

NOTICE OF THE 116TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

**to be held in Osaka, Japan on
June 26, 2023**

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

Panasonic Holdings Corporation

Kadoma City, Osaka, Japan

Table of Contents

Notice of the 116th Ordinary General Meeting of Shareholders	2
Bill No. 1: To Elect 13 Directors	4
Bill No. 2: To Elect 1 Audit & Supervisory Board Member	14
Bill No. 3: To Revise the Restricted Stock Compensation System for Directors (Excluding Outside Directors)	17
Bill No. 4: To Revise the Remuneration Limit for Audit & Supervisory Board Members	20
1. Brief Business Review of the Panasonic Group	21
2. Stock Information (as of March 31, 2023)	36
3. Status of Stock Acquisition Rights, etc. (Items Disclosed on the Internet)	37
4. The Company's Directors and Audit & Supervisory Board Members, etc.	38
5. Accounting Auditors	48
6. Systems and Policies of the Company	49
Consolidated Statement of Financial Position	57
Consolidated Statement of Profit	59
Consolidated Statement of Changes in Equity	60
Notes to Consolidated Financial Statements	61
Balance Sheet	70
Statement of Income	72
Statement of Changes in Net Assets	73
Notes on the Basis of Presentation of Financial Statements on a Parent-Alone Basis	74
Copy of Report of Accounting Auditors Concerning Consolidated Financial Statements	79
Copy of Report of Accounting Auditors	82
Copy of Report of the Audit & Supervisory Board	85

Dear Shareholders:

Notice of the 116th Ordinary General Meeting of Shareholders

You are cordially notified of the Company's 116th Ordinary General Meeting of Shareholders to be held as described below.

When holding of this General Meeting of Shareholders, the information in Business Report, Reference Materials for Exercise of Voting Rights and other materials is provided in electronic form (Measures for Providing Information in Electronic Format). This information is posted as "The 116th Ordinary General Meeting of Shareholders" on the following websites. Please check it there.

Panasonic Shareholders' Meeting website

<https://holdings.panasonic.jp/corporate/investors/shareholders-meeting.html> (in Japanese)

Website for materials pertaining to the General Meeting of Shareholders

<https://d.sokai.jp/6752/teiji/> (in Japanese)

Based on the current conditions of COVID-19 infections, the decision of whether or not to wear a mask when attending on the date of the meeting is entrusted to the judgment of the individual shareholder. We ask that individuals who have a fever, cough, or other symptoms please refrain from attending. In the event that we decide to request the wearing of masks due to the future conditions of infections, information will be provided on the Panasonic website.

If you will not attend on the date of the meeting, then in order to exercise your voting rights in advance via the Internet or document (postal mail), please consider the matters in "Reference Materials for Exercise of Voting Rights" (pages 4 to 20) and exercise your rights based on "4. Information about Exercising Voting Rights" below.

Please be aware that no gifts or beverages will be provided to shareholders attending the General Meeting of Shareholders.

* * * * *

1. Time and Date: 10 a.m. Monday, June 26, 2023 (Reception starts at 9 a.m.)
2. Place: Hotel New Otani Osaka, 2F "The HÔ" Banquet Room
1-4-1 Shiromi, Chuo-ku, Osaka-shi
 - Please note that the meeting will be held at a different venue from past years.
 - In the event that circumstances require a change in the event venue, information will be posted on the Panasonic website.
3. Purposes:
 - Matters to be Reported:
 1. The business report and report on the consolidated financial statements and financial statements for the 116th fiscal period from April 1, 2022 to March 31, 2023
 2. Report of audit results of Accounting Auditors and the Audit & Supervisory Board on the consolidated financial statements
 - Matters to be Acted Upon:
 - Bill No. 1: To Elect 13 Directors
 - Bill No. 2: To Elect 1 Audit & Supervisory Board Member
 - Bill No. 3: To Revise the Restricted Stock Compensation System for Directors (Excluding Outside Directors)
 - Bill No. 4: To Revise the Remuneration Limit for Audit & Supervisory Board Members
4. Information about Exercising Voting Rights
 - [Exercising voting rights via the Internet]
Please access the website for exercise of voting rights designated by the Company (<https://www.web54.net>). Utilize the voting rights exercise code and password that are printed in the enclosed voting instruction card and follow the instructions on the screen. Please register your approval or rejection of the bills by 5:30 p.m. on Friday, June 23, 2023.
 - [Exercising voting rights by document (postal mail)]
Please indicate your approval or rejection of the bills on the enclosed voting instruction card, and return it so that it arrives by 5:30 p.m. on Friday, June 23, 2023.
5. Others
 - Of the Measures for Providing Information in Electronic Format, based on the provisions of laws and of Article 16, item 2 of the Panasonic Articles of Incorporation, the following items are not printed in documents which are delivered to those shareholders who requested the provision of documents. The documents which are delivered to those shareholders who requested the provision of documents comprise a part of the documents which were audited by the Audit & Supervisory Board Members and Accounting Auditors at the time when creating the Audit Report.
 - Business Report: Matters relating to the current status of the Panasonic Group (corporate group) (changes in financial and income status, status of employees), matters relating to Panasonic stock, status of stock acquisition rights and

related matters, matters relating to Panasonic Directors and Audit and Supervisory Board Members (summary of contracts for limitation of liability, matters related to compensation contracts, matters related to the directors' and officers' liability insurance policy, matters related to Outside Directors), status of the Company's Accounting Auditors, systems and policies of the Company

Financial statements, etc.: Consolidated Statement of Changes in Equity, Notes to Consolidated Financial Statements, Balance Sheet, Statement of Income, Statement of Changes in Net Assets, Notes on the Basis of Presentation of Financial Statements on a Parent-Alone Basis

Audit Report: Copy of Report of Accounting Auditors

This General Meeting of Shareholders will be the first General Meeting of Shareholders under the system of providing informational materials for the General Meeting of Shareholders in electronic format. Consequently, the documents which are delivered to those shareholders who requested provision of documents are being sent to all shareholders.

- Shareholders attending the meeting are requested to hand in the voting instruction card at the reception desk of the meeting venue. Please also bring this Notice with you.
- Persons other than shareholders, such as proxies and accompanying persons who are not shareholders, are not permitted to attend the meeting.
- Photographing, audio or video recording, saving data, and disclosure by SNS or other means at the venue for the General Meeting of Shareholders are strictly prohibited.
- In the event of a correction to the Measures for Providing Information in Electronic Format, a notice of the correction will be posted to our websites, together with the original information and corrected information.
- The Notice of Resolutions for the 116th Ordinary General Meeting of Shareholders will be posted on our website at <https://holdings.panasonic.jp/corporate/investors.html> after the General Meeting of Shareholders.
- Video showing a portion of the General Meeting of Shareholders will be posted on our website at <https://holdings.panasonic.jp/corporate/investors/shareholders-meeting/video.html> after the General Meeting of Shareholders. (Planned posting date: Thursday, June 29, 2023)

Sincerely yours,
Yuki Kusumi
Representative Director
Panasonic Holdings Corporation
1006 Kadoma, Kadoma City, Osaka 571-8501, Japan

[Reference Materials for Exercise of Voting Rights]

The Bills and Reference Materials:

Bill No. 1: To Elect 13 Directors

The terms of 12 Directors currently in office will expire at the conclusion of the 116th Ordinary General Meeting of Shareholders.

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

Accordingly, the Company proposes an increase in the number of Outside Directors by one and the election of 13 Directors including six Outside Directors.

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

The details of the candidates are as follows:

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

No.	Name	Gender		Current position and responsibilities in the Company
12	Ayako Shotoku	Female	Reappointment	Director; Executive Officer; Group General Counsel (Group GC)
13	Keita Nishiyama	Male	New candidate Outside Director Independent Director	

Name and date of birth	Career summary, position and responsibilities in the Company and other important concurrently held positions	Number of the Company's shares held (As of March 31, 2023)
<p>1 Kazuhiro Tsuga November 14, 1956</p> <p>Reappointment</p> <p>Number (percentage) of attendance at FY2023 Board of Directors' meetings 12/12 (100%)</p>	<p>Apr. 1979 Joined the Company;</p> <p>Jun. 2004 Executive Officer of the Company;</p> <p>Apr. 2008 Managing Executive Officer of the Company;</p> <p>Apr. 2011 Senior Managing Executive Officer of the Company;</p> <p>Jun. 2011 Representative Director and Senior Managing Director of the Company;</p> <p>Jun. 2012 Representative Director and President of the Company;</p> <p>Jun. 2017 Representative Director, President and Chief Executive Officer (CEO) of the Company;</p> <p>Jun. 2021 Chairperson of the Board of the Company (to the present) (<i>Vice Chair, KEIDANREN (Japan Business Federation)</i>)</p> <p><Reasons for election of the candidate> <i>Kazuhiro Tsuga has extensive experience as a member of management in the Panasonic Group, and exercised leadership of Group management as President of the Company for a period of nine years beginning from June 2012. From June 2021, he has supervised the execution of official duties as Chairperson of the Board, and has endeavored to increase the corporate value of the Panasonic Group. He is expected to utilize his experience and knowledge to continue suitably carrying out supervision of Panasonic Group management.</i></p> <p><Notable conflicts of interest between the candidate and the Company> <i>None</i></p>	<p>406,720 shares</p>
<p>2 Yuki Kusumi January 22, 1965</p> <p>Reappointment</p> <p>Number (percentage) of attendance at FY2023 Board of Directors' meetings 12/12 (100%)</p>	<p>Apr. 1989 Joined the Company;</p> <p>Apr. 2014 Executive Officer of the Company;</p> <p>Apr. 2019 Managing Executive Officer of the Company;</p> <p>Apr. 2021 Chief Executive Officer (CEO) of the Company;</p> <p>Jun. 2021 Representative Director, President of the Company (incumbent);</p> <p>Oct. 2021 Group Chief Executive Officer (Group CEO) (incumbent), Group Chief Strategy Officer (Group CSO) of the Company (to the present)</p> <p><Reasons for election of the candidate> <i>Yuki Kusumi has extensive experience as a member of management through his experience in the research and development divisions of the Panasonic Group and his long involvement in business management. He took office as President in June 2021, serving as the representative for corporate business execution. Beginning from October of the same year, he has represented corporate business execution as Group CEO. He has endeavored to increase the corporate value of the Panasonic Group, including through the exercise of business leadership and the implementation of medium- to long-term strategies. He is expected to utilize his experience and knowledge to continue suitably carrying out management and supervision of the Panasonic Group.</i></p> <p><Notable conflicts of interest between the candidate and the Company> <i>None</i></p>	<p>160,961 shares</p>

Name and date of birth	Career summary, position and responsibilities in the Company and other important concurrently held positions	Number of the Company's shares held (As of March 31, 2023)
3 Tetsuro Homma October 28, 1961 Reappointment Number (percentage) of attendance at FY2023 Board of Directors' meetings 12/12 (100%)	<p>Apr. 1985 Joined the Company;</p> <p>Oct. 2013 Executive Officer of the Company;</p> <p>Apr. 2015 Managing Executive Officer of the Company; President, Appliances Company / in charge of Consumer Business;</p> <p>Jun. 2015 Managing Director of the Company;</p> <p>Apr. 2016 Representative Director and Senior Managing Director of the Company;</p> <p>Apr. 2019 CEO, China & Northeast Asia Company and Regional Head for China & Northeast Asia of the Company;</p> <p>Jun. 2019 Representative Director and Senior Managing Executive Officer of the Company;</p> <p>Apr. 2020 Chairperson, Panasonic Corporation of China (incumbent);</p> <p>Apr. 2021 Representative Director and Executive Vice President of the Company (incumbent);</p> <p>Apr. 2022 Group Regional Head for China & Northeast Asia of the Company; President, Panasonic Operational Excellence China and Northeast Asia, Panasonic Operational Excellence Co., Ltd. (to the present)</p> <p><Reasons for election of the candidate> <i>Tetsuro Homma has extensive experience as a member of management, serving as Group Regional Head for China & Northeast Asia after working in the management strategy divisions of the Panasonic Group. At present, he continues to drive business growth in this region, and is endeavoring to increase the corporate value of the Panasonic Group. He is expected to utilize his experience and knowledge to continue suitably carrying out management and supervision of the Panasonic Group.</i></p> <p><Notable conflicts of interest between the candidate and the Company> None</p>	35,411 shares
4 Mototsugu Sato October 17, 1956 Reappointment Number (percentage) of attendance at FY2023 Board of Directors' meetings 12/12 (100%)	<p>Apr. 1979 Joined Matsushita Electric Works, Ltd.;</p> <p>Apr. 2008 Executive Officer, Matsushita Electric Works, Ltd.;</p> <p>Apr. 2011 Senior Executive Officer, Panasonic Electric Works Co., Ltd.;</p> <p>Jan. 2012 Managing Officer, Eco Solutions Company of the Company/Director, Accounting Center;</p> <p>Oct. 2013 Executive Officer of the Company/in charge of Planning, BPR Project and Business Creation Project;</p> <p>Jun. 2014 Director of the Company;</p> <p>Apr. 2015 Managing Director of the Company;</p> <p>Apr. 2016 Representative Director and Senior Managing Director of the Company/in charge of Human Resources;</p> <p>Apr. 2017 Occupational Safety and Health Director of the Company (incumbent);</p> <p>Jun. 2017 Representative Director, Senior Managing Executive Officer, Chief Strategy Officer (CSO), and Chief Human Resources Officer (CHRO) of the Company;</p> <p>Apr. 2019 Representative Director and Executive Vice President of the Company (incumbent);</p> <p>Apr. 2021 In charge of Procurement of the Company (incumbent);</p> <p>May 2021 In charge of Logistics of the Company (incumbent);</p> <p>Oct. 2021 Group Chief Risk Management Officer (Group CRO) of the Company (incumbent), President, Operational Excellence Company;</p> <p>Apr. 2022 Representative Director, Member of the Board, President, Panasonic Operational Excellence Co., Ltd. Chief Executive Officer (CEO)/in charge of DEI promotion (to the present)</p> <p><Reasons for election of the candidate> <i>Mototsugu Sato has extensive experience related to management, including his experience in the accounting divisions of the Panasonic Group and having served as leader of the business strategy and human resources divisions. At present, he is endeavoring to increase corporate value as the leader in charge of the logistics, purchasing, and risk management divisions at indirect division subsidiaries and the Panasonic Group. He is expected to utilize his experience and knowledge to continue suitably carrying out management and supervision of the Panasonic Group.</i></p> <p><Notable conflicts of interest between the candidate and the Company> None</p>	135,789 shares

Name and date of birth	Career summary, position and responsibilities in the Company and other important concurrently held positions	Number of the Company's shares held (As of March 31, 2023)
<p>5 Hirokazu Umeda January 13, 1962</p> <p>Reappointment</p> <p>Number (percentage) of attendance at FY2023 Board of Directors' meetings 12/12 (100%)</p>	<p>Apr. 1984 Joined the Company;</p> <p>Apr. 2017 Executive Officer of the Company/in charge of Accounting and Finance/General Manager, Corporate Management Support Department, Corporate Strategy Division/in charge of Groupwide Cost Busters Project, BPR Project;</p> <p>Jun. 2017 Director, Executive Officer, and Chief Financial Officer (CFO) of the Company;</p> <p>Apr. 2018 Director, Managing Executive Officer of the Company; President, Panasonic Equity Management Japan Co., Ltd. (currently Panasonic Equity Management Japan Godo Kaisha) (incumbent);</p> <p>Sep. 2019 CEO, Panasonic Holding (Netherlands) B.V. (incumbent);</p> <p>Apr. 2021 Director, Senior Managing Executive Officer of the Company/in charge of Facility Management (incumbent);</p> <p>Oct. 2021 Group Chief Financial Officer (Group CFO) of the Company (incumbent)/in charge of Group Cost Busters Project, in charge of Prime Life Technologies Corporation (incumbent);</p> <p>Apr. 2022 Representative Director and Executive Vice President of the Company/in charge of Group MUDA Busters Project (incumbent);</p> <p>Jun. 2022 Representative Director and Executive Vice President of the Company (to the present)</p> <p><Reasons for election of the candidate> Hirokazu Umeda has extensive experience as the leader of accounting and finance in the Panasonic Group. As Group CFO, he has exercised leadership centering on the formulation and implementation of financial strategies for the Group, and is endeavoring to increase the corporate value of the Company. He is expected to utilize his experience and knowledge to continue suitably carrying out management and supervision of the Panasonic Group.</p> <p><Notable conflicts of interest between the candidate and the Company> None</p>	<p>69,204 shares</p>
<p>6 Shinobu Matsui January 27, 1977</p> <p>Reappointment</p> <p>Outside Director Independent Director</p> <p>Number (percentage) of attendance at FY2023 Board of Directors' meetings 12/12 (100%)</p>	<p>Oct. 1999 Joined Ota Showa & Co. (currently Ernst & Young ShinNihon LLC);</p> <p>Oct. 2001 Joined PricewaterhouseCoopers Tax Office (currently PwC Tax Japan);</p> <p>Mar. 2014 Corporate Auditor, Uzabase, Inc.;</p> <p>Aug. 2015 Joined Uzabase, Inc. (retired as Corporate Auditor, Uzabase, Inc.);</p> <p>Jan. 2018 Executive Officer (Head of Corporate Division), Uzabase, Inc.;</p> <p>Jan. 2019 Executive Officer and Chief Operating Officer, Uzabase, Inc.;</p> <p>Jan. 2020 Executive Officer and Chief People and Administrative Officer, Uzabase, Inc.;</p> <p>Mar. 2021 Board Director and Chief People and Administrative Officer, Uzabase, Inc.;</p> <p>Jun. 2021 Director of the Company (incumbent);</p> <p>Jan. 2022 Board Director and Group Executive Officer, Uzabase, Inc.;</p> <p>Feb. 2023 Executive Officer and CHRO, Uzabase, Inc. (to the present)</p> <p>(Executive Officer, Uzabase, Inc.) (Outside Director, UniFa Inc.)</p> <p><Number of years in office as Outside Director> 2 years (At the conclusion of this Ordinary General Meeting of Shareholders)</p> <p><Reasons for election of the candidate and expected roles> Shinobu Matsui has extensive knowledge and deep insight gained as a certified public accountant at a major audit corporation, and as Director and Executive Officer at an information services company. She also actively makes remarks at Board of Directors' meetings, centering on areas such as finance and accounting, DX, human resource strategies, improvements to corporate culture, and promoting diversity. She is expected to utilize her experience and knowledge to continue suitably carrying out supervision of Panasonic Group management.</p> <p><Notable conflicts of interest between the candidate and the Company> None</p>	<p>0 shares</p>

Name and date of birth	Career summary, position and responsibilities in the Company and other important concurrently held positions	Number of the Company's shares held (As of March 31, 2023)
<p>7 Kunio Noji November 17, 1946</p> <p>Reappointment</p> <p>Outside Director Independent Director</p> <p>Number (percentage) of attendance at FY2023 Board of Directors' meetings 12/12 (100%)</p>	<p>Apr. 1969 Joined Komatsu Ltd.;</p> <p>Jun. 1997 Director, Komatsu Ltd.;</p> <p>Jun. 2001 Managing Director and Senior Executive Officer (Jomu), Komatsu Ltd.;</p> <p>Apr. 2003 Director and Senior Executive Officer (Senmu), Komatsu Ltd.;</p> <p>Jun. 2007 President and Representative Director, and CEO, Komatsu Ltd.;</p> <p>Apr. 2013 Chairman of the Board and Representative Director, Komatsu Ltd.;</p> <p>Apr. 2016 Chairman of the Board and Director, Komatsu Ltd.;</p> <p>Jun. 2019 Adviser, Komatsu Ltd. (incumbent);</p> <p>Jun. 2019 Director of the Company (to the present)</p> <p><i>(Adviser, Komatsu Ltd.)</i></p> <p><Number of years in office as Outside Director> 4 years (At the conclusion of this Ordinary General Meeting of Shareholders)</p> <p><Reasons for election of the candidate and expected roles> <i>Kunio Noji has extensive experience and deep insight gained as a member of management at a construction machinery manufacturer with global business operations. He also actively makes remarks at Board of Directors' meetings, centering on areas such as operational innovations, improving the corporate culture, and global business operations. He is expected to utilize his experience and knowledge to continue suitably carrying out supervision of Panasonic Group management.</i></p> <p><Notable conflicts of interest between the candidate and the Company> None</p>	5,000 shares
<p>8 Michitaka Sawada December 20, 1955</p> <p>Reappointment</p> <p>Outside Director Independent Director</p> <p>Number (percentage) of attendance at FY2023 Board of Directors' meetings 12/12 (100%)</p>	<p>Apr. 1981 Joined Kao Soap Co., Ltd. (currently Kao Corporation);</p> <p>Jun. 2006 Executive Officer, Kao Corporation;</p> <p>Jun. 2008 Director, Executive Officer, Kao Corporation;</p> <p>Jun. 2012 Representative Director, President and Chief Executive Officer, Kao Corporation;</p> <p>Jun. 2020 Director of the Company (incumbent);</p> <p>Jan. 2021 Director, Chair, Kao Corporation (to the present)</p> <p><i>(Director, Chair, Kao Corporation)</i></p> <p><i>(Outside Director, Nitto Denko Corporation)</i></p> <p><i>(Outside Director, Komatsu Ltd.)</i></p> <p><Number of years in office as Outside Director> 3 years (At the conclusion of this Ordinary General Meeting of Shareholders)</p> <p><Reasons for election of the candidate and expected roles> <i>Michitaka Sawada has extensive experience and deep insight gained as a member of management at a general chemical products manufacturer with global business operations, and as a pioneer in the field of ESG management. He also actively makes remarks at Board of Directors' meetings, centering on areas such as sustainability management. As Chairman of the Nomination and Compensation Advisory Committee, he has also contributed to strengthening corporate government in the Panasonic Group. He is expected to utilize his experience and knowledge to continue suitably carrying out supervision of Panasonic Group management.</i></p> <p><Notable conflicts of interest between the candidate and the Company> None</p>	0 shares

