Corporate Governance Report

Last updated on November 6, 2019

Panasonic Corporation
Representative Director, President: Kazuhiro Tsuga
Contact: 06-6908-1121
TSE Securities Code: 6752
https://www.panasonic.com/global/

The corporate governance of Panasonic Corporation (the "Company") is described below.

I. Basic Policy on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information

1. Basic Policy

The Company, since its establishment, has operated its business under its business philosophy, "contributing to the progress and development of society and the well-being of people worldwide through its business activities". Also, the Company believes it is important to increase corporate value by fulfilling accountability through dialogue with various stakeholders such as shareholders and customers, making effort to execute transparent business activities, and swiftly conducting business activities with fairness and honesty based on its basic philosophy of "a company is a public entity of society".

The Company recognizes that corporate governance is the important basic structure for the aforementioned purpose, and is endeavors to establish and strengthen the effective corporate governance structure based on the Audit & Supervisory Board System composed of the Board of Directors and Audit & Supervisory Board Member (A&SB Member) / Audit & Supervisory Board (A&SB).

[Reasons for not complying each principle of the Corporate Governance Code]

The Company complies all of the principles set forth in the Corporate Governance Code.

[Disclosure based on each principle set forth in the Corporate Governance Code] [updated]

【Principle 1.3 Basic Strategy for Capital Policy】

The Company operates its business placing considerable weight on "return on invested capital" and development of "financial stability".

As for the “return on invested capital”, the Company runs business with consciousness of the cost of capital by calculating business division-based ROIC (Return on Investment Capital) and WACC (Weighted Average Cost of Capital), and utilizing it for portfolio management and investment decision making, to create sustainable return which outweighs the profit forecast of the capital market. The Company aims continuously 10% or more of ROE (*) the Company-widely.

As for the “financial stability”, we are increasing our shareholders fund by building up the net profit so that we are able to build up firm financial base to fully promote business restructuring and active investments. Under the capital allocation policy, the Company will allocate capital for implementing the Mid-term strategy with cash flow generated from business (operating CF, divestiture) in manner of financial discipline consciousness.

From the perspective that shareholder return is the return on the capital invested by shareholders, the Company, in principle, distributes profits to shareholders based on its business performance and strives to provide stable and continuous of dividends, targeting a dividend payout ratio of approximately 30% with respect to consolidated net profit attributable to Panasonic Corporation stockholders.

* ROE (Return on Equity): Net income attributable to the owners of the parent company / Average of the equity attributable to the owners of the parent company at the beginning and the end of the fiscal year.

【Principle 1.4 Strategic Shareholdings (So-called “Cross-Shareholdings” in the Corporate Governance Code)】

Other than holding shares of affiliated companies, the Company acquires and holds shares or interests of other companies, limiting the holdings to those of strategic partners to which the Company has a close business relation. The Company also judges whether the holding is necessary to increase its mid- to long-term corporate value, considering comprehensively its business strategies and business relation with such partners, among other factors.

For the shares other than those of affiliated companies, the Company determines that the holding of the shares be limited to a minimum necessary, and every year at the Board of Directors Meeting, examines the purpose of the acquisition and holdings per share and cost & benefit with consideration of capital cost, and periodically judges the appropriateness of holding. Based on its examination result, the Company considers disposing and reducing the shares if it determines that the holding cannot be justified.

In exercising voting rights of the shares that the Company holds, the Company decides and exercises each agenda, considering in a comprehensive manner with the concrete voting right

check list, whether the Company can expect, among other things, the increases of the mid- to long-term corporate value of the investee company. The Company does not make affirmative decision on the agenda which might damage the shareholders' value.

【Principle 1.7 Related Party Transactions】

The "Rules for Board of Directors Meeting" and "Standards for the Discussions at Board of Directors Meetings" require that conflict of interest transactions between the Company and any of its Directors be approved by the Board of Directors. The regulations of the Company also require the Board approval for conflict of interest transactions between the Company and any individual who, having been elected by a board resolution, accepts a position in charge of executing the business of the Company or a Group Company ("Executive Officers"), and does not serve concurrently as Directors. All important facts regarding such transactions are brought before the Board, and the Board then resolves on these transactions taking into due consideration the opinions of the independent Outside Directors, for whom there is no risk of any conflict of interest.

【Principle 2.6 Roles of Corporate Pension Funds as Asset Owner】

The accumulated fund of the Company's pension fund is managed by "Panasonic Pension Fund". This fund exerts its function as expected as the asset owner, such as accepting the Stewardship Code in Feb 2018 and working on Stewardship activities for the fund operating agencies.

The Company continues to develop the human resources for the fund in a planned manner to increase not only the investment management expertise but also the quality of its overall operations. In cases where the operating agencies of the fund exercise voting rights for other companies than our group companies, we, the Company ensures that conflicts of interest which could arise between the pension fund beneficiaries and the Company are appropriately managed.

(The detail can be referred at the "Policy for fulfilling the stewardship responsibility" on our Panasonic Pension Fund web page. http://nenkin.jpn.panasonic.com/swship/index.html)

【Principle 3.1 Full Disclosure】

(1) Company objectives (e.g., business philosophy), business strategies and business policy

The Company conducts business activities aiming to contribute to the progress and development of society and the well-being of people worldwide under the business philosophy "Recognizing our responsibilities as industrialists, we will devote ourselves to the progress and development of society and the well-being of people through our business activities, thereby enhancing the quality of life throughout the world", formulated by Konosuke Matsushita, the founder. To implement this business philosophy, the Company established "Panasonic Code of Conduct" to share its vision of Panasonic brand and basic stance toward social requirement of corporate social responsibility, among all directors, executive officers and employees of the Company and its group companies, globally.

Please refer to the following official corporate website for “Panasonic Code of Conduct”.

https://www.panasonic.com/global/corporate/management/code-of-conduct/list.html

Since its establishment in 1918, the Company has been pursuing contribution to realizing “A Better Life, A Better World” for over 100 years. The Company is committed to continue creating new value by combining our accumulated technological competence and manufacturing competitiveness with the strengths of our external business partners.

Please refer to the following official corporate website for its business strategy and business policy based on this philosophy.

https://www.panasonic.com/global/corporate/ir/presentation.html

(2) Basic view and policy on corporate governance

The Company has worked on the corporate governance under its basic philosophy “a company is a public entity of society”, and established the corporate governance system based on the Board of Directors and A&SB Members / A&SB. The Board is responsible for deciding important operational matters for the whole Panasonic Group and monitoring the execution of business by Directors. A&SB Members / A&SB are independent from the Board and responsible for auditing the performance of duties by Directors.

The Company conducts the following activities to enhance effectiveness of its corporate governance.

1. Secures the rights and equal treatment of shareholders

2. Endeavors to appropriately cooperate with stakeholders such as employees, customers, business partners and local societies with the recognition that its sustainable growth is brought about as a result of receiving resources and contributions from such stakeholders.

3. Appropriately discloses corporate information and ensure transparency of the management.

4. Given its fiduciary responsibility and accountability to shareholders, the Board of Directors set the broad direction of corporate strategy, establish an environment where appropriate risk-taking is supported and carry out effective oversight of Directors and management from an independent and objective standpoint.

5. Engages in constructive dialogue with shareholders in order to contribute to the sustainable growth and the increase of corporate value over the mid- to long-term.

(3)Board policies and procedures in determining the compensation of the senior management and Directors

i) Policy

The Company’s compensations system for Directors and Executive Officers comprises the “basic compensation”, which is a fixed compensation, “performance based compensation”, which is a short-term incentive and “stock-type compensation stock options”, which is a

long-term incentive based on the responsibilities of each of Directors and Executive Officers.

“Performance based compensation” is provided to boost motivation in increasing business performance and is determined based on the single-year performance evaluation, using indicators, such as net sales, operating profit, free cash flow and CCM(*), of the Company as a whole and a specific business, of which a Director or an Executive Officer is in charge.

“Stock-type compensation stock option” is allocated to share the benefits and risks of shareholdings with Panasonic’s shareholders, and to engage in effort to boost corporate value from a long-term perspective.

The Company introduced the “restricted stock as remuneration” which is an alternative to the “stock-type compensation stock options” in the fiscal year ending March 31, 2020. This introduction was aimed to better motivate continuous enhancement of the corporate value and to further promote sharing value with the Company’s shareholders.

In accordance with the purpose of these systems being introduced, the “stock type compensation stock options” and the “restricted stock as remuneration” are designed in a way that a Director or an Executive Officer in higher position receives higher portion to the total compensation based on the position etc. of applicable Directors or Executive Officers, Total amount is determined by comprehensively considering different matters such as duties of Directors or Executive Officers, balance with monetary compensation, and others.

Only the “basic remuneration,” which is the fixed remuneration, is paid to Outside Directors.

* CCM (Capital Cost Management): A management control index developed by the Company to evaluate return on capital

ii) Procedure

Compensations of Directors and Executive Officers are decided by Directors, who were given the authority by the Board, based on the Company’s Director and Executive Officer Compensation System. In November 2015, the Company has established an optional Nomination and Compensation Advisory Committee, chaired by an independent Outside Director. In response to inquiries from the Board, this committee deliberates and reports on the appropriateness of the Company’s Director and Executive Officer Compensation System.

(4) Policies and procedures in the appointment of the senior management and the nomination of Director and A&SB Member candidates

i) Policy

Regarding Directors, in light of the broad and diverse nature of its businesses, the Company appoints, in a well-balanced manner, those who have broad knowledge, experience and qualification.

Regarding Outside Directors, the Company appoints, from among such as management or experts of external entities, those who have knowledge and extensive expertise, that is difficult to be brought if it is relying only on Inside Directors. The Company, also, considering

importance of independency of an appointee, appoints Outside Directors, from the perspective that there is no conflict of interest between the Company and the appointee, and that the appointee can increase and enhance the effectiveness of the oversight of the Board based on objective and neutral standpoint. Please refer to 【Principle 4.9 Independence Standards and Qualification for Independent Outside Directors with regard to the qualification for the Company's Outside Directors】/ Outside A&SB Members.

Regarding A&SB Members, the Company appoints those who have knowledge, experience and qualification for exercising their responsibilities and duties. Also the Company appoints A&SB Member who has substantial finance, accounting and legal knowledge.

Regarding Outside A&SB Members, the Company appoints, from among such as management of external entities, lawyer and certified public accountant, those who have knowledge and extensive expertise, that is difficult to be brought if it is relying only on Inside A&SB Members. The Company, also, considering importance of independency of an appointee, appoints Outside A&SB Members, from the perspective that there is no conflict of interest between the Company and the appointee, and that the appointee may increase and enhance the effectiveness of the auditing by A&SB Members on the execution of business by Directors based on objective and neutral standpoint. Please refer to 【Principle 4.9 Independence Standards and Qualification for Independent Outside Directors with regard to the qualification for the Company's Outside Directors】/ Outside A&SB Members.

Regarding dismissals of Executive Officers, the prohibited matters and the procedures are established by the Company's rules and decisions are made at the Board of Directors Meeting. As for replacement of CEO, please refer to the Supplementary Explanation of Voluntary Establishment of Committee(s) Corresponding to Nomination Committee or Compensation Committee under II 1. [Directors] in this report.

ii) Procedure

Director and Executive Officer candidates are deliberated upon by the Chairman, the President, and the Chief Human Resources Officer (CHRO) before being decided by the Board of Directors. A&SB Member candidates are deliberated upon by the Chairman, the President, and the CHRO and consented to by the A&SB before being decided by the Board.

