
FOR IMMEDIATE RELEASE

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Outline of Absorption-type Company Split for Transition to a Holding Company System and Outline of Business Structure after the Transition

Osaka, Japan – Panasonic Corporation (hereinafter, “Panasonic”) today announced that the Board of Directors of Panasonic has resolved the outlines of each absorption-type company split and the business structure (name of each operating company and business divisions constituting each operating company) after the transition to a holding company system, as well as the establishment of wholly-owned subsidiaries which will become succeeding companies (split preparation companies) for each absorption-type company split.

This follows the resolution of the transition to a holding company system on April 1, 2022, through an absorption-type company split, announced on November 13, 2020.

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 focused its resources to realize profit growth in Core growth businesses. 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 and the impact of the COVID-19, and other factors. Under such ongoing uncertainties, the Company is in progress of planning the details toward the 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. Outline of Absorption-type Company Split for Transition to a Holding Company System and Outline of Business Structure after the Transition

Each absorption-type company split for the transition to a holding company system will be carried out with Panasonic as the splitting company and each company listed in the "Company names after transition to a holding company system" column in the table below as the succeeding company. The outline of the business divisions and sectors constituting each company after the transition to a holding company system through the absorption-type company split is shown in the "Current business divisions and sectors constituting each company" column in the table below.

Company names after transition to a holding company system (Provisional names in the press release dated November 13, 2020)	Current business divisions and sectors constituting each company (Including subsidiaries constituting business divisions (*1))
(1) Panasonic Corporation (*2)	Business divisions of China and Northeast Asia Company, Living Appliances and Solutions Company, Heating & Ventilation A/C Company, Cold Chain Solutions Company, Electric Works Company, and Panasonic Cycle Technology Co., Ltd.
China and Northeast Asia Company (China & Northeast Asia Business)	Smart Life Appliances Business Division, Building and Housing Solutions Business Division, Cold Chain (China) Business Division, Refrigeration and Air-Conditioning Devices Business Division, and Taiwan Business Division
Living Appliances and Solutions Company (Home Appliance Business)	Kitchen Appliances Business Division, Laundry Systems and Vacuum Cleaner Business Division, and Beauty and Personal Care Business Division
Heating & Ventilation A/C Company (Air-conditioning & Indoor Air Quality Business)	Heating and Cooling Solutions Business Division and Panasonic Ecology Systems Co., Ltd.
Cold Chain Solutions Company (Commercial Refrigeration & Distribution Business)	Husmann Corporation and Cold Chain Business Division
Electric Works Company (Electrical Equipment Business)	Lighting Business Division, Energy Systems Business Division, and Smart Energy System Business Division
(2) Panasonic Automotive Systems Co., Ltd. (Automotive Business Corp.)	Automotive Infotainment Systems Business Division, HMI Systems Business Division, Automotive Systems Business Division, and Ficosa International, S.A.
(3) Panasonic Entertainment & Communication Co., Ltd. (Smart Life Network Business Corp.)	Smart Life Network Business Division (*3) (Planned to cease being a business division with the company split)
(4) Panasonic Housing Solutions Co., Ltd. (Housing System Business Corp.)	Housing Systems Business Division (Planned to cease being a business division with the company split)
(5) Panasonic Connect Co., Ltd. (Gemba Process Business Corp.)	Panasonic Avionics Corporation, Process Automation Business Division, Media Entertainment Business Division, Mobile Solutions Business Division, and Panasonic System Solutions Japan Co., Ltd. (*4)
(6) Panasonic Industry Co., Ltd. (Device Business Corp.)	Electromechanical Control Business Division, Industrial Devices Business Division, Device Solutions Business Division, and Electronic Materials Business Division
(7) Panasonic Energy Co., Ltd. (Energy Business Corp.)	Energy Device Business Division, Tesla Energy Business Division (*5), and Energy Solutions Business Division
(8) Panasonic Operational Excellence Co., Ltd. (Professional Service Corp.)	Mainly Professional Business Support Sector and part of the Innovation Promotion Sector (indirect functions and others)

*1: Each operating company does not necessarily hold shares of each subsidiary constituting a business division, but only engages in subsidiary management.

*2: Companies under Panasonic Corporation are expected to be divisional companies in Panasonic Corporation.

*3: Business division name as of October 2021 (planned): Entertainment & Communication Business Division

*4: In the planned absorption-type company split, Panasonic System Solutions Japan Co., Ltd. will be the succeeding company, and its company name is to be changed to "Panasonic Connect Co., Ltd." Businesses currently conducted under Panasonic System Solutions Japan Co., Ltd. are to be treated as one business division.

*5: Business division name as of October 2021 (planned): Mobility Energy Business Division

Each of the companies listed in the "Company names after transition to a holding company system" column above, except for (5), will be established as a wholly-owned subsidiary of Panasonic, and will become a succeeding company (split preparation company) in the absorption-type company split.

For (5), Panasonic System Solutions Japan Co., Ltd., a wholly-owned subsidiary of Panasonic, will be the succeeding company in the absorption-type company split and its company name is to be changed to "Panasonic Connect Co., Ltd." on April 1, 2022. Additionally, Panasonic Connect Co., Ltd. is scheduled to conduct an absorption-type merger with Panasonic Smart Factory Solutions Co., Ltd. and Panasonic Mobile Communications Co., Ltd., both wholly-owned subsidiaries of Panasonic, with Panasonic System Solutions Japan Co., Ltd. as the surviving company, which will take effect on April 1, 2022.

In addition, Panasonic Sports Co., Ltd. will be established as a wholly-owned subsidiary of Panasonic with the aim of strengthening its sports management business. Panasonic Sports Co., Ltd. is to succeed Panasonic's sports management business through an absorption-type company split, with Panasonic as the splitting company, which will take effect on April 1, 2022.

3. Schedule

- Conclusion of an absorption-type company split agreement: May 2021 (planned)
- Approval of Panasonic's ordinary general meeting of shareholders for the absorption-type 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)
- Absorption-type company split to take effect and transition to a holding company system: April 2022 (planned)
- Change of corporate name: April 2022 (planned)

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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>.