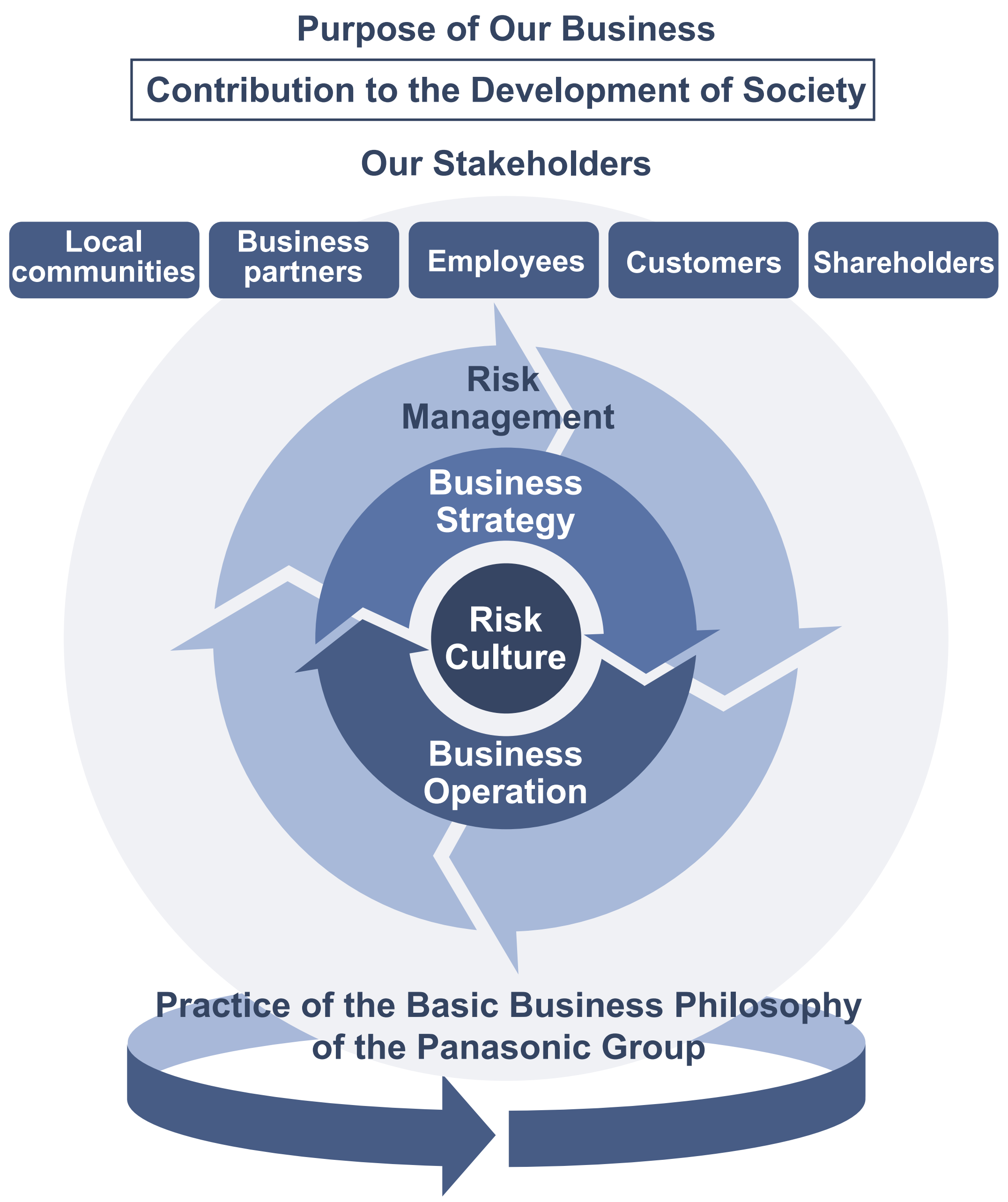
Risk Management

The Panasonic Group operates with the purpose of consistently fulfilling its business objective of contributing to the development of society in all corporate activities, in accordance with the management philosophy established by its founder, Konosuke Matsushita.

Policy

The founder continuously urged each employee to sharpen his or her sensitivity to change, stating that "there are signs before all things" and that "one must be alert to signs of change and act accordingly." The Group's risk management is an initiative aimed at maximizing the organization's fulfillment of its mission as a "public entity of society" by valuing this sensitivity at every level, from the front lines to management, and by seeking to prevent in advance adverse impacts on the achievement of its business objectives while proactively utilizing favorable impacts.

Risk Management Positioning



Panasonic Group values a Risk Culture in terms of its organizational awareness and behavior toward risk, aiming to enhance its risk management effectiveness (see "Education and Awareness" below). We aim to build on this cultural orientation to ensure that we adequately incorporate responses to changes in the business environment into our strategies and operations.

