

Integrated Report 2024

Panasonic Group



Panasonic Group

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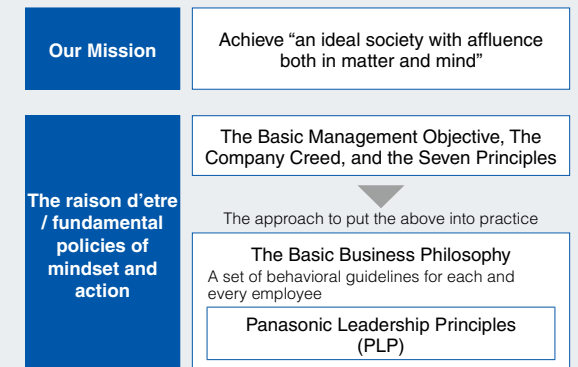
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See also:
[Annual Securities Report, etc.](#)
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Toward Realizing Our Mission

The mission of the Panasonic Group is to achieve “an ideal society with affluence both in matter and mind,” as advocated by the founder, Konosuke Matsushita, as “prosperity both in terms of material and spiritual affluence” To achieve this, the Company established its Basic Business Philosophy as an approach toward applying the management philosophy created by its founder and the core principles of the Basic Management Objective, the Company Creed, the Seven Principles. Furthermore, the Panasonic Leadership Principles (PLP) have also been formulated as a code of conduct for each employee toward applying the Basic Business Philosophy.

As described in the Value Creation Process ([refer to p.5](#)), the Company aims to achieve its mission through putting the Basic Business Philosophy into practice.



See also:
[The Basic Business Philosophy of the Panasonic Group](#)

Konosuke Matsushita
Founder

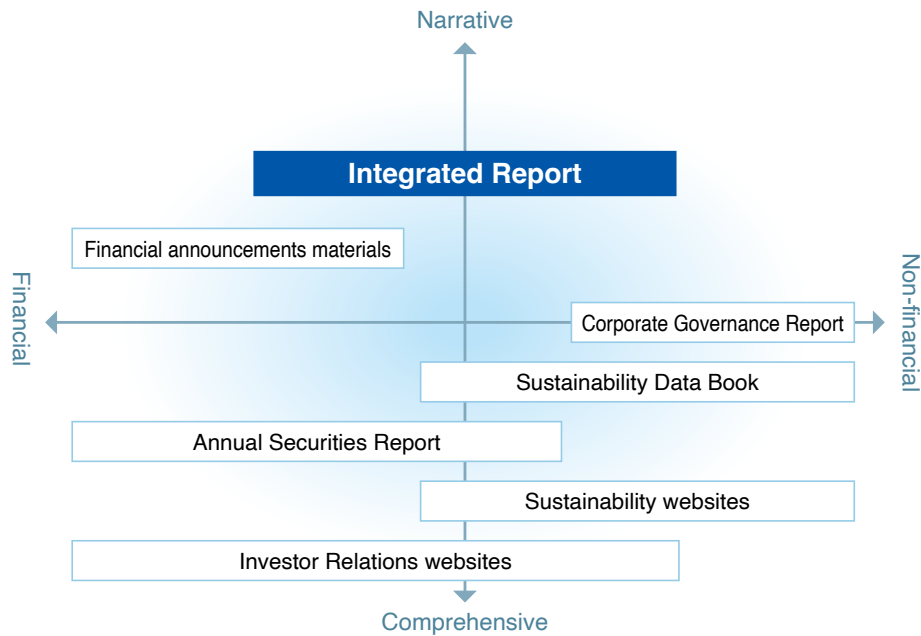
Contents / Editorial Policy

Editorial Policy

Our Integrated Report provides investors and a wide range of other stakeholders with both financial and non-financial information on such as management strategies, business performance & financial conditions, and environmental & corporate governance initiatives.

This report contains messages from the Company's management such as the Group CEO, focusing on the value creation process of the Company toward achieving an ideal society with affluence both in matter and mind.

Furthermore, the Company discloses various types of information including the Integrated Report. The main information disclosure system is described in the chart below.



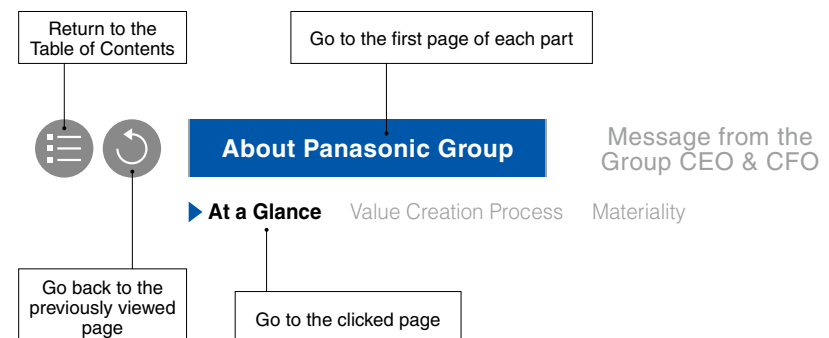
Disclaimer Regarding Forward-looking Statements

This Integrated Report includes forward-looking statements about Panasonic Holdings Corporation ("PHD") and its Group companies (the "Panasonic Group"). To the extent that statements in this Integrated 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. PHD undertakes no obligation to publicly update any forward-looking statements after the date of this Integrated Report. Investors are advised to consult any further disclosures by Panasonic Holdings 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 Holdings' securities reports under the FIEA and any other documents which are disclosed on its website.

Instructions for Navigation Buttons

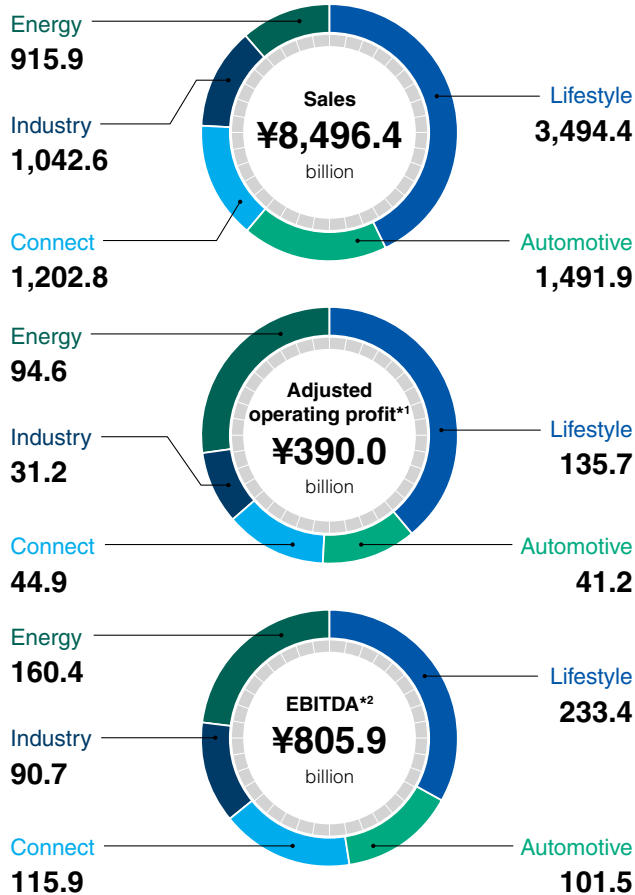
Navigation buttons are provided at the upper part of each page for easy navigation between pages



At a Glance

Composition of Group Businesses

Fiscal year ended March 2024



Please refer to "Operating Results by Segment" in the Annual Securities Report for details of each segment's sales and operating profit.
<https://holdings.panasonic/global/corporate/investors/library/securities-report.html>

*1 Adjusted operating profit = Sales - Cost of sales - SG&A
 *2 Total amount of Operating profit, Depreciation (Tangible assets including Property, plant and equipment/ Right-of-use assets) and Amortization (Intangible assets).
 Adjusted with:
 -amount equivalent to depreciation corresponding to underlying assets that are applied with Lease accounting treatment as a lessor
 -impact of temporary accounting treatment related to "re-evaluation of assets and liabilities" after Blue Yonder acquisition

Overview

Lifestyle

(See p.18)

Efforts are made to improve the quality of living tailored to each individual, provide safe and secure lifestyle infrastructures that support and enhance social activities, and contribute towards decarbonization and the circular economy through energy and resource-saving products, along with the generation and effective use of clean energy.



Europe: Air to Water heat pumps



Japan & China: Home appliances



Wiring devices

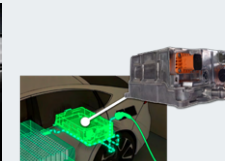
Automotive

(See p.19)

We aim to be the world's best company in the "Joy in Motion" design company, leveraging the Panasonic Group's expertise in consumer electronics and digital AV to create new mobility experiences that are close to people and lifestyles.



Cockpit systems



EV in-vehicle charging systems



WELL Cabin (Cabin Space concept model)

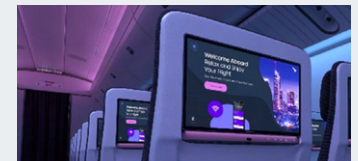
Connect

(See p.20)

Management issues of customers are resolved through Gemba Process Innovation, to contribute to society. Efforts will continue to be made toward realizing a sustainable future along with customers through contributions toward each *gemba* (operational frontlines).



Supply chain management software



In-flight entertainment systems

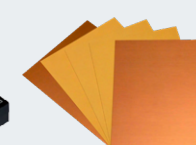
Industry

(See p.21)

The Company's variety of device technologies contribute to resolving difficult social issues such as pressing demands for the environment and safety for the mobility society, the explosion of data volumes with the rise of the information-based society and labor shortages in manufacturing.



Capacitors



Multi-layer circuit board materials



Relays



Industrial motors

Energy

(See p.22)

Our business fields are dry batteries that support daily life and batteries that support a wide range of social infrastructures and mobility such as EVs. Through our business, we will contribute to "achieving a society in which the pursuit of happiness and a sustainable environment are harmonized free of conflict," which is our Company's mission.



Automotive cylindrical lithium-ion batteries



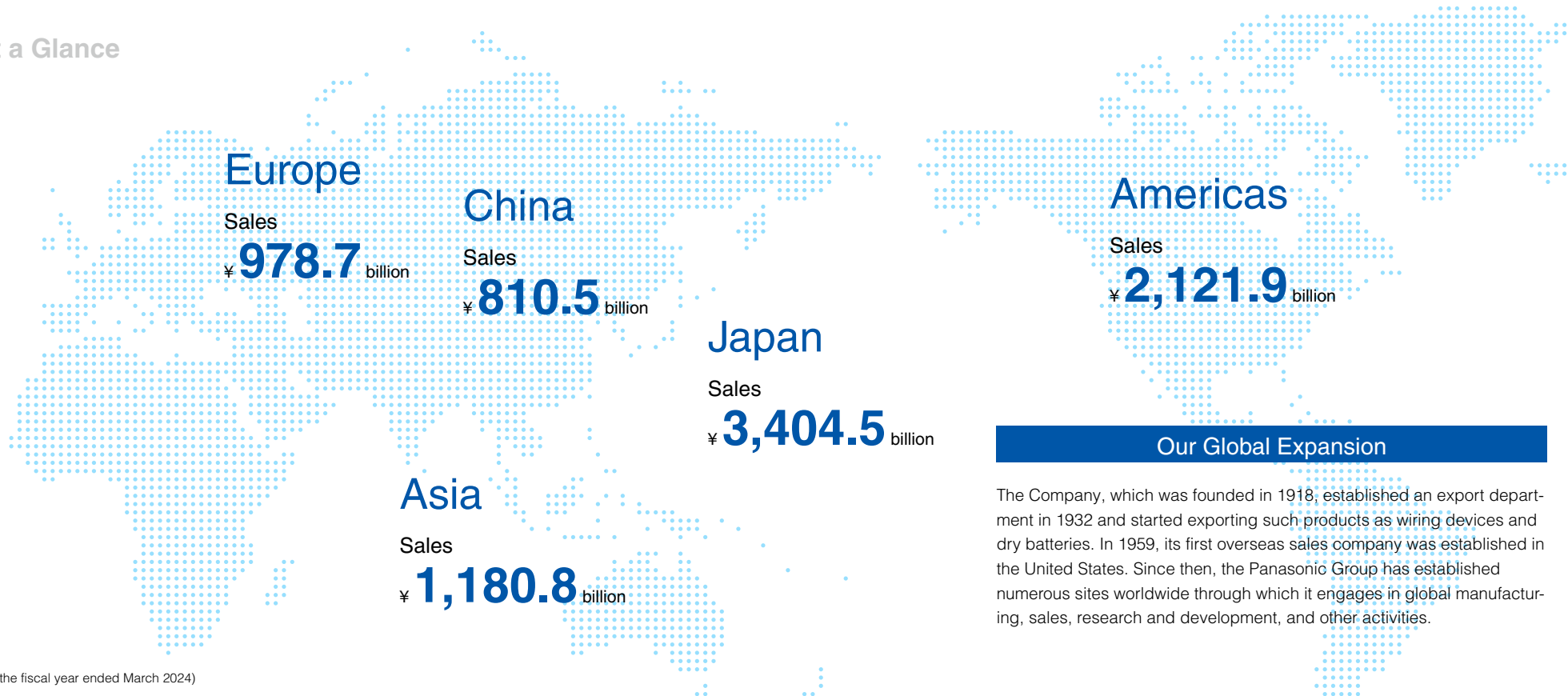
Energy storage systems



Primary batteries (dry batteries/lithium primary batteries)



At a Glance



Our Global Expansion

The Company, which was founded in 1918, established an export department in 1932 and started exporting such products as wiring devices and dry batteries. In 1959, its first overseas sales company was established in the United States. Since then, the Panasonic Group has established numerous sites worldwide through which it engages in global manufacturing, sales, research and development, and other activities.

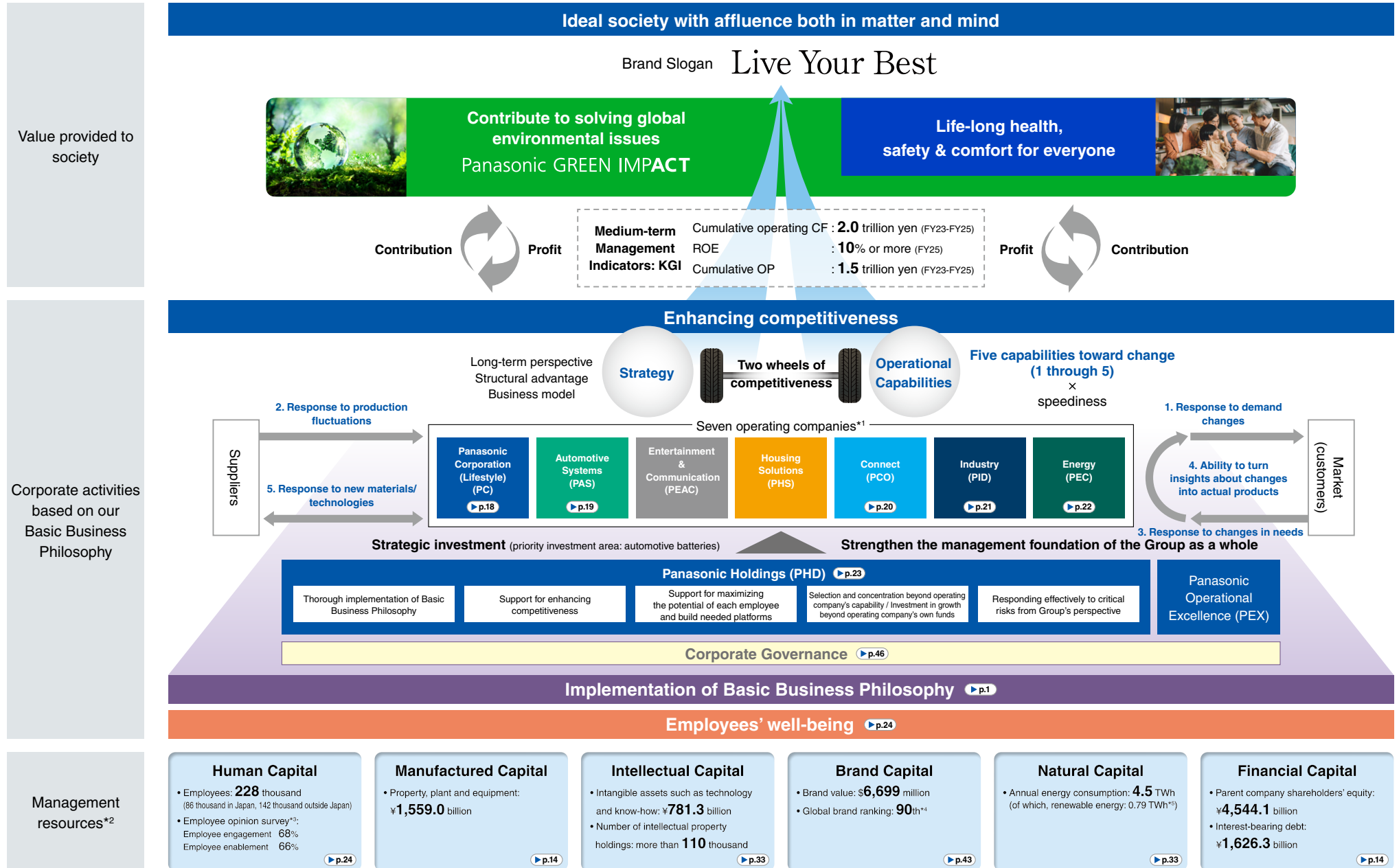
(For the fiscal year ended March 2024)

<p>Sales</p> <p>¥ 8.5 trillion</p>	<p>Number of Employees</p> <p>228,420</p>	<p>Ratio of overseas sales</p> <p>59.9 %</p>	<p>Ratio of overseas employees</p> <p>62.2 %</p>	<p>Cumulative Operating CF (FY23-24)</p> <p>¥ 1.4 trillion</p> <p>[Medium-term KGI]</p> <p>Cumulative: ¥ 2.0 trillion (FY23-25)</p>	<p>ROE</p> <p>10.9 %</p> <p>[Medium-term KGI]</p> <p>10 % or more (FY25)</p>	<p>R&D Expenditures</p> <p>¥ 491.2 billion</p> <p>[Ratio to Sales]</p> <p>5.8 %</p>
<p>CO₂ Reductions</p> <p>680 kt</p> <p>(Scope 1, 2)*¹ In comparison to FY21 *1 Classification according to GHG Protocol</p> <p>(See p.34)</p>	<p>CO₂ reduction targets (FY2031)</p> <p>31.45 Mt</p> <p>(Scope 1, 2, 3)*¹ In comparison to FY21 *1 Classification according to GHG Protocol</p> <p>(See p.34)</p>	<p>Zero-CO₂ Factories</p> <p>Cumulative 44 factories</p> <p>(See p.34)</p>	<p>Employee Engagement*²</p> <p>68 %</p> <p>*2 Favorable response rate in the Employee Opinion Survey</p> <p>(See p.25)</p>	<p>Ratio of female managers</p> <p>7.0 %</p> <p>(See p.25)</p>	<p>Dividend payout ratio</p> <p>18.4 %</p>	<p>Investor Dialogue</p> <p>Approx. 1,700 Institutions</p> <p>(accumulated)</p> <p>(See p.70)</p>

Value Creation Process

In order to achieve "an ideal society with affluence both in matter and mind," Panasonic is committed to enhancing competitiveness in terms of both strategy and operational capability under our Basic Business Philosophy. We will increase our corporate value by returning the profits we receive as a result of our contributions back to society and by making investments to strengthen our competitiveness and further expand our contributions.

[▶ p.00](#)
 Click this button to jump to the relevant page



*1 Of the seven operating companies, the five companies whose sales volume accounts for 10% or more of total sales are reported as "segments." *2 Figures are as of the end of March 2024. Figures for Natural Capital are an annual result of FY2024. *3 Favorable response rate *4 Research by Interbrand, a branding specialist *5 Figures from photovoltaic, wind, and biomass sources including the amount of renewable energy adopted to manufacturing and non-manufacturing sites of own group. Heat pumps not included.



Materiality

Purpose of identifying materiality

We identify important opportunities and risks related to sustainability as materialities from the two perspectives of “financial effects on the Company” and “impact on society.” In response to these materialities, we aim to improve our sustainability management by creating new business opportunities and lowering risks.

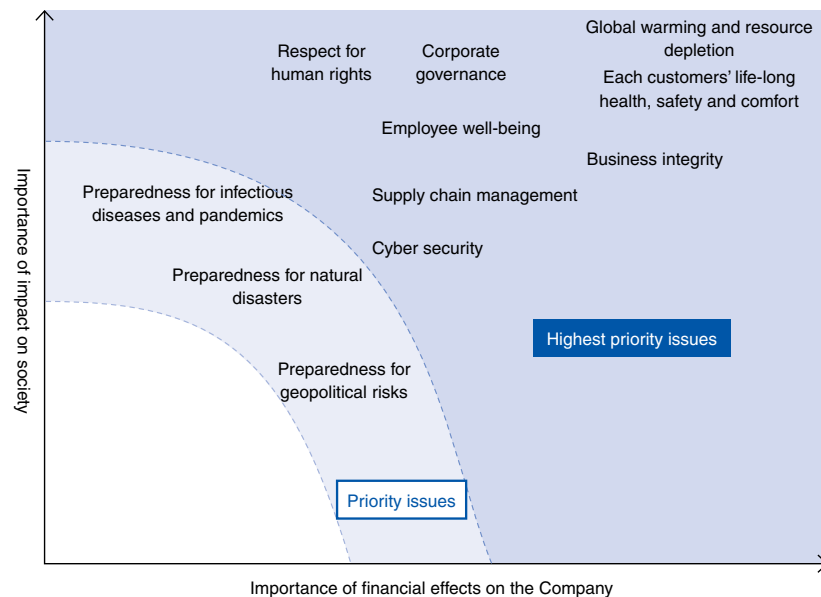
Materialities will be reviewed as appropriate based on changes in the business environment and dialogues with stakeholders.

Process of identifying and positioning materiality

From a list of items that included demands from society and foreseeable future challenges, we selected issues that could represent opportunities and risks for the Group. Next, we assessed them from the two perspectives of the Group and its stakeholders, and 11 priority issues were extracted.

We confirmed the validity of these analysis processes and the priority issues we extracted through dialogue with external experts, and the 8 highest priority issues and 3 additional priority issues were identified after deliberation at the meetings of the Group’s Sustainability Management Committee, the Group Management Meeting, and with the Board of Directors of the Company.

Materiality assessment results



Note: Some of the materiality items are similar to the names of “Group Major Risks / PHD Major Strategic Risks” determined by risk management activities; however, due to different objectives and identification processes, their corresponding initiatives are partly different. Risk management activities are described in the [“Risk Management” section \(P138\) of the Sustainability Data Book 2024](#).

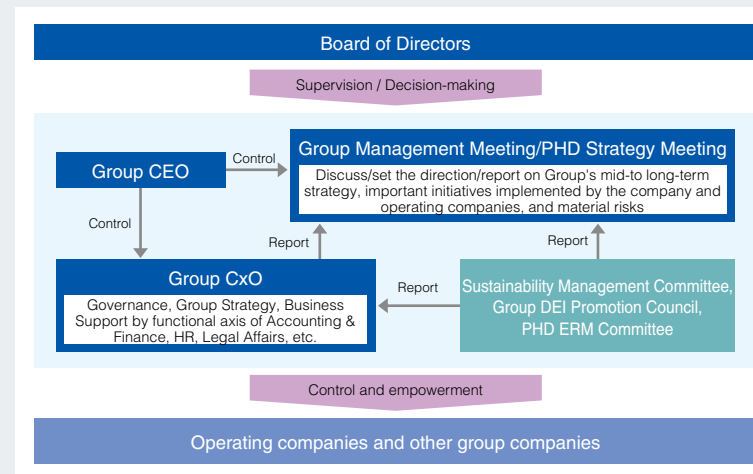
Of the materialities we have identified, global warming and resource depletion correspond to the Group’s common strategy of helping the environment, while the lifelong health, safety, and comfort of every customer represent our lifestyle efforts. We aim to generate sustainable value by maximizing new business opportunities in these two areas. Meanwhile, other materialities help us build and strengthen our management foundation for sustainable value creation while reducing various risks.

The following pages summarize the key points and indicators/targets related to our efforts for these materialities.

The Promotion Structure of Sustainability Management (As of Aug. 2024)

The Panasonic Group has established the Sustainability Management Committee, chaired by the Group CEO and composed of executive officers and Group companies’ officers, etc. appointed by the chairperson, which meets once a month in principle. Under the supervision of the Board of Directors, the Committee discusses and directs essential themes related to the Group’s sustainability and shares such conclusions with the entire Group through the Group Management Committee and other vectors. It also reports and shares its conclusions with the Board of Directors as necessary, becoming part of Groupwide decision-making.

We also have specialized committees to address discrete themes, including the Group DEI Promotion Council and the PHD ERM Committee.



(Notes) Group Management Meeting: Chaired by Group CEO, consisting of about 20 Executive members including the presidents of operating companies, heads of each function (held monthly in principle)
PHD Strategy Meeting: chaired by Group CEO, consisting of ca. 10 Executive members, including the head of functions such as HR, accounting, legal, and others (held twice a month in principle)
PHD: Panasonic Holdings Corporation ERM: Enterprise Risk Management DEI: Diversity, Equity & Inclusion



Materiality

Examples of initiatives to address materiality

● Increase positive impact ● Mitigate negative impact

	Materiality	Main initiatives	Indicators	Targets	Report on related items
Group common strategy	Global warming and resource depletion	Panasonic GREEN IMPACT ● Expansion of automotive batteries for EVs, Air to Water heat pump (hot-water and heating system with heat pump), and hydrogen fuel cells ● Environmental energy technology innovation (water electrolysis, perovskite solar cells, DERMS) ● Reduction of in-house CO ₂ emissions (expansion of zero-CO ₂ factories, expansion of energy-saving equipment) ● Expansion of circular economy businesses and products	CO ₂ reduction impact	300 million tons (by 2050)	Sustainability Data Book 2024 ■ Environment p.9 Sustainability site ■ Environment
			CO ₂ emissions from all factories	Net zero (by 2030)	
			Waste recycling rate	99% or more	
	Each customers' life-long health, safety and comfort	● As a "lifestyle solutions provider" that delivers value tailored to each customer, we combine our diverse customer touchpoints with digital technology to contribute to each customer's life-long health, safety and comfort			—
Highest priority issues Foundation for sustainable value creation	Business integrity	● Promoting understanding of and confirming compliance with the Panasonic Group Code of Ethics & Compliance and internal rules, and complying with relevant laws ● Dissemination and appropriate operation of the whistleblowing system ● Protection and utilization of our intellectual property and respect for the intellectual property of third parties	Occurrence of serious compliance violations	Zero	Sustainability Data Book 2024 ■ Business Ethics p.146 ■ Intellectual Property p.128
	Supply chain management	● Elimination of waste and stagnation in the supply chain ● Strengthening of supply chain by promoting multiple suppliers and review of manufacturing sites			Sustainability Data Book 2024 ■ Risk Management p.138
	Employee well-being	● Creating a safe, secure, and healthy workplace (by implementing safety and compliance and promoting health management) ● Encouraging employees' self-motivated endeavors and supporting their self-determined career formation (Providing opportunities for skill development and challenges, wider options for work schedules and remote work, and internal Group personnel moves through open recruitment) ● Promoting DEI (Diversity, Equity & Inclusion) (top management commitment, creating an inclusive work environment, support for each individual)	Occurrence of serious or grave accidents	Zero	Sustainability Data Book 2024 ■ Employee Well-being p.83
			Employee engagement/employee enablement in the Employee Opinion Survey	The highest global standard	
	Corporate governance	● Evaluation of the effectiveness of the Board of Directors and implementation of improvement measures ● Promotion of constructive dialogue with shareholders ● Linkage of non-financial KPIs to executive compensation	Enhancement of constructive dialogue with shareholders	Implemented	Corporate information site ■ Panasonic Holdings Corporation "Corporate Governance" Corporate Governance Report
			Evaluation of the effectiveness of the Board of Directors and implementation of improvement measures	Implemented	
			Ratio of outside directors in the PHD Board of Directors	1/3 or more	
Respect for human rights	● Developing and thoroughly implementing the Panasonic Group Human Rights and Labour Policy ● Promoting human rights due diligence within the Group and its value chain based on global standards ● Promotion of engagement with stakeholders and appropriate disclosure of information	Promotion of correction of issues identified in human rights due diligence for each Group company which may cause forced labor	Implemented	Sustainability Data Book 2024 ■ Respect for Human Rights p.76 ■ Responsible Supply Chain p.109 ■ AI Ethics p.119	
		Rate of training on the prevention of forced labor at Group company sites that employ foreign migrant workers	100%		
Cyber security	● Centralization of common cyber security functions across manufacturing, information systems, and product areas to strengthen countermeasures during normal times and incident responses during emergencies ● Gradual expansion of scope of cyber security countermeasures, including to supply chains	Provision of education and training for all employees to improve security awareness and promote behavioral change	More than four times a year	Sustainability Data Book 2024 ■ Cyber Security and Data Protection p.152	
		Collection and monitoring of threat and vulnerability information by an expert team, and implementation of necessary measures	Implemented		
		Incident response training by an expert team in anticipation of cyber attacks	More than once a year		
		Number of serious incidents	Zero		
Priority issues	Preparedness for geopolitical risks	● Monitoring of international situation and trends in policies, laws, and regulations in each country and geographic region to ascertain the impact on the Group's business and respond in a timely manner	Sustainability Data Book 2024 ■ Risk Management p.138		
		● Closely monitoring and responding to changes in the business environment caused by economic security policies in each country in terms of business threats and opportunities			
		Preparedness for infectious diseases and pandemics			● Formulating Group policies for each country based on analysis of its government policies, regulatory trends, infection conditions, etc., and setting and implementing detailed rules at each business site
Preparedness for natural disasters	● Enhancement of stockpiling and drills during normal times and establishment of a safety confirmation system; establishment of a Groupwide Emergency Response Headquarters system in the event of an emergency				



Message from the Group CEO



Yuki Kusumi
Representative Director,
President Group Chief
Executive Officer

Determined to improve profitability Group-wide and enhance corporate value

In the two-year period after I assumed the role of Group CEO in the fiscal year ended March 31, 2022 (fiscal 2022), we concentrated our efforts on enhancing our competitiveness as a fundamental strength for achieving medium- to long-term growth. From fiscal 2024, we moved up a gear and transitioned from the stage of dedicating resources to the enhancement of competitiveness to a growth stage, accelerating longer-term growth-oriented investments and the transformation of our business portfolio. However, looking at our management indicators (KGIs) outlined in the medium-term strategy for fiscal 2023–2025, even though we will most likely achieve a cumulative operating cash flow of 2.0 trillion yen, an ROE of 10% or more (in fiscal 2025) and cumulative operating profit of 1.5 trillion yen both are unlikely to be achieved. While a management that emphasizes cash flow has taken root, we have not yet achieved the level of profitability initially targeted in the Group’s investment areas and in businesses that are expected to support earnings.

As a result, the share price and price book-value ratio (PBR) have been lackluster for a long time, and we have been unable to meet the expectations of shareholders and investors. Needless to say, enhancing corporate value is my most important role as Group CEO. To overcome this situation, I will lead the way in sharing a sense of crisis with directors and executives of Panasonic Holdings and the heads of each operating company. I am also determined to implement reforms to improve profitability Groupwide. To more

rigorously manage businesses in which the pace of reforms is stagnant, Panasonic Holdings will rigorously manage return on invested capital (ROIC) in each business division. As for “businesses with issues,” we will aim to improve the situation as quickly as possible by adopting drastic measures that might involve business transfer or withdrawal. I am fully convinced that delivering results is absolutely essential to regaining the trust of shareholders and investors and meeting their expectations. We will carry out reforms with a sense of speed and widely communicate our progress and outcomes in an effort to improve corporate value.

Key initiatives in the final year of the medium-term strategy: Determined to improve profitability

In fiscal 2025, the final year of the medium-term strategy, we will focus on improving profitability Group-wide and aim to build a strong foundation of profitability to meet the expectations of shareholders and investors. More specifically, we will focus on the following three initiatives.

The first initiative is for strengthening the business foundations of investment areas. We have positioned three businesses as the Group’s investment areas: automotive batteries, air quality & air-conditioning (A2W*1), and supply chain management (SCM) software. All are areas in which we can establish competitive advantages in markets expected to expand in the medium-to-long term. They are also areas that can greatly contribute to solving global environmental issues and drive the Group’s growth. Currently, faced by market changes, upfront investments, and other factors, we are not achieving sufficient returns on invested capital. However, we will work on improving profitability and further strengthening our competitiveness to achieve higher growth.

*1 A2W (Air to Water): Heat pump hot water supply systems and showers

Groupwide focal initiatives for the final year of the medium-term strategy

Strengthening the business foundations of investment areas

- Automotive batteries** Aim for management structure to ensure sustainable double-digit ROIC (incl. IRA) from FY2028 onward
- Air quality & air-conditioning** Continue to enhance competitiveness in preparation for demand growth
- SCM software** Continuous transformation of Blue Yonder (BY) toward a proactive stance

Business Portfolio Management (PFM) & Financial Strategy

- Rigorously manage each business based on its growth potential and ROIC; Achieve zero “businesses with issues” for improved profitability

Continued enhancement of Groupwide management structure

- Human Capital Management / Operational Frontlines Innovation & PX*2 (accelerate enhancement of competitiveness)

*2 PX: Panasonic Transformation. DX initiatives in the Panasonic Group that go beyond the transformation of IT systems to strengthen management foundation.

Message from the Group CEO

In automotive batteries, we aim to establish a management structure that can maintain ROIC of 10% or more (including IRA tax credit) from fiscal 2028 onward. Panasonic Holdings will step up its monitoring efforts by establishing a medium-term KGI management framework.

The second initiative is about business portfolio management and financial strategy. For businesses expected to help Groupwide profitability apart from the investment areas, we will establish a new discipline to strictly manage the market position and competitiveness of each business based on growth potential and ROIC. Panasonic Holdings will also be involved in the management of business divisions under the control of the operating companies. By the end of fiscal 2027, we aim to achieve zero “businesses with issues” that lack growth potential and have an ROIC of less than WACC.

And the third initiative is for enhancing Groupwide management structure. We will continue with initiatives from a long-term perspective in areas such as human capital management, operational frontlines innovation, and PX, as a way of building stronger foundations for the enhanced competitiveness of each business.

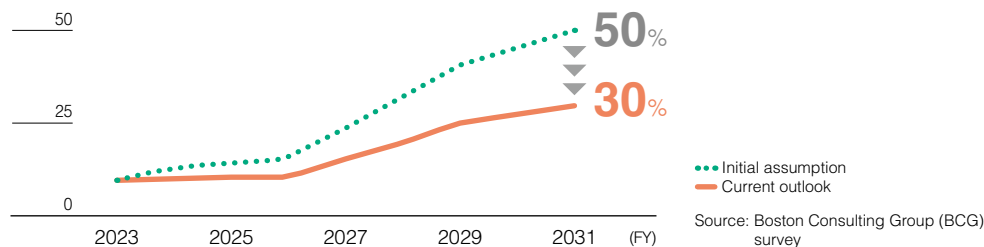
Strengthening the business foundations of investment areas

Automotive batteries

In the Group strategy announcement in May 2023, of the three investment areas, we positioned the automotive batteries business as a priority investment area, in which the Group will make strategic and focused investments.

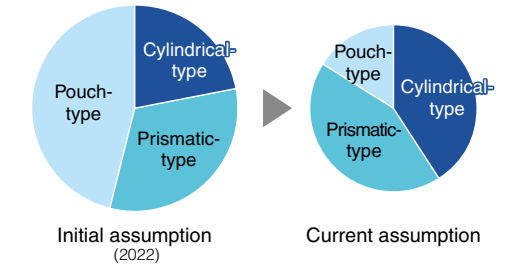
Owing to more stringent environmental regulations for a decarbonized society, this market will certainly expand in the long term. However, the global battery EV (BEV) market has changed significantly over the past year. In the North American market, where we are focusing our efforts, the automakers that had previously pivoted sharply towards BEVs have now changed their strategy to expand their vehicle lineups based on customer needs, announcing the introduction of HEV and PHEV models. As a result, compared to our initial assumptions, the BEV ratio for 2030 is expected to decrease, and the pace of expansion appears to be slowing. We think the overexcitement has subsided and that the market has returned to cruising speed.

BEV ratio in North America (%)



On the other hand, our strength lies in nickel-based cylindrical batteries, which have the potential to lead advancements in energy density development while also ensuring safety. As a result, automakers are increasingly adopting these batteries for BEV models that require longer driving ranges. We believe our market share in North America in 2030 will have expanded beyond our initial forecast, while we also assume a greater uptake of iron phosphate-based prismatic-type batteries by automakers for vehicle models that prioritize cost, as well as safety.

Outlook for North America EV market in 2030

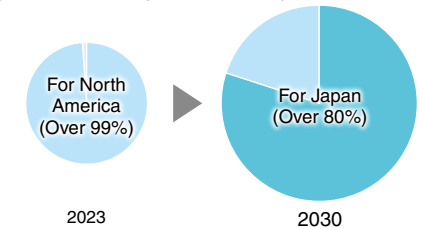


In light of these changes in the market environment, we are revising our investment strategy. Our investments in the Kansas factory in North America, which is currently under construction, will continue as planned because customer demand is already visible. However, we will be flexible and cautious, with our investment decisions, by assessing customer demand, rather than being bound by the target we announced in May 2023 to expand production capacity to 200 GWh by 2030.

At the same time, we remain committed to improving ROIC. In fiscal 2025, ROIC in the automotive battery business overall is expected to remain in the single digits, even after the impact of IRA tax credit, mainly due to increased investments in the Kansas factory and losses at factories in Japan where changes in the demand structure precipitated by the IRA dragged down capacity utilization. With the aim of transforming the management structure in this business so that it can maintain an ROIC of 10% or more from fiscal 2028 onward, we will press ahead with the following measures.