In November 2015, the Company has established an optional Nomination and Compensation Advisory Committee, chaired by an independent Outside Director. In response to inquiries from the Board, this committee deliberates and reports to the Board on the results of internal considerations of Director, Executive Officer and A&SB Member candidates.

(5) Explanations with respect to the individual appointments and nominations

Work records and the reasons of appointment for Directors and A&SB Members are stated in the reference materials for the general meeting of shareholders. The reasons of appointment for Outside Directors and Outside A&SB Members are also stated in Reason of Appointment of Relationship with the Company (2) of II.1. [Directors] and [Audit & Supervisory Board Members (A&SB Members)/Audit & Supervisory Board (A&SB)] in this report.

【Supplementary Principle 4.1.1 The Scope of Matters Delegated to Management by the Board of Directors】

In order to perform both swift, strategic decision-making and sound, appropriate monitoring, the Board of Directors, as the decision-making body for Group-wide matters, focuses on corporate strategy decisions and Divisional Company oversight, and delegates other decisions to the Management. Therefore, the Board, based on the Company's internal regulations (such as "Rules for Board of Directors Meeting," "Standards for the Discussions at Board of Directors Meetings," and "Rules of Approval for Decision-making in Important Matters"), performs decision-makings regarding important business executions, such as (a) matters that requires the Board resolution under law, ordinance, or the articles of incorporation, (b) important matters concerning management, (c) the acquisition and disposition of assets including shares or credits, or the execution, revision, and termination of agreements, each of which exceeds a certain amount as prescribed by item type.

【Principle 4.8 Effective Use of Independent Outside Directors】

The Company currently elects four (4) Outside Directors. All of Outside Directors are notified as "independent directors / audit & supervisory board members" required by financial instruments exchanges such as Tokyo stock exchange. Please refer to 4. of i) Policy of Principle 【3.1 Full Disclosure for the qualification of independent Outside Directors】 which the Company requires. The Board of Directors revolved that the minimum ratio of Outside Directors should be one third on and after June 29, 2017. Also, three (3) independent Outside Directors serve as the members of Nomination and Compensation Advisory Committee, and one of them serves as the chairperson of this Committee. In light of contribution to discussions at the Board, the Company has established a committee where Outside Directors and Outside A&SB Members exchange information and share recognitions.

【Principle 4.9 Independence Standards and Qualification for Independent Outside Directors】

The outline of the independence standards for independent Directors / Audit & Supervisory Board Members (A&SB Members) that the Company established based on the independence standard required by financial instruments exchanges such as Tokyo stock exchange.

The following persons are not considered independent.

(1) A person executing the operations of a parent company or a subsidiary of the parent company of the Company. (Including those who corresponds to the person recently or previously, hereinafter, "executing person")

(2) A person or an executing person of such person who has a major business relationship with the Company, or a person or an executing person of such person with whom the Company has a major business relationship.

(3) A consultant, accounting expert, or legal expert who receives a significant amount of money or other property from the Company other than compensation as a Director / A&SB Member. If the person who receives such property is an organization such as a legal entity or association, those who belongs or belonged to the organization corresponds to the relevant person.

(4) A principal shareholder of the Company (If a principal shareholder is a legal entity, An executing person of such legal entity)

(5) A close relative listed in items numbered (1) to (4) above (A second-degree or closer relative applies. The same applies, hereinafter) or a close relative of an executing person of the Company or subsidiary of the Company (If an Outside A&SB Member is appointed to as an independent Directors / A&SB Member, the person who is or who was an non-executing director / accounting advisor is included in the executing person).

Notes)

i) In the items numbered (1), (2), (4) and (5) above, an "executing person" corresponds to any of the following.

・A Director who is an executive director, an executive officer (shikkouyaku) or a director / A&SB Member who executes business of a legal entity, etc.

・An employee who executes business, a person responsible of serving duties of an employee who executes business of a legal entity in the case that the legal entity is an employee executing business, or other such equivalent person.

・An employee

Also, the wording "recently" shall be assumed to be the point of time when the item of the agenda of the shareholders' meeting appointing the person as a Director or an A&SB Member are decided, and the wording "previously" shall be assumed to be "within the last three years".

ii) In the item (2) above, "major" shall be applied to the case in which the amount of the transaction between the Company and a person whom the Company has a business relationship, exceeds 2% of either of their annual consolidated sales.

iii) In the item (3) above, "significant" shall be applied to the case in which the person (individual) or the organization such as a legal entity or association to which a service provider belongs, in providing a service to the Company, corresponds to any of the followings. A person "belongs or belonged" includes not only a partner, but also an associate as it is so called.

・A person oneself who provides a service: Receives compensation of more than or equal to 12 million yen per year from the Company.

・An organization to which a service provider belongs: The amount of the transaction between the Company and the organization exceeds 2% of either of their annual consolidated sales.

"A person who belonged to an organization" shall be assumed to be identified based on whether the person belonged to the organization within the last three years.

iv) In the item (4) above, "a principal shareholder" shall mean a shareholder holding 10% or more of the voting rights of the Company.

v) In the item (5) above, "A person who was a non-executive director / an accounting advisor" shall be assumed to be identified based on whether the person was in the position in the last

three years.

Please refer to 【Principle 3.1 Full Disclosure】4. i) Policy with regards to Qualification for independent Outside Directors

【Supplementary Principle 4.11.1 Disclosure of View on Diversity and Size of the Board of Directors】

The Board of Directors seeks to ensure the diversity of the knowledge, experience, and qualification of the Board as a whole and to maintain the optimal members for the Board to efficiently and effectively fulfill its functions.
Additionally, in fiscal 2019, to further strengthen the fundamental for our group's sustainable business activities in global, we appointed one (1) person who is foreigner and are securing the diversity of the board including internationality. As for the A&SB member, we appointed one (1) person who has an appreciable extent of knowledge in finance, another (1) person who has legal knowledge.

【Supplementary Principle 4.11.2 Restrictions on Concurrent Positions of Directors and Audit & Supervisory Board Members (A&SB Members); Disclosure of Status Thereof】

To the extent that it does not hinder their roles or duties within the Company, Directors (excluding Outside Directors), A&SB Members (excluding Outside A&SB Members), and Executive Officers may take positions as directors or audit & supervisory board members of other business companies or as representative officers of government agencies, institutions or bodies of national organizations, or the like with the prior approval of the President and the CHRO pursuant to the "Rules of Approval for Decision-making in Important Matters." Important concurrent positions held by Directors (including Outside Directors) and A&SB Members (including Outside A&SB Members) are stated in the convocation notice of the ordinary general meeting of shareholders each year and published on the Company's official website. The reference materials for the general meeting of shareholders also state any important concurrent positions, including those in other listed companies, held by each Director and A&SB Member.

【Supplementary Principle 4.11.3 Analysis and Evaluation of the Board of Directors Effectiveness】

The Company, to enhance effectiveness of the Board of Directors, conducts a survey to all the Board members who attend the meeting, and reports the results and evaluations of the survey at the board of directors meeting.

Items and results of the survey in fiscal 2019

i) Items of the survey
   1) Discussion session and compliance business reports
   2) Role of Board of Directors

3) Composition of Board of Directors and audit of execution of duties performed by Audit & Supervisory Board Members
4) Delegation of authority to the executive side
5) Nomination and Compensation Advisory Committee

ii) Results of the survey

Upon analyzing the results of the survey, the Company's findings with respect to the effectiveness of the Board of Directors are such that the current state of the Board is essentially appropriate in terms of its monitoring and decision-making function. Findings with respect to strengthening functions of the Board of Directors, however, included opinions regarding the need to further continue discussions on mid-to-long term business strategy and compliance. As such, the Company is successively addressing such issues and implementing improvements.

The Company continues to conduct the survey of evaluation of the effectiveness of the Board and improve the measure of evaluation.

【Supplementary Principle 4.14.2 Disclosure of its Training Policy for Directors and A&SB Members】

At the assignment of new Directors and A&SB Members, the Company provides them with opportunities to deepen their understanding of the expected roles and responsibilities and acquires necessary knowledge for performing such roles and responsibilities. Also, during the course of their assignment, the Company appropriately provides them with opportunities to acquire necessary knowledge such as those gained by attending seminars about management and compliance, among other matters, conducted by external experts.

At the assignment of newly appointed Outside Directors and Outside A&SB Members, the Company provides and arranges visits to operating sites to deepen the understanding about management strategy and business of the Company. Also, the Company appropriately provides them with information, explaining materials of agendas, and situation of management and businesses prior to the attendances to the Board meeting held monthly. In addition, the Company provided them with the opportunity to visit major operating sites and plants from fiscal 2017. The Company will continue such opportunity in fiscal 2020.

【Principle 5.1 Policy for Constructive Dialogue with Shareholders】

(1) Basic Policy

Under its basic philosophy, "A company is a public entity of society," the Company has committed to highly transparent business activities and endeavored to be accountable its accountability to its stakeholders. The Company clearly defines its basic policy on information disclosure in the "Panasonic Code of Conduct," the guideline for putting the Group's Basic Business Philosophy into practice. The Company also publishes relevant practical standards, methologies, internal processes, etc., as the "Disclosure Policy." The Company's basic policy is

to provide the Company's fair and accurate financial information and corporate information, including management policies, business activities and Environment, Social, Governance (ESG) activities, in a timely, appropriate and easily understandable manner.

(2) Structure pursuing constructive dialogue

i) Dialogue between management and shareholders

The Chief Financial Officer (CFO) is responsible for Investor Relations (IR) activities. The President of the Company, the CFO and each President of Divisional Companies mainly engage in dialogues with shareholders and investors at financial announcements and individual meetings, etc.

ii) IR Department

Corporate Finance & IR Department is in charge of planning, making policy of overall IR activities, and day-to-day communication with shareholders and investors.

iii) Collaboration with related Department

Dialogue with shareholders and investors are mainly engaged by Corporate Finance & IR Department. They collaborate with Financial & Accounting Department, Public Relations Department, Corporate Planning Department, Divisional Companies' Accounting department, and Public Relations Department (hereinafter, collectively, the "IR related Department") information across Panasonic Group.

vi) Structure for disclosure

The Company has established a structure in which matters required to be disclosed under relevant laws and ordinances in Japan and overseas or the rules of financial instruments exchanges or any other regulations shall be immediately reported to the "Corporate Finance & IR Department" or the "Financial & Accounting Department" and disclosed timely and accurately.

Moreover, the Company has established disclosure control procedures in order to implement fair, accurate and timely disclosure of information, such as corporate information about Panasonic Group. In the process of preparation and confirmation of reports such as annual securities reports, quarterly reports, the Disclosure Committee, which is comprised of general managers of the Company's principal departments that handle relevant information, confirms the validity of the content of the descriptions and the appropriateness of the procedures concerning the disclosure under the supervision of the President and the CFO.

(3) IR activities aside from individual meetings

i) Institutional Investors and Security Analysts

The Company conducts presentation meetings of quarterly financial results announcements, annual presentation regarding business policy of the Company and Divisional Companies, as well as tours to individual business sites including a visit to exhibition of products for customers. Also, for overseas investors, the Company holds presentation meetings utilizing conference hosted by financial institutions.

ii) Individual Investors

The Company, for timely disclosure to individual investors, actively discloses its management information through the Company's official website and etc.

(4) Relaying shareholders views to the management

The views and concerns for management issues obtained from shareholders and investors through IR activities are appropriately shared as the feedbacks with senior managements in internal meetings such as the Group Strategy Meeting. These views and concerns are also shared to relevant departments such as Divisional Companies through IR related Department, and are utilized to improve quality of management as appropriate.