Name and date of birth	Career summary, position and responsibilities in the Company and other important concurrently held positions	Number of the Company's shares held (As of March 31, 2023)
<p>9 Kazuhiko Toyama April 15, 1960</p> <p>Reappointment</p> <p>Outside Director Independent Director</p> <p>Number (percentage) of attendance at FY2023 Board of Directors' meetings 12/12 (100%)</p>	<p>Apr. 1985 Joined The Boston Consulting Group, Inc.;</p> <p>Apr. 1986 Participated in establishment of Corporate Directions, Inc.;</p> <p>Mar. 1993 Director, Corporate Directions, Inc.;</p> <p>Apr. 2000 Managing Director, Corporate Directions, Inc.;</p> <p>Apr. 2001 President, Corporate Directions, Inc.;</p> <p>Apr. 2003 Senior Representative Director and COO, Industrial Revitalization Corporation of Japan;</p> <p>Apr. 2007 Representative Director and CEO, Industrial Growth Platform, Inc.;</p> <p>Jun. 2016 Director of the Company (incumbent);</p> <p>Oct. 2020 Chairman, Industrial Growth Platform, Inc. (incumbent);</p> <p>Dec. 2020 Representative Director, President, Japan Platform of Industrial Transformation, Inc. (to the present)</p> <p><i>(Chairman, Industrial Growth Platform, Inc.)</i> <i>(Representative Director, President, Japan Platform of Industrial Transformation, Inc.)</i></p> <p><Number of years in office as Outside Director> 7 years (At the conclusion of this Ordinary General Meeting of Shareholders)</p> <p><Reasons for election of the candidate and expected roles> Kazuhiko Toyama has extensive experience and deep insight gained as a member of management at a corporate revitalization consulting company, and as a pioneer in the field of corporate governance. He also actively makes remarks at Board of Directors' meetings, centering on areas such as changes in international industry structures and societies, DX, and governance. As a member of the Nomination and Compensation Advisory Committee, he has also contributed to strengthening corporate governance in the Panasonic Group. He is expected to utilize his experience and knowledge to continue suitably carrying out supervision of Panasonic Group management.</p> <p><Notable conflicts of interest between the candidate and the Company> None</p>	<p>20,000 shares</p>
<p>10 Yoshinobu Tsutsui January 30, 1954</p> <p>Reappointment</p> <p>Outside Director Independent Director</p> <p>Number (percentage) of attendance at FY2023 Board of Directors' meetings 12/12 (100%)</p>	<p>Apr. 1977 Joined NIPPON LIFE INSURANCE COMPANY;</p> <p>Jul. 2004 Director, NIPPON LIFE INSURANCE COMPANY;</p> <p>Jan. 2007 Director and Executive Officer, NIPPON LIFE INSURANCE COMPANY;</p> <p>Mar. 2007 Director and Managing Executive Officer, NIPPON LIFE INSURANCE COMPANY;</p> <p>Mar. 2009 Director and Senior Managing Executive Officer, NIPPON LIFE INSURANCE COMPANY;</p> <p>Mar. 2010 Representative Director and Senior Managing Executive Officer, NIPPON LIFE INSURANCE COMPANY;</p> <p>Apr. 2011 President, NIPPON LIFE INSURANCE COMPANY;</p> <p>Jun. 2015 Director of the Company (incumbent);</p> <p>Apr. 2018 Chairman, NIPPON LIFE INSURANCE COMPANY (to the present)</p> <p><i>(Chairman, NIPPON LIFE INSURANCE COMPANY)</i> <i>(Outside Director, Imperial Hotel, Ltd.)</i> <i>(Outside Director, Sumitomo Mitsui Financial Group, Inc.)</i> <i>(Outside Director, West Japan Railway Company)</i> <i>(Vice Chair, KEIDANREN (Japan Business Federation))</i></p> <p><Number of years in office as Outside Director> 8 years (At the conclusion of this Ordinary General Meeting of Shareholders)</p> <p><Reasons for election of the candidate and expected roles> Yoshinobu Tsutsui has extensive experience and deep insight gained as a member of management at a life insurance company. He also actively makes remarks at Board of Directors' meetings centering on areas such as medium- to long-term changes in industry structures and societies, communication with investors and markets, and financial strategies. As a member of the Nomination and Compensation Advisory Committee, he has also contributed to strengthening corporate governance in the Panasonic Group. He is expected to utilize his experience and knowledge to continue suitably carrying out supervision of Panasonic Group management.</p> <p><Notable conflicts of interest between the candidate and the Company> None</p>	<p>0 shares</p>

Name and date of birth	Career summary, position and responsibilities in the Company and other important concurrently held positions	Number of the Company's shares held (As of March 31, 2023)
11 Yoshiyuki Miyabe December 5, 1957 Reappointment Number (percentage) of attendance at FY2023 Board of Directors' meetings 10/10 (100%) * Since election as a Director	<p>Apr. 1983 Joined the Company;</p> <p>Apr. 2008 Executive Officer of the Company;</p> <p>Apr. 2011 Managing Executive Officer of the Company;</p> <p>Jun. 2011 Managing Director of the Company;</p> <p>Apr. 2013 President, AVC Networks Company of the Company;</p> <p>Apr. 2014 Representative Director and Senior Managing Director of the Company;</p> <p>Jun. 2017 Senior Managing Executive Officer of the Company, Chief Technology Officer (CTO), Chief Manufacturing Officer (CMO), Chief Quality Officer (CQO), Chief Procurement Officer (CPO), Chief Information Officer (CIO)/in charge of FF Customer Support & Management, Motor Business Management Office;</p> <p>Apr. 2021 Representative in Tokyo of the Company (incumbent)/in charge of Government and External Relations (incumbent), Tokyo Olympic & Paralympic Business Promotion, Solution Sales;</p> <p>Oct. 2021 In charge of Solution Partner of the Company (incumbent);</p> <p>Apr. 2022 Executive Vice President of the Company (incumbent);</p> <p>Jun. 2022 Director of the Company (to the present)</p> <p><i>(Outside Director, West Japan Railway Company)</i> <i>(Co-Chairperson (Representative Director), Kansai Association of Corporate Executives)</i></p> <p><i><Reasons for election of the candidate></i> <i>Yoshiyuki Miyabe has worked as top management in a wide range of divisions in the Panasonic Group including research and development, engineering, business, and information. At present he is serving as leader of the government and external relations division, and is utilizing his deep insights into internal and external stakeholders and endeavoring to increase corporate value. He is expected to utilize his experience and knowledge to continue suitably carrying out management and supervision of the Panasonic Group.</i></p> <p><i><Notable conflicts of interest between the candidate and the Company></i> <i>None</i></p>	151,837 shares
12 Ayako Shotoku June 10, 1968 Reappointment Number (percentage) of attendance at FY2023 Board of Directors' meetings 10/10 (100%) * Since election as a Director	<p>Apr. 1991 Joined the Company;</p> <p>Oct. 2013 Manager, Business Legal Affairs Group, Legal Center, AVC Networks Company of the Company;</p> <p>Jan. 2014 Director, Legal Center, AVC Networks Company of the Company, Manager, Business Legal Affairs Group;</p> <p>Apr. 2017 Managing Officer, Connected Solutions Company of the Company, Director, Legal Affairs Center;</p> <p>Apr. 2019 Managing Officer, Automotive Company of the Company, Director, Legal Affairs Center;</p> <p>Oct. 2021 Managing Officer, Automotive Company of the Company; General Counsel (GC), Chief Risk Management Officer (CRO), Director, Legal Affairs Center; Executive of the Company/in charge of Legal Strategy, Corporate Strategy and Technology Sector;</p> <p>Apr. 2022 Executive Officer of the Company (incumbent); Group General Counsel (Group GC) (incumbent);</p> <p>Jun. 2022 Director of the Company (to the present)</p> <p><i><Reasons for election of the candidate></i> <i>Ayako Shotoku has demonstrated leadership in the legal affairs divisions of the Panasonic Group, centering on construction of a global compliance system. At present, as General Counsel, she is working to strengthen legal risk management and corporate governance. She is expected to utilize her experience and knowledge to continue suitably carrying out management and supervision of the Panasonic Group.</i></p> <p><i><Notable conflicts of interest between the candidate and the Company></i> <i>None</i></p>	13,950 shares

Name and date of birth	Career summary, position and responsibilities in the Company and other important concurrently held positions	Number of the Company's shares held (As of March 31, 2023)
13 Keita Nishiyama January 11, 1963 New candidate Outside Director Independent Director	Apr. 1985 Joined the Ministry of International Trade and Industry (currently the Ministry of Economy, Trade and Industry); Nov. 2002 Planning Officer, Preparation Department, Industrial Revitalization Corporation, Cabinet Office; Jul. 2003 Director, Office of Research and Planning, Trade Policy Bureau, Ministry of Economy, Trade and Industry; Jun. 2004 Director, Asia and Pacific Division, Trade Policy Bureau, Ministry of Economy, Trade and Industry; Jul. 2007 Director, Industrial Structure Policy Division, Economic and Industrial Policy Bureau, Ministry of Economy, Trade and Industry; Jul. 2009 Executive Managing Director, Innovation Network Corporation of Japan; Jun. 2011 Director-General of the Secretariat, TEPCO Management and Finance Investigation Task Force, Cabinet Secretariat; Jul. 2012 Deputy Director-General, Ministry of Economy, Trade and Industry; Jul. 2014 Deputy Chief, TEPCO-NDF Liaison Office, Nuclear Damage Compensation Facilitation Corporation; Concurrently Executive Officer, Tokyo Electric Power Company, Incorporated; Jun. 2015 Director and Executive Officer, Tokyo Electric Power Company, Incorporated; Jul. 2018 Director-General, Commerce and Information Policy Bureau, Ministry of Economy, Trade and Industry; Jul. 2020 Departed from the Ministry of Economy, Trade and Industry <i><Reasons for election of the candidate and expected roles></i> <i>Keita Nishiyama has extensive experience and deep insight into industrial structures and IT digital technologies gained through his long involvement with digital policy and related matters at the Ministry of Economy, Trade and Industry, and through being in charge of business reconstruction as a Director and Executive Officer at another company. He is expected to utilize his experience and knowledge to suitably carry out supervision of Panasonic Group management.</i> <i><Notable conflicts of interest between the candidate and the Company></i> <i>None</i>	0 shares

- (Notes)
1. Ayako Shotoku's name on the family register is Ayako Kurama.
 2. Shinobu Matsui, Kunio Noji, Michitaka Sawada, Kazuhiko Toyama, Yoshinobu Tsutsui, and Keita Nishiyama are candidates for Outside Directors as stipulated in Article 2, Paragraph 3, Item 7 of the Enforcement Regulations of the Companies Act. The Company sent respective notifications of the continuing status of Shinobu Matsui, Kunio Noji, Michitaka Sawada, Kazuhiko Toyama, Yoshinobu Tsutsui and notification of the status of Keita Nishiyama anew as Independent Directors to the stock exchanges of Japan on which the Company's shares are publicly listed.
Shinobu Matsui is Executive Officer of Uzabase, Inc., and the amount of the transaction between the company and the Company in fiscal 2023 was less than 1% of both of their consolidated net sales.
Kunio Noji comes from Komatsu Ltd., and the amount of the transaction between the company and the Company in fiscal 2023 was less than 1% of both of their consolidated net sales.
Michitaka Sawada is Director, Kao Corporation, and the amount of the transaction between the company and the Company in fiscal 2023 was less than 1% of both of their consolidated net sales.
Yoshinobu Tsutsui is Representative Director of NIPPON LIFE INSURANCE COMPANY, and the amount of the transaction between the company and the Company in fiscal 2023 was less than 1% of both of their consolidated net sales.
The independence criteria for the Company's Outside Directors are as described on page 16.
 3. The Company has entered into contracts for limitation of liability with six Directors, namely Kazuhiro Tsuga, Shinobu Matsui, Kunio Noji, Michitaka Sawada, Kazuhiko Toyama and Yoshinobu Tsutsui, which limit the amount of each Director's respective liability, as defined under Article 423, Paragraph 1 of the Companies Act to the minimum amount stipulated in Article 425, Paragraph 1 of the Companies Act, presuming that they perform their respective duties in good faith and without gross negligence. In the event that the reappointment of these Directors is approved, the Company intends to continue the above contracts. If the appointment of Keita Nishiyama is approved, the Company intends to enter into the same contract as those mentioned above with him.
 4. The Company has entered into indemnity agreements, as defined under Article 430, Paragraph 2, Item 1 of the Companies Act, with the 12 Directors, Kazuhiro Tsuga, Yuki Kusumi, Tetsuro Homma, Mototsugu Sato, Hirokazu Umeda, Shinobu Matsui, Kunio Noji, Michitaka Sawada, Kazuhiko Toyama, Yoshinobu Tsutsui, Yoshiyuki Miyabe, and Ayako Shotoku, and the Company agrees to indemnify costs and losses, as provided for by item 1 and item 2, respectively, of said Paragraph, within the ranges prescribed by laws and regulations. In the event that the reappointment of these Directors is approved, the Company intends to continue the contracts. If the appointment of Keita Nishiyama is approved, the Company intends to enter into the same contract with him. 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 when carrying out compensation. Also, if it is found that the compensation was inappropriate after it has been carried out, the agreement allows the Company to demand the return of all or part of the compensation money from the Company officers concerned.
 5. The Company has entered into a directors' and officers' liability insurance policy with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act. This policy covers directors, auditors, and executive officers of the Company and its subsidiaries*. The full amount of the insurance premiums is borne by the Company and its subsidiaries. This insurance policy covers compensation for damages, legal fees, and related expenses that would be borne by the insured parties in the event that a claim for damages is made against the insured parties arising from acts conducted in relation to their official duties. However, measures are taken to prevent adverse effects on the correct execution of duties by excluding coverage for damages arising from acts which were committed by the insured parties with the knowledge that the acts were illegal. If each of the candidates is elected as Director and assumes office, he or she will become insured under the above-mentioned insurance policy. In addition, the Company plans to renew the insurance policy with the same details at the next renewal.
* Panasonic Corporation, Panasonic Automotive Systems Co., Ltd., Panasonic Entertainment & Communication Co., Ltd., Panasonic Housing Solutions Co., Ltd., Panasonic Connect Co., Ltd., Panasonic Industry Co., Ltd., Panasonic Energy Co., Ltd., Panasonic Operational Excellence Co., Ltd., Panasonic Information Systems Co., Ltd.
 6. In October 2022, Sumitomo Mitsui Financial Group, Inc., where Yoshinobu Tsutsui works as an Outside Director, together with SMBC Nikko Securities Inc., were subjected to administrative disposition by the Financial Services Agency based on the Financial Instruments and Exchange Act. This disposition was issued in regards to a violation of Article 159, Paragraph (3) (illegal stabilizing transactions) of the Financial Instruments and Exchange Act committed by a former official of SMBC Nikko Securities Inc. SMBC Nikko Securities Inc. was found guilty at Tokyo District Court in February 2023 in relation to the same violation, and this judgment has been upheld. Furthermore, SMBC Nikko Securities Inc. was subjected to administrative disposition by the Financial Services Agency based on the Financial Instruments and Exchange Act for the exchange of undisclosed information between officials of this company and officials of Sumitomo Mitsui Banking Corporation. Sumitomo Mitsui Financial Group, Inc. and Sumitomo Mitsui Banking Corporation were also subjected to administrative disposition by the Financial Services Agency based on the Financial Instruments and Exchange Act for the same violation.
Yoshinobu Tsutsui was unaware of this act until the above violation was discovered. However, he carried out his official duties through the Board of Directors and other bodies from the perspective of continuous legal compliance, and endeavored to avoid any acts in violation of laws. It was confirmed that following the discovery of this violation, Yoshinobu Tsutsui gave instructions to fully investigate the violation and prevent its recurrence, and confirmed the contents of action taken by Sumitomo Mitsui Financial Group, Inc. to prevent its recurrence.

Bill No. 2: To Elect 1 Audit & Supervisory Board Member

The term of office of Toshihide Tominaga as Audit & Supervisory Board Member will expire at the conclusion of the 116th Ordinary General Meeting of Shareholders, at which time he will retire as Audit & Supervisory Board Member.

Accordingly, the election of one Audit & Supervisory Board Member is hereby proposed.

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

The Audit & Supervisory Board has approved this proposal.

The details of the candidate are as follows:

Name and date of birth	Career summary, position in the Company and other important concurrently held positions	Number of the Company's shares held (As of March 31, 2023)
Hidetoshi Baba June 7, 1963 New candidate	<p>Apr. 1987 Joined Kyushu Matsushita Electric Co., Ltd.;</p> <p>Apr. 1998 Director, Accounting Division, America Kyushu Matsushita Electric Co., Ltd.;</p> <p>Apr. 2004 Counselor, Financial IR Team, Accounting Group, Panasonic Communications Co., Ltd.;</p> <p>Apr. 2008 Director and Vice President, Panasonic Communications (Malaysia) Sdn Bhd;</p> <p>Aug. 2010 Vice President, Panasonic System Networks Europe;</p> <p>Apr. 2016 Managing Officer, AVC Networks Company of the Company, Director, Accounting Center;</p> <p>Oct. 2020 General Manager, Audit Division of the Company;</p> <p>Apr. 2022 Executive, in charge of Internal Auditing of the Company; General Manager, Internal Auditing Department, Panasonic Operational Excellence Co., Ltd. (to the present)</p> <p><Reasons for election of the candidate> <i>Hidetoshi Baba has extensive experience as an accounting manager in Japan and overseas. He is highly knowledgeable about the audit mechanisms of the Company, including the construction of an internal audit system as General Manager of the Audit Division at the time when the Panasonic Group became a holding company. He is expected to apply his experience and knowledge to appropriately audit the performance of Directors' duties as an Audit & Supervisory Board Member and provide valuable opinions to the Group's management.</i></p> <p><Notable conflicts of interest between the candidate and the Company> <i>None</i></p>	5,561 shares

- (Notes) 1. If the appointment of Hidetoshi Baba is approved, the Company intends to enter into a contract for limitation of liability with him, which limits the amount of his liability, as defined under Article 423, Paragraph 1 of the Companies Act to the minimum amount stipulated in Article 425, Paragraph 1 of the Companies Act, presuming that he performs his duties in good faith and without gross negligence.
2. If the appointment of Hidetoshi Baba is approved, the Company intends to enter into an indemnity agreement, as defined under Article 430, Paragraph 2, Item 1 of the Companies Act, with him, and the Company agrees to indemnify costs and losses, as provided for by item 1 and item 2, respectively, of said Paragraph, within the ranges prescribed by laws and regulations. Under these agreements, to ensure that appropriate execution of the duties by the Company officers will not be impaired, certain inappropriate cases are excluded from compensation, and upon receiving a request for compensation from the Company officers, the Board of Directors will determine whether or not the case corresponds to these exclusions when 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.
3. The Company has entered into a directors' and officers' liability insurance policy with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act. This policy covers directors, auditors, and executive officers of the Company and its subsidiaries*. The full amount of the insurance premiums is borne by the Company and its subsidiaries. This insurance policy covers compensation for damages, legal fees, and related expenses that would be borne by the insured parties in the event that a claim for damages is made against the insured parties arising from acts conducted in relation to their official duties. However, measures are taken to prevent adverse effects on the correct execution of duties by excluding coverage for damages arising from acts which were committed by the insured parties with the knowledge that the acts were illegal. If Hidetoshi Baba is elected as Audit & Supervisory Board Member and assumes office, he will become insured under the above-mentioned insurance policy. In addition, the Company plans to renew the insurance policy with the same details at the next renewal.

* Panasonic Corporation, Panasonic Automotive Systems Co., Ltd., Panasonic Entertainment & Communication Co., Ltd., Panasonic Housing Solutions Co., Ltd., Panasonic Connect Co., Ltd., Panasonic Industry Co., Ltd., Panasonic Energy Co., Ltd., Panasonic Operational Excellence Co., Ltd., Panasonic Information Systems Co., Ltd.

Reference: Knowledge expected of Directors and Audit & Supervisory Board Members after appointment

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

In order for the Company Board of Directors to fulfill the above roles, the Company Board of Directors must possess an enthusiasm and readiness for reform in order to directly confront social issues and increase corporate value. For this purpose, the knowledge which the Board of Directors should possess is organized into the following subjects: (1) Business experience as a member of management (Business management), (2) Long-term changes in global industrial structures and mega trends (Industry structures, mega trends), (3) Technical trends related to IT and digital transformation (IT, digital), (4) Global perspective (Global, international situation), (5) Financial insight and large-scale investment decisions (Finance, investment decisions), (6) Promotion of innovation, strengthening of competitiveness (Technologies, manufacturing, supply chain), (7) Risk control and governance related to execution of duties (Governance, risk management), and (8) Environment and society.

