Panasonic Group

Integrated Report 2026

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

Toward Realizing Our Mission

The mission of the Panasonic Group is to achieve an ideal society with affluence both in matter and mind, as advocated by the founder, Konosuke Matsushita, as “prosperity both in terms of material and spiritual affluence.” To achieve this, the Company established its Basic Business Philosophy as an approach toward applying the management philosophy created by its founder and the core principles of the Basic Management Objective, the Company Creed, the Seven Principles. Furthermore, the Panasonic Leadership Principles (PLP) have also been formulated as a code of conduct for each employee toward applying the Basic Business Philosophy.

As described in the Value Creation Process (refer to P5), the Company aims to achieve its mission through putting the Basic Business Philosophy into practice.

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



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

Konosuke Matsushita
Founder

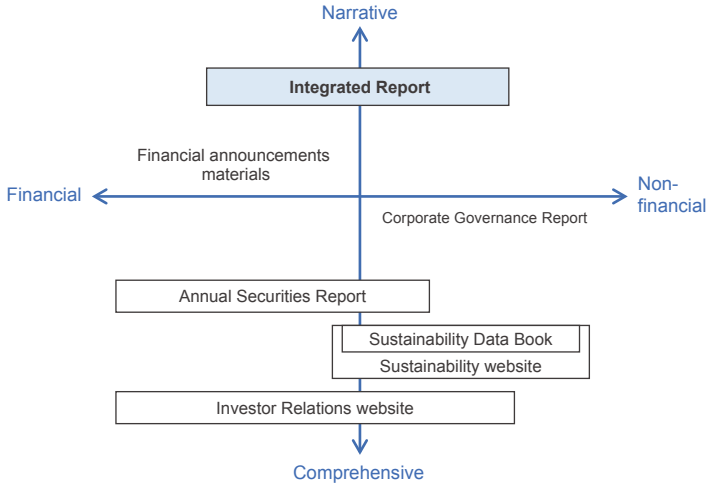
Contents / Editorial Policy

Editorial Policy

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

This 2026 edition of the report features messages from the Group CEO and other members of management, focusing on the Group Growth Strategy, as well as our initiatives in the Devices area and our organization culture transformation.

We disclose various types of information through the Integrated Report as well as other publications and channels. The outline of our information disclosure framework is shown in the chart below.



Instructions for Navigation Buttons

Navigation buttons are provided at the upper part of each page for easy navigation between pages.



Disclaimer

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

Such risks, uncertainties and other factors are not all-inclusive and further information is contained in the most recent English translated version of Panasonic Holdings’ securities reports under the FIEA and any other documents which are disclosed on its website.

Any undated information in this report is current as of the publication date.

(Date of announcement of fiscal year financial results: May 12, 2026)
(Publication date: August 27, 2026)

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<CxO Titles in the Company>

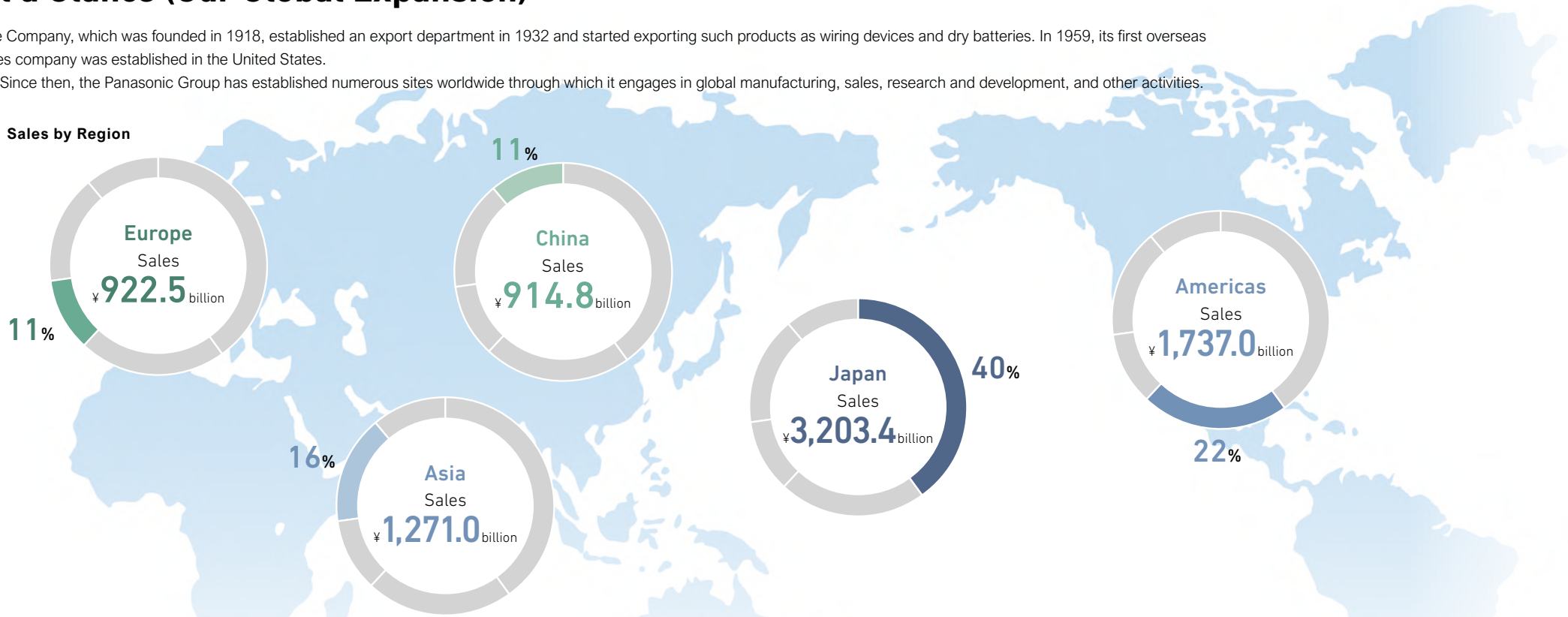
CEO: Chief Executive Officer
CAIO: Chief AI Officer
CCO: Chief Creative Officer
CFO: Chief Financial Officer
CHRO: Chief Human Resources Officer
CIO: Chief Information Officer
CRO: Chief Risk Management Officer
CSO: Chief Strategy Officer
CTO: Chief Technology Officer
CTRO: Chief Transformation Officer
GC: General Counsel
SRO: Solution Revenue Officer

At a Glance (Our Global Expansion)

The Company, which was founded in 1918, established an export department in 1932 and started exporting such products as wiring devices and dry batteries. In 1959, its first overseas sales company was established in the United States.

Since then, the Panasonic Group has established numerous sites worldwide through which it engages in global manufacturing, sales, research and development, and other activities.

Sales by Region



(For the fiscal year ended March 31, 2026)

Sales
¥8.0 trillion

Adjusted operating profit
¥447.4 billion
[Adjusted operating profit margin] 5.6%

EBITDA
¥658.1 billion
[EBITDA margin] 8.2%

Operating CF
¥624.3 billion

ROE
3.8%

Number of Employees
184 thousand
[Year-on-year] 88.5%

R&D Expenditures
¥426.4 billion
[Ratio to Sales] 5.3%

CONTRIBUTION IMPACT
Avoided emissions for society
48.46 million tons
(See P33)

Circular economy business models and products
Cumulative 15 businesses

UNLOCK indicator*
43%
* Favorable response rate for both questions in the Employee Opinion Survey, "Motivation from the company or supervisors to do more than is required" and "No significant barriers at work to doing job well" (Target: Group employees globally)
(See P30)

Diversity ratio in the management team*
55%
* Diversity of PHD Executive Officers (Total ratios of female, non-Japanese citizens and mid-career hires, excluding US region)

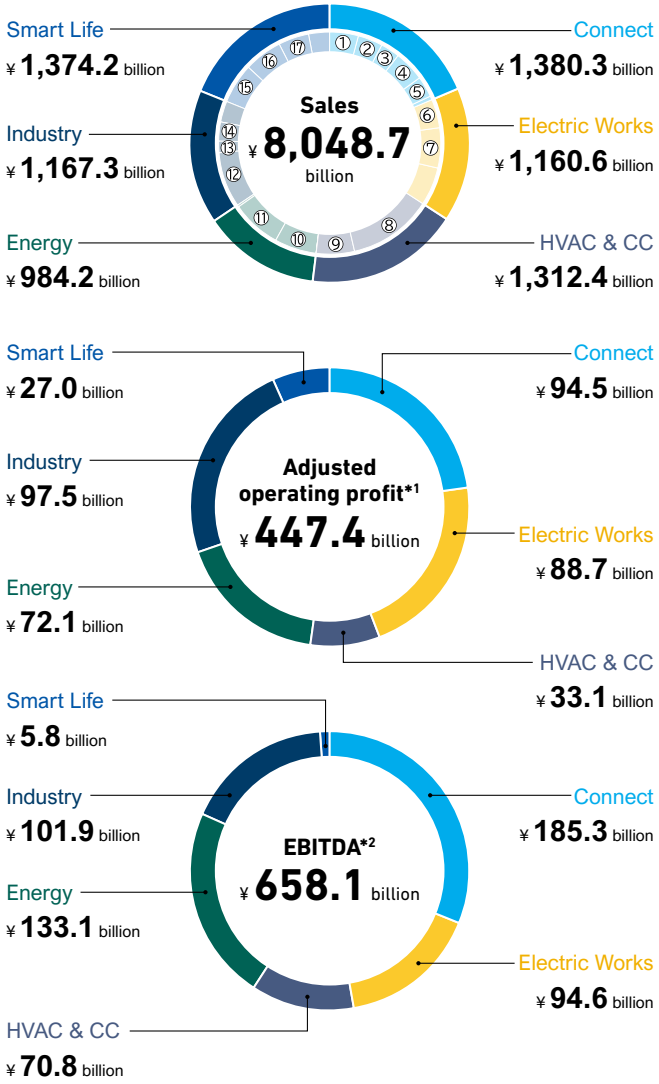
Ratio of outside directors*
53.8%
*As of June 22, 2026
(See P47)

Dividend payout ratio
49.3%

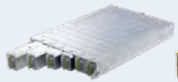
Dialogue with investors
Approx. 2,000 Institutions
(cumulative)
(See P57)

At a Glance (Composition of Group Business)

Fiscal year ended March 2026

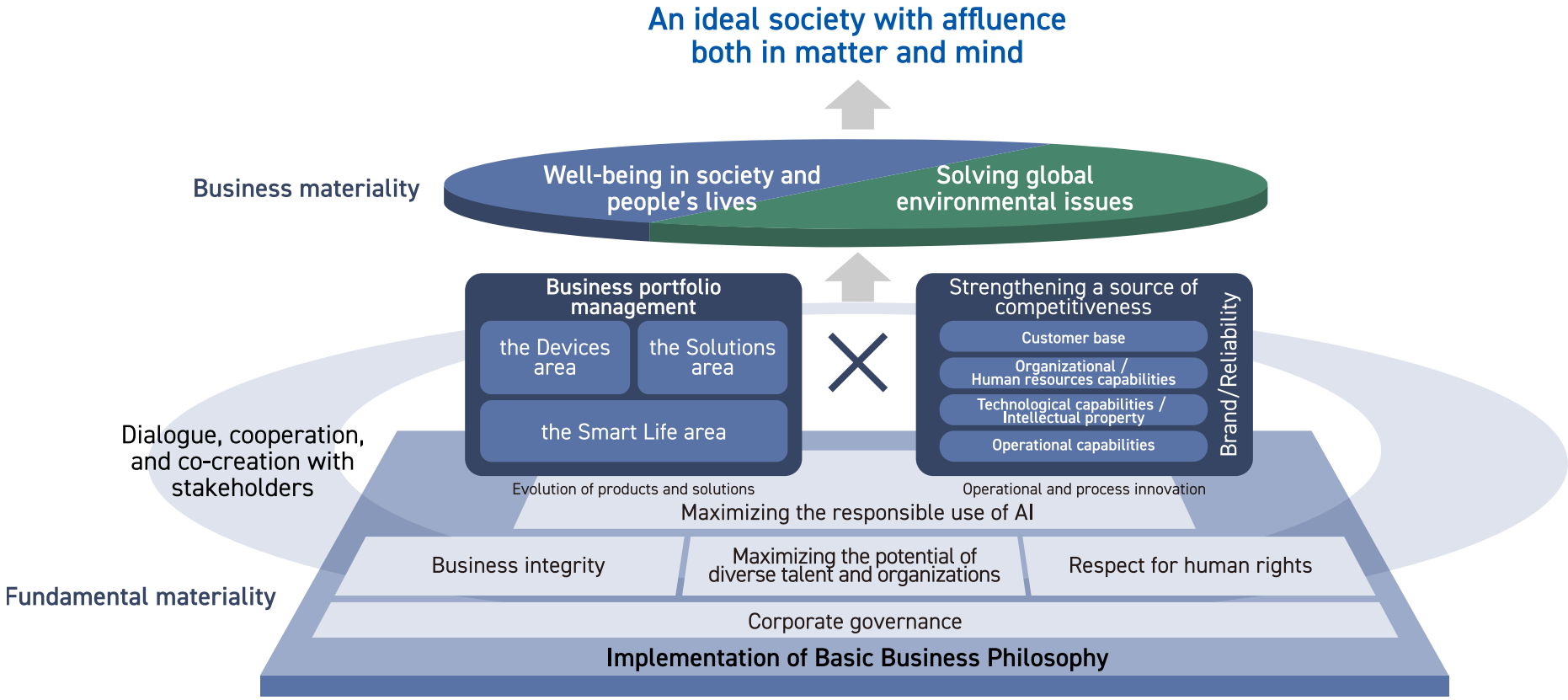


For details, please refer to the Operating Results by Segment section in the Annual Securities Report. In the net sales graph above, businesses in each segment other than those that voluntarily disclose their earnings are included under "Others."

Overview	Major products	Voluntarily Disclose Businesses
Connect We provide various solutions to our B2B customers in the four business segments of supply chain, public services, infrastructure, and entertainment.	 In-flight entertainment solution  Electronic component mounting machine  SCM (Supply chain management) software	① Avionics ② Process Automation ③ Mobile Solutions ④ Gemba Solutions ⑤ Blue Yonder
Electric Works We provide comfortable, environmentally conscious spaces by manufacturing and offering proposal-based sales of electrical equipment, including lighting, electrical construction materials, and energy management devices.	 Lighting Equipment  Electrical Construction Materials (Wiring devices)  Electrical Construction Materials (Home Energy Management System)	⑥ Lighting ⑦ Electrical Construction Materials & Living Energy
HVAC & CC We support healthy, comfortable life and a sustainable society mainly with air-conditioning, ventilation, and water heating equipment, as well as refrigerator and freezer display cases, related to air, water, and food.	 Air-to-Water heat pumps  Residential air conditioners  Refrigeration systems that use natural refrigerants	⑧ HVAC ⑨ Cold Chain
Energy We contribute to the realization of a sustainable society mainly with dry batteries that support daily life and storage batteries that serve a wide range of fields, in-cluding mobility and social infrastructure.	 Automotive cylindrical lithium-ion batteries  Energy Storage Systems for Data Centers  Primary batteries (dry batteries / lithium primary batteries)	⑩ In-vehicle ⑪ Industrial / Consumer
Industry We contribute to solving social issues such as the explosion of data driven by advances in AI, enhanced safety and environmental performance in mobility, and the advancement of manufacturing with a wide range of device technologies.	 Capacitors  Multi-layer circuit board materials  Relays  Industrial motors	⑫ Electronic Devices ⑬ FA Solutions ⑭ Electronic Materials
Smart Life We provide products and services that deliver a sense of wonder and comfort in everyday life by leveraging the strengths we have built in home-living domain centered on consumer electronics.	 Refrigerators, Washing Machines  Hair Dryers  TVs  Digital Cameras	⑮ Major Appliances ⑯ Small Appliances ⑰ AVC

*1 Adjusted operating profit = Sales - Cost of sales - SG&A
*2 Total amount of Operating profit, Depreciation (Tangible assets including Property, plant and equipment/Right-of-use assets) and Amortization (Intangible assets). Adjusted with: – amount equivalent to depreciation corresponding to underlying assets that are applied with Lease accounting treatment as a lessor – impact of temporary accounting treatment related to "re-evaluation of assets and liabilities" after Blue Yonder acquisition

Value Creation Process



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

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

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

Materiality

Identification of Materiality

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

The identification process is outlined below:

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

Subsequently, based on the Group's approach to sustainability management, we narrowed down our materialities to "priority issues for creating value for society," and conducted a review in fiscal 2026 to ensure consistency with our business direction and strategies.

Initiatives in Fiscal 2026

During fiscal 2026, the Sustainability Management Committee, established under the supervision of the Board of Directors for the purpose of discussing, directing, and managing policies, strategies, indicators, and targets regarding essential themes related to sustainability, met once a month, in principle. The Sustainability Management Committee is chaired by the Group CEO and comprises the Group CHRO, the Group CTO, the Group GC, the Group CSO, the Group CFO, the Group CCO, and Group company executive officers. Furthermore, by establishing a cross-functional project related to sustainability within Panasonic Holdings Corporation (PHD) and developing a sustainability promotion structure for each operating company, the Group was able to build a collaboration system for the entire Group. Any matters that need to be addressed by operating companies were shared and disseminated throughout the entire Group via the Group Management Meeting and other avenues. The Board of Directors holds the oversight function for sustainability, and matters deliberated and decided by the Sustainability Management Committee were reported to the Board of Directors depending on their content.

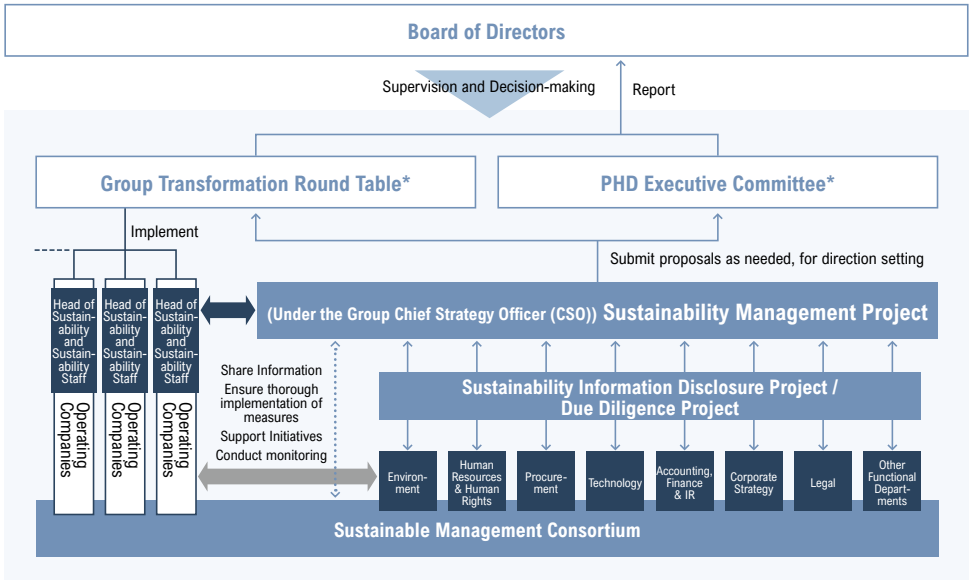
The main items discussed by the Sustainability Management Committee in fiscal 2026 are as follows:

- Progress status of indicators related to materiality
- Consideration of mid-term targets related to sustainability
- Response to domestic and international sustainability-related laws and regulations
- Review of the governance structure related to sustainability

The indicator, results, and targets are shown on the next page.

Initiatives and promotion system for fiscal 2027

Starting from fiscal 2027, the Group will integrate sustainability into Group strategy and management in order to further promote the resolution of social issues through business activities. Within this integrated management framework, discussions and direction-setting for sustainability-related policies, strategies, indicators, and targets will continue at management meetings such as the Group Transformation Round Table, in which Business CEOs also participate (See diagram on the right). The Sustainability Management Committee was dissolved at the end of fiscal 2026 following the transition to this new framework.



* Group Transformation Round Table/PHD Executive Committee: Discuss/set the direction/report on Group's mid to long term strategy, important initiatives implemented by the Company and Operating Companies, sustainability management, and material risks

As outlined in the Group Growth Strategy announced in May 2026, toward 2032, the Group will focus on the efficient use of energy and the alleviation of frontline labor shortages, and will further enhance its contributions by supporting AI infrastructure and social operations. Under the Group's long-term environmental vision "Panasonic GREEN IMPACT", we have been addressing social issues — including the efficient use of energy — by, for example, expanding our impact in the environmental field, and will continue to advance our efforts in these areas. Furthermore, in the Smart Life area, the Group will work to further enhance comfort and convenience in people's lives by providing products and services underpinned by quality and reliability, and by strengthening core technologies that deliver clearly differentiated value to customers. By promoting these initiatives in an integrated manner, the Group aims to realize "well-being in society and people's lives" from both societal and individual perspectives. We will continue to examine the indicators for "well-being in society and people's lives", based on the Group's growth strategy.

Regarding "maximizing the responsible use of AI," our Group views the introduction of responsible AI as "a promise to the rest of the world to apply AI in ways that are human-centered and that respect human rights," and is promoting the development and operation of appropriate AI products and services, as well as the utilization of AI. As part of this, we established the position of Group CAIO (Chief AI Officer) in April 2026. Under the Group CAIO, we will accelerate the transformation of "Business model," "Operational processes," and "Organization culture" in the realm of AI utilization, as part of our Group's Digital Transformation (DX) initiative, Panasonic Transformation (PX). Indicators for "maximizing the responsible use of AI" will continue to be reviewed as these initiatives progress.

(Please refer to the sustainability website here.)

Materiality

Materiality: Indicators, Results, and Targets

Materiality			Indicators		Results (FY2026)	Targets (FY2026)	Targets
Business Materiality *1	Contributing to solving global environmental issues	Contributing to decarbonization	CO_2 reduction impact		300 million tons (by 2050)		
					CO_2 emissions reductions in our own value chain *3 △32.96 million tons (27.45 million tons) *4	△40.12 million tons / (17.01 million tons)*4	16.00 million tons (FY2029)
					Avoided emissions *5 48.46 million tons	47.50 million tons	71.00 million tons (FY2029)
			Net zero CO_2 sites*6		Cumulative 60 sites *6	Cumulative 49 sites	Cumulative 86 sites (FY2029) All sites (FY2031)
		Promoting a circular economy	Amount of recycled materials used	Recycled resins	17,100 tons	25,000 tons	22,000 tons (FY2029)
				Recycled steel (electric arc furnace-based steel)	—	—	2,500 tons (FY2029)
			Number of circular economy business models/ products created		Cumulative 15 businesses	Cumulative 16 businesses	Cumulative 17 businesses (FY2029)
	Well-being in society and people's lives	Well-being in society	Further review will continue in line with the new Group Growth Strategy.				
		Well-being in people's lives					
Fundamental Materiality *2	Maximizing the responsible use of AI	Evolving products and solutions through the use of AI					
		Promoting operational and process innovation through the use of AI					
	Maximizing the potential of diverse talent and organizations	Organization culture transformation	UNLOCK indicator *7		43%	—	60% (FY2029) 70% (FY2032)*8
		Develop & appoint transformational leaders	Diversity ratio in management team (PHD Executive Officers)*9		55%	More than half	
			Ratio of female managers (in Japan)*10		8.3%	—	12% (April 2028) 16% (April 2031)
		Safe, secure and healthy work environment	The number of serious or major accidents		8	Zero	
			Productivity indicator		Each operating company sets its own indicators, and monitoring is conducted accordingly.		
	Respect for human rights		Implementation rate of in person training on forced labour prevention provided to Group sites in Japan and overseas that employ foreign migrant workers		81%	—	100% (FY2027)
			Level of understanding of participants in "Human Rights Due Diligence Promotion Training" to develop the promotion leaders at each operating company*11		88%	80%	
	Business integrity		Occurrence of serious compliance violations		Zero	Zero	
	Corporate governance		Enhancing constructive dialogue with shareholders		Implemented	Implemented	
			Ratio of outside directors in the PHD Board of Directors		More than half	More than half	
			Chairperson of the Board of Directors to be Outside Director who is Independent Director		Implemented	Implemented	
			Adoption of non-financial indicators in performance-based compensation for directors		Implemented	Implemented	

*1 Priority issues for value creation through business activities
*2 Priority issues for building and strengthening a management foundation that will enable sustainable value creation
*3 The amount of reductions in total CO_2 emissions (Scope 1, 2, and 3) in the business activities of the company, from procurement of raw materials to manufacturing, distribution, sale, use, after-sale services, and disposal.
*4 Minus sign (-) indicates an increase in emissions. The figures in parentheses represent the amount of CO_2 emissions reductions from fiscal 2021 (the baseline year) in the target businesses for fiscal 2026, including those for which calculations became available after 2021.
*5 An indicator representing the amount of CO_2 emissions reductions contributed to society and customers through business activities, calculated as the difference in CO_2 emissions before and after the introduction of the company's products or services.
*6 Sites that achieved net zero CO_2 emissions through the combined promotion of energy saving activities, the introduction of renewable energy, and the utilization of energy certificates and carbon credits.
*7 Favorable response rate for both questions in the Employee Opinion Survey, "Motivation from the company or supervisors to do more than is required" and "No significant barriers at work to doing job well" (Target: Group employees globally)
*8 Based on the Group management reform implemented in fiscal 2026, the target achievement years have been postponed by one year respectively.
*9 Diversity of Panasonic Holdings Corporation Executive Officers (Total ratios of female, non-Japanese citizens and mid-career hires, excluding US region)
*10 Japan region (Panasonic Holdings Corporation, Panasonic Operational Excellence Co., Ltd., Panasonic Connect Co., Ltd. and operating companies)
*11 The post-training questionnaire focuses on assessing the level of empathy towards "business and human rights" and the level of awareness regarding its promotion, in addition to the level of understanding of the content.

GROUP CEO MESSAGE



Yuki Kusumi
Representative Director,
President
Group Chief Executive Officer

With a stronger profit foundation established through the Group Management Reform in fiscal 2026, we are ready to take the next leap forward, driving our Group Growth Strategy and enhancing corporate value.

— Realizing an ideal society with affluence both in matter and mind —

In 1932, Konosuke Matsushita, the founder of the Panasonic Group, positioned the realization of this ideal society as the Company's true mission for the next 250 years. We have continued to tackle a wide range of social issues in pursuit of this mission.

However, we also recognize that there is still more we can do to deliver greater value to our customers and contribute to society. Looking back, we have not achieved the level of growth and profitability we aspire to over the past 30 years, nor have we fully met the expectations of shareholders and investors.

To put this stagnation behind us, we marked fiscal 2026* as a pivotal year for Group Management Reform, taking decisive actions to transform our fixed-cost structure and business portfolio and strengthen our profit foundation. Going forward, through the execution of our Group Growth Strategy, we will create value by addressing social issues through our businesses while delivering sustainable, profitable growth.

Looking toward 2032, which will mark 100 years since the Group identified its true mission in 1932, we will aim to help resolve two key issues—the efficient use of energy and the alleviation of frontline labor shortages—by supporting AI infrastructure and social operations.

The Group will continue to fulfill its role as a public entity of society by delivering value and making contributions to customers and society, generating profitable growth, and realizing sustainable growth in corporate value.

* "Fiscal 2026" refers to the year ended March 31, 2026.

Group CEO Message

Overview of the Group Management Reform

Fixed-cost structural reform and profit improvement + **Business portfolio management**



In the Group Management Reform for fiscal 2026, we worked on fixed-cost structural reform and business portfolio management.

(1) Fixed-cost structural reform

One of the factors limiting our profitability was our heavy fixed-cost structure compared with other comprehensive electronics manufacturers that implemented their management structural reforms earlier. Through extensive fixed-cost structure reform across the Group, we built a leaner and more resilient operating structure capable of adapting to a rapidly changing business environment.

More specifically, to eliminate the previous multilayered structure, we progressively dissolved the former Panasonic Corporation and established three operating companies: Panasonic Electric Works Co., Ltd., Panasonic HVAC & CC Co., Ltd., and the new Panasonic Corporation for consumer electronics. In addition, we integrated and streamlined divisions at the headquarters, as well as sales and indirect departments, while also integrating and closing sites. As a result, our workforce was reduced by approximately 12,000 employees globally. These initiatives are expected to improve adjusted operating profit by approximately 145 billion yen in fiscal 2027 compared with fiscal 2025, exceeding our initial target of 122 billion yen.

As Group CEO, deciding on a headcount reduction of this scale was an extremely difficult decision for me. However, I am convinced that through this fixed-cost structural reform, we have been able to strengthen our management structure for the growth phase.

