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**Editorial Policy**

The Company positions its Annual Report as an integrated report incorporating management strategies for medium- to long-term growth, ESG (Environmental, Social and Governance) structures and initiatives, our operating results and financial position for the fiscal year under review, and other information. It is published for the purpose of providing investors and a wide variety of stakeholders with a better understanding of our efforts to achieve sustainable growth. The report describes our value creation process and medium- to long-term strategies to achieve “an ideal society, with affluence both in matter and mind.”

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**Disclaimer Regarding Forward-looking Statements**

This Annual Report includes forward-looking statements about Panasonic Holdings Corporation (Panasonic HD) and its Group companies (the Panasonic Group). To the extent that statements in this Annual Report do not relate to historical or current facts, they constitute forward-looking statements. These forward-looking statements are based on the current assumptions and beliefs of the Panasonic Group in light of the information currently available to it, and involve known and unknown risks, uncertainties and other factors. Such risks, uncertainties and other factors may cause the Panasonic Group’s actual results, performance, achievements or financial position to be materially different from any future results, performance, achievements or financial position expressed or implied by these forward-looking statements. Panasonic HD undertakes no obligation to publicly update any forward-looking statements after the date of this Annual Report. Investors are advised to consult any further disclosures by Panasonic HD in its subsequent filings under the Financial Instrument and Exchange Act of Japan (the FIEA) and other publicly disclosed documents. Such risks, uncertainties and other factors are not all-inclusive and further information is contained in the most recent English translated version of Panasonic HD’s securities reports under the FIEA and any other documents which are disclosed on its website.
The founder Konosuke Matsushita always believed that humanity would achieve true happiness only through both material and spiritual affluence. And based on this thought, he aimed to achieve “an ideal society with affluence both in matter and mind.” The “Basic Management Objective” is a concise expression of this mission, and as the heart of the Panasonic Group’s management philosophy, it has been the foundation for all of our management activities to date. “Live Your Best” is a new brand slogan that reflects our Group-wide purpose. Today, global environmental problems, including climate change, are the world’s top-priority issues that require urgent solutions. We at Panasonic are determined to unite our Group-wide efforts to squarely address these issues. Furthermore, we will devote ourselves to supporting the well-being of individual people who live and work in society by helping them to pursue their own happiness and health in both mind and body, and thus live their lives with peace of mind and comfort. Therefore, we have decided to adopt this new brand slogan that encapsulates these aims. Going forward, the Panasonic Group will continue to contribute to solving social issues and the development of society based on our management philosophy, thereby paving a new way toward the future. We will also achieve sustainable growth and enhance corporate value.

**Brand slogan reflecting Group-wide purpose**

**Live Your Best**

In an ever-changing world, we continue our efforts to make life simpler, safer, healthier, more enjoyable, and more sustainable. Efforts to help our customers live their best.

**Management Philosophy**

<table>
<thead>
<tr>
<th>Basic Management Objective</th>
<th>Recognizing our responsibilities as industrialists, we will devote ourselves to the progress and development of society and the well-being of people through our business activities, thereby enhancing the quality of life throughout the world.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company Creed</td>
<td>Progress and development can be realized only through the combined efforts and cooperation of each employee of our company. United in spirit, we pledge to perform our corporate duties with dedication, diligence and integrity.</td>
</tr>
<tr>
<td>Seven Principles</td>
<td>Contribution to Society, Fairness and Honesty, Cooperation and Team Spirit, Uniring Effort for Improvement, Courtesy and Humility, Adaptability, Gratitude</td>
</tr>
</tbody>
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**The Basic Business Philosophy of the Panasonic Group**

The following extracts from the management philosophy embodied by our founder Konosuke Matsushita, centered on the Basic Management Objective, Company Creed, and Seven Principles, summarize the mindset which all Panasonic Group employees should keep in mind when practicing work and management.

**Aim to achieve “an ideal society with affluence both in matter and mind” based on the thinking of “Matter and mind as one”**

**Become unrivaled in accomplishing valued work so that customers select Panasonic’s products & services**

**Faithfully practice the customer-comes-first attitude, more than anyone else**

**Profit is a result: it should be returned to society & employees and invested in the future**

**Implement “autonomous responsible management & employee entrepreneurship”**

**Create a culture in which “employees can say what they have to say” and promote management through collective wisdom**

**Promote management that “maximizes the potential of each employee”**
Panasonic Group Past and Present

Founded in 1918 by Konosuke Matsushita, the Panasonic Group has expanded its business beyond the original wiring devices. In 1932, our founder set forth the Group’s mission to achieve “an ideal society with affluence both in matter and mind,” and the Group has been working toward this goal. Through our business, which creates new value, we aim to solve global environmental issues and contribute to the well-being of people in their “lifestyle” and “workstyle” — in other words, to a comfortable, safe, healthy, and happy state both in mind and body — and to achieve “an ideal society with affluence both in matter and mind.”

Life with electricity begins

- Expanding our business from wiring devices to a wide range of electrical product lines

1918

- Sold automotive batteries from the dawn of the automobile industry in Japan, contributing to the popularization of automobiles. (1918)
- Established the Matsushita Electric Housewares Manufacturing Works (today’s Panasonic Holdings Corporation), and sold its first product, the attachment plug, at a low price to ordinary households, contributing to the popularization of electrical appliances. (1918)
- Launched washing machines, black and white TVs, refrigerators, and other products, helping to reduce the burden of housework and make life easier. (1950s)
- Created a “smart town” utilizing our IT and environmental technologies as an example of eco-friendly urban development. (2010)

1937

- Jet fan (highway tunnel ventilation system) business
- Delivered a highway tunnel ventilation system, which was subsequently combined with a dust collection system to purify the environment inside the tunnel. (1937)
- Launched the world’s first home fuel cell, ENE-FARM, paving the way for the use of hydrogen energy in the home. (2009)
- Launched a “smart town” utilizing our IT and environmental technologies as an example of eco-friendly urban development. (2014)

1968

- The first VHS home video unit, which became the standard for recording TV programs. (1977)
- Developed a “smart town” utilizing our IT and environmental technologies as an example of eco-friendly urban development. (2014)

1996

- The world’s lightest (at the time), a huge hit, and a revolution in communication. (1996)
- Launched the world’s first home fuel cell, ENE-FARM, paving the way for the use of hydrogen energy in the home. (2009)
- Launched a “smart town” utilizing our IT and environmental technologies as an example of eco-friendly urban development. (2014)

2014

- Contribute to solving global environmental issues
- Panasonic GREEN IMPACT
- Realization of a carbon-neutral society
- Increased CO2 reduction impact
- Recycling-oriented manufacturing and product longevity
- Support health & well-being of people both in mind & body in “lifestyle” & “workstyle”
- Well-being in lifestyle
- More room in one’s mind and healthier lifestyle
- Well-being in workstyle
- Safe, comfortable, and worker-friendly workplace
We will also contribute to improving the quality of living from the perspectives of people, society, and the planet, in order to achieve a sustainable society.

In this segment we continue to provide new value to vehicles and mobility experience under the slogan “HeARTograms,” a coined word that combines “human emotion (heart)” and “automotive.” This slogan expresses our wish to continue creating inspiring encounters. By combining the technologies honed through development and manufacturing in our automotive business with the Group’s knowledge of people and lifestyles, and with comfort, safety and security, and in the environment as keywords, we provide a wide variety of unique automotive products, deployed on systems and devices. We also make proposals of solutions using our automotive products. In addition, with regard to initiatives toward the environment, we are promoting the expansion of our products that contribute to automobile electrification and weight reduction and products that use recycled materials, as well as energy reduction in our business activities and recycling-oriented manufacturing.

In this segment we are contributing to the management reforms of B2B customers by staying close to and bringing innovation to their diverse gembas (operational frontlines). For example, customer supply chains (the gembas for manufacturing, logistics, and retail) are plagued by labor shortages, but operational processes are becoming more complex in order to respond quickly to the diversifying needs of consumers. To address such issues of our customers, we work to optimize operational frontlines and improve productivity by combining software and technology to powerful hardware, and by incorporating our knowledge and know-how cultivated through manufacturing into our services. We also aim to realize a sustainable society by contributing to the reduction of disposal loss and energy consumption.

In this segment we provide electronic and industrial devices for a wide range of applications, including industry, information and communication, automotive, and more. By developing products with outstanding features backed by our unique material and process technologies, we contribute to solving difficult social issues such as labor shortages in manufacturing, the data explosion caused by the progress of the information society, and environmental and safety requirements in the mobility society. We also actively work to achieve carbon neutrality in our production activities and reduce our environmental impact through the evolution of product performance, thereby contributing to the realization of a sustainable and prosperous society.

In this segment we provide products and services globally for a variety of settings from people’s homes to retail stores, offices, and public spaces, including home appliances, HVAC (heating, ventilation, and air conditioning), lighting, electrical equipment, and commercial equipment such as refrigerator and freezer display cases. We mainly operate the home appliance and residential equipment businesses, not only in Japan but globally, especially in China and Northeast Asia. In the HVAC, refrigerator, and refrigerator and freezer display case businesses, we are continuing efforts to reduce CO₂ emissions through technologies such as energy saving and natural refrigerants. We will also contribute to improving the quality of living from the perspectives of people, society, and the planet, in order to achieve a sustainable society.

In this segment we globally provide automotive batteries that support automobile electrification and industrial batteries that support safe and secure social infrastructure such as data centers and home energy storage, medical equipment, and meters, as well as dry batteries that support convenient and comfortable day-to-day living. On the environmental front, we aim to contribute to the environment by reducing CO₂ emissions not only through our own business activities, but also through the electrification of society (transition to electric power), particularly in the automotive sector. By maximizing the value we provide to society in the form of security, safety, and low environmental impact, we will contribute to a society that realizes enriched lifestyles and environmental sustainability.

Notes 1: Net sales composition ratio is calculated by dividing the sales of each reportable segment by the total of reportable segment sales (excluding “Other” and “Eliminations and Adjustments”).

2: Living Appliances and Solutions Company, Heating & Ventilation A/C Company, Cold Chain Solutions Company, and Electric Works Company include part of sales and profit of China and Northeast Asia Company.

3: “Others” is not shown in the Connect and Energy segments in the above pie chart because the amounts are negative due to the effect of eliminations and adjustments.

Composition of Voluntarily Disclosed Businesses
Toward “an ideal society with affluence both in matter and mind”
– Enhancing competitiveness and improving corporate value –

Yuki Kusumi
Representative Director
President
Group CEO

Under the new Group structure launched in April 2022, we have started our new medium- to long-term strategy. With this new strategy, we aim to contribute to solving global environmental issues and to support the health and well-being of people around the world, both in mind and body, toward achieving “an ideal society with affluence both in matter and mind.” This will be done by enhancing competitiveness in all of our businesses, from the viewpoints of both “strategy” and “operational capability,” which are indispensable to each other.

The cash generated, as a return on these contributions, will be allocated to investments in ways that enhance competitiveness. This will allow us to make further contributions and improve our ability to generate cash. In this way, I am determined to enhance corporate value in the medium- to long-term perspective. Since dialogues with our shareholders and investors are extremely important, I will make use of your valuable opinions and suggestions on how our management can pursue enhanced corporate value.

As we unite our best efforts as a Group, I ask for your continued understanding and support.

Start of the new structure
On April 1, 2022, the Panasonic Group formally launched the “operating company system,” in which each operating company is an independent legal entity. We call this system an “operating company system,” in which each operating company is an independent legal entity. We call this system an “operating company system,” in which each operating company is an independent legal entity. We call this system an “operating company system,” in which each operating company is an independent legal entity. We call this system an “operating company system,” in which each operating company is an independent legal entity. We call this system an “operating company system,” in which each operating company is an independent legal entity. We call this system an “operating company system,” in which each operating company is an independent legal entity. We call this system an “operating company system,” in which each operating company is an independent legal entity. 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Roles of Panasonic Holdings Corporation
1. Thoroughly implement Group’s Basic Business Philosophy
2. Help enhance competitiveness to make greater contributions to society & customers:
   (GX, DX, Gemba Innovation, Design Management, Brand Management, various accelerated innovations)
3. Help maximize the potential of each employee and build needed platforms
4. Decide “selection & concentration” beyond operating company’s capability, invest in growth beyond operating company’s own funds
5. Respond effectively to critical risks from Group’s perspective

Looking back on fiscal 2022 and challenges to take up
Since I assumed the position of CEO in April 2021, I have been engaged in management while setting two years, fiscal year ended March 2022 (fiscal 2022) and fiscal 2023, as the period to focus on enhancing competitiveness to make larger contributions toward society and customers, and to further improve profitability. Looking back on the first year, fiscal 2022, we took a step forward with progress in gemba innovation such as improving productivity, and with gradually internalizing the practice of making constant improvements. However, in terms of the speed of enhancing competitiveness, there is still room for improvement. During fiscal 2023, the second year, we will further accelerate our efforts.

As for the challenges we should take up, first, we need to take a long-term and customer perspective in formulating our strategies. In a rapidly changing world, we should envisage major social changes instead of simply looking at a period of two to three years. What is best for our customers? And how can we translate our great mission into actually achieving our goal by back-casting from those changes? Second, we should improve our adaptability to changes and make our management speedier, to an outstanding level. In order to do this, we must eliminate wastefulness, stagnation, and rework at our business frontlines, so that all of our employees can focus on truly value-added activities. Furthermore, it will be necessary to create a system and corporate culture that maximizes the potential of each employee. The new medium- to long-term strategy started in fiscal 2023 has been formulated based on such challenges we need to take up.

New medium- to long-term strategy
Future direction for the Panasonic Group
Our founder proclaimed the mission of achieving “an ideal society with affluence both in matter and mind” toward this employee can take up challenges. To further generate opportunities in major roles and in taking up challenges, we will leverage the Group’s wide-ranging capabilities and continue the active exchange of human resources beyond operating companies.

The fourth role is to make “selection & concentration” decisions in cases where the operating companies are unable to make such decisions, or to promote investment for growth in opportunities where such investment exceeds the operating companies’ own funds. In principle, each operating company will play the major role in developing its own business. However, as a holding company, we will take measures toward our Group’s comprehensive development when necessary.

The fifth role is to respond effectively to critical risks from a Group-wide perspective. This includes thorough implementation of financial discipline, safety and compliance, and a Business Continuity Plan (BCP).
style” and “workstyle.” By becoming unrivaled in accomplishing valued work, we can make great contributions. Accordingly, we will be able to return the generated profit to society, starting with shareholders, and adequately reward our employees. Moreover, we can make investments toward further contributions. We aim to implement such a cycle that leads to thoroughly enhancing our competitiveness.