Regarding the above knowledge, up to the top four subjects of knowledge which each Director and Audit & Supervisory Board Member is expected to deliver are as shown in the table below.

Name		Particular expected knowledge							
		Business management	Industry structures, mega trends	IT, digital	Global, international situation	Finance, investment decisions	Technologies, manufacturing, supply chain	Governance, risk management	Environment, society
Directors	Kazuhiro Tsuga	●	●	●				●	
	Yuki Kusumi	●				●	●		●
	Tetsuro Homma	●	●		●			●	
	Mototsugu Sato	●			●	●		●	
	Hirokazu Umeda	●			●	●		●	
	Shinobu Matsui			●		●		●	●
	Keita Nishiyama		●	●	●	●			
	Kunio Noji	●			●		●	●	
	Michitaka Sawada	●					●	●	●
	Kazuhiko Toyama		●	●	●			●	
	Yoshinobu Tsutsui	●	●		●	●			
	Yoshiyuki Miyabe		●	●			●		●
	Ayako Shotoku				●			●	●
Audit & Supervisory Board Members	Eiji Fujii			●			●	●	●
	Hidetoshi Baba				●	●		●	
	Akihiro Eto	●			●	●		●	
	Akihiko Nakamura				●	●		●	
	Setsuko Yufu				●			●	●

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

The following persons are not considered independent.

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

(Notes)

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

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

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

Bill No. 3: To Revise the Restricted Stock Compensation System for Directors (Excluding Outside Directors)

At the 112th Ordinary General Meeting of Shareholders held on June 27, 2019, in order to provide incentives for continually increasing the corporate value of the Company and to further share value with shareholders, the Company received approval for Bill No. 3 "To Revise the Remuneration Limit for Directors" and introduced a restricted stock compensation system (hereafter, the "System") for Directors other than Outside Directors (hereafter, "Eligible Directors"). The System continues to the present day. This bill requests approval for a revision of the transfer restriction period under the System.

The Company previously established the transfer restriction period under the System as "the period predetermined by the Company Board of Directors, ranging from three years to 30 years, from the date of receiving share allocation." In order to further increase motivation for contributing to increasing corporate value and achieve value sharing with shareholders over as long a period as possible by having Eligible Directors retain their restricted stock until their departure or retirement, the Company intends to revise this period to be the following: "the period from the date of receiving share allocation until the time immediately following the departure from all positions including Company Director, Executive Officer who is not concurrently serving as Director, fellow, Director and Executive Officer of a Company subsidiary, and a persons in another position prescribed in advance by the Company Board of Directors." As a result of this change in the transfer restriction period, it will be necessary to revise the cancellation of transfer restrictions and the handling upon departure or retirement.

The above revisions will apply to restricted stock that is granted in the future. There will be no change to the transfer restriction period or other details of restricted stock which has already been granted. There will be no changes to the System other than the above revisions. If Bill No. 1 "To Elect 13 Directors" is approved and adopted as originally proposed, the number of Eligible Directors will be seven (7).

This bill has been decided by the Board of Directors following examination and reporting by the Nomination and Compensation Advisory Committee, a voluntary body, with overall consideration for the Company employee remuneration system and global trends. The contents are considered reasonable and proper.

Reference: Overview of the Company restricted stock compensation system
(Underlined parts are those which will be revised upon approval of this bill.)

I. Upper limit on quantity of restricted stock

In order to allocate common stock as restricted stock to Eligible Directors, the Company shall establish an amount of monetary remuneration claims for its pay-in, and this total amount shall not exceed ¥500 million per fiscal year (excluding the portion of employee salaries of Directors concurrently serving as employees). The total quantity of common stock to be newly issued or disposed of by the Company shall not exceed one million shares per fiscal year. However, in the event of circumstances that require adjustment of the total number of Company shares, such as allocation of common stock (including uncompensated allocation of Company common stock) or stock merger, the total number of shares will be adjusted within a reasonable range as necessary according to the stock allocation, stock merger, or other circumstance.

Upon allocation of stock, a monetary remuneration claim shall be provided to the Eligible Director in the same paid-in amount decided by the Board of Directors, within a range which does not produce a price which is particularly favorable to the Eligible Director receiving the common stock. This shall be based on the closing price of common stock of the Company at a domestic securities exchange on the business day preceding the date of a Board of Directors resolution related to any allocation of stock. (If there were no trades on that date, the closing price on the most recent preceding trading date shall be used.) Pay-in for the allocated stock shall be accomplished by offsetting with this compensation claim provided to the Eligible Director.

II. Matters related to restricted stock

The Company shall conclude a restricted stock allocation agreement (hereafter, the "Allocation Agreement") that in general includes the following contents between the Company and the Eligible Director.

1. Transfer restriction period

The Eligible Director shall not transfer, set as collateral, or otherwise dispose of the common stock which he or she received allocation of ("the Common Stock") during the period from the date of receiving allocation until the time immediately following the departure or retirement from all positions including Company Director, Executive Officer who is not concurrently serving as Director, fellow, Director and Executive Officer of a Company subsidiary, and a persons in another position prescribed in advance by the Company Board of Directors.

2. Handling at time of departure

In the event that an Eligible Director departed or retired from all the positions prescribed in 1 above, the Company shall automatically acquire the Common Stock without compensation (Grounds for Acquisition Without Compensation), except in cases of completion of the term of office, death, or other just reason.

3. Cancellation of transfer restriction

The Company shall cancel the transfer restriction at the time when the Eligible Director remained continually since the date of allocation in any of the positions of Company Director or Executive Officer who is not concurrently serving as Director, fellow, Director or Executive Officer of a Company subsidiary, or a persons in another position prescribed in advance by the Company Board of Directors, and when the Eligible Director departed or retired for a reason which does not constitute Grounds for Acquisition Without Compensation in Item 2 above. However, the quantity of the Common Stock for which the transfer restriction will be canceled shall be adjusted reasonably as necessary according to the timing when the transfer restriction period ends. Immediately following the cancellation of the transfer restriction, the Company shall automatically acquire without compensation any of the Common Stock for which the transfer restriction was not canceled.

4. Handling upon organizational restructuring etc.

Regardless of the provisions of 1 above, in the event of a matter related to a merger agreement where the Company is the expiring corporation, a share exchange agreement where the Company becomes a wholly-owned subsidiary, a stock transfer plan, or other organizational restructuring etc. which was approved by a General Meeting of Shareholders of the Company (or by the Company's Board of Directors in cases of organizational restructuring etc. which do not require approval by a General Meeting of Shareholders of the Company) during the transfer restriction period, the Company shall, based on a resolution of the Company Board of Directors, cancel the transfer restriction in advance of the effective date of the organizational restructuring etc. for a quantity of the Common Stock which was decided as reasonable according to the length of time between the start date of the transfer restriction period and the date when this organizational restructuring etc. was approved. In the circumstances prescribed above, immediately following the cancellation of the transfer restriction, the Company shall automatically acquire without compensation any of the Common Stock for which the transfer restriction was not canceled.

5. Other matters

Other matters related to the Allocation Agreement shall be decided by the Company Board of Directors.

(Note)

If this bill is approved and adopted as originally proposed, the same changes will be applied to the Systems for Company Executive Officers who are not concurrently serving as Directors, fellows, and Directors and Executive Officers who are not concurrently serving as Directors of Company subsidiaries. The necessary changes will also be applied to the policy for determining remuneration etc. for individual Directors of the Company. (The overview of the policy is provided in "1.

Remuneration Policy, etc.“ under “4 (5) Remuneration for Directors and Audit & Supervisory Board Members” of the Business Report (pages 43 to 45).)

Bill No. 4: To Revise the Remuneration Limit for Audit & Supervisory Board Members

A maximum total amount of remuneration for Audit & Supervisory Board Members of ¥140 million per fiscal year was approved at the 100th Ordinary General Meeting of Shareholders held on June 27, 2007, and remains in effect to the present day.

In consideration for factors including the increase in Audit & Supervisory Board Member responsibilities for maintaining and strengthening an effective Group Audit & Supervisory Board Member system as a result of the increasing demands and expectations of society placed on Independent Outside Directors, changes in the economic situation, and the transition of the Company to a holding company system, we request approval to revise this maximum amount to ¥170 million per fiscal year.

The current number of Audit & Supervisory Board Members is five, and there will be no change to this number even if Bill No. 2 "To Elect 1 Audit & Supervisory Board Member" is approved and adopted as originally proposed.

Business Report for the 116th Fiscal Period

(From April 1, 2022 to March 31, 2023)

1. Brief Business Review of the Panasonic Group

(1) Progress and Results during the Period

During the year ended March 31, 2023 (fiscal 2023), the global economy saw a slowdown due to such downside factors as the situation in Ukraine, Shanghai lockdown, continuing high prices of raw materials, shortages in parts & materials, and worldwide inflation along with an increase in interest rates. In Japan, rapid fluctuations in exchange rates also became one of the downside factors for the economy.

Under such management conditions, the Company transitioned to a new group organizational structure comprised of a holding company and operating companies on April 1, 2022. The Company continues to thoroughly implement autonomous management in each operating company and enhance its competitiveness in the first year of the new medium- to long-term strategy that started in fiscal 2023.

As for the enhancement of competitiveness, the Company is continuing to establish a foundation for data-driven management through PX (Panasonic Transformation). The Company is also continuing to strengthen its operational capability in the entire supply chain, mainly at the major sites of each operating company through frontline innovation.

In the three growth areas toward achieving Panasonic GREEN IMPACT, the Group's long-term vision for the environment, the Company announced the decision to commence preparations for a potential stock listing of the supply chain management business operated by Panasonic Connect Co., Ltd. in May 2022. It was decided that based on the business characteristics and market environment, a stock exchange listing of its business would be the optimal way to accelerate growth globally by utilizing the capital markets. In July 2022, with regard to plans for a US-based EV battery manufacturing facility, Panasonic Energy Co., Ltd. was approved for participation in the "Attracting Powerful Economic Expansion" incentive program of the State of Kansas, and in October 2022, the Board of Directors of the Company made the decision to construct this manufacturing facility in the U.S. Furthermore, in September 2022, Panasonic Corporation announced the investment in its Czech Plant to strengthen the production of air to water hot water heat pump system ("A2W") which have been experiencing growing demand in Europe. In February 2023, Panasonic Corporation completed the acquisition of the commercial air-conditioning business from Systemair AB, Sweden's leading global manufacturer in the ventilation and commercial air-conditioning business.

The Company's consolidated group sales for fiscal 2023 increased by 13% to ¥8,378.9 billion from a year ago. This is due to increased sales of such products as A2W, automotive systems & components reflecting the recovery of automobile production, and EV batteries as well as to the new consolidation of Blue Yonder Holding, Inc. ("Blue Yonder") and the effect of currency translation, despite the impact on production & sales caused by shortages in semiconductors.

Operating profit decreased by 19% to ¥288.6 billion from a year ago. This is due mainly to the impact of price hikes in raw materials and increased fixed costs, despite increased sales and efforts such as price revisions. In addition, the impact of one-off gain in the previous year was a factor of the decrease. Profit before income taxes decreased by 12% to ¥316.4 billion and net profit attributable to Panasonic Holdings Corporation stockholders increased by 4% to ¥265.5 billion from a year ago.

Segment Information

For management reasons, the Panasonic Group now evaluates and releases business results in the five reportable segments of "Lifestyle," "Automotive," "Connect," "Industry" and "Energy."

Business divisions and main businesses by reportable segments are listed on the next page, with sales and operating profit for each segment presented on the pages that follow.

Segment Information

Segment	Sales (billions of yen)	Year-on-year comparison (%)	Operating profit (billions of yen)	Profit ratio (%)	Year-on-year comparison (%)
Lifestyle	3,483.3	110	103.1	3.0	95
Automotive	1,297.5	122	16.2	1.3	1,172
Connect	1,125.7	122	20.9	1.9	40
Industry	1,149.9	102	66.8	5.8	80
Energy	971.8	126	33.2	3.4	50
Reporting segment total	8,028.2	114	240.2	3.0	77
Other	1,199.4	103	56.7	4.7	151
Eliminations and Adjustments	(848.7)	—	(8.3)	—	—
Consolidated Total	8,378.9	113	288.6	3.4	81

- (Notes)
1. Amounts less than ¥100 million have been rounded to the nearest ¥100 million, and profit ratios have been rounded to one decimal place. Year-on-year comparison figures have been rounded to the nearest whole number.
 2. For year-on-year comparison of sales and operating profit, segment information for fiscal 2022 has been reclassified to conform to the structure of fiscal 2023.
 3. Sales of segments include intersegment sales.
 4. "Other" includes entertainment & communication, housing, sales of raw materials, etc. As for the "Other" business, sales and profits increased from a year ago due mainly to steady sales in housing.
 5. The figures in "Eliminations and Adjustments" include profit and loss which are not attributable to any segments, for the purpose of evaluating operating results of each segment, consolidation adjustments, and eliminations of intersegment transactions. In addition, management accounting adjustments to sales prices, which had been included in "Eliminations and adjustments," are included in each segment from fiscal 2023.

Business Divisions and Main Businesses by Reportable Segments

(As of March 31, 2023)

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

Lifestyle

Sales increased by 10% to ¥3,483.3 billion from a year ago.

In fiscal 2023, there was a decline in revenue in the home appliances business in Japan. However overall sales increased due to strong sales in areas including heat pump-type hot water heaters (Air to Water, "A2W") in Europe, showcases in North America, and the overseas electric materials business, and also due to the effects of currency translations.

As for conditions in our primary divisional companies, although the Living Appliances and Solutions Company was affected by the slowdown in global demand, intensifying competition in Japan, and the Shanghai lockdown, overall sales increased due to the effects of price revisions and currency translations.

Despite declining Japan demand for indoor air conditioner in Japan, the Heating & Ventilation A/C Company saw strong sales of A2W in Europe that drove an increase in sales.

The Cold Chain Solutions Company saw an increase in sales due to strong sales of showcases in North America.

At the Electric Works Company, there were strong sales of electrical equipment materials, centered on sales overseas and boosted by the effects of price revisions, sales were higher.

Operating profit for this segment recorded ¥103.1 billion. Although there were higher sales for the key businesses of air conditioning in Europe, electric materials in Japan and overseas, and showcases in North America, they were not able to cover the impact of lower sales of appliances in Japan, despite the effects of price revisions and other factors. In addition, there were recall expenses for the Heating & Ventilation A/C Company and other negative effects. As a result, profits decreased by ¥5.1 billion from a year ago.

Automotive

Sales increased by 22% to ¥1,297.5 billion from a year ago.

Automobile production decreased this fiscal year compared to the forecast at the beginning of the current fiscal year due to the effects of COVID-19, and to the continuing tight global situation of automotive semiconductors and components, which all have had an impact on sales in this segment. However, a recovery in vehicle production from the previous fiscal year, the effects of currency translations, the launch of product and service businesses in new areas, and other factors contributed to increased sales in both the Automotive Cockpit Systems Business and the Automotive Electronics Systems Business.

Operating profit for this segment recorded ¥16.2 billion. There were negative effects from high prices resulting from the tight supply situation of automotive semiconductors and components, an increase in fixed expenses resulting from increased production, and the weak value of the yen. However, in addition to an increase in sales, we also carried out initiatives such as price revisions based on high component prices and currency translations, cost-cutting, and reinforcing our operational capabilities. As a result, although we were in the red during the first half of the year due to the effects of higher fixed expenses and high component prices, we returned to profit with a recovery in sales during the second half of the year, and achieved a large increase in profits over the first half. Overall profit for this segment increased by ¥14.8 billion from a year ago.

Connect

Sales increased by 22% to ¥1,125.7 billion from a year ago.

During fiscal 2023, slower investment related to PCs and smartphones affected sales of mounting machines. However, in addition to growth in the avionics business and strong sales in the robust mobile terminals business, the acquisition of Blue Yonder contributed to higher sales.

In our primary business divisions, the Mobile Solutions BD saw higher sales as a result of strong overseas sales of robust mobile terminals and strong domestic sales of notebook PCs.

In the Process Automation BD, strong demand for welding equipment contributed to higher sales. However, there was a slowdown in customer investment related to PCs and smartphones caused by factors such as the spread of COVID-19 in China, resulting in slow sales of mounting machines. Sales declined for the division as a whole.

In the Media Entertainment BD, although markets in Europe and China were sluggish, there was strong demand for projectors in the United States, resulting in an increase in sales.

Panasonic Avionics Corporation saw strong sales of in-flight entertainment and communications systems as well as aircraft maintenance and repair services following a global recovery in passenger demand and renewed investment due to the improved financial positions of the airline companies, resulting in an increase in sales.

At Blue Yonder, despite from investment delays due to uncertainty in the European and American economies, sales were higher as we received steady SaaS* orders, and there was strong growth in recurring sales.

Operating profit for this segment recorded ¥20.9 billion. Although there was an increase in profits in the avionics and other businesses, profit was down by ¥31.9 billion from a year ago, due in part to recording a temporary gain during fiscal 2022.

(*) SaaS: Acronym for "Software as a Service." This service allows the user to access via the Internet, the necessary functions of software that is located on a Cloud server provided by a vendor.

Industry

Sales increased by 2% to ¥1,149.9 billion from a year ago.

During fiscal 2023, in addition to downturn in the ICT (Information and Communication Technologies) terminal market, the automobile market except green vehicles, and the China FA market, there were also the impact of

changes in the sales channel resulting from the termination of our semiconductor business. However, overall sales were higher, in part due to the effects of currency translations.

As to the conditions of major businesses, the Control Devices Business saw increasing sales due to strong sales of products such as power supplies and industrial relays, and also due to the effects of price revisions.

In the FA Solutions Business, although there was continued growth in sales of industrial motors and other products, a decline of investor interest in semiconductors and general industrial fields produced a slowdown in the China FA market, causing a decrease in sales.

In the Electronic Devices Business, although there were declining sales in the ICT terminal market due to the large drop in the production of notebook PCs, there was continuing growth in demand for capacitors used in green vehicles. This led to a higher sales volume, which combined with the effects of price revisions and currency translations to produce an increase in sales.

While the Electronic Materials Business was buoyed by the effects of price revisions and currency translations, sales were down due to the effects of a slowdown in the semiconductor market.

Operating profit for this segment recorded ¥66.8 billion. The effects of high raw materials prices were offset by price revisions and rationalization, and while business was affected by the weak yen, a loss from reduced sales produced by a steep decline in market conditions yielded a decrease in profits of ¥16.4 billion from a year ago.

Energy

Sales increased by 26% to ¥971.8 billion from a year ago.

During this fiscal year, there was continuing growth in surging global demand for electric vehicles, and there were strong sales of automotive batteries particularly in North America. There were also effects from currency translations, and the result was higher sales.

Regarding the conditions in primary business areas, the In-vehicle Business saw continued strong demand for electric vehicles as a result of factors including higher demand for decarbonization through policies in various countries. In addition, higher productivity for batteries at our North America factory contributed, and strong sales of automotive lithium-ion batteries resulted in an increase in sales.

In the Industry and Consumer Business, market conditions declined as a result of measures to prevent the spread of COVID-19 in China and continuing global inflation. In particular, starting from the second half of the year, there was a sharp drop in demand for lithium-ion batteries used in ICT, power applications, and other consumer devices, and BtoB lithium primary batteries were also affected by a decline in global demand. However, the effects of currency translations allowed us to secure an increase in sales.

Operating profit for this segment recorded ¥33.2 billion. Although boosted by the weak yen, the loss from reduced sales in the industry and consumer business, the effects of high raw material prices and higher fixed costs, including development expenses aimed at future growth, resulted in a decrease in profits of ¥33.6 billion from a year ago.

(2) Research and Development

The Panasonic Group concentrated on the development of new technologies and new products to underpin its future based on the growth strategies. In addition, we actively engaged in technical development aimed at the sustainable advancement of individual lives and society, and at mental and physical well-being. R&D expenditures totaled ¥469.8 billion in fiscal 2023. Key development initiatives and achievements were as follows:

- (1) Development of lithium-ion batteries with a reduced environmental impact together with high performance and reliability through cobalt-free electrode materials and the use of recycled materials

We have developed a cobalt-free battery that makes maximum use of material informatics^(Note 1) and that contains a cathode material that does not use the rare metal cobalt. Because rare metals are contained in minerals only in small amounts, large amounts of CO₂ are generated during the refining process. As a result, reducing the amount of rare metals not only conserves resources in terms of the rare metals themselves, but also results in a large reduction in CO₂ emissions.

The use of recycled materials in the cathode and copper foil also reduces CO₂ during raw material refining. In addition, the plant is working to achieve carbon neutrality, making a large contribution to the creation of a zero-carbon society.

- (2) Development of heat pump technology supporting a natural refrigerant (R290)

We have developed a new heat pump system featuring a refrigeration cycle that uses R290 (propane gas), a refrigerant that has a much smaller greenhouse effect than chlorofluorocarbons. Because the refrigerant is flammable, the refrigerant itself is placed outdoors, preventing any harm to the indoor space, where the customer is present in the event of refrigerant leakage. In addition, the outdoor unit uses a sealed structure in which electrical components do not contact the refrigerant, minimizing the risk of fire at the outdoor unit.

