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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.”
## ESG

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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.
About Panasonic Group

Management Philosophy

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

| Basic Management Objective | 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. |
| Company Creed | 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. |
| Seven Principles | Contribution to Society, Fairness and Honesty, Cooperation and Team Spirit, Untiring Effort for Improvement, Courtesy and Humility, Adaptability, Gratitude |

Panasonic Group Code of Ethics & Compliance
https://holdings.panasonic/global/corporate/about/code-of-conduct.html
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”

Konosuke Matsushita
Founder
(1894-1989)
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

1918

○ Life with electricity begins
○ Expanding our business from wiring devices to a wide range of electrical product lines

Sold automotive batteries from the dawn of the automobile industry in Japan, contributing to the popularization of automobiles.

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.

1968

Launched the world’s first home fuel cell, ENE-FARM, paving the way for the use of hydrogen energy in the home.

2009

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

The first VHS home video unit, which became the standard for recording TV programs.

1977

VHS home video “MacLord” NV-8800

1996

The world’s lightest (at the time), a huge hit, and a revolution in communication.
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.”

2022

Returning to our founding mission, we strive to realize “an ideal society with affluence both in matter and mind”

Live Your Best

At Panasonic, we work each day to enrich people’s lives and help move society forward. And we are as committed as ever to pursuing new ways to fulfill this mission.

Contribute to solving global environmental issues
Panasonic GREEN IMPACT

- Realization of a carbon-neutral society
  Increased CO2 reduction impact
- Realization of a recycling-oriented society
  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

Leading the way to “a better life” and “a sustainable society”

Commenced the mass production of lithium-ion batteries for hybrid electric vehicles helping to popularize eco-cars.

2010

Developed a “smart town” utilizing our IT and environmental technologies as an example of eco-friendly urban development.

2014
### About Panasonic Group

#### At a Glance

#### Reportable segments

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#### Overview of businesses

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 will continue to provide new value to vehicles and mobility experience under the slogan “Heartmotive,” 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 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 gemba (operational frontlines). For example, customer supply chains (the gemba 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 connecting 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 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 recycling-oriented manufacturing.

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### Fiscal 2022 net sales composition ratio
(Reclassified in conformity with the business segmentation for fiscal 2023)

#### Composition of Voluntarily Disclosed Businesses

| Living Appliances and Solutions (Panasonic Corporation) | • Kitchen Appliances  
• Laundry Systems and Vacuum Cleaner  
• Beauty and Personal Care |
| Heating & Ventilation A/C | • Heating and Cooling Solutions  
• Ecology Systems |
| Cold Chain Solutions | — |
| Electric Works | • Lighting  
• Energy Systems |
| China and Northeast Asia Company | — |
| Other | — |
| Automotive (Panasonic Automotive Systems Co., Ltd.) | • Automotive Cockpit Systems  
• Automotive Electronics Systems |

| Connect (Panasonic Connect Co., Ltd.) | • Avionics  
• Process Automation  
• Media Entertainment  
• Mobile Solutions  
• Gemba Solutions  
• Blue Yonder |
| Industry (Panasonic Industry Co., Ltd.) | • Control Devices  
• FA Solutions  
• Electronic Devices  
• Electronic Materials |
| Energy (Panasonic Energy Co., Ltd.) | • In-vehicle  
• Industrial/Consumer |
| Other | • Entertainment & Communication  
• Housing |
| Eliminations and Adjustments | Elimination of intersegment transactions, adjustments of profits and losses not attributable to any segments, and adjustments of consolidations, etc. |

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.
Message from the Group CEO

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” because operating companies play the main role.

Each operating company will enhance competitiveness through
– implementing thorough “autonomous responsible management,”
– adopting new systems that enable us to compete with specialized companies in each industry, instead of simply implementing Group-wide systems and processes, and
– continuously taking up challenges proactively.

Furthermore, each operating company aims to make contributions to society and customers in the industry it addresses, with unrivaled speed and scale.

Panasonic Holdings Corporation aims to strengthen its Group-wide management foundation from a long-term perspec-
tive, in addition to its role of a holding company. To be specific, there are five roles.

The first role is to thoroughly implement our “Basic Business Philosophy.” This Basic Business Philosophy defines our basic way of thinking in implementing the management philosophy and its core elements — “Basic Management Objective,” “Company Creed,” and “Seven Principles” — established by our founder Konosuke Matsushita. To help all employees return to the basics and fully understand their essence, in 2021, we conducted a major revision for the first time in approximately 60 years. I personally took part in this endeavor as a member of the editing team. For each operating company to thoroughly implement “autonomous responsible management,” it is fundamental that each employee implement the Basic Business Philosophy, so this role, among all five roles, is tackled as the highest priority.

The second role is to ensure and support enhanced competitiveness through

- Green Transformation (GX), aiming toward our long-term environmental vision, “Panasonic GREEN IMPACT,”
- Digital Transformation (DX), aiming for greater efficiency in operational processes, and
- “Gemba (operational frontlines) innovation” initiatives that eliminate wastefulness in the manufacturing gemba and supply chain by the full use of AI and IT, leading to strengthened operational capabilities.

The third role is to attain management that maximizes the potential of each employee, an essential part of enhancing competitiveness, and to build the needed platforms. The Panasonic Group has approximately 240,000 employees globally, with diverse personalities and talents. The work environment and corporate culture will be transformed so that each 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).

### 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 strategy. 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-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 Group’s mission, today we must contribute to solving global environmental issues and support the health and well-being of people around the world, both in mind and body, in their “life-
message from the group CEO

Panasonic GREEN IMPACT

Toward achieving “an ideal society with affluence both in matter 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. We will achieve net-zero emissions through our energy-saving initiatives, in addition to the effect of decarbonization occurring in society, which will progress toward 2050. This includes “virtually net-zero CO₂ emissions at all operating companies by 2030,” to which we committed ourselves in May 2021. 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 (KGiS) 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 2.0 trillion yen of cumulative operating cash flow over the three years of fiscal 2023 to fiscal 2025, with a precondition of 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 also 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 declining working population, we are facing labor shortage issues at the gemba 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 gemba, since they require a higher level of skills. Therefore, such solutions are needed to enable people at the gemba 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 gemba. 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.

With greater business opportunities in the area of supply chain software, the business conditions face drastic changes in the competitive environment, with tougher competition in investments and increased global mobility of highly skilled software engineers. Therefore, to accelerate its growth globally by utilizing the capital markets, we have begun preparations for a potential stock exchange listing of our supply chain management business, as announced on May 11, 2022.

**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 “Vitalize the future with air.”
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>PAS</th>
<th>PEAC</th>
<th>PHS</th>
<th>PCO</th>
<th>PID</th>
<th>PEC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technologies contributing to “environment”</td>
<td></td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td>Functional materials/Materials informatics</td>
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<td>•</td>
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<td></td>
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<tr>
<td>Power electronics</td>
<td></td>
<td>•</td>
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<td></td>
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<tr>
<td>Hydrogen energy devices/DERMS*</td>
<td>•</td>
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<td></td>
</tr>
<tr>
<td>CPS/AI</td>
<td>•</td>
<td>•</td>
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<td></td>
</tr>
<tr>
<td>Technologies contributing to well-being in “lifestyle” &amp; “workstyle”</td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td>Image sensing/Robotics</td>
<td>•</td>
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<tr>
<td>Simulation/Model-based development</td>
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<tr>
<td>Biosensing/Emotion recognition/Biotechnology</td>
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<td>•</td>
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<tr>
<td>Common software platform</td>
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<tr>
<td>Software/communication/security</td>
<td>•</td>
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<td></td>
</tr>
</tbody>
</table>

*Distributed Energy Resource Management Systems
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 toward 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.
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).

**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*

<table>
<thead>
<tr>
<th>Suppliers</th>
<th>Market (customers)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Response to demand changes</td>
<td>Cash generating capability (profitability)</td>
</tr>
<tr>
<td>2. Response to production fluctuations</td>
<td>Eliminate stagnation &amp; wastefulness × shorten lead times</td>
</tr>
<tr>
<td>3. Response to changes in needs</td>
<td>4. Ability to turn insights about changes into actual products</td>
</tr>
<tr>
<td>5. Response to new materials/technologies</td>
<td>Products planning/development and design</td>
</tr>
</tbody>
</table>

**Strengthen operational capability in overall supply chain**

- Top of figure: In addition to improving productivity and shortening lead times by thoroughly eliminating wastefulness at production sites, the most important factor in generating cash is to continue to deliver products to customers in the right quantities at the right time, with no shortages or excess inventory. To this end, we will work with suppliers to reduce procurement lead times and improve our response to production fluctuations.

- Bottom of figure: In order to make unrivaled contributions through our products, we must produce highly competitive products in terms of function, quality, and cost. This requires identifying the changing needs of society and the market earlier than our competitors, improving our development efficiency, shortening our development lead times, and syncing the commercialization process with the use of the latest materials and technologies.

**Active communication with employees**

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.
The Panasonic Group 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.

The formula for calculating the ROIC of each operating company is as follows.

\[
\text{ROIC} = \frac{\text{Net Operating Profit after Taxes}}{\text{Invested Capital}} = \frac{\text{Operating Profit} \times (1 - (\text{Income Taxes / Profit before Income Taxes}))}{\text{Equity + Interest-bearing Debt}^*} \quad \text{*Average at the beginning and the end of fiscal year}
\]

### 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 wellbeing 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 the year ending March 31, 2031 (fiscal 2031) has identified 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 reforms, the company will halve CO₂ emissions in its own value chain and accelerate the impact of its emission reduction contribution to society.

