

## Corporate Governance Report

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### **Panasonic Holdings Corporation**

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<https://holdings.panasonic/global/>

The corporate governance of Panasonic Holdings Corporation (the “Company”) is described below.

## **I. Basic Policy on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information**

### **1. Basic Policy**

The Company, since its establishment, has operated its business under the belief of the founder Konosuke Matsushita, that “the original mission of an enterprise is to contribute to the development of society by supplying products and services of superior quality that are useful in people's lives, at reasonable prices, in appropriate amounts”. He believed that the owner of an enterprise with such a mission is society itself, and this is expressed in the phrase "a company is a public entity of society." The Company concludes that the managerial resources that are necessary to that enterprise, including personnel, capital, land, and materials, have been entrusted to it by society and the enterprise must contribute to society by engaging in activities that make the best use of resources entrusted to it by society, and thereby create surplus value. The Company believes that an enterprise conducts its business while maintaining relationships with customers, business partners, shareholders, society, and numerous other stakeholders, and that the only way for an enterprise to develop over the long term is to do so along with all of its stakeholders. These ideas are outlined in the “Basic Business Philosophy” of the Panasonic Group.

In April 2022, the Group adopted an operating company system (a holding company system) in order to evolve the management of the Group from a medium- to long-term perspective and further secure management, even as changes in the business environment intensify year by year and uncertainty continues. As a holding company, the Company will continue to support the business growth of each operating company and define growth areas from the perspective of optimizing the group as a whole, thereby striving to enhance the corporate value of the entire group.

The Company recognizes that corporate governance is the important basic structure for implementing the Basic Business Philosophy, and endeavors to establish and strengthen the effective corporate governance structure based on the Board of Directors which is responsible for deciding important operational matters for the whole Group and monitoring the Operating Companies and on the Audit & Supervisory Board system, consisting of Audit & Supervisory Board Member (A&SB Member) and the Audit & Supervisory Board (A&SB), which are

responsible for auditing the performance of duties by Directors.

The Basic Business Philosophy:

<https://holdings.panasonic/global/corporate/about/philosophy.html>

**[Reasons for not complying each principle of the Corporate Governance Code]**

The Company complies all of the principles set forth in the Corporate Governance Code revised in June 2021.

**[Disclosure based on each principle set forth in the Corporate Governance Code] [updated]**

**【Principle 1.3 Basic Strategy for Capital Policy】**

The Company operates its business placing considerable weight on “return on invested capital” and development of “financial stability”.

As for the “return on invested capital”, the Company runs business with consciousness of the cost of capital by calculating business division-based ROIC (Return on Investment Capital) and WACC (Weighted Average Cost of Capital), and utilizing it for accelerating business selection & concentration if necessary, and taking up in organic measures to strengthen/revitalize businesses and for decision making on investment, to create sustainable return which outweighs the profit forecast of the capital market. The Company aims continuously 10% or more of ROE (\*) the Company-widely.

As for the “financial stability”, we are increasing our shareholders fund by building up the net profit so that we are able to build up firm financial base to fully promote business restructuring and active investments. Under the capital allocation policy, the Company will allocate capital for implementing the Mid-term strategy with cash flow generated from business (operating CF, divestiture) in manner of financial discipline consciousness.

From the perspective that shareholder return is the return on the capital invested by shareholders, the Company, in principle, distributes profits to shareholders based on its business performance and strives to provide stable and continuous of dividends, targeting a dividend payout ratio of approximately 30% with respect to consolidated net profit attributable to Panasonic Holdings Corporation stockholders.

\* ROE (Return on Equity): Net income attributable to the owners of the parent company / Average of the equity attributable to the owners of the parent company at the beginning and the end of the fiscal year.

**【Principle 1.4 Strategic Shareholdings (So-called “Cross-Shareholdings” in the Corporate Governance Code)】**

Other than holding shares of affiliated companies, the Company acquires and holds shares or interests of other companies, limiting the holdings to those of strategic partners to which the Company has a close business relation. The Company also judges whether the holding is necessary to increase its mid- to long-term corporate value, considering comprehensively its business strategies and business relation with such partners, among other factors.

For the shares other than those of affiliated companies, the Company determines that the holding of the shares be limited to a minimum necessary, and every year at the Board of Directors Meeting, examines the purpose of the acquisition and holdings per share and cost & benefit with consideration of capital cost, and periodically judges the appropriateness of holding. Based on its examination result, the Company considers disposing and reducing the shares if it determines that the holding cannot be justified.

In exercising voting rights of the shares that the Company holds, the Company decides and exercises each agenda, considering in a comprehensive manner with the concrete voting right

check list, whether the Company can expect, among other things, the increases of the mid- to long-term corporate value of the investee company. The Company does not make affirmative decision on the agenda which might damage the shareholders' value.

#### 【Principle 1.7 Related Party Transactions】

Any transaction that results in a conflict of interest between the Company and a Director or Executive Officer (a person in charge of the execution of the Company's business, appointed by resolution of the Board of Directors) is prohibited in principle unless it is reported and approved in advance at the Board of Directors meeting under the "Rules for Directors" and the "Rules for Executive Officers", and the internal approval and the approval by the Board of Directors are required under the "Rules of Approval for Decision-making in Important Matters" and the "Matters to Be Discussed at Board of Directors Meeting". All important facts regarding such transactions are brought before the Board, and the Board then resolves on these transactions taking into due consideration the opinions of the independent Outside Directors, for whom there is no risk of any conflict of interest.

#### 【Supplementary Principle 2.4.1 Views on diversity of core human resources】

The Company have established the “Panasonic Group DEI Policy” on October 1, 2021.  
<https://holdings.panasonic/global/corporate/sustainability/pdf/sdb202204e-employee.pdf>

DEI stands for “Diversity, Equity & Inclusion” and it is defined as follows;

Diversity: To accept and respect each other and find values in individual personality

Equity: To fairly provide opportunities to individuals who take on challenges

Inclusion: To let individual personality shine and leverage each other as an organization for the people who take on challenges

By promoting DEI, the Company aim to become the "most rewarding company where all employees can make the most of their abilities," regardless of differences in inner and outer aspects of individuals: values, sexual orientation, gender identity, nationality, gender, disability, health, family, job history and so on. In line with this policy, we keep creating opportunities for all employees to take on challenges and perform actively, and developing the systems and initiatives to promoted various personnel to management/executive positions, and to provide various work styles.

Since 2017, the Company have been launching initiatives to increase employee satisfaction such as “Connect with outside and create opportunity to grow,” “Support proactive reformation”, and “Environment where diversity makes sense”.

As of April 2022, the number of female managers was 664, accounting for 5.4% of all the managers, and this percentage is steadily rising.

In 2021, the Company announced to support “30% Club Japan”, a global campaign aimed at "increasing the proportion of female in important corporate decision-making".

As the Company has been promoting its business on a global scale, the Company is proactively

appointing non-Japanese and mid-career personnel to managerial positions, who are essential for the further growth of the business. As of April 2022, the number of non-Japanese employees in managerial positions was 62, accounting for 0.5% of all managerial positions (12.1% of non-Japanese employees) (\*), and the number of mid-career employees in managerial positions was 1,850, accounting for 14.9% of all managerial positions (\*). The Company will continue its efforts to increase these numbers. The Panasonic Global Competencies (PGC) was established to encourage innovative change of mindset of each of all leaders. The Company has also established a common platform to assess candidate of executives, to monitor the progress of their training, and to select/promote the right person so that the Company can implement systematic career development and identify the most qualified personnel who can realize the sustainable growth of the Company.

(\*) Domain of study: Panasonic Holdings Corporation, Panasonic Operational Excellences Co., Ltd. and seven Operating Companies (For details on the seven Operating Companies, refer to “2. Outline of Current System of Corporate Governance Mechanisms such as Execution of Business, Auditing and Directing, Nomination and Determination of Compensation ” in “ II.

Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management".)

#### 【Principle 2.6 Roles of Corporate Pension Funds as Asset Owner】

The Company has adopted the defined-benefit corporate pension plan (“the pension plan”) as a domestic corporate pension plan. In asset management of the pension plan, the Company exerts its function as expected as the asset owner, such as accepting the Stewardship Code and working on Stewardship activities for the fund operating agencies.

The Company continues to develop the human resources for the pension plan in a well-planned manner to increase not only the investment management expertise but also the quality of its overall operations. In cases where the operating agencies of the pension plan exercise voting rights for other companies than our group companies, we, the Company respects the decision of the operating agencies of the pension plan and ensures that conflicts of interest which could arise between the pension beneficiaries and the Company are avoided.

<http://nenkin.jpn.panasonic.com/swship/index.html>

#### 【Principle 3.1 Full Disclosure】

(1) Company objectives (e.g., business philosophy), business strategies and business policy

The Company has declared the Group’s common purpose of "achieving an ideal society with affluence both in matter and mind", and has adopted “Live Your Best”, as our brand slogan, which expresses our purpose. As a management strategy to embody the brand slogan, the Group has announced its new mid-term and long-term strategy. "Live Your Best" expresses the Group’s guiding principle to devote to the well-being of people through business activities and by supporting customers to achieve happiness and their best in today’s changing world. The Company pledges that all the Operating Companies within the Group will contribute to "Live Your Best" for each and every customer. United in embodying the spirit to "Live Your Best", the Group will tirelessly improve value-creating capabilities to contribute further to the progress and development of society and offer products and services surpassing customers’ expectation.

Basic Business Philosophy: <https://holdings.panasonic/global/corporate/about/philosophy.html>

Group New Medium- to Long-term Strategy (Group CEO Briefing, Group Strategy on Apr 1, 2022): <https://holdings.panasonic/global/corporate/investors/presentations.html>

## (2) Basic view and policy on corporate governance

The Company has worked on the corporate governance under its basic philosophy “a company is a public entity of society”, and established the corporate governance system based on the Board of Directors and A&SB Members / A&SB. The Board is responsible for deciding important operational matters for the whole Panasonic Group and monitoring the execution of business by Directors. A&SB Members / A&SB are independent from the Board and responsible for auditing the performance of duties by Directors.

The Company conducts the following activities to enhance effectiveness of its corporate governance.

1. Secures the rights and equal treatment of shareholders
2. Endeavors to appropriately cooperate with stakeholders such as employees, customers, business partners and local societies with the recognition that its sustainable growth is brought about as a result of receiving resources and contributions from such stakeholders.
3. Appropriately discloses corporate information and ensure transparency of the management.
4. Given its fiduciary responsibility and accountability to shareholders, the Board of Directors set the broad direction of corporate strategy, establish an environment where appropriate risk-taking is supported and carry out effective oversight of Directors and management from an independent and objective standpoint.
5. Engages in constructive dialogue with shareholders in order to contribute to the sustainable growth and the increase of corporate value over the mid- to long-term.

## (3) Board policies and procedures in determining the compensation of the senior management and Directors

### i) Policy

The Company’s remuneration system for Directors and Executive Officers comprises a fixed remuneration which is the “basic remuneration,” a short-term incentive which is the “performance-based remuneration,” and a long-term incentive which is the “restricted stock as remuneration,” based on the duties of Directors.

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

The “performance-based remuneration” is provided to boost motivation to improve business performance, and its amount is determined based on a single-year performance evaluation of the entire Company and a specific business of which a Director is in charge.

The "performance-based remuneration" is designed in a way that the amount of payment will increase according to the results. The payment rate of the basic remuneration ranges from 0% to 150% (when the standard value is achieved: 75%). The performance is measured using a combination of key management indicators which the Company should continue to attach importance to, such as adjusted operating profit (\*), 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.

The “restricted stock as remuneration” 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.

Based on the intended approach to the new medium- and long-term strategy for the Panasonic Group following the transformation 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.

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

## ii) Procedure

Compensations of Directors and Executive Officers are decided by Representative Director, President, who was given the authority by the Board, based on the Company’s Director and Executive Officer Compensation System. The Company has established a voluntary Nomination and Compensation Advisory Committee which is chaired by an Outside Director, and a majority of its members are also Outside Directors. In response to inquiries from the Board, this Committee deliberates and reports on the appropriateness of the Company’s Director and Executive Officer Compensation System.

(4) Policies and procedures in the appointment and dismissal of the senior management and the nomination of Director and A&SB Member candidates

i) Policy

Regarding Directors, in light of the broad and diverse nature of its businesses, the Company appoints, in a well-balanced manner, those who have broad knowledge, experience and qualification.

Regarding Outside Directors, the Company appoints, from among such as management or experts of external entities, those who have knowledge and extensive expertise, that is difficult to be brought if it is relying only on Inside Directors. The Company, also, considering importance of independency of an appointee, appoints Outside Directors, from the perspective that there is no conflict of interest between the Company and the appointee, and that the appointee can increase and enhance the effectiveness of the oversight of the Board based on objective and neutral standpoint. Please refer to 【Principle 4.9 Independence Standards and Qualification for Independent Outside Directors with regard to the qualification for the Company's Outside Directors】 / Outside A&SB Members.

