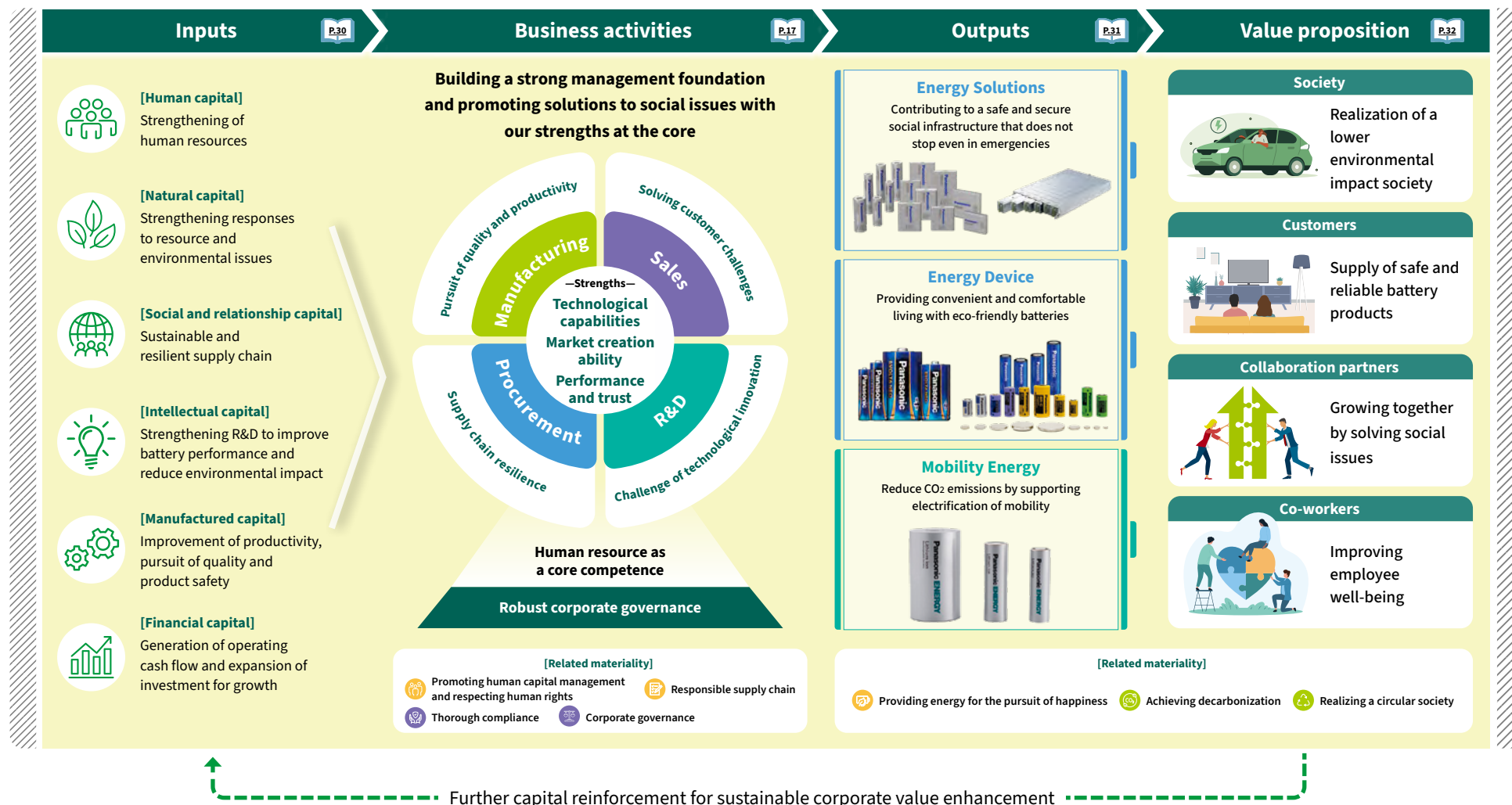


Value Creation Process

Panasonic Energy will utilize its diverse capital, including its human resources and technology, to promote solutions to social issues with our strengths at the core and achieve sustainable enhancement of corporate value.

Our Mission Powering a society where shared well-being and environmental sustainability thrive together.

Our Vision Be the energy that shapes the future.



Source of Value Creation: the six capitals (inputs)

We regard human capital, natural capital, social and relationship capital, intellectual capital, manufactured capital, and financial capital as the six critical components of corporate value, which we are always working to improve.