This is precisely about conducting sustainable management, while we also make our utmost efforts toward achieving a sustainably, “an ideal society with affluence both in material and mind.” The path will not be smooth, but I am confident that we can achieve this through the unrivaled competitiveness of our contributions to our customers and society.

Panasonic GREEN IMPACT

Toward achieving “an ideal society with affluence both in material and mind,” contributing to solving global environment issues, climate change in particular, is one of the tasks we must take on with the highest priority.

In January 2022, we announced the Group’s long-term environmental vision: “Panasonic GREEN IMPACT.” We have committed ourselves to “ACT” to:
- reduce CO₂ emissions throughout our overall value chain, including emissions from the use of sold products at the customer side, and
- make a positive impact to increase size of contribution in CO₂ reductions for society through our wide range of business activities.

As a numerical target, we announced our aim to create an impact that reduces CO₂ emissions by more than 300 million tons by 2050 through the entire Group’s business activities (300 million tons is equivalent to approximately 1% of the current global emissions). Setting this target at the center of our medium- to long-term strategy, we will make the strategic investments and take actions for our contributions going forward.

There are three parts to this major effort. The first part, “OWN IMPACT,” is emissions reduction in our own value chain, which is 110 million tons. To easily impress our customers, we will continuously offer customers clean, safe and environmentally friendly products.

The second part, “CONTRIBUTION IMPACT,” is “avoided emissions” (contribution to reducing CO₂ emissions for society) of 100 million tons through reduced consumption at the customer side with our current businesses. We will make contributions through such areas as the expansion of EVs with our automotive batteries, supply chain software, and air quality & air-conditioning businesses. The third part, “FUTURE IMPACT,” is “avoided emissions” of 100 million tons to impact energy transformation in society through the creation of new technologies and businesses such as hydrogen energy. Taking all three parts together, we aim to achieve an overall reduction impact of more than 300 million tons by 2050.

As a milestone toward 2050, by 2030, we will aim for approximately 100 million tons of avoided emissions. However, currently there is no standard to calculate “avoided emissions.” As the formulation of a standard proceeds, we may need to make revisions accordingly. Nevertheless, we will make efforts to reach each of these targets one by one, so that we can contribute to an early achievement of a carbon neutral society.

Medium-term management indicators (KGIIs) and strategic investments

In the past, we had set single year-based sales and operating profit margins as management indicators. However, setting short-term profit targets led to the business frontlines holding back necessary investments for the future. As a result, I believe that in some cases, our competitiveness fell behind our peers. Therefore, we have set cumulative operating cash flow for the three-year period as one of our medium-term management indicators. Cumulative operating cash flow is an indicator of our cash-generation capability as a Group, which is essential for tax payments, dividends, employees’ salaries, and sufficient investments in our future contributions to society. More specifically, we aim for 2 trillion yen of cumulative operating cash flow over the three years of fiscal 2023 to fiscal 2025, with a preconditions for achieving 1.5 trillion yen of cumulative operating profit over the same period. In addition, we have set ROE, a measure of capital efficiency, as another medium-term management indicator. Our target is to achieve a level of 10 percent or more by fiscal 2025.

To achieve these targets, we must thoroughly enhance competitiveness at each business. In this regard, for instance, during the past two years, China and Northeast Asia Company managed to decrease manufacturing costs by over 20 percent in home appliance products as a part of their competitiveness-enhancement initiatives. This gave us the confidence to compete against our peers in pricing, while securing profit, even in a very competitive market like China. This is just one example showing us there is still a lot of room for improvement in cost competitiveness and profitability as a Group.

Regarding investments going forward, in principle, each operating company will make investments with the cash generated through its own business. Furthermore, while maintaining financial discipline, we will also make strategic investments as a Group. Under the condition of cumulative operating cash flow of 2 trillion yen, a total of 600 billion yen in three years will be invested: 400 billion yen in “growth areas,” which are automotive battery, supply chain software, and air quality & air-conditioning, as well as 200 billion yen in “technology pillars.”

Investments for growth

Automotive battery area

From the global environment perspective, it is essential that the affordability and safety level of EVs far surpass those of cars with internal combustion engines. To reach this target, we will make Group-wide investments to thoroughly and rapidly strengthen battery capacity, safety, and cost competitiveness of our automotive batteries.

More specifically, we will commercialize new high-capacity cells with a 46-mm diameter, at the fastest speed within the industry, by refining our high-quality and safer automotive battery technologies, as well as achieving industry-leading cost competitiveness. First, we will verify the productivity of the highly efficient production line at our Wakayama factory in Japan, with mass production set to start in fiscal 2024. In addition, we applied to the incentive program that the State of Kansas established to attract investments, and received the state’s approval in July 2022. The construction of a manufacturing facility in Kansas, USA, is to be decided upon assessing the progress and outlook of enhanced competitiveness in operational capabilities, including manufacturing.

And from a sustainability perspective, it is essential to consider the use of precious and limited materials. With our lithium-ion batteries, we have already achieved a significant reduction of cobalt, a rare and indispensable metal. Our battery contained less than 5 percent cobalt as of 2021. Moreover, we have already completed development of technologies to produce cobalt-free cells, and we are nearly at the stage of being able to start their mass production according to customers’ needs.

Supply chain software area

Due to the growth of the working population, we are facing labor shortage issues at the gembas of manufacturing and logistics industries. Consequently, there are strong demands for higher efficiency and standardization. Therefore, solutions that autonomously improve the overall supply chain are necessary. Even if solutions run autonomously, there is a limit to how swiftly we can optimize the gembas, since they require a higher level of skills. Therefore, such solutions are needed to enable people at the gembas to eliminate wastefulness and stagnation in the overall supply chain without requiring special knowledge.

To achieve these aims, we will offer a wide range of software solution packages and optimize operational processes through the collection, accumulation, analysis, and utilization of various data at the gembas. With these solutions, we will contribute to optimizing the overall supply chain and improving the efficiency of management for our customers. In addition, the accuracy of autonomous supply chain management by Blue Yonder’s AI will be enhanced, and their software solutions will also continue to evolve. At the same time, we will contribute to the reduction of negative environmental impact through energy savings, which can be achieved by eliminating wastefulness and stagnation in the overall supply chain.

Air quality & air-conditioning area

Due to COVID-19, there has been growing demand for ways to alleviate people’s anxiety about bacteria and viruses. Moreover, since air-conditioning equipment consumes a large portion of the global electric power, we can make huge contributions to the global environment, even as people enjoy clean and safe air as well as a comfortable lifestyle.

To achieve this goal, Panasonic will continue to develop such unique technologies as “nanoe X,” “Ziaino,” and humidity control technologies. In addition, Panasonic will develop an advanced coordinated system that integrates air quality and air-conditioning to manage both comfort and energy savings. Furthermore, we will make investments, mainly in Europe, China and Japan, with the following purposes:
- establish foundations for sales, engineering and services to continuously offer customers clean, safe and environment-friendly air, and
- expand our lineup of advanced coordinated products.

By integrating our customer contacts with our knowledge and technologies, accumulated in over 100 years of R&D, we will “ivate the future with air.”
Message from the Group CEO

Investments in technology pillars

Toward achieving “an ideal society with affluence both in matter and mind,” we will strengthen the Group-wide technology pillars that contribute to the environment and well-being in “lifestyle” and “workstyle.”

The first pillar is hydrogen energy, with the development of high-efficiency fuel cells already underway. We will apply this to the next-generation residential fuel cell system “ENE-FARM” and the pure hydrogen fuel cell generator “H2 KIBOU.” Through these efforts, we will contribute to the acceleration of decarbonization in the power-generation field. Moreover, we aim to establish energy-management technologies that link – distributed energy located in various facilities such as houses and factories, – power storage systems, and – EVs.

Accordingly, we will improve the effective use of electric power and contribute to clean energy transformation for society. Another pillar, the Cyber Physical System (CPS), includes technologies that rapidly enable users to find and offer optimum solutions for issues in “lifestyle” and “workstyle” by linking the real “physical” world and “cyber space.” An example is sensing the activities at various “physical” workstyle gemba sites, such as manufacturing, logistics, and distribution, and then inputting the acquired data in “cyber space” for analysis and simulation. In this way, we can come up with the optimum solution to eliminate wastefulness and stagnation at the gemba and make improvements. In addition, we are trying to better understand what our customers really need in their actual lifestyles through the usage of our products in various situations. Using AI and software technologies will help us to understand this, and we aim to bring better value in lifestyle experience with our products and services.

To strengthen Group-wide technology pillars, we will also be proactive in our search for new technologies such as investing in ventures.

<table>
<thead>
<tr>
<th>Group-wide technology pillars</th>
<th>PC</th>
<th>RS</th>
<th>PSAC</th>
<th>PHS</th>
<th>POS</th>
<th>PTD</th>
<th>PEC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technologies contributing to “environment”</td>
<td>Functional materials/Materials informatics</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Power electronics</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td>Hydrogen energy devices/DERMS</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CPS/AI</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Technologies contributing to “lifestyle” and “workstyle”</td>
<td>Image sensing/Robotics</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Simulation/Model-based development</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Biosensing/Emotion recognition/Biotechnology</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Common software platform</td>
<td>Software/communication/security</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: Labels on horizontal axis indicates abbreviations of seven operating companies. Please refer to pages 15 and 16 for details.

Brand slogan

Our founder, Konosuke Matsushita, aimed at prosperity in both matter and mind throughout his life. Back in 1932, he recognized the mission of a company as the true mission of industrialists: only after there is spiritual peace of mind and a limitless supply of material goods will humanity achieve true happiness.” He set his aim to achieve this with the so-called “250-year plan.”

To always remind all of us of this mission, we have decided to adopt a new brand slogan, “Live Your Best.” This slogan also embodies my hope that each employee will turn their thoughts to each customer’s happiness.

Toward what we aim to be in 2030, everyone at all operating companies of the Panasonic Group is determined to continue efforts to help our customers live their best, offer contributions to become a valued company needed by society, and thus enhance corporate value from the perspective of stakeholders as well as enterprise value in terms of financial measures.

Finally, I would like to ask for your continued support of Panasonic.

Operational capabilities

Group CEO Kusumi has announced a policy of focusing on strengthening “operational capabilities,” which he identifies as a key component of enhancing competitiveness, alongside “strategy.” Kusumi defines operational capabilities as the elimination of bottlenecks that impede the five “Capabilities toward change” and “Speediness” as shown in the figure below, and takes the lead in encouraging business managers to thoroughly work on the strengthening of operational capabilities. In April 2022, Panasonic established the Operational Strategy Department as an organization reporting directly to the Group CEO (see “Efforts to thoroughly strengthen operational capabilities,” p. 19).

Optimal operational capabilities *Assumes manufacturing operations during normal times

- Cash generating capability (profitability)
  - Eliminate stagnation & wastefulness × shorten lead times

- Value creation capability (growth potential)
  - 1. Response to demand changes
  - 2. Response to production fluctuations
  - 3. Response to new materials/technologies
  - 4. Ability to turn insights about changes into actual products

Strengthen operational capability in overall supply chain

At the headquarters of Panasonic Holdings Corporation, there are no more offices separately set up for the Group CEO and senior management. Group CEO Kusumi and other senior managers sit at nearby desks to facilitate daily interactions with employees. They are encouraged to approach Kusumi at any time and say what needs to be said.

Kusumi also uses internal social media tools to blog about his own daily thoughts and feelings. Employees from all over the world write messages to his blog posts, and Kusumi responds to the messages in his own words, ensuring two-way and flat communication with employees.
In order to achieve "an ideal society with affluence both in matter and mind," Panasonic will make the most of the management resources entrusted to us by society and work on enhancing competitiveness in terms of both strategy and operational capability under the Basic Business Philosophy of the Panasonic Group. We will then return the profits received as a result of our contributions back to society, to our employees, and to further useful investments. As we continue to pursue this cycle and strengthen our competitiveness, we will further increase our contributions and enhance our corporate value.

**Value Creation Process**

- **Ideal society with affluence both in matter and mind**
  - Brand Slogan: Live Your Best
  - Contribute to solving global environmental issues
    - Panasonic GREEN IMPACT
      - Realization of a carbon-neutral society
      - Recycling-oriented society
    - Support health & well-being of people both in mind & body in "lifestyle" & "workstyle"
  - Five capabilities toward change
    - Speediness
    - Long-term perspective
    - Structural advantage
    - Business model
    - Response to new materials/technologies

- **Corporate Governance**
  - Strategic investment (investment for growth areas, investment in technology pillars)
  - Strengthen the management foundation of the Group as a whole
  - Selection and concentration beyond operating company’s capability / Investment in growth beyond operating company’s own funds
  - Responding effectively to critical risks from Group’s perspective

- **Corporate Resources**
  - Human Capital
    - Employees: 240 thousand
  - Intellectual Capital
    - Intangible assets such as technology and know-how: ¥86.3 billion
  - Brand Capital
    - Brand value: ¥3.32 trillion
    - Global brand ranking: 68th
  - Management Resources
    - *1 Of the seven operating companies, the five companies whose sales volume accounts for 10% or more of total sales are reported as "segments". *2 Figures are as of the end of March 2022. Figures for Natural Capital are an annual result of FY2023. *3 Research by Interbrand, a branding specialist. *4 Figures from photovoltaic, wind, and biomass sources including the amount of renewable energy adopted to manufacturing and non-manufacturing sites of own group. Heat pumps not included.

**Annual Report 2022**

Panasonic Holdings

15

Medium- to Long-term Strategy

16

Value Provided

Corporate activities based on our Basic Business Philosophy

In order to achieve an ideal society with affluence both in matter and mind, Panasonic will make the most of the management resources entrusted to us by society and work on enhancing competitiveness in terms of both strategy and operational capability under the Basic Business Philosophy of the Panasonic Group. We will then return the profits received as a result of our contributions back to society, to our employees, and to further useful investments. As we continue to pursue this cycle and strengthen our competitiveness, we will further increase our contributions and enhance our corporate value.
Overview of Medium- to Long-term Strategy

The Panasonic Corporation has transitioned to an operating company system in which each business operates with a high degree of independence and has reorganized its reportable segments into the following five segments: Lifestyle, Automotive, Connect, Industry, and Energy. Using cumulative operating CF and ROIC as medium-term management indicators (KGI: key goal indicators), the individual operating companies are working to thoroughly enhance their business competitiveness with the goal of making contributions to society, including in the area of the environment.

For details on medium- to long-term strategy for each operating company, please refer to the “Panasonic Group IR Day 2022” documents. https://holdings.panasonic/global/corporate/investors/presentations/ir-day-2022.html

<table>
<thead>
<tr>
<th>Segment</th>
<th>Description</th>
<th>Goals</th>
</tr>
</thead>
</table>
| **Lifestyle (Panasonic Corporation)** | Becoming an Enterprise with an Overwhelming Presence in Lifestyle | -

Panasonic Corporation, aiming to manage from a long-term perspective, has defined a mission and vision as its corporate Purpose. The mission is “Life tech & ideas: For the well-being of people, society, and the planet,” and the vision is “We are the best partner of your life with human-centric technology and innovation.” Under these banners, the company will move forward with its transformation into an enterprise with an overwhelming presence in the Lifestyle area.