Regarding A&SB Members, the Company appoints those who have knowledge, experience and qualification for exercising their responsibilities and duties. Also the Company appoints A&SB Member who has substantial finance, accounting and legal knowledge.

Regarding Outside A&SB Members, the Company appoints, from among such as management of external entities, lawyer and certified public accountant, those who have knowledge and extensive expertise, that is difficult to be brought if it is relying only on Inside A&SB Members. The Company, also, considering importance of independency of an appointee, appoints Outside A&SB Members, from the perspective that there is no conflict of interest between the Company and the appointee, and that the appointee may increase and enhance the effectiveness of the auditing by A&SB Members on the execution of business by Directors based on objective and neutral standpoint. Please refer to 【Principle 4.9 Independence Standards and Qualification for Independent Outside Directors with regard to the qualification for the Company's Outside Directors】 / Outside A&SB Members.

Eligible Executive Officers include those responsible for the Group governance, important management agendas across the Group, and external affairs. Personnel with the knowledge, experience, and capabilities appropriate for these positions are appointed after deliberations by the Nomination and Compensation Advisory Committee.

With respect to the dismissal of Directors, if a Director remarkably lacks in qualification as a Director because of violation of laws and regulations, involvement in unfair, dishonest or suspicious acts undermining confidence as a Director, or a decline in business or for other reasons, as set forth in the Rules for Directors, the proposal of dismissal to the General Meeting of shareholders, exclusion of such director from the candidates for the next director, and other necessary actions are resolved in accordance with the procedures set forth in the Rules. Regarding dismissal of Executive Officers, if an Executive Officer remarkably lacks in qualification as an Executive Officer because of violation of laws and regulations, involvement in unfair, dishonest or suspicious acts undermining confidence as an Executive Officer, or a decline in business or for other reasons, as set forth in the Rules for Executive Officers, the Board of Directors shall resolve the necessary actions.



As for replacement of the Group Chief Executive Officer (Group CEO), please refer to the Supplementary Explanation of Voluntary Establishment of Committee(s) Corresponding to Nomination Committee or Compensation Committee under II 1. [Directors] in this report.

## ii) Procedure

Director and Executive Officer candidates are deliberated upon by the Chairman, the Group CEO, and the Group Chief Human Resources Officer (Group CHRO) before being decided by the Board of Directors. A&SB Member candidates are deliberated upon by the Chairman, the Group CEO, and the Group CHRO and consented to by the A&SB before being decided by the Board.

The Company has established a voluntary Nomination and Compensation Advisory Committee, chaired by an independent Outside Director. In response to inquiries from the Board, this Committee deliberates and reports to the Board on the results of internal considerations of Director, Executive Officer and A&SB Member candidates.

## (5) Explanations with respect to the individual appointments and nominations

Work records and the reasons of appointment for Directors and A&SB Members are stated in the reference materials for the general meeting of shareholders. The reasons of appointment for Outside Directors and Outside A&SB Members are also stated in Reason of Appointment of Relationship with the Company (2) of II.1. [Directors] and [Audit & Supervisory Board Members (A&SB Members)/Audit & Supervisory Board (A&SB)] in this report.

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

### 【Supplementary Principle 3.1.3 Initiatives for sustainability and others】

#### (1) Initiatives for sustainability

The Company's mission is to put the basic management policies into practice, face up to social issues to realize an ideal society with both material affluence and mental happiness, and strive to make a significant contribution to society. Its top priority is to tackle the global environmental problems.

As part of efforts to solve global environmental problems, the Company established the "Environmental Charter" in 1991, relatively quickly than other companies. In May 2021, as a milestone toward the realization of its long-term vision for 2050, the Company declared a goal of achieving net-zero CO2 emissions at all the Operating Companies by 2030. In April 2022, as part of its new long-term environmental vision of "Panasonic GREEN IMPACT", the Group announced that it will not only reduce CO2 emissions throughout its value chain but also increase its contribution to society toward 2050. Specifically, the Company will reduce emissions of its entire Group value chain by 110 million tons through accelerated energy reduction. At the same time, by combining the decarbonization effect of society as a whole toward 2050, the Company will achieve net-zero CO2 emissions. The Company will also create an impact that contributes to CO2 reduction of 100 million tons through the further spread of environmentally-friendly vehicles using automotive batteries in existing business areas, and the reduction of energy consumption through increased application of supply chain software and air quality and air conditioning products by customers. In addition, by creating new technologies

such as the hydrogen energy field and new businesses, which are under development, the Company will reduce 100 million tons, which will have an impact on energy innovation in society. The Group has announced that, through these contributions, it aims for its goal of achieving a reduction impact of more than 300 million tons (\*1), or about 1% of the current total global CO2 emissions, through its business activities by 2050.

Moreover, the Company have launched Panasonic Transformation (PX) to support digital transformation (DX) in business divisions which is essential for strengthening operational capabilities, and to promote enhancement of IT management base for the entire Group. With this transformation the Company aim to realize the evolution of work processes through IT in response to the changing society and business environment.

In December 2021, the Company established the Sustainability Management Committee, chaired by the Group CEO to undertake efforts for the development of Group-wide measures on global environmental and social issues and for the monitoring of the progresses. For example, as a measure to reduce CO2 emissions from our production activities by promoting introduction of equipment that contributes to energy saving and renewable energy equipment such as solar power, the Company laid out a plan of introducing internal carbon pricing in capital investment decisions and the plan was resolved at the Group Management Committee. This measure will be introduced throughout the Group in April 2022.

To accomplish our missions, the Company also must face the human rights and compliance issues, and promise to establish the working environment where employees feel satisfaction and human rights are respected. In order to address these issues, the Company has established an organization comprehensively controlling human rights and labor compliance matters under the Strategic Human Resources Department, and also discusses these topics at the Board of Directors meetings with the participation of independent outside directors. As part of our efforts to globally comply with Standards concerning human rights and labor established by the United Nations and the International Labor Organization and/or relevant laws and regulation, the Company has established and disclosed the Group Global Human Rights and Labor Policies externally. Such initiatives by the Company extend even further to developing, promoting, monitoring, and continuously improving compliance measures throughout entire group in line with the Panasonic Group Code of Ethics & Compliance and other company rules, while referring findings from the dialogue with stakeholders and the advice from outside experts.

The Company disclose information on these initiatives. In May 2019, the Company announced to agree on the Recommendations of TCFD (\*2). The Company identify the risks and opportunities and verify the resilience of strategies through scenario analysis. Also, on the assumption of engaging with investors, the Company publish a Sustainability Data Book that includes the disclosure items recommended by the TCFD: Governance, Strategy, Risk Management, and Metrics and Targets.

## (2) Investment in human resources

The Company has positioned human resource development and Diversity, Equity, and Inclusion (DEI) as one of its key management policies. The Company provides a wide range of opportunities to diverse employees who try to take on challenges, and is actively engaged in providing rewarding work. Specific initiatives such as recruitment, compensation systems,

human resource development, and DEI are described in the Sustainability Data Book.

### (3) Investment in intellectual property

Since its foundation, the Company has placed great importance on intellectual property in the spirit of "intellectual property before business." At present, in addition to business growth and maximizing corporate value, the Company aims to acquire and manage intellectual property and make effective use of it, with a view to contributing to the resolution of social issues. As part of these efforts, the Company's annual report introduces its intellectual property initiatives aimed at resolving environmental issues. The Sustainability Data Book also introduces its efforts to combat counterfeiting as part of the fair business activities.

The Company's R&D expenditure in FY 2022 was 419.8 billion yen (R&D expenditure to sales ratio: 6.3%), and the number of applications for patent registration, utility model registration and design registration was approximately 15,000 (including approximately 8,600 overseas). As of March 2022, the Company held approximately 100,000 patents, utility model and design rights (including approximately 58,000 overseas) and approximately 16,000 trademarks (including approximately 11,000 overseas).

Initiatives for Sustainability: <https://holdings.panasonic/global/corporate/sustainability.html>

Sustainability Data Book:

<https://holdings.panasonic/global/corporate/sustainability/data-book.html>

Panasonic Group Human Rights:

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

Annual Report: <https://holdings.panasonic/global/corporate/investors/library/annual-report.html>

※1 Energy origin CO2 emissions in 2019: 33.6 billion tons (Source: IEA), 300 million tons: Calculated based on 2020 emission factor

※2 Task Force on Climate-related Financial Disclosures established by the Financial Stability Board (FSB)

【Supplementary Principle 4.1.1 The Scope of Matters Delegated to Management by the Board of Directors】

In order to ensure the full-fledged autonomous management by the Operating Companies, and to perform both swift, strategic decision-making and sound, appropriate monitoring, the Board of Directors, as the decision-making body for Group-wide matters, focuses on corporate strategy decisions and the Operating Companies' oversight, and delegates other decisions to the Management. Therefore, pursuant to internal rules (Rules for Meetings of the Board of Directors, Matters to be Discussed at Board of Directors Meeting, Rules of Approval for Decision-making in Important Matters, etc.), matters to be discussed by the Board of Directors shall be limited to those that require a resolution of the Board of Directors in accordance with laws and regulations and the Articles of Incorporation, important matters related to the Group management, and transactions exceeding a certain threshold amount specified by category.

Decisions on the execution of other business shall be delegated to the Executive Officers in charge of management.

**【Principle 4.8 Effective Use of Independent Outside Directors】**

The Company has established a policy that the ratio of Outside Directors to the Board of Directors shall be at least one-third, and currently elects five (5) Outside Directors. All Outside Directors are notified as “Independent Directors / Audit & Supervisory Board Members” required by financial instruments exchanges such as Tokyo Stock Exchange. Please refer to 4. of i) Policy of Principle 【3.1 Full Disclosure for the qualification of independent Outside Directors】 which the Company requires of independent Outside Directors. Three (3) independent Outside Directors serve as the members of Nomination and Compensation Advisory Committee, and one of them serves as the chairperson of this Committee. In addition, the Company has established an Outside Officers Committee consisting of Outside Directors and Outside A&SB Members to actively exchange information and opinions so that Outside Directors can fully demonstrate their knowledge in discussions at the Board of Directors meetings.

**【Principle 4.9 Independence Standards and Qualification for Independent Outside Directors】**

The Company defined the outline of the independence standards for independent Directors / Audit & Supervisory Board Members (A&SB Members) that the Company established based on the independence standard required by financial instruments exchanges such as Tokyo stock exchange.

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 those who corresponds to the person recently or previously, hereinafter, “executing person”)
- (2) A person or an executing person of such person who has a major business relationship with the Company, or a person or an executing person of such person with whom the Company has a major business relationship.
- (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 / A&SB Member. If the person who receives such property is an organization such as a legal entity or association, those who belongs or belonged to the organization corresponds to the relevant person.
- (4) A principal shareholder of the Company (If a principal shareholder is a legal entity, An executing person of such legal entity)
- (5) A close relative listed in items numbered (1) to (4) above (A second-degree or closer relative applies. The same applies, hereinafter) or a close relative of an executing person of the Company or subsidiary of the Company (If an Outside A&SB Member is appointed to as an independent Directors / A&SB Member, the person who is or who was an non-executing director / accounting advisor is included in the executing person).

Notes)

i) In the items numbered (1), (2), (4) and (5) above, an “executing person” corresponds to any of the following.

- A Director who is an executive director, an executive officer (shikkouyaku) or a director / A&SB 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 executing business, or other such equivalent person.
- An employee

Also, the wording “recently” shall be assumed to be the point of time when the item of the agenda of the shareholders’ meeting appointing the person as a Director or an A&SB Member are 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 person whom the Company has a business relationship, exceeds 2% of either of their annual consolidated sales.

iii) In the item (3) above, “significant” shall be applied to the case in which the person (individual) or the organization such as a legal entity or association to which a service provider belongs, in providing a service to the Company, corresponds to any of the followings. A person “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 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 / an accounting advisor” shall be assumed to be identified based on whether the person was in the position in the last three years.

Please refer to 【Principle 3.1 Full Disclosure】 4. i) Policy with regards to Qualification for independent Outside Directors

【Supplementary Principle 4.10.1 Nomination and Compensation Advisory Committee】

The Company has established a voluntary Nomination and Compensation Advisory Committee. Upon receiving inquiries from the Board of Directors, the Committee deliberates

on the results of internal reviews regarding the nomination of candidates for Director, A&SB Member, Executive Officer, President of the Operating Companies, and Outside Director of the Operating Companies, and also on the appropriateness of the remuneration system for Director, Executive Officer, President of the Operating Companies, and Outside Director of the Operating Companies, and of the amount and content of remuneration for each individual. In addition, the Committee monitors candidates for successor to the Group CEO, Executive Officers, and Presidents of the Operating Companies, and the Committee members can suggest when the Group CEO should be replaced.

