

PANASONIC MANUFACTURING PHILIPPINES CORPORATION
MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING
FRIDAY, JULY 21, 2023
3:00 P.M.
(Via Microsoft Teams Live)

1. CALL TO ORDER

Mr. Kazuya Higami, Chairman of the Meeting, called the meeting to order. Atty. Angel Enrico E. Mira Jr., Corporate Secretary, acted as the Secretary of the Meeting,

2. PROOF OF NOTICE OF MEETING AND QUORUM

The Corporate Secretary presented the Notice of the meeting, and certify the following:

- (a) That the Notice of today's annual stockholders' meeting were sent by courier on July 6, 2023 to all stockholders of the corporation;
- (b) That the Notice of today's annual stockholders' meeting was likewise published in the business section of Philippine Daily Inquirer and The Philippine Star on June 28 and 29, 2023;
- (c) That the Notice of today's annual stockholders' meeting was also uploaded in PMPC's website; and
- (d) That the owners of more than 2/3 of the subscribed and outstanding stock of the Corporation are represented hence, there is a quorum.

3. APPROVAL OF THE MINUTES OF THE JULY 15, 2022, ANNUAL STOCKHOLDERS' MEETING

The Corporate Secretary then presented and read the copy of the minutes of the annual meeting of the stockholders of the corporation meeting held last July 15, 2022. Upon motion duly made and seconded, the minutes was unanimously approved, ratified and conformed.

4. THE PRESIDENT'S ANNUAL REPORT

Mr. Higami, President and Chairman of the Board, rendered the President's Annual Report.

The President's Annual Report, upon motion made and duly seconded, was ordered to be attached to the minutes of the meeting.

5. FINANCIAL REPORT

Ms. Julieta Beltran reported the Financial Statements for the Fiscal Year 2022, as well as the Executive Summary of the report, are available in the company website and at the PSE Edge. It also appears in the Definitive Information Statement filed with SEC and PSE.

Upon motion duly made and seconded, a copy of the Report was ordered to be attached to the minutes of the meeting and the Audited Financial Statements for the Fiscal Year 2022 was approved.

6. RATIFICATION OF THE ANNUAL REPORTS AND ACTS OF THE BOARD

The Corporate Secretary presented the Minutes Book of the Corporation containing a record of the decisions, contracts, acts, commitments, and appointments by the Board of Directors since last year annual stockholders meeting, it was laid upon the table and was publicly declared open inspection by any interested stockholders.

Upon motion duly made and seconded, the following resolution was unanimously approved:

“RESOLVED, that the annual reports and the minutes of the meeting of the Board of Directors of the corporation since last year’s annual stockholders meeting, be and they hereby are in all respects approved, that the resolutions, therein set forth are hereby severally adopted, approved, ratified, confirmed, and that all the actions of every kind and taken by the officers of the corporation pursuant to any such resolution, action, decision or authorization, be and they hereby are in all respects, authorized adopted, approved, ratified and confirmed.”

7. ELECTION OF DIRECTORS

The Corporate Secretary, pursuant to a duly adopted Board Resolution, presided over the election of the Directors for the year 2023-2024.

Mr. Atsushi Kozuma, Chairman of the Nomination Committee, presented the final list of the name of the nominees for members of the Board of Directors for the year 2023-2024.

The following were nominated and unanimously elected as Directors of the Corporation for the year 2023-2024:

For regular directors:

1. Kazuya Higami
2. Atsushi Kozuma

3. Satoshi Kono
4. Angelo Tamayo
5. Shinichi Hayashi
6. Hirokazu Yoshida
7. Takahiro Oyama

For Independent Directors:

8. Elizabeth Gildore
9. Attorney Justina Callangan
10. Marlon Molano

The foregoing Directors will hold office until their successors have been elected.

8. APPOINTMENT OF EXTERNAL AUDITOR

Upon motion duly made, seconded, and carried, the following resolutions were approved and ratified:

“RESOLVED, as it is hereby resolved that the Corporation be authorized and directed to appoint, as it hereby appoints, SYCIP, GORRES, VELAYO AND CO., as its external auditor for the fiscal year 2023-2024.”

9. OTHER MATTERS


The Directors entertained and answered the following questions from the floor:

Question No. 1 from MICHAEL BORJA:

Anybody from our Board of Directors may answer my question. With the United Nations constant promotion of what they call SDG or Development Goal, how does PMPC align to the SDG through your Corporate Social Responsibilities activities this year?

Answer by Mr. Kozuma:

Thank you very much. As you mention, we are renewing our commitment for CSR activities and supporting sustainable development goals (SDGs) through various activities such as donating Panasonic solar lanterns and distributing it to community in Antipolo next month together with our Brand Ambassador Gary Valenciano. We also contribute to eliminate poverty by providing opportunities for education through Panasonic Scholarship. Moreover, for the environment activity, we are planning to act on Tree Planting next month. And also we have various activities to improve our environment and with certain investment and to do these series of activities, we are eager and very much proud of our activities to proceed SDGs which is also worldwide organization



Question No. 2 from JOANNE APELO:

We are now in the mid-July of 2023, can we know current fiscal year situation of the company in terms of sales and profit? Are there are challenges or significant risks that PMPC is facing and how do you act on it?

