

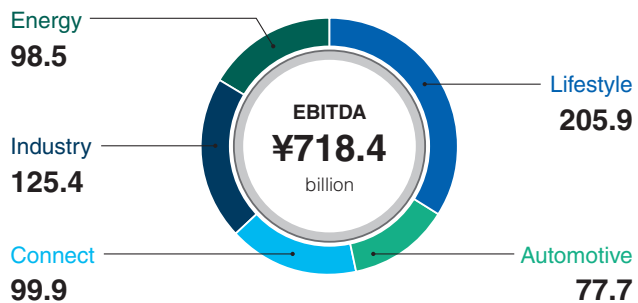
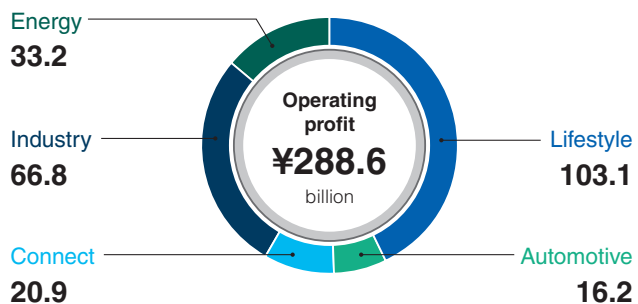
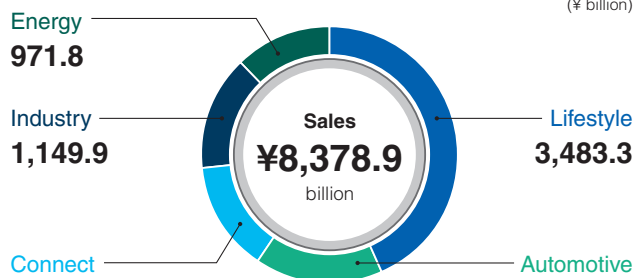


# At a Glance

## Composition of Group Businesses

Fiscal year ended March 2023

(¥ billion)



Please refer to "Operating Results by Segment" in the Annual Securities Report for details of each segment's sales and operating profit.  
<https://holdings.panasonic/global/corporate/investors/pdf/AnnualSecuritiesReport2023.pdf>

### Growth strategy of each segment

#### Lifestyle

(See p.12)

Proactively invest in **A2W\*** in Europe, strengthen **wiring devices in Asia** and **hydrogen fuel cells for the future**. Steadily generate profits with **home appliances** in Japan and China, **electrical construction materials** in Japan, as well as **refrigerator and freezer display cases** in North America.



Europe: \*Air to Water heat pumps



Japan & China: Home appliances



India: Wiring devices

#### Automotive

(See p.13)

Increase profitability with **automotive cockpit systems** and **high-output onboard charging systems**. Accelerate development of integrated HPCs\*, leveraging our infrastructure technologies. **Enhance in-vehicle experiences** based on technologies from the perspectives of people and lifestyle.

\*High Performance Computer



Cockpit systems



Pedestrian-detection cameras



Demonstration experiment on mobility efficiency using ICT

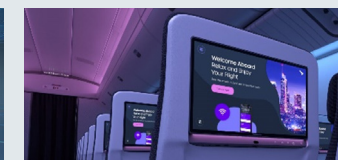
#### Connect

(See p.14)

Focus investment on the **supply chain management business** to enhance competitiveness and **contribute to solving our customers' management issues**. **Aircraft in-flight entertainment systems** will recover from COVID-19 and shift to high-profitability.



Supply chain management software



In-flight entertainment systems

#### Industry

(See p.15)

Realize growth with four businesses having advantages in **material & processing technologies**: (1) **EV relays**, (2) **capacitors**, (3) **FA solutions**, and (4) **electronic materials**, concentrating on three areas of high demand in society: (1) **automotive CASE**, (2) **information & communication infrastructure**, and (3) **factory labor-savings**.



Industrial motors



Multi-layer circuit board materials



Capacitors



Relays

#### Energy

(See p.16)

Contribute to the electrification of vehicles and reduction of environmental impact with our **automotive lithium-ion batteries**, given our track record of **safety and boosting energy density**. Support social infrastructure with our **highly reliable battery application systems**, such as **energy storage systems for data centers**.



