Panasonic

Panasonic Manufacturing Malaysia Berhad
Registration No.: 196501000304 (6100-K)

WEATHERING CHALLENGES, CHARTING GROWTH

ANNUAL REPORT 2026

FOR THE FINANCIAL YEAR ENDED **31 MARCH 2026**

SCAN HERE

The soft copy of Panasonic Manufacturing Malaysia Berhad Annual Report 2026 is available on our website.

Weathering Challenges, Charting Growth

A bold composition of interlocking global arcs, each captures a defining move in Panasonic's journey of resilience and recovery. The handshake signals the expansion of B2B and project-based opportunities, while a city skyline overlaid with digital motifs reflects sharpened operational discipline, and the robotic arm embodies investments in automation. Sustainable excellence is reflected by the sunlit natural landscape. Together, these elements chart a steadfast recovery and a disciplined course towards renewed growth.

61st ANNUAL GENERAL MEETING

Wednesday, 9 September 2026, 10.00 a.m.

Refer to pages 138 to 140 for Annual General Meeting Information

Meeting Venue:
Hall 1, IDEAL Convention Centre Sdn Bhd, Level 7
Corporate Tower
Jalan Pahat L15/L
40200 Shah Alam, Selangor

INSIDE THIS REPORT

Corporate Overview

Business Review

Governance

Financial Statements

Additional Information

About Panasonic Manufacturing Malaysia Berhad

Panasonic Manufacturing Malaysia Berhad ("PMMA") is a manufacturing arm of the global Panasonic Group, producing and distributing electrical home appliances for both domestic and international markets. Incorporated in 1965 and listed on the Main Market of Bursa Malaysia Securities Berhad, PMMA brings over six decades of experience in delivering reliable, functional and efficient products that support everyday living.

In line with Panasonic Holdings Corporation's ("PHD") announcement regarding the reorganisation of its group's basic structure, effective 1 January 2026, changes were made to the Group's business and reporting structure. As part of this reorganisation, the reportable segments were revised, primarily reflecting the restructuring of the former Lifestyle segment. Consequently, PMMA's reporting classification was transferred from the Lifestyle domain to the HVAC domain with effect from 1 January 2026.

Manufacturing Facilities in Malaysia

Headquartered in Shah Alam, Selangor, PMMA operates two manufacturing plants: SA1 (Section 15) and SA2 (Section 23). From these facilities, we design, assemble and export a diverse range of products to over 20 countries across Asia, the Middle East and Africa.

These product lines fall under the Panasonic Corporation (Lifestyle) of Panasonic Holdings Corporation (PHD), aligning with global trends in energy-efficient solutions, consumer comfort and modern home living.

SA1

Selangor State Shah Alam Industrial Site

Products

Home Shower (HVAC segment), Electric Iron/ ROWP (LASC segment) and Bidet

SA2

Selangor State Shah Alam Industrial Site

Products

Ceiling Fan/Electric Fan/Ventilating Fan (HVAC segment), Vacuum Cleaner (LASC segment)

Following the transition to the new organisational structure, the composition and the naming of the reportable segments has been realigned to reflect the revised framework. The corresponding changes will be incorporated into the Company's segmental reporting beginning in the next financial year. The details are as follows:

No.	Current	Next financial year onwards
1.	Living Appliances and Solutions Company ("LASC")	Panasonic Corporation ("PC")
2.	Heating & Ventilation A/C Company ("HVAC")	Heating & Ventilation A/C Company ("HVAC")

Our operations are structured under two main business segments:

HEATING & VENTILATION A/C COMPANY ("HVAC") SEGMENT

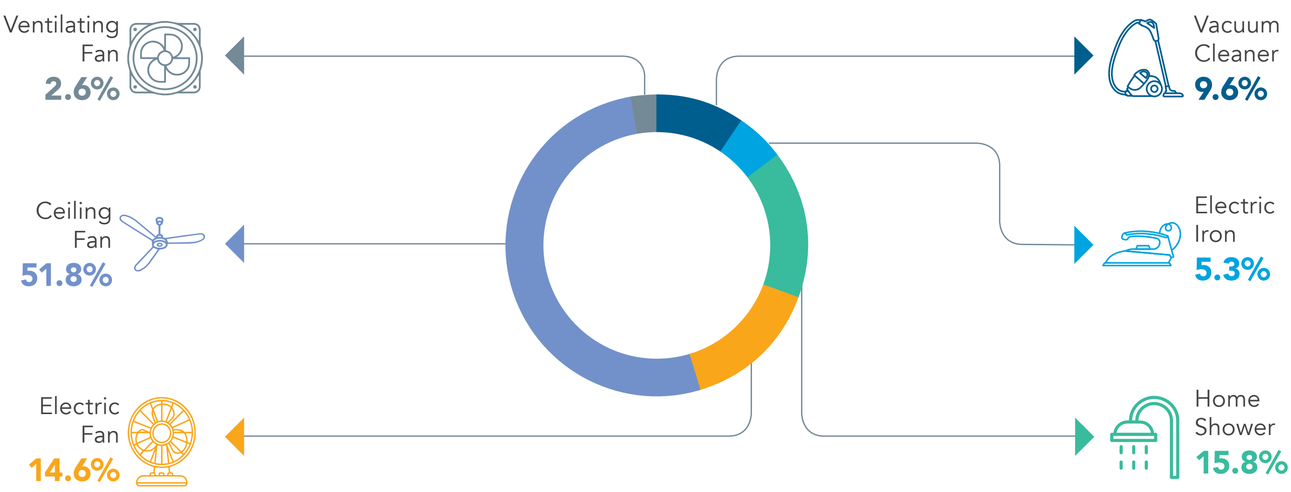
- Ceiling Fan
- Electric Fan
- Ventilating Fan
- Home Shower
- Water Purification (Point of Entry)