(2) Business portfolio management

Despite our efforts to strengthen each business, some underperforming businesses remained in our portfolio. These included some businesses we have identified as “businesses with issues.”—those with low growth potential and a return on invested capital below the cost of capital—as well as “businesses that need to be reconstructed and businesses whose conditions need to be scrutinized,” which face challenges in terms of competitiveness and positioning, still remained. Through the Group Management Reform, we have clarified the strategic direction for all of these low-profit businesses. Looking ahead, we will continue to strengthen business portfolio management to achieve sustainable growth in a rapidly changing social environment.

With a stronger profit foundation established through the Group Management Reform, supported by fixed-cost structural reform and business portfolio management, we are now moving into our next phase of growth.

Group CEO Message

Group Growth Strategy

As we pursue our mission of realizing an ideal society with affluence both in matter and mind, the Group will continue to evolve by helping resolve social issues that arise with the times, thereby supporting the development of society and industry.

Looking toward 2032, we will focus on helping solve two key challenges—the efficient use of energy and the alleviation of frontline labor shortages—through our support for AI infrastructure and social operations.

Our contribution toward 2032

Evolving by helping resolve social issues that arise with the times, thereby supporting the development of society and industry

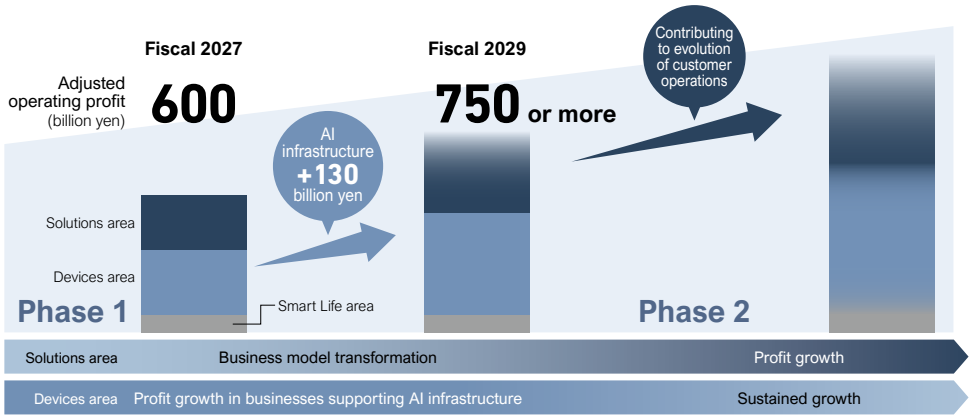


By contributing to the solution of these two key challenges, we will, in Phase 1, drive the Group's growth over the three years through fiscal 2029. Businesses in the Devices area that support AI infrastructure will lead this growth, with significant increases in both sales and profit. Including growth in our other businesses, we aim to increase adjusted operating profit by more than 150 billion yen from the fiscal 2027 target of 600 billion yen and achieve our target of more than 750 billion yen in fiscal 2029.

During this period, we will transform our business model in the Solutions area to further contribute to the evolution of customer operations and make it the core driver of our profit growth in Phase 2 from fiscal 2030 onward. From Phase 2 onwards, we will also continue to drive sustainable growth in the Devices area and the Smart Life area, centered on the consumer electronics business, through technological innovation and enhanced competitiveness.

Profitability roadmap

Driving the Group's growth through businesses supporting AI infrastructure in the Devices area
Transforming our business model in the Solutions area to make it the core driver of our future earnings



* As of May 12, 2026

Three areas of the Panasonic Group

Devices area	Solutions area	Smart Life area
Driving growth through contributions to AI infrastructure	Further expanding recurring business through services and engineering	Enhancing global trust by maximizing awareness and value of the Panasonic brand
Energy Industry	Connect Electric Works HVAC & CC	Smart Life

Group CEO Message

Devices area

In the Devices area, we are targeting the rapidly growing AI data center market driven by the wave of AI adoption.

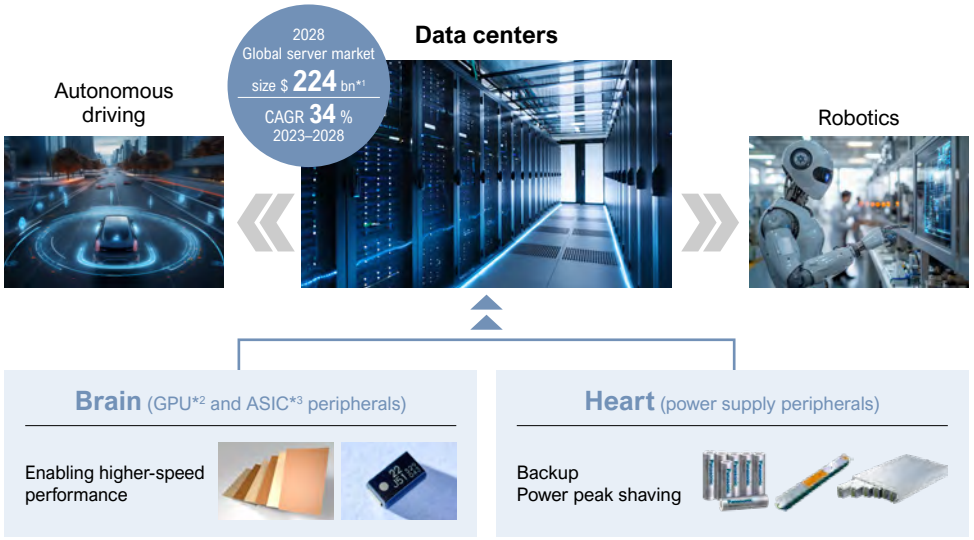
With our high-performance multi-layer circuit board materials and conductive capacitors in the Industry segment, we are expanding our contributions beyond the peripheral circuits of GPUs*2, ASICs*3, and CPUs—the "brains" of AI processing—to a broader range of peripheral equipment used in data centers as these devices become faster and more sophisticated.

The Energy segment's energy storage systems for data centers play a vital role around power supply systems—the "heart" of AI servers—and will continue to contribute to the market by not only providing power backup but also continuously advancing peak-shaving performance to meet the increasingly demanding power requirements accompanying the evolution of GPUs and other components.

Looking ahead, we will broaden the range of our contributions to include equipment used in more familiar settings, such as AI-driven autonomous driving and robotics.

Businesses supporting AI infrastructure in the devices area

Contributing to the advancement of social infrastructure by supporting the "brain" and "heart" that drive AI with our devices



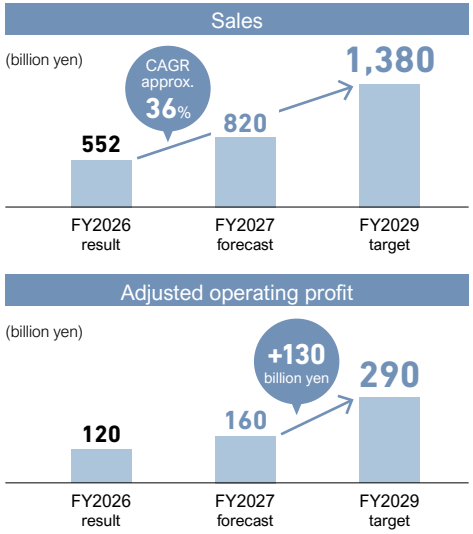
*1 Company estimates based on the data from Gartner, Inc.
*2 Graphics processing units (semiconductors for large-scale AI computing)
*3 Application specific integrated circuits

In the businesses supporting AI infrastructure, we are targeting sales of approximately 1.4 trillion yen and adjusted operating profit of 290 billion yen in fiscal 2029, and even further growth from fiscal 2030 onward. These figures are based on future demand projections already received from our customers.

Based on this demand growth, we will allocate approximately 500 billion yen over fiscal 2027 to fiscal 2029 to businesses supporting AI infrastructure as part of the Group's overall capital allocation. We will invest approximately 350 billion yen in the Energy segment and the remaining 150 billion yen in the Industry segment to propel the evolution of devices and systems, including the introduction and expansion of next-generation products, and to meet strong customer demand.

We will address the AI infrastructure-related market—which continues to grow at an unprecedented speed—by making sure we have sufficient production capacity and firmly seizing growth opportunities. At the same time, it is imperative that we anticipate the risk of weakened demand in advance, which necessitates the building of a structure capable of withstanding sudden changes in the business environment. In parallel, we are pressing ahead with initiatives to bolster resilience and our ability to respond to changes by improving our operational efficiency and shortening lead times.

Sales and Profit



* As of May 12, 2026

Investments

Businesses supporting AI infrastructure Cumulative investment for FY2027-2029	Approx. **500** billion yen
Advancing devices and systems	■ Rolling out and scaling up next-gen products ■ Strengthening the development of basic technologies for future growth businesses
Enhancing production capacity	■ Making effective use of existing equipment ■ Increasing capacity with capex to meet AI data center demand

Group CEO Message

Solutions area

In the Solutions area, over the three years through fiscal 2029 (Phase 1), we will transform our business model by shifting the focus of value propositions from hardware sales to services.

In this area, we will support the operations of various corporate customers and public institutions with our “always-on, energy- and labor-saving" solutions through services and engineering on our hardware, addressing issues such as labor shortages resulting in higher labor costs, environmental issues and regulations, and surging energy costs.

Our greatest contribution in this area is to help customers upgrade their operations. Amid rising energy costs, stricter environmental regulations, and worksite labor shortages, customers will increasingly place value not only on the equipment itself but also on total value, including operational efficiency, labor savings, and environmental solutions. To further contribute to the advancement of customer operations, we will connect the hardware already adopted by a wide range of customers through networks and reinforce our on-site services and engineering framework, thereby making it the core driver of profit growth in Phase 2 from fiscal 2030 onward.

Business model transformation in the Solutions area





Group CEO Message

Human capital management that supports our growth strategy

People are the most important asset in enabling the Group to continue to evolve and support the advancement of society and industry. Our strength lies in our people, and we recognize that developing people and making the most of their potential, as stated in the Group's Basic Business Philosophy, is the very foundation of the Group's management and directly linked to our competitiveness. As part of our Group Growth Strategy, we will further accelerate initiatives that empower each employee to take on new challenges and achieve personal growth.

Achieving our growth strategy

To achieve growth amid rapid changes in the business environment and technology, we must adapt our strategies and actions more quickly. Accordingly, rather than relying on a conventional three-year medium-term management plan, we have adopted a rolling approach to our growth strategy. Going forward, we will review our strategy and action plans annually with three- and six-year horizons and set corresponding KPIs and KGIs. For businesses that require greater responsiveness to changes, we will revise strategies and actions as needed without waiting for the annual review cycle.

Also, under a new structure that we adopted in April 2026, the presidents of the operating companies also serve as executive officers of the holding company. We aim to further strengthen management from the perspective of Group-wide optimization rather than individual optimization of each operating company mainly by leveraging the strengths of being a Group, actively sharing information and facilitating collaboration between operating companies, and standardizing overlapping functions. The current Group Growth Strategy was formulated through numerous discussions between the holding company and the presidents of the operating companies, beginning in the second half of fiscal 2026, prior to the organizational restructuring, but with the new structure in mind. For that reason, the management team's enthusiasm toward realizing this strategy is at an unprecedentedly high level.

With our executive compensation system, we are also strengthening our sense of unity as a Group and enhancing our commitment to increasing corporate value. We have now introduced performance-based stock compensation and significantly increased the weighting of stock compensation for the Company's directors and executive officers, including the presidents of the operating companies. This performance-based stock compensation is evaluated solely based on relative TSR*4, and the Group's management team will align itself more closely with shareholder interests and work even harder to enhance corporate value with the aim of outperforming TOPIX (Tokyo Stock Price Index) and our competitors.

*4 Total Shareholder Return: The return calculated from the sum of the amounts of stock price appreciation and dividends

In conclusion

The Panasonic Group's growth has remained stagnant for the past 30 years. Changing this trajectory and passing a stronger Group on to the next generation is a responsibility we must fulfill. This is a determination shared by the entire management team, including myself. The Group Management Reform undertaken in fiscal 2026 was only the first step. It is the important responsibility of both myself and the current management team to build the foundation needed to return the Group to a growth trajectory and carry that momentum into the next phase and beyond. As Group CEO, I am committed to executing our growth strategy and leading the Panasonic Group into its next stage of growth.



GROUP CFO MESSAGE

Focusing capital on high-return areas and maximizing corporate value



Akira Waniko
Director, Executive Officer
Group CFO

I assumed the role of Group CFO last year. Since then, we have been focusing on: (1) fundamental improvement in profitability; (2) business portfolio management; (3) capital allocation; and (4) dialogue with the capital markets, positioning fiscal 2026 as a year dedicated to executing the Group Management Reform.

(1) To achieve a fundamental improvement in profitability, we have pressed ahead with efforts to optimize our fixed-cost structure by executing structural reforms and build a profitability structure that can generate sustainable profits even in a changing operating environment.

(2) For business portfolio management, we have continuously been advancing portfolio management by setting the direction of the businesses we have identified as “businesses with issues” and shifting our resources to growth areas.

(3) For capital allocation, we have been maintaining financial stability while implementing capital allocation that contributes to growth in corporate value, including investments in high-return areas through ROIC management for each business division.

(4) As for dialogue with the capital markets, we have been providing the timely and appropriate disclosure of progress and results of our initiatives and incorporated insights gained through constructive dialogue into management.

Building on these initiatives, we are shifting to a growth phase starting in fiscal 2027. As we steadily reap the benefits of the Group Management Reform, we position AI infrastructure-related businesses as pillars of growth and execute swift and targeted capital allocation for each business. At the same time, we are working to improve capital efficiency, aiming to achieve an ROE of 10% or more over the medium-to-long term.

Review of Fiscal 2026

In fiscal 2026, we focused on the Group Management Reform, implementing fixed-cost structural reform and advancing business portfolio management, including setting the direction of businesses with issues.

As part of the fixed-cost structural reform, we eliminated the multilayered structure of the former Panasonic Corporation. We also streamlined and increased efficiency of the headquarters and indirect departments, as well as integrated and closed business sites. These measures resulted in a reduction of a total of 12,000 employees both in Japan and outside Japan. While the restructuring has involved some short-term difficulties, the effects of the structural reform are expected to be 145 billion yen from fiscal 2026 through fiscal 2027, exceeding our initial target and laying the foundation for sustained growth.

In advancing business portfolio management, we set directions for businesses with issues and pressed ahead with streamlining and reorganizing businesses. We completed the setting of directions for the Industrial Device/Electromechanical Control businesses, the Kitchen Appliances business, and the TV business, all of which had been identified as businesses with issues due to their low growth potential and inability to deliver the returns expected by the capital markets. In addition, as part of the streamlining and reorganization of businesses, we carried out measures such as the transfer and deconsolidation of Panasonic Housing Solutions Co., Ltd., Ficosa International, S.A., and the sales and marketing functions of the security systems business. We also announced a plan to transfer and deconsolidate the power tools business and the automotive motor and automotive cooling fan motor business. We are proceeding with the necessary procedures to execute these actions.

As a result, in fiscal 2026, net sales was 8,048.7 billion yen, adjusted operating profit was 447.4 billion yen, operating cash flow was 624.3 billion yen, and ROE was 3.8%. We will make sure that the effects of the Group Management Reform are not just temporary—we will firmly establish improved profitability as a lasting achievement that leads to future growth. Business portfolio management is an ongoing process, and we will continue to implement it as we drive the transition toward the business structure we intend to achieve.

Group CFO Message

Basic approach to financial management

In our basic approach to capital allocation, we continue to emphasize return on invested capital and financial stability. By allocating capital to areas with higher expected returns, we will move away from an "all-encompassing" approach and work to achieve sustained enhancement in corporate value.

As for return on invested capital (ROIC), we manage it as a core element of business management by thoroughly monitoring ROIC in each business division, while for businesses with issues, we work with operating companies to intensively and quickly identify and implement improvement measures. By carefully assessing the scale and profitability of invested capital, we will ensure that all businesses generate returns that exceed the cost of capital and aim to achieve an ROE of 10% or more as the Group over the medium-to-long term.

As to financial stability, we will maintain a net debt*1/EBITDA ratio of 1.0x or below as a basic policy to ensure sound financial health that supports sustainable business operations. At the same time, when it comes to growth opportunities in high-return areas such as AI infrastructure-related businesses, we will flexibly and proactively consider financial measures and capital policies, taking into account improvement in the Group's overall profitability.

For shareholder returns, we will make every effort to pay stable and continuous dividends, targeting a consolidated dividend payout ratio of 30% while meeting the expectations of shareholders and investors through further enhancement of corporate value.

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

Growth strategy from fiscal 2027 onward

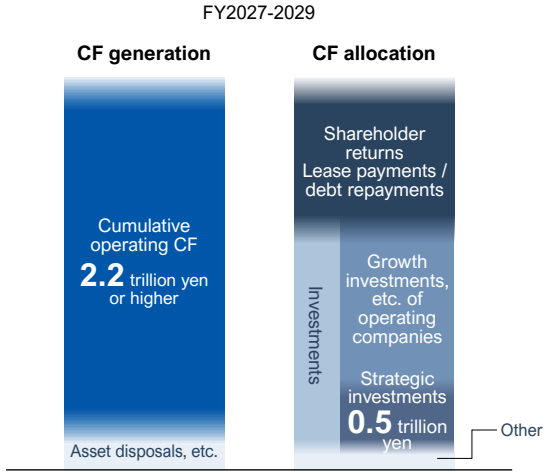
From fiscal 2027 onward, we will drive the Group's growth through businesses supporting AI infrastructure in the Devices area and also transform our business model in the Solutions area to strengthen our future profit foundation. We understand that the expanding AI infrastructure-related market represents an enormous business opportunity and that the scope of areas where we can contribute is continuing to widen. We will prioritize allocating 500 billion yen in strategic investments to the field of AI infrastructure over the three years through fiscal 2029, aiming to establish it as a pillar of growth.

For cash generation, which underpins our capital allocation, we have set a baseline target of 2.2 trillion yen in cumulative operating cash flow over the three years from fiscal 2027 to fiscal 2029, and we will work to further increase this amount going forward. We will use the funds generated as a source for growth investments and shareholder returns. For fiscal 2027, based on our profit growth forecast, we expect to pay a record-high dividend of 54 yen per share.

In addition, owing to the revision of the executive compensation system in fiscal 2027, we raised the ratio of stock compensation to basic compensation and newly introduced a performance-linked component (linked to relative TSR*2) to the stock compensation portion. This ensures that the Group's executives commit to achieving earnings targets and deliver sustainable growth in corporate value, thereby sharing value with shareholders and investors more than ever before.

*2 Total Shareholder Return: The return calculated from the sum of the amounts of stock price appreciation and dividends

By steadily benefitting from the effects of the Group Management Reform implemented in fiscal 2026 and capitalizing on growth in AI infrastructure-related businesses, we are targeting adjusted operating profit of 600 billion yen in fiscal 2027 and 750 billion yen or higher in fiscal 2029. As Group CFO, I will continue to focus our capital on high-return areas through ongoing initiatives in business portfolio management, thereby supporting the Group Growth Strategy while striving to maximize corporate value.



* As of May 12, 2026



Business Portfolio Management

Continuing to address evolving social issues through business portfolio management

Over the years, the Panasonic Group has expanded the scale and scope of its businesses in response to evolving needs of society. In order to respond promptly to market and industry issues and be a company of choice for customers in competition with companies specialized in each business area, we transitioned to an operating company system, which makes each business more specialized and focused, in 2022 with Panasonic Holdings as the holding company. The transition to such an operating company system made it easier to strengthen our business focus, as we delegated authority to the operating divisions and enhanced our agility to form capital alliances with other companies, expanding our strategic options.

We continue to review our business portfolio from three perspectives: (1) Relevance to Group-wide common strategy; (2) Market position & competitiveness; and (3) Best ownership. Among these perspectives, best ownership is particularly important. In a rapidly changing business environment, there are limits to strengthening every business on our own. Based on that, we transfer businesses that face challenges in responding to market changes or maintaining ongoing investments, while they still maintain a certain business strength, to partners whose growth-oriented approach aligns with ours and who are committed to carrying them forward in a timely manner. This means, without stifling potential opportunities, our accumulated technologies, businesses, and human resources can be utilized for the benefit of society, and also, we can concentrate our limited management resources on the businesses we want to strengthen. From fiscal 2025 onward, businesses in such areas as automotive devices and housing equipment, worth just over 2 trillion yen in total, have commenced operations under new ownership.

Starting in fiscal 2027, we will address social challenges through three strategic areas: Solutions, Devices, and Smart Life, along with enhancing business competitiveness.
Over the three years through 2028, we will invest a total of 500 billion yen to enhance the Devices businesses, which support the evolution of AI data centers—now essential infrastructure for social activity—by ensuring energy efficiency and stable operations. In addition, in the Solutions business, we will enhance our organizational capabilities in services and engineering to contribute to more sophisticated social operations that underpin daily life.

We will further evolve by continuously reviewing our businesses, aiming to generate sustainable growth by creating value for our customers and society.



Kazuyo Sumida
Director, Executive Officer
Group Chief Strategy Officer
(Group CSO)

Three areas of Panasonic Group

The Panasonic Group has contributed to the development of both society and industries and has continuously evolved by helping resolve social issues that change with the times. Toward 2032, the Panasonic Group aims to address two key challenges—the efficient use of energy and the alleviation of frontline labor shortages—by making contributions in the three areas of Devices, Solutions, and Smart Life, thereby achieving further growth.

In the Devices area, we address the rapidly growing AI data center market by supporting AI infrastructure through contributions to AI server acceleration, advancement, stable operation, and power efficiency. As a main pillar of profit for the Group, this area will drive Group growth in both sales and profit. We have strong products, particularly data center energy storage systems, high-performance multi-layer circuit board materials, and conductive polymer electrolytic capacitors. And, we have built strong relationships of trust with its leading customers in the Generative AI market. By leveraging this strength, we anticipate future customer challenges and translate them into concrete design proposals, we are targeting sustainable growth.

In the Solutions area, we will support the operations of various companies and public agencies with "always-on, energy and labor-saving" solutions through service and engineering by combining our hardware—already chosen by many customers across a wide range of industries—with AI- and digital-enabled service and engineering capabilities. We will transform our business model to further contribute to the evolution of our customers' operations. Then, we will make this area the profit growth core from fiscal 2030 onward.

The Smart Life area—our consumer electronics business—plays a vital role in strengthening the Panasonic Group brand. We believe that contributing to the daily lives of our customers and earning their trust through our unique core technologies enhances the recognition and credibility of our B2B businesses. In the consumer electronics business, we will rigorously pursue global-standard cost efficiencies and enhance its competitiveness to achieve high return and sustainable growth.

The Panasonic Group will continue to transform itself to help resolve social issues that arise with the times.

* In fiscal 2026, energy storage systems for data centers were positioned within the Solutions area. However, because continuous technological advancement in devices, which is capable of keeping pace with the evolution of AI server technology, is key, they are positioned within the Devices area in fiscal 2027 onward.

Devices area
Drive growth by contributing to AI infrastructure
PEC PID

Solutions area
Expand recurring business through services and engineering
PCO PEW PHCC

Smart Life area
Enhance global trust by maximizing Panasonic's brand awareness and value
PC

PEC: Panasonic Energy Co., Ltd.
PID: Panasonic Industry Co., Ltd.
PCO: Panasonic Connect Group
PEW: Panasonic Electric Works Co., Ltd.
PHCC: Panasonic HVAC & CC Co., Ltd.
PC: Panasonic Corporation

Segment-Specific Strategies: Devices



Kazuo Tadanobu
Panasonic Energy Co., Ltd.
CEO

Masato Ozawa
Panasonic Industry Co., Ltd.
CEO

Energy Business CEO Dialogue Industry

Support the “brain” and “heart” that power AI with devices

Contribute to evolution of social infrastructure

Confident in achieving fiscal 2029 targets for AI infrastructure-related businesses

Q1 **As demand for AI infrastructure continues to expand alongside advances in AI, the Panasonic Group’s AI infrastructure-related businesses are also growing significantly. How do you view the market environment behind this growth, and what future do you envision?**

Ozawa AI is evolving as new capabilities, such as agents, are added to its existing learning and inference capabilities, and as these capabilities begin to interact with one another. The semiconductors that support this, such as GPUs*1, ASICs*2 and CPUs are also evolving, not just as standalone components, but in a way that could be called “orchestration,” where they work together to achieve functionality across the entire system.

These advancements have led to an explosive increase in data processing volume, making it crucial to address the resulting increase in power consumption. As power supplies for servers move toward higher power and higher voltages, the devices used inside, such as capacitors, are shifting into the high-end segment to meet demanding conditions like high temperatures, high currents, and space constraints. In addition to our high-performance multi-layer circuit board materials such as MEGTRON and conductive polymer electrolytic capacitors, Panasonic Industry will expand the product lineup it has cultivated for automotive applications into the AI domain to capture growth opportunities. The impact is expanding beyond data-center-centric infrastructure applications to edge domains such as ADAS*3 and robotics.

Furthermore, we plan to make capital investments in production facilities of approximately 150 billion yen over the three years leading up to fiscal 2029, aiming to double our production capacity and strengthen our supply system. Through this, we aim to reliably capture the growing demand and increase AI-related sales to approximately 430 billion yen by fiscal 2029, about double the sales of fiscal 2026.

*1 Graphics processing units (semiconductors for large-scale AI computing)
*2 Application specific integrated circuits
*3 Advanced Driver Assistance Systems

Segment-Specific Strategies: Devices

Tadanobu As Mr. Ozawa mentioned, the advancement of AI has led to a rapid increase in power consumption in data centers, and the role required of power supplies is changing dramatically. In addition to the traditional requirements of backup power and peak suppression, more advanced power management, such as absorbing fluctuations in power load and optimizing the entire system, is becoming essential. In this environment, the importance of power supply systems that are not only highly efficient and high-output but also flexibly controllable is increasing even further.

Based on this understanding of the market, Panasonic Energy aims to be a power solutions provider for data centers, centered on its safe battery technologies. The goal is to enhance customer value not just by supplying products, but by providing solutions that optimize the entire energy storage system in server rooms.

To ensure future growth and capture expanding demand, we will invest approximately 350 billion yen* over the next three years to simultaneously increase production capacity and develop next-generation power supply technologies. As part of this effort, we will strengthen our production systems not only in Japan but also in North America, and promote the construction of a North America-based supply chain to enhance our supply capacity and competitiveness. This will enable us to achieve sustained growth while maintaining our leading position in the fast-growing market for distributed power systems in data centers. As a specific target, we are aiming for sales of at least 950 billion yen, with our sights set on the 1 trillion yen level, for fiscal 2029.

* Includes investments in common infrastructure with In-vehicle battery production at the Kansas Factory



Winning through technological capabilities and ability to propose solutions, backed by strong customer trust

Q2 Where can we find our current competitive advantage, and what do you think is the key to maintaining and strengthening going forward?

Tadanobu For more than ten years, Panasonic Energy has built strong relationships of trust with its hyperscaler customers by being deeply involved from the conceptual and design stages and by delivering value that goes beyond simply supplying products.

At the core of this is our ability to anticipate future customer challenges and translate them into concrete design proposals. By engaging with customers at the level of device specifications and power control, we can propose solutions that anticipate future needs and identify the optimal solution jointly with customers.

Another crucial strength is our advanced manufacturing capabilities, which enable us to reliably translate those proposals into tangible products. In addition to our development and supply capabilities that enable mass production while achieving high levels of performance, safety, and reliability, we are able to effectively capitalize on market opportunities by making swift investment decisions and establishing production systems to meet expanding demand.

By combining these proposal capabilities with manufacturing capabilities and quickly embodying design ideas co-created with customers, we are in a position to establish these designs as industry standards.

As a result, we have built a business model that includes development capabilities and a supply framework on both the device and system sides. This has become a strong competitive advantage of ours that other companies cannot easily imitate, and we will continue to maintain and strengthen it.

Ozawa In fields where adoption as a reference design*4 is key to market deployment, Panasonic Industry has built a position where we are continuously chosen by our customers by deeply engaging with them from the design stage. A specific example is our conductive polymer electrolytic capacitor, whose market rollout over 20 years ago started with its adoption in a reference design for PCs. Since then, placing great importance on our relationships with semiconductor manufacturers and EMS*5/ODM*6 customers, we continued to address each design change individually, deepening these customer connections. Furthermore, as hardware and infrastructure become increasingly sophisticated and diversified alongside social and technological developments, we have accurately grasped these changes and expanded our application areas from PCs to servers, telecommunication base stations, and AI/data centers.

*4 Recommended and Reference Designs Provided by Semiconductor Manufacturers and Other Suppliers
*5 Electronics Manufacturing Services
*6 Original Design Manufacturer

Segment-Specific Strategies: Devices

What supports this growth is our black box technologies for materials and processes. Our strength in materials lies first and foremost in our material formulation design, which is based on years of accumulated technology. Because our design involves a chemical reaction that changes material properties, other companies cannot reproduce it even if they analyze the product. Furthermore, in our manufacturing process, for example, we employ a unique manufacturing process that involves multiple steps in sequence, and this cannot be achieved simply by buying the equipment and setting it up. Having these unique strengths in both materials and processes is the source of our competitiveness.