The first measure is strengthening of the customer base. In addition to supplying batteries for Lucid’s luxury EVs and Hexagon Purus’s commercial vehicle battery systems, which we had already announced by 2023, in March 2024 we concluded an agreement with Mazda Motor Corporation to supply batteries and a basic cooperative agreement on supply with SUBARU. The supply destination of our domestic factories, particularly the Osaka factory (Suminoe and Kaizuka), which is currently operating at reduced capacity, will be shifted from North America to Japan. We will continue to expand our supply bases for customers who adopt our cylindrical batteries.

Capacity & destination of Japan production (size of circle represents GWh)



The second one is productivity improvements. At the Nevada factory in North America, which began mass production in fiscal 2017, we plan to increase production capacity by more than 15% by fiscal 2031 compared to fiscal 2024 with continuous productivity improvements. The Nevada factory took several years to reach production stability, with ROIC finally surpassing 10% in fiscal 2022, the fifth year of mass production. Improvements have been made since then, with ROIC now just close to 11%. Going forward, we will continue to make further improvements.



Message from the Group CEO

Also, at the Kansas factory, which is scheduled to commence mass production in fiscal 2025, we will improve labor productivity by more than 30% compared to the Nevada factory. By capitalizing on our experience at the Nevada factory, we will significantly shorten the period to production stability and aim to achieve an ROIC of 10% two years earlier than the Nevada factory, in other words, in the third year of mass production. At the Osaka factory in Japan (Suminoe and Kaizuka), we will improve labor productivity per GWh by more than 35% in fiscal 2029 compared to fiscal 2023 by switching to 2170-size cells and installing state-of-the-art production lines. Automotive batteries are a business where, in addition to depreciation costs of production equipment, labor expenses for maintenance account for a relatively large percentage of costs. We believe that improving labor productivity is a key factor in enhancing our cost competitiveness.

The third measure is evolving of our technological foundations. As announced in 2023, we will start to operate an R&D facility in Kadoma and a production technology development facility in Suminoe in a bid to accelerate the development of next-generation cells, productivity improvements, and production capacity expansion. As for 4680-size cells, which incorporate new technologies for higher energy density, preparations for mass production at the Wakayama factory are nearly complete. The stable mass production of the 4680-size cells will require the solving of numerous technical challenges. By harnessing our hitherto development and production track record with the 1865- and 2170-size cylindrical-type batteries, we will build an even stronger competitive foundation with the 4680-size cells.

Air quality & air-conditioning (Air to Water (A2W) heat pump)

Contrary to our initial assumptions, the A2W market in Europe that we are focused on is currently seeing a slowdown due to deterioration in the European economy and changes in subsidy schemes, so a return to growth is expected to take several years. On the other hand, we expect that the developments in carbon-neutral and low-GWP refrigerant regulations, as well as demand for energy savings, will most likely drive growth in the market toward 2030. At present, the top positions in the market are being closely contested. How we go about enhancing our competitive advantage as quickly as possible in anticipation of market growth will be crucial, in our view.

Going forward, in order to build a competitive advantage, we will focus on differentiation and the strengthening of our foundation, including stronger relationships with installers, and aim to expand into key markets. Our differentiation strategy will focus on strengthening product competitiveness and creating new value by offering air quality and energy-saving solutions. As for initiatives in key markets, we will clarify the KSFs for each country and make every effort to improve our position in the market.

In July 2024, Eiichi Katayama was newly appointed as the head of the Heating & Ventilation A/C business. Under a new management structure, it will move quickly to address outstanding issues. Panasonic Holdings too will keep a close eye on whether the measures in this business are competitive enough.

Supply chain management (SCM) software

In the area of SCM software, we are revising our plans from the time of the initial acquisition of Blue Yonder, spearheaded by Duncan Angove, who was appointed CEO in fiscal 2023. We have positioned the three years from 2023 to 2025 as a period for an additional 200 million dollars of strategic investments to strengthen the foundations of this business.

Also, we will work on integrating US-based One Network Enterprises (One Network), with which Blue Yonder signed an acquisition agreement for approximately 839 million dollars in March 2024. By expanding One Network's information-sharing platform services to over 3,000 Blue Yonder customers, we anticipate that Blue Yonder's total addressable market (TAM) will increase by 1.3 times. We will aim to quickly capitalize on these synergy effects and establish ourselves as a market player that can provide an SCM platform with real-time, multi-tiered orchestration capabilities, thereby achieving a dominant competitive advantage.

Business portfolio management and financial strategy

Approach to business portfolio management

In fiscal 2024, I began business portfolio management, which had been kept on hold for two years after I became Group CEO. The execution of business portfolio management will hinge on three criteria.

The first criterion is relevance to Groupwide common strategy. That is, whether each business can continue to contribute effectively to the areas of Groupwide common strategies, namely the environment and lifestyle. The second criterion is the market position and competitiveness of the business. Alongside the future growth potential of the market, we will thoroughly assess both the quantitative and qualitative aspects of each business' position and profitability. And the third criterion is "best-ownership perspective." Revising and reorganizing the business portfolio is merely a means to an end; it is for the sake of all stakeholders involved in our business, including shareholders, customers, partners, and employees. More specifically, our focus is on whether Panasonic Holdings can take necessary actions on the most important issues of the business, whether it can make necessary investments when the business needs more cash for growth than it generates, and whether it can evaluate the business's quality and competence.



Message from the Group CEO

Business Portfolio Management

(1) Relevance to Groupwide common strategy

“Contributions to global environment” “Contributions to each customer’s life-long health, safety, and comfort”

(2) Market position & competitiveness

Assess each business’ position & profitability with expectation of market growth



(3) Best-ownership perspective

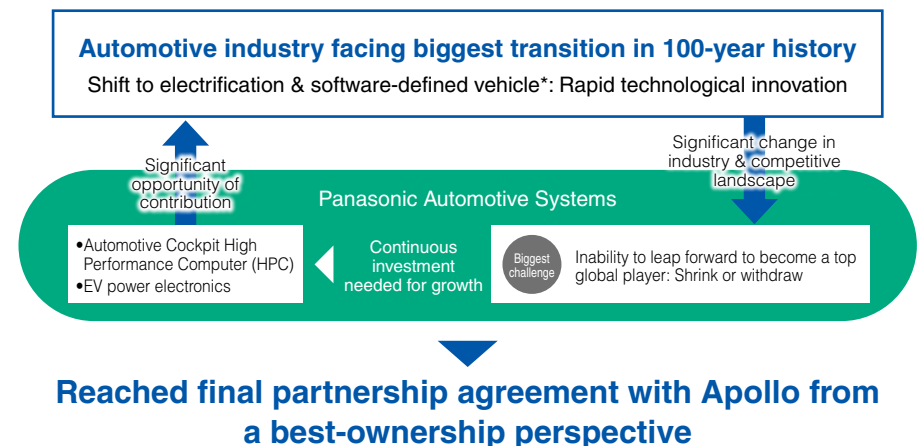
- Whether Panasonic Holdings Corporation (PHD) can take necessary actions on the business’ most important issues
- Whether PHD can make necessary growth investments, if the business needs more cash than it can generate
- Whether PHD can evaluate the business’ quality and competence



I made a commitment to set the direction for a revision of our business portfolio in fiscal 2024 and to gradually implement that review. One example is the automotive business, in which we are targeting further growth through a partnership agreement with Apollo Global Management (Apollo). The automotive industry is facing the biggest transformation in its 100-year history with CASE. To survive in the core areas of the automotive business, such as cockpit HPC (high performance computer) and EV power electronics, a large-scale R&D investment is needed in order to respond to the shift to electric-powered and software-defined vehicles. On the other hand, in the context of the “best-ownership perspective” I mentioned earlier, we came to the conclusion that we would be unable to execute those investments sufficiently on our own, so we would have to seek the support of an external partner. By welcoming Apollo, one of the world’s largest funds, as a new partner, we will be able to leverage not only Apollo’s financial resources, but also its information network, M&A capabilities, and human resources for management. It presents a key opportunity for us to advance as a top global player. Also, this decision was made because the partnership will benefit our customers and our employees.

Business portfolio management is not something that abruptly ends under a set timeline; we believe it is an ongoing process that will continue into the future. In the case of the automotive business, it was a major course setting at the operating company level. Furthermore, in July 2024, a strategic capital partnership and the establishment of a new company with ORIX was announced. Our business portfolio revision will continue based on the criteria outlined on the left, and we will consider various possibilities at different levels and inform the capital markets of any decisions we make at the appropriate time.

Case of Panasonic Automotive Systems



* Vehicles that can be continuously upgraded after sales (e.g., adding new features and functionality) with software controlling vehicle through connectivity



Message from the Group CEO

Thorough discipline with ROIC

As we continue to revise our business portfolio, Panasonic Holdings needs to properly manage the criterion of “market position and competitiveness” of each business.

Until now, we had used the Net Debt/EBITDA ratio as a benchmark of financial discipline at each operating company, with Panasonic Holdings monitoring their financial health. From fiscal 2025, we will also rigorously manage return on invested capital (ROIC) in each business division.

This is something related to my self-examination. Panasonic Holdings needs to improve its ROE, which represents the return on equity capital entrusted to us by the shareholders. Therefore, the operating companies and each business division must improve their return on invested capital (ROIC) for the capital invested by the holding company. For the current medium-term strategy, we set ROIC, as well as operating cash flow, as the KGIs for the operating companies, but due to disruptions in the supply chain and other factors, inventories have sharply increased, so we have had to prioritize operating cash flow to enhance earnings capabilities. As a result, I feel responsible that we have not been able to thoroughly implement management with a strong awareness of ROIC. I explained this point and my awareness of the issues at the Group’s Management Conference attended by the heads of business divisions and business units from each operating company.

By the end of fiscal 2027, we aim to achieve zero “businesses with issues” that have negative growth and an ROIC of less than WACC. By forecasting through to the end of fiscal 2027, by the end of fiscal 2026 we will have set a course of action to follow, which will include not only the self-recovery of ROIC by businesses, but also drastic measures that might involve a business transfer or withdrawal. We are targeting fiscal 2027 for the entire Group, but we will assess the situation in each business and aim to quickly make improvements wherever possible.

WACC is merely the minimum return expected by the capital markets, and simply exceeding WACC is insufficient. All business divisions will set their sights on the more ambitious target of WACC + 3 percentage points. For the business divisions that continuously fall short of this level, Panasonic Holdings will actively intervene. Rather than just pursuing numbers, we will clearly articulate scenarios for improving ROIC that are balanced with growth potential, including deadlines.

Our television business, however, will be managed separately, taking into account our full lineup strategy for home appliances, and we will assess whether it can continue without incurring losses. However, it is not untouchable by any means; if it is struggling, we will take further measures. In addition, the businesses in the Group’s investment areas will also be managed separately, with Panasonic Holdings specifying and monitoring management indicators.

Enhancing Groupwide management structure

Human capital management

Since the time of its founding, the Panasonic Group has long valued the idea of “developing people before making products.” And in fulfilling the Group’s mission of achieving “an ideal society with affluence both in matter and mind,” each employee needs to implement the Group’s Basic Business Philosophy. We must ensure that this can happen by guaranteeing employees’ well-being. This is what the Group’s human capital management is all about.

In order to thoroughly implement the Basic Business Philosophy, in April 2023 we established the Panasonic Leadership Principles (PLP), a set of global common guidelines of conduct. We have incorporated the PLP into HR management measures such as for recruitment, training, performance assessment, promotion, and transfers. Moreover, by including a 360-degree assessment based on the PLP in the evaluation of the management team, we have established a system that enables the senior management to thoroughly put the Basic Business Philosophy into practice.

To ensure employees’ well-being, we have expanded the open transfer/assignment system* that supports autonomous career development, and we are also providing more options in terms of working hours and locations to further the career of every individual. Also, to transform the entire Group into a highly diverse organization that gives full play to the individuality of employees, we are introducing diversity ratio targets for the management team with the aim of kicking off the transformation from the management level.

Furthermore, in July 2024 we welcomed Tatsuo Kinoshita from outside the Group to fill the role of Group CHRO. He has HR management experience at global corporations with a deeply entrenched culture in which all employees embrace challenges. We believe that various rules and regulations established in the Company over the years based on past failures might be hampering the motivation of employees and placing too many constraints on their self-motivated endeavors. When I joined the Company about 35 years ago, there was a culture of creativity and challenge based on the Basic Business Philosophy. Even new employees would put forward various proposals and all employees were allowed to work with more freedom. I expect Kinoshita to leverage his experiences to lead a transformation of the Group’s corporate culture so that every employee can rise above the established rules and show initiative based on principles.

I believe that maximizing the capabilities of each and every employee and the organization as a whole is the key to our competitiveness. We aim to transform the organization into one where all employees can achieve growth through challenges and unlock their full potential with the right personnel engaged in work that contributes to value creation, mainly in the form of sales, profits, and enhanced competitiveness. In doing so, we seek to maximize the returns generated from human capital.

*We also have in place a scheme for transferring or assigning employees beyond the operating companies

Message from the Group CEO

Operational frontlines innovations and PX

To accelerate the enhancement of our competitiveness, we will continue to work on deploying operational frontlines innovations and carrying out the PX (Panasonic Transformation) project.

With our operational frontline innovations, we aim to thoroughly eliminate wastefulness and stagnation for the purpose of enabling each business to gain an excellent level of operational capability. The fact that, among the KGIs called for in the medium-term strategy, we are on track to achieve the operating cash flow target, despite the prospect of missing the operating profit goal, is a reflection of the results of this initiative. Since commencing these activities in 2022, over the past two years, the number of sites where constant *kaizen* (improvement) activities have been embedded owing to the voluntary actions of employees on the operational frontlines has reached 124, which is more than half of our sites worldwide. This initiative will be expanded to all Group sites by the end of fiscal 2025.

Through the PX project, since 2021 we have been working to transform not only our IT systems, but also our organizational culture, working styles, and business processes across the entire Panasonic Group. We are utilizing digital technology to transform development, manufacturing, and sales, and we are also making use of generative AI. The evolution of generative AI is creating a major trend that replaces many white-collar jobs. We are keenly aware that if the Group does not embrace this trend, we risk being left behind. In July 2023, we rolled out Panasonic's own version of generative AI in an effort to exhaustively improve productivity in our indirect departments.

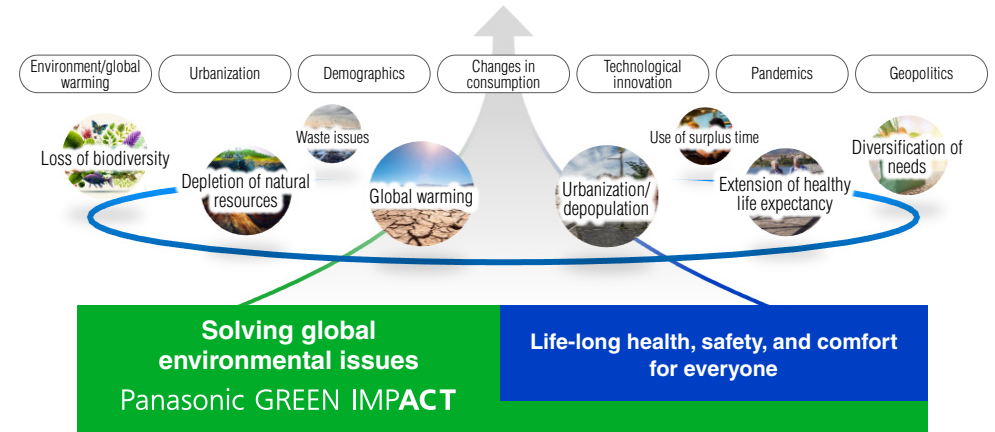
Determined to improve profitability and working towards our vision

Our mission is to achieve "prosperity with matter and mind as one," which was the lifelong pursuit of our founder Konosuke Matsushita. In other words, that is to achieve "an ideal society with affluence both in matter and mind." Since the time of our establishment, we have remained committed to achieving this mission by making contributions through our business activities in step with the times, so as to address social issues and bring benefits to people. Presently, there are two areas that the Panasonic Group must address as part of our Groupwide common strategies: (1) solving global environmental issues; and (2) the lifelong health, safety, and comfort for everyone. By making contributions in these areas, we will aim to achieve our mission by contributing to a sustainable society, generating profits as a result of our contributions, and enhancing corporate value. This is exactly what sustainability management is to us and what we consider the practical implementation of our Basic Business Philosophy is.

However, our profitability remains low, and unless we break free of this situation, we will be unable to fulfill our aim of making sustained contributions. I believe we will not even be able to take our place on that stage. That is why we will set about improving profitability with a strong determination and make every effort to enhance corporate value.

Panasonic Group Vision

An ideal society with affluence both in matter and mind





Message from the Group CFO



Hirokazu Umeda
Representative Director,
Executive Vice President,
Group CFO

Taking the initiative in improving profitability across the Group, aiming to improve PBR and achieve a sustainable increase in corporate value

I am seriously concerned about the fact that the Company's PBR (price book-value ratio) remains significantly below 1.0x in the first quarter of fiscal year ending March 31, 2025 (fiscal 2025), while, since the beginning of 2024, many other listed Japanese companies were able to improve their PBR levels, some of which previously had fallen below 1.0x.

I believe the reason for the Company's low PBR is we have not to able to improve and strengthen profitability. PBR can be broken down into ROE and PER. Because we were unable to improve profitability as anticipated, resulting in unmet targets and a downward revision of our financial forecast, both ROE and the PER, which reflects the capital market's expectations towards our growth, remain at low levels.

To overcome this situation, starting in fiscal 2025 we will implement a discipline to rigorously manage each business' competitiveness based on growth potential and ROIC, accelerate efforts to deal with businesses that remain low in profitability, and work to improve the profitability of the Group as a whole. By promoting these initiatives with a sense of speed and accumulating a track record of improving profitability, we will strive to earn the trust and expectations of the stakeholders, improve PBR, and achieve a sustainable increase in corporate value.

Basic approach to financial management

Our basic approach to financial management is to emphasize return on invested capital and financial stability. In terms of return on invested capital (ROIC), we promote business management that is conscious of capital costs and aim to achieve a stable ROE of 10% or more, with an eye to generating a return that exceeds the cost of stockholders' equity. In terms of financial stability, we strive to build a strong financial base that can support sustainable growth-oriented investments by appropriately controlling debt levels, considering factors such as ability to generate cash flow and the level of stockholders' equity.

Therefore, we have established a capital allocation policy as a basic approach to cash generation and allocation. As a rule, the funds required for investment and dividends are to be generated through cash flow from operations, divestitures, asset sales, and similar activities. At the same time, we will respond flexibly when investment opportunities such as M&A arise before sufficient cash flow is generated.

Review of fiscal 2024 and progress on medium-term strategy

The current medium-term strategy (fiscal years 2023 to 2025) sets the following medium-term management indicators (KGIs): cumulative operating cash flow of 2.0 trillion yen, ROE of 10% or more (fiscal 2025), and cumulative operating profit of 1.5 trillion yen. To achieve these targets, we are enhancing competitiveness in each business, promoting a management that emphasizes cash flow, and building a business foundation in investment areas.

Looking at the results for fiscal 2024, the second year of the medium-term strategy, net sales increased due to higher sales in the Automotive and Connect segments as well as the impact of currency conversions. In terms of operating profit, despite impacts from increasing fixed costs, including strategic investments for future growth and soaring raw material prices, we achieved an increase in profits due to price revisions, progress in rationalization, the impact of exchange rates, and the recording of U.S. Inflation Reduction Act (IRA) tax credit. Net profit also increased due to the factors cited above as well as a one-time decrease in income tax expenses associated mainly with the dissolution of a subsidiary. However, both sales and profits were significantly influenced by one-time factors such as exchange rates and IRA tax credit, and in real terms excluding those factors, they did not reach the forecast we announced at the beginning of the year.

Regarding progress on the KGIs, with the second year of the medium-term strategy now completed, cumulative operating cash flow is on track to hit the target of 2 trillion yen, with just over 600 billion yen remaining. ROE, on the other hand, exceeded the target of 10% in fiscal 2024, partly due to one-time factors, but is expected to be at 7.0%, falling short of the target of 10% in fiscal 2025. Finally, cumulative operating profit is expected to reach approximately 1 trillion yen over the three-year period, falling significantly short of the 1.5 trillion-yen target.



Message from the Group CFO

Although there were external factors such as the unexpected deterioration of market conditions that could not be foreseen at the time the strategy was formulated, I accept the fact that we are unlikely to achieve our KGIs, with the exception of cumulative operating cash flow, and that this is a result of our inability to increase the profitability of the entire Group as expected, although we have made a certain degree of progress in promoting a management that emphasizes cash flow.

Management Indicators (KGIs)	Cumulative operating CF 2.0 trillion yen (FY23-FY25)	ROE 10% or more (FY25)	Cumulative OP 1.5 trillion yen (FY23-FY25)
Outlook for the end of fiscal 2025	To be achieved	To be unachieved	To be unachieved

Below I summarize the measures we have taken to build a business foundation in our three announced investment areas of (1) automotive batteries, (2) air quality & air-conditioning, and (3) supply chain management (SCM) software.

(1) In the automotive battery business, we have made progress in our efforts to expand our customer base. We continued discussions with Mazda Motor Corporation and SUBARU CORPORATION respectively, to establish medium- to long-term partnerships. We signed an agreement with Mazda to supply automotive batteries for battery EVs to be launched in the late 2020s as well as a basic cooperative agreement with SUBARU on the supply of automotive batteries. In addition, in order to strengthen our business foundation in North America, we have promoted efforts to build a supply chain in the countries with which the U.S. has concluded an FTA. We expect the automotive battery market to continue to expand over the medium to long term, albeit with fluctuations in demand. We are shifting from a “North America-focused” strategy to a “Japan and North America dual-region focused” strategy, strengthening the management and revenue foundation. By further improving the performance of cylindrical batteries, we will solidify our competitive advantage in the North American market, where long driving range is required. We will also strengthen our efforts in the Japanese market, where high performance and high quality are required as in North America, and where the EV market is expected to expand based on the government strategy.

(2) In the air quality & air-conditioning business, to grow the Air to Water heat pump system (A2W) business in Europe, we have promoted investments and alliances to enhance the upstream and downstream areas of the value chain, which is a source of competitiveness. The European A2W market is currently at a growth plateau due to factors such as changes in the countries' economies, subsidy systems, and regulations, as well as trends in gas prices. However, we anticipate market growth toward 2030 due to advancements in carbon neutrality, low GWP refrigerant regulations, and energy-saving needs. In preparation for the recovery period, we will focus on strengthening our foundation and differentiating ourselves to enhance our competitive advantage while aiming to expand into key countries. In terms of differentiation, in addition to strengthening product competitiveness, we are working to create new customer value by pursuing initiatives to create air-quality and energy-saving solutions with INNOVA of Italy, in which we invested in fiscal 2024, and tado° of Germany, with which we have a business alliance. With regard to expanding into key countries, our policy is to identify key success factors (KSFs) for

each country and then work accordingly to expand our market share there by strengthening our sales base, maintenance, and services.

(3) In SCM software business, with regard to Blue Yonder (BY), to strengthen our infrastructure and differentiate ourselves, we are investing in building scalable SaaS platforms, advanced AI, and end-to-end interoperability, with the aim of growing the SaaS business over the medium to long term. Our SaaS ARR* has increased by 1.5 times since the acquisition, and we are steadily seeing results, including those from previous investments. We are also continuing to prepare for the listing of the SCM business, centering on BY, which was announced in May 2022. The final decision will be made after considering all factors comprehensively, including the status of BY's business and market conditions.

*ARR (Annual Recurring Revenue)

Initiatives aimed at improving profitability and capital allocation policy for the current medium-term strategy

Our current challenge is to improve profitability. Although businesses that produced significant losses have been eliminated, there are still some that remain low in profitability. By imposing stricter management over each business and accelerating our business portfolio management, we will improve the profitability of the Group as a whole.

Our business portfolio management is conducted based on three criteria. The first criterion is relevance to Groupwide common strategy. In other words, we ask whether it is a business that contributes to solving environmental issues or whether it is a business that can deliver value tailored to each individual's lifestyle. The second criterion is the market position & competitiveness of the business. We make judgments based on both quantitative and qualitative factors such as future market growth potential, market position and share, and profitability. To these two criteria we added a third criterion last year: “best-ownership perspective.” If gaining a competitive edge outside of the Panasonic Group can increase the speed of growth, this will ultimately result in the enhancement of stakeholder value. Specifically, businesses are judged from the following three perspectives: whether Panasonic Holdings Corporation (PHD) can take necessary actions on the business' most important issues; whether PHD can make necessary growth investments if the business needs more cash than it can generate; and whether PHD can evaluate the business' quality and competence.

In fiscal 2024, we made a decision with regard to the automotive business from the best-ownership perspective. The automotive industry is facing the biggest transition in its 100-year history. To enhance our competitiveness and achieve further growth in the fields of automotive cockpit systems and onboard charging systems, which are the main focus of our automotive business, it is necessary to make large-scale investments in areas like electrification and software development. However, the Group has already decided to invest in automotive batteries, air quality & air-conditioning, and SCM software, which it has defined as its three areas of investment, and making large-scale investments in the automotive business outside of these areas would be difficult from the perspective of maintaining financial discipline. After considering these circumstances from the best-ownership perspective, we decided that we

Message from the Group CFO

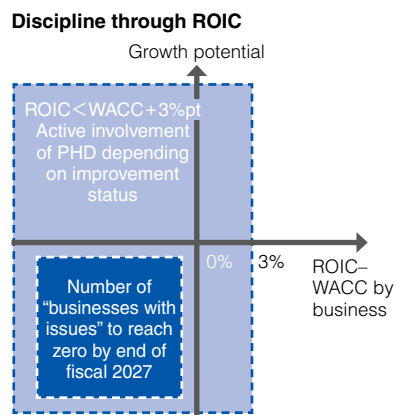
should seek outside help to grow the automotive business, and therefore welcomed Apollo Global Management (Apollo), one of the largest funds in the world, as our new partner. The funds managed by Apollo, together with Panasonic Automotive Systems which operates the automotive business, have entered into a share transfer agreement and a shareholder agreement.

Starting in fiscal 2025, the second criterion, market position & competitiveness of the business, will be made stricter in order to accelerate efforts to deal with our remaining low-profit businesses and improve profitability, which is our current challenge. Specifically, we will monitor the market position & competitiveness of all businesses based on two criteria: growth potential and ROIC. The reason we also consider growth potential is that focusing solely on ROIC will have a risk of suppressing necessary investments and leading to a contracted equilibrium. If a business is showing negative sales growth and its ROIC is less than WACC by business, it will be categorized as a “business with issues” and PHD will actively engage in assessing the current situation, formulating strategies, monitoring progress, and determining direction so that the number of businesses categorized as “business with issues” will reach zero by fiscal 2027. For example, if a business is experiencing a decline in profitability due to a downturn in its market conditions or competitive environment, we will proceed with cost structure reforms such as reducing fixed costs, reviewing operations, and lowering costs, transforming the business into an entity that can generate profits even in worsening market conditions. If management skills are the cause, we will seek to improve the situation with a view to replacing the management team. Businesses that do not achieve results in a specified time frame even with these efforts, or businesses where structural disadvantages make profitability improvement difficult, will be evaluated for measures such as change of business region or market position, business transfer, or withdrawal.

WACC is simply the minimum return that capital markets expect, so efforts to improve profitability do not end with achieving zero “businesses with issues.” We have therefore set our sights higher, aiming to make every business reach an ROIC level exceeding its “WACC by business +3 percentage points.” In this way we aim to realize a structure that can achieve a continuous and stable ROE of 10% or more, even while making investments for growth.

Note that businesses in the investment areas set by PHD will be monitored based on their achievement of medium-term KGIs to ensure that the necessary investments are made and that they contribute to profitability through their growth, since in this case the focus is not on short-term profit gain but on implementing proactive investments with a view to future growth.

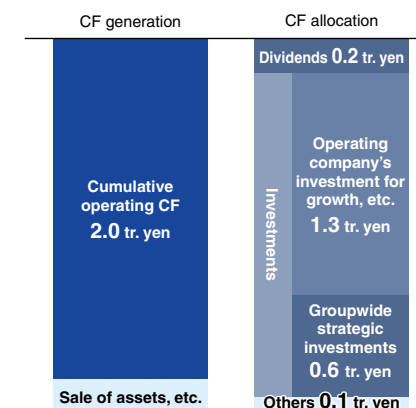
The capital allocation policy for the medium-term strategy period remains unchanged. Our basic policy is that investments, dividends, etc. are to be managed within cash generated through businesses. The operating cash flow to be generated is 2.0 trillion yen, as stated in the KGI, and progress is on track as mentioned above. A portion of the necessary funds will be generated through the sale of assets.



Regarding cash allocation, based on the progress made through fiscal 2024, we plan to invest 1.9 trillion yen, of which 0.6 trillion yen will be allocated to strategic investments, mainly in the automotive battery business, our priority investment area. In terms of shareholder returns, we will strive to pay stable and continuous dividends with a target consolidated dividend payout ratio of 30%. The annual dividend for fiscal 2024 was 35 yen per share, an increase of 5 yen from the previous fiscal year. We also intend to reward our shareholders through enhanced shareholder and corporate value backed by improved profitability. Regarding the IRA tax credit, in light of their policy intent of curbing excessive inflation and promoting energy policies in the U.S., these funds will be allocated to investments in the automotive battery business in the U.S. and therefore excluded from net profit when considering and setting the level of dividends based on the dividend payout ratio of net profit and similar factors. Regarding financial discipline, we will set the Net Debt/EBITDA ratio at around 1.0x as a benchmark financial indicator and ensure strict adherence to financial discipline as a Group.

Turning to the full-year financial forecast for fiscal 2025, although the downturn in the Chinese market is expected to continue, we anticipate an increase in sales and operating profit due to rising demand for electronic components for generative AI servers and storage batteries. On the other hand, net profit is expected to decrease due to the absence of the one-time decrease in income tax expenses posted in the previous fiscal year.

Capital allocation policy (FY23-25)



In conclusion

I recognize that what we need to do now is steadfastly advance the efforts towards improving profitability that I have outlined above and steadily accumulate a track record of results. In promoting these initiatives, I place great importance on dialogue with all our investors and other stakeholders. In addition to financial results announcements, we hold Group strategy briefings and operating companies' strategy briefings to present our progress and results in an easy-to-understand manner, and we will continue to host dialogues with the capital markets and feed the opinions we receive back to management to improve the momentum and effectiveness of our initiatives.

In some respects, the results of our efforts, such as promoting a management that emphasizes cash flow, are beginning to bear fruit. By firmly promoting efforts aimed at improving profitability and steadily producing results, we will strive to earn the trust and expectations of everyone, improve PBR, and achieve a sustainable increase in corporate value. I ask for your continued support of the Panasonic Group, as we work to enhance our corporate value.



Strategies by Segment

Key points in this chapter

Information about each operating company in the business segment

- Top Messages
- Market opportunities and Advantages
- Growth strategy key points

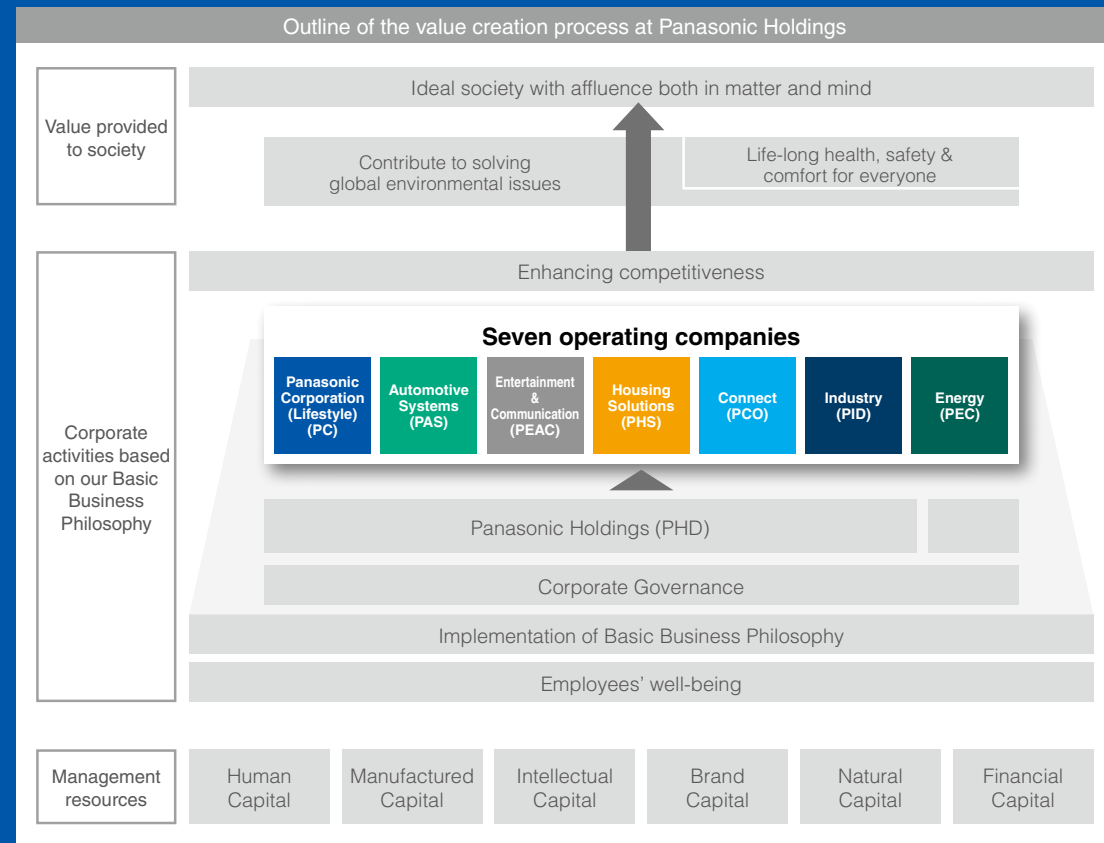
18 Lifestyle

19 Automotive

20 Connect

21 Industry

22 Energy



Lifestyle (Panasonic Corporation)

Top Message



Achieving sustainable growth through continuous transformation from a long-term perspective

My goal is to build a strong group of companies over the next medium term, achieve the No. 1 or No. 2 position in the areas defined for 2030, and enhance corporate value through a combination of strong businesses. I will continue to earnestly address management issues and achieve sustainable growth through continuously making changes from a long-term perspective.

Masahiro Shinada CEO

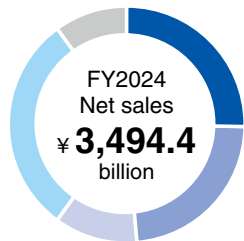
Panasonic Corporation

<https://www.panasonic.com/global/about/corporate-profile/message.html>

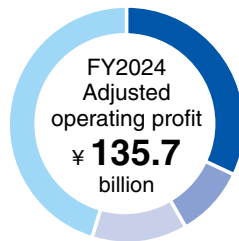
Products and Services

<https://www.panasonic.com/global/consumer.html>

Sales composition

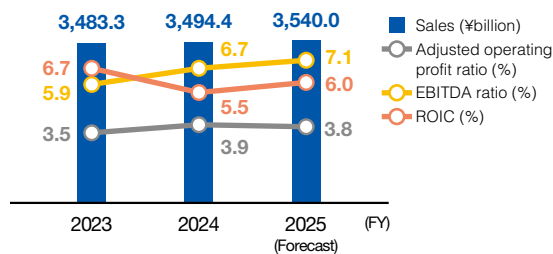


Profit composition (four divisional companies)



- Living Appliances and Solutions Company (Home appliances in Japan and overseas)
- Heating & Ventilation A/C Company (A2W*, A2A*, etc.)
- Cold Chain Solutions Company (Freezing showcases, CO₂ refrigeration system, etc.)
- Electric Works Company (Electrical construction materials in Japan and overseas)
- Others

Business performance



Medium-term management indicators (KGIs)

EBITDA (FY2025) **¥253.0 billion** (7.1%)

ROIC (FY2025) **6.0%**

Cumulative operating CF (FY2023-FY2025) **¥516.0 billion**

Key points to strengthen competitiveness

Based on each business' progress to date, we have organized a framework for strengthening competitiveness and categorized the businesses into those that have been able to strengthen their competitiveness, those that are in the process of strengthening their competitiveness, and those that are moving ahead with business structural reforms.

Businesses that have been able to strengthen their competitiveness include Overseas electrical construction materials, Electrical construction materials in Japan, and CR* (Commercial Refrigeration). These businesses have significantly improved their profitability in the current medium-term period, and are ready to take on the challenge of achieving even higher profits and greater profitability in the future, with the aim of achieving further growth.

Next, the businesses that are in the process of strengthening their competitiveness are A2W, Home appliances in Japan, and Overseas home appliances.

Although these businesses have not achieved a significant improvement in profitability, partly due to changes in the business environment, we will continue to strengthen our competitiveness from a medium-to long-term perspective and aim for growth in the next medium-term and beyond.

Lastly, the business that is moving ahead with business structural reforms is A2A. We will improve the profitability of room air conditioners and commercial air conditioning, which is particularly low, and drive growth through differentiation with integrated air quality and air conditioning systems and solutions.

Of these businesses, we will promote early profit improvement in those whose profit is below the cost of capital, excluding growth areas, and if we are unable to do so, we will redirect them.

Based on the above, we have also updated our portfolio and designated three growth areas: A2W, Overseas electrical construction materials, and CR.

To establish management targets for the next medium-term, we will proceed with both profit improvement measures and business growth and competitiveness strengthening and set management targets that exceed the current medium-term targets, which are EBITDA of 10% and ROIC of 10% or more as KGIs.

We will build a strong group of companies over the next medium term, acquire the No.1 or No.2 position for 2030, and enhance corporate value through a combination of strong businesses.

