

July 31, 2023

FOR IMMEDIATE RELEASE

Panasonic Holdings Corporation
Corporate Finance & IR Department
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Panasonic Holdings Announces to Liquidate PLD, Consolidated Subsidiary
(Through Special Liquidation), Providing Debt Waiver,
and Revise Consolidated Financial Forecast

Panasonic Holdings Corporation ([TSE:6752] the “Company”), today announced that the Board of Directors has resolved to liquidate Panasonic Liquid Crystal Display Co., Ltd. (“PLD”) a consolidated subsidiary of the Company, and to file a petition for commencement of “special liquidation” defined in the Japanese Companies Act as well as to waive debts that PLD owes to Panasonic Equity Management Japan G.K. (“PEMJ”), which is also a consolidated subsidiary of the Company.

Based on the impact of the above, the Company also announced to have revised its financial forecast for the current fiscal year ending March 31, 2024 (fiscal 2024) from that announced on May 10, 2023.

1. Outline of the Liquidation of PLD and Debt Waiver of PEMJ

(1) Outline of the consolidated subsidiary (PEMJ) to waive debt (as of March 31, 2023)

1) Corporate name	Panasonic Equity Management Japan G.K.
2) Head office	1006 Kadoma, Kadoma City, Osaka, Japan
3) Name and title of representative	President, Hirokazu Umeda
4) Principal lines of business	Investment and return on investment management for Panasonic Group’s subsidiaries in Japan
5) Stated capital	10 million yen (a wholly owned subsidiary of the Company)

(2) Outline of the consolidated subsidiary (PLD) to be liquidated (as of March 31, 2023)

1) Corporate name	Panasonic Liquid Crystal Display Co., Ltd.
2) Head office	1-6, Shikamakumegahida-cho, Himeji City, Hyogo, Japan
3) Name and title of representative	President, Tomoyuki Kato
4) Principal lines of business	Development, manufacture and sales of IPS liquid crystal panels
5) Stated capital	500 million yen (a wholly owned subsidiary of PEMJ)
6) Date established	October 1, 2010
7) Net assets	(583.2) billion yen
8) Total assets	43.1 billion yen

(3) Reason for the Liquidation of PLD and Debt Waiver

The Company consolidated IPS Alpha Technology Co., Ltd., (current PLD), in August 2008, and started production of LCD panels for TVs and ICT use at the Himeji Plant in 2010. PLD was established in October 2010 to promote the LCD panel business. Then, due to the tough price competition, the Company shifted its focus to the automotive and industrial sectors. However, the Company judged that it would be difficult to continue the business due to the impact of the deterioration in market conditions caused mainly by the U.S.-China trade dispute on the automotive and industrial sectors. Finally, the Company decided to end the production at PLD in November 2019 and terminated the PLD business activities at the end of March 2023.

Now that the disposal and transfer of the assets owned by PLD (such as the plant in Himeji City, Hyogo, Japan) are expected to be completed in fiscal 2024, the Company has decided to liquidate PLD, and to file a petition for commencement of special liquidation as well as to waive debts that PLD owes to PEMJ.

(4) Type of Debt and expected amount to be waived (as of July 31, 2023)

Loans 580.0 billion yen

(5) Expected impact on consolidated financial results of the Company

Accordingly, taking into consideration of the recoverability of deferred tax assets in its consolidated financial results, it becomes highly likely that the temporary difference associated with the investment in PLD is expected to reverse in the foreseeable future. Therefore, the Company recognizes 121.3 billion yen of a decrease in income taxes

(e.g., recognition of deferred tax assets and other factors).

For its impact on the consolidated financial forecast of the Company, please refer to “2” stated below.

2. The Consolidated Financial Forecast Revision

(1) The revised forecast for fiscal 2024 (from April 1, 2023 to March 31, 2024)

	Net Sales	Operating profit	Profit before income taxes	Net profit attributable to Panasonic Holdings Corporation stockholders	Basic earnings per share attributable to Panasonic Holdings Corporation stockholders	Yen (millions) (Reference) Adjusted operating profit
Previous forecast as of May 10, 2023 (A)	8,500,000	430,000	455,000	350,000	149.95 yen	430,000
Revised forecasts (B)	8,500,000	430,000	455,000	460,000	197.08 yen	430,000
Difference (B-A)	-	-	-	110,000		-
Difference (%)	-	-	-	31.4		-
(Reference) Financial results for fiscal 2023	8,378,942	288,570	316,409	265,502	113.75 yen	314,077

Note: Adjusted operating profit is calculated by subtracting cost of sales and selling, general and administrative expenses from sales.