Going forward, we will continue to shorten development lead times by utilizing smart labs that incorporate AI, data utilization, and automation, and promote open innovation through industry-academia collaboration and cross-industry partnerships, thereby further strengthening our R&D capabilities and competitive advantage.



Aiming to expand business opportunities through new product offerings

Q3 What new product offerings are you considering in light of anticipated changes in technology?

Tadanobu As the advancement of AI drives higher power consumption, data center power architectures are undergoing significant changes. The introduction of dedicated power racks and advancements in HVDC (High Voltage Direct Current) technology are now requiring different power supply configurations and system designs than before.

To address these structural changes, Panasonic Energy is developing and deploying next-generation power solutions such as CBUs (Capacitor Backup Units) and BBUs (Battery Backup Units) for dedicated power racks. These are products optimized for next-generation architectures, helping manage power-load fluctuations and achieving higher efficiency.

In the case of CBUs, we plan to begin mass production during fiscal 2027 in collaboration with Panasonic Industry, and have also begun developing next-generation models. Similarly, for HVDC-compatible BBUs, we plan to complete preparations for mass production by the end of fiscal 2027 and establish a system to respond quickly to future market needs.

These efforts are supported by development capabilities that integrate both devices and systems. Going forward, we will continue to engage with customers from the conceptual stage and provide solutions that anticipate technological advancements, thereby ensuring that we can capitalize on new business opportunities.

Ozawa Panasonic Energy's CBUs use Panasonic Industry's supercapacitors as their core device. This is a proprietary product developed based on technologies cultivated in the automotive sector, leveraging the technology platform common to both batteries and capacitors. By taking advantage of its ability to supply large currents instantaneously and absorb fluctuations in power load, it can contribute to improving power efficiency. Furthermore, for devices such as relays and inductors, we are leveraging the strengths of high heat resistance and reliability cultivated in the automotive sector and deploying them to AI infrastructure. Rather than merely extending existing technologies, we are pursuing breakthrough technological development to create innovative devices that will become a new de facto standard. Going forward, we will continue to steadily capture expanding market opportunities in pursuit of business expansion that exceeds market growth in fiscal 2029.

Tadanobu In the Devices area, as a business that supports AI infrastructure, we will continue to propose products that meet the needs of customers and contribute to addressing the social challenge of making more efficient use of energy in order to achieve sustainable business growth and improve the value of the Group.

Segment-Specific Strategies: Devices

Energy (Panasonic Energy Co., Ltd.)



Contributing to a sustainable society through a focus on Green (EVs) and Digital (Data Centers)

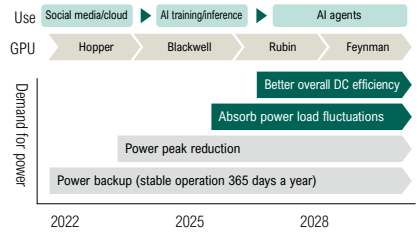
Kazuo Tadanobu
CEO

Fiscal 2027 forecast (As of May 12, 2026)
Sales ..... ¥ **1,372.0** billion
Adjusted operating profit ..... ¥ **173.0** billion
EBITDA ..... ¥ **263.0** billion

Fiscal 2029 Management Targets (Energy Storage Systems for Data Centers)
Sales ..... ¥ **950.0** billion
(Approx. 3x vs. fiscal 2026)
ROIC * ..... **20**% or more
*Target for the Energy Solutions Business Division

Key Market Environment

Changing needs of the AI data center industry



- Investment in data centers (DCs) continues to grow as generative AI becomes more widely deployed
- Evolution of GPUs has increased DC power consumption, making optimization of energy efficiency essential
- There is rapid growth in demand for advanced power supply solutions for DCs that achieve both improved overall efficiency and stable operation

Key Growth Strategies

(1) Based on two-pillar management encompassing in-vehicle (for EVs) and industrial & consumer (including energy storage systems for DCs), optimize management resources across our entire secondary battery business to achieve sustainable growth
(2) With energy storage systems for DCs as a growth driver, shift resources from in-vehicle systems, thereby further strengthening development capabilities and the supply system, achieving both business growth and sustained profitability and maintaining industry leadership
(3) Now that the Kansas Factory has been successfully launched, establishing a supply system primarily for strategic automotive customers and the fast-growing DC business, evolve it into a major earnings-generating production hub following the Nevada Factory

Strengths Supporting Our Competitive Advantage

(DC business) Rapidly commercialize solutions co-created with customers and establish them as industry standards, supported by our dominant market position
(1) Strong relationship of trust with hyperscalers based on more than 10 years of proven experience
(2) Ability to anticipate increasingly sophisticated power supply needs and propose concrete solutions that define the required functions
(3) Development and production systems that achieve high output, high safety, and high reliability through proven technology
(In-vehicle business) Development and supply capabilities for batteries that achieve the performance requirements of strategic customers
(1) Development capabilities for automotive cells that combine industry-leading energy density and safety
(2) Early entry into US production and a production system that can respond quickly to customer needs
(3) Resilient supply network through multi-sourcing adapted to each country's policies

- Investor Day https://holdings.panasonic/global/corporate/investors/presentations/ir-day-2026.html
- Panasonic Energy Integrated Report https://www.panasonic.com/global/energy/sustainability/report.html

Industry (Panasonic Industry Co., Ltd.)



A device manufacturer that continuously creates unique value through materials × process technologies

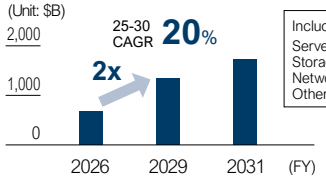
Masato Ozawa
CEO

Fiscal 2027 forecast (As of May 12, 2026)
Sales ..... ¥ **1,130.0** billion
Adjusted operating profit ..... ¥ **110.0** billion
EBITDA ..... ¥ **165.0** billion

Fiscal 2029 management goals (AI-related)
Sales ..... ¥ **430.0** billion
(Approx. 2x vs. fiscal 2026)

Key Market Environment

Global data center capital expenditure



Source: Dell'Oro Group (as of January 2026)

Driven by advancements in AI, global data center capital investment is projected to grow at an average annual rate of 20% from FY2026 to FY2031, doubling by FY2029 compared to FY2026. Demand for our devices, which support the "brain" of AI, is increasing as data processing volumes and power requirements grow.

Key Growth Strategies

(1) [Strengthen priority businesses] More than double supply capacity from FY2026 to FY2031 of our high-performance, multi-layer circuit board materials and conductive polymer electrolytic capacitors, which meet the high-speed processing, high-current, and high-temperature environment requirements of AI servers. Proactively respond to growing demand.
(2) [Expand products and markets] Introduce into the AI domain products that leverage the strengths Panasonic has cultivated over many years in automotive applications, such as supercapacitors for server power supplies. Acquire reference designs for AI semiconductors to expand into edge fields such as ADAS and robotics.
(3) [Create innovative devices] Accelerate capital investment and R&D to achieve further growth. Instead of simply extending current products, pursue discontinuous technological development to create products that will become new industry standards.

Strengths Supporting Our Competitive Advantage

[Proactive marketing based on future hypotheses]
Panasonic has built long-standing relationships of trust with key players in the industry such as semiconductor manufacturers and EMS* providers. The insights gained from these relationships allow us to construct highly accurate hypotheses about the future and anticipate technology trends. We pursue design-in and reference design activities in which we participate in the customer's design process from the initial stages and offer proactive proposals during specification review.
*EMS: Electronics Manufacturing Services
[Stay ahead of competitors and deliver value that is difficult to replicate]
What allows us to propose solutions ahead of competitors is black box technology for materials and processes. Our material formulation designs involve chemical reactions that cannot be analyzed or reproduced from the outside. Similarly, our continuous manufacturing processes, which require little manpower, cannot be easily imitated. These technologies act as barriers to entry, giving us a competitive advantage in the AI field.

- Investor Day https://holdings.panasonic/global/corporate/investors/presentations/ir-day-2026.html
- Panasonic Industry Corporate Website https://www.panasonic.com/global/industry/

Segment-Specific Strategies: Solutions

Transforming the Business Model in the Solutions Area

We will expand our contributions to customers through businesses supporting social operations and transform these businesses into growth drivers for the Panasonic Group.

Currently, labor shortages are becoming increasingly severe across a wide range of operational sites, including manufacturing, logistics, and commercial facilities. In addition, rising energy costs and growing demands to address environmental issues are making on-site challenges increasingly complex. Amid these changes in the operating environment, the value sought by customers managing frontline operations has expanded beyond equipment functions and performance to include overall operational optimization, encompassing efficiency, labor savings, and environmental friendliness.

The strength of our Solutions area lies in our hardware, which has been adopted by customers across a broad range of industries worldwide over many years, and in our ongoing engagement with customers honed through servicing and maintenance activities. We refer to the products operating at our customer sites as MIF* (Machines in the Field). As this MIF* installed base expands, it strengthens the foundation for delivering ongoing contributions to our customers.

Going forward, we will expand equipment connectivity across our MIF* base and leverage AI and digital technologies to broaden our value proposition beyond servicing and maintenance to include services and engineering offerings such as consulting, operational support, improvement recommendations, and system integration. By expanding our focus from hardware to services and engineering, we will transform our business model to deliver sustainable contributions that are difficult for competitors to replicate.

Through these initiatives, we will continue supporting uninterrupted customer operations while contributing to energy efficiency and labor savings, thereby driving further growth in the Solutions area.

* Stocks of installed equipment on which the Company's customer base is established



Segment-Specific Strategies: Solutions

Connect (Panasonic Connect Group)



Providing solutions to our business customers to help them solve issues arising from their various gemba (operational frontlines)

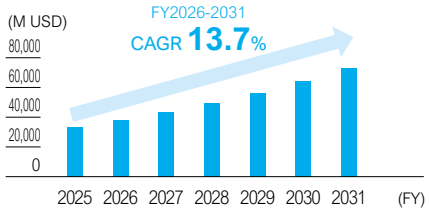
Ken Sain
CEO

Fiscal 2027 forecast (As of May 12, 2026)
Sales ..... ¥ **1,350.0** billion
Adjusted operating profit ..... ¥ **95.0** billion
EBITDA ..... ¥ **171.0** billion

Fiscal 2029 management goals
Adjusted operating profit margin ..... **9** %

Key Market Environment

SCM software market size



The market environment for supply chain management software is expected to see continuously growing demand driven by the growth of e-commerce, progress in personalization, the restructuring of supply chains through reshoring and nearshoring, and labor shortages.

Graph created by Panasonic Connect based on Gartner research. Gartner®, Forecast: Enterprise Application Software, Worldwide, 2024-2030, 2Q26, Amarendra et al., 24 June 2026 SCM Software Market = Supply Chain Management, End-User Spending basis. (Disclaimer is on P.2)

Key Growth Strategies

- Strengthen the competitive advantage of the Blue Yonder business by improving decision-making accuracy, speed, and execution through AI integration, leveraging its advantage as an SCM platform that links everything from demand forecasting to inventory, logistics, and execution management in an end-to-end fashion. Continue to strengthen cybersecurity, data governance, and our talent base. (SaaS RPO* at the end of Fiscal 2026: +36% year-on-year)

* Order backlog expected to be recognized as revenue at fiscal year-end, as a portion of the total contract value

- Building on its world-leading market share in in-flight entertainment, expand the Avionics business into aftermarket, satellite connectivity, and digital services, and accelerate lifecycle revenues and growth through integrated solutions directly linked to airline customers' added value.

Strengths Supporting Our Competitive Advantage

Blue Yonder's strategy consists of 3 elements: (1) Cognitive AI that is close to human cognitive abilities; (2) An integrated platform that manages the entire supply chain on a single data foundation; and (3) An end-to-end solution that achieves overall optimization, including suppliers and logistics in addition to the company's own SCM. This enables us to consistently provide value to customers with complex challenges, from planning through execution.

In our Avionics business, we create barriers to entry through an integrated, industry certified hardware software services model and an installed base, and secure customer lock in and a solid market position through medium to long term contracts and high switching costs. Our partnership networks with aircraft OEMs and airlines, as well as our status in the after-market, allow us to maintain a competitive advantage.

- Panasonic Connect: Who We Are https://connect.panasonic.com/en/about/who-we-are
- Panasonic Connect Sustainability Report https://connect.panasonic.com/en/about/sustainability

Electric Works (Panasonic Electric Works Co., Ltd.)



Contributing to a sustainable and prosperous society by enhancing building lifetime value (LTV), leveraging electrical infrastructure as the foundation

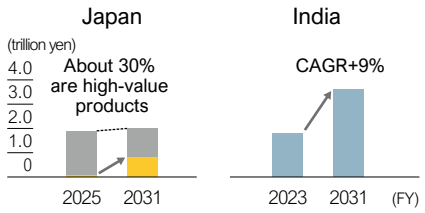
Kiyoshi Otaki
CEO

Fiscal 2027 forecast (As of May 12, 2026)
Sales ..... ¥ **1,155.0** billion
Adjusted operating profit ..... ¥ **92.0** billion
EBITDA ..... ¥ **120.0** billion

Fiscal 2029 management goals
Adjusted operating profit margin ..... **10** %

Key Market Environment

Market size of electrical equipment (products)



- In the Japanese market, growing demand for decarbonization and human capital is driving the expansion of high-value markets, particularly in energy management and well-being solutions.
- India's GDP growth continues to be driven by population growth and expanding domestic demand, resulting in a rapidly expanding market.

Key Growth Strategies

[Japan]
By enhancing building lifetime value (LTV), we will increase the share of solution-based sales to 50%, transform our business structure, and strengthen profitability.

[India]
Strengthen our electrical products business and proposal capabilities to secure a stronger market position and expand revenue to JPY 200 billion.

Strengths Supporting Our Competitive Advantage

Our competitive advantage is rooted in our robust business foundation, built on a strong ecosystem with stakeholders and the ability to deliver a diverse portfolio of products with the quality our customers expect and on time.

Leveraging our market-leading product portfolio and extensive sales channels in Japan, we remain connected with customers throughout the entire building lifecycle—from project proposals for building owners and designers to engineering, maintenance, and after-sales services—providing optimal solutions at every stage.

Furthermore, through the connectedization of our products and the utilization of data, we enable labor savings and enhanced asset value, creating a framework that delivers continuous value creation and sustainable profit growth.

- Panasonic Electric Works Corporate Website https://panasonic.net/ew/business/
- Environmental Initiative https://panasonic.net/ew/activities/index.html

HVAC & CC (Panasonic HVAC & CC Co., Ltd.)



Aiming to be the company with the industry's deepest understanding of our customers, capable of proposing optimal solutions from three perspectives: economic value, environmental value, and safety value

Eiichi Katayama
CEO

Fiscal 2027 forecast (As of May 12, 2026)
Sales.....¥ **1,360.0** billion
Adjusted operating profit.....¥ **60.0** billion
EBITDA..... ¥ **105.0** billion

Fiscal 2029 management goals
Adjusted operating profit margin .... **7**% or more

Key Market Environment

Rapid global warming and stricter environmental regulations are expected to drive market expansion.

(1) Residential air conditioners
As global warming progresses, household penetration rates are rising in emerging countries and Europe

(2) A2W (Air-to-Water heat pumps)
Market expansion in Europe due to ongoing regulations to phase out gas boilers

(3) Low-temp / Mid-temp Merchandising display cases
Stricter refrigerant regulations are driving increased demand for switching to models that use natural refrigerants

Key Growth Strategies

We define each business's role along three axes—global strategy, differentiation strategy, and customer strategy—and make the businesses work together, thereby improving profitability.

(1) Global strategy (RAC*, CAC*, A2W)
To expand scale and improve profitability, by strengthening global collaboration in development, manufacturing, and sales, with focus on countries and regions where our strengths are relevant

(2) Differentiation strategy (Cold chain, IAQ*)
Leveraging our global No.1 position and further improving profitability to drive a differentiation strategy

(3) Customer strategy (Environmental systems & engineering, Devices)
Achieve high growth and high profitability by deepening internal collaboration and keeping pace with customers in growing markets

* RAC: Residential air conditioner CAC: Commercial air conditioner IAQ: Indoor air quality equipment

Strengths Supporting Our Competitive Advantage

We will strengthen our profitability by identifying focus areas according to our business and regional positioning and by leveraging software alliances, while also refining our differentiated technologies and strengthening our integrated proposals.
We will also rectify our cost structure by optimizing our global production system and reviewing our development system, primarily in our HVAC business.
At the same time, by transforming our business structure into a service-engineering model, we aim to expand our recurring revenue business model in which growth in the installed base (the number of Machines in the Field) leads to improved profitability.

● Panasonic HVAC & CC Co., Ltd. website https://www.panasonic.com/global/hvac-cc.html

Segment-Specific Strategies: Smart Life

Smart Life (Panasonic Corporation)



Focusing on Japan, China, and Southeast Asia, where we have a wide range of businesses and broad customer contact points, with particular emphasis on Southeast Asia as a growth market

Akira Toyoshima
CEO

Fiscal 2027 forecast (As of May 12, 2026)
Sales.....¥ **1,335.0** billion
Adjusted operating profit.....¥ **75.0** billion
EBITDA..... ¥ **114.0** billion

Key Market Environment

(1) Japan..... Although Japan is a mature market with low growth and mainly replacement demand, it remains an important foundation for stable earnings growth, supported by strong brand recognition and differentiation through high value-added products and services

(2) China ..... Although growth has slowed, China remains a vast market where price competition is intensifying while demand for high-value-added offerings continues to expand, creating a polarized market with significant volatility. We believe differentiation will be key to capturing profitable growth opportunities.

(3) Southeast Asia ... Southeast Asia is a priority market with relatively strong growth, where demand for essential home appliances is expanding alongside growing interest in higher-value products driven by increasingly diverse lifestyles, both market expansion and premiumization are progressing in parallel.

Key Growth Strategies

(1) As an operating company focused primarily on B2C businesses, we drive the Group's brand by maximizing the recognition and value of the Panasonic brand to achieve increased trust and corporate value globally

(2) Strengthen our revenue base and build a more resilient management structure by achieving global standard cost levels (which enables us to compete with globally operating rivals) and adopting an asset-light model through partnerships and other initiatives

(3) Build a virtuous cycle of profitable growth in differentiation areas by leveraging nearly 100 years of proprietary core home appliance technologies to deliver products and services backed by quality and reliability, while strengthening our brand and sales channels

Strengths Supporting Our Competitive Advantage

By achieving global standard cost levels and adopting an asset-light model through partnerships and other initiatives, we will strengthen our cost competitiveness and business competitiveness, enhancing the resilience of our management structure. At the same time, leveraging proprietary core technologies accumulated over approximately 100 years in home appliances, we will enhance brand value and strengthen distribution channels to establish a competitive advantage in differentiation areas.
Specifically, within the differentiation areas, we will strengthen both product competitiveness and marketing to drive higher profitability through greater value added, that enable customers to recognize clear differences in value. Through these initiatives, we will promote sustainable improvement of corporate value on two fronts: strengthening our management structure and developing capabilities that clearly differentiate us from competitors.

● Mission & Vision https://www.panasonic.com/global/about/mission.html

Initiatives in AI and its utilization in technology strategy



Group CTO Message

Building on Panasonic's manufacturing heritage to unlock new value through AI

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

The Panasonic Group is committed to its mission of realizing an ideal society with affluence both in matter and mind, and aims to make people's lives more convenient, prosperous, and better through its business activities. This philosophy remains the foundation of our business and technological development today. In recent years, we have been advancing R&D with the aim of contributing to two urgent issues: solving global environmental issues and ensuring each customer's lifelong health, safety and comfort.

As Group CTO, responsible for technology development, environment, and intellectual property across the entire Panasonic Group, my job is to support these efforts from the technical side, and to increase the likelihood of achieving our mission by collaborating with the technical departments of each company.

With regard to solving global environmental issues, at present the activities under Panasonic Green Impact (PGI), our Group-wide environmental initiative spanning businesses, technologies, and operating sites, are working effectively and have yielded measurable results. This integrated report (p33-37) covers PGI's progress and future priority initiatives, including international standardization, international outreach, raising public awareness of avoided emissions, and leveraging intellectual property to reduce CO_2 emissions. It also covers Panasonic Holdings' direction for new technology development, as well as the on-the-ground initiatives that have been built up over time at each business site.

With regard to ensuring each customer's life-long health, safety and comfort, believing that the use of AI will play a major role in this, we have begun working with the operating companies to explore ways to consider, from both a technological and AI perspective, how to improve the quality and safety of finished products and services, and how to create systems that allow users to continue using them with peace of mind.

Our aim is not R&D for its own sake, but to implement technology in society to contribute to a better life with reduced environmental impact. Going forward, we will continue our efforts to contribute to solving global environmental issues and to each customer's life-long health, safety and comfort. To this end, we will tenaciously pursue R&D with practical implementation in mind, while engaging in ongoing dialogue with the operating companies on key issues such as proposals for new technologies and services.

The rapid advancement of AI utilization in society has led to improvements in operational efficiency in cyberspace. Furthermore, it is expected that this will progress even further through the use of CPS (Cyber-Physical System) and physical AI, which feed these results back into the real world.

The strength of Japanese manufacturers, including the Panasonic Group, lies in the tacit knowledge and quality assurance processes cultivated at production sites. Incorporating these kinds of knowledge and processes into AI may make it possible to differentiate ourselves from other countries and create new value.

Starting this fiscal year, Akira Sakakibara became Group CAIO (Group Chief AI Officer), which is expected to drive more effective AI utilization and value creation initiatives.

Please look forward to the continued evolution of the Panasonic Group's technological capabilities.

Towards AI-powered business transformation



Akira Sakakibara
Executive Officer
Group Chief AI Officer
(Group CAIO)

In April 2026, Panasonic Holdings created the position of Group CAIO to lead the Group-wide acceleration of AI utilization to address customer challenges and improve internal operations, and I was appointed to that role.

Previously, as CTO of Panasonic Connect Co., Ltd., I was involved in modernizing R&D and promoting technological synergies in our collaboration with Blue Yonder, a company that expands supply chain solution businesses on a global scale, as well as expanding into the SaaS business. I have also accumulated knowledge through practical experience in the highly specialized fields of AI and agile software development.

Going forward, I will lead AI-driven business transformation while further advancing the formulation of Group-wide AI strategy, AI technology development, and internal AI implementation across the Panasonic Group—with the goal of expanding its hardware, software, and solution businesses.

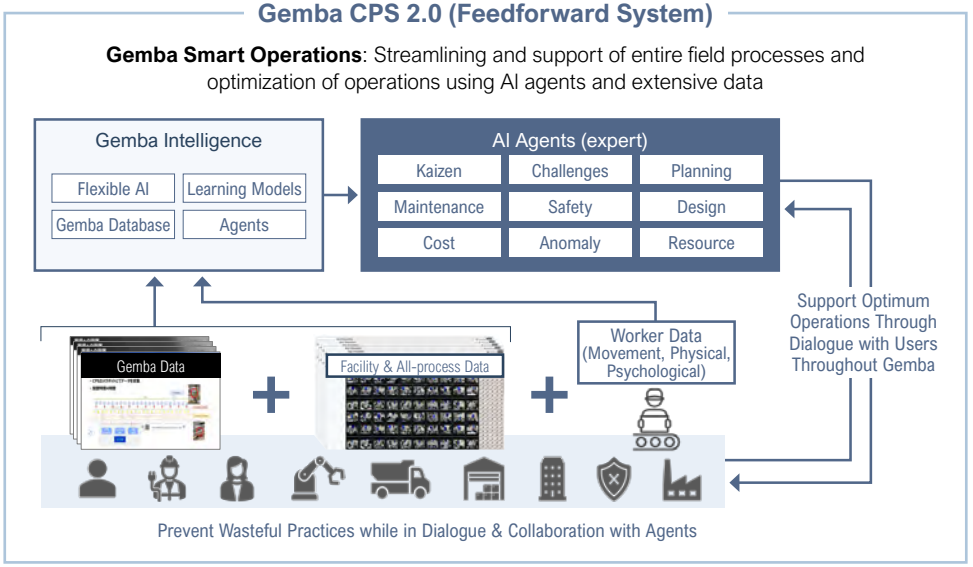
Initiatives in AI and its utilization in technology strategy

Utilization of AI to create a sense of purpose in life and work

With the aim of "creating meaningful time," the Panasonic Group is advancing initiatives to use sensors and AI to visualize and analyze the tacit knowledge and improvement know-how cultivated in the Gemba (work site). The Gemba CPS 1.0 technology supports the balance between quality and productivity at the workplace by creating a continuous feedback loop between the physical workplace (Gemba) and cyberspace. It has been deployed at many sites to date, delivering results such as improved work efficiency and more sophisticated planning operations. The background to the system is that we were able to continuously monitor work activities and the status of processes by analyzing data from cameras and various sensors through the use of AI. This led to a common data platform as well as the accumulation of know-how to support improvements at the Gemba. Based on the insights gained from this AI-driven visualization and analysis, in 2025 the system evolved into Gemba CPS 2.0, which aims for overall optimization across multiple processes. In this version, AI agents trained based on past cases and Gemba know-how support on-site decision-making and enable the redesign of business processes themselves by interacting with people and providing guidance on directions for improvement.

Going forward, we will expand the application of this system to a wide range of fields, including not only manufacturing but also service industries and essential work, aiming to reduce the burden on workers, improve safety, and maximize the time they can spend creating value. We will refine this Gemba CPS 2.0 into an infrastructure technology that supports the way people work and contributes to the realization of Decent Work—work that is fulfilling, humane, and worth doing.

*Gemba Cyber-Physical System (CPS): Using IoT and AI to connect cyberspace (virtual space) and physical space to carry out smart field operations



Evolution from 1.0, where Kaizen was left entirely to people, to 2.0, where continuous dialogue with AI agents enables Kaizen in the field, not just in individual instances but with overall optimization.

*Feedforward System: A system that proactively incorporates lessons learned in the Gemba into design and planning

Manufacturing that supports AI infrastructure

The Panasonic Group already provides energy-saving and heat- controlling devices to address the heat-generation challenges of increasingly high-density data servers. Such devices include our SP-Cap conductive polymer aluminum electrolytic capacitors, MEGTRON multi-layer circuit board materials, and battery backup units (BBUs). Furthermore, our high-performance liquid cooling pumps, designed to accommodate a coolant distribution unit, increase flow by approximately 75% in the same enclosure size, achieving long life and reduced maintenance. Going forward, the Panasonic Group will continue to leverage the expertise it has accumulated to develop new technologies and products that simultaneously support the stable operation and improved operational efficiency of AI data centers.

(More details on our initiatives in materials and devices that support AI infrastructure.)

Advancing solution businesses through collaboration with leading AI companies

In 2025, Blue Yonder, a subsidiary of Panasonic Connect Co., Ltd., announced a collaboration with Microsoft Azure AI Foundry. Through this initiative, the partners are further developing AI agents and solutions while working together to address supply chain challenges. In recognition of these successful activities, in November 2025 Blue Yonder was selected as Microsoft's Global ISV Partner of the Year. Blue Yonder is also collaborating with the US company Snowflake to develop a system that automatically creates supply chain-specific graph databases.



In 2026, at the Blue Yonder ICON 2026, Blue Yonder's annual supply chain conference, we announced a partnership with NVIDIA to accelerate the development of AI systems for autonomous supply chains by integrating supply chain decision data and operational expertise into Nemotron, NVIDIA's open model for building specialized AI agents.

Going forward, we will continue to strengthen our collaboration with leading AI companies globally to create new and effective services.

We are also collaborating with leading Japanese AI companies. For example, we are integrating the Panasonic Group's expertise in facial recognition technology into Hitachi's biometric authentication and AI technologies to develop next-generation digital authentication services.

AI-related press releases

- Beyond supply chain limitations—What is Blue Yonder's next-generation solution for human-AI collaboration? [in Japanese], June 6, 2025
- Blue Yonder recognized as the winner of 2025 Microsoft Global ISV Partner of the Year, 2025.11.13 https://blueyonder.com/media/2025/blue-yonder-2025-microsoft-global-isv-partner
- Blue Yonder Named Snowflake Retail and Consumer Goods Data Cloud Product Partner of the Year, 2025.6.4 https://blueyonder.com/media/2025/blue-yonder-named-snowflake-retail-and-consumer-goods-data-cloud-product-partner-of-the-year
- Hitachi adopts Panasonic Connect's Facial Recognition SDK to add facial recognition functionality to its finger vein authentication management system to make authentication more convenient and secure [in Japanese], December 17, 2025

Organization Culture Transformation



Group CHRO Message

Turning human potential into business strength

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

Q1 Looking back on fiscal 2026, what changes have you seen in our employees and organizations?

