Annual Securities Report
for the fiscal year ended March 31, 2024
(the 117th Business Term)

Panasonic Holdings Corporation

[Cover]

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Company Name in English:	Panasonic Holdings Corporation
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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 25, 2024, pursuant to the Financial Instruments and Exchange Act of Japan.

In this document, "fiscal 2024" refers to the year ended March 31, 2024. All information contained in this document is as of March 31, 2024 or for fiscal 2024, unless otherwise indicated.

Disclaimer Regarding Forward-Looking Statements

This report includes forward-looking statements about Panasonic Holdings Corporation (the "Company") 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. The Company 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 the Company 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 demands for corporate capital expenditures in the major markets including, but not limited to, the Americas, Europe, Japan, China and other Asian countries as well as changes of demands for a wide range of electronic products & parts from the industrial world and consumers in various regional markets; excessive currency rate fluctuations of the U.S. dollar, the euro, the Chinese yuan and other currencies against the yen having an impact on costs and prices of the Panasonic Group’s products & services as well as certain other transactions that are denominated in these foreign currencies; increased costs of or limitations on raising funds, because of changes in the fund raising environment including interest rate fluctuations; current or future political or social trends in and outside Japan or changes in rules & regulations of international trade, commerce, R&Ds, production or sales having impact on the Panasonic Group or the business activities in its supply chain; introduction or enhancement of rules & regulations or abolition or reduction of tax benefit or subsidy related mainly to the environment issues including the climate change as well as to responsible supply chain (in terms of human rights, labor, health & safety global environmental conservation, information security, business ethics and others); increased costs resulting from a leakage of customers’ or confidential information from IT systems of the Panasonic Group or its supply chain or business suspension caused by unauthorized access, cyberattacks or any other form of malicious, actions on the IT systems or from vulnerability of network-connected products; failure to secure or retain enough workforces to execute its business strategy; failure to retain its competitiveness in a wide range of products & services or in major countries & regions; failure to produce expected results in alliances with other companies or M&A (mergers & acquisitions) activities; failure to produce expected results in current or future business transformations of the Panasonic Group; occurrence or lengthening of disruptions in its supply chain or logistics for or price hikes in parts & materials; downward price pressure or decrease in demands for the products at a level that can be offset with efforts by the Company; failure to respond to future changes in the market needs with technological innovations or to timely utilize new technologies such as AI (Artificial Intelligence); increased costs or losses caused by occurrence of events such as compliance violations (including those related human rights or labor issues) or serious health & safety accidents in workplaces; increased costs or losses resulting from any defects or quality frauds in products or services of the Panasonic Group; infringement by third parties of intellectual property owned by the Panasonic Group or restrictions on the use of intellectual property owned by third parties; administrative/criminal penalties or compensations/damages claims resulting from violations of laws and regulations; large-scale natural disasters, global pandemics of infectious diseases, terrorism or wars; fluctuations in market prices of securities and other financial assets in which the Panasonic Group has holdings, excessive fluctuations of valuation of non-financial assets, including property, plant and equipment, goodwill and deferred tax assets, or changes or tightening of accounting policies or rules; The factors listed above are not all-inclusive and further information is contained in the most recent English translated version of the Company’s securities reports under the FIEA and any other documents which are disclosed on its website.

Contents

Part I Information on Panasonic Group

I Overview of Panasonic Group

1. Key Financial Data (Consolidated)

(Millions of yen, unless otherwise stated)

Fiscal year	113th business term	114th business term	115th business term	116th business term	117th business term
Year end	March 2020	March 2021	March 2022	March 2023	March 2024
Net sales	7,490,601	6,698,794	7,388,791	8,378,942	8,496,420
Profit before income taxes	291,050	260,820	360,395	316,409	425,239
Net profit attributable to Panasonic Holdings Corporation stockholders	225,707	165,077	255,334	265,502	443,994
Comprehensive income attributable to Panasonic Holdings Corporation stockholders	172,443	655,352	630,527	518,784	1,012,295
Total Panasonic Holdings Corporation stockholders' equity	1,998,349	2,594,034	3,164,962	3,618,402	4,544,076
Total equity	2,155,868	2,768,502	3,347,171	3,789,958	4,721,903
Total assets	6,218,518	6,847,073	8,023,583	8,059,527	9,411,195
Panasonic Holdings Corporation stockholders' equity per share (yen)	856.57	1,111.73	1,356.08	1,550.23	1,946.62
Earnings per share attributable to Panasonic Holdings Corporation stockholders, basic (yen)	96.76	70.75	109.41	113.75	190.21
Earnings per share attributable to Panasonic Holdings Corporation stockholders, diluted (yen)	96.70	70.72	109.37	113.72	190.15
Panasonic Holdings Corporation stockholders' equity / total assets (%)	32.1	37.9	39.4	44.9	48.3
Return on equity (%)	11.5	7.2	8.9	7.8	10.9
Price earnings ratio (times)	8.53	20.12	10.86	10.39	7.60
Net cash provided by operating activities	430,303	504,038	252,630	520,742	866,898
Net cash provided by (used in) investing activities	(206,096)	176,596	(796,149)	(344,033)	(578,843)
Net cash provided by (used in) financing activities	48,222	(177,704)	58,910	(607,013)	(83,494)
Cash and cash equivalents at end of year	1,016,504	1,593,224	1,205,873	819,499	1,119,625
Number of employees (persons) (Average number of temporary employees)	259,385 (34,942)	243,540 (31,880)	240,198 (32,049)	233,391 (32,049)	228,420 (29,029)

(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 511 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, 2024

As of March 31, 2024

(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 Marketing Japan 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 EV relays, conductive polymer electrolytic capacitors, film capacitors for xEVs, hybrid aluminum electrolytic capacitors, motors for automotive and A/C, servo motors, programmable logic controllers (PLC), photoelectric sensors, laser markers, high- functional multilayer materials, semiconductor device materials,	**(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, 2024

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

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	100.0 (100.0)			Manufacture and sale of Panasonic products etc.	Note 4 Note 7
Blue Yonder Holding, Inc.	Arizona, U.S.A.	US$ 0.01	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 Heating & Ventilation Air-conditioning Czech, s. r. o.	Plzen, Czech Republic	KC 5,900	Lifestyle	100.0 (100.0)			Manufacture and sale of Panasonic products	Note 4 Note 9
Panasonic Asia Pacific Pte. Ltd.	Singapore	US$ 1,478	Lifestyle, Industry, Energy, Other	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	
Panasonic Taiwan Co., Ltd.	New Taipei, Taiwan	NT$ 3,422	Lifestyle, Automotive	69.8	Yes		Manufacture and sale of Panasonic products	
Panasonic Corporation of China	Beijing, China	RMB 12,838	Lifestyle, Connect	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, 2024)

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, 2024 are shown below:

SANYO Electric Co., Ltd.	295,808 million yen
Panasonic Entertainment & Communication Co., Ltd.	31,787 million yen
Panasonic Automotive Systems Co., Ltd.	31,261 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	1,305,151 million yen
(2) Profit before income tax.	143,725 million yen
(3) Net profit	161,703 million yen
(4) Equity	1,356,152 million yen
(5) Assets	2,039,158 million yen

8. Common stock of Hussmann Corporation is zero.
9. 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, 2024

Segment	Number of employees
Lifestyle	88,738 (16,618)
Automotive	29,177 (2,190)
Connect	27,960 (1,279)
Industry	37,241 (4,002)
Energy	17,241 (1,776)
Other	26,642 (3,040)
Corporate	1,421 (124)
Total	228,420 (29,029)

(Notes)
1. The number of employees refers solely to full-time employees of the Company on a consolidated basis. The annual average number of temporary employees is indicated in parentheses.
2. The number of temporary employees includes contracted employees, part-time workers, and others but excludes temporary staff provided by agencies
3. The number of employees decreased by 4,971, compared with the end of last fiscal year.

(2) Parent-alone basis

As of March 31, 2024

Number of employees	Average age	Average tenure (years)	Average annual salary (yen)
1,421	43.7	17.9	9,304,992

(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.

(3) Relationship with labor union

The federation of Panasonic group labor unions has 122 labor unions as of March 31, 2024.
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 2)	Percentage of males taking childcare leave (%) (Note 3)	Wage differences between male and female workers (%) (Note 2)		
		All workers	Full-time workers	Part-time and fixed-term workers
7.9	82.0	87.3	86.2	104.4

② Consolidated subsidiaries

Name	Percentage of females in managerial position (%) (Note 2)	Percentage of males taking childcare leave (%) (Note 3)	Wage differences between male and female workers (%) (Note 2)		
			All workers	Full-time workers	Part-time and fixed-term workers
Panasonic Corporation	6.5	69.0	72.4	71.1	64.8
Panasonic Automotive Systems Co., Ltd.	4.7	107.0	76.1	75.2	70.1
Panasonic Entertainment & Communication Co., Ltd.	3.2	85.0	78.6	77.1	75.2
Panasonic Housing Solutions Co., Ltd.	7.9	48.0	55.8	55.3	61.3
Panasonic Connect Co., Ltd.	7.7	92.0	80.0	78.0	96.2
Panasonic Industry Co., Ltd.	4.4	69.0	78.2	77.1	75.6
Panasonic Energy Co., Ltd.	6.5	68.0	80.7	80.5	59.6
Panasonic Operational Excellence Co., Ltd.	16.7	78.0	79.0	78.0	66.3

(Notes)

1. The indicators which were 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) and 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) are both indicated to the first decimal place with the calculation as follows: the second decimal place is rounded for the indicator related to Act No. 64 of 2015, and the first decimal place is omitted for the indicator related to Act No. 76 of 1991.
2. 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, 2024. Wage differences between male and female workers are

calculated based on salaries and bonuses for fiscal 2024.)

3. This percentage is calculated based on the ratios of childcare leave, etc. and time off for childcare taken in fiscal 2024 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 2024 divided by the number of male workers whose spouse gave birth in fiscal 2024."
4. 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 managerial 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 25, 2024, 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." The Company continues to directly address social issues as it strives to achieve an ideal society with affluence both in matter and mind, and takes up the challenge to eliminate the concerns of today and the future as it aims to create new value. The Company squarely addresses a wide range of social issues including global environmental issues in order to make a larger contribution to the advancement of society and solving societal issues. The Company will also further reinforce its business competitiveness and work to sustainably grow our corporate value by offering value that satisfies all of its stakeholders, including shareholders, investors, customers, business partners, and employees.

(2) Management Strategy and Challenges of Panasonic Group

Toward achieving "an ideal society with affluence both in matter and mind", a wide range of social issues including pressing global environmental issues, among other things, should be addressed and solved. Against this backdrop, as the Group's common strategy, the Company aims to contribute to society in the fields of "solving global environmental issues" and "each customers' life-long health, safety & comfort."

In fiscal 2025, the global economy continues to face uncertainties. In addition to geopolitical risks such as the Israel-Palestine situation and the situation in Ukraine, monetary tightening, mainly in Europe and the US, are creating concerns about impact on the real economy. Meanwhile, a gradual recovery is expected for the Japanese economy, where capital investment demand remains steady and personal consumption is expected to recover as real wages improve, despite such global economic uncertainties remaining as concerns.

Under such management conditions, the Company will focus on initiatives aimed at improving ROE (Return on Equity) in the final year of the medium-term strategy launched in fiscal 2023. In particular, the Company is working to improve profitability in order to further strengthen the business foundations of the three business areas identified as its investment areas: automotive batteries, air quality & air-conditioning, and supply chain management (SCM) software. The Company is also working to enhance the management structure of the Group through initiatives (such as operational frontlines innovations and "PX") to accelerate strengthening human capital management and competitiveness.

(Note) PX (Panasonic Transformation) is an initiative spanning the Panasonic Group, centered on DX (Digital Transformation). It is carried out as an important strategy for strengthening the business foundation and is more than just mere IT system improvements.

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

To improve cash generation capabilities by thoroughly enhancing business competitiveness, the Company has set the indicators as follows:

・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 2024 are described in "4. Management's Analyses of Consolidated Financial Position, Operating Results and Cash Flows." For each of the indicators mentioned above, the results for fiscal 2023 is as follows: cash flows from operating activities amounted to 520.7 billion yen, ROE was 7.8% and operating profit was 288.6 billion yen, and the results for fiscal 2024 is as follows: cash flows from operating activities amounted to 866.9 billion yen, ROE was 10.9% and operating profit was 361.0 billion yen. With the forecast for fiscal 2025 taken into account, the above-mentioned KGIs for ROE and Cumulative operating profit are expected to fall short, while the KGI for Cumulative operating cash flows is expected to be achieved. The Company's view is that this is because management emphasizing cash flows is taking root, although the targeted profitability has not yet been reached in each business.

The Company will assess the growth potential of each business, ensuring rigorous management of all businesses based on return on invested capital (ROIC), and working to manage its business portfolio focusing on growth potential and profitability for the next medium-term strategy. Through these activities, the Company is transforming itself to into a group that will ensure growth in profitability over the medium to long term.

Strengthen Business Foundations of Investment Areas

・Automotive batteries business

In the market of automotive batteries, which the Company has identified as the priority investment area, a shift to electric-powered mobility is expected to continue globally from long-term perspective. However, the North America market, which the Company fucuses on, is seeing a temporary slowdown in growth of the battery-EV market, due to car manufacturers' strategic shift to a wider line-up of vehicles they provide.

In such a situation, toward establishing foundations for stronger competitiveness, the Company will improve capital efficiency by continuously enhancing its supply capability along with strengthening of its customer base in Japan and the US, improving its productivity, and evolving its technological foundations such as the development of 4680 cells with higher capacity archived. As for its investment strategy, the Company intends to make investment decisions flexibly and prudently based on demands from its customers.

・Air quality & air-conditioning business

Although the Europe market of Air-to-Water (A2W) hot water heat pump systems is seeing a slowdown in growth due to normalization of gas prices, revisions to the subsidy policy in various countries in the region and a downturn of the regional economy, the Company expects demand for A2W to grow in the medium to long term in Europe, a leading region in terms of environmental regulations.

Under these circumstances, in preparation for the expected market recovery, the Company continues to enhance its business foundations to be well-positioned in the market with steadily implemented measures to capture higher market shares such as strengthening of business partnership with installers and increasing of product value that is also attractive to the installers.

・Supply chain management (SCM) software business

The Company continues to promote transformation at Blue Yonder Holding, Inc. ("Blue Yonder") a consolidated subsidiary of the Company. Specifically, the Company strives to enhance the competitive edge of Blue Yonder though continuously strengthening its business foundations such as improving the competitiveness of its products with enhancement of R&D as well as of customer contacts, adding capabilities through M&As, and providing the market with its SCM platforms that enable to coordinate data on a real-time and multi-directional basis. In addition, through Blue Yoder's autonomous solutions, combined with data provided by edge devices for operational frontlines, at which Panasonic Connect Co., Ltd. has its business strength, the SCM software business aims to further contribute to its customers and the society.

Business Portfolio Management

For the sake of all the stakeholders, including its customers, business partners and employees, and improvement of the Group's value, the Company has been promoting review of its business portfolio and transformation of its business structure with "relevance to Groupwide common strategy" as the first criterion for the business portfolio management, "market position & competitiveness with an eye on the future changes in the business environment" as the second, and a "best-ownership perspective" as the third.

Furthermore, from fiscal 2023, as part of the review of its business portfolio, the Company has been assessing financial soundness of each operating company and establishing cash-flow-focused management, in order to manage each business by the market position & competitiveness. Also, from fiscal 2025, the Company will rigorously manage each business based on cash and return on invested capital (ROIC) to establish a strong financial & profitability structure.

The Company classifies businesses having no or little growth potentials and facing ROIC lower than "WACC by business" as "businesses with issues," and aims to make the number of such businesses down to zero by the end of fiscal 2027. The Company also aims for all businesses’ ROIC levels exceeding "WACC by business +3 percentage points".

Automotive batteries, air quality & air-conditioning and SCM software businesses belong to the Energy, Lifestyle and Connect segments, respectively. For further information on business strategy by segment please refer to materials for "Panasonic Group Operating Companies' Strategy Briefing 2024" held in June 2024 by visiting the Investor Relations website of the Company at:
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 25, 2024, the filing date for this annual securities report.

(1) Governance

The Panasonic Group has established the Sustainability Management Committee, chaired by the Group CEO and composed of executive officers and Group companies' officers, etc. appointed by the chairperson, which meets once a month in principle.

Under the supervision of the Board of Directors, the Sustainability Management Committee discusses and sets the direction on important sustainability themes for the Group, and communicates and disseminates them throughout the Group through the Group Management Meeting and other means. Details of the discussions are also reported to and shared with the Board of Directors as necessary to facilitate decision-making for the Group.

(2) Risk management

The Group has identified important opportunities and risks as material issues, in terms of financial and social impact. In the process of identification of material issues, the Group first extracted issues that represent opportunities and risks in the future based on the demands of society, foreseen future challenges, and others. Second, the Group extracted the most important and important issues 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.

Based on these material issues, we will promote sustainability initiatives, and strive to improve sustainability management by leveraging new business opportunities and reducing risks. In addition, we will review the identified material issues as appropriate in view of future environmental changes and dialogue with stakeholders.

Please see "3. Risk Factors" for details of our enterprise risk management ("ERM") initiatives to manage risks that may affect our Group's business activities.

(3) Strategies, key performance indicators, and targets

The Panasonic Group has positioned "contributing to the progress and development of society and the well-being of people worldwide through its business activities" at the core of its Basic Business Philosophy, aiming to realize "an ideal society with affluence both in matter and mind." We believe that implementation of this Basic Business Philosophy is what our sustainability management is all about.

In this context, the Group's common strategy is to maximize new business opportunities in the areas of "Environment" and "Lifestyle" to create sustainable value. In the area of "Environment," we established our long-term environmental vision "Panasonic GREEN IMPACT" in fiscal 2023 to contribute to "solving global environmental issues." In the area of "Lifestyle," we aim to become a "lifestyle solution provider" capable of proposing value that is tailored to each of our diverse customers, in order to contribute to the "lifelong health, safety, and comfort for everyone," demonstrating the comprehensive strengths of the Group.

At the same time, we will work to strengthen our management foundation to reduce various risks and create value in a sustainable manner. Of the material issues in the Group's common strategy and for the strengthening of our management foundation, we believe that the most important issues, their key performance indicators, and targets are as follows:

Please also refer to Key Points of the Group Strategy in "1. Management Policy, Business Environment and Challenges of Panasonic Group."

	Material issues (most important issues)	KPIs	Targets
Group common strategy	Global warming and depletion of natural resources depletion	CO_2 reduction impact	300 million tons (2050)
		CO_2 emissions from all factories	Net zero (2030)
		Waste recycling rate	99% or more
	Each customers' life-long health, safety and comfort	Continued consideration	
Foundation for sustainable value creation	Business integrity	Occurrence of serious compliance violations	Zero
	Supply chain management	Continued consideration	
	Employee well-being	Occurrence of serious or grave accidents	Zero
		Employee engagement/employee enablement in the Employee Opinion Survey	the highest global standard (80% or more in 2030)
	Corporate governance	Enhancement of constructive dialogue with shareholders	Implemented
		Evaluation of the effectiveness of the Board of Directors and implementation of improvement measures	Implemented
		Ratio of outside directors in the PHD Board of Directors	1/3 or more
		Adoption of non-financial indicators in performance-based compensation for directors	Implemented
	Respect for human rights	Promotion of correction of issues identified in human rights due diligence for each Group company which may cause forced labor	Implemented
		Rate of training on the prevention of forced labor at Group company sites that employ foreign migrant workers	100%
	Cyber Security	Provision of education and training for all employees to improve security awareness and promote behavioral change	More than four times a year
		Collection and monitoring of threat and vulnerability information by an expert team, and implementation of necessary measures	Implemented
		Incident response training by an expert team in anticipation of cyber attacks	More than once a year
		Number of serious incidents	Zero

The above indicators and targets will be reviewed in a timely and appropriate manner, taking into account changes in the business environment, etc., and the indicators and targets that are under continued consideration will be disclosed from the next fiscal year onward.

(4) Initiatives for Sustainability

1. Global Environmental Issues

The Panasonic Group announced the Panasonic GREEN IMPACT (PGI), long-term environmental vision in 2022, aimed at achieving both "a better life" and "a sustainable global environment." The goal is to create a CO_2 reduction impact of 300 million tons (Note 1) or more, equivalent to approximately 1% of total global emissions in 2050. This will be done by achieving net zero CO_2 emissions throughout the Group value chain (Note 2) which is equivalent to Scope 1–3 (Note 3) to reduce emissions by 110 million tons as our responsibility, and by contributing to emissions reductions of 200 million tons in society through our business activities.

The avoided emissions which account for 2/3 of the reduction impact of PGI goal are indices which estimate the expected amounts of CO_2 reduction effects resulting when our technologies, products, and services are used. So that these avoided emissions are correctly evaluated as contributions to business decarbonization, the Panasonic Group involves national governments, industries, and the financial world, and has taken the lead in discussing the social importance of the avoided emissions and the need for international standardization. The Sustainability Data Book that was published in August 2023 disclosed for the first time examples of the avoided emissions, the calculation formulas, and other details. We are participating in the standardization activities and guidance creation of the International Electrotechnical Committee (IEC), GX League (Note 4), and World Business Council for Sustainable Development (WBCSD). In addition, as a result of continual promotion at a wide range of international events, the results report from the G7 Climate, Energy and Environment Ministers' Meeting in Sapporo in April 2023, and from the G7 Hiroshima Summit in May, contained the following statements: "There is also value in acknowledging avoided emissions," and, "We also encourage and promote private entities' work to foster innovation contributing to the emission reduction of other entities through decarbonization solutions." Subsequently at COP28 (Note 5) held in Dubai in November 2023, we promoted the importance of the avoided emissions and the need for international standardization through an exhibit of leading environmental technologies that realize PGI, a seminar, and an appearance at a panel discussion.

The goals of PGI, which will contribute to resolving global environmental issues through our business, also include the achievement of carbon neutrality and a circular economy (CE) (Note 6). The GREEN IMPACT PLAN 2024, an Environmental Action Plan that was announced in 2022, establishes targets for decarbonization, and also sets targets for the factory waste recycling ratio (maintained over 99%), amount of recycled resin used (total of 90,000 tons from 2022 to 2024), and number of CE business models on the road to achieving CE (total of 13 businesses by 2024). Furthermore, in order to accelerate initiatives for achieving a CE within the Group, in December 2023, we formulated the Circular Economy Group Policy. We are proceeding with identifying issues in our approaches based on the business characteristics of each company, and with the formulation of long-term strategies and medium-term action plans.

So that people can continue to live with peace of mind on the earth in the next generation and future generations, the Group will continue working together to accelerate our initiatives aimed at achieving carbon neutrality and a circular economy through our business activities in the future.

The Panasonic Group endorsed the TCFD (Note 7) recommendations in May 2019.
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'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.

＜Disclosure Based on TCFD's Recommendation＞

Governance	sustainability management is headed by board of directors, so that information on group-wide environmental sustainability management from all of the operating companies are reported to the board of directors. Also, the progress and results of activities for the key environmental targets we promised to society to achieve under the GREEN IMPACT PLAN 2024 (GIP2024) are examined and determined on the directions, issues, and particularly key measures in the Group Management Meeting where Group CEO, presidents of operating companies, and senior managers participate. Matters of special importance are deliberated on by the Board of Directors Meeting. Our long-term environmental vision "Panasonic GREEN IMPACT (PGI)", was put through this process and was released in April 2022. In promoting our environmental sustainability management, we have built a system with which all operating companies and business sites members effectively collaborate and promote group-wide activities through determination by the Sustainability Management Committee (established in December 2021) led by the Group CEO.
Strategy	We analyzed impacts on certain items of Panasonic Group Businesses that are likely to affect climate change, based on our assessment of the risks and opportunities in Panasonic Group business operations. The results were used to develop a social scenario for the year 2030, focusing on matters with the greatest impact. We then used the scenario as the basis for examining strategies, and verified the business resilience in our strategy.
Risk Management	As a tool to continuously reduce environmental risks, Panasonic Group is working to establish operating company-specific Environmental Risk Management Systems, in accordance with the basic risk management policy for all Group companies. The management policy includes identification of environmental risks and group-wide risk management each year, and ensuring quick responses to reported environmental risks. In addition, The Panasonic Group is promoting risk management based on the same process at Panasonic Holdings Co., Ltd. (PHD) and operating company. The PHD Enterprise Risk Management Committee conducts deliberations from the perspective of the Group's management and business strategies and social responsibilities, and decides the Group's significant risks. In fiscal 2025, strategic risks in Panasonic Group's significant risks such as climate change, environmental regulations, development of circular economy, and operational risks such as natural disasters and supplychain management have been addressed.
Metrics and Targets	The Panasonic Group has set its medium- to long-term target for reducing greenhouse gas emissions, was accredited SBT (Note 8) 2.0°C in October 2017. Furthermore, in May 2023, our new greenhouse gas emissions reduction target was accredited as SBT 1.5°C.

GHG emissions reduction targets (SBT 1.5°C accreditation)	Target	Progress Rate
Emissions from Panasonic Group business activities (Scope 1 and 2)	Reduce 90% by 2030 (compared to fiscal 2019)	23％
Emissions from use of Panasonic Group products (Scope 3)	Reduce 30% by 2030 (compared to fiscal 2019)	— (Note 9)

(Notes)

1. 300 million tons or more, equivalent to approximately 1% of total global emissions
   : According to 2020 CO_2 emissions from energy sources (source: IEA) (The emissions coefficient for avoided CO_2 emissions uses the 2020 standard.)

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

3. 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.

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. COP28 : The 28th Conference of the Parties to the United Nations Framework Convention on Climate Change. Around 200 nations, regions, and other entities participated in this international conference aimed at resolving the problem of climate change.

6. 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 and services.

7. 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.

8. SBT : An abbreviation of Science Based Target. It is a target to reduce GHG emissions in consistent with scientific knowledge toward the goals to limit the increase of global temperature to less than 2.0°C above pre-industrial levels.

9. — : Progress rate not calculated due to increase in emissions because of expansion of products subject to calculation

The Sustainability Data Book 2024 is scheduled to be posted on the following website around September 2023. https://holdings.panasonic/global/corporate/sustainability/data-book.html

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.

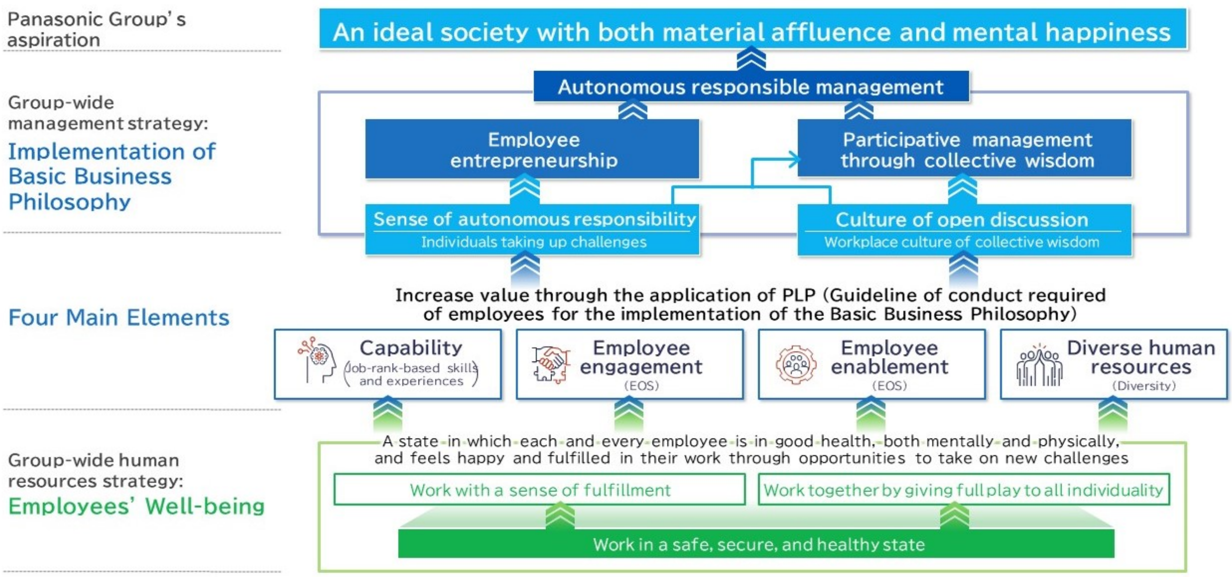
Our Group-wide "Mindset Required for the Implementation of Management that Enables Each Employee to Reach Their Full Potential (later described in detail)" defines the mindsets for "all personnel responsible for developing employees," as well as for "all management staff responsible for developing the organization."

Moreover, we have "Panasonic Leadership Principles (PLP)" (Please see below.) that work as a set of code of conduct for each and every employee to follow in their efforts to put Basic Business Philosophy into practice toward the establishment of an ideal society. 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.

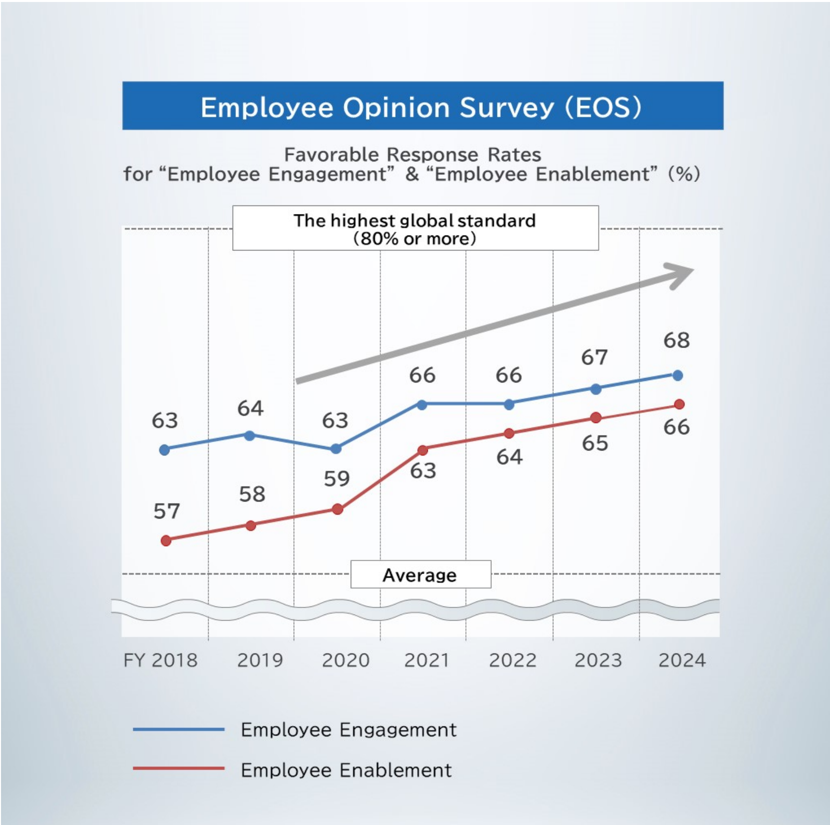
In order to ensure our employees' well-being, which is one of the Group-wide human resources strategies, we are committed to creating value by promoting the well-being initiatives under the three pillars: "Work in a safe, secure, and healthy state," "Work with a sense of fulfillment," and "Work together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



To realize the "employee well-being" defined above, the Group has established key indicators linked to the three associated pillars. Specifically, these indicators are employee engagement, employee enablement, the ratio of female managers (in Japan), and the number of occupational accidents.

