Annual Securities Report
for the fiscal year ended March 31, 2022
(the 115th Business Term)

Panasonic Holdings Corporation

[Cover]

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Company Name:	Panasonic Holdings Kabushiki Kaisha (Former Company Name: Panasonic Kabushiki Kaisha)
Company Name in English:	Panasonic Holdings Corporation (Former Company Name in English: Panasonic Corporation)
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Place Where the Filed Document is Available for Public Inspection:	Panasonic Holdings Corporation (Panasonic Tokyo Shiodome Building, 5-1, Higashi-shimbashi 1-chome, Minato-ku, Tokyo) Tokyo Stock Exchange, Inc. (2-1, Nihombashi Kabuto-cho, Chuo-ku, Tokyo) Nagoya Stock Exchange, Inc. (8-20, Sakae 3-chome, Naka-ku, Nagoya)

(Note)
In accordance with the resolution of the 114th Ordinary General Meeting of Shareholders held on June 24, 2021, the Company changed its name from April 1, 2022 as described above.

Certain References and Information

This is an English translation of the Annual Securities Report ("Yukashoken Hokokusho") submitted to the Director of the Kanto Local Finance Bureau via Electronic Disclosure for Investors' Network ("EDINET") on June 24, 2022, pursuant to the Financial Instruments and Exchange Act of Japan.

In this document, "fiscal 2022" refers to the year ended March 31, 2022. All information contained in this document is as of March 31, 2022 or for fiscal 2022, unless otherwise indicated.

Disclaimer Regarding Forward-Looking Statements

This report includes forward-looking statements about Panasonic Holdings Corporation (Panasonic HD) and its Group companies (the Panasonic Group). To the extent that statements in this report do not relate to historical or current facts, they constitute forward-looking statements. These forward-looking statements are based on the current assumptions and beliefs of the Panasonic Group in light of the information currently available to it, and involve known and unknown risks, uncertainties and other factors. Such risks, uncertainties and other factors may cause the Panasonic Group's actual results, performance, achievements or financial position to be materially different from any future results, performance, achievements or financial position expressed or implied by these forward-looking statements. Panasonic HD undertakes no obligation to publicly update any forward-looking statements after the date of this report. Investors are advised to consult any further disclosures by Panasonic HD in its subsequent filings under the Financial Instrument and Exchange Act of Japan (the FIEA) and other publicly disclosed documents.

The risks, uncertainties and other factors referred to above include, but are not limited to, economic conditions, particularly consumer spending and corporate capital expenditures in the Americas, Europe, Japan, China and other Asian countries; 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 Group’s products and services and certain other transactions that are denominated in these foreign currencies; the possibility of the Panasonic Group incurring additional costs of raising funds, because of changes in the fund raising environment; 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 Group highly depends on in BtoB business areas; the possibility of not achieving expected benefits in connection with the transition to a new organizational system in which Panasonic is a holding company; the possibility of the Panasonic Group not being able to maintain competitive strength in many product and geographical areas; the possibility of incurring expenses resulting from any defects in products or services of the Panasonic Group; the possibility that the Panasonic Group may face intellectual property infringement claims by third parties; current and potential, direct and indirect restrictions imposed by other countries over trade, manufacturing, labor and operations; restrictions, costs or legal liability relating to laws and regulations or failures in internal controls; 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 HD’s securities reports under the FIEA and any other documents which are disclosed on its website.

Contents

Part I Information on Panasonic Group

I Overview of Panasonic Group

1. Key Financial Data (Consolidated)

(Millions of yen, unless otherwise stated)

Fiscal year	111th business term	112th business term	113th business term	114th business term	115th business term
Year end	March 2018	March 2019	March 2020	March 2021	March 2022
Net sales	7,982,164	8,002,733	7,490,601	6,698,794	7,388,791
Profit before income taxes	378,590	416,456	291,050	260,820	360,395
Net profit attributable to Panasonic Holdings Corporation stockholders	236,040	284,149	225,707	165,077	255,334
Comprehensive income attributable to Panasonic Holdings Corporation stockholders	292,381	278,477	172,443	655,352	630,527
Total Panasonic Holdings Corporation stockholders' equity	1,707,551	1,913,513	1,998,349	2,594,034	3,164,962
Total equity	1,882,285	2,084,615	2,155,868	2,768,502	3,347,171
Total assets	6,291,148	6,013,931	6,218,518	6,847,073	8,023,583
Panasonic Holdings Corporation stockholders' equity per share (yen)	732.12	820.41	856.57	1,111.73	1,356.08
Earnings per share attributable to Panasonic Holdings Corporation stockholders, basic (yen)	101.20	121.83	96.76	70.75	109.41
Earnings per share attributable to Panasonic Holdings Corporation stockholders, diluted (yen)	101.15	121.75	96.70	70.72	109.37
Panasonic Holdings Corporation stockholders' equity / total assets (%)	27.1	31.8	32.1	37.9	39.4
Return on equity (%)	14.4	15.7	11.5	7.2	8.9
Price earnings ratio (times)	15.03	7.83	8.53	20.12	10.86
Net cash provided by operating activities	423,182	203,677	430,303	504,038	252,630
Net cash provided by (used in) investing activities	(458,828)	(193,387)	(206,096)	176,596	(796,149)
Net cash provided by (used in) financing activities	(128,763)	(341,761)	48,222	(177,704)	58,910
Cash and cash equivalents at end of year	1,089,585	772,264	1,016,504	1,593,224	1,205,873
Number of employees (persons)	274,143	271,869	259,385	243,540	240,198

(Notes)

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

2. History

Month/Year	Events
March 1918	Konosuke Matsushita founded Matsushita Denkikigu Seisakusho at Ohiraki-cho, Fukushima-ku, Osaka and started to manufacture wiring instrument.
March 1923	Bullet-shaped bicycle lamp developed and marketed.
April 1927	Established "National" brand.
May 1933	Relocated new head office and factory in Kadoma. Instituted divisional system.
August 1935	Established Matsushita Electric Trading Co., Ltd.
December 1935	Incorporated as Matsushita Electric Industrial Co., Ltd. on December 15, 1935 (10 million yen in capital).
May 1949	Listed on Tokyo Stock Exchange and Osaka Securities Exchange.
September 1951	Listed on Nagoya Stock Exchange.
January 1952	Formed a capital alliance with Nakagawa Kikai Kabushiki Kaisha (subsequently renamed Matsushita Refrigeration Company).
December 1952	Established Matsushita Electronics Corporation through a technology alliance with Philips in Netherlands, and transferred four lamp manufacturing factories to this establishment.
May 1953	Established the Central Research Laboratory.
February 1954	Formed a capital alliance with Victor Company of Japan Ltd. (JVC).
December 1955	Established Kyushu Matsushita Electric Co., Ltd. (subsequently renamed Panasonic Communications Co., Ltd.).
May 1956	Established Osaka Denki Seiki Kabushiki Kaisha (subsequently renamed Matsushita Seiko Co., Ltd.).
January 1958	Established Matsushita Communication Industrial Co., Ltd. (subsequently renamed Panasonic Mobile Communications Co., Ltd.), and transferred communication equipment manufacturing section to this establishment.
September 1959	Established Matsushita Electric Corporation of America (currently Panasonic Corporation of North America).
	(Since then, established manufacturing and sales sites at various locations in the world.)
January 1961	Masaharu Matsushita became President of the Company.
August 1962	Formed a capital alliance with Toho Denki Kabushiki Kaisha (subsequently renamed Matsushita Graphic Communication Systems, Inc.).
November 1969	Established Matsushita Kotobuki Electronics Industries, Ltd. (subsequently Panasonic Healthcare Co., Ltd.).
December 1971	Listed on New York Stock Exchange.
December 1975	Issued U.S. dollar-denominated convertible bonds (100 million U.S. dollars at face value).
January 1976	Established Matsushita Electronic Components Co., Ltd. (subsequently renamed Panasonic Electronic Devices Co., Ltd.), and transferred electronic device manufacturing section to this establishment.
January 1977	Established Matsushita Household Equipment Co., Ltd., and transferred household equipment manufacturing section to this establishment.
	Established Matsushita Industrial Equipment Co., Ltd. and transferred industrial equipment manufacturing section to this establishment.
February 1977	Toshihiko Yamashita became President of the Company.
January 1979	Established Matsushita Battery Industrial Co., Ltd., and transferred battery manufacturing section to this establishment.

Month/Year	Events
July 1985	Established a finance subsidiary in U.S. (In May 1986, established two finance subsidiaries in Europe.)
October 1985	Established Semiconductor Fundamental Research Laboratory.
February 1986	Akio Tanii became President of the Company.
March 1987	Changed the fiscal year end from November 20 to March 31.
April 1988	Absorbed Matsushita Electric Trading Co., Ltd.
April 1989	The Company's founder Konosuke Matsushita passed away.
December 1990	Acquired MCA INC. (MCA), a leading entertainment company in the U.S.
February 1993	Yoichi Morishita became President of the Company.
May 1993	Dissolved partnership with Philips regarding Matsushita Electronics Corporation and purchased all shares of Matsushita Electronics Corporation which Philips held.
April 1995	Absorbed Matsushita Household Equipment Co., Ltd.
June 1995	Sold 80% equity interest in MCA shares, which a subsidiary of the Company in U.S. held, to Seagram Company Ltd in Canada.
February 1999	Cancelled 50 million shares of treasury stock by 98.8 billion yen of retained earnings decided by resolution of 91st Ordinary General Meeting of Shareholders.
April 2000	Made Matsushita Refrigeration Company into a wholly-owned subsidiary through share-exchange.
June 2000	Kunio Nakamura became President of the Company.
April 2001	Absorbed Matsushita Electronics Corporation.
April 2002	Established a joint venture liquid crystal display panel manufacturing company, Toshiba Matsushita Display Technology Co., Ltd. with Toshiba Corporation.
October 2002	Made Matsushita Communication Industrial Co., Ltd., Kyushu Matsushita Electric Co., Ltd., Matsushita Seiko Co., Ltd. (currently Panasonic Ecology Systems Co., Ltd.), Matsushita Kotobuki Electronics Industries, Ltd. and Matsushita Graphic Communication Systems, Inc. into wholly-owned subsidiaries through share-exchanges.
January 2003	Instituted business domain system through business restructuring.
	Kyushu Matsushita Electric Co., Ltd. was merged with Matsushita Graphic Communication Systems, Inc.
April 2003	Established a joint venture cathode ray tubes manufacturing company, Matsushita Toshiba Picture Display Co., Ltd. (subsequently renamed MT Picture Display Co., Ltd., liquidated in May 2019) with Toshiba Corporation.
	Made Matsushita Electronic Components Co., Ltd. and Matsushita Battery Industrial Co., Ltd. into wholly-owned subsidiaries through share-exchanges.
	Unified its corporate brands as "Panasonic" worldwide.
April 2004	Made Matsushita Electric Works, Ltd. (subsequently renamed Panasonic Electric Works Co., Ltd. (PEW)), PanaHome Corporation (subsequently became a wholly-owned subsidiary in fiscal 2018 and renamed Panasonic Homes Co., Ltd. in April 2018.) and their subsidiaries into consolidated subsidiaries of the Company through additional purchase of shares of Matsushita Electric Works, Ltd.
April 2005	Absorbed Matsushita Industrial Information Equipment Co., Ltd.
February 2006	Sold the remaining shares of affiliated company of Universal Studios (formerly MCA), which a subsidiary of the Company in U.S. held, to Vivendi Universal.
June 2006	Fumio Ohtsubo became President of the Company.
March 2007	Made Matsushita Toshiba Picture Display Co., Ltd. into a wholly-owned subsidiary.

Month/Year	Events
August 2007	Excluded JVC and its subsidiaries from consolidated subsidiaries of the Company due to JVC's issuance of new shares and third party allotments. As a result, JVC became an associated company accounted for under the equity method. (Subsequently, in January 2011, JVC was excluded from an associated company accounted for under the equity method)
April 2008	Absorbed Matsushita Refrigeration Company.
October 2008	The Company changed its name from Matsushita Electric Industrial Co., Ltd. to Panasonic Corporation. Absorbed Matsushita Battery Industrial Co., Ltd.
April 2009	Sold all the shares of Toshiba Matsushita Display Technology Co., Ltd., which the Company held, to Toshiba Corporation.
December 2009	Acquired majority of the voting rights in SANYO Electric Co., Ltd. (SANYO) and made SANYO and its subsidiaries into consolidated subsidiaries of the Company.
January 2010	Transferred the business of System Solutions Company, the Company's internal division company, to Panasonic Communications Co., Ltd., which was at the same time renamed Panasonic System Networks Co., Ltd.
April 2011	Made PEW and SANYO into wholly-owned subsidiaries through share-exchanges.
January 2012	Absorbed PEW. Reorganized domain system to 9 domains and 1 marketing section through business restructuring.
April 2012	Absorbed companies including Panasonic Electronic Devices Co., Ltd.
June 2012	Kazuhiro Tsuga became President of the Company.
October 2012	Established the Corporate Strategy Head Office.
March 2013	Panasonic System Solutions Japan Co., Ltd. absorbed companies including Panasonic System Networks Co., Ltd., and was at the same time renamed Panasonic System Networks Co., Ltd. (Subsequently, in April 2017, renamed as Panasonic System Solutions Japan Co., Ltd. due to partial reorganization.)
April 2013	Transformed to new basic group formation through business division system from business domain system. Absorbed Panasonic Mobile Communications Co., Ltd. subsequent to carrying out the incorporation-type company split of mobile phone terminal business and transferring mobile phone base station business to Panasonic System Networks Co., Ltd. in the company split. Delisted from New York Stock Exchange.
March 2014	Transferred all the shares and other related assets of Panasonic Healthcare Co., Ltd. (Subsequently renamed PHC Corporation) to PHC Holdings Co., Ltd. and subscribed 20% of shares of PHC Holdings Co., Ltd. (Subsequently renamed PHC Holdings Corporation and transferred a part of its shares.)
June 2014	Transferred semiconductor business to Panasonic Semiconductor Solutions Co., Ltd. in the company split. (Subsequently, in September 2020, transferred all the shares and other related assets of semiconductor business.)
January 2020	Established Prime Life Technologies Corporation, a joint venture related to a town development business with Toyota Motor Corporation, and transferred all shares of Panasonic Homes Co., Ltd., and other subsidiaries to the joint venture by a joint share transfer.
April 2020	Established Prime Planet Energy & Solutions, Inc., a joint venture automotive prismatic battery business, with Toyota Motor Corporation.
June 2021	Yuki Kusumi became Representative Director and President of the Company.
September 2021	Acquired the additional shares of Blue Yonder Holding, Inc. (its 20% shares were acquired in July 2020) and made Blue Yonder Holding, Inc., together with its subsidiaries, a wholly-owned subsidiary of the Company.

Month/Year	Events
October 2021	Started the new virtual in-company structure toward the transition into an "Operating Company" system starting from April 2022.

3. Description of Business

The Panasonic Group is comprised primarily of the parent, Panasonic Corporation and 531 consolidated subsidiaries in and outside of Japan, operating in close cooperation with each other. As a comprehensive electronics manufacturer, Panasonic is engaged in development, production, sales and service activities in a broad array of business areas.

The Company supplies a full spectrum of electric/electronic equipment and related products, which is categorized into the following five reportable segments, "Lifestyle," "Automotive," "Connect," "Industry," "Energy," and other operating segments which are not included in the reportable segments and other business activities. The Company changed its reportable segments on October 1, 2021. The details of each segment are described in "V Consolidated Financial Statements, Note 4. Segment information."

The Company's consolidated financial statements have been prepared in conformity with IFRS and the scopes of affiliates are also disclosed based on the definitions of those accounting principles. The same applies to "II The Business Overview" and "III Property, Plants and Equipment."

(Panasonic Group)

As of March 31, 2022

(Segments, main products and services)	(Major companies)
Lifestyle Refrigerators, microwave ovens, rice cookers, washing machines, vacuum cleaners, personalcare products, air-conditioners for residential,and commercial use, air to water heat pump system, ventilation, perflation and airconditioning equipment, air purifiers, air purifier/sterilizers, freezing or refrigerating showcases, lighting fixtures, lamps, wiring devices, solar photovoltaic systems, fuel cells, compressors, bicycles, nursing care services	**(Japan)** Panasonic Corporation Panasonic Ecology Systems Co., Ltd. Panasonic Consumer Marketing Co., Ltd. **(Overseas)** Panasonic Appliances Air-Conditioning (Guangzhou) Co., Ltd. Panasonic Appliances Washing Machine (Hangzhou) Co., Ltd. Hussmann Corporation Panasonic Life Solutions India Pvt,. Ltd. Panasonic Marketing Europe GmbH Panasonic Appliances (China) Co., Ltd.
Automotive Automotive-use infotainment systems, head-up displays, automotive speakers, automotive switches, advanced driver assistance systems(ADAS) and related devices, systems and devices for xEVs, Interior rearview mirrors	**(Japan)** Panasonic Corporation **(Overseas)** Panasonic Corporation of North America Panasonic Automotive Systems Asia Pacific Pte. Ltd. Panasonic Automotive Systems Dalian Co., Ltd. Ficosa International, S.A.
Connect 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, supply chain management software	**(Japan)** Panasonic Corporation Panasonic System Solutions Japan Co., Ltd. Panasonic Smart Factory Solutions Co., Ltd. Panasonic Mobile Communications Co., Ltd. **(Overseas)** Panasonic Avionics Corporation Blue Yonder Holding, Inc.
Industry Relays, switches, power supplies, touch panels, motors, sensors, laser markers, capacitors, inductors, resistors, circuit board materials, semiconductor device materials, molding compounds, LCD panels	**(Japan)** Panasonic Corporation Panasonic Industrial Devices SUNX Co., Ltd. Panasonic Industrial Marketing & Sales Japan Co., Ltd. **(Overseas)** Panasonic Corporation of North America Panasonic Asia Pacific Pte. Ltd. Panasonic Industry (China) Co., Ltd.
Energy Cylindrical lithium-ion batteries for in-vehicle use, dry batteries, primary/secondary lithium batteries, nickel-metal hydride batteries, lithium-ion batteries, storage battery modules/systems	**(Japan)** Panasonic Corporation SANYO Electric Co., Ltd. **(Overseas)** Panasonic Corporation of North America SANYO Energy (Suzhou) Co., Ltd.
Other [Entertainment & Communication] TV, digital camera, video equipment, audio equipment, telephone, intercom [Housing] kitchen & bath, interior furnishing materials, exterior furnishing materials	**(Japan)** Panasonic Corporation KMEW Co., Ltd.

Customers

Note: Some businesses distribute its products to customers through other segment's marketing & sales companies.

4. Information on Affiliates

(1) Principal Consolidated Subsidiaries

As of March 31, 2022

Name	Location in Japan	Common stock (millions of yen)	Principal businesses (Note 2)	Ratio of voting rights (%) (Note 1)	Relationship			Remark
					Interlocking directorate, etc. (Note 3)	Advances to	Business transaction	
Panasonic Ecology Systems Co., Ltd.	Kasugai-shi, Aichi	12,092	Lifestyle	100.0			Manufacture of Panasonic products	
KMEW Co., Ltd.	Chuo-ku, Osaka-shi	8,000	Other	50.0			Sale of Panasonic products	Note 6
Panasonic Liquid Crystal Display Co., Ltd.	Himeji-shi, Hyogo	500	Industry	100.0 (100.0)		Yes	Manufacture of Panasonic products	Note 5
SANYO Electric Co., Ltd.	Kadoma-shi, Osaka	400	Lifestyle, Energy	100.0 (100.0)		Yes	Manufacture and sale of Panasonic products and supply of materials and merchandise	Note 5
Panasonic System Solutions Japan Co., Ltd.	Hakata-ku, Fukuoka-shi	350	Connect	100.0			Manufacture and sale of Panasonic products and provision of IT services	Note 11
Panasonic Smart Factory Solutions Co., Ltd.	Kadoma-shi, Osaka	310	Connect	100.0 (100.0)		Yes	Manufacture of Panasonic products	Note 11
Panasonic Consumer Marketing Co., Ltd.	Chuo-ku, Osaka-shi	100	Lifestyle	100.0 (100.0)			Sale of Panasonic products	Note 4

Name	Location	Common stock (millions)	Principal businesses (Note 2)	Ratio of voting rights (%) (Note 1)	Relationship			Remark
					Interlocking directorate, etc. (Note 3)	Advances to	Business transaction	
Panasonic Corporation of North America	New Jersey, U.S.A.	US$ 537	Lifestyle, Automotive, Connect, Industry, Energy, Corporate	100.0 (100.0)			Manufacture and sale of Panasonic products etc.	Note 4 Note 8
Blue Yonder Holding, Inc.	Arizona, U.S.A.	US$ 137	Connect	100 (25.6)	Yes		Collaboration on providing software services to customers and provision of IT services	Note 10
Panasonic Avionics Corporation	California, U.S.A.	US$ 22	Connect	100.0 (100.0)	Yes		Manufacture and sale of Panasonic products	
Hussmann Corporation	Missouri, U.S.A.	US$ －	Lifestyle	100.0 (100.0)			Manufacture and sale of Panasonic products	Note 9
Panasonic do Brasil Limitada	Amazonas, Brazil	BRL 1,324	Lifestyle, Automotive, Energy	100.0			Manufacture and sale of Panasonic products	Note 4
Panasonic Holding (Netherlands) B.V.	Amsterdam, Netherlands	US$ 0.2	Corporate	100.0	Yes		Control of investment and financing etc.	Note 4
Ficosa International S.A.	Barcelona, Spain	EUR 32	Automotive	69.0 (69.0)			Manufacture and sale of Panasonic products	
Panasonic AVC Networks Czech s.r.o.	Plzen, Czech Republic	KC 2,414	Lifestyle, Other	100.0 (100.0)			Manufacture and sale of Panasonic products	
Panasonic Asia Pacific Pte. Ltd.	Singapore	US$ 1,478	Lifestyle, Connect, Industry, Energy, Other, Corporate	100.0 (100.0)			Manufacture and sale of Panasonic products etc.	Note 4
Panasonic India Pvt. Ltd.	Gurugram, India	INR 18,305	Lifestyle, Automotive, Connect, Industry, Other	100.0 (100.0)			Manufacture and sale of Panasonic products	Note 4
Panasonic Taiwan Co., Ltd.	New Taipei, Taiwan	NT$ 3,422	Lifestyle, Automotive, Industry, Other	69.8			Manufacture and sale of Panasonic products	
Panasonic Corporation of China	Beijing, China	RMB 12,838	Lifestyle, Connect, Corporate	100.0	Yes		Sale of Panasonic products etc.	Note 4
Panasonic Appliances Air-Conditioning (Guangzhou) Co., Ltd.	Guangzhou, China	RMB 282	Lifestyle	67.8 (67.8)			Manufacture of Panasonic products	
Panasonic Automotive Systems Dalian Co., Ltd.	Dalian, China	RMB 94	Automotive	60.0 (60.0)			Manufacture of Panasonic products	

(2) Principal Companies under the Equity Method

(As of March 31, 2022)

Name	Location	Common stock (millions)	Principal businesses	Ratio of voting rights (%) (Note 1)	Relationship			Remark
					Interlocking directorate, etc. (Note 3)	Advances to	Business transaction	
Prime Planet Energy & Solutions, Inc.	Chuo-ku, Tokyo	JPY 41,393	Development, manufacture, and sale of automotive prismatic lithium-ion batteries	49.0 (49.0)			Development and manufacturing of automotive batteries	
Socionext Inc.	Kohoku-ku, Yokohama-shi	JPY 30,200	Design, development, and sale of system LSI	20.0			Design, development, and sale of Panasonic products	
Sumitomo Mitsui Trust Panasonic Finance Co., Ltd.	Minato-ku, Tokyo	JPY 25,584	Total financial services	15.1			Lease and credit sale of Panasonic products	Note 7
Prime Life Technologies Corporation	Minato-ku, Tokyo	JPY 100	Housing-related business	50.0			Sale of Panasonic products through its subsidiaries, etc.	

(Notes)

1. A number in the parenthesis represents the ratio of indirect voting rights, which is a part of the ratio of voting rights.
2. The column "Principal businesses" indicates the segment in which the subsidiaries are classified. Subsidiaries that do not belong to any segment are described as "Other." Subsidiaries with headquarters functions (finance, etc.), are described as "Corporate."
3. Regarding the interlocking directorate, etc., other than what is disclosed above, the Company's employees concurrently hold position of directors or officers in most of the consolidated subsidiaries or companies under the equity method.
4. Subsidiaries that meet the criteria of the specified subsidiaries or "Tokutei Kogaisya" as defined in the Cabinet Office Ordinance on Disclosure of Corporate Affairs, etc. of Japan.
5. Subsidiaries in the list above with insolvency

   The amount of liabilities in excess of assets as of March 31, 2022 are shown below:

Panasonic Liquid Crystal Display Co., Ltd.	579,469 million yen
SANYO Electric Co., Ltd.	472,750 million yen

6. Although the ratio of voting rights is 50.0%, KMEW Co., Ltd. is treated as a consolidated subsidiary because the Company controls it by involving in its manufacturing and sale activities.
7. Although the ratio of voting rights is 15.1%, Sumitomo Mitsui Trust Panasonic Finance Co., Ltd. is treated as a company under the equity method because the Company holds significant influence over its decision on operating and financial policies. Sumitomo Mitsui Trust Panasonic Finance Co., Ltd. issues the annual securities report.
8. Sales of Panasonic Corporation of North America excluding internal sales within the Panasonic group accounts for more than 10% of consolidated sales. Its major financial data based on USGAAP are as follows:

(1) Sales	977,411 million yen
(2) Profit before income tax.	25,029 million yen
(3) Net profit	22,419 million yen
(4) Equity	956,882 million yen
(5) Assets	1,383,094 million yen

9. Common stock of Hussmann Corporation is zero.
10. Upon the Company’s acquisition of the additional 80% of shares of Blue Yonder Holding, Inc. ("Blue Yonder") on September 16, 2021, Blue Yonder became a consolidated subsidiary from an equity-method affiliate.
11. On April 1, 2022, through an absorption type company split, the businesses of the Company were transferred to the Company’s nine consolidated succeeding companies (Panasonic Split Preparation Co., Ltd. (name changed to Panasonic Corporation on the same date), Panasonic Automotive Systems Co., Ltd., Panasonic

Entertainment & Communication Co., Ltd., Panasonic Housing Solutions Co., Ltd., Panasonic System Solutions Japan Co., Ltd., Panasonic Industry Co., Ltd., Panasonic Energy Co., Ltd., Panasonic Operational Excellence Co., Ltd., and Panasonic Sports Co., Ltd.). On the same date, the corporate name of the Company was changed to "Panasonic Holdings Corporation" and it became a holding company. Panasonic System Solutions Japan Co., Ltd., through an absorption-type merger conducted on April 1, 2022, as the surviving company, merged with the Company’s subsidiaries, Panasonic Smart Factory Solutions Co., Ltd. and Panasonic Mobile Communications Co., Ltd. being the absorbed companies. Its name was changed to Panasonic Connect Co., Ltd.

5. Employees

(1) Consolidated basis

As of March 31, 2022

Segment	Number of employees
Lifestyle	96,083
Automotive	29,419
Connect	28,985
Industry	40,903
Energy	16,987
Other	25,518
Corporate	2,303
Total	240,198

(Notes)

1. The number of employees refers solely to full-time employees of the Company on a consolidated basis.
2. The number of employees decreased by 3,342, compared with the end of last fiscal year.

(2) Parent-alone basis

As of March 31, 2022

Number of employees	Average age	Average tenure (years)	Average annual salary (yen)
55,088	45.7	22.5	7,586,608

Segment	Number of employees
Lifestyle	19,005
Automotive	5,032
Connect	7,977
Industry	9,803
Energy	5,627
Other	5,341
Corporate	2,303
Total	55,088

(Notes)

1. The number of employees refers solely to full-time employees of the parent company.
2. Average annual salary includes bonuses and extra wages.

(3) Relationship with labor union

The total number of union members of the federation of Panasonic group labor union is 89,644 as of March 31, 2022, and most of the labor unions belong to the Japanese Electrical Electronic & Information Union except some labor unions.

The followings are main labor unions which belong to federation of Panasonic group labor union.

Panasonic Life Solutions labor union (Belongs to the Japanese Electrical Electronic & Information Union)
Panasonic Appliances labor union (Belongs to the Japanese Electrical Electronic & Information Union)
Panasonic Industrial Devices labor union (Belongs to the Japanese Electrical Electronic & Information Union)
Panasonic Connected Solutions labor union (Belongs to the Japanese Electrical Electronic & Information Union)

The relationship between management and labor unions is quite stable and smooth.

II Business Overview

1. Management Policy, Business Environment and Challenges of Panasonic Group

Future expectations included in this section are as of June 24, 2022, the filing date of this annual securities report.

(1) Basic Management Policy

The Company, since its establishment, has operated its business under its business philosophy, "contributing to the progress and development of society and the well-being of people worldwide through its business activities." We will continue to directly address social issues as we strive to achieve an ideal society with affluence both in matter and mind, and will take up the challenge to eliminate the concerns of today and the future as we aim to create new value. The Company will directly address a wide range of social issues including global environmental problems in order to make a larger contribution to the advancement of society and resolving societal issues. We will also reinforce our business competitiveness and work to sustainably grow our corporate value by offering value that satisfies our shareholders, investors, customers, business partners, employees and all other stakeholders.

(2) Management Strategy and Challenges of Panasonic Group

1) Main initiatives for fiscal 2023

The global economy during fiscal 2023 is expected to see challenging conditions with a continuing surge in raw materials prices and logistics costs, shortages of components and materials, and global inflation. Uncertainty resulting from COVID-19 and geopolitical risks continue to be alarming, and the economic environment remains difficult to predict. In Japan, the impact on economy resulting from the declining value of the yen is also a cause for concern.

Under these conditions, on April 1, 2022, the Company transitioned to a new Group structure and launched a new medium- to long-term strategy. The new medium- to long-term strategy aims to achieve the Panasonic mission of achieving an ideal society with affluence both in matter and mind, resolving global environmental issues and contributing to support the health and well-being of people around the world, both in mind and body, in their "lifestyle" and "workstyle."

<Outline of Medium- to Long-term Strategy>

(1) Panasonic GREEN IMPACT

The Group aims to create an impact that reduces CO_2 emissions by more than 300 million tons, equivalent to approximately 1% of the current global emissions, by 2050(Note 1).

(2) Medium-term Management Indicators: KGI (Key Goal Indicators)

The Group sets the following indicators and aims to improve cash generation capability by thorough enhancement of business competitiveness-

•Cumulative operating cash flows: ¥2.0 trillion (fiscal 2023-2025)
•ROE: 10% or more (fiscal 2025)
•Cumulative operating profit: ¥1.5 trillion (fiscal 2023-2025)

(3) Investment policy under new medium- to long-term strategy

•Each operating company will make investments with the cash generated through its own business, and aims for further growth in each business area toward its long-term goals.

•While maintaining financial discipline, we will make Groupwide strategic investments with the cash generated through enhancing competitiveness, as well as the investments made by each operating company.
A total of ¥600 billion in three years will be invested to achieve our future goals: ¥400 billion in "growth areas" and ¥200 billion in "technology pillars."

Growth areas: Automotive battery area, supply chain software area, air quality and air-conditioning area

Technology pillars: Groupwide technology pillars including hydrogen energy and CPS (Cyber Physical Systems)

(4) Global strategy

Globally, we will carry out a strategy addressing local customers and tailored to regional characteristics, reinforce our operational capabilities in each region, and expand Panasonic GREEN IMPACT through our business operations.

(5) Groupwide key measures toward enhancing competitiveness at each operating company

We will carry out "management that maximizes the potential of each employee," which involves attentively listening to employees who are willing to take up challenges and creating a working environment that maximizes the potential of unique characteristics. We will also strengthen operational capabilities for the overall supply chain through the Panasonic Transformation (PX)(Note 2), and through "Gemba (operational frontlines) Innovation" based on the kaizen mindset and digital technologies.

Note 1: Data from IEA: Global energy related CO_2 emissions in 2019 were 33.6 billion tons . 300 million tons: calculated by emission factor as of 2020

2: Panasonic Transformation (PX): Panasonic's digital transformation initiatives aimed at bringing happiness to life and work by leveraging digital technology and human skills.

2) Major initiatives in each segment

Lifestyle

Despite the continuing effects of the re-spread of COVID-19, semiconductor shortages resulting from growing global demand, raw material price hikes, and other issues, lifestyles are diversifying during the prolonged COVID-19 and there are signs of changes in thinking regarding the environment and energy conservation. For reasons such as these, we expect continued rising expectations for enrichment of home life from the customer perspective in a wide range of areas related to lifestyles. Under these conditions, the Living Appliances and Solutions Company—centering on home appliances—aims to expand profits by creating products and improving logistics based on UX(Note) to create connections with customers and with individual lifestyles in various areas. The Heating & Ventilation A/C Company—combining the air conditioning and indoor air quality businesses—will work to improve customer value with an advanced coordinated system of air quality and air-conditioning products making use of nanoe™, Ziaino, and other air purification technologies. The Electric Works Company—centering on the electrical equipment field—will work to enhance its sales and production structure and expand the product lineup particularly in the key regions of India, Turkey, and Vietnam. The goal is to expand business through such efforts as capturing potential project demand and new business. In the Cold Chain Solutions Company—centering on refrigerated and freezer showcases and kitchen appliances—we will aim to improve profitability and expand business by creating value that meets customer needs related to reduced environmental impact and labor shortages. To create a sustainable society, we will work to reduce CO_2 emissions and expand our business areas that can contribute to reducing CO_2 emissions in society as a whole, and achieve sustainability management.

Note: UX (User Experience): Experiences obtained by consumers through the use of products and services

Automotive

In the automotive industry, as a result of accelerating technological innovations such as CASE(Note) and an accelerating penetration of EVs, combined with changes in user lifestyles and mobility resulting from COVID-19, we are continuing to see growing needs for safer, more dependable, and more comfortable mobility spaces.

In this segment, based on the slogan, "Heartmotive: Connecting our hearts to the Journey", we will utilize the Panasonic technologies and expertise that we have developed to contribute to the advancement of mobility society and automobiles, and meet diversifying individual needs. In terms of automobile advancements, we

will contribute through "integrated cockpit solutions" that deliver value through advanced cockpits that effectively provide information to the users for safe and comfortable driving, and through "EV solutions" that promote the penetration of EVs with electronics technologies and devices. In terms of meeting diversifying needs, we will propose and create new products for automobile interior spaces leveraging Panasonic's strengths, and provide value that is tailored to individual lifestyles. We will also create new services aimed at innovations for the mobility society.
Environmental contributions are at the heart of all Panasonic business activities, and we will work towards achieving net zero CO_2 emissions at Panasonic during fiscal 2023, including the procurement of renewable energy. We will contribute to the global environment through programs including reductions in company CO_2 emissions and providing solutions that help reduce CO_2 emissions at our customers.

Note: 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)

Connect

As the labor force declines, customers' personal preferences diversify further, and adaptation to "New Normal" advances, such markets as manufacturing, logistics, and distribution are expected to continue growing. In particular, demand for solutions to issues in the supply chain has been growing worldwide.
In this segment, we will bring innovations to the gemba of B2B customers facing complex and continually changing issues, and will contribute to their customer business improvements. In the supply chain area centered on logistics and distribution, the Company will help customers expand sales and reduce costs and CO_2 emissions 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. In September 2021, the Company made Blue Yonder Holding, Inc. ("Blue Yonder") a wholly-owned subsidiary. The Blue Yonder software platform, with state-of-the-art artificial intelligence (AI) and machine learning (ML) capabilities, will accelerate the "Autonomous Supply Chain™." Through gemba innovations, not only we are working to contribute to our customers' productivity, but we are also aiming to resolve societal problems such as losses resulting from waste and energy consumption, toward achieving a sustainable future with our customers.

Industry

Amid the declining labor force, advancement of IoT society and mobility, and global warming, growth in demand can be expected in the key business areas of this segment. These include labor saving at factories, information- and communication-infrastructure, and automotive CASE, reflecting rising needs for stability, safety, automation, networking, and carbon neutrality.
In the area of labor saving at factories, we will leverage Panasonic's unique product competitiveness and proposal capabilities to contribute to improving productivity and resolving labor shortages at our customers. We offer device and package products that can easily be installed on a wide range of production equipment. In the area of information and communication infrastructure, we will provide low-loss and long-term-guaranteed devices and systems for 5G base stations and data centers, where high speed to support expanding data traffic and stability as an essential part of the social infrastructure are required. In the area of automotive CASE, we will deliver compact, high efficiency, and high reliability devices that can contribute to improving mobility safety and environmental performance. Concentrating business resources in these high-growth areas, we will work to improve our competitiveness by strengthening our custom development and our material/process technologies, and maximize our contributions to customers.

Energy

As various countries have strengthened environmental regulations in recent years to address increasingly severe global environmental issues, there are accelerating efforts for carbon neutrality, including electrification of automobiles and the use of renewable energy.
In this segment, we will aim for sustainable growth in both the in-vehicle and industrial/consumer areas. We will address environmental issues directly, and utilize our strengths in the energy field, developed over the years engaged in the battery business, such as our technological expertise and high quality sand maximize the

value we produce such as reliability, safety, and low environmental impact. In the automotive area, we will contribute to reducing CO_2 emissions and environmental impact through electrification of mobility. For this purpose, we will both work to further improve productivity for our current battery cells and proceed with development and commercialization of the new "4680 cell." In the industrial/consumer area, we will provide batteries and applied systems, including dry batteries and data center backup power storage systems, to contribute to of a secure and safe society. When carrying out these businesses, we will focus on establishing and improving business systems based on ESG. Through these efforts, we will help create a sustainable society where affluent lifestyles and the environment are balanced and maintained in harmony.

3) Foundations toward sustainable growth

Corporate Governance

The Company 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 the continuing discussions on the Group's governance and medium- to long-term strategies

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

Through the Panasonic Environment Vision 2050 that was formulated in 2017, Panasonic has taken steps to reduce the energy that we use, while generating and utilizing clean energy in excess of the amounts consumed. In April 2022 as we transitioned to "Panasonic GREEN IMPACT," we changed our long-term environmental vision from a focus on comparisons of the amounts of energy used and generated by our company to a focus on Panasonic Group contributions to the issue of reducing CO_2 emissions throughout society as a whole.

For this reason, in order to more clearly identify the global environmental issues which the Panasonic Group should address and the value of our contributions toward resolving them, we also changed the index which we use to measure the positive impact on CO_2 reductions in society from the comparison of energy used and generated by the company. By reducing Group CO_2 emissions and expanding our impact in various areas that contribute to reducing CO_2 emissions in lifestyles and businesses, we are aiming to achieve carbon neutrality together with society.

Specifically, we are working to reduce emissions in the Group’s own value chain, and expand our impact by contributing to reducing emission in society through our existing businesses, as well as through new businesses and technologies. Through these efforts, we aim to create an impact that reduces CO_2 emissions by more than 300 million tons, equivalent to approximately 1% of the current global emissions, by 2050, in order to contribute to resolving the issue of climate change.

Human Resources Strategy

The Company believes that developing and utilizing the valuable human resources which are entrusted to us by society is at the core of our business. Based on this, we have created a vision, "The Best Place to Work where diverse talents work at their best." We will carry out a human resources strategy that develops people, organizations, and culture needed to achieve an ideal society with affluence both in matter and mind. Specifically, we have positioned human resources development and the promotion of Diversity, Equity & Inclusion (DEI) as one of our key management policies. For the promotion of DEI, we are carrying out a new program based on the three perspectives of "commitment by top management," "creating inclusive workplace environments," and "providing support for each individual."

2. Risk Factors

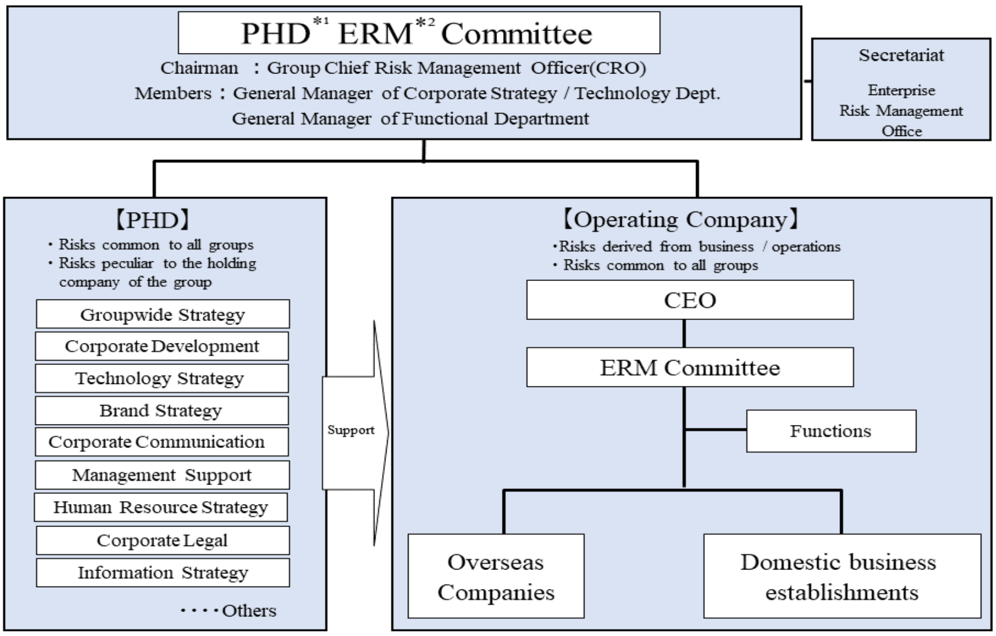
Panasonic Group considers the accurate understanding of risks and implementation of countermeasures as an important managerial issue and promotes the group's risk management in accordance with "the Basic Rules for Risk Management". Ahead of the transition to a holding company structure, the previous G&G Risk Management Committee was dissolved and redeployed into the PHD Enterprise Risk Management Committee (hereinafter, "PHD ERM Committee") in October 2021, which is chaired by the Group Chief Risk Management Officer and consists of the heads of each functional division of Panasonic Holdings Corporation (hereinafter, "PHD"). The Committee meets on a regular basis. Specifically, the Committee conducts risk assessment according to a cycle of comprehensively identifying risks due to external and internal factors that may affect our business activities on an annual basis, evaluating such risks according to common evaluation criteria, and determining the priority of the risks that should be dealt with. Regarding the risks that are deemed important, the divisions in charge of the risks take the initiative in formulating and executing countermeasures, monitoring the status of such countermeasures, and implementing activities for improvement on an ongoing basis.

The PHD ERM Committee also commenced risk management activities by considering uncertain events that may prove to be an opportunity or a threat to achieving business goals as "strategic risks" upon formulating and making decisions on managerial and business strategies, promoting appropriate risk-taking according to the risk level, and revising the countermeasures taken in a timely manner according to the size of the risk that was measured. We will strive to strengthen risk management by combining this with the operational risk management that we have been promoting previously.

The PHD ERM Committee also selects the group's material risks based on the risk assessment cycle described above and reports on major risks and its countermeasures to the board of directors on a regular basis.

In addition, each operating company has established the Operating Company ERM Committee under the autonomous responsible management principle and manages the risks of the operating company according to the same risk management cycle as PHD. The material risks selected by each Operating Company ERM Committee are reported to the PHD ERM Committee. Through this framework, PHD conducts risk management related to promotion of the functions of the entire group and carries out risk management for the entire group based on the risk information reported by the operating companies.

(Risk Management Organization Chart)



*1 PHD: Panasonic Holdings Co., Ltd. *2 ERM: Enterprise Risk Management

Described below are some of the potential risks to its business activities that may have a material impact on investors' decisions. However, this is not an exhaustive list of all risks to Panasonic Group, and there can be unforeseeable risks that are not described below. These risks may substantially and adversely affect Panasonic's business, operating results, and financial condition.

Among the matters described in the annual securities report including those related to the business as well as the consolidated financial statements, below are the risks that, management recognizes, may have a significant impact on the financial condition, business performance and cash flows of the Panasonic Group. The following "(2) Risks Related to Panasonic Group's Business Operational Activities" and "(4) Risks Related to Legal Regulations and Litigation" are divided into "Risks of Particular Importance" and "Other Important Risks" according to the degree of possibility of affecting business activities. This section includes forward-looking statements and future expectations as of June 24, 2022, the filing date of this annual securities report.

(1) Risks Related to Economic Conditions

Changing economic conditions

Demand for Panasonic's products and services may be affected by economic conditions in the countries or regions in which its products and services are offered. Economic downturns and resulting demand shrinkage in its major markets worldwide may thus adversely affect its business, operating results, and financial condition. Under the current business environments, fiscal 2023 is expected to see a continuing surge in raw material prices & logistics costs, shortages of components & materials, and global inflation. Also uncertainty resulting from COVID-19 infection and geopolitical risks including the Russia and Ukraine situation continue to be alarming, and the economic environment remains difficult to predict. Japan is not an exception, and its economy is likely to be affected by these factors to a certain extent.

If demands such as that in the aviation industry for Connect do not recover as we expect and it becomes necessary to implement new business structural reforms in order to deal with these situations, there may be a possibility that costs will increase as a result.

For shortages of semiconductors and components & materials, the overall impact is lessening due mainly to the procurement of alternative materials. But this impact is expected to continue to widely affect Connect. For the hikes in raw materials prices and logistics costs, we will try to mitigate this impact through such efforts as price revisions of our products and services. However, in Lifestyle, price hikes mainly in iron, copper and resin and the impact of logistics costs with surging ocean freight costs are expected to continue. Regarding the situation of Energy, the impact of sharp price hikes in raw materials, such as lithium, nickel and cobalt, starting in the fourth quarter of fiscal 2022 is expected to remain in the first half of fiscal 2023. But we aim to mitigate this impact in the second half of fiscal 2023 through such efforts as price revisions and rationalization.

As for the lockdowns in Shanghai and other cities due to COVID-19 infection, it is currently difficult to estimate its impact.

In addition, if the global economy deteriorates more than expected, and a sudden structural change in society or a change in consumer behavior occurs, the business environment surrounding the Panasonic Group will be more severe than currently expected. As a result, Panasonic's business, operating results, and financial condition may be adversely affected. For such changes in the business environment, we will continue to closely monitor the situation and take effective measures to deal with such changes.

Currency exchange rate fluctuations

Foreign exchange rate fluctuations may adversely affect Panasonic's business, operating results, and financial condition because the costs and prices of its products and services and certain other transactions that are denominated in foreign currencies are affected by foreign exchange rate changes. In addition, foreign exchange rate changes also affect the yen value of Panasonic's overseas assets and liabilities denominated in local currencies because their amounts are translated and presented in Japanese yen in its consolidated financial statements. Generally, the appreciation of the yen against the local currencies of the countries in which the Group operates may adversely affect Panasonic's operating results. A weaker yen against a local currency, on the other hand, may have a favorable impact on Panasonic's operating results. However, the depreciation of the yen against certain currencies such as the RMB may adversely affect operating results in certain business sectors on a Japanese yen basis due to the price increase of imported products. In fiscal 2022, the yen depreciated against the U.S. dollar and the euro compared to the previous year, which had a positive impact on overall performance. In setting the medium-term management indicators for the period through fiscal 2025, while the depreciation of the yen against the dollar and the euro will have a positive impact on exports, the depreciation of the yen against the RMB is expected to have a negative impact on imports. At present, we do not expect a material impact on our group's overall operating results and financial condition. However, excessive foreign exchange rate fluctuations may adversely affect Panasonic's business, operating results, and financial condition. With respect to these risks, we are working to reduce the impact on our business by using the foreign currency "Marry" allocating foreign currencies received through our business activities to spending in the same foreign currencies, or "forward exchange contract transactions" designed to predetermine the selling or purchase price as well as the quantity of foreign currencies on a future date. We are also aiming to mitigate the impact on our business through the "local production for the local consumption type manufacturing", producing products in locations close to where they are consumed.

Interest rate fluctuations

Panasonic Group is exposed to interest rate fluctuation risks that may affect its interest expenses, interest income, or the value of its financial assets and liabilities. Consequently, interest rate fluctuations may adversely affect its business, operating results, and financial condition. In addition, our group raises business funds in the form of interest-bearing debt in yen and other currencies, and if interest rates rise due to changes in economic conditions and/or monetary policy by such as international political instability and COVID-19 infection, our funding costs may increase. Consequently, this could have a negative impact on our group's business, operating results, and financial condition.

Changing fund-raising environment

Panasonic Group raises funds for its business in various forms, such as bonds and commercial paper issued and borrowings from financial institutions. If the financial market becomes unstable or deteriorates, due to various external factors such as international political instability and the impact of the spread of COVID-19 infection, financial institutions reduce lending to Panasonic Group, or rating agencies downgrade Panasonic Holding Corporation's credit ratings, Panasonic's fund-raising ability may be reduced to levels at which it is not able to raise the necessary funds at the necessary times under appropriate conditions, and Panasonic Group may have to incur additional costs in raising funds.

This may adversely affect its business, operating results, and financial condition. In response to these risks, we are striving to strengthen our ability to generate funds, by improving the ability to generate sufficient cash flow coming in from businesses through measures such as strengthening business competitiveness and reducing working capital, and to strengthen our ability to generate funds through balance sheets by thoroughly looking into the assets held. In June 2021, we have signed commitment line contract (Note) with a total of 600 billion yen for a period of 3 years and we are ensuring to secure sufficient liquidity, including the balance of cash and cash equivalents to mitigate adverse impact on management.

Note: Commitment line contracts: A contract that allows us to receive a loan within the scope of the predetermined contract period and credit line that we have agreed with a financial institution.

Decreases in the value of stocks

Panasonic's financial assets include stocks of other companies around the world including Japan. A shrinkage in their value due to stock price declines or otherwise may reduce Panasonic Corporation stockholders' equity.

(2) Risks Related to Panasonic Group's Business Operational Activities

a. Risks of particular importance

Barriers in international business operational activities

One of Panasonic Group's business strategies is business expansion in overseas markets. In these markets, Panasonic Group may be exposed to various risks other than foreign currency exchange risks, such as political instability (including wars, civil disturbances, conflicts, riots, and terrorist attacks), economic uncertainty, cultural and religious differences, and labor issues. Panasonic Group may also experience various political, legal, or other barriers, including restrictions on foreign investment or profit repatriation, the nationalization of local industries, changes in export or import regulations or foreign exchange controls, and changes in the tax system, including tax rate changes, and transfer pricing and other international taxation risk and the differences in commercial customs overseas.

In particular, recent changes in the laws and regulations of each country regarding trade restrictions and economic sanctions, will have a major impact on the business of the Group, which has global production bases and supplies products. By paying close attention to these trends and collecting information on a daily basis, we grasp new trade restrictions and sanctions that affect our business at an early stage and take measures such as updating global policies and guidance as appropriate. We thoroughly implement the non-judgment of cargo and technology subject to new regulatory fields. In addition, we are working to educate employees in Japan and overseas by thoroughly disseminating information within the company and disseminating measures to avoid transaction risks.

Regarding economic security issues, while sensitive technology regulations and controls are being strengthened in each country, support for strengthening industrial infrastructure, research and development of cutting-edge important technologies, prevention of outflow of sensitive technologies, and strengthening of export control are being strengthened in each country, and the "Economic Security Promotion Law" was enacted on May 11, 2022 in Japan as well. Panasonic Group will continue to closely monitor the impact of these trends on our business.

Regarding the Ukraine-Russia situation, Panasonic Group expects the direct impact on its operating results and financial condition to be minor. However, a further surge in energy and raw material prices may have a significant impact on Panasonic's business, operating results, and financial condition going forward.

In addition, the state of emergency, lockdown, and restrictions on going out in each country at the beginning of the spread of COVID-19 infection last year had adverse impact on our business. Restrictions have already been relaxed in some countries, however, infection still spreads and lockdown continues in some countries and regions, and future spreads of infection may tighten restrictions on economic activities again, affecting our business, operating results and financial position.