The refrigerants that function to transport heat have been criticized in the past for contributing to global warming and the destruction of the ozone layer. However, this technology has made possible the change to a natural refrigerant with a low environmental impact. The Company will continue contributing to measures to combat global warming through technology development in the future.

- (3) Selection of cutting-edge R&D results at top conferences in the AI and robotics fields

Regarding its research results from leading AI technologies that were developed to resolve living and social issues, the Company actively submits papers to academic conferences and journals in order to contribute to advancements in the field and to obtain an objective evaluation of the technologies. In the preceding fiscal year, many of our papers including five papers of R&D results^(Note 4) were selected, including at the top international AI and computer vision conference ECCV^(Note 2) 2022, and the top international robotics conference IROS^(Note 3) 2022.

We will continue to present our research at outside organizations and contribute to the well-being of our customers through the use of technologies in our products and services.

- (4) Development of a fully biodegradable cellulose fiber molding material

We have developed a fully biodegradable molding material that provides both one millimeter of thin molding and a high modulus of elasticity. This was achieved by blending multiple biodegradable resins containing polylactic acid derived from plants, adding suitable additives, and adding high-density cellulose fiber. We also succeeded in creating white resin pellets that offer high freedom for coloring, and the material itself can be made a brown color allowing highly expressive designs such as woodgrain.

We will utilize the high strength and design performance that characterize this molding material in a wide range of product exteriors, component materials, and other parts, and will continue contributing to the creation of a sustainable society.

- (5) Successful proof-of-principle demonstration for breath-based personal identification technology using an artificial olfactory sensor developed in collaboration among academia, industry, and government^(Note 5)

We succeeded in achieving a high accuracy rate of 97% at a proof-of-principle demonstration of personal identification technology using 20 subjects. This technology uses an artificial olfactory sensor that is currently under development to detect human breath and uses AI technology to analyze the obtained data.

Because this method utilizes chemical information of molecular groups in breath that exist in immense numbers of types and are difficult for anyone other than the individual to reproduce, we expect that this will lead to biometric authentication technology that is extremely difficult to falsify or impersonate.

(Notes) 1. Material informatics: A method of accelerating material development by utilizing AI and machine learning to analyze vast amounts of material data and determine a possible chemical structure which can deliver the required performance

2. ECCV: European Conference on Computer Vision

3. IROS: International Conference on Intelligent Robots and Systems

4. Selected paper titles:

(1) Rethinking Generic Camera Models for Deep Single Image Camera Calibration to Recover Rotation and Fisheye Distortion

(2) MTTrans: Cross-Domain Object Detection with Mean-Teacher Transformer

(3) Equivariance and Invariance Inductive Bias for Learning from Insufficient Data

(4) DreamingV2: Reinforcement Learning with Discrete World Models without Reconstruction

(5) Tactile-Sensitive NewtonianVAE for High-Accuracy Industrial Connector Insertion

5. Joint research with the University of Tokyo, Kyushu University, and Nagoya University conducted with support from the Japan Science and Technology Agency

(3) Capital Investment

The Panasonic Group made capital investment totaling ¥309.1 billion in fiscal 2023. This investment was focused on key business areas and is aimed at achieving future growth.

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

(4) Corporate Financing

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

During fiscal 2023, the Company mainly issued commercial paper (CP) to secure working capital and others. In July 2022, the Company redeemed in USD-denominated unsecured straight bonds totaling USD 1.0 billion (issued July 2019) as they fell due.

As a result, the balance of yen-denominated unsecured straight bonds was ¥600.0 billion, the balance of yen-denominated hybrid bonds (subordinated bonds)^(Note 1) was ¥400.0 billion, and the balance of unsecured USD-denominated straight bonds was USD 1.5 billion as of March 31, 2023.

The Company entered into three-year commitment line agreements^(Note 2) with several banks in June 2021 to prepare for financing risk in the precarious financial and economic environment. The upper limit for unsecured borrowing based on the agreements is a total of ¥600.0 billion, but there is no borrowing under this agreement.

(Notes) 1. Hybrid bonds (subordinated bonds): bonds with characteristics midway between equity and debt, and with characteristics similar to equity that include optional deferral of interest payments, a particularly long repayment period, and subordination in liquidation proceedings and bankruptcy proceedings

2. Commitment line agreements: contracts made with financial institutions to secure financing subject to pre-agreed limits on the time period and commitment line

(5) Initiatives for Sustainability

The Panasonic Group has positioned "contributing to the progress and development of society and the well-being of people worldwide through its business" at the core of our Basic Business Philosophy and believes that the implementation of this Philosophy constitutes the true nature of sustainability management. In fiscal 2023, the Sustainability Management Committee that was launched in January 2022 met monthly, and discussed important issues concerning the Group. In July, we held the Second Panasonic Group Sustainability Briefing, where the Group CEO explained the environmental action plan described below and presented specific numerical targets for milestones leading up to 2030. Following is a summary of the main sustainability initiatives of the Panasonic Group.

<Global Environmental Problems>

The Basic Business Philosophy of the Group is to resolve social issues through our business, and in consideration of global environmental problems including climate change that are urgent issues facing the world. In April 2022, we announced "Panasonic GREEN IMPACT (PGI)" long-term environmental vision. In addition to "OWN IMPACT," which aims to reduce emissions from the Group value chain^(Note 1) which is equivalent to Scope 1–3^(Note 2) to net zero as one of the responsibilities of the Group, PGI pledges that we will expand avoided emissions which are our contribution to reduce CO₂ emissions outside our value chain in society and at customers. Our contributions to avoided emissions include "CONTRIBUTION IMPACT," which contributes to emissions reduction through existing business, as well as "FUTURE IMPACT," which contributes to emissions reduction through new technologies and businesses. The combination of these three impacts aims for a reduction of more than 300 million tons in CO₂ emissions by 2050, approximately 1% of current total global emissions. Our environmental action plan "GREEN IMPACT PLAN (GIP) 2024" was formulated in order to achieve this goal. In addition to the three impacts, based on the trend in circular economy (CE)^(Note 3) which is progressing in Europe, GIP 2024 also sets targets for creation of a CE business model and advancing recycling-oriented manufacturing.

In OWN IMPACT, we are promoting zero-CO₂ factories which realize net zero CO₂ emissions from our production activities (Scope 1 and 2) and all operating companies are working to achieve this goal by 2030. In January 2023, Panasonic Automotive Systems Co., Ltd. became the first operating company to achieve net zero CO₂ emissions, which it achieved at all 14 sites including at its subsidiaries in Japan and overseas.

In CONTRIBUTION IMPACT, our efforts are focused on electrification, energy conservation, and hydrogen. In our efforts for electrification, in association with the rapid shift from gas and petroleum to electricity in Europe as a result of higher environmental awareness as well as the energy situation, the change from gas and petroleum equipment to electric products is accelerating with the ramping-up of production at our plant producing heat pump-type hot water heaters in the Czech Republic. We are also contributing to the spread of environmentally friendly vehicles, including a decision to construct a new vehicle battery plant in the US state of Kansas in order to support the global shift to EV.

In FUTURE IMPACT, we are proceeding with development of perovskite solar cells—said to be the next generation of solar cells, and green hydrogen generation technology for the creation of a hydrogen society.

At the same time, so that our avoided emissions can be appropriately evaluated as a contribution to society through Panasonic products and services, we are participating in the creation of standards at the IEC (International Electrotechnical Commission), and in the formulation of guidelines at the WBCSD (World Business Council for Sustainable Development) and the GX League^(Note 4) of the Ministry of Economy, Trade and Industry. Working towards increased social recognition, we are communicating information globally including through conducting seminars at the Global Green Transformation Conference^(Note 5) held by the Ministry of Economy, Trade and Industry and at COP27^(Note 6), as well as holding press conferences at symposiums sponsored by the International Capital Market Association and the Japan Securities Dealers Association, and at CES^(Note 7) 2023.

By carrying out PGI, we are aiming to “achieve an ideal society with affluence both in matter and mind,” and to contribute broadly to the creation of a sustainable, global carbon-neutral society.

- (Notes) 1. Value chain: The series of business activities from procurement of raw materials to manufacturing, distribution, sale, and after-sale services
2. Scope 1–3: Emissions categories established within the Greenhouse Gas (GHG) Protocol, which is an international standard for calculating and reporting the amounts of greenhouse gas emissions. Scope 1 covers direct emissions of greenhouse gasses by the business operator (fuel combustion, industrial processes). Scope 2 covers indirect emissions resulting from the use of electricity, heat, and steam supplied by other companies. Scope 3 covers emissions by other companies that are related to the activities of the business operator and are not covered by Scope 1 and 2.
3. Circular economy (CE): An economic system that seeks to preserve and maintain the value of products, materials, and resources for as long as possible, minimize the production of waste materials, and effectively utilize resources through product sharing, services, and other means
4. GX League: This framework was established by the Ministry of Economy, Trade and Industry as a forum for discussions and new market creation so that a group of corporations which are striving to achieve carbon neutrality as quickly as possible can cooperate with government, universities, and the financial sector, with the goal of transforming overall economic and social systems (GX: Green Transformation).
5. Global Green Transformation Conference: An international conference that addresses unresolved issues for contributing to emissions reductions and other elements for achieving GX. Participants include five G7 nations, two international institutions, and 12 universities, research institutions, and private corporations.
6. COP27: The 27th Conference of the Parties to the United Nations Framework Convention on Climate Change. 197 nations and regions participated in this international conference aimed at resolving the problem of climate change.
7. CES: The world’s largest technology exhibition held in January of each year in Las Vegas, USA.

<Business Integrity>

In April 2022, we revised the previous Panasonic Code of Conduct to create the Panasonic Group Code of Ethics & Compliance to identify the commitments which every company in the Panasonic Group and all Panasonic Group employees must fulfill in order to achieve our Basic Business Philosophy and carry out business activities that are grounded in compliance. We also conducted training for officers and employees of all Group companies. In addition, to promote fair operating practices by observing laws and regulations and business ethics in all countries and regions, we established internal rules to prevent bribery, corruption, and other illegal acts, and to protect and respect intellectual property, as well as a whistle-blower system aiming for early detection and solution of misconducts and risks.

<Procurement Activities>

In procurement activities, we are working together with our suppliers to ensure, maintain, and improve quality, to create competitive value, and to respond to market changes. In addition, we are creating the value demanded by our customers together with suppliers who are fulfilling their social responsibilities, including responsibilities regarding occupational safety and health, the environment, and compliance. In fiscal 2023, we took action including conducting supplier audits using a risk-based approach, and revising CSR guidelines for suppliers.

<Employee Well-being>

We have positioned achieving stable employee well-being at the forefront of our business, and are working to create safe, secure, and healthy workplaces, encourage employees’ self-motivated endeavors and support their self-determined career formation, and promote diversity, equity, and inclusion. In fiscal 2023, we carried out programs aimed at reinforcing health investment, and expanded the options for working times and places to support self-determined employee careers and work-life balance. We also focused on programs such as training, in which employees learn how to handle the unconscious biases that each of us has.

<Respect for Human Rights>

We established the Panasonic Group Human Rights and Labor Policy in April 2022. It declares our commitment to observe all laws and regulations which apply to our business activities, to respect internationally recognized human rights, to identify, prevent, and remediate human rights violation risks, to provide remedy to affected people, and other efforts, as well as creating a rewarding work environment. In order to achieve this, we have established internal rules, constructed an operating system, and enacted specific measures at our companies and in our supply chain.

<Corporate Governance>

The Company believes it is important to increase corporate value by fulfilling accountability through dialogue with various stakeholders such as shareholders and customers, making efforts to execute transparent business activities, and swiftly conducting business activities with fairness and honesty based on its management philosophy of “a company is a public entity of society.”

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

For details, please refer to "6. Systems and Policies of the Company, (1) Corporate Governance of the Company" (pages 49 to 51).

<Corporate Citizenship Activities>

As a corporate citizen, Panasonic Group aims to resolve social issues through its corporate citizenship activities (social contribution activities) in conjunction with our business activities, and is working towards the creation of a sustainable, inclusive society where everyone can live a vibrant life more freely. For details, please see "Corporate Citizenship Activities" on the Panasonic website.

(6) Challenges for the Panasonic Group

While prospects for the global economy in fiscal 2024 include expectations of a recovery in the Chinese economy following the retraction of its Zero-COVID Policy, there is concern about factors such as growing geopolitical risks, inflation, and financial tightening, and the future outlook continues to be uncertain. In Japan, the recovery of consumption from the COVID pandemic and effects from inbound tourism are expected to support the economy. However, global economic trends remain a source of concern.

Under such management conditions, following the last two year of enhancement of competitiveness that we have been carrying out since 2021, in this fiscal year we will embark on a phase change aimed at future growth, starting with the social issues we face as the Group. Working to accomplish the Panasonic mission of achieving “an ideal society with affluence both in matter and mind,” we must resolve a variety of social issues, most notably urgent global environmental problems. For this reason, the Company will work to be of service in the following two areas that go beyond competition.

(1) Solving global environmental issues

Based on fulfilling our responsibility to eliminate CO₂ emissions in all business activities, in this area we will make use of knowledge and technologies in electrification, energy saving, and energy transformation, and contribute to society by increasing volume of avoided CO₂ emissions.

(2) Lifetime health, safety, and comfort for each of our customers

By integrating customer touchpoints through the diverse sales routes in the Group together with those with a wide range of products and services, and gaining the best understanding of the lifestyle of each individual customer, we will succeed in being of service that truly meets customer needs.

We will identify and strategically review the criteria for restructuring our business starting from fiscal 2024, aiming to acquire long-term competitiveness in each business and achieve growth for the Group. In order to ensure the well-being of all stakeholders including shareholders, customers, suppliers, and employees, and to increase Group value, the first criterion will focus on relevance with Group strategies, and the second criterion will focus on business landscape & competitiveness, growth potential, and profit potential anticipating future changes. In both areas where we can be of service, we will see whether we can continue to make contributions that exceed competition within the Group, or whether we should make greater contributions beyond the Group.

(7) Financial Summary

1) Consolidated business results and financial condition

Fiscal period	FY2020	FY2021	FY2022	FY2023 (current fiscal year under review)
Net sales (billions of yen)	7,490.6	6,698.8	7,388.8	8,378.9
Operating profit (billions of yen)	293.8	258.6	357.5	288.6
Profit before income taxes (billions of yen)	291.1	260.8	360.4	316.4
Net profit attributable to Panasonic Holdings Corporation stockholders (billions of yen)	225.7	165.1	255.3	265.5
Basic earnings per share attributable to Panasonic Holdings Corporation stockholders (yen)	96.76	70.75	109.41	113.75
Total assets (billions of yen)	6,218.5	6,847.1	8,023.6	8,059.5
Panasonic Holdings Corporation stockholders' equity (billions of yen)	1,998.3	2,594.0	3,165.0	3,618.4
Panasonic Holdings Corporation stockholders' equity per share (yen)	856.57	1,111.73	1,356.08	1,550.23

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

- In fiscal 2020, sales decreased due to the impact of the COVID-19 pandemic, as well as portfolio reform and sluggish investment demand in China. Operating profit, profit before income taxes, and net profit attributable to Panasonic Holdings Corporation stockholders all decreased due largely to the impact of decreased sales and the recognition of restructuring expenses, despite fixed-costs reduction, rationalization and gains from business transfers.
- In fiscal 2021, sales decreased due to the impact of the COVID-19 pandemic, as well as the impact of deconsolidation in housing related businesses. Operating profit, profit before income taxes, and net profit attributable to Panasonic Holdings Corporation stockholders all decreased due to the impact of the decreased sales and a gain from business transfers in the previous year, despite the enhancement of the management structure and increased profits from businesses capturing opportunities reflecting changes in society.
- Fiscal 2022 saw rising sales as a result of strong sales of industrial and communications products in Japan, as well as growth in sales of vehicle batteries overseas, and the effects from the new consolidation of Blue Yonder Holding, Inc. ("Blue Yonder"). In terms of profit, there were increases in operating profit, profit before income taxes, and net profit attributable to Panasonic Holdings Corporation stockholders. This was due mainly to increased sales and efforts in price revisions, as well as a recognized gain from the reevaluation of the existing equity in Blue Yonder, despite the impact of raw material price hikes and other factors.
- Details of operations for fiscal 2023 are described in "1. (1) Progress and Results during the Period" (page 21) in the Business Report.

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

Fiscal period	FY2020	FY2021	FY2022	FY2023
Net sales or Operating revenue (billions of yen)	4,058.8	3,812.6	2,756.0	247.5
Ordinary income (billions of yen)	137.3	137.1	126.9	109.7
Net income (loss) (billions of yen)	155.5	78.8	86.6	66.6
Net income (loss) per share (yen)	66.67	33.77	37.10	28.54
Total assets (billions of yen)	4,432.7	4,482.2	5,327.5	3,958.6
Net assets (billions of yen)	1,518.0	1,545.2	1,585.4	1,591.1
Net assets per share (yen)	650.16	661.79	678.94	681.37

- (Notes)
1. Amounts less than ¥100 million are rounded to the nearest ¥100 million.
 2. From fiscal 2022 (115th period), Panasonic has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, issued March 30, 2018, revised March 31, 2020) and the "Implementation Guidance on Accounting Standard for Revenue Recognition" (ASBJ Guidance No. 30, issued March 30, 2018, revised March 26, 2021). The cumulative effect of this change in accounting policy is reflected in the carrying amount of net assets at the beginning of fiscal 2022 (115th period).
 3. As of April 1, 2022, the Company has transitioned to a holding company system. As a result, revenue generated on and after the date of this transition is recorded as "Operating revenue."
- In fiscal 2020, Panasonic recorded a decrease in sales, which was attributable mainly to a decrease in sales of electronic components for China and consumer electronics products, including air-conditioners. Regarding earnings, ordinary income decreased because of a decline in earnings resulting from a decrease in sales. However, net income increased due to the booking of gain on sales of shares in subsidiaries and affiliates and others as extraordinary income.
 - In fiscal 2021, Panasonic recorded a decrease in sales, which was mainly attributable to a decrease in sales from Avionics caused by the impact of COVID-19. Regarding earnings, ordinary income decreased because of a decline in earnings resulting from a decrease in sales. Net income for the current fiscal year also declined as gain on sales of shares in subsidiaries and affiliates and others were recognized in extraordinary income in the previous fiscal year.
 - Sales declined in fiscal 2022 (115th period) due to the effects of adopting the "Accounting Standard for Revenue Recognition." Regarding earnings, despite an increase in earnings due to a recovery from the effects of COVID-19 in the previous year, ordinary income declined owing to a decrease in dividend income. On the other hand, net income increased due to business restructuring expenses and other expenses that were recorded as extraordinary losses in the previous year.
 - In fiscal 2023 (the current fiscal year under review), there was a large decline in revenue as a result of the transfer of Panasonic businesses to successor companies by an absorption-type company split, and the transition to a holding company system. In terms of income, both ordinary income and net income were down as a result of the transition to a holding company system.

(8) Major Business Sites of the Panasonic Group

1) Major business sites of the Company

(as of March 31, 2023)

Name	Location in Japan
Corporate head office	Kadoma City, Osaka
Corporate branch office Government and External Relations Office	Minato-ku, Tokyo
Research and development division Technology Division	Kadoma City, Osaka

(Note) Locations listed above are those of the main sites.

2) Principal domestic subsidiaries

(as of March 31, 2023)

Name	Common stock (millions of yen)	Ratio of voting right (%)	Principal businesses	Location in Japan
Panasonic Corporation	500	100.0	Development, manufacture, and sale of home appliances, heating & ventilation A/C, refrigeration and distribution equipment, electrical equipment, devices, etc.	Kadoma City, Osaka
Panasonic Automotive Systems Co., Ltd.	500	100.0	Development, manufacture, and sale of automotive cockpit systems, automotive electronics systems, etc.	Yokohama-shi, Kanagawa
Panasonic Entertainment & Communication Co., Ltd.	500	100.0	Development, manufacture, and sale of AV equipment, digital camera devices, and communication devices	Moriguchi-shi, Osaka
Panasonic Housing Solutions Co., Ltd.	500	100.0	Manufacture, sale, design and development, and general product proposals for living-related housing equipment and construction materials	Kadoma City, Osaka
Panasonic Connect Co., Ltd.	500	100.0	Development, manufacture, and sale of devices and software for B2B customers, and provision of associated services	Fukuoka-shi, Fukuoka
Panasonic Industry Co., Ltd.	500	100.0	Development, manufacture, and sale of electrical components, electronic components, control devices, electronic materials, etc.	Kadoma City, Osaka
Panasonic Energy Co., Ltd.	500	100.0	Development, manufacture, and sale of primary batteries, cylindrical lithium-ion batteries for automotive use, compact rechargeable batteries, etc.	Moriguchi-shi, Osaka
Panasonic Operational Excellence Co., Ltd.	500	100.0	Provision of professional services including accounting, human resources, general affairs, logistics, information systems, advertising, and purchasing	Kadoma City, Osaka
SANYO Electric Co., Ltd.	400	100.0*	Manufacture and sale of rechargeable batteries, etc.	Kadoma City, Osaka
Panasonic Consumer Marketing Co., Ltd.	100	100.0*	Sale of various electric and electronic products	Osaka-shi, Osaka

(Notes) 1. Percentages with an asterisk (*) include indirect ownership.