The indicators of employee engagement and employee enablement represent the favorable response rate (%) as measured in the Employee Opinion Survey ("EOS"). The EOS is an annual survey of all global employees (approximately 157,000 respondents in fiscal 2024) that serves as a benchmark for measuring employee perceptions. We have set the goal for fiscal 2030 as the highest global standard (80% or more). The survey results have been trending upward yearly. In fiscal 2024, the favorable response rate was 68% for employee engagement and 66% for employee enablement.

Regarding the ratio of female managers, please refer to "Ⅰ Overview of Panasonic Group, 5. Employees" as well as "VII Reference Information on the Company, 2. Other Reference Information, (2) (Percentage of female workers in managerial positions, percentage of male workers taking childcare leave, and wage differences between male and female workers)."



(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.
The Panasonic Group's policy is to ensure the health and safety of employees (including those employed by subcontractors, staffing agencies, and the like) in accordance with the Panasonic Group Code of Ethics & Compliance ("Code of Ethics & Compliance") that was created and is maintained by the Board of Directors of Panasonic Holdings Corporation and the Panasonic Group Occupational Health and Safety Policy communicated by the Group CEO. 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. In Japan, the Group has been working on efforts toward being recognized as an Outstanding Organization for Health and Productivity by the Ministry of Economy, Trade and Industry. In March 2024, all the operating companies are recognized as being Outstanding Organizations. Furthermore, Panasonic Connect Co., Ltd. and Panasonic Corporation are recognized as White 500 (Note).

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.

(Note) White 500: the top 500 companies of "Outstanding Organization for Health and Productivity" that are recognized for excellence in their initiatives (under the large enterprise category).

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

As mentioned above, our Group has "Mindset Required for the Implementation of Management that Enables Each Employee to Reach Their Full Potential." In this Mindset, "Enables Each Employee to Reach Their Full Potential" means aspiration toward higher values through open discussions with diverse opinions for high-quality decision-making. As the basis for human resource development, the mindsets are described for "all personnel responsible for developing employees," as well as for "all management staff responsible for developing the organization" as follows.

Mindset Required for the Implementation of Management that Enables Each Employee to Reach Their Full Potential

Background

Panasonic Group's purpose is to bring about an "ideal society with affluence both in matter and mind."
In order to continue to serve a diversifying society, it is essential for us to foster a corporate culture where each employee can unleash their unique potential.

It is to build a culture of open-discussion where each employee feels safe to say what they have to say. This leads to high-quality decision-making through the integration of diverse opinions, resulting in the achievement of higher values.

In order to realize the above:
Each employee shall practice "employee entrepreneurship," demonstrating their unique abilities and skills to the fullest.
All management staff responsible for developing the organization shall provide support by creating a work environment where each employee can practice the "employee entrepreneurship", and put "participative management through collective wisdom" into practice.

Significance

This mindset is directed toward "all personnel responsible for developing employees" as well as "all management staff responsible for developing the organization," aiming for the implementation of management that enables each employee to reach their full potential. The former refers to all personnel involved in initiatives to promote the growth of employees regardless of their job position. The mindset required for all employees are spelled out in the Basic Business Philosophy including the Company Creed and the Seven Principles.

Mindset required for all personnel responsible for developing employees.

1. **Respect the unique individuality of each employee:** Increase psychological safety at work and build mutual support relationships
2. **Carefully nurture each employee's motivation:** Stimulate employees' motivation for contributing to society; trust and delegate
3. **Encourage each employee to take on challenging tasks**: Support employees with sincerity and great affection, encouraging them to learn from failures

Mindset required for all management staff responsible for developing the organization.

1. **Clarify by explaining the vision that supports the goals:** Increase empathy through regular dialogue, and stimulate employees' motivation for achieving the goals
2. **Share paths for achieving results:** Share daily goals and indicators toward the ideal state with each employee and raise awareness of participation
3. **Eliminate barriers for employees to take on challenging tasks:** Review meaningless activities and identify which ones should be "eliminated, reduced, or changed"
4. **Fully invest in employees:** Create a work environment where each employee can demonstrate their individuality and develop their abilities and skills

Senior management shall have the ultimate responsibility for practicing the management that enables employees to reach their full potential.

Moreover, to enable all employees to maximize their individuality and abilities and enhance job satisfaction, we are creating opportunities to enhance the value of their individual experiences, take on challenges, and actively participate in various aspects of the Group, including recruitment, career development, evaluations, compensation, transfers, and deployments.

[Developing 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 about 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. With the commitment of all group executives, "PX-7 Principles" were formulated, as a commitment statement for all employees to promote PX at each workplace. Among the Principles is "Commit to developing and nurturing data and tech-savvy human resources across all levels to create value." Regarding this Principle, 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 added value at their own business site. We will also focus on recruiting and developing professional personnel to promote PX. In addition, GX stands for "Green Transformation" advocated and promoted by the national government. Our group has announced its long-term environmental vision, PGI, to promote the development of human resources with expertise in carbon neutrality, the circular economy and other areas to help achieve global environmental sustainability.

[A Better Dialogue (Communication between an employee and their manager)]

One of the Group-wide initiatives to support the growth and endeavors of each employee is the "A Better Dialogue" initiative. This initiative is designed to enhance the quality and quantity of dialogue between employees and their managers. In addition to 1-on-1 meetings aimed at drawing out the thoughts of each employee, the initiative consists of three tracks: development of individual career and capabilities, goal setting and management, and competency review. The initiative helped promote various dialogue opportunities, achieving an 83% implementation rate and an 84% satisfaction rate in fiscal 2024 in Japan.

[Internal Open Recruitment]

Internal Open Recruitment is one of the systems to support individuals' willingness to take on challenges and pursue self-directed career development. As Group-wide systems, there are "e-Challenge" (the system to apply for open positions), "e-Appeal Challenge" (the system to apply for a department that an employee hopes to work for), and "Multiple Internal Roles" (the system for an opportunity to have new experience at another department while keep working in the current department).
In fiscal 2024, about 1,700 employees, which was a far greater number than expected, applied for e-Challenge and e-Appeal Challenge, and around 500 took part in a new challenge. Regarding Multiple Internal Roles, about 50 employees worked at another department. Moreover, other open recruitment systems specific to each operating company are becoming more and more active.

(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, which was established in 2021 as the Group-wide 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 that gather according to gender, LGBTQ+, disabilities, senior employees, or those facing issues of childcare or nursing care, then establishing systems and mechanisms for these communities, and constantly re-examining their operation.
Regarding indicators on diversity (Percentage of female workers in managerial positions, percentage of male workers taking childcare leave, and wage differences between male and female workers), please refer to "I Overview of Panasonic Group, 5. Employees, (4)", as well as "VII Reference Information on the Company, 2. Other Reference Information, (2)."

[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 stretch seminars for women leaders, and creating opportunities for women to encounter role models' values and views on working.

[Support for employees during pregnancy and childcare]

We promote an understanding of the company's systems to serve as a management guide for supervisors, promoting communication tailored to each employee's circumstances, from pregnancy through to the childcare period. 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. Specifically, to enable employees to take leave without any concerns, we are promoting new initiatives such as introducing a one-day paid childcare leave system, as well as making certain periods out of the two-year childcare leave system paid. In addition, rather than simply providing leave of absence as an option, we are working to develop a system that allows employees to balance childcare and work according to their individual needs, such as flexible working hours/locations.

3. Risk Factors

Panasonic Group (hereinafter, the "Group") considers ensuring the achievement of business goals and sustainable and stable development through the accurate understanding of risks that may affect the Group's business activities and implementation of appropriate countermeasures as an important managerial issue to promote the Group's risk management in accordance with the "Panasonic Group 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 is held on a regular basis.

The Group defines "operational risk" as any uncertain event that poses "losses" or "threats" to the execution of business plans for achieving short-term business goals or in the day-to-day operations. The 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 the Group based on the assessment to determine the risks critical to the Group's management and requiring a certain level of Group-wide oversight (hereinafter, the "Group's major risks"). Regarding the Group's major risks determined, the functional departments in charge of such risks take the lead in formulating and executing countermeasures and monitoring their progress, aiming for continuous improvement of countermeasures.

In addition to operational risk management, the Group defines "strategic risks" as uncertain events that may become "opportunities" or "threats" to be considered when formulating business strategies and making decisions to achieve medium- to long-term business goals, implementing risk management to promote appropriate risk-taking in accordance with our risk tolerance. For strategic risks, we identify the functional divisions responsible for the risks that may affect business strategies by classifying them from risk scenarios into "opportunities," "threats," or both. For such events, we evaluate the uncertainty and the degree of impact when they occur, and formulate and implement countermeasures to deal with the necessary events. Other events are subject to the establishment of leading indicators and periodic monitoring to detect signs of risk development, and timely responses are taken in response to changes in the external environment and other factors. As such, the Group aims to contribute to the integrated management of business and risk by promoting risk management appropriate to the time axis covered and the type of impact, thereby strengthening business competitiveness.

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.

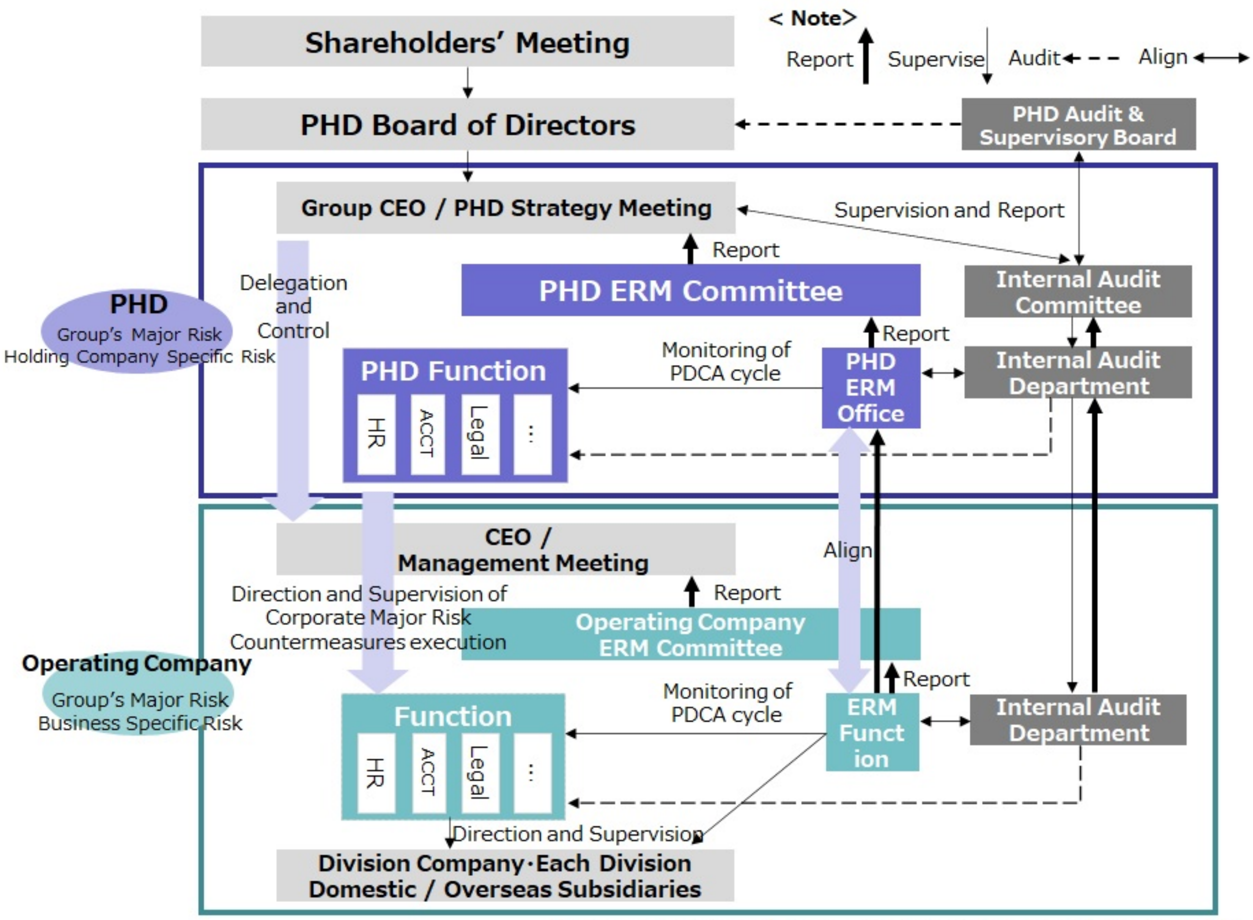
Furthermore, each operating company has established the "ERM Committee (operating company)" to promote risk management activities of each operating company group under the autonomous responsible management principle in a similar cycle. operating companies determines the major risks to its management (hereinafter, the "operating company major risks") by conducting a risk assessment using a risk inventory that appropriately adds risks to each business area to the Group's common risk items.

Each operating company then formulates and executes countermeasures and monitors the progress for the Group's major risks determined and the operating company major risks. Especially for the Group's major risks, in addition to the Group's common countermeasures, the functional divisions of operating companies in charge of each risk cooperate with PHD's functional divisions to formulate and execute their countermeasures as necessary for the business area of the relevant operating company. PHD's functional divisions monitor the progress of the Group's common and individual countermeasures at each operating company to ensure that risks are properly managed throughout the Group, and when necessary, encourage the review and thorough implementation of countermeasures as appropriate.

Additionally, the Group conducts training on the basic concept of risk management and how to respond to crises, etc. for employees when they join with us and before they are posted overseas to foster a "risk culture" oriented toward appropriate and sound risk-taking and risk control. Each employee endeavors to improve his or her risk management skills to contribute to the growth of the Group and the development of society in the future.

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)

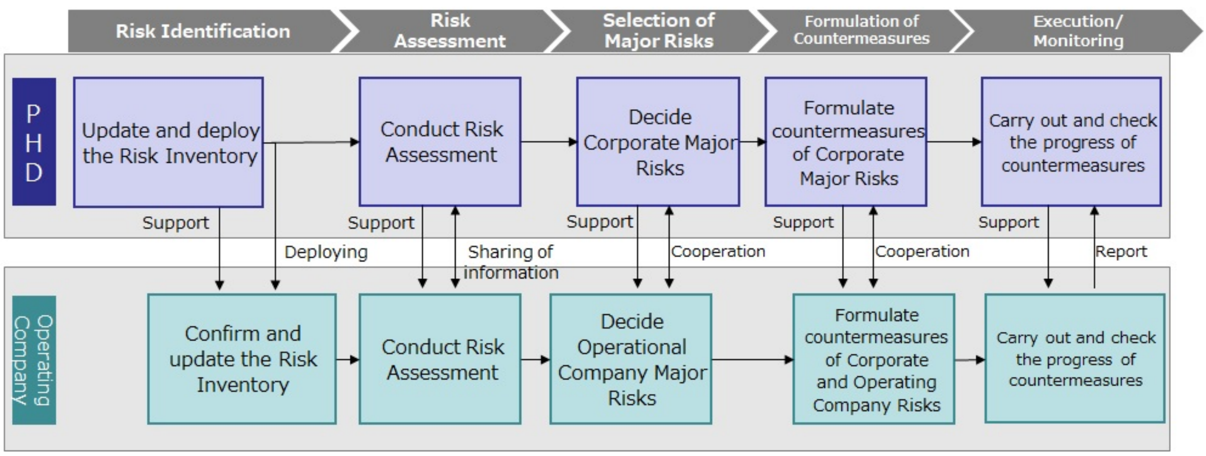


*1 PHD : Panasonic Holdings *2 ERM : Enterprise Risk Management

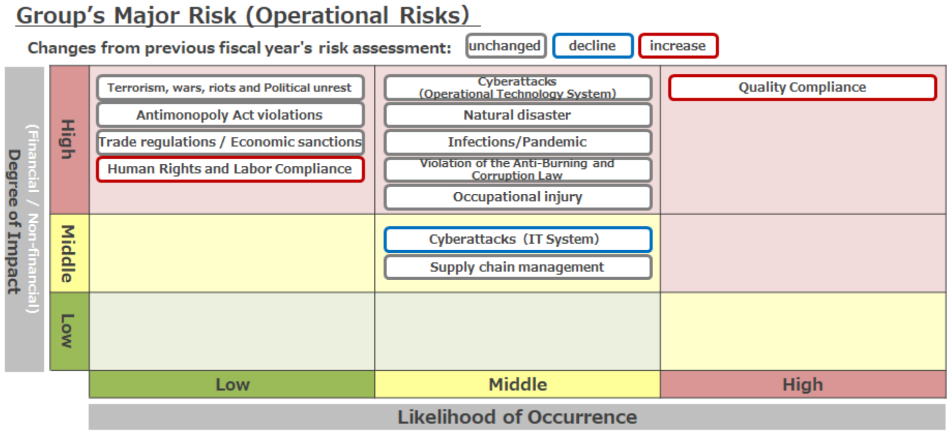
(Risk Management Process)

: ERM Process of PHD

: ERM Process of Operating Company



The Group’s major risks for fiscal 2025 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 Occupational injury	(2) Risks Related to Panasonic Group’s Business Operational Activities
Antimonopoly Act violations Violation of the Anti-Burning and Corruption Law Supply chain management Quality Compliance Human Rights and Labor Compliance	(4) Risks Related to Compliance, Litigations and Reputation
Natural disaster 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 the 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 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 25, 2024, the filing date of this annual securities report.

(1) Risks Related to Economic Conditions

Changing economic conditions

Demand for the 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 consequent demand shrinkage in its major markets worldwide may thus adversely affect its business, operating results, and financial condition. Under the current business environments, the global economy continues to face uncertainty in fiscal 2025. This is due to concerns about impact on the real economy from geopolitical risks such as those arising from the Middle east situation and the situation in eastern Ukraine as well as financial tightening mainly in Europe and the U.S. On the other hand, a gradual recovery is expected for the Japanese economy, as demand for capital investments remains steady and personal consumption is expected to recover. If any additional business restructuring becomes necessary to cope with such risks, the Company may face cost increases and/or any other adverse impacts. 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 Group may be more severe than currently expected, and consequently affect its business, operating results, and financial condition adversely. The 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 the Group's business, operating results, and financial condition because the costs and prices of its products/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 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 the Group's operating results. A weaker yen against a local currency, on the other hand, may have a favorable impact on the 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 2024, compared with the previous year, there was a significantly positive impact on exports due to the depreciation of the yen against the US dollar and the euro, having a positive impact on the Group's overall financial results. For fiscal 2025, we estimate the yen to appreciate against the US dollar and the euro 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 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

The 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, etc.,. 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

The 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, financial institutions reduce lending to the 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 the 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 2024, 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 the Group's business strategies is business expansion in overseas markets. In these markets, the Group may be exposed to various risks other than foreign currency exchange risks, such as political instability (including terrorist attacks, wars, etc.,), economic uncertainty, cultural and religious differences, and labor issues. The 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 and utilizing IT, 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 governance and compliance.

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

Regarding geopolitical risks, we will closely monitor the international situation as well as policy and legal trends in Europe, the United States, China, etc., understand the impact on the Group's business, and take timely countermeasures. In addition, the U.S.-China conflict could have a major impact on the business, operating results, and financial condition of the 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. Among the key minerals in the specified critical materials, our subsidiary Panasonic Energy Co., Ltd. has concluded supply agreements with North American companies and companies with supply bases in North America for graphite, the main anode material for lithium-ion batteries used in electric vehicles (EVs), to strengthen the supply chain in North America and to reduce the environmental impact of battery materials production. On the other hand, notwithstanding the promotion of such efforts, further tightening of export restrictions or failure to diversify the supply chain due to the US-China conflict could have a significant impact on the Group's business, operating results, and financial condition. Regarding the situation in Russia and Ukraine, the direct impact on the Group's operating results and financial condition has been minor so far, but the prolonged military invasion and further soaring energy and raw material prices could have a significant impact on Group's business, operating results, and financial condition in the future. Furthermore, instability in international affairs, including other countries and regions, related to the increasingly tense situation in the Middle East, could have a significant impact on the Group's business, operating results, and financial condition.

In addition to the intensification of conflicts and the use of force among these nations and within the region, if political and social turmoil spreads as a result of regime changes or policy shifts in various countries, changes in the business environment may further accelerate or become more uncertain, which may adversely affect the Group's operating results and financial condition. the 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 of each country.

Environmental issues / Climate change

The 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, the 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. Notably, the Group’s operating results and financial condition could be adversely affected if the Inflation Reduction Act in the U.S. (the "US IRA") and other climate change legislation become repealed or curtailed, or if product demand falls below the Group’s projections due to such changes in the business environment. Among them, concerning the automotive battery business of Panasonic Energy Co., Ltd., if the growth of the EV conversion rate in the North American automotive market and customer demand fall below the Group’s expectations due to policies such as the relaxation of vehicle CO_2 emission regulations in the U.S., the Group’s business and operating results could be adversely affected due to production cuts of vehicle batteries, in addition to potential backtracking of capital investment plans.

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 CO2 emissions by 2030." In January 2022, we announced the Group’s long-term environmental vision, "Panasonic GREEN IMPACT(PGI)," and aim to meet the 110 million tons of CO2 emissions from our entire value chain, including the CO2 emitted by our customers through the products we offer. In addition to fulfilling our obligation to reduce CO2 emissions, we have set a policy of expanding our contributions to society in reducing CO2 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 CO2 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.

The 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 CO2 emissions reduction in our value chain (OWN IMPACT), contribution to society-wide CO2 avoided emissions through existing businesses (CONTRIBUTION IMPACT) and circular economy by calculating backwards from what they ought to be. By the end of 2024, the Group plans to realize net zero CO_2 emissions at 37 bases. Full-scale production started at Panasonic Energy's Nishikinohama factory in fiscal 2024 as Zero CO2 factory, and thus we anticipate further growth to achieve the plan.

At present, however, there is no internationally standardized method for calculating the amount of reduction contribution, and the Group proactively engages in awareness activities and lobbies for standardization. In March 2023, the World Business Council for Sustainable Development (WBCSD), in which we participate, and the GX League released guidance and guidelines for reduction contribution, respectively, and we have been working on calculations in compliance with these guidance and guidelines, as well as with discussions on international standardization at the International Electrotechnical Commission (IEC), in which we also take part. In fiscal 2024, we disclosed the calculation formulas and examples of reduction contribution for each product category in the Group's "Sustainability Data Book" prior to the establishment of rules. However, should a calculation method that differs from the method currently employed by the Group be standardized, we may revise the amount of reduction contribution at that point in time, or may change the progress in achieving our targets.

As for global environmental issues, in December 2023, the Group established the "Circular Economy Group Policy" as a common guideline to promote and embody the Circular Economy in the Group's business activities, to contribute to the realization of a sustainable society, recognizing that resource efficiency should contribute to decarbonization and reduce the consumption of limited natural resources on the earth. At the same time, in light of the importance of the Circular Economy, we have revised our PGI statement, which serves as the foundation for the Group's business operations, to further strengthen our efforts in each of our businesses.

The 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, the 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., The 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. The 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 the Group is the supplier due to the occurrence of a cybersecurity incident.

The 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.

As an initiative to enhance cyber security in fiscal 2024, we established the "Cyber Security Office" in PHD in April and "Chief Cybersecurity Supervisors" at each operating company to integrate common functions of information, products, and factory security and promote unified/cross-sectional response to complex cybersecurity risks and the entire supply chain. As necessary, we have established a system to promote cross-functional cybersecurity response that includes related functional divisions within these organizations, working together to strategically implement cyber hygiene and cyber resilience. In conjunction with the reviewing of the response process when an incident occurs, we conducted a cross-organizational incident response training at PHD and operating companies to confirm cooperation within the Group.

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, consequently, this could have a negative impact on the 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.

Risks related to the use of AI (Artificial Intelligence)

With the rapid technological progress and popularization of AI, such as generative AI, various industries have recently become more and more widespread in the use of AI. The Group plans to gradually expand the use of AI while addressing risks arising from the characteristics of AI, aiming to improve operational productivity, generate new business ideas, and enhance business competitiveness.

The Group has established the AI Ethics Committee with the participation of personnel in charge of AI ethics from all operating companies as well as from the legal, intellectual property, information, and quality divisions to identify opportunities and threats associated with the increased use of AI and to take timely and appropriate measures across the Group. We formulated "AI Ethical Principles" to practice responsible use of AI in 2022, and have bolstered the Group-wide AI governance system by operating an AI ethical risk check system at AI development sites, promoting AI ethical education for all Group employees and AI technology human resource development.

In February 2023, our subsidiary Panasonic Connect Co., Ltd. started providing an AI assistant service developed based on the "Azure OpenAI Service" to all domestic employees, and in April of the same year, we broadened the service to about 90,000 employees of the Group in Japan and started full-scale service. In using them, however, we take thorough precautions to ensure appropriate use of information, including the handling of input and output data to the generated AI, particularly personal information.

As an AI technology strategy to accelerate the use of AI, the Group has been working on "Scalable AI" to quickly deliver AI to all customers, including AI that can be introduced with a small amount of data by using a basic model and a small number of data learning, and AI that can be easily implemented in various physical spaces through robotics and edge AI technology to realize efficient implementation to terminal equipment. In addition to the aforementioned Group-wide AI governance system, we focus on "Responsible AI" efforts to earn the trust of all customers by developing technologies related to the reliability of AI. Above all, we strive to ensure the accountability and reliability of AI by approaching its reliability from both the elemental technology and development process perspectives. We aim to contribute to the lifelong health, peace of mind, and comfort of individual through the responsible use of AI "for humans," "by humans," and "with humans."

On the other hand, should the effective use and development of AI not proceed as expected, the Group’s business opportunities and the competitiveness of products and services may be lost, adversely impacting the Panasonic’s operations. Should privacy, security, fairness, copyright infringement, or other compliance-related issues arise as a result of the use of AI, not only could the Group’s brand image and credibility be lost, but the Group’s business, operating results, and financial condition could also be adversely affected.

Competition in recruiting and retaining skilled employees

Based on the idea that "a company is a public entity of society", the 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, and who practice our idea of "employee entrepreneurship" and "participative management through collective wisdom."

Based on this philosophy, in March 2023, we established a new recruiting brand slogan, "Dare ka no shiawase no tame ni, massugu hataraku. (translation: We work with integrity to help all 'Live Your Best.')" 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.

And, for the purpose of recruiting and training highly specialized personnel, each operating company has introduced its own human resource strategy and personnel system after the transition to the operating company system. Our subsidiary Panasonic Connect Co., Ltd. introduced a company-wide switch from membership-based management to job-based management in April 2023, focusing on the introduction of job descriptions (JDs) and the appointment and assignment of employees through internal open recruitment. In fiscal 2024, we started to use referral recruitment as a means of recruiting new employees, aiming to strengthen our organization and human resources to achieve specialization in each of our growth and core businesses. Panasonic Industry Co., Ltd. has formulated its own "Definition of Roles and Human Resource Requirements" and, in principle, introduced an "internal open recruitment system" for transfers and promotions at the assistant manager level and above. The system has been revised from the previous company-led career development scheme to a system that allows employees to choose their careers autonomously, thereby encouraging them to take on challenges and becoming a company where both people and the organization grow together.

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, the Group's business, performance and financial condition may be adversely affected.

Occupational safety and working hours management

In accordance with laws and regulations and Panasonic's Basic Business Philosophy, the Group has established the "Panasonic Group Occupational Health and Safety Policy" issued by the Group CEO to ensure the health and safety of our employees. We have established the "Occupational Health and Safety Management Regulations" to put this policy into practice and aim to contribute to business growth by developing health and safety activities to maintain and promote employees' health and prevent occupational accidents.

The Group has established a system to promote health and safety management throughout the Group by having the Company-wide Central Health and Safety Committee, chaired by the head of the Group's health and safety management division, as an organization to deliberate and consult on important policies and measures related to health and safety management for the Group, and by having each operating company and workplace establish its own health and safety organization.

Based on the occupational health and safety management system, to promote a safe and secure workplace, the Group periodically conducts risk assessments to identify risks of occupational accidents and illnesses in the workplace and ensures that risk reduction measures are implemented starting with risks with the highest hazard priority. Added to this, by analyzing serious occupational accidents in the past and clarifying typical patterns of accident occurrence, we aim to share key checkpoints in risk assessment and others, and to effectively and steadily promote measures to prevent the recurrence and prevention of similar accidents.

In addition, as a new risk assessment initiative to eliminate serious occupational accidents, we have initiated activities to analyze the pattern of accidents at each workplace, with the aim of effectively and steadily promoting countermeasures starting with accidents with a high likelihood of occurrence.

In addition, the Group holds the "Health and Safety Forum" attended by members who are 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.
Accidents and other serious incidents caused by inadequate work environment or work procedures, improper labor management, etc., on the other hand, may result in physical or psychological harm to employees and other concerned parties. The Group would naturally be subject to criminal and administrative sanctions if violating the Labor Standards Act, the Occupational Health and Safety Act, etc., and would be subject to negligence lawsuits for lack of safety considerations. In such cases, the Group's business, operating results, and financial condition could be adversely affected, in addition to its social reputation.

b. Other Important Risks

Competition in the industry

The Group develops, produces, and sells a wide variety of products and services, and each of these characteristics requires a different approach to optimize the business and its contribution to customers. Each business competes with a diverse range of companies, from large international firms to small, fast-growing specialty firms, and therefore becomes essential to respond to changes in their business environment in a timely manner. The Group pursues investments in strategic businesses but may not be able to make investments in specific businesses to the same extent or in the same timely manner as its competitors, or in some cases, at all. Competitors may have greater financial, technological, and marketing resources than the Group in their respective competing businesses.
Amid this competitive environment, the 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. The 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

The Group has formed strategic alliances such as business partnerships or joint ventures and 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, the 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. The 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 the Group that may be contrary to Panasonic's interests. In addition, if such partners change their business strategies, then the Group may find it difficult to maintain these collaborative relationships. With respect to corporate takeovers, the 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, the Group has purchased the remaining 80% of shares of Blue Yonder and made the company a wholly owned subsidiary. The 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 supply chain areas. 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. A substantial amount of goodwill and intangible assets are recorded in the consolidated statement of financial position as a result of the acquisition of a wholly owned subsidiary. In addition, the amount of goodwill and intangible assets recorded from acquisitions increased in fiscal 2024 due to several additional acquisitions at Blue Yonder for the purpose of enhancing its capabilities. However, 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".) To address these risks, the new Blue Yonder management team, including the new CEO who assumed office in July 2022, steadily promotes priority measures and other initiatives in line with the growth strategy and further strengthens Blue Yonder’s business competitiveness. We are committed to ongoing risk mitigation by strengthening our product strategy and sales structure with an awareness of the external environment, as well as by promptly integrating acquired businesses.

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, the 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 the Group and the 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 the 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 Business Transformation

Owning a large number of subsidiaries and associated companies, etc., the Group may carry out groupwide transformation (including transferring of certain businesses or shares to other companies outside the Group and transforming of organizations and/or sites within the Group) in order to enhance its business management efficiency and competitive strengths. However, there are possibilities that it may take considerable time to make judgments and decisions and as a result the Group’s business portfolio change may not proceed as smoothly as anticipated. It is also possible that the Group may fail to fully achieve the expected results or to fully perform appropriate business portfolio management, from ongoing or future transformation projects.

