.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position and the results of operations of the Group for the period, for which the consolidated financial statements were prepared, in accordance with the second sentences of Article 120-1 of the Ordinance of Companies Accounting that prescribes some omissions of disclosure items required under International Financial Reporting Standards.

**Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance

with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Emphasis of Matter**

As described in the “Significant Subsequent Events” section under notes to the consolidated financial statements, Panasonic Corporation, on April 23, 2021, entered into a definitive agreement under which Blue Yonder Holding, Inc. will become a wholly owned subsidiary of the Company.

Our opinion is not modified in respect of this matter.

### **Responsibilities of Management and Audit & Supervisory Board Members and Audit & Supervisory Board for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the second sentences of Article 120-1 of the Ordinance of Companies Accounting that prescribes some omissions of disclosure items required under International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with the second sentences of Article 120-1 of the Ordinance of Companies Accounting that prescribes some omissions of disclosure items required under International Financial Reporting Standards.

Audit & Supervisory Board Members and Audit & Supervisory Board are responsible for overseeing the directors’ performance of their duties with regard to the design, implementation and maintenance of the Group’s financial reporting process.

### **Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The selection and application of audit procedures depends on the auditor’s judgment.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Group’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the consolidated financial statements are in accordance with the second sentences of Article 120-1 of the Ordinance of Companies Accounting that prescribes some omissions of disclosure items required under International Financial Reporting Standards, the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with Audit & Supervisory Board Members and Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board Members and Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### **Interest required to be disclosed by the Certified Public Accountants Act of Japan**

We do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

#### **Notes to the Reader of Independent Auditor's Report:**

The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Companies Act of Japan for the conveniences of the reader.

# Copy of Report of Accounting Auditors

## Independent Auditor's Report

May 7, 2021

To the Board of Directors of Panasonic Corporation

KPMG AZSA LLC  
Osaka Office, Japan

Masahiro Mekada (Seal)  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Masaki Hirota (Seal)  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Masato Nakagawa (Seal)  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

### **Opinion**

We have audited the financial statements, which comprise the balance sheet, the statement of income, the statement of changes in net assets and notes on the basis of presentation of the financial statements on a parent-alone basis, and the supplementary schedules ("the financial statements and the supplementary schedules") of Panasonic Corporation ("the Company") as at March 31, 2021 and for the year from April 1, 2020 to March 31, 2021 in accordance with Article 436-2-1 of the Companies Act.

In our opinion, the financial statements and the supplementary schedules referred to above present fairly, in all material respects, the financial position and the results of operations of the Company for the period, for which the financial statements and the supplementary schedules were prepared, in accordance with accounting principles generally accepted in Japan.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements and the Supplementary Schedules section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Emphasis of Matter**

As described in the “Significant Subsequent Events” section under notes on the basis of presentation of the financial statements on a parent-alone basis, Panasonic Corporation, on April 23, 2021, entered into a definitive agreement under which Blue Yonder Holding, Inc. will become a wholly owned subsidiary of the Company.

Our opinion is not modified in respect of this matter.

## **Responsibilities of Management and Audit & Supervisory Board Members and Audit & Supervisory Board for the Financial Statements and the Supplementary Schedules**

Management is responsible for the preparation and fair presentation of the financial statements and the supplementary schedules in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements and the supplementary schedules that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the supplementary schedules, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

Audit & Supervisory Board Members and Audit & Supervisory Board are responsible for overseeing the directors’ performance of their duties with regard to the design, implementation and maintenance of the Company’s financial reporting process.

## **Auditor’s Responsibilities for the Audit of the Financial Statements and the Supplementary Schedules**

Our objectives are to obtain reasonable assurance about whether the financial statements and the supplementary schedules as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements and the supplementary schedules.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements and the supplementary schedules, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The selection and application of audit procedures depends on the auditor’s judgment.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Company’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required

to draw attention in our auditor's report to the related disclosures in the financial statements and the supplementary schedules or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate whether the presentation and disclosures in the financial statements and the supplementary schedules are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the financial statements and the supplementary schedules, including the disclosures, and whether the financial statements and the supplementary schedules represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Audit & Supervisory Board Members and Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board Members and Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### **Interest required to be disclosed by the Certified Public Accountants Act of Japan**

We do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

#### **Notes to the Reader of Independent Auditor's Report:**

The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Companies Act of Japan for the conveniences of the reader.