LIVING APPLIANCES & SOLUTIONS COMPANY (LASC) SEGMENT

- Vacuum Cleaner
- Electric Iron
- Reverse Osmosis Water Purifier (ROWP)

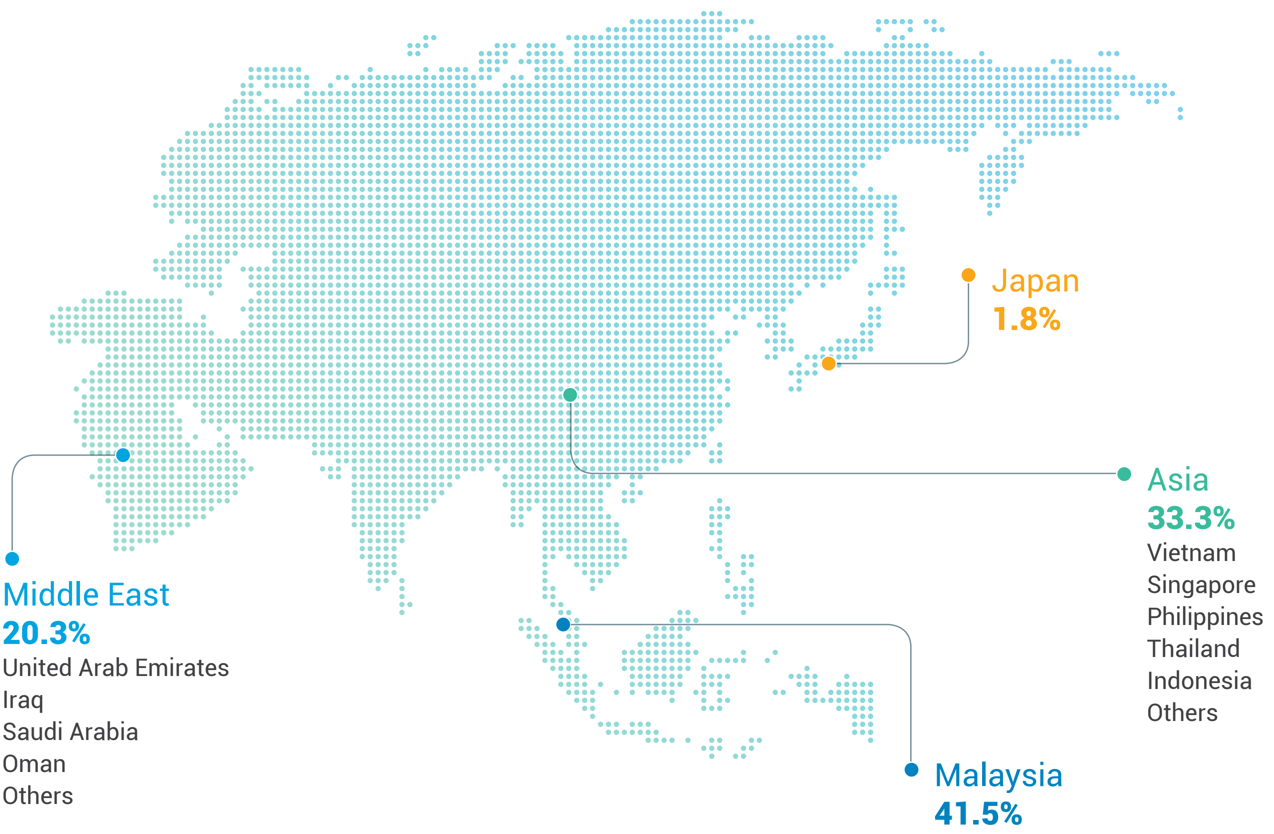
Revenue
FYE2026

PRODUCT SALES BREAKDOWN



*Others (0.3%) include ROWP, Bidets, Water Purification System and Die and Mould Sales.

REVENUE BY REGION



Our customer base spans both domestic and international markets. The domestic Malaysian market contributed 41.5% of total revenue in FYE 2026. Asia (excluding Malaysia and Japan) accounted for 33.3%, reflecting steady demand across both ASEAN and other regional markets, namely Vietnam, Singapore, Philippines, Thailand and neighbouring countries. The Middle East remained a key export destination, making up 20.3% of total sales. Meanwhile, Japan contributed 1.8%, with the remainder coming from Europe 0.6% and other international markets 2.5%. This diverse market footprint underscores PMMA's continued reliance on both domestic and export-driven revenue streams.