(5) Controlling insider information

The Company sets forth in the Panasonic Code of Conduct that employees never engage in insider trading, abiding relevant laws and ordinances in Japan and overseas. Also the Company establishes the internal rule to prevent insider trading for all directors, executives, and employees of Panasonic Group including those of IR related Departments.

Also, managements including the President and person in the IR related Departments are fully aware of the significance of handling insider information, and promote to engage fair dialogue to avoid conducting a selective disclosure*.

In concrete terms, the Company sets "silent period" from 15 business days prior to the financial announcement until the day of the announcement. The Company does not engage in a preview interview about the financial announcements, even if it is outside the "silent period", refraining from having dialogues about financial outlook that has not been disclosed.

* To individually provide the material nonpublic information to specific business partners, investors, security analysts or media, regardless of intention.

【Principle 5.2 Establishing and Disclosing Business Strategies and Business Plans】

Panasonic launches its new Mid-term strategy beginning in fiscal 2020.With this new Mid-term strategy, the Company will execute portfolio management, and aim for both profit growth and improved profitability. More specifically, the Company's businesses are divided into three business classifications, "Core growth business," "Revitalization business," and "Co-creation

business." The Company will focus resources into "Spatial Solutions," "Gemba (operational frontlines) Process," and "Industrial Solutions," which are positioned as Core growth business, to aim for profit growth through expansion of the solution-type businesses.
In terms of the Core growth business, the Company aims to realize a business management structure that can stably achieve 5–10% of EBITDA(*) growth rate and 10% or more of EBITDA margin(*) in fiscal 2022, the final year of this Mid-term, and onwards. For "Automotive Solutions" and "Automotive Batteries," which are classified as Revitalization business, the Company will focus on improving profits by concentrating on areas where it has advantages. For "Consumer Electronics" and "Housing," which are classified as Co-creation business, the Company is aiming to enhance competitiveness through cooperation with regions and external partners by leveraging its strengths such as the Panasonic brand which has been cultivated over many years. In addition, to realize an efficient and competitive management structure, the Company will take radical measures to loss-making businesses and work on reducing fixed costs.
Further, to continuously generate returns that exceed the expectations from the capital market, the Company has been conscious on its capital cost management. ROIC (Return on Investment Capital) and WACC (Weighted Average Cost of Capital) are calculated according to each business division, and are used in portfolio management and making investment decisions, etc. As a Company-wide KPI, the Company continuously aims to reach ROE of 10% or more.
The Company's business strategies and policies are posted on its official web site.
https://www.panasonic.com/global/corporate/ir/presentation.html
Dialogues between the shareholders and the investors are made as a part of IR activities which are articulated in 【Principle 5.1 Policy for Constructive Dialogue with Shareholders】

*EBITDA: Earnings Before Interest, Taxes, Depreciation and Amortization

EBITD Margin: EBITDA / Total revenue

ROE (Return On Equity): Net profit attributable to Panasonic Corporation stockholders / Average Panasonic Corporation stockholders' equity at the beginning and the end of each fiscal year.

2. Capital Structure

Percentage of Shares Held by Foreign Investors	Not less than 30%

[Status of Major Shareholders]

Name / Company Name	Number of Shares Owned	Percentage (%)
Japan Trustee Services Bank, Ltd. (trust account) Note 2	182,669,300	7.83
The Master Trust Bank of Japan, Ltd. (trust account) Note 3	161,292,500	6.91
Nippon Life Insurance Company	69,056,014	2.96
Japan Trustee Services Bank, Ltd. (trust account 5) Note 2	44,829,100	1.92
JP Morgan Chase Bank 385151 (Standing proxy: Mizuho Bank, Ltd.)	42,488,966	1.82
Panasonic Corporation Employee Shareholding Association	41,344,339	1.77
Sumitomo Life Insurance Co.	37,465,800	1.60
State Street Bank West Client -Treaty 505234 (Standing proxy: Mizuho Bank, Ltd.)	34,671,421	1.48
Japan Trustee Services Bank, Ltd. (trust account 7) Note 2	34,218,900	1.46
JP Morgan Chase Bank 385632 (Standing proxy: Mizuho Bank, Ltd.)	33,435,615	1.43

Controlling Shareholder (except for Parent Company)	N/A
Parent Company	None

Supplementary Explanation

Status of Major Shareholders is as of March 31, 2019. Percentage (%) is calculated by deducting the Company's treasury stock (120,663,025) and rounded down to two decimal places.

The numbers of shares held by Japan Trustee Services Bank, Ltd. (trust account), Japan Trustee Services Bank, Ltd. (trust account 5), and Japan Trustee Services Bank, Ltd.(trust account 7) reflect the shares entrusted by Sumitomo Mitsui Trust Holdings, Inc. and other corporations, which have been originally entrusted in their trust services.

The number of shares held by The Master Trust Bank of Japan, Ltd. (trust account) reflects the shares entrusted by Mitsubishi UFJ Trust and Banking Corporation and other corporations, which have been originally entrusted in their trust services.

Amendment to Report of Possession of Large Volume was submitted by BlackRock Japan Co., Ltd. and its five joint holders dated March 22, 2017. The Company cannot confirm the actual status of shareholdings as of the end of fiscal 2017. The shareholding status of the report as of March 15, 2017 is as follows.

・BlackRock Japan Co., Ltd.

Number of share certificates, etc. held (in thousands of shares): 42,283

Percentage of share certificates held (%): 1.72

・BlackRock Life Limited

Number of share certificates, etc. held (in thousands of shares): 5,403

Percentage of share certificates held (%): 0.22

・BlackRock Asset Management Ireland Limited

Number of share certificates, etc. held (in thousands of shares): 8,843

Percentage of share certificates held (%): 0.36

・BlackRock Fund Advisors

Number of share certificates, etc. held (in thousands of shares): 28,729

Percentage of share certificates held (%): 1.17

・BlackRock Institutional Trust Company, N.A.

Number of share certificates, etc. held (in thousands of shares): 33,041

Percentage of share certificates held (%): 1.35

・BlackRock Investment Management (UK) Limited

Number of share certificates, etc. held (in thousands of shares): 4,409

Percentage of share certificates held (%): 0.18

・Total

Number of share certificates, etc. held (in thousands of shares): 122,710

Percentage of share certificates held (%): 5.00

3. Corporate Attributes

Listed Stock Market and Market Section	Tokyo Stock Exchange and Nagoya Stock Exchange / First Section
Fiscal Year-End	March
Type of Business	Electric Equipment
Number of Employees (consolidated) as of the End of the Previous Fiscal Year	Not less than 1,000
Sales (consolidated) as of the End of the Previous Fiscal Year	Not less than 1 trillion yen
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	Not less than 300

4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder

N/A

5. Other Special Circumstances which may have Material Impact on Corporate Governance

While the Company owns listed consolidated subsidiaries, it respects each subsidiary's autonomous management.

II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management

1. Organizational Composition and Operation

Organization Form	Company with Audit & Supervisory Board Members

[Directors]

Maximum Number of Directors Stipulated in Articles of Incorporation	Maximum number not stipulated
Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board	Chairman
Number of Directors	11

Appointment of Outside Directors	Appointed
Number of Outside Directors	4
Number of Independent Directors	4

Outside Directors' Relationship with the Company (1)

Name	Attribute	Relationship with the Company*										
		a	b	C	d	e	f	g	h	i	j	k
Yoshinobu Tsutsui	From another company								○			
Hiroko Ota	Academic								△			
Kazuhiko Toyama	From another company								△			
Kunio Noji	From another company								△			

* Categories for "Relationship with the Company"

* "○" when the director presently falls or has recently fallen under the category;

"△" when the director fell under the category in the past

* "●" when a close relative of the director presently falls or has recently fallen under the category;

"▲"when a close relative of the director fell under the category in the past

a. Executing person of the Company or its subsidiaries

b. Non-executive director or executing person of a parent company of the Company

c. Executing person of a subsidiary of the parent company of the Company

d. A party whose major client or supplier is the Company or an executing person thereof

e. Major client or supplier of the Company or an executing person thereof

f. Consultant, accountant or legal expert who receives a significant amount of money or other property from the Company other than compensation as a director/audit & supervisory board member

g. Principal shareholder of the Company (or an executing person of the said major shareholder if the shareholder is a legal entity)

h. Executing person of a client or supplier company of the Company (which does not correspond to any of d, e, or f) (the director himself/herself only)

i. Executing person of a company, between which and the Company outside directors/audit & supervisory board members are mutually appointed (the director himself/herself only)

j. Executing person of a company or organization that receives a donation from the Company (the director himself/herself only)

k. Others

Outside Directors' Relationship with the Company (2)

Name	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons of Appointment
Yoshinobu Tsutsui	○	Mr. Yoshinobu Tsutsui is an Outside Director designated as an independent director. Mr. Tsutsui has served at Nippon Life Insurance Company. However, the total transaction amount between the Company and Nippon Life Insurance Company in fiscal 2019 was (a) less than 1% of the consolidated sales of the Company in fiscal 2019 and (b) less than 1% of the consolidated sales of Nippon Life Insurance Company in fiscal 2019.	(Reason for Appointment as an Outside Director) His extensive managerial experience and his deep insight can be brought to the management of the Company. (Reason for Appointment as an Independent Director) Mr. Yoshinobu Tsutsui does not have any conflict of interests in light of relationships between the Company and Mr. Tsutsui, other entities or organizations to which he belongs, and may enhance and strengthen the effectiveness of the monitoring performed by the Board of Directors on the execution of business by Directors from an objective and neutral standpoint.
Hiroko Ota	○	Ms. Hiroko Ota is an Outside Director designated as an	(Reason for Appointment as an Outside Director) Her extensive experience in

		independent director. The Company had made a consulting contract with Ms. Ota. However, the Company already had terminated the contract in May 2013. Also, the amount of compensation for the contract was 3 million yen for approximately half a year.	economics and finance, and her deep insight can be brought to the management of the Company. (Reason for Appointment as an Independent Director) Ms. Hiroko Ota does not have any conflict of interests in light of relationships between the Company and Ms. Ota, and or other entities or organizations to which she belongs, may enhance and strengthen the effectiveness of the monitoring performed by the Board of Directors on the execution of business by Directors from an objective and neutral standpoint.
Kazuhiko Toyama	○	Mr. Kazuhiko Toyama is an Outside Director designated as an independent director. The Company had made a consulting contract with Mr. Toyama. However, the Company already had terminated the contract in March, 2016. Also, the amount of compensation for the contract was 6 million yen for a year.	(Reason for Appointment as an Outside Director) His extensive managerial experience and deep insight can be brought to the management of the Company. (Reason for Appointment as an Independent Director) Mr. Kazuhiko Toyama does not have any conflict of interests in light of relationships between the Company and Mr. Toyama, and or other entities or organizations to which he belongs, may enhance and strengthen the effectiveness of the monitoring performed by the Board of Directors on the execution of business by Directors from an objective and neutral standpoint.
		Mr. Kunio Noji is an Outside Director designated as an independent director.	(Reason for Appointment as an Outside Director) His extensive managerial

Kunio Noji	○	Mr. Noji has served at Komatsu Ltd. However, the total transaction amount between the Company and Komatsu Ltd. in fiscal 2019 was (a) less than 1% of the consolidated sales of the Company in fiscal 2019 and (b) less than 1% of the consolidated sales of Komatsu Ltd. in fiscal 2019.	experience and his deep insight can be brought to the management of the Company. (Reason for Appointment as an Independent Director) Mr. Kunio Noji does not have any conflict of interests in light of relationships between the Company and Mr. Noji, other entities or organizations to which he belongs, and may enhance and strengthen the effectiveness of the monitoring performed by the Board of Directors on the execution of business by Directors from an objective and neutral standpoint.