2. On April 1, 2023, Panasonic Consumer Marketing Co., Ltd. changed its name to Panasonic Marketing Japan Co., Ltd.

3) Principal overseas subsidiaries

(as of March 31, 2023)

Name	Common stock (all currency in millions)	Ratio of voting right (%)	Principal businesses	Location in overseas
Panasonic Corporation of North America	US\$ 537.2	100.0*	Manufacture and sale of various electric and electronic products	U.S.
Blue Yonder Holding, Inc.	US\$ 136.9	100.0*	Software development, sales and related services	U.S.
Panasonic Avionics Corporation	US\$ 22.0	100.0*	Manufacture, sale and service of aircraft in-flight entertainment and communications systems	U.S.
Husmann Corporation	US\$—	100.0*	Manufacture, sale and service of commercial-use refrigerated and freezer showcases	U.S.
Panasonic do Brasil Limitada	BRL\$ 1,378.7	100.0	Manufacture and sale of various electric and electronic products	Brazil
Panasonic Holding (Netherlands) B.V.	US\$ 0.2	100.0	Management of investment and financing at overseas subsidiaries	Netherlands
Ficosa International S.A.	EUR 31.7	69.0*	Manufacture and sale of automotive components such as electric mirrors	Spain
Panasonic AVC Networks Czech s.r.o.	CZK 2,414.0	100.0*	Manufacture and sale of various electric and electronic products	Czech Republic
Panasonic Asia Pacific Pte. Ltd.	US\$ 1,478.2	100.0*	Manufacture and sale of various electric and electronic products	Singapore
Panasonic Life Solutions India Pvt. Ltd.	INR 2,511.0	100.0*	Manufacture and sale of various electric and electronic products	India
Panasonic Taiwan Co., Ltd.	NT\$ 3,422.2	69.8	Manufacture and sale of various electric and electronic products	Taiwan
Panasonic Corporation of China	RMB 12,838.2	100.0	Sale of various electric and electronic products	China
Panasonic Appliances (China) Co., Ltd.	JPY 14,099	100.0*	Development, manufacture, and sale of various electrical products, housing equipment and devices, etc.	China

(Notes) 1. Percentages with an asterisk (*) include indirect ownership.

2. Common stock of Husmann Corporation is zero.

3. On April 1, 2023, Panasonic AVC Networks Czech s.r.o. changed its name to Panasonic HVAC Czech s.r.o.

(9) Employees

(as of March 31, 2023)

Segment	Number of employees
Lifestyle	92,398
Automotive	29,649
Connect	27,690
Industry	38,824
Energy	16,937
Reporting segment total	205,498
Other	26,546
Corporate	1,347
Total	233,391

- (Notes) 1. The number of employees refers solely to full-time employees of the Company on a consolidated basis.
2. The number of employees has decreased by 6,807 from the end of the preceding fiscal period.
3. Of the total above, the number of employees at the parent company was as follows:

Number of employees	Average age	Average length of service (years)
1,347	43.6	18.3

(10) Transfer of Businesses, etc.

The primary transactions with respect to the Panasonic Group during fiscal 2023 were as follows:

- On April 1, 2022, through an absorption type company split, the businesses of the Company was succeeded to the Company's nine consolidated succeeding companies (Panasonic Split Preparation Co., Ltd. (now Panasonic Corporation), Panasonic Automotive Systems Co., Ltd., Panasonic Entertainment & Communication Co., Ltd., Panasonic Housing Solutions Co., Ltd., Panasonic System Solutions Japan Co., Ltd., Panasonic Industry Co., Ltd., Panasonic Energy Co., Ltd., Panasonic Operational Excellence Co., Ltd., and Panasonic Sports Co., Ltd.). On the same date, the corporate name of the Company was changed to "Panasonic Holdings Corporation" and it became a holding company.

Regarding Panasonic System Solutions Japan Co., Ltd., an absorption-type merger was conducted on April 1, 2022, with this company being the surviving company and the Company's subsidiaries of Panasonic Smart Factory Solutions Co., Ltd and Panasonic Mobile Communications Co., Ltd. being the absorbed companies. The name was changed to Panasonic Connect Co., Ltd.

2. Stock Information (as of March 31, 2023)

- | | |
|---|---------------|
| (1) Number of Shares Authorized to Be Issued: | 4,950,000,000 |
| (2) Number of Shares Issued: | 2,454,056,597 |
| (3) Number of Shareholders: | 475,139 |
| (4) Major Shareholders (Top 10): | |

Name	Share ownership (in thousands of shares)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (trust account)	388,894	16.66
Custody Bank of Japan, Ltd. (trust account)	212,378	9.09
STATE STREET BANK WEST CLIENT - TREATY 505234	65,900	2.82
NIPPON LIFE INSURANCE COMPANY	48,339	2.07
MOXLEY AND CO LLC	45,795	1.96
SUMITOMO LIFE INSURANCE COMPANY	37,465	1.60
Panasonic Group Employee Shareholding Association	36,054	1.54
JP MORGAN CHASE BANK 385781	31,749	1.36
Matsushita Real Estate Co., Ltd.	29,121	1.24
GOVERNMENT OF NORWAY	28,703	1.22

- (Notes)
1. The figures in Share ownership are rounded down to the nearest thousands of shares.
 2. Shareholding ratio is calculated by deducting the Company's treasury stock (119,943,749) and rounded down to two decimal places.
 3. The English names of foreign shareholders above are based on the General Shareholders Notification notified by Japan Securities Depository Center, Inc.

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

	Class and number of shares	Number of persons granted
Directors (excluding Outside Directors)	Common stock 135,500	6

- (Note) These shares are granted in accordance with the Company's Stock Compensation plan. Details of the plan are provided in "4. (5) Remuneration for Directors and Audit & Supervisory Board Members" on pages 43 to 45 of the Business Report.

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

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

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

(2) Status of stock acquisition rights delivered as compensation for the execution of duties by Directors as of March 31, 2023

Name	Number of stock acquisition rights	Class and number of shares to be acquired upon exercise of stock acquisition rights	Directors (excluding Outside Directors)	
			Number of holders	Number of stock acquisition rights held
Stock acquisition rights issued in August of fiscal year 2015	436	Common stock 43,600 shares	5 Directors	436
Stock acquisition rights issued in August of fiscal year 2016	380	Common stock 38,000 shares	5 Directors	380
Stock acquisition rights issued in August of fiscal year 2017	601	Common stock 60,100 shares	2 Directors	601
Stock acquisition rights issued in August of fiscal year 2018	534	Common stock 53,400 shares	4 Directors	534
Stock acquisition rights issued in July of fiscal year 2019	580	Common stock 58,000 shares	4 Directors	580

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

4. The Company's Directors and Audit & Supervisory Board Members, etc.

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

(as of March 31, 2023)

Title	Name	Major responsibility
Chairman of the Board	Kazuhiro Tsuga	Group Chief Executive Officer (Group CEO), Group Chief Strategy Officer (Group CSO)
Representative Director, President and Chief Executive Officer	Yuki Kusumi	
Representative Director, Executive Vice President	Tetsuro Homma	
	Mototsugu Sato	
	Hirokazu Umeda	Group Chief Risk Management Officer (Group CRO); In charge of Procurement and Logistics; Occupational Safety and Health Director; Representative Director, Member of the Board, President, Panasonic Operational Excellence Co., Ltd.; Chief Executive Officer (CEO); In charge of DEI Promotion
Directors	Shinobu Matsui	Group Chief Financial Officer (Group CFO); In charge of Group MUDA Busters Activity; In charge of Facility Management; CEO, Panasonic Holding (Netherlands) B.V.; President, Panasonic Equity Management Japan G.K.; In charge of Prime Life Technologies Corporation
	Kunio Noji	
	Michitaka Sawada	
	Kazuhiko Toyama	
	Yoshinobu Tsutsui	In charge of Government and External Relations; In charge of Solution Partners; Representative in Tokyo Group General Counsel (Group GC)
Director, Executive Vice President	Yoshiyuki Miyabe	
Director, Executive Officer	Ayako Shotoku	
Senior Audit & Supervisory Board Member	Toshihide Tominaga	
Audit & Supervisory Board Member	Eiji Fujii	
	Akihiro Eto	
	Akihiko Nakamura	
	Setsuko Yufu	

- (Notes)
- Shinobu Matsui, Kunio Noji, Michitaka Sawada, Kazuhiko Toyama, and Yoshinobu Tsutsui are Outside Directors as stipulated in Article 2, Item 15 of the Companies Act. The Company sent notification of the statuses of these Directors as Independent Directors to the stock exchanges of Japan on which the Company's shares are listed.
 - Akihiro Eto, Akihiko Nakamura, and Setsuko Yufu are Outside Audit & Supervisory Board Members as stipulated in Article 2, Item 16 of the Companies Act. The Company sent notification of the statuses of these Audit & Supervisory Board Members as Independent Audit & Supervisory Board Members to the stock exchanges of Japan on which the Company's shares are publicly listed.
 - Toshihide Tominaga, Senior Audit & Supervisory Board Member, comes from the Company's accounting division, and has a considerable knowledge of finance and accounting. Akihiko Nakamura, Audit & Supervisory Board Member, has a considerable knowledge of finance and accounting as a certified public accountant.
 - Changes in Directors and Audit & Supervisory Board Members during fiscal 2023 were as follows.
 - Appointments
At the 115th Ordinary General Meeting of Shareholders held on June 23, 2022, Yoshiyuki Miyabe and Ayako Shotoku were newly elected as Directors, and Akihiro Eto and Akihiko Nakamura were newly elected as Audit & Supervisory Board Members, and each assumed office.
 - Retirement
At the conclusion of the 115th Ordinary General Meeting of Shareholders held on June 23, 2022, Yasuyuki Higuchi, Hiroko Ota, and Laurence W. Bates retired as Directors, and Toshio Kinoshita and Yoshio Sato retired as Audit & Supervisory Board Members, upon the expiration of their terms.
 - On June 29, 2017, Panasonic added the positions such as CEO and CFO listed under the "Major responsibility" column with respect to Directors and Executive Officers in this section of the report (2. Panasonic Directors and Audit & Supervisory Board Members, etc.), in order to more clearly indicate the basic functions and roles that are essential with respect to executing the business of the Company.

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

Title	Name	Name of corporation or organization	Details
Directors	Kazuhiro Tsuga	Ippan Shadan Hojin Nippon Keizai Dantai Rengokai Keidanren (Japan Business Federation)	Vice Chairman
Outside Directors	Yoshiyuki Miyabe	West Japan Railway Company	Outside Director
	Shinobu Matsui	Uzabase, Inc. UniFa Inc.	Executive Officer Outside Director
	Kunio Noji	Komatsu Ltd.	Senior Adviser
	Michitaka Sawada	Kao Corporation Nitto Denko Corporation Komatsu Ltd.	Chairman of the Board Outside Director Outside Director
	Kazuhiko Toyama	Industrial Growth Platform, Inc. Japan Platform of Industrial Transformation, Inc.	Chairman of IGPI Group Representative Director, President
	Yoshinobu Tsutsui	NIPPON LIFE INSURANCE COMPANY Imperial Hotel, Ltd. Sumitomo Mitsui Financial Group, Inc. West Japan Railway Company	Chairman Outside Director Outside Director Outside Director
	Akihiro Eto	Daimler Truck Holding AG Daimler Truck AG	Member of the Supervisory Board and its Audit Committee Member of the Supervisory Board and its Audit Committee
Outside Audit & Supervisory Board Members	Akihiko Nakamura	Akihiko Nakamura CPA Office	President
	Setsuko Yufu	Atsumi & Sakai	Senior Partner

- NIPPON LIFE INSURANCE COMPANY is a major shareholder (top 10) of the Company, but has a shareholding ratio of less than 3%.
- There are no transactions exceeding 1% of consolidated net sales of either party between the Company and the other organizations where concurrent positions are held by Outside Directors and Outside Audit & Supervisory Board Members.
- There are no noteworthy relationships between the Company and corporations and organizations except the relationships mentioned above.

7. Directors, Audit & Supervisory Board Members, and Executive Officers as of April 1, 2023 are as follows:

(1) Directors and Audit & Supervisory Board Members

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

Title	Name	Major responsibility
Chairman of the Board	Kazuhiro Tsuga	Group Chief Executive Officer (Group CEO)
Representative Director, President and Chief Executive Officer	Yuki Kusumi	
Representative Director, Executive Vice President	Tetsuro Homma	
	Mototsugu Sato	
	Hirokazu Umeda	Group Regional Head for China & Northeast Asia; President, Panasonic Operational Excellence China and Northeast Asia, Panasonic Operational Excellence Co., Ltd.; Chairperson, Panasonic Corporation of China
		Group Chief Risk Management Officer (Group CRO); In charge of Procurement and Logistics; Occupational Safety and Health Director;
		Representative Director, President and Chief Executive Officer (CEO) of Panasonic Operational Excellence Co., Ltd.; In charge of DEI Promotion
		Group Chief Financial Officer (Group CFO); In charge of Group MUDA Busters Activity and Facility Management; CEO, Panasonic Holding (Netherlands) B.V.; President, Panasonic Equity Management Japan G.K.; In charge of Prime Life Technologies Corporation
Directors	Shinobu Matsui	
	Kunio Noji	
	Michitaka Sawada	
	Kazuhiko Toyama	
	Yoshinobu Tsutsui	In charge of Government and External Relations; In charge of Solution Partners; Representative in Tokyo
Director, Executive Vice President	Yoshiyuki Miyabe	
Director, Executive Officer	Ayako Shotoku	
Senior Audit & Supervisory Board Member	Toshihide Tominaga	
	Eiji Fujii	Group General Counsel (Group GC)
Audit & Supervisory Board Member	Akihiro Eto	
	Akihiko Nakamura	
	Setsuko Yufu	

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

Title	Name	Major responsibility
Executive Officer	Yoko Matsuoka	Director, Future Business Division
	Shigeki Mishima	Group Chief Human Resources Officer (Group CHRO); In charge of General Affairs and Social Relations, CSR and Corporate Citizenship Activities; In charge of DEI Promotion; In charge of Construction Safety and Regulations Administration; Director, Executive Officer, and Chief Human Resources Officer (CHRO), Panasonic Operational Excellence Co., Ltd.; In charge of General Affairs, CSR and Corporate Citizenship Activities
	Yoshihiro Morii	In charge of Brand and Communications Strategy; Executive Officer, Panasonic Operational Excellence Co., Ltd.; In charge of Brand and Communications
	Masashi Nagayasu	In charge of Prime Planet Energy & Solutions, Inc.; Representative Director, President and Chief Executive Officer (CEO), Panasonic Automotive Systems Co., Ltd.; In charge of DEI Promotion
	Tatsuo Ogawa	Group Chief Technology Officer (Group CTO); In charge of Pharmaceutical Affairs
	Kazuyo Sumida	Group Chief Strategy Officer (Group CSO); General Manager, Corporate Planning Group
	Hajime Tamaoki	Group Chief Information Officer (Group CIO); In charge of Cyber Security; President, Panasonic Information Systems Co., Ltd.
	Shigeo Usui	In charge of Design; Executive Officer, Panasonic Corporation; Chief Customer Experience Officer (CCXO); In charge of Design, Brand and Communications

(2) Summary of contracts for limitation of liability

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

(3) Indemnity agreements

The Company has entered into indemnity agreements, as defined under Article 430, Paragraph 2, Item 1 of the Companies Act, with the 12 Directors, Kazuhiro Tsuga, Yuki Kusumi, Tetsuro Homma, Mototsugu Sato, Hirokazu Umeda, Shinobu Matsui, Kunio Noji, Michitaka Sawada, Kazuhiko Toyama, Yoshinobu Tsutsui, Yoshiyuki Miyabe, and Ayako Shotoku, as well as the five Audit & Supervisory Board Members, Toshihide Tominaga, Eiji Fujii, Akihiro Eto, Akihiko Nakamura, and Setsuko Yufu, and the Company agrees to indemnify costs and losses, as provided for by Item 1 and item 2, respectively, of said Paragraph, within the ranges prescribed by laws and regulations.

Under these agreements, to ensure that appropriate execution of the duties by the Company officers will not be impaired, certain inappropriate cases are excluded from compensation, and upon receiving a request for compensation from the Company officers, the Board of Directors will determine whether or not the case corresponds to these exclusions when carrying out compensation. Also, if it is found that the compensation was inappropriate after it has been carried out, the agreement allows the Company to demand the return of all or part of the compensation money from the Company officers concerned.

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

The Company has entered into a directors' and officers' liability insurance policy with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act. This policy covers directors, auditors, and executive officers of the Company and its subsidiaries^(Note). The full amount of the insurance premiums is borne by the Company and its subsidiaries.

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

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

(Note) Panasonic Corporation, Panasonic Automotive Systems Co., Ltd., Panasonic Entertainment & Communication Co., Ltd., Panasonic Housing Solutions Co., Ltd., Panasonic Connect Co., Ltd., Panasonic Industry Co., Ltd., Panasonic Energy Co., Ltd., Panasonic Operational Excellence Co., Ltd., Panasonic Information Systems Co., Ltd.

(5) Remuneration for Directors and Audit & Supervisory Board Members

1. Remuneration Policy, etc.

1) Remuneration system and an overview thereof

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

The remuneration system for Directors (excluding Outside Directors) comprises the base salary, which is a fixed remuneration, incentive pay reflecting short-term and medium-term performance, and restricted stock compensation, which is a long-term incentive. However, the Chairperson of the Board receives only base salary and restricted stock compensation in consideration for his/her role as Chairperson of the Board who is not involved in execution of business. In view of their supervisory roles, the remuneration system for Outside Directors and Audit & Supervisory Board Members comprises only base salary.

An overview of the remuneration system is as shown below.

Remuneration element		Overview	Component ratio ^(Note 1) (taking base salary as 1)
Base salary (monetary remuneration)		- The amounts of this fixed remuneration is determined based on the official roles, also taking into account the management environment and the remuneration trends of other companies, and it is paid monthly.	1
Incentive pay (monetary remuneration)	Short term incentive	- This is an incentive to achieve the intended approach to a new medium- and long-term strategy for the Panasonic Group following the transition to an operating company system (revised based on fiscal 2023 evaluations). - A target annual amount is set as a percentage of base salary, and the amount to be paid is determined to reflect an evaluation of financial and non-financial items. - The short term incentive is paid monthly, and the evaluation of target achievements and other elements from the evaluated fiscal year is applied to the following fiscal year.	0.55
	Mid-long term incentive	- For the mid-long term incentive, the amount of the payment is determined based on an evaluation of target achievements and other elements from the three fiscal years (fiscal 2023 - 2025) which correspond to the current medium-term plan. The amount for three years (0.6 as the target amount when the base salary is taken as 1) is paid once every three years.	0.2
Restricted stock compensation (non-monetary remuneration)		- Based on conditions such as length of time employed by the Company, this is stock compensation in a form which releases the owner from restriction on stock transfer (three year transfer restriction period). - This is provided for the purposes of providing an incentive for continuously improving Panasonic's corporate value and promoting further value sharing with shareholders. - A component ratio is set according to the recipient's role, and the compensation is provided each year within a fixed time period following the conclusion of the Ordinary General Meeting of Shareholders.	0.25 ^(Note 2)

(Notes) 1. This is a percentage based on the target annual amount.

2. This is the percentage based on the average amount paid to Directors (excluding Outside Directors). It is 0.75 in the case of the Representative Director, President and Chief Executive Officer.

2) System etc. for the performance basis

a) Incentive pay

The target annual amount for incentive pay (total of short-term and medium-term) utilizes a ratio of 0.75 when the base salary is taken as 1. The actual amount paid varies according to an evaluation of financial and non-financial items within the range of minimum zero to maximum 1.75 (minimum zero to maximum 1.9 for the Representative Director, President and Chief Executive Officer). The system pays the target annual amount when the targets are achieved. Targets are generally set in the current medium-term plan.

The evaluation indexes and items used for incentive pay are evaluation indexes and items that are considered important in the current medium-term plan. For non-financial items, specific indexes are set for each individual Director.

Evaluation item	Short-term incentive		Mid-long term incentive	
	Evaluation indexes and items	Weight (Note 1)	Evaluation indexes and items	Weight (Note 1)
Financial (Consolidated business results)	<ul style="list-style-type: none"> - EBITDA (Note 2) - ROE (Note 3) - Operating cash flow 	50%	<ul style="list-style-type: none"> - ROE (Note 3) - Operating cash flow 	50%
Non-financial (Note 4)	<ul style="list-style-type: none"> - Elimination of serious accidents, ensuring compliance - Environmental contributions - Human resources strategy - Operation KPI related to strengthening competitiveness 	50%	<ul style="list-style-type: none"> - Environmental contributions - Efforts to improve the Group management level 	50%
	Total	100%	Total	100%

- (Notes) 1. The weight for the Representative Director, President and Chief Executive Officer is 60% financial, 40% non-financial for the short-term incentive, and is 80% financial, 20% non-financial for the mid-long term incentive.
2. This is the total of operating profit, depreciation (tangible and right-of-use assets), and amortization (intangibles).
3. ROE: Return on Equity attributable to Panasonic Holdings Corporation stockholders
4. This is set according to important initiative items determined according to the roles and official duties. (The following are examples of specific indexes.)
- Elimination of serious accidents, ensuring compliance: Numbers of serious accidents occurring, numbers of major compliance problems occurring
 - Environmental contributions: CO₂ reduction in the Panasonic value chain
 - Human resources strategy: Results from employee attitude surveys, rate of female hires (promotion of Diversity, Equity & Inclusion)
 - Operation KPI related to strengthening competitiveness: Strengthening of procurement and logistics functions, DX for operating processes, improvement in numbers of patents
 - Efforts to improve the Group management level: Complete communication and implementation of basic management policies, implementation of design thinking management, improvement of brand recognition

b) Restricted stock compensation

The transfer restriction period for the restricted stock compensation at the Company is three years from the allocation. For all the allocated shares, the transfer restrictions will be lifted at the end of the transfer restriction period based on the condition that the recipients continue to be either a Panasonic Director, Executive Officer not concurrently serving as a Panasonic Director, a Fellow, an employee, or a person who is at the position predetermined by the Panasonic Board of Directors during the transfer restriction period. In cases where applicable Directors retire due to expiration of their term, other appropriate reason or decease, transfer restriction will be lifted on all or part of the shares allocated in accordance with the allocation agreement. The Company will acquire without consideration any allocated shares for which the transfer restriction is not lifted. For provision in this fiscal year, please refer to "Stock Information" (page 36).

c) Remuneration determination process

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

As to the annual amounts of base salary and incentive pay to be paid and the annual number of shares to be allocated to each recipient as restricted stock compensation, the Nomination and Compensation Advisory Committee examines whether these amounts and numbers are appropriate in light of the policy for determining the remuneration, and reports the results to the Board of Directors. The Board of Directors has left the determination on the remuneration solely to the Representative Director, President and Chief Executive Officer of the Company, who objectively comprehends and supervises overall business execution of the Panasonic Group. As the Representative Director, President and Chief Executive Officer of the Company determines the details of base salary, incentive pay, and restricted stock compensation to each recipient in accordance with the results of deliberation at the Nomination and Remuneration Advisory Committee, the Board of Directors believes this decision is in line with the policy for determining remuneration. Five members of the Nomination and Remuneration Advisory Committee, Outside Director Hiroko Ota (Chair: position at the time), Outside Director Kazuhiko Toyama, Outside Director Yoshinobu Tsutsui, Director and Chairman of the Board Kazuhiro Tsuga, and Representative Director, President and Chief Executive Officer Yuki Kusumi, held a meeting to discuss the remuneration for the current fiscal year. As a result, Representative Director, President and Chief Executive Officer Yuki Kusumi determined the details of the remuneration based on the results of the discussion.

(Note) For Executive Officers who are not also serving as Directors of the Company as well, in general the same system as the remuneration system for Panasonic Directors (excluding Outside Directors) is applied. For presidents of primary Panasonic operating companies, a remuneration system equivalent to the remuneration system for Panasonic Directors (excluding Outside Directors) is applied in light of their role in improving the corporate value of the Panasonic Group. All remuneration systems are deliberated by the Nomination and Compensation Advisory Committee, a voluntary body.

* The transfer restriction period for the restricted stock compensation system will be discussed at the Ordinary General Meeting of Shareholders with the aim of revising it to be the period from the time of allocation until the retirement or other departure of that Director. For details, please refer to Bill No. 3 "To Revise the Restricted Stock Compensation System for Directors (Excluding Outside Directors)" (pages 17 to 19).

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

1) Total amount of remuneration etc. for each Executive Officer title in this fiscal year (millions of yen)

Title	Amount paid in this fiscal year (Incentive pay primarily applies the results from fiscal 2022.)					Allowance for Incentive pay in this fiscal year (Amount applying results from fiscal 2023)	
	Number of persons	Total amount paid	Base salary	Incentive pay (short term)	Restricted stock compensation	Incentive pay (short term)	Incentive pay (medium term)
Directors (of which, Outside Directors)	15 (6)	1,100 (95)	695 (95)	250 (-)	155 (-)	231 (-)	84 (-)
Audit & Supervisory Board Members (of which, Outside Audit & Supervisory Board Members)	7 (5)	135 (48)	135 (48)	- (-)	- (-)	- (-)	- (-)

- (Notes) 1. Three Directors and two Audit & Supervisory Board Members who retired at the conclusion of the 115th Ordinary General Meeting of Shareholders held on June 23, 2022 are included in the above figures for amounts paid in this fiscal year.
2. Amounts less than one million yen have been rounded to the nearest million yen.

2) Targets and results for KPI used for Incentive pay (billions of yen)

Amounts applying results from fiscal 2022			Amounts applying results from fiscal 2023		
KPI (Consolidated business results)	Target for fiscal 2022 (figure initially announced by the Company)	Results for fiscal 2022	KPI (Consolidated business results)	Target for fiscal 2023 (figure initially announced by the Company)	Results for fiscal 2023
Adjusted operating profit	390.0	357.7	EBITDA	790.0	718.4
Net profit attributable to Panasonic Holdings Corporation stockholders	210.0	255.3	ROE	8.0%	7.8%

- (Notes) 1. Adjusted operating profit is a management indicator for Panasonic calculated by subtracting Cost of sales and Selling, general and administrative expenses from Net sales.
2. For the amount of incentive pay (short term) applying the fiscal 2023 results, in addition to the above, the amount will be decided based on the results from an evaluation of non-financial items, following discussion and reporting at the Nomination and Compensation Advisory Committee, a voluntary body and the Board of Directors' meeting immediately following the Ordinary General Meeting of Shareholders, and will be paid starting from July 2023.

3) Resolutions of the General Meeting of Shareholders

The limit amounts etc. for remuneration paid to Directors and Audit & Supervisory Board Members are as shown below.

Classification	Type of compensation	Date of resolution	Applicable to	Remuneration limit amount etc.	Number of persons at time of resolution
Directors	Monetary remuneration	June 27, 2007 (100th Ordinary General Meeting of Shareholders)	Directors	¥1,500 million	19
		June 24, 2021 (114th Ordinary General Meeting of Shareholders)	Outside Directors	Of above amount, ¥150 million	6
	Non-monetary compensation (restricted stock compensation)	June 27, 2019 (112th Ordinary General Meeting of Shareholders)	Directors (excluding Outside Directors)	¥500 million (1 million shares)	7
Audit & Supervisory Board Members	Monetary remuneration	June 27, 2007 (100th Ordinary General Meeting of Shareholders)	Audit & Supervisory Board Members	¥140 million	5

* The Ordinary General Meeting of Shareholders will discuss making the remuneration limit for Audit & Supervisory Board Members an annual amount of ¥170 million. For details, please refer to Bill No. 4 "To Revise the Remuneration Limit for Audit & Supervisory Board Members" (page 20).

(6) Outside Directors and Audit & Supervisory Board Members
Major activities during fiscal 2023

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

(Note) For Audit & Supervisory Board Members Akihiro Eto and Akihiko Nakamura, the numbers of attendance represent those after they assumed their posts on June 23, 2022.

5. Accounting Auditors

- (1) Name of Accounting Auditors
KPMG AZSA LLC

- (2) Remuneration, etc. Paid to Accounting Auditors for Fiscal 2023

Classification	Details	Amount (millions of yen)
(1)	Amount of remuneration, etc.	484
(2)	Total amount of cash and other property benefits to be paid by the Company and its subsidiaries	1,421

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

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

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

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

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

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

6. Systems and Policies of the Company

(1) Corporate Governance of the Company

1) Basic policy

The Company believes it is important to increase corporate value by fulfilling accountability through dialogue with various stakeholders such as shareholders and customers, making effort to execute transparent business activities, and swiftly conducting business activities with fairness and honesty based on its basic philosophy of “a company is a public entity of society.”

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

2) Corporate governance structure

i) Board of Directors

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

The term of each Director is limited to one (1) year and all Directors are reelected at an annual general meeting of shareholders. The structure of the Board of Directors makes it possible to appropriately apply the decisions of shareholders to management. The Board of Directors is composed of twelve (12) Directors (of which two (2) are women). With consideration for the skills required by the Panasonic Board of Directors, it seeks to ensure diversity of the knowledge, experience, and qualifications of the Board of Directors as a whole. Based on a policy of ensuring that one-third or more of Board of Directors Members are Outside Directors who can be expected to provide valuable opinions for decisions related to operations and supervision of Director duties based on their extensive careers outside the Company and high levels of knowledge, as of March 31, 2023, five (5) Outside Directors have been appointed.

Chairman of the Board who is not involved in execution of business takes on the position of a chairman.

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

In order to contribute to the sound and sustainable growth and improvement in mid- to long-term corporate value of the Group, the Audit & Supervisory Board is responsible for a part of corporate governance as an independent agency contracted by the shareholders in order to establish a high-quality corporate governance system and ensure sound management and trust from society. As of March 31, 2023, the Audit & Supervisory Board is composed of five (5) members (of which one (1) is a woman). Two (2) of these members are Senior Audit & Supervisory Board Members (full-time) who were selected from executive directors or equivalent positions and who are highly familiar with company operations, and are capable of visiting actual worksites and exercising investigative authority to understand the actual conditions of operations. Of these, one (1) has considerable knowledge related to financial and accounting matters. Three (3) Outside Audit & Supervisory Board Members have been appointed, consisting of a business manager, lawyer, and certified public accountant who are capable of effectively supervising the execution of Director duties based on their advanced expertise, extensive careers, and high levels of knowledge.

iii) Nomination and Compensation Advisory Committee

The Company has established a 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 Directors, Audit & Supervisory Board Members, Executive Officers, operating company Presidents, and operating company Outside Directors, and also on the appropriateness of the remuneration system for Directors, Executive Officers, operating company Presidents, and operating company Outside Directors, as well as the amounts and details of compensation for each individual. The committee discusses the succession plan for the Group CEO, Executive Officers, and operating company Presidents, and conducts monitoring of successor candidates. The members can also propose the timing for replacement of the Group CEO.

In fiscal 2023, the committee met four times (attendance rate 100% by all members). It discussed matters including the timing for replacement of the Group CEO, successor candidates for Group CEO, Executive Officers, and operating company Presidents, the results from internal consideration of Director and other candidates, and the remuneration system for Directors, Executive Officers, and operating company Presidents, and provided reports to the Board of Directors.

As of March 31, 2023, the committee is composed of five (5) members, Outside Director Michitaka Sawada (chairperson), Outside Director Kazuhiko Toyama, Outside Director Yoshinobu Tsutsui, Chairman of the Board Kazuhiro Tsuga, and Representative Director, President and Chief Executive Officer Yuki Kusumi. The Company has enhanced the objectivity and transparency of the committee, by ensuring that it is chaired by an Outside Director and that Outside Directors constitute a majority of its membership.

3) Conducting and utilizing the evaluation of the Board of Directors effectiveness

Each fiscal year, Panasonic conducts an evaluation of the Board of Directors effectiveness for the members who attend Board of Directors meetings. The results of this effectiveness evaluation are shared at Board of

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

- i) Important fiscal 2023 measures based on the effectiveness evaluation in the previous fiscal year
The following are the primary measures that were carried out in fiscal 2023.
 - In order to deepen discussion at the Board of Directors' meetings, 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, simplify the presentation at the Board of Directors' meetings and allocate more time to discussion depending on the content of the agenda items.
 - Utilize online tools and other means to construct a system for sharing advance questions regarding agenda items from Board of Directors members and the responses to them.
 - Increase opportunities for communication between Outside Directors and operating company Presidents.
- ii) Fiscal 2023 evaluation of the Board of Directors effectiveness
In fiscal 2023, an evaluation of the Board of Directors effectiveness was carried out on the following schedule. The design of questions for the questionnaire and an analysis of the results involved advice from an outside agency in order to ensure objectivity.
 - Survey period: Late November, 2022 - Mid December, 2022
 - Survey format: Total 27 questions (Of these, 25 were evaluations in four ranks, and two were multiple-choice questions. Free answer spaces were provided for each question.)
 - Primary survey items:
 - Structure and operations of the Board of Directors
 - Group strategies and operating company strategies
 - Corporate ethics and risk management
 - Evaluation of the management team (nomination, remuneration)
 - Dialogue with shareholders etc.
 - Board of Directors evaluation results report and discussion: Board of Directors' meetings in January and March 2023 (2 times)
Through discussion, the Board of Directors identifies issues for improving Board of Directors effectiveness, important supervision themes for the Board of Directors in the next fiscal year, items for improving operations, and other matters.
- iii) Board of Directors effectiveness evaluation results and issue improvement measures
It was confirmed from the survey results that, continuing from the previous year, the evaluation of the Board of Directors effectiveness have been generally ensured. We received the following comment from an outside agency. "At all stages including the design stage for questions and response methods, the response stage with many constructive comments from all officers, and the review stage of collected results, the entire company was directly involved with an awareness of the issues aimed at improving the effectiveness of the Board of Directors." The Company's question design and evaluation process, and the collected responses and comments were assessed as sufficient to confirm the effectiveness of the Board of Directors. The identified issues were also discussed by the Board of Directors and the following improvement measures were proposed.
 - Ensure sufficient time and expand discussion of Group medium- to long-term strategies and business portfolios.
 - For agenda item of operating company medium- to long-term strategies and important matters, clearly identify the division of roles between the Board of Directors as the Panasonic holding company and the Panasonic execution side and operating company Board of Directors, and narrow down the list of resolutions which should be supervised and monitored by the Panasonic Board of Directors.
 - From the perspective of utilizing intangible assets, functions reports on matters such as investment in human capital and DX should be connected directly to resolutions of Group management issues and Group medium- to long-term strategies, and expanded as strategic discussions that contribute to improving corporate value.
 - Clearly identify the division of roles between the Board of Directors and the Nomination and Compensation Advisory Committee, and expand the activity contents and policy of the committee in order to strengthen supervision of nomination and remuneration jointly by the Board of Directors and the Committee and ensure its transparency.

In fiscal 2024, based on the above improvement measures which were discussed and concluded by the Board of Directors, we will continue working to improve the Board of Directors effectiveness.

iv) Evaluation of Audit & Supervisory Board effectiveness

An evaluation of effectiveness is also conducted for the Panasonic Audit & Supervisory Board at the end of each fiscal year.

Issues and improvements proposed by Audit & Supervisory Board Members are discussed and the action to be taken is decided. The results are applied to the Audit Plan for the following fiscal year, and continual efforts are made to improve the effectiveness of audit & supervisory activities.

Activities in fiscal 2023 included attendance at Board of Directors Meetings, monitoring the status of supervising execution of Director duties, and stating opinions when recognized as necessary. In addition, the decision-making process for important Group matters and the conditions of discussion at important meetings were checked, and the status of execution of duties by the President and Chief Executive Officer, Operating Company Presidents, and functional top management was monitored. Observers attended meetings—generally held once each quarter—of the Internal Audit Committee which is the controlling institution for internal audit functions. The results of audits and other information were reported to the Audit & Supervisory Board by the internal auditing group, and the Audit & Supervisory Board Members, internal auditing group, and Accounting Auditors all met together to exchange information on matters such as risk assessments and plans for visits at the start of the year, as well as changes in the audit contents, identified items, and risk assessments in order to improve the effectiveness of audits intended to strengthen governance under the new system.

In addition to a quantitative evaluation of effectiveness based on a total of 40 evaluation items from perspectives such as action based on corporate governance, the effectiveness evaluation identified specific issues proposed by each Audit & Supervisory Board Member, and worked to identify items for improvement. The Audit & Supervisory Board discussed the effectiveness evaluation results and concluded that “it is functioning effectively.” For issues and other matters which were identified at discussions during fiscal 2023, measures in response will be decided and continual efforts will be made to improve the effectiveness of the Audit & Supervisory Board.

* For the independence standards for the Company's Outside Directors and Audit & Supervisory Board Members and the remuneration policy for Directors and Audit & Supervisory Board Members, please see “Overview of the Independence Standards for Outside Directors / Audit & Supervisory Board Members” in the convocation notice (page 16) and “4. (5) 1. Remuneration Policy, etc.” in the Business Report (pages 43 to 45), respectively.

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

The Company's Board of Directors has established the following basic policy regarding the Group internal control systems.

- 1) System for ensuring the properness of operations across the Panasonic Group and reporting from subsidiaries
Based on our management philosophy, the Company shall thoroughly implement autonomous management through the establishment of basic policies and rules that apply throughout the Panasonic Group, and through the establishment of a system for transferring appropriate authority to operating companies (including subsidiaries primarily controlled by the operating companies, same below) and other subsidiaries and receiving reports to Panasonic from them. Based on these policies and rules, the operating companies and other subsidiaries shall each prepare its own rules and other systems in order to ensure the properness of operations across the Panasonic Group.
- 2) System for ensuring compliance with applicable laws in the performance of Directors' and employees' duties in the Panasonic Group
The Company, and its operating companies and other subsidiaries, shall ensure legal compliance in the performance of Panasonic Group Directors' and employees' duties by developing an effective corporate governance system that includes ensuring total compliance awareness throughout the Panasonic Group and a suitable monitoring system.
- 3) System for retention and management of information pertaining to the performance of Directors' duties
The Company shall properly retain and manage information on the performance of Directors' duties in accordance with all applicable laws and regulations and the internal rules of the Company.
- 4) System for ensuring efficiency of the performance of Directors' duties in the Panasonic Group
In order to ensure efficiency in the performance of Directors' duties in the Panasonic Group, the Company shall formulate management strategies from a Groupwide perspective, and shall thoroughly implement autonomous management within the operating companies and other subsidiaries.
- 5) Rules and other measures for financial risk management in the Panasonic Group
The Company shall formulate rules related to risk management throughout the Panasonic Group. The Company, and its operating companies and other subsidiaries, shall identify and assess risks affecting management of the business, and shall select material risks. The Company, and its operating companies and other subsidiaries, shall also take countermeasures against the selected material risks and monitor progress with the aim of seeking continual improvement.
- 6) Employees who assist Audit & Supervisory Board Members in auditing, and such employees' independence from Directors
The Company shall establish a body independent from Directors, tasked with enhancing the effectiveness of audits by Audit & Supervisory Board Members and facilitating the smooth performance of audits.
- 7) Ensuring effectiveness of instructions given by Audit & Supervisory Board Members to employees who assist Audit & Supervisory Board Members
Staff members assisting the Audit & Supervisory Board Members, while still subject to the internal rules of the Company, shall be under the instruction and supervision of the respective Audit & Supervisory Board Members, and personnel-related matters shall be undertaken upon prior discussion with Audit & Supervisory Board Members.
- 8) System for Panasonic Group Directors, Audit & Supervisory Board Members, employees and other staffs to report to the Company's Audit & Supervisory Board Members
The Company shall ensure opportunities and systems that enable Directors, employees and other staffs of the Company to properly report to the Company's Audit & Supervisory Board Members, and shall ensure opportunities and systems that enable operating company and other subsidiary Directors, Audit & Supervisory Board Members, employees, or persons who receive reports from them, to properly report to the Company's Audit & Supervisory Board Members.
- 9) System for ensuring that parties who have reported to Audit & Supervisory Board Members do not incur unfavorable treatment as a consequence of such reporting
In ensuring the opportunities and systems prescribed in the preceding paragraph, the Company shall make sure that the persons who have reported do not incur unfavorable treatment as a consequence of such reporting.
- 10) Policy on management of expenses and debt incurred in execution of Audit & Supervisory Board Member duties
The Company shall calculate budgets on an annual basis for expenses arising with respect to the execution of duties of Audit & Supervisory Board Members to ensure effectiveness of audits, and moreover shall provide pre-payment or reimbursement in accordance with laws and regulations with respect to expenses incurred beyond amounts budgeted.
- 11) Other systems for ensuring effective performance of audits by the Audit & Supervisory Board Members
The Company shall develop a system enabling effective performance of audits, including mutual cooperation with the Audit & Supervisory Board Members at operating companies and other subsidiaries, accounting auditors, and the internal auditing group, in accordance with the Audit Plan established by the Audit & Supervisory Board Members each year.