Corporate Information

BOARD OF DIRECTORS

Dato' Azman Bin Mahmud
(Chairman)

Keitaro Tahara
(Managing Director)

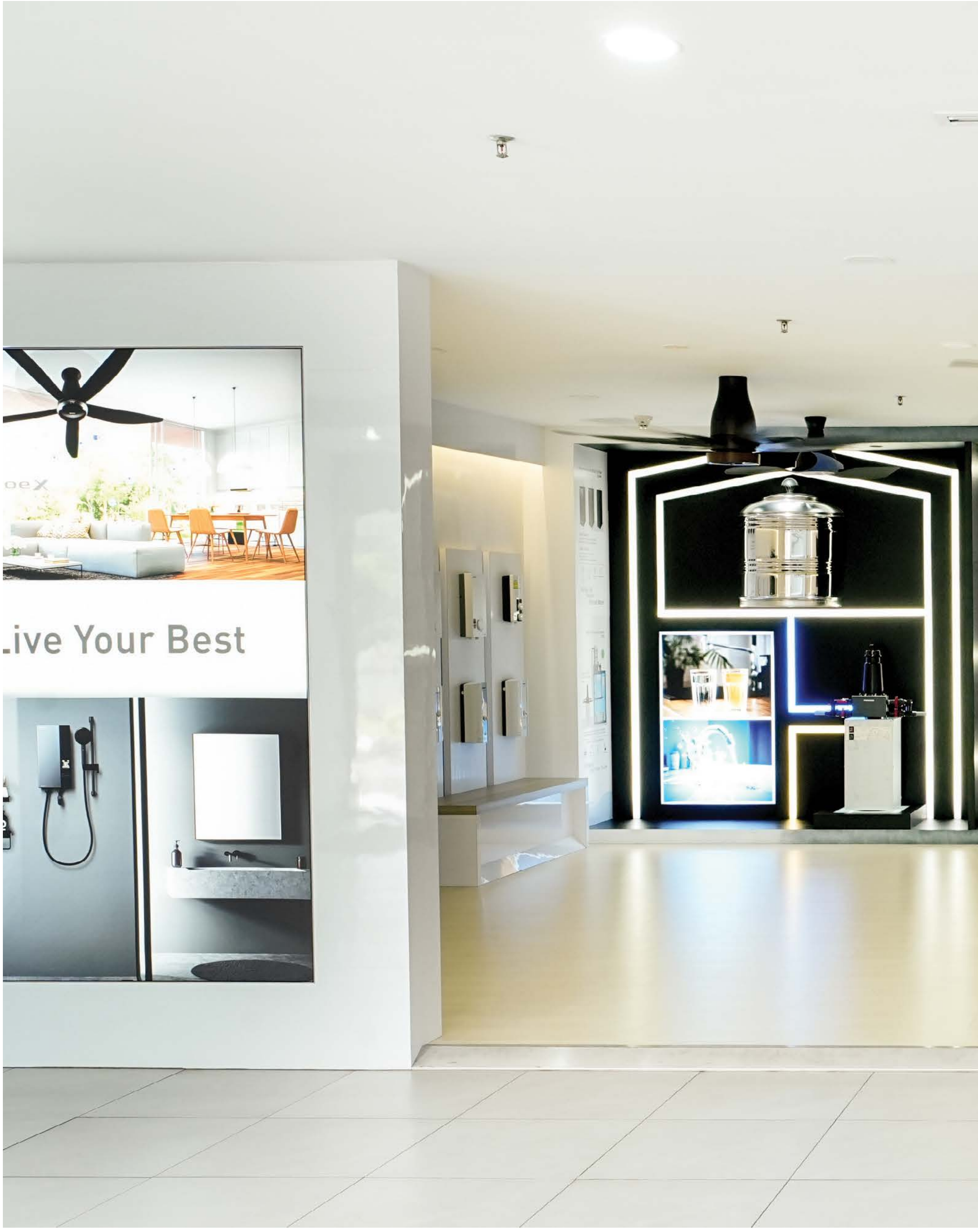
Dato' Kaziah Binti Abd Kadir

Raja Anuar Bin Raja Abu Hassan

Kwan Wai Yue

Keisuke Nishida

Ishikawa Shimpei



AUDIT COMMITTEE

Raja Anuar Bin Raja Abu Hassan
(Chairman)
(Independent Non-Executive Director)

Dato' Kaziah Binti Abd Kadir
(Independent Non-Executive Director)

Keisuke Nishida
(Non-Independent Non-Executive Director)

REMUNERATION COMMITTEE

Dato' Kaziah Binti Abd Kadir
(Chairperson)
(Independent Non-Executive Director)

Raja Anuar Bin Raja Abu Hassan
(Independent Non-Executive Director)

Keitaro Tahara
(Managing Director)

NOMINATION COMMITTEE

Dato' Kaziah Binti Abd Kadir
(Chairperson)
(Independent Non-Executive Director)

Raja Anuar Bin Raja Abu Hassan
(Independent Non-Executive Director)

Keisuke Nishida
(Non-Independent Non-Executive Director)

COMPANY SECRETARY

Leong Oi Wah
(MAICSA 7023802)

SOLICITORS

T.Thavalingam & Co.

REGISTRAR

Boardroom Share Registrars Sdn Bhd
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan

Tel : +603-7890 4700
Fax : +603-7890 4670
Email : bsr.helpdesk@boardroomlimited.com

PRINCIPAL BANKERS

MUFG Bank (Malaysia) Berhad

Malayan Banking Berhad

AUDITORS

KPMG PLT

REGISTERED OFFICE

No. 3, Jalan Sesiku 15/2
Section 15
Shah Alam Industrial Site
40200 Shah Alam
Selangor Darul Ehsan

Tel : +603-5891 5000
Fax : +603-5891 5101
Email : ir.pmma@my.panasonic.com

STOCK EXCHANGE

Main Market of Bursa Malaysia Securities Berhad

Sector:
Consumer Products & Services
Sub-sector:
Household Goods
Stock Code:
PANAMY 3719

Chairman's Statement

Dear Shareholders,
On behalf of the Board of Directors, I am pleased to present the Annual Report of Panasonic Manufacturing Malaysia Berhad ("PMMA" or "the Company") for the financial year ended 31 March 2026 ("FYE 2026").

