Annual Securities Report
for the fiscal year ended March 31, 2023

(the 116th 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)

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 27, 2023, pursuant to the Financial Instruments and Exchange Act of Japan.

In this document, "fiscal 2023" refers to the year ended March 31, 2023. All information contained in this document is as of March 31, 2023 or for fiscal 2023, 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.

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Part I Information on Panasonic Group

I Overview of Panasonic Group

1. Key Financial Data (Consolidated)

(Millions of yen, unless otherwise stated)

Fiscal year	112th business term	113th business term	114th business term	115th business term	116th business term
Year end	March 2019	March 2020	March 2021	March 2022	March 2023
Net sales	8,002,733	7,490,601	6,698,794	7,388,791	8,378,942
Profit before income taxes	416,456	291,050	260,820	360,395	316,409
Net profit attributable to Panasonic Holdings Corporation stockholders	284,149	225,707	165,077	255,334	265,502
Comprehensive income attributable to Panasonic Holdings Corporation stockholders	278,477	172,443	655,352	630,527	518,784
Total Panasonic Holdings Corporation stockholders' equity	1,913,513	1,998,349	2,594,034	3,164,962	3,618,402
Total equity	2,084,615	2,155,868	2,768,502	3,347,171	3,789,958
Total assets	6,013,931	6,218,518	6,847,073	8,023,583	8,059,527
Panasonic Holdings Corporation stockholders' equity per share (yen)	820.41	856.57	1,111.73	1,356.08	1,550.23
Earnings per share attributable to Panasonic Holdings Corporation stockholders, basic (yen)	121.83	96.76	70.75	109.41	113.75
Earnings per share attributable to Panasonic Holdings Corporation stockholders, diluted (yen)	121.75	96.70	70.72	109.37	113.72
Panasonic Holdings Corporation stockholders' equity / total assets (%)	31.8	32.1	37.9	39.4	44.9
Return on equity (%)	15.7	11.5	7.2	8.9	7.8
Price earnings ratio (times)	7.83	8.53	20.12	10.86	10.39
Net cash provided by operating activities	203,677	430,303	504,038	252,630	520,742
Net cash provided by (used in) investing activities	(193,387)	(206,096)	176,596	(796,149)	(344,033)
Net cash provided by (used in) financing activities	(341,761)	48,222	(177,704)	58,910	(607,013)
Cash and cash equivalents at end of year	772,264	1,016,504	1,593,224	1,205,873	819,499
Number of employees (persons)	271,869	259,385	243,540	240,198	233,391

(Note)
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, following certain reorganizations, in April 2022, merged into Panasonic Connect Co., Ltd.)
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.
April 2022	Became a holding company as a result of transferring each business of the Company to nine companies including the operating companies through an absorption-type company split, and changed its name from Panasonic Corporation to Panasonic Holdings Corporation. Transitioned to a new group organizational structure comprised of a holding company and operating companies.

3. Description of Business

The Panasonic Group is comprised primarily of the parent, Panasonic Holdings Corporation and 523 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 is among specified listed companies, etc. as defined in Article 49, Paragraph 2 of the Cabinet Office Order on Restrictions on Securities Transactions. Therefore, the criteria to deem a material fact to be of minor importance under the insider trading regulations are determined based on figures on a consolidated basis.

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 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, 2023

(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, heat pump-type hot water heaters, 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 Consumer Marketing Co., Ltd. **(Overseas)** Panasonic Appliances Washing Machine (Hangzhou) Co., Ltd. Panasonic Appliances Air-Conditioning (Guangzhou) 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 Automotive Systems Co., Ltd. **(Overseas)** Panasonic Corporation of North America Panasonic Automotive Systems Asia Pacific Pte., 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 Connect 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 Industry 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 Energy Co., Ltd. SANYO Electric Co., Ltd. **(Overseas)** Panasonic Corporation of North America
Other [Entertainment & Communication] TVs, digital cameras, video equipment, audio equipment, telephones, intercoms [Housing] kitchen & bathroom fittings, interior products, exteriors	**(Japan)** Panasonic Entertainment & Communication Co., Ltd. Panasonic Housing Solutions Co., Ltd. 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, 2023

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 Corporation	Kadoma city, Osaka	500	Lifestyle	100.0	Yes		Manufacture and sale of Panasonic products	Note 4 Note 9
Panasonic Automotive Systems Co., Ltd.	Tsuzuki-ku, Yokohama-shi	500	Automotive	100.0	Yes	Yes	Manufacture and sale of Panasonic products	Note 9
Panasonic Entertainment & Communication Co., Ltd.	Moriguchi-shi, Osaka	500	Other	100.0	Yes	Yes	Manufacture and sale of Panasonic products	Note 9
Panasonic Housing Solutions Co., Ltd.	Kadoma city, Osaka	500	Other	100.0	Yes		Manufacture and sale of Panasonic products	Note 9
Panasonic Connect Co., Ltd.	Hakata-ku, Fukuoka-shi	500	Connect	100.0	Yes	Yes	Manufacture and sale of Panasonic products	Note 4 Note 9
Panasonic Industry Co., Ltd.	Kadoma city, Osaka	500	Industry	100.0	Yes	Yes	Manufacture and sale of Panasonic products	Note 9
Panasonic Energy Co., Ltd.	Moriguchi-shi, Osaka	500	Energy	100.0	Yes	Yes	Manufacture and sale of Panasonic products	Note 9
Panasonic Operational Excellence Co., Ltd.	Kadoma city, Osaka	500	Corporate	100.0	Yes	Yes	Providing professional services to Panasonic	Note 4 Note 9
Panasonic Liquid Crystal Display Co., Ltd.	Himeji-shi, Hyogo	500	Industry	100.0 (100.0)			Manufacture of Panasonic products	Note 5
SANYO Electric Co., Ltd.	Kadoma city, Osaka	400	Lifestyle, Energy	100.0 (100.0)		Yes	Manufacture and sale of Panasonic products and supply of materials and merchandise	Note 5
Panasonic Consumer Marketing Co., Ltd.	Chuo-ku, Osaka-shi	100	Lifestyle	100.0 (100.0)			Sale of Panasonic products	Note 11

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 7
Blue Yonder Holding, Inc.	Arizona, U.S.A.	US$ 137	Connect	100.0 (100.0)			Collaboration on providing software services to customers and provision of IT services	
Panasonic Avionics Corporation	California, U.S.A.	US$ 22	Connect	100.0 (100.0)			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 8
Panasonic do Brasil Limitada	Amazonas, Brazil	BRL 1,379	Lifestyle, 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	Note 11
Panasonic Asia Pacific Pte. Ltd.	Singapore	US$ 1,478	Lifestyle, Industry, Energy, Other, Corporate	100.0 (100.0)			Manufacture and sale of Panasonic products etc.	Note 4
Panasonic Life Solutions India Pvt. Ltd.	Gurugram, India	INR 2,511	Lifestyle	100.0 (12.8)			Manufacture and sale of Panasonic products	Note 10
Panasonic Taiwan Co., Ltd.	New Taipei, Taiwan	NT$ 3,422	Lifestyle, Automotive, Other	69.8	Yes		Manufacture and sale of Panasonic products	
Panasonic Corporation of China	Beijing, China	RMB 12,838	Connect, Corporate	100.0	Yes		Sale of Panasonic products etc.	Note 4
Panasonic Appliances (China) Co., Ltd.	Guangzhou, China	JPY 14,099	Lifestyle	100.0 (100.0)			Manufacture and sale of Panasonic products	

(2) Principal Companies under the Equity Method

(As of March 31, 2023)

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	
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 6
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, 2023 are shown below:
   Panasonic Liquid Crystal Display Co., Ltd. 583,217 million yen
   SANYO Electric Co., Ltd. 459,383 million yen
6. 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.
7. 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(Generally Accepted Accounting Principles in the United States) are as follows:
   (1) Sales 1,309,194 million yen
   (2) Profit before income tax. 31,700 million yen
   (3) Net profit 72,411 million yen
   (4) Equity 1,084,828 million yen
   (5) Assets 1,601,570 million yen
8. Common stock of Hussmann Corporation is zero.
9. 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. (its name was 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.

10. As of August 1, 2022, Panasonic India Pvt. Ltd. was merged into Panasonic Life Solutions India Pvt. Ltd.
11. Subsidiaries that changed their name effective as of April 1, 2023 are as follows.

New name	Former name
Panasonic Marketing Japan Co., Ltd.	Panasonic Consumer Marketing Co., Ltd.
Panasonic Heating & Ventilation Air-conditioning Czech s.r.o.	Panasonic AVC Networks Czech s.r.o.

5. Employees

(1) Consolidated basis

As of March 31, 2023

Segment	Number of employees
Lifestyle	92,398
Automotive	29,649
Connect	27,690
Industry	38,824
Energy	16,937
Other	26,546
Corporate	1,347
Total	233,391

(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 6,807, compared with the end of last fiscal year.

(2) Parent-alone basis

As of March 31, 2023

Number of employees	Average age	Average tenure (years)	Average annual salary (yen)
1,347	43.6	18.3	9,087,894

(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. Employees of the parent company all belong to Corporate.
4. The number of employees decreased by 53,741, compared with the end of the previous fiscal year, mainly due to the Company’s transition to a holding company on April 1, 2022.

(3) Relationship with labor union

The federation of Panasonic group labor unions has 126 labor unions as of March 31, 2023.
The relationship between management and labor unions is quite stable and smooth.

(4) Percentage of female workers in managerial positions, percentage of male workers taking childcare leave, and wage differences between male and female workers

There is no gender-based inequalities in the Panasonic Group’s compensation system. However, particularly in Japan, we are aware that there is a need to promote a greater number of women to senior management and decision-making positions, and the Panasonic Group is striving to ensure gender diversity. Therefore, in addition to creating an inclusive work environment, we are working on revising our evaluation and promotion processes from the perspective of equity. We are committed to undertaking activities such as holding study groups for female employees and career-advancement seminars for women leaders, and providing opportunities to encounter female role models’ values and work ethics.

① The Company

Percentage of females in managerial position (%) (Note 1)	Percentage of males taking childcare leave (%) (Note 2)	Wage differences between male and female workers (%) (Note 1)		
		All workers	Full-time workers	Part-time and fixed-term workers
6.9	64.4	85.0	86.7	81.4

② Consolidated subsidiaries

Name	Percentage of females in managerial position (%) (Note 1)	Percentage of males taking childcare leave (%) (Note 2)	Wage differences between male and female workers (%) (Note 1)		
			All workers	Full-time workers	Part-time and fixed-term workers
Panasonic Corporation	5.6	57.4	70.3	68.9	69.6
Panasonic Automotive Systems Co., Ltd.	4.2	62.2	72.9	71.9	76.7
Panasonic Entertainment & Communication Co., Ltd.	2.9	80.0	75.5	74.1	81.7
Panasonic Housing Solutions Co., Ltd.	5.4	41.5	55.4	54.8	64.6
Panasonic Connect Co., Ltd.	6.9	89.6	78.2	76.6	85.1
Panasonic Industry Co., Ltd.	3.1	64.2	75.7	74.3	76.7
Panasonic Energy Co., Ltd.	5.8	68.8	75.9	75.7	61.4
Panasonic Operational Excellence Co., Ltd.	15.0	24.4	76.8	75.2	69.7

(Notes)

1. These percentages are calculated in accordance with the provisions of the Act on the Promotion of Women's Active Engagement in Professional Life (Act No. 64 of 2015). (The date for calculating the percentage of women in management positions is April 1, 2023. Wage differences between male and female workers are calculated based on salaries and bonuses for fiscal 2023.)
2. This percentage is calculated based on the ratios of childcare leave, etc. and time off for childcare taken in fiscal 2023 as specified in Article 71-4, item (ii) of the Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Ordinance of the Ministry of Labour No. 25 of 1991) in accordance with the provisions of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for

Children or Other Family Members (Act No. 76 of 1991). The percentage is calculated as follows: "The total number of male workers who took childcare leave, etc. as well as the number of male workers who took time off for the purpose of taking care of preschool children in fiscal 2023 divided by the number of male workers whose spouse gave birth in fiscal 2023."

3. For consolidated subsidiaries other than those listed above, refer to "VII Reference Information on the Company, 2. Other Reference Information, (2) Percentage of female workers in management positions, percentage of male workers taking childcare leave, and wage differences between male and female workers."

II Business Overview

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

Future expectations included in this section are as of June 27, 2023, 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." 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

While prospects for the global economy in fiscal 2024 include expectations of a recovery in the Chinese economy following the cease of its Zero-COVID Policy, the future outlook will remain uncertain amid the concerns over the impact of such factors as growing geopolitical risks, inflation, and financial tightening. In Japan, the recovery of consumption from the COVID-19 pandemic and effects from inbound tourism are expected to support the economy. However, global economic trends remain a source of concern.
Under such management conditions, following the last two year period of enhancing competitiveness that we have been undertaking since fiscal 2022, in fiscal 2024 we will embark on a phase change aimed at ensuring future growth, starting with the social issues we face as the Group. In order to achieve the Panasonic mission of realizing "an ideal society with affluence both in matter and mind," we must strive to resolve a variety of social issues, most notably urgent global environmental issues. For this reason, the Company will work to contribute more than its competitors in such areas as "solving global environmental issues" and "lifetime health, safety, and comfort for each of our customers" as our Group-wide strategic areas.

Medium-term Management Indicators (KGI, Key Goal Indicators) and its progress

The Group has set the following indicators to aim 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)

The financial results for fiscal 2023 are described in "4. Management's Analyses of Consolidated Financial Position, Operating Results and Cash Flows." In fiscal 2023, cash flows from operating activities were 520.7 billion yen, ROE was 7.8% and operating profit was 288.6 billion yen. Going forward, the external environment is expected to change more rapidly than ever before; however, we will keep our current medium-term KGIs in place and are determined to thoroughly enhance our competitiveness.

Key Points of the Group Strategy

1. Solving global environmental issues

We regard "solving global environmental issues" as our most important management issue. To achieve Panasonic GREEN IMPACT (PGI), we will steadily make the necessary investments. (Identification of material issues and PGI are described in "2. Disclosure of Sustainability-related Undertakings.")
For fulfilling our responsibility to eliminate CO_2 emissions in all business activities, we will make use of knowledge and technologies in electrification, energy saving, and energy transformation, and contribute to society by increasing volume of avoided CO_2 emissions.

・Automotive batteries business
Taking the next 10 years into consideration, we will prioritize our investments in automotive batteries which comprise 60% of Avoided Emissions for the Panasonic Group. The electrification of mobility is the biggest area that can make an impact on achieving a carbon neutral society. In fact, the EV market is expected to expand globally. In North America we focus on in our battery business, the US government is pursuing the establishment of an EV supply chain within the US, and there is strong demand for automotive battery production in the US. The Panasonic Group is aiming to expand its battery business by focusing on cylindrical-type cells and the North America market.

Regarding to the role of our automotive battery business in PGI, in addition to achieving net zero CO_2 emissions in our own value chain by fiscal 2031 (ending March 2031), we are working on the use of low-carbon footprint materials. Building the supply chain in North America will also help to reduce the transportation distance for materials. Furthermore, by expanding the supply capacity in EV batteries, we will promote the electrification of mobility. It will make contributions to 59 million tons of Avoided Emissions in fiscal 2031, which is five times more than that of fiscal 2023 (ended March 2023).

・Air quality & air-conditioning business
Europe is a leading market in addressing environmental issues, and it is moving away from gas. In this market, we will expand our Air-to-Water (A2W) hot water heat pump system business, enabling a shift of energy sources from gas to electricity, and contribute to reducing CO_2 emissions. We are also the first Japanese manufacturer to introduce natural refrigerants in response to Europe's F-gas regulations. We will accumulate know-how in product design and maintenance to safely handle natural refrigerants ahead of the further tightening of regulations in order to maintain our competitive advantage into the future.

・Supply chain management business
Blue Yonder Holding, Inc., a consolidated subsidiary of the Company, is a software company in the U.S. and we will leverage its advantages: software solution packages covering the entire supply chain, technologies to supply optimal solutions with high accuracy, and a strong customer base of over 3,000. With these advantages, we will contribute to reducing environmental impact by optimizing inventory and transportation in the supply chain. To start with, we will strengthen our supply chain management software platform. Furthermore, we can offer autonomous solutions by combining such software with various frontline data obtained from edge devices, which is an advantage of Panasonic Connect. This will lead to further contributions.

2. Each customer's life-long health, safety, and comfort

By integrating customer touchpoints through the diverse sales routes in the Group together with those with a wide range of products and services, and gaining the best understanding of the lifestyle of each individual customer, we will succeed in being of service that truly meets customer needs.
We have diverse customer touchpoints through which we can deliver our contributions: showrooms for building materials, sales channels including specialized shops, products including home appliances, electrical construction and building materials, and related services, as well as repair & support. By combining these diverse customer touchpoints with the use of digital technology, we aim to become a "Lifestyle Solutions Provider" that can propose value tailored to each individual customer. Toward this aim, we will create synergies across the Group. To accelerate this Groupwide initiative, we have established Future Business Division at Panasonic Holdings Corporation.

Business Portfolio

We have set the criteria for business portfolio management, which we will promote strategically from fiscal 2024, aiming to acquire long-term competitiveness in each business and achieve growth for the Group. In order to ensure the well-being of all stakeholders including shareholders, customers, suppliers, and employees, and to increase the corporate value of the Group, the first criterion will focus on relevance with Group strategies, and the second criterion will focus on business landscape & competitiveness, growth potential, and profit potential anticipating future changes.

Automotive batteries business, Air quality &air-conditioning business, and Supply chain management business belong to Energy segment, Lifestyle segment, and Connect segment respectively. For details of growth strategies by segments, please refer to Panasonic Group Operating Companies:
Strategy Briefing 2023 held in June 2023, which is available on the Panasonic website.
https://holdings.panasonic/global/corporate/investors/presentations.html

2. Disclosure of Sustainability-related Undertakings

The Group’s sustainability policy and initiatives are as follows.
Future expectations included in this section are as of June 27, 2023, the filing date of this annual securities report.

(1) Governance and risk management for overall sustainability (identification of material issues)

The Panasonic Group has positioned "contributing to the progress and development of society and the well-being of people worldwide through its business" at the core of our Basic Business Philosophy and believes that the implementation of this Philosophy constitutes the true nature of sustainability management. In fiscal 2023, the Sustainability Management Committee that was launched in January 2022 met monthly and discussed important issues concerning the Group.

The Group has identified important opportunities and risks as material issues, in terms of financial and social impact. To cape with this material issues, we will promote sustainability initiatives to utilize new business opportunities and reduce risks. Therefore, we will strive to improve our sustainability management. In addition, we will review the material issues identified appropriately, based on future environmental changes and stakeholders and the dialogue with stakeholders.

In the process of identification of the material issues, first of all, the Group extracted the issues, which can be opportunities and risks in the future, from the demands of society, foreseen future challenges, and others. Second, the Group extracted the most material issues and material issues by evaluation for importance from the perspective of the Group and stakeholders. We validated this process and the material issues extracted through dialogue with outside experts. Followed by discussions at our Group Sustainability Management Committee, the Group Management Meeting, and the Board of Directors, we finalized the identification of the material issues.

The framework for promoting sustainability management is described in "The Promotion of Sustainability Management" in the Group's Sustainability Data Book 2022.
Please refer the following.
https://holdings.panasonic/global/corporate/sustainability/pdf/sdb2022e-structure.pdf

The Sustainability Data Book 2023 is scheduled to be posted on the following website around September 2023.
https://holdings.panasonic/global/corporate/sustainability/data-book.html

(2) The important sustainability issues (material issues)

The Group’s material issues identified thorough the above process are as follows.

<The most material issues>
Global warming and depletion of natural resources
Life-long health, safety and comfort for everyone
Business Integrity
Own supply chain management
Employee well-being
Corporate Governance
Respect for human rights
Cybersecurity

<The material issues>
Preparing for Geopolitical Risks
Preparing for infectious diseases and pandemics
Preparing for Natural Disasters

Key Performance Indicators and targets for managing the progress of initiatives are currently under consideration.

(3) Initiatives for Sustainability

1. Global Environmental Problems

As the Basic Business Philosophy of the Group aims to resolve social issues through our business, in April 2022, we announced "PGI" long-term environmental vision in consideration of global environmental problems including climate change that are urgent issues facing the world. In addition to "OWN IMPACT," which aims to reduce emissions from the Group value chain (Note 1) which is equivalent to Scope 1–3 (Note 2) to net zero as one of the responsibilities of the Group, PGI pledges that we will expand avoided emissions which are our contribution to reduce CO_2 emissions outside our value chain in society and at customers. Our contributions to avoided emissions include "CONTRIBUTION IMPACT," which contributes to emissions reduction through existing business, as well as "FUTURE IMPACT," which contributes to emissions reduction through new technologies and businesses. The combination of these three impacts aims for a reduction of more than 300 million tons in CO_2 emissions by 2050, approximately 1% of current total global emissions. Our environmental action plan "GREEN IMPACT PLAN (GIP) 2024" was formulated in order to achieve this goal. In addition to the three impacts, based on the trend in circular economy (CE) (Note 3) which is progressing in Europe, GIP 2024 also sets targets for creation of a CE business model and advancing recycling-oriented manufacturing.

In OWN IMPACT, we are promoting zero-CO_2 factories which realize net zero CO_2 emissions from our production activities (Scope 1 and 2) and all operating companies are working to achieve this goal by 2030. In January 2023, Panasonic Automotive Systems Co., Ltd. became the first operating company to achieve net zero CO_2 emissions, which it achieved at all 14 sites including at its subsidiaries in Japan and overseas.

In CONTRIBUTION IMPACT, our efforts are focused on electrification, energy conservation, and hydrogen. In our efforts for electrification, in association with the rapid shift from gas and petroleum to electricity in Europe as a result of higher environmental awareness as well as the energy situation, the change from gas and petroleum equipment to electric products is accelerating with the ramping-up of production at our plant producing Air-to-Water (A2W) hot water heat pump system in the Czech Republic. We are also contributing to the spread of environmentally friendly vehicles, including a decision to construct a new vehicle battery plant in the US state of Kansas in order to support the global shift to EV.

In FUTURE IMPACT, we are proceeding with development of perovskite solar cells—said to be the next generation of solar cells, and green hydrogen generation technology for the creation of a hydrogen society. At the same time, so that our avoided emissions can be appropriately evaluated as a contribution to society through Panasonic products and services, we are participating in the creation of standards at the IEC (International Electrotechnical Commission), and in the formulation of guidelines at the WBCSD (World Business Council for Sustainable Development) and the GX League (Note 4) of the Ministry of Economy, Trade and Industry. Working towards increased social recognition, we are communicating information globally including through conducting seminars at the Global Green Transformation Conference (Note 5) held by the Ministry of Economy, Trade and Industry and at COP27 (Note 6), as well as holding press conferences at symposiums sponsored by the International Capital Market Association and the Japan Securities Dealers Association, and at CES (Note 7) 2023.

By carrying out PGI, we are aiming to "achieve an ideal society with affluence both in matter and mind," and to contribute broadly to the creation of a sustainable, global carbon-neutral society.

The Panasonic Group recognizes opportunities and risks concerning climate change as a critical management issue through processes of identification of material issues, we identify our business opportunities and risks and verify business resilience and strategy by thoroughly analyzing the scenarios, considering the TCFD (Note 8)'s recommendation also disclose information on thematic areas recommended by TCFD, i.e. 'governance', 'strategy', 'risk management', and 'indices and targets', assuming future engagement with investors, etc.

Please refer to the "Environment" section of Panasonic Group's Sustainability Data Book 2022.
https://holdings.panasonic/global/corporate/sustainability/pdf/sdb2022e-eco.pdf

The Sustainability Data Book 2023 is scheduled to be posted on the following website around September 2023.
https://holdings.panasonic/global/corporate/sustainability/data-book.html

The Panasonic Group endorsed the TCFD recommendations in May 2019.

(Notes)

1. Value chain : The series of business activities from procurement of raw materials to manufacturing, distribution, sale, and after-sale services

2. Scope 1–3 : Emissions categories established within the Greenhouse Gas (GHG) Protocol, which is an international standard for calculating and reporting the amounts of greenhouse gas emissions. Scope 1 covers direct emissions of greenhouse gasses by the business operator (fuel combustion, industrial processes). Scope 2 covers indirect emissions resulting from the use of electricity, heat, and steam supplied by other companies. Scope 3 covers emissions by other companies that are related to the activities of the business operator and are not covered by Scope 1 and 2.

3. Circular economy (CE) : An economic system that seeks to preserve and maintain the value of products, materials, and resources for as long as possible, minimize the production of waste materials, and effectively utilize resources through product sharing, services, and other means

4. GX League : This framework was established by the Ministry of Economy, Trade and Industry as a forum for discussions and new market creation so that a group of corporations which are striving to achieve carbon neutrality as quickly as possible can cooperate with government, universities, and the financial sector, with the goal of transforming overall economic and social systems (GX: Green Transformation).

5. Global Green Transformation Conference
: An international conference that addresses unresolved issues for contributing to emissions reductions and other elements for achieving GX. Participants include five G7 nations, two international institutions, and 12 universities, research institutions, and private corporations.

6. COP27 : The 27th Conference of the Parties to the United Nations Framework Convention on Climate Change. 197 nations and regions participated in this international conference aimed at resolving the problem of climate change.

7. CES : The world's largest technology exhibition held in January of each year in Las Vegas, USA.

8. TCFD : An abbreviation of Task Force on Climate-related Financial Disclosures. The task force was set up by the Financial Stability Board (FSB) in response to a request by the G20 Finance Ministers and Central Bank Governors. TCFD published its recommendations in 2017.

2. Human Resources Strategies

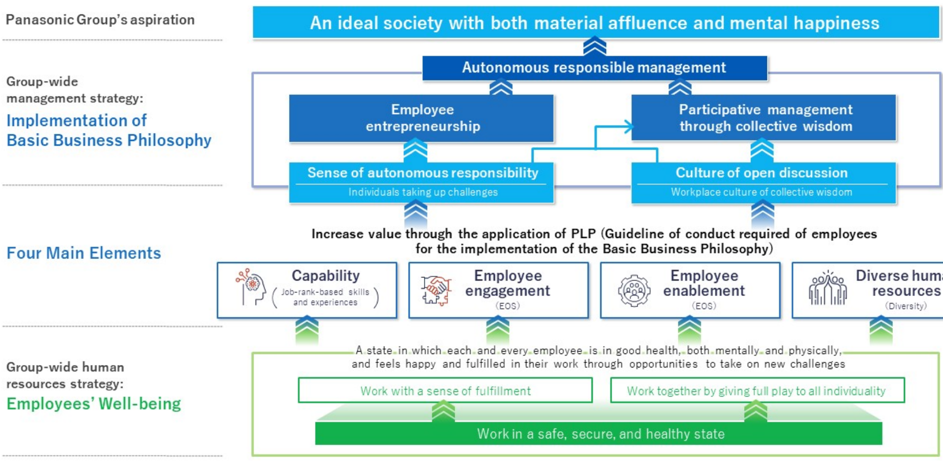
Since its foundation, the Panasonic Group has been committed to the concept of human capital management, which regards human resources as important capital. It is our autonomous responsible management system that relies on the entrepreneurship of each and every employee who resolutely takes on challenges with a sense of autonomous responsibility, and the participative management through collective wisdom in which the employees can say what they have to say and share their wisdom with each other. We aim to put this Basic Business Philosophy into practice as a Group-wide management strategy and create an ideal society, with both material affluence and mental happiness by having our operating companies hone their competitiveness.

We have recently established the Panasonic Leadership Principles (PLP), an employee code of conduct for the further application of our Basic Business Philosophy by each and every employee. We will further increase value for society by implementing specific actions.

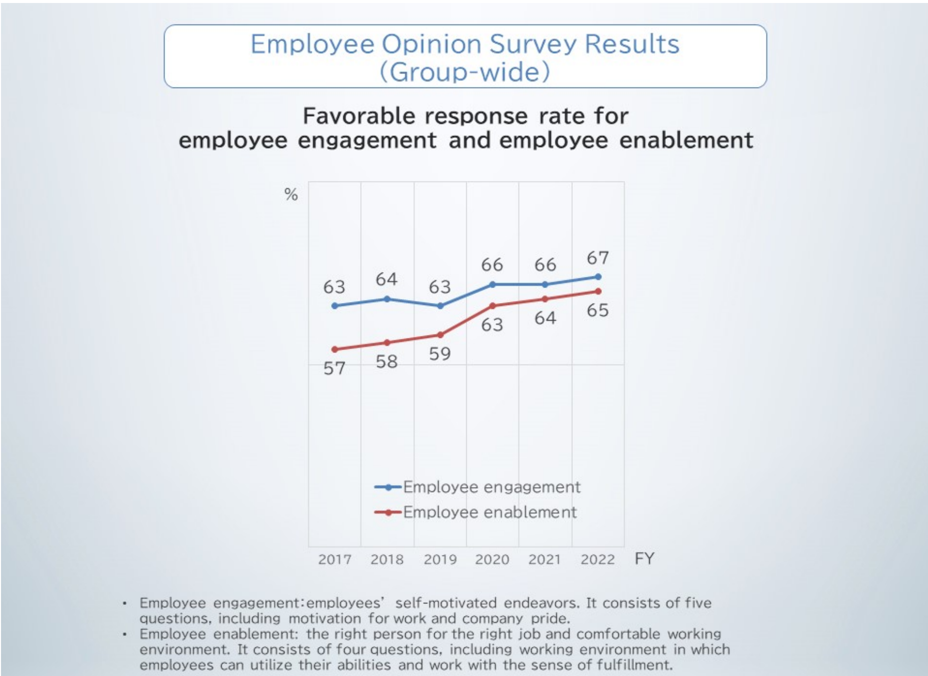
And the four elements that are key to increase the value are: "capability (job-rank-based skills development)," "employee engagement (employees' self-motivated endeavors)," "employee enablement (a working environment that makes employees feel comfortable and helps them reach their full potential)" and "diverse human resources."

We believe that the foundation of these elements is the well-being of our employees. It refers to the state in which each and every one of our employees is both mentally and physically healthy, and feels happy and fulfilled in their work as a result of having opportunities for taking on new challenges. And it is a prerequisite for autonomous responsible management.

In order to ensure our employees' well-being, which is one of the Group-wide human resources strategies, we are committed to creating value by promoting the well-being initiatives under the three pillars: "Work in a safe, secure, and healthy state," "Work with a sense of fulfillment," and "Work together by giving full play to all individuality." We will monitor the created value using productivity indexes based on the financial indicators.



Of the four elements previously mentioned, we consider employee engagement and employee enablement to be of paramount importance, therefore, we monitor the favorable response rates (%) of these indicators in an annual Employee Opinion Survey (EOS), where approximately 150,000 all global employees participate, and use this as an evaluation indicator. The results of the survey show an upward trend year by year. In fiscal 2023, the favorable response rate was 67% for employee engagement and 65% for employee enablement. We will continue to promote the initiatives under the three pillars toward achieving the highest global standards.



(a) Work in a safe, secure, and healthy state. –creating a safe, secure and healthy workplace

Safety and compliance are the major premises of business management. With regard to occupational health and safety, in order to prevent serious accidents at the manufacturing sites, we are developing and disseminating training on the Equipment Safety Standards to promote fundamental equipment safety, and working to ensure safety during non-stationary operations based on risk assessment.

Furthermore, with regard to hygiene management, in light of recent revisions of the law, we are working to develop human resources and strengthen the workplace management system for the self-sustaining management of chemical substances. Concerning employee health, we have sent out "Panasonic Group Wellbeing Message" to the entire Group. We have articulated policies to strengthen health investments to achieve employees' well-being, and each operating company has also launched its own initiatives in addition to the traditional "Healthy Panasonic Actions," in which the operating company, the labor union, and the health insurance organization work together as one. The results of regular health checkups, employee opinion surveys, and stress checks are reviewed to confirm the outcomes and to further improve and strengthen the initiatives.

