Panasonic Group

Integrated Report 2025

Contents / Editorial Policy

About Panasonic Group

Message from the Group CEO & CFO

Topics

Materiality

Sustainability Initiatives

Corporate Governance

Corporate Data

Please visit our IR website for information such as financial results and presentation materials.
https://holdings.panasonic/global/corporate/investors.html

Toward Realizing Our Misson

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.4), the Company aims to achieve its mission through putting the Basic Business Philosophy into practice.

Our Mission	Achieve “an ideal society with affluence both in matter and mind”
The raison d’etre / fundamental policies of mindset and action	The Basic Management Objective, The Company Creed, and the Seven Principles The approach to put the above into practice The Basic Business Philosophy A set of behavioral guidelines for each and every employee Panasonic Leadership Principles (PLP)

For further details, The Basic Business Philosophy of the Panasonic Group

Konosuke Matsushita
Founder

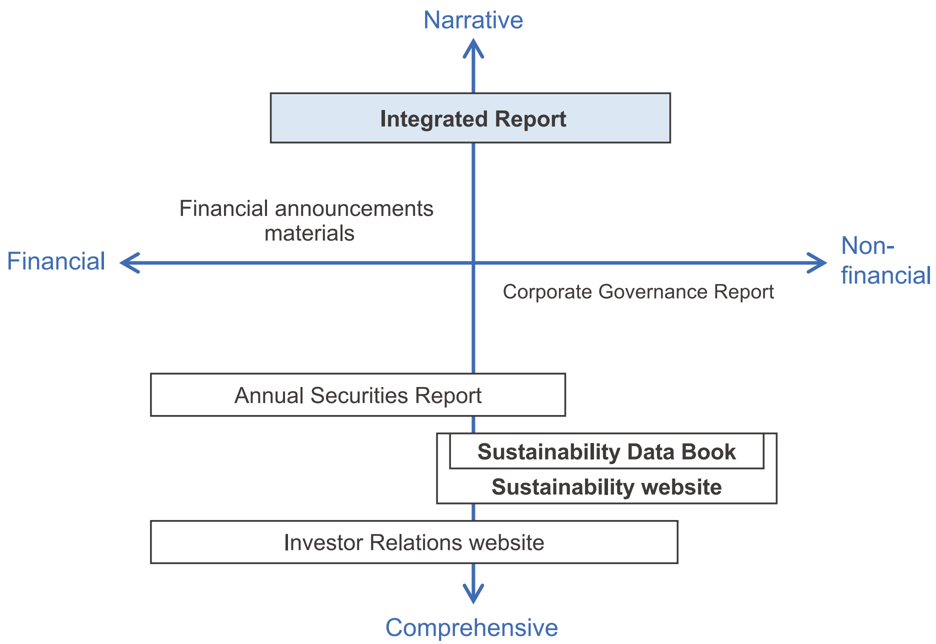
Contents / Editorial Policy

Editorial Policy

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

This report features messages from the Group CEO and other members of management regarding the Group Management Reform, as well as an overview of the new value creation process and materiality based on the Reform.

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



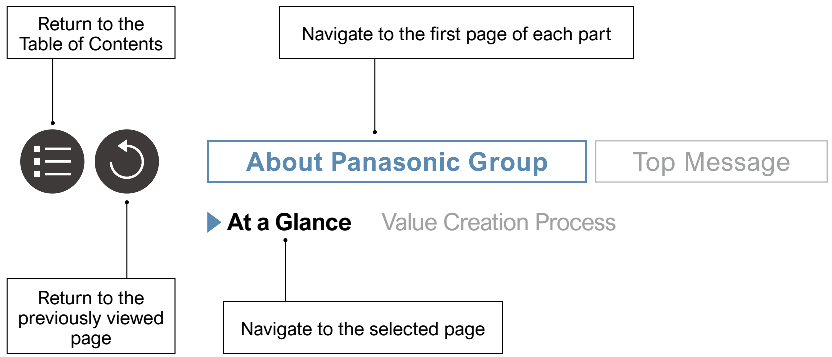
Disclaimer Regarding Forward-looking Statements

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

Europe
Sales
¥ 969.8 billion

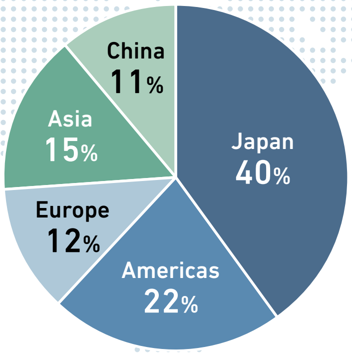
China
Sales
¥ 967.0 billion

Americas
Sales
¥ 1,840.6 billion

Japan
Sales
¥ 3,420.2 billion

Asia
Sales
¥ 1,260.6 billion

Sales by Region



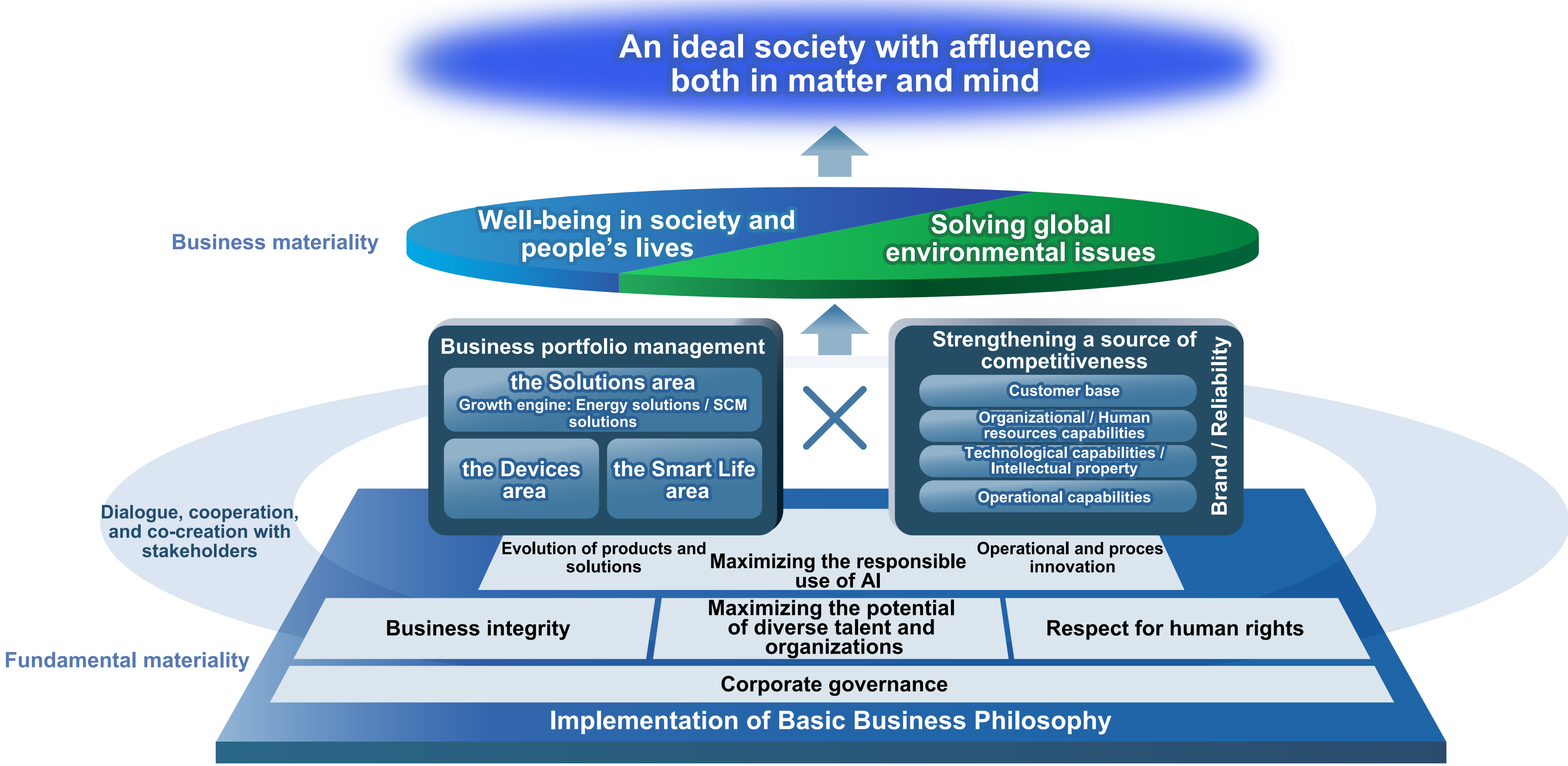
Our Global Expansion

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 31, 2025)

Sales ¥ 8.5 trillion	Number of Employees 208 thousand	Ratio of overseas sales 60 %	Ratio of overseas employees 60.6 %	Cumulative Operating CF (FY23-25) ¥ 2.2 trillion	ROE 7.9 %	R&D Expenditures ¥ 477.8 billion [Ratio to Sales] 5.6 %
CONTRIBUTION IMPACT Avoided CO_2 emissions 53.25 million tons (See p.22)	Circular economy business models and products Cumulative 15 businesses (See p.22)	UNLOCK indicator* 43 % *Favorable response rate for both questions in the Employee Opinion Survey, "Motivation from the company or supervisors" and "No significant barriers at work" (Target: Group employees globally) (See p.18)	Diversity ratio of the management team* 54 % *Diversity of PHD Executive Officers (Total ratios of female, non-Japanese citizens and mid-career hires) (See p.18)	Ratio of outside directors 53.8 % *As of June 23, 2025 (See p.36)	Dividend payout ratio 30.6 %	Investor Dialogue Approx. 1,600 Institutions (accumulated) (See p.48)

Value Creation Process



Toward its mission of achieving "an ideal society with affluence both in matter and mind," the Panasonic Group will continue to create value through its business activities in the form of "contributing to solving global environmental issues" and "well-being in society and people's lives" (= business materiality). To achieve this, we will optimize our business portfolio and strengthen our focus areas while also working to continually strengthen intangible properties, which are a source of competitiveness common to the Group. By combining these initiatives, we will maximize value creation.

At the same time, we will also focus on building and strengthening a management foundation that will enable sustainable value creation (= fundamental materiality). In addition to initiatives such as "corporate governance," "business integrity," "respect for human rights," and "maximizing the potential of diverse talent and organizations," we will enhance our business through the evolution of products and solutions and strengthen our source of competitiveness through operational and process innovation by "maximizing the responsible use of AI."

The basis for all of these initiatives is our Basic Business Philosophy. As a public entity of society, we will engage in dialogue, cooperation, and co-creation with all relevant stakeholders, aiming to achieve the ideal society we envision together.

Group CEO Message

Yuki Kusumi
Representative Director,
President
Group Chief Executive Officer

Carrying out Group Management Reform to enhance corporate value; Maximizing earnings capabilities through structural reform and business portfolio management

After I became Group CEO, we set management indicators (KGIs) in our medium-term strategy for fiscal 2023 to 2025*, with a strong emphasis on cash flow. Although we achieved our target of 2.0 trillion yen in cumulative operating cash flow, we fell short of our goals for an ROE of 10% or higher and cumulative operating profit of 1.5 trillion yen. This was due to growth investments in each business including our priority investment areas, not contributing to profitability, as well as increased fixed costs resulting from individual optimization efforts under the operating company system, among other factors.

In addition, the Group has been facing a long-standing challenge of not achieving real growth over the past 30 years. Our operating profit margin has remained around 5%, and we have yet to attain a level of profitability that aligns with the expectations of our shareholders and investors. I acknowledge that this remains well below the threshold required for the Company's sustainable growth.

With these challenges in mind, we announced the "Group Management Reform" in February 2025. We are resolutely implementing structural reforms and business portfolio management—without exceptions—including personnel optimization and strategic direction for businesses with issues. Through these efforts, we aim to rebuild a solid and sustainable management foundation and maximize our earnings capabilities. Looking ahead to fiscal 2029, we are firmly committed to achieving an ROE of 10% and an adjusted operating profit margin of 10%. Over the long term, we will continue striving to further enhance profitability.

To enhance corporate value, I will take responsibility for completing this management reform. Our goal is to transform the Company into a group of globally competitive businesses and to meet the expectations of capital markets through improved profitability. Furthermore, we are committed to becoming a Group that can grow sustainably together with society and our customers.

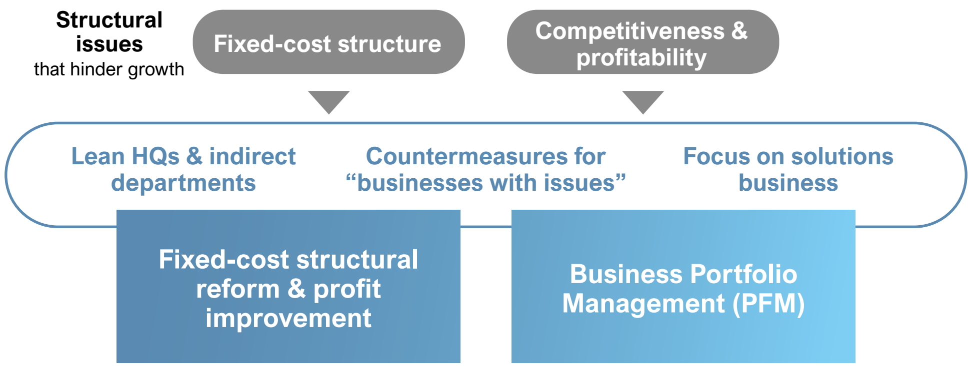
* "Fiscal 2025" refers to the year ended March 31, 2025.

Group CEO Message

Overview of the Group Management Reform

We will accelerate profit improvement through fixed-cost structural reform and business portfolio management, focusing on three areas: (1) lean HQs and indirect departments ; (2) countermeasures for "businesses with issues ;" and (3) focus on solutions business.

Overview of the Group Management Reform



1. Lean HQs and indirect departments

I believe that one of the causes of low profitability lies in our fixed-cost structure. Direct comparisons show that our SG&A expenses ratio*1 of 25.6% (FY2025) is higher than that of other comprehensive electronics manufacturers that have already undertaken structural reforms.

In order to significantly transform the fixed-cost structure of Groupwide and rebuild a lean organization that is resilient even in a rapidly changing operating environment, we will substantially reduce headquarters and indirect department costs of Panasonic Holdings, Panasonic Operational Excellence Co., Ltd., and each operating company and divisional company. More specifically, we will fundamentally overhaul our business processes, improve productivity with the use of generative AI and exhaustive digital transformation (DX) measures, and redesign the necessary organizations and headcounts. In addition, we will promote the consolidation and reorganization of manufacturing, logistics, and sales sites. Although it is a difficult decision, we will also proceed with the optimization of personnel on a global scale, involving some 10,000 employees, as part of these initiatives.

Until now, we have repeatedly experienced a situation where, when operating profit margin recovers to around 5%, profitability is undermined by increased fixed costs. To ensure that our efficiency improvements this time are not just temporary, we will return to the basics of management that make sure that fixed costs, including personnel expenses, do not increase even as sales grow. In other words, improving the marginal profit margin while controlling fixed costs in absolute terms.

*1 The ratio of selling, general, and administrative expenses to sales

2. Countermeasures for "businesses with issues"

Since I assumed the role of Group CEO, we have been working to strengthen the competitiveness of each business with the aim of transforming the Panasonic Group into a group of highly competitive businesses. Also, starting in fiscal 2025, we have adopted a stricter discipline, under which the holding company oversees the return on invested capital (ROIC) at the business level in an effort to improve the profitability of each business.

However, as a matter of fact, we still have so-called "businesses with issues" in which there are limited growth potentials due to market positioning and product maturity, and where ROIC is less than WACC at the business division level, as well as "businesses that need to be reconstructed and businesses whose conditions need to be scrutinized" which face challenges in terms of competitiveness and positioning. For these low-profit businesses, we are considering measures not only for rebuilding but also from the perspective of best ownership. We will decide on what direction to take in fiscal 2026. We will communicate the details of our inorganic measures as soon as they are officially determined.

In the consumer electronics business, which is one of the low-profit businesses, we aim to improve profitability and rebuild its operations by integrating home appliances and audio visual goods businesses currently dispersed across the Group into one operating company, leveraging the technological and design capabilities honed in China to realize "Japan quality" at a global-standard cost.

In implementing measures for low-profit businesses, we are making steady progress by engaging not only the Company's executives, but also by leveraging the broad-ranging insights of outside directors through discussions and deliberations at the meetings of the Board of Directors.

3. Focus on solutions business

In the automotive batteries, air quality & air conditioning, and supply chain management (SCM) software businesses, which we positioned as three investment areas for the Group in the medium-term strategy for fiscal 2023 to 2025, growth investments have not fully contributed to profitability, partly due to deterioration in market conditions and other external factors.

In light of these changes in circumstances, we have newly established the Solutions area as an area of focus going forward. In the Solutions area, we position the highly competitive businesses we have nurtured over the years—those that hold a leading global market share. We aim to maximize customer value through long-term proposals and solutions by leveraging (1) energy solutions, such as storage batteries for data centers and energy management systems for residential and non-residential applications, as well as (2) SCM solutions from Group companies like Blue Yonder. We will make these two solution areas our growth engines and provide seamless support to our customers, from the installation of products and systems through to consulting, operations, and services. We will achieve growth by engaging with customers in each area with a one-stop approach and by creating synergies Groupwide, underpinned by strong businesses.

The Solutions area overall accounted for over 40% of Groupwide sales in fiscal 2025. Businesses such as Panasonic HX*2 developed over the medium- to long-term will also be included in our focus on solutions. We aim for each business to consistently deliver a double-digit adjusted operating profit margin.

*2 Energy solutions that utilize hydrogen. For example, solutions that integrate pure hydrogen fuel cells with solar cells and storage batteries, controlled in coordination with AI.

The Group Management Reform: Vision and profitability targets

What the Group Aims to Become

Area of focus

FY2025 sales: 3.7 trillion yen

Solutions area

Power sources for data centers / Energy creation, storage, & savings / SCM software / Cold chain / Avionics / Operational frontline & factory solutions / Electrical construction materials & lighting, etc.

Growth engines: Energy solutions / SCM solutions

Focus on solutions business with global competitiveness to create Groupwide synergies

Profit base

FY2025 sales: 1.7 trillion yen

Devices area

Rechargeable automotive batteries / Materials & devices for processes, etc.

Focus on highly profitable businesses

Looking toward adjusted operating profit of 15% or more

FY2025 sales: 1.9 trillion yen

Smart Life area

Various consumer electronics products

Increase profitability through business restructuring

Looking toward adjusted operating profit of 10% or more

Using our technology to contribute to the sustainable development of society and lifestyles that efficiently utilize resources and energy

Our focus is on the Solutions area, while we have positioned the Devices area—which includes automotive batteries and materials and devices for processes, etc. —and the Smart life area centered around consumer electronics, as the profit base that supports the Group. So our adjusted operating profit margin targets for the Devices and Smart life areas are 15% and 10%, respectively.

In these three areas, we aim to contribute to a society that makes efficient use of the Earth's limited resources and energy, support enriched lifestyles with our technology, and realize sustainable development with our customers.

Compared to fiscal 2025, we aim to achieve a profit improvement of 150 billion yen by fiscal 2027 and 300 billion yen by fiscal 2029 as we work toward achieving an ROE of 10% or more and an adjusted operating profit margin of at least 10% in fiscal 2029.

The 150 billion yen improvement by fiscal 2027 will be achieved primarily through the structural reform centered on fixed-cost reductions. More specifically, we expect an improvement of 122 billion yen to come from the effects of the structural reform, including 70 billion yen from personnel optimization. A detailed breakdown is shown in the graph on the page 8. While making assumptions on the fixed-cost structure needed to achieve our profitability targets, we have clarified the specific measures in multiple internal projects of which I serve as the project owner. We will reap the benefits of steadily executing these measures.

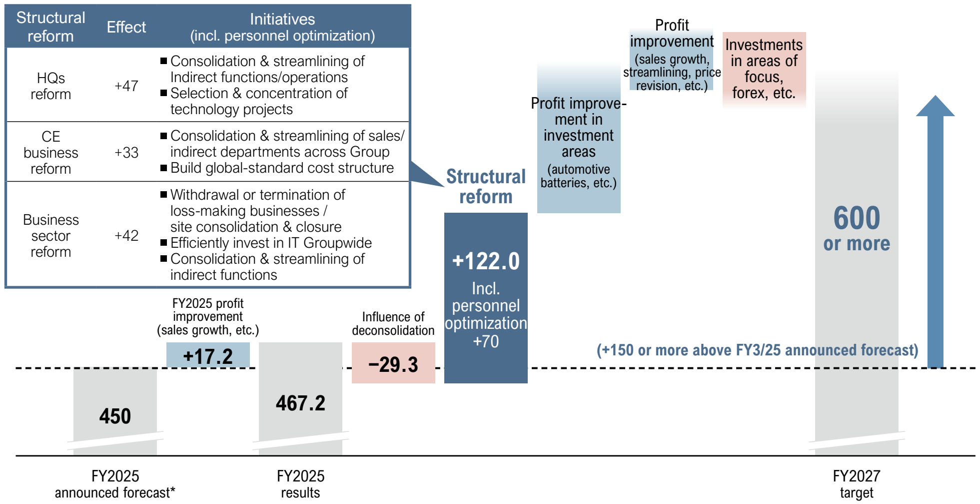
While we do expect to see some negative impacts with investments in the area of focus and the effect of exchange rates (forex), we will offset these through structural reform, profit improvements in areas of upfront investment such as automotive batteries, increased sales in each business, streamlining, and price revisions. We are targeting a profit improvement of 150 billion yen or more and therefore, adjusted operating profit of 600 billion yen or more in fiscal 2027. We are committed to achieving the profit improvement of 150 billion yen or more by closely monitoring changes in the business environment and responding appropriately.

Group CEO Message

FY2027 Breakdown of Expected Profit Improvement

Adjusted OP* (yen: billions) *Excluding U.S. tariff impact

Structural reform	Effect	Initiatives (incl. personnel optimization)
HQs reform	+47	■ Consolidation & streamlining of Indirect functions/operations ■ Selection & concentration of technology projects
CE business reform	+33	■ Consolidation & streamlining of sales/indirect departments across Group ■ Build global-standard cost structure
Business sector reform	+42	■ Withdrawal or termination of loss-making businesses / site consolidation & closure ■ Efficiently invest in IT Groupwide ■ Consolidation & streamlining of indirect functions



*Full-year forecast of adjusted OP as of Q3 of FY3/25

Driving two transformations alongside Group Management Reform

1. Transformation with the effective use of data and AI

Effectively using data and AI will be essential for the successful completion of the Group Management Reform. Based on “Panasonic Go,” the global corporate growth initiative we announced at CES 2025, which aims to transform our businesses into AI-driven operations, we will spare no effort in advancing the utilization of data and AI not only to improve productivity throughout the Group, but also to enhance the value we provide in the Solutions area. For example, to solve the challenges our customers face, we will use data to understand their operations and lifestyles, and leverage AI to provide optimal planning and management solutions and services, thereby transforming our profit structure and business models.

2. Transformation of organization culture

The actions of each employee are what connect the strategies of each business to results, and those actions are significantly influenced by the organization culture. I believe it is essential for every individual to actively and boldly challenge themselves beyond the expectations of those around them to fully maximize their potential. On top of that, it is imperative that we foster an organization culture that is conducive to this behavioral transformation, and that we align it with the business environment and our strategies to enhance organizational productivity.

Spearheaded by Tatsuo Kinoshita, who was appointed as the Group CHRO in July 2024, we are strategically designing an organization culture that unlocks the potential of each employee across the Group, thereby driving a culture transformation that emphasizes business strategy results.

Toward achieving our mission

Our mission is to realize “an ideal society with affluence both in matter and mind.” To achieve this mission, I believe it will be important to achieve well-being in society and people’s lives in a sustainable manner, and to that end, it will be inevitable to address the issues of the global environment going forward. Our basic approach is to address such challenges through our businesses and generate profitability as a result of our contributions. 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.

The purpose of the Group Management Reform is to ensure that as a public entity of society, we continue to provide value to customers and society for the next 10 to 20 years, and beyond. As we push ahead with the reform, there will be some difficult decisions to make; however, for the sake of reshaping the Panasonic Group inherited from our predecessors into a corporation that can sustain growth and pass it on to the next generation, none of our impending tasks will be pushed back. As the Group CEO, I promise to complete this reform and achieve improvements in profitability and enhancements in corporate value.