Environmental issues / Climate change

Panasonic Group aims to create a society where people can achieve a better and more comfortable life with clean energy to achieve both a better life and a sustainable global environment. We are working to reduce the amount of energy we use and to create and utilize more energy than we use.

One of the risks that we place particular emphasis on is the introduction and expansion of environmental regulations and policies in the international community as awareness of environmental issues grows. While opportunities for new technology and business development that comply with environment-oriented policies and environmental regulations are expected to expand, it may adversely affect the Group's business and business performance by energy procurement costs increase due to the introduction of carbon pricing such as carbon tax and emission trading system, forced purchase of emission credits, manufacturing cost increase due to switching to materials with low environmental load, low Commoditization of carbon products, etc. In addition, delays in taking measures against such environmental problems may lead to the loss of business opportunities in markets such as Europe and other countries, and the loss of business opportunities due to suspension of transactions.

In addition, due to the development of the circular economy by resource depletion and resource constraints, opportunities to increase corporate value through active use of renewable energy are expected to increase, and at the same time, demand for low-carbon products using recycled resources is expected to increase. On the other hand, there is a possibility that production costs will increase, and production delays will occur frequently and become normal due to rising prices of recycled resources (recycled materials and recycled raw materials) and supply shortages.

In May 2021, Panasonic Group announced its goal of achieving zero net CO2 emissions by 2030. In January 2022, Panasonic Group announced its long-term environmental vision, Panasonic GREEN IMPACT, which aims to fulfill Panasonic's reduction responsibilities that match its CO2 emissions of 110 million tons across its entire value chain, including CO2 emitted by its customers through products provided by Panasonic Group, and expand its contribution to society's reduction of CO2 by leveraging its wide-ranging business fields. As a target for achieving this, Panasonic Group aims to create impact that reduces CO2 emissions by more than 300 million tons, or about 1% of current total global emissions, by 2050 through its business activities. Panasonic Group is committed to tackling environmental and climate change issues by strengthening these activities through the relevant business markets, while paying attention to shifts in demand for certain products and services due to global warming and to the introduction and expansion of environmental regulations and policies in the international community due to rises in environmental awareness.

Information security risks

In the ordinary course of business, Panasonic Group may obtain information regarding customers' privacy and credit standing (including their personal information) and receive confidential information regarding other companies etc. In addition to information regarding customers and other companies etc., Panasonic Group also handles its own trade secrets (including Panasonic's technical information, etc.). This information may be leaked due to intentional acts such as unauthorized access to Panasonic's systems and cyberattacks or negligence. Furthermore, the number of our products and services, production equipment, and management systems that use the Internet is increasing, and unexpected intrusion into products and services via the network, leakage of personal information due to unauthorized operations, external information leakage, service outage, impact on the process, etc. may occur. Such events may result in Panasonic Group becoming liable to pay compensation to the damaged parties. In addition, the Group's business activities may be forced to be suspended or suspended, or the Panasonic's image may be adversely affected. As a result, Panasonic's business, business performance and financial position may be adversely affected.

On November 11, 2021, Panasonic Group confirmed that its network had been hacked by a third party. Since confirming the hack, Panasonic Group has been striving to uncover the full extent of damage and to prevent a recurrence by establishing an emergency response headquarters and hiring an external security advisor to investigate the hack and to consider an emergency response. Based on the results of the investigation, Panasonic Group is also making preventive efforts by expanding the monitoring of networks, servers, and PCs and enhancing its security monitoring framework globally and in a unified manner to achieve a higher level of information security. However, although we take the utmost defense measures, there remains the risk of adversely affecting the Group's business that we cannot completely prevent the intensifying and sophisticated cyber attacks, as a consequence, this could have a negative impact on our group’s business, operating results, and financial condition.

b. Other Important Risks

Competition in the industry

Developing, producing, and selling a broad range of products and services, Panasonic Group faces many different types of competitors, from large international companies to small but rapidly growing specialized enterprises. Panasonic Group is strengthening its investments in strategically important businesses, but there may be business sectors in which its investments may not be as large or timely as competitors' or may not happen at all. These competitors may have greater financial strength, technological capabilities, and marketing resources than Panasonic Group in the respective competitive business sectors.

Amid this competitive environment, Panasonic Group is aiming to strengthen its competitiveness by reconstructing its strategy from a long-term perspective. First, we will strive to strengthen our competitiveness through our contribution to customers by stepping up our efforts toward solving environmental issues, which require an urgent response. With the acquisition of cash as a premise, we will also invest strategically in businesses in which we have strength, not only at the operating company level but also at the group level.

Secondly, the strengthening of competitiveness requires "operational skills," which eliminate waste and stagnation and accelerate the speed of business, at every business site. Panasonic Group has been streamlining operations that do not generate net added value by employing IT and promoting business process reforms under the theme of enhancement of business competitiveness, and where there are economies of scale at the group level, such as development & design, manufacturing & marketing, and procurement. It is also reducing costs to enhance competitiveness by employing digital technologies, building up streamlining activities, and rolling out initiatives to eliminate all waste, stagnation, and rework in the workplace.

Alliances with other companies and corporate takeovers

Panasonic Group has formed strategic alliances such as business partnerships or joint ventures and also purchased other companies in order to introduce new products and services. Furthermore, the importance of such strategic alliances as well as corporate takeovers is increasing. In the strategic alliances, Panasonic Group conducts prescribed deliberation according to the stage of consideration, where we verify the consistency with the business strategy, omissions in consideration, the validity of prices and contract details, identification of risks and the integration plan. Panasonic Group may not be able to successfully collaborate or achieve expected synergies with its alliance partners or recover some or all its respective investments. Furthermore, the alliance partners may make decisions regarding their business undertakings for Panasonic Group that may be contrary to Panasonic's interests. In addition, if such partners change their business strategies, then Panasonic Group may find it difficult to maintain these collaborative relationships. With respect to corporate takeovers, Panasonic Group may have to incur substantial expenses in relation to such takeovers or may not be able to fully achieve expected results or may have to incur unexpected losses in connection with business integration or restructuring after such takeovers.

In September 2021, Panasonic Group has purchased the remaining 80% of shares of Blue Yonder and made the company a wholly owned subsidiary. Panasonic Group is accelerating the realization of on-site process innovation and maximizing the synergies between the two companies by incorporating the capabilities of Blue Yonder in various cyber fields. However, there is a possibility that these expected effects may not be fully obtained, if we cannot retain talented people, including key management members, or maintain employee morale, if the competitiveness of Blue Yonder is significantly reduced due to changes in the business environment or competitive situation or if we cannot maintain good relationships with important customers and other stakeholders. In addition, with the acquisition of Blue Yonder as a wholly owned subsidiary, a considerable amount of goodwill and intangible assets is recorded in the consolidated statements of financial position, but if it is judged that the expected effect will not be obtained due to changes in the business environment and competitive situation, and the recoverable amount falls below the carrying amount, an impairment loss may occur, which may affect our operating results and financial position. (For details, see "(6) Other risks Impairment of non-financial assets".)

Panasonic Group will steadily promote PMI (Post Merger Integration) with the aim of growing Blue Yonder's business and maximizing synergies between the two companies. Specifically, the two companies will promote a new management system and collaboration plan to reduce risk after the completion of the transaction.

The external environment surrounding the supply chain management business (SCM business) centered around Blue Yonder has been changing significantly. Expected needs of enterprises for supply chain management solutions are increasing, and its market is expected to expand rapidly, competition for strengthening of R＆D and investing in M＆A have become more fierce in this field. Against this backdrop, to further strengthen competitiveness of SCM business, Panasonic Group has determined that a stock exchange listing of the SCM business is an optimal way to accelerate growth globally by utilizing the capital markets. On May 11,2022 we announced that we would begin preparations for a stock exchange listing centered around Blue yonder, based on the premise that the listed company will be positioned as an important consolidate subsidiary of Panasonic Group and Panasonic Group will hold a majority of the voting rights.

A stock exchange listing is subject to the approval of the relevant stock exchange and other relevant government agencies. In addition, as a result of further consideration and review in the preparation process for the stock exchange listing, there is a possibility that reorganizations of Panasonic Group will be required. There is also a possibility that the Company decides not to pursue a listing of the SCM business.

Risks in the Result of Restructuring

Panasonic Group owns a large number of subsidiaries and associated companies, etc., and may carry out groupwide restructuring (including transferring certain businesses or shares to other companies and restructuring organizations or sites within the group) in order to enhance its business management efficiency and competitive strengths. However, there is a possibility that Panasonic Group will not be able to fully achieve the expected results from ongoing or future restructuring projects.

Panasonic Group implemented a company split with the former Panasonic Corporation as the split company in order to strengthen the competitiveness of each operational company business from a medium- to long-term perspective. We shifted to operation company system with the former Panasonic Corporation as a holding company from fiscal 2023. Each operating company, which was spun off due to the transition to an operating company system, works to significantly strengthen its competitiveness through swift decision-making in response to changes in the external environment and flexible system design according to business characteristics. On the other hand, the holding company actively supports the strengthening of the competitiveness of each operating company, develops and promotes the Group's growth strategy and strives to increase the corporate value of the Group. However, there is a possibility that the initially expected results may not be fully obtained due to decrease in decision-making speed due to multi-layered organization, and the increase in costs for independent management operations at each company.

In response to such risks, Panasonic Group discusses and builds the group's medium- and long-term strategy as a holding company. For important projects proposed by operating companies, we will strive to reduce risks in business operations by supporting decision-making at operating companies from the viewpoint of a holding company.

Regarding governance, we transfer necessary authority to operating companies and strengthen decision-making expertise and speed in order to thoroughly strengthen business competitiveness. We built specific systems and institution, including some directors of the Company concurrently serving as directors of operating companies, to continue to collect appropriate information, for implementing governance based on it, without changing the perspective of strengthening governance for the entire Panasonic Group that we had implemented so far.

In addition, we established a new company to handle professional services (indirect operational functions) to eliminate the layering of indirect functions and the duplication of functions to downsize the indirect organization upon the introduction of an operating company system. We visualize the value provided by indirect functions as professional functions and operation functions corporate-wide and promote the efficiency and sophistication of indirect operations to improve the efficiency of indirect fixed costs.

Supply and demand of raw materials, disruption of transportation, soaring prices

For Panasonic's manufacturing operations, the ability to obtain raw materials, parts and components, equipment, services, etc. in a timely manner in required quantities is essential, and Panasonic Group uses reliable suppliers. However, in the case of disasters, accidents, spread of infectious diseases, or supplier bankruptcies leading to temporary short supply or depleted stock, or increased industry demand, Panasonic Group may have difficulty finding alternative or additional suppliers or substitute parts. Furthermore, in the event of a production interruption or halt, or a reduction in production scale due to such events at business customers to which Panasonic Group delivers parts and materials, Panasonic’s sales volume may decline. Panasonic’s business, operating results, and financial condition may be adversely affected by such events.

Recently there has also been a surge in raw material and fuel prices, a sharp rise in container transportation costs, and a shortage of drivers both in Japan and overseas. Regarding the surge in raw material and parts/material prices, Panasonic Group is making efforts to reduce price increases and achieve stability by actively engaging in forward contract hedging and further accelerating central purchasing at the group level. With regard to rising distribution costs, Panasonic Group is striving to reduce the number of containers it uses by improving load efficiency, creating multiple marine transport routes, and securing container space on a medium- to long-term basis. However, should economic sanctions by countries around the world against Russia and distribution disruptions be prolonged due to Russia’s invasion of Ukraine, costs may rise further, adversely affecting Panasonic’s business.

In response to the outbreak of COVID-19 infection, at the beginning of the epidemic in fiscal 2021, we conducted a simultaneous survey of all affected suppliers and items, including secondary suppliers, and implemented countermeasures. Through these efforts, we have identified potentially problematic customers and matters, and ensured to secure alternative suppliers and locations. As a result, we overcome those difficulties initially experienced in procuring parts and managed to return to near pre-COVID-19 levels on the supply side. On the other hand, there is a possibility that the supply of some parts will be hindered due to rapid changes in the supply and demand environment in the world caused by further spread of COVID-19 infection.

Product price declines

Being subject to intense competition worldwide, Panasonic Group may have difficulties in setting product prices at levels at which it can secure sufficient profit. Although Panasonic Group makes efforts to reduce costs and develop high value-added products, greater downward price pressure than it can cope with through such efforts seriously affects Panasonic's ability to maintain or secure profits, especially when product demand is lower. In business-to-consumer (BtoC) areas, amid accelerating changes in the structure of markets, such as a demand shift to emerging markets and lower-priced products, Panasonic's product prices in digital electronics and other business areas may decline. In business-to-business (BtoB) areas, on the other hand, in spite of Panasonic’s efforts, its business, operating results, and financial condition may be adversely affected by downward price pressure, decrease in demand for products, or pressure for capital investment from business partners that Panasonic Group highly depends on.

Competition for innovation and de facto industry standards

Panasonic Group must develop and provide new products and services in a timely manner. In Panasonic's core businesses in both B to C and B to B areas, technological innovation is the central competitive factor. In cases where Panasonic Group fails to read future market needs and predict with reasonable accuracy and develop new technologies that will meet such needs, or technology developed or provided by Panasonic Group does not lead the market and, instead, one developed by a competitor is recognized as the de facto standard, Panasonic Group may lose its competitive position in new markets.

Competition in recruiting and retaining skilled employees

Panasonic's future success depends largely on its ability to attract and retain talented personnel in such fields as research, development, technology, manufacturing, and management. Panasonic Group has a globally unified criteria, process, and IT platform for selecting management personnel to identify the most appropriate personnel and ensure systematic career development and appointment irrespective of attributes such as age, gender, and nationality. For candidates for management positions, including executives, Panasonic Group has clarified its training policy and selection perspectives as it promotes their career development by quickly spotting talent and providing them with a wide range of experience.
However, the number of qualified personnel in each field is limited and competition for such resources is intensifying. In this context, if Panasonic Group is not able to retain its existing personnel and attract additional qualified staff, its business, operating results, and financial condition may be adversely affected.

Occupational safety and working hours management

At Panasonic Group, inadequate work environments and procedures, and inappropriate labor management may cause physical and mental harm to employees and others involved. Furthermore, inappropriate work time management may pose a health risk to employees or lead to a drop in morale in the workplace.
In accordance with laws and regulations and Panasonic’s basic business philosophy, Panasonic Group promotes health and safety initiatives through the establishment of the Occupational Safety and Health Policy and the Occupational Health and Safety Management Regulations, which has set forth standards for ensuring employees’ safety and health, achieving a comfortable workplace, and preventing workplace accidents. A Central Safety and Health Committee, headed by the group’s safety and health management division, has also been established, under which safety and health organizations of operating companies and divisions are established. They deliberate and decide important policies related to safety and health management and conduct related activities and monitoring. Regarding work time management, in light of the recent expansion of remote work, we are working to prevent overwork by renewing the method of collecting and utilizing objective data on working hours, continuously raising awareness of employees, and expanding the work management system.

(3) Risks Relating to the Result of Panasonic's Management Targets Achievements

Panasonic Group announced the Group's new medium- to long-term strategy in April 2022 and the strategies of each operating company in June 2022. Panasonic Group is promoting specific measures to execute these strategies. These strategies are based on the information, analysis, and other factors that we deemed appropriate at that time when the strategy was formulated.
The global economy during fiscal 2023 is expected to see a continuing surge in raw materials prices & logistics costs, shortages of components and materials, and global inflation. Also, uncertainty resulting from COVID-19 infection and geopolitical risks including the Russia and Ukraine situation continue to be alarming, and the economic environment remains difficult to predict. We may not be able to achieve expected results due to the adverse impact of the world economy and other factors. In order to press ahead with the medium- to long-term strategy, we will make our best efforts to minimize the risk of failure to achieve these results by regularly monitoring the progress to identify issues and reviewing those identified issues in light of trends in the global economy as well as business environment to come up with appropriate measures on a timely manner.

(4) Risks Related to Legal Regulations and Litigations

a. Risks of particular importance

Compliance

"Panasonic Group Code of Ethics & Compliance" stipulates that Panasonic Group should engage in fair business practices as a "company as a public entity of society", clearly states compliance with laws and corporate ethics, and shares the basic stance of the Company with all directors and employees. In addition, we are working to ensure thorough compliance based on global regulations against serious risks such as "violation of competition law" and "bribery / corruption." In addition, we are working to strengthen awareness of ethics and legal compliance by implementing compliance measures for employees throughout the year in response to various risks. Furthermore, as a centralized whistleblower contact point, we have established a global hotline that allows us to make reports from domestic and overseas bases and business partners, and we are working to detect and correct problems at an early stage through appropriate internal investigations.

"The Panasonic Group Code of Ethics & Compliance" states that Panasonic "respects human rights, complies with the laws and regulations of countries and regions around the world, and strives to accurately understand and recognize their culture, religion, and values, treating them with respect, and acting with sincerity." Panasonic Group has also established "Rules on Human Rights and Labor Compliance", which set forth the basic policy and the roles to be played by directors and employees in order to comply with human rights-related international standards and laws and regulations advocated by the United Nations and internal labor organizations, as well as to achieve a labor environment that offers job satisfaction and where a diverse range of human resources can maximize their potential, so as to fulfill the corporate social responsibility of respecting human rights. Panasonic Group supports the United Nation's Universal Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the basic principles of the OECD Guidelines for Multinational Enterprises. Panasonic Group strives to strengthen compliance regarding important changes in the legal requirements concerning human rights and labor by gathering information and thoroughly enforcing the changes at each facility.

These efforts to strengthen compliance may have an adverse effect on Panasonic's operating results due to the incurrence of additional costs and expenditure. Furthermore, in the event of a compliance or ethical violation at Panasonic Group or when faced with a compliance or ethical issue, Panasonic Group may be subject to administrative sanctions such as a fine, criminal punishment, or a lawsuit for damages, as well as damage to its social reputation.

Risks Related to Supply Chain

Panasonic Group does business with more than 10,000 suppliers globally. In recent years, the demand for corporate social responsibility in the supply chain has been increasing by the day. This trend is becoming evident in legislative developments, with new regulations being established and invoked especially in human rights. Panasonic Group has established "the Rules on Supply Chain Compliance", which clarify basic matters concerning compliance in Panasonic's procurement activities and its supply chain and the roles and responsibilities of each organization, as well as setting forth the roles to be played by directors and employees and the system and basic policy for promoting responsible procurement activities. Panasonic Group has also issued "the Panasonic Supply Chain CSR Promotion Guidelines", which summarize the CSR requirements (in human rights, labor, health and safety, global environmental conservation, information security, social contribution, etc.) that we would like our suppliers to comply with. By conveying Panasonic's ideas on CSR procurement by referring to international standards and industry norms and in consideration of the CSR requirements of NGOs and client companies, both Panasonic Group and suppliers practice the guidelines.

However, failure to achieve the results expected from the initiatives in responsible procurement activities in the supply chain may lead to a drop in Panasonic's image and reputation and lead to the flight of customers, etc., which may have an adverse effect on Panasonic's business, operating results, and financial condition.

b. Other Important Risks

Direct or indirect costs resulting from product liability or warranty claims

Panasonic Group incorporates knowledge about unsafe events and prevention into corporate-wide safety design standards to thoroughly manage risks on a daily basis. However, if quality problems occur because of product defects (including safety incidents), Panasonic Group may be held liable for damage (including indirect damage) arising from such defects but not fully covered by product liability insurance and may have to incur significant expenses to handle such problems. Due to the occurrence of these problems, Panasonic Group may experience the deterioration of its image or reputation or may not be able to retain its customers. As a result, its business, operating results, and financial condition may be adversely affected.

Damage related to intellectual properties rights

Panasonic Group may not be granted patents for its patent applications and adequate protection in the form of intellectual property rights. In addition, intellectual property rights may be unavailable or limited in some countries in which Panasonic Group operates. Third parties may also develop technologies that are protected by intellectual property rights, and such technologies may be completely unavailable or available only on terms unfavorable to Panasonic. Group Panasonic has licenses for patents and other intellectual property rights from third parties. However, such licenses may be made unavailable, or the license terms may be modified to Panasonic's disadvantage. In addition, Panasonic Group may be exposed to litigation etc. regarding intellectual property rights, or it may have to initiate litigation etc. to protect its intellectual property rights. In such cases, Panasonic Group may have to incur significant expenses and spend large management resources. Furthermore, if allegations of Panasonic Group's infringement of a third party's intellectual property rights are approved, Panasonic Group may be prohibited from using certain important technologies or held liable for heavy damages.

Disadvantages and legal liability under other legal regulations etc.

Panasonic Group operates pursuant to the regulations of Japan and all other countries and regions of the world, including legal regulations regarding commercial transactions, antitrust rules, intellectual property rights, product liability, environmental protection, consumer protection, labor relations, financial transactions, internal control and business taxation, as well as government permission required for business operation and investment, legal regulations regarding telecommunications businesses and the safety of electric products, national security and import/export. If, due to the implementation of stricter legal regulations or the introduction of stricter interpretations by governmental authorities, Panasonic Group finds it difficult to comply with these legal regulations for technical or economic reasons and continues the relevant business, then such business will have to be limited. Panasonic Group may also have to incur additional expenses to ensure its compliance with these legal regulations etc. In addition, in the event that governmental authorities find or determine that Panasonic Group has violated such legal regulations or its internal controls for compliance are inadequate, Panasonic Group may be subject to regulatory sanctions, including monetary penalties, as well as criminal sanctions or civil lawsuits for damages, and may also suffer reputational harm.

(5) Risks Relating to Disasters, Accidents, and Unpredictable Events

Risks Related to Natural Disasters

Panasonic Group conducts manufacturing, sales, research and development, and other activities globally and has facilities all over the world. If an earthquake, tsunami, flooding, or other natural disaster (including those caused by climate changes), fire, explosion, war, terrorist attack, epidemic, or the like occurs, Panasonic's employees, facilities, information systems, or other assets may be seriously injured or damaged and part of its operation may be brought to a halt, resulting in delays in production and shipment and repair expenses for damaged facilities etc. In addition, if such natural disasters or accidents or other unpredictable events occur in Panasonic Group's supply chain, including parts suppliers and product purchasers, Panasonic Group's production and sales activities etc. may be adversely affected by temporary short supply or depleted stock from suppliers or a temporary stoppage or limited production at the product purchasers.

To reduce these risks, we regularly review our BCP (Business Continuity Plan), which includes the supply chain. In addition, we have established the "Corporate Emergency Management Rules", which specifically stipulate the response policy, organizational structure, and the role of each function so that we can respond promptly in the event of an emergency.

Especially for natural disasters, we are strengthening our disaster and accident preparedness in normal times and have established the Disaster/Accident Countermeasures Committee at the group level so as to enable swift transition to an emergency response system in the event of an emergency. The Disaster/Accident Countermeasures Committee has set up sub-committees for earthquakes, tsunamis, and floods in order to strengthen measures against each type of disaster. In view of the pressure on electricity supply that occurred during disasters in the past, the BCP includes emergency power equipment, etc. to ensure business continuity. In addition, we carry out drills of the Corporate Emergency Headquarters every year, assuming an emergency. In January 2022, we held the Corporate Emergency Headquarters exercise, a company-wide disaster prevention drill assuming a Nankai Trough Earthquake. In particular, since the outbreak of COVID-19 infection, we have been promoting telework to prevent infection among employees, and the drill in fiscal 2022 was held for a remote meeting, assuming that there are many teleworkers in the event of a disaster.

Risks related to infectious diseases

Except for the impact of the aforementioned decline in demand in some industries, COVID-19 infection has not had a significant adverse effect on the entire Panasonic Group. However, due to the outbreak of mutant strains one after another, the spread of the infection still continues, and the infection may still affect its business, operating results, and financial condition. Following the WHO declaration of global health emergency in response to the outbreak of COVID-19, we set up the Corporate Emergency Headquarters based on "the Corporate Emergency Management Rules" on January 31, 2020. We are working to maintain the stability of our business by forming teams for management, procurement, public relations, etc. centered on professional functions within the Corporate Emergency Headquarters, and by professionally responding to each issue. At the same time, each operating company that operates the business has also set up an emergency headquarters and is taking measures in cooperation with the Corporate Emergency Headquarters. Even at the present time when the initial response has been completed, from the viewpoint of maintaining the health of employees and continuing the business, we are implementing measures such as giving detailed group notifications based on the infection situation in Japan and overseas and the guidelines of the government of each country.

Panasonic Group has also implemented workplace vaccination since June 2021 to ensure the safety and security of all employees, maintain a system that enables safe business operation, and fulfill its social responsibility of contributing to the prevention of infection by accelerating the pace of vaccinations in Japan. Workplace vaccination has been implemented three times so far, and we will continue to respond according to the situation of infection and government guidelines.

(6) Other Risks

Panasonic Group's pension plan benefit obligations

Panasonic Group has an externally funded retirement pension plan for employees in Japan who meet certain eligibility requirements. Panasonic Group and some domestic subsidiaries made transition from the defined benefit pension plan to a defined contribution pension plan for a portion of the reserve (future portion) after the transition date and a portion of the reserve (past portion) before the transition date. However, as for those portions that have not been transferred to the defined contribution pension plan, it may need to lower the discount rates applicable to the liabilities associated with the defined benefit pension plan due to a decline in interest rates and may also lead to a decline in the fair value of plan assets due to a decline in stock prices. As a result, the retirement benefits liabilities may increase and the equity attributable to the owners of the parent company may decrease.

Impairment of non-financial assets

Panasonic has many non-financial assets, such as PPE (Property, Plant, and Equipment), goodwill, intangible assets and right-of-use assets. With regard to non-financial assets (other than inventories and deferred tax assets etc.), an assessment is made for any indications of impairment in each such asset or cash-generating unit ("Asset"). If any such indication exists, then the recoverable value of the relevant Asset is estimated, and impairment tests are performed. For goodwill and intangible assets with indefinite useful lives, impairment tests are performed annually, regardless of whether there are indications of impairment. Depending on the results of impairment tests, it may be necessary to reduce the carrying amount of the relevant asset to its recoverable amount and recognize an impairment loss. The estimate of the recoverable amounts includes certain assumptions about the impacts of COVID-19 infection; therefore, actual results and outcomes in future reporting periods may differ materially from the Company's estimates.

Recognition of deferred tax assets

With regard to deferred tax assets, Panasonic Group recognizes only those that are probable to be utilized against Panasonic's future taxable income. Recognized deferred tax assets are reviewed at the end of each reporting period. Any reductions in deferred tax assets due to the reduced probability of tax benefits being realized may result in an increase in income tax expenses to Panasonic. The estimate of future taxable income includes certain assumptions about the impacts of COVID-19 infection; therefore, actual results and outcomes in future reporting periods may differ materially from the Company's estimates.

Operating results and financial conditions of companies under the equity method

Panasonic Corporation has stocks in several companies to which the equity method applies. Each such company operates pursuant to its own business and financial policies. Panasonic Corporation has significant influence, but not control, over their policy making processes; therefore, Panasonic Group usually does not make policy decisions for them. If these companies' business results and financial condition worsen, then Panasonic's operating results and financial condition may be adversely affected.

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

(1) Significant Accounting Policies and Estimates

The Company's consolidated financial statements are prepared in conformity with IFRS. The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant estimates and assumptions are reflected in recoverability of deferred tax assets, measurement of defined benefit obligation and impairment of non-financial assets (including goodwill). Actual results could differ from those estimates.

The details of critical accounting policies and estimates are stated in "V Consolidated Financial Statements, Note 3. Significant accounting policies."

(2) Production, Orders Received and Sales

The Company's production and range of sales items is extensive and diverse. Even for the same type of products, their capacity, structure and format are not necessarily uniform. Due to the nature of the products, in principle, the Company adopts a production system that operates mainly based on projection.

Since the Company is engaged in production activities in a way that the product inventories are kept at a certain level, production results are generally similar to the sales performance.

(3) Analyses of Operating Results for Fiscal 2022, ended March 31, 2022

During the year ended March 31, 2022 (fiscal 2022), the global economy saw progress in economic recovery with the backdrop of factors such as the ongoing COVID-19 vaccination roll-out. However, the economic outlook remained unclear due to the impact of new COVID-19 variants. In addition, price surges in raw materials and logistics costs as well as shortage of parts & components were constant negative factors for the economy throughout the year. Furthermore, in the second half of the fiscal year, such factors as accelerating inflation and increasing geopolitical risks led to concerns about economic downturn.

Under such management conditions, the Company continued to control fixed costs according to business conditions and to make efforts to capture new business opportunities reflecting changes in society brought about by COVID-19. Through all these efforts, the Company continued to enhance its management structure in the final year of the Mid-term strategy that started in fiscal 2020. Additionally, in all of our businesses, the Company identified the areas in which the Company should be aggressive and thoroughly enhanced the competitiveness in these areas.

More specifically, with regard to the investment for growth, in the *gemba* (operational frontlines) process business, the Company completed its acquisition of the 80% of shares of the U.S. company Blue Yonder, which is one of the leading global providers of specialized supply chain(Note 1) software. As a result, the Company made Blue Yonder a wholly-owned subsidiary, together with the 20% of its shares acquired in July 2020. The Company aims to create new value by combining Blue Yonder's software platform, which offers state-of-the-art artificial intelligence (AI) and machine learning (ML) capabilities, with the Company's manufacturing expertise, which has been cultivated over many years, as well as its edge devices(Note 2), IoT(Note 3) applications, and sensing technologies. This acquisition will accelerate an "Autonomous Supply Chain™" and will provide solutions to customers' management issues. In addition, the Company aims to contribute to global environmental conservation and to a sustainable society through energy-use reduction and effective utilization of recourses.

In October 2021, the Company started its operations based on the new structure toward the transition to a new organizational system with the Company serving as a holding company (Panasonic Holdings Corporation) from

April 2022. Under the new structure, the Company continued to execute steadily the Mid-term strategy and prepare for the smooth operation of each operating company.

Notes 1. Supply chain: A series of processes involved in delivering a product or goods to consumers, including procurement, manufacturing, inventory management, delivery, and sales
2. Edge device: Devices connected to the Internet
3. IoT: Internet of Things, which refers to the connection of many things, or devices, to the internet

1) Sales

The Company's consolidated group sales for fiscal 2022 increased by 10% to 7,388.8 billion yen from a year ago. Domestic sales increased due to favorable sales of products for industrial use as well as information- and communication-use products. Overseas sales also increased due mainly to increased sales of automotive batteries with growing demand as well as the effect of new consolidation of Blue Yonder.

2) Operating Profit

Operating profit increased by 38% to 357.5 billion yen from a year ago. This is due mainly to increased sales, efforts to increase sales prices as well as a gain recognized from the remeasurement of the previously-held equity interest in Blue Yonder, despite the impact of raw material price hikes and other factors.

3) Profit before Income Taxes

Finance income increased from 20.8 billion yen a year ago to 22.1 billion yen. Finance expenses increased from 18.6 billion yen a year ago to 19.3 billion yen. As a result, profit before income taxes was 360.4 billion yen, compared to 260.8 billion yen a year ago .

4) Net Profit attributable to Panasonic Corporation Stockholders

Income taxes were 95.0 billion yen, compared to 76.9 billion yen a year ago. As a result, net profit attributable to Panasonic Corporation stockholders totaled 255.3 billion yen, compared to 165.1 billion yen a year ago. Also, net profit attributable to Panasonic Corporation stockholders per share was 109.41 yen, against 70.75 yen a year ago.

5) Operating Results by Segment

With the termination of the previous divisional company system and the reorganization of the group structure on October 1, 2021, the group's segment composition has now been realigned to five reportable segments of "Lifestyle", "Automotive", "Connect", "Industry" and "Energy", and other businesses which are not included in the reportable segments.

Due to the organizational structure change, the segment information for fiscal 2021 has been reclassified to conform to the presentation for fiscal 2022.

a. Lifestyle

Sales increased by 3% to 3,647.6 billion yen from a year ago.

In fiscal 2022 year, sales of the air-conditioning business such as room air-conditioners decreased in Japan. However, due to strong sales of personal-care appliances, washing machines and refrigerators in China and heat pump-type hot water heaters in Europe, and the favorable exchange rates, overall sales increased.

Looking at the main Business Divisions (BDs), in the Heating and Cooling Solutions BD, demand for room air-conditioners in Japan decreased. However, sales of heat pump-type hot water heaters in Europe and room air-conditioners in Asia remained strong, resulting in an increase in sales.

In the Energy Systems BD, sales of electrical equipment materials, mainly overseas, were strong, resulting in an increase in sales.

In the Kitchen Appliances BD, sales of refrigerators and cooking appliances in Japan decreased, but sales of refrigerators in China and microwave ovens in Northeast Asia were strong, resulting in an increase in sales.

In the Lighting BD, sales mainly for lighting parts in Japan increased, but overall sales decreased due to such reasons as the drop in sales of lighting equipment in China.

Operating profit for this segment was 113.6 billion yen. Although there was an increase in sales in China and Europe, impact from decrease in sales of domestic home appliances, soaring raw material prices, and an increase in transportation costs, resulted in a decrease in profit of 53.3 billion yen from a year ago.

b. Automotive
Sales increased by 5% to 1,067.1 billion yen from a year ago.

Automobile production has decreased this fiscal year compared to the forecast at the beginning of the fiscal year due to the resurgence of COVID-19 mainly in Southeast Asia, and the tight global supply of semiconductors and components, which all have had an impact on sales in this segment. However, in the first half of the fiscal year there was a recovery from the significant decrease in automobile production in the previous fiscal year, and due to the effects of foreign exchange, sales increased in both the Automotive Cockpit Systems Business and the Automotive Electronics Systems Business.

Operating profit for this segment was 1.3 billion yen. There were soaring prices due to the tight supply, etc. for semiconductors and other materials, and an increase in transportation costs as well. Furthermore, there also was an increase in fixed costs due to a rebound in corporate activities and other factors in this fiscal year compared to the first half of the previous fiscal year, in which corporate activities stagnated as a result of various factors including temporary factory shutdowns due to the spread of COVID-19. However, profit increased by 13.1 billion yen from a year ago due to cost reduction effects and the fact that there was one-time expenses in the previous fiscal year for the Automotive Electronics Systems Business.

c. Connect
Sales increased by 13% to 924.9 billion yen from a year ago.

In the current fiscal year, sales increased due to the mounting machines which were affected by boosted demand of personal computers and servers, and projectors, whose market was on a recovery trend, mainly in the United States and Europe.

Looking at the main BDs, in the Process Automation BD, demand for mounting machines increased due to strong capital investments related to servers and smartphones and strong investments related to electric vehicles, resulting in an increase in sales.

In the Mobile Solutions BD, demand for rugged PCs remained strong, especially in Europe, and demand for notebook PCs for domestic corporations also increased, but sales declined due to the problems in parts procurement due to the spread of COVID-19.

In the Media Entertainment BD, demand for remote cameras increased, and projectors in Europe and China remained strong, resulting in an increase in sales.

At Panasonic Avionics Corporation, there were effects from the delayed recovery in aviation demand and aircraft production, but with the recovery trend of the number of passenger flights, there was an increase in sales in the aircraft repair & maintenance service business, resulting in an overall increase in sales.

Operating profit for this segment was 51.7 billion yen. In addition to the increased sales profit of mounting machines and projectors, because the Company recognized a gain from the remeasurement of the previously-held equity interest in Blue Yonder upon its initial consolidation, profits increased by 71.7 billion yen from a year ago.

d. Industry
Sales increased by 15% to 1,131.4 billion yen from a year ago.

There were effects from the rising cost of raw materials and shortage of semiconductors in this fiscal year, but there was an increase in sales of industrial motors and relays, as well as information- and communication-infrastructure and in-vehicle capacitors, which resulted in an increase in sales.

Looking at the main businesses, in the Control Devices and FA Solutions Business, in addition to increasing sales of industrial motors and FA sensors due to growing demand for capital investments, such as the booming semiconductor manufacturing equipment market and automation of production equipment, sales increased due to strong sales of relays, power supplies, module units, etc., centered on in-vehicle use.

In the Electronic Devices and Electronic Materials Business, sales increased because of increased sales in information- and communication-infrastructure such as servers and data centers and in-vehicle capacitors as well as substrate materials for in-vehicle and industrial use.

Other businesses such as semiconductors and LCD panels reported decreased sales, affected by the business transfer and business downsizing.

Operating profit for this segment was 83.2 billion yen. There were effects from the rising cost of raw materials and shortage of semiconductors in this fiscal year, but there was an increase in sales and profits with information- and communication-infrastructure, in-vehicle capacitors, industrial motors, power supplies, and relays, etc. We also promoted rationalization of productivity improvement etc., which resulted in an increase in profit of 42.5 billion yen from a year ago.

e. Energy
Sales increased by 27% to 764.4 billion yen from a year ago.

Sales increased in this fiscal year for in-vehicle batteries and power storage systems against the background of a strong global demand for electric vehicles and an expanding demand for IoT and social infrastructures.

Looking at the main businesses, in the In-vehicle Business, against the backdrop of tightening global environmental regulations, strong demand for electric vehicles drove sales of in-vehicle lithium-ion batteries. In addition, due to the recovery of demand from the effects of COVID-19 from the previous fiscal year, and start of operation of the new production line of our North American battery factory in August 2021, these resulted in a large increase in sales.

In our Industry and Consumer Business, in addition to sales of power storage systems for data center backup, sales of lithium-ion batteries for electric assisted bicycles and other power applications remained strong. There were increases in sales of dry batteries for priority markets such as South and Central America, etc., and lithium primary batteries for infrastructure and medical use, which resulted in an increase in sales.

Operating profit for this segment was 64.2 billion yen. Although there were impacts such as increased fixed costs and soaring raw material prices due to the increase in production, this was covered by increased sales and profits of in-vehicle batteries and power storage systems and efforts to rationalize materials, resulting in an increase of 30.7 billion yen from a year ago.

f. Other (Other businesses which are not included in the reportable segments)
Sales increased by 7% to 1,048.8 billion yen from a year ago due to steady sales of housing related products.
Operating profit increased by 98% to 17.7 billion yen from a year ago.

(4) Risks Materially Affecting Panasonic's Business, Operating Results and Financial Conditions

Refer to "2. Risk Factors."

(5) Financial Conditions and Liquidity

1) Liquidity and Capital Resources

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 when 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.

(Cash)

Cash and cash equivalents as of March 31,2022 were 1,205.9 billion yen, decreased by 387.3 billion yen compared with the end of the previous year.

In September 2021, when the Company acquired the additional 80% of the shares of Blue Yonder, the Group utilized reserved cash (approximately USD 3.5 billion) and procured the remaining amount by means of a bridge loan. Subsequently in October 2021, the Company issued 400 billion yen of yen-denominated unsecured hybrid bonds (Note) (subordinated bonds), and completed the repayment of the bridge loan. In addition, we redeemed yen-denominated unsecured straight bonds of 200 billion yen in September 2021 and 80 billion yen in March 2022. As a result, the balance of yen-denominated unsecured straight bonds was 600 billion yen, the balance of yen-denominated unsecured hybrid bonds (subordinated bonds) was 400 billion yen, and the balance of US dollar-denominated unsecured straight bonds was USD 2.5 billion as of Mar 31,2022.

Note: Hybrid bonds(subordinated bonds) : bonds with characteristics of both equity and debt, with characteristics similar to equity including optional deferral of interest payments, a particularly long payment period, and subordination in liquidation proceedings and bankruptcy proceedings.

(Interest bearing debt)

Interest-bearing debt increased to 1,897.3 billion yen as of March 31 2022 from 1,447.4 billion yen at the end of the previous year. This is due to the issuance of yen-denominated unsecured hybrid bonds and temporary borrowings from financial institutions despite the redemption of yen-denominated unsecured straight bonds.

Separate from the commitment line agreement (Note) described below, the Group has borrowed 300 billion yen from financial institutions when carrying out an absorption-type company split as part its transition to a holding company which took place on April 1, 2022. This borrowing was divided and succeeded as debt obligations by each company, and then repayment of the full amount was completed on April 1, 2022.

As the commitment line agreements (totaling 700.0 billion yen) which the Company entered into with several banks in June 2018 to prepare for financing risk in the unstable financial and economic environment expired, we renewed the agreements in June 2021 and concluded three-year commitment line agreements. The upper limit for unsecured borrowing based on the agreements is a total of 600.0 billion yen, but there is no borrowing under these agreements.

Note: Commitment line agreements : contracts made with financial institutions that enable financing subject to pre-agreed limits on the time period and the amount of borrowings.

(Ratings)

The Company has obtained credit ratings from Rating and Investment Information, Inc. (R&I), S& P Global Ratings Japan Inc. (S&P), and Moody's Japan K.K. (Moody’s). The Company's credit ratings as of March 31, 2022 are as follows.

R&I: A (Long-term, Outlook: Stable), a-1 (Short-term)

S&P: A- (Long-term, Outlook: Stable), A-2 (Short-term)

Moody's: Baa1 (Long-term, Outlook: Stable)

2) Cash Flows

The Company recognizes the importance of increasing free cash flow by strengthening business profitability and developing businesses over the mid- to long-term. The Company also works simultaneously to create cash flows through continuous reductions of working capital, revisions of asset holdings and other measures.

Net cash provided by operating activities for fiscal 2022 was 252.6 billion yen and net cash used by investing activities was 796.1 billion yen. Free cash flow, the total of the two, deteriorated by 1,224.1 billion yen from the previous year to an outflow of 543.5 billion yen.

A detailed analysis of cash flows is as follows.

(Cash flows from operating activities)
Net cash provided by operating activities for the year ended March 31, 2022 amounted to 252.6 billion yen, compared with an inflow of 504.0 billion yen a year ago. This is due mainly to increased inventories and an increase in corporate income tax payments despite the increase in net income.

(Cash flows from investing activities)
Net cash used in investing activities amounted to 796.1 billion yen, compared with an inflow of 176.6 billion yen a year ago. This is due mainly to the payment related to making Blue Yonder a subsidiary and temporary receipts such as a proceed from transfer of assets in the previous fiscal year.

(Cash flows from financing activities)
Net cash provided by financial activities amounted to 58.9 billion yen, compared with an outflow of 177.7 billion yen a year ago. This is due mainly to having issued yen-denominated unsecured hybrid bonds in Japan , despite a repayment of interest-bearing debt of Blue Yonder.

Taking factors such as exchange fluctuations into consideration, cash and cash equivalents totaled 1,205.9 billion yen as of March 31, 2022, a decrease of 387.3 billion yen, compared with a year ago.

3) Capital Investment and Depreciations
The Panasonic Group makes capital investments based on a policy of steady investments primarily in key businesses for future growth. Capital investment in fiscal 2022 (tangible assets only) increased 6.1 billion yen to 237.1 billion yen from 231.0 billion yen a year ago. The main capital investments were in production facilities for home-use electric appliances, electrical construction materials, and other products in the Lifestyle segment, in production facilities for electronic components, control equipment, and other products in the Industry segment, in production facilities for lithium-ion batteries for automotive use (USA) and other products in the Energy segment, in production facilities for in-vehicle systems and other products in the Automotive segment, in production facilities for systems and other products related to the B2B solutions business in the Connect segment.
Depreciation (tangible assets only) increased 1.5 billion yen to 180.9 billion yen from 179.4 billion yen a year ago.

4) Assets, Liabilities and Equity
The Company's consolidated total assets as of March 31, 2022 were 8,023.6 billion yen, an increase of 1,176.5 billion yen from March 31, 2021. This was mainly due to the acquisition of Blue Yonder as a subsidiary and increased inventory.

The Company's consolidated total liabilities were 4676.4 billion yen, an increase of 597.8 billion yen from March 31, 2021. This is due mainly to yen-denominated unsecured hybrid bonds.

Panasonic Corporation stockholders' equity increased by 571.0 billion yen to 3,165.0 billion yen, compared with March 31, 2021. This is due mainly to Net profit attributable to Panasonic Corporation stockholders and Other comprehensive income. With non-controlling interests added to Panasonic Corporation stockholders' equity, total equity was 3,347.2 billion yen.

As a result, the ratio of Panasonic Corporation stockholders' equity was 39.4%, increasing from 37.9% on March 31, 2021.

4. Material Agreements, etc.

(1) Cross License Agreement

Party	Country	Contract description	Contract period
Koninklijke Philips Electronics N.V.	Netherlands	Cross license of patents relating to mobile phone and AV products	From March 2007 to the expiration of the patents under contracts

(2) Conclusion of Merger Agreement for Acquisition of the Shares of Blue Yonder Holdings, Inc. in the U.S. to make it a wholly-owned subsidiary

The Company resolved at the Board of the Directors meeting held on April 23, 2021 to additionally acquire 80% shares of Blue Yonder Holding, Inc. ("Blue Yonder"), a company under the equity method to make it a wholly-owned subsidiary (the "Transaction"). The final agreement to acquire the remaining shares of Blue Yonder was reached among the Company, Blue Yonder, Blackstone Group Inc. and New Mountain Capital, the substantial existing shareholders of Blue Yonder. The Company also reached a merger and acquisition agreement for the merger between Blue Yonder as the surviving company and a special purpose company (the "SPC") as the dissolving company the Company established on the same day (April 23,2021) in Delaware, the U.S. for the Transaction. The outline of Blue Yonder is as follows:

Corporate Name: Blue Yonder Holding Inc.
Business Description: Offers solutions for supply chain management, merchandizing, pricing and revenue management for manufacturers, retailers and logistics and consulting services to support adoption and maintenance
Stated Capital: USD 137 million (as of the end of March 2022)
Consolidated Net Asset: USD 2,480 million (as of the end of December 2021)
Consolidated Net Sales: USD 1,113 million (for the fiscal year ended December 2021)
(The amounts mentioned above are based on USGAAP.)

The Transaction was to be conducted through the merger between the SPC and Blue Yonder, in which the Company and its U.S. subsidiary were to pay cash to the existing shareholders of Blue Yonder and the shares held by the existing shareholders were to be canceled. All the shares of the SPC owned by the Company and its U.S. subsidiary were to be converted into common shares of Blue Yonder, the surviving company.

In accordance with the above, the Company acquired 80% of the shares of Blue Yonder on September 16, 2021. Together with the 20% shares which the Company had acquired in July 2020, the Company acquired all the shares of Blue Yonder and made it a wholly-owned subsidiary. The aggregate acquisition cost to acquire all the shares was USD 7.90 billion.

(3) Conclusion of Syndicated Loan Agreement Regarding Making Blue Yonder a Wholly-owned Subsidiary

In September 2021, the Company reached a syndicated-loan agreement with banks for a bridge loan with respect to the acquisition to make Blue Yonder a wholly-owned subsidiary and borrowed 400.0 billion yen. The Company repaid the bridge loan with the funds raised from hybrid bonds (subordinated bonds) issued in October 2021.

(4) Conclusion of Absorption-type Company Split Agreements for Transition to a Holding Company System

The Company resolved at the Board of Directors meeting held on May 31,2021 to enter into absorption-type company split agreements with each of the wholly-owned eight split preparation companies of the Company (Panasonic Split Preparation Co., Ltd., Panasonic Automotive Systems Co., Ltd., Panasonic Entertainment & Communication Co., Ltd., Panasonic Housing Solutions Co., Ltd., Panasonic Industry Co., Ltd., Panasonic Energy Co., Ltd., Panasonic Operational Excellence Co., Ltd., Panasonic Sports Co., Ltd.) as well as Panasonic System Solutions Japan Co., Ltd.("PSSJ"), also a wholly-owned subsidiary of the Company, all of which was scheduled to take effect on April 1, 2022. (Hereinafter, all of these absorption-type company splits are collectively referred to as "the Company Splits," and all of the nine succeeding companies are collectively referred to as "the Succeeding Companies.")

The Company resolved at the Board of Directors meeting held on February 24, 2022 to make partial amendments to the "Assets and liabilities of the businesses to be split" in the company split agreement between the Company and PSSJ. A summary of the Absorption-type Company Splits is as follows:

1. Background and Purpose of the Company Splits

The Succeeding Companies, divided with the Company Splits for the transition to a holding company system thoroughly implement autonomous management based on clearly defined responsibility and authority. As a result, each of them works 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.

As Panasonic Holdings Corporation, a holding company, the Company continues to support the business growth of each succeeding company and define growth areas from the perspective of optimizing the Panasonic Group as a whole, thereby striving to enhance the corporate value of the entire group.

2. Summary of the Company Splits

(i) Effective Date of the Company Splits: April 1, 2022

(ii) Method of the Company Splits : The Company Splits shall be absorption-type company splits in which the Company shall be the splitting company and each of the Succeeding Companies shall be the succeeding company.

(iii) Allotment of shares in relation to the Company Splits

Upon the Company Splits, each of the Succeeding Companies shall issue one share of common stock, all of which shall be allocated to the Company.

(iv) Assets and liabilities to be transferred to the Succeeding Companies (As of March 31, 2022)

(a) Panasonic Split Preparation Co., Ltd.
Assets: 506.9 billion yen Liabilities: 506.3 billion yen

(b) Panasonic Automotive Systems Co., Ltd.
Assets: 219.3 billion yen Liabilities: 218.7 billion yen

(c) Panasonic Entertainment & Communication Co., Ltd.
Assets: 47.0 billion yen Liabilities: 46.4 billion yen

(d) Panasonic Housing Solutions Co., Ltd.
Assets: 65.2 billion yen Liabilities: 64.7 billion yen

(e) Panasonic System Solutions Japan Co., Ltd.
Assets: 639.8 billion yen Liabilities: 170.3 billion yen

(f) Panasonic Industry Co., Ltd.
Assets: 197.4 billion yen Liabilities: 197.3 billion yen

(g) Panasonic Energy Co., Ltd.
Assets: 67.3 billion yen Liabilities: 66.8 billion yen

(h) Panasonic Operational Excellence Co., Ltd.
Assets: 386.1 billion yen Liabilities: 383.8 billion yen

(i) Panasonic Sports Co., Ltd.
Assets: 0.3 billion yen Liabilities: 0.2 billion yen

(v) The Outline of the Succeeding Companies.

(a) Corporate Name: Panasonic Split Preparation Co., Ltd.
(The corporate name was changed to "Panasonic Corporation" as of April 1, 2022.)
Stated Capital: 0.5 million yen (As of March 31, 2022)
Business description: There was no business actively before the Company Splits.

(b) Corporate Name: Panasonic Automotive Systems Co., Ltd.
Stated Capital: 0.5 million yen (As of March 31, 2022)
Business description: There was no business actively before the Company Splits.

(c) Corporate Name: Panasonic Entertainment & Communication Co., Ltd.
Stated Capital: 0.5 million yen (As of March 31, 2022)
Business description: There was no business actively before the Company Splits.

(d) Corporate Name: Panasonic Housing Solutions Co., Ltd.
Stated Capital: 0.5 million yen (As of March 31, 2022)
Business description: There was no business actively before the Company Splits.

(e) Corporate Name: Panasonic System Solutions Japan Co., Ltd.
(The corporate name was changed to "Panasonic Connect Co., Ltd." as of April 1, 2022.)
Stated Capital: 350 million yen (As of March 31, 2022)
Business description: System solutions including development, consulting, sales, integration, introduction, construction, maintenance, operation service, cloud service, rental, etc.

(f) Corporate Name: Panasonic Industry Co., Ltd.
Stated Capital: 0.5 million yen (As of March 31, 2022)
Business description: There was no business actively before the Company Splits.

(g) Corporate Name: Panasonic Energy Co., Ltd.
Stated Capital: 0.5 million yen (As of March 31, 2022)
Business description: There was no business actively before the Company Splits.

(h) Corporate Name: Panasonic Operational Excellence Co., Ltd.
Stated Capital: 10 million yen (As of March 31, 2022)
Business description: Business of professional business supports

(i) Corporate Name: Panasonic Sports Co., Ltd.
Stated Capital: 0.5 million yen (As of March 31, 2022)
Business description: There was no business actively before the Company Splits.

In accordance with the above, the Company conducted the Company Splits on April 1, 2022.

5. Research and Development

The Panasonic Group concentrated on development of new technologies and new products to underpin its future based on the growth strategies. In addition, we also actively engaged in technical development aimed at the sustainable advancement of individual lives and society, and at well-being both in mind and body.

R&D expenditures totaled 419.8 billion yen in fiscal 2022, including 130.9 billion yen for Lifestyle, 101.2 billion yen for Automotive, 86.4 billion yen for Connect, 56.5 billion yen for Industry, and 19.1 billion yen for Energy.