DATO' AZMAN BIN MAHMUD
Chairman, Independent Non-Executive Director

Chairman's Statement (Cont'd)

FYE 2026 called for disciplined stewardship and prudent execution. In a more demanding operating environment, PMMA delivered a moderated financial performance while remaining profitable, cash-generative and financially resilient. Although the softer results reflected current market conditions, the Company's underlying fundamentals remain strong.

The Board acknowledges the challenges faced during the year and remains focused on safeguarding PMMA's financial strength, addressing areas requiring improvement and enhancing operational resilience. Through disciplined execution and a long-term perspective, we remain committed to strengthening the Company's competitive position and delivering sustainable value for our shareholders and other stakeholders.

A Clear View of the Year

For FYE 2026, PMMA recorded revenue of RM689.9 million and profit before tax of RM37.4 million. Compared with the previous financial year, both revenue and profit before tax declined, reflecting the challenging operating environment and continued pressure across the Company's commercial and manufacturing operations. Profitability came under pressure from lower sales volume, reduced factory utilisation and fixed-cost absorption, and product mix pressure. A stronger Ringgit negatively affected profitability, as a substantial portion of the Company's revenue was derived from exports. Lower finance income and a reduced contribution from the associated company further affected profitability.

The Board's view is that the year should be assessed with clarity. Some pressures were external, including shipment disruption, geopolitical uncertainty and foreign exchange movement. Others point to areas where the Company must continue to improve, including product relevance, market execution, cost discipline and manufacturing responsiveness.

Accordingly, the Board's focus has been on strengthening the fundamentals of the business. Management has continued to review product competitiveness, strengthen channel execution, manage costs more closely and preserve customer relationships in key markets.

These actions are necessary to rebuild confidence and improve the quality of earnings over time.

Holding Firm to Financial Discipline

PMMA's financial position remains a key strength. The Company closed the year with total equity of RM773.3 million and cash and fund placements of RM468.8 million. Net cash generated from operating activities remained positive at RM25.9 million.

Although the decline in performance is a matter of concern, these figures indicate that PMMA retains a strong level of financial resilience. As a result, the Company is well positioned to manage current pressures prudently and avoid reactive short-term decisions that could weaken its long-term business prospects.

The Board's approach to shareholder value remains grounded in prudence. We recognise the importance of returns to shareholders, particularly in a period where market confidence has been affected. At the same time, the Company must preserve the financial strength required to sustain operations, invest selectively and navigate external uncertainty.

In line with our commitment to delivering long-term shareholder value, the Board has approved a dividend of 48 sen per share for FYE 2026, comprising a proposed final dividend of 33 sen and an interim dividend of 15 sen already paid. The recommendation reflects the Board's commitment to balancing shareholder returns with prudent capital management, taking into account the Company's financial performance, cash position and requirements for long-term business resilience.

Restoring Confidence Through Discipline

The Board has supported management's focus on three practical priorities: strengthening product and market relevance, improving market resilience and advancing operational competitiveness.

PMMA's focus is to pursue growth in a disciplined manner, balancing market competitiveness with product quality, safety, reliability, energy efficiency and brand trust. This balance is important as the Company responds to changing customer expectations while protecting the foundations of long-term value.

During the year, management continued to renew selected product ranges, support product visibility and pursue market-specific opportunities. While market conditions were uneven, selected project-based and market expansion initiatives provided useful support and reinforced the importance of targeted execution. The task now is to build on these areas while addressing underperforming markets and categories with greater discipline.

Strengthening the Operating Base

The year also reinforced the importance of maintaining a responsive manufacturing base. Lower production volume affected utilisation and fixed-cost absorption, making it necessary for management to align capacity, manpower, overtime, maintenance and production planning more closely with demand. Management also continued to drive internal cost-reduction and operating-efficiency initiatives, including value engineering and strategic resourcing activities, to support cost competitiveness without compromising product quality, safety or performance.

PMMA continued to advance its Smart Factory and digitalisation initiatives during the year. These included the use of Industrial Internet of Things data, automation, preventive maintenance systems and selected in-house capability development to improve efficiency, process reliability and operational flexibility.