The long-term strategy for fiscal 2031 identifies seven priority businesses from the perspectives of business position (market growth potential) and competitive advantage (industry position and growth drivers): HVAC system, overseas electrical construction materials, energy solutions, CO2 refrigeration system, electrical construction materials in Japan, display cases, and home appliances in Japan. In each of these seven priority businesses, the company aims to achieve the No. 1 or No. 2 market share in the industry by 2030 as the customer’s preferred choice, thereby transforming its business portfolio. And through this business portfolio reform, the company will halve CO2 emissions in its own value chain and accelerate its impact of its emission reduction contribution to society.

- Net Operating Profit after Taxes = Operating Profit ∗ (1 − (Income Taxes / Profit before Income Taxes))

Panasonic Connect Co., Ltd. consists of hardware-based “core businesses” and software-based “growth businesses.” The core businesses, which have the world’s top market share in products such as mounting machines and in-flight entertainment systems, the company will continue to focus on high-profitability business lines and further specialize in hardware. In the growth businesses, including Blue Yonder, the company will promote a shift to SaaS-based business models and strengthen its cloud-based software solutions. The company’s goal is to be a sustainable, highly profitable business entity centered around both core and growth businesses and a unique partner that makes diverse and multi-layered contributions to solving the management issues of customers.

**Cumulative operating CF (Year 2023-25) : 260 billion yen
ROIC (Year 2025) : 4.6%**

**Industry (Panasonic Industry Co., Ltd.)**

Focus on Three Areas: Factory Labor-savings, Information & Communication Infrastructure, and Automotive CASE.

Panasonic Industry Co., Ltd. is focused on three areas where social need is strong and continuous evolution is required: factory labor-savings, information & communication infrastructure, and automotive CASE (Connected, Autonomous, Shared, and Electric). The core businesses with high growth potential and profitability in which the company will concentrate its efforts are FA Solutions, Electronic Materials, EV Relays, and Capacitors. Furthermore, the company aims to improve profitability by growing its core businesses, which accounted for 50% of sales in fiscal 2022, to 70% in fiscal 2031. The company will also promote initiatives towards the environment such as net-zero CO2 emissions (Scope 1 and 2) in fiscal 2031 by reducing its environmental impact from the perspectives of both its own manufacturing and the delivery and dispatch of products for customers.

**Cumulative operating CF (Year 2023-25) : 390 billion yen or more
ROIC (Year 2025) : 20%**

**Energy (Panasonic Energy Co., Ltd.)**

Leading/Promoting Both a Sustainable Global Environment and Enriched Lifestyles through Diverse Batteries and Technologies

Panasonic Energy Co., Ltd. will achieve sustainable growth based on the two pillars of “growth potential” in the automotive business, which is rapidly expanding due to the progress of electrification, and “profitability” in the industrial and consumer businesses, which support social infrastructure and are expected to experience steady demand. The company will also maximize its contribution to society through the environmental contribution activities of these businesses.

**Cumulative operating CF (Year 2023-25) : 330 billion yen
ROIC (Year 2025) : 12%**
Medium- to Long-term Strategy
Annual Report 2022

Message from the Department Head

By continuously making kaizen (improvement) efforts, we will thoroughly eliminate all kinds of wastefulness and stagnation, thereby enhancing competitiveness

Masanori Minamio
General Manager, Operational Strategy Department
Panasonic Holdings Corporation

Establishing kaizen know-how as a mindset
We have all kinds of wastefulness at the operational frontlines, including wastefulness in operations and wastefulness between operations. These are things that our customers don’t need and make our business less competitive. Kaizen is an activity to standardize and improve business processes. By using the power of digital technology, wastefulness can be analyzed and visualized, allowing people to focus on improvement activities. That will lead to higher quality of management.

The Company has been manufacturing many products globally for more than 100 years since its founding. Through all our experiences, we have accumulated knowledge in industrial engineering. Industrial engineering is a method for maximizing business and operational efficiency by standardizing business processes and quantitatively and scientifically analyzing operations at the operational frontlines. The Operational Strategy Department is developing initiatives to establish the kaizen know-how that has been accumulated as tacit knowledge at most of the operational frontlines as a mindset. In addition, we are promoting the training of “designated specialists” to disseminate these activities widely. We will continue to lead such activities in the “gembba kaizen way” at all the operational frontlines, where people can feel the joy and satisfaction of kaizen, help each other, and create even more kaizen.

We also want to use our skills in kaizen, which eliminates wastefulness and stagnation, to support early recovery in the event of a disaster, for example. Furthermore, we will even offer these skills and know-how to Panasonic Group customers’ frontlines. Improving the overall supply chain will not only contribute to the management of our corporate customers, but also contribute to the reduction of their environmental impact and the well-being of their employees.

Case Examples of Operational Frontlines Innovation Initiatives

This section introduces case examples of the operational frontlines Innovation initiatives that combine industrial engineering know-how accumulated at the operational frontlines with advanced digital technologies such as sensing and AI image recognition, which are strengths of the Panasonic Group.

1. Tsuruga Factory, Panasonic Automotive Systems Co., Ltd.

Assembly process is captured with omnidirectional cameras and analyzed with AI to identify rooms for improvements
At the Tsuruga Factory, which develops and assembles automotive components, a variety of kaizen (improvement) methods learned through interactions with automobile manufacturers have taken root as activities in which everyone participates, and kaizen is practiced on a daily basis with suggestions and ideas from each individual. In operation, assembly, and even service activities, we understand and apply AI. To further enhance productivity, we have adopted the power of digital technology, using AI to analyze videos captured by omnidirectional cameras to identify rooms for productivity improvements. This has significantly reduced the man-hours required to analyze and fix the current production status, which previously depended on human skills, further accelerating the pace of kaizen.

2. Saga Factory, Panasonic Connect Co., Ltd.

Optimize the mounting process with digital data and AI analysis of people, goods, and equipment
The Saga Factory is implementing innovation on the manufacturing floor in the mounting process used to manufacture printed circuit boards of various types and quantities. The factory is using a combination of omnidirectional cameras, equipment data, and production planning to identify rooms for productivity improvements and improve the speed and efficiency of product swapping. The planning is then optimized by identifying differences between the plan and the actual results. Specifically, using cyber-physical systems and AI to group and optimize parts according to the production plan has significantly improved productivity efficiency by minimizing the swapping of parts trolleys. In addition, by combining digital data on people, goods, and equipment and analyzing it with AI, higher productivity is achieved by extracting wasted time from highly individualized plans and allocating it to productive time. Compared to the year ended March 31, 2021 (fiscal 2021), the factory was able to reclaim 6,000 minutes of wasted time per month (as of April 2022).
Efforts to Thoroughly Strengthen Operational Capabilities

**Process innovations through kaizen activities integrating industrial engineering knowhow and digital technologies to improve productivity**

The Service Parts Center in Saito, Osaka handles service parts for the Media Entertainment BD and Mobile Solutions BD of Panasonic Connect Co., Ltd. The Media Entertainment BD handles broadcasting equipment and the Mobile Solutions BD develops Let’s note brand of notebook PCs, among other products. It maintains an inventory of more than 10 million parts needed for product repair and maintenance. The supply of service parts requires both the maintenance of service levels through prompt delivery and the reduction of warehouse housing costs and cash through appropriate inventory management. Reducing operational costs is an important effort that is directly linked to profits. At the Service Parts Center in Saito, the picking operation used to be the bottleneck of the entire operation, but is now streamlined as a result of process innovations through kaizen activities integrating industrial engineering knowhow and digital technologies.

First, a dashboard system was built that combines WMS (Warehousing Management System) data and work footage from fixed cameras in an integrated way, allowing for time-saving identification of problems. This greatly speeds up the cycle from analysis to improvement and enables operations that can greatly reduce bottlenecks and waiting times. Next, a new technology was developed and introduced that can simultaneously estimate a parts picking cart’s self-position (localization) and acquire video images of the cart’s operation to track its movements even in indoor warehouses where GPS does not work. Flow line and bottlenecks, which could not be captured with fixed cameras alone, can now be fully grasped, greatly expanding the scope and targets for improvement. In addition, AI-based image analysis technology is used to break down the video footage taken with a camera of a person’s series of tasks into detailed elemental tasks and analyze them. Then, by identifying bottlenecks and applying kaizen techniques to these bottlenecks, it enables us to create the operational frontlines where business process transformation continuously takes place. In addition, spatial sensing technology has been used to monitor loading capacity by automatically tracking the fill rate in containers, shelves, and parcel cages, even while in motion. By maximizing the efficiency of warehouse space and deploying truck management synchronized with warehouse operations, we hope to be able to solve the problem of trucks waiting for long periods of time and delivering small payloads.

Introducing these kinds of digital technologies made it possible to comprehensively analyze the operating status of people and equipment, their movements, work data, demand data, and so on, use the data to identify warehouse conditions and problems, and make sure operations can keep up with fluctuations in load volume. This has eliminated the need to constantly allocate more resources in case of delays or shortages.

A work analysis showed that what used to take 600 minutes has been reduced to 15 minutes, a reduction of a factor of 40. As a result, kaizen initiatives have been greatly accelerated. The productivity of picking operations has improved by 25% per year; productivity has almost doubled over the three-year period from 2017 to 2019, and in terms of cost performance, overall costs were reduced by 10%.

**Blue Yonder’s solutions reduce production and disposal losses and optimize inventory**

As a new initiative to apply kaizen made at the gemba (operational frontlines) in management, the Mobile Solutions BD, which manufactures and sells Let’s note brand of notebook PCs and TOUGHBOOK brand of rugged mobile computers for use in outdoor field working, has been developing Blue Yonder’s solutions that provide software development and operation consulting in the supply chain management field, with data from continuous kaizen efforts at the gemba, and making its efforts to streamline the entire supply chain.

The products handled by the Mobile Solutions BD are primarily B2B. Therefore, the production plans had to directly reflect each customer’s demand for each product with different specifications, and if the lead time was long, in some cases the customer’s requested delivery date could not be met. Meanwhile, from a management point of view, there was too much inventory, in some cases the customer’s inventory increased while the warehouse inventory decreased, and in operation, this makes it difficult to detect defects and anomalies before they occur, giving customers additional peace of mind.

Blue Yonder’s solutions reduce production and disposal losses and optimize inventory.

Detect signs of defects and anomalies and take countermeasures before they occur through analysis of manufacturing and post-sales data

The Kusatsu Fuel Cell Factory, which produces the “ENE-FARM” home fuel cell, carries out extremely complex and high-precision manufacturing using automated equipment and the craftsmanship of skilled workers. The data obtained in each process during manufacturing is also used to improve customer satisfaction. Various data and components in each process are linked to the analysis results of product defects in the market and the operating data from fuel cells that are actually installed and in operation. This makes it possible to detect defects and anomalies before they occur, giving customers additional peace of mind.

**Kusatsu Factory, Electric Works Company, Panasonic Corporation**

**Detect signs of defects and anomalies and take countermeasures before they occur through analysis of manufacturing and post-sales data**

Connect and analyze data to detect signs of defects and anomalies.
Strategies of Functions

FY2022

FY2021

Panasonic Holdings Annual Report 2022

Message from the Group CFO

Strategies of Functions

Profitability has steadily improved by enhancing our management structure. Under a new medium-term strategy, each business will aim to improve its cash-generation capability by enhancing competitiveness and Panasonic Holdings will seek to achieve Group-wide sustainable growth by improving profitability in growth areas on the back of strategic investments.

Hirokazu Umeda
Representative Director, Executive Vice President, Group CFO

Basic approach to financial management

- What basic approach to financial management does the Company employ in order to advance business operations?

Our basic approach to financial management emphasizes return on invested capital and financial stability. In terms of return on invested capital, we are aiming to stably achieve ROE of at least 10% in an effort to generate returns that exceed the cost of stockholders’ equity by promoting a business management that is conscious of capital costs. As for financial stability, we are working to expand stockholders’ equity through the implementation of at least 10% in an effort to generate returns that exceed the cost of stockholders’ equity by promoting a business management that is conscious of capital costs. As for financial stability, we are working to expand stockholders’ equity through the implementation of a financial base that can propel business structural reforms and back of strategic investments.

Financial results (FY2020–FY2022)

(Billions of yen)

<table>
<thead>
<tr>
<th>Year</th>
<th>Net sales</th>
<th>Adjusted operating profit</th>
<th>Operating profit</th>
<th>Net profit</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2020</td>
<td>6,599.8</td>
<td>286.7</td>
<td>293.8</td>
<td>3.0%</td>
</tr>
<tr>
<td>FY2021</td>
<td>6,559.8</td>
<td>293.8</td>
<td>225.7</td>
<td>3.0%</td>
</tr>
<tr>
<td>FY2022</td>
<td>307.2</td>
<td>286.4</td>
<td>289.5</td>
<td>4.4%</td>
</tr>
</tbody>
</table>

- Reflecting on the previous Mid-term strategy

In April 2022 the Company unveiled a new medium- to long-term strategy. Before going into details, please give us a quick review on the previous Mid-term strategy (FY2020–FY2022).

In our previous Mid-term strategy we mainly undertook initiatives to (1) enhance our management structure, (2) reform our business portfolio, and (3) improve profitability in automotive business (automotive solutions and automotive batteries) with the overall objective of breaking away from a low-profitability structure. We achieved the following results in each of the initiatives.

1. In enhancing our management structure, we aimed at profit contributions of 100 billion yen over the three-year period of the Mid-term strategy; 60 billion yen from fixed cost reductions and 40 billion yen from rolling out measures for businesses having loss-making structures. We reduced fixed costs by thoroughly reducing personnel costs and indirect operations, as well as by consolidating facilities. These efforts contributed to profit by some 101 billion yen, well above our initial target. In addition, our measures for businesses having loss-making structures generated profit contributions of 34 billion yen. The measures included transferring the semiconductor business, terminating in-house production in the LCD panel and solar businesses, and turning the TV business profitable mainly by focusing on specific regions. Together with the aforementioned fixed cost reductions, we achieved profit contributions of 135 billion yen in total. With the spread of the COVID-19, we reviewed fixed costs and reduced expenses related to activities which used to be considered normal, such as business trips, meetings, and exhibitions; which had led to cost reductions. We will continue to control costs thoroughly going forward so that the benefits of these measures take root.