< Major growth areas >

Market opportunities	Advantages
<ul style="list-style-type: none"> ● A2W: Progress of carbon neutrality and low GWP refrigerant regulations, energy saving needs, etc. in Europe ● Overseas electrical construction materials: Economic growth in three priority countries (India, Turkey, Vietnam) ● CR: Increasing demand for conversion to natural refrigerants 	<ul style="list-style-type: none"> ● Differentiation by the top-level commercialization capability for natural refrigerants and air quality and energy-saving solutions as a Japanese company ● Top market share and strong growth platform in all three priority countries (manufacturing capabilities, sales channels, SCM) ● Natural refrigerants and DX, Japan-US showcase MIF* top market share

*A2W: Heat pump-type water heaters, chillers, hot water heaters
A2A: Room air conditioners, commercial air conditioning, air quality equipment (ventilation fans, heat exchangers, air purifiers, etc.), engineering
Commercial Refrigeration: showcase, CO₂ refrigeration system, services and kitchen, etc.
MIF: Machine in the field

▶ For more detail, see also [“Panasonic Group Operating Companies’ Strategy Briefing 2024 \(June 6-7, 2024\).”](#)

Automotive

(Panasonic Automotive Systems Co., Ltd.)

Top Message



The “Joy in Motion” design company

To realize better lives for each and every person in the world, I will pursue the creation of a sustainable mobility society. Ensuring comfort and peace of mind for everyone on the move, we start with safety and security. We then add personal comfort and protections for the environment. We design “Joy in Motion” for you, society, and the planet.

Masashi Nagayasu CEO

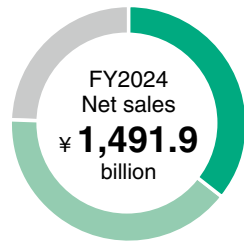
Mission and Vision

<https://automotive.panasonic.com/en/corporate/aboutus>

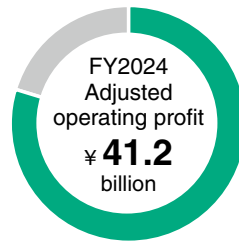
Business Initiatives

<https://automotive.panasonic.com/en/corporate/our-business>

Sales composition



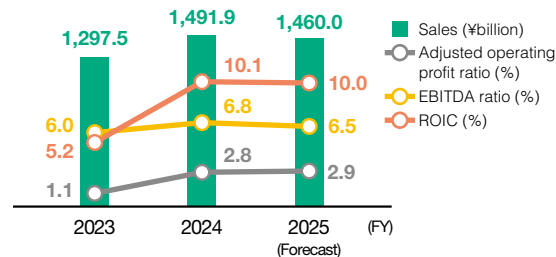
Profit composition image



- Automotive Cockpit Systems (Automotive-use infotainment systems, etc.)
- Automotive Electronics Systems (Automotive displays/cameras, EV in-vehicle charging systems, etc.)
- Others

(Note) Automotive Electronics Systems in the profit composition image is not shown in the pie chart above because the amounts are negative.

Business performance



Medium-term management indicators (KGI)

Cumulative operating CF (FY2023-FY2025) **¥270.0 billion**

ROIC (FY2025) **10.0% or higher***

*Revised upward from FY2024 revised target of 6.4%

Market opportunities

- In order to reduce environmental impact, we are becoming a society that requires the reduction of CO₂ emissions.
- There is a need for quick charging to shorten the charging time, which is one of the issues facing the widespread use of EVs.
- With the progress of SDV and integrated HPC, the speed of software evolution determines the value of automobiles.
- With the shift to EVs and autonomous driving, the added value of automobiles is shifting to the value of the experience in the mobility space.

Advantages

- Top management's commitment to environmental contribution and the ability to execute tasks steadily together with all employees
- Industry-leading technologies that support high-voltage, high-powered chargers and skills in power conversion efficiency
- A large share of IVI by leveraging enhanced operability acquired from know-how on digital AV and development capability of large-scale software
- Ability to propose a platform that integrates various types of large-scale software necessary for HPC
- Knowledge of people acquired from housing and consumer electronics businesses and the ability to design experiences that enhance the value of mobility

Key points of the growth strategy

Our company has defined three important areas, namely integrated HPC, EV power electricity, and cabin UX, as important factors for planning strategies for the evolution of a mobility society and the diversification of people's values.

With regard to integrated HPC, we leveraged our basic technologies such as cockpit-related products and virtualization and our development capability of large-scale software, which will serve as a foothold for integrated HPC, and we successfully won awards for CDC. In the future, we will consolidate multiple ECUs and contribute to the conversion of automobiles to SDVs.

Regarding EV power electricity, we will continue efforts to produce a high-voltage, high-powered charger to reduce the charging time while improving profitability. Furthermore, we are advancing research on power semiconductors using gallium nitride (GaN) in collaboration with Nagoya University. We will lead this research to further innovation in improving conversion efficiency and reducing the charging time.

With respect to cabin UX, we leveraged our knowledge of people acquired from the housing and consumer electronics businesses to design comfortable experiences, including the time before and after users get in the car, and propose a cabin space concept model. Using human understanding logic as a core, we will personalize cabin space to propose the value of new mobility experiences.

In terms of environmental issues, we have achieved net-zero CO₂ emissions at all of our sites, and are committed to energy conservation of 3% annually and promoting the introduction of renewable energy. Going forward, we will strive to achieve the ratio of non-external dependency on renewable energy supply of 50% by fiscal year ending March 31, 2031 (fiscal 2031).

We will leverage our partnership with Apollo to maximize our potential. In doing so, we will be the global leader in the automotive electronics industry and provide new value to automobiles and mobility experiences, with our customers.

Connect (Panasonic Connect Co., Ltd.)

Top Message



Contributing to solving management issues of B2B customers

I have made steady progress in selection and concentration, narrowing our focus to business areas where we have a competitive advantage. We will increase our competitiveness through concentrated investment in the supply chain management business in order to contribute to solving management issues that our customers face at the gemba (operational frontlines). At the same time, we will continue to promote cultural reform and build a foundation that will drive change.

Yasuyuki Higuchi President & CEO

Market opportunities	Advantages
<p>[Blue Yonder]</p> <ul style="list-style-type: none"> ● Demand for companies' supply chain transformation continues to grow. <p>[Avionics]</p> <ul style="list-style-type: none"> ● A recovery trend of passenger demand can be seen and demand for in-flight entertainment communication is growing. 	<p>[Blue Yonder]</p> <ul style="list-style-type: none"> ● An end-to-end SCM solution that straddles multiple companies applies advanced AI ● Customer base that involves more than 3,000 global companies <p>[Avionics]</p> <ul style="list-style-type: none"> ● Astrova, a new product that is ahead of other companies and supports the narrow-body market ● Enhanced apps that help the deployment of a multiple-orbit satellite communication service and provide attractive content

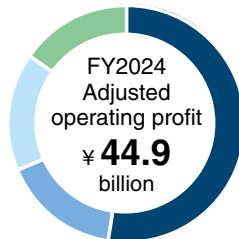
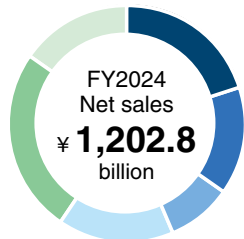
Company Profile

<https://connect.panasonic.com/en/about/profile>

Sustainability

<https://connect.panasonic.com/en/about/sustainability>

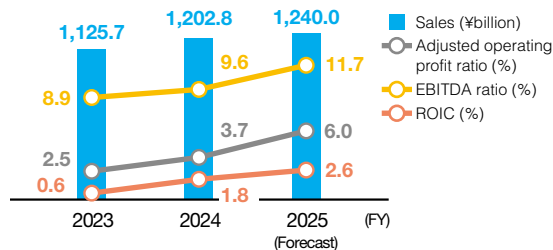
Sales composition image | Profit composition image



- Avionics (Aircraft in-flight entertainment systems and communications services, etc.)
- Process Automation (Electronic components-mounting machines, welding equipment, etc.)
- Media Entertainment (Projectors, etc.)
- Mobile Solutions (PCs and tablets)
- Gemba Solutions (Solutions for various industries, installation/operation/maintenance services, etc.)
- Blue Yonder (Supply chain management software, etc.)

(Note) Process Automation and Blue Yonder in the profit composition image are not shown in the pie chart above because the amounts are negative.

Business performance



Medium-term management indicators (KGIs)

Cumulative operating CF (FY2023-FY2025) **¥255.0 billion***

EBITDA (FY2025) **¥145.0 billion***

ROIC (FY2025) **2.6%**

Excludes Blue Yonder which is an investment area ROIC (FY2025) **11.7%**

Key points of the growth strategy

Connect has been focusing on three factors that drive the improvement of corporate value: business location reform, sharpened operation reform, and culture reform. We have made steady progress in selecting and concentrating on business location reforms over the past seven years, thereby completing three business sellouts, eight business terminations, factory closures at four sites, and three M&As by Blue Yonder.

Connect aims to achieve 200 billion yen of EBITDA by fiscal 2028. We will make a concentrated investment of 200 million dollars in Blue Yonder, which is a growing area, in the first three years, so that it can establish itself as the category leader of the SCM software business. The SCM solution provided by Blue Yonder strides across multiple companies from upstream to downstream in the customers' value chain in an end-to-end manner. As such, we aim to optimize the supply chain autonomously by the power of the software to which advanced AI is applied. For Avionics, we expect that a recovery trend of passenger demand can be seen and demand for in-flight entertainment communication will grow. We will accelerate our business strategy for taking the initiative in in-flight entertainment from both sides of the hardware after introducing next-generation IFE and the service system. For other business areas too, we will increase our revenue stably in the markets in which we have a competitive advantage over other companies, and at the same time, we will implement a thorough operation reform and strive to increase productivity. Under the slogan of "Continue to take on new challenges," Connect will continue to advance reforms.



For more detail, see also

["Panasonic Group Operating Companies' Strategy Briefing 2024 \(June 6-7, 2024\)."](#)

*Revised due to the transfer of the imaging business from Panasonic Connect Co., Ltd. to Panasonic Entertainment & Communication Co., Ltd.

Industry (Panasonic Industry Co., Ltd.)

Top Message



Aiming to lead society's transformation in areas where social demand is strong and continuous evolution is required

Facing on three areas, such as Automotive CASE, ICT Infrastructure, and Factory Automation, in which social demand is strong and growth is expected, I aim to work with our customers to lead society's transformation. At the same time, I also focus on initiatives to support sustainable growth of our business, such as the realization of carbon neutrality and human capital management.

Shinji Sakamoto CEO

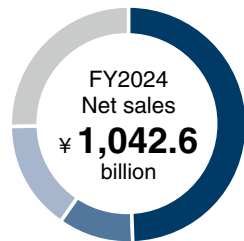
Corporate site

<https://www.panasonic.com/global/industry/>

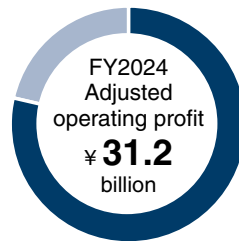
Product site

<https://industrial.panasonic.com/ww>

Sales composition



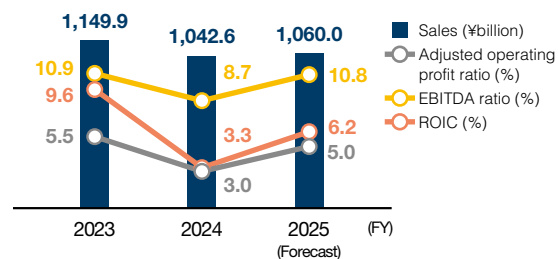
Profit composition image



- Electronic Devices (Conductive polymer electrolytic capacitors, EV relays, etc.)
- FA Solutions (Motors for industrial application (Servomotors), PLCs (Programmable controllers), etc.)
- Electronic Materials (Multilayer circuit board materials, Semiconductor device materials, etc.)
- Others

(Note) FA Solutions and Others in the profit composition image are not shown in the pie chart above because their amount is negative.

Business performance



Medium-term management indicators (KGIs)

Cumulative operating CF (FY2023-FY2025) **¥300.0** billion or more

ROIC (FY2025) **6.2%** or higher

Market opportunities	Advantages
<ul style="list-style-type: none"> ● Expansion of the generative AI server market (2023–2028 CAGR: 23%) ● Expansion of the eco-cars/ADAS market (2023–2028 xEV market CAGR: 20%) 	<ul style="list-style-type: none"> ● Retaining the industry's leading performance and holding the top market share position in capacitors/multilayer circuit board materials ● Demonstrating high share performance of and establishment of a preceding global supply capability of automotive capacitors

Key points of the growth strategy

While demand for devices is increasing with the market environment such as rise of generative AI servers in the information and communication infrastructure sectors and the growth in demand for eco-cars in the automotive sector, our devices which have characteristics and competitive advantages in materials and processes are holding a leading market share position in capacitors and electronic materials, as they continue to meet market demands. Moreover, we have aggressively continued to invest in human resources, IT, and research and development toward medium-term growth, despite the sluggish economy and challenging business environment.

In fiscal 2025, we will steadily expand the growing markets of, for example, eco-cars and generative AI servers and aim to improve profitability by reinforcing the competitiveness of the FA solutions business in China. Furthermore, we are promoting rationalization and reviewing fixed costs so that we can anticipate an increase in sales and profit.

For medium-and-long-term prospects for growth, we will prioritize further investment in the materials and processes businesses, which are highly profitable and have a clear point of differentiation. We will be engaged in the preceding of the global supply capabilities, the acceleration of development speed with the use of automated experiments, and the practical application of sophisticated devices by advancing our proprietary technologies, and continue to refine our strengths, so that we can continuously meet the demands of the growing market. For the FA solutions business, we will aim at improving the profitability and expanding the business in China and other regions through initiatives such as strengthening our product capabilities through industry-academia collaboration. Through these efforts, we will aim to build a strong management structure that enables us to ensure stably secure double-digit operating profit margins.



For more detail, see also

[“Panasonic Group Operating Companies’ Strategy Briefing 2024 \(June 6-7, 2024\).”](#)

Energy (Panasonic Energy Co., Ltd.)

Top Message



Moving forward step by step without stopping to accomplish our mission

I am aiming for a company that delivers energy that is vital for humankind and provides our contributions to society. Our goal is not to produce batteries, but to solve problems that lie ahead, in other words, to accomplish our mission. In order to achieve this goal, we will pursue “two-pillar management” driven by In-vehicle business and Industrial/Consumer business, as well as ESG management.

Kazuo Tadanobu CEO

Market opportunities	Advantages
<ul style="list-style-type: none"> ● Growing demand for EVs and sophistication of requirements for power supply for data centers due to the evolution of generative AI ● Heightened environmental awareness and growing demands for BCP during disasters ● Increase in demand for automotive batteries manufactured in North America by enforced U.S. Inflation Reduction Act 	<ul style="list-style-type: none"> ● Technological capabilities that develop high-capacity, high-reliability batteries and advanced system control ● Market creativity that has solved many problems in society, such as the creation of a market for stockpiling dry batteries ● Reliability and a proven track record of our company establishing a business foundation early in North America and continuing to supply high-quality products

Panasonic Energy corporate site
<https://www.panasonic.com/global/energy/>

Panasonic Energy sustainability site
<https://www.panasonic.com/global/energy/sustainability.html>

Key points of the growth strategy

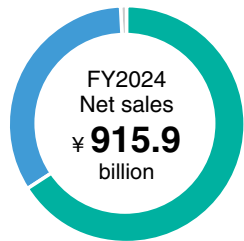
In order to achieve medium- to long-term growth, we are implementing two-pillar management driven by the growth potential in the in-vehicle business and the profitability in the industrial/consumer business. At the same time, we are promoting ESG management to provide further contributions to society. In order to achieve our growth, we have made various investments, for example, the construction of a new automotive battery factory in Kansas in the U.S., to solidify our foundation. We will further strengthen our business structure for the earnings expansion phase from fiscal 2028 onward.

In our in-vehicle business, we have been developing new customers and working on bolstering our supply chain by increasing the local procurement ratio of graphite and other materials. In order to expand cell size lineup by increasing capacity, we have also been promoting the commercialization of the next-generation product 4680 cells. In the future, we will expand our sales channels to Japanese customers too to shift from focus on North America to Japan and America dual regions focus, so that we can enhance our revenue base. While we will promote improving the supply hub for domestic customers in Japan, we will aim to maximize profits by improving productivity in North America.

In our industrial/consumer business, we have been trying to maximize the value provided to society with our battery applied systems, such as starting mass production of power supply systems for generative AI servers. Moreover, we started operations at the Nishikinohama Factory, a new factory in Osaka, Japan for producing dry batteries thereby organizing a supply system to support people's daily lives. We aim to provide our further contributions in the areas of social and living infrastructure and electrification of power equipment, which are expected to grow in the future.

In ESG management, we have been promoting zero CO₂ emissions in our factories in an effort to reduce environmental impact. We aim to achieve zero CO₂ emissions in all of our sites in Japan by fiscal 2025 and all of our global sites by fiscal 2029. We will continuously strive to reduce our carbon footprint by half through the use of recycled materials.

Sales composition*1

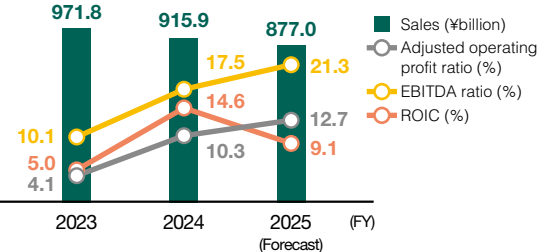


Profit composition*1



- In-vehicle (Automotive cylindrical lithium-ion batteries, etc.)
- Industrial/Consumer (Lithium-ion batteries for industrial/consumer, storage battery modules/systems, primary batteries (dry batteries, lithium primary batteries), etc.)
- Others

Business performance*1



Medium-term management indicators (KGI)*1

Cumulative operating CF (FY2023-FY2025) **¥330.0 billion**

ROIC (FY2025) **9.1%**

EBITDA (FY2025) **¥187.0 billion**

CFP*2 halved (FY2031 (compared to FY2022))



For more detail, see also

[“Panasonic Group Operating Companies’ Strategy Briefing 2024 \(June 6-7, 2024\).”](#)

*1 Includes the impact of the U.S. Inflation Reduction Act tax credit *2 carbon footprint

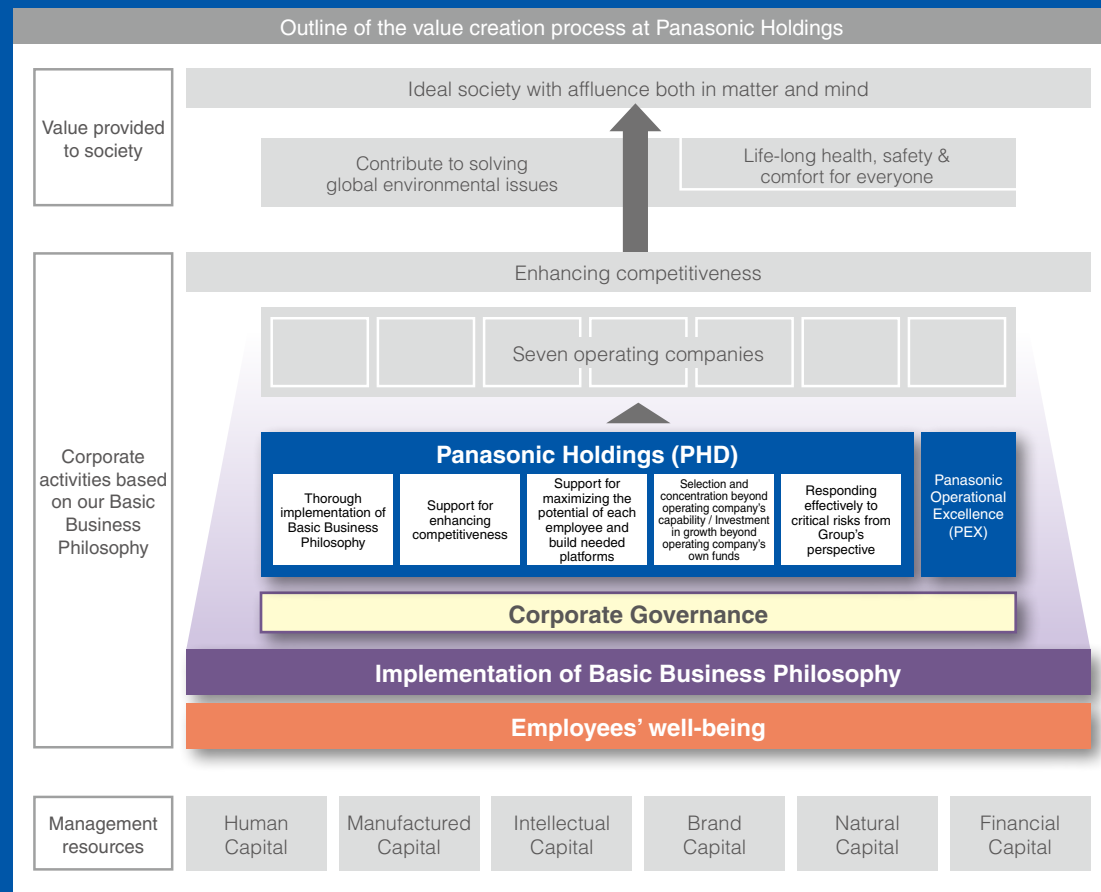


The Roles of Panasonic Holdings

Key points in this chapter

Explanation of how Panasonic Holdings contributes to the Group's development and strengthens its overall management foundation, including messages from each chief officer.

- 24 Human Resources Strategy (Group CHRO Message)
- 33 Environment and Technology Strategy (Group CTO Message)
- 41 PX Initiatives (Group CIO Message)
- 43 Brand Strategy
- 44 Compliance Initiatives (Group GC Message)



Human Resources Strategy

Message from the Group CHRO



A company where every employee can “unlock” their potential

Tatsuo Kinoshita

Executive Officer
Group Chief Human Resources Officer (Group CHRO)

Kinoshita started working for P&G Japan Limited in 1996, working in recruiting and HRBP. In 2001, Kinoshita joined GE Japan Inc. and took on the roles of HR Director of GE Capital Japan as well as Region Org and Talent Development Director of GE Capital Asia Pacific. Starting in 2012, Kinoshita worked as HR Director in GE Japan Inc. In 2015, Kinoshita moved to Kuala Lumpur, Malaysia, and took the Region Head of HR role for the Oil and Gas business as well as Organization and Talent Development Head for GE Asia Pacific. In 2018, Kinoshita joined Mercari, Inc., Japanese e-commerce Tech Startup, as Executive Officer and CHRO. Starting in July 2024, Kinoshita joined Panasonic Holdings Corporation as Executive Officer and Group CHRO.

I strongly resonate with the founding principles of Konosuke Matsushita, which led me to accept the role of Group CHRO.

To me, human capital management means creating a win-win relationship between individuals and the organization at a high level. For individuals, it means unlocking their potential and maximizing their abilities. For the organization, it means growing the business and fulfilling its mission.

The key to achieving this is culture. The world’s excellent companies build strong cultures centered on their missions and values, enabling continuous growth. The Panasonic Group has a steadfast axis of management principles, the Basic Business Philosophy that has been passed down for over a century. We will return to these fundamental principles and create a corporate culture where each individual can act autonomously and “unlock” their potential.

A company is a public entity. With the safety and protection of the human rights of all stakeholders as our foundation, we aim to ensure the well-being of each employee so that society can be transformed as our slogan “Live Your Best” suggests.

Policies

Since its founding, the Group has valued the principle of making people before products. In striving to achieve our mission, which is to achieve an ideal society with affluence both in matter and mind, it is crucial that each employee practices our Basic Business Philosophy. Ensuring this practice through the realization of employees’ well-being is the core of our human capital management.

Practicing our Basic Business Philosophy involves autonomous responsible management consisting of each individual engaging in employee entrepreneurship with a sense of autonomous responsibility, and practicing participative management through collective wisdom, where we openly share ideas and opinions. This is our management strategy that we apply across the Group to sharpen the competitive edge of our operating companies.

The Panasonic Leadership Principles (PLP) guide employees across all Group companies to practice the Basic Business Philosophy for achieving an ideal society. This framework translates our cherished principles that we have valued since our founding into specific, common actions that anyone, regardless of their background, can practice. By linking these principles with our personnel management measures, such as recruitment, development, evaluation, placement, and reassignment, we enhance each employee’s experience and drive further behavioral evolution and growth.

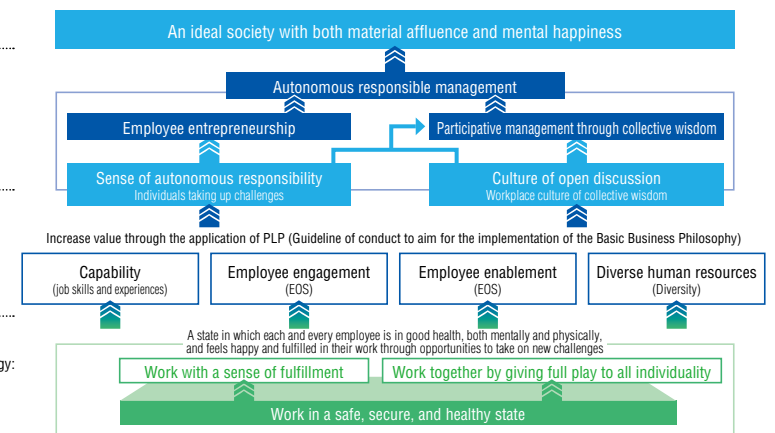
Through its actions, the Group creates higher added value for society. The four elements that are key to increasing the value are: “capability (skills development based on job ranks),” “employee engagement (employees’ self-motivated endeavors),” “employee enablement (a working environment that makes employees feel comfortable and helps them reach their full potential),” and “diverse human resources.” The foundation of these elements is the state where each individual feels physically and mentally healthy, and finds happiness and purpose through opportunities to take on challenges—in other words, employees’ well-being. We advance our common Group HR strategy based on this principle, focusing on three pillars: “work in a safe, secure, and healthy state,” “work with a sense of fulfillment,” and “work together by giving full play to all individuality.”

Panasonic Group’s aspiration

Groupwide management strategy:
Implementation of Basic Business Philosophy

Four Main Elements

Groupwide human resources strategy:
Employees’ Well-being



Employees’ well-being has been identified as one of the most critical issues for the Group through the materiality identification process and is fundamental to the Group’s autonomous responsible management approach.

(For more details on materiality identification, please refer to “Materiality” on page 6.)

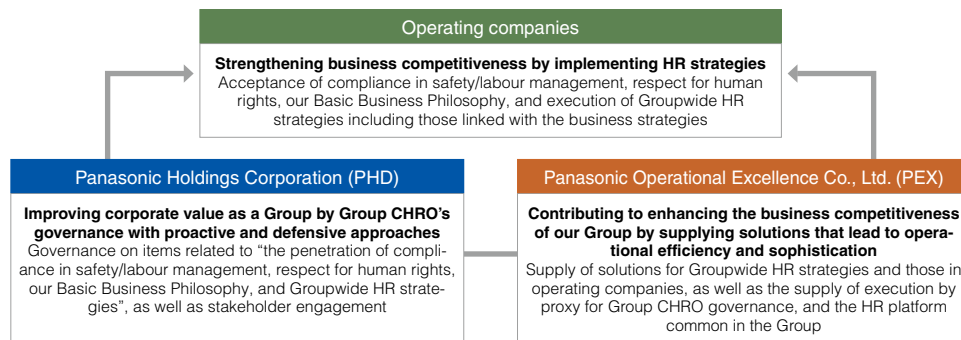


Human Resources Strategy

Group structure and roles

Under the holding company system established in April 2022, each operating company is committed to autonomous responsible management, aiming to build the optimal business structure to address the needs of each industry, customers, and competitors. Each operating company is responsible for planning and executing HR strategies, including talent acquisition, compensation and performance evaluation systems, organizational development, and talent development. (For more details on HR strategies in investment areas, please refer to the Sustainability Data Book 2024.) Panasonic Holdings Corporation (PHD) supports operating companies from a governance and stakeholder engagement perspective, while Panasonic Operational Excellence (PEX) provides solutions to enhance Group competitiveness.

The Group CHRO governance oversees safety and labour compliance and respect for human rights, the dissemination of the Basic Business Philosophy, and common Group HR strategies. To achieve this, the Group CHRO holds 1 on 1 meetings with the CHROs of each operating company and reviews the HR strategies reported to the Board of Directors Meeting. Additionally, the Group CHRO reports on the progress of common Group HR strategies and new initiatives to the PHD Board of Directors, fostering active discussions. In the fiscal year ending March 31, 2024 (fiscal 2024), discussions were held that focused on Group HR strategies to enhance competitiveness and the transformation towards a principles-based organizational culture.



Groupwide KPIs

The most critical Groupwide KPIs tied to employees' well-being include employee engagement and enablement, the ratio of female managers (in Japan), and the number of occupational accidents. As mentioned above, our Group's management strategies are based on autonomous responsible management, which involves employee entrepreneurship and participative management through collective wisdom. Employee engagement, which is the willingness of each individual to take on challenges autonomously to achieve the Group mission, is connected to employee entrepreneurship. Meanwhile, employee enablement, achieved through an environment that allows individuals to showcase their

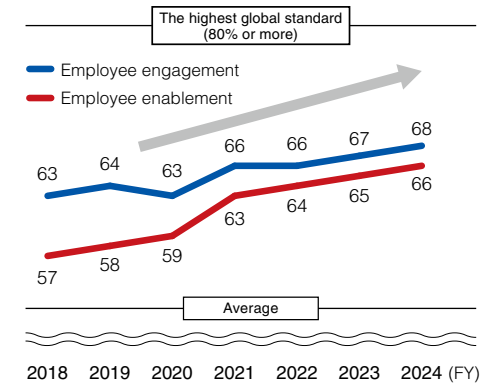
abilities, is linked to participative management through collective wisdom. Additionally, the ratio of female managers, particularly a challenge in Japan, is set as a representative indicator of diversity. Furthermore, maintaining a state with zero occupational accidents is fundamental to corporate activities. These KPIs are selected to measure the progress of HR strategies aligned with our management strategy. Moreover, the Group plans to add the diversity ratio (including female employees, employees who are non-Japanese citizens, and mid-career hires) in the executive management teams (executive officers and management meeting members) as a critical KPI to promote diversity, equity, and inclusion (DEI) initiatives.

The indices for employee engagement and enablement are measured by the favorable response rate (%) in the Employee Opinion Survey, which is conducted annually targeting all global employees to monitor their awareness (with approximately 157,000 respondents in fiscal 2024). Our goal is to achieve a global top level (at least 80%) for these indices by fiscal 2031. The survey results have shown an upward trend, with the fiscal 2024 employee engagement index at 68% and the employee enablement index at 66%.

The ratio of female managers (in Japan) is 7.0%. We will continue to promote DEI and aim to ensure diversity in management teams and managerial positions by appointing a more diverse range of talents, including female employees. Regarding occupational accidents, there were zero fatal accidents, two serious accidents, and zero severe accidents. We will continue to promote the creation of safe, secure, and healthy workplaces and aim to eliminate fatal, serious, and severe accidents.

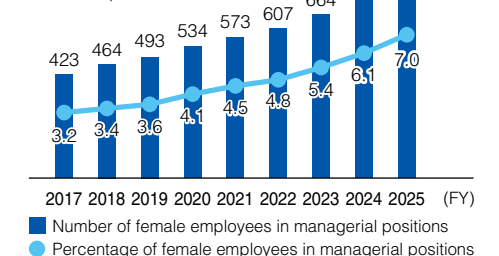
Employee Opinion Survey

Favorable response rates for "employee engagement" and "employee enablement" (%)



Number and ratio of female managers

Target: PHD, PEX, 7 operating companies



Work in a safe, secure, and healthy state

—Creating a safe, secure, and healthy workplace

Promoting a safe and secure workplace

The Group conducts regular risk assessments at least once a year on machinery, equipment, and hazardous substances to identify and mitigate potential risks of occupational accidents and illnesses,



Human Resources Strategy

starting with priority items, in accordance with the Industrial Safety and Health Act. We also promptly share incidents of occupational accidents within the Group via our intranet to implement cross-departmental measures across all sites and prevent recurrence.

Promoting health management

The Group has a clear policy to strengthen its health investments. Alongside its traditional “Panasonic Health Promotion Activities,” each operating company is implementing its unique initiatives. In Japan, we are aligning with the Ministry of Economy, Trade and Industry’s “Certified Health & Productivity Management Outstanding Organizations” program, with all operating companies certified by March 2024. Additionally, Panasonic Connect and Panasonic Corporation have been recognized in the White 500, which honors the top 500 large enterprises for their exemplary efforts in this program.

Harassment prevention initiatives for ensuring thorough compliance (Japan)

To create a harassment-free workplace where everyone can take pride, the Group has strengthened its initiatives in line with laws such as the Gender Equality in Employment Act, Child Care and Family Care Leave Act, and Power Harassment Prevention Act.

- December is designated as Zero Harassment Month, during which we conduct awareness activities about harassment.
- We have implemented stricter disciplinary measures against harassment across the Group to deter such behavior.
- Consultation desks are established in each operating company to facilitate easy access for employees, ensuring that procedures are well known, including follow-up flows after a consultation. Necessary investigations and corrective actions are taken based on the consultor’s wishes to resolve issues and prevent recurrence.
- In July 2023, we conducted harassment prevention training for about 89,000 employees in Japan, including managers (across 113 consolidated companies, including PHD, PEX, and operating companies), with approximately 94% attendance rate. (The training covered the prevention of harassment and the handling of harassment reports.)
- We conducted a survey on harassment awareness alongside the training and published the results on the intranet.

Work with a sense of fulfillment

—Supporting self-motivated endeavors and self-directed career development

Development of management executives

For the Group to achieve sustainable growth, having a diverse range of management executives is essential. To ensure this, we are actively creating a long-term pipeline of successors. At the Group level, we focus on 23 key positions, including PHD executive officers and operating company presidents. Our approach is based on a policy of “earlier discovery” and “the right person for the right job,” fostering a diversity of management executives across different nationalities, career histories, genders, and ages.

As we promote this initiative, we have established specific personnel requirements based on the behaviors sought by PLP (11 items), experience (in managing businesses and international bases, business creation, etc.), and knowledge and skills (decision-making, judgment, strategic planning, and execution). In addition, to advance our development of management executives from the perspective of Groupwide optimization, we have created the Group Talent Management Committee. This Committee plays a crucial role in searching, developing, assigning, and monitoring successors for the 23 key positions. Currently, the Group Talent Management Committee is working on the career development of around 100 successors, chosen based on short-, medium-, and long-term perspectives. From fiscal 2025 onwards, we aim to enhance the quality, quantity, and diversity of this pool. This includes implementing comprehensive development programs such as training for executive candidates, building a global executive development framework in collaboration with different geographic regions, and conducting selective training for younger employees.

In addition, similar talent management committees have been established within each operating company. These committees are responsible for searching, developing, assigning, and monitoring successors for key positions, such as division heads, within their respective companies. This ensures that our development of management executives achieves Groupwide optimization and alignment.



Compensation system for PHD directors (excluding outside directors) and executive officers

The compensation system includes a fixed basic salary, performance-based compensation that reflects short-term and medium-term achievements (split into short-term and medium-term segments), and long-term incentives in the form of restricted stock compensation. Performance-based compensation amounts are based on financial metrics emphasized in our current medium-term plan (such as EBITDA, ROE, and operating cash flow on a consolidated basis), as well as individually set non-financial metrics. Restricted stock compensation has its transfer restrictions lifted immediately after the directors or executive officers retire, ensuring they share more closely in the value they create for shareholders through continued stock ownership. Presidents of our main operating companies who are key drivers of our Group’s corporate value also follow a compensation system aligned with that of our directors (excluding outside directors).

Human Resources Strategy

Recruitment

To fully leverage the Panasonic Group's brand, we conduct promotional messaging activities across the Group to advertise itself as an attractive place to work. Our recruitment brand slogan, "Dare ka no shi-awase no tame ni massugu hataraku (translation: We work with integrity to help all 'Live Your Best.')" reflects our culture, which values a diversity of challenges and talent development across the wide range of business fields and job categories in the Panasonic Group. We communicate the appeal of working with us at every opportunity to build a community of like-minded individuals.

PHD Website (relevant news release in Japanese) <https://news.panasonic.com/jp/press/jn240311-1>

Global expansion of recruitment selection

Starting in fiscal 2025, we are rolling out a global recruitment selection process based on the PLP. This aims to attract individuals who not only align with the Group's Basic Business Philosophy but also exhibit behaviors consistent with the PLP. We have designed the selection process, including criteria based on the PLP and standard interview methods, to be adaptable for each country, region, and company, considering their unique labor markets and management environments.

Panasonic Career Design Program (Japan)

We promote the Panasonic Career Design Program to help students consider their future careers at a suitable time, regardless of what year they are currently in, and expand their growth and potential through company engagement.

Overview of the Panasonic Career Design Program

Type of Program	Purpose	Target	Content (examples)
Open Company	To know about Panasonic Group	Students in college/graduate school	-Seminars -Videos and leaflets
Career Start	-To know oneself better -To think about career development	Students in college (freshmen or sophomores)	-Program in line with career education at universities -Program to learn about careers -Providing contents related to careers
Career Discovery	-To gain a deeper understanding about work through experience -To think about selecting a career path	Students in college (juniors or seniors)	-Workshop to experience job content -Program in collaboration with universities and industry
Internship	-To have a clear idea about the ability required for the work -To have a clear direction for career path	Students in college (juniors or seniors), and graduate school students	Opportunities to experience jobs by assignment to actual workplaces

Recruitment with an ensured initial assignment (Japan)

The Group continues to implement a recruitment system that guarantees initial assignment (business sectors/functions) upon job offer for all job categories within each operating company. This approach aims to support independent career development by clarifying the initial career path and preventing mismatches in business fields and job categories. Detailed job descriptions and required qualifications for positions at each operating company are published on the Panasonic Group recruitment website

(about 150 positions). This initiative has been positively received by job seekers and has increased their motivation to join the Group.