All figures in the table are results for fiscal 2026.



[Human capital]

Optimization of human resources

We are currently shifting human resources across organizations to support rapid business growth by ensuring that resources are aligned with our business portfolio from a medium- to long-term perspective. In addition, we will enhance our business competitiveness by fostering an organizational culture in which each and every employee can thrive and building a system and environment that encourages them to take on challenges. We also focus on improving the wellbeing of our employees by promoting health and safety activities and "Health and Productivity Management."

Consolidated Group employees **Approx. 22,000** (↑)

Overseas personnel **70.9%** (↓)

EOS Score: Employee enablement (global) **65pt** (⇒)



[Intellectual capital]

Strengthening R&D to improve battery performance and reduce environmental impact

In addition to improving battery performance such as higher capacity, we will focus on minimizing the use of rare metals by transitioning to cobalt-free and less-nickel batteries, thereby contributing to a reduction in environmental impact. Meanwhile, to meet customer needs, we will steadily strengthen our product capabilities along the two axes of progress: higher capacity and higher power output.

R&D expenditures **¥48.6 billion** (↑)



[Natural capital]

Strengthening responses to resource and environmental issues

We will reduce our CO₂ emissions and contribute to the reduction of CO₂ emissions in society as we move towards decarbonization. We are also stepping up our efforts to maximize the positive impact and minimize the negative impact on both achieving decarbonization and the realization of a circular society to use limited resources efficiently and reduce our environmental footprint.

Net Zero Factories*1 **18 sites worldwide***2 (↑)

Avoided CO₂ emissions*3 **19.69 million tons** (↑)

*1 Manufacturing, research, and development sites that have achieved virtually zero CO₂ emissions by conserving energy, introducing renewable energy, and using credits as of the end of the fiscal year.

*2 Number of sites evaluated under the standards prior to the change in the application rules for green electricity certificates based on the "Detailed Implementation Guidelines for the Management of Renewable Energy Green Electricity Certificates (Trial Version)" which went into effect in China in November 2025. If the applicable rule change is considered, the number of sites is 16.

*3 The amount of CO₂ emissions reductions achieved for our customers and society as a result of the introduction of our products, compared to the baseline level where no products were introduced. Calculate avoided CO₂ emissions by estimating the reductions expected over the assumed service life of eligible products sold during the reporting year, and recognize the full amount in the year of sale. Products Covered: Lithium-ion batteries for in-vehicle, electrically-assisted bikes, storage battery systems for data centers, ethical packaging, and alkali dry batteries.



[Manufactured capital]

Improvement of productivity, pursuit of quality and product safety

While working to improve productivity at each site through human resource development and the promotion of automation, we are promoting quality innovation with product safety as the top priority. In addition, we will make efficient capital investments to strengthen production at our Kansas Factory in the U.S. and to expand production capacity at our base in Mexico, allowing us to respond flexibly to fluctuations in demand.

Manufacturing sites worldwide **21 sites** (↑)

Number of serious product accidents **0** (⇒)

Capital investment **¥431.6 billion** (↓)



[Social and relationship capital]

Sustainable and resilient supply chain

We will work with various stakeholders to fulfill our social responsibilities with regard to human rights, labour, health, and safety while also establishing a robust supply chain by promoting recycling of battery materials and diversifying and local procurement of raw materials.

Rate of implementation of self-assessments related to human rights and labour **100%** (⇒)

Rate of implementation of risk assessments related to the environment and human rights for existing suppliers **100%** (⇒)



[Financial capital]

Generation of operating cash flow and expansion of investment for growth

The industrial and consumer business will solidify its dominant position in storage battery systems for data centers, while the in-vehicle business will optimize its business portfolio and turn the Kansas Factory in North America into a revenue base by ramping up production. In this way, we will increase our ability to generate future operating cash flows and transform Panasonic Energy into a highly profitable business entity.