Key development initiatives and achievement during fiscal 2022 were as follows:

(1) Development of the "H2 KIBOU" 5 kW hydrogen fuel cell generator, which achieves the industry’s highest generating efficiency of 56% (Note 1)

We have developed the compact "H2 KIBOU" hydrogen fuel cell generator with an output of 5 kW and a generating efficiency of 56%—the highest level in the industry. It generates electricity directly from hydrogen and emits no CO2. This product is based on previously developed Panasonic technologies and knowledge, including the stack (key fuel cell device) and other components that are shared with ENE-FARM. We also developed and installed technology for controlling multiple connected generators, making it possible to scale-out (Note 2) output to meet power demand, and allowing installation on rooftops and in other small spaces. At the Kusatsu site, we are also engaged in a demonstration of the RE100 Solution, which uses private power generation combining hydrogen fuel cell generators and photovoltaic modules to supply 100% renewable energy for the power that is consumed in the site’s business activities.
In the future, we will contribute to the creation of a zero-carbon society by proposing new options aimed at expanding the full-scale use of hydrogen as a source of renewable energy.

(2) Development of the "4680" new high-capacity lithium-ion battery for automotive use

Making use of the battery technologies and manufacturing expertise that we have developed over many years, Panasonic has accelerated its technical development utilizing informatics (Note 3) in electrodes, electrolytes, and production processes, and has successfully developed the "4680" lithium-ion battery cell for automotive use. This cell features an energy capacity that is five times that of the previous "2170" cell. This will allow us to further improve our strengths in the areas of high quality and advanced safety. We will install production facilities at our Wakayama Factory, aiming for far-reaching improvements in productivity that will achieve industry-leading cost performance.
Panasonic currently produces approximately 50 GWh per year of cylindrical cells for automotive use, equivalent to an annual reduction in CO2 emissions of 8 million tons. 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) Development of the nanoe™ X, generating 100 times more OH radicals than the conventional nanoe™

We have made further advancements to our original nanoe™ device, which now features a "round-leader discharge" system that discharges electricity in a circular pattern that greatly increases the area for generating OH radicals. This system was newly developed by collaboration between Panasonic and academia. We have developed the nanoe™ X device, which generates 100 times more OH radicals than the conventional nanoe™. It delivers a significant increase in the speed of controlling allergens such as pollen, dead mites, and mite droppings, as well as deodorizing.
Recently, people have become more conscious of the indoor air environment as they cope with lifestyle changes and spending more time indoors, with an increasing number of people staying home and telecommuting. Under these circumstances, Panasonic has continued to make advances to its original air purification technologies including nanoe™ X and the Ziaino sodium hypochlorite air purifier/sterilizer in order to provide clean and comfortable spaces in a wide range of situations for everyday living and society.

(4) Development of the MEGTRON 8 multi-layer circuit board material featuring low transmission loss for high-speed communication networking equipment

Panasonic has developed the MEGTRON 8 multi-layer circuit board material that achieves the industry's lowest level of transmission loss (approximately 30% improvement compared to conventional materials). This product is based on our proprietary resin design and material compounding technologies that deliver the reduced transmission loss and reliability needed by multi-layer circuit board materials, and also integrate ultra-low dielectric dissipation factor glass cloth and low-profile copper foil (Note 4). These materials contribute to improving the capacity and speed of data communications, and the lower transmission loss also reduces power consumption.
With rapidly growing needs for higher speeds and frequencies in 5G and other communication networks, Panasonic will continue accelerating the advancement of electronic circuit boards, components, and other material and device technologies.

Notes 1. As of October 2021, investigation by Panasonic Corporation
2. Scale-out: Improving overall system performance through the use of parallel and dispersed processing
3. Informatics: A method of information analysis utilizing computational science and statistics
4. Low-profile copper foil: Copper foil with extremely low surface roughness that can reduce transmission loss

III Property, Plants and Equipment

1. Summary of Capital Investment

Capital investment for the year ended March 31, 2022 is shown in the table below.

Segment	Amount (Billions of yen)	Change from last fiscal year (%)	Main purpose of investment
Lifestyle	77.0	- 29.1	Production of new products and streamlining of electric appliances for home use, electrical construction materials, showcases, and commercial refrigerators, etc.
Automotive	27.3	+ 55.1	Production of new products and streamlining of automotive cockpit systems and automotive electronics systems, etc.
Connect	17.0	+ 24.1	Production of new products and streamlining of B2B solutions business related equipment, etc.
Industry	56.9	+ 38.8	Production of new products, an increase in production capacity, and streamlining of electronic components, etc.
Energy	36.1	+ 26.7	Production of new products, an increase in capacity, and streamlining of primary and rechargeable batteries, etc.
Reportable segment total	214.3	+ 2.3	–
Other & Corporate	22.8	+ 5.6	Production of new products and streamlining of electric appliances for video and AV equipment and building materials, and capital investment by head office etc.
Total	237.1	+ 2.6	–

(Notes)
1. With the reorganization of the group operating structure that took effect on October 1, 2021, the segment composition was realigned to the new reportable segments listed above. In calculating the percentage of change from the last fiscal year, the prior year's amount has been revised to conform to the presentation for fiscal 2022.
2. "Other & Corporate" includes capital investments recorded in the "Other" businesses, which are not included in the reportable segments, such as Entertainment & Communication business and Housing business, and "Corporate" divisions.
3. Amounts show investment in "Property, plant and equipment."

2. Major Property, Plants and Equipment

(1) Panasonic Corporation

(As of March 31, 2022)

Facility (Location)	Segment	Details of major facilities and equipment	Book value (Millions of yen)						Number of employees
			Buildings	Machinery and equipment	Land (Area in thousands of ㎡)	Lease assets	Others	Total	
Kusatsu Plant (Kusatsu-shi, Shiga)	Lifestyle	Manufacturing facilities for air conditioners and refrigerators, etc.	14,864	9,064	5,941 (564)	475	2,825	33,169	4,554
Hikone Plant (Hikone-shi, Shiga)	lifestyle	Manufacturing facilities for personal-care equipment and healthcare equipment	3,440	3,810	1,323 (89) [5]	50	65	8,688	1,020
Kobe Plant (Nishi-ku, Kobe-shi)	Lifestyle, Connect	Manufacturing facilities for cooking Lifestyle and information equipment	1,859	1,822	4,924 (185)	6	383	8,994	623
Nara Plant (Yamatokoriyama-shi, Nara)	Lifestyle	Manufacturing facilities for meter devices	1,749	2,400	218 (128)	21	452	4,840	336
Niigata Plant (Tsubame-shi, Niigata)	Lifestyle	Manufacturing facilities for lighting fixture	1,493	2,454	2,035 (143)	—	4	5,986	589
Tsu Plant (Tsu-shi, Mie)	Lifestyle, Industry	Manufacturing facilities for wiring devices and security equipment	2,912	2,866	2,088 (91) [9]	—	273	8,139	1,475
Ritto Plant (Ritto-shi, Shiga)	Other	Manufacturing facilities for rain gutters	1,931	1,271	1,429 (54)	—	279	4,910	192
Kadoma Plant (Kadoma-shi, Osaka, etc.)	Lifestyle, Connect, Other	Manufacturing facilities for video and audio equipment	8,069	2,854	77 (215) [147]	42	94	11,136	4,977
Saedo Plant (Tsuzuki-ku, Yokohama-shi)	Connect, Automotive	Manufacturing facilities for car equipment, other facilities	6,761	9,375	12,530 (122)	219	1,305	30,190	3,335
Yamagata Plant (Tendo-shi, Yamagata)	Lifestyle	Manufacturing facilities for lens	751	3,009	735 (85)	501	80	5,076	468
Shizuoka Plant (Fukuroi-shi, Shizuoka)	Lifestyle	Manufacturing facilities for washing machine	951	2,673	430 (66)	2	279	4,335	233
Ise Plant (Watarai-gun, Mie)	Industry	Manufacturing facilities for automation controls	2,477	3,724	546 (150)	15	707	7,469	1,239
Tsuyama Plant (Tsuyama-shi, Okayama)	Automotive, Industry	Manufacturing facilities for input devices	1,671	3,316	78 (56) [8]	—	429	5,494	563
Uji Plant (Uji-shi, Kyoto)	Industry	Manufacturing facilities for capacitors	1,844	4,703	359 (50)	53	622	7,581	690
Yamaguchi Plant (Yamaguchi-shi, Yamaguchi)	Industry	Manufacturing facilities for capacitors	725	4,394	519 (48)	2	1,368	7,008	309
Osaka Plant (Moriguchi-shi, Osaka, etc.)	Energy	Manufacturing facilities for batteries	4,643	4,116	1,575 (107) [3]	1	1,336	11,671	1,265

Facility (Location)	Segment	Details of major facilities and equipment	Book value (Millions of yen)						Number of employees
			Buildings	Machinery and equipment	Land (Area in thousands of m²)	Lease assets	Others	Total	
Suminoe Plant (Suminoe-ku, Osaka-shi)	Energy	Manufacturing facilities for batteries	8,376	1,128	— (116) [116]	79	72	9,655	1,056
Yokkaichi Plant (Yokkaichi-shi, Mie)	Industry	Manufacturing facilities for electronic materials	3,343	4,158	4,196 (209)	—	203	11,900	441
Koriyama Plant (Koriyama-shi, Fukushima)	Industry	Manufacturing facilities for electronic materials	2,400	6,247	1,284 (159)	—	103	10,034	519
Hokkaido Plant (Chitose-shi, Hokkaido)	Industry	Manufacturing facilities for thermal management solutions devices	1,395	2,658	117 (100)	—	257	4,427	319
Fukuoka Office (Hakata-ku, Fukuoka-shi)	Lifestyle, Connect, Other	Other facilities	367	325	7,758 (54) [4]	—	29	8,479	1,065
Technology Innovation Division Keihanna Area (Soraku-gun, Kyoto)	Corporate, etc.	R&D facilities	1,869	21	3,706 (53)	—	—	5,596	36
Manufacturing Innovation Division, etc. (Kadoma-shi, Osaka, etc.)	Corporate, etc.	R&D facilities	5,202	2,397	905 (124)	124	18	8,646	1,703
Branch Office and Sales Office (Minato-ku, Tokyo, etc.)	Lifestyle, Connect, Automotive, Industry	Equipment for sales and marketing	4,329	703	1,151 (59) [43]	1	5	6,189	4,752
Management department of Electric Works Company (Moriguchi-shi, Osaka, etc.)	Lifestyle	Other facilities	26,866	3,867	45,029 (262) [60]	—	7	75,769	1,868
Management department of Industry Company, etc. (Kadoma-shi, Osaka, etc.)	Industry	Other facilities	2,082	1,659	907 (78)	29	185	4,862	4,265
Head Office, etc. (Kadoma-shi, Osaka, etc.)	Corporate, etc.	Head office, employee housing and welfare facilities, etc.	16,133	3,858	12,401 (527) [27]	92	2,832	35,316	2,334

(2) Domestic subsidiaries

(As of March 31, 2022)

Company	Facility (Location)	Segment	Details of major facilities and equipment	Book value (Millions of yen)					Number of employees
				Buildings	Machinery and equipment	Land (Area in thousands of ㎡)	Others	Total	
SANYO Electric Co., Ltd.	Tokyo plant (Ora-gun, Gunma, etc.)	Lifestyle	Manufacturing facilities for industrial equipment, etc.	9,195	1,115	710 (870)	174	11,194	4 <920>
	Tokushima plant (Matsushige-cho, Tokushima)	Energy	Manufacturing facilities for rechargeable batteries	6,426	2,888	1,770 (177)	698	11,782	484
	Suminoe plant (Suminoe-ku, Osaka-shi,)	Energy	Manufacturing facilities for rechargeable batteries	117	6,836	—	669	7,622	675
Panasonic Ecology Systems Co., Ltd.	(Kasugai-shi, Aichi)	Lifestyle	Manufacturing facilities for equipment relates to ecology system business	3,701	2,074	3,454 (186)	1,664	10,893	981
KMEW Co., Ltd.	(Chuo-ku, Osaka-shi)	Other	Manufacture facilities of exterior building, etc.	1,995	16,222	— (308) [308]	5,622	23,839	1,789
Panasonic System Solutions Japan Co., Ltd.	(Hakata-ku, Fukuoka-shi, etc.)	Connect	Manufacturing facilities for information communication equipment, etc.	4,283	1,029	1,907 (185) [50]	11,134	18,353	4,357 <2,208>
Panasonic Smart Factory Solutions Co., Ltd.	(Kadoma-shi, Osaka, etc.)	Connect	Manufacturing facilities for mounter, etc.	3,889	5,048	541 (108)	867	10,345	1,698

(3) Overseas subsidiaries

(As of March 31, 2022)

Company (Location)	Segment	Details of major facilities and equipment	Book value (Millions of yen)					Number of employees
			Buildings	Machinery and equipment	Land (Area in thousands of ㎡)	Others	Total	
Panasonic Corporation of North America (New Jersey, U.S.A.)	Lifestyle, Automotive, Connect, Industry, Energy, Corporate	Manufacturing and sales facilities for various electric and electronic products	4,765	12,113	2,426 (161)	16,056	35,360	14,342
Panasonic Avionics Corporation (California, U.S.A.)	Connect	Manufacturing facilities for aircraft-in-flight entertainment systems	2,883	6,514	— (7)	18,179	27,576	2,820
Hussmann Corporation (Missouri, U.S.A.)	Lifestyle	Manufacture facilities of commercial-use refrigerated and freezer showcases	4,359	4,665	1,667 (624)	5,398	16,089	6,790
Blue Yonder Holding, Inc. (Arizona, U.S.A.)	Connect	Development and sales facilities for software services	1,068	5,663	—	4,958	11,689	5,685
Panasonic do Brasil Limitada (Amazonas, Brazil)	Lifestyle, Automotive, Energy	Manufacturing and sales facilities for various electric and electronic products	1,863	3,298	350 (540)	1,405	6,916	2,210
Ficosa International S.A. (Barcelona, Spain)	Automotive	Manufacture facilities of automotive components such as electric mirrors	7,416	13,526	5,151 (1,061) [27]	8,030	34,123	6,899
Panasonic Lifestyle Air-Conditioning (Guangzhou) Co., Ltd. (Guangzhou, China)	Lifestyle	Manufacturing facilities of air-conditioner	1,716	6,853	— (126)	461	9,030	1,682
Panasonic Wanbao Lifestyle Compressor (Guangzhou) Co., Ltd. (Guangzhou, China)	Lifestyle	Manufacturing facilities of compressor	1,397	9,985	— (131)	153	11,535	2,064

(Notes)

1. Some plants or offices are rented to affiliated companies. Regarding rented plants and offices to affiliated companies, the number of employees of the company, which rents the related plants or offices, are shown with parenthesis notation of < > in the "Number of employees" column.
2. Parenthesis notation of [ ] in the "Land" column shows the size of land rented from a party other than consolidated companies.
3. In addition to the above, the Company accounted for some machinery, etc. as finance leases as a lessor.
4. The Company includes the book value of right-of-use asset in "Others" except '(1) Panasonic Corporation'.

3. Plans for Capital Investment, Disposals of Property, Plants and Equipment, etc.

The planned capital investment for the fiscal year ending March 31, 2023 will be 345.0 billion yen, an increase of 46% compared with the actual capital investment for the previous fiscal year, and a breakdown by segment is as follows.

Segment	Amount planned for fiscal 2023 (Billions of yen)	Main purpose of investment	Capital source
Lifestyle	107.0	Production of new products and streamlining of electric appliances for home use, electrical construction materials, showcases, and commercial refrigerators etc.	Own capital, etc.
Automotive	28.0	Production of new products and streamlining of automotive cockpit systems and automotive electronics systems, etc.	Own capital, etc.
Connect	20.0	Production of new products and streamlining of B2B solutions business related equipment, etc.	Own capital, etc.
Industry	59.0	Production of new products, an increase in production capacity, and streamlining of electronic components, etc.	Own capital, etc.
Energy	97.0	Production of new products, an increase in production capacity, and streamlining of primary and rechargeable batteries, etc.	Own capital, etc.
Reportable Segment Total	311.0	–	–
Other & Corporate	34.0	Production of new products and streamlining of electric appliances for video and AV equipment and building materials, and capital investment by head office etc.	Own capital, etc.
Total	345.0	–	–

(Notes)

1. "Other & Corporate" includes capital investments recorded in the "Other" businesses, which are not included in the reportable segments, such as Entertainment & Communication business and Housing business, and "Corporate" divisions.
2. There is no plan of other material disposals or sales of principal facilities, with the exception of disposing and selling facilities due to routine upgrading.
3. Amount shows investment in "Property, plant and equipment."

IV Information on the Company

1. Information on the Company's Stock, etc.

(1) Total number of shares, etc.

1) Total number of shares

Class	Total number of shares authorized to be issued (shares)
Common stock	4,950,000,000
Total	4,950,000,000

2) Issued shares

Class	Number of shares issued as of the end of fiscal year (shares) (March 31, 2022)	Number of shares issued as of the filling date (shares) (June 24, 2022)	Stock exchange on which the Company is listed	Description
Common stock	2,453,866,297	2,453,866,297	Tokyo stock exchange the first section(as of the end of fiscal year) Prime Market(as of the filling date) Nagoya stock exchange the first section(as of the end of fiscal year) Premier Market(as of the filling date)	The number of shares per one unit of shares is 100 shares.
Total	2,453,866,297	2,453,866,297	—	—

(2) Information on the stock acquisition rights, etc.

1) Details of stock option plans

Resolution date of the Board of Directors	July 31, 2014	July 29, 2015
Category and number of persons granted	Directors of the Company (excluding Outside Directors) : 13 Executive Officers and certain other officers (excluding Directors who concurrently serve as Executive officers) :14	Directors of the Company (excluding Outside Directors) : 13 Executive Officers and certain other officers (excluding Directors who concurrently serve as Executive officers) : 17
Number of stock acquisition rights Note 6	717 [699]	770
Class, details and number of shares to be acquired upon exercise of stock acquisition rights Note 6	Common stock of Panasonic 71,700 shares [69,900 shares] Note 1	Common stock of Panasonic 77,000 shares Note 1
Subscription amount to be paid upon exercise of stock acquisition	One (1) yen	One (1) yen
Exercise period of stock acquisition rights	From August 23, 2014 to August 22, 2044	From August 21, 2015 to August 20, 2045
Issue price for shares issued through the exercise of the stock acquisition rights and the amount capitalized as common stock	Issue price : 1,055 yen Note 2 Amount capitalized as common stock Note 3	Issue price : 1,125 yen Note 2 Amount capitalized as common stock Note 3
Conditions for exercise of stock acquisition rights	Note 4	
Matters regarding transfer of stock acquisition rights	The stock acquisition rights cannot be acquired through transfer, unless such acquisition is expressly approved by a resolution of the Board of Directors.	
Matters regarding grant of stock acquisition rights accompanying reorganization	Note 5	

(Notes)

1. The number of shares to be acquired upon exercise of each stock acquisition right (the "Number of Shares Acquired") shall be 100 shares (1 unit:100 shares); provided, however, that in the case that Panasonic conducts a share split (including an allotment without consideration (musho-wariate) of shares of common stock of Panasonic; the same shall apply to all references to the share split herein) or share consolidation on and after the date on which the stock acquisition rights shall be allotted, the Number of Shares Acquired shall be adjusted in accordance with the following formula, rounding down any fraction of less than one (1) share resulting from such adjustment.

   Number of Shares Acquired after adjustment
   = Number of Shares Acquired before adjustment x Ratio of share split or share consolidation

   The Number of Shares Acquired after adjustment shall become effective, in the case of a share split, on and after the day immediately following the record date of the relevant share split (if the record date is not set forth, on and after its effective date) or, in the case of a share consolidation, on and after its effective date; provided, however, that, in the event that a share split is conducted on the condition that a proposal to increase the capital or reserves by reducing the amount of surplus is approved at a general meeting of shareholders and that the record date for such share split is prior to the date of closing of such general meeting of shareholders, the Number of Shares Acquired after adjustment shall be applicable retroactively from the day immediately following the relevant record date, on and after the day immediately following the date of closing of the relevant general meeting of shareholders.

In addition to the above, in any event that makes it necessary to adjust the Number of Shares Acquired, including a merger and company split, Panasonic may make appropriate adjustment to the Number of Shares Acquired within a reasonable range.

When the Number of Shares Acquired is adjusted, Panasonic shall give notice of necessary matters to each holder of the stock acquisition rights registered in the register of stock acquisition rights (the "Holder") or give public notice thereof, no later than the day immediately preceding the date on which the Number of Shares Acquired after adjustment shall become effective; provided, however, that, if Panasonic is unable to give such notice or public notice no later than the day immediately preceding such applicable date, Panasonic shall thereafter promptly give such notice or public notice.

2. Issue price is the total of the fair value of the stock acquisition rights in allotment date and the subscription amount to be paid upon exercise of stock acquisition (one (1) yen per share).
3. The amount of capital to be increased due to the issuance of shares upon exercise of the stock acquisition rights shall be a half of the maximum amount of capital Increase, etc. which is calculated in accordance with Article 17, Paragraph 1 of the Ordinance on Company Accounting, and any fraction less than one (1) yen arising therefrom shall be rounded up to the nearest one (1) yen.
4.(i) During the period when the stock acquisition rights may be exercised, the Holder may exercise the stock acquisition rights on and after the day immediately following the date on which such Holder loses the status of Director, Executive Officer, Audit & Supervisory Board Member or any status equivalent thereto, of Panasonic.

(ii) Notwithstanding (i) above, the Holder may exercise the stock acquisition rights within the respective periods prescribed below if either (a) or (b) below occurs (provided that the case mentioned in (b) below excludes where the allotment of stock acquisition rights by the reorganized company to the Holder in accordance with "Matters regarding grant of stock acquisition rights accompanying reorganization" above is stipulated in a merger agreement, a share exchange agreement, or a share transfer plan):

(a) If the Status Losing Date does not occur on or before the date that is one year prior to the expiration date of "Exercise period of stock acquisition rights":

From the next day of the date that is one year prior to the expiration date of "Exercise period of stock acquisition rights" to expiration date of "Exercise period of stock acquisition rights"

(b) If proposal for approval of a merger agreement under which Panasonic shall become a dissolving company or proposal for approval of a share exchange agreement or share transfer plan under which Panasonic shall become a wholly-owned subsidiary is approved at a general meeting of shareholders (or, if a resolution of a general meeting of shareholders is not required, is approved by a resolution of the Board of Directors):

During a 15 day-period commencing from the day immediately following the date (inclusive) when the proposal is approved.

(iii) (i) and (ii) (a) above shall not be applicable to those who have succeeded to the stock acquisition rights by inheritance.

(iv) If the Holder waives the stock acquisition rights, the relevant stock acquisition rights may not be exercised thereafter.

5. If Panasonic conducts a merger (limited to the case where Panasonic is dissolved due to the merger), an absorption-type or incorporation-type company split (both, limited to the case where Panasonic is split), or a share exchange or transfer (both, limited to the case where Panasonic becomes a wholly-owned subsidiary) (collectively, the "Structural Reorganization"), Panasonic shall, in each of the above cases, allot stock acquisition rights of any of the relevant companies listed in "a" through "e" of Article 236, Paragraph 1, Item 8 of the Companies Act (the "Reorganized Company") to the Holders holding the stock acquisition rights remaining at the time immediately preceding the effective date of the relevant Structural Reorganization (the "Remaining Stock Acquisition Rights") (the effective date of the relevant Structural Reorganization shall mean, in the case of a merger, the date on which the merger becomes effective; in the case of a consolidation, the date of establishment of a newly-incorporated company through consolidation; in the case of an absorption-type company split, the date on which such absorption type company split becomes effective; in the case of an incorporation-type company split, the date of establishment of a newly-incorporated company through such incorporation-type company split; in the case of a share exchange, the date on which the share

exchange becomes effective; and in the case of a share transfer, the date of establishment of a wholly-owning parent company through the share transfer; hereinafter the same shall apply). In this case, the Remaining Stock Acquisition Rights shall be extinguished and the Reorganized Company shall issue new stock acquisition rights; provided, however, that the foregoing shall be on the condition that transfer of such stock acquisition rights by the Reorganized Company in accordance with each of the following items is stipulated in a merger agreement, a consolidation agreement, an absorption-type company split agreement, an incorporation-type company split plan, a share exchange agreement or a share transfer plan.

(i) Number of stock acquisition rights of the Reorganized Company to be allotted:
A number equal to the number of the Remaining Stock Acquisition Rights held by the Holder shall be transferred to such Holder.

(ii) Class of shares of the Reorganized Company to be acquired upon exercise of stock acquisition rights:
Common stock of the Reorganized Company.

(iii) Number of shares of the Reorganized Company to be acquired upon exercise of stock acquisition rights:
To be determined in accordance with "Numbers of shares to be acquired upon exercise of stock acquisition rights" above, taking into consideration, among others, the conditions of Structural Reorganization.

(iv) Value of assets to be contributed upon exercise of each stock acquisition right:
The value of assets to be contributed upon exercise of each stock acquisition right to be allotted shall be the amount obtained by multiplying (x) the exercise price after reorganization set forth below by (y) the number of shares of the Reorganized Company to be acquired upon exercise of the relevant stock acquisition rights as determined in accordance with (iii) above. The "exercise price after reorganization" shall be one (1) yen per share of the Reorganized Company to be acquired upon exercise of each of its stock acquisition rights.

(v) Exercise period of stock acquisition rights:
From and including whichever is the later of (x) the commencement date of the period during which the stock acquisition rights may be exercised as provided for in "Exercise period of stock acquisition rights" above or (y) the effective date of the Structural Reorganization, to and including the expiration date of the period during which the stock acquisition rights may be exercised as provided for in "Exercise period of stock acquisition rights" above.

(vi) Matters concerning capital and capital reserve to be increased due to issuance of shares upon exercise of stock acquisition rights:
To be determined in accordance with "Issue price for shares issued through the exercise of the stock acquisition rights and the amount capitalized as common stock" above.

(vii) Restrictions on acquisition of stock acquisition rights by transfer:
The stock acquisition rights cannot be acquired through transfer, unless such acquisition is expressly approved by a resolution of the Board of Directors of the Reorganized Company.

(viii) Provisions concerning acquisition of stock acquisition rights:
If any of the proposals set forth in (a), (b), (c), (d) and (e) below is approved at a general meeting of shareholders of Panasonic (or, if a resolution of a general meeting of shareholders is not required, is approved by a resolution of the Board of Directors of Panasonic), Panasonic may acquire the stock acquisition rights without consideration on the date to be separately determined by the Board of Directors:

(a) Proposal for approval of a merger agreement under which Panasonic shall become a dissolving company;
(b) Proposal for approval of split agreement or split plan under which Panasonic shall be split;
(c) Proposal for approval of a share exchange agreement or share transfer plan under which Panasonic shall become a wholly-owned subsidiary;
(d) Proposal for approval of an amendment to the Articles of Incorporation in order to establish the provision that an acquisition by way of transfer of any shares issued or to be issued by Panasonic shall require the approval of Panasonic; and
(e) Proposal for approval of an amendment to the Articles of Incorporation in order to establish the provision that an acquisition by way of transfer of a class of shares to be acquired upon exercise of the stock acquisition rights shall require the approval of Panasonic or that Panasonic may acquire all of such class of shares upon a resolution of a general meeting of shareholders.

(ix) Conditions for exercise of stock acquisition rights:
To be determined in accordance with "Conditions for exercise of stock acquisition rights" above.

6. The contents are described as of the end of fiscal 2022 (March 31, 2022). The items which changed during the period from the end of fiscal 2022 to the end of the month previous to the filing (May 31, 2022), the contents described in [ ] as of the end of the month previous to the filing. No other contents changed from the end of fiscal 2022.

Resolution date of the Board of Directors	July 29, 2016
Category and number of persons granted	Directors of the Company (excluding Outside Directors) : 13 Executive Officers and certain other officers (excluding Directors who concurrently serve as Executive officers) : 23 Former Directors of the Company and Former Executive Officers and certain other officers : 2
Number of stock acquisition rights Note 6	1,778
Class, details and number of shares to be acquired upon exercise of stock acquisition rights Note 6	Common stock of Panasonic 177,800 shares Note 1
Subscription amount to be paid upon exercise of stock acquisition	One (1) yen
Exercise period of stock acquisition rights	From August 24, 2016 to August 23, 2046
Issue price for shares issued through the exercise of the stock acquisition rights and the amount capitalized as common stock	Issue price : 714 yen Note 2 Amount capitalized as common stock Note 3
Conditions for exercise of stock acquisition rights	Note 4
Matters regarding transfer of stock acquisition rights	The stock acquisition rights cannot be acquired through transfer, unless such acquisition is expressly approved by a resolution of the Board of Directors.
Matters regarding grant of stock acquisition rights accompanying reorganization	Note 5

(Notes)

1-3, 5, 6. Same as respective notes of resolution of the Board of Directors meeting held on July 31, 2014 and resolution of the Board of Directors meeting held on July 29, 2015.

4. (i) During the period when the stock acquisition rights may be exercised, the Holder may exercise the stock acquisition rights on and after the day immediately following the date on which such Holder loses the status of Director, Executive Officer, Audit & Supervisory Board Member or any status equivalent thereto, of Panasonic, or the day immediately following the day when three (3) years have transpired since the day immediately following the day the stock acquisition rights were allotted, whichever falls earlier.

(ii) Notwithstanding (i) above, if proposal for approval of a merger agreement under which Panasonic shall become a dissolving company or proposal for approval of a share exchange agreement or share transfer plan under which Panasonic shall become a wholly-owned subsidiary is approved at a general meeting of shareholders (or, if a resolution of a general meeting of shareholders is not required, is approved by a resolution of the Board of Directors), stock acquisition rights can be exercised only in a 15 day-period commencing from the day immediately following the date (inclusive) when the proposal is approved. Provided it excludes where the allotment of stock acquisition rights by the Reorganized Company to the Holder in accordance with "Matters regarding grant of stock acquisition rights accompanying reorganization" above is stipulated in a merger agreement, a share exchange agreement, or a share transfer plan.

(iii) (i) above shall not be applicable to those who have succeeded to the stock acquisition rights by inheritance.

(iv) If the Holder waives the stock acquisition rights, the relevant stock acquisition rights may not be exercised thereafter.

Resolution date of the Board of Directors	July 31, 2017	June 28, 2018
Category and number of persons granted	Directors of the Company (excluding Outside Directors) : 8 Executive Officers and certain other officers (excluding Directors who concurrently serve as Executive officers) : 31 Former Executive Officer : 1	Directors of the Company (excluding Outside Directors) : 7 Executive Officers and certain other officers (excluding Directors who concurrently serve as Executive officers) : 34 Former Executive Officer : 1
Number of stock acquisition rights Note 6	2,131	2,245
Class, details and number of shares to be acquired upon exercise of stock acquisition rights Note 6	Common stock of Panasonic 213,100 shares Note 1	Common stock of Panasonic 224,500 shares Note 1
Subscription amount to be paid upon exercise of stock acquisition	One (1) yen	One (1) yen
Exercise period of stock acquisition rights	From August 24, 2017 to August 23, 2047	From July 19, 2018 to July 18, 2048
Issue price for shares issued through the exercise of the stock acquisition rights and the amount capitalized as common stock	Issue price : 1,129 yen Note 2 Amount capitalized as common stock Note 3	Issue price : 1,065 yen Note 2 Amount capitalized as common stock Note 3
Conditions for exercise of stock acquisition rights	Note 4	
Matters regarding transfer of stock acquisition rights	The stock acquisition rights cannot be acquired through transfer, unless such acquisition is expressly approved by a resolution of the Board of Directors.	
Matters regarding grant of stock acquisition rights accompanying reorganization	Note 5	

(Notes)

1-3, 5, 6. Same as respective notes of resolution of the Board of Directors meeting held on July 31, 2014 and resolution of the Board of Directors meeting held on July 29, 2015.

4. (i) During the period when the stock acquisition rights may be exercised, the Holder may exercise the stock acquisition rights on and after the day immediately following the date on which such Holder loses the status of Director, Executive Officer, Audit & Supervisory Board Member or any status equivalent thereto, of Panasonic, or the day immediately following the day when three (3) years have transpired since the day immediately following the day the stock acquisition rights were allotted, whichever falls earlier.

(ii) Notwithstanding (i) above, if proposal for approval of a merger agreement under which Panasonic shall become a dissolving company or proposal for approval of a share exchange agreement or share transfer plan under which Panasonic shall become a wholly-owned subsidiary is approved at a general meeting of shareholders (or, if a resolution of a general meeting of shareholders is not required, is approved by a resolution of the Board of Directors), stock acquisition rights can be exercised only in a 15 day-period commencing from the day immediately following the date (inclusive) when the proposal is approved. Provided it excludes where the allotment of stock acquisition rights by the Reorganized Company to the Holder in accordance with "Matters regarding grant of stock acquisition rights accompanying reorganization" above is stipulated in a merger agreement, a share exchange agreement, or a share transfer plan.

(iii) (i) above shall not be applicable to those who have succeeded to the stock acquisition rights by inheritance.

(iv) If the Holder waives the stock acquisition rights, the relevant stock acquisition rights may not be exercised thereafter.

Resolution date of the Board of Directors	June 25, 2020
Category and number of persons granted	Former Executive Officer: 1
Number of stock acquisition rights Note 6	58
Class, details and number of shares to be acquired upon exercise of stock acquisition rights Note 6	Common stock of Panasonic 5,800 shares Note 1
Subscription amount to be paid upon exercise of stock acquisition	One (1) yen
Exercise period of stock acquisition rights	From July 14, 2020 to July 13, 2050
Issue price for shares issued through the exercise of the stock acquisition rights and the amount capitalized as common stock	Issue price : 634 yen Note 2 Amount capitalized as common stock Note 3
Conditions for exercise of stock acquisition rights	Note 4
Matters regarding transfer of stock acquisition rights	The stock acquisition rights cannot be acquired through transfer, unless such acquisition is expressly approved by a resolution of the Board of Directors.
Matters regarding grant of stock acquisition rights accompanying reorganization	Note 5

(Notes)

1-3, 5, 6. Same as respective notes of resolution of the Board of Directors meeting held on July 31, 2014 and resolution of the Board of Directors meeting held on July 29, 2015.

4. Same as respective notes of resolution of the Board of Directors meeting held on July 31, 2017 and resolution of the Board of Directors meeting held on June 28, 2018.

2) Details of rights plans

Not applicable.

3) Other share acquisition rights

Not applicable.

(3) Information on moving strike convertible bonds, etc.

Not applicable.

(4) Changes in the total number of issued shares and the amount of common stock, etc.

Date	Change in the total number of issued shares (shares)	Balance of the total number of issued shares (shares)	Change in common stock (millions of yen)	Balance of common stock (millions of yen)	Change in capital reserve (millions of yen)	Balance of capital reserve (millions of yen)
August 30, 2019 Note 1	273,500	2,453,326,997	127	258,867	126	126
July 13, 2020 Note 2	236,400	2,453,563,397	114	258,981	114	240
July 14, 2021 Note 3	302,900	2,453,866,297	187	259,168	188	428

(Notes)

1. Increase for issuance of new shares as restricted stock compensation.
   Issue price : 924.7 yen per share
   Capitalization amount : 462.35 yen per share
   Individuals that received the shares :
   Panasonic Directors (excluding Outside Directors), Executive Officers not concurrently serving as Panasonic directors, Panasonic Fellows. 44 individuals in total.
2. Increase for issuance of new shares as restricted stock compensation.
   Issue price : 961.4 yen per share
   Capitalization amount : 480.7 yen per share
   Individuals that received the shares :
   Panasonic Directors (excluding Outside Directors), Executive Officers not concurrently serving as Panasonic directors, Panasonic employee (The person who was Executive Officer of Panasonic at the end of September 2019, and is at the position predetermined by the Panasonic Board of Directors.).
   34 individuals in total.
3. Increase for issuance of new shares as restricted stock compensation.
   Issue price : 1,239.5 yen per share
   Capitalization amount : 619.75 yen per share
   Individuals that received the shares :
   Panasonic Directors (excluding Outside Directors), Executive Officers not concurrently serving as Panasonic directors, Panasonic employee (The person who was Executive Officer of Panasonic at the end of September 2019, and is at the position predetermined by the Panasonic Board of Directors.).
   30 individuals in total.

(5) Composition of Issued Shares by Type of Shareholders

As of March 31, 2022

Class	Status of shares (one unit of stock: 100 shares)								Number of shares less than one unit (shares)
	National and local governments	Financial institutions	Financial instruments business operators	Other institutions	Foreign shareholders		Individual and others	Total	
					Non-individuals	Individuals			
Number of shareholders (persons)	—	144	77	3,155	1,024	834	408,589	413,823	—
Share ownership (units)	—	7,455,922	602,540	1,493,250	8,461,333	11,167	6,446,800	24,471,012	6,765,097
Percentage of shares (%)	—	30.47	2.46	6.10	34.58	0.05	26.34	100.00	—

(Notes)

1. Of 119,969,766 shares of treasury stock, 1,199,697 units are included in "Individual and others," and 66 shares are included in "Number of shares less than one unit."
2. Of the shares registered in the name of Japan Securities Depository Center, Inc., 127 units are included in "Other institutions," and 89 shares are included in "Number of shares less than one unit."

(6) Major shareholders

As of March 31, 2022

Name	Address	Share ownership (in thousands of shares)	Percentage of total issued shares(excluding treasury stock) (%)
The Master Trust Bank of Japan, Ltd. (trust account) Note 2	11-3, Hamamatsucho 2-chome, Minato-ku, Tokyo	370,263	15.86
Custody Bank of Japan, Ltd. (trust account) Note 3	8-12, Harumi 1-chome, Chuo-ku, Tokyo	179,699	7.69
STATE STREET BANK WEST CLIENT - TREATY 505234 (Standing proxy: Mizuho Bank, Ltd.)	1776 Heritage Drive, North Quincy, MA 02171, U.S.A. (5-5, Otemachi 1-chome, Chiyoda-ku, Tokyo)	60,175	2.57
Nippon Life Insurance Company	5-12, Imabashi 3-chome, Chuo-ku, Osaka-shi, Osaka	48,339	2.07
MOXLEY & CO LLC (Standing proxy: Mizuho Bank, Ltd.)	270 Park Ave., New York, NY 10017, U.S.A. (5-5, Otemachi 1-chome, Chiyoda-ku, Tokyo)	42,863	1.83
Sumitomo Life Insurance Co.	4-35, Shiromi 1-chome, Chuo-ku, Osaka-shi, Osaka	37,465	1.60
Panasonic Corporation Employee Shareholding Association	1006, Oaza Kadoma, Kadoma-shi, Osaka	35,994	1.54
Matsushita Real Estate Co., Ltd.	4-27, Dojima 2-chome, Kita-ku, Osaka-shi, Osaka	29,121	1.24
JP MORGAN CHASE BANK 385781 (Standing proxy: Mizuho Bank, Ltd.)	25 Bank Street, Canary Wharf, London, E14 5JP, United Kingdom (5-5, Otemachi 1-chome, Chiyoda-ku, Tokyo)	28,511	1.22
SSBTC CLIENT OMNIBUS ACCOUNT (Standing proxy: Hong Kong and Shanghai Banking Corporation)	One Lincoln Street, Boston MA USA 02111 (11-1, Nihonbashi 3-chome, Chuo-ku, Tokyo)	25,798	1.10
Total	—	858,232	36.77

(Notes)

1. Holdings of less than 1,000 shares have been omitted.
2. The number of shares held by The Master Trust Bank of Japan, Ltd. (trust account) reflects the shares entrusted by Mitsubishi UFJ Trust and Banking Corporation and other corporations, which have been originally entrusted in their trust services.
3. The numbers of shares held by Custody Bank of Japan, Ltd. (trust account) reflects the shares entrusted by Sumitomo Mitsui Trust Holdings, Inc. and other corporations, which have been originally entrusted in their trust services.

4. Amendment to Report of Possession of Large Volume was submitted by BlackRock Japan Co., Ltd. and its eight joint holders dated March 4, 2022. The Company cannot confirm the actual status of shareholdings on the standard date of voting exercise.
The shareholding status as of February 28, 2022 according to the report is as follows.

Name of Shareholder	Number of share certificates, etc. held (in thousands of shares)	Percentage of share certificates held (%)
BlackRock Japan Co., Ltd.	32,796	1.34
BlackRock Advisers, LLC	25,347	1.03
BlackRock Investment Management LLC	10,629	0.43
BlackRock (Netherlands) BV	6,388	0.26
BlackRock Fund Managers Limited	8,172	0.33
BlackRock Asset Management Ireland Limited	16,179	0.66
BlackRock Fund Advisors	37,080	1.51
BlackRock Institutional Trust Company, N.A.	32,303	1.32
BlackRock Investment Management (UK) Limited	4,242	0.17
Total	173,142	7.06

5. Amendment to Report of Possession of Large Volume was submitted by Sumitomo Mitsui Trust Asset Management Co., Ltd. and its one joint holders dated December 22, 2020. The Company cannot confirm the actual status of shareholdings on the standard date of voting exercise.
The shareholding status as of December 15, 2020 according to the report is as follows.

Name of Shareholder	Number of share certificates, etc. held (in thousands of shares)	Percentage of share certificates held (%)
Sumitomo Mitsui Trust Asset Management Co., Ltd.	77,957	3.18
Nikko Asset Management Co., Ltd.	46,113	1.88
Total	124,071	5.06

(7) Information on voting rights

1) Total number of shares issued

As of March 31, 2022

Classification	Number of shares (shares)	Number of voting rights	Description
Shares without voting right	—	—	—
Shares with restricted voting right (treasury stock, etc.)	—	—	—
Shares with restricted voting right (others)	—	—	—
Shares with full voting right (treasury stock, etc.)	(Treasury stock) Common stock 119,969,700	—	Standard common stock of the Company without any restriction
	(Crossholding stock) Common stock 14,828,300	—	Same as above
Shares with full voting right (others)	Common stock 2,312,303,200	23,123,032	Same as above
Shares less than one unit	Common stock 6,765,097	—	Shares less than one unit (100 shares)
Number of issued shares	2,453,866,297	—	—
Total number of voting rights	—	23,123,032	—

(Notes)

1. 12,700 shares (127 voting rights) and 89 shares registered in the name of Japan Securities Depository Center, Inc. are included in "Shares with full voting right (others)" and "Shares less than one unit," respectively.
2. Treasury stock and crossholding stock described below are included in "Shares less than one unit."
   Treasury stock: Panasonic Corporation (66 shares)
   Crossholding stock: Panasonic Employee Cooperation Society, Inc. (7 shares), Asahi Plating Co., Ltd. (71 shares), AC Techno SANYO Co., Ltd. (75 shares)

2) Treasury stock, etc.

As of March 31, 2022

Name of shareholder	Address	Number of shares held under own name (shares)	Number of shares held under the name of others (shares)	Total shares held (Shares)	Percentage of total issued shares (%)
(Treasury stock) Panasonic Corporation	1006, Oaza Kadoma, Kadoma-shi, Osaka	119,969,700	—	119,969,700	4.88
(Crossholding stock) Panasonic Employee Cooperation Society, Inc.	1006, Oaza Kadoma, Kadoma-shi, Osaka	14,798,800	—	14,798,800	0.60
Asahi Plating Co., Ltd.	5-16, Shinmori 4-chome, Asahi-ku, Osaka-shi, Osaka	23,400	—	23,400	0.00
AC Techno SANYO Co., Ltd.	597-1, Nisshincho 3-chome, Kita-ku, Saitama-shi, Saitama	5,100	—	5,100	0.00
Sanin Panasonic Corporation	416, Watarihashicho, Izumo-shi, Shimane	1,000	—	1,000	0.00
Crossholding stock total	—	14,828,300	—	14,828,300	0.60
Total	—	134,798,000	—	134,798,000	5.49

2. Information on Acquisition of Treasury Stock, etc.

Class of shares

Acquisition of common stock under Article 155, Item 7 of the Companies Act and Article 155, Item 13 of the Companies Act.

(1) Acquisition of treasury stock resolved at the general meeting of shareholders

Not applicable.

(2) Acquisition of treasury stock resolved at the Board of Directors meetings

Not applicable.

(3) Details of acquisition of treasury stock not based on the resolutions of the general meeting of shareholders or the Board of Directors meetings

Acquisition of common stock under Article 155, Item 7 of the Companies Act.

Classification	Number of shares (shares)	Total amount (yen)
Treasury stock acquired during the fiscal year ended March 31, 2022	34,810	45,337,364
Treasury stock acquired during the current period	3,998	4,589,408

(Note)

With regard to "Treasury stock acquired during the current period," the number of treasury stock acquired due to requests to purchase stock less than one unit shares from June 1, 2022 to the filing date is not included.

Acquisition of common stock under Article 155, Item 13 of the Companies Act.

Classification	Number of shares (shares)	Total amount (yen)
Treasury stock acquired during the fiscal year ended March 31, 2022	1,000	—
Treasury stock acquired during the current period	19,600	21,785,400

(Notes)

1. With regard to "Treasury stock acquired during the current period," the number of treasury stock acquired from June 1, 2022 to the filing date is not included.
2. The breakdown of "Treasury stock acquired during the fiscal year ended March 31, 2022" is free acquisition of a portion of common stock as restricted stock compensation for Panasonic Directors, Executive Officers not concurrently serving as Panasonic directors, etc. and the breakdown of "Treasury stock acquired during the current period" is acquisition of request for purchase from opposite shareholders.

(4) Status of the disposition and holding of acquired treasury stock

Classification	Fiscal year ended March 31, 2022		Current period	
	Number of shares (shares)	Total disposition amount (yen)	Number of shares (shares)	Total disposition amount (yen)
Acquired treasury stock which was offered to subscribers	—	—	—	—
Acquired treasury stock which was canceled	—	—	—	—
Acquired treasury stock which was transferred due to merger, share exchange, share delivery, or company split	—	—	—	—
Others Note 2	305,176	532,913,378	1,909	3,333,278
Total numbers of treasury stock held	119,969,766	—	119,991,455	—

(Notes)

1. With regard to "Number of shares (shares)" and "Total disposition amount (yen)" of the current period, the number of treasury stock which was sold or acquired due to requests from shareholders holding less than one unit shares to purchase or sell additional shares, etc. from June 1, 2022 to the filing date are not included.
2. The breakdown of "others" in "Fiscal year ended March 31, 2022" are selling due to requests from shareholders holding shares less than one unit shares to sell additional shares (Number of shares 1,476 shares, Total disposition amount 2,577,477 yen) and exercise of stock acquisition rights (Number of shares 303,700 shares, Total disposition amount 530,335,901 yen)
   The breakdown of "others" in "Current period" are selling due to requests from shareholders holding shares less than one unit shares to sell additional shares (Number of shares 109 shares, Total disposition amount 190,335 yen) and exercise of stock acquisition rights (Number of shares 1,800 shares, Total disposition amount 3,142,943 yen)

3. Dividend Policy

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.

Panasonic pays dividends twice a year, an interim and a year-end. Dividends are resolved at the Board of Directors meeting under articles of incorporation.

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 30 yen per share for fiscal 2022, which includes the interim dividend of 15 yen per share and a year-end dividend of 15 yen per share.

The Company will utilize its internal reserve funds for further enhancing the management structure and future business development.

Dividends for the 115th term are as follows.

Resolution date	Total amount of dividends (Millions of yen)	Dividends per share (yen)
The Board of Directors meeting held on October 28, 2021	35,006	15.0
The Board of Directors meeting held on May 11, 2022	35,008	15.0

4. Corporate Governance, etc.

This section includes the matters of consolidated companies. This section refers to the matters as of June 24, 2022, the date of the filing of this annual securities report, unless otherwise indicated.

(1) Corporate Governance

1) Basic Policy of Corporate Governance

The Company, since its establishment, has operated its business under the Basic Business 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 which is responsible for deciding important operational matters for the whole Group and monitoring the execution of business by Directors, and Audit & Supervisory Board Member (A&SB Member) / Audit & Supervisory Board (A&SB) which are independent from the Board of Directors and responsible for auditing the performance of duties by Directors.

The Company conducts the following activities to enhance effectiveness of its corporate governance.

1. Secures the rights and equal treatment of shareholders.
2. Endeavors to appropriately cooperate with stakeholders such as employees, customers, business partners and local societies with the recognition that its sustainable growth is brought about as a result of receiving resources and contributions from such stakeholders.
3. Appropriately discloses corporate information and ensure transparency of the management.
4. Given its fiduciary responsibility and accountability to shareholders, the Board of Directors set the broad direction of corporate strategy, establish an environment where appropriate risk-taking is supported and carry out effective oversight of Directors and management from an independent and objective standpoint.
5. Engages in constructive dialogue with shareholders in order to contribute to the sustainable growth and the increase of corporate value over the mid- to long-term.

2) Overview and background of corporate governance structure

(a) Overview of corporate governance structure

The Company has transformed into an Operating Company Structure (Holding Company Structure) in April 2022. The Operating Companies are "Panasonic Corporation" (it is composed of multiple business areas and unites the following five divisional companies: China & Northeast Asia Company, Living Appliances and Solutions Company, Heating & Ventilation A/C Company, Cold Chain Solutions Company, and Electric Works Company), "Panasonic Automotive Systems Co., Ltd.", "Panasonic Connect Co., Ltd.", "Panasonic Industry Co., Ltd.", "Panasonic Energy Co., Ltd.", "Panasonic Housing Solutions Co., Ltd.", and "Panasonic Entertainment & Communication Co., Ltd.". They facilitate the evolution and change of business in each area and carry out autonomous management on development, manufacturing, and sales as well as management of profits and fund for the realization of growth strategies.

The Company has responsibility for the management and engineering strategies across the Group. Specifically, the Company formulates the mid/long-term group strategies for the enhancement of corporate value, contributes to the businesses with innovative technology and production technology, and supports for engineering development and manufacturing. In addition, "Panasonic Operational Excellence Co., Ltd." has been established to play a role as a platform for improving the efficiency and sophistication of operations across the Group. Panasonic Operational Excellence Co., Ltd. assumes as a function of the group-wide management control in terms of developing the Company-wide rules, infrastructure and systems, implementing internal audit, internal control and compliance activities required to the listed company and the legal entity, and responding to the stakeholders closely working with the Company.

[The Board of Directors and Executive Officer System]

The Board of Directors shall concentrate on the roles of decision-making of management strategies from group-wide perspective and supervision of the Operating Companies, in order to ensure the balance of "swift and strategic decision-making" and "sound and appropriate monitoring", for the decision-making of group-wide matters and autonomous management of the Operating Companies. For the purpose of fulfilling these roles, the Board of Directors is composed of twelve (12) Directors including two (2) female Directors and five (5) Outside Directors (at least one-third of Directors must be Outside Directors), and seeks to ensure the diversity of knowledge, experience and qualifications as a whole Board of Directors. Chairperson is the Chairperson of the Board who is not involved in execution of business.

The Board of Directors was held thirteen (13) times in fiscal 2022, and matters to be resolved at the Board of Directors which is required by the Companies Act and matters stipulated in the Matters to be discussed at Board of Directors Meeting were deliberated and resolved. Outside Directors, with their extensive experience and deep insight, made active statements which is necessary for deliberation of matters. Moreover, to clarify the responsibilities of Directors and build a flexible structure of the Board of Directors, the Company limits the term of each Director to one (1) year.

In the Company, authorities are significantly delegated to the Operating Companies for the complete autonomous management. Also, in order to maximize the Group value, the Company has adopted the Executive Officer system, which allows group management from the standpoint of total optimization.

The number of Executive Officers (including those who concurrently serve as Directors) is 13, consisting of President, Executive Vice President, a position in which the executive officer acts as President in specific areas, and Executive Officer, a position responsible for the business execution of specific functions.

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

Pursuant to the Companies Act, the Company has established A&SB Members as well as the A&SB made up of A&SB Members. The A&SB Members and the A&SB monitor the status of corporate governance and audit the day-to-day activities of management, including the performance of duties by Directors. The Company has elected five (5) A&SB Members (one (1) of them is a female member) including three Outside A&SB Members. Additionally, the Company has elected A&SB Members who have substantial finance and accounting knowledge.

