

# Strengthening Governance



## Corporate Governance

### Policy

Since its founding, the Panasonic Group has been guided by the management philosophy of “contributing to the progress and development of society and the well-being of people worldwide through its business activities.” Then, in April 2022, the Group shifted to an operating company system (holding company system) with Panasonic Holdings Corporation as the parent company, in order to advance our corporate management from a medium- to long-term perspective, as the changes in the business environment become more drastic and uncertain each year. Panasonic Energy, one of the Group’s operating companies, views corporate governance as an important foundation. We are striving to build and strengthen an effective corporate governance structure by setting up the Board of Directors, which makes decisions on important business operations related to the entire Company and supervises the directors’ execution of their duties, and the Audit & Supervisory Board System, which is independent from the Board of Directors and audits the directors’ execution of their duties, as well as the Nomination and Compensation Advisory Committee and other important committees.

### Corporate governance structure and initiatives

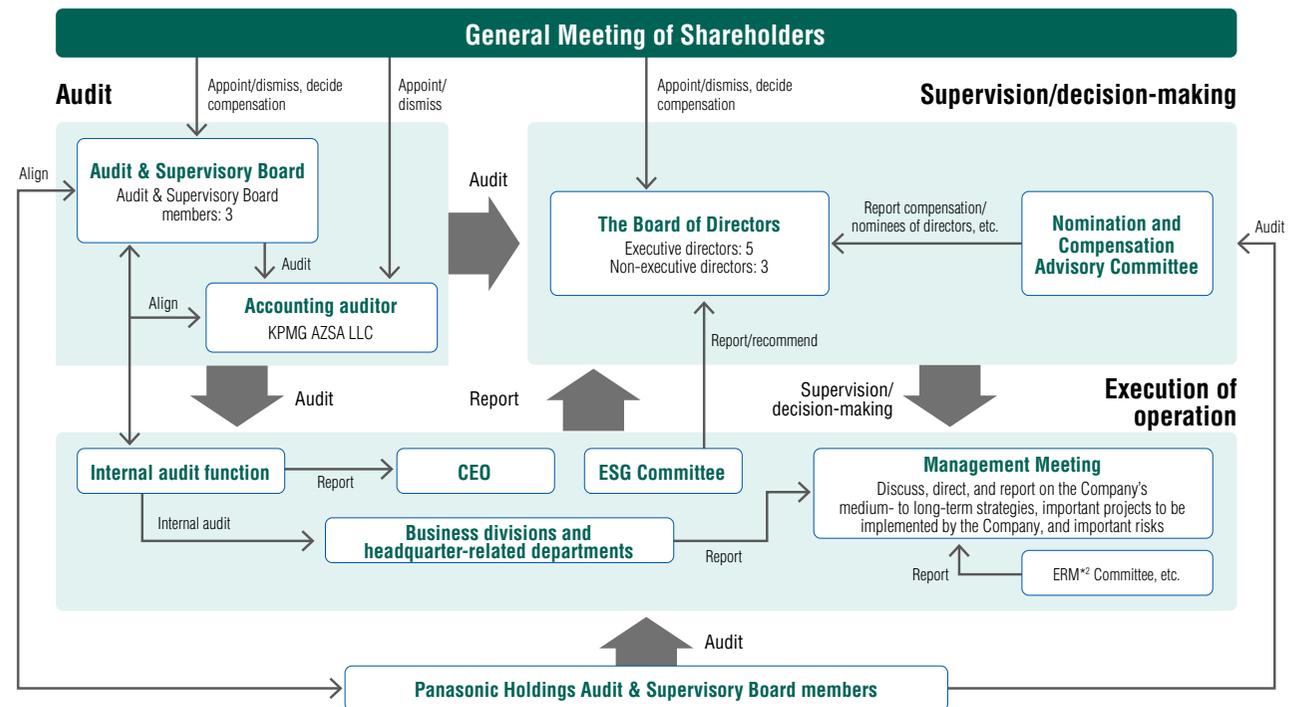
#### The Board of Directors

The Board of Directors of the Company consists of eight directors\*<sup>1</sup>, all of whom have excellent insight into the Company’s business areas along with sophisticated business execution skills. Three of the Company’s eight directors are non-executive directors who supervise the directors’ execution of their duties. The Board of Directors meets at least once a month for the purpose of promoting appropriate business activities by making prompt and accurate management decisions. In addition, the Board of Directors is able to respond

\*1 as of April 2024

quickly to sudden changes in the business environment and to situations where strong business execution is required, by flexibly making extraordinary resolutions and reports at actual meetings or in writing as necessary. In fiscal 2024, the Company’s Board of Directors held 12 regular meetings and four extraordinary meetings, including written resolutions. The attendance rate of directors at the Board of Directors meetings during the fiscal year was 100.0%, and that of Audit & Supervisory Board members was 100.0%.