As of the date of submission of this report, the Committee consists of five (5) members; independent Outside Director Michitaka Sawada (Chairperson), independent Outside Director Kazuhiko Toyama, independent Outside Director Yoshinobu Tsutsui, Director and Chairperson of the Board Kazuhiro Tsuga, and Representative Director and President Yuki Kusumi (the Group CEO). The Company has been enhancing objectivity and transparency of the Committee by ensuring that the Outside Directors constitute a majority of its membership with one of them serving the chairperson.

【Supplementary Principle 4.11.1 Disclosure of View on Diversity and Size of the Board of Directors】

The Board of Directors shall concentrate on the roles of decision-making of management strategies from group-wide perspective and the supervision of the Operating Companies, in order to ensure the balance of “swift and strategic decision-making” and “sound and appropriate monitoring”, for the decision-making of the Group-wide matters and autonomous management of the Operating Companies. For the purpose of fulfilling this role, Board of Directors is composed of twelve (12) Directors (two (2) whom are female), including five (5) Outside Directors (at least one-third of Directors must be Outside Directors), and seeks to ensure the diversity of knowledge, experience and qualifications as a whole Board of Directors. Chairperson is the Chairperson of the Board who is not involved in execution of business.

The Company discloses the expertise of directors (skill matrix) in the Reference Documents for the General Meeting of Shareholders.

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

【Supplementary Principle 4.11.2 Restrictions on Concurrent Positions of Directors and Audit & Supervisory Board Members (A&SB Members); Disclosure of Status Thereof】

To the extent that it does not hinder their roles or duties within the Company, Directors (excluding Outside Directors), A&SB Members (excluding Outside A&SB Members), and Executive Officers may take positions as directors or audit & supervisory board members of other companies or as representative officers of important government, national and local bodies, or the like by consulting with the Group CHRO and obtaining the Group CEO's approval pursuant to the “Rules of Approval for Decision-making in Important Matters.” The Company has also established the Committee for the Determination of Concurrent Holding of Positions, chaired by the Group CHRO, to evaluate risks associated with concurrent positions for the Company. Important concurrent positions held by Directors (including Outside Directors) and A&SB Members (including Outside A&SB Members) are stated in the reference materials of

the ordinary general meeting of shareholders each year.

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

【Supplementary Principle 4.11.3 Analysis and Evaluation of the Board of Directors Effectiveness】

The Company conducts an annual survey to evaluate the effectiveness of the Board of Directors to all the Board members who attend the Board of Directors meetings. The results are reported at the Board of Directors meetings as one of the agenda items, and issues and improvement measures raised by the Members of the Board of Directors are discussed. Based on the results of these discussions, the Company continuously builds up a PDCA cycle by considering and implementing measures to improve the structure and operation of the Board of Directors, leading to improvement of the effectiveness of the Board of Directors and strengthening of governance.

In fiscal 2022, the Company focused on the following points based on the effectiveness evaluation for fiscal 2021 and the transition to an operating company structure started from April 2022.

- More time was allocated to deliberations on themes that the Board of Directors should focus on, such as the Group's medium- and long-term strategy and group governance
- In addition to the agenda items for the Board of Directors meeting, the minutes of the PHD Strategy Meeting and the minutes of the Board of Directors meetings of the Operating Companies were posted on the Management Information site, which was established to provide information to the official members of the Board of Directors meetings, in order to establish the system where Outside Directors and Outside A&SB Members can grasp the status of discussions and deliberations by the executive side
- On important matters, prior briefings aside from the Board of Directors meetings were held

After taking the above measures, the Company conducted a survey to evaluate the effectiveness of the Board of Directors for FY 2022 in February 2022 as follows:

Method: Questionnaire (choice and free description)

Questionnaire Items:

- Sufficiency of provision of information on agenda items
- Opinions and points to be improved on information sharing for the Board of Directors (Management Information site)
- Key discussion themes at the Board of Directors meetings
- Appropriateness of setting agendas such as the medium-term management plan and group governance, roles expected of Outside Directors, appropriateness of time allocation for each agenda item, etc.
- Strengthening of governance of the Board of Directors
- Skills necessary to fulfill the roles of Director, and sufficient communication between Outside Directors and management (particularly management of the Operating Companies), etc.
- Directors Training, Business Site Visits, etc.

Questionnaire results:

The structure of the Board of Directors for fiscal 2022 and the measures the Company has taken

to improve management were positively evaluated in general. On the other hand, the following issues were raised and proposed.

- In order to deepen discussions at the Board of Directors meetings, the Company shall clearly indicate the key points, issues, and directions for resolving issues that should be discussed at the Board of Directors meetings, regarding important matters.
- On the condition that agenda materials are shared in advance, depending on the content of the agenda items, the presentation at the Board of Directors meetings may be simplified and more time may be allocated to discussion.
- Establish a system so that the members of the Board of Directors can ask questions on agenda items in advance and to the responses to the questions can be shared using online tools, etc.
- Increase opportunities for interaction between Outside Directors and Operating Company Presidents.

In fiscal 2023, the Company will implement specific measures to enhance and deepen discussions at the Board of Directors meetings in order to resolve the above issues, and will continue to strive to improve the effectiveness of the Board of Directors and strengthen governance.

#### < Evaluation of the A&SB Effectiveness >

The Company's A&SB evaluates the effectiveness of the A&SB. In order to enhance the effectiveness of audit activities, the A&SB evaluates the effectiveness of audit activities at the end of the fiscal year, clarifies issues, determines countermeasures, and reflects them in the audit plan for the next fiscal year to continuously improve the effectiveness. In fiscal 2022, in addition to the existing business reports, the A&SB confirmed Group-wide agendas such as DX, Brand, Design, etc., and implemented initiatives to enhance activities that make use of the knowledge of Outside A&SB Members and strengthen cooperation with the Internal Audit Department. The A&SB recognizes that it has been able to achieve certain results in improving the effectiveness of its audits.

On the other hand, in order to strengthen the governance function under the new structure, it recognizes the need to enhance "Tripartite audits" and cooperate in further enhancing communication with Outside Directors so that the Board of Directors can have deeper discussions.

In fiscal 2023, in recognition of changes in the risk-related environment, the A&SB has set compliance, thorough and strengthened group governance, and enhanced tripartite audits as priority audit themes, and will continue to improve the effectiveness of audits.

#### 【Supplementary Principle 4.14.2 Disclosure of its Training Policy for Directors and A&SB Members】

At the time of assumption of office as new Directors and A&SB Members, the Company provides them with opportunities to deepen their understanding of the expected roles and responsibilities and acquire necessary knowledge for performing such roles and responsibilities. Also, during their terms of office, the Company appropriately provides them with opportunities



to acquire necessary knowledge such as those gained by attending seminars about management and compliance, among other matters, conducted by external experts.

At the time of assumption of office as new Outside Directors and Outside A&SB Members, the Company provides training to explain the management strategy, business activities, and strategies for key business areas. Also, the Company appropriately provides them with the opportunities to visit major operating sites and plants to deepen their understanding of the Company's business and exchange with senior management of the business divisions. The Company holds briefings outside of the Board of Directors in advance to provide appropriate information on management regarding important agenda matters.

#### 【Principle 5.1 Policy for Constructive Dialogue with Shareholders】

##### (1) Basic Policy

Under its basic philosophy, “A company is a public entity of society,” the Company has committed to highly transparent business activities and endeavored to be accountable its accountability to its stakeholders. The Company clearly defines its basic policy on information disclosure in the “Panasonic Group Code of Ethics & Compliance,” the guideline for putting the Group's Basic Business Philosophy into practice. The Company also publishes relevant practical standards, methodologies, internal processes, etc., as the “Disclosure Policy.” The Company's basic policy is to provide the Company's fair and accurate financial information and corporate information, including management policies, business activities and Environment, Social, Governance (ESG) activities, in a timely, appropriate, and easily understandable manner.

##### (2) Structure pursuing constructive dialogue

###### i) Dialogue between management and shareholders

The Group Chief Financial Officer (Group CFO) is responsible for Investor Relations (IR) activities. Mainly the President, the Group CFO, each Director of Business Division, and each President of the Operating Companies engage in dialogues with shareholders and investors at financial announcements and individual meetings, etc.

###### ii) IR Department

Corporate Finance & IR Department is in charge of planning, making policy of overall IR activities, and day-to-day communication with shareholders and investors.

###### iii) Collaboration with related Department

Dialogue with shareholders and investors are mainly engaged by Corporate Finance & IR Department. In addition to the Groupwide Strategy Group and the Corporate Public Relations Center, the Company has established a cross-functional system for collecting and integrating internal information in cooperation with the Accounting and Public Relations departments of Panasonic Operational Excellence Co., Ltd. ( “PEX”), which was established as a company that gathers highly skilled and specialized human resources in a wide range of fields, and the

Accounting, Corporate Planning and Public Relations Departments of the Operating Companies (collectively "IR related Department").

iv) Structure for disclosure

The Company has established a structure in which matters required to be disclosed under relevant laws and ordinances in Japan and overseas or the rules of financial instruments exchanges or any other regulations shall be immediately reported to the IR Section, Corporate Finance & IR Department or the Financial & Accounting Center of PEX , and disclosed timely and accurately.

Moreover, the Company has established disclosure control procedures in order to implement fair, accurate and timely disclosure of information, such as corporate information about Panasonic Group. In the process of preparation and confirmation of reports such as annual securities reports, quarterly reports, the Disclosure Committee, which is comprised of general managers of the Company's principal departments that handle relevant information, confirms the validity of the content of the descriptions and the appropriateness of the procedures concerning the disclosure under the supervision of the Group CEO and the Group CFO.

(3) IR activities aside from individual meetings

i) Institutional Investors and Security Analysts

The Company conducts presentation meetings of quarterly financial results announcements, annual presentation regarding business policy of the Company and the Operating Companies, as well as tours to individual business sites. Also, for overseas investors, the Company holds presentation meetings utilizing conference hosted by financial institutions.

ii) Individual Investors

The Company, for timely disclosure to individual investors, actively discloses its management information through the Company's official website and etc.

(4) Relaying shareholders views to the management

The views and concerns for management issues obtained from shareholders and investors through IR activities are appropriately shared as the feedbacks with senior managements in internal meetings such as the Group Strategy Meeting. These views and concerns are also shared to relevant departments such as Operating Companies through IR related Department, and are utilized to improve quality of management as appropriate.

(5) Controlling insider information

The Company sets forth in the Panasonic Group Code of Ethics & Compliance that employees never engage in insider trading, abiding relevant laws and ordinances in Japan and overseas. Also the Company establishes the internal rule to prevent insider trading for all directors, executives, and employees of Panasonic Group including those of IR related Departments.

Also, managements including the Group CEO and person in the IR related Departments are fully aware of the significance of handling insider information, and promote to engage fair dialogue to avoid conducting a selective disclosure\*.

In concrete terms, the Company sets “silent period” from 15 business days prior to the financial announcement until the day of the announcement. The Company does not engage in a preview interview about the financial announcements, even if it is outside the “silent period”, refraining from having dialogues about financial outlook that has not been disclosed.

\* To individually provide the material nonpublic information to specific business partners, investors, security analysts or media, regardless of intention.

#### 【Principle 5.2 Establishing and Disclosing Business Strategies and Business Plans】

In order to realize "an ideal society, with both material affluence and mental happiness", which is the Group's mission set forth by the founder, the Company will thoroughly strengthen its competitiveness to contribute to the wellbeing of the environment and people's lives in the medium- to long-term strategy that began in fiscal 2023. The Company adopted the Operating Company (Holding Company) system in April 2022. The aim of the transition is to strengthen the competitiveness of its business from a medium- to long-term perspective.

With the transition to the Operating Company structure, the Group is divided into Operating Companies. Each Operating Company works to significantly enhance its business competitiveness through swift decision-making in response to the external environmental changes and flexibly develop systems in accordance with business characteristics. On the other hand, the Holding Company continues to support the business growth of the Operating Companies and strives to enhance the corporate value of the Group by promoting growth strategies from a group-wide perspective, including business portfolio management that goes beyond the judgment by the Operating Companies.

As the Group, its cash-generation capability is essential, particularly, for tax payments, dividends, and employee's salaries. It is also necessary for investments in its future contributions to society. Therefore, the Company has set cumulative operating cash flow for the next three-year period as one of its medium-term management indicators, aiming for 2.0 trillion yen of cumulative operating cash flow and 1.5 trillion yen of cumulative operational profit over the three years of FY 2023 to FY 2025.

The Group's management strategies and business policies, such as investments in growth areas and management indicators of the Operating Companies, are posted on the Company's website.

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

Dialogues between the shareholders and the investors are made as a part of IR activities which are articulated in 【Principle 5.1 Policy for Constructive Dialogue with Shareholders】 .