Fiscal 2026 was a year in which we tackled a large-scale management reform (the "Group Management Reform") with firm resolve. From the perspective of human resource portfolio management, we succeeded in building a lean organization to support the Group's future growth. Our aim was not merely to optimize our workforce, but to transform ourselves to an organization where we could enhance the value we provide to society and our customers through our businesses. We have flattened the organization by reducing organizational layers, eased the burden of internal coordination, and delegated greater authority to accelerate decision-making, enabling frontline employees to move faster in taking on challenges. Meanwhile, some organizations within the Group experienced higher-than-expected headcount reductions. We are therefore also reshaping how work itself is done and developing new processes in conjunction with Panasonic Transformation (PX) an initiative to drive the transformation of our management foundation with AI at its core. I understand we have now reached the stage of transitioning to an organization capable of delivering results with a small, elite team. Major reforms of this kind generally tend to erode employee motivation and trust in the company. At the Panasonic Group, however, even while the Group Management Reform was underway, closely related indicators actually improved in roughly half of our business-unit organizations. In those organizations, over 70% of employees reported that it had become easier to collaborate across organizational boundaries and to deliver results. These are precisely the kinds of changes this Group Management Reform was intended to achieve.

Going forward, it will be vital to preserve the lean structure created through the Group Management Reform while steadily developing the talent needed in the Devices, Solutions, and Smart Life areas under the Group Growth Strategy presented in May 2026. No matter how outstanding a growth strategy may be, it is ultimately executed by individuals. Its success therefore depends on how each employee acts and on the organization culture surrounding them. That is why I view human capital management as a critical management agenda directly linked to executing the Group Growth Strategy.

Q2 What direction is the Panasonic Group taking in human capital management?

The Panasonic Group's greatest strength lies in having a large number of employees who are strongly committed to contributing to society and customers with the Group's Basic Business Philosophy as their guiding principles. Before becoming Group CHRO of the Panasonic Group in July 2024, I built my career in the HR functions of several foreign-owned companies and served as CHRO of a Japanese startup. After joining the Panasonic Group, I was impressed by how deeply the Basic Business Philosophy is embedded in employees' day-to-day conversations, actions, and decisions.

The Panasonic Group has long embraced the ideas of "Developing People Before Products" and "A Business Is People." Accordingly, we have placed developing people and making the most of their potential at the heart of management. The human capital management we practice and the organization culture transformation we are advancing are not new concepts. Rather, these efforts are about applying the ideas and principles we have valued since our founding, including the Basic Business Philosophy, to today's business environment and the way we manage our organizations.

Q3 What initiatives will you pursue to help the Panasonic Group employees further demonstrate their potential?

Group CEO Kusumi and I often discuss the challenges facing the Panasonic Group. As the organization has expanded and added layers of history over the years, precedents and rules have accumulated, making it increasingly difficult to make decisions in response to changing business environment. Therefore, we now need to shift from a rule-based to a principle-based decision-making approach. Beyond the constraints imposed by these precedents and rules, organizational barriers and fear of failure can also discourage our employees from taking on challenges. Against this backdrop, through the organization culture transformation, we need to create an environment that unlocks the potential of people and organizations and encourages them to take on challenges and fully demonstrate their capabilities.

Organization Culture Transformation



Resolving these issues requires executives and organizational leaders to do more than just wait for the needed environmental changes to emerge on their own. They must make conscious management decisions to create those changes themselves. That is the thinking behind the organization culture transformation now underway. It goes beyond creating workplaces that are more comfortable to work in and foster open communication. We are deliberately designing and evolving an organization culture that enables business strategies to be executed and results to be delivered. Executives and organizational leaders must set this process in motion, but they cannot accomplish it alone. Success depends on how effectively they can engage those around them. This is not a top-down initiative, but one that must be advanced through co-creation, which also necessitates fundamental changes in how we communicate. In organizations where the transformation is already progressing, leaders are taking the initiative in putting a wide range of initiatives into practice.

UNLOCK is at the heart of these efforts. We position it as a Group-wide initiative to remove the barriers that prevent each employee from realizing their potential, draw out that potential to the fullest, and create an environment in which they can grow. People are best able to perform to their full potential when they face an “appropriate level of challenge” and are “free from factors that hinder their ability to perform.” “To be so immersed in work that time and fatigue are forgotten is a state of deep concentration and joy.” Our founder, Konosuke Matsushita, once said that the “greatest gift” he could offer to employees would be to create such an environment. UNLOCK is rooted in this thinking and, in that sense, represents a return to our origins.

To UNLOCK the entire Panasonic Group, HR must first UNLOCK itself. HR must work alongside executives and organizational leaders to tackle issues at the frontline and translate the effort into behavioral change. Making this happen is precisely the role of HR. We cannot drive transformation if we remain bound by conventional rule-based approaches and a defensive mindset. We will transform the HR function through the use of AI and enhance our HR systems, operational processes, and the platforms used by employees and managers. In doing so, we will pursue both business success and employee well-being, putting into practice our belief that “A Business Is People.”

Our goal is to build a passionate, high-energy organization in which every employee boldly strives for greater heights. By strengthening our ability to execute strategy and growing our businesses, we aim to enhance corporate value and ultimately help realize an ideal society with affluence both in matter and mind.

“If Panasonic changes, society will change.” I believe this wholeheartedly. We will turn human potential into business strength and, through that, help realize a better society. We will advance the organization culture transformation throughout the Panasonic Group.

■ For latest information on our human capital management
https://holdings.panasonic/global/corporate/sustainability/human-capital-management.html
■ For more information on this interview
https://news.panasonic.com/global/stories/18842

Initiatives for Human Capital Management

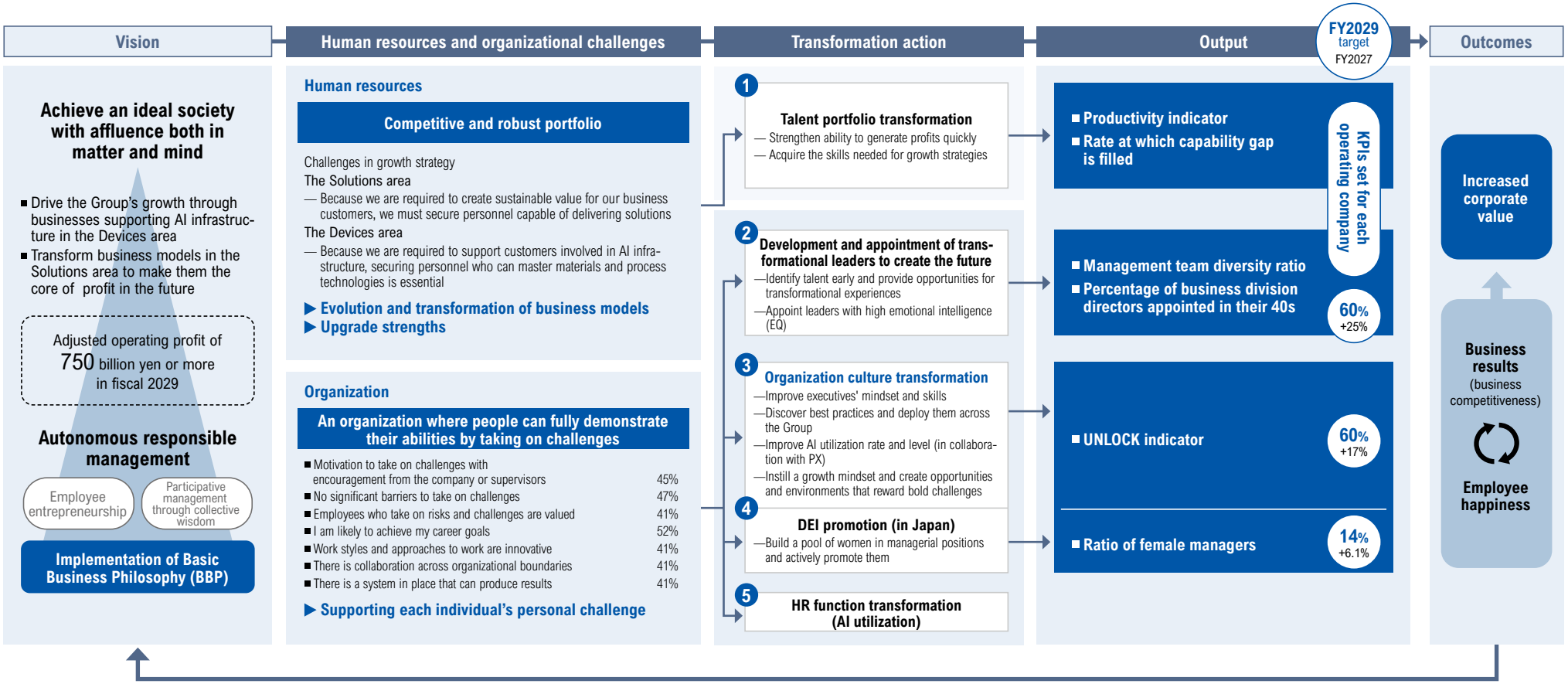
The Group Growth Strategy, our strategy toward 2032 calls for the Panasonic Group to contribute to society by addressing such social issues as the efficient use of energy and alleviation of frontline labor shortages. To achieve this goal, we aim to be a company that UNLOCKs the potential of each employee, enabling them to grow to their fullest potential. Therefore, in formulating the Group HR strategy, we identified a set of human resources challenges and organizational challenges that needed to be addressed.

With regard to human resources challenges, after the headcount reduction of approximately 12,000 employees in fiscal 2026, our challenge is to maintain a lean management structure while reallocating resources to growth areas and acquiring the required capabilities.

On the other hand, even if you acquire capabilities, without an environment where you can fully utilize them, you cannot leverage them for business growth. Accordingly, after identifying a set of organizational challenges (described below), we set out five transformation actions to resolve them. These five actions are: talent portfolio transformation, development and appointment of transformational leaders to create the future, organization culture transformation, DEI (Diversity, Equity & Inclusion) promotion, and HR function transformation (AI utilization). Through these actions, we will generate business results and increase our corporate value.

Overall Panasonic Group HR strategy

Contributing to achieving our growth strategy through five transformation actions related to human capital and enhance corporate value



Initiatives for Human Capital Management

Organization Culture Transformation

Among the various transformation actions, we are particularly focused on organization culture transformation, both Group-wide and at the level of the individual organizational unit.

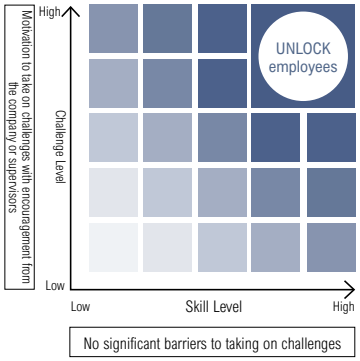
Organizational challenges

Every year, the Group asks approximately 150,000 employees worldwide to complete an employee opinion survey. Up until fiscal 2025, we focused on questions about “employee engagement” (self-motivated endeavors) and “employee enablement” (suitable placement and comfortable working environment). While the percentage of positive responses continued to rise, the scores remained low for two of the nine questions: “motivation to take on challenges with encouragement from the company or supervisors” and “no significant barriers to take on challenges.”

These two questions represent a crucial challenge for creating a company that UNLOCKs the potential of each employee, enabling them to grow to their fullest potential. We therefore created the UNLOCK indicator, which is based on the percentage of affirmative responses to both of these survey questions. We are working to improve the work environment by monitoring the UNLOCK indicator along with the scores of five other related questions.

UNLOCK indicator

Target: Achieve a global UNLOCK indicator score of 60% by FY2029 and 70% by FY2032



UNLOCK-related questions

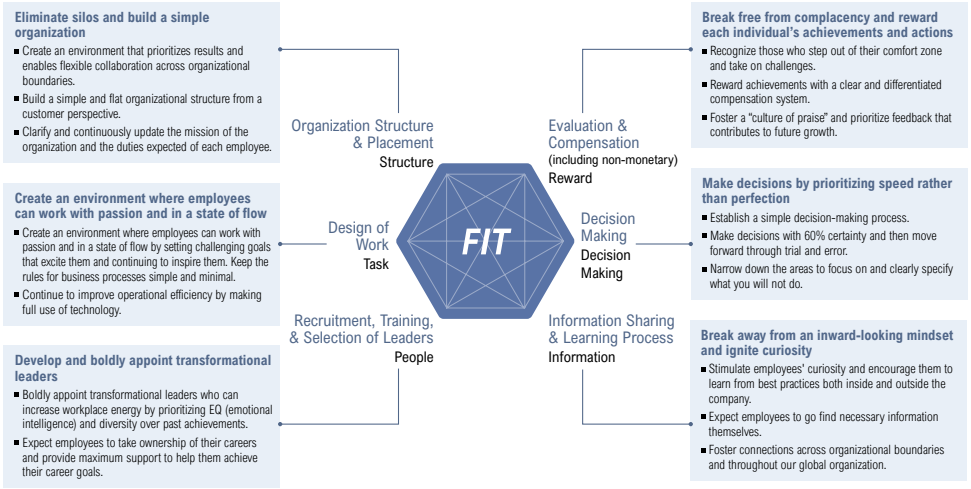
In addition to the UNLOCK indicator, questions considered relevant are also monitored

	Question
Evaluation & Compensation	Employees who take on risks and challenges are valued
Recruitment, Training, & Selection of Leaders	I am likely to achieve my career goals
Design of Work	Work styles and approaches to work are innovative
Organization Structure & Placement	There is collaboration across organizational boundaries
	There is a system in place that can produce results

Transformation framework

Organization culture is the sum of the actions of every individual member. It is imperative that we intentionally design our organization culture to maximize business results. To this end, we have utilized the Organization Performance Model framework to create the 6 Principles of Organization Design for the Group and clarified what our organization culture should look like. The 6 Principles function effectively only when they are interconnected and aligned with one another. On the other hand, if there are 100 organizations, there are 100 different organizational designs. Based on these 6 principles, business division directors, business unit (BU) heads, and other executives and senior organizational leaders are transforming workplace culture.

The 6 Principles of Organization Design of the Panasonic Group



Progress in Fiscal 2026

(1) Promotion of organization culture transformation by top management

In fiscal 2026, we held programs primarily for executives to share case studies and acquire skills related to organization culture transformation, with a total of 564 participants. We also launched a Group-wide organization culture transformation community in which members selected from each operating company support the reforms implemented by the management team.



Organizational Design Workshop

Initiatives	Overview	Total number of participants
Organizational Design Workshop	Acquire practical knowledge and skills to strategically design organization culture based on the 6 Principles of Organization Design.	168 people (conducted in fiscal 2025)
Panasonic Group Business Philosophy and Management Workshop	Research internal and external best practices for organization culture transformation	343 people
Organization Culture Transformation Program	Workshop on sharing case studies of organization culture transformation and skill development	108 people
Resilience Program	Training aimed at improving individual performance, the intelligence to transform adversity into personal and organizational growth, and the intelligence to leverage diversity, based on medical and psychological insights	113 people

Initiatives for Human Capital Management

Thanks to these initiatives and the leadership of the management team, half of the roughly 80 business units (BUs) and other organizations in the Japan region were able to improve their UNLOCK indicator over the previous fiscal year in the course of the management reforms.

For example, the IH cooking heater SBU of Panasonic Corporation worked to eliminate vertical silos and implement quick decision-making through daily mini-management meetings with the aim of increasing the speed of decision-making and enhancing the execution capabilities of those on the gemba (operational frontlines). In addition, the Avionics BU of Panasonic Connect Co., Ltd., under the slogan Happy Colleagues, worked on timely and empathetic strategic communication, as well as creating opportunities for people to volunteer to take on challenges.

In both of these organizations, the UNLOCK indicator and scores on related questions improved significantly, and at the same time, indicators directly tied to business management—such as production and development lead times and inventory—improved and are yielding results. This can be considered a good example of how organization culture enables the execution of business strategies and generates results.



The IH cooking heater SBU



The Avionics BU

(2) Transformation of work by promoting Group-wide AI utilization

One of the aforementioned 6 Principles of Organization Design of the Panasonic Group is “Continue to improve operational efficiency by making full use of technology.” We are rolling out technology initiatives in various regions around the world in conjunction with the Panasonic Transformation (PX) program, which drives corporate transformation centered on DX.

Initiatives in Japan

We are leveraging the Panasonic Group's AI infrastructure to encourage the use of AI in the workplace through initiatives such as the PX Ambassadors program and PX contests at each site. In our annual survey of employees in the Japan region (approximately 70,000 respondents, response rate 57%), the utilization rate of generative AI in business operations in fiscal 2026 was 66%, a 29% increase from the previous year. Going forward, we will continue to promote initiatives related to organization culture and further accelerate the utilization of AI.

PX Ambassadors





Employee ambassadors help resolve on-site issues
FY2026: 62 ambassadors handled 386 cases (online + on-site)
FY2027: 66 active ambassadors

On-site PX contests





Soliciting and recognizing best practices in the proactive use of generative AI
FY2026: 272 entries, 3 grand prizes
Prize-winning example:
Reduced approximately 50,000 hours and improved gross profit by about 2.1 billion yen through business model transformation

Initiatives in China

We have built a China-region-specific AI platform OoKoO, and are promoting strong corporate culture, AI utilization in business, AI platform construction, and governance system construction in an integrated manner. In fiscal 2026, OoKoO users numbered 8,500, the cumulative number of uses reached 2.92 million, and approximately 730,000 hours of work were saved. The following are the initiatives in China related to fostering organization culture:

Initiatives	Overview	Results
AI Promotion Ambassadors	AI promotion ambassadors promote the use of AI to solve on-site problems	In fiscal 2026, 70 ambassadors were active and held a total of 32 workshops to support frontline workers
AI Education Platform	Developed AI education tools and rolled them out to Group employees in China	In fiscal 2026, expanded to 6,400 people at 53 companies. Total learning time: 58,032 hours
AI Contest	Soliciting and recognizing examples of AI initiatives	In fiscal 2026 a total of three contests were held. • Annual contest for companies in China: 15 companies, 23 themes, 6 companies awarded • Bi-annual all-employee contests: 1st: 1,474 participants, 134 winners 2nd: 1,133 participants, 86 winners

Indicators and targets

We track the UNLOCK indicator, which is defined as the percentage of employees who give positive responses to two specific questions in our annual employee opinion survey of approximately 150,000 employees. Furthermore, this indicator is made even more effective by being one of the non-financial indicators that has been incorporated into executive compensation for Panasonic Holdings Corporation, Panasonic Operational Excellence Co., Ltd., and presidents of operating companies

As of fiscal 2026, there is a large gap between the current value of the indicator and the Group-wide target, but, as mentioned above, signs of change are starting to appear at the BU level. Going forward, we will build on this momentum across the entire Group in order to achieve the target and translate it into business results.

	Questions	Fiscal 2026 results	Targets
UNLOCK indicator	▪ Motivation to take on challenges with encouragement from the company or supervisors ▪ No significant barriers to taking on challenges	43%	60% (Fiscal 2029) 70% (Fiscal 2032)

Respect for Human Rights

Based on our management philosophy that a company is a public entity of society, the Panasonic Group believes that it has a responsibility to respect the rights of all people involved in its businesses and contribute to their well-being and happiness. Respect for human rights is also one of the Group's materiality items.

Policy

The Panasonic Group Human Rights and Labour Policy was established with reference to the United Nations Guiding Principles on Business and Human Rights and other guidelines. It articulates our commitment to compliance with international standards and laws of each country, respect for internationally recognized human rights, the identification, prevention, and mitigation of adverse human rights impacts, remedy for affected individuals, and dialogue with various stakeholders. We also collaborate with specialized institutions and organizations to deepen our understanding of human rights issues and strengthen our initiatives. (For more information, refer to Participation in International and Industrial Partnerships.)

Responsible executive and framework

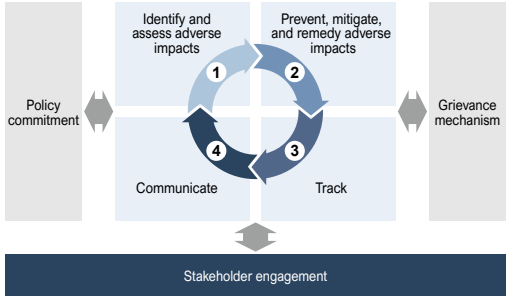
The executive officer responsible for the Group's initiatives on respecting human rights is the Group CHRO (as of August 2026). The performance-based compensation indicators for the Group CHRO include initiatives on respecting human rights and labor compliance. The Sustainability Management Committee* discusses important human rights issues under the supervision of the Board of Directors of Panasonic Holdings Corporation (PHD) and then reports these discussions to the Group Management Meeting and the Board. The Social Sustainability Department under the Group CHRO leads our day-to-day efforts to respect human rights, collaborating primarily with the HR function and other relevant functions to promote these initiatives at each operating company of the Group.

*The Sustainability Management Committee was dissolved at the end of March 2026. Beginning in fiscal 2027, the Group Transformation Round Table and the PHD Executive Committee will continue to discuss and set directions for policies, strategies, indicators, and targets related to sustainability.

Human rights due diligence

Each operating company in the Group engages in different business activities, which means the types and severity of human rights risks also vary. Therefore, each operating company undertakes human rights due diligence led by its promotion leaders, taking into account its own value chain and business characteristics. In fiscal 2026, each operating company conducted fact-finding assessments on the human rights issues identified in the previous fiscal year, and implemented remediation of the identified issues as well as preventive measures. We also identified forced labor and occupational health and safety as salient human rights issues across the Group, and are focusing on their prevention and mitigation.

Human rights due diligence process



Prohibiting forced labor of foreign migrant workers (responsible recruitment and employment)

We recognize that migrant workers who work across countries and regions are in a vulnerable position and are more susceptible to forced labor and unfair treatment. Our Group companies in Malaysia, which employ the largest number of foreign migrant workers within the Group, have been collaborating with the International Organization for Migration (IOM) since 2018 to promote initiatives aimed at establishing responsible recruitment and employment practices. The policies and standard operating procedures clearly define principles for protecting foreign migrant workers, including the prohibition of workers bearing recruitment fees, the prohibition of companies retaining personal documents, and the requirement to conclude employment contracts in a language the workers can understand. In fiscal 2026, we formulated global guidance, which will be rolled out to Group companies that recruit and employ foreign migrant workers going forward. We also provide education for foreign migrant workers and their supervisors, as well as training for business partners, in Malaysia and other countries and regions with potential risks. In fiscal 2026, in Japan, we conducted awareness programs, training, and potential risk checks at sites employing foreign technical intern trainees and specified skilled foreign workers. In Thailand, with the cooperation of IOM, we provided training to 12 Group companies and 73 business partners. Furthermore, we are working to mitigate the risk of forced labor through collaboration with various stakeholders, including government agencies, international institutions, and industry associations.

Raising awareness and capacity building

We place importance on each operating company in the Group taking the initiative in conducting human rights due diligence. Accordingly, in addition to establishing systems, we are building capacity of personnel who can identify human rights risks on the ground and take remedial action. In particular, we conduct a two-day annual training program for human rights promotion leaders at each operating company, focusing on lectures by external experts and practical exercises, to enhance their capability to address human rights risks.

Grievance mechanism

With the aim of addressing grievances related to human rights abuses at an early stage and ensuring that corrective action and remedies are taken, we accept grievances through various channels. In addition, when a human rights violation is confirmed, we take action to provide remedy to the affected individuals. We have established a global hotline (supporting 32 languages) known as EARS as a point of contact to which our employees, business partners, or other stakeholders can report any issues. Reports can be made anonymously and information about the reports and the reporting person are kept confidential. Retaliation or unfair treatment for making a report is prohibited under internal rules. In addition, to broadly receive human rights-related reports from external parties, we have joined JaCER (Japan Center for Engagement and Remedy on Business and Human Rights), a cross-industry grievance mechanism platform.

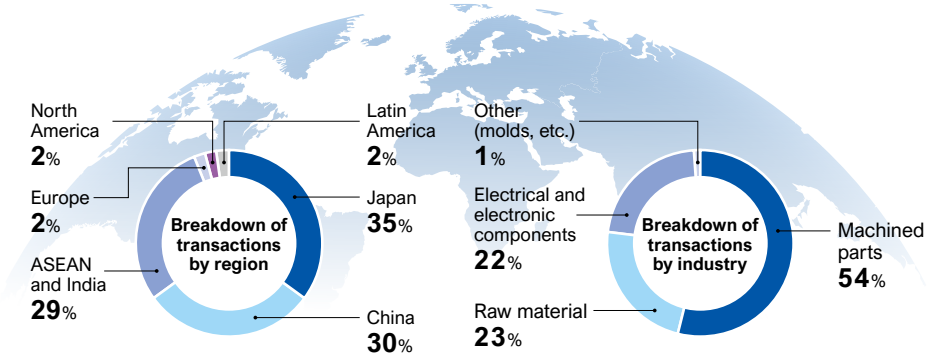
Respect for Human Rights

Respect for Human Rights in the Supply Chain (For more details, refer to "Responsible Supply Chain" in the Sustainability Data Book 2026.)

Basic approach

The Panasonic Group procures parts and materials from approximately 12,500 suppliers worldwide and is working with these suppliers to build a sustainable supply chain. The parts and materials we procure range widely, from raw materials to electrical/electronic components and machined parts, and our suppliers are located in various regions and countries. Some of these parts and materials are sourced from regions and countries with large numbers of migrant workers. We strive to do business with suppliers that not only provide excellent technology and quality, but also fulfill their social responsibilities, such as respecting human rights and providing a good working environment.

Overview of procurement transactions within the Panasonic Group



Human rights due diligence

We abide by international norms and principles, including the United Nations' Guiding Principles on Business and Human Rights, and we request that suppliers endorse the Panasonic Group Human Rights and Labour Policy. We also provide suppliers with the Panasonic Supply Chain CSR Promotion Guidelines, which summarizes our CSR procurement requirements, and we make it mandatory for suppliers to comply with them through contracts or compliance agreements. Furthermore, we request that suppliers conduct CSR self-assessments at the start of the business relationship and periodically thereafter. As of the end of March 2026, we collected responses from approximately 98% of eligible suppliers. Currently, we are requesting that each of our suppliers implement self-assessments every three years. We also assess the human rights risks of our suppliers and identify those for which action should be prioritized. Since fiscal 2024, we have conducted audits on a total of 409 suppliers (of which 29 were audited by third-party organizations). In fiscal 2026, we completed the audits of the highest-priority suppliers identified in fiscal 2024. We request suppliers to correct any issues identified in the audits and confirm their progress on making such corrections.

Examples of findings where we requested improvements through supplier audits

Area	Examples of cases where we requested our suppliers to address identified issues
Management systems	While each department is advancing initiatives based on the sustainability policy, progress toward targets needs to be made more visible, and cross-functional reviews need to be strengthened.
Labor	Overtime hours are self-reported and are not managed using objective data such as time card records or computer startup logs.
Health and safety	For those absent from evacuation drills, the issues identified during the drills and the proposed solutions have not been shared with them.
Environment	Although initiatives to reduce greenhouse gas emissions, including the installation of photovoltaic panels, have been implemented, no quantitative targets have been set, and progress has not been reviewed regularly.
Ethics	Training on corruption prevention, including bribery and embezzlement, is provided only to senior executives.
Information security	Information security rules have been established, but their implementation in day-to-day operations has not been adequately verified, and issues and corresponding countermeasures have not been sufficiently identified.

Participation in industrial partnerships

We participate in the RBA*1, RMI*2, and JEITA*3, promoting initiatives in collaboration with international frameworks and industry bodies. For the responsible procurement of minerals related to risks such as human rights violations in conflict-torn regions and high-risk areas, including gold, tin, tantalum, and tungsten, we have asked suppliers to complete reporting templates provided by the RMI. We have collected responses from approximately 98%*4 of these suppliers. If minerals associated with violations of human rights are found to be in our supply chain, we ask our suppliers to no longer use them. We also encourage refiners and smelters to participate in the Responsible Minerals Assurance Process (RMAP) through industry initiatives.

*1 RBA = Responsible Business Alliance
*2 RMI = Responsible Minerals Initiative
*3 JEITA = Japan Electronics and Information Technology Industries Association
*4 This figure represents a simple aggregation of responses collected (including duplicates from the same supplier) by Panasonic Industry Co., Ltd. and Panasonic Energy Co., Ltd., which are the main businesses where the scale and impact of mineral procurement within the Group are particularly large.

Internal training and external awareness-raising activities

We hold regular training sessions on CSR procurement for procurement employees. The cumulative number of training participants has now exceeded 1,960. Moreover, in fiscal 2024, we launched training programs to develop auditors responsible for supplier audits. A total of 419 individuals worldwide have been trained for this role. Also, from fiscal 2025 to fiscal 2026, we conducted awareness-raising activities through ESG briefings for approximately 2,250 suppliers in Asia.

Whistleblowing channels and grievance mechanism

In addition to our own Global Hotline, Panasonic is a regular member of JaCER (Japan Center for Engagement and Remedy on Business and Human Rights), which operates a non-judicial grievance platform that can be used as a contact point by our suppliers or their employees to seek remedies in the event of negative human rights impacts occurring within the Group's supply chain.

Environment and Technology Strategy

Value Creation through Panasonic GREEN IMPACT

The Panasonic Group's vision and contributions to solving global environmental issues

The Group's long-term environmental vision, Panasonic GREEN IMPACT*1, is a strategy to enhance corporate value by linking the social challenges of decarbonization and the circular economy (CE) to growth opportunities, profit opportunities, risk reduction, and capital market valuation. We are working to achieve net zero CO_2 emissions*2 across all our operating companies by 2030, and to create an impact of reducing emissions by more than 300 million tons per year by 2050, equivalent to 1% of current global CO_2 emissions*3, while also transforming our business activities to realize a CE.

In fiscal 2026, ahead of the launch of the new medium-term strategy in fiscal 2027, we implemented "GREEN IMPACT PLAN 2024+1," a one-year extension of GREEN IMPACT PLAN 2024.

Goals (2050)

Annual emissions reduction impact of over 300 million tons, equivalent to 1% of global CO_2 emissions (❶+❷+❸)

Panasonic GREEN IMPACT

❶ **OWN IMPACT**
Emissions reduction impact across our value chain, in conjunction with effect of the decarbonization occurring in society

❷ **CONTRIBUTION IMPACT**
Avoided emissions impact for society through existing businesses

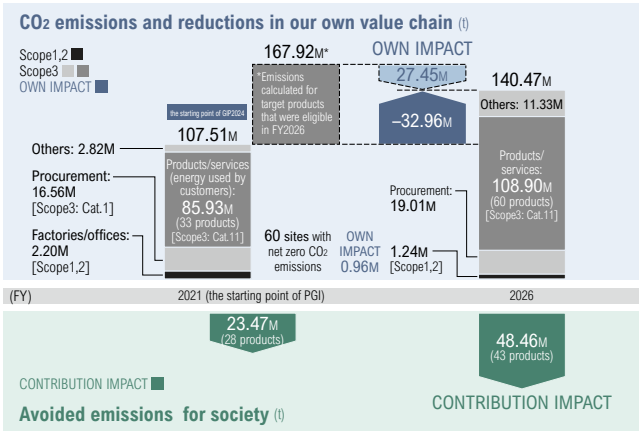
❸ **FUTURE IMPACT**
Avoided emissions impact for society through new technologies and businesses

Results of the Environmental Action Plan — GREEN IMPACT PLAN 2024+1

In terms of CO_2 reduction, efforts to establish net zero CO_2 sites*2 are making steady progress toward the 2030 target. OWN IMPACT significantly exceeded its target, driven by reductions in emissions during customers' product use through the accelerated adoption of LED lighting and progress in the use of natural refrigerants in air-quality and air-conditioning products. CONTRIBUTION IMPACT also achieved its overall target. Meanwhile, the transition of business activities toward a circular economy has yet to fully take hold across our business area. In line with our new growth strategy, we will further strengthen information sharing and collaboration both within and outside the Group over the medium-to-long term.

GREEN IMPACT PLAN 2024+1 (Fiscal 2026 results)

KPI (material issue) ★ Business materiality			GREEN IMPACT PLAN 2024+1 (Fiscal 2026 plan) Targets	Results
CO_2/ Energy	**OWN IMPACT** (compared to FY2021) Emission reductions in our own value chain ★		**–40.12Mt (17.01Mt)**	**–32.96Mt (27.45Mt)***4
	Scope 1, 2	Net zero sites*2 ★	Cumulative 49 sites	Cumulative 60 sites*5
		CO_2 reductions	**0.81Mt**	**0.96Mt**
	Scope 3 (category 11)	CO_2 reductions during customers' use of our products	**16.11Mt**	**30.67Mt**
	CONTRIBUTION IMPACT Avoided emissions for society ★		**47.50Mt**	**48.46Mt**
Resources/ CE* * Circular Economy	Use of recycled resin ★		25,000t	17,100t*6
	Circular economy business models and products (cumulative) ★		Cumulative 16 businesses	Cumulative 15 businesses



*1 More details on Panasonic GREEN IMPACT (PGI) are available here.
*2 Sites where energy-related CO_2 emissions from business activities (factories and offices) are regarded as net zero under our definition through a combination of energy conservation, adoption of renewable energy, purchase of renewable energy certificates and CO_2 credits.
*3 Global energy-related CO_2 emissions in 2020, the baseline year for PGI, were 31.7 billion tons (Source: IEA, International Energy Agency)
*4 ▲ indicates an increase in emissions and represents the difference between FY2021 (the baseline year for PGI), at 107.51 million tons, and FY2026 at 140.47 million tons. Figures in parentheses represent the difference between FY2021 (the baseline year for PGI) reflecting emissions from products that became eligible for calculation from 2021 onward at 167.92 million tons, and FY2026, at 140.47 million tons.
*5 The applicable rules for green power certificates in China were revised in November 2025. The figure of 60 sites represents the number of sites evaluated based on the criteria in place prior to the revision.
*6 Final figures. Due to a revision of the calculation scope, the figures disclosed in the securities report (as of June 2026) were updated.

The Environmental Action Plan "GREEN IMPACT PLAN 2028" and FY2031 targets

In line with the new growth strategy following the Group management reforms in fiscal 2026, the environmental action plan "GREEN IMPACT PLAN 2028" establishes Group targets for fiscal 2029 based on updated and expanded indicators that can serve as drivers of corporate value. The target for CO_2 reduction impact has also been updated for fiscal 2031.

GREEN IMPACT PLAN 2028 (+ FY2031 targets)

Business materiality			Indicators Business materiality KPIs	GREEN IMPACT PLAN 2028 fiscal 2027 targets	GREEN IMPACT PLAN 2028 fiscal 2029 targets	fiscal 2031 targets
Contributing to solving global environmental issues	Contributing to decarbonization (CN*) * Carbon Neutral	CO_2 reduction impact	300 million tons (PGI*7 2050 goal) ★	—	—	—
			OWN IMPACT Emission reductions in our own value chain*8 ★	**21.00Mt**	**16.00Mt ★**	**5.50Mt**
			CONTRIBUTION IMPACT "Avoided emissions" (contribution to reducing CO_2 emissions for society through existing businesses) ★	**59.00Mt**	**71.00Mt ★**	**77.00Mt**
		Total CO_2 emissions from all sites	Net zero CO_2 sites*9 ★	Cumulative 64 sites	Cumulative 86 sites	All sites*12 ★
			Net CO_2 reductions at the sites*10 (updated indicator)	0.74Mt	1.40Mt	1.91Mt
			Energy saving	34,000t	25,000t	28,000t
			Renewable energy (on-site generation + PPA*11)	142,000t	150,000t	161,000t
	Promoting circular economy (CE)	Amount of recycled materials used	Recycled resins ★	17,000t	22,000t ★	—
			Recycled Iron (electric arc furnace steel) ★ (new indicator)	1,500t	2,500t ★	—
		New creation of circular economy business models and products ★		Cumulative 15 businesses	Cumulative 17 businesses ★	—

*7 Same as *1 above.
*8 To appropriately assess our emissions reduction efforts, the baseline emissions for fiscal 2021 were recalculated using the same product scope as that covered by the fiscal 2027 plan.
*9 Same as *2 above.
*10 CO_2 emissions reduced through energy conservation, renewable energy utilization, and renewable energy certificates.
*11 Power Purchase Agreement (PPA)
*12 As of March 2026: 296 sites covered.

Environment and Technology Strategy

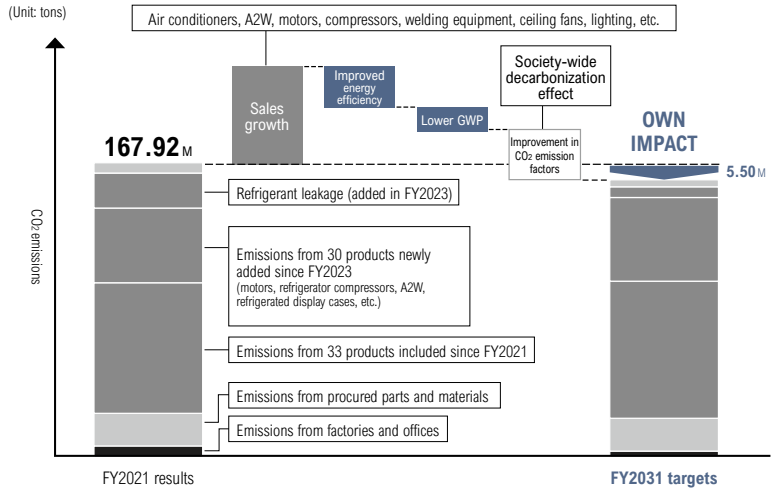
Our own value chain's emissions reduction (OWN IMPACT*1) is projected to reach only 5.5 million tons in fiscal 2031, compared with the actual 27.45 million tons in fiscal 2026. This target reflects realistic projections that, while emissions growth will be mitigated through continuous improvements in energy-saving performance and the proactive adoption of low-GWP*2 refrigerants, emissions will increase due to the wider adoption of air conditioners and other products, as well as the slowing pace of improvement in electricity CO_2 emission factors across regions worldwide.

To achieve net zero CO_2 emissions at all factories and offices by fiscal 2031, we will update our indicator to "net CO_2 emissions reductions," consisting of energy conservation, renewable energy utilization, and the purchase of renewable energy certificates, allowing us to monitor and manage progress in greater detail.

Avoided emissions for customers and society*3 (CONTRIBUTION IMPACT), driven primarily by the device sector, are set to expand from the actual 48.46 million tons in fiscal 2026 to 77 million tons in fiscal 2031.

In the circular economy area, to expand the use of recycled materials, recycled iron (electric arc furnace steel) has been newly adopted as an indicator in addition to recycled resins. Furthermore, for CE-based business models and products, we will take on the challenge of creating two new businesses over the next three years.

OWN IMPACT: FY2021 results and FY2031 targets



Notes Common to Both Pages
*1 For OWN IMPACT (emission reductions since fiscal 2021), the baseline emissions for fiscal 2021 were adjusted based on emissions calculated using the product scope covered by the fiscal 2027 plan.
*2 Global Warming Potential. An index that indicates how much a gas contributes to global warming.
*3 Avoided CO_2 emissions represent energy savings achieved through the introduction of products or services, converted into CO_2 emissions. Panasonic uses CONTRIBUTION IMPACT as the indicator for avoided emissions from existing businesses and FUTURE IMPACT as the indicator for new technologies that have not yet been commercialized.
*4 For more details, please refer to here.
*5 For electric vehicles, this refers to the difference in lifecycle CO_2 emissions, primarily from electricity and fuel consumption, compared with internal combustion engine vehicles.
*6 For storage battery systems (distributed power systems) for data centers, this represents the difference in CO_2-equivalent emissions associated with electricity consumed to supply power to IT equipment over the lifecycle, compared with conventional centralized power supply equipped with lead-acid batteries.
*7 For DC (direct current) motors, this represents the difference in lifecycle CO_2-equivalent emissions from electricity consumption compared with conventional AC (alternating current) motors.
*8 As of August 2022
*9 https://home.treasury.gov/news/featured-stories/the-inflation-reduction-acts-benefits-and-costs
*10 Section 45X
*11 Panasonic Energy Integrated Report https://www.panasonic.com/global/energy/sustainability/report.html

Expansion of CO_2 Reduction Impact

Transforming CO_2 reduction impact into our growth and corporate value

Simultaneous expansion of avoided emissions and business opportunities in growth areas

* Please refer to the notes in the bottom left of this page.

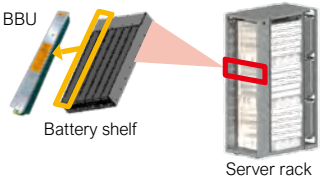
Avoided emissions*4 are a leading indicator of growth that quantitatively measures the CO_2 emissions reduction effect (positive impact) delivered to customers and society by converting electricity and fuel savings achieved through the widespread adoption of new products and services into CO_2 emissions reductions. The expansion of avoided emissions generated by our existing business (CONTRIBUTION IMPACT) and by new technologies that we aim to commercialize (FUTURE IMPACT) also reflects the expansion of our competitiveness and business opportunities in growth markets.

For CONTRIBUTION IMPACT, we aim to increase avoided emissions from 48.46 million tons in fiscal 2026 to 71 million tons in fiscal 2029, driven by the expansion of avoided emissions from device businesses such as lithium-ion batteries (used in electric vehicles*5 and energy storage systems for data centers*6) and DC motors*7 (used in air-conditioning equipment). For FUTURE IMPACT, we will expand renewable energy generation in urban areas by deploying glass-type perovskite solar cells as building-integrated solar cells. In next-generation semiconductor manufacturing equipment, we will achieve both higher semiconductor performance and lower power consumption through three-dimensional stacking processes. The Panasonic Group will continue to promote broader recognition and standardization of avoided emissions as a new value indicator that quantifies contributions to decarbonization, while proactively enhancing information disclosure.

FY2029 targets (vs. FY2026)

Distributed power storage systems for data centers	Automotive lithium-ion batteries	DC motors for air conditioning fans
+11 Mt	+5 Mt	+4 Mt

(Main breakdown of the 22.54 million-ton increase in avoided emissions from FY2026 (48.46 million tons) to FY2029 (71.0 million tons))







Avoided emissions as a new value indicator linked to financial value

CO_2 reduction impact is already beginning to materialize as financial value. The Inflation Reduction Act (IRA), which is the United States' largest investment in climate action*8, is legislation designed to reduce CO_2 emissions by 21 billion tons between 2023 and 2050 and to avoid $5.6 trillion in global economic losses caused by climate change.*9

The Panasonic Group receives a tax credit of $35/kWh for automotive batteries manufactured in North America. *10 This represents the financial value of the CO_2 reduction impact created through the promotion of EV adoption by manufacturing automotive batteries. The impact of the IRA tax credit on our financial results is directly proportional to the avoided emissions generated through use of our automotive batteries. The expansion of avoided emissions leads to greater CO_2 reduction impact, making this a clear example of how the creation of environmental value is directly linked to financial value.*11

Corporate Value Creation by Connecting with Financial and Capital Markets through Standardization

Shaping international rules to enable capital market evaluation of Panasonic's contributions

The Panasonic Group promotes standardization activities under the leadership of its Chief Standardization Officer*1 to support the expansion of its global business, while ensuring alignment with its business and technology strategies through management meetings. The Panasonic Group participates in over 1,000 standardization activities worldwide, including serving in key positions such as International Secretary of the IEC (International Electrotechnical Commission). In fiscal 2026, these efforts were recognized through the receipt of the FY2026 Industrial Standardization Project Award from METI (Ministry of Economy, Trade and Industry), the IEC 1906 Award, and the IEC Activity Promotion Council Chairman's Award. In terms of contributions to solving environmental issues, in addition to the IEC and ISO (International Organization for Standardization), we also participate in the WBCSD (World Business Council for Sustainable Development), a global business organization that promotes rulemaking through industry associations and business coalitions. Through these activities, we are leading the standardization of the calculation and disclosure of avoided emissions.

Promoting avoided emissions and circular economy (CE) at COP30

We are working to promote broader recognition of avoided emissions and CE in order to foster innovation through the proper evaluation of CO_2 reduction impact and transitions to CE businesses. At the COP30*2 Japan Pavilion in November 2025, the Panasonic Group participated in a seminar*3 hosted by the Ministry of the Environment and the Ministry of Economy, Trade and Industry (METI) and co-hosted by the WBCSD*3. To advance stakeholders' understanding of avoided emissions, we presented three-step approach consisting of (1) standardization of the calculation methodologies, (2) sharing of case studies, and (3) comparable disclosure based on common standards, emphasizing the importance of both expanding disclosure and improving its quality. Furthermore, the Global Circulation Protocol (GCP) Ver. 1, an international framework for implementing CE, was launched. We outlined our policy for establishing and growing economically viable CE business models and products through the visualization and disclosure of resource circularity indicators and feedback to the GCP based on our knowledge and experience.

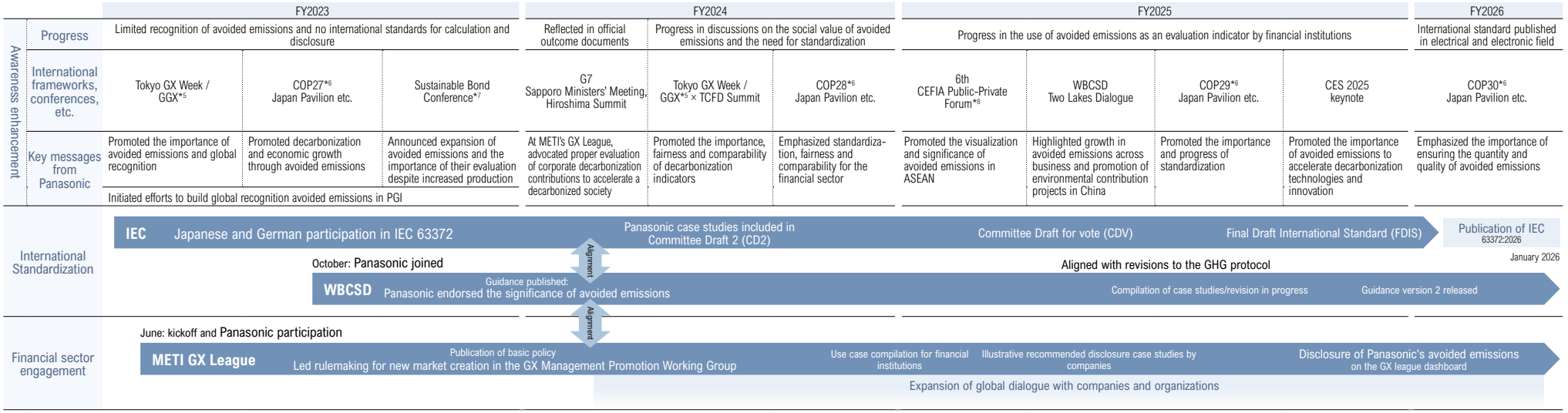
Advancing the international standardization of avoided emissions and connecting with financial and capital markets to transform social value into corporate value

To promote the proper evaluation of avoided emissions by capital markets, we are advancing standardization, social implementation, and engagement with the financial sector in an integrated manner to translate social value into financial value and enhance corporate value. With our participation, the international standard IEC 63372 (Avoided Emissions) was issued in January 2026, and we are promoting its incorporation into the GHG protocol and into the ISO standard. Also in January, we published the results of our joint research with RITE (Research Institute of Innovative Technology for the Earth) in an international journal, with the aim of including the findings reflected in the Intergovernmental Panel on Climate Change (IPCC) Seventh Assessment Report. Furthermore, through our participation in METI's GX League, becoming the first Japanese company to participate in a European Financial Data Platform*4, and supporting financial institutions in preparing reports, we are also promoting the use of avoided emissions in capital markets and advancing discussions on incorporating them into investment indicators.

We will transform social value into financial value and ultimately corporate value by creating and expanding avoided emissions (reduction impact), standardizing them as internationally comparable indicators, and promoting behavioral changes among stakeholders through connections with financial and capital markets.

*1 The Group CTO also serves as the Chief Standardization Officer
*2 The 30th Conference of the Parties to the United Nations Framework Convention on Climate Change. Around 200 countries, regions, and other entities participated in this international conference aimed at addressing climate change
*3 "Publication of the Global Circularity Protocol (GCP) for Business" seminar held by the Ministry of the Environment; "Linking Avoided Emissions to Enhancing Corporate Value," seminar held by METI
*4 Avoided Emissions Platform (AEP), a data platform developed by major European financial institutions

Initiatives to enhance awareness, standardization, and financial sector engagement for avoided emissions



*5 GGX: Global Green Transformation Meeting
*6 COP27 (November 2022, Egypt), COP28 (November 2023, UAE), COP29 (November 2024, Azerbaijan) and COP30 (November 2025, Brazil)
*7 Co-hosted by ICMA (International Capital Market Association) and Japan Securities Dealers Association
*8 CEFIA (Cleaner Energy Future Initiative for ASEAN) is a public-private partnership platform led by METI to promote decarbonization in Asia. 6th public -private forum (Bangkok, Thailand)

Environment and Technology Strategy

Maximizing Resource Value: Through the Circulation of Energy and Resources

Perovskite solar cells

While there is a growing demand for expanded use of renewable energy, urban areas have limited roof space, creating a need for new forms of solar power generation that utilize unused spaces such as the windows and walls of buildings. Our glass-type perovskite solar cells integrate with architectural glass, combining durability-enhancing materials and glass-encapsulation technologies with our proprietary inkjet-printing and laser-processing techniques, aiming to reconcile flexibility in size, transparency, and design with high durability, making them a promising option in the building sector.

After being selected for NEDO* Green Innovation Fund project in November 2025, we established a mass production technology development base in Nagahama City, Shiga Prefecture, and began conducting proof-of-concept tests in multiple buildings. In our test buildings, we installed TECHNOLOGYCUBE in the windows and are conducting long-term proof-of-concept tests to verify its power generation performance and durability in a real-world environment, as well as confirming its suitability for architectural use. We will build on the insights gained from demonstrations and verifications conducted with building-material partners and real-estate operators, step up efforts toward commercialization and productization, and deploy the technology to help realize a decarbonized society.

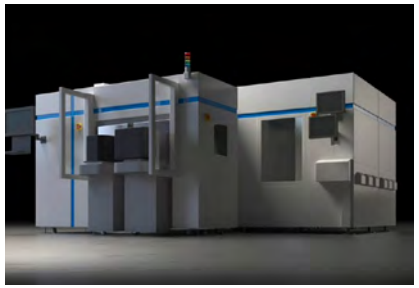


Perovskite solar cells
•Selected for the NEDO Green Innovation Fund Project (November 2025)
•Established a mass-production technology development base and started proof-of-concept testing

*NEDO: New Energy and Industrial Technology Development Organization

Next-generation semiconductors

With the advancement of generative AI, power consumption in data centers is surging, posing a significant issue for the sustainability of the global environment. To address this issue, further advancements in AI semiconductors that achieve both high performance and low power consumption are expected. In AI semiconductor manufacturing, the importance of 3D chip stacking technology is increasing because stacking chips with fine electronic circuit patterns in three dimensions shortens wiring paths, making it possible to significantly reduce power consumption. Innovation in equipment technology is therefore needed to improve mounting accuracy and yield. Panasonic Group has honed its equipment technologies for many years—including mounting machines, precision machining, measurement and inspection, and simulation—through in-house production, and has been committed to building in quality in every step from design to mass production. We believe that our ability to provide manufacturing equipment that integrates and optimizes materials, processes, equipment, and quality control is a strength not found in equipment manufacturers that specialize in specific process steps. Moreover, this technology contributes to reducing energy and material waste by improving yield, and, through process simplification and longer product lifetimes, also helps realize a circular economy. By utilizing a quality control platform and continuously providing value, we can offer technology that meets the expectations of semiconductor manufacturing companies. Through these initiatives, we will contribute to realizing an energy-efficient information infrastructure that supports an AI society.



Next-generation manufacturing equipment
•We offer a one-stop solution through our equipment lineup, which excels at building in quality across materials, processes, and equipment
•Prototyping and evaluation by major customers are currently underway

Expansion and enhancement of core facilities for the recycled products business and development of new recycling technologies

At the Utsunomiya Factory, we expanded the refurbishment process that forms the core of our inspected refurbished-products business. This facility was established as a showcase for resource-recycling-oriented manufacturing. The Panasonic Factory Refresh business, which sells warranty-backed refurbished products and offers flat-rate subscription services, is expanding into 12 categories*. We are refurbishing multiple categories of products, including washing machines and televisions, consolidating the refurbishment process, optimizing the layout, and installing an exhibition area. We are also promoting environmentally conscious facility development, utilizing locally sourced timber and discarded home appliances, and aiming for carbon neutrality in our electricity usage.

For glass-door refrigerators, which are difficult to sort and are expected to be discarded in large quantities, we are developing a method and device for laser delamination that uses laser processing to carbonize the coating on the back of the glass so that only the glass panel can be removed. We are aiming to introduce this recycling technology in a recycling plant and achieve its practical implementation in the near future.

Going forward, we will advance initiatives to realize a circular economy through collaboration with local governments and educational institutions, and by promoting employment of people with disabilities, while also advancing the practical implementation of new technologies, aiming to balance business expansion with environmental and social contributions.

* A total of 12 categories: washing machines, televisions, Blu-ray disc recorders, portable televisions, SLR cameras, dishwashers, refrigerators, rice cookers, microwave ovens, hypochlorous acid air sterilizers and deodorizers, LED lighting equipment, and vacuum cleaners



Entrance to the refurbishment process

Environment and Technology Strategy

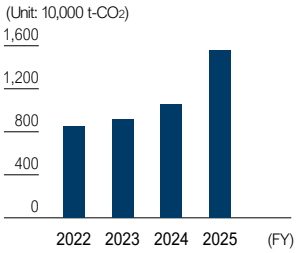
Environment-related Intellectual Property

Co-Creation Contribution to Solving Societal Challenges

Under our group's long-term environmental vision, "Panasonic GREEN IMPACT," we are accelerating initiatives to help reduce CO_2 emissions in society and for our customers through the provision of our own products and services, which we define as "CONTRIBUTION IMPACT." In addition to these initiatives related to avoided emissions, our group holds a large portfolio of intellectual property related to environmental technologies, and we aim to promote social implementation and contribute to solving societal challenges by strategically building co-creation partnerships with other companies.

For example, by allowing our co-creation partners to use our intellectual property related to vehicle batteries, we are helping to promote the replacement of gasoline-powered vehicles with electric vehicles and hybrid vehicles, thereby contributing to CO_2 reductions.*1 We estimate that, in fiscal 2025, the CO_2 reduction effect of electric vehicles equipped with lithium-ion batteries using our intellectual property amounted to 15.56 million tons of CO_2.*2

Estimated CO_2 Reduction Effect of Electric Vehicles Equipped with Vehicle Batteries That Use Our Intellectual Property



Relationship between "CONTRIBUTION IMPACT" and the "CO_2 Reduction Effect through Intellectual Property"

CONTRIBUTION IMPACT	CO_2 Reduction Effect through Intellectual Property
Contribution to emissions reductions through the provision of our products and services FY2025: 53.25 million tons of CO_2 (61 products)	Contribution to emissions reductions through the use of our intellectual property by our co-creation partners FY2025: 15.56 million tons of CO_2

- The "CO_2 reduction effect through intellectual property" is not included in the figures for "CONTRIBUTION IMPACT."*
- The basic approach to calculation is aligned for both, and this approach is consistent with WBCSD guidance and IEC 63372.**,***

* Although discussions on the international standardization of avoided emissions have progressed, the "CO_2 reduction effect through intellectual property" has not yet been addressed in such discussions. Therefore, it is presented separately from avoided emissions.
** https://www.wbcsd.org/resources/guidance-on-avoided-emissions-helping-business-drive-innovations-and-scale-solutions-toward-net-zero/
*** https://webstore.iec.ch/en/publication/67618

These initiatives to contribute to solving societal challenges through intellectual property have also resonated with society and, for example, were featured in a report by a financial institution.*3

Addressing societal challenges such as climate change is not something our group can tackle alone. Panasonic Intellectual Property Department has established its Purpose as "Circulating intangible properties, transforming them into value, and making the world happier."*4 Guided by this Purpose, we will continue to take on the challenge of promoting social implementation and contributing to solving societal challenges by building co-creation partnerships with other companies, leveraging intellectual property as a starting point.

Reducing environmental impact through anti-counterfeiting measures

Counterfeit products have an extremely high environmental impact across their lifecycle, from production to disposal. Furthermore, a society where rights are respected is a fundamental prerequisite for achieving our Purpose. The Panasonic Group has served as chair of IIPPF (International Intellectual Property Protection Forum) since March 2026*5, and will continue to play a leadership role in the industry.

TCFD / TNFD

TCFD —Addressing climate transition risks and opportunities to strengthen business resilience—

In May 2019, we expressed our support for the recommendations of the TCFD*6 and since 2020 we have disclosed the items recommended by the TCFD (governance, strategy, risk management, metrics and targets) in our Sustainability Data Book.

- Governance: The Board of Directors is positioned at the top of the environmental management structure and receives reports on Group environmental management. Key matters are discussed at management meetings, including the Group Transformation Round Table attended by business CEOs, and decisions are made accordingly. Depending on the nature of matter, deliberations and decisions are reported to the Board of Directors, which oversees sustainability, enabling prompt decision-making.
- Strategy: We have identified the impacts of climate change and analyzed their implications for our businesses. We also developed social scenarios for 2050, examined strategies aligned with those scenarios, and assessed the resilience of those strategies.
- Risk Management: We have established environmental risk management systems for each operating company and conduct annual assessments of environmental risks while ensuring prompt responses when risks arise. In addition, the Enterprise Risk Management Committee reviews risks from the perspectives of management and business strategy and social responsibility, and decides the Group's material risks.
- Metrics and Targets: We have set greenhouse gas (GHG) emissions reduction targets. In 2017, our target was recognized by the Science Based Targets initiative (SBTi) as aligned with 2°C pathway. An updated GHG emissions reduction target was recognized as aligned with 1.5°C pathway in 2023. We also established a long-term target, which received SBTi Net-Zero target validation in September 2024.

TNFD —Addressing natural capital risks and opportunities to strengthen business resilience—

Under the Group's long-term environmental vision, Panasonic GREEN IMPACT, we began TNFD framework*7-aligned disclosures from a Panasonic Group perspective in the previous fiscal year to visualize our dependencies and impacts on natural capital, including biodiversity, and to accelerate the sustainable creation of corporate value. This fiscal year, we initiated an analysis of our nature-related risks and opportunities based on the LEAP approach*8, focusing on our lithium-ion battery business, one of our growth areas.

Going forward, we will use this analysis as a starting point to further refine our analysis and enhance our disclosures in a phased manner. We will also advance initiatives to mitigate future impacts and promote conservation and restoration, further deepen our TNFD disclosures, and enhance corporate value over the medium to long term.

*1 CO_2 reduction effect of vehicle batteries: The difference in CO_2 emissions during driving (use) between gasoline-powered vehicles and electric vehicles equipped with vehicle batteries that use our intellectual property.
*2 Vehicle batteries: The difference in CO_2 emissions during driving (use) between gasoline-powered vehicles and electric vehicles equipped with vehicle batteries that use our intellectual property was estimated using the flow method, under which emissions over the entire lifetime are accounted for in the year of sale. Lifetime mileage was estimated based on the average mileage in each country and region, taking into account the battery warranty mileages provided by OEMs. CO_2 emissions from the production of vehicle batteries were deducted. In addition, because activity data is determined based on actual vehicle sales of electric vehicles equipped with vehicle batteries that use our intellectual property, the FY2025 results were estimated in FY2026.
*3 https://www.dbj.jp/upload/investigate/docs/d2dc91356638f952c06479f32e56b3c6.pdf -The cited contents are available only in the Japanese version of this website.
*4 https://holdings.panasonic/global/corporate/about/intellectual-property.html
*5 https://www.jetro.go.jp/en/jetro/activities/business/iippf/
*6 TCFD stands for the Task Force on Climate-related Financial Disclosures, which was established by the Financial Stability Board at the request of the G20 Finance Ministers and Central Bank Governors. The TCFD published its recommendations in 2017. For more details, please refer to TCFD.
*7 For more details, please refer to here Sustainability Data Book.
*8 An integrated approach developed and recommended by the TNFD for assessing nature-related issues, including interactions with nature, dependencies on nature, impacts, risks, and opportunities

Compliance Initiatives

Policy

The Panasonic Group has established the Panasonic Group Code of Ethics & Compliance as the basic policy governing compliance in its business activities. The Code sets out the commitments that each Group company and every employee must fulfill, and it has been translated into 22 languages and thoroughly communicated across the Group.

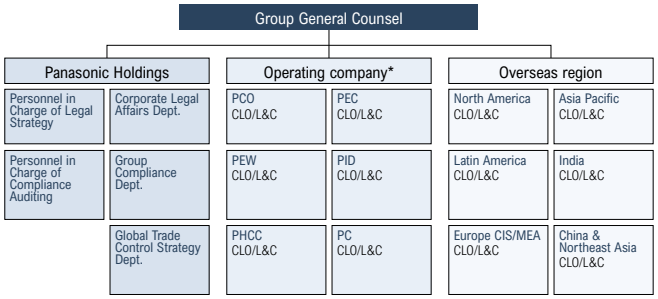
Responsible Executive and Framework

The Group General Counsel (Group GC), a Director and Executive Officer, is responsible for and oversees the Panasonic Group's compliance initiatives, and the chief legal officers (CLOs) and legal departments of our operating companies and overseas offices work together under the Group GC as a single legal team to promote compliance across the Group.

Panasonic Holdings Corporation is responsible for establishing and overseeing the Group-wide compliance system. At each operating company and overseas region, the CLO and legal departments, under the leadership of the president of the operating company or overseas office CEOs, promote compliance initiatives tailored to the specific characteristics of the business and region.

Additionally, the Group GC and the CLOs of each Group company regularly report significant compliance matters to the Board of Directors and similar bodies, supporting timely and appropriate instruction and oversight by management, together with management's decision-making that take into account on-the-ground issues and risks.

Legal and Compliance Implementation Framework (as of April 1, 2026)



CLO: Chief Legal Officer,
L&C: Legal & Compliance Dept.

*PCO: Panasonic Connect Co., Ltd.,
PEW: Panasonic Electric Works Co., Ltd.,
PHCC: Panasonic HVAC & CC Co., Ltd.,
PEC: Panasonic Energy Co., Ltd.,
PID: Panasonic Industry Co., Ltd.,
PC: Panasonic Corporation

Internal Communication and Training

At the Panasonic Group, the Group CEO, the presidents of each operating company, and the general managers of each business site continuously communicate the importance of sincere and ethical conduct and of a compliance-first mindset, while also engaging in two-way communication, including incorporating the opinions and concerns raised from the business sites in management.

We are also working to strengthen the identification of and response to risks arising from changes in the business environment and business operations, and to embed an awareness of ethics and legal compliance globally. The Group also provides employees with continuous education and training at hiring and upon promotion, as well as through e-learning and other means.

We maintain an environment where executives and employees engaged in high-risk duties can regularly take e-learning programs for high-risk areas such as bribery and corruption, and violations of competition law. We also conduct training for the necessary personnel at operating companies and in overseas regions, taking into account the risks associated with the specific characteristics of each business and region.

Whistleblowing System

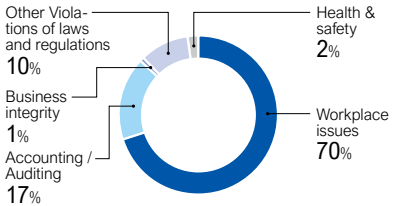
To prevent misconduct and enable its early detection and correction, the Panasonic Group has established the Global Hotline EARS, a whistleblowing system available to employees and business partners that allows anonymous reporting and is available in 32 languages, 24 hours a day, 365 days a year.

The reporting system strictly prohibits any retaliation against whistleblowers and rigorously protects confidentiality to ensure proper operation.

In fiscal year ended March 31, 2026 (fiscal 2026), we received 1,592 reports and consultations, with approximately 79% of these coming through the Global Hotline. We investigate all reports and consultations, and in cases where the facts are confirmed, we take corrective measures to prevent recurrence and provide feedback to the whistleblower.

(These statistics cover the period from March 16, 2025 to March 15, 2026)

Report and Consultation (Fiscal 2026)*



* Workplace issues include harassment, discrimination, complaints, etc. Business integrity includes bribery, conflicts of interest, fraud and theft, competition law, quality, information security, and others. Figures on the graph are rounded.

Audits

The Group conducts annual audits focusing on bribery and corruption, and competition law violations, which are considered significant compliance risks. We assess country- and region-specific risks at business sites, select approximately five sites with relatively high risk, and review the development and operation of compliance rules and regulations. We also work to correct any identified deficiencies and ensure these corrections are effectively implemented.

Initiatives to Address Significant Compliance Risks

Based on their impact on the Group's overall business activities, we place particular importance on compliance with competition laws, prevention of bribery and corruption, and compliance with trade and transaction regulations, and are driving focused initiatives in each of them.

(Please refer to the "Ethics & Compliance" chapter in the Sustainability Data Book 2026 for more details about our compliance initiatives.)

Message from the Chairperson of the Board

A Board of Directors that supports the Group's transformation and growth



Michitaka Sawada

Chairperson of the Board
Outside Director

Has served in key positions at Kao Corporation, including Representative Director, President and CEO. Joined Panasonic Holdings as Outside Director in June 2020, and was appointed Chairperson of the Board in June 2025.

An eventful year driven by effective governance that balances "offense and defense"—promoting growth while strengthening risk management

Q1 **Fiscal 2026 was a year in which Panasonic Holdings implemented the Group Management Reform and formulated a Group Growth Strategy. As Chairperson of the Board, how would you summarize the year?**

In June 2025, recognizing the significance of its responsibility, I accepted the position of Chairperson of the Board with a strong desire to meet the expectations of our stakeholders. As Chairperson, my goal has been to enhance the effectiveness of the Board of Directors by implementing effective governance that balances "offense and defense," and to translate those results into improved performance and expectations for future growth, ultimately aiming for them to be reflected in the stock price. It was a challenging and intense year, but I believe we were able to achieve a certain level of success.

From the perspective of proactive approach to governance, we were able to complete the implementation of the fixed-cost structural reform and the strategic direction-setting of businesses with issues, which were set forth as part of the Group Management Reform, thereby establishing a profit base for future growth. Furthermore, regarding the Group Growth Strategy, after spending a great deal of time discussing the matter at the Board of Directors meetings, we made it clear that we aim to be a company that continues to evolve, supporting the development of society and industry by resolving social issues that arise with the times. Furthermore, the Board of Directors reached a common understanding that, looking ahead to 2032, we will contribute to society by supporting AI infrastructure and social operations by addressing two social issues: the efficient use of energy and the alleviation of frontline labor shortages.

From the perspective of defensive approach to governance, because the entire Company was tackling the Group Management Reform in fiscal 2026, the Board placed greater emphasis on, and oversaw, compliance issues more than ever before. As a result, no incidents escalated into a serious situation, and I believe the Board of Directors was able to fulfill its role to a certain extent.

The Board of Directors should not only exercise its supervisory function, but also engage in diverse future-oriented discussions, for example, about exciting cutting-edge technologies that look 10 or 20 years ahead. However, implementing the Group Management Reform and formulating the Group Growth Strategy are extremely demanding tasks, so in fiscal 2026 the Board of Directors had no choice but to focus on these important and urgent issues. My summary is that it was a year of heightened focus in a time of upheaval.

Business performance and stock price are key indicators for measuring effectiveness

Q2 **What are your thoughts on improving the effectiveness of the Board of Directors?**

I believe the effectiveness of the Board of Directors lies in using governance to strengthen the supervision of

Message from the Chairperson of the Board

management and support execution, which leads to improved performance and heightened expectations for the future, ultimately resulting in a higher stock price. The Board can only be said to have been effective once the stock price rises. Even if Board members feel the Board's effectiveness has improved, if performance is languishing and the stock price has not risen, we cannot say the Board's effectiveness has actually improved. Recognizing the importance of earning the confidence of our shareholders and investors, the Board of Directors takes both our business performance and stock price seriously.

When I took over as Chairperson, I thought deeply about how to enhance the Board's effectiveness. There are various directions we can take, but what I place the greatest emphasis on is improving the quality of the Board of Directors' discussions. Of course, the question of what proposals to submit to the Board of Directors is important, but even more important, I believe, are how to allocate the right amount of time for each agenda item and how to elicit effective opinions and comments from Board members within the limited time available.

At Board meetings, we clearly separate items to be dealt with briefly from those requiring focused, in-depth discussion, and adjust the time allocated to each agenda item accordingly. The first half of the Board meeting is dedicated to routine matters and agenda items that can be discussed briefly, while the second half includes agenda items that require in-depth discussion. If the discussion of the agenda items in the first half becomes long-winded and runs over the scheduled time, not only will there be insufficient time for the more important discussions in the latter half, but the long-winded discussion will drain the Board members' thinking, so high-quality opinions will not emerge. That's why well-balanced and efficient time allocation is crucial.

Factors such as the number of directors, the proportion of outside directors, and diversity also affect the quality of discussions, but these alone do not guarantee higher quality. Effective facilitation is needed to draw out the Board members' experience and expertise and enhance the quality of Board discussions. It has been six years since I was appointed as Outside Director in 2020, so I understand the viewpoints and characteristics of the Board members. When multiple members wish to speak during a Q&A session at a Board meeting, I also consider the order in which they speak. When the first speaker offers a good idea, it stimulates the other members' thinking and raises the quality of the next speaker's comments. Our Board members come to discussions well prepared, so a high-quality comment often triggers a chain reaction that elevates the level of discussion. Higher-quality discussions change how the executive team approaches and responds to Board deliberations, creating a greater sense of accountability and leading to more effective follow-up actions. Therefore, as Chairperson, I'm always striving to facilitate high-quality discussions.

Focused on achieving performance targets and implementing the Group Growth Strategy

Q3 What will be your key focus for the Board of Directors in fiscal 2027?

Since directors are elected by shareholders, it is important that we as representatives of the shareholders ensure that the Board of Directors functions and meet their expectations. This also contributes to the effectiveness of the Board of Directors. The stock price, one of the indicators to measure the effectiveness, has reached its highest level in 26 years*, and I am deeply aware of the high expectations our shareholders have for our future. Making the Board of Directors function in a way that meets these expectations is my top priority for fiscal 2027. In addition to ensuring the achievement of adjusted operating profits of 600 billion yen in fiscal 2027 and 750 billion yen or more in fiscal 2029, we must steadily advance the implementation of the Group Growth Strategy. To achieve this, speed in responding to change is crucial. Given developments in the Middle East and other factors, uncertainty is expected to persist for the foreseeable future. The key to success lies in anticipating and responding quickly and appropriately to the rapidly changing business environment. Furthermore, no matter how determined we are to move faster, without a strong technology platform we cannot adapt to change nor make contributions to our customers. We recognize that, despite possessing excellent technology, we have not always been able to leverage it quickly and efficiently. Going forward, in addition to adopting technology with a greater sense of speed, I would like to bring to the Board discussions on forward-looking and exciting cutting-edge technologies. As the Board of Directors, we will support the implementation of the Group Growth Strategy so that we can make the most of any business opportunities.

* The previous high on a closing price basis was 3,230 yen on March 1, 2000 (As of May 12, 2026).

The Panasonic Group is entering a new stage

Q4 What is your message to shareholders and investors?

I feel that the Company has shifted from an inward-looking to an outward-looking approach in both supervision and execution. In terms of supervision, having an outside director as the Chairperson of the Board allowed proposals to be presented without internal constraints, and discussions became more outward-looking rather than inward-looking. In terms of execution, the management policies and actions on the executive side clearly reflect the style of Group CEO Kusumi, and we have become more objectively aware of our position from an external perspective and have become more proactive in tackling the Company's challenges head-on. This is a major change. The Board of Directors will firmly supervise the spread and expansion of these changes at the operational frontlines so that the entire Group can undergo further transformation.

Going forward, as Chairperson of the Board of Directors, I will strive to ensure that we fully capture the benefits of the Group Management Reforms while advancing the Group Growth Strategy to further enhance corporate value.I look forward to your continued support as the Panasonic Group has entered a new stage of growth.

—Dialogue between Outside Directors—

The Board of Directors that formulated the Group Growth Strategy



Shinobu Matsui, Outside Director
Previously worked as a Certified Public Accountant at a major auditing firm. Has held key positions, including Director (currently serving as Senior Executive Officer and CHRO), at Uzabase, Inc. Has served as an Outside Director of the Company since June 2021 and was appointed Chair of both the Nomination Advisory Committee and the Compensation Advisory Committee in June 2025.

Junko Seto, Outside Director
Held senior positions at multinational companies and other organizations before being appointed Executive Officer and CFO of Asahi Group Japan, Ltd. Has served as an Outside Director of the Company since June 2025. (Executive Officer and CFO of Asahi Group Japan, Ltd. at the time of the interview.)

Agenda items deliberately brought forward with room for debate, enabling the Board and management to rigorously discuss the fundamental issues

Q1 **In June 2025, Mr. Sawada became the first outside director to be appointed Chairperson of the Board of Directors, while the Company's outside directors have come to constitute a majority. What changes have you observed in the oversight and effectiveness of the Board of Directors?**

Matsui It has been five years since I became an outside director, and even in the early days of my appointment, I found it quite easy to express my opinions. I have felt that the Board operates in an open manner. That said, even though discussions at the Board meetings were lively, I noticed that few inside directors spoke up, and most of the comments came from outside directors. I believe this was because the Board had been positioned as a place for hearing the opinions of outside directors on the agenda items that the executives had already discussed thoroughly in advance before presenting them. Therefore, before the Group Management Reform in February 2025, most of the agenda items submitted to the Board were those that had already been extensively discussed by the executives and were nearly finalized. As outside directors, we were particularly aware of how this made it difficult to delve into more fundamental issues. It felt as though agenda items were being submitted to the Board not for discussion but simply for approval. I therefore informed the Board that it would be difficult to give an opinion when agenda items are brought to the Board only at the final stage and requested that we would rather have them presented even if they are still only half developed. In this way, we worked to improve the situation. In particular, since Mr. Sawada, an outside director, became Chairperson of the Board, some agenda items have begun to be submitted to the Board before the executives have reached a conclusion. Given the Company's conscientious corporate culture, there was initially some hesitation about submitting agenda to the Board under such circumstances. However, the number of cases where both inside and outside directors actively engage in discussion has increased significantly, and I can sense that the effectiveness of the Board has certainly improved.

Dialogue between Outside Directors

Seto I became an outside director of the Company in June 2025, so I have only experienced the Board after these changes took place. Even from my perspective, having worked for many years at foreign-affiliated companies, I remember being surprised at the time of my appointment by how much more active the discussions were at Board meetings than I had expected. As Ms. Matsui mentioned, discussions at Board meetings sometimes begin from differing opinions, and there is no set policy for resolving them. For example, when the Group Growth Strategy, announced in May 2026, was being formulated, the proposal was first submitted to the Board with the executives still holding differing opinions. Those differences were actually what helped reveal the fundamental issues, allowing us to engage in high-quality discussions. At the Company's Board meetings, both inside and outside directors exchange a wide range of opinions, including those for and against, when discussing important agenda that can influence the Group's direction. Even in such Board meetings, Mr.Sawada's facilitation as Chairperson helps organize the key points, enabling high-quality discussions that lead to effective decision making.

Matsui When opinions were divided at Board meetings, we would often ask Mr. Kusumi, "What do you want to do?", seeking his views as the Group's top executive. In this way, the Board fulfills its supervisory function while respecting the views of the top executive officer. Also, since Mr. Sawada assumed the role of Chairperson, an objective perspective has been brought to the content of agenda and the timing to be submitted to the Board. I feel there is a healthy and productive tension between Mr. Sawada and Mr. Kusumi.

A sense of unity across the Group has emerged through growth strategy discussions

Q2 **Fiscal 2026 was a year in which we implemented the Group Management Reform and formulated a Group Growth Strategy. How do you view the changes in the executive team?**

Matsui Driven by a strong sense of urgency over prolonged weak growth and a stagnant stock price, the Group Management Reform was formulated through pressing, time-bound discussions over a three-month period and was successfully completed in fiscal 2026 owing to the strong determination of the Company's executives. The Board closely supervised the entire process, which led to the establishment of the current profit foundation. In the past, discussions by the Board regarding the Group Growth Strategy would likely have been conducted only by the holding company. This time, however, the presidents of the operating companies also took part, and the strategy was formulated through repeated discussions across the entire Group. I had previously sensed that a degree of sectionalism existed between the holding company and the operating companies, as well as among the operating companies themselves—perhaps as a negative side effect of autonomous responsible management. However, as discussions on the Group Growth Strategy progressed, those barriers seemed to have been removed.

Seto For example, during the discussions on the Solutions area, the three presidents of the operating companies in that area each presented their initiatives to the Board. Through those presentations, we realized that the initiatives, which had previously appeared separate, actually shared common elements and were interconnected. The three presidents of the operating companies most likely gained significant insights and valuable learnings from listening to one another. I am convinced that each of them has developed a sense of ownership not only as the head of their own operating company but also as a leader in the Solutions area, enabling them to think about what the Group's solutions business ought to look like.

Matsui I think there was, to some extent, a perception among the operating companies that the holding company was responsible for the Group's overall strategy, while the operating companies should concentrate on their own businesses. Now that the Group Growth Strategy has been discussed and formulated collectively, there has been a shift toward a sense of ownership—an awareness that they themselves are responsible for shaping the Group's future.



Dialogue between Outside Directors

Seto The future of the Panasonic Group is now being considered not only by Mr. Kusumi, the Group CEO, but by the entire executive team together. While the Group Management Reform was developed and implemented out of a sense of crisis, for the Group Growth Strategy, a sense of ownership—not only for one's own business but for the Panasonic Group as a whole—will be the key to achieving the strategy.

Avoiding the same mistakes; case-by-case oversight of projects is key

Q3 **How do you plan to exercise the Board's supervisory function in fiscal 2027?**

Seto As someone with a background in finance, I tend to approach matters from the perspective of profit structure and capital allocation. In fiscal 2027, the decision regarding the strategic investment of 500 billion yen in the AI infrastructure business announced in the Group Growth Strategy will be extremely important. The Board should undertake thoroughgoing discussions on this matter and closely monitor the execution functions of the business. We must actively engage in discussions on both fronts: risk management, focusing on how to respond flexibly to shifts in market conditions, and strategic revenue management, focusing on how to maximize opportunities when demand grows faster than planned supply capacity. As with past large-scale strategic investments, such as in automotive batteries and Blue Yonder, it is important that we continue checking whether pre-established KPIs and milestones have been achieved. At Board meetings, we intensively discuss not only capital allocation but also the business portfolio. In fiscal 2026, there were a notable number of proposals submitted to the Board related to the liquidation of past investments. Something that can generally be said about Japanese companies is that they tend to be homogeneous and are good at coming together in one place and moving forward with a shared mindset. On the flipside, they often struggle to deal with western corporate culture and key overseas strategic bases. We are no exception, and I have become acutely aware that we share this tendency. With those aspects in mind, we have asked the executives to conduct a thorough review of the factors behind past unsuccessful M&As and strategic investments for further discussions at Board meetings. As lessons learned from past unsuccessful cases, it is imperative that the Board exercises oversight in a manner suited to the nature of each case, to ensure that the same mistakes are not repeated. In addition, to realize the Group Growth Strategy, the business model in the Solutions area must be transformed. There is a certain gap between the capabilities required for a solutions business and those the Company has developed through its traditional one-time hardware sales business model. We will continue to establish appropriate KPIs and monitor them to bridge this gap and ensure the successful completion of the transformation.



Together with shareholders and investors, targeting sustainable growth in corporate value

Q4 **In fiscal 2027, the Company's executive compensation system was overhauled and included the introduction of performance-based stock compensation and changes to the relative size of compensation. Could you tell us about the background and objectives of these changes?**

Matsui In June 2025, the structure of the Nomination and Compensation Advisory Committee was reviewed and divided into two separate committees: the Nomination Advisory Committee and the Compensation Advisory Committee. I serve as Chairperson of both committees. The Company's stock price has been on an upward trend since 2026, but before that, it had lagged behind competitors for an extended period. We had long considered increasing the weighting of stock compensation to encourage the management team to run the business with a stronger awareness of the capital market's perspective. The Company

Dialogue between Outside Directors

introduced a restricted stock compensation system in 2019, but since the number of shares granted was fixed regardless of earnings, we realized that it did not provide enough incentives. Therefore, starting in fiscal 2027, the Company introduced performance-based stock compensation in addition to the existing restricted stock compensation. The only evaluation indicator for that is relative TSR (Total Shareholder Return), and the number of shares granted will not increase unless performance exceeds that of TOPIX and peer companies. In addition, the relative size of compensation has been revised significantly. For example, in the case of our Group CEO, if basic compensation is set at 1, the ratio of stock compensation, which was previously 0.5, has now been raised to 2. On the other hand, taking into account the implementation of the Group Management Reform in fiscal 2026, the total compensation level remains unchanged when viewed based on the standard amounts before and after the revision of the executive compensation system. As a result, the amount of basic compensation has been lowered, while the proportion of performance-based compensation has been increased.

Seto The Panasonic Group's management team has always maintained a strong commitment to earnings and stock price, and I believe that the revision of the executive compensation system will further strengthen that commitment. It is important for the management team to be in the same boat as shareholders and investors, working together as one to achieve sustainable growth in corporate value.

Matsui Previously, the evaluation indicators for short-term incentive compensation for the presidents of the operating companies were based solely on the metrics of the operating companies. This time, we have included consolidated adjusted operating profit for the entire Group as a performance metric. This change enables the presidents of the operating companies to adopt a Group-wide perspective and provides added motivation to help realize the Group Growth Strategy. In April 2026, each the president of the operating company assumed the role of executive officer at the holding company. From a compensation standpoint as well, this allows them to adopt a Group-wide perspective and ensures effective governance of nomination and compensation matters.

Seto Another notable change is that a portion of outside directors' compensation is now delivered in the form of restricted stock awards. The Company's outside directors have a great deal of passion for the Panasonic Group and a strong desire to help move the Company forward. With the introduction of stock compensation, outside directors can perform their role of supervising business execution with an even stronger commitment to achieving sustainable growth in corporate value.
(Please refer to P49 for more details about executive compensation.)

Q5 What is your message to shareholders and investors?

Matsui At this point, I am of the view that the Board of Directors at Panasonic Holdings operates very effectively and that a strong corporate governance framework is in place, but it is difficult to say whether it will still be effective 10 years from now. Both the way business is conducted and the approach to governance will continue to evolve with the times. With that outlook in mind, the Board will continue to pursue effective forms of governance that remain relevant in the years ahead. It is my hope that shareholders and investors will keep watching over the Panasonic Group with peace of mind.

Seto The Company's Board of Directors has a deeply rooted culture of continuous improvement, which I believe will help it adapt effectively to various changes in the future. On top of that, following the formulation of the Group Growth Strategy, I am strongly convinced that the Company's direction has become clear, the Group has begun to undergo real change, and the speed of decision making has increased. I hope shareholders and investors also find these developments convincing, and look forward to the further transformation of the Panasonic Group.



Message from Mr. Matsuo, Outside Director



Yutaka Matsuo Outside Director

Professor, Department of Technology Management for Innovation, Graduate School of Engineering, The University of Tokyo. Chairman of Japan Deep Learning Association (JDLA). A distinguished leader in the fields of AI and deep learning, he has driven both cutting-edge research and the broad-based social implementation of these technologies, while making significant contributions to industry-academia-government collaboration and the development of future talent. Since June 2025, he has served as an Outside Director of the Company.

Q1 Drawing on your experience and expertise, what views and recommendations have you shared with the Board? Has your perspective on the Panasonic Group changed through these discussions?

Since becoming an Outside Director in June 2025, I have spent much of my first year gaining a deeper understanding of the Panasonic Group's diverse businesses and organizations, as well as how decisions are made. From the standpoint of AI and data strategy, one point I have emphasized in particular is the need for the Group to make a concerted commitment to physical AI, which brings AI together with devices, the gemba (operational frontlines), spaces, and services. Momentum is growing in this field across Japan, and it is an area in which the Panasonic Group can make full use of its technological strengths. I believe we therefore need to build these capabilities across the Group. The Panasonic Group's frontline teams in individual businesses are strong, giving the Company a distinct bottom-up competitive edge. At the same time, I believe it is important to modernize the shared foundation that feeds customer feedback and sales and marketing data back into product planning, design, and business decisions. I joined the Board because I saw a company with tremendous potential. Now that I have also gained a clearer view of the difficulty and challenges involved in realizing that potential, I feel that the next stage is where it truly matters. I want to work with the Group to chart a path to substantial growth in the AI era while preserving the strength of its frontline-driven, bottom-up approach.

Q2 The Group Growth Strategy toward 2032 has now been formulated. What challenges do you see for the Panasonic Group as it seeks to further enhance corporate value? How do you hope to contribute to the Board?

The decision to support AI infrastructure and social operations as we look toward 2032 is an important strategy for channeling the Panasonic Group's strengths into growth areas. In the near term, the Group must further expand its portfolio of products that are essential to AI infrastructure, including energy storage systems for data centers, high-performance multilayer circuit board materials, and conductive polymer capacitors, and fully capture rapidly expanding demand. Technological superiority alone will not be enough. Our execution must keep pace with the growth opportunity in areas ranging from supply capacity and quality to customer responsiveness and the speed of investment decisions. Over the medium term, the challenge will be to extend the Group's strengths in its connections to operational frontlines, devices, quality, and safety into AI- and data-enabled solutions and, ultimately, physical AI. On the Board, I hope to assess advances in technology and emerging business opportunities while helping ensure that initiatives in individual businesses do not remain isolated, but instead strengthen the competitiveness and corporate value of the Group as a whole.

Dialogue between Outside Directors and Institutional Investors



[Event Overview]

Date : July 6, 2026
Format : Online
Speakers : Outside Director Sawada (upper left), Outside Director Matsui (upper right), and Outside Director Nishiyama (lower left)
Moderator : Kazuo Yoshikawa, Analyst (lower right), Morgan Stanley MUFG Securities Co., Ltd.
Participants : Institutional investors in Japan and overseas

Please refer to the minutes available on our IR website for further details.
https://holdings.panasonic/content/dam/holdings/global/en/corporate/investors/pdf/20260706_e.pdf

[Main dialogue topics]

- Board discussions on Group management reform and Group Growth Strategy
- Business Growth Opportunities in the AI Era
- Business Portfolio Management
- Enhancing Board Effectiveness and Corporate Governance
- Management Talent for the Next Generation

Corporate Governance Structure and Initiatives

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 efforts to conduct 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 endeavors to establish and strengthen this structure as an effective system.