Corporate governance structure (as of April 2024)



\*2 ERM: Enterprise Risk Management

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## Audit & Supervisory Board Members

The Company appoints two Senior Audit & Supervisory Board members selected from among those with advanced auditing capabilities who are familiar with the Company's operations. In addition, the Company also appoints Audit & Supervisory Board member with knowledge and experience in finance and accounting to monitor the governance system of the Panasonic Energy Group and its operations, and to ensure an efficient and organizational audit system. Under an independent appointment system that allows them to exercise their auditing functions solely in accordance with their discretionary judgment, rather than by majority vote, Audit & Supervisory Board members attend Board of Directors meetings to express their opinions, conduct regular on-site inspections, including field inspections and interviews with employees and other relevant personnel, and audit daily management activities, including the execution of duties by directors. In addition, Audit & Supervisory Board meetings are held regularly among Audit & Supervisory Board members to formulate audit policies and exchange information, and the Audit & Supervisory Board members also cooperate with the internal auditing departments and accounting auditors by regularly exchanging information.

## Meeting Bodies/Committees

The Company has established a Management Meeting, consisting of executive officers, as a preliminary body to the Board of Directors, which makes practical decisions and enables more in-depth discussions at subsequent meetings of the Board of Directors.

The Company has twelve executive officers, each of whom holds deep knowledge and experience in their respective fields. The Management Meeting meets twice a month in principle to make decisions based on prompt and appropriate discussions and reports on matters related to the overall management of the Company, and to establish and strengthen the Company's governance by clarifying the process and scope of decision-making in the Company.

Furthermore, we have established the Nomination and Compensation Advisory Committee to strengthen objectivity and transparency in the appointment, dismissal, and compensation of directors and executive officers. In addition, we have established an ERM Committee to identify, assess, and formulate measures to address

cross-organizational risks at the Panasonic Energy Group. Furthermore, we established an ESG Committee, which is responsible for formulating an overall plan for ESG, monitoring progress, assessing progress, and reporting and making recommendations to the Board of Directors.

## Initiatives to improve the effectiveness of the Board of Directors

Based on the Corporate Governance Code Supplemental Principle 4-11 (3), each director and Audit & Supervisory Board member conducted a self-evaluation of the operation of the Board of Directors in fiscal 2023. The self-evaluation included the following questions: (1) Is the current composition of the Board of Directors appropriate for effective discussions, (2) Has the Board of Directors sufficiently demonstrated its supervisory function, (3) Are issues of importance to the Company set as agenda items for Board of Directors meetings, (4) With regard to agenda items, are issues and points to be discussed and examined clearly defined, and are possible risks and their analysis properly explained at Board of Directors meetings, and (5) Are medium- to long-term strategies adequately discussed at Board of Directors meetings? The evaluation was an anonymous survey, and each evaluation item was rated on a 5-point scale, with a comment section.

As a result of the self-evaluation, there were opinions that the Board of Directors needs to further improve its effectiveness. We are therefore creating opportunities to discuss an important management foundation that supports our business expansion, such as SCM reform, human resources strategy, and IT; enhancing deliberations by using summary sheets that organize arguments based on prior discussions at management meetings; and establishing and operating a mechanism to make decisions based on an appropriate understanding and assessment of major risks in transactions and contracts. These initiatives have resulted in the effective operation of the Board of Directors and strengthened corporate governance.

## Overview of the executive remuneration system

The remuneration system for executive officers consists of fixed based salary and performance-based remuneration as an incentive linked to short term and mid-long term business results.

Performance-based remuneration is determined based on the degree of achievement against financial targets, such as operating cash flow and EBITDA, and non-financial targets, such as KPIs in the function for which the executive officer is responsible and environmental contribution from an environmental, social and governance (ESG) perspective.