Voluntary Establishment of Committee(s) Corresponding to Nomination Committee or Compensation Committee	Established

Committee's Name, Composition, and Attributes of Chairperson

	Committee Corresponding to Nomination Committee	Committee Corresponding to Compensation Committee
Committee's Name	Nomination and Compensation Advisory Committee	Same as on the Left
All Committee Members	5	5
Full-time Members	-	-
Inside Directors	2	2
Outside Directors	3	3
Outside Experts	-	-
Other	-	-
Chairperson	Outside Director	Outside Director

Supplementary Explanation

In November 2015, the Company has established an optional "Nomination and Compensation Advisory Committee" that is chaired by an independent Outside Director. In response to inquiries from the Board of Directors, this committee deliberates and reports to the Board, on the results of its deliberation regarding the Company's internal reviews on the nomination of candidates for Directors, Executive Officer, and A&SB Member, and on the appropriateness of the Company's Director and Executive Officer Compensation System.

The Committee monitors the candidates for the CEO successor and can propose the replacement timing of CEO. The committee deliberated on the result of internal discussion regarding candidates such as Directors at the four meetings held in fiscal 2019, and reported to the Board of Directors. Also the chairman and each member attended all the meetings respectively.

As of the filing date of this report, the members of this Committee are (a) Ms. Ota, an Outside Director and the chairman of this Committee, (b) Mr. Toyama, an Outside Director, (c) Mr. Tsutsui, an Outside Director, (d) Mr. Nagae, Director, Chairman of the Board, and (e) Mr. Tsuga, Representative Director, President. The Company has enhanced the objectivity and transparency of the committee, by ensuring that it is chaired by an Outside Director and that Outside Directors constitute a majority of its membership.

[Audit & Supervisory Board Members (A&SB Members) / Audit & Supervisory Board (A&SB)]

Establishment of A&SB	Established
Maximum Number of A&SB Members Stipulated in Articles of Incorporation	Maximum number not stipulated
Number of A&SB Members	5

Cooperation among A&SB Members, Accounting Auditors and Internal Audit Departments

A&SB Members and the A&SB regularly hold meetings with Accounting Auditors in order to receive an overview of Accounting Auditors' audit plan; to receive explanations on the status of the internal control system known to Accounting Auditors, risk evaluation and items that Accounting Auditors' audits focus on; and to exchange opinions. In addition, it is stipulated in the Audit Standards for A&SB Members that, in cases where A&SB Members receive a report from Accounting Auditors to the effect that an improper act or material fact that violates laws and ordinances or the articles of incorporation was detected with respect to the Directors' or Executive Officers' execution of business, then the A&SB Members or the A&SB shall take necessary measures after deliberations at the A&SB, such as conducting a necessary investigation and giving advice or recommendation to the Directors or Executive Officers.

A&SB Members make efforts to perform efficient audits by maintaining close collaboration with the Internal Audit Group and other sections in executing an investigation of the Company's business and financial situation and other duties. In addition, A&SB Members receive from the Internal Audit Group or other sections regular reporting regarding the status involving the internal control system, the result of audits, etc. A&SB Members may request an investigation if necessary.

Appointment of Outside A&SB Members	Appointed
Number of Outside A&SB Members	3
Number of Independent A&SB Members	3

Outside A&SB Members' Relationship with the Company (1)

Name	Attribute	Relationship with the Company*												
		A	b	c	d	e	f	G	h	i	j	k	l	m
Yoshio Sato	From another company										○			
Toshio Kinoshita	CPA													
Mitsuko Miyagawa	Lawyer										○			

* Categories for "Relationship with the Company"

* "○" when the audit & supervisory board member presently falls or has recently fallen under the category;

"△" when the audit & supervisory board member fell under the category in the past

* "●" when a close relative of the audit & supervisory board member presently falls or has recently fallen under the category;

"▲" when a close relative of the audit & supervisory board member fell under the category in the past

a. Executing person of the Company or its subsidiaries

b. Non-executive director or accounting advisor of the Company or its subsidiaries

c. Non-executive director or executing person of a parent company of the Company

d. Audit & supervisory board members of a parent company of the Company

e. Executing person of a subsidiary of the parent company of the Company

f. A party whose major client or supplier is the Company or an executing person thereof

g. Major client or supplier of the Company or an executing person thereof

h. Consultant, accountant or legal expert who receives a significant amount of money or other property from the Company other than compensation as an audit & supervisory board member

i. Principal shareholder of the Company (or an executing person of the said major shareholder if the shareholder is a legal entity)

j. Executing person of a client or supplier company of the Company (which does not correspond to any off, g, or h) (the audit & supervisory board member himself/herself only)

k. Executing person of a company, between which and the Company outside directors/audit & supervisory board members are mutually appointed (the audit & supervisory board member himself/herself only)

l. Executing person of a company or organization that receives a donation from the Company (the audit & supervisory board member himself/herself only)

m. Others

Outside A&SB Members' Relationship with the Company (2)

Name	Designation as Independent A&SB Members	Supplementary Explanation of the Relationship	Reasons of Appointment
Yoshio Sato	○	Mr. Yoshio Sato is an Outside A&SB Member designated as an independent audit & supervisory board member. Mr. Sato has served at Sumitomo Life Insurance Company. However, the total transaction amount between the Company and Sumitomo Life Insurance Company in fiscal 2019 was (a) less than 1% of the consolidated sales of the Company in fiscal 2019 and (b) less than 1% of the consolidated sales of Sumitomo Life Insurance Company in fiscal 2019.	(Reason for Appointment as an Outside A&SB Member) His extensive managerial experience and his deep insight can be brought to the audits of the Company. (Reason for Appointment as an Independent Audit & Supervisory Board Member) Mr. Yoshio Sato does not have any conflict of interests in light of relationships between the Company and Mr. Sato, other entities or organizations to which he belongs, and may enhance and strengthen the effectiveness of the audits performed by A&SB Members on the execution of business by Directors from an objective and neutral standpoint.
Toshio Kinoshita	○	Mr. Toshio Kinoshita is an Outside A&SB Member designated as an independent audit & supervisory board Member.	(Reason for Appointment as an Outside A&SB Member) His extensive experience and his deep insight as certified public accountant can be brought to the audits of the Company. (Reason for Appointment as an Independent Audit & Supervisory Board Member)

			Mr. Toshio Kinoshita does not have any conflict of interests in light of relationships between the Company and Mr. Kinoshita, other entities or organizations to which he belongs, and enhances and strengthens the effectiveness of the audits performed by A&SB Members on the execution of business by Directors from an objective and neutral standpoint.
Mitsuko Miyagawa	○	Ms. Mitsuko Miyagawa is an Outside A&SB Member designated as an independent audit & supervisory board member. Ms. Miyagawa has served at TMI associates. However, the total transaction amount between the Company and TMI associates in fiscal 2019 was (a) less than 1% of the consolidated sales of the Company in fiscal 2019 and (b) less than 1% of the consolidated sales of TMI associates in fiscal 2019.	(Reason for Appointment as an Outside A&SB Member) Her extremely high-level expertise and extensive experience as an Outside Director and Outside A&SB Member to appropriately audit the performance of Directors' duties as an Outside A&SB Member and provide valuable opinions to the Company's management. (Reason for Appointment as an Independent Audit & Supervisory Board Member) Ms. Mitsuko Miyagawa does not have any conflict of interests in light of relationships between the Company and Ms. Miyagawa, other entities or organizations to which she belongs, and may enhance and strengthen the effectiveness of the audits performed by A&SB Members on the execution of business by Directors from an objective and neutral standpoint.

[Independent Directors/A&SB Members]

Number of Independent Directors/A&SB Members	7

Matters relating to Independent Directors/A&SB Members

All seven (7) Outside Directors/A&SB Members are designated as independent directors/audit & supervisory board members pursuant to the Company's policy on the independence of Outside Directors and Outside A&SB Members which was established based on the independence standard required by financial instruments exchanges such as Tokyo Stock Exchange. Please refer to I 1. [Disclosure based on each principle set forth in Corporate Governance Code] and 【Principle 4.9 Independence Standards and Qualification for Independent Outside Directors】 about the Company's policy on the independence of Outside Directors and Outside A&SB Members.

[Incentives]

Incentive Policies for Directors	Performance based Compensation / Stock Options / Other

Supplementary Explanation

<Performance based compensation> The Company implemented performance based compensation as a short-term incentive to provide incentive to boost business performance, and it shall be determined in conjunction with performance evaluation for Panasonic as a whole and the specific businesses a Director is in charge of, based on performance indicators, such as net sales, operating income, free cash flow, and CCM. In this sense, the "performance-based remuneration" is designed in a way that the range of variation is large enough based on business performance. The payment rate of the basic remuneration ranges from 0% to over 150%. (Note) CCM (Capital Cost Management) is a management control index developed by the Company to evaluate return on capital. < Stock-type compensation stock options > (Abolished in fiscal 2020) The Company implemented stock-type compensation stock options as a long-term incentive. A stock-type compensation stock option was introduced by the resolution at the 107th Ordinary

General Meeting of Shareholders of Panasonic which was held on June 26, 2014. Number of common stock of Panasonic to be acquired upon exercise of each stock acquisition right is 100 shares. Exercise price of the stock acquisition right shall be one (1) yen per common stock to be acquired. Exercise period of stock acquisition rights shall be determined by the Board of Directors at the time of the issuance of the stock acquisition right, and shall not exceed thirty (30) years from the day immediately following the allotment date of stock acquisition rights. The amount to be paid for each stock acquisition right shall be based on a fair value, calculated by the Black-Sholes Model, etc., a fair calculating method. The compensation, the amount of which shall be equal to the price to be paid in exchange for the relevant stock acquisition rights, will be paid by Panasonic to the person whom the stock acquisition rights are allotted, and the obligation of such person to pay such price shall be offset by the rights of such person who receives the compensation.

Date of Board of Directors meeting	Aggregate number of stock acquisition rights	The amount to be paid for stock acquisition rights (per a stock acquisition right)	Exercise period of stock acquisition rights
July 31, 2014	2,088	105,400 yen	From August 23, 2014 to August 22, 2044
July 29, 2015	1,729	112,400 yen	From August 21, 2015 to August 20, 2045
July 29, 2016	5,800	71,300 yen	From August 24, 2016 to August 23, 2046
July 31, 2017	3,561	112,800 yen	From August 24, 2017 to August 23, 2047
June 28, 2018	3,473	106,400 yen	From July 19, 2018 to July 18, 2048

< Restricted stock as remuneration >

The Company introduced the “restricted stock as remuneration” which is an alternative to the “stock-type compensation stock options” in the fiscal year ending March 31, 2020. This introduction was aimed to better motivate continuous enhancement of the corporate value and to further promote sharing value with the Company’s shareholders.

The “restricted stock as remuneration” is a system that a Director will pay out all of the monetary compensation obligations provided as remuneration by Panasonic as stock investment property, and receive issuance or disposition of Panasonic common share. Panasonic and each

of applicable Directors shall sign a restricted stock allocation agreement.