# Copy of Report of the Audit & Supervisory Board

## Audit Report

The Audit & Supervisory Board, having received a report from each audit & supervisory board member on the method and results of his or her audit on the performance of duties of directors during the 114th fiscal period from April 1, 2020 to March 31, 2021, and, as a result of discussion, does hereby report the results of audit as follows:

1. Method and details of audit conducted by audit & supervisory board members and the Audit & Supervisory Board
  - (1) In addition to formulating audit policy and annual audit plans and receiving reports concerning the status and results of audits conducted by each audit & supervisory board member, the Audit & Supervisory Board received reports from directors and the accounting auditors regarding the performance of their duties and sought explanations when deemed necessary.
  - (2) Each audit & supervisory board member, in accordance with audit standards, policy and plans formulated by the Audit & Supervisory Board, sought to facilitate mutual understanding with directors, the internal auditing section and other employees, gathered information and worked to improve the environment for conducting audits, making use of methods including use of the telephone line and the internet. Accordingly, the audit & supervisory board members conducted the following audit:
    - (i) In addition to attending meetings of the Board of Directors and other important meetings, the audit & supervisory board members received reports from directors, the internal auditing section and other employees regarding the performance of their duties, and when deemed necessary, sought explanations, perused important documents including those subject to executive approval, and conducted examinations of conditions of business and assets of the head office and other major business offices. With respect to subsidiaries, the audit & supervisory board members sought to facilitate mutual understanding and exchange of information with the directors and audit & supervisory board members of subsidiaries, and when deemed necessary, received reports concerning the business of subsidiaries, visited their head offices and other major business offices, and conducted inquiries.
    - (ii) The audit & supervisory board members also periodically received reports from directors and other employees, sought explanations as necessary, and expressed their opinions regarding the contents of resolutions by the Board of Directors concerning the development of systems stipulated in Article 100, Paragraphs 1 and 3 of the Enforcement Regulations of the Companies Act, which are necessary to ensure that directors' performance of their duties is in conformity with laws and regulations and the Articles of Incorporation of the Company and to ensure the appropriateness of operations of the Company and its subsidiaries, as described in the business report, as well as the status of the building and management of the system developed pursuant to such resolutions (internal control system). In addition, the audit & supervisory board members received reports and sought explanations from directors and other employees of subsidiaries of the Company as necessary with regard to the status of building and management of the system.
    - (iii) The audit & supervisory board members examined the contents of the basic policy presented in the business report stipulated in Article 118, Item 3(a) of the Enforcement Regulations of the Companies Act, and each measure stipulated in Article 118, Item 3(b) of said act, in light of the status of discussions by the Board of Directors and others.
    - (iv) The audit & supervisory board members monitored and examined the independence of the accounting auditors and the appropriateness of audits conducted. They also discussed on the audit matters, received reports from the accounting auditors concerning the status of progress of the audits and performance of their duties, and when deemed necessary, sought their opinions. In addition, the audit & supervisory board members received notice from the accounting auditors that the system to ensure the appropriateness of duties performed by accounting auditors (as stipulated in Article 131 of the Ordinance on Accounting of Companies) is in accordance with standards prescribed by laws and regulations and standards related to quality management for accounting audits, and when deemed necessary, sought their opinions.

Based on the above methods, the audit & supervisory board members conducted examinations of the Company's business report related to the fiscal period under review, the supplementary schedules, financial statements on a parent-alone basis (balance sheet, statement of income, statement of changes in shareholders' equity, and notes on the basis of presentation of financial statements on a parent-alone basis), the supplementary schedules, and consolidated financial statements (consolidated statements of financial position, consolidated statements of profit, consolidated statements of changes in equity, and notes to consolidated financial statements).

### 2. Results of Audit

- (1) Results of audit of the business report, etc.

In the opinion of the Audit & Supervisory Board:

  - (i) The contents of the business report and its supplementary schedules present fairly the position of the Company pursuant to laws and regulations and the Articles of Incorporation.
  - (ii) With regard to the performance of duties of directors, no unfair conduct, nor any material breach of laws, regulations or the Company's Articles of Incorporation has been found.
  - (iii) The details of resolutions approved by the Board of Directors concerning the internal control system are proper and fair; in addition, no matters that necessitate comment have been found regarding the details defined in the Company's business report and performance of duties of directors both with respect to the internal control system.

