

May 9, 2025

FOR IMMEDIATE RELEASE

Panasonic Holdings Corporation
Corporate Finance, Accounting & IR
Department
(Tel: +81-6-6908-1121)
(Japan)

Progress of Panasonic Group Management Reform (Outline)

Osaka, Japan, May 9, 2025 – Panasonic Holdings Corporation ([TSE:6752], the “Company”) today announced progress in its management reform based on the "Outline of Panasonic Group Management Reform" released on February 4, 2025. The Company is focusing on management reform in FY3/26 to resolve its various structural issues. The following gives an outline of this reform’s progress.

For more detailed information, please refer to the presentation materials to be distributed at the Annual Financial Results Meeting scheduled for today. These materials are also available on our corporate website.

1. FY3/27 Expected Profit Improvement

Through the current management reform, the Company aims to improve profit by at least 150 billion yen¹ compared to FY3/25 and thus achieve adjusted operating profit of at least 600 billion yen in FY3/27. The main target amounts for profit improvement are as follows.

Profit improvement through structural reform [+122 billion yen, including 70 billion yen from personnel optimization]:

- Headquarters reform [+47 billion yen]
Profit improvement through consolidation and streamlining of indirect functions and operations, as well as selection and concentration of technology projects, etc.
- Consumer electronics business reform [+33 billion yen]
Profit improvement through consolidation and streamlining of sales and indirect departments operating across the Group, as well as building global-standard cost capabilities
- Business sector reform [+42 billion yen]
Profit improvement through the withdrawal or termination of loss-making businesses, consolidation and closure of sites, streamlining of Groupwide IT investments, and consolidation of indirect functions, etc.

In addition, we must also consider the following effects: profit improvement in business areas where upfront investments were made, such as automotive batteries, exclusion of certain businesses from the consolidated basis, as a result of business portfolio management, as well as the impact of investments in

-more-

focus areas such as the Solutions area. In total, we will achieve profit improvement of at least 150 billion yen¹.

Looking ahead to FY3/27, the Company will promote group management reforms centered on structural reforms and aim to build a management structure that can handle changes in our business environments.

Note 1: The above effects contribute to improvement in adjusted operating profit compared to the consolidated financial forecast for FY3/25 announced on February 4, 2025. The impact of possible U.S. tariffs is not included here.

2. Personnel Optimization

In terms of management reform, toward transformation into an organization where individual employees create higher productivity, the Company will thoroughly review operational efficiency at each Group company, mainly in sales and indirect departments, and reevaluate the numbers of organizations and personnel actually needed. In addition, the Company will promote the termination of loss-making businesses with no prospect of improving profit, as well as the integration and closing of sites. Through these measures, the Company will optimize our personnel on a global scale.

This measure targets 10,000 employees (5,000 in Japan and 5,000 overseas) at consolidated companies, and it will be implemented mainly in FY3/26, in accordance with the labor laws, rules, and regulations of each country and region.

3. Outlook of Future Business Performance

The impact of the Group's management reform, including personnel optimization, on business performance in FY3/26 is expected to be a loss of 130 billion yen as structural reform costs. This is included in the consolidated financial forecast for FY3/26² announced today (May 9, 2025), but it may change depending on the number of employees involved in the final optimization and on other factors. If such a revision must be made to the FY3/26 consolidated financial forecast, the Company will promptly notify the public.

In addition, the Company is currently analyzing the impact of the Group's management reform on our business performance for FY3/27 onward.

Note 2: For the consolidated FY3/26 financial forecast (period ending in March 2026), please refer to the "Summary of Consolidated Financial Results for Fiscal Year ended March 31, 2025 [IFRS]," which is posted on our corporate website.

###

Disclaimer Regarding Forward-looking Statements

This press release includes forward-looking statements about Panasonic Holdings Corporation (the "Company") 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. The Company 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 the Company 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 demands for corporate capital expenditures in the major markets including, but not limited to, the Americas, Europe, Japan, China and other Asian countries as well as changes of demands for a wide range of electronic products & parts from the industrial world and consumers in various regional markets; excessive currency rate fluctuations of the U.S. dollar, the euro, the Chinese yuan and other currencies against the yen having an impact on costs and prices of the Panasonic Group's products & services as well as certain other transactions that are denominated in these foreign currencies; increased costs of or limitations on raising funds, because of changes in the fund raising environment including interest rate fluctuations; current or future political or social trends in and outside Japan or changes in rules & regulations of international trade, commerce, R&Ds, production or sales having impact on the Panasonic Group or the business activities in its supply chain; introduction or enhancement of rules & regulations or abolition or reduction of tax benefit or subsidy related mainly to the environment issues including the climate change as well as to responsible supply chain (in terms of human rights, labor, health & safety global environmental conservation, information security, business ethics and others); increased costs resulting from a leakage of customers' or confidential information from IT systems of the Panasonic Group or its supply chain or business suspension caused by unauthorized access, cyberattacks or any other form of malicious actions on the IT systems or from vulnerability of network-connected products; failure to secure or retain enough workforces to execute its business strategy; failure to retain its competitiveness in a wide range of products & services or in major countries & regions; failure to produce expected results in alliances with other companies or M&A (mergers & acquisitions) activities; failure to produce expected results in current or future business transformations of the Panasonic Group; occurrence or lengthening of disruptions in its supply chain or logistics for or price hikes in parts & materials; downward price pressure or decrease in demands for the products at a level that can be offset with efforts by the Company; failure to respond to future changes in the market needs with technological innovations or to timely utilize new technologies such as AI (Artificial Intelligence); increased costs or losses caused by occurrence of events such as compliance violations (including those related to human rights or labor issues) or serious health & safety accidents in workplaces; increased costs or losses resulting from any defects or quality frauds in products or services of the Panasonic Group; infringement by third parties of intellectual property owned by the Panasonic Group or restrictions on the use of intellectual property owned by third parties; administrative/criminal penalties or compensations/damages claims resulting from violations of laws and regulations; large-scale natural disasters, global pandemics of infectious diseases, terrorism or wars; fluctuations in market prices of securities and other financial assets in which the Panasonic Group has holdings, excessive fluctuations of valuation of non-financial assets, including property, plant and equipment, goodwill and deferred tax assets, or changes or tightening of accounting policies or rules; The factors listed above are not all-inclusive and further information is contained in the most recent English translated version of the Company's securities reports under the FIEA and any other documents which are disclosed on its website.