Specific details of the restricted stock allocation agreement

(1) Transfer restriction period

The Applicable Directors may not transfer, use as collateral or otherwise dispose of the common stock allocated under the restricted stock allotment agreement (the Allotment Agreement) (the Allotted Shares) for three years from the date of allocation or for a period of up to 30 years therefrom as determined by the Panasonic Board of Directors.

(2) Handling in the case of retirement

If an Applicable Director retires from his/her position as preassigned by the Panasonic Board of Directors before the expiration of the restriction period, Panasonic will at that time acquire the Allotted Shares without consideration, expect in the cases of term of office expiration, death, or any other justifiable reason.

(3) Lifting of the restriction period

Notwithstanding the provision of (1) above, Panasonic shall lift the restrictions for all the Allotted Shares at the end of the restriction period, provided that the Applicable Director remained in his/her position as preassigned by the Panasonic Board of Directors during the restriction period. However, in the case of term of office expiration, death or other justifiable reason, set forth in (2) above, if the Applicable Director retires from the position set forth in (2) above before the expiration of the restriction period, the number of Allotted Shares to be freed from restriction and the timing of restriction lifting shall be reasonably adjusted as necessary. In addition, Panasonic shall acquire without consideration, the Allotted Shares on which restrictions were not lifted, upon the lifting of the restrictions in accordance with the above-mentioned rules.

(4) Handling in the case of reorganization, etc.

Notwithstanding the provisions of (1) above, if a merger agreement that will eliminate Panasonic, or a share exchange agreement or a share transfer plan to make Panasonic a wholly owned subsidiary, or any other corporate reorganization measure is approved by the General Meeting of Shareholders (or by the Board of Directors in the case that such a reorganization measure does not require approval by the General Meeting of Shareholders), with regard to the number of Allotted Shares reasonably determined by resolution of the Board of Directors based on the period from the restriction period start date to the reorganization approval date, the restrictions shall be lifted prior to the effective date of the reorganization, etc. In addition, as stated above, Panasonic shall acquire without consideration, the Allotted Shares on which restrictions were not lifted, upon the lifting of the restrictions.

(5) Other matters

Other matters relating to the Allotment Agreement shall be determined by the Board of Directors.

Recipients of Stock Options	Inside Directors / Other

Supplementary Explanation

Stock-type compensation stock options is to allot stock acquisition rights to Directors (Inside Directors), excluding Outside Directors, of Panasonic and Executive Officers and certain other officers who are responsible for business operations across the Panasonic group for the purpose of providing an incentive for allottees to further contribute to the improvement of long-term operating results and higher corporate value through sharing the benefits and risks of share price fluctuations with Panasonic's shareholders. However, "Share acquisition right" as the "stock-type compensation stock option" will not be allocated, in relation to introduction of the "restricted stock as remuneration".

The holder of the stock acquisition rights may exercise the rights after the day immediately following the day on which such holder loses the status of Director, Executive Officer, A&SB Member or any status equivalent thereto, of Panasonic, or the day immediately following the day when three years have transpired since the day immediately following the day the stock acquisition rights were allotted, whichever falls earlier.

The condition of the exercising stock acquisition rights allotted in or prior to fiscal 2016 is as follows.

The holder of the stock acquisition rights may exercise the rights on and after the day immediately following the date on which such the holder loses the status of Director, Executive Officer, A&SB Member or any status equivalent thereto, of Panasonic.

[Director Compensation]

Disclosure of Individual Directors' Compensation	Selected Directors

Supplementary Explanation

The aggregate amounts of compensations paid by the Company during fiscal 2019 to Directors and Outside A&SB are as follows;

Nine (9) Directors (other than Outside Directors) were 1,085 million yen; basic compensation of 583 million yen, performance based compensation of 337 million yen and stock-type compensation stock options of 165 million yen, and to two (2) A&SB Members (other than Outside A&SB Members) were 80 million yen; basic compensation of 80 million yen

The amounts of compensations for four (4) Outside Directors were 65 million yen; basic compensation of 65 million yen, and for three (3) Outside A&SB Members were 39 million yen; basic compensation of 39 million yen

The above figures include one (1) Director who retired at the conclusion of the 111th Ordinary General Meeting of Shareholders held on June 28, 2018

The followings are the names of Directors and A&SB Members whose compensation is 100 million yen and above and the amount of their compensations.

Shusaku Nagae (Director): total compensation is 118 million yen; basic compensation of 100 million yen and stock-type compensation stock options of 18 million yen

Kazuhiro Tsuga (Director): total compensation is 255 million yen; basic compensation of 104 million yen, performance based compensation of 84 million yen and stock-type compensation stock options of 67 million yen

Yoshio Ito (Director): total compensation is 161 million yen; basic compensation of 79 million yen, performance based compensation of 58 million yen and stock-type compensation stock options of 24 million yen

Mototsugu Sato (Director): total compensation is 141 million yen; basic compensation of 69 million yen, performance based compensation of 55 million yen and stock-type compensation stock options of 17 million yen

Yasuyuki Higuchi (Director): total compensation is 151 million yen; basic compensation of 75 million yen, performance based compensation of 57 million yen and stock-type compensation stock options of 19 million yen

Director Yoshio Ito retired at the conclusion of the 112th Ordinary General Meeting of Shareholders held on June 27, 2019.

Policy on Determining Compensation Amounts and Calculation Methods	Established

Compensation for Directors Amount of Compensation or Determination Policy of Calculation Method

Compensation for respective Directors (or A&SB Members) is decided within the maximum total amount of the compensation for all the Directors (or the A&SB Members), which is resolved at a general meeting of shareholders. Compensation for Outside Directors and Audit & Supervisory Board members receive only the basic compensation, which is a fixed compensation. Please refer to I 1. [Disclosure based on each Principle set forth in Corporate Governance Code] and【Principle 3.1 Full Disclosure】 (3) Board policies and procedures in determining the compensation of the senior management and Directors about calculation method and determination policy for compensation.

[Supporting System for Outside Directors and/or A&SB Members]

The corporate staff in Legal & Compliance Division, Legal and Regulatory Affairs Department conducts supports to Outside Directors and Outside A&SB Members, such as providing prior explanation of agendas of the Board meeting to them in order to help them examine the materials in advance and to have effective discussion at the Board. In addition, the Audit & Supervisory Board Members' Office, composing of seven (7) full-time staff members and serving as an administration office for the A&SB Members and the A&SB, supports the performance of the duties of Outside A&SB Members, such as providing information.

[Information of Retiree from President etc.]

Names of Executive Advisors ・ Corporate Advisor who used to be President etc.					
Name	Position	Roles and Responsibilities	Work Style・Conditions（Full Time or Part time, w/ or w/o Compensation）	Date of retirement from President	Term

Kunio Nakamura	Special Corporate Advisor	Indirect support through external activities	Part time・ w/o Compensation	2006/6/28	Age Limit: up to 80
Fumio Otsubo	Special Corporate Advisor	Indirect support through external activities	Part time・ w/o Compensation	2012/6/27	Age limit: up to 80
Number of Executive Advisors ・ Corporate Advisor who used to be President etc.				2	

Others	・Executive Advisors will not be appointed from April 1, 2018 based on the re-examination of the advisor system. ・In the new system, a person who experienced the position of Chairman/President, as Special Corporate Advisor, will fulfill external activities which Executive Advisors used to be responsible. ・The outline of Special Corporate Advisor is as follows; ①Roles and Responsibilities：Provide indirect support through external activities ②Work Style: Part Time ③Compensation：No Compensation ④Term：Age limit up to 80 years old ⑤Others：Shared office and company car are provided as needed. ・The external activities performed by Mr. Nakamura, Special Corporate Advisor and Mr. Otsubo, Special Corporate Advisor, are Executive Officers of foundations and associations.

2. Outline of Current System of Corporate Governance Mechanisms such as Execution of Business, Auditing and Directing, Nomination and Determination of Compensation

In the Company, each of thirty-eight (38) business divisions of basic management units, autonomously manages R&D, production and sales as well as its cash and profit on a global and regional basis. In order to support these business divisions, the Company introduced divisional company system. The five (5) business-based companies (Appliances, Life Solutions, Connected Solutions, Automotive, and Industrial Solutions) and the two (2) region-based companies (China & Northeast Asia and US) have been promoting the divisions' evolution and change in the area in which they have responsibility and taking a leading role to realize growth strategy. The Company also established Corporate Strategy Division, which is responsible for the strategic management throughout the group, to promote enhancement of the corporate value by formulating mid- and long-term group-wide strategies. In addition, the Company incorporated Professional Business Support Sector which assumes the function of the group-wide management control in terms of developing and improving the Company wide rules

and systems infrastructure, implementing internal audit, internal control and compliance activities required to the listed company and the legal entity, and responding to the stakeholders. Also the Company established Innovation Promotion Sector which assumes the function of creating new business projects and business models focused on AI/IoT technologies, contributing to the business with its innovation technologies and production technologies, and overseeing the Company-wide technology development, manufacturing and designing.

Please refer to I.1 [Disclosure based on each principle set forth in the Corporate Governance Code]【Principle 3.1 Full Disclosure】(3) Board policies and procedures in determining the compensation of the senior management and Directors and (4) Policies and procedures in the appointment of the senior management and the nomination of Director and A&SB Member candidates about policy and procedures of appointment and determination of compensation.

Please refer to "Reference: Diagram of Corporate Governance Structure" at the end of document about the Company's Corporate Governance Structure.

The Board of Directors and Executive Officer System

The Board of Directors, which is composed of eleven (11) Directors including four (4) Outside Directors (at least one-third of its Directors are Outside Directors), seeks to ensure the diversity of the knowledge, experience and qualifications of the Board of Directors as a whole. Chairman of the Board who is not involved in execution of business takes on the position of a chairman. The Company has one (1) female Director and one (1) foreign Director out of eleven (11) Directors.

In accordance with the Companies Act of Japan and related laws and ordinances (collectively, the "Companies Act"), the Board of Directors has ultimate responsibility for administration of the Company's affairs and monitoring of the execution of business by Directors.

Under the seven (7) Divisional Company-based management structure, the Company has empowered each of seven (7) Divisional Companies and business divisions through delegation of authority. At the same time, the Company employs an Executive Officer system, under which Executive Officers lead the reform of the Panasonic Group's business structure for the total optimization. This system facilitates the development of corporate strategies that integrate the Group's comprehensive strengths. The Company has sixteen (16) Executive Officers (including those who concurrently serve as Directors), which include President, Vice President, senior managements of each of seven (7) Divisional Companies, senior officers responsibly for certain foreign regions and officers responsible for corporate functions. The Company has two (2) foreign Executive Officers out of sixteen (16) Executive Officers.

In addition, in order to ensure swift and strategic decision-making, along with sound and appropriate monitoring at the same time, the Board of Directors, as a decision-making body for Group-wide matters, concentrates on decisions about the corporate strategies and the supervision of the seven (7) Divisional Companies. Taking into consideration the diverse scope of its business operations, the Company has opted to maintain a system where Executive Officers, who are most familiar with the specifics of the operations, take an active part in the Board of Directors. The Board of Directors was held thirteen (13) times in fiscal 2019, and matters to be resolved at the Board of Directors which is required by the Companies Act and

matters stipulated in the Standards for Discussions at the Board of Directors were deliberated and resolved. Outside Directors, with their extensive experience and deep insight, made active statements which is necessary for deliberation of matters. Moreover, to clarify the responsibilities of Directors and build a structure of the Board of Directors flexibly, the Company limits the term of each Director to one(1) year.