(2) Reason for the revision:

For the consolidated financial forecast for fiscal 2024, the forecast net profit attributable to Panasonic Holdings Corporation stockholders is revised upward reflecting the impact as stated in “1” above along with others.

The forecast for sales, operating profit, profit before income taxes remains unchanged.

Disclaimer Regarding Forward-Looking Statements

This press release includes forward-looking statements about Panasonic Holdings Corporation (Panasonic HD) and its Group companies (the Panasonic Group). To the extent that statements in this press release 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. Panasonic HD undertakes no obligation to publicly update any forward-looking statements after the date of this press release. Investors are advised to consult any further disclosures by Panasonic HD in its subsequent filings under the Financial Instrument and Exchange Act of Japan (the FIEA) and other publicly disclosed documents.

The risks, uncertainties and other factors referred to above include, but are not limited to, economic conditions, particularly consumer spending and corporate capital expenditures in the Americas, Europe, Japan, China and other Asian countries; occurrence and continuation of supply disruption or soaring prices of raw materials or transportation; the possibility that excessive currency rate fluctuations of the U.S. dollar, the euro, the Chinese yuan and other currencies against the yen may adversely affect costs and prices of Panasonic Group's products and services and certain other transactions that are denominated in these foreign currencies; the possibility of the Panasonic Group incurring additional costs of raising funds, because of changes in the fund raising environment including interest rate fluctuations; the possibility of the Panasonic Group not being able to respond to rapid technological changes and changing consumer preferences with timely and cost-effective introductions of new products in markets that are highly competitive in terms of both price and technology; the possibility of not achieving expected results or incurring unexpected losses in connection with the alliances or mergers and acquisitions; the possibility of not being able to achieve its business objectives through joint ventures and other collaborative agreements with other companies, including due to the pressure of price reduction exceeding that which can be achieved by its effort and decrease in demand for products from business partners which Panasonic Group highly depends on in BtoB business areas; the possibility of not achieving expected benefits in connection with the transition to a new organizational system in which Panasonic is a holding company; the possibility of the Panasonic Group not being able to maintain competitive strength in many product and geographical areas; the possibility of incurring expenses resulting from any defects in products or services of the Panasonic Group; the possibility that the Panasonic Group may face intellectual property infringement by third parties or intellectual property infringement claims by third parties; the possibility that change or tightening of current and potential, direct and indirect restrictions imposed in Japan or other countries over trade, manufacturing, labor and operations may adversely affect business operations of Panasonic Group and its supply chain; failures in proper tackling of regulations and policies introduced or strengthened with respect to environmental issues including climate change or responsible procurement activities (human rights, labor, health and safety, global environmental conservation, information security, corporate ethics, etc.) in the supply chain; restrictions, costs or legal liability relating to introduction or tightening of laws and regulations; fluctuations in market prices of securities and other financial assets in which the Panasonic Group has holdings or changes in valuation of non-financial assets, including property, plant and equipment, goodwill and deferred tax assets; future changes or revisions to accounting policies or accounting rules; the possibility of incurring expenses resulting from a leakage of customers' or confidential information from systems of Panasonic Group or its supply chain, service suspension or vulnerability of network-connected products due to unauthorized system access and cyberattacks etc.; the possibility not being able to acquire the necessary human resources to promote management strategies and prevent the outflow of existing employees; the possibility that the spread of infections including the novel coronavirus infections may adversely affect business activities of the Panasonic Group; volatility in demand for electronic equipment and components from business and industrial customers, as well as consumers in many product and geographical markets occurrence of events that may negatively impact business activities of the Panasonic Group, including large-scale natural disasters, prevalence of infectious diseases throughout the world and terrorism or wars. The factors listed above are not all-inclusive and further information is contained in the most recent English translated version of Panasonic HD's securities reports under the FIEA and any other documents which are disclosed on its website.