Total assets **¥2,685.4 billion** (↑)

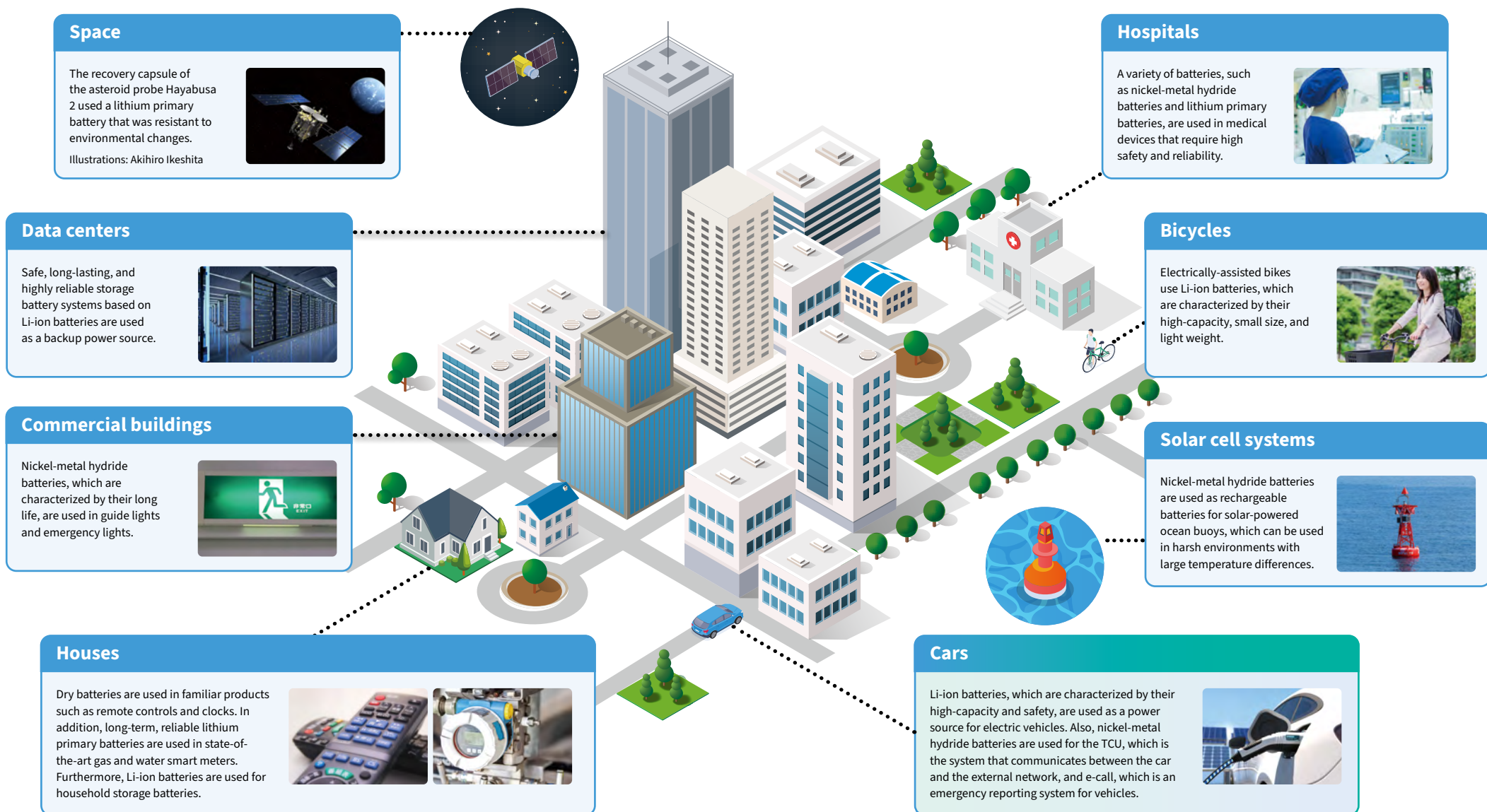
Operating cash flow **¥48.9 billion** (↓)

ROIC **6.2%** (↓)

Panasonic Energy's Contributions (outputs)

Panasonic Energy contributes to society every day through our cutting-edge technologies and diverse products, which are used in various scenes of life.

Industrial and Consumer Business Contributing to a safe and secure social infrastructure that does not stop even in emergencies Energy Solutions Business Division	In-vehicle Business Providing convenient and comfortable living with eco-friendly batteries Energy Device Business Division	In-vehicle Business Contributing to reduce CO ₂ emissions by supporting electrification of mobility Mobility Energy Business Division
--	---	--



Panasonic Energy's Value Proposition (outcome)

Panasonic Energy achieves sustainable value creation by providing a variety of value to stakeholders and collaborating with them.