Status of audit conducted by Audit & Supervisory Board Members (A&SB Members) , internal audit and Accounting Audit

Pursuant to the Companies Act, the Company has elected A&SB Members and established A&SB, made up of A&SB Members. The A&SB Members and A&SB monitor the status of corporate governance and audit the day-to-day activities of management, including the performance of duties by Directors. The Company has five (5) A&SB Members, including three (3) Outside A&SB Members, one (1) female A&SB Member out of five (5) A&SB Members. Additionally, the Company elected A&SB Members who have substantial finance and accounting knowledge. A&SB Members participate in the general meetings of shareholders and the Board of Directors, receive reports from Directors, Executive Officers, employees and Accounting Auditors, and exercise other auditing authority granted to A&SB Members under the law. Full-time Senior A&SB Members also attend important meetings and conduct visiting audits to business offices in order to ensure effective audits. In order to augment the internal auditing functions in the Group, the Company assigns twelve (12) full-time Audit & Supervisory Officers (A&SOs), who directly report to the Senior A&SB Members of the Company, to the seven (7) Divisional Companies, etc. The Company also inaugurated the Panasonic Group Audit & Supervisory Board Members' Meeting (comprising Senior A&SB Members of the Company, A&SOs. and A&SB Members of the Group Companies), chaired by the Senior A&SB Member of the Company, to enhance coordination between the Company's Senior A&SB Members, and A&SOs and audit & supervisory board members of the Group companies, for effective functioning of the entire group corporate governance. In addition, in the course of the performance of their duties, A&SB Members maintain mutual cooperation with the Internal Audit Department and other departments, which perform business audits and internal control audits, to conduct efficient audits. A&SB Members regularly receive from the Internal Audit Department and other sections reports regarding the status involving the internal control system and results of audits. A&SB Members may request the Internal Audit Group or Accounting Auditors to conduct an investigation, if necessary. Also, in order to enhance the effectiveness of the audits conducted by A&SB Members and to ensure the smooth implementation of audits, the Company has established an A&SB Member's Office with seven (7) full-time staff under the direct control of the A&SB.

Mr. Toshihide Tominaga, a Senior A&SB Member of the Company, has substantial finance and accounting knowledge, having held the position of Managing Officer of the accounting sections in the Company.

Mr. Toshio Kinoshita, Outside A&SB Member of the Company, has substantial finance and accounting knowledge, having held the career experiences with a corporate accounting in global companies in Japan and overseas for long periods as a certified public accountant.

In fiscal 2019, the Audit & Supervisory Board was held fourteen (14) times, and deliberated audit report creation, audit policy and plan and others. Outside Audit & Supervisory Board Members, with their extensive experience and deep insight, actively made statements.

The Company has an auditing agreement with KPMG AZSA LLC for this company to conduct the accounting audit of the Company. Names of certified public accountants that performed accounting audits in fiscal 2019 are indicated below. Accounting audits were conducted by involvement of one hundred and thirty (130) certified public accountants and 109 other staff.

Masahiro Mekada
Kengo Chida
Masaki Hirota

Group Strategy Meeting

The Company holds, approximately twice a month in general, the Group Strategy Meeting to discuss and set the direction of the Company's mid-to-long-term strategies and important issues from 2012.Chaired by Representative Director, President, Kazuhiro Tsuga, Members of "Group management team," which consist of approximately ten (10) people in managerial position, including the President and presidents of seven (7) Divisional Companies, and a non-Japanese Executive Officer, attend the Group Strategy Meeting, and the responsible persons of the related businesses and functions also participate in the meeting, depending on the matter to be discussed.

Agreement with Outside Directors and Outside A&SB Members pursuant to Article 427, Paragraph 1 of the Companies Act

The Company has entered into liability limitation agreements with all Outside Directors and Outside A&SB Members, respectively, which limit the amount of their liabilities under Article 423, Paragraph 1 of the Companies Act to the aggregate amount of the amounts specified in Article 425, Paragraph 1 of the Companies Act, if they perform their duties in good faith and without significant negligence.

3. Reasons for Adoption of Current Corporate Governance System

The Company believes it is important to increase corporate value by fulfilling accountability through dialogue with various stakeholders such as shareholders and customers, making effort to execute transparent business activities, and swiftly conducting business activities with fairness and honesty based on its basic philosophy of "a company is a public entity of society". For that reason, the Company has established the corporate governance structure, based on the Audit & Supervisory Board System composed of the Board of Directors and Audit & Supervisory Board Member / Audit & Supervisory Board, holding the following elements.

The Board of Directors

・The Board of Directors, as a decision-making body for Group-wide matters, concentrates on decisions about the corporate strategies and the supervision of the four (4) Divisional Companies. Taking into consideration the diverse scope of its business operations, the Company has opted to maintain a system where Executive Officers, who are most familiar with the

specifics of the operations, take an active part in the Board of Directors.

・The Company elects Outside Directors, from among such as management of external entities, those who have extensive managerial experience with various careers and deep insight, and are expected to bring valuable opinion to the Board for decision-making of business execution, and monitoring of execution of Directors' duties. The Board of Directors resolved that the minimum ratio of Outside Directors should be one third on and after June 29, 2017.

Audit & Supervisory Board Members (A&SB Members) and Audit & Supervisory Board (A&SB)

・The Company sets A&SB Members who are able to exert their monitoring functions according to their individual discretionary decision, but not to majority vote decision. The A&SB Members are also able to independently act upon their own decision in pursuing liabilities of Directors.

・The Company sets Senior A&SB Members who are well versed about corporate operations and are able to comprehend actual condition of businesses by exercising their right to visit and investigate operating sites. The Senior A&SB Members are selected from among those who have experiences as higher or equal position of Managing Directors or equivalent position.

・The Company selects Outside A&SB Members, from among such as management, lawyer, and certified public accountant, those who have extensive expertise with various careers and deep insight and are expected to bring valuable auditing to the execution of Directors duties.

The Company also has established Nomination and Compensation Advisory Committee, members of which include independent Outside Directors, as a consultative body of the Board of Directors in order to further enhance its corporate governance system.

The Company also has established a committee where Outside Directors and Outside A&SB Members exchange information and share recognitions among them.

III. Implementation of Measures for Shareholders and Other Stakeholders

1. Measures to Vitalize the General Shareholder Meetings and Smooth Exercise of Voting Rights

	Supplementary Explanations
Early Notification of General Shareholder Meeting	The Company uses its efforts to promptly send convocation notices of a general shareholder meeting in order to enable the shareholders to exercise their voting rights after they carefully review business conditions of the Group and details of meeting agendas. Also, the Company discloses the convocation notices before it sends them to shareholders.
Allowing Electronic Exercise of Voting Rights	In light of shareholders' convenience in exercising voting rights, the electronic voting system was introduced in 2002 and electronic voting via cellular telephones has been made available since 2005. In addition, the use of ICJ Inc.'s platform for electronic exercise of voting rights has been made available since 2007.
Participation in Electronic Voting Platform	The Company has participated in ICJ Inc.'s platform for exercise of voting rights since 2007.
Providing Convocation Notice in English	The Company has posted the full text of convocation notice in English on the Company's website and ICJ Inc.'s platform for exercise of voting rights
Others	The Company endeavors to prepare a convocation notice that is easy to see and read for the shareholders to understand, utilizing charts and photos, colorizing and using UD font. For the convenience of the shareholders, the Company has posted the full text of convocation notices as well as English translations thereof on the Company's website. The Company creates high-definition images of the contents of business reports and meeting agendas in order for the shareholders to gain a better understanding of matters to be reported and resolved at a general meeting of shareholders. The Company simultaneously broadcasts general meetings of shareholders in high-definition video at venues in Tokyo and Nagoya so as to disclose information to shareholders who reside in distant places and find it difficult to attend the meetings. In addition, the Company makes available, for a certain period of time after the closing of a general meeting of shareholders, on its website, the visual materials that are used to report matters to be reported and the visual reports of the future efforts from President

	of the Company.

2. IR Activities

	Supplementary Explanations	Explanations by Representative directors in person
Preparation and Publication of Disclosure Policy	The "Disclosure Policy" is posted on the following site: https://www.panasonic.com/global/corporate/ir/disclosure_policy.html	
Regular Investor Briefings for Individual Investors	The Company, for timely disclosure to individual investors, actively discloses its management information through the Company's official website and etc.	No
Regular Investor Briefings for Analysts and Institutional Investors	The Company holds conferences with respect to financial results every quarter. In addition to the above, the Company holds conferences for domestic analysts and institutional investors concerning, among others, business strategies for each of Divisional Companies.	Yes
Regular Investor Briefings for Overseas Investors	The Company's conferences concerning the quarterly financial results and business results and business strategies of Divisional Company can be referred in the materials and movies posted on its web site in English. President and CFO are participating overseas IR meetings proactively.	Yes
Posting of IR Materials on Website	With respect to contents of financial results and business reports, the Company makes available brief reports of financial results (*kessan tanshin*) and presentation materials with scripts, both in Japanese and English, on its website. In addition, the Company has endeavored to operate a convenient investor relations site for investors that contain business reports, annual reports and others. https://www.panasonic.com/global/corporate/ir.html	

Establishment of Department and/or Person in Charge of IR	A well-developed system has been established through, among others, having Corporate Finance & IR Department which is in charge of planning IR activities and communication with shareholders and investors, and also having a person responsible for and in charge of IR for each of Divisional Companies.	
Others	The Company issues reports mainly intended for individual shareholders twice a year in order for shareholders to gain a better understanding of the business of the Company. The Company changed the number of shares constituting a unit from one thousand (1,000) shares to one hundred (100) shares as of February 1, 2009 in order to create an environment where investors can invest more easily and to expand individual investors.	

3. Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanations
Stipulation of Internal Rules for Respecting the Position of Stakeholders	It is set forth in the "Panasonic Code of Conduct". http://www.panasonic.com/global/corporate/management/code-of-conduct/list.html
Implementation of Environmental Activities, CSR Activities etc.	The details are described in the sustainability website. Sustainability website: http://www.panasonic.com/global/corporate/sustainability.html
Development of Policies on Information Provision to Stakeholders	It is set forth in the "Panasonic Code of Conduct". http://www.panasonic.com/global/corporate/management/code-of-conduct/list.html
Others	To deliver products and services that contribute to the lives of customers around the world, and to develop Panasonic's business, it is essential for the Company to step up its efforts to develop human talent that can participate actively, and grow, in the global business environment. It is also essential that the Company creates an organizational culture in which all individual employees can fully deploy their talents regardless of age, gender, or nationality. Thus, Panasonic regards the promotion of diversity as a crucial part of its

	business strategy and promotes strengthening managers' organizational management skill, and hence provides a broad range of opportunities for anyone with ability and ambition, and actively strives to create a work-friendly environment. As for promoting female career development, the Company provides career-advancement seminars for women leaders and creates opportunities for women to encounter role models' values and views on working. They help increase the number of women in managerial positions which was 2,875 (about 2.0 times) and the number of women in positions of responsibility which was 534 (about 6.7 times) as of April 2019. (Total of Panasonic Corporation and its key domestic Group companies, vs. April 2004) Others which the Company is promoting is providing the work environment such as flexible work styles who need child care or family care, and where employees can exert their skill and strength regardless of the ages, handicaps, sexual preferences. From November 2017, the Company has been promoting A Better Workstyle (=job satisfaction reform), centering on "Creating Opportunities for Growth through Connecting Externally", "Encouraging Employees' Voluntary Innovative Changes" and "Environment with Diversity".