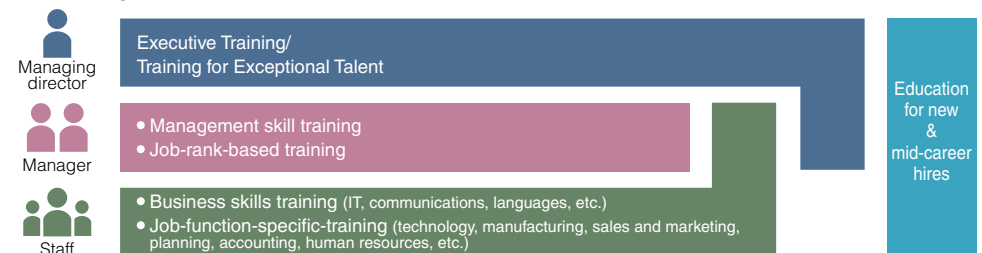
PHD website (recruitment information only in Japanese) <https://recruit.jp.panasonic.com/newgrads/information/>

Human resource development

Core structure of human resource development

The Group's human resource development structure is built on numerous programs tailored by hierarchy and job type. These initiatives are primarily driven by individual operating sites and workplaces. We inspire personal growth in our employees through activities such as 1 on 1 meetings with supervisors. Daily, detailed on-the-job training forms the core of our development strategy. By combining the individual training with effective group training, we enhance and complement the knowledge, skills, and experience necessary for growth. We support employees in clearly envisioning their desired future selves and actively seeking learning opportunities, rather than just providing educational opportunities unilaterally.

Core training structure overview



Developing global talent

Our offices in various countries and geographic regions collaborate with Japan to plan and operate our own unique elective executive development training programs that strengthen business leadership. For example, in Europe, we run the Next Generation Talent Program (NGTP), a 12-month initiative that includes workshops on our Basic Business Philosophy and diversity, launching and promoting actual business projects, mentoring, and coaching. Participants work with peers from other European affiliates to enhance their overall business knowledge and skills. In India, we run the Middle Management Development Program (MMDP). In fiscal 2024, we formulated a training curriculum in partnership with the Indian Institutes of Management, with a total of 27 participants from India, Turkey, and other countries. In Japan, we host the Senior Management Development Program (SMDP) for senior managers (directors, GMs, and managers) from global regions, with 27 participants from 11 countries attending in March 2023. (The fiscal 2025 session was held in late July 2024.) Additionally, our Panasonic Global Mobility Policy supports inter-regional transfers, facilitating overseas assignments in Japan and other regions.



Human Resources Strategy

Evaluation and placement

■ Mechanism for rewarding individuals and organizations that take on challenges (Japan)

The Group has introduced the Role/Grade System, a grading system for jobs and roles that determines an individual's job placement based on the size of the job and role they are currently handling. The aim is to enhance the transparency and acceptability of the placements by evaluating diverse talents within the Group based on their current job and role size. This system also clarifies the goals for new challenges, encouraging individuals and organizations to actively and boldly take on challenges without fearing failure. Additionally, some operating companies are revising or restructuring their personnel systems to better suit their industries and markets. Through these efforts, we aim to create a vibrant organizational culture where individuals and organizations that take on challenges are rewarded.

■ Evaluation and compensation

The Group adopts a performance-based compensation system where the bonus levels for the current year are determined by reflecting the company's performance in the previous year. The degree to which company performance influences compensation decisions increases with higher executive levels. Additionally, individual bonus amounts are determined by reflecting the individual's performance in their respective duties from the previous year. By reflecting both company performance and individual achievements within a certain range in compensation, we aim to motivate employees towards performance and achievement improvements.

Transfers and assignments

The Group believes it is crucial to provide and fully support opportunities for each individual to voluntarily take on challenges that make contributions to society. In Japan, we promote initiatives such as "A Better Dialogue," open recruitment transfers, career and life design seminars, and career consultations. Globally, we also promote global mobility.

■ A Better Dialogue (dialogue between individuals and supervisors)

A Better Dialogue is a Groupwide initiative aimed at supporting the growth and challenges of each individual by enhancing the quality and quantity of dialogue between individuals and their supervisors. This initiative consists of 1 on 1 meetings to draw out individual thoughts, and three mechanisms: development of individual career and capabilities, goal setting and management, and behavior review using PLP. We promote the provision of various dialogue opportunities, and achieved an implementation rate of 83% and a satisfaction rate of 84% in Japan in fiscal 2024. In addition to daily communication, we are enhancing the implementation rate of 1 on 1 meetings through awareness activities for managers and employees and the dissemination of good practices in the workplace. We aim to maximize the individuality and abilities of each employee, enhance their job satisfaction, and provide opportunities to challenge themselves and thrive by enriching their experiences in various stages, from onboarding, career development, and evaluation to promotion, transfers or relocations.

■ Internal open recruitment

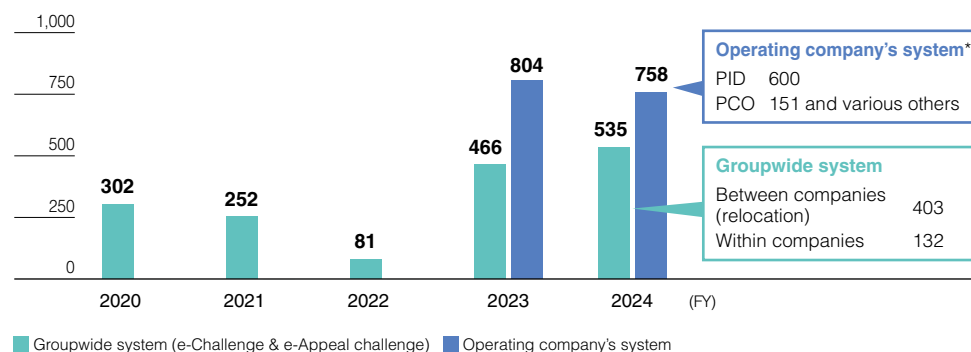
One mechanism supporting self-motivated endeavors and self-determined career formation is the open recruitment system. As common systems across the Group, we have e-Challenge, e-Appeal, and dual employment, allowing personnel exchanges across companies even after transitioning to an operating company system.

- e-Challenge: An open recruitment system for applications for open positions. Based on the application guidelines published by the operating divisions, individuals will determine whether or not they will take on the challenge.
- e-Appeal Challenge : A system where individuals can appeal directly to their desired departments. By showcasing their strengths to the desired department, individuals can take on new work challenges.
- Multiple Internal Role: A system for an opportunity to work at another department by applying for an open position within the Group while working in the current department. This system is intended to stimulate the personal growth of employees through trying out their abilities or potential.

In fiscal 2024, 1,692 employees applied for e-Challenge and e-Appeal Challenge, with 525 taking on the challenge. Additionally, 46 employees took on dual employment. Furthermore, unique open recruitment systems at operating companies are also becoming more active. Panasonic Industry, Panasonic Connect, and Panasonic Housing Solutions have introduced open recruitment transfers and promotions, allowing individuals to apply for managerial and higher-grade positions if they meet the application criteria. In fiscal 2024, a total of 758 people took on the challenge.

(Details vary by operating company.)

The Number of Internal Open Recruitment



*PID, PCO, and PHS have introduced a transfer/assignment system for internal open recruitment. Employees who meet the conditions for the requirement can apply for managerial or higher positions (depending on the operating company). Target employees: those in PHD, PEX, and the seven operating companies.



Human Resources Strategy

Work together by giving full play to all individuality

—Promoting diversity, equity, and inclusion (DEI)

The Group is promoting DEI from three perspectives, anchored by the Panasonic Group DEI Policy established in 2021. The first perspective is top management commitment. This means that our executives are committed to promoting DEI by incorporating it into our business strategies. The Group DEI Promotion Council meets regularly to determine actions and accelerate initiatives through dialogue between management and employees. The second perspective is creating an inclusive work environment. This involves recognizing and leveraging the diverse individuality of our employees through management and organizational settings. For example, we are promoting unconscious bias training in various geographic regions. The third perspective is support for every individual. We aim to support every individual with diverse characteristics, enabling them to face their challenges. This includes supporting community activities and building or revising systems and frameworks for various attributes such as women, LGBTQ+, people with disabilities, older employees, and those with childcare or caregiving responsibilities.

For information on employee-led community activities, please refer to the DEI website to check the various community activities. (only in Japanese) <https://holdings.panasonic.jp/corporate/sustainability/diversity-equity-inclusion/inclusive/community.html>

Support for every individual (Japan region)

■ Promoting diverse working styles

The Group aims to maximize results by accelerating innovation and enhancing competitiveness through improved productivity from an organizational perspective and achievement of well-being from an individual perspective. From the organizational perspective, we optimize the balance of in-office and remote work based on the situation of each business and the field each employee is involved in, thereby improving productivity. From the individual perspective, expanding the choices of the time and place to work contributes to realizing well-being. Many employees are striving to continue challenging themselves despite various circumstances. We aim to expand the options for working time and location to support each individual's efforts to grow and face challenges, ensuring that everyone can continue their careers without giving up.

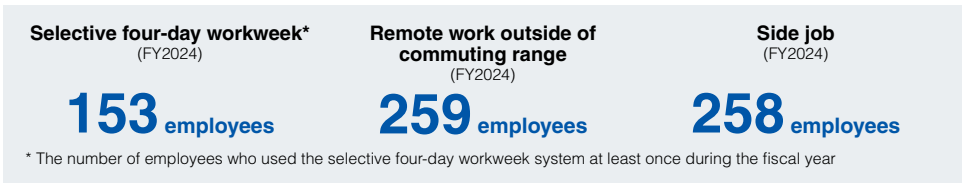
DEI website: Support for every individual—Diverse working styles and work-life balance <https://holdings.panasonic/global/corporate/sustainability/diversity-equity-inclusion/support-worklifebalance.html>

■ Expanding choices for the time and place to work

Each Group company is working on expanding options for working styles that support career and work-life balance. For example, by abolishing the minimum daily working hours, employees can flexibly choose their working hours and days, making flexible working styles (such as three-day or four-day workweek system) possible. By introducing such working styles and expanding work systems for career development, we support individuals in their self-determined career formation through external

side jobs, volunteering, self-learning, and more. Additionally, promoting fully remote work allows employees to work from places outside of commuting range, expanding the options for work locations. This supports the balancing of life events such as childcare, caregiving, or partner career transfers.

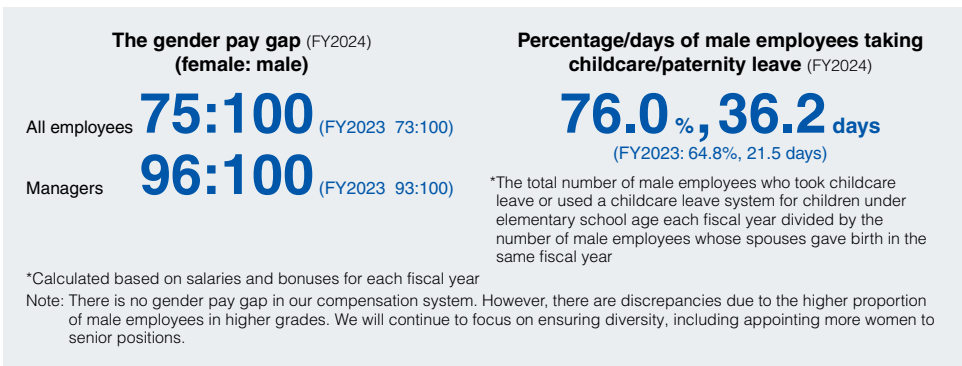
We also promote various and flexible working styles by expanding systems that allow employees, regardless of working style or attribute, to take annual paid leave in half-day or hourly increments, and to allocate time off during work hours, including breaks.



■ Promoting gender equity

The Group has no gender pay gap in our compensation system. However, particularly in Japan, we recognize the need to appoint more women to senior management and decision-making positions to ensure diversity. In addition to creating an inclusive work environment, we are reviewing evaluations and appointments from an equity perspective. We also hold study sessions for female employees and career stretch seminars for female leaders, and provide opportunities to learn from the values and work perspectives of role models.

At the end of fiscal 2022, we established guidelines within the Group to ensure fairness in managerial appointments and to reduce the burden of the selection process. Evaluations are also conducted based on the duration and hours worked, rather than a uniform one-year period, to accommodate diverse working styles.





Human Resources Strategy

Respect for Human Rights

For more details, please refer to ["Respect for Human Rights" in our Sustainability Data Book 2024](#).

The Panasonic Group's business activities are made possible by the support of many people, and as a corporation that upholds the management philosophy that a company is a public entity of society, we recognize that we cannot allow ourselves to develop at the expense of other people. We also acknowledge that we have a responsibility to protect their rights and contribute to the well-being and happiness of all these people. As a global company operating worldwide, we comply with all applicable laws and regulations in our business activities while considering the human rights of all our stakeholders and respecting internationally recognized human rights as expressed in the International Bill of Human Rights and the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work. We strive to prevent, mitigate, and rectify any possible negative impacts our business activities, products, services, or related transactions have on individuals, workers, or society. We also ask our suppliers and business partners to understand and implement our human rights and labour compliance policies and measures, and we work with them to monitor supply chain risks and take appropriate measures to prevent and mitigate their occurrence, along with steps for rectification. We also seek the advice of external experts in this regard.

Respect for human rights has been identified through the materiality identification process as one of the highest priority issues in the Group.

(For more details, please refer to ["Materiality" on page 6](#).)

Policy

The Group has established the Panasonic Group Human Rights and Labour Policy (hereinafter referred to as the "Human Rights and Labour Policy"). This policy states that, predicated on compliance with international standards and the laws and regulations of each country that apply to our business activities and transactions, we are committed to respecting internationally recognized human rights; identifying, preventing, and correcting human rights violation risks; promoting remedy and other measures for victims; creating a rewarding working environment; and engaging in dialogue on these issues with various stakeholders. Following this policy, we have established internal rules, developed a promotion system, and advanced specific initiatives for respecting human rights and creating a rewarding work environment. We will regularly, and where necessary, review and improve the policy based on the opinions of external experts as well as stakeholders and their representatives affected by our business activities. Most recently, we revised the Human Rights and Labour Policy in August 2023 under the advisement of internal and external experts. This revision was meant to respond to the addition of occupational health and safety principles to the ILO Declaration on Fundamental Principles and Rights at Work, and for the

purpose of enhancing and consolidating efforts aimed at preventing forced labor in the supply chain. Moreover, the Panasonic Group Code of Ethics and Compliance ("Code of Ethics and Compliance") defines the commitments that all Group employees* must fulfill and positions respect for human rights as our social responsibility. We strive to raise awareness of this responsibility. In fiscal 2024, we provided trainings for all employees, with 150,000 taking part.

Also, with the aim of deepening an understanding of the Group's initiatives, including our Human Rights and Labour Policy, we run training sessions for managers of key departments and manufacturing sites in Asia mainly engaged in production activities.

*This collectively refers to all regular and contract employees having employment relationships with any Panasonic Group company, all temporary staff and seconded employees working under the control and supervision of any Panasonic Group company, and all board directors, executive officers, executive counselors, fellows, corporate auditors, supervisory board, and corporate advisors or equivalent person appointed by any Panasonic Group company. The definition also includes employees of key companies subject to some Group HR and other systems.

Responsible executive and framework

The executive officer responsible for the Group's initiatives on respecting human rights is the Group Chief Human Resources Officer (Group CHRO) (as of August 2024). Performance indicators related to sustainability in the areas the Group's executive officers are responsible for, have been established and reflected in their compensation. In the fiscal year ended March 2024 (fiscal 2024), the short- and medium-term performance-linked compensation indicators for the Group CHRO include the initiatives for human rights and labour compliance.

(Please refer to ["Corporate Governance" on page 46](#) for information about compensation.)

Crucial human rights issues are discussed by the Sustainability Management Committee, which is chaired by the Group CEO, and then reported to the Group Management Meeting and the Board of Directors. The Board of Directors also oversees these issues. In fiscal 2023, the committee discussed the responses to legislation in various countries regarding human rights and labor, and, in fiscal 2024, the Committee discussed the challenges in the Social-related information disclosure.

We have established an organization overseeing the Group's day-to-day efforts to respect human rights through human rights and labour initiatives within the Strategic Human Resources Department* under the Panasonic Holdings (PHD) CHRO. This organization works with all Group Operating Companies to promote initiatives at business sites in cooperation with related HR-centric functions.

*Starting April 1, 2024, the Social Sustainability Department will oversee the Group's human rights and labour initiatives after a reorganization. For detailed information about our initiatives in the supply chain, please refer to ["Respect for human rights in the supply chain" on page 32](#).



Human Resources Strategy

Human rights due diligence

In line with the guiding principles of the United Nations, and with reference to the guidance of the OECD (Organisation for Economic Co-operation and Development), the Group conducts its own human rights due diligence. Also, in formulating the mechanisms and processes for due diligence, we incorporate the input of external experts and stakeholders.

We recognize the need to identify human rights issues in our business activities, including the value chain, which is why we have started analyzing priority issues. As we operate globally in a broad range of business fields, some of our businesses have extensive supply chains and we recognize the risk that workers at the Group's manufacturing sites and in the supply chain may be in vulnerable positions or unsafe working environments depending on the country or region. We therefore begin with the initiatives at our manufacturing sites and in the supply chain. We are engaged in dialogue, discussions, and collaboration with stakeholders from within and outside the Group regarding established frameworks and how to continuously improve them. Moreover, our initiatives are appropriately disclosed on our website, in our reports, and through other communication channels.

Since fiscal 2022 we have conducted detailed self-assessments of human rights and labor issues at almost all of our overseas manufacturing companies to gain a bird's eye view of the Group's risks. In fiscal 2023, we reviewed and added questions to the list before conducting another round of detailed self-assessments at some domestic manufacturing sites that were selected by our operating companies alongside our overseas manufacturing subsidiaries. By the end of March 2024, we had completed the corrective actions of issues identified in these self-assessments, particularly the inadequacies in the contracts between Group companies and recruitment agencies pertaining to the employment of foreign workers. In fiscal 2024, we conducted detailed self-assessments, including monitoring the progress of how issues identified in the previous year are being corrected, at all domestic and overseas manufacturing companies and sites in the Group. We collected questionnaires from nearly all the entities (202 in total). We will evaluate the results and the subsidiaries or sites in question will complete the corrective actions of any identified issues by the end of fiscal 2025.

In order to prevent the occurrence of the issues identified through the human rights due diligence process, we hold regional and thematic trainings. In fiscal 2024, in Malaysia, we delivered training on the prevention of forced labor to the management teams in Malaysia and Singapore, as well as personnel in charge of HR, accounting, procurement, legal affairs, and manufacturing from both countries (240 people in total). Also in Malaysia, in collaboration with the United Nations Development Programme (UNDP), we ran workshops for senior management about the Group's human rights initiatives, including business and human rights, the basics of human rights due diligence, and the Group's Human Rights and Labour Policy (182 people in total). A post-training survey indicated that the training helped improve

understanding of human rights due diligence and of the need for further engagement with employees and business partners. On the other hand, challenges in executing human rights due diligence were also identified. We will continue to identify priority issues and regions, and conduct appropriate training.

For details of our supply chain initiatives, please refer to ["Respect for human rights in the supply chain" on page 32](#).

Grievance mechanism

In order for us to respond quickly to remedy any complaints we receive related to human rights violations, we have established a global hotline (supporting 32 languages) as a point of contact to which our employees and external stakeholders (including business partners) can report any issues. This hotline uses an external, independent system that prevents the identity of the internal or external person reporting from being revealed, and we have internal rules in place to ensure the confidentiality of reports and to make sure that the person reporting the violation is not subject to any form of retaliation or unfair treatment.

(Please refer to ["Whistleblowing System" on page 45](#).)

Participation in international and industrial partnerships

The Panasonic Group has been a participant in the United Nations Global Compact since January 2022. In addition to expressing our support of 10 fundamental principles in four different fields, including respect for human rights, we adhere to international standards in our human rights and labour initiatives, and we are fulfilling our duty to communicate with the public by disclosing the progress and results of our efforts.

We also belong to the Responsible Business Alliance (RBA) and other various industry groups, and through their activities, we are working to build a highly reliable management system.

The Group proactively communicates its views on efforts to respect human rights through liaison with Japanese and international organizations. In fiscal 2024, PHD personnel participated in the Business and Industry Advisory Council (BIAC; an OECD public advisory body), led the Corporate Sustainability Committee of the Japanese Business Council in Europe (JBCE) as vice-chair, and continued contributions to policies related to human rights and sustainability due diligence in Europe. PHD has also provided speakers at the Responsible Business, Human Rights and Decent Work in Asia conference co-hosted by the ILO and the Ministry of Economy, Trade and Industry (METI) and a human rights conference organized by the Human Rights Commission of Malaysia (SUHAKAM).



Human Resources Strategy

Column

Respect for human rights in the supply chain (For more details, please see the "Responsible Supply Chain" chapter on page 109 of the Sustainability Data Book 2024.)

The Panasonic Group procures parts and materials used in the production of products from approximately 13,000 suppliers worldwide and is working with these suppliers to build a sustainable supply chain. We endeavor to conduct business with suppliers who fulfill their social responsibilities, such as respecting human rights, taking environmental impacts into account, maintaining healthy workplace environments, and engaging in fair transactions.

Framework

To respect human rights in the supply chain, and in keeping with the Panasonic Group Human Rights and Labour Policy, each operating company undertakes responsible procurement activities by implementing the PDCA cycle. The Global Procurement Division of Panasonic Operational Excellence Co., Ltd. is responsible for planning Groupwide measures and supporting the efforts of each operating company, mainly for auditing suppliers and requesting them to conduct self-assessments.

Supply chain due diligence

We abide by international norms and principles, including the United Nations' Guiding Principles on Business and Human Rights, and we request that suppliers endorse the Panasonic Group Code of Ethics & Compliance and the Panasonic Group Human Rights and Labour Policy. We also provide suppliers with a copy of the Panasonic Supply Chain CSR Promotion Guidelines (hereinafter, CSR Guidelines), which summarizes our CSR procurement requirements, and we make it mandatory for suppliers to comply with them through contracts and the like. We request existing suppliers to submit a letter of consent stating that they will comply with the CSR Guidelines. In addition, we request suppliers to communicate the requirements of the CSR Guidelines to their downstream suppliers and to confirm their compliance. For more details, visit the website "Procurement / For suppliers", whose URL is provided at the end of this page.

Furthermore, we periodically request suppliers to conduct CSR self-assessments. If issues such as the working conditions of migrant workers are identified in these assessments, we conduct audits mainly in the form of on-site inspections and interviews as necessary, and urge the supplier in question to take corrective actions. Since fiscal 2023, under the guidance of external experts, we have compiled a table to assess human rights risks among suppliers using risk indicators and indices published by international organizations. This allows us to identify suppliers for which action should be prioritized. In fiscal 2024, using this risk-based approach, we conducted supplier audits, either by ourselves or through a third-party organization, on a total of 141 companies (including 16 companies audited by a third-party organization). As shown in the examples in the table to the right, we request improvements from suppliers regarding the issues identified in supplier audits and confirm their progress on making such improvements.

Responsible minerals procurement

The Panasonic Group engages in the responsible procurement of minerals across the entire supply chain, particularly when it comes to tin, tantalum, tungsten, gold, cobalt, and mica, given the risk that

they can be the source of funds for armed insurgents in conflict affected areas and the various risks of human rights violations, child labor at mining sites, harsh working conditions, environmental destruction, and corruption in high-risk regions. We participate in the Responsible Minerals Initiative (RMI) and JEITA's Responsible Minerals Procurement Working Group, and we have requested over 3,000 suppliers to complete industry-standard surveys (CMRT and EMRT) issued by the RMI. We have collected responses from roughly 93% of these suppliers. If minerals associated with conflicts or violations of human rights are found in our supply chain, we ask our suppliers to take steps toward no longer using them. We also encourage refiners and smelters to participate in the Responsible Minerals Assurance Process (RMAP) through industry initiatives.

Internal training and external awareness-raising activities

We hold regular training sessions for procurement department employees on the basic aspects of CSR procurement, including human rights, labor practices, and health and safety in the supply chain. In the previous fiscal year, we ran a total of 11 sessions in Japan and overseas to train auditors tasked with conducting supplier audits. A total of 152 individuals were trained for this role. Also, we held six human rights due diligence workshops in collaboration with the United Nations Development Programme (UNDP) in Malaysia. Of the approximately 500 suppliers in Malaysia, 207 suppliers (228 people) with considerably large transaction volumes attended these workshops.

Systems for whistleblowing and seeking consultation

We have established a global hotline called EARS so that employees of the Group and its suppliers can anonymously report any kind of misconduct by the Company. We also have access to the industry-wide grievance platform known as JaCER, which serves as a contact point for suppliers or their employees to report any adverse impacts on human rights in the supply chain. We ensure that our suppliers are aware of these reporting systems by providing information about them on our supplier web portal and on the "For Suppliers" page of our website.

In addressing the human rights issues at our suppliers that have been reported via the contact point mentioned above, we have conducted audits through a third-party organization and verified that corrective actions have been undertaken by the suppliers in question.

Procurement / For suppliers
<https://holdings.panasonic/global/corporate/about/procurement/for-suppliers.html>

Global Hotline
<https://secure.ethicspoint.eu/domain/media/en/gui/104773/index.html>

Grievance mechanism of the Japan Center for Engagement and Remedy on Business and Human Rights (JaCER)
<https://jacer-bhr.org/en/index.html>

Examples of findings in supplier audits

Category	Example
Labor	Records of working hours, break times, and overtime hours have not been properly managed
Human rights	No break room has been provided that guarantees privacy for women
Health and safety	Evacuation routes in case of an emergency are unclear

Environment and Technology Strategy

Message from the Group CTO



Creating a world you would never see without us

Tatsuo Ogawa
Executive Officer
Group Chief Technology Officer (Group CTO)

Since 2021, as the Group CTO, I have been in charge of mainly technology development, the environment, and intellectual property, aiming to guide the Panasonic Group towards the realization of “an ideal society with affluence both in matter and mind” by harnessing the power of technology.

Based on the firm belief that R&D only has value when it makes a contribution to customers, or in other words, when it proves useful in business, together with the technology, design, and brand departments, we launched a new initiative to formulate our “Technology Future Vision”—a future concept for the vision for the year 2040. We aim to realize “Co-caring society built on thoughtful choices”.

Guided by this direction, we are also focusing our efforts on identifying and reinforcing the areas of technology right across the Group that need to be strengthened. In addition, we have long led the industry with a focus on the standardization of new technologies in each era; for example, we have helped develop industry and international standards for home appliances, devices, and industrial equipment.

Particularly regarding the environment, in line with the Panasonic GREEN IMPACT, we are practicing environmental sustainability management with a view to achieving carbon neutrality and a circular economy. As part of our efforts to recognize and add value to avoided emissions*1, we participate in international initiatives to discuss the social significance of avoided emissions and the need for international standardization. We also continue to proactively communicate our stance to the public at international events such as COP*2 and CES*3. Also, in response to the ongoing global adoption of sustainability-related regulations, we are working to visualize CO₂ emissions and circular economy-related data across the entire value chain (Scopes 1, 2, and 3) and accelerating efforts to formulate and implement a sustainable business strategy. In addition, we will press ahead with nature-positive initiatives, including those that benefit biodiversity, which has become an increasingly important issue in recent years.

*1 The difference in emissions over the entire lifecycle between continuing to use existing products and services and newly introducing products and services that contribute to reductions in CO₂.

*2 Conference of the Parties of UNFCCC (United Nations Framework Convention on Climate Change).

*3 The world's largest technology trade show held in Las Vegas every January.

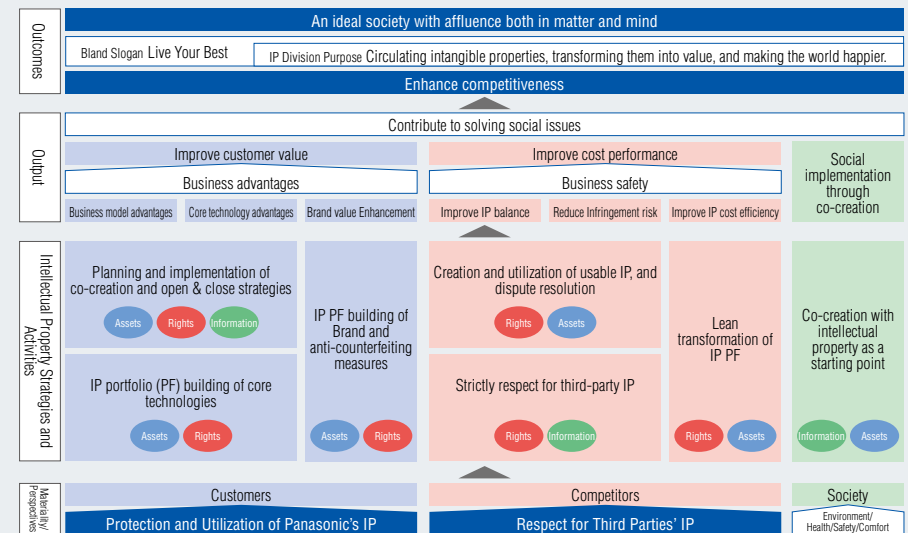
As for intellectual property (IP), in line with the Purpose of the Intellectual Property Department, “Circulating intangible properties, transforming them into value, and making the world happier,” we are focused on the distribution of intangible assets (including IP) and co-creation, towards solving social issues. For example, through initiatives like the Technology Index, which we publicly released in September 2023, we are promoting the matching of our intangible assets with external co-creation partners. In this way, especially in fields such as the environment and lifestyle where one company alone will struggle to deliver solutions, we hope to lead the way in helping to solve social issues by collaborating with external partners.

Following discussions about intellectual property at the meetings of the Board of Directors, we have formulated “Intellectual Property Strategy Framework” (Fig. 1). As illustrated, our IP strategies and activities lead to such outputs as “improvements in customer value”, “improvements in cost performance,” and “social implementation through co-creation.” They not only enhance our competitiveness, but also lead to the aforementioned Purpose of the Intellectual Property Department and our brand slogan.

Going forward, we will continue to propel both IP strategies and activities as we work towards realizing our goal of “an ideal society with affluence both in matter and mind.”

Please look forward to our efforts and challenges to promote technological development, new business creation, and environmental sustainability management, that will support the future of our Group.

Figure 1: Intellectual property strategy framework





Environment and Technology Strategy

Medium-term management plan

Environmental action plan — GREEN IMPACT PLAN 2024 (extract)

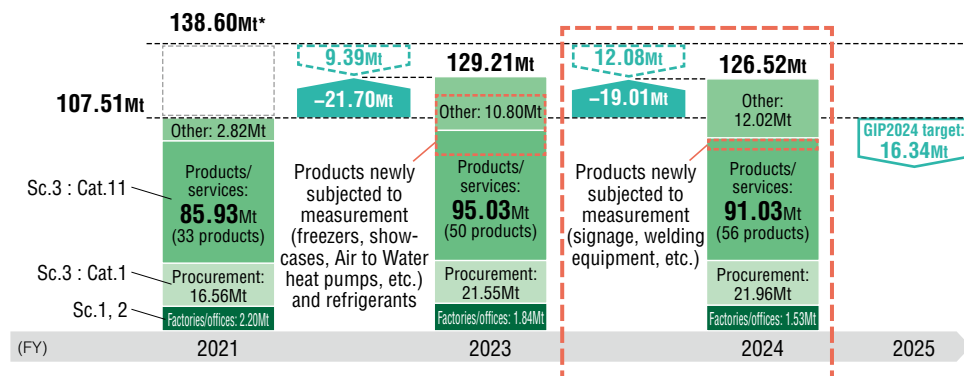
As milestones in reaching the 2050 targets set in “the Panasonic GREEN IMPACT”, our long-term environmental vision, we set out the fiscal year ending March 31, 2031 (fiscal 2031) target linked to our Groupwide business strategy, and formulated “the GREEN IMPACT PLAN 2024 (GIP 2024)”, the three-year environmental action plan from fiscal 2023 to fiscal 2025, for which we are working on.

Progress on the GREEN IMPACT PLAN 2024 is shown below in the form of fiscal 2024 results.

GREEN IMPACT PLAN 2024 (fiscal 2025, 2031 targets and fiscal 2024 results)

Item		Fiscal 2021 results	Fiscal 2024 results	Fiscal 2025 targets	Fiscal 2031 targets
GREEN IMPACT PLAN 2024					
CO ₂ /Energy	OWN IMPACT Emissions reduction in our own value chain*1	—	-19.01 Mt* ⁸ (12.08 Mt)	16.34 Mt	
	Scope 1, 2 * ²	Cumulative 7 factories	Cumulative 44 factories	Cumulative 37 factories	31.45 Mt* ⁷
	Zero-CO ₂ factories	—	—	—	
	CO ₂ reductions	—	680 kt	260 kt	
Scope 3 * ² (category 11)	CO ₂ reductions in use of our products by customers	—	-5.10 Mt	16.08 Mt	
CONTRIBUTION IMPACT *“Avoided emissions” (contribution to reducing CO ₂ emissions for society) through existing businesses * ³		23.47 Mt	36.97 Mt	38.30 Mt	93.00 Mt
Resources/CE* *Circular Economy	Factory waste recycling ratio * ⁴	98.7%	99.3%	99%	
	Recycled resin used * ⁵ (GIP2024 target is total over fiscal 2023–25)	Fiscal 2000 to 2022 total 43.3 kt	Fiscal 2023 to 2024 total 29.6 kt	Fiscal 2023 to 2025 total 90 kt	
	Circular economy business models and products* ⁶ (Cumulative)	5 businesses	13 businesses	13 businesses	

CO₂ emissions and reductions in our own value chain (tons)

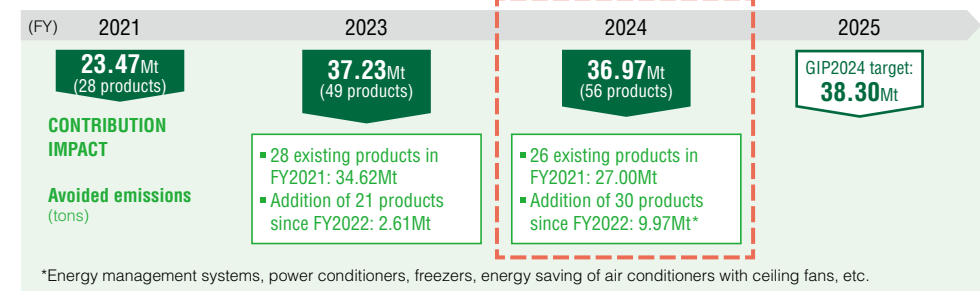


*If calculated with the businesses subject to measurements in fiscal 2024

The addition of products subjected to measurement meant that CO₂ emissions in our own value chain overall (Scopes 1, 2, and 3) rose from roughly 107.51 million tons in fiscal 2021 to around 126.52 million tons, an increase of 19.01 million tons (negative in OWN IMPACT). However, a comparison with the businesses subject to measurement in fiscal 2024 shows that we have achieved a reduction of 12.08 million tons since fiscal 2021.

For Scopes 1 and 2, owing to advancements in energy saving and renewable energy, 44 of our factories now have zero CO₂ emissions, contributing to a reduction of 680,000 tons. For Scope 3, category 11 (CO₂ emissions from the use of products sold), emissions increased by 5.10 million tons from fiscal 2021 due to the addition of products newly subject to calculations and higher sales. We will actively pursue improvements in accuracy by reviewing the calculation scope and calculation method for Scope 3 in order to accurately recognize where we can reduce our emissions as part of our responsibilities.

Avoided emissions (contribution to reducing CO₂ emissions for society) (tons)



*Energy management systems, power conditioners, freezers, energy saving of air conditioners with ceiling fans, etc.

Meanwhile, the “avoided emissions” that have helped lower CO₂ emissions for customers and society remained mostly flat from last fiscal year at 36.97 million tons, mainly because the calculation scope for EV batteries was expanded and refined to cover the entire lifecycle, even though the number of our products had increased from 28 products in fiscal 2021 to 56 in fiscal 2024.

As for resources and the circular economy (CE), we maintained our waste recycling rate of 99%, while the two-year cumulative amount of recycled resin used came to 29,600 tons. Achieving the three-year cumulative target of 90,000 tons will prove challenging, but we continue to strengthen the stable supply chain, from the collection of waste plastic through to its reprocessing and reuse. With the launch of three new businesses, we now have a total of 13 CE business models, which means we have achieved our fiscal 2025 target ahead of schedule.

*1 Includes all Scope 3 categories

*2 Categories based on the GHG Protocol (Corporate Accounting and Reporting Standard)

*3 The amount obtained by subtracting the emissions after the introduction of the Group’s products and services from the lifecycle emissions assuming they were not launched; emission factor for electricity calculated according to the IEC 2021

*4 Volume of resources recycled ÷ (volume of resources recycled + final disposal volume)

*5 The mass of recycled materials contained in the recycled resin used in the Group’s products

*6 Number of new businesses based on our definition (record of sales/disclosure of CE-related data)

*7 Emission factor for electricity calculated according to the 2°C scenario in the IEA’s World Energy Outlook

*8 Upper figures: Comparison between results of adding the amount of newly quantifiable products in each fiscal year with the original fiscal 2021 results

Lower figures: Comparison between results reflecting the amount of newly quantifiable products in each fiscal year with the base year of fiscal 2021 in the same product scope

Environment and Technology Strategy

Panasonic GREEN IMPACT Progress (1) OWN IMPACT 110 Million Tons

Initiatives to reduce CO₂ emissions in Panasonic's value chain

In the Panasonic GREEN IMPACT, we aim to reduce the CO₂ emissions (Scopes 1, 2, and 3) of approximately 107.51 million tons*¹ in our own value chain to net zero by 2050 as "OWN IMPACT" to achieve carbon neutrality in business activities.

As a milestone, by fiscal 2031, we aim to achieve net-zero CO₂ emissions*² at the sites of all operating companies and to reduce CO₂ emissions from the use of products sold by the Group by 30% compared to fiscal 2020. In the medium-term environmental action plan, GREEN IMPACT PLAN 2024 (GIP2024), we have set ourselves the target of reducing emissions across the entire value chain by 16.34 million tons by fiscal 2025 compared to fiscal 2021.

