

March 29, 2024

FOR IMMEDIATE RELEASE

Panasonic Holdings Corporation
Corporate Finance & IR Department
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Execution of Share Purchase Agreement
in connection with the Transfer of Shares of Panasonic Automotive Systems
and Related Shareholders Agreement

Osaka, Japan, March 29, 2024 -- Panasonic Holdings Corporation ([TSE:6752] the “Company”) today announced the execution of a share purchase agreement and a shareholders agreement in connection with transfer of shares of Panasonic Automotive Systems, Co., Ltd. (“PAS”), a wholly-owned subsidiary of the Company.

As announced in the press release “Panasonic Holdings Announces the Basic Agreement about a Partnership for Panasonic Automotive Systems’ business” dated November 17, 2023, for the purposes of becoming a strategic partner with the Apollo Group, including Apollo Global Management Inc. (“Apollo”) with regards to the PAS’ business, the Board of Directors of the Company has resolved today to transfer all of the shares of PAS to Star Japan Acquisition Co., Ltd. (“New PAS Parent”), a company whose shares are indirectly wholly-owned by funds managed by Apollo, and to acquire 20% of the shares of Star Japan Holdings Co., Ltd., which is the holding company that wholly owns the shares of New PAS Parent (the “Holding Company”)(such transactions, the “Transaction”), and in connection therewith, enter into a shareholders agreement with Apollo, all in accordance with below.

As a result of the Transaction, PAS will cease to be a consolidated subsidiary of the Company, while the Holding Company and PAS, which is to be a sub-subsiary of the Holding Company, will each become a company under the equity method of the Company by the end of the fiscal year ending March 31, 2025 (scheduled; subject to satisfaction of customary closing conditions including regulatory approvals, the “Scheduled Closing Date”).

1. Reasons for the Transaction (Change of Subsidiary)

PAS was established as an operating company responsible for the automotive business of the Panasonic Group. PAS has contributed to the creation of comfortable, safe, and secure vehicles by providing infotainment and other advanced technologies as a Tier 1 supplier to automobile manufacturers in Japan and overseas.

With the rapid shift to electric vehicles in the automotive industry and major changes in vehicle architectures, continuous investment will be necessary to achieve long-term growth in software development and electrification, which will require further enhancement in the future. However, considering that it is difficult to invest further management resources on its own, the Company has decided that bringing in a partner who has the know-how and financial resources for this business and who shares the same business vision will be optimal for the further growth of PAS’ business. Therefore, the Company has come to a decision to pursue the Transaction based on the judgment that the transfer of PAS shares to the New PAS Parent, a company whose shares are indirectly wholly owned by funds managed by Apollo, will contribute to the improvement of PAS’ corporate value as well as to the concentration of management resources at the Company.

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With a view of potential future listing, PAS will seek to achieve further growth and development as a leading provider in the rapidly evolving automotive electronics industry with industry-leading competitiveness and management structure. Through the Transaction, PAS will have the opportunity to raise a large and new amount of capital for, among other things, strengthening its ability to develop growth businesses.

As announced at the Group Strategy Briefing held on May 18, 2023, the Company has been considering a revision and replacement of its business portfolio in order to enhance the value of the Panasonic Group. The Transaction is a part of such revision and replacement process. The Company will continue to support PAS who will remain as a member of the Panasonic Group, which share the same core values based on business philosophy, and we will work together with other group companies to mutually maximize our corporate value.

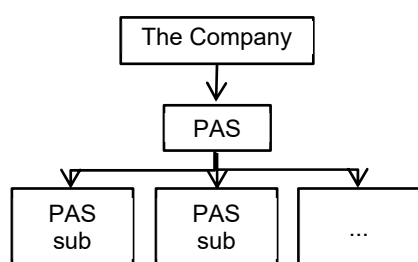
2. Method of the Transaction

In order to become a strategic partner with Apollo in the automotive business, prior to the Transaction, the Company plans to conduct a reorganization to consolidate the businesses and assets of the Company's consolidated subsidiaries engaged in the automotive business that are subject to the Transaction under PAS (see the figure below <Pre-Transaction (Post-Reorganization)> (Note).