IV. Matters Related to the Internal Control System

1. Basic Policy on Internal Control System and the Progress of System Development [updated]

The Company's Board of Directors made the following resolution concerning the Company's basic policy regarding the development of internal control systems. It was decided at the Board of Directors' meeting held on July 31, 2018 that this basic policy should be continued with some amendments made to it to reflect the business environment, status of the Company, etc. The details are as follows:

1. Basic Policy Regarding Development of Internal Control Systems

(1) System for ensuring legal compliance in the performance of Directors' duties

The Company shall ensure legal compliance in the performance of Directors' duties by developing effective corporate governance and monitoring systems, as well as by ensuring total compliance awareness among Directors.

(2) System for retention and management of information pertaining to the performance of Directors' duties

The Company shall properly retain and manage information on the performance of Directors' duties in accordance with all applicable laws and regulations and the internal rules of the Company.

(3) Rules and other measures for financial risk management

The Company shall establish rules for risk management, and identify material risk through assessment of risks affecting management of the business. The Company shall also take countermeasures against each material risk, while monitoring the progress of such countermeasures with the aim of seeking continual improvement.

(4) System for ensuring efficiency of the performance of Directors' duties

The Company shall ensure efficiency in the performance of Directors' duties by clarifying business goals based on its business strategies, and examining progress towards achievement of such goals, while seeking to expedite decision-making.

(5) System for ensuring compliance with applicable laws in the performance of employees' duties

The Company shall seek to increase employees' awareness of compliance issues by clarifying the Company's compliance policy. The Company shall also ensure legal compliance in the performance of employees' duties by developing effective monitoring systems.

(6) System for ensuring the properness of operations across the Panasonic Group

While respecting the autonomy of each Group company's management practices, the Company shall fully ensure that Group companies adhere to the Company's management policy, management philosophy and basic policy regarding the development of internal control systems, and shall develop a system for reporting to the Company to thoroughly ensure proper operations of the Panasonic Group as a whole.

(7) Employees who assist A&SB Members in auditing, and such employees' independence from Directors

The Company shall establish a body independent from Directors, tasked with enhancing the effectiveness of audits by A&SB Members and facilitating the smooth performance of audits.

(8) Ensuring effectiveness of instructions given by A&SB Members to employees who assist A&SB Members

Staff members assisting the A&SB Members, while still subject to the internal rules of the Company, shall be under the instruction and supervision of the respective A&SB Members, and personnel-related matters shall be undertaken upon prior discussion with A&SB Members.

(9) System for Directors, employees and other staffs of the Company and its subsidiaries to report to the Company's A&SB Members

The Company shall ensure opportunities and systems that enable Directors, employees and other staffs of the Company and Group companies to properly report to the respective A&SB

Members, and moreover shall ensure opportunities and systems that enable audit & supervisory officers, who are non-statutory full-time auditors, of Divisional Companies and other such bodies, and A&SB Members of Group companies to report to the Company's A&SB Members.

(10) System for ensuring that parties who have reported to A&SB Members do not incur unfavorable treatment as a consequence of such reporting

In ensuring opportunities and systems for Company and Group company employees and other staffs to report to A&SB Members, the Company shall make sure that employees and other staffs who have duly reported do not incur unfavorable treatment as a consequence of such reporting.

(11) Policy on management of expenses and debt incurred in execution of A&SB Member duties

The Company shall calculate budgets on an annual basis for expenses arising with respect to the execution of duties of A&SB Members to ensure effectiveness of audits, and moreover shall provide pre-payment or reimbursement in accordance with laws and regulations with respect to expenses incurred beyond amounts budgeted.

(12) Other systems for ensuring effective performance of audits by the A&SB Members

The Company shall have audit & supervisory officers assigned to Divisional Companies and other such entities to assist with audits by A&SB Members. Moreover, the Company shall develop a system enabling effective performance of audits, including mutual cooperation with the accounting auditors and the internal auditing group, in accordance with the Audit Plan established by the A&SB Members each year.

2. Status of Basic Policy Implementation in the Company

(1) System for ensuring legal compliance in the performance of Directors' duties

・ The Company has established internal rules such as the Panasonic Code of Conduct and the Code of Ethics for Directors and Executive Officers, and endeavors to ensure that its Directors act in accordance with laws, regulations and the Company's Articles of Incorporation. Additionally, when Directors assume their positions, the Company provides them with opportunities to acquire the knowledge necessary to fulfill their roles and obligations, and during their terms of office it continues to provide Directors with opportunities to acquire the knowledge they need, including presentations on management and compliance by external experts as required.

・ The Company strengthens its supervisory functions by making the composition of Outside Directors of the Board of Directors Meeting to be one third or more and by providing opportunities for the Outside Directors to actively communicate through Board of Directors' meetings and other such occasions. The Company has also established a Nomination and Compensation Advisory Committee whose composition ratio of Outside Directors to be majority, and whose chairperson to be an Outside Director to ensure objectivity and transparency in the process of determining the nomination and remuneration of Directors.

・ Audits are conducted by A&SB Members and the Audit & Supervisory Board. In addition, at the Divisional Companies, management committees have been established and audit & supervisory officers have been appointed, which correspond in function to the Board of Directors and the A&SB Members, respectively.

・The Company aims to resolutely prevent any association with anti-social forces (such as organized criminal networks) through initiatives that include implementing training for members of the Board of Directors, partially revising the Regulations of Executive Officers, and obtaining written pledges with regard to combating organized crime within the Company..

(2) System for retention and management of information pertaining to the performance of Directors' duties

The minutes of meetings of the Board of Directors are prepared after each meeting of the Board of Directors and retained permanently by the section responsible for administration relating to the Board of Directors. Records of approval by the President are also retained permanently by the responsible department.

(3) Rules and other measures for financial risk management

Based on Basic Risk Management Regulations, the Company identifies material risks by collecting and assessing information on risks in an integrated and comprehensive fashion through the Global and Group (G&G) Risk Management Committee, and takes countermeasures proportionate to the materiality of each risk.

(4) System for ensuring efficiency of the performance of Directors' duties

・The Company expedites decision-making through Rules of Approval for Decision-making in Important Matters, the clarification of roles between Directors and Executive Officers, the delegation of authority to entities such as Divisional Companies and business divisions, the holding of Group Strategy Meetings, and the implementation of an IT system that ensures the rapid and accurate collection and transmission of important management information.

・ The Company plans and implements measures to achieve the business goals it set based on its business strategies by confirming and examining the status of progress towards the goals at the time of monthly settlement of accounts.

(5) System for ensuring compliance with applicable laws in the performance of employees' duties

・ The Company has established internal rules such as the Panasonic Code of Conduct and implements various awareness-building activities such as its Compliance Awareness Month on a Company-wide basis as well as training tailored to specific employee levels and e-learning.

・The Company seeks to detect improper acts at an early stage through conducting operational audits and internal control audits, and operating hotlines that support global languages in addition to other measures. In addition, the Panasonic Code of Conduct stipulates that whistleblowers shall not be subject to unfavorable treatment as a consequence of having used the hotline or other means to report violations of laws or regulations, or concerns otherwise in

that regard.

・ The Company is stepping up its efforts to implement fair business practices emphasizing compliance and taking measures to change of its business environments accordingly by establishing organizations that perform the functions of promotion of fair business, business legal affairs, risk management, and administration of corporate governance.

・ The Company aims to resolutely prevent any association with anti-social forces (such as organized criminal networks) by assigning an employee in the division overseeing such preventative measures , making partial revision on the “rules of employment” and obtaining the letters of commitment on the “elimination of organized crime groups from inside of the company” etc.

(6) System for Ensuring the Properness of Operations across the Panasonic Group

・ The Company ensures that basic policy for internal control systems is fully implemented by Group companies, and disseminates relevant information among Group companies. Initiatives to that end include: implementing the Panasonic Code of Conduct and the Rules of Approval for Decision-Making in Important Matters; implementing group-wide regulations respecting individual professional functions; dispatching Directors and A&SB Members to Group companies and exercising the Company’s shareholder rights thereof; establishing the governance rules whose observance to be ensured by Group companies, conducting regular operational audits and internal control audits of Group companies through the internal auditing group, and; sharing and disseminating information on business objectives through management policy announcements.

・ The framework described above ensures the properness of operations, thereby enabling the Panasonic Group to establish the internal controls necessary for financial reporting based on the Financial Instruments and Exchange Act.

(7) Employees who assist A&SB Members in auditing, and such employees’ independence from Directors

The Company has established the Audit & Supervisory Board Member’s Office, whose dedicated staff is under the direct control of the Audit & Supervisory Board and separate from any operating function of the Company’s business. The Company assigns A&SB Member assistant staff members who possess appropriate capabilities and knowledge as required by the A&SB Members.

(8) Ensuring effectiveness of instructions given by A&SB Members to employees who assist A&SB Members

・ Respective A&SB Members issue instructions to their staff members, and those staff members accordingly assist the A&SB Members in performing their duties.

・ The Company consults with A&SB Members in advance of undertaking personnel-related matters including employee transfers and other affairs involving staff members who assist the A&SB Members.

(9) System for Directors, employees and other staffs of the Company and its subsidiaries to report to the Company's A&SB Members

・ Directors, employees and other staffs of the Company and Group companies report on business operations and other issues at respective regular meetings held by A&SB Members and other such occasions, and also report as necessary at other important meetings with A&SB Members, where their attendance has been requested. Moreover, A&SB Members of Group companies report as necessary to the Company's A&SB Members regarding content of reports at respective Group companies. Audit & supervisory officers conduct inquiries at respective Divisional Companies regarding business operations and issues at such Divisional Companies, and report such matters as necessary to the Company's A&SB Members.

・ The Company has established an Audit Report System by which employees of the Company and Group companies directly report to the Company's Audit & Supervisory Board about irregularities or concerns in regards to accounting or auditing.

(10) System for ensuring that parties who have reported to A&SB Members do not incur unfavorable treatment as a consequence of such reporting

The Audit Report System enables parties to report matters anonymously, while the Panasonic Code of Conduct ensures that whistleblowers shall not be subject to unfavorable treatment as a consequence of such reporting.

(11) Policy on management of expenses and debt incurred in execution of A&SB Member duties

・ To ensure effectiveness of audits, the Company calculates preliminary budgets with respect to anticipated expenses required by A&SB Members in executing their duties, in accordance with Audit & Supervisory Standards.

・ The Company also provides pre-payment or reimbursement for expenses paid under urgent or extraordinary circumstances in accordance with laws and regulations.

・ In making payment of audit expenses, A&SB Members are required to remain mindful of efficiency and appropriateness in that regard.

(12) Other systems for ensuring effective performance of audits by the A&SB Members

・ Audit & supervisory officers tasked with monthly reporting and implementing liaison meetings are assigned to Divisional Companies and other such entities. Any decisions on personnel-related matters involving the audit & supervisory officers require the agreement of A&SB Members.

・ The Company has established and operates the Panasonic Group Audit & Supervisory Board Members′ Meeting chaired by the Company's Senior A&SB Member, in order to facilitate cooperation among the A&SB Members of the Company, the audit & supervisory officers of Divisional Companies and other such entities, and the A&SB Members of Group companies.

・ Representative Directors and A&SB Members exchange opinions regularly and whenever

necessary. Moreover, respective departments cooperate in implementing visiting audits of business offices inside and outside Japan conducted by A&SB Members. Internal auditing groups also cooperate to enhance the effectiveness of audits carried out by A&SB Members through collaboration with A&SB Members, including reporting as appropriate to the A&SB Members.