The Group has realized zero CO₂ emissions at a total of 44 factories since fiscal 2019, with 13 factories newly achieving this status in fiscal 2024. We have therefore achieved our fiscal 2025 target of 37 zero-CO₂ factories set in GIP2024 ahead of schedule. As an example, Panasonic Energy Co., Ltd. relocated its dry batteries factory in April 2023 to Nishikinohama in Kaizuka City, Osaka Prefecture. Photovoltaic panels with the capacity to generate roughly 2MW of electricity were installed on the roofs of the factory, and through a PPA contract, the factory's CO₂ emissions were reduced by around 1,000 tons per year, thus achieving net-zero CO₂ emissions from the time operations came online. Going forward, pure hydrogen fuel cells and storage battery systems will be installed to accelerate efficient and clean manufacturing. In recognition of these initiatives, Panasonic Holdings Corporation and Panasonic Energy were jointly awarded the METI Minister's Award, the highest accolade in the 2023 New Energy Awards*³.

With many business sites in China, the Panasonic Group has been earnestly promoting a three-year energy-saving support initiative in the country since fiscal 2023 with the aim of realizing efficient energy-savings across the entire region in line with China's long-term state policy. More specifically, at our model sites we are lowering CO₂ emissions by undertaking energy-saving assessments in collaboration with experts from within and outside the Group and strengthening the training of personnel to equip them with extensive knowledge of energy saving. We are sharing best practices in each region to ensure that energy-saving actions are being properly implemented at each business site, and we are also endeavoring to make energy-saving initiatives more visible and efficient. To realize even more zero-CO₂ factories, we will continue to press ahead with energy-saving efforts at high speed and at low cost in a bid to enhance the level of energy saving in global regions.

Curbing CO₂ emissions from the use of products sold is the Group's greatest responsibility in mitigating climate change. Last fiscal year, to refine the scope of our responsibilities, we proactively added six products, including signage and welding equipment, to the range of calculations. Still, partly owing to our efforts to reduce emissions from large products such as lighting, air conditioners, and refrigerators, we managed to achieve a reduction of 4 million tons in fiscal 2024, bringing our emissions down to 91.03 million tons from 95.03 million tons in the previous fiscal year.

CO₂ emissions from the products and services we purchased amounted to 21.96 million tons*⁴. As part of our green procurement policy, we request our suppliers to urge their upstream suppliers to practice green procurement in order to popularize efforts aimed at reducing environmental impacts throughout the entire supply chain. In fiscal 2024, we once again sent out documents to our approximately 13,000 global suppliers to deepen their understanding of, and gain their cooperation on, the Panasonic GREEN IMPACT as part of our efforts to tackle global environmental issues through collaboration with our suppliers.

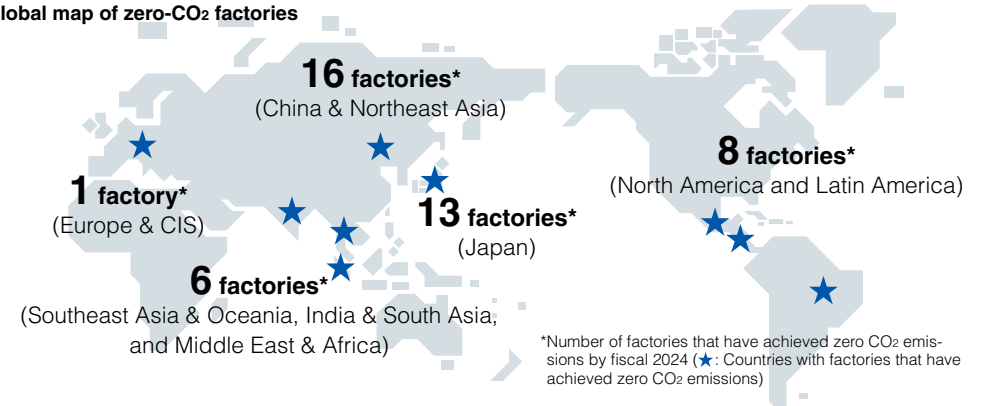
*1 FY2021 result

*2 Factories at which we have achieved net-zero CO₂ emissions from business activities through energy-saving efforts and the use of carbon credits and green energy certificates

*3 Hosted by the New Energy Foundation; the awards recognize outstanding products in the field of new energy and efforts aimed at adopting/raising awareness about new energy

*4 FY2024 result <https://holdings.panasonic/global/corporate/sustainability/pdf/sdb2024e.pdf>

Global map of zero-CO₂ factories



令和5年度
新工業大賞
経済産業大臣賞



(専任活動部門)
主催：一般財団法人新エネルギー財団

The METI Minister's Award of the 2023 New Energy Awards



Photovoltaic power generation system at the dry batteries factory in Nishikinohama

Environment and Technology Strategy

Panasonic GREEN IMPACT Progress (2) CONTRIBUTION IMPACT 100 Million Tons

As we work towards creating impacts that contribute to a reduction in emissions worth 93 million tons by fiscal 2031, our reduction contribution of 36.97 million tons in fiscal 2024 mainly breaks down as follows. Approximately 14 million tons from electrification, such as EV batteries and Air to Water heat pumps, roughly 11 million tons from more efficient energy use, including air conditioners, lighting, and refrigerators, and some 2 million tons from the optimization of energy use, mainly owing to heat exchange systems, energy management systems, and other similar solutions. Primarily by developing products that make efficient use of electrification and energy, we will contribute to the reduction of CO₂ emissions in various fields worldwide.

Uptake of EVs and use of non-fossil fuels by electrification

The electrification of mobility is a significant driver of the carbon neutrality movement and the global transition to EVs will continue for a long time to come, however, growth in North America has temporarily slowed due to such factors as the cost of batteries for the most popular EVs, the development of energy supply infrastructure, and the planned relaxation of exhaust gas emission standards from 2027. Even over this period, in our automotive battery business, we aim to achieve net-zero CO₂ emissions by fiscal 2029, strengthen our customer base, improve productivity, and evolve our technological infrastructure with a view to establishing a robust competitive foundation. We aim to minimize CO₂ emissions across the entire lifecycle of batteries and plan to achieve net-zero CO₂ emissions at all of our sites in Japan in fiscal 2025.



Building our Kansas Factory for more EV battery production capacity (as of April 2024)

In the European market, where increasingly more consumers are switching from gas to electricity as an energy source, we are expanding our air quality & air-conditioning business with a focus on Air to Water heat pump systems that help lower CO₂ emissions. By visualizing and analyzing data accumulated by the apps and cloud services provided worldwide, we can remotely monitor the Air to Water systems of customers to deliver efficient equipment maintenance services.

Promote/optimize efficient use of energy

The Electric Works Company of Panasonic Corporation undertook a ZEB renovation of the Panasonic Kyoto Building in April 2023 as a case example of how an existing building can be transformed into a net-zero energy building. The building has now achieved the status of "ZEB Ready," which means that it has reduced its primary energy consumption by more than 50%. As a result, the development of this superior energy-saving performance was recognized in the 2023 Energy Conservation Grand Prize, with Panasonic Corporation collecting the highest possible METI Minister's Award*¹. In addition, one of Panasonic Corporation's top-selling products, the Hair Dryer nanocare, now uses less energy because its quick-drying performance has continued to evolve year after year. By enhancing airflow efficiency and optimizing the way air is delivered to shorten the drying time, we have been able to integrate advancements in dryer performance with avoided emissions.

*¹ Hosted by the Energy Conservation Center of Japan; the Panasonic Group won six awards in fiscal 2024

Column

Driving greater awareness and value of avoided emissions

Avoided emissions, which account for two thirds of the reduction impact established as a goal of the Panasonic GREEN IMPACT, refer to the difference in GHG emissions between the continued use of existing products and services and the introduction of new products and services. They quantify our contributions to mitigating the impacts of climate change in society as a whole. The Panasonic Group is spearheading discussions around the social significance of avoided emissions and the need for international standardization by involving government, industry, and financial sector players to ensure that avoided emissions are appropriately recognized as part of a company's contribution towards decarbonization. As a result of our efforts to continuously promote the significance of avoided emissions and the need for international standardization at various international events, the document agreed upon at the G7 Ministers' Meeting on Climate, Energy and Environment in Sapporo in April 2023 clearly stated that there is value in acknowledging "avoided emissions", while the document that was issued after the G7 Hiroshima Summit in May said that "We also encourage and promote private entities' work to foster innovation contributing to the emission reduction of other entities through decarbonization solutions." Since then, we have continued to drive societal awareness and add value to the concept of avoided emissions. For example, at the Japan Pavilion*¹ of COP28 held in Dubai in December 2023, we showcased some of the cutting-edge environmental technologies behind our Panasonic GREEN IMPACT vision, participated in seminars and panel discussions, and in the Group's Sustainability Data Book published in August 2023, we disclosed case examples and calculation formulas for avoided emissions for the very first time. Also, through our participation in the IEC (International Electrotechnical Commission), the GX League, and the WBCSD (World Business Council for Sustainable Development), we are engaged in standardization activities and the development of guidance with the goal of creating international standards for calculating avoided emissions.

*¹ <https://news.panasonic.com/global/stories/15089>



Group CEO Yuki Kusumi (second from left) taking part in a seminar hosted by Japan's Ministry of Economy, Trade and Industry at the Japan Pavilion of COP28

Environment and Technology Strategy

Panasonic GREEN IMPACT Progress (2)

CONTRIBUTION IMPACT 100 Million Tons

Column Intellectual property initiatives related to environment-related technologies

The Panasonic Group is propelling intellectual property strategies aimed at ensuring the advantage and safety of our business both now and in the future, while also helping to solve social issues, including environmental problems.

We are ranked second in the number of domestic patents held overall for environment-related technologies based on the Japan Patent Office's GXTI*¹, and we are also ranked among the top companies in the Group's focus areas mainly of solar cells and secondary batteries.

Also, in terms of the number of inventors over the past five years in focus areas such as solar cells, secondary batteries, etc., we are among the leading companies when compared to the leading players driving the development of environment-related technologies (Fig.1).

(Figure 1) Number of environment-related technology patents registered in Japan and number of inventors

Rank	Number of patents registered in Japan* ²			Number of inventors* ^{2,3}
	GXTI* ¹ overall	gxA01: Solar cells	gxCO1: Secondary batteries	
1	A (13,608)	Panasonic (569)	A (5,891)	A (3,295)
2	Panasonic (8,641)	E (342)	D (3,099)	D (2,664)
3	B (5,451)	F (321)	Panasonic (2,931)	Panasonic (2,391)
4	C (3,929)	G (303)	I (1,694)	K (1,034)
5	D (3,694)	H (226)	J (1,171)	L (1,029)

*1 Green Transformation Technologies Inventory (GXTI) prepared by the Japan Patent Office (<https://www.jpo.go.jp/e/resources/statistics/gxti.html>)

*2 Talled by the Company with the use of PatentSQUARE (data obtained on March 11, 2024) using the above GTXI patent search formulas (name identification data referenced from PatentSight (data obtained on April 18, 2024))

*3 The number of individual of inventors listed in domestic patent applications filed on or after April 1, 2019 that are included in the seven GXTI categories of A01, A09, A10, B01, B06, C01, and C04.

As for the technologies in our current businesses, they are utilized in business by each operating company. Meanwhile, R&D and IP filings for advanced technologies such as perovskite solar cells, hydrogen production devices, DERMS, and all solid-state batteries, are handled by the Technology Sector of Panasonic Holdings Corporation. Groupwide synergies are generated through collaboration with operating companies.

Moreover, by strategically establishing co-creation relationships with other companies, regarding patents and know-how related to environmental technologies, we aim to advance their social implementation and contribute to solving social issues. We also believe that if we can create mechanisms for society to evaluate such efforts, it will promote the sharing of the intangible assets necessary to solve social issues. As a first step toward this, we are taking on the challenge of visualizations of the effects of CO₂ reductions, on a trial basis. For further details of case examples and the like, we refer you to the intellectual property section of our Sustainability Data Book 2024.

* Sustainability Data Book 2024 "Intellectual Property":

<https://holdings.panasonic/global/corporate/sustainability/social/intellectual.html>

Panasonic GREEN IMPACT Progress (3)

FUTURE IMPACT 100 Million Tons

In the Panasonic GREEN IMPACT, we are targeting a reduction of 100 million tons of CO₂ emissions by 2050 by maximizing and optimizing the use of renewable energy via new businesses and new technologies.

Our perovskite solar cells are next-generation solar cells made by directly depositing a power generation layer onto a glass substrate with the use of our own inkjet coating technology. Our practical size module (greater than 800cm²) has achieved the world's highest level of power generation efficiency. Perovskite solar cells can be produced with a more energy-efficient manufacturing process than traditional silicon-based solar cells, and they can also function as "energy-generating glass" with greater flexibility in terms of design. At Fujisawa Sustainable Smart Town (SST), we are conducting the world's first long-term demonstration test over a period of more than one year to validate their performance. In fiscal 2025, we are working on developing the production technology capable of manufacturing surface areas of around one meter, given that glass-integrated perovskite solar cells could potentially be used as a material in the various glass-based components of a building.



"Energy-generating glass" in harmony with the town and everyday life installed at a model house at Fujisawa SST for demonstration test

In the development of our green hydrogen production devices, which produce hydrogen with the use of renewable electricity, we are capitalizing on the expertise we have hitherto accumulated in the technology development of home fuel cells and pure hydrogen fuel cells. We are looking to make water electrolysis equipment less costly, smaller, and more efficient by using highly active catalyst materials that are free of precious metals as the electrode catalyst for hydrogen formation. We are aiming to ship out test samples as early as 2025 and we are also looking to set up a site in Europe.

In addition, in a society that is increasingly utilizing renewable energy, we believe it is essential that each region has a stable supply of power, which is why we are engaged in the technology development of distributed energy resource management systems (DERMS). By harnessing our technology and know-how in providing energy equipment and control systems, we aim to maximize renewable energy use and conserve energy consumption through distributed energy resource (DER) control without compromising on comfort. Moreover, we are devising and demonstrating methods to enable the early adoption of photovoltaic power generation equipment at factories and large facilities. At the same time, we are working to guarantee the security of these systems against cyberattacks.

Furthermore, we are actively exploring ways to contribute to the nature-positive initiative, including those related to biodiversity. For instance, we are working on Bio CO₂ transformation technology that uses atmospheric CO₂ as an input to generate and extract components from photosynthetic microorganisms that stimulate the growth of crops.



The Novitek growth stimulant aids the growth of crops. The Company is aiming to provide samples by the end of fiscal 2025

Environment and Technology Strategy

Panasonic GREEN IMPACT Progress (4) Circular Economy (CE) Initiatives

Circular Economy Group Policy

The objectives of the Panasonic GREEN IMPACT include the realization of carbon neutrality and a circular economy. Targets for achieving a circular economy have also been set in the GREEN IMPACT PLAN 2024. In November 2023, we established the Circular Economy Group Policy in order to accelerate efforts to achieve a circular economy. A circular economy is an economic system that aims to achieve the most efficient use of material resources throughout the entire product lifecycle. Each company in the Panasonic Group, based on our principles of circulation described on the right, is establishing their own targets and action plans with an approach tailored to the characteristics of their business. In this way, they are driving a transition from a linear to a circular business model.

Principles of circulation

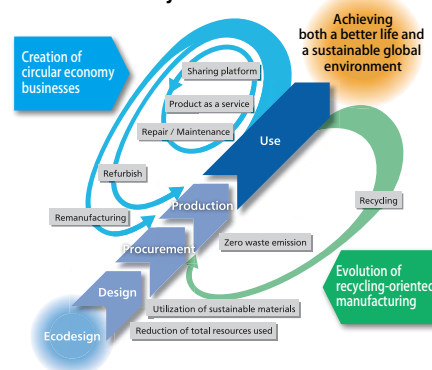
- (1) Maximize the product lifetime and maintain the material value with a focus on circular business models and product design, extended servicing, as well as through further enhancing recycling activities.
- (2) Minimize the use of materials and extend the usage of recycled and renewable materials.
- (3) Take a joint approach with customers and partners for establishing circularity-oriented business operations, information sharing, and product usage options.

Circular economy (CE) initiatives

There are two main aspects to the Group's circular economy initiatives: creating CE businesses and advancing recycling-oriented manufacturing (see diagram below). In creating CE businesses based on the Group Policy, we are employing an approach that hinges on the attributes of a certain business, such as sharing service, product as a service, repair/maintenance, refurbishing, or remanufacturing. At China International Import Expo 2023 and CES 2024 in the US, we showcased our proprietary developed kinari*¹, refurbishing service*², and promoted the concept of CE commerce for realizing the long-term use of products and resources. In addition, at the 7th meeting of the Resource Circulation Subcommittee of the Ministry of Economy, Trade and Industry, we had the opportunity to present some case studies of our CE businesses, focusing mainly on the importance of CE commerce and subscription-based services.

As for advancing recycling-oriented manufacturing, as a step towards the automation of recycling plants, we have developed an automatic dismantling system for covers of air conditioner outdoor units utilizing AI and robotics technology. In July 2023 we held a groundbreaking ceremony for the Panasonic Group pavilion at the upcoming Expo 2025 Osaka, Kansai. In its construction, we will be actively using eco-friendly products, including recycled materials from used home appliances, scrap and waste material from Group factories, PALM LOOP*³ wood boards made with the use of oil palm waste, and other eco-friendly wooden flooring material.

Panasonic's concept for actions toward a circular economy



*1 High-density cellulose nanofiber molding material
 *2 Our business selling refurbished second-hand products
 *3 <https://panasonic.net/phs/technology/palmloop/>

Climate change initiatives (response to the TCFD)

Response to the TCFD

In May 2019, we expressed our support for the recommendations of the TCFD*¹ and since 2020 we have disclosed the items recommended by the TCFD (governance, strategy, risk management, and metrics and targets) in our Sustainability Data Book. The table below has been taken from our Sustainability Data Book 2024. In addition, our scenario analysis shown on the next page has been evaluated quite highly by those outside of the Group. The Strategic Resilience through Scenario Analysis section of our Sustainability Data Book was referenced as an example of how to conduct a scenario analysis in a collection of TCFD scenario analysis disclosure case studies and tools as part of a practical guide for Scenario Analysis in line with the TCFD recommendations that was published by Japan's Ministry of the Environment.

Governance	Panasonic Group system to promote Groupwide environmental sustainability management is headed by board of directors, so that information on Groupwide environmental sustainability management from all of the operating companies are reported to the board of directors. Also, the progress and results of activities for the key environmental targets we promised to society to achieve under the GREEN IMPACT PLAN 2024 (GIP2024) are examined and determined on the directions, issues, and particularly key measures in the Group Management Meeting where Group CEO, presidents of operating companies, and senior managers participate. Matters of special importance are deliberated on by the Board of Directors Meeting. In promoting our environmental sustainability management, we have built a system with which all operating companies and business sites members effectively collaborate and promote Groupwide activities through determination by the Sustainability Management Committee (established in December 2021) led by the Group CEO.		
Strategy	We analyzed the impacts on certain items of Panasonic Group businesses that are likely to be affected by climate change, based on our assessment of the risks and opportunities in the Panasonic Group business operations. The results were used to develop a social scenario for the year 2030, focusing on matters with the greatest impact. We then used the scenario as the basis for examining strategies, and verified the business resilience in our strategy.		
Risk Management	As a tool to continuously reduce environmental risks, Panasonic Group is working to establish operating company-specific Environmental Risk Management Systems, in accordance with the basic risk management policy for all Group companies. The management policy includes identification of (1) environmental risks and group-wide risk management each year, and (2) ensuring quick responses to reported environmental risks. In addition, The Panasonic Group is promoting risk management based on the same process at Panasonic Holdings Co., Ltd. (PHD) and operating company. The PHD Enterprise Risk Management Committee conducts deliberations from the perspective of the Group's management and business strategies and social responsibilities, and decides the Group's significant risks. In FY2024, strategic risks in Panasonic Group's significant risks such as climate change, environmental regulations and development of circular economy, and operational risks such as natural disasters and supply chain management have been addressed.		
Metrics and Targets	The Panasonic Group has set its medium- to long-term target for reducing greenhouse gas emissions and was accredited as Science Based Target (SBT) 2.0°C in October 2017. Furthermore, in May 2023, our new greenhouse gas emissions reduction target was accredited as SBT 1.5°C.		
	GHG emissions reduction targets (SBT 1.5°C accreditation)	Targets	Progress rate
	Emissions from Panasonic Group business activities (Scope 1 and 2)	Reduction of 90% by 2030 (compared to FY2020)	38%
	Emissions from use of Panasonic Group products (Scope 3)	Reduction of 30% by 2030 (compared to FY2020)	—* ²

*1 TCFD stands for the Task Force on Climate-related Financial Disclosures. It was set up by the Financial Stability Board at the request of the G20 meeting of finance ministers and central bank governors; the TCFD publicly announced its recommendations in 2017
 *2 Progress rate not calculated due to the increase in emissions from the expanded number of products subject to calculations

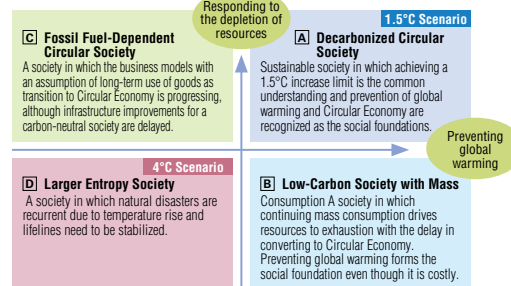
Environment and Technology Strategy

Climate change initiatives (impact analysis and scenario analysis)

In our impact analysis, we identified opportunities and risks specific to each mainstay business of the Group, and when we analyzed elements from the perspective of climate change, we identified the following items of materiality as having an extremely significant impact on the Group's operations: (1) prevention of global warming and (2) Responding to depletion of resources. Setting these two factors as the axes of a matrix, we created four scenarios toward 2030 in the following quadrants (see diagram to the right). We defined a society in which global warming is prevented and response to depletion of resources is taken as 'the 1.5°C scenario', and a society in which global warming is advanced and resources are depleted as 'the 4°C scenario'.

The table below shows some of the climate change strategies being implemented by seven operating companies to address each societal scenario.

Four Scenarios



Panasonic Corporation

Living Appliances and Solutions Company

- Build a circular value chain with customers through products and services.
- Achieve extension of the product life cycle and improve customer engagement looking ahead of circular economy.

Heating & Ventilation A/C Company

- Provide the optimum and highest air and water quality values with low environmental impact, not found in conventional air conditioning, with a combination of our unique air and water technologies.
- Create unprecedented value with water and air heating systems with heat pump (A2W), chillers, and combination of air quality and air conditioning in the air conditioning business of water circulation type to contribute to improvement for decarbonization and air quality values.

Cold Chain Solutions Company

- Promote energy conservation offering comprehensive support for our energy monitoring system covering from system installation to operations and maintenance. Our equipment refurbishing service prolongs system usage while contributing to a circular economy.
- Accelerate development of natural refrigerants with lower environmental impact through wider use of CO₂ refrigeration equipment.

Electric Works Company

- Provide a sustainable and safe and secure facility infrastructure based on our wiring fixtures to contribute to electrification and disaster-resilient society with zero environmental impact in the world.

Direct Control (Hydrogen Related Businesses)

- Achieve local production for local consumption of energy by developing a decentralized energy package business utilizing hydrogen.

Panasonic Automotive System Co., Ltd.

- Contribute to electrification of vehicles through power chargers with high voltage/output using power electronics technology and devices that improve vehicle's weight saving and rate of electricity consumption.
- Promote to make own products more energy efficient and further expand the range of products that use recycled resin materials.
- In our sites that achieved net zero CO₂ emissions, we are further reducing energy usage through energy-saving activities and increasing the ratio of non-external dependency on renewable energy supply. Start operation using renewable energy purchased from a corporate power purchase agreement (PPA), and raise our nonexternal dependency rate of renewable energy to 10% by 2025.

Panasonic Connect Co., Ltd.

- Reduce waste energy and waste goods by supply chain orchestration, including streamlining corporate customers' logistics and responsive tuning of demand and supply.
- Offer solutions to improve energy efficiency and automation at corporate customers.

Panasonic Industry Co., Ltd.

- Develop and supply products that contribute to electrification of vehicles and improvements in vehicles electricity consumption rate and mileage.
- Reduce environmental impact through development and provision of products that contribute to product/equipment downsizing, light weight, low energy loss, and longer product life.
- Reduce CO₂ emissions by promoting energy conservation and increasing use of renewable energy in manufacturing activities.

Panasonic Energy Co., Ltd.

- Increase avoided CO₂ emissions, by increasing the number of electric vehicle users through improving the competitiveness of our automotive batteries and enhancing our production capacity, and promoting electrification of power equipment such as construction machine through modularization and systematization of batteries for industrial use.
- Reduce to half the carbon footprint in fiscal 2031 comparing the fiscal 2022 level by making Zero- CO₂ Factories at own sites, locally procuring materials for lithium ion batteries, and establishing circular economy business models.

Panasonic Entertainment & Communication Co., Ltd.

- Promote energy-saving per product category by introducing devices with high energy efficiency, improving their control methods, and the like.
- Promote circular economy through expansion of refurbishing businesses, acceleration for using recycled resin, adoption of eco packaging, and the like.

Panasonic Housing Solutions Co., Ltd.

- Reduce CO₂ emissions in our value chain by thorough implementation of energy-saving initiatives and electricity generation, and at the same time, enhance product ranges that contribute to CO₂ emissions reduction in society.
- Increase use of recycled materials, plant-derived materials, and the like for resource circulation.

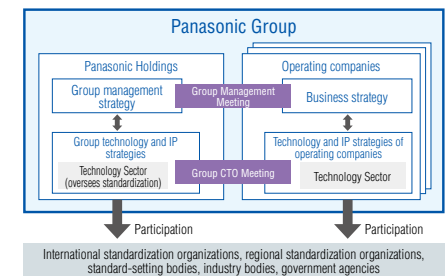
The scenario analysis found that we could always focus on at least one or more of our businesses in each of the four scenarios. In other words, the analysis successfully verified the resilience of our business strategies. The analysis also helped us understand that we can contribute to building a sustainable society through our businesses. We continue our efforts to build the 1.5°C world, represented by Society "A" defined in "Four Scenarios" above.

Standardization activities to support technology and business

The Panasonic Group is actively engaged in standardization activities for the purpose of expanding its global footprint. Under the guidance of the Chief Standardization Officer*, efforts are made to align the business and technology strategies of the Group overall and in each operating company through meetings between managers in charge of business and technology. In addition, we continue to train key personnel in matters of standardization as part of our efforts to drive forward standardization activities. Since the 1990s, we have been implementing standardization activities as an integral part of our intellectual property strategy, chiefly in the areas of functional safety in home appliances and equipment, as well as broadcasting and mobile phone standards.

In 2014, Dr. Junji Nomura (Former CTO of Panasonic) assumed the role of president of the IEC* and today, the Panasonic Group holds key positions in multiple standardization bodies, including the IEC and the ISO* and participates in more than 1,000 activities.

Furthermore, in helping to solve global environmental issues, the Group actively participates in standardization activities, such as private sector forums like the World Business Council for Sustainable Development (WBCSD), beyond the IEC and the ISO, to achieve carbon neutrality and a circular economy.



*The Group CTO also serves as the Chief Standardization Officer
IEC: International Electrotechnical Commission ISO: International Organization for Standardization

Technology platform supporting people's daily lives (health, safety, and comfort)

We are focusing on AI and robotics technology that is closely integrated into daily life and workplace environments.

In the field of AI, we are applying AI to the image recognition technology that we have honed over many years to develop technologies that contribute to people's everyday life. For example, we have developed technology that limits the decline in authentication accuracy of specific models with small data sets, technology that deals with "out-of-distribution" false detection problem, and technology that improves image recognition accuracy under bad weather conditions. All of these technologies have been accepted for presentation at prestigious international academic conferences in the fields of AI and image recognition. (For further information, please visit: <https://tech-ai.panasonic.com/en/>)

In the field of robotics, we have taken steps to alleviate the worsening labor shortage and contribute to greater efficiency in the logistics sector. Owing to our autonomous delivery robot technology and a track record of successful demonstration tests, we were the first in the industry to operate autonomous delivery robots for the real-world delivery of parcels under the notification system that was introduced following revisions to Japan's Road Traffic Act. In the logistics warehouse space, by combining robot control, sensing, and AI technologies, we have developed a robot control platform capable of handling the ever-changing and dynamic product needs of warehouses. We are also undertaking initiatives to address cybersecurity and ethical issues of AI so that these technologies and services can be used safely.

Going forward, we will continue to focus on AI and robotics technology, and make not only environmental contributions, but also help build a society in which every individual can enjoy lifelong health, safety, and comfort.

Environment and Technology Strategy

Technology Future Vision

The Corporate R&D Sector of Panasonic Holdings Corporation has formulated an ideal goal for the Panasonic Group that is based on technology to achieve “an ideal society with affluence both in matter and mind.” That goal is the Technology Future Vision, which is a vision for a future that the Company aims to achieve by 2040. Although this type of vision-formulating activity has been carried out in the past, mainly by the Corporate R&D Sector, the activity this time focuses on changes in society and technology together with Corporate R&D Sector, Design, Branding sectors and so on. They were formulated in a new framework as a practical project activity that also incorporates the perspective of design management.

The overall picture of value that should be provided, the ideal state of the Company, and the future to be attained

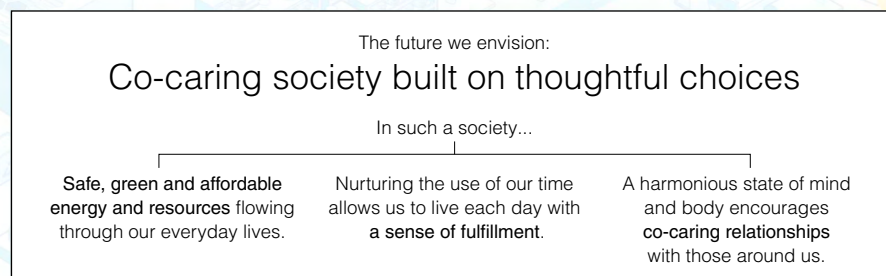
In the past, we have pursued material abundance and benefited greatly, but not without a cost. Now, as everyday norms change, the Holding's Corporate R&D Sector has deliberated on what type of society should be left for the next generation by 2040, and established that the future society the Company wants to achieve is “co-caring society built on thoughtful choices,” society where individual choice naturally leads to caring for each other and the planet.

In a society like this, it is assumed that the following three factors will come into existence together.

- **Safe, green and affordable energy and resources** flowing through our everyday lives.
- Nurturing the use of our time allows us to live each day with **a sense of fulfillment**.
- A harmonious state of mind and body encourages **co-caring relationships** with those around us.

The first “safe, green and affordable energy and resources” is about maximizing the value of resources such as energy and food. The second “a sense of fulfillment” is about the pursuit of creating time that is meaningful. In order to achieve the third “co-caring relationships,” the Company aims to be true to itself and establish open-minded relationships with others. These factors are envisioned as being supported by various fields of technologies.

The Ideal Future with Technology Future Vision



A new tap water philosophy

Thoughts behind the Technology Future Vision include spreading affluence both in matter and mind widely and thoroughly through the three aforementioned factors. This can be said to be a reinterpretation of the “tap water philosophy” advocated by Konosuke Matsushita, the founder of the Panasonic Group. A system that provides green, safe, and affordable energy, resources, a sense of fulfillment, and compassion far and wide (just like tap water) is important. We will realize these and come up with a new tap water philosophy through technology and the creation of new businesses.

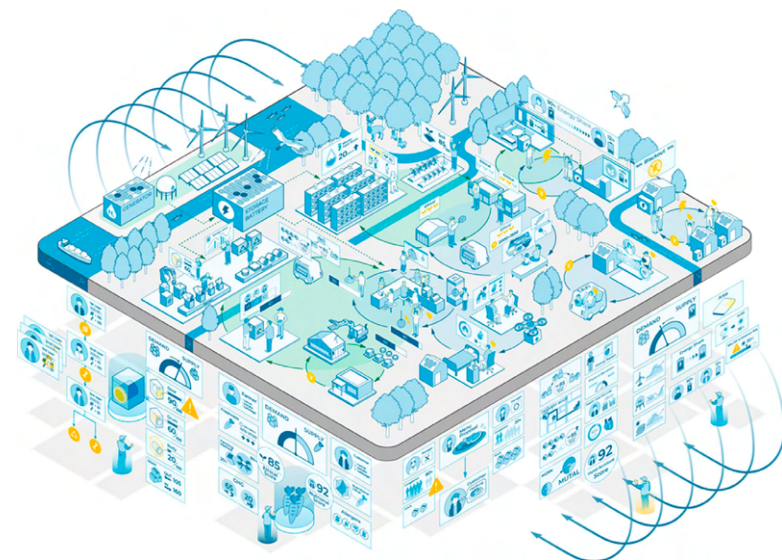
Regarding sectors to support this, in addition to technologies that maximize the value of resources, the Company will also continue to advance new initiatives to achieve our visions, such as “human insight” utilizing AI (artificial intelligence) to CPS* technology, which support a society where people live with a sense of fulfillment and build co-caring relationships.

*CPS: The abbreviation for Cyber-Physical Systems. This is an accumulation of diverse data from the real world (physical space) through sensor networks and other methods. This data is analyzed and built into knowledge using large-scaled data processing technologies in cyberspace, and the information and value created here are used to revitalize industries and resolve social issues.

Furthermore, to enable our initiatives based on the vision to reach our customers, business development functions have been enhanced for the Holding's Corporate R&D Sector as well, and the Company will promote proactive cooperation and collaboration with co-creation partners.

Please look forward to the efforts and challenges made by the Holding's Corporate R&D Sector.

* The special Technology Future Vision website
<https://holdings.panasonic/global/corporate/technology/technology-future-vision.html>



Panasonic Transformation (PX) Initiatives



Boldly challenge to change and transform our business models and management practices

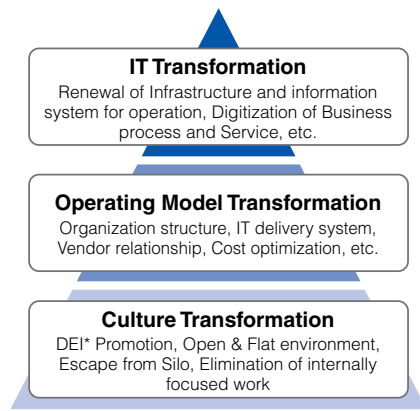
Hajime Tamaoki
Executive Officer
Group Chief Information Officer (Group CIO)



Shifting Gears of “Panasonic Transformation”

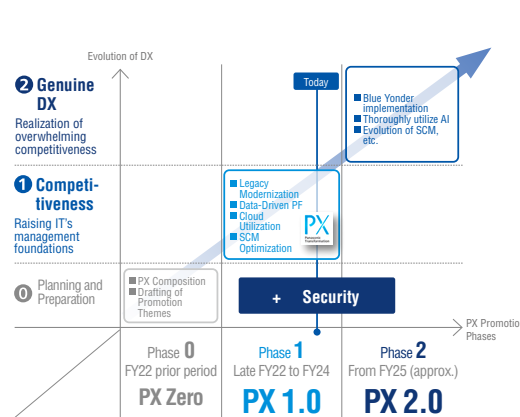
With digital transformation positioned as one of the key items of the Group strategy and, under the ownership of Group CEO Kusumi, we have been advancing our “Panasonic Transformation (PX)” project, which is a symbol for Groupwide transformation, since May 2021. There is no magic approach toward completing DX. The goal of PX is to create new value for the Group and help employees and customers “live their best by fundamentally re-examine the negative legacy accumulated over our more than 100 years of history (obsolete IT, internally focused work, outdated practices, etc.) and strengthen our management foundation. From a medium-term perspective, up until fiscal year ended March 31, 2024 (fiscal 2024), we have sought to uplift the Groupwide IT management foundation under PX 1.0. Alongside these existing initiatives, starting in fiscal 2025, we will undertake the challenge of creating new value, while transforming our business model and management through the utilization of cutting-edge digital technology under PX 2.0.

Framework of PX Transformation



*Diversity, Equity & Inclusion

PX Promotion Phase



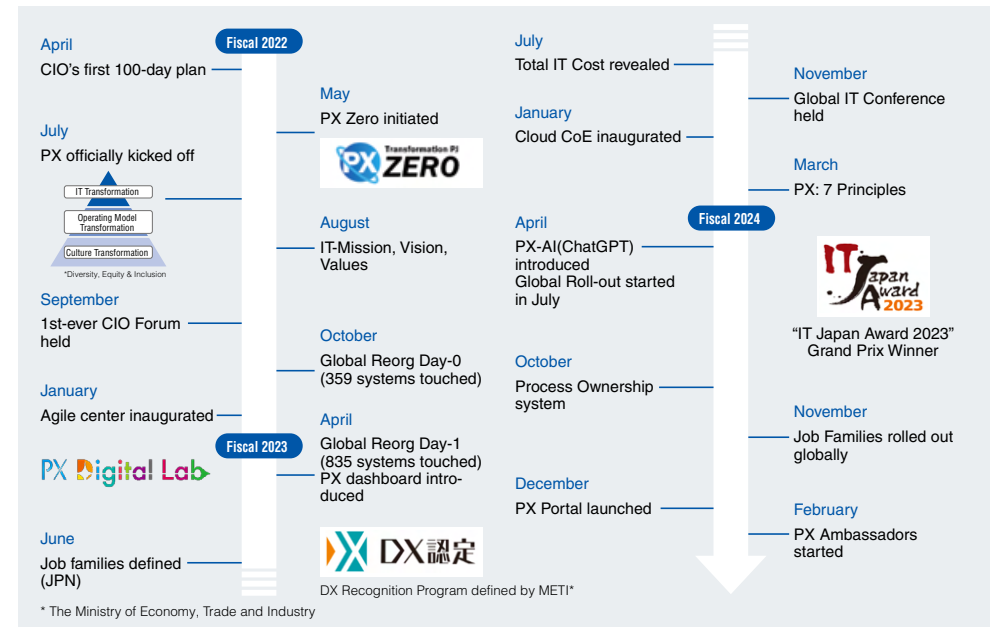
The Path of PX 1.0

Since assuming the position of Group CIO in May 2021, I have initiated on PX ZERO and updated the Information Systems Department's mission, originally formulated in 1995, under the slogan of “Bring happiness to life. Bring happiness to work. It's digital, it's our value.” PX is a transformation project aimed at placing the Panasonic Group back on the growth trajectory. Likewise, we have advanced PX within a three-tier framework consisting of “IT Transformation,” “Operating Model Transformation,” and “Culture Transformation.” And by the second year, two major changes had occurred.