Status of Basic Policy Implementation in the Company

- 1) System for ensuring the properness of operations across the Panasonic Group and reporting from subsidiaries
 - The Company ensures that basic policy for internal control systems is fully implemented by Group companies, and disseminates relevant information among Group companies. Initiatives to that end include: implementing the Panasonic Group Code of Ethics & Compliance, Basic Rules for Group Compliance, and the Rules of Approval for Decision-Making in Important Matters; establishing group-wide regulations; dispatching Directors and Audit & Supervisory Board Members to Group companies and exercising the Company's shareholder rights thereof; establishing rules of governance that are to be observed by Group companies; conducting regular operational audits, internal control audits, and compliance audits of Group companies through the internal auditing group; 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 compliance with applicable laws in the performance of Directors' and employees' duties in the Panasonic Group
 - i) 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, Rules for Directors, and Rules for Executive Officers, and endeavors to ensure that its Directors act in accordance with laws, regulations, and the Company's Articles of Incorporation. Additionally, when Directors assume their positions, the Company provides them with opportunities to acquire the knowledge necessary to fulfill their roles and obligations, and during their terms of office it continues to provide Directors with opportunities to acquire the knowledge they need, including through presentations on management and compliance by external experts as required.
 - The Company strengthens its supervisory functions by ensuring that at least one-third of the Board of Directors' members are Outside Directors, and by providing opportunities for the Outside Directors to actively communicate through Board of Directors' meetings and other such occasions. Moreover, the Company has also established a voluntary body, 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 Audit & Supervisory Board. The results and evaluations are reported at the Board of Directors meetings, and the Company reviews the opinions received and implements appropriate measures for improvement accordingly.
 - Audits and other supervision are carried out by the Audit & Supervisory Board Members and the Audit & Supervisory Board. In addition, 18 full-time Audit & Supervisory Officers of the operating companies and the divisional companies of each operating company report directly to the Panasonic Audit & Supervisory Board, and duties are carried out in cooperation with the Audit & Supervisory Officers at Panasonic Group companies including operating companies.
 - The elimination of all relationships with anti-social forces is prescribed in the Rule of the Prevention of Relationships with Antisocial Forces, and written pledges to observe the contents of these rules are acquired. In addition, Rules for Directors and Rules for Executive Officers reconfirm the requirement to eliminate all relationships with anti-social forces.
 - ii) System for ensuring compliance with applicable laws in the performance of employees' duties
 - The Basic Rules for Group Compliance make clear the basic items, roles, and responsibilities related to compliance in 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 audits, handling business legal affairs, risk management, and administration of corporate governance.
 - The elimination of all relationships with anti-social forces is prescribed in the Rule of the Prevention of Relationships with Antisocial Forces, and written pledges to observe the contents of these rules are acquired. In addition, the Employee Work Regulations reconfirm the requirement to eliminate all relationships with anti-social forces. With the establishment of the Business Conduct Committee and assigning an employee specifically to the task of blocking any relations with such forces, we have constructed a system for organizationally rejecting anti-social forces.

- 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 related 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 Directors' duties in the Panasonic Group
 - The Company expedites decision-making through Rules of Approval for Decision-making in Important Matters, clarification of the positions of Directors and Executive Officers, complete delegation of authority to operating companies, the holding of "Group Management Meetings" and "PHD Strategy Meetings," and the implementation of an IT system that ensures the rapid and accurate collection and transmission of important management information.
 - The Company plans and implements measures to achieve the business goals it sets based on its business strategies by confirming and examining the status of progress towards the goals at the time of its monthly settlement of accounts.
- 5) Rules and other measures for financial risk management in the Panasonic Group
 - Accurately identifying risks and taking action to prevent them is positioned as an important issue for corporate management. Based on the Panasonic Group Rules for Risk Management, risk management activities are carried out centering on the PHD Enterprise Risk Management Committee (PHD ERM Committee). Risk assessment is carried out based on the following cycle. Once a year, all risks which potentially may affect business activities are identified and assessed using common assessment axes, and the order of priority is decided for risks which require action. Each risk which was identified as important based on this cycle is selected as a material Group risk by the PHD ERM Committee. A countermeasure is proposed, enacted, and its status monitored, and activities for continual improvement are carried out, centering on the department which is responsible for that risk. When formulating and deciding on management and business strategies, the PHD ERM Committee identifies uncertain matters which may be opportunities or threats in regards to achieving business objectives, and engages in appropriate risk-taking according to the degree of risk. It also carries out risk management activities to review enacted countermeasures at suitable times according to the size of the identified risks.
- 6) Employees who assist Audit & Supervisory Board Members in auditing, and such employees' independence from Directors
 - The Company has established the Audit & Supervisory Board Member's Office whose dedicated staff is under the direct control of the Audit & Supervisory Board and separate from any operating function of the Company's business. The Company assigns Audit & Supervisory Board Member assistant staff members who possess appropriate capabilities and knowledge as required by the Audit & Supervisory Board Members.
- 7) Ensuring effectiveness of instructions given by Audit & Supervisory Board Members to employees who assist Audit & Supervisory Board Members
 - Respective Audit & Supervisory Board Members issue instructions to their staff members, and those staff members accordingly assist the Audit & Supervisory Board Members in performing their duties.
 - The Company consults with Audit & Supervisory Board Members in advance of undertaking personnel-related matters, including employee transfers and other affairs involving staff members who assist the Audit & Supervisory Board Members.
- 8) System for Panasonic Group Directors, Audit & Supervisory Board Members, employees and other staffs to report to the Company's Audit & Supervisory Board Members
 - Directors, employees and other staffs of the Company and Group companies report on business operations and other issues at respective regular meetings held by Audit & Supervisory Board Members and other such occasions, and also report as necessary at other important meetings with Audit & Supervisory Board Members, where their attendance has been requested. Moreover, Audit & Supervisory Board Members of Group companies report as necessary to the Company's Audit & Supervisory Board Members regarding content of reports at respective Group companies. The operating company Audit & Supervisory Board Members conduct inquiries at their respective operating companies regarding business operations and issues at the operating companies, and report such matters as necessary to the Company's Audit & Supervisory Board Members.
 - The Company has established an Audit Report System by which employees of the Company and Group companies directly report to the Company's Audit & Supervisory Board about concerns related to improper acts by Directors and Executive Officers or related to the possible illegality of carrying out official duties.
- 9) System for ensuring that parties who have reported to Audit & Supervisory Board Members do not incur unfavorable treatment as a consequence of such reporting
 - 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 Audit & Supervisory Board Member duties
 - To ensure effectiveness of audits, the Company calculates preliminary budgets with respect to anticipated expenses required by Audit & Supervisory Board Members in executing their duties, in accordance with Audit & Supervisory Standards.
 - The Company also provides pre-payment or reimbursement for expenses paid under urgent or extraordinary circumstances in accordance with laws and regulations.
 - In making payment of audit expenses, Audit & Supervisory Board Members are required to remain mindful of efficiency and appropriateness in that regard.

- 11) Other systems for ensuring effective performance of audits by the Audit & Supervisory Board Members
- The Audit & Supervisory Board Members and Audit & Supervisory Officers of operating companies hold monthly meetings for reporting and notification.
 - The Company has established and operates the Panasonic Group Audit & Supervisory Board Members' Meeting chaired by the Company's Senior Audit & Supervisory Board Member, in order to facilitate cooperation among the Audit & Supervisory Board Members of the Company and the Audit & Supervisory Officers of Group companies, including those of operating companies.
 - Representative Directors and Audit & Supervisory Board Members exchange opinions regularly and whenever necessary. Moreover, respective departments cooperate in implementing visiting audits of business offices inside and outside Japan conducted by Audit & Supervisory Board Members. Internal auditing groups also cooperate to enhance the effectiveness of audits carried out by Audit & Supervisory Board Members through collaboration with Audit & Supervisory Board Members, including reporting as appropriate to the Audit & Supervisory Board Members.
 - When the accounting auditors formulate their audit plans, perform quarterly reviews, and conduct final audits, the Audit & Supervisory Board Members hold regular meetings with the accounting auditors at which they receive explanations and reports, and exchange opinions with the accounting auditors as necessary.

(3) Policy on Control of the Company

1) Efforts to raise corporate value of the Company

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

2) Measures against large-scale purchase

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

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

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

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

In view of this basic policy as well as its current financial position, Panasonic expects to pay an annual dividend of ¥30 per share for fiscal 2023, which includes the interim dividend of ¥15 per share paid on November 30, 2022 and a year-end dividend of ¥15 per share.

In fiscal 2023, the Company did not repurchase its treasury stock except for acquiring shares of less than one trading unit and other minor transactions.

Consolidated Financial Statements

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

Consolidated Statement of Financial Position

(As of March 31, 2023)

(millions of yen)

Assets

Current assets

3,802,885

Cash and cash equivalents	819,499
Trade receivables and contract assets	1,322,593
Other financial assets	169,665
Inventories	1,288,751
Other current assets	202,377

Non-current assets

4,256,642

Investments accounted for using the equity method	401,219
Other financial assets	242,672
Property, plant and equipment	1,172,376
Right-of-use assets	238,833
Goodwill and intangible assets	1,796,236
Other non-current assets	405,306

Total assets

8,059,527

(millions of yen)

Liabilities

Current liabilities	2,873,420
Short-term debt, including current portion of long-term debt	159,231
Lease liabilities.....	59,895
Trade payables.....	1,156,909
Other payables and accrued expenses	506,062
Other financial liabilities	146,213
Other current liabilities	845,110
Non-current liabilities	1,396,149
Long-term debt	1,050,116
Lease liabilities.....	187,865
Other financial liabilities	6,905
Other non-current liabilities	151,263
Total liabilities	4,269,569

Equity

Panasonic Holdings Corporation stockholders' equity	3,618,402
Common stock.....	259,274
Capital surplus	515,760
Retained earnings.....	2,588,800
Other components of equity.....	463,764
Treasury stock.....	(209,196)
Non-controlling interests	171,556
Total equity	3,789,958
Total liabilities and equity	8,059,527

Consolidated Statement of Profit

(From April 1, 2022 to March 31, 2023)

	(millions of yen)
Net sales	8,378,942
Cost of sales	(6,117,494)
Gross profit	2,261,448
Selling, general and administrative expenses	(1,947,371)
Share of profit (loss) of investments accounted for using the equity method	1,432
Other income (expenses), net	(26,939)
Operating profit	288,570
Financial income	48,972
Financial expenses.....	(21,133)
Profit before income taxes	316,409
Income taxes	(35,853)
Net profit	280,556
Net profit attributable to:	
Panasonic Holdings Corporation stockholders	265,502
Non-controlling interests	15,054

(Note) Other income (expenses), net includes expenses associated with quality control or market countermeasures of ¥28,304 million, etc.

Consolidated Statement of Changes in Equity

(From April 1, 2022 to March 31, 2023)

(millions of yen)

	Common stock	Capital surplus	Retained earnings	Other components of equity	Treasury stock	Panasonic Holdings Corporation stockholders' equity	Non-controlling interests	Total equity
Balances as of April 1, 2022	259,168	525,554	2,387,283	202,227	(209,270)	3,164,962	182,209	3,347,171
Effect of hyperinflation	–	–	(3,260)	15,883	–	12,623	–	12,623
Restated balances as of April 1, 2022	259,168	525,554	2,384,023	218,110	(209,270)	3,177,585	182,209	3,359,794
Comprehensive income								
Net profit	–	–	265,502	–	–	265,502	15,054	280,556
Remeasurements of defined benefit plans	–	–	–	7,503	–	7,503	(35)	7,468
Financial assets measured at fair value through other comprehensive income	–	–	–	8,560	–	8,560	(482)	8,078
Exchange differences on translation of foreign operations	–	–	–	244,869	–	244,869	3,188	248,057
Net changes in cash flow hedges	–	–	–	(7,650)	–	(7,650)	168	(7,482)
Total comprehensive income	–	–	265,502	253,282	–	518,784	17,893	536,677
Transfer to hedged non-financial assets	–	–	–	1,666	–	1,666	–	1,666
Transfer from other components of equity to retained earnings	–	–	9,294	(9,294)	–	–	–	–
Cash dividends	–	–	(70,019)	–	–	(70,019)	(23,546)	(93,565)
Changes in treasury stock	–	(0)	–	–	(50)	(50)	–	(50)
Share-based payment transactions	106	(21)	–	–	124	209	–	209
Transactions with non-controlling interests and other	–	(9,773)	–	–	–	(9,773)	(5,000)	(14,773)
Balances as of March 31, 2023	259,274	515,760	2,588,800	463,764	(209,196)	3,618,402	171,556	3,789,958

Notes to Consolidated Financial Statements

Basis of Presentation of Consolidated Financial Statements

1. Accounting standard applied to Consolidated Financial Statements

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

2. Scope of Consolidation and Application of the Equity Method

(1) Number of consolidated subsidiaries

523

(2) Number of companies under the equity method

67

On April 1, 2022, the Company's businesses were transferred to nine consolidated subsidiary successor companies through an absorption-type company split. On the same date, the Company changed its name to Panasonic Holdings Corporation and became a holding company.

3. Significant Accounting Policies

(1) Financial assets

1) Non-derivative financial assets

(i) Initial recognition and measurement

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

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

(ii) Subsequent measurement

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

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

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

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

2) Derivatives

Derivatives are initially recognized at fair value at the time when the contract is entered into, and measured at fair value thereafter. Changes in fair value are recognized in profit or loss; however, the effective portion of changes in fair value of derivatives designated as hedging instruments in a qualifying cash flow hedge relationship is recognized in other comprehensive income.

(2) Inventories

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

(3) Property, plant and equipment

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

(4) Goodwill and intangible assets

Goodwill is measured as the excess of the total of consideration transferred, amount of non-controlling interests in the acquiree and fair value of the equity interest in the acquiree previously held by the acquirer over the net amount of identifiable assets acquired and the liabilities assumed on the acquisition date.

Intangible assets are measured, at the initial recognition, using the cost model when such assets are acquired individually, and measured at fair value when acquired as part of a business combination. Intangible assets with definite useful lives are amortized using the straight-line method over their estimated useful lives. Intangible assets with indefinite useful lives are not amortized, but measured at the acquisition costs less accumulated impairment losses. The depreciation method and estimated useful lives are reviewed at the end of each fiscal year, and revised as necessary.

(5) Impairment of non-financial assets

Non-financial assets other than inventories, deferred tax assets, etc. with definite useful lives are assessed at the end of each fiscal year to determine whether there is any indication of impairment in each asset or cash-generating unit. If any such indication exists, the recoverable amount of the asset or the cash-generating unit is estimated and the impairment test is performed by comparing the recoverable amount against its carrying amount. The recoverable amount is calculated using the higher of either the amount of value in use, measured by the discounted cash flow method, or the amount of fair value less costs of disposal, measured principally by the discounted cash flow method and the comparable listed company analysis method. Under the discounted cash flow method, the estimated amount of future cash flows based on the most recent business plan approved by the Board of Directors are discounted to the present value. The period of the future projection is established based on the period of the business plan after reflecting past experience and verifying its consistency with external information. The discount rate is calculated based on a weighted average cost of capital determined for each cash-generating unit, and the growth rate is determined in view of the long-term average growth rates of the markets or countries to which each cash-generating unit belongs.

In terms of goodwill and intangible assets with indefinite useful lives, regardless of whether or not there are indications of impairment, an impairment test is performed at least annually, or more frequently whenever an indication of impairment becomes apparent.

If the recoverable amount of an asset or a cash-generating unit is below its carrying amount, the carrying amount is reduced to the recoverable amount, and the difference is recognized as an impairment loss in profit or loss.

(6) Provisions

Provisions are recognized when the Company or its consolidated subsidiary has present legal or constructive obligations arising from past events, it is probable that outflows of resources embodying economic benefits will be required to settle the obligations, and the amount of obligation can be estimated reliably. When the effect of time value of money is material, provisions are measured by discounting the expenses expected to be necessary for settlement of obligations to the present value.

(7) Employee benefits

The Company and its consolidated subsidiaries maintain defined benefit plans and defined contribution plans.

The present value of obligations under the defined benefit plan and the service cost are calculated based on the actuarial calculations using the projected unit credit method. In addition, the funded status, which is the difference between the fair value of the plan assets and the obligations under the defined benefit plan projected based on the actuarial calculations is presented as an asset or a liability in the consolidated statement of financial position. The adjustments due to re-measurements of the present value of obligations under the defined benefit plan and the fair value of the plan assets are recognized in other comprehensive income and immediately transferred to retained earnings. The present value of obligations under the defined benefit plan is calculated by discounting future estimated benefit payments and the discount rate is determined by reference to market yields on high quality corporate bonds at the end of the fiscal year, which reflect the estimated timing and amount of future benefit payments.

Service cost and net interest on the net defined benefit liability or asset are recognized in profit or loss. Past service cost is immediately recognized in profit or loss.

Obligations for contributions to defined contribution plans are recognized as expenses during the period when the related service is provided.

(8) Revenue

Revenue is recognized based on the following five-step approach:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligations

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations

Step 5: Recognize revenue when satisfying a performance obligation

The Company is mainly engaged in sales of products such as consumer products, industrial products, manufacturing devices, and supplies. For such sales transactions, in principle, the Company recognizes revenue at the time of delivery, because the customer obtains control of the products and the Company satisfies its performance obligation when products are delivered. The Company is also engaged in construction contracts and rendering of services. For such transactions, in principle, the Company recognizes revenue in accordance with

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

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

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

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

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

(9) Leases

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

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

(10) Share based payments

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

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

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

(12) Financial reporting in hyperinflationary economies

At the beginning of the current fiscal year on April 1, 2022, the consumer price index in the Republic of Turkey indicated that the cumulative inflation rate over three years had exceeded 100 percent. Consequently, the Company concluded that the subsidiaries, whose functional currency is Turkish lira, were operating in a hyperinflationary economy. Accordingly, in accordance with IAS 29, "Financial Reporting in Hyperinflationary Economies," accounting adjustments have been made to the financial statements of those subsidiaries from April 1, 2022.

As a result of applying the cumulative effect of hyperinflation through the end of the previous fiscal year in accordance with IAS 29, the opening balances of "Retained earnings" and "Other components of equity" as of April 1, 2022 were decreased by ¥3,260 million and increased by ¥15,883 million, respectively.

4. Accounting estimates

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

- Recoverability of deferred tax assets (deferred tax assets of ¥249,964 million included in Other non-current assets)
- Impairment of non-financial assets (property, plant and equipment of ¥1,172,376 million, right-of-use assets of ¥238,833 million, and goodwill and intangible assets of ¥1,796,236 million)
- Obligations under the defined benefit plan (retirement benefit liabilities of ¥53,580 million included in Other non-current liabilities)

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

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

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

Note to the Consolidated Statement of Financial Position

1. Trade receivables and contract assets		
Trade receivables	¥	1,156,185 million
Contract assets	¥	180,227 million
2. Allowance for doubtful receivables directly deducted from Trade receivables, contract assets and Other financial assets		
.....	¥	13,819 million
3. Property, plant and equipment		
Land	¥	212,553 million
Buildings and structures	¥	1,362,783 million
Machinery and equipment	¥	3,059,307 million
Construction in progress	¥	132,580 million
Accumulated depreciation and impairment losses	¥	(3,594,847) million
4. Deferred tax assets and deferred tax liabilities		
Deferred tax assets included in Other non-current assets	¥	249,964 million
Deferred tax liabilities included in Other non-current liabilities	¥	70,678 million
5. Income taxes payable		
Income taxes payable included in Other current liabilities		
.....	¥	57,139 million
6. Provisions		
Total provisions such as provisions for product warranties and provisions for restructuring included in Other current liabilities and Other non-current liabilities		
.....	¥	154,792 million
7. Contract liabilities		
Total contract liabilities included in Other current liabilities and Other non-current liabilities		
.....	¥	204,931 million
8. Other components of equity		
Financial assets measured at fair value through other comprehensive income	¥	37,428 million
Exchange differences on translation of foreign operations	¥	431,992 million
Net changes in cash flow hedges	¥	(5,656) million
9. Recourse obligation for trade receivables sold, etc.		
.....	¥	3,637 million

Notes on the Consolidated Statement of Changes in Equity

1. Type and number of shares issued as of the fiscal year-end	
Common stock	2,454,056,597
2. Type and number of shares of treasury stock as of the fiscal year-end	
Common stock	119,943,749

3. Dividends

(1) Dividends paid

Resolution	Type of share	Cash dividends (millions of yen)	Cash dividends per share (yen)	Record date	Effective date
May 11, 2022 Board of Directors' Meeting	Common stock	35,008	15.0	March 31, 2022	June 2, 2022
October 31, 2022 Board of Directors' Meeting	Common stock	35,011	15.0	September 30, 2022	November 30, 2022

(2) Dividends with the record date in the fiscal year ended March 31, 2023 and the effective date in the following fiscal year

Scheduled to be resolved	Type of share	Cash dividends (millions of yen)	Cash dividends per share (yen)	Record date	Effective date
May 10, 2023 Board of Directors' Meeting	Common stock	35,012	15.0	March 31, 2023	June 2, 2023

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

Common stock 617,400

Regarding the year-end cash dividends for the fiscal year ended March 31, 2023, the Board of Directors resolved to pay ¥15 per share on May 10, 2023.

Notes to Recognition and Measurement of Revenue

1. Disaggregation of revenue

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

The contents of product category are as follows.

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

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

The products of Connect are categorized into "Hardware Solutions" and "SCM Solutions." "Hardware Solutions," representing products of core businesses, includes products such as aircraft in-flight entertainment systems and communications services, electronic-components-mounting machines, welding equipment, projectors, professional AV systems, and PCs and tablets. "SCM Solutions," representing products of growth businesses, includes products such as solution business of Gemba Solution Company and SCM software.

The products of Industry are categorized into "Control Devices," "FA Solutions," "Electronic Devices," "Electronic Materials," and "Other." "Control Devices" includes products such as relays and power supplies. "FA Solutions" includes products such as industrial motors and FA devices. "Electronic Devices" includes products such as capacitors. "Electronic Materials" includes products such as multi-layer circuit board materials and semiconductor device materials. "Other" includes products such as LCD panels.

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

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

Disaggregated revenue is as follows.