Automotive cylindrical lithium-ion batteries



Energy storage systems



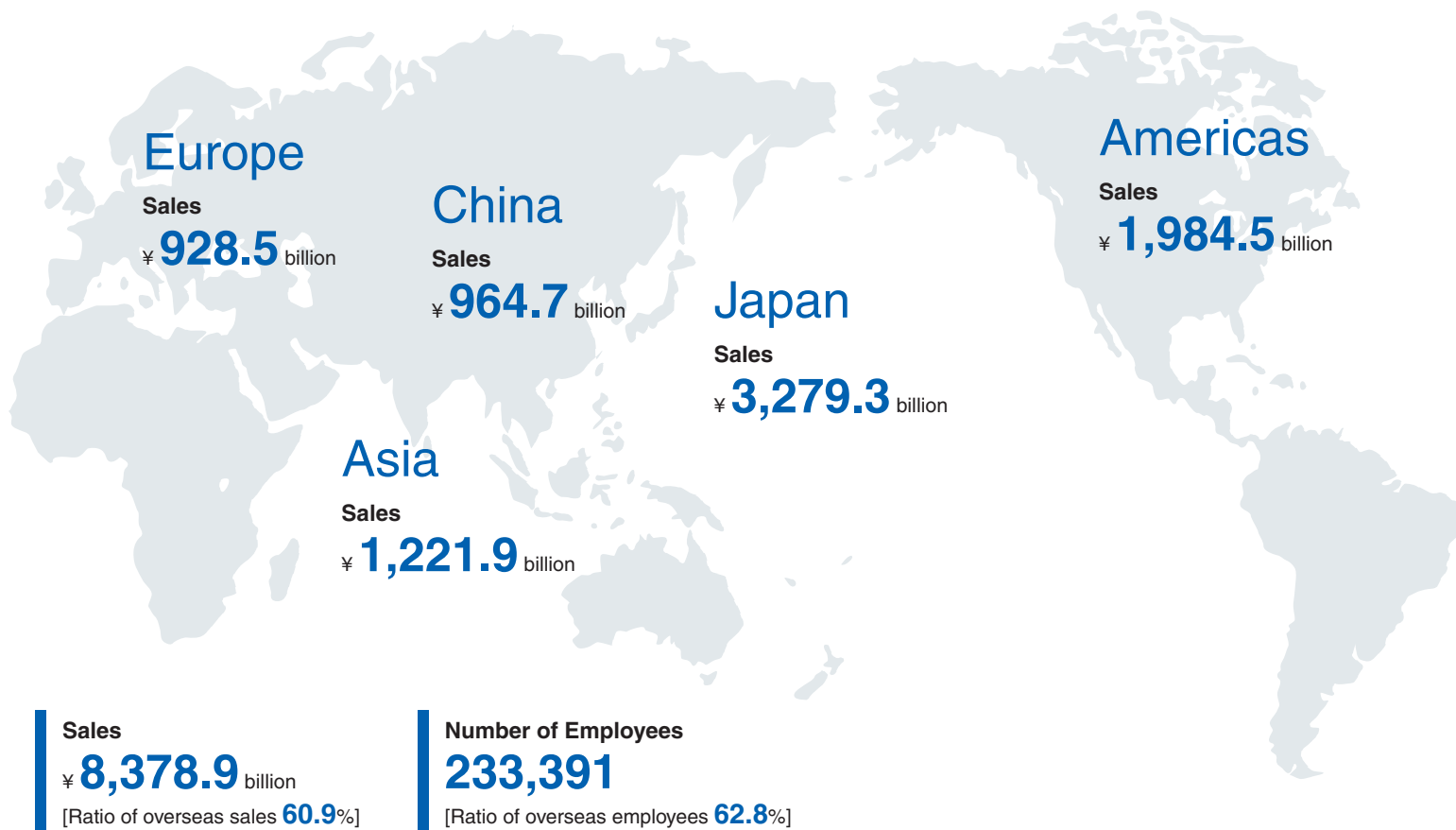
Primary batteries (dry batteries/lithium primary batteries)