## 2. Capital Structure

Percentage of Shares Held by Foreign Investors	Not less than 30%
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### [Status of Major Shareholders]

Name / Company Name	Number of Shares Owned	Percentage (%)
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  (Standing proxy: Mizuho Bank, Ltd.)	60,175	2.57
Nippon Life Insurance Company	48,339	2.07
MOXLEY AND CO LLC (Standing proxy: Mizuho Bank, Ltd.)	42,863	1.83
Sumitomo Life Insurance Co.	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 (Standing proxy: Mizuho Bank, Ltd.)	28,511	1.22
SSBTC CLIENT OMNIBUS ACCOUNT (Standing proxy: The Hongkong and Shanghai Banking Corporation Limited)	25,798	1.10

Controlling Shareholder (except for Parent Company)	N/A
Parent Company	None

1. Status of Major Shareholders is as of March 31, 2022.
2. Holdings of less than 1,000 shares have been omitted.
3. Percentage (%) is calculated by deducting the Company's treasury stock (119,969,766) and rounded down to two decimal places.
4. The number of shares held by The Master Trust Bank of Japan, Ltd. (trust account) reflects the shares entrusted by Mitsubishi UFJ Trust and Banking Corporation and other corporations, which have been originally entrusted in their trust services.
5. The numbers of shares held by Custody Bank of Japan, Ltd. (trust account) reflect the shares entrusted by Sumitomo Mitsui Trust Holdings, Inc. and other corporations, which have been originally entrusted in their trust services.
6. Amendment to Report was submitted by BlackRock Japan Co., Ltd. and its eight joint holders dated March 4, 2022. The Company cannot confirm the actual status of shareholdings as of the record date for exercising voting rights. The shareholding status of the report as of February 28, 2022 is as follows.
  - BlackRock Japan Co., Ltd.  
 Number of share certificates, etc. held (in thousands of shares): 32,796  
 Percentage of share certificates held (%): 1.34
  - BlackRock Advisors LLC  
 Number of share certificates, etc. held (in thousands of shares): 25,347  
 Percentage of share certificates held (%): 1.03
  - BlackRock Investment Management LLC  
 Number of share certificates, etc. held (in thousands of shares): 10,629  
 Percentage of share certificates held (%): 0.43
  - BlackRock (Netherlands) BV  
 Number of share certificates, etc. held (in thousands of shares): 6,388  
 Percentage of share certificates held (%): 0.26
  - BlackRock Fund Managers Limited  
 Number of share certificates, etc. held (in thousands of shares): 8,172  
 Percentage of share certificates held (%): 0.33

- BlackRock Asset Management Ireland Limited

Number of share certificates, etc. held (in thousands of shares): 16,179

Percentage of share certificates held (%): 0.66

- BlackRock Fund Advisors

Number of share certificates, etc. held (in thousands of shares): 37,080

Percentage of share certificates held (%): 1.51

- BlackRock Institutional Trust Company, N.A.

Number of share certificates, etc. held (in thousands of shares): 32,303

Percentage of share certificates held (%): 1.32

- BlackRock Investment Management (UK) Limited

Number of share certificates, etc. held (in thousands of shares): 4,242

Percentage of share certificates held (%): 0.17

- Total

Number of share certificates, etc. held (in thousands of shares): 173,142

Percentage of share certificates held (%): 7.06

7. Amendment to Report of Possession of Large Volume was submitted by Sumitomo Mitsui Trust Asset Management Co., Ltd. and its one joint holder dated December 22, 2020. The Company cannot confirm the actual status of shareholdings as of the record date for exercising voting rights. The shareholding status as of December 15, 2020 according to the report is as follows.

- Sumitomo Mitsui Trust Asset Management Co., Ltd.

Number of share certificates, etc. held (in thousands of shares): 77,957

Percentage of share certificates held (%): 3.18

- Nikko Asset Management Co., Ltd.

Number of share certificates, etc. held (in thousands of shares): 46,113

Percentage of share certificates held (%): 1.88

- Total

Number of share certificates, etc. held (in thousands of shares): 124,071

Percentage of share certificates held (%): 5.06
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### 3. Corporate Attributes

Listed Stock Market and Market Section	Tokyo Stock Exchange and Nagoya Stock Exchange / First Section
Fiscal Year-End	March
Type of Business	Electric Equipment
Number of Employees (consolidated) as of the End of the Previous Fiscal Year	Not less than 1,000
Sales (consolidated) as of the End of the Previous Fiscal Year	Not less than 1 trillion yen
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	Not less than 300

### 4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder

N/A
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### 5. Other Special Circumstances which may have Material Impact on Corporate Governance

N/A
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## II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management

### 1. Organizational Composition and Operation

Organization Form	Company with Audit & Supervisory Board Members
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#### [Directors]

Maximum Number of Directors Stipulated in Articles of Incorporation	Maximum number not stipulated
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Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board	Chairperson
Number of Directors	12
Appointment of Outside Directors	Appointed
Number of Outside Directors	5
Number of Independent Directors	5

#### Outside Directors' Relationship with the Company (1)

Name	Attribute	Relationship with the Company*											
		a	b	c	d	e	f	g	h	i	j	k	
Shinobu Matsui	From another company								○				
Kunio Noji	From another company								△				
Michitaka Sawada	From another company								△				
Kazuhiko Toyama	From another company												
Yoshinobu Tsutsui	From another company								○				

\* Categories for "Relationship with the Company"

\* "○" when the director presently falls or has recently fallen under the category;

"△" when the director fell under the category in the past

\* "●" when a close relative of the director presently falls or has recently fallen under the category;

"▲" when a close relative of the director fell under the category in the past

a. Executing person of the Company or its subsidiaries

b. Non-executive director or executing person of a parent company of the Company

c. Executing person of a subsidiary of the parent company of the Company



- d. A party whose major client or supplier is the Company or an executing person thereof
- e. Major client or supplier of the Company or an executing person thereof
- f. Consultant, accountant 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
- g. Principal shareholder of the Company (or an executing person of the said major shareholder if the shareholder is a legal entity)
- h. Executing person of a client or supplier company of the Company (which does not correspond to any of d, e, or f) (the director himself/herself only)
- i. Executing person of a company, between which and the Company outside directors/audit & supervisory board members are mutually appointed (the director himself/herself only)
- j. Executing person of a company or organization that receives a donation from the Company (the director himself/herself only)
- k. Others

#### Outside Directors' Relationship with the Company (2)

Name	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons of Appointment
Shinobu Matsui	○	Ms. Shinobu Matsui is an Outside Director designated as an independent director. Ms. Matsui is Board Director of Uzabase, Inc. However, the total transaction amount between the Company and Uzabase, Inc. in fiscal 2022 was (a) less than 1% of the consolidated sales of the Company in fiscal 2022 and (b) less than 1% of the	<p>(Reason for Appointment as an Outside Director)</p> <p>Her extensive experience and deep insight on accounting and management can be brought to the management of the Group, and can contribute to changing corporate culture and promoting diversity of the Group.</p> <p>(Reason for Appointment as an Independent Director)</p> <p>Ms. Shinobu Matsui does not have any conflict of interests in light of relationships between the Company and Ms. Matsui, other entities or organizations to which</p>

		consolidated sales of Uzabase, Inc. in fiscal 2022.	she belongs, and may enhance and strengthen the effectiveness of the monitoring performed by the Board of Directors on the execution of business by Directors from an objective and neutral standpoint.
Kunio Noji	○	Mr. Kunio Noji is an Outside Director designated as an independent director. Mr. Noji comes from Komatsu Ltd. However, the total transaction amount between the Company and Komatsu Ltd. in fiscal 2022 was (a) less than 1% of the consolidated sales of the Company in fiscal 2022 and (b) less than 1% of the consolidated sales of Komatsu Ltd. in fiscal 2022.	<p>(Reason for Appointment as an Outside Director)</p> <p>His extensive managerial experience and his deep insight can be brought to the management of the Group.</p> <p>(Reason for Appointment as an Independent Director)</p> <p>Mr. Kunio Noji does not have any conflict of interests in light of relationships between the Company and Mr. Noji, other entities or organizations to which he belongs, and may enhance and strengthen the effectiveness of the monitoring performed by the Board of Directors on the execution of business by Directors from an objective and neutral standpoint.</p>
Michitaka Sawada	○	Mr. Michitaka Sawada is an Outside Director designated as an independent director. Mr. Sawada is Director of Kao Corporation. However, the total transaction amount between the Company and Kao Corporation in fiscal 2022 was (a) less than 1% of the consolidated sales of	<p>(Reason for Appointment as an Outside Director)</p> <p>His extensive managerial experience and his deep insight can be brought to the management of the Group.</p> <p>(Reason for Appointment as an Independent Director)</p> <p>Mr. Michitaka Sawada does not have any conflict of interests in light of relationships between the Company and Mr. Sawada, other entities or organizations to which</p>

		the Company in fiscal 2022 and (b) less than 1% of the consolidated sales of Kao Corporation in fiscal 2022.	he belongs, and may enhance and strengthen the effectiveness of the monitoring performed by the Board of Directors on the execution of business by Directors from an objective and neutral standpoint.
Kazuhiko Toyama	○		<p>(Reason for Appointment as an Outside Director)</p> <p>His extensive managerial experience and deep insight can be brought to the management of the Group.</p> <p>(Reason for Appointment as an Independent Director)</p> <p>Mr. Kazuhiko Toyama does not have any conflict of interests in light of relationships between the Company and Mr. Toyama, and or other entities or organizations to which he belongs, may enhance and strengthen the effectiveness of the monitoring performed by the Board of Directors on the execution of business by Directors from an objective and neutral standpoint.</p>
Yoshinobu Tsutsui	○	Mr. Yoshinobu Tsutsui is an Outside Director designated as an independent director. Mr. Tsutsui is Representative Director of Nippon Life Insurance Company. However, the total transaction amount between the Company and Nippon Life Insurance Company in fiscal 2022 was (a)	<p>(Reason for Appointment as an Outside Director)</p> <p>His extensive managerial experience and his deep insight can be brought to the management of the Group.</p> <p>(Reason for Appointment as an Independent Director)</p> <p>Mr. Yoshinobu Tsutsui does not have any conflict of interests in light of relationships between the Company and Mr. Tsutsui, other entities or organizations to which he belongs, and may enhance and strengthen the effectiveness of the</p>

		less than 1% of the consolidated sales of the Company in fiscal 2022 and (b) less than 1% of the consolidated sales of Nippon Life Insurance Company in fiscal 2022.	monitoring performed by the Board of Directors on the execution of business by Directors from an objective and neutral standpoint.
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Voluntary Establishment of Committee(s) Corresponding to Nomination Committee or Compensation Committee	Established
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Committee's Name, Composition, and Attributes of Chairperson
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	Committee Corresponding to Nomination Committee	Committee Corresponding to Compensation Committee
Committee's Name	Nomination and Compensation Advisory Committee	Same as on the Left
All Committee Members	5	5
Full-time Members	-	-
Inside Directors	2	2
Outside Directors	3	3
Outside Experts	-	-
Other	-	-
Chairperson	Outside Director	Outside Director

Supplementary Explanation
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The Company has established a voluntary Nomination and Compensation Advisory Committee. Upon receiving inquiries from the Board of Directors, the Committee deliberates on the results of internal reviews regarding the nomination of candidates for Director, A&SB Member, Executive Officer, President of the Operating Companies, and Outside Director of the Operating Companies, and also on the appropriateness of the remuneration system for Directors, Executive Officers, Presidents of the Operating Companies, and Outside Directors of the Operating Companies, and of the amount and content of remuneration for each individual. In addition, the Committee monitors candidates for successor to the Group CEO, Executive Officers, and Presidents of the Operating Companies, and the Committee members can suggest when the Group CEO should be replaced.

As of the date of submission of this report, the Committee consists of five (5) members; independent Outside Director Michitaka Sawada (Chairperson), independent Outside Director Kazuhiko Toyama, independent Outside Director Yoshinobu Tsutsui, Director and Chairperson of the Board Kazuhiro Tsuga, and Representative Director and President Yuki Kusumi (the Group CEO). The Company has been enhancing objectivity and transparency of the committee by ensuring that Outside Directors constitute a majority of its membership with one of them serving the chairperson.

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**[Audit & Supervisory Board Members (A&SB Members) / Audit & Supervisory Board (A&SB)]**

Establishment of A&SB	Established
Maximum Number of A&SB Members Stipulated in Articles of Incorporation	Maximum number not stipulated
Number of A&SB Members	5

**Cooperation among A&SB Members, Accounting Auditors and Internal Audit Departments**

A&SB Members and the A&SB regularly hold meetings with Accounting Auditors in order to receive an overview of Accounting Auditors' audit plan; to receive explanations on the status of the internal control system known to Accounting Auditors, risk evaluation and items that Accounting Auditors' audits focus on; and to exchange opinions. In addition, it is stipulated in the Audit Standards for A&SB Members that, in cases where A&SB Members receive a report from Accounting Auditors to the effect that an improper act or material fact that violates laws and ordinances or the articles of incorporation was detected with respect to the Directors' or Executive Officers' execution of business, then the A&SB Members or the A&SB shall take necessary measures after deliberations at the A&SB, such as conducting a necessary investigation and giving advice or recommendation to the Directors or Executive Officers.