[Voluntary Nomination and Compensation Advisory Committee]

The Company has established the Voluntary Nomination and Compensation Advisory Committee. 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 A&SB Member, and also on the appropriateness of the remuneration system for Directors and Executive Officers and of the amount and content of remuneration for each individual. In addition, the Committee monitors candidates for successor to the Group CEO and the Committee members can suggest when the Group CEO should be replaced.

As of the date of submission of this annual securities report, the Committee consists of five (5) members; Outside Director Michitaka Sawada (Chairperson), Outside Director Kazuhiko Toyama, Outside Director Yoshinobu Tsutsui, Director and Chairperson of the Board Kazuhiro Tsuga, and Representative Director and President Yuki Kusumi. The Company has been enhancing objectivity and transparency of the committee by ensuring that Outside Directors constitute a majority of its membership with one of them serving the chairperson.

[Conduct and utilization of evaluation of the Board of Directors effectiveness]

The Company conducts an annual survey to evaluate the effectiveness of the Board of Directors to all the Board members who attend the Board of Directors meetings. The results are reported at the Board of Directors meetings as one of the agenda items, and issues and improvement measures raised by the Members of the Board of Directors are discussed. Based on the results of these discussions, the Company continuously builds up a PDCA cycle by considering and implementing measures to improve the structure and operation of the Board of Directors, leading to improvement of the effectiveness of the Board of

Directors and strengthening of governance.

In fiscal 2022, the Company focused on the following points based on the effectiveness evaluation for fiscal 2021 and the transition to an operating company structure started from April 2022.

- More time was allocated to deliberations on themes that the Board of Directors should focus on, such as the Group's medium- and long-term strategy and group governance
- In addition to the agenda items for the Board of Directors meeting, the minutes of the PHD Strategy Meeting and the minutes of the Board of Directors meetings of the Operating Companies were posted on the Management Information site, which was established to provide information to the official members of the Board of Directors meetings, in order to establish the system where Outside Directors and Outside A&SB Members can grasp the status of discussions and deliberations by the executive side
- On important matters, prior briefings aside from the Board of Directors meetings were held

After taking the above measures, the Company conducted a survey to evaluate the effectiveness of the Board of Directors for FY 2022 in February 2022 as follows:

Method: Questionnaire (choice and free description)

Questionnaire Items:

- Sufficiency of provision of information on agenda items
  - Opinions and points to be improved on information sharing for the Board of Directors (Management Information site)
- Key discussion themes at the Board of Directors meetings
  - Appropriateness of setting agendas such as the medium-term management plan and group governance, roles expected of Outside Directors, appropriateness of time allocation for each agenda item, etc.
- Strengthening of governance of the Board of Directors
  - Skills necessary to fulfill the roles of Director, and sufficient communication between Outside Directors and management (particularly management of the Operating Companies), etc.
- Directors Training, Business Site Visits, etc.

Questionnaire results: The structure of the Board of Directors for fiscal 2022 and the measures the Company has taken to improve management were positively evaluated in general. On the other hand, the following issues were raised and proposed.

- In order to deepen discussions at the Board of Directors meetings, the Company shall clearly indicate the key points, issues, and directions for resolving issues that should be discussed at the Board of Directors meetings, regarding important matters.
- On the condition that agenda materials are shared in advance, depending on the content of the agenda items, the presentation at the Board of Directors meetings may be simplified and more time may be allocated to discussion.
- Establish a system so that the members of the Board of Directors can ask questions on agenda items in advance and to the responses to the questions can be shared using online tools, etc.
- Increase opportunities for interaction between Outside Directors and Operating Company Presidents.

In fiscal 2023, the Company will implement specific measures to enhance and deepen discussions at the Board of Directors meetings in order to resolve the above issues, and will continue to strive to improve the effectiveness of the Board of Directors and strengthen governance.

[Group Management Meeting/PHD Strategy Meeting]

The Group Management Meeting and the PHD Strategy Meeting are held to discuss, set the direction, and report on the Group’s mid-to long-term strategies, important Group-wide projects and committees, and important Group-wide initiatives implemented by the Company and the Operating Companies.

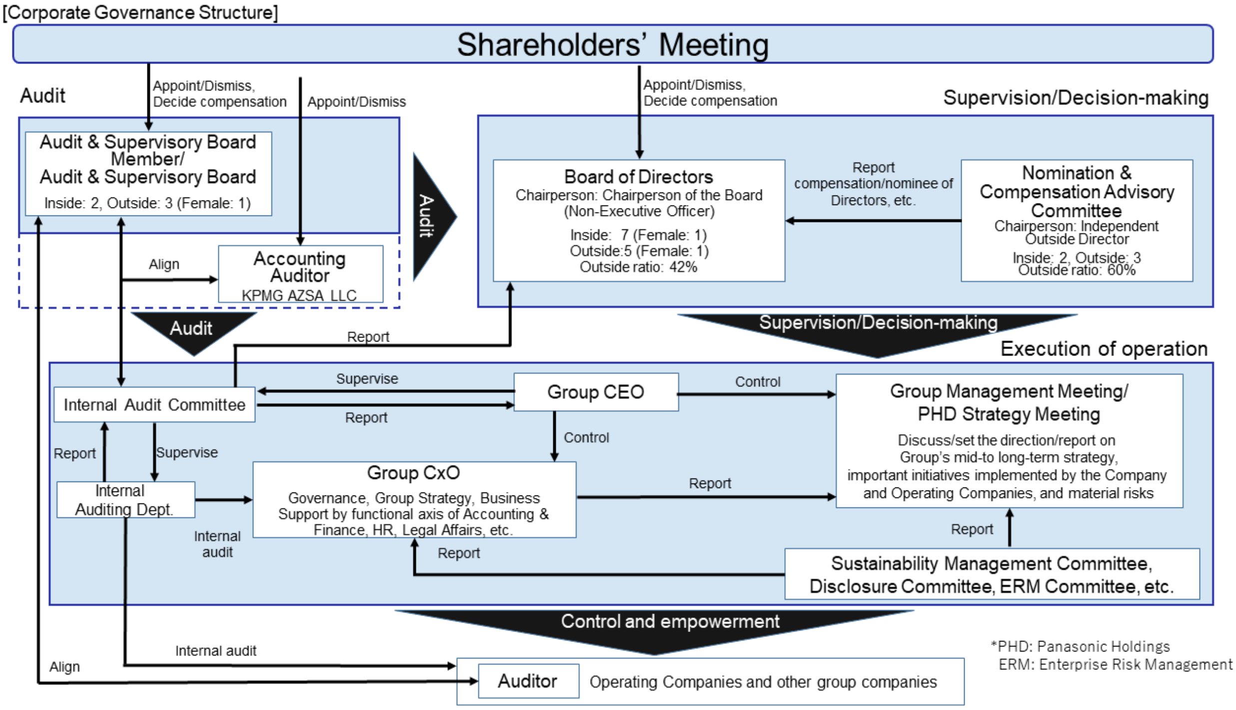
The Group Management Meeting is held basically once a month, chaired by the Group Chief Executive Officer (Group CEO). It consists of approximately twenty (20) senior managements including the presidents of the Operating Companies and functional directors.

The PHD Strategy Meeting is held basically at least twice a month chaired by the Group CEO. It consists of approximately ten (10) senior managements including functional directors of Human Resources, Accounting, and Legal Affairs.

(b) Background of corporate governance structure

The Company determined that it is appropriate to build and enhance its corporate governance structure based on the Board of Directors and the A&SB System composed of A&SB Members and A&SB, leveraging Nomination and Compensation Advisory Committee and the scheme of Evaluation of the Board of Directors Effectiveness.

[Corporate Governance Structure]



3) Basic Policy on Internal Control Systems and Status of the Operation of the System

As a result of the transition to an operating company system, in order to clearly identify the roles of the Company, which is a holding company, and the Operating Companies, the Company established a basic policy for the Group internal control systems. This policy was established at a meeting of the Company Board of Directors on August 27, 2021.

[Basic Policy Regarding the Development of Internal Control Systems]

(a) System for ensuring the properness of operations across the Panasonic Group

Based on our management philosophy, the Company shall thoroughly implement autonomous management through the establishment of basic policies and rules that apply throughout the Panasonic Group and through the appropriate transfer of authority to the Operating Companies (including subsidiary companies controlled by these entities; the same applies below). Based on these policies and rules, the Operating Companies shall each prepare its own rules and other systems in order to ensure the properness of operations across the Panasonic Group.

(b) System for ensuring compliance with applicable laws in the performance of Directors' and employees' duties in the Panasonic Group

The Company and the Operating Companies shall ensure legal compliance in the performance of Panasonic Group Directors' and employees' duties by developing an effective corporate governance system that includes ensuring total compliance awareness throughout the Panasonic Group and a suitable monitoring system.

(c) 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.

(d) System for ensuring efficiency of the performance of Directors' duties

In order to ensure efficiency in the performance of Directors' duties, the Company shall formulate management strategies from a Groupwide perspective, and shall thoroughly implement autonomous management within the Operating Companies.

(e) Rules and other measures for financial risk management

The Company shall formulate rules related to risk management throughout the Panasonic Group. The Company and the Operating Companies shall identify and assess risks affecting management of the business, and shall select material risks. The Company and the Operating Companies shall also take countermeasures against the selected material risks and monitor progress with the aim of seeking continual improvement.

(f) Employees who assist A&SB 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 A&SB Members and facilitating the smooth performance of audits.

(g) Ensuring effectiveness of instructions given by A&SB Members to employees who assist A&SB Members

Staff members assisting A&SB Members, while still subject to the internal rules of the Company, shall be under the instruction and supervision of the respective A&SB Members, and personnel-related matters shall be undertaken upon prior discussion with A&SB Members.

(h) System for Directors, employees and other staffs of the Company and its subsidiaries to report to the Company's A&SB Members

The Company shall ensure opportunities and systems that enable Directors, employees and other staffs of the Panasonic Group companies to properly report to the respective A&SB Members, and moreover shall ensure opportunities and systems that enable audit & supervisory officers, who are non-statutory senior auditors, of the operating companies, and A&SB Members of subsidiaries, to report to the Company's A&SB Members.

(i) System for ensuring that parties who have reported to A&SB Members do not incur unfavorable treatment as a consequence of such reporting

In ensuring opportunities and systems for Panasonic Group employees and other staffs to report to A& S B 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.

(j) Policy on management of expenses and debt incurred in execution of A&SB Member duties

The Company shall calculate budgets on an annual basis for expenses arising with respect to the execution of duties of A&SB 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.

(k) Other systems for ensuring effective performance of audits by A&SB Members

The Company shall develop a system enabling effective performance of audits, including mutual cooperation with the Operating Company auditors, the accounting auditors and the internal auditing group, in accordance with the Audit Plan established by A&SB Members each year.

[Status of Basic Policy Implementation in the Company]

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

・The Company has established internal rules such as the Panasonic Group Code of Ethics & Compliance, the PHD Board of Directors Rules, and the PHD Executive Officer Rules, 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.

・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 the 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.

・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 A&SB. 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.

・Audits are conducted by A&SB Members and the A&SB. In addition, seventeen (17) auditors and & supervisory officers, who belong to the A&SB Members' Office of the Company, are appointed to the Operating Companies and divisional companies of the Operating Companies, where they perform their duties in coordination with the auditors of the Group corporation, including the Operating Companies.

・The Company has established the rule of the prevention of relationships with antisocial forces, aiming to resolutely prevent any association with antisocial forces (such as organized criminal networks), and has obtained written pledges for compliance with the rule. The PHD Board of Directors Rules and the PHD Executive Officer Rules also stipulate and confirm clearly to prevent any such association with antisocial forces.

(b) 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.

(c) Rules and other measures for financial risk management

・The Company regards the accurate understanding of risks and the implementation of countermeasures as important management issues. Based on the "Panasonic Group Rules for Risk Management", various risk management activities are conducted led mainly by the PHD Enterprise Risk Management Committee. The Company conducts a series of risk assessment processes annually where it exhaustively identifies risks that may affect its business activities, evaluate them using a common evaluation axis, and determine the priority of the risks to be addressed. Based on this, the division in charge of the relevant risk takes the lead in formulating and implementing countermeasures, monitoring the status of countermeasures, and implementing activities for continuous improvement. In formulating and making decisions on management and business strategies, the Committee regards uncertain events as "strategic risks" that may pose opportunities or threats to the achievement of business objectives, promotes appropriate risk-taking according to the degree of risk, and engages in risk management activities in which countermeasures are reviewed in a timely manner according to the magnitude of the identified risk.

(d) System for ensuring efficiency of the performance of Directors' duties

- The Company expedites decision-making through the Rules of Approval for Decision-making in Important Matters, the clarification of roles between Directors and Executive Officers, the delegation of authority to the Operating Companies, the holding of the Group Management Meeting and the PHD Strategy Meeting, and the implementation of an IT system that ensures the rapid and accurate collection and transmission of important management information.
- 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.

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

- The Company has established the Basic Rules for Group Compliance that clarify the basic matters related to compliance and the roles and responsibilities of the Panasonic Group.
- The Company has established internal rules such as the Panasonic Group Code of Ethics & Compliance 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.
- 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 Group Code of Ethics & Compliance 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.
- 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.
- 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 related to t the Employee Work Regulations, and obtaining written pledges with regard to combating organized crime within the Company.
- The Company has established the rule of the prevention of relationships with antisocial forces, aiming to resolutely prevent any association with anti-social forces (such as organized criminal networks), and has obtained written pledges for compliance with the rule. The Employee Work Regulation clearly stipulates and confirms the prevention of any such association with anti-social forces. The Company has also established the Group-wide management system to thoroughly prevent any relationships with antisocial forces, by establishing the Business Conduct Committee and assigning persons-in-charge for preventing undue claims.

(f) System for Ensuring the Properness of Operations across the Panasonic Group

- The Company ensures that basic policy for internal control systems is fully implemented by the Group companies, and disseminates relevant information among the Group companies. Initiatives to that end include: implementing the "Panasonic Group Code of Ethics & Compliance", the "Basic Rules for Group Compliance" and the "Rules of Approval for Decision-making in Important Matters",; establishing group-wide regulations; dispatching Directors and A&SB Members to the Group companies and exercising the Company's shareholder rights thereof; establishing rules of governance that are to be observed by the Group companies; conducting regular operational audits, internal control audits, and compliance audits of the Group companies through the internal auditing group, and; sharing and disseminating information on business objectives through management policy announcements.
- 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.

(g) Employees who assist A&SB Members in auditing, and such employees' independence from Directors

- The Company has established the A&SB Member's Office, whose dedicated staff is under the direct control of the A&SB and separate from any operating function of the Company's business. The Company assigns A&SB Member assistant staff members who possess appropriate capabilities and knowledge as required by A&SB Members.

(h) Ensuring effectiveness of instructions given by A&SB Members to employees who assist A&SB Members

- Respective A&SB Members issue instructions to their staff members, and those staff members accordingly assist A&SB Members in performing their duties.
- The Company consults with A&SB Members in advance of undertaking personnel-related matters including employee transfers and other affairs involving staff members who assist A&SB Members.

(i) System for Directors, employees and other staffs of the Company and its subsidiaries to report to the Company's A&SB Members

- Directors, employees and other staffs of the Company and the Group companies report on business operations and other issues at respective regular meetings held by A&SB Members and other such occasions, and also report as necessary at other important meetings with A&SB Members, where their attendance has been requested. Moreover, A&SB Members of Group companies report as necessary to the Company's A&SB Members regarding content of reports at respective Group companies. Audit & supervisory officers conduct inquiries at respective Operating Companies regarding business operations and issues at such Operating Companies, and report such matters as necessary to the Company's A&SB Members.
- The Company has established an Audit Report System by which employees of the Company and the Group companies directly report to the Company's A&SB about irregularities or concerns in regards to accounting or auditing.

(j) System for ensuring that parties who have reported to A&SB 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 Group Code of Ethics & Compliance 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.

(k) Policy on management of expenses and debt incurred in execution of A&SB Member duties

- To ensure effectiveness of audits, the Company calculates preliminary budgets with respect to anticipated expenses required by A&SB Members in executing their duties, in accordance with the Audit & Supervisory Board Member Auditing Standards.
- The Company also provides pre-payment or reimbursement for expenses paid under urgent or extraordinary circumstances in accordance with laws and regulations.
- In making payment of audit expenses, A&SB Members are required to remain mindful of efficiency and appropriateness in that regard.

(l) Other systems for ensuring effective performance of audits by the A&SB Members

- Monthly reports and liaison meetings are held with audit & supervisory officers of the Operating Companies dispatched by the A&SB Members' Office.
- The Company has established and operates the Panasonic Group A&SB Members' Meeting chaired by the Company's Senior A&SB Member, in order to facilitate cooperation among the A&SB Members of the Company, the audit & supervisory officers of the Operating Companies, and A&SB Members of Group companies.
- Representative Directors and A&SB Members exchange opinions regularly and whenever necessary. Moreover, respective departments cooperate in implementing visiting audits of business offices inside and outside Japan conducted by A&SB Members. Internal auditing groups also cooperate to enhance the effectiveness of audits carried out by A&SB Members through collaboration with A&SB Members, including reporting as appropriate to the A&SB Members.

・When the accounting auditors formulate their audit plans, perform quarterly reviews, and conduct final audits, the A&SB Members hold regular meetings with the accounting auditors at which they receive explanations and reports, and exchange opinions with the accounting auditors as necessary.

4) The status of the Company's internal system concerning disclosure of corporate information

Under its basic philosophy, "A company is a public entity of society," the Company has committed to highly transparent business activities and endeavored to be accountable its accountability to its stakeholders. The Company's basic policy concerning information disclosure is set forth in the "Panasonic Group Code of Ethics & Compliance," and the standards in the course of business is published on the Company's official website as "the Disclosure Policy." The Company's basic policy is to provide the Company's fair and accurate financial information and corporate information, including management policies, business activities and corporate ESG (Environment, Social and Governance) activities, in a timely, appropriate and easily understandable manner.

In accordance with this basic policy, important matters concerning the management of the Group are resolved or reported at the Board of Directors pursuant to the Rules of Meetings of the Board of Directors. These important matters and other matters, which are required to be disclosed under relevant laws and ordinances in Japan and overseas or any other regulations, are timely and accurately reported from each relevant department, that has the important internal information, to the department that handles relevant information under the monitoring of the Group Chief Financial Officer (Group CFO), so that important information is gathered. Further, matters required to be disclosed under the rules of financial instruments exchanges are also under the monitoring of the Group CFO.

Also, if any of the matters which is required to be disclosed under relevant laws and ordinances in Japan and overseas, and the rules of financial instruments exchanges or any other regulations, occurs at the Company's subsidiaries including the Operating Companies, such matter shall be immediately reported to the "IR Section, Corporate Finance & IR Department" or the "Financial & Accounting Center" of Panasonic Operational Excellence Co., Ltd., depending upon the nature thereof; Thus, the Company has established a structure whereby these matters can be collected.

With respect to the information gathered or identified, the Company determines the necessity of disclosure thereof in accordance with relevant laws and ordinances in Japan and overseas, and the rules of financial instruments exchanges or any other regulations, and makes effort to disclose it at the time that the organization, which effectively decides execution of the business of the Company, makes a resolution or determination, or becomes aware of its occurrence.

In addition, the Company endeavors to confirm the contents and expressions of the disclosure with the relevant departments within the Company and outside legal counsel to ensure the accuracy, fairness and adequacy of the disclosure.

Moreover, the Company has established disclosure control procedures in order to comply with relevant laws and ordinances in Japan and overseas, the rules of financial instruments exchanges and any other regulations, and to implement the fair, accurate and timely disclosure of information about its Group, etc. In the process of preparation and confirmation of documents such as annual securities reports and quarterly reports, the Disclosure Committee, which is comprised of managers from principal departments that handle relevant information, confirms and approves the validity of the content of the descriptions and the appropriateness of the procedures concerning the disclosure under the supervision of the Group CEO and the Group CFO, who are responsible for establishing, maintaining and ensuring the effectiveness of the internal control and disclosure control of the Company. The chairperson of the Disclosure Committee is appointed by the Group CEO and the Group CFO, and the members of the Disclosure Committee are appointed by the chairperson of the Disclosure Committee. The Disclosure Committee also develops, maintains, improves and evaluates the internal control procedures concerning disclosure matters.

5) Internal Control Over Financial Reporting
The Company has documented the actual status of its internal control system, with integrated control provided by the Internal Control Promotion Office of Panasonic Operational Excellence Co., Ltd., in order to ensure reliability in the financial reporting of the Panasonic Group including its subsidiaries, ranging from the control infrastructure to actual internal control activities. Specifically, the Company has reinforced its internal controls by implementing self-checks and self-assessment programs at each of the Operating Companies. Then, Internal Auditing Managers of the Operating Companies appointed by the Company at each of the Operating Companies conduct audits. Based on the audits, the Internal Control Promotion Office supervises the group-wide internal control audits in order to confirm the effectiveness of each company's financial reporting. With the aim of further enhancing the Group's internal control system, in fiscal 2022 Panasonic had approximately 400 personnel assigned to conduct internal audits in the Internal Auditing Group.

6) Contract between the Company and Non-Executive Directors / A&SB Members (A&SB Members) under Article 427, Paragraph 1 of the Companies Act
The Company has entered into liability limitation agreements with all Directors who do not execute business and A&SB Members, respectively, which limit the amount of their liability under Article 423, Paragraph 1 of the Companies Act to the aggregate of the amounts specified in Article 425, Paragraph 1 of the Companies Act, if they perform their duties in good faith and without significant negligence.

7) Contract between the Company and Directors and A&SB Members under Article 430-2, Paragraph 1 of the Companies Act
The Company has entered into indemnity agreements with all Directors and A&SB Members, respectively, under Article 430-2, Paragraph 1 of the Companies Act. the Company agrees to indemnify costs and losses, as provided for by item 1 and item 2, respectively, of said Paragraph, within the ranges prescribed by laws and regulations. Under these agreements, to ensure that appropriate execution of the duties by the Company officers will not be impaired, certain inappropriate cases are excluded from compensation, and upon receiving a request for compensation from the Company officers, the Board of Directors will determine whether or not the case corresponds to these exclusions before carrying out compensation. Also, if it is found that the compensation was inappropriate after it has been carried out, the agreement allows the Company to demand the return of all or part of the compensation money from the Company officers concerned.

8) Directors' and officers' liability insurance policy
The Company has entered into a directors' and officers' liability insurance policy with an insurance company under which all Directors, A&SB Members, and Executive Officers of the Company and its subsidiaries (*) are insured, as stipulated in Article 430-3, Paragraph 1 of the Companies Act. If a claim for damages is made due to an act committed by the insured, the amount of damages to be borne by the insured shall be covered by the above-mentioned liability insurance policy. However, cases of willful or intentional violation of duty of due care shall not be covered by the said liability insurance policy.
* Panasonic Corporation, Panasonic Automotive Systems Co., Ltd., Panasonic Entertainment & Communication Co., Ltd., Panasonic Housing Solutions Co., Ltd., Panasonic Connect Co., Ltd., Panasonic Industry Co., Ltd., Panasonic Energy Co., Ltd., Panasonic Operational Excellence Co., Ltd., and Panasonic Information Systems Co., Ltd.

9) Matters to be resolved at general meetings of shareholders that can also be resolved by the Board of Directors
The Company stipulates in its Articles of Incorporation that unless otherwise provided by law, the Company may determine, by a resolution of the Board of Directors, a distribution of surplus or any other matters set forth in each item of Article 459, Paragraph 1 of the Companies Act. This is to enable the Company to more flexibly distribute profits to shareholders based on its consolidated business performance and to repurchase and cancel its own stock under its basic policy of providing returns to shareholders.

The Company, pursuant to Article 426, Paragraph 1 of the Companies Act, stipulates in its Articles of Incorporation that it may, by a resolution of the Board of Directors, exempt a Director (including a former Director) and a A&SB Member (including a former A&SB Member) from being held liable for his/her actions as set forth in Article 423, Paragraph 1 of the Companies Act to the extent permitted by applicable laws and ordinances, to enable the Directors and A&SB Members to perform their duties in a satisfactory manner.

10) Requirements for the adoption of resolutions for the election of Directors

The Company stipulates in its Articles of Incorporation that the presence of shareholders representing one-third or more of the voting rights held by the total shareholders entitled to exercise their voting rights and a majority of the votes held by those shareholders are required for the adoption of resolutions necessary to approve the election of Directors.

11) Requirements for the adoption of special resolutions of general meetings of shareholders

The Company stipulates in its Articles of Incorporation that the presence of shareholders representing one-third or more of the voting rights held by the total shareholders entitled to exercise their voting rights and two-thirds or more the votes held by those shareholders are required for the adoption of special resolutions of general meetings of shareholders which are stipulated in Article 309, Paragraph 2 of the Companies Act. By relaxing the requirements for a quorum for special resolutions of general meetings of shareholders, resolutions for those resolutions can be made with certainty.

12) Policy on Control of the Company

(a) Efforts to boost corporate value of the Company

The Company, since its establishment, has been operating its business under the Basic Business Philosophy, centering on "contributing to the progress and development of society and the well-being of people worldwide through its business activities". Going forward, the Company will continue to face social issues head-on in order to build an ideal society with material and spiritual affluence through its business, take on the challenge of eliminating anxiety about the present and the future, and aim to create new value. It will also address various societal issues squarely, including global environmental issues, and pursue to make greater contribution to the development of society and the resolution of these issues. The Company believes these initiatives will lead to further improvement of business competitiveness, and through which, it will strive to continuously increase its corporate value by providing value that satisfies all stakeholders, including shareholders, investors, customers, business partners, and employees.

(b) 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.

(2) Member of the Board of Directors and Audit & Supervisory Board Members

1) List of Member of the Board of Directors and Audit & Supervisory Board Members
Consisting of 14 men and 3 women (the ratio of women members in the Board of Directors and Audit & Supervisory Board Members is 17.6%.)

Title	Name	Date of birth	Brief personal records		Term of office	Share ownership (100 shares)
Director, Chairperson of the Board	Kazuhiro Tsuga	November 14, 1956	Apr. 1979	Joined the Company;	Note 5	3,906
			June 2001	Director, Multimedia Development Center;		
			June 2004	Executive Officer of the Company / In charge of Digital Network & Software Technology;		
			Apr. 2008	Managing Executive Officer of the Company / President, Panasonic Automotive Systems Company;		
			Apr. 2011	Senior Managing Executive Officer of the Company / President, AVC Networks Company;		
			June 2011	Senior Managing Director of the Company;		
			June 2012	President of the Company;		
			June 2017	Representative Director, President of the Company/ President of the Company / Chief Executive Officer (CEO);		
			June 2021	Director, Chairperson of the Board (current position).		

Title	Name	Date of birth	Brief personal records		Term of office	Share ownership (100 shares)
Representative Director/ President/ Group CEO/ Group CSO	Yuki Kusumi	January 22, 1965	Apr. 1989	Joined the Company;	Note 5	1,004
			Oct. 2012	Director, TV Business Division, Network Business Group, AVC Networks Company;		
			Apr. 2014	Executive Officer of the Company / Senior Vice President, Appliances Company / In charge of Home Entertainment and Beauty Living Business / Director, Home Entertainment Business Division;		
			Nov. 2015	Vice President, Appliances Company / In charge of Home Appliances Business;		
			Apr. 2017	Vice President, Appliances Company / In charge of TV, Imaging Products Business /		
				In charge of Major Appliances Business;		
			Jan. 2018	Vice President, Automotive & Industrial Systems Company / Director, Rechargeable Battery Business Division, SANYO Electric Co., Ltd.;		
			Apr. 2018	Vice President, Automotive & Industrial Systems Company / Director, Automotive Energy Business Division, SANYO Electric Co., Ltd.;		
			Apr. 2019	Managing Executive Officer of the Company / In charge of Automotive Segment / CEO, Automotive Company;		
			Apr. 2021	Chief Executive Officer (CEO);		
			June 2021	Representative Director/		
				President of the Company (current position).		
			Oct. 2021	Group Chief Executive Officer (Group CEO) / Group Chief Strategy Officer (Group CSO) (current position).		

Title	Name	Date of birth	Brief personal records		Term of office	Share ownership (100 shares)
Representative Director/ Executive Vice President/ Group Regional Head for China & Northeast Asia	Tetsuro Homma	October 28, 1961	Apr. 1985	Joined the Company;	Note 5	354
			June 2012	General Manager, Corporate Planning Group;		
			Oct. 2013	Executive Officer of the Company;		
			Apr. 2015	Managing Executive Officer of the Company; President, Appliance Company;		
			June 2015	Managing Director of the Company;		
			Apr. 2016	Senior Managing Director of the Company;		
			June 2017	Senior Managing Executive Officer of the Company;		
			Apr. 2019	CEO, China & Northeast Asia Company;		
			June 2019	Representative Director of the Company (current position);		
			Apr. 2020	Chairman, Panasonic Corporation of China (current position);		
			Apr. 2021	Executive Vice President of the Company (current position);		
			Oct. 2021	President, Panasonic Operational Excellence China & Northeast Asia, Panasonic Operational Excellence Company;		
			Apr. 2022	Group Regional Head for China & Northeast Asia (current position) / President, Panasonic Operational Excellence China & Northeast Asia, Panasonic Operational Excellence Co., Ltd. (current position).		

Title	Name	Date of birth	Brief personal records		Term of office	Share ownership (100 shares)
Representative Director/ Executive Vice President/ Group CRO/ Representative Director, Member of the Board, President, Panasonic Operational Excellence Co., Ltd.	Mototsugu Sato	October 17, 1956	Apr. 1979	Joined Matsushita Electric Works, Ltd. (MEW);	Note 5	1,146
			Apr. 2008	Executive Officer, MEW;		
			Apr. 2011	Senior Executive Officer, Panasonic Electric Works Co., Ltd. (former MEW);		
			Oct. 2013	Executive Officer of the Company / In charge of Planning;		
			June 2014	Director of the Company;		
			Apr. 2015	Managing Director of the Company;		
			Apr. 2016	Senior Managing Director of the Company / In charge of Human Resources;		
			Mar. 2017	CEO, Panasonic Holding (Netherlands) B.V.;		
			June 2017	Representative Director of the Company (current position) / Senior Managing Executive Officer of the Company / Chief Strategy Officer (CSO) / Chief Human Resources Officer (CHRO);		
			Apr. 2019	Executive Vice President of the Company (current position);		
			Aug. 2019	CEO, US Company;		
			Oct. 2021	Group Chief Risk Management Officer (Group CRO) (current position) / President, Operational Excellence Company;		
			Apr. 2022	Representative Director, Member of the Board, President, Panasonic Operational Excellence Co., Ltd. (current position)		

Title	Name	Date of birth	Brief personal records		Term of office	Share ownership (100 shares)
Representative Director/ Executive Vice President/ Group CFO	Hirokazu Umeda	January 13, 1962	Apr. 1984	Joined the Company;	Note 5	535
			Oct. 2012	General Manager, Corporate Management Support Group, Corporate Strategy Division;		
			Apr. 2017	Executive Officer of the Company / In charge of Accounting and Finance;		
			June 2017	Director of the Company / Executive Officer of the Company / Chief Financial Officer (CFO);		
			Apr. 2018	Managing Executive Officer of the Company / President, Panasonic Equity Management Japan Co., Ltd. (now Panasonic Equity Management Japan G.K.) (current position);		
			Sep. 2019	CEO, Panasonic Holding (Netherlands) B.V. (current position);		
			Apr. 2021	Senior Managing Executive Officer of the Company;		
			Oct. 2021	Group Chief Financial Officer (Group CFO) (current position);		
			Apr. 2022	Executive Vice President of the Company (current position);		
			June 2022	Representative Director of the Company (current position).		
Director	Shinobu Matsui	January 27, 1977	Oct. 1999	Joined Ota Showa & Co. (current Ernst & Young ShinNihon LLC);	Note 5	-
			Oct. 2001	Joined PricewaterhouseCoopers Tax Office (current PwC Tax Japan);		
			Mar. 2014	Corporate Auditor, Uzabase, Inc.;		
			Aug. 2015	Joined Uzabase, Inc. (retired as Corporate Auditor, Uzabase, Inc.);		
			Jan. 2018	Executive Officer (Head of Corporate Division), Uzabase, Inc.;		
			Jan. 2019	Executive Officer, Chief Operating Officer, Uzabase, Inc.;		
			Jan. 2020	Executive Officer, Chief People and Administration Officer, Uzabase, Inc.;		
			Mar. 2021	Board Director, Chief People and Administration Officer, Uzabase, Inc. (current position);		
			June 2021	Director of the Company (current position);		
			Jan. 2022	Board Director and Group Executive Officer, Uzabase, Inc. (current position).		
Director	Kunio Noji	November 17, 1946	June 2007	President and Representative Director, and CEO, Komatsu Ltd.;	Note 5	50
			Apr. 2013	Representative Director and Chairman of the Board, Komatsu Ltd.;		
			June 2019	Senior Advisor, Komatsu Ltd. (current position)/ Director of the Company (current position).		

Title	Name	Date of birth	Brief personal records		Term of office	Share ownership (100 shares)
Director	Michitaka Sawada	December 20, 1955	June 2012	Representative Director, President and Chief Executive Officer, Kao Corporation;	Note 5	-
			June 2020	Director of the Company (current position);		
			Jan. 2021	Director, Chair, Kao Corporation (current position).		
Director	Kazuhiko Toyama	April 15, 1960	Apr. 2003	Senior Representative Director (COO), Industrial Revitalization Corporation of Japan;	Note 5	200
			Apr. 2007	Representative Director (CEO), Industrial Growth Platform, Inc.;		
			June 2016	Director of the Company (current position);		
			Oct. 2020	Chairman, Industrial Growth Platform, Inc. (current position);		
			Dec. 2020	Representative Director, President, Japan Platform of Industrial Transformation, Inc. (current position).		
Director	Yoshinobu Tsutsui	January 30, 1954	Apr. 2011	President, Nippon Life Insurance Company;	Note 5	-
			June 2015	Director of the Company (current position);		
			Apr. 2018	Chairman, Nippon Life Insurance Company (current position).		
Director/ Executive Vice President	Yoshiyuki Miyabe	December 5, 1957	Apr. 1983	Joined the Company;	Note 5	1,361
			Apr. 2008	Executive Officer of the Company;		
			Apr. 2011	Managing Executive Officer of the Company;		
			June 2011	Managing Director of the Company;		
			Apr. 2013	President, AVC Networks Company;		
			Apr. 2014	Senior Managing Director of the Company;		
			June 2017	Senior Managing Executive Officer of the Company / Chief Technology Officer (CTO) / Chief Manufacturing Officer (CMO) / Chief Quality Officer (CQO) / Chief Procurement Officer (CPO) / Chief Information Officer (CIO);		
			Apr 2022	Executive Vice President of the Company (current position);		
			June 2022	Director of the Company (current position).		

Title	Name	Date of birth	Brief personal records		Term of office	Share ownership (100 shares)
Director/ Executive Officer/ Group GC	Ayako Shotoku	June 10, 1968	Apr. 1991	Joined the Company;	Note 5	75
			Oct. 2021	Managing Officer, General Counsel (GC), Automotives Company / Chief Risk Management Officer (CRO) / Director, Legal Affairs Center / In charge of Legal Strategy, Corporate Strategy and Technology Sector;		
			Apr. 2022	Executive Officer of the Company / Group General Counsel (Group GC) (current position);		
			June 2022	Director of the Company (current position).		
Senior Audit & Supervisory Board Member	Toshihide Tominaga	August 3, 1957	Apr. 1980	Joined the Company;	Note 6	161
			Jan. 2013	Senior Councilor, Accounting Center, Industrial Devices Company ;		
			June 2016	President, Panasonic Industrial Devices SUNX Co., Ltd.;		
			June 2018	Corporate Advisor, Panasonic Industrial Devices SUNX Co., Ltd.;		
			June 2019	Senior Audit & Supervisory Board Member of the Company (current position).		
Senior Audit & Supervisory Board Member	Eiji Fujii	March 7, 1960	Apr. 1984	Joined the Company;	Note 7	196
			July 2015	Managing Officer, Automotive & Industrial Systems Company of the Company/Director, Engineering Division;		
			Apr. 2017	Executive Officer of the Company/ Vice President, Automotive & Industrial Systems Company/ In charge of Technology and Director, Engineering Division;		
			Apr. 2019	Executive Officer of the Company / Vice President, Industrial Solutions Company / In charge of Technology and Director, Engineering Division / In charge of Intellectual Property;		
			June 2020	Senior Audit & Supervisory Board Member of the Company (current position).		
Audit & Supervisory Board Member	Akihiro Eto	April 7, 1960	Jan. 2019	COO and Representative Executive Officer, President, Bridgestone Corporation;	Note 8	-
			Mar. 2019	Director, COO and Representative Executive Officer, President, Bridgestone Corporation;		
			July 2020	Director, Bridgestone Corporation;		
			Nov. 2021	Member of the Supervisory Board and its Audit Committee, Daimler Truck AG (current position);		
			Dec. 2021	Member of the Supervisory Board and its Audit Committee, Daimler Truck Holding AG (current position);		
			June 2022	Audit & Supervisory Board Member of the Company (current position).		

Title	Name	Date of birth	Brief personal records		Term of office	Share ownership (100 shares)
Audit & Supervisory Board Member	Akihiko Nakamura	May 14, 1957	Sep. 1986	Registered as Certified Public Accountant (Japan) (current position);	Note 8	-
			July 1998	Representative Partner, Aoyama Audit Corporation, Partner, PricewaterhouseCoopers Co., Ltd. (PwC);		
			Apr. 2000	Representative Partner, ChuoAoyama Audit Corporation;		
			Sep. 2006	Representative Partner, Aarata Kansa Hojin (current PricewaterhouseCoopers Aarata LLC);		
			July 2017	President, Akihiko Nakamura CPA Office (current position);		
			June 2022	Audit & Supervisory Board Member of the Company (current position).		
Audit & Supervisory Board Member	Setsuko Yufu	March 28, 1952	Apr. 1981	Registered as Attorney at Law (Japan) (current position);	Note 7	-
			Sep. 1986	Joined Loeff Claeys Verbeke (Brussels) (now Allen & Overy (Brussels));		
			Jan. 2002	Partner, Atsumi & Usui (now Atsumi & Sakai Janssen Foreign Law Joint Enterprise) (current position);		
			June 2020	Audit & Supervisory Board Member of the Company (current position).		
Total						8,990

(Notes)

1. "Share ownership" of less than 100 shares has been omitted.
2. Ayako Shotoku's name on the family register is Ayako Kurama.
3. Shinobu Matsui, Kunio Noji, Michitaka Sawada, Kazuhiko Toyama, and Yoshinobu Tsutsui are outside directors.
4. Akihiro Eto, Akihiko Nakamura, and Setsuko Yufu are outside Audit & Supervisory Board Members.
5. The term of office of Directors, which commenced from the conclusion of the Ordinary General Meeting of Shareholders for the year ended March 31, 2022, shall expire at the conclusion of the Ordinary General Meeting of Shareholders for the year ending March 31, 2023.
6. The term of office of Toshihide Tominaga, Audit & Supervisory Board Member, which commenced from the conclusion of the Ordinary General Meeting of Shareholders for the year ended March 31, 2019, shall expire at the conclusion of the Ordinary General Meeting of Shareholders for the year ending March 31, 2023.
7. The term of office of Eiji Fujii and Setsuko Yufu, Audit & Supervisory Board Members, which commenced from the conclusion of the Ordinary General Meeting of Shareholders for the year ended March 31, 2020, shall expire at the conclusion of the Ordinary General Meeting of Shareholders for the year ending March 31, 2024.
8. The term of office of Akihiro Eto and Akihiko Nakamura, Audit & Supervisory Board Members, which commenced from the conclusion of the Ordinary General Meeting of Shareholders for the year ended March 31, 2022, shall expire at the conclusion of the Ordinary General Meeting of Shareholder for the year ending March 2026.
9. Main responsibilities and position are provided in the Title column.

10. Management execution of Panasonic group is mainly conducted by Executive Officers.

Title	Name	Responsibility
President	Yuki Kusumi	Group Chief Executive Officer (Group CEO), Group Chief Strategy Officer (Group CSO)
Executive Vice President	Tetsuro Homma	Group Regional Head for China & Northeast Asia *President, Panasonic Operational Excellence China and Northeast Asia, Panasonic Operational Excellence Co., Ltd. Chairperson, Panasonic Corporation of China
Executive Vice President	Yoshiyuki Miyabe	Representative in Tokyo in charge of Government and External Relations, and Solutions Partners
Executive Vice President	Mototsugu Sato	Group Chief Risk Management Officer (Group CRO) In charge of Procurement and Logistics Occupational Safety and Health Director *Representative Director, Member of the Board, President, Panasonic Operational Excellence Co., Ltd., Chief Executive Officer (CEO), In charge of DEI Promotion
Executive Vice President	Hirokazu Umeda	Group Chief Financial Officer (Group CFO) In charge of Group MUDA Busters Project and Facility Management CEO, Panasonic Holding (Netherlands) B.V. President, Panasonic Equity Management Japan G. K. In charge of Prime Life Technologies Corporation
Executive Officer	Yoky Matsuoka	Director, Life Solutions Business Division
Executive Officer	Shigeki Mishima	Group Chief Human Resources Officer (Group CHRO) In charge of General Affairs and Social Relations, CSR and Corporate Citizenship Activities, DEI Promotion, and Construction Safety and Regulations Administration *Director, Member of the Board, Executive Officer, Panasonic Operational Excellence Co., Ltd., Chief Human Resources Officer (CHRO), In charge of General Affairs, CSR and Corporate Citizenship Activities
Executive Officer	Yoshihiro Morii	In charge of Brand and Communications Strategy *Executive Officer, Panasonic Operational Excellence Co., Ltd. In charge of Brand and Communications
Executive Officer	Masashi Nagayasu	In charge of Prime Planet Energy & Solutions, Inc. *Representative Director, Member of the Board, President, Panasonic Automotive Systems Co., Ltd., Chief Executive Officer (CEO), In charge of DEI Promotion
Executive Officer	Tatsuo Ogawa	Group Chief Technology Officer (Group CTO) In charge of Pharmaceutical Affairs and Corporate Innovation & Venture Strategy
Executive Officer	Ayako Shotoku	Group General Counsel (Group GC)
Executive Officer	Hajime Tamaoki	Group Chief Information Officer (Group CIO) President, Panasonic Information Systems Co., Ltd.
Executive Officer	Shigeo Usui	In charge of Design *Executive Officer, Panasonic Corporation In charge of Customer Experience Director, Design Division

*Responsibility at the Operating Companies other than Panasonic Holdings Corporation

2) Outside Directors and Outside Audit & Supervisory Board Members (A&SB Members)
The Company elects five (5) Outside Directors and three (3) Outside A&SB Members.

Mr. Kunio Noji, an Outside Director of the Company, as is described in "1) Member of the Board of Directors and Audit & Supervisory Board Members," holds Panasonic shares, but does not have any other noteworthy relationships with the Company.

Mr. Kazuhiko Toyama, an Outside Director of the Company, as is described in "1) Member of the Board of Directors and Audit & Supervisory Board Members," holds Panasonic shares, but does not have any other noteworthy relationships with the Company.

Mr. Yoshinobu Tsutsui, an Outside Director of the Company, is a Chairman of Nippon Life Insurance Company. Although Nippon Life Insurance Company is one of the Major Shareholders of Panasonic, Mr. Tsutsui does not have any other noteworthy relationships with the Company.

Note: Major Shareholders: Shareholders listed in (6) Major Shareholders of 1. Information on the Company's Stock, etc.

As for the five (5) Outside Directors, the Company elects them based on the independency stated in the Independence Standards for Outside Directors / Audit & Supervisory Board Members (A&SB Members) that the Company established, and the policy that the election will enhance and strengthen the effectiveness of the monitoring performed by the Board of Directors regarding the execution of business by Directors, from an objective and neutral standpoint. As for the three (3) Outside A&SB Members, the Company appoints them based on the independency stated in the Independence Standards for Outside Directors / Audit & Supervisory Board Members (A&SB Members) that the Company established, and the policy that the election will enhance and strengthen the effectiveness of the audits performed by A&SB Members regarding the execution of business by Directors, from an objective and neutral standpoint.

Outside Directors are expected to contribute to the management of the Group by reflecting their extensive experience and deep insight in business management and specialized fields. Outside A&SB Members are expected to appropriately audit the execution of duties by Directors and to provide beneficial advice to the business management of the Group based on their extensive careers and experience as the executive of a corporation, the certified public accountant, and the lawyer.

The Company has established the Independence Standards for Outside Directors / Audit & Supervisory Board Members (A&SB Members) based on the independence standard required by financial instruments exchange such as Tokyo Stock Exchange. Accordingly, all of the Outside Directors and Outside A&SB Members are notified to the financial instrument exchanges as "independent directors/audit & supervisory board members" defined in article 436-2 and others of Securities Listing Regulations of the Tokyo Stock Exchange, who is unlikely to have conflicts of interest with Panasonic's general shareholders.

[Overview of the Independence Standards for Outside Directors / Audit & Supervisory Board Members (A&SB 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 the person recently or previously, hereinafter, "executing person")
(2) A person or an executing person of such person who has a major business relationship with the Company, or a person or an executing person of such person with whom the Company has a major business relationship.
(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 / A&SB 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 a principal shareholder is a legal entity, an executing person of such legal entity)

(5) A close relative listed in items numbered (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 subsidiary of the Company (If an Outside A&SB Member is appointed to as an independent Director / A&SB Member, the person who is or who was a non-executing director / accounting advisor is included in the executing person).

(Notes)

i) In the items numbered (1), (2), (4) and (5) above, an "executing person" corresponds to any of the following.

・A Director who is an executive director, an executive officer (shikkouyaku) or a director / A&SB 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 executing business, or other such equivalent person.
・An employee

Also, the wording "recently" shall be assumed to be the point of time when the item of the agenda of the shareholders' meeting appointing the person as a Director or an A&SB Member are 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 person whom the Company has a business relationship, exceeds 2% of either of their annual consolidated sales.

iii) In the item (3) above, "significant" shall be applied to the case in which the person (individual) or the organization such as a legal entity or association to which a service provider belongs, in providing a service to the Company, corresponds to any of the followings. A person "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 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 / an accounting advisor" shall be assumed to be identified based on whether the person was in the position in the last three years.

3) Mutual cooperation in monitoring or audit by Outside Director or Outside A&SB Members and internal audit, audit by A&SB members and accounting audit, and relationship with internal control department

Outside Directors directly or indirectly cooperate with the internal audit, audit by A&SB Members and accounting audit, receive reports from the Internal Control Department and conduct an effective monitoring through reports on financial results at the Board of Directors and through reviews of the basic policy regarding the development of the internal control systems and other methods.

Outside A&SB Members directly or indirectly cooperate with the internal audit, audit by A&SB Members and accounting audit, receive reports from the Internal Control Department and conduct an effective monitoring through reports on financial results at the Board of Directors, through reviews of the basic policy regarding the development of internal control systems, exchanges of opinions and information at A&SB and other methods.

(3)Audit Status

1) Status of audit conducted by Audit & Supervisory Board Members (A&SB Members)

A&SB Members participate in the general meetings of shareholders and the Board of Directors, receive reports from Directors, Executive Officers, employees and Accounting Auditors, and exercise other auditing authority granted to A&SB Members under the law. Full-time Senior A&SB Members also attend important meetings and conduct visiting audits to business offices in order to ensure effective audits. In order to augment the internal auditing functions in the Group, the Company assigns seventeen (17) full-time A&SB Members and Audit & Supervisory Officers (A&SOs) of the Group Companies including the Operating Companies, who directly report to the Senior A&SB Members of the Company, to the Operating Companies and their Divisional Companies. The Company has also established the Panasonic Group Audit & Supervisory Board Members' Meeting (comprising Senior A&SB Members of the Company, and A&SB Members of the Group Companies), chaired by the Senior A&SB Member of the Company, to enhance coordination between the Company's Senior A&SB Members, and A&SOs and audit & supervisory board members of the Group companies, for effective functioning of the entire group corporate governance. In addition, in the course of the performance of their duties, A&SB Members ensure to conduct efficient audits, by maintaining close cooperation with the Internal Audit Committee," which controls the overall internal audit activities and where Senior A&SB Members attend as observers, and understanding the total picture of monitoring and auditing by relevant functions of the Company. A&SB regularly receives from the Internal Audit Committee reports regarding the status involving the internal control system and results of audits. A&SB may request the Internal Audit Committee or Accounting Auditors to conduct an investigation, if necessary. Also, in order to enhance the effectiveness of the audits conducted by A&SB Members and to ensure the smooth implementation of audits, the Company has established an A&SB Member's Office with full-time staff under the direct control of the A&SB.

Mr. Toshihide Tominaga, a Senior A&SB Member of the Company, has substantial finance and accounting knowledge, having held the position of Managing Officer of the accounting sections in the Company.
Mr. Akihiko Nakamura, Outside A&SB Member of the Company, has substantial finance and accounting knowledge, having held the career experiences with a corporate accounting in global companies in Japan and overseas for long periods as a certified public accountant.

Based on audit policies and plans the A&SB developed, the A&SB has received 15 reports from management to confirm the status of execution of duties. The A&SB has also received reports on the results of audits conducted by Senior A&SB Members of the Company and other activities, inspected the records of approval of important decisions, and checked the contents of reports made to the Audit Report System and responses to the reports. At the end of each quarter and fiscal year, the A&SB checks the Company's financial results and report documentations on the reviews and the audits conducted by accounting auditors, and compiles an Audit Report as the A&SB, evaluates the accounting auditors, determines re-election or non-reelection of each of the accounting auditors, and confirms compliance with law and regulations regarding the agendas of the General Meeting of Shareholders.

The A&SB held total of the 13 A&SB meetings for the fiscal year ended March 31, 2022, and each meeting took two (2) hours and fifty (50) minutes. The attendance rate was 100% (Senior A&SB Members: 100%, Outside A&SB Members: 100%).

The attendance rate of A&SB Members at the A&SB meetings

Classification	Name	Number of meetings held during the term	Number of attendance	Attendance Rate	Remarks
Senior A&SB Member	Toshihide Tominaga	13	13	100%	-
Senior A&SB Member	Eiji Fujii	13	13	100%	-
Outside A&SB Member	Yoshio Sato	13	13	100%	-
Outside A&SB Member	Toshio Kinoshita	13	13	100%	-
Outside A&SB Member	Setsuko Yufu	13	13	100%	-

2) Status of internal audits

(Audit policy)

Internal audits of the Company cover its overall management, including operations, organizations, and systems, and include audits of management, operations, finance, compliance, and internal controls.

(Audit organization and personnel)

The internal audits of the Group are conducted based on an audit plan developed for each of the fiscal years under the approval of the Group CEO, the Group CFO, and the "Internal Audit Committee" according to the types of audits. In accordance with the condition identified from the audits, managers of the audit department reports the results of audits to the Board of Directors, the A&SB, the Group CEO, the Group CFO, and the departments concerned. The "Internal Auditing Department" of Panasonic Operational Excellence Co., Ltd. has 19 personnel and the "Internal Control Promotion Office" which supervises internal control over financial reporting has 15 personnel.

In addition, the internal audit function is established in each of the Operating Companies of the Group and internal audits are conducted based on an audit plan under the approval of the CEO of each Operating Company.

(Efforts to enhance the effectiveness of audits)

The Company has established the "Internal Audit Committee" that reports directly to the Group CEO, to ensure optimal auditing and monitoring for the entire Group.

The "Internal Audit Committee" shall ensure the independence and objectivity of each internal audit through sound mutual checks and balances under the co-chairmanship of the Group CFO and Group GC. Group CROs also participate as committee members to ensure coordination with business activities and risk management activities throughout the Group. The "Internal Audit Committee" regularly checks the internal auditing functions of the Operating Companies.