## 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.



### The Panasonic Group in Numbers

<b>Operating CF</b> <b>¥ 520.7</b> billion Medium-term KGI Cumulative: <b>¥ 2.0</b> trillion (FY23-25)	<b>ROE</b> <b>7.8</b> % Medium-term KGI <b>10</b> % or more (FY25)
<b>R&amp;D Expenditures</b> <b>¥ 469.8</b> billion Ratio to Sales <b>5.6</b> %	<b>GX Patent Families*</b> <b>7,446</b> <small>*IPFs (International Patent Families) for environment-related technologies</small> (see p.26)
<b>CO<sub>2</sub> Reductions</b> (Scope 1, 2)* <b>360</b> thousand tons <small>In comparison to FY21                      *Classification according to GHG Protocol (see p.20)</small>	<b>Zero-CO<sub>2</sub> Factories</b> <b>31</b> factories (see p.20)
<b>Employee Engagement</b> <b>67</b> % (see p.29)	<b>Investor Dialogue</b> Approx. <b>780</b> institutions (accumulated) (see p.55)

(For the fiscal year ended March 2023)

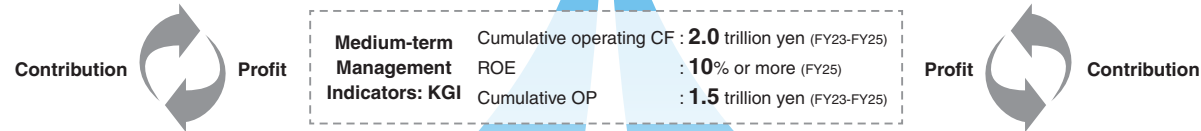
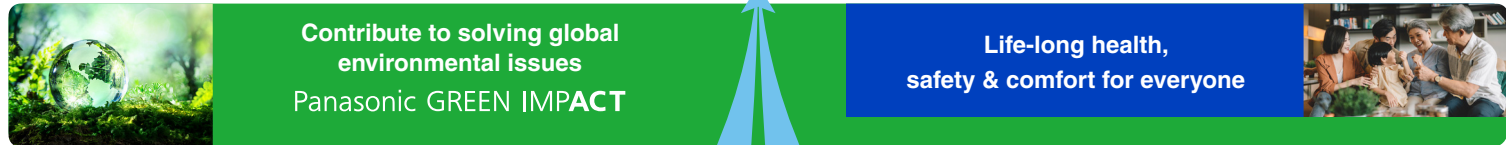


# Value Creation Process

In order to achieve "an ideal society with affluence both in matter and mind," Panasonic is committed to enhancing competitiveness in terms of both strategy and operational capability under our Basic Business Philosophy. We will increase our corporate value by returning the profits we receive as a result of our contributions back to society and by making investments to strengthen our competitiveness and further expand our contributions.

Ideal society with affluence both in matter and mind

Brand Slogan **Live Your Best**



Enhancing competitiveness

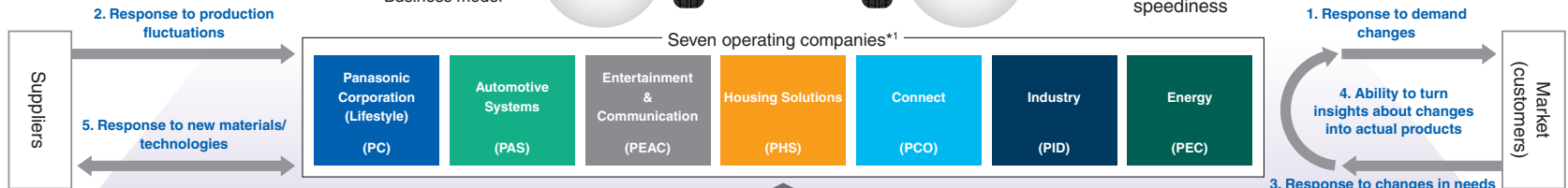
Long-term perspective  
Structural advantage  
Business model

Strategy



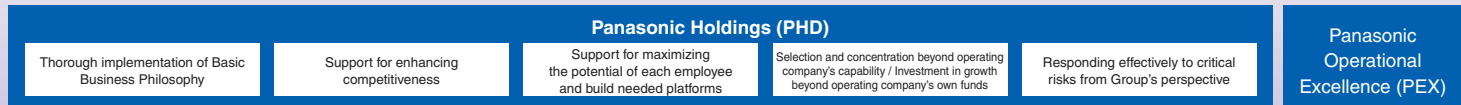
Operational Capabilities

Five capabilities toward change (1 through 5) × speediness



Strategic investment (priority investment area: automotive batteries)