The Company determined that, even under the Operating Company System, it can ensure the effectiveness of corporate governance with the structure based on the Audit &Supervisory Board System composed of the Board of Directors and Audit &Supervisory Board Member/ Audit & Supervisory Board, leveraging Nomination and Compensation Advisory Committee and the scheme of Evaluation of the Board of Directors Effectiveness. This structure is shown in the diagram on the right.

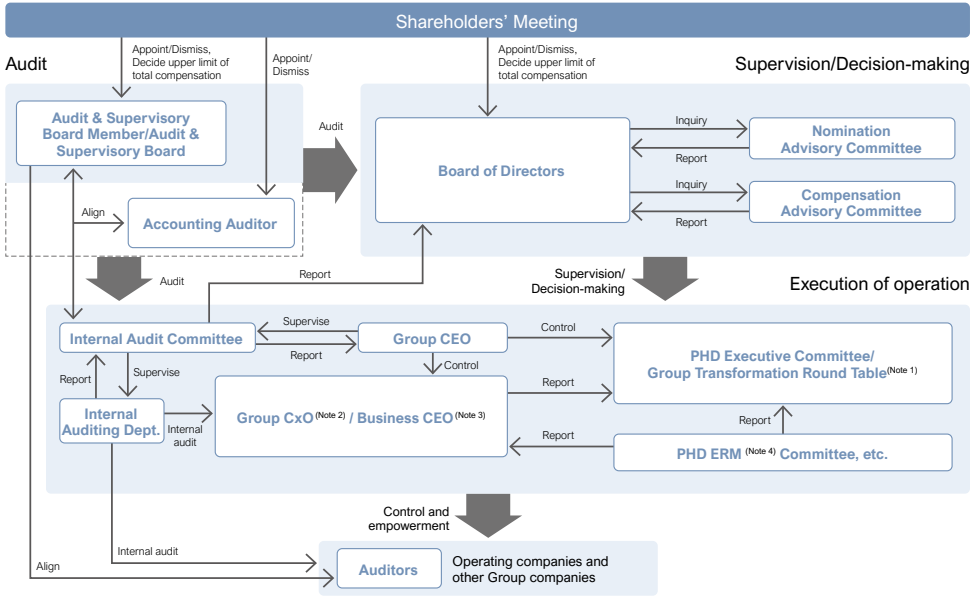
The Company's Board of Directors has changed significantly since June 2025, in particular. An independent Outside Director now serves as Chairperson of the Board of Directors, and the board consists of a total of 13 members: 7 independent Outside Directors and 6 Inside Directors. In addition, four women serve as directors. Such a well-diversified management team leads the Group-wide management of the Company.

Milestones in strengthening Corporate Governance

In alignment with the principles of Japan's Corporate Governance Code, the Company has established a highly effective governance framework by balancing a strong supervisory function with autonomy for our businesses.

The Company is working to establish and strengthen its corporate governance structure based on its recognition that effective corporate governance is a key foundation for making contributions to its customers and society through its business and furthermore increasing its corporate value.

Corporate Governance Structure



(Notes) 1 PHD Executive Committee/Group Transformation Round Table: Discuss/set the direction/report on Group's mid to long term strategy, important initiatives implemented by the Company and Operating Companies, sustainability management, and material risks
2 Group CxO: Governance, Group Strategy, Business Support by functional axis of Accounting & Finance, HR, Legal Affairs, etc.
3 Business CEO: As an executive officer who also serves as president of an operating company, and is responsible for shaping group strategy and making important business decisions from a Group wide perspective
4 PHD: Panasonic Holdings / ERM: Enterprise Risk Management

2015

2013
- Appointed first female director

2014
- Started stock option compensation system for stock-type compensation (continued until 2018)

2015
- Established Nomination and Compensation Advisory Committee
- Started evaluating the effectiveness of the Board of Directors
- Established Outside Directors and Outside A&SB Members Committee

2016
- Discontinued ESV Plan*
  *The Policy toward Large Scales Purchases of Panasonic Shares

2017
- Raised the minimum ratio of Outside Directors to one third

2018
- Reviewed the corporate advisor system

2019
- Introduced restricted stock (RS) compensation

2020

2022
- Added new non-financial performance indicators to the performance-based compensation system for directors, etc.

2023
- Conducted the first dialogue between outside directors and institutional Investors

2025

2025
- Appointed an Outside Director as Chairperson of the Board
- Outside Directors now constitute the majority of the Board of Directors
- Set an upper limit on the number of directors (no more than 15 members)
- Revised the Nomination and Compensation Advisory Committee into two separate committees: the Nomination Advisory Committee and the Compensation Advisory Committee
- Introduced Malus and clawback provisions

2026

2026
- Introduced performance share unit (PSU)
- Started granting RS compensation to outside directors

Corporate Governance Structure and Initiatives

Outline of Structure (As of June 22, 2026)

Directors

13

Inside Directors 6

Outside Directors 7



Ratio of Outside Directors

53.8%



Ratio of Female Directors

30.8%



The Board of Directors

- The Board of Directors delegates authority to the Companies, and achieves a fast-moving decision-making process centered on the Operating Companies. It also decides the Group's medium- to long-term strategies and important Group matters, and concentrates on Group direction through Group governance and risk management, in order to make important decisions for the Group and conduct sound and suitable monitoring.
- The Company ensures the diversity of knowledge, experience, and qualifications of the Board of Directors as a whole, taking into consideration the expertise required of the Board of Directors. The Company elects Outside Directors from among experienced corporate executives, who have extensive managerial experience in various careers and deep insight, and are expected to provide valuable opinions as supervisors of decision-making related to business execution and the execution of directors' duties.
- The majority of the directors are Outside Directors
- The Chairperson of the Board of Directors is appointed from among the Outside Directors
- To ensure that the decisions of shareholders are appropriately reflected in management, all directors are elected every year at the annual Shareholders' Meeting. (Directors' term of office is one year). In addition, to maintain an appropriately sized Board of Directors, the maximum number of directors is set at 15.

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

- An independent body entrusted by the shareholders to ensure sound corporate management and secure public trust
- In order to contribute to the sound and sustainable growth and improvement in mid- to long-term corporate value of the Group, we establish a high-quality corporate governance system.
- The upper limit for the number of Audit & Supervisory Board Members is set at five (5) in consideration for matters such as balance with the set upper limit for the number of Directors.
- The Company appoints full-time senior A&SB Members who are well versed in corporate operations and are able to comprehend the actual condition of businesses by exercising their right to visit and investigate operating sites. The senior A&SB Members are elected from among those who have experience in positions equivalent to or higher than senior executive directors. Of these, one has considerable knowledge related to financial and accounting matters.
- The Company appoints outside A&SB Members from among business managers, lawyers, and certified public accountants, who are capable of effectively supervising the execution of Director duties based on their advanced expertise, extensive careers, and high levels of knowledge.

Board of Directors and Committee Operations

Board of Directors / Committee	Meeting Records in fiscal 2026	Principal agenda
Board of Directors Chairperson: Outside Director Sawada	Number of meetings held during the term: 14 Average duration: 3 hours 24 minutes	• Group mid- to long-term strategy (Group Growth Strategy) • Progress monitoring of Group management reforms • Strategy reports for business in key investment areas • Conclusion of an agreement between YKK Corporation and Panasonic Holdings Corporation on the transfer of Panasonic Housing Solutions Co., Ltd. stock • Technical trends including AI × robotics • Measures for enterprise risk management • Measures for Group compliance • Reporting of investigation into Group quality compliance • Significance of ownership of cross-shareholdings • Audit policy and audit reports, etc.
Nomination Advisory Committee Chairperson: Outside Director Matsui 8/8 (100%)	Number of meetings held: 8 Member: Outside Director Nishiyama 7/7 (100%)* Outside Director Sawada 8/8 (100%) Outside Director Kusumi 8/8 (100%)	• Succession plans for the Group CEO • Successor candidates for the Group CEO, Executive Officers, and Presidents of Operating Companies • Results from internal consideration of Director and other candidates • Standard guidelines for reappointment of a Director, Executive Officer, or President of an Operating Company
Compensation Advisory Committee Chairperson: Outside Director Matsui 8/8 (100%)	Number of meetings held: 8 Member: Outside Director Sawada 8/8 (100%) Outside Director Shigetomi 7/7 (100%)* Outside Director Kusumi 8/8 (100%)	• Review of the stock compensation system • Policy for deciding the compensation for individual Directors, Executive Officers, and Presidents of Operating Companies • Compensation system, details, and levels, etc. for Directors, Executive Officers, and Presidents of Operating Companies taking into consideration details of payments to individuals based on performance evaluations, etc. competitor companies, conditions in related industries, etc.

*Attendance after assuming position on June 23, 2025

Support system for the Chairperson of the Board of Directors

The Company's Board of Directors is chaired by an independent Outside Director, and to support the performance of his or her duties, the Board of Directors Secretariat works closely with the Chairperson to set agendas, review materials, and provide information, among other duties. For this reason, monthly meetings are held up to one week before each board meeting, attended by the Chairperson, the Group CEO, and the Board of Directors Secretariat. When necessary, debriefing sessions are also held, attended by the Chairperson, responsible executives, and the secretariat.

Corporate Governance Structure and Initiatives

Board of Directors Evaluation

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

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

(1) Important fiscal 2026 measures based on the effectiveness evaluation in fiscal 2025

The fiscal 2025 effectiveness evaluation assessed that fiscal 2025 was the year in which the Board of Directors Members united in enhancing the Company's corporate value, and the Outside Directors and Audit & Supervisory Board Members and executive team collaborated effectively in decision-making for Group management reform, demonstrating high effectiveness. On the other hand, to further clarify the vision and growth strategy that the Panasonic Group aims for, it was identified as an issue that focused discussions on growth strategy should be conducted in fiscal 2026, and mechanisms for effective discussions (including agenda design, clarification of discussion points, and further enhancement of information provision to the Board of Directors) need to be considered.

Based on the above results, a Board of Directors meeting held on July 30, 2025 discussed improvements to the issues concerning the current Board of Directors, the annual agenda, and the operational policy of the Board of Directors for fiscal 2026. Recommendations were made at the Board of Directors meeting regarding the following points, and the Board focused efforts on addressing them.

(1) Following an Outside Director taking office as chairperson of the Board of Directors, confirming and deciding the agenda and other matters between the chairperson of the Board of Directors and the Group CEO every month
(2) Monthly progress monitoring of Group management reforms and discussion towards formulation of the next mid-term Group strategy
(3) Strengthening supervision of compliance incidents
(4) Enacting the following as mechanisms for conducting effective discussions
- Sharing the intended resolution materials, in principle one week before the Board of Directors meeting date
- Always including in Board of Directors meetings explanations of how discussions were held at the PHD Strategy Meeting provided by the person who drafted the proposal

(2) Fiscal 2026 evaluation of the Board of Directors' effectiveness

For the effectiveness evaluation in the current year, it was decided to carry out the evaluation from April to May to correspond with the Director term of office cycle, and to conduct interviews and also a free response survey for the purpose of conducting the interviews effectively.

- Survey period : Early April 2026 to mid April 2026
- Period subject to evaluation : June 2025 to May 2026
- Survey subjects : Directors, Audit & Supervisory Board Members, Executive Officers in attendance
- Survey format : Total three questions (free-response format)
- Items of the survey :1) Good points and points requiring improvement when looking back at "progress monitoring of Group management reforms" and "discussion of Group strategies"
  2) Good points and points requiring improvement when looking back at agenda matters other than the above
  3) Concerning the fiscal 2027 priority agenda

After collecting the survey results, interviews were conducted of Board of Directors members based on the response contents. Based on the interview results, issues and improvement measures for the Board of Directors were discussed, and the Board of Directors operating policy for fiscal 2027 was decided.

Further details are available on our Corporate Governance website.

In addition to the above, regarding operation of the Board of Directors, utilize meetings of a committee of Outside Directors and Audit & Supervisory Board Members to conduct reviews and enact further improvements when needed, and work to continually strengthen the Board of Directors effectiveness.

Supervision by the Board of Directors in fiscal 2026

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

During fiscal 2026, the focus was particularly on monitoring the progress of the Group mid- to long-term strategy and Group management reforms. These were discussed continually each month, and opportunities for discussion outside Board of Directors' meetings were also created in order to improve the effectiveness of supervisory functions at the Board of Directors' meetings. In order to make clear the balance for discussion, the issues were categorized prior to discussion as matters to be resolved, matters to be reported, and matters to be discussed.

The number of the Board of Directors meetings held in fiscal 2026 was 14, with each meeting lasting 3 hours and 24 minutes on average.

Principal agendas are listed in the table on P47.

Corporate Governance Structure and Initiatives

Executive Compensation

We have significantly revised our executive compensation system in fiscal 2027, including the introduction of performance-based stock compensation. The revised system provides stronger incentives to enhance corporate value than before, and will enable a clearer sharing of value with shareholders.

Component Ratio (based on the target annual amount)

	(1)Base salary (monetary remuneration)	(2) Performance-based short-term incentive compensation (monetary remuneration)	(3) Restricted stock compensation	(4) Performance-based stock compensation
		Short-term incentives (STI)	Long-term incentives (LTI)	
Group CEO	1	1	0.4	1.6
Other Directors, Executive Officers, Business CEOs	1	1	0.2	0.8
Outside Directors	1		0.43	
Maximum amount of directors' compensation in total (per fiscal year)	Up to Yen1.1 billion of which, Outside Directors: up to Yen0.2 billion		Up to Yen0.7 billion and 1 million shares of which, Outside Directors: up to Yen75 million and 107,000 shares	Up to the amount resulting from the closing share price on the day preceding the Board resolution multiplied by 1 million shares

Malus-clawback

(2) Short-term incentive pay and (4) Performance-based stock compensation are subject to malus and clawback provisions, which allow for the return of compensation already paid or the withholding or reduction of planned compensation in the event of a major compliance incident or a significant revision to the Group's overall financial statements.

Base salary

(1) Base salary (monetary remuneration)

- The amount 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.

Short-term incentives (STI)

(2) Performance-based short-term incentive compensation (monetary remuneration)

- Incentive geared to achieving the goals under the Group Growth Strategy.
- 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.*1
- In principle, this is paid monthly, and the evaluation of target achievements and other elements from the evaluated fiscal year is reflected in payments for the following fiscal year.

*1 Financial and non-financial evaluation items

	Evaluation indexes and items	Range of variation	Weight
Financial	- Adjusted operating profit (AOP) (If the individual also serves as a director, an executive officer,etc of an operating company, the performance indicators of that operating company may also be used.)	0%~200%	80%
Non-financial	- Elimination of serious accidents, ensuring compliance, respect for human rights - Environmental contributions - Human resources strategy - Operation KPI related to strengthening competitiveness	0%~200%	20%
Total weight			100%

Long-term incentives (LTI)

(3) Restricted stock compensation

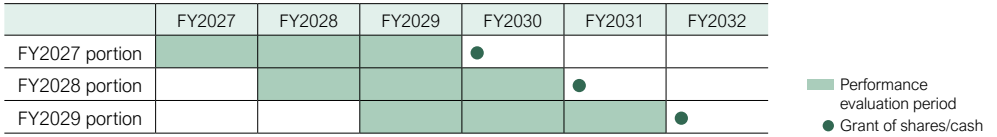
- Remuneration in the form of shares with transfer restrictions to be lifted immediately after termination of service as a Director etc.
- To be granted as an incentive to enhance corporate value in a sustainable way and promote value sharing with shareholders through continuous shareholding until termination of service.
- A standard annual amount is set as a fixed percentage of the base salary and, in principle, is provided within a certain period following the conclusion of the Ordinary General Meeting of Shareholders.

(4) Performance-based stock compensation

- Acts as an incentive to strengthen the linkage with the Company's share price and achieve corporate value enhancement exceeding that of the market and peer companies.
- A base number of shares is calculated based on a standard annual amount set as a fixed percentage of base salary, with rights granted annually; after reflecting an evaluation based on share price indicators and other metrics*2 over three consecutive fiscal years, the final number of shares to be granted and the amount of cash to be paid are determined.
- In principle to be granted or paid within a certain period of time after the conclusion of the Ordinary General Meeting of Shareholders immediately following expiry of the evaluation period.*3

*2 Performance Indicators
Relative TSR (1): The ratio of the Company's TSR to the TOPIX growth rate including dividends 50%
Relative TSR (2): The TSR percentile rank of the Company among peer companies 50%
*TSR (Total Shareholder Return): The return calculated from the sum of the amounts of stock price appreciation and dividends

*3 Performance evaluation period and grant of shares/cash (conceptual illustration)



Composition of the Board of Directors and Audit & Supervisory Board Members (As of June 22, 2026)

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

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

In order for our Board of Directors to fulfill the above roles, we have identified nine areas of skills and knowledge that the Board of Directors must possess, based on the premise that the directors are serious about social issues and have the enthusiasm and commitment to make changes that will enhance our corporate value.

Of the knowledge areas, **the table below lists the top four areas where each director and Audit & Supervisory Board member is expected to demonstrate particular skills and knowledge.**

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

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

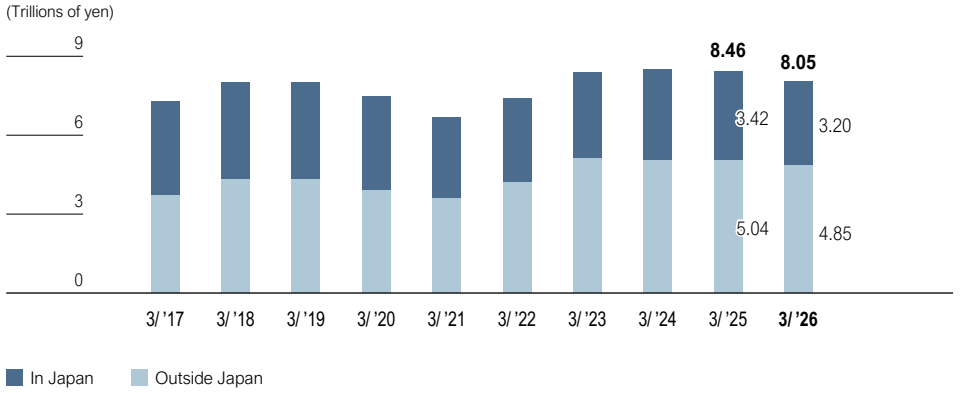
	Name	Gender (Male / Female)	Position	Attendance in fiscal 2026 (*Attendance after assuming position on June 23, 2025)	Particularly expected skills and knowledge: Short-to long-term: (1) PFM and corporate value improvement	Long-term: (2) Global management	(3) Use of AI and data	(4) Future concepts, growth strategy	(5) Sustainability management	(6) Human capital management	(7) Geopolitics, industrial policies	(8) Finance, investment decisions	(9) Technologies, manufacturing, supply chain
Directors	Yuki Kusumi	Male	Representative Director / President	Board of Directors' meeting 14/14 (100%)	●	●		●					●
	Hajime Tamaoki	Male	Representative Director / Executive Vice President	Board of Directors' meeting 12/12 (100%)*		●	●	●					●
	Eiichi Katayama New	Male	Director / Business CEO	—	●	●		●				●	
	Ayako Shotoku	Female	Director / Executive Officer	Board of Directors' meeting 14/14 (100%)	●				●		●		
	Kazuyo Sumida	Female	Director / Executive Officer	Board of Directors' meeting 12/12 (100%)*	●			●	●			●	
	Akira Waniko	Male	Director / Executive Officer	Board of Directors' meeting 12/12 (100%)*	●			●				●	
	Shinobu Matsui	Female	Outside Director Independent	Board of Directors' meeting 14/14 (100%)			●			●		●	
	Yutaka Matsuo	Male	Outside Director Independent	Board of Directors' meeting 12/12 (100%)*			●	●					●
	Keita Nishiyama	Male	Outside Director Independent	Board of Directors' meeting 13/14 (93%)			●	●		●	●		
	Chairperson of the Board Michitaka Sawada	Male	Outside Director Independent	Board of Directors' meeting 14/14 (100%)		●			●				●
	Junko Seto	Female	Outside Director Independent	Board of Directors' meeting 12/12 (100%)*	●					●		●	
	Ryusuke Shigetomi	Male	Outside Director Independent	Board of Directors' meeting 13/14 (93%)	●	●					●	●	
	Yasushi Shingai New	Male	Outside Director Independent	—	●	●		●				●	
Audit & Supervisory Board Members	Chairperson of Audit & Supervisory Board Hidetoshi Baba	Male	Senior Audit & Supervisory / Board Member	Audit & Supervisory Board meeting 14/14 (100%) Board of Directors' meeting 14/14 (100%)		●			●			●	
	Yoshiaki Tokuda	Male	Senior Audit & Supervisory / Board Member	Audit & Supervisory Board meeting 14/14 (100%) Board of Directors' meeting 14/14 (100%)			●	●					
	Akihiro Eto	Male	Outside Audit & Supervisory / Board Member Independent	Audit & Supervisory Board meeting 14/14 (100%) Board of Directors' meeting 13/14 (93%)	●	●					●		
	Akihiko Nakamura	Male	Outside Audit & Supervisory / Board Member Independent	Audit & Supervisory Board meeting 14/14 (100%) Board of Directors' meeting 14/14 (100%)					●		●	●	
	Setsuko Yufu	Female	Outside Audit & Supervisory / Board Member Independent	Audit & Supervisory Board meeting 14/14 (100%) Board of Directors' meeting 14/14 (100%)					●		●		

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

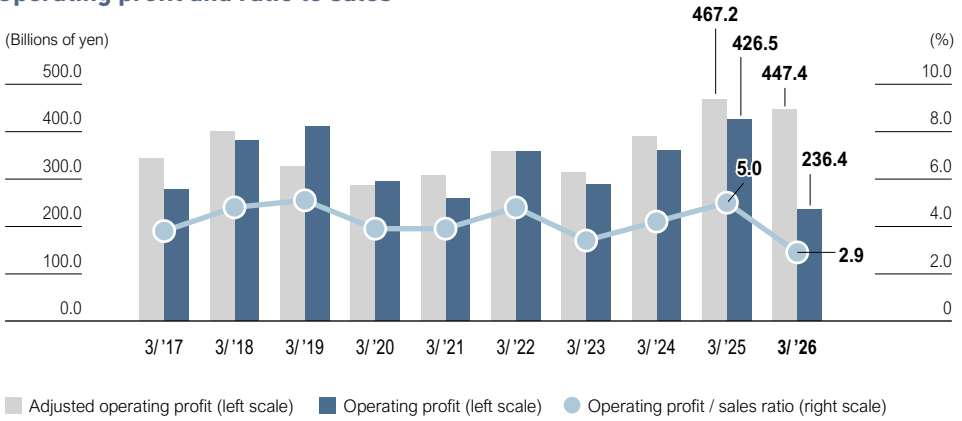
Corporate Data Highlights (Financial Data)

The Company and its consolidated subsidiaries,
For the fiscal years ended March 31 or as of March 31
In conformity with International Financial Reporting Standards (IFRS)

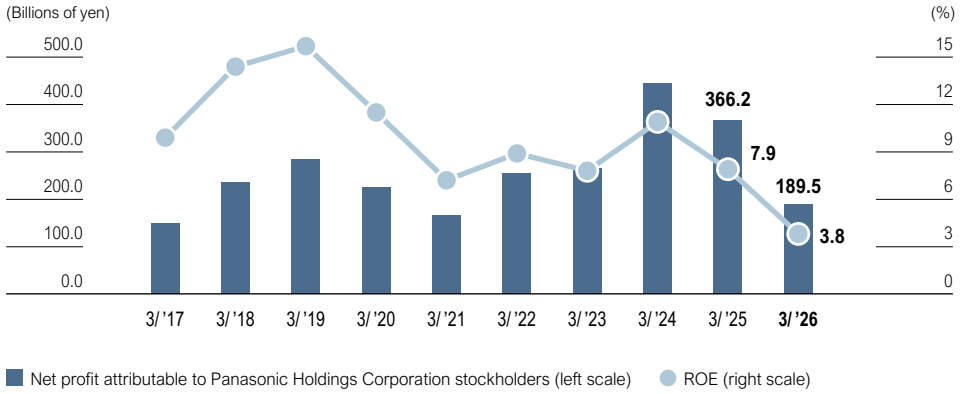
Net sales



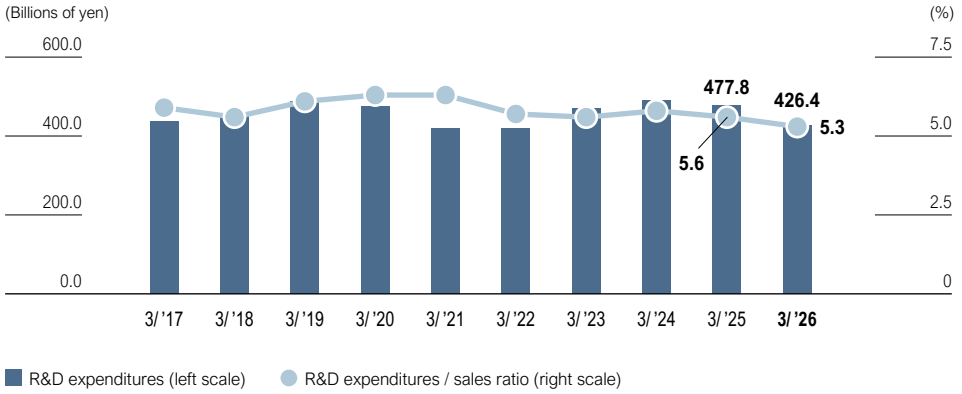
Operating profit and ratio to sales



Net profit attributable to Panasonic Holdings Corporation stockholders and ROE

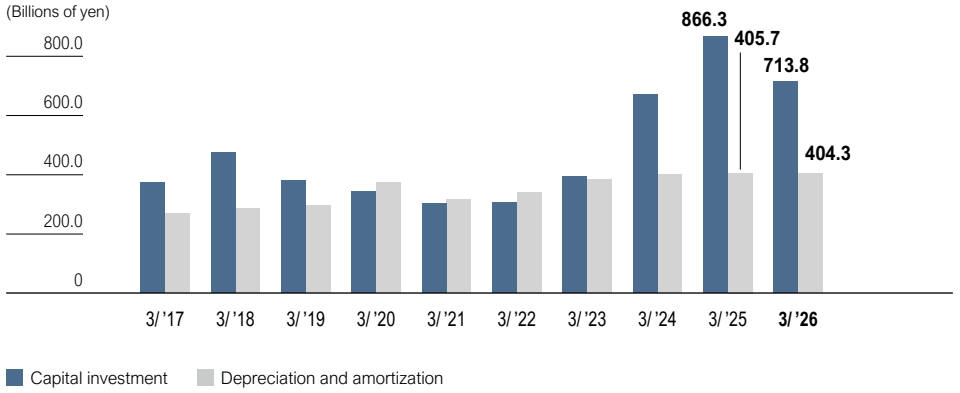


R&D expenditures and ratio to sales



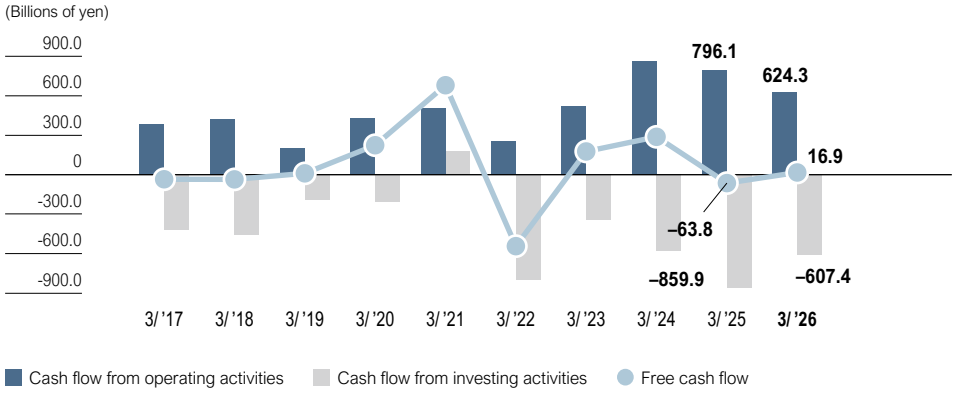
Corporate Data Highlights (Financial Data)

Capital investment, depreciation and amortization

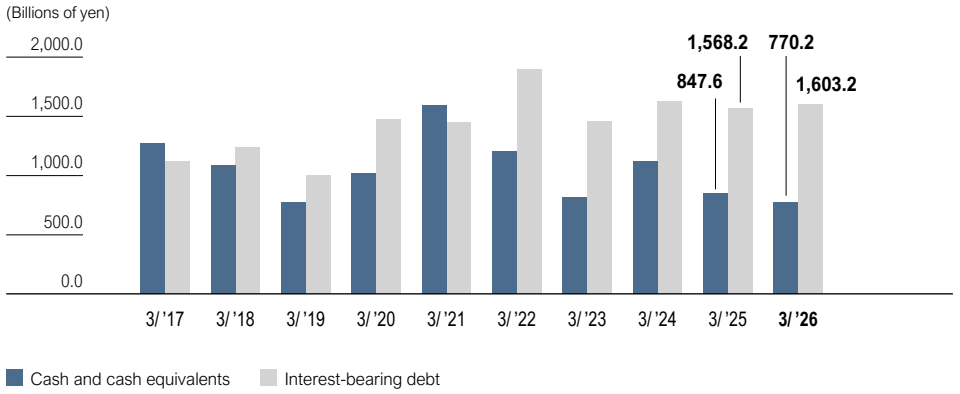


(Note) Capital investment represents the amount of property, plant and equipment and intangible assets on an accrual basis (excluding increases due to business combinations). Depreciation and amortization consist of the amount of depreciation of property, plant and equipment and right-of-use assets as well as amortization of intangible assets.