Group CFO Message

Akira Waniko
Director
Executive Officer
Group CFO

Toward achieving ROE of 10% and sustainably enhancing corporate value with further sophisticated financial strategy and elevated effectiveness in implementing Group Management Reform

I succeeded Mr. Umeda as Group CFO on April 1, 2025. Following the 118th Ordinary General Meeting of Shareholders held on June 23, I was also appointed as Director. After joining the Group in 1994, for many years I was responsible for accounting in the battery business, both in Japan and overseas. Most recently, I have engaged in dialogue with the capital markets repeatedly and overseen IR activities, corporate finance, and accounting at Panasonic Holdings. I will leverage my experience of having observed the Company's management from various viewpoints and actively promote initiatives aimed at enhancing corporate value.

To enhance corporate value, we will first carry out the Group Management Reform that was announced in February 2025. In order to enhance the effectiveness of the management reforms and ensure that we commit to our target indicators, we will focus on: (1) Fundamental reform of profitability; (2) Business portfolio management (3) Capital allocation; and (4) Dialogue with the capital markets.

(1) Regarding fundamental reform of profitability, we will firmly press ahead with structural reforms aimed at optimizing fixed costs, including personnel optimization and the consolidation and reorganization of sites, with the goal of building a structure that can continuously generate profits even in a changing business environment.
(2) In Business Portfolio Management, we will work toward the elimination of "businesses with issues" by the end of the fiscal year ending March 31, 2027 (fiscal 2027), and also shift resources to our main focus, the Solutions area.
(3) For capital allocation, we will maintain financial discipline while considering the returns on business investments and the cost of shareholders' equity, ensuring that our allocation of capital contributes to the enhancement of corporate value.
(4) We will proactively disclose information on the progress and results of these initiatives to the capital markets and deepen our dialogue with market participants. The valuable feedback we receive from our stakeholders and investors will be reflected in the Company's management in an effort to enhance corporate value, furthermore.

Review of the previous medium-term strategy and issues to be addressed

In the medium-term strategy spanning the three years for fiscal 2023-2025, we set the following medium-term management indicators (KGIs): cumulative operating cash flow (CF) of 2.0 trillion yen, ROE of 10% or more (in fiscal 2025), and cumulative operating profit (OP) of 1.5 trillion yen. We have enhanced competitiveness in each business, promoting a management that emphasizes cash flow, and building a business foundation in our investment areas.

With regard to the KGIs, three-year cumulative operating CF reached 2.2 trillion yen, exceeding our target of 2.0 trillion yen mainly as a result of contributions from business profits and inventory reductions. However, ROE was 7.9%, and cumulative OP was 1.1 trillion yen, both fell short of our targets.

Management Indicators (KGI)	Cumulative operating CF (FY23–25)	ROE (FY25)	Cumulative OP (FY23–25)
Target	2.0 trillion yen	10% or more	1.5 trillion yen
Actual	2.2 trillion yen	7.9%	1.1 trillion yen

Group CFO Message

Looking back over the past three years, I believe we have been able to accelerate decision-making through the transition to a holding company system and make progress on entrenching the management that emphasizes cash flow. In addition, in terms of capital allocation, under the policy of allocating funds within the scope of cash flow generated from business activities, we executed investments geared toward growth in our designated investment areas and we were also able to raise dividends based on our business results.

On the other hand, profitability was impacted by unexpected changes in the business environment particularly in our investment areas, and we still face challenges in managing headcounts and fixed costs across the Group, which prevented us from improving profitability as expected. While some progress was made in business portfolio management, such as the deconsolidation of the automotive business and the strengthening of ROIC management, we recognize that further progress is needed.

We take very seriously the fact that the capital markets regard the improvement in our profitability, as well as the clarification of our Business Portfolio Management-based strategy as insufficient, which is reflected in our PBR (price book-value ratio), which still remains below 1.0x.

We will further refine what we achieved during the previous medium-term strategy period, proactively address the challenges with appropriate measures, and work toward enhancing corporate value.

Basic approach to financial management

In our basic approach to financial management, we continue to emphasize return on invested capital and financial stability.

In terms of return on invested capital, we are aiming to achieve stable ROE of 10% or more in an effort to generate returns that exceed the cost of shareholders' equity by promoting business management that is conscious of capital costs.

With regard to financial stability, we aim to maintain a net debt* to EBITDA ratio of 1.0x or below, thereby reducing capital costs and building a financial position necessary for sustainable business continuity.

We have established a capital allocation policy as a basic approach to cash generation and allocation with the aim of maximizing return on invested capital while maintaining financial stability. In principle, we will allocate funds for shareholder returns, business investments, and financial soundness within the scope of cash flow generated from businesses and funds raised from divestitures, the sales of assets, and other activities. At the same time, to appropriately respond to growth opportunities, we will adopt a flexible approach to temporary demand for capital such as M&A.

* Net interest-bearing debt (interest-bearing liabilities minus cash and deposits, etc.)

Initiatives for fiscal 2026 onward

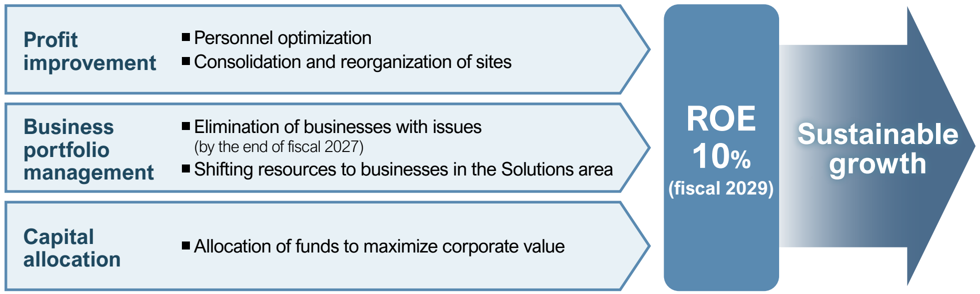
We will steadily pursue fundamental reform of profitability, accelerate business portfolio management, and review capital allocation to achieve an ROE of 10% in fiscal 2029 and further enhance corporate value beyond that.

To improve profit, it is imperative that we commit to the structural reforms that we announced in May 2025, amounting to approximately 130 billion yen.

In addition to personnel optimization, we will discontinue unprofitable businesses with no prospects for profit improvement and optimize fixed costs primarily by consolidating and reorganizing business sites. We will step up efforts to realize returns on investments from businesses that received growth investments during the period of the previous medium-term strategy and strengthen our profit structure through the expansion of the Solutions area, which we have positioned as a new pillar of growth.

In Business Portfolio Management, for the "businesses with issues" in which ROIC is less than WACC by business and where there is a limited growth potential, we will clarify the direction of each business by the end of fiscal 2026 and work toward their elimination sometime in fiscal 2027. At the same time, we will shift resources to businesses in the Solutions area, the Group's future growth driver, and aim to expand the businesses that will become our earnings pillars.

For capital allocation, during the previous medium-term strategy, we invested significantly in growth areas such as the automotive battery business in North America. However, as investments in this business peak out in fiscal 2027 onward, we will consider the allocation of funds generated to better enhance corporate value.



I consider fiscal 2026 to be a critical year for the Company as we aim to fully transition from a historically low-profit corporate structure to a highly profitable one capable of sustaining long-term growth. We will not confine ourselves to initiatives that are merely an extension of previous efforts. Instead, we will place greater emphasis on dialogue with the capital markets and steadily implement drastic measures with clear deadlines. At this major turning point, I, as the Group CFO, will strive to improve our financial strategy and maximize corporate value with unwavering determination.

Focus Areas of Solutions

Striving to become a group that constantly solves social issues together with our customers

Kazuyo Sumida
Director, Executive Officer
Group CSO

As described in the Panasonic Group's Basic Management Objective and the Basis of our Management Philosophy, "*We will devote ourselves to the progress and development of society and the well-being of people through our business activities, thereby enhancing the quality of life throughout the world.*" is our raison d'etre. Just as our appliances contributed to reducing labor and solving problems in households during the post–World War II recovery period, the Panasonic Group continues to challenge social issues and aspires to remain indispensable to people in society.

We are a unique corporate group with global connections to a significantly broad range of customers across B2B, B2B2C and B2C markets. From my experience working in the Group's operating companies, I am confident that the Group's insights and collective wisdom as well as diversity will play a significant role in strengthening of our capabilities to perceive and propose what customers want and overcoming social issues.

We evolve the technologies we have developed over the years and expand their application and utilization to eliminate the issues our society faces today and those that will arise in the future. We aim together with our customers to realize "an ideal society with affluence both in matter and mind" that each individual can actually experience.

In the Solutions area that we focus on, we will build on our business groups with a strong global market share and expand our offerings beyond products, proposals and services that meet the needs arising from social issues. At the perspective of enhancing resilience in an increasingly uncertain society, in particular, in addition to addressing global environmental issues and fighting climate change, it is our immediate challenges to make efficient use of limited resources and energy as well as to properly manage and stably control them systematically. In the areas of energy solutions and supply chain management solutions, we already provide solutions that address these challenges and will strengthen them as key drivers of growth for the Group.

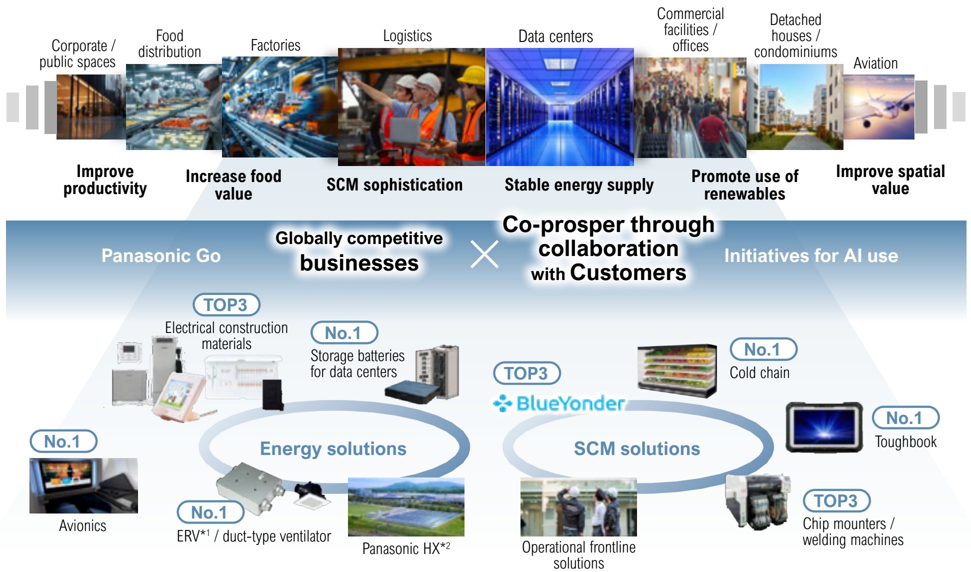
We promise to continue to be a true partner by focusing on customer-centered- problem-solving and value creation. We will enhance the value we provide to customers as well as our contribution to society through our businesses, with our investment in organizational capabilities to contribute to the Solutions area, taking advantage of our teamwork between the Group's business divisions and departments, and acceleration of the AI implementation.

"Solutions" area of Panasonic Group

In this management reform, regarding the contribution areas of the Panasonic Group, we have defined three new business areas: "Solutions" as the area of focus, "Devices" and "Smart Life" as the area of profit foundation. With these three areas, we aim to contribute to a society that does not waste the limited resources and energy of the Earth, support enriched life through our technology, and realize sustainable development with our customers.

Among these three areas, the Solutions area is the Group's top priority from the perspective of achieving sustainable growth with customers. Since the Company's establishment, Panasonic has offered solutions to help solve a variety of social problems in each era. Based on the technologies and customer relations backed by these efforts, we have businesses at the sales scale of 3.7 trillion yen in the Solutions area. Among them, we also have many businesses that are globally competitive, with very high global market share.

We face today such complicated social issues as ensuring a stable energy supply and dealing with advancing supply chain management (SCM). To address these challenges, we are expanding the businesses in the Solutions area by leveraging the technologies and customer touchpoints we have cultivated across the Group. More specifically, rather than just offering products and systems, we want to eventually offer customers consulting, operations, and services in an integrated manner. Thus, we continue to maximize value for customers by offering them proposals and solutions over a long period and to create new value as a Group.



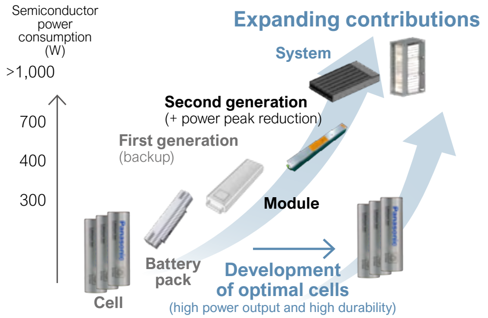
*1 ERV: Energy Recovery Ventilator
*2 RE100 solutions
(Note) No.1 & Top 3: From our own research on our global market share in each business in fiscal 2024

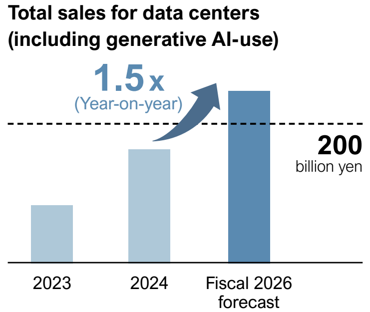
Focus Areas of Solutions

Solution Case Example 1 Energy storage solution for data centers

In the energy storage system business for data centers (DCs), Panasonic Energy Co., Ltd. has taken the lead in identifying DC-related challenges early on and has worked for many years with major IT customers to jointly develop advanced energy storage solutions. In addition to high-power output, high-durability cylindrical cells, we leverage our extensive expertise in battery control and vertically integrated development capabilities, which span from cells to battery packs, modules, and systems. This enables us to quickly respond to changing environments and drive business growth. As generative AI accelerates the complexity and sophistication of data processing at DCs and increases power consumption, we are expanding our value proposition beyond conventional power backup functions. By offering solutions that help flatten power peaks and support high-speed data processing with increased output, we continue to contribute to the advancement of the digital society.

We expect sales of energy storage solutions for DCs, including generative AI servers, to grow by a factor of 1.5 year on year in the fiscal year ending March 31, 2026 (fiscal 2026). By further strengthening our relationships with customers and expanding contributions we provide, we aim to achieve sustainable and profitable growth.





Solution Case Example 2 Hydrogen-based energy solution

The Group is developing Panasonic HX, a highly reliable flexible hydrogen-based energy solution. It enables high energy efficiency with low environmental impact by integrating pure hydrogen fuel cells, photovoltaic systems, and battery storage. It also utilizes an AI- and cloud-based energy management system to optimize the supply of electricity and heat. This allows for the delivery of sustainable, efficient energy solutions that provide both economic benefits and resilience. Technical demonstration tests to prepare for social implementation are currently at three sites—Kusatsu (Shiga Prefecture, Japan), Cardiff (UK), and Munich (Germany).

Solution Case Example 3 SCM (Supply Chain Management) solutions

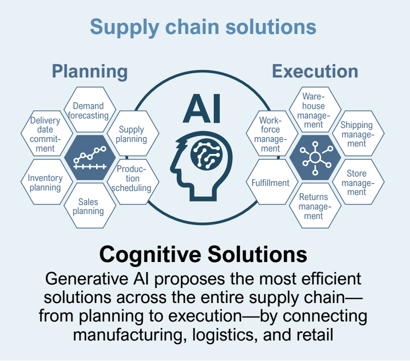
Blue Yonder, a subsidiary of Panasonic Connect Co., Ltd., promotes the development, sales, implementation, and operational consulting of software in the SCM area.

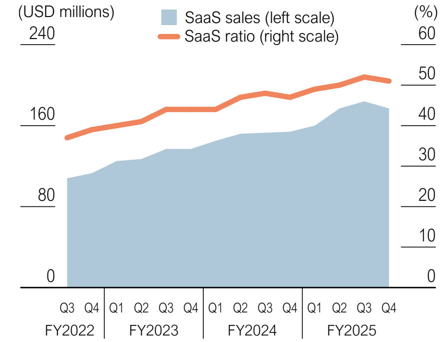
As uncertainty increases due to shifts in consumer behavior, economic fluctuations, and climate change, our customers are seeking more accurate planning capabilities that help them operate efficiently and minimize excess inventory, even under unexpected circumstances.

To address this challenge, we leverage our strength in handling the entire supply chain—from manufacturing and logistics to retail—unlike our competitors, and provide planning software optimized for each part of the supply chain. Most recently, in response to changes in our customers' digital environments, we launched a range of new Cognitive Solutions, a suite of planning SaaS solutions powered by generative AI agents.

Moreover, our customers have come to recognize our competitive edge, with SaaS sales continuing to grow steadily. Blue Yonder maintains a SaaS ratio of 50% thanks to increased sales, and strong SaaS bookings have supported double-digit year-on-year growth in ARR*2.

*1 SaaS ratio: Recurring revenue business ratio in total revenue
*2 ARR: ARR indicates secured annualized revenue during the year starting next quarter





The labor shortage in Japan is becoming increasingly severe, with data projecting a shortfall of 6.44 million workers by 2030.*3 Even with measures to actively hire seniors, women, and foreign nationals, the shortage is still expected to reach 2.98 million.*3 By leveraging Blue Yonder's expertise, we plan to build the capability to deliver autonomous supply chains—systems that use AI engines to autonomously predict and resolve disruptions—by anticipating potential future challenges our customers may face and supporting a wide range of on-site operations, including core systems and office work. These capabilities will link planning with execution to provide integrated solutions.

*3 Source: Persol Research and Consulting Co., Ltd. / Chuo University "Future Projections of the Labor Market 2030"

Panasonic Transformation (PX) 2.0

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

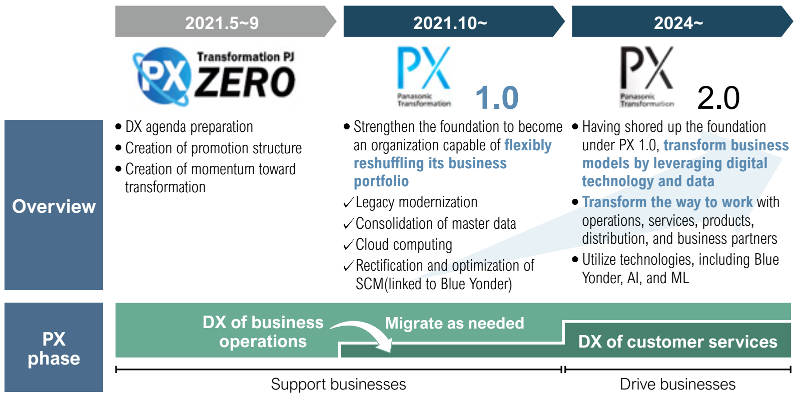
Hajime Tamaoki
Representative Director
Executive Vice President
Group CTRO, Group CIO

Group Management Reform and Panasonic Transformation

In the fifth year of promoting the Group's corporate transformation program, PX: Panasonic Transformation, we are building a management foundation that leverages digital technology to achieve long-term and sustainable growth. While momentum is building in the Group's transformation, challenges for further growth have also become apparent. For example, I believe the Company's fiscal year ended March 31, 2025 (fiscal 2025) SG&A expenses ratio*, at 25.6%, is one of the factors behind our lower profit margin compared to competitors in Japan and overseas. The Group Management Reform, which has been addressing this issue and others, is a milestone toward future growth, and by steadily advancing reforms during normal times, we enhance the Group's earnings capabilities.

*The ratio of selling, general, and administrative expenses to sales

Transformation roadmap



Positioned as a key management strategy, PX is the initiative driving this reform. Over the past four years, in PX 1.0, we worked on upgrading our IT management foundation (such as modernization, adoption of cloud and services) and utilizing data Groupwide. As a result, our IT environment has steadily improved, and it has now become normal practice to make efficient use of data for work operations. At CES 2025 in January of this year, we announced a global corporate growth initiative called "Panasonic Go" to promote AI-driven digitalization of existing businesses and the creation of new digital businesses. This pioneering initiative is at the core of PX 2.0, the next phase of PX, during which we undertake the challenge of creating new value, while transforming our business model and management through the utilization of cutting-edge digital technology.

Strengths of Panasonic Group

I have been deeply impressed by the people I have met in the Panasonic Group. Everyone is dedicated and sincere. In particular, Group CEO Yuki Kusumi actively seeks opinions and perspectives that are different from his own by meeting with management teams of partner companies and other firms in Japan and overseas, and is eager to incorporate their insights into the management of the Group. The Group's employees have the potential to become leaders in their respective fields, and I can say that the Group, which offers plenty of opportunities for learning, challenging oneself, and growth, has enormous growth potential.

In addition, the Group's strengths lie in our advanced technological capabilities and the breadth of our business domains. I believe that aligning the potential of our people with the vectors of the Group's technology and intellectual assets will undoubtedly lead to business growth.

Unlocking the Group's potential

By providing an environment that serves to "unlock" the high potential capabilities of the Group's employees, we can continue to achieve growth. I believe that the following two factors are key for achieving growth.

(i). An IT environment that utilizes data and enables real-time decision-making.

(ii). The utilization of generative AI, which can not only make routine tasks more efficient, but also significantly enhance the quality of creative work.

Generative AI mentioned in (ii) is an innovative technology that will be an indispensable turning point in the Group's transformation journey, having such an impact that can be described as a historic milestone in IT. The Group continues to actively pursue technological collaborations and the establishment of strategic partnerships with other companies. One specific example, is the launch in fiscal 2026 of a joint HR development program with other companies to acquire the ability to utilize generative AI freely and efficiently in a way that reflects our unique ideas, in order to fully harness the insights and know-how we have accumulated through our business activities. Through these initiatives, we will achieve an improvement in our profit structure, as called for in the Group Management Reform. In particular, with a view to optimizing our organizational capabilities after implementing personnel optimization for the Group, we will utilize generative AI to unleash the creativity of each and every employee and usher in a significant wave of transformation so that we can engage in team efforts under the One Panasonic initiative worldwide.

Materiality

Identification of Materiality

In the fiscal year ended March 31, 2024 (fiscal 2024), the Group identified key opportunities and risks as materialities from the two perspectives of financial effects on the Group and impact on society. The identification process is outlined below:

1. List issues that could represent opportunities and risks based on demands from society and foreseeable future challenges
2. Assess the importance of these issues from the perspective of the Group and its stakeholders and extract materialities
3. Confirm the validity of this process and the extracted materialities through dialogue with multiple external experts
4. Identify materialities after deliberation at the meetings of the Group's Sustainability Management Committee and the Group Management Meeting and with the Board of Directors.

The Group implements enterprise risk management (ERM) to manage risks that could affect the business activities of the entire Group, including risks related to sustainability.

The Group has also established the Sustainability Management Committee under the supervision of the Board of Directors for the purpose of discussing, directing, and managing policies, strategies, indicators, and targets regarding essential themes related to sustainability. The Committee meets once a month, in principle. The Committee is chaired by the Group CEO and comprises the Group CHRO, the Group CTO, the Group GC, the Group CSO, the Group CFO, and Group company officers.

Initiatives in Fiscal 2025

In fiscal 2025, to strengthen the formulation and promotion of policies, strategies, and measures related to the Group's sustainability management, we established a new cross-functional project related to sustainability within Panasonic Holdings Corporation, built a sustainability promotion structure for each operating company, and strengthened the collaboration system throughout the Group. During this fiscal year, to improve the effectiveness of the Group's sustainability management, we set new indicators and targets for tracking the progress of each materiality identified in fiscal 2024 and worked to achieve them.

The indicators, targets, and results for previously identified materiality are as shown in the table on the right.