Strengthen the management foundation of the Group as a whole



Corporate Governance

Implementation of Basic Business Philosophy

Employees' well-being

<p><b>Human Capital</b></p> <ul style="list-style-type: none"> <li>Employees: <b>233</b> thousand (87 thousand in Japan, 146 thousand overseas)</li> </ul>	<p><b>Manufactured Capital</b></p> <ul style="list-style-type: none"> <li>Property, plant and equipment: <b>¥1,172.4</b> billion</li> </ul>	<p><b>Intellectual Capital</b></p> <ul style="list-style-type: none"> <li>Intangible assets such as technology and know-how: <b>¥718.6</b> billion</li> <li>Number of intellectual property holdings: more than <b>100</b> thousand</li> </ul>	<p><b>Brand Capital</b></p> <ul style="list-style-type: none"> <li>Brand value: <b>\$6,337</b> million</li> <li>Global brand ranking: <b>91</b>st*3</li> </ul>	<p><b>Natural Capital</b></p> <ul style="list-style-type: none"> <li>Annual energy consumption: <b>4.7</b> TWh (of which, renewable energy: 0.52 TWh**4)</li> </ul>	<p><b>Financial Capital</b></p> <ul style="list-style-type: none"> <li>Parent company shareholders' equity: <b>¥3,618.4</b> billion</li> <li>Interest-bearing debt: <b>¥1,457.1</b> billion</li> </ul>
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Management resources\*2

\*1 Of the seven operating companies, the five companies whose sales volume accounts for 10% or more of total sales are reported as "segments." \*2 Figures are as of the end of March 2023. Figures for Natural Capital are an annual result of FY2023. \*3 Research by Interbrand, a branding specialist \*4 Figures from photovoltaic, wind, and biomass sources including the amount of renewable energy adopted to manufacturing and non-manufacturing sites of own group. Heat pumps not included.



# Materiality

## Purpose of identifying materiality

We have identified important opportunities and risks related to sustainability as priority issues (materiality) from the two perspectives of “financial effects on the Company” and “impact on society.” We aim to improve our sustainability management by promoting materiality initiatives, creating new business opportunities, and lowering risks.

Materiality will be reviewed as appropriate based on changes in the business environment and dialogues with stakeholders.

## Process of identifying materiality

From a list of items that included demands from society and foreseeable future challenges, we selected issues that could represent opportunities and risks for the Group. Next, we assessed them from the two perspectives of the Group and its stakeholders, and 11 priority issues were extracted.

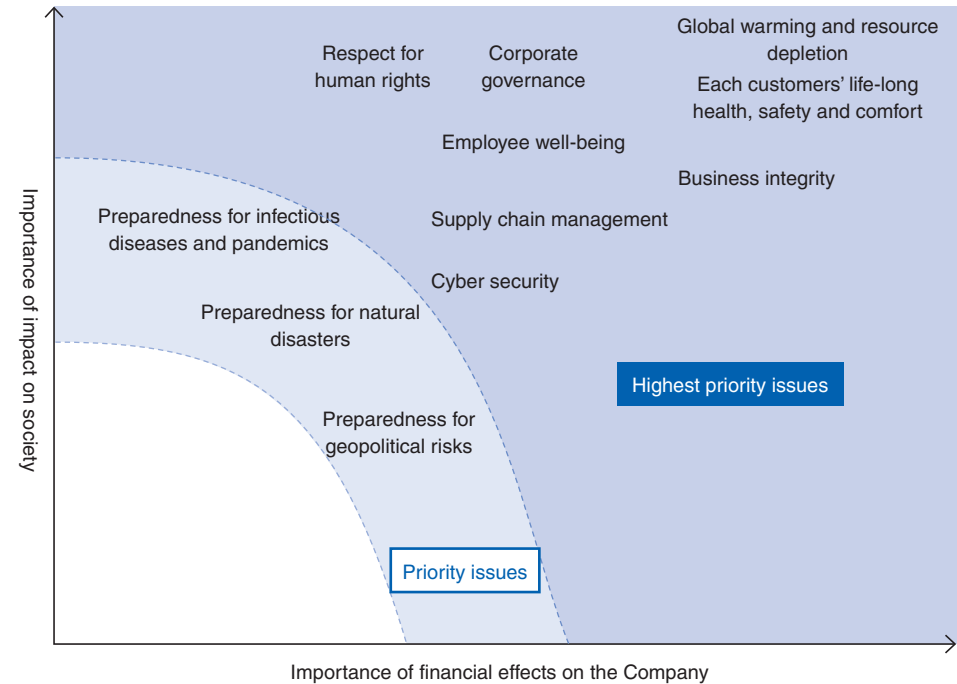
We confirmed the validity of these analysis processes and the priority issues we extracted through dialogue with external experts.