・ When the accounting auditors formulate their audit plans, perform quarterly reviews, and conduct final audits, the A&SB Members hold regular meetings with the accounting auditors at which they receive explanations and reports, and exchange opinions with the accounting auditors as necessary.

Note: "Group companies" means subsidiaries as stipulated in the Companies Act.

2. Basic Policy on Eliminating Anti-Social Forces

The Company considers compliance with laws and ordinances as well as corporate ethics and set them in the Panasonic Code of Conduct, which includes resolute prevention of any association with anti-social forces. By building up the employees' working regulations, the Company also has the system in place to eliminate anti-social forces or people closely related to those forces from inside the Company.

The Company also established the rule of the prevention of relationships with antisocial forces, and developed a management system, as described below.

Status of the development of the policy to antisocial force are also described in above 2. Status of Basic Policy Implementation in the Company (1) System for ensuring legal compliance in the performance of Directors' duties and (5) System for ensuring compliance with applicable laws in the performance of employees' duties of IV Matters Related to Internal Control System:

(1) Status of establishment of the department overseeing measures against antisocial forces and the persons-in-charge for preventing undue claims

The Company thoroughly prevents any relationships with antisocial forces by developing a management system across the Group, mainly through the Business Conduct Committee, by establishing the department overseeing measures against antisocial forces to take measures against antisocial forces and by assigning persons-in-charge for preventing undue claims.

(2) Status of cooperation with external professional organizations

In order to promptly take measures against antisocial forces, the Company, on a daily basis, cooperates closely with the National Center for the Elimination of "*Boryokudan*", the police station under its jurisdiction, the association for corporate defense, attorneys and other people, mainly through the department overseeing measures against antisocial forces.

(3) Status of collection and management of information on antisocial forces

The Company developed a system to enable relevant information to be concentrated at the department overseeing measures against antisocial forces. Also, the Company endeavors to collect information from the external professional organizations and to keep every Group company informed of the information. The information is properly managed in accordance with laws and ordinances as well as the Company's internal regulations.

(4) Status of development of manual for countermeasures

The Company developed a manual for countermeasures to eliminate antisocial forces and delivered it to the Group companies. The Company endeavors to cause all Group companies to respond systematically, according to the procedures in the manual for countermeasures.

(5) Status of implementation of training activities

The Company, mainly through the department overseeing measures against antisocial forces, promotes awareness activities within the Group to prevent the formation of relationships with antisocial forces, illegal payoffs, any acts that violate the principle of equality among customers and any other improper acts, by inviting outside instructors and regularly holding training workshops on the elimination of antisocial forces against corporations.

V. Others

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	Not Adopted

Supplementary Explanation

1) Efforts to boost corporate value of the Company

Since the Company's foundation, Panasonic has operated its businesses under its management philosophy, which sets forth that Panasonic's mission as a business enterprise is to contribute to the progress and development of society and the well-being of people through its business activities. While enhancing its strength as a manufacturer and offering and pursuing a "A Better Life, A Better World" for each customer, working together with its various partners, the Company will work to sustainably grow its corporate value to satisfy its shareholders, investors, customers, business partners, employees and all other stakeholders.

2) Measures against large-scale purchase

Panasonic has a basic policy that shareholders should make final decision in the event that a large-scale purchase of the Company's share is offered, regarding whether or not the offer

should be accepted. However, in such cases, there is a possibility that shareholders might not be provided with sufficient information required to make appropriate decisions, and a concern that corporate value and shareholder interest might be significantly damaged.

Panasonic will take appropriate measures within the scope permitted by the Financial Instruments and Exchange Act, the Companies Act, and other related laws and regulations, including requesting any party proposing a Large-scale Purchase of the Company's shares to provide sufficient information necessary to assist shareholders in making appropriate decisions, expressing or disclosing opinions or other statements from the Board of Directors, and endeavoring to secure sufficient time for shareholders to consider the proposed purchase. Before the Board of Directors' opinions or other statements are expressed or disclosed, the Company will set up an independent committee comprising Outside Directors and Outside Audit & Supervisory Board Members and the Board of Directors will consult this committee regarding its opinion and treat the committee's report with the utmost respect.

2. Other Matters Concerning to Corporate Governance System

Under its basic philosophy, "A company is a public entity of society," the Company has committed to highly transparent business activities and endeavored to be accountable its accountability to its stakeholders. The Company clearly defines its basic policy on information disclosure in the "Panasonic Code of Conduct," the guideline for putting the Group's Basic Business Philosophy into practice. The Company also publishes relevant practical standards, methodologies, internal processes, etc., as the "Disclosure Policy,". The Company's basic policy is to provide the Company's fair and accurate financial information and corporate information, including management policies, business activities and Environment, Social, Governance (ESG) activities, in a timely, appropriate and easily understandable manner. In accordance with this basic policy, important matters concerning the management of the Group are resolved or reported at the Board of Directors pursuant to the Regulations of the Board of Directors. These important matters and other matters, which are required to be disclosed under relevant laws and ordinances in Japan and overseas or any other regulations, are timely and accurately reported from each relevant department, that has the important internal information, to the department that handles relevant information under the monitoring of the Chief Financial Officer (CFO), so that important information is gathered. Further, matters required to be disclosed under the rules of financial instruments exchanges are also under the monitoring of the CFO.

Also, if any of the matters which is required to be disclosed under relevant laws and ordinances in Japan and overseas, and the rules of financial instruments exchanges or any other regulations, occurs at the Company's business divisions including subsidiaries, such matter shall be immediately reported to the "Financial & Accounting Department" or the "Corporate Finance & IR Department", depending upon the nature thereof; Thus, the Company has established a structure whereby these matters can be collected.

With respect to the information gathered or identified, the Company determines the necessity of disclosure thereof in accordance with relevant laws and ordinances in Japan and overseas, and the rules of financial instruments exchanges or any other regulations, and makes effort to disclose it at the time that the organization, which effectively decides execution of the business

of the Company, makes a resolution or determination, or becomes aware of its occurrence.

In addition, the Company endeavors to confirm the contents and expressions of the disclosure with the relevant departments within the Company and outside legal counsel to ensure the accuracy, fairness and adequacy of the disclosure.

Moreover, the Company has established disclosure control procedures in order to comply with relevant laws and ordinances in Japan and overseas, the rules of financial instruments exchanges and any other regulations, and to implement the fair, accurate and timely disclosure of information about its Group, etc. In the process of preparation and confirmation of documents such as annual securities reports and quarterly reports, the Disclosure Committee, which is comprised of managers from principal departments that handle relevant information, confirms the validity of the content of the descriptions and the appropriateness of the procedures concerning the disclosure under the supervision of the President and the CFO, who are responsible for establishing, maintaining and ensuring the effectiveness of the internal control and disclosure control of the Company. The chairman of the Disclosure Committee is appointed by the President and the CFO, and the members of the Disclosure Committee are appointed by the chairman of the Disclosure Committee. The Disclosure Committee also develops, maintains, improves and evaluates the internal control procedures concerning disclosure matters.

The Company has documented the actual status of its internal control system, with integrated control provided by the Internal Control Promotion Office, in order to ensure reliability in the financial reporting of the Panasonic Group including its subsidiaries, ranging from the control infrastructure to actual internal control activities. Specifically, the Company has reinforced its internal controls by implementing self-checks and self-assessment programs at each of the Divisional Companies and business divisions, etc. Then, Internal Auditing Managers of the Divisional Companies appointed by the Company at each of the Divisional Companies, etc. conduct audits. Based on the audits, the Internal Control Promotion Office supervises the group-wide internal control audits in order to confirm the effectiveness of each company's financial reporting. With the aim of further enhancing the Group's internal control system, in fiscal 2019 Panasonic had approximately 400 personnel assigned to conduct internal audits in the Internal Auditing Group.

Under the above-mentioned internal system, the Company will endeavor to, always from the standpoint of investors, provide accurate and fair corporate information timely and appropriately, fully understanding the purpose of the basic philosophy for the good-faith business execution of the listed securities issuer under the rules of the timely disclosure of the financial instruments exchanges such as Tokyo Stock Exchange.

Panasonic Code of Conduct
Chapter 2: Implementing the Code in Business Operations
II-5. Information Disclosure

(1) Basic Approach to Information Disclosure

We will provide our various stakeholders, including customers and shareholders, with fair and accurate information on corporate financial affairs, our Basic Business Philosophy, business policies and activities, as well as environmental, social, and governance activities, in a timely,

understandable and appropriate manner. At the same time, we will listen to our customers' requests and comments and reflect them in our business policies and activities. We will seek to be an enterprise with high transparency.

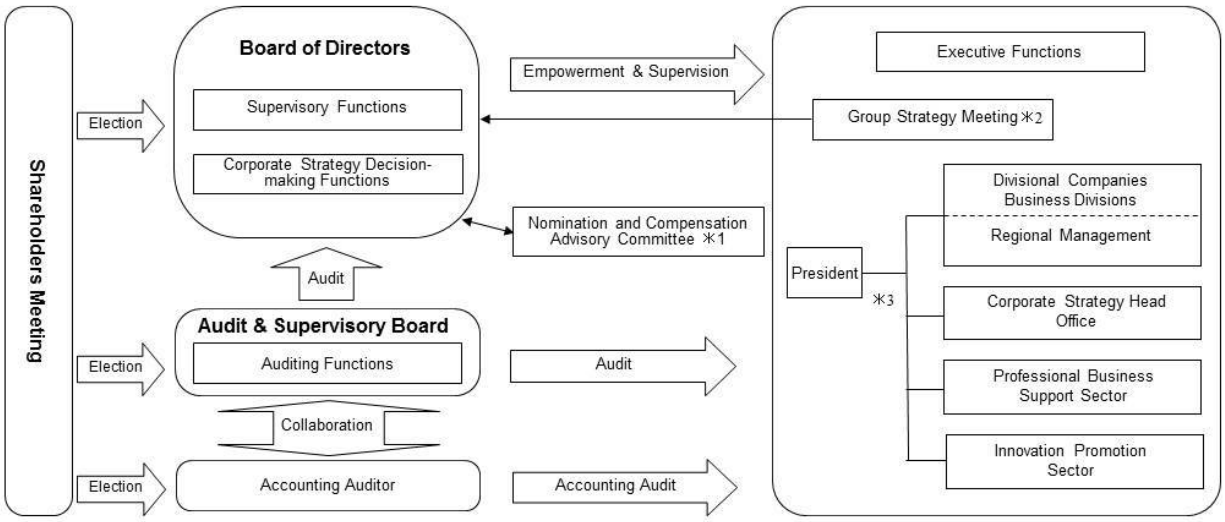
(2) Compliance with Applicable Laws and Regulations

Our securities have been listed on securities markets in several countries and regions. Accordingly, we will abide by all applicable securities and information disclosure-related laws and regulations of appropriate countries and regions. We will never engage in insider trading or other transactions using inside information.

(3) Disclosure Methods

By implementing a system to ensure information disclosure in a timely and appropriate manner, we will disclose information in accordance with relevant laws and regulations and other information that we deem necessary to disclose, following proper internal control procedures, so as to ensure that the information we disclose is fair, accurate, and sufficient.

＜Reference: Diagram of Corporate Governance Structure＞



＊1 Deliberating inquires and reporting on results to the Board of Directors
＊2 Complementing a decision-making in the Board of Directors
＊3 Including the affiliated companies (Japan and overseas), etc