The Company has been conducting a review of its business portfolio based on the growth potential of each business and from a best-ownership perspective 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. As part of it, in March 2024, the Company signed a share purchase agreement and a shareholders agreement to transfer shares of Panasonic Automotive Systems, Co., Ltd. ("PAS"), for the purposes of becoming a strategic partner with the Apollo Group, including Apollo Global Management, Inc., with regards to the PAS business. Continuously, as the holding company of the Group, the Company actively supports the strengthening of the competitiveness of each operating company, promotes the Group’s growth strategy and review of business portfolio, and strives to increase the corporate value of 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 the Group uses reliable suppliers.

However, in the case of disasters, accidents, spread of infectious diseases, cyber-attacks in our supply chain or supplier bankruptcies leading to temporary short supply or depleted stock, or increased industry demand, the 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 or even bankruptcy due to such events at business customers to which the 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 and a shortage of drivers both in Japan and overseas. Regarding the surge in raw material and parts/material prices, the 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.

In particular, with regard to the logistics "2024 problem" arising from the application of the annual overtime cap for automobile driving operations under work style reform laws, we place the highest priority on avoiding logistics stagnation due to business and transaction withdrawals and closures caused by labor shortages and declining sales in the logistics and transportation industry, considering measures such as shifting to appropriate logistics costs to improve both the working environment and sustainable logistics operations in those industries. 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, the 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, the 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, should economic sanctions or logistics disruptions in various countries escalate due to conflicts, terrorism, or wars among nations or within regions, such as the situation in the Middle East, Russia’s invasion of Ukraine, or intensified U.S.-China conflict, the Group’s business could be adversely affected by further cost increases or longer transportation lead times related to international logistics.

Product price declines

Being subject to intense competition worldwide, the Group may have difficulties in setting product prices at levels at which it can secure sufficient profit. Although the 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. The 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, the 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 the Group highly depends on.

Competition for innovation and de facto industry standards

The 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 the 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 the Group does not lead the market and, instead, one developed by a competitor is recognized as the de facto standard, the Group may lose its competitive position in new markets.

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

The Company sets KGIs (Key Goal Indicators) as its group management targets and has been implementing specific measures to achieve them. These KGIs were set based on the information, analysis and other factors that the Company deemed appropriate at the time of setting. As the global economy, however, continues to face uncertainty in fiscal 2025 with geopolitical risks and concerns about the impact on the real economy from financial tightening mainly in Europe and the U.S., the Company may fail to fully achieve the targets and/or the expected results due to such economic uncertainty, worse-than-expected business environment and/or any other adverse factors.
In pressing ahead with the medium- to long-term strategy, the Company will make its 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

In order to promote fair business practices in every country and region of the world, the Group has established the "Panasonic Group Code of Ethics & Compliance" to ensure that, as a "public entity of society," we make a commitment to each of the Group companies and all employees to share and thoroughly understand the commitments they must fulfill so that they do not violate laws, regulations, or social morals, but perform their duties with high ethical standards and appropriate knowledge without being bound by their own self-interests.
The Group strives to prevent and detect serious risks as soon as possible such as "violation of competition law" and "bribery and corruption" through training programs to ensure compliance based on global regulations and compliance audits based on a risk-based approach to bribery and corruption. Throughout the year, in addition to basic compliance education for all employees, we conduct initiatives aimed at establishing a global awareness of ethical and legal compliance and improving our ability to respond to risks, including risk-based compliance education based on business and regional characteristics for those who need it. For the purpose of preventing and quickly resolving misconduct, the Group has established a global hotline as a centralized whistleblower contact point where reports can be submitted by domestic and overseas offices as well as by business partners, to ensure early detection and resolution of problems through appropriate internal investigations.
No matter what these efforts promote, in the event that the Group violates compliance or faces a compliance problem, we 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.

Human rights/labor compliance

"Panasonic Group Code of Ethics & Compliance" holds "Respect for Human Rights" as one of our social responsibilities. On the premise that the 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. The Group, as a "public entity of society," does forbid its own development at such individuals' great expense. Rather, believe that developing together with society through transparent and fair business activities leads to better people's lives and social prosperity.
Based on this policy, the Group has established the "Panasonic Group Human Rights and Labor Policy." The policy clearly states that, on the premise of compliance with all laws and regulations applicable to our business activities and transactions, we respect internationally recognized human rights as expressed in the International Bill of Human Rights and the International Labor Organization's (ILO) Declaration on Fundamental Principles and Rights at Work, realize a rewarding work environment, and engage in dialogue with various stakeholders regarding these issues. Based on this policy, we have established the "Rules on Human Rights and Labor Compliance" and promote specific initiatives to identify, prevent, and reduce negative impacts on human rights related to the business areas and value chains of our operating companies in accordance with the "Guiding

Principles on Business and Human Rights" of the United Nations. The 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 base.
Regardless of these efforts, in the unlikely event that the Group causes, commits, or faces involvement or complicity in human rights violations, we may receive administrative penalties such as surcharges, criminal penalties, or damage suits, which may adversely affect our Group's social reputation. In addition, the Group's business, operating results, and financial condition could be adversely affected by the withdrawal of investments and loans, suspension of transactions by customers, boycotts by consumers, and other events.

Risks Related to Supply Chain

Panasonic 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. New regulations have been enacted and enforced in various countries and regions, mainly in the areas of human rights and the environment, and this is also reflected in legislative developments. The Group has established the "Rules on Supply Chain Compliance" to strengthen our efforts to promote CSR (Corporate Social Responsibility) in the supply chain, and has defined a basic policy on supply chain compliance and internal rules for its implementation. In addition, we conduct periodic management reviews of the status of their implementation. These details are also ensured for employees engaged in procurement operations. We aim to develop human resources capable of implementing responsible procurement activities together with our suppliers by providing global education and training for such employees, thereby ensuring that they have a 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.
The Group has formulated 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. Our suppliers are requested to comply with this in contracts and other agreements. Suppliers are requested to communicate the requirements of the relevant guidelines to secondary and subsequent suppliers and to check their compliance with the guidelines, to ensure thorough CSR throughout the supply chain. Furthermore, as part of due diligence on the supply chain, we encourage suppliers to conduct regular CSR self-assessments based on a checklist of compliance with the Guideline requirements and to take corrective action according to the findings. From fiscal 2023, each operating company has formulated an audit plan for its suppliers based on a risk-based approach and started auditing suppliers themselves and third-party organizations.
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.

Quality Compliance

Per our Basic Management Policy, the Group considers always ensuring the safety of the products we manufacture and sell and delivering safety and security to our customers as essential management issues and social responsibility objectives. Panasonic states in its Groupwide Quality Policy that the company will "truly serve customers by way of providing products and services that continuously meet and satisfy the needs of customers and society." Each Operating Company has established and operates their own quality management system with responsibility for the quality of their products. In particular, our approach to quality defects focuses on compliance with laws, regulations, and corporate ethics, as stated in the Panasonic Group Code of Ethics & Compliance. This code specifies our adherence to laws, regulations, and social norms, including industry standards and promises to customers.
However, an internal investigation revealed that our subsidiary, Panasonic Industry Co., Ltd. (hereinafter "PID") has identified instances of irregularities (hereinafter, the "Irregularities") in the process of the US-based third-party certification by UL Solutions (hereinafter "UL") for 153 part numbers of molding materials, semiconductor encapsulation materials and electronic circuit board laminate products manufactured and sold by PID's Electronic Materials Business Division. In response to this, PID has established an external investigation committee comprised of external experts on 12 January 2024 to conduct thorough investigations, analyze the root causes, and formulate measures to prevent re-occurrence. These investigations by the external investigation committee are ongoing.

As a result of reporting the Irregularities to UL, UL certification for some of the products has been withdrawn as of May 31, 2024. Discussions between PID and UL regarding the handling of UL certification for certain products are on going. PID pledges to work toward obtain certification for those PID products that do not have UL registration and need to continue to be sold as UL certified products in the future.
With regard to the Irregularities, PID received a notification of withdrawal of the ISO 9001 (Note 1) and the IATF 16949 (Note 2) certifications for Koriyama Plant, Koriyama West Plant, Yokkaichi Plant and South Yokkaichi Plant from LRQA limited, a registered certification body for the ISO 9001 and the IATF 16949. In response, PID also pledges to work toward reinstate these certifications.
PID communicates directly with customers who have purchased the identified products and discusses future actions and will also continue to fully cooperate with investigations possible to uncover all the Irregularities in the process.
Losses related to the Irregularities or resulting from new quality fraud uncovered may occur, which may have an adverse effect on the Group's business, operating results, and financial condition.

Notes:
1. ISO (International Organization for Standardization) 9001 is the international standard for quality management system.
2. IATF (International Automotive Task Force) 16949 is the international standard for quality management system specializing in the automotive industry.

b. Other Important Risks

Direct or indirect costs resulting from product liability or warranty claims

The 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), the 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, the 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 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, the 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. For patents and other intellectual property for which the Group files applications, however, rights may not be granted or intellectual property rights may not be adequately protected in some countries or regions due to the application and operation of intellectual property systems, examination standards, economic security systems, etc. in those countries or regions.
The 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, the Group's sales of genuine products may be adversely affected, and the brand image may be damaged. The 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, the Group may be forced to license such intellectual property under unfavorable conditions to us. Furthermore, the 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 Group's business, operating results, and financial condition.

In addition, the Group has established internal regulations such as "Basic Rules for Intellectual Property Matters" that apply to the entire group 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, the 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, the 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, the 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 Group's business, operating results, and financial condition.

Disadvantages and legal liability under other legal regulations etc.

The 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, the 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. In addition, in the event that governmental authorities find or determine that the Group has violated such legal regulations or its internal controls for compliance are inadequate, the 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

The 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, terrorist attack, war, epidemics and spread of infectious diseases and cyber-attacks 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 the Group's value chain, including parts suppliers and product purchasers, the Group's production and sales activities etc. may be adversely affected by insufficient or interrupted supply of parts from suppliers, interruption or suspension of production activities at product delivery destinations, etc.

In order to reduce such risks, the Group has formulated a business continuity plan (BCP) that includes the Group's supply chain, which is reviewed on a regular basis. We have established the "Corporate Emergency Management Rules" to prepare for emergencies that could have a significant impact on the entire Group. The rules define basic policies for response, including the process for escalation and decision-making in the event of a crisis, the organizational structure and roles of each functional division and operating company in responding to such emergencies, etc. In fiscal 2023, we revised the "Panasonic Group Guidelines for Business Continuity Management (BCM)" to incorporate the Cabinet Office's latest damage assumptions for the Nankai Trough earthquake and an earthquake directly beneath the Tokyo metropolitan area, as well as disaster prevention and mitigation measures to address them. Also, we clarify the linkage with BCPs formulated by each functional division, such as procurement, logistics, and IT, to continuously improve their effectiveness.

Risks related to natural disasters

Against the global trend of more frequent and severe natural disasters, especially abnormal weather conditions caused by climate change, we have established the "Group-wide Fire and Disaster Prevention Committee" to help both strengthen our readiness before contingencies arise and transition rapidly to emergency response systems when an incident does occur. The Committee works to strengthen measures for each type of disaster, such as earthquakes, floods, etc. The BCP includes, among other things, the installation of emergency power supply facilities for business continuity, taking into account the fact that past disasters have resulted in a tight supply and demand situation for electricity. In fiscal 2024, we began operating a "Disaster Portal" to enable timely reporting and centralization of information on damage at each base throughout the Group. Visualization of response and support requests from each base and their impact on the entire Group enables us to make decisions on the transition to an emergency system and to expedite the initial responses. We are working to disseminate this information to all operating companies and further improve its functions in preparation for full-scale launch. 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 2024, we held the Group Emergency Headquarters drill based on the assumption that the Nankai Trough earthquake would cause extensive damage mainly in the Kansai region. While each operating company set up the Operating Company Emergency Headquarters in a location other than the disaster-stricken area, PHD also set up the Group Emergency Headquarters in Tokyo to confirm initial responses, such as organizing information on the disaster, coordination, and requests for support.

Furthermore, the 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 natural disasters and accidents and conducts impact analyses of these events as part of our risk management initiatives. A fieldwork was conducted in fiscal 2024 for bases located in areas where earthquake tremors or tsunamis are expected to cause significant damage based on the results of the said analysis. In addition to the conditions of countermeasures for facilities and equipment at each base, the formulation of evacuation and initial response procedures, and the implementation of drills based on these procedures, we also check the safety of evacuation sites and the sufficiency of stockpiles and consider strengthening necessary measures and continuous follow-up.

No major damage has been reported to our employees, bases, or operations as a result of the Noto Peninsula earthquake that occurred in January 2024. However, the Group’s business, operating results, and financial condition could be affected by the damage to Panasonic’s business partners and other factors. Meanwhile, even with the promotion of such efforts, in the unlikely event of a disaster, inadequate countermeasures or damage caused by an enormous impact exceeding reasonable assumptions could potentially threaten the lives of employees and other concerned parties, or have a significant impact on the Group’s business, operating results, and financial condition. The Group places the highest priority on human safety and further enhances its approaches, while continuing to foster appropriate risk awareness and improve risk communication.

Risks related to infectious diseases

In fiscal 2023, 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". There were no major adverse effects on the entire Group from COVID-19 infection.

As overall infection preparedness in normal times, the 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. Depending on the spread of infectious diseases and the resulting impact on the Group’s employees and businesses, we will take emergency measures in accordance with the aforementioned the "Corporate Emergency Management Rules" to ensure the safety of employees’ lives and health as a top priority.

Again, future outbreaks of mutant strains related to infectious diseases or epidemics or spread of new threats other than pandemic diseases have the potential to threaten the lives of employees and other concerned parties, and could affect the Group’s business, operating results, and financial condition. Thus, we continue to monitor the situation of infectious diseases in Japan and overseas and pay close attention to the trends in each country’s government.

Risks related to terrorism, wars, riots and political unrest

The emergence of political instability or military tension, or the occurrence of terrorism, war, etc, in the countries or regions where the Group or our supply chain has its bases may hinder our business continuity and have significant impact on our business, operating results, and financial condition. The situation in the Middle

East and the Russia’s invasion of Ukraine are not expected to have a direct impact on the Group’s operating results, and financial condition as of now. However, should the political situation in East Asia, where many of the Group’s businesses and bases are located, become unstable, it could potentially threaten the lives of employees and other concerned parties, or have a significant impact on the Group’s business, operating results, and financial condition.

(6) Other Risks

Impairment of non-financial assets

The Group has many non-financial assets, such as PPE (Property, Plant, and Equipment), goodwill, intangible assets and right-of-use assets. With regard to non-financial assets (other than inventories and deferred tax assets etc.), an assessment is made for any indications of impairment in each such asset or cash-generating unit ("Asset"). If any such indication exists, then the recoverable 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

The Group has an externally funded retirement pension plan for employees in Japan who meet certain eligibility requirements. The 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, the 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, the 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) Material Accounting Policies and Estimates

The Company’s consolidated financial statements are prepared in conformity with International Financial Reporting Standards (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 material accounting policies and estimates are stated in "V Consolidated Financial Statements, Note 3. Material 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 2024, ended March 31, 2024

During the year ended March 31, 2024 (fiscal 2024), the overall global economy saw a gradual slowdown due to geopolitical risks such as those arising from the situations in Israel and Palestine as well as in Ukraine. Monetary tightening mainly in the US and Europe was another factor. As for Japan, despite the negative impact of rising prices, mainly for personal consumption, a gradual improvement in the economy was spurred by factors such as steady capital investments and the recovery of inbound tourism-related demand.

In fiscal 2023, the Company transitioned to a new group organizational structure comprised of a holding company and operating companies. The Company also aims to achieve KGIs (Key Goal Indicators) of "2.0 trillion yen of cumulative operating cash flows, ROE (Return on Equity) of 10% or more, and 1.5 trillion yen of cumulative operating profit" set in its three-year medium-term strategy. Under such management conditions, in fiscal 2024, the second year of the medium-term strategy, the Company pursued thorough enhancement of its competitiveness, established cash-flow-focused management at each business, and built business foundations in its growth areas. In the automotive battery business, which the Company identifies as its priority investment area, Panasonic Energy Co., Ltd. ("Panasonic Energy") signed a contract in April 2023 to supply automotive batteries for commercial vehicles in North America with Hexagon Purus ASA, a world-leading manufacturer of zero emission mobility and infrastructure solutions in Norway. In addition, Panasonic Energy entered into discussions with Mazda Motor Corporation and, separately, with SUBARU CORPORATION on establishing medium- to long-term partnerships to supply batteries for EVs. In March 2024, Panasonic Energy signed an agreement with Mazda Motor Corporation toward the supply of automotive cylindrical lithium-ion batteries, and also a basic cooperative agreement with SUBARU CORPORATION covering the supply of automotive cylindrical lithium-ion batteries. These demonstrate an expansion of its customer base in this business. In the supply chain management (SCM) software business, which the Company identifies as one of its investment areas, Blue Yonder Holding, Inc., a subsidiary of Panasonic Connect Co., Ltd., signed an agreement in March 2024 to acquire One Network Enterprises, Inc. in the US, aiming to transform its business structure for growth.

Furthermore, the Company has been conducting a review of its business portfolio based on the growth potential of each business and from a best-ownership perspective. In March 2024, the Company signed a share purchase agreement and a shareholders agreement to transfer shares of Panasonic Automotive Systems, Co., Ltd. ("PAS"), for the purposes of becoming a strategic partner with the Apollo Group, including Apollo Global Management, Inc., with regards to the PAS business.

1) Sales

The Company's consolidated sales for fiscal 2024 increased by 1% to 8,496.4 billion yen from a year ago. This is due to increased sales in Automotive and Connect as well as the effect of currency translation, despite decreased sales in Industry and Energy.

2) Operating Profit

Operating profit increased by 25% to 361.0 billion yen from a year ago. This is due mainly to the progress of price revisions and rationalization, the effect of exchange rates, as well as the impact of tax credit under the Inflation Reduction Act in the US (the "US IRA Tax Credit"), despite increased fixed costs mainly related to strategic investments and the impact of price hikes in raw materials. (Please refer to Notes to Consolidated Financial Statements "24. Government grants.")

3) Profit before Income Taxes

Finance income increased from 49.0 billion yen a year ago to 89.0 billion yen. Finance expenses increased from 21.1 billion yen a year ago to 24.7 billion yen. As a result, profit before income taxes increased from 316.4 billion yen a year ago to 425.2 billion yen.

4) Net Profit attributable to Panasonic Holdings Corporation Stockholders

Net profit attributable to Panasonic Holdings Corporation stockholders totaled 444.0 billion yen, compared to 265.5 billion yen a year ago. This is mainly because income taxes produced a benefit of 40.2 billion yen in fiscal 2024, compared with an expense of 35.9 billion yen a year ago due to the recognition of 121.3 billion yen of a decrease in income taxes resulting from the resolution by the Company to liquidate Panasonic Liquid Crystal Display("PLD") (through "special liquidation" defined in the Japanese Companies Act) and to waive the debt owned by PLD. (Please refer to Notes to Consolidated Financial Statements "13. Income Taxes.") Meanwhile, net profit attributable to Panasonic Holdings Corporation stockholders per share was 190.21 yen, compared with 113.75 yen a year ago.

5) Operating Results by Segment

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

Due to the certain business transfers among the reportable segments as of October 31, 2023, the segment information for fiscal 2023 has been reclassified accordingly.

a. Lifestyle

Overall sales in Lifestyle was 3,494.4 billion yen, similar to the previous fiscal year's level. This is due to decreased sales of consumer electronics for overseas markets and air to water hot water heat pump system (A2W) in Europe as well as the deconsolidation of part of businesses in China, despite increased sales of electrical construction materials and cold chain in North America.

As for results at its major divisional companies, although the Living Appliances and Solutions Company had strong sales of personal-care appliances, overall sales decreased as the demand for other products was sluggish in China and other parts of Asia.

While the Heating & Ventilation A/C Company saw increased sales of air conditioners and other products in Asia, its sales decreased due to a decline in demand for room air-conditioners in Japan and A2W in Europe affected by deteriorating market conditions.

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

At the Electric Works Company, there were strong sales of electrical construction materials, including non-residential lighting in Japan, boosted by the effects of price revisions.

Operating profit increased by 18.2 billion yen to 121.6 billion yen from a year ago. This is due to increased sales of electrical construction materials and cold chain in North America as well as the absence of temporary expenses recorded in fiscal 2023, despite decreased sales in consumer electronics overseas and A2W in Europe.

b. Automotive

Sales increased by 15% to 1,491.9 billion yen from a year ago.

This is due to a better-than-expected market recovery of automobile productions, including those at the customers of the Company, with global shortages eased for parts & materials such as semiconductors for automobiles. The effect of currency translation is another factor for the sales increase.

Operating profit increased by 26.6 billion yen to 42.8 billion yen from a year ago, while investments for future growth were made. This is due to increased sales and efforts in price revisions and in rationalization to offset price hikes in parts & materials and effect of exchange rate changes, as well as due to the improvement of profitability in the onboard charging systems business, despite increased fixed cost related to rising personnel expenses as well as the impact of price hikes in parts & materials. Another factor that helped the operational profit increase was continued efforts to strengthen the management structure by enhancing operational capabilities, such as doubling productivity with production lines using AI in factories in Japan.

Meanwhile, a strategy for integrated high-performance computer (HPC) was promoted in the Automotive Cockpit Business. Also, initiatives were taken in the Automotive Electronics Systems Business to increase the voltage and output of onboard charging systems, to propose new automobile interior space concept models, and to develop and promote solution businesses.

c. Connect

Sales increased by 7% to 1,202.8 billion yen from a year ago. While Process Automation decreased its sales, Avionics, the Gemba Solutions and Blue Yonder saw steady sales.

For its major business divisions, the Mobile Solutions BD saw higher sales due to increased sales of products such as notebook PCs for the domestic market.

In the Process Automation BD, sales decreased due to continuing weak demand in the PC and smartphone markets and sluggish market conditions in China, which resulted in weak sales of mounting machines.

At the Gemba Solution Company, there was an increase in sales as it secured a steady stream of orders for solution projects in Japan, including large-scale projects in existing businesses.

Panasonic Avionics Corporation saw an increase in sales with a steady number of global passengers making air-travels, which supported strong sales of in-flight entertainment and communications systems as well as aircraft maintenance and repair services.

At Blue Yonder, sales of SaaS* remained strong, resulting in increased sales.

Operating profit increased by 20.0 billion yen to 40.4 billion yen due mainly to increased sales in Avionics and Gemba Solutions and improved profitability in Mobile Solutions BD, despite decreased sales in Process Automation and an increase of strategic investments at Blue Yonder.

(*) "SaaS" stands 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 decreased by 9% to 1,042.6 billion yen from a year ago.

Despite an increase in sales of capacitors for green vehicles and products for generative AI servers and the impact of currency translations, overall sales declined due to sluggish market conditions in the FA market in China and the information- and communication-infrastructure market, as well as the impact of the termination of the sales channel related to the transferred semiconductor business.

As for major businesses, Electronic Devices saw increased sales due to continuing strong sales of capacitors used in green vehicles and increased demand for capacitors used in generative AI servers. However, overall sales declined, attributable to factors such as decreased sales of industrial relays due to the stagnant Chinese market in addition to a decrease in sales of capacitors for general-purpose servers and base stations.

In FA Solutions, overall sales decreased due to sluggish market conditions in China and other parts of Asia coupled with decreased sales of industrial motors and other products due to intensifying competitions in the FA market in China.

In Electronic Materials, sales increased due to increased demand for multi-layer circuit board material used in generative AI servers.

Operating profit recorded 31.1 billion yen. While the effects of higher raw materials prices and increases in fixed costs were offset by price revisions and rationalization, and there was a positive effect from the weak yen, there was a significant decrease in profit from reduced sales due to sluggish market conditions, resulting in a decrease in profits of 35.7 billion yen from a year ago.

e. Energy

Sales decreased by 6% to 915.9 billion yen from a year ago.

The production of EV batteries in North America remained strong due to high demand for vehicles with the Company-produced batteries installed. However, due to the impact of a decline in demand for higher priced vehicles that are no longer eligible for subsidy in the US for purchasers of electric vehicles, the production for these vehicle types fell at Japan factory. In addition, due to lower sales in the consumer and power sectors and the impact of accounting treatment for the effective use of US Tax Credit with customers, overall sales decreased.

Regarding the conditions in major business areas, In-vehicle saw increased sales due to strong demand in North America factory, but sales declined due to lower demand in Japan factory. In addition, the impact of accounting treatment for the US IRA Tax Credit contributed to an overall sales decrease (without the impact of the US IRA Tax Credit, sales increased).

In Industrial / Consumer, the growth of the generative AI market led to strong performance of power storage systems for data centers; but sales of lithium-ion batteries for consumer and power applications, such as electric assisted bicycles, were significantly affected by slow market recovery, resulting in a decrease in sales.

Operating profit recorded 88.8 billion yen. Despite a decrease in profit from reduced sales in the Industrial / Consumer Business, the impact of reduced production at domestic factories and higher fixed costs for future growth in In-vehicle, and expenses accrued for dealing with past defective products, the overall profit increased by 55.6 billion yen from a year ago due to increased sales and improved productivity at automotive battery factories in North America and the impact of the US IRA Tax Credit .

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

Sales increased by 1% to 1,219.5 billion yen from a year ago. Operating profit increased by 5% to 59.5 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 31,2024 were 1,119,6 billion yen, an increase by 300.1 billion yen compared with the end of the previous fiscal year. While the Company issued a total of 260.0 billion yen of domestic unsecured straight bonds in September 2023 in order to raise funds for bond redemptions and securing funds necessary for future business operations. the Company also raised funds for working capital and other purposes mainly by issuing commercial paper (CP). Meanwhile, 70.0 billion of yen-and also 80.0 billion yen of denominated unsecured straight bonds were redeemed in September 2023 and in December 2023, respectively.

As a result, as of March 31, 2024, the balance of yen-denominated unsecured straight bonds stood at 710.0 billion yen, that of yen-denominated unsecured hybrid bonds (subordinated bonds) totaled 400.0 billion yen, and that of US dollar-denominated unsecured straight bonds was USD 1.5 billion.

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

(Interest bearing debt)

Interest-bearing debt increased to 1,626.3 billion yen as of March 31, 2024 from 1,457.1 billion yen at the end of the previous fiscal year. The Company has entered into three-year commitment line agreements with several banks in June 2021 in case of 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. There has been, however, no borrowings under these agreements. The commitment line contracts were renewed in June 2024 due to the maturity of the contracts. The upper limit is 600.0 billion yen.

(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, 2024 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 flows by strengthening business profitability and developing businesses over the medium- to long-term. Meanwhile, the Company also works 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 2024 was 866.9 billion yen and net cash used in investing activities was 578.8 billion yen. Free cash flow, the total of the two, improved by 111.4 billion yen from the previous fiscal year to an inflow of 288.1 billion yen.

A detailed analysis of cash flows is as follows.

(Cash flows from operating activities)

Net cash provided by operating activities for fiscal 2024 amounted to 866.9 billion yen, compared with an inflow of 520.7 billion yen a year ago. This is due mainly to a decrease of inventories.

(Cash flows from investing activities)

Net cash used in investing activities amounted to 578.8 billion yen, compared with an outflow of 344.0 billion yen a year ago. This is due mainly to an increase in capital investment mainly in EV batteries.

(Cash flows from financing activities)

Net cash provided by financial activities amounted to 83.5 billion yen, compared with an outflow of 607.0 billion yen a year ago. This is due mainly to the repayment of temporary borrowings in fiscal 2023, which were taken in fiscal 2022, the prior year of the Company's transition to a new organizational structure, and the issuance of domestic unsecured straight bonds during fiscal 2024.

Taking factors such as exchange fluctuations into consideration, cash and cash equivalents totaled 1,19.6 billion yen as of March 31, 2024, an increase of 300.1 billion yen, compared with a year ago.

3) Capital Investments and Depreciations

Based on its policy of steady investments primarily in key businesses for future growth. the Panasonic Group made capital investments of 568.0 billion yen in fiscal 2024 (tangible assets only), increased by 258.9 billion yen compared with 309.1 billion yen a year ago. The capital investments were made mainly for production facilities and construction of North America factory of EV batteries in Energy, for production facilities of home-use electric appliances including A2W, as well as electrical construction materials in Lifestyle, for production facilities for electronic components, control equipment, and other products in Industry, for production facilities for in-vehicle systems and other products in Automotive , and for production facilities for systems related to the B2B solution business and other products in Connect.

Depreciation (tangible assets only) increased by 10.6 billion yen to 207.2 billion yen from 196.6 billion yen a year ago.

4) Assets, Liabilities and Equity

The Company's consolidated total assets of March 31, 2024, were 9,411.2 billion yen, an increase of 1,351.7 billion yen from the end of the previous fiscal year. This is due mainly to an increase in cash and cash equivalents as well as an increase in property, plant and equipment. Also, the impact of fluctuations in exchange rates caused by depreciation of the yen is another factor.

The Company's consolidated total liabilities increased by 419.7 billion yen to 4,689.3 billion yen from the end of the previous fiscal year. This is due mainly to the issuance of domestic unsecured straight bonds and the impact of fluctuations in exchange rates caused by depreciation of the yen.

Panasonic Holdings Corporation stockholders' equity increased by 925.7 billion yen to 4,544.1 billion yen, compared with the end of previous fiscal year. This is due mainly to recording of net profit attributable to Panasonic Holdings Corporation stockholders and an increase in other components of equity caused by depreciation of the yen. With non-controlling interests added to Panasonic Holdings Corporation stockholders' equity, the total equity was 4,721.9 billion yen. As a result, the ratio of equity attributable to Panasonic Holdings Corporation stockholders to total assets increased to 48.3% from 44.9 % a year ago.

5. Material Agreements, etc.

(1) Cross License Agreement

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

(2) Conclusion of Share Purchase Agreement in connection with the Transfer of Shares of Panasonic Automotive Systems and Related Shareholders Agreement

For the purposes of becoming a strategic partner with the Apollo Group, including Apollo Global Management Inc. ("Apollo") with regards to the business of Panasonic Automotive Systems ("PAS"), a wholly-owned subsidiary of the Company, the Company resolved at the Board of Directors meeting held on March 29, 2024 to transfer all of the shares of PAS to Star Japan Acquisition Co., Ltd. ("New PAS Parent"), a company whose shares are indirectly wholly-owned by funds managed by Apollo, and to acquire 20% of the shares of Star Japan Holdings Co., Ltd. (the "Holding Company"), which is the holding company that wholly owns the shares of New PAS Parent (such transactions are collectively referred to as, the "Transaction"), and in connection therewith, enter into a shareholders agreement with Apollo. On the same day, the share purchase agreement and the shareholders agreement were reached with New PAS Parents and with Apollo, respectively.

As a result of the Transaction, PAS will cease to be a consolidated subsidiary of the Company, while the Holding Company and PAS, which is to be a subsidiary of the Holding Company, will each become an entity accounted for under the equity method by the Company by the end of the fiscal year ending March 31, 2025 (scheduled; subject to satisfaction of customary closing conditions including regulatory approvals, the "Scheduled Closing Date"). A summary of the transaction is as follows:

i) Details of the transfer:

In order to become a strategic partner with Apollo in the automotive business, prior to the Transaction, the Company plans to conduct a reorganization to consolidate the businesses and assets spread across the Company’s consolidated subsidiaries engaged in the automotive business that are subject to the Transaction under PAS [Note].

Subsequently, on the Scheduled Closing Date, the Company will transfer all shares of PAS to New PAS Parent and acquire 20% of the shares of the Holding Company.

PAS will continue to use its current trade name and the Panasonic trademark for a certain period after the Transaction.