The materiality was identified after deliberation at the meetings of the Group’s Sustainability Management Committee, the Group Management Meeting, and the Board of Directors of the Company.

<b>STEP 1</b>	Extract sustainability-related items	Among current and future sustainability issues, <b>selected issues</b> that could represent opportunities and risks for the Group (based on analysis of trends in international standards and regulations, stakeholder concerns, megatrends, etc.)
<b>STEP 2</b>	Assess importance of items	Assessed the level of importance of “ <b>financial effects on the Company</b> ” and “ <b>impact on society</b> ” for each selected issue from the perspectives of the Group and its stakeholders
<b>STEP 3</b>	Select priority issues	Based on the assessment results in STEP 2, <b>extracted 11 priority issues</b>
<b>STEP 4</b>	Validate processes and results	Consulted <b>sustainability experts</b> on the validity of the analysis processes and the priority issues we extracted
<b>STEP 5</b>	Deliberate and identify	Identified materiality after deliberation at the meetings of the Sustainability Management Committee, the Group Management Meeting, and the Board of Directors of the Company

## Materiality assessment results

We assessed the level of importance of each item from the perspective of the Group and its stakeholders and identified 11 priority issues.



Note: Some of the materiality items are similar to the names of “Group Major Risks / PHD Major Strategic Risks” determined by risk management activities; however, due to different objectives and identification processes, their corresponding initiatives are partly different. Risk management activities are described in the “Risk Management” section of the [Sustainability Data Book 2023 on page 130](#).