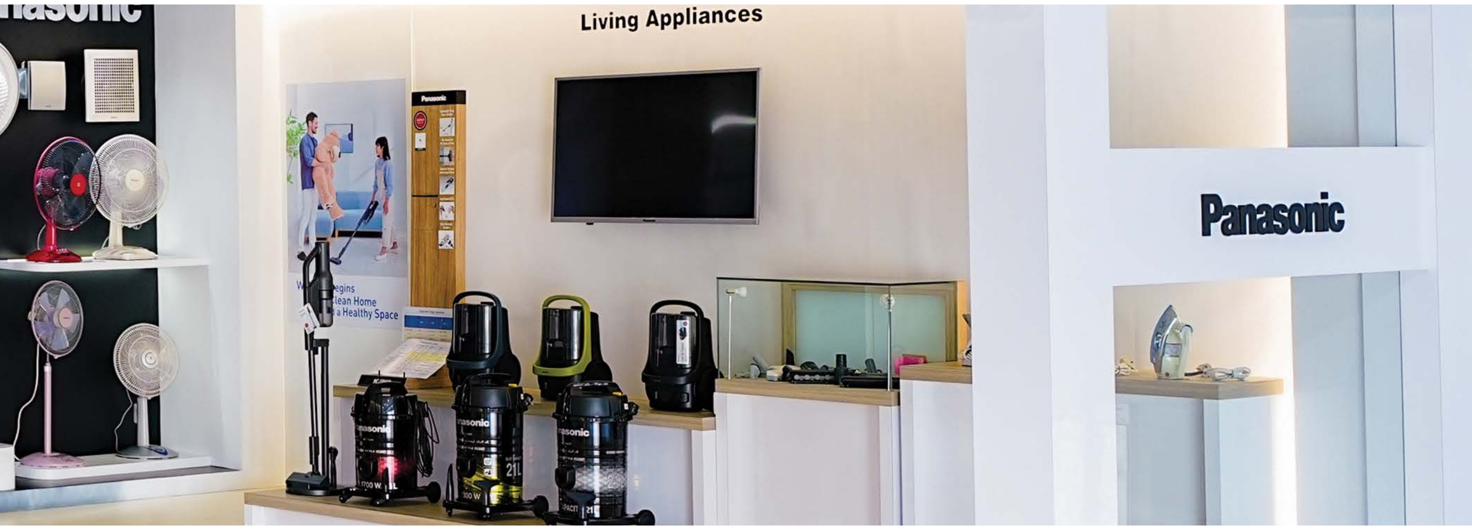
The gas-supply disruption in April 2025 further tested the Company's operational resilience and business continuity arrangements. The Company had promptly implemented alternate gas-supply measures to minimise operational disruption and the affected sales were substantially recovered following the restoration of supply.

The Company also strengthened its contingency preparedness through enhanced backup gas-supply arrangements. These measures have reinforced PMMA's operational resilience and readiness to navigate an increasingly uncertain operating environment.

Sustainability as Practical Resilience

Sustainability remains an important part of PMMA's long-term competitiveness. The Board views sustainability not as a separate agenda, but as part of how the Company manages efficiency, resource use, resilience and stakeholder confidence.

During the year, PMMA continued to strengthen energy management within its operations. Phase 2 of SA1's Rooftop Solar System was completed in December 2025, adding 892 kWp of installed capacity and building on earlier rooftop solar installations at SA2 and SA1. With the completion of the SA1 installation, the combined rooftop solar systems are expected to generate approximately 20% of the site's annual electricity consumption, reducing reliance on grid electricity and supporting PMMA's carbon reduction efforts.



The Company also continued to implement energy-saving measures such as sensors and timers on powder coating lines, reduction of open areas in melting furnaces to minimise heat loss, and the gradual replacement of traditional lighting with energy-efficient LEDs at both SA1 and SA2.

These initiatives support PMMA's efforts to improve operational efficiency while reducing the environmental impact of its manufacturing activities. In a year where cost discipline became more important, energy management also remained relevant to the Company's broader operating performance.

Governance, Risk and Capital Discipline

Sound governance and risk oversight remain central to the Board's stewardship of PMMA as it continues to oversee the Company's strategy, financial performance, risk management, sustainability and capital allocation.

The risk environment facing PMMA has become more complex. Geopolitical tensions, shipment disruption, material and logistics cost volatility, foreign exchange movement, product competitiveness, market competition and manpower availability all require close attention.

These risks cannot be eliminated entirely, but they must be managed through preparedness, discipline and clear decision-making.

In FYE 2026, management adopted a more selective approach to capital expenditure in response to softer sales conditions. Non-essential expenditure was deferred, while targeted investment continued in areas linked to productivity, automation, operational resilience and sustainability. The Board believes this balance is appropriate. PMMA must remain prudent, but it must also continue investing in the capabilities that protect its long-term competitiveness.

Looking Ahead

Operating conditions in FYE 2027 are expected to remain challenging, with competition likely to remain intense and market demand uneven. The Board notes early signs of stabilisation in selected areas following the actions undertaken during FYE 2026, although downside risks remain. Ongoing geopolitical tensions in the Middle East may continue to affect shipping routes, customer demand and regional trade flows. Higher raw-material, oil-related and logistics costs could also place further pressure on margins, while foreign exchange movements and domestic price competition will require continued discipline.

Against this backdrop, PMMA is not assuming a broad-based or immediate recovery across all markets. Instead, the Company will remain focused on disciplined execution and the initiatives within its control.

Key priorities include strengthening the relevance of its core product offerings, expanding project, institutional and B2B channels, leveraging the Panasonic and KDK dual-brand portfolio where relevant, pursuing selective ASEAN market opportunities, improving manufacturing productivity and capacity utilisation, safeguarding operational continuity and maintaining prudent capital allocation.

The Board believes that PMMA's fundamentals provide a platform from which management can continue to respond carefully and constructively. Our responsibility is to protect that platform, maintain disciplined oversight and support the actions needed to rebuild confidence and create sustainable long-term value.

On behalf of the Board, I would like to thank our shareholders for their continued trust and support. I also extend my appreciation to our management team, employees, customers, business partners, suppliers and the wider Panasonic Group for their commitment to PMMA through a demanding year. The Board remains committed to guiding the Company with discipline, transparency and a long-term view of value creation.