Previously Identified Materiality: Indicators, Targets, and Results

	Materiality	Indicators	Targets	Results (FY2025)
Group common strategy	Global warming and resource depletion	CO_2 reduction impact	300 million tons (by 2050)	Emissions reduction in our own value chain △38.11 million tons (19.01 million tons)*1
				Avoided CO_2 emissions 53.25 million tons
		CO_2 emissions from all factories	Net zero (by 2030)	Cumulative 45 factories
		Factory waste recycling rate	99% or more	99.2%
	Each customer's life-long health, safety and comfort	Not set		—
Foundation for sustainable value creation	Business integrity	Occurrence of serious compliance violations	Zero	Zero*2
	Supply chain management	Not set		—
	Employee well-being	Occurrence of serious or major accidents	Zero	7 serious accidents Zero major accidents
		(1) Employee engagement / (2) Employee enablement in the Employee Opinion Survey	The highest global standard (80% FY2031)	(1) 68% (2) 66%
	Corporate governance	Enhancement of constructive dialogue with shareholders	Implemented	Implemented
		Evaluation of the effectiveness of the Board of Directors and implementation of improvement measures	Implemented	Implemented
		Ratio of outside directors in the PHD Board of Directors	1/3 or more	46.1%*3
		Adoption of non-financial indicators in performance-based compensation for directors	Implemented	Implemented
	Respect for human rights	Promotion of correction of issues identified in human rights due diligence for each Group company which may cause forced labor	Implemented	Implemented
		Implementation rate of in-person training on forced labour prevention provided to Group sites in Japan and overseas that employ foreign migrant workers	100% (FY2027)	40.6%
	Cyber security	Provision of education and training for all employees to improve security awareness and promote behavioral change	More than four times a year	5 times
		Collection and monitoring of threat and vulnerability information by an expert team, and implementation of necessary measures	Implemented	Implemented
		Incident response training by an expert team in anticipation of cyber attacks	More than once a year	2 times
		Number of serious incidents	Zero	Zero

*1 Amount of CO_2 reduction compared to fiscal 2021 for the businesses subject to calculation in fiscal 2025. This refers to the actual reduction in the amount of CO_2 emissions, including the amount associated with expanding the Company's boundaries.
*2 Following the discovery of multiple irregularities related to the process of UL certification at Panasonic Industry Co., Ltd. ("PID"), PID established an external investigation committee composed of independent experts and investigated the irregularities concerning UL certification and other quality-related issues. During fiscal 2025, PID published the investigation report received from the committee and the measures formulated to prevent recurrence.
*3 As of June 23, 2025, the proportion of outside directors stands at 53.8%, constituting a majority.

Materiality

Revision of Materiality

Starting in fiscal 2025, based on the Group's approach to sustainability management, we have narrowed down our materialities to "priority issues for creating value for society" and are reviewing them to ensure they are consistent with our future business direction and strategies. In line with this, among the existing materialities, those that have a large element of our own risk management (Cyber security, Preparedness for geopolitical risks, Preparedness for infectious diseases and pandemics, and Preparedness for natural disasters) will continue to be managed as material risks in our ERM activities.

In line with the policy of "focusing on the Solutions area" set out in Panasonic Group Management Reform, we have set "Well-being in society and people's lives," which we will pursue in this area, as our business materiality. In addition, in line with our policy to make full use of AI across the Group going forward, we have added "Maximizing the responsible use of AI" to our fundamental materiality.

We have also reviewed the issues of "Global warming and resource depletion" and "Employee well-being" in line with our future strategies.

The revised indicators and targets, focusing on these items, are as shown in the table on the right. We examined how the activities related to each materiality are linked to social impact and increased corporate value, and organized those relationships accordingly, as indicated under "Relationship of materiality to value creation process" on the next page.

We organized business materiality (priority issues for creating value through business activities) into two categories, "Contributing to solving global environmental issues" and "Well-being in society and people's lives," and our fundamental materiality (priority issues for building and strengthening a management foundation that supports sustainable value creation) into five categories, "Maximizing the responsible use of AI," "Maximizing the potential of diverse talent and organizations," "Respect for human rights," "Business Integrity," and "Corporate governance." Among the previously identified materiality, "Supply chain management" will be addressed under the items "Contributing to solving global environmental issues" and "Respect for human rights."

These considerations have been discussed at the meetings of the Sustainability Management Committee and the Group Management Meeting and with the Board of Directors. We will continue to work on these materialities in fiscal 2026. For the newly established items "Well-being in society and people's lives" and "Maximizing the responsible use of AI," as we are currently in the process of finalizing our strategies and initiatives for them, we will consider indicators and targets accordingly.

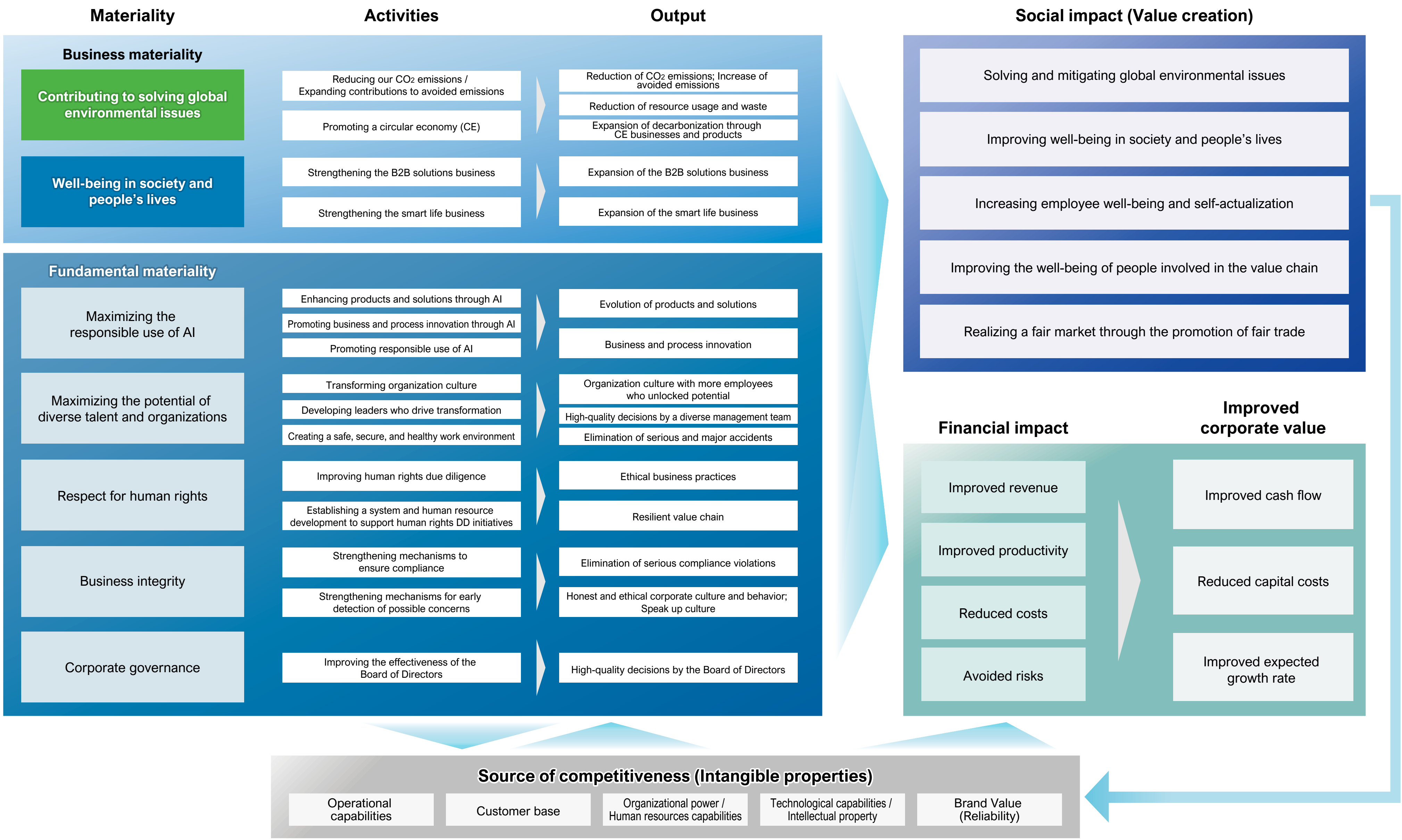
■ The sustainability section of our website provides detailed information on our efforts toward sustainability management and the goals related to each materiality. (Updated regularly)
https://holdings.panasonic/global/corporate/sustainability/management/materiality.html

New Materiality: Indicators and Targets

Materiality			Indicators	Targets
Business materiality	Contributing to solving global environmental issues	Contributing to decarbonization	CO_2 reduction impact	300 million tons (by 2050)
				Emissions reduction in our own value chain (FY2026) △40.12 million tons (17.01 million tons)*1
				Avoided emissions (FY2026) 47.50 million tons
			CO_2 emissions from all factories	Net zero (by 2030)
		Promoting a circular economy	Amount of recycled materials used	Amount of recycled resins used 25,000 tons (FY2026)
			Circular economy business models and products	Cumulative businesses (FY2026)
	Well-being in society and people's lives	Well-being in society	To be determined in line with the next medium-term strategy	
		Well-being in people's lives		
Fundamental materiality	Maximizing the responsible use of AI	Evolving products and solutions through the use of AI	To be determined in line with the next medium-term strategy	
		Promoting operational and process innovation through the use of AI		
	Maximizing the potential of diverse talent and organizations	Organization culture transformation	UNLOCK indicator*2	FY2028: 60% FY2031: 70%
		Develop & appoint diverse, transformational leaders	Diversity ratio of the management team (Diversity of PHD Executive Officers (Total ratios of female, non-Japanese citizens and mid-career hires))	More than half
			Ratio of female managers (8 companies in Japan)*3	12% (April 1, 2028) 16% (April 1, 2031)
		Safe, secure and healthy work environment	The number of serious or major accidents	Zero
			Productivity indicator (EBITDA divided by personnel expenses)	Target (improvement rate) to be determined in line with the next medium-term strategy
	Respect for human rights		Implementation rate of in-person training on forced labour prevention provided to Group sites in Japan and overseas that employ foreign migrant workers	100% (FY2027)
			Level of understanding of participants in "Human Rights Due Diligence Promotion Training" to develop the promotion leaders at each operating company*4	80%
	Business integrity		Occurrence of serious compliance violations	Zero
	Corporate governance		Enhancing constructive dialogue with shareholders	Implemented
			Ratio of outside directors in the PHD Board of Directors	More than half
			Chairperson of the Board of Directors to be Outside Director who are Independent Director	Implemented
			Adoption of non-financial indicators in performance-based compensation for directors	Implemented

*1 Amount of CO_2 reduction compared to fiscal 2021 for the businesses subject to calculation in fiscal 2025. This refers to the actual reduction in the amount of CO_2 emissions, including the amount associated with expanding the Company's boundaries.
*2 Favorable response rate for both questions in the Employee Opinion Survey, "Motivation from the company or supervisors" and "No barriers for employees to take on challenging tasks" (Target: Group employees globally)
*3 Eight companies included: Panasonic Holdings Corporation, Panasonic Corporation, Panasonic Entertainment & Communication Co., Ltd., Panasonic Housing Solutions Co., Ltd., Panasonic Connect Co., Ltd., Panasonic Industry Co., Ltd., Panasonic Energy Co., Ltd., Panasonic Operational Excellence Co., Ltd.
*4 The post-training questionnaire is designed to assess the level of empathy toward "business and human rights" and the level of awareness regarding its promotion, in addition to the level of understanding of the content.

Relationship of Materiality to Value Creation



Initiatives for Human Capital Management

Message from the Group CHRO

Unlocking the potential of people and organizations

A company where every employee can maximize their potential

Tatsuo Kinoshita
Executive Officer
Group Chief Human Resources Officer (Group CHRO)

The Group's founder, Konosuke Matsushita, long practiced a management style that emphasized nurturing people and maximizing their potential based on the idea of "developing people before making products." We have inherited that DNA to practice so-called human capital management, under which we can maximize the potential of our employees, the most important "capital" entrusted to us by society, guided by the well-established management axis that is our Basic Business Philosophy.

The human capital management I envision involves the building of a high-level win-win relationship between individuals and the organization. For individuals, it means maximizing their potential. For the organization, it means growing the business and fulfilling its mission. Indispensable to all of this is organization culture, which is something we can intentionally design.

Current challenges

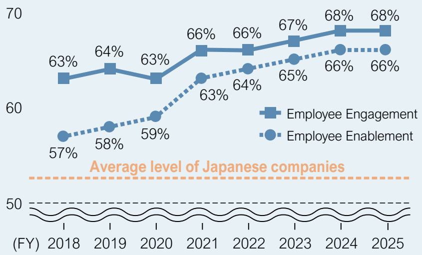
Since joining the Company in July of last year, I have continued to engage in dialogue with management and employees, a process that has revealed to me the strengths and challenges of the Group. Our strength lies in the strong sense of trust that employees have in the Basic Business Philosophy inherited from Konosuke Matsushita. The challenge we currently face in terms of organization is that our organization is inward-looking, with too many adjustments slowing us down. In terms of people, our issue is that we tend to fear failure and back away from new challenges.

Every year, the Group asks approximately 150,000 employees worldwide to complete an employee opinion survey. The positive response rates for "employee engagement" (self-motivated endeavors) and "employee enablement" (suitable placement and comfortable working environment) have continued to improve. However, of the nine questions that make up these two categories, employee responses to questions concerning "motivation with encouragement from the company or supervisors" and "no significant barriers to take on challenges" have remained stagnant. This indicates that there is significant room for improvement in creating an environment where each employee can realize their potential and feel encouraged to take on challenges. Furthermore, a high level of productivity is essential for making quality decisions and implementing effective measures.

A higher level when compared with other Japanese companies while we still fall short in comparison to the top global companies

Find and focus challenges according to the results of Employee Opinion Survey

Favorable response rate in Employee Opinion Survey (%)



Target: Panasonic Group employees in the global regions

Favorable response rate for questions in the Survey (FY 2025)

Target: Panasonic Group employees in the global regions

Vision

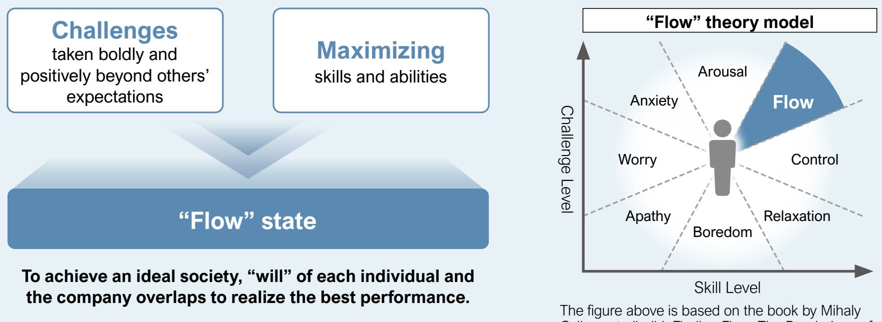
To further accelerate the Group's transformation and growth, we need to confront the aforementioned challenges head-on, with each individual actively taking on challenges and creating an environment where both people and organizations can grow together.

We aim to create a company where every employee can unlock their potential, or in other words, where they can boldly and positively challenge themselves to go beyond the expectations of those around them and maximize their skills and abilities, toward the achievement of "an ideal society with affluence both in matter and mind."

Konosuke Matsushita once said that providing an environment where employees can be "immersed in their work, feel a sense of fulfillment, and find joy in working"—in other words, a state of "flow" where the levels of both challenges and skills are high—is the greatest gift we can offer to our employees. By having flow-driven talent that executes our business strategy, we can enhance the results of our business. We have therefore established the UNLOCK indicator to represent the ratio of flow-driven talent. Our target for this metric is 60% globally.

Furthermore, from the perspective that a company is a public entity of society, we will strive to protect the safety and human rights of all stakeholders, including our employees, as we work toward the achievement of "an ideal society with affluence both in matter and mind."

Toward a company where every employee can **"UNLOCK"** their potential



The figure above is based on the book by Mihaly Csikszentmihalhi, Finding Flow: The Psychology of Engagement with Everyday Life

Key indicators

The Group considers the following issues to be items of materiality related to human capital and human rights: (1) organization culture transformation, (2) development and appointment of diverse, transformational leaders, (3) creating a safe, secure, and healthy work environment, and (4) respect for human rights. Having established KPIs for these items (page 15), we will continue to monitor them.

Moreover, for the development and appointment of diverse, transformational leaders, we have established a diversity ratio (women, non-Japanese citizens, and mid-career hires) for the management team of each company as a key indicator to achieve high-quality decision-making in management. Also, despite there being no differences in abilities between genders, the situation in Japan is that the ratio of female managers in the Group is low. We consider this to be a typical example of the challenges in promoting DEI which leverages differences as strengths to create new value. As such, the ratio of female managers in the Japan region is also set as a key indicator.

Moreover, we will conduct monitoring of the figure from the formula, "EBITDA"* divided by personnel expenses," in order to have "the best work processes" by enhancing value-added labor productivity.

Materiality	Indicator	Results	Target
Organization Culture Transformation	UNLOCK indicator	FY 2025:43%	FY 2028: 60% FY 2031: 70%
Develop & Appoint Diverse, Transforma-tional Leaders	Diversity ratio of the manage-ment team	April 2025: 54%	April 2028: 50% or greater April 2031: 50% or greater
	Ratio of female managers	April 2025: 7.9%	April 2028:12% April 2031:16%
Safe, Secure and Healthy Work Environment	The number of serious accidents	FY 2025: 7	Zero
	The number of major accidents	FY 2025: zero	Zero

* Total amount of Operating profit, Depreciation (Tangible assets including Property, plant and equipment/ Right-of-use assets) and Amortization (Intangible assets)

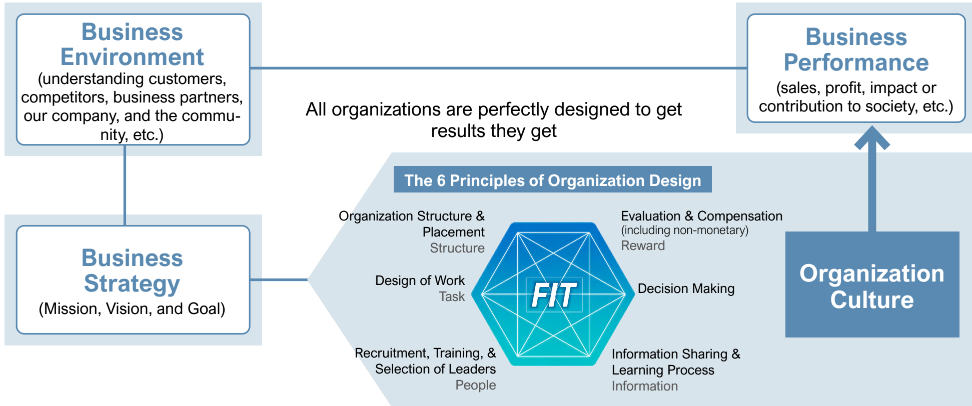
Initiatives for achieving our vision

Organization Culture Transformation

It is imperative that we intentionally design our organization culture to maximize business results. That is why we have utilized the Organization Performance Model (OPM) framework to create the 6 Principles of Organization Design for the Group and clarify what our organization culture should look like.

The 6 Principles function effectively only when they are interconnected and aligned with one another. For example, results will be appropriately rewarded according to the principle of Evaluation & Compensation. For the principle of Information Sharing & Learning Process, we will break away from an inward-looking mindset and ignite curiosity. In Recruitment, Training, & Selection of Leaders, we will emphasize the development and bold appointment of diverse transformational leaders. Those leaders will support their members' challenges and create an environment where they can work enthusiastically in a flow state by implementing the Design of Work principle. Guided by these principles, we will work with each organization leader to transform the organization culture from the ground up.

Framework to Design Organization Culture (OPM*)



*Organization Performance Model
Edited based on the theory of Hanna and Galbraith

[Case examples]
(1) Mobile Solutions Business Division, Panasonic Connect Co., Ltd.
(2) China & Northeast Asia Company, Panasonic Corporation

Optimization of human resources as part of the Panasonic Group Management Reform in FY 2026

Of the 6 Principles of Organization Design, for Organization Structure & Placement, our principle is to establish a simple and flat organizational system constantly with a customer perspective. In addition, for Evaluation & Compensation, always rewarding each individual's results and actions is one of the principles we uphold. The aim of this is for every employee, entrusted to us by society, to fully realize their potential. We will leverage data and technologies, such as generative AI, to build highly productive business processes, while also optimizing personnel in various global regions as part of the Group Management Reform in the fiscal year ending March 31, 2026 (fiscal 2026). Furthermore, as we strictly manage our headcount on an ongoing basis, we will build a lean organizational structure for the Group capable of sustainable growth and resilient to environmental changes.

Develop & Appoint Diverse, Transformational Leaders

To help bring about "an ideal society with affluence both in matter and mind" through sustainable business growth, high-quality decision-making is key. To that end, the development and appointment of diverse, transformational leaders is essential. In nurturing successors for management positions, we emphasize not only the leadership behaviors outlined in the Panasonic Leadership Principles (PLP), which serve as a guideline of conduct for putting the Basic Business Philosophy into practice, but also experience (such as business management, management in locations outside Japan, and business creation), as well as knowledge and skills (including decision-making and judgment, and strategic planning and execution).

Furthermore, in the Japan region, we are also focusing on the acquisition and planned development of female leaders. While there are no disparities based on gender or other such attributes in our compensation system, the reality is that the appointment of women to management teams and leadership positions has

Initiatives for Human Capital Management

lagged behind the appointment of men. Looking to the future, we are working on the acquisition and planned development of female leaders by strengthening recruitment, expanding work style options, and supporting career development in order to draw on the wisdom of a more diverse group of members and create innovative products and services.
(DEI promotion in the Panasonic Group)

[Case examples]
(1) Monitoring the development of managers: PLP assessment
(2) Eliminating the gender gap at manufacturing sites, Panasonic Corporation (Electric Works Company)

Status of Succession Readiness

The number of human resources whose appointment is possible immediately, within 5 years or 10 years to the positions of Executive Officers of Panasonic Holdings Corporation, and Presidents of the operating companies and division companies.

	FY 2023	FY 2024	FY 2025
Appointment possible immediately	19	25	24
Appointment possible within 5 years	36	34	35
Appointment possible within 10 years	60	70	66
Total	115	129	125

HR modernization

HR modernization is an initiative that utilizes cutting-edge technology and data to evolve the way employees work and how personnel management is conducted. By leveraging HR data and generative AI, we aim to enhance the experience value of all employees working in the Panasonic Group, while also improving and streamlining the organizational and personnel management of managers and organization leaders, as well as increasing the productivity of HR functions.

[Case examples]
(1) One-Stop HR Service for 70,000 employees with the use of generative AI
(2) Interactive AI service: AI Career Supporter

Indicators for improving the productivity of HR functions

Indicator		Current Situation	Target
The rate of HR employees among all the employees	The number of employees that 1 FTE* of HR employee(s) in the Japan region is in charge of *Full-Time Equivalent (FTE) is workload expressed by converting to the number of full-time employees.	FY 2025: 44 employees	FY 2031: 63 employees
HR employees in charge of the special tasks or those related to strategies	The rate of tasks related to strategy, and the development of talents/ organization (in Japan region)	FY 2025: 42%	The level of leading global companies: 65%

Creating a safe, secure, and healthy workplace

Health, safety, and compliance are the major prerequisites for business operations. We endeavor to ensure the health and safety of employees based on the Panasonic Group Code of Ethics & Compliance and the Panasonic Group Occupational Health & Safety Policy. In fiscal 2025, we updated our risk assessment system with a focus on activities aimed at preventing fatalities and serious accidents, and we also worked toward ISO 45001 certification (for 183 out of 225 locations) and continued recognition as a Certified KENKO Investment for Health Outstanding Organizations Recognition Program (for all operating companies in Japan). Also, by utilizing the global hotline known as EARS and other resources, we conducted education and awareness activities aimed at the early detection and prevention of issues, as well as the eradication of harassment in the workplace. Going forward, the elimination of major and serious accidents will remain as a key indicator for the Group and we will take steps to strengthen effective measures.

(For more information, visit Sustainability Website.)

Respect for Human Rights

As a corporation that upholds the management philosophy that a company is a public entity of society, the Panasonic Group recognizes that it has a responsibility to protect the rights of all people involved in its businesses and contribute to their well-being and happiness. As a company operating globally, 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. Respect for human rights is one of the Group's items of materiality.

Policy

We have established the Panasonic Group Human Rights and Labour Policy with reference to the United Nations Guiding Principles on Business and Human Rights and other guidelines. In compliance with international standards and laws and regulations of each country, we commit to respecting internationally recognized human rights, identify, prevent, mitigate and remediate adverse human rights impacts, promote remedy for victims, and engage in dialogue with various stakeholders.

We also collaborate with external specialized institutions and organizations to deepen our understanding of various human rights issues and strengthen our initiatives.

(For more information, visit Participation in International and Industrial Partnerships.)

Responsible executive and framework

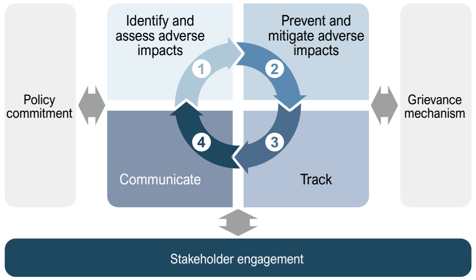
The executive officer responsible for the Group's initiatives on respecting human rights is the Group Chief Human Resources Officer (Group CHRO) (as of August 2025). The performance-linked compensation indicators for the Group CHRO include initiatives on human rights and labor compliance. The Sustainability Management Committee, chaired by the Group CEO, discusses important human rights issues under the supervision of the Board of Directors of Panasonic Holdings Corporation (PHD) and then reports these discussions to the Group Management Meeting and the Board. The Social Sustainability Department, under the Group CHRO, leads our day-to-day efforts to respect human rights. As the supervising organization for the Group's human rights and labor initiatives, it collaborates primarily with HR functions, and also with other related functions such as legal and procurement, to promote these initiatives at each operating company of the Group.

Human rights due diligence

Since fiscal 2022, the supervising organization has spearheaded efforts to identify and address human rights issues through self-assessments and other measures. In fiscal 2024, self-assessments were conducted at nearly all of the Group's manufacturing companies and sites in Japan and overseas (a total of 202) and 96 issues that could lead to human rights violations were identified in total. All corrective actions were completed by the end of March 2025.

Meanwhile, each operating company in the Group engages in different business activities, which means the types and anticipated severity of potential human rights risks are varied. In fiscal 2025, we established a system for each operating company to proactively promote human rights due diligence in consideration of their respective value chains and business characteristics and each company identified and assessed its human rights risks. Furthermore, we consolidated the human rights issues identified by each company and identified forced labor and occupational health and safety as salient human rights issues within the Group. Going forward, we will take steps to address the issues identified and continue to gain a better understanding of the areas within the value chain where the adverse impacts on human rights are largest.

Human rights due diligence process



Prohibiting forced labor: Responsible recruitment and employment

We recognize that migrant workers who work across countries and regions are in a vulnerable position and are more susceptible to forced labor and unfair treatment. Our Group companies in Malaysia, which have the highest number of foreign migrant workers in the Group, have been collaborating with the International Organization for Migration (IOM), which addresses global migrant labor issues, since 2018 to establish the Policy on Responsible Recruitment and Employment of Foreign Migrant Workers in 2020 and the standard operating procedures in 2021 and have been continuously making efforts in this regard. In fiscal 2025, with the cooperation of the IOM, we interviewed approximately 770 foreign migrant workers at the manufacturing sites of our four Group companies to assess the actual implementation of the policy and the standard operating procedures. To resolve the identified issues, we revised the policy and the procedures and conducted refresher training for all foreign workers (about 1,700) at the manufacturing sites of the four companies. This training covered their rights under employment contracts, internal work rules, operational safety measures, and the grievance mechanism.

Grievance mechanism

In order for us to respond quickly to remedy any complaints related to human rights violations that we receive, we have established a global hotline (supporting 32 languages) as a point of contact to which our employees, business partners, and other stakeholders can report any issues. Reports can be made anonymously and information about the reports and the reporting person is treated confidentially. We also have internal rules in place to ensure that the internal or external person reporting the violation is not subject to any form of retaliation or unfair treatment.

Respect for human rights in the supply chain

(For more details, visit Responsible Supply Chain.)

Basic approach

The Panasonic Group procures parts and materials from approximately 13,000 suppliers worldwide and is working with these suppliers to build a sustainable supply chain.

Human rights 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 Human Rights and Labour Policy. We also provide suppliers with the Panasonic Supply Chain CSR Promotion Guidelines, which summarizes our CSR procurement requirements, and we make it mandatory for suppliers to comply with them through contracts. Furthermore, we periodically request suppliers to conduct CSR self-assessments. We also assess the human rights risks of our suppliers and identify those for which action should be prioritized. Since fiscal 2024, we have conducted audits on a total of 271 companies (of which 22 were audited by third-party organizations). We request suppliers to correct any issues identified in the audits and confirm their progress on making such corrections. In addition to the Group's own internal hotline, as part of our efforts to provide remedial measures, we have adopted the industry-wide grievance mechanism known as JaCER, which serves as a reporting channel for suppliers or their employees. In addition, the Group continues to conduct due diligence on social and environmental risks in the battery supply chain based on the requirements of the EU Batteries Regulation, which came into effect in August 2023.

Participation in industrial partnerships

The Group participates in the RBA*1, RMI*2, and JEITA*3, promoting initiatives in collaboration with international frameworks and industry bodies. For the responsible procurement of minerals related to risks such as human rights violations in conflict-torn regions and high-risk areas, including gold, tin, tantalum, and tungsten, we have requested over 3,000 suppliers to complete surveys issued by the RMI. We have collected responses from approximately 97% of these suppliers. If minerals associated with violations of human rights are found to be in our supply chain, we ask our suppliers to no longer use them. We also encourage refiners and smelters to participate in the Responsible Minerals Assurance Process (RMAP) through industry initiatives.

*1 RBA = Responsible Business Alliance
*2 RMI = Responsible Minerals Initiative
*3 JEITA = Japan Electronics and Information Technology Industries Association

Internal training and external awareness-raising activities

We hold regular training sessions on CSR procurement for procurement employees. The cumulative number of training participants has now exceeded 1,500. Moreover, in fiscal 2024 we started running sessions to train auditors tasked with conducting supplier audits. A total of 270 individuals were trained for this role. Also, in fiscal 2025 we conducted awareness-raising activities through ESG briefings for approximately 1,150 suppliers in Asia. We also plan to continue educating our suppliers in fiscal 2026.

Environment and Technology Strategy

Message from the Group CTO

By integrating business, technology, and creativity, we create the value demanded by the future, thus shaping Panasonic's business for "tomorrow"

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

As the Group CTO, I have been in charge of mainly technology development, the environment, and intellectual property.

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, the Technology Department of Panasonic Holdings Corporation, together with the Design and Brand Departments, has launched the "Technology Future Vision", which sets an R&D direction, via backcasting from the future, aimed at realizing the vision for a future that the Technology Department aims to achieve by 2040. We are working to create new technologies and business opportunities that will lead the Panasonic Group in the future, and to support the enhancement of competitiveness of existing businesses through the core technologies we have cultivated over many years.

What the Technology Future Vision aims to achieve is a "co-caring society built on thoughtful choices," a society where individual choice naturally leads to caring for each other and the planet. To achieve this goal, we have defined the three elements listed below, each with an associated vision, in which we are strategically strengthening our technology and co-creating with our partners.

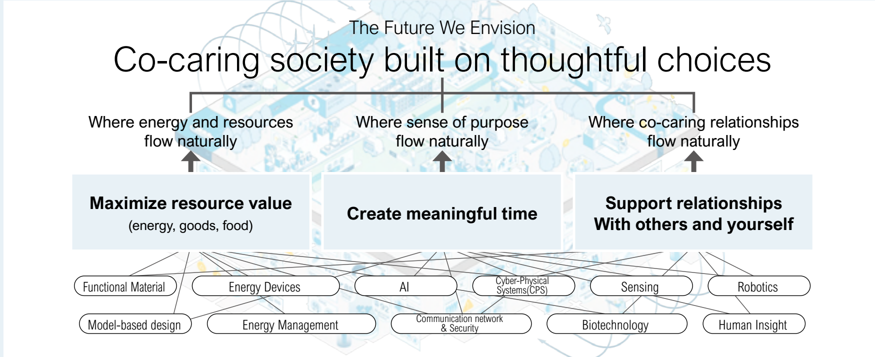
(1) Maximize resource value (energy, goods, foods)
Safe, green and affordable energy and resources flowing through our everyday lives.

(2) Create meaningful time
Nurturing the use of our time allows us to live each day with a sense of purpose.

(3) Support relationships with others and yourself
A harmonious state of mind and body encourages co-caring relationships with those around us.

To achieve a sustainable society, it is important to maximize resource value and widely distribute green, safe, and affordable energy and resources without waste. Under the Group's long-term environmental vision, called the Panasonic GREEN IMPACT, we are working to reduce the CO_2 emissions across our entire value chain (Scopes 1, 2, and 3) while increasing the "avoided emissions" that contributed to reducing CO_2 emissions for customers and society, with the goal of making a positive impact on the global environment through our business. We are also focusing on promoting a circular economy (CE) that contributes to decarbonization and reduction of resource consumption.

Achieving the vision we aim for cannot be accomplished by a single company. Working with like-minded companies and financial institutions, we are promoting the international standardization of avoided emissions so that companies' contributions to decarbonization are properly evaluated. We are also actively participating in the creation of international standards to evaluate and advance corporate CE initiatives.



In addition, to address the increasingly important issue of biodiversity, we have begun work on "nature-positive" initiatives. These initiatives aim to halt the deterioration of the natural environment and put it on the path to recovery.

Meanwhile, with respect to create meaningful time and support relationships with others and yourself, with a view to maximize resource value, we are undertaking initiatives in the area of well-being in lifestyle and work aimed at inspiring purpose and compassion in our relationships with ourselves, our friends, our family, our community, and nature.

We are also actively promoting the use of AI. Utilizing our cyber-physical system (CPS) technology that creates value by connecting cyberspace, where people and their lifestyles are understood at the digital level, with the real world (physical space), we will provide choices to each individual and support the natural development of compassion within diverse relationships. We will also contribute to the growth strategy in the Solutions area, which is a key focus area for the Panasonic Group.

With regard to Intellectual Property (IP), we are working to contribute to the business by building intangible assets, including intellectual property that supports the technology that is the source of the Group's competitiveness, and by utilizing these assets. Specifically, because we hold global intellectual property rights in solution-related technologies that can serve as a foundation for growth in the Group's focus areas, to contribute to the growth of these businesses, we will continue building a relevant intellectual property portfolio and promote the use of intellectual property that aids co-creation and standardization. In addition, by utilizing the intellectual property we hold that contributes to our revenue-generating businesses, we will contribute to making these businesses more profitable.

Recognizing that our environmental and AI initiatives, as well as the technologies and intellectual property that support them, are key components of our non-financial value creation as an enterprise, we are actively publicizing information about our approach to these initiatives and specific case studies. I am confident that this non-financial value will earn the trust of our customers and increase the corporate value of the Group as a whole.

Human resource management is another focus of the technology sector, which seeks to gather diverse professional talent and accelerate the creation of thriving people and organizations through both systems and operations.

The technology sector is promoting a wide range of initiatives that look ahead to the medium- to long-term, beyond the current Group Management Reform. Please stay tuned to witness this new vision of the technology sector going forward.

Initiatives Aimed at Achieving Panasonic GREEN IMPACT

Summary of the Environmental Action Plan — GREEN IMPACT PLAN 2024

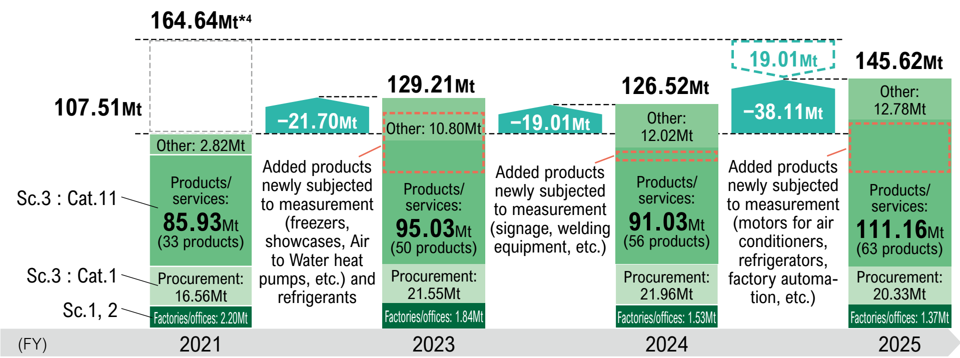
As reaching the 2050 targets set in "Panasonic GREEN IMPACT", our long-term environmental vision, we formulated "GREEN IMPACT PLAN 2024 (GIP 2024)", the three-year environmental action plan from the fiscal year ended March 31, 2023 (fiscal 2023) to fiscal 2025, for which we have worked on. We have set single-year targets for fiscal 2026, and going forward, we will formulate an environmental action plan that is linked to the new medium-term management plan. The results of GREEN IMPACT PLAN 2024 and the targets for fiscal 2026 are shown below.

GREEN IMPACT PLAN 2024 Targets and Results, 2025 Targets (GIP2024+1)

Item			Fiscal 2021 results	Fiscal 2025 results	Fiscal 2025 targets	Fiscal 2026 targets
				GREEN IMPACT PLAN 2024+1		
CO_2/ Energy	OWN IMPACT Emissions reduction in our own value chain		–	-38.11Mt (19.01Mt)*1	16.34Mt	-40.12Mt (17.01Mt)*1
	Scope 1, 2	Net Zero Factory	Cumulative 7 factories	Cumulative 45 factories*2	Cumulative 37 factories*2	Cumulative 49 factories*2
		CO_2 reductions	–	0.83Mt	0.26Mt	0.81Mt
	Scope 3 (category 11)	CO_2 reductions in use of our products by customers	–	-25.23Mt (17.62Mt)*3	16.08Mt	-26.88Mt (16.11Mt)*3
	CONTRIBUTION IMPACT "Avoided emissions" (contribution to reducing CO_2 emissions for society) through existing businesses		23.47Mt	53.25Mt	38.30Mt	47.50Mt
Resources/ CE	Factory waste recycling ratio		98.7%	99.2%	99.0%	New KPIs to be considered in the future
	Recycled resin used (GIP2024 target is total over fiscal 2023–25)		15,200t	Fiscal 2023 to 2025 total 45,000t	Fiscal 2023 to 2025 total 90,000t	Fiscal 2026 only 25,000t
	Circular economy business models and products		Cumulative 5 businesses	Cumulative 15 businesses	Cumulative 13 businesses	Cumulative 16 businesses

*1 Amount of CO_2 reduction compared to fiscal 2021 for the businesses subject to calculation in fiscal 2025. This refers to the actual reduction in the amount of CO_2 emissions, including the amount associated with expanding the Company's boundaries.
*2 The share transfer of Panasonic Automotive Systems Co., Ltd. ("PAS") was completed on December 2, 2024. As a result, PAS is no longer a consolidated subsidiary of the Company. Therefore, PAS is not included in the fiscal 2025 results and the fiscal 2026 targets (the fiscal 2025 targets cover a total of 37 factories, including 12 PAS factories).
*3 Amount of CO_2 reduction compared to fiscal 2021 for the 33 products in category 11 subject to calculation in fiscal 2021.

CO_2 emissions and reductions in our own value chain

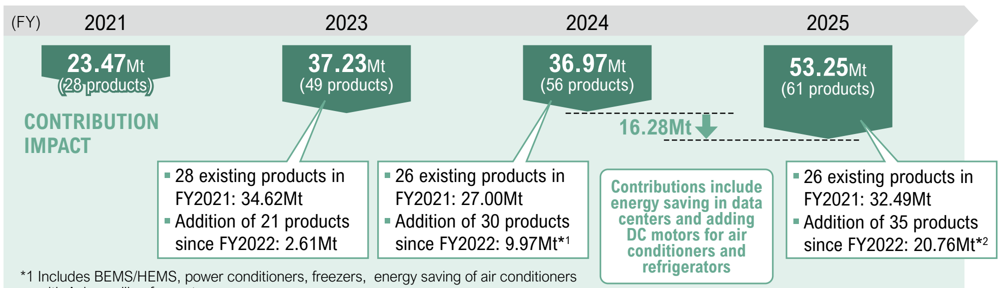


*4 Calculated based on eligible businesses in fiscal 2025

The addition of products subjected to calculation meant that CO_2 emissions across our entire value chain (Scopes 1, 2, and 3) rose from roughly 107.51 million tons in fiscal 2021 to around 145.62 million tons, an increase of 38.11 million tons (negative in OWN IMPACT). However, a comparison with the businesses subject to measurement in fiscal 2025 shows that we have achieved a reduction of 19.01 million tons since fiscal 2021.

In Scope 1 and 2, progress in energy conservation and renewable energy resulted in 45 factories with net zero CO_2 emissions (excluding the 12 factories that qualified in fiscal 2024 from PAS, which is no longer a consolidated subsidiary as of December 2024), an increase of 13 factories from the previous year, resulting in a reduction of 0.83 million tons of CO_2. Thanks to the widespread adoption of Panasonic products with improved energy efficiency, Scope 3 category 11 (CO_2 emissions from use of sold products) was reduced by 17.62 million tons for the same target products as in fiscal 2021. On the other hand, due to the expansion of the calculation scope from 33 products to 63 products (in fiscal 2025) and increased sales, there was an increase of 25.23 million tons from fiscal 2021. 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 CO_2 emissions for society)



*1 Includes BEMS/HEMS, power conditioners, freezers, energy saving of air conditioners with Asian ceiling fans, etc.
*2 Added energy-saving measures for data centers, and DC motors for air conditioners and refrigerators to the above-mentioned businesses in *1

Meanwhile, when calculating the "avoided emissions" that have helped lower CO_2 emissions for customers and society, the number of products has expanded from 28 products in fiscal 2021 to 61 products in fiscal 2025 due to, among other factors, the addition of new avoided emissions from DC motors for air conditioners and refrigerators and backup power supplies for data centers. Overall avoided emissions totaled 53.25 million tons, achieving our fiscal 2025 target. We are working with other companies to update the guidance of the WBCSD (World Business Council for Sustainable Development), align it with international IEC (International Electrotechnical Commission) standards, and revise the GHG protocol to make an ISO standard for avoided emissions. We are actively incorporating the latest calculation methods into the calculation of avoided emissions, and have set a target of 47.5 million tons for fiscal 2026.

As for resources and the circular economy (CE), the factory waste recycling rate, based on the definition we have used, remains at 99%. In the future, we will consider revising the definition of this metric in line with international rules. The volume of recycled resin used reached 45,000 tons over three years, but did not meet the target of 90,000 tons. We will strive to expand the use of recycled resin by strengthening the supply chain from waste resin collection to reprocessing and reuse. Our fiscal 2025 target to create 15 CE-type business models was achieved.

International Standardization/TCFD/TNFD

Toward international standardization

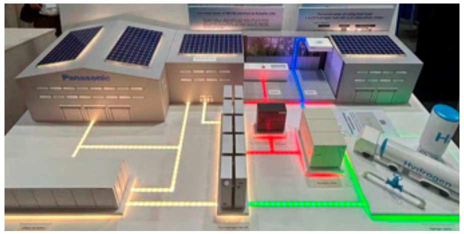
The Panasonic Group is actively engaged in standardization activities for the purpose of expanding its business on a global scale through our management meetings that align with our Group's business and technology strategies under the leadership of the Chief Standardization Officer*1. As a Group, we are participating in over 1,000 standardization activities, and hold important positions such as international secretary of the IEC technical committees in environment-related domains such as fuel cells and smart cities. In addition, our achievements in industrial standardization have been recognized by organizations such as the IEC and Japan's Ministry of Economy, Trade and Industry, resulting in multiple awards every year*2. Aiming to contribute to solving environmental issues, we actively participate in standardization activities in forums such as WBCSD, in addition to IEC and ISO (International Organization for Standardization).

At COP29*3 in November 2024, we hosted an exhibit at the Japan Pavilion for the sixth consecutive year, where we communicated specific initiatives to solve environmental issues aimed at achieving both a better life and a sustainable global environment as stated in the Panasonic GREEN IMPACT.

Representing IEC, we participated in a panel discussion with international initiative organizations at an event co-hosted by the Ministry of Economy, Trade and Industry and the WBCSD. Regarding the international standard IEC 63372, which stipulates the calculation method for avoided emissions, we introduced our efforts to promote international standardization in collaboration with other companies and ISO, while ensuring consistency with WBCSD guidance, which we are helping to update. We expressed our expectation that international standardization will enable governments, financial institutions, and other organizations to evaluate companies that contribute to decarbonization appropriately and utilize avoided emissions when providing incentives and making investment decisions. We also expressed our opinion that international standardization is significant for all industries.

In May 2023, at the G7 Hiroshima Summit, the Circular Economy and Resource Efficiency Principles (CEREP) were approved. Panasonic is actively participating in developing the WBCSD Global Circularity Protocol (GCP), a set of indicators and targets for evaluating and promoting companies' circular economy (CE) initiatives. At COP29, we participated in a panel discussion hosted by the Ministry of the Environment on "Global Standards through CEREP & GCP" where we introduced Panasonic's concrete actions toward CE implementation.

*1 The Group CTO also serves as the Chief Standardization Officer
*2 Awards in fiscal 2025 include an award from the Director-General of the Innovation and Environment Bureau of the Ministry of Economy, Trade and Industry; the IEC 1906 Award, and the IEC Activities Promotion Committee of Japan Chairman's Award
*3 The 29th Conference of the Parties to the United Nations Framework Convention on Climate Change. Around 200 nations, regions, and other entities participated in this international conference aimed at resolving the problem of climate change



Exhibition at the Japan Pavilion at COP29
Colored LEDs indicate the flow of electricity, hydrogen, and heat

Panel discussion at COP29 Japan Pavilion

Response to the TCFD

In May 2019, we expressed our support for the recommendations of the TCFD*4 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.

- Governance : Sustainability management is headed by the Board of Directors, so that information on Groupwide environmental sustainability management from all of the operating companies are reported to the Board of Directors. Progress and results on environmental targets are checked and decisions on important measures are made at the Group management meetings attended by the Board of Directors, the Group CEO, and the presidents of operating companies.
- Strategy: We have identified the impacts of climate change and analyzed the impacts on our business. We also developed a social scenario for the year 2050, examined strategies corresponding to that scenario, and verified the resilience of those strategies.
- Risk management: Panasonic Group is working to establish operating company-specific Environmental Risk Management Systems, which identifies environmental risks every year and takes prompt action when risks occur. The Enterprise Risk Management Committee conducts deliberations from the perspective of management and business strategies and social responsibilities, and decides the Group's significant risks.
- Metrics and targets: We have set greenhouse gas (GHG) reduction targets, and in October 2017, we were certified as a 2.0°C Science Based Target (SBT). In 2023, we updated our target and were certified as a 1.5°C GHG reduction target, and in September 2024, we were certified as a Net-Zero Target for our long-term target.

Initiatives for TNFD Disclosure

To achieve the Panasonic Group's goal of realizing "an ideal society with affluence both in matter and mind," we will begin disclosing information based on the Task Force on Nature-related Financial Disclosures (TNFD) starting from fiscal 2026. Each operating company is reviewing its relationship with nature from its own perspective and working to coexist with it while creating sustainable corporate value*5.

Under the Group's long-term environmental vision, Panasonic GREEN IMPACT, we aim to significantly reduce the burden on the global environment and create a more sustainable society through our business. We view our dependence on natural capital in the global supply chain throughout the product lifecycle and our impact on natural capital as important issues. Therefore, in accordance with the TNFD framework, after clarifying the relationship with natural capital in each operating company, we will use the LEAP approach*6 to quantitatively and qualitatively assess risks and opportunities related to natural capital.

For example, since we use a large amount of water resources in the manufacturing process, it is important to reduce the amount of water used and to manage the wastewater that is discharged. In addition, we are strengthening our responsible procurement policy for mineral resources used in our products because of concerns about price fluctuations, supply risks, and human rights and environmental issues in mining areas. Through these initiatives, we will visualize the relationships with natural capital based on the characteristics of each business with the aim of achieving both reduction of business risks and sustainable growth. Going forward, we will further deepen our TNFD disclosure as a foundation for accelerating our response to material issues across the Group and creating medium- to long-term corporate value.

*4 TCFD stands for the Task Force on Climate-related Financial Disclosures. Established by the Financial Stability Board at the request of the G20 meeting of finance ministers and central bank governors. For more information, visit TCFD.
*5 For more information, visit Sustainability Data Book.
*6 An integrated approach developed and recommended by TNFD for assessing nature-related issues, such as contact points with nature, dependencies with nature, impacts, risks, and opportunities

Maximize Resource Value: Where Sence of Purpose flow naturally

Energy

Perovskite solar cells*1

By combining our original material technologies, inkjet application method, and laser machining technologies, we are proceeding with technical development of glass perovskite solar cells. During fiscal 2025, we introduced a meter-class prototyping line and started operation of a prototyping line for the large verification size (1m × 1.8m) for use as construction materials, to produce prototypes. The prototype large modules were exhibited at CEATEC 2024 and CES 2025 to high acclaim. Going forward, we will continue to accelerate development for practical use, thereby harmonizing the creation of renewable energy with urban landscapes and further contributing to reducing CO_2 emissions.


1m × 1.8m perovskite solar cell module prototype

Panasonic HX

As a proof of concept, Panasonic has installed facilities at its fuel cell factory in Kusatsu, Shiga Prefecture, and its microwave oven assembly factory in Cardiff, Wales, UK that use green hydrogen produced in the UK and coordinate the control of pure hydrogen fuel cells, solar cells, and storage batteries to run the factories on 100% renewable energy. Furthermore, we have started a demonstration of power supply and demand operations using renewable energy through the integration of three batteries utilizing hydrogen at our office building in Germany.


Our office in Munich, Germany

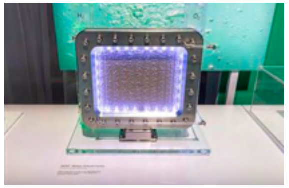
Green hydrogen production device

As cutting-edge research with an eye to the future, we are conducting R&D to make hydrogen production devices smaller, less expensive, and less power-consuming. We are developing technology that can efficiently produce hydrogen without using iridium, a rare metal, with the goal of commercializing technology that enables stable hydrogen production.


Our factory in the United Kingdom

The Group owns a large portfolio of intellectual property in the field of energy and environment-related technologies, and is utilizing these to engage in environment-related activities within the Intellectual Property Department. Details of the activities of the Intellectual Property Department can be found on the Sustainability website.

(For more details, please refer to the Sustainability Data Book.)


Green Hydrogen production device (exhibited at CES 2025)

Goods

kinari*1

Since 2015, Panasonic has been conducting R&D on reducing the use of petroleum-derived resins. We have been developing kinari, a molding material that incorporates cellulose fiber, a naturally derived component, into resin. In 2022, we further enhanced the biodegradability of this material in natural environments by developing a fully biodegradable molding material, and in 2024, we developed a molding material made from plant-derived resin that is completely biodegradable in the marine environment. In particular, by adding plant-derived cellulose fiber at high concentrations to marine biodegradable resins, Panasonic has succeeded in developing a molding material that achieves both excellent mechanical properties and marine biodegradability. As a result, our marine biodegradable molding material has been certified as a "Marine Biodegradable & Biobased Plastic" by the Japan Bioplastics Association. kinari received the 57th Ichimura Prize in Industry against Global Warming for Excellent Achievement, in recognition of its technologies that reduce CO_2 emissions and recycle resources.

*https://news.panasonic.com/jp/press/jn250421-2 (Available only in Japanese)


Marine Biodegradable & Biobased Plastics No. 0027
Marine biodegradable kinari pellets and certification mark

Food

Bio CO_2

As part of our efforts to create a more positive impact on the global environment, we are advancing the development of "bio CO_2 transformation" technology. This technology uses atmospheric CO_2 as the primary input to extract components from photosynthetic microorganisms that stimulate the growth of plants. When sprayed directly onto leaves, these components have been shown in verification tests to boost vegetable yields by up to 40%. Starting in April 2025, we will begin field trials of the biostimulant "Novitek*1" to assess its effectiveness in real-world agricultural settings, with the aim of commercializing it in 2026. Through this initiative, we aim to work toward achieving decarbonization and boosting food productivity.

While advancing the development of next-generation technologies, we are also conducting high-density biodiversity monitoring at the "Sustainable Forest" in the Kusatsu site. By quantifying the forest's impact on its surroundings and how biodiversity is maintained, the site was registered in August 2024 in the international database as one of Japan's OECM*2 areas. It also serves as an environmental learning site for the local community. Going forward, we will continue developing it as a factory green space that blends into the local environment, working in harmony with the surrounding nature to support biodiversity conservation.

Novitek, a plant growth stimulant developed from bio-CO_2 transformation technology

*1 Perovskite solar cells, kinari, and Novitek are on display at Expo 2025 Osaka, Kansai, Japan
*2 OECM stands for Other Effective area-based Conservation Measures, which refers to areas where nature is protected through activities carried out by humans

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

Initiatives for incorporation of AI into daily living and work (workplaces)

To date, we at the Panasonic Group have been promoting the provision and utilization of AI-equipped products that contribute to improving people's daily living and work (workplaces) while taking into consideration the environment and energy. We have developed an AI refrigerator equipped with an AI camera that can take an image of the inside of the refrigerator to check inventory. The camera is equipped with wide-angle and narrow-angle shooting functions, and recognizes food items such as vegetables in the refrigerator compartment, vegetable compartment, and freezer compartment with high accuracy. When the camera is integrated with the Live Pantry app, it helps prevent forgotten purchases and duplicate buying, contributing to the reduction of food waste. In addition, our in-house platform powered by generative AI is helping to improve operational productivity and streamline the development of next-generation capacitors and circuit board materials by automating experiments at development sites. In particular, our automated testing environments operate unmanned 24 hours a day, 365 days a year, and by combining them with AI and materials informatics (MI) technologies, we are making the material development process more rapid and sophisticated.

Shortening of AI development periods and development of technologies for ensuring reliability

Issues facing this kind of AI development include improving efficiency and ensuring reliability when constructing the data sets that require immense amounts of time for advance learning. To address these issues, in cooperation with other companies, the Panasonic Group is focusing on shortening AI development periods and developing technologies for ensuring reliability.

We are developing our own "Panasonic-LLM-100b" large language model (LLM) specialized for the Japanese language. Panasonic-LLM-100b has 100 billion parameters, making it the largest LLM in Japan, and enhances its knowledge of business areas through additional pre-training on the Company's internal data. This is expected to greatly reduce the occurrence of AI hallucination (a phenomenon that generation that is not based on actual facts).

In addition, by evolving the multimodal platform model developed by the Group, we are developing technologies that can both significantly reduce annotation costs and improve accuracy. Annotation is the task of labeling data, which is time-consuming and costly, and can reduce the efficiency and speed of AI development. By solving these problems, we will contribute to accelerating AI development and its social implementation within the Panasonic Group.

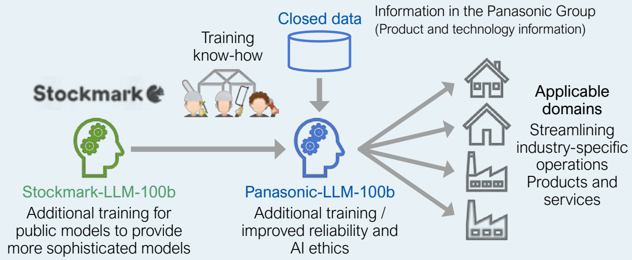
We are also focusing on activities to proposition our AI technology to outside, including actively participating in academic conferences and presenting our technologies useful in developing AI, and to create connections for co-creation. In fiscal 2025, our work on AI technology was accepted at prominent international conferences and received high acclaim. These ongoing initiatives are in line with the spirit of "Panasonic Go*." We are also promoting consortium activities aimed at accelerating the use of AI within the Group.

*A global corporate growth initiative (pioneering initiative) to promote AI-driven business transformation

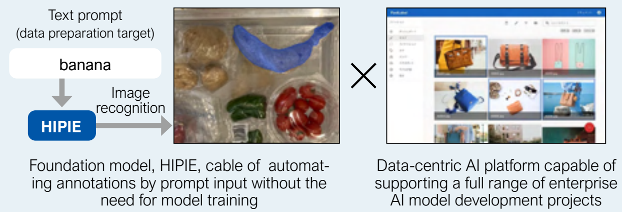
- Panasonic Connect develops sensing technology that can detect moving objects in less than one millisecond, even if there in noise such as gloss, so that robots can work without interruption (Available only in Japanese)
https://news.Panasonic.com/jp/press/jn241030-3
- Panasonic Connect develops new technology that allows its proprietary observation-driven AI agent to reference knowledge graphs during RAG to generate responses (Available only in Japanese)
https://news.Panasonic.com/jp/press/jn241003-2
- Panasonic Connect develops multi-objective optimization technology that can answer combinatorial optimization problems that require enormous computational time in 10 minutes (Available only in Japanese)
https://news.Panasonic.com/jp/press/jn240830-3
- Panasonic Connect achieved the second highest evaluation in the world at the "Ego4D EgoSchema Challenge" competition, part of the top-tier conference for image recognition, CVPR 2024
https://news.panasonic.com/global/press/en240716-3
- Panasonic HD Develops AI Technology That Can Handle Context-specific Knowledge Which Was Previously a Limitation of the Flow-based Generative Models
https://news.panasonic.com/global/press/en240711-2
- Panasonic HD Develops "Split-Ensemble" That Can Efficiently Improve Uncertainty Estimation at 1/4 the Computational Cost
https://news.panasonic.com/global/press/en240717-2
- Panasonic HD develops "Diffusion Contact Model" AI technology for robot control that applies generative AI to perform contact-rich actions
https://news.panasonic.com/global/press/en241002-3
- Panasonic HD develops image generation AI "Diffusion-KTO" that can personalize images to your tastes based on your "likes" and "dislikes"
https://news.panasonic.com/global/press/en241202-4

AI technology that contributes to the environment and people's lives

Development of our own "Panasonic-LLM-100b" specialized for the Japanese language, the largest LLM in Japan (100 billion parameters)



Improving AI development efficiency and accelerating AI development within the Panasonic Group



Significantly reduce the time and effort required for data annotation, which is a bottleneck in the AI development process

Compliance Initiatives

Message from the Group GC

The practice of compliance management, as a fundamental premise of business activities, is a never-ending commitment

Ayako Shotoku
Director, Executive Officer
Group General Counsel (Group GC)

The Group established the Basic Business Philosophy as the practice of, and mindset associated 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.

I believe that compliance is the responsibility of each and every one of us in the Panasonic Group, and the only way to achieve zero compliance violations is for each and every one of us to take personal ownership for compliance and put it into practice every day. To that end, it is important to proactively acquire correct knowledge about compliance, to commit to it personally, and to go about our daily work without losing sight of the basis for judging and putting into practice what is right. I believe that practicing compliance and taking on the daily challenges of work with pride and integrity will make Panasonic a company that we can be proud of, help us contribute to society and our customers, and lead to the growth of the company.

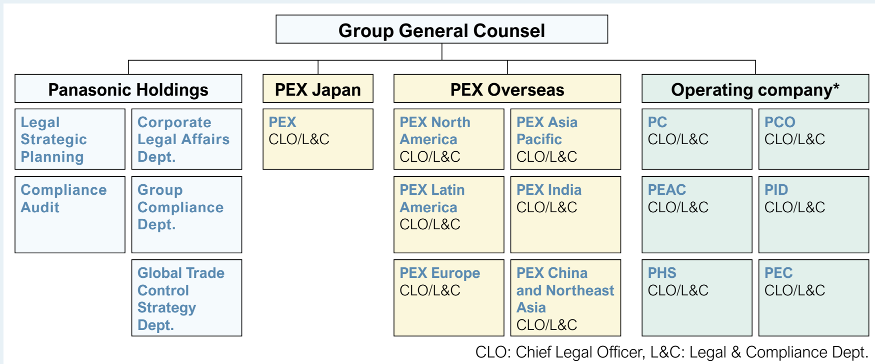
Under this Code of Ethics & Compliance, the Panasonic Group establishes internal rules and systems, implements educational and awareness-raising activities, and observes the status of compliance with and implementation of this Code. We also foster a culture in which compliance concerns can be reported and discussed without hesitation and any compliance incidents are investigated and corrected in a timely and appropriate manner.

Through these compliance programs, we will realize compliance management throughout the Group. Violations of compliance cause great inconvenience to our business partners and customers and damage the trust that society has in the Group. To ensure that such violations never occur within the Group again, it is extremely important that we continue to make further improvements in compliance systems, education, and awareness-raising activities. This is why I believe that the practice of compliance management is a never-ending commitment.

Under the Group management system based on an operating company system, Panasonic Holdings Corporation (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 (Figure 1). Including myself, the Group has approximately 670 employees involved in legal affairs in Japan and overseas. Our mission is to be guardian of "Fairness and Honesty" and leader of the Group's ethical and compliant behavior, and to be partner to commit ourselves to the sound growth and success of the business by partnering with the business forefronts, and we work to make that happen every day.

By working closely with these colleagues around the world and fully utilizing our legal capabilities as One Team, we will practice compliance management and contribute to enhancing corporate value through the healthy and sustainable growth of the Group.

Figure 1: Responsible Executive and Framework



* PC: Panasonic Corporation, PEAC: Panasonic Entertainment & Communication Co., Ltd., PHS: Panasonic Housing Solutions Co., Ltd., PCO: Panasonic Connect Co., Ltd., PID: Panasonic Industry Co., Ltd., PEC: Panasonic Energy Co ., Ltd.

Policy

We have established the Panasonic Group 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.

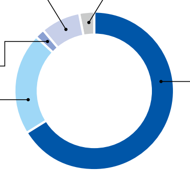
Internal Communication and Training

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. 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. Furthermore, we have established e-learning program on acts of bribery & corruption, and violations of competition laws which would significantly impact on the Group. Additionally, each operating company and PEX overseas conducts compliance-related training for those who need it, according to the risks 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. We are promoting the use of this hotline by making it known to our offices, workplaces, and business partners, both in Japan and overseas. In order to ensure proper operations of the Global Hotline, we do not tolerate any retaliation against internal/ 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, addressing, and reporting such issues to management, also define on the investigate method.

Report and Consultation (Fiscal 2025)



* Workplace issues include harassment, discrimination, complaints, etc. Business integrity include bribery, conflicts of interest, fraud and theft, competition law, quality, information security, and others.

In fiscal year ended March 31, 2025 (fiscal 2025), we received approximately 1,480 reports and consultation, with approximately 85% of these coming through the abovementioned Global Hotline. All the reports and consultation 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.

Serious Violations and Corrective Measures

On January 12, 2024 it was discovered that Panasonic Industry Co., Ltd. ("PID") had engaged in multiple irregularities in the process of the certification by UL Solutions ("UL") a third-party safety science organization in the US, for electronic materials manufactured and sold by PID. In response to this, PID established an external investigation committee composed of external experts and conduct investigations into the irregularities in the process of certification by UL and other quality irregularities. On November 1, 2024, PID published the investigation report received from the external investigation committee and the measures formulated to prevent recurrence.

Moreover, the entire Panasonic Group, with support from an external law firm, has conducted thorough self-assessments targeting inappropriate actions related to quality compliance since fiscal 2024, aiming to resolve all quality compliance-related issues and eradicate quality fraud.

Initiatives to Address Significant Compliance Risks

In areas of compliance that can have a significant impact on the Group (cartel prevention, prevention of bribery and corruption, and trade compliance), we engage in efforts to prevent legal violations and in initiatives to instill other forms of compliance on a global basis.

The non-financial items in the evaluation indicators for the compensation of PHD executive officers and operating company presidents include the promotion of strict compliance. Furthermore, starting in fiscal 2026, malus and clawback provisions* have been introduced in order to encourage PHD executive officers to take appropriate actions and to prevent, detect, and correct serious compliance issues (applicable to performance-based compensation).

* If a serious compliance issue arises (i.e., one that may materially affect the financial condition, reputation, or brand value of the entire Panasonic Group) or if the financial statements for the entire Panasonic Group need to be amended in any material respect, these provisions allow PHD to claim a refund of previously paid compensation (clawback provisions) or reduce the compensation to be paid (malus provisions).

(For more information, visit Compliance.)

Michitaka Sawada
Outside Director
Chairperson of the Board

Ryusuke Shigetomi
Outside Director

— Dialogue between Outside Directors —

The Board of Directors' role in overseeing the Group Management Reform

■ Panasonic Group Management Reform

Driving discussions with an unprecedented sense of urgency while achieving targets is our top priority

Q1 **With the Group recently reporting operating profitability, what kind of discussions have taken place at the meetings of the Board of Directors regarding the implementation of the Group Management Reform? In addition, what is the primary objective of the Group Management Reform?**

Sawada In the fiscal year ended March 31, 2025 (fiscal 2025), both sales and profits increased more than the Company's forecasts, and operating profit increased in all segments, excluding deconsolidation of Automotive. However, the Board members expressed concern that the Company was struggling to meet shareholder expectations in the absence of prospects for strong growth, even if the Company was profitable. This led to the start of discussions on the Group Management Reform. The discussions mainly centered on addressing the higher fixed-cost structure to improve profit, as well as clarifying which businesses the Company must focus on moving forward, or in other words, accelerating business portfolio management. As to the primary objective of the Group Management Reform, the Company must ensure it achieves what it has announced and live up to the expectations of its shareholders. In the case of this reform, it is improving fixed-cost structure and accelerating business portfolio management. I believe that achieving a profit improvement of 150 billion yen or more in fiscal 2027, among other targets, can restore the trust of the capital markets.

Shigetomi I assumed my position of outside director on June 24, 2024, and have been actively involved in various discussions since July 2024. I believed it was important for the Board to discuss the formulation of a future vision for the Panasonic Group with a sense of urgency. Initially, the Board planned to discuss the Group Management Reform over a period of six months to one year.

However, there was a consensus among Board members of the importance of reaching a conclusion within a shorter time frame of three months, which led to the announcement of the Group Management Reform on February 4, 2025. Both the executive and supervisory sides of the Company had a strong awareness of the long-term stagnation in corporate value, so no time was wasted in pursuing those discussions. As Mr. Sawada mentioned, I believe that fulfilling the commitments made is of utmost importance. The Board will therefore closely monitor the Company's progress in this regard. I also feel that the Company's growth potential, in many aspects, has not been fully recognized by the capital markets. This does not imply an oversight by the markets, but rather a problem in the way the Company communicates. I feel there is a need for the Company to clearly demonstrate to the capital markets its specific path for restructuring its business portfolio and how it intends to build future earnings capabilities.

Increased clarity of discussions on management reforms has elevated the sense of crisis within the Operating Companies

Q2 **During the Board discussions on the Group Management Reform at Board meetings, as an outside director, did you feel any changes in the determination and sense of crisis among the executives, centered around Group CEO Yuki Kusumi?**

Shigetomi The Company's perspective on the time frame has completely changed from the past. As mentioned earlier, regarding the Group Management Reform, the initial plan was to discuss it over a period of six months to one year; however, a conclusion was reached within three months. Under the leadership of Group CEO Yuki Kusumi, it was all brought together with a sense of urgency, which I feel is a significant point of difference from the past. Discussions with an awareness of the Company's share price and market capitalization have become a regular occurrence at Board meetings. We are lending our ears to the opinions of capital market participants and engaging with them to enhance our approach to determining what we should do.

Sawada I have felt that Group CEO Yuki Kusumi has maintained a strong sense of crisis for some time, but I sensed that not all of the executives were on the same page in a sense of crisis, especially at the Operating Company level. In all of this, as earnest and serious discussions progressed at the meetings of the Board, the sense of crisis and determination within the executive team significantly increased. I believe this owed to the considerable burden involved in the fixed-cost structural reform. As it became clear what kind of corporation the Panasonic Group must be in order to survive, there would be inevitably some businesses that we needed to withdraw from, which made it a pressing issue for everyone involved. I think that, under the Company's previous time frame, the announcement of the Group Management Reform on February 4 would not have been realized. While discussions have progressed rapidly this time, we are still at the starting point, so this is where the real challenge begins.

On track to achieve the targets; commitment from executives is also strong

Q3 **Do you feel confident that the Company can achieve a profit improvement of 150 billion yen or more by fiscal 2027 through structural reforms and business portfolio management, as well as an ROE of 10% or more by fiscal 2029? How will the Board of Directors oversee the achievement of these targets?**

Sawada Naturally, the announcement has been made because there is a likelihood and sense of confidence in achieving them. This year will be crucial for achieving the targets, and how the Company advances its reforms in line with its intentions during the initial stage will be key. The Board will closely monitor the progress, and if it is not satisfactory, we will request the Company's executives to take prompt action. Also, it will be important to implement governance not only in terms of proactive measures but also in protecting against compliance issues, because such problems can hamper the progress of reforms. Considering all of the various risks, leveraging our supervisory function to ensure that compliance issues do not arise is also an important role of the Board.

Dialogue between Outside Directors

Shigetomi Although the Group Management Reform this time will be implemented over a short period, it requires considerable time and effort in discussions, as well as meticulous analysis. Therefore, the commitment from the Company's executives is very strong. I believe that the targets are achievable unless negative changes occur in the operating environment that are far greater than expected. Also, the Board's oversight of the Group Management Reform will be based on the basic principle of monitoring every month. On that basis, the Board would establish KPIs to measure the progress of the reform and publicly disclose results once every six months to enhance transparency. Group CEO Yuki Kusumi also understands this point, and I recognize that the Board's commitment to updating highly transparent information for the capital markets has increased.

Sawada For the reform to be realized, it is important that the Board collaborates not only with the management team, but with employees as well. As a Board, we hope to support, and shape together, the vision of substantial growth for the Panasonic Group.

Structural Changes in the Board of Directors

Board operations unaffected by executive-side circumstances

Q4 The appointment of an outside director as the Chairperson of the Board of Directors is a first for the Company. How do you view the significance of this?

Sawada From the perspective of strengthening governance by way of separating oversight and execution, I believe there to be great significance in having an outside director serve as the Chairperson of the Board of Directors. During my time as president of Kao Corporation, I also had an outside director assume the role of chair of the board starting in 2014. Based on that experience, I think the chair having a deep understanding of the inner workings of the executive side can work to the advantage of the Company, but it can also have negative effects. For example, even if our common sense differs from common sense in society, the Board might proceed with discussions without much concern, and there may be times when valuable opinions are not taken seriously. Also, the tacit understanding among executives may lead to the omission of explanations during Board meetings, which could make it difficult for outside directors to express their opinions. Of course, there will probably be times when the chair is unable to smoothly manage the proceedings of the meeting due to insufficient knowledge of internal matters. However, considering the importance of strengthening governance from an external perspective, I believe there is value in having an outside director serve as Chairperson. In particular, I feel it is meaningful to adopt a new structure that differs from the past, given that the Company is in a significant period of transformation.

Shigetomi The greatest advantage of having an outside director serve as Chairperson of the Board is the ability to conduct meetings without being constrained by internal circumstances or customs. That said, it is not simply a matter of having an outside director become the Chairperson. The role requires someone qualified, like Mr. Sawada, who has management experience in large corporations and understands how to navigate discussions with the right amount of discretion. That is why I believe the appointment of Mr. Sawada this time is really significant. I also want the Board of Directors Secretariat to engage openly and honestly with Mr. Sawada. Having also worked at a large corporation, I understand very well that people have a tendency to consider how best to present agenda items from the perspective of whether the presented items can be accepted by the chair or the president. Since we have the opportunity to have someone like Mr. Sawada serve as Chairperson, I certainly want the secretariat to engage with him without any hesitation in order to facilitate substantial discussions at Board meetings.

Dialogue between Outside Directors

Quality over quantity: High-caliber selections are key

Q5 What are your thoughts on having outside directors make up the majority of the Board?

Sawada Rather than simply raising its ratio of outside directors, it is also important that the Company selects individuals with a skills matrix in mind that matches its medium- to long-term direction. If the Company's strategy changes, outside directors better suited to the new strategy will need to be appointed. So in this regard, I am aware that management will have to make some bold decisions to replace outside directors.

Shigetomi What is most beneficial for the Company needs to be considered, instead of readily jumping aboard the trends of the times. The members of the Board must not be there just to make up the numbers. The Company must appoint outside directors who can express their opinions properly at Board meetings, even if it means reducing the number of members. I even think it would be acceptable to evaluate their opinions and the level of contributions to the Board in the form of an outside directors' report card. Based on that, only the individuals that are truly needed should be appointed as outside directors. Under this kind of thinking, I believe it is important that the outside directors engage in hardball discussions at the meetings of the Board.