The medium-term strategy for fiscal 2025, which is a stepping stone towards 2030, is focused on strategic resource allocation, such as allocating cash generated mainly through operating cash flows to investment in growth businesses and investment to strengthen operational capabilities. At the same time, as a response to the risk of deterioration in the business environment, such as raw material price hikes and exchange rate fluctuations, the company will promote cost structure reforms such as a company-wide procurement review and a review of shipping prices.

Furthermore, with regard to ESG implementation in the current medium term, the company is promoting its GX strategy by appointing a CGXO*1, accelerating promotion of DEI*2 to maximize individual and organizational performance, and strengthening corporate governance by inviting outside directors, etc.

*1 Chief Green Transformation Officer  *2 Diversity Equity and Inclusion

### Automotive (Panasonic Automotive Systems Co., Ltd.)

**Aiming to Create a “Sustainable Mobility Society”**

Panasonic Automotive Systems Co., Ltd., in order to address business challenges such as fluctuations in automobile production and soaring prices of semiconductor and other materials, will place top priority on strengthening development and mass production operations to improve profitability and enhance its ability to respond to changes. In the medium to long term, the company will focus on “Automotive Cockpit integrated solution” and “EV innovations” by leveraging its knowledge of people and their lifestyles, and contribute to technological innovation in automobiles and the spread of EVs. Furthermore, the company will work to commercialize solutions that increase the value of traveling by car (mobility) and to create service businesses. The company will also contribute to the environment as a “source of competitiveness” and as a basis for its business activities, thereby contributing to the reduction of CO₂ emissions.
Connect (Panasonic Connect Co., Ltd.)

Contributing to Solving Management Issues of B2B Customers through Core and Growth Businesses

Panasonic Connect Co., Ltd. consists of hardware-based “core businesses” and software-based “growth businesses.” In 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 concentrate on highly profitable 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 (FY2023-25) : 260 billion yen
ROIC (FY2025) : 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 development and delivery of products for customers.

Cumulative operating CF (FY2023-25) : 390 billion yen or more
ROIC (FY2025) : 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 stable demand. The company will also maximize its contribution to society through the environmental contribution activities of these businesses.

In the automotive sector, the company will focus on the North American market, where it has a strong business foundation, and promote business growth by commercializing its new battery (4680 cells). In the industrial and consumer sectors, the company will strengthen its structure to meet increasing demand while promoting social transformation toward digitalization and electrification, including of social infrastructure and power equipment, with its highly safe and highly reliable technologies.

Cumulative operating CF (FY2023-25) : 330 billion yen
ROIC (FY2025) : 12 %
Medium- to Long-term Strategy

Efforts to Thoroughly Strengthen Operational Capabilities

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

“Strategy” and “operational capability” are indispensable to each other for enhancing competitiveness

To enhance business competitiveness, it is important to have a business strategy that includes market selection and business model transformation tailored to the characteristics of the individual business. On the other hand, what is equally important is to enhance operational capability. We cannot realize our vision without operational capabilities, which include the unrivaled ability to create products that are valuable to customers and cost-effective, to deliver those products quickly, and to continue production and sales without product shortages or excess inventory. I believe it is necessary to eliminate all kinds of wastefulness and stagnation at the operational frontlines, thoroughly refine our operational capabilities, and tirelessly make kaizen efforts with the mindset that improvements made yesterday will be further improved today.

Establishment of Operational Strategy Department

In April 2022, the Company established the Operational Strategy Department as an organization reporting directly to the Group CEO. The aim of the Operational Strategy Department is to accelerate the strengthening of each business’s operational capabilities, develop human resources who are willing to take on the challenge of tirelessly making kaizen efforts, and utilize their skills to support recovery in the event of a fire or other incident. Our efforts are directly related to strengthening our “Five capabilities toward change (1 through 5)” for enhancing competitiveness (see “Message from the Group CEO” p. 14), particularly “Response to demand changes” and “Response to production fluctuations;” in other words, to strengthening our responsiveness to supply chain management in general.

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 “gemba 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.

Masanori Minamio
General Manager, Operational Strategy Department
Panasonic Holdings Corporation
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 the component assembly process, work time of each worker is directly related to productivity. The factory therefore 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 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 production 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

3 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

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.

4 Kobe Factory, Mobile Solutions BD, Panasonic Connect Co., Ltd.

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 at the gemba, is combining solutions from Blue Yonder, a Group company that provides 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, among other problems. The introduction of Blue Yonder’s solutions, which provide a high level of situational awareness of the entire supply chain, has resulted in reductions in production and disposal losses and cumulatively saved approximately 2 billion yen since it was introduced in 2019 (as of April 2022). The solutions have also brought about a positive impact on management through inventory optimization.
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 (Warehouse 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.\(^1\) As a result, *kaizen* initiatives have been greatly accelerated. The productivity of picking operations has improved by 25% per year,\(^2\) 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%.\(^3\)

*1: Compared to 2016  *2: Three-year average from 2017 to 2019  *3: Service Agreement Fee was renewed in 2019
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 accumulation of net profit and endeavoring to build a robust financial base that can propel business structural reforms and investments for growth. To that end, we have established a capital allocation policy as a basic approach to cash generation and allocation. In keeping with that policy, we, in principle, generate the cash needed for investments, structural reforms, and dividend payments from cash flow generated by businesses and cash generated by divestitures and the sale of assets. We also adopt a flexible approach when cash becomes necessary for investment opportunities such as an M&A deal, for example, before sufficient cash flow is generated from business.

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

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

Financial results (FY2020–FY2022)

(Billions of yen)

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<tr>
<th></th>
<th>FY2020</th>
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<th>FY2021</th>
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<th>FY2022</th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>7,490.6</td>
<td>3.8%</td>
<td>6,699.8</td>
<td>4.6%</td>
<td>7,388.8</td>
<td>4.8%</td>
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<tr>
<td>Adjusted operating profit</td>
<td>286.7</td>
<td>3.9%</td>
<td>307.2</td>
<td>3.9%</td>
<td>357.7</td>
<td>4.8%</td>
</tr>
<tr>
<td>Operating profit</td>
<td>293.8</td>
<td>3.0%</td>
<td>258.6</td>
<td>2.5%</td>
<td>357.5</td>
<td>3.5%</td>
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<tr>
<td>Net profit</td>
<td>225.7</td>
<td></td>
<td>165.1</td>
<td></td>
<td>255.3</td>
<td></td>
</tr>
</tbody>
</table>

*Deconsolidation impact of housing, automotive prismatic battery, security system and semiconductor businesses
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 medium- to long-term growth.

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 credit rating 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)

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<thead>
<tr>
<th>Cash flow generation</th>
<th>Cash flow allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Approx. 2,540</td>
<td>Approx. 2,380</td>
</tr>
<tr>
<td>Operating CF, etc. 1,400</td>
<td>Investments (tangible/intangible assets) 930</td>
</tr>
<tr>
<td>Portfolio optimization and sale of assets, etc. 760</td>
<td>Blue Yonder acquisition 860*</td>
</tr>
<tr>
<td>Reduction of lease liabilities by portfolio optimization 380</td>
<td>Dividends 190</td>
</tr>
<tr>
<td>Excess cash 160*</td>
<td>Structural reforms and repayment of lease liabilities 400</td>
</tr>
</tbody>
</table>

*Includes repayment of Blue Yonder’s bank borrowings

Net cash at the beginning of FY2020: −813.1

Net cash at the end of FY2022: −649

– 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 together with their sharpened “operational capabilities” and improve their cash-generation capabilities. And based on autonomous responsible 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)

Cumulative operating CF (FY2023–FY2025) 2.0 trillion yen
ROE (FY2025) 10% or more
Cumulative operating profit (FY2023–FY2025) 1.5 trillion yen

ROE and Panasonic Holdings Corporation stockholders’ equity

<table>
<thead>
<tr>
<th>(%)</th>
<th>(Billions of yen)</th>
</tr>
</thead>
<tbody>
<tr>
<td>20</td>
<td>4,000</td>
</tr>
<tr>
<td>15</td>
<td>3,000</td>
</tr>
<tr>
<td>10</td>
<td>2,000</td>
</tr>
<tr>
<td>5</td>
<td>1,000</td>
</tr>
</tbody>
</table>

– 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 aim to 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 their 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 Yonder. Because 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

Capital allocation (FY2023–FY2025)

- Operating CF 2.0 trillion yen
- Improving cash-generation capability by enhancing competitiveness
- Sale of assets, etc.

*No such classifications as “key businesses”
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 to accelerate our growth on a global scale by further refining Blue Yonder’s strengths. We are currently under the preparation process for the potential listing and further information required to be disclosed will be provided at the appropriate time.

The operating companies basically make their own decisions, in order to make business management speedier. In addition, Group CEO Yuki Kusumi and I, as Group CFO, attend the board meetings of operating companies to assess the decision-making, from the perspective of Group-wide optimization. After participating in those meetings since April this year, I actually feel that communication with the operating companies has grown much closer than in the past. Getting a feel firsthand for the actual circumstances of the operational frontlines has enabled us to detect various signs from an early stage, which means we can quickly discuss with operating companies what measures need to be taken going forward. We will continue to advance an integrated style of Group management through the collective wisdom of PHD and the operating companies.