- (iv) No matters that necessitate comment have been found regarding the Policy on Control of the Company presented in the Company's business report.
- (2) Results of audit of the financial statements and the supplementary schedules, and the consolidated financial statements  
The method of audit employed by the accounting auditors KPMG AZSA LLC and the results thereof are proper and fair.

May 10, 2021

Audit & Supervisory Board	
Toshihide Tominaga (Seal)	Eiji Fujii (Seal)
Senior Audit & Supervisory Board Member	Senior Audit & Supervisory Board Member
Yoshio Sato (Seal)	Toshio Kinoshita (Seal)
Audit & Supervisory Board Member	Audit & Supervisory Board Member
Setsuko Yufu (Seal)	
Audit & Supervisory Board Member	

## Bill No. 1: To Approve an Absorption-Type Company Split Agreement

### 3. Outline of matters listed in each item of Article 183 of the Ordinance for Enforcement of the Companies Act

#### (1) Matters concerning appropriateness of consideration for company split

- (i) Number of shares to be provided to Company by succeeding company by way of absorption-type company split

Upon the Absorption-type Company Split, New Panasonic<sup>(Note)</sup> will newly issue one share of common stock, all of which will be allocated and distributed to the Company.

The number of shares to be distributed to the Company upon the Absorption-type Company Split has been determined through discussion between the two companies, and the Company owns all of the issued and outstanding shares of New Panasonic and all of the shares to be issued by New Panasonic in the Absorption-type Company Split will be distributed to the Company; therefore, the Company considers such number to be appropriate.

- (ii) Amount of capital and reserves of succeeding company to be increased according to absorption-type company split

The amount of capital and reserves of the New Panasonic which will be changed upon the Absorption-type Company Split will be determined in accordance with the provisions of Article 37 or Article 38 of the Rules of Corporate Accounting, taking into consideration the business of New Panasonic after the Absorption-type Company Split as well as the assets and liabilities to be transferred from the Company; and, the Company considers such amount to be appropriate.

#### (2) Content of financial statements, etc.

- (i) Balance sheet

The balance sheet of New Panasonic, which is the succeeding company, as of the date of its incorporation (April 1, 2021), is as follows:

(Yen : one thousand)

Item	Amount	Item	Amount
Assets		Liabilities	
Current assets	1,000	Current liabilities	–
Cash and cash equivalents	1,000		
Non-current assets	–	Non-current liabilities	–
		Total liabilities	–
		Equity	
		Stockholders' equity	1,000
		Common stock	500
		Capital surplus	500
		Capital reserve	500
		Total equity	1,000
Total assets	1,000	Total liabilities and equity	1,000

- (ii) Extraordinary financial statements, etc.

There are no extraordinary financial statements, etc., which extraordinary account closing date is the date after the date of incorporation of the succeeding company.

#### (3) Events that occurred after Company's latest fiscal year end and materially affect status of Company's assets

- 1) The Board of Directors of the Company resolved on April 23, 2021 the additional acquisition of 80%

shares of Blue Yonder Holding, Inc. ("Blue Yonder"), and make it as a wholly-owned subsidiary. In addition, an agreement to acquire the remaining shares of Blue Yonder was reached among the Company, Blue Yonder, New Mountain Capital and Blackstone Group Inc., the substantial existing shareholders of Blue Yonder. Accordingly, together with the 20% shares which Company already owns, the Company will acquire all the shares of Blue Yonder.

Through this transaction, the Company will obtain the most advanced technology on AI (artificial intelligence) and ML (machine learning) as well as know-how on supply chain package software and recurring business from Blue Yonder, the world-leading software vendor specializing in supply chain software, which will enable the Company to further accelerate the development of its "Gemba Process Business" – 'gemba' meaning frontline operations. In addition, the Company will seek to strengthen its supply chain operational capabilities by, for example, enhancing cost competitiveness, and will accelerate its own transformation by adopting and integrating an agile corporate culture. The acquisition value is estimated to be a total of USD 7.1 billion, including the additional share acquisition price of USD 5.6 billion and outstanding debts of Blue Yonder.

2)The Company entered into the absorption-type company split agreements listed in (i) through (viii) below as of May 31, 2021. The effective date of each absorption-type company split is scheduled to be April 1, 2022.