By incorporating environmental contributions, serious accidents, and compliance as ESG perspectives in our non-financial targets, we are working to enhance corporate value not only from a financial perspective but also from a non-financial perspective.

## Internal control

The Company's Board of Directors has formulated the "Basic Policy for the Establishment of Internal Control Systems" which stipulates the following: ensuring the adequacy of business operations and reporting systems in the Group, ensuring the legality and efficiency of the execution of duties by directors, risk management, and ensuring the independence and effectiveness of corporate auditors.

Based on each of these basic policies, the Company establishes and operate various regulations, committees, etc., provides education, conducts on-site inspections and audits including those of subsidiaries, and operates a fraud prevention and early detection hotline, as well as a transaction and contract risk management system. By establishing these internal control systems, we continuously strive for effective governance, sound and efficient business operations, and a stronger management foundation.

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## ERM Committee

The Company considers it an important management issue to ensure the achievement of its business objectives and sustainable and stable development by accurately managing risks and taking appropriate countermeasures and establishes “Risk Management Basic Regulations” and promotes risk management based on these rules.

As a framework for promoting risk management within the Company, the “Enterprise Risk Management Committee” (“ERM Committee”), which is chaired by the Officer in Charge of Risk Management and includes the heads of Legal, Human Resources, Accounting, and other functional departments and Audit & Supervisory Board members, has been established to manage risks arising from business and operations. The ERM Committee is responsible for managing risks arising from business and operations. The ERM Committee reports regularly at the Management Meeting and the Board of Directors meetings on significant risks and the progress of countermeasures based on the PDCA cycle of risk management. In this way, the Board of Directors supervises and verifies the effectiveness and efficiency of risk management.

The Company defines “operational risk” as events that have the potential to affect our business activities and pose an operational threat. The Company also updates its “risk inventory” once a year by comprehensively identifying possible operational risks based on changes in external and internal factors, and conducts risk assessment of all risks in the inventory, using both financial and non-financial evaluation axes. In addition, when formulating management and business strategies and making decisions, uncertain events that may present opportunities or threats to the achievement of business objectives are considered and extracted as “strategic risks” in conjunction with operational risk assessments.

The ERM Committee deliberates on the results of the risk assessment from the perspective of the Company’s management and business strategies and social responsibility, and selects candidates for material management risks. The candidate material risks selected

by the ERM Committee are submitted to the Management Meeting, which deliberates on them and determines the Company’s material risks. Once material risks are determined, the risk owner takes the lead in formulating and implementing countermeasures and monitoring progress, with the goal of continuous improvement.

ERM structure



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## Director experience

### Kazuo Tadanobu

Representative Director,  
President  
Chief Executive Officer (CEO)



- Apr. 1992 Joined Matsushita Electric Industrial Co., Ltd.
- Jul. 2020 Vice President of Industrial Solutions Company, Panasonic Corporation
- Oct. 2021 President of Energy Company of the company
- Apr. 2022 Representative Director, President, and Chief Executive Officer (CEO) of Panasonic Energy Co., Ltd. (incumbent)

### Yasuaki Takamoto

Representative Director,  
Executive Vice President  
Director, Mobility Energy  
Business Division



- Apr. 1993 Joined Matsushita Electric Industrial Co., Ltd.
- Apr. 2019 Vice President of US Company, Panasonic Corporation
- Oct. 2021 Executive Vice President of Energy Company of the company
- Apr. 2022 Representative Director, Executive Vice President of Panasonic Energy Co., Ltd. (incumbent)

### Yuki Kusumi

Director



- Apr. 1989 Joined Matsushita Electric Industrial Co., Ltd.
- Apr. 2014 Executive Officer of the company
- Apr. 2019 Managing Executive Officer of the company
- Apr. 2021 Chief Executive Officer (CEO) of the company
- Jun. 2021 Representative Director and President of the company (incumbent)
- Oct. 2021 Group Chief Executive Officer (Group CEO) of the company (incumbent), Group Chief Strategy Officer (Group CSO) of the company (incumbent)
- Apr. 2022 Director of Panasonic Energy Co., Ltd. (incumbent)