(Note) As a result of the above reorganization prior to the Transaction, the businesses, assets, etc. of the Company’s consolidated subsidiaries engaged in the automotive business that are the subject of the Transaction will be consolidated under PAS. However, Ficosa International, S.A. ("Ficosa”) will not be subject to the Transaction and will remain a consolidated subsidiary of the Company.

ii) Transfer price:

The final transfer price is to be decided based on the enterprise value of 311 billion yen less approximately 70 billion yen of reductions for Ficosa’s enterprise value and changes in cost structure (amounting to approximately 240 billion yen), further adjusted based on PAS' net debt, working capital and capital expenditures, etc.

(3) Conclusion of Binding Agreement to acquire One Network Enterprises, Inc.

The Company resolved at the Board of Directors meeting held on March 29, 2024 and reached the agreement on the same day that Blue Yonder Holding, Inc., a subsidiary of Panasonic Connect Co., Ltd., a wholly-owned subsidiary of the Company would acquire One Network Enterprises, Inc. for approximately $839 Million.

The closing of the transaction is subject to the satisfaction of customary conditions precedent in transactions of this type, including necessary regulatory approvals, and is expected to occur in the second quarter of fiscal 2025.

6. Research and Development

Based on its growth strategies, the Panasonic Group focused on developing new technologies and new products that will support the future. In addition, we actively engaged in technical development aimed at contributing to solving global environmental issues and benefitting the life-long health, safety, and comfort for everyone.

R&D expenditures totaled 491.2 billion yen in fiscal 2024, including 142.0 billion yen for Lifestyle, 100.6 billion yen for Automotive, 124.9 billion yen for Connect, 63.0 billion yen for Industry, and 23.2 billion yen for Energy.

Key development initiatives and achievement during fiscal 2024 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.
Key development initiatives and achievements were as follows:

・Strengthening research and development in the areas of air conditioning, hot water supply, and heating that contribute to energy savings and reducing CO_2 emissions

We worked to construct a system for strengthening medium- and long-term research and development in the areas of air conditioning, hot water supply, and heating. We established a new research site in Kusatsu City, Shiga, and are carrying out development of technologies that are friendly to the global environment such as support for ZEH (net Zero Energy Houses), heat pumps, and natural refrigerants to achieve carbon neutrality. The site buildings make full use of the Company's energy-saving products, realizing an energy reduction of 53% (using the primary energy consumed by a conventional building as the standard) and achieving the ZEB Ready(Note) level. In Umeda, Osaka, we also established a site specializing in the development of heating & ventilation A/C solutions utilizing AI and the Cloud, and we are working to strengthen points of contact with the customers by utilizing the data analysis and AI technologies that have been previously developed by the Company.

・Development of an "Automatic Dismantling System for Used Appliances" that can handle every process from the input of used home appliances to the dismantling of each part

With the aim of further improving the efficiency of the dismantling of used home appliances, we have developed an Automatic Dismantling System for Used Appliances with the cooperation of Hirabayashi Metal Co., Ltd. In the recycling of home appliances, it will be the industry's first system that can handle every process from the input of used home appliances to the dismantling of each part. In Japan, recycling is carried out appropriately in accordance with the Home Appliance Recycling Law (Act on Recycling of Specified Kinds of Home Appliances), but on the other hand, home appliance recycling plants are facing issues such as a decrease in the working population and a workload concentrated during the busy season, and further work efficiency is required. This system focuses on the air conditioner, which is expected to increase collection volume in the future, and realizes more stable and continuous recycling of home appliances by automating the process from the outdoor unit cover to the removal of the compressor, which is the most time-consuming process in the dismantling process, while maintaining the dismantling quality of each part. We will continue to promote development and contribute to further resource recycling.

(2) Automotive

We are mainly engaged in the research and development of cockpit systems, cabin UX（user experience) and EV power electronics for automotive applications.
Key development initiatives and achievements were as follows:

・Development of cloud-enabled digital cockpit solutions

We have developed and built Virtual SkipGen™ (vSkipGen™), a cloud-native in-vehicle software development environment based on the premise of using cloud services, to support automotive developers from the early stages of the vehicle development cycle. vSkipGen™ separates hardware and software, which were previously integrated in the automobiles and leverages the computing power of cloud servers to evolve independently of each, reducing time to market and improving software quality. We will also contribute to the Panasonic Group’s environmental goals, including the reduction of hardware at the prototype stage through a new development environment.
We have also developed the Neuron™ High-Performance Computing (HPC) system, which consolidates the functions of multiple ECUs (Electronic Control Unit) and eliminates redundant components, reducing vehicle cost and weight, as well as reducing the complexity of integration. The HPC system is capable of handling high-performance, high-volume data input, upgradeable, scalable, and future-proofed for evolving automotive platforms.
Through these cutting-edge initiatives, we will further develop proven products such as infotainment equipment and full-display meters in the cockpit domain to improve UX value and contribute to the environment, and contribute to the evolution of software-defined vehicles (SDVs) that meet rapidly evolving mobility needs in the future.

・Development of cyber security robustness solutions to make in-vehicle cybersecurity measures stronger and more secure

With the development of autonomous driving technology, the progress of digitalization, and the increase in the number of vehicles connected to the network, we are developing a series of security solutions and services called "VERZEUSE™" to address the risk of cyberattacks targeting automobiles, which is increasing year by year.
The cyber security robustness solution of "VERZEUSE™” developed this year constantly verifies that the security monitoring function is working correctly with our integrity monitoring software in addition to secure boot verification at startup. The integrity monitoring software is placed in a trusted area and has a multi-level configuration that verifies the security monitoring function from the trusted area, thereby strengthening the security monitoring function in the vehicle. VERZEUSE’s™ virtualization security solution has been awarded the "Collaborative Partnership of the Year" at the Informa Tech Automotive Award 2023, a global award in the ICT field.
We will contribute to the safe and secure mobility society through our security solution and service "VERZEUSE™", which realizes the protection of vehicles from the threat of cyberattacks with a higher level of safety.

(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:

・Development of technologies to optimize warehouse solutions from the upper layer to the execution layer

We have developed a new technology called "Task Optimization Engine (tentative name)" that optimizes the synchronization of product shipment work by assigning tasks such as robot arms, automated warehouses, and human work by AI algorithms according to incoming and outgoing shipment information on the warehouse management system. This technology enables a 50% reduction in truck waiting times, significant changes in logistics. Additionally, we have developed a robot control platform that coordinates with this technology to control the robot hand that picks products in the warehouse. These will be made available as

an open platform.
We will continue to develop a world-class supply chain platform by integrating our execution software, which combines our expertise in IE (Industrial Engineering) with hardware, software, and AI, with the software of Blue Yonder Holding, Inc., a U.S. subsidiary. This will enable us to contribute to the resolution of social and management issues for customers around the world.

・Development of robot hand control technology that allows the grasped object to be continuously rotated without dropping

This technology was developed in collaboration with Chuo University. It enables the position and posture of the grasped object within the robot hand to be changed while controlling the robot hand according to the shape and posture of the object. The camera image is used as a visual function to control the robot. This technology contributes to the automation of tasks that have previously relied on human labor, such as parts assembly work at manufacturing sites, box packing that densely aligns objects of various shapes at logistics sites, and real-time detection of the shape of each individual fruit and vegetable with individual differences in shape and alignment of objects. It is expected to be applied to retail stores and other distribution sites where objects are arranged in a fixed position, such as product display.

(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:

・Establishment of the Smart Lab that combines development know-how and digital technology to automate experimental equipment

We have established an automated laboratory smart lab that operates 24 hours a day, 365 days a year on the premises of our former head office in Kadoma City, Osaka Prefecture. The Smart Lab can dramatically improve and speed up the material development process by combining AI, MI (Material Informatics), and PI (Process Informatics) with equipment that has been promoted so far.
It has been introduced for the development of capacitors, and by automating simple tasks that were previously performed manually by engineers, such as materials preparation, adjusting material concentrations and controlling temperatures, and collecting experimental data, engineers can focus on more creative and value-added R&D activities. In addition, by enabling experiments by remote control, we will expand the field of activity of engineers not only in Japan but also globally.
In the future, we plan to expand into the development of other products such as electronic materials and motors, and we will strengthen the technology development of the industry business starting from the Smart Lab.

(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:

・Accelerating the development of next-generation batteries that will achieve further improvements in EV battery energy density

We have developed technologies for making effective use of silicon material, one feature of which is a theoretical capacity that is approximately 10 times higher than the graphite which is currently widely used as a negative-electrode material. In cooperation with a partner company, we have also introduced a technology that delivers high capacity while reducing swelling during charging. This allows a higher percentage of the graphite in the negative electrode to be replaced by silicon material, increasing the energy density.
We will continue to make further advances in higher battery performance and are aiming to achieve the targets of a 5% improvement in energy density by 2025 and a 25% improvement by 2030.

(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 TVs that create experiential value by installing a new operating system (OS)

By utilizing the hardware and software technologies such as high-quality image and sound quality, communication and digital technologies, and device linkage that we have cultivated over the years, we will be able to encounter stress-free content that suits each viewer’s lifestyle and viewing environment and immerse yourself in video with the optimal image and sound quality for the content. We will develop technologies that realize seamless connections between homes and mobile spaces, as well as IoT devices and recording devices. Starting with the global flagship model in fiscal 2024, we will introduce new products that will be equipped with Amazon Fire TV as the operating system, incorporate proprietary technologies such as content-adaptive image quality, and evolve operability and device linkage.
We will continue to use our video, audio, and communication technologies to provide products and services that contribute to the well-being of our customers.

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:

・Development of "Technostructure EX" with unique standards that can withstand repeated huge earthquakes with a seismic intensity of 7

Since the Great Hanshin-Awaji Earthquake in 1995, there have been more than 60 earthquakes with a seismic intensity of 6 or higher, and in the 2016 Kumamoto Earthquake, a severe earthquake with a seismic intensity of 7 was measured twice at the same observation point. Against the backdrop of a growing demand for earthquake preparedness, in addition to earthquake resistance through precise stress calculations, which is a feature of the Technostructure method, the technology that minimizes the impact on buildings is achieved by combining "4D disaster simulation" that visualizes dynamic building deformation due to proprietary artificial seismic waves and the original seismic damper "Techno Damper" that absorbs the force of earthquakes. We have developed "Techno Structure EX" to achieve strength against repeated huge earthquakes.
We will continue to be close to people’s lives and provide new value to people and society.

Technical Department and Common

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, elemental and core platform technologies.
Key development initiatives and achievements were as follows:

・Development of the world’s first glass integrated perovskite solar cells

By combining the Company’s original material technologies, inkjet application method, and laser machining technologies, we have developed the world’s first glass integrated perovskite solar cells with increased freedom of size, transparency, design, and other factors to support customization. The 30cm square module features the world’s highest level of photoelectric conversion efficiency at 18.1%. Prototypes were produced, and a long-term verification test lasting one year or longer, including performance, durability, and other technical verification, was started in August of last year at Fujisawa Sustainable Smart Town in Fujisawa City, Kanagawa. We have also introduced a meter-grade prototype line, and are developing a manufacturing process for large surface areas.

We will continue to position perovskite solar cells as "power-generating glass" that is harmonized with cities and lifestyles, and will balance the creation of renewable energy with city scenery while contributing to reducing emissions of CO_2.

・Promoting technology development aimed at social implementation of AI technologies centered on image recognition

We are developing technologies which apply the image recognition technologies which the Company has developed over many years to AI, reducing the vast quantity of data and calculations and enabling social implementation. For example, we have developed technologies which utilize learning of a facial recognition model that is commonly effective for a variety of attributes in order to reduce the decline in recognition accuracy with specific models that have limited data quantities. We have also developed technologies that prevent high-confidence false recognition of objects which the AI model has not learned and technologies that increase image recognition accuracy in bad weather environments. All of these have been adopted by prestigious international academic societies in the fields of AI and image recognition. The number of such technologies adopted is increasing year by year (1.5 times the number of the previous year). In order to improve operating efficiency through the use of generative AI, we are also developing an AI assistant service for our own use based on a large language model. We have expanded the functions to enable use of the Company's original information, and have started operation intended for use in our business.
In the future, the Company will accelerate the social implementation of technologies utilizing AI, and will carry out research and development that will contribute to helping the lives and workplaces of our customers.

・Development of technologies utilizing robots that are an integral part of people's lives and that contribute to resolving social issues in the workplace

We are implementing technologies utilizing robots that contribute to resolving the increasingly severe labor shortage in the logistics field, and to improving efficiency. In the package delivery workplace, based on verification results of automated delivery robot technologies previously developed, we were the first in the industry to begin operation of automated delivery robots through the notification system based on the revised Road Traffic Act. In the logistics warehouse workplace, we have combined robot control technologies, sensing technologies, and AI technologies for central control in order to develop a Robot Control Platform that can adapt to a wide range of products that fluctuate within the warehouse, and construct a group of technologies that liberate operations from manual work and functional restrictions.
In the future, the Company will accelerate its development aimed at creating a more convenient and affluent world possible only with the availability of robotics technologies.

(Note) A cutting-edge building focused on the "ZEB (net zero energy building)" concept, equipped with an exterior that has improved thermal insulation performance and high-efficiency energy-saving equipment, resulting in a building that complies with a 50% or greater reduction in standard primary energy consumption excluding renewable energy.

III Property, Plants and Equipment

1. Summary of Capital Investment

Capital investment for the year ended March 31, 2024 is shown in the table below.

Segment	Amount (Billions of yen)	Change from last fiscal year (%)	Main purpose of investment
Lifestyle	116.7	+ 24.4	Production of new products and streamlining of electric appliances for home use, A2W, electrical construction materials, showcases, and commercial refrigerators, etc.
Automotive	29.9	+ 20.1	Production of new products and streamlining of automotive cockpit systems and automotive electronics systems, etc.
Connect	21.6	+ 66.2	Production of new products and streamlining of B2B solutions business related equipment, etc.
Industry	55.6	- 8.6	Production of new products and streamlining of electronic components and control devices, etc.
Energy	292.1	+ 222.4	Production of new products and streamlining of primary and rechargeable batteries, and construction of a new plant in North America, etc.
Reportable segment total	515.9	+ 82.2	–
Other & Corporate	52.1	+ 100.4	Production of new products and streamlining of electric appliances for video and AV equipment and building materials, and capital investment by head office, etc.
Total	568.0	+ 83.8	–

(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 2024.
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, 2024)

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	5,318	4,214	713 (88) [1]	265	8,462	18,972	1,153
Head Office, etc. (Kadoma City, Osaka, etc.)	Corporate	Head office and rental facilities	77,978	3,629	128,966 (5,479) [85]	―	5,833	216,406	268

(2) Domestic subsidiaries

(As of March 31, 2024)

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.	45,601	46,152	299 (47) [45]	33,509	125,561	15,492
Panasonic Automotive Systems Co., Ltd.	(Tsuzuki-ku, Yokohama-shi, etc.)	Automotive	Manufacturing facilities for Automotive equipment	4,276	13,937	― (13) [2]	4,653	22,866	4,168
Panasonic Entertainment & Communication Co., Ltd.	(Moriguchi-shi, Osaka, etc.)	Other	R&D facilities for AV equipment, etc.	1,052	829	―	783	2,664	1,723
Panasonic Housing Solutions Co., Ltd.	(Kadoma City, Osaka, etc.)	Other	Manufacturing facilities for rain gutters	6,394	3,117	―	6,126	15,637	3,052
Panasonic Connect Co., Ltd.	(Hakata-ku, Fukuoka-shi, etc.)	Connect	Manufacturing facilities for mounter, information communication equipment, video, audio equipment, etc.	14,714	8,737	4,549 (495) [2]	13,745	41,745	9,217 <1,147>
Panasonic Industry Co., Ltd.	(Kadoma City, Osaka, etc.)	Industry	Manufacturing facilities for electronic components, etc.	23,349	57,380	192 (113) [70]	21,079	102,000	9,389
Panasonic Energy Co., Ltd.	(Moriguchi-shi, Osaka, etc.)	Energy	Manufacturing facilities for primary batteries and rechargeable batteries	44,898	33,122	8,259 (643) [132]	88,366	174,645	4,160

(3) Overseas subsidiaries

(As of March 31, 2024)

Company (Location)	Segment	Details of major facilities and equipment	Book value (Millions of yen)					Number of employees
			Buildings	Machinery and equipment	Land (Area in thousands of ㎡)	Others	Total	
Panasonic Corporation of North America (New Jersey, U.S.A.)	Lifestyle, Automotive, Connect, Industry, Energy, Corporate	Manufacturing and sales facilities for various electric and electronic products	7,554	15,587	2,658 (77)	29,137	54,936	15,275
Panasonic Avionics Corporation (California, U.S.A.)	Connect	Manufacturing facilities for aircraft-in-flight entertainment systems	3,252	7,938	—	15,505	26,695	3,155
Hussmann Corporation (Missouri, U.S.A.)	Lifestyle	Manufacture facilities of commercial-use refrigerated and freezer showcases	5,329	6,023	2,149 (624)	9,631	23,132	7,863
Panasonic do Brasil Limitada (Amazonas, Brazil)	Lifestyle, Automotive, Energy	Manufacturing and sales facilities for various electric and electronic products	5,626	4,910	324 (541)	1,320	12,180	2,237
Panasonic Heating & Ventilation Air-conditioning Czech, s. r. o. (Plzen, Czech Republic)	Lifestyle	Manufacture facilities of heating & ventilation A/C	3,313	5,098	324 (167)	10,918	19,653	621
Ficosa International S.A. (Barcelona, Spain)	Automotive	Manufacture facilities of automotive components such as electric mirrors	10,381	15,369	5,672 (1,031) [27]	11,404	42,826	7,209
Panasonic Life Solutions India Pvt. Ltd. (Gurugram, India)	Lifestyle	Manufacturing and sales facilities for various electric and electronic products	6,600	10,451	324 (703)	2,624	19,999	7,084

(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 125,660 million yen (4,988 thousands ㎡) and buildings of 40,736 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, 2025 will be 680.0 billion yen, an increase of 20% compared with the actual capital investment for the previous fiscal year, and a breakdown by segment is as follows.

Segment	Amount planned for fiscal 2025 (Billions of yen)	Main purpose of investment	Capital source
Lifestyle	100.0	Production of new products and streamlining of electric appliances for home use, A2W, electrical construction materials, showcases, and commercial refrigerators, etc.	Own capital, etc.
Automotive	30.0	Production of new products and streamlining of automotive cockpit systems and automotive electronics systems, etc.	Own capital, etc.
Connect	20.0	Production of new products and streamlining of B2B solutions business related equipment, etc.	Own capital, etc.
Industry	60.0	Production of new products and streamlining of electronic components and control devices, etc.	Own capital, etc.
Energy	430.0	Production of new products and streamlining of primary and rechargeable batteries, and construction of a new plant in North America, etc.	Own capital, etc.
Reportable Segment Total	640.0	—	—
Other & Corporate	40.0	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	680.0	—	—

(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, 2024)	Number of shares issued as of the filling date (shares) (June 25, 2024)	Stock exchange on which the Company is listed	Description
Common stock	2,454,261,297	2,454,261,297	Tokyo stock exchange (Prime Market) Nagoya stock exchange (Premier Market)	The number of shares per one unit of shares is 100 shares.
Total	2,454,261,297	2,454,261,297	—	—

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

1) Details of stock option plans

Resolution date of the Board of Directors	July 31, 2014	July 29, 2015
Category and number of persons granted	Directors of the Company (excluding Outside Directors) : 13 Executive Officers and certain other officers (excluding Directors who concurrently serve as Executive officers) :14	Directors of the Company (excluding Outside Directors) : 13 Executive Officers and certain other officers (excluding Directors who concurrently serve as Executive officers) : 17
Number of stock acquisition rights Note 6	554 [539]	687
Class, details and number of shares to be acquired upon exercise of stock acquisition rights Note 6	Common stock of the Company 55,400 shares [53,900 shares] Note 1	Common stock of the Company 68,700 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 2024 (March 31, 2024). The items which changed during the period from the end of fiscal 2024 to the end of the month previous to the filing (May 31, 2024), the contents described in [ ] as of the end of the month previous to the filing. No other contents changed from the end of fiscal 2024.

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	1,574 [1,549]
Class, details and number of shares to be acquired upon exercise of stock acquisition rights Note 6	Common stock of the Company 157,400 shares [154,900 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	1,662 [1,623]	1,891 [1,816]
Class, details and number of shares to be acquired upon exercise of stock acquisition rights Note 6	Common stock of the Company 166,200 shares [162,300 shares] Note 1	Common stock of the Company 189,100 shares [181,600 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
July 13, 2023 Note 5	204,700	2,454,261,297	171	259,445	172	705

(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. Increase for issuance of new shares as restricted stock compensation.

Issue price : 1,674.5 yen per share

Capitalization amount : 837.25 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.

23 individuals in total.

(5) Composition of issued shares by type of shareholders

As of March 31, 2024

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)	—	147	77	2,988	1,092	1,107	391,312	396,723	—
Share ownership (units)	—	7,212,485	752,276	1,395,991	9,058,565	13,303	6,046,691	24,479,311	6,330,197
Percentage of shares (%)	—	29.46	3.07	5.70	37.00	0.05	24.70	100.00	—

(Notes)

1. Of 119,915,128 shares of treasury stock, 1,199,151 units are included in "Individual and others," and 28 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, 2024

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	Akasaka Intercity AIR, 8-1, Akasaka 1-chome, Minato-ku, Tokyo	356,385	15.26
Custody Bank of Japan, Ltd. (trust account) Note 3	8-12, Harumi 1-chome, Chuo-ku, Tokyo	185,386	7.94
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)	56,545	2.42
Nippon Life Insurance Company	5-12, Imabashi 3-chome, Chuo-ku, Osaka-shi, Osaka	48,339	2.07
MOXLEY & CO LLC (Standing proxy: Mizuho Bank, Ltd.)	270 Park Ave., New York, NY 10017, U.S.A. (5-5, Otemachi 1-chome, Chiyoda-ku, Tokyo)	42,535	1.82
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	32,137	1.37
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)	30,907	1.32
GOVERNMENT OF NORWAY (Standing proxy: Citibank, N.A.)	Bankplassen 2, 0107 Oslo 1 Oslo 0107 NO (1-1, Otemachi 1-chome, Chiyoda-ku, Tokyo)	30,488	1.30
Matsushita Real Estate Co., Ltd.	4-27, Dojima 2-chome, Kita-ku, Osaka-shi, Osaka	29,121	1.24
Total	—	849,313	36.38

(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, 2024

Classification	Number of shares (shares)	Number of voting rights	Description
Shares without voting right	—	—	—
Shares with restricted voting right (treasury stock, etc.)	—	—	—
Shares with restricted voting right (others)	—	—	—
Shares with full voting right (treasury stock, etc.)	(Treasury stock) Common stock 119,915,100	—	Standard common stock of the Company without any restriction
	(Crossholding stock) Common stock 14,828,300	—	Same as above
Shares with full voting right (others)	Common stock 2,313,187,700	23,131,877	Same as above
Shares less than one unit	Common stock 6,330,197	—	Shares less than one unit (100 shares)
Number of issued shares	2,454,261,297	—	—
Total number of voting rights	—	23,131,877	—

(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 (28 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, 2024

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	119,915,100	—	119,915,100	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	—	134,743,400	—	134,743,400	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.

(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, 2024	34,869	52,763,839
Treasury stock acquired during the current period	5,234	7,197,911

(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, 2024 to the filing date is not included.

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

Classification	Fiscal year ended March 31, 2024		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	63,490	110,848,273	15,718	27,441,783
Total numbers of treasury stock held	119,915,128	—	119,904,644	—

(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, 2024 to the filing date are not included.
2. The breakdown of "others" in "Fiscal year ended March 31, 2024" are selling due to requests from shareholders holding shares less than one unit shares to sell additional shares (Number of shares 1,290 shares, Total disposition amount 2,252,252 yen) and exercise of stock acquisition rights (Number of shares 62,200 shares, Total disposition amount 108,596,021 yen).
   The breakdown of "others" in "Current period" are selling due to requests from shareholders holding shares less than one unit shares to sell additional shares (Number of shares 318 shares, Total disposition amount 555,191 yen) and exercise of stock acquisition rights (Number of shares 15,400 shares, Total disposition amount 26,886,592 yen).

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 the net profit attributable to Panasonic Holdings Corporation stockholders, excepting the effects of the US IRA tax credit on the results, and in consideration of the financial conditions and other factors, the Company expects to pay an annual dividend of 35 yen per share for fiscal 2024, which includes the interim dividend of 17.5 yen per share and a year-end dividend of 17.5 yen per share.

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

Dividends for the 117th 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 30, 2023	40,850	17.5
The Board of Directors meeting held on May 9, 2024	40,851	17.5

4. Corporate Governance, etc.

This section includes the matters of consolidated companies. This section refers to the matters as of June 25, 2024, 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. The specific composition of the board of directors is referred in "(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.", and Kazuhiro Tsuga, who is not involved in execution of business, takes on the position of the Chairperson of the Board.

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 twelve (12), 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 2024, and each meeting took three (3) hours and thirty-eight (38) minutes. 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, Chairperson 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	11	92%	-
Representative Director	Hirokazu Umeda	12	12	100%	-
Director	Yoshiyuki Miyabe	12	12	100%	
Director	Ayako Shotoku	12	12	100%	
Director (Outside)	Shinobu Matsui	12	12	100%	-
Director (Outside)	Kunio Noji	12	12	100%	-
Director (Outside)	Keita Nishiyama	10	10	100%	Elected in June 26, 2023
Director (Outside)	Michitaka Sawada	12	12	100%	-
Director (Outside)	Kazuhiko Toyama	12	12	100%	-
Director (Outside)	Yoshinobu Tsutsui	12	11	92%	Retired in June 24, 2024
Senior A&SB Member	Toshihide Tominaga	2	2	100%	Retired in June 26, 2023
Senior A&SB Member	Eiji Fujii	12	12	100%	-
Senior A&SB Member	Hidetoshi Baba	10	10	100%	Elected in June 26, 2023
A&SB Member (Outside)	Akihiro Eto	12	12	100%	
A&SB Member (Outside)	Akihiko Nakamura	12	12	100%	
A&SB Member (Outside)	Setsuko Yufu	12	12	100%	

At the Board of Directors meeting in fiscal 2024, the following items were mainly discussed.

At Board of Directors' meetings in fiscal 2024, focused discussion was held concerning the following matters. Much time was allocated to discussing business strategies and functional strategies, and the Board exercised its supervisory functions.

<Matters resolved>
• Group mid-to long-term strategy
• Investment in a new automotive battery plant in the U.S. state of Kansas
• Partnership between Panasonic Automotive Systems Co., Ltd. and Apollo Global Management, Inc., etc.

<Matters reported>
• Studies of target conditions for the group and areas of contribution, as well as business portfolio management for achieving them
• Status for study of Group CEO succession plan
• Group financial strategy
• Human resources strategy
• Measures for risk management
• Measures for Group compliance
• PX (Panasonic Transformation)
• Technology strategy, intellectual property strategy
• Cyber security measures
• Initiatives for and issues with disclosure of non-financial information (sustainability)
• Significance of ownership of cross-shareholdings, etc.

In addition to the above, reports of duty execution were received from Directors concurrently serving as Executive Officers, and reports of operating company strategies were received from the 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 voluntary Nomination and Compensation Advisory Committee. Upon receiving inquiries from the Board of Directors, the Committee deliberates on the results of internal reviews regarding the nomination of candidates for Director, Audit & Supervisory Board Member, Executive Officer, President of the operating companies, and Outside Director of the operating companies, and also on the appropriateness of the remuneration system for Directors, Executive Officers, Presidents of the operating companies, and Outside Directors of the operating companies, and of the amount and content of remuneration for each individual. In addition, the Committee discusses the succession plan for the Group CEO, Executive Officers, and Presidents of the operating companies, and conducts monitoring of successor candidates. The Committee members can suggest when the Group CEO should be replaced.
As of the date of submission of this annual securities report, the Committee is composed of five (5) members, Outside Director Michitaka Sawada (chairperson), Outside Director Shinobu Matsui, Outside Director Kazuhiko Toyama, Chairperson of the Board Kazuhiro Tsuga, and Representative Director, President 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.

This Committee met five (5) times in fiscal 2024, and the attendance of each Committee is as follows.

	Classification	Name	Number of meetings held during the term	Number of Attendance	Attendance Rate	Remarks
Chairperson	Director (Outside)	Michitaka Sawada	5	5	100%	-
Member	Director (Outside)	Kazuhiko Toyama	5	4	80%	-
Member	Director (Outside)	Yoshinobu Tsutsui	5	5	100%	Retired in June 24, 2024
Member	Chairperson of the board	Kazuhiro Tsuga	5	5	100%	-
Member	Representative Director, President	Yuki Kusumi	5	5	100%	-

At the Committee meeting in fiscal 2024, the following items were mainly discussed.

• Succession plans for the Group CEO
• Successor candidates for the Group CEO, Executive Officers, and Presidents of operating companies
• Results from internal consideration of Director and other candidates
• Standard guidelines for dismissal or declining to reappoint a Director, Executive Officer, or President of an operating company
• Remuneration system, for Directors, Executive Officers, Presidents of operating companies, and Outside Directors of operating companies, etc.

The contents of discussions by this Committee regarding the Group CEO succession plan, and the standards for dismissal or declining to reappoint a Director, Executive Officer, or President of an operating company, are reported to the Board of Directors.

[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]

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

Following the conclusion of a Board of Directors’ meeting, a review of the Board of Directors’ meeting is carried out as needed centering on the Outside Directors and Outside Audit & Supervisory Board Members, and efforts are made to improve the operation of Board of Directors’ meetings.

i)Important fiscal 2024 measures based on the effectiveness evaluation in the previous fiscal year
The following are the primary measures that were carried out in fiscal 2024.
-Ensuring sufficient time and expand discussion of Group mid- to long-term strategies and business portfolios
-For agenda item of operating company medium- to long-term strategies and important matters, clearly identifying the division of roles between the Company's Board of Directors as the holding company and the Company's execution side and operating company Board of Directors, and narrowing down the list of resolutions which should be supervised and monitored by the Company's Board of Directors
-Enhancing sharing of the activity contents and policies between the Board of Directors and the Nomination and Compensation Advisory Committee to strengthen supervision of nomination and remuneration jointly by the Board of Directors and the Committee and ensure its transparency

ii)Fiscal 2024 evaluation of the Board of Directors effectiveness
In fiscal 2024, an evaluation of the Board of Directors effectiveness was carried out on the following schedule by means of a questionnaire survey and discussion at the Board of Directors' meetings. Advice is received from an outside agency approximately once every three years. However, during fiscal 2024, the series of processes comprising the establishment of survey questions, tabulation of results, setting of discussions at Board of Directors' meetings, and setting the operating policy for fiscal 2025 Board of Directors operations were all conducted independently by the Company. At a Board of Directors' meeting, based on the delivered evaluation results, the members of the Board of Directors including Audit & Supervisory Board Members reconfirmed the functions of the Board of Directors and their own roles within the Board of Directors, shared an understanding of the issues, and conducted free and open discussion of measures for improvement.