- (i) Absorption-type company split agreement with Panasonic Automotive Systems Co., Ltd. which provides the transfer of the rights and obligations regarding the Automotive Business operated by the Company to Panasonic Automotive Systems Co., Ltd.
- (ii) Absorption-type company split agreement with Panasonic Entertainment & Communication Co., Ltd. which provides the transfer of the rights and obligations regarding the Smart Life Network (AVC) Business operated by the Company to Panasonic Entertainment & Communication Co.
- (iii) Absorption-type company split agreement with Panasonic Housing Solutions Co., Ltd. which provides the transfer of the rights and obligations regarding the Housing Business operated by the Company to Panasonic Housing Solutions Co., Ltd.
- (iv) Absorption-type company split agreement with Panasonic System Solutions Japan Co., Ltd. which provides the transfer of the rights and obligations regarding the Connected Solutions Business operated by the Company to Panasonic System Solutions Japan Co., Ltd.
- (v) Absorption-type company split agreement with Panasonic Industry Co., Ltd. which provides the transfer of the rights and obligations regarding the Device Business operated by the Company to Panasonic Industry Co., Ltd.
- (vi) Absorption-type company split agreement with Panasonic Energy Co., Ltd. which provides the transfer of the rights and obligations regarding the Energy Business operated by the Company to Panasonic Energy Co., Ltd.
- (vii) Absorption-type company split agreement with Panasonic Operational Excellence Co., Ltd. which provides the transfer of the rights and obligations regarding the Business of Professional Business Support operated by the Company to Panasonic Operational Excellence Co., Ltd.
- (viii) Absorption-type company split agreement with Panasonic Sports Co., Ltd. which provides the transfer of the rights and obligations regarding the Sports Management Business operated by the Company to Panasonic Sports Co., Ltd.

- (4) Events that occurred after the date of incorporation of the succeeding company and materially affect the status of the succeeding company's assets  
Not applicable

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(Note) New Panasonic: Panasonic Split Preparation Co., a wholly-owned subsidiary of the Company that will change its company name to Panasonic Corporation as of April 1, 2022.

## Disclaimer Regarding Forward-Looking Statements

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

The risks, uncertainties and other factors referred to above include, but are not limited to, economic conditions, particularly consumer spending and corporate capital expenditures in the Americas, Europe, Japan, China and other Asian countries; volatility in demand for electronic equipment and components from business and industrial customers, as well as consumers in many product and geographical markets; the possibility that the spread of the novel coronavirus infections may adversely affect business activities of the Panasonic Group; the possibility that excessive currency rate fluctuations of the U.S. dollar, the euro, the Chinese yuan and other currencies against the yen may adversely affect costs and prices of Panasonic's products and services and certain other transactions that are denominated in these foreign currencies; the possibility of the Panasonic Group incurring additional costs of raising funds, because of changes in the fund raising environment; the possibility of the Panasonic Group not being able to respond to rapid technological changes and changing consumer preferences with timely and cost-effective introductions of new products in markets that are highly competitive in terms of both price and technology; the possibility of not achieving expected results or incurring unexpected losses in connection with the alliances or mergers and acquisitions; the possibility of not being able to achieve its business objectives through joint ventures and other collaborative agreements with other companies, including due to the pressure of price reduction exceeding that which can be achieved by its effort and decrease in demand for products from business partners which Panasonic highly depends on in BtoB business areas; the possibility of the Panasonic Group not being able to maintain competitive strength in many product and geographical areas; the possibility of incurring expenses resulting from any defects in products or services of the Panasonic Group; the possibility that the Panasonic Group may face intellectual property infringement claims by third parties; current and potential, direct and indirect restrictions imposed by other countries over trade, manufacturing, labor and operations; fluctuations in market prices of securities and other financial assets in which the Panasonic Group has holdings or changes in valuation of non-financial assets, including property, plant and equipment, goodwill and deferred tax assets; future changes or revisions to accounting policies or accounting rules; the possibility of incurring expenses resulting from a leakage of customers' or confidential information from Panasonic Group systems due to unauthorized access or a detection of vulnerability of network-connected products of the Panasonic Group; as well as natural disasters including earthquakes, prevalence of infectious diseases throughout the world, disruption of supply chain and other events that may negatively impact business activities of the Panasonic Group. The factors listed above are not all-inclusive and further information is contained in the most recent English translated version of Panasonic's securities reports under the FIEA and any other documents which are disclosed on its website.