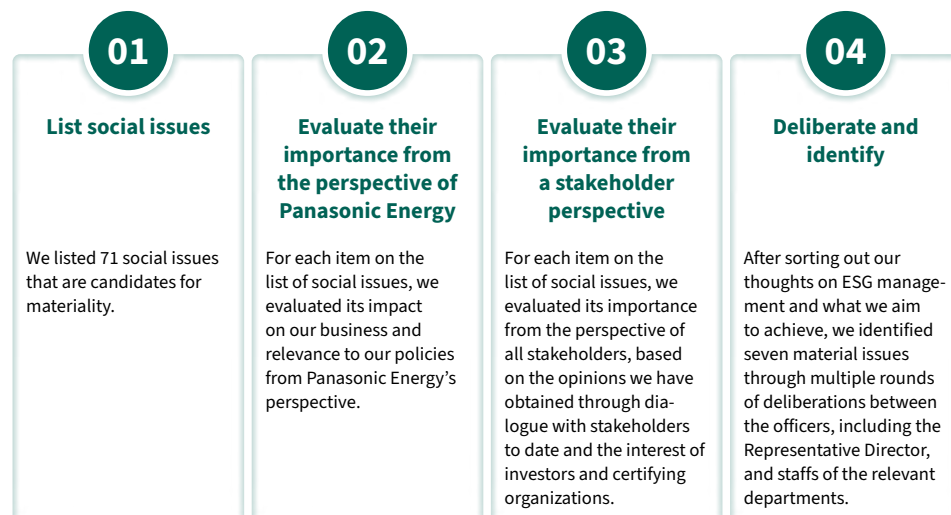
		Value proposition	Major Initiatives
Society		Realization of a lower environmental impact society By promoting the electrification of mobility, including EVs, we will make a significant contribution to the decarbonization of society. We also aim to realize a circular society that reduces consumption of natural resources by expanding recycling and reducing waste.	Achieving decarbonization ■ Increasing avoided CO₂ emissions ■ Reduction of CO₂ emissions during battery production Realizing a circular society ■ Reduced consumption of natural resources ■ Waste reduction Providing energy for the pursuit of happiness ■ Contributing to safe and secure lifestyles ■ Contributing to learning among children
			■ Reduction of CO₂ emissions at our own factories ■ Use of in-house and external renewable energy ■ Reduction of CO₂ emissions through technological innovation ■ Promotion to utilize recycled materials ■ Research and development to promote recycling/reuse ■ Promotion of social contribution activities
Customers		Supply of safe and reliable battery products By supplying safe and reliable battery products to our customers, we contribute to the popularization of EVs and support social infrastructure (such as IoT, data centers, medical care, and gas and water meters), thereby helping to make our daily lives more convenient and comfortable.	In-vehicle area ■ Safety with zero recalls attributable to our batteries ■ Increased cruising range due to higher capacity ■ Widespread use of EVs due to lower costs Industrial and consumer areas ■ High safety and reliability ■ High-capacity and long life ■ Improved living convenience through miniaturization and wireless operation ■ Provision of power supply in the event of a disaster
			■ Material development ■ Improvement of volumetric energy density ■ Product safety management ■ Improvement of production capacity ■ New market development ■ Stable supply of products
Collaboration partners		Growing together by solving social issues With our collaboration partners, we work together to maintain and improve the quality of purchased products, realize competitive prices, and respond to market changes based on mutual trust and cooperation. We also grow together while studying to solve social issues.	■ Resolution of social issues through collaboration ■ Partnership that continues to grow together ■ Maintenance and improvement of product quality ■ Realization of competitive prices ■ Response to market changes
			■ Local procurement of materials ■ Promotion of procurement of materials with low environmental impact ■ Compliance with CSR Guidelines ■ CSR risk reduction through voluntary assessment ■ CSR education and training ■ Support for suppliers
Co-workers		Improving employee well-being We strive to enhance the well-being of our employees by creating a work environment in which each and every employee, with their diverse values, can work with high engagement and vitality in a safe, secure, and healthy environment.	■ Resonance with Mission, Vision, and Will (MVW) ■ Personnel system to accelerate challenge and growth ■ Various personalized training programs ■ Securement of diverse and talented human resources ■ Respect for each individual's personality, experience, and values ■ Creation of safe and secure workplaces ■ Employee health promotion
			■ Human resource management ■ Formulation and encouragement of The Seven Pillars of Transformation ■ Implementation of The Forest Conference, an approach to promoting Mission, Vision, and Will (MVW) ■ Raise the wage level ■ Conduction of internal forums

Material Issues for Value Creation (Materiality)

We have identified material issues (materiality) that we must address from an environmental, social, and governance (ESG) perspective in order to contribute to a sustainable society.