DATO' AZMAN BIN MAHMUD
Chairman
Independent Non-Executive Director

Management Discussion And Analysis

"I am pleased to present the Management Discussion and Analysis of Panasonic Manufacturing Malaysia Berhad ("PMMA") for the financial year ended 31 March 2026 ("FYE 2026").

FYE 2026 was marked by stronger market headwinds, as softer demand in selected domestic and export markets, intensified price competition, disruptions to shipments in the Middle East, the strengthening of the Ringgit against major trading currencies, and a less favourable product mix weighed on performance. Against this backdrop, PMMA recorded revenue of RM689.9 million and profit before tax of RM37.4 million.

KEITARO TAHARA
Managing Director

Market conditions varied across regions, customer segments and product categories. In Malaysia, selected core product categories continued to experience competitive pressure arising from the growing presence of lower-priced alternatives. Export markets were affected by softer demand, product transition activities and disruptions to shipments resulting from the conflict in the Middle East, which impacted sales performance during the year.

The lower sales volume also resulted in reduced factory utilisation, affecting the absorption of fixed manufacturing costs. Internal cost-reduction and operating-efficiency initiatives, including value engineering and strategic resourcing activities across the supply chain, contributed positively to cost management efforts and were supported by favourable material-cost movements.

However, these measures were insufficient to fully offset the impact of lower volume and competitive pricing pressures.

In response, PMMA remained focused on strengthening areas within its control. Efforts during the year were directed towards enhancing product competitiveness, improving channel effectiveness and maintaining strong customer relationships. The Company also continued to increase operational agility, productivity and resilience through initiatives aimed at improving manufacturing efficiency and business continuity.

Strategic initiatives undertaken during the year included the renewal of selected product ranges, the expansion of B2B and project-based opportunities for key products, the strengthening of operational discipline, and targeted investments in automation and digitalisation to support long-term operational excellence.

Looking ahead, PMMA enters the new financial year with clearer execution priorities following the actions undertaken during FYE 2026. While market conditions are expected to remain competitive, selected areas have begun to stabilise, giving management a more measured basis to execute its priorities for the year ahead. PMMA remains committed to delivering sustainable value through disciplined cost management, prudent capital allocation and continued operational excellence.

Keitaro Tahara

Managing Director

Navigating A More Demanding Market Environment

FYE 2026 was defined by a combination of domestic price pressure, uneven export demand, shipment disruption and lower factory utilisation. The effect was visible across both the commercial and manufacturing base: in the domestic market, lower-priced alternatives altered the value equation for selected Fan, Home Shower and Vacuum Cleaner categories, while export markets presented different pressures across the Middle East, Vietnam, Japan and other destinations. These conditions required PMMA to protect product relevance and brand trust without pursuing volume at the expense of long-term margin quality.

Domestic Competition and Price Pressure

Malaysia remained PMMA's largest revenue base, contributing RM286.6 million in FYE 2026 compared with RM323.6 million in the previous year. The pressure was most visible in selected Fan, Home Shower and Vacuum Cleaner categories, where lower-priced alternatives became more prevalent and customers had a wider range of comparable products to consider. The issue was therefore not only softer demand, but also a more competitive value equation across price, features, safety, design and brand trust.

PMMA's response is not to match every lower-priced offering in the market. Instead, the focus is on achieving a stronger balance between product proposition, price point, and margin. Key initiatives include renewing selected core product ranges, including introducing selected partner-manufactured models for the domestic market, and increasing the visibility of updated products through targeted activation activities. In addition, PMMA intends to broaden its routes to market by pursuing project-based and B2B opportunities, where its offerings are better aligned with customer needs and less exposed to purely retail-driven price competition.

Export Markets and Market Access

Export revenue declined by RM95.9 million, or 19.2%, to RM403.3 million from RM499.2 million in the previous year. The decline was broad based across several export markets, although the underlying conditions differed by geography and product category.

The Middle East remained an important export market and recorded the most significant geographic decline, with revenue decreasing by RM38.0 million, or 21.3%, to RM140.0 million. Performance in the region was affected by a combination of softer demand and conflict-related shipment disruption, which delayed deliveries and affected sales timing for selected products. The impact was felt across both Heating & Ventilation A/C Company ("HVAC") and Living Appliances and Solutions Company ("LASC") categories, including Fan, Vacuum Cleaner and Electric Iron products.

In response, PMMA's immediate priority in the Middle East is to preserve customer access, manage delivery continuity and monitor logistics developments closely, while maintaining disciplined pricing and customer relationship management in a more cautious demand environment.

In Asia excluding Malaysia and Japan, revenue declined by RM28.1 million, or 10.9%, to RM230.1 million. Within this region, Vietnam remained a challenging market, particularly for selected Fan and HVAC products, as product transition activities, softer market demand and competition from lower-priced alternatives affected sales momentum.

PMMA's response in Vietnam and other competitive ASEAN markets is to strengthen product relevance, improve channel execution and support refreshed product offerings that are better aligned with local market requirements. The focus is on product renewal, price positioning, dealer engagement and channel effectiveness, rather than broad-based volume recovery.

At the same time, FYE 2026 also showed the potential of more targeted growth initiatives in selected markets. The Singapore government project contributed to Fan sales, demonstrating the opportunity to expand project-based business beyond conventional retail channels. This reinforced the importance of market-specific execution, rather than relying only on broad-based volume recovery.