The "Internal Audit Committee" supervises and directs internal audits based on reports from the Group CxO and the Operating Companies. In cooperation with the Audit & Supervisory Board, the "Internal Audit Committee" has established a group audit system by regularly reporting to the Group CEO and the Board of Directors.

3) Status of accounting audit

a) Audit corporation

KPMG AZSA LLC

b) The length of years the Accounting Auditor has served

For 19 years

c) CPA having executed accounting audit works

CPA having executed accounting audit works	Audit corporation to which CPA belongs
Takashi Kondo	KPMG AZSA LLC
Masaki Hirota	KPMG AZSA LLC
Masato Nakagawa	KPMG AZSA LLC

d) Audit assistance for Panasonic Corporation

Working with to assist the above accountants in conducting audit of the Company were 145 certified public accountants and 120 other people.

e) Policies and reasons for selecting an auditing corporation and evaluation of an accounting auditor by A&SB Members and A&SB

A&SB confirms and evaluates independency of the auditing system conducted by accounting auditors, its quality, and accounting fees, and determines validity of election and reelection of accounting auditors. Based on the thorough confirmation of the above mentioned points, the Company reelected KPMG AZSA LLC as our accounting auditor for the fiscal year ended March 31, 2022. In the event that dismissal of an accounting auditor is valid pursuant to any of the provisions of Article 340, Paragraph 1 of the Companies Act, A&SB may dismiss the accounting auditor with the approval of all A&SB Members. In addition, in the event that appropriate audit by an accounting auditor is not expected for any reason, A&SB shall determine the content of a proposal calling for dismissal or non-reelection of the accounting auditor, for submission to a general meeting of shareholders.

f) Matters related to a disposition of suspension of services against accounting auditors

There is no item that falls under a disposition of suspension of services.

4) Accounting fees

a) Fees to Certified Public Accountants (KPMG AZSA LLC)

Category	Fiscal year ended March 31, 2022		Fiscal year ended March 31, 2021	
	Fees for audit services (Millions of yen)	Fees for non-audit services (Millions of yen)	Fees for audit services (Millions of yen)	Fees for non-audit services (Millions of yen)
Panasonic Corporation	837	22	836	28
Consolidated subsidiaries	330	-	335	8
Total	1,167	22	1,171	36

Fees for non-audit services paid by Panasonic Corporation to the Company's accounting auditors, KPMG AZSA LLC, are mainly paid for services including the creation of comfort letters as part of bond issue for the year ended March 31, 2022 and advisory services relating to accounting matters for the year ended March 31, 2021.

Fees for non-audit services paid by its consolidated subsidiaries to the Company's accounting auditors, KPMG AZSA LLC, are mainly paid for advisory services relating to accounting matters for the year ended

March 31, 2021.

b) Fees to Certified Public Accountants (KPMG Group excluding above a) KPMG AZSA LLC)

Category	Fiscal year ended March 31, 2022		Fiscal year ended March 31, 2021	
	Fees for audit services (Millions of yen)	Fees for non-audit services (Millions of yen)	Fees for audit services (Millions of yen)	Fees for non-audit services (Millions of yen)
Panasonic Corporation	-	268	-	267
Consolidated subsidiaries	2,096	319	2,006	410
Total	2,096	587	2,006	677

Fees for non-audit services paid by Panasonic Corporation to the Company's accounting auditors, KPMG Group excluding KPMG AZSA LLC, are mainly paid for advisory services relating to accounting and tax matters for the year ended March 31, 2022 and 2021.

Fees for non-audit services paid by its consolidated subsidiaries to the Company's accounting auditors, KPMG Group excluding KPMG AZSA LLC, are mainly paid for advisory services relating to accounting and tax matters for the year ended March 31, 2022 and 2021.

c) Details of other important fees for audit services

There were no material audit fees paid by some of consolidated subsidiaries of Panasonic Corporation to the accounting auditors other than the Company's accounting auditor, KPMG AZSA LLC and KPMG Group for the year ended March 31, 2022 and 2021.

d) Policy on determination of audit fees

In determining the amount of audit fees, the Company considers matters that include the number of days of audit, taking into consideration of the size of the Company, the scope and characteristics of the audit, etc.

e) Grounds for approval of accounting auditors' remuneration, etc. by Audit & Supervisory Board

A&SB 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, A&SB granted the consent required pursuant to Article 399, Paragraph 1 of the Companies Act for the compensation, etc. paid to the accounting auditors.

(4) Remuneration for Directors and Audit & Supervisory Board Members (A&SB Members)

1) Policy on determining amount and process of Directors and A&SB Members

(a) Policy

The Company's remuneration system for Directors comprises a fixed remuneration which is the "basic remuneration," a short-term incentive which is the "performance-based remuneration," and a long-term incentive which is the "restricted stock as remuneration," based on the duties of Directors. 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 generally. Outside Directors and A&SB Members receive only a fixed compensation or the "basic remuneration" 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. The outline is provided below.

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

The "performance-based remuneration" is provided to boost motivation to improve business performance, and its amount is determined based on a single-year performance evaluation of the entire Company and a specific business of which a Director is in charge. The "performance-based remuneration" is designed in a way that the amount of payment will increase according to the results. The payment rate of the basic remuneration ranges from 0% to 150% (when the standard value is achieved: 75%). 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 (Note), 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.

(Note)

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

Based on the intended approach to a new medium- and long-term strategy for the Panasonic Group following the transition to an operating company system, the contents of the "performance based remuneration" system will be revised beginning from remuneration that is based on the fiscal 2023 results.

In addition to financial indexes focused on matters such as operating cash flows, evaluation items will be added for non-financial items such as environmental contributions and other matters related to sustainability, and a new section will be established to apply not only the results from the individual fiscal year, but also the medium-term results.

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 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 "restricted stock as remuneration" is a system that a Director will pay out all of the monetary compensation obligations provided as remuneration by Panasonic as stock investment property, and receive issuance or disposition of Panasonic common share. Panasonic and each of applicable Directors shall sign a restricted stock allocation agreement every fiscal year.

During the current fiscal year, Panasonic allocated a total of 137,500 shares to its six Directors excluding Outside Directors, on July 14, 2021, at 1,239.5 yen per share, the closing price of Panasonic common stock on the First Section of the Tokyo Stock Exchange on June 23, 2021 (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 14, 2021 to July 14, 2024.
The specific details of the restricted stock allocation agreement are described below.

Specific details of the restricted stock allocation agreement

(1) Transfer restriction period
The Applicable Directors may not transfer, use as collateral or otherwise dispose of the common stock allocated under the restricted stock allotment agreement (the Allotment Agreement) (the Allotted Shares) for three years from the date of allocation or for a period of up to 30 years therefrom as determined by the Panasonic Board of Directors.

(2) Handling in the case of retirement
If an Applicable Director retires from his/her position as preassigned by the Panasonic Board of Directors before the expiration of the restriction period, Panasonic will at that time acquire the Allotted Shares without consideration, expect in the cases of term of office expiration, death, or any other justifiable reason.

(3) Lifting of the restriction period
Notwithstanding the provision of (1) above, Panasonic shall lift the restrictions for all the Allotted Shares at the end of the restriction period, provided that the Applicable Director remained in his/her position as preassigned by the Panasonic Board of Directors during the restriction period. However, in the case of term of office expiration, death or other justifiable reason, set forth in (2) above, if the Applicable Director retires from the position set forth in (2) above before the expiration of the restriction period, the number of Allotted Shares to be freed from restriction and the timing of restriction lifting shall be reasonably adjusted as necessary. In addition, Panasonic shall acquire without consideration, the Allotted Shares on which restrictions were not lifted, upon the lifting of the restrictions in accordance with the above-mentioned rules.

(4) Handling in the case of reorganization, etc.
Notwithstanding the provisions of (1) above, if a merger agreement that will eliminate Panasonic, or a share exchange agreement or a share transfer plan to make Panasonic a wholly owned subsidiary, or any other corporate reorganization measure is approved by the General Meeting of Shareholders (or by the Board of Directors in the case that such a reorganization measure does not require approval by the General Meeting of Shareholders), with regard to the number of Allotted Shares reasonably determined by resolution of the Board of Directors based on the period from the restriction period start date to the reorganization approval date, the restrictions shall be lifted prior to the effective date of the reorganization, etc. In addition, as stated above, Panasonic shall acquire without consideration, the Allotted Shares on which restrictions were not lifted, upon the lifting of the restrictions.

(5) Other matters
Other matters relating to the Allotment Agreement shall be determined by the Board of Directors.

(b) Determination of remuneration amount
Remuneration for Directors is determined within the framework of the maximum total amounts of remuneration for Directors which was determined by resolution of a general meeting of shareholders. 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, President of the Company who objectively comprehends and supervises overall business execution of the Panasonic Group. As Representative Director, 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, Outside Director

Hiroko Ota (Chair), Outside Director Kazuhiko Toyama, Outside Director Yoshinobu Tsutsui, Director and Chairman of the Board (position at that time) Shusaku Nagae, and Representative Director and President (position at that time) Kazuhiro Tsuga, held a meeting to discuss the remuneration for the current fiscal year. As a result, Representative Director and President Yuki Kusumi (took office on June 24,2021) determined the details of the remuneration based on the results of the discussion.

Remuneration for A&SB Members is determined through discussions among A&SB Members within the framework of the maximum total amounts of remuneration for all the A&SB Members which was determined by resolution of a general meeting of shareholders.
(Note)
The aggregated limit for all the Directors' basic remuneration and the performance-based remuneration was determined to be an annual amount of 1,500 million yen by resolution passed at the 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 aggregated remuneration limit for all the Outside Directors was determined to be an annual amount of 150 million yen within the above mentioned framework of annual amount of 1,500 million yen by resolution passed at the General Meeting of Shareholders held on June 24, 2021(The number of Directors subject to the resolution was six.)
Concerning the "restricted stock as remuneration" system, the total limit amount of remuneration that is paid to all the Directors (excluding Outside Directors) was decided to be an annual amount of 500 million yen by resolution passed at the General Meeting of Shareholder held on June 27, 2019. (This amount is outside the framework of the remuneration limit of annual 1,500 million yen mentioned above. The number of Directors subject to the resolution as of the resolution date was seven.)
The total remuneration limit for all the A&SB Members was concluded to be an annual amount of 140 million yen by resolution passed at the General Meeting of Shareholders held on June 27, 2007. (The number of A&SB Members subject to the resolution as of the resolution date was five.)

(c) Plan and result of indicators for performance-based remuneration for fiscal 2022

Matters concerning indicator for performance-based remuneration are described in (a) Policy. The list below describes the targets and results for the major indicators.

(Reference)

Key indicator associated with performance-based remuneration (previous fiscal year, consolidated basis)	(Unit: Billion yen)	
	Target for fiscal 2020 (Initially announced value)	Result for fiscal 2020
Adjusted operating profit (Note)	220.0	307.2
Net profit attributable to Panasonic Corporation stockholders	100.0	165.1

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

2) Amount of remuneration on classification, type of remuneration, and its number of persons

Amount of remuneration for Directors and A&SB Members

Classification	Number of persons	Amount (Million yen)			
			Basic remuneration	Performance-based remuneration	Restricted stock as remuneration
Directors (other than Outside Directors)	8	1,128	571	404	153
A&SB Members (other than Outside A&SB Members)	2	80	80	—	—
Outside Directors	7	110	110	—	—
Outside A&SB Members	3	39	39	—	—

(Note) One Director who retired on June 21, 2021 and one Director who retired at the conclusion of the 114th Ordinary General Meeting of Shareholders held on June 24, 2021 are included in the above figures for Number of persons and Amounts. Restricted stock as remuneration is non-monetary remuneration.

Directors who received remuneration of 100 million yen or more

Name	Classification	Amount (Million yen)			
			Basic remuneration	Performance-based remuneration	Restricted Stock as remuneration
Kazuhiro Tsuga	Director	218	101	90	27
Yuki Kusumi	Director	182	92	34	56
Tetsuro Homma	Director	148	82	66	—
Mototsugu Sato	Director	170	79	68	23
Yasuyuki Higuchi	Director	157	75	63	19
Hirokazu Umeda	Director	124	67	41	16

(Note) Restricted stock as remuneration is non-monetary remuneration.

(5) Information on shareholdings

1) Standards and policies on classification of investment securities

The Company classifies investment securities into two (2) categories of being held for pure investment purpose and for purposes other than pure investment. Investment securities held for pure investment purposes refer solely to those are held purposed for being benefited from fluctuation in the values of shares or from dividend in relation to the shares. The Company did not hold any investment securities for pure investment purposes in the fiscal year ended March 31, 2022, under the policy of not holding securities for pure investment purposes.

2) Investment securities held for purposes other than pure investment

a. Examination method of the shareholding policies and its rationality and details of verification at the Board of Directors, etc. concerning appropriateness of holding each of shares

[Policy on shareholding]

In addition to holding shares of affiliated companies, the Company acquires and holds shares or interests of other companies, if it confirms the holding is necessary and meaningful to increase its mid- to long-term corporate value, considering comprehensively its business strategies and business relations with such partners, among other factors. Such holding is limited to strategic partners which the Company has a close business relation to.

[Examination of rationality in holding]

For shares other than those of affiliated companies, the Company determines that shareholding shall be limited to a minimum necessary, and every year at the Board of Directors Meetings, examines purpose of acquisition and holding each share and cost and benefit with consideration of capital cost, and periodically judges the appropriateness of holding. Based on its examination result, the Company considers disposing and reducing the shares if it determines that the holding cannot be justified.

[Examination at the Board of Directors]

The Board of Directors examined the holding shares other than those of affiliated companies from qualitative perspective such as holding under strategic alliances, holding for further expansion of business transactions, and holding for stable raw materials procurement which is vital for the Company’s businesses. In addition, the examination was made from quantitative perspective such as whether return on investment ratio from shareholdings has surpassed capital cost of the Company. As a result, the Board of Directors concluded that all shares have been appropriately held.

b. Number of securities and amount recorded in the balance sheet

	Number of shares held (Stock name)	Total amount recorded in the balance sheet (Million yen)
Unlisted shares	107	13,926
Other than unlisted shares	28	46,002

(Increase in the number of securities held as of March 31, 2022)

	Number of shares held (Stock name)	Total amount acquired due to increase in number of share held (Million yen)	Reasons of increase
Unlisted shares	3	545	Obtain information, knowhow
Other than unlisted shares	3	1	・Maintenance and expansion of business competitiveness ・Due to the new listing, the equity will be classified as a specified investment stock from the current fiscal year. ・Changed from affiliated company stock to specified investment stock due to partial sale of equity

(Decrease in the number of securities held as of March 31, 2022)

	Number of shares held (Stock name)	Total amount sold due to decrease in number of shares held (Million yen)
Unlisted shares	7	5,905
Other than unlisted shares	5	1,844

c. Number of securities per stock name for specified investment and for being regarded as holding, amount recorded in the balance sheet

Specified investment securities

Stock name	As of March 31, 2022 Number of shares (shares) Balance sheet amount (Million yen)	As of March 31, 2021 Number of shares (shares) Balance sheet amount (Million yen)	Purpose of holding, effect of quantitative holding, reason of increase in the number of shares held	Ownership of Panasonic share: Y / N
PHC Holdings Corporation	11,266,836 20,370	— —	Expecting independence and growth after listing Due to the new listing in October 2021, the equity will be classified as a specified investment stock from the current fiscal year.	N
Renesas Electronics Corporation	4,166,600 5,967	4,166,600 5,000	Stable procurement of raw materials	N
TBS Holdings, Inc.	3,173,180 5,670	3,813,180 8,282	Maintenance and expansion of broadcasting equipment related businesses	N
Daiwa House Industry Co., Ltd.	1,530,000 4,898	1,530,000 4,959	Maintenance and expansion of housing / equipment related businesses	Y
Toray Industries, Inc.	2,809,000 1,794	3,274,000 2,333	Stable procurement of raw materials	Y
SANSHA ELECTRIC MFG.	2,164,800 1,732	— —	In consideration of past collaborations Changed from affiliated company stock to specified investment stock due to partial sale of equity	N
KINDEN CORPORATION	740,257 1,168	740,257 1,395	Maintenance and expansion of housing / equipment related businesses	Y
EPCO Co., Ltd.	1,194,000 872	1,388,000 1,374	Maintenance and expansion of housing / equipment related businesses	N
Sumitomo Real Estate Sales Co., Ltd.	243,000 824	243,000 949	Maintenance and expansion of housing / equipment related businesses	N
Mazda Motor Corporation	699,006 635	699,006 631	Maintenance and expansion of automotive related businesses	N
CHUDENKO CORPORATION	200,702 415	200,702 474	Maintenance and expansion of housing / equipment related businesses	N
Nice Corporation	210,100 411	210,100 395	Maintenance and expansion of housing / equipment related businesses	Y

Stock name	As of March 31, 2022 Number of shares (shares) Balance sheet amount (Million yen)	As of March 31, 2021 Number of shares (shares) Balance sheet amount (Million yen)	Purpose of holding, effect of quantitative holding, reason of increase in the number of shares held	Ownership of Panasonic share: Y / N
OCHI HOLDINGS CO., LTD.	146,070 187	146,070 193	Maintenance and expansion of housing / equipment related businesses	N
Joshin Denki Co., Ltd.	92,502 178	192,502 608	Maintenance and expansion of appliance related businesses	N
KYUDENKO CORPORATION	58,564 168	58,564 248	Maintenance and expansion of housing / equipment related businesses	N
MISUMI CO., LTD.	55,000 99	55,000 109	Maintenance and expansion of appliance related businesses	N
KUWAZAWA Holdings Corporation	167,698 92	167,698 115	Maintenance and expansion of housing / equipment related businesses	N
Central Japan Railway Company	5,000 80	5,000 83	Maintenance and expansion of housing / equipment related businesses	N
YAMAE GROUP HOLDINGS CO., LTD.	73,447 76	72,366 85	Maintenance and expansion of housing / equipment related businesses Increase of the number of shares for maintenance and expansion of business competitiveness	N
JK Holdings Co., Ltd.	55,000 66	55,000 48	Maintenance and expansion of housing / equipment related businesses	N
Fujii Sangyo Corporation	49,000 65	49,000 69	Maintenance and expansion of housing / equipment related businesses	Y
ITO EN, LTD.	10,000 60	10,000 68	Maintenance and expansion of appliance related businesses	N
JUTEC Holdings Corporation	46,000 57	46,000 48	Maintenance and expansion of housing / equipment related businesses	N
e'grand Co., Ltd.	40,000 54	40,000 37	Maintenance and expansion of housing / equipment related businesses	N
YONDENKO CORPORATION	23,100 40	11,550 36	Maintenance and expansion of housing / equipment related businesses Increase of the number of shares for stock-split	N

Stock name	As of March 31, 2022 Number of shares (shares) Balance sheet amount (Million yen)	As of March 31, 2021 Number of shares (shares) Balance sheet amount (Million yen)	Purpose of holding, effect of quantitative holding, reason of increase in the number of shares held	Ownership of Panasonic share: Y / N
Toshin Group co., Ltd.	2,000 12	2,000 12	Maintenance and expansion of housing / equipment related businesses	Y
TSUCHIYA HOLDINGS CO., LTD.	41,000 7	41,000 7	Maintenance and expansion of housing / equipment related businesses	N
ITO EN, LTD. Preferred stock	3,000 6	3,000 8	Maintenance and expansion of appliance related businesses	N
DAIBIRU CORPORATION	— —	40,360 58	Maintenance and expansion of housing / equipment related businesses	N

(Note) "-" in the above list indicates that the Company does not hold any applicable stocks.

Regarded as holding securities

Stock name	As of March 31, 2022 Number of shares (shares) Balance sheet amount (Million yen)	As of March 31, 2021 Number of shares (shares) Balance sheet amount (Million yen)	Purpose of holding, effect of quantitative holding, reason of increase in the number of shares held	Ownership of Panasonic share: Y / N
Toyota Motor Corporation	15,000,000 33,338	3,000,000 25,848	Have a right to exercise voting rights Increase of the number of shares for stock-split	Y
Honda Motor Co., Ltd.	1,000,000 3,487	1,000,000 3,319	Have a right to exercise voting rights	Y

(Note) Appropriateness of holding shares listed above was assessed at the Board of Directors Meeting in March 2022 by the method described in the above (2) a, and the list above does not indicate the effects of quantitative holding of individual stocks.

3) Investment securities for pure investment
Not applicable.

V Consolidated Financial Statements

PANASONIC CORPORATION
AND SUBSIDIARIES
Consolidated Statements of Financial Position
March 31, 2022 and 2021

	Yen (millions)	
	March 31	March 31
	2022	2021
Assets		
Current assets:		
Cash and cash equivalents (Note 5)	1,205,873	1,593,224
Trade receivables and contract assets (Note 6 and 23)	1,324,618	1,194,391
Other financial assets (Note 12)	210,633	149,629
Inventories (Note 7)	1,132,664	832,569
Other current assets (Note 3 and 14)	157,409	152,934
Total current assets	4,031,197	3,922,747
Non-current assets:		
Investments accounted for using the equity method (Note 11)	403,201	455,960
Other financial assets (Note 12)	213,024	231,024
Property, plant and equipment (Note 8 and 27)	1,115,346	1,061,614
Right-of-use assets (Note 9 and 27)	257,706	249,954
Goodwill and intangible assets (Note 10 and 27)	1,680,027	602,042
Deferred tax assets (Note 13)	219,791	239,863
Other non-current assets (Note 14)	103,291	83,869
Total non-current assets	3,992,386	2,924,326
Total assets	8,023,583	6,847,073

PANASONIC CORPORATION
AND SUBSIDIARIES
Consolidated Statements of Financial Position (Continued)
March 31, 2022 and 2021

	Yen (millions)	
	March 31	March 31
	2022	2021
Liabilities and Equity		
Current liabilities:		
Short-term debt, including current portion of long-term debt (Note 15)	432,897	309,790
Lease liabilities (Note 30)	60,515	59,346
Trade payables (Note 16)	1,163,578	1,045,617
Other payables and accrued expenses (Note 3)	500,601	480,625
Other financial liabilities (Note 3 and 19)	160,534	157,367
Income taxes payable	45,123	119,124
Provisions (Note 18)	137,032	149,095
Contract liabilities (Note 23)	174,325	113,025
Other current liabilities (Note 3 and 20)	390,859	370,339
Total current liabilities	3,065,464	2,804,328
Non-current liabilities:		
Long-term debt (Note 15)	1,197,706	879,728
Lease liabilities (Note 30)	206,166	198,559
Other financial liabilities (Note 19)	30,412	32,794
Retirement benefit liabilities (Note 17)	68,855	104,856
Provisions (Note 18)	8,804	3,272
Deferred tax liabilities (Note 13)	81,983	34,837
Contract liabilities (Note 23)	12,771	9,671
Other non-current liabilities (Note 20)	4,251	10,526
Total non-current liabilities	1,610,948	1,274,243
Total liabilities	4,676,412	4,078,571
Equity: (Note 21)		
Panasonic Corporation stockholders' equity		
Common stock	259,168	258,981
Capital surplus	525,554	529,157
Retained earnings	2,387,283	2,154,023
Other components of equity	202,227	(138,370)
Treasury stock	(209,270)	(209,757)
Total Panasonic Corporation stockholders' equity (Note 29)	3,164,962	2,594,034
Non-controlling interests (Note 31)	182,209	174,468
Total equity	3,347,171	2,768,502
Total liabilities and equity	8,023,583	6,847,073

PANASONIC CORPORATION
AND SUBSIDIARIES
Consolidated Statements of Profit or Loss
Years ended March 31, 2022 and 2021

	Yen (millions)	
	Year ended March 31	
	2022	2021
Net sales (Note 23)	7,388,791	6,698,794
Cost of sales (Note 7, 17 and 27)	(5,306,580)	(4,723,943)
Gross profit	2,082,211	1,974,851
Selling, general and administrative expenses (Note 17, 22, 24 and 27)	(1,724,511)	(1,667,696)
Share of profit (loss) of investments accounted for using the equity method (Note 11)	(12,637)	(20,753)
Other income (expenses), net (Note 17, 26, 27, 31 and 35)	12,463	(27,802)
Operating profit	357,526	258,600
Finance income (Note 28)	22,128	20,846
Finance expenses (Note 28)	(19,259)	(18,626)
Profit before income taxes	360,395	260,820
Income taxes (Note 13)	(94,957)	(76,926)
Net profit	265,438	183,894
Net profit attributable to:		
Panasonic Corporation stockholders	255,334	165,077
Non-controlling interests	10,104	18,817

	Yen	
Earnings per share attributable to Panasonic Corporation stockholders (Note 29)		
Basic	109.41	70.75
Diluted	109.37	70.72

PANASONIC CORPORATION
AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income
Years ended March 31, 2022 and 2021

	Yen (millions)	
	Year ended March 31	
	2022	2021
Net Profit	265,438	183,894
Other comprehensive income, net of tax (Note 21)		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans..................................	31,942	83,822
Financial assets measured at fair value through other comprehensive income...	4,266	296,241
Subtotal..	36,208	380,063
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations.........	365,989	124,023
Net changes in fair value of cash flow hedges...........................	(8,043)	(1,381)
Subtotal..	357,946	122,642
Total other comprehensive income..	394,154	502,705
Comprehensive income...	659,592	686,599
Comprehensive income attributable to:		
Panasonic Corporation stockholders..	630,527	655,352
Non-controlling interests..	29,065	31,247

PANASONIC CORPORATION
AND SUBSIDIARIES
Consolidated Statements of Changes in Equity
Years ended March 31, 2022 and 2021

Yen (millions)

	Common stock	Capital surplus	Retained earnings	Other components of equity	Treasury stock	Panasonic Corporation stockholders' equity	Non-controlling interests	Total equity
Balance as of March 31, 2020	258,867	531,048	1,646,403	(227,957)	(210,012)	1,998,349	157,519	2,155,868
Comprehensive income :								
Net profit	-	-	165,077	-	-	165,077	18,817	183,894
Other comprehensive income - net of tax (Note 21)	-	-	-	490,275	-	490,275	12,430	502,705
Total comprehensive income	-	-	165,077	490,275	-	655,352	31,247	686,599
Transfer to hedged non- financial assets (Note 21)	-	-	-	182	-	182	-	182
Transfer from other components of equity to retained earnings (Note 21)	-	-	400,870	(400,870)	-	-	-	-
Cash dividends (Note 21)	-	-	(58,327)	-	-	(58,327)	(14,615)	(72,942)
Purchase of treasury stock	-	-	-	-	(43)	(43)	-	(43)
Disposal of treasury stock	-	(2)	-	-	4	2	-	2
Share-based payments (Note 22)	114	(178)	-	-	294	230	-	230
Transactions with non-controlling interests and other	-	(1,711)	-	-	-	(1,711)	317	(1,394)
Balance as of March 31, 2021	258,981	529,157	2,154,023	(138,370)	(209,757)	2,594,034	174,468	2,768,502
Comprehensive income :								
Net profit	-	-	255,334	-	-	255,334	10,104	265,438
Other comprehensive income - net of tax (Note 21)	-	-	-	375,193	-	375,193	18,961	394,154
Total comprehensive income	-	-	255,334	375,193	-	630,527	29,065	659,592
Transfer to hedged non- financial assets (Note 21)	-	-	-	1,669	-	1,669	-	1,669
Transfer from other components of equity to retained earnings (Note 21)	-	-	36,265	(36,265)	-	-	-	-
Cash dividends (Note 21)	-	-	(58,339)	-	-	(58,339)	(20,332)	(78,671)
Purchase of treasury stock	-	-	-	-	(45)	(45)	-	(45)
Disposal of treasury stock	-	(0)	-	-	2	2	-	2
Share-based payments (Note 22)	187	(361)	-	-	530	356	-	356
Transactions with non-controlling interests and other	-	(3,242)	-	-	-	(3,242)	(992)	(4,234)
Balance as of March 31, 2022	259,168	525,554	2,387,283	202,227	(209,270)	3,164,962	182,209	3,347,171

PANASONIC CORPORATION
AND SUBSIDIARIES
Consolidated Statements of Cash Flows
Years ended March 31, 2022 and 2021

	Yen (millions)	
	Year ended March 31	
	2022	2021
Cash flows from operating activities:		
Net profit	265,438	183,894
Depreciation and amortization	339,148	317,572
Impairment losses on property, plant and equipment, right-of-use assets, goodwill and intangible assets (Note 27)	8,140	44,280
Income tax expenses	94,957	76,926
(Increase) decrease in trade receivables and contract assets	(53,848)	(122,797)
(Increase) decrease in inventories	(225,928)	(21,173)
Increase (decrease) in trade payables	76,811	62,987
Increase (decrease) in provisions	(8,263)	(17,569)
Increase (decrease) in contract liabilities	35,091	17,507
Increase (decrease) in retirement benefit liabilities	(5,961)	2,808
Other - net (Note 26)	(127,177)	38,549
Subtotal	398,408	582,984
Interests received	12,674	12,038
Dividend income received	1,894	1,829
Interest expenses paid	(18,180)	(17,288)
Income taxes paid	(142,166)	(75,525)
Net cash provided by (used in) operating activities	252,630	504,038
Cash flows from investing activities (Note 33):		
Purchase of property, plant and equipment	(233,967)	(231,118)
Proceeds from sale of property, plant and equipment	62,776	20,370
Purchase of intangible assets	(63,809)	(65,309)
Collection of lease receivables	24,556	6,810
Purchase of investments accounted for using the equity method and other financial assets	(37,239)	(115,028)
Proceeds from sale and redemption of investments accounted for using the equity method and other financial assets	31,143	429,905
Acquisition of subsidiaries resulting in change in scope of consolidation (Note 35)	(583,186)	-
Proceeds from loss of control of subsidiaries or other businesses (Note 31)	7,382	130,410
Other - net	(3,805)	556
Net cash provided by (used in) investing activities	(796,149)	176,596

PANASONIC CORPORATION
AND SUBSIDIARIES
Consolidated Statements of Cash Flows (Continued)
Years ended March 31, 2022 and 2021

	Yen (millions)	
	Year ended March 31	
	2022	2021
Cash flows from financing activities (Note 33):		
Increase (decrease) in short-term debt (Note 15)	101,539	(205,401)
Proceeds from long-term debt (Note 15)	401,008	205,133
Repayments of long-term debt (Note 15)	(283,404)	(26,975)
Payment for lease liabilities (Note 15)	(68,825)	(69,195)
Dividends paid to Panasonic Corporation stockholders (Note 21)	(58,339)	(58,327)
Dividends paid to non-controlling interests	(20,332)	(14,615)
Purchase of treasury stock	(45)	(43)
Proceeds from sales of treasury stock	2	2
Transactions with non-controlling interests	(3,243)	(187)
Other - net (Note 15)	(9,451)	(8,096)
Net cash provided by (used in) financing activities	58,910	(177,704)
Effect of exchange rate changes on cash and cash equivalents	96,806	74,284
Net increase (decrease) in cash and cash equivalents	(387,803)	577,214
Cash and cash equivalents at the beginning of the year (Note 5)	1,593,224	1,016,504
Net increase (decrease) in cash and cash equivalents resulting from transfer to assets held for sale	452	(494)
Cash and cash equivalents at the end of the year (Note 5)	1,205,873	1,593,224

PANASONIC CORPORATION
AND SUBSIDIARIES
Notes to Consolidated Financial Statements

1. Reporting entity

Panasonic Corporation (hereinafter referred to as "Panasonic") is a company incorporated in Japan. As a comprehensive electronics manufacturer, Panasonic and its subsidiaries (together referred to as the "Company") are engaged in development, production, sales and service activities in a broad array of business areas with close cooperation between domestic and overseas group companies.

The details of principal businesses and activities of the Company are described in "4. Segment information."

2. Basis of preparation

(1) Compliance of consolidated financial statements with "International Financial Reporting Standards" ("IFRS")
The Company has prepared the consolidated financial statements under IFRS, as issued by the International Accounting Standards Board.

The consolidated financial statements were approved on June 24, 2022 by Representative Director, President, Yuki Kusumi, and Representative Director, Executive Vice President (Group CFO), Hirokazu Umeda.

(2) Basis of measurement
The Company's consolidated financial statements have been prepared on a historical cost basis except for the financial instruments, the net amount of liabilities/assets for retirement benefit plans, etc. stated in "3. Significant accounting policies."

(3) Functional currency and presentation currency
The Company's consolidated financial statements are presented in Japanese yen, which is Panasonic's functional currency, and figures are rounded to the nearest million Japanese yen.

3. Significant accounting policies

(1) Basis of Consolidation

1) Subsidiaries

Subsidiaries are entities that are controlled by Panasonic either directly or indirectly through its other subsidiaries. The Company is deemed to control an entity when the Company has exposures or rights to variable returns arising from its involvement in the entity and has an ability to affect those returns through its power over the entity.

The financial statements of subsidiaries are included in the Company's consolidated financial statements from the date on which control commences until the date on which control is lost.

If any accounting policies applied by a subsidiary differ from those applied by the Company, adjustments are made to the consolidated subsidiary's financial statements as necessary.

Receivables and payables, transactions between group companies, and unrealized gains or losses arising from the transactions between group companies are eliminated in the preparation of consolidated financial statements.

Any change in ownership interests in subsidiaries that does not result in a loss of control is accounted for as an equity transaction. When control is lost, gains and losses arising from the loss of control are recognized in profit or loss. Also, gains and losses arising from the loss of control include gains and losses from remeasurement of retained interests at fair value.

2) Associates and joint ventures

Associates are entities over which the Company has significant influence, but not control or joint control, in terms of financial and operating policies.

A joint venture is a specific type of joint arrangement under which operations are independent from each of the investors and the investors have rights only to the net assets of the arrangement. A joint arrangement is a contractual arrangement in which multiple ventures or parties undertake economic activities under joint control and significant decisions require unanimous consent of the parties sharing control.

Investments in associates and joint ventures are accounted for using the equity method from the date on which significant influence commences or the Company obtains joint control until the date on which significant influence or joint control ceases.

In the application of the equity method, when accounting policies applied by an associate or joint venture that is accounted for using the equity method differ from those applied by the Company, adjustments are made to financial statements of the associate or joint venture as necessary.

When an entity no longer meets the criteria for an associate or joint venture and the application of the equity method is discontinued, gains or losses arising from the discontinuance of application of the equity method are recognized in profit or loss.

(2) Business Combinations

The identifiable assets acquired and the liabilities assumed of the acquiree are recognized at the fair values on the acquisition date.

When the total of consideration transferred in a business combination, amount of non-controlling interests in the acquiree and fair value of the equity interest in the acquiree previously held by the acquirer exceeds the net value of identifiable assets and liabilities on the acquisition date, the excess amount is recognized as goodwill. When the total is lower than the net value of identifiable assets and liabilities, the difference is recognized as profit.

Consideration transferred is calculated as the total of the fair value of the assets transferred, liabilities assumed and equity interests issued, and includes fair value of assets or liabilities arising from any contingent consideration arrangement. Acquisition costs are recognized as expenses in the period they are incurred.

Non-controlling interests are measured at fair value or as non-controlling interests' proportionate share of the acquiree's net identifiable assets, for each individual business combination.

(3) Foreign Currency Translation

1) Foreign currency transactions
Foreign currency transactions are translated into the functional currency of Panasonic and each of its subsidiaries using the exchange rates at the date of the transactions.

Foreign currency monetary items at the end of each reporting period are translated into the functional currency using the closing rate, and non-monetary items measured at fair value in foreign currencies are translated into the functional currency using the exchange rates at the date when the fair value was measured.

Exchange differences arising from the translation or settlement are generally recognized in profit or loss.

2) Translation of foreign operations
Assets and liabilities of foreign operations are translated at the closing rate, while their income and expenses are translated at the average rate during the period unless exchange rates fluctuate significantly. Exchange differences arising from translation are recognized in other comprehensive income.

When a foreign operation is disposed of, cumulative translation differences associated with the foreign operation are reclassified to profit or loss at the time of disposal.

(4) Financial instruments

1) Non-derivative financial assets
(i) Initial recognition and measurement
Financial assets that are stocks and bonds are initially recognized on the trade date. All other financial assets are initially recognized on the transaction date.

Financial assets are classified into financial assets measured at amortized cost or financial assets measured at fair value at initial recognition. Depending on whether the financial asset is a debt instrument or equity instrument, this classification is made as follows:

Financial assets that are debt instruments are mainly classified into financial assets measured at amortized cost when the following conditions are both satisfied. Otherwise, they are classified into financial assets measured at fair value through profit or loss ("FVTPL").

(a) The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows.
(b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Except for equity instruments held for trading, each of financial assets that are equity instruments is, in principle, designated as financial assets measured at fair value through other comprehensive income ("FVTOCI").

For financial assets measured at FVTPL, the transaction costs directly attributable to the acquisition of the asset are recognized in profit or loss when they are incurred. Financial assets measured at FVTOCI are measured at the fair value plus transaction costs directly attributable to the acquisition of the asset.

(ii) Subsequent measurement

(a) Financial assets measured at amortized cost

These financial assets are measured at amortized cost using the effective interest method, and interest is recognized as "Finance income" in profit or loss.

(b) Financial assets measured at fair value

These financial assets are measured at fair value.

For equity instruments that the Company has elected to designate as financial assets measured at FVTOCI, changes in fair value are recognized in other comprehensive income. Cumulative gains or losses are transferred to retained earnings when the instrument is derecognized. However, dividends are recognized as "Finance income" in profit or loss.

For financial assets measured at FVTPL, changes in fair value are recognized in profit or loss.

(iii) Derecognition

Financial assets are derecognized when the contractual rights to the cash flows from the financial assets expire or when the contractual rights to receive the cash flows of the financial assets are transferred and substantially all the risks and rewards of ownership of such financial assets are transferred.

(iv) Impairment

For financial assets measured at amortized cost, an assessment is made at the end of each reporting period as to whether or not the credit risk associated with such assets has increased significantly since initial recognition, and the following amounts are recognized as allowance for expected credit losses depending on whether or not a significant increase in credit risk has occurred since initial recognition.

(a) If credit risk has not increased significantly since initial recognition

Amount equivalent to 12-month expected credit losses

(b) If credit risk has increased significantly since initial recognition

Amount equivalent to lifetime expected credit losses

(c) If financial assets, among those whose credit risk has increased significantly since initial recognition, are credit-impaired

Amount equivalent to lifetime expected credit losses

Evidence that a financial asset is credit-impaired includes observable data about the following events:

・significant financial difficulty of the issuer or the borrower
・a breach of contract, such as a default or past due event
・it is becoming probable that the borrower will enter bankruptcy or other financial reorganization
・the disappearance of an active market for that financial asset because of financial difficulties

However, for trade receivables, contract assets and lease receivables, allowance for expected credit losses in the amount equivalent to lifetime expected credit losses is recognized, regardless of whether a significant increase in credit risk has occurred since initial recognition.

Allowance for expected credit losses is recognized in profit or loss. When an event that results in a reduction in allowance for expected credit losses occurs, the reversal is recognized in profit or loss.

2) Non-derivative financial liabilities

(i) Initial recognition and measurement

Financial liabilities are classified into financial liabilities measured at amortized cost and financial liabilities measured at FVTPL at initial recognition. While all financial liabilities are initially measured at fair value, financial liabilities measured at amortized cost are measured at fair value net of directly attributable issuance costs.

(ii) Subsequent measurement

After initial recognition, financial liabilities are measured based on the classification as follows:

(a) Financial liabilities measured at amortized cost

These financial liabilities are measured at amortized cost using the effective interest method. Amortization using the effective interest method and gains or losses arising in the case of derecognition are recognized as "Finance expenses" in profit or loss.

(b) Financial liabilities measured at FVTPL

These financial liabilities are measured at fair value, and the changes are recognized in profit or loss.

(iii) Derecognition

Financial liabilities are derecognized when the obligation specified in a contract is discharged or cancelled, or expires.

3) Derivatives and hedge accounting

The Company utilizes derivatives such as foreign exchange contracts, cross currency swaps, cross currency interest rate swaps and commodity futures to hedge risk of changes in currency and commodity prices. These derivatives are initially recognized at fair value when the contract is entered into, and are subsequently measured at fair value.

Changes in fair value of derivatives are recognized as profit or loss. However, the effective portion of cash flow hedges is recognized as other comprehensive income.

The Company formally documents relationships between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Company also assesses, both at the hedge's inception and on an ongoing basis, whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

Hedges that meet the requirements for hedge accounting are classified and accounted for as follows:

(i) Fair value hedges

Changes in fair value of hedging instruments are recognized as profit or loss. Changes in fair value of hedged items attributable to the hedged risk are recognized as profit or loss, while the carrying amount of the hedged item is adjusted for the changes.

(ii) Cash flow hedges

Of changes in fair value of hedging instruments, the effective portion is recognized in other comprehensive income, while the ineffective portion is recognized in profit or loss.

The amounts related to hedging instruments recorded in other comprehensive income are reclassified to profit or loss when the hedged transactions affect profit or loss. In cases where hedged items result in the recognition of non-financial assets or liabilities, the amounts recognized as other comprehensive income are reclassified as adjustments to the initial carrying amount of the non-financial assets or liabilities.

4) Offsetting of financial assets and financial liabilities

The Company offsets financial assets and financial liabilities and presents them as a net amount only when it holds a legally enforceable right to set off the amounts recognized as assets and liabilities and intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(5) Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, demand deposits withdrawable at any time, and short-term investments with a maturity of three months or less from the acquisition date that are readily convertible into known amounts of cash and are subject to insignificant risk of changes in value.

(6) Inventories

Inventories are recognized at the lower of cost or net realizable value. Cost is principally calculated on an average basis. Cost includes purchase costs, processing costs and all expenses required to bring the inventories to the present location and condition. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated selling costs.

(7) Property, Plant and Equipment

1) Recognition and measurement

Property, plant and equipment are measured using the cost model. Property, plant and equipment are presented at the amount of cost less accumulated depreciation and any accumulated impairment losses.

Cost includes any cost directly attributable to the acquisition of assets, and the initial estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

2) Depreciation

Depreciation is calculated to systematically allocate the cost of property, plant and equipment (except for assets that are not subject to depreciation such as land) using the straight-line method over their estimated useful lives.

The estimated useful lives of major asset items are as follows:

・Buildings and structures: 5 to 50 years
・Machinery and vehicles: 2 to 10 years
・Tools, furniture and fixtures: 1 to 10 years

The depreciation methods, estimated useful lives and residual values are reviewed at the end of each fiscal year, and adjusted as necessary.

(8) Goodwill and Intangible Assets

1) Goodwill

Goodwill acquired in a business combination is stated at the amount of cost less accumulated impairment losses. Goodwill is not amortized but tested for impairment.

2) Intangible assets

Intangible assets are measured using the cost model. Intangible assets with finite useful lives are presented at the amount of cost less accumulated amortization and any accumulated impairment losses, while intangible assets with indefinite useful lives are presented at the amount of cost less accumulated impairment losses.

Expenditures in development activities are recognized as an intangible asset only if all of the following requirements can be demonstrated. Otherwise, they are recognized in profit or loss as incurred.

(i) Technical feasibility of completing the intangible asset so that it will be available for use or sale
(ii) Intention to complete the intangible asset and use or sell it
(iii) Ability to use or sell the intangible asset
(iv) How the intangible asset will generate probable future economic benefits
(v) Availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset
(vi) Ability to measure reliably the expenditure attributable to the intangible asset during its development

Amortization is calculated to systematically allocate the cost of intangible assets with finite useful lives using the straight-line method over their estimated useful lives from the date when the asset becomes available for use.

The estimated useful lives of major asset items are as follows:

- Software: 2 to 5 years
- Technology: 3 to 34 years
- Customer: 2 to 29 years
- Trademark: 16 years

The amortization methods and estimated useful lives are reviewed at the end of each fiscal year, and adjusted as necessary.

(9) Leases

1) Definition of a lease

The Company determines whether a contract is, or contains, a lease in accordance with the following definition of a lease:

- There is an identified asset;
- The Company has the right to obtain substantially all of the economic benefits from use of the identified asset; and
- The Company has the right to direct the use of the identified asset.

2) Lease accounting treatment as a lessee

In principle, for all leases, right-of-use assets that represent a right to use an underlying asset over the lease term and lease liabilities that represent the obligation for lease payments are recognized. The lease term is determined as the non-cancellable period of a lease, together with both 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. 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 initial recognition, lease liabilities are subsequently measured at amortized cost using the effective interest method. 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. 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.

3) Lease accounting treatment as a lessor

In cases where the Company is the lessor, the Company classifies each lease as either a finance lease or an operating lease at the inception of the lease. To classify each lease, the Company makes an overall assessment as to whether or not it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. If it does, a lease is classified as a finance lease. If not, it is classified as an operating lease. As part of this assessment, the Company reviews certain indicators including whether or not the lease term is for the major part of the economic life of the underlying asset.

- In cases where the Company is an intermediate lessor, the head lease and sublease are accounted for separately;
- The classification of a sublease is determined by reference to the right-of-use asset that arises from the head lease, and if the head lease is a short-term lease for which lease payments are recognized as expenses, the sublease is classified as an operating lease;
- If a contract contains lease and non-lease components, the Company applies IFRS15, "Revenue from Contracts with Customers" and allocates the consideration in the contract to each component proportionately on a relative stand-alone selling price basis.

The Company recognizes lease payments from operating leases as income on a straight line basis over the lease term. For lease payments from finance leases, the assets held under a finance lease are recognized and presented as receivables at an amount equal to the net investment in the leases, and lease payments from finance leases are recognized as finance income over the lease term based on a pattern that reflects a constant periodic rate of return the Company's net investment in the lease.

(10) Impairment of Non-Financial Assets

In terms of non-financial assets (excluding inventories and deferred tax assets, etc.), an assessment is made for any indications of impairment on each asset or cash-generating unit. If any such indication exists, then the impairment tests are preformed based on the estimated recoverable amount of the asset or the cash-generating unit.

Regardless of whether or not there are indications of impairment, impairment tests of goodwill and intangible assets with indefinite useful lives are conducted annually. The Company has designated January 1 as the impairment testing date and performs impairment tests of goodwill and intangible assets with indefinite useful lives at least once a year on that date. In addition, impairment tests are performed whenever there is any indication of impairment.

As corporate assets do not independently generate cash inflows, when there is any indication that corporate assets may be impaired, impairment tests are performed based on the recoverable amount of the cash-generating unit or group of cash-generating units to which such assets belong.

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 a comparable listed company analysis. 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.

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

Impairment losses recognized for goodwill are not reversed. Other assets or cash-generating units for which impairment losses were recognized in prior years are evaluated to determine whether there is any indication that an impairment loss recognized may no longer exist or may have been decreased. If any such indication exists, the recoverable amount of the asset or cash-generating unit is estimated, and if the recoverable amount exceeds the carrying amount, the impairment loss is reversed. The amount of reversal is recognized in profit or loss up to the carrying amount, net of depreciation or amortization, that would have been determined if no impairment loss had been recognized in prior years.

Goodwill on an investment in associates and joint ventures that forms part of the carrying amount of the investment is not separated from the investment that is subject to impairment consideration as a single asset.

(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 will be recovered principally through sale transactions rather than through continuing use. The Company considers the above criteria to be met only if it is highly probable that they will be sold within one year and can be sold immediately in their 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 costs to sell and are not depreciated or amortized.

(12) Income Taxes

Income taxes, which comprise current taxes and deferred taxes, are recognized in profit or loss, except to the extent that they relate to business combinations or items recognized in other comprehensive income or directly in equity.

Current taxes are measured at the expected amount of taxes payable to or recoverable from tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred taxes are recognized based on temporary differences between the carrying amounts of assets and liabilities for accounting purposes and the amounts used for taxation purpose and unused tax losses and tax credits carryforward. Deferred tax assets and liabilities are not recognized for temporary differences related to initial recognition of assets or liabilities in transactions that are not business combinations and affect neither accounting nor taxable profit. Deferred tax liabilities are also not recognized for taxable temporary differences arising from the initial recognition of goodwill.

In principle, deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, associates and joint ventures. However, if the Company is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future, deferred tax liabilities are not recognized. Deductible temporary differences associated with investments in subsidiaries, associates and joint ventures are recognized only to the extent that it is probable that there will be sufficient taxable profit against which the benefit from temporary differences can be utilized, if the temporary differences will reverse in the foreseeable future.

Deferred taxes are measured using the tax rates that are expected to be applied when they reverse, using tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.
Deferred tax assets and liabilities are offset if the Company has a legally enforceable right to offset current tax assets against current tax liabilities, and if the same taxation authority levies income taxes on the in-substance same taxable entity.

Deferred tax assets are recognized for deductible temporary differences, unused tax losses and tax credits carryforward only to the extent that it is probable that they can be utilized against future taxable profit. Deferred tax assets are reviewed at the end of each reporting period and not recognized to the extent that it is no longer probable that the related tax benefits will be realized.

The Company recognizes an asset or liability that reflects the effect of uncertainty in income taxes at the amount reasonably estimated for uncertain tax positions when it is probable, based on the Company's interpretation of tax laws and regulations, that the tax positions would result in a refund or payment of income taxes.

(13) Other payables and accrued expenses

Other payables and accrued expenses are primarily classified into financial liabilities measured at amortized cost.

(14) Employee Benefits

1) Post-employment benefits

The Company operates defined benefit plans and defined contribution plans.

(i) Defined benefit plans

Net defined benefit liability or asset is calculated by deducting the fair value of plan assets from the present value of defined benefit obligation. The ceiling of the amount recorded as assets based on this calculation is the present value of any future economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. Defined benefit obligation is determined using the projected unit credit method, and its present value is calculated by discounting future estimated benefits. The discount rate is determined by reference to market yields on high-quality corporate bonds as of the end of the fiscal year, reflecting the estimated timing and amount of benefit payments.

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

Remeasurements of net defined benefit liability or asset including actuarial gains and losses are recognized in other comprehensive income when they are incurred, and immediately transferred to retained earnings.

(ii) Defined contribution plans
Contributions to defined contribution pension plans are recognized as employee benefit expenses in profit or loss in the period during which employees render services.

2) Short-term employee benefits
Short-term employee benefits are measured on an undiscounted basis and are recognized as employee benefit expenses in profit or loss when employees render the related services.
For bonuses and paid absences, estimated amounts are recognized as liabilities when the Company has legal and constructive obligations to make such payments and a reliable estimate of the amounts can be made.

(15) Provisions

Provisions are recognized when the Company has present legal or constructive obligations as a result of past events, it is probable that outflows of resources embodying economic benefits will be required to settle the obligations, and reliable estimates can be made of the amount of obligations.

When the effect of the time value of money is material, the amount of provision is measured at the present value of the expected future cash flows required to settle the obligation.

(16) Equity

1) Ordinary shares
The proceeds from issuance of ordinary shares issued by the Company are recorded in common stock and capital surplus, and costs directly attributable to the issuance of ordinary shares are recognized as a deduction from equity.

2) Treasury shares
When treasury shares are acquired, the amount of consideration paid, which includes directly attributable cost is recognized as a deduction from equity.
When treasury shares are sold, the amount of consideration received is recognized as an increase in equity.

(17) 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 cost of the restricted stock compensation is measured by reference to the fair value of the shares granted on the grant date and recognized as expenses over the vesting period, with a corresponding increase in equity.
In accordance with the introduction of the new stock compensation plan, the existing share option plan was abolished except for the share options already granted. The cost of share options granted under the share option plan is estimated at their fair value on the grant date and recognized as expenses over the requisite service period from the grant date to the vesting of rights, with a corresponding increase in equity. The fair value of options granted is calculated using the Black-Scholes model, taking into account terms and conditions of the share options.

(18) Revenue

The Company recognize revenue based on the following five-step model.
Step 1: Identify the contract 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 or as the entity satisfies a performance obligation

The Company is mainly engaged in the sale of household products, industrial products, manufacturing devices, and consumables. 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 the products are delivered. The Company is also engaged in sales arrangements under construction-type contracts and the provision of services. For such transactions, if one of the following criteria is met, in principle, the Company recognizes revenue in accordance with the progress towards complete satisfaction of its performance obligations because the customer obtains control of goods or service and, therefore, the performance obligation is satisfied over time as the Company performs under the contract:

・The customer simultaneously receives and consumes the benefits provided by the Company’s performance as the Company performs;
・The Company’s performance creates or enhances an asset (for example, work in progress) that the customer controls as the asset is created or enhanced; or
・The Company’s performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.

The Company has entered into various sales arrangements with customers including a combination of products, devices, installation, maintenance or other deliverables. For such transactions, the Company identifies as a performance obligation each promise to transfer to the customer a distinct good or service, if both of the following criteria are met:
・The customer can benefit from the good or service either on its own or together with other resources that are readily available to the customer; and
・The Company’s promise to transfer the good or service to the customer is separately identifiable from other promises in the contract.
For such transactions, the Company determines the stand-alone selling price at contract inception of the distinct good or service underlying each performance obligation in the contract and allocates the transaction price in proportion to those stand-alone selling prices. The stand-alone selling price is the price at which the Company would sell the good or service separately to a customer.

The Company recognizes as revenue the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer (hereinafter "the transaction price"). However, if the consideration promised in a contract includes a variable amount (hereinafter "variable consideration"), the Company estimates the amount of variable consideration and include in the transaction price some or all of the amount of variable consideration only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

The Company combines two or more contracts entered into at or near the same time with the same customer and account for the contracts as a single contract if one or more of the following criteria are met:
・The contracts are negotiated as a package with a single commercial objective;
・The amount of consideration to be paid in one contract depends on the price or performance of the other contract; or
・The goods or services promised in the contracts are a single performance obligation.

The Company determines whether the Company is a principal or agent to the transaction for each arrangement based on whether or not the Company controls a specified good or service before that good or service is transferred to the customer taking into account the following indicators:

・The Company is primarily responsible for fulfilling the promise to provide the specified good or service;
・The Company has inventory risk before the specified good or service has been transferred to a customer or after transfer of control to the customer; and
・The Company has discretion in establishing the price for the specified good or service.

When the Company is determined as a principal of the transaction, the gross amount of consideration to which the Company expects to be entitled is presented as revenue. When the Company is determined as an agent, any fee or commission to which the Company expects to be entitled is presented as revenue on a net basis.

If a warranty provides a customer with a service in addition to the assurance that the product complies with agreed-upon specifications, the Company identifies it as a single performance obligation and recognize revenue over the period of extended warranty.

(19) Government Grants

Government grants are measured at fair value, when it is reasonably certain that the Company receives the grants and complies with the terms and conditions attached to the grants. Grants are recognized as profit or loss and directly deducted from the related costs over the periods in which the Company recognizes as expenses the related costs for which the grants are intended to compensate. Also, grants for acquisition of an asset are directly deducted from the acquisition cost of the asset.

(20) Earnings Per Share

Basic earnings per share is calculated by dividing net profit attributable to Panasonic Corporation shareholders by the weighted average number of issued ordinary shares less the number of treasury shares during the fiscal year. Diluted earnings per share is calculated with adjustment for the effects of all potential dilutive ordinary shares.

(21) Significant Accounting Estimates and Judgments Involving Estimations

The Company makes judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses for the preparation of consolidated financial statements. Actual results may differ from those accounting estimates and their underlying assumptions.
Estimates and their underlying assumptions are reviewed on an ongoing basis, and revisions to accounting estimates are recognized in the reporting period in which the estimates are revised and in future reporting periods.

Items related to assumptions and estimates that have a risk to cause significant adjustment in the next fiscal year are set out below. More details on the estimation method of these items are described in the relevant section in "3. Significant accounting policies."

・Recoverability of deferred tax assets ("13. Income taxes")
・Defined benefit obligations ("17. Employee benefits")
・Impairment of non-financial assets (including goodwill) ("27. Impairment of non-financial assets")

For deferred tax assets, the recoverability is assessed mainly based on the timing and amount of estimated future taxable income derived from business plans. The business plans are based on certain key assumptions such as future market trends. Changes in these assumptions due to changes in uncertain future economic conditions and other events may have a material effect on the recoverability of deferred tax assets.
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.
For non-financial assets, the recoverable amount of non-financial assets used in impairment tests may be materially affected if there are changes in key assumptions including those in the business plan, and in the

estimates of discount rates and growth rates, due to changes in uncertain future economic conditions and other events.

Items for which judgments are made in applying accounting policies that have the most significant effects on the amounts recognized in the consolidated financial statements are as follows:

・Scope of subsidiaries, associates and joint ventures ("11. Investments accounted for using the equity method" and "31. Major subsidiaries")
・Determination whether a contract is, or contains, a lease ("9. Leases")
・Classification of financial assets ("12. Other financial assets")
・Recognition of provisions ("18. Provisions")
・Recognition and measurement of revenue ("23. Revenue")
・Determination of cash-generating units in performing impairment tests on non-financial assets ("27. Impairment of non-financial assets")
・Assessment of whether or not there is any indication of impairment for non-financial assets ("27. Impairment of non-financial assets")
・Determination of a significant increases in credit risk of financial assets measured at amortized cost ("30. Financial instruments")

(22) Standards and interpretations that have been issued but not yet applied

Regarding published IFRS standards and interpretations that were newly issued or amended by the date of approval of the consolidated financial statements but have not been applied as of March 31, 2022 because the application is not yet mandatory, there are no major standards that are expected to have a significant impact on the consolidated financial statements.

(23) Changes in presentation

1) Other payables and accrued expenses

"Other payables" and "Accrued expenses," which were included within "Other financial liabilities" (Current liabilities) and "Other current liabilities," respectively, as of March 31, 2021, are now reclassified and combined into a separate caption to enhance the clarity of presentation as "Other payables and accrued expenses" as of March 31, 2022. The consolidated statement of financial position as of March 31, 2021 has been reclassified to conform to this change in presentation. As a result, the amount of 63,216 million yen as of March 31, 2021, which was included in "Other financial liabilities" (Current liabilities), and the amount of 417,409 million yen as of March 31, 2021, which was included in "Other current liabilities," have been reclassified and presented as "Other payables and accrued expenses."

2) Non-current assets or disposal groups held for sale

Since "Assets held for sale" and "Liabilities directly associated with assets held for sale," which were separately presented as of March 31, 2021, have become immaterial, they are included as part of "Other current assets" and "Other current liabilities," respectively, as of March 31, 2022. The consolidated statement of financial position as of March 31, 2021 has been reclassified to conform to this change in presentation. As a result, the amount of 8,101 million yen as of March 31, 2021, which was presented as "Assets held for sale," and the amount of 2,884 million yen as of March 31, 2021, which was presented as "Liabilities directly associated with assets held for sale," have been reclassified and presented within "Other current assets" and "Other current liabilities," respectively.

4. Segment information

(1) Reportable segments

Reportable segments are the components of the Company for which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. The Company classifies and discloses five reportable segments, namely "Lifestyle," "Automotive," "Connect," "Industry" and "Energy."

"Lifestyle" includes the development, manufacturing and sale of and provision of related services for products such as refrigerators, washing machines, vacuum cleaners, microwave ovens, rice cookers, personal-care products, air-conditioners for residential and commercial use, air to water heat pump system, ventilation, perflation and air-conditioning equipment, and air purifiers, showcases, commercial refrigerators, lighting fixtures, lamps, wiring devices, solar photovoltaic systems, fuel cells, compressors, bicycles, and nursing care services. "Automotive" includes the development, manufacturing and sale of and provision of related services for products such as automotive-use infotainment systems, head-up displays, automotive speakers, automotive switches, advanced driver assistance systems (ADAS) and automotive mirrors. "Connect" includes the development, manufacturing and sale of and provision of related services for products such as aircraft in-flight entertainment systems and communications services, electronic-components-mounting machines, welding equipment, projectors, professional AV systems, PCs, tablets and supply chain management software. "Industry" includes the development, manufacturing and sale of and provision of related services for products such as automation controls, motors and FA devices, electronic components and electronic materials. "Energy" includes the development, manufacturing and sale of and provision of related services for products such as cylindrical lithium-ion batteries for in-vehicle use, primary batteries (dry batteries and micro batteries), and small secondary batteries (cells and their system products).

"Other" includes operating segments which are not included in the above mentioned reportable segments and other business activities, and deals with products such as TVs, digital cameras, video equipment, audio equipment, telephones, kitchen & bath, interior furnishing materials, exterior finishing materials, and sales of raw materials.

With the reorganization of the group operating structure that took effect on October 1, 2021, the former five reportable segments, namely "Appliances," "Life Solutions," "Connected Solutions," "Automotive" and "Industrial Solutions" have been reorganized into the new reportable segments listed above.

The "Lifestyle" segment comprises principally former "Appliances" and "Life Solutions." The Automotive Solutions business of former "Automotive" was transferred to the new "Automotive" segment. Former "Connected Solutions" was renamed with no change to the "Connect" segment. The new "Industry" segment comprises the Electromechanical Control, Industrial Device, Device Solutions, and Electronic Materials businesses of former "Industry Solutions." The "Energy" segment comprises the Automotive Batteries business of former "Automotive," and the Energy Solutions and Energy Device businesses of former "Industrial Solutions."

Due to the above changes in the segment composition, segment information for the year ended March 31, 2021 has been reclassified to conform to the presentation for the year ended March 31, 2022.

(2) Information by reportable segment

Information by reportable segment is shown in the tables below.

(i) For the year ended March 31, 2022

Yen (millions)

	Reportable segments					Other	Eliminations and adjustments	Consolidated Total
	Lifestyle	Automotive	Connect	Industry	Energy			
Sales:								
External customers....	3,408,802	1,052,826	825,557	1,018,895	675,375	752,218	(344,882)	7,388,791
Intersegment.............	238,843	14,236	99,359	112,535	89,067	296,583	(850,623)	-
Total........................	3,647,645	1,067,062	924,916	1,131,430	764,442	1,048,801	(1,195,505)	7,388,791
Segment profit............	113,597	1,341	51,727	83,235	64,231	17,702	25,693	357,526
Depreciation and amortization (*1).......	98,310	57,830	50,800	53,796	20,897	19,559	37,956	339,148
Capital investment (*2)...........................	87,286	47,818	23,438	60,630	36,734	16,788	32,414	305,108

(ii) For the year ended March 31, 2021

Yen (millions)

	Reportable segments					Other	Eliminations and adjustments	Consolidated Total
	Lifestyle	Automotive	Connect	Industry	Energy			
Sales:								
External customers....	3,307,027	1,008,388	700,291	886,921	506,964	669,204	(380,001)	6,698,794
Intersegment.............	241,843	8,694	117,697	97,657	93,058	306,648	(865,597)	-
Total........................	3,548,870	1,017,082	817,988	984,578	600,022	975,852	(1,245,598)	6,698,794
Segment profit (loss)...	166,859	(11,823)	(19,980)	40,689	33,466	8,953	40,436	258,600
Depreciation and amortization (*1).......	97,061	53,260	38,364	51,229	22,535	20,599	34,524	317,572
Capital investment (*2)...........................	119,079	45,433	18,363	44,102	28,807	17,522	28,188	301,494

(*1) Property, plant and equipment, intangible assets and right-of-use-assets

(*2) Amounts on an accruals basis for property, plant and equipment and intangible assets (Excludes increases due to business combinations)

The accounting policies for reportable segments are the same as the Company's accounting policies described in Note "3. Significant accounting policies" except for management accounting adjustments referred to below.
Transactions between segments have been conducted at arm's length prices.
Segment profit is calculated based on operating profit.
The amounts in "Eliminations and adjustments" include revenues and expenses which are not attributable to any reportable segment for the purpose of evaluating operating results of each segment, consolidation adjustments and eliminations of intersegment transactions.

Adjustments to segment sales to customers for the years ended March 31, 2022 and 2021 include mainly management accounting adjustments to sales prices and revenue of corporate headquarters, etc.

Adjustments to segment profit for the years ended March 31, 2022 and 2021 include profit of corporate headquarters (including gains on sales of certain property, plant and equipment for the year ended March 31, 2022). Adjustments also include consolidation adjustments such as the amortization on certain intangible assets acquired in business combinations and the share of profit of investments accounted for using the equity method which are not allocated to any specific segments.

(3) Information about products and services

This information has been omitted because similar information has been disclosed in "(1) Reportable segments," and "(2) Information by reportable segment."

(4) Information about geographical areas

Net sales and non-current assets (except for Investments accounted for using the equity method, Financial instruments, Deferred tax assets and net Defined benefit pension plan assets) broken down by the customers' location are as follows:

(i) Net sales

	Yen (millions)	
	2022	2021
Japan	3,189,533	3,113,276
Americas	1,382,018	1,117,049
Europe	736,491	662,022
Asia, China and others	2,080,749	1,806,447
Consolidated total	7,388,791	6,698,794
United States included in Americas	1,302,451	1,053,980
China included in Asia, China and others	989,730	862,757

(ii) Non-current assets (except for Investments accounted for using the equity method, Financial instruments, Deferred tax assets and net Defined benefit pension plan assets)

	Yen (millions)	
	March 31	
	2022	2021
Japan	1,109,135	1,121,805
Americas	1,429,564	325,946
Europe	151,926	156,558
Asia, China and others	436,239	370,810
Consolidated total	3,126,864	1,975,119

(*) Major countries or regions belonging to geographic areas other than Japan:
Americas: North America, Central and South America
Europe: Europe and Africa
Asia, China and others: Asia, China and Oceania

In the information of "Net sales," there is no individually material country whose information should be disclosed separately, except for the United States and China.

In the information of "Non-current assets," there is no individually material country whose information should be disclosed separately, except for the United States with carrying amounts of 1,409,878 million yen as of March 31, 2022 included in the Americas.

(5) Information about major customers

This information has been omitted because no sales to a single external customer accounted for more than 10% of net sales.

5. Cash and cash equivalents

Cash and cash equivalents as of March 31, 2022 and 2021, consist of cash on hand, demand deposits withdrawable at any time and short-term investments with a maturity of three months or less. The balances on the consolidated statements of financial position are equal to the balances on the consolidated statements of cash flows. Cash and cash equivalents are classified as financial assets measured at amortized cost.

6. Trade receivables and contract assets

Components of trade receivables and contract assets are as follows. Trade receivables are classified as financial assets measured at amortized cost.

	Yen (millions)	
	March 31	
	2022	2021
Trade notes receivable................................	72,729	65,267
Trade accounts receivable..........................	1,086,110	971,090
Contract assets..	188,359	174,748
Less allowance for credit losses.................	(22,580)	(16,714)
Total..	1,324,618	1,194,391

7. Inventories

Components of inventories are as follows:

	Yen (millions)	
	March 31	
	2022	2021
Finished goods...	633,864	485,045
Work in process..	124,289	117,174
Raw materials...	374,511	230,350
Total..	1,132,664	832,569

The write-downs of inventories that were recognized as expenses in "Cost of sales" in the consolidated statements of profit or loss for the years ended March 31, 2022 and 2021 are 47,300 million yen and 47,488 million yen, respectively. The reversal of write-downs for the years ended March 31, 2022 and 2021 were not material.

8. Property, plant and equipment

(1) Carrying amounts

Yen (millions)

	Land	Buildings and structures	Machinery and vehicles	Tools, furniture and fixtures	Construction in progress	Total
Balance as of March 31, 2020	176,303	389,849	301,823	96,696	69,961	1,034,632
Acquisitions..........................	36,683	27,796	30,411	30,634	105,505	231,029
Transfers between accounts...	-	749	71,723	28,158	(100,630)	-
Transfers to assets held for sale or other disposal...........	(3,415)	(9,007)	(13,857)	(2,086)	(6,817)	(35,182)
Depreciation.........................	-	(37,161)	(86,082)	(56,151)	-	(179,394)
Impairment losses.................	(4,066)	(8,220)	(3,466)	(1,264)	(1,821)	(18,837)
Exchange differences on foreign currencies................	1,449	6,801	12,761	3,728	4,627	29,366
Balance as of March 31, 2021	206,954	370,807	313,313	99,715	70,825	1,061,614
Acquisitions..........................	2,002	19,984	40,954	36,908	137,286	237,134
Acquisitions through business combination...........	-	1,093	5,464	577	-	7,134
Transfers between accounts...	-	15,406	71,790	23,910	(111,106)	-
Transfers to assets held for sale or other disposal...........	(7,531)	(2,628)	(8,060)	(2,311)	(27,399)	(47,929)
Depreciation.........................	-	(35,836)	(88,908)	(56,133)	-	(180,877)
Impairment losses.................	(1,708)	(2,497)	(3,067)	(53)	(84)	(7,409)
Exchange differences on foreign currencies................	2,301	12,418	20,061	6,180	4,719	45,679
Balance as of March 31, 2022	202,018	378,747	351,547	108,793	74,241	1,115,346

Depreciation is included in "Cost of sales" and "Selling, general and administrative expenses" in the consolidated statements of profit or loss.

"Transfers to assets held for sale or other disposal" include a decrease of finance leases as the lessor.

(2) Acquisition cost

	Land	Buildings and structures	Machinery and vehicles	Tools, furniture and fixtures	Construction in progress	Total
	Yen (millions)					
As of March 31, 2020......	208,164	1,351,954	2,082,855	870,517	74,297	4,587,787
As of March 31, 2021......	238,357	1,410,816	2,132,920	883,071	71,307	4,736,471
As of March 31, 2022......	234,417	1,426,431	2,140,204	916,032	74,786	4,791,870

(3) Accumulated depreciation and impairment losses

	Land	Buildings and structures	Machinery and vehicles	Tools, furniture and fixtures	Construction in progress	Total
	Yen (millions)					
As of March 31, 2020......	(31,861)	(962,105)	(1,781,032)	(773,821)	(4,336)	(3,553,155)
As of March 31, 2021......	(31,403)	(1,040,009)	(1,819,607)	(783,356)	(482)	(3,674,857)
As of March 31, 2022......	(32,399)	(1,047,684)	(1,788,657)	(807,239)	(545)	(3,676,524)

9. Leases

(1) As lessee

The Company leases real properties (land, buildings and structures), machinery, vehicles, tools, furniture and fixtures, etc. The Company has leases with a wide range of different terms and conditions negotiated on an individual basis to provide each contracting party with greater flexibility to align its business needs. Extension and termination options are mainly included in real property leases, and in particular for certain real property leases in Japan, the lessee can repeatedly exercise the extension options. The Company may decide to exercise extension options as necessary to utilize those real property leases for business. Payments related to the extension options are not included in the measurement of the lease liability if the exercise of those options by the Company is not reasonably certain. The Company has no lease with significant purchase options, escalation clauses and restrictions or covenants (such as for dividends or, restrictions on additional borrowing and leases, etc.) imposed by leases.

Income and expenses relating to leases are as follows:

	Yen (millions)	
	2022	2021
Expenses relating to leases		
Depreciation charge for right-of-use assets..........................	71,137	69,921
Expenses relating to short-term leases.................................	6,123	6,067
Expenses relating to leases of low-value assets...................	6,127	7,245
Expenses relating to variable lease payments (*)................	1,191	1,118
Interest expense on lease liabilities......................................	3,418	3,294
Income relating to leases		
Income from sub-leasing of right-of-use assets...................	1,981	1,784

(*) This expense is not included in the measurement of lease liabilities.

The total cash outflow for leases in the years ended March 31, 2022 and 2021 are 85,684 million yen and 86,919 million yen, respectively.

Components of right-of-use assets are as follows:

	Yen (millions)					
	Right-of-use assets					
	Real properties	Machinery	Vehicles	Tools, furniture and fixtures	Other	Total
Balance as of March 31, 2020	216,460	22,830	13,374	6,854	1,557	261,075
Acquisitions	66,837	8,633	6,248	4,218	1,241	87,177
Transfers to assets held for sale or other disposal	(13,065)	(2,411)	(412)	(166)	(51)	(16,105)
Depreciation	(50,335)	(10,540)	(6,514)	(1,948)	(584)	(69,921)
Impairment losses	(5,028)	(23)	(6)	(21)	-	(5,078)
Exchange differences on foreign currencies	3,411	233	232	4	85	3,965
Other changes	(6,698)	(3,321)	(336)	(407)	(397)	(11,159)
Balance as of March 31, 2021	211,582	15,401	12,586	8,534	1,851	249,954
Acquisitions	58,363	5,944	5,199	2,634	1,054	73,194
Acquisitions through business combination	4,972	-	15	2	-	4,989
Transfers to assets held for sale or other disposal	(4,113)	(111)	(227)	(234)	(298)	(4,983)
Depreciation	(52,550)	(9,956)	(6,309)	(1,492)	(830)	(71,137)
Impairment losses	76	-	-	(1)	-	75
Exchange differences on foreign currencies	7,909	824	163	44	108	9,048
Other changes	(2,784)	(433)	(76)	(72)	(69)	(3,434)
Balance as of March 31, 2022	223,455	11,669	11,351	9,415	1,816	257,706

The maturity analysis of lease liabilities is stated in Note "30. Financial instruments (3) Liquidity risk management."

(2) As lessor

(i) Finance leases

The Company accounts for certain machinery and vehicles, etc. as finance leases. The machinery and vehicles, etc. are related to product supply contracts with a specific customer which was determined to contain leases. With respect to the finance leases, the Company has no gross investment in the lease as of March 31, 2022 and March 31, 2021. Of consideration received from the customer based on the product supply contract, the amount allocated to the lease component that exceeds the fixed lease payment is accounted for as a variable lease payment and recognized as income. The variable lease payment recognized as revenue in the years ended March 31, 2022 and 2021 are 7,053 million yen and 4,808 million yen, respectively.

(ii) Operating leases

Maturity analysis of future lease payments to be received (undiscounted lease payments to be received after the reporting period), is as follows:

	Yen (millions)	
	March 31,2022	March 31,2021
Within 1 year	1,199	1,256
Over 1 year to 2 years	592	915
Over 2 years to 3 years	454	872
Over 3 years to 4 years	308	692
Over 4 years to 5 years	245	413
Over 5 years	1,846	2,590
Total	4,644	6,738

For operating leases, lease income except for income relating to variable lease payments that do not depend on an index or a rate in the years ended March 31, 2022 and 2021 are 12,743 million yen and 12,821 million yen, respectively. Income relating to variable lease payments that do not depend on an index or a rate in the year ended March 31, 2021 is 75 million yen. The Company has no income relating to variable lease payments that do not depend on an index or a rate in the year ended March 31, 2022.

(3) Sale and leaseback transactions

The Company has no gains or losses arising from sale and leaseback transactions in the years ended March 31, 2022 and 2021.

10. Goodwill and intangible assets

(1) Carrying amounts

	Yen (millions)						
	Goodwill	Intangible assets					
		Software	Technology	Customer	Trademark	Others	Total
Balance as of March 31, 2020	322,009	87,947	94,274	71,277	35,628	9,476	298,602
Acquisitions, including internal developments.............	-	41,268	27,302	-	-	1,895	70,465
Amortization.............................	-	(34,820)	(26,266)	(4,839)	(12)	(2,320)	(68,257)
Impairment losses......................	(19,367)	(362)	(230)	(138)	(240)	(28)	(998)
Exchange differences on foreign currencies....................	2,211	1,281	142	1,404	(82)	661	3,406
Disposal and others....................	-	(2,389)	(713)	(768)	(1,450)	(709)	(6,029)
Balance as of March 31, 2021	304,853	92,925	94,509	66,936	33,844	8,975	297,189
Acquisitions, including internal developments.............	-	46,471	19,968	-	-	1,535	67,974
Acquisitions through business combination..............	607,030	-	52,517	254,925	52,517	-	359,959
Amortization............................	-	(37,186)	(32,112)	(13,694)	(1,838)	(2,304)	(87,134)
Impairment losses......................	-	(420)	(4)	-	-	(382)	(806)
Exchange differences on foreign currencies....................	82,827	2,662	7,707	34,390	8,149	176	53,084
Disposal and others...................	-	(2,533)	(2,547)	-	-	131	(4,949)
Balance as of March 31, 2022	994,710	101,919	140,038	342,557	92,672	8,131	685,317

"Trademark" which was included in "Others" under "Intangible assets" for the year ended March 31, 2021, is presented in a separate column because its materiality has increased in the year ended March 31, 2022. In order to reflect this change in presentation, the information for the year ended March 31, 2021 have been reclassified to conform to the presentation for the year ended March 31, 2022. The same applies to (2) Acquisition cost and (3) Accumulated amortization and impairment losses below.

Amortization is included in "Cost of sales" and "Selling, general and administrative expenses" in the consolidated statements of profit or loss.

Acquisitions include internally generated intangibles of 34,649 million yen and 41,419 million yen for the years ended March 31, 2022 and 2021, respectively. Internally generated intangibles principally relate to software and technology.

Intangible assets with indefinite useful lives are included in "Trademark" and "Others" in the above table and the carrying amounts as of March 31, 2022 and 2021 are 40,755 million yen and 38,780 million yen, respectively. Since these assets are mainly trademarks that are expected to exist as long as the business continues, they have been determined to have indefinite useful lives.

(2) Acquisition cost

	Yen (millions)						
		Intangible assets					
	Goodwill	Software	Technology	Customer	Trademark	Others	Total
As of March 31, 2020......	707,663	403,481	549,359	127,278	53,714	53,843	1,187,675
As of March 31, 2021......	709,874	430,436	574,274	127,550	52,197	37,483	1,221,940
As of March 31, 2022......	1,399,731	466,479	646,873	413,775	110,851	38,153	1,676,131

(3) Accumulated amortization and impairment losses

	Yen (millions)						
		Intangible assets					
	Goodwill	Software	Technology	Customer	Trademark	Others	Total
As of March 31, 2020......	(385,654)	(315,534)	(455,085)	(56,001)	(18,086)	(44,367)	(889,073)
As of March 31, 2021......	(405,021)	(337,511)	(479,765)	(60,614)	(18,353)	(28,508)	(924,751)
As of March 31, 2022......	(405,021)	(364,560)	(506,835)	(71,218)	(18,179)	(30,022)	(990,814)

(4) Individually material intangible assets

As of March 31, 2022, "Customer" with carrying amount of 275,515 million yen and the remaining amortization period of 16 years, recognized upon the acquisition to make "Blue Yonder Holding, Inc." a wholly-owned subsidiary (see Note "35. Business combination") is individually significant intangible asset.

As of March 31, 2021, there is no individually material intangible asset.

11. Investments accounted for using the equity method

(1) Investments in associates

There are no associates that are individually material to the Company.
The carrying amounts of investments in individually immaterial associates and the Company's share of comprehensive income of those companies are as follows:

	Yen (millions)	
	March 31	
	2022	2021
Carrying amounts of investments	140,681	182,452

	Yen (millions)	
	2022	2021
Net profit (loss)	(288)	(1,306)
Other comprehensive income	2,789	1,765
Comprehensive income	2,501	459

(2) Investments in joint ventures

1) Material joint ventures

Prime Life Technologies Corporation ("PLT"), established together with Toyota Motor Corporation ("Toyota"), is the joint venture material to the Company. PLT is a joint venture in which the Company owns a 50% equity interest and has joint control with Toyota, who own the same percentage of ownership interest as the Company. The material subsidiaries of PLT are Panasonic Homes Co., Ltd., Panasonic Construction Engineering Co., Ltd., and Matsumura-gumi Corporation, which were subsidiaries of the Company, Toyota Housing Corporation and Misawa Homes Co., Ltd., which were subsidiaries of Toyota. The principal place of business is Japan. The principal lines of business are town development and other housing-related businesses.

The following table reconciles the summarized financial information of PLT to the carrying amount of the Company's interest in PLT.

Summarized information from the Consolidated Statements of Financial Position is as follows:

	Yen (millions)	
	March 31, 2022	March 31, 2021
Current assets	546,257	515,924
Non-current assets	684,552	677,276
Total assets	1,230,809	1,193,200
Current liabilities	363,496	317,941
Non-current liabilities	538,382	545,332
Total liabilities	901,878	863,273
Equity	328,931	329,927
Non-controlling interest	8,245	11,515
Equity excluding non-controlling interests	320,686	318,412
Company's share of equity	160,297	159,160
Adjustments (goodwill and others)	13,927	11,703
Carrying amount of interest in joint venture	174,224	170,863

The amount of cash and cash equivalents included in current assets was 182,401 million yen and 140,755 million yen as of March 31, 2022 and 2021, respectively. The amount of current financial liabilities (excluding trade and other payables and provisions) was 141,050 million yen and 123,375 million yen as of March 31, 2022 and 2021, respectively. The amount of non-current financial liabilities (excluding trade and other payables and provisions) was 483,412 million yen and 489,619 million yen as of March 31, 2022 and 2021, respectively.

Summarized information from the Consolidated Statements of Profit or Loss and Comprehensive Income are as follows:

	Yen (millions)	
	2022	2021
Net sales	981,674	940,760
Depreciation and amortization	(51,783)	(48,907)
Finance income	2,049	1,870
Finance expenses	(19,789)	(19,149)
Income taxes	(675)	(66)
Net profit (loss)	4,393	(4,070)
Other comprehensive income	1,607	927
Comprehensive income (loss)	6,000	(3,143)
Net profit (at the rate of equity participation)	2,196	(2,033)
Adjustments	(34)	(1,155)
Company's share of net profit	2,162	(3,188)
Company's share of other comprehensive income	803	463
Company's share of comprehensive income	2,965	(2,725)
Dividends received by the Company	-	-

2) Immaterial joint ventures

The carrying amounts of investments in individually immaterial joint ventures and the Company's share of comprehensive income of those companies are as follows:

	Yen (millions)	
	March 31	
	2022	2021
Carrying amounts of investments	88,296	102,645

	Yen (millions)	
	2022	2021
Net profit (loss)	(14,511)	(16,259)
Other comprehensive income (loss)	(145)	(453)
Comprehensive income (loss)	(14,656)	(16,712)

12. Other financial assets

(1) Details

Derivatives include those designated as hedging instruments.
Other financial assets are summarized as follows:

	Yen (millions)	
	March 31	
	2022	2021
Financial assets, measured at amortized cost:		
Time deposits	42,111	48,382
Accounts receivable (non-trade)	79,632	72,028
Others	49,087	34,751
Financial assets, measured at FVTPL:		
Shares (debt instruments)	-	42,117
Derivatives	96,791	39,575
Financial assets, measured at FVTOCI:		
Shares	155,755	143,519
Others	281	281
Total	423,657	380,653
Current assets	210,633	149,629
Non-current assets	213,024	231,024

(2) Financial assets measured at FVTOCI

The Company has designated shares held principally for the purpose of maintaining and strengthening transactional or business relationships as financial assets measured at FVTOCI.

1) Fair value by major issuer

The fair values by major issuer are as follows:

	Yen (millions)
	March 31
Security names	2022
PHC Holdings Corporation	20,370
Renesas Electronics Corporation	5,967
TBS Holdings, Inc.	5,670
Daiwa House Industry Co., Ltd.	4,898
Bingshan Refrigeration & Heat Transfer Technologies Co., Ltd.	1,816
Toray Industries, Inc.	1,794
Others	115,240
Total	155,755

Security names	Yen (millions) March 31 2021
TBS Holdings, Inc.	8,282
Renesas Electronics Corporation	5,000
Daiwa House Industry Co., Ltd.	4,959
Toray Industries, Inc.	2,333
Bingshan Refrigeration & Heat Transfer Technologies Co., Ltd.	1,737
Others	121,208
Total	143,519

Others mainly include unlisted stocks of which the fair values as of March 31, 2022 and 2021 are 100,473 million yen and 109,079 million yen, respectively. The main unlisted stocks as of March 31, 2022 are overseas venture capital investments. The main unlisted stocks as of March 31, 2021 are PHC Holdings Corporation and overseas venture capital investments.

2) Derecognition of financial assets measured at FVTOCI

During the years ended March 31, 2022 and 2021, the Company has disposed certain financial assets measured at FVTOCI and has derecognized them due to principally reconsideration of strategic shareholdings to promote efficiency of asset holdings.

The fair values and the accumulated gains or losses at the time of sale are as follows:

	Yen (millions)	
	2022	2021
Fair values	13,245	421,232
Accumulated gains	6,276	418,406

The above accumulated gains (losses) are the amounts before tax. The gains (losses) after tax in other comprehensive income that were transferred to retained earnings in connection with the above derecognition for the years ended March 2022 and 2021 are 4,390 million yen and 318,053 million yen, respectively.

13. Income taxes

(1) Deferred tax assets and liabilities

1) Major components of, and changes in, deferred tax assets and liabilities

Major components of deferred tax assets and liabilities are as follows:

	Yen (millions)			
	Consolidated statements of financial position		Consolidated statements of profit or loss	
	March 31		Year ended March 31	
	2022	2021	2022	2021
Deferred tax assets:				
Inventories	54,557	45,325	8,751	(8,121)
Provisions and accrued payroll, etc.	65,684	67,103	(2,697)	(6,429)
Property, plant and equipment	86,261	89,693	(6,747)	3,796
Retirement benefit liabilities	10,556	22,763	(407)	736
Tax loss carryforwards	64,150	45,450	(14,835)	13,841
Others	107,836	71,068	2,388	(11,360)
Total deferred tax assets	389,044	341,402	(13,547)	(7,537)
Deferred tax liabilities:				
Investment in securities	(31,375)	(31,706)	1,609	(1,609)
Intangible assets	(144,152)	(44,951)	10,283	(1,145)
Others	(75,709)	(59,719)	(16,131)	(1,773)
Total deferred tax liabilities	(251,236)	(136,376)	(4,239)	(4,527)
Net deferred tax assets	137,808	205,026	(17,786)	(12,064)

Changes in net deferred tax assets are as follows:

	Yen (millions)	
	2022	2021
Deferred tax assets, net at the beginning of the year	205,026	256,961
Amounts recognized through profit or loss	(17,786)	(12,064)
Amounts recognized through other comprehensive income	(7,341)	(46,834)
Acquisitions, divestitures and others	(42,091)	6,963
Deferred tax assets, net at the end of the year	137,808	205,026

2) Deductible temporary differences, tax loss carryforwards and tax credit carryforwards for which deferred tax assets are not recognized

In recognizing deferred tax assets, the Company considers whether it is probable that part or all of deductible temporary differences, tax loss carryforwards and tax credit carryforwards can be deducted against future taxable profits and income taxes. The ultimate recoverability of deferred tax assets is determined based on the level of taxable profits during the period in which temporary differences, tax loss carryforwards and tax credit carryforwards are deductible. In this determination, the Company takes into account the expected periods in which deferred tax liabilities will be realized, projection of future taxable profits and tax planning opportunities. Based on the level of taxable profits in the past and projection of taxable profits during the future periods in which deferred tax assets are deductible, the Company believes that it is probable that deferred tax assets recognized as of March 31, 2022 will be realized. As a result of the assessment of recoverability, the Company has not recognized deferred tax assets for certain deductible temporary differences, tax loss carryforwards and tax credit carryforwards.

The amounts of the deductible temporary differences, tax loss carryforwards and tax credit carryforwards for which deferred tax assets are not recognized are as set out below.

	Yen (millions)
	March 31, 2022
Deductible temporary differences	385,107
Tax loss carryforwards of which:	
expire in the years ending from March 31, 2023 through 2032	72,668
expire thereafter or do not expire	150,979
Total	223,647
Tax credit carryforwards	26,551

	Yen (millions)
	March 31, 2021
Deductible temporary differences	385,041
Tax loss carryforwards of which:	
expire in the years ending from March 31, 2022 through 2031	76,142
expire thereafter or do not expire	149,454
Total	225,596
Tax credit carryforwards	27,543

The Company applied the consolidated tax-return system in Japan. The above amounts do not include tax loss carryforwards related to local taxes (inhabitant tax and enterprise tax), as they are not covered by the consolidated tax-return system. The amounts of tax loss carryforwards related to local tax for which deferred tax assets are not recognized, are 219,963 million yen (inhabitant tax) and 1,086,198 million yen (enterprise tax) as of March 31, 2022, expiring from the year ending March 31, 2023 through 2032, and 263,757 million yen (inhabitant tax) and 1,283,532 million yen (enterprise tax) as of March 31, 2021, expiring from the year ending March 31, 2022 through 2031.
Additionally, effective April 1, 2022, the Company transferred from the consolidated tax-return system to the group relief system in Japan.

3) Taxable temporary differences associated with investments in subsidiaries, etc. for which deferred tax liabilities are not recognized

Deferred tax liabilities are not recognized if the Company is able to control the timing of the reversal of the temporary differences and it is probable that the taxable temporary differences will not reverse in the foreseeable future, while recognized deferred tax liabilities are included in Deferred tax liabilities - Others.

The total amount of taxable temporary differences associated with investments in subsidiaries and associates for which deferred tax liabilities are not recognized was 886,620 million yen and 698,481 million yen as of March 31, 2022 and 2021, respectively.

(2) Income tax expenses

1) The components of income tax expenses recognized in the consolidated statements of profit or loss are as follows:

	Yen (millions)	
	2022	2021
Current tax expenses	77,171	64,862
Deferred tax expenses:		
Temporary differences originated and reversed	13,840	23,707
Changes in recognition of deferred tax assets	3,946	(11,643)
Total	17,786	12,064
Income tax expenses total	94,957	76,926

Current tax expenses include the amount of benefits arising from tax losses, tax credits or temporary differences, for which deferred tax assets were not recognized in prior periods. These effects decreased current tax expenses by 3,802 million yen and 12,964 million yen for the years ended March 31, 2022 and 2021, respectively.

Deferred tax expenses include the amount of benefits arising from tax losses, tax credits or temporary differences, for which deferred tax assets were not recognized in prior periods. These effects decreased deferred tax expenses by 1,812 million yen and 15,688 million yen for the years ended March 31, 2022 and 2021, respectively.

2) Reconciliation of effective tax rates

Panasonic is subject mainly to corporate tax, inhabitant tax and enterprise tax, and the combined statutory tax rate calculated based on these taxes was 30.4%. Foreign subsidiaries are subject to income taxes of their respective jurisdictions.

Panasonic and certain of its subsidiaries have applied a consolidated tax-return system.

Differences between the combined statutory tax rates and the effective tax rates are as follows:

	%	
	2022	2021
Combined statutory tax rates	30.4%	30.4%
Effects of lower tax rates in foreign jurisdictions	(4.9)	(6.5)
Expenses not deductible for tax purposes	0.3	1.1
Change in unrecognized deferred tax assets	1.5	(5.7)
Effects attributable to investments in subsidiaries, etc	2.3	7.1
Goodwill impairment	-	2.3
Others	(3.3)	0.8
Effective tax rates	26.3%	29.5%

14. Other assets

Components of other assets are as follows:

	Yen (millions)	
	March 31	
	2022	2021
Advance payments	27,194	26,448
Prepaid expenses	44,174	36,679
Consumption tax receivables	30,162	25,014
Income taxes receivable	48,004	53,708
Retirement benefit assets	29,506	22,360
Others	81,660	72,594
Total	260,700	236,803
Current assets	157,409	152,934
Non-current assets	103,291	83,869

15. Short-term debt and long-term debt

(1) Details

Short-term debt and long-term debt are measured at amortized cost. The details of short-term debt and long-term debt are as follows:

	Yen (millions)		
	March 31, 2022		
	Book value	Average interest rate (%) (*1)	Due
Current liabilities:			
Current portion of bonds (*2)	108,095	-	-
Short-term borrowings	320,733	0.4	-
Current portion of long-term borrowings	4,069	1.5	-
Total current liabilities	432,897	-	-
Non-current liabilities:			
Bonds (*2)	1,194,024	-	Year ended March 31, 2024 - 2082
Long-term borrowings	3,682	1.6	Year ended March 31, 2024 - 2028
Total non-current liabilities	1,197,706	-	-
Total	1,630,603	-	-

	Yen (millions)		
	March 31, 2021		
	Book value	Average interest rate (%) (*1)	Due
Current liabilities:			
Short-term bonds (*2)	279,918	-	-
Short-term borrowings	24,722	4.4	-
Current portion of long-term borrowings	5,150	1.5	-
Total current liabilities	309,790	-	-
Non-current liabilities:			
Bonds (*2)	874,854	-	Year ended March 31, 2023 - 2031
Long-term borrowings	4,874	1.6	Year ended March 31, 2023 - 2027
Total non-current liabilities	879,728	-	-
Total	1,189,518	-	-

(*1) Average interest rate refers to the weighted average interest rate on the ending balance.

(*2) The contractual terms of the bonds are as follows:

Yen (millions)

	March 31,2022	March 31,2021	Interest rate (%)	Due (Year ended March 31)
13th Unsecured Straight bond	-	80,000	0.568	2022
14th Unsecured Straight bond	100,000	100,000	0.934	2025
15th Unsecured Straight bond	-	200,000	0.190	2022
16th Unsecured Straight bond	70,000	70,000	0.300	2024
17th Unsecured Straight bond	130,000	130,000	0.470	2027
USD-denominated senior notes due 2022 (*3)	122,390	110,710	2.536	2023
USD-denominated senior notes due 2024 (*3)	122,390	110,710	2.679	2025
USD-denominated senior notes due 2029 (*3)	61,195	55,355	3.113	2030
18th Unsecured Straight bond	30,000	30,000	0.230	2026
19th Unsecured Straight bond	70,000	70,000	0.370	2030
20th Unsecured Straight bond	80,000	80,000	0.080	2024
21st Unsecured Straight bond	70,000	70,000	0.190	2026
22nd Unsecured Straight bond	20,000	20,000	0.290	2028
23rd Unsecured Straight bond	30,000	30,000	0.390	2031
1st unsecured subordinated bonds with optional interest payment deferral and early redemption provisions (*4)	150,000	-	0.740	2082
2nd unsecured subordinated bonds with optional interest payment deferral and early redemption provisions (*5)	100,000	-	0.885	2082
3rd unsecured subordinated bonds with optional interest payment deferral and early redemption provisions (*6)	150,000	-	1.0	2082

(*3) The Company utilizes cross-currency interest rate swaps to hedge risk of changes in currency associated with the USD-denominated senior notes. With the cross-currency interest rate swaps, USD-denominated fixed interest rate are exchanged with JPY-denominated fixed interest rate and each exchanged substantial interest rate is as follows:

USD-denominated senior notes due 2022 (1,000 million USD) 0.1613%
USD-denominated senior notes due 2024 (1,000 million USD) 0.2369%
USD-denominated senior notes due 2029 (500 million USD) 0.5034%

The cross-currency interest rate swaps are designated as hedging instruments and the effects of hedge accounting are described in Note "30. Financial instruments (5) Derivatives and hedge accounting."

(*4) The Company may, at its option, redeem the Bonds on any interest payment date on or after October 14, 2026, or upon the occurrence and continuation of a taxation event or capital event.

(*5) The Company may, at its option, redeem the Bonds on any interest payment date on or after October 14, 2028, or upon the occurrence and continuation of a taxation event or capital event.

(*6) The Company may, at its option, redeem the Bonds on any interest payment date on or after October 14, 2031, or upon the occurrence and continuation of a taxation event or capital event.

(2) Changes in liabilities arising from financing activities

Changes in liabilities arising from financing activities for the years ended March 31, 2022 and 2021 are as follows:

	Yen (millions)						
	Short term bonds	Borrowings	Bonds	Lease liabilities	Other financial liabilities	Derivatives (*1)	Total
Balance as of March 31, 2021	-	34,746	1,154,772	257,905	54,083	(18,662)	1,482,844
Changes from financing cash flows	-	99,143	117,339	(68,825)	(7,407)	-	140,250
Non-cash changes:							
New leases, etc	-	-	-	69,733	-	-	69,733
Acquisitions and divestitures	-	192,330	-	5,858	-	-	198,188
Foreign currency exchange differences	-	716	29,200	9,781	654	-	40,351
Other changes	-	1,549	808	(7,771)	4	(18,267)	(23,677)
Balance as of March 31, 2022	-	328,484	1,302,119	266,681	47,334	(36,929)	1,907,689

(*1) Derivatives are held for hedging currency risk associated with the USD-denominated senior notes.

	Yen (millions)						
	Short term bonds	Borrowings	Bonds	Lease liabilities	Other financial liabilities	Derivatives (*1)	Total
Balance as of March 31, 2020	191,000	63,472	949,979	266,860	38,006	(17,423)	1,491,894
Changes from financing cash flows	(191,000)	(36,243)	199,496	(69,195)	(7,592)	-	(104,534)
Non-cash changes:							
New leases, etc	-	-	-	83,601	-	-	83,601
Acquisitions and divestitures	-	-	-	(1,919)	-	-	(1,919)
Foreign currency exchange differences	-	1,750	4,700	4,290	2,508	-	13,248
Other changes	-	5,767	597	(25,732)	21,161	(1,239)	554
Balance as of March 31, 2021	-	34,746	1,154,772	257,905	54,083	(18,662)	1,482,844

(*1) Derivatives are held for hedging currency risk associated with the USD-denominated senior notes.

(3) Assets pledged as collateral for liabilities

As is customary in Japan, short-term and long-term bank loans are made under general agreements which provide that security and guarantees for future and present indebtedness will be given upon request of the bank, and that the bank shall have the right, when the obligations become due, or in the event of their default, to offset cash deposits against such obligations due to the bank.
Each of the loan agreements grants the lender the right to request additional security or mortgages on certain assets.
Assets pledged as collateral as of March 31, 2022 and 2021 are not material.

16. Trade payables

Trade payables are measured at amortized cost. Components of trade payables are as follows:

	Yen (millions)	
	March 31	
	2022	2021
Trade notes payable	221,258	219,609
Trade accounts payable	942,320	826,008
Total	1,163,578	1,045,617

17. Employee benefits

(1) Defined benefit plans

Panasonic and certain subsidiaries have contributory, funded defined benefit pension plans and non-funded lump-sum retirement payment plans. Benefits under these plans are primarily calculated based on the combination of years of service and compensation. Regarding the externally funded defined benefit pension plan, the Company and the pension investment trustee are required by law to act with the interests of the pension plan members as the highest priority, and are responsible to manage the plan assets based on the prescribed policy. Also, the Company continues to have an obligation to make contributions set forth by the defined benefit pension plans in the future. The amount of contributions is regularly reviewed to the extent permitted by laws and regulations.

Effective April 1, 2002, Panasonic and some of the subsidiaries amended their benefit pension plans by introducing a "point-based benefits system," and changing their lump-sum payment plans to cash balance pension plans. In addition, effective July 1, 2013, Panasonic and certain domestic subsidiaries made a transition from the defined benefit pension plan to a defined contribution pension plan with respect to employees' future service. Besides, effective July 1, 2019, Panasonic and certain domestic subsidiaries made a transition of parts of the benefit obligations for certain groups of employees attributable to their past service prior to June 30, 2013 in the defined benefit pension plan to the defined contribution pension plan. Along with this transition, effective July 1, 2020, Panasonic Corporate Pension Fund changed its management form and transferred from a fund-type corporate pension fund to a contract-type corporate pension fund, named Panasonic Group Defined Benefit Corporate Pension.

(i) Present value of defined benefit obligations

Changes in the present value of defined benefit obligations are as follows:

	Yen (millions)	
	2022	2021
Beginning balance	1,509,477	1,571,896
Service cost	8,601	8,654
Interest cost	11,584	12,400
Remeasurements of defined benefit obligations:		
Actuarial gains and losses arising from changes in demographic assumptions	(3,301)	(659)
Actuarial gains and losses arising from changes in financial assumptions	(23,627)	11,104
Other	3,823	3,790
Benefits paid	(129,638)	(109,223)
Foreign currency exchange differences	13,057	11,515
Settlements	(2,339)	-
Effect of business combinations and disposals	7,941	-
Ending balance	1,395,578	1,509,477

Service cost is included in "Cost of sales" and "Selling, general and administrative expenses" in the consolidated statements of profit or loss.
Interest cost is included in "Finance expenses" in the consolidated statements of profit or loss.
Settlements are included in "Other income (expenses), net" in the consolidated statements of profit or loss.
Weighted average duration of defined benefit obligations as of March 31, 2022 and March 31, 2021 are 11 years and 12 years, respectively.

Significant actuarial assumptions used to calculate the present value of defined benefit obligations are as follows:

	March 31,2022	March 31,2021
Discount rate..........................	1.0%	0.8%

The effect of 0.5% change in the discount rate on the present value of defined benefit obligation is as follows, holding other assumptions constant.

	Yen (millions)	
	Effect on the present value of defined benefit obligations	
Change in an assumption	March 31,2022	March 31,2021
0.5% increase..........................	67,796 (decrease)	75,235 (decrease)
0.5% decrease..........................	73,106 (increase)	81,721 (increase)

The sensitivity analysis assumes that other assumptions remain unchanged. In reality, any change in other assumptions may affect the sensitivity analysis.

(ii) Fair value of plan assets

Each plan of the Company has a different investment policy, which is designed to ensure sufficient plan assets are available to provide future payments of pension benefits to the eligible plan participants and is individually monitored for compliance and appropriateness on an on-going basis. Considering the expected long-term rate of return on plan assets, each plan of the Company establishes a "basic" portfolio comprised of the optimal combination of equity instruments and debt instruments. Plan assets are invested in individual equity and debt instruments using the guidelines of the "basic" portfolio in order to generate a total return that will satisfy the expected return on a mid- to long-term basis. The Company evaluates the difference between expected return and actual return of invested plan assets on an annual basis to determine if such differences necessitate a revision in the formulation of the "basic" portfolio. The Company revises the "basic" portfolio when and to the extent considered necessary to achieve the expected long-term rate of return on plan assets.

The Company's pension plan assets allocation is approximately 25% for equity instruments, approximately 45% for debt instruments, and approximately 30% for other investments, primarily in life insurance company general accounts.

For the Company's major defined benefit pension plans, equity instruments are mainly investments in listed equity securities and are widely diversified, including Japanese equity, developed international equity and equity in emerging markets. The investments in debt instruments are comprised primarily of government, municipal, and corporate bonds. The Company mainly chooses debt securities with rating above BBB, high liquidity and appropriate repayment terms, and has appropriately diversified the investments by sector and geography. Regarding investments in life insurance company general accounts, the contracts with the insurance companies include a guaranteed interest rate and return of capital. Other investments include fund-of-funds investments, equity long/short hedge fund investments and private equity investments. Fund-of-funds investments and equity long/short hedge fund investments are primarily invested in listed equity securities with trading frequency and a stable return, while private equity investments are diversified products with low correlation.

Changes in the fair value of plan assets are as follows:

	Yen (millions)	
	2022	2021
Beginning balance	1,426,981	1,364,268
Interest income	11,201	11,195
Remeasurements of plan assets:		
Return on plan assets	21,427	138,933
Employer contributions	8,633	9,056
Benefits paid	(126,304)	(108,527)
Foreign currency exchange differences	12,079	12,056
Settlements	(3,982)	-
Effect of business combinations and disposals	6,194	-
Ending balance	1,356,229	1,426,981

The Company plans to contribute 8,746 million yen to the plans in the year ending March 31, 2023.

The fair value of plan assets by asset category is as follows:

	Yen (millions)		
	March 31, 2022		
	With quoted market price in an active market	With no quoted market price in an active market	Total
Cash and cash equivalents	53,707	-	53,707
Equity instruments:			
Japanese companies	59,459	-	59,459
Foreign companies	19,530	-	19,530
Commingled funds*1	-	297,184	297,184
Debt instruments:			
Government and municipal bonds	60,591	-	60,591
Commingled funds*2	-	515,763	515,763
Life insurance company general accounts	-	219,849	219,849
Other*3	-	130,146	130,146
Total	193,287	1,162,942	1,356,229

	Yen (millions)		
	March 31, 2021		
	With quoted market price in an active market	With no quoted market price in an active market	Total
Cash and cash equivalents..............................	62,217	-	62,217
Equity instruments:			
Japanese companies......................................	57,372	-	57,372
Foreign companies..	19,003	-	19,003
Commingled funds*1....................................	-	318,368	318,368
Debt instruments:			
Government and municipal bonds.................	74,669	-	74,669
Corporate bonds..	-	8,399	8,399
Commingled funds*2....................................	-	519,306	519,306
Life insurance company general accounts.......	-	256,122	256,122
Other*3..	-	111,525	111,525
Total...	213,261	1,213,720	1,426,981

*1 These funds invest mainly in listed equity securities, of which approximately 40% are Japanese equities and 60% are foreign equities.

*2 These funds primarily invest in Japanese government bonds and foreign government bonds.

*3 Other investments primarily include fund-of-funds investments and equity long/short hedge fund investments.

(iii) Effect of asset ceiling

There is no effect of asset ceiling in the year ended March 31, 2022 and 2021.

When a defined benefit plan is in surplus, the amount of retirement benefit assets (other non-current assets) recorded on the consolidated statements of financial position is limited to a ceiling defined by the present value of any future economic benefits available in the form of reductions in future contributions to the defined benefit plan.

(iv) Assets and liabilities recognized in the consolidated statements of financial position

The amounts of assets and liabilities recorded in the consolidated statements of financial position with regard to defined benefit plans are as follows:

	Yen (millions)	
	March 31	
	2022	2021
Present value of defined benefit obligations..................	1,395,578	1,509,477
Fair value of plan assets..	1,356,229	1,426,981
Effect of asset ceiling..	-	-
Total..	39,349	82,496
Amount recognized :		
Retirement benefit liabilities..	68,855	104,856
Retirement benefit assets..	29,506	22,360
Net amount..	39,349	82,496

(2) Defined contribution plans

The amounts of expenses recorded with regard to defined contribution plans were 30,389 million yen and 30,426 million yen for the years ended March 31, 2022 and 2021, respectively.

(3) Employee benefit expenses

In the consolidated statements of profit or loss, the total of employee benefit expenses included in "Cost of sales" and "Selling, general and administrative expenses" were 1,567,858 million yen and 1,502,415 million yen for the years ended March 31, 2022 and 2021, respectively. In addition, the amounts of employee benefit expenses included in "Other income (expenses), net" were a loss of 39,607 million yen and a loss of 3,720 million yen for the years ended March 31, 2022 and 2021, respectively.

18. Provisions

A breakdown of movements in provisions is as follows:

	Yen (millions)			
	Provision for product warranties	Provision for restructuring	Other provisions	Total
Balance as of March 31, 2021......	48,775	8,036	95,556	152,367
Additions....................................	20,835	52,942	24,092	97,869
Utilized.......................................	(22,155)	(54,072)	(25,728)	(101,955)
Others...	(1,317)	-	(1,128)	(2,445)
Balance as of March 31, 2022.......	46,138	6,906	92,792	145,836

The provisions are presented in the statements of financial position as follows:

	Yen (millions)	
	March 31	
	2022	2021
Current liabilities...........................	137,032	149,095
Non-current liabilities...................	8,804	3,272
Total...	145,836	152,367

A warranty for quality and performance of products and services is provided for a certain limited period, and provision for product warranties is recorded at the time of sale for the estimated amount of after-sale service expenses within warranty periods based on past experiences.

Provision for restructuring is recorded for the estimated amount of expenses for restructuring activities that have been implemented for the purpose of improvement in operating efficiency and promotion of cost efficiency in and outside Japan. The timing of payment is affected by a future business plan, etc., but these provisions are usually short-term by nature with most payments completed within one year of the incurrence.

Other provisions are principally provision for expenses related to environmental remediation and provision for litigation-related expenses.

To ensure appropriate disposal by March 31, 2027 of electric equipment containing polychlorinated biphenyls (PCB) (hereinafter, "PCB equipment") that may have been buried under the Company's manufacturing facilities and sites of its former manufacturing facilities in accordance with the Act on Special Measures concerning Promotion of Proper Treatment of PCB Wastes, provision for expenses related to environmental remediation is recognized for estimated total expenses for necessary actions, such as investigating whether or not PCB equipment has been buried under the Company’s manufacturing facilities and sites (including excavation, storage and disposal costs of already discovered PCB equipment, and soil replacement).

Provision for litigation-related expenses, etc., relates to litigation or governmental investigations involving the Company and certain subsidiaries. Depending upon the outcome of these different proceedings, the Company and certain subsidiaries may be subject to an uncertain amount of settlements or fines, and accordingly the Company has accrued certain probable and reasonably estimated amounts for such settlements or fines.

19. Other financial liabilities

Other financial liabilities, except for derivative liabilities, are measured at amortized cost.
Derivatives are measured at fair value and the changes in fair value are recognized as profit or loss.

Components of other financial liabilities are as follows:

	Yen (millions)	
	March 31	
	2022	2021
Derivative liabilities	45,977	23,919
Long-term other payables	9,844	14,725
Deposits received	112,734	131,235
Others	22,391	20,282
Total	190,946	190,161
Current liabilities	160,534	157,367
Non-current liabilities	30,412	32,794

As described in Note "3 (23) Changes in presentation," "Other payables," which were included within "Other financial liabilities" (Current liabilities) as of March 31, 2021, are now reclassified and presented as part of a separate caption, "Other payables and accrued expenses" as of March 31, 2022. The consolidated statement of financial position as of March 31, 2021 has been reclassified to conform to this change in presentation, and the above breakdown of other financial liabilities as of March 31, 2021 has also been reclassified accordingly.

20. Other liabilities

Components of other liabilities are as follows:

	Yen (millions)	
	March 31	
	2022	2021
Accrued payroll, etc	225,352	210,636
Refund liabilities	113,629	123,576
Others	56,129	46,653
Total	395,110	380,865
Current liabilities	390,859	370,339
Non-current liabilities	4,251	10,526

As described in Note "3 (23) Changes in presentation," "Accrued expenses," which were included within "Other current liabilities" as of March 31, 2021, are now reclassified and presented as part of a separate caption, "Other payables and accrued expenses" as of March 31, 2022. The consolidated statement of financial position as of March 31, 2021 has been reclassified to conform to this change in presentation, and the above breakdown of other liabilities as of March 31, 2021 has also been reclassified accordingly.

21. Equity

(1) Capital management

The Company's basic policy is to manage methods, terms and conditions and others for fund management and financing of business activities, and to promote reduction in cost of funds and stability and improvement of the financial structure through increase in the efficiency of investments.

In addition, the Company considers that it is important to generate and improve free cash flows through the enhancement of its profitability, continuous inventory reduction, concentration of capital expenditure, review of portfolio assets and other means to achieve medium to long term business development.

Key indicators used by the Company in capital management are as follows:

	2022	2021
Net cash (millions of yen, *1)........................	(649,002)	194,481
Shareholder's equity ratio..............................	39.4%	37.9%
Return on equity..	8.9%	7.2%
Free cash flow (millions of yen, *2).............	(543,519)	680,634
Capital investment (millions of yen, *3)..........	237,134	231,029
Depreciation (millions of yen, *4)..................	180,877	179,394

(*1) This was calculated by deducting interest-bearing debt (the total of "Short-term debt, including current portion of long-term debt", "Long-term debt" and "Lease liabilities" (Current liabilities and Non-current liabilities)) from the total of "Cash and cash equivalents" and time deposits and others included in "Other financial assets."

(*2) This is the total of cash flows from operating activities and cash flows from investing activities.

(*3) This is the amount of increases in "Property, plant and equipment" on an accrual basis.

(*4) This is the amount of depreciation of "Property, plant and equipment."

There is no significant capital restriction applicable to the Company.

(2) Common stock

All shares issued by Panasonic are common stock without par value. Issued shares are fully paid.

Total number of shares authorized to be issued and the number of issued shares of Panasonic is as follows:

	Shares	
	2022	2021
Total number of shares authorized to be issued.......	4,950,000,000	4,950,000,000
Number of shares issued:		
Balance at the beginning of the year.......................	2,453,563,397	2,453,326,997
Changes during the period (*1).............................	302,900	236,400
Balance at the end of the year.................................	2,453,866,297	2,453,563,397

(*1) The reason of increase during the year ended March 31, 2022 and 2021 is the issuing of restricted stock.

The numbers of shares of treasury stock included in the above number of shares issued were 119,969,776 shares and 120,239,132 shares as of March 31, 2022 and 2021, respectively.

(3) Capital surplus and retained earnings

The Companies Act of Japan provides that an amount equal to 10% of cash dividends be appropriated as a capital reserve or legal reserve until the aggregated amount of capital reserve and legal reserve equals 25% of stated capital. The capital reserve and legal reserve are not available for dividends but may be transferred to capital surplus, retained earnings or stated capital upon approval at the shareholders' meeting.

In accordance with the Companies Act of Japan, there are certain restrictions on distributable amount in connection with repurchased treasury stock. As a result, retained earnings of 209,492 million yen and 209,979 million yen are restricted as of March 31, 2022 and 2021, respectively, from distributions of cash dividends.

(4) Other components of equity

A breakdown of other components of equity and details of movements is as follows:

	Yen (millions)				
	Items that will not be reclassified to profit or loss		Items that may be reclassified to profit or loss		
	Remeasurements of defined benefit plans	Financial assets measured at FVTOCI	Exchange differences on translation of foreign operations	Net changes in fair value of cash flow hedges	Total
Balance as of March 31, 2020	-	57,794	(293,633)	7,882	(227,957)
Arising during the period:					
Pre-tax amount	124,698	390,063	124,209	5,392	644,362
Income tax (expense) benefit	(40,876)	(93,822)	-	(1,124)	(135,822)
Net-of-tax amount	83,822	296,241	124,209	4,268	508,540
Reclassification to profit or loss:					
Pre-tax amount	-	-	(186)	(8,144)	(8,330)
Income tax (expense) benefit	-	-	-	2,495	2,495
Net-of-tax amount	-	-	(186)	(5,649)	(5,835)
OCI (loss), net of tax	83,822	296,241	124,023	(1,381)	502,705
OCI (loss) attributable to non-controlling interests, net-of-tax	1,005	1,150	10,250	25	12,430
Transfer to hedged non-financial assets	-	-	-	182	182
Transfer to retained earnings	(82,817)	(318,053)	-	-	(400,870)
Balance as of March 31, 2021	-	34,832	(179,860)	6,658	(138,370)
Arising during the period:					
Pre-tax amount	44,532	4,287	360,828	14,985	424,632
Income tax (expense) benefit	(12,590)	(21)	-	(4,686)	(17,297)
Net-of-tax amount	31,942	4,266	360,828	10,299	407,335
Reclassification to profit or loss:					
Pre-tax amount	-	-	5,161	(26,381)	(21,220)
Income tax (expense) benefit	-	-	-	8,039	8,039
Net-of-tax amount	-	-	5,161	(18,342)	(13,181)
OCI (loss), net of tax	31,942	4,266	365,989	(8,043)	394,154
OCI (loss) attributable to non-controlling interests, net-of-tax	67	4,049	14,889	(44)	18,961
Transfer to hedged non-financial assets	-	-	-	1,669	1,669
Transfer to retained earnings	(31,875)	(4,390)	-	-	(36,265)
Balance as of March 31, 2022	-	30,659	171,240	328	202,227

(5) Dividends

1) Dividends for the year ended March 31, 2022 are summarized as follows:

(i) Amount of cash dividends paid

Resolution date	Class	Cash dividends (millions of yen)	Dividends resource	Cash dividends per share (yen)	Record date	Effective date
Board of Directors meeting held on May 10, 2021	Common stock	23,333	Retained earnings	10.0	March 31, 2021	June 4, 2021
Board of Directors meeting held on October 28, 2021	Common stock	35,006	Retained earnings	15.0	September 30, 2021	November 30, 2021

(ii) Cash dividends resolved in respect of the year ended March 31, 2022 but effective in the following fiscal year

Resolution date	Class	Cash dividends (millions of yen)	Dividends resource	Cash dividends per share (yen)	Record date	Effective date
Board of Directors meeting held on May 11, 2022	Common stock	35,008	Retained earnings	15.0	March 31, 2022	June 2, 2022

2) Dividends for the year ended March 31, 2021 are summarized as follows:

(i) Amount of cash dividends paid

Resolution date	Class	Cash dividends (millions of yen)	Dividends resource	Cash dividends per share (yen)	Record date	Effective date
Board of Directors meeting held on May 18, 2020	Common stock	34,994	Retained earnings	15.0	March 31, 2020	June 11, 2020
Board of Directors meeting held on October 29, 2020	Common stock	23,333	Retained earnings	10.0	September 30, 2020	November 30, 2020

(ii) Cash dividends resolved in respect of the year ended March 31, 2021 but effective in the following fiscal year

Resolution date	Class	Cash dividends (millions of yen)	Dividends resource	Cash dividends per share (yen)	Record date	Effective date
Board of Directors meeting held on May 10, 2021	Common stock	23,333	Retained earnings	10.0	March 31, 2021	June 4, 2021

22. Share-based payment plan

(1) Restricted stock remuneration plan

Panasonic has introduced a restricted stock remuneration plan (hereinafter the "Plan") for the Directors (excluding Outside Directors) and Executive Officers and certain other officers of the Company. The Plan aims to promote further value sharing with Panasonic's shareholders, in addition to providing them an incentive for sustainable improvement of Panasonic's corporate value.

Under the Plan, each of the eligible Directors or Executive Officers and Panasonic shall enter into a restricted stock allocation agreement, and on the condition of being a Director or Executive Officer during the period determined by the Board of Directors, the Director or Executive Officer makes contribution in kind with all the monetary compensation receivables awarded by the Company, and in turn receives Panasonic common shares newly issued or disposed of from treasury. There are transfer, pledge and other restrictions on the shares allocated for a period between 3 and 30 years from the date of allocation as determined by the Board of Directors. Under certain circumstances, the Company will acquire all or part of the restricted shares without payment of consideration.

The information about restricted shares that were granted during the years ended March 31, 2022 and 2021 are set out below. The fair value per share of the restricted shares at the date of grant was measured by reference to the closing price of Panasonic common stock in the first section of the Tokyo Stock Exchange on June 23, 2021 and on June 24, 2020, one business day prior to the resolution of the Board of Directors.

	Year ended March 31	
	2022	2021
Grant date..	July 14, 2021	July 13, 2020
Number of shares of restricted stock granted (common stock)...	302,900 share	236,400 share
Fair value at grant date (per share)..................	1,239.5 yen	961.4 yen

(2) Share-based payment stock option plans

Panasonic introduced a plan for share-based payment stock options (stock acquisition rights) for its Directors (excluding Outside Directors), Executive Officers and certain other company executives of Panasonic in fiscal year 2015 and has been operating this plan until fiscal year 2019, as an incentive for the participants to further contribute to the improvement of long-term operating results and higher corporate value through sharing the benefits and risks of share price fluctuations with shareholders.

Stock acquisition rights granted under this plan are fully vested on grant date. As an exercise condition, during the period when the stock acquisition rights may be exercised, the holder may exercise the stock acquisition rights on or after the day immediately following the day on which such holder loses the status of the Director, Executive Officer or any status equivalent thereto, of Panasonic (the "Status Losing Date"). As for the stock acquisition rights issued after August 2016, the holder may exercise the rights on or after the day immediately following Status Losing Date or the day immediately following the day when three (3) years have passed since the day immediately following the day the stock acquisition rights were allotted, whichever is the earlier. The exercise price of the stock acquisition rights is 1 yen per share.

Upon exercise of each stock acquisition right, in principle, 100 shares of common stock of the Company are granted; provided, however, that in the case that Panasonic conducts a share split (including an allotment without consideration of shares of common stock of the Company) or share consolidation of the Company's common stock, the number of shares granted will be adjusted in accordance with a specific formula.

The exercise period is specified in the allotment contract. When stock acquisition rights are not exercised during the period, the stock acquisition rights will be forfeited.

Under this plan of share-based payment stock options, for those who were eligible to receive the stock acquisition rights between fiscal year 2015 and fiscal year 2019 and worked overseas during that period, the stock acquisition rights that were reserved to be granted during their overseas work will be granted to them when they return from overseas work. By following this approach, the Company's stock acquisition rights were granted in July 2020.

The Company's stock acquisition rights that existed in the years ended March 31, 2022 and 2021 are as follows:

	Grant date	Number of stock acquisition rights	Fair value of one stock acquisition right on grant date (yen)	Exercisable period
Panasonic Corporation stock acquisition rights issued in August 2014	August 22, 2014	2,088	105,400	From August 23, 2014 to August 22, 2044
Panasonic Corporation stock acquisition rights issued in August 2015	August 20, 2015	1,729	112,400	From August 21, 2015 to August 20, 2045
Panasonic Corporation stock acquisition rights issued in August 2016	August 23, 2016	5,800	71,300	From August 24, 2016 to August 23, 2046
Panasonic Corporation stock acquisition rights issued in August 2017	August 23, 2017	3,561	112,800	From August 24, 2017 to August 23, 2047
Panasonic Corporation stock acquisition rights issued in July 2018	July 18, 2018	3,473	106,400	From July 19, 2018 to July 18, 2048
Panasonic Corporation stock acquisition rights issued in July 2020	July 13, 2020	58	63,300	From July 14, 2020 to July 13, 2050

Change in the number of stock acquisition rights and their weighted average exercise prices is follows:

	Year ended March 31			
	2022		2021	
	Number of stock acquisition rights	Weighted-average exercise price (yen per share)	Number of stock acquisition rights	Weighted-average exercise price (yen per share)
Outstanding at the beginning of the year............................	10,736	1	12,363	1
Granted................................	-	-	58	1
Forfeited..............................	-	-	-	-
Exercised............................	(3,037)	1	(1,685)	1
Expired................................	-	-	-	-
Outstanding at the end of the year.....................................	7,699	1	10,736	1
Exercisable at the end of the year.....................................	6,731	1	7,076	1

The weighted average share prices at the exercise date of stock options exercised during the years ended March

31, 2022 and 2021 are 1,239 yen and 923 yen per share, respectively. The exercise price of exercisable stock acquisition rights in the years ended March 31, 2022 and 2021 is 1 yen each. In the years ended March 31, 2022 and 2021, the weighted average remaining contractual terms for outstanding stock acquisition rights at the year-end are 9.5 years and 14.2 years, respectively, and for exercisable stock acquisition rights at the year-end are 7.5 years and 8.0 years, respectively.

The measurement method for fair value of stock options granted in the year ended March 31, 2021 was Black-Scholes model. Fair value at grant date and key inputs (per share information) are as follows:

	Year ended March 31			
	2022		2021	
			Panasonic Corporation stock acquisition rights issued in July 2020	
Fair value at grant date.........................	-	yen	633	yen
Stock price at grant date (*1)..............	-	yen	995.7	yen
Exercise price......................................	-	yen	1	yen
Expected remaining term....................	-	years	15	years
Expected volatility..............................	-	%	35.01	% (*2)
Risk-free interest rate (*3)..................	-	%	0.25	%
Expected dividend yield.....................	-	%	3.01	% (*4)

(*1) The closing price of common stock of Panasonic Corporation on the Tokyo Stock Exchange at grant date was used.
(*2) The figure was calculated based on the closing price of ordinary transactions of shares of common stock of Panasonic Corporation on each transaction date for 15 years (from July 13, 2005 to July 13, 2020).
(*3) The interest rate, at the grant date, of government bonds with remaining maturity corresponding to the expected remaining term (15 years) was used.
(*4) The figure was calculated as "dividends per share (actual dividends paid for the year ended March 31, 2020) / share price at the grant date."

(3) Stock-based compensation expenses

Expenses recorded for the restricted stock compensation in the year ended March 31, 2022 are 358 million yen and expenses recorded for the restricted stock compensation and the share-based payment stock options in the year ended March 31, 2021 are 229 million yen.
These stock-based compensation expenses are included in "Selling, general and administrative expenses" in the consolidated statements of profit or loss.

23. Revenue

(1) Revenue recognized from contracts with customers

In the years ended March 31, 2022 and 2021, sales on the consolidated statements of profit or loss were 7,388,791 million yen and 6,698,794 million yen, respectively. These sales mainly consist of revenue from contracts with customers. Revenue that is recognized from other sources relates mainly to sub-leases and is included in the disclosure of "(2) Disaggregation of revenue" as the amount is not significant.

(2) Disaggregation of revenue

Revenue from contracts with customers is disaggregated by product category to properly reflect its nature and the geographical area where the customers are located. Revenue by product and geographical area is further disaggregated by reportable segment.

The products of Lifestyle are categorized into "Living Appliances and Solutions," "Heating & Ventilation A/C," "Cold Chain Solutions," "Electric Works" and "Other." "Living Appliances and Solutions" includes products such as refrigerators, washing machines, vacuum cleaners, microwave ovens, rice cookers and personal-care products. "Heating & Ventilation A/C" includes products such as air-conditioners for residential, and commercial use, air to water heat pump system, ventilation, perflation and air-conditioning equipment, and air purifiers. "Cold Chain Solutions" includes products such as showcases and commercial refrigerators. "Electric Works" includes products such as lighting fixtures, lamps, wiring devices, solar photovoltaic systems and fuel cells. "Other" includes products such as compressors, bicycles and nursing care services.

The products of Automotive are categorized into "Automotive Cockpit Systems," "Automotive Electronics Systems" and "Other." "Automotive Cockpit Systems" includes products for automotive-use infotainment systems. "Automotive Electronics Systems" includes products such as head-up displays, automotive speakers, automotive switches, advanced driver assistance systems (ADAS) and automotive mirrors. "Other" includes products purchased from other companies.

The products of Connect are categorized into "Vertical solutions" and "Product solutions." "Vertical solutions" is a solution business provided directly by business divisions where development, production and sales are integrated and includes products such as aircraft in-flight entertainment systems and communications services, electronic-components-mounting machines, welding equipment and supply chain management software. "Product solutions" is a solution business provided by developing and manufacturing business divisions through sales departments and includes products such as projectors, professional AV systems, PCs and tablets.

The products of Industry are categorized into "Control Devices / FA Solutions," "Electronic Devices / Electronic Materials" and "Other." "Control Devices / FA Solutions" includes products such as automation controls, motors and FA devices, which are products of a group of businesses that focuses on systems and modules. "Electronic Devices / Electronic Materials" includes products such as electronic components and electronic materials, which are products of a group of businesses that differentiates in materials and processes. "Other" includes products such as LCD panels.

The products of Energy are categorized into "In-vehicle" and "Industrial / Consumer." "In-vehicle" includes cylindrical lithium-ion batteries for in-vehicle use. "Industrial / Consumer" includes products such as primary batteries (dry batteries and micro batteries), and small secondary batteries (cells and their system products).

Other includes products of the Entertainment & Communication business, the Housing business, and sales of raw materials. Entertainment & Communication includes products such as TVs, digital cameras, video equipment, audio equipment, telephones, and Housing includes products such as kitchen & bath, interior furnishing materials, and exterior furnishing materials.

As described in Note "4 Segment information," the composition of the reportable segments has been changed

due to the reorganization of the group operating structure that took effect on October 1, 2021.
In connection with the changes in the segment composition, the product categories of each reportable segment in the disaggregated revenue have been revised. Accordingly, the disaggregated revenue for the year ended March 31, 2021 has been reclassified to conform to the presentation for the year ended March 31, 2022.

For the year ended March 31, 2022

Yen (millions)

By product category	Sales	By geographical area	Sales
Reportable segments			
Lifestyle			
Living Appliances and Solutions	873,912	Japan	1,432,513
Heating & Ventilation A/C	585,924	Americas	269,042
Cold Chain Solutions	264,938	Europe	158,485
Electric Works	571,913	Asia, China and others	865,383
Other	428,736		
Total	2,725,423	Total	2,725,423
Automotive			
Automotive Cockpit Systems	439,065	Japan	381,519
Automotive Electronics Systems	418,047	Americas	243,637
Other	100,412	Europe	184,392
		Asia, China and others	147,976
Total	957,524	Total	957,524
Connect			
Vertical solutions	391,563	Japan	302,289
Product solutions	496,489	Americas	242,943
		Europe	115,033
		Asia, China and others	227,787
Total	888,052	Total	888,052
Industry			
Control Devices / FA Solutions	443,491	Japan	274,773
Electronic Devices / Electronic Materials	396,868	Americas	61,291
Other	139,606	Europe	125,772
		Asia, China and others	518,129
Total	979,965	Total	979,965
Energy			
In-vehicle	448,590	Japan	78,251
Industrial / Consumer	340,233	Americas	511,253
		Europe	28,421
		Asia, China and others	170,898
Total	788,823	Total	788,823
Other (Note)	1,049,004	Other	1,049,004
Consolidated total	7,388,791	Consolidated total	7,388,791

(Note) Other includes products sales of Entertainment & Communication of 350,173 million yen and products sales of Housing of 368,507 million yen.

For the year ended March 31, 2021

Yen (millions)

By product category	Sales	By geographical area	Sales
Reportable segments			
Lifestyle			
Living Appliances and Solutions	784,713	Japan	1,459,148
Heating & Ventilation A/C	564,248	Americas	228,316
Cold Chain Solutions	214,827	Europe	130,420
Electric Works	560,950	Asia, China and others	713,042
Other	406,188		
Total	2,530,926	Total	2,530,926
Automotive			
Automotive Cockpit Systems	421,107	Japan	391,589
Automotive Electronics Systems	394,821	Americas	223,534
Other	115,151	Europe	179,227
		Asia, China and others	136,729
Total	931,079	Total	931,079
Connect			
Vertical solutions	289,120	Japan	309,082
Product solutions	498,213	Americas	194,953
		Europe	88,270
		Asia, China and others	195,028
Total	787,333	Total	787,333
Industry			
Control Devices / FA Solutions	361,159	Japan	238,824
Electronic Devices / Electronic Materials	331,654	Americas	49,330
Other	136,715	Europe	94,736
		Asia, China and others	446,638
Total	829,528	Total	829,528
Energy			
In-vehicle	303,152	Japan	73,824
Industrial / Consumer	317,661	Americas	364,558
		Europe	47,812
		Asia, China and others	134,619
Total	620,813	Total	620,813
Other (Note)	999,115	Other	999,115
Consolidated total	6,698,794	Consolidated total	6,698,794

(Note) Other includes products sales of Entertainment & Communication of 379,494 million yen and products sales of Housing of 349,934 million yen.

The reconciliation of "Disaggregated revenue" by reportable segment with "Sales to external customers" in Note "4 (2) Information by reportable segment" is set out below.
As described in Note "4 (1) Reportable segments", segment information for the year ended March 31, 2021 has been reclassified to conform to the presentation for the year ended March 31, 2022.

"Disaggregated revenue" of each reportable segment adjusted for "Adjustments for management accounting," "Cross-selling" and "Sales of third-party products, etc." reconciles to "Sales to external customers" in Note "4 (2) Information by reportable segment." "Adjustments for management accounting" mainly includes adjustments to sales prices for management accounting. "Cross-selling" mainly includes adjustment for sales of products through other segments. "Cross-selling" of Lifestyle mainly represents its sales of Entertainment & Communication products. "Sales of third-party products, etc." mainly includes adjustments for sales of products manufactured by third parties which are not included in sales for management accounting purposes.

For the year ended March 31, 2022

	Yen (millions)				
	Lifestyle	Automotive	Connect	Industry	Energy
Disaggregated revenue	2,725,423	957,524	888,052	979,965	788,823
Adjustments for management accounting	243,525	4,861	11,176	7,438	14,628
Cross-selling	439,457	91,258	(74,446)	30,857	(127,773)
Sales of third party products, etc.	397	(817)	775	635	(303)
Note 4 "(2) Information by reportable segment" Sales to external customers	3,408,802	1,052,826	825,557	1,018,895	675,375

For the year ended March 31, 2021

	Yen (millions)				
	Lifestyle	Automotive	Connect	Industry	Energy
Disaggregated revenue	2,530,926	931,079	787,333	829,528	620,813
Adjustments for management accounting	276,311	5,094	12,011	3,655	18,214
Cross-selling	497,748	74,604	(98,853)	51,288	(131,650)
Sales of third party products, etc	2,042	(2,389)	(200)	2,450	(413)
Note 4 "(2) Information by reportable segment" Sales to external customers	3,307,027	1,008,388	700,291	886,921	506,964

(3) Information about performance obligations

Information about performance obligations (the nature of the goods or services, the timing of satisfaction of performance obligations, its determination and variable consideration) is set out below. The period between when the entity transfers a promised good or service to a customer and when the customer pays for that good or service will typically be one year or less, and a significant financing component is not included in the amount of the consideration promised by the customer. Therefore, the Company does not adjust the promised amount of consideration for the effect of the time value of money.
The Company has entered into a variety of transaction arrangements with customers including a combination of products, equipment, installation, maintenance, etc. If certain criteria are met, the Company identifies distinct performance obligations in such transactions and recognize as revenue the amount of the transaction price

allocated to each performance obligation according to the satisfaction of its performance obligations.

1) Sales of products

The Company is mainly engaged in the sale of products such as household products ("Living Appliances and Solutions" and "Heating & Ventilation A/C" in the Lifestyle segment, "Industrial / Consumer" in the Energy segment, etc.), industrial products and manufacturing devices ("Heating & Ventilation A/C" and "Cold Chain Solutions," "Electric Works" in the Lifestyle segment, "Automotive Cockpit Systems" and "Automotive Electronics Systems" in the Automotive segment, "Vertical solutions" and "Product solutions" in the Connect segment, "Control Devices / FA Solutions" and "Electronic Devices / Electronic Materials" in the Industry segment, "In-vehicle" and "Industrial / Consumer" in the Energy segment, etc.), and consumables.

For such sales transactions, the Company recognizes revenue at the time of delivery, in principle, because the customer obtains control of the products and the Company satisfies its performance obligation when the products are delivered. In addition, for a long term product supply contract with a specific customer, the Company recognizes revenue in accordance with progress towards completion of the contract period, because the performance obligation is satisfied over time.

The Company recognizes revenue as the amount of the consideration (transaction price) to which it expects to be entitled in exchange for transferring promised goods or services to a customer.

The Company deducts from net sales certain price adjustments that are given to compensate for a decline in product prices in relation to sales to its consumer products distributors and also deducts sales rebates under incentive programs offered to those distributors (variable consideration). The Company includes in the transaction price an amount of variable consideration only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved. The Company recognizes a refund liability if the Company has already received consideration from a customer and expects to refund some or all of that consideration to the customer.

2) Construction-type contracts

The Company is engaged in design, construction, etc. for housing, electric and building equipment, environment-related equipment ("Electric Works" in the Lifestyle segment), disaster prevention/security-related equipment ("Product solutions" in the Connect segment) and system integration ("Product solutions" in the Connect segment).

For such sales transactions, in principle, revenue is recognized in accordance with progress toward complete satisfaction, because the performance obligation is satisfied over time. Only if the Company can reasonably measure the progress towards complete satisfaction, sales are recorded using the input method based on the percentage of actual costs incurred to date to estimated total costs at the end of each reporting period. When the initial estimate of sales or progress up to the completion may be changed, the Company reviews the estimate.

If the Company cannot reasonably measure the progress towards complete satisfaction, the amount equivalent to the extent of costs incurred that is considered highly recoverable is recorded as sales. Costs are recognized as cost of sales in profit or loss in the period during which they are incurred.

A portion of the amount received before the completion of construction that relates to unsatisfied performance obligation is recognized as contract liabilities.

3) Rendering of services

The Company is engaged in services such as repairs and maintenance incidental to 1) Sales of products or 2) Construction-type contracts, and investigation, analysis, supervision, maintenance, etc. of electric and building equipment, environment-related equipment and disaster prevention/security-related equipment.

For such sales transactions, in principle, the Company recognizes revenue according to the progress towards complete satisfaction, because the performance obligation is satisfied over time, in the same way as for 2) Construction-type contracts. The Company recognizes revenue in some contracts over the service period under a flat-rate.

The Company recognizes revenue over the period when providing an extended warranty service incidental to some sales transactions, because the performance obligation is satisfied over time. In addition, the Company charges a fee to customers under a flat-rate or pay-for-use system with respect to communication services, etc. in the Connect segment and recognizes revenue over the service period, because the performance obligation is satisfied over time.

(4) Transaction price allocated to the remaining performance obligations

The aggregate transaction price allocated to the remaining obligations that are unsatisfied as of March 31, 2022 is 98,724 million yen (as of March 31, 2021 is 102,180 million yen.) The amount mainly relates to construction-type contracts and the Company expects to recognize it as revenue within approximately nine years (as of March 31, 2021 is approximately seven years.) As the Company elects to use a practical expedient, the above amount does not include the transaction price allocated to the remaining obligations that are unsatisfied as of the end of the reporting period for contracts with an original expected duration of one year or less. The above aggregate transaction price does not include any significant estimated amounts of variable consideration.

(5) Contract balances

The balances of trade receivables, contract assets and contract liabilities from contracts with customers are summarized as follows:

	Yen (millions)	
	March 31, 2022	March 31, 2021
Assets from contracts with customers	1,324,618	1,194,391
Trade receivables	1,136,259	1,019,643
Contract assets	188,359	174,748
Liabilities from contracts with customers	187,096	122,696
Contract liabilities	187,096	122,696

Contract assets relate mainly to the Company's right to consideration in exchange for goods or services for which the Company has satisfied or partially satisfied the performance obligations but has not claimed yet as of the end of the reporting period. Contract assets are reclassified to trade receivables when the right to consideration becomes unconditional.
Contract liabilities are mainly advances received for future goods or consideration received for future services that the Company continues to provide. Almost all the amount of contract liabilities as of March 31, 2021 was recognized as revenue in the year ended March 31, 2022.
The amount of revenue recognized in the year ended March 31, 2021 and the year ended March 31, 2022 from satisfied or partially satisfied performance obligations in previous periods is not significant.

(6) Assets recognized from contract costs

The balances of the incremental costs of obtaining contracts and costs incurred to fulfill contracts as of March 31, 2021 and March 31, 2022 are not significant. As the Company elects to use a practical expedient, it recognizes the incremental costs of obtaining a contract as an expense when incurred if the amortization period of the asset that the Company otherwise would have recognized is one year or less.

24. Selling, general and administrative expenses

Selling, general and administrative expenses are as follows:

	Yen (millions)	
	2022	2021
Employee benefits	793,832	764,831
Advertising expenses	83,555	67,382
Transportation and storage	186,703	174,106
Depreciation and amortization	130,894	121,271
Others	529,527	540,106
Total	1,724,511	1,667,696

25. Research and development expenses

Research and development expenses are as follows:

	Yen (millions)	
	2022	2021
Research and development expenses	419,807	419,764

26. Other income (expenses)

Other income (expenses), net for the year ended March 31, 2022 includes a gain of 58,260 million yen from the re-measurement of the previously-held 20% equity interest in Blue Yonder Holding. Inc. ("Blue Yonder") to the fair value upon the acquisition to make Blue Yonder a wholly-owned subsidiary (as described in Note "35. Business combination"). Gains on sales of property, plant and equipment of 47,175 million yen, and expenses associated with the implementation of early retirement programs due to business restructuring of 37,964 million yen, and expenses associated with quality control or voluntary recall of products of 11,803 million yen are also included. In addition, losses on sales of property, plant and equipment, and expenses due to business restructuring other than the implementation of early retirement programs are included, but there were no individually material items. Impairment losses are described in Note "27. Impairment of non-financial assets."
The gain from the re-measurement of the previously-held 20% equity interest in Blue Yonder and the gains on sales of property, plant and equipment are presented in "Other - net" within cash flows from operating activities in the consolidated statements of cash flows.

Other income (expenses), net for the year ended March 31, 2021 includes a gain of 27,676 million yen recognized as a result of the execution of a series of transactions associated with the establishment of a joint venture related to the automotive prismatic battery business. Expenses associated with the implementation of early retirement programs due to business restructuring, and expenses associated with quality control or voluntary recall of products are also included, but there were no individually material items.
The gain on the establishment of a joint venture is presented in "Other - net" within cash flows from operating activities in the consolidated statements of cash flows.

27. Impairment of non-financial assets

(1) Impairment losses

The impairment losses are included in "Cost of sales", "Selling, general and administrative expenses" and "Other income (expenses), net" in the consolidated statements of profit or loss. The amount of losses included in "Cost of sales" were 2,002 million yen and 1,524 million yen for the years ended March 31, 2022 and 2021, respectively. The amount of losses included in "Selling, general and administrative expenses" were 4,647 million yen for the years ended March 31, 2021. The amounts of losses included in "Other income (expenses), net" were 6,138 million yen and 38,109 million yen for the years ended March 31, 2022 and 2021, respectively.
The amount by segment represents the amount attributable to each cash-generating unit that is allocated to a specific reportable segment for impairment testing purposes, and is not necessarily equal to the amount allocated to each segment for internal management purposes. A part of the impairment losses of goodwill is included in "Eliminations and adjustments" as noted in "4. Segment information."
Amount by segment for the year ended March 31, 2021 has been reclassified to conform to the presentation for the year ended March 31, 2022.

The amounts of impairment losses recorded for property, plant and equipment, right-of-use assets, goodwill and intangible assets by segment are as follows:

	Yen (millions)	
	2022	2021
Lifestyle	4,045	8,009
Automotive	1,555	112
Connect	423	21,095
Industry	213	185
Energy	257	1,864
Other	1,647	13,015
Consolidated total	8,140	44,280

For the year ended March 31, 2022, the amount of individual items of impairment losses was immaterial.

For the year ended March 31, 2021, the Company recorded impairment losses on goodwill in a certain cash-generating unit of the aircraft-related business, which belongs to the "Connect" segment, because it was expected that the carrying amount of these assets could not be recovered due mainly to a downturn of the business. The value in use was measured by the discounted cash flow method. The pre-tax discount rates used for the year ended March 31, 2021 are 11.5% (10.5% for the previous year).

(2) Goodwill and intangible assets with indefinite useful lives

(i) Impairment tests

The recoverable amount of each cash-generating unit with goodwill and intangible assets with indefinite useful lives for impairment testing is calculated at the higher of fair value less costs of disposal or value in use.

As of March 31, 2022, goodwill with carrying amount of 678,599 million yen which is related to "Blue Yonder Holding, Inc." included in the "Connect" segment, is individually significant goodwill allocated to a cash generating unit in comparison with the Company's total carrying amount.
For the year ended March 31, 2022, the recoverable amount of a cash-generating unit, to which goodwill with individually significant carrying amount is allocated, is the higher of the value in use based on the discounted cash flow method or the amount of fair value less costs of disposal measured principally by the discounted cash flow method and comparable listed company analysis. The fair value measurements are categorized as Level 3 within the fair value hierarchy. Discounted cash flow method is calculated by discounting the estimated amount of future cash flows based on the business plan to the present value. The period of future outlook is eight years, and the future outlook reflects past experience and is established after verifying the consistency with external information. The business plan includes assumptions, such as market forecasts and prospects for expansion of

services. The growth rate is 3.5% determined in view of long-term average growth rate of markets or countries to which the cash-generating unit belongs. The discount rate is 9.2% (on pre-tax basis) calculated based on weighted average cost of capital of the cash-generating unit.
Since the recoverable amount, which was based on the fair value less costs of disposal for the year ended March 31, 2022, sufficiently exceeds the carrying amount, the carrying amount would be unlikely to exceed the recoverable amount, even if key assumptions such as the growth rate and discount rate used in the above impairment test change within a reasonably predictable range.

As of March 31, 2021, goodwill with carrying amount of 86,540 million yen and trademarks with carrying amount of 26,239 million yen which are related to "Hussmann Corporation" included in the "Lifestyle" segment, are individually significant goodwill or intangible assets with indefinite useful lives allocated to a cash generating unit in comparison with the Company's total carrying amount.
For the year ended March 31, 2021, the recoverable amount of a cash-generating unit, to which goodwill and trademark with individually significant carrying amount are allocated, is the higher of the value in use 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. The fair value measurements are categorized as Level 3 within the fair value hierarchy. Discounted cash flow method is calculated by discounting the estimated amount of future cash flows based on the most recent business plan approved by the Board of Directors to the present value. The period of future outlook is five years, and the future outlook reflects past experience and is established after verifying the consistency with external information. The business plan includes assumptions, such as market forecasts, prospects for market share increases through sales promotion measures and expected cost reductions. The growth rate is 2.3% determined in view of long-term average growth rate of markets or countries to which each cash-generating unit belongs. The discount rate is 10.7% (on pre-tax basis) calculated based on weighted average cost of capital of the cash-generating unit.
Since the recoverable amount, which was based on the fair value less costs of disposal for the year ended March 31, 2021, sufficiently exceeds the carrying amount, the carrying amount would be unlikely to exceed the recoverable amount, even if key assumptions such as the growth rate and discount rate used in the above impairment test change within a reasonably predictable range.

(ii) Goodwill

As of March 31, 2022 and 2021, the aggregate carrying amounts of individually insignificant goodwill that are allocated to cash-generating units are 316,111 million yen and 218,313 million yen, respectively.
Impairment loss is not recognized for the year ended March 31, 2022 and impairment losses for the year ended March 31, 2021 are 19,367 million yen.

(iii) Intangible assets with indefinite useful lives

As of March 31, 2022 and 2021, the aggregate carrying amounts of individually insignificant intangible assets with indefinite useful lives allocated to cash-generating units are 40,755 million yen and 12,541 million yen, respectively.
Impairment losses for the years ended March 31, 2022 and 2021 are not material.

28. Finance income and expenses

(1) Finance income

Finance income is as follows:

	Yen (millions)	
	2022	2021
Dividend income:		
Financial assets measured at FVTOCI	1,894	1,829
Interest income:		
Financial assets measured at amortized cost	12,674	12,038
Foreign exchange gains	1,630	-
Net changes in fair value of financial assets:		
Financial assets measured at FVTPL	4,204	5,845
Other	1,726	1,134
Total	22,128	20,846

(2) Finance expenses

Finance expenses are as follows:

	Yen (millions)	
	2022	2021
Interest expenses:		
Financial liabilities measured at amortized cost	14,583	11,286
Lease liabilities	3,418	3,294
Net interest cost on employee benefits	383	1,205
Others	875	1,463
Foreign exchange losses	-	1,378
Total	19,259	18,626

(3) Transfers of financial assets

The Company transfers financial assets such as trade receivables to unconsolidated structured entities. These entities have been set up by third-party financial institutions and managed by the financial institutions as part of their business. Because the entities also purchase a large amount of assets from customers other than the Company, the proportion of financial assets transferred by the Company to the total assets of the entities is small. The Company has therefore determined that the Company's exposures to the risks carried by the entities is low.

The Company has provided no support to these structured entities outside contracts and made no implicit agreement to support them. The main elements of the Company's interests in these structured entities is provision of limited credit enhancements, servicing and receipt of servicing fees.

In the years ended March 31, 2022 and 2021, a loss on transfer of trade receivables, etc. which were derecognized in their entirety was 875 million yen and 1,463 million yen, respectively. This loss is included in "Finance expenses" in the consolidated statements of profit or loss.

The Company has retained obligations to provide servicing for financial assets which were derecognized in their entirety. However, since the difference between expenses and fees received for provision of servicing are not material, the Company did not record any servicing assets and liabilities as of March 31, 2022 and 2021.

The maximum exposure to losses resulting from continuing involvement in the derecognized financial assets as of March 31, 2022 and 2021 was 3,306 million yen and 8,991 million yen, respectively, which is the total amount of the outstanding balance of obligations to repurchase the transferred assets under restricted, specified conditions.

29. Per share information

Panasonic Corporation stockholders' equity per share is as follows:

	Yen	
	March 31	
	2022	2021
Panasonic Corporation stockholders' equity per share	1,356.08	1,111.73

The reconciliation of the basic and diluted earnings per share attributable to Panasonic Corporation stockholders is as follows:

	Yen (millions)	
	2022	2021
Net profit attributable to Panasonic Corporation stockholders	255,334	165,077
Adjustment to net profit	(11)	(5)
Net profit used to calculate basic earnings per share	255,323	165,072
Adjustment to net profit	11	5
Net profit used to calculate diluted earnings per share	255,334	165,077

	Number of shares	
	2022	2021
Average common shares outstanding	2,333,538,585	2,333,127,719
Dilutive effect:		
Stock acquisition rights	942,063	1,133,070
Restricted stock	98,477	77,492
Diluted common shares outstanding	2,334,579,125	2,334,338,281

	Yen	
	2022	2021
Earnings per share attributable to Panasonic Corporation stockholders:		
Basic	109.41	70.75
Diluted	109.37	70.72

30. Financial instruments

(1) Financial risk management policy

The Company is exposed to various financial risks (credit risks, liquidity risks and market risks) in the process of its business activities, and it manages risks based on specific policies in order to avoid or reduce these risks.

The Company limits its use of derivatives to transactions for the purpose of mitigating risks from transactions based on actual demand. Therefore, it does not own or issue derivatives for speculative purposes.

(2) Credit risk management

The Company is principally exposed to credit risk of customers on trade receivables, contract assets and lease receivables as well as credit risk of financial institutions as counterparties to derivatives held to hedge currency risks and commodity price fluctuation risks.

With regards to trade receivables, contract assets and lease receivables, the Company assesses management conditions of each business partner and determines their credit quality to consider whether or not the transaction is appropriate in accordance with the internal rules for credit management. After the commencement of the transaction, in accordance with the internal rules for management of receivables, the Company manages due dates and balances for each business partner, continuously manages records of progress of transactions, timeliness of collection and changes and trends of receivable balances, and proactively gathers information on management condition and business trends etc. of business partners in an effort to early detect and mitigate any concerns about collection due to deterioration in financial condition, etc.

With regards to derivative transactions, since the Company only deals with financial and other institutions with high credit ratings and the credit quality of counterparties is high, the Company believes that its credit risk exposure is minimal.
The maximum exposure to credit risk that does not take into account collateral held and other credit enhancements at the end of the fiscal year is the carrying amount of financial assets in the consolidated statements of financial position except for the derecognized financial assets noted in "28. Finance income and expenses" and guarantees of obligations. Regarding the derecognized financial assets, etc., the maximum amount of undiscounted payments the Company would have to make in the event of default on the transferred receivables, etc. was 3,306 million yen as of March 31, 2022.

1) Changes in allowance for credit losses
The Company determines the amount of allowance for credit losses for trade receivables, contract assets and lease receivables, and receivables, etc. other than trade receivables, contract assets and lease receivables.

For trade receivables, contract assets and lease receivables, allowance for credit losses is always recorded at an amount equal to the lifetime expected credit losses. For receivables, etc. other than trade receivables, contract assets and lease receivables, etc., allowance for credit losses is recorded at an amount equal to the 12-month expected credit losses in principle. However, if terms and conditions for repayment stipulated by contract cannot be fulfilled, it is considered that credit risk has increased significantly since initial recognition, and allowance for credit losses is recorded at an amount equal to the lifetime expected credit losses, except in the case of the failure to fulfill such terms and conditions due to administrative errors of the counterparty and certain other cases.
Any financial asset is treated as a credit-impaired financial asset, if there is request for changing terms and conditions for repayment from the debtor, serious financial difficulties of the debtor, or commencement of legal liquidation procedures due to bankruptcy and others on the debtor, etc. For any amount that clearly cannot be recovered in the future, the carrying amount of the financial asset is directly reduced, and the corresponding amount of allowance for credit losses is also reduced.

The amount of allowance for credit losses is determined as follows:

・Trade receivables, contract assets and lease receivables
The amount of the allowance is determined by classifying the receivables, etc. according to the number of days overdue, etc. and multiplying the amount of the receivables by a loss rate calculated by considering the historical rate of credit losses calculated according to the classification and the impact of future forecast economic conditions.

・Receivables other than trade receivables, contract assets and lease receivables, etc.
For assets for which credit risk is not considered to be significantly increased, the amount of allowance is calculated by multiplying the carrying amount by a loss rate that is determined by considering the historical rate of credit losses of homogeneous assets and the impact of future forecast economic conditions etc. However, if credit risk of the asset is considered to be significantly increased or the asset meets the criteria for credit-impaired financial assets, the amount of the asset expected to be recovered is individually estimated, and the amount of the allowance is determined as the difference between the present value discounted using the original effective interest rate of the asset and the carrying amount.

Changes in allowance for credit losses are as follows:

	Yen (millions)	
	2022	2021
Beginning balance	17,518	12,610
Increases during the period	11,688	9,424
Decreases during the period (Utilization)	(2,753)	(1,404)
Decreases during the period (Reversal)	(5,376)	(3,262)
Others	2,307	150
Ending balance	23,384	17,518

With regards to financial assets that were recognized for the first time in the years ended March 31, 2022 and 2021, there were no material financial assets for which allowance for credit losses was recorded at the time of initial recognition.

Furthermore, in the years ended March 31, 2022 and 2021, there were no significant increases or decreases in the gross carrying amount that could affect a change in allowance for credit losses.

2) Gross carrying amount of financial assets for which allowance for credit losses is recorded

The gross carrying amount of financial assets for which allowance for credit losses is recorded is as follows:

(i) Trade receivables, contract assets and lease receivables

	Yen (millions)	
	2022	2021
Not past due	1,257,510	1,147,252
Due within 3 months	50,760	37,058
Due after 3 months through a year	16,886	14,009
Due after 1 year	22,042	12,786
Total	1,347,198	1,211,105

The contract balances of financial assets that were directly written off during the reporting period but still subject to recovery activities as of March 31, 2022 and March 31, 2021 were not material.

(ii) Receivables other than trade receivables, contract assets and lease receivables, etc.

For receivables other than trade receivables, contract assets and lease receivables, etc., information has been omitted since there are no assets for which credit risk was considered to have significantly increased and credit risks related to the carrying amount as of March 31, 2022 and March 31, 2021 were not material.

(3) Liquidity risk management

Liquidity risks represent the Company's risks of nonfulfillment of repayment obligations for financial liabilities due. The Company develops its business under the basic policy of self-generating funds necessary for business activities. In addition, generated funds are utilized efficiently through intra-group financing. On that basis, when funds are required for working capital, investments in businesses and for other purposes, the Company raises funds externally by appropriate means in consideration of its financial structure and conditions of financial markets.

The balances of major financial liabilities by contractual maturities are as follows:

	Yen (millions)				
	March 31, 2022				
	Carrying amount	Contract amount	Within 1 year	After 1 year but not more than 5 years	More than 5 years
Non-derivative liabilities:					
Trade payables	1,163,578	1,163,578	1,163,578	-	-
Short-term debt, including current portion of long-term debt	432,897	448,915	448,915	-	-
Long-term debt	1,197,706	1,244,285	-	775,980	468,305
Lease liabilities	266,681	285,948	64,771	149,310	71,867
Other payables and accrued expenses	510,445	510,445	500,601	9,844	-
Other financial liabilities	19,410	20,095	-	20,095	-
Total	3,590,717	3,673,266	2,177,865	955,229	540,172
Derivative liabilities	45,977	46,675	45,129	1,546	-
Cross currency interest rate swaps (*1)	(36,929)	(56,918)	(20,381)	(25,325)	(11,212)

(*1) Cross currency interest rate swaps (assets) are held for hedging the foreign exchange risk of foreign currency denominated bonds included in "Current portion of long-term debt" and "Long-term debt."

	Yen (millions)				
	March 31, 2021				
	Carrying amount	Contract amount	Within 1 year	After 1 year but not more than 5 years	More than 5 years
Non-derivative liabilities:					
Trade payables	1,045,617	1,045,617	1,045,617	-	-
Short-term debt, including current portion of long-term debt	309,790	310,683	310,683	-	-
Long-term debt	879,728	923,702	-	596,158	327,544
Lease liabilities	257,905	274,983	62,275	145,088	67,620
Other payables and accrued expenses	495,350	495,350	480,625	14,725	-
Other financial liabilities	18,069	19,081	-	19,081	-
Total	3,006,459	3,069,416	1,899,200	775,052	395,164
Derivative liabilities	23,919	23,919	23,919	-	-
Cross currency interest rate swaps (*1)	(18,662)	(32,219)	(6,794)	(19,055)	(6,370)

(*1) Cross currency interest rate swaps (assets) are held for hedging the foreign exchange risk of foreign currency denominated bonds included in "Long-term debt."

In addition, as the commitment line agreements which the Company entered into with several banks in June 2018 expired, in order to secure means of stable financing, the Company renewed the agreements for a total of 600,000 million yen in June 2021. The unused balances under these agreements are as follows:

	Yen (millions)	
	March 31	
	2022	2021
Total committed line of credit	600,000	700,000
Drawdowns	-	-
Unused balances	600,000	700,000

(4) Market risk management

The Company operates internationally, giving rise to exposure to market risks arising from changes in foreign exchange rates, interest rates, and commodity prices. The Company assesses these risks by continually monitoring changes in these exposures and by evaluating hedging opportunities.

1) Currency risks

Foreign exchange rate fluctuations may adversely affect the Company's business, operating results and financial condition, because costs and prices of its products and services that are traded in a foreign currency and foreign currency denominated bonds issued for financing are affected by foreign exchange rate changes. The Company makes efforts to mitigate currency risks principally by utilizing derivatives such as foreign exchange forward contracts and cross currency interest rate swaps.

(i) Exposure to currency risks

Exposure to currency risks (net) of the Company is set out below. The amount of exposure to currency risks that is hedged by derivatives is excluded.

	March 31	
	2022	2021
US Dollar (Thousands of US dollar).......................	373,664	998,368
Euro (Thousands of Euro).......................................	7,196	47,876
Chinese Yuan (Thousands of Chinese Yuan)..........	66,392	23,551

(ii) Sensitivity analysis for currency risks

For financial instruments held by the Company as of the end of each fiscal year, the impact of a 1% appreciation of Japanese yen against US Dollar, Euro and Chinese Yuan on profit before income taxes is set out below. The impact on profit before income taxes of a 1% depreciation of Japanese yen against US Dollar, Euro and Chinese Yuan would be the opposite effect to those stated in the table below.

This analysis is based on the assumption that all other variables are constant.

	Yen (millions)	
	March 31	
	2022	2021
US Dollar..	(457)	(1,105)
Euro..	(10)	(62)
Chinese Yuan..	(13)	(4)

2) Interest rate risks

Interest-bearing debt is principally corporate bonds and borrowings obtained at fixed rates, and the interest rate risk is not material to the Company.

3) Commodity price fluctuation risks

The Company procures raw materials, including non-ferrous metals, under long-term purchase agreements and is exposed to commodity price fluctuation risks due to market fluctuations, etc. The Company makes efforts to mitigate commodity price fluctuation risks by utilizing derivatives such as commodity futures.

4) Market price fluctuation risks

The Company is exposed to stock price fluctuation risks arising from its holdings of stocks of domestic and foreign companies. For equity instruments, the Company periodically assesses their fair value and financial condition of issuers and continually reviews its holding status.

(5) Derivatives and hedge accounting

Derivatives held by the Company are comprised principally of foreign exchange forward contracts, cross currency interest rate swaps and commodity futures. The Company uses foreign exchange forward contracts and other instruments to hedge the impact of foreign exchange rate fluctuations on costs and prices of products and services, etc. that are traded in a foreign currency. Also, the Company uses cross currency interest rate swaps to hedge the impact of exchange rate fluctuations on foreign currency denominated bonds, etc. In addition, the Company utilizes commodity futures and other instruments to hedge commodity price fluctuation risks due to market fluctuations, etc. associated with procurement of raw materials, including non-ferrous metals, under long-term purchase agreements. All these hedges meet the criteria for cash flow hedges.

The Company confirms the existence of an economic relationship between the hedged item and the hedging instrument at the inception of the hedging relationship and on an ongoing basis, through qualitative assessment of whether significant terms and conditions of the hedged item match or conform closely to those of the hedging instrument, or quantitative assessment of whether changes in values of the hedged item and the hedging instrument are offset with each other because of the same risk, in order to ensure that the hedged item and the hedging instrument have an economic relationship in which changes in cash flows of the hedged item are offset by changes in cash flows of the hedging instrument.

In addition, the Company sets an appropriate hedge ratio based on the quantity of hedged items and the quantity of hedging instruments at the hedge's inception, and in principle, this ratio is set to ensure a one-to-one relationship. Also, foreign currency basis spread on the cross currency interest rate swaps are excluded from designation as hedging instruments but the impact on profit or loss is immaterial.

Because the Company aims to perform highly effective hedges, it expects that usually no significant ineffective portion should arise.

1) In the year ended March 31, 2022

(i) Effects of hedge accounting on the consolidated statements of financial position

Significant derivatives designated as hedging instruments as of March 31, 2022 are as follows:

Derivatives associated with currency risks:

Hedging instruments	Contract amounts	Average rate	Carrying amount (*1) Yen (millions)	
			Assets	Liabilities
Foreign exchange forward contracts:				
US Dollar sell / Japanese Yen buy......	1,008,268 Thousands US Dollar	115.51Yen / Dollar	-	6,580
Euro sell / Japanese Yen buy.............	173,258 Thousands Euro	131.18Yen / Euro	-	962
US Dollar buy / Japanese Yen sell.....	407,371 Thousands US Dollar	117.61Yen / Dollar	1,894	-
Cross currency interest rate swaps:				
US Dollar (*2)...................................	2,500,000 Thousands US Dollar	108.13Yen / Dollar	36,929	-
Chinese Yuan.....................................	6,132,000 Thousands Chinese Yuan	18.23Yen / Chinese Yuan	5,080	1,158

(*1) In the consolidated statements of financial position, fair value of assets related to hedging instruments is included in "Other financial assets," while the fair value of liabilities related to hedging instruments is included in "Other financial liabilities."
The maximum term over which the Company hedges changes in cash flows due to risks of fluctuation in foreign exchange rates is approximately six months for foreign exchange contracts and approximately 8 years for cross currency interest rate swaps.

(*2) Cross currency interest rate swaps - US Dollar are held for hedging the foreign exchange risk of foreign currency denominated bonds. With the cross currency interest rate swaps, USD-denominated fixed interest rate are exchanged with JPY-denominated fixed interest rate and each exchanged substantial interest rate is described in Note "15. Short-term debt and long-term debt, (1) Details."

The balance (after tax) of "Net changes in cash flow hedges" related to ongoing hedges as of March 31, 2022 is set out below. In the year ended March 31, 2022, there was no hedge relationship to which hedge accounting is no longer applied.

Risk	Yen (millions) March 31, 2022
Foreign currency risk...........................	(2,808)
Commodity price risk..........................	3,136
Total..	328

Since the amount of the ineffective portion of hedges recognized in profit or loss in the year ended March 31, 2022 is not material, information on changes in fair value of hedged items used as the basis for recognition of the ineffective portion of hedges has been omitted.

(ii) Effects of hedge accounting on the consolidated statements of profit or loss and the consolidated statements of comprehensive income

Effects of the application of hedge accounting on profit or loss and other comprehensive income (loss) in the year ended March 31, 2022 are as follows:

	Yen (millions)			
Risk	Amounts of gain (loss) recognized in OCI (pre-tax amount)	Amounts of gain (loss) reclassified from other components of equity into profit or loss (pre-tax amount)	Recognized in consolidated statements of profit or loss	Amounts of gain (loss) reclassified to acquisition cost of hedged item (pre-tax amount)
Foreign currency risk.....	11,245	(26,381)	Finance income (expenses)	1,896
Commodity price risk....	3,740	-	Cost of sales	(326)

In the year ended March 31, 2022, the amount of the ineffective portion of hedges recognized in profit or loss was not material.

Reclassification adjustments related to foreign currency risk from other components of equity to profit or loss in the year ended March 31, 2022 are attributed to effects of hedged items on profit or loss.

Foreign currency basis spread on the cross currency interest rate swaps held as cash flow hedges are excluded from designation as hedging instruments and are recognized as hedging costs. The amount of hedging costs recognized as reclassification adjustments to other comprehensive income and profit or loss is immaterial.

2) In the year ended March 31, 2021

(i) Effects of hedge accounting on the consolidated statements of financial position

Significant derivatives designated as hedging instruments as of March 31, 2021 are as follows:

Derivatives associated with currency risks:

			Carrying amount (*1) Yen (millions)	
Hedging instruments	Contract amounts	Average rate	Assets	Liabilities
Foreign exchange forward contracts:				
US Dollar sell / Japanese Yen buy.....	1,029,998 Thousands US Dollar	106.24 Yen / Dollar	-	4,512
Euro sell / Japanese Yen buy.............	163,213 Thousands Euro	128.55 Yen / Euro	-	209
US Dollar buy / Japanese Yen sell.....	543,358 Thousands US Dollar	108.23 Yen / Dollar	1,331	-
Cross currency interest rate swaps (*2)...	2,500,000 Thousands US Dollar	108.13 Yen / Dollar	18,662	-

(*1) In the consolidated statements of financial position, fair value of assets related to hedging instruments is included in "Other financial assets," while the fair value of liabilities related to hedging instruments is included in "Other financial liabilities."

The maximum term over which the Company hedges changes in cash flows due to risks of fluctuation in foreign exchange rates is approximately six months for foreign exchange contracts and approximately 9 years for cross currency interest rate swaps.

(*2) Cross currency interest rate swaps are held for hedging the foreign exchange risk of foreign currency denominated bonds.
With the cross currency interest rate swaps, USD-denominated fixed interest rate are exchanged with JPY-denominated fixed interest rate and each exchanged substantial interest rate is described in Note "15. Short-term debt and long-term debt, (1) Details."

The balance (after tax) of "Net changes in cash flow hedges" related to ongoing hedges as of March 31, 2021 is set out below. In the year ended March 31, 2021, there was no hedge relationship to which hedge accounting is no longer applied.

	Yen (millions)
Risk	March 31, 2021
Foreign currency risk............................	5,946
Commodity price risk...........................	712
Total..	6,658

Since the amount of the ineffective portion of hedges recognized in profit or loss in the year ended March 31, 2021 is not material, information on changes in fair value of hedged items used as the basis for recognition of the ineffective portion of hedges has been omitted.

(ii) Effects of hedge accounting on the consolidated statements of profit or loss and the consolidated statements of comprehensive income

Effects of the application of hedge accounting on profit or loss and other comprehensive income (loss) in the year ended March 31, 2021 are as follows:

	Yen (millions)			
Risk	Amounts of gain (loss) recognized in OCI (pre-tax amount)	Amounts of gain (loss) reclassified from other components of equity into profit or loss (pre-tax amount)	Recognized in consolidated statements of profit or loss	Amounts of gain (loss) reclassified to acquisition cost of hedged item (pre-tax amount)
Foreign currency risk.....	3,949	(8,144)	Finance income (expenses)	-
Commodity price risk....	1,443	-	Cost of sales	261

In the year ended March 31, 2021, the amount of the ineffective portion of hedges recognized in profit or loss was not material.

Reclassification adjustments related to foreign currency risk from other components of equity to profit or loss in the year ended March 31, 2021 are attributed to effects of hedged items on profit or loss.

Foreign currency basis spread on the cross currency interest rate swaps held as cash flow hedges are excluded from designation as hedging instruments and are recognized as hedging costs. The amount of hedging costs recognized as reclassification adjustments to other comprehensive income and profit or loss is immaterial.

(6) Offsetting of financial assets and financial liabilities

For derivative assets and liabilities, the Company conducts transactions under master netting agreements or similar agreements. In the event that settlement failure occurs between the contracting parties, receivables from and payables to the counterparty are to be settled on a net basis.

Of financial assets and financial liabilities recognized with the same counterparty as of March 31, 2022, there were no financial instruments offset in accordance with requirements for offsetting of financial assets and financial liabilities. The amount of financial instruments that are subject to enforceable master netting agreements or similar agreements but have not been offset because they do not satisfy part or all of requirements for offsetting of financial assets and financial liabilities was 15,180 million yen.

Of financial assets and financial liabilities recognized with the same counterparty as of March 31, 2021, there were no financial instruments offset in accordance with requirements for offsetting of financial assets and financial liabilities. The amount of financial instruments that are subject to enforceable master netting agreements or similar agreements but have not been offset because they do not satisfy part or all of requirements for offsetting of financial assets and financial liabilities was 4,914 million yen.

(7) Fair values of financial instruments

1) Comparison between fair values and carrying amounts are as follows:

	Yen (millions)			
	March 31			
	2022		2021	
	Book value	Fair value	Book value	Fair value
Long-term debt, including current portion of long-term debt......................................	1,309,870	1,306,985	1,164,796	1,181,260

Fair values shown above are estimated, based on the market price or the present value of future cash flows, which is calculated using the observable discount rate at March 31, 2022 and 2021. All fair values are categorized as level 2 (refer to "2) Fair value measurement hierarchy").

With regards to financial assets and financial liabilities measured at amortized cost other than the above, their fair values approximate their carrying amounts.

2) Fair value measurement hierarchy

IFRS 13, "Fair Value Measurement" provides that fair values shall be categorized into the following three levels according to the extent to which the input information used in the measurement is observable from the outside:

・Level 1: Fair value measured by quoted prices in active markets
・Level 2: Fair value measured directly or indirectly using inputs other than quoted prices included within Level 1 that are observable
・Level 3: Fair value measured through valuation techniques which include inputs that are not based on observable market data

The fair value measurement hierarchy level used in the measurement is determined by the lowest-level of significant input in the measurement of fair value.

The breakdown of financial instruments measured at fair value is as follows:

	Yen (millions)			
	March 31, 2022			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets measured at FVTPL				
Derivative assets				
Foreign exchange forward contracts........	-	20,055	-	20,055
Cross currency interest rate swaps...........	-	42,009	-	42,009
Commodity futures..................................	26,495	8,232	-	34,727
Subtotal..	26,495	70,296	-	96,791
Financial assets measured at FVTOCI				
Shares...	55,282	-	100,473	155,755
Others..	-	281	-	281
Subtotal..	55,282	281	100,473	156,036
Total financial assets............................	81,777	70,577	100,473	252,827
Financial liabilities:				
Financial liabilities measured at FVTPL				
Derivative liabilities				
Foreign exchange forward contracts........	-	9,115	-	9,115
Cross currency swaps..............................	-	22	-	22
Cross currency interest rate swaps...........	-	1,158	-	1,158
Commodity futures..................................	13,720	21,962	-	35,682
Total financial liabilities.......................	13,720	32,257	-	45,977

	Yen (millions)			
	March 31, 2021			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets measured at FVTPL				
Shares	-	-	42,117	42,117
Derivative assets				
Foreign exchange forward contracts	-	7,639	-	7,639
Cross currency interest rate swaps	-	18,662	-	18,662
Commodity futures	11,690	1,584	-	13,274
Subtotal	11,690	27,885	42,117	81,692
Financial assets measured at FVTOCI				
Shares	34,440	-	109,079	143,519
Others	-	281	-	281
Subtotal	34,440	281	109,079	143,800
Total financial assets	46,130	28,166	151,196	225,492
Financial liabilities:				
Financial liabilities measured at FVTPL				
Derivative liabilities				
Foreign exchange forward contracts	-	5,195	-	5,195
Cross currency swaps	-	1	-	1
Commodity futures	4,657	14,066	-	18,723
Total financial liabilities	4,657	19,262	-	23,919

The Company's marketable shares and commodity futures are included in Level 1, which are valued using an unadjusted quoted market price in active markets with sufficient volume and frequency of transactions.

Level 2 derivatives including foreign exchange forward contracts, cross currency swaps, cross currency interest rate swaps and commodity futures are valued using quotes obtained from brokers, which are periodically validated by pricing models using observable market inputs, such as foreign currency exchange rates and market prices for commodity futures.

Shares classified as Level 3 are unlisted stocks, and their fair values are measured by an appropriate valuation method that comprehensively takes into account the outlook for future profitability of the investee and quantitative information such as net asset value and major assets held by the investee, in accordance with the policy and procedures set by the Company for using the most appropriate and highly relevant, available data. The reasonableness of this assessment is verified by the department in charge of accounting using various methods and approved by the manager of the department. Specific methods of verification include use of external assessment organizations.

For financial instruments classified as Level 3, significant changes in fair value occurring when unobservable inputs are changed to reasonably possible alternative assumptions are not expected.

Transfers between levels are recognized on the day when the event or change in circumstances that caused the transfer occurred. In the year ended March 31, 2022, due to the listing of a certain previously unlisted stock on a stock exchange, the stock classified as financial asset measured at FVTOCI was transferred from Level 3 to Level 1 in the fair value measurement hierarchy. In the year ended March 31, 2021, there are no financial instruments for which a significant transfer was made between levels.

The breakdown of movements in financial instruments measured at fair value on a recurring basis that were classified as Level 3 in the fair value measurement hierarchy is as follows:

	Yen (millions)			
	2022		2021	
	Financial assets measured at FVTPL	Financial assets measured at FVTOCI	Financial assets measured at FVTPL	Financial assets measured at FVTOCI
Balance at beginning of year..............	42,117	109,079	-	64,603
Purchase..	-	14,415	36,272	4,322
Sales..	-	(11,402)	-	(2,041)
Transfer (*1)......................................	(46,321)	(39,071)	-	-
Gains (losses) (*2)............................	4,204	27,452	5,845	42,195
Balance at end of year....................	-	100,473	42,117	109,079

(*1) Transfer for the year ended March 31, 2022 was mainly caused by a decrease in financial assets measured at FVTPL as a result of the investee becoming a consolidated subsidiary, as well as a decrease in financial assets measured at FVTOCI as a result of the transfer to Level 1 upon listing of an unlisted stock on a stock exchange.

(*2) Gains (losses) related to financial assets measured at FVTPL were included in "Finance income" in the consolidated statements of profit or loss. Gains (losses) on financial assets measured at FVTPL held at the end of the fiscal year was 5,845 million yen for the year ended March 31, 2021. There were no financial assets measured at FVTPL as of March 31, 2022.

Gains (losses) related to financial assets measured at FVTOCI were included in "Financial assets measured at fair value through other comprehensive income" or "Exchange differences on translation of foreign operations" in the consolidated statements of comprehensive income.

31. Major subsidiaries

(1) Composition of the Group

Major subsidiaries of the Company as of March 31, 2022 are as follows:

Name	Principal businesses (*1)	Location	Ratio of voting rights (%)
Panasonic Ecology Systems Co., Ltd.	Lifestyle	Japan	100.0
KMEW Co., Ltd. (*2)	Other	Japan	50.0
SANYO Electric Co., Ltd.	Lifestyle, Energy	Japan	100.0
Panasonic System Solutions Japan Co., Ltd.	Connect	Japan	100.0
Panasonic Smart Factory Solutions Co., Ltd.	Connect	Japan	100.0
Panasonic Consumer Marketing Co., Ltd.	Lifestyle	Japan	100.0
Panasonic Corporation of North America	Lifestyle, Automotive, Connect, Industry, Energy, Corporate	U.S.A.	100.0
Blue Yonder Holding, Inc.	Connect	U.S.A.	100.0
Panasonic Avionics Corporation	Connect	U.S.A.	100.0
Hussmann Corporation	Lifestyle	U.S.A.	100.0
Panasonic do Brasil Limitada	Lifestyle, Automotive, Energy	Brazil	100.0
Panasonic Holding (Netherlands) B.V.	Corporate	Netherlands	100.0
Ficosa International S.A.	Automotive	Spain	69.0
Panasonic AVC Networks Czech s.r.o.	Lifestyle, Other	Czech Republic	100.0
Panasonic Asia Pacific Pte. Ltd.	Lifestyle, Connect, Industry, Energy, Other, Corporate	Singapore	100.0
Panasonic India Pvt. Ltd	Lifestyle, Automotive, Connect, Industry, Other	India	100.0
Panasonic Taiwan Co., Ltd.	Lifestyle, Automotive, Industry, Other	Taiwan	69.8
Panasonic Corporation of China	Lifestyle, Connect, Corporate	China	100.0
Panasonic Appliances Air-Conditioning (Guangzhou) Co., Ltd.	Lifestyle	China	67.8
Panasonic Automotive Systems Dalian Co., Ltd.	Automotive	China	60.0

(*1) The column "Principal businesses" indicates the segments in which the subsidiaries are classified. Subsidiaries that do not belong to any segment are described as "Other." Subsidiaries with headquarters functions (finance, etc.) are described as "Corporate."

(*2) Although the ratio of voting rights is 50.0%, KMEW Co., Ltd. is treated as a consolidated subsidiary because the Company controls it through involvement in its manufacturing and sale activities.

As a change in major subsidiaries during the year ended March 31, 2022, the Company acquired the additional 80% of shares of Blue Yonder Holding, Inc. ("Blue Yonder") in September 2021. In combination with the 20% of Blue Yonder shares already acquired in July 2020, the Company acquired all the shares of Blue Yonder and Blue Yonder, together with its subsidiaries, became a wholly-owned subsidiary.
There is no other significant change in major subsidiaries and these ratio of voting rights.

(2) Subsidiaries with material non-controlling interests

There were no individually material non-controlling interests as of March 31, 2022 and 2021.

(3) Changes in ownership interests in subsidiaries that did not result in a loss of control

There were no individually material changes in the Company's ownership interests in its subsidiaries that did not result in a loss of control in the years ended March 31, 2022 and 2021.

(4) Gain or loss due to changes in ownership interests in subsidiaries resulting in loss of control

There were no individually material gain or loss due to changes in the Company's ownership interests in its subsidiaries resulting in loss of control of subsidiaries in the year ended March 31, 2022.

Material gain or loss due to changes in the Company's ownership interests in its subsidiaries resulting in loss of control of subsidiaries in the year ended March 31, 2021 are as follows:

Automotive prismatic battery business

On April 1, 2020, the Company transferred the automotive prismatic battery business of SANYO Electric Co., Ltd., a subsidiary of the Company, through a company split to Prime Planet Energy & Solutions, Inc. ("PPES"), for which the shares are held by Panasonic Equity Management Japan G.K. ("PEMJ"), a subsidiary. At the same time, all equity shares of Panasonic Automotive Energy Dalian Co., Ltd. held by Panasonic Corporation of China, a subsidiary, were transferred to PPES. In addition, on the same date, certain shares of PPES held by PEMJ were transferred to Toyota Motor Corporation, which resulted in PPES becoming a joint venture. The Company’s ownership ratio in PPES after these transfers is 49%. Consequently, PPES became an entity accounted for using the equity method by the Company and is no longer a subsidiary.
A gain of 27,676 million yen recognized as a result of the execution of a series of the transactions was recognized in "Other income (expenses), net" in the consolidated statement of profit or loss for the year ended March 31, 2021. Of this amount, the gain from remeasurement of the retained interests in the former subsidiary at fair value was 13,561 million yen. The gain is not allocated to any reportable segment but presented as part of "Eliminations and adjustments" in Note "4. Segment information."

(5) Cash flows by proceeds from loss of control of subsidiaries or other businesses

The cash flows by proceeds from loss of control of subsidiaries or other businesses and the amount of the assets and liabilities in the subsidiaries or other businesses at the time when control was lost during the years ended March 31, 2022 and 2021 are as follows:

	Yen (millions)	
	2022	2021
Total consideration received	10,123	261,138
Portion of consideration consisting of cash and cash equivalents	10,123	144,038
Cash and cash equivalents in the subsidiaries or other businesses over which control is lost	2,741	13,628
Cash flows by proceeds from loss of control of subsidiaries or other businesses	7,382	130,410
Amount of assets and liabilities in the subsidiaries or other businesses at the time when control is lost (summarized by each major category)		
Current assets (except for cash and cash equivalents)	15,168	95,018
Non-current assets	7,448	213,185
Current liabilities	11,495	71,393
Non-current liabilities	659	14,701

32. Related party transactions

(1) Transactions with associates and joint ventures

Transactions and balances of receivables and payables of the Company with associates and joint ventures are as set out below.

Transactions with associates and joint ventures are conducted on general terms and conditions similar to arm's length transactions.

1) Balances of the Company's receivables from and payables to associates and joint ventures

	Yen (millions)	
	March 31	
	2022	2021
Associates:		
Receivables	8,747	24,353
Payables	66,941	69,182
Joint ventures:		
Receivables	22,225	12,429
Payables	17,992	16,495

2) Amounts of the Company's sales to and purchases from associates and joint ventures

	Yen (millions)	
	2022	2021
Associates:		
Sales	71,969	77,028
Purchases	224,371	235,281
Joint ventures:		
Sales	48,396	44,512
Purchases	104,958	102,679

(2) Remuneration for key management personnel

Remuneration for key management personnel (Directors and Outside Directors) of the Company is as follows:

	Yen (millions)	
	2022	2021
Basic remuneration	681	587
Performance based remuneration	404	307
Share based payments	153	100
Total	1,238	994

33. Non-cash transactions

Significant non-cash transactions are as follows:

	Yen (millions)	
	2022	2021
Additions to right-of-use assets..................................	73,194	87,177

34. Commitments for acquisition of assets and purchase of services, etc.

Commitments as of March 31, 2022 principally include purchase contracts for property, plant and equipment, and services, etc. with total outstanding amounts of 61,786 million yen.
Commitments as of March 31, 2021 principally include purchase contracts for property, plant and equipment, etc. with total outstanding amounts of 20,228 million yen.

35. Business combination

Acquisition to make Blue Yonder Holding, Inc., a U.S.-based software provider, a wholly owned subsidiary
On September 16, 2021, the Company and its subsidiary in the U.S. acquired the additional 80% shares of Blue Yonder Holding, Inc. ("Blue Yonder"), a U.S.-based entity previously accounted for using the equity method, in which the Company had owned 20% of shares, and obtained control of Blue Yonder and its subsidiaries. This acquisition of shares was carried out by merging a special purpose subsidiary established by the Company for the transaction with Blue Yonder.

Through this transaction the Company aims to create new value, by combining Blue Yonder's software platform, which offers state of the art artificial intelligence (AI) and machine learning (ML) capabilities, with Panasonic's manufacturing expertise, which has been cultivated over many years, as well as its edge devices, IoT applications, and sensing technologies. The acquisition will accelerate Panasonic's and Blue Yonder's shared vision for an "Autonomous Supply Chain™" and will provide solutions to customers' management issues. In addition, Panasonic aims to contribute to global environmental conservation and to a sustainable society through reduction in energy-use and effective utilization of recourses.

The fair value of 20% shares previously-held by the Company and the fair value of the consideration paid in cash for additional 80% shares as of the acquisition date are set forth below. A gain recognized from the re-measurement of the previously-held equity interest to its fair value was 58,260 million yen and acquisition-related costs were 3,159 million yen, both of which are included in "Other income (expenses), net" and allocated to the "Connect" segment. The effect of foreign exchange forward contracts entered into to hedge foreign exchange risks associated with the acquisition consideration was not material.

	Yen (millions)
Fair value of existing 20% shares held by the Company	142,933
Fair value of the consideration paid in cash for additional 80% shares	622,831
Total	765,764

The amounts of assets acquired and liabilities assumed as of the acquisition date are as follows.

	Yen (millions)
Cash and cash equivalents	37,845
Trade receivables and contract assets	24,365
Goodwill	607,030
Intangible assets	359,959
Other acquired assets	18,623
Total assets acquired	1,047,822
Trade payables	2,628
Short-term debt	192,620
Contract liabilities	16,740
Deferred tax liabilities	40,322
Other assumed liabilities	29,748
Total liabilities assumed	282,058
Total net assets acquired	765,764

Goodwill is mainly attributable to expected future earnings potential. The total amount of goodwill is allocated to the "Connect" segment, and is not deductible for tax purpose. Intangible assets include customer relationships and proprietary technologies.
Short-term debt was fully repaid after the acquisition date in the three months ended September 30, 2021.

Net sales and profit or loss of Blue Yonder since the acquisition date that were included in the consolidated statements of profit or loss for the year ended March 31, 2022 were not material.

Pro forma information has been omitted as the amounts not reflected in the consolidated statements of profit or loss for the year ended March 31, 2022 were not material.

36. Contingent liabilities

Litigation, etc.

The Company is subject to a number of legal proceedings including civil litigation related to trade, tax, products or intellectual properties, or governmental investigations. The Company has been dealing with various litigations and investigations. Depending upon the outcome of these different proceedings, the Company may be subject to an uncertain amount of settlements or fines, and accordingly the Company has made provisions for certain probable and reasonably estimated amounts for the settlements and fines.

Panasonic Corporation and one of its subsidiaries, SANYO Electric Co., Ltd., had been subject to litigation in North America related to an anti-trust matter concerning their rechargeable battery business. Panasonic Corporation and SANYO Electric Co., Ltd. previously received full judicial approval for a settlement with the plaintiffs in the lawsuit, and as of September 2021, all appeals from the settlement have been completed. Although the procedures for the plaintiff's settlements with certain other co-defendants had been continuing, the final appeal was withdrawn in May 2022 and the court's approval procedure was substantially completed.

Other than this matter, there are a number of legal actions against the Company. Management is of the opinion that damages, if any, resulting from these actions would not have a material effect on the Company's consolidated financial statements.

The ability to predict the outcome of these actions and proceedings is difficult to assess given that certain of the investigations and legal proceedings are still at an early stage, present novel legal theories, involving a large number of parties or are taking place in jurisdictions outside of Japan where the laws are complex or unclear. Accordingly, the Company is unable to estimate the losses or range of losses for the actions and proceedings in which there is only a reasonable possibility that a loss exceeding the amounts already recognized may have been incurred.

Independent auditor's report

To the Board of Directors of Panasonic Holdings Corporation:

Opinion

We have audited the accompanying consolidated financial statements of Panasonic Holdings Corporation (formerly Panasonic Corporation) ("the Company") and its consolidated subsidiaries (collectively referred to as "the Group"), which comprise the consolidated statement of financial position as at March 31, 2022, and the consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards prescribed in Article 93 of "the Regulation on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements" (hereinafter referred to as "IFRS").

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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<table>
<tr><th colspan="2">Reasonableness of the fair value measurements of the previously-held equity interest and the intangible assets acquired at the time when the Company obtained control over Blue Yonder Holding, Inc.</th></tr>
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<tr><td>As described in Note 35, “Business combination” to the consolidated financial statements, on September 16, 2021, the Company and its subsidiary in the U.S. acquired the additional 80% of the shares of Blue Yonder Holding, Inc. (hereinafter referred to as "Blue Yonder"), a U.S.-based entity accounted for using the equity method, in which the Company had owned 20% of the shares, and obtained control of Blue Yonder and its subsidiaries.

The Company remeasured its previously-held equity interest in Blue Yonder (hereinafter referred to as the “previously-held equity interest”) at fair value when the Company obtained control over Blue Yonder, and calculated the total acquisition cost of ¥765,764 million as the sum of the fair value of the previously-held equity interest and the considerations paid in cash for the additional shares which was agreed upon by referencing the enterprise value of Blue Yonder. In addition, as a result of recognizing and measuring the identifiable assets acquired and the liabilities assumed, the Company recognized intangible assets, including customer relationships and proprietary technologies, of ¥359,959 million and goodwill of ¥607,030 million in the consolidated financial statements at the acquisition date.

To measure the fair value of the previously-held equity interest and the intangible assets, Blue Yonder’s estimated future cash flows were used. The future cash flows used to measure the fair value of the previously-held equity interest were estimated based on Blue Yonder’s business plan, which included certain key assumptions related to an increase in sales resulting from the expansion of SaaS-based supply chain software services and an improvement in the gross profit margin on sales from SaaS-based supply chain software service. In addition, the business plan that formed the basis for estimating future cash flows used to measure the fair value of the intangible assets included additional key assumptions related to the synergistic effects such as the expansion of services in the Japanese market and the expansion of services to be newly developed by the Company and Blue Yonder. Management’s judgments on these assumptions had a significant effect on the fair vale measurements of the previously-held equity interest and the intangible assets.

Moreover, selecting appropriate valuation techniques used to measure the fair value of the previously-held equity interest and the intangible assets, as well as selecting appropriate models and input data for</td><td>The primary procedures we performed to assess whether the fair value measurements of the previously-held equity interest and the intangible assets acquired at the time when the Company obtained control over Blue Yonder was reasonable included the following:

(1) Internal control testing

We tested the design and operating effectiveness of certain of the Company’s internal controls relevant to the fair value measurements of the previously-held equity interest and the intangible assets acquired at the time when the Company obtained control over Blue Yonder. In this assessment, we focused our testing on controls related to the estimates of key assumptions adopted in Blue Yonder’s business plan which included the synergistic effects.

(2) Assessment of the appropriateness of key assumptions adopted in Blue Yonder’s business plan which included the synergistic effects

In order to assess whether key assumptions adopted in preparing Blue Yonder’s business plan which included the synergistic effects were appropriate, we inquired of personnel in the department that oversees Blue Yonder about the basis on which each assumption was developed. In addition, we:

● assessed the appropriateness of the sales growth rate by comparing it with applicable market research reports published by several research organizations that we obtained independently;

● assessed the appropriateness of the assumptions related to the expansion of SaaS-based supply chain software services, including the expansion of services in the Japanese market and services to be newly developed, by calculating the amount of potential projects necessary to achieve the sales target in the business plan based on the past actual results and comparing it with a list of potential projects maintained by Blue Yonder; and

● assessed the appropriateness of the assumptions related to the improvement in the gross profit margin on sales from SaaS-based supply chain software services by comparing the gross profit margin with those of comparable listed companies and the cost reduction rate</td></tr>
</table>

estimating the discount rate and the growth rate, required a high degree of valuation expertise. We, therefore, determined that our assessment of the reasonableness of the fair value measurements of the previously-held equity interest and the intangible assets acquired at the time when the Company obtained control over Blue Yonder was of most significance in our audit of the consolidated financial statements for the current fiscal year, and accordingly, a key audit matter.	calculated based on recently obtained actual contracts. **(3) Assessment of the appropriateness of the valuation techniques, the discount rate and the growth rate** With the assistance of valuation specialists within our network firms, we assessed the appropriateness of the valuation techniques used to measure fair value and the respective calculation models used to estimate the discount rate and the growth rate, and then assessed the appropriateness of the discount rate and the growth rate adopted by management, by comparing each with a reasonable range independently calculated by the valuation specialists using information including market and financial data obtained from external information providers.

Other Information

The other information comprises the information included in the Annual Securities Report, but does not include the consolidated financial statements and our auditor's report thereon. Management is responsible for the preparation and presentation of the other information. 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 reporting process for the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 IFRS, 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 IFRS and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. 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 risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 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 IFRS, 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.

From the matters communicated with Audit & Supervisory Board Members and Audit & Supervisory Board, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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.

Takashi Kondo

Designated Engagement Partner

Certified Public Accountant

Masaki Hirota

Designated Engagement Partner

Certified Public Accountant

Masato Nakagawa

Designated Engagement Partner

Certified Public Accountant

KPMG AZSA LLC

Osaka Office, Japan

June 24, 2022

Other information

(1) Quarterly financial Information for fiscal 2022

(Millions of yen, unless otherwise stated)

(Cumulative)	First quarter	Second quarter	Third quarter	Year total
Net sales	1,792,421	3,533,554	5,423,356	7,388,791
Profit before income taxes	108,534	205,762	279,376	360,395
Net profit attributable to Panasonic Corporation stockholders	76,537	153,043	195,634	255,334
Earnings per share attributable to Panasonic Corporation stockholders, basic (yen)	32.80	65.59	83.83	109.41

(Three months)	First quarter	Second quarter	Third quarter	Fourth quarter
Earnings per share attributable to Panasonic Corporation stockholders, basic (yen)	32.80	32.78	18.25	25.58

(2) Litigation, etc.

Significant litigation, etc. associated with the Company are as stated in "36. Contingent liabilities" in the notes to consolidated financial statements.

VI Stock-related Administration for the Company

Fiscal Year	From April 1 to March 31
Ordinary General Meeting of Shareholders	June
Record date	March 31
Record date for distribution of surplus	September 30 March 31
Number of shares constituting one unit	100 shares
Purchase and sales of shares less than one unit	
Handling office	Sumitomo Mitsui Trust Bank, Limited 5-33, Kitahama, 4-chome, Chuo-ku, Osaka-shi
Transfer agent	Sumitomo Mitsui Trust Bank, Limited 4-1, Marunouchi, 1-chome, Chiyoda-ku, Tokyo
Forward office	—
Purchasing and selling fee	Amount separately specified as an amount equivalent to the fees pertaining to the entrustment of sale and purchase of shares
Method of public notice	The Company's method of public notice is through electronic public notice. However, if the Company cannot use the above-mentioned method of public notice due to an accident or other inevitable reasons, Nihon Keizai Shimbun will be adopted as its medium. URL for public notice is following https://holdings.panasonic/jp/ (in accordance with the Companies Act of Japan)
Special benefit for Shareholders	Not applicable

VII Reference Information on the Company

1. Information on a Parent Company, etc. of the Company

Not applicable.

2. Other Reference Information

The Company filed the following documents during the period from the commencing date of the fiscal year ended March 31, 2022 to the filing date of Annual Securities Report.

(1) Annual Securities Report and documents attached, and Confirmation Letter	Business Term (114th)	From April 1, 2020 To March 31, 2021	Filed with the Director of the Kanto Local Finance Bureau on June 25, 2021
(2) Internal Control Report and documents attached			Filed with the Director of the Kanto Local Finance Bureau on June 25, 2021
(3) Quarterly Report and Confirmation Letter	(115th First Quarter)	From April 1, 2021 To June 30, 2021	Filed with the Director of the Kanto Local Finance Bureau on August 6, 2021
	(115th Second Quarter)	From July 1, 2021 To September 30, 2021	Filed with the Director of the Kanto Local Finance Bureau on November 12, 2021
	(115th Third Quarter)	From October 1, 2021 To December 31, 2021	Filed with the Director of the Kanto Local Finance Bureau on February 10, 2022
(4) Extraordinary Report	Pursuant to Article 24-5, paragraph 4 of the Financial Instruments and Exchange Act, and Article 19, Paragraph 2, Item 2-2 of the Cabinet Office Ordinance Concerning Disclosure of Corporate Affairs, etc.		Filed with the Director of the Kanto Local Finance Bureau on June 24, 2021
	Pursuant to Article 24-5, paragraph 4 of the Financial Instruments and Exchange Act, and Article 19, Paragraph 2, Item 9-2 of the Cabinet Office Ordinance Concerning Disclosure of Corporate Affairs, etc.		Filed with the Director of the Kanto Local Finance Bureau on June 25, 2021
	Pursuant to Article 24-5, paragraph 4 of the Financial Instruments and Exchange Act, and Article 19, Paragraph 2, Item 2-2 of the Cabinet Office Ordinance Concerning Disclosure of Corporate Affairs, etc.		Filed with the Director of the Kanto Local Finance Bureau on June 23, 2022
	Pursuant to Article 24-5, paragraph 4 of the Financial Instruments and Exchange Act, and Article 19, Paragraph 2, Item 9-2 of the Cabinet Office Ordinance Concerning Disclosure of Corporate Affairs, etc.		Filed with the Director of the Kanto Local Finance Bureau on June 24, 2022

Part II Information on Guarantors, etc. for the Company

Not applicable.

TRANSLATION
Following is an English translation of the Independent Auditor's Report filed under the Financial Instruments and Exchange Act of Japan. This report is presented merely as supplemental information.

There are differences between an audit of internal control over financial reporting under the Financial Instruments and Exchange Act and an audit of internal control over financial reporting conducted under the attestation standards established by the American Institute of Certified Public Accountants.
In an audit of internal control over financial reporting under the Financial Instruments and Exchange Act, the auditors express an opinion on management's report on internal control over financial reporting, and do not express an opinion on the Company's internal control over financial reporting taken as a whole.

Independent Auditor's Report on the Financial Statements and Internal Control Over Financial Reporting

June 24, 2022

To the Board of Directors of Panasonic Holdings Corporation:

KPMG AZSA LLC
Osaka Office

Takashi Kondo
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Masaki Hirota
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Masato Nakagawa
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Panasonic Holdings Corporation (formerly Panasonic Corporation) ("the Company") and its consolidated subsidiaries (collectively referred to as "the Group") provided in the "V Consolidated Financial Statements" section in the company's Annual Securities Report, which comprise the consolidated statement of financial position as at March 31, 2022, and the consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, in accordance with Article 193-2, paragraph (1) of the Financial Instruments and Exchange Act of Japan.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards prescribed in Article 93 of "the Regulation on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements" (hereinafter referred to as "IFRS").

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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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<tr><td>As described in Note 35, "Business combination" to the consolidated financial statements, on September 16, 2021, the Company and its subsidiary in the U.S. acquired the additional 80% of the shares of Blue Yonder Holding, Inc. (hereinafter referred to as "Blue Yonder"), a U.S.-based entity accounted for using the equity method, in which the Company had owned 20% of the shares, and obtained control of Blue Yonder and its subsidiaries.

The Company remeasured its previously-held equity interest in Blue Yonder (hereinafter referred to as the "previously-held equity interest") at fair value when the Company obtained control over Blue Yonder, and calculated the total acquisition cost of ¥765,764 million as the sum of the fair value of the previously-held equity interest and the considerations paid in cash for the additional shares which was agreed upon by referencing the enterprise value of Blue Yonder. In addition, as a result of recognizing and measuring the identifiable assets acquired and the liabilities assumed, the Company recognized intangible assets, including customer relationships and proprietary technologies, of ¥359,959 million and goodwill of ¥607,030 million in the consolidated financial statements at the acquisition date.

To measure the fair value of the previously-held equity interest and the intangible assets, Blue Yonder's estimated future cash flows were used. The future cash flows used to measure the fair value of the previously-held equity interest were estimated based on Blue Yonder's business plan, which included certain key assumptions related to an increase in sales resulting from the expansion of SaaS-based supply chain software services and an improvement in the gross profit margin on sales from SaaS-based supply chain software service. In addition, the business plan that formed the basis for estimating future cash flows used to measure the fair value of the intangible assets included additional key</td><td>The primary procedures we performed to assess whether the fair value measurements of the previously-held equity interest and the intangible assets acquired at the time when the Company obtained control over Blue Yonder was reasonable included the following:

(1) Internal control testing

We tested the design and operating effectiveness of certain of the Company's internal controls relevant to the fair value measurements of the previously-held equity interest and the intangible assets acquired at the time when the Company obtained control over Blue Yonder. In this assessment, we focused our testing on controls related to the estimates of key assumptions adopted in Blue Yonder's business plan which included the synergistic effects.

(2) Assessment of the appropriateness of key assumptions adopted in Blue Yonder's business plan which included the synergistic effects

In order to assess whether key assumptions adopted in preparing Blue Yonder's business plan which included the synergistic effects were appropriate, we inquired of personnel in the department that oversees Blue Yonder about the basis on which each assumption was developed. In addition, we:

● assessed the appropriateness of the sales growth rate by comparing it with applicable market research reports published by several research organizations that we obtained independently;

● assessed the appropriateness of the assumptions related to the expansion of SaaS-based supply chain software services, including the expansion of services in the Japanese market and services to be newly developed, by calculating the amount of potential projects necessary to achieve the sales target in the business plan based on the past</td></tr>
</table>

assumptions related to the synergistic effects such as the expansion of services in the Japanese market and the expansion of services to be newly developed by the Company and Blue Yonder. Management's judgments on these assumptions had a significant effect on the fair vale measurements of the previously-held equity interest and the intangible assets. Moreover, selecting appropriate valuation techniques used to measure the fair value of the previously-held equity interest and the intangible assets, as well as selecting appropriate models and input data for estimating the discount rate and the growth rate, required a high degree of valuation expertise. We, therefore, determined that our assessment of the reasonableness of the fair value measurements of the previously-held equity interest and the intangible assets acquired at the time when the Company obtained control over Blue Yonder was of most significance in our audit of the consolidated financial statements for the current fiscal year, and accordingly, a key audit matter.	actual results and comparing it with a list of potential projects maintained by Blue Yonder; and ● assessed the appropriateness of the assumptions related to the improvement in the gross profit margin on sales from SaaS-based supply chain software services by comparing the gross profit margin with those of comparable listed companies and the cost reduction rate calculated based on recently obtained actual contracts. **(3) Assessment of the appropriateness of the valuation techniques, the discount rate and the growth rate** With the assistance of valuation specialists within our network firms, we assessed the appropriateness of the valuation techniques used to measure fair value and the respective calculation models used to estimate the discount rate and the growth rate, and then assessed the appropriateness of the discount rate and the growth rate adopted by management, by comparing each with a reasonable range independently calculated by the valuation specialists using information including market and financial data obtained from external information providers.

Other Information

The other information comprises the information included in the Annual Securities Report, but does not include the consolidated financial statements, the financial statements, and our auditor's reports thereon. Management is responsible for the preparation and presentation of the other information. 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 reporting process for the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 IFRS, 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 and disclosing, as applicable, matters related to going concern in accordance with IFRS.

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 IFRS, 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.

From the matters communicated with Audit & Supervisory Board Members and Audit & Supervisory Board, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Audit of the Internal Control Report

Opinion

We also have audited the accompanying internal control report of Panasonic Holdings Corporation (formerly Panasonic Corporation) (“the Company”) and its consolidated subsidiaries (collectively referred to as “the Group”) as at March 31, 2022, in accordance with Article 193-2, paragraph (2) of the Financial Instruments and Exchange Act of Japan.

In our opinion, the accompanying internal control report, which states that the internal control over financial reporting was effective as at March 31, 2022, presents fairly, in all material respects, the results of the assessments of internal control over financial reporting in accordance with assessment standards for internal control over financial reporting generally accepted in Japan.

Basis for Opinion

We conducted our audit of the internal control report in accordance with auditing standards for internal control over financial reporting generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Internal Control Report section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the internal control report 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.

Responsibilities of Management and Audit & Supervisory Board Members and Audit & Supervisory Board for the Internal Control Report

Management is responsible for the design and operation of internal control over financial reporting and the preparation and fair presentation of the internal control report in accordance with assessment standards for internal control over financial reporting generally accepted in Japan.

Audit & Supervisory Board Members and Audit & Supervisory Board are responsible for overseeing and examining the design and operation of internal control over financial reporting.

Internal control over financial reporting may not completely prevent or detect financial statement misstatements.

Auditor’s Responsibilities for the Audit of the Internal Control Report

Our objectives are to obtain reasonable assurance about whether the internal control report is free from material misstatement based on our audit of the internal control report and to issue an auditor’s report that includes our opinion.

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

Perform procedures to obtain audit evidence about the results of the assessments of internal control over financial reporting in the internal control report. The procedures for the audit of the internal control report are selected and performed, depending on the auditor’s judgment, based on significance of effect on the reliability of financial reporting.

Evaluate the overall presentation of the internal control report, including the appropriateness of the scope, procedures and results of the assessments that management presents.

Obtain sufficient appropriate audit evidence about the results of the assessments of internal control over financial reporting in the internal control report. We are responsible for the direction, supervision and performance of the audit of the internal control report. 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 our audit of the internal control report, the results thereof, material weaknesses in internal control identified during our audit of internal control report, and those that were remediated.

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 Audit Report:

The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Financial Instruments and Exchange Act of Japan.

[Cover]

Filed Document:	Confirmation Letter
Applicable Law:	Article 24-4-2, Paragraph 1 of the Financial Instruments and Exchange Act of Japan
Filed to:	Director, Kanto Local Finance Bureau
Filing Date:	June 24, 2022
Company Name:	Panasonic Holdings Kabushiki Kaisha (Former Company Name: Panasonic Kabushiki Kaisha)
Company Name in English:	Panasonic Holdings Corporation (Former Company Name in English: Panasonic Corporation)
Position and Name of Representative:	Yuki Kusumi, Representative Director, President
Name and Title of CFO:	Hirokazu Umeda, Representative Director, Executive Vice President
Address of Head Office:	1006, Oaza Kadoma, Kadoma-shi, Osaka
Place Where the Filed Document is Available for Public Inspection:	Panasonic Holdings Corporation (Panasonic Tokyo Shiodome Building, 5-1, Higashi-shimbashi 1-chome, Minato-ku, Tokyo) Tokyo Stock Exchange, Inc. (2-1, Nihombashi Kabuto-cho, Chuo-ku, Tokyo) Nagoya Stock Exchange, Inc. (8-20, Sakae 3-chome, Naka-ku, Nagoya)

(Note)

In accordance with the resolution of the 114th Ordinary General Meeting of Shareholders held on June 24, 2021, the Company changed its name from April 1, 2022 as described above.

1. Matters Related to Adequacy of Statements Contained in the Annual Securities Report

Mr. Yuki Kusumi, Representative Director, President, and Mr. Hirokazu Umeda, Representative Director, Executive Vice President, confirmed that statements contained in the Annual Securities Report for the 115th fiscal year (from April 1, 2021 to March 31, 2022) were adequate under the Financial Instruments and Exchange Act.

2. Special Notes

Not applicable.

[Cover]

Filed Document:	Internal Control Report
Applicable Law:	Article 24-4-4, Paragraph 1 of the Financial Instruments and Exchange Act of Japan
Filed to:	Director, Kanto Local Finance Bureau
Filing Date:	June 24, 2022
Company Name:	Panasonic Holdings Kabushiki Kaisha (Former Company Name: Panasonic Kabushiki Kaisha)
Company Name in English:	Panasonic Holdings Corporation (Former Company Name in English: Panasonic Corporation)
Position and Name of Representative:	Yuki Kusumi, Representative Director, President
Name and Title of CFO:	Hirokazu Umeda, Representative Director, Vice President
Address of Head Office:	1006, Oaza Kadoma, Kadoma-shi, Osaka
Place Where the Filed Document is Available for Public Inspection:	Panasonic Holdings Corporation (Panasonic Tokyo Shiodome Building, 5-1, Higashi-shimbashi 1-chome, Minato-ku, Tokyo) Tokyo Stock Exchange, Inc. (2-1, Nihombashi Kabuto-cho, Chuo-ku, Tokyo) Nagoya Stock Exchange, Inc. (8-20, Sakae 3-chome, Naka-ku, Nagoya)

(Note)
In accordance with the resolution of the 114th Ordinary General Meeting of Shareholders held on June 24, 2021, the Company changed its name from April 1, 2022 as described above.

1. Matters Related to Basic Framework of Internal Control over Financial Reporting

Mr. Yuki Kusumi, Representative Director, President, and Mr. Hirokazu Umeda, Representative Director, Vice President are responsible for establishing and maintaining internal control over financial reporting of Panasonic Holdings Corporation (the "Company") and have established and maintained internal control over financial reporting in accordance with the basic framework for internal control set forth in the "On the Setting of the Standards and Practice Standards for Management Assessment and Audit concerning Internal Control Over Financial Reporting (Council Opinions)" published by the Business Accounting Council.

The internal control over financial reporting is designed to achieve its objectives to the extent reasonable through the effective function and combination of its basic elements. Therefore, there is a possibility that internal control over financial reporting may not completely prevent or detect misstatements.

2. Matters Related to Scope of Assessment, Record Date, and Assessment Procedure

We assessed the effectiveness of our internal control over financial reporting on the record date as of March 31, 2022. We made this assessment in accordance with assessment standards for internal control over financial reporting generally accepted in Japan.

In making this assessment, we evaluated internal control which may have a material effect on the entire financial reporting on a consolidated basis ("company-level controls") and based on the result of this assessment, we appropriately selected business processes to be evaluated, analyzed these selected business processes, identified key controls that may have a material impact on the reliability of our financial reporting, and assessed the design and operation of these key controls. These procedures have allowed us to evaluate the effectiveness of our internal controls. We determined the required scope of assessment of internal control over financial reporting for the Company, as well as its consolidated subsidiaries and equity-method affiliates, from the perspective of the materiality that may affect the reliability of our financial reporting. The materiality that may affect the reliability of our financial reporting is determined taking into account the materiality of quantitative and qualitative impacts. We confirmed that we had reasonably determined the scope of assessment of internal controls over business processes in light of the results of assessment of company-level controls conducted for the Company, its consolidated subsidiaries and equity-method affiliates. We did not include those consolidated subsidiaries and equity-method affiliates which do not have any quantitatively or qualitatively material impact on the consolidated financial statements in the scope of assessment of company-level controls.

Regarding the scope of assessment of internal control over business processes, we accumulated business units in descending order of total revenues (after elimination of intercompany transactions) for the previous fiscal year, and those business units whose combined amount of revenues reaches approximately two-thirds of total revenues on a consolidated basis were selected as significant business units.

For the selected significant business units, we included, in the scope of assessment those business processes leading to revenues, accounts receivables and inventories. Further, not only for selected significant business units, but also for other business units, we added to the scope of assessment, those business processes having greater materiality considering their impact on the financial reporting, those business processes relating to greater likelihood of material misstatements in significant accounts involving estimates or forecasts as these significant accounts that may have a material impact on our business objectives; or those business processes relating to businesses or operations dealing with high-risk transactions.

3. Matters Related to Results of Assessment

As a result of the assessment above, we concluded that our internal control over financial reporting was effective as of March 31, 2022

4. Supplementary Matters

None.

5. Special Notes

None.