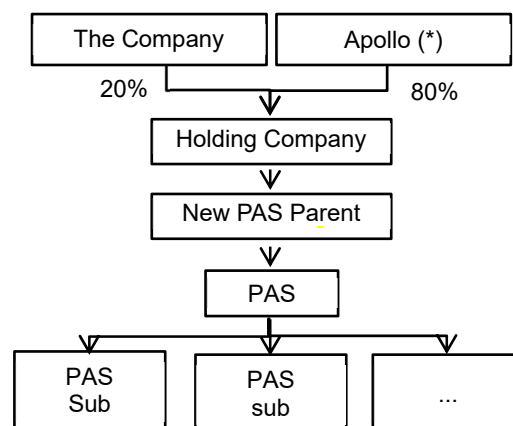
Subsequently, on the Scheduled Closing Date, The Company will transfer all shares of PAS to New PAS Parent and acquire 20% of the shares of Holding Company (see the figure below <Post-Transaction>).

PAS will continue to use its current trade name and the Panasonic trademark for a certain period after this Transaction.

<Pre-Transaction (Post-Reorganization)>



<Post-Transaction>



*Funds managed by Apollo

(Note) As a result of the above reorganization prior to the Transaction, the businesses, assets, etc. of the Company's consolidated subsidiaries engaged in the automotive business that are the subject of the Transaction will be consolidated under PAS. However, Ficosa International, S.A. ("Ficosa") will not be subject to the Transaction and will remain a consolidated subsidiary of the Company.

3. Outline of the subsidiary to be transferred (PAS) (as of March 29, 2024)

(1)	Company name	Panasonic Automotive Systems Co., Ltd.		
(2)	Head Office	4261 Ikebe-cho, Tsuzuki-ku, Yokohama City, Kanagawa, Japan		
(3)	Name and title of representative	Masashi Nagayasu, President and Representative Director, CEO		
(4)	Business description	Development, manufacturing, and sales of cockpit systems, ADAS (Advanced Driver Assistance Systems) and related devices, onboard chargers, and systems and devices for xEVs, etc.		
(5)	Stated capital	500 million yen		
(6)	Date of establishment	February 25, 2021		
(7)	Major shareholders and shareholding ratio	Panasonic Holdings Corporation 100%		
(8)	The relationship between the Company and PAS	Capital relationship	The Company owns 100% of the voting rights of PAS.	
		Personnel relationship	The Company dispatches 2 Board members and 3 of its members of Audit & Supervisory Board to PAS.	
		Transactional relationship	The Company and its subsidiaries sell power devices and relays, etc. to car manufacturers through PAS. In addition, the Company and its subsidiaries are contracted by PAS and its subsidiaries to provide manufacturing, services, etc., and lease buildings to PAS and its subsidiaries.	
(9)	Operating results and financial position of PAS for the past three years (non-consolidated)			
	Fiscal Years	Fiscal Year ended March 2021	Fiscal Year ended March 2022	Fiscal Year ended March 2023
	Net assets	1 million yen	0 million yen	(9,589 million yen)
	Total assets	1 million yen	1 million yen	140,652 million yen
	Net assets per share	1 million yen	0 million yen	(4,795 million yen)
	Net sales	-	-	530,902 million yen
	Operating profit	(0 million yen)	(1 million yen)	(14,795 million yen)
	Ordinary profit	(0 million yen)	(1 million yen)	(14,373 million yen)
	Net profit attributable to attributable to parent company stockholder	(0 million yen)	(1 million yen)	(10,091 million yen)
	Net profit per share	(0 million yen)	(1 million yen)	(5,046 million yen)
	Dividend per share	-	-	-

(Reference)

Consolidated figures for the segment subject to the Transaction (information on reportable "Automotive" segment)

Accounting period	Year ended March 31, 2023
Net sales	1,297,529 million yen
Operating profit	16,225 million yen

*1. PAS was established on February 25, 2021 as a successor company in a company split (absorption-type company split) (a preparatory company for the company split) upon the Company's transition to a holding company structure in April 2022, followed by an absorption-type company split between the Company and PAS with April 1, 2022 as the effective date, with PAS as the successor company in the company split.

*2. "Consolidated figures for the segment subject to the Transaction (information on reportable "Automotive" segment)" includes figures for businesses that are not subject to the Transaction such as those for Ficosa.

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4. Summary of the counterparty to the share transfer (New PAS Parent) (as of March 29, 2024)

(1)	Company name	Star Japan Acquisition Co., Ltd.	
(2)	Head office	The Okura Prestige Tower, 2-10-4 Toranomom, Minato-ku, Tokyo, Japan	
(3)	Name and title of representative	Tsuneyuki Tanaka, Director	
(4)	Business description	Holding company	
(5)	Stated capital	5,000 yen	
(6)	Date of establishment	February 22, 2024	
(7)	Net assets	-	
(8)	Total assets	-	
(9)	Major shareholders and shareholding ratio	Star Japan Holdings Co., Ltd. 100%	
(10)	Relationship between the Company and New PAS Parent	Capital relationships	N/A
		Personnel relationships	N/A
		Transactional relationships	N/A
		Status of related parties	N/A

(Note 1) New PAS Parent was incorporated on February 22, 2024. Thus, the Company does not have established financial status or business performance covering the latest fiscal year.