Answer by MR. HIGAMI:

Thank you for asking. I am happy to say that our 1st Quarter operating profit before tax is higher than last year of the same period despite of our failure to achieve sales growth for refrigerator and washing machine including air conditioner export.

Although the market competition is very tough, we are aiming to achieve sales higher than last year by increasing market share driven by our premium models and channel expansion. We will also strive to realize higher amount of profit than last year. However, we are currently struggling on price competitiveness particularly for cheaper brands. Also, there is less spending for items other than necessities while the young generations are more on revenge travel after a long time of feeling deprived by the opportunity to visit beautiful and relaxing places due to the pandemic. To accommodate, we are also making effort to improve our internal capabilities such as manufacturing. In this way, rest assure that your company is addressing these issues so that we can realize our target sales and profit.

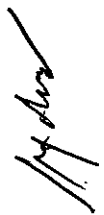
Question No. 3 from RUTH TOLENTINO:

Based on our audited financial statement, we already have sufficient Retained Earnings, may we know why management cannot declare higher dividend to us stockholders? And may we know also how PMPC intend to utilize its Retained Earnings?

Answer by MR. KOZUMA:

Thank you very much for asking. Regarding our future investment and including investment recently, let me just briefly explain. This fiscal year, we successfully change our Manufacturing ERP software to SAP system after more than 20 years of using previous ERP called Baan. With this new system, we are very positive to improve efficiency of our operation. Especially, we consider this investment as quite important in the rapid changing outside environment. And also, most of our machines and production facilities have been in operation for more than 2 decades too. These machines and facilities may soon require replacement and renovation which require huge capital expenditures.

Every year, we are introducing new model line-up with better and new technologies, hence will have huge investment on factory innovation. To support our corporate mission on CO2 emission through renewable energy, we will install solar panel in the factory. To sustain continuous growth of Refrigerator meeting market demand, we will secure higher production quantity by expanding our factory.



To cope with business growth, we need to also strengthen our Supply Chain Management by expanding our warehouses. We have already laid down the plans for the said appropriation as it is also required by the Securities and Exchange Commission for disclosure purposes. As such, management deemed the retained earnings is appropriate. Nonetheless, rest assure that the company will declare dividend each year.

Question No. 4 from RODA BORJA:

Mr. President, in your presentation earlier regarding Business Strategy with future goal by the year 2033, may I ask, how about the Company's commitment to us, your stockholders after 10 years?

Answer by MR. HIGAMI:

This year, we will celebrate our 57th year anniversary as a company. On March 2013, Securities and Exchange Commission approved the extension of our corporate life for another 50 years or until 2063. I think with the Philippine economy continuous growth, for example refrigerator distribution rate by around 40%, same with washing machine and air conditioner around 20%. I think Philippines still have appliance, we can use strategy we have done in Japan, China and Vietnam. Hence, we have the commitment for continuing business growth. We will put weight on creating new value and designing an ideal operation towards business growth and increase profitability to give back by way of dividend to our stockholders. We are determined for continuous success to make you feel proud of PMPC embracing change by introducing new technologies that will improve the quality and wellness of life. We will still be No. 1 and the Most Trusted Brand in the market.

10. ADJOURNMENT

There being no further business to transact, the meeting was upon motion made, duly seconded and carried adjourned.

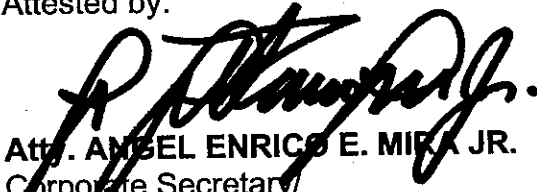
Certified True and Correct:



KAZUYA HIGAMI

Chairman of the Meeting

Attested by:



Atty. ANSEL ENRICO E. MIRA JR.
Corporate Secretary/
Secretary of the Meeting

MINUTES READ AND APPROVED

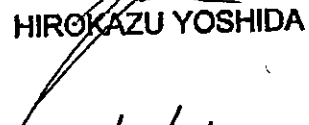

KAZUYA HIGAMI

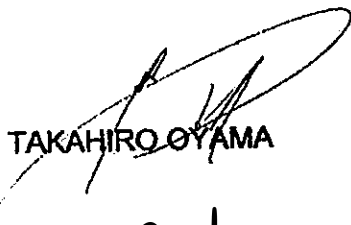

ATSUSHI KOZUMA


SATOSHI KONO


ANGELO TAMAYO

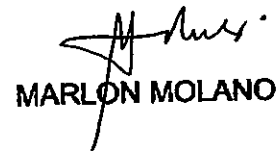

SHINICHI HAYASHI


HIROKAZU YOSHIDA


TAKAHIRO OYAMA


ELIZABETH GILDORE


Atty. JUSTINA CALLANGAN


MARLON MOLANO