A&SB Members make efforts to perform efficient audits by maintaining close collaboration with the Internal Audit Group and other sections in executing an investigation of the Company's business and financial situation and other duties. In addition, A&SB Members receive from the Internal Audit Group or other sections regular reporting regarding the status involving the internal control system, the result of audits, etc. A&SB Members may request an investigation if necessary.

Appointment of Outside A&SB Members	Appointed
Number of Outside A&SB Members	3
Number of Independent A&SB Members	3

## Outside A&SB Members' Relationship with the Company (1)

Name	Attribute	Relationship with the Company*												
		A	b	c	d	e	f	g	h	i	j	k	l	m
Akihiro Eto	From another company										△			
Akihiko Nakamura	CPA													
Setsuko Yufu	Lawyer													

\* Categories for "Relationship with the Company"

\* "○" when the audit & supervisory board member presently falls or has recently fallen under the category;

"△" when the audit & supervisory board member fell under the category in the past

\* "●" when a close relative of the audit & supervisory board member presently falls or has recently fallen under the category;

"▲" when a close relative of the audit & supervisory board member fell under the category in the past

a. Executing person of the Company or its subsidiaries

b. Non-executive director or accounting advisor of the Company or its subsidiaries

c. Non-executive director or executing person of a parent company of the Company

d. Audit & supervisory board members of a parent company of the Company

e. Executing person of a subsidiary of the parent company of the Company

f. A party whose major client or supplier is the Company or an executing person thereof

g. Major client or supplier of the Company or an executing person thereof

h. Consultant, accountant or legal expert who receives a significant amount of money or other property from the Company other than compensation as an audit & supervisory board member

i. Principal shareholder of the Company (or an executing person of the said major shareholder if the shareholder is a legal entity)

j. Executing person of a client or supplier company of the Company (which does not correspond to any off, g, or h) (the audit & supervisory board member himself/herself only)

- k. Executing person of a company, between which and the Company outside directors/audit & supervisory board members are mutually appointed (the audit & supervisory board member himself/herself only)
- l. Executing person of a company or organization that receives a donation from the Company (the audit & supervisory board member himself/herself only)
- m. Others

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Outside A&SB Members' Relationship with the Company (2)

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Name	Designation as Independent A&SB Members	Supplementary Explanation of the Relationship	Reasons of Appointment
Akihiro Eto	○	Mr. Akihiro Eto is an Outside A&SB Member designated as an independent audit & supervisory board member. Mr. Eto comes from Bridgestone Corporation. However, the total transaction amount between the Company and Bridgestone Corporation in fiscal 2022 was (a) less than 1% of the consolidated sales of the Company in fiscal 2022 and (b) less than 1% of the consolidated sales of Bridgestone Corporation in fiscal 2022.	<p>(Reason for Appointment as an Outside A&amp;SB Member)</p> <p>His extensive managerial experience and his deep insight to appropriately audit the performance of Directors' duties as an Outside A&amp;SB Member and provide valuable opinions to the Group's management.</p> <p>(Reason for Appointment as an Independent Audit &amp; Supervisory Board Member)</p> <p>Mr. Akihiro Eto does not have any conflict of interests in light of relationships between the Company and Mr. Eto, other entities or organizations to which he belongs, and may enhance and strengthen the effectiveness of the audits performed by A&amp;SB Members on the execution of business by Directors from an objective and neutral standpoint.</p>



Akihiko Nakamura	○	<p>(Reason for Appointment as an Outside A&amp;SB Member)</p> <p>His extensive experience and his deep insight as certified public accountant to appropriately audit the performance of Directors' duties as an Outside A&amp;SB Member and provide valuable opinions to the Group's management.</p> <p>(Reason for Appointment as an Independent Audit &amp; Supervisory Board Member)</p> <p>Mr. Akihiko Nakamura does not have any conflict of interests in light of relationships between the Company and Mr. Nakamura, other entities or organizations to which he belongs, and enhances and strengthens the effectiveness of the audits performed by A&amp;SB Members on the execution of business by Directors from an objective and neutral standpoint.</p>
Setsuko Yufu	○	<p>(Reason for Appointment as an Outside A&amp;SB Member)</p> <p>Her many years of extensive experience as a lawyer to appropriately audit the performance of Directors' duties as an Outside A&amp;SB Member and provide valuable opinions to the Group's management.</p> <p>(Reason for Appointment as an Independent Audit &amp; Supervisory Board Member)</p> <p>Ms. Setsuko Yufu does not have any conflict of interests in light of relationships between the Company and Ms. Yufu, other entities or organizations to which</p>

			<p>she belongs, and may enhance and strengthen the effectiveness of the audits performed by A&amp;SB Members on the execution of business by Directors from an objective and neutral standpoint.</p>
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## [Independent Directors/A&SB Members]

Number of Independent Directors/A&SB Members	8
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### Matters relating to Independent Directors/A&SB Members

All eight (8) Outside Directors/A&SB Members are designated as independent directors/audit & supervisory board members pursuant to the Company's policy on the independence of Outside Directors and Outside A&SB Members which was established based on the independence standard required by financial instruments exchanges such as Tokyo Stock Exchange. Please refer to I 1. [Disclosure based on each principle set forth in Corporate Governance Code] and 【Principle 4.9 Independence Standards and Qualification for Independent Outside Directors】 about the Company's policy on the independence of Outside Directors and Outside A&SB Members.

## [Incentives]

Incentive Policies for Directors	Performance based Compensation
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### Supplementary Explanation

#### <Performance based compensation>

The Company adopts the "performance based compensation" as a short-term incentive to provide incentive to boost business performance, and its amount shall be determined based on a single-year performance evaluation of the entire Company and a specific business of which a Director is in charge.

The "performance-based remuneration" is designed in a way that the amount of payment will increase according to the results. The payment rate of the basic remuneration ranges from 0% to 150% (when the standard value is achieved: 75%). The performance is measured using a combination of key management indicators which the Company should continue to attach importance to, such as adjusted operating profit (\*), net profit attributable to the Company's 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.

\* A management indicator for the Company calculated by subtracting Cost of sales and Selling,

general and administrative expenses from Net sales.

< Restricted stock as remuneration >

Restricted stock as remuneration 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 "restricted stock as remuneration" is a system that an eligible Director will pay out all of the monetary compensation obligations provided as remuneration by the Company as stock investment property, and receive issuance or disposition of the Company's common share. The Company and each of eligible Directors shall sign a restricted stock allocation agreement every fiscal year.

Specific details of the restricted stock allocation agreement

(1) Transfer restriction period

The eligible Directors may not transfer, use as collateral or otherwise dispose of the common stock allocated under the restricted stock allotment agreement (the Allotment Agreement) (the Allotted Shares) for three years from the date of allocation or for a period of up to 30 years therefrom as determined by the Company's Board of Directors.

(2) Handling in the case of retirement

If an eligible Director retires from his/her position as preassigned by the Company's Board of Directors before the expiration of the restriction period, the Company will at that time acquire the Allotted Shares without consideration, except in the cases of term of office expiration, death, or any other justifiable reason.

(3) Lifting of the restriction period

Notwithstanding the provision of (1) above, the Company shall lift the restrictions for all the Allotted Shares at the end of the restriction period, provided that the eligible Director remained in his/her position as preassigned by the Company's Board of Directors during the restriction period. However, in the case of term of office expiration, death or other justifiable reason, set forth in (2) above, if the eligible Director retires from the position set forth in (2) above before the expiration of the restriction period, the number of Allotted Shares to be freed from restriction and the timing of restriction lifting shall be reasonably adjusted as necessary. In addition, the

Company shall acquire without consideration, the Allotted Shares on which restrictions were not lifted, upon the lifting of the restrictions in accordance with the above-mentioned rules.

(4) Handling in the case of reorganization, etc.

Notwithstanding the provisions of (1) above, if a merger agreement that will eliminate the Company, or a share exchange agreement or a share transfer plan to make the Company a wholly owned subsidiary, or any other corporate reorganization measure is approved by the General Meeting of Shareholders (or by the Board of Directors in the case that such a reorganization measure does not require approval by the General Meeting of Shareholders), with regard to the number of Allotted Shares reasonably determined by resolution of the Board of Directors based on the period from the restriction period start date to the reorganization approval date, the restrictions shall be lifted prior to the effective date of the reorganization, etc. In addition, as stated above, the Company shall acquire without consideration, the Allotted Shares on which restrictions were not lifted, upon the lifting of the restrictions.

(5) Other matters

Other matters relating to the Allotment Agreement shall be determined by the Board of Directors.

## [Director Compensation]

Disclosure of Individual Directors' Compensation	Selected Directors
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### Supplementary Explanation

The aggregate amounts of compensations paid by the Company during fiscal 2022 to Directors and Outside A&SB are as follows;

Eight (8) Directors (other than Outside Directors) were 1,128 million yen; basic compensation of 571 million yen, performance based compensation of 404 million yen and restricted stock as remuneration of 153 million yen, and to two (2) A&SB Members (other than Outside A&SB Members) were 80 million yen; basic compensation of 80 million yen.

The amounts of compensations for seven (7) Outside Directors were 110 million yen; basic compensation of 110 million yen, and for three (3) Outside A&SB Members were 39 million yen; basic compensation of 39 million yen.

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.

The followings are the names of Directors and A&SB Members whose compensation is 100 million yen and above and the amount of their compensations.

Kazuhiro Tsuga (Director): total compensation is 218 million yen; basic compensation of 101 million yen, performance based compensation of 90 million yen, and restricted stock as remuneration of 27 million yen

Yuki Kusumi (Director): total compensation is 182 million yen; basic compensation of 92 million yen, performance based compensation of 34 million yen and restricted stock as remuneration of 56 million yen

Tetsuro Homma (Director): total compensation is 148 million yen; basic compensation of 82 million yen and performance based compensation of 66 million yen

Mototsugu Sato (Director): total compensation is 170 million yen; basic compensation of 79 million yen, performance based compensation of 68 million yen and restricted stock as remuneration of 23 million yen

Yasuyuki Higuchi (Director): total compensation is 157 million yen; basic compensation of 75 million yen, performance based compensation of 63 million yen and restricted stock as remuneration of 19 million yen

Hirokazu Umeda (Director): total compensation is 124 million yen; basic compensation of 67 million yen, performance based compensation of 41 million yen and restricted stock as remuneration of 16 million yen

Of the above, restricted stock as remuneration falls under non-monetary compensation.

Policy on Determining Compensation Amounts and Calculation Methods	Established
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Compensation for Directors Amount of Compensation or Determination Policy of Calculation Method
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Compensation for respective Directors (or A&SB Members) is decided within the maximum total amount of the compensation for all Directors (or A&SB Members), which is resolved at a General Meeting of Shareholders.
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Compensation for Outside Directors and Audit & Supervisory Board members receive only the basic compensation, which is a fixed compensation.
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Please refer to I 1. [Disclosure based on each Principle set forth in Corporate Governance Code]
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and 【Principle 3.1 Full Disclosure】 (3) Board policies and procedures in determining the compensation of the senior management and Directors about calculation method and determination policy for compensation.

#### [Supporting System for Outside Directors and/or A&SB Members]

The corporate staff in Corporate Legal Affairs Department, Corporate Governance Operations Section conducts supports to Outside Directors and Outside A&SB Members, such as providing prior explanation of agendas of the Board meeting to them in order to help them examine the materials in advance and to have effective discussion at the Board.

In addition, the Audit & Supervisory Board Members' Office, composing of full-time staff members and serving as an administration office for the A&SB Members and the A&SB, supports the performance of the duties of Outside A&SB Members, such as providing information.