(Note 2) The shareholding ratio is the percentage of the owned shares against the aggregate number of issued shares (excluding treasury shares).

*1. New PAS Parent is a substantially wholly owned by funds managed by Apollo. Apollo Global Management Inc., a member of the Apollo Group, is a leading global alternative asset management company originally founded in 1990, with assets under management of approximately USD 651 billion as of December 31, 2023.

*2. After the Transaction, the Company will hold shares equivalent to 20% the voting rights in the Holding Company.

*3. The Company plans to dispatch 1 Board member to the Holding Company after the Transaction.

*4. After the Transaction, the Holding Company is expected to become an equity-method affiliate of the Company.

5. Number of shares transferred, transfer price and status of shares held before and after transfer

(1)	Number of shares held before the change	2 shares (Number of voting rights: 2) (Ratio of voting rights: 100%)
(2)	Number of shares transferred	2 shares (Number of voting rights: 2)
(3)	Transfer price	The final transfer price is to be decided based on the enterprise value 311 billion yen less approx. 70 billion yen (totaling approx. 240 billion yen) with adjustment due to changes in Ficosa's enterprise value and cost structure, and adjusted based on PAS' net debt, working capital and capital expenditures, etc.
(4)	Number of shares held after the change	0 shares (Number of voting rights: 0) (Ratio of voting rights: 0%)

*1. The final transfer price is to be decided after certain price adjustments are made as stipulated in the shareholders agreement.

*2. After the Transaction, the Company will hold shares equivalent to 20% voting rights in the Holding Company, which is the holding company that wholly owns the shares of New PAS Parent.

6. Date

(1) Date of resolution by the Board of Directors	March 29, 2024
(2) Date of agreement	March 29, 2024
(3) Date of execution of stock transfer	By the end of the fiscal year ending March 31, 2025 (scheduled)

7. Future Outlook

As of today, the Company expects that the impact of the Transaction on business performance for the fiscal year ending March 31, 2024 and beyond will be approximately 60 billion yen of loss; provided, such amount is still being analyzed so may be subject to change, and the impact of the Transaction on the fiscal year ending March 31, 2024 has also yet to be determined. The consolidated forecast for the fiscal year ending March 31, 2024 announced on February 2, 2024 does not incorporate the impact of the Transaction. The Company will timely announce any significant changes in the impact on business performance for the fiscal year ending March 31, 2024 and beyond, as well as any significant impact on the consolidated business forecast for the fiscal year ending March 31, 2024, if such changes become known.

The Company expects that the impact of the Transaction on its net cash* will be an increase of approximately 70 billion yen; provided, such amount is still being analyzed so may be subject to change.

*Net cash is calculated by deducting the sum of "short-term and current portion of long-term borrowings," "long-term borrowing," and "lease obligations" (current and non-current liabilities) liabilities, which are part of interest-bearing debt, from the sum of "cash and cash equivalents" and term deposits included in "other financial assets".

Attachments:

Panasonic Holdings and Apollo Announce Execution of Share Purchase Agreement in connection with the Transfer of Shares of Panasonic Automotive Systems and Establishment of a Joint Holding Company

(Reference) The Company's consolidated forecast for the fiscal year ending March 31, 2024 (as of February 2, 2024) and consolidated results for the fiscal year ended March 31, 2023 (IFRS)

	Net sales	Operating profit	Profit before income Taxes	Net profit attributable to Panasonic Holdings Corporation stockholders	(Reference) Adjusted operating profit
Consolidated financial forecast for fiscal 2024	8,400,000	400,000	455,000	460,000	400,000
Consolidated financial results for fiscal 2023	8,378,942	288,570	316,409	265,502	314,077

(Millions of yen)

1. Amounts less than one million yen are rounded off.
2. "Adjusted operating profit" is calculated by deducting cost of sales and selling, general and administrative expenses from net sales.
3. Fiscal 2024 refers to the fiscal year ending March 31, 2024.

