

Panasonic Transitions to a Holding Company System

Osaka, Japan – Panasonic Corporation (hereinafter, "Panasonic") today announced that the Board of Directors of Panasonic has resolved to transition to a holding company system in April 2022 (planned). The transition to the holding company system is scheduled to take place subject to the approval of Panasonic's ordinary general meeting of shareholders to be held in June 2021 and, as necessary, approval from relevant government agencies.

1. Background and Purpose of Transition to a Holding Company System

Based on its management philosophy of "Contributing to the progress and development of society and the well-being of people worldwide through its business activities", the Panasonic Group, as a comprehensive electronics manufacturer, is developing a wide range of businesses including the provision of a broad array of products and solutions for customers in the consumer electronics, housing, automotive and B2B businesses.

Based on its Mid-term Strategy formulated in May 2019, Panasonic has classified "Spatial Solutions" "Gemba (operational frontlines) Process" and "Industrial Solutions" businesses as Core growth businesses and has focused its resources to realize profit growth. At the same time, the Company is steadily implementing measures to strengthen its management structure, such as reducing fixed costs and dealing with businesses having loss-making structures, with the aim of overcoming low-profit structure.

On the other hand, the business environment surrounding the Panasonic Group is undergoing increasingly severe changes year by year, including politics and financial circumstances in each country, the widespread of protectionism, and the downturn of market conditions due to the impact of the COVID-19. Under such ongoing uncertainties, the Company today resolved to transition to a holding company system in order to further enhance group management from a medium- to long-term perspective and to ensure growth.

With the transition to a holding company system, the Panasonic Group will be divided into operating companies. Each operating company will thoroughly implement autonomous management based on clearly defined responsibility and authority. As a result, each operating company will work to significantly enhance its business competitiveness through swift decision-making in response to changes in the external environment and flexibly develop systems in accordance with business characteristics.

As a holding company, Panasonic will continue to support the business growth of each operating company and define growth areas from the perspective of optimizing the group as a whole, thereby striving to enhance the corporate value of the entire group.

2. Transition to a Holding Company System

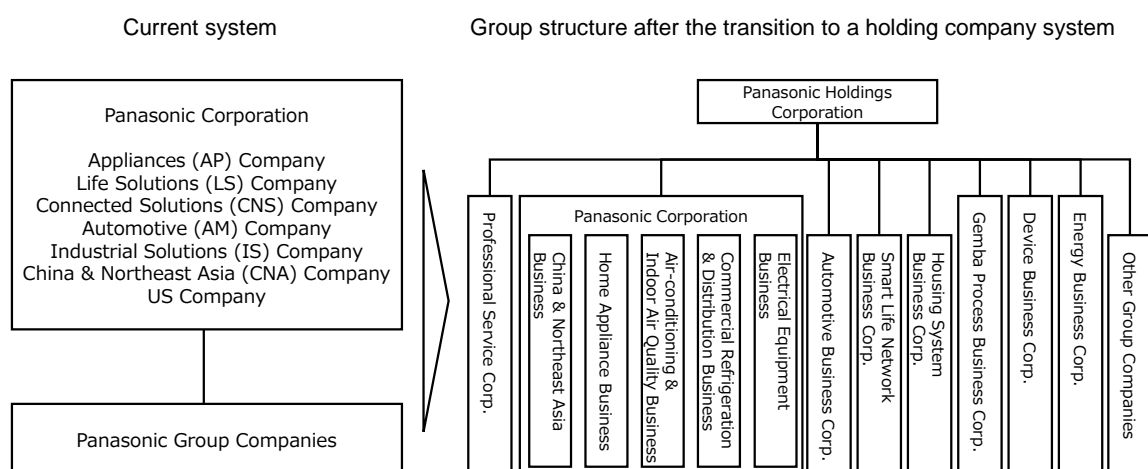
As a result of the company split with Panasonic as the splitting company, (1) China and Northeast Asia Business, Home Appliance Business, Air-conditioning and Indoor Air Quality Business, Commercial Refrigeration & Distribution Business, Electrical Equipment Business (the above five businesses are consolidated into one company), (2) Automotive Business, (3) Smart Life Network (AVC) Business, (4) Housing System Business, (5) Gemba (operational frontlines) Process Business, (6) Device Business, and (7) Energy Business will be succeeded to multiple operating companies, and (8) part of the indirect divisions (current Professional Business Support Sector and others) will be divided accordingly, and these companies will become wholly-owned subsidiaries of Panasonic. After the corporate split, Panasonic will continue to hold shares in each of the splitted companies and maintain its listing as a holding company.

As described in (Reference 1), Panasonic will change its corporate name to "Panasonic Holdings Corporation" upon transition to a holding company system, and the corporate name of "Panasonic Corporation" will be used by the operating company to be established, which will succeed the business of (1). Prior to the transition to the holding company system, in October 2021, Panasonic is scheduled to terminate its current Company System and reorganize its business structure.

3. Schedule

- Approval of Panasonic's ordinary general meeting of shareholders for the company split agreement and the amendments of the articles of incorporation: June 2021 (planned)
- Termination of current Company System and reorganization of business structure: October 2021 (planned)
- Transition to a holding company system: April 2022 (planned)
- Change of corporate name and "Panasonic Corporation" to be used by an operating company: April 2022 (planned)

(Reference 1) Group Structure after Transition to a Holding Company System



※Names are tentative for businesses and corporations, except Panasonic Holdings Corporation and Panasonic Corporation.
Businesses to be consolidated into Panasonic Corporation are expected to be divisional companies.

(Reference 2) Relationship between Business Structure before and after Transition to a Holding Company System

Business Structure after Transition to a Holding Company System (Each business / operating company)	Relationship with current group structure
Panasonic Corporation	Established by consolidating businesses (China & Northeast Asia Business, Home Appliance Business, Air-conditioning & Indoor Air Quality Business, Commercial Refrigeration & Distribution Business, and Electrical Equipment Business) under one corporation
China & Northeast Asia Business	Established based on business area of current CNA Company
Home Appliance Business	Established based on home appliances business area of current AP Company
Air-conditioning & Indoor Air Quality Business	Established based on air-conditioning & indoor air quality business area of current AP and LS Company
Commercial Refrigeration & Distribution Business	Established based on commercial refrigeration & distribution business area of current AP and US Company
Electrical Equipment Business	Established based on electrical equipment business area of current AP and LS Company
Automotive Business Corp.	Established based on business area of current AM Company
Smart Life Network Business Corp.	Established based on AVC business area of current AP Company
Housing System Business Corp.	Established based on business area of current Housing Systems Business Division
Gemba Process Business Corp.	Established based on business area of current CNS Company
Device Business Corp.	Established based on business area except for battery of current IS Company
Energy Business Corp.	Established based on battery business area of current IS and US Company
Professional Service Corp.	Established based on current professional business support sector to support the growth of each business company by its specialized capability

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Businesses to be consolidated into Panasonic Corporation are expected to be divisional companies.

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<https://news.panasonic.com/global/contacts/>

About Panasonic

Panasonic Corporation is a worldwide leader in the development of diverse electronics technologies and solutions for customers in the consumer electronics, housing, automotive, and B2B businesses. The company, which celebrated its 100th anniversary in 2018, has expanded globally and now operates 528 subsidiaries and 72 associated companies worldwide, recording consolidated net sales of 7.49 trillion yen for the year ended March 31, 2020. Committed to pursuing new value through innovation across divisional lines, the company uses its technologies to create a better life and a better world for its customers. To learn more about Panasonic: <https://www.panasonic.com/global>.

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