#### [Information of Retiree from President etc.]

Names of Executive Advisors ・ Corporate Advisor who used to be President etc.					
Name	Position	Roles and Responsibilities	Work Style・ Conditions (Full Time or Part time, w/ or w/o Compensation)	Date of retirement from President	Term
Fumio Otsubo	Special Corporate Advisor	Indirect support through external activities	Part time・ w/o Compensation	2012/6/27	Age limit: up to 80
Number of Executive Advisors ・ Corporate Advisor who used to be President etc.				1	

Others	<ul style="list-style-type: none"> <li>• Executive Advisors will not be appointed from April 1, 2018 based on the re-examination of the advisor system.</li> <li>• In the new system, a person who experienced the position of Chairman/President, as Special Corporate Advisor, will fulfill external activities which Executive Advisors used to be responsible.</li> <li>• The outline of Special Corporate Advisor is as follows; <ul style="list-style-type: none"> <li>① Roles and Responsibilities : Provide indirect support through external activities</li> <li>② Work Style: Part Time</li> <li>③ Compensation : No Compensation</li> <li>④ Term : Age limit up to 80 years old</li> <li>⑤ Others : Shared office and company car are provided as needed.</li> </ul> </li> <li>• The external activities performed by Mr. Otsubo, Special Corporate Advisor, are Executive Officers of foundations and associations.</li> </ul>
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## 2. Outline of Current System of Corporate Governance Mechanisms such as Execution of Business, Auditing and Directing, Nomination and Determination of Compensation

The Company has transformed into an Operating Company Structure (Holding Company Structure) in April 2022. The Operating Companies are “(1) Panasonic Corporation” (it is composed of multiple business areas and unites the following five divisional companies: China & Northeast Asia Company, Living Appliances and Solutions Company, Heating & Ventilation A/C Company, Cold Chain Solutions Company, and Electric Works Company), “(2) Panasonic Automotive Systems Co., Ltd.”, “(3) Panasonic Connect Co., Ltd.”, “(4) Panasonic Industry Co., Ltd.”, “(5) Panasonic Energy Co., Ltd.”, “(6) Panasonic Housing Solutions Co., Ltd.”, and “(7) Panasonic Entertainment & Communication Co., Ltd.”. They facilitate the evolution and change of business in each area and carry out autonomous management on development, manufacturing, and sales as well as management of profits and fund for the realization of growth strategies.

The Company has responsibility for the management and engineering strategies across the Group. Specifically, the Company formulates the mid/long-term group strategies for the enhancement of corporate value, contributes to the businesses with innovative technology and production technology, and supports for engineering development and manufacturing. In addition, (8) Panasonic Operational Excellence Co., Ltd. has been established to play a role as a platform for improving the efficiency and sophistication of operations across the Group. Panasonic Operational Excellence Co., Ltd. assumes as a function of the group-wide management control in terms of developing the Company-wide rules, infrastructure and systems, implementing internal audit, internal control and compliance activities required to the listed company and the legal entity, and responding to the stakeholders closely working with the Company.

<The Board of Directors and Executive Officer System>



The Board of Directors shall concentrate on the roles of decision-making of management strategies from group-wide perspective and supervision of the Operating Companies, in order to ensure the balance of “swift and strategic decision-making” and “sound and appropriate monitoring”, for the decision-making of group-wide matters and autonomous management of the Operating Companies. For the purpose of fulfilling this roles, the Board of Directors is composed of twelve (12) Directors (two (2) whom are female), including five (5) Outside Directors (at least one-third of Directors must be Outside Directors), and seeks to ensure the diversity of knowledge, experience and qualifications as a whole Board of Directors. Chairperson is the Chairman of the Board who is not involved in execution of business.

The Board of Directors was held thirteen(13) times in fiscal 2022, and matters to be resolved at the Board of Directors which is required by the Companies Act and matters stipulated in the Standards for Discussions at the Board of Directors were deliberated and resolved. Outside Directors, with their extensive experience and deep insight, made active statements which is necessary for deliberation of matters. Moreover, to clarify the responsibilities of Directors and build a flexible structure of the Board of Directors, the Company limits the term of each Director to one (1) year.

In the Company, authorities are significantly delegated to the Operating Companies for the complete autonomous management. Also, in order to maximize the Group value, the Company has adopted the Executive Officer system, which allows group management from the standpoint of total optimization.

The number of Executive Officers (including those who concurrently serve as Directors) is thirteen (13), consisting of the President, Executive Vice President, a position in which the executive officer acts as President in specific areas, and Executive Officer, a position responsible for the business execution of specific functions.

<Status of audit conducted by Audit & Supervisory Board Members (A&SB Members) , internal audit and Accounting Audit>

Status of audit conducted by Audit & Supervisory Board Members (A&SB Members)

Pursuant to the Companies Act, the Company has elected A&SB Members and established A&SB, made up of A&SB Members. The A&SB Members and A&SB monitor the status of corporate governance and audit the day-to-day activities of management, including the performance of duties by Directors. The Company has five (5) A&SB Members, including three (3) Outside A&SB Members, one (1) female A&SB Member out of five (5) A&SB Members. Additionally, the Company elected A&SB Members who have substantial finance and accounting knowledge. A&SB Members participate in the general meetings of shareholders and the Board of Directors, receive reports from Directors, Executive Officers, employees and Accounting Auditors, and exercise other auditing authority granted to A&SB Members under the law. Full-time Senior A&SB Members also attend important meetings and conduct visiting audits to business offices in order to ensure effective audits. In order to augment the internal auditing functions in the Group, seventeen (17) full-time Audit & Supervisory Officers (A&SOs) of the Operating Companies and the divisional companies of each of the Operating Companies shall directly report to the Senior A&SB Members of the Company. The Company also inaugurated the Panasonic Group Audit & Supervisory Board Members’ Meeting

(comprising Senior A&SB Members of the Company, A&SOs, and A&SB Members of the Group Companies), chaired by the Senior A&SB Member of the Company, to enhance coordination between the Company's Senior A&SB Members, and A&SOs and audit & supervisory board members of the Group companies, for effective functioning of the entire group corporate governance. In addition, in the course of the performance of their duties, A&SB Members ensure to conduct efficient audits, by maintaining close cooperation with the "Internal Audit Committee," which controls the overall internal audit activities and where Senior A&SB Members attend as observers, and understanding the total picture of monitoring and auditing by relevant functions of PHD. A&SB regularly receives from the Internal Audit Committee reports regarding the status involving the internal control system and results of audits. A&SB may request the Internal Audit Committee or Accounting Auditors to conduct an investigation, if necessary. Also, in order to enhance the effectiveness of the audits conducted by A&SB Members and to ensure the smooth implementation of audits, the Company has established an A&SB Member's Office with full-time staff under the direct control of the A&SB.

Mr. Toshihide Tominaga, a Senior A&SB Member of the Company, has substantial finance and accounting knowledge, having held the position of Managing Officer of the accounting sections in the Company.

Mr. Akihiko Nakamura, Outside A&SB Member of the Company, has substantial finance and accounting knowledge, having held the career experiences with a corporate accounting in global companies in Japan and overseas for long periods as a certified public accountant.

Based on audit policies and plans the A&SB developed, the A&SB has received 15 reports from management to confirm the status of execution of duties. The A&SB has also received reports on the results of audits conducted by Senior A&SB Members of the Company and other activities, inspected the records of approval of important decisions, and checked the contents of reports made to the Audit Report System and responses to the reports. At the end of each quarter and fiscal year, the A&SB checks the Company's financial results and report documentations on the reviews and the audits conducted by accounting auditors, and compiles an Audit Report as the A&SB, evaluates the accounting auditors, determines re-election or non-reelection of each of the accounting auditors, and confirms compliance with law and regulations regarding the agendas of the General Meeting of Shareholders.

The A&SB held total of the thirteen (13) A&SB meetings for the fiscal year ended March 31, 2022, and each meeting took two (2) hours and fifty (50) minutes. The attendance rate was 100% (Senior A&SB Members: 100%, Outside A&SB Members: 100%).

The attendance rate of A&SB Members at the A&SB meetings

Toshihide Tominaga (Senior A&SB Member) 13/13(100%)

Eiji Fujii (Senior A&SB Member) 13/13(100%)

Yoshio Sato (Outside A&SB Member) 13/13(100%)

Toshio Kinoshita (Outside A&SB Member) 13/13(100%)

Setsuko Yufu (Outside A&SB Member) 13/13(100%)

#### Status of internal audits

##### (Audit policy)

Internal audits of the Company cover its overall management, including operations, organizations, and systems, and include audits of management, operations, finance, and internal controls.

##### (Organizational structure and members to conduct internal audits)

The internal audits of the Group are conducted based on an audit plan developed for each of the fiscal years under the approval of the Group CEO, the Group CFO, and the Internal Audit Committee according to the types of audits. In accordance with the condition identified from the audits, managers of the audit department report the results of audits to the Board of Directors, the A&SB, the Group CEO, the Group CFO, and the departments concerned. The "Internal Auditing Department" of Panasonic Operational Excellence Co., Ltd. has nineteen (19) personnel and the "Internal Control Promotion Office" which supervises internal control over financial reporting has fifteen (15) personnel.

In addition, the internal audit function is established in each of the Operating Companies of the Group and internal audits are conducted based on an audit plan under the approval of the CEO of the Operating Companies.

##### (Initiatives to enhance the effectiveness of audits)

The Company has established the Internal Audit Committee that reports directly to the Group CEO, to ensure optimal auditing and monitoring for the entire Group.

The Internal Audit Committee shall ensure the independence and objectivity of each internal audit through sound mutual checks and balances under the co-chairmanship of the Group CFO and the Group GC. The Group CROs also participate as the Committee members to ensure coordination with business activities and risk management activities throughout the Group. The Internal Audit Committee regularly checks the internal auditing functions of the Operating Companies.

The Internal Audit Committee supervises and directs internal audits based on reports from the Group CxO and the Operating Companies. In cooperation with the A&SB, the Internal Audit Committee has a group audit system in place by regularly reporting to the Group CEO and the Board of Directors.

#### Status of accounting audit

The Company has an auditing agreement with KPMG AZSA LLC for this company to conduct the accounting audit of the Company. Names of certified public accountants that performed

accounting audits in fiscal 2022 are indicated below. Accounting audits were conducted by involvement of 141 certified public accountants and 120 other staff.

Takashi Kondo

Masaki Hirota

Masato Nakagawa

<Group Management Meeting/PHD Strategy Meeting>

The Group Management Meeting and the PHD Strategy Meeting are held to discuss, set the direction, and report on the Group's mid-to long-term strategies, important Group-wide projects and committees, and important Group-wide initiatives implemented by the Company and the Operating Companies.

The Group Management Meeting is held basically once a month, chaired by the Group Chief Executive Officer (Group CEO) Yuki Kusumi. It consists of approximately twenty (20) senior managements including the presidents of the Operating Companies and functional directors.

The PHD Strategy Meeting is held basically at least twice a month chaired by the Group CEO Yuki Kusumi. It consists of approximately ten (10) senior managements including functional directors of Human Resources, Accounting, and Legal Affairs.

<Contract between the Company and Non-Executive Directors / A&SB Members under Article 427, Paragraph 1 of the Companies Act>

The Company has entered into liability limitation agreements with all Directors who do not execute business and A&SB Members, respectively, which limit the amount of their liability under Article 423, Paragraph 1 of the Companies Act to the aggregate of the amounts specified in Article 425, Paragraph 1 of the Companies Act, if they perform their duties in good faith and without significant negligence.

<Contract between the Company and Directors and A&SB Members under Article 430-2, Paragraph 1 of the Companies Act>

The Company has entered into indemnity agreements with all Directors and A&SB Members, respectively, under Article 430-2, Paragraph 1 of the Companies Act. 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.

<Directors' and officers' liability insurance policy>

The Company has entered into a directors' and officers' liability insurance policy with an insurance company under which all Directors, A&SB Members, and Executive Officers of the Company and its subsidiaries (\*) are insured, as stipulated in Article 430-3, Paragraph 1 of the Companies Act. If a claim for damages is made due to an act committed by the insured, the amount of damages to be borne by the insured shall be covered by the above-mentioned liability insurance policy. However, cases of willful or intentional violation of duty of due care shall not be covered by the said liability insurance policy.

\* 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., and Panasonic Information Systems Co., Ltd.

### 3. Reasons for Adoption of Current Corporate Governance System

Prior to the transition to an operating company structure in April 2022, the Company carried out a number of discussions concerning the Company's corporate governance structure.

Under the Operating Company structure, a full-fledged autonomous management is implemented by the Operating Companies that have gained substantial delegation of authority for investments, etc. As a holding company, the Company's role is to determine management strategies from a group-wide perspective and to supervise the Operating Companies. As a result of the study, the Company has determined that it has been able to ensure the effectiveness of corporate governance by having an independent A&SB establish and operate the Group internal audit system in cooperation with the Internal Audit Division, and by having a voluntary Nomination and Compensation Advisory Committee chaired by an independent outside director, with a majority of independent outside directors, deliberate on executive personnel matter and remuneration. The Company has determined that the corporate governance that it aims to achieve under the Operating Company structure can be achieved without changing the conventional corporate governance structure and maintaining the system of a company with A&SB Members. For that reason, the Company has established the corporate governance structure, based on the A&SB System composed of the Board of Directors and A&SB Member / A&SB, holding the following elements.

<The Board of Directors>

- The Board of Directors concentrates on decisions about the group-wide strategies and the supervision of the Operating Companies.

• With the policy of maintaining the ratio of outside directors to be one third or more, the Company elects Outside Directors, from among such as management of external entities, those who have extensive managerial experience with various careers and deep insight, and are expected to bring valuable opinion to the Board for decision-making of business execution, and monitoring of execution of Directors' duties.

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

• The Company sets A&SB Members who are able to exert their monitoring functions according to their individual discretionary decision, but not to majority vote decision. The A&SB Members are also able to independently act upon their own decision in pursuing liabilities of Directors.