Disclaimer Regarding Forward-looking Statements

This press release includes forward-looking statements about Panasonic Holdings Corporation (Panasonic HD) and its Group companies (the Panasonic Group). To the extent that statements in this press release do not relate to historical or current facts, they constitute forward-looking statements. These forward-looking statements are based on the current assumptions and beliefs of the Panasonic Group in light of the information currently available to it, and involve known and unknown risks, uncertainties and other factors. Such risks, uncertainties and other factors may cause the Panasonic Group's actual results, performance, achievements or financial position to be materially different from any future results, performance, achievements or financial position expressed or implied by these forward-looking statements. Panasonic HD undertakes no obligation to publicly update any forward-looking statements after the date of this press release. Investors are advised to consult any further disclosures by Panasonic HD in its subsequent filings under the Financial Instrument and Exchange Act of Japan (the FIEA) and other publicly disclosed documents.

The risks, uncertainties and other factors referred to above include, but are not limited to, economic conditions, particularly consumer spending and corporate capital expenditures in the Americas, Europe, Japan, China and other Asian countries; occurrence and continuation of supply disruption or soaring prices of raw materials or transportation; the possibility that excessive currency rate fluctuations of the U.S. dollar, the euro, the Chinese yuan and other currencies against the yen may adversely affect costs and prices of Panasonic Group's products and services and certain other transactions that are denominated in these foreign currencies; the possibility of the Panasonic Group incurring additional costs of raising funds, because of changes in the fund raising environment including interest rate fluctuations; the possibility of the Panasonic Group not being able to respond to rapid technological changes and changing consumer preferences with timely and cost-effective introductions of new products in markets that are highly competitive in terms of both price and technology; the possibility of not achieving expected results or incurring unexpected losses in connection with the alliances or mergers and acquisitions; the possibility of not being able to achieve its business objectives through joint ventures and other collaborative agreements with other companies, including due to the pressure of price reduction exceeding that which can be achieved by its effort and decrease in demand for products from business partners which Panasonic Group highly depends on in BtoB business areas; the possibility of not achieving expected benefits in connection with the transition to a new organizational system in which Panasonic HD is a holding company; the possibility of the Panasonic Group not being able to maintain competitive strength in many product and geographical areas; the possibility of incurring expenses or losses resulting from any defects or quality frauds in products or services of the Panasonic Group; the possibility that the Panasonic Group may face intellectual property infringement by third parties or intellectual property infringement claims by third parties; the possibility that change or tightening of current and potential, direct and indirect restrictions imposed in Japan or other countries over trade, manufacturing, labor and operations may adversely affect business operations of Panasonic Group and its supply chain; failures in proper tackling of regulations and policies introduced or strengthened with respect to environmental issues including climate change or responsible procurement activities (human rights, labor, health and safety, global environmental conservation, information security, corporate ethics, etc.) in the supply chain; restrictions, costs or legal liability relating to introduction or tightening of laws and regulations; fluctuations in market prices of securities and other financial assets in which the Panasonic Group has holdings or changes in valuation of non-financial assets, including property, plant and equipment, goodwill and deferred tax assets; future changes or revisions to accounting policies or accounting rules; the possibility of incurring expenses resulting from a leakage of customers' or confidential information from systems of Panasonic Group or its supply chain, service suspension or vulnerability of network-connected products due to unauthorized system access and cyberattacks etc.; the possibility not being able to acquire the necessary human resources to promote management strategies and prevent the outflow of existing employees; the possibility that the spread of infections including the novel coronavirus infections may adversely affect business activities of the Panasonic Group; volatility in demand for electronic equipment and components from business and industrial customers, as well as consumers in many product and geographical markets occurrence of events that may negatively impact business activities of the Panasonic Group, including large-scale natural disasters, prevalence of infectious diseases throughout the world and terrorism or wars. The factors listed above are not all-inclusive and further information is contained in the most recent English translated version of Panasonic HD's securities reports under the FIEA and any other documents which are disclosed on its website.

March 29, 2024

Panasonic Holdings Corporation

Panasonic Holdings and Apollo Announce Execution of Share Purchase Agreement in Connection with the Transfer of Shares of Panasonic Automotive Systems and Establishment of a Joint Holding Company

Osaka, Japan — Panasonic Holdings Corporation ("PHD") and the Apollo Group, including Apollo Global Management Inc. ("Apollo"), today announced the entry into a share purchase agreement with respect to the transfer of shares of Panasonic Automotive Systems Co., Ltd. ("PAS") and a related shareholders agreement. The two companies have agreed to become strategic partners in PAS' business.

In connection with such agreement, a newly formed company ("New PAS Parent"), which is indirectly owned by the funds managed by Apollo, will acquire all of the shares of PAS currently 100% owned by PHD, and PHD will acquire 20% of the shares of the holding company of the New PAS Parent ("Holding Company") (such transaction, the "Transaction"). PHD and Apollo will together manage PAS' business going forward.