### Tetsuro Homma

Director



- Apr. 1985 Joined Matsushita Electric Industrial Co., Ltd.
- Oct. 2013 Executive Officer of the company
- Apr. 2015 Managing Executive Officer of the company, President of Appliances Company / in charge of Consumer Business
- Jun. 2015 Managing Director of the company
- Apr. 2016 Representative Director and Senior Managing Director of the company
- Apr. 2019 CEO, China & Northeast Asia Company and Regional Head for China & Northeast Asia of the company
- Jun. 2019 Representative Director and Senior Managing Executive Officer of the company
- Apr. 2020 Chairperson, Panasonic Corporation of China (incumbent)
- Apr. 2021 Representative Director and Executive Vice President of Panasonic Corporation (incumbent)
- Apr. 2022 Group Regional Head for China & Northeast Asia of the company (incumbent) / President, Panasonic Operational Excellence China and Northeast Asia, Panasonic Operational Excellence Co., Ltd. (incumbent) / Director of Panasonic Energy Co., Ltd. (incumbent)

### Hirokazu Umeda

Director



- Apr. 1984 Joined Matsushita Electric Industrial Co., Ltd.
- Apr. 2017 Executive Officer of the company / in charge of Accounting and Finance / General Manager, Corporate Management Support Department, Corporate Strategy Division / in charge of Groupwide Cost Busters Project, BPR Project
- Jun. 2017 Director, Executive Officer, and Chief Financial Officer (CFO) of the company
- Apr. 2018 Director, Managing Executive Officer of the company, President, Panasonic Equity Management Japan Co., Ltd. (currently Panasonic Equity Management Japan Godo Kaisha) (incumbent)
- Sep. 2019 CEO, Panasonic Holding (Netherlands) B.V. (incumbent)
- Apr. 2021 Director, Senior Managing Executive Officer of Panasonic Corporation / in charge of Facility Management (incumbent)
- Oct. 2021 Group Chief Financial Officer (Group CFO) of the company (incumbent) / in charge of Group Cost Busters Project, in charge of Prime Life Technologies Corporation (incumbent)
- Apr. 2022 Director and Executive Vice President of the company / in charge of Group MUDA Busters Activity (incumbent) / Director of Panasonic Energy Co., Ltd. (incumbent)
- Jun. 2022 Representative Director and Executive Vice President of Panasonic Holdings Corporation (incumbent)

### Masaaki Mizoguchi

Director, Managing  
Executive Officer  
Chief Financial Officer (CFO)



- Apr. 1994 Joined Matsushita Electric Industrial Co., Ltd.
- Apr. 2016 Director of Panasonic Liquid Crystal Display Co., Ltd., AIS Company, Panasonic Corporation
- Oct. 2021 Managing Officer of Energy Company
- Apr. 2022 Director, Managing Executive Officer, and Chief Financial Officer (CFO) of Panasonic Energy Co., Ltd.

### Kunio Tanaka

Director, Managing  
Executive Officer  
Chief Strategy Officer (CSO)



- Apr. 1983 Joined Matsushita Electric Industrial Co., Ltd.
- Apr. 2017 Managing Officer, AIS Company, Panasonic Corporation
- Apr. 2019 General Manager, Global Business Promotion Department, Corporate Strategy Division and Vice President of Panasonic North America, US Company of the company
- Oct. 2021 Managing Officer of Energy Company
- Apr. 2022 Director, Managing Executive Officer, and Chief Strategy Officer (CSO) of Panasonic Energy Co., Ltd. (incumbent)

### Masaru Miki

Director, Managing  
Executive Officer  
Chief Human Resources  
Officer (CHRO)



- Apr. 1991 Joined Matsushita Electric Industrial Co., Ltd.
- Jun. 2014 Seconded to Panasonic India Private Ltd., Director, Chief Human Resources Officer (CHRO) of the company.
- Apr. 2017 Seconded to Panasonic India Private Ltd., Director, Chief Human Resources Officer (CHRO) of the company / General Manager, Global Human Resource Department of Panasonic Corporation
- Oct. 2021 Managing Officer of Energy Company
- Apr. 2022 Managing Executive Officer, Chief Human Resources Officer (CHRO) of Panasonic Energy Co., Ltd. (incumbent)
- Apr. 2024 Director, Managing Executive Officer of the company (incumbent)