1. PX had evolved into an initiative that was taken autonomously away from hands of the Information Systems Department
2. The members of the Group Management Meeting formulated the “PX-7 Principles”

At the Group Management Meeting held in March 2023, which were attended by Group executives from operating companies and subsidiaries, each executive took ownership of PX, discussed, and together formulated the “PX-7 Principles” in their own words as a “commitment” by the Panasonic Group's management team. In October 2023, we adopted a Process Owner system to ensure that the PX-7 Principles would not end up being a pie in the sky, optimize each operation, and visualize the outcomes. Starting in fiscal 2025, we will connect the key to PX, “X”, to strong determination to transform ourselves in the true meaning of the term “Transformation.”

PX HISTORY



*The Ministry of Economy, Trade and Industry

Panasonic Transformation (PX) Initiatives

Outcomes of PX 1.0

Over the three-year period covering 2021 to 2024, we have focused on uplifting the IT management foundation and drove three transformations: information infrastructure, organizational information systems, and supply chain. Over this period, we have launched 298 projects and completed 133 of these projects, producing results on a consistent basis. The specific results include the following (as of June 30, 2024).

IT Transformation

We have been advancing to simplify and standardize our business systems and processes, and four programs: (1) Legacy Modernization; (2) Data-Driven Platform; (3) Cloud Utilization; and (4) SCM Optimization.

- Procurement DX: Achieved operational capabilities on a par with global excellence, accompanied by swiftness
 - Reduced non-recommended components by 21% through guidance encouraging the use of general-purpose components during the early stages of development, and reduced design rework loss by 5 billion yen
 - Took steps to rationalize 1.35 billion yen by consolidating product numbers for general-purpose components, and reduced 55% of orders through centralized purchasing of some general-purpose components
 - Shortened the time required for unit cost structuring by 30% by automatically calculating theoretical unit costs for manufacturing based on 3D schematics, etc.
- Manufacturing DX: Achieved a high level of standardization for global factory operations through the introduction of SAP S/4 HANA
 - Reduced add-on functions by 96% by utilizing and standardizing SAP templates at some domestic business sites
 - Simplified indirect operations to the amount of 84 million yen annually, halved manufacturing losses totaling 72 million yen annually, and shortened shipping lead times by 3 days, etc., by having some branch in China adopt a regional standardized SAP in which China-specific requirements are added to the Group's standard template

Operating Model Transformation

To ensure efficient and sustainable delivery of IT that creates a competitive advantage, we have been advancing an “operating model transformation” that extends to our Information Systems Department and its management resources, including talented people, products or services, and capital.

- Reached 24,002 users for the Group's data analysis tool (DIYA)
- Reached 50 PX ambassadors who provide Groupwide support for on-site challenges and DX initiatives
- Improved efficiency to the amount of USD 256,000 annually per region by standardizing IT delivery between overseas regions, etc.



Culture Transformation

We have been engaging in promoting Diversity, Equity, and Inclusion (DEI) along with open and non-hierarchical work environments, bringing together the strengths of “One Panasonic IT”, and reforming the negative legacies of organizational inertia, the being tied to tradition, and 20th-century ways of working.

- Submitted a total of 14 IT-themed agendas to Group Management Meeting (Fiscal 2024 results)
- Held a total of 33 CIO Forums attended by CIOs from each company (153 themes)
- Reached 4,500 users/day (with 30,000 input prompts) for the “PX-AI” AI assistant service, etc.

Ambidextrous approach of Offensive and Defensive PX toward PX 2.0

With the advancement of technology, digital technologies that supported parts of our processes are undergoing a transformation into the form where the process themselves are being digitalized. In such an environment, we believe it is important to digitalize existing businesses in parallel with exploring new business models. In contrast to players from other industries with IT technologies and available capital who have begun to enter the manufacturing industry, the Group possesses knowledge based on our 100 years' worth of experience in creating actual products. Likewise, we will strengthen PX initiatives with the intention of leveraging these accumulated strengths in a way that creates a greater customer value.

Column	PX 2.0 Case Studies
<h4>Cutting-edge Smart Factories</h4> <p>Our automotive battery factory in Nevada, USA, has produced 9 billion units since its commissioning in 2017. At our factory in Kansas, USA, which is scheduled for commissioning in the second half of 2024, we will incorporate roughly 500 improvements that have been identified, in addition to the latest digital technologies and OT*1 knowledge, including the edge-type AI*2 and predictive AI modeling used to improve production capacity and operations at the Nevada plant. This will allow us to realize high productivity at the new factory immediately after commissioning.</p> 	<h4>Autonomous Supply Chain</h4> <p>Through the acquisition of Duddle and flexis AG, and in collaboration with Rapyuta Robotics Co. Ltd., we strengthened Blue Yonder's end-to-end supply chain solutions function. We also concluded an acquisition agreement with One Network Enterprises in order to expand our supply chain network in a way that includes the suppliers used by customers. This move aims to create a dominating game changer through the functional complementarity of the two companies.</p> 
<p>*1 Operational Technology: Control and operating technologies for optimizing the operations of physical equipment and systems used at manufacturing sites.</p> <p>*2 Refers to systems where the AI is directly equipped on a device, thereby allowing the device itself to operate on data and make inferences instead of relying on a cloud-based server</p>	

Further strengthening security measures

With regard to security measures, which address risks to not only DX but all corporate activities, traditionally individual departments at the Group have been responsible for separate cyber security measures and promotion across the three functions of information systems, manufacturing systems, and product security. Starting in fiscal 2024, we organically have been integrating the three functions as One Panasonic as part of an accelerated and intensive initiative for comprehensive measures covering the entire business. In addition, in order to increase the reliability of our products and contribute to greater social stability, we are focusing on developing cyber security talent through close exchanges between personnel from the three functions.

Cyber security has been identified as one of the Group's highest priority issues through the process of identifying materiality. (For more details on identifying materiality, please refer to [“Materiality” on page 6](#))



Brand Strategy



Live Your Best

In April 2022 we launched our brand slogan “Live Your Best.” The slogan expresses Panasonic’s mission as stated by Founder Konosuke Matsushita: “an ideal society with affluence both in matter and mind.” At the same time, it expresses our hope that each and every Panasonic employee will be attentive to the happiness of our individual customer.

Megumi Kitagawa

Director in charge of Brand and Communications Strategy

The Panasonic Group’s brand philosophy

The Panasonic brand has been built on the accumulation of customer trust and affection and other invaluable assets cultivated over the years since our founding, and has been reinforced at all points of contact, both direct and indirect, between Panasonic and our customers, including not just our products and services but also advertising, media coverage, sales activities, our employees’ various interactions, and online reviews.

Therefore, to increase the value of the brand, it is necessary to engage in appropriate brand communication activities based on the supply of competitive products and services as well as through the ethical conduct of each and every employee.

A valuable brand created in this way is an expression of responsibility and a sign of trust. The Panasonic brand contributes to people choosing Panasonic not only as a provider of products and services but as a business partner, an investment destination, and an employer.

In recent years, not only financial value but also non-financial value, such as our contribution to society, has been recognized as an important component of corporate value. We believe that appropriate brand communication activities will help increase non-financial value and contribute to the enhancement of corporate value.

Panasonic’s approach to enhancing brand value

For more than 20 years, the Panasonic brand has been ranked in the top 100 in Interbrand’s “Best Global Brands” brand value ranking, and it continues to enjoy a strong reputation not only in Japan but also globally.

Since the source of our brand power is our business, we believe that stronger brand value is achieved by creating a virtuous cycle in which a strong, competitive business builds a better brand

image and a good brand image contributes to further business growth.

When it comes to advertising, we continue to follow our founder Konosuke Matsushita’s idea that “if manufacturers can make good products, they have an obligation to communicate that quickly, widely, and correctly to their customers, and that is what advertising does.”

We will continue to steadily implement the basics of striving to increase brand value with integrity by providing the public with fair and accurate information on our management philosophy, as well as on our products, services and technologies.

We will also carefully evaluate each and every brand-related activity from the perspective of what value it creates for whom, thereby increasing the return on investment of our brand communication activities.

Responsible executive and framework

In the Panasonic Group, the Group CEO is directly in charge of Brand and Communications Strategy, and the director in charge of Brand and Communications Strategy is appointed directly under the Group CEO.

The brand communication divisions of Panasonic Holdings Corporation and Panasonic Operational Excellence Co., Ltd. are responsible for Groupwide corporate publicity and advertising, while the advertising personnel at each operating company are responsible for their own business and product publicity and advertising. All of these personnel work in cooperation with one another.

Activities to protect brand value

In recent years, we have particularly strengthened measures in the digital space to protect the value of important brand assets, including countermeasures against counterfeit goods, risk management for internet advertisements (ad verification), and social media monitoring.

We have also set up mechanisms that allow us to check all the advertising we produce against the relevant laws and industry regulations in each global region to avoid misunderstandings or misconceptions on the part of customers.

Konosuke Matsushita Museum (Kadoma City, Osaka Prefecture) and Matsushita Memorial Hall (Beijing)

We have established the Matsushita Konosuke Museum in Japan and the Matsushita Memorial Hall in China, where special exhibitions are held in spring and fall of each year to deepen understanding of our founder’s legacy. These sites offer visitors, including our business partners and government officials from various countries, an opportunity to gain an understanding of Panasonic’s philosophy. The sites are also a place for each employee to experience the management and life views of Konosuke Matsushita, and to learn the Basic Business Philosophy for themselves.



Konosuke Matsushita Museum



Compliance Initiatives

Message from the Group GC



Aiming to help enhance corporate value, I will spearhead compliance, the prerequisite for conducting business - as a driver for the entire Group.

Ayako Shotoku

Director, Executive Officer
Group General Counsel (Group GC)

The Group established the Basic Business Philosophy as the practice of, and mindset associate with, the Basic Management Objective, the Company Creed, and the Seven Principles that form the basis of the management philosophy established by our founder, Konosuke Matsushita. Because we conduct business as a “public entity of society” using the management resources it has entrusted to us, we must properly and effectively utilize these resources for the benefit of society, while also fulfilling our roles for various stakeholders. For this reason, as prerequisites for the Group’s business activities, we highly value “being fair and honest in all our business dealings and personal conduct” as well as abiding by laws, regulations, and social norms, always asking ourselves “What is right for society?” without indulging our self-interests.

We have also established the Panasonic Group Code of Ethics & Compliance so that our employees will embody the Basic Business Philosophy and engage in business activities while practicing compliance. Under this Code of Ethics & Compliance, we have organized internal rules, regulations, and systems; and engage in activities to educate, enlighten, and raise awareness of employees in terms of this Code; and observe the status of compliance with and implementation of this Code. In addition, along with fostering a culture in which employees report and consult on compliance concerns without hesitation, we investigate and address compliance incidents in a timely and appropriate manner. Through these compliance programs, we will realize compliance management throughout the Group.

Including myself, the Group is home to roughly 700 employees involved in legal affairs in Japan and abroad. I work in close connection with my colleagues across the globe to fully exercise the Group’s legal affairs function as One Team in an effort to ensure the Group practices compliance management, and to contribute to greater corporate value through the sound, sustainable growth of the Group.

Policy

We have established the Panasonic Group Code of Ethics & Compliance (the “Code of Ethics & Compliance”), to outline the commitments all Group companies and employees must fulfill while carrying out their business activities and embodying the Panasonic Group Basic Business Philosophy. It has been translated into 22 languages to ensure that it is understood by employees everywhere. The Code of Ethics & Compliance explains the positive impacts of implementing each of these commitments on society and our stakeholders in conjunction with the thinking behind our Basic Business Philosophy. It also clearly indicates what negative consequences the Group and individuals may face for violating these commitments.

Responsible Executive and Framework

The Group General Counsel (Group GC) is the Executive Officer responsible for the Group’s compliance initiatives, while Panasonic Holdings (“PHD”) is responsible for establishing a Groupwide compliance system, with the Group GC and PHD Legal Department playing critical roles under the Group CEO’s supervision. Each operating company is responsible for establishing and implementing a compliance system for its business area based on the principles of Autonomous Responsible Management, with the operating company CEO, Chief Legal Officer (CLO), and legal department mirroring their PHD counterparts’ roles. For overseas Group companies, Panasonic Operational Excellence Co., Ltd. (PEX) assigns the CLOs and legal departments for each overseas office. These officers and departments are responsible for ensuring compliance in their respective regions. Each CLO plays their role in the business and region under the Group GC, working as one legal team to ensure compliance.

Additionally, we have established a system whereby the Group GC and the CLO of each operating company regularly report on initiatives for compliance at the Board of Directors meetings of PHD and each operating company and receive appropriate supervision from these Boards.

Internal Communication and Training

We foster a compliance-first culture by regularly disseminating compliance-related messages from the Group CEO, each operating company’s CEO, and all business site general managers. Moreover, we implement specific compliance initiatives at each business site, through the CLOs and legal departments assigned to operating companies or overseas companies by PEX, officers responsible for observance of the Code of Ethics & Compliance, export control officers, and the heads of functional departments.

The Group’s legal departments, which play a leading role in these efforts, have their legal staff from around the world attend the Global Legal & Compliance Meeting, and the CLOs from operating companies, PEX overseas offices, and the PHD Legal Division attend the Direct Report Meeting chaired by the Group GC. Through these and other meetings, the Group’s legal departments learn about annual



Compliance Initiatives

updates to the Group's compliance policies and work toward achieving compliance in various areas. Moreover, whenever a legal revision, etc. is relevant to the Group's businesses, we notify and communicate it to the business site general managers, operating company CLOs, and relevant organizations. We also publish a quarterly compliance newsletter for business division heads.

In response to changes in the business environment and the Group's business, we are bolstering our efforts to accurately identify changes in risks and signs of legal violations and misconduct in specific business fields, divisions, countries, and regions. Throughout the year, we will implement initiatives to establish a global awareness of ethical and legal compliance and improve our ability to respond to risks. We provide training and awareness building for new hires and newly promoted employees, through a variety of educational materials, including e-Learning, on the Code of Ethics & Compliance that all employees are required to follow, as well as on other compliance-related materials throughout the year. Moreover, we included questions about compliance awareness and culture in the Employee Opinion Survey distributed to all Group employees around the world.

In addition, starting in fiscal year ended March 31, 2024 (fiscal 2024) we launched a field-specific compliance e-learning program for the acts of bribery & corruption, as well as violations of competition laws, which would significantly impact the Group in an event of such acts or violations. We are creating an environment in which directors and employees engaged in high-risk duties can regularly participate in the program while managing the participation of those who are eligible to enroll. Similarly, each operating company and PEX overseas office conducts compliance-related training for those who need it, according to the risk relevant to their businesses and regional characteristics.

Whistleblowing System

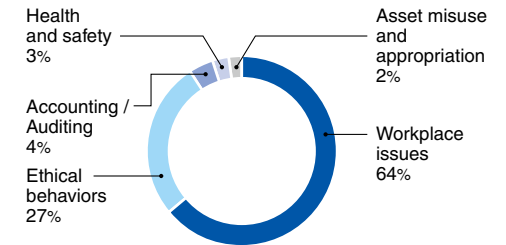
The Panasonic Group has established a Global Hotline, a Groupwide integrated reporting mechanism that accepts reports from domestic and overseas sites and from external stakeholders, available in 32 languages, 24 hours a day, 365 days a year, to prevent misconduct and facilitate rapid resolutions to a wide range of compliance issues. The Hotline can receive reports from those who want to remain anonymous. In addition to ensuring employees are well-informed about the system at domestic and overseas sites and workplaces, we encourage employees to have no hesitation to use the Hotline by posting the following items at our intranet: reporting statistics, case studies, instructions for using the reporting system, the flow from report reception to final report, and FAQs on reporting. We are also requesting our suppliers to make sure that their employees are well-informed about our whistleblowing system and to encourage them to have no hesitation to use the system when necessary.

In order to ensure proper operations of the Global Hotline, we prohibit retaliation against internal and external whistleblowers, those participating in investigations, and employees on investigation teams, among others. In addition, we articulate in internal rules that there should be frameworks necessary for appropriately receiving, investigating, and addressing, and reporting such internal cases to management, and that operating companies and subsidiaries should designate a department and managers in

charge of internal reporting, and also decide on the investigate method.

In fiscal 2024, we received approximately 1,100 reports and requests for consultation, with roughly 76% of these coming through the abovementioned Global Hotline. All the reports and consultation requests we received are investigated in cooperation with the relevant departments, and we address issues, prevent recurrence, handle confirmed cases as necessary, and we notify whistleblowers of this fact.

Content (FY2024)



* Ethical behaviors include concerns related to violation of internal regulations, conflicts of interest, violations of laws/regulations, bribery, vendor/customer issues, fraud, etc.

Serious Violations and Corrective Measures

Panasonic Industry Co., Ltd. (PID) has identified instances of irregularities in process of the US-based third party certification by UL Solutions (UL) for electronic materials products manufactured and sold by PID. In response to this, PID has established an external investigation committee comprised of external experts on January 12, 2024 to conduct thorough investigations, analyze the root causes, and formulate measures to prevent re-occurrence. PID communicates directly with customers who have purchased the identified products, discusses future actions, and fully cooperates with investigation possible to uncover all the irregularities in the process.

Moreover, in cooperation with an external law firm, the Panasonic Group's thorough self-assessments are underway, targeting inappropriate actions related to quality compliance, aiming to eradicate quality fraud.

Initiatives to Address Significant Compliance Risks

In areas of compliance that can have a significant impact on the Group, we engage in efforts to prevent legal violations and in initiatives to instill other forms of compliance on a global basis. Please refer to the section titled Initiatives to Address Significant Compliance Risks in Sustainability Data Book 2024 for the initiatives of Preventing Cartels, Preventing Bribery and Corruption, and Trade Compliance.

[Panasonic Group Sustainability Data Book 2024](#)



Corporate Governance

Key points in this chapter

Explanation of the Board’s recognition of current issues and supervision/execution for achieving the Group’s vision, including the views of the outside directors.

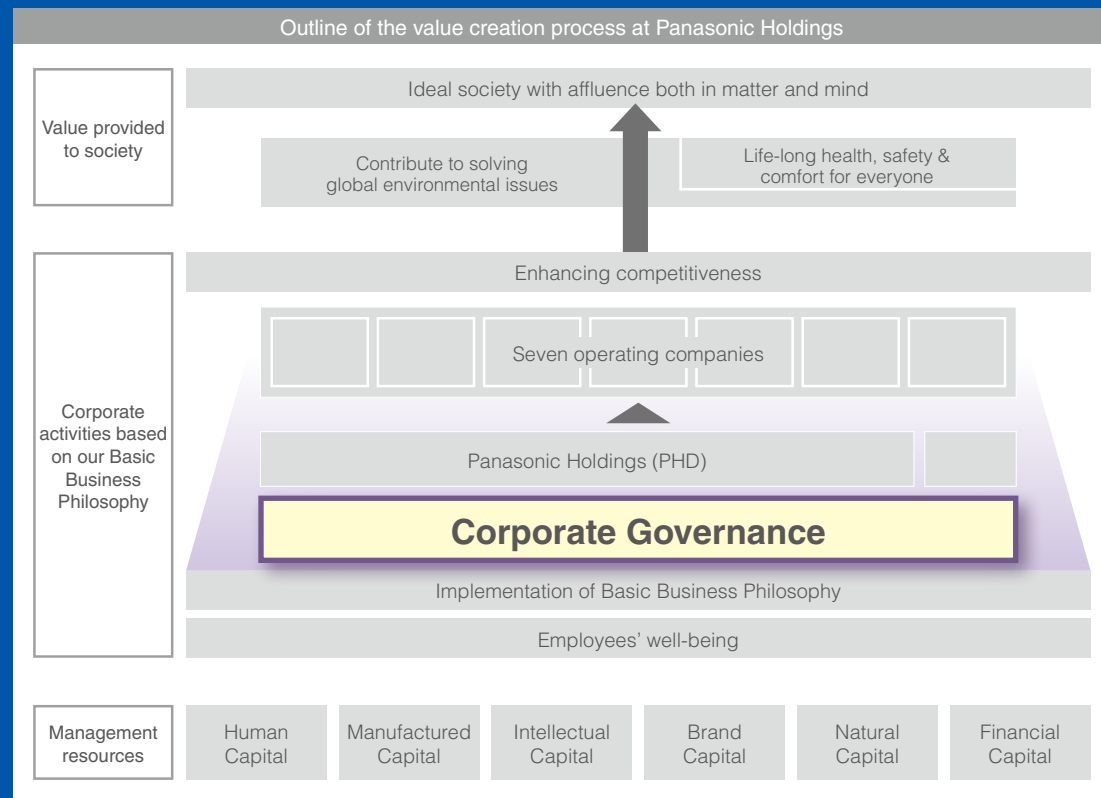
47 Dialogue between the Chairperson of the Board of Directors and an Outside Director

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61 Directors, Audit & Supervisory Board Members, and Executive Officers





Dialogue between the Chairperson of the Board of Directors and an Outside Director

The Board's recognition of current issues and monitoring/execution for achieving the Group's vision

Kazuhiro Tsuga
Director,
Chairperson of
the Board



Michitaka Sawada
Outside Director

Recognition of issues in the Panasonic Group

Issues in creating major business pillars that support the Group

— Over the past 30 years, the Company's market capitalization has stagnated, with the shares recently trading at a P/B ratio of less than 1.0x. What kind of issues do you see regarding the situation that we have not been able to enhance our corporate value over the long term?

Tsuga One known issue has been that we have not been able to create major business pillars to support the Group. When I took over as president from my predecessor, then-President Otsubo, in 2012, the Company was perceived by the public to be a home appliances company, but in reality, it was a company manufacturing digital TVs as its main product. We had invested heavily in panels and semiconductors to establish significant pillars of business, but rapid commoditization and increasingly intense competition made it difficult for us to sustain these businesses. A similar situation played out in the mobile

phone business, which forced us to wind down our mainstay business in the digital AV sector. At that time, society was experiencing a period of tumultuous change, and what society expected of us had also changed, which is why we needed to embark on a transformation. So, we concentrated our investments in the automotive and battery businesses in order to shift from B2C to B2B and strengthen our approach to environmental issues. In 2021, we completed the acquisition of Blue Yonder, which allowed us to take ownership of a subscription-based business. Even though our current automotive battery and supply chain management software businesses are not yet big enough to be called pillars that underpin growth of the Group, I certainly feel that they have the potential to become just that in the future.

Sawada Before I assumed my position as an outside director, my image of the Company was riddled with questions. For example, with as many as some 40 businesses each with net sales of around 200 billion yen, I wondered how all of the Group's businesses are managed. I also thought surely it would not be easy steering such a giant corporation in a positive direction. Having served as an outside director for four years now, there are two things I am concerned about with respect to my initial impression. The first is that a globally leading growth business worthy of being called a pillar has yet to be created. I feel this



Dialogue between the Chairperson of the Board of Directors and an Outside Director

is one of the reasons behind the long-term slump in corporate value. The automotive batteries, supply chain management software, and other businesses the Group is currently focused on must definitely be developed into growth businesses to become the mainstay pillars of the Group. The other thing is that among the many different businesses of the Group, the weaker ones are overshadowed by the stronger ones, making it difficult to get a view of the overall picture of the Group. The weaker businesses bring down the overall average, which I feel has contributed to the external perception that the Company has not fully realized its growth potential. Also, I often question whether there is enough passion in the Group's employees, which might be one reason behind the factors I have just mentioned. The employees are generally honest, talented, and thorough, but up ahead I want them to build on these capabilities and increase their drive to decisively win the competition and become the best in the world at what they do. I feel that this aspect of the Group's corporate culture is also a reason for the lack of rapid progress, so I expect the entire Group to take action with even greater passion.

Tsuga Your comment about passion bears reference to the fact that the Company operates numerous businesses. For example, while we might command a high share of the home appliance market in Japan, the sheer number of our products makes it unclear which ones we are focused on. Accordingly, the awareness of having to get the better of the competition in each individual business tends to weaken. It will not be easy, but we need a business structure and a mechanism to increase the passion of employees.

Creating synergies requires a combination of different elements

— **Capital market participants often point out that a conglomerate discount has been applied to the value of the Panasonic Group. Are there any issues you are aware of in relation to the current business structure and how Group synergies are generated?**

Tsuga As we look to create synergies, it is important that we clearly understand what society expects of us. For instance, if society expects us to make contributions in the field of generative AI, giving shape to how the Group could achieve that will lead to the creation of synergies. On the other hand, trying to create synergies simply by combining existing businesses will prove challenging. We must seize on what society wants from us and respond with a future-oriented approach; otherwise, our efforts to combine or add different elements will prove ineffective.



Sawada When it comes to synergies, I feel that combining similar business lines or those with the same time horizon will never lead to the creation of synergies. Bringing together things that are different can produce something novel that never existed before. This is the initial stage of synergy creation, but it tends to be overlooked sometimes. If we accurately capture and expand on that, I believe it will lead to the creation of synergies. I should also add that even if there are multiple superior technologies at one operating company, combining them will only yield limited results. Efforts to create synergies must traverse multiple operating companies and involve different companies beyond the Panasonic Group.

Tsuga I feel that our ability to create new businesses has weakened. In the past, the R&D departments of the head office played a central role, for example, by actively driving developments to create pillars for the Group, mainly in the business fields of digital TVs, DVDs, and mobile phones. Now, our focus is on automotive batteries, but since batteries have a strong element of one-purpose technology, it is hard to create synergies in terms of technology. In these kinds of businesses, we intend to generate synergies by combining layers of different elements, such as software and data.

Sawada In order to identify seeds for synergies, having an idea of what the end goals are is key. To that end, the Company needs to actualize the Group's vision and ensure that everyone is heading in the same direction. There may be some new perspectives in the viewpoints of solving global environmental issues and realizing the well-being of people worldwide, which are Groupwide common strategies.



Dialogue between the Chairperson of the Board of Directors and an Outside Director

Oversight and business execution of the holding company

Whether the operating companies are reading the winds of change is key to the holding company's oversight

— What factors were behind the transition to the operating company system and how does the holding company approach its monitoring of the operating companies?

Tsuga There were several factors that prompted the change to the current company structure, but I consider the definitive moment was during the consideration of the Blue Yonder acquisition. For a manufacturer like the Panasonic Group, Blue Yonder's business was rather difficult to understand, and several members of the management team voiced their opposition to the acquisition. To strengthen our offerings of system solutions, Blue Yonder was certainly essential. However, within the Panasonic Group, such a large organization at the time, those involved in system solutions supported the acquisition, while those not directly related to that business opposed it, leading to a division of opinions. Owing to that situation, I realized that, under the then-company structure, there were



limitations to rapidly making forays into new areas of business. Furthermore, because the Group as a whole lacked a clear understanding of our competitors, we transitioned to the current operating company system and established the holding company in order to strengthen the competitiveness of each business.

Sawada Given that the operating companies are independently responsible for their own management, the holding company's monitoring involves the rigorous evaluation of each entity. You could say that the current Board of Directors of the holding company has been able to monitor the operating companies from various angles owing to the wide-ranging points of view of its outside directors, including frontline and forward-looking perspectives. As such, if the operating companies fail to change and they remain the same in five or 10 years from now, there is no way you could say that we have closely monitored them. As the outside directors do not interact with the operating companies on a daily basis, it is no easy task to pick up on the key discussion points while engaging in monitoring. Nevertheless, this is a necessary skill required of the outside directors of the holding company. Also, it is important for business management to be able to leverage trends in society to their own advantage. When you are being buffeted by headwinds, you need to weather the storm and limit the damage, but when a tailwind is blowing, you need to take full advantage and make significant progress. The ability to discern and capitalize on these situations is crucial. For the Board of Panasonic Holdings, it is imperative that we thoroughly monitor whether the CEOs of the operating companies are leveraging these trends to their advantage. In particular, we need to pay close attention to operating companies undertaking large-scale investments.

Tsuga In 2019, we established China & Northeast Asia Company under then-Appiances Company (now the Lifestyle segment). This entity enabled us to shore up our business in China, and continues to deliver favorable results even today. It is poised to quickly achieve success if the prevailing trends shift favorably in the future. Since the winds of change are not always blowing in one direction, it is vital that managers are capable of deciding what kind of action to take in anticipation of the future when the wind is blowing from various directions.

Sawada The damage suffered by misjudging the winds of change and the damage from missing the opportunity to ride those trends are significantly different. Misjudging a trend typically results in a one-off loss, but failing to jump onboard a trend will mean being rapidly outpaced by the competition, making it difficult to catch up later on. This leads directly to crucial missed opportunities.



Dialogue between the Chairperson of the Board of Directors and an Outside Director

The Board is formulating a vision for the Group and executing business portfolio management in order to achieve it

— In terms of business portfolio management, what discussions take place at Board meetings and what role does the Board play in determining the Group's long-term goals and overall direction?

Tsuga The Board did not used to engage in systematic discussions about business portfolio management, but under Group CEO Kusumi's leadership, we have started to have more structured discussions. In the past, some of the businesses we carved out were successful, such as healthcare and semiconductors, and looking back, those businesses had core technologies or strengths. For businesses that are structurally disadvantaged and lack core strengths, we need to take measures in some way or another, which might mean a wind-down, for example. That the Board is now prepared to take action and discuss and make decisions on business portfolio management tells me that we have made significant progress because I know what the situation was like before.

Sawada While the approximately 40 businesses in the Group do need to be categorized along multiple axes, simply placing them on a board and confirming their positions does not constitute business portfolio management. It is important that the Board clearly formulates a vision for the Group going forward and then transforms the Group through business portfolio management to achieve that vision. Without this notion, discussions would be preoccupied with questions like what should be done with unprofitable businesses and businesses whose best owner is not Panasonic.

Tsuga I consider envisioning how we will achieve a "layering up" in our focus areas of Lifestyle and Environment is a key point in the leadup to full-blown business portfolio management. We will continue to have these discussions going forward.

Sawada We discussed business portfolio management multiple times at Board meetings in fiscal year ended March 31, 2024 (fiscal 2024) and a wide range of opinions were expressed. Having an exchange of opinions from various angles is beneficial in the early stages of a discussion, and there is little doubt that the members of the Board have engaged in vigorous discussions. Those discussions made me realize again that business portfolio management is a means to an end, and that our purpose is to decide on a future vision for the Panasonic Group. Also, to avoid discussions that lead to nothing more than empty theories, the Board must set clear timelines and put plans into action.

Medium- and longer-term approach is needed without the burden of excessive expectations on those involved in growth areas

— The Group is currently investing heavily in automotive batteries and supply chain management software. How is the holding company supervising the operating companies that are executing these major investments?

Tsuga The Board has engaged in lively and fast-paced discussions about automotive batteries and there is a sense that all Board members are convinced the right decisions are being made. On the other hand, I feel that further discussion and monitoring by the Board is needed regarding A2W (air to water) heat pumps in the air quality & air-conditioning business. There have been many opportunities for discussion about Blue Yonder, but the Board has not yet fully grasped the situation, and will therefore need to properly monitor this matter with a view to achieving medium- to long-term growth.

Sawada We have a solid grasp of the automotive batteries situation because the technology is clear-cut and we have a visible timeline. There is significant enthusiasm behind this business, so as long as it does not go off track, it should lead to positive results. Still, a calm perspective is also needed. This is because it is a business that will take a considerable number of years to develop, from the investment decision through to factory operations coming online, and there is a possibility that EV trends in society could change during that period. This is why we must proceed with caution. Also, software businesses like Blue Yonder have different ways of competing in the market compared to ordinary manufacturing businesses. Owing to the acquisition of One Network Enterprises, in addition to Blue Yonder's sizeable framework, we will be able to get closer to the customers, so the combination of the two companies is expected to be effective. This is my own feeling, but if we saddle these three growth areas with the expectation of delivering short-term results to steer the direction of the Group, it might be difficult to achieve sufficient outcomes within the limited time available. The holding company should throw its support behind the accumulation of results in existing businesses in the short term and allow a bit more flexibility in the three growth areas so that initiatives can be implemented over the longer term. At present, there seems to be an excessive burden of expectations and an overemphasis on short-term business growth and profit generation.



Dialogue between the Chairperson of the Board of Directors and an Outside Director

Strong determination of executives behind decisions

— From what perspective was the share transfer of Panasonic Automotive discussed by the Board and how was the decision made?

Tsuga It was a big decision to transfer an operation company, but the Board passed the resolution without any disagreement. The automotive industry is currently going through a period of major change and responding to it would require major investments, but there were limits to the Group's ability to execute such investments. Group CEO Kusumi, Group CSO Sumida, and myself, all of whom have experience in the automotive business, fully understood this situation. Also, another major factor was having outside directors on the Board who are well-versed in the automotive industry, which helped the Board understand some future prospects of the industry.

Sawada When the matter was presented to the Board, my feeling was "Are we really doing this?" and "This is a bold move." Various thoughts crossed my mind, such as what might happen to the Panasonic brand and the motivation of employees, but I ultimately supported the resolution. The reason was clear. As Chairperson Tsuga just mentioned, Chairperson Tsuga, Group CEO Kusumi, and Group CSO Sumida, all experienced in the automotive business, brought this matter to the Board with thorough understanding. If someone with little experience in the automotive business had tabled the proposal, I would have expressed various opinions as an outside director. Business portfolio management is an instrument, and while I was conflicted about whether the option of finding the best owner this time was truly the best, I voted in favor for the motion after sensing that the Company's executives were determined to see it through.

Formulating the next medium-term plan will be key

— What do you think is needed to further enhance the effectiveness of the Board of Directors?

Tsuga The outside directors and outside Audit & Supervisory Board members have come to understand the Panasonic Group and its many businesses quite well. I feel that this has helped improve the effectiveness of the Board. To further enhance this effectiveness up ahead, I believe it will be necessary for the Board to thoroughly discuss the next medium-term plan. I will lead such discussions to formulate a medium-term plan that everyone fully understands and agrees with.

Sawada Given the high expectations of the Panasonic Group's stakeholders, how the Board guides the Group in a direction that meets those expectations will be key. The next medium-term plan should be realistic, not superficial or theoretical. The Company should demonstrate to stakeholders that it can achieve what it has committed. Also, the Board needs to discuss matters from various perspectives, not just a single viewpoint. The composition and selection of Board members, the setting of agenda items, and the facilitation of discussions are also important. Only by achieving such goals the Board can be considered to be meeting the expectations of stakeholders.





Message from Outside Director



Anticipating changes in the industrial structure and helping to maximize the value of the Group

Keita Nishiyama
Outside Director

Appointed in June 2023 as Outside Director at Panasonic Holdings Corporation after serving for the Ministry of Economy, Trade and Industry of Japan as Deputy Director-General of the Minister's Secretariat and as Director-General of the Commerce and Information Policy Bureau.

Based on own experiences in government-level digital policy-making and others, addressing issues and making proposals plainly at Board meetings

— **Based on your experiences and expertise, what kind of remarks and proposals have you made at the Board meetings?**

As a government official, I always gave a lot of thought to the future of the industrial structure in particular, as well as the impacts of digitalization and AI, and how best to create new directions for government policy. I was also involved in the management of investment firms and electric power companies, which is somewhat unusual for a government official. After joining the Board, I have visited some of the different worksites of the Panasonic Group to learn more about its operations, and based on my experiences thus far, I have spoken and made proposals candidly about what direction I think the Group should be heading in, and in particular, where I feel a change in approach might be beneficial.

The Group needs to be particular about delivering results without dwelling on past methods

— **In your opinion, what are the challenges for the Panasonic Group in enhancing its corporate value?**

It is necessary to be particular about some things and not to be obsessive about others. First, we should be particular about delivering results. Much of corporate value can be clearly measured in numbers. The Group has set several targets, but without being particular about achieving them, there is no way they can be attained if things are left merely to chance. At the same time, it is important not to be too obsessive about how things have always been done. The impact of digitalization is profoundly changing the way business and work are conducted. Whether the Panasonic Group can embrace the idea that what was hitherto considered common knowledge and normal business practices might be fundamentally wrong is, I believe, crucial to the enhancement of corporate value.

Improving the effectiveness of the Board by forecasting the future and questioning long-held beliefs

— **How do you intend to contribute to improving the effectiveness of the Board in the future?**

One way I hope to contribute is by forecasting or being forward-looking. In today's rapidly changing operating environment, it is more important for the Group to always be forecasting future changes and sharing these forecasts throughout the Group, instead of making detailed plans. As a member of the Board of the holding company, this is an area in which I would like to contribute. Another way of contributing is by questioning conventional wisdom, as I mentioned earlier. I hope to contribute by setting aside the accepted practices entrenched within the Group, nailing down the true value of the Panasonic Group, and having the Board share a strategic framework that enables it to fully capitalize on that value.