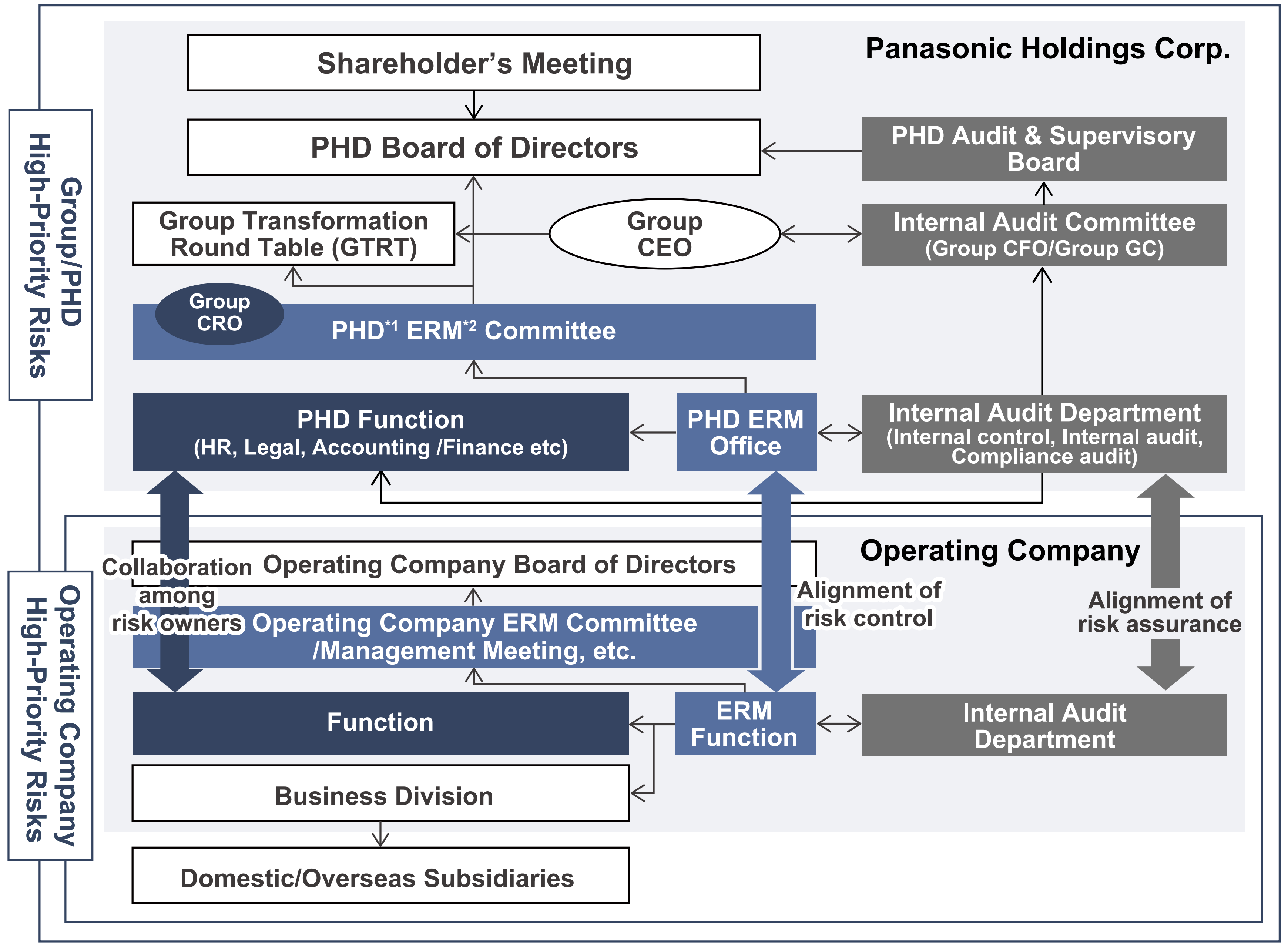
Responsible Executive and Framework

The Group has established a Groupwide risk management system and processes based on the "Panasonic Group Basic Rules for Risk Management" (the "Basic Rules"), which comply with ISO 31000, an international standard for risk management systems, and COSO-ERM (2017), an international framework for risk management.

The Group operates in a broad range of business areas in Japan and overseas, including Connect, Electric Works, HVAC & CC, Energy, Industry, and Smart Life etc. In light of this business structure, and in order to achieve risk management that balances optimization at both the corporate and business levels, the Group has established promotion systems at Panasonic Holdings Corporation ("PHD"), as the holding company, and at each operating company based on the "Basic Rules."

At PHD, the PHD Enterprise Risk Management Committee ("PHD ERM Committee") has been established, with the Group Chief Risk Management Officer ("Group CRO"), who is responsible for promoting the Group's risk management, serving as chairperson, and the heads of the functional divisions responsible for Group measures serving as members. In addition, the Enterprise Risk Management Office ("PHD ERM Office") and the functional divisions work together to carry out the practical operations for promoting risk management.