### 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 the first quarter of fiscal 2023, profit decreased year-on-year due mainly to price hikes in raw materials, shortage in semiconductor and 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 up ahead, 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.

### 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 had the heads of each operating company communicate with shareholders and investors about their business goals and medium- to long-term strategies, including KGI and strategic investments. 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 (KGI) 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.
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 futures
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.

-- 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.

In addition to Director Sawada, the following four individuals have been appointed as outside directors.

**Yoshinobu Tsutsui** (Appointed in June 2015)
Chairman of the Board, Nippon Life Insurance Company
Tsutsui brings extensive experience at the highest level of management along with 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.

**Kazuhiro Toyama** (Appointed in June 2016)
Chairman, IGPI (Industrial Growth Platform, Inc.) Group
A leading figure in corporate governance in Japan, Toyama is involved in numerous corporate revitalization projects as the former COO of Industrial Revitalization Corporation of Japan.

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

Outline of structure (As of June 23, 2022)

The Board of Directors
• The Board of Directors is composed of twelve directors including five outside directors (at least one-third of directors must be outside directors), of whom two are women.
• The Board is chaired by an inside director who does not concurrently serve as an executive officer.
• As the decision-making body for matters pertaining to the Group as a whole, the Board of Directors concentrates on determining management strategies from a Group-wide perspective and supervising the operating companies.
• The Company elects outside directors from among managers of external entities, who have extensive managerial experience in various careers and deep insight, and are expected to provide valuable opinions for and monitor of decision-making related to business execution and the execution of directors’ duties.
• To ensure that the decisions of shareholders are appropriately reflected in management, all directors are elected every year at the annual general meeting of shareholders. (Directors’ term of office is one year.)

General Meeting of Shareholders

Audit

Audit & Supervisory Board Member/Audit & Supervisory Board
Inside: 2, Outside: 3 (Female: 1)

Accounting Auditor
KPMG AZSA LLC

Auditors
Operating companies and other Group companies

Supervision/Decision-making

Board of Directors
Chairperson: Chairperson of the Board (non-executive officer)
Inside: 7 (Female: 1)
Outside: 5 (Female: 1)
Outside ratio: 42%

Nomination & Compensation Advisory Committee
Chairperson: Independent Outside Director
Inside: 2, Outside: 3
Outside ratio: 60%

Execution of operation

Group CEO
Group CxO
Governance, group strategy, business support by functional axis of Accounting & Finance, HR, Legal Affairs, etc.

Sustainability Management Committee, Disclosure Committee, ERM Committee, etc.
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.

Themes discussed in fiscal 2022

<table>
<thead>
<tr>
<th>Deliberation/decision</th>
<th>Discussion</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Group strategy</td>
<td>• Consideration of the listing of the supply chain business</td>
</tr>
<tr>
<td>• Application for DX certification</td>
<td>• Results of employee opinion survey (EOS)</td>
</tr>
</tbody>
</table>

**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 outside A&SB members, of whom one is a woman (outside A&SB member).
- The Company sets A&SB members who are able to exert their auditing functions according to their individual discretionary decision, but not to majority vote decision. The A&SB members are also 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 comprehend actual condition of businesses by exercising their right to visit and investigate operating sites. The senior A&SB members are elected from among those who have experience in positions equivalent to or higher than senior executive directors.
- The Company elects outside A&SB members from among managers, lawyers, and certified public accountants, who have extensive expertise with various careers and deep insight and can be expected to conduct valuable audits of the execution of business by directors.

**Optional Nomination and Compensation Advisory Committee**

- Composed of five members, the majority of whom are independent outside directors.
- Chaired by an independent outside director.
- Deliberates and reports to the Board of Directors on the results of internal review of the nomination of directors, Audit & Supervisory Board members, executive officers, and the presidents and outside directors of the operating companies, as well as on the details of the compensation system and the amount of compensation for each individual director, executive officer, and president and outside director of the operating companies.
- Monitors candidates to potentially succeed the Group CEO, executive officers, and the presidents of the operating companies, and potentially proposes the replacement timing of the Group CEO.
- In the year ended March 31, 2022 (fiscal 2022), met five times to deliberate and report to the Board of Directors. Topics included candidates for directors, executive officers, and Audit & Supervisory Board members of Panasonic Holdings Corporation and the presidents of the operating companies under Panasonic Holdings Corporation in preparation for the transition into an operating company system in April 2022 as well as the evaluation and compensation systems.

**Group Management Meeting and PHD Strategy Meeting**

- Group Management Meeting and PHD Strategy Meeting are held to discuss, set the direction, and report on the Group’s medium- to long-term strategy, important Group-wide projects and committees, and important initiatives implemented by the Company or its operating companies.
- Group Management Meeting: Chaired by the Group CEO and consisting of approximately 20 management executives, including the presidents of the operating companies and functional directors (in principle, held once a month).
- PHD Strategy Meetings: Chaired by the Group CEO and consisting of approximately 10 management executives, including functional directors of Human Resources (HR), Accounting, and Legal Affairs (in principle, held at least twice a month).
**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 on and after June 29, 2017. Based on this, we nominate candidates for outside director 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 legal entity, an executing person of such legal entity).

(v) A close relative (defined as second degree of kinship or closer) of a person listed in (i)–(iv) above, or a close relative of an executing person of the Company or a subsidiary.

“Major business partner” refers to a business partner for which the annual amount of transaction between the Company and the business partner exceeds 2% of either of their annual consolidated net sales. “Past” refers to the past three years. “A significant amount,” in the case of individuals, shall be defined as 12 million yen or more. “Major shareholder” refers to a shareholder 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.”

**Provision of information and assistance to outside directors**

The division in charge provides support to outside directors, such as prior explanation of agenda of the Board meeting and provision of information to enable effective discussions by the Board of Directors. In addition, the Company provides them with the opportunity to visit major operating sites and plants (Outside directors’ visit to business sites) for the purpose of deepening understanding about the Company’s businesses.

**Fiscal 2022 visits to business sites by outside directors and outside Audit & Supervisory Board members**

(Business site names are the fiscal 2022 organization names)

<table>
<thead>
<tr>
<th>Business site</th>
<th>Site visits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Connected Solutions Company: SCM innovation and Blue Yonder solution in the Mobile Solutions Business Division</td>
<td></td>
</tr>
<tr>
<td>Lifestyle Updates Business Division: Kusatsu site (Showroom, refrigerator factory, fuel cell plant, etc.)</td>
<td></td>
</tr>
<tr>
<td>Automotive Company: Yokohama site (Test site demonstration, cabin interior innovation solutions, etc.)</td>
<td></td>
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</tbody>
</table>

**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 effectiveness. 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.

Items of the survey in fiscal 2022

- Sufficiency of provision of information on the agenda items
- Key discussion themes at the Board of Directors meetings
- Strengthening the governance of the Board of Directors
- Director training, business site visits, etc.
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.

- In order to deepen discussion at the Board of Directors meetings, it is necessary to clearly indicate the key points, issues, and directions for resolving issues that should be discussed at the Board of Directors meetings, regarding important matters.
- On the condition that agenda materials are shared in advance, depending on the content of the agenda items, the presentation at the Board of Directors meetings should be simplified and more time should be allocated to discussion.

### Activities aimed at strengthening corporate governance

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<tbody>
<tr>
<td>Outside</td>
<td>17</td>
<td>17</td>
<td>17</td>
<td>17</td>
<td>17</td>
<td>33.3</td>
<td>33.3</td>
<td>36.4</td>
<td>46.2</td>
<td>46.2</td>
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<tr>
<td>Inside</td>
<td>14</td>
<td>14</td>
<td>14</td>
<td>13</td>
<td>8</td>
<td>12</td>
<td>11</td>
<td>6</td>
<td>7</td>
<td>6</td>
</tr>
<tr>
<td>Non-Japanese</td>
<td>3</td>
<td>3</td>
<td>4</td>
<td>23.5</td>
<td>5</td>
<td>8</td>
<td>4</td>
<td>12</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>Percentage outside directors</td>
<td>17.6</td>
<td>17.6</td>
<td>17.6</td>
<td>23.5</td>
<td>8</td>
<td>12</td>
<td>11</td>
<td>12</td>
<td>7</td>
<td>7</td>
</tr>
</tbody>
</table>

*Composition is as of the end of June each year

#### Board of Directors

- Appointed a female director
- Began evaluating the effectiveness of the Board of Directors
- Increased the number of outside directors from 3 to 4
- Reduced the number of directors from 17 to 12
- Raised the minimum ratio of outside directors to one third
- Appointed a non-Japanese director
- Increased the number of outside directors from 4 to 6

*Composition is as of the end of June each year

#### Nomination and Compensation Advisory Committee

- Established (1/3)
- (2/4)
- (3/5)

#### Compensation system

- *Established theOutside Directors and Outside A&SB Members Committee
- *Outside directors as well as outside A&SB members began visiting business sites
- *Discontinued the ESV Plan
- *The Policy Toward Large-Scale Purchases of Panasonic Shares
- *Reviewed the conferring of representation rights
- *Clarified the roles of directors and executive officers
- *Reviewed the corporate advisor system
- *Reviewed the business execution system
- *Strengthened information sharing with Board members
- *Set agenda based on transition into an operating company system

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

Starting from fiscal 2023, this restricted stock compensation will also be allocated to the presidents of the operating companies under Panasonic Holdings Corporation and the presidents of Panasonic Corporation’s subsidiaries, who are engaged in business activities directly related to the corporate value of the Group.