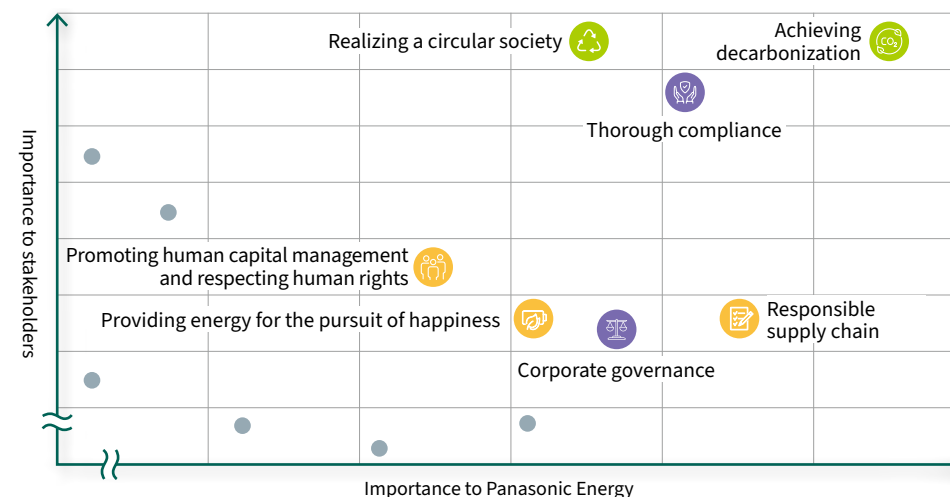
Materiality identification process

Panasonic Energy identified seven material issues using the following four steps.



Materiality matrix

We evaluated social issues from two perspectives: their importance to Panasonic Energy and their importance to our stakeholders, and plotted the most important of these issues in the materiality matrix below.



Seven identified material issues and specific examples of initiatives

- Materiality relating to the environment (E)
- Materiality relating to society (S)
- Materiality relating to governance (G)



Achieving decarbonization

P.39

- Reduction of greenhouse gas (GHG) emissions
- Contribution to reducing CO₂ emissions in society
- Effective use of renewable energy
- Local procurement



Realizing a circular society

P.43

- Building a recycling-oriented supply chain
- Development of recycling-oriented products
- Waste reduction
- Promotion of recycling



Providing energy for the pursuit of happiness

P.44

- Contributing to a safe and secure society
- Eradication of poverty and hunger
- Contributing to local communities



Promoting human capital management and respecting human rights

P.45

- Ensuring occupational safety and health
- Promotion of human resource development
- Promotion of Diversity, Equality & Inclusion (DEI)*¹
- Prevention of discrimination and child/forced labour



Responsible supply chain

P.49

- Responsible procurement of minerals
- Respect for human rights in the supply chain
- Supply chain management



Corporate governance

P.50

- Strengthening the functions of the Board of Directors and management team
- Ensuring transparency



Thorough compliance

P.51

- Pursuit of quality and product safety
- Compliance with laws and regulations
- Ensuring information security