-Survey period: Late December 2023 - Mid January 2024
-Survey subjects: Directors, Audit & Supervisory Board Members, Executive Officers in attendance (Only the free answer sections from Executive Officers in attendance are included in the tabulated results.)
-Survey format: Total 32 questions (Of these, 23 were evaluations in four ranks, one was a multiple-choice question (free answer spaces were provided for each question), and eight were free answer types.)
-Primary survey items:
(1)Operation of the Board of Directors
(Setting of issues for discussion, structure of discussions, execution of expected functions by individual members, etc.)
(2)Group strategies and operating company strategies
(Management with awareness of capital cost, business portfolio, etc.)
(3)Corporate ethics and risk management
(Culture of compliance with corporate ethics, construction of internal controls and risk management system)
(4)Evaluation of the management team (nomination, remuneration)
(Reporting of contents discussed by the Nomination and Compensation Advisory Committee, appointment of Directors based on the required skills, etc.)
(5)Dialogue and other communication with shareholders etc.
(Sharing information related to dialogue with shareholders etc., use of dialogue with shareholders etc. to improve corporate value)
(6)Target conditions which the Board of Directors aims for over the medium- to long-term

-Reporting and discussion of survey results at the Board of Directors: Conducted two times
(1)Board of Directors' meeting in January 2024
Sharing of issues identified from the survey results, exchange of opinions concerning the related issues, and discussion of measures for improving operations
(2)Board of Directors' meeting in April 2024
Discussion of the Board of Directors operation policy for fiscal 2025

iii)Board of Directors effectiveness evaluation results and issue improvement measures

The fiscal 2024 effectiveness evaluation confirmed that, continuing from fiscal 2023, the effectiveness of the Company's Board of Directors has been generally ensured.

Discussions have been held at the Board of Directors' meeting to address the identified issues, and following proposals have been made for the fiscal 2025 in order to enhance the corporate value of Panasonic Group:

・Continue to enhance discussions towards the formulation of a new mid-to long-term Group strategy.
・Report and Discuss on the group strategy and portfolio management, in consideration of the capital profitability of each business and resource reallocation at the group level.
・Place emphasis on monitoring business within the Group's priority investment areas.
・Report on important cross-functional agendas (such as AI, data utilization strategy, and sustainability) with the aim of possessing organizational capabilities that the group should strive for in the mid-to long-term.
・Continue discussions on group financial strategy, human resources strategy, and technology strategy, among others.

In fiscal 2025, 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.

iv)Evaluation of Audit & Supervisory Board effectiveness

Duties of the Company's Audit & Supervisory Board Members 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, Presidents of the operating companies, and functional top management was monitored. Audit & Supervisory Board Members participated in the quarterly ERM Committee meeting, and attended as observers at the quarterly Internal Audit Committee meeting which is the controlling institution for internal audit functions. The results of audits and other information were 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 on matters 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, and engaged in other audit and supervisory activities intended to strengthen Group governance.

At the Audit & Supervisory Board meetings, based on the system of independent action, Audit & Supervisory Board Members who have different expertise and knowledge openly discuss the contents of the above audit and supervisory activities, and form opinions and other information to be delivered to the Board of Directors and executive divisions.

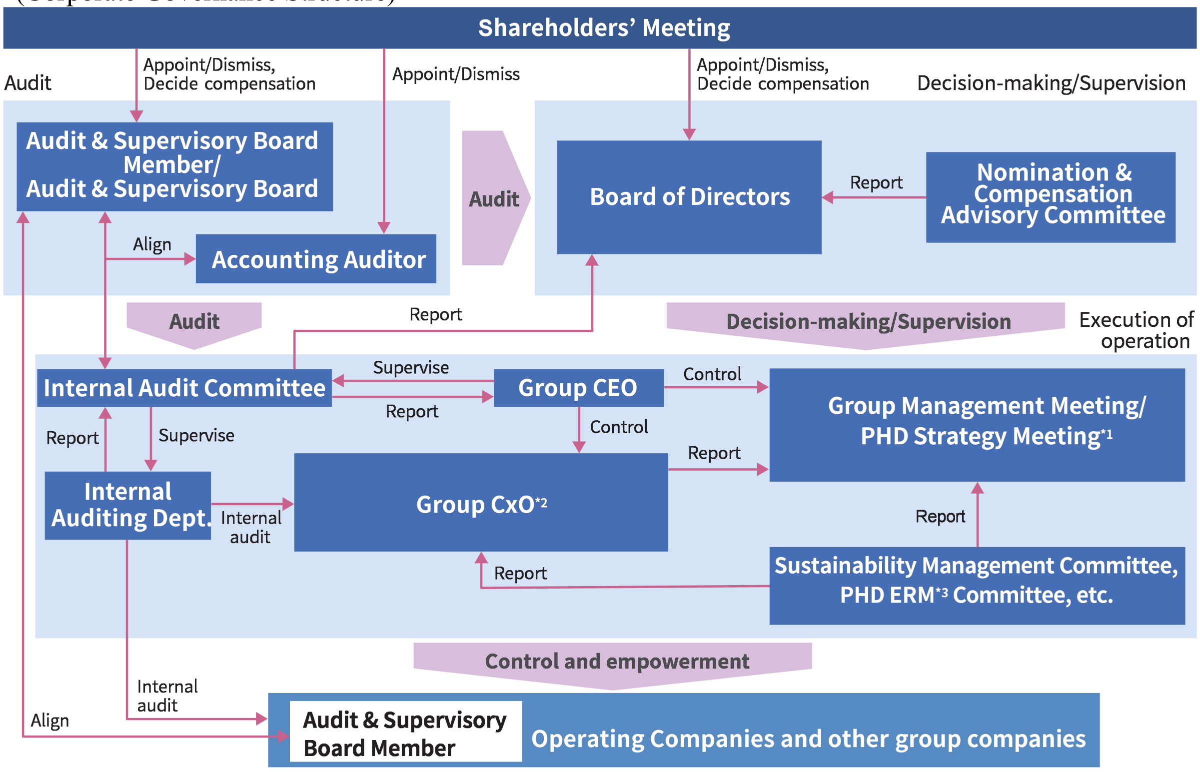
In order to continually improve the effectiveness of audit and supervisory activities, the Audit & Supervisory Board conducts an evaluation of Audit & Supervisory Board effectiveness at the end of each fiscal year. In addition to a quantitative evaluation of effectiveness based on a total of 40 evaluation items from perspectives such as action based on Corporate Governance Code, the effectiveness evaluation identified specific issues proposed by each Audit & Supervisory Board Member, and worked to identify items for improvement. 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.

In fiscal 2024, the matters for discussion by the Audit & Supervisory Board were submitted in advance to the President and Chief Executive Officer, Presidents of operating companies, and others in order to ensure sufficient Q&A time and expand the discussions. Outside Audit & Supervisory Board Members accompany visiting audits by the Audit & Supervisory Board Members, supervising the audit execution conditions from a diverse range of perspectives, and in other ways implement improvement measures and work to improve the effectiveness of the Audit & Supervisory Board.

The Audit & Supervisory Board discussed the results of the effectiveness evaluation that was conducted at the end of fiscal 2024 and concluded that "it is functioning effectively." For issues and other matters which were identified at discussions, 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, even under the Operating Company System, it can ensure the effectiveness of corporate governance with the structure based on the A&SB System composed of the Board of Directors and A&SB Member/ 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 reports from the subsidiaries of the Company
Based on its management philosophy, the Company shall establish basic policies and regulations applicable to all the Panasonic Group companies, and shall ensure the full-fledged autonomous management by operating companies (including subsidiaries under the supervision of such operating companies; collectively "Operating Companies" and the same shall apply hereinafter) and other subsidiaries of the Company through appropriate delegation of authority to the said Operating Companies and other subsidiaries, and by developing reporting system to the Company. Based on these policies and rules, Operating Companies and other subsidiaries of the Company shall develop their own rules and other systems to ensure the appropriateness of operations in the Panasonic Group.

b) System for ensuring legal compliance in the performance of duties by the Panasonic Group's Directors and employees
The Company, Operating Companies and other subsidiaries of the Company shall ensure legal compliance in the performance of duties by Directors and employees within the Panasonic Group, by effective corporate governance systems including an appropriate monitoring system, as well as by ensuring total compliance

awareness throughout the Panasonic Group.

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 duties by the Panasonic Group's Directors

The Company shall ensure the efficiency in the performance of duties by the Panasonic Group's Directors by making the group-wide management strategies and promoting full-fledged autonomous management by Operating Companies and other subsidiaries of the Company.

e) Systems related to management of the risk of loss of the Panasonic Group

The Company shall establish the group-wide risk management rules. The Company, Operating Companies and other subsidiaries of the Company shall identify and assess risks that may affect the business management, and select material risks. The Company, Operating Companies and other subsidiaries of the Company shall ensure to make continuous improvement by taking measures against the selected material risks and monitoring the progress.

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 Directors, Audit & Supervisory Board Members, employees and other staffs within the Panasonic Group 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 moreover shall ensure opportunities and systems that enable Directors, Audit & Supervisory Board Members, employees and other staffs of Operating Companies and other subsidiaries of the Company and those who receive reports from the aforementioned, to 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 provided in the preceding paragraph, the Company shall make sure that the persons who have duly reported do not incur unfavorable treatment as a consequence of such reporting.

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

The Company shall calculate budgets on an annual basis for expenses arising with respect to the execution of duties of Audit & Supervisory Board Members to ensure effectiveness of audits, and moreover shall provide pre-payment or reimbursement in accordance with laws and regulations with respect to expenses incurred beyond amounts budgeted.

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 accounting auditors, the internal auditing group and Audit & Supervisory Board Members of the Operating Companies and of other subsidiaries of the Company, 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 reports from the subsidiaries of the Company

•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," the "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 legal compliance in the performance of duties by the Panasonic Group's Directors and employees

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, the Board of Directors Rules, and the Executive Officer Rules, and endeavors to ensure that its Directors act in accordance with laws, regulations and the Company's Articles of Incorporation. Additionally, when Directors assume their positions, the Company provides them with opportunities to acquire the knowledge necessary to fulfill their roles and obligations, and during their terms of office it continues to provide Directors with opportunities to acquire the knowledge they need, including presentations on management and compliance by external experts as required.

•The Company strengthens its supervisory functions by ensuring that at least one-third of the Board of Directors' members are Outside Directors, and by providing opportunities for the Outside Directors to actively communicate through Board of Directors' meetings and other such occasions. Moreover, the Company has also established a voluntary body, the Nomination and Compensation Advisory Committee which is chaired by an Outside Director and a majority of its members are also Outside Directors, to ensure objectivity and transparency in the process of determining the nomination and remuneration of Directors.

•The Company continues to aim for further enhancement in the effectiveness of the Board of Directors, and as part of its efforts, it conducts an annual questionnaire survey of members of the Board of Directors and 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 are conducted by Audit & Supervisory Board Members and the Audit & Supervisory Board. In addition, eighteen (18) full-time Audit & Supervisory Officers of the Operating Companies and the divisional companies of each Operating Company report directly to the Company's Audit & Supervisory Board, and duties are carried out in coordination with the Audit & Supervisory Officers at Panasonic Group companies including Operating Companies.

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

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

•The Company has established the Basic Rules for Group Compliance that clarify the basic matters related to compliance and the roles and responsibilities of the Panasonic Group.

•The Company has established internal rules such as the Panasonic Group Code of Ethics & Compliance and implements compliance initiatives and various awareness-building activities such as trainings tailored to specific employee levels and e-learnings, for its employees including Group companies.

•The Company seeks to detect improper acts at an early stage through "operational audits," "internal control audits," and "compliance audits," and by operating a global hotline that is available in multiple languages, in addition to other measures. In addition, the "Panasonic Group Code of Ethics & Compliance" and the "Rules on the Prohibition of Retaliatory Behavior against Whistleblowers, and Others" stipulate that whistleblowers shall be protected from any retaliation as a consequence of having used the hotline or other means to report violations of laws or regulations, or concerns otherwise in that regard.

•The Company has been stepping up its efforts to implement fair business practices emphasizing compliance and taking measures to react to its changing business environments accordingly by establishing organizations that perform the functions of promoting compliance and conducting compliance audit, handling business legal affairs, risk management, and administration of corporate governance.

- •The Company has established the rule of the prevention of relationships with anti-social forces, aiming to resolutely prevent any association with anti-social forces (such as organized criminal networks), and has obtained written pledges for compliance with the rule. The Employee Work Regulation clearly stipulates and confirms the prevention of any such association with anti-social forces. The Company has also established the Group-wide management system to thoroughly prevent any relationships with anti-social forces, by establishing the Business Conduct Committee and assigning persons-in-charge for preventing undue claims.

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 duties by the Panasonic Group's Directors

- •The Company expedites decision-making through the Rules of Approval for Decision-making in Important Matters, the clarification of roles between Directors and Executive Officers, the delegation of authority to Operating Companies, the holding of the Group Management Meeting and the PHD Strategy Meeting, and the implementation of an IT system that ensures the rapid and accurate collection and transmission of important management information.
- •The Company plans and implements measures to achieve the business goals it sets based on its business strategies by confirming and examining the status of progress towards the goals at the time of monthly settlement of accounts.

e) Systems related to management of the risk of loss of the Panasonic Group

- •Accurate identification of risks that may affect the business activities of the Panasonic Group, and enacting appropriate measures in response in order to achieve our business objectives and deliver more sustained and stable growth, have been positioned as important issues for management, and Group risk management activities are carried out based on the Panasonic Group Rules for Risk Management. The Company conducts a series of risk assessment processes annually where it exhaustively identifies risks that can be expected based on matters such as changes in external factors and internal factors. It evaluates them using both financial and non-financial evaluation axes, and determines the order of priority for the risks to be addressed. As the basis for this evaluation, the PHD Enterprise Risk Management Committee (PHD ERM Committee) conducts discussions from the perspectives of Panasonic Group management and business strategies and social responsibilities, and decides important risks for Group management. It also formulates and implements countermeasures to important risks, centering on the functional divisions responsible for each risk, and conducts monitoring of the progress status as it aims to make continual improvements.
- •The progress status and other information related to important risks and countermeasures are reported regularly to the Board of Directors and the PHD Strategy Meeting. Linked with the internal audit functions, audits are carried out for themes selected based on the risk assessment results.
- •Each operating company has established an Operating Company ERM Committee, and uses the same cycle to carry out risk management of each operating company group under self-responsible management.
- •In addition to the above activities, uncertain events which may become opportunities or threats for the achievement of business objectives, and which should be considered when formulating strategies and making decisions, are identified as "strategic risks." Risk management is carried out including suitable risk taking according the risk tolerance.

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 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 Audit & Supervisory Board Members in performing their duties.

- •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 Audit & Supervisory Board Members.

h) System for Directors, Audit & Supervisory Board Members, employees and other staffs within the Panasonic Group 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. Audit & supervisory officers conduct inquiries at respective Operating Companies regarding business operations and issues at such Operating Companies, and report such matters as necessary to the Company's 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 of the Group or related to the 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 the Audit & Supervisory Board Member Auditing Standards.
- •The Company also provides pre-payment or reimbursement for expenses paid under urgent or extraordinary circumstances in accordance with laws and regulations.
- •In making payment of audit expenses, 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

- •Monthly reports and liaison meetings are held with audit & supervisory officers of the Operating Companies dispatched by the Audit & Supervisory Board Members' Office.
- •The Company has established and operates the Panasonic Group Audit & Supervisory Board Members' Meeting chaired by the Company's Senior Audit & Supervisory Board Member, in order to facilitate cooperation among the Audit & Supervisory Board Members of the Company, the audit & supervisory officers of the Operating Companies, and Audit & Supervisory Board Members of Group 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, Accounting & 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, 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 2024 Panasonic had approximately 380 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 enhance 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 achieve an ideal society with affluence both in matter and mind through its business, and it aims to further create new value. The Company will also continue to address various societal issues squarely, including global environmental issues, and to 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 enhance its corporate value by providing value that satisfies all stakeholders, including shareholders, investors, customers, business partners, and employees.

(b) Measures against large-scale purchase

The Company 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.

The Company 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	4,228
			June 2001	Director, Multimedia Development Center;		
			June 2004	Executive Officer of the Company / In charge of Digital Network & Software Technology;		
			Apr. 2008	Managing Executive Officer of the Company / President, Panasonic Automotive Systems Company;		
			Apr. 2011	Senior Managing Executive Officer of the Company / President, AVC Networks Company;		
			June 2011	Senior Managing Director of the Company;		
			June 2012	President of the Company;		
			June 2017	Representative Director, President of the Company/ President of the Company / Chief Executive Officer (CEO);		
			June 2021	Director, Chairperson of the Board (current position).		

Title	Name	Date of birth	Brief personal records		Term of office	Share ownership (100 shares)
Representative Director/ President/ Group CEO/ Group CHRO	Yuki Kusumi	January 22, 1965	Apr. 1989	Joined the Company;	Note 5	2,214
			Oct. 2012	Director, TV Business Division, Network Business Group, AVC Networks Company;		
			Apr. 2014	Executive Officer of the Company / Senior Vice President, Appliances Company / In charge of Home Entertainment and Beauty Living Business / Director, Home Entertainment Business Division;		
			Nov. 2015	Vice President, Appliances Company / In charge of Home Appliances Business;		
			Apr. 2017	Vice President, Appliances Company / In charge of TV, Imaging Products Business / In charge of Major Appliances Business;		
			Jan. 2018	Vice President, Automotive & Industrial Systems Company / Director, Rechargeable Battery Business Division, SANYO Electric Co., Ltd.;		
			Apr. 2018	Vice President, Automotive & Industrial Systems Company / Director, Automotive Energy Business Division, SANYO Electric Co., Ltd.;		
			Apr. 2019	Managing Executive Officer of the Company / In charge of Automotive Segment / CEO, Automotive Company;		
			Apr. 2021	Chief Executive Officer (CEO);		
			June 2021	Representative Director, President of the Company (current position);		
			Oct. 2021	Group Chief Executive Officer (Group CEO) (current position)/ Group Chief Strategy Officer (Group CSO);		
			Apr. 2024	Group Chief Human Resources Officer (Group CHRO) (current position).		

Title	Name	Date of birth	Brief personal records		Term of office	Share ownership (100 shares)
Representative Director/ Executive Vice President/ Group Regional Head for China & Northeast Asia	Tetsuro Homma	October 28, 1961	Apr. 1985	Joined the Company;	Note 5	354
			June 2012	General Manager, Corporate Planning Group;		
			Oct. 2013	Executive Officer of the Company;		
			Apr. 2015	Managing Executive Officer of the Company; President, Appliance Company;		
			June 2015	Managing Director of the Company;		
			Apr. 2016	Senior Managing Director of the Company;		
			June 2017	Senior Managing Executive Officer of the Company;		
			Apr. 2019	CEO, China & Northeast Asia Company;		
			June 2019	Representative Director of the Company (current position);		
			Apr. 2020	Chairperson, 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	1,568
			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	903
			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/ Executive Vice President	Yoshiyuki Miyabe	December 5, 1957	Apr. 1983	Joined the Company;	Note 5	1,675
			Apr. 2008	Executive Officer of the Company;		
			Apr. 2011	Managing Executive Officer of the Company;		
			June 2011	Managing Director of the Company;		
			Apr. 2013	President, AVC Networks Company;		
			Apr. 2014	Senior Managing Director of the Company;		
			June 2017	Senior Managing Executive Officer of the Company / Chief Technology Officer (CTO) / Chief Manufacturing Officer (CMO) / Chief Quality Officer (CQO) / Chief Procurement Officer (CPO) / Chief Information Officer (CIO);		
			Apr. 2022	Executive Vice President of the Company (current position);		
			June 2022	Director of the Company (current position).		

Title	Name	Date of birth	Brief personal records		Term of office	Share ownership (100 shares)
Director/ Executive Officer/ Group GC	Ayako Shotoku	June 10, 1968	Apr. 1991	Joined the Company;	Note 5	211
			Oct. 2021	Managing Officer, General Counsel (GC), Automotives Company; Chief Risk Management Officer (CRO), Director of Legal Affairs Center / In charge of Legal Strategy, Corporate Strategy and Technology Sector;		
			Apr. 2022	Executive Officer of the Company (current position) / Group General Counsel (Group GC) (current position);		
			June 2022	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 July 2009 July 2014 Jun. 2015 July 2018 Nov. 2020 June 2023	Joined the Ministry of International Trade and Industry (currently the Ministry of Economy, Trade and Industry); Executive Managing Director, Innovation Network Corporation of Japan; Deputy Chief, TEPCO-NDF Liaison Office, Nuclear Damage Compensation Facilitation Corporation; Concurrently Executive Officer, Tokyo Electric Power Company, Incorporated; Director and Executive Officer, Tokyo Electric Power Company, Incorporated; Director-General, Commerce and Information Policy Bureau, Ministry of Economy, Trade and Industry; Representative Director, Nishiyama Research Institute, Inc. (current position); Director of the Company (current position).	Note 5	-
Director	Kunio Noji	November 17, 1946	June 2007 Apr. 2013 June 2019	President and Representative Director, and CEO, Komatsu Ltd.; Representative Director and Chairperson of the Board, Komatsu Ltd.; Senior Advisor, Komatsu Ltd. (current position)/ Director of the Company (current position).	Note 5	50
Director	Michitaka Sawada	December 20, 1955	June 2012 June 2020 Jan. 2021 Mar. 2024	Representative Director, President and Chief Executive Officer, Kao Corporation; Director of the Company (current position); Director, Chair, Kao Corporation; Senior Advisor, Kao Corporation (current position).	Note 5	-
Director	Ryusuke Shigetomi	October 10, 1961	June 2016 Nov. 2021 June 2024	Managing Executive Officer, Head of Telecom Media Technology Group, Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.; Chairperson and Representative Director of the Black Stone Group Japan K.K.(current position); Director of the Company (current position).	Note 5	-

Title	Name	Date of birth	Brief personal records		Term of office	Share ownership (100 shares)
Director	Kazuhiko Toyama	April 15, 1960	Apr. 2003 Apr. 2007 June 2016 Oct. 2020 Dec. 2020	Senior Representative Director (COO), Industrial Revitalization Corporation of Japan; Representative Director (CEO), Industrial Growth Platform, Inc.; Director of the Company (current position); Chairperson, Industrial Growth Platform, Inc. (current position); Representative Director, President, Japan Platform of Industrial Transformation, Inc. (current position).	Note 5	200
Senior Audit & Supervisory Board Member	Hidetoshi Baba	June 7, 1963	Apr. 1987 Apr. 2008 Aug. 2010 Apr. 2016 Oct. 2020 Apr. 2022 June 2023	Joined Kyushu Matsushita Electric Co., Ltd.; Director and Vice President, Panasonic Communications (Malaysia) Sdn Bhd; Vice President, Panasonic System Networks Europe; Managing Officer, AVC Networks Company of the Company, Director, Accounting Center; General Manager, Audit Division of the Company; Executive, in charge of Internal Auditing of the Company; General Manager, Internal Auditing Department, Panasonic Operational Excellence Co., Ltd.; Senior Audit & Supervisory Board Member of the Company (current position).	Note 6	55
Senior Audit & Supervisory Board Member	Yoshiaki Tokuda	October 19, 1964	Apr. 1989 Apr. 2006 Apr. 2022 June 2024	Joined the Company; Director, Intellectual Property Center, Panasonic Mobile Communications Co., Ltd.; Director, Intellectual Property Center of the Company; Executive Officer, Panasonic Operational Excellence Co., Ltd./in charge of Intellectual Property; Senior Audit & Supervisory Board Member of the Company (current position).	Note 7	73

Title	Name	Date of birth	Brief personal records		Term of office	Share ownership (100 shares)
Audit & Supervisory Board Member	Akihiro Eto	April 7, 1960	Jan. 2019 Mar. 2019 July 2020 Nov. 2021 Dec. 2021 June 2022	COO and Representative Executive Officer, President, Bridgestone Corporation; Director, COO and Representative Executive Officer, President, Bridgestone Corporation; Director, Bridgestone Corporation; Member of the Supervisory Board and its Audit Committee, Daimler Truck AG (current position); Member of the Supervisory Board and its Audit Committee, Daimler Truck Holding AG (current position); Audit & Supervisory Board Member of the Company (current position).	Note 8	-
Audit & Supervisory Board Member	Akihiko Nakamura	May 14, 1957	Sep. 1986 July 1998 Apr. 2000 Sep. 2006 July 2017 June 2022	Registered as Certified Public Accountant (Japan) (current position); Representative Partner, Aoyama Audit Corporation, Partner, PricewaterhouseCoopers Co., Ltd. (PwC); Representative Partner, ChuoAoyama Audit Corporation; Representative Partner, Aarata Kansa Hojin (current PricewaterhouseCoopers Japan LLC); President, Akihiko Nakamura CPA Office (current position); Audit & Supervisory Board Member of the Company (current position).	Note 8	-
Audit & Supervisory Board Member	Setsuko Yufu	March 28, 1952	Apr. 1981 Sep. 1986 Jan. 2002 June 2020	Registered as Attorney at Law (Japan) (current position); Joined Loeff Claeys Verbeke (Brussels) (now Allen & Overy (Brussels)); Partner, Atsumi & Usui (now Atsumi & Sakai Janssen Foreign Law Joint Enterprise) (current position); Audit & Supervisory Board Member of the Company (current position).	Note 7	-
Total						11,535

(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, Ryusuke Shigetomi, and Kazuhiko Toyama 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, 2024, shall expire at the conclusion of the Ordinary General Meeting of Shareholders for the year ending March 31, 2025.
6. 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.

7. The term of office of Yoshiaki Tokuda 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, 2024, shall expire at the conclusion of the Ordinary General Meeting of Shareholders for the year ending March 31, 2028.
8. The term of office of Akihiro Eto and Akihiko Nakamura, Audit & Supervisory Board Members, which commenced from the conclusion of the Ordinary General Meeting of Shareholders for the year ended March 31, 2022, shall expire at the conclusion of the Ordinary General Meeting of Shareholder for the year ending March 2026.
9. Main responsibilities and position are provided in the Title column.

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

Title	Name	Responsibility
President	Yuki Kusumi	Group Chief Executive Officer (Group CEO) Group Chief Human Resources Officer (Group CHRO)
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 and General Affairs and Social Relations 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 and General Affairs
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, PanasonicWELL
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) In Charge of Construction Safety and Regulations Administration
Executive Officer	Kazuyo Sumida	Group Chief Strategy Officer (Group CSO) General Manager, Corporate Planning Group
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. Ryusuke Shigetomi, an Outside Director of the Company, is a Chairperson and Representative Director of the Black Stone Group Japan K.K. Although the Black Stone Group Japan K.K. is one of the shareholders of Panasonic, Mr. Shigetomi does not have any other noteworthy relationships with the Company.

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, eighteen (18) 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 17 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, and shared the results of on-site inspections, compliance issues, and the status of sustainability efforts. The A&SB inspected the records of approval of important decisions, checked the contents of reports made to the Audit Report System and responses to the reports, and confirmed the contents of non-assurance services of accounting auditors. 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, 2024, and each meeting took three (3) hours and sixteen (16) minutes. The attendance rate was 100% (Senior A&SB Members: 100%, Outside A&SB Members: 100%).

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

Classification	Name	Number of meetings held during the term	Number of attendance	Attendance Rate	Remarks
Senior A&SB Member	Toshihide Tominaga	3	3	100%	Retired on June 26,2023
Senior A&SB Member	Eiji Fujii	13	13	100%	—
Senior A&SB Member	Hidetoshi Baba	10	10	100%	Elected on June 26,2023
Outside A&SB Member	Akihiro Eto	13	13	100%	—
Outside A&SB Member	Akihiko Nakamura	13	13	100%	—
Outside A&SB Member	Setsuko Yufu	13	13	100%	—

2) Status of internal audits

(Audit policy)

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

(Audit organization and personnel)

The internal audits of the Group are conducted based on an audit plan developed for each of the fiscal years under the approval of the Group CEO, the Group CFO, and the "Internal Audit Committee" according to the types of audits. In accordance with the condition identified from the audits, managers of the audit department reports the results of audits to the Board of Directors, the A&SB, the Group CEO, the Group CFO, and the departments concerned. The "Internal Auditing Department" of Panasonic Operational Excellence Co., Ltd. has 20 personnel and the "Internal Control Promotion Office" which supervises internal control over financial reporting has 18 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 21 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 71 certified public accountants and 97 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, 2024. 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, 2024		Fiscal year ended March 31, 2023	
	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	468	49	484	17
Consolidated subsidiaries	912	10	911	9
Total	1,380	59	1,395	26

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 sustainability reporting for the year ended March 31, 2024 and advisory services related to taxation for the year ended March 31, 2023.

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

Category	Fiscal year ended March 31, 2024		Fiscal year ended March 31, 2023	
	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	—	213	—	107
Consolidated subsidiaries	3,038	1,078	2,488	587
Total	3,038	1,291	2,488	694

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, 2024 and 2023.

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, 2024 and 2023.

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

① Matters regarding policies for determining the amount of an officers' compensation etc. or the calculation method.

(a) Compensation system and its overview

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

The compensation system is as outlined below.

<table>
<tr><th colspan="2">Element of compensation</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 compensation)</td><td>・Fixed compensation 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 compensation
(Monetary compensation)</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 compensation
(Non-monetary compensation)</td><td>・Compensation in the form of shares with transfer restrictions are lifted immediately after termination of service as a director of the Company etc.
・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 compensation 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 compensation, etc.

The actual amount paid as performance-based compensation 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.).

<table>
<tr><th rowspan="3">Evaluation element</th><th colspan="4">Short term incentive</th></tr>
<tr><th rowspan="2">Indicators and items</th><th rowspan="2">Range of the actual paid amount</th><th colspan="2">Weight</th></tr>
<tr><th>Representative Director and President Executive officer</th><th>Other directors</th></tr>
<tr><td>Financial (Consolidated business performance)</td><td>・EBITDA (Note 1)
・ROE
・Operating cash flow</td><td>0% to 200%</td><td>60%</td><td>50%</td></tr>
<tr><td>Non-financial (Note 2)</td><td>・Elimination of serious accidents and promotion of strict compliance
・Environmental contribution
・Human resources strategies
・Operation KPIs relating to enhancement of competitiveness</td><td>0% to 200%</td><td>40%</td><td>50%</td></tr>
<tr><td colspan="3">Total weight</td><td>100%</td><td>100%</td></tr>
</table>

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, targets are set and evaluations against them are performed subsequent to interviews with the Representative Director and President. More specifically, distinct indicators and targets relating thereto are set after interviews at the beginning of each relevant fiscal year, and evaluations are performed during interviews following completion of the year, after confirming progress toward the targets during mid-term interviews.
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 Compensation Advisory Committee.

(c) The details of the non-Monetary compensation
Restricted shares as compensation

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 compensation, etc.
Compensation to directors and A&SB members is subject to the maximum total compensation 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 compensation to each individual and the number of restricted shares granted as compensation to each individual in each fiscal year, the Nomination and Compensation Advisory Committee affirms their conformity to the compensation 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.
Compensation to A&SB members is determined by A&SB members, subject to the maximum total compensation to all A&SB members that is approved by a shareholders meeting's resolution.
The same compensation 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 compensation 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 Compensation Advisory Committee.

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

(in millions of yen)

Classification	Number of remunerated persons (persons)	Total amount of compensation, etc.				
		Total amount	Base salary	Short term incentive	Mid-term incentive	Restricted shares as compensation
Directors (other than Outside Directors)	7	1,078	561	215	87	215
A&SB members (other than Outside A&SB members)	3	90	90	-	-	-
Outside Directors	6	107	107	-	-	-
Outside A&SB Members	3	51	51	-	-	-

(Notes)
1. The total amount of compensation, etc. stated above includes one A&SB member who left their position at the conclusion of the 116th annual shareholders meeting on June 26, 2023.
2. The stated amount of performance-based compensation and restricted shares as compensation is the amount recognized as expenses in the current fiscal year.
3. With regard to restricted shares as compensation, the Company issued a total of 141,700 shares to six Company directors, other than outside directors, on July 13, 2023 at a price of 1,674.5 yen per share (the closing price of the Company's common stock on the Tokyo Stock Exchange Prime Market as of June 23, 2023, the business day prior to the date of the board of directors' resolution relating to the issuance of new shares as "restricted shares as compensation").
4. The stated amounts are after rounding off to the nearest millions.