Dialogue between Outside Directors and Institutional Investors

Panasonic Group's first dialogue between outside directors and institutional investors



[Dialogue outline]

Date : November 30, 2023
Format : Online
Speakers : Outside Director Sawada, Outside Director Toyama
Moderator : Ryosuke Katsura, Senior Analyst, SMBC Nikko Securities Inc.
Participants : 68 domestic and foreign institutional investors from 48 companies

[Main dialogue topics]

- Board discussions on [business portfolio management](#)
- Recognition of [the direction aimed at by the Group](#)
- Recognition and evaluation of [automotive batteries](#) and [Blue Yonder](#)
- [Reasons for appointing Kusumi as Group CEO](#) in 2021; [current evaluation](#) of Group CEO Kusumi
- [Development of management human resources](#) for the next generation and [how the executive compensation system should be](#)





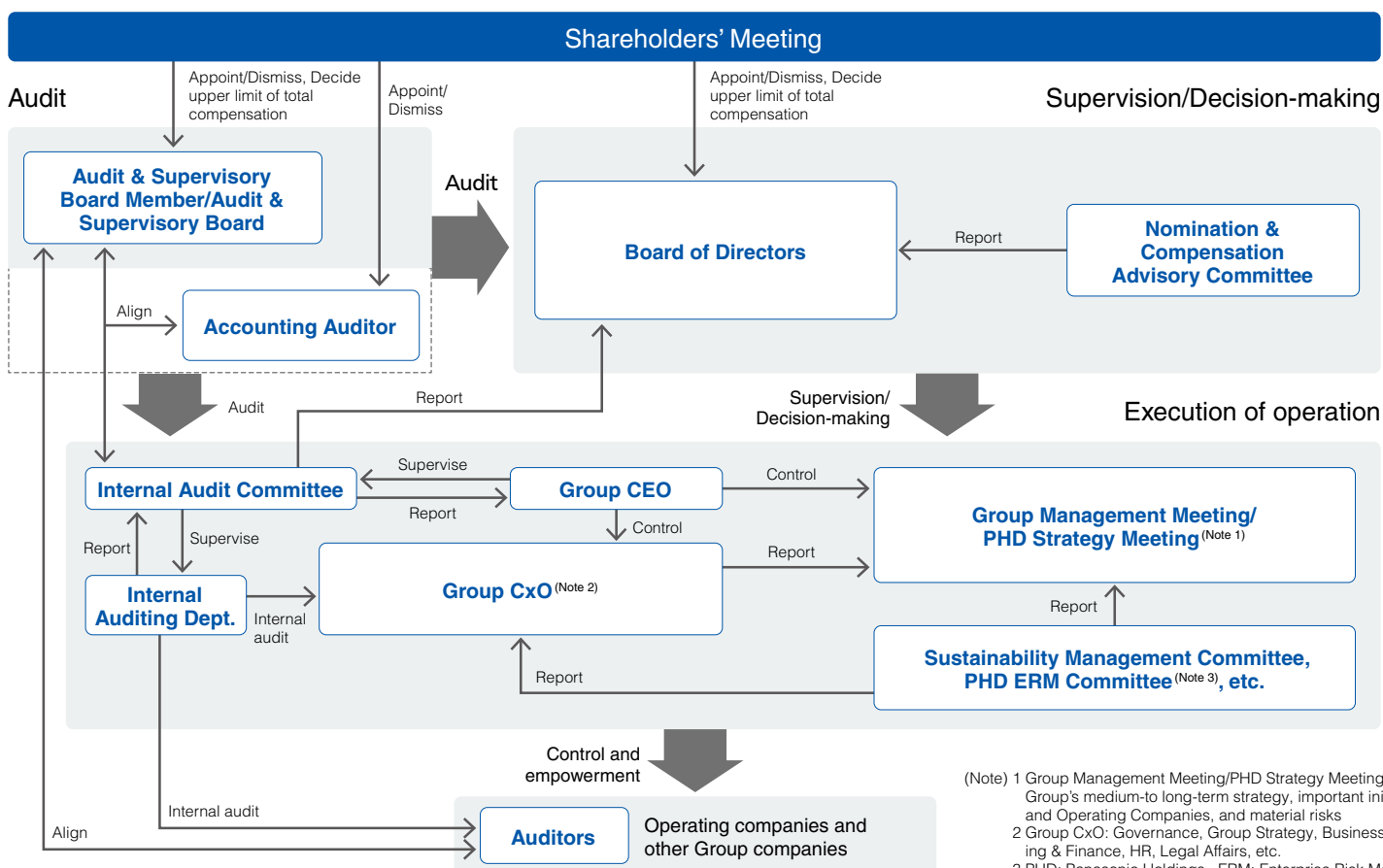
Corporate Governance Structure and Initiatives

Basic policy

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."

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

Corporate governance structure



(Note) 1 Group Management Meeting/PHD Strategy Meeting: Discuss/set the direction/report on Group's medium-to long-term strategy, important initiatives implemented by the Company and Operating Companies, and material risks
 2 Group CxO: Governance, Group Strategy, Business Support by functional axis of Accounting & Finance, HR, Legal Affairs, etc.
 3 PHD: Panasonic Holdings ERM: Enterprise Risk Management



Corporate Governance Structure and Initiatives

Outline of structure (As of June 24, 2024)

The Board of Directors

- The Board of Directors entrusts authority to the Operating Companies, and achieves a fast-moving decision-making process centered on the Operating Companies. It also decides the Group's medium- and long-term strategies and important Group matters, and concentrates on Group direction through Group governance and risk management, in order to make important decisions for the Group and conduct sound and suitable monitoring.
 - The Company ensures the diversity of knowledge, experience, and qualifications of the Board of Directors as a whole, taking into consideration the expertise required of the Board of Directors.
 - The Board of Directors has resolved to have at least one-third of the Board of Directors consist of outside directors, and the Company elects outside directors from among business managers of external entities, who have 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 Shareholders Meeting. (Directors' term of office is one year)
- By dispatching directors from the Company to the operating companies, the governance of the operating companies is implemented by the PHD.

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

- The Company appoints 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 appoints full-time senior A&SB members who are well versed about corporate operations and are able to comprehend the 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 appoints outside A&SB members from among business managers, lawyers, and certified public accountants, who are capable of effectively supervising the execution of Director duties based on their advanced expertise, extensive careers, and high levels of knowledge.

Nomination and Compensation Advisory Committee

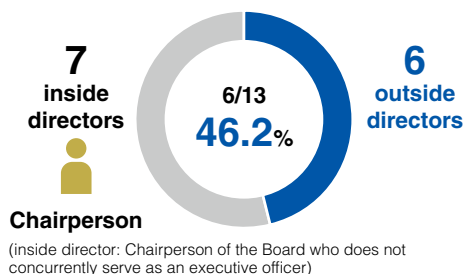
- Deliberates and reports to the Board of Directors on the results of internal review of the nomination of directors, Audit & Supervisory Board members, executive officers, and the presidents and outside directors of the operating companies, as well as on the appropriateness of details of the compensation system and the amount of compensation for each individual director, executive officer, and president and outside director of the operating companies.
- Deliberates on succession plans for Group CEO, executive officers, and presidents of operating companies and monitors successor candidates, and committee members can also propose the timing for replacement of the Group CEO.

Group Management Meeting and PHD Strategy Meeting

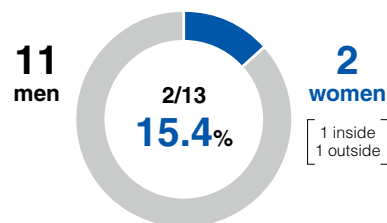
- Group Management Meeting and PHD Strategy Meeting are held to discuss, set the direction, report on Group's medium-to long-term strategy, important initiatives implemented by the Company and Operating Companies, and material risks.
- Group Management Meeting: Chaired by the Group CEO and consisting 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).

The Board of Directors

Ratio of outside directors

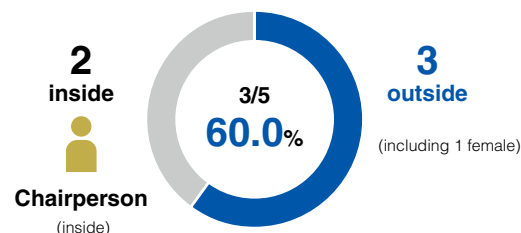


Ratio of female directors



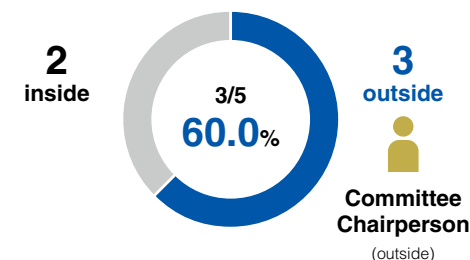
Audit & Supervisory Board

Ratio of outside Audit & Supervisory Board Member



Nomination and Compensation Advisory Committee

Ratio of outside members





Corporate Governance Structure and Initiatives

Board of Directors evaluation

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

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

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

(1) Important fiscal 2024 measures based on the effectiveness evaluation in the previous fiscal year

The following are the primary measures that were carried out in fiscal year ended March 31, 2024 (fiscal 2024).

- Ensuring sufficient time and expand discussion of Group mid- to long-term strategies and business portfolios
- For agenda item of operating company medium- to long-term strategies and important matters, clearly identifying the division of roles between the Company's Board of Directors as the holding company and the Company's execution side and operating company Board of Directors, and narrowing down the list of resolutions which should be supervised and monitored by the Company's Board of Directors
- Enhancing sharing of the activity contents and policies between the Board of Directors and the Nomination and Compensation Advisory Committee to strengthen supervision of nomination and compensation jointly by the Board of Directors and the Committee and ensure its transparency

(2) Fiscal 2024 evaluation of the Board of Directors effectiveness

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

- Survey period: Late December 2023 - Mid January 2024
- Survey subjects: Directors, Audit & Supervisory Board Members, Executive Officers in attendance (Only the free answer sections from Executive Officers in attendance are included in the tabulated results.)

- Survey format: Total 32 questions (Of these, 23 were evaluations in four ranks, one was a multiple-choice question (free answer spaces were provided for each question), and eight were free answer types.)
- Primary survey items:
 - 1) Operation of the Board of Directors: setting of issues for discussion, structure of discussions, execution of expected functions by individual members, etc.
 - 2) Group strategies and operating company strategies: management with awareness of capital cost, business portfolio, etc.
 - 3) Corporate ethics and risk management: culture of compliance with corporate ethics, construction of internal controls and risk management system
 - 4) Evaluation of the management team (nomination, compensation): reporting of contents discussed by the Nomination and Compensation Advisory Committee, appointment of Directors based on the required skills, etc.
 - 5) Dialogue and other communication with shareholders etc.: sharing information related to dialogue with shareholders etc., use of dialogue with shareholders etc. to improve corporate value
 - 6) Target conditions which the Board of Directors aims for over the medium- to long-term
- Reporting and discussion of survey results at the Board of Directors: conducted two times
 1. Board of Directors' meeting in January 2024
Sharing of issues identified from the survey results, exchange of opinions concerning the related issues, and discussion of measures for improving operations
 2. Board of Directors' meeting in April 2024
Discussion of the Board of Directors operation policy for fiscal 2025

(3) Board of Directors effectiveness evaluation results and issue improvement measures

The fiscal 2024 effectiveness evaluation confirmed that, continuing from fiscal 2023, the effectiveness of the Company's Board of Directors has been generally ensured. Discussions have been held at the Board of Directors' meeting to address the identified issues, and following proposals have been made for the fiscal 2025 in order to enhance the corporate value of Panasonic Group:

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

In fiscal 2025, based on the above improvement measures which were discussed and concluded by the Board of Directors, we will continue working to improve the Board of Directors effectiveness



Corporate Governance Structure and Initiatives

Supervision by the Board of Directors in fiscal 2024

The Board of Directors

The Board of Directors entrusts authority to the Operating Companies, and achieves a fast-moving decision-making process centered on the Operating Companies. It also decides the Group's medium and long-term strategies and important Group matters, and concentrates on Group direction through Group governance and risk management, in order to make important decisions for the Group and conduct sound and suitable monitoring.

In fiscal 2024, the Board of Directors' meeting focused on the following items and devoted a great deal of time to discussing the Group's overall management strategy and functional axis strategy, thereby fulfilling its supervisory function. The number of Board of Directors meetings held in fiscal 2024 was 12, with each meeting lasting 3 hours and 38 minutes.

Key themes for fiscal 2024

Resolutions	<ul style="list-style-type: none"> ▪ Group's medium-to long-term strategy ▪ Investment in new automotive battery factory in Kansas, USA ▪ Partnership between Panasonic Automotive Systems Co., Ltd. and Apollo Global Management, Inc., etc.
Matters to be reported	<ul style="list-style-type: none"> ▪ Studies of target conditions for the group and areas of contribution, as well as business portfolio management for achieving them ▪ Status for study of Group CEO succession plan ▪ Group financial strategy ▪ Human resources strategy ▪ Measures for risk management ▪ Measures for Group compliance ▪ PX (Panasonic Transformation) <small>*PX: A Panasonic Groupwide initiative centered on DX, promoted as an important strategy for strengthening the management foundation, not limited to IT system reform.</small> ▪ Technology strategy, intellectual property strategy ▪ Cyber security measures ▪ Initiatives for and issues with disclosure of non-financial information (sustainability) ▪ Significance of ownership of cross-shareholdings, etc.

In addition to the above, reports of duty execution were received from Directors concurrently serving as Executive Officers, and reports of operating company strategies were received from the Presidents of Operating Companies.

Nomination and Compensation Advisory Committee

The Committee met five times in fiscal 2024, primarily to discuss or confirm the following:

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

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

The attendance rate at Committee meetings in fiscal 2024 was as follows:

Committee Chair : Outside Director Sawada 100%.

Committee members : Outside Director Toyama 80%, Outside Director Tsutsui 100%,
Director and Chairman of the Board Tsuga 100%,
Representative Director and President Kusumi 100%

*Outside Director Tsutsui has resigned on June 24, 2024.

Information and support for outside directors and outside Audit & Supervisory Board members

To ensure that outside directors and outside Audit & Supervisory Board members are able to speak and discuss fully at Board of Directors meetings and to improve the effectiveness of the Board of Directors, the following information and other support are provided.

- Established a system that enables the members of the Board of Directors to stay informed of the status of discussions and deliberations on the execution side of the business by posting the agendas of the Board of Directors meetings, minutes of PHD Strategy meetings, and agendas of the Board of Directors meetings of operating companies on a dedicated website that can be accessed by the members of the Board of Directors.
- Preliminary briefings are held outside of Board of Directors meetings for important agenda items.
- In principle, the agenda is posted on a dedicated website at least three business days prior to Board of Directors meetings, and a system enabling members to ask questions in advance is in place.
- A wrap-up session centered on outside directors and outside Audit & Supervisory Board members are held after the Board of Directors meeting to provide an opportunity for the Chairperson of the Board and the Board of Directors Secretariat to learn about the findings and issues raised at the Board of Directors meeting.

In addition, site and factory visits for key businesses are provided to outside directors and outside Audit & Supervisory Board members to promote their understanding of the Company's business and other activities.



Corporate Governance Structure and Initiatives

Executive Compensation

Executives eligible for the executive compensation system:

- **The Company's Directors and Audit & Supervisory Board members** : The following executive compensation system is applied.
- **The Company's executive officers (who do not concurrently serve as directors)** : Basically the same executive compensation system as that for the Company's Directors is applied.
- **Presidents of the operating companies of the Company** : In light of the fact that they are responsible for increasing the corporate value of the Panasonic Group, the compensation system for the Presidents is similar to that of the Company's Directors.

All the executive compensation systems are discussed by the Nomination and Compensation Advisory Committee.

Overview of the executive compensation system

Element of compensation	Overview	Relative size (based on the target annual amount)	Eligible executives																
			Executive Director	Non-Executive Director <small>*Corresponds to the Chairperson of the Board</small>	Outside Director	Audit & Supervisory Board member													
Base salary (monetary compensation)	<ul style="list-style-type: none"> Fixed compensation It is paid every month. Its amount is determined according to the role, the Company's management environment and other companies' trends. 	1	○	○	○	○													
Performance based compensation (monetary compensation)	<ul style="list-style-type: none"> An incentive to achieve the goals described in new medium- and long-term strategies after the transition to the operating company system of the Panasonic Group. The target annual amount is set at a certain percentage of the base salary and the paid amount is determined in consideration of financial and non-financial evaluation elements. 	0.75																	
	<table border="1"> <tr> <td>Short term incentive</td> <td> <ul style="list-style-type: none"> The incentive is paid every month. Evaluations in terms of percentage of achievement of targets, etc. in the relevant fiscal year are reflected in the amount paid in the following fiscal year. </td> <td>0.55</td> <td>○</td> <td>—</td> <td>—</td> <td>—</td> </tr> <tr> <td>Mid-long term incentive</td> <td> <ul style="list-style-type: none"> The amount of the incentive is determined according to evaluations in terms of percentage of achievement of targets, etc. in the three fiscal years covered by the current mid-long term plan (fiscal 2023 to 2025). The amount payable for the three years (the target amount is 0.6 where base salary is set at 1.0) is paid every month once in the three-year period. </td> <td>0.2</td> <td></td> <td></td> <td></td> <td></td> </tr> </table>	Short term incentive	<ul style="list-style-type: none"> The incentive is paid every month. Evaluations in terms of percentage of achievement of targets, etc. in the relevant fiscal year are reflected in the amount paid in the following fiscal year. 	0.55	○	—	—	—	Mid-long term incentive	<ul style="list-style-type: none"> The amount of the incentive is determined according to evaluations in terms of percentage of achievement of targets, etc. in the three fiscal years covered by the current mid-long term plan (fiscal 2023 to 2025). The amount payable for the three years (the target amount is 0.6 where base salary is set at 1.0) is paid every month once in the three-year period. 	0.2								
Short term incentive	<ul style="list-style-type: none"> The incentive is paid every month. Evaluations in terms of percentage of achievement of targets, etc. in the relevant fiscal year are reflected in the amount paid in the following fiscal year. 	0.55	○	—	—	—													
Mid-long term incentive	<ul style="list-style-type: none"> The amount of the incentive is determined according to evaluations in terms of percentage of achievement of targets, etc. in the three fiscal years covered by the current mid-long term plan (fiscal 2023 to 2025). The amount payable for the three years (the target amount is 0.6 where base salary is set at 1.0) is paid every month once in the three-year period. 	0.2																	
Restricted shares as compensation (non-monetary compensation)	<ul style="list-style-type: none"> Paid as an incentive to enhance corporate value in a sustainable way and further promote value sharing with shareholders through continuous shareholding until termination of service. (Transfer restrictions are lifted immediately after termination of service as a director of the Company etc.) With its relative size set according to the role, this compensation is paid every year, within a certain period, after the closure of the annual shareholders meeting. 	0.25 <small>(Average percentage of directors excluding outside directors)</small>	○	○	—	—													

Relative size of compensation for Representative Director, President





Corporate Governance Structure and Initiatives

Performance-based compensation

The amount of performance-based compensation paid varies according to the financial and non-financial evaluation elements. Both the short term and mid-long term incentive are designed in such a manner that the target annual amount (100%) is paid when the individual director's targets are achieved.

- **The weight of the financial elements is higher for the Representative Director and President than any of the other directors, given the magnitude of his/her responsibility for consolidated business performance (1).**
- **The range of the financial elements for the mid-long term incentive has been raised to a range from 0% (min.) to 450% (max.) (2) to encourage Directors to aim for an even higher target beyond simply achieving the mid-long term plan's targets.**

Evaluation items	Short term incentive				Mid-long term incentive			
	Indicators and Items	Range	Weight		Indicators and Items	Range	Weight	
			Representative Director and President	Other directors			Representative Director and President	Other directors
Financial (consolidated results) <ul style="list-style-type: none"> • EBITDA • ROE • Operating cash flow 	0% to 200%	(1) 60%	50%	<ul style="list-style-type: none"> • ROE • Operating cash flow 	(2) 0% to 450%	(1) 80%	50%	
Non-financial <ul style="list-style-type: none"> • Elimination of serious accidents and promotion of strict compliance • Environmental contribution • Human resources strategies • Operation KPIs relating to enhancement of competitiveness 	0% to 200%	40%	50%	<ul style="list-style-type: none"> • Environmental contribution • Effort to raise the level of group management 	0% to 200%	20%	50%	

* Non-financial items are set in light of important assignments to each role and each job duty (presented below are some of the specific indicators).

- **Elimination of serious accidents and promotion of strict compliance:** The number of serious accidents, the number of serious compliance issues
- **Environmental contribution:** CO₂ reduction in our value chains
- **Human resources strategies:** The results of employee opinion surveys, the percentage of women in high-ranking positions (promotion of Diversity, Equity & Inclusion)
- **Operation KPIs relating to enhancement of competitiveness:** Strengthening of procurement and logistics capabilities, DX of business processes, increases in the number of patents
- **Effort to raise the level of group management:** Propagation and practice of the Basic Business Philosophy, management based on design thinking, improvement of brand recognition

Process for determining the amount of 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.

As to the annual amounts of base salary and incentive pay to be paid and the annual number of shares to be allocated to each recipient as restricted stock compensation, the Nomination and Compensation Advisory Committee examines whether these amounts and numbers 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 determination on the compensation solely to the Representative Director, President and Chief Executive Officer of the Company, who objectively comprehends and supervises overall business execution of the Panasonic Group. As the Representative Director, President and Chief Executive Officer of the Company determines the details of base salary, incentive pay, and restricted stock compensation to each recipient in accordance with the results of deliberation at the Nomination and Compensation Advisory Committee, the Board of Directors believes this decision is in line with the policy for determining compensation.



Composition of the Board of Directors and Audit & Supervisory Board Members (As of June 24, 2024)

Knowledge expectations of directors and Audit & Supervisory Board members

The Board of Directors entrusts authority to the Operating Companies, and achieves a fast-moving decision-making process centered on the Operating Companies. It also decides the Group's medium- and long-term strategies and important Group matters, and concentrates on Group direction through Group governance and risk management, in order to make important decisions for the Group and conduct sound and suitable monitoring.

In order for our Board of Directors to fulfill the above roles, we have identified eight areas of knowledge that the Board of Directors must possess, based on the premise that the directors are serious about social issues and have the enthusiasm and commitment to make changes that will enhance our corporate value.

Of the knowledge areas, **the table below lists the top four areas where each director and Audit & Supervisory Board member is expected to demonstrate particular knowledge.**

Eight areas of knowledge required of the Board of Directors

- (1) Business experience as a member of management (Business management)
- (2) Long-term changes in global industrial structures and mega trends (Industry structures, mega trends)
- (3) Technical trends related to IT and digital transformation (IT, digital)
- (4) Global perspective (Global, international situation)
- (5) Financial insight and large-scale investment decisions (Finance, investment decisions)
- (6) Promotion of innovation, strengthening of competitiveness (Technologies, manufacturing, supply chain)
- (7) Risk control and governance related to execution of duties (Governance, risk management)
- (8) Environment and society

	Name	Gender Male Female	Position	Nomination and Compensation Advisory Committee ◎ Chairperson ○ Member	Attendance in fiscal 2024 [*Attendance after assuming position on June 26, 2023]	Specific knowledge expected							
						Business management	Industry structures, mega trends	IT, digital	Global, international situation	Finance, investment decisions	Technologies, manufacturing, supply chain	Governance and risk management	Environment and society
Directors	Chairperson of the Board Kazuhiro Tsuga		Chairperson of the Board	○	Board of Directors' meeting 12/12 (100%)	●	●	●				●	
	Yuki Kusumi		Representative Director President	○	Board of Directors' meeting 12/12 (100%)	●				●	●		●
	Tetsuro Homma		Representative Director Executive Vice President		Board of Directors' meeting 12/12 (100%)	●	●		●			●	
	Mototsugu Sato		Representative Director Executive Vice President		Board of Directors' meeting 11/12 (92%)	●			●	●		●	
	Hirokazu Umeda		Representative Director Executive Vice President		Board of Directors' meeting 12/12 (100%)	●			●	●		●	
	Yoshiyuki Miyabe		Director Executive Vice President		Board of Directors' meeting 12/12 (100%)		●	●			●		●
	Ayako Shotoku		Director Executive Officer		Board of Directors' meeting 12/12 (100%)				●			●	●
	Shinobu Matsui		Outside Director Independent	○	Board of Directors' meeting 12/12 (100%)			●		●		●	●
	Keita Nishiyama		Outside Director Independent		Board of Directors' meeting 10/10 (100%)*		●	●	●	●			
	Kunio Noji		Outside Director Independent		Board of Directors' meeting 12/12 (100%)	●			●		●	●	
	Michitaka Sawada		Outside Director Independent	◎	Board of Directors' meeting 12/12 (100%)	●					●	●	●
	Ryusuke Shigetomi New		Outside Director Independent		—	●	●		●	●			
	Kazuhiko Toyama		Outside Director Independent	○	Board of Directors' meeting 12/12 (100%)		●	●	●			●	
Audit & Supervisory Board Members	Chairperson of Audit & Supervisory Board Hidetoshi Baba		Senior Audit & Supervisory Board Member		Board of Directors' meeting 10/10 (100%)* Audit & Supervisory Board meeting 10/10 (100%)*				●	●		●	
	Yoshiaki Tokuda New		Senior Audit & Supervisory Board Member		—		●	●	●				●
	Akihiro Eto		Outside Audit & Supervisory Board Member Independent		Board of Directors' meeting 12/12 (100%) Audit & Supervisory Board meeting 13/13 (100%)	●			●	●		●	
	Akihiko Nakamura		Outside Audit & Supervisory Board Member Independent		Board of Directors' meeting 12/12 (100%) Audit & Supervisory Board meeting 13/13 (100%)				●	●		●	
	Setsuko Yufu		Outside Audit & Supervisory Board Member Independent		Board of Directors' meeting 12/12 (100%) Audit & Supervisory Board meeting 13/13 (100%)				●			●	●



▶ Directors, Audit & Supervisory Board Members, and Executive Officers

Directors, Audit & Supervisory Board Members, and Executive Officers (As of July 1, 2024)

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

Mototsugu Sato

Executive Vice President
Group CFO

- 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./ in charge of Accounting
- Oct. 2013 Executive Officer, Panasonic Corporation / in charge of Planning
- Jun. 2014 Director of the Company / in charge of Planning
- Apr. 2015 Managing Director of the Company / in charge of Planning
- Apr. 2016 Representative Director and Senior Managing Director of the Company / in charge of Planning and Human Resources
- 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) / Director, Corporate Strategy Division
- Apr. 2022 Representative Director, Member of the Board, President, Panasonic Operational Excellence Co., Ltd. Chief Executive Officer (CEO) (incumbent)



Director

Yoshiyuki Miyabe

Executive Vice President

- Apr. 1983 Joined the Company
- Apr. 2008 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 (in-cumbent)
- Apr. 2022 Executive Vice President of the Company
- Jun. 2022 Director of the Company (incumbent)



Representative Director

Yuki Kusumi

President
Group CEO

- 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) (incumbent), Group Chief Strategy Officer (Group CSO) of the Company
- Apr. 2024 Group Chief Human Resource Officer (Group CHRO) of the Company



Representative Director

Hirokazu Umeda

Executive Vice President
Group CFO

- 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 Godo 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)



Director

Ayako Shotoku

Executive Officer
Group GC

- Apr. 1991 Joined the Company
- Apr. 2017 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 of the Company (incumbent); Group General Counsel (Group GC) (incumbent)
- Jun. 2022 Director of the Company (incumbent)
- Apr. 2024 In charge of Construction Safety and Regulations Administration of the Company (incumbent)



Representative Director

Tetsuro Homma

Executive Vice President
Group Regional Head for China & Northeast Asia of the Company

- Apr. 1985 Joined the Company
- Oct. 2013 Executive Officer of the Company
- Apr. 2015 Managing Executive Officer of the Company President, Appliances 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)



Directors, Audit & Supervisory Board Members, and Executive Officers (As of July 1, 2024)

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

Outside 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.
- Jun. 2021 Director of the Company (incumbent)
- Jan. 2022 Board Director and Group Executive Officer, Uzabase, Inc. (incumbent)
- Feb. 2023 Executive Officer and CHRO, Uzabase, Inc. (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)



Ryusuke Shigetomi
(Independent director)

- Apr. 1984 Joined The Industrial Bank of Japan, Limited
- Jan. 2000 Joined Morgan Stanley Japan Securities Co., Ltd. (currently Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.)
- Nov. 2005 General Manager, Telecom Media Technology Banking Group, Investment Banking Business Unit, Morgan Stanley Japan Securities Co., Ltd.
- Feb. 2016 Vice Chairman, Global Investment Banking Division, Morgan Stanley & Co. LLC
- Jun. 2016 Managing Executive Officer, Head of Telecom Media Technology Group, Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.
- Nov. 2021 Chairperson and Representative Director, The Blackstone Group Japan K.K. (incumbent)
- Jun. 2024 Director of the Company (incumbent)



Keita Nishiyama
(Independent director)

- Apr.1985 Joined the Ministry of International Trade and Industry (currently the Ministry of Economy, Trade and Industry)
- Nov.2002 Planning Officer, Preparation Department, Industrial Revitalization Corporation, Cabinet Office
- Jul. 2003 Director, Office of Research and Planning, Trade Policy Bureau, Ministry of Economy, Trade and Industry
- Jun.2004 Director, Asia and Pacific Division, Trade Policy Bureau, Ministry of Economy, Trade and Industry
- Jul. 2007 Director, Industrial Structure Policy Division, Economic and Industrial Policy Bureau, Ministry of Economy, Trade and Industry
- Jul. 2009 Executive Managing Director, Innovation Network Corporation of Japan
- Jun.2011 Director-General of the Secretariat, TEPCO Management and Finance Investigation Task Force, Cabinet Secretariat
- Jul. 2012 Director-General, Ministry of Economy, Trade and Industry
- Jul. 2014 Deputy Chief, TEPCO-NDF Liaison Office, Nuclear Damage Compensation Facilitation Corporation
Concurrently Executive Officer, Tokyo Electric Power Company, Incorporated
- Jun.2015 Director and Executive Officer, Tokyo Electric Power Company, Incorporated
- Jul. 2018 Director-General, Commerce and Information Policy Bureau, Ministry of Economy, Trade and Industry
- Jul. 2020 Departed from the Ministry of Economy, Trade and Industry
- Nov. 2020 Representative Director, Nishiyama Research Institute, Inc. (incumbent)
- Jun.2023 Director of the Company (incumbent)



Michitaka Sawada
(Independent director)

- Apr. 1981 Joined Kao Soap Co., Ltd. (currently Kao Corporation)
- Jun. 2006 Executive Officer, Kao Corporation
- Jun. 2008 Director, Executive Officer, Kao Corporation
- Jun. 2012 Representative Director, President and Chief Executive Officer, Kao Corporation
- Jun. 2020 Director of the Company (incumbent)
- Jan. 2021 Director, Chair, Kao Corporation (incumbent)
- Mar. 2024 Senior Adviser, Kao Corporation (incumbent)



Kazuhiko Toyama
(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 COO, 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)



Directors, Audit & Supervisory Board Members, and Executive Officers (As of July 1, 2024)

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

Senior Audit & Supervisory Board Members

**Hidetoshi Baba**
Chairperson of the Audit & Supervisory Board Members

- Apr. 1987 Joined Kyushu Matsushita Electric Co., Ltd.
- Apr. 1998 Director, Accounting Division, America Kyushu Matsushita Electric Co., Ltd.
- Apr. 2004 Counselor, Financial IR Team, Accounting Group, Panasonic Communications Co., Ltd.
- Apr. 2008 Director and Vice President of Panasonic Communications (Malaysia) Sdn Bhd
- Aug. 2010 Vice President, Panasonic System Networks Europe
- Apr. 2016 Managing Officer, AVC Networks Company of the Company/Director, Accounting Center
- Oct. 2020 General Manager, Auditing Division of the Company
- Apr. 2022 Executive, in charge of Internal Audit of the Company / General Manager, Internal Auditing Department, Panasonic Operational Excellence Co., Ltd.
- Jun. 2023 Senior Audit & Supervisory Board Member of the Company (incumbent)

**Yoshiaki Tokuda**

- Apr. 1989 Joined the Company;
- Apr. 2002 Manager, IP Team, Intellectual Property Center, Matsushita Communications Industrial Co., Ltd.
- Apr. 2004 Manager, License & Contract Team, Strategy Group, Intellectual Property Center, Panasonic Mobile Communications Co., Ltd.
- Feb. 2005 General Manager, Strategy Group, Intellectual Property Center, Panasonic Mobile Communications Co., Ltd.
- Apr. 2006 Director, Intellectual Property Center, Panasonic Mobile Communications Co., Ltd.
- Apr. 2013 General Manager, Strategy Office, Intellectual Property Center of the Company
- Nov. 2013 Director, Professional Solution Center, Intellectual Property Center of the Company
- Oct. 2014 General Manager, Strategy Department, Intellectual Property Center of the Company
- Apr. 2017 Director, Intellectual Property Center of the Company
- Oct. 2021 Director, Intellectual Property Center of the Company; Managing Officer, Operational Excellence Company/in charge of Intellectual Property
- Apr. 2022 Director, Intellectual Property Center of the Company Executive Officer, Panasonic Operational Excellence Co., Ltd./in charge of Intellectual Property
- Apr. 2024 Executive, Audit & Supervisory Board Members' Office of the Company
- Jun. 2024 Senior Audit & Supervisory Board Member of the Company (incumbent)

Outside Audit & Supervisory Board Members

**Akihiro Eto**
(Independent Audit & Supervisory Board member)

- Apr. 1986 Joined Bridgestone Corporation
- Jul. 2010 Vice President and Officer, Bridgestone Corporation
- Sep. 2012 Vice President and Senior Officer, Bridgestone Corporation
- Sep. 2014 Senior Vice President, Bridgestone Corporation
- Jan. 2016 Executive Vice President, Bridgestone Corporation
- Mar. 2016 Executive Vice President and Executive Officer, Bridgestone Corporation
- Jan. 2019 COO and Representative Executive Officer, President, Bridgestone Corporation
- Mar. 2019 Director, COO and Representative Executive Officer, President, Bridgestone Corporation
- Jul. 2020 Director, Bridgestone Corporation
- Nov. 2021 Member of the Supervisory Board and its Audit Committee, Daimler Truck AG (incumbent)
- Dec. 2021 Member of the Supervisory Board and its Audit Committee, Daimler Truck Holding AG (incumbent)
- Jun. 2022 Audit & Supervisory Board Member of the Company (incumbent)

**Akihiko Nakamura**
(Independent Audit & Supervisory Board member)

- Mar. 1982 Joined Price Waterhouse Certified Public Accountants Office
- Sep. 1986 Registered as Certified Public Accountant (incumbent)
- Jul. 1998 Representative Partner, Aoyama Audit Corporation Partner, PricewaterhouseCoopers Co., Ltd. (PwC)
- Apr. 2000 Representative Partner, ChuoAoyama Audit Corporation
- Sep. 2006 Representative Partner, Aarata Kansa Hojin (currently PricewaterhouseCoopers Aarata LLC)
- Jul. 2017 President, Akihiko Nakamura CPA Office (incumbent)
- Jun. 2022 Audit & Supervisory Board Member of the Company (incumbent)

**Setsuko Yufu**
(Independent Audit & Supervisory Board member)

- Apr. 1981 Registered as Attorney at Law (the Daini Tokyo Bar Association, Japan) (incumbent)
- Joined law firm of Adachi Henderson Miyatake & Fujita
- Sep. 1986 Joined Loeff Claey Verbeke (Brussels) (currently Allen & Overy (Brussels))
- Jan. 2002 Partner, Atsumi & Usui (currently Atsumi & Sakai Janssen Foreign Law Joint Enterprise) (incumbent)
- Jun. 2020 Audit & Supervisory Board Member of the Company (incumbent)

Executive Officers

President

Yuki Kusumi
Group CEO

Executive Vice Presidents

Tetsuro Homma

Group Regional Head for China & Northeast Asia
*President, Panasonic Operational Excellence China and Northeast Asia, Panasonic Operational Excellence Co., Ltd. Chairperson, Panasonic Corporation of China

Hirokazu Umeda

Group CFO / In charge of Group MUDA Busters Project and Facility Management / CEO, Panasonic Holding (Netherlands) B.V. / President, Panasonic Equity Management Japan G.K. / In charge of Prime Life Technologies Corporation

Mototsugu Sato

Group CRO / In charge of Procurement, Logistics, and General Affairs and Social Relations Occupational Safety and Health Director
* Representative Director, President, CEO, Member of the Board in charge of DEI Promotion and General Affairs, Panasonic Operational Excellence Co., Ltd.

Yoshiyuki Miyabe

Representative in Tokyo / In charge of Government and External Relations, and Solution Partners

Executive Officers

Tatsuo Kinoshita

Group CHRO

Yoky Matsuoka

Director, Panasonic Well

Masashi Nagayasu

In charge of Prime Planet Energy & Solutions, Inc.
*Representative Director, President, CEO, and Executive Officer in charge of DEI Promotion, Panasonic Automotive Systems Co., Ltd.

Tatsuo Ogawa

Group CTO / In charge of Pharmaceutical Affairs

Ayako Shotoku

Group GC / In charge of Construction Safety and Regulations Administration

Kazuyo Sumida

Group CSO / General Manager, Corporate Planning Group

Hajime Tamaoki

Group CIO / In charge of Cyber Security
*President, Panasonic Information Systems Co., Ltd.

Shigeo Usui

In charge of Design
*Executive Officer, Chief Customer Experience Officer (CCXO), in charge of Design, Brand and Communications, Panasonic Corporation

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

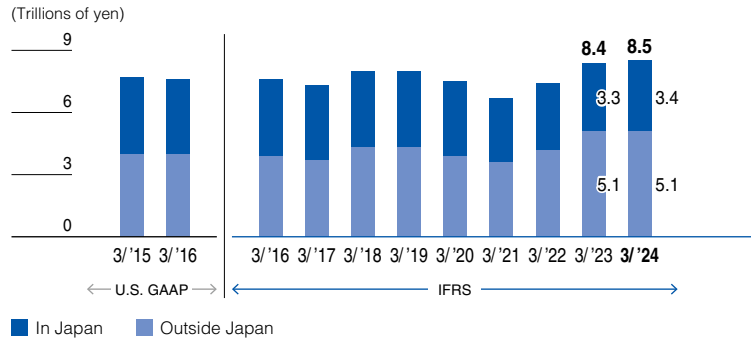


Corporate Data Highlights (Financial Data)

The Company and subsidiaries, years ended March 31

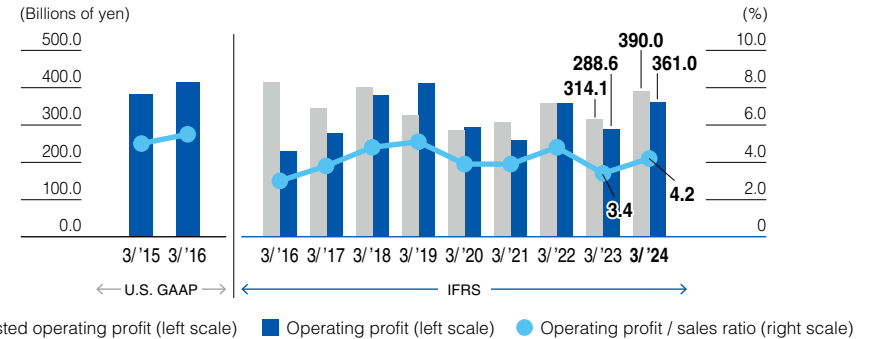
The Company began applying International Financial Reporting Standards (IFRS) on a voluntary basis in the fiscal year ended March 31, 2017 (fiscal 2017). Financial figures for fiscal 2016 are presented in accordance with both newly applied IFRS and conventionally applied U.S. GAAP (Generally Accepted Accounting Principles) respectively.