Risk Management Framework



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

Basic Framework

At PHD, once a year, risks requiring a response or monitoring by PHD or the Group, as well as their priorities, are identified, analyzed and assessed from top-down, bottom-up and cross-functional perspectives, based on changes in the external and internal environment and management's recognition of risks in light of the Group's management policies and plans. The Group endeavors to anticipate an uncertain future and effectively allocate limited management resources by taking into account not only the degree of impact on the Group and its stakeholders, including employees, customers and business partners, but also multiple indicators such as vulnerability to such risks.

In addition, at PHD, the PHD ERM Committee conducts regular risk reviews, including monitoring changes in risks and the status of measures to address high-priority risks. The content related to this series of initiatives for promoting risk management is utilized not only to enhance the quality of management decision-making and business execution at Group Transformation Round Table (GTRT) and to support the Board of Directors in supervising the effectiveness and efficiency of the risk management system, but also in risk-based internal audits focused on high-priority risks.

In recent years, given the growing importance of addressing social demands such as corporate social responsibility (CSR), the SDGs, and ESG, these activities have also incorporated risks factors arising from failure to meet such expectations, including those related to human rights, labor compliance, and environmental issues. They also incorporate evaluation factors related to the impacts of our business activities on stakeholders.

Recognized high-priority risks (the Group/PHD)

The high-priority risks recognized by the Group as of July 2026 are as follows. For details, please refer to "Risk Factors" in the Annual Securities Report.

*high-priority risks identified through the PHD ERM framework

Purpose	Risk (Opportunity/Threat)
Strengthening the Trust Foundation of the Solutions Business as a Driver of Growth	Information security and cyber security*
	Use of AI (Artificial Intelligence)*
Continuous Promotion of Business Portfolio Management	Risks related to competition and the industry
	Risks related to alliances with other companies, corporate acquisitions, etc.*
	Risks related to business restructuring
Establishing Global Safety and Compliance Frameworks	Compliance and legal regulations
	Human rights and labor compliance*
	Quality*
	Occupational accidents*
	Risks related to intellectual property
	Risks related to international business operations*
Strengthening Resilience in a Highly Uncertain Environment	Environmental issues/climate change
	Disasters, accidents, and unpredictable events*
	Talent attraction, acquisition, and retention
	Risks related to supply chain
	Changing economic conditions
	Trends in currency exchange rate, interest rates, and the stock market
	Accounting estimates

Annual Securities Report (Fiscal 2026 (April 1, 2025 – March 31, 2026))
https://holdings.panasonic/content/dam/holdings/global/en/corporate/investors/pdf/securities-report/Report2025.pdf

Education & Awareness

In order to enhance the effectiveness of risk management, the Group is promoting initiatives aimed at fostering a "Risk Culture" so that each employee can continuously improve his or her risk literacy and pursue sound risk-taking in an ever-changing environment. In Japan, through training for employees upon joining the Group and prior to overseas assignments, the Group aims to help them acquire the mindset necessary to avoid being excessively fearful of risks and to turn them into opportunities for organizational and personal growth, as well as a basic understanding of how to respond in the event of a crisis.

As part of our corporate social responsibility, we conduct external lectures titled “Risk Management that Supports Organizational and Individual Growth” at universities to help develop the young people who will lead the future through risk management.

Whistleblowing Channel (Internal and External)

The Group maintains the “Global Hotline EARS” to allow Group sites in Japan and overseas and business partners to report potential risks, including compliance violations, diverse types of harassment, and issues related to procurement activities. For more details, see “Whistleblowing System” in the “Ethics and Compliance” chapter (pages 109-110).

BCM・BCP

The Group is committed to enhancing operational resilience through business continuity management (BCM) activities to ensure business continuity in the event of crises such as natural disasters, terrorism, war, pandemics, and cyberattacks.

We have established basic policies, organizational structures, roles, and initial response measures for emergencies that could significantly impact the entire Group, as outlined in the “Panasonic Group Emergency Management Rules”. We also conduct annual Group disaster drills and work to strengthen disaster prevention and mitigation measures in normal times, thereby bolstering the effectiveness of emergency response systems and coordination based on these regulations.

Moreover, we implement risk-based measures at the Group and in our supply chain based on hazard studies of natural disasters (e.g., earthquakes, floods, and tsunamis). We have also conducted impact analyses using the Nankai Trough Earthquake and the Tokyo Inland Earthquake as stress events with high likelihood, assuming these natural disasters will have a particularly severe impact on the Group’s business. We are improving measures deemed necessary based on the analysis results.

Finally, the Group is working to continuously enhance the entire Group’s resilience by applying the Guidelines for Building Business Continuity Management (BCM). These guidelines outline the approach to identifying priority businesses for recovery in the event of an emergency and establishing business recovery processes. We also encourage each operating company and business site to formulate and appropriately revise their business continuity plans (BCPs).