

June 24, 2021

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Panasonic Announces Issuance of New Shares as Restricted Stock Compensation

Osaka, Japan, June 24, 2021 -- Panasonic Corporation ([TSE:6752] "Panasonic") today announced that the Board of Directors has resolved to issue new shares as restricted stock compensation (hereinafter the "new share issuance" or "issuance") as outlined below.

1. Overview of issuance

(1)	Award date	July 14, 2021
(2)	Type and number of shares to be issued:	Panasonic common stock, 302,900 shares
(3)	Issue price	1,239.5 yen per share
(4)	Total amount issued	375,444,550 yen
(5)	Individuals to receive the shares, the number of individuals, and the number of shares for each individual	Panasonic Directors (excluding Outside Directors): 6 individuals, 137,500 shares each Executive Officers not concurrently serving as a Panasonic Director: 12 individuals, 102,400 shares each Panasonic employees (Note): 12 individuals, 63,000 shares each

Note: The person who was Executive Officer of Panasonic at the end of September 2019, and is at the position predetermined by the Panasonic Board of Directors.

2. Purpose and reason for the issuance

At a meeting held on May 31, 2019, the Board of Directors of Panasonic resolved to introduce a system of compensation using restricted stock (hereinafter, the "system"), as a new compensation system for Panasonic Directors excluding Outside Directors (hereinafter, "applicable directors"), as well as Panasonic Executive Officers who do not concurrently serve as Panasonic Directors, Panasonic Fellows (hereinafter collectively referred to as "applicable directors/officers").

At the 112th Ordinary General Meeting of Shareholders held on June 27, 2019, approval was received for the following: credit allocation of up to 500 million yen in monetary compensation per fiscal year for the applicable directors, as a monetary compensation for investment in restricted shares (hereinafter, "restricted stock compensation"), based on the system, as well as, a period

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predetermined by the Panasonic Board of Directors of between 3 and 30 years from the date of the allocation, as the transfer restriction period for the restricted stock.

The outline of the system is as follows.

[Outline of the System]

The applicable directors/officers will use all the monetary compensation credit allocated by the Company under the system for stock investment, and will receive issuance or disposition of Panasonic common stock. In addition, the total number of common shares issued or disposed by the Company to applicable directors under the system shall not exceed 1 million shares per fiscal year. The award amount per share will be based on the closing price of the Panasonic common stock (at the domestic stock exchange on which the Panasonic common stock is listed) on the trading day prior to the resolution of the Board of Directors regarding allocation of the shares (if transactions were not completed on the same day, the closing price of the most recent trading day preceding it). The amount will be decided by the Panasonic Board of Directors within a scope that is not particularly advantageous to the applicable directors/officers who will receive the restricted shares.

In addition, upon issuance or disposal of Panasonic common stock under the system, the Company will enter into a restricted stock allocation agreement with each applicable director/officer who will receive the restricted stock compensation.

After deliberations and reports by the Nomination and Compensation Advisory Committee, in consideration of the purpose of the system, the business conditions of Panasonic, the scope of duties of each applicable director/officer, and various circumstances, and determined that the person who is at the position predetermined by the Panasonic Board of Directors is added to the applicable director/officer who is eligible for this system, in order to further improve the motivation of each applicable director/officer of this system, it has now been decided to award total monetary compensation credit of 375,444,550 yen (hereinafter, "monetary compensation credit") for investment in 302,900 Panasonic common shares.

For the new share issuance, the 30 applicable directors/officers who are to receive allotment under the system, will provide all of their monetary compensation credit pertaining to the Company as investment assets, and will receive issuance of Panasonic common stock (hereinafter, "allotted shares"). The restricted stock allocation agreement (hereinafter, "Allocation Agreement") to be concluded between the Company and the applicable directors/officers for the new share issuance is outlined in 3 below.

3. Outline of the Allocation Agreement

- (1) Transfer restriction period: July 14, 2021 to July 14, 2024
- (2) Conditions for cancellation of transfer restrictions

For all of the allotted shares, the transfer restrictions will be lifted at the end of the transfer restriction period. This is based on the condition that the applicable director/officer continues to be either a Panasonic Director, Executive Officer not concurrently serving as a Panasonic Director, a Fellow, an employee, or a person who is at the position predetermined by the Panasonic Board of

Directors during the transfer restriction period.

(3) Handling for applicable directors/officers retiring due to expiration of their term, attainment of retirement age, or other appropriate reason during the transfer restriction period

a) Period for cancellation of transfer restrictions

In the case that an applicable director/officer resigns or retires from their position as Panasonic Director, Executive Officer not concurrently serving as a Panasonic Director, a Fellow, an employee, or a person who is at the position predetermined by the Panasonic Board of Directors during the transfer restriction period, either due to expiration of the term, attainment of retirement age or other appropriate reason (except in the case of death), the transfer restrictions will be lifted at immediately after the resignation or retirement of the applicable director/officer, or on July 1, 2022, whichever is later. In the case of the death of an applicable director/officer, the transfer restrictions will be lifted once the Board of Directors makes a subsequent decision.

b) Number of shares subject to cancellation of transfer restrictions

The Company will lift the transfer restrictions for all of the allotted shares held by an applicable director/officer at the time of resignation or retirement as defined in a) above. However, if the applicable director/officer's resignation or retirement is less than 12 months (hereinafter "number of months of service") from the month after the date of Panasonic's 114th Ordinary General Meeting of Shareholders (or from the first month of Panasonic's 115th fiscal year when the resigned/retired applicable director/officer is an Executive Officer, Fellow, an employee, or a person who is at the position predetermined by the Panasonic Board of Directors), the transfer restrictions will be lifted on the number of applicable allotted shares held at the time of resignation or retirement as specified in a) above multiplied by a fraction obtained by dividing the number of months of service of the applicable director/officer by twelve. (However, if the calculation results in a fraction of a unit share, the fraction is round down.)

If the death in office for an applicable director/officer is before July 1, 2022, the number of shares subject to cancellation of the transfer restriction will be zero.

(4) Acquisition by the Company without consideration

As a matter of course, at the end of the transfer restriction period or at the time of the transfer restriction cancellation as defined in (3) above, the Company will acquire without consideration any allotted shares for which the transfer restriction is not lifted. In the case of death for an applicable director/officer however, if the death occurs before July 1, 2022, the Company will naturally acquire without consideration any allotted shares for which the transfer restriction is not lifted at the time of death.

(5) Handling in the case of reorganization

If, during the transfer restriction period, there is approval of a merger agreement in which the Company becomes defunct, a share exchange agreement in which the Company becomes a wholly-owned subsidiary, a share transfer plan, or any other matters related to reorganization etc. by the Panasonic General Meeting of Shareholders (or by the Panasonic Board of Directors when approval is not required by the Panasonic General Meeting of Shareholders regarding matters such as reorganization), based on resolution by the Board of Directors, with respect to all the allotted shares held at that time, the applicable transfer restrictions will be lifted immediately before the business day prior to the effective date of reorganization.

However, notwithstanding the above, if the business day prior to the effective date of the reorganization, etc. is on or before July 1, 2022, the Company will naturally acquire all of the allotted shares without consideration, on the business day prior to the effective date of the reorganization, etc.

(6) Management of shares

To prevent the allotted shares from being transferred during the restriction transfer period, used as collateral or otherwise disposed of during the restriction transfer period, during that period they will be managed in a dedicated account opened by each applicable director/officer at Nomura Securities Co., Ltd., and held separately from Panasonic shares that are free from transfer restrictions. Even if the applicable director/officer requests otherwise, transfer of the allotted shares in the dedicated account will remain restricted. In order to ensure the effectiveness of transfer restrictions for the allotted shares, the Company has signed a contract with Nomura Securities Co., Ltd. regarding management of the accounts containing the allotted shares held by each applicable director/officer. In addition, this is premised on the agreement of the applicable directors/officers concerning the details of the account management contract.

4. Calculation basis for award amount and specific details

The new share issuance for applicable directors/officers will be carried out using the monetary compensation credits provided based on the system, as assets for investment. To eliminate any arbitrariness in the share issue price determination, it will be 1,239.5 yen, the closing price of Panasonic common stock in the first section of the Tokyo Stock Exchange on June 23, 2021 (the business day prior to the resolution of the Board of Directors). This is the market share price immediately before the resolution of the Board of Directors, and is considered to be reasonable and not particularly favorable.