Japan revenue declined by RM13.5 million, or 51.7%, to RM12.6 million. The decline mainly reflected lower demand for selected LASC products, including Vacuum Cleaner and Electric Iron products. As certain Japan-related sales involve parts and finished goods with final demand linked to Middle East markets, the situation in the Middle East also affected Japan's performance during the year. Management will continue to review product and market fit for selected LASC categories.

Across export markets, PMMA remains disciplined in pursuing sales quality, protecting margin resilience and maintaining long-term customer relationships.

Revenue by Geography

The revenue decline was broad-based, although the extent and causes differed by geography. The table below provides the financial context for the market discussion above.

Revenue by Geography (RM million)

	Malaysia	Asia, excluding Malaysia and Japan	Middle East	Japan	Europe	Others
FYE 2026	286.6	230.1	140.0	12.6	3.9	16.7
FYE 2025	323.6	258.2	178.0	26.1	3.3	33.6
Change	(11.4%)	(10.9%)	(21.3%)	(51.7%)	19.2%	(50.4%)

Total Revenue: FYE 2026: 689.9 | **FYE 2025:** 822.8 | **Change:** (16.1%)

Impact on Utilisation and Operating Discipline

The above-mentioned commercial pressures also affected the manufacturing base. Lower sales volumes reduced factory utilisation and weakened the absorption of fixed manufacturing costs. This was further compounded by business continuity challenges, including the April 2025 gas supply interruption and subsequent disruption to Middle East shipping routes. In each case, practical measures were implemented to maintain production continuity and support customer deliveries wherever possible.

PMMA has therefore distinguished between temporary disruptions and the more fundamental actions required to remain competitive over the longer term. Temporary events call for robust continuity planning and flexible fulfilment arrangements. Structural pressures, however, require stronger product relevance, more effective channel execution, disciplined pricing, and a manufacturing platform capable of operating efficiently through periods of uneven demand.

Accordingly, PMMA's response is structured around three interconnected strategic priorities:

1. Strengthening product and market relevance
2. Improving market resilience
3. Advancing operational competitiveness

Strategic Focus

Customer-Centric Product Development

OBJECTIVE

Keep core offerings relevant and competitive.

- Refresh core Fan and Home Shower ranges.
- Prioritise energy-efficient, safety-led and design-led models.
- Improve local fit through in-house R&D and product engineering.
- Develop higher-value B2B and project opportunities

Business Realignment and Market Resilience

OBJECTIVE

Improve market access and protect value across changing conditions.

- Apply market-specific actions across domestic and export markets.
- Strengthen dealer engagement and targeted activation.
- Optimise product mix and pricing by category and channel.
- Maintain service continuity through flexible delivery arrangements.

Manufacturing Transformation and Smart Factory Progress

OBJECTIVE

Build a more agile, productive and resilient manufacturing base

- Align capacity and manpower with demand.
- Advance automation, IIoT and preventive maintenance.
- Strengthen supply continuity and lead-time control.
- Prioritise investments that improve productivity and resilience.

Financial Performance

The market and operating conditions described above were reflected in PMMA's financial performance for FYE 2026. While the Company remained profitable and cash generative, revenue, operating profit and profit before tax declined compared with the previous year. The decline was primarily attributable to lower sales volumes, changes in product mix, and a lower share of profit from the associate company.

Despite these headwinds, the business continued to generate positive cash flow and maintain positive earnings, demonstrating financial resilience.

RM million	FYE 2026	FYE 2025	Change
Revenue	689.9	822.8	(16.1%)
Results from operating activities	12.0	20.3	(40.9%)
Finance income	17.3	20.0	(13.5%)
Share of profit from associate	8.1	11.6	(30.2%)
Profit before tax	37.4	51.9	(27.9%)
Profit after tax	33.9	46.1	(26.5%)
Net cash from operating activities	25.9	28.4	(8.8%)
Additions to property, plant and equipment	14.4	23.8	(39.5%)

Management Discussion And Analysis (Cont'd)

Revenue

Revenue declined by RM132.9 million, or 16.1%, to RM689.9 million from RM822.8 million in the previous year. The decline reflected lower sales across selected domestic and export markets, including softer Fan sales in Malaysia and selected export markets, lower Vacuum Cleaner and Electric Iron sales mainly in the Middle East and Japan, and moderate Home Shower demand in Malaysia amid price competition. Stronger project sales in Singapore provided partial support in selected categories.

Results from Operating Activities

Results from operating activities declined to RM12.0 million from RM20.3 million in the previous year. The lower result reflected the impact of reduced sales volume, a stronger Ringgit against the US Dollar, a less favourable product mix and lower factory utilisation, partly offset by lower material costs and ongoing cost-reduction initiatives.

At segment level, the HVAC remained the Company's principal earnings contributor, while the LASC was more significantly affected by weaker export demand and lower production utilisation.

RM million	FYE2026	FYE2025	Change	FYE2026 Segment PBT
HVAC revenue	585.6	670.2	(12.6%)	32.1
LASC revenue	103.2	151.4	(31.8%)	0.4

HVAC revenue declined to RM585.6 million from RM670.2 million, while segment profit before tax stood at RM32.1 million. Fan sales were affected by heightened competition in Malaysia and softer performance in selected export markets. Home Shower and Point-of-Entry water-solution products also faced demand pressure in selected markets. Internal cost-reduction activities, supported by favourable material-cost movements, helped moderate part of the impact, although the segment continued to face pressure from lower volume, mix and competitive pricing.