Method for determining amounts of compensation
Compensation for Directors is determined within the framework of the maximum total amounts of compensation for Directors which was determined by resolution of a general meeting of shareholders. As to the amounts of basic compensation and performance-based compensation to be paid and the number of shares to be allocated to each recipient, the Nomination and Compensation Advisory Committee examines whether these amounts and number are appropriate in light of the policy for determining the 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 Group.

Illustration of compensation structure*1

<table>
<thead>
<tr>
<th>Basic compensation</th>
<th>Performance-based compensation</th>
<th>Restricted stock compensation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0.75*2</td>
<td>0.25*3</td>
</tr>
</tbody>
</table>

*1 Excluding Outside Directors
*2 When the standard value is achieved
*3 Average compensation of applicable directors.

The percentages vary according to the role and position.

Amount of compensation for directors and A&SB members for fiscal 2022 (ended March 2022)

<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 (excluding outside directors)</td>
<td>8</td>
<td>1,128</td>
<td>571</td>
<td>404</td>
<td>153</td>
</tr>
<tr>
<td>A&amp;SBMs (excluding outside A&amp;SBMs)</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 A&amp;SBMs</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 21, 2021 and one A&SB member who retired at the conclusion of fiscal 2022 (ended March 2022) are included in the above. Restricted stock compensation in the above table corresponds to non-monetary compensation.

Directors who received compensation over 100 million yen

<table>
<thead>
<tr>
<th>Name</th>
<th>Classification</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>Kazuhiro Tsuga</td>
<td>Director</td>
<td>218</td>
<td>101</td>
<td>90</td>
<td>27</td>
</tr>
<tr>
<td>Yuki Kusumi</td>
<td>Director</td>
<td>182</td>
<td>92</td>
<td>34</td>
<td>56</td>
</tr>
<tr>
<td>Tetsuro Homma</td>
<td>Director</td>
<td>148</td>
<td>82</td>
<td>66</td>
<td>—</td>
</tr>
<tr>
<td>Mototsugu Sato</td>
<td>Director</td>
<td>170</td>
<td>79</td>
<td>68</td>
<td>23</td>
</tr>
<tr>
<td>Yasuyuki Higuchi</td>
<td>Director</td>
<td>157</td>
<td>75</td>
<td>63</td>
<td>19</td>
</tr>
<tr>
<td>Hirokazu Umeda</td>
<td>Director</td>
<td>124</td>
<td>67</td>
<td>41</td>
<td>16</td>
</tr>
</tbody>
</table>

Note: Restricted stock compensation in the above table corresponds to non-monetary compensation.
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.

Panasonic Group Code of Ethics & Compliance
https://holdings.panasonic/global/corporate/about/code-of-conduct.html

Disclosure Policy
https://holdings.panasonic/global/corporate/investors/disclosure-policy.html

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.

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.
## 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>
</tr>
</thead>
<tbody>
<tr>
<td>Kazuhiro Tsuga</td>
<td>Chairperson of the Board</td>
<td>N &amp; CAC</td>
</tr>
<tr>
<td>Yuki Kusumi</td>
<td>Representative Director, President</td>
<td>N &amp; CAC</td>
</tr>
<tr>
<td>Tetsuro Homma</td>
<td>Representative Director, Executive Vice President</td>
<td></td>
</tr>
<tr>
<td>Mototsugu Sato</td>
<td>Representative Director, Executive Vice President</td>
<td></td>
</tr>
<tr>
<td>Hirokazu Umeda</td>
<td>Representative Director, Executive Vice President</td>
<td></td>
</tr>
<tr>
<td>Shinobu Matsui</td>
<td>Director</td>
<td>Outside, Independent</td>
</tr>
<tr>
<td>Kunio Noji</td>
<td>Director</td>
<td>Outside, Independent</td>
</tr>
<tr>
<td>Michitaka Sawada</td>
<td>Director</td>
<td>Outside, Independent N &amp; CAC</td>
</tr>
<tr>
<td>Kazuhiko Toyama</td>
<td>Director</td>
<td>Outside, Independent</td>
</tr>
<tr>
<td>Yoshinobu Tsutsui</td>
<td>Director</td>
<td>Outside, Independent N &amp; CAC</td>
</tr>
<tr>
<td>Yoshiyuki Miyabe</td>
<td>Director, Executive Vice President</td>
<td>New</td>
</tr>
<tr>
<td>Ayako Shotoku</td>
<td>Director, Executive Officer</td>
<td>New</td>
</tr>
<tr>
<td>Toshihide Tominaga</td>
<td>Senior Audit &amp; Supervisory Board Member</td>
<td></td>
</tr>
<tr>
<td>Eiji Fujii</td>
<td>Senior Audit &amp; Supervisory Board Member</td>
<td></td>
</tr>
<tr>
<td>Akihiro Eto</td>
<td>Audit &amp; Supervisory Board Member</td>
<td>New, Outside, Independent</td>
</tr>
<tr>
<td>Akihiko Nakamura</td>
<td>Audit &amp; Supervisory Board Member</td>
<td>New, Outside, Independent</td>
</tr>
<tr>
<td>Setsuko Yufu</td>
<td>Audit &amp; Supervisory Board Member</td>
<td>Outside, Independent</td>
</tr>
</tbody>
</table>

*Chairperson of the Nomination and Compensation Advisory Committee
Outside Director or Outside Audit & Supervisory Board Member
Independent, 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.
## Major activities during fiscal 2022

<table>
<thead>
<tr>
<th>Number of Attendance</th>
<th>Management experience</th>
<th>Manufactur- ing/ R&amp;D/IT</th>
<th>Finance/ Accounting</th>
<th>Legal</th>
<th>Planning</th>
<th>ESG</th>
<th>Interna- tionality/ Diversity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board of Directors’ meeting 13/13 (100%)</td>
<td>●</td>
<td>●</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Board of Directors’ meeting 13/13 (100%)</td>
<td>●</td>
<td>●</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Board of Directors’ meeting 13/13 (100%)</td>
<td>●</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Board of Directors’ meeting 13/13 (100%)</td>
<td>●</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Board of Directors’ meeting 13/13 (100%)</td>
<td>●</td>
<td></td>
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<tr>
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<td>●</td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Board of Directors’ meeting 13/13 (100%)</td>
<td>●</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Board of Directors’ meeting 13/13 (100%)</td>
<td>●</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

### Director, Chairperson of the Board

- **Kazuhiro Tsuga**
  - Apr. 1979: Joined the Company
  - Jun. 2004: Executive Officer of the Company
  - Apr. 2008: Managing Executive Officer of the Company
  - Apr. 2011: Senior Managing Executive Officer of the Company
  - Jun. 2011: Representative Director and Senior Managing Director of the Company
  - Jun. 2012: Representative Director and President of the Company
  - Jun. 2017: Representative Director, President and Chief Executive Officer (CEO) of the Company
  - Jun. 2021: Chairperson of the Board of the Company (incumbent)

### Representative Director

- **Yuki Kusumi**
  - Apr. 1989: Joined the Company
  - Apr. 2014: Executive Officer of the Company
  - Apr. 2019: Managing Executive Officer of the Company
  - Apr. 2021: Chief Executive Officer (CEO) of the Company
  - Jun. 2021: Representative Director and President of the Company (incumbent)
  - Oct. 2021: Group Chief Executive Officer (Group CEO), Group Chief Strategy Officer (Group CSO) of the Company (incumbent)

- **Tetsuro Homma**
  - Apr. 1984: Joined the Company
  - Oct. 2013: Executive Officer of the Company / in charge of Consumer Business
  - Jun. 2015: Managing Director of the Company
  - Apr. 2016: Representative Director and Senior Managing Director of the Company
  - Apr. 2019: CEO, China & Northeast Asia Company and Regional Head for China & Northeast Asia of the Company
  - Jun. 2019: Representative Director and Senior Managing Executive Officer of the Company
  - Apr. 2020: Chairperson, Panasonic Corporation of China (incumbent)
  - Apr. 2021: Representative Director and Executive Vice President of the Company (incumbent)
  - Apr. 2022: Group Regional Head for China & Northeast Asia of the Company / President, Panasonic Operational Excellence China and Northeast Asia, Panasonic Operational Excellence Co., Ltd. (incumbent)

### Representative Director

- **Mototsugu Sato**
  - Apr. 1979: Joined Matsushita Electric Works, Ltd.
  - Apr. 2008: Executive Officer, Matsushita Electric Works, Ltd.
  - Apr. 2011: Senior Executive Officer, Panasonic Electric Works Co., Ltd.
  - Jan. 2012: Managing Officer, Eco Solutions Company of the Company / Director, Accounting Center
  - Oct. 2013: Executive Officer of the Company / in charge of Planning, BPR Project and Business Creation Project
  - Jun. 2014: Director of the Company
  - Apr. 2015: Managing Director of the Company
  - Apr. 2016: Representative Director and Senior Managing Director of the Company / in charge of Human Resources
  - 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
  - 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 (Group CRO) (incumbent) of the Company, President, Operational Excellence Company
  - Apr. 2022: Representative Director, Member of the Board, President, Panasonic Operational Excellence Co., Ltd. Chief Executive Officer (CEO) (incumbent) / in charge of DEI promotion of the Company (incumbent)

- **Hirokazu Umeda**
  - Apr. 1984: Joined the Company
  - Apr. 2017: Executive Officer of the Company / in charge of Accounting and Finance / General Manager, Corporate Management Support Department, Corporate Strategy Division / in charge of Groupwide Cost Busters Project, BPR Project
  - Jun. 2017: Director, Executive Officer, and Chief Financial Officer (CFO) of the Company
  - Apr. 2018: Director, Managing Executive Officer of the Company President, Panasonic Equity Management Japan Co., Ltd. (currently Panasonic Equity Management Japan Goto Kaisha) (incumbent)
  - Sep. 2019: CEO, Panasonic Holding (Netherlands) B.V. (incumbent)
  - Apr. 2021: Director, Senior Managing Executive Officer of the Company / in charge of Facility Management (incumbent)
  - Oct. 2021: Group Chief Financial Officer (Group CFO) of the Company (incumbent) / in charge of Group Cost Busters Project, in charge of Prime Life Technologies Corporation (incumbent)
  - Apr. 2022: Director and Executive Vice President of the Company / in charge of Group MUDA Busters Activity (incumbent)
  - Jun. 2022: Representative Director and Executive Vice President of the Company (incumbent)
Directors

Shinobu Matsui
(Independent director)

Oct. 1999 Joined Ota Showa & Co. (currently Ernst & Young ShinNihon LLC)
Oct. 2001 Joined PricewaterhouseCoopers Tax Office (currently PwC Tax Japan)
Mar. 2014 Corporate Auditor, Uzabase, Inc.
Aug. 2015 Joined Uzabase, Inc. (retired as Corporate Auditor, Uzabase, Inc.)
Jan. 2018 Executive Officer (Head of Corporate Division), Uzabase, Inc.
Jan. 2019 Executive Officer and Chief Operating Officer, Uzabase, Inc.
Jan. 2020 Executive Officer and Chief People and Administrative Officer, Uzabase, Inc.
Mar. 2021 Board Director and Chief People and Administrative Officer, Uzabase, Inc. (incumbent)
Jun. 2021 Director of the Company (incumbent)
Jan. 2022 Board Director and Group Executive Officer, Uzabase, Inc. (incumbent)

Kazuhiko Toyama
(Independent director)

Apr. 1977 Joined NIPPON LIFE INSURANCE COMPANY
Jul. 2004 Director, NIPPON LIFE INSURANCE COMPANY
Jan. 2007 Director and Executive Officer, NIPPON LIFE INSURANCE COMPANY
Mar. 2007 Director and Managing Executive Officer, NIPPON LIFE INSURANCE COMPANY
Mar. 2009 Director and Senior Managing Executive Officer, NIPPON LIFE INSURANCE COMPANY
Mar. 2010 Representative Director and Senior Managing Executive Officer, NIPPON LIFE INSURANCE COMPANY
Apr. 2011 President, NIPPON LIFE INSURANCE COMPANY
Jun. 2015 Director of the Company (incumbent)
Apr. 2018 Chairman, NIPPON LIFE INSURANCE COMPANY (incumbent)

Michitaka Sawada
(Independent director)

Apr. 1985 Joined The Boston Consulting Group, Inc.
Apr. 1986 Participated in establishment of Corporate Directions, Inc.
Mar. 1993 Director, Corporate Directions, Inc.
Apr. 2000 Managing Director, Corporate Directions, Inc.
Apr. 2001 President, Corporate Directions, Inc.
Apr. 2003 Senior Representative Director and CDO, Industrial Revitalization Corporation of Japan
Apr. 2007 Representative Director and CEO, Industrial Growth Platform, Inc.
Jun. 2016 Director of the Company (incumbent)
Oct. 2020 Chairman, Industrial Growth Platform, Inc. (incumbent)
Dec. 2020 Representative Director, President, Japan Platform of Industrial Transformation, Inc. (incumbent)

Yoshinobu Tsutsui
(Independent director)

Apr. 1991 Joined the Company
Apr. 1993 Managing Director, AVC Networks Company of the Company, Director, Legal Affairs Center
Apr. 1997 Managing Officer, Connected Solutions Company of the Company, Director, Legal Affairs Center
Apr. 2019 Managing Officer, Automotive Company of the Company, Director, Legal Affairs Center
Oct. 2021 Managing Officer, Automotive Company of the Company, General Counsel (GC), Chief Risk Management Officer (CRO), Director, Legal Affairs Center / Executive of the Company in charge of Legal Strategy, Corporate Strategy and Technology Sector
Apr. 2022 Executive Officer; Group General Counsel (Group GC) of the Company (incumbent)
Jun. 2022 Director and Executive Officer of the Company (incumbent)

Directors (Outside Directors)

Yoshinobu Tsutsui
(Independent director)

Apr. 1983 Joined the Company
Apr. 2006 Executive Officer of the Company
Apr. 2011 Managing Executive Officer of the Company
Jun. 2011 Managing Director of the Company
Apr. 2013 President, AVC Networks Company of the Company
Apr. 2014 Representative Director and Senior Managing Director of the Company
Jun. 2017 Senior Managing Executive Officer of the Company, Chief Technology Officer (CTO), Chief Manufacturing Officer (CMO), Chief Quality Officer (CQO), Chief Procurement Officer (CPO), Chief Information Officer (CIO)/ in charge of FF Customer Support & Management, Motor Business Management Office
Apr. 2021 Representative in Tokyo of the Company (incumbent)/in charge of Government and External Relations (incumbent), Tokyo Olympic & Paralympic Business Promotion, Solution Sales
Oct. 2021 In charge of Solution Partner of the Company (incumbent)
Apr. 2022 Executive Vice President of the Company
Jun. 2022 Director and Executive Vice President of the Company (incumbent)

Kunio Noji
(Independent director)

Apr. 1969 Joined Komatsu Ltd.
Jun. 1997 Director, Komatsu Ltd.
Jun. 2001 Managing Director and Senior Executive Officer (Jomu), Komatsu Ltd.
Apr. 2003 Director and Senior Executive Officer (Senmu), Komatsu Ltd.
Jun. 2007 President and Representative Director, and CEO, Komatsu Ltd.
Apr. 2013 Chairman of the Board and Representative Director, Komatsu Ltd.
Apr. 2016 Chairman of the Board and Director, Komatsu Ltd.
Jun. 2019 Adviser, Komatsu Ltd. (incumbent)
Jun. 2019 Director of the Company (incumbent)

Ayako Shotoku
Executive Officer / Group GC

Apr. 1999 Joined Ota Showa & Co. (currently Ernst & Young ShinNihon LLC)
Apr. 2000 Managing Director, Corporate Directions, Inc.
Apr. 2001 President, Corporate Directions, Inc.
Apr. 2003 Senior Representative Director and CDO, Industrial Revitalization Corporation of Japan
Apr. 2007 Representative Director and CEO, Industrial Growth Platform, Inc.
Jun. 2016 Director of the Company (incumbent)
Oct. 2020 Chairman, Industrial Growth Platform, Inc. (incumbent)
Dec. 2020 Representative Director, President, Japan Platform of Industrial Transformation, Inc. (incumbent)

Yoshiyuki Miyabe
Executive Vice President

Apr. 1983 Joined the Company
Apr. 2006 Executive Officer of the Company
Apr. 2011 Managing Executive Officer of the Company
Jun. 2011 Managing Director of the Company
Apr. 2013 President, AVC Networks Company of the Company
Apr. 2014 Representative Director and Senior Managing Director of the Company
Jun. 2017 Senior Managing Executive Officer of the Company, Chief Technology Officer (CTO), Chief Manufacturing Officer (CMO), Chief Quality Officer (CQO), Chief Procurement Officer (CPO), Chief Information Officer (CIO)/ in charge of FF Customer Support & Management, Motor Business Management Office
Apr. 2021 Representative in Tokyo of the Company (incumbent)/in charge of Government and External Relations (incumbent), Tokyo Olympic & Paralympic Business Promotion, Solution Sales
Oct. 2021 In charge of Solution Partner of the Company (incumbent)
Apr. 2022 Executive Vice President of the Company
Jun. 2022 Director and Executive Vice President of the Company (incumbent)

Oct. 2021 Adviser, Komatsu Ltd. (incumbent)
Jun. 2022 Director and Executive Vice President of the Company (incumbent)
ESG

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

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Appointment Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Toshihide Tominaga</td>
<td>Group CEO / Group CSO</td>
<td>Apr. 1986</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Apr. 2017</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Apr. 2019</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Jun. 2020</td>
</tr>
</tbody>
</table>

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

Audit & Supervisory Board Members (Outside Audit & Supervisory Board Members)

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Appointment Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Akihiro Eto</td>
<td>Independent Audit &amp; Supervisory Board member</td>
<td>Apr. 1986</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Jul. 2010</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Sep. 2012</td>
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<tr>
<td></td>
<td></td>
<td>Sep. 2014</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Mar. 2016</td>
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<tr>
<td></td>
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<td>Jan. 2019</td>
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<tr>
<td></td>
<td></td>
<td>Mar. 2019</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Jul. 2020</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Nov. 2021</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Dec. 2021</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Jun. 2022</td>
</tr>
</tbody>
</table>

Note: * indicates business responsibilities at companies other than Panasonic Holdings Corporation.
Initiatives towards Respect for Human Rights

For more details, please refer to “Respect for Human Rights” on our Sustainability Data Book 2022 (P. 66).

Management System
The Panasonic Group has defined our 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 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 that both respect 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
Our 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 fulfilled by their work and ways in which 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 gain 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, managing working hours, and Diversity, Equity & Inclusion.

Human Rights Due Diligence
We establish a Human Rights Due Diligence system (based on the United Nations Guiding Principles on Business and Human Rights) for identifying, preventing, and reducing negative impacts related to human rights in relation to our business activities or our products, services, or business dealings. Reflecting the issues that have been identified based on the requirements of society and the operation of the system, we continuously implement and improve the system with the advice of outside experts. As part of those efforts, group companies outside Japan underwent self-assessments related to human rights and labor in fiscal 2022. We will continue to promote initiatives meant to understand the realities and issues in our work environments and improve them on an ongoing basis.

We will operate the system by building and making continuous improvements through dialogue, discussion, and cooperation with relevant stakeholders both internally and externally. We will also make disclosures about initiatives as appropriate using our official website, relevant reports, and other means of communication.

Access to Remedy
We have established a global hotline for our employees and external business partners to report any potential compliance issues, including human rights-related violations, they notice or suspect. We have also established internal regulations to ensure that whistleblowers do not incur any disadvantages for their reports.

Participation in International and Industrial Partnerships
In January 2022, the Panasonic Group became a participant in the United Nations Global Compact. In addition to declaring 10 fundamental principles in four different fields, including respect for human rights, we are working to make our human rights and labor compliance efforts refer to international standards, and we will fulfill our duty to communicate with the public by disclosing the progress and results of those efforts. In October 2021, we also joined the Responsible Business Alliance (RBA), an international CSR organization involved in the electronics, ICT, and automotive sectors. We are working to develop a highly reliable management system by their excellent self-assessments tools, the guidance document for solving of issues and participation in their affiliated, Responsible Mineral Initiative for the promotion of responsible mineral procurement.

In Japan, we participate in initiatives undertaken by the CSR Committee of the Japan Electronics and Information Technology Industries Association (JEITA) and the Corporate Behavior and SDG’s Committee of the Japan Business Federation, and in Europe, we participate in initiatives undertaken by the CSR Committee of the Nikkei Business Association in Europe (JBCE).
Corporate Data

Financial Highlights

The Company and subsidiaries, years ended March 31

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 was higher, and ROE also improved compared to the previous fiscal year.

Based on growth strategies in key areas, we are focusing on developing new technologies and new products that will support the future. In addition, we are actively engaged in technical development aimed at the sustainable development of individual lifestyles and society, as well as the well-being of people both in mind and body.
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. Note: Capital investment represents the amount of property, plant and equipment and intangible assets on an accrual basis (excluding increases due to business combinations). Depreciation and amortization includes depreciation of property, plant and equipment and amortization of intangible assets.

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.

Cash flow from investing activities was -796.1 billion yen, compared to 176.6 billion yen in the previous fiscal year, due mainly to the acquisition of Blue Yonder.

In addition to utilization of reserved cash, the acquisition of Blue Yonder was financed with a bridge loan, which was subsequently repaid in full by issuing 400 billion yen in hybrid bonds (subordinated bonds).

Note: Hybrid bonds (subordinated bonds) are bonds with characteristics of both equity and debt, and with characteristics and features similar to equity, such as optional deferral of interest payments, a particularly long payment period, and subordination in liquidation and bankruptcy proceedings. Interest-bearing debt is the sum of "short-term debt, including current portion of long-term debt," "long-term debt," and "lease liabilities."
**ESG Highlights**

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

At its factories in and outside Japan, the Panasonic Group is pushing ahead with the promotion of zero-CO₂ model 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.


Note: For CO₂ emissions per basic unit, CO₂ emissions are divided by the Group’s overall net sales, and then the improvement rate compared to fiscal 2014 is calculated.

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

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)**

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.

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.


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.


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-companies/phd/corporate-governance.html](https://holdings.panasonic/global/corporate/about/group-companies/phd/corporate-governance.html)
Segments Overview

Fiscal 2022 net sales composition ratio

Major products and services by reportable segment
(as of March 31, 2022)

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, perflation and air-conditioning equipment, air purifiers, air purifier/sterilizers, freezing or refrigerating showcases, lighting fixtures, lamps, wiring devices, solar photovoltaic systems, fuel cells, compressors, bicycles, nursing care services

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

Information by segment (billions of yen)

<table>
<thead>
<tr>
<th></th>
<th>Sales</th>
<th>Operating profit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lifestyle</td>
<td>3,647.6</td>
<td>113.6</td>
</tr>
<tr>
<td>Automotive</td>
<td>1,067.1</td>
<td>1.3</td>
</tr>
<tr>
<td>Connect</td>
<td>924.9</td>
<td>51.7</td>
</tr>
<tr>
<td>Industry</td>
<td>1,131.4</td>
<td>83.2</td>
</tr>
<tr>
<td>Energy</td>
<td>764.4</td>
<td>64.2</td>
</tr>
<tr>
<td>Reportable segment total</td>
<td>7,535.4</td>
<td>314.0</td>
</tr>
<tr>
<td>Other</td>
<td>1,048.8</td>
<td>17.7</td>
</tr>
<tr>
<td>Eliminations and Adjustments</td>
<td>-1,195.4</td>
<td>25.8</td>
</tr>
<tr>
<td>Consolidated Total</td>
<td>7,388.8</td>
<td>357.5</td>
</tr>
</tbody>
</table>

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”).
Sales increased by 3% to ¥3,647.6 billion from a year ago. Overall sales increased due mainly to favorable sales of personal-care products, washing machines, and refrigerators in China and favorable sales of air to water heat pump system in Europe as well as the effect of exchange rates, despite decreased sales of products such as room air-conditioners in Japan. Operating profit for this segment decreased from the previous year to ¥113.6 billion due mainly to decreased sales of consumer electronics in Japan, the impact of raw material price hikes, and increased shipping costs, despite increased sales in China and Europe.

Sales increased by 5% to ¥1,067.1 billion from a year ago. The increase was due to the rebound effect of reduced automotive production in the first half of the previous year as well as the effect of exchange rates. Operating profit for this segment increased from the previous year to ¥1.3 billion. The increase was due to the effect of fixed cost reduction efforts and the impact of temporary expenses related to onboard charging systems in the previous year, despite the impact of price hikes in parts & components including semiconductors as well as increased shipping costs.

Sales increased by 13% to ¥924.9 billion from a year ago. Sales increased due to increased sales of mounting machines with growing PC and server related demand as well as increased sales of projectors reflecting a market recovery trend mainly in the United States and Europe. Operating profit for this segment increased from the previous year to ¥51.7 billion. This increase was due mainly to increased sales of mounting machines and projectors as well as a recognized gain from the re-evaluation of the existing equity in Blue Yonder upon consolidation.

Sales increased by 15% to ¥1,131.4 billion from a year ago. The increase was due mainly to increased sales of industrial-use motors and relays as well as capacitors for use in information & communication infrastructure and automobiles, despite the impact of raw material price hikes and semiconductor shortages. Operating profit for this segment increased from the previous year to ¥83.2 billion. The increase was due mainly to increased sales of capacitors for information & communication infrastructure and automotive use, industrial-use motors, power supply equipment, and relays as well as the effect of rationalization including productivity improvement, despite the impact of factors such as raw material price hikes and semiconductor shortages.

Sales increased by 27% to ¥764.4 billion from a year ago. Sales increased due to higher sales of automotive batteries and power storage systems with significantly growing demand for EVs globally as well as growing demand for IoT and social infrastructure use. Operating profit for this segment increased from the previous year to ¥64.2 billion. The increase was due to increase sales of automotive batteries and power storage systems as well as the effect of material rationalization, despite an increase in fixed costs related to capacity expansion and the impact of raw material price hikes.
### 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 management structure in the final year of the Mid-term strategy that started in fiscal 2020. Additionally, in all of our businesses, the Company identified the areas in which the Company should be aggressive and thoroughly enhanced the competitiveness in these areas.

More specifically, with regard to the investment for growth, in the *gemba* (operational frontlines) process business, the Company completed its acquisition of the 80% of shares of the U.S. company Blue Yonder, which is one of the leading global providers of specialized supply chain software, in September 2021. As a result, the Company made Blue Yonder a wholly-owned subsidiary, together with the 20% of its shares acquired in July 2020. The Company aims to create new value by combining Blue Yonder’s software platform, which offers state-of-the-art artificial intelligence (AI) and machine learning (ML) capabilities, with the Company’s manufacturing expertise, which has been cultivated over many years, as well as its edge devices, IoT applications, and sensing technologies. This acquisition will accelerate an “Autonomous Supply Chain™” and will provide solutions to customers’ management issues. In addition, the Company aims to contribute to global environmental conservation and to the realization of a sustainable society through energy-use reduction and effective utilization of resources.

In October 2021, the Company started its operations based on the new structure toward the transition to a new organizational structure with the Company serving as a holding company (Panasonic Holdings Corporation) from April 2022. Under the new structure, the Company continued to steadily execute the Mid-term strategy and prepare for the smooth operation of each operating company.

### 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

<table>
<thead>
<tr>
<th>Region</th>
<th>3/2021 (Billions of yen)</th>
<th>3/2022 (Billions of yen)</th>
<th>Local currency basis vs. 3/2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>3,113.3</td>
<td>3,189.5</td>
<td>102%</td>
</tr>
<tr>
<td>Overseas total</td>
<td>3,585.5</td>
<td>4,199.3</td>
<td>110%</td>
</tr>
<tr>
<td>Americas</td>
<td>1,117.1</td>
<td>1,382.1</td>
<td>117%</td>
</tr>
<tr>
<td>Europe</td>
<td>662.0</td>
<td>736.5</td>
<td>106%</td>
</tr>
<tr>
<td>Asia</td>
<td>943.7</td>
<td>1,091.0</td>
<td>109%</td>
</tr>
<tr>
<td>China</td>
<td>862.7</td>
<td>989.7</td>
<td>104%</td>
</tr>
<tr>
<td>Total</td>
<td>6,698.8</td>
<td>7,388.8</td>
<td>106%</td>
</tr>
</tbody>
</table>

### Financial results

<table>
<thead>
<tr>
<th>Financial results</th>
<th>3/2021 (Billions of yen)</th>
<th>3/2022 (Billions of yen)</th>
<th>vs. 3/2021 %/amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>6,698.8</td>
<td>7,388.8</td>
<td>110% / +690.0</td>
</tr>
<tr>
<td>Adjusted operating profit</td>
<td>307.2</td>
<td>357.7</td>
<td>116% / + 50.5</td>
</tr>
<tr>
<td>Operating profit</td>
<td>258.6</td>
<td>357.5</td>
<td>138% / + 98.9</td>
</tr>
<tr>
<td>Profit before income taxes</td>
<td>260.8</td>
<td>360.4</td>
<td>138% / + 99.6</td>
</tr>
<tr>
<td>Net profit attributable to Panasonic Holdings Corporation stockholders</td>
<td>165.1</td>
<td>255.3</td>
<td>155% / + 90.2</td>
</tr>
<tr>
<td>ROE</td>
<td>7.2%</td>
<td>8.9%</td>
<td>—                   / + 1.7%</td>
</tr>
</tbody>
</table>

### Exchange rates

<table>
<thead>
<tr>
<th>Currency</th>
<th>3/2021</th>
<th>3/2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 USD</td>
<td>106 yen</td>
<td>112 yen</td>
</tr>
<tr>
<td>1 EUR</td>
<td>124 yen</td>
<td>131 yen</td>
</tr>
<tr>
<td>1 RMB</td>
<td>15.7 yen</td>
<td>17.5 yen</td>
</tr>
</tbody>
</table>
mainly 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

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**Fiscal 2022 operating profit analysis (Billions of yen)**

<table>
<thead>
<tr>
<th>Category</th>
<th>3/‘21</th>
<th>3/‘22</th>
<th>Increase/Decrease in Real Terms</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>258.6</td>
<td>+130.0</td>
<td></td>
</tr>
<tr>
<td>Fixed cost</td>
<td></td>
<td>-34.0</td>
<td></td>
</tr>
<tr>
<td>Price hikes in raw materials &amp; logistics</td>
<td>160.0</td>
<td>+121.3</td>
<td></td>
</tr>
<tr>
<td>Rationalization, etc.</td>
<td></td>
<td>-16.0</td>
<td></td>
</tr>
<tr>
<td>New consolidation &amp; temporary factors</td>
<td></td>
<td>-11.3</td>
<td></td>
</tr>
<tr>
<td>Impact of exchange rates</td>
<td></td>
<td>+4.5</td>
<td></td>
</tr>
<tr>
<td>Other income/loss</td>
<td></td>
<td>+48.4</td>
<td></td>
</tr>
<tr>
<td><strong>Adjusted operating profit</strong></td>
<td></td>
<td></td>
<td>+50.5</td>
</tr>
</tbody>
</table>

**Fiscal 2021**

**Operating profit** +98.9

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**Profit before income taxes**

Finance 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.
Financial Conditions and Liquidity

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 investments, 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.

*Hybrid bonds (subordinated bonds) are bonds with characteristics of both equity and debt, and with characteristics and features similar to equity, such as optional deferral of interest payments, a particularly long payment period, and subordination in liquidation and bankruptcy proceedings.

Cash flows

The Company recognizes the importance of increasing free cash flow by strengthening business profitability and developing businesses over 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 proceed from transfer of assets in the previous fiscal year. As a result, free

Cash flows

Net cash provided by operating activities

Net cash used in investing activities

Free cash flows
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.

### 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 (Billions 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>60.6</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.

### Total assets and Panasonic Holdings Corporation stockholders’ equity

<table>
<thead>
<tr>
<th>Total assets (Years ended March 31)</th>
<th>Panasonic Holdings Corporation stockholders’ equity (Years ended March 31)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Billions of yen)</td>
<td>(Billions of yen)</td>
</tr>
<tr>
<td>8,023.6</td>
<td>3,165.0</td>
</tr>
<tr>
<td>3,000</td>
<td>2,000</td>
</tr>
<tr>
<td>6,000</td>
<td>1,998.3</td>
</tr>
<tr>
<td>3,000</td>
<td>2,594.0</td>
</tr>
<tr>
<td>3,000</td>
<td>3,165.0</td>
</tr>
<tr>
<td>3,000</td>
<td>3,165.0</td>
</tr>
</tbody>
</table>

For details regarding consolidated financial statements, please refer to the Company’s Annual Securities Report (Yukashoken Hokokusho):

- Consolidated Statements of Financial Position
- Consolidated Statements of Profit or Loss and Consolidated Statements of Comprehensive Income
- Consolidated Statements of Changes in Equity
- Consolidated Statements of Cash Flows
The Company began applying International Financial Reporting Standards (IFRS) on a voluntary basis in the fiscal year ended March 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.

### 10-year Financial Summary

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

<table>
<thead>
<tr>
<th>For the Year (Millions of yen)</th>
<th>U.S. GAAP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>7,303,045</td>
</tr>
<tr>
<td>Adjusted operating profit</td>
<td>160,936</td>
</tr>
<tr>
<td>Operating profit</td>
<td>—</td>
</tr>
<tr>
<td>Profit (loss) before income taxes</td>
<td>(398,386)</td>
</tr>
<tr>
<td>Net profit (loss) attributable to Panasonic Holdings Corporation stockholders</td>
<td>(754,250)</td>
</tr>
<tr>
<td>Capital investment</td>
<td>342,713</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>338,955</td>
</tr>
<tr>
<td>R&amp;D expenditures</td>
<td>502,223</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>355,156</td>
</tr>
</tbody>
</table>

**At Year-End (Millions of yen)**

<table>
<thead>
<tr>
<th></th>
<th>U.S. GAAP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>496,283</td>
</tr>
<tr>
<td>Total assets</td>
<td>5,397,812</td>
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<tr>
<td>Interest-bearing debt</td>
<td>1,143,395</td>
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<tr>
<td>Panasonic Holdings Corporation stockholders’ equity</td>
<td>1,264,032</td>
</tr>
<tr>
<td>Total equity</td>
<td>1,304,273</td>
</tr>
</tbody>
</table>

**Per Share Data (Yen)**

| Earnings (loss) per share attributable to Panasonic Holdings Corporation stockholders | U.S. GAAP |
| Basic                                        | (326.28) | 52.10 | 77.65 | 83.40 |
| Diluted                                      | —        | —    | 77.64 | 83.39 |

| Dividends declared per share                | 13.00    | 18.00 | 25.00 |
| Panasonic Holdings Corporation stockholders’ equity per share | 546.81   | 669.74 | 788.87 | 734.62 |

**Financial Indicators**

| Operating profit/sales (%)                  | 2.2      | 3.9   | 5.0   | 5.5   |
| Profit before income taxes/sales (%)        | (5.5)    | 2.7   | 2.4   | 2.9   |
| ROE (%)                                     | (47.2)   | 8.6   | 10.6  | 11.0  |
| Net profit attributable to Panasonic Holdings Corporation stockholders/sales (%) | (10.3)   | 1.6   | 2.3   | 2.6   |
| Total asset turnover ratio (Times)          | 1.2      | 1.5   | 1.4   | 1.3   |
| Financial leverage (Times)                  | 3.8      | 3.8   | 3.3   | 3.3   |
| Interest-bearing debt/total assets (%)      | 21.2     | 12.3  | 16.3  | 13.0  |
| Panasonic Holdings Corporation stockholders’ equity/total assets (%) | 23.4     | 29.7  | 30.6  | 30.5  |
| Payout ratio (%)                            | —        | 25.0  | 23.2  | 30.0  |

**Exchange Rate (Yen)**

| 1 USD                                        | 83       | 100   | 110   | 120   |
| 1 EUR                                        | 107      | 134   | 139   | 133   |
| 1 RMB                                        | 13.3     | 16.4  | 17.7  | 18.9  |

**Notes to this 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 2013 to fiscal 2014 has been omitted because the Company did not have potential common shares that were outstanding for the period.

3. Payout ratios have not been presented for those fiscal years in which the Company incurred a net loss attributable to Panasonic Corporation.

**Items with different terminology under U.S. GAAP and IFRS**

<table>
<thead>
<tr>
<th>U.S. GAAP</th>
<th>IFRS</th>
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<tbody>
<tr>
<td>Operating profit</td>
<td>Adjusted operating profit</td>
</tr>
<tr>
<td>Net income attributable to Panasonic Holdings Corporation</td>
<td>Net profit attributable to Panasonic Holdings Corporation stockholders</td>
</tr>
<tr>
<td>Panasonic Holdings Corporation shareholders’ equity</td>
<td>Panasonic Holdings Corporation stockholders’ equity</td>
</tr>
<tr>
<td>Net income attributable to Panasonic Holdings Corporation per common share</td>
<td>Earnings per share attributable to Panasonic Holdings Corporation stockholders</td>
</tr>
<tr>
<td>Panasonic Holdings Corporation stockholders’ equity per share</td>
<td>Panasonic Holdings Corporation stockholders’ equity per share</td>
</tr>
<tr>
<td>Net income attributable to Panasonic Corporation/sales</td>
<td>Net profit attributable to Panasonic Holdings Corporation stockholders/sales</td>
</tr>
<tr>
<td>Panasonic Holdings Corporation shareholders’ equity/total assets</td>
<td>Panasonic Holdings Corporation stockholders’ equity/total assets</td>
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### IFRS

<table>
<thead>
<tr>
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<td>27.4</td>
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<td>120</td>
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<td>16.8</td>
<td>16.5</td>
<td>15.6</td>
<td>15.7</td>
<td>17.5</td>
</tr>
</tbody>
</table>

**Notes to IFRS**

1. Adjusted operating profit = Net sales - Cost of sales - SG&A
2. The figures for “Capital investment” are amounts on an accrual basis for property, plant and equipment and intangible assets. (Excludes increases due to business combinations)
3. “Depreciation and amortization” include depreciation of property, plant and equipment and amortization of intangible 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. Formulas for financial ratios are as follows:
   - 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
   - Total assets turnover = Net sales / Average total assets at the beginning and the end of each fiscal year
   - Financial leverage = Average total asset at the beginning and the end of each fiscal year / Average Panasonic Holdings Corporation stockholders' equity at the beginning and the end of each fiscal year
   - Interest-bearing debt ratio = Interest-bearing debt / Total assets
   - Payout ratio = Dividends declared per share / Basic earnings per share attributable to Panasonic Holdings Corporation stockholders
Corporate Information  (As of March 31, 2022)

The Company and Subsidiaries
Years ended March 31

Corporate Information

Company Name: Panasonic Holdings Corporation*
*The name changed from “Panasonic Corporation” on April 1, 2022
Founded: March 1918 (Incorporated in December 1935)
Head Office Location: 1006, Oaza Kadoma, Kadoma-shi, Osaka 571-8501, Japan

Stated Capital: 259,168 million yen
Number of Consolidated Companies (including parent company): 532
Number of Companies under the Equity Method: 67
Number of Employees: 240,198

Stock Information

Number of Shares Issued: 2,453,866,297
( Including the Company’s treasury stocks of 119,969,766 shares)
Number of Shareholders: 491,723
TSE Securities Code: 6752
Unit of Stock: 100
Stock Exchange Listings: Tokyo, Nagoya

Transfer Agent for Common Stock
Sumitomo Mitsui Trust Bank, Limited
5-33, Kitahama, 4-chome, Chuo-ku, Osaka-shi, Osaka 540-8639, Japan
Phone: +81-3-3323-7111

American Depositary Receipts (ADRs)
Depositary Bank: J.P. Morgan Chase Bank, N.A.
Stock Exchange: U.S. Over-the-Counter (OTC) Market
ADR Ratio: 1 ADR = 1 Share
Symbol: PCRFY
Stock Transfer Handling Office
Shareowner Services
P.O. Box 64504
St. Paul, MN 55164-0504, U.S.A.
Phone: +1-800-990-1135 (U.S.: toll free)
+1-651-453-2128 (International)

Number of Shares Issued (in thousands of shares)

|---------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|

Number of Shareholders

<table>
<thead>
<tr>
<th></th>
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<th></th>
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<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>577,756</td>
<td>499,728</td>
<td>469,295</td>
<td>514,129</td>
<td>486,489</td>
<td>485,053</td>
<td>505,402</td>
<td>488,540</td>
<td>477,323</td>
<td>491,723</td>
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<tr>
<td>2022</td>
<td>491,723</td>
<td>491,723</td>
<td>491,723</td>
<td>491,723</td>
<td>491,723</td>
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</table>

Distribution by Type of Shareholders (%)

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</thead>
<tbody>
<tr>
<td>Japanese Financial Institutions, etc.</td>
<td>28.3</td>
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<td>35.0</td>
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<tr>
<td>Overseas Investors, etc.</td>
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<td>32.6</td>
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Treasury Stock

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<td>4.9</td>
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<tr>
<td>2022</td>
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<td>4.9</td>
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<td>4.9</td>
</tr>
</tbody>
</table>

Major Shareholders

<table>
<thead>
<tr>
<th>Name</th>
<th>Share ownership (in thousands of shares)</th>
<th>Percentage of total issued shares (%)</th>
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</thead>
<tbody>
<tr>
<td>The Master Trust Bank of Japan, Ltd. (trust account)</td>
<td>370,263</td>
<td>15.86</td>
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<tr>
<td>Custody Bank of Japan, Ltd. (trust account)</td>
<td>179,699</td>
<td>7.69</td>
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<td>STATE STREET BANK WEST CLIENT - TREATY 505234</td>
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<tr>
<td>NIPPON LIFE INSURANCE COMPANY</td>
<td>48,339</td>
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<tr>
<td>MOXLEY AND CO LLC</td>
<td>42,863</td>
<td>1.83</td>
</tr>
<tr>
<td>SUMITOMO LIFE INSURANCE COMPANY</td>
<td>37,465</td>
<td>1.60</td>
</tr>
<tr>
<td>Panasonic Holdings Corporation Employee Shareholding Association</td>
<td>35,994</td>
<td>1.54</td>
</tr>
<tr>
<td>Matsushita Real Estate Co., Ltd.</td>
<td>29,121</td>
<td>1.24</td>
</tr>
<tr>
<td>JP MORGAN CHASE BANK 385781</td>
<td>28,511</td>
<td>1.22</td>
</tr>
<tr>
<td>SSBTC CLIENT OMNIBUS ACCOUNT</td>
<td>25,798</td>
<td>1.10</td>
</tr>
</tbody>
</table>

Notes:
1. The figures in share ownership are rounded down to the nearest thousand shares.
2. Shareholding ratio is calculated by deducting the Company’s treasury stocks (119,969,766 shares) and rounded down to two decimal places.
3. The English names of foreign shareholders above are based on the General Shareholders Notification notified by Japan Securities Depository Center, Inc.
Company Stock Price and Trading Volume (Years ended March 31) Tokyo Stock Exchange monthly basis

Corporate Data

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>14th</td>
<td>0.93%</td>
<td>100 billion yen</td>
<td>March 19, 2025</td>
</tr>
<tr>
<td>16th</td>
<td>0.30%</td>
<td>70 billion yen</td>
<td>Sept. 20, 2023</td>
</tr>
<tr>
<td>17th</td>
<td>0.47%</td>
<td>130 billion yen</td>
<td>Sept. 18, 2026</td>
</tr>
<tr>
<td>18th</td>
<td>0.23%</td>
<td>30 billion yen</td>
<td>March 5, 2026</td>
</tr>
<tr>
<td>19th</td>
<td>0.37%</td>
<td>70 billion yen</td>
<td>March 5, 2030</td>
</tr>
<tr>
<td>20th</td>
<td>0.08%</td>
<td>80 billion yen</td>
<td>Dec. 22, 2023</td>
</tr>
<tr>
<td>21st</td>
<td>0.19%</td>
<td>70 billion yen</td>
<td>Dec. 24, 2025</td>
</tr>
<tr>
<td>22nd</td>
<td>0.29%</td>
<td>20 billion yen</td>
<td>Dec. 24, 2027</td>
</tr>
<tr>
<td>23rd</td>
<td>0.39%</td>
<td>30 billion yen</td>
<td>Dec. 24, 2030</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>
<th>First optional redemption date</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st</td>
<td>0.74%</td>
<td>150 billion yen</td>
<td>October 14, 2081</td>
<td>October 14, 2026</td>
</tr>
<tr>
<td>2nd</td>
<td>0.89%</td>
<td>100 billion yen</td>
<td>October 14, 2081</td>
<td>October 14, 2028</td>
</tr>
<tr>
<td>3rd</td>
<td>1.00%</td>
<td>150 billion yen</td>
<td>October 14, 2081</td>
<td>October 14, 2031</td>
</tr>
</tbody>
</table>

*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>Due 2024</td>
<td>2.679%</td>
<td>US$ 1 billion</td>
<td>July 19, 2024</td>
</tr>
<tr>
<td>Due 2029</td>
<td>3.113%</td>
<td>US$ 500 million</td>
<td>July 19, 2029</td>
</tr>
</tbody>
</table>

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

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

Investor Relations Offices

Osaka
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Phone: +81-6-6908-1121

Tokyo
Investor Relations
Corporate Finance & Investor Relations Department
Panasonic Holdings Corporation
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Investor Relations
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Phone: +44-1344-853135

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