• The Company sets Senior A&SB Members who are well versed about corporate operations and are able to comprehend actual condition of businesses by exercising their right to visit and investigate operating sites. The Senior A&SB Members are selected from among those who have experiences as higher or equal position of Managing Directors or equivalent position.

• The Company selects Outside A&SB Members, from among such as management, lawyer, and certified public accountant, those who have extensive expertise with various careers and deep insight and are expected to bring valuable auditing to the execution of Directors duties.

### III. Implementation of Measures for Shareholders and Other Stakeholders

#### 1. Measures to Vitalize the General Shareholder Meetings and Smooth Exercise of Voting Rights

	Supplementary Explanations
Early Notification of General Shareholder Meeting	The Company uses its efforts to promptly send convocation notices of a general shareholder meeting in order to enable the shareholders to exercise their voting rights after they carefully review business conditions of the Group and details of meeting agendas. Also, the Company discloses the convocation notices before it sends them to shareholders. The Notice of the 115th Ordinary General Meeting of Shareholders was sent out on June 1, 2022 and was posted on the Company website on May 31, 2022, prior to the date of sending out.
Scheduling General Shareholder Meeting Avoiding the Peak Day	The Company has set a date for the Ordinary General Meeting of Shareholders to avoid the peak days. The 115th Ordinary General Meeting of Shareholders was held on June 23, 2022.
Allowing Electronic Exercise of Voting Rights	In light of shareholders' convenience in exercising voting rights, the electronic voting system was introduced and electronic voting via cellular telephones is available. In addition, the use of ICJ Inc.'s platform for electronic exercise of voting rights is also available.
Participation in Electronic Voting Platform	The Company utilized ICJ Inc.'s platform for exercise of voting rights.
Providing Convocation Notice in English	The Company has posted the full text of convocation notice in English on the Company's website and ICJ Inc.'s platform for exercise of voting rights
Others	<p>The Company endeavors to prepare a convocation notice that is easy to see and read for the shareholders to understand, utilizing charts and photos, colorizing and using UD font.</p> <p>For the convenience of the shareholders, the Company has posted the full text of convocation notices as well as English translations thereof on the Company website.</p> <p>The Company creates high-definition images of the contents of business reports and meeting agendas in order for the shareholders to gain a better understanding of matters to be reported and resolved at a general meeting of shareholders.</p> <p>In order to provide shareholders residing in remote areas who are unable to attend the General Meeting of Shareholders with fair opportunities to participate in the General Meeting of</p>

	<p>Shareholders, the Company provides information on the general meeting of shareholders through a designated website on the day of the general meeting of shareholders, and also makes it possible for the shareholders to ask questions in advance through the website.</p> <p>In addition, the Company makes available, for a certain period of time after the closing of a general meeting of shareholders, on its website, the visual materials that are used to report matters to be reported and the visual reports of the future efforts from the Group CEO.</p>
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## 2. IR Activities

	Supplementary Explanations	Explanations by Representative directors in person
Preparation and Publication of Disclosure Policy	The “Disclosure Policy” is posted on the Company website: <a href="https://holdings.panasonic/global/corporate/investors/disclosure-policy.html">https://holdings.panasonic/global/corporate/investors/disclosure-policy.html</a>	
Regular Investor Briefings for Individual Investors	The Company, for timely disclosure to individual investors, actively discloses its management information through the Company website etc.	No
Regular Investor Briefings for Analysts and Institutional Investors	The Company holds conferences with respect to financial results every quarter.  In addition to the above, the Company holds conferences for domestic analysts and institutional investors concerning, among others, business strategies for each of Operating Companies.	Yes
Regular Investor Briefings for Overseas Investors	The Company’s conferences concerning the quarterly financial results and business results and business strategies of Operating Company can be referred in the materials and movies posted on its website in English. President and CFO are participating overseas IR meetings proactively.	Yes
Posting of IR Materials on Website	With respect to contents of financial results and business reports, the Company makes available brief reports of financial results ( <i>kessan tanshin</i> ) and presentation materials with scripts, both in	



	<p>Japanese and English, on its website. The Company distributes audio at the financial results briefing. In addition, the Company has endeavored to operate a convenient investor relations site for investors that contain business reports, annual reports and others.</p> <p><a href="https://holdings.panasonic.jp/corporate/investors.html">https://holdings.panasonic.jp/corporate/investors.html</a> (Japanese)</p> <p><a href="https://holdings.panasonic/global/corporate/investors.html">https://holdings.panasonic/global/corporate/investors.html</a> (English)</p>	
Establishment of Department and/or Person in Charge of IR	A well-developed system has been established through, among others, having Corporate Finance & IR Department which is in charge of planning IR activities and communication with shareholders and investors	
Others	The Company issues reports mainly intended for individual shareholders twice a year in order for shareholders to gain a better understanding of the business of the Company. These reports are posted on the Company website as an interim report and annual report.	

### 3. Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanations
Stipulation of Internal Rules for Respecting the Position of Stakeholders	<p>It is set forth in the “Basic Business Philosophy” and the “Panasonic Group Code of Ethics &amp; Compliance”.</p> <p>The Basic Business Philosophy:  <a href="http://holdings.panasonic.com/global/corporate/management/code-of-conduct/list.html">http://holdings.panasonic.com/global/corporate/management/code-of-conduct/list.html</a></p> <p>Panasonic Group Code of Ethics &amp; Compliance:  <a href="https://holdings.panasonic/global/corporate/about/code-of-conduct.html">https://holdings.panasonic/global/corporate/about/code-of-conduct.html</a></p>
Implementation of Environmental Activities, CSR Activities etc.	<p>The details are described in the Company website.  <a href="https://holdings.panasonic/global/corporate/sustainability.html">https://holdings.panasonic/global/corporate/sustainability.html</a></p>

Development of Policies on Information Provision to Stakeholders	<p>It is set forth in the “Panasonic Group Code of Ethics &amp; Compliance”.</p> <p><a href="https://holdings.panasonic/global/corporate/about/code-of-conduct.html">https://holdings.panasonic/global/corporate/about/code-of-conduct.html</a></p>
Others	<p>In order to deliver products and services that contribute to customers and society around the world and to develop Panasonic’s business, it is essential for the Company to continue its efforts to develop human resources who will thrive and grow in global business, as well as to create an organization and culture in which diverse talent can make the most of their abilities regardless of gender, age or nationality. For this reason, Panasonic has positioned diversity and inclusion as one of important management policies, and is working to provide a wide range of opportunities for diverse human resources who are highly motivated and talented and to create a work-friendly environment.</p> <p>When it comes to promote women’s participation and career advancement in workplaces, the Company provides career-advancement seminars for female leaders and creates opportunities for women to be exposed to the values and views on working that can be effectively utilized as their role model. Those initiatives help increase the number of women in positions of responsibility which was 713 (*) as of April 2022. (*Domain of study: Panasonic Holdings Corporation, Panasonic Operational Excellences Co., Ltd. and seven Operating Companies.)</p> <p>In 2021, the Company expressed its support for "30% Club Japan", a global campaign which is aimed "to increasing the percentage of women in key corporate decision-making bodies". The Company will reflect diverse perspectives in its decision-making and will continue to improve the quality of its decision-making process while implementing reforms.</p> <p>Others which the Company is promoting is providing the work environment such as flexible work styles who need child care or family care, and where diverse talent can make the most of their abilities regardless of the ages, handicaps, sexual preferences. From November 2017, the Company has been promoting A Better Workstyle (=job satisfaction reform), centering on “Creating Opportunities for Growth through Connecting Externally”, “Encouraging Employees’ Voluntary Innovative Changes” and “Environment with Diversity”. In 2021, the Company has declared its support for the "EqualityActJapan" campaign, which aims to establish the "LGBT Equality Law" in Japan with the Tokyo Olympics and Paralympics as an opportunity.</p>

#### **IV. Matters Related to the Internal Control System**

##### **1. Basic Policy on Internal Control System and the Progress of System Development [updated]**

The Company has established the following basic policy for the Group Internal Control System at the meeting of the Board of Directors.

###### **1. Basic Policy Regarding Development of Internal Control Systems**

- (1) System for ensuring the properness of operations across the Group and reports from the subsidiaries of the Company

Based on its Management Philosophy, the Company shall establish basic policies and regulations applicable to all the Group companies, and shall ensure the full-fledged autonomous management by Operating Companies (collectively “Operating Companies” and includes subsidiaries under the supervision of such Operating Companies; the same shall apply hereinafter) and other subsidiaries of the Company through appropriate delegation of authority to the said Operational Companies and other subsidiaries, and by developing reporting system to the Company. Based on these policies and rules, Operational Companies and other subsidiaries of the Company shall develop their own rules and other systems to ensure the appropriateness of operations in the Group.

- (2) System for ensuring legal compliance in the performance of duties by the Group's Directors and employees

The Company, Operational Companies and other subsidiaries of the Company shall ensure legal compliance in the performance of duties by Directors and employees within the Group, by effective corporate governance systems including an appropriate monitoring system, as well as by ensuring total compliance awareness throughout the Group.

- (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 duties by the Group's Directors

The Company shall ensure the efficiency in the performance of duties by the Group's Directors by making the group-wide management strategies and promoting full-fledged autonomous management by Operational Companies and other subsidiaries of the Company.

- (5) Systems related to management of the risk of loss of the Group

The Company shall establish the group-wide risk management rules. The Company, Operational Companies and other subsidiaries of the Company shall identify and assess

risks that may affect the business management, and select material risks. The Company, Operational Companies and other subsidiaries of the Company shall ensure to make continuous improvement by taking measures against the selected material risks and monitoring the progress.

- (6) Employees who assist A&SB 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 A&SB Members and facilitating the smooth performance of audits.

- (7) Ensuring effectiveness of instructions given by A&SB Members to employees who assist A&SB Members

Staff members assisting the A&SB Members, while still subject to the internal rules of the Company, shall be under the instruction and supervision of the respective A&SB Members, and personnel-related matters shall be undertaken upon prior discussion with A&SB Members.

- (8) System for Directors, A&SB Members and employees and other staffs within the Group to report to the Company's A&SB Members

The Company shall ensure opportunities and systems that enable Directors, employees and other staffs of the Company to properly report to the Company's A&SB Members, and moreover shall ensure opportunities and systems that enable Directors, A&SB Members, employees and other staffs of Operational Companies and the other subsidiaries of the Company and those who receive reports from the forementioned, to report to the Company's A&SB Members.

- (9) System for ensuring that parties who have reported to A&SB Members do not incur unfavorable treatment as a consequence of such reporting

In ensuring opportunities and systems provided in the preceding paragraph, the Company shall make sure that 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 A&SB Member duties

The Company shall calculate budgets on an annual basis for expenses arising with respect to the execution of duties of A&SB 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 A&SB Members

The Company shall develop a system enabling effective performance of audits, including mutual cooperation with the accounting auditors, the internal auditing Group and A&SB

Members of the Operating Companies and of the other subsidiaries of the Company, in accordance with the Audit Plan established by the A&SB Members each year.

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

### **(1) System for ensuring the properness of operations across the Group and reports from the subsidiaries of the Company**

- The Company ensures that basic policy for internal control systems is fully implemented by the Group companies, and disseminates relevant information among the Group companies. Initiatives to that end include: implementing the "Panasonic Group Code of Ethics & Compliance", the "Basic Rules for Group Compliance" and the "Rules of Approval for Decision-making in Important Matters"; establishing group-wide regulations; dispatching Directors and A&SB Members to the Group companies and exercising the Company's shareholder rights thereof; establishing rules of governance that are to be observed by the Group companies; conducting regular operational audits, internal control audits, and compliance audits of the 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.

### **(2) System for ensuring legal compliance in the performance of duties by the Group's Directors and employees**

#### **(a) System for ensuring legal compliance in the performance of Directors' duties**

- The Company has established internal rules such as the Panasonic Group Code of Ethics & Compliance, the Board of Directors Rules, and the Executive Officer Rules, 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 the 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 A&SB. 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 A&SB Members and the A&SB. In addition, seventeen (17) auditors and & supervisory officers, who belong to the A&SB Members' Office of the Company, are appointed to the Operating Companies and divisional companies of the Operating Companies, where they perform their duties in coordination with the auditors of the Group corporation, including the Operating Companies.

- The Company has established the rule of the prevention of relationships with antisocial forces, aiming to resolutely prevent any association with antisocial forces (such as organized criminal networks), and has obtained written pledges for compliance with the rule. The PHD Board of Directors Rules and the PHD Executive Officer Rules also stipulate and confirm clearly to prevent any such association with antisocial forces.

(b) System for ensuring compliance with applicable laws in the performance of employees' duties

- The Company has established the Basic Rules for Group Compliance that clarify the basic matters related to compliance and the roles and responsibilities of the Panasonic Group.

- The Company has established internal rules such as the Panasonic Group Code of Ethics & Compliance 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 Group Code of Ethics & Compliance 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 has established the rule of the prevention of relationships with antisocial forces, aiming to resolutely prevent any association with anti-social forces (such as organized criminal networks), and has obtained written pledges for compliance with the rule. The Employee Work Regulation clearly stipulates and confirms the prevention of any such association with anti-social forces. The Company has also established the Group-wide management system to

thoroughly prevent any relationships with antisocial forces, by establishing the Business Conduct Committee and assigning persons-in-charge for preventing undue claims.

(3) 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.

(4) System for ensuring efficiency of the performance of duties by the Group's Directors.

- The Company expedites decision-making through the Rules of Approval for Decision-making in Important Matters, the clarification of roles between Directors and Executive Officers, the delegation of authority to the Operating Companies, the holding of the Group Management Meeting and the PHD Strategy Meeting, 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) Systems related to management of the risk of loss of the Group

The Company regards the accurate understanding of risks and the implementation of countermeasures as important management issues. Based on the "Panasonic Group Rules for Risk Management", various risk management activities are conducted led mainly by the PHD Enterprise Risk Management Committee. The Company conducts a series of risk assessment processes annually where it exhaustively identifies risks that may affect its business activities, evaluate them using a common evaluation axis, and determine the priority of the risks to be addressed. Based on this, the division in charge of the relevant risk takes the lead in formulating and implementing countermeasures, monitoring the status of countermeasures, and implementing activities for continuous improvement. In formulating and making decisions on management and business strategies, the Committee regards uncertain events as "strategic risks" that may pose opportunities or threats to the achievement of business objectives, promotes appropriate risk-taking according to the degree of risk, and engages in risk management activities in which countermeasures are reviewed in a timely manner according to the magnitude of the identified risk.

(6) Employees who assist A&SB Members in auditing, and such employees' independence from Directors

- The Company has established the A&SB Member's Office, whose dedicated staff is under the direct control of the A&SB and separate from any operating function of the Company's business. The Company assigns A&SB Member assistant staff members who possess appropriate capabilities and knowledge as required by A&SB Members.

(7) Ensuring effectiveness of instructions given by A&SB Members to employees who assist A&SB Members

- Respective A&SB Members issue instructions to their staff members, and those staff members accordingly assist A&SB Members in performing their duties.
- The Company consults with A&SB Members in advance of undertaking personnel-related matters including employee transfers and other affairs involving staff members who assist A&SB Members.

(8) System for Directors, A&SB Members and employees and other staffs within the Group to report to the Company's A&SB Members

- Directors, employees and other staffs of the Company and the Group companies report on business operations and other issues at respective regular meetings held by A&SB Members and other such occasions, and also report as necessary at other important meetings with A&SB Members, where their attendance has been requested. Moreover, A&SB Members of Group companies report as necessary to the Company's A&SB Members regarding content of reports at respective Group companies. Audit & supervisory officers conduct inquiries at respective Operating Companies regarding business operations and issues at such Operating Companies, and report such matters as necessary to the Company's A&SB Members.
- The Company has established an Audit Report System by which employees of the Company and the Group companies directly report to the Company's A&SB about irregularities or concerns in regards to accounting or auditing.

(9) System for ensuring that parties who have reported to A&SB 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 Group Code of Ethics & Compliance 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.

(10) Policy on management of expenses and debt incurred in execution of A&SB Member duties

- To ensure effectiveness of audits, the Company calculates preliminary budgets with respect to anticipated expenses required by A&SB Members in executing their duties, in accordance with the Audit & Supervisory Board Member Auditing 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, A&SB Members are required to remain mindful of efficiency and appropriateness in that regard.

(11) Other systems for ensuring effective performance of audits by the A&SB Members



- Monthly reports and liaison meetings are held with audit & supervisory officers of the Operating Companies dispatched by the A&SB Members' Office.
- The Company has established and operates the Panasonic Group A&SB Members' Meeting chaired by the Company's Senior A&SB Member, in order to facilitate cooperation among the A&SB Members of the Company, the audit & supervisory officers of the Operating Companies, and A&SB Members of Group companies.
- Representative Directors and A&SB Members exchange opinions regularly and whenever necessary. Moreover, respective departments cooperate in implementing visiting audits of business offices inside and outside Japan conducted by A&SB Members. Internal auditing groups also cooperate to enhance the effectiveness of audits carried out by A&SB Members through collaboration with A&SB Members, including reporting as appropriate to the A&SB Members.
- When the accounting auditors formulate their audit plans, perform quarterly reviews, and conduct final audits, the A&SB Members hold regular meetings with the accounting auditors at which they receive explanations and reports, and exchange opinions with the accounting auditors as necessary.

## 2. Basic Policy on Eliminating Anti-Social Forces

The Company considers compliance with laws and ordinances as well as corporate ethics and set them in the Panasonic Group Code of Ethics & Compliance, which includes resolute prevention of any association with anti-social forces. By building up the article concerning elimination of anti-social forces in the Rules for Board of Directors Meeting, the Rules for Executive Officers, and the employees' working regulations and by obtaining a written pledge concerning the elimination of anti-social forces, etc., the Company also has the system in place to eliminate anti-social forces or people closely related to those forces from inside the Company.

The Company also established the rule of the prevention of relationships with antisocial forces, and developed a management system, as described below.

Status of the development of the policy to antisocial force are also described in above 2. Status of Basic Policy Implementation in the Company (1) System for ensuring legal compliance in the performance of Directors' duties and (5) System for ensuring compliance with applicable laws in the performance of employees' duties of IV Matters Related to Internal Control System:

(1) Status of establishment of the department overseeing measures against antisocial forces and the persons-in-charge for preventing undue claims

The Company thoroughly prevents any relationships with antisocial forces by developing a management system across the Group, mainly through the Business Conduct Committee, by establishing the department overseeing measures against antisocial forces to take measures against antisocial forces and by assigning persons-in-charge for preventing undue claims.

(2) Status of cooperation with external professional organizations

In order to promptly take measures against antisocial forces, the Company, on a daily basis, cooperates closely with the National Center for the Elimination of “*Boryokudan*”, the police station under its jurisdiction, the association for corporate defense, attorneys and other people, mainly through the department overseeing measures against antisocial forces.

(3) Status of collection and management of information on antisocial forces

The Company developed a system to enable relevant information to be concentrated at the department overseeing measures against antisocial forces. Also, the Company endeavors to collect information from the external professional organizations and to keep every Group company informed of the information. The information is properly managed in accordance with laws and ordinances as well as the Company’s internal regulations.

(4) Status of development of manual for countermeasures

The Company developed a manual for countermeasures to eliminate antisocial forces and delivered it to the Group companies. The Company endeavors to cause all Group companies to respond systematically, according to the procedures in the manual for countermeasures.

(5) Status of implementation of training activities

The Company, mainly through the department overseeing measures against antisocial forces, promotes awareness activities within the Group to prevent the formation of relationships with antisocial forces, illegal payoffs, any acts that violate the principle of equality among customers and any other improper acts, by inviting outside instructors and regularly holding training workshops on the elimination of antisocial forces against corporations.

## V. Others

### 1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	Not Adopted
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#### Supplementary Explanation

1) Efforts to boost corporate value of the Company

The Company, since its establishment, has been operating its business under the Basic Business Philosophy, centering on “contributing to the progress and development of society and the well-being of people worldwide through its business activities”. Going forward, the Company will continue to face social issues head-on in order to build an ideal society with material and spiritual affluence through its business, take on the challenge of eliminating anxiety about the

present and the future, and aim to create new value. It will also address various societal issues squarely, including global environmental issues, and pursue to make greater contribution to the development of society and the resolution of these issues. The Company believes these initiatives will lead to further improvement of business competitiveness, and through which, it will strive to continuously increase its corporate value by providing value that satisfies all stakeholders, including shareholders, investors, customers, business partners, and employees.

## 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 share 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 report with the utmost respect.

## 2. Other Matters Concerning to Corporate Governance System

Under its basic philosophy, "A company is a public entity of society," the Company has committed to highly transparent business activities and endeavored to be accountable its accountability to its stakeholders. The Company clearly defines its basic policy on information disclosure in the "Panasonic Group Code of Ethics & Compliance," the guideline for putting the Group's Basic Business Philosophy into practice. The Company also publishes relevant practical standards, methodologies, internal processes, etc., as the "Disclosure Policy." The Company's basic policy is to provide the Company's fair and accurate financial information and corporate information, including management policies, business activities and Environment, Social, Governance (ESG) activities, in a timely, appropriate and easily understandable manner.

In accordance with this basic policy, important matters concerning the management of the Group are resolved or reported at the Board of Directors pursuant to the Regulations of the Board of Directors. These important matters and other matters, which are required to be disclosed under relevant laws and ordinances in Japan and overseas or any other regulations, are timely and accurately reported from each relevant department, that has the important internal information, to the department that handles relevant information under the monitoring of the Chief Financial Officer (CFO), so that important information is gathered. Further, matters

required to be disclosed under the rules of financial instruments exchanges are also under the monitoring of the CFO.

Also, if any of the matters which is required to be disclosed under relevant laws and ordinances in Japan and overseas, and the rules of financial instruments exchanges or any other regulations, occurs at the Company's business divisions including subsidiaries, such matter shall be immediately reported to the "IR Section, Corporate Finance & IR Department" or the "Financial & Accounting Center" of PEX, depending upon the nature thereof; Thus, the Company has established a structure whereby these matters can be collected.

With respect to the information gathered or identified, the Company determines the necessity of disclosure thereof in accordance with relevant laws and ordinances in Japan and overseas, and the rules of financial instruments exchanges or any other regulations, and makes effort to disclose it at the time that the organization, which effectively decides execution of the business of the Company, makes a resolution or determination, or becomes aware of its occurrence.

In addition, the Company endeavors to confirm the contents and expressions of the disclosure with the relevant departments within the Company and outside legal counsel to ensure the accuracy, fairness and adequacy of the disclosure.

Moreover, the Company has established disclosure control procedures in order to comply with relevant laws and ordinances in Japan and overseas, the rules of financial instruments exchanges and any other regulations, and to implement the fair, accurate and timely disclosure of information about its Group, etc. In the process of preparation and confirmation of documents such as annual securities reports and quarterly reports, the Disclosure Committee, which is comprised of managers from principal departments that handle relevant information, confirms the validity of the content of the descriptions and the appropriateness of the procedures concerning the disclosure under the supervision of the Group CEO and the Group CFO, who are responsible for establishing, maintaining and ensuring the effectiveness of the internal control and disclosure control of the Company. The chairman of the Disclosure Committee is appointed by the Group CEO and the Group CFO, and the members of the Disclosure Committee are appointed by the chairman of the Disclosure Committee.

The Company has documented the actual status of its internal control system, with integrated control provided by the Internal Control Promotion Office of PEX in order to ensure reliability in the financial reporting of the Panasonic Group including its subsidiaries, ranging from the control infrastructure to actual internal control activities. Specifically, the Company has reinforced its internal controls by implementing self-checks and self-assessment programs at each of the Operating Companies. Then, Internal Auditing Managers of the Operating Companies appointed by the Company at each of the Operating Companies conduct audits. Based on the audits, the Internal Control Promotion Office supervises the group-wide internal control audits in order to confirm the effectiveness of each company's financial reporting. With the aim of further enhancing the Group's internal control system, in fiscal 2021 Panasonic had approximately 400 personnel assigned to conduct internal audits in the Internal Auditing Group.

Under the above-mentioned internal system, the Company will endeavor to, always from the standpoint of investors, provide accurate and fair corporate information timely and appropriately, fully understanding the purpose of the basic philosophy for the good-faith

business execution of the listed securities issuer under the rules of the timely disclosure of the financial instruments exchanges such as Tokyo Stock Exchange.

#### Panasonic Code of Conduct

#### Chapter 2: Implementing the Code in Business Operations

#### II-5. Information Disclosure

##### (1) Basic Approach to Information Disclosure

We will provide our various stakeholders, including customers and shareholders, with fair and accurate information on corporate financial affairs, our Basic Business Philosophy, business policies and activities, as well as environmental, social, and governance activities, in a timely, understandable and appropriate manner. At the same time, we will listen to our customers' requests and comments and reflect them in our business policies and activities. We will seek to be an enterprise with high transparency.

##### (2) Compliance with Applicable Laws and Regulations

Our securities have been listed on securities markets in several countries and regions. Accordingly, we will abide by all applicable securities and information disclosure-related laws and regulations of appropriate countries and regions. We will never engage in insider trading or other transactions using inside information.

##### (3) Disclosure Methods

By implementing a system to ensure information disclosure in a timely and appropriate manner, we will disclose information in accordance with relevant laws and regulations and other information that we deem necessary to disclose, following proper internal control procedures, so as to ensure that the information we disclose is fair, accurate, and sufficient.