2. In reforming our business portfolio, alongside measures for businesses having loss-making structures, we worked on enhancing our competitiveness through partnerships: for example, we established joint ventures with Toyota Motor Corporation in the automotive prismatic battery business and the town development business. Also, we made Blue Yonder a wholly-owned subsidiary, expanded automotive battery production capacity at our North America factory in Nevada, and made investments to capture growth opportunities with a view to medium- to long-term growth.

3. As for improving profitability in the automotive business (automotive solutions and automotive batteries), in automotive solutions we concentrated on our areas of strength, while for automotive batteries we worked on the rationalization of materials and productivity improvements. As a result, in the fiscal year ended March 2021 (fiscal 2021), we managed to turn profitable on a full-year basis after heavy losses in fiscal 2020. The automotive batteries business in particular has now grown into a business which generates steady profits from brisk EV demand. The results of these measures contributed to steady improvement in adjusted operating profit even in the midst of the pandemic and other changes in the external environment. From a financial point of view, we continued to shift our management resources towards sustainable growth and enhance the competitiveness of the entire Group by reforming our business portfolio in line with our basic approach to financial management. In the Gemba (operational frontlines) Process Business, which we consider as an area of focus, with the aim of achieving a business model transformation with a view to the future, we deepened our strategic partnership mainly by establishing a joint venture with Blue Yonder in 2019 and acquiring a 20% equity stake in the company in 2020. In order to further accelerate this business transformation, we made Blue Yonder a wholly-owned subsidiary in September 2021. The total acquisition price was approximately 860 billion yen*. Considering the temporary financial impact of this acquisition, including the recording of sizeable intangible assets and goodwill, we issued hybrid bonds worth 400 billion yen in which a certain level of equity value is recognized for consolidation purposes in order to stably maintain our credit rating after the acquisition and ensure that we still have the capacity to make investments in the future. In looking back on our allocation of cash over the three-year period of the previous Mid-term strategy, the amount of cash generated from not only operating cash flow, but also from divestitures and asset sales, was greater than the amount we allocated to dividend payments, structural reforms, and investments for growth, including the Blue Yonder acquisition. As a result, net cash at the end of fiscal 2022 was −649 billion yen, an improvement of approximately 160 billion yen from −813.1 billion yen at the beginning of fiscal 2020. *Includes the repayment of Blue Yonder’s bank borrowings

Capital allocation (FY2020–FY2022)

(Billions of yen)

<table>
<thead>
<tr>
<th>Year</th>
<th>Cash flow generation</th>
<th>Excess and deficiency</th>
<th>Dividends</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2020</td>
<td>931.3</td>
<td>400</td>
<td>190</td>
</tr>
<tr>
<td>FY2021</td>
<td>930</td>
<td>400</td>
<td>190</td>
</tr>
<tr>
<td>FY2022</td>
<td>930</td>
<td>400</td>
<td>190</td>
</tr>
</tbody>
</table>

- New medium- to long-term strategy

The Company’s new medium- to long-term strategy was launched under the operating company system. What are its objectives?

Under our new medium- to long-term strategy, each operating company will seek to enhance their competitiveness by leveraging “strategies” formulated from a long-term point of view to align them with the sharpened “operational capabilities” and improve their cash-generation capabilities. And based on autonomous responsibility management, each company will aim to achieve further growth by investing in long-term goals with cash generated from their own business activities. To that end,
we have set the following medium-term management indicators (KGIs). As a measure of our ability to generate cash, cumulative operating cash flow of 2.0 trillion yen and cumulative operating profit of 1.5 trillion yen have been set for the three-year period from fiscal 2023 through fiscal 2025. We have also set ROE as a KGI to measure capital efficiency. ROE has been around the 8% level recently, but we are targeting 10% or more by fiscal 2025. By setting cumulative management indicators as KGIs, our objective is to boost our cash-generation capability and profitability over the medium to long term. In the previous Mid-term strategy we laid down a solid foundation by steadily taking steps to reduce fixed costs and take measures for businesses with loss-making structures. The new medium-term strategy represents a new phase of boldly embracing challenges to achieve our future vision. Our KGI targets are challenging, but in light of the areas we need to strengthen, we are seeing a lot of ingenuity and efficiency emerging from an operational standpoint and the speed at which we are implementing various initiatives is gathering pace. I believe if we set ourselves high-level targets and make efforts to do what should be done, the results will naturally speak for themselves.

Medium-term management indicators (KGIs)

<table>
<thead>
<tr>
<th>Cumulative operating CF (FY2023–FY2025)</th>
<th>2.0 trillion yen</th>
</tr>
</thead>
<tbody>
<tr>
<td>ROE (FY2023)</td>
<td>10% or more</td>
</tr>
<tr>
<td>Cumulative operating profit (FY2023–FY2025)</td>
<td>1.5 trillion yen</td>
</tr>
<tr>
<td>ROE and Panasonic Holdings Corporation stockholders’ equity (%)</td>
<td>15</td>
</tr>
<tr>
<td>(Billions of yen)</td>
<td>500</td>
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<tr>
<td>0</td>
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<td>5</td>
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- While each operating company thoroughly engages in autonomous responsible management, what kind of measures will Panasonic Holdings Corporation (hereinafter, "PHD") focus on, and what will it achieve?

Even during the period of the last Mid-term strategy we had made medium- to long-term growth-oriented investments, but in order to achieve our future goals, under the new medium-term strategy we will make strategic investments of 400 billion yen in the three growth areas of automotive batteries, supply chain software, and air quality & air-conditioning, along with 200 billion yen in "technology pillars" for the purpose of strengthening Group-wide technological capabilities.

The three growth areas are domains in which each business can demonstrate their competitive edge and they also present considerable business opportunities at a time when the structure of society is gradually shifting towards carbon neutrality. Moreover, they are areas in which we can make significant contributions towards solving global environmental issues in line with the "Panasonic GREEN IMPACT." Some of the past strategic investments were unable to achieve growth that brings profits because we were focused on pursuing scale expansion. Under the new medium-term strategy, however, we intend to execute investments after assessing competitiveness of each business and drive Group-wide growth by improving profitability in the three growth areas. To that end, it is important that we steadily secure enough cash for not only shareholder dividends, but also strategic investments. We will therefore secure cash as a holdings company and allocate cash to the operating companies. In return for the capital allocated, we will establish an appropriate cost of capital that suitably reflects our business characteristics in order to collect a share of cash equivalent to the cost of capital from each operating company. We will then use the cash received to make strategic investments with the aim of enhancing Group-wide enterprise value. In addition to receiving dividends from operating companies, PHD takes a flexible approach to optimal Group-wide financing schemes, such as the sale of assets, etc. or funding the operating companies when they are making an investment which exceeds their own funds.

In May 2022, we announced that we would start making preparations for a stock exchange listing of our supply chain management business (SCM business) centering on Blue Wonder. The SCM business is a high-growth market, the competitive environment is changing rapidly. In light of such circumstances and partly because its own growth would not be enough to keep up with the market, we have judged that it would be necessary to enhance the competitiveness of the SCM business with the help of the capital markets in order to achieve inorganic growth beyond its own investment capacity. With a view to growth in the Saas business, we intend to aggressively invest in R&D, M&As, and human resources, and aim at a ROE of 10% or more by fiscal 2025. This is our medium-term strategy. How does the Company view these changes and what measures will it focus on going forward?

For the first quarter of fiscal 2023, profit decreased year-on-year due mainly to price hikes in raw materials, shortages in semiconductor parts & materials, the Shanghai lockdown enforced from the end of March, despite increased sales and efforts such as price revisions. It appears that the impact of the lockdown bottomed out in May because our operating profit improved sharply in June when lockdown restrictions were lifted. From a year-on-year perspective, the negative impacts from raw material price hikes and shortages of semiconductors and parts & materials remained in this first quarter, because the effects were relatively mild last fiscal year. We will continue our efforts to mitigate the impacts through price revisions and procuring alternatives and work on driving sales in the energy and air quality & air-conditioning businesses where we see strong prospects for growth.

Also, our inventory continued to increase affected by supply chain disruptions including procurement and logistics since last fiscal year. The fact that we strategically secure enough inventory is also a factor behind the increase. Going forward, we will reassess what the optimal level is, including the strategically secured inventory, and employ other measures, such as reducing the number of different parts by standardizing parts & materials and shortening production lead times. Even though we are facing some headwinds in the operating environment at present, we will capture business opportunities from such changes and unite efforts to focus thoroughly on strengthening our operational capabilities toward the enhanced competitiveness aimed under the new medium-term strategy. There are also numerous uncertain factors affecting the outlook for the business environment in the coming fiscal year, including the risk of prolonged instability in the global political landscape and the risk of a global economic slowdown stemming from the tight monetary policies of governments worldwide. That said, we will continue to invest where necessary and execute our plans for the future.

Fiscal 2023 initiatives

- Uncertainties in the external environment such as raw material price hikes, supply chain disruptions, and other changes continue in fiscal 2023, the first year of the new medium-term strategy. How does the Company view these changes and what measures will it focus on going forward?

For April when we launched the operating company system as our new Group structure, we also communicated the Group’s new medium- to long-term strategy at a Group strategy briefing. Then in June as part of the Panasonic Group IR Day 2022 activities, we held the heads of each operating company communicate with shareholders and investors about their business goals and medium- to long-term strategies, including KGIs. We have thus far communicated with the capital markets what direction the Group is heading in under our new structure. In terms of medium- to long-term strategies and initiatives for enhancing our competitiveness, we believe it is important that we provide the capital markets with easy-to-understand information about our progress and results and continuously engage in dialogue.

PHD is at the helm of the Group’s management, so it will strive to communicate not only progress on the Group’s medium-term management indicators (KGIs) and strategic investments, but also information from a long-term point view, including ESG-oriented sustainability information through briefings. In addition, the heads of each operating company themselves will communicate with the capital markets and explain goals and strategies discussed at IR Day 2022 events. Through this kind of dialogue with the capital markets, we will make good use of the valuable opinions and suggestions received from shareholders and investors to improve our management. The Group will unite efforts toward enhanced enterprise value through a better understanding and higher expectations by our investors in the Group’s future growth potential and long-term initiatives towards sustainable growth. On top of this, we will endeavor to extend shareholder returns with ongoing, stable dividend payments.

So that the Panasonic Group can become a valued company needed by society, the ongoing support of all stakeholders will be truly appreciated.

Aiming to enhance enterprise value

- What kind of policy does the Company intend to employ for dialogue with the capital markets going forward for the purpose of enhancing enterprise value?

In April when we launched the operating company system as our new Group structure, we also communicated the Group’s new medium- to long-term strategy at a Group strategy briefing. Then in June as part of the Panasonic Group IR Day 2022 activities, we held the heads of each operating company communicate with shareholders and investors about their business goals and medium- to long-term strategies, including KGIs. We have thus far communicated with the capital markets what direction the Group is heading in under our new structure. In terms of medium- to long-term strategies and initiatives for enhancing our competitiveness, we believe it is important that we provide the capital markets with easy-to-understand information about our progress and results and continuously engage in dialogue. PHD is at the helm of the Group’s management, so it will strive to communicate not only progress on the Group’s medium-term management indicators (KGIs) and strategic investments, but also information from a long-term point view, including ESG-oriented sustainability information through briefings. In addition, the heads of each operating company themselves will communicate with the capital markets and explain goals and strategies discussed at IR Day 2022 events. Through this kind of dialogue with the capital markets, we will make good use of the valuable opinions and suggestions received from shareholders and investors to improve our management. The Group will unite efforts toward enhanced enterprise value through a better understanding and higher expectations by our investors in the Group’s future growth potential and long-term initiatives towards sustainable growth. On top of this, we will endeavor to extend shareholder returns with ongoing, stable dividend payments.

So that the Panasonic Group can become a valued company needed by society, the ongoing support of all stakeholders will be truly appreciated.
Message from the Chairperson of the Board

The Board of Directors should encourage operating companies to take on challenges to achieve sustainable growth and enhance corporate value
Kazuhiro Tsuga
Panasonic Holdings Corporation
Director,
Chairperson of the Board

In April 2022, the Panasonic Group transitioned to a new structure consisting of a holding company and independent operating companies. The Board of Directors of Panasonic Holdings Corporation, as the decision-making body for Group-wide matters and supervisory body for the Group management, is responsible for discussing and directing the Group’s medium- to long-term strategy, for example, as well as conducting sound and appropriate monitoring. The Board of Directors is focused on supervision of the operating companies by implementing their autonomous responsible management. When the operating companies bring important proposals to the Board of Directors, we examine and discuss them from the perspective of the holding company, including their alignment with the Group’s strategy. As Chairperson of the Board, I intend to position myself one step away from the execution side. Looking at the Panasonic Group objectively from the outside, I strive to draw out as much knowledge as possible from our outside directors in various fields and stimulate discussion with the execution side of the business. By improving the quality of these discussions before making our decisions, the Board of Directors will continue to encourage the operating companies to take on new challenges.

What we aim as a Board of Directors
We have continuously sought to strengthen its governance. I believe that the Board of Directors’ meetings, where important Group matters are discussed, must be productive. Productive does not mean simply passing or not passing resolutions, but encouraging the execution side by, for example, suggesting the potential of various challenges, and making decisions through discussions from a variety of perspectives. In addition, it is necessary to thoroughly analyze the challenges that did not go well, and discuss how to connect these lessons to the next challenge. Recently, we’ve been able to swiftly make major decisions based on lively discussions, including the transition to the new structure, medium- to long-term strategy, and the start of preparations for the listing of the supply chain management business. Even when different opinions and views within the Company made it difficult to reach an agreement, we were able to come to a final decision through repeated dialogues and utilizing the wisdom of our outside directors. This is a testament to the productive functioning of the Board of Directors. We will continue to innovate and make efforts to improve the quality of our Board of Directors’ meetings.

Expectations for the execution function of the business
A business cannot be created overnight, and it is inevitable that the values of an organization will tend to become uniform as a result of sharing the same values and building a business through many years of hard work. However, even for those businesses that have been already established, such uniformed values within the organization are not sufficient to deal with the next phase of growth. It is therefore necessary for personnel with diverse perspectives and knowledge to intermingle and multiply and complement each other’s strengths while respecting each other’s values. Similarly, the Board of Directors also needs diversity. As I have experienced during my time as President, it is not uncommon for senior managers to have difficulty making decisions on their own. I therefore expect the execution function of the business, which we have called on to practice more autonomous responsible management than ever before, to raise the issues which cannot be resolved within the operating companies to and make good use of the Board of Directors of the holding company, thereby improving the quality of decision-making.