LASC revenue declined to RM103.2 million from RM151.4 million, with segment profit before tax of RM0.4 million. Vacuum Cleaner and Electric Iron sales were affected by softer export demand, changing consumer preferences, foreign exchange and lower utilisation of production capacity. Management's immediate response focused on capacity and cost discipline, alongside an ongoing review of category, product mix and market priorities.

Finance Income

Finance income decreased to RM17.3 million from RM20.0 million, mainly due to lower cash and fund placements and lower placement returns compared with the previous year.

Share of Results of Associated Company

PMMA's share of profit from its associated company decreased to RM8.1 million from RM11.6 million in the previous year. The lower contribution reflected softer performance amid a more competitive market environment. While the associate continued to contribute positively to PMMA's results, the reduced contribution formed part of the overall decline in profit before tax for the year.

Profit Before Tax

Profit before tax declined by 27.9% to RM37.4 million from RM51.9 million in FYE 2025. The decline was greater than the reduction in revenue alone because lower production volume reduced the scale over which fixed manufacturing costs could be absorbed. A stronger Ringgit against the US Dollar, a less favourable model mix, lower finance income and a reduced associate contribution added further pressure.

PMMA responded through internal cost-reduction and operational-efficiency measures, including streamlining selected production arrangements, aligning manpower deployment and overtime more closely with operational requirements, strengthening maintenance and production planning, and value-engineering activities to reduce costs without compromising quality, safety or performance. These measures helped mitigate the cost impact of lower volumes, although they were not sufficient to fully offset the combined effects of weaker sales, adverse foreign exchange movements, product mix and lower capacity utilisation.

Cash Balances and Cash Flow

Despite the lower result, PMMA retained a sound financial position. Total equity stood at RM773.3 million at year end, while cash and fund placements totalled RM468.8 million. Net cash generated from operating activities remained positive at RM25.9 million, compared with RM28.4 million in the previous year. This financial capacity enables management to continue taking considered commercial and operating actions while maintaining discipline over cost and capital allocation.

Capital Expenditure

Capital expenditure was managed more selectively during the year, with additions to property, plant and equipment of RM14.4 million compared with RM23.8 million in the previous year. In a softer sales environment, non-essential expenditure was deferred, while targeted investment continued in areas that support productivity, automation, operational resilience and sustainability. The objective is not lower spending for its own sake, but tighter allocation to initiatives with a clear commercial, operational or sustainability case.

Product Segment Review

In FYE 2026, product and channel choices are central to PMMA's response in a more competitive environment. The aim is to pursue product and market opportunities with discipline, remaining relevant across different customer needs while strengthening the areas where product performance, energy efficiency, safety, quality, design and service can support more sustainable value.

Fan Portfolio: Strengthening a Core Category

Fan remains PMMA's largest and most commercially important category. While demand and competitive conditions varied by market, PMMA continued to strengthen its portfolio through product renewal and targeted market activity.

In December 2025, PMMA introduced six new 56-inch DC Ceiling Fan models in Malaysia, comprising four Panasonic Bayu DC models and two KDK Ryou models, together with three new 38-inch DC-motor family models. The refreshed range includes 4-blade and 5-blade designs, selected wood-finish options and direct-current motor technology that offers improved energy efficiency, quiet performance and practical safety features. The launch supports PMMA's effort to strengthen product relevance in a core category while maintaining differentiation beyond price.

Project-based demand also contributed to the Fan category during the year. In Singapore, the KDK government project supported Fan sales, providing a useful example of how established brand presence and project-based channels can support category performance beyond conventional retail demand.

Commercial activity focused on improving product visibility and channel execution through targeted advertising, social-media engagement and dealer support in relevant markets. In Vietnam, PMMA continued to strengthen local channel execution following product-transition and market-demand challenges. Actions included improving dealer engagement, product visibility and distribution support for KDK, with the objective of restoring relevance and sales momentum in a competitive market.

Home Shower: Building Higher-Value and Project Opportunities

Home Shower faced softer domestic demand and more intense price competition. The commercial response is to focus on product assurance, safety and value-added positioning, while continuing to develop selected B2B and project opportunities where the Company's product strengths are relevant.

Going forward, PMMA will continue to refine its Home Shower proposition by strengthening higher-value channels and maintaining disciplined pricing in a more competitive market.

LASC: A Focused Review of Product and Market Fit

The response in LASC is necessarily more measured. Lower export demand, changing consumer preferences and competitive conditions affected the Vacuum Cleaner and Electric Iron categories during the year. Management is reviewing its approach across these categories to improve product and market fit, while maintaining discipline over inventory, cost and production utilisation. Rather than pursuing broad-based expansion, the focus remains on selective actions that support a more sustainable product mix and a more efficient operating base.

Advancing Smart Manufacturing and Digital Transformation

The commercial response must be matched by a manufacturing response. Lower production volume made utilisation, fixed-cost absorption and operating flexibility more important during FYE 2026. Management therefore combined near-term operating discipline with continued investment in productivity, automation, digitalisation and energy efficiency.

Operational Discipline and Manufacturing Flexibility

PMMA streamlined selected operations through production and machine consolidation, alignment of manpower and overtime with production requirements, and tighter maintenance and planning practices. These actions were designed to match the operating base more closely to demand, while preserving product quality, delivery performance and the ability to respond as conditions improve.

Cost optimisation was also driven through value engineering and strategic resourcing across PMMA's supply chain and manufacturing operations. