

**NOTICE OF  
THE 115TH ORDINARY GENERAL MEETING OF  
SHAREHOLDERS**

**to be held in Osaka, Japan on  
June 23, 2022**

[ This is a translation from the  
Japanese of a notice circulated to  
shareholders in Japan. ]

**Panasonic Holdings Corporation**

Kadoma-shi, Osaka, Japan

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## Dear Shareholders:

### Notice of the 115th Ordinary General Meeting of Shareholders

You are cordially notified of the Company's 115th Ordinary General Meeting of Shareholders to be held as described below.

Again this year, from the perspective of preventing the spread of the novel coronavirus disease (COVID-19), we ask that you take all efforts to exercise your voting rights in advance either via the Internet, etc., or in writing (mail), and refrain from attending this general meeting of shareholders in person, regardless of your state of health on the day.

You are sincerely requested to examine carefully the Reference Materials for Exercise of Voting Rights (p.4-p.18) contained herein and to exercise your voting rights by the Internet or mail, as soon as possible.

In addition, we will provide live streaming of this General Meeting of Shareholders via the designated dedicated website so that you can watch the meeting from your home or other locations, and you can ask your questions in advance. Please refer to the website (<https://6752.ksoukai.jp>; in Japanese).

\* \* \* \* \*

1. Time and Date: 10 a.m. Thursday, June 23, 2022 (Reception starts at 9 a.m.)
2. Place: Osaka-Jo Hall  
3-1 Osaka-jo, Chuo-ku, Osaka-shi
  - Please refer to the map and directions located on the last page of 115th Ordinary General Meeting of Shareholders, Venue Guide Map.
  - The distance between chairs will be widened to prevent the spread of COVID-19, which will vastly reduce the seating capacity that we are able to offer. Accordingly, some shareholders arriving at the venue to attend in person may be turned away if the venue is filled to capacity. We appreciate your understanding.
  - If the venue changes due to unforeseen circumstances, the information will be posted via the Internet on the Company's website: (<https://holdings.panasonic/global/corporate/investors.html>).
3. Purposes:
  - Matters to be Reported:
    1. The business report and report on the consolidated financial statements and financial statements for the 115th fiscal period from April 1, 2021 to March 31, 2022
    2. Report of audit results of Accounting Auditors and the Audit & Supervisory Board on the consolidated financial statements
  - Matters to be Acted Upon:
    - Bill No. 1: To Partially Amend the Articles of Incorporation
    - Bill No. 2: To Elect 12 Directors
    - Bill No. 3: To Elect 2 Audit & Supervisory Board Members

Sincerely yours,  
Yuki Kusumi  
Representative Director  
Panasonic Holdings Corporation  
1006 Oaza Kadoma, Kadoma-shi, Osaka, Japan

The Notice of Resolutions for the 115th Ordinary General Meeting of Shareholders will be posted on our website after the General Meeting of Shareholders.

Our website:

<https://holdings.panasonic/global/corporate/investors/shareholders-meeting.html>

1. The financial statements and other information included in this Notice are prepared primarily on a consolidated basis in conformity with International Financial Reporting Standards (IFRS). In some cases where required, however, financial statements on a parent-alone basis, which is in conformity with generally accepted accounting principles in Japan (Japan GAAP), are also provided herein. Financial statements on a parent-alone basis and consolidated financial statements should not be confused with each other.
2. An English translation of explanations for the exercise of voting rights via the Internet is omitted herein. For foreign shareholders who maintain standing proxies in Japan, such explanations (in Japanese) are sent to, and available at, your standing proxies.
3. For supplemental information regarding the bills on pages 4 to 18, please visit the following Web site:  
**<https://holdings.panasonic/global/corporate/investors.html>**

## [Reference Materials for Exercise of Voting Rights]

### **The Bills and Reference Materials:**

#### **Bill No. 1: To Partially Amend the Articles of Incorporation**

##### **1. Reasons for Amendments**

- (i) **Introduction of a general meeting of shareholders without a designated location for the meeting (Article 11)**

On June 2021, the Act for Partially Amending the Act on Strengthening Industrial Competitiveness and Other Related Laws and Regulations” (Act No. 70 of 2021) was implemented. When a listed company receives confirmation from the Minister of Economy, Trade and Industry and the Minister of Justice that it meets the requirements stipulated by the Ordinance of the Ministry of Economy, Trade and Industry and the Ordinance of the Ministry of Justice, it shall be stipulated in the Articles of Incorporation, that a general meeting of shareholders can now be held without a location (so-called virtual only shareholders meeting).

Our Company holds the general meeting of shareholders at a venue (what is called a real general meeting of shareholders) while utilizing live streaming as a basis. However, with the occurrence of the wide-spread disease such as COVID-19 and large-scale disasters, if the Board of Directors determines that holding a general meeting of shareholders at a physical location is not appropriate for our shareholders, we are making amendments to the Articles of Incorporation so that we can also hold a general meeting of shareholders without a location.

In making this relevant change, we have received a confirmation from the Minister of Economy, Trade and Industry and the Minister of Justice that the above meets the requirements stipulated by the ordinance.
- (ii) **Provision of Informational Materials for the General Meeting of Shareholders in Electronic Format (Article 16)**

Since the revised provisions provided for in the proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) have been enforced on September 1, 2022, the Company will provide informational materials for the general meeting of shareholders in electronic format. To prepare for this, taking electronic provision measures for information contained in reference documents for general meetings of shareholders, and limiting the scope of matters to be stated in the document to be delivered to the shareholders who requested the issuance of a hard copy of the documents will be newly established.

Since the provision of Article 16 (Disclosure through Internet and Deemed Delivery of Reference Documents, etc. for General Meeting of Shareholders) of the current Articles of Incorporation will no longer be required, they will be deleted.

Accompanying the aforementioned new establishment and deletion of provisions, supplementary provisions regarding the effective date, etc., will be established. This Supplementary Provisions will be deleted after the due date.
- (iii) **Review of the range of the Liability limited contract (Article 22 and Article 32)**

Regarding the range of Directors, etc., who can conclude the Liability limited contract, the Articles of Incorporation will be amended so that Directors and Audit & Supervisory Board Members who do not execute business can fully fulfill their expected roles by concluding a Liability limited contract.

Now amendments to Article 22, item 2 of the current Articles of Incorporation have already been approved by the Audit & Supervisory Board Members.

## 2. Details of Amendments

The current Articles of Incorporation and proposed amendments are as follows:

(Underlined portions show the amendments.)

Current Articles of Incorporation	Proposed Amendments
<p>Article 11 (Convocation) 1. (Omitted)</p> <p>(Newly established)</p>	<p>Article 11 (Convocation) 1. (Unchanged)</p> <p>2. <u>The Company may hold a general meeting of shareholders without a designated location for the meeting.</u></p>
<p>Article 16 (Disclosure through Internet and Deemed Delivery of Reference Documents, etc. for General Meeting of Shareholders) Upon convening a general meeting of shareholders, the Company may be deemed to have provided shareholders with necessary information that should be described or indicated in reference documents for the general meeting of shareholders, business reports, non-consolidated financial statements and consolidated financial statements, on the condition that such information is disclosed through the Internet in accordance with laws and ordinances.</p> <p>(Newly established)</p>	<p>(Deleted)</p>
	<p>Article 16 (Measures, etc., for Providing Information in Electronic Format)</p> <p>1. <u>When the Company convenes a general meeting of shareholders, it shall take measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc., in electronic format.</u></p> <p>2. <u>Among items for which the measures for providing information in electronic format will be taken, the Company may exclude all or some of those items designated by the Ministry of Justice Order from statements in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents by the record date of voting rights.</u></p>
<p>Article 22 (Limitation of Director's Liability) 1. (Omitted)</p> <p>2. The Company may, pursuant to Article 427, Paragraph 1 of the Company Law, enter into an agreement with an <u>outside Director</u> of the Company, which limits the liability for his/her actions set forth in Article 423, Paragraph 1 of the Company Law to the aggregate amount of the amounts provided for in each item of Article 425, Paragraph 1 of the Company Law.</p>	<p>Article 22 (Limitation of Director's Liability) 1. (Unchanged)</p> <p>2. The Company may, pursuant to Article 427, Paragraph 1 of the Company Law, enter into an agreement with a <u>Director (excluding those who is an executive directors and such)</u> of the Company, which limits the liability for his/her actions set forth in Article 423, Paragraph 1 of the Company Law to the aggregate amount of the amounts provided for in each item of Article 425, Paragraph 1 of the Company Law.</p>

Current Articles of Incorporation	Proposed Amendments
<p>Article 32 (Limitation of Corporate Auditor's Liability)</p> <p>1. (Omitted)</p> <p>2. The Company may, pursuant to Article 427, Paragraph 1 of the Company Law, enter into an agreement with an <u>outside Corporate Auditor</u> of the Company, which limits the liability for his/her actions set forth in Article 423, Paragraph 1 of the Company Law to the aggregate amount of the amounts provided for in each item of Article 425, Paragraph 1 of the Company Law.</p> <p>(Newly established)</p>	<p>Article 32 (Limitation of Corporate Auditor's Liability)</p> <p>1. (Unchanged)</p> <p>2. The Company may, pursuant to Article 427, Paragraph 1 of the Company Law, enter into an agreement with an <u>Audit &amp; Supervisory Board Member</u> of the Company, which limits the liability for his/her actions set forth in Article 423, Paragraph 1 of the Company Law to the aggregate amount of the amounts provided for in each item of Article 425, Paragraph 1 of the Company Law.</p> <p><u>Supplementary Provisions</u></p> <p>1. <u>The deletion of Article 16 (Disclosure through Internet and Deemed Delivery of Reference Documents, etc. for General Meeting of Shareholders) in the pre-amended Articles of Incorporation and the establishment of the new Article 16 (Measures, etc., for Providing Information in Electronic Format) in the amended Articles of Incorporation shall be effective from September 1, 2022 (hereinafter referred to as the "Date of Enforcement"). the date of enforcement of the revised provisions provided for in the proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019)</u></p> <p>2. <u>Notwithstanding the provision(s) of the preceding paragraph, Article 16 of the Articles of Incorporation (Disclosure through Internet and Deemed Delivery of Reference Documents, etc. for General Meeting of Shareholders) shall remain effective regarding any general meeting of shareholders held on a date within six months from the Date of Enforcement.</u></p> <p>3. <u>These Supplementary Provisions shall be deleted on the date when six months have elapsed from the Date of Enforcement or three months have elapsed from the date of the general meeting of shareholders in the preceding paragraph, whichever is later.</u></p>

## Bill No. 2: To Elect 12 Directors

The terms of all 13 Directors currently in office will expire at the conclusion of the 115th Ordinary General Meeting of Shareholders, and Yasuyuki Higuchi, Hiroko Ota and Laurence W. Bates will retire at this occasion.

The Company has a rule of a one-year term of office for Directors in accordance with the Articles of Incorporation, as a structure that reflects the decisions of our shareholders to management appropriately. As for the composition of directors, Outside Directors shall account for more than a third of a total of directors. The Company is also working to ensure the diversity of knowledge, experience and capabilities among Directors.

Accordingly, the Company proposes the election of the following 12 Directors including the five Outside Directors.

In addition, the nomination of candidates for Directors was deliberated at the optional "Nomination and Compensation Advisory Committee," a majority of whose members as well as whose chair are Outside Directors who are Independent Directors.

The details of the candidates are as follows:

No.	Name			Current position and responsibilities in the Company
1	Kazuhiro Tsuga	Male	Reappointment	Chairperson of the Board; Chairperson of the Board of Directors; Member of the Nomination and Compensation Advisory Committee
2	Yuki Kusumi	Male	Reappointment	Representative Director; President; Group Chief Executive Officer (Group CEO); Group Chief Strategy Officer (Group CSO); Member of the Nomination and Compensation Advisory Committee
3	Tetsuro Homma	Male	Reappointment	Representative Director; Executive Vice President; Group Regional Head for China & Northeast Asia; President, Panasonic Operational Excellence China and Northeast Asia, Panasonic Operational Excellence Co., Ltd.; Chairperson, Panasonic Corporation of China
4	Mototsugu Sato	Male	Reappointment	Representative Director; Executive Vice President; Group Chief Risk Management Officer (Group CRO); In charge of Procurement and Logistics; Occupational Safety and Health Director; Representative Director, Member of the Board, President, Panasonic Operational Excellence Co., Ltd.; Chief Executive Officer (CEO); In charge of DEI Promotion
5	Shinobu Matsui	Female	Reappointment Outside Director Independent Director	Director
6	Kunio Noji	Male	Reappointment Outside Director Independent Director	Director
7	Michitaka Sawada	Male	Reappointment Outside Director Independent Director	Director
8	Kazuhiko Toyama	Male	Reappointment Outside Director Independent Director	Director; Member of the Nomination and Compensation Advisory Committee
9	Yoshinobu Tsutsui	Male	Reappointment Outside Director Independent Director	Director; Member of the Nomination and Compensation Advisory Committee
10	Hirokazu Umeda	Male	Reappointment	Director; Executive Vice President; Group Chief Financial Officer (Group CFO); In charge of Group MUDA Busters Activity and Facility Management; CEO, Panasonic Holding (Netherlands) B.V.; President, Panasonic Equity Management Japan G.K.; In charge of Prime Life Technologies Corporation
11	Yoshiyuki Miyabe	Male	New candidate	Executive Vice President; Representative in Tokyo; In charge of Government and External Relations, and Solution Partner
12	Ayako Shotoku	Female	New candidate	Executive Officer; Group General Counsel (Group GC)



Name and date of birth	Career summary, position and responsibilities in the Company and other important concurrently held positions	Number of the Company's shares held (As of March 31, 2022)
1 Kazuhiro Tsuga November 14, 1956  Reappointment	Apr. 1979 Joined the Company; Jun. 2004 Executive Officer of the Company; Apr. 2008 Managing Executive Officer of the Company; Apr. 2011 Senior Managing Executive Officer of the Company; Jun. 2011 Representative Director and Senior Managing Director of the Company; Jun. 2012 Representative Director and President of the Company; Jun. 2017 Representative Director, President and Chief Executive Officer (CEO) of the Company; Jun. 2021 Chairperson of the Board of the Company (to the present) <i>Vice Chair, KEIDANREN (Japan Business Federation)</i> <i>Vice Chairman, The Tokyo Organising Committee of the Olympic and Paralympic Games</i> <i>&lt;Reasons for election of the candidate&gt;</i> <i>Panasonic Holdings Corporation (Panasonic HD) expects Kazuhiro Tsuga to apply his extensive experience as a corporate manager inside the Group to appropriately supervise the entire Group.</i> <i>&lt;Notable conflicts of interest between the candidate and the Company&gt;</i> <i>None</i>	390,620 shares
2 Yuki Kusumi January 22, 1965  Reappointment	Apr. 1989 Joined the Company; Apr. 2014 Executive Officer of the Company; Apr. 2019 Managing Executive Officer of the Company; Apr. 2021 Chief Executive Officer (CEO) of the Company; Jun. 2021 Representative Director and Executive Vice President of the Company (incumbent); Oct. 2021 Group Chief Executive Officer (Group CEO), Group Chief Strategy Officer (Group CSO) of the Company (to the present) <i>&lt;Reasons for election of the candidate&gt;</i> <i>Yuki Kusumi has extensive experience as a corporate manager involved primarily in managing operations inside the Group. In his role as a representative of business execution, Panasonic HD expects him to apply his knowledge in serving on the Board of Directors to work on helping the Group realize business growth and boost corporate value in the future, and to appropriately supervise the entire Group.</i> <i>&lt;Notable conflicts of interest between the candidate and the Company&gt;</i> <i>None</i>	100,461 shares

Name and date of birth	Career summary, position and responsibilities in the Company and other important concurrently held positions	Number of the Company's shares held (As of March 31, 2022)
3 Tetsuro Homma October 28, 1961  Reappointment	<p>Apr. 1985 Joined the Company;</p> <p>Oct. 2013 Executive Officer of the Company;</p> <p>Apr. 2015 Managing Executive Officer of the Company; President, Appliances Company / in charge of Consumer Business;</p> <p>Jun. 2015 Managing Director of the Company;</p> <p>Apr. 2016 Representative Director and Senior Managing Director of the Company;</p> <p>Apr. 2019 CEO, China &amp; Northeast Asia Company and Regional Head for China &amp; Northeast Asia of the Company;</p> <p>Jun. 2019 Representative Director and Senior Managing Executive Officer of the Company;</p> <p>Apr. 2020 Chairperson, Panasonic Corporation of China (incumbent);</p> <p>Apr. 2021 Representative Director and Executive Vice President of the Company (incumbent);</p> <p>Apr. 2022 Group Regional Head for China &amp; Northeast Asia of the Company, President, Panasonic Operational Excellence Co., Ltd. Panasonic Operational Excellence China &amp; Northeast Asia Company (to the present)</p> <p>&lt;Reasons for election of the candidate&gt;  <i>Tetsuro Homma has extensive experience as a corporate manager involved primarily in managing operations inside the Group. In his role as a representative of business execution, Panasonic HD expects him to apply his knowledge in serving on the Board of Directors to work on helping the Group realize business growth and boost corporate value in the future, and to appropriately supervise the entire Group.</i></p> <p>&lt;Notable conflicts of interest between the candidate and the Company&gt;            None</p>	35,411 shares
4 Mototsugu Sato October 17, 1956  Reappointment	<p>Apr. 1979 Joined Matsushita Electric Works, Ltd.;</p> <p>Apr. 2008 Executive Officer, Matsushita Electric Works, Ltd.;</p> <p>Apr. 2011 Senior Executive Officer, Panasonic Electric Works Co., Ltd.;</p> <p>Jan. 2012 Managing Officer, Eco Solutions Company of the Company/Director, Accounting Center;</p> <p>Oct. 2013 Executive Officer of the Company/in charge of Planning, BPR Project and Business Creation Project;</p> <p>Jun. 2014 Director of the Company;</p> <p>Apr. 2015 Managing Director of the Company;</p> <p>Apr. 2016 Representative Director and Senior Managing Director of the Company/in charge of Human Resources;</p> <p>Apr. 2017 Occupational Safety and Health Director (incumbent);</p> <p>Jun. 2017 Representative Director, Senior Managing Executive Officer, Chief Strategy Officer (CSO), and Chief Human Resources Officer (CHRO) of the Company;</p> <p>Apr. 2019 Representative Director and Executive Vice President of the Company (incumbent);</p> <p>Apr. 2021 In charge of Procurement of the Company (incumbent);</p> <p>May 2021 In charge of Logistics of the Company (incumbent);</p> <p>Oct. 2021 Group Chief Risk Management Officer (Group CRO) (incumbent) of the Company, President, Operational Excellence Company;</p> <p>Apr. 2022 Representative Director, Member of the Board, President, Panasonic Operational Excellence Co., Ltd. Chief Executive Officer (CEO)/in charge of DEI promotion (to the present)</p> <p>&lt;Reasons for election of the candidate&gt;  <i>Mototsugu Sato has extensive experience as a corporate manager involved primarily in accounting and other professional functions inside the Group. From the perspective of business execution, Panasonic HD expects him to apply his knowledge in serving on the Board of Directors to work on helping the Group realize business growth and boost corporate value in the future, and to appropriately supervise the entire Group.</i></p> <p>&lt;Notable conflicts of interest between the candidate and the Company&gt;            None</p>	114,689 shares

Name and date of birth	Career summary, position and responsibilities in the Company and other important concurrently held positions	Number of the Company's shares held (As of March 31, 2022)
<p>5 Shinobu Matsui January 27, 1977</p> <p>Reappointment</p> <p>Outside Director Independent Director</p>	<p>Oct. 1999 Joined Ota Showa &amp; Co. (currently Ernst &amp; Young ShinNihon LLC);</p> <p>Oct. 2001 Joined PricewaterhouseCoopers Tax Office (currently PwC Tax Japan);</p> <p>Mar. 2014 Corporate Auditor, Uzabase, Inc.;</p> <p>Aug. 2015 Joined Uzabase, Inc. (retired as Corporate Auditor, Uzabase, Inc.);</p> <p>Jan. 2018 Executive Officer (Head of Corporate Division), Uzabase, Inc.;</p> <p>Jan. 2019 Executive Officer and Chief Operating Officer, Uzabase, Inc.;</p> <p>Jan. 2020 Executive Officer and Chief People and Administrative Officer, Uzabase, Inc.;</p> <p>Mar. 2021 Board Director and Chief People and Administrative Officer, Uzabase, Inc. (incumbent);</p> <p>Jun. 2021 Director of the Company (incumbent);</p> <p>Jan. 2022 Board Director and Group Executive Officer, Uzabase, Inc. (to the present)</p> <p><i>(Board Director, Uzabase, Inc.)</i> <i>(Outside Director, UniFa Inc.)</i></p> <p>&lt;Number of years in office as Outside Director&gt; 1 year (At the conclusion of this Ordinary General Meeting of Shareholders)</p> <p>&lt;Reasons for election of the candidate and expected roles&gt; Panasonic HD proposes the election of Shinobu Matsui for the post of Outside Director on account of her extensive experience and deep insight on accounting and management, which the Company expects will be reflected in the management of the Group.</p> <p>&lt;Notable conflicts of interest between the candidate and the Company&gt; None</p>	<p>0 shares</p>
<p>6 Kunio Noji November 17, 1946</p> <p>Reappointment</p> <p>Outside Director Independent Director</p>	<p>Apr. 1969 Joined Komatsu Ltd.;</p> <p>Jun. 1997 Director, Komatsu Ltd.;</p> <p>Jun. 2001 Managing Director and Senior Executive Officer (Jomu), Komatsu Ltd.;</p> <p>Apr. 2003 Director and Senior Executive Officer (Senmu), Komatsu Ltd.;</p> <p>Jun. 2007 President and Representative Director, and CEO, Komatsu Ltd.;</p> <p>Apr. 2013 Chairman of the Board and Representative Director, Komatsu Ltd.;</p> <p>Apr. 2016 Chairman of the Board and Director, Komatsu Ltd.;</p> <p>Jun. 2019 Adviser, Komatsu Ltd. (incumbent);</p> <p>Jun. 2019 Director of the Company (to the present)</p> <p><i>(Adviser, Komatsu Ltd.)</i> <i>(Outside Director, KOMATSU MATERE Co., Ltd.)</i></p> <p>&lt;Number of years in office as Outside Director&gt; 3 years (At the conclusion of this Ordinary General Meeting of Shareholders)</p> <p>&lt;Reasons for election of the candidate and expected roles&gt; Panasonic HD proposes the election of Kunio Noji for the post of Outside Director on account of his extensive managerial experience and deep insight, which the Company expects will be reflected in the management of the Group.</p> <p>&lt;Notable conflicts of interest between the candidate and the Company&gt; None</p>	<p>5,000 shares</p>

Name and date of birth	Career summary, position and responsibilities in the Company and other important concurrently held positions	Number of the Company's shares held (As of March 31, 2022)
7 Michitaka Sawada December 20, 1955  Reappointment  Outside Director Independent Director	Apr. 1981 Joined Kao Soap Co., Ltd. (currently Kao Corporation); Jun. 2006 Executive Officer, Kao Corporation; Jun. 2008 Director, Executive Officer, Kao Corporation; Jun. 2012 Representative Director, President and Chief Executive Officer, Kao Corporation; Jun. 2020 Director of the Company (incumbent); Jan. 2021 Director, Chair, Kao Corporation (to the present)  <i>(Director, Chair, Kao Corporation)</i> <i>(Outside Director, Nitto Denko Corporation)</i> <Number of years in office as Outside Director> 2 years (At the conclusion of this Ordinary General Meeting of Shareholders) <Reasons for election of the candidate and expected roles> Panasonic HD proposes the election of Michitaka Sawada for the post of Outside Director on account of his extensive managerial experience and deep insight, which the Company expects will be reflected in the management of the Group. <Notable conflicts of interest between the candidate and the Company> None	0 shares
8 Kazuhiko Toyama April 15, 1960  Reappointment  Outside Director Independent Director	Apr. 1985 Joined The Boston Consulting Group, Inc.; Apr. 1986 Participated in establishment of Corporate Directions, Inc.; Mar. 1993 Director, Corporate Directions, Inc.; Apr. 2000 Managing Director, Corporate Directions, Inc.; Apr. 2001 President, Corporate Directions, Inc.; Apr. 2003 Senior Representative Director and COO, Industrial Revitalization Corporation of Japan; Apr. 2007 Representative Director and CEO, Industrial Growth Platform, Inc.; Jun. 2016 Director of the Company (incumbent); Oct. 2020 Chairman, Industrial Growth Platform, Inc. (incumbent); Dec. 2020 Representative Director, President, Japan Platform of Industrial Transformation, Inc. (to the present)  <i>(Chairman, Industrial Growth Platform, Inc.)</i> <i>(Representative Director, President, Japan Platform of Industrial Transformation, Inc.)</i> <Number of years in office as Outside Director> 6 years (At the conclusion of this Ordinary General Meeting of Shareholders) <Reasons for election of the candidate and expected roles> Panasonic HD proposes the election of Kazuhiko Toyama for the post of Outside Director on account of his extensive managerial experience and deep insight, which the Company expects will be reflected in the management of the Group. <Notable conflicts of interest between the candidate and the Company> None	20,000 shares

Name and date of birth	Career summary, position and responsibilities in the Company and other important concurrently held positions	Number of the Company's shares held (As of March 31, 2022)
<p>9 Yoshinobu Tsutsui January 30, 1954</p> <p>Reappointment</p> <p>Outside Director Independent Director</p>	<p>Apr. 1977 Joined NIPPON LIFE INSURANCE COMPANY;</p> <p>Jul. 2004 Director, NIPPON LIFE INSURANCE COMPANY;</p> <p>Jan. 2007 Director and Executive Officer, NIPPON LIFE INSURANCE COMPANY;</p> <p>Mar. 2007 Director and Managing Executive Officer, NIPPON LIFE INSURANCE COMPANY;</p> <p>Mar. 2009 Director and Senior Managing Executive Officer, NIPPON LIFE INSURANCE COMPANY;</p> <p>Mar. 2010 Representative Director and Senior Managing Executive Officer, NIPPON LIFE INSURANCE COMPANY;</p> <p>Apr. 2011 President, NIPPON LIFE INSURANCE COMPANY;</p> <p>Jun. 2015 Director of the Company (incumbent);</p> <p>Apr. 2018 Chairman, NIPPON LIFE INSURANCE COMPANY (to the present)</p> <p><i>(Chairman, NIPPON LIFE INSURANCE COMPANY)</i>  <i>(Outside Director, Imperial Hotel, Ltd.)</i>  <i>(Outside Director, Sumitomo Mitsui Financial Group, Inc.)</i>  <i>(Outside Director, West Japan Railway Company)</i></p> <p>&lt;Number of years in office as Outside Director&gt;  7 years (At the conclusion of this Ordinary General Meeting of Shareholders)</p> <p>&lt;Reasons for election of the candidate and expected roles&gt;  Panasonic HD proposes the election of Yoshinobu Tsutsui for the post of Outside Director on account of his extensive managerial experience and deep insight, which the Company expects will be reflected in the management of the Group.</p> <p>&lt;Notable conflicts of interest between the candidate and the Company&gt;  None</p>	<p>0 shares</p>
<p>10 Hirokazu Umeda January 13, 1962</p> <p>Reappointment</p>	<p>Apr. 1984 Joined the Company;</p> <p>Apr. 2017 Executive Officer of the Company/in charge of Accounting and Finance/General Manager, Corporate Management Support Department, Corporate Strategy Division/in charge of Groupwide Cost Busters Project, BPR Project;</p> <p>Jun. 2017 Director, Executive Officer, and Chief Financial Officer (CFO) of the Company;</p> <p>Apr. 2018 Director, Managing Executive Officer of the Company; President, Panasonic Equity Management Japan Co., Ltd. (currently Panasonic Equity Management Japan Godo Kaisha) (incumbent);</p> <p>Sep. 2019 CEO, Panasonic Holding (Netherlands) B.V. (incumbent);</p> <p>Apr. 2021 Director, Senior Managing Executive Officer of the Company/in charge of Facility Management (incumbent);</p> <p>Oct. 2021 Group Chief Financial Officer (Group CFO) of the Company (incumbent)/in charge of Group Cost Busters Project, in charge of Prime Life Technologies Corporation (incumbent);</p> <p>Apr. 2022 Representative Director and Executive Vice President of the Company/in charge of Group MUDA Busters Activity (to the present)</p> <p>&lt;Reasons for election of the candidate&gt;  Hirokazu Umeda has extensive experience as a corporate manager involved primarily in accounting inside the Group. From the perspective of financial execution, Panasonic HD expects him to apply his knowledge in serving on the Board of Directors to help the Group realize business growth and boost corporate value in the future, and to appropriately supervise the entire Group.</p> <p>&lt;Notable conflicts of interest between the candidate and the Company&gt;  None</p>	<p>53,504 shares</p>

Name and date of birth	Career summary, position and responsibilities in the Company and other important concurrently held positions	Number of the Company's shares held (As of March 31, 2022)
11 Yoshiyuki Miyabe December 5, 1957  New candidate	<p>Apr. 1983 Joined the Company;</p> <p>Apr. 2008 Executive Officer of the Company;</p> <p>Apr. 2011 Managing Executive Officer of the Company;</p> <p>Jun. 2011 Managing Director of the Company;</p> <p>Apr. 2013 President, AVC Networks Company of the Company;</p> <p>Apr. 2014 Representative Director and Senior Managing Director of the Company;</p> <p>Jun. 2017 Senior Managing Executive Officer of the Company, Chief Technology Officer (CTO), Chief Manufacturing Officer (CMO), Chief Quality Officer (CQO), Chief Procurement Officer (CPO), Chief Information Officer (CIO)/in charge of FF Customer Support &amp; Management, Motor Business Management Office;</p> <p>Apr. 2021 Representative in Tokyo of the Company (incumbent)/in charge of Government and External Relations (incumbent), Tokyo Olympic &amp; Paralympic Business Promotion, Solution Sales;</p> <p>Oct. 2021 In charge of Solution Partner of the Company (incumbent);</p> <p>Apr. 2022 Executive Vice President of the Company (to the present)</p> <p>&lt;Reasons for election of the candidate&gt;  <i>Yoshiyuki Miyabe has extensive experience as a corporate manager involved primarily in managing operations inside the Group. In his role as a representative of business execution, Panasonic HD expects him to apply his knowledge in serving on the Board of Directors to work on helping the Group realize business growth and boost corporate value in the future, and to appropriately supervise the entire Group.</i></p> <p>&lt;Notable conflicts of interest between the candidate and the Company&gt;  <i>None</i></p>	136,137 shares
12 Ayako Shotoku June 10, 1968  New candidate	<p>Apr. 1991 Joined the Company;</p> <p>Apr. 2007 Team Leader, China and Europe Region Risk Management, Global Risk Management Group, Panasonic Electronic Devices Co., Ltd.</p> <p>Jan. 2013 Team Leader, Legal Group Corporate, AVC Networks Company of the Company;</p> <p>Oct. 2013 Manager, Business Legal Affairs Group, Legal Center, AVC Networks Company of the Company;</p> <p>Jan. 2014 Director, Legal Center, AVC Networks Company of the Company, Manager, Business Legal Affairs Group;</p> <p>Apr. 2017 Managing Officer, Connected Solutions Company of the Company, Director, Legal Affairs Center;</p> <p>Apr. 2019 Managing Officer, Automotive Company of the Company, Director, Legal Affairs Center;</p> <p>Oct. 2021 Managing Officer, Automotive Company of the Company; General Counsel (GC), Chief Risk Management Officer (CRO) Director, Legal Affairs Center; Executive of the Company/in charge of Legal Strategy, Corporate Strategy and Technology Sector;</p> <p>Apr. 2022 Executive Officer; Group General Counsel (Group GC) (to the present)</p> <p>&lt;Reasons for election of the candidate&gt;  <i>Ayako Shotoku has extensive experience involved primarily in legal affairs inside the Group. From the perspective of legal strategy execution, Panasonic HD expects her knowledge in serving on the Board of Directors to work on helping the Group realize business growth and boost corporate value in the future, and to appropriately supervise the entire Group.</i></p> <p>&lt;Notable conflicts of interest between the candidate and the Company&gt;  <i>None</i></p>	7,550 shares

- (Notes)
1. Ayako Shotoku's name on the family register is Ayako Kurama.
  2. Shinobu Matsui, Kunio Noji, Michitaka Sawada, Kazuhiko Toyama, and Yoshinobu Tsutsui are candidates for Outside Directors as stipulated in Article 2, Paragraph 3, Item 7 of the Enforcement Regulations of the Companies Act. The Company sent respective notifications of the continuing status of them as Independent Directors to the stock exchanges of Japan on which the Company's shares are publicly listed.  
Shinobu Matsui is Board Director of Uzabase, Inc., and the amount of the transaction between the company and the Company in fiscal 2022 was less than 1% of both of their consolidated net sales.  
Kunio Noji comes from Komatsu Ltd., and the amount of the transaction between the company and the Company in fiscal 2022 was less than 1% of both of their consolidated net sales.  
Michitaka Sawada is Director, Kao Corporation, and the amount of the transaction between the company and the Company in fiscal 2022 was less than 1% of both of their consolidated net sales.  
Yoshinobu Tsutsui is Representative Director of NIPPON LIFE INSURANCE COMPANY, and the amount of the transaction between the company and the Company in fiscal 2022 was less than 1% of both of their consolidated net sales.  
The independence criteria for the Company's Outside Directors are described on page 18.
  3. The Company has entered into contracts for limitation of liability with Shinobu Matsui, Kunio Noji, Michitaka Sawada, Kazuhiko Toyama and Yoshinobu Tsutsui, which limit the amount of each Outside Director's respective liability, as defined under Article 423, Paragraph 1 of the Companies Act to the minimum amount stipulated in Article 425, Paragraph 1 of the Companies Act, presuming that they perform their respective duties in good faith and without gross negligence. If the reappointments of Shinobu Matsui, Kunio Noji, Michitaka Sawada, Kazuhiko Toyama and Yoshinobu Tsutsui are approved, the Company intends to extend those contracts with each of them.  
If the reappointment of Kazuhiro Tsuga is approved, the Company intends to enter into the same contract as those mentioned above with him, on the condition that the Bill No. 1: To Partially Amend the Articles of Incorporation is approved and adopted as proposed.
  4. The Company has entered into indemnity agreements, as defined under Article 430, Paragraph 2, Item 1 of the Companies Act, with the ten Directors, Kazuhiro Tsuga, Yuki Kusumi, Tetsuro Homma, Mototsugu Sato, Shinobu Matsui, Kunio Noji, Michitaka Sawada, Kazuhiko Toyama, Yoshinobu Tsutsui and Hirokazu Umeda, and the Company agrees to indemnify costs and losses, as provided for by item 1 and item 2, respectively, of said Paragraph, within the ranges prescribed by laws and regulations. If the appointments of Yoshiyuki Miyabe and Ayako Shotoku are approved, the Company intends to enter into the same agreements with them. Under these agreements, to ensure that appropriate execution of the duties by the Company officers will not be impaired, certain inappropriate cases are excluded from compensation, and upon receiving a request for compensation from the Company officers, the Board of Directors will determine whether or not the case corresponds to these exclusions before carrying out compensation. Also, if it is found that the compensation was inappropriate after it has been carried out, the agreement allows the Company to demand the return of all or part of the compensation money from the Company officers concerned.
  5. The Company has entered into a directors' and officers' liability insurance policy with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act for all Directors, Audit & Supervisory Board Members, and Executive Officers of the Company and its subsidiaries\*. An outline of the contents of this liability insurance contract is detailed in "Matters related to the directors' and officers' liability insurance policy" on page 40 of the Business Report. If each of the candidates is elected as Director and assumes office, he or she will become insured under the above-mentioned insurance policy. In addition, the Company plans to renew the insurance policy with the same details at the next renewal.  
\* Panasonic Corporation, Panasonic Automotive Systems Co., Ltd., 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., Panasonic Information Systems Co., Ltd.

### Bill No. 3: To Elect 2 Audit & Supervisory Board Members

The term of office of Yoshio Sato and Toshio Kinoshita as Audit & Supervisory Board Member will expire at the conclusion of the 115th Ordinary General Meeting of Shareholders, at which time they will retire as Audit & Supervisory Board Member.

Accordingly, the election of two Audit & Supervisory Board Members is hereby proposed.

In addition, the nomination of candidates for Audit & Supervisory Board Members was deliberated at the optional "Nomination and Compensation Advisory Committee," a majority of whose members as well as whose chair are Outside Directors who are Independent Directors.

The Audit & Supervisory Board has approved this proposal.

The details of the candidates are as follows:

Name and date of birth	Career summary, position in the Company and other important concurrently held positions	Number of the Company's shares held (As of March 31, 2022)
1 Akihiro Eto April 7, 1960  New candidate  Outside Audit & Supervisory Board Member Independent Director	Apr. 1986 Joined Bridgestone Corporation; Jul. 2010 Vice President and Officer, Bridgestone Corporation; Sep. 2012 Vice President and Senior Officer, Bridgestone Corporation; Sep. 2014 Senior Vice President, Bridgestone Corporation; Jan. 2016 Executive Vice President, Bridgestone Corporation; Mar. 2016 Executive Vice President and Executive Officer, Bridgestone Corporation; Jan. 2019 COO and Representative Executive Officer, President, Bridgestone Corporation; Mar. 2019 Director, COO and Representative Executive Officer, President, Bridgestone Corporation; Jul. 2020 Director, Bridgestone Corporation; Nov. 2021 Member of the Supervisory Board and its Audit Committee, Daimler Truck AG (incumbent); Dec. 2021 Member of the Supervisory Board and its Audit Committee, Daimler Truck Holding AG (to the present)  <i>(Member of the Supervisory Board and its Audit Committee of Daimler Truck Holding AG)</i> <i>(Member of the Supervisory Board and its Audit Committee of Daimler Truck AG)</i> <Reasons for election of the candidate> <i>Panasonic HD expects Akihiro Eto to apply his extensive managerial experience and deep insight, to appropriately audit the performance of Directors' duties as an outside Audit &amp; Supervisory Board Member and provide valuable opinions to the Group's management.</i> <Notable conflicts of interest between the candidate and the Company> None	0 shares



Name and date of birth	Career summary, position in the Company and other important concurrently held positions	Number of the Company's shares held (As of March 31, 2022)
2 Akihiko Nakamura May 14, 1957  New candidate  Outside Audit & Supervisory Board Member Independent Director	Mar. 1982 Joined Price Waterhouse Certified Public Accountants Office; Sep. 1986 Registered as Certified Public Accountant; Jul. 1998 Representative Partner, Aoyama Audit Corporation Partner, PricewaterhouseCoopers Co., Ltd. (PwC); Apr. 2000 Representative Partner, ChuoAoyama Audit Corporation; Sep. 2006 Representative Partner, Aarata Kansa Hojin (currently PricewaterhouseCoopers Aarata LLC); Jul. 2017 President, Akihiko Nakamura CPA Office (to the present)  <i>(President, Akihiko Nakamura CPA Office)</i> <i>(Outside Audit &amp; Supervisory Board Member, OBAYASHI CORPORATION (scheduled to retire June 23, 2022))</i>  <i>&lt;Reasons for election of the candidate&gt;</i> <i>Panasonic HD expects Akihiko Nakamura to apply his extensive experience and deep insight as a certified public accountant to appropriately audit the performance of Directors' duties as an outside Audit &amp; Supervisory Board Member and provide valuable opinions to the Group's management. Although Akihiko Nakamura does not have past experience of being involved in company management other than as an Outside Audit &amp; Supervisory Board Member, the Company believes that he can perform his duties as an Outside Audit &amp; Supervisory Board Member on account of the reasons mentioned above.</i>  <i>&lt;Notable conflicts of interest between the candidate and the Company&gt;</i> <i>None</i>	0 shares

- (Notes) 1. Akihiro Eto and Akihiko Nakamura are candidates for Outside Audit & Supervisory Board Members as stipulated in Article 2, Paragraph 3, Item 8 of the Enforcement Regulations of the Companies Act. The Company sent notification of the statuses of these Audit & Supervisory Board Members as new Independent Audit & Supervisory Board Members to the stock exchanges of Japan on which the Company's shares are publicly listed. Akihiro Eto comes from Bridgestone Corporation, and the amount of the transaction between the company and the Company in fiscal 2022 was less than 1% of both of their consolidated net sales. The independence criteria for the Company's Outside Directors are as described on page 18.
2. If the appointment of Akihiro Eto and Akihiko Nakamura is approved, the Company intends to enter into a contract for limitation of liability with them, which limits the amount of their liability, as defined under Article 423, Paragraph 1 of the Companies Act to the minimum amount stipulated in Article 425, Paragraph 1 of the Companies Act, presuming that they perform their duties in good faith and without gross negligence.
3. If the appointments of Akihiro Eto and Akihiko Nakamura are approved, the Company intends to enter into indemnity agreements, as defined under Article 430, Paragraph 2, Item 1 of the Companies Act, with them, and the Company agrees to indemnify costs and losses, as provided for by item 1 and item 2, respectively, of said Paragraph, within the ranges prescribed by laws and regulations. Under these agreements, to ensure that appropriate execution of the duties by the Company officers will not be impaired, certain inappropriate cases are excluded from compensation, and upon receiving a request for compensation from the Company officers, the Board of Directors will determine whether or not the case corresponds to these exclusions before carrying out compensation. Also, if it is found that the compensation was inappropriate after it has been carried out, the agreement allows the Company to demand the return of all or part of the compensation money from the Company officers concerned.
4. The Company has entered into a directors' and officers' liability insurance policy with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act for all Directors, Audit & Supervisory Board Members, and Executive Officers of the Company and its subsidiaries\*. An outline of the contents of this liability insurance contract is detailed in "Matters related to the directors' and officers' liability insurance policy" on page 40 of the Business Report. If each of the candidates is elected as Audit & Supervisory Board Member and assumes office, he or she will become insured under the above-mentioned insurance policy. In addition, the Company plans to renew the insurance policy with the same details at the next renewal.
- \* Panasonic Corporation, Panasonic Automotive Systems Co., Ltd., 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., Panasonic Information Systems Co., Ltd.
5. OBAYASHI CORPORATION where Akihiko Nakamura serves as an Outside Audit & Supervisory Board Member was indicted in March, 2018 on violating antimonopoly law on bidding for linear Chuo Shinkansen construction and was convicted in October of the same year (fine of ¥200 million). Fair Trade Commission continued with its investigation and in December 2020, the company received a surcharge payment order and a cease and desist order from the committee. Akihiko Nakamura became an Outside Audit & Supervisory Board Member in June, 2018 after this incident occurred and the conviction, and by supervising and verifying measures need for identifying the cause and preventing recurrence, such as establishing a third-party committee, as a response after the incident, he has properly fulfilled his duties.

Reference: Key knowledge and experience of Directors and Audit & Supervisory Board Members after appointment  
 If Bill No. 2 and Bill No. 3 are approved and adopted, the key knowledge and experience of each Director and each Audit & Supervisory Board Member after appointment will be as follows:

	Name	Management experience	Expertise					Internationality / Diversity
			Manufacturing / R&D / IT	Finance/ Accounting	Legal	Planning	ESG	
Directors	Kazuhiro Tsuga	•	•				•	•
	Yuki Kusumi	•	•				•	•
	Tetsuro Homma	•					•	•
	Mototsugu Sato	•		•			•	•
	Shinobu Matsui	•		•			•	•
	Kunio Noji	•	•				•	•
	Michitaka Sawada	•	•				•	•
	Kazuhiko Toyama	•			•		•	•
	Yoshinobu Tsutsui	•				•	•	•
	Hirokazu Umeda	•		•			•	•
	Yoshiyuki Miyabe	•	•				•	•
	Ayako Shotoku				•		•	•
Audit & Supervisory Board Members	Toshihide Tominaga	•		•			•	•
	Eiji Fujii		•				•	•
	Akihiro Eto	•	•	•		•	•	•
	Akihiko Nakamura			•			•	•
	Setsuko Yufu				•		•	•

<Overview of the Independence Standards for Outside Directors / Audit & Supervisory Board Members>

The following persons are not considered independent.

- (1) A person executing the operations of a parent company or a subsidiary of the parent company of the Company (Including a person who corresponds to such a person recently or previously, hereinafter, “executing person”)
- (2) A person whose major business partner is the Company or an executing person of the same, or a major business partner of the Company or an executing person of the same
- (3) A consultant, accounting expert, or legal expert who receives a significant amount of money or other property from the Company other than compensation as a Director / Audit & Supervisory Board Member. If the person who receives such property is an organization such as a legal entity or association, a person who belongs or belonged to the organization corresponds to the relevant person.
- (4) A principal shareholder of the Company (If the principal shareholder is a legal entity, an executing person of such legal entity)
- (5) A close relative listed in items (1) to (4) (A second-degree or closer relative applies. The same applies hereinafter.) or a close relative of an executing person of the Company or a subsidiary of the Company (If an Outside Audit & Supervisory Board Member is appointed to as an Independent Director / Audit & Supervisory Board Member, a person who is or who was a non-executing director / accounting advisor is included in the executing person.)

(Notes)

- i) In the items (1), (2), (4) and (5) above, an “executing person” corresponds to any of the following.
  - An executive director, an executive officer (shikkouyaku) or a director / audit & supervisory board member who executes business of a legal entity, etc.
  - An employee who executes business, a person responsible of serving duties of an employee who executes business of a legal entity in the case that the legal entity is an employee who executes business, or other such equivalent person
  - A worker

Also, the wording “recently” shall be assumed to be the point of time when the content of the bill of the general meeting of shareholders electing the person as a director or an audit & supervisory board member is decided, and the wording “previously” shall be assumed to be within the last three years.

- ii) In the item (2) above, “major” shall be applied to the case in which the amount of the transaction between the Company and a business partner, exceeds 2% of either of their annual consolidated net sales.
- iii) In the item (3) above, “a significant amount” shall be applied to the case in which the person oneself who provides a service (individual) or the organization such as a corporation or association to which a service provider belongs, in providing a service to the Company, corresponds to any of the followings. “A person who belongs or belonged” includes not only a partner, but also an associate as it is so called.
  - A person oneself who provides a service: Receives compensation of more than or equal to 12 million yen per year from the Company.
  - An organization to which a service provider belongs: The amount of the transaction between the Company and the organization exceeds 2% of either of their annual consolidated net sales.“A person who belonged to an organization” shall be assumed to be identified based on whether the person belonged to the organization within the last three years.
- iv) In the item (4) above, “a principal shareholder” shall mean a shareholder holding 10% or more of the voting rights of the Company.
- v) In the item (5) above, “A person who was a non-executive director / accounting advisor” shall be assumed to be identified based on whether the person was in the position within the last three years.

## **Business Report for the 115th Fiscal Period**

(From April 1, 2021 to March 31, 2022)

### **1. Brief Business Review of the Panasonic Group**

#### **(1) Progress and Results during the Period**

During the year ended March 31, 2022 (fiscal 2022), the global economy saw progress in economic recovery with the backdrop of factors such as the ongoing COVID-19 vaccination roll-out. However, the economic outlook remained unclear due to the impact of new COVID-19 variants. In addition, price surges in raw materials and logistics costs as well as shortage of parts & components were constant negative factors for the economy throughout the year. Furthermore, in the second half of the fiscal year, such factors as accelerating inflation and increasing geopolitical risks led to concerns about economic downturn.

Under such management conditions, the Company continued to control fixed costs according to business conditions and to make efforts to capture new business opportunities reflecting changes in society brought about by COVID-19. Through all these efforts, the Company continued to enhance its management structure in the final year of the Mid-term

strategy that started in fiscal 2020. Additionally, in all of our businesses, the Company identified the areas in which the Company should be aggressive and thoroughly enhanced the competitiveness in these areas.

More specifically, with regard to the investment for growth, in the gemba (operational frontlines) process business, the Company completed its acquisition of the 80% of shares of the U.S. company Blue Yonder Holding, Inc. ("Blue Yonder"), which is one of the leading global providers of specialized supply chain<sup>(Note 1)</sup> software. As a result, the Company made Blue Yonder a wholly-owned subsidiary, together with the 20% of its shares acquired in July 2020. The Company aims to create new value by combining Blue Yonder's software platform, which offers state-of-the-art artificial intelligence (AI) and machine learning (ML) capabilities, with the Company's manufacturing expertise, which has been cultivated over many years, as well as its edge devices<sup>(Note 2)</sup>, IoT<sup>(Note 3)</sup> applications, and sensing technologies. This acquisition will accelerate the Company's and Blue Yonder's shared vision for an "Autonomous Supply Chain<sup>TM</sup>" and will provide solutions to customers' management issues. In addition, The Company aims to contribute to global environmental conservation and to a sustainable society through energy-use reduction and effective utilization of resources.

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

The Company's consolidated group sales for fiscal 2022 increased by 10% to ¥7,388.8 billion from a year ago. Domestic sales increased due to favorable sales of products for industrial use as well as information- and communication-use products. Overseas sales also increased due mainly to increased sales of automotive batteries and mounting machines with growing demand as well as the effect of new consolidation of Blue Yonder. Operating profit increased by 38% to ¥357.5 billion from a year ago. This is due mainly to increased sales, efforts in price revisions as well as a recognized gain from the reevaluation of the existing equity in Blue Yonder, despite the impact of raw material price

hikes and other factors. Profit before income taxes increased by 38% to ¥360.4 billion and Net profit attributable to Panasonic Corporation stockholders increased by 55% to ¥255.3 billion from a year ago.

(Note 1) Supply chain: A series of processes involved in delivering a product or goods to consumers, including procurement, manufacturing, inventory management, delivery, and sales

(Note 2) Edge device: Devices connected to the Internet

(Note 3) IoT: Internet of Things, which refers to the connection of many things, or devices, to the internet

#### **Segment Information**

With the reorganization of the group structure on October 1, 2021, the group structure has now been changed to five reportable segments of "Lifestyle", "Automotive", "Connect", "Industry" and "Energy". (\*)

Business divisions and main businesses by reportable segments are listed on the next page, with sales and operating profit for each segment presented on the pages that follow. Due to the organizational structure change, the segment information for fiscal 2021 has been reclassified to conform to the presentation for fiscal 2022.

(\*) "Lifestyle" is based on the previous segments of "Appliances" and "Life Solutions".

"Automotive" is comprised of Automotive Solutions from the previous "Automotive" segment.

"Connect" is transferred from the previous "Connected Solutions" segment.

"Industry" is comprised of the business divisions of Electromechanical Control, Industrial Device, Device Solutions, and Electronic Materials from the previous "Industrial Solutions" segment.

"Energy" is comprised of Automotive Batteries from the previous "Automotive" segment and the business divisions of Energy Solutions and Energy Device from the previous "Industrial Solutions" segment.

Business Divisions and Main Businesses by Reportable Segments

(As of March 31, 2022)

Reportable segments	Business Division	Main products and services
<b>Lifestyle</b>	Living Appliances and Solutions Company: Kitchen Appliances BD, Laundry Systems and Vacuum Cleaner BD, Beauty and Personal Care BD Heating & Ventilation A/C Company: Heating and Cooling Solutions BD, Panasonic Ecology Systems Co., Ltd. Cold Chain Solutions Company: Hussmann Corporation, Cold Chain BD Electric Works Company: Lighting BD, Energy Systems BD, Smart Energy System BD China & Northeast Asia Company: Smart Life Appliances BD, Building and Housing Solutions BD, Cold Chain (China) BD, Refrigeration and Air-Conditioning Devices BD, Taiwan BD Panasonic Cycle Technology Co., Ltd.	Refrigerators, microwave ovens, rice cookers, washing machines, vacuum cleaners, personal-care products, air-conditioners for residential, and commercial use, air to water heat pump system, ventilation, perflation and air-conditioning equipment, air purifiers, air purifier/sterilizers, freezing or refrigerating showcases, lighting fixtures, lamps, wiring devices, solar photovoltaic systems, fuel cells, compressors, bicycles, nursing care services
<b>Automotive</b>	Automotive Cockpit Systems Business: Infotainment Systems BD Automotive Electronics Systems Business: HMI Systems BD, Automotive Systems BD, Ficosa International, S.A.	Automotive-use infotainment systems, head-up displays, automotive speakers, automotive switches, advanced driver assistance systems (ADAS) and related devices, systems and devices for xEVs, Interior rearview mirrors
<b>Connect</b>	Panasonic Avionics Corporation, Process Automation BD, Media Entertainment BD, Mobile Solutions BD, Panasonic System Solutions Japan Co., Ltd., Blue Yonder Holding, Inc.	Aircraft in-flight entertainment systems and communications services, electronic-components-mounting machines, welding equipment, projectors, professional AV systems, PCs and tablets, solutions for various industries, installation/operation/maintenance services, supply chain management software
<b>Industry</b>	Control Devices and FA Solutions Business: Electromechanical Control BD, Industrial Device BD Electronic Devices and Electronic Materials Business: Device Solutions BD, Electronic Materials BD	Relays, switches, power supplies, touch panels, motors, sensors, laser markers, capacitors, inductors, resistors, circuit board materials, semiconductor device materials, molding compounds, LCD panels
<b>Energy</b>	In-vehicle Business: Mobility Energy BD Industry and Consumer Business: Energy Device BD, Energy Solutions BD	Cylindrical lithium-ion batteries for in-vehicle use, dry batteries, primary/secondary lithium batteries, nickel-metal hydride batteries, lithium-ion batteries, storage battery modules/systems
<b>Other (businesses not included in reportable segments)</b>	Entertainment & Communication BD, Housing Systems BD	TV, digital camera, video equipment, audio equipment, telephone, intercom, kitchen & bath, interior furnishing materials, exterior furnishing materials

### **Lifestyle**

Sales increased by 3% to ¥3,647.6 billion from a year ago.

In the current fiscal year, sales of the air-conditioning business such as room air-conditioners decreased in Japan. However, due to strong sales of personal-care appliances, washing machines and refrigerators in China and heat pump-type hot water heaters in Europe, and the favorable exchange rates, overall sales increased.

Looking at the main Business Divisions (BDs), in the Heating and Cooling Solutions BD, demand for room air-conditioners in Japan decreased. However, sales of heat pump-type hot water heaters in Europe and room air-conditioners in Asia remained strong, resulting in an increase in sales.

In the Energy Systems BD, sales of electrical equipment materials, mainly overseas, were strong, resulting in an increase in sales.

In the Kitchen Appliances BD, sales of refrigerators and cooking appliances in Japan decreased, but sales of refrigerators in China and microwave ovens in Northeast Asia were strong, resulting in an increase in sales.

In the Lighting BD, sales mainly for lighting parts in Japan increased, but overall sales decreased due to such reasons as the drop in sales of lighting equipment in China.

Operating profit for this segment recorded ¥113.6 billion. Although there was an increase in sales in China and Europe, impact from decrease in sales of domestic home appliances, soaring raw material prices, and an increase in transportation costs, resulted in a decrease in profit of ¥53.3 billion from a year ago.

### **Automotive**

Sales increased by 5% to ¥1,067.1 billion from a year ago.

Automobile production has decreased this fiscal year compared to the forecast at the beginning of the current fiscal year due to the resurgence of COVID-19 mainly in Southeast Asia, and the tight global situation of semiconductors and components, which all have had an impact on sales in this segment. However, in the first half of the year there was a recovery from the significant decrease in automobile production in the previous fiscal year, and due to the effects of foreign exchange, sales increased in both the Automotive Cockpit Systems Business and the Automotive Electronics Systems Business.

Operating profit for this segment recorded ¥1.3 billion. There were soaring prices due to the tight supply, etc. for semiconductors and other materials, and an increase in transportation costs as well. Furthermore, there also was an increase in fixed costs due to a rebound in corporate activities and other factors in the current fiscal year compared to the first half of the previous fiscal year, in which corporate activities stagnated as a result of various factors including temporary factory shutdowns due to the spread of COVID-19. However, profit increased by ¥13.1 billion from a year ago due to cost-down effects and the fact that we recorded one-time expenses in the previous fiscal year for the Automotive Electronics Systems Business.

### **Connect**

Sales increased by 13% to ¥924.9 billion from a year ago.

In the current fiscal year, sales increased due to the mounting machines which were affected by boosted demand of personal computers and servers, and projectors, whose market was on a recovery trend, mainly in the United States and Europe.

Looking at the main BDs, in the Process Automation BD, demand for mounting machines increased due to strong capital investment related to servers and smartphones and strong investment related to electric vehicles, resulting in an increase in sales.

In the Mobile Solutions BD, demand for rugged PCs remained strong, especially in Europe, and demand for notebook PCs for domestic corporations also increased, but sales declined due to the problems we had in parts procurement due to the spread of COVID-19.

In the Media Entertainment BD, demand for remote cameras increased, and projectors in Europe and China remained strong, resulting in an increase in sales.

At Panasonic Avionics Corporation, there were effects from the delayed recovery in aviation demand and aircraft production, but with the recovery trend of the number of passenger flights, there was an increase in sales in the aircraft repair & maintenance service business, resulting in an overall increase in sales.

Operating profit for this segment recorded ¥51.7 billion. In addition to the increased sales profit of mounting machines and projectors, because the Company recognized the gain from the re-evaluation of the existing equity in the newly consolidated Blue Yonder, profits increased by ¥71.7 billion from a year ago.

### **Industry**

Sales increased by 15% to ¥1,131.4 billion from a year ago.

There were effects from the rising cost of raw material and scarcity of semiconductors in this fiscal year, but there was an increase in sales with industrial motors and relays, as well as information- and communication-infrastructure and in-vehicle capacitors, which resulted in an increase in sales.

Looking at the main businesses, in the Control Devices and FA Solutions Business, in addition to increasing sales of industrial motors and FA sensors due to growing demand for capital investment, such as the booming semiconductor manufacturing equipment market and automation of production equipment, sales increased due to strong sales of relays, power supplies, module units, etc., centered on in-vehicle use.

In the Electronic Devices and Electronic Materials Business, profits increased because of increased sales in information- and communication-infrastructure such as servers and data centers and in-vehicle capacitors as well as substrate materials for in-vehicle and industrial use.

The semiconductors, LCD panels, and other businesses recorded decreased sales, affected by the business transfer and business downsizing.

Operating profit for this segment recorded ¥83.2 billion. There were effects from the rising cost of raw material and scarcity of semiconductors in this fiscal year, but there was an increase in sales with information- and communication-infrastructure, in-vehicle capacitors, industrial motors, power supplies, and relays, etc. We also promoted rationalization of productivity improvement etc., which resulted in an increase of ¥42.5 billion from a year ago.

### **Energy**

Sales increased by 27% to ¥764.4 billion from a year ago.

We saw an increase in sales this fiscal year for in-vehicle batteries and power storage systems against the background of a strong global demand for electric vehicles and an expanding demand for IoT and social infrastructures.

Looking at the main businesses, in the In-vehicle Business, against the backdrop of tightening global environmental regulations, strong demand for electric vehicles drove sales of in-vehicle lithium-ion batteries. In addition, due to the recovery of demand from the effects of COVID-19 from the previous fiscal year, and start of operation of the new production line of our North American battery factory in August 2021, these resulted in a large increase in sales.

In our Industry and Consumer Business, in addition to sales of power storage systems for data center backup, sales of lithium-ion batteries for electric assisted bicycles and other power applications remained strong. We also saw growth in sales of dry batteries for priority markets such as South and Central America, etc., and lithium primary batteries for infrastructure and medical use, which resulted in an increase in sales.

Operating profit for this segment recorded ¥64.2 billion. Although there were impacts such as increased fixed costs and soaring raw material prices due to the increase in production, this was covered by increased sales of in-vehicle batteries and power storage systems and efforts to rationalize materials, resulting in an increase of ¥30.7 billion from a year ago.

## Segment Information

Segment	Sales (billion yen)	Year-on-year comparison (%)	Operating profit (billion yen)	Profit ratio (%)	Year-on-year comparison (%)
Lifestyle	3,647.6	103	113.6	3.1	68
Automotive	1,067.1	105	1.3	0.1	–
Connect	924.9	113	51.7	5.6	–
Industry	1,131.4	115	83.2	7.4	205
Energy	764.4	127	64.2	8.4	192
Reporting segment total	7,535.4	108	314.0	4.2	150
Other	1,048.8	107	17.7	1.7	198
Eliminations and Adjustments	(1,195.4)	–	25.8	–	–
Consolidated Total	7,388.8	110	357.5	4.8	138

- (Notes)
1. Amounts less than ¥100 million have been rounded to the nearest ¥100 million, and profit ratios have been rounded to one decimal place. Year-on-year comparison figures have been rounded to the nearest whole number.
  2. For year-on-year comparison of sales and operating profit, segment information for fiscal 2021 has been reclassified to conform to the structure of fiscal 2022.
  3. Sales of segments include intersegment sales.
  4. "Other" includes entertainment & communication, housing, sales of raw materials, etc. As for the "Other" business, housing remained strong and sales and profits increased from a year ago.
  5. The figures in "Eliminations and Adjustments" include income and expenses which are not attributable to any segments, for the purpose of evaluating operating results of each segment, consolidation adjustments, and eliminations of intersegment transactions.
  6. The sales of fiscal 2022 consist of sales in Japan that increased by 2% from fiscal 2021 to ¥3,189.5 billion, and sales outside Japan that increased by 17% from fiscal 2021 to ¥4,199.3 billion.



## (2) Research and Development

The Panasonic Group concentrated on development of new technologies and new products to underpin its future based on the growth strategies. In addition, we also actively engaged in technical development aimed at the sustainable advancement of individual lives and society, and at mental and physical well-being. R&D expenditures totaled ¥419.8 billion in fiscal 2022. Key development initiatives and achievements were as follows:

- (1) Development of the “H2 KIBOU” 5 kW hydrogen fuel cell generator, which achieves the industry’s highest generating efficiency of 56%<sup>(Note 1)</sup>

We have developed the compact “H2 KIBOU” hydrogen fuel cell generator with an output of 5 kW and a generating efficiency of 56%—the highest level in the industry. It generates electricity directly from hydrogen and emits no CO<sub>2</sub>. This product is based on previously developed Panasonic technologies and knowledge, including the stack (key fuel cell device) and other components that are shared with ENE-FARM. We also developed and installed technology for controlling multiple connected generators, making it possible to scale-out<sup>(Note 2)</sup> output to meet power demand, and allowing installation on rooftops and in other small spaces. At the Kusatsu site, we are also engaged in a demonstration of the RE100 Solution, which uses private power generation combining hydrogen fuel cell generators and photovoltaic modules to supply 100% renewable energy for the power that is consumed in the site’s business activities.

In the future, we will contribute to the creation of a zero-carbon society by proposing new options aimed at expanding the full-scale use of hydrogen as a source of renewable energy.

- (2) Development of the “4680” new high-capacity lithium-ion battery for automotive use

Making use of the battery technologies and manufacturing expertise that we have developed over many years, Panasonic has accelerated its technical development utilizing informatics<sup>(Note 3)</sup> in electrodes, electrolytes, and production processes, and has successfully developed the “4680” lithium-ion battery cell for automotive use. This cell features an energy capacity that is five times that of the previous “2170” cell. This will allow us to further improve our strengths in the areas of high quality and advanced safety. We will install production facilities at our Wakayama Factory, aiming for far-reaching improvements in productivity that will achieve industry-leading cost performance.

Panasonic currently produces approximately 50 GWh per year of cylindrical cells for automotive use, equivalent to an annual reduction in CO<sub>2</sub> emissions of 8 million tons. Working on the worldwide movement on greenhouse gas reduction, the Panasonic Group will continue to help global warming prevention by developing lithium-ion batteries, a key device of electric vehicles.

- (3) Development of the nanoe™ X, generating 100 times more OH radicals than the conventional nanoe™

We have made further advancements to our original nanoe™ device, which now features a “round-leader discharge” system that discharges electricity in a circular pattern that greatly increases the area for generating OH radicals. This system was newly developed by collaboration between Panasonic and academia. We have developed the nanoe™ X device, which generates 100 times more OH radicals than the conventional nanoe™. It delivers a significant increase in the speed of controlling allergens such as pollen, dead mites, and mite droppings, as well as deodorizing.

Recently, people have become more conscious of the indoor air environment as they cope with lifestyle changes and spending more time indoors, with an increasing number of people staying home and telecommuting. Under these circumstances, Panasonic has continued to make advances to its original air purification technologies including nanoe™ X and the Ziaino sodium hypochlorite air purifier/sterilizer in order to provide clean and comfortable spaces in a wide range of situations for everyday living and society.

- (4) Development of the MEGTRON 8 multi-layer circuit board material featuring low transmission loss for high-speed communication networking equipment

Panasonic has developed the MEGTRON 8 multi-layer circuit board material that achieves the industry’s lowest level of transmission loss (approximately 30% improvement compared to conventional materials). This product is based on our proprietary resin design and material compounding technologies that deliver the reduced transmission loss and reliability needed by multi-layer circuit board materials, and also integrate ultra-low dielectric dissipation factor glass cloth and low-profile copper foil<sup>(Note 4)</sup>. These materials contribute to improving the capacity and speed of data communications, and the lower transmission loss also reduces power consumption.

With rapidly growing needs for higher speeds and frequencies in 5G and other communication networks, Panasonic will continue accelerating the advancement of electronic circuit boards, components, and other material and device technologies.

- (Notes) 1. As of October 2021, investigation by Panasonic Corporation  
2. Scale-out: Improving overall system performance through the use of parallel and dispersed processing  
3. Informatics: A method of information analysis utilizing computational science and statistics  
4. Low-profile copper foil: Copper foil with extremely low surface roughness that can reduce transmission loss

### (3) Capital Investment

The Panasonic Group made capital investment totaling ¥237.1 billion in fiscal 2022. This investment was focused on key business areas and is aimed at achieving future growth.

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

### (4) Corporate Financing

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

During fiscal 2022, Panasonic mainly issued commercial paper (CP) to secure working capital and others. In September 2021, we completed acquisition of an additional 80% of the shares of Blue Yonder, making it a wholly owned subsidiary. For the funds required for acquisition of these shares (USD 7.09 billion), we utilized on-hand cash and savings (approximately USD 3.5 billion) and procured the remaining amount by means of bridge loans. Subsequently in October 2021, Panasonic issued ¥400.0 billion in hybrid bonds (subordinated bonds)<sup>(Note 1)</sup>, and utilized the funds from this issue to complete repayment of the bridge loans. The Company redeemed the 15th series of yen-denominated unsecured straight bonds totaling ¥200.0 billion in September 2021 (issued in September 2016), and the 13th series of yen-denominated unsecured straight bonds totaling ¥80.0 billion in March 2022, (issued in March 2015) as they fell due.

As a result, the balance of yen-denominated unsecured straight bonds was ¥600.0 billion, the balance of yen-denominated hybrid bonds (subordinated bonds) was ¥400.0 billion, and the balance of unsecured USD-denominated straight bonds was USD 2.5 billion as of March 31, 2022.

As maturity was reached for the commitment line agreements (total ¥700.0 billion)<sup>(Note 2)</sup> which Panasonic entered into with several banks in June 2018 to prepare for financing risk in the precarious financial and economic environment, we renewed the agreements in June 2021 and concluded three-year commitment line agreements. The upper limit for unsecured borrowing based on the agreements is a total of ¥600.0 billion, but there is no borrowing under this agreement. Separate from these agreements, on March 31, 2022, Panasonic borrowed ¥300.0 billion from Sumitomo Mitsui Banking Corporation when carrying out an absorption-type company split as part of the transition to a holdings corporation which took place on April 1, 2022. This borrowing was divided and succeeded to as debt obligations by each company, and repayment of the full amount was completed on April 1, 2022.

- (Notes) 1. Hybrid bonds (subordinated bonds): bonds with characteristics midway between equity and debt, and with characteristics similar to equity that include optional deferral of interest payments, a particularly long repayment period, and subordination in liquidation proceedings and bankruptcy proceedings
2. Commitment line agreements: contracts made with financial institutions to secure financing subject to pre-agreed limits on the time period and commitment line

### (5) Initiatives for Sustainability Management

The Panasonic Group has positioned "contributing to the progress and development of society and the well-being of people worldwide through its business activities" at the core of our Basic Business Philosophy and believes that the implementation of this Philosophy constitutes the true nature of sustainability management.

During the fiscal year ended March 2022 (fiscal 2022), the Sustainability Management Committee chaired by the Group CEO was launched in December for the purpose of establishing materiality for achieving a sustainable society and applying them to corporate management, and of promoting dialogue with society. It is working to address key issues including solutions to global environmental problems, and respect for human rights. In January, we held the Sustainability Briefing for institutional investors and others, with the Group CEO communicating the Panasonic approach to sustainability management and initiatives for this purpose. Following is an overview of our environmental, social, and governance (ESG) activities.

#### <Environmental Activities>

At COP26, which was held in the British city of Glasgow in November 2021, the world agreed on efforts to limit global warming to 1.5°C. Climate change and other global environmental problems are urgent issues facing the entire world. As they should be given top priority in all Group businesses, in January 2022 we issued the "Panasonic GREEN IMPACT" long-term environmental vision for the Group. Working to solve global environmental problems, Panasonic has committed to "reducing the CO<sub>2</sub> emissions of all operating companies to net zero by 2030" and "contributing to reduce society's CO<sub>2</sub> emissions by the size that exceed the one of our own value chain by 2050."

For "reducing the CO<sub>2</sub> emissions of all operating companies to net zero," we are formulating a road map aimed at achieving this goal, and will adopt combinations of measures such as extensive energy conservation including improved production efficiency, together with expanded use and procurement of renewable energy, tailored to the conditions at each business site. In March 2022, we succeeded in creating a zero-CO<sub>2</sub> factory in Thailand. It is the ninth such factory in the Panasonic Group, and the first in the Asia and Oceania region.

For CO<sub>2</sub> emissions throughout our own value chain, because emissions resulting from use of our products occupy a large percentage of total emissions, our products must conserve energy in order to reduce emissions. As one example, in this fiscal year we developed a “New ENECHARGE System” that also utilizes the waste heat from the outdoor unit of a room air-conditioner for cooling, reducing energy consumption by approximately 10% during stable cooling compared to previous systems. The products where this system is installed received the Minister of Economy, Trade and Industry Award, which is the top award at the Energy Conservation Grand Prize. We are also working for utilization of hydrogen, which is receiving attention as a new carbon-free energy source, in order to contribute to reducing CO<sub>2</sub> emissions at customer companies. In October 2021, we released the “H2 KIBOU” pure hydrogen fuel cell generator that generates electricity directly from hydrogen for commercial applications. We also announced the RE100 Solution, which supplies 100% renewable energy for the power consumed in production activities, and began a demonstration at the Kusatsu site during fiscal 2023. Through the supply of automotive batteries, we are also contributing to the electrification of mobility as an important means of achieving zero-carbon. We are proceeding with development of the new model “4680” high-capacity automotive battery aimed at further increasing this contribution.

We believe that initiatives related to resources are also important for achieving zero-carbon. In our existing recycling-oriented manufacturing, we have achieved plastic recycling on the level of 25,000 tons by constructing a plastics recycling scheme and advancing our technologies for optimal use of resources in manufacturing. As a result, we verified a reduction in CO<sub>2</sub> emissions of at least 90,000 tons, and received the Minister of Economy, Trade and Industry Award at the Awards for Resources Recirculation Technologies and Systems sponsored by the Ministry of Economy, Trade and Industry. By accelerating these initiatives, we will realize our goal of “contributing to reduce society’s CO<sub>2</sub> emissions by the size that exceed the one of our own value chain by 2050.”

#### <Social Activities>

Regarding respect for human rights, we support the fundamental principles of the Universal Declaration of Human Rights, the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, and the OECD Guidelines for Multinational Enterprises. In order to apply a globally recognized approach to human rights in our corporate management, we are working to conduct in-house human rights education, and to identify and address human rights risks. These efforts are based in part on the Guiding Principles on Business and Human Rights that were adopted by the UN Human Rights Council. We are actively working to create safe, comfortable, and rewarding workplaces where a diverse range of human resources can make maximum use of their abilities. In October 2021, we formulated the Panasonic Group DEI Policy, which adds an “Equity” perspective to “Diversity & Inclusion.”

In procurement activities, we not only to seek excellent technologies and quality, but also require commitments from our suppliers in areas including human rights, occupational health and safety, environment, and compliance, and we endeavor to purchase from suppliers who incorporate sustainability.

With respect to raising quality levels and ensuring product safety, we also engage in ongoing efforts to improve quality, which has involved establishing its Group-wide Quality Policy and publishing its Quality Management System (P-QMS) Guidelines containing the requirements of the ISO 9001 standard with our own quality assurance methods and experiences.

Panasonic Group also aims to resolve social issues through its corporate citizenship activities in conjunction with our business activities, and is working towards the creation of a sustainable, inclusive society where everyone can live a vibrant life more freely. In fiscal 2022, we provided learning support programs aimed at developing children’s career design abilities. As a global initiative to develop the next generations, these included programs for video production by children and teaching materials featuring the Olympics and Paralympics. In Japan, in addition to providing sustainable seafood in the corporate cafeteria, we have started a new program for regularly and continually providing and consuming meals that make use of fish and other produce from Fukushima Prefecture, aiming to support the recovery in Fukushima.

#### <Governance Activities>

To promote fair operating practices by observing laws and regulations and business ethics in all countries and regions, we established internal rules to prevent bribery, corruption, and other illegal acts, and a whistle-blower system aiming for early detection and solution of misconducts. We globally provide compliance training every year to enlighten employees, and in fiscal 2022 we conducted e-learning on the subjects of economic sanctions law and data privacy.

For the Panasonic Group’s governance activities, please refer to “6. Systems and Policies of the Company, (1) Corporate Governance of the Company” (pages 47 to 48).

## (6) Challenges for the Panasonic Group

The global economy during fiscal 2023 is expected to see harsh conditions with continuing high raw materials and logistics prices, shortages of components and materials, and global inflation. Uncertainty resulting from COVID-19 and geopolitical risks continue to be high, and the economic environment remains difficult to predict. In Japan, the impact on economy resulting from the declining value of the yen is also a cause for concern.

Under these conditions, on April 1, 2022, Panasonic transitioned to a new Group structure and launched a new medium- to long-term strategy. The new medium- to long-term strategy aims to achieve the Panasonic mission of achieving an ideal society with affluence both in matter and mind, resolving global environmental issues and contributing to support the health and well-being of people around the world, both in mind and body, in their “lifestyle” and “workstyle.”

### <Outline of Medium- to Long-term Strategy>

#### (1) Panasonic GREEN IMPACT

The Group aims to create an impact that reduces CO<sub>2</sub> emissions by more than 300 million tons, equivalent to approximately 1% of the current global emissions, by 2050<sup>(Note)</sup>.

#### (2) Medium-term Management Indicators: KGI (Key Goal Indicator)

The Group sets the following indicators and aims to improve cash generation capability by thorough enhancement of business competitiveness.

- Cumulative operating cash flows: ¥2.0 trillion (fiscal 2023-2025)
- ROE: 10% or more (fiscal 2025)
- Cumulative operating profit: ¥1.5 trillion (fiscal 2023-2025)

#### (3) Investment policy under new medium- to long-term strategy

- Each operating company will make investments with the cash generated through its own business, and aims for further growth in each business area toward its long-term goals.
- While maintaining financial discipline, we will make Groupwide strategic investments with the cash generated through enhancing competitiveness, as well as the investments made by each operating company. A total of ¥600 billion in three years will be invested to achieve our future goals: ¥400 billion in “growth areas” and ¥200 billion in “technology pillars.”

Growth areas: Automotive battery area, supply chain software area, air quality and air-conditioning area

Technology pillars: Groupwide technology pillars including hydrogen energy and CPS (Cyber Physical Systems)

#### (4) Global strategy

Globally, we will carry out a strategy addressing local customers and tailored to regional characteristics, reinforce our operational capabilities in each region, and expand Panasonic GREEN IMPACT through our business operations.

#### (5) Groupwide key measures toward enhancing competitiveness at each operating company

We will carry out “management that maximizes the potential of each employee,” which involves attentively listening to employees who are willing to take up challenges and creating a working environment that maximizes the potential of unique characteristics. We will also strengthen operational capabilities for the overall supply chain through the Panasonic Transformation (PX), and through “Gemba (operational frontlines) Innovation” based on the kaizen mindset and digital technologies.

(Note) Data from IEA: Global energy related CO<sub>2</sub> emissions in 2019 were 33.6 billion tons.  
300 million tons: calculated by emission factor as of 2020

### <Strategic direction of initiatives in each reportable segment>

#### Lifestyle

Despite the continuing effects of the re-spread of COVID-19, semiconductor shortages resulting from growing global demand, raw material price hikes, and other issues, lifestyles are diversifying during the prolonged COVID-19 and there are signs of changes in thinking regarding the environment and energy conservation. For reasons such as these, we expect continued rising expectations for enrichment of home life from the customer perspective in a wide range of areas related to lifestyles.

Under these conditions, the Living Appliances and Solutions Company—centering on home appliances—aims to expand profits by creating products and improving logistics based on UX<sup>(Note)</sup> to create connections with customers and with individual lifestyles in various areas. The Heating & Ventilation A/C Company—combining the air conditioning and indoor air quality businesses—will work to improve customer value with an advanced coordinated system of air quality and air-conditioning products making use of nano<sup>e</sup>™, Ziaino, and other air purification technologies. The Electric Works Company—centering on the electrical equipment field—will work to enhance its sales and production structure and expand the product lineup particularly in the key regions of India, Turkey, and Vietnam. The goal is to expand business through such efforts as capturing potential project demand and new business. In the Cold Chain Solutions Company—centering on refrigerated and freezer showcases and kitchen appliances—we will aim to improve profitability and expand business by creating value that meets customer needs related to reduced environmental impact and labor shortages. To create a sustainable society, we will work to reduce CO<sub>2</sub> emissions and expand our business areas that can contribute to reducing CO<sub>2</sub> emissions in society as a whole, and achieve sustainability management.

(Note) UX (User Experience): Experiences obtained by consumers through the use of products and services

## Automotive

In the automotive industry, as a result of accelerating technological innovations such as CASE<sup>(Note)</sup> and an accelerating penetration of EVs, combined with changes in user lifestyles and mobility resulting from COVID-19, we are continuing to see growing needs for safer, more dependable, and more comfortable mobility spaces.

In this segment, based on the slogan, "Heartmotive: Connecting our hearts to the Journey", we will utilize the Panasonic technologies and expertise that we have developed to contribute to the advancement of mobility society and automobiles, and meet diversifying individual needs. In terms of automobile advancements, we will contribute through "integrated cockpit solutions" that deliver value through advanced cockpits that effectively provide information to the users for safe and comfortable driving, and through "EV solutions" that promote the penetration of EVs with electronics technologies and devices. In terms of meeting diversifying needs, we will propose and create new products for automobile interior spaces leveraging Panasonic's strengths, and provide value that is tailored to individual lifestyles. We will also create new services aimed at innovations for the mobility society.

Environmental contributions are at the heart of all Panasonic business activities, and we will work towards achieving net zero CO<sub>2</sub> emissions at Panasonic during fiscal 2023, including the procurement of renewable energy. We will contribute to the global environment through programs including reductions in company CO<sub>2</sub> emissions and providing solutions that help reduce CO<sub>2</sub> emissions at our customers.

(Note) CASE: Connected (Connected to a telecommunications network to enjoy services, such as infotainment including driving support information), Autonomous (Autonomous driving), Shared & Services (Services for car-sharing), and Electric (Electrification)

## Connect

As the labor force declines, customers' personal preferences diversify further, and adaptation to 'New Normal' advances, such markets as manufacturing, logistics, and distribution are expected to continue growing. In particular, demand for solutions to issues in the supply chain has been growing worldwide.

In this segment, we will bring innovations to the gemba of B2B customers facing complex and continually changing issues, and will contribute to their customer business improvements. In the supply chain area centered on logistics and distribution, the Company will help customers expand sales and reduce costs and CO<sub>2</sub> emissions by modeling and implementing solutions that provide high added value to customers, such as solutions to streamline warehousing, transport and delivery operations, as well as optimize inventories. In September 2021, the Company made Blue Yonder a wholly-owned subsidiary. The Blue Yonder software platform, with state-of-the-art artificial intelligence (AI) and machine learning (ML) capabilities, will accelerate the "Autonomous Supply Chain™." Through gemba innovations, not only we are working to contribute to our customers' productivity, but we are also aiming to resolve societal problems such as losses resulting from waste and energy consumption, toward achieving a sustainable future with our customers.

## Industry

Amid the declining labor force, advancement of IoT society and mobility, and global warming, growth in demand can be expected in the key business areas of this segment. These include labor saving at factories, information- and communication-infrastructure, and automotive CASE, reflecting rising needs for stability, safety, automation, networking, and carbon neutrality.

In the area of labor saving at factories, we will leverage Panasonic's unique product competitiveness and proposal capabilities to contribute to improving productivity and resolving labor shortages at our customers. We offer device and package products that can easily be installed on a wide range of production equipment. In the area of information and communication infrastructure, we will provide low-loss and long-term-guaranteed devices and systems for 5G base stations and data centers, where high speed to support expanding data traffic and stability as an essential part of the social infrastructure are required. In the area of automotive CASE, we will deliver compact, high efficiency, and high reliability devices that can contribute to improving mobility safety and environmental performance. Concentrating business resources in these high-growth areas, we will work to improve our competitiveness by strengthening our custom development and our material/process technologies, and maximize our contributions to customers.

## Energy

As various countries have strengthened environmental regulations in recent years to address increasingly severe global environmental issues, there are accelerating efforts for carbon neutrality, including electrification of automobiles and the use of renewable energy.

In this segment, we will aim for sustainable growth in both the in-vehicle and industrial/consumer areas. We will address environmental issues directly, and utilize our strengths in the energy field, developed over the years engaged in the battery business, such as our technological expertise and high quality and maximize the value we produce such as reliability, safety, and low environmental impact. In the automotive area, we will contribute to reducing CO<sub>2</sub> emissions and environmental impact through electrification of mobility. For this purpose, we will both work to further improve productivity for our current battery cells and proceed with development and commercialization of the new "4680 cell." In the industrial/consumer area, we will provide batteries and applied systems, including dry batteries and data center backup power storage systems, to contribute to of a secure and safe society. When carrying out these businesses, we will focus on establishing and improving business systems based on ESG. Through these efforts, we will help create a sustainable society where affluent lifestyles and the environment are balanced and maintained in harmony.

<Foundations toward sustainable growth>

Environment

Through the Panasonic Environment Vision 2050 that was formulated in 2017, Panasonic has taken steps to reduce the energy that we use, while generating and utilizing clean energy in excess of the amounts consumed. In April 2022 as we transitioned to “Panasonic GREEN IMPACT,” we changed our long-term environmental vision from a focus on comparisons of the amounts of energy used and generated by our company to a focus on Panasonic Group contributions to the issue of reducing CO<sub>2</sub> emissions throughout society as a whole.

For this reason, in order to more clearly identify the global environmental issues which the Panasonic Group should address and the value of our contributions toward resolving them, we also changed the index which we use to measure the positive impact on CO<sub>2</sub> reductions in society. By reducing Group CO<sub>2</sub> emissions and expanding our impact in various areas that contribute to reducing CO<sub>2</sub> emissions in lifestyles and businesses, we are aiming to achieve carbon neutrality together with society.

Specifically, we are working to reduce emissions in the Group’s own value chain, and expand our impact by contributing to reducing emission in society through our existing businesses, as well as through new businesses and technologies. Through these efforts, we aim to create an impact that reduces CO<sub>2</sub> emissions by more than 300 million tons, equivalent to approximately 1% of the current global emissions, by 2050, in order to contribute to resolving the issue of climate change.

#### Human Resources Strategy

The Panasonic Group believes that developing and utilizing the valuable human resources which are entrusted to us by society is at the core of our business. Based on this, we have created a vision, “The Best Place to Work where diverse talents work at their best.” We will carry out a human resources strategy that develops people, organizations, and culture needed to achieve an ideal society with affluence both in matter and mind. Specifically, we have positioned human resources development and the promotion of Diversity, Equity & Inclusion (DEI) as one of our key management policies. For the promotion of DEI, we are carrying out a new program based on the three perspectives of “commitment by top management,” “creating inclusive workplace environments,” and “providing support for each individual.”

#### Corporate Governance

The Panasonic Group’s governance activities are described in this report under “6. Systems and Policies of the Company, (1) Corporate Governance of the Company” (pages 47 to 48).

## (7) Financial Summary

### 1) Consolidated business results and financial condition

Fiscal period	FY2019	FY2020	FY2021	FY2022 (current fiscal year under review)
Net sales (billions of yen)	8,002.7	7,490.6	6,698.8	7,388.8
Operating profit (billions of yen)	411.5	293.8	258.6	357.5
Profit before income taxes (billions of yen)	416.5	291.1	260.8	360.4
Net profit attributable to Panasonic Corporation stockholders (billions of yen)	284.1	225.7	165.1	255.3
Basic earnings per share attributable to Panasonic Corporation stockholders (yen)	121.83	96.76	70.75	109.41
Total assets (billions of yen)	6,013.9	6,218.5	6,847.1	8,023.6
Panasonic Corporation stockholders' equity (billions of yen)	1,913.5	1,998.3	2,594.0	3,165.0
Panasonic Corporation stockholders' equity per share (yen)	820.41	856.57	1,111.73	1,356.08

(Note) Amounts less than ¥100 million are rounded to the nearest ¥100 million.

- In fiscal 2019, domestic sales were at the same level as the previous year because increases in sales of the automotive-related business, Panasonic Homes Co., Ltd., etc., were offset by a sales decrease for consumer products in Appliances. Overseas sales increased due to the strong performance of the automotive-related business, Commercial Refrigeration & Food Equipment in North America and others. Regarding earnings, operating profit, profit before income taxes and net profit attributable to Panasonic Corporation stockholders all increased due mainly to gains from disposal of assets and a one-off gain resulting from the revision in pension system.
- In fiscal 2020, sales decreased due to the impact of the COVID-19 pandemic, as well as portfolio reform and sluggish investment demand in China. Operating profit, profit before income taxes, and net profit attributable to Panasonic Corporation stockholders all decreased due largely to the impact of decreased sales and recognition of restructuring expenses, despite fixed-costs reduction, rationalization and gains from business transfers.
- In fiscal 2021, sales decreased due to the impact of the COVID-19 pandemic, as well as the impact of deconsolidation in housing related businesses. Operating profit, profit before income taxes, and net profit attributable to Panasonic Corporation stockholders all decreased due to the impact of the decreased sales and a gain from business transfer in the previous year, despite the enhancement of management structure and increased profits from businesses capturing opportunities reflecting changes in society.
- Details of operations for fiscal 2022 are described in the preceding pages under "(1) Progress and Results during the Period".

## 2) Business results and financial condition on a parent-alone basis

Fiscal period	FY2019	FY2020	FY2021	FY2022
Net sales (billions of yen)	4,255.2	4,058.8	3,812.6	2,756.0
Ordinary income (billions of yen)	165.2	137.3	137.1	126.9
Net income (loss) (billions of yen)	139.1	155.5	78.8	86.6
Net income (loss) per share (yen)	59.64	66.67	33.77	37.10
Total assets (billions of yen)	4,438.4	4,432.7	4,482.2	5,327.5
Net assets (billions of yen)	1,439.1	1,518.0	1,545.2	1,585.4
Net assets per share (yen)	616.38	650.16	661.79	678.94

- (Notes)
1. Amounts less than ¥100 million are rounded to the nearest ¥100 million.
  2. From fiscal 2022 (the current fiscal year under review), Panasonic has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, issued March 30, 2018, revised March 31, 2020) and the "Implementation Guidance on Accounting Standard for Revenue Recognition" (ASBJ Guidance No. 30, issued March 30, 2018, revised March 26, 2021). The cumulative effect of this change in accounting policy is reflected in the carrying amount of net assets at the beginning of fiscal 2022 (the current fiscal year under review).

- In fiscal 2019, Panasonic recorded an increase in sales due to higher sales particularly in the automotive-related business, continuing from the previous year. Regarding earnings, ordinary income and net income decreased mainly due to transfer pricing adjustments and a decrease in dividend income.
- In fiscal 2020, Panasonic recorded a decrease in sales, which was attributable mainly to a decrease in sales of electronic components for China and consumer electronics products, including air-conditioners. Regarding earnings, ordinary income decreased because of a decline in earnings resulting from a decrease in sales. However, net income increased due to the booking of gain on sales of shares in subsidiaries and affiliates and others as extraordinary income.
- In fiscal 2021, Panasonic recorded a decrease in sales, which was mainly attributable to a decrease in sales from Avionics caused by the impact of the COVID-19. Regarding earnings, ordinary income decreased because of a decline in earnings resulting from a decrease in sales. Net income for the current fiscal year also declined as gain on sales of shares in subsidiaries and affiliates and others were recognized in extraordinary income in the previous fiscal year.
- Sales declined in fiscal 2022 (the current fiscal year under review) due to the effects of adopting the "Accounting Standard for Revenue Recognition." Regarding earnings, despite an increase in earnings due to a recovery from the effects of COVID-19 in the previous year, ordinary income declined owing to a decrease in dividend income. On the other hand, net income increased due to business restructuring expenses and other expenses that were recorded as extraordinary losses in the previous year.



## (8) Major Business Sites of the Panasonic Group

## 1) Major business sites of the Company

(as of March 31, 2022)

Name	Location in Japan
<b>Corporate head office</b>	Kadoma-shi, Osaka
<b>Corporate branch office</b>	
Government and External Relations Division	Minato-ku, Tokyo
<b>Research and development division</b>	
Technology Division	Kadoma-shi, Osaka
<b>Production divisions</b>	
Lifestyle Division	Minato-ku, Tokyo
Automotive Company	Yokohama-shi, Kanagawa
Entertainment & Communication Business Division	Moriguchi-shi, Osaka
Housing Systems Business Division	Kadoma-shi, Osaka
Connected Solutions Company	Chuo-ku, Tokyo
Industry Company	Kadoma-shi, Osaka
Energy Company	Moriguchi-shi, Osaka
Operational Excellence Company	Kadoma-shi, Osaka

- (Notes) 1. Locations listed above are those of the main sites.  
2. The sales divisions are included within the production divisions.

## 2) Principal domestic subsidiaries

(as of March 31, 2022)

Name	Common stock (millions of yen)	Ratio of voting right (%)	Principal businesses	Location in Japan
Panasonic Ecology Systems Co., Ltd.	12,092	100.0	Manufacture and sale of ventilation, perflation, air-conditioning equipment and air purifiers, etc.	Kasugai-shi, Aichi
KMEW Co., Ltd.	8,000	50.0	Manufacture and sale of exterior building and housing related products	Osaka-shi, Osaka
SANYO Electric Co., Ltd.	400	100.0*	Manufacture and sale of rechargeable batteries, etc.	Kadoma-shi, Osaka
Panasonic System Solutions Japan Co., Ltd.	350	100.0	Manufacture and sale of surveillance cameras, settlement and construction verification terminals, IP-related equipment, etc.	Fukuoka-shi, Fukuoka
Panasonic Smart Factory Solutions Co., Ltd.	310	100.0*	Manufacture and sale of production equipment for electric/electronic machinery and industrial robots	Kadoma-shi, Osaka
Panasonic Consumer Marketing Co., Ltd.	100	100.0*	Sale of various electric and electronic products	Osaka-shi, Osaka

(Note) Percentages with an asterisk (\*) include indirect ownership.

## 3) Principal overseas subsidiaries

(as of March 31, 2022)

Name	Common stock (all currency in millions)	Ratio of voting right (%)	Principal businesses	Location in overseas
Panasonic Corporation of North America	US\$ 537.2	100.0*	Manufacture and sale of various electric and electronic products	U.S.
Blue Yonder Holding, Inc.	US\$ 136.9	100.0*	Software development, sales and related services	U.S.
Panasonic Avionics Corporation	US\$ 22.0	100.0*	Manufacture, sale and service of aircraft in-flight entertainment and communications systems	U.S.
Husmann Corporation	US\$-	100.0*	Manufacture, sale and service of commercial-use refrigerated and freezer showcases	U.S.
Panasonic do Brasil Limitada	BRL\$ 1,323.9	100.0	Manufacture and sale of various electric and electronic products	Brazil
Panasonic Holding (Netherlands) B.V.	US\$ 0.2	100.0	Management of investment and financing at overseas subsidiaries	Netherlands
Ficosa International S.A.	EUR 31.7	69.0*	Manufacture and sale of automotive components such as electric mirrors	Spain
Panasonic AVC Networks Czech s.r.o.	CZK 2,414.0	100.0*	Manufacture and sale of various electric and electronic products	Czech Republic
Panasonic Asia Pacific Pte. Ltd.	US\$ 1,478.2	100.0*	Manufacture and sale of various electric and electronic products	Singapore
Panasonic India Pvt. Ltd.	INR 18,304.9	100.0*	Manufacture and sale of various electric and electronic products	India
Panasonic Taiwan Co., Ltd.	NT\$ 3,422.2	69.8	Manufacture and sale of various electric and electronic products	Taiwan
Panasonic Corporation of China	RMB 12,838.3	100.0	Sale of various electric and electronic products	China
Panasonic Appliances Air-Conditioning (Guangzhou) Co., Ltd.	RMB 282.2	67.8*	Manufacture and sale of air conditioner-related products	China
Panasonic Automotive Systems Dalian Co., Ltd.	RMB 94.0	60.0*	Manufacture and sale of in-car electronic equipment	China

(Notes) 1. Percentages with an asterisk (\*) include indirect ownership.  
2. Common stock of Husmann Corporation is zero.

(9) Employees

(as of March 31, 2022)

Segment	Number of employees
Lifestyle	96,083
Automotive	29,419
Connect	28,985
Industry	40,903
Energy	16,987
Reporting segment total	212,377
Other	25,518
Corporate	2,303
Total	240,198

- (Notes)
1. The number of employees refers solely to full-time employees of the Company on a consolidated basis.
  2. The number of employees has decreased by 3,342 from the end of the preceding fiscal period.
  3. Of the total above, the number of employees at the parent company was as follows:

Number of employees	Average age	Average length of service (years)
55,088	45.7	22.5

(10) Transfer of Businesses, etc.

The primary transactions with respect to the Panasonic Group during fiscal 2022 were as follows:

- On September 16, 2021 (U.S. time), the Company acquired an additional 80% of shares of Blue Yonder Holding, Inc. ("Blue Yonder"). In combination with the 20% of Blue Yonder shares acquired in July 2020, the Company acquired all the shares of Blue Yonder and made it as a wholly-owned subsidiary.
- On April 1, 2022, through an absorption type company split, the businesses of the Company were succeeded to the Company's nine consolidated succeeding companies (Panasonic Split Preparation Co., Ltd. (name changed to Panasonic Corporation on the same date), Panasonic Automotive Systems Co., Ltd., Panasonic Entertainment & Communication Co., Ltd., Panasonic Housing Solutions Co., Ltd., Panasonic System Solutions Japan Co., Ltd., Panasonic Industry Co., Ltd., Panasonic Energy Co., Ltd., Panasonic Operational Excellence Co., Ltd., and Panasonic Sports Co., Ltd.). On the same date, the corporate name of the Company was changed to "Panasonic Holdings Corporation" and it became a holding company.  
Regarding Panasonic System Solutions Japan Co., Ltd., an absorption-type merger was conducted on April 1, 2022, with this company being the surviving company and the Company's subsidiaries of Panasonic Smart Factory Solutions Co., Ltd and Panasonic Mobile Communications Co., Ltd. being the absorbed companies. The name was changed to Panasonic Connect Co., Ltd.

## 2. Stock Information (as of March 31, 2022)

(1) Number of Shares Authorized to Be Issued:	4,950,000,000
(2) Number of Shares Issued:	2,453,866,297
(3) Number of Shareholders:	491,723
(4) Major Shareholders (Top 10):	

Name	Share ownership (in thousands of shares)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (trust account)	370,263	15.86
Custody Bank of Japan, Ltd. (trust account)	179,699	7.69
STATE STREET BANK WEST CLIENT - TREATY 505234	60,175	2.57
NIPPON LIFE INSURANCE COMPANY	48,339	2.07
MOXLEY AND CO LLC	42,863	1.83
SUMITOMO LIFE INSURANCE COMPANY	37,465	1.60
Panasonic Corporation Employee Shareholding Association	35,994	1.54
Matsushita Real Estate Co., Ltd.	29,121	1.24
JP MORGAN CHASE BANK 385781	28,511	1.22
SSBTC CLIENT OMNIBUS ACCOUNT	25,798	1.10

- (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 (119,969,766) 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.

### (5) Status of shares delivered as compensation for the execution of duties by Directors of the Company

	Class and number of shares	Number of persons granted
Directors (excluding Outside Directors)	Common stock 137,500	6

- (Note) These shares are granted in accordance with the Company's Stock Compensation plan. Details of the plan are provided in "4. (3) Remuneration for Directors and Audit & Supervisory Board Members" on pages 41 to 43 under Business Report.

### 3. Status of Stock Acquisition Rights, etc. (Items Disclosed on the Internet)

#### (1) Summary of stock acquisition rights issued by the Company

Name	Stock acquisition rights allotment date	Number of stock acquisition rights	Class and number of shares to be acquired upon exercise of stock acquisition rights	Amount to be paid (per stock acquisition right)	Exercise price (per share)	Period during which stock acquisition rights may be exercised
Stock acquisition rights issued in August of fiscal year 2015	August 22, 2014	2,088	Common stock 208,800 shares	¥105,400	¥1	From August 23, 2014 to August 22, 2044
Stock acquisition rights issued in August of fiscal year 2016	August 20, 2015	1,729	Common stock 172,900 shares	¥112,400	¥1	From August 21, 2015 to August 20, 2045
Stock acquisition rights issued in August of fiscal year 2017	August 23, 2016	5,800	Common stock 580,000 shares	¥71,300	¥1	From August 24, 2016 to August 23, 2046
Stock acquisition rights issued in August of fiscal year 2018	August 23, 2017	3,561	Common stock 356,100 shares	¥112,800	¥1	From August 24, 2017 to August 23, 2047
Stock acquisition rights issued in July of fiscal year 2019	July 18, 2018	3,473	Common stock 347,300 shares	¥106,400	¥1	From July 19, 2018 to July 18, 2048
Stock acquisition rights issued in July of fiscal year 2021	July 13, 2020	58	Common stock 5,800 shares	¥63,300	¥1	From July 14, 2020 to July 13, 2050

#### (2) Status of stock acquisition rights delivered as compensation for the execution of duties by Directors as of March 31, 2022

Name	Number of stock acquisition rights	Class and number of shares to be acquired upon exercise of stock acquisition rights	Directors (excluding Outside Directors)	
			Number of holders	Number of stock acquisition rights held
Stock acquisition rights issued in August of fiscal year 2015	305	Common stock 30,500 shares	4 Directors	305
Stock acquisition rights issued in August of fiscal year 2016	293	Common stock 29,300 shares	4 Directors	293
Stock acquisition rights issued in August of fiscal year 2017	601	Common stock 60,100 shares	2 Directors	601
Stock acquisition rights issued in August of fiscal year 2018	547	Common stock 54,700 shares	4 Directors	547
Stock acquisition rights issued in July of fiscal year 2019	593	Common stock 59,300 shares	4 Directors	593

- (Notes) 1. No allotment was made to Outside Directors and Audit & Supervisory Board Members for this issuance of stock acquisition rights.  
2. The above numbers include stock acquisition rights granted prior to appointment as Director.

## 4. Panasonic Directors and Audit & Supervisory Board Members, etc.

### (1) Directors and Audit & Supervisory Board Members, etc.

(as of March 31, 2022)

Title	Name	Major responsibility
Chairman of the Board	Kazuhiro Tsuga	Group Chief Executive Officer (Group CEO), Group Chief Strategy Officer (Group CSO)
Representative Director, President and Chief Executive Officer	Yuki Kusumi	
Representative Director, Executive Vice President	Mototsugu Sato	
Representative Director, Senior Managing Executive Officer	Yasuyuki Higuchi	
Representative Director, Executive Vice President	Tetsuro Homma	
Directors	Yoshinobu Tsutsui Hiroko Ota Kazuhiko Toyama Kunio Noji Michitaka Sawada Shinobu Matsui	Group Chief Financial Officer (Group CFO); In charge of Groupwide Cost Busters Project and Facility Management; CEO, Panasonic Holding (Netherlands) B.V.; President, Panasonic Equity Management Japan G.K.; In charge of Prime Life Technologies Corporation
Director, Senior Managing Executive Officer	Hirokazu Umeda	
Director, Managing Executive Officer	Laurence W. Bates	
Senior Audit & Supervisory Board Members	Toshihide Tominaga Eiji Fujii	
Audit & Supervisory Board Members	Yoshio Sato Toshio Kinoshita Setsuko Yufu	

- (Notes)
- Yoshinobu Tsutsui, Hiroko Ota, Kazuhiko Toyama, Kunio Noji, Michitaka Sawada, and Shinobu Matsui are Outside Directors as stipulated in Article 2, Item 15 of the Companies Act. The Company sent notification of the statuses of these Directors as Independent Directors to the stock exchanges of Japan on which the Company's shares are G.K. listed.
  - Yoshio Sato, Toshio Kinoshita and Setsuko Yufu are Outside Audit & Supervisory Board Members as stipulated in Article 2, Item 16 of the Companies Act. The Company sent notification of the statuses of these Audit & Supervisory Board Members as Independent Audit & Supervisory Board Members to the stock exchanges of Japan on which the Company's shares are publicly listed.
  - Toshihide Tominaga, Senior Audit & Supervisory Board Member, comes from the Company's accounting division, and has a considerable knowledge of finance and accounting. Toshio Kinoshita, Audit & Supervisory Board Member, has a considerable knowledge of finance and accounting through his long-standing involvement as a certified public accountant in the corporate accounting of global corporations in Japan and overseas.
  - Changes in Directors and Audit & Supervisory Board Members during fiscal 2022 were as follows.
    - Appointments  
At the 114th Ordinary General Meeting of Shareholders held on June 24, 2021, Yuki Kusumi and Shinobu Matsui were newly elected as Directors, and each assumed office.
    - Retirement  
Yuko Kawamoto retired as Director on June 21, 2021. At the conclusion of the 114th Ordinary General Meeting of Shareholders held on June 24, 2021, Shusaku Nagae retired as Director upon the expiration of his term.
  - On June 29, 2017, Panasonic added the positions such as CEO and CFO listed under the "Major responsibility" column with respect to Directors and Executive Officers in this section of the report (3. Panasonic Directors and Audit & Supervisory Board Members, etc.), in order to more clearly indicate basic functions and roles that are essential with respect to executing business of the Company.

6. Important concurrently held positions of Directors and Audit & Supervisory Board Members are as follows:

Title	Name	Name of corporation or organization	Details
Director	Kazuhiro Tsuga	Ippan Shadan Hojin Nippon Keizai Dantai Rengokai Keidanren (Japan Business Federation)	Vice Chairman
		The Tokyo Organising Committee of the Olympic and Paralympic Games	Vice Chairman

Details of important concurrently held positions by Outside Directors and Outside Audit & Supervisory Board Members can be found in (3) Outside Directors and Audit & Supervisory Board Members.

7. Directors, Audit & Supervisory Board Members, and Executive Officers as of April 1, 2022 are as follows:

(1) Directors and Audit & Supervisory Board Members

(Listed in order of positions and alphabetical order of names.)

Title	Name	Major responsibility
Chairman of the Board	Kazuhiro Tsuga	
Representative Director, President and Chief Executive Officer	Yuki Kusumi	Group Chief Executive Officer (Group CEO), Group Chief Strategy Officer (Group CSO)
Representative Director	Yasuyuki Higuchi	Representative Director, President and Chief Executive Officer (CEO) of Panasonic Connect Co., Ltd.
Representative Director, Executive Vice Presidents	Tetsuro Homma	Group Regional Head for China & Northeast Asia President, Panasonic Operational Excellence China and Northeast Asia, Panasonic Operational Excellence Co., Ltd; Chairperson, Panasonic Corporation of China
	Mototsugu Sato	Group Chief Risk Management Officer (Group CRO); In charge of Procurement and Logistics; Occupational Safety and Health Director Representative Director, President and Chief Executive Officer (CEO) of Panasonic Operational Excellence Co., Ltd.; In charge of DEI Promotion
Directors	Shinobu Matsui	
	Kunio Noji	
	Hiroko Ota	
	Michitaka Sawada	
	Kazuhiko Toyama	
	Yoshinobu Tsutsui	
	Laurence W. Bates	
Director, Executive Vice President	Hirokazu Umeda	Group Chief Financial Officer (Group CFO); In charge of Group MUDA Busters Activity and Facility Management; CEO, Panasonic Holding (Netherlands) B.V.; President, Panasonic Equity Management Japan G.K.; In charge of Prime Life Technologies Corporation
Senior Audit & Supervisory Board Members	Toshihide Tominaga	
	Eiji Fujii	
Audit & Supervisory Board Members	Toshio Kinoshita	
	Yoshio Sato	
	Setsuko Yufu	

(2) Executive Officers who are not concurrently serving as Directors

Title	Name	Major responsibility
Executive Vice President	Yoshiyuki Miyabe	Representative in Tokyo, In charge of Government and External Relations, In charge of Solution Partners
Executive Officers	Yoko Matsuoka	Director, Lifestyle Solutions Division
	Shigeki Mishima	Group Chief Human Resources Officer (Group CHRO); In charge of General Affairs and Social Relations, CSR and Corporate Citizenship Activities; In charge of DEI Promotion; In charge of Construction Safety and Regulations Administration
	Yoshihiro Morii	Director, Executive Officer, and Chief Human Resources Officer (CHRO), Panasonic Operational Excellence Co., Ltd.; In charge of General Affairs, CSR and Corporate Citizenship Activities
	Masashi Nagayasu	In charge of Brand and Communications Strategy Executive Officer, Panasonic Operational Excellence Co., Ltd.; In charge of Brand and Communications
	Tatsuo Ogawa	In charge of Prime Planet Energy & Solutions, Inc. Representative Director, President and Chief Executive Officer (CEO), Panasonic Automotive Systems Co., Ltd.; In charge of DEI Promotion
	Ayako Shotoku	Group Chief Technology Officer (Group CTO), In charge of Pharmaceutical Affairs and Corporate Innovation and Venture Strategy
	Hajime Tamaoki	Group General Counsel (Group GC)
Shigeo Usui	Group Chief Information Officer (Group CIO); President, Panasonic Information Systems Co., Ltd. In charge of Design Executive Officer, Panasonic Corporation; In charge of Customer Experience; Director, Design Division	



(2) Matters related to the directors' and officers' liability insurance policy

The Company has entered into a directors' and officers' liability insurance policy with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act. This policy covers directors, auditors, and executive officers of the Company and its subsidiary Panasonic Information Systems Co., Ltd. The full amount of the insurance premiums are borne by the Company and its subsidiary.

This insurance policy covers compensation for damages, legal fees, and related expenses that would be borne by the insured parties in the event that a claim for damages is made against the insured parties arising from acts conducted in relation to their official duties.

However, measures are taken to prevent adverse effects on the correct execution of duties by excluding coverage for damages arising from acts which were committed by the insured parties with the knowledge that the acts were illegal.

### (3) Remuneration for Directors and Audit & Supervisory Board Members

#### 1. Remuneration Policy, etc.

Remuneration for Directors and Audit & Supervisory Board Members of Panasonic is determined within the framework of the maximum total amounts of remuneration for Directors and Audit & Supervisory Board Members which has been determined respectively by resolution of a general meeting of shareholders.

The remuneration system comprises the "basic remuneration," which is a fixed remuneration, "performance based remuneration," which is a short-term incentive, and "restricted stock compensation," which is a long-term incentive. The ratios between the basic remuneration, the performance based remuneration (when standard values were achieved), and the restricted stock compensation are set at 1:0.75:0.25.

The Company determines the amounts of the basic remuneration based on the official roles, also taking into account the management environment and the remuneration trends of other companies.

The objective of the performance based remuneration is to provide incentive to boost business performance, and it shall be determined based on the evaluation of performance for a single fiscal year of Panasonic as a whole and specific businesses of which a Director is in charge. The performance based remuneration is designed so that the amount of remuneration increases in line with performance and range between a minimum of 0% and a maximum of 150% of the basic remuneration (75% when the standard value is achieved). The performance is measured using a combination of key management indicators which the Company should continue to attach importance to, such as adjusted operating profit<sup>(Note)</sup>, net profit attributable to Panasonic Corporation stockholders and operating cash flows. Specifically, the performance of Directors is evaluated based on the comparison between the results of each of such indicators in the previous fiscal year and numerical targets of the fiscal year in which they are evaluated. Numerical targets and results of key indicators are as follows:

Key indicators associated with performance based remuneration (previous fiscal year, consolidated basis)	(Unit: Billions of yen)	
	Target for fiscal 2021 (figure announced by the Company)	Results for fiscal 2021
Adjusted operating profit <sup>(Note)</sup>	220.0	307.2
Net profit attributable to Panasonic Corporation stockholders	100.0	165.1

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

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

The transfer restriction period for the restricted stock compensation is three years from the allocation. All the allocated shares, the transfer restrictions will be lifted at the end of the transfer restriction period based on the condition that the recipients continue to be either a Panasonic Director, Executive Officer not concurrently serving as a Panasonic Director, a Fellow, an employee, or a person who is at the position predetermined by the Panasonic Board of Directors during the transfer restriction period. In cases where applicable Directors retire due to expiration of their term, other appropriate reason or decease, transfer restriction will be lifted on all or part of the shares allocated in accordance with the allocation agreement. The Company will acquire without consideration any allocated shares for which the transfer restriction is not lifted. During the current fiscal year, Panasonic allocated a total of 137,500 shares to its six Directors excluding Outside Directors, on July 14, 2021, at 1239.5 yen per share, the closing price of Panasonic common stock on the First Section of the Tokyo Stock Exchange on June 23, 2021 (the business day prior to the resolution of the Board of Directors on the issuance of new shares as restricted stock compensation). The transfer restriction period for the shares allocated is from July 14, 2021 to July 14, 2024.

Basic remuneration and performance based remuneration are paid as monetary remuneration each month. Restricted stock compensation is allocated within a certain period time after the Ordinary General Meeting of Shareholders each year. The Company pays only basic remuneration to Outside Directors and Audit & Supervisory Members in the form of monthly monetary remuneration.

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

As to the amounts of basic remuneration and performance based remuneration to be paid and the number of shares to be allocated to each recipient, the Nomination and Compensation Advisory Committee examines whether these amounts and number are appropriate in light of the policy for determining the remuneration, and reports the results to the Board of Directors. The Board of Directors has left the decision-making on the remuneration solely to Representative Director and President of the Company who objectively comprehends and supervises overall business execution of the Panasonic Group. As Representative Director and President of the Company makes decisions as to basic remuneration, performance based remuneration, and restricted stock compensation to each

recipient in accordance with the results of deliberation at the Nomination and Remuneration Advisory Committee, the Board of Directors believes his decision is in line with the policy for determining remuneration. Five members of the Nomination and Remuneration Advisory Committee, Outside Director Hiroko Ota (Chair), Outside Director Kazuhiko Toyama, Outside Director Yoshinobu Tsutsui, Director and Chairman of the Board (position at that time) Shusaku Nagae, and Representative Director and President (position at that time) Kazuhiro Tsuga, held a meeting to discuss the remuneration for the current fiscal year. As a result, Representative Director and President Yuki Kusumi (took office on June 24, 2021) determined the details of the remuneration based on the results of the discussion.

Based on the intended approach to a new medium- and long-term strategy for the Panasonic Group following the transition to an operating company system, the contents of the “performance based remuneration” system will be revised beginning from remuneration that is based on the fiscal 2023 results. In addition to financial indexes focused on matters such as operating cash flows, evaluation items will be added for non-financial items such as environmental contributions and other matters related to sustainability, and a new section will be established to apply not only the results from the individual fiscal year, but also the medium-term results.

## 2. Amounts of Remuneration for Directors and Audit & Supervisory Board Members

Title	Number of persons	Amount (millions of yen)	Breakdown of amount (millions of yen)		
			Basic remuneration	Performance based remuneration	Restricted stock compensation
Directors (of which, Outside Directors)	15 (7)	1,238 (110)	681 (110)	404 (-)	153 (-)
Audit & Supervisory Board Members (of which, Outside Audit & Supervisory Board Members)	5 (3)	119 (39)	119 (39)	-	-
<b>Total</b>	<b>20</b>	<b>1,357</b>	<b>800</b>	<b>404</b>	<b>153</b>

- (Notes)
1. One Director who retired on June 21, 2021 and one Director who retired at the conclusion of the 114th Ordinary General Meeting of Shareholders held on June 24, 2021 are included in the above figures for Number of persons and Amounts.
  2. The remuneration limit for Directors has been determined to be an annual amount of ¥1,500 million by resolution of a general meeting of shareholders. (Resolution was passed at the 100th Ordinary General Meeting of Shareholders held on June 27, 2007. The number of Directors subject to the resolution as of the resolution date was 19.)
  3. The remuneration limit for Outside Directors has been determined to be an annual amount of ¥150 million within the framework mentioned in 2. above by resolution of a general meeting of shareholders. (Resolution was passed at the 114th Ordinary General Meeting of Shareholders held on June 24, 2021. The number of Directors subject to the resolution as of the resolution date was six.)
  4. The remuneration limit related to the allotment of restricted stock compensation to Directors (excluding Outside Directors) has been determined to be an annual amount of ¥500 million by resolution of a general meeting of shareholders. (Resolution was passed at the 112th Ordinary General Meeting of Shareholders held on June 27, 2019. The number of Directors subject to the resolution, as of the resolution date, on the restricted stock compensation, which was to be allocated separately from the remuneration stated in 2. above, was seven.)
  5. The remuneration limit for Audit & Supervisory Board Members has been determined to be an annual amount of ¥140 million by resolution of a general meeting of shareholders. (Resolution was passed at the 100th Ordinary General Meeting of Shareholders held on June 27, 2007. The number of Audit & Supervisory Board Members subject to the resolution as of the resolution date was five.)
  6. Of the above amounts, restricted stock compensation is classified as non-monetary compensation.
  7. Amounts less than one million yen have been rounded to the nearest million yen.

## (4) Outside Directors and Audit &amp; Supervisory Board Members

## 1. Other important concurrently held positions

(as of March 31, 2022)

Title	Name	Name of corporation or organization	Details
Outside Directors	Yoshinobu Tsutsui	NIPPON LIFE INSURANCE COMPANY	Chairman
		Imperial Hotel, Ltd.	Outside Director
		Sumitomo Mitsui Financial Group, Inc.	Outside Director
	Hiroko Ota	West Japan Railway Company	Outside Director
		NATIONAL GRADUATE INSTITUTE FOR POLICY STUDIES	Senior Professor
		ENEOS Holdings, Inc.	Outside Director
Kazuhiko Toyama	Japan Platform of Industrial Transformation, Inc.	Outside Director	
	Industrial Growth Platform, Inc.	Chairman of IGPI Group Representative Director, President	
Kunio Noji	Japan Platform of Industrial Transformation, Inc.		
	Komatsu Ltd.	Senior Adviser	
Michitaka Sawada	KOMATSU MATERE Co., Ltd.	Outside Director	
	Kao Corporation	Chairman of the Board	
Shinobu Matsui	Nitto Denko Corporation	Outside Director	
	Uzabase, Inc.	Director	
Outside Audit & Supervisory Board Members	Yoshio Sato	UniFa Inc.	Outside Director
		SUMITOMO LIFE INSURANCE COMPANY	Senior Adviser
		YOMIURI TELECASTING CORPORATION	Outside Director
		Rengo Co., Ltd.	Outside Director
	Toshio Kinoshita	SAKATA INX CORPORATION	Outside Audit & Supervisory Board Member
		Global Professional Partners Corporation	Representative Director, President
ADK Holdings Inc.		Outside Director	
Setsuko Yufu	TACHI-S CO., LTD.	Outside Director	
	Denka Company Limited	Outside Director	
	Cool Japan Fund Inc.	Outside Audit & Supervisory Board Member	
	Atsumi & Sakai	Senior Partner	

- (Notes) 1. NIPPON LIFE INSURANCE COMPANY and SUMITOMO LIFE INSURANCE COMPANY are major shareholders (top 10) of Panasonic, but both have shareholding ratios of less than 3%.
2. There are no transactions exceeding 1% of consolidated net sales of either party between the Company and the other organizations where concurrent positions are held by Outside Directors and Outside Audit & Supervisory Board Members.
3. There are no noteworthy relationships between the Company and corporations and organizations except the relationships mentioned in 1., 2. above.

## 2. Major activities during fiscal 2022

Title	Name	Number of attendance	Major activities and overview of duties in roles that are expected to be fulfilled by Outside Directors
Outside Directors	Yoshinobu Tsutsui	Board of Directors' meeting: 13/13 (100%)	He has extensive management experience and deep insight as a corporate manager in the life insurance business. The Company expected him to supervise and advise on business execution from his professional viewpoint and he actively made remarks at the Board of Directors' meetings, thus having fulfilled his duties appropriately. In addition, he was a member of the Nomination and Compensation Advisory Committee.
	Hiroko Ota	Board of Directors' meeting: 12/13 (92%)	She has extensive experience and deep insight in economics and finance. The Company expected her to supervise and advise on its business execution from her professional viewpoint, and she actively made remarks at the Board of Directors' meetings, thus having fulfilled her duties appropriately. In addition, she was a chairperson of the Nomination and Compensation Advisory Committee.
	Kazuhiko Toyama	Board of Directors' meeting: 12/13 (92%)	He has extensive experience and deep insight as a management consultant. The Company expected him to supervise and advise on its business execution from his professional viewpoint, and he actively made remarks at the Board of Directors' meetings, thus having fulfilled his duties appropriately. In addition, he was a member of the Nomination and Compensation Advisory Committee.
	Kunio Noji	Board of Directors' meeting: 13/13 (100%)	He has extensive knowledge and deep insight as a corporate manager of a diversified machinery manufacturer. The Company expected him to supervise and advise on its business execution from his professional viewpoint, and he actively made remarks at the Board of Directors' meetings, thus having fulfilled his duties appropriately.
	Michitaka Sawada	Board of Directors' meeting: 13/13 (100%)	He has extensive knowledge and deep insight as a corporate manager of a diversified chemicals manufacturer. The Company expected him to supervise and advise on its business execution from his professional viewpoint, and he actively made remarks at the Board of Directors' meetings, thus having fulfilled his duties appropriately.
	Shinobu Matsui	Board of Directors' meeting: 10/10 (100%)	She has an extensive career and deep insight in accounting and management, and actively made remarks at the Board of Directors' meetings, thus having fulfilled her duties appropriately.
Outside Audit & Supervisory Board Members	Yoshio Sato	Board of Directors' meeting: 13/13 (100%) Audit & Supervisory Committee meeting: 13/13 (100%)	He has extensive knowledge and deep insight as a corporate manager in life insurance business and outside directors, based on which he actively made remarks at the Board of Directors' meetings and Audit & Supervisory Committee meetings, thus having fulfilled his duties appropriately.
	Toshio Kinoshita	Board of Directors' meeting: 13/13 (100%) Audit & Supervisory Committee meeting: 13/13 (100%)	He has extensive knowledge and deep insight as a certified public accountant and outside officers, based on which he actively made remarks at the Board of Directors' meetings and Audit & Supervisory Committee meetings, thus having fulfilled his duties appropriately.
	Setsuko Yufu	Board of Directors' meeting: 13/13 (100%) Audit & Supervisory Committee meeting: 13/13 (100%)	She has extensive knowledge and deep insight as a lawyer, based on which she actively made remarks at the Board of Directors' meetings and Audit & Supervisory Committee meetings, thus having fulfilled her duties appropriately.

(Note) For Director Matsui the numbers of attendance represent those after she assumed the post of Director on June 24, 2021.

## 3. Summary of contracts for limitation of liability

The Company has entered into contracts for limitation of liability with all Outside Directors and Outside Audit & Supervisory Board Members, respectively, which limit the amount of each Outside Director's and Outside Audit & Supervisory Board Member's respective liability, as defined under Article 423, Paragraph 1 of the Companies Act to the minimum amount stipulated in Article 425, Paragraph 1 of the Companies Act, presuming they perform their respective duties in good faith and without gross negligence.

## 5. Accounting Auditors

(1) Name of Accounting Auditors  
KPMG AZSA LLC

(2) Remuneration, etc. Paid to Accounting Auditors for Fiscal 2022

Classification	Details	Amount (millions of yen)
(1)	Amount of remuneration, etc.	837
(2)	Total amount of cash and other property benefits to be paid by the Company and its subsidiaries	1,189

(Notes) 1. The audit contract between the Company and its accounting auditors does not distinguish between remuneration for audits based on the Companies Act and remuneration for audits based on the Financial Instruments and Exchange Act. For this reason, the amount of (1) in the above table is presented in the aggregate amounts.  
2. The Company and some of its consolidated subsidiaries paid compensation to accounting auditors for services including the creation of comfort letters as part of bond issue as work that is not covered by Article 2, Paragraph 1 of the Certified Public Accountants Act of Japan.  
3. The financial statements and supplementary data of some of consolidated subsidiaries and others are audited by accounting auditors other than KPMG AZSA LLC.

(3) Grounds for Approval of Accounting Auditors' Remuneration, etc. by Audit & Supervisory Board

The Company's Audit & Supervisory Board reviewed matters including the content of the accounting auditors' audit plan, progress made in performing audits, and the basis on which remuneration estimates are calculated. After deliberating on these matters, the Audit & Supervisory Board granted the consent required pursuant to Article 399, Paragraph 1 of the Companies Act for the compensation, etc. paid to the accounting auditors.

(4) Policy regarding Decision to Dismiss or not Reappoint Accounting Auditor

In the event that dismissal of the accounting auditor is valid pursuant to any of the provisions of Article 340, Paragraph 1 of the Companies Act, the Audit & Supervisory Board may dismiss the accounting auditor with the approval of all Audit & Supervisory Board Members.

In addition, in the event that appropriate audit by the accounting auditor is not expected for any reason, the Audit & Supervisory Board shall determine the content of a proposal calling for dismissal or non-reappointment of the accounting auditor, for submission to a general meeting of shareholders.

## 6. Systems and Policies of the Company

### (1) Corporate Governance of the Company

#### 1) Basic policy

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

The Company recognizes that corporate governance is the important basic structure for the aforementioned purpose, and endeavors to establish and strengthen the effective corporate governance structure based on the Audit & Supervisory Board System composed of the Board of Directors and Audit & Supervisory Board Member / Audit & Supervisory Board.

#### 2) Corporate governance structure

In order to ensure swift and strategic decision-making, along with sound and appropriate monitoring at the same time, the Board of Directors of the Company, concentrates on decisions about the corporate strategies and the supervision of the Divisional Companies, etc. Taking into consideration the diverse scope of its business operations, the Company has opted to maintain a system where Executive Officers, who are most familiar with the specifics of the operations, take an active part in the Board of Directors.

On the basis of this approach, in fiscal 2022, the Company has acted to strengthen its corporate governance structure by utilizing mechanisms that include the optional committees and the evaluation of the Board of Directors effectiveness, under the Board of Directors and the Audit & Supervisory Board Member / Audit & Supervisory Board structure, detailed as follows.

##### i) Board of Directors

The term of each Director is limited to one (1) year and all Directors are reelected at an annual general meeting of shareholders. The structure of the Board of Directors makes it possible to appropriately apply decisions of shareholders to management. The Board of Directors, which is composed of thirteen (13) Directors including six (6) Outside Directors, of which two (2) are women (at least one-third of its Directors are Outside Directors), seeks to ensure the diversity of the knowledge, experience and qualifications of the Board of Directors as a whole. Chairman of the Board who is not involved in execution of business takes on the position of a chairman.

##### ii) Audit & Supervisory Board Members and Audit & Supervisory Board

The Audit & Supervisory Board is composed of five (5) Audit & Supervisory Board Members, of which three (3) are Outside Audit & Supervisory Board Members and one (1) is a woman. A majority of its members are Outside Audit & Supervisory Board Members, to ensure independence of the Audit & Supervisory Board. From the standpoint of executing duties assigned to Audit & Supervisory Board Members, it includes two (2) members who have appropriate knowledge in finance and accounting.

##### iii) Nomination and Compensation Advisory Committee

The Company established the Nomination and Compensation Advisory Committee in 2015. Upon receiving inquiries from the Board of Directors, the committee deliberates on the results of internal reviews regarding the nomination of candidates for Director, Executive Officer, and Audit & Supervisory Board Member, and also on the appropriateness of the remuneration system for Directors and Executive Officers.

As of March 31, 2022, the committee is composed of five (5) members, Outside Director Hiroko Ota (chairperson), Outside Director Kazuhiko Toyama, Outside Director Yoshinobu Tsutsui, Chairman of the Board Kazuhiro Tsuga, and Representative Director and President Yuki Kusumi. The Company has enhanced the objectivity and transparency of the committee, by ensuring that it is chaired by an Outside Director and that Outside Directors constitute a majority of its membership.

#### 3) Conduct and utilization of evaluation of the Board of Directors effectiveness

The Company, to enhance effectiveness of the Board of Directors, conducts a survey to all the Board members who attend the meeting annually, and reports the results and evaluations of the survey at the Board.

#### **Items and results of the survey in fiscal 2022**

##### i) Items of the survey

- 1) Information on and subjects of bills
- 2) Items requiring focused discussion by the Board of Directors
- 3) Strengthening governance of the Board of Directors
- 4) Director training and other matters

##### ii) Results of the survey

Upon analyzing the results of the survey, the Company’s findings with respect to the effectiveness of the Board of Directors are such that the current state of the Board is essentially appropriate in terms of its monitoring and decision-making function. On the other hand, issues were raised in relation to improving the discussion of bills, points for effective and efficient operation of bills, and the communication needed to achieve these objectives. The Company will carry out measures for continual improvements related to these issues.



\* For the independence standards for the Company's Outside Directors and Audit & Supervisory Board Members and the remuneration policy for Directors and Audit & Supervisory Board Members, please see "Overview of the Independence Standards for Outside Directors / Audit & Supervisory Board Members" in the convocation notice (p.18) and "Remuneration Policy" in the Business Report (p.41 to 42), respectively.

## (2) Systems for Ensuring the Properness of the Company's Operations

As a result of the transition to an operating companies system, in order to clearly identify the roles of the holding company and operating companies following the transition, the Company established a basic policy for the Group internal control systems effective starting from October 1, 2021 (including the period on and after April 1, 2022). This policy was established at a meeting of the Company Board of Directors on August 27, 2021.

- 1) System for ensuring the properness of operations across the Panasonic Group  
Based on our management philosophy, the Company shall thoroughly implement autonomous management through the establishment of basic policies and rules that apply throughout the Panasonic Group and through the appropriate transfer of authority to the Lifestyle Division and divisional companies (hereafter collectively referred to as "Divisional Companies etc." and including subsidiary companies controlled by these entities). Based on these policies and rules, the Divisional Companies etc. shall each prepare its own rules and other systems in order to ensure the properness of operations across the Panasonic Group.  
\* Starting from April 1, 2022, the terms "Lifestyle Division and divisional companies (hereafter collectively referred to as "Divisional Companies etc." and including subsidiary companies controlled by these entities)" shall be changed to "Operating Companies (including subsidiary companies controlled by these entities; the same applies below)." The term "Divisional Companies, etc." shall also be changed to "Operating Companies" (the same applies below).
- 2) System for ensuring compliance with applicable laws in the performance of Directors' and employees' duties in the Panasonic Group  
The Company and the Divisional Companies etc. shall ensure legal compliance in the performance of Panasonic Group Directors' and employees' duties by developing an effective corporate governance system that includes ensuring total compliance awareness throughout the Panasonic Group and a suitable monitoring system.
- 3) System for retention and management of information pertaining to the performance of Directors' duties  
The Company shall properly retain and manage information on the performance of Directors' duties in accordance with all applicable laws and regulations and the internal rules of the Company.
- 4) System for ensuring efficiency of the performance of Directors' duties  
In order to ensure efficiency in the performance of Directors' duties, the Company shall formulate management strategies from a Groupwide perspective, and shall thoroughly implement autonomous management within the Divisional Companies etc.
- 5) Rules and other measures for financial risk management  
The Company shall formulate rules related to risk management throughout the Panasonic Group. The Company and Divisional Companies etc. shall identify and assess risks affecting management of the business, and shall select material risks. The Company and Divisional Companies shall also take countermeasures against the selected material risks and monitor progress with the aim of seeking continual improvement.
- 6) Employees who assist Audit & Supervisory Board Members in auditing, and such employees' independence from Directors  
The Company shall establish a body independent from Directors, tasked with enhancing the effectiveness of audits by Audit & Supervisory Board Members and facilitating the smooth performance of audits.
- 7) Ensuring effectiveness of instructions given by Audit & Supervisory Board Members to employees who assist Audit & Supervisory Board Members  
Staff members assisting the Audit & Supervisory Board Members, while still subject to the internal rules of the Company, shall be under the instruction and supervision of the respective Audit & Supervisory Board Members, and personnel-related matters shall be undertaken upon prior discussion with Audit & Supervisory Board Members.
- 8) System for Directors, employees and other staffs of the Company and its subsidiaries to report to the Company's Audit & Supervisory Board Members  
The Company shall ensure opportunities and systems that enable Directors, employees and other staffs of the Panasonic Group companies to properly report to the respective Audit & Supervisory Board Members, and moreover shall ensure opportunities and systems that enable audit & supervisory officers, who are non-statutory senior auditors, of Divisional Companies etc., and Audit & Supervisory Board Members of subsidiaries, to report to the Company's Audit & Supervisory Board Members.  
\* Starting from April 1, 2022, the terms "audit & supervisory officers, who are non-statutory senior auditors, of Divisional Companies etc., and Audit & Supervisory Board Members of subsidiaries" shall be changed to "Audit & Supervisory Board Members of Operating Companies."
- 9) System for ensuring that parties who have reported to Audit & Supervisory Board Members do not incur unfavorable treatment as a consequence of such reporting  
In ensuring opportunities and systems for Panasonic Group employees and other staffs to report to Audit & Supervisory Board Members, the Company shall make sure that employees and other staffs who have duly reported do not incur unfavorable treatment as a consequence of such reporting.

- 10) Policy on management of expenses and debt incurred in execution of Audit & Supervisory Board Member duties  
The Company shall calculate budgets on an annual basis for expenses arising with respect to the execution of duties of Audit & Supervisory Board Members to ensure effectiveness of audits, and moreover shall provide pre-payment or reimbursement in accordance with laws and regulations with respect to expenses incurred beyond amounts budgeted.
- 11) Other systems for ensuring effective performance of audits by the Audit & Supervisory Board Members  
The Company shall have audit & supervisory officers assigned to Divisional Companies etc. to assist with audits by Audit & Supervisory Board Members. Moreover, the Company shall develop a system enabling effective performance of audits, including mutual cooperation with the accounting auditors and the internal auditing group, in accordance with the Audit Plan established by the Audit & Supervisory Board Members each year.  
\* From April 1, 2022, “the Company shall have audit & supervisory officers assigned to Divisional Companies etc. to assist with audits by Audit & Supervisory Board Members. Moreover,” shall be deleted. In addition, “mutual cooperation with the accounting auditors and the internal auditing group” shall be changed to “mutual cooperation with the Operating Company auditors, accounting auditors, and the internal auditing group.”

### **Status of Basic Policy Implementation in the Company**

- 1) System for ensuring legal compliance in the performance of Directors' duties
  - The Company has established internal rules such as the Panasonic Code of Conduct and the Code of Ethics for Directors and Executive Officers, and endeavors to ensure that its Directors act in accordance with laws, regulations and the Company's Articles of Incorporation. Additionally, when Directors assume their positions, the Company provides them with opportunities to acquire the knowledge necessary to fulfill their roles and obligations, and during their terms of office it continues to provide Directors with opportunities to acquire the knowledge they need, including presentations on management and compliance by external experts as required.
  - The Company strengthens its supervisory functions by ensuring that at least one-third of the Board of Directors' members are Outside Directors, and by providing opportunities for the Outside Directors to actively communicate through Board of Directors' meetings and other such occasions. Moreover, the Company has also established a Nomination and Compensation Advisory Committee which is chaired by an Outside Director, and a majority of its members are also Outside Directors, to ensure objectivity and transparency in the process of determining the nomination and remuneration of Directors.
  - The Company continues to aim for further enhancement in the effectiveness of the Board of Directors, and as part of its efforts, it conducts an annual questionnaire survey of members of the Board of Directors and Audit & Supervisory Board. The results and evaluations are reported at the Board of Directors meetings, and the Company reviews the opinions received and implements appropriate measures for improvement accordingly.
  - Audits are conducted by Audit & Supervisory Board Members and the Audit & Supervisory Board. In addition, at the Divisional Companies etc., management committees have been established and audit & supervisory officers have been appointed, which correspond in function to the Board of Directors and the Audit & Supervisory Board Members, respectively.
  - The Company aims to resolutely prevent any association with anti-social forces (such as organized criminal networks) through initiatives that include implementing training for members of the Board of Directors, partially revising the Regulations of Executive Officers, and obtaining written pledges with regard to combating organized crime within the Company.
- 2) System for retention and management of information pertaining to the performance of Directors' duties
  - The minutes of meetings of the Board of Directors are prepared after each meeting of the Board of Directors and retained permanently by the section responsible for administration relating to the Board of Directors. Records of approval by the President are also retained permanently by the responsible department.
- 3) Rules and other measures for financial risk management
  - Based on Basic Risk Management Regulations, the Company identifies material risks by collecting and assessing information on risks in an integrated and comprehensive fashion through the Global and Group (G&G) Risk Management Committee, and takes countermeasures proportionate to the materiality of each risk.
- 4) System for ensuring efficiency of the performance of Directors' duties
  - The Company expedites decision-making through Rules of Approval for Decision-making in Important Matters, clarification of the positions of Directors and Executive Officers, the delegation of authority to entities such as Divisional Companies and business divisions, the holding of “Group Strategy Meetings” and the implementation of an IT system that ensures the rapid and accurate collection and transmission of important management information.
  - The Company plans and implements measures to achieve the business goals it sets based on its business strategies by confirming and examining the status of progress towards the goals at the time of monthly settlement of accounts.
- 5) System for ensuring compliance with applicable laws in the performance of employees' duties
  - The Company has established internal rules such as the Panasonic Code of Conduct and implements compliance initiatives and various awareness-building activities such as trainings tailored to specific employee levels and e-learning, for its employees including Group companies.
  - The Company seeks to detect improper acts at an early stage through “operational audits”, “internal control audits”, and “compliance audits”, and by operating a global hotline that is available in multiple languages, in addition to other measures. In addition, the “Panasonic Code of Conduct” and the “Rules on the Prohibition of Retaliatory Behavior against Whistleblowers, and Others” stipulate that whistleblowers shall be protected from

- any retaliation as a consequence of having used the hotline or other means to report violations of laws or regulations, or concerns otherwise in that regard.
- The Company has been stepping up its efforts to implement fair business practices emphasizing compliance and taking measures to react to its changing business environments accordingly by establishing organizations that perform the functions of promoting compliance and conducting compliance audit, handling business legal affairs, risk management, and administration of corporate governance.
  - The Company aims to resolutely prevent any association with anti-social forces (such as organized criminal networks) by assigning an employee in the division overseeing such preventative measures specifically to the task of blocking any relations with such forces, and through initiatives that include partially revising the Employee Work Regulations, and obtaining written pledges with regard to combating organized crime within the Company.
- 6) System for ensuring the properness of operations across the Panasonic Group
    - The Company ensures that basic policy for internal control systems is fully implemented by Group companies, and disseminates relevant information among Group companies. Initiatives to that end include: implementing the Panasonic Code of Conduct and the Rules of Approval for Decision-Making in Important Matters; establishing group-wide regulations respecting individual professional functions; dispatching Directors and Audit & Supervisory Board Members to Group companies and exercising the Company's shareholder rights thereof; establishing rules of governance that are to be observed by Group companies; conducting regular operational audits, internal control audits, and compliance audits of Group companies through the internal auditing group, and; sharing and disseminating information on business objectives through management policy announcements.
    - The framework described above ensures the properness of operations, thereby enabling the Panasonic Group to establish the internal controls necessary for financial reporting based on the Financial Instruments and Exchange Act.
  - 7) Employees who assist Audit & Supervisory Board Members in auditing, and such employees' independence from Directors
    - The Company has established the Audit & Supervisory Board Member's Office, whose dedicated staff is under the direct control of the Audit & Supervisory Board and separate from any operating function of the Company's business. The Company assigns Audit & Supervisory Board Member assistant staff members who possess appropriate capabilities and knowledge as required by the Audit & Supervisory Board Members.
  - 8) Ensuring effectiveness of instructions given by Audit & Supervisory Board Members to employees who assist Audit & Supervisory Board Members
    - Respective Audit & Supervisory Board Members issue instructions to their staff members, and those staff members accordingly assist the Audit & Supervisory Board Members in performing their duties.
    - The Company consults with Audit & Supervisory Board Members in advance of undertaking personnel-related matters including employee transfers and other affairs involving staff members who assist the Audit & Supervisory Board Members.
  - 9) System for Directors, employees and other staffs of the Company and its subsidiaries to report to the Company's Audit & Supervisory Board Members
    - Directors, employees and other staffs of the Company and Group companies report on business operations and other issues at respective regular meetings held by Audit & Supervisory Board Members and other such occasions, and also report as necessary at other important meetings with Audit & Supervisory Board Members, where their attendance has been requested. Moreover, Audit & Supervisory Board Members of Group companies report as necessary to the Company's Audit & Supervisory Board Members regarding content of reports at respective Group companies. Audit & supervisory officers conduct inquiries at respective Divisional Companies etc. regarding business operations and issues at such Divisional Companies etc., and report such matters as necessary to the Company's Audit & Supervisory Board Members.
    - The Company has established an Audit Report System by which employees of the Company and Group companies directly report to the Company's Audit & Supervisory Board about irregularities or concerns in regards to accounting or auditing.
  - 10) System for ensuring that parties who have reported to Audit & Supervisory Board Members do not incur unfavorable treatment as a consequence of such reporting
    - The Audit Report System enables parties to report matters anonymously, while the Panasonic Code of Conduct and the Rules on the Prohibition of Retaliatory Behavior against Whistleblowers, and Others ensure that whistleblowers shall not be subject to unfavorable treatment as a consequence of such reporting.
  - 11) Policy on management of expenses and debt incurred in execution of Audit & Supervisory Board Member duties
    - To ensure effectiveness of audits, the Company calculates preliminary budgets with respect to anticipated expenses required by Audit & Supervisory Board Members in executing their duties, in accordance with Audit & Supervisory Standards.
    - The Company also provides pre-payment or reimbursement for expenses paid under urgent or extraordinary circumstances in accordance with laws and regulations.
    - In making payment of audit expenses, Audit & Supervisory Board Members are required to remain mindful of efficiency and appropriateness in that regard.
  - 12) Other systems for ensuring effective performance of audits by the Audit & Supervisory Board Members
    - Audit & supervisory officers tasked with monthly reporting and implementing liaison meetings are assigned to Divisional Companies etc. Any decisions on personnel-related matters involving the audit & supervisory officers require the agreement of Audit & Supervisory Board Members.
    - The Company has established and operates the Panasonic Group Audit & Supervisory Board Members' Meeting chaired by the Company's Senior Audit & Supervisory Board Member, in order to facilitate cooperation among

the Audit & Supervisory Board Members of the Company, the audit & supervisory officers of Divisional Companies etc., and the Audit & Supervisory Board Members of Group companies.

- Representative Directors and Audit & Supervisory Board Members exchange opinions regularly and whenever necessary. Moreover, respective departments cooperate in implementing visiting audits of business offices inside and outside Japan conducted by Audit & Supervisory Board Members. Internal auditing groups also cooperate to enhance the effectiveness of audits carried out by Audit & Supervisory Board Members through collaboration with Audit & Supervisory Board Members, including reporting as appropriate to the Audit & Supervisory Board Members.
- When the accounting auditors formulate their audit plans, perform quarterly reviews, and conduct final audits, the Audit & Supervisory Board Members hold regular meetings with the accounting auditors at which they receive explanations and reports, and exchange opinions with the accounting auditors as necessary.

### (3) Policy on Control of the Company

#### 1) Efforts to raise corporate value of the Company

The Company, since its establishment, has operated its business under its business philosophy, “contributing to the progress and development of society and the well-being of people worldwide through its business activities.” We will continue to directly address social issues as we strive to achieve an ideal society with affluence both in matter and mind, and will take up the challenge to eliminate the concerns of today and the future as we aim to create new value. The Company will directly address a wide range of social issues including global environmental problems in order to make a larger contribution to the advancement of society and resolving societal issues. We will also reinforce our business competitiveness and work to sustainably grow our corporate value by offering value that satisfies our shareholders, investors, customers, business partners, employees and all other stakeholders.

#### 2) Measures against large-scale purchase

Panasonic has a basic policy that shareholders should make final decision in the event that a large-scale purchase of the Company’s shares is offered, regarding whether or not the offer should be accepted. However, in such cases, there is a possibility that shareholders might not be provided with sufficient information required to make appropriate decisions, and a concern that corporate value and shareholder interest might be significantly damaged.

Panasonic will take appropriate measures within the scope permitted by the Financial Instruments and Exchange Act, the Companies Act, and other related laws and regulations, including requesting any party proposing a Large-scale Purchase of the Company’s shares to provide sufficient information necessary to assist shareholders in making appropriate decisions, expressing or disclosing opinions or other statements from the Board of Directors, and endeavoring to secure sufficient time for shareholders to consider the proposed purchase. Before the Board of Directors’ opinions or other statements are expressed or disclosed, the Company will set up an independent committee comprising Outside Directors and Outside Audit & Supervisory Board Members and the Board of Directors will consult this committee regarding its opinion and treat the committee’s verdict with the utmost respect.

### (4) Policy on Appropriation of Retained Earnings for Dividend Payments, etc.

Since its foundation, Panasonic has managed its businesses under the concept that returning profits to shareholders is one of its most important policies. From the perspective of providing returns on the capital investment made by shareholders, the Company, in principle, distributes profits to shareholders based on its business performance and strives to provide stable and continuous dividends, targeting a dividend payout ratio of approximately 30% with respect to consolidated net profit attributable to Panasonic Corporation stockholders. Regarding the repurchase of treasury stock, the Company is fundamentally repurchasing its own shares as it considers appropriate, taking comprehensively into consideration strategic investments and the Company’s financial condition, with the aim of increasing shareholder value per share and return on capital.

Although affected by the soaring prices of raw materials, the results from this fiscal year showed that the net profit attributable to Panasonic Corporation stockholders increased as a result of a global economic recovery following the subsiding of the COVID-19 pandemic, an increase in profits in businesses addressing social changes (such as products for industrial and telecommunications use, and automotive batteries), and also of other factors such as a recognized gain from the re-evaluation of existing equity in Blue Yonder. Based on this performance, and in comprehensive consideration of the Company’s dividend policy to distribute profits according to consolidated performance in principle, as well as a condition of financial structure and others, Panasonic expects to pay an annual dividend of ¥30 per share for fiscal 2022, which includes the interim dividend of ¥15 per share paid on November 30, 2021 and a year-end dividend of ¥15 per share. This represents an annual dividend that is ¥10 higher than the previous year.

In fiscal 2022, the Company did not repurchase its treasury stock except for acquiring shares of less than one trading unit and other minor transactions.

## **Consolidated Financial Statements**

The consolidated financial statements of Panasonic Corporation (the "Company") are prepared in conformity with International Financial Reporting Standards (IFRS).

### **Consolidated Statement of Financial Position**

(As of March 31, 2022)

(millions of yen)

#### **Assets**

##### **Current assets**

**4,031,197**

Cash and cash equivalents.....	1,205,873
Trade receivables and contract assets .....	1,324,618
Other financial assets .....	210,633
Inventories .....	1,132,664
Other current assets .....	157,409

##### **Non-current assets**

**3,992,386**

Investments accounted for using the equity method .....	403,201
Other financial assets .....	213,024
Property, plant and equipment.....	1,115,346
Right-of-use assets.....	257,706
Goodwill and intangible assets .....	1,680,027
Other non-current assets.....	323,082

##### **Total assets**

**8,023,583**

(millions of yen)

## Liabilities

<b>Current liabilities</b>	<b>3,065,464</b>
Short-term debt, including current portion of long-term debt .....	432,897
Lease liabilities.....	60,515
Trade payables.....	1,163,578
Other payables and accrued expenses .....	500,601
Other financial liabilities .....	160,534
Other current liabilities .....	747,339
<b>Non-current liabilities</b>	<b>1,610,948</b>
Long-term debt .....	1,197,706
Lease liabilities.....	206,166
Other financial liabilities .....	30,412
Other non-current liabilities .....	176,664
<b>Total liabilities</b>	<b>4,676,412</b>
<b>Equity</b>	
<b>Panasonic Corporation stockholders' equity</b>	<b>3,164,962</b>
Common stock.....	259,168
Capital surplus .....	525,554
Retained earnings.....	2,387,283
Other components of equity.....	202,227
Treasury stock.....	(209,270)
<b>Non-controlling interests</b>	<b>182,209</b>
<b>Total equity</b>	<b>3,347,171</b>
<b>Total liabilities and equity</b>	<b>8,023,583</b>

## **Consolidated Statement of Profit**

(From April 1, 2021 to March 31, 2022)

	(millions of yen)
Net sales .....	7,388,791
Cost of sales .....	(5,306,580)
<b>Gross profit</b>	<b>2,082,211</b>
Selling, general and administrative expenses .....	(1,724,511)
Share of profit (loss) of investments accounted for using the equity method .....	(12,637)
Other income (expenses), net .....	12,463
<b>Operating profit</b>	<b>357,526</b>
Financial income .....	22,128
Financial expenses.....	(19,259)
<b>Profit before income taxes</b>	<b>360,395</b>
Income taxes .....	(94,957)
<b>Net profit</b>	<b>265,438</b>
Net profit attributable to:	
<b>Panasonic Corporation stockholders</b> .....	<b>255,334</b>
Non-controlling interests .....	10,104

(Note) Other income (expenses), net includes a gain of ¥58,260 million from the re-evaluation of the existing equity in Blue Yonder due to making Blue Yonder, a wholly owned subsidiary, and restructuring expenses (expenses associated with the implementation of early retirement programs of ¥37,964 million, etc.).



## Consolidated Statement of Changes in Equity

(From April 1, 2021 to March 31, 2022)

(millions of yen)

	Common stock	Capital surplus	Retained earnings	Other components of equity	Treasury stock	Panasonic Corporation stockholders' equity	Non-controlling interests	Total equity
<b>Balances as of April 1, 2021</b>	<b>258,981</b>	<b>529,157</b>	<b>2,154,023</b>	<b>(138,370)</b>	<b>(209,757)</b>	<b>2,594,034</b>	<b>174,468</b>	<b>2,768,502</b>
Comprehensive income								
Net profit	–	–	255,334	–	–	255,334	10,104	265,438
Remeasurements of defined benefit plans	–	–	–	31,875	–	31,875	67	31,942
Financial assets measured at fair value through other comprehensive income	–	–	–	217	–	217	4,049	4,266
Exchange differences on translation of foreign operations	–	–	–	351,100	–	351,100	14,889	365,989
Net changes in cash flow hedges	–	–	–	(7,999)	–	(7,999)	(44)	(8,043)
<b>Total comprehensive income</b>	<b>–</b>	<b>–</b>	<b>255,334</b>	<b>375,193</b>	<b>–</b>	<b>630,527</b>	<b>29,065</b>	<b>659,592</b>
Transfer to hedged non-financial assets	–	–	–	1,669	–	1,669	–	1,669
Transfer from other components of equity to retained earnings	–	–	36,265	(36,265)	–	–	–	–
Cash dividends	–	–	(58,339)	–	–	(58,339)	(20,332)	(78,671)
Changes in treasury stock	–	(0)	–	–	(43)	(43)	–	(43)
Share-based payment transactions	187	(361)	–	–	530	356	–	356
Transactions with non-controlling interests and other	–	(3,242)	–	–	–	(3,242)	(992)	(4,234)
<b>Balances as of March 31, 2022</b>	<b>259,168</b>	<b>525,554</b>	<b>2,387,283</b>	<b>202,227</b>	<b>(209,270)</b>	<b>3,164,962</b>	<b>182,209</b>	<b>3,347,171</b>

# **Notes to Consolidated Financial Statements**

## **Basis of Presentation of Consolidated Financial Statements**

### 1. Accounting standard applied to Consolidated Financial Statements

The Company prepares its consolidated financial statements on the basis of International Financial Reporting Standards ("IFRS"), in compliance with Article 120, Paragraph 1 of the Ordinance of Companies Accounting. However, in compliance with the second sentence of Article 120, Paragraph 1 of the Ordinance of Companies Accounting, certain disclosures and notes required on the basis of IFRS are omitted.

### 2. Scope of Consolidation and Application of the Equity Method

#### (1) Number of consolidated subsidiaries

531

#### (2) Number of companies under the equity method

67

The Company completed, on September 16, 2021, an additional acquisition of 80% of the shares of Blue Yonder Holding, Inc. ("Blue Yonder"). Accordingly, with the 20% of those shares already acquired in July 2020, the Company acquired all the shares of Blue Yonder. As a result, Blue Yonder, together with its subsidiaries, became a consolidated subsidiary of the Company.

### 3. Significant Accounting Policies

#### (1) Financial assets

##### 1) Non-derivative financial assets

##### (i) Initial recognition and measurement

Financial assets are initially recognized on the trade date or the date when the transaction was executed and are classified into either financial assets measured at amortized cost or financial assets measured at fair value upon the initial recognition. The equity instruments measured at fair value are in principle designated as financial assets measured at fair value through other comprehensive income.

These financial assets, except for financial assets measured at fair value through profit or loss, are measured in principle at the fair value plus transaction costs directly attributable to these financial assets on the trade date or the date when the transaction was executed.

##### (ii) Subsequent measurement

The financial assets classified as measured at amortized cost are measured at amortized cost using the effective interest method, while interests thereon are recognized as financial income in profit or loss. For the financial assets classified as measured at fair value, except for those measured at fair value through profit or loss, changes in fair value are in principle recognized in other comprehensive income, and the cumulative gain or loss is transferred to retained earnings when the assets are derecognized. However, dividend income is recognized as financial income in profit or loss.

For financial assets measured at amortized cost, an amount equivalent to the expected credit losses for 12 months or an amount equivalent to the expected credit losses for the whole period is recognized as allowance for doubtful receivables in principle depending on whether or not there is a significant increase in the credit risk at the end of the fiscal year since initial recognition. For trade receivables and contract assets, etc., however, an amount equivalent to the expected credit losses for the whole period is recognized as allowance for doubtful receivables at all times.

The amount of the expected credit losses is calculated as the difference between the present value of the estimated future cash flows discounted at the original effective interest rate for these financial assets and its carrying amount.

Allowance for doubtful receivables is recognized in profit or loss. If an event arises subsequently that reduces the allowance for doubtful receivables, the previously recognized allowance is reversed through profit or loss.

##### 2) Derivatives

Derivatives are initially recognized at fair value at the time when the contract is entered into, and measured at fair value thereafter.

Changes in fair value are recognized in profit or loss.

#### (2) Inventories

Inventories are recognized at the lower of cost and net realizable value. Cost is principally calculated on average basis. Net realizable value is the estimated selling price less the estimated cost of completion and the estimated costs necessary to make the sale.

#### (3) Property, plant and equipment

Property, plant and equipment are measured using the cost model, and are depreciated using the straight-line method over their estimated useful lives. The depreciation method, estimated useful lives and residual values are reviewed at the end of each fiscal year and revised as necessary.

- (4) **Goodwill and intangible assets**  
Goodwill is measured as the excess of the total of consideration transferred, amount of non-controlling interests in the acquiree and fair value of the equity interest in the acquiree previously held by the acquirer over the net amount of identifiable assets acquired and the liabilities assumed on the acquisition date.  
Intangible assets are measured, at the initial recognition, using the cost model when such assets are acquired individually, and measured at fair value when acquired as part of a business combination. Intangible assets with definite useful lives are amortized using the straight-line method over their estimated useful lives. Intangible assets with indefinite useful lives are not amortized, but measured at the acquisition costs less accumulated impairment losses. The depreciation method and estimated useful lives are reviewed at the end of each fiscal year, and revised as necessary.
- (5) **Impairment of non-financial assets**  
Non-financial assets other than inventories, deferred tax assets, etc. with definite useful lives are assessed at the end of each fiscal year to determine whether there is any indication of impairment in each asset or cash-generating unit. If any such indication exists, the recoverable amount of the asset or the cash-generating unit is estimated and the impairment test is performed by comparing the recoverable amount against its carrying amount. The recoverable amount is calculated using the higher of either the amount of value in use, measured by the discounted cash flow method, or the amount of fair value less costs of disposal, measured principally by the discounted cash flow method and the comparable listed company analysis method. Under the discounted cash flow method, the estimated amount of future cash flows based on the most recent business plan approved by the Board of Directors are discounted to the present value. The period of the future projection is established based on the period of the business plan after reflecting past experience and verifying its consistency with external information. The discount rate is calculated based on a weighted average cost of capital determined for each cash-generating unit, and the growth rate is determined in view of the long-term average growth rates of the markets or countries to which each cash-generating unit belongs.  
In terms of goodwill and intangible assets with indefinite useful lives, regardless of whether or not there are indications of impairment, an impairment test is performed at least annually, or more frequently whenever an indication of impairment becomes apparent.  
If the recoverable amount of an asset or a cash-generating unit is below its carrying amount, the carrying amount is reduced to the recoverable amount, and the difference is recognized as an impairment loss in profit or loss.
- (6) **Provisions**  
Provisions are recognized when Panasonic or its consolidated subsidiary has present legal or constructive obligations arising from past events, it is probable that outflows of resources embodying economic benefits will be required to settle the obligations, and the amount of obligation can be estimated reliably. When the effect of time value of money is material, provisions are measured by discounting the expenses expected to be necessary for settlement of obligations to the present value.
- (7) **Employee benefits**  
The Company and its consolidated subsidiaries maintain defined benefit plans and defined contribution plans. The present value of obligations under the defined benefit plan and the service cost are calculated based on the actuarial calculations using the projected unit credit method. In addition, the funded status, which is the difference between the fair value of the plan assets and the obligations under the defined benefit plan projected based on the actuarial calculations is presented as an asset or a liability in the consolidated statement of financial position. The adjustments due to re-measurements of the present value of obligations under the defined benefit plan and the fair value of the plan assets are recognized in other comprehensive income and immediately transferred to retained earnings. The present value of obligations under the defined benefit plan is calculated by discounting future estimated benefit payments and the discount rate is determined by reference to market yields on high quality corporate bonds at the end of the fiscal year, which reflect the estimated timing and amount of future benefit payments.  
Service cost and net interest on the net defined benefit liability or asset are recognized in profit or loss. Past service cost is immediately recognized in profit or loss.  
Obligations for contributions to defined contribution plans are recognized as expenses during the period when the related service is provided.
- (8) **Revenue**  
Revenue is recognized based on the following five-step approach:  
Step 1: Identify the contract(s) with a customer  
Step 2: Identify the performance obligations  
Step 3: Determine the transaction price  
Step 4: Allocate the transaction price to the performance obligations  
Step 5: Recognize revenue when satisfying a performance obligation  
The Company is mainly engaged in sales of products such as consumer products, industrial products, manufacturing devices, and supplies. For such sales transactions, in principle, the Company recognizes revenue at the time of delivery, because the customer obtains control of the products and the Company satisfies its performance obligation when products are delivered. The Company is also engaged in construction contracts and rendering of services. For such transactions, in principle, the Company recognizes revenue in accordance with

the progress towards complete satisfaction because the Company transfers control of goods or service and satisfies its performance obligation over time.

The Company has entered into various sales arrangements with customers including a combination of products, devices, installation, maintenance or other deliverables. If such transactions meet certain criteria, the Company identifies as a separate performance obligation each promise to transfer to the customer a distinct good or service, and recognizes as revenue the amount of the transaction price allocated to each performance obligation in proportion to the stand-alone selling prices, as it satisfies each performance obligations.

The Company recognizes as revenue the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer. For transactions in which performance obligations are satisfied over time, only if the Company can reasonably measure the progress towards complete satisfaction, sales are recognized using the input method based on the percentage of actual costs incurred to date to estimated total costs at the end of each reporting period. When the initial estimate of sales or progress up to the completion may be changed, the Company revises the estimate.

The Company deducts from sales certain price adjustment expenses that compensate for the decline in product prices in connection with sales to its consumer business distributors and sales rebates.

The Company determines whether it is a principal or an agent to the transaction for each contract. If the Company is determined to be a principal to the transaction, the net sales corresponding to that contract will be presented on a gross basis, and if the Company is determined to be an agent of the transaction, the net sales corresponding to that transaction will be presented on a net basis.

(9) Leases

The Company recognizes a right-of-use asset representing its right to use an underlying asset over the lease term, and a lease liability representing its obligation to make lease payments, for all leases in principle. The lease term is determined as the non-cancellable period of a lease, together with periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option.

Right-of-use assets are initially measured at cost, which comprises the amount of the initial measurement of the lease liability adjusted for any prepaid lease payments, etc. Right-of-use assets are depreciated using the straight-line method over the lease term. Lease liabilities are initially measured at the present value of unpaid lease payments at the lease commencement date discounted using the interest rate implicit in the lease or the lessee's incremental borrowing rate. After the commencement date, lease liabilities are measured at amortized cost using the effective interest method, and interest expenses on lease liabilities are recognized as financial expenses. With regard to short-term leases that have a lease term of 12 months or less and leases for which the underlying asset is of low value, right-of-use assets and lease liabilities are not recognized, and lease payments for these leases are recognized as expenses as incurred.

(10) Share based payments

The Company has introduced a Restricted Stock Compensation plan as an incentive plan for its Directors (excluding Outside Directors), Executive Officers and certain other officers. The compensation cost for the Restricted Stock Compensation plan is measured by reference to the fair value of the common shares Panasonic granted on the grant date and is recognized as expenses over the vesting period, with a corresponding increase in equity.

(11) Non-current assets or disposal groups held for sale

Non-current assets or disposal groups are classified as held for sale, if their carrying amount is expected to be recovered principally through a sale transaction, rather than through continuing use. The asset or disposal group is considered to meet the above requirement only if its sale is highly probable within one year and it is available for immediate sale in its present condition. Non-current assets or disposal groups classified as held for sale are measured at the lower of their carrying amount or fair value less cost to sell, and is neither depreciated nor amortized.

4. Changes in presentation method

(1) Other payables and accrued expenses

"Other payables" and "Accrued expenses," which were included within "Other financial liabilities" (Current liabilities) and "Other current liabilities," respectively, in the previous fiscal year, are now reclassified and presented separately to enhance the clarity of presentation as "Other payables and accrued expenses" in the consolidated statement of financial position from the current fiscal year.

(2) Non-current assets or disposal groups held for sale

Since "Assets held for sale" and "Liabilities directly associated with the assets held for sale," which were separately presented in the previous fiscal year, have become immaterial, they are included as part of "Other current assets" and "Other current liabilities," respectively, in the consolidated statement of financial position from the current fiscal year.

## 5. Accounting estimates

Of the items recognized in the current year consolidated financial statements using accounting estimates, those with a significant risk of resulting in a material adjustment within the next fiscal year are set out below. Please refer to “3. Significant Accounting Policies” for more details on the estimation method of certain of these estimates.

- Recoverability of deferred tax assets (deferred tax assets of ¥219,791 million included in Other non-current assets)
- Impairment of non-financial assets (property, plant and equipment of ¥1,115,346 million, right-of-use assets of ¥257,706 million, and goodwill and intangible assets of ¥1,680,027 million)
- Obligations under the defined benefit plan (retirement benefit liabilities of ¥68,855 million included in Other non-current liabilities)

For deferred tax assets, the recoverability is assessed mainly based on the timing and amount of estimated future taxable income derived from the business plans. The business plans include certain key assumptions such as future market trends. Changes in these assumptions due to changes in uncertain future economic conditions, among others, may have a material effect on the recoverability of deferred tax assets.

For non-financial assets, the recoverable amount of non-financial assets used in the impairment testing may be materially affected if there are changes in key assumptions including those in the business plan, and in the estimates of the discount rates and the growth rates.

For obligations under the defined benefit plan, the amount of retirement benefit liabilities may be materially affected by changes in the discount rate in response to changes in market interest rates.

## Note to the Consolidated Statement of Financial Position

1. Trade receivables and contract assets		
Trade receivables .....	¥	1,158,839 million
Contract assets .....	¥	188,359 million
2. Allowance for doubtful receivables directly deducted from Trade receivables, contract assets and Other financial assets		
.....	¥	23,384 million
3. Property, plant and equipment		
Land .....	¥	234,417 million
Buildings and structures .....	¥	1,426,431 million
Machinery and equipment .....	¥	3,056,236 million
Construction in progress.....	¥	74,786 million
Accumulated depreciation and impairment losses.....	¥	(3,676,524) million
4. Deferred tax assets and deferred tax liabilities		
Deferred tax assets included in Other non-current assets.....	¥	219,791 million
Deferred tax liabilities included in Other non-current liabilities .....	¥	81,983 million
5. Income taxes payable		
Income taxes payable included in Other current liabilities		
.....	¥	45,123 million
6. Provisions		
Total provisions such as provisions for product warranties and provisions for restructuring included in Other current liabilities and Other non-current liabilities		
.....	¥	145,836 million
7. Contract liabilities		
Total contract liabilities included in Other current liabilities and Other non-current liabilities		
.....	¥	187,096 million
8. Other components of equity		
Financial assets measured at fair value through other comprehensive income .....	¥	30,659 million
Exchange differences on translation of foreign operations .....	¥	171,240 million
Net changes in cash flow hedges.....	¥	328 million
9. Recourse obligation for trade receivables sold, etc.		
.....	¥	3,306 million

## Notes on the Consolidated Statement of Changes in Equity

1. Type and number of shares issued as of the fiscal year-end		
Common stock .....		2,453,866,297
2. Type and number of shares of treasury stock as of the fiscal year-end		
Common stock .....		119,969,766

3. Dividends

(1) Dividends paid

Resolution	Type of share	Cash dividends (millions of yen)	Cash dividends per share (yen)	Record date	Effective date
May 10, 2021 Board of Directors' Meeting	Common stock	23,333	10.0	March 31, 2021	June 4, 2021
October 28, 2021 Board of Directors' Meeting	Common stock	35,006	15.0	September 30, 2021	November 30, 2021

(2) Dividends with the record date in the fiscal year ended March 31, 2022 and the effective date in the following fiscal year

Scheduled to be resolved	Type of share	Cash dividends (millions of yen)	Cash dividends per share (yen)	Record date	Effective date
May 11, 2022 Board of Directors' Meeting	Common stock	35,008	15.0	March 31, 2022	June 2, 2022

4. Type and number of shares to be acquired upon exercise of stock acquisition rights (Excluding those for which the exercise periods have not yet started)

Common stock ..... 673,100

Regarding the year-end cash dividends for the fiscal year ended March 31, 2022, the Board of Directors resolved to pay ¥15 per share on May 11, 2022.

## Notes to Recognition and Measurement of Revenue

### 1. Disaggregation of revenue

Revenue from contracts with customers is disaggregated by product category that reflects its nature properly and geographical area where customers are located.

The contents of product category are as follows.

The products of Lifestyle are categorized into "Living Appliances and Solutions," "Heating & Ventilation A/C," "Cold Chain Solutions," "Electric Works" and "Other." "Living Appliances and Solutions" includes products such as refrigerators, washing machines, vacuum cleaners, microwave ovens, rice cookers and personal-care products. "Heating & Ventilation A/C" includes products such as air-conditioners for residential, and commercial use, air to water heat pump system, ventilation, perflation and air-conditioning equipment, and air purifiers. "Cold Chain Solutions" includes products such as showcases and commercial refrigerators. "Electric Works" includes products such as lighting fixtures, lamps, wiring devices, solar photovoltaic systems and fuel cells. "Other" includes products such as compressors, bicycles and nursing care services.

The products of Automotive are categorized into "Automotive Cockpit Systems," "Automotive Electronics Systems" and "Other." "Automotive Cockpit Systems" includes products automotive-use infotainment systems. "Automotive Electronics Systems" includes products such as head-up displays, automotive speakers, automotive switches, advanced driver assistance systems (ADAS) and automotive mirrors. "Other" includes products purchased by other companies.

The products of Connect are categorized into "Vertical solutions" and "Product solutions." "Vertical solutions" is a solution business provided directly by business divisions where development, production and sales are integrated and includes products such as aircraft in-flight entertainment systems and communications services, electronic-components-mounting machines, welding equipment and supply chain management software. "Product solutions" is a solution business provided by developing and manufacturing business divisions through sales departments and includes products such as projectors, professional AV systems, PCs and tablets.

The products of Industry are categorized into "Control Devices / FA solutions," "Electronic Devices / Electronic Materials" and "Other." "Control Devices / FA solutions" includes products such as automation controls, motors and FA devices, which are products of a group of businesses that focuses on systems and modules. "Electronic Devices / Electronic Materials" includes products such as electronic components and electronic materials, which are products of a group of businesses that differentiates in materials and processes. "Other" includes products such as LCD panels.

The products of Energy are categorized into "In-vehicle" and "Industrial / Consumer." "In-vehicle" includes products cylindrical lithium-ion batteries for in-vehicle use. "Industrial / Consumer" includes products such as primary batteries (dry batteries and micro batteries), and small secondary batteries (cells and their system products).

Other includes products of the Entertainment & Communication business, the Housing business, and sales of raw materials. Entertainment & Communication includes products such as TVs, digital cameras, video equipment, audio equipment, and telephones, and Housing includes products such as kitchen & bath, interior furnishing materials, and exterior furnishing materials.



Disaggregated revenue is as follows.

Reportable segments			(millions of yen)	
	By product category	Sales	By geographical area	Sales
Lifestyle	Living Appliances and Solutions	873,912	Japan	1,432,513
	Heating & Ventilation A/C	585,924	North and South America	269,042
	Cold Chain Solutions	264,938	Europe	158,485
	Electric Works	571,913	Asia, China and others	865,383
	Other	428,736		
	Total (Note 1)	2,725,423	Total (Note 1)	2,725,423
Automotive	Automotive Cockpit Systems	439,065	Japan	381,519
	Automotive Electronics Systems	418,047	North and South America	243,637
	Other	100,412	Europe	184,392
			Asia, China and others	147,976
	Total (Note 1)	957,524	Total (Note 1)	957,524
Connect	Vertical solutions	391,563	Japan	302,289
	Product solutions	496,489	North and South America	242,943
			Europe	115,033
	Total (Note 1)	888,052	Asia, China and others	227,787
			Total (Note 1)	888,052
Industry	Control Devices / FA solutions	443,491	Japan	274,773
	Electronic Devices / Electronic Materials	396,868	North and South America	61,291
	Other	139,606	Europe	125,772
			Asia, China and others	518,129
	Total (Note 1)	979,965	Total (Note 1)	979,965
Energy	In-vehicle	448,590	Japan	78,251
	Industrial / Consumer	340,233	North and South America	511,253
			Europe	28,421
	Total (Note 1)	788,823	Asia, China and others	170,898
			Total (Note 1)	788,823
	Others (Note 2)	1,049,004	Others	1,049,004
	Total	7,388,791	Total	7,388,791

(Note 1) Total sales of the respective reportable segments do not include intersegment sales and are different from sales amounts of the respective reportable segments, which are presented in "Business Report."

(Note 2) Others include products sales of Entertainment & Communication of ¥350,173 million and products sales of Housing of ¥368,507 million.

## 2. Information as a basis to understand revenue

The same as described in "3. Significant Accounting Policies, (8) Revenue" under the Basis of Presentation of Consolidated Financial Statements.

## Notes to Financial Instruments

### 1. Status of financial instruments

Panasonic and its consolidated subsidiaries are exposed to various financial risks in the course of carrying out business activities (credit risk, liquidity risk and market risk). To avoid or reduce these risks, the Company and its consolidated subsidiaries manage these risks in accordance with certain policies.

The Company and its consolidated subsidiaries limit the use of derivatives to means to mitigate risks associated with transactions for actual demand and do not own or issue any speculative derivatives.

### 2. Fair value information of financial instruments

Carrying amount and fair value of the financial instruments as of the end of the current fiscal year are as follows;

Financial instruments measured at fair value and financial instruments of which carrying amounts approximate to their fair value included in the Consolidated Statement of Financial Position, are not included in the table below:

	Carrying amount	Fair value
Long-term debt, including current portion of long-term debt	1,309,870	1,306,985

The fair value of long-term debt is calculated based on quoted market prices or the present value of future cash flows using appropriate discount rates at the end of the current fiscal year.

### 3. Breakdown of fair value information of financial instruments

The Company categorizes fair value measurements into the following three levels of hierarchy according to the extent to which the input information used in the measurement is observable from the outside, and the hierarchy level is determined by the lowest-level of significant input in the measurement of fair value.

- Level 1: Fair value measured by quoted prices in active markets
- Level 2: Fair value measured directly or indirectly using inputs other than quoted prices included within Level 1 that are observable
- Level 3: Fair value measured through valuation techniques which include inputs that are not based on observable market data

The breakdown of financial instruments measured at fair value is as follows.

	Level 1	Level 2	Level 3	Total
<b>Financial assets:</b>				
Financial assets measured at FVTPL				
Derivative assets				
Foreign exchange forward contracts	—	20,055	—	20,055
Cross currency swaps	—	—	—	—
Cross currency interest rate swaps	—	42,009	—	42,009
Commodity futures	26,495	8,232	—	34,727
Subtotal	26,495	70,296	—	96,791
Financial assets measured at FVTOCI				
Shares	55,282	—	100,473	155,755
Others	—	281	—	281
Subtotal	55,282	281	100,473	156,036
<b>Total financial assets</b>	<b>81,777</b>	<b>70,577</b>	<b>100,473</b>	<b>252,827</b>
<b>Financial liabilities:</b>				
Financial liabilities measured at FVTPL				
Derivative liabilities				
Foreign exchange forward contracts	—	9,115	—	9,115
Cross currency swaps	—	22	—	22
Cross currency interest rate swaps	—	1,158	—	1,158
Commodity futures	13,720	21,962	—	35,682
<b>Total financial liabilities</b>	<b>13,720</b>	<b>32,257</b>	<b>—</b>	<b>45,977</b>

## Per Share Information

Panasonic Corporation stockholders' equity per share.....	¥1,356.08
Earnings per share attributable to Panasonic Corporation stockholders (Basic).....	¥ 109.41
Earnings per share attributable to Panasonic Corporation stockholders (Diluted).....	¥ 109.37

## Other Notes

### Business combination

On September 16, 2021, the Company and its subsidiary in the U.S. acquired the additional 80% shares of Blue Yonder Holding, Inc., an entity accounted for using the equity method, in which the Company had owned 20% of shares, and obtained control of Blue Yonder Holding, Inc. and its subsidiaries.

This acquisition of shares was carried out by merging a special purpose subsidiary established by the Company for the transaction with Blue Yonder Holding, Inc.

The fair value of 20% shares previously-held by the Company and the fair value of the consideration paid in cash for additional 80% shares as of the acquisition date are as follows. Furthermore, acquisition-related costs were ¥3,159 million.

	(millions of yen)
Fair value of 20% shares existing held by the Company already	142,933
Fair value of the consideration paid in cash for additional 80% shares	622,831
Total	<u>765,764</u>

The amounts of assets acquired and liabilities assumed as of the acquisition date are as follows.

	(millions of yen)
Cash and cash equivalents	37,845
Trade receivables and contract assets	24,365
Goodwill and intangible assets	966,989
Other acquired assets	18,623
Total assets acquired	<u>1,047,822</u>
Trade payables	2,628
Short-term debt	192,620
Other assumed liabilities	86,810
Total liabilities assumed	<u>282,058</u>
Total net assets acquired	<u>765,764</u>

Goodwill is mainly attributable to expected future earnings potential. Intangible assets include customer relationships and propriety technologies. Short-term debt was fully repaid after the acquisition date.

## Financial Statements on a Parent-Along Basis of the Company

### Balance Sheet

(As of March 31, 2022)

(millions of yen)

#### **Assets**

<b>Current assets</b> .....	<b>1,395,984</b>
Cash and deposits .....	305,118
Trade notes receivable.....	2,541
Trade accounts receivable.....	506,096
Merchandise and finished goods.....	207,118
Work in process.....	20,490
Raw materials and supplies.....	68,079
Other receivables .....	154,935
Short-term loan receivable from subsidiaries and affiliates .....	76,586
Other current assets .....	56,380
Allowance for doubtful receivables.....	(1,359)
<b>Fixed assets</b> .....	<b>3,931,562</b>
<b>Net tangible fixed assets</b> .....	<b>417,014</b>
Buildings .....	142,770
Structures .....	5,143
Machinery and equipment .....	83,228
Vehicles.....	350
Tools, furniture and fixtures.....	31,290
Land .....	134,311
Leased assets .....	2,152
Construction in progress .....	17,770
<b>Intangibles</b> .....	<b>58,496</b>
Patent and trademark rights .....	631
Software .....	56,374
Right of using facilities.....	1,491
<b>Investments and advances</b> .....	<b>3,456,052</b>
Investment securities .....	60,108
Shares in subsidiaries and affiliates.....	929,080
Investments in equity, other than capital stock.....	618
Investments in subsidiaries and affiliates .....	1,604,336
Allowance for investment loss.....	(740)
Long-term loan receivable from subsidiaries and affiliates.....	748,056
Prepaid pension costs.....	9,011
Deferred tax assets.....	94,580
Other investments and other assets .....	11,758
Allowance for doubtful receivables.....	(755)
<b>Total assets</b> .....	<b>5,327,546</b>

(millions of yen)

**Liabilities**

<b>Current liabilities</b> .....	<b>2,545,006</b>
Trade notes payable .....	105,517
Trade accounts payable .....	511,164
Short-term borrowings.....	300,000
Short-term loan payable from subsidiaries and affiliates .....	102,784
Current portion of bonds .....	108,130
Lease obligations.....	993
Other payables .....	27,275
Accrued expenses .....	282,543
Accrued income taxes .....	29
Advance receipts .....	18,056
Deposits received .....	952,711
Provision for bonuses .....	52,041
Provision for warranty .....	16,697
Other current liabilities .....	67,066
<b>Long-term liabilities</b> .....	<b>1,197,187</b>
Bonds .....	1,162,195
Lease obligations.....	1,392
Long-term deposits received.....	23,748
Other long-term liabilities .....	9,852
<b>Total liabilities</b> .....	<b>3,742,193</b>

**Net Assets**

<b>Shareholders' equity</b> .....	<b>1,560,294</b>
<b>Common stock</b> .....	<b>259,168</b>
<b>Capital surplus</b> .....	<b>558,633</b>
Legal capital surplus .....	428
Other capital surplus.....	558,205
<b>Retained earnings</b> .....	<b>951,985</b>
Legal reserve .....	47,948
Other retained earnings .....	904,037
Retained earnings brought forward.....	904,037
<b>Treasury stock</b> .....	<b>(209,492)</b>
<b>Difference of valuation, translation and other adjustments</b> .....	<b>24,287</b>
Unrealized holding gains (losses) of available-for-sale securities, etc.....	22,151
Deferred gain (loss) on hedges .....	2,136
<b>Stock acquisition rights</b> .....	<b>772</b>
<b>Total net assets</b> .....	<b>1,585,353</b>
<b>Total liabilities and net assets</b> .....	<b>5,327,546</b>

## **Statement of Income**

(From April 1, 2021 to March 31, 2022)

	(millions of yen)
Sales .....	2,755,967
Cost of sales .....	2,128,534
<b>Gross profit</b> .....	<b>627,433</b>
Selling, general and administrative expenses .....	(561,164)
Interest and dividend income .....	64,333
Other income.....	45,180
Interest expense.....	(6,876)
Other expense.....	(42,010)
<b>Ordinary income</b> .....	<b>126,896</b>
Extraordinary income	
Gain on sales of fixed assets.....	2,321
Gain on sales of investment securities .....	6,004
Extraordinary loss	
Impairment losses.....	(10,974)
Loss on sales of shares in subsidiaries and affiliates .....	(2,606)
Loss on valuation of investment securities.....	(1,531)
Special retirement benefits .....	(20,987)
<b>Income before income taxes</b> .....	<b>99,123</b>
Income taxes	
Current .....	4,482
Deferred.....	8,068
<b>Net income</b> .....	<b>86,573</b>

## Statement of Changes in Net Assets

(From April 1, 2021 to March 31, 2022)

(millions of yen)

	Shareholders' equity						
	Common stock	Capital surplus			Retained earnings		
		Legal capital surplus	Other capital surplus	Total of capital surplus	Legal reserve	Other retained earnings Retained earnings brought forward	Total of retained earnings
<b>Balances at beginning of period</b>	<b>258,981</b>	<b>240</b>	<b>558,443</b>	<b>558,683</b>	<b>42,114</b>	<b>881,467</b>	<b>923,581</b>
Cumulative effect of change in accounting policy						171	171
<b>Restated balances</b>	<b>258,981</b>	<b>240</b>	<b>558,443</b>	<b>558,683</b>	<b>42,114</b>	<b>881,638</b>	<b>923,752</b>
<b>Changes during the period</b>							
Issuance of new shares	187	188		188			
Provision of legal reserve					5,834	(5,834)	–
Dividends from retained earnings						(58,339)	(58,339)
Net income						86,573	86,573
Repurchase of treasury stock							
Sale of treasury stock			(238)	(238)			
Net changes of items other than shareholders' equity							
<b>Total changes during the period</b>	<b>187</b>	<b>188</b>	<b>(238)</b>	<b>(50)</b>	<b>5,834</b>	<b>22,399</b>	<b>28,233</b>
<b>Balances at end of period</b>	<b>259,168</b>	<b>428</b>	<b>558,205</b>	<b>558,633</b>	<b>47,948</b>	<b>904,037</b>	<b>951,985</b>

	Shareholders' equity		Difference of valuation, translation and other adjustments			Stock acquisition rights	Total net assets
	Treasury stock	Total of shareholders' equity	Unrealized holding gains (losses) of available-for-sale securities, etc.	Deferred gain (loss) on hedges	Total of difference of valuation, translation and other adjustments		
<b>Balances at beginning of period</b>	<b>(209,979)</b>	<b>1,531,266</b>	<b>12,933</b>	<b>(35)</b>	<b>12,898</b>	<b>1,064</b>	<b>1,545,228</b>
Cumulative effect of change in accounting policy		171					171
<b>Restated balances</b>	<b>(209,979)</b>	<b>1,531,437</b>	<b>12,933</b>	<b>(35)</b>	<b>12,898</b>	<b>1,064</b>	<b>1,545,399</b>
<b>Changes during the period</b>							
Issuance of new shares		375					375
Provision of legal reserve		–					–
Dividends from retained earnings		(58,339)					(58,339)
Net income		86,573					86,573
Repurchase of treasury stock	(45)	(45)					(45)
Sale of treasury stock	532	294					294
Net changes of items other than shareholders' equity			9,218	2,171	11,389	(292)	11,097
<b>Total changes during the period</b>	<b>487</b>	<b>28,857</b>	<b>9,218</b>	<b>2,171</b>	<b>11,389</b>	<b>(292)</b>	<b>39,954</b>
<b>Balances at end of period</b>	<b>(209,492)</b>	<b>1,560,294</b>	<b>22,151</b>	<b>2,136</b>	<b>24,287</b>	<b>772</b>	<b>1,585,353</b>

## **Notes on the Basis of Presentation of Financial Statements on a Parent-Along Basis**

### **Summary of Significant Accounting Policies**

1. Standards and methods for valuation of assets
  - (1) Securities
    - Investments in subsidiaries and affiliates: valuation at cost, with cost determined by the moving average method
    - Other securities
      - Securities other than shares, etc. with no market price: market valuation method (The difference, net of tax, between acquisition cost and carrying market value of other securities is reported as a separate component of shareholders' equity. The cost of other securities sold is computed based on the moving average method.)
      - Shares, etc. with no market price: valuation at cost, with cost determined by the moving average method
  - (2) Derivatives
    - Fair value method
  - (3) Inventories
    - Valuation at cost, with cost determined by the weighted average method (method of lowering carrying amount due to decline in profitability)
2. Method of depreciation and amortization of fixed assets
  - (1) Tangible fixed assets (Excluding leased assets)
    - Straight-line method
  - (2) Intangibles
    - Straight-line method
  - (3) Leased assets
    - (Finance leases other than those that transfer ownership rights)
    - Straight-line method over the lease term (useful life) with no residual value.
3. Accounting for allowances and provisions
  - (1) Allowance for doubtful receivables
    - Allowance for doubtful receivables is provided at an amount calculated based on historical experience, while specific allowances for doubtful receivables are provided for the estimated amounts considered to be uncollectible after reviewing individual collectability.
  - (2) Allowance for investment loss
    - Loss on investments in subsidiaries and affiliates in Japan and overseas is estimated according to Company's policies and taking into consideration the financial condition of those companies.
  - (3) Provision for bonuses
    - Provision for bonuses is provided at an amount calculated based on estimated bonus payments.
  - (4) Provision for warranty
    - Provision for warranty related to product after-sales services is made at an amount calculated for estimated service costs during the period of the warranty based on historical experience.
  - (5) Provision for employee retirement and severance benefits
    - Provision for employee retirement and severance benefits are made based on the projected benefit obligation and pension fund assets at the year-end. Because as at March 31, 2022, the amount of pension fund asset exceeded the amount of projected benefit obligation adjusted by adding or reducing unrecognized actuarial gains and losses and unrecognized past service cost, the excess amount was recorded as prepaid pension costs. In calculating the projected benefit obligation, the Company attributed expected retirement benefits to periods of service up to fiscal 2022 on a straight-line basis.
    - Past service benefit is amortized on a straight-line basis over the average remaining service period of the employees. Actuarial loss is amortized in the succeeding years on a straight-line basis over the average remaining benefit payment period of the affected recipients.
    - However, actuarial losses, arising until the time of the transfer of a part of the past contributions in the Panasonic Group Defined Benefit Corporate Pension to a defined contribution plan, are amortized in the succeeding years on a straight-line basis over the average remaining service period of the employees.
4. Accounting for revenues and expenses
  - Revenue is recognized based on the following five-step approach:
    - Step 1: Identify the contract(s) with a customer
    - Step 2: Identify the performance obligations
    - Step 3: Determine the transaction price
    - Step 4: Allocate the transaction price to the performance obligations
    - Step 5: Recognize revenue when satisfying a performance obligation
  - The Company is mainly engaged in sales of products such as consumer products, industrial products, manufacturing devices, and supplies. For such sales transactions, in principle, the Company recognizes revenue at the time of delivery, because the customer obtains control of the products and the Company satisfies its performance obligation when products are delivered. The Company is also engaged in construction contracts and rendering of services. For such transactions, in principle, the Company recognizes revenue in accordance with the progress towards complete satisfaction because the Company transfers control of goods or service and satisfies its performance obligation over time.
  - The Company has entered into various sales arrangements with customers including a combination of products, devices, installation, maintenance or other deliverables. If such transactions meet certain criteria, the Company recognizes revenue separately for each performance obligation.
  - The Company deducts from sales certain price adjustment expenses that compensate for the decline in product prices in connection with sales to its consumer business distributors and sales rebates.
  - The Company determines whether it is a principal or an agent to the transaction for each contract. If the Company is determined to be a principal to the transaction, the net sales corresponding to that contract will be presented on a gross basis, and if the Company is determined to be an agent of the transaction, the net sales corresponding to that transaction will be presented on a net basis.
5. Other significant items related to the preparation of financial statements
  - (1) Accounting treatment of deferred assets
    - Bond issuance cost ..... The whole amount is considered as expenses when incurred.
  - (2) Basis of hedge accounting
    - The Company applies deferral hedge accounting as defined in the accounting standards for financial instruments to its foreign exchange contracts and commodity futures trading.
    - If interest rate and currency swaps satisfy requirements for integrated accounting treatment (designated hedge accounting, exceptional accounting treatment), the integrated accounting treatment has been applied.
  - (3) Tax consolidation
    - The Company applies the framework of consolidated tax return.



- (4) Application of tax effect accounting for the transition from the consolidated taxation system to the group tax sharing system  
For the transition to the group tax sharing system created under the "Act Partially Amending the Income Tax Act, etc." (Act No. 8 of 2020) and items for which the non-consolidated taxation system was reviewed in line with the transition to the group tax sharing system, the Company has not applied the provisions of paragraph 44 of the "Implementation Guidance on Tax Effect Accounting" (ASBJ Guidance No. 28, February 16, 2018) and has recorded the amounts of deferred tax assets and deferred tax liabilities based on the provisions of the tax law before the revision, as allowed in the provisions of paragraph 3 of the "Treatment of Tax Effect Accounting for the Transition from the Consolidated Taxation System to the Group Tax Sharing System" (ASBJ PITF No. 39, March 31, 2020).

#### Changes in Accounting Policies

Application of Accounting Standard for Revenue Recognition, Etc.

The Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) and "Implementation Guidance on Accounting Standard for Revenue Recognition" (ASBJ Guidance No. 30, March 26, 2021) from the current fiscal year. A summary of changes resulting from the above are as follows:

(1) Revenue recognition for principal vs. agent transactions

The gross amount of revenue recognized for certain transactions was changed to the net amount after determining the role (principal vs. agent) in providing the goods or services to the customer.

(2) Revenue recognition when the consideration promised in a contract is variable

Compensations for the decline in product prices and sales rebates were previously accounted for as selling, general and administrative expenses; however, when the consideration promised in a contract includes a variable amount (hereinafter, "variable consideration"), the variable consideration is now included in the transaction price only to the extent that it is highly probable that a significant reversal in the cumulative amount of revenue recognized will not occur when uncertainty associated with the variable consideration is subsequently resolved.

(3) Revenue recognition when performance obligations are satisfied over time

If one of the following conditions is met, the method of recognizing revenue was changed, in principle, to the method that recognizes revenue based on the progress towards complete satisfaction because the Company transfers control of goods or service and satisfies its performance obligation over time.

- The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs.
- The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- The Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right for performance completed to date.

The Company adopted the accounting standard using the transition treatment provided in paragraph 84 of the Accounting Standard for Revenue Recognition. The cumulative effect of the application, assuming the new accounting policy had been retrospectively applied to periods prior to the beginning of the current fiscal year, was added to or subtracted from the opening balance of retained earnings of the current fiscal year, and the new accounting policy is applied from such opening balance.

For the fiscal year ended March 31, 2022, as a result of the above changes, sales decreased by ¥1,440,905 million, cost of sales decreased by ¥1,207,010 million and selling, general and administrative expenses decreased by ¥233,880 million, while operating income, ordinary income and income before income taxes each decreased by ¥15 million. In addition, retained earnings as of the beginning of the current fiscal year increased by ¥171 million.

Due to the application of the accounting standard, "Provision for sales promotion" which was separately presented under current liabilities in the balance sheet of the previous fiscal year is now included within "Other current liabilities" from the current fiscal year.

#### Notes on Accounting Estimates

Of the items recognized in the financial statements for the fiscal year ended March 31, 2022 based on accounting estimates, the following item has a significant risk of resulting in a material adjustment within the next fiscal year:

Deferred tax assets                      ¥ 94,580 million

The recoverability of deferred tax assets is estimated from the timing and amount of taxable income based on the future business plan. Furthermore, the Company uses the consolidated taxation system, and market trends are factored as key assumptions into the business plans of companies that apply the consolidated taxation system. Accordingly, if there are changes in these assumptions, for example, due to changes in uncertain future economic conditions, it may have a material effect on the amount of deferred tax assets in the financial statements in the next fiscal year.

**Notes on the Balance Sheet**

1. Accumulated depreciation of tangible fixed assets .....	¥	1,376,781	million
2. Contingent liabilities			
Recourse obligation for trade receivables sold.....	¥	250	million
3. Receivables from and liabilities to subsidiaries and affiliates			
Short-term receivables from subsidiaries and affiliates .....	¥	493,144	million
Long-term receivables from subsidiaries and affiliates .....	¥	748,057	million
Short-term liabilities to subsidiaries and affiliates .....	¥	1,292,469	million
Long-term liabilities to subsidiaries and affiliates.....	¥	31,299	million

**Notes on the Statement of Income**

1. Transactions with subsidiaries and affiliates			
Sales to subsidiaries and affiliates.....	¥	1,564,256	million
Purchases from subsidiaries and affiliates .....	¥	960,438	million
Turnover with subsidiaries other than sales and purchases .....	¥	77,944	million
2. Details regarding gain on sales of fixed assets			
Gain on sales of fixed assets is composed of gain on sales of land, etc.			
3. Details regarding gain on sales of investment securities			
Gain on sales of investment securities is composed of gain on sales of other securities.			
4. Details regarding impairment losses			
Impairment losses occurred due to a reduction in the net carrying amount of land, etc. to their recoverable amount in line with the deterioration in profitability.			
5. Details regarding loss on sales of shares in subsidiaries and affiliates			
Loss on sales of shares in subsidiaries and affiliates is composed of loss on sales of shares of foreign subsidiaries and affiliates.			
6. Details regarding loss on valuation of investment securities			
Loss was incurred due to a reduction in the carrying amount of other securities which had a significant decrease in substantial value and are considered not to be recoverable.			
7. Details regarding special retirement benefits			
Extra payments, etc. paid to employees upon retirement.			

**Notes on the Statement of Changes in Net Assets**

Type and number of shares of treasury stock as of the fiscal year-end			
Common stock.....		119,969,766	

**Notes on Tax Effect Accounting**

Breakdown of significant reasons for the recording of deferred tax assets and deferred tax liabilities:

(millions of yen)

Deferred tax assets	
Inventory provision	18,560
Accrued expenses	18,603
Provision for bonuses	15,820
Provision for warranty	5,076
Depreciation and amortization	24,346
Allowance for doubtful receivables	643
Allowance for investment loss	225
Shares in subsidiaries and affiliates	49,147
Foreign tax credit carryforwards	23,628
Tax loss carryforwards	5,985
Others	51,873
Total gross deferred tax assets	213,906
Valuation allowance on tax loss carryforwards	(3,822)
Valuation allowance on total deductible temporary differences	(93,917)
Total valuation allowance	(97,739)
Net deferred tax assets	116,167
Deferred tax liabilities	
Prepaid pension costs	(2,739)
Unrealized holding gains (losses) of available-for-sale securities, etc.	(9,675)
Others	(9,173)
Total gross deferred tax liabilities	(21,587)
Net deferred tax assets	94,580

**Notes to Business Combinations**

The same as described in "Other Notes, Business combination" under the Notes to Consolidated Financial Statements.

## Notes to Transactions with Related Parties

(millions of yen)

Classification	Related parties	Ownership including voting right	Relationship Between Panasonic Corporation and related parties	Transactions	Amount of transactions	Account	As of March 31, 2022
Subsidiary	Panasonic Global Treasury Center B.V.	*100.0%	Deposit and lending of funds with the Company's subsidiaries and affiliates	—	—	Long-term loan receivable from subsidiaries and affiliates (Note)	737,084

(Note) \* (asterisk) indicates a ratio including indirect ownership.

Transaction conditions and policies in deciding the transaction conditions

(Note) Interests are determined through mutual agreement in reference to market interest rates. The repayment period is ten years, and the period will be automatically renewed thereafter.

## Notes to Per Share Data

Net assets per share.....	¥	678.94
Net income per share.....	¥	37.10
Net income diluted per share.....	¥	37.08

## Significant Subsequent Events

On April 1, 2022, through an absorption-type company split, the Company has transferred its businesses to its wholly owned subsidiaries Panasonic Corporation (formerly "Panasonic Split Preparation Co., Ltd" and renamed on April 1, 2022), Panasonic Automotive Systems Co., Ltd., Panasonic Entertainment & Communication Co., Ltd., Panasonic Housing Solutions Co., Ltd., Panasonic Connect Co., Ltd. (formerly "Panasonic System Solutions Japan Co., Ltd." and renamed on April 1, 2022), Panasonic Industry Co., Ltd., Panasonic Energy Co., Ltd., Panasonic Operational Excellence Co., Ltd. and Panasonic Sports Co., Ltd., and the Company has transitioned into a holding company system.

The purpose of the holding company system is for each operating company to work to significantly enhance its business competitiveness through swift decision-making in response to changes in the external environment and flexible development of systems in accordance with business characteristics. In addition, the Company, as the holding company "Panasonic Holdings Corporation," will support the business growth of each operating company and define growth areas from the perspective of optimizing the group as a whole through the formulation of the Panasonic Group's management strategies, governance and investments in the development of technologies and new businesses, thereby striving to enhance the corporate value of the entire group.

The businesses that will be transferred to each operating company are as follows.

Name of successor company	Details of the businesses subject to split
Panasonic Corporation (formerly "Panasonic Split Preparation Co., Ltd" whose name was changed on April 1, 2022)	Home Appliance Business, China and Northeast Asia Business, Air-conditioning and Indoor Air Quality Business, Commercial Refrigeration & Distribution Business and Electrical Equipment Business
Panasonic Automotive Systems Co., Ltd.	Automotive Business
Panasonic Entertainment & Communication Co., Ltd.	Smart Life Network (AVC) Business
Panasonic Housing Solutions Co., Ltd.	Housing Business
Panasonic Connect Co., Ltd. (formerly "Panasonic System Solutions Japan Co., Ltd." whose name was changed on April 1, 2022)	Connected Solutions Business
Panasonic Industry Co., Ltd.	Devices Business
Panasonic Energy Co., Ltd.	Energy Business
Panasonic Operational Excellence Co., Ltd.	Business of Professional Business Support
Panasonic Sports Co., Ltd.	Sports Management Business

The above company split falls under the scope of a transaction under common control.

## Note to Application of Restrictions on Maximum Dividend Payments

The Company is subject to restrictions on maximum dividend payments on a consolidated basis.

## Notes to Recognition and Measurement of Revenue

The same as described in "Basis of Presentation of Consolidated Financial Statements" in the Notes to Consolidated Financial Statements.

## Other Notes

All monetary amounts have been rounded to the nearest million yen.

**Copy of Report of Accounting Auditors Concerning  
Consolidated Financial Statements**

**Independent Auditor's Report**

May 10, 2022

To the Board of Directors of Panasonic Holdings Corporation:

KPMG AZSA LLC  
Osaka Office, Japan

Takashi Kondo  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Masaki Hirota  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Masato Nakagawa  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

**Opinion**

We have audited the consolidated financial statements, which comprise the consolidated statement of financial position, the consolidated statement of profit, the consolidated statement of changes in equity and notes to the consolidated financial statements of Panasonic Holdings Corporation (formerly Panasonic Corporation) and its consolidated subsidiaries (collectively referred to as "the Group"), as at March 31, 2022 and for the year from April 1, 2021 to March 31, 2022 in accordance with Article 444-4 of the Companies Act.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position and the results of operations of the Group for the period, for which the consolidated financial statements were prepared, in accordance with the second sentences of Article 120-1 of the Ordinance of Companies Accounting that prescribes some omissions of disclosure items required under International Financial Reporting Standards.

**Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Other Information**

The other information comprises the business report and its supplementary schedules. Management is responsible for the preparation and presentation of the other information. Audit & Supervisory Board Members and Audit & Supervisory Board are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the reporting process for the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Responsibilities of Management and Audit & Supervisory Board Members and Audit & Supervisory Board for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the second sentences of Article 120-1 of the Ordinance of Companies Accounting that prescribes some omissions of disclosure items required under International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with the second sentences of Article 120-1 of the Ordinance of Companies Accounting that prescribes some omissions of disclosure items required under International Financial Reporting Standards.

Audit & Supervisory Board Members and Audit & Supervisory Board are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the Group's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The selection and application of audit procedures depends on the auditor's judgment.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the consolidated financial statements are in accordance with the second sentences of Article 120-1 of the Ordinance of Companies Accounting that prescribes some omissions of disclosure items required under International Financial Reporting Standards, the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with Audit & Supervisory Board Members and Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board Members and Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**Interest required to be disclosed by the Certified Public Accountants Act of Japan**

We do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

**Notes to the Reader of Independent Auditor's Report:**

The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Companies Act of Japan for the conveniences of the reader.

# Copy of Report of Accounting Auditors

## Independent Auditor's Report

May 10, 2022

To the Board of Directors of Panasonic Holdings Corporation:

KPMG AZSA LLC  
Osaka Office, Japan

Takashi Kondo  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Masaki Hirota  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Masato Nakagawa  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

### **Opinion**

We have audited the financial statements, which comprise the balance sheet, the statement of income, the statement of changes in net assets and notes on the basis of presentation of the financial statements on a parent-alone basis, and the accompanying supplementary schedules (“the financial statements and the accompanying supplementary schedules”) of Panasonic Holdings Corporation (formerly Panasonic Corporation, “the Company”) as at March 31, 2022 and for the year from April 1, 2021 to March 31, 2022 in accordance with Article 436-2-1 of the Companies Act.

In our opinion, the financial statements and the accompanying supplementary schedules referred to above present fairly, in all material respects, the financial position and the results of operations of the Company for the period, for which the financial statements and the accompanying supplementary schedules were prepared, in accordance with accounting principles generally accepted in Japan.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements and the Accompanying Supplementary Schedules* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Emphasis of Matter**

As described in the “Significant Subsequent Events” section under notes on the basis of presentation of the financial statements on a parent-alone basis, on April 1, 2022, the Company, through an absorption-type company split, transferred its businesses to the respective operating company subsidiaries and the Company has transitioned into a holding company system.

Our opinion is not modified in respect of this matter.



## **Other Information**

The other information comprises the business report and its supplementary schedules. Management is responsible for the preparation and presentation of the other information. Audit & Supervisory Board Members and Audit & Supervisory Board are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the reporting process for the other information.

Our opinion on the financial statements and the accompanying supplementary schedules does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements and the accompanying supplementary schedules, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the accompanying supplementary schedules or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## **Responsibilities of Management and Audit & Supervisory Board Members and Audit & Supervisory Board for the Financial Statements and the Accompanying Supplementary Schedules**

Management is responsible for the preparation and fair presentation of the financial statements and the accompanying supplementary schedules in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements and the accompanying supplementary schedules that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the accompanying supplementary schedules, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

Audit & Supervisory Board Members and Audit & Supervisory Board are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the Company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements and the Accompanying Supplementary Schedules**

Our objectives are to obtain reasonable assurance about whether the financial statements and the accompanying supplementary schedules as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements and the accompanying supplementary schedules.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements and the accompanying supplementary schedules, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The selection and application of audit procedures depends on the auditor's judgment.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the

financial statements and the accompanying supplementary schedules or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate whether the presentation and disclosures in the financial statements and the accompanying supplementary schedules are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the financial statements and the accompanying supplementary schedules, including the disclosures, and whether the financial statements and the accompanying supplementary schedules represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Audit & Supervisory Board Members and Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board Members and Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### **Interest required to be disclosed by the Certified Public Accountants Act of Japan**

We do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

#### **Notes to the Reader of Independent Auditor's Report:**

The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Companies Act of Japan for the conveniences of the reader.

## Copy of Report of the Audit & Supervisory Board

### Audit Report

The Audit & Supervisory Board, having received a report from each audit & supervisory board member on the method and results of his or her audit on the performance of duties of directors during the 115th fiscal period from April 1, 2021 to March 31, 2022, and, as a result of discussion, does hereby report the results of audit as follows:

#### 1. Method and details of audit conducted by audit & supervisory board members and the Audit & Supervisory Board

- (1) In addition to formulating audit policy and annual audit plans and receiving reports concerning the status and results of audits conducted by each audit & supervisory board member, the Audit & Supervisory Board received reports from directors and the accounting auditors regarding the performance of their duties and sought explanations when deemed necessary.
- (2) Each audit & supervisory board member, in accordance with audit standards, policy and plans formulated by the Audit & Supervisory Board, sought to facilitate mutual understanding with directors, the internal auditing section and other employees, gathered information and worked to improve the environment for conducting audits, making use of methods including use of the telephone line and the internet. Accordingly, the audit & supervisory board members conducted the following audit:
  - (i) In addition to attending meetings of the Board of Directors and other important meetings, the audit & supervisory board members received reports from directors, the internal auditing section and other employees regarding the performance of their duties, and when deemed necessary, sought explanations, perused important documents including those subject to executive approval, and conducted examinations of conditions of business and assets of the head office and other major business offices. With respect to subsidiaries, the audit & supervisory board members sought to facilitate mutual understanding and exchange of information with the directors and audit & supervisory board members of subsidiaries, and when deemed necessary, received reports concerning the business of subsidiaries, visited their head offices and other major business offices, and conducted inquiries.
  - (ii) The audit & supervisory board members also periodically received reports from directors and other employees, sought explanations as necessary, and expressed their opinions regarding the contents of resolutions by the Board of Directors concerning the development of systems stipulated in Article 100, Paragraphs 1 and 3 of the Enforcement Regulations of the Companies Act, which are necessary to ensure that directors' performance of their duties is in conformity with laws and regulations and the Articles of Incorporation of the Company and to ensure the appropriateness of operations of the Company and its subsidiaries, as described in the business report, as well as the status of the building and management of the system developed pursuant to such resolutions (internal control system). In addition, the audit & supervisory board members received reports and sought explanations from directors and other employees of subsidiaries of the Company as necessary with regard to the status of building and management of the system, and expressed their opinions.
  - (iii) The audit & supervisory board members examined the contents of the basic policy presented in the business report stipulated in Article 118, Item 3(a) of the Enforcement Regulations of the Companies Act, and each measure stipulated in Article 118, Item 3(b) of said act, in light of the status of discussions by the Board of Directors and others.
  - (iv) The audit & supervisory board members monitored and examined the independence of the accounting auditors and the appropriateness of audits conducted. They also discussed on the audit matters, received reports from the accounting auditors concerning the status of progress of the audits and performance of their duties, and when deemed necessary, sought their opinions. In addition, the audit & supervisory board members received notice from the accounting auditors that the system to ensure the appropriateness of duties performed by accounting auditors (as stipulated in Article 131 of the Ordinance on Accounting of Companies) is in accordance with standards prescribed by laws and regulations and standards related to quality management for accounting audits, and when deemed necessary, sought their opinions.

Based on the above methods, the audit & supervisory board members conducted examinations of the Company's business report related to the fiscal period under review, the supplementary schedules, financial statements on a parent-alone basis (balance sheet, statement of income, statement of changes in shareholders' equity, and notes on the basis of presentation of financial statements on a parent-alone basis), the supplementary schedules, and consolidated financial statements (consolidated statements of financial position, consolidated statements of profit, consolidated statements of changes in equity, and notes to consolidated financial statements).

#### 2. Results of Audit

- (1) Results of audit of the business report, etc.

In the opinion of the Audit & Supervisory Board:

  - (i) The contents of the business report and its supplementary schedules present fairly the position of the Company pursuant to laws and regulations and the Articles of Incorporation.
  - (ii) With regard to the performance of duties of directors, no unfair conduct, nor any material breach of laws, regulations or the Company's Articles of Incorporation has been found.
  - (iii) The details of resolutions approved by the Board of Directors concerning the internal control system are proper and fair; in addition, no matters that necessitate comment have been found regarding the details defined in the Company's business report and performance of duties of directors both with respect to the internal control system.
  - (iv) No matters that necessitate comment have been found regarding the Policy on Control of the Company presented in the Company's business report.
- (2) Results of audit of the financial statements and the supplementary schedules, and the consolidated financial statements  
The method of audit employed by the accounting auditors KPMG AZSA LLC and the results thereof are proper and fair.

May 10, 2022

Audit & Supervisory Board  
Toshihide Tominaga (Seal)  
Senior Audit & Supervisory  
Board Member  
Yoshio Sato (Seal)  
Audit & Supervisory Board  
Member  
Setsuko Yufu (Seal)  
Audit & Supervisory Board  
Member

Eiji Fujii (Seal)  
Senior Audit & Supervisory Board  
Member  
Toshio Kinoshita (Seal)  
Audit & Supervisory Board  
Member

## **Disclaimer Regarding Forward-Looking Statements**

This Notice includes forward-looking statements about Panasonic Holdings Corporation (Panasonic HD) and its Group companies (the Panasonic Group). To the extent that statements in this Notice do not relate to historical or current facts, they constitute forward-looking statements. These forward-looking statements are based on the current assumptions and beliefs of the Panasonic Group in light of the information currently available to it, and involve known and unknown risks, uncertainties and other factors. Such risks, uncertainties and other factors may cause the Panasonic Group's actual results, performance, achievements or financial position to be materially different from any future results, performance, achievements or financial position expressed or implied by these forward-looking statements. Panasonic HD undertakes no obligation to publicly update any forward-looking statements after the date of this Notice. Investors are advised to consult any further disclosures by Panasonic HD in its subsequent filings under the Financial Instrument and Exchange Act of Japan (the FIEA) and other publicly disclosed documents.

The risks, uncertainties and other factors referred to above include, but are not limited to, economic conditions, particularly consumer spending and corporate capital expenditures in the Americas, Europe, Japan, China and other Asian countries; volatility in demand for electronic equipment and components from business and industrial customers, as well as consumers in many product and geographical markets; the possibility that the spread of the novel coronavirus infections may adversely affect business activities of the Panasonic Group; the possibility that excessive currency rate fluctuations of the U.S. dollar, the euro, the Chinese yuan and other currencies against the yen may adversely affect costs and prices of Panasonic Group's products and services and certain other transactions that are denominated in these foreign currencies; the possibility of the Panasonic Group incurring additional costs of raising funds, because of changes in the fund raising environment; the possibility of the Panasonic Group not being able to respond to rapid technological changes and changing consumer preferences with timely and cost-effective introductions of new products in markets that are highly competitive in terms of both price and technology; the possibility of not achieving expected results or incurring unexpected losses in connection with the alliances or mergers and acquisitions; the possibility of not being able to achieve its business objectives through joint ventures and other collaborative agreements with other companies, including due to the pressure of price reduction exceeding that which can be achieved by its effort and decrease in demand for products from business partners which Panasonic Group highly depends on in BtoB business areas; the possibility of not achieving expected benefits in connection with the transition to a new organizational system in which Panasonic is a holding company; the possibility of the Panasonic Group not being able to maintain competitive strength in many product and geographical areas; the possibility of incurring expenses resulting from any defects in products or services of the Panasonic Group; the possibility that the Panasonic Group may face intellectual property infringement claims by third parties; current and potential, direct and indirect restrictions imposed by other countries over trade, manufacturing, labor and operations; restrictions, costs or legal liability relating to laws and regulations or failures in internal controls; fluctuations in market prices of securities and other financial assets in which the Panasonic Group has holdings or changes in valuation of non-financial assets, including property, plant and equipment, goodwill and deferred tax assets; future changes or revisions to accounting policies or accounting rules; the possibility of incurring expenses resulting from a leakage of customers' or confidential information from Panasonic Group systems due to unauthorized access or a detection of vulnerability of network-connected products of the Panasonic Group; as well as natural disasters including earthquakes, prevalence of infectious diseases throughout the world, disruption of supply chain and other events that may negatively impact business activities of the Panasonic Group. The factors listed above are not all-inclusive and further information is contained in the most recent English translated version of Panasonic HD's securities reports under the FIEA and any other documents which are disclosed on its website.