Looking to the future
Under our new structure, it is essential for each operating company to focus on its identified business areas and to continuously take on challenges despite the difficulties that may arise. I believe that the most important point of this change in structure is to ensure that we continue to challenge ourselves to achieve sustainable growth. The Board of Directors will continue to promote governance reforms to raise the quality of decision-making higher than ever and encourage operating companies to take on their challenges in order to achieve sustainable growth and enhance corporate value of the Group.

Message from an Outside Director

In view of the wide variety of our business areas, we appoint outside directors who possess insights and high level of expertise that cannot be obtained by inside directors alone. Here, Director Sawada, who assumed a new role as the Chairperson of the Nomination and Compensation Advisory Committee in June 2022, shares his thoughts on what the Board of Directors and management should do to enhance corporate value.

What are your thoughts on what the Board of Directors should do to enhance corporate value?
To enhance corporate value, it is important to exercise governance that balances both proactive approach, which facilitates corporate growth, and defensive approach, which supports continuity. For us today, I believe it is important to further strengthen our proactive posture while firmly maintaining our defensive stance. I hope the Board of Directors will always keep this in mind in its discussions and encourage appropriate risk-taking by management. Governance that is rooted in the culture, history, and spirit of the company is also important, and I hope we will continue to advance the Board of Directors keeping in mind the unique strengths of the Company, which has always valued its founder’s philosophy.

To enhance corporate value, a medium- to long-term strategy based on sustainability was formulated. What were your comments during the discussion about the medium- to long-term strategy?
In order to pave the way through uncertain times and increase corporate value, it’s important to pursue in-depth understanding and insight. Specifically, the question is: how do we change in order to survive while building on our principles and aspirations? To achieve this, it is important to have a strategy for “change” and work together (“coordination”) with employees on the operational frontlines to put that strategy into practice. In the Board’s discussions on medium- to long-term strategy, there was an active discussion about sustainability and the transition from things to solutions, which are key to “change,” and about greater sharing with employees on the operational frontlines, which is key to “coordination.” In the discussion, I have offered a variety of opinions to the Board of Directors based on my own management experience, which I have pursued in the spirit of contributing to consumers, the earth, and society.

What do you think is important in order to achieve higher corporate value in the future?
Sustainability is essential for contributing to the enhancement of corporate value through sustainability management. To that end, I believe there are two key points. The first is to put sustainability at the center of our management strategy; in other words, to connect it to our business. The second is to establish a system to inculcate sustainability in the work of all employees and on the operational frontlines. On both points, the role of the Board of Directors will become even more important in the future. I also intend to stay focused on this and fulfill my role as a shareholder representative.

What are your aspirations as chairperson of the Nomination and Compensation Advisory Committee?
Companies vary depending on their leaders. Similarly, the role of a “good” leader also changes with the times. As chairperson of the Nomination and Compensation Advisory Committee, I hope to improve corporate value by appointing top management worthy of leading the Company in the future and by creating a compensation system that will motivate them.

Yoshinobu Tatsusui
(Appointed in June 2015)
Chairman of the Board, Nippon Life Insurance Company
Tatsusui brings extensive experience at the highest level of management with extensive global expertise in domestic and international financial developments.

Kunio Noji
(Appointed in June 2019)
Senior Advisor, Komatsu Ltd.
One of Japan’s most noted executives, Noji built Komatsu into a global corporation. Noji advocates reform of business management through innovation.

Shinobu Matsui
(Appointed in June 2021)
Director, Uzabase, Inc.
After retiring as an accounting auditor and consulting manager of international taxation, Matsui joined Uzabase and served as CCO, etc. as an executive officer.

Michitaka Sawada
Outside Director
Director, Chair, Kao Corporation
Leading a global company, Sawada achieved continuous profit growth and prioritizes ESG-focused management to realize a sustainable society.
(Appointed in June 2020)

ESG
The Company considers corporate governance to be a key foundation for increasing its corporate value and will continue strengthening governance, including enhancing the discussion of business strategies by the Board of Directors.

Basic policy

The Company, since its establishment, has operated its business under its Basic Business Philosophy, “contributing to the progress and development of society and the well-being of people worldwide through its business activities.” Also, the Company believes it is important to increase corporate value by fulfilling accountability through dialogue with various stakeholders such as shareholders and customers, making effort to execute transparent business activities, and swiftly conducting business activities with fairness and honesty based on its basic philosophy of “A company is a public entity of society.”

The Company recognizes that corporate governance is the most important basic structure for the aforementioned purpose, and makes efforts to establish and strengthen the effective corporate governance structure based on the “Board of Directors,” which is responsible for deciding important operational matters for the entire Group and monitoring the execution of business by Directors, and the Audit & Supervisory Board System composed of “Audit & Supervisory Board Members (A&SB Members)/Audit & Supervisory Board (A&SB)” that are independent from the Board of Directors and responsible for auditing the performance of duties by Directors.

Corporate governance structure

Main topics discussed by the Board of Directors in fiscal year ended March 2022 (fiscal 2022)

The Board of Directors discussed and deliberated on key issues to fulfill its roles of making decisions on corporate strategy and executing operating company oversight. In particular, it discussed various aspects of the Panasonic Group governance, including the nature of the Board of Directors, function-focused governance, the internal control system, and the internal audit system. In addition, the Board of Directors received multiple reports on medium- to long-term strategy, discussed them from a wide range of perspectives, and made decisions. It shared and discussed Group-wide issues, such as sustainability management, DEI, and DX initiatives.

In these discussions, the Board’s outside directors contributed significantly to the decision-making and oversight by the Board of Directors by actively providing opinions and asking questions from an independent, third-party perspective based on their respective skills and experience in management and governance.

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

• The A&SB is composed of five A&SB members, including three independent A&SB members, of whom one is a woman (outside A&SB member).
• The Company sets full-time senior A&SB members who are well versed about corporate operations and are able to independently act upon their own decision in pursuing liabilities of directors.
• The Company elects A&SB members who are able to independently act upon their own decision in pursuing liabilities of directors.
• The Company sets full-time senior A&SB members who are well versed about corporate operations and are able to independently act upon their own decision in pursuing liabilities of directors.
• The Company sets full-time senior A&SB members who are well versed about corporate operations and are able to independently act upon their own decision in pursuing liabilities of directors.

Group strategy

• Application for DX certification

• Approaches to medium- to long-term strategy formulation

• Consideration of the listing of the supply chain business
• Results of employee opinion survey (EOS)
• Significance of possessing strategic shareholdings
• Effectiveness evaluations of Board of Directors
• Promotion of Diversity, Equity & Inclusion

*PHD: Panasonic Holdings ERM: Enterprise Risk Management
Corporate Governance
Structure and Initiatives

Exercising the functions of outside directors

Policy for nominating independent outside director candidates and their qualifications

The Company nominates independent outside director candidates from the standpoint that outside directors should have no conflicts and be able to increase and enhance the effectiveness of the monitoring of directors’ execution of duties by the Board based on an objective and neutral point of view. Candidates for independent outside director who satisfy the following independence standards are elected from among those who have extensive knowledge and expertise, such as managers or experts of external entities. The Board of Directors resolved that the minimum ratio of outside directors should be one third and after June 29, 2017. Based on this, we nominate candidates for outside directors and appoint them at the ordinary general meeting of shareholders, thereby enhancing the objectivity and neutrality of the Board of Directors and strengthening the supervisory function.

Independence standards for independent directors / Audit & Supervisory Board members (A&SB members)

The Company established independence standards for independent directors/A&SB members based on independence standards required by financial instruments exchanges such as the Tokyo Stock Exchange. For example, the following persons are not considered independent:

(i) A person executing the operations of a parent company or a subsidiary of the parent company of the Company.

(ii) A person with whom the Company has a major business relationship (a major business partner) or an executing person of such major business partner (including persons who had fallen under this category in the past).

(iii) A consultant, accounting expert, or legal expert who receives a significant amount of money or other property from the Company. If the person who receives such property is an organization such as a legal entity or an association, a person who belongs or belonged to the organization corresponds to the relevant person.

(iv) A principal shareholder of the Company (or, if the principal shareholder is a member of the corporate group). A principal shareholder of the Company is defined as a person who holds 10% or more of the Company’s voting rights. For a detailed definition of the Company’s independence standards, please refer to the “Corporate Governance Report.”

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

Once a year, the Board of Directors implements a questionnaire to all its members in order to further enhance the Board’s efficiency. The results and evaluations of the questionnaire are reported to the Board of Directors. The following items were surveyed in the fiscal 2022 effectiveness evaluation.

Survey results: the structure of the Board of Directors for fiscal 2022 and the measures taken by the Company to improve its operations were generally evaluated positively. On the other hand, the following issues were raised and proposed.

- Establish a system so that the members of the Board of Directors can ask questions on agenda items in advance and the responses to the questions can be shared using online tools, etc.
- There should be more opportunities for communication between outside directors and operating company presidents. In fiscal 2023, we will continue to improve the effectiveness of the Board of Directors and strengthen its governance by implementing specific measures to enhance and deepen the discussions at the Board of Directors with the goal of addressing the above-mentioned issues.

Activities aimed at strengthening corporate governance

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<td>Appointed a female director</td>
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<td>Appointed an A&amp;SB member</td>
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<td>Outside directors ratio</td>
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<td>Establishing and Compensation Advisory Committee (Number of outside members / Total number of members)</td>
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<td>Mechanisms, etc.</td>
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Compensation

The Company’s compensation system for Directors comprises a fixed compensation which is the “basic compensation,” a short-term incentive which is the “performance-based compensation,” and a long-term incentive which is the “restricted stock compensation,” based on the duties of Directors. The ratios between the basic compensation, the performance-based compensation (when standard values were achieved), and the restricted stock compensation are set at 1:0.75:0.25 generally. Outside Directors and A&SB Members receive only a fixed compensation or the “basic compensation” in the form of monthly monetary compensation.

The optional Nomination and Compensation Advisory Committee, majority-staffed and chaired by independent Outside Directors, deliberates on the appropriateness of the Company’s policy and system for determining compensation of Directors and reports the results to the Board of Directors. The Board of Directors makes a resolution on the policy for determining the compensation based on the report. The outline is provided below.

Basic compensation

Basic compensation is determined in accordance with the individual’s role, taking into account the Company’s business environment and trends at other companies.

Performance-based compensation

The “performance-based compensation” is provided to boost motivation to improve business performance, and its amount is determined based on a single-year performance evaluation of the entire Company and the specific business of which the
Director in charge. The "performance-based compensation" is designed in a way that the amount of payment will increase according to the results. The payment rate of the basic compensation ranges from 0% to 150% (when the standard value is achieved: 75%). The performance is measured using a combination of key management indicators which the Company should continue to attach importance to, such as adjusted operating profit (Note), net profit attributable to Panasonic Holdings Corporation stockholders and operating cash flows. Specifically, the performance of Directors is evaluated based on the comparison between the results of each of such indicators in the previous fiscal year and numerical targets of the fiscal year in which they are evaluated.

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

Based on the new medium- and long-term strategy the Group adopted after the transition into an operating company system, the details of the performance-based compensation system will be revised starting from the timing of reflecting the results of fiscal 2023. In addition to financial indicators such as operating cash flow (cash-generating ability), ROIC (return on invested capital), and ROE (return on equity), evaluation will include environmental contributions and other sustainability-related items, compliance-related items, human resources-related items, and non-financial items such as strengthening operational capabilities to support business competitiveness. We are also creating a new evaluation rubric that reflects medium-term performance on top of single-year results. An evaluation system based on the same concepts will also be applied to the presidents of the operating companies under Panasonic Holdings Corporation.

Restricted stock compensation system

Restricted stock compensation is a type of stock compensation in which the restriction of transfer of shares is lifted subject to the conditions of the Board of Directors. The percentage of shares to be allocated to each recipient, the Nomination and Compensation Advisory Committee examines whether these amounts and number are appropriate in light of the policy for determining the compensation, and reports the results to the Board of Directors. The Board of Directors has left the decision-making on the compensation solely to Representative Director, President of the Company who objectively comprehends and supervises overall business execution of the Company.

Illustration of compensation structure

Panasonic Group. As Representative Director, President of the Company makes decisions as to basic compensation, performance-based compensation, and restricted stock compensation to each recipient in accordance with the results of deliberation at the Nomination and Compensation Advisory Committee, the Board of Directors believes his decision is in line with the policy for determining the compensation. Five members of the Nomination and Compensation Advisory Committee, Information disclosure / Dialogue

Information disclosure approach and system Based on our basic philosophy that “A company is a public entity of society,” we are committed to transparency in our business activities and accountability to our stakeholders. Our basic approach to information disclosure is set forth in the “Panasonic Group Code of Ethics and Compliance” which together with practical standards, methodologies, and internal processes is published as the “Disclosure Policy” on our official corporate website. Our basic policy is to provide fair and accurate financial information, as well as corporate information such as management policies, business activities, and ESG activities, in a timely, appropriate, and easy-to-understand manner.


Under this basic policy, we disclose information when the disclosure is required by laws and regulations in the relevant countries and regions, as well as other information that is deemed as necessary to disclose, in a fair and timely manner while at the same time endeavoring to disclose accurately, fairly, and sufficiently.

Moreover, the Company has established disclosure control procedures and in the preparation and submission of annual securities reports, quarterly reports, etc., the Disclosure Committee, which is comprised of general managers from principal departments that handle relevant information, confirms the validity of the descriptive content and the appropriateness of the disclosure procedures under the supervision of the Group CEO and the Group CFO.

Corporate information requiring disclosure under the securities exchange listing rules is promptly reported to the Corporate Finance & IR Department or the Financial & Accounting Center of Panasonic Operational Excellence Co., Ltd. and is disclosed in a timely and appropriate manner.

Outside Director Hiroko Ota (Chair), Outside Director Kazuhiro Toyama, Outside Director Yoshinobu Tsutsui, Director and Chairman of the Board (at the time) Shusaku Nagae, and Representative Director, President (at the time) Kazuhiro Tsuga, held a meeting to discuss the compensation for fiscal 2022. As a result, Representative Director, President Yuki Kusumi (who assumed office on June 24, 2021) determined the terms of the compensation based on the results of the discussion.

Internal control over financial reporting

In order to ensure the reliability of financial reporting for the Group as a whole, including subsidiaries, the actual status of internal control from the control infrastructure to the control activities of the business is documented under the supervision of the Internal Control Promotion Office of Panasonic Operational Excellence Co., Ltd.

Specifically, the operating companies conduct self-inspections using a checklist. Then, internal auditing managers assigned to the operating companies conduct audits, and based on these audits, the Internal Control Promotion Office oversees audits of internal controls for the entire Group, thereby establishing a structure for ensuring the effectiveness of the internal controls. In fiscal 2022, a total of approximately 400 employees throughout the Group were engaged in internal control audits.

Constructive dialogue with shareholders and investors

At Panasonic, the Group CFO oversees investor relations (IR) activities. Dialogue with shareholders and investors, including announcements of financial results and individual meetings, is led by the Group CEO, Group CFO, and the presidents of the operating companies. In addition, day-to-day communication is handled by the IR staff in the Corporate Finance & IR Department.

For IR geared toward institutional investors and securities analysts, the Company conducts presentation meetings of quarterly financial results announcements, annual presentations regarding business policy of the Company and operating companies, and other activities. Also, for overseas investors, the Company holds presentation meetings utilizing conferences hosted by financial institutions.

Opinions and management issues elicited from shareholders and investors through IR activities are fed back to senior management and the operating companies at internal meetings, such as the Group Management Meeting, to help improve the quality of management throughout the Group.

Amount of compensation for directors and AASBM members for fiscal 2022 (ended March 2023)

<table>
<thead>
<tr>
<th>Classification</th>
<th>Number of Persons</th>
<th>Amount (million yen)</th>
<th>Basic compensation</th>
<th>Performance-based compensation</th>
<th>Restricted stock compensation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Directors (including outside directors)</td>
<td>8</td>
<td>1,128</td>
<td>571</td>
<td>404</td>
<td>153</td>
</tr>
<tr>
<td>AASBM (including outside directors)</td>
<td>2</td>
<td>80</td>
<td>80</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Outside directors</td>
<td>7</td>
<td>110</td>
<td>110</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Outside AASBM</td>
<td>3</td>
<td>39</td>
<td>39</td>
<td>—</td>
<td>—</td>
</tr>
</tbody>
</table>

Note: One director who retired as of June 27, 2022 and one AASBM member who retired at the conclusion of the 114th Ordinary General Meeting of Shareholders held on June 24, 2021 are excluded from the above. Restricted stock compensation is non-monetary compensation.
## Corporate Governance

### Composition of Board Directors and Audit & Supervisory Board Members

(As of June 23, 2022)

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Attributes and appointment status of committee members</th>
<th>Major activities during fiscal 2022</th>
<th>Expertise</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Directors</strong></td>
<td></td>
<td></td>
<td>Number of Attendance</td>
<td></td>
</tr>
<tr>
<td>Kazuhiro Tsuga</td>
<td>Chairperson of the Board</td>
<td>N &amp; CAC</td>
<td>Board of Directors’ meeting 13/13 (100%)</td>
<td></td>
</tr>
<tr>
<td>Yuki Kusumi</td>
<td>Representative Director President</td>
<td>N &amp; CAC</td>
<td>Board of Directors’ meeting 13/13 (100%)</td>
<td></td>
</tr>
<tr>
<td>Tetsuro Homma</td>
<td>Representative Director Executive Vice President</td>
<td>N &amp; CAC</td>
<td>Board of Directors’ meeting 13/13 (100%)</td>
<td></td>
</tr>
<tr>
<td>Mototsugu Sato</td>
<td>Representative Director Executive Vice President</td>
<td>N &amp; CAC</td>
<td>Board of Directors’ meeting 13/13 (100%)</td>
<td></td>
</tr>
<tr>
<td>Hirokazu Umeda</td>
<td>Representative Director Executive Vice President</td>
<td>N &amp; CAC</td>
<td>Board of Directors’ meeting 13/13 (100%)</td>
<td></td>
</tr>
<tr>
<td>Shinobu Matsui</td>
<td>Director</td>
<td>Outside Independent</td>
<td>Board of Directors’ meeting 10/10 (100%)</td>
<td></td>
</tr>
<tr>
<td>Kunio Noji</td>
<td>Director</td>
<td>Outside Independent</td>
<td>Board of Directors’ meeting 13/13 (100%)</td>
<td></td>
</tr>
<tr>
<td>Michitaka Sawada</td>
<td>Director</td>
<td>Outside Independent N &amp; CAC</td>
<td>Board of Directors’ meeting 13/13 (100%)</td>
<td></td>
</tr>
<tr>
<td>Kazuhiko Toyama</td>
<td>Director</td>
<td>Outside Independent N &amp; CAC</td>
<td>Board of Directors’ meeting 12/13 (92%)</td>
<td></td>
</tr>
<tr>
<td>Yoshinobu Tsutsui</td>
<td>Director</td>
<td>Outside Independent N &amp; CAC</td>
<td>Board of Directors’ meeting 13/13 (100%)</td>
<td></td>
</tr>
<tr>
<td>Yoshiyuki Miyabe</td>
<td>Director Executive Vice President</td>
<td>None</td>
<td>—</td>
<td></td>
</tr>
<tr>
<td>Ayako Shotoku</td>
<td>Director Executive Officer</td>
<td>None</td>
<td>—</td>
<td></td>
</tr>
<tr>
<td>Toshihide Tominaga</td>
<td>Senior Audit &amp; Supervisory Board Member</td>
<td></td>
<td>Board of Directors’ meeting 13/13 (100%)</td>
<td></td>
</tr>
<tr>
<td>Eiji Fujii</td>
<td>Senior Audit &amp; Supervisory Board Member</td>
<td></td>
<td>Board of Directors’ meeting 13/13 (100%)</td>
<td></td>
</tr>
<tr>
<td>Akihiro Eto</td>
<td>Audit &amp; Supervisory Board Member</td>
<td>None Outside Independent</td>
<td>—</td>
<td></td>
</tr>
<tr>
<td>Akihiro Nakamura</td>
<td>Audit &amp; Supervisory Board Member</td>
<td>None Outside Independent</td>
<td>—</td>
<td></td>
</tr>
<tr>
<td>Setsuko Yufu</td>
<td>Audit &amp; Supervisory Board Member</td>
<td>Outside Independent</td>
<td>—</td>
<td></td>
</tr>
</tbody>
</table>

*Chairperson of the Nomination and Compensation Advisory Committee
Outside Director or Outside Audit & Supervisory Board Member
Independent officer
Member of the Nomination and Compensation Advisory Committee

Note: Director Matsui’s attendance figures represent the period after assuming the position on June 24, 2021.
Corporate Governance

Directors, Audit & Supervisory Board Members, and Executive Officers

(As of June 23, 2022)

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

Directors

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Tenure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kazuhiko Taira</td>
<td>Executive Officer / Group CEO</td>
<td>Apr. 1979</td>
</tr>
<tr>
<td>Tetsuo Homma</td>
<td>Executive Vice President / Regional Head for China &amp; Northeast Asia of the Company</td>
<td>Apr. 1985</td>
</tr>
<tr>
<td>Hiroshi Umeda</td>
<td>Executive Vice President, Panasonic Corporation of China</td>
<td>Apr. 2020</td>
</tr>
<tr>
<td>Ayako Shotoku</td>
<td>Executive Officer / Group GC</td>
<td>Apr. 1983</td>
</tr>
</tbody>
</table>

Representative Director

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Tenure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Michikane Saito</td>
<td>Executive Vice President</td>
<td>Oct. 1999</td>
</tr>
<tr>
<td>Shinsuke Matsui</td>
<td>(independent director)</td>
<td>Oct. 1989</td>
</tr>
<tr>
<td>Kuruto Nagi</td>
<td>(independent director)</td>
<td>Apr. 2016</td>
</tr>
<tr>
<td>Michihisa Sawada</td>
<td>(independent director)</td>
<td>Apr. 1986</td>
</tr>
<tr>
<td>Kazuhiko Toyama</td>
<td>(independent director)</td>
<td>Apr. 2015</td>
</tr>
<tr>
<td>Yoshinobu Tatsukui</td>
<td>(independent director)</td>
<td>Apr. 2018</td>
</tr>
</tbody>
</table>

Directors (Outside Directors)

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Tenure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Junichiro Hironaka</td>
<td>Representative Director</td>
<td>Nov. 2001</td>
</tr>
<tr>
<td>Shingo Miyahara</td>
<td>Representative Director</td>
<td>Jun. 2017</td>
</tr>
<tr>
<td>Arturo Martinez</td>
<td>Representative Director</td>
<td>Dec. 2020</td>
</tr>
</tbody>
</table>

Representative Director

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Tenure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yuki Kusumi</td>
<td>Chairperson of the Board</td>
<td>Apr. 2022</td>
</tr>
<tr>
<td>Kazuhiro Tsuga</td>
<td>Chairperson of the Board</td>
<td>Apr. 2008</td>
</tr>
<tr>
<td>Ayako Shotoku</td>
<td>Chairperson of the Board</td>
<td>Apr. 2016</td>
</tr>
</tbody>
</table>

Yuki Kusumi

China & Northeast Asia Regional Head for President / Group CEO

Apr. 2022 Group Regional Head for China & Northeast Asia of Panasonic Corporation (incumbent)

Apr. 2011 Representative Director and Executive Vice President of the Company (incumbent)

Jun. 2012 Representative Director and President of the Company (incumbent)

Apr. 2015 Managing Director of the Company (incumbent)

Apr. 2016 Representative Director and Senior Managing Director of the Company / in charge of Human Resources (incumbent)

Apr. 2017 Occupational Safety and Health Director (incumbent)

Jun. 2017 Representative Director, Senior Managing Executive Officer, Chief Strategy Officer (CSO), and Chief Human Resources Officer (CHRO) of the Company (incumbent)

Apr. 2019 Representative Director and Executive Vice President of the Company (incumbent)

Apr. 2021 In charge of Procurement of the Company (incumbent)

May 2021 In charge of Logistics of the Company (incumbent)

Oct. 2021 Group Chief Executive Officer (CFO) (incumbent) / in charge of Group Financial Management (incumbent)

Apr. 2022 Representative Director, Member of the Board, Representative Director, Panasonic Operational Excellence Co., Ltd. (incumbent)/ in charge of CEO promotion of the Company (incumbent)

Apr. 1979 Joined Matsushita Electric Works, Ltd.

Apr. 2003 Executive Officer, Matsushita Electric Works, Ltd.

Apr. 2011 Senior Executive Officer, Panasonic Electric Works Co., Ltd.

Jan. 2013 Managing Officer, Eco Solutions Company of the Company, Director, Accounting Center

Oct. 2013 Executive Officer of the Company / in charge of Planning, ERP Project and Business Creation Project

Jan. 2014 Director of the Company (incumbent)

Apr. 2015 Managing Director of the Company (incumbent)

Apr. 2016 Representative Director and Senior Managing Director of the Company / in charge of Human Resources (incumbent)

Apr. 2017 Occupational Safety and Health Director (incumbent)

Jun. 2017 Representative Director, Senior Managing Executive Officer, Chief Strategy Officer (CSO), and Chief Human Resources Officer (CHRO) of the Company (incumbent)

Apr. 2019 Representative Director and Executive Vice President of the Company (incumbent)

Apr. 2021 In charge of Procurement of the Company (incumbent)

May 2021 In charge of Logistics of the Company (incumbent)

Oct. 2021 Group Chief Risk Management Officer (CRO) (incumbent) / in charge of Group Risk Management (incumbent)

Apr. 2022 Representative Director, Member of the Board, Representative Director, Panasonic Operational Excellence Co., Ltd. (incumbent) / in charge of CEO promotion of the Company (incumbent)

Apr. 2019 Joined NIPPON LIFE INSURANCE COMPANY (inboard) / in charge of Government and External Relations (inboard), Tokyo Olympic & Paralympic Business Provision, Solution Sale

Apr. 2022 Executive Vice President of the Company (incumbent)

Apr. 2012 Chairman and Executive Vice President of the Company (incumbent)
Corporate Governance

Directors, Audit & Supervisory Board Members, and Executive Officers

(As of June 23, 2022)

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

Audit & Supervisory Board Members

Senior Audit & Supervisory Board Members

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

- Yoshiyuki Miyabe
  - Apr. 1984: Joined the Company
  - Jul. 2015: Vice President and Officer, Bridgestone Corporation
  - Sep. 2013: Director and Senior Officer, Bridgestone Corporation
  - Sep. 2014: Senior President and Bridgestone Corporation
  - Jan. 2016: Executive Vice President, Bridgestone Corporation
  - Mar. 2014: Executive Vice President and Executive Officer, Bridgestone Corporation
  - Mar. 2016: President, Bridgestone Corporation
  - Mar. 2019: CEO and Representative Executive Officer, President, Bridgestone Corporation
  - Jul. 2020: Director, Bridgestone Corporation
  - Nov. 2021: Member of the Supervisory Board and its Audit Committee, General Trust AG (incumbent)
  - Dec. 2021: Member of the Supervisory Board and its Audit Committee, General Trust Holding AG (incumbent)
  - Jun. 2022: Audit & Supervisory Board Member of the Company (incumbent)

- Setsuna Yufu
  - Apr. 1982: Registered as Attorney at Law (Japan) (current position)
  - Jul. 1998: Representative Partner, Aomura Audit Corporation
  - Apr. 2000: Representative Partner, Chooya Audit Corporation
  - Sep. 2006: Representative Partner, Aonori Kijo (current position)
  - Dec. 2021: Audit & Supervisory Board Member of the Company (incumbent)

- Akihiko Nakamura
  - Apr. 1986: Joined Bridgestone Corporation
  - Jul. 2010: Vice President and Officer, Bridgestone Corporation
  - Sep. 2013: Director and Senior Officer, Bridgestone Corporation
  - Sep. 2014: Senior President and Bridgestone Corporation
  - Jan. 2015: Executive Vice President, Bridgestone Corporation
  - Mar. 2018: Director, COO and Representative Executive Officer, President, Bridgestone Corporation
  - Jul. 2020: Director, Bridgestone Corporation
  - Nov. 2021: Member of the Supervisory Board and its Audit Committee, General Trust AG (incumbent)
  - Dec. 2021: Member of the Supervisory Board and its Audit Committee, General Trust Holding AG (incumbent)
  - Jun. 2022: Audit & Supervisory Board Member of the Company (incumbent)

- Hajime Tamaoki
  - Apr. 1981: Registered as Attorney at Law (Japan) (current position)
  - Apr. 1986: Joined Price Waterhouse Certified Public Accountants Office
  - Sep. 1996: Registered as Certified Public Accountant (current position)
  - Jul. 2015: Representative Partner, Aomura Audit Corporation
  - Apr. 2000: Representative Partner, Chooya Audit Corporation
  - Sep. 2006: Representative Partner, Aonori Kijo (current position)
  - Dec. 2021: Audit & Supervisory Board Member of the Company (incumbent)

Note: Senior Audit & Supervisory Board Member Toshiole Tominaga chairs the Audit & Supervisory Board of Panasonic Holdings Corporation.

Executive Officers

President

Yuki Kuzurumi
- Group CEO / Group CSO
- Executive Vice President

Telesur Hommes
Group General Head for China and Northeast Asia
- President, Panasonic Operational Excellence China and Northeast Asia
- President, Industrial Devices Company, Ltd.
- Chairman, Panasonic Corporation of China

Yoshikiyo Miyate
Representative in Tokyo / In charge of Government and Administration

Motoeetsu Sato
Group CIO / In charge of Procurement and Logistics
- Group CMO / In charge of Corporate Communications
- President

Hirokazu Umeda
Managing Officer / In charge of Technology and Director, Engineering Division
- President, Panasonic Operational Excellence Group
- Senior Vice President, Panasonic Operational Excellence Group
- Senior Vice President, Industrial Devices Company, Ltd.

Hirokazu Umetsu
Managing Officer / In charge of Integrated Marketing
- President, Panasonic Operational Excellence Group
- Senior Vice President, Panasonic Operational Excellence Group

Yoko Matsushita
Managing Officer / In charge of Corporate Social Responsibility

Shigeki Mitsuma
Managing Officer / In charge of Electrical and Electronics
- President, Consumer Systems Company, Ltd.
- President, Automotive Systems Company, Ltd.

Yoichiro Morit
Managing Officer / In charge of Corporate Social Responsibility

Masami Nagayasu
President, Panasonic Energy & Solutions, Inc.
- *Representative Director, President, CSO, and Member of the Board in charge of CRI Promotion, Panasonic Operational Excellence Co., Ltd.

Ayako Shiotani
Executive Officer
- President, Panasonic Information Systems Co., Ltd.
- President, Panasonic Industrial Devices SUNX Co., Ltd.
- Representative Director, President, CSO, and Member of the Board in charge of CRI Promotion, Panasonic Operational Excellence Co., Ltd.

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

Initiatives towards Respect for Human Rights

Management System

The Panasonic Group has defined its Panasonic Group Human Rights and Labor Policy (Human Rights and Labor Policy) with reference to the international standards including the United Nations’ Guiding Principles on Business and Human Rights, and also International Bill of Human Rights, and ILO Declaration on Fundamental Principles and Rights at Work. In keeping with this policy, we set rules within the Group, set up systems to promote the policy, and promote concrete initiatives toward achieving working environments with respect for human rights and provide meaningful work. The Panasonic Group’s Code of Ethics & Compliance (Code of Ethics & Compliance), to be made promises that each employee in the Group must fulfill, also includes “respect for human rights” as a part of “our social responsibilities” and we make effort to enlighten them to all our employees.

Policy

The Human Rights and Labor Policy is predicated on compliance with international standards set by the United Nations and the International Labor Organization (ILO) and the applicable laws in countries where we do business, and includes our commitment to respecting internationally recognized human rights to identify, prevent, and correct risks related to human rights, to promote remedy to people affected by those risks, to create working environments where people are fulfilling their work and way that we use dialogue related to these topics with all our stakeholders. We also create and enforce rules within the Group in order to better spread and promote these initiatives globally while continuously improving upon them.

Responsible Executive and Framework

The executive officer responsible for the Group’s initiatives to respect human rights is the Group Chief Human Resources Officer, who is also in charge of the CSR and Corporate Citizenship Activities (as of August 2022). This officer’s performance indicators include the items of Sustainability (Respect for Human Rights, Labor), etc. and are linked to his remuneration in the year ending March 31, 2023 (fiscal 2023). The Strategic Human Resources Department of Panasonic Holdings Corporation is the organization with overall responsibility for initiatives connected to human rights and labor for the Group and works together with the Operating Companies to promote initiatives at business sites across the Group.

When it comes to human rights in our supply chains, procurement divisions are responsible for protecting them, and these divisions have the understanding and cooperation from our suppliers all around the world in line with our Group-wide human rights initiatives.

Major Initiatives

Please refer to our Sustainability Data Book (P 67-69) about the initiatives towards prohibiting forced labor, abolishing child labor, prohibiting discrimination, respect for the freedom of association and the right to collective bargaining, wage management, man-
The Company began applying International Financial Reporting Standards (IFRS) on a voluntary basis in the fiscal year ended March 2017 (fiscal 2017). Financial figures for the fiscal year ended March 2016 are presented in accordance with both newly applied IFRS and conventionally applied U.S. GAAP (Generally Accepted Accounting Principles) respectively.

Sales increased from the previous fiscal year with increased sales in the Industry segment, where there was growth in the industrial and information & communication sectors in Japan, and in the Energy segment, where sales of automotive batteries increased overseas, as well as the new consolidation of Blue Yonder.

Adjusted operating profit increased from the previous fiscal year with a revision of selling prices as well as increased sales in the Industry and Energy segments, despite raw material price hikes that mainly affected the Lifestyle segment, along with temporary negative factors such as the impact of temporary accounting treatment related to "re-evaluation of assets and liabilities" upon the acquisition of Blue Yonder. In addition, under "Other income/loss," profit increased from the previous fiscal year due mainly to the gain from re-evaluation of existing equity in Blue Yonder upon its new consolidation and sale of assets.

Net profit attributable to Panasonic Holdings Corporation stockholders and ROE

- U.S. GAAP: 252.6 billion yen
- IFRS: 20.0 billion yen

Based on the idea of steadily investing in key businesses for future growth, we made capital investments in production facilities for home-use electric appliances and electrical construction materials, electronic components and control equipment, lithium-ion batteries for automotive use, in-vehicle systems, and equipment related to the B2B solutions business.

Cash flow from operating activities was 252.6 billion yen compared to 504.0 billion yen in the previous fiscal year due to the impact of external environmental factors such as port congestion and an increase in inventories to strategically secure parts and materials, despite an increase in net profit.

Note: Lease receivables collected as a result of application of finance lease accounting as lessor — based on product supply contracts determined to contain leases — are included in cash flows from investing activities. (Loss recharacterized collected amounted to 24.0 billion yen in fiscal 2020, 4.8 billion yen in fiscal 2021, 32.7 billion yen in fiscal 2022, 167.3 billion yen in fiscal 2021, and 11.3 billion yen in fiscal 2018.)

Free cash flows

Based on the idea of steadily investing in key businesses for future growth, we made capital investments in production facilities for home-use electric appliances and electrical construction materials, electronic components and control equipment, lithium-ion batteries for automotive use, in-vehicle systems, and equipment related to the B2B solutions business.

Cash flow from operating activities was 252.6 billion yen compared to 504.0 billion yen in the previous fiscal year due to the impact of external environmental factors such as port congestion and an increase in inventories to strategically secure parts and materials, despite an increase in net profit.

Note: Lease receivables collected as a result of application of finance lease accounting as lessor — based on product supply contracts determined to contain leases — are included in cash flows from investing activities. (Loss recharacterized collected amounted to 24.0 billion yen in fiscal 2020, 4.8 billion yen in fiscal 2021, 32.7 billion yen in fiscal 2022, 167.3 billion yen in fiscal 2021, and 11.3 billion yen in fiscal 2018.)

Free cash flow was 176.6 billion yen compared to 176.6 billion yen in the previous fiscal year, due mainly to the acquisition of Blue Yonder.

We strive to provide stable and continuous dividends with a target consolidated payout ratio of 30%. In fiscal 2022, there was an increase in our net profit and based on the consolidated performance, and after comprehensive consideration of our dividend policy, the status of our financial position, and other factors, the annual dividend per share was increased to 30 yen from 20 yen in the previous fiscal year.

Note: This dividend payout ratio is not calculated for the fiscal year ended March 2012 because the net profit attributable to Panasonic Holdings Corporation shareholders’ equity is negative.
### ESG Highlights

#### CO2 emissions in production activities and CO2 emissions per basic unit

<table>
<thead>
<tr>
<th>(Million tons)</th>
<th>2014</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volume of CO2 emissions</td>
<td>0.50</td>
<td>0.50</td>
<td>0.50</td>
<td>0.50</td>
<td>0.50</td>
<td>0.50</td>
</tr>
<tr>
<td>CO2 emissions per basic unit (improvement rate compared to the fiscal year ended March 2014)</td>
<td>100%</td>
<td>70%</td>
<td>68%</td>
<td>69%</td>
<td>73%</td>
<td>61%</td>
</tr>
</tbody>
</table>

At its factories in and outside Japan, the Panasonic Group is pushing ahead with the promotion of zero-CO2 modular factories and working to increase the use of renewable energy. Total CO2 emissions in the year ended March 31, 2022 (fiscal 2022) amounted to 1.95 million tons, while the volume of emissions per net sales was 61% of the comparable value for the fiscal year ended March 2014.


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

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total amount of waste (incl. revenue-generating waste)</td>
<td>372</td>
<td>374</td>
<td>344</td>
<td>303</td>
</tr>
<tr>
<td>Factory waste recycling rate (right scale)</td>
<td>99.1%</td>
<td>99.1%</td>
<td>98.9%</td>
<td>98.7%</td>
</tr>
</tbody>
</table>

In addition to improving yields from materials and minimizing waste generated (including revenue-generating waste) in our production processes, we are aiming to achieve zero waste emissions from factories by increasing the recycling rate of our waste materials. The factory waste recycling rate in fiscal 2022 was 99.0%, which achieved the target of at least 99%. Along with other efforts, we will step up our initiatives on recycling waste plastic in a continuous effort to maintain and improve our factory waste recycling rate.


#### Amount and percentage of women in managerial positions / Percentage of women in positions of responsibility

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of women in managerial positions (left scale)</td>
<td>493</td>
<td>534</td>
<td>573</td>
<td>607</td>
</tr>
<tr>
<td>Percentage of women in managerial positions (right scale)</td>
<td>7.2%</td>
<td>7.6%</td>
<td>8.0%</td>
<td>8.4%</td>
</tr>
<tr>
<td>Percentage of women in positions of responsibility (right scale)</td>
<td>3.6%</td>
<td>4.1%</td>
<td>4.5%</td>
<td>4.8%</td>
</tr>
</tbody>
</table>

We aim to be a company that gathers diverse opinions and insights to enable higher quality decision-making. To this end, we recognize the need to promote more women to managerial and responsible positions. Through the implementation of various measures, both the number and percentage of women in managerial positions and the percentage of women in positions of responsibility have increased year by year, and these measures are continuing. For example, in 2021, we announced our support for the 30% Club Japan, which aims to increase the proportion of women in key decision-making bodies of companies, including the board of directors.


#### Number of board members/outside director ratio

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of outside directors (left scale)</td>
<td>33.3%</td>
<td>36.4%</td>
<td>46.2%</td>
<td>46.2%</td>
</tr>
<tr>
<td>Number of inside directors (left scale)</td>
<td>60.0%</td>
<td>63.6%</td>
<td>53.8%</td>
<td>53.8%</td>
</tr>
<tr>
<td>Ratio of outside directors (right scale)</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

We ensure that the Board of Directors possesses a broad cross-section of knowledge, experience, and capabilities as a whole and endeavor to optimize the number of Board members so that the Board’s functions can be demonstrated effectively and efficiently. Also, to enhance the Board’s objectivity and neutrality and to strengthen its supervisory function, we adhere to an outside directors ratio of at least one third. As of the end of June, 2022, the Board comprises 12 directors, 41.7% of which hail from outside of the Company.

For details: [https://holdings.panasonic/global/corporate/about/group-comparison/pdf/corporate_governance.html](https://holdings.panasonic/global/corporate/about/group-comparison/pdf/corporate_governance.html)

#### CO2 emissions in production activities and CO2 emissions per basic unit

<table>
<thead>
<tr>
<th>(Million tons)</th>
<th>2014</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volume of CO2 emissions (left scale)</td>
<td>0.50</td>
<td>0.50</td>
<td>0.50</td>
<td>0.50</td>
<td>0.50</td>
<td>0.50</td>
</tr>
<tr>
<td>CO2 emissions per basic unit (improvement rate compared to the fiscal year ended March 2014) (right scale)</td>
<td>100%</td>
<td>70%</td>
<td>68%</td>
<td>69%</td>
<td>73%</td>
<td>61%</td>
</tr>
</tbody>
</table>

#### Amount of in-house renewable energy adoption

<table>
<thead>
<tr>
<th>(GWh)</th>
<th>2014</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>50</td>
<td>21</td>
<td>25</td>
<td>32</td>
<td>35</td>
<td>43</td>
<td></td>
</tr>
</tbody>
</table>

In fiscal 2022, the amount of in-house renewable energy adoption was 43 GWh, which achieved the target for fiscal 2022 of 40 GWh of in-house renewable energy adoption. We are promoting in-house renewable energy adoption on a global basis depending on the characteristics of each geographic region. With respect to photovoltaic power generation in particular, we are promoting the active deployment of photovoltaic power generation systems to sites where it is possible to do so.


#### Results of recycled resin usage (cumulative total from FY2015)

<table>
<thead>
<tr>
<th>(%)</th>
<th>6/18</th>
<th>6/19</th>
<th>6/20</th>
<th>6/21</th>
<th>6/22</th>
</tr>
</thead>
<tbody>
<tr>
<td>100.0</td>
<td>64.9</td>
<td>79.4</td>
<td>92.8</td>
<td>108.0</td>
<td>122.7</td>
</tr>
</tbody>
</table>

In order to effectively utilize not only metals such as iron, copper, and aluminum, but also resins from recycled home appliances, Panasonic Eco Technology Center Co., Ltd., which is the Group’s home appliances recycling plant, and Kato Plastic Recycling Factory of Living Appliances and Solutions Company of Panasonic Corporation are working together to promote resin recycling.

### Fiscal 2022 operating results

#### Sales

- **Consolidated Total**: ¥3,647.6 billion
- **Automotive**: ¥1,131.4 billion
- **Energy**: ¥764.4 billion
- **Industry**: ¥7,388.8 billion
- **Lifestyle**: ¥924.9 billion
- **Connect**: ¥1,207.1 billion

#### Operating profit

- **Consolidated Total**: ¥113.6 billion
- **Automotive**: ¥51.7 billion
- **Energy**: ¥17.7 billion
- **Industry**: ¥25.8 billion
- **Lifestyle**: ¥113.6 billion
- **Connect**: ¥101.7 billion

### Corporate Data

**Adjusted operating profit** (reference) includes:
- Exchange differences
- Gains and losses from foreign exchange derivative instruments
- Gains and losses on disposal of subsidiaries, associates, and joint ventures
- Changes in fair value of equity instruments

### Information by segment

#### Lifestyle

- Refrigerators, microwave ovens, rice cookers, washing machines, vacuum cleaners, personal-care products, air-conditioners for residential, air-conditioners for commercial use, air to water heat pump system, ventilation, perfusion and air-conditioning equipment, air purifiers, air purifier/sterilizers, freezing or refrigerating showcases, lighting fixtures, lamp, wiring devices, solar photovoltaic systems, fuel cells, compressors, bicycles, nursing care services

#### 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

#### 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

#### Industry

- Relays, switches, power supplies, touch panels, motors, sensors, laser markers, capacitors, inductors, resistors, circuit board materials, semiconductor device materials, molding compounds, LCD panels

#### 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

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*Note: Net sales composition ratio is calculated by dividing the sales of each reportable segment by the total of reportable segment sales (excluding "Other" and "Eliminations and Adjustments").*
Operating Results

Business overview

During the fiscal year ended March 2022 (fiscal 2022), the global economy saw progress in economic recovery with the backdrop of factors such as the ongoing COVID-19 vaccination roll-out. However, the economic outlook remained unclear due to the impact of new COVID-19 variants. In addition, price hikes in raw materials and logistics costs as well as shortage of parts & components were constant negative factors for the economy throughout the year. Furthermore, in the second half of the fiscal year, such factors as accelerating inflation and increasing geopolitical risks led to concerns about economic downturn. Under such management conditions, the Company continued to control fixed costs according to business conditions and to make efforts to capture new business opportunities reflecting changes in society brought about by COVID-19. Through all these efforts, the Company continued to enhance its manage-

Net sales

Consolidated group sales increased by 10% to 7,388.8 billion yen from a year ago. Domestic sales increased from the previous fiscal year due to favorable sales of products for the industrial and information & communication sectors. Overseas sales increased from the previous fiscal year due to demand-driven growth in automotive batteries and the new consolidation of Blue Yonder. In terms of sales by region, sales in the Americas, Europe, Asia, and China all increased in real terms (local currency basis), which excluded the impact of exchange rates.

Operating profit

Despite the impact of raw material price hikes, etc., adjusted operating profit* was 357.7 billion yen (up 16% from the previous fiscal year), due mainly to increased sales and price revision efforts, as well as a gain from re-evaluation of existing equity in Blue Yonder. Operating profit, which included other income was 357.5 billion yen (up 38% from the previous fiscal year), and as a result, the operating profit ratio improved from 3.9% in the previous fiscal year to 4.8%.

*Adjusted operating profit: sales - cost of sales - SG&A

Profit before income taxes

Income was 22.1 billion yen compared to 20.8 billion yen in the previous fiscal year, and finance expenses were 19.3 billion yen compared to 18.6 billion yen in the previous fiscal year. As a result, profit before income taxes was 360.4 billion yen compared to 260.8 billion yen in the previous fiscal year, an increase of 99.6 billion yen.

Net profit attributable to Panasonic Holdings Corporation stockholders

Income taxes were 95.0 billion yen compared to 76.9 billion yen in the previous fiscal year. As a result, net profit attributable to Panasonic Holdings Corporation stockholders was 255.3 billion yen, compared to 165.1 billion yen in the previous fiscal year. Also, net profit attributable to Panasonic Holdings Corporation stockholders per share was 109.41 yen, compared to 70.75 yen in the previous fiscal year.
Liquidity and capital resources

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

Cash and cash equivalents as of March 31, 2022 totaled 1,205.9 billion yen, a decrease of 387.3 billion yen from the end of the previous fiscal year. In September 2021, when the Company acquired the additional 80% of the shares of Blue Yonder, the Company utilized reserved cash (approximately USD 3.5 billion) and procured the remaining amount by means of a bridge loan. Subsequently in October 2021, the Company issued 400 billion yen of yen-denominated unsecured hybrid bonds (subordinated bonds)* and completed the repayment of the bridge loan. In addition, the Company redeemed yen-denominated unsecured straight bonds of 200 billion yen in September 2021 and 80 billion yen in March 2022. As a result, the balance of yen-denominated unsecured straight bonds was 600 billion yen, the balance of yen-denominated unsecured hybrid bonds (subordinated bonds) was 400 billion yen, and the balance of US dollar-denominated unsecured straight bonds was USD 2.5 billion as of Mar 31, 2022.

Interest-bearing debt increased to 1,897.3 billion yen as of March 31, 2022 from 1,447.4 billion yen at the end of the previous year. This is due to the issuance of yen-denominated unsecured hybrid bonds and temporary borrowings from financial institutions despite the redemption of yen-denominated unsecured straight bonds. In addition, the Company borrowed 300 billion yen from financial institutions when carrying out an absorption-type company split as part its transition to a holding company which took place on April 1, 2022. This borrowing was divided and succeeded as debt obligations by each operating company, and then repayment of the full amount was completed on April 1, 2022.

Capital investment, depreciation and amortization

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

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

Net cash used in investing activities amounted to 796.1 billion yen, compared with an inflow of 176.6 billion yen a year ago. This is due mainly to the payment related to making Blue Yonder a subsidiary and temporary receipts such as a proceeds from transfer of assets in the previous fiscal year. As a result, free cash flow was negative 543.5 billion yen (compared to 680.6 billion yen in the previous fiscal year).

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

Financial Review

Liquidity and capital resources

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Capital investment, depreciation and amortization

As a result of making capital investments based on a policy of steady investments primarily in key businesses for future growth, capital investment (capital expenditures) amounted to 305.1 billion yen, compared to 301.5 billion yen in the previous fiscal year.

We made investments mainly in production facilities for home-use electric appliances, electrical construction materials, and other products in the Lifestyle segment, in production facilities for electronic components, control equipment, and other products in the Industry segment, in production facilities for lithium-ion batteries for automotive use (USA) and other products in the Energy segment, in production facilities for in-vehicle systems and other products in the Automotive segment, in production facilities for systems and other products related to the B2B solutions business in the Connect segment.

Depreciation and amortization expenses totaled 268.0 billion yen, compared to 247.7 billion yen in the previous fiscal year.

Fiscal 2022 capital investment by segment

<table>
<thead>
<tr>
<th>Segments</th>
<th>Capital investment (Billion of yen)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lifestyle</td>
<td>87.3</td>
</tr>
<tr>
<td>Automotive</td>
<td>47.8</td>
</tr>
<tr>
<td>Connect</td>
<td>23.4</td>
</tr>
<tr>
<td>Industry</td>
<td>66.6</td>
</tr>
<tr>
<td>Energy</td>
<td>36.7</td>
</tr>
<tr>
<td>Other</td>
<td>49.3</td>
</tr>
<tr>
<td>Total</td>
<td>305.1</td>
</tr>
</tbody>
</table>

Assets, liabilities, and equity

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

The Company’s consolidated total liabilities were 4,676.4 billion yen, an increase of 597.8 billion yen from March 31, 2021. This is due mainly to yen-denominated unsecured hybrid bonds.

Panasonic Holdings Corporation stockholders’ equity increased by 571.0 billion yen to 3,165.0 billion yen, compared with March 31, 2021. This is due mainly to the recording of net profit attributable to Panasonic Holdings Corporation stockholders and other comprehensive income. With non-controlling interests added to Panasonic Holdings Corporation stockholders’ equity, total equity was 3,347.2 billion yen.

As a result, the ratio of Panasonic Holdings Corporation stockholders’ equity was 39.4%, increasing from 37.9% on March 31, 2021.
### 10-year Financial Summary

#### The Company and Subsidiaries, Years ended March 31

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

#### Corporate Data

<table>
<thead>
<tr>
<th>Item</th>
<th>U.S. GAAP</th>
<th>IFRS</th>
</tr>
</thead>
<tbody>
<tr>
<td>For the Year ( Millions of yen)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net sales</td>
<td>7,303,045</td>
<td>7,626,306</td>
</tr>
<tr>
<td>Adjusted operating profit</td>
<td>600,938</td>
<td>413,246</td>
</tr>
<tr>
<td>Operating profit</td>
<td>220,399</td>
<td>227,523</td>
</tr>
<tr>
<td>Profit (loss) before income taxes</td>
<td>(398,386)</td>
<td>227,523</td>
</tr>
<tr>
<td>Net profit (loss) attributable to Panasonic Holdings Corporation stockholders</td>
<td>(754,250)</td>
<td>217,048</td>
</tr>
<tr>
<td>Corporate Data</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stockholders’ equity/total assets (%)</td>
<td>1,647,233</td>
<td>1,647,233</td>
</tr>
<tr>
<td>Interest-bearing debt/total assets (%)</td>
<td>39,467,817</td>
<td>39,467,817</td>
</tr>
<tr>
<td>ROE (%)</td>
<td>11.1</td>
<td>3.9</td>
</tr>
<tr>
<td>Profit before income taxes/sales (%)</td>
<td>3.8</td>
<td>3.9</td>
</tr>
<tr>
<td>Operating profit/sales (%)</td>
<td>3.0</td>
<td>3.9</td>
</tr>
<tr>
<td>Profit margin (%)</td>
<td>3.0</td>
<td>3.9</td>
</tr>
<tr>
<td>Financial indicators</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating profit/sales (%)</td>
<td>2.2</td>
<td>3.0</td>
</tr>
<tr>
<td>Profit before income taxes/sales (%)</td>
<td>2.7</td>
<td>3.0</td>
</tr>
<tr>
<td>ROE (%)</td>
<td>11.1</td>
<td>11.1</td>
</tr>
<tr>
<td>Net profit attributable to Panasonic Holdings Corporation stockholders/sales (%)</td>
<td>(10.3)</td>
<td>1.6</td>
</tr>
<tr>
<td>Total asset turnover ratio</td>
<td>1.2</td>
<td>1.3</td>
</tr>
<tr>
<td>Financial leverage (%)</td>
<td>3.8</td>
<td>3.8</td>
</tr>
<tr>
<td>Net profit attributable to Panasonic Holdings Corporation stockholders/total assets (%)</td>
<td>23.4</td>
<td>29.7</td>
</tr>
<tr>
<td>Payout ratio (%)</td>
<td>—</td>
<td>25.0</td>
</tr>
<tr>
<td>Exchange Rate (Yen)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 US$</td>
<td>83</td>
<td>83</td>
</tr>
<tr>
<td>1 EUR</td>
<td>107</td>
<td>107</td>
</tr>
<tr>
<td>1 RMB</td>
<td>13.3</td>
<td>13.3</td>
</tr>
</tbody>
</table>

Notes to the table:

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

2. Diluted net income (loss) attributable to Panasonic Holdings Corporation per common share from fiscal year 2013 to fiscal year 2014 has been omitted because the Company did not have potential common shares that were outstanding for the period.

3. Financial leverage includes the ratio of interest-bearing debt to total assets.

4. Dividends declared per share reflect those declared by the Company in each fiscal year and consist of interim dividends paid during the fiscal year and year-end dividends paid after the fiscal year-end.

5. Exchange rate is the average rate for the fiscal year.

6. Interest-bearing debt is equal to the sum of short-term debt, including current portion of long-term debt, long-term debt, and lease liabilities.

7. Note to ratios:

- ROE (Return on equity) = Net profit attributable to Panasonic Holdings Corporation stockholders / Average Panasonic Holdings Corporation stockholders’ equity at the beginning and the end of each fiscal year
- Profit margin = Net profit / Net sales
- ROE = Net profit / Average Panasonic Holdings Corporation stockholders’ equity at the beginning and the end of each fiscal year
- Financial leverage = Interest-bearing debt / Total assets
- Payout ratio = Dividends declared per share / Basic earnings per share attributable to Panasonic Holdings Corporation stockholders
**Company Stock Price and Trading Volume** (Years ended March 31) Tokyo Stock Exchange monthly basis

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Low (¥)</td>
<td>2,148</td>
<td>2,153</td>
<td>2,135</td>
<td>2,150</td>
<td>2,100</td>
<td>2,040</td>
<td>1,920</td>
<td>1,840</td>
<td>1,840</td>
<td>1,840</td>
</tr>
<tr>
<td>High (¥)</td>
<td>2,148</td>
<td>2,153</td>
<td>2,135</td>
<td>2,150</td>
<td>2,100</td>
<td>2,040</td>
<td>1,920</td>
<td>1,840</td>
<td>1,840</td>
<td>1,840</td>
</tr>
<tr>
<td>Trading volume (Millions of shares)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Low (Million shares)</td>
<td>645</td>
<td>1,173</td>
<td>1,577</td>
<td>1,033</td>
<td>1,258</td>
<td>1,521</td>
<td>854</td>
<td>825</td>
<td>825</td>
<td>825</td>
</tr>
<tr>
<td>High (Million shares)</td>
<td>645</td>
<td>1,173</td>
<td>1,577</td>
<td>1,033</td>
<td>1,258</td>
<td>1,521</td>
<td>854</td>
<td>825</td>
<td>825</td>
<td>825</td>
</tr>
</tbody>
</table>

**Corporate Bonds**

**JPY-Denominated Straight Bonds**

<table>
<thead>
<tr>
<th>Years</th>
<th>Coupon rate (per annum)</th>
<th>Aggregate principal amount of issue</th>
<th>Maturity date</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st</td>
<td>0.75%</td>
<td>100 billion yen</td>
<td>March 31, 2024</td>
</tr>
<tr>
<td>2nd</td>
<td>0.75%</td>
<td>100 billion yen</td>
<td>March 31, 2025</td>
</tr>
<tr>
<td>3rd</td>
<td>0.75%</td>
<td>100 billion yen</td>
<td>March 31, 2026</td>
</tr>
</tbody>
</table>

**JPY-Denominated Hybrid Bonds (Subordinated Bonds)**

<table>
<thead>
<tr>
<th>Years</th>
<th>Initial coupon rate (%)</th>
<th>Aggregate principal amount of issue</th>
<th>Maturity date</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st</td>
<td>0.75%</td>
<td>100 billion yen</td>
<td>March 31, 2025</td>
</tr>
<tr>
<td>2nd</td>
<td>0.75%</td>
<td>100 billion yen</td>
<td>March 31, 2026</td>
</tr>
<tr>
<td>3rd</td>
<td>0.75%</td>
<td>100 billion yen</td>
<td>March 31, 2027</td>
</tr>
</tbody>
</table>

Notes: 1. The fixed rate will be applied until the First optional redemption date. After the next day of the First optional redemption date, a variable rate will be applied. Step-up interest rate will be applied from the next day of the day 20 years after the First optional redemption date.

**USD-Denominated Senior Notes**

<table>
<thead>
<tr>
<th>Years</th>
<th>Coupon rate (per annum)</th>
<th>Aggregate principal amount of issue</th>
<th>Maturity date</th>
</tr>
</thead>
<tbody>
<tr>
<td>2023</td>
<td>2.67%</td>
<td>1 billion</td>
<td>July 10, 2024</td>
</tr>
<tr>
<td>2024</td>
<td>3.115%</td>
<td>1 billion</td>
<td>July 10, 2024</td>
</tr>
</tbody>
</table>

**External Recognition**

The Company has been selected as a constituent stock in the following indices.

- FTSEGood
- FTSE Boswin Japan

Please also refer to our Sustainability Data Book for more information about our approach to social and environmental initiatives.

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IR and Sustainability Websites

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

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