*1 Japan

Materiality & KPIs at a Glance

Materiality		KPI	FY2024	FY2025	FY2026	FY2031
 Achieving decarbonization	Environmental Contribution Index		4.0	4.9	5.7	10
	Avoided CO ₂ emissions* ¹ (10,000 t-CO ₂)		1,271	1,632	1,969	4,500
	Number of Net-zero CO ₂ emission factories* ²		14 sites	17 sites	18 sites* ¹³	All sites (FY2029)
	Renewable energy rate of electric power* ³		33%	46%	43%	100% (FY2029)
	Carbon footprint* ⁴		100%	-22% (vs. FY2022)	-30% (vs. FY2022)	-50% (vs. FY2022)
 Realizing a circular society	Recycled material utilization rate		—	—	—	Compliance with local regulations in each country
 Providing energy for the pursuit of happiness	Sales of storage battery systems that support social infrastructure* ⁵ * ⁶		—	—	7.0	17.0
	Sales of dry batteries that provide support in emergencies* ⁵ * ⁷		1.2	1.2	1.4	2.2
	Sales of batteries that support the safety and security of society* ⁵ * ⁶ * ⁸		—	—	1.1	1.5
 Promoting human capital management and respecting human rights	EOS Score: Employee engagement (global)		70pt	70pt	68pt	85pt
	EOS Score: Employee enablement (global)		62pt	65pt	65pt	80pt
	Percentage of women in managerial positions (non-consolidated)		6.5%	7.3%	7.1%	15%
	Rate of childcare leave taken among men and women (consolidated, Japan)		Women 100% Men 58%	Women 100% Men 86%	Women 100% Men 84%	Men/Women 100%
	Health management index (non-consolidated)		55.7pt	56.9pt	58.7pt	White 500
	Number of fatalities due to industrial accidents (global)		0 incidents	1 incident	0 incidents	0 incidents
	Number of industrial accidents (lost time incidents, global* ⁹)		5 incidents	3 incidents	16 incidents	0 incidents
	Percentage of implementation of self-assessments related to human rights and labour (overseas manufacturing subsidiaries) and percentage of executed corrective plans		100%	100%	100%	100%
 Responsible supply chain* ¹²	Ratio of tier 1 suppliers with an A-rank CSR self-assessment		81%	87%	92.9%	100%
	Ratio of assurance provided by conducting CSR audits of tier 1 suppliers		10%	34%	65.5%	100%
	CMRT/EMRT collection rate		99%	100%	100%	100%
	Utilization ratio of conformant/active smelters		82%	90.8%	88.6%	100%
 Thorough compliance	Number of serious product incidents* ¹⁰		0 incidents	0 incidents	0 incidents	0 incidents
	Number of serious legal and compliance violations* ¹¹		0 incidents	0 incidents	0 incidents	0 incidents
	Number of serious information security incidents* ¹¹		2 incidents	6 incidents	0 incidents	0 incidents

*1 The amount of CO₂ emissions reductions achieved for our customers and society as a result of the introduction of our products, compared to the baseline level where no products were introduced. Calculate avoided CO₂ emissions by estimating the reductions expected over the assumed service life of eligible products sold during the reporting year, and recognize the full amount in the year of sale. Products covered: Lithium-ion batteries for in-vehicle, electrically-assisted bikes, storage battery systems for data centers, ethical packaging, and alkali dry batteries.

*2 Manufacturing, research, and development sites that have achieved virtually zero CO₂ emissions by conserving energy, introducing renewable energy, and using credits as of the end of the fiscal year.

*3 Percentage of electricity used by Panasonic Energy that is derived from renewable energy sources (includes certificates, credits, and other externally procured items).

*4 CO₂ emissions per unit capacity of lithium-ion batteries for automotive use produced at the North American factory.

*5 Sales volume with fiscal 2022 set as 1

*6 KPI items changed based on business strategy

*7 Sales in the three key regions

*8 Sales in the four priority areas

*9 Starting in fiscal 2026, the scope was changed from domestic consolidated to global; the figures for fiscal 2024 and 2025 are domestic consolidated results

*10 Number of product incidents leading to safety-related recalls

*11 The criteria are based on internal rules and regulations, etc.

*12 The written CSR consent acquisition rate from tier 1 suppliers reached 100%, so it was removed as a KPI

*13 Number of sites assessed under the rules applicable before the change to the application of green electricity certificates in China—a change introduced by the Implementation Rules for the Management of Renewable Energy Green Electricity Certificates (Trial) enforced in November 2025. Reflecting this rule change, the number of sites would be 16

Process for Enhancing Corporate Value

We have broken down the factors that contribute to increasing corporate value into three categories: created value, growth potential, and cost of capital. Note that we also promote both financial and non-financial initiatives from each of these perspectives. We are promoting initiatives to ensure that all measures based on “two-pillars” management will enhance financial performance and ESG management to support non-financial performance, which will lead to enhance corporate value. Taking two material issues of ESG management, such as “achieving decarbonization” and “realizing a

circular society,” certain measures such as reducing CO₂ emissions in battery production, contributing to CO₂ reduction through products, and establishing a recycling model for batteries will contribute to “enhancing created value” as a solution to the climate change and resource depletion faced by society as a whole. At the same time, the technological capabilities and partner relationships fostered in this process can be seen as drivers of “enhancing growth potential” in the future. We believe that the combined effect of each materiality or measure leads to an increase in corporate value.