Periodic monitoring and clear deadlines needed

Q6 On the topic of large-scale investment projects, such as automotive batteries and Blue Yonder, how do you plan to oversee them at future Board meetings, and if investment returns can no longer be expected, how do you intend to respond as an outside director?

Shigetomi Considering the Company's future, automotive batteries and Blue Yonder are extremely important businesses. The management and operating conditions of these businesses need to be thoroughly monitored. On top of that, I believe we can have the Company's executives present strategic options as required, or we can develop thoroughgoing countermeasures at Board meetings. For example, with regard to Blue Yonder, the absence of successful role models in the software industry may hinder rapid business growth, so it is important that some success stories are quickly created. We also need to consider the possibility that management of the business may not go as planned. The worst thing we can do is to let the situation continue unchecked even though its business is deteriorating. We need to analyze the causes of such deterioration, promptly prepare various options to address them, and set a clear deadline for making decisions by that time. In terms of the deadline, while there is the question of where to set the starting point, I generally believe that it should not extend beyond 24 months. I think deadlines between 12 and 18 months need to be set so that we can check whether pre-established KPIs and milestones have been achieved.

Dialogue between Outside Directors

Sawada It is my understanding that the decision to invest heavily in automotive batteries and Blue Yonder stemmed from the need for the Company to change its management approach and create a new model. Given the significant changes in the automotive battery market, swift and finely honed management decisions on how much to accelerate or brake are needed. At Blue Yonder, management skills for running a solutions-driven software business are required. As a Board, we will monitor whether these businesses are progressing as initially planned, and if course corrections are necessary, we will promptly request the Company's executives to take action. Furthermore, we will also keep checking whether these large investments are contributing to the transformation of the Company's management approach.

What the Group Aims to Become

The key to success lies in a winning strategy for the Solutions area

Q7 For many years, the capital markets have continued to ask what will become of the Panasonic Group. As the Chairperson of the Board, how do you plan to respond to this question at Board meetings?

Sawada Based on the Company's current situation, my direct answer is that the Panasonic Group will become a company that generates profits and achieves growth in the Solutions area while achieving higher profitability in the Devices and Smart life areas. In my view, what is not visible to the capital markets is how the Company will generate profits and realize growth in the Solutions area. It is imperative that cases of success, even if they are small ones, continue to be accumulated. Moreover, the Company has long faced challenges head-on until now. As a result, margins deteriorated when competition intensified, and the Company was sometimes forced to withdraw from certain businesses. So far it has chosen a strategy of fighting, but I feel that this structure needs to change. In Japanese, the two Kanji characters used to write the word 'strategy' mean "shorten the fight," so in other words, the essence of strategy is to win with as little conflict as possible. To win without fighting, differentiation is required, such as by changing one's perspective, being proactive, acting swiftly, and adopting significantly advanced technology. To succeed in the Solutions area, these are the kinds of things that may be necessary. If the Company can achieve multiple success stories, it should lead to growth and profit expansion in the Solutions area. As a result, I believe that corporate value will increase, thus meeting the expectations of the capital markets.

Shigetomi While the Company possesses a host of world-class technologies, there are doubts as to whether these have translated to profit-generating business developments. As Mr. Sawada pointed out, I also question whether it is really best for the Company to operate its businesses in a fiercely contested red ocean market. There are countless businesses in the world with a reasonable market size, despite having a limited number of players. Concentrating resources on such markets and competing there would be a way for the Company to minimize risks while expanding returns. This is exactly what has been discussed at Board meetings regarding business portfolio restructuring and allocation of capital and resources, and it is a fundamental theme that ought to be discussed at Board meetings. In order to maximize profitability in five to ten years, the Company needs to consider which businesses can generate ample cash and which businesses or business fields the Company should allocate the cash and resources to. It is high time for the Company to restructure its businesses without being bound by the shackles of the past or company traditions. If it can accomplish these tasks, I believe the Panasonic Group can once again become a leading company in Japan and a world-class brand.

Building a winning business model in the Solutions area

Q8 Prior to your appointment as an outside director in June 2024, what was your impression of the Panasonic Group? What are your current thoughts about the question of what will become of the Panasonic Group?

Shigetomi I spent over 20 years at a US investment bank, and during that time I was responsible for dealings with the Panasonic Group. Over the course of many years in that relationship, I formed my own image of the Company. It possesses highly advanced technology and manufacturing know-how, but is constrained by its past history, and once it achieves a certain level of profitability—for example, an operating profit margin of around 5%—it suddenly loses momentum from that point onward. That is why I felt there were many business operations lacking sustainable growth and profitability. After my appointment as an outside director, as I looked around the Company, I sensed that even though it still valued its history and traditions, there was a stronger awareness of the need to work decisively on what was necessary to survive as a global corporation. As to the question of what will become of the Panasonic Group, instead of lining up the seven businesses under the framework of the Solutions area, we need to discuss in what shape and form they can deliver success for the Company. As pointed out by Mr. Sawada, the Company must take its superior products and technologies to markets where there are fewer competitors and quickly establish a position where it is unbeatable. Business portfolio management that leads to such businesses is something I hope to discuss at Board meetings.

Dialogue between Outside Directors

More in-depth discussions needed on capital allocation

Q9 Are you aware of any other issues or challenges in the Company?

Sawada The Panasonic Group brings together many talented individuals, but I feel that once discussions reach a certain point, rather than thoroughly debating and challenging each other's opinions, there is a tendency for discussions to be neatly organized and summarized. More often than not, this kind of summarization ultimately does not lead to growth. While I can understand how employees try to organize and summarize their discussions in a way, I still feel that there is a lack of excitement. Going forward, I believe the Group's employees need a certain kind of insatiable desire and a stronger commitment to pursuing their dreams.

Shigetomi I feel that the Board has yet to engage in truly in-depth discussions on capital and resource allocation. For example, regarding capital allocation, it is my understanding that we have not yet discussed how those specific amounts of capital expected to emerge in the next six or 12 months will be allocated. Given that the Group Management Reform has been announced, the Group's specific businesses will need to be placed on the table at Board meetings so that capital allocation can be discussed in order for the reform to be achieved most efficiently. By having this discussion at Board meetings, I believe that returns on invested capital will become clearer, and the requirements for making the Company stronger will come together. Another issue, in my view, is that the Company has not introduced performance-based stock compensation. While "cash is king" and the most valuable asset, it is important that the Company makes performance-based stock compensation a part of the compensation package for the management team and executives. I feel that the capital markets are not quite satisfied with the current compensation system of the Company. I believe that performance-based stock compensation is a global standard, and as a global company, its implementation cannot be avoided.

Sawada I believe that stock compensation is important even at the general employee level. In the Panasonic Group Employee Shareholding Association, shares are purchased through automatic deductions, so employees are not properly aware of the asset value of the stock. When stock compensation is granted, employees start to pay attention to the share price and asset value, and they begin to consider their own company's strategy, performance, and how their company is perceived by the capital markets. As a result, I believe that employees will shift from being overwhelmed by immediate tasks to considering what work contributes to corporate value, thereby driving a significant change in their working styles.

Shigetomi There are two main purposes for performance-based stock compensation. One objective is to provide a strong incentive for a higher share price by increasing profitability over the long term. The other is that, since shares are granted instead of cash, it instills a psychological deterrent against lowering the share price and a sense of responsibility for management. I believe that stock compensation as an incentive is effective not only for the management team and executives, but also for general employees. It is important for an entire company to be in the same boat as its shareholders and investors, operating the business along the same lines.

Sawada I hope to see Panasonic Holdings completely renew its approach so that it can become a truly Japan's leading company. As the Chairperson of the Board of Directors, I will ensure that in five or ten years, people will say the Company has changed significantly.

Message from the Chairperson of the Board

Board oversight of the Group Management Reform

Michitaka Sawada
Chairperson of the Board
Outside Director

Decided to assume the position in order to meet the diverse expectations of stakeholders

Q1 This is the first time the Company has appointed an outside director as Chairperson of the Board. Could you share with us the reasons behind your decision to accept this role?

Following the decision that Mr. Tsuga would step down as Director and Chairperson of the Board at the end of his term, the Nomination and Compensation Advisory Committee was engaged in discussions at the time with the aim of further strengthening corporate governance. One of the key items that came out of those discussions was the appointment of an outside director as the Chairperson of the Board of Directors. During my time as the president of Kao Corporation in 2014, I had an outside director assume the role of chair of the board, so based on that experience, I was requested to assume the position of Chairperson at Panasonic Holdings.

The Company is currently undergoing a "Group Management Reform," and considering that this appointment request comes at such a critical time for future growth, it is a significant responsibility indeed. However, given our global position as one of the leading Japanese companies and the expectations of our stakeholders—including shareholders, employees, and customers—, I felt a strong desire to contribute in some capacity, which led me to accept the offer. By strengthening governance, we aim to further enhance the effectiveness of the Board, and as a result, I am committed to doing my best to achieve both sustainable growth and contributions to society at Panasonic Holdings Corporation. I sincerely ask for your continued support.

Overseeing group management with a diverse leadership team

Q2 At the shareholders' meeting in June 2025, six of the 13 directors were newly appointed. What are your expectations for the new Board of Directors and what kind of role do you think it should fulfill as the Board of the holding company?

Another important aspect for further strengthening governance was to ensure that the ratio of outside directors exceeds 50%. By increasing the number of third-party perspectives on the Board, the level of management supervisory functions can be enhanced. However, a higher ratio of outside directors does not simply mean a better board; it is essential to select individuals based on a skills matrix aligned with the company's medium- to long-term strategy.

This time, Mr. Toyama and Mr. Noji, who had made critical observations at Board meetings, also stepped down from the Board at the end of their term. However, we are pleased to welcome Mr. Matsuo, an authority on AI in Japan, Mr. Nakamura, who has extensive knowledge and experience in M&As and global management, and Ms. Seto, who has experience working at foreign companies and excels in enhancing corporate value. As a result, the number of outside directors on the Board is in the majority and the composition of the Board is more diverse than ever before. In addition, inside directors Mr. Tsuga, Mr. Sato, Mr. Umeda, and Mr. Miyabe, who have supported the Company thus far, have stepped down, and we have welcomed Mr. Tamaoki, Ms. Sumida, and Mr. Waniko as new members. I expect they will invigorate the Board with fresh perspectives that differ from those of the past.

Regarding the role of the holdings company's board of directors, I believe it should function as a decision-making body for matters concerning Groupwide and as a supervisory body for group management, in line with the group strategy, while also leveraging the strengths of the operating company system.

Board operations in pursuit of the Group Management Reform

Q3 As the Chairperson of the Board of Directors, how do you intend to enhance the effectiveness of the Board?

Given that the board members are elected by shareholders who entrust them with their responsibilities, the Board of Directors must function as representatives of the shareholders in order to meet their expectations, which in turn will lead to greater effectiveness.

The Board's top priority is to drive forward with the ongoing Group Management Reform. By restructuring the fixed-cost structure, improving profitability, and accelerating business portfolio management, we are committed to improving profitability by 150 billion yen or more in the fiscal year ending March 31, 2027 (fiscal 2027) compared to fiscal 2025, and by a cumulative 300 billion yen or more in fiscal 2029, and to also achieve an ROE of 10% or more and an adjusted operating profit margin of 10% or more. To that end, the Board will take a proactive approach to governance by closely monitoring the progress of the Group Management Reform and discussing how to take prompt action in response to emerging challenges. Furthermore, the Board will support efforts focused on reducing fixed costs and establishing profitable businesses in the Solutions area as an area of focus. I would also add that compliance issues during the Management Reform process could result in significant damage. We will therefore also rigorously implement a defensive form of governance.

To conclude my message as Chairperson of the Board, I am determined to lead the Board decisively, ensuring appropriate agenda setting, allowing sufficient time for discussion, facilitating the diversity of each director, and collaborating with the Company's executive team to leverage the collective insights during Board meetings.

Corporate Governance Structure and Initiatives

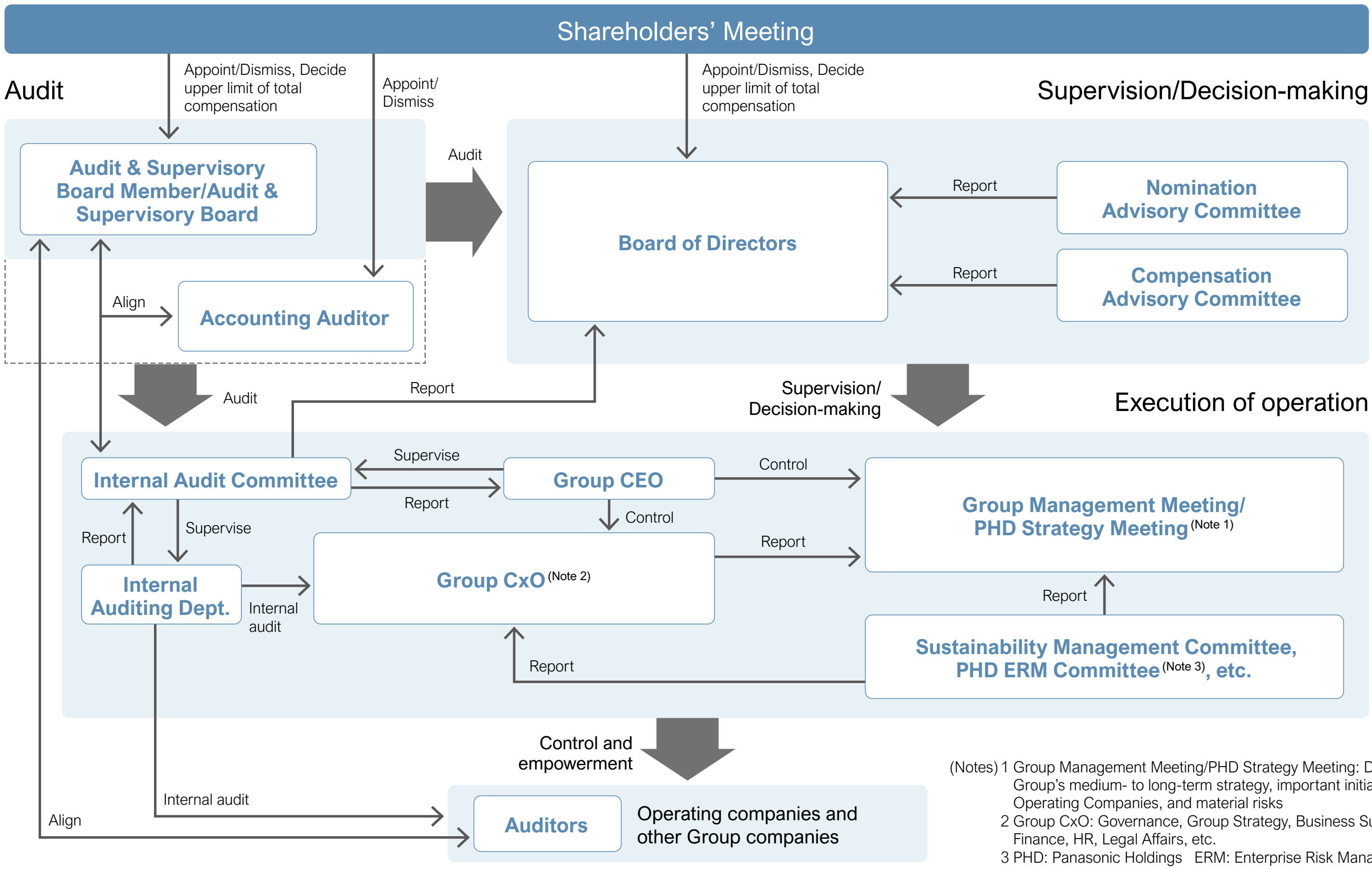
Basic policy

The Company believes it is important to enhance corporate value by fulfilling accountability through dialogue with various stakeholders such as shareholders and customers, making an effort to conduct transparent business activities, and acting swiftly with fairness and honesty based on its basic philosophy that 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 Board system consisting of the Board of Directors that decides the execution of strategies and key matters for the Group and supervises the execution of Director duties, and the Audit & Supervisory Board Members and Audit & Supervisory Board that audit the execution of duties by Directors. The entire Panasonic Group endeavors to establish and strengthen this structure to ensure its effectiveness.

In June 2025, our corporate governance was significantly enhanced. A majority of the Board of Directors comprises a majority of outside directors, and an outside director has been appointed to serve as Chairperson of the Board of Directors. In addition, the structure of the Nomination and Compensation Advisory Committee was reviewed, resulting in its reorganization into two committees "the Nomination Advisory Committee" and "the Compensation Advisory Committee", to further clarify the focus of their discussion. This is intended to further strengthen their independence, objectivity, and transparency.

Corporate governance structure



(Notes) 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

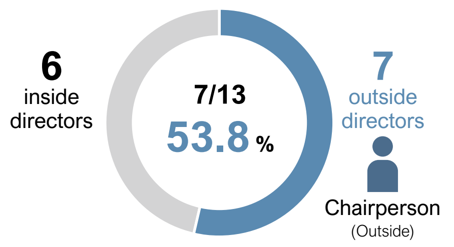
Outline of structure (As of June 23, 2025)

The Board of Directors

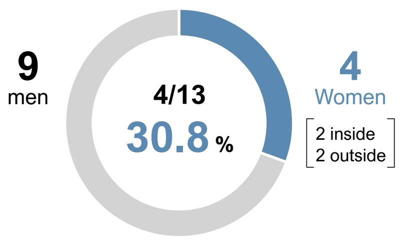
The Board of Directors delegates authority to the Companies, and achieves a fast-moving decision-making process centered on the Operating Companies. It also decides the Group's medium- to long-term strategies and important Group matters, and concentrates on Group direction through Group governance and 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 Company elects outside directors from among experienced corporate executives, who have extensive managerial experience in various careers and deep insight, and are expected to provide valuable opinions as supervisors of decision-making related to business execution and the execution of directors' duties.
- The majority of the directors are outside directors
- The Chairperson of the Board of Directors is appointed from among the outside directors
- 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)

Ratio of outside directors



Ratio of female directors



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

- An independent body entrusted by the shareholders to ensure sound corporate management and secure public trust
- The A&SB aims to establish a high-quality corporate governance system to contribute to the sound and sustainable growth and enhancement of medium- to long-term corporate value of the Group
- The Company appoints full-time senior A&SB Members who are well versed in 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. Of these, one has considerable knowledge related to financial and accounting matters.
- 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.

Advisory bodies to the Board of Directors

At its meeting on June 23, 2025, the Board of Directors revised the structure and membership of the Nomination and Compensation Advisory Committee, reorganized into two separate committees. Each committee is chaired by an outside director, and a majority of the members are outside directors to ensure independence, objectivity, and transparency.

1. Nomination Advisory Committee

This committee receives inquiries from the Board of Directors and makes recommendations regarding the appointment, dismissal, and reappointment of the Company's directors, A&SB Members, executive officers, and presidents of Operating Companies, as well as the succession plan for the Group CEO and discussions on the outside directors.

2. Compensation Advisory Committee

This committee receives inquiries from the Board of Directors and makes recommendations regarding the compensation system for the Company's directors, executive officers, and presidents of Operating Companies.

Name	Position	Nomination Advisory Committee ◎ Chairperson ○ Member	Compensation Advisory Committee ◎ Chairperson ○ Member
Shinobu Matsui	Outside Director Independent	◎	◎
Keita Nishiyama	Outside Director Independent	○	
Chairperson of the Board Michitaka Sawada	Outside Director Independent	○	○
Ryusuke Shigetomi	Outside Director Independent		○
Yuki Kusumi	Representative Director President	○	○

Group Management Meeting and PHD Strategy Meeting

- Group Management Meeting and PHD Strategy Meeting are held to discuss, set the direction, and report on the Group's medium- to long-term strategy, key initiatives by the Company and its Operating Companies, and material risks.
- Group Management Meeting: Chaired by the Group CEO and comprising of approximately 20 management executives, including the presidents of the Operating Companies and heads of corporate functions (in principle, held once a month).
- PHD Strategy Meeting: Chaired by the Group CEO and comprising of approximately 10 management executives, including heads of corporate functions of Human Resources (HR), Accounting, and Legal Affairs (in principle, held at least twice a month).

Board of Directors evaluation

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

Each fiscal year, the Company conducts an evaluation of the Board of Directors' effectiveness for attending members. The results of this effectiveness evaluation are shared at Board of Directors meetings as an agenda item, and the issues and improvement measures raised by the attending members are discussed at Board of Directors meetings. Based on the results of this discussion, the future structure of the Board of Directors system and operational improvement 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.

(1) Key initiatives for fiscal 2025 based on the effectiveness evaluation in the previous fiscal year

The following are the primary initiatives that were carried out in the fiscal year ended March 31, 2025 (fiscal 2025).

- Conducted discussion focused on Group Management Reform and the business portfolio management, and time outside of Board of Directors meetings was also actively used for discussion.
- Reinforced reporting of dialogue and engagement with shareholders to the Board of Directors, which was utilized for the discussions on Group Management Reform.
- Monitored businesses in priority investment areas of the Group.

(2) Fiscal 2025 evaluation of the Board of Directors' effectiveness

The Company has reviewed the timing for conducting evaluations of the Board of Directors' effectiveness and has decided to conduct them from March to May of each year to match the cycle of Directors' term of office. The approach to evaluations of the Board of Directors' effectiveness was also discussed by a committee comprising of Outside Directors and Audit & Supervisory Board Members and was reviewed based on the opinion that focusing on interviews would be more effective than the current system of quantitative measurement using four evaluation levels.

At the fiscal 2025 evaluation, the Company conducted interviews and a free-response survey to effectively carry out the interviews. An overview of the survey and the interviews is outlined below.

Implementation Period:	March 28, 2025 - April 9, 2025 (Preliminary Survey) April 15, 2025 - May 14, 2025 (Interviews)
Survey subjects:	Directors, A&SB Members, Executive Officers in attendance
Items of the survey:	1) Positive points looking back on the fiscal 2025 Board of Directors meetings 2) Points that require improvement in strategic discussions in fiscal 2026, and points where discussion was inadequate 3) Concerning the fiscal 2026 priority agenda
Items of the Interviews:	In-depth exploration of the preliminary survey responses and recognition of issues for each interviewee.
Evaluation Results Report:	Shared by the Board of Directors Secretariat at the Board of Directors meeting held on May 29, 2025.

(3) Results of the survey and interviews

It was assessed that "fiscal year 2025 was the year in which the Board of Directors Members united in enhancing the Company's corporate value, and the Outside Directors and executive team collaborated effectively in decision-making for Group Management Reform, demonstrating the highest effectiveness in the past." On the other hand, to further clarify the vision and growth strategy that the Panasonic Group aims for, it was identified as an issue that focused discussions on growth strategy should be conducted in fiscal 2026, and mechanisms for effective discussions (including agenda design, clarification of discussion points, and further enhancement of information provision to the Board of Directors) need to be considered. Subsequently, discussions were held among the Board of Directors Members elected at the 118th General Meeting of Shareholders (held on June 23, 2025) regarding improvement measures for the current issues of the Board of Directors, the annual agenda, and the operational policy of the Board of Directors.

(For details of the evaluation of the Board of Directors effectiveness in fiscal 2026, please refer to the Company's website.)

Supervision by the Board of Directors in fiscal 2025

The Board of Directors

Our Board of Directors of the Company 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- to 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.

At the Board of Directors meetings in fiscal 2025, the following items were mainly discussed. During this fiscal year, time was allocated focusing on discussion of Group Management Reform and the business portfolio. Opportunities for discussion were created outside Board of Directors meetings as well, and the Board exercised its supervisory functions. The number of the Board of Directors meetings held in fiscal 2025 was 13, with each meeting lasting 2 hours and 49 minutes on average.

[Principal agenda]

- Group Management Reform
- Progress of business portfolio management
- Strategy reports on the businesses in the priority investment area
- Investment in an automotive battery plant in the U.S. state of Kansas
- Strategic capital alliances and new company establishment for the projector business and other businesses of Panasonic Connect Co., Ltd.
- Initiatives to strengthen corporate governance, including appointing an independent Outside Director as Chairperson of the Board of Directors
- Dialogue and engagement with shareholders
- Introduction of malus and clawback provisions for Executive Officer remuneration
- Measures for risk management
- Measures for Group compliance
- Reporting of investigation into Group quality compliance
- Sustainability strategy
- Cyber security initiatives
- Significance of ownership of cross-shareholdings
- Audit policy and audit reports, etc.