Net sales



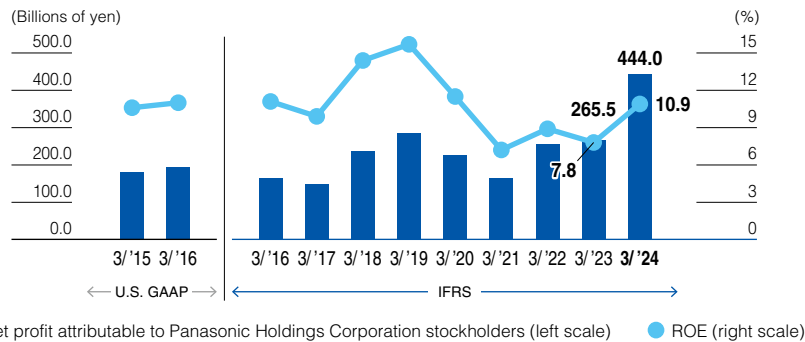
Consolidated sales increased due to higher sales in Automotive and Connect and the effect of currency translation, despite lower sales in Lifestyle, Industry, and Energy.

Operating profit and ratio to sales



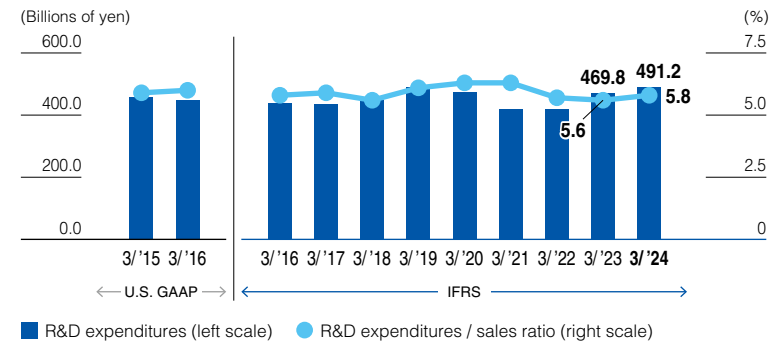
Operating profit decreased in Industry but increased in Lifestyle, Automotive, and Connect. Also, adjusted operating profit was boosted by the progress made on price revisions/rationalization, the effects of the exchange rate, and the recording of tax credit under the Inflation Reduction Act in the U.S. (the "US IRA Tax Credit"), despite higher fixed costs arising from strategic investments and others as well as the impacts of soaring raw material prices.

Net profit attributable to Panasonic Holdings Corporation stockholders and ROE



Net profit attributable to Panasonic Holdings Corporation stockholders increased due to operating profit growth and lower income tax resulting from the resolution passed by the Company to liquidate Panasonic Liquid Crystal Display Co., Ltd. ("PLD") (through "special liquidation defined in the Japanese Companies Act") and to waive the debt owned by PLD. ROE increased year on year to above 10%.

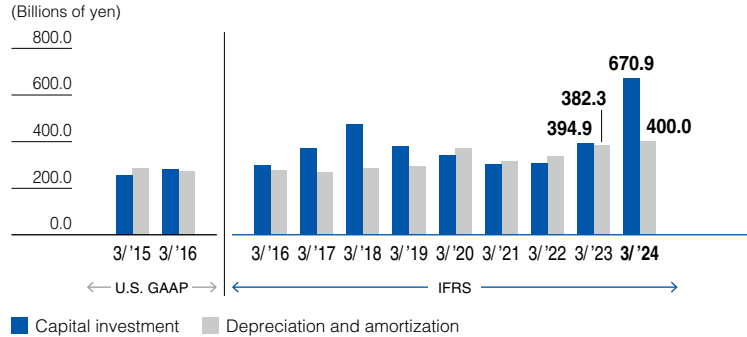
R&D expenditures and ratio to sales



Based on our growth strategies, we focused on developing new technologies and new products that will support the Company's future. In addition, we actively engaged in technological development with the aim of contributing to solving global environmental issues and benefitting the life-long health, safety, and comfort of every individual. *Please refer to "[Environment and Technology Strategy](#)" on p.33 for more information about our environmental and technology strategies.

Corporate Data Highlights (Financial Data)

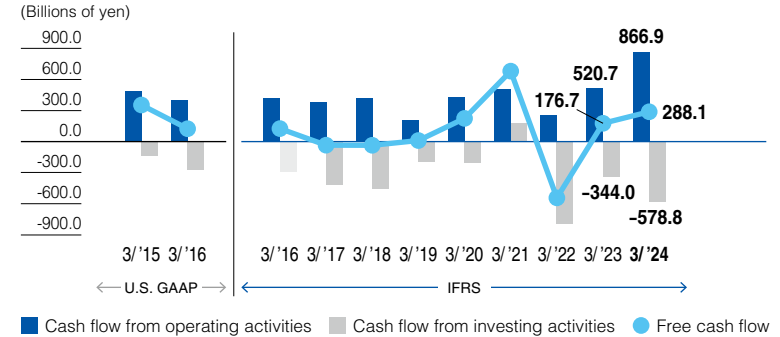
Capital investment, depreciation and amortization



We made capital investments in mainly production facilities based on our policy of steadily investing primarily in key businesses for future growth. The main capital investments were for production facilities for EV batteries, the construction of a new factory in North America, air to water (A2W) heat pump systems in Europe, and home-use electric appliances and electrical construction materials.

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 is the amount of depreciation of property, plant and equipment and right-of-use assets (from fiscal 2020) as well as the amount of amortization of intangible assets.

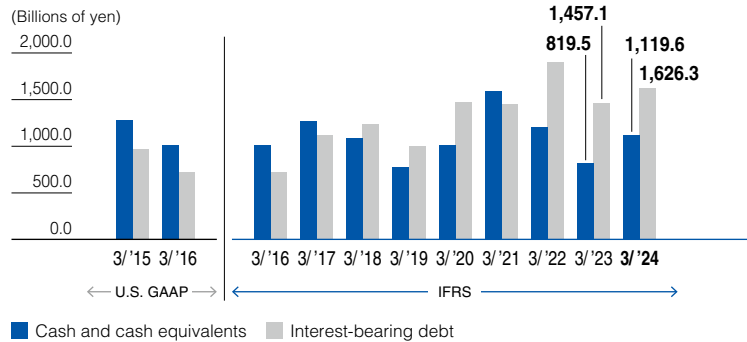
Free cash flows



Net cash provided by operating activities increased sharply from the previous fiscal year, mainly reflecting a decrease in inventories. Net cash used in investing activities decreased from the previous fiscal year, due mainly to an increase in capital investments mainly in EV batteries.

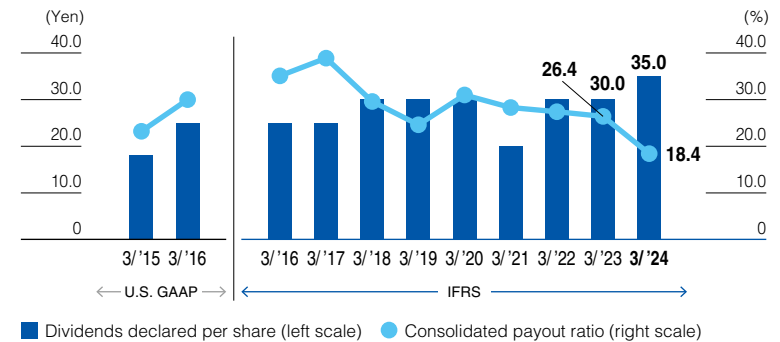
Note: Lease receivables collected as a result of application of finance lease accounting as lessor — based on product supply contracts determined to contain leases — are included in cash flows from investing activities.

Cash and cash equivalents and interest-bearing debt



Cash and cash equivalents increased from the end of the previous fiscal year. In September 2023, we issued yen-denominated unsecured straight bonds in order to raise funds for bond redemptions and to secure enough funds necessary for future business operations. We also raised funds for working capital and other purposes mainly by issuing commercial paper (CP). Interest-bearing debt, including these debt instruments, increased from the end of the previous fiscal year.

Dividends declared per share / consolidated payout ratio



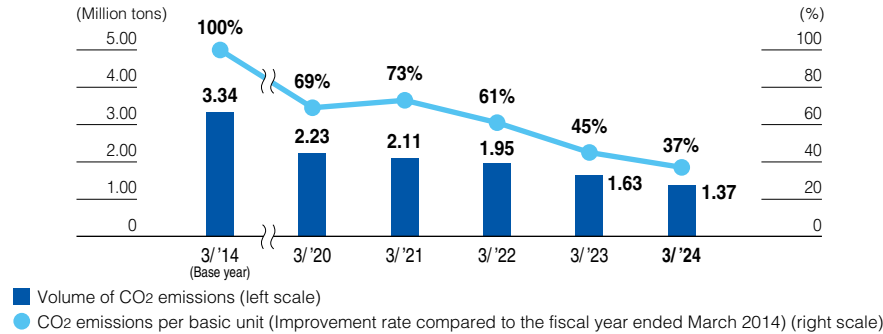
After comprehensively taking into account our dividend policy, financial position, and other circumstances, we raised the annual dividend per share by 5 yen from the previous fiscal year. We consider the return of profits to shareholders to be one of our most important policies, and from the perspective of providing returns on invested capital from shareholders, we, in principle, distribute profits to shareholders in accordance with consolidated financial results. We therefore endeavor to stably, and continuously, pay dividends with a consolidated dividend payout ratio of 30%. Internal reserves will be used to further enhance our business structure and for future business development.



Corporate Data Highlights (Non-financial Data)

For more non-financial data, see also ["Sustainability Data Book"](#).

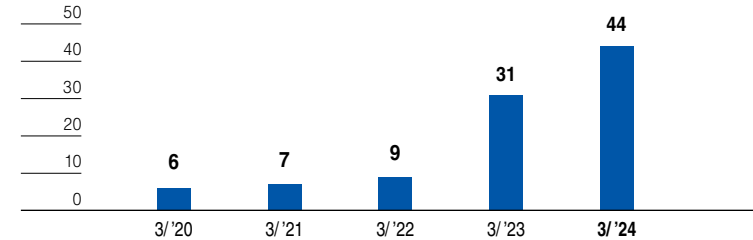
CO2 emissions in production activities and CO2 emissions per basic unit



In the Panasonic GREEN IMPACT, we have set our target that the Group will achieve zero CO2 emissions at own sites of all operating companies by 2030. Through the creation of factories with net zero CO2 emissions and also, CO2 emissions in production activities have been steadily decreasing since 2013.

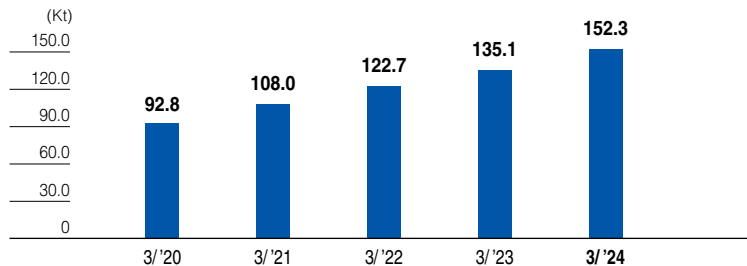
(Note) For CO2 emissions per basic unit, CO2 emissions are divided by the Group's overall net sales, and then the improvement rate compared to fiscal 2014 is calculated.

Number of zero-CO2 factories (cumulative total from 2018)



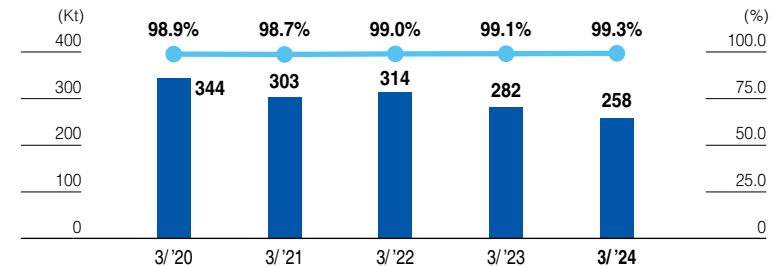
Since establishing the group's first zero-CO2 factory in fiscal year ended March 31, 2019 (fiscal 2019), the Panasonic Group achieved conversion of nine factories to zero-CO2 factories by fiscal 2022. In fiscal 2023, we make a total of 44 factories; 13 in Japan and 31 in overseas; achieving net zero-CO2 emissions to date. We are steadily progressing towards the GIP2024 target of 37 zero-CO2 factories.

Results of recycled resin usage (cumulative total from fiscal 2015)



To promote recycling-oriented manufacturing, we are further reducing resource consumption and working to establish a circular system according to resource type and features. For example, in the case of recycled resin, we used approx. 17.2 kt of recycled resin in our products such as TVs, air conditioners, refrigerators, and washing machines in fiscal 2024. In order to achieve the respective GREEN IMPACT PLAN (GIP) 2024 target, we worked on responding to the characteristic required for components.

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



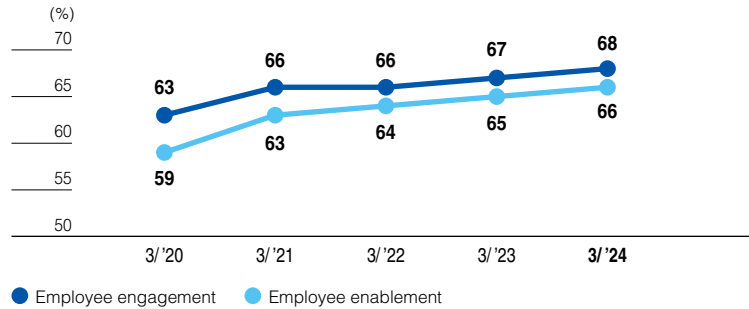
■ Total amount of waste (incl. revenue-generating waste) (left scale) ● Factory waste recycling rate (right scale)

As an initiative to reduce the amount of final disposal of waste and valuables, we will reduce the amount of materials that are particularly difficult to recycle, such as thermosetting resins. As for the factory waste recycling rate, given increased awareness of the importance of zero waste emission activities, we have set a globally standardized target since fiscal year 2011 and are taking steps to improve the standard level of waste recycling across the entire Group. (Note) Factory waste recycling rate = Amount of resources recycled/(Amount of resources recycled + Amount of landfill)



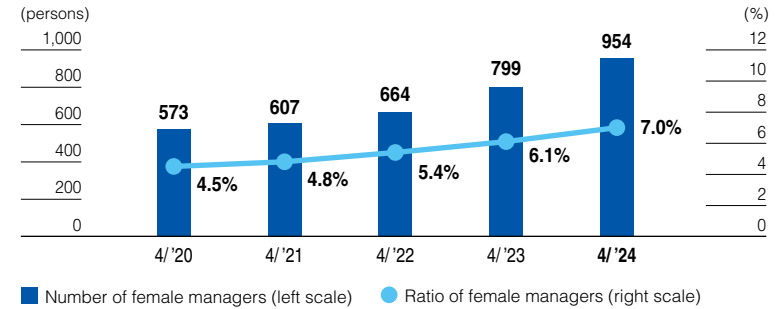
Corporate Data Highlights (Non-financial Data)

Favorable response rate in the employee opinion survey



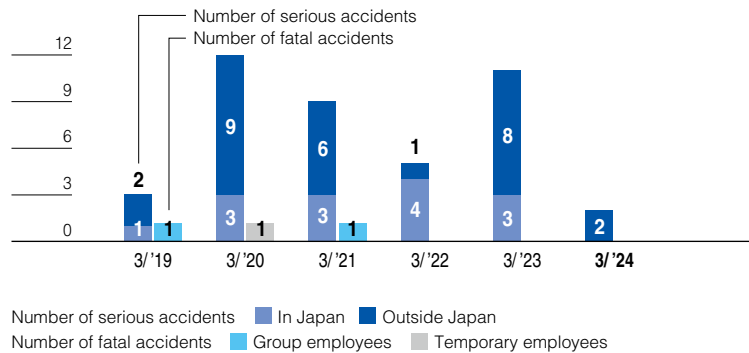
To realize the “employee well-being,” we have established some key indicators, such as employee engagement, employee enablement. These indicators represent the favorable response rate (%) as measured in the Employee Opinion Survey (“EOS”), which is an annual survey of all global employees. The survey results have been trending upward yearly and we have set the goal for fiscal 2031 as the highest global standard (80% or more).

Number and ratio of women in managerial positions (in Japan)



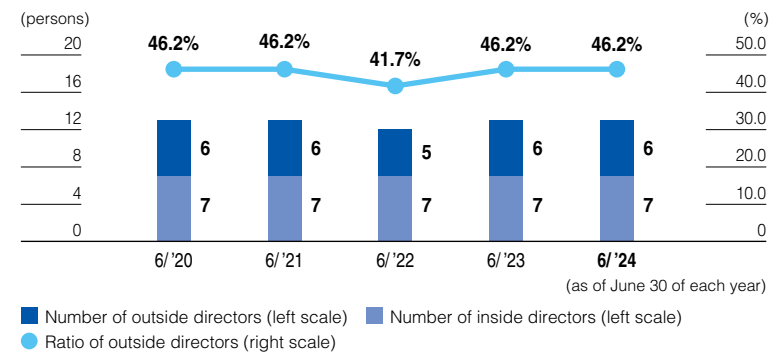
As a part of promoting Diversity, Equity & Inclusion (DEI), we built a management and organizational environment where diverse employee personalities are valued and fully utilized. We established some key indicators such as percentage of female workers in managerial positions. The percentages have been trending upward yearly.

Number of occupational accidents



Safety and compliance are the major premises of business management. We have created a safe, secure and healthy workplace and established some key indicators such as number of occupational accidents. In fiscal 2024, the Group had zero fatal workplace accidents in continuation from the previous year, as well as zero serious and severe workplace accidents in Japan and two overseas. Going forward, we will continue to work toward eliminating zero fatal and serious and severe workplace accidents.

Number of board members and ratio outside directors



We ensure that the Board of Directors possesses a broad cross-section of knowledge, experience, and we have a policy of ensuring that one-third or more of Board of Directors Members are Outside Directors who can be expected to provide valuable opinions for decisions related to operations and supervision of Director duties based on their extensive careers outside the Company and high levels of knowledge. As of June 30, 2024, our outside director ratio was 46.2%. We have maintained a level above 40%.

For more details, see also: <https://holdings.panasonic/global/corporate/investors/pdf/cgr.pdf>



10-year Financial Summary

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.

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.

	U.S. GAAP		IFRS									
	3/2015	3/2016	3/2016	3/2017	3/2018	3/2019	3/2020	3/2021	3/2022	3/2023	3/2024	
For the Year (Millions of yen)												
Net sales	7,715,037	7,553,717	7,626,306	7,343,707	7,982,164	8,002,733	7,490,601	6,698,794	7,388,791	8,378,942	8,496,420	
Adjusted operating profit	381,913	415,709	413,246	343,616	401,202	327,032	286,663	307,155	357,700	314,077	389,999	
Operating profit	—	—	230,299	276,784	380,539	411,498	293,751	258,600	357,526	288,570	360,962	
Profit before income taxes	182,456	217,048	227,529	275,066	378,590	416,456	291,050	260,820	360,395	316,409	425,239	
Net profit attributable to Panasonic Holdings Corporation stockholders	179,485	193,256	165,212	149,360	236,040	284,149	225,707	165,077	255,334	265,502	443,994	
Capital investment	253,610	279,993	299,881	373,208	475,187	380,678	342,098	301,494	305,108	394,891	670,893	
Depreciation and amortization	286,326	274,401	277,716	269,998	287,324	295,694	372,973	317,572	339,148	382,289	399,984	
R&D expenditures	457,250	449,828	438,851	436,130	448,879	488,757	475,005	419,764	419,807	469,785	491,224	
Free cash flow	353,455	124,406	125,551	(34,746)	(35,646)	10,290	224,207	680,634	(543,519)	176,709	288,055	
Cash flow from operating activities	491,463	398,680	419,355	385,410	423,182	203,677	430,303	504,038	252,630	520,742	866,898	
Cash flow from investing activities	(138,008)	(274,274)	(293,804)	(420,156)	(458,828)	(193,387)	(206,096)	176,596	(796,149)	(344,033)	(578,843)	
At Year-End (Millions of yen)												
Cash and cash equivalents	1,280,408	1,014,264	1,012,666	1,270,787	1,089,585	772,264	1,016,504	1,593,224	1,205,873	819,499	1,119,625	
Total assets	5,956,947	5,596,982	5,488,024	5,982,961	6,291,148	6,013,931	6,218,518	6,847,073	8,023,583	8,059,527	9,411,195	
Interest-bearing debt	972,916	725,919	724,841	1,124,004	1,239,444	998,721	1,471,311	1,447,423	1,897,284	1,457,107	1,626,279	
Panasonic Holdings Corporation stockholders' equity	1,823,293	1,705,056	1,444,442	1,571,889	1,707,551	1,913,513	1,998,349	2,594,034	3,164,962	3,618,402	4,544,076	
Total equity	1,992,552	1,854,314	1,647,233	1,759,935	1,882,285	2,084,615	2,155,868	2,768,502	3,347,171	3,789,958	4,721,903	

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

U.S. GAAP	IFRS
Operating profit	Adjusted operating profit
Net income attributable to Panasonic Holdings Corporation	Net profit attributable to Panasonic Holdings Corporation stockholders
Panasonic Holdings Corporation shareholders' equity	Panasonic Holdings Corporation stockholders' equity
Net income attributable to Panasonic Holdings Corporation per common share	Earnings per share attributable to Panasonic Holdings Corporation stockholders

Notes to this table

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.

- Adjusted operating profit = Net sales - Cost of sales - SG&A
- 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)
- Depreciation and amortization is the amount of depreciation of property, plant and equipment and right-of-use assets (from the fiscal year ended March 31, 2020) and the amount of amortization of intangible assets.
- "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.



10-year Financial Summary

	U.S. GAAP		IFRS									
	3/2015	3/2016	3/2016	3/2017	3/2018	3/2019	3/2020	3/2021	3/2022	3/2023	3/2024	
Per Share Data (Yen)												
Earnings per share attributable to Panasonic Holdings Corporation stockholders												
Basic	77.65	83.40	71.30	64.33	101.20	121.83	96.76	70.75	109.41	113.75	190.21	
Diluted	77.64	83.39	71.29	64.31	101.15	121.75	96.70	70.72	109.37	113.72	190.15	
Dividends declared per share	18.00	25.00	25.00	25.00	30.00	30.00	30.00	20.00	30.00	30.00	35.00	
Panasonic Holdings Corporation stockholders' equity per share	788.87	734.62	622.34	673.93	732.12	820.41	856.57	1,111.73	1,356.08	1,550.23	1,946.62	
PBR	2.00	1.41	1.66	1.87	2.08	1.16	0.96	1.28	0.88	0.76	0.74	
PER	20.31	12.39	14.50	19.56	15.03	7.83	8.53	20.12	10.86	10.39	7.60	
Financial Indicators												
ROE (%)	10.6	11.0	11.1	9.9	14.4	15.7	11.5	7.2	8.9	7.8	10.9	
Net profit attributable to Panasonic Holdings Corporation stockholders / sales (%)	2.3	2.6	2.2	2.0	3.0	3.6	3.0	2.5	3.5	3.2	5.2	
Total asset turnover ratio (Times)	1.4	1.3	1.3	1.3	1.3	1.3	1.2	1.0	1.0	1.0	1.0	
Financial leverage (Times)	3.3	3.3	3.8	3.8	3.7	3.4	3.1	2.8	2.6	2.4	2.1	
Operating profit / sales (%)	5.0	5.5	3.0	3.8	4.8	5.1	3.9	3.9	4.8	3.4	4.2	
Profit before income taxes / sales (%)	2.4	2.9	3.0	3.7	4.7	5.2	3.9	3.9	4.9	3.8	5.0	
Interest-bearing debt / total assets (%)	16.3	13.0	13.2	18.8	19.7	16.6	23.7	21.1	23.6	18.1	17.3	
Panasonic Holdings Corporation stockholders' equity / total assets (%)	30.6	30.5	26.3	26.3	27.1	31.8	32.1	37.9	39.4	44.9	48.3	
Payout ratio (%)	23.2	30.0	35.1	38.9	29.6	24.6	31.0	28.3	27.4	26.4	18.4	
Exchange Rate (Yen)												
1 USD	110	120	120	108	111	111	109	106	112	135	145	
1 EUR	139	133	133	119	130	128	121	124	131	141	157	
1 RMB	17.7	18.9	18.9	16.1	16.8	16.5	15.6	15.7	17.5	19.8	20.1	

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

U.S. GAAP	IFRS
Panasonic Holdings Corporation share-holders' equity	Panasonic Holdings Corporation stockholders' equity
Net income attributable to Panasonic Holdings Corporation per common share	Earnings per share attributable to Panasonic Holdings Corporation stockholders
Panasonic Holdings Corporation share-holders' equity per share	Panasonic Holdings Corporation stockholders' equity per share
Net income attributable to Panasonic Holdings Corporation / sales	Net profit attributable to Panasonic Holdings Corporation stockholders / sales
Panasonic Holdings Corporation share-holders' equity / total assets	Panasonic Holdings Corporation stockholders' equity / total assets

Notes to this table

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.

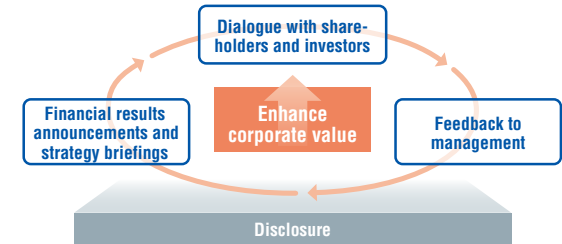
- "Dividends declared per share" reflect those declared by the Company in each fiscal year and consist of interim dividends paid during the fiscal year and year-end dividends paid after the fiscal year-end.
- Exchange rate is the average rate for the fiscal year.

Formulas for financial ratios are as follows:

- PBR = Stock price at the end of period / Panasonic Holdings Corporation stockholders' equity per share (Stock price at the end of period is listed on P72.)
- PER = Stock price at the end of period / Basic earnings per share attributable to Panasonic Holdings Corporation stockholders (Stock price at the end of period is listed on P72.)
- 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

Status of Dialogue with Capital Markets

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. We also aim to improve the quality of our management and enhance the medium- to long-term corporate value by engaging in constructive dialogue with our shareholders and investors and feeding back the insights gained from this dialogue to the management team.



Main IR (Investor Relations) activities

Activities	Main presenters	Annual results (fiscal year ended March 31, 2024)	
Strategy briefings	Group CEO, Group CFO, operating company presidents	<ul style="list-style-type: none"> • Strategy Briefing of Blue Yonder (May 2023) • Group Strategy Briefing (May) • Panasonic Group Operating Companies: Strategy Briefing 2023 (June) • Dialogue between Outside Directors and Institutional Investors (November) • In addition, approximately 11 briefing sessions were held in cooperation with securities companies. 	
Financial results announcements	Group CFO	4 times	
Group/individual meetings	Group CEO, Group CFO, operating company presidents	Approx. 700 institutions (accumulated)	Japanese and overseas institutional investors (fund managers, analysts), ESG investment managers, securities company analysts, etc.
	Corporate Finance, Accounting & IR Department General Manager and managers, IR personnel	Approx. 1,000 institutions (accumulated)	

General meeting of shareholders	Main presenters	Results	
The 117th ordinary general meeting of shareholders* (June 2024)	Directors, Audit & Supervisory Board members, executive officers, operating company presidents	Number of unit shareholders	396,723
		Number of shareholders present at the meeting	748
		Number of shareholders who watched the livestream by internet	946

* A video streaming of the General Meeting of Shareholders is available on the Company's website for one month after the meeting.

Proactive information disclosure

We proactively disclose information on our website for the convenience of investors in Japan and overseas. By default, we post financial and performance reports, including consolidated financial results, supplemental financial data, presentation materials with notes from financial results announcements, and annual securities reports, simultaneously in Japanese and English. We also post audio streaming from financial results announcements and similar events in both Japanese and English. The website also includes strategy briefing materials, integrated reports, and at-a-glance information about the Panasonic Group (“IR Summary”). Please refer to the following websites.
<https://holdings.panasonic.jp/corporate/investors.html> (Japanese)
<https://holdings.panasonic/global/corporate/investors.html> (English)

Main topics of interest in capital markets

Investor's viewpoint	Topics of concern
Ability to generate cash flow	<ul style="list-style-type: none"> • Further progress of business portfolio management and business restructuring • Measures to address deteriorating business and timing of recovery by quarter • Impact of the U.S. Inflation Reduction Act (IRA) on automotive battery business • Strategies for improving PBR to above 1.0x, and capital policies including shareholder return
Growth potential	<ul style="list-style-type: none"> • Profit contribution by the mass production of 4680-size batteries and the new Kansas factory in the automotive battery business • Progress of growth strategies for the SCM software business (mainly Blue Yonder) • Factors of deterioration in performance in the air quality & air-conditioning business (such as air to water heat pump system) in Europe, and future measures for it • Monitoring to be conducted by Panasonic Holdings Corporation for each business, such as ROIC management • Future vision of Panasonic Holdings Corporation after the completion of business portfolio management
Stability and continuity	<ul style="list-style-type: none"> • Progress on materiality analysis (progress against disclosed KPI) • Approach to Group governance and the composition of Directors • The status of investigations by external investigation committees toward quality frauds, and preventive measures

Key feedback to management

	Frequency	Reporting method	Content of reporting
Investors' and analysts' comments, stock index and stock price information	5-6 times/year	Report to Board of Directors	To provide reference information for discussions on improving corporate value, we report on capital market reactions after announcements on financial results and briefings on business policies, including investor and analyst feedback and stock price movements.
Results of IR activities including feedback from investors	Quarterly	Email, internal information sharing site	To improve understanding and raise awareness of IR activities, and to utilize them in improvement activities for each business, we summarize the feedback, opinions, and activity results obtained at group and individual meetings, and then share them with senior management, relevant internal departments, and relevant departments of operating companies.

We review those opinions and requests received via our website, correspondence, phone calls, etc. and incorporate them into feedback to management team.



Corporate Information

 (As of March 31, 2024)

The Company and Subsidiaries
Years ended March 31

Corporate information

Company Name: Panasonic Holdings Corporation

Founded: March 1918

(Incorporated in December 1935)

Head Office Location: 1006, Kadoma, Kadoma City,
Osaka 571-8501, Japan

Stated Capital: 259,445 million yen

Number of Consolidated Companies
(including parent company): 511

Number of Companies under the Equity Method: 67

Number of Employees: 228,420

Stock information

Number of Shares Issued: 2,454,261,297
(Including the Company's treasury stocks of
119,915,128 shares)

Number of Shareholders: 467,764

TSE Securities Code: 6752

Unit of Stock: 100

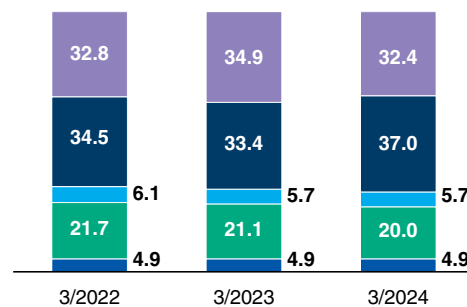
Stock Exchange Listings: Tokyo, Nagoya

Transfer Agent for Common Stock

Sumitomo Mitsui Trust Bank, Limited
5-33 Kitahama, 4-chome, Chuo-ku, Osaka City,
Osaka 540-8639, Japan
Phone: +81-3-3323-7111

Types of shareholders

	3/2024
Number of Shares Issued (in thousands of shares)	2,454,261
Number of Shareholders	467,764
Distribution by Type of Shareholders (%)	
Japanese Financial Institutions, etc.	32.4
Overseas Investors, etc.	37.0
Other Corporations	5.7
Individuals and Others	20.0
Treasury Stock	4.9
Total	100.0



■ Japanese Financial Institutions, etc.
■ Overseas Investors, etc. ■ Other Corporations
■ Individuals and Others ■ Treasury Stock

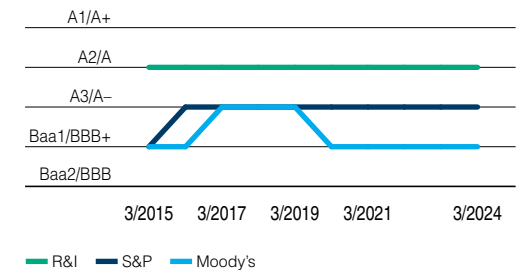
Major shareholders

Name	Share ownership (in thousands of shares)	Percentage of total issued shares (%)
The Master Trust Bank of Japan, Ltd. (trust account)	356,385	15.26
Custody Bank of Japan, Ltd. (trust account)	185,386	7.94
STATE STREET BANK WEST CLIENT - TREATY 505234	56,545	2.42
NIPPON LIFE INSURANCE COMPANY	48,339	2.07
MOXLEY AND CO LLC	42,535	1.82
SUMITOMO LIFE INSURANCE COMPANY	37,465	1.60
Panasonic Group Employee Shareholding Association	32,137	1.37
JP MORGAN CHASE BANK 385781	30,907	1.32
GOVERNMENT OF NORWAY	30,488	1.30
Matsushita Real Estate Co., Ltd.	29,121	1.24

Notes: 1. The figures in share ownership are rounded down to the nearest thousands of shares.
 2. Shareholding ratio is calculated by deducting the Company's treasury stock (119,915,128 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.

Ratings

Rating company	Long-term	Short-term
Rating and Investment Information, Inc. (R&I)	A	a-1
S&P (Standard & Poor's)	A-	A-2
Moody's Japan K.K. (Moody's)	Baa1	—



Bonds issued by Panasonic Holdings Corporation are listed here:
<https://holdings.panasonic/global/corporate/investors/stock/ratings.html>

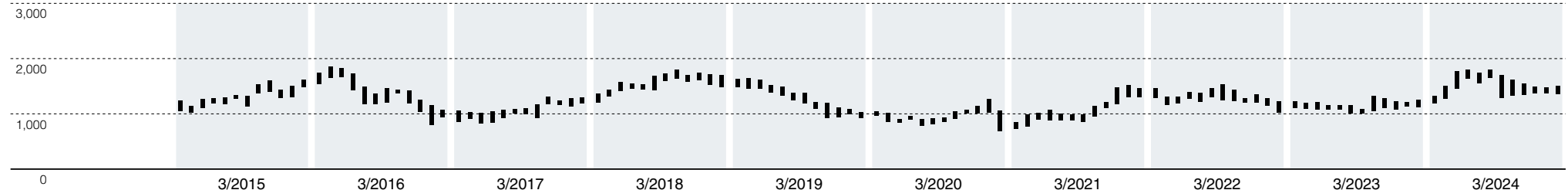


Corporate Information (As of March 31, 2024)

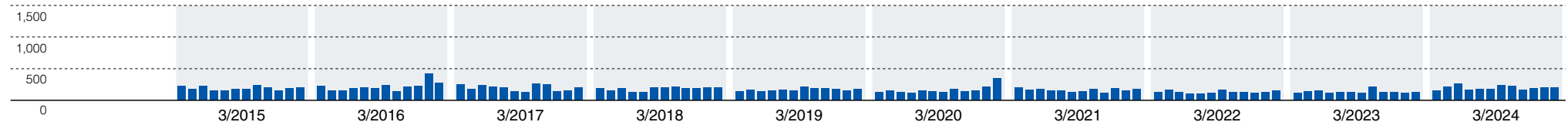
Company stock price and trading volume

(Years ended March 31) Tokyo Stock Exchange monthly basis

Stock Price (Yen)



Trading Volume (Millions of shares)



	3/2015	3/2016	3/2017	3/2018	3/2019	3/2020	3/2021	3/2022	3/2023	3/2024
High (Yen)	1,614.0	1,853.5	1,309.5	1,800.0	1,647.0	1,264.0	1,520.0	1,541.0	1,325.0	1,808.0
Low (Yen)	1,030.0	799.0	831.4	1,207.5	917.7	691.7	733.5	1,018.5	1,006.5	1,190.0
Period-End (Yen)	1,577.0	1,033.5	1,258.0	1,521.0	954.2	825.0	1,423.5	1,188.5	1,182.0	1,445.5

IR (Investor Relations) offices

Osaka

Investor Relations
 Corporate Finance, Accounting & IR Department
 Panasonic Holdings Corporation
 1006 Kadoma, Kadoma City, Osaka 571-8501, Japan
 Phone: +81-6-6908-1121

Tokyo

Investor Relations
 Corporate Finance, Accounting & IR Department
 Panasonic Holdings Corporation
 TOKYO MIDTOWN HIBIYA 14F,
 1-1-2 Yuraku-cho, Chiyoda-ku, Tokyo 100-0006, Japan
 Phone: +81-3-3437-1121

Europe

Investor Relations
 Panasonic Business Support Europe GmbH
 (UK branch)
 Maxis 2, Western Road,
 Bracknell, Berkshire, RG12 1RT, United Kingdom
 Phone: +44-1344-853135

IR and Sustainability websites

IR

Please refer to the Company's IR website 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>

Please refer to the following web page for information on third-party recognition and inclusion in ESG indices:
<https://holdings.panasonic/global/corporate/sustainability/management/recognition.html>

Panasonic Group

Panasonic Holdings Corporation

<https://holdings.panasonic/global>