Also, in terms of compliance, we are implementing training of employees to ensure that they have a correct understanding of relevant laws and regulations pertaining to their business and region and that they know about our global hotline "EARS" and how it can be used to detect issues from an early stage and prevent incidents from occurring. We are also stepping up awareness activities aimed at eradicating various forms of harassment in the workplace.

(b) Work with a sense of fulfillment –encouraging employees' self-motivated endeavors and supporting their self-determined career formation

In the Panasonic Group, we believe that it is important to provide each and every employee with the opportunity to voluntarily take up the challenges to contribute to society and give them maximum support in their endeavor.
In fiscal 2023, approximately 2,000 employees volunteered for, and around 500 actually took part in, a new challenge, such as job transfer across operating companies within the Group (relocation) and in-company multitasking (concurrent postings within the Company).

One other initiative is one-on-one meetings, which supports every employee's personal growth and challenges by enhancing the quality and quantity of dialogue with their respective managers, and brings out the aspirations of each and every employee. In fiscal 2023, the implementation rate in Japan is 78%, and the satisfaction level is 84%.

We are also promoting workstyle initiatives with the aim of maximizing results from both organizational and individual perspectives. First, from an organizational perspective, we will improve productivity by optimizing the balance between remote and in-office work according to the situation of each business and the field in which each person is involved. Next, from an individual perspective, we will expand the options of working hours and workplace in order to achieve employee well-being.

[Development of management executives]

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

[Developing human resources to promote PX and GX]

PX stands for Panasonic Transformation. We are driving Panasonic's digital transformation, or PX, and it is comprised of two aspects: customer service and business operations. This includes IT transformation, operating model transformation and culture transformation. We will support each and every employee, including top management, to improve their knowledge and skills so that they can use data technology and create value on their own business site. We will also focus on recruiting and developing professional personnel to promote PX. GX stands for "Green Transformation" advocated and promoted by the national government. Our group has announced its long-term environmental vision, Panasonic GREEN IMPACT, to promote the development of human resources with expertise in carbon neutrality, the circular economy and other areas to help achieve global environmental sustainability.

(c) Work together by giving full play to all individuality. –promoting Diversity, Equity & Inclusion (DEI)

We are currently promoting DEI from three perspectives based on the Panasonic Group DEI Policy. The first is "top management commitment." This means management members themselves are committed to promoting DEI and do so by incorporating it into business strategies. We plan to accelerate the pace of our DEI initiatives to implement actions decided through dialog between management members and employees. The second perspective is "creating an inclusive work environment." It is about building a management and organizational environment where diverse employee personalities are valued and fully utilized. For example, we continue to roll out unconscious bias training sessions in each geographical region in which we have a business presence. The third one is "support for every individual." It is about providing support so that each employee can make full use of their diverse individuality to take on their respective challenges. We are engaged in supporting the activities of communities formed according to the various individualities of employees, establishing systems and mechanisms for these communities, and constantly re-examining their operation.

[Gender equality]

There is no gender-based inequalities in our Group’s compensation system. However, particularly in Japan, we are aware that there is a need to employ greater numbers of women in upper management and decision-making positions; the Panasonic Group is striving to ensure gender diversity. Therefore, in addition to creating an inclusive work environment, we are working on reviewing our evaluation and promotion processes from the perspective of equity. We are committed to holding study groups for female employees and providing career-advancement seminars for women leaders, and creating opportunities for women to encounter role models’ values and views on working.

In addition, we are working to improve the work system and foster a flexible workplace culture where anyone who wishes can balance life events and career, and as one of the measures for that, we encourage male employees to take parental leave. These include the establishment of paid parental leave and childcare leave system with pay for a certain period of time. In addition, to ensure that employees can take a childcare leave smoothly and without anxiety, we are working to support employees by providing them video content about childcare supporting programs, as well as for their partner and supervisor, and holding information sessions regularly. As a way to help employees balance their life events and career after returning to work, we are also working to expand the choice of working hours and workplace, refining our remote work system policy in addition to no overtime and shorter working hours.

3. Risk Factors

Panasonic Group considers ensuring the achievement of business goals and sustainable and stable development through the accurate understanding of risks and implementation of appropriate countermeasures as an important managerial issue to promote the group's risk management in accordance with the "Basic Rules for Risk Management".

The Enterprise Risk Management Office of Panasonic Holdings Corporation (hereinafter, "PHD ERM Office" and "PHD"), a division dedicated to risk management, promotes risk management activities. The PHD Enterprise Risk Management Committee (hereinafter, "PHD ERM Committee"), chaired by the Group Chief Risk Management Officer and consists of the heads of each functional division meets on a regular basis.

Panasonic Group defines "operational risks" as events that may be operational "losses" or "threats" potentially affect the Group's business activities. Panasonic Group updates the "risk inventory" by comprehensively identifying possible operational risks based on changes in external and internal factors and conducts risk assessments according to financial and non-financial evaluation criteria for all risks in the inventory on an annual basis. The PHD ERM Committee conducts deliberations from the viewpoint of the management, business strategy and social responsibility of Panasonic Group based on the assessment to determine major risks to the Group's management (hereinafter, "Group's major risks"). Regarding the Group's major risks determined, the functional divisions in charge of the risks work toward continuous improvement by taking the initiative in formulating and executing countermeasures and monitoring the progress of such countermeasures.

In addition to operational risk management, Panasonic Group also engages in activities to promote appropriate risk-taking according to the risk level 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. Regarding the strategic risks, multiple divisions in charge of the risks cooperate to revise the countermeasures taken in a timely manner according to the size of the risk that was measured, by conducting regular monitoring based on pre-established indicators. We strive to strengthen risk management by combining this activity with the operational risk management we have previously promoted.

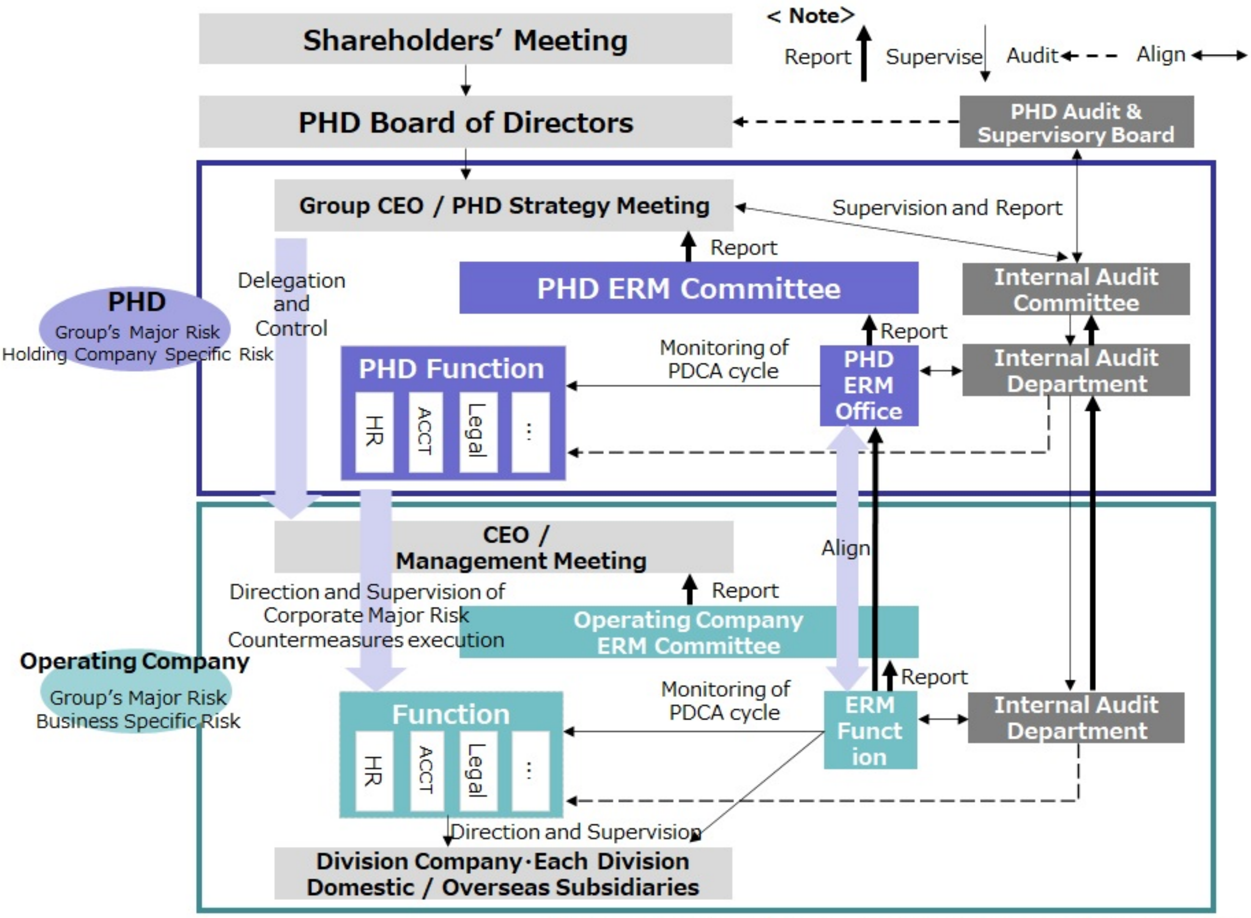
The PHD ERM Committee regularly reports the Group's major risks and the progress of countermeasures based on these risk management PDCA cycles described above to the board of directors and PHD strategy meeting. In addition, the internal audit function works together to conduct audits on selected themes based on the risk assessment results.

Furthermore, each operating company has also established the "Operating Company ERM Committee" under the autonomous responsible management principle and promotes their risk management activities according to the same PDCA cycle as PHD. Each operating company determines the major risks to its management (hereinafter, "operating company major risks") by evaluating them according to the Group's common evaluation criteria using a risk inventory that adds risks specific to the operating company to the Group's common risk items. The PHD ERM Office reports each operating company's risk assessment results and the operating company major risks to the PHD ERM Committee to be used to determine the Group's major risks.

Each operating company then formulates and executes countermeasures and monitors the progress based on the Group's major risks determined and the operating company major risks. Especially for Group's major risks, the functional divisions of operating companies in charge of each risk formulate and execute their own countermeasures according to the business profile of the operating company in addition to the Group's common countermeasures in cooperation with PHD's functional divisions. PHD's functional divisions monitor the progress of the group's common and individual countermeasures at each operating company to ensure a thorough response of the entire group.

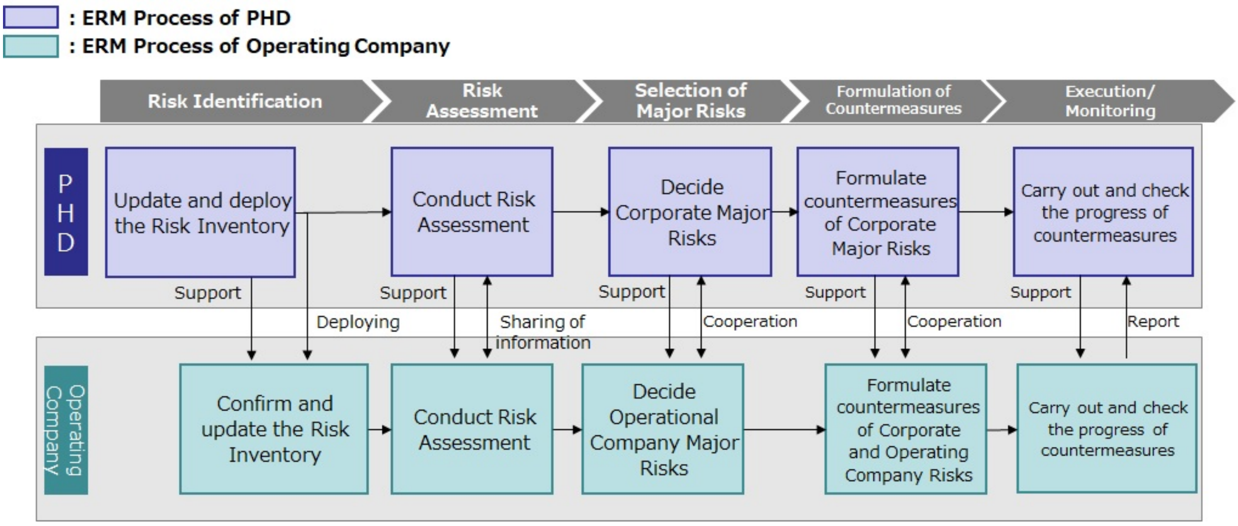
The PHD strives to promote the risk management of the entire group and equalize it at a high level based on this framework.

(Risk Management Organization Chart)



*1 PHD : Panasonic Holdings *2 ERM : Enterprise Risk Management

(Risk Management Process)



The Group's major risks for fiscal 2024 and the sections described in "3. Risk Factors" are as follows.

<Group's Major Risk>

Trade regulations / Economic sanctions Economic security issues Climate change and environmental regulations Development of circular economy Cyberattacks Attraction, acquisition and retention of Human Resources	(2) Risks Related to Panasonic Group's Business Operational Activities
Antimonopoly Act violations Violation of the Anti-Burning and Corruption Law Any wrongdoing and/or scandals involving suppliers and/or outsourcing contractors	(4) Risks Related to Compliance, Litigations and Reputation
Earthquakes/Tsunami Floods and landslide disasters Infections/Pandemic Terrorism, wars, riots and Political unrest	(5) Risks Relating to Disasters, Accidents, and Unpredictable Events

Described below are some of the potential risks including Group's major 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 Compliance, Litigations and Reputation" 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 27, 2023, the filing date of this annual securities report.

(1) Risks Related to Economic Conditions

Changing economic conditions

Demand for the Panasonic Group'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 2024 is expected to see the recovery of consumption from the COVID pandemic and effects from reviving inbound tourism support the economy in Japan. Also, from a global perspective, the Chinese economy is expected to recover following the retraction of its Zero-COVID Policy. As there is, however, still concern about such factors as growing geopolitical risks, inflation, and financial tightening, the outlook for the global economy remains uncertain. Such situations may affect the Group to some extend. If any additional business restructuring becomes necessary to cope with the situations, the Company may have to incur additional costs.
The impact such factors have on the Company as the hikes in raw materials prices and logistics costs, as well as shortages of semiconductors and components, is expected to be largely eliminated by revising the prices of products and services and increasing the number of suppliers. However, it is expected that supply shortages of semiconductors and others will continue for Automotive and Industry's automotive use, which could affect the production plans of Panasonic Group's customers. Panasonic Group will therefore closely monitor demand trends in the future.
Furthermore, if the global economy deteriorates more than expected, or a sudden change in social structure or consumer behavior occurs, the business environment surrounding the Panasonic Group may be more severe than currently expected, and consequently affect its business, operating results, and financial condition adversely. The Panasonic Group will therefore continue to closely monitor the situation and take effective measures to deal with such changes in the business environment.

Currency exchange rate fluctuations

Foreign exchange rate fluctuations may adversely affect Panasonic Group’s business, operating results, and financial condition because the costs and prices of its products and services and certain other transactions denominated in foreign currencies are affected by foreign exchange rate changes. Also foreign exchange rate changes affect the yen value of the Panasonic Group’s overseas assets and liabilities denominated in local currencies because their amounts are translated and presented in the 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 Group’s operating results. A weaker yen against a local currency, on the other hand, may have a favorable impact on the Panasonic Group’s operating results. However, the depreciation of the yen against certain currencies may adversely affect operating results in certain business sectors on a Japanese yen basis due to the price increase of imported products. In fiscal 2023, compared with the previous year, there was a positive impact on exports due to the depreciation of the yen against the US dollar and the euro, but there was no significant impact on overall results with the negative impact of the weaker yen against the RMB, along with other factors. For fiscal 2024, we estimate the yen to appreciate against the US dollar and the euro and to depreciate slightly against the RMB throughout the year, resulting in a certain degree of negative impact on overall results. In addition, excessive foreign exchange rate fluctuations may adversely affect the Panasonic Group’s business, operating results, and financial condition more than currently expected.

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 Holdings 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 and measures to avoid transaction risk within the company, and are striving to further strengthen compliance.

Regarding economic security issues, while countries are promoting and enhancing the measures to support strengthening industrial infrastructure, research and develop cutting-edge important technologies, prevent the outflow of sensitive technologies, and strengthen export control, Japan also enacted the "Economic Security Promotion Law" in 2022 and enforces it gradually. We will continue to closely monitor and take measures against the impact of the trend toward future expansion of economic security policies on Panasonic Group's business.

Regarding geopolitical risks, we will monitor the international situation and the trends in policies/laws and regulations in European countries, the U.S. and China to figure out their impact on the Panasonic Group's business and take timely measures. Regarding the situation in Russia and Ukraine, the direct impact on the Group's performance and financial position has been minor so far, but further soaring energy and raw material prices may have a significant impact on our business, business performance, and financial position in the future.

In addition, the U.S.-China conflict could have a major impact on the business, operating results, and financial condition of Panasonic Group, which has global production bases and markets, due to rapid changes in the business environment caused by market decoupling stemming from trade friction, strengthening of economic security policies in each country, and polarization of public opinions. Panasonic Group will work to double-track supply chains and check and rebuild production systems with a view of local production and local consumption of products from a medium- to long-term perspective while continuing to pay close attention to these trends including threats to our business and opportunities to utilize tax-related measures based on economic security policies.

Environmental issues / Climate change

Panasonic Group believes that solving global environmental issues, including climate change, is the issue that we should address on a top-priority basis among the far-reaching missions of the Group, which is to "develop an ideal society, with both material affluence and mental happiness."

Risks that we are particularly focused on include the introduction and expansion of environmental regulations and policies in the international community in line with heightened awareness of environmental issues. In March 2023, the United Nations Intergovernmental Panel on Climate Change (IPCC) announced further step-by-step targets for achieving global CO_2 emission reductions based on the Paris Agreement. Accordingly, the companies are required to accelerate their initiatives further. In addition, the recycling of electric and electronic equipment and the legislation of the "right to repair", mainly in Europe and the U.S., have made a transformation to a business model that responds to the longer product life on the premise of repairs and recycling raw materials, an urgent issue. We will pay close attention to these trends and conduct business activities looking to expand opportunities for new technology and business development that comply with environment-oriented policies and environmental regulations or increased demands for environment-oriented products and services due to changes in consumer awareness such as sustainable/ethical consumption. Moreover, Panasonic Group’s business performance could be adversely affected as the expected effects could not be obtained when entering business opportunities using tax deductions and subsidies based on legal systems related to energy security and climate change measures in each country.

Also, due to the development of a circular economy according to resource shortages and resource constraints, opportunities to improve corporate value through active use of renewable energy will increase, and at the same time, demand for low-carbon products that use recycled resources is expected to grow. On the other hand, there is a possibility that production costs will increase and production delays will occur frequently or become the norm due to rising prices and supply shortages of recyclable resources (recycled materials and reused raw materials).We will closely monitor the transition status to a decarbonized recycling-oriented society, focusing on trends related to the Carbon Border Adjustment Mechanism (CBAM) in the EU, the Green New Deal policies in the U.S., and related laws in other countries.

In May 2021, the Group announced that it will set a target of "net-zero Group CO_2 emissions by 2030." In January 2022, we announced the Group’s long-term environmental vision, "Panasonic GREEN IMPACT," and aim to meet the 110 million tons of CO_2 emissions from our entire value chain, including the CO_2 emitted by our customers through the products we offer. In addition to fulfilling our obligation to reduce CO_2 emissions, we have set a policy of expanding our contributions to society in reducing CO_2 emissions by making the most of a wider range of business areas. As a goal, by 2050, we aim to reduce the impact of 300 million tons or more, equivalent to "approximately 1%" of the current total global CO_2 emissions, through the Group’s business activities. In addition to initiatives toward contribution through automotive battery business for eco-conscious vehicles and air quality and air conditioning business in Europe, which set especially large contribution targets of CO_2 emissions reduction, we started operation of the facilities for demonstration experiment of "RE100 Solutions", which covers 100% of the electricity needed to operate the fuel cell factory with renewable energy using hydrogen and solar power generation, aiming for local production and local consumption of energy.

Panasonic Group also formulated the "GREEN IMPACT PLAN 2024," an environmental action plan through 2024 as a milestone toward the 2050 targets in July 2022. It sets specific action plans to be realized by 2024 and 2030 targets in each area of CO_2 emissions reduction in our value chain (OWN IMPACT), contribution to society-wide CO_2 avoided emissions through existing businesses (CONTRIBUTION IMPACT) and circular economy by calculating backwards from what they ought to be. By 2024, Panasonic Group plans to achieve net zero CO_2 emissions at 37 bases, of which 28 bases have already achieved the plan by fiscal 2023, and the automotive segment achieved net zero at all 14 bases. On the other hand, if a calculation method different from the one we are currently adopting is standardized for the contribution to CO_2 avoided emissions for which no common calculation method has been established at present, we may revise the contribution to CO_2 avoided emissions at that time or the status of achieving target may vary.

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 and cyber 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.). Such information may be leaked to the outside due to intentional acts including unauthorized system access and cyberattacks, negligence of employees and subcontractors, etc.

In addition, more and more of our products and services, production facilities, and management systems use the Internet, the incident may occur such as unexpected intrusion into products and services via networks, leakage of confidential information and personal information to the outside due to unauthorized operations., information leakage to the outside, service suspension, impact on processes. Moreover, if cybersecurity vulnerability is found in our products and services, it could lead to a massive recall of our products or suspension of the provision of products and services for a prolonged period, causing significant costs to take countermeasures. Panasonic Group as a manufacturer could also be affected on its businesses by so-called cybersecurity risks in the supply chain, such as suspensions of raw materials and parts supply to our group or adverse effects on our customers to which Panasonic Group is the supplier due to the occurrence of a cybersecurity incident.

Panasonic Group is working to ensure the soundness of the IT environment and improve its cyber resilience to achieve higher level information security. In particular, we are implementing measures to expand the monitoring of networks, servers, and PCs, including infrastructure not only in Japan but also in overseas subsidiaries, integrate it with security monitoring inside factories, and enhance its security monitoring framework globally and in a unified manner. We have also established a system to inspect and ensure the security of the Group’s products and services to strengthen our operations further. In addition to technical measures, we also strengthen and promote personnel measures, such as establishing an information security education platform, carrying out periodic education for global employees, and conducting regular security checks on contractors for system operations., etc. Regarding the laws and regulations related to personal information protection and cyber security in each country, we are working to respond to them by investigating the trends with external experts, reflecting them in our regulations and operating a system to disseminate them internally.

In fiscal 2023, we conducted a cross-organizational incident response training along with the reviewing of the response process when an incident occurs as an initiative to strengthen the cyber incident response. In addition, we will establish the "Cybersecurity Supervisory Office" as a new organization in April 2023 to promote responses to complex cybersecurity risks of information, products and factory security and unified/cross-sectional responses to the entire supply chain. We have also appointed chief cybersecurity supervisors at each operating company to administer the responses to complex cybersecurity risks.

On the other hand, 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 cyberattacks, as a consequence, this could have a negative impact on Panasonic Group’s business, operating results, and financial condition due to suspension/interruption of the group’s business and a drop in Panasonic’s image and reputation.

Competition in recruiting and retaining skilled employees

Based on the idea that "a company is a public entity of society", Panasonic Group’s management is based on the idea that human resources are a valuable management resource entrusted to us by society. We strive to continuously secure human resources who are the source of growth and maintain the vitality of the organization.

Based on this philosophy, in March 2023, we established a new recruiting brand slogan, "Work straight for the happiness of others." Since Panasonic Group has a wide range of business areas and occupations, and our corporate culture values "opportunities to take on diverse challenges" and "human resource development, it contains the desire to create happiness in the future with colleagues who want to work for the happiness for others.

In addition, the Group’s common human resources strategy is to achieve "employee well-being," in other words, a state in which every employee is physically and mentally healthy and feels happiness and job satisfaction through opportunities to take on challenges. Based on this strategy, we are working on "creating a safe, secure and healthy workplace", "autonomous willingness to take on challenges and autonomous career development support", and "promotion of Diversity, Equity & Inclusion". From fiscal 2023 onwards, we have partially introduced a system to expand options for "working hours" and "working places." Amid the rapid changes in the social environment and the diversification of values, we will continue to accelerate our efforts to respond to the diverse needs of every employee in detail and to support their challenges.

On the other hand, competition to secure talented personnel is intensifying. If the initiatives above do not progress and we are unable to prevent the outflow of existing employees or acquire the necessary human resources to promote management strategies, Panasonic Group's business, performance 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 have 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. In addition, Panasonic Group holds the "Health and Safety Forum" attended by the person responsible for health and safety from each operating company of the Group to promote autonomous health and safety management at each operating company, as well as training sessions for management to share knowledge and foster awareness. 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.

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 or the applicable discount rate becomes higher, 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".) In response to these risks, we will work with the new Blue Yonder management team, including the new CEO appointed in July 2022, to steadily promote key measures in line with our growth strategy and further strengthen Blue Yonder’s business competitiveness.

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, 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.

Panasonic 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.

Risks in the Result of Restructuring

The 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 outside the Group and restructuring organizations or sites within the Group) in order to enhance its business management efficiency and competitive strengths. However, there are possibilities that Panasonic Group will fail to fully achieve the expected results or fail to perform appropriate business portfolio management, from ongoing or future restructuring projects.

The Panasonic Group shifted to operation company system with the former Panasonic Corporation as a holding company from fiscal 2023 in order to strengthen the competitiveness of each operational company business from a medium- to long-term perspective. Each operating company works to further strengthen its competitiveness through swifter decision-making in response to changes in the external environment and more 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 are possibilities that the initially expected results may not be fully obtained due to decrease in decision-making speed stemmed from multi-layered organization, or the increase in costs for independent management operations at each company.

In response to the risk of decreased decision-making speed under the operating company system, the necessary authority was transferred to operating companies to strengthen their expertise and speed in decision making. In

fiscal 2023, many decisions were completed by themselves at operating companies. In terms of personnel systems, each operating company promoted the initiatives respectively taking into account their business conditions, competitiveness and employee engagement. In addition, having several initiatives such as some directors of the Company serve concurrently as directors of operating companies, we aim to collect appropriate information and implement governance based on this, without changing the conventional perspective of strengthening governance at the Group.
To cope with the risk of the increase in costs for independent increased costs due to the development of independent management operations at each company, 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 group-wide and promote the efficiency and sophistication of indirect operations to improve the efficiency of indirect fixed costs.
In May 2023, we announced to promote our business with a view to reviewing and changing our Group's business portfolio, toward a growth phase. However it may take considerable time to make judgments and decisions, and, therefore the Group's business portfolio change may not proceed as smoothly as anticipated. We will promote to review our business portfolio referring to our specific criteria to judge whether they can continue to contribute more to the customers into the future by staying within the Group or can grow more swiftly with stronger competitiveness gained by opting to do business outside the Group.

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.
Although we continue to take measures to deal with increased production costs, including a surge in raw material prices and rising logistics costs, as mentioned above, internal efforts alone are not enough to absorb such impacts. Therefore, Panasonic Group has revised the prices of home appliances for the domestic market since August 2022. In the future, we will continue to strive to be "helpful" through product developments that meet customer needs by realizing stable sales based on fair prices commensurate with the value of our products.
However, Panasonic Group's business, operating results, and financial condition may be adversely affected if such price revisions could not be realized in a timely manner or if demand for products declines due to price revisions.
Furthermore, if the economic sanction of each country or logistic disruption escalates due to Russia's invasion of Ukraine or intensified U.S.-China conflict, costs may rise further, and the Group's business may be adversely affected.

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 the B-to-C (general consumer) segment, the decline in sales prices of home appliances for the domestic market resulting from the conventional trading form has caused the shortening of product lifecycles, affecting our customer-oriented development and competitiveness of products. Panasonic Group has begun attempts to maintain sales prices and develop higher value-added products through initiatives to review trading form with dealers and launch a new "designated price system" since 2020. On the other hand, Panasonic Group's business, operating results, and financial condition may be adversely affected if such a system is not accepted in the domestic home appliances market, including dealers and general consumers. 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.

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

In May 2023, staring the second year of its medium- and long-term strategy, which began in fiscal 2023, the Panasonic Group announced that it will continue to pursue the medium- and long-term vision of solving global environmental problems as a top management priority and making necessary investments. and to contribute to the lifelong health, safety, and comfort of each and every customer, leveraging Group synergies. In June 2023, each operation company of the Group announced its strategy respectively. The 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 2024 is expected to see a recovery in the Chinese economy following the retraction of its Zero-COVID Policy. However, there is still concern about factors such as growing geopolitical risks, inflation, and financial tightening, and the outlook for the global economy remains uncertain. In Japan, the recovery of consumption from the COVID pandemic and effects from reviving inbound tourism are expected to support the economy, but the global economy trend continues be concern. 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 Compliance, Litigations and Reputation

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.
Furthermore, "Panasonic Group Code of Ethics & Compliance" holds "Respect for Human Rights" as one of

our social responsibilities. On the premise that Panasonic Group's business activities are supported by many people, including not only the employees working in the Group, but also the customers using our products and services, counterparties involved in procurement and sales and business partners, Panasonic Group has established "Panasonic Group Human Rights and Labor Policy" and "Rules on Human Rights and Labor Compliance" to contribute to these peoples' mental and physical health and happy lives if only a little. These policies and regulations stipulate basic policies, and the roles employees should play in order to comply with international norms and laws related to human rights advocated by the United Nations and the International Labor Organization, and to realize a rewarding work environment where diverse human resources can maximize their individual strengths. 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 13,000 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 conducts global education and training for employees engaged in procurement operations to develop human resources capable of implementing responsible procurement activities together with our suppliers, aiming to establish their basic knowledge of corporate social responsibility (CSR), including issues such as compliance with anti-corruption, human rights, labor, health and safety in the supply chain. Panasonic Group has also issued the "Panasonic Supply Chain CSR Promotion Guidelines", which stipulate the CSR requirements (in human rights, labor, health and safety, global environmental conservation, information security, corporate ethics, etc.) based on laws and international norms and standards that we would like our suppliers to comply with. Panasonic Group conveys Panasonic's ideas on CSR procurement to suppliers based on these guidelines and promotes initiatives such as CSR self-assessments and audits to practice compliance together in the supply chain. Furthermore, we are working to ensure thorough CSR across the supply chain by asking our suppliers to convey the requirements of these guidelines to secondary and subsequent suppliers and confirm their compliance status.

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 group-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

The Panasonic Group conducts our intellectual property activities with the goal of ensuring the superiority and safety of our business both now and into the future and in recent years, including contributing to solutions to solutions to social issues through strategic proposals for business from an intellectual property perspective; the acquisition, protection, and use of global intellectual property; and prevention and resolution of disputes related to intellectual property. Based on the above policies, Panasonic Group has been striving to build up a global portfolio of intellectual property in line with our IP strategy, which in turn is based on our business strategies and research and development strategies by conducting our own research and development as well as building relationships for joint innovation. However, regarding patents and other intellectual property applications filed by Panasonic Group, we may not be granted patents for such patent applications and adequate protection of our intellectual property rights in some countries and regions.

Panasonic Group works with attorneys, patent attorneys, outside consultants, business counterparties and government agencies as necessary to monitor and eliminate infringed products or counterfeited products related to the patents, brands, designs and other intellectual property owned by the Group. However, in the event such intellectual property is infringed by a third party and such infringed or counterfeited products appear, Panasonic Group's sales of genuine products may be adversely affected, and the brand image may be damaged. Panasonic Group may also grant licenses, etc. strategically for such intellectual property. At the time of granting a license, although we make every effort to do so under appropriate conditions, Panasonic Group may be forced to license such intellectual property under unfavorable conditions to us. Furthermore, Panasonic Group may have to spend considerable expense and resources to file a lawsuit to protect or utilize our intellectual property, etc. If such events occur, they may significantly impact the Panasonic Group's business, operating results, and financial condition.