			(millions of yen)	
Reportable segments	By product category	Sales	By geographical area	Sales
Lifestyle	Living Appliances and Solutions	943,045	Japan	1,496,900
	Heating & Ventilation A/C	680,996	North and South America	360,423
	Cold Chain Solutions	336,532	Europe	223,296
	Electric Works	651,582	Asia, China and others	991,559
	Other	460,023		
	Total (Note 1)	3,072,178	Total (Note 1)	3,072,178
Automotive	Automotive Cockpit Systems	497,712	Japan	395,708
	Automotive Electronics Systems	519,369	North and South America	323,084
	Other	142,221	Europe	244,389
	Total (Note 1)	1,159,302	Asia, China and others	196,121
			Total (Note 1)	1,159,302
Connect	Hardware Solutions	747,296	Japan	294,987
	SCM Solutions	337,527	North and South America	424,518
	Total (Note 1)	1,084,823	Europe	152,773
			Asia, China and others	212,545
			Total (Note 1)	1,084,823
Industry	Control Devices	317,912	Japan	262,690
	FA Solutions	81,080	North and South America	82,949
	Electronic Devices	365,664	Europe	172,178
	Electronic Materials	141,171	Asia, China and others	484,578
	Other	96,568		
	Total (Note 1)	1,002,395	Total (Note 1)	1,002,395
Energy	In-vehicle	639,745	Japan	84,464
	Industrial / Consumer	345,909	North and South America	732,515
	Total (Note 1)	985,654	Europe	27,358
			Asia, China and others	141,317
			Total (Note 1)	985,654
Others (Note 2)		1,074,590	Others	1,074,590
Total		8,378,942	Total	8,378,942

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

(Note 2) Others include products sales of Entertainment & Communication of ¥334,659 million and products sales of Housing of ¥394,158 million.

2. Information as a basis to understand revenue

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

Notes to Financial Instruments

1. Status of financial instruments

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

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

2. Fair value information of financial instruments

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

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

(millions of yen)		
	Carrying amount	Fair value
Long-term debt, including current portion of long-term debt	1,204,848	1,154,855

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

3. Breakdown of fair value information of financial instruments

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

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

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

(millions of yen)				
	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets measured at FVTPL				
Derivative assets				
Foreign exchange forward contracts	—	7,304	—	7,304
Cross currency interest rate swaps	—	30,905	—	30,905
Commodity futures	12,423	2,601	—	15,024
Subtotal	12,423	40,810	—	53,233
Financial assets measured at FVTOCI				
Shares	72,087	—	109,090	181,177
Others	—	222	—	222
Subtotal	72,087	222	109,090	181,399
Total financial assets	84,510	41,032	109,090	234,632
Financial liabilities:				
Financial liabilities measured at FVTPL				
Derivative liabilities				
Foreign exchange forward contracts	—	541	—	541
Cross currency interest rate swaps	—	1,662	—	1,662
Commodity futures	5,962	11,416	—	17,378
Total financial liabilities	5,962	13,619	—	19,581

Per Share Information

Panasonic Holdings Corporation stockholders' equity per share.....	¥1,550.23
Earnings per share attributable to Panasonic Holdings Corporation stockholders (Basic)	¥ 113.75
Earnings per share attributable to Panasonic Holdings Corporation stockholders (Diluted).....	¥ 113.72

Financial Statements on a Parent-Alone Basis of the Company

Balance Sheet

(As of March 31, 2023)

(millions of yen)

Assets

Current assets	446,476
Cash and deposits	7,374
Other receivables	66,215
Short-term loan receivable from subsidiaries and affiliates	387,536
Other current assets	8,113
Allowance for doubtful receivables	(22,762)
Fixed assets	3,512,101
Net tangible fixed assets	187,165
Buildings	53,188
Structures	1,379
Machinery and equipment	1,856
Vehicles	18
Tools, furniture and fixtures	4,459
Land	125,557
Leased assets	357
Construction in progress	351
Intangibles	758
Patent and trademark rights	15
Software	474
Right of using facilities	269
Investments and advances	3,324,178
Investment securities	79,532
Shares in subsidiaries and affiliates	799,948
Investments in equity, other than capital stock	1,344
Investments in subsidiaries and affiliates	1,595,503
Allowance for investment loss	(740)
Long-term loan receivable from subsidiaries and affiliates	739,044
Prepaid pension costs	19,666
Deferred tax assets	88,825
Other investments and other assets	1,797
Allowance for doubtful receivables	(741)
Total assets	3,958,577

(millions of yen)

Liabilities

Current liabilities	1,291,389
Short-term loan payable from subsidiaries and affiliates	161,398
Current portion of bonds	150,000
Lease obligations	101
Other payables	5,890
Accrued expenses	60,422
Accrued income taxes	4,451
Advance receipts	11,636
Deposits received	882,637
Provision for bonuses	2,497
Provision for loss on business of subsidiaries and affiliates	7,596
Other current liabilities	4,761
Long-term liabilities	1,076,090
Bonds	1,012,195
Lease obligations	292
Long-term deposits received	2,105
Other long-term liabilities	61,498
Total liabilities	2,367,479

Net Assets

Shareholders' equity	1,557,118
Common stock	259,274
Capital surplus	558,686
Legal capital surplus	533
Other capital surplus	558,153
Retained earnings	948,576
Legal reserve	54,950
Other retained earnings	893,626
Retained earnings brought forward	893,626
Treasury stock	(209,418)
Difference of valuation, translation and other adjustments	33,282
Unrealized holding gains (losses) of available-for-sale securities, etc.	33,362
Deferred gain (loss) on hedges	(80)
Stock acquisition rights	698
Total net assets	1,591,098
Total liabilities and net assets	3,958,577

Statement of Income

(From April 1, 2022 to March 31, 2023)

(millions of yen)

Group management revenue	127,628
Dividends from subsidiaries and affiliates	68,192
Other operating revenue	51,648
Operating revenue.....	247,468
Operating expenses	(129,620)
Interest and dividend income	6,732
Other income.....	10,023
Interest expense.....	(7,782)
Other expense.....	(17,161)
Ordinary income.....	109,660
Extraordinary income	
Gain on sales of investment securities	7,985
Gain on sales of shares in subsidiaries and affiliates	2,834
Extraordinary loss	
Allowance for doubtful receivables from subsidiaries and affiliates.....	(22,366)
Provision for loss on business of subsidiaries and affiliates	(7,596)
Loss on valuation of shares in subsidiaries and affiliates.....	(5,160)
Income before income taxes	85,357
Income taxes	
Current	19,353
Deferred.....	(606)
Net income.....	66,610

Statement of Changes in Net Assets

(From April 1, 2022 to March 31, 2023)

(millions of yen)

	Shareholders' equity						
	Common stock	Capital surplus			Retained earnings		
		Legal capital surplus	Other capital surplus	Total of capital surplus	Legal reserve	Other retained earnings Retained earnings brought forward	Total of retained earnings
Balances at beginning of period	259,168	428	558,205	558,633	47,948	904,037	951,985
Changes during the period							
Issuance of new shares	106	105		105			
Provision of legal reserve					7,002	(7,002)	—
Dividends from retained earnings						(70,019)	(70,019)
Net income						66,610	66,610
Repurchase of treasury stock							
Sale of treasury stock			(52)	(52)			
Net changes of items other than shareholders' equity							
Total changes during the period	106	105	(52)	53	7,002	(10,411)	(3,409)
Balances at end of period	259,274	533	558,153	558,686	54,950	893,626	948,576

	Shareholders' equity		Difference of valuation, translation and other adjustments			Stock acquisition rights	Total net assets
	Treasury stock	Total of shareholders' equity	Unrealized holding gains (losses) of available-for-sale securities, etc.	Deferred gain (loss) on hedges	Total of difference of valuation, translation and other adjustments		
Balances at beginning of period	(209,492)	1,560,294	22,151	2,136	24,287	772	1,585,353
Changes during the period							
Issuance of new shares		211					211
Provision of legal reserve		—					—
Dividends from retained earnings		(70,019)					(70,019)
Net income		66,610					66,610
Repurchase of treasury stock	(53)	(53)					(53)
Sale of treasury stock	127	75					75
Net changes of items other than shareholders' equity			11,211	(2,216)	8,995	(74)	8,921
Total changes during the period	74	(3,176)	11,211	(2,216)	8,995	(74)	5,745
Balances at end of period	(209,418)	1,557,118	33,362	(80)	33,282	698	1,591,098

Notes on the Basis of Presentation of Financial Statements on a Parent-Alone Basis

Summary of Significant Accounting Policies

1. Standards and methods for valuation of assets
 - (1) Securities
 - Investments in subsidiaries and affiliates: valuation at cost, with cost determined by the moving average method
 - Other securities
 - Securities other than shares, etc. with no market price: market valuation method (The difference, net of tax, between acquisition cost and carrying market value of other securities is reported as a separate component of shareholders' equity. The cost of other securities sold is computed based on the moving average method.)
 - Shares, etc. with no market price: valuation at cost, with cost determined by the moving average method
 - (2) Derivatives
 - Fair value method
2. Method of depreciation and amortization of fixed assets
 - (1) Tangible fixed assets (Excluding leased assets)
 - Straight-line method
 - (2) Intangibles
 - Straight-line method
 - (3) Leased assets
 - (Finance leases other than those that transfer ownership rights)
 - Straight-line method over the lease term (useful life) with no residual value.
3. Accounting for allowances and provisions
 - (1) Allowance for doubtful receivables
 - Allowance for doubtful receivables is provided at an amount calculated based on historical experience, while specific allowances for doubtful receivables are provided for the estimated amounts considered to be uncollectible after reviewing individual collectability.
 - (2) Allowance for investment loss
 - Loss on investments in subsidiaries and affiliates in Japan and overseas is estimated according to Company's policies and taking into consideration the financial condition of those companies.
 - (3) Provision for bonuses
 - Provision for bonuses is provided at an amount calculated based on estimated bonus payments.
 - (4) Provision for loss on business of subsidiaries and affiliates
 - Provision for loss on business of subsidiaries and affiliates is provided at an estimated amount of loss.
 - (5) Provision for employee retirement and severance benefits
 - Provision for employee retirement and severance benefits are made based on the projected benefit obligation and pension fund assets at the year-end. Because as at March 31, 2023, the amount of pension fund asset exceeded the amount of projected benefit obligation adjusted by adding or reducing unrecognized actuarial gains and losses and unrecognized past service cost, the excess amount was recorded as prepaid pension costs. In calculating the projected benefit obligation, the Company attributed expected retirement benefits to periods of service up to fiscal 2023 on a straight-line basis.
 - Past service benefit is amortized on a straight-line basis over the average remaining service period of the employees. Actuarial loss is amortized in the succeeding years on a straight-line basis over the average remaining benefit payment period of the affected recipients.
 - However, actuarial losses, arising until the time of the transfer of a part of the past contributions in the Panasonic Group Defined Benefit Corporate Pension to a defined contribution plan, are amortized in the succeeding years on a straight-line basis over the average remaining service period of the employees.
4. Accounting for revenues and expenses

The Company applies the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) and "Implementation Guidance on Accounting Standard for Revenue Recognition" (ASBJ Guidance No. 30, March 26, 2021), and recognizes revenues from contracts with customers based on the following five-step approach.

 - Step 1: Identify the contract(s) with a customer
 - Step 2: Identify the performance obligations
 - Step 3: Determine the transaction price
 - Step 4: Allocate the transaction price to the performance obligations
 - Step 5: Recognize revenue when satisfying a performance obligation

As a holding company, the Company's primary business is managing the operations of its subsidiaries. In such management and operation services, the Company's performance obligation is to provide comprehensive and continuous support necessary for the subsidiaries to pursue their self-responsible management. As those performance obligations are satisfied over time, the related revenue is recognized over the contract period using the transaction prices determined based on the contracts.
5. Other significant items related to the preparation of financial statements
 - (1) Basis of hedge accounting
 - The Company applies deferral hedge accounting as defined in the accounting standards for financial instruments to its foreign exchange contracts.
 - If interest rate and currency swaps satisfy requirements for integrated accounting treatment (designated hedge accounting, exceptional accounting treatment), the integrated accounting treatment has been applied.
 - (2) Application of the group tax sharing system
 - The Company applies a group tax sharing system.

Notes on the Balance Sheet

1. Accumulated depreciation of tangible fixed assets	¥	200,919	million
2. Guarantee obligations			
Guarantee obligations for payment obligations of subsidiaries and affiliates			
Panasonic Operational Excellence Co., Ltd.	¥	9,310	million
Others	¥	3,100	million
Total	¥	12,410	million
3. Receivables from and liabilities to subsidiaries and affiliates			
Short-term receivables from subsidiaries and affiliates	¥	438,810	million
Long-term receivables from subsidiaries and affiliates	¥	739,045	million
Short-term liabilities to subsidiaries and affiliates	¥	1,072,715	million
Long-term liabilities to subsidiaries and affiliates	¥	22	million

Notes on the Statement of Income

1. Transactions with subsidiaries and affiliates			
Operating revenue	¥	218,358	million
Operating expenses	¥	63,168	million
Transaction with subsidiaries other than operating revenue and operating expenses	¥	24,355	million
2. Details regarding gain on sales of shares in subsidiaries and affiliates			
Gain on sales of shares in subsidiaries and affiliates is composed of gain on sales of shares of subsidiaries and affiliates in Japan.			
3. Details regarding gain on sales of investment securities			
Gain on sales of investment securities is composed of gain on sales of other securities.			
4. Details regarding allowance for doubtful receivables from subsidiaries and affiliates			
Allowance for doubtful receivables from subsidiaries and affiliates is composed of the estimated amounts of receivables considered to be uncollectible from subsidiaries and affiliates.			
5. Details regarding provision for loss on business of subsidiaries and affiliates			
The amount of estimated future losses of subsidiaries and affiliates.			
6. Details regarding loss on valuation of shares in subsidiaries and affiliates			
Loss was incurred due to a reduction in the carrying amount of shares in subsidiaries and affiliates which had a significant decrease in substantial value and are not considered to be recoverable.			

Notes on the Statement of Changes in Net Assets

Type and number of shares of treasury stock as of the fiscal year-end			
Common stock		119,943,749	

Notes on Tax Effect Accounting

- Breakdown of significant reasons for the recording of deferred tax assets and deferred tax liabilities:
(millions of yen)

Deferred tax assets	
Accrued expenses	1,275
Provision for bonuses	764
Depreciation and amortization	5,308
Allowance for doubtful receivables	7,192
Allowance for investment loss	226
Shares in subsidiaries and affiliates	126,048
Provision for loss on business of subsidiaries and affiliates	2,324
Foreign tax credit carryforwards	3,806
Tax loss carryforwards	4,515
Others	28,782
Total gross deferred tax assets	180,240
Valuation allowance on tax loss carryforwards	(3,973)
Valuation allowance on total deductible temporary differences	(59,113)
Total valuation allowance	(63,086)
Net deferred tax assets	117,154
Deferred tax liabilities	
Prepaid pension costs	(6,018)
Unrealized holding gains (losses) of available-for-sale securities, etc.	(14,671)
Others	(7,640)
Total gross deferred tax liabilities	(28,329)
Net deferred tax assets	88,825

- Accounting for national and local income taxes, and the related tax effect accounting
Beginning from the current fiscal year, the Company has transitioned from the consolidated taxation system to the group tax sharing system. As a result, with respect to accounting and disclosures related to national and local income taxes, and the related tax effect accounting, the Company adopted the provisions of "Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System" (ASBJ PITF No. 42, August 12, 2021). Pursuant to Paragraph 32 (1) of ASBJ PITF No. 42, it was deemed that there is no effect from the change in accounting policy resulting from the application of ASBJ PITF No. 42.

Notes to Transactions with Related Parties

(millions of yen)

Classification	Related parties	Ownership including voting right	Relationship Between Panasonic Holdings Corporation and related parties	Transactions	Amount of transactions	Account	As of March 31, 2023
Subsidiary	Panasonic Global Treasury Center B.V.	*100.0%	Deposit and lending of funds with the Company's subsidiaries and affiliates	Interest income (Note 1)	2,755	Long-term loan receivable from subsidiaries and affiliates (Note 1)	737,084
Subsidiary	Panasonic Operational Excellence Co., Ltd.	100.0%	Contracted services for Group operations; Concurrent posts of executive officers	Outsourcing expenses (Note 2)	46,793	Accrued expenses (Note 2)	7,596

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

Transaction conditions and policies in deciding the transaction conditions

(Note 1) Interests are determined through mutual agreement in reference to market interest rates. The repayment period is ten years, and the period will be automatically renewed thereafter.

(Note 2) Transaction conditions are determined through mutual agreement in reference to personnel expenses and other necessary expenses concerning the operations.

Notes to Per Share Data

Net assets per share.....	¥	681.37
Net income per share.....	¥	28.54
Net income diluted per share.....	¥	28.53

Note to Application of Restrictions on Maximum Dividend Payments

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

Notes to Recognition and Measurement of Revenue

The same as described in "4. Accounting for revenues and expenses" of Summary of Significant Accounting Policies.

Other Notes

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

2. Notes on the transfer of businesses through a company split

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

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

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

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

This absorption-type company split falls under the scope of a transaction under common control.

Amounts of transferred assets and liabilities are as follows:

Assets	¥ 2,130,899 million
Liabilities	¥ 1,654,409 million

3. Additional information

On April 1, 2022, the Company has transitioned to a holding company, whose primary business is to manage the operations of its subsidiaries. Accordingly, while the Statement of Income for the previous fiscal year presented sales, cost of sales, selling, general and administrative expenses, beginning from the current fiscal year, the Company presents operating revenue and operating expenses, with a breakdown of operating revenue by separately presenting group management revenue and dividends from subsidiaries and affiliates.

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

Independent Auditor's Report

May 9, 2023

To the Board of Directors of Panasonic Holdings Corporation:

KPMG AZSA LLC
Osaka Office, Japan

Takashi Kondo
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Masaki Hirota
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Masato Nakagawa
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Opinion

We have audited the consolidated financial statements, which comprise the consolidated statement of financial position, the consolidated statement of profit, the consolidated statement of changes in equity and notes to the consolidated financial statements of Panasonic Holdings Corporation and its consolidated subsidiaries (collectively referred to as "the Group"), as at March 31, 2023 and for the year from April 1, 2022 to March 31, 2023 in accordance with Article 444-4 of the Companies Act.

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

Basis for Opinion

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

Other Information

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

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

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

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

We have nothing to report in this regard.

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

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

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

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

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

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

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

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

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

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

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

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

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

Notes to the Reader of Independent Auditor's Report:

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

Copy of Report of Accounting Auditors

Independent Auditor's Report

May 9, 2023

To the Board of Directors of Panasonic Holdings Corporation:

KPMG AZSA LLC
Osaka Office, Japan

Takashi Kondo
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Masaki Hirota
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Masato Nakagawa
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Opinion

We have audited the financial statements, which comprise the balance sheet, the statement of income, the statement of changes in net assets and notes on the basis of presentation of the financial statements on a parent-alone basis, and the accompanying supplementary schedules ("the financial statements and the accompanying supplementary schedules") of Panasonic Holdings Corporation ("the Company") as at March 31, 2023 and for the year from April 1, 2022 to March 31, 2023 in accordance with Article 436-2-1 of the Companies Act.

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

Basis for Opinion

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

Other Information

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

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

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

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

We have nothing to report in this regard.

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

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

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

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

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

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

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

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

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

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

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

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

Notes to the Reader of Independent Auditor's Report:

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

Copy of Report of the Audit & Supervisory Board

Audit Report

The Audit & Supervisory Board, having received a report from each audit & supervisory board member on the method and results of his or her audit on the performance of duties of directors during the 116th fiscal period from April 1, 2022 to March 31, 2023, and, as a result of discussion, does hereby report the results of audit as follows:

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

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

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

2. Results of Audit

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

In the opinion of the Audit & Supervisory Board:

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

The method of audit employed by the accounting auditors KPMG AZSA LLC and the results thereof are proper and fair.

May 10, 2023

Audit & Supervisory Board
Toshihide Tominaga (Seal)
Senior Audit & Supervisory
Board Member
Akihiro Eto (Seal)
Audit & Supervisory Board
Member
Setsuko Yufu (Seal)
Audit & Supervisory Board
Member

Eiji Fujii (Seal)
Senior Audit & Supervisory Board
Member
Akihiko Nakamura (Seal)
Audit & Supervisory Board
Member

Disclaimer Regarding Forward-Looking Statements

This Notice includes forward-looking statements about Panasonic Holdings Corporation (Panasonic HD) and its Group companies (the Panasonic Group). To the extent that statements in this Notice do not relate to historical or current facts, they constitute forward-looking statements. These forward-looking statements are based on the current assumptions and beliefs of the Panasonic Group in light of the information currently available to it, and involve known and unknown risks, uncertainties and other factors. Such risks, uncertainties and other factors may cause the Panasonic Group's actual results, performance, achievements or financial position to be materially different from any future results, performance, achievements or financial position expressed or implied by these forward-looking statements.

Panasonic HD undertakes no obligation to publicly update any forward-looking statements after the date of this Notice. Investors are advised to consult any further disclosures by Panasonic HD in its subsequent filings under the Financial Instrument and Exchange Act of Japan (the FIEA) and other publicly disclosed documents.

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