Corporate Governance Structure and Initiatives

Nomination and Compensation Advisory Committee

The Committee met nine times in fiscal 2025, primarily to discuss or confirm the following items:

- 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 of or declining to reappoint a Director, Executive Officer, or President of an Operating Company
- Compensation system for Directors, Executive Officers, and Presidents Operating Companies, etc.

The contents of discussions by this Committee regarding the approach to the candidates and compensation system of directors, executive officers, and presidents of Operating Companies, are reported to the Board of Directors.

The attendance rate at Committee meetings in fiscal 2025 was as follows:
Committee Chair : Outside Director Sawada 100%
Committee members : Outside Director Matsui 100%, Outside Director Toyama 78%, Director and Chairperson of the Board Tsuga 100%, Representative Director and President Kusumi 100%

*As of June 23, 2025, two new bodies, the Nomination Advisory Committee and the Compensation Advisory Committee, were established to replace the Nomination and Compensation Advisory Committee. (See page 36)

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 (scheduled to change to at least one week prior, starting from the July 2025 Board of Directors meeting), 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 is 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.
- Upon taking office, newly appointed outside directors and outside Audit & Supervisory Board Members undergo the Learning Program for Newly Appointed Panasonic Group Executive Officers to deepen their understanding of the Company's business strategy, business operations, and the strategies of the Company's main businesses.

Executive Compensation

Relative size of compensation (Representative Director, President)

Base salary	Performance-based compensation	Restricted stock compensation
1	0.55 (Short-term only in fiscal 2026*)	0.75

A higher percentage than other directors is set to provide a greater incentive to increase corporate value. (Average percentage of inside directors: 0.25)

* Having positioned fiscal 2026 as a year dedicated to Group Management Reform aimed at future sustainable growth, the Panasonic Group has suspended the medium-term incentive in fiscal 2026. Looking to fiscal 2027 and beyond, the Group will continue to review appropriate compensation that contributes to improving medium- to long-term business performance and corporate value, including medium-term incentives and stock compensation.

Performance-based compensation (short-term only in fiscal 2026)

For the short-term incentive, the amount to be paid varies from a minimum of 0% to a maximum of 200%, depending on the evaluation of financial and non-financial items.

The target annual amount (100%) is paid when the individual director's targets are achieved.

Effective from fiscal 2026, malus and clawback provisions have been introduced in order to prevent, detect, and correct serious compliance issues.

	Indicators and Items	Range	Weight
Financial	• Adjusted operating profit • ROE	0%~200%	50%
Non-financial	• Elimination of serious accidents, promotion of strict compliance, respect for human rights • Environmental contribution • Human resources strategies • Operation KPIs relating to enhancement of competitiveness	0%~200%	50%
Total weight			100%

* For more detailed information on executive officer remuneration please refer to pages 128 through 136 of the Annual Securities Report (118th Business Term).

Composition of the Board of Directors and Audit & Supervisory Board Members (As of June 23, 2025)

Skills and knowledge expected of Directors and Audit & Supervisory Board Members

The Board of Directors of the Company 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 nine areas of skills and 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 skills and knowledge.**

Nine areas of skills and knowledge required of the Board of Directors

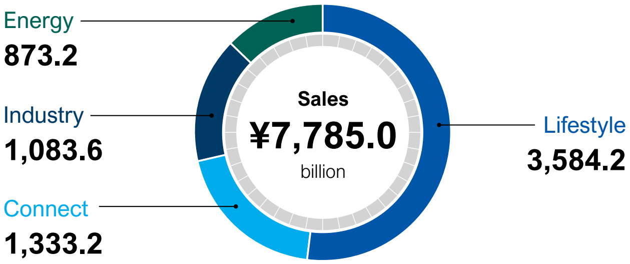
(1) Knowledge of corporate regeneration through portfolio management (PFM) at a conglomerate corporation, knowledge of turn-arounds for improving corporate value, and knowledge of initiatives for improving corporate value from the perspectives of capital markets and active investors
(2) Knowledge of management at a global conglomerate corporation
(3) Experience with use of AI and data, and connecting DX to value creation
(4) Knowledge that allows an understanding of long-term social changes, and conceptualization of how to position the Company amidst those changes in order to achieve growth
(5) Experience for incorporating sustainability elements into management and linking them to improving corporate value
(6) Practical experience in human resources PFM coordinated with business strategies and investing human capital for maximizing personnel productivity
(7) Deep understanding of the global political and economic situation and industrial policies, and experience in proposing and formulating policies
(8) Knowledge related to financial insights for achieving improved capital efficiency and experience with large-scale investment decisions
(9) Experience working to strengthen competitiveness and carrying out innovations based on knowledge related to technologies, production, quality, and other matters

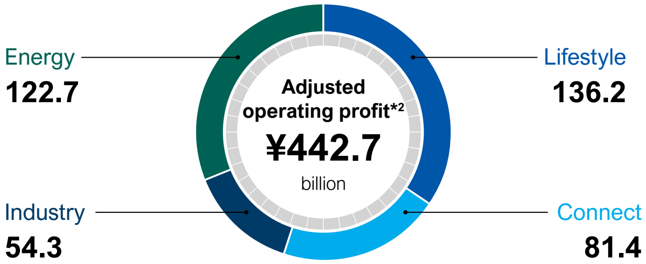
	Name	Gender (Male / Female)	Position	Attendance in fiscal 2025 [*Attendance after assuming position on June 23, 2024]	Particularly expected skills and knowledge: Short-to long-term	Long-term							
					(1) PFM and corporate value improvement	(2) Global management	(3) Use of AI and data	(4) Future concepts, growth strategy	(5) Sustainability management	(6) Human capital management	(7) Geopolitics, industrial policies	(8) Finance, investment decisions	(9) Technologies, manufacturing, supply chain
Directors	Yuki Kusumi	Male	Representative Director President	Board of Directors' meeting 13/13 (100%)	●	●		●					●
Directors	Tetsuro Homma	Male	Representative Director Executive Vice President	Board of Directors' meeting 13/13 (100%)	●	●		●			●		
Directors	Hajime Tamaoki New	Male	Representative Director Executive Vice President	—		●	●	●					●
Directors	Ayako Shotoku	Female	Director Executive Officer	Board of Directors' meeting 13/13 (100%)	●				●		●		
Directors	Kazuyo Sumida New	Female	Director Executive Officer	—	●			●	●			●	
Directors	Akira Waniko New	Male	Director Executive Officer	—	●			●				●	
Directors	Shinobu Matsui	Female	Outside Director Independent	Board of Directors' meeting 13/13 (100%)			●			●		●	
Directors	Yutaka Matsuo New	Male	Outside Director Independent	—			●	●					●
Directors	Kuniharu Nakamura New	Male	Outside Director Independent	—	●	●					●	●	
Directors	Keita Nishiyama	Male	Outside Director Independent	Board of Directors' meeting 13/13 (100%)			●	●		●	●		
Directors	Chairperson of the Board Michitaka Sawada	Male	Outside Director Independent	Board of Directors' meeting 13/13 (100%)		●			●				●
Directors	Junko Seto New	Female	Outside Director Independent	—	●					●		●	
Directors	Ryusuke Shigetomi	Male	Outside Director Independent	Board of Directors' meeting 10/10 (100%)*	●	●					●	●	
Audit & Supervisory Board Members	Chairperson of Audit & Supervisory Board Hidetoshi Baba	Male	Senior Audit & Supervisory Board Member	Audit & Supervisory Board meeting 13/13 (100%) Board of Directors' meeting 13/13 (100%)		●			●			●	
Audit & Supervisory Board Members	Yoshiaki Tokuda	Male	Senior Audit & Supervisory Board Member	Audit & Supervisory Board meeting 10/10 (100%)* Board of Directors' meeting 10/10 (100%)*			●	●					
Audit & Supervisory Board Members	Akihiro Eto	Male	Outside Audit & Supervisory Board Member Independent	Audit & Supervisory Board meeting 13/13 (100%) Board of Directors' meeting 13/13 (100%)	●	●					●		
Audit & Supervisory Board Members	Akihiko Nakamura	Male	Outside Audit & Supervisory Board Member Independent	Audit & Supervisory Board meeting 13/13 (100%) Board of Directors' meeting 13/13 (100%)					●		●	●	
Audit & Supervisory Board Members	Setsuko Yufu	Female	Outside Audit & Supervisory Board Member Independent	Audit & Supervisory Board meeting 13/13 (100%) Board of Directors' meeting 13/13 (100%)					●		●		

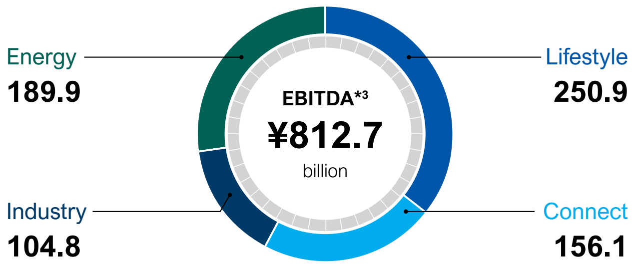
Click here for details on directors, Audit & Supervisory Board Members, and executive officers

Segment Information

Fiscal 2025 Segment Information (excl. Automotive segment)*1



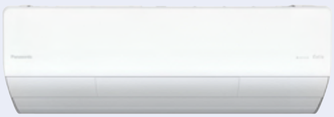




Lifestyle

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 toward decarbonization and the circular economy through energy and resource-saving products, along with the generation and effective use of clean energy.

Major products


Room air-conditioners


Refrigerators, washing machines


Wiring devices

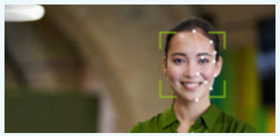
Connect

It provides new customer-centric solutions that contribute to its customers' *gemba* (operational frontlines), based on its purpose, "Change Work, Advance Society, Connect Tomorrow."

Major products


Supply chain management software


In-flight entertainment systems


Facial Recognition solutions

Industry

Its variety of device technologies contribute to resolving difficult social issues such as the explosion of data volumes with the rise of the information-based society, the increasing environmental and safety requirements in the mobility society, and labor shortages in manufacturing.

Major products


Capacitors


Multi-layer circuit board materials

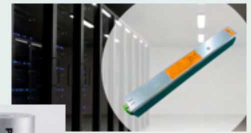

Relays


Industrial motors

Energy

Its business areas include dry cell batteries for everyday use, and batteries that support social infrastructure, such as data centers, and mobility such as electric vehicles (EVs). Through these business areas, "we aim to realize a society which the pursuit of happiness and a sustainable environment are harmonized free of conflict."

Major products


Energy storage systems for Data Centers


Automotive cylindrical lithium-ion batteries


Primary batteries (dry batteries / lithium primary batteries)

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 Due to the completion of the share transfer (the "Transfer") of Panasonic Automotive Systems Co., Ltd. in December 2024, the Company's consolidated financial results are presented with the financial results of the Automotive segment deducted (however, the businesses not subject to the Transfer are excluded from such deduction from the Company's consolidated financial results).
*2 Adjusted operating profit = Sales - Cost of sales - SG&A
*3 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

Segment Information

Lifestyle

Masahiro Shinada
CEO

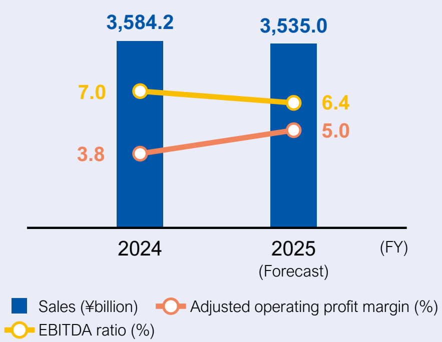
The Lifestyle segment will complete Group Management Reform to enhance competitiveness toward the new structure

By providing products and services that exceed customer expectations, I will continue to contribute to the improvement of the quality of our customers' lives as their best partner.

To that end, I will steadily implement each part of Group Management Reform measure and aim to improve profitability by strengthening the competitiveness of each business.

● **Panasonic Corporation**
https://www.panasonic.com/global/about/corporate-profile/message.html

Business performance



Connect

Yasuyuki Higuchi
President & CEO

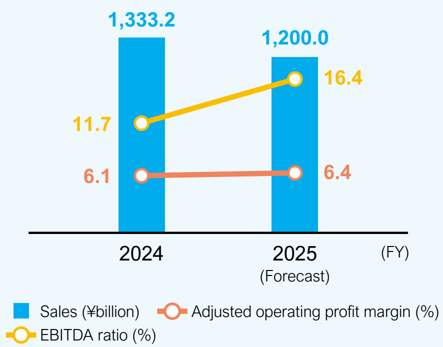
We provide new value to our customers to solve a variety of *gemba* (frontline) issues

To sustainably enhance corporate value, I will aim to achieve accelerated growth through the high-profit businesses realized through the selection and concentration of businesses we have implemented thus far.

At the same time, I will work on organizational optimization by minimizing head office functions and increasing the proportion of personnel dedicated to solutions to foster growth.

● **Industries we target at and challenges we face**
https://connect.panasonic.com/en/about/who-we-are

Business performance



Industry

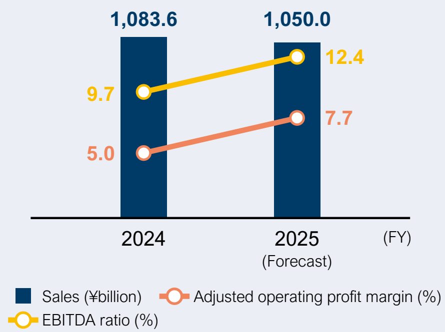
Masato Ozawa
CEO

We will refine our materials and process technologies to lead social transformation with our customers

Along with implementing corporate culture reforms to lay the groundwork for transformation, I will shift our business toward materials and processes based on proprietary technologies to achieve high profitability. We will contribute to the transformation of society through a wide range of applications as we engage with the AI and computing domains, which are evolving into the "brains" of society.

● **Management strategy**
https://www.panasonic.com/global/industry/business.html

Business performance



Energy

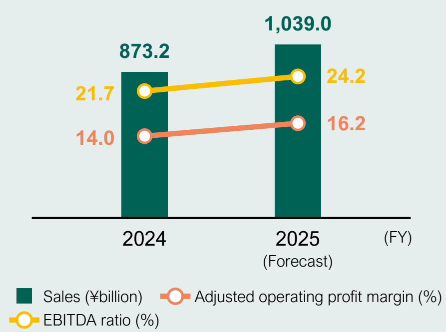
Kazuo Tadanobu
CEO

Responding to changes in the business environment, we are increasing profits through both our in-vehicle business and energy storage systems for data center business

Aiming for sustainable growth in the future, I have positioned this fiscal year as a phase change year for reaping the benefits of our ongoing preparations. Despite the rapid changes in the business environment, we are launching the Kansas automotive lithium-ion battery factory in the US and will capture the rapidly growing demand for data centers, thereby increasing our profits.

● **Panasonic Energy sustainability site**
https://www.panasonic.com/global/energy/sustainability.html

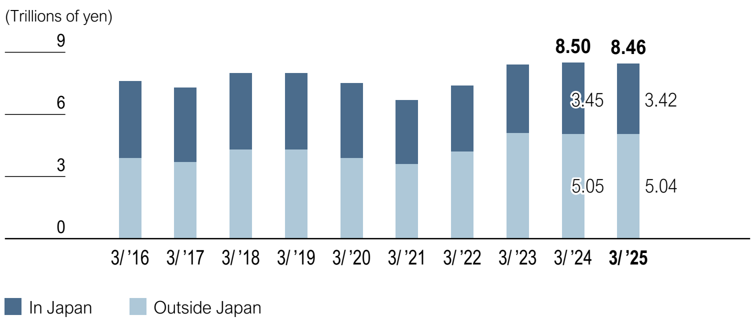
Business performance



Corporate Data Highlights (Financial Data)

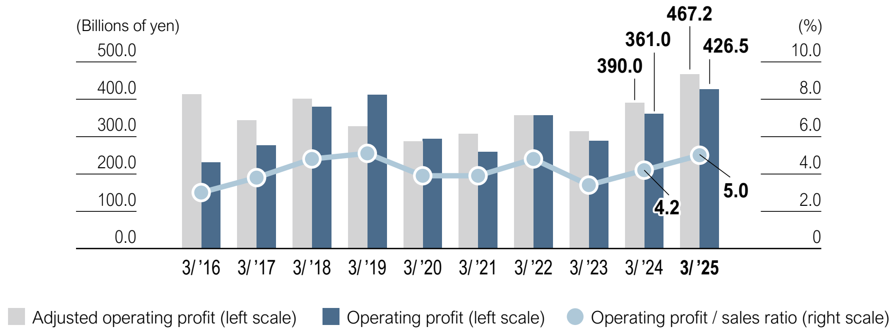
The Company and its consolidated subsidiaries,
years ended March 31
In conformity with International Financial Reporting Standards (IFRS)

Net sales



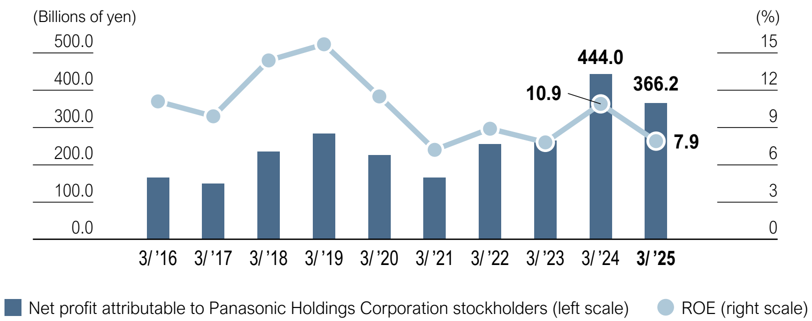
Consolidated sales for the fiscal year ended March 31, 2025 (fiscal 2025) slightly decreased. This was due to the impact of the deconsolidation of PAS in Automotive, despite increased sales in Lifestyle and Connect (such as process automation and avionics), and increased sales related to generative AI in Industry and Energy as well as the positive effect of currency translation.

Operating profit and ratio to sales



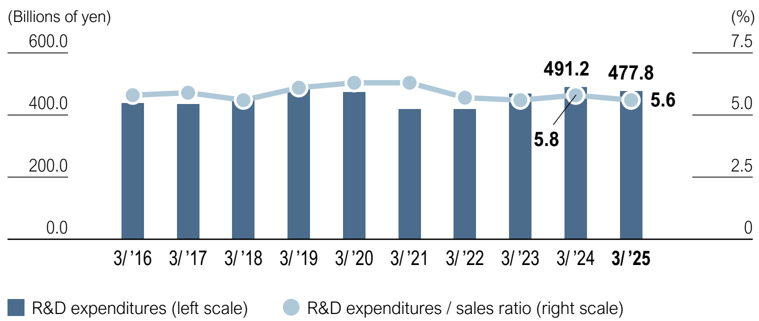
Both operating profit and adjusted operating profit increased. This was due mainly to increased sales and progress of rationalization, despite increased fixed costs with the effect of inflation, increased strategic investments as well as the impact of the deconsolidation of PAS and expenses recorded for the share transfer of PAS. By segment, operating profits increased in all segments except Automotive.

Net profit attributable to Panasonic Holdings Corporation stockholders and ROE



Net profit attributable to Panasonic Holdings Corporation stockholders decreased. This was due to the impact of decreased income taxes in fiscal 3/24 with our resolution to liquidate Panasonic Liquid Crystal Display Co., Ltd. ("PLD") through Special Liquidation (as defined in the Japanese Companies Act) and to waive PLD's debt.

R&D expenditures and ratio to sales

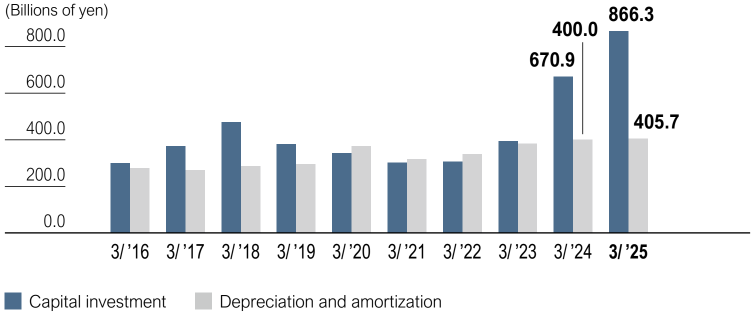


We focused on developing new technologies and new products that will support the future such as "Panasonic HX". In addition, we actively engaged in technology development aimed at contributing to "Solving global environmental issues" and benefiting "Well-being in society and people's lives."

* Please refer to "Environment and Technology Strategy" on p.21 for more information about our environmental and technology strategies.

Corporate Data Highlights (Financial Data)

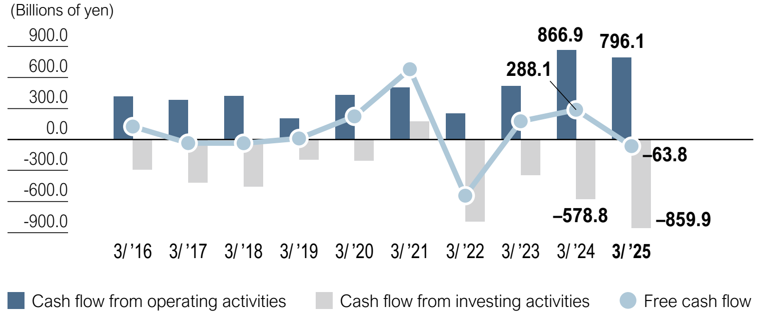
Capital investment, depreciation and amortization



Based on its policy of steady investments primarily in key businesses for future growth, the Panasonic Group made capital investments. The main capital investments were in production facilities for automotive batteries, among other products and the construction of a new factory in North America, as well as in such products as household electrical appliances and electrical equipment, including air-to-water (A2W) heat pump systems in Europe.

(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.

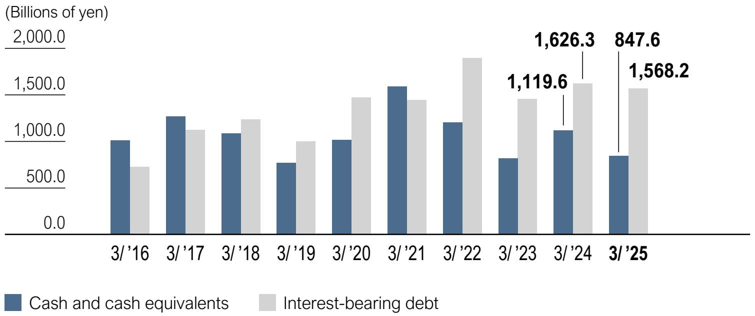
Free cash flows



The year-on-year difference in operating cash flow was mainly due to unfavorable changes in working capital and others, despite monetization of IRA tax credit in the U.S. through third-party credit transfer. The year-on-year difference in investment cash flow was due to such factors as an increase in capital investments mainly for automotive batteries and expenses related to the acquisition of One Network Enterprises, Inc., despite proceeds related to the share transfer of PAS.

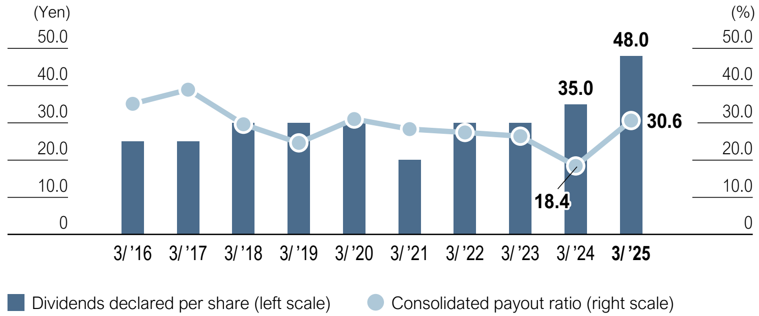
*Lease receivables collected as a result of application of finance lease accounting as lessor — based on product supply contracts determined to contain leases — are included in cash flows from investing activities.

Cash and cash equivalents and interest-bearing debt



Cash and cash equivalents decreased from the end of the previous fiscal year. To allocate funds for corporate bond repayment and secure funds necessary for future business expansion, the Company issued US dollar-denominated unsecured straight bonds, marking the first issuance in five years, and also issued yen-denominated unsecured straight bonds. The Company also raised funds for working capital and other purposes mainly by issuing commercial paper (CP). With those changes included, interest-bearing debt decreased compared to the end of the previous fiscal year.