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

(in millions of yen)

Name	Classification	Total amount of compensation etc.				
		Total amount paid	Base salary	Short term incentive	Mid-term incentive	Restricted shares as compensation
Kazuhiro Tsuga	Director	125	100	-	-	25
Yuki Kusumi	Director	259	104	42	20	93
Tetsuro Homma	Director	138	83	40	15	-
Mototsugu Sato	Director	169	79	43	15	32
Hirokazu Umeda	Director	162	78	38	15	31
Yoshiyuki Miyabe	Director	139	69	33	13	24

(Notes)

1. The amount stated for performance-based compensation and restricted shares as compensation represents the expenses recognized in the current fiscal year.
2. Though compensation 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 25 million yen out of the amount stated 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 73 million yen out of the amount actually paid in the current fiscal year listed above (base salary: 47 million yen, short term incentive: 26 million yen) is paid by the Company.

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

The table below shows major indicator targets and results.

(Unit: 100 million yen)

Amount linked to fiscal 2023 business performance			Amount linked to fiscal 2024 business performance		
Major indicator (Consolidated business performance)	fiscal 2023 target (Initially announced figure)	fiscal 2023 result	Major indicator (Consolidated business performance)	fiscal 2024 target (Initially announced figure)	fiscal 2024 result
EBITDA	7,900	7,184	EBITDA	8,800	8,059
ROE	8.0%	7.8%	ROE	9.0%	10.9%

(Notes) The amount linked to fiscal 2024 business performance included in short-term incentive will be paid after July 2024 based on the results of non-financial evaluations, as well as the table above.

(c) Determination of compensation in the current fiscal year

Five members of the Nomination and Compensation Advisory Committee, namely, Outside Director Michitaka Sawada (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 compensation 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 compensation, and restricted shares as compensation as per the outcome of the Nomination and Compensation Advisory Committee’s discussions, and the board of directors judges verified that his decision is consistent with the compensation policies.

For the activities of the board of directors and the Nomination and Compensation 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 compensation to the directors and A&SB members is as follows.

Classification	Type of compensation	Date of resolution	Remunerated individuals	Maximum total compensation etc.	Number of remunerated individuals at the time of resolution
Directors	Monetary compensation	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 compensation (Note) (Restricted shares as compensation)	June 27, 2019 (112th annual shareholders meeting)	Directors (other than outside directors)	500 million yen (One million shares)	7 persons
A&SB members	Monetary compensation	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 compensation, 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, 2024, 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	101	8,132
Other than unlisted shares	25	52,598

(Increase in the number of securities held as of March 31, 2024)

	Number of shares held (Stock name)	Total amount acquired due to increase in number of share held (Million yen)	Reasons of increase
Unlisted shares	2	1,158	Obtain information, knowhow
Other than unlisted shares	2	2,933	・Maintenance and expansion of business competitiveness ・Stable procurement of raw materials

(Decrease in the number of securities held as of March 31, 2024)

	Number of shares held (Stock name)	Total amount sold due to decrease in number of shares held (Million yen)
Unlisted shares	2	20,689
Other than unlisted shares	5	41,095

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, 2024 Number of shares (shares) Balance sheet amount (Million yen)	As of March 31, 2023 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
PHC Holdings Corporation	9,766,836	11,266,836	Expecting independence and growth after listing	N
	12,072	16,134		
Renesas Electronics Corporation	4,166,600	4,166,600	Stable procurement of raw materials	N
	11,127	7,973		
TBS Holdings, Inc.	1,913,180	2,543,180	Maintenance and expansion of broadcasting equipment related businesses	N
	8,340	4,845		
Daiwa House Industry Co., Ltd.	1,530,000	1,530,000	Maintenance and expansion of housing / equipment related businesses	Y
	6,928	4,764		
Nouveau Monde Graphite Inc.	12,500,000	—	Stable procurement of raw materials	N
	4,334	—		
KINDEN CORPORATION	740,257	740,257	Maintenance and expansion of housing / equipment related businesses	Y
	1,996	1,181		
SANSHA ELECTRIC MFG.	807,800	1,213,300	In consideration of past collaborations	N
	1,446	1,153		
Sumitomo Real Estate Sales Co., Ltd.	243,000	243,000	Maintenance and expansion of housing / equipment related businesses	N
	1,409	725		
Toray Industries, Inc.	1,873,000	2,341,000	Stable procurement of raw materials	Y
	1,386	1,771		
EPCO Co., Ltd.	1,000,000	1,000,000	Maintenance and expansion of housing / equipment related businesses	N
	876	710		
CHUDENKO CORPORATION	200,702	200,702	Maintenance and expansion of housing / equipment related businesses	N
	615	428		
Nice Corporation	210,100	210,100	Maintenance and expansion of housing / equipment related businesses	Y
	382	286		
KYUDENKO CORPORATION	58,564	58,564	Maintenance and expansion of housing / equipment related businesses	N
	373	197		

Stock name	As of March 31, 2024 Number of shares (shares) Balance sheet amount (Million yen)	As of March 31, 2023 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
OCHI HOLDINGS CO., LTD.	146,070	146,070	Maintenance and expansion of housing / equipment related businesses	N
	247	179		
YAMAE GROUP HOLDINGS CO.,LTD	74,667	74,236	Maintenance and expansion of housing / equipment related businesses Increase of the number of shares for maintenance and expansion of business competitiveness	N
	209	134		
KUWAZAWA Holdings Corporation	167,698	167,698	Maintenance and expansion of housing / equipment related businesses	N
	155	81		
Fujii Sangyo Corporation	49,000	49,000	Maintenance and expansion of housing / equipment related businesses	Y
	132	71		
indie Semiconductor, Inc.	89,486	—	Held as consideration for acquisition of invested company	N
	96	—		
MISUMI CO., LTD.	55,000	55,000	Maintenance and expansion of appliance related businesses	N
	95	94		
Central Japan Railway Company	25,000	5,000	Maintenance and expansion of housing / equipment related businesses Increase of the number of shares for stock-split	N
	93	79		
YONDENKO CORPORATION	23,100	23,100	Maintenance and expansion of housing / equipment related businesses	N
	93	44		
e'grand Co.,Ltd	40,000	40,000	Maintenance and expansion of housing / equipment related businesses	N
	64	60		
GEOLIVE Group Corporation	46,000	46,000	Maintenance and expansion of housing / equipment related businesses	N
	63	55		
JK Holdings Co., Ltd.	55,000	55,000	Maintenance and expansion of housing / equipment related businesses	N
	59	57		
TSUCHIYA HOLDINGS CO., LTD.	41,000	41,000	Maintenance and expansion of housing / equipment related businesses	N
	10	8		
Socionext Inc.	—	2,525,000	Expecting independence and growth after listing	N
	—	24,568		

(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, 2024 Number of shares (shares) Balance sheet amount (Million yen)	As of March 31, 2023 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
	56,880	28,200		
Honda Motor Co., Ltd.	3,000,000	1,000,000	Have a right to exercise voting rights Increase of the number of shares for stock-split	Y
	5,673	3,510		

(Note) Appropriateness of holding shares listed above was assessed at the Board of Directors Meeting in March 2024 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 the Company and the 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	11	36,939
Other than unlisted shares	—	—

(Increase in the number of securities held as of March 31, 2024)

	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, 2024)

	Number of shares held (Stock name)	Total amount sold due to decrease in number of shares held (Million yen)
Unlisted shares	1	1,025
Other than unlisted shares	3	1,820

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, 2024 Number of shares (shares) Balance sheet amount (Million yen)	As of March 31, 2023 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	Creating future businesses through venture investment.	N
	—	1,413		
Proterra Inc	—	1,056,366	Creating future businesses through venture investment.	N
	—	214		
Desktop Metal, Inc.	—	622,098	Creating future businesses through venture investment.	N
	—	191		

(Note) Appropriateness of holding shares listed above was assessed at the Board of Directors Meeting in March 2024 by the method described in the 2) a, and the list above does not indicate the effects of quantitative holding of individual stocks.
"—" in the above list indicates that the Company does not hold any applicable 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, 2024 and 2023

	Yen (millions)	
	March 31 2024	March 31 2023
Assets		
Current assets:		
Cash and cash equivalents (Note 5)	1,119,625	819,499
Trade receivables and contract assets (Note 6 and 23)	1,361,050	1,322,593
Other financial assets (Note 12)	227,456	169,665
Inventories (Note 7)	1,208,898	1,288,751
Other current assets (Note 14)	235,729	202,377
Total current assets	4,152,758	3,802,885
Non-current assets:		
Investments accounted for using the equity method (Note 11)	423,981	401,219
Other financial assets (Note 12)	207,394	242,672
Property, plant and equipment (Note 8 and 28)	1,559,041	1,172,376
Right-of-use assets (Note 9 and 28)	270,728	238,833
Goodwill and intangible assets (Note 10 and 28)	1,983,833	1,796,236
Deferred tax assets (Note 13)	376,910	249,964
Other non-current assets (Note 14 and 24)	436,550	155,342
Total non-current assets	5,258,437	4,256,642
Total assets	9,411,195	8,059,527

PANASONIC HOLDINGS CORPORATION
AND SUBSIDIARIES
Consolidated Statements of Financial Position (Continued)
March 31, 2024 and 2023

	Yen (millions)	
	March 31	March 31
	2024	2023
Liabilities and Equity		
Current liabilities:		
Short-term debt, including current portion of long-term debt (Note 15)	262,099	159,231
Lease liabilities (Note 31)	68,760	59,895
Trade payables (Note 16)	1,166,155	1,156,909
Other payables and accrued expenses	524,194	506,062
Other financial liabilities (Note 19)	148,158	146,213
Income taxes payable	66,760	57,139
Provisions (Note 18)	138,531	148,210
Contract liabilities (Note 23)	240,209	191,356
Other current liabilities (Note 20)	506,821	448,405
Total current liabilities	3,121,687	2,873,420
Non-current liabilities:		
Long-term debt (Note 15)	1,084,037	1,050,116
Lease liabilities (Note 31)	211,383	187,865
Other financial liabilities (Note 19)	14,198	6,905
Retirement benefit liabilities (Note 17)	44,922	53,580
Provisions (Note 18)	7,057	6,582
Deferred tax liabilities (Note 13)	81,104	70,678
Contract liabilities (Note 23)	113,892	13,575
Other non-current liabilities (Note 20)	11,012	6,848
Total non-current liabilities	1,567,605	1,396,149
Total liabilities	4,689,292	4,269,569
Equity: (Note 21)		
Panasonic Holdings Corporation stockholders' equity		
Common stock	259,445	259,274
Capital surplus	508,274	515,760
Retained earnings (Note 3 and 32)	3,037,982	2,588,800
Other components of equity (Note 3 and 32)	947,512	463,764
Treasury stock	(209,137)	(209,196)
Total Panasonic Holdings Corporation stockholders' equity (Note 30)	4,544,076	3,618,402
Non-controlling interests (Note 33)	177,827	171,556
Total equity	4,721,903	3,789,958
Total liabilities and equity	9,411,195	8,059,527

PANASONIC HOLDINGS CORPORATION
AND SUBSIDIARIES
Consolidated Statements of Profit or Loss
Years ended March 31, 2024 and 2023

	Yen (millions)	
	Year ended March 31	
	2024	2023
Net sales (Note 23)	8,496,420	8,378,942
Cost of sales (Note 7, 17, 24 and 28)	(6,002,065)	(6,117,494)
Gross profit	2,494,355	2,261,448
Selling, general and administrative expenses (Note 17, 22, 25 and 28)	(2,104,356)	(1,947,371)
Share of profit (loss) of investments accounted for using the equity method (Note 11)	4,295	1,432
Other income (expenses), net (Note 17, 27 and 28)	(33,332)	(26,939)
Operating profit	360,962	288,570
Finance income (Note 29)	88,972	48,972
Finance expenses (Note 29)	(24,695)	(21,133)
Profit before income taxes	425,239	316,409
Income taxes (Note 13)	40,204	(35,853)
Net profit	465,443	280,556
Net profit attributable to:		
Panasonic Holdings Corporation stockholders	443,994	265,502
Non-controlling interests	21,449	15,054

	Yen	
Earnings per share attributable to Panasonic Holdings Corporation stockholders (Note 30)		
Basic	190.21	113.75
Diluted	190.15	113.72

PANASONIC HOLDINGS CORPORATION
AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income
Years ended March 31, 2024 and 2023

	Yen (millions)	
	Year ended March 31	
	2024	2023
Net Profit	465,443	280,556
Other comprehensive income, net of tax (Note 21)		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	53,761	7,468
Financial assets measured at fair value through other comprehensive income	16,862	8,078
Subtotal	70,623	15,546
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	505,130	248,057
Net changes in fair value of cash flow hedges	3,354	(7,482)
Subtotal	508,484	240,575
Total other comprehensive income	579,107	256,121
Comprehensive income	1,044,550	536,677
Comprehensive income attributable to:		
Panasonic Holdings Corporation stockholders	1,012,295	518,784
Non-controlling interests	32,255	17,893

PANASONIC HOLDINGS CORPORATION AND SUBSIDIARIES
Consolidated Statements of Changes in Equity
Years ended March 31, 2024 and 2023

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, 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 32)..	-	-	(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
Comprehensive income :								
Net profit..	-	-	443,994	-	-	443,994	21,449	465,443
Other comprehensive income - net of tax (Note 21)............................	-	-	-	568,301	-	568,301	10,806	579,107
Total comprehensive income................	-	-	443,994	568,301	-	1,012,295	32,255	1,044,550
Transfer to hedged non- financial assets (Note 21)..	-	-	-	(3,503)	-	(3,503)	-	(3,503)
Transfer from other components of equity to retained earnings (Note 21)................	-	-	81,050	(81,050)	-	-	-	-
Cash dividends (Note 21)..........................	-	-	(75,862)	-	-	(75,862)	(17,594)	(93,456)
Purchase of treasury stock.........................	-	-	-	-	(52)	(52)	-	(52)
Disposal of treasury stock.........................	-	(0)	-	-	3	3	-	3
Share-based payments (Note 22)..............	171	38	-	-	108	317	-	317
Transactions with non-controlling interests and other..................................	-	(7,524)	-	-	-	(7,524)	(8,390)	(15,914)
Balance as of March 31, 2024	259,445	508,274	3,037,982	947,512	(209,137)	4,544,076	177,827	4,721,903

PANASONIC HOLDINGS CORPORATION
AND SUBSIDIARIES
Consolidated Statements of Cash Flows
Years ended March 31, 2024 and 2023

	Yen (millions)	
	Year ended March 31	
	2024	2023
Cash flows from operating activities:		
Net profit	465,443	280,556
Depreciation and amortization	399,984	382,289
Impairment losses on property, plant and equipment, right-of-use assets, goodwill and intangible assets (Note 28)	18,766	2,264
Income tax expenses	(40,204)	35,853
(Increase) decrease in trade receivables and contract assets	50,554	25,797
(Increase) decrease in inventories	152,815	(120,617)
Increase (decrease) in trade payables	(22,111)	5,390
Increase (decrease) in provisions	(14,456)	10,048
Increase (decrease) in contract liabilities	136,054	12,042
Increase (decrease) in retirement benefit liabilities	(5,745)	(3,686)
Other - net (Note 24, 27 and 28)	(211,507)	(13,585)
Subtotal	929,593	616,351
Interests received	42,333	21,829
Dividend income received	3,989	3,991
Interest expenses paid	(21,805)	(21,958)
Income taxes paid	(87,212)	(99,471)
Net cash provided by (used in) operating activities	866,898	520,742
Cash flows from investing activities (Note 35):		
Purchase of property, plant and equipment	(547,470)	(289,353)
Proceeds from sale of property, plant and equipment	43,369	29,298
Purchase of intangible assets	(99,729)	(80,533)
Purchase of investments accounted for using the equity method and other financial assets	(46,837)	(37,982)
Proceeds from sale and redemption of investments accounted for using the equity method and other financial assets	89,123	36,369
Acquisition of subsidiaries, net of cash acquired	(17,460)	(14,174)
Proceeds from loss of control of subsidiaries or other businesses (Note 33)	2,709	10,901
Other - net	(2,548)	1,441
Net cash provided by (used in) investing activities	(578,843)	(344,033)

PANASONIC HOLDINGS CORPORATION
AND SUBSIDIARIES
Consolidated Statements of Cash Flows (Continued)
Years ended March 31, 2024 and 2023

	Yen (millions)	
	Year ended March 31	
	2024	2023
Cash flows from financing activities (Note 35):		
Increase (decrease) in short-term debt (Note 15)	(217)	(315,328)
Proceeds from long-term debt (Note 15)	267,166	2,394
Repayments of long-term debt (Note 15)	(153,288)	(111,164)
Payment for lease liabilities (Note 15)	(75,722)	(74,870)
Dividends paid to Panasonic Holdings Corporation stockholders (Note 21)	(75,862)	(70,019)
Dividends paid to non-controlling interests	(17,594)	(23,546)
Purchase of treasury stock	(52)	(53)
Proceeds from sales of treasury stock	3	3
Transactions with non-controlling interests	(13,038)	(3,083)
Other - net (Note 15)	(14,890)	(11,347)
Net cash provided by (used in) financing activities	(83,494)	(607,013)
Effect of exchange rate changes on cash and cash equivalents	95,565	43,930
Net increase (decrease) in cash and cash equivalents	300,126	(386,374)
Cash and cash equivalents at the beginning of the year (Note 5)	819,499	1,205,873
Cash and cash equivalents at the end of the year (Note 5)	1,119,625	819,499

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 IFRS Accounting Standards as issued by the International Accounting Standards Board 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 25, 2024 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. Material 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. Material 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 previous 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 and finance expenses 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.

The amounts of cumulative impact are stated in "Effect of hyperinflation" in the consolidated statements of changes in equity for the year ended March 31, 2023.

(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 IFRS 15, "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. For transactions that give rise to deductible temporary differences and taxable temporary differences in equal amounts at the time of the transaction, deferred tax assets and deferred tax liabilities are recognized, respectively.

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 amounts 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.

Certain of the Company's subsidiaries have introduced a Restricted Stock Unit (RSU) plan and a Profits Interest Unit (PIU) plan as incentive plans for their employees and certain executive leadership members. The cost of the RSU plan and PIU plan is measured by reference to the fair value of each unit on the grant date and recognized as expenses, considering the estimated number of units that would ultimately vest and the estimated vesting period, over the vesting period, with corresponding increase in equity. The fair value of RSUs is measured based on the enterprise value as of the grant date, with a marketability discount. The fair value of PIUs is measured based on the valuation amount calculated as of the grant date using the option pricing method, with a marketability discount. When subsequent information indicates that the estimated number of units to vest and the estimated vesting period differ from previous estimates, the estimates are revised as necessary.

(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 the Company provides a customer with a warranty 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. Material accounting policies."

・Recoverability of deferred tax assets ("13. Income taxes")
・Defined benefit obligations ("17. Employee benefits")
・Impairment of non-financial assets (including goodwill) ("28. 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 the business plans. The business plans are based on certain key assumptions such as future market trends including market growth rates for each product and service and sales expectations to major customers. 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 "33. 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 ("28. Impairment of non-financial assets")
・Assessment of whether or not there is any indication of impairment for non-financial assets ("28. Impairment of non-financial assets")
・Determination of a significant increases in credit risk of financial assets measured at amortized cost ("31. 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, 2024:

Standards and interpretations	Title	Mandatory application (from the fiscal year beginning on or after)	To be applied by the Company	Description of new standards, interpretations and amendments
IAS 1	Presentation of Financial Statements	January 1, 2024	Fiscal year ending March 31, 2025	Clarification of the requirements for the classification of liabilities as current or non-current Enhancement of disclosure related to long-term liabilities with restrictive covenants
IFRS 16	Leases	January 1, 2024	Fiscal year ending March 31, 2025	Clarification of the subsequent measurement requirements for sale and leaseback transactions
IAS 7 IFRS 7	Statement of Cash Flows Financial Instruments: Disclosures	January 1, 2024	Fiscal year ending March 31, 2025	Additional disclosures about supplier finance arrangements
IFRS 18	Presentation and Disclosure in Financial Statements	January 1, 2027	Fiscal year ending March 31, 2028	Replacement of the requirements for presentation and disclosure in financial statements set out in IAS 1

The impact of the application of the amendments to IAS 1 and IFRS 16 on the consolidated financial statements of the Company is not expected to be material. The impact of the application of the amendments to IAS 7 and IFRS 7, and application of IFRS 18 on the consolidated financial statements of the Company is currently being evaluated.

(25) Changes in accounting policy

1) IAS 12 "Income Taxes"

The Company has retrospectively applied the amendment to IAS 12 "Income Taxes" (issued in May 2021) from the beginning of the fiscal year ended March 31, 2024. As a result of applying the amended standard, the accounting at initial recognition was clarified regarding transactions that give rise to taxable temporary differences and deductible temporary differences in equal amounts at the time of transactions, such as leases and decommissioning obligations. Accordingly, the Company recognized deferred tax liabilities and deferred tax assets with respect to these taxable temporary differences and deductible temporary differences, respectively. The effect of this amendment is described in "13. Income Taxes".

2) IFRS 17 "Insurance Contracts"

The Company has retrospectively applied IFRS 17 "Insurance Contracts" from the beginning of the fiscal year ended March 31, 2024. This accounting standard prescribes consistent accounting for insurance contracts. The application of this accounting standard had no material effect on the Company’s consolidated financial statements.

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 electronic components, motors, FA devices 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 October 1, 2023, certain businesses were transferred between segments, and the segment information for the year ended March 31, 2023, as well as for the earlier periods within the year ended March 31, 2024, has been reclassified to conform to the current segment composition from October 1, 2023.

(2) Information by reportable segment

Information by reportable segment is shown in the tables below.

(i) For the year ended March 31, 2024

	Reportable segments					Other	Eliminations and adjustments	Consolidated Total
Yen (millions)	Lifestyle	Automotive	Connect	Industry	Energy			
Sales:								
External customers....	3,288,615	1,480,482	1,116,005	838,676	867,306	905,336	-	8,496,420
Intersegment.............	205,738	11,439	86,798	203,910	48,632	314,210	(870,727)	-
Total........................	3,494,353	1,491,921	1,202,803	1,042,586	915,938	1,219,546	(870,727)	8,496,420
Segment profit............	121,559	42,752	40,408	31,147	88,809	59,474	(23,187)	360,962
Depreciation and amortization (*1).......	115,851	59,224	75,337	59,760	25,633	55,965	8,214	399,984
Capital investment (*2)............................	137,820	56,471	32,743	63,383	295,496	56,647	28,333	670,893

(ii) For the year ended March 31, 2023

	Reportable segments					Other	Eliminations and adjustments	Consolidated Total
Yen (millions)	Lifestyle	Automotive	Connect	Industry	Energy			
Sales:								
External customers....	3,248,727	1,283,261	1,036,562	992,795	908,945	908,652	-	8,378,942
Intersegment.............	242,590	14,268	84,687	157,088	62,874	298,864	(860,371)	-
Total........................	3,491,317	1,297,529	1,121,249	1,149,883	971,819	1,207,516	(860,371)	8,378,942
Segment profit.............	103,350	16,225	20,428	66,796	33,225	56,742	(8,196)	288,570
Depreciation and amortization (*1).......	107,902	63,363	74,606	59,661	22,342	49,202	5,213	382,289
Capital investment (*2)............................	111,245	44,189	26,180	65,187	91,609	42,735	13,746	394,891

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

(*2) Amounts on an accrual 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. Material accounting policies".

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, 2024, and 2023 include profit and loss of the corporate headquarters (including gains on sales of certain property, plant and equipment for the year ended March 31, 2024). Adjustments also include consolidation adjustments such as impairment losses and so forth on certain goodwill acquired in business combination and 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)	
	2024	2023
Japan	3,404,518	3,279,283
Americas	2,121,939	1,984,483
Europe	978,700	928,521
Asia, China and others	1,991,263	2,186,655
Consolidated total	8,496,420	8,378,942
United States included in Americas	2,012,050	1,885,678
China included in Asia, China and others	810,472	964,731

(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	
	2024	2023
Japan	1,296,926	1,157,894
Americas	2,140,347	1,550,576
Europe	238,953	196,975
Asia, China and others	474,275	428,462
Consolidated total	4,150,501	3,333,907
United States included in Americas	2,118,087	1,527,690

(*) 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 consist of cash on hand, demand deposits withdrawable at any time and short-term investments with a maturity of three months or less, and the balances on the consolidated statements of financial position are equal to the balances on the consolidated statements of cash flows as of March 31, 2024 and 2023. 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	
	2024	2023
Trade notes receivable	48,135	49,664
Trade accounts receivable	1,161,864	1,106,521
Contract assets	163,087	180,227
Less allowance for credit losses	(12,036)	(13,819)
Total	1,361,050	1,322,593

7. Inventories

Components of inventories are as follows:

	Yen (millions)	
	March 31	
	2024	2023
Finished goods	617,129	664,187
Work in process	129,290	142,902
Raw materials	462,479	481,662
Total	1,208,898	1,288,751

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, 2024 and 2023 are 55,762 million yen and 54,176 million yen, respectively. The reversal of write-downs for the years ended March 31, 2024 and 2023 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, 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
Acquisitions..........................	133	31,785	40,702	43,224	452,160	568,004
Transfers between accounts...	20,810	40,749	85,217	27,831	(174,607)	-
Transfers to assets held for sale or other disposal...........	(1,900)	(11,172)	(4,080)	(910)	(8,221)	(26,283)
Depreciation.........................	-	(41,749)	(103,967)	(61,521)	-	(207,237)
Impairment losses.................	(116)	(246)	(4,010)	(544)	(22)	(4,938)
Exchange differences on foreign currencies...............	4,298	12,139	19,399	5,364	15,919	57,119
Balance as of March 31, 2024	216,281	394,407	406,801	123,805	417,747	1,559,041

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

"Transfers to assets held for sale or other disposal" include a decrease due to origination of finance leases as the lessor and transfers to investment property.

(2) Acquisition cost

	Yen (millions)					
	Land	Buildings and structures	Machinery and vehicles	Tools, furniture and fixtures	Construction in progress	Total
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
As of March 31, 2024......	235,966	1,423,439	2,262,195	979,749	418,165	5,319,514

(3) Accumulated depreciation and impairment losses

	Yen (millions)					
	Land	Buildings and structures	Machinery and vehicles	Tools, furniture and fixtures	Construction in progress	Total
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)
As of March 31, 2024......	(19,685)	(1,029,032)	(1,855,394)	(855,944)	(418)	(3,760,473)

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)	
	2024	2023
Expenses relating to leases		
Depreciation charge for right-of-use assets..........................	76,516	76,028
Expenses relating to short-term leases.................................	8,212	7,373
Expenses relating to leases of low-value assets....................	5,966	5,966
Expenses relating to variable lease payments (*)................	2,636	775
Interest expense on lease liabilities......................................	5,005	4,565
Income relating to leases		
Income from sub-leasing of right-of-use assets...................	1,846	1,782

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

The total cash outflow for leases in the years ended March 31, 2024 and 2023 are 97,541 million yen and 93,549 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, 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
Acquisitions	84,242	12,628	7,927	868	3,692	109,357
Transfers to assets held for sale or other disposal	(6,784)	(3)	(30)	(75)	(28)	(6,920)
Depreciation	(58,977)	(7,873)	(6,380)	(1,223)	(2,063)	(76,516)
Exchange differences on foreign currencies	9,997	487	356	26	198	11,064
Other changes	(5,477)	77	(134)	146	298	(5,090)
Balance as of March 31, 2024	237,260	12,557	11,710	5,968	3,233	270,728

The maturity analysis of lease liabilities is stated in Note "31. Financial instruments (3) Liquidity risk management."

(2) As lessor

(i) Finance leases

The Company accounts for certain machinery, vehicles and information equipments 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. The information equipments are related to solutions. With respect to the finance leases, maturity analysis of undiscounted lease payments receivable is as follows:

	Yen (millions)	
	March 31,2024	March 31,2023
Within 1 year..	1,711	1,079
Over 1 year to 2 years...........................	1,134	759
Over 2 years to 3 years.........................	861	211
Over 3 years to 4 years.........................	652	30
Over 4 years to 5 years.........................	603	-
Over 5 years..	2,988	-
Total..	7,949	2,079
Unearned finance income..................	(381)	(38)
Net investment in the lease................	7,568	2,041

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, 2024 and 2023 are 12,843 million yen and 15,258 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 31,2024	March 31,2023
Within 1 year..	2,590	2,015
Over 1 year to 2 years...........................	2,037	1,409
Over 2 years to 3 years.........................	1,710	1,378
Over 3 years to 4 years.........................	1,124	790
Over 4 years to 5 years.........................	1,006	574
Over 5 years..	2,102	1,918
Total..	10,569	8,084

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, 2024 and 2023 are 13,040 million yen and 12,831 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, 2024 and 2023.

(3) Sale and leaseback transactions

The amount of gains or losses arising from sale and leaseback transactions in the years ended March 31, 2024 and 2023 are not material.

10. Goodwill and intangible assets

(1) Carrying amounts

	Yen (millions)						
	Goodwill	Intangible assets					
		Software	Technology	Customer	Trademark	Others	Total
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
Acquisitions, including internal developments............	-	68,577	24,686	-	-	9,626	102,889
Acquisitions through business combination	15,659	-	3,375	2,730	189	—	6,294
Amortization............................	-	(43,263)	(37,927)	(26,511)	(4,364)	(4,166)	(116,231)
Impairment losses.....................	(11,455)	(132)	(2,079)	-	-	(162)	(2,373)
Exchange differences on foreign currencies....................	120,698	3,591	7,831	44,902	13,611	2,490	72,425
Disposal and others..................	-	(207)	(71)	-	-	(31)	(309)
Balance as of March 31, 2024	1,202,522	148,651	123,910	376,157	113,194	19,399	781,311

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 41,434 million yen and 37,215 million yen for the years ended March 31, 2024 and 2023, 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, 2024 and 2023 are 46,638 million yen and 42,881 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, 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
As of March 31, 2024......	1,618,998	581,066	651,756	527,579	201,264	62,495	2,024,160

(3) Accumulated amortization and impairment losses

	Yen (millions)						
		Intangible assets					
	Goodwill	Software	Technology	Customer	Trademark	Others	Total
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)
As of March 31, 2024......	(416,476)	(432,415)	(527,846)	(151,422)	(88,070)	(43,096)	(1,242,849)

(4) Individually material intangible assets

As of March 31, 2024 and 2023, "Customer" with a carrying amount of 299,554 million yen and 281,147 million yen, respectively, and a remaining amortization period of 14 years and 15 years, respectively, recognized upon the acquisition to make "Blue Yonder Holding, Inc." a wholly-owned subsidiary in fiscal 2021 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	
	2024	2023
Carrying amounts of investments	149,199	126,943

	Yen (millions)	
	2024	2023
Net profit	4,897	7,018
Other comprehensive income	2,788	1,113
Comprehensive income	7,685	8,131

(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, 2024	March 31, 2023
Current assets	636,192	557,718
Non-current assets	820,547	748,253
Total assets	1,456,739	1,305,971
Current liabilities	440,866	373,762
Non-current liabilities	666,786	588,516
Total liabilities	1,107,652	962,278
Equity	349,087	343,693
Non-controlling interest	8,325	9,233
Equity excluding non-controlling interests	340,762	334,460
Company's share of equity	170,332	167,182
Adjustments (goodwill and others)	13,201	14,328
Carrying amount of interest in joint venture	183,533	181,510

The amount of cash and cash equivalents included in current assets was 149,957 million yen and 160,581 million yen as of March 31, 2024 and 2023, respectively. The amount of current financial liabilities (excluding trade and other payables and provisions) was 203,275 million yen and 131,866 million yen as of March 31, 2024 and 2023, respectively. The amount of non-current financial liabilities (excluding trade and other payables and provisions) was 614,766 million yen and 535,140 million yen as of March 31, 2024 and 2023, respectively.