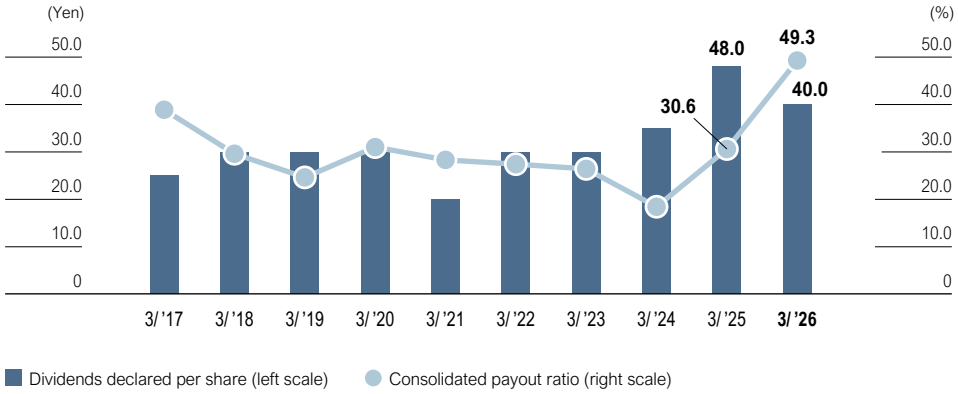
Free cash flows



Cash and cash equivalents and interest-bearing debt



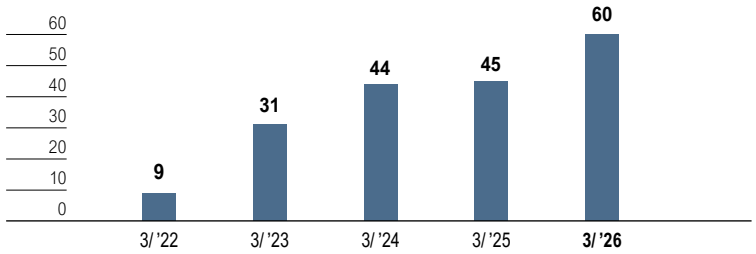
Dividends declared per share / consolidated payout ratio



Corporate Data Highlights (Non-financial Data)

For more information, refer to Sustainability Data Book 2026.

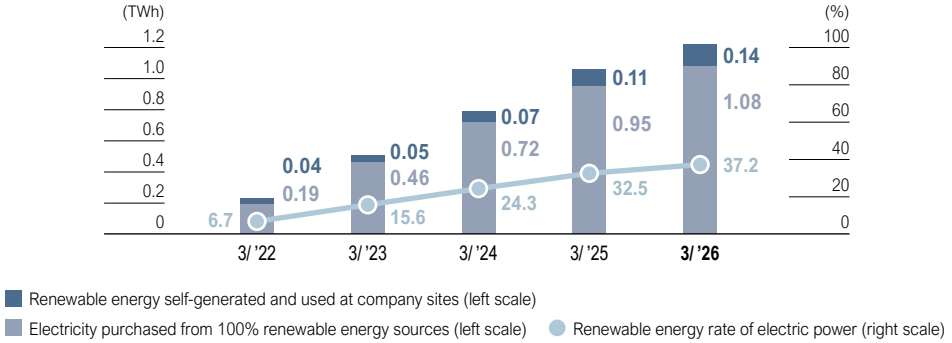
Number of net zero CO_2 sites (cumulative total from fiscal 2019)



In fiscal 2026, we achieved a cumulative total of 60 sites*, exceeding the target of 49 sites set under the medium-term environmental action plan "GIP2024+1",which started in fiscal 2023. We aim to reach a cumulative total of 86 sites by fiscal 2029 and achieve net zero CO_2 emissions at all sites by fiscal 2031.

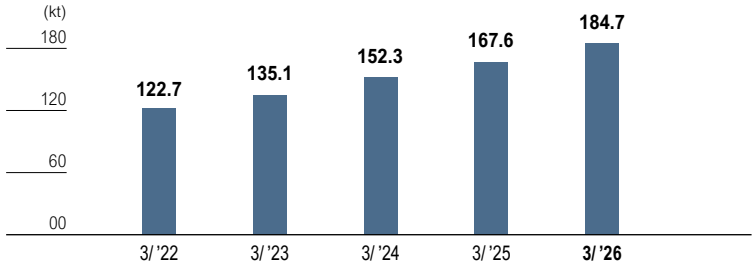
* Number of sites assessed under the rules applicable before the change to the application of green electricity certificates in China—a change introduced by the Implementation Rules for the Management of Renewable Energy Green Electricity Certificates (Trial) enforced in November 2025.

Renewable energy adoption



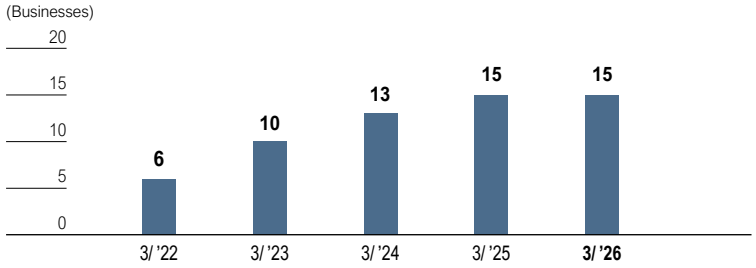
Since August 2019, the Panasonic Group has been a member of "RE100", an international initiative that brings together companies committed to sourcing 100% renewable electricity for their global business operations. The renewable energy rate of electric power for fiscal 2026 was 37.2%, up 4.7% from the previous year. We are working towards achieving decarbonization at our own sites by globally promoting the introduction, utilization, and external procurement of renewable energy tailored to regional characteristics. In particular, we are actively expanding the installation of solar power generation systems at sites where they can be implemented.

Recycled resin usage (cumulative total from fiscal 2015)



In fiscal 2026, although we did not achieve our original target of using 25.0 kt of recycled resin due to the significant decline in virgin resin prices, we nevertheless used approximately 17.1 kt of recycled resin in products such as refrigerators, air conditioners, washing machines, and TVs.

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

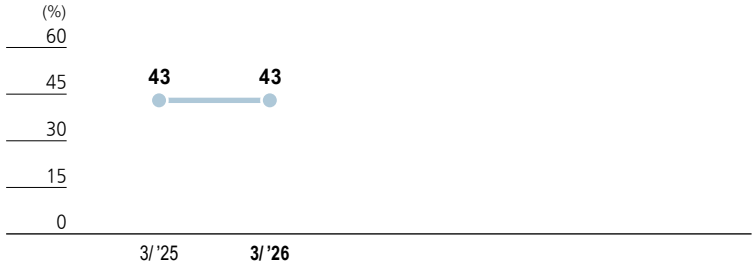


In fiscal 2026, we were unable to launch any new circular economy businesses, and therefore did not achieve our target of a cumulative total of 16 businesses. However, across our existing 15 businesses, we implemented initiatives such as expanding the use of recycled materials to a broader range of products. By fiscal 2029, we aim to have a cumulative total of 17 businesses.

Corporate Data Highlights (Non-financial Data)

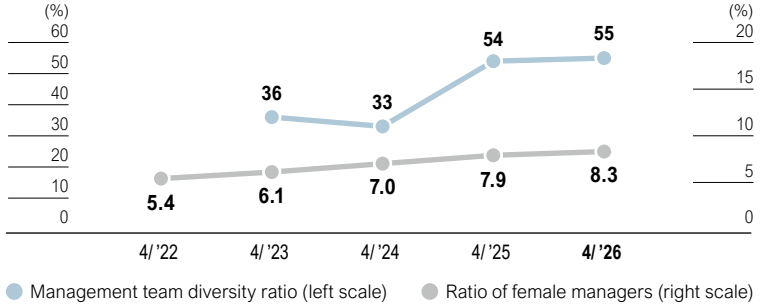
For more information, refer to Sustainability Data Book 2026.

UNLOCK indicator



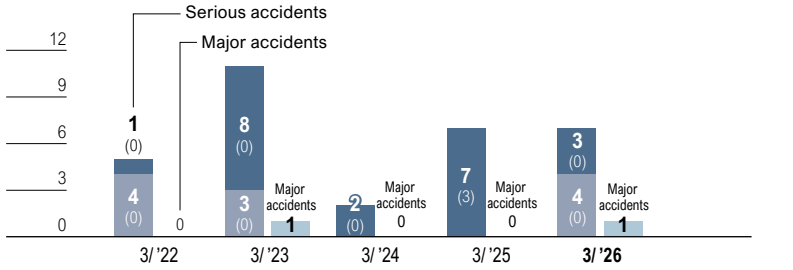
Starting in fiscal 2026, we set the UNLOCK indicator, which measures the extent to which we are a company where each employee can realize and fully maximize their potential and grow, as the new key indicator in our Employee Opinion Survey. Our global targets for the UNLOCK indicator are 60% by fiscal 2029 and 70% by fiscal 2032.

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



The diversity ratio of the management team (covering female employees, employees who are non-Japanese citizens, and mid-career hires among the executive officers of the holding company) already exceeds the target of 50%, and we aim to maintain the 50% level at a minimum going forward. Meanwhile, with regard to the ratio of female managers, we are strengthening our efforts with a goal of reaching 16% or higher by April 2031.

Occurrence of serious or major accidents

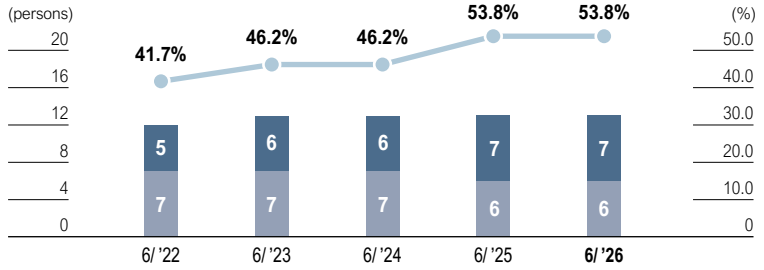


Serious accidents In Japan Outside Japan Major accidents In Japan Outside Japan

*Figures in parentheses indicate the number of fatal accidents.

Since ensuring safety is a fundamental prerequisite for business operations, we have set the number of occurrences of serious and major accidents as key indicators, with each target being zero since our goal is to eliminate them completely.

Number of board members and ratio of outside directors



Taking into account the skills that the Board of Directors should possess, we ensure that the Board possesses a wide diversity of knowledge, experience, and qualifications. We have appointed seven Outside Directors (a majority of the Board) who, based on their extensive managerial experience in various careers and deep insight, are expected to provide valuable opinions as supervisors of decision-making related to business execution and the execution of directors' duties.

10-year Financial Summary

The Company and Subsidiaries / For the fiscal years ended March 31 or as of March 31
Complies with International Financial Reporting Standards (IFRS)

	3/2017	3/2018	3/2019	3/2020	3/2021	3/2022	3/2023	3/2024	3/2025	**3/2026**
For the Fiscal Year (Millions of yen)										
Net sales	7,343,707	7,982,164	8,002,733	7,490,601	6,698,794	7,388,791	8,378,942	8,496,420	8,458,185	**8,048,722**
Adjusted operating profit	343,616	401,202	327,032	286,663	307,155	357,700	314,077	389,999	467,223	**447,443**
Operating profit	276,784	380,539	411,498	293,751	258,600	357,526	288,570	360,962	426,490	**236,407**
Profit before income taxes	275,066	378,590	416,456	291,050	260,820	360,395	316,409	425,239	486,289	**263,109**
Net profit attributable to Panasonic Holdings Corporation stockholders	149,360	236,040	284,149	225,707	165,077	255,334	265,502	443,994	366,205	**189,540**
Capital investment	373,208	475,187	380,678	342,098	301,494	305,108	394,891	670,893	866,301	**713,825**
Depreciation and amortization	269,998	287,324	295,694	372,973	317,572	339,148	382,289	399,984	405,729	**404,342**
R&D expenditures	436,130	448,879	488,757	475,005	419,764	419,807	469,785	491,224	477,753	**426,366**
Free cash flow	(34,746)	(35,646)	10,290	224,207	680,634	(543,519)	176,709	288,055	(63,843)	**16,855**
Cash flow from operating activities	385,410	423,182	203,677	430,303	504,038	252,630	520,742	866,898	796,083	**624,289**
Cash flow from investing activities	(420,156)	(458,828)	(193,387)	(206,096)	176,596	(796,149)	(344,033)	(578,843)	(859,926)	**(607,434)**
At Fiscal Year-End (Millions of yen)										
Cash and cash equivalents	1,270,787	1,089,585	772,264	1,016,504	1,593,224	1,205,873	819,499	1,119,625	847,561	**770,179**
Total assets	5,982,961	6,291,148	6,013,931	6,218,518	6,847,073	8,023,583	8,059,527	9,411,195	9,343,191	**10,172,412**
Interest-bearing debt	1,124,004	1,239,444	998,721	1,471,311	1,447,423	1,897,284	1,457,107	1,626,279	1,568,243	**1,603,197**
Panasonic Holdings Corporation stockholders' equity	1,571,889	1,707,551	1,913,513	1,998,349	2,594,034	3,164,962	3,618,402	4,544,076	4,694,421	**5,211,272**
Total equity	1,759,935	1,882,285	2,084,615	2,155,868	2,768,502	3,347,171	3,789,958	4,721,903	4,874,829	**5,381,955**

Notes to this table

1. Adjusted operating profit = Net sales - Cost of sales - SG&A
2. The figures for "Capital investment" are amounts on an accrual basis for property, plant and equipment and intangible assets. (Excludes increases due to business combinations)
3. Depreciation and amortization is the amount of depreciation of property, plant and equipment and right-of-use assets (from the fiscal year ended March 31, 2020) and the amount of amortization of intangible assets.
4. "Interest-bearing debt" is equal to the sum of short-term debt, including the current portion of long-term debt, long-term debt, and lease liabilities.

10-year Financial Summary

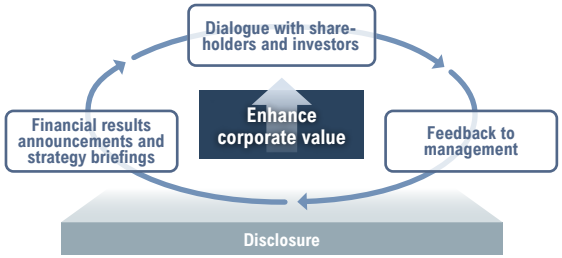
	3/2017	3/2018	3/2019	3/2020	3/2021	3/2022	3/2023	3/2024	3/2025	**3/2026**
Per Share Data (Yen)										
Earnings per share attributable to Panasonic Holdings Corporation stockholders										
Basic	64.33	101.20	121.83	96.76	70.75	109.41	113.75	190.21	156.87	**81.19**
Diluted	64.31	101.15	121.75	96.70	70.72	109.37	113.72	190.15	156.83	**81.17**
Dividends declared per share	25.00	30.00	30.00	30.00	20.00	30.00	30.00	35.00	48.00	**40.00**
Panasonic Holdings Corporation stockholders' equity per share	673.93	732.12	820.41	856.57	1,111.73	1,356.08	1,550.23	1,946.62	2,010.81	**2,232.09**
PBR	1.87	2.08	1.16	0.96	1.28	0.88	0.76	0.74	0.88	**1.16**
PER	19.56	15.03	7.83	8.53	20.12	10.86	10.39	7.60	11.29	**31.85**
Financial Indicators										
ROE (%)	9.9	14.4	15.7	11.5	7.2	8.9	7.8	10.9	7.9	**3.8**
Net profit attributable to Panasonic Holdings Corporation stockholders / sales (%)	2.0	3.0	3.6	3.0	2.5	3.5	3.2	5.2	4.3	**2.4**
Total asset turnover ratio (Times)	1.3	1.3	1.3	1.2	1.0	1.0	1.0	1.0	0.9	**0.8**
Financial leverage (Times)	3.8	3.7	3.4	3.1	2.8	2.6	2.4	2.1	2.0	**2.0**
Operating profit / sales (%)	3.8	4.8	5.1	3.9	3.9	4.8	3.4	4.2	5.0	**2.9**
Profit before income taxes / sales (%)	3.7	4.7	5.2	3.9	3.9	4.9	3.8	5.0	5.7	**3.3**
Interest-bearing debt / total assets (%)	18.8	19.7	16.6	23.7	21.1	23.6	18.1	17.3	16.8	**15.8**
Panasonic Holdings Corporation stockholders' equity / total assets (%)	26.3	27.1	31.8	32.1	37.9	39.4	44.9	48.3	50.2	**51.2**
Payout ratio (%)	38.9	29.6	24.6	31.0	28.3	27.4	26.4	18.4	30.6	**49.3**
Exchange Rate (Yen)										
1 USD	108	111	111	109	106	112	135	145	153	**151**
1 EUR	119	130	128	121	124	131	141	157	164	**175**
1 RMB	16.1	16.8	16.5	15.6	15.7	17.5	19.8	20.1	21.1	**21.3**

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

Formulas for financial ratios are as follows:
- PBR = Stock price at the end of period / Panasonic Holdings Corporation stockholders' equity per share (Stock price at the end of period is listed on P59.)
- PER = Stock price at the end of period / Basic earnings per share attributable to Panasonic Holdings Corporation stockholders (Stock price at the end of period is listed on P59.)
- Return on equity (ROE) = Net profit attributable to Panasonic Holdings Corporation stockholders / Average Panasonic Holdings Corporation stockholders' equity at the beginning and the end of each fiscal year
- Total assets turnover = Net Sales / Average total assets at the beginning and the end of each fiscal year
- Financial leverage = Average total asset at the beginning and the end of each fiscal year / Average Panasonic Holdings Corporation stockholders' equity at the beginning and the end of each fiscal year
- Interest-bearing debt ratio = Interest-bearing debt / Total assets
- Payout ratio = Dividends declared per share / Basic earnings per share attributable to Panasonic Holdings Corporation stockholders

Status of Dialogue with Capital Markets

Based on our basic philosophy that "A company is a public entity of society," we are committed to transparency in our business activities and accountability to our stakeholders. We also aim to improve the quality of our management and enhance the medium- to long-term corporate value by engaging in constructive dialogue with our shareholders and investors and feeding back the insights gained from this dialogue to the management team.



Main Investor Relations (IR) Activities

Activities	Main presenters	Annual results (fiscal year ended March 31, 2026)	
Strategy briefings	Group CEO, Group CFO, Group CSO, operating company presidents	Group management reform progress (May 2025) *Held in conjunction with FY2025 full-year financial results Group management reform progress (October 2025) *Held in conjunction with FY2026 2Q financial results Panasonic Group IR Day 2025 (December 2025) Panasonic Energy Co., Ltd. Tokushima Factory site visit (December 2025) In addition, 4 briefing sessions were held in cooperation with securities companies.	
Financial results announcements	Group CFO	4 times (Held in conjunction with Group CEO briefing: 2 times)	
Group/individual meetings	Group CEO, Group CFO, Group CSO, operating company presidents	Approx. 620 institutions (cumulative)	Japanese and overseas institutional investors (fund managers, analysts), ESG investment managers, securities company analysts, etc.
	Corporate Finance, Controlling and IR Department General Manager and managers, IR personnel	Approx. 1,380 institutions (cumulative)	

General meeting of shareholders	Main presenters	Results	
The 119th ordinary general meeting of shareholders* (June 2026)	Directors, Audit & Supervisory Board members, executive officers, operating company presidents	Number of shareholders eligible to exercise voting rights	312,240
		Number of shareholders present at the meeting	736
		Number of shareholders who watched the livestream by internet	910

* A video streaming of the General Meeting of Shareholders is available on the Company's website for one month after the meeting.

Proactive information disclosure

We proactively disclose information on our website for the convenience of investors in Japan and overseas.

By default, we post financial and performance reports, including consolidated financial results, supplemental financial data, presentation materials with notes from financial results announcements, and annual securities reports, simultaneously in Japanese and English. We also post the minutes of financial results briefings, dialogues between the Group CEO and institutional investors, and the like, in both Japanese and English. The website also includes strategy briefing materials, integrated reports, and at-a-glance information about the Panasonic Group ("IR Summary"). Please refer to the following websites.

https://holdings.panasonic/jp/corporate/investors.html (Japanese)
https://holdings.panasonic/global/corporate/investors.html (English)

Main topics of interest in capital markets

Subject	Topics of Interest
Group Management Reform	• Profit improvement impact from fixed-cost structural reform • Progress in business portfolio management • Outlook for profitability improvement in Blue Yonder and automotive batteries
Group Growth Strategy	• Devices area: Competitive advantages, visibility of profit growth, and progress in strategic investments in AI infrastructure-related businesses • Solutions area: Specific business models and growth strategies • Human Capital: Approach to human capital management supporting the Group Growth Strategy
Sustainability	• Direction and objectives of Panasonic Group's human capital management • Effectiveness of the Board of Directors and the quality of Board discussions, with an outside director serving as Chair and outside directors constituting a majority of the Board • Philosophy of the newly introduced executive compensation system (including performance-linked stock compensation plans) • Impact of tariffs, foreign exchange fluctuations, and geopolitical developments in the Middle East

Key feedback to management

	Frequency	Reporting method	Content of reporting
Investors' and analysts' comments, stock index and stock price information	5-6 times/ year	Report to Board of Directors	To provide reference information for discussions on improving corporate value, we report on capital market reactions after announcements on financial results and briefings on business policies, including investor and analyst feedback and stock price movements.
Results of IR activities including feedback from investors	Quarterly	Email, internal information sharing site	To improve understanding and raise awareness of IR activities, and to utilize them in improvement activities for each business, we summarize the feedback, opinions, and activity results obtained at group and individual meetings, and then share them with senior management, relevant internal departments, and relevant departments of operating companies.

We review those opinions and requests received via our website, correspondence, etc. and incorporate them into feedback to management team.

Corporate Information (As of March 31, 2026)

The Company and Subsidiaries
Years ended March 31

Corporate information

Company Name: Panasonic Holdings Corporation

Founded: March 1918
(Incorporated in December 1935)

Head Office Location: 1006, Kadoma, Kadoma City, Osaka 571-8501, Japan

Stated Capital: 259,631 million yen

Number of Consolidated Companies (including parent company): 447

Number of Companies under the Equity Method: 59

Number of Employees: 183,685

Stock information

Number of Shares Issued: 2,454,530,697
(Including the Company's treasury stocks of 119,827,990 shares)

Number of Shareholders: 385,608

TSE Securities Code: 6752

Unit of Stock: 100

Stock Exchange Listings: Tokyo

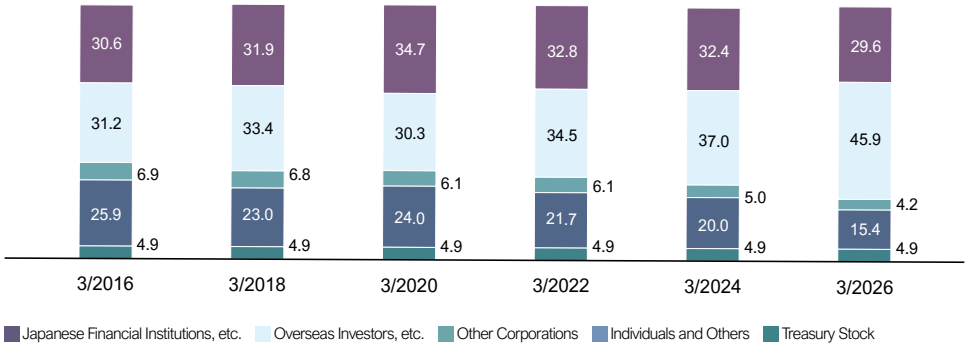
Transfer Agent for Common Stock
Sumitomo Mitsui Trust Bank, Limited
5-33 Kitahama, 4-chome, Chuo-ku, Osaka City, Osaka 540-8639, Japan
Phone: +81-3-3323-7111

Major shareholders

Name	Share ownership (in thousands of shares)	Percentage of total issued shares (%)
The Master Trust Bank of Japan, Ltd. (trust account)	351,621	15.06
Custody Bank of Japan, Ltd. (trust account)	175,871	7.53
STATE STREET BANK AND TRUST COMPANY 505001	77,793	3.33
NIPPON LIFE INSURANCE COMPANY	48,339	2.07
MOXLEY AND CO LLC	48,006	2.05
SUMITOMO LIFE INSURANCE COM	37,465	1.60
JP MORGAN CHASE BANK 385781	33,334	1.42
BNYM AS AGT/CLTS NON TREATY JASDEC	32,890	1.40
GOVERNMENT OF NORWAY	30,878	1.32
Matsushita Real Estate Co., Ltd.	29,121	1.24

(Notes) 1. The figures in share ownership are rounded down to the nearest thousands of shares.
2. Shareholding ratio is calculated by deducting the Company's treasury stock (119,827,990 shares) and rounded down to two decimal places.
3. The English names of foreign shareholders above are based on the General Shareholders Notification notified by Japan Securities Depository Center, Inc.

Types of shareholders

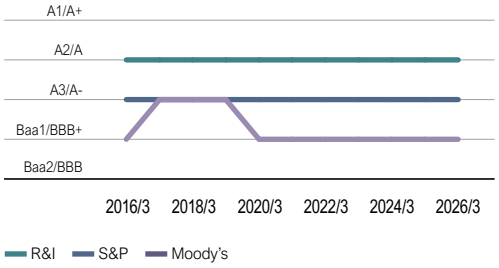


Ratings

Rating company	Long-term	Short-term
Rating and Investment Information, Inc. (R&I)	A	a-1
S&P (Standard & Poor's)	A–	A-2
Moody's Japan K.K. (Moody's)	Baa1	—

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

Long-Term Credit Rating History



Corporate Information (As of March 31, 2026)

Company stock price and trading volume

(Years ended March 31) Tokyo Stock Exchange monthly basis



	3/2017	3/2018	3/2019	3/2020	3/2021	3/2022	3/2023	3/2024	3/2025	**3/2026**
High (Yen)	1,309.5	1,800.0	1,647.0	1,264.0	1,520.0	1,541.0	1,325.0	1,808.0	1,919.0	**2,733.5**
Low (Yen)	831.4	1,207.5	917.7	691.7	733.5	1,018.5	1,006.5	1,190.0	986.9	**1,363.5**
Period-End (Yen)	1,258.0	1,521.0	954.2	825.0	1,423.5	1,188.5	1,182.0	1,445.5	1,771.5	**2,585.5**

IR (Investor Relations) offices

Osaka
Investor Relations section, Corporate Controlling and IR Office, Corporate Finance, Controlling and IR Department
Panasonic Holdings Corporation
1006 Kadoma, Kadoma City, Osaka 571-8501, Japan

Tokyo
Investor Relations section, Corporate Controlling and IR Office, Corporate Finance, Controlling and IR Department
Panasonic Holdings Corporation
TOKYO MIDTOWN HIBIYA 14F,
1-1-2 Yuraku-cho, Chiyoda-ku, Tokyo 100-0006, Japan

Europe
Investor Relations
Panasonic Europe B.V. (UK Branch)
Maxis 2, Western Road,
Bracknell, Berkshire, RG12 1RT, United Kingdom

IR and Sustainability websites

IR Please refer to the Company's IR website for information including financial results and presentation materials.
https://holdings.panasonic/global/corporate/investors.html

Sustainability Please refer to the "Sustainability" section of the Company's website for more information regarding environmental and social initiatives.
https://holdings.panasonic/global/corporate/sustainability.html

Please refer to the following URL regarding sustainability-related external recognition and indices.
https://holdings.panasonic/global/corporate/sustainability/management/recognition.html

Panasonic Group

Panasonic Holdings Corporation

https://holdings.panasonic/global/