PAS was established as an operating company responsible for the automotive business of the Panasonic Group. PAS has contributed to the creation of comfortable, safe, and secure vehicles by providing infotainment and other advanced technologies as a Tier 1 supplier to automobile manufacturers in Japan and overseas.

With the rapid shift to electric vehicles in the automotive industry and major changes in vehicle architectures, software development and electrification will require further enhancement in the future. In order to ensure the long-term growth of PAS, PHD had been seeking a partner with appropriate know-how and financial resources for the business with whom PHD can share our business vision.

Since our announcement in November 2023 regarding the partnership between PHD and Apollo with respect to the PAS business, PHD and Apollo have been considering the optimal growth strategy for PAS. As a result of such discussions, PHD and Apollo have now reached an agreement to pursue the Transaction.

As a result of this partnership, PHD and Apollo will aim to further grow PAS by leveraging our respective management resources, knowledge, technology and specialized know-how in the automotive industry, as well as investment experiences and networks relating to global automotive companies and businesses.

With a view of potential future listing, PAS will seek to achieve further growth and development as a leading provider with industry-leading competitiveness and management structure, especially in the rapidly evolving automotive electronics industry.

PHD will continue to support PAS, who will remain as a member of the Panasonic Group, and shares the same core values based on the business philosophy, and we will work together with other group companies to mutually maximize our corporate value.

Yuki Kusumi, PHD's Group CEO, said, "Apollo is a partner that respects the values which have been cherished by PAS towards its customers, employees and business. Through this partnership, PAS could significantly grow as a global leading player. Continuing its role as a member of Panasonic Group, PAS will collaborate with the Group in its procurement and fundamental research to consistently contribute to the evolution of the Mobility Society as an important player."

Tetsuji Okamoto, Partner and Head of Japan at Apollo, said, "We highly value PAS' growth potential predicated on innovative technology and outstanding quality. Apollo has a track record of being a strategic partner to leading Japanese conglomerates, and we are confident that we can lead this partnership to success, combining our deep, global sector experience with local expertise in managing Japanese corporate partnerships. We look forward to working with the management, employees, customers and suppliers of PAS as well as our strategic partner, PHD, to further elevate PAS in its long-standing role as a top global leader in automotive infotainment systems and advanced technologies"

Masashi Nagayasu, Representative Director, CEO of PAS, said, "PAS possesses automotive knowledge and insight, strong customer relationships and great talent. PAS has the potential to win through this once-in-a-century transformational period. By taking advantage of our partnership with Apollo and realizing PAS' full potential, we aim to become a top global player in the automotive electronics industry by providing added value to cars and the mobility experience with our customers."

Subject to customary closing conditions including approvals from relevant authorities, this transaction is expected to be completed by the end of fiscal year ending March 31, 2025.

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About the Panasonic Group

Founded in 1918, and today a global leader in developing innovative technologies and solutions for wide-ranging applications in the consumer electronics, housing, automotive, industry, communications, and energy sectors worldwide, the Panasonic Group switched to an operating company system on April 1, 2022 with Panasonic Holdings Corporation serving as a holding company and eight companies positioned under its umbrella. The Group reported consolidated net sales of 8,378.9 billion yen for the year ended March 31, 2023. To learn more about the Panasonic Group, please visit:

<https://holdings.panasonic/global/>

About Apollo

Apollo is a high-growth, global alternative asset manager. In our asset management business, we seek to provide our clients excess return at every point along the risk-reward spectrum from investment grade to private equity with a focus on three investing strategies: yield, hybrid, and equity. For more than three decades, our investing expertise across our fully integrated platform has served the financial return needs of our clients and provided businesses with innovative capital solutions for growth. Through Athene, our retirement services business, we specialize in helping clients achieve financial security by providing a suite of retirement savings products and acting as a solutions provider to institutions. Our patient, creative, and knowledgeable approach to investing aligns our clients, businesses we invest in, our employees, and the communities we impact, to expand opportunity and achieve positive outcomes. As of December 31, 2023, Apollo had approximately \$651 billion of assets under management. To learn more, please visit www.apollo.com. and www.apollo.com/japan.

About Panasonic Automotive Systems

Panasonic Automotive Systems Co., Ltd. was established on April 1, 2022. As Tier 1, the company provides advanced technologies such as infotainment systems, to automakers around the world, contributing to the creation of comfortable, safe, and secure vehicles. With annual sales of JPY1,297.5 billion, the company operates in 22 countries and regions around the world and has about 30,000 employees. To learn more about the Panasonic Automotive Systems, please visit:

<https://automotive.panasonic.com/en>