

## Message from the CHRO



### “Become the Best Place to Work” where diverse talents work at their best

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“Develop people before making products.”

That is what Panasonic founder Konosuke Matsushita used to say when expressing his views about human resources. This very philosophy underpins Panasonic’s people-oriented approach, and based on this thinking, we believe it is our mission to spearhead business challenges through the development of people, organizations, and corporate culture. To this end, and as part of our human resources strategies, we aim to “Become the Best Place to Work” where diverse talents work at their best with the greater goal of realizing our brand slogan “A Better Life, A Better World.”

#### **The environment surrounding human resources and the type of employees we seek to develop**

The environment surrounding human resources has changed dramatically in recent years. One factor behind this change is the remarkable evolution of technology capable of replacing labor, such as AI and robotics, in response to the anticipated worldwide decline in the working-age population as a percentage of overall population. Furthermore, an era in which more people will likely live to the age of 100 is fast approaching with life expectancies in mainly developed countries continuing to increase. As such, prolonged careers and diversified personal values toward working are constantly progressing. And these environmental changes have intensified all at once as a result of the COVID-19.

As we respond to such changes and adopt the right human resources strategy required for this new age, we must also successfully deploy a business strategy aimed at transforming our business model from one traditionally centered on products to one that delivers “Lifestyle Updates” and shifts “from hardware to experience.”

Accordingly, we believe the type of employees required in this new era are those that can achieve higher levels of self-sustaining growth and fully maximize their wide-ranging capabilities. In order to nurture such human talents, the

Company must provide an environment in which each individual employee can play an active role. This kind of relationship between the Company and its employees is the source of corporate competitiveness and I believe it enables us to continually deliver new value to society.

#### **Human resources strategies linked to our business strategy**

At Panasonic we are currently driving forward a business strategy aimed at transforming our business model into one that delivers “Lifestyle Updates” and shifts “from hardware to experience.” I believe autonomous management holds the key to the success of this strategy, which will enable Panasonic—a conglomerate of multiple businesses—to generate synergies between various operations and achieve growth on a global scale by addressing the needs of each industry.

To propel a business strategy based on this kind of autonomous management, I believe we must also focus on autonomy in our human resources strategies too. That means moving away from our approach that up until now was centered on the combination of “Panasonic Corporation” and “Japan,” to focus more on “business-based perspectives” and “global regions.” As such, we need to formulate and execute competitive and unique human resources strategies for each business and region. Accordingly, we intend to transfer responsibilities to and increase empowerment in each operating company concerning human resources with our transition to a holding company system in April 2022 and promote human resources strategies best suited to their respective business strategies. On the other hand, Panasonic Holdings Corporation will take on the role of vigorously supporting the execution of human resources strategies to develop management executives, ensuring Group and global corporate governance, and having Professional Services Corporation enhance its consulting capabilities for strategies, measures, and management of systems, as well as shared services functions.

## Appointing and developing management executives—Business execution structure and development of management executives

As for the appointment of heads of business, we are moving away from the conventional idea of selecting a leader from existing successor candidates and shifting to the idea of nominating a person that is most qualified for the position (the right person for the right job). In other words, we are aiming to boost competitiveness by appointing the most suitable people required in each business—all of which continue to become more specialized and sharpened.

We are furthering the development of management executives that make up our portfolio of talents for heads of business and each job function by discovering and hiring a diverse pool of employees regardless of age, experience, nationality, or gender, and offering them the opportunity to handle tough assignments\*1. For example, taking responsibility for PL, BS, and CF in specific businesses.

Regarding training for executive candidates, we are currently preparing the most appropriate programs from within and outside the Company to suit the circumstances of participants and meet their individual needs. In fiscal 2021 we completely revamped the training curriculum and introduced such programs as LEL (Launching Executive Leaders)\*2 and CEL (Creating Executive Leaders)\*3, both of which place a particular emphasis on improving thoughts and behaviors that lead to change. We are aggressively promoting the development of management executives mainly by stimulating their aspirations as management executives and offering them the chance to acquire necessary management literacy via numerous learning opportunities and friendly competition with participants from various business fields.

As part of the process of appointment and development of management executives with this approach, in October 2019 we undertook a review of our business execution structure in order to realize a business structure that can resiliently respond to volatile changes in the business environment. This review aimed to clarify management roles and responsibilities by reorganizing the structure into two groups: executive officers tasked with leading the Group's business structural reforms from the perspective of Group-wide optimization; and a business execution layer that will execute the transformation of individual businesses with the aim of

strengthening their operations.

Furthermore, for the business execution layer, a core part of Panasonic's business management, tasked with improving profitability and generating future competitive advantage in their respective businesses, in fiscal 2021 we introduced a compensation system that rewards results, demands clearer accountability, and further encourages them to take up the challenge of instigating change for the future.

## Human resources development initiatives

As for Group-wide human resources strategies, in addition to our business execution structure and development of management executives, we offer support to employees taking on challenges, learning, and growing, as well as measures aimed at creating safe and secure workplaces.

Regarding our support for employees taking on challenges, learning, and growing, we continue to develop an interactive personnel management called "A Better Dialogue" to bring out the enthusiasm in each and every employee so they can deliver results. At the same time, we are introducing a system whereby employees can apply for new postings within the Company and expand their areas of activity, and we are pushing ahead with concrete initiatives on organizational development and diversity and inclusion with the aim of maximizing the potential of individuals and organizations.

In creating safe and secure workplaces and guided by our respect for human rights in line with our management philosophy, we are once again reviewing our working styles and personnel management in the midst of the COVID-19. At the same time, we are making every effort to abide by compliance guidelines.

\*1 Tough assignment

Taking on a role that comes with a responsibility and is a completely different and tough experience for the individual. For example, a position that involves responsibility for PL, BS, and CF, a position that involves being in charge of planning and launching a new business, or a position that involves leading structural reforms.

\*2 Launching Executive Leaders (LEL)

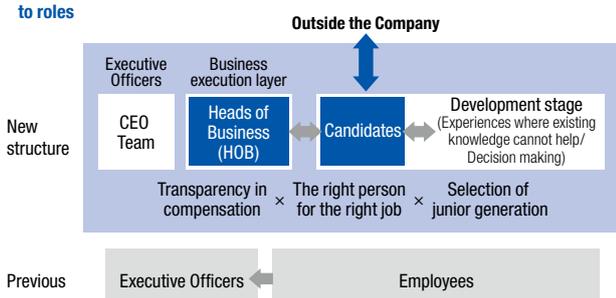
Training that aims to provide management executives with the finishing touches and firm resolve to comprehensively leverage their competency as thoughts and behaviors that lead to change and put management principles into action.

\*3 Creating Executive Leaders (CEL)

Training that aims to prepare management executives by equipping them with self-awareness of the management skills to realize a customer focus, strategic mindset, and reformation by leveraging management literacy.

### Reforming the business management structure

- Create a flexible and robust business structure in the drastically changing business environment
- Work to increase motivation for business transform with management suited to roles



### System for developing management executives

By providing a range of job experiences to the carefully chosen diverse development targets, Panasonic will create management executive candidates with diverse role traits and perspectives.