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

	Yen (millions)	
	2024	2023
Net sales	1,019,236	1,020,131
Depreciation and amortization	(55,680)	(53,854)
Finance income	2,817	2,299
Finance expenses	(22,564)	(20,771)
Income taxes	(3,873)	(5,217)
Net profit	7,555	13,730
Other comprehensive income	2,600	3,578
Comprehensive income	10,155	17,308
Net profit (at the rate of equity participation)	3,777	6,863
Adjustments	(839)	(262)
Company’s share of net profit	2,938	6,601
Company’s share of other comprehensive income	1,299	1,788
Company’s share of comprehensive income	4,237	8,389
Dividends received by the Company	3,063	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	
	2024	2023
Carrying amounts of investments	91,249	92,766

	Yen (millions)	
	2024	2024
Net profit (loss)	(3,540)	(12,187)
Other comprehensive income	505	104
Comprehensive income (loss)	(3,035)	(12,083)

12. Other financial assets

(1) Details

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

	Yen (millions)	
	March 31	
	2024	2023
Financial assets, measured at amortized cost:		
Time deposits	60,654	45,554
Accounts receivable (non-trade)	84,402	80,663
Others	40,252	49,447
Financial assets, measured at FVTPL:		
Derivatives	90,398	53,233
Financial assets, measured at FVTOCI:		
Shares	151,290	181,177
Others	286	222
Lease receivables	7,568	2,041
Total	434,850	412,337
Current assets	227,456	169,665
Non-current assets	207,394	242,672

"Lease receivables" which were included within "Others" in "Financial assets, measured at amortized cost" as of March 31, 2023, are presented as a separate line item as of March 31, 2024, and the amount as of March 31, 2023 has been reclassified accordingly.

(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	2024
PHC Holdings Corporation	12,072
Renesas Electronics Corporation	11,127
TBS Holdings, Inc	8,340
Daiwa House Industry Co., Ltd.	6,928
Nouveau Monde Graphite Inc.	4,334
Bingshan Refrigeration & Heat Transfer Technologies Co., Ltd.	2,118
Kinden Corporation...	1,996
Others	104,375
Total	151,290

Security names	Yen (millions) March 31 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

Others mainly include unlisted stocks of which the fair values as of March 31, 2024 and 2023 are 92,394 million yen and 109,090 million yen, respectively. The main unlisted stocks as of March 31, 2024 and 2023 are overseas venture capital investments.

2) Derecognition of financial assets measured at FVTOCI

During the years ended March 31, 2024 and 2023, 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)	
	2024	2023
Fair values	66,060	17,805
Accumulated gains	40,369	2,450

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 2024 and 2023 are 28,063 million yen and 1,791 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	
	2024	2023	2024	2023
Deferred tax assets:				
Inventories	60,523	54,813	5,186	54
Provisions and accrued payroll, etc.	69,431	71,106	(2,392)	5,027
Property, plant and equipment	85,789	90,570	(6,262)	3,022
Retirement benefit liabilities	12,840	14,898	(2,258)	(1,510)
Tax loss carryforwards	193,750	56,021	136,729	(9,028)
Tax credit carryforwards	15,898	34,406	(21,738)	25,906
R&D expenditures	45,120	39,392	2,933	28,449
Lease liabilities	49,065	44,567	3,919	(5,380)
Others	130,702	93,270	35,114	(3,912)
Total deferred tax assets	663,118	499,043	151,231	42,628
Deferred tax liabilities:				
Investment in securities	(32,830)	(39,047)	—	(871)
Intangible assets	(162,947)	(150,742)	12,933	9,908
Right-of-use assets	(47,385)	(43,749)	(3,067)	5,462
Others	(124,150)	(86,219)	(21,959)	(1,672)
Total deferred tax liabilities	(367,312)	(319,757)	(12,093)	12,827
Net deferred tax assets	295,806	179,286	139,138	55,455

Due to the adoption of the amendments to IAS 12, "Income Taxes" (Deferred Tax related to Assets and Liabilities arising from a Single Transaction), the Company recognized a deferred tax asset and a deferred tax liability for the initial recognition of an asset or liability in a transaction which gives rise to equal taxable and deductible temporary differences at the time of the transaction. Accordingly, "Lease liabilities" and "Right-of-use assets" which were included in "Others"(Deferred tax assets) as of and for the year ended March 31, 2023, are presented as separate line items as of and for the year ended March 31, 2024. In order to reflect these changes in presentation, the information as of and for the year ended March 31, 2023 has been reclassified accordingly.

Changes in net deferred tax assets are as follows:

	Yen (millions)	
	Year ended March 31	
	2024	2023
Deferred tax assets, net at the beginning of the year	179,286	137,808
Amounts recognized through profit or loss	139,138	55,455
Amounts recognized through other comprehensive income	(13,406)	(7,002)
Acquisitions, divestitures and others	(9,212)	(6,975)
Deferred tax assets, net at the end of the year	295,806	179,286

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, 2024 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, 2024
Deductible temporary differences	379,591
Tax loss carryforwards of which:	
expire in the years ending from March 31, 2025 through 2034	32,463
expire thereafter or do not expire	125,135
Total	157,598
Tax credit carryforwards	38,132

	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

Panasonic HD and certain of its domestic subsidiaries apply 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 342,776 million yen (inhabitant tax) and 1,421,237 million yen (enterprise tax) as of March 31, 2024, expiring from the year ending March 31, 2025 through 2034, and 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.

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 1,557,303 million yen and 1,063,172 million yen as of March 31, 2024 and 2023, 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)	
	2024	2023
Current tax expenses	98,934	91,308
Deferred tax expenses:		
Temporary differences originated and reversed	(36,196)	(42,896)
Changes in recognition of deferred tax assets	(102,942)	(12,559)
Total	(139,138)	(55,455)
Income tax expenses total	(40,204)	35,853

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 40,139 million yen and 16,903 million yen for the years ended March 31, 2024 and 2023, 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 124,139 million yen and 17,157 million yen for the years ended March 31, 2024 and 2023, respectively. In addition, the effect of the amendments to corporate tax law increased deferred tax expenses by 112 million yen for the year ended March 31, 2024.

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. Moreover, included in current tax expenses and deferred tax expenses for the year ended March 31, 2024 is an income tax benefit which is as a result of resolution to liquidate Panasonic Liquid Crystal Display Co., Ltd.("PLD"), a consolidated subsidiary, and the waiver of its debts owed to Panasonic Equity Management Japan G.K. which is also a consolidated subsidiary, as part of the liquidation procedure of PLD.

Further, the global minimum taxation (legislation pertaining to Pillar Two model rules released by the OECD, including the qualified domestic minimum top-up tax) has been enacted, or substantively enacted, in certain jurisdictions in which the Company operates, and in Japan, the Tax Reform Act of 2023 (the "Act for Partial

Amendment to the Income Tax Act, etc. (Act No. 3 of 2023)") was enacted on March 28, 2023, which includes provisions related to the establishment of a corporate tax system corresponding to the global minimum taxation. Accordingly, effective from the fiscal years beginning on or after April 1, 2024, the parent and other entities located in Japan will be additionally taxed until the effective tax rate in jurisdictions in which their subsidiaries, etc., are located reaches the minimum tax rate of 15%.

In the following fiscal years, the jurisdiction, which may be subject to the global minimum taxation, among jurisdictions in which the Company operates, is mainly the United States. If the global minimum taxation were to be applied in the current fiscal year, the profits which might be subject to the global minimum taxation and the effective tax rate calculated for those profits would be approximately 140 billion yen and -2%, respectively.

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% for the years ended March 31, 2024 and 2023. 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:

	%	
	2024	2023
Combined statutory tax rates	30.6%	30.6%
Effects of lower tax rates in foreign jurisdictions	(4.0)	(8.0)
Expenses not deductible for tax purposes	0.3	0.4
Change in unrecognized deferred tax assets	8.7	(2.4)
Effects attributable to investments in subsidiaries, etc	(29.3)	3.7
Tax credits	(2.0)	(15.3)
IRA credit recognized as a reduction from "Cost of sales" not taxable for tax purposes	(13.5)	—
Others	(0.3)	2.3
Effective tax rates	(9.5)%	11.3%

14. Other assets

Components of other assets are as follows:

	Yen (millions)	
	March 31	
	2024	2023
Advance payments	29,058	32,499
Prepaid expenses	69,784	51,197
Consumption tax receivables	57,364	39,146
Income taxes receivable	76,609	71,446
Retirement benefit assets	99,651	28,880
Investment property	38,019	39,360
Government grants (*1)	197,013	-
Others	104,781	95,191
Total	672,279	357,719
Current assets	235,729	202,377
Non-current assets	436,550	155,342

(*1) The expected amounts of government grants that is expected to be monetized by direct refunds from the government under the Inflation Reduction Act in the U.S. are reported as other assets until received and presented as a part of "Other non-current assets" as of March 31, 2024.

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, 2024		
	Book value	Average interest rate (%) (*1)	Due
Current liabilities:			
Current portion of bonds (*2)	251,369	-	-
Short-term borrowings	5,916	7.0	-
Current portion of long-term borrowings	4,814	1.5	-
Total current liabilities	262,099	-	-
Non-current liabilities:			
Bonds (*2)	1,082,788	-	Year ended March 31, 2026 - 2082
Long-term borrowings	1,249	1.4	Year ended March 31, 2026 - 2030
Total non-current liabilities	1,084,037	-	-
Total	1,346,136	-	-

	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	-	-

(*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 31,2024	March 31,2023	Interest rate (%)	Due (Year ended March 31)
14th Unsecured Straight bond	100,000	100,000	0.934	2025
16th Unsecured Straight bond	-	70,000	0.300	2024
17th Unsecured Straight bond	130,000	130,000	0.470	2027
USD-denominated senior notes due 2024 (*3)	151,410	133,530	2.679	2025
USD-denominated senior notes due 2029 (*3)	75,705	66,765	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	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
24th Unsecured Straight bond	145,000	-	0.709	2029
25th Unsecured Straight bond	30,000	-	1.051	2031
26th Unsecured Straight bond	85,000	-	1.342	2034

(*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 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 "31. 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, 2024 and 2023 are as follows:

	Yen (millions)					
	Borrowings	Bonds	Lease liabilities	Other financial liabilities	Derivatives (*1)	Total
Balance as of March 31, 2023	12,094	1,197,253	247,760	37,684	(30,614)	1,464,177
Changes from financing cash flows	(2,930)	109,282	(75,722)	(7,581)	-	23,049
Non-cash changes:						
New leases, etc	-	-	103,339	-	-	103,339
Acquisitions and divestitures	1,790	-	(133)	-	-	1,657
Foreign currency exchange differences	1,246	26,820	12,301	3,010	-	43,377
Other changes	(221)	802	(7,402)	-	(28,797)	(35,618)
Balance as of March 31, 2024	11,979	1,334,157	280,143	33,113	(59,411)	1,599,981

(*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, 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.

(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, 2024 and 2023 are not material.

16. Trade payables

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

	Yen (millions)	
	March 31	
	2024	2023
Trade notes payable	277,369	228,750
Trade accounts payable	888,786	928,159
Total	1,166,155	1,156,909

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)	
	2024	2023
Beginning balance	1,201,864	1,395,578
Service cost	7,165	7,323
Interest cost	18,480	14,025
Remeasurements of defined benefit obligations:		
Actuarial gains and losses arising from changes in demographic assumptions	(1,538)	(469)
Actuarial gains and losses arising from changes in financial assumptions	(28,649)	(84,567)
Other	3,700	1,037
Benefits paid	(127,234)	(118,822)
Foreign currency exchange differences	19,268	9,340
Settlements	(6,728)	(22,024)
Effect of business combinations and disposals	-	443
Ending balance	1,086,328	1,201,864

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, 2024 and March 31, 2023 are 10 years and 11 years, respectively.

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

	March 31,2024	March 31,2023
Discount rate..........................	1.9%	1.5%

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 31,2024	March 31,2023
0.5% increase..........................	47,205 (decrease)	54,744 (decrease)
0.5% decrease..........................	51,088 (increase)	57,843 (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 30% for equity instruments, approximately 30% for debt instruments, and approximately 40% 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)	
	2024	2023
Beginning balance	1,177,164	1,356,229
Interest income	18,357	13,935
Remeasurements of plan assets:		
Return on plan assets	93,775	(72,348)
Employer contributions	11,954	8,187
Benefits paid	(124,520)	(116,761)
Foreign currency exchange differences	16,668	7,404
Settlements	(6,728)	(19,482)
Ending balance	1,186,670	1,177,164

The Company plans to contribute 8,439 million yen to the plans in the year ending March 31, 2025.

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

	Yen (millions)		
	March 31, 2024		
	With quoted market price in an active market	With no quoted market price in an active market	Total
Cash and cash equivalents	44,881	-	44,881
Equity instruments:			
Japanese companies	87,223	-	87,223
Foreign companies	13,652	-	13,652
Commingled funds*1	-	265,926	265,926
Debt instruments:			
Government and municipal bonds	51,866	-	51,866
Commingled funds*2	-	297,005	297,005
Life insurance company general accounts	-	306,771	306,771
Other*3	-	119,346	119,346
Total	197,622	989,048	1,186,670

	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

*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

Changes in the effect of asset ceiling are as follows:

	Yen (millions)	
	March 31	
	2024	2023
Beginning balance	-	-
Interest income	-	-
Remeasurements of asset ceiling:		
Changes in the effect of asset ceiling	45,613	-
Ending balance	45,613	-

Note: 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 refunds from the plan or reductions in future contributions to the 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	
	2024	2023
Present value of defined benefit obligations	1,086,328	1,201,864
Fair value of plan assets	1,186,670	1,177,164
Effect of asset ceiling	45,613	-
Total	(54,729)	24,700
Amount recognized :		
Retirement benefit liabilities	44,922	53,580
Retirement benefit assets	99,651	28,880
Net amount	(54,729)	24,700

(2) Defined contribution plans

The amounts of expenses recorded with regard to defined contribution plans were 36,160 million yen and 35,979 million yen for the years ended March 31, 2024 and 2023, 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 1,779,602 million yen and 1,737,373 million yen for the years ended March 31, 2024 and 2023, respectively. In addition, the amounts of employee benefit expenses included in "Other income (expenses), net" were a loss of 11,546 million yen and 10,554 million yen for the years ended March 31, 2024 and 2023, 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, 2023......	47,294	6,982	100,516	154,792
Additions....................................	25,919	14,272	37,555	77,746
Utilized.......................................	(29,128)	(18,434)	(39,654)	(87,216)
Others...	2,003	-	(1,737)	266
Balance as of March 31, 2024.......	46,088	2,820	96,680	145,588

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

	Yen (millions)	
	March 31	
	2024	2023
Current liabilities..........................	138,531	148,210
Non-current liabilities..................	7,057	6,582
Total..	145,588	154,792

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, 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.

19. Other financial liabilities

Components of other financial liabilities are as follows:
"Notes payable facilities" which were included in "Others" of Financial liabilities measured at amortized cost for the year ended March 31, 2023, are presented as a separate line item because their materiality has increased in the year ended March 31, 2024. In order to reflect this change in presentation, the information for the year ended March 31, 2023 has been reclassified to conform to the presentation for the year ended March 31, 2024.

	Yen (millions)	
	March 31	
	2024	2023
Financial liabilities, measured at amortized cost:		
Deposits received	86,273	97,905
Notes payable facilities	14,683	7,554
Long-term other payables	488	6,327
Others	31,654	21,751
Financial liabilities, measured at FVTPL:		
Derivative liabilities	22,284	19,581
Others	6,974	-
Total	162,356	153,118
Current liabilities	148,158	146,213
Non-current liabilities	14,198	6,905

20. Other liabilities

Components of other liabilities are as follows:

	Yen (millions)	
	March 31	
	2024	2023
Accrued payroll, etc	248,553	230,361
Refund liabilities	180,435	108,367
Consumption taxes payable	25,093	68,003
Others	63,752	48,522
Total	517,833	455,253
Current liabilities	506,821	448,405
Non-current liabilities	11,012	6,848

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:

	2024	2023
Net cash (millions of yen, *1).........................	(445,697)	(591,424)
Shareholder's equity ratio...............................	48.3%	44.9%
Return on equity...	10.9%	7.8%
Free cash flow (millions of yen, *2).............	288,055	176,709
Capital investment (millions of yen, *3)..........	568,004	309,072
Depreciation (millions of yen, *4)..................	207,237	196,626

(*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	
	2024	2023
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........................	2,454,056,597	2,453,866,297
Changes during the period (*1).............................	204,700	190,300
Balance at the end of the year.................................	2,454,261,297	2,454,056,597

(*1) The reason of increase during the year ended March 31, 2024 and 2023 is the issuing of restricted stock.

The number of shares of treasury stock included in the above number of shares issued was 119,915,128 shares and 119,943,749 shares as of March 31, 2024 and 2023, respectively. The number of shares of common stock held by the associates was 14,828,453 shares as of March 31, 2024 and 2023.

(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 209,359 million yen and 209,418 million yen are restricted as of March 31, 2024 and 2023, 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, 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
Arising during the period:					
Pre-tax amount..........................	74,649	20,268	505,798	11,071	611,786
Income tax (expense) benefit....	(20,888)	(3,406)	-	(3,387)	(27,681)
Net-of-tax amount.....................	53,761	16,862	505,798	7,684	584,105
Reclassification to profit or loss:					
Pre-tax amount..........................	-	-	(668)	(6,232)	(6,900)
Income tax (expense) benefit....	-	-	-	1,902	1,902
Net-of-tax amount.....................	-	-	(668)	(4,330)	(4,998)
OCI (loss), net of tax.....................	53,761	16,862	505,130	3,354	579,107
OCI (loss) attributable to non-controlling interests, net-of-tax..................................	774	1,509	8,551	(28)	10,806
Transfer to hedged non-financial assets..	-	-	-	(3,503)	(3,503
Transfer to retained earnings........	(52,987)	(28,063)	-	-	(81,050)
Balance as of March 31, 2024	-	24,718	928,571	(5,777)	947,512

(5) Dividends

1) Dividends for the year ended March 31, 2024 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, 2023	Common stock	35,012	Retained earnings	15.0	March 31, 2023	June 2, 2023
Board of Directors meeting held on October 30, 2023	Common stock	40,850	Retained earnings	17.5	September 30, 2023	November 30, 2023

(ii) Cash dividends resolved in respect of the year ended March 31, 2024 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 9, 2024	Common stock	40,851	Retained earnings	17.5	March 31, 2024	June 3, 2024

2) 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

22. Share-based payment plans

(1) Share-based payment plans of Panasonic HD

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 allotment agreement, the Director or Executive Officer makes contribution in kind with all the monetary compensation receivables awarded by Panasonic HD, and in turn receives Panasonic HD’s common shares newly issued or disposed of from treasury. The transfer restriction period is from the date of allocation until immediately after the applicable director/officer ceases to serve, as a result of resignation or separation, as a Director of Panasonic HD, an Executive Officer of Panasonic HD not concurrently serving as a Director of Panasonic HD, a Fellow of Panasonic HD, a Director or Executive Officer at a subsidiary of Panasonic HD, or in a position predetermined by Panasonic HD's Board of Directors. The transfer restriction period for shares issued on or before July 2022 is a period of three to 30 years from the date of allocation specified by Panasonic HD's Board of Directors in advance. Furthermore, any allocated shares for which the transfer restrictions are not lifted at the expiration of the transfer restriction period or at the point of transfer restriction removal shall be acquired by the company without compensation.

The information about restricted shares that were granted during the years ended March 31, 2024 and 2023 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 23, 2023 and on June 22, 2022, one business day prior to the resolution of the Board of Directors.

	Year ended March 31	
	2024	2023
Grant date..	July 13, 2023	July 13, 2022
Number of shares of restricted stock granted (common stock)..	204,700 share	190,300 share
Fair value at grant date (per share)..................	1,674.5 yen	1,108.0 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, 2024 and 2023 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			
	2024		2023	
	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	6,990	1	7,699	1
Granted	-	-	-	-
Forfeited	-	-	-	-
Exercised	(622)	1	(709)	1
Expired	-	-	-	-
Outstanding at the end of the year	6,368	1	6,990	1
Exercisable at the end of the year	5,552	1	6,174	1

The weighted average share prices at the exercise date of stock options exercised during the years ended March 31, 2024 and 2023 are 1,457 yen and 1,143 yen per share, respectively. The exercise price of exercisable stock acquisition rights in the years ended March 31, 2024 and 2023 is 1 yen each. In the years ended March 31, 2024 and 2023, the weighted average remaining contractual terms for outstanding stock acquisition rights at the year-end are 7.6 years and 8.4 years, respectively, and for exercisable stock acquisition rights at the year-end are 5.7 years and 6.6 years, respectively.

(2) Share-based payment plans of consolidated subsidiaries

1) Restricted Stock Unit (RSU) plan

Certain of the Company's subsidiaries have introduced a Restricted Stock Unit (RSU) plan for certain of its employees with the aim of providing incentives for sustainable improvement of the corporate value.

Under the plan, each of the eligible employees shall enter into a restricted stock unit agreement and is granted the RSUs on the grant date. The RSUs become vested upon satisfaction of certain performance conditions specified in the agreement. Upon vesting, each RSU is settled in exchange for non-voting shares of certain of the Company's subsidiaries or in certain circumstances in cash or other assets. The performance conditions will be satisfied by fulfilling the employment throughout the period from the grant date to the dates specified in the restricted stock unit agreement, and after a certain period of time has passed following the occurrence of an initial public offering on any stock exchange of shares of certain of the Company's subsidiaries or when certain qualified transactions occur. The restricted stock unit agreement includes certain terms, such as that any unvested RSUs shall be forfeited when employment terminates prior to the vesting date and other certain causes occur, and when certain qualified transactions occur certain of the Company's subsidiaries may purchase all or part of the RSUs at the fair value of the unit at that time.
Related expenses are recognized once the satisfaction of the performance conditions is deemed probable for the portion of expenses related to the period from the grant date to such date, and thereafter over the remaining vesting period.

The information about RSUs that were granted during the year ended March 31, 2024 is set out below.
The fair value per unit of RSUs at the date of grant was measured based on the enterprise value as of the grant date with a marketability discount. Expected dividends were not incorporated into the measurement of the fair value.

	Year ended March 31
	2024
Grant date	February 14, 2024
Number of RSU granted	474,929 unit
Fair value at grant date (per unit)	566.91 US dollar

Change in the number of RSUs is as follows:

	Year ended March 31
	2024
	Number of units
Outstanding at the beginning of the year	-
Granted	474,929
Forfeited	-
Exercised	-
Outstanding at the end of the year	474,929
Exercisable at the end of the year	-

2) Profits Interest Unit (PIU) plan

Certain of the Company's subsidiaries have introduced a Profits Interest Unit (PIU) plan for certain of its executive leadership members with the aim of providing incentives for sustainable improvement of the corporate value.

Under the plan, each of the eligible members shall enter into a unit subscription agreement and is granted PIUs on the grant date. The PIUs become vested upon satisfaction of certain performance conditions specified in the agreement. Upon vesting, each PIU is settled in exchange for non-voting shares of certain of the Company's subsidiaries with the exchange ratio determined based on the fair value as of the vesting date or in certain circumstances in cash or other assets. The performance condition will be satisfied by providing services throughout the period from the grant date to the dates specified in the unit subscription agreement, and after a certain period of time has passed following the occurrence of an initial public offering on any stock exchange of shares of certain of the Company's subsidiaries or when certain qualified transactions occur. The unit subscription agreement includes certain terms, such as that any unvested units shall be forfeited when the service terminates prior to the vesting date and other certain causes occur, and when certain qualified transactions occur, certain of the Company's subsidiaries may purchase all or part of the PIUs at the fair value of the unit at that time.
Related expenses are recognized once the satisfaction of the performance conditions is deemed probable for the portion of expenses related to the period from the grant date to such date, and thereafter over the remaining vesting period.

The information about PIUs that were granted during the year ended March 31, 2024 is set out below.
The fair value per unit of PIUs at the date of grant was measured based on the valuation as of the grant date using the option pricing method, with a marketability discount. Expected dividends were not incorporated into the measurement of the fair value.

	Year ended March 31
	2024
Grant date	February 1, 2024
Number of PIU granted	396,893 unit
Fair value at grant date (per unit)	340.75 US dollar

Change in the number of PIUs is as follows:

	Year ended March 31
	2024
	Number of units
Outstanding at the beginning of the year	-
Granted	396,893
Forfeited	-
Exercised	-
Outstanding at the end of the year	396,893
Exercisable at the end of the year	-

(3) Stock-based compensation expenses

Stock-based compensation expenses in the years ended March 31, 2024 and 2023 are 318 million yen and 210 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, 2024 and 2023, sales on the consolidated statements of profit or loss were 8,496,420 million yen and 8,378,942 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" 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," includes products such as the solution business of Gemba Solution Company and SCM software.

The products of Industry are categorized into "Electronic Devices," "FA Solutions," "Electronic Materials" and "Other." "Electronic Devices" includes products such as capacitors (conductive polymer capacitors, film capacitors for xEV, and hybrid aluminum electrolytic capacitors) and EV relays. "FA Solutions" includes products such as industrial motors (motors for industrial application (servomotors), motors for automotive, and motors for HVAC) and FA devices (programmable controllers (PLC), photoelectric sensors, and laser markers)."Electronic Materials" includes products such as multilayer circuit board materials, semiconductor device materials, and molding compounds. "Other" includes products such as other companies’ products.

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.

Disaggregated revenue is set out below.

In addition, for the year ended March 31, 2023, the products of Industry were categorized into "Control Devices," "FA Solutions," "Electronic Devices," "Electronic Materials" and "Other," however, due to review ofproduct categories, from the year ending March 31,2024, the product categories have been changed to"Electronic Devices," "FA Solutions," "Electronic Materials" and "Other."
As a result, relays and switches that were previously classified as "Control Devices" in the previous fiscal year have been reclassified to "Electronic Devices" and "Other," respectively.

As described in Note "3. Segment information," on October 1, 2023, certain businesses were transferred among segments: however, there is no impact about the information on disaggregated revenue.

For the year ended March 31, 2024

(million yen)

Reportable segments	By product category	Sales	By geographical area	Sales
Lifestyle	Living Appliances and Solutions	935,819	Japan	1,560,939
	Heating & Ventilation A/C	693,509	Americas	391,044
	Cold Chain Solutions	354,844	Europe	211,014
	Electric Works	673,226	Asia, China and others	948,279
	Other	453,878		
	Total (Note 1)	3,111,276	Total (Note 1)	3,111,276
Automotive	Automotive Cockpit Systems	561,526	Japan	452,587
	Automotive Electronics Systems	584,414	Americas	388,564
	Other	159,791	Europe	289,663
			Asia, China and others	174,917
	Total (Note 1)	1,305,731	Total (Note 1)	1,305,731
Connect	Hardware Solutions	804,396	Japan	332,199
	SCM Solutions	382,386	Americas	504,965
			Europe	171,642
			Asia, China and others	177,976
	Total (Note 1)	1,186,782	Total (Note 1)	1,186,782
Industry	Electronic Devices	526,466	Japan	249,242
	FA Solutions	74,615	Americas	65,503
	Electronic Materials	150,649	Europe	174,646
	Other	155,266	Asia, China and others	417,605
	Total (Note 1)	906,996	Total (Note 1)	906,996
Energy	In-vehicle	599,221	Japan	85,203
	Industrial / Consumer	335,206	Americas	714,974
			Europe	30,518
			Asia, China and others	103,732
	Total (Note 1)	934,427	Total (Note 1)	934,427
Other (Note 2)		1,051,208		
Consolidated total		8,496,420		

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 312,229 million yen and sales of Housing products of 377,888 million yen.

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	Electronic Devices	585,286	Japan	262,690
	FA Solutions	81,080	Americas	82,949
	Electronic Materials	141,171	Europe	172,178
	Other	194,858	Asia, China and others	484,578
	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.

(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, "Electronic Devices", "FA Solutions" 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, 2024 is 352,143 million yen (260,027 million yen as of March 31, 2023). 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, 2023), and the amounts related to other construction-type contracts are expected to be recognized as revenue approximately within 10 years (approximately within 10 years as of March 31, 2023).

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, 2024	March 31, 2023
Assets from contracts with customers...............................	1,361,050	1,322,593
Trade receivables..	1,197,963	1,142,366
Contract assets..	163,087	180,227
Liabilities from contracts with customers.........................	354,101	204,931
Contract liabilities...	354,101	204,931

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, 2023 was recognized as revenue in the year ended March 31, 2024.

The main reason for the increase in Contract liabilities during the years ended March 31, 2024 and 2023 is the recognition of the benefit of the tax credit under the Inflation Reduction Act in the U.S. that is expected to be utilized effectively with relevant customers. The amount included in the Contract liabilities is 106,141 million

yen as of March 31, 2024 and no balance as of March 31, 2023.
The amount of revenue recognized in the years ended March 31, 2023 and 2024 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, 2023 and March 31, 2024 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. Government grants

Government grants are mainly the tax credit due to the Inflation Reduction Act in the U.S. (the "US IRA"). The tax credit is earned for EV battery cells manufactured and sold and can be monetized through direct refunds from the U.S. government or transfer to third parties in addition to utilization as a general tax credit. The expected amounts to be received through direct refunds are recognized as a reduction from "Cost of sales" and presented as "Other current assets" or "Other non-current assets" until received.
The amounts deducted from "Cost of sales" for the year ended March 31, 2024 are 188,172 million yen and 197,013 million yen is presented as part of "Other non-current assets" as of March 31, 2024. In the consolidated statement of cash flows, an (increase)/decrease in tax credits refundable under the US IRA of (188,172) million yen is included in "Other - net" within cash flows from operating activities.
The amount earned for the year ended March 31, 2023 was 40,043 million yen and included in "Income taxes" as it was expected to be utilized as a general tax credit.

25. Selling, general and administrative expenses

Selling, general and administrative expenses are as follows:

	Yen (millions)	
	2024	2023
Employee benefits	963,582	880,161
Advertising expenses	101,226	98,219
Transportation and storage	185,272	196,994
Depreciation and amortization	159,102	149,197
Others	695,174	622,800
Total	2,104,356	1,947,371

26. Research and development expenses

Research and development expenses are as follows:

	Yen (millions)	
	2024	2023
Research and development expenses	491,224	469,785

27. Other income (expenses)

Other income (expenses), net for the year ended March 31, 2024 includes gains on sales of property, plant and equipment of 15,668 million yen, expenses associated with quality control or market countermeasures of products of 14,323 million yen, and expenses associated with the implementation of early retirement programs due to business restructuring of 11,546 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 "28. 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, 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 "28. 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.