Dividends declared per share / consolidated payout ratio

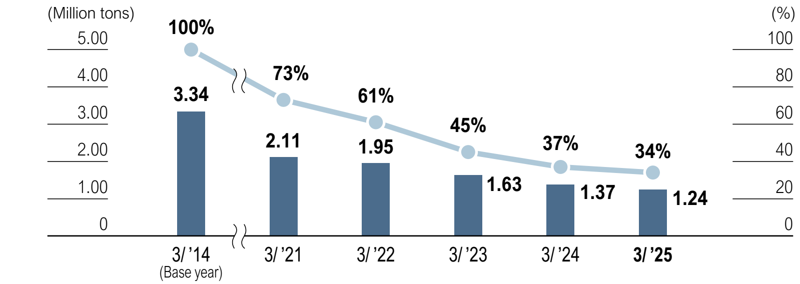


In comprehensive consideration of the Company's dividend policy and its financial position among other factors, we increased the annual dividend per share by 13 yen from the previous year. We consider that return of the profits to shareholders to be one of our most important policies. From the perspective of providing returns on the capital investment from shareholders, we, in principle, distribute profits to shareholders based on its consolidated financial results and strive to provide stable and continuous dividends, targeting a dividend payout ratio of approximately 30%.

Corporate Data Highlights (Non-financial Data)

For more information, visit Sustainability Data Book 2025.

CO_2 emissions in production activities and CO_2 emissions per basic unit

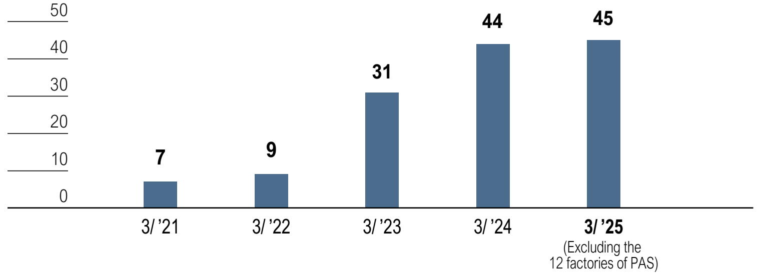


Volume of CO_2 emissions (left scale)
CO_2 emissions per basic unit (Improvement rate compared to the fiscal year ended March 2014) (right scale)

In the Panasonic GREEN IMPACT, we have set our target that the Group will achieve net zero CO_2 emissions at own sites of all operating companies by the fiscal year ending March 31, 2031 (fiscal 2031). Through the creation of factories with net zero CO_2 emissions and other measures, CO_2 emissions in production activities have been steadily decreasing since fiscal 2014.

(Note) For CO_2 emissions per basic unit, CO_2 emissions are divided by the Group's overall net sales, and then the improvement rate compared to fiscal 2014 is calculated.

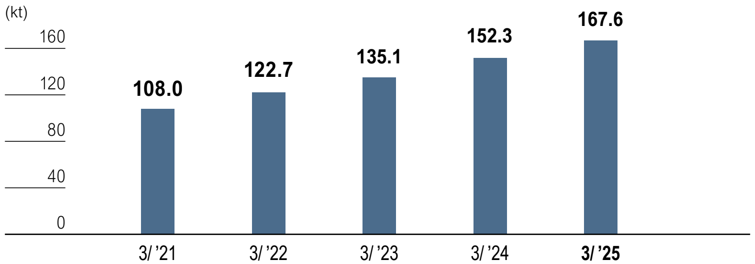
Number of Net zero factories (cumulative total from fiscal 2019)



Since establishing the group's first net zero factory in fiscal 2019, the Panasonic Group achieved conversion of 44 factories to net zero factories by fiscal 2024. In fiscal 2025, we had 45 factories with net zero CO_2 emissions (excluding the 12 factories that qualified in fiscal 2024 in Panasonic Automotive Systems Co., Ltd. (PAS), which was deconsolidated in December 2024), an increase of 13 factories from fiscal 2024, exceeding our GIP2024 target, which called for 37 factories with net zero CO_2 emissions*.

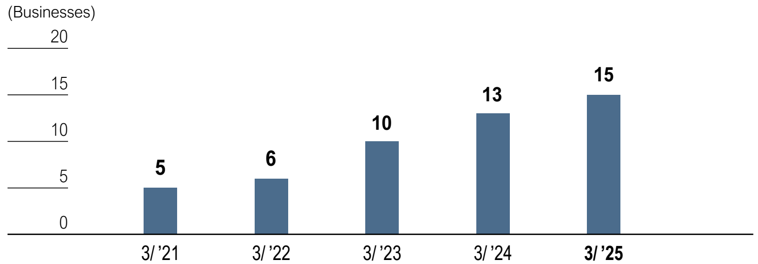
* Including the 12 PAS factories

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



To promote recycling-oriented manufacturing, we are further working on reducing resource input and working to establish a circular system according to resource type and features. For example, in the case of recycled resin, we used approx. 15.3 kt of recycled resin in our products such as TVs, air conditioners, refrigerators, and washing machines in fiscal 2025, by establishing adaptability in production sites to use the recycled resin, and developing recycling technologies. The cumulative usage since fiscal 2023 reached 45.0 kt in fiscal 2025. However, this did not reach the GIP2024 target of 90.0 kt. We will continue to strive to expand the use of recycled resins by strengthening the supply chain from waste resin collection to reprocessing and reuse.

Circular economy business models and products (cumulative total from fiscal 2021)

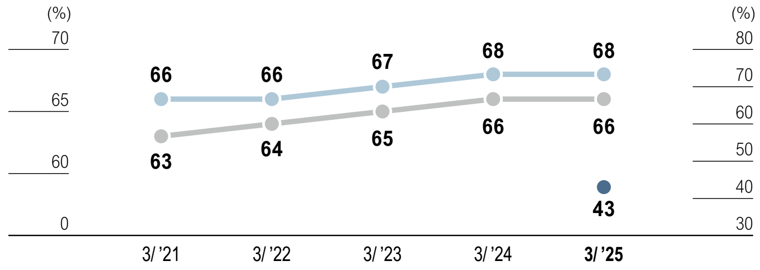


To promote the efficient use of resources and to maximize customer value, we are working to create circular economy (CE) business models. As of fiscal 2025, we have established 15 CE business models, including LAUNDROOM, S-cubo Cs, S-cubo monitoring service, and noiful, exceeding our GIP2024 target of 13 models. We will further concentrate our efforts to achieve our resource-related targets stated in GIP2024+1 to increase the number of our CE businesses to 16 models.

Corporate Data Highlights (Non-financial Data)

For more information, visit Initiatives for Human Capital Management.

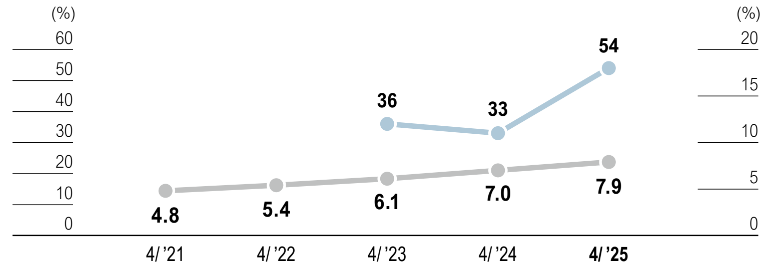
Favorable response rate in the employee opinion survey / UNLOCK indicator



Employee engagement (left scale) Employee enablement (left scale) UNLOCK indicator (right scale)

At the Panasonic Group, we conduct an annual Employee Opinion Survey targeting approximately 150,000 employees globally. In the past, we have focused on questions about employee engagement (willingness to contribute voluntarily) and employee enablement (placing the right people in the right place, as well as a better working environment). Starting in fiscal 2026, however, we switched our focus to employee challenges, and have set the UNLOCK indicator as the new key indicator. Our target for fiscal 2031 is to achieve at least 70% on this indicator.

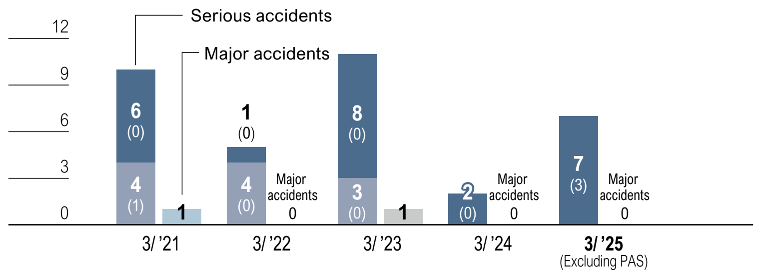
Management team diversity ratio / ratio of female managers (in Japan)



Management team diversity ratio (left scale) Ratio of female managers (right scale)

Believing that respecting diverse values and perspectives leads to better decision-making and growth, we are promoting initiatives for Diversity, Equity & Inclusion. As key indicators, we have set the diversity ratio of the management team (covering female employees, employees who are non-Japanese citizens, and mid-career hires among the Executive Officers of Panasonic Holdings Corporation) as well as the ratio of female managers (in Japan region). Our targets for April 2031 are at least a 50% diversity ratio and a 16% female manager ratio.

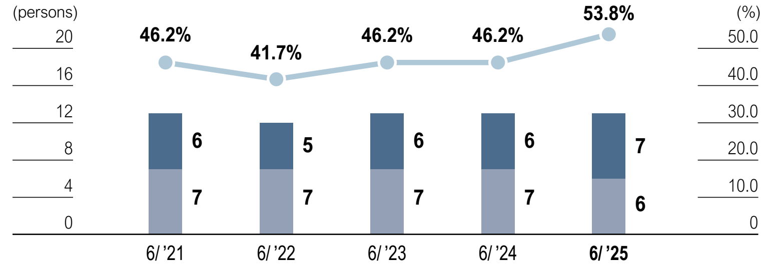
Occurrence of serious or major accidents



Serious accidents ■ In Japan ■ Outside Japan Major accidents ■ In Japan ■ Outside Japan
*Figures in parentheses indicate the number of fatal accidents.

We are promoting equipment safety measures based on the Equipment Safety Standards to eliminate serious and major accidents at manufacturing sites, and are also developing preventive activities according to the analysis results of past serious accidents. In this way, we ensure safety at manufacturing sites. The Company has set the number of serious and major accidents as a materiality. For the Panasonic Group as a whole in fiscal 2025, the number of serious accidents was seven (all outside of Japan region, including three fatal accidents) and the number of major accidents was zero. Our target is zero for any of these accidents.

Number of board members and ratio of outside directors



(as of June 30 of each year)

■ Number of outside directors (left scale) ■ Number of inside directors (left scale)
● Ratio of outside directors (right scale)

We ensure that the Board of Directors possesses a wide diversity of knowledge, experience, and qualifications. As of the end of June 2025, we appointed seven Outside Directors (a majority of the Board), 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.

(For more information, visit Number of board members and ratio of outside directors.)

10-year Financial Summary

The Company and Subsidiaries / Years ended March 31
Complies with International Financial Reporting Standards (IFRS)

	3/2016	3/2017	3/2018	3/2019	3/2020	3/2021	3/2022	3/2023	3/2024	**3/2025**
For the Year (Millions of yen)										
Net sales	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	**8,458,185**
Adjusted operating profit	413,246	343,616	401,202	327,032	286,663	307,155	357,700	314,077	389,999	**467,223**
Operating profit	230,299	276,784	380,539	411,498	293,751	258,600	357,526	288,570	360,962	**426,490**
Profit before income taxes	227,529	275,066	378,590	416,456	291,050	260,820	360,395	316,409	425,239	**486,289**
Net profit attributable to Panasonic Holdings Corporation stockholders	165,212	149,360	236,040	284,149	225,707	165,077	255,334	265,502	443,994	**366,205**
Capital investment	299,881	373,208	475,187	380,678	342,098	301,494	305,108	394,891	670,893	**866,301**
Depreciation and amortization	277,716	269,998	287,324	295,694	372,973	317,572	339,148	382,289	399,984	**405,729**
R&D expenditures	438,851	436,130	448,879	488,757	475,005	419,764	419,807	469,785	491,224	**477,753**
Free cash flow	125,551	(34,746)	(35,646)	10,290	224,207	680,634	(543,519)	176,709	288,055	**(63,843)**
Cash flow from operating activities	419,355	385,410	423,182	203,677	430,303	504,038	252,630	520,742	866,898	**796,083**
Cash flow from investing activities	(293,804)	(420,156)	(458,828)	(193,387)	(206,096)	176,596	(796,149)	(344,033)	(578,843)	**(859,926)**
At Year-End (Millions of yen)										
Cash and cash equivalents	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	**847,561**
Total assets	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	**9,343,191**
Interest-bearing debt	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	**1,568,243**
Panasonic Holdings Corporation stockholders' equity	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	**4,694,421**
Total equity	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	**4,874,829**

Notes to this table
1. Adjusted operating profit = Net sales - Cost of sales - SG&A
2. The figures for "Capital investment" are amounts on an accrual basis for property, plant and equipment and intangible assets. (Excludes increases due to business combinations)
3. Depreciation and amortization 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.
4. "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

	3/2016	3/2017	3/2018	3/2019	3/2020	3/2021	3/2022	3/2023	3/2024	**3/2025**
Per Share Data (Yen)										
Earnings per share attributable to Panasonic Holdings Corporation stockholders										
Basic	71.30	64.33	101.20	121.83	96.76	70.75	109.41	113.75	190.21	**156.87**
Diluted	71.29	64.31	101.15	121.75	96.70	70.72	109.37	113.72	190.15	**156.83**
Dividends declared per share	25.00	25.00	30.00	30.00	30.00	20.00	30.00	30.00	35.00	**48.00**
Panasonic Holdings Corporation stockholders' equity per share	622.34	673.93	732.12	820.41	856.57	1,111.73	1,356.08	1,550.23	1,946.62	**2,010.81**
PBR	1.66	1.87	2.08	1.16	0.96	1.28	0.88	0.76	0.74	**0.88**
PER	14.50	19.56	15.03	7.83	8.53	20.12	10.86	10.39	7.60	**11.29**
Financial Indicators										
ROE (%)	11.1	9.9	14.4	15.7	11.5	7.2	8.9	7.8	10.9	**7.9**
Net profit attributable to Panasonic Holdings Corporation stockholders / sales (%)	2.2	2.0	3.0	3.6	3.0	2.5	3.5	3.2	5.2	**4.3**
Total asset turnover ratio (Times)	1.3	1.3	1.3	1.3	1.2	1.0	1.0	1.0	1.0	**0.9**
Financial leverage (Times)	3.8	3.8	3.7	3.4	3.1	2.8	2.6	2.4	2.1	**2.0**
Operating profit / sales (%)	3.0	3.8	4.8	5.1	3.9	3.9	4.8	3.4	4.2	**5.0**
Profit before income taxes / sales (%)	3.0	3.7	4.7	5.2	3.9	3.9	4.9	3.8	5.0	**5.7**
Interest-bearing debt / total assets (%)	13.2	18.8	19.7	16.6	23.7	21.1	23.6	18.1	17.3	**16.8**
Panasonic Holdings Corporation stockholders' equity / total assets (%)	26.3	26.3	27.1	31.8	32.1	37.9	39.4	44.9	48.3	**50.2**
Payout ratio (%)	35.1	38.9	29.6	24.6	31.0	28.3	27.4	26.4	18.4	**30.6**
Exchange Rate (Yen)										
1 USD	120	108	111	111	109	106	112	135	145	**153**
1 EUR	133	119	130	128	121	124	131	141	157	**164**
1 RMB	18.9	16.1	16.8	16.5	15.6	15.7	17.5	19.8	20.1	**21.1**

Notes to this table

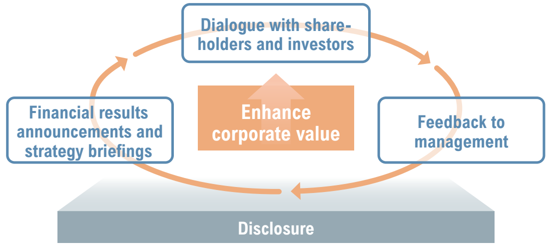
1. "Dividends declared per share" reflect those declared by the Company in each fiscal year and consist of interim dividends paid during the fiscal year and year-end dividends paid after the fiscal year-end.
2. Exchange rate is the average rate for the fiscal year.

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 P50.)
- 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 P50.)
- 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, 2025)	
Strategy briefings	Group CEO, Group CFO, Group CSO, operating company presidents	• Group Strategy Briefing (May 2024) • Panasonic Group Operating Companies: Strategy Briefing 2024 (June) • Strategy Briefings on Certain Businesses of Lifestyle Segment (November) • Briefings on Generative AI-related Businesses (November) • Group CEO Briefing on Group Management Reform (February 2025) • In addition, 10 briefing sessions were held in cooperation with securities companies.	
Financial results announcements	Group CFO	4 times (Held in conjunction with Group CEO briefing: 1time)	
Group/individual meetings	Group CEO, Group CFO, Group CSO, operating company presidents	Approx. 600 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 118th ordinary general meeting of shareholders* (June 2025)	Directors, Audit & Supervisory Board members, executive officers, operating company presidents	Number of unit shareholders	347,942
		Number of shareholders present at the meeting	629
		Number of shareholders who watched the livestream by internet	931

* 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 the minutes of financial results briefings, dialogues between the Group CEO and institutional investors, and the like, 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	• Progress of Initiatives including Group Management Reform and Direction for Businesses with Issues • Discussions based on quarterly business results on measures for and timing of recovery of deteriorating businesses • Impact of EV Market Slowdown on Automotive Battery Business and Financial Results Forecast Revisions due to U.S. Tariff Effects • Strategies for improving PBR to above 1.0x, and capital policies including shareholder return
Growth potential	• Business Portfolio Management for Future Growth • Growth Strategy for the Focus Area: Solutions Business • Timeline for Profitability Improvement in the SCM Software Business (Primarily Blue Yonder) and Progress Toward Stock Exchange Listing • Competitive Advantage and Sustainable Growth in Energy Storage Solutions for Data Centers
Stability and continuity	• Proactive Appointment of Independent Outside Directors to Enhance Group Governance • The status of investigations by external investigation committees toward quality frauds, and preventive measures • Progress on materiality analysis (progress against disclosed KPI)

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, etc. and incorporate them into feedback to management team.

Corporate Information (As of March 31, 2025)

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: 259,566 million yen

Number of Consolidated Companies (including parent company): 501

Number of Companies under the Equity Method: 63

Number of Employees: 207,548

Stock information

Number of Shares Issued: 2,454,446,497
(Including the Company's treasury stocks of 119,857,118 shares)

Number of Shareholders: 419,032

TSE Securities Code: 6752

Unit of Stock: 100

Stock Exchange Listings: Tokyo, Nagoya

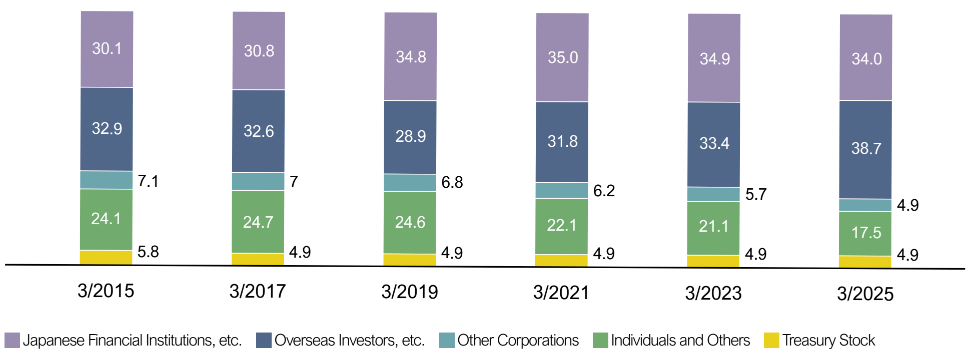
Transfer Agent for Common Stock
Sumitomo Mitsui Trust Bank, Limited
5-33 Kitahama, 4-chome, Chuo-ku, Osaka City,
Osaka 540-8639, Japan
Phone: +81-3-3323-7111

Major shareholders

Name	Share ownership (in thousands of shares)	Percentage of total issued shares (%)
The Master Trust Bank of Japan, Ltd. (trust account)	381,443	16.33
Custody Bank of Japan, Ltd. (trust account)	201,705	8.63
STATE STREET BANK WEST CLIENT - TREATY 505234	48,610	2.08
NIPPON LIFE INSURANCE COMPANY	48,339	2.07
STATE STREET BANK AND TRUST COMPANY 505001	43,276	1.85
MOXLEY AND CO LLC	38,209	1.63
SUMITOMO LIFE INSURANCE COM	37,465	1.60
GOVERNMENT OF NORWAY	35,675	1.52
JP MORGAN CHASE BANK 385781	32,635	1.39
Matsushita Real Estate Co., Ltd.	29,121	1.24

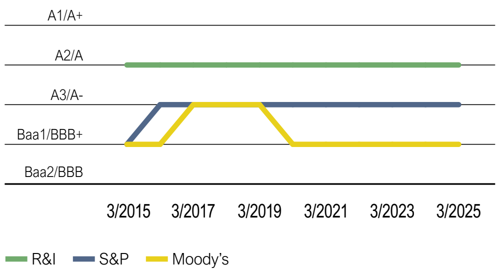
(Notes) 1. The figures in share ownership are rounded down to the nearest thousands of shares.
2. Shareholding ratio is calculated by deducting the Company's treasury stock (119,857,118 shares) and rounded down to two decimal places.
3. The English names of foreign shareholders above are based on the General Shareholders Notification notified by Japan Securities Depository Center, Inc.

Types of shareholders



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	—



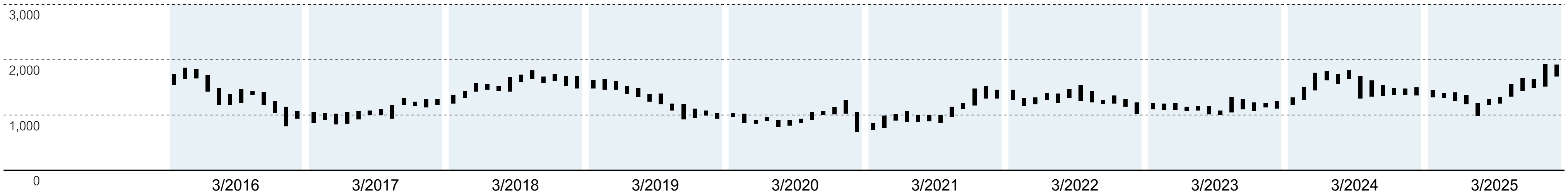
Bonds issued by Panasonic Holdings Corporation are listed here:
https://holdings.panasonic/global/corporate/investors/stock/ratings.html

Corporate Information (As of March 31, 2025)

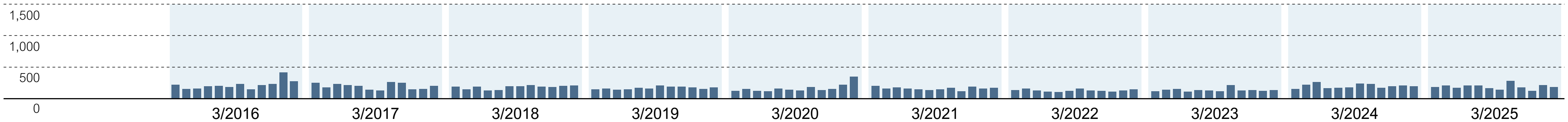
Company stock price and trading volume

(Years ended March 31) Tokyo Stock Exchange monthly basis

Stock Price (Yen)



Trading Volume (Millions of shares)



	3/2016	3/2017	3/2018	3/2019	3/2020	3/2021	3/2022	3/2023	3/2024	3/2025
High (Yen)	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	**1,919.0**
Low (Yen)	799.0	831.4	1,207.5	917.7	691.7	733.5	1,018.5	1,006.5	1,190.0	**986.9**
Period-End (Yen)	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	**1,771.5**

IR (Investor Relations) offices

Osaka
Investor Relations
Corporate Finance, Accounting & IR Department
Panasonic Holdings Corporation
1006 Kadoma, Kadoma City, Osaka 571-8501, Japan

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

Europe
Investor Relations
Panasonic Business Support Europe GmBH
(UK branch)
Maxis 2, Western Road,
Bracknell, Berkshire, RG12 1RT, United Kingdom

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