# Materiality

## Examples of initiatives to address priority issues

● Increase positive impact ● Mitigate negative impact

Priority issues	Main initiatives	Targets	Report on related matters	
Highest priority issues	Global warming and resource depletion	<p>Panasonic GREEN IMPACT</p> <ul style="list-style-type: none"> <li>● Expansion of automotive batteries for EVs, hot water heat pumps and hydrogen fuel cells</li> <li>● Environmental energy technology innovation (water electrolysis, perovskite solar cells, DERMS)</li> <li>● Reduction of in-house CO<sub>2</sub> emissions (expansion of zero-CO<sub>2</sub> factories, expansion of energy-saving equipment)</li> <li>● Expansion of circular economy businesses and products</li> </ul>	<p>[Targets]</p> <ul style="list-style-type: none"> <li>■ CO<sub>2</sub> reduction impact of 300 million tons (by 2050)</li> <li>■ Net-zero CO<sub>2</sub> emissions from all factories (by 2030)</li> <li>■ Waste recycling ratio of 99% or more (by 2024)</li> </ul>	<p>Sustainability Data Book 2023</p> <ul style="list-style-type: none"> <li>■ <a href="#">Environment p.9</a></li> </ul> <p>Sustainability site</p> <ul style="list-style-type: none"> <li>■ <a href="#">Environment</a></li> </ul>
	Each customers' life-long health, safety and comfort	<ul style="list-style-type: none"> <li>● As a "lifestyle solutions provider" that delivers value tailored to each customer, we combine our diverse customer touchpoints with digital technology to contribute to each customer's life-long health, safety and comfort</li> </ul>		—
	Business integrity	<ul style="list-style-type: none"> <li>● Promoting understanding of and confirming compliance with the Panasonic Group Code of Ethics &amp; Compliance and internal rules, and complying with relevant laws</li> <li>● Dissemination and appropriate operation of the whistleblowing system</li> <li>● Protection and utilization of our intellectual property and respect for the intellectual property of third parties</li> </ul>		<p>Sustainability Data Book 2023</p> <ul style="list-style-type: none"> <li>■ <a href="#">Business Ethics p.137</a></li> <li>■ <a href="#">Intellectual Property p.121</a></li> </ul>
	Supply chain management	<ul style="list-style-type: none"> <li>● Elimination of waste and stagnation in the supply chain</li> <li>● Strengthening of supply chain by promoting multiple suppliers and review of manufacturing sites</li> </ul>		<p>Sustainability Data Book 2023</p> <ul style="list-style-type: none"> <li>■ <a href="#">Risk Management p.130</a></li> </ul>
	Employee well-being	<ul style="list-style-type: none"> <li>● Creating a safe, secure, and healthy workplace (thorough implementation of safety and compliance, promotion of health initiatives)</li> <li>● Encouraging employees' self-motivated endeavors and supporting their self-determined career formation (Allowing side jobs and provide opportunities for skill development, providing wider options for working time and place to work remotely, and personnel exchanges in the Group through open recruitment)</li> <li>● Promoting DEI (Diversity, Equity &amp; Inclusion) (top management commitment, creating an inclusive work environment, support for each individual)</li> </ul>	<p>[Targets]</p> <ul style="list-style-type: none"> <li>■ Eradication of serious workplace accidents and injuries</li> <li>■ Global top level in the Employee Opinion Survey score categories of employee engagement and employee enablement (by 2030)</li> </ul>	<p>Sustainability Data Book 2023</p> <ul style="list-style-type: none"> <li>■ <a href="#">Employee Well-being p.80</a></li> </ul>
	Corporate governance	<ul style="list-style-type: none"> <li>● ● With the transition to a holding company system, significant authority was delegated to the operating companies, with officers of the Panasonic Holdings Corporation participating in the management of the operating companies as directors</li> <li>● Linkage of non-financial KPIs to executive remuneration</li> </ul>		<p>Corporate information site</p> <ul style="list-style-type: none"> <li>■ <a href="#">Panasonic Holdings Corporation "Corporate Governance"</a></li> </ul>
	Respect for human rights	<ul style="list-style-type: none"> <li>● Promoting initiatives based on the Panasonic Group Human Rights and Labour Policy.</li> <li>● Implementing human rights due diligence based on global standards for the Group's own operations and in the supply chain</li> <li>● Promotion of engagement with stakeholders and appropriate disclosure of information</li> </ul>		<p>Sustainability Data Book 2023</p> <ul style="list-style-type: none"> <li>■ <a href="#">Respect for Human Rights p.74</a></li> <li>■ <a href="#">Responsible Supply Chain p.102</a></li> <li>■ <a href="#">AI Ethics p.112</a></li> </ul>
Cyber security	<ul style="list-style-type: none"> <li>● Centralization of common cyber security functions across manufacturing, information systems, and product areas to strengthen countermeasures during normal times and incident responses during emergencies</li> <li>● Gradual expansion of scope of cyber security countermeasures, including to supply chains</li> </ul>		<p>Sustainability Data Book 2023</p> <ul style="list-style-type: none"> <li>■ <a href="#">Cyber Security and Data Protection p.143</a></li> </ul>	
Priority issues	Preparedness for geopolitical risks	<ul style="list-style-type: none"> <li>● ● Monitoring of international situation and trends in policies, laws, and regulations in each country and geographic region to ascertain the impact on the Group's business and respond in a timely manner</li> <li>● Closely monitoring and responding to changes in the business environment caused by economic security policies in each country in terms of business threats and opportunities</li> </ul>		<p>Sustainability Data Book 2023</p> <ul style="list-style-type: none"> <li>■ <a href="#">Risk Management p.130</a></li> </ul>
	Preparedness for infectious diseases and pandemics	<ul style="list-style-type: none"> <li>● Formulating Group policies for each country based on analysis of its government policies, regulatory trends, infection conditions, etc., and setting and implementing detailed rules at each business site</li> </ul>		
	Preparedness for natural disasters	<ul style="list-style-type: none"> <li>● Enhancement of stockpiling and drills during normal times and establishment of a safety confirmation system; establishment of a Group-wide Emergency Response Headquarters system in the event of an emergency</li> </ul>		