28. Impairment of non-financial assets

(1) Impairment losses

The impairment losses and the reversals of 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 2,668 million yen and 574 million yen for the years ended March 31, 2024 and 2023, respectively. The amounts of losses included in "Other income (expenses), net" were 16,098 million yen and 1,690 million yen for the years ended March 31, 2024 and 2023, respectively. The amount of reversal included in "Other income (expenses), net" was 10,352 million yen for the year ended March 31, 2024. In addition, in the consolidated statements of cash flows, the reversal which is included in "Net profit" is adjusted by an offsetting item included within "Other - net" in "Cash flows from operating activities."

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, 2023 has been reclassified to conform to the presentation for the year ended March 31, 2024.

The amounts of impairment losses and the reversals of impairment losses recorded for property, plant and equipment, right-of-use assets, goodwill and intangible assets by segment are as follows:

	Yen (millions)	
	2024	2023
Lifestyle	2,204	1,446
Automotive	12,515	—
Connect	3,301	126
Industry	133	95
Energy	—	—
Other - net	(9,739)	597
Consolidated total	8,414	2,264

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

For the year ended March 31, 2024, the Company recorded impairment losses on goodwill allocated to the automotive solutions business, which belongs to the "Automotive" segment, because it was expected that the carrying amount of the asset group could not be recovered due mainly to a downturn of the business. The fair value less costs of disposal was measured by the discounted cash flow method, comparable listed company analysis and other means. The level in the hierarchy for the fair value measurement is Level 3. The pre-tax discount rates used in the measurement by the discounted cash flow method for the years ended March 31, 2024 and 2023 are 11.3% and 10.9%, respectively.
The Company recorded a reversal of impairment loss on property, plant and equipment in "Other", which resulted from a revision to the recoverable amount of a parcel of idle land due to its sale.

(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, 2024 and 2023, among goodwill and intangible assets with indefinite useful lives, goodwill with carrying amount of 855,674 million yen and 740,365 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, 2024, 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, 2024 and 2023, the period of future outlook is nine years and ten 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, 2024 and 2023, the growth rates are 4.0%, determined in view of long-term average growth rate of markets or countries to which the cash-generating unit belongs. As of March 31, 2024 and 2023, the discount rate (on a pre-tax basis) is 11.5% and 11.4%, respectively, calculated based on weighted average cost of capital of the cash-generating unit. As of March 31, 2024, 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. As of March 31, 2023, the recoverable amount, which was based on the fair value less costs of disposal, exceeded the carrying amount by 50,141 million yen. However, if the discount rate used in the above impairment test had been to tick up over 0.6%, the carrying amount would have exceeded the amount of fair value less costs of disposal.

(ii) Goodwill

As of March 31, 2024 and 2023, the aggregate carrying amounts of individually insignificant goodwill that are allocated to cash-generating units are 346,848 million yen and 337,255 million yen, respectively.

Impairment losses recognized for the year ended March 31, 2024 are 11,455 million yen and no impairment loss was recognized for the year ended March 31, 2023.

(iii) Intangible assets with indefinite useful lives

As of March 31, 2024 and 2023, the aggregate carrying amounts of individually insignificant intangible assets with indefinite useful lives allocated to cash-generating units are 46,638 million yen and 42,881 million yen, respectively.

Impairment losses for the years ended March 31, 2024 and 2023 are not material.

29. Finance income and expenses

(1) Finance income

Finance income is as follows:

	Yen (millions)	
	2024	2023
Dividend income:		
Financial assets measured at FVTOCI	3,989	3,991
Interest income:		
Financial assets measured at amortized cost	42,333	21,829
Foreign exchange gains	41,216	19,686
Other	1,434	3,466
Total	88,972	48,972

(2) Finance expenses

Finance expenses are as follows:

	Yen (millions)	
	2024	2023
Interest expenses:		
Financial liabilities measured at amortized cost	15,090	15,178
Lease liabilities	5,005	4,565
Net interest cost on employee benefits	123	90
Others	1,764	1,300
Other	2,713	-
Total	24,695	21,133

(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, 2024 and 2023, a loss on transfer of trade receivables, etc. which were derecognized in their entirety was 1,764 million yen and 1,300 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, 2024 and 2023.

The maximum exposure to losses resulting from continuing involvement in the derecognized financial assets as of March 31, 2024 and 2023 was 2,115 million yen and 3,635 million yen, respectively, which is the total amount of the outstanding balance of obligations to repurchase the transferred assets under restricted, specified conditions.

30. Per share information

Panasonic HD stockholders' equity per share is as follows:

	Yen	
	March 31	
	2024	2023
Panasonic Holdings Corporation stockholders' equity per share......................	1,946.62	1,550.23

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

	Yen (millions)	
	2024	2023
Net profit attributable to Panasonic Holdings Corporation stockholders........	443,994	265,502
Adjustment to net profit..	(16)	(9)
Net profit used to calculate basic earnings per share......................	443,978	265,493
Adjustment to net profit..	16	9
Net profit used to calculate diluted earnings per share..................	443,994	265,502

	Number of shares	
	2024	2023
Average common shares outstanding..	2,334,173,939	2,333,947,462
Dilutive effect:		
Stock acquisition rights..	679,250	742,216
Restricted stock..	81,854	76,685
Diluted common shares outstanding...	2,334,935,043	2,334,766,363

	Yen	
	2024	2023
Earnings per share attributable to Panasonic Holdings Corporation stockholders:		
Basic..	190.21	113.75
Diluted...	190.15	113.72

31. 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 "29. 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 2,535 million yen as of March 31, 2024.

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)	
	2024	2023
Beginning balance	13,819	23,384
Increases during the period	3,285	5,313
Decreases during the period (Utilization)	(2,378)	(5,049)
Decreases during the period (Reversal)	(1,899)	(5,991)
Decreases due to deconsolidation	(1,592)	(4,548)
Others	801	710
Ending balance	12,036	13,819

With regards to financial assets that were recognized for the first time in the years ended March 31, 2024 and 2023, 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, 2024 and 2023, 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)	
	2024	2023
Not past due	1,291,769	1,260,408
Due within 3 months	63,186	57,939
Due after 3 months through a year	16,161	11,520
Due after 1 year	9,538	6,545
Total	1,380,654	1,336,412

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, 2024 and 2023 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, 2024 and 2023 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, 2024				
	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	1,166,155	1,166,155	1,166,155	-	-
Short-term debt, including current portion of long-term debt	262,099	265,232	265,232	-	-
Long-term debt	1,084,037	1,139,929	-	659,753	480,176
Lease liabilities	280,143	293,696	71,557	151,213	70,926
Other payables and accrued expenses	524,682	524,682	524,194	488	-
Other financial liabilities	38,628	38,530	24,799	10,230	3,501
Total	3,355,744	3,428,224	2,051,937	821,684	554,603
Derivative liabilities (Net settlement)	22,284	22,284	22,284	-	-
Derivative liabilities (Gross settlement)					
Receipt	—	—	—	-	-
Payment		—	—	-	-
Derivative assets (*1)	(59,411)	(78,285)	(47,263)	(8,339)	(22,683)

(*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."

	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."

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

	Yen (millions)	
	March 31	
	2024	2023
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	
	2024	2023
US Dollar (Thousands of US dollar)......................	470,903	345,242
Euro (Thousands of Euro)......................................	113,753	101,784
Chinese Yuan (Thousands of Chinese Yuan)..........	94,815	70,379

(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	
	2024	2023
US Dollar..	(713)	(461)
Euro..	(186)	(148)
Chinese Yuan..	(20)	(14)

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, 2024

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

Significant derivatives designated as hedging instruments as of March 31, 2024 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......	1,115,664 Thousands US Dollar	144.57Yen / Dollar	-	5,590
Euro sell / Japanese Yen buy.............	115,341 Thousands Euro	160.55Yen / Euro	-	245
US Dollar buy / Japanese Yen sell.....	564,102 Thousands US Dollar	147.09Yen / Dollar	1,954	-
Cross currency interest rate swaps:				
US Dollar (*2)...................................	1,500,000 Thousands US Dollar	108.13Yen / Dollar	59,411	-
Chinese Yuan.....................................	8,000,000 Thousands Chinese Yuan	20.36Yen / Chinese Yuan	4,350	-

(*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 6 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 is 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, 2024 is set out below. In the year ended March 31, 2024, there was no hedge relationship to which hedge accounting is no longer applied.

Risk	Yen (millions) March 31, 2024
Foreign currency risk............................	(7,067)
Commodity price risk...........................	1,290
Total...	(5,777)

Since the amount of the ineffective portion of hedges recognized in profit or loss in the year ended March 31, 2024 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, 2024 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.....	5,773	(6,232)	Finance income (expenses)	-
Commodity price risk....	5,298	-	Cost of sales	(5,046)

In the year ended March 31, 2024, 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, 2024 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, 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 is 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.

	Yen (millions)
Risk	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:

	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.....	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.

(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, 2024, there were no financial instruments offset in accordance with requirements for offsetting of financial assets and financial liabilities. The amount of financial instruments that are subject to enforceable master netting agreements or similar agreements but have not been offset because they do not satisfy part or all of requirements for offsetting of financial assets and financial liabilities was 4,995 million yen.

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.

(7) Fair values of financial instruments

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

	Yen (millions)			
	March 31			
	2024		2023	
	Book value	Fair value	Book value	Fair value
Long-term debt, including current portion of long-term debt......................................	1,340,220	1,314,196	1,204,848	1,154,855

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, 2024 and 2023. 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, 2024			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets measured at FVTPL				
Derivative assets				
Foreign exchange forward contracts	-	13,163	-	13,163
Cross currency swaps	-	82	-	82
Cross currency interest rate swaps	-	63,761	-	63,761
Commodity futures	9,882	3,510	-	13,392
Subtotal	9,882	80,516	-	90,398
Financial assets measured at FVTOCI				
Shares	58,896	-	92,394	151,290
Others	-	286	-	286
Subtotal	58,896	286	92,394	151,576
Total financial assets	68,778	80,802	92,394	241,974
Financial liabilities:				
Financial liabilities measured at FVTPL				
Derivative liabilities				
Foreign exchange forward contracts	-	5,710	-	5,710
Commodity futures	4,308	12,266	-	16,574
Others	-	-	6,974	6,974
Total financial liabilities	4,308	17,976	6,974	29,258

	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

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.
Other financial liabilities classified as Level 3 are measured at fair value by estimating when the conditions for payout are expected to be met and the amount of payout at that time using multiple future scenarios and probability distribution, taking into account the time value of money, in accordance with the policy and procedures set by the Company for using the most appropriate and highly relevant available data.

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, certain investments classified as financial assets measured at FVTOCI was transferred from Level 3 to Level 1, as they were listed on a stock exchange. In the year ended March 31, 2024, there are no financial instruments for which a significant transfer was made between levels.

The breakdown of movements in financial instruments measured at fair value on a recurring basis that are classified as Level 3 in the fair value measurement hierarchy is as follows:

	Yen (millions)			
	2024		2023	
	Financial assets measured at FVTOCI	Financial liabilities measured at FVTPL	Financial assets measured at FVTOCI	Financial liabilities measured at FVTPL
Balance at beginning of year.........	109,090	-	100,473	-
Purchase and increase.................	2,419	6,974	5,568	-
Sales..	(23,639)	-	(75)	-
Increase due to transfer from investments accounted for using equity method (*1)......................	-	-	21,170	-
Decrease due to transfer (*2).......	-	-	(21,170)	-
Gains (losses) (*3)......................	4,524	-	3,124	-
Balance at end of year..............	92,394	6,974	109,090	-

(*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 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 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.

32. Hyperinflationary accounting adjustments

At the beginning of the 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	9.02
March 31, 2015	108	8.38
March 31, 2016	116	7.80
March 31, 2017	129	7.01
March 31, 2018	142	6.36
March 31, 2019	170	5.31
March 31, 2020	190	4.75
March 31, 2021	221	4.09
March 31, 2022	356	2.54
March 31, 2023	535	1.68
March 31, 2024	902	1.00

33. Major subsidiaries

(1) Composition of the Group

Major subsidiaries of the Company as of March 31, 2024 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.	Other	Japan	100.0
Panasonic Marketing Japan Co., Ltd.	Lifestyle	Japan	100.0
Panasonic Corporation of North America	Lifestyle, Automotive, Connect, Industry, Energy	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 Heating &Ventilation Air-conditioning Czech, s. r. o.	Lifestyle	Czech Republic	100.0
Panasonic Asia Pacific Pte. Ltd.	Lifestyle, Industry, Energy, Other	Singapore	100.0
Panasonic Life Solutions India Pvt. Ltd.	Lifestyle	India	100.0
Panasonic Taiwan Co., Ltd.	Lifestyle, Automotive	Taiwan	69.8
Panasonic Corporation of China	Lifestyle, Connect	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 (finance, etc.) are described as "Corporate."

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, 2024 and 2023.

(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, 2024 and 2023.

(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, 2024 and 2023.

(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, 2024 and 2023 are as follows:

	Yen (millions)	
	2024	2023
Total consideration received	5,416	23,292
Portion of consideration consisting of cash and cash equivalents	5,416	23,292
Cash and cash equivalents in the subsidiaries or other businesses over which control is lost	2,707	12,391
Cash flows by proceeds from loss of control of subsidiaries or other businesses	2,709	10,901
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)	9,418	41,795
Non-current assets	2,277	11,002
Current liabilities	12,711	36,879
Non-current liabilities	132	786

34. 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	
	2024	2023
Associates:		
Receivables	6,201	5,107
Payables	59,601	60,943
Joint ventures:		
Receivables	16,818	26,935
Payables	24,670	18,234

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

	Yen (millions)	
	2024	2023
Associates:		
Sales	54,291	51,296
Purchases and receiving of services	250,768	238,035
Joint ventures:		
Sales	90,065	59,443
Purchases and receiving of services	166,337	141,446

(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)	
	2024	2023
Basic remuneration	668	695
Performance based remuneration (short-term)	207	250
Share based payments	215	155
Total	1,090	1,100

2) Recognized allowance for performance-based remuneration

	Yen (millions)	
	2024	2023
Performance based remuneration (short-term)	239	231
Performance based remuneration (mid-term)	87	84

35. Non-cash transactions

Significant non-cash transactions are as follows:

	Yen (millions)	
	2024	2023
Additions to right-of-use assets..................................	109,357	68,995

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

Commitments as of March 31, 2024 and 2023 principally include purchase contracts for property, plant and equipment, and services, etc. with total outstanding amounts of 259,896 million yen and 132,165 million yen respectively.

37. Contingent liabilities

An internal investigation revealed that Panasonic Industry Co., Ltd. (hereinafter "PID"), a subsidiary of the Company, has identified instances of irregularities (hereinafter, the "Irregularities") in the process of the US-based third-party certification by UL Solutions (hereinafter "UL") for 153 part numbers of molding materials, semiconductor encapsulation materials and electronic circuit board laminate products manufactured and sold by PID's Electronic Materials Business Division. In response to this discovery, PID has established an external investigation committee comprised of external experts on 12 January 2024 to conduct thorough investigations, analyze the root causes, and formulate measures to prevent re-occurrence. These investigations by the external investigation committee are ongoing.
As a result of reporting the Irregularities to UL, UL certification for some of the products has been withdrawn as of May 31, 2024. Discussions between PID and UL regarding the handling of UL certification for certain products are on going. PID pledges to work toward obtain certification for those PID products that do not have UL registration and need to continue to be sold as UL certified products in the future.
With regard to the Irregularities, PID received a notification of withdrawal of the ISO 9001 and the IATF 16949 certifications for Koriyama Plant, Koriyama West Plant, Yokkaichi Plant and South Yokkaichi Plant from LRQA limited, a registered certification body for the ISO 9001 and the IATF 16949. In response, PID also pledges to work towards reinstatement of these certifications.
PID communicates directly with customers who have purchased the identified products and discusses future actions and will also continue to fully cooperate with investigations to uncover all of the Irregularities in the process.
The financial position and financial results of the Company may be affected depending on the outcome of on-going investigations. The Company has not incorporated any potential impacts into the consolidated financial statements as of March 31, 2024 as it is impracticable to make a reasonable estimate of the impacts at present.

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.

38. Additional information

The Board of Directors of the Company made the following resolutions on March 29, 2024:

- To transfer all of the shares of Panasonic Automotive Systems, Co., Ltd. ("PAS"), a wholly-owned subsidiary of the Company, to Star Japan Acquisition Co., Ltd. ("New PAS Parent"), a company whose shares are indirectly wholly owned through funds managed by the Apollo Group, including Apollo Global Management, Inc. ("Apollo"), for the purpose of becoming a strategic partner with Apollo in the PAS business.

- To enter into a shareholders agreement with Apollo and, also into a share purchase agreement with Star Japan Holdings Co., Ltd. ("PAS Holding Company"), which is the holding company that wholly owns the shares of New PAS Parent, for the Company's acquisition of 20% of the shares of PAS Holding Company.

On the closing date of the above transactions, which is scheduled to be completed by March 31, 2025, PAS will no longer be a consolidated subsidiary of the Company and PAS Holding Company (including PAS which is to be a sub-subsidiary of PAS Holding Company) will become an entity accounted for under the equity method by the Company. This is subject to the customary closing conditions including regulatory approvals.
Furthermore, in preparation for the above-mentioned transactions, the Company is planning to consolidate its businesses, assets, and other concerns spread across its consolidated subsidiaries engaged in the automotive business that are subject to the transaction, into PAS (with the exception of Ficosa International, S.A.).

Independent auditor's report

To the Board of Directors of Panasonic Holdings Corporation:

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"), which comprise the consolidated statement of financial position as at March 31, 2024, 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, 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board prescribed in Article 93 of "the Regulation on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements" (IFRS Accounting Standards).

Basis for Opinion

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

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 ¥855,674 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, “Material 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 followings:

- 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.

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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, as well as assessing the feasibility of increasing the headcount of sales representatives in the business plan, through primarily comparison with the latest actual results.

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</table>

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.	● 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 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 Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with IFRS Accounting Standards 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 Accounting Standards, the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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.

Fee-related Information

Fees paid or payable to our firm and to other firms within the same network as our firm for audit and non-audit services provided to the Company and its subsidiaries are described in "4. Corporate Governance, etc. (3) Audit status" included in "IV Information on the Company" of the Annual Securities Report.

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 25, 2024

Other information

(1) Quarterly financial Information for fiscal 2024

(Millions of yen, unless otherwise stated)

(Cumulative)	First quarter	Second quarter	Third quarter	Year total
Net sales	2,029,694	4,119,424	6,300,306	8,496,420
Profit before income taxes	108,733	224,331	368,784	425,239
Net profit attributable to Panasonic Holdings Corporation stockholders	200,925	288,379	399,178	443,994
Earnings per share attributable to Panasonic Holdings Corporation stockholders, basic (yen)	86.08	123.55	171.01	190.21

(Three months)	First quarter	Second quarter	Third quarter	Fourth quarter
Earnings per share attributable to Panasonic Holdings Corporation stockholders, basic (yen)	86.08	37.47	47.47	19.20

(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	Sumitomo Mitsui Trust Bank, Limited 5-33, Kitahama, 4-chome, Chuo-ku, Osaka-shi
Transfer agent	Sumitomo Mitsui Trust Bank, Limited 4-1, Marunouchi, 1-chome, Chiyoda-ku, Tokyo
Forward office	—
Purchasing and selling fee	Amount separately specified as an amount equivalent to the fees pertaining to the entrustment of sale and purchase of shares
Method of public notice	The Company's method of public notice is through electronic public notice. However, if the Company cannot use the above-mentioned method of public notice due to an accident or other inevitable reasons, Nihon Keizai Shimbun will be adopted as its medium. URL for public notice is following https://holdings.panasonic/jp/ (in accordance with the Companies Act of Japan)
Special benefit for Shareholders	Not applicable

VII Reference Information on the Company

1. Information on a Parent Company, etc. of the Company

Not applicable.

2. Other Reference Information

(1) Documents submitted during the period from the commencing date of the fiscal year ended March 31, 2024 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, 2024 to the filing date of Annual Securities Report.

1) Annual Securities Report and documents attached, and Confirmation Letter	Business Term (116th)	From April 1, 2022 To March 31, 2023	Filed with the Director of the Kanto Local Finance Bureau on June 27, 2023
2) Internal Control Report and documents attached			Filed with the Director of the Kanto Local Finance Bureau on June 27, 2023
3) Quarterly Report and Confirmation Letter	(117th First Quarter)	From April 1, 2023 To June 30, 2023	Filed with the Director of the Kanto Local Finance Bureau on August 9, 2023
	(117th Second Quarter)	From July 1, 2023 To September 30, 2023	Filed with the Director of the Kanto Local Finance Bureau on November 10, 2023
	(117th Third Quarter)	From October 1, 2023 To December 31, 2023	Filed with the Director of the Kanto Local Finance Bureau on February 9, 2024
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
	Pursuant to Article 24-5, paragraph 4 of the Financial Instruments and Exchange Act, and Article 19, Paragraph 2, Item 19 of the Cabinet Office Ordinance Concerning Disclosure of Corporate Affairs, etc.		Filed with the Director of the Kanto Local Finance Bureau on July 31, 2023

Pursuant to Article 24-5, paragraph 4 of the Financial Instruments and Exchange Act, and Article 19, Paragraph 2, Item 17 of the Cabinet Office Ordinance Concerning Disclosure of Corporate Affairs, etc.	Filed with the Director of the Kanto Local Finance Bureau on September 20, 2023
Pursuant to Article 24-5, paragraph 4 of the Financial Instruments and Exchange Act, and Article 19, Paragraph 2, Item 12 of the Cabinet Office Ordinance Concerning Disclosure of Corporate Affairs, etc.	Filed with the Director of the Kanto Local Finance Bureau on May 9, 2024
Pursuant to Article 24-5, paragraph 4 of the Financial Instruments and Exchange Act, and Article 19, Paragraph 2, Item 2-2 of the Cabinet Office Ordinance Concerning Disclosure of Corporate Affairs, etc.	Filed with the Director of the Kanto Local Finance Bureau on June 24, 2024
Pursuant to Article 24-5, paragraph 4 of the Financial Instruments and Exchange Act, and Article 19, Paragraph 2, Item 9-2 of the Cabinet Office Ordinance Concerning Disclosure of Corporate Affairs, etc.	Filed with the Director of the Kanto Local Finance Bureau on June 25, 2024

(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 2)	Percentage of males taking childcare leave (%)		Wage differences between male and female workers (%) (Note 2)		
				All workers	Full-time workers	Part-time and fixed-term workers
Excel Shanon Corporation	—	—		74.6	77.7	54.3
KMEW Co., Ltd.	3.6	85.0	(Note 4)	73.3	73.3	67.8
Kmew Home Tech Co., Ltd.	—	100.0	(Note 3)	74.9	74.0	—
Kouei System Ltd.	15.4	—		—	—	—
Koyo Denki Co., Ltd.	6.7	—		—	—	—
Denzai Toa Co., Ltd.	3.0	—		—	—	—
Panasonic ITS Co., Ltd.	5.4	88.0	(Note 4)	78.9	78.8	—
Panasonic Advanced Technology Development Co., Ltd.	—	50.0	(Note 4)	80.5	80.8	92.3
Panasonic Electric Works Engineering Co., Ltd.	—	—		64.0	63.5	67.5
Panasonic Electric Works Networks Co., Ltd.	2.6	—		—	—	—
Panasonic Industrial Marketing & Sales Japan Co., Ltd.	12.5	33.0	(Note 4)	87.1	80.5	98.9
Panasonic Information Systems, Co., Ltd.	10.8	79.0	(Note 4)	79.8	79.2	65.4
Panasonic Age-Free Co., Ltd.	25.4	86.0	(Note 3)	69.9	83.2	103.9
Panasonic Appliances Air-Conditioning and Refrigeration Systems Co., Ltd.	2.1	100.0	(Note 4)	87.5	82.3	103.4
Panasonic Ecology Systems Co., Ltd.	4.1	53.0	(Note 4)	80.8	76.7	95.2
Panasonic Ecology Systems Ventec Co., Ltd.	—	—		66.8	68.0	64.3

Name	Percentage of females in managerial position (%) (Note 2)	Percentage of males taking childcare leave (%)		Wage differences between male and female workers (%) (Note 2)		
				All workers	Full-time workers	Part-time and fixed-term workers
Panasonic System Solutions Service Co., Ltd.	0.0	55.0	(Note 3)	57.0	68.3	57.7
Panasonic Energy Kaizuka Co., Ltd.	0.0	5.0	(Note 3)	88.2	88.3	82.6
Panasonic Energy Nandan Co., Ltd.	—	10.0	(Note 3)	64.2	62.8	88.4
Panasonic Energy Higashiura Co., Ltd.	0.0	100.0	(Note 3)	74.1	75.0	71.5
Panasonic Factory Solutions Sales & Engineering Japan Co., Ltd.	—	28.0	(Note 3)	—	—	—
Panasonic Electric Works Asahi Co., Ltd.	7.7	33.0	(Note 3)	81.2	87.0	73.8
Panasonic Electric Works Ikeda Denki Co., Ltd.	—	—		79.1	76.1	98.8
Panasonic Electric Works Kinan Co., Ltd.	0.0	0.0	(Note 3)	69.8	75.1	86.2
Panasonic Electric Works Electrical Construction Materials Mie Co., Ltd.	1.3	91.0	(Note 3)	66.5	73.1	78.7
Panasonic Automotive Electronics Co., Ltd.	6.1	60.0	(Note 4)	71.3	68.3	63.8
Panasonic Environmental Systems & Engineering Co., Ltd.	—	—		74.4	75.4	46.2
Panasonic Cycle Technology Co., Ltd.	7.6	0.0	(Note 3)	71.7	76.1	40.5
Panasonic Commercial Equipment Systems Co., Ltd.	5.4	51.0	(Note 4)	81.1	77.9	87.0
Panasonic System Design Co., Ltd.	11.3	77.0	(Note 4)	74.6	74.5	—
Panasonic System Networks R&D Lab. Co., Ltd.	4.6	100.0	(Note 3)	80.6	78.9	106.3
Panasonic Housing Equipment Co., Ltd.	2.0	70.0	(Note 4)	79.1	77.0	97.1
Panasonic Switchgear Systems, Co., Ltd.	0.0	—		—	—	—
Panasonic Switching Technologies Co., Ltd.	—	25.0	(Note 3)	75.5	76.0	74.1
Panasonic Solar System Manufacturing Co., Ltd.	0.0	83.0	(Note 3)	82.2	82.1	64.6

Name	Percentage of females in managerial position (%) (Note 2)	Percentage of males taking childcare leave (%)		Wage differences between male and female workers (%) (Note 2)		
				All workers	Full-time workers	Part-time and fixed-term workers
Panasonic Solution Technologies Co., Ltd.	8.7	100.0	(Note 4)	71.9	71.6	42.6
Panasonic Techno Service Co., Ltd.	6.1	66.0	(Note 4)	66.5	67.1	103.9
Panasonic Device Component Co., Ltd.	—	—		77.6	76.1	82.3
Panasonic Industrial Devices SUNX Kyushu Co., Ltd.	7.7	—		56.1	77.0	84.5
Panasonic Electrical Construction Materials Solutions Co., Ltd.	—	33.0	(Note 3)	77.9	74.6	96.6
Panasonic Interior Building Products Co., Ltd.	—	100.0	(Note 4)	78.6	77.4	97.6
Panasonic Facilities Co., Ltd.	1.9	77.0	(Note 4)	82.3	82.3	72.8
Panasonic Financial & HR Professional Partners Co., Ltd.	33.3	—		—	—	—
Panasonic Production Engineering Co., Ltd.	—	100.0	(Note 4)	89.3	91.2	76.8
Panasonic Fire Prevention Systems Co., Ltd.	—	—		71.7	72.0	43.7
Panasonic Insurance Services Japan Co., Ltd.	27.3	—		—	—	—
Panasonic Hearing Instruments Co., Ltd.	5.9	—		—	—	—
Panasonic Marketing Japan Co., Ltd.	6.3	57.0	(Note 4)	58.4	76.9	70.9
Panasonic Lighting Systems Co., Ltd.	1.5	75.0	(Note 4)	69.6	75.6	83.3
Panasonic Living Co., Ltd.	5.2	20.0	(Note 4)	72.0	72.1	82.8
Panasonic Living Kyushu Co., Ltd.	8.6	—		—	—	—
Panasonic Living Kinki Co., Ltd.	—	—		63.5	68.8	78.5
Panasonic Living Chushikoku Co., Ltd.	—	—		72.8	75.1	86.0
Panasonic Living Chubu Co., Ltd.	7.4	25.0	(Note 4)	54.7	70.8	64.3

Name	Percentage of females in managerial position (%) (Note 2)	Percentage of males taking childcare leave (%)		Wage differences between male and female workers (%) (Note 2)		
				All workers	Full-time workers	Part-time and fixed-term workers
Panasonic Living Hokkaido Tohoku Co., Ltd.	—	—		64.8	67.9	69.5
Fukunishi Electrical Co., Ltd.	1.7	54.0	(Note 3)	69.5	66.8	110.6

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. The indicators which were 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) and 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) are both indicated to the first decimal place with the calculation as follows: the second decimal place is rounded for the indicator related to Act No. 64 of 2015, and the first decimal place is omitted for the indicator related to Act No. 76 of 1991.

2. 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, 2024. Wage differences between male and female workers are calculated based on salaries and bonuses for fiscal 2024.) For the calculation of wage differences between male and female workers in Panasonic Switching Technologies Co., Ltd., the number of part-time and fixed-term workers is based on the working hours.

3. This percentage is calculated based on the ratios of childcare leave, etc. taken in fiscal 2024 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 2024 divided by the number of male workers whose spouse gave birth in fiscal 2024."

4. This percentage is calculated based on the ratios of childcare leave, etc. and time off for childcare taken in fiscal 2024 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 2024 divided by the number of male workers whose spouse gave birth in fiscal 2024."

5. 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 managerial positions, percentage of male workers taking childcare leave, and wage differences between male and female workers."

6. The data of the 447 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.

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 25, 2024

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, 2024, 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, 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board prescribed in Article 93 of "the Regulation on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements" (IFRS Accounting Standards).

Basis for Opinion

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

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 ¥855,674 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, "Material 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 followings:

● 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:

(1) 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.

(2) 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>
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<td>
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.
</td>
<td>
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, as well as assessing the feasibility of increasing the headcount of sales representatives in the business plan, through primarily comparison with the latest actual results.
● 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.
(3) 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.
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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 Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern and disclosing, as applicable, matters related to going concern in accordance with IFRS Accounting Standards.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The selection and application of audit procedures depends on the auditor's judgment.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate whether the presentation and disclosures in the consolidated financial statements are in accordance with IFRS Accounting Standards, the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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, 2024, 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, 2024, 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, actions taken to eliminate threats or safeguards applied.

Fee-related Information

Fees paid or payable to our firm and to other firms within the same network as our firm for audit and non-audit services provided to the Company and its subsidiaries are described in "4. Corporate Governance, etc. (3) Audit status" included in "IV Information on the Company" of the Annual Securities Report.

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

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

Notes to the Reader of Audit Report:

The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Financial Instruments and Exchange Act of Japan.

[Cover]

Filed Document:	Confirmation Letter
Applicable Law:	Article 24-4-2, Paragraph 1 of the Financial Instruments and Exchange Act of Japan
Filed to:	Director, Kanto Local Finance Bureau
Filing Date:	June 25, 2024
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 117th fiscal year (from April 1, 2023 to March 31, 2024) 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 25, 2024
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, 2024. 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, 2024

4. Supplementary Matters

None.

5. Special Notes

None.