In addition, Panasonic Group has established internal rules to respect third parties' intellectual property and conducts regular education to ensure that every employee complies with them. Moreover, we strive to obtain appropriate licenses when we need to use the intellectual property of third parties. However, with respect to intellectual property rights held by third parties, Panasonic Group may be unable to obtain licenses for such intellectual property, unable to continue the licenses we obtained, or be forced to obtain and maintain licenses under unfavorable conditions. Furthermore, Panasonic Group may be exposed to litigation etc. regarding intellectual property of third parties. In such cases, we may have to incur significant expenses and spend large management resources. Furthermore, if our allegations are not accepted in such lawsuits, Panasonic Group may be prohibited from using certain important technologies or held liable for heavy damages. If such events occur, they may have significant impacts on the Panasonic Group's business, operating results, and financial condition.

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 common to disasters and accidents in general

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.
In order 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. In fiscal 2023, we revised our "Panasonic Group Guidelines for Business Continuity Management (BCM)" to incorporate the latest damage assumptions and corresponding disaster prevention/mitigation measures for Nankai Trough Earthquake and the earthquakes occurring directly beneath the Tokyo Metropolitan Area by the Cabinet Office and clarify the linkage with the BCP for each function, including procurement, logistics, and IT to enhance viabilities.

Risks related to natural disasters

Especially for natural disasters, we are strengthening our disaster and accident preparedness in normal times and have established the Fire and Disaster Prevention Countermeasures Committee at the group level so as to enable swift transition to an emergency response system in the event of an emergency. The Fire and Disaster Prevention Countermeasures Committee has set up sub-committees for earthquakes, tsunamis, and floods 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 every year, assuming an emergency to confirm response of the of the Group Emergency Headquarters and cooperation with the Operating Company Emergency Headquarters. In January 2023, we held the Group Emergency Headquarters drill assuming a Nankai Trough Earthquake. Based on the assumption that it would be difficult for the Group Emergency Headquarters member to gather due to the enormous damage caused by the disaster, the drill was conducted assuming that the Group Emergency Headquarters would be set up by "neighboring members" who could gather without using public transportation.
Furthermore, Panasonic Group designates the Nankai Trough Earthquake and the earthquakes occurring directly beneath the Tokyo Metropolitan Area as stress events as their impacts on the Group's business are expected be enormous among disasters and accidents and conducts impact analyses of these events as part of our risk management initiatives. Panasonic Group will strengthen necessary countermeasures based on the analysis results, establish appropriate risk awareness within the Group, and strengthen risk communication.

Risks related to infectious diseases

In fiscal 2023, there were no major adverse effects on the entire Group from COVID-19 infection. The restrictions on the infection have been eased in Japan and overseas, and Japan downgraded it to "Class V Infectious Disease" under the Act on the Prevention of Infectious Diseases and Medical Care for Patients with Infectious Diseases. Accordingly, Panasonic Group is gradually easing restrictions on movements, while continuing basic infection controls.
Until now, Panasonic Group launched the Corporate Emergency Headquarters in January 2020 to deal with COVID-19 based on the aforementioned "Corporate Emergency Management Rules", and each functional division, such as management, procurement, and public relations, addressed the issues under the headquarters, giving utmost priority on lives, health and ensuring the safety of the employees, while coordinating with each operating company's headquarters. At present, we have transitioned from emergency response to normal time response as the infection situation converges. On the other hand, an increase in the community spread infections due to measures taken against the infection or eased restrictions on movements, outbreaks of mutant strains, or new pandemics caused by other than this infection may have an impact on the business, operating results, and financial condition of Panasonic Group. We continue to monitor the infection situation in Japan and overseas and pay close attention to the trends in each country's government.
In addition, as overall infection preparedness in normal times, Panasonic Group works to maintain the health

and safety of all employees and a business continuity system by formulating BCP for infections at each operating company and ensuring appropriate stock of masks, rubbing alcohol, thermometers, and other items.

Risks related to terrorism, wars, riots and political unrest

The emergence of political instability or military tension, or the occurrence of terrorism or insurrection in the countries or regions where Panasonic Group has its bases may hinder our business continuity and have significant impact on our business, operating results, and financial condition. Regarding the Ukraine-Russia situation, Panasonic Group expects the direct impact on our operating results and financial condition to be minor at present. However, if the political situation in the East Asia region becomes unstable, it may have a tremendous impact on Panasonic Group. In order to strengthen the response to emergency situations giving the utmost priority on human lives, Panasonic Group is promoting the development of BCP that takes geopolitical risk response into consideration and the safety measures at normal time by each function.

(6) Other Risks

Impairment of non-financial assets

Panasonic has many non-financial assets, such as Property, Plant, and Equipment (PPE), 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 amount 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.

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.

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.

Operating results and financial conditions of companies under the equity method

Panasonic Holdings 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 Holdings 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.

4. 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 2023, ended March 31, 2023

During the year ended March 31, 2023 (fiscal 2023), the global economy saw a slowdown due to such downside factors as the situation in Ukraine, the Shanghai lockdown, continuing high prices of raw materials, shortages in parts & materials, and worldwide inflation along with an increase in interest rates. In Japan, rapid fluctuations in exchange rates also became one of the downside factors for the economy.

Under such management conditions, the Company transitioned itself to a new group organizational structure comprised of a holding company and operating companies on April 1, 2022. The Company continued to thoroughly implement autonomous management in each operating company and enhance its competitiveness as well as executed the strategies promogulated in the new medium- to long-term strategy that started in fiscal 2023.

As for the enhancement of competitiveness, the Company is continuing to establish a foundation for data-driven management through PX (Panasonic Transformation). The Company is also continuing to strengthen its operational capability in the entire supply chain, mainly at the major sites of each operating company through frontline innovation.

In the three growth areas toward achieving Panasonic GREEN IMPACT, which is the Group’s long-term vision for the environment, the Company announced the decision to commence preparations for a potential stock listing of the supply chain management business operated by Panasonic Connect Co., Ltd. in May 2022. It was decided that based on the business characteristics and market environment, a stock exchange listing of its business would be the optimal way to accelerate growth globally by utilizing the capital markets. In July 2022, with regard to plans for a US-based EV battery manufacturing facility, Panasonic Energy Co., Ltd. was approved for participation in the "Attracting Powerful Economic Expansion" incentive program of the State of Kansas, and in October 2022, the Board of Directors of the Company made the decision to construct this manufacturing facility in the U.S.

Furthermore, in September 2022, Panasonic Corporation announced the investment in its Czech Plant to strengthen the production of Air-to-Water (A2W) hot water heat pump system which have been experiencing growing demand in Europe. In February 2023, Panasonic Corporation completed the acquisition of the commercial air-conditioning business from Systemair AB, a Swedish leading global manufacturer in the ventilation and commercial air-conditioning business.

1) Sales

The Company's consolidated group sales for fiscal 2023 increased by 13% to 8,378.9 billion yen from a year ago. This is due to increased sales of such products as A2W, automotive systems & components reflecting the recovery of automobile production, and EV batteries as well as to the new consolidation of Blue Yonder Holding, Inc. and the effect of currency translations, despite the impact on production & sales caused by shortages in semiconductors.

2) Operating Profit

Operating profit decreased by 19% to 288.6 billion yen from a year ago. This is due mainly to the impact of price hikes in raw materials and increased fixed costs, despite increased sales and efforts such as price revisions. In addition, the impact of one-off gain in the previous year contributed to the decrease.

3) Profit before Income Taxes

Finance income increased from 22.1 billion yen a year ago to 49.0 billion yen. Finance expenses increased from 19.3 billion yen a year ago to 21.1 billion yen. As a result, profit before income taxes was 316.4 billion yen, compared to 360.4 billion yen a year ago.

4) Net Profit attributable to Panasonic Holdings Corporation Stockholders

Income taxes were 35.9 billion yen, compared to 95.0 billion yen a year ago. As a result, net profit attributable to Panasonic Holdings Corporation stockholders totaled 265.5 billion yen, compared to 255.3 billion yen a year ago. Also, net profit attributable to Panasonic Holdings Corporation stockholders per share was 113.75 yen, against 109.41 yen a year ago.

5) Operating Results by Segment

For management purposes, the Panasonic Group now evaluates and discloses business results in the five reportable segments of "Lifestyle," "Automotive," "Connect," "Industry" and "Energy."

According to the reorganization as of April 1, 2022, the segment information for fiscal 2022 has been reclassified to conform to the presentation in fiscal 2023.

a. Lifestyle

Sales increased by 10% to 3,483.3 billion yen from a year ago. In fiscal 2023, there was a decline in revenue in the home appliances business in Japan. However overall sales increased due to strong sales in areas including Air-to-Water (A2W) hot water heat pump system in Europe, showcases in North America, and the overseas electric materials business, and also due to the effects of currency translations.

As for its primary divisional companies, although the Living Appliances and Solutions Company was affected by a slowdown in global demand, intensifying competition in Japan, and the Shanghai lockdown, overall sales increased due to the effects of price revisions and currency translations.

Despite declining demand for indoor air conditioner in Japan, the Heating & Ventilation A/C Company saw strong sales of A2W in Europe that drove an overall increase in sales.

The Cold Chain Solutions Company saw an increase in sales due to steady sales of showcases in North America.

At the Electric Works Company, sales increased as there were strong sales of electrical equipment materials, centered on sales overseas, boosted by the effects of price revisions.

Operating profit for this segment was 103.1 billion yen. Although there were positive impacts from increased sales of products in key businesses such as air conditioning in Europe, electric materials in Japan and overseas, and showcases in North America, they were not sufficient to cover the impact of decreased sales of appliances in Japan, despite the effects of price revisions and other factors. In addition, there were expenses for product recalls in the Heating & Ventilation A/C Company and other negative effects. As a result, profits decreased by 5.1 billion yen from a year ago.

b. Automotive

Sales increased by 22% to 1,297.5 billion yen from a year ago.

Automobile production decreased this fiscal year compared to the forecast at the beginning of the current fiscal year due to the effects of COVID, and to the continuing tight supply globally of automotive semiconductors and components, which all had a negative impact on sales in this segment. However, a recovery in vehicle production from the previous fiscal year, the effects of currency translations, and the launch of products and service businesses in new areas, among other factors, contributed to increased sales in both the Automotive Cockpit Systems Business and the Automotive Electronics Systems Business.

Operating profit for this segment was 16.2 billion yen. There were negative effects from rising prices resulting from the tight supply of component parts including automotive semiconductors, an increase in fixed costs resulting from the increased production, and the depreciation in value of the yen. However, in addition to an increase in sales, there were positive effects from initiatives such as price revisions in response to rising component prices and currency translations, cost reductions, and strengthening operational capabilities. As a result, although operating profit was negative during the first half of the year due to the effects of increased fixed costs and rising component prices, we returned to a profit with a recovery in sales during the second half of the year, and achieved a large increase in profits over the first half. Overall profit for this segment increased by 14.8 billion yen from a year ago.

c. Connect

Sales increased by 22% to 1,125.7 billion yen from a year ago.

During fiscal 2023, a slower investment related to PCs and smartphones negatively affected sales of mounting machines. However, in addition to growth in the avionics business and the robust mobile terminals business, the acquisition of Blue Yonder contributed to the increase in sales.

As for its primary business divisions (BDs), the Mobile Solutions BD saw higher sales as a result of strong overseas sales of robust mobile terminals and strong domestic sales of notebook PCs.

In the Process Automation BD, steady demand for welding equipment contributed to higher sales. However, there was a slowdown in customers' investment related to PCs and smartphones caused by factors such as the spread of COVID-19 in China, resulting in weak sales of mounting machines. As a result, overall sales declined for the division.

In the Media Entertainment BD, although markets in Europe and China were sluggish, there was steady demand for projectors in the United States, resulting in an increase in sales.

Panasonic Avionics Corporation saw strong sales of in-flight entertainment and communications systems as well as aircraft maintenance and repair services following a global recovery in passenger demand and renewed investment due to the improved financial positions of the airline companies, resulting in an increase in sales.

At Blue Yonder, despite investment delays due to uncertainty over the European and American economies, sales increased because there was steady growth in recurring sales through the promotion of stable SaaS* orders.

Operating profit for this segment was 20.9 billion yen. Although there was an increase in profits in the avionics and other businesses, profit was down by 31.9 billion yen from a year ago, due in part to the absence of one-off gain recognized during fiscal 2022.

(*) SaaS: Acronym for "Software as a Service." This service allows the user to access, via the Internet, the necessary functions of software that is located on a Cloud server provided by a vendor.

d. Industry

Sales increased by 2% to 1,149.9 billion yen from a year ago.

During fiscal 2023, in addition to a downturn in the ICT (Information and Communication Technologies) terminal market, the automobile market except for green vehicles, and the FA market in China, there was also the impact of changes in distribution channels as a result of the transfer of the semiconductor business. However, overall sales increased due in part to the effects of currency translations.

As for its major businesses, the Control Devices Business saw increased sales due to strong sales of products such as power supplies and industrial relays, and also due to the effects of price revisions.

In the FA Solutions Business, despite the continuing promotion of sales of industrial motors and other products, a slowdown in the FA market in China following a decline of investor appetite in semiconductors and general industrial fields caused a decrease in sales.

In the Electronic Devices Business, although there were declining sales in the ICT terminal market due to a large drop in the production of notebook PCs, continuing growth in demand for capacitors used for the production of green vehicles and the effects of price revisions and currency translations contributed to an increase in sales.

While in the Electronic Materials Business there was a positive impact from the effects of price revisions and currency translations, sales were down due to the effects of a slowdown in the semiconductor market.

Operating profit for this segment was 66.8 billion yen. The effects of rising raw materials prices were offset by the effects of price revisions and rationalization Despite the effects of depreciation in value of the yen, a decrease in sales due to a rapid deterioration in the market environment of semiconductors caused a decrease in profits by 16.4 billion yen from a year ago.

e. Energy

Sales increased by 26% to 971.8 billion yen from a year ago.

During this fiscal year, sales increased as there was continuing surge in global demand for electric vehicles, which resulted in strong sales of automotive batteries particularly in North America in addition to the effects of currency translations.

Regarding its primary business areas, the In-vehicle Business saw continued strong demand for electric vehicles as a result of factors including growing demand for decarbonization through government policies in various countries.

In addition, improvements in productivity at its North America battery factory contributed to strong sales of automotive lithium-ion batteries, resulting in an increase in sales.

In the Industry and Consumer Business, due to deteriorated market environment as a result of measures to prevent the spread of COVID-19 in China and continuing global inflation, in particular from the second half of the year, there was a sharp drop in demand for lithium-ion batteries used in ICT, power applications, and other consumer devices, and BtoB lithium primary batteries were also affected by a decline in global demand. However, overall sales increased due to the effects of currency translations.

Operating profit for this segment was 33.2 billion yen. Although there were the effects of depreciation in value of the yen, in addition to decreased sales in the industry and consumer business, the effects of rising raw material prices and higher fixed costs, including development expenses aimed at future growth, resulted in a decrease in profits by 33.6 billion yen from a year ago.

f. Other (Other businesses which are not included in the reportable segments)

Sales increased by 3% to 1,199.4 billion yen from a year ago due mainly to steady sales in Housing. Operating profit increased by 51% to 56.7 billion yen from a year ago.

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

Refer to "3. 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 31,2023 were 819.5 billion yen, a decrease by 386.4 billion yen compared with the end of the previous year. The Group borrowed 300 billion yen from financial institutions on March 31, 2022 just before carrying out an absorption-type company split as part of its transition to a holding company on April 1, 2022. This borrowing was allocated and succeeded as debt obligations of each operating company, and then repayment of the full amount was completed on April 1, 2022. In addition, US dollar-denominated unsecured straight bonds of USD 1.0 billion (issued in July 2019) were redeemed in July 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 1.5 billion as of March 31,2023.

(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 decreased to 1,457.1 billion yen as of March 31, 2023 from 1,897.3 billion yen at the end of the previous year. This is due to the repayments of temporary borrowings from financial institutions and the redemption of US dollar -denominated unsecured straight bond. The Company has entered into three-year commitment line agreements with several banks in June 2021, in order to prepare for contingencies such as potential deterioration of the financial and economic environment. The maximum amount of 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, 2023 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 in working capital, revisions of asset holdings and other measures.

Net cash provided by operating activities for fiscal 2023 was 520.7 billion yen and net cash used by investing activities was 344.0 billion yen. Free cash flow, the total of the two, improved by 720.2 billion yen from the previous year to an inflow of 176.7 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, 2023 amounted to 520.7 billion yen, compared with an inflow of 252.6 billion yen a year ago. This is due mainly to improvements in changes in inventories and changes in trade receivables, as well as decreased payments of income taxes.

(Cash flows from investing activities)

Net cash used in investing activities amounted to 344.0 billion yen, compared with an outflow of 796.1 billion yen a year ago. This is due mainly to investment related to the consolidation of Blue Yonder in the previous year, despite an increase in capital investment and a decrease in sales of assets.

(Cash flows from financing activities)

Net cash provided by financial activities amounted to 607.0 billion yen, compared with an inflow of 58.9 billion yen a year ago. This is due mainly to temporary borrowings which were made at the end of fiscal 2022, prior to the Company's transition to a new organizational structure, and were repaid in the following year of fiscal 2023.

Taking factors such as exchange fluctuations into consideration, cash and cash equivalents totaled 819.5 billion yen as of March 31, 2023, a decrease of 386.4 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 2023 (tangible assets only) increased 72.0 billion yen to 309.1 billion yen from 237.1 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 lithium-ion batteries for automotive use (Japan and USA) and other products in the Energy segment, in production facilities for electronic components, control equipment, and other products in the Industry segment, in production facilities for in-vehicle systems and other products in the Automotive segment, and in production facilities for systems and other products related to the B2B solution business in the Connect segment.

Depreciation (tangible assets only) increased 15.7 billion yen to 196.6 billion yen from 180.9 billion yen a year ago.

4) Assets, Liabilities and Equity

The Company's consolidated total assets as of March 31, 2023 were 8,059.5 billion yen, an increase of 35.9 billion yen from March 31, 2022. This is due mainly to an increase in inventories and the impact of fluctuations in exchange rates caused by depreciation in value of the yen, despite a decrease in cash and cash equivalent due to the repayment of temporary borrowings in fiscal 2023, which was borrowed at the end of fiscal 2022.

The Company's consolidated total liabilities were 4,269.6 billion yen, a decrease of 406.8 billion yen from March 31, 2022. This is due mainly to the repayment of temporary borrowings.

Panasonic Holdings Corporation stockholders' equity increased by 453.4 billion yen to 3,618.4 billion yen, compared with March 31, 2022. This is due mainly to recording of net profit attributable to Panasonic Holdings Corporation stockholders as well as other comprehensive income. With noncontrolling interests added to Panasonic Holdings Corporation stockholders’ equity, total equity was 3,790.0 billion yen.

As a result, the ratio of Panasonic Holdings Corporation stockholders' equity was 44.9%, increasing from 39.4% on March 31, 2022.

5. Material Agreements, etc.

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

6. 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 469.8 billion yen in fiscal 2023, including 139.8 billion yen for Lifestyle, 99.9 billion yen for Automotive, 108.8 billion yen for Connect, 60.6 billion yen for Industry, and 25.1 billion yen for Energy.

Key development initiatives and achievement during fiscal 2023 were as follows:

(1) Lifestyle

We are mainly engaged in the research and development of products and services for various spaces from homes to stores, offices and towns, including home appliances, air conditioning, lighting, electrical equipment and business equipment.

・Development of heat pump technology supporting a natural refrigerant (R290)

We have developed a new heat pump system featuring a refrigeration cycle that uses R290 (propane gas), a refrigerant that has a much smaller greenhouse effect than chlorofluorocarbons. Because the refrigerant is flammable, the refrigerant itself is placed outdoors, preventing any harm to the indoor space, where the customer is present in the event of refrigerant leakage. In addition, the outdoor unit uses a sealed structure in which electrical components do not contact the refrigerant, minimizing the risk of fire at the outdoor unit. The refrigerants that function to transport heat have been criticized in the past for contributing to global warming and the destruction of the ozone layer. However, this technology has made possible the change to a natural refrigerant with a low environmental impact.
We will continue contributing to measures to combat global warming through technology development in the future.

・Development of residential V2H (vehicle-to-home) storage system that enables more solar power to be used effectively in the home by linking electric vehicles with storage batteries

We have developed a technology that enables the simultaneous charging and discharging of electric vehicles and storage batteries for the first time in the industry and allows more solar-generated electricity to be consumed in the home. When linked to a home energy management system (HEMS) that connects various home appliances and household equipment, the system predicts the amount of surplus electricity based on daily electricity use and solar radiation forecasts for the next day, and automatically controls the charging and discharging of storage batteries. This greatly increases the effect of in-house consumption from about 50% to about 90%, and contributes to an annual reduction of 1.0 tons in CO_2 emissions. In addition, by supporting the industry's top level of independent output of 6kVA even in the event of a power outage, we will provide customers with a lifestyle close to their normal lives with hot meals and comfortable air conditioning.
We will continue to contribute to the realization of a comfortable and prosperous life by providing energy solutions.

(2) Automotive

We are mainly engaged in the research and development of cockpit systems, HUDs (heads-up displays) and advanced driver assistance systems (ADAS) for automotive applications.
Key development initiatives and achievements were as follows:

・Development of virtualized security solutions for next-generation cockpit systems in cars

We have developed a virtualized security solution to counter cyber attacks on next-generation cockpit systems by applying the embedded security technology we have cultivated in home appliances and mobile devices to the automotive field. The next-generation cockpit system combines the installation functions of multiple ECUs (electronic control units) into a single ECU and vehicle control functions, creating new security risks. This highly robust and scalable solution is applied to a virtualized platform to monitor communication between functions on the platform, enabling security measures against unauthorized access and cyberattacks.

The results of patent analysis in Japan, the United States and Europe show that we have an overwhelming advantage in technological capabilities in this area, and the company will continue to contribute to strengthening the security level of the industry and to the development of a safe and secure mobility society.

・Development of Cockpit HPC (High performance computer) platform

Toward the innovation of software system architecture in the SDV (Software Defined Vehicle) of the car, our company established the virtualization technology which is important for the evolution of the electronic platform of the car. In addition to providing a platform for next-generation cockpit domain controller (CDC) and integrated systems (HPC), the company is leading the industry in standardization activities to build an ecosystem to support the technological evolution. We have also developed driving support functions for senior drivers and functions to provide images and sounds to drivers in appropriate conditions, aiming to innovate human interfaces through SDV. We will use such technologies to develop a secure, easy-to-understand and rich user experience (UX) that is closer to the end user.

We will continue to contribute to the advancement of SDV by establishing the fundamental technologies necessary for the evolution of the cabin space.

(3) Connect

We are mainly engaged in the research and development of hardware and other solutions for companies and corporations, mainly in the areas of supply chain, public service, living infrastructure and entertainment.
Key development initiatives and achievements were as follows:

・Participated in the research and development of the New Energy and Industrial Technology Development Organization's (NEDO) product information database to realize a "robot-friendly environment" for retail stores

We participated in NEDO's technology development project to build a database of product information to enable robots to use artificial intelligence to efficiently recognize product images and automate incoming inspection and inventory, product display and payment at retail stores. The project is designed to create a mechanism for sharing among retailers, manufacturers, wholesalers, and other businesses the image data for learning purposes, which is necessary for incoming inspections, etc., as well as the image data for motion support, which is necessary for robots to properly grasp products according to their shapes, etc., in conjunction with various basic data for products such as weights. In this project, our company will develop prototypes of imaging and measurement equipment that generates product images and data, build a database of related software, and conduct demonstration tests using these to resolve on-site issues at each operator.

We will continue to develop a database covering food and daily necessities, and by building a mechanism to continuously update and operate the database, we aim to quickly realize the use of robots.

・Ranked No. 1 in the world in the National Institute of Standards and Technology (NIST) facial recognition benchmark test

We have made our own improvements to the latest deep learning technology, called Vision Transformer, and have developed a technology that enables highly accurate facial recognition in harsh environments such as aging, facial orientation, and lighting fluctuations. As a result, the company achieved an error rate (rejection rate) of 0.206% in the face recognition benchmark test conducted by NIST (NIST FRVT1: 1) when authenticating a person using evaluation data that includes changes over time, earning the company the highest rating in the world. It also received the world's highest rating for evaluation data, including changes in face orientation and lighting. As a result, our company's facial recognition technology has been recognized as a strong field technology that combines the rigor required for identity verification with the usability required for entry and exit management.

We will take advantage of our knowledge of privacy considerations and the protection of personal information in the use of camera images to develop safer and more secure technologies and contribute to solving social issues and creating new value through co-creation with customers and partner companies.

(4) Industry

We are mainly engaged in the research and development of a wide range of solutions, focusing on B-to-B businesses, mainly in electronic components, FA and industrial devices, and electronic materials.
Key development initiatives and achievements were as follows:

・Successful proof-of-principle demonstration for breath-based personal identification technology using an artificial olfactory sensor developed in collaboration among academia, industry, and government

We succeeded in achieving a high accuracy rate of 97% at a proof-of-principle demonstration of personal identification technology using 20 subjects. This technology uses an artificial olfactory sensor that is currently under development to detect human breath and uses AI technology to analyze the obtained data. This research was conducted jointly with the University of Tokyo, Kyushu University, and Nagoya University, and with support from the Japan Science and Technology Agency.
Because this method utilizes chemical information of molecular groups in breath that exist in immense numbers of types and are difficult for anyone other than the individual to reproduce, we expect that this will lead to biometric authentication technology that is extremely difficult to falsify or impersonate.

・Joint research on ultralight electromagnetic wave shielding material with aluminum ratio of 1/270 started in collaboration between industry, academia and government

In the aerospace field, space vehicles such as satellites and explorers, and electric aircraft such as drones and eVTOLs (Electric Vertical Take-Off and Landing Vehicles) are required to both reduce their weight and protect against electromagnetic waves. Through a combination of an ultralight material made from carbon nanotubes and a blend design of thermosetting resins owned by our company, we have started to develop an ultralight electromagnetic wave shielding material technology that is 1/270 lighter (0.01 g/cm^3 level of bulk density) than aluminum, a lightweight material in general, yet has comparable electromagnetic wave shielding performance. The new material can also be used to set the frequency band for shielded electromagnetic waves by changing the material composition, and is expected to be used in a variety of devices in the aerospace and next-generation high-speed communications fields in the future, with a goal of commercialization in 2024.
This research is being conducted jointly with the Japan Aerospace Exploration Agency (JAXA), along with Nagoya University, Yamagata University, and Akita University.

(5) Energy

We are mainly engaged in the research and development of dry batteries, rechargeable batteries, industrial batteries and automotive batteries.
Key development initiatives and achievements were as follows:

・Development of lithium-ion batteries with a reduced environmental impact together with high performance and reliability through cobalt-free electrode materials and the use of recycled materials

We have developed a cobalt-free battery that makes maximum use of material informatics and that contains a cathode material that does not use the rare metal cobalt. Because rare metals are contained in minerals only in small amounts, large amounts of CO_2 are generated during the refining process. As a result, reducing the amount of rare metals not only conserves resources in terms of the rare metals themselves, but also results in a large reduction in CO_2 emissions. The use of recycled materials in the cathode and copper foil also reduces CO_2 during raw material refining.
In addition, the plant is working to achieve carbon neutrality, making a large contribution to the creation of a zero-carbon society.

(6) Others

Entertainment & Communications

We are mainly engaged in the research and development related to video, audio, and communication-related products and services, including audiovisual devices such as OLED TVs, digital cameras, headphones, telephones, and other communication devices.
Key development initiatives and achievements were as follows:

・Development of wall fit TV that can be easily hung on plasterboard walls

By overhauling the structure of previous TVs, the company has developed a design that allows the display to be thinner and lighter, and has developed new special fittings that can be fixed to plasterboard walls with thin pins. Utilizing our company's proprietary 4K broadcast wireless transmission technology, the display and tuner sections are separated, and the TV can be mounted stylishly on a wall with the wall and display integrated without being tied to the position of the antenna outlet in the room.
We will continue to provide new "excitement and comfort" to people through our visual, acoustic and communication technologies.

Housing system

We are mainly engaged in the research and development of device solutions utilizing housing equipment, building materials and technologies.
Key development initiatives and achievements were as follows:

・Developed the industry's first flooring material made from recycled wood that uses paint derived from vegetable oils and fats: Sustainable Floor ™,

In recent years, we have faced a variety of challenges, including wood shock, the difficulty of obtaining base materials due to international circumstances, and deforestation, and since 2007, we have pioneered the use of recycled materials, such as scrap wood from house demolition and unused wood from forests, in flooring. New flooring structural technology has been developed to improve workability. In collaboration with paint manufacturers, we became the first in the industry to use paint derived from vegetable oils and fats to obtain the Biomass Mark for flooring surfaces. This flooring can store about 38 kg of carbon per tsubo (in terms of CO_2).
We will continue to bring these environmentally friendly products to market.

Technical Department

We are mainly engaged in the research and development of company-wide strategies related to technology and manufacturing, develops advanced technologies from a medium- to long-term perspective, and develops production and elemental technologies.
Key development initiatives and achievements were as follows:

・Development of a fully biodegradable cellulose fiber molding material

We have developed a fully biodegradable molding material that provides both one millimeter of thin molding and a high modulus of elasticity. This was achieved by blending multiple biodegradable resins containing polylactic acid derived from plants, adding suitable additives, and adding high-density cellulose fiber. We also succeeded in creating white resin pellets that offer high freedom for coloring, and the material itself can be made a brown color allowing highly expressive designs such as woodgrain.
We will utilize the high strength and design performance that characterize this molding material in a wide range of product exteriors, component materials, and other parts, and will continue contributing to the creation of a sustainable society.

・Selection of cutting-edge research and development results at top conferences in the AI and robotics fields

Regarding its research results from leading AI technologies that were developed to resolve living and social issues, the Company actively submits papers to academic conferences and journals in order to contribute to advancements in the field and to obtain an objective evaluation of the technologies. In the preceding fiscal

year, many of our papers including five papers of research and development results were selected, including at the top international AI and computer vision conference ECCV (European Conference on Computer Vision) 2022, and the top international robotics conference IROS (International Conference on Intelligent Robots and Systems) 2022.
We will continue to present our research at outside organizations and contribute to the wellbeing of our customers through the use of technologies in our products and services.

III Property, Plants and Equipment

1. Summary of Capital Investment

Capital investment for the year ended March 31, 2023 is shown in the table below.

Segment	Amount (Billions of yen)	Change from last fiscal year (%)	Main purpose of investment
Lifestyle	93.9	+ 19.2	Production of new products and streamlining of electric appliances for home use, electrical construction materials, showcases, and commercial refrigerators, etc.
Automotive	24.9	- 8.8	Production of new products and streamlining of automotive cockpit systems and automotive electronics systems, etc.
Connect	13.0	- 24.4	Production of new products and streamlining of B2B solutions business related equipment, etc.
Industry	60.8	+ 6.9	Production of new products, an increase in production capacity, and streamlining of electronic components, etc.
Energy	90.6	+ 151.0	Production of new products, an increase in capacity, and streamlining of primary and rechargeable batteries, etc.
Reportable segment total	283.2	+ 30.9	–
Other & Corporate	25.9	+ 24.5	Production of new products and streamlining of electric appliances for video and AV equipment and building materials, etc.
Total	309.1	+ 30.4	–

(Notes)
1. In calculating the percentage of change from the last fiscal year, the prior year's amount has been reclassified to conform to the presentation for fiscal 2023.
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 Holdings Corporation

(As of March 31, 2023)

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	
Technology Division (Kadoma City, Osaka, etc.)	Corporate	R&D facilities	5,593	2,703	713 (88) [1]	355	11	9,375	1,145
Head Office, etc. (Kadoma City, Osaka, etc.)	Corporate	Head office and rental facilities	48,974	3,612	124,844 (5,433) [27]	2	358	177,790	202

(2) Domestic subsidiaries

(As of March 31, 2023)

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	
Panasonic Corporation	(Kadoma City, Osaka, etc.)	Lifestyle	Manufacturing facilities for home appliances, heating & ventilation A/C, electrical equipment, etc.	44,044	39,317	299 (47) [45]	11,901	95,561	15,193
Panasonic Automotive Systems Co., Ltd.	(Tsuzuki-ku, Yokohama-shi, etc.)	Automotive	Manufacturing facilities for Automotive equipment	3,798	15,366	— (13) [2]	1,676	20,840	4,314
Panasonic Entertainment & Communication Co., Ltd.	(Moriguchi-shi, Osaka, etc.)	Other	R&D facilities for AV equipment, etc.	1,060	962	—	797	2,819	1,750
Panasonic Housing Solutions Co., Ltd.	(Kadoma City, Osaka, etc.)	Other	Manufacturing facilities for rain gutters	6,250	3,400	—	4,745	14,395	2,810
Panasonic Connect Co., Ltd.	(Hakata-ku, Fukuoka-shi, etc.)	Connect	Manufacturing facilities for mounter, information communication equipment, video, audio equipment, etc.	14,264	9,513	4,554 (495) [2]	15,187	43,518	9,739 <1,112>
Panasonic Industry Co., Ltd.	(Kadoma City, Osaka, etc.)	Industry	Manufacturing facilities for electronic components, etc.	21,933	52,830	192 (113) [70]	16,533	91,488	9,553
Panasonic Energy Co., Ltd.	(Moriguchi-shi, Osaka, etc.)	Energy	Manufacturing facilities for primary batteries and rechargeable batteries	14,704	6,232	2,540 (325) [118]	26,198	49,674	1,610
SANYO Electric Co., Ltd.	Tokyo plant (Ora-gun, Gunma, etc.)	Lifestyle	Manufacturing facilities for industrial equipment, etc.	8,882	1,028	495 (789)	183	10,588	4 <944>
	Tokushima plant (Matsushige-cho, Tokushima)	Energy	Manufacturing facilities for rechargeable batteries	5,995	3,441	1,770 (177)	4,790	15,996	487
	Suminoe plant (Suminoe-ku, Osaka-shi,)	Energy	Manufacturing facilities for rechargeable batteries	256	6,990	—	5,661	12,907	730

(3) Overseas subsidiaries

(As of March 31, 2023)

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 m²)	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	5,097	14,813	2,344 (161)	20,104	42,358	14,890
Panasonic Avionics Corporation (California, U.S.A.)	Connect	Manufacturing facilities for aircraft-in-flight entertainment systems	3,094	5,152	—	17,365	25,611	2,840
Hussmann Corporation (Missouri, U.S.A.)	Lifestyle	Manufacture facilities of commercial-use refrigerated and freezer showcases	4,506	4,745	1,856 (624)	5,790	16,897	7,332
Panasonic do Brasil Limitada (Amazonas, Brazil)	Lifestyle, Automotive, Energy	Manufacturing and sales facilities for various electric and electronic products	2,071	3,753	279 (540)	3,977	10,080	2,178
Ficosa International S.A. (Barcelona, Spain)	Automotive	Manufacture facilities of automotive components such as electric mirrors	7,622	14,107	5,107 (1,031) [27]	9,712	36,548	7,269
Panasonic Life Solutions India Pvt. Ltd. (Gurugram, India)	Lifestyle	Manufacturing and sales facilities for various electric and electronic products	6,272	9,816	290	2,536	18,914	7,288

(Notes)

1. Parenthesis notation of [ ] in the "Land" column shows the size of land rented from a party other than consolidated companies.
2. Head Office, etc. of '(1) Panasonic Holdings Corporation' includes land of 119,689 million yen (4,992 thousands m²) and buildings of 37,336 million yen rented to domestic subsidiaries
3. 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.
4. In addition to the above, the Company accounted for some machinery, etc. as finance leases as a lessor.
5. The Company includes the book value of right-of-use asset in "Others" except '(1) Panasonic Holdings Corporation.'

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

The planned capital investment for the fiscal year ending March 31, 2024 will be 700.0 billion yen, an increase of 126% compared with the actual capital investment for the previous fiscal year, and a breakdown by segment is as follows.

Segment	Amount planned for fiscal 2024 (Billions of yen)	Main purpose of investment	Capital source
Lifestyle	147.0	Production of new products and streamlining of electric appliances for home use, electrical construction materials, showcases, and commercial refrigerators, etc.	Own capital, etc.
Automotive	29.0	Production of new products and streamlining of automotive cockpit systems and automotive electronics systems, etc.	Own capital, etc.
Connect	22.0	Production of new products and streamlining of B2B solutions business related equipment, etc.	Own capital, etc.
Industry	67.0	Production of new products, an increase in production capacity, and streamlining of electronic components, etc.	Own capital, etc.
Energy	381.0	Production of new products, an increase in production capacity, and streamlining of primary and rechargeable batteries, and construction of new plants in North America, etc.	Own capital, etc.
Reportable Segment Total	6,46.0	—	—
Other & Corporate	54.0	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	700.0	—	—

(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, 2023)	Number of shares issued as of the filling date (shares) (June 27, 2023)	Stock exchange on which the Company is listed	Description
Common stock	2,454,056,597	2,454,056,597	Tokyo stock exchange (Prime Market) Nagoya stock exchange (Premier Market)	The number of shares per one unit of shares is 100 shares.
Total	2,454,056,597	2,454,056,597	—	—

(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	612	705
Class, details and number of shares to be acquired upon exercise of stock acquisition rights Note 6	Common stock of the Company 61,200 shares Note 1	Common stock of the Company 70,500 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 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 the Company conducts a share split (including an allotment without consideration (musho-wariate) of shares of common stock of the Company; 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, the Company may make appropriate adjustment to the Number of Shares Acquired within a reasonable range.

When the Number of Shares Acquired is adjusted, the Company 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 the Company is unable to give such notice or public notice no later than the day immediately preceding such applicable date, the Company 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 the Company.

(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 the Company shall become a dissolving company or proposal for approval of a share exchange agreement or share transfer plan under which the Company 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 the Company conducts a merger (limited to the case where the Company is dissolved due to the merger), an absorption-type or incorporation-type company split (both, limited to the case where the Company is split), or a share exchange or transfer (both, limited to the case where the Company becomes a wholly-owned subsidiary) (collectively, the "Structural Reorganization"), the Company 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 the Company (or, if a resolution of a general meeting of shareholders is not required, is approved by a resolution of the Board of Directors of the Company), the Company 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 the Company shall become a dissolving company;
(b) Proposal for approval of split agreement or split plan under which the Company shall be split;
(c) Proposal for approval of a share exchange agreement or share transfer plan under which the Company 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 the Company shall require the approval of the Company; 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 the Company or that the Company 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 2023 (March 31, 2023). As of the end of the month previous to the filing (May 31, 2023), no contents changed from the end of fiscal 2023, so the contents as of the end of the month previous to the filing is omitted.

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	1,726
Class, details and number of shares to be acquired upon exercise of stock acquisition rights Note 6	Common stock of the Company 172,600 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 the Company, 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 the Company shall become a dissolving company or proposal for approval of a share exchange agreement or share transfer plan under which the Company 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	1,806	2,141
Class, details and number of shares to be acquired upon exercise of stock acquisition rights Note 6	Common stock of the Company 180,600 shares Note 1	Common stock of the Company 214,100 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 the Company, 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 the Company shall become a dissolving company or proposal for approval of a share exchange agreement or share transfer plan under which the Company 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.

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
July 13, 2022 Note 4	190,300	2,454,056,597	106	259,274	105	533

(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 :
   The Company's Directors (excluding Outside Directors), Executive Officers not concurrently serving as the Company's directors, the Company's 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 :
   The Company's Directors (excluding Outside Directors), Executive Officers not concurrently serving as the Company's directors, the Company's employee (The person who was Executive Officer of the Company at the end of September 2019, and is at the position predetermined by the Company's 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 :
   The Company's Directors (excluding Outside Directors), Executive Officers not concurrently serving as the Company's directors, the Company's employee (The person who was Executive Officer of the Company at the end of September 2019, and is at the position predetermined by the Company's Board of Directors.).
   30 individuals in total.
4. Increase for issuance of new shares as restricted stock compensation.
   Issue price : 1,108 yen per share
   Capitalization amount : 554 yen per share
   Individuals that received the shares :
   The Company's Directors (excluding Outside Directors), Executive Officers not concurrently serving as the Company's directors (excluding an Executive Officer concurrently serving as a Director at a wholly owned subsidiary of the Company), the Company's wholly owned Subsidiary Directors (excluding a Director at a wholly owned subsidiary of the Company concurrently serving as a Director at the Company), Executive Officers not concurrently serving as the Company's wholly owned Subsidiary Directors.
   22 individuals in total.

(5) Composition of issued shares by type of shareholders

As of March 31, 2023

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)	1	144	70	3,018	1,037	800	393,484	398,554	—
Share ownership (units)	36	7,876,912	686,584	1,405,812	8,187,787	10,781	6,306,441	24,474,353	6,621,297
Percentage of shares (%)	0.00	32.18	2.81	5.75	33.45	0.04	25.77	100.00	—

(Notes)

1. Of 119,943,749 shares of treasury stock, 1,199,437 units are included in "Individual and others," and 49 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, 2023

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	388,894	16.66
Custody Bank of Japan, Ltd. (trust account) Note 3	8-12, Harumi 1-chome, Chuo-ku, Tokyo	212,378	9.09
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)	65,900	2.82
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)	45,795	1.96
Sumitomo Life Insurance Co.	4-35, Shiromi 1-chome, Chuo-ku, Osaka-shi, Osaka	37,465	1.60
Panasonic Group Employee Shareholding Association	1006 Kadoma, Kadoma City, Osaka	36,054	1.54
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)	31,749	1.36
Matsushita Real Estate Co., Ltd.	4-27, Dojima 2-chome, Kita-ku, Osaka-shi, Osaka	29,121	1.24
GOVERNMENT OF NORWAY (Standing proxy: Citibank, N.A.)	Bankplassen 2, 0107 Oslo 1 Oslo 0107 NO (1-1, Otemachi 1-chome, Chiyoda-ku, Tokyo)	28,703	1.22
Total	―	924,403	39.60

(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 ten joint holders dated September 21, 2022. The Company cannot confirm the actual status of shareholdings on the standard date of voting exercise.
The shareholding status as of September 15, 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.	42,779	1.74
BlackRock Advisers, LLC	33,624	1.37
BlackRock Financial Management, Inc.	2,544	0.10
BlackRock Investment Management LLC	12,545	0.51
BlackRock (Netherlands) BV	5,189	0.21
BlackRock Fund Managers Limited	7,549	0.31
BlackRock Asset Management Canada Limited	2,466	0.10
BlackRock Asset Management Ireland Limited	16,969	0.69
BlackRock Fund Advisors	37,893	1.54
BlackRock Institutional Trust Company, N.A.	33,668	1.37
BlackRock Investment Management (UK) Limited	4,335	0.18
Total	199,567	8.13

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, 2023

<table>
<tr><th>Classification</th><th>Number of shares (shares)</th><th>Number of voting rights</th><th>Description</th></tr>
<tr><td>Shares without voting right</td><td>—</td><td>—</td><td>—</td></tr>
<tr><td>Shares with restricted voting right (treasury stock, etc.)</td><td>—</td><td>—</td><td>—</td></tr>
<tr><td>Shares with restricted voting right (others)</td><td>—</td><td>—</td><td>—</td></tr>
<tr><td rowspan="2">Shares with full voting right (treasury stock, etc.)</td><td>(Treasury stock)
Common stock
119,943,700</td><td>—</td><td>Standard common stock of the Company without any restriction</td></tr>
<tr><td>(Crossholding stock)
Common stock
14,828,300</td><td>—</td><td>Same as above</td></tr>
<tr><td>Shares with full voting right (others)</td><td>Common stock
2,312,663,300</td><td>23,126,633</td><td>Same as above</td></tr>
<tr><td>Shares less than one unit</td><td>Common stock
6,621,297</td><td>—</td><td>Shares less than one unit (100 shares)</td></tr>
<tr><td>Number of issued shares</td><td>2,454,056,597</td><td>—</td><td>—</td></tr>
<tr><td>Total number of voting rights</td><td>—</td><td>23,126,633</td><td>—</td></tr>
</table>

(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 Holdings Corporation (49 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, 2023

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 Holdings Corporation	1006 Kadoma, Kadoma City, Osaka	119,943,700	—	119,943,700	4.88
(Crossholding stock) Panasonic Employee Cooperation Society, Inc.	1006 Kadoma, Kadoma City, 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	—	134,772,000	—	134,772,000	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, 2023	27,077	31,134,723
Treasury stock acquired during the current period	5,124	6,725,896

(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, 2023 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, 2023	19,600	21,785,400
Treasury stock acquired during the current period	—	—

(Notes)

1. With regard to "Treasury stock acquired during the current period," the number of treasury stock acquired from June 1, 2023 to the filing date is not included.
2. The breakdown of "Treasury stock acquired during the fiscal year ended March 31, 2023" 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, 2023		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	72,694	126,924,117	270	471,408
Total numbers of treasury stock held	119,943,749	—	119,948,603	—

(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, 2023 to the filing date are not included.
2. The breakdown of "others" in "Fiscal year ended March 31, 2023" are selling due to requests from shareholders holding shares less than one unit shares to sell additional shares (Number of shares 1,794 shares, Total disposition amount 3,132,378 yen) and exercise of stock acquisition rights (Number of shares 70,900 shares, Total disposition amount 123,791,739 yen).
   "Others" in "Current period" is selling due to requests from shareholders holding shares less than one unit shares to sell additional shares.

3. Dividend Policy

Since its foundation, the Company 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 Holdings Corporation stockholders.

The Company 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, the Company expects to pay an annual dividend of 30 yen per share for fiscal 2023, 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 116th 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 31, 2022	35,011	15.0
The Board of Directors meeting held on May 10, 2023	35,012	15.0

4. Corporate Governance, etc.

This section includes the matters of consolidated companies. This section refers to the matters as of June 27, 2023, the date of the filing of this annual securities report, unless otherwise indicated.

(1) Corporate governance

1) Basic Policy of Corporate Governance

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

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 entrusts authority to the Operating Companies, and achieves a fast-moving decision-making process centered on the Operating Companies. It also decides the Group's medium- and long-term strategies and important Group matters, and concentrates on Group direction through Group governance and risk management, in order to make important decisions for the Group and conduct sound and suitable monitoring. The term of each Director is limited to one (1) year and all Directors are reelected at an annual general meeting of shareholders. The structure of the Board of Directors makes it possible to appropriately apply decisions of shareholders to management. The Board of Directors is composed of thirteen (13) Directors (of which two (2) are women). With consideration for the skills required by the Panasonic Board of Directors, it seeks to ensure diversity of the knowledge, experience, and qualifications of the Board of Directors as a whole. Based on a policy of ensuring that one-third or more of Board of Directors Members are Outside Directors who can be expected to provide valuable opinions for decisions related to operations and supervision of Director duties based on their extensive careers outside the Company and high levels of knowledge, six (6) Outside Directors have been appointed. Chairman of the Board who is not involved in execution of business takes on the position of a chairman.

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 fourteen (14), 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.

Board of Directors meetings were held total of the twelve (12) during fiscal 2023. The attendance of each Director and each Audit & Supervisory Board Members (A&SB Members) member is as follows.

Classification	Name	Number of meetings held during the term	Number of attendance	Attendance Rate	Remarks
Director, Chairman of the Board	Kazuhiro Tsuga	12	12	100%	-
Representative Director	Yuki Kusumi	12	12	100%	-
Representative Director	Tetsuro Homma	12	12	100%	-
Representative Director	Mototsugu Sato	12	12	100%	-
Representative Director	Hirokazu Umeda	12	12	100%	-
Representative Director	Yasuyuki Higuchi	2	2	100%	Retired in June 23, 2022
Director (Outside)	Shinobu Matsui	12	12	100%	-
Director (Outside)	Kunio Noji	12	12	100%	-
Director (Outside)	Michitaka Sawada	12	12	100%	-
Director (Outside)	Kazuhiko Toyama	12	12	100%	-
Director (Outside)	Yoshinobu Tsutsui	12	12	100%	-
Director (Outside)	Hiroko Ota	2	2	100%	Retired in June 23, 2022
Director	Yoshiyuki Miyabe	10	10	100%	Elected in June 23, 2022
Director	Ayako Shotoku	10	10	100%	Elected in June 23, 2022
Director	Laurence William Bates	2	2	100%	Retired in June 23, 2022
Senior A&SB Member	Toshihide Tominaga	12	12	100%	-
Senior A&SB Member	Eiji Fujii	12	12	100%	-
A&SB Member (Outside)	Akihiro Eto	10	10	100%	Elected in June 23, 2022
A&SB Member (Outside)	Akihiko Nakamura	10	10	100%	Elected in June 23, 2022
A&SB Member (Outside)	Setsuko Yufu	12	12	100%	-
A&SB Member (Outside)	Yoshio Sato	2	2	100%	Retired in June 23, 2022
A&SB Member (Outside)	Toshio Kinoshita	2	1	50%	Retired in June 23, 2022

At the Board of Directors meeting in fiscal 2023, the following items were mainly discussed.

・Group's mid-to long-term strategy
・Human Resource strategy
・Financial strategy
・Technology strategy
・Sustainability Management and Materiality
・the Role of the Voluntary Nomination and Compensation Advisory Committee
・Risk Management Efforts
・Group Compliance Efforts
・Significance of Cross-shareholdings etc.

In addition to the above, reports on the execution of duties are made by directors who also serve as executive officers, strategic reports on the functional axis are made by executive officers in charge of the functional axis, and corporate strategy reports are made by presidents of Operating Companies.

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

In order to contribute to the sound and sustainable growth and improvement in mid- to long-term corporate value of the Group, the Audit & Supervisory Board is responsible for a part of corporate governance as an independent agency contracted by the shareholders in order to establish a high-quality corporate governance system and ensure sound management and trust from society. The Audit & Supervisory Board is composed of five (5) members (of which one (1) is a woman). Two (2) of these members are Senior Audit & Supervisory Board Members (full-time) who were selected from executive directors or equivalent positions and who are highly familiar with company operations, and are capable of visiting actual worksites and exercising investigative authority to understand the actual conditions of operations. Of these, one (1) has considerable knowledge related to financial and accounting matters. Three (3) Outside Audit & Supervisory Board Members have been appointed, consisting of a business manager, lawyer, and certified public accountant who are capable of effectively supervising the execution of Director duties based on their advanced expertise, extensive careers, and high levels of knowledge.

[Voluntary Nomination and Compensation Advisory Committee]

The Company has established a 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 Directors, Audit & Supervisory Board Members, Executive Officers, Operating Company Presidents, and Operating Company Outside Directors, and also on the appropriateness of the remuneration system for Directors, Executive Officers, Operating Company Presidents, and Operating Company Outside Directors, as well as the amounts and details of compensation for each individual. The committee discusses the succession plan for the Group CEO, Executive Officers, and Operating Company Presidents, and conducts monitoring of successor candidates. The members can also propose the timing for replacement of the Group CEO. In fiscal 2023, the committee met four times (attendance rate 100% by all members). It discussed matters including the timing for replacement of the Group CEO, successor candidates for Group CEO, Executive Officers, and Operating Company Presidents, the results from internal consideration of Director and other candidates, and the remuneration system for Directors, Executive Officers, and Operating Company Presidents, and provided reports to the Board of Directors. The committee is composed of five (5) members, Outside Director Michitaka Sawada (chairperson), Outside Director Kazuhiko Toyama, Outside Director Yoshinobu Tsutsui, Chairman of the Board Kazuhiro Tsuga, and Representative Director, President and Chief Executive Officer Yuki Kusumi. The Company has enhanced the objectivity and transparency of the committee, by ensuring that it is chaired by an Outside Director and that Outside Directors constitute a majority of its membership.

[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.

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

i) Important fiscal 2023 measures based on the effectiveness evaluation in the previous fiscal year
The following are the primary measures that were carried out in fiscal 2023.

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

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

- Survey period: Late November, 2022 - Mid December, 2022
- Survey format: Total 27 questions
  (Of these, 25 were evaluations in four ranks, and two were multiplechoice questions. Free answer spaces were provided for each question.)
- Primary survey items:
  • Structure and operations of the Board of Directors
  • Group strategies and Operating Company strategies
  • Corporate ethics and risk management
  • Evaluation of the management team (nomination, remuneration)
  • Dialogue with shareholders etc.
- Board of Directors evaluation results report and discussion: Board of Directors' meetings in January and March 2023 (2 times)
  Through discussion, the Board of Directors identifies issues for improving Board of Directors effectiveness, important supervision themes for Board of Directors in the next fiscal year, items for improving operations, and other matters.

iii) Board of Directors effectiveness evaluation results and issue improvement measures
It was confirmed from the survey results that, continuing from fiscal 2022, the evaluation of Board of Directors effectiveness, have been generally ensured. We received the following comment from an outside agency. "At all stages including the design stage for questions and response methods, the response stage with many constructive comments from all officers, and the review stage of collected results, the entire company was directly involved with an awareness of issues aimed at improving the

effectiveness of the Board of Directors." The Panasonic question design and evaluation process, and the collected responses and comments were assessed as sufficient to confirm the effectiveness of the Board of Directors.

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

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

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

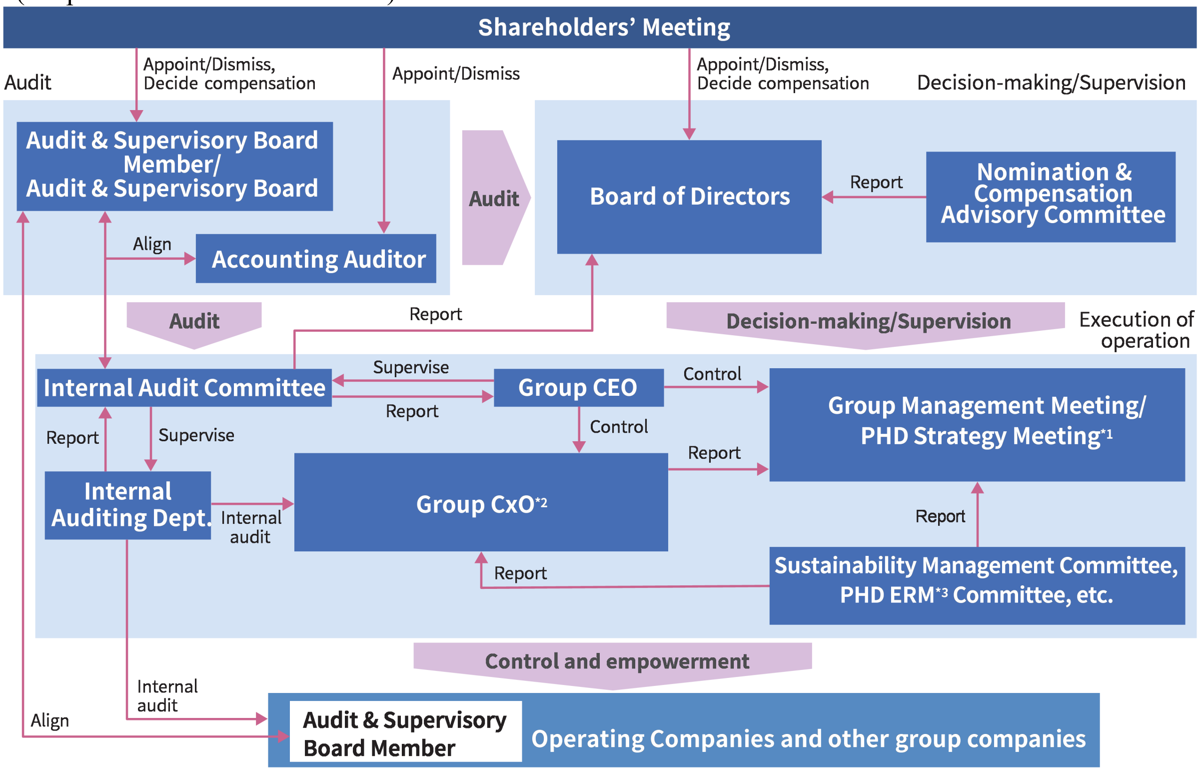
[Evaluation of Audit & Supervisory Board (A&SB) effectiveness]

An evaluation of effectiveness is also conducted for the Panasonic Audit & Supervisory Board at the end of each fiscal year. Issues and improvements proposed by Audit & Supervisory Board Members are discussed and the action to be taken is decided. The results are applied to the Audit Plan for the following fiscal year, and continual efforts are made to improve the effectiveness of audit & supervisory activities. Activities in fiscal 2023 included attendance at Board of Directors Meetings, monitoring the status of supervising execution of Director duties, and stating opinions when recognized as necessary. In addition, the decision-making process for important Group matters and the conditions of discussion at important meetings were checked, and the status of execution of duties by the President and Chief Executive Officer, Operating Company Presidents, and functional top management was monitored. Observers attended meetings—generally held once each quarter—of the Internal Audit Committee which is the controlling institution for internal audit functions. The results of audits and other information was reported to the Audit & Supervisory Board by the internal auditing group, and the Audit & Supervisory Board Members, internal auditing group, and Accounting Auditors all met together to exchange information such as risk assessments and plans for visits at the start of the year, as well as changes in the audit contents, identified items, and risk assessments in order to improve the effectiveness of audits intended to strengthen governance under the new system. In addition to a quantitative evaluation of effectiveness based on a total of 40 evaluation items from perspectives such as action based on corporate governance, the effectiveness evaluation identified specific issues proposed by each Audit & Supervisory Board Member, and worked to identify items for improvement. The Audit & Supervisory Board discussed the effectiveness evaluation results and concluded that "it is functioning effectively." For issues and other matters which were identified at discussions during fiscal 2023, measures in response will be decided and continual efforts will be made to improve the effectiveness of the Audit & Supervisory Board.

(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)



*1 Group Management Meeting/ PHD Strategy Meeting: Discuss/set the direction/report on Group's mid-to long-term strategy, important initiatives implemented by the Company and Operating Companies, and material risks

*2 Group CxO: Governance, Group Strategy, Business Support by functional axis of Accounting & Finance, HR, Legal Affairs, etc.

*3 PHD: Panasonic Holdings ERM: Enterprise Risk Management

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

The Company's Board of Directors has established the following basic policy regarding the Group internal control systems.

(a) System for ensuring the properness of operations across the Panasonic Group and reporting from subsidiaries

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 establishment of a system for transferring appropriate authority to Operating Companies (including subsidiaries primarily controlled by the Operating Companies, same below) and other subsidiaries and receiving reports to Panasonic from them. Based on these policies and rules, the Operating Companies and other subsidiaries 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 its Operating Companies and other subsidiaries, 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 the Panasonic Group

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

(e) Rules and other measures for financial risk management in the Panasonic Group

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

(f) Employees who assist Audit & Supervisory Board Members in auditing, and such employees' independence from Directors

The Company shall establish a body independent from Directors, tasked with enhancing the effectiveness of audits by Audit & Supervisory Board Members and facilitating the smooth performance of audits.

(g) Ensuring effectiveness of instructions given by Audit & Supervisory Board Members to employees who assist Audit & Supervisory Board Members

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

(h) System for Panasonic Group Directors, Audit & Supervisory Board Members, employees and other staffs to report to the Company's Audit & Supervisory Board Members

The Company shall ensure opportunities and systems that enable Directors, employees and other staffs of the Company to properly report to the Company's Audit & Supervisory Board Members, and shall ensure opportunities and systems that enable Operating Company and other subsidiary Directors, Audit & Supervisory Board Members, employees, or persons who receive reports from them, to properly report to the Company's Audit & Supervisory Board Members.

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

In ensuring the opportunities and systems prescribed in the preceding paragraph, the Company shall make sure that the persons who have reported do not incur unfavorable treatment as a consequence of such reporting.

(j) Policy on management of expenses and debt incurred in execution of Audit & Supervisory Board Member duties

The Company shall calculate budgets on an annual basis for expenses arising with respect to the execution of duties of Audit & Supervisory Board Members to ensure effectiveness of audits, and moreover shall provide prepayment 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 the Audit & Supervisory Board Members

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

[Status of Basic Policy Implementation in the Company]

(a) System for ensuring the properness of operations across the Panasonic Group and reporting from subsidiaries

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

- 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.

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

i) 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, Rules for Directors, and Rules for Executive Officers, and endeavors to ensure that its Directors act in accordance with laws, regulations, and the Company's Articles of Incorporation. Additionally, when Directors assume their positions, the Company provides them with opportunities to acquire the knowledge necessary to fulfill their roles and obligations, and during their terms of office it continues to provide Directors with opportunities to acquire the knowledge they need, including presentations on management and compliance by external experts as required.
- The Company strengthens its supervisory functions by ensuring that at least one-third of the Board of Directors' members are Outside Directors, and by providing opportunities for the Outside Directors to actively communicate through Board of Directors' meetings and other such occasions. Moreover, the Company has also established a Nomination and Compensation Advisory Committee which is chaired by an Outside Director, and a majority of its members are also Outside Directors, to ensure objectivity and transparency in the process of determining the nomination and remuneration of Directors.
- The Company continues to aim for further enhancement in the effectiveness of the Board of Directors, and as part of its efforts, it conducts an annual questionnaire survey of members of the Board of Directors and Audit & Supervisory Board. The results and evaluations are reported at the Board of Directors meetings, and the Company reviews the opinions received and implements appropriate measures for improvement accordingly.
- Audits and other supervision are carried out by the Audit & Supervisory Board Members and the Audit & Supervisory Board. In addition, 19 full-time Audit & Supervisory Officers of the Operating Companies and the divisional companies of each Operating Company report directly to the Panasonic Audit & Supervisory Board, and duties are carried out in cooperation with the Audit & Supervisory Officers at Panasonic Group companies including Operating Companies.
- The elimination of all relationships with anti-social forces is prescribed in the Rule of the Prevention of Relationships with Antisocial Forces, and written pledges to observe the contents of these rules are acquired. In addition, Rules for Directors and Rules for Executive Officers reconfirm the requirement to eliminate all relationships with anti-social forces.

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

- The Basic Rules for Group Compliance make clear the basic items, roles, and responsibilities that are assigned for compliance in 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 elimination of all relationships with anti-social forces is prescribed in the Rule of the Prevention of Relationships with Antisocial Forces, and written pledges to observe the contents of these rules are acquired. In addition, the Employee Work Regulations reconfirm the requirement to eliminate all relationships with anti-social forces. With the establishment of the Business Conduct Committee and assigning an employee specifically to the task of blocking any relations with such forces, we have constructed a system for organizationally rejecting anti-social forces.

(c) 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.

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

• The Company expedites decision-making through Rules of Approval for Decision-making in Important Matters, clarification of the positions of Directors and Executive Officers, complete delegation of authority to Operating Companies, the holding of "Group Management Meetings" and "PHD Strategy Meetings", 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) Rules and other measures for financial risk management in the Panasonic Group

• Accurately identifying risks and taking action to prevent them is positioned as an important issue for corporate management. Based on the Panasonic Group Rules for Risk Management, risk management activities are carried out centering on the PHD Enterprise Risk Management Committee (PHD ERM Committee). Risk assessment is carried out based on the following cycle. Once a year, all risks which potentially may affect business activities are identified and assessed using common assessment axes, and the order of priority is decided for risks which require action. Each risk which was identified as important based on this cycle is selected as a material Group risk by the PHD ERM Committee. A countermeasure is proposed, enacted, and its status monitored, and activities for continual improvement are carried out, centering on the department which is responsible for that risk. When formulating and deciding on management and business strategies, the PHD ERM Committee identifies uncertain matters which may be opportunities or threats in regards to achieving business objectives, and engages in appropriate risk-taking according to the degree of the risk. It also carries out risk management activities to review enacted countermeasures at suitable times according to the size of the identified risks.

(f) Employees who assist Audit & Supervisory Board Members in auditing, and such employees' independence from Directors

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

(g) Ensuring effectiveness of instructions given by Audit & Supervisory Board Members to employees who assist Audit & Supervisory Board Members

• Respective Audit & Supervisory Board Members issue instructions to their staff members, and those staff members accordingly assist the Audit & Supervisory Board Members in performing their duties. 29

• The Company consults with Audit & Supervisory Board Members in advance of undertaking personnel-related matters including employee transfers and other affairs involving staff members who assist the Audit & Supervisory Board Members.

(h) System for Panasonic Group Directors, Audit & Supervisory Board Members, employees and other staffs to report to the Company's Audit & Supervisory Board Members

- Directors, employees and other staffs of the Company and Group companies report on business operations and other issues at respective regular meetings held by Audit & Supervisory Board Members and other such occasions, and also report as necessary at other important meetings with Audit & Supervisory Board Members, where their attendance has been requested. Moreover, Audit & Supervisory Board Members of Group companies report as necessary to the Company's Audit & Supervisory Board Members regarding content of reports at respective Group companies. The Operating Company Audit & Supervisory Board Members conduct inquiries at their respective Operating Companies regarding business operations and issues at the Operating Companies, and report such matters as necessary to the Company's Audit & Supervisory Board Members.
- The Company has established an Audit Report System by which employees of the Company and Group companies directly report to the Company's Audit & Supervisory Board about concerns related to improper acts by Directors and Executive Officers or related to possible illegality of carrying out official duties.

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

- The Audit Report System enables parties to report matters anonymously, while the Panasonic 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.

(j) Policy on management of expenses and debt incurred in execution of Audit & Supervisory Board Member duties

- To ensure effectiveness of audits, the Company calculates preliminary budgets with respect to anticipated expenses required by Audit & Supervisory Board Members in executing their duties, in accordance with Audit & Supervisory Standards.
- 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, Audit & Supervisory Board Members are required to remain mindful of efficiency and appropriateness in that regard.

(k) Other systems for ensuring effective performance of audits by the Audit & Supervisory Board Members

- The Audit & Supervisory Board Members and Audit & Supervisory Officers of Operating Companies hold monthly meetings for reporting and notification.
- The Company has established and operates the Panasonic Group Audit & Supervisory Board Members' Meeting chaired by the Company's Senior Audit & Supervisory Board Member, in order to facilitate cooperation among the Audit & Supervisory Board Members of the Company and the Audit & Supervisory Officers of Group companies including Operating Companies.
- Representative Directors and Audit & Supervisory Board Members exchange opinions regularly and whenever necessary. Moreover, respective departments cooperate in implementing visiting audits of business offices inside and outside Japan conducted by Audit & Supervisory Board Members. Internal auditing groups also cooperate to enhance the effectiveness of audits carried out by Audit & Supervisory Board Members through collaboration with Audit & Supervisory Board Members, including reporting as appropriate to the Audit & Supervisory Board Members.
- When the accounting auditors formulate their audit plans, perform quarterly reviews, and conduct final audits, the Audit & Supervisory Board Members hold regular meetings with the accounting auditors at which they receive explanations and reports, and exchange opinions with the accounting auditors as necessary.

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. Against the backdrop, through constructive dialogue with shareholders and investors by management and the IR department, the Company is promoting proactive IR activities that contribute to the sustainable growth of the Company and the enhancement of corporate value over the mid-to long-term, in collaboration with related departments. the Company's specific approach to information disclosure is set forth in the "Panasonic Group Compliance Code of Conduct", which embodies the Management Philosophy and sets forth specific items to be fulfilled in conducting business activities while practicing compliance. The basic policy on information disclosure, together with practical standards, methods and internal systems, are published in the "Disclosure Policy" on the Company’s website.

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 2023 Panasonic had approximately 360 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". 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 15 men and 3 women (the ratio of women members in the Board of Directors and Audit & Supervisory Board Members is 16.7%.)

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	4,067
			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	Yuki Kusumi	January 22, 1965	Apr. 1989 Oct. 2012 Apr. 2014 Nov. 2015 Apr. 2017 Jan. 2018 Apr. 2018 Apr. 2019 Apr. 2021 June 2021 Oct. 2021	Joined the Company; Director, TV Business Division, Network Business Group, AVC Networks Company; Executive Officer of the Company / Senior Vice President, Appliances Company / In charge of Home Entertainment and Beauty Living Business / Director, Home Entertainment Business Division; Vice President, Appliances Company / In charge of Home Appliances Business; Vice President, Appliances Company / In charge of TV, Imaging Products Business / In charge of Major Appliances Business; Vice President, Automotive & Industrial Systems Company / Director, Rechargeable Battery Business Division, SANYO Electric Co., Ltd.; Vice President, Automotive & Industrial Systems Company / Director, Automotive Energy Business Division, SANYO Electric Co., Ltd.; Managing Executive Officer of the Company / In charge of Automotive Segment / CEO, Automotive Company; Chief Executive Officer (CEO); Representative Director/ President of the Company (current position). Group Chief Executive Officer (Group CEO) (current position)/ Group Chief Strategy Officer (Group CSO) .	Note 5	1,609

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	1,357
			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	692
			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.;		
			June 2021	Director of the Company (current position);		
			Jan. 2022	Board Director and Group Executive Officer, Uzabase, Inc.		
			Feb. 2023	Executive Officer, CHRO, Uzabase, Inc.(current position)		

Title	Name	Date of birth	Brief personal records		Term of office	Share ownership (100 shares)
Director	Keita Nishiyama	January 11, 1963	Apr. 1985	Joined the Ministry of International Trade and Industry (currently the Ministry of Economy, Trade and Industry);	Note 5	-
			July 2009	Executive Managing Director, Innovation Network Corporation of Japan;		
			July 2014	Deputy Chief, TEPCO-NDF Liaison Office, Nuclear Damage Compensation Facilitation Corporation;		
				Concurrently Executive Officer, Tokyo Electric Power Company, Incorporated;		
			Jun. 2015	Director and Executive Officer, Tokyo Electric Power Company, Incorporated;		
			July 2018	Director-General, Commerce and Information Policy Bureau, Ministry of Economy, Trade and Industry;		
			June 2023	Director of the Company (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).		
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)		

Title	Name	Date of birth	Brief personal records		Term of office	Share ownership (100 shares)
Director	Yoshinobu Tsutsui	January 30, 1954	Apr. 2011 June 2015 Apr. 2018	President, Nippon Life Insurance Company; Director of the Company (current position); Chairman, Nippon Life Insurance Company (current position).	Note 5	-
Director/ Executive Vice President	Yoshiyuki Miyabe	December 5, 1957	Apr. 1983 Apr. 2008 Apr. 2011 June 2011 Apr. 2013 Apr. 2014 June 2017 Apr 2022 June 2022	Joined the Company; Executive Officer of the Company; Managing Executive Officer of the Company; Managing Director of the Company; President, AVC Networks Company; Senior Managing Director of the Company; 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); Executive Vice President of the Company (current position); Director of the Company (current position).	Note 5	1,518
Director/ Executive Officer/ Group GC	Ayako Shotoku	June 10, 1968	Apr. 1991 Oct. 2021 Apr. 2022 June 2022	Joined the Company; 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; Executive Officer of the Company / Group General Counsel (Group GC) (current position); Director of the Company (current position).	Note 5	139
Senior Audit & Supervisory Board Member	Eiji Fujii	March 7, 1960	Apr. 1984 July 2015 Apr. 2017 Apr. 2019 June 2020	Joined the Company; Managing Officer, Automotive & Industrial Systems Company of the Company/Director, Engineering Division; Executive Officer of the Company/ Vice President, Automotive & Industrial Systems Company/ In charge of Technology and Director, Engineering Division; Executive Officer of the Company / Vice President, Industrial Solutions Company / In charge of Technology and Director, Engineering Division / In charge of Intellectual Property; Senior Audit & Supervisory Board Member of the Company (current position).	Note 6	196

Title	Name	Date of birth	Brief personal records		Term of office	Share ownership (100 shares)
Senior Audit & Supervisory Board Member	Hidetoshi Baba	June 7, 1963	Apr. 1987	Joined Kyushu Matsushita Electric Co., Ltd.;	Note 7	55
			Apr. 2008	Director and Vice President, Panasonic Communications (Malaysia) Sdn Bhd;		
			Aug. 2010	Vice President, Panasonic System Networks Europe;		
			Apr. 2016	Managing Officer, AVC Networks Company of the Company, Director, Accounting Center;		
			Oct. 2020	General Manager, Audit Division of the Company;		
			Apr. 2022	Executive, in charge of Internal Auditing of the Company; General Manager, Internal Auditing Department, Panasonic Operational Excellence Co., Ltd.		
			June 2023	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 6	-
			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						10,240

(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, Keita Nishiyama, 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, 2023, shall expire at the conclusion of the Ordinary General Meeting of Shareholders for the year ending March 31, 2024.
6. 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.
7. The term of office of Hidetoshi Baba, Audit & Supervisory Board Members, which commenced from the conclusion of the Ordinary General Meeting of Shareholders for the year ended March 31, 2023, shall expire at the conclusion of the Ordinary General Meeting of Shareholders for the year ending March 31, 2027.
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)
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	In charge of Government and External Relations, and Solution Partners Representative in Tokyo
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, Future 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
Executive Officer	Ayako Shotoku	Group General Counsel (Group GC)
Executive Officer	Kazuyo Sumida	Group Chief Strategy Officer (Group CSO) General Manager, Corporate Planning Group

Title	Name	Responsibility
Executive Officer	Hajime Tamaoki	Group Chief Information Officer (Group CIO) In charge of Cyber Security President, Panasonic Information Systems Co., Ltd.
Executive Officer	Shigeo Usui	In charge of Design * Executive Officer, Panasonic Corporation, Chief Customer Experience Officer (CCXO), In charge of Design, Brand and Communications

*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 six (6) 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 shares of the Company, 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 shares of the Company, 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 six (6) Outside Directors, the Company elects them based on the independency stated in the Independence Standards for Outside Directors / 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 / 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 / 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 general shareholders of the Company.

[Overview of the Independence Standards for Outside Directors / 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 such a person recently or previously, hereinafter, "executing person")

(2) A person whose major business partner is the Panasonic Group or an executing person of the same, or a major business partner of the Panasonic Group or an executing person of the same

(3) A consultant, accounting expert, or legal expert who receives a significant amount of money or other property from the Panasonic Group 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 the principal shareholder is a legal entity, an executing person of such legal entity)

(5) A close relative listed in items (1) to (4) (A second-degree or closer relative applies. The same applies hereinafter.) or a close relative of an executing person of the Company or a subsidiary of the Company (If an Outside A&SB Member is appointed to as an Independent Director / A&SB Member, a person who is or who was a non-executing director / accounting advisor is included in the executing person.)

(Notes)

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

・An executive director, an executive officer (shikkouyaku) or a director / 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 who executes business, or other such equivalent person.

・An employee

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

ii) In the item (2) above, "major" shall be applied to the case in which the amount of the transaction between the Panasonic Group and a business partner exceeds 2% of either of their annual consolidated net sales.

iii) In the item (3) above, "a significant amount" shall be applied to the case in which the person oneself who provides a service (individual) or the organization such as a corporation or association to which a service provider belongs, in providing a service to the Panasonic Group, corresponds to any of the following. "A person who belongs or belonged" includes not only a partner, but also an associate as it is so called.

・A person oneself who provides a service: Receives compensation of more than or equal to 12 million yen per year from the Panasonic Group.

・An organization to which a service provider belongs: The amount of the transaction between the Panasonic Group and the organization exceeds 2% of either of their annual consolidated net sales.

"A person who belonged to an organization" shall be assumed to be identified based on whether the person belonged to the organization within the last three years.

iv) In the item (4) above, "a principal shareholder" shall mean a shareholder holding 10% or more of the voting rights of the Company.

v) In the item (5) above, "A person who was a non-executive director / accounting advisor" shall be assumed to be identified based on whether the person was in the position within the last three years.

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, nineteen (19) full-time A&SB Members and Audit & Supervisory Officers (A&SOs) of the Operating Companies and the divisional companies of each of the Operating Companies shall directly report to the Senior A&SB Members of the Company. The Company also inaugurated the Panasonic Group Audit & Supervisory Board Members' Meeting (comprising Senior A&SB Members of the Company, A&SOs. 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. Hidetoshi Baba, 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 16 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 thirteen (13) A&SB meetings for the fiscal year ended March 31, 2023, and each meeting took two (2) hours and fifty-seven (57) minutes. The attendance rate was 98% (Senior A&SB Members: 100%, Outside A&SB Members: 97%).

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	3	3	100%	Retired on June 23,2022
Outside A&SB Member	Toshio Kinoshita	3	2	67%	Retired on June 23,2022
Outside A&SB Member	Setsuko Yufu	13	13	100%	-
Outside A&SB Member	Akihiro Eto	10	10	100%	Elected on June 23,2022
Outside A&SB Member	Akihiko Nakamura	10	10	100%	Elected on June 23,2022

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 22 personnel and the "Internal Control Promotion Office" which supervises internal control over financial reporting has 17 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 ensure the effectiveness of audits)

The Company establishes 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 20 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 Holdings Corporation
Working with to assist the above accountants in conducting audit of the Company were 55 certified public accountants and 91 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, 2023. 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, 2023		Fiscal year ended March 31, 2022	
	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 Holdings Corporation	484	17	837	22
Consolidated subsidiaries	911	9	330	-
Total	1,395	26	1,167	22

Fees for non-audit services paid by Panasonic Holdings Corporation and its consolidated subsidiaries to the Company's accounting auditors, KPMG AZSA LLC, are mainly paid for advisory services related to taxation for the year ended March 31, 2023 and advisory services including the creation of comfort letters as part of bond issue for the year ended March 31, 2022.

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

Category	Fiscal year ended March 31, 2023		Fiscal year ended March 31, 2022	
	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 Holdings Corporation	-	107	-	268
Consolidated subsidiaries	2,488	587	2,096	319
Total	2,488	694	2,096	587

Fees for non-audit services paid by Panasonic Holdings Corporation and its consolidated subsidiaries to the Company's accounting auditors, KPMG Group excluding KPMG AZSA LLC, are mainly paid for advisory services related to accounting and tax matters for the year ended March 31, 2023 and 2022.

c) Details of other important fees for audit services

There were no material audit fees paid by some of consolidated subsidiaries of Panasonic Holdings Corporation to the accounting auditors other than the Company's accounting auditor, KPMG AZSA LLC and KPMG Group for the year ended March 31, 2023 and 2022.

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 Matters regarding policies for determining the amount of an officers' remuneration etc. or the calculation method.

(a) Remuneration system and its overview

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

The remuneration system is as outlined below.

<table>
<tr><th colspan="2">Element of remuneration</th><th>Overview</th><th colspan="2">Relative size (Note)
(Where the weight of base salary is 1.0)</th></tr>
<tr><td colspan="2">Base salary
(Monetary remuneration)</td><td>・Fixed remuneration that is paid every month. Its amount is determined according to the role, the Company's management environment and other companies' movements.</td><td colspan="2">1</td></tr>
<tr><td rowspan="2">Performance based remuneration
(Monetary remuneration)</td><td>Short term incentive</td><td rowspan="2">・An incentive to achieve the goals described in new medium- and long-term strategies after the transition to the operating company system of the Panasonic Group.
・The target annual amount is set at a certain percentage of the base salary and the paid amount is determined in consideration of financial and non-financial evaluation elements.
・The short term incentive is paid every month. Evaluations in terms of percentage target achievement, etc. in the relevant fiscal year are reflected in the amount paid in the following fiscal year.
・The amount of the mid-long term incentive is determined according to evaluations in terms of percentage target achievement, etc. in the three fiscal years covered by the current mid-long term plan (fiscal 2023 to 2025). The amount payable for the three years (the target amount is 0.6 where base salary is set at 1.0) is paid every month once in the three-year period.</td><td colspan="2">0.55</td></tr>
<tr><td>Mid-long term incentive</td><td colspan="2">0.2</td></tr>
<tr><td colspan="2">Restricted shares as remuneration
(Non-monetary remuneration)</td><td>・Remuneration in the form of shares with transfer restrictions are lifted immediately after termination of service as a director of the Company etc. (revised effective fiscal 2024).
・Paid as an incentive to enhance corporate value in a sustainable way and further promote value sharing with shareholders through continuous shareholding until termination of service.
・With its relative size set according to the role, this remuneration is paid every year, within a certain period, after the closure of the annual shareholders meeting.</td><td>Representative Director and President Executive officers

0.75</td><td>Average for directors

0.25</td></tr>
</table>

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

(b) Mechanism of performance based remuneration, etc.

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

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

<u>Short term incentive</u>

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

Evaluation element	Short term incentive			
	Indicators and items	Range of the actual paid amount	Weight	
			Representative Director and President Executive officer	Other directors
Financial (Consolidated business performance)	・EBITDA (Note 1) ・ROE ・Operating cash flow	0% to 200%	60%	50%
Non-financial (Note 2)	・Elimination of serious accidents and promotion of strict compliance ・Environmental contribution ・Human resources strategies ・Operation KPIs relating to enhancement of competitiveness	0% to 200%	40%	50%
Total weight			100%	100%

Mid-long term incentive

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

・ Representative Director and President: 0% (min.) to 400% (max.) (Note 3)
・ Other directors: 0% (min.) to 325% (max.) (Note 3)

Evaluation element	Mid-long term incentive			
	Indicators and items	Range of the actual paid amount	Weight	
			Representative Director and President Executive officer	Other directors
Financial (Consolidated business performance)	・ ROE ・ Operating cash flow	0% to 450%	80%	50%
Non-financial (Note 2)	・ Environmental contribution ・ Effort to raise the level of group management	0% to 200%	20%	50%
Total weight			100%	100%

(Notes)
1. A total for operating profit, depreciation expenses (tangible assets and right-of-use assets), and amortization expenses (intangible assets).
2. Set in light of important assignments to each role and each job duty (presented below are some of the specific indicators).
   ・Elimination of serious accidents and promotion of strict compliance: The number of serious accidents, the number of serious compliance issues.
   ・Environmental contribution: CO_2 reduction in our value chains.
   ・Human resources strategies: The results of employee opinion surveys, the percentage of women in high-ranking positions (promotion of Diversity, Equity & Inclusion).
   ・Operation KPIs relating to enhancement of competitiveness: Strengthening of procurement and logistics capabilities, DX of business processes, increases in the number of patents.
   ・Effort to raise the level of group management: Propagation and practice of the Basic Business Philosophy, management based on design thinking, improvement of brand recognition.
3. The upper limit of total paid amount to the Representative Director and President is Financial 450% × 80% + non-financial 200% × 20% ＝ 400%, based on the upper limit of the financial and non-financial actual paid amount and weight. The upper limit of total paid amount to the other directors is Financial 450% × 50% + non-financial 200% × 50% ＝ 325%, accordingly.

Non-financial evaluation process (applicable to both the short term and mid-long term incentive)

For all directors, other than the Representative Director and President, specific indicators and targets relating thereto are set after interviews with the Representative Director and President at the beginning of each relevant fiscal year, and after the year is completed, evaluations are performed after interviews with the Representative Director and President.
Given his/her position as the person who has ultimate responsibility for the entire business management of the Panasonic Group, the evaluation of the Representative Director and President is synchronized with the representative indicators and progress toward indicator target achievement used to evaluate all directors

other than the Representative Director and President, executive officers not serving concurrently as directors, and the presidents of major operating companies of the Panasonic Group.
In order to secure the objectivity and transparency of the evaluations, the specific indicators and an overview of the evaluations are reported to the Nomination and Remuneration Advisory Committee.

(c) The details of the non-monetary remuneration
Restricted shares as remuneration

This is intended to encourage an individual director to further promote value sharing with shareholders through the continuous holding of shares with transfer restrictions that are lifted immediately after termination of service, on the condition that the individual director continues to serve the Company after share allotment.
Directors covered by this system (remunerated directors) pay all of their monetary claims given by the Company as property contributed in kind and have the Company common shares issued or disposed of. An agreement on the allotment of restricted shares is concluded between the remunerated directors and the Company every year.
The content (overview) of this agreement is as described below.

1. Period of transfer restriction
The remunerated directors shall not assign, establish security rights on, or otherwise dispose of the Company common shares allocated to them (the Alloted Shares) under the agreement on the allotment of restricted shares (the Allotment Agreement) from the date of allotment until immediately after they cease to serve, by way of resignation or separation, as directors, executive officers not serving concurrently as directors, fellows of the Company or directors and executive officers of the Company subsidiaries, or in any of the positions predetermined by the Company's board of directors.

2. Handling upon termination of service
If the remunerated directors cease to serve, by way of resignation or separation, in any of the positions specified in 1 above, the Company shall inevitably acquire the Alloted Shares at no charge (on the grounds of free acquisition) except due to the expiry of their term of office, their death, or other good reasons.

3. Lifting of the transfer restriction
If the remunerated directors serve continuously from the date of allotment as directors, executive officers not serving concurrently as directors, fellows of the Company or directors and executive officers of the Company subsidiaries, or in any of the positions predetermined by the Company's board of directors and cease to serve, by way of resignation or separation, due to reasons that do not constitute the grounds for free acquisition specified in 2 above, the Company shall lift the transfer restriction as of the date of such cessation. However, the number of the Alloted Shares for which the transfer restriction is to be lifted may be reasonably adjusted, if necessary, in light of the time of expiry of the restriction transfer period. The Company shall inevitably acquire, at no charge, any of the Alloted Shares that are still restricted immediately after the lifting of the transfer restriction.

4. Handling in the case of reorganization, etc.
Notwithstanding the provisions of 1 above, if a merger agreement under which the Company ceases to exist, share exchange agreement or share transfer plan under which the Company becomes a wholly owned subsidiary of another company, or any other matter relating to reorganization, etc. is approved by the Company's shareholders meeting (or by the Company's board of directors, if approval by the Company's shareholders meeting is not required for such reorganization, etc.) at any time during the period of transfer restriction, the transfer restriction shall be lifted by a resolution of the Company's board of directors before the effective date of such reorganization, etc. with regard to the number of the Allocated Shares that is reasonably determined in consideration of the period from the start date of the transfer restriction period to the date of approval of such reorganization, etc. In the case specified above, the Company shall inevitably acquire at no charge any of the Allocated Shares that are still restricted immediately after the lifting of the transfer restriction.

5. Other matters
Other matters relating to the Allotment Agreement shall be determined by the Company's board of directors.

(d) Method for determining the amount of remuneration, etc.
Remuneration to directors and A&SB members is subject to the maximum total remuneration to all directors and all A&SB members, respectively, that is approved by a shareholders meeting's resolution.
With regard to the amount of base salary and performance based remuneration to each individual and the number of restricted shares granted as remuneration to each individual in each fiscal year, the Nomination and Remuneration Advisory Committee affirms their conformity to the remuneration policies by referring to external objective data, etc., and reports the results of its validity examination to the board of directors. The board of directors leaves the decisions to the discretion of the Representative Director and President, who objectively comprehends and supervises the Company's overall business execution.
Remuneration to A&SB members is determined by A&SB members, subject to the maximum total remuneration to all A&SB members that is approved by a shareholders meeting's resolution.
The same remuneration system, as the one applicable to the Company's directors (other than outside directors) applies basically to the Company's executive officers not serving concurrently as directors. A remuneration system similar to the one applicable to the Company's directors (other than outside directors) applies to the presidents of the Company's major operating companies, given their roles in enhancing the corporate value of the Panasonic Group. The validity of all these systems is discussed by the Nomination and Remuneration Advisory Committee.

② Remuneration etc. for the current fiscal year
(a) Total amount of remuneration etc. by classification of officer and by type of remuneration etc., and number of qualified officers

(in millions of yen)

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

(Notes)
1. The amount actually paid in the current fiscal year includes three directors and two A&SB members who left the positions at the closure of the 115th annual shareholders meeting on June 23, 2022.
2. The stated amount of performance-based remuneration and restricted shares as remuneration is the amount recognized as expenses in the current fiscal year.
3. Until the current fiscal year, the Company maintains restricted shares as remuneration for which the transfer restriction is lifted subject to certain years of service at the Company. In the current fiscal year, the

Company issued a total of 135,500 shares to six Company directors, other than outside directors, on July 13, 2022 at the price of 1,108.0 yen per share (the closing price of the Company's common stock on the Tokyo Stock Exchange Prime Market as of June 22, 2022, the business day preceding the date of the board of directors' resolution relating to the issuance of new shares as "restricted shares as remuneration").

4. The stated amounts are after rounding off to the nearest millions.

Officers receiving 100 million yen or more in total as remuneration, etc., and the amount of their remuneration

(in millions of yen)

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

(Notes)

1. Considering the revision of remuneration system in April 2022 and changes in accounting treatment due to that, the payment of actual payout of performance based remuneration in fiscal 2023 (short term incentive in Amount actually paid in the current fiscal year as listed above) and recognized allowance for performance-based remuneration paid in fiscal 2024 (short term incentive and mid-long term incentive in Recognized allowance for performance-based remuneration in the current fiscal year as listed above) is recorded as two years worth of expenses, only in the current fiscal year.
2. Though remuneration to the Director concurrently serving as an officer of a subsidiary is paid by the Company’s system, base salary and short term incentive is paid by both company according to the concurrent job ratio,etc. Tetsuro Homma is concurrently serving as Chairperson of Panasonic Corporation of China and 26 million yen out of the amount actually paid in the current fiscal year listed above (base salary: 17 million yen, short term incentive: 8 million yen) is paid by the Company. Mototsugu Sato is concurrently serving as Representative Director, Member of the Board, President, Panasonic Operational Excellence Co.,Ltd. and 71 million yen out of the amount actually paid in the current fiscal year listed above (base salary: 47 million yen, short term incentive: 24 million yen)

(b) Targets and results relating to indicators for performance-based remuneration

The table below shows major indicator targets and results.

(Unit: 100 million yen)

Amount linked to fiscal 2022 business performance			Amount linked to fiscal 2023 business performance		
Major indicator (Consolidated business performance)	fiscal 2022 target (Initially announced figure)	fiscal 2022 result	Major indicator (Consolidated business performance)	fiscal 2023 target (Initially announced figure)	fiscal 2023 result
Adjusted operating profit	3,900	3,577	EBITDA	7,900	7,184
Current net profit attributable to owners of parent	2,100	2,533	ROE	8.0%	7.8%

(Notes)

1. Adjusted operating profit is the Company's management indicator that is calculated by deducting cost of sales, and selling, general and administrative expenses from net sales.
2. The amount linked to fiscal 2023 business performance as included in short-term incentive,will be paid after July 2023 on the basis of the results of non-financial evaluations as well as the table above.

(c) Determination of remuneration in the current fiscal year

Five members of the Nomination and Remuneration Advisory Committee, namely, Outside Director Hiroko Ota (the then Chairperson), Outside Director Kazuhiko Toyama, Outside Director Yoshinobu Tsutsui, Director and Chairman of the Board Kazuhiro Tsuga, and Representative Director and President Yuki Kusumi held a meeting to discuss remuneration in the current fiscal year, and the decision was made by Representative Director and President Yuki Kusumi as per the outcome of the committee's discussions. The Representative Director and President determined individual Base salary, performance based remuneration, and restricted shares as remuneration as per the outcome of the Nomination and Remuneration Advisory Committee's discussions, and the board of directors judges verified that his decision is consistent with the remuneration policies.

For the activities of the board of directors and the Nomination and Remuneration Advisory Committee in the current fiscal year, please see the “(1) Corporate governance” of the “4.Corporate governance, etc. .”

③ Matters relating to the shareholders meeting's resolutions

The maximum total remuneration to the directors and A&SB members is as follows.

Classification	Type of remuneration	Date of resolution	Remunerated individuals	Maximum total remuneration etc.	Number of remunerated individuals at the time of resolution
Directors	Monetary remuneration	June 27, 2007 (100th annual shareholders meeting)	Directors	1,500 million yen	19 persons
		June 24, 2021 (114th annual shareholders meeting)	Outside directors	150 million yen (included in the amount above)	6 persons
	Non-monetary remuneration (Note) (Restricted shares as remuneration)	June 27, 2019 (112th annual shareholders meeting)	Directors (other than outside directors)	500 million yen (One million shares)	7 persons
A&SB members	Monetary remuneration	June 26, 2023 (116th annual shareholders meeting)	A&SB members	170 million yen	5 persons

(Note)

The 116th annual shareholders meeting on June 26, 2023 partially revised the rules on restricted shares as remuneration, changing the period of transfer restriction from "from the date of allotment until such point in three to 30 years' time as predetermined by the Company's board of directors" to "from the date of allotment until immediately after they cease to serve as directors, executive officers not serving concurrently as directors, fellows of the Company or directors and executive officers of the Company subsidiaries, or in any of the positions predetermined by the Company's board of directors". The number of remunerated directors as of the time of such resolution was seven.

(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, 2023, 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 Group has a close business relation to.

[Examination of rationality in holding]

For listed 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 listed 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 Group’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	102	13,756
Other than unlisted shares	24	65,596

(Increase in the number of securities held as of March 31, 2023)

	Number of shares held (Stock name)	Total amount acquired due to increase in number of share held (Million yen)	Reasons of increase
Unlisted shares	1	134	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.

(Decrease in the number of securities held as of March 31, 2023)

	Number of shares held (Stock name)	Total amount sold due to decrease in number of shares held (Million yen)
Unlisted shares	5	11,444
Other than unlisted shares	10	4,230

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

Specified investment securities

Stock name	As of March 31, 2023 Number of shares (shares) Balance sheet amount (Million yen)	As of March 31, 2022 Number of shares (shares) Balance sheet amount (Million yen)	Purpose of holding, outline of business alliance, effect of quantitative holding, reason of increase in the number of shares held	Ownership of the Company share: Y / N
Socionext Inc.	2,525,000	—	Expecting independence and growth after listing Due to the new listing in October 2022, the equity will be classified as a specified investment stock from the current fiscal year.	N
	24,568	—		
PHC Holdings Corporation	11,266,836	11,266,836	Expecting independence and growth after listing	N
	16,134	20,370		
Renesas Electronics Corporation	4,166,600	4,166,600	Stable procurement of raw materials	N
	7,973	5,967		
TBS Holdings, Inc.	2,543,180	3,173,180	Maintenance and expansion of broadcasting equipment related businesses	N
	4,845	5,670		
Daiwa House Industry Co., Ltd.	1,530,000	1,530,000	Maintenance and expansion of housing / equipment related businesses	Y
	4,764	4,898		
Toray Industries, Inc.	2,341,000	2,809,000	Stable procurement of raw materials	Y
	1,771	1,794		
KINDEN CORPORATION	740,257	740,257	Maintenance and expansion of housing / equipment related businesses	Y
	1,181	1,168		
SANSHA ELECTRIC MFG.	1,213,300	2,164,800	In consideration of past collaborations	N
	1,153	1,732		
Sumitomo Real Estate Sales Co., Ltd.	243,000	243,000	Maintenance and expansion of housing / equipment related businesses	N
	725	824		
EPCO Co., Ltd.	1,000,000	1,194,000	Maintenance and expansion of housing / equipment related businesses	N
	710	872		

Stock name	As of March 31, 2023 Number of shares (shares) Balance sheet amount (Million yen)	As of March 31, 2022 Number of shares (shares) Balance sheet amount (Million yen)	Purpose of holding, outline of business alliance, effect of quantitative holding, reason of increase in the number of shares held	Ownership of the Company share: Y / N
CHUDENKO CORPORATION	200,702	200,702	Maintenance and expansion of housing / equipment related businesses	N
	428	415		
Nice Corporation	210,100	210,100	Maintenance and expansion of housing / equipment related businesses	Y
	286	411		
KYUDENKO CORPORATION	58,564	58,564	Maintenance and expansion of housing / equipment related businesses	N
	197	168		
OCHI HOLDINGS CO., LTD.	146,070	146,070	Maintenance and expansion of housing / equipment related businesses	N
	179	187		
YAMAE GROUP HOLDINGS CO.,LTD	74,236	73,447	Maintenance and expansion of housing / equipment related businesses Increase of the number of shares for maintenance and expansion of business competitiveness	N
	134	76		
MISUMI CO., LTD.	55,000	55,000	Maintenance and expansion of appliance related businesses	N
	94	99		
KUWAZAWA Holdings Corporation	167,698	167,698	Maintenance and expansion of housing / equipment related businesses	N
	81	92		
Central Japan Railway Company	5,000	5,000	Maintenance and expansion of housing / equipment related businesses	N
	79	80		
Fujii Sangyo Corporation	49,000	49,000	Maintenance and expansion of housing / equipment related businesses	Y
	71	65		
e'grand Co.,Ltd	40,000	40,000	Maintenance and expansion of housing / equipment related businesses	N
	60	54		
JK Holdings Co., Ltd.	55,000	55,000	Maintenance and expansion of housing / equipment related businesses	N
	57	66		
JUTEC Holdings Corporation	46,000	46,000	Maintenance and expansion of housing / equipment related businesses	N
	55	57		
YONDENKO CORPORATION	23,100	23,100	Maintenance and expansion of housing / equipment related businesses	N
	44	40		
TSUCHIYA HOLDINGS CO., LTD.	41,000	41,000	Maintenance and expansion of housing / equipment related businesses	N
	8	7		

Stock name	As of March 31, 2023 Number of shares (shares) Balance sheet amount (Million yen)	As of March 31, 2022 Number of shares (shares) Balance sheet amount (Million yen)	Purpose of holding, outline of business alliance, effect of quantitative holding, reason of increase in the number of shares held	Ownership of the Company share: Y / N
Mazda Motor Corporation	—	699,006	Maintenance and expansion of automotive related businesses	N
	—	635		
Joshin Denki Co., Ltd.	—	92,502	Maintenance and expansion of appliance related businesses	N
	—	178		
ITO EN, LTD.	—	10,000	Maintenance and expansion of appliance related businesses	N
	—	60		
Toshin Group co., Ltd.	—	2,000	Maintenance and expansion of housing / equipment related businesses	Y
	—	12		
ITO EN, LTD. Preferred stock	—	3,000	Maintenance and expansion of appliance related businesses	N
	—	6		

(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, 2023 Number of shares (shares) Balance sheet amount (Million yen)	As of March 31, 2022 Number of shares (shares) Balance sheet amount (Million yen)	Purpose of holding, outline of business alliance, effect of quantitative holding, reason of increase in the number of shares held	Ownership of the Company share: Y / N
Toyota Motor Corporation	15,000,000	15,000,000	Collaboration through the joint venture in Urban Development Business and Automotive Prismatic Battery Business Have a right to exercise voting rights	Y
	28,200	33,338		
Honda Motor Co., Ltd.	1,000,000	1,000,000	Have a right to exercise voting rights	Y
	3,510	3,487		

(Note) Appropriateness of holding shares listed above was assessed at the Board of Directors Meeting in March 2023 by the method described in the a, and the list above does not indicate the effects of quantitative holding of individual stocks.

3) Investment securities for pure investment

Not applicable.

4) Investment securities held for purposes other than pure investment of shares in Panasonic Ventures, LLC

Regarding Panasonic Ventures, LLC, which is the second-largest company in terms of investment share balance sheet amount among our company and our consolidated subsidiaries following the Company, the following applies. Please note that the examination method for shareholding policies, their rationality, and the verification details at the Board of Directors, etc. regarding the appropriateness of holding each share of Panasonic Ventures, LLC is described in the above (2) a.

a. The 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	12	36,240
Other than unlisted shares	3	1,817

(Increase in the number of securities held as of March 31, 2023)

	Number of shares held (Stock name)	Total amount acquired due to increase in number of share held (Million yen)	Reasons of increase
Unlisted shares	—	—	—
Other than unlisted shares	—	—	—

(Decrease in the number of securities held as of March 31, 2023)

	Number of shares held (Stock name)	Total amount sold due to decrease in number of shares held (Million yen)
Unlisted shares	—	—
Other than unlisted shares	—	—

b. The number of securities per stock name for specified investment and the amount recorded in the balance sheet

Stock name	As of March 31, 2023 Number of shares (shares) Balance sheet amount (Million yen)	As of March 31, 2022 Number of shares (shares) Balance sheet amount (Million yen)	Purpose of holding, outline of business alliance, effect of quantitative holding, reason of increase in the number of shares held	Ownership of the Company share: Y / N
Sprinklr, Inc.	815,599	815,599	Creating future businesses through venture investment.	N
	1,413	1,188		
Proterra Inc	1,056,366	1,056,366	Creating future businesses through venture investment.	N
	214	972		
Desktop Metal, Inc.	622,098	622,098	Creating future businesses through venture investment.	N
	191	361		

(Note) Appropriateness of holding shares listed above was assessed at the Board of Directors Meeting in March 2023 by the method described in the 2) a, and the list above does not indicate the effects of quantitative holding of individual stocks.

5) Investment securities for pure investment by Panasonic Ventures,LLC

Not applicable.

V Consolidated Financial Statements

PANASONIC HOLDINGS CORPORATION
AND SUBSIDIARIES
Consolidated Statements of Financial Position
March 31, 2023 and 2022

	Yen (millions)	
	March 31	March 31
	2023	2022
Assets		
Current assets:		
Cash and cash equivalents (Note 5)	819,499	1,205,873
Trade receivables and contract assets (Note 6 and 23)	1,322,593	1,324,618
Other financial assets (Note 12)	169,665	210,633
Inventories (Note 7)	1,288,751	1,132,664
Other current assets (Note 14)	202,377	157,409
Total current assets	3,802,885	4,031,197
Non-current assets:		
Investments accounted for using the equity method (Note 11)	401,219	403,201
Other financial assets (Note 12)	242,672	213,024
Property, plant and equipment (Note 8 and 27)	1,172,376	1,115,346
Right-of-use assets (Note 9 and 27)	238,833	257,706
Goodwill and intangible assets (Note 10 and 27)	1,796,236	1,680,027
Deferred tax assets (Note 13)	249,964	219,791
Other non-current assets (Note 14)	155,342	103,291
Total non-current assets	4,256,642	3,992,386
Total assets	8,059,527	8,023,583

PANASONIC HOLDINGS CORPORATION
AND SUBSIDIARIES
Consolidated Statements of Financial Position (Continued)
March 31, 2023 and 2022

	Yen (millions)	
	March 31	March 31
	2023	2022
Liabilities and Equity		
Current liabilities:		
Short-term debt, including current portion of long-term debt (Note 15)	159,231	432,897
Lease liabilities (Note 30)	59,895	60,515
Trade payables (Note 16)	1,156,909	1,163,578
Other payables and accrued expenses	506,062	500,601
Other financial liabilities (Note 19)	146,213	160,534
Income taxes payable	57,139	45,123
Provisions (Note 18)	148,210	137,032
Contract liabilities (Note 23)	191,356	174,325
Other current liabilities (Note 20)	448,405	390,859
Total current liabilities	2,873,420	3,065,464
Non-current liabilities:		
Long-term debt (Note 15)	1,050,116	1,197,706
Lease liabilities (Note 30)	187,865	206,166
Other financial liabilities (Note 19)	6,905	30,412
Retirement benefit liabilities (Note 17)	53,580	68,855
Provisions (Note 18)	6,582	8,804
Deferred tax liabilities (Note 13)	70,678	81,983
Contract liabilities (Note 23)	13,575	12,771
Other non-current liabilities (Note 20)	6,848	4,251
Total non-current liabilities	1,396,149	1,610,948
Total liabilities	4,269,569	4,676,412
Equity: (Note 21)		
Panasonic Holdings Corporation stockholders' equity		
Common stock	259,274	259,168
Capital surplus	515,760	525,554
Retained earnings (Note 3 and 31)	2,588,800	2,387,283
Other components of equity (Note 3 and 31)	463,764	202,227
Treasury stock	(209,196)	(209,270)
Total Panasonic Holdings Corporation stockholders' equity (Note 29)	3,618,402	3,164,962
Non-controlling interests (Note 32)	171,556	182,209
Total equity	3,789,958	3,347,171
Total liabilities and equity	8,059,527	8,023,583

PANASONIC HOLDINGS CORPORATION
AND SUBSIDIARIES
Consolidated Statements of Profit or Loss
Years ended March 31, 2023 and 2022

	Yen (millions)	
	Year ended March 31	
	2023	2022
Net sales (Note 23)	8,378,942	7,388,791
Cost of sales (Note 7, 17 and 27)	(6,117,494)	(5,306,580)
Gross profit	2,261,448	2,082,211
Selling, general and administrative expenses (Note 17, 22, 24 and 27)	(1,947,371)	(1,724,511)
Share of profit (loss) of investments accounted for using the equity method (Note 11)	1,432	(12,637)
Other income (expenses), net (Note 17, 26, 27 and 36)	(26,939)	12,463
Operating profit	288,570	357,526
Finance income (Note 28)	48,972	22,128
Finance expenses (Note 28)	(21,133)	(19,259)
Profit before income taxes	316,409	360,395
Income taxes (Note 13)	(35,853)	(94,957)
Net profit	280,556	265,438
Net profit attributable to:		
Panasonic Holdings Corporation stockholders	265,502	255,334
Non-controlling interests	15,054	10,104

	Yen	
Earnings per share attributable to Panasonic Holdings Corporation stockholders (Note 29)		
Basic	113.75	109.41
Diluted	113.72	109.37

PANASONIC HOLDINGS CORPORATION
AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income
Years ended March 31, 2023 and 2022

	Yen (millions)	
	Year ended March 31	
	2023	2022
Net Profit	280,556	265,438
Other comprehensive income, net of tax (Note 21)		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	7,468	31,942
Financial assets measured at fair value through other comprehensive income	8,078	4,266
Subtotal	15,546	36,208
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	248,057	365,989
Net changes in fair value of cash flow hedges	(7,482)	(8,043)
Subtotal	240,575	357,946
Total other comprehensive income	256,121	394,154
Comprehensive income	536,677	659,592
Comprehensive income attributable to:		
Panasonic Holdings Corporation stockholders	518,784	630,527
Non-controlling interests	17,893	29,065

PANASONIC HOLDINGS CORPORATION AND SUBSIDIARIES
Consolidated Statements of Changes in Equity
Years ended March 31, 2023 and 2022

Yen (millions)

	Common stock	Capital surplus	Retained earnings	Other components of equity	Treasury stock	Panasonic Holdings Corporation stockholders' equity	Non-controlling interests	Total equity
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
Effect of hyperinflation (Note 3 and 31)..	—	—	(3,260)	15,883	—	12,623	—	12,623
Restated balances as of April 1, 2022.....	259,168	525,554	2,384,023	218,110	(209,270)	3,177,585	182,209	3,359,794
Comprehensive income :								
Net profit..	-	-	265,502	-	-	265,502	15,054	280,556
Other comprehensive income - net of tax (Note 21)............................	-	-	-	253,282	-	253,282	2,839	256,121
Total comprehensive income................	-	-	265,502	253,282	-	518,784	17,893	536,677
Transfer to hedged non- financial assets (Note 21)..	-	-	-	1,666	-	1,666	-	1,666
Transfer from other components of equity to retained earnings (Note 21)................	-	-	9,294	(9,294)	-	-	-	-
Cash dividends (Note 21)..........................	-	-	(70,019)	-	-	(70,019)	(23,546)	(93,565)
Purchase of treasury stock.........................	-	-	-	-	(53)	(53)	-	(53)
Disposal of treasury stock.........................	-	(0)	-	-	3	3	-	3
Share-based payments (Note 22).............	106	(21)	-	-	124	209	-	209
Transactions with non-controlling interests and other..................................	-	(9,773)	-	-	-	(9,773)	(5,000)	(14,773)
Balance as of March 31, 2023	259,274	515,760	2,588,800	463,764	(209,196)	3,618,402	171,556	3,789,958

PANASONIC HOLDINGS CORPORATION
AND SUBSIDIARIES
Consolidated Statements of Cash Flows
Years ended March 31, 2023 and 2022

	Yen (millions)	
	Year ended March 31	
	2023	2022
Cash flows from operating activities:		
Net profit	280,556	265,438
Depreciation and amortization	382,289	339,148
Impairment losses on property, plant and equipment, right-of-use assets, goodwill and intangible assets (Note 27)	2,264	8,140
Income tax expenses	35,853	94,957
(Increase) decrease in trade receivables and contract assets	25,797	(53,848)
(Increase) decrease in inventories	(120,617)	(225,928)
Increase (decrease) in trade payables	5,390	76,811
Increase (decrease) in provisions	10,048	(8,263)
Increase (decrease) in contract liabilities	12,042	35,091
Increase (decrease) in retirement benefit liabilities	(3,686)	(5,961)
Other - net (Note 26)	(13,585)	(127,177)
Subtotal	616,351	398,408
Interests received	21,829	12,674
Dividend income received	3,991	1,894
Interest expenses paid	(21,958)	(18,180)
Income taxes paid	(99,471)	(142,166)
Net cash provided by (used in) operating activities	520,742	252,630
Cash flows from investing activities (Note 34):		
Purchase of property, plant and equipment	(289,353)	(233,967)
Proceeds from sale of property, plant and equipment	29,298	62,776
Purchase of intangible assets	(80,533)	(63,809)
Collection of lease receivables	952	24,556
Purchase of investments accounted for using the equity method and other financial assets	(37,982)	(37,239)
Proceeds from sale and redemption of investments accounted for using the equity method and other financial assets	36,369	31,143
Acquisition of subsidiaries resulting in change in scope of consolidation (Note 36)	(14,174)	(583,186)
Proceeds from loss of control of subsidiaries or other businesses (Note 32)	10,901	7,382
Other - net	489	(3,805)
Net cash provided by (used in) investing activities	(344,033)	(796,149)

PANASONIC HOLDINGS CORPORATION
AND SUBSIDIARIES
Consolidated Statements of Cash Flows (Continued)
Years ended March 31, 2023 and 2022

	Yen (millions)	
	Year ended March 31	
	2023	2022
Cash flows from financing activities (Note 34):		
Increase (decrease) in short-term debt (Note 15)	(315,328)	101,539
Proceeds from long-term debt (Note 15)	2,394	401,008
Repayments of long-term debt (Note 15)	(111,164)	(283,404)
Payment for lease liabilities (Note 15)	(74,870)	(68,825)
Dividends paid to Panasonic Holdings Corporation stockholders (Note 21)	(70,019)	(58,339)
Dividends paid to non-controlling interests	(23,546)	(20,332)
Purchase of treasury stock	(53)	(45)
Proceeds from sales of treasury stock	3	2
Transactions with non-controlling interests	(3,083)	(3,243)
Other - net (Note 15)	(11,347)	(9,451)
Net cash provided by (used in) financing activities	(607,013)	58,910
Effect of exchange rate changes on cash and cash equivalents	43,930	96,806
Net increase (decrease) in cash and cash equivalents	(386,374)	(387,803)
Cash and cash equivalents at the beginning of the year (Note 5)	1,205,873	1,593,224
Net increase (decrease) in cash and cash equivalents resulting from transfer to assets held for sale	-	452
Cash and cash equivalents at the end of the year (Note 5)	819,499	1,205,873

PANASONIC HOLDINGS CORPORATION
AND SUBSIDIARIES
Notes to Consolidated Financial Statements

1. Reporting entity

Panasonic Holdings Corporation (hereinafter referred to as "Panasonic HD") is a company incorporated in Japan. As a comprehensive electronics manufacturer, Panasonic HD 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 in accordance with International Financial Reporting Standards prescribed in Article 93 of "the Regulation on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements" as requirements of "Specified Company Complying with Designated International Financial Accounting Standards" set forth in Article 1-2 of the same regulation have been fulfilled.

The consolidated financial statements were approved on June 27, 2023 by Representative Director and President, Yuki Kusumi, and Representative Director and 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 financial instruments, the net amount of liabilities/assets for retirement benefit plans, and accounting adjustments to the financial statements of subsidiaries whose functional currency is Turkish lira which is considered the currency of a hyperinflationary economy, etc. as 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 HD'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 HD 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 HD 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. However, due to the application of financial reporting in hyperinflationary economies, the income and expenses of the subsidiaries whose currency is deemed the currency of a hyperinflationary economy are translated at the closing rate.

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 Reporting in Hyperinflationary Economies

At the beginning of the current fiscal year on April 1, 2022, the consumer price index in the Republic of Turkey indicated that the cumulative inflation rate over three years exceeded 100 percent. Consequently, the Company concluded that the subsidiaries, whose functional currency is Turkish lira, were operating in a hyperinflationary economy. Accordingly, in accordance with IAS 29, "Financial Reporting in Hyperinflationary Economies," accounting adjustments have been made to the financial statements of those subsidiaries from April 1, 2022.
IAS 29 requires that the Company's consolidated financial statements include the financial statements of those subsidiaries in hyperinflationary economies, which shall be adjusted to reflect the measuring unit current at the end of the reporting period.
The subsidiaries have adjusted non-monetary items reported at historical cost using the cumulative inflation rate based on when the items were initially recognized. Monetary items and certain non-monetary items, which are reflected in terms of the measuring unit current at the end of the reporting period, are not restated.
The effect of inflation on the net monetary position of the subsidiaries is presented as part of finance income in the Consolidated Statements of Profit or Loss. The adjusted financial statements of the subsidiaries are translated at the closing exchange rate, and then reflected in the consolidated financial statements.
As a result of reflecting the cumulative effect of hyperinflation through the end of the previous fiscal year in accordance with IAS 29, the opening balances of "Retained earnings" and "Other components of equity" as of April 1, 2022 were decreased by 3,260 million yen and increased by 15,883 million yen, respectively.

(5) 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. Trade receivables that do not contain a significant financing components are measured at the transaction price at initial recognition.

(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.

(6) 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.

(7) 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.

(8) 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.

(9) 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.

(10) 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.

(11) 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.

(12) 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.

(13) Investment Property

Investment property is property held to earn rentals or for capital appreciation, or both. Investment properties included in other non-current assets are measured using a cost model in accordance with the requirements applicable to property, plant and equipment, and stated at cost less accumulated depreciation and accumulated impairment losses. Investment properties are depreciated using the straight-line method over their estimated useful lives, ranging principally from 1 to 45 years.

(14) 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. In addition, the Company applies a temporary mandatory relief from accounting for deferred tax assets and liabilities related to income taxes arising from tax legislation enacted or substantively enacted in each jurisdiction, implementing the Pillar Two model rules published by the Organization for Economic Co-operation and Development (OECD), including the qualified domestic minimum top-up tax.

(15) Other payables and accrued expenses

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

(16) 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.

(17) 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.

(18) 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.

(19) 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.

(20) 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.

(21) 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.

(22) Earnings Per Share

Basic earnings per share is calculated by dividing net profit attributable to Panasonic HD 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.

(23) 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 "32. 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")

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

The following table sets forth major 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, 2023 because the application is not yet mandatory:

	Name of standard	Mandatory application (from the fiscal year beginning on or after)	To be applied by the Company	Description of new standard, interpretation and amendment
IAS 12	Income Taxes	January 1, 2023	Fiscal year ending March 31, 2024	Clarify deferred tax accounting for transactions that recognize both assets and liabilities, such as leases and retirement obligations
IFRS 17	Insurance Contracts	January 1, 2023	Fiscal year ending March 31, 2024	Develop consistent accounting for insurance contracts

The impact of the adoption of the revised IAS 12 on the consolidated financial statements of the Company, particularly the notes, is currently being evaluated. The impact of the adoption of IFRS 17 on the consolidated financial statements of the Company is not expected to be material.

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, microwave ovens, rice cookers, washing machines, vacuum cleaners, personal-care products, air-conditioners for residential and commercial use, Air-to-Water (A2W) hot water heat pump system, ventilation, perflation and air-conditioning equipment, 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 (SCM) 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 includes products such as TVs, digital cameras, video equipment, audio equipment, telephones, kitchen & bath, interior furnishing materials, exterior finishing materials, and sales of raw materials.

On April 1, 2022, certain sales functions within "Lifestyle" were transferred to each reportable segment. As a result, the related sales previously reported in "Lifestyle" are presented in each reportable segment and "Other" to which the transfers were made. In addition, segment performance was monitored using sales including management accounting adjustments to sales prices in the previous fiscal year, but such adjustments are not made from the current fiscal year. Due to these changes, segment information for the year ended March 31, 2022 has been reclassified to conform to the presentation for the year ended March 31, 2023.

(2) Information by reportable segment

Information by reportable segment is shown in the tables below.

(i) For the year ended March 31, 2023

	Reportable segments					Other	Eliminations and adjustments	Consolidated Total
	Lifestyle	Automotive	Connect	Industry	Energy			
	Yen (millions)							
Sales:								
External customers....	3,234,154	1,283,261	1,051,531	992,795	908,945	908,256	-	8,378,942
Intersegment.............	249,115	14,268	74,160	157,088	62,874	291,107	(848,612)	-
Total........................	3,483,269	1,297,529	1,125,691	1,149,883	971,819	1,199,363	(848,612)	8,378,942
Segment profit............	103,104	16,225	20,900	66,796	33,225	56,742	(8,422)	288,570
Depreciation and amortization (*1).......	107,980	63,363	74,619	59,661	22,342	49,293	5,031	382,289
Capital investment (*2)...........................	111,316	44,189	26,189	65,187	91,609	42,655	13,746	394,891

(ii) For the year ended March 31, 2022

	Reportable segments					Other	Eliminations and adjustments	Consolidated Total
	Lifestyle	Automotive	Connect	Industry	Energy			
	Yen (millions)							
Sales:								
External customers....	2,921,708	1,050,669	824,921	1,015,602	710,778	865,113	-	7,388,791
Intersegment.............	243,849	12,171	97,771	112,522	62,033	294,624	(822,970)	-
Total........................	3,165,557	1,062,840	922,692	1,128,124	772,811	1,159,737	(822,970)	7,388,791
Segment profit............	108,221	1,384	52,760	83,235	66,789	37,701	7,436	357,526
Depreciation and amortization (*1).......	99,279	57,884	51,054	53,796	20,897	45,407	10,831	339,148
Capital investment (*2)...........................	88,655	47,867	23,790	60,630	36,734	33,561	13,871	305,108

(*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 items such as eliminations of intersegment transactions, profit and loss which are not attributable to any reportable segment and the consolidation adjustments referred to below.
Adjustments to segment profit for the years ended March 31, 2023 and 2022 include profit of the corporate headquarters (including gains on sales of certain property, plant and equipment for the year ended March 31, 2022). Adjustments also include consolidation adjustments for 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)	
	2023	2022
Japan	3,279,283	3,189,533
Americas	1,984,483	1,382,018
Europe	928,521	736,491
Asia, China and others	2,186,655	2,080,749
Consolidated total	8,378,942	7,388,791
United States included in Americas	1,885,678	1,302,451
China included in Asia, China and others	964,731	989,730

(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	
	2023	2022
Japan	1,157,894	1,109,135
Americas	1,550,576	1,429,564
Europe	196,975	151,926
Asia, China and others	428,462	436,239
Consolidated total	3,333,907	3,126,864
United States included in Americas	1,527,690	1,409,878

(*) 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.

(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, 2023 and 2022, 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	
	2023	2022
Trade notes receivable	49,664	72,729
Trade accounts receivable	1,106,521	1,086,110
Contract assets	180,227	188,359
Less allowance for credit losses	(13,819)	(22,580)
Total	1,322,593	1,324,618

7. Inventories

Components of inventories are as follows:

	Yen (millions)	
	March 31	
	2023	2022
Finished goods	664,187	633,864
Work in process	142,902	124,289
Raw materials	481,662	374,511
Total	1,288,751	1,132,664

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, 2023 and 2022 are 54,176 million yen and 47,300 million yen, respectively. The reversal of write-downs for the years ended March 31, 2023 and 2022 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, 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
Acquisitions..........................	657	25,624	43,624	36,880	202,287	309,072
Transfers between accounts...	-	34,540	80,696	26,014	(141,250)	-
Transfers to assets held for sale or other disposal...........	(11,523)	(41,827)	(14,465)	(2,937)	(4,918)	(75,670)
Depreciation.........................	-	(38,820)	(97,546)	(60,260)	-	(196,626)
Impairment losses.................	(206)	(382)	(260)	(950)	(3)	(1,801)
Exchange differences on foreign currencies...............	2,110	5,019	9,944	2,821	2,161	22,055
Balance as of March 31, 2023	193,056	362,901	373,540	110,361	132,518	1,172,376

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" for the year ended March 31, 2022 include a decrease due to origination of finance leases as the lessor. "Transfers to assets held for sale or other disposal" for the year ended March 31, 2023 include a decrease due to origination of finance leases as the lessor and transfers to investment property.

(2) Acquisition cost

	Land	Buildings and structures	Machinery and vehicles	Tools, furniture and fixtures	Construction in progress	Total
	Yen (millions)					
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
As of March 31, 2023......	212,553	1,362,783	2,132,203	927,104	132,580	4,767,223

(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, 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)
As of March 31, 2023......	(19,497)	(999,882)	(1,758,663)	(816,743)	(62)	(3,594,847)

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)	
	2023	2022
Expenses relating to leases		
Depreciation charge for right-of-use assets	76,028	71,137
Expenses relating to short-term leases	7,373	6,123
Expenses relating to leases of low-value assets	5,966	6,127
Expenses relating to variable lease payments (*)	775	1,191
Interest expense on lease liabilities	4,565	3,418
Income relating to leases		
Income from sub-leasing of right-of-use assets	1,782	1,981

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

The total cash outflow for leases in the years ended March 31, 2023 and 2022 are 93,549 million yen and 85,684 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, 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
Acquisitions.......................	52,447	5,547	5,765	3,252	1,984	68,995
Transfers to assets held for sale or other disposal.......	(9,524)	(140)	(272)	(2,860)	(29)	(12,825)
Depreciation......................	(54,918)	(10,042)	(7,027)	(2,052)	(1,989)	(76,028)
Impairment losses.............	(9)	(3)	-	(2)	-	(14)
Exchange differences on foreign currencies............	4,665	742	166	45	145	5,763
Other changes....................	(1,857)	(532)	(12)	(1,572)	(791)	(4,764)
Balance as of March 31, 2023.................	214,259	7,241	9,971	6,226	1,136	238,833

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 amount of gross investment in the lease as of March 31, 2023 and March 31, 2022 are not material. 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, 2023 and 2022 are 15,258 million yen and 7,053 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 31,2023	March 31,2022
Within 1 year	2,015	1,199
Over 1 year to 2 years	1,409	592
Over 2 years to 3 years	1,378	454
Over 3 years to 4 years	790	308
Over 4 years to 5 years	574	245
Over 5 years	1,918	1,846
Total	8,084	4,644

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, 2023 and 2022 are 12,831 million yen and 12,743 million yen, respectively. The Company has no income relating to variable lease payments that do not depend on an index or a rate in the years ended March 31, 2023 and 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, 2023 and 2022.

10. Goodwill and intangible assets

(1) Carrying amounts

	Yen (millions)						
	Goodwill	Intangible assets					
		Software	Technology	Customer	Trademark	Others	Total
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
Acquisitions, including internal developments............	-	58,668	19,204	-	-	7,947	85,819
Acquisitions through business combination	5,599	—	873	3,137	76	12	4,098
Amortization............................	-	(39,294)	(37,747)	(24,559)	(4,065)	(3,970)	(109,635)
Impairment losses.....................	-	(408)	(35)	-	-	(6)	(449)
Exchange differences on foreign currencies...................	77,311	931	6,276	33,901	15,075	1,403	57,586
Disposal and others..................	-	(1,731)	(514)	-	-	(1,875)	(4,120)
Balance as of March 31, 2023	1,077,620	120,085	128,095	355,036	103,758	11,642	718,616

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 37,215 million yen and 34,649 million yen for the years ended March 31, 2023 and 2022, 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, 2023 and 2022 are 42,881 million yen and 40,755 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, 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
As of March 31, 2023......	1,482,641	509,052	637,578	466,958	155,912	49,919	1,819,419

(3) Accumulated amortization and impairment losses

	Yen (millions)						
		Intangible assets					
	Goodwill	Software	Technology	Customer	Trademark	Others	Total
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)
As of March 31, 2023......	(405,021)	(388,967)	(509,483)	(111,922)	(52,154)	(38,277)	(1,100,803)

(4) Individually material intangible assets

As of March 31, 2023 and 2022, "Customer" with a carrying amount of 281,147 million yen and 275,515 million yen, respectively, and a remaining amortization period of 15 years and 16 years, respectively, recognized upon the acquisition to make "Blue Yonder Holding, Inc." a wholly-owned subsidiary (see Note "36. Business combination") is an individually significant 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	
	2023	2022
Carrying amounts of investments	126,943	140,681

	Yen (millions)	
	2023	2022
Net profit (loss)	7,018	(288)
Other comprehensive income	1,113	2,789
Comprehensive income	8,131	2,501

(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, 2023	March 31, 2022
Current assets	557,718	546,257
Non-current assets	748,253	684,552
Total assets	1,305,971	1,230,809
Current liabilities	373,762	363,496
Non-current liabilities	588,516	538,382
Total liabilities	962,278	901,878
Equity	343,693	328,931
Non-controlling interest	9,233	8,245
Equity excluding non-controlling interests	334,460	320,686
Company's share of equity	167,182	160,297
Adjustments (goodwill and others)	14,328	13,927
Carrying amount of interest in joint venture	181,510	174,224

The amount of cash and cash equivalents included in current assets was 160,581 million yen and 182,401 million yen as of March 31, 2023 and 2022, respectively. The amount of current financial liabilities (excluding trade and other payables and provisions) was 131,866 million yen and 141,050 million yen as of March 31, 2023 and 2022, respectively. The amount of non-current financial liabilities (excluding trade and other payables and provisions) was 535,140 million yen and 483,412 million yen as of March 31, 2023 and 2022, respectively.

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

	Yen (millions)	
	2023	2022
Net sales	1,020,131	981,674
Depreciation and amortization	(53,854)	(51,783)
Finance income	2,299	2,049
Finance expenses	(20,771)	(19,789)
Income taxes	(5,217)	(675)
Net profit	13,730	4,393
Other comprehensive income	3,578	1,607
Comprehensive income	17,308	6,000
Net profit (at the rate of equity participation)	6,863	2,196
Adjustments	(262)	(34)
Company's share of net profit	6,601	2,162
Company's share of other comprehensive income	1,788	803
Company's share of comprehensive income	8,389	2,965
Dividends received by the Company	1,998	-

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	
	2023	2022
Carrying amounts of investments	92,766	88,296

	Yen (millions)	
	2023	2022
Net profit (loss)	(12,187)	(14,511)
Other comprehensive income (loss)	104	(145)
Comprehensive income (loss)	(12,083)	(14,656)

12. Other financial assets

(1) Details

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

	Yen (millions)	
	March 31	
	2023	2022
Financial assets, measured at amortized cost:		
Time deposits	45,554	42,111
Accounts receivable (non-trade)	80,663	79,632
Others	51,488	49,087
Financial assets, measured at FVTPL:		
Shares (debt instruments)	-	-
Derivatives	53,233	96,791
Financial assets, measured at FVTOCI:		
Shares	181,177	155,755
Others	222	281
Total	412,337	423,657
Current assets	169,665	210,633
Non-current assets	242,672	213,024

(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	2023
Socionext Inc	24,568
PHC Holdings Corporation	16,134
Renesas Electronics Corporation	7,973
TBS Holdings, Inc	4,845
Daiwa House Industry Co., Ltd.	4,764
Bingshan Refrigeration & Heat Transfer Technologies Co., Ltd.	1,913
Toray Industries, Inc.	1,771
Others	119,209
Total	181,177

Security names	Yen (millions) March 31 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

Others mainly include unlisted stocks of which the fair values as of March 31, 2023 and 2022 are 109,090 million yen and 100,473 million yen, respectively. The main unlisted stocks as of March 31, 2023 and 2022 are overseas venture capital investments.

2) Derecognition of financial assets measured at FVTOCI

During the years ended March 31, 2023 and 2022, 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)	
	2023	2022
Fair values	17,805	13,245
Accumulated gains	2,450	6,276

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 2023 and 2022 are 1,791 million yen and 4,390 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	
	2023	2022	2023	2022
Deferred tax assets:				
Inventories	54,813	54,557	54	8,751
Provisions and accrued payroll, etc.	71,106	65,684	5,027	(2,697)
Property, plant and equipment	90,570	86,261	3,022	(6,747)
Retirement benefit liabilities	14,898	10,556	(1,510)	(407)
Tax loss carryforwards	56,021	64,150	(9,028)	(14,835)
Tax credit carryforwards	34,406	8,078	25,906	2,922
R&D expenditures	39,392	10,403	28,449	(787)
Others	94,088	89,355	(3,830)	253
Total deferred tax assets	455,294	389,044	48,090	(13,547)
Deferred tax liabilities:				
Investment in securities	(39,047)	(31,375)	(871)	1,609
Intangible assets	(150,742)	(144,152)	9,908	10,283
Others	(86,219)	(75,709)	(1,672)	(16,131)
Total deferred tax liabilities	(276,008)	(251,236)	7,365	(4,239)
Net deferred tax assets	179,286	137,808	55,455	(17,786)

“Tax credit carryforwards” and “R&D expenditures” which were included in “Others” as of and for the year ended March 31, 2022, are presented as separate line items because their materiality has increased as of and for the year ended March 31, 2023. In order to reflect these changes in presentation, the information as of and for the year ended March 31, 2022 has been reclassified to conform to the presentation as of and for the year ended March 31, 2023.

Changes in net deferred tax assets are as follows:

	Yen (millions)	
	2023	2022
Deferred tax assets, net at the beginning of the year	137,808	205,026
Amounts recognized through profit or loss	55,455	(17,786)
Amounts recognized through other comprehensive income	(7,002)	(7,341)
Acquisitions, divestitures and others	(6,975)	(42,091)
Deferred tax assets, net at the end of the year	179,286	137,808

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, 2023 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, 2023
Deductible temporary differences	374,972
Tax loss carryforwards of which:	
expire in the years ending from March 31, 2024 through 2033	39,380
expire thereafter or do not expire	108,366
Total	147,746
Tax credit carryforwards	23,452

	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

Panasonic HD and certain of its domestic subsidiaries applies the group relief 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 group relief system. The amounts of tax loss carryforwards related to local taxes for which deferred tax assets are not recognized, are 205,691 million yen (inhabitant tax) and 1,076,435 million yen (enterprise tax) as of March 31, 2023, expiring from the year ending March 31, 2024 through 2033, and 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.

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 1,063,172 million yen and 886,620 million yen as of March 31, 2023 and 2022, 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)	
	2023	2022
Current tax expenses	91,308	77,171
Deferred tax expenses:		
Temporary differences originated and reversed	(42,896)	13,840
Changes in recognition of deferred tax assets	(12,559)	3,946
Total	(55,455)	17,786
Income tax expenses total	35,853	94,957

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 16,903 million yen and 3,802 million yen for the years ended March 31, 2023 and 2022, 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 17,157 million yen and 1,812 million yen for the years ended March 31, 2023 and 2022, respectively.

Additionally, included in current tax expenses and deferred tax expenses for the year ended March 31, 2023 is an income tax credit recognized by Panasonic Corporation of North America, a consolidated subsidiary, for its sales of electronic vehicle (EV) batteries under the U.S. Inflation Reduction Act.

2) Reconciliation of effective tax rates

Panasonic HD is subject mainly to corporate tax, inhabitant tax and enterprise tax, and the combined statutory tax rate calculated based on these taxes was 30.6% and 30.4% for the years ended March 31, 2023 and 2022, respectively. Foreign subsidiaries are subject to income taxes of their respective jurisdictions.
Panasonic HD and certain of its domestic subsidiaries have elected to file their tax returns applying the group relief system.

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

	%	
	2023	2022
Combined statutory tax rates	30.6%	30.4%
Effects of lower tax rates in foreign jurisdictions	(8.0)	(4.9)
Expenses not deductible for tax purposes	0.4	0.3
Change in unrecognized deferred tax assets	(2.4)	1.5
Effects attributable to investments in subsidiaries, etc	3.7	2.3
Tax credits	(15.3)	(2.4)
Others	2.3	(0.9)
Effective tax rates	11.3%	26.3%

“Tax credits” which was included in “Others” for the year ended March 31, 2022, is presented as a separate line item because its materiality has increased in the year ended March 31, 2023. In order to reflect this change in presentation, the information for the year ended March 31, 2022 has been reclassified to conform to the presentation for the year ended March 31, 2023.

14. Other assets

Components of other assets are as follows:

	Yen (millions)	
	March 31	
	2023	2022
Advance payments	32,499	27,194
Prepaid expenses	51,197	44,174
Consumption tax receivables	39,146	30,162
Income taxes receivable	71,446	48,004
Retirement benefit assets	28,880	29,506
Investment property	39,360	-
Others	95,191	81,660
Total	357,719	260,700
Current assets	202,377	157,409
Non-current assets	155,342	103,291

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, 2023		
	Book value	Average interest rate (%) (*1)	Due
Current liabilities:			
Current portion of bonds (*2)	149,956	-	-
Short-term borrowings	4,499	6.1	-
Current portion of long-term borrowings	4,776	1.5	-
Total current liabilities	159,231	-	-
Non-current liabilities:			
Bonds (*2)	1,047,297	-	Year ended March 31, 2025 - 2082
Long-term borrowings	2,819	2.7	Year ended March 31, 2025 - 2029
Total non-current liabilities	1,050,116	-	-
Total	1,209,347	-	-

	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	-	-

(*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 31,2023	March 31,2022	Interest rate (%)	Due (Year ended March 31)
14th Unsecured Straight bond	100,000	100,000	0.934	2025
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	2.536	2023
USD-denominated senior notes due 2024 (*3)	133,530	122,390	2.679	2025
USD-denominated senior notes due 2029 (*3)	66,765	61,195	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	150,000	0.740	2082
2nd unsecured subordinated bonds with optional interest payment deferral and early redemption provisions (*5)	100,000	100,000	0.885	2082
3rd unsecured subordinated bonds with optional interest payment deferral and early redemption provisions (*6)	150,000	150,000	1.000	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, 2023 and 2022 are as follows:

	Yen (millions)					
	Borrowings	Bonds	Lease liabilities	Other financial liabilities	Derivatives (*1)	Total
Balance as of March 31, 2022	328,484	1,302,119	266,681	47,334	(36,929)	1,907,689
Changes from financing cash flows	(315,968)	(133,930)	(74,870)	(11,347)	25,800	(510,315)
Non-cash changes:						
New leases, etc	-	-	65,123	-	-	65,123
Acquisitions and divestitures	-	-	(786)	-	-	(786)
Foreign currency exchange differences	(187)	28,250	6,709	1,695	-	36,467
Other changes	(235)	814	(15,097)	2	(19,485)	(34,001)
Balance as of March 31, 2023	12,094	1,197,253	247,760	37,684	(30,614)	1,464,177

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

	Yen (millions)					
	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 cross currency interest rate swaps 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, 2023 and 2022 are not material.

16. Trade payables

Trade payables are measured at amortized cost. Components of trade payables are as follows:

	Yen (millions)	
	March 31	
	2023	2022
Trade notes payable....................................	228,750	221,258
Trade accounts payable..............................	928,159	942,320
Total...	1,156,909	1,163,578

17. Employee benefits

(1) Defined benefit plans

Panasonic HD 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)	
	2023	2022
Beginning balance	1,395,578	1,509,477
Service cost	7,323	8,601
Interest cost	14,025	11,584
Remeasurements of defined benefit obligations:		
Actuarial gains and losses arising from changes in demographic assumptions	(469)	(3,301)
Actuarial gains and losses arising from changes in financial assumptions	(84,567)	(23,627)
Other	1,037	3,823
Benefits paid	(118,822)	(129,638)
Foreign currency exchange differences	9,340	13,057
Settlements	(22,024)	(2,339)
Effect of business combinations and disposals	443	7,941
Ending balance	1,201,864	1,395,578

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 except for the amount transferred to other payables.
Weighted average duration of defined benefit obligations as of March 31, 2023 and March 31, 2022 are 11 years and 11 years, respectively.

Significant actuarial assumptions used to calculate the present value of defined benefit obligations are as follows:

	March 31,2023	March 31,2022
Discount rate...........................	1.5%	1.0%

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 31,2023	March 31,2022
0.5% increase...........................	54,744(decrease)	67,796 (decrease)
0.5% decrease..........................	57,843 (increase)	73,106 (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 40% for debt instruments, and approximately 35% 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)	
	2023	2022
Beginning balance	1,356,229	1,426,981
Interest income	13,935	11,201
Remeasurements of plan assets:		
Return on plan assets	(72,348)	21,427
Employer contributions	8,187	8,633
Benefits paid	(116,761)	(126,304)
Foreign currency exchange differences	7,404	12,079
Settlements	(19,482)	(3,982)
Effect of business combinations and disposals	-	6,194
Ending balance	1,177,164	1,356,229

The Company plans to contribute 8,140 million yen to the plans in the year ending March 31, 2024.

The fair value of plan assets by asset category is as follows:

	Yen (millions)		
	March 31, 2023		
	With quoted market price in an active market	With no quoted market price in an active market	Total
Cash and cash equivalents	83,778	-	83,778
Equity instruments:			
Japanese companies	52,858	-	52,858
Foreign companies	10,026	-	10,026
Commingled funds*1	-	242,611	242,611
Debt instruments:			
Government and municipal bonds	48,757	-	48,757
Commingled funds*2	-	364,545	364,545
Life insurance company general accounts	-	257,999	257,999
Other*3	-	116,590	116,590
Total	195,419	981,745	1,177,164

	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

*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, 2023 and 2022.

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	
	2023	2022
Present value of defined benefit obligations	1,201,864	1,395,578
Fair value of plan assets	1,177,164	1,356,229
Effect of asset ceiling	-	-
Total	24,700	39,349
Amount recognized :		
Retirement benefit liabilities	53,580	68,855
Retirement benefit assets	28,880	29,506
Net amount	24,700	39,349

(2) Defined contribution plans

The amounts of expenses recorded with regard to defined contribution plans were 35,979 million yen and 30,389 million yen for the years ended March 31, 2023 and 2022, 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 1,737,373 million yen and 1,567,858 million yen for the years ended March 31, 2023 and 2022, respectively. In addition, the amounts of employee benefit expenses included in "Other income (expenses), net" were a loss of 10,554 million yen and a loss of 39,607 million yen for the years ended March 31, 2023 and 2022, 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, 2022......	46,138	6,906	92,792	145,836
Additions....................................	22,218	18,686	35,290	76,194
Utilized.......................................	(22,571)	(18,610)	(19,467)	(60,648)
Others..	1,509	-	(8,099)	(6,590)
Balance as of March 31, 2023.......	47,294	6,982	100,516	154,792

The provisions are presented in the statements of financial position as follows:

	Yen (millions)	
	March 31	
	2023	2022
Current liabilities...........................	148,210	137,032
Non-current liabilities..................	6,582	8,804
Total...	154,792	145,836

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 future business plans, etc., but these provisions are usually short-term by nature with most payments are completed within one year of the incurrence.

Other provisions include provision for expenses related to product quality issues or market-based measures, provision for expenses related to environmental remediation and provision for litigation-related expenses, etc.

Provision for expenses related to product quality issues or market-based measures is recognized for the expenses set aside to address product quality issues and to conduct market-based measures, based on an amount that can be reasonably estimated on a case-by-case basis.

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	
	2023	2022
Derivative liabilities	19,581	45,977
Long-term other payables	6,327	9,844
Deposits received	97,905	112,734
Others	29,305	22,391
Total	153,118	190,946
Current liabilities	146,213	160,534
Non-current liabilities	6,905	30,412

20. Other liabilities

Components of other liabilities are as follows:
"Consumption taxes payable" which were included in "Others" for the year ended March 31, 2022, are presented as a separate line item because their materiality has increased in the year ended March 31, 2023. In order to reflect this change in presentation, the information for the year ended March 31, 2022 has been reclassified to conform to the presentation for the year ended March 31, 2023.

	Yen (millions)	
	March 31	
	2023	2022
Accrued payroll, etc.	230,361	225,352
Refund liabilities	108,367	113,629
Consumption taxes payable	68,003	10,358
Others	48,522	45,771
Total	455,253	395,110
Current liabilities	448,405	390,859
Non-current liabilities	6,848	4,251

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:

	2023	2022
Net cash (millions of yen, *1).........................	(591,424)	(649,002)
Shareholder's equity ratio...............................	44.9%	39.4%
Return on equity...	7.8%	8.9%
Free cash flow (millions of yen, *2).............	176,709	(543,519)
Capital investment (millions of yen, *3)..........	309,072	237,134
Depreciation (millions of yen, *4)..................	196,626	180,877

(*1) This was calculated by deducting 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), among interest-bearing debt, 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 HD 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 HD is as follows:

	Shares	
	2023	2022
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........................	2,453,866,297	2,453,563,397
Changes during the period (*1)..............................	190,300	302,900
Balance at the end of the year.................................	2,454,056,597	2,453,866,297

(*1) The reason of increase during the year ended March 31, 2023 and 2022 is the issuing of restricted stock.

The number of shares of treasury stock included in the above number of shares issued was 119,943,749 shares and 119,969,776 shares as of March 31, 2023 and 2022, respectively. The number of shares of common stock held by the associates was 14,828,453 shares as of March 31, 2023 and 2022.

(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 209,418 million yen and 209,492 million yen are restricted as of March 31, 2023 and 2022, 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		
	Remeasure-ments 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, 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
Effect of hyperinflation	-	-	15,883	-	15,883
Restated Balance as of April 1, 2022	-	30,659	187,123	328	218,110
Arising during the period:					
Pre-tax amount	11,651	14,344	248,492	10,207	284,694
Income tax (expense) benefit	(4,183)	(6,266)	-	(3,419)	(13,868)
Net-of-tax amount	7,468	8,078	248,492	6,788	270,826
Reclassification to profit or loss:					
Pre-tax amount	-	-	(435)	(20,346)	(20,781)
Income tax (expense) benefit	-	-	-	6,076	6,076
Net-of-tax amount	-	-	(435)	(14,270)	(14,705)
OCI (loss), net of tax	7,468	8,078	248,057	(7,482)	256,121
OCI (loss) attributable to non-controlling interests, net-of-tax	(35)	(482)	3,188	168	2,839
Transfer to hedged non-financial assets	-	-	-	1,666	1,666
Transfer to retained earnings	(7,503)	(1,791)	-	-	(9,294)
Balance as of March 31, 2023	-	37,428	431,992	(5,656)	463,764

(5) Dividends

1) Dividends for the year ended March 31, 2023 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 11, 2022	Common stock	35,008	Retained earnings	15.0	March 31, 2022	June 2, 2022
Board of Directors meeting held on October 31, 2022	Common stock	35,011	Retained earnings	15.0	September 30, 2022	November 30, 2022

(ii) Cash dividends resolved in respect of the year ended March 31, 2023 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, 2023	Common stock	35,012	Retained earnings	15.0	March 31, 2023	June 2, 2023

2) 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

22. Share-based payment plan

(1) Restricted stock remuneration plan

Panasonic HD has introduced a restricted stock remuneration plan (hereinafter the "Plan") for the Directors (excluding Outside Directors) and Executive Officers and certain other officers of Panasonic HD and its wholly-owned subsidiaries. The Plan aims to promote further value sharing with shareholders of Panasonic HD, in addition to providing them an incentive for sustainable improvement of the corporate value.

Under the Plan, each of the eligible Directors or Executive Officers and Panasonic HD shall enter into a restricted stock allocation agreement, and on the condition of being a Director or Executive Officer of Panasonic HD or its wholly-owned subsidiaries 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 HD’s 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, 2023 and 2022 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 HD’s common stock at the Tokyo Stock Exchange on June 22, 2022 and on June 23, 2021, one business day prior to the resolution of the Board of Directors.

	Year ended March 31	
	2023	2022
Grant date..	July 13, 2022	July 14, 2021
Number of shares of restricted stock granted (common stock)...	190,300 share	302,900 share
Fair value at grant date (per share)..................	1,108.0 yen	1,239.5 yen

(2) Share-based payment stock option plans

Panasonic HD 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 HD 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 HD (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 HD 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, 2023 and 2022 are as follows:

	Grant date	Number of stock acquisition rights	Fair value of one stock acquisition right on grant date (yen)	Exercisable period
Panasonic Holdings Corporation stock acquisition rights issued in August 2014	August 22, 2014	2,088	105,400	From August 23, 2014 to August 22, 2044
Panasonic Holdings Corporation stock acquisition rights issued in August 2015	August 20, 2015	1,729	112,400	From August 21, 2015 to August 20, 2045
Panasonic Holdings Corporation stock acquisition rights issued in August 2016	August 23, 2016	5,800	71,300	From August 24, 2016 to August 23, 2046
Panasonic Holdings Corporation stock acquisition rights issued in August 2017	August 23, 2017	3,561	112,800	From August 24, 2017 to August 23, 2047
Panasonic Holdings Corporation stock acquisition rights issued in July 2018	July 18, 2018	3,473	106,400	From July 19, 2018 to July 18, 2048
Panasonic Holdings 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			
	2023		2022	
	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	7,699	1	10,736	1
Granted	-	-	-	-
Forfeited	-	-	-	-
Exercised	(709)	1	(3,037)	1
Expired	-	-	-	-
Outstanding at the end of the year	6,990	1	7,699	1
Exercisable at the end of the year	6,174	1	6,731	1

The weighted average share prices at the exercise date of stock options exercised during the years ended March 31, 2023 and 2022 are 1,143 yen and 1,239 yen per share, respectively. The exercise price of exercisable stock acquisition rights in the years ended March 31, 2023 and 2022 is 1 yen each. In the years ended March 31, 2023 and 2022, the weighted average remaining contractual terms for outstanding stock acquisition rights at the year-end are 8.4 years and 9.5 years, respectively, and for exercisable stock acquisition rights at the year-end are 6.6 years and 7.5 years, respectively.

(3) Stock-based compensation expenses

Expenses recorded for the restricted stock compensation in the year ended March 31, 2023 and 2022 are 210 million yen and 358 million yen, respectively.
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, 2023 and 2022, sales on the consolidated statements of profit or loss were 8,378,942 million yen and 7,388,791 million yen, respectively. These sales mainly consist of revenue from contracts with customers.

(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, microwave ovens, rice cookers, washing machines, vacuum cleaners and personal-care products. "Heating & Ventilation A/C" includes products such as air-conditioners for residential and commercial use, Air-to-Water (A2W) hot 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 "Hardware Solutions" and "SCM Solutions." "Hardware Solutions" representing products of core businesses, includes products such as aircraft in-flight entertainment systems and communications services, electronic-components-mounting machines, welding equipment, projectors, professional AV systems, PCs and tablets. "SCM Solutions" representing products of growth businesses, includes products such as the solution business of Gemba Solution Company and SCM software.

The products of Industry are categorized into "Control Devices," "FA Solutions," "Electronic Devices," "Electronic Materials" and "Other." "Control Devices" includes products such as relays and switches. "FA Solutions" includes products such as industrial motors and FA devices. "Electronic Devices" includes products such as capacitors. "Electronic Materials" includes products such as electronic circuit board materials and semiconductor device materials. "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," certain sales functions within the "Lifestyle" segment were transferred to each reportable segment on April 1, 2022. As a result, the related sales previously reported in the "Lifestyle" segment are presented in each reportable segment and "Other" to which the transfers were made.

Segment performance was monitored using sales including management accounting adjustments to sales prices in the previous fiscal year, but such adjustments are not made from the current fiscal year. In addition, the product categories of the "Connect" segment and the "Industry" segment in the disaggregated revenue were revised. Due to these changes, the disaggregated revenue for the year ended March 31, 2022 has been reclassified to conform to the presentation for the year ended March 31, 2023.

For the year ended March 31, 2023

(million yen)

Reportable segments	By product category	Sales	By geographical area	Sales
Lifestyle	Living Appliances and Solutions	943,045	Japan	1,496,900
	Heating & Ventilation A/C	680,996	Americas	360,423
	Cold Chain Solutions	336,532	Europe	223,296
	Electric Works	651,582	Asia, China and others	991,559
	Other	460,023		
	Total (Note 1)	3,072,178	Total (Note 1)	3,072,178
Automotive	Automotive Cockpit Systems	497,712	Japan	395,708
	Automotive Electronics Systems	519,369	Americas	323,084
	Other	142,221	Europe	244,389
			Asia, China and others	196,121
	Total (Note 1)	1,159,302	Total (Note 1)	1,159,302
Connect	Hardware Solutions	747,296	Japan	294,987
	SCM Solutions	337,527	Americas	424,518
			Europe	152,773
			Asia, China and others	212,545
	Total (Note 1)	1,084,823	Total (Note 1)	1,084,823
Industry	Control Devices	317,912	Japan	262,690
	FA Solutions	81,080	Americas	82,949
	Electronic Devices	365,664	Europe	172,178
	Electronic Materials	141,171	Asia, China and others	484,578
	Other	96,568		
	Total (Note 1)	1,002,395	Total (Note 1)	1,002,395
Energy	In-vehicle	639,745	Japan	84,464
	Industrial / Consumer	345,909	Americas	732,515
			Europe	27,358
			Asia, China and others	141,317
	Total (Note 1)	985,654	Total (Note 1)	985,654
Other (Note 2)		1,074,590		
Consolidated total		8,378,942		

Note 1: The difference between "Total" in the above table and the respective segment’s "Sales to external customers" in Note "4. (2) Information by reportable segment" mainly includes an adjustment to sales for products of each segment sold by other segments.

2: "Other" includes sales of Entertainment & Communication products of 334,659 million yen and sales of Housing products of 394,158 million yen.

For the year ended March 31, 2022

(million yen)

Reportable segments	By product category	Sales	By geographical area	Sales
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 (Note 1)	2,725,423	Total (Note 1)	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 (Note 1)	957,524	Total (Note 1)	957,524
Connect	Hardware Solutions	662,566	Japan	302,289
	SCM Solutions	225,486	Americas	242,943
			Europe	115,033
			Asia, China and others	227,787
	Total (Note 1)	888,052	Total (Note 1)	888,052
Industry	Control Devices	244,188	Japan	274,773
	FA Solutions	72,925	Americas	61,291
	Electronic Devices	378,174	Europe	125,772
	Electronic Materials	145,072	Asia, China and others	518,129
	Other	139,606		
	Total (Note 1)	979,965	Total (Note 1)	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 (Note 1)	788,823	Total (Note 1)	788,823
Other (Note 2)		1,049,004		
Consolidated total		7,388,791		

Note 1: The difference between "Total" in the above table and the respective segment’s "Sales to external customers" in Note "4. (2) Information by reportable segment" mainly includes an adjustment to sales for products of each segment sold by other segments.

2: "Other" includes sales of Entertainment & Communication products of 350,173 million yen and sales of Housing products of 368,507 million yen.

(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," "Cold Chain Solutions" and "Electric Works" in the Lifestyle segment, "Automotive Cockpit Systems" and "Automotive Electronics Systems" in the Automotive segment, "Hardware Solutions" in the Connect segment, "Control Devices", "FA Solutions", "Electronic Devices" and "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 ("SCM Solutions" in the Connect segment) and system integration ("SCM 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 recognizes revenue over the service period with respect to software and application services of "SCM Solutions" in the Connect segment, because the performance obligation is satisfied over time. The Company charges a fee to customers under a flat-rate or pay-for-use system with respect to repair services of "Hardware Solutions", 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 performance obligations that are unsatisfied as of March 31, 2023 is 242,780 million yen (129,936 million yen as of March 31, 2022) This amount mainly relates to the provision of services for software, etc., and construction-type contracts and the Company recognizes revenue over the service period or according to the construction progress. The amounts related to software services and major construction-type contracts are expected to be recognized as revenue approximately within 4 years (approximately within 4 years as of March 31, 2022), and the amounts related to other construction-type contracts are expected to be recognized as revenue approximately within 8 years (approximately within 9 years as of March 31, 2022)

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, 2023	March 31, 2022
Assets from contracts with customers	1,322,593	1,324,618
Trade receivables	1,142,366	1,136,259
Contract assets	180,227	188,359
Liabilities from contracts with customers	204,931	187,096
Contract liabilities	204,931	187,096

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, 2022 was recognized as revenue in the year ended March 31, 2023.

The amount of revenue recognized in the year ended March 31, 2022 and the year ended March 31, 2023 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, 2022 and March 31, 2023 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)	
	2023	2022
Employee benefits	880,161	793,832
Advertising expenses	98,219	83,555
Transportation and storage	196,994	186,703
Depreciation and amortization	149,197	130,894
Others	622,800	529,527
Total	1,947,371	1,724,511

25. Research and development expenses

Research and development expenses are as follows:

	Yen (millions)	
	2023	2022
Research and development expenses	469,785	419,807

26. Other income (expenses)

Other income (expenses), net for the year ended March 31, 2023 includes expenses associated with quality control or market countermeasures of products of 28,304 million yen, expenses associated with the implementation of early retirement programs due to business restructuring of 10,554 million yen, and gains on sales of property, plant and equipment of 10,064 million yen. 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 also included, however these were not individually material items. Impairment losses are described in Note "27. Impairment of non-financial assets."
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, 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 "36. 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.

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 amounts of losses included in "Cost of sales" were 574 million yen and 2,002 million yen for the years ended March 31, 2023 and 2022, respectively. The amounts of losses included in "Other income (expenses), net" were 1,690 million yen and 6,138 million yen for the years ended March 31, 2023 and 2022, 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 on goodwill is included in "Eliminations and adjustments" as noted in "4. Segment information."

Amount by segment for the year ended March 31, 2022 has been reclassified to conform to the presentation for the year ended March 31, 2023.

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)	
	2023	2022
Lifestyle	1,446	4,045
Automotive	—	1,555
Connect	126	423
Industry	95	213
Energy	—	257
Other	597	1,647
Consolidated total	2,264	8,140

For the year ended March 31, 2023 and 2022, the amount of individual items of impairment losses was immaterial.

(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, 2023 and 2022, among goodwill and intangible assets with indefinite useful lives, goodwill with carrying amount of 740,365 million yen and 678,599 million yen, respectively, related to "Blue Yonder Holding, Inc." included in the "Connect" segment, is individually significant goodwill allocated to a cash generating unit.

As of March 31, 2023, 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. The amount based on the discounted cash flow method is calculated by discounting the estimated amount of future cash flows based on the business plan to the present value. As of March 31, 2023 and 2022, the period of future outlook is ten years and eight years, respectively, 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. As of March 31, 2023 and 2022, the growth rate is 4.0% and 3.5%, respectively, determined in view of long-term average growth rate of markets or countries to which the cash-generating unit belongs. As of March 31, 2023 and 2022, the discount rate (on a pre-tax basis) is 11.4% and 9.2%, respectively, calculated based on weighted average cost of capital of the cash-generating unit. As of March 31, 2023, the recoverable amount, which was based on the fair value less costs of disposal, exceeds the carrying amount by 50,141 million yen. However, if the discount rate used in the above impairment test were to tick up over 0.6%, the carrying amount would exceed the amount of fair value less costs of disposal. As of March 31, 2022, since the recoverable amount, which was based on the fair value less costs of disposal, 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, 2023 and 2022, the aggregate carrying amounts of individually insignificant goodwill that are allocated to cash-generating units are 337,255 million yen and 316,111 million yen, respectively.

Impairment loss is not recognized for the years ended March 31, 2023 and 2022.

(iii) Intangible assets with indefinite useful lives

As of March 31, 2023 and 2022, the aggregate carrying amounts of individually insignificant intangible assets with indefinite useful lives allocated to cash-generating units are 42,881 million yen and 40,755 million yen, respectively.

Impairment losses for the years ended March 31, 2023 and 2022 are not material.

28. Finance income and expenses

(1) Finance income

Finance income is as follows:

	Yen (millions)	
	2023	2022
Dividend income:		
Financial assets measured at FVTOCI	3,991	1,894
Interest income:		
Financial assets measured at amortized cost	21,829	12,674
Foreign exchange gains	19,686	1,630
Net changes in fair value of financial assets:		
Financial assets measured at FVTPL	-	4,204
Other	3,466	1,726
Total	48,972	22,128

(2) Finance expenses

Finance expenses are as follows:

	Yen (millions)	
	2023	2022
Interest expenses:		
Financial liabilities measured at amortized cost	15,178	14,583
Lease liabilities	4,565	3,418
Net interest cost on employee benefits	90	383
Others	1,300	875
Total	21,133	19,259

(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, 2023 and 2022, a loss on transfer of trade receivables, etc. which were derecognized in their entirety was 1,300 million yen and 875 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, 2023 and 2022.

The maximum exposure to losses resulting from continuing involvement in the derecognized financial assets as of March 31, 2023 and 2022 was 3,635 million yen and 3,306 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 HD stockholders' equity per share is as follows:

	Yen	
	March 31	
	2023	2022
Panasonic Holdings Corporation stockholders' equity per share......................	1,550.23	1,356.08

The reconciliation of the basic and diluted earnings per share attributable to Panasonic HD stockholders is as follows:

	Yen (millions)	
	2023	2022
Net profit attributable to Panasonic Holdings Corporation stockholders........	265,502	255,334
Adjustment to net profit..	(9)	(11)
Net profit used to calculate basic earnings per share......................	265,493	255,323
Adjustment to net profit..	9	11
Net profit used to calculate diluted earnings per share..................	265,502	255,334

	Number of shares	
	2023	2022
Average common shares outstanding...	2,333,947,462	2,333,538,585
Dilutive effect:		
Stock acquisition rights...	742,216	942,063
Restricted stock..	76,685	98,477
Diluted common shares outstanding...	2,334,766,363	2,334,579,125

	Yen	
	2023	2022
Earnings per share attributable to Panasonic Holdings Corporation stockholders:		
Basic..	113.75	109.41
Diluted...	113.72	109.37

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 3,637 million yen as of March 31, 2023.

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)	
	2023	2022
Beginning balance	23,384	17,518
Increases during the period	5,313	11,688
Decreases during the period (Utilization)	(5,049)	(2,753)
Decreases during the period (Reversal)	(5,991)	(5,376)
Decreases due to deconsolidation	(4,548)	-
Others	710	2,307
Ending balance	13,819	23,384

With regards to financial assets that were recognized for the first time in the years ended March 31, 2023 and 2022, 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, 2023 and 2022, 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)	
	2023	2022
Not past due	1,260,408	1,257,510
Due within 3 months	57,939	50,760
Due after 3 months through a year	11,520	16,886
Due after 1 year	6,545	22,042
Total	1,336,412	1,347,198

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, 2023 and 2022 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, 2023 and 2022 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, 2023				
	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	1,156,909	1,156,909	1,156,909	-	-
Short-term debt, including current portion of long-term debt	159,231	159,523	159,523	-	-
Long-term debt	1,050,116	1,100,464	-	650,512	449,952
Lease liabilities	247,760	260,152	62,472	134,992	62,688
Other payables and accrued expenses	512,389	512,389	506,062	6,327	-
Other financial liabilities	21,751	22,067	21,489	257	321
Total	3,148,156	3,211,504	1,906,455	792,088	512,961
Derivative liabilities (Net settlement)	17,919	17,919	17,919	-	-
Derivative liabilities (Gross settlement)					
Receipt	1,662	(29,009)	(29,009)	-	-
Payment		30,955	30,955	-	-
Derivative assets (*1)	(30,614)	(54,822)	(5,127)	(34,285)	(15,410)

(*1) Derivative assets are cross currency interest rate swaps, which are held for hedging the foreign exchange risk of foreign currency denominated bonds included in "Long-term debt."

	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 (Net settlement).........................	44,819	44,819	44,819	-	-
Derivative liabilities (Gross settlement)					
Receipt..................................	1,158	(9,043)	(16)	(9,027)	-
Payment................................		10,889	326	10,573	-
Derivative assets (*1).................	(36,929)	(56,918)	(20,381)	(25,325)	(11,212)

(*1) Derivative assets are cross currency interest rate swaps, which 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."

In addition, in order to secure a means of stable financing, the Company entered into commitment line agreements with several banks in June 2021. The unused balances under these agreements are as follows:

	Yen (millions)	
	March 31	
	2023	2022
Total committed line of credit................................	600,000	600,000
Drawdowns..	-	-
Unused balances..	600,000	600,000

(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	
	2023	2022
US Dollar (Thousands of US dollar)......................	345,242	373,664
Euro (Thousands of Euro)......................................	101,784	7,196
Chinese Yuan (Thousands of Chinese Yuan)..........	70,379	66,392

(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	
	2023	2022
US Dollar..	(461)	(457)
Euro..	(148)	(10)
Chinese Yuan..	(14)	(13)

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, 2023

(i) Effects of hedge accounting on the consolidated statement of financial position

Significant derivatives designated as hedging instruments as of March 31, 2023 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......	1,302,530 Thousands US Dollar	133.49Yen / Dollar	2,143	-
Euro sell / Japanese Yen buy.............	155,797 Thousands Euro	142.12Yen / Euro	-	506
US Dollar buy / Japanese Yen sell.....	595,406 Thousands US Dollar	131.98Yen / Dollar	508	-
Cross currency interest rate swaps:				
US Dollar (*2)...................................	1,500,000 Thousands US Dollar	108.13Yen / Dollar	30,614	-
Chinese Yuan.....................................	5,732,000 Thousands Chinese Yuan	19.33Yen / Chinese Yuan	277	1,662

(*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 7 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, 2023 is set out below. In the year ended March 31, 2023, there was no hedge relationship to which hedge accounting is no longer applied.

Risk	Yen (millions) March 31, 2023
Foreign currency risk............................	(6,530)
Commodity price risk...........................	874
Total..	(5,656)

Since the amount of the ineffective portion of hedges recognized in profit or loss in the year ended March 31, 2023 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 statement of profit or loss and the consolidated statement 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, 2023 are as follows:

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)
	Yen (millions)			
Foreign currency risk.....	15,483	(20,346)	Finance income (expenses)	-
Commodity price risk....	(5,276)	-	Cost of sales	2,400

In the year ended March 31, 2023, 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, 2023 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, 2022

(i) Effects of hedge accounting on the consolidated statement 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.

	Yen (millions)
Risk	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 statement of profit or loss and the consolidated statement 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.

(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, 2023, 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 3,801 million yen.

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.

(7) Fair values of financial instruments

1) Comparison between fair values and carrying amounts are as follows:

	Yen (millions)			
	March 31			
	2023		2022	
	Book value	Fair value	Book value	Fair value
Long-term debt, including current portion of long-term debt......................................	1,204,848	1,154,855	1,309,870	1,306,985

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, 2023 and 2022. 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, 2023			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets measured at FVTPL				
Derivative assets				
Foreign exchange forward contracts........	-	7,304	-	7,304
Cross currency interest rate swaps...........	-	30,905	-	30,905
Commodity futures..................................	12,423	2,601	-	15,024
Subtotal..	12,423	40,810	-	53,233
Financial assets measured at FVTOCI				
Shares...	72,087	-	109,090	181,177
Others...	-	222	-	222
Subtotal..	72,087	222	109,090	181,399
Total financial assets............................	84,510	41,032	109,090	234,632
Financial liabilities:				
Financial liabilities measured at FVTPL				
Derivative liabilities				
Foreign exchange forward contracts........	-	541	-	541
Cross currency interest rate swaps...........	-	1,662	-	1,662
Commodity futures..................................	5,962	11,416	-	17,378
Total financial liabilities.......................	5,962	13,619	-	19,581

	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

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 years ended March 31, 2023 and 2022, certain investments classified as financial assets measured at FVTOCI were transferred from Level 3 to Level 1, as they were listed on a stock exchange.
The breakdown of movements in financial instruments measured at fair value on a recurring basis that are classified as Level 3 in the fair value measurement hierarchy is as follows:

	Yen (millions)			
	2023		2022	
	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	-	100,473	42,117	109,079
Purchase	-	5,568	-	14,415
Sales	-	(75)	-	(11,402)
Increase due to transfer from investments accounted for using equity method (*1)	-	21,170	-	-
Decrease due to transfer (*2)	-	(21,170)	(46,321)	(39,071)
Gains (losses) (*3)	-	3,124	4,204	27,452
Balance at end of year	-	109,090	-	100,473

(*1) Transfer from investments accounted for using the equity method for the year ended March 31, 2023 is a transfer from an affiliate to an equity instrument, as the ratio of voting rights held by the Company decreased and became less than a certain threshold.

(*2) Decrease due to transfer for the years ended March 31, 2023 and 2022 was mainly caused by a decrease in financial assets measured at FVTPL as a result of the investee becoming a consolidated subsidiary and 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.

(*3) Gains (losses) related to financial assets measured at FVTPL were included in "Finance income" in the consolidated statements of profit or loss. There were no financial assets measured at FVTPL as of March 31, 2023 and 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. Hyperinflationary accounting adjustments

At the beginning of the current fiscal year on April 1, 2022, the consumer price index in the Republic of Turkey indicated that the cumulative inflation rate over three years exceeded 100 percent. Consequently, the Company concluded that the subsidiaries, whose functional currency is Turkish lira, were operating in a hyperinflationary economy. Accordingly, in accordance with IAS 29, "Financial Reporting in Hyperinflationary Economies," accounting adjustments have been made to the financial statements of those subsidiaries from April 1, 2022.

For the purpose of adjusting the financial statements of the subsidiaries whose functional currency is Turkish lira, the Company applied the conversion coefficient derived from the consumer price index of Turkey published by the Turkish Statistical Institute. The consumer price index and corresponding conversion coefficients since March 31, 2014 are as follows:

Date of Statement of Financial Position	Consumer price index (March 31, 2014 = 100)	Conversion coefficient
March 31, 2014	100	5.35
March 31, 2015	108	4.97
March 31, 2016	116	4.63
March 31, 2017	129	4.16
March 31, 2018	142	3.77
March 31, 2019	170	3.15
March 31, 2020	190	2.82
March 31, 2021	221	2.43
March 31, 2022	356	1.51
March 31, 2023	535	1.00

32. Major subsidiaries

(1) Composition of the Group

Major subsidiaries of the Company as of March 31, 2023 are as follows:

Name	Principal businesses (*)	Location	Ratio of voting rights (%)
Panasonic Corporation	Lifestyle	Japan	100.0
Panasonic Automotive Systems Co., Ltd.	Automotive	Japan	100.0
Panasonic Entertainment & Communication Co., Ltd.	Other	Japan	100.0
Panasonic Housing Solutions Co., Ltd.	Other	Japan	100.0
Panasonic Connect Co., Ltd.	Connect	Japan	100.0
Panasonic Industry Co., Ltd.	Industry	Japan	100.0
Panasonic Energy Co., Ltd.	Energy	Japan	100.0
Panasonic Operational Excellence Co., Ltd.	Corporate	Japan	100.0
SANYO Electric Co., Ltd.	Lifestyle, Energy	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, 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, Industry, Energy, Other, Corporate	Singapore	100.0
Panasonic Life Solutions India Pvt. Ltd.	Lifestyle	India	100.0
Panasonic Taiwan Co., Ltd.	Lifestyle, Automotive, Other	Taiwan	69.8
Panasonic Corporation of China	Connect, Corporate	China	100.0
Panasonic Appliances (China) Co., Ltd.	Lifestyle	China	100.0

(*) 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 (such as finance, etc.) are described as "Corporate."

Regarding changes in major subsidiaries during the year ended March 31, 2023, upon the Company's transition into a holding company structure on April 1, 2022, Panasonic Corporation (name was changed from Panasonic Split Preparation Co., Ltd. on the same date), Panasonic Automotive Systems Co., Ltd., Panasonic Entertainment & Communication Co., Ltd., Panasonic Housing Solutions Co., Ltd., Panasonic Connect Co., Ltd.(name was changed from Panasonic System Solutions Japan Co., Ltd. on the same date), Panasonic Industry Co., Ltd., Panasonic Energy Co., Ltd., Panasonic Operational Excellence Co., Ltd. are newly added.
Except for these changes, 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, 2023 and 2022.

(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, 2023 and 2022.

(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, 2023 and 2022.

(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, 2023 and 2022 are as follows:

	Yen (millions)	
	2023	2022
Total consideration received	23,292	10,123
Portion of consideration consisting of cash and cash equivalents	23,292	10,123
Cash and cash equivalents in the subsidiaries or other businesses over which control is lost	12,391	2,741
Cash flows by proceeds from loss of control of subsidiaries or other businesses	10,901	7,382
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)	41,795	15,168
Non-current assets	11,002	7,448
Current liabilities	36,879	11,495
Non-current liabilities	786	659

33. 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	
	2023	2022
Associates:		
Receivables	5,107	8,747
Payables	60,943	66,941
Joint ventures:		
Receivables	26,935	22,225
Payables	18,234	17,992

2) Amounts of the Company's sales to, purchases and receiving of services from associates and joint ventures

	Yen (millions)	
	2023	2022
Associates:		
Sales	51,296	71,969
Purchases and receiving of services	238,035	224,371
Joint ventures:		
Sales	59,443	48,396
Purchases and receiving of services	141,446	104,958

(2) Remuneration for key management personnel

Remuneration for key management personnel (Directors and Outside Directors) of the Company is as follows:

1) Amount actually paid

	Yen (millions)	
	2023	2022
Basic remuneration	695	681
Performance based remuneration (short-term)	250	404
Share based payments	155	153
Total	1,100	1,238

2) Recognized allowance for performance-based remuneration

	Yen (millions)	
	2023	2022
Performance based remuneration (short-term)	231	-
Performance based remuneration (mid-term)	84	-

34. Non-cash transactions

Significant non-cash transactions are as follows:

	Yen (millions)	
	2023	2022
Additions to right-of-use assets..................................	68,995	73,194

35. Commitments for acquisition of assets and purchase of services, etc.

Commitments as of March 31, 2023 and 2022 principally include purchase contracts for property, plant and equipment, and services, etc. with total outstanding amounts of 132,165 million yen and 61,786 million yen respectively.

36. Business combination

(1) For the year ended March 31,2023

Business combinations are immaterial individually or collectively.

(2) For the year ended March 31,2022

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 purposes. 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.

37. 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.

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 ("the Company") and its consolidated subsidiaries (collectively referred to as "the Group"), which comprise the consolidated statement of financial position as at March 31, 2023, 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, 2023, 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.

Appropriateness of the Company's judgment as to whether an impairment loss should be recognized on goodwill allocated to Blue Yonder Holding, Inc.	
The key audit matter	**How the matter was addressed in our audit**
In the consolidated statement of financial position, Panasonic Holdings Corporation (the "Company") and its consolidated subsidiaries recognized goodwill of ¥740,365 million allocated to Blue Yonder Holding, Inc. ("Blue Yonder"). The goodwill arose when the Company acquired control of Blue Yonder. As described in Note 3, "Significant accounting policies, (11) Impairment of non-financial assets" to the consolidated financial statements, an impairment test on goodwill is performed annually, regardless of whether or not there are indications of impairment. In the impairment testing, when the recoverable amount of a cash-generating unit ("CGU") or a group of CGUs to which goodwill has been allocated is less than the carrying amount, the carrying amount is reduced to the recoverable amount, and the resulting decrease in the carrying amount is recognized as an impairment loss. In the current fiscal year, management used the fair value less cost of disposal as the recoverable amount in the impairment testing on goodwill allocated to Blue Yonder, and the fair value was measured using a combination of the discounted cash flow method and a comparable listed company analysis. The fair value was measured based on the business plan of Blue Yonder, which included the following key assumptions: ● assumptions for the expansion of the SaaS-based supply chain software services, including the synergistic effects of expanding the services in the Japanese market and marketing new services to be jointly developed by the Company and Blue Yonder; and ● assumptions for the improvement in the gross profit margin of the SaaS-based supply chain software services. The above assumptions involved a high degree of uncertainty, and management's judgments on these assumptions had a significant effect on the fair value measurement. In addition, the determination of appropriate valuation techniques used to measure the fair value, as well as selecting appropriate models	The primary procedures we performed to assess the appropriateness of the Company's judgment as to whether an impairment loss should be recognized on goodwill allocated to Blue Yonder included the following: **Internal control testing** We tested the design and operating effectiveness of certain of the Company's internal controls relevant to the measurement of the fair value less cost of disposal used in the impairment testing on goodwill. In this assessment, we focused our testing on internal controls designed to ensure the appropriateness of key assumptions adopted in Blue Yonder's business plan. **Assessment of the appropriateness of key assumptions adopted in Blue Yonder's business plan** In order to assess whether key assumptions adopted in preparing Blue Yonder's business plan were appropriate, we inquired of managements of Blue Yonder and Panasonic Connect Co., Ltd. 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 for the expansion of the SaaS-based supply chain software services (including the expansion of the services in the Japanese market and the marketing of new services to be developed) by: • calculating the amount of potential projects required to achieve the sales target in the business plan based on the past actual orders, and comparing it with a list of potential projects maintained by Blue Yonder; and • calculating the estimated sales amount based on the headcount of sales representatives in the business plan and the actual amount of deals closed per head, and comparing it with the sales target in the business plan. ● assessed the appropriateness of the assumptions for the improvement in the gross profit margin of the SaaS-based supply chain software services by: • comparing the gross profit margin in the business plan with that of comparable listed entities; and

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 appropriateness of the Company's judgment as to whether an impairment loss should be recognized on goodwill allocated to Blue Yonder was of most significance in our audit of the consolidated financial statements for the current year, and accordingly, a key audit matter.	• comparing the gross profit margin in the business plan with the estimated gross profit margin calculated based on the actual results of major improvement factors, among others. ● assessed whether there was any potential effect on the judgement as to whether an impairment loss should be recognized if the future cash flows were estimated by incorporating the effect of specific uncertainties into the business plan, considering the results of the following assessments: • assessment on whether key assumptions were appropriate; and • assessment on whether the past business plans were achieved including the cause of variances with actual results. **Assessment of the appropriateness of the valuation techniques, the discount rate and the growth rate** We involved valuation specialists within our network firms who assisted in our assessment of 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. In addition, we assessed the appropriateness of the discount rate and the growth rate by comparing those adopted by management with a reasonable range of these rates independently calculated by the valuation specialists using 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 27, 2023

Other information

(1) Quarterly financial Information for fiscal 2023

(Millions of yen, unless otherwise stated)

(Cumulative)	First quarter	Second quarter	Third quarter	Year total
Net sales	1,973,861	4,063,929	6,224,521	8,378,942
Profit before income taxes	73,544	166,620	255,447	316,409
Net profit attributable to Panasonic Holdings Corporation stockholders	48,949	107,337	162,870	265,502
Earnings per share attributable to Panasonic Holdings Corporation stockholders, basic (yen)	20.97	45.99	69.78	113.75

(Three months)	First quarter	Second quarter	Third quarter	Fourth quarter
Earnings per share attributable to Panasonic Holdings Corporation stockholders, basic (yen)	20.97	25.02	23.79	43.97

(2) Litigation, etc.

Significant litigation, etc. associated with the Company are as stated in "37. 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 Transfer agent Forward office Purchasing and selling fee	 Sumitomo Mitsui Trust Bank, Limited 5-33, Kitahama, 4-chome, Chuo-ku, Osaka-shi Sumitomo Mitsui Trust Bank, Limited 4-1, Marunouchi, 1-chome, Chiyoda-ku, Tokyo — 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

(1) Documents submitted during the period from the commencing date of the fiscal year ended March 31, 2023 to the filing date of Annual Securities Report

The Company filed the following documents during the period from the commencing date of the fiscal year ended March 31, 2023 to the filing date of Annual Securities Report.

1) Annual Securities Report and documents attached, and Confirmation Letter	Business Term (115th)	From April 1, 2021 To March 31, 2022	Filed with the Director of the Kanto Local Finance Bureau on June 24, 2022
2) Internal Control Report and documents attached			Filed with the Director of the Kanto Local Finance Bureau on June 24, 2022
3) Quarterly Report and Confirmation Letter	(116th First Quarter)	From April 1, 2022 To June 30, 2022	Filed with the Director of the Kanto Local Finance Bureau on August 5, 2022
	(116th Second Quarter)	From July 1, 2022 To September 30, 2022	Filed with the Director of the Kanto Local Finance Bureau on November 11, 2022
	(116th Third Quarter)	From October 1, 2022 To December 31, 2022	Filed with the Director of the Kanto Local Finance Bureau on February 10, 2023
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 26, 2023
	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 27, 2023

(2) Percentage of female workers in managerial positions, percentage of male workers taking childcare leave, and wage differences between male and female workers

The following table shows the data of the companies other than the consolidated subsidiaries listed in "I Overview of Panasonic Group, 5. Employees, (4) Percentage of female workers in management positions, percentage of male workers taking childcare leave, and wage differences between male and female workers."

Name	Percentage of females in managerial position (%) (Note 1)	Percentage of males taking childcare leave (%)		Wage differences between male and female workers (%) (Note 1)		
				All workers	Full-time workers	Part-time and fixed-term workers
KMEW Co., Ltd.	3.8	90.9	(Note 3)	73.2	72.5	71.5
Kouei System Ltd.	9.1	—		—	—	—
Koyo Denki Co., Ltd.	6.7	—		—	—	—
Denzai Toa Co., Ltd.	3.0	—		—	—	—
Panasonic ITS Co., Ltd.	—	50.0	(Note 3)	80.8	80.8	—
Panasonic Advanced Technology Development Co., Ltd.	3.7	75.0	(Note 3)	81.2	82.2	82.1
Panasonic Electric Works Engineering Co., Ltd.	—	—		63.2	62.8	64.7
Panasonic Electric Works Networks Co., Ltd.	2.7	—		—	—	—
Panasonic Industrial Marketing & Sales Japan Co., Ltd.	11.8	42.9	(Note 3)	83.0	77.1	82.4
Panasonic Information Systems, Co., Ltd.	8.6	58.6	(Note 3)	78.7	78.4	57.4
Panasonic Age-Free Co., Ltd.	26.0	47.4	(Note 2)	72.6	84.9	108.3
Panasonic Appliances Air-Conditioning and Refrigeration Systems Co., Ltd.	2.1	100.0	(Note 3)	84.6	82.5	95.9
Panasonic Ecology Systems Co., Ltd.	3.9	87.5	(Note 3)	76.2	73.2	79.0
Panasonic Ecology Systems Ventec Co., Ltd.	—	—		65.0	76.1	84.4
Panasonic System Solutions Service Co., Ltd.	0.0	0.0	(Note 2)	56.8	70.4	63.4
Panasonic Energy Kaizuka Co., Ltd.	0.0	0.0	(Note 2)	84.6	82.7	77.2

Name	Percentage of females in managerial position (%) (Note 1)	Percentage of males taking childcare leave (%)		Wage differences between male and female workers (%) (Note 1)		
				All workers	Full-time workers	Part-time and fixed-term workers
Panasonic Energy Nandan Co., Ltd.	—	—		62.5	61.7	95.4
Panasonic Energy Higashiura Co., Ltd.	0.0	0.0	(Note 2)	72.8	73.4	60.1
Panasonic Electric Works Asahi Co., Ltd.	7.9	—		—	—	—
Panasonic Electric Works Ikeda Denki Co., Ltd.	—	—		79.4	80.6	92.5
Panasonic Electric Works Kinan Co., Ltd.	—	—		80.8	76.3	97.4
Panasonic Electric Works Electrical Construction Materials Mie Co., Ltd.	1.6	0.0	(Note 2)	70.8	70.7	85.4
Panasonic Automotive Electronics Co., Ltd.	2.6	0.0	(Note 2)	77.8	74.5	—
Panasonic Environmental Systems Engineering Co., Ltd.	—	—		75.6	74.9	62.9
Panasonic Cycle Technology Co., Ltd.	7.6	45.5	(Note 2)	75.4	79.8	37.1
Panasonic Commercial Equipment Systems Co., Ltd.	4.9	30.4	(Note 3)	76.4	76.9	87.6
Panasonic System Design Co., Ltd.	11.4	70.0	(Note 2)	82.9	82.8	—
Panasonic System Networks R&D Lab. Co., Ltd.	4.5	100.0	(Note 2)	79.0	77.6	—
Panasonic Housing Equipment Co., Ltd.	—	81.3	(Note 3)	78.2	77.7	90.5
Panasonic Switchgear Systems, Co., Ltd.	0.0	—		—	—	—
Panasonic Switching Technologies Co., Ltd.	—	25.0	(Note 2)	74.2	74.9	64.9
Panasonic Solar System Manufacturing Co., Ltd.	0.0	33.3	(Note 2)	82.5	82.6	46.0
Panasonic Solution Technology Co., Ltd.	4.0	—		70.8	71.1	41.6
Panasonic Techno Service Co., Ltd.	6.1	37.5	(Note 3)	66.4	66.9	111.3
Panasonic Device Component Co., Ltd.	—	—		76.0	75.3	73.3

Name	Percentage of females in managerial position (%) (Note 1)	Percentage of males taking childcare leave (%)		Wage differences between male and female workers (%) (Note 1)		
				All workers	Full-time workers	Part-time and fixed-term workers
Panasonic Industrial Devices SUNX Kyushu Co., Ltd.	8.3	—		53.4	66.3	77.8
Panasonic Industrial Devices SUNX Tatsuno Co., Ltd.	9.8	166.7	(Note 3)	77.5	81.1	80.3
Panasonic Electrical Construction Materials Solutions Co., Ltd.	—	50.0	(Note 3)	81.2	77.9	103.6
Panasonic Interior Building Products Co., Ltd.	—	66.7	(Note 3)	75.3	75.4	88.5
Panasonic Facilities Co., Ltd.	1.9	81.8	(Note 3)	76.6	79.8	57.6
Panasonic Financial & HR Professional Partners Co., Ltd.	41.4	—		—	—	—
Panasonic Production Engineering Co., Ltd.	—	60.0	(Note 3)	90.3	89.7	81.9
Panasonic Fire Prevention Systems Co., Ltd.	—	—		67.9	68.0	54.2
Panasonic Insurance Services Japan Co., Ltd.	23.1	—		—	—	—
Panasonic Hearing Instruments Co., Ltd.	7.1	—		81.6	83.4	95.3
Panasonic Marketing Japan Co., Ltd.	5.4	63.1	(Note 3)	76.0	80.0	67.0
Panasonic Lighting Systems, Inc.	1.5	33.3	(Note 3)	70.8	78.3	94.4
Panasonic Living Co., Ltd.	5.0	20.0	(Note 3)	70.9	72.0	80.6
Panasonic Living Kyushu Co., Ltd.	8.1	—		—	—	—
Panasonic Living Kinki Co., Ltd.	—	—		66.1	70.6	77.2
Panasonic Living Chushikoku Co., Ltd.	—	—		73.0	75.7	98.3
Panasonic Living Chubu Co., Ltd.	8.1	100.0	(Note 3)	53.2	70.2	55.5
Panasonic Living Hokkaido Tohoku Co., Ltd.	—	—		68.4	70.1	73.9
Fukunishi Electrical Co., Ltd.	1.8	6.7	(Note 2)	70.0	67.8	109.2

There is no gender-based inequalities in our Group’s compensation system. For details on the figures, refer to the websites of each company or the websites operated by the Ministry of Health, Labour and Welfare.

(Notes)

1. These percentages are calculated in accordance with the provisions of the Act on the Promotion of Women's Active Engagement in Professional Life (Act No. 64 of 2015). (The date for calculating the percentage of women in management positions is April 1, 2023. Wage differences between male and female workers are calculated based on salaries and bonuses for fiscal 2023.)

2. This percentage is calculated based on the ratios of childcare leave, etc. taken in fiscal 2023 as specified in Article 71-4, item (i) of the Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Ordinance of the Ministry of Labour No. 25 of 1991) in accordance with the provisions of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Act No. 76 of 1991). The percentage is calculated as follows: "The total number of male workers who took childcare leave, etc. in fiscal 2023 divided by the number of male workers whose spouse gave birth in fiscal 2023."

3. This percentage is calculated based on the ratios of childcare leave, etc. and time off for childcare taken in fiscal 2023 as specified in Article 71-4, item (ii) of the Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Ordinance of the Ministry of Labour No. 25 of 1991) in accordance with the provisions of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Act No. 76 of 1991). The percentage is calculated as follows: "The total number of male workers who took childcare leave, etc. as well as the number of male workers who took time off for the purpose of taking care of preschool children in fiscal 2023 divided by the number of male workers whose spouse gave birth in fiscal 2023."

4. For the Company and the consolidated subsidiaries other than above, refer to “I Overview of Panasonic Group, 5. Employees, (4) Percentage of female workers in management positions, percentage of male workers taking childcare leave, and wage differences between male and female workers.”

5. The data of the 461 consolidated subsidiaries are not included because these companies are not required to disclose the "Percentage of female workers in managerial positions, percentage of male workers taking childcare leave, and wage differences between male and female workers" pursuant to the provisions of the “Act on Promotion of Women's Active Engagement in Professional Life (Act No. 64 of 2015),” as well as the provisions of the "Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members" (Act No. 76 of 1991). In addition, due to the laws requiring the publishing of different disclosure obligations and items according to the number of workers, a dash (—) is used if the item is not selected for publication in accordance with the regulations or if the item is selected for publication but cannot be calculated because the company has only male or only female employees.

6. On April 1, 2023, Panasonic Marketing Japan Co., Ltd. changed its name from Panasonic Consumer Marketing Co. Ltd.

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 27, 2023

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 ("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, 2023, 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, 2023, 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">Appropriateness of the Company's judgment as to whether an impairment loss should be recognized on goodwill allocated to Blue Yonder Holding, Inc.</th></tr>
<tr><th>The key audit matter</th><th>How the matter was addressed in our audit</th></tr>
<tr><td>In the consolidated statement of financial position, Panasonic Holdings Corporation (the "Company") and its consolidated subsidiaries recognized goodwill of ¥740,365 million allocated to Blue Yonder Holding, Inc. ("Blue Yonder"). The goodwill arose when the Company acquired control of Blue Yonder.

As described in Note 3, "Significant accounting policies, (11) Impairment of non-financial assets" to the consolidated financial statements, an impairment test on goodwill is performed annually, regardless of whether or not there are indications of impairment. In the impairment testing, when the recoverable amount of a cash-generating unit ("CGU") or a group of CGUs to which goodwill has been allocated is less than the carrying amount, the carrying amount is reduced to the recoverable amount, and the resulting decrease in the carrying amount is recognized as an impairment loss.

In the current fiscal year, management used the fair value less cost of disposal as the recoverable amount in the impairment testing on goodwill allocated to Blue Yonder, and the fair value was measured using a combination of the discounted cash flow method and a comparable listed company analysis. The fair value was measured based on the business plan of Blue Yonder, which included the following key assumptions:

assumptions for the expansion of the SaaS-based supply chain software services, including the synergistic effects of expanding the services in the Japanese market and marketing new services to be jointly developed by the Company and Blue Yonder; and

assumptions for the improvement in the gross profit margin of the SaaS-based supply chain software services.</td><td>The primary procedures we performed to assess the appropriateness of the Company's judgment as to whether an impairment loss should be recognized on goodwill allocated to Blue Yonder included the following:

Internal control testing

We tested the design and operating effectiveness of certain of the Company's internal controls relevant to the measurement of the fair value less cost of disposal used in the impairment testing on goodwill. In this assessment, we focused our testing on internal controls designed to ensure the appropriateness of key assumptions adopted in Blue Yonder's business plan.

Assessment of the appropriateness of key assumptions adopted in Blue Yonder's business plan

In order to assess whether key assumptions adopted in preparing Blue Yonder's business plan were appropriate, we inquired of managements of Blue Yonder and Panasonic Connect Co., Ltd. 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 for the expansion of the SaaS-based supply chain software services (including the expansion of the services in the Japanese market and the marketing of new services to be developed) by:

・calculating the amount of potential projects required to achieve the sales target in the business plan based on the past actual</td></tr>
</table>

The above assumptions involved a high degree of uncertainty, and management's judgments on these assumptions had a significant effect on the fair value measurement. In addition, the determination of appropriate valuation techniques used to measure the fair value, 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 appropriateness of the Company's judgment as to whether an impairment loss should be recognized on goodwill allocated to Blue Yonder was of most significance in our audit of the consolidated financial statements for the current year, and accordingly, a key audit matter.	orders, and comparing it with a list of potential projects maintained by Blue Yonder; and ・calculating the estimated sales amount based on the headcount of sales representatives in the business plan and the actual amount of deals closed per head, and comparing it with the sales target in the business plan. ● assessed the appropriateness of the assumptions for the improvement in the gross profit margin of the SaaS-based supply chain software services by: ・comparing the gross profit margin in the business plan with that of comparable listed entities; and ・comparing the gross profit margin in the business plan with the estimated gross profit margin calculated based on the actual results of major improvement factors, among others. ● assessed whether there was any potential effect on the judgement as to whether an impairment loss should be recognized if the future cash flows were estimated by incorporating the effect of specific uncertainties into the business plan, considering the results of the following assessments: ・assessment on whether key assumptions were appropriate; and ・assessment on whether the past business plans were achieved including the cause of variances with actual results. **Assessment of the appropriateness of the valuation techniques, the discount rate and the growth rate** We involved valuation specialists within our network firms who assisted in our assessment of 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. In addition, we assessed the appropriateness of the discount rate and the growth rate by comparing those adopted by management with a reasonable range of these rates independently calculated by the valuation specialists using 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 ("the Company") and its consolidated subsidiaries (collectively referred to as "the Group") as at March 31, 2023, 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, 2023, 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

<u>Notes to the Reader of Audit Report:</u>

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 27, 2023
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 City, Osaka, Japan
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)

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 116th fiscal year (from April 1, 2022 to March 31, 2023) 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 27, 2023
Company Name:	Panasonic Holdings Kabushiki Kaisha
Company Name in English:	Panasonic Holdings 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 Kadoma, Kadoma City, Osaka, Japan
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)

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, 2023. 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, 2023

4. Supplementary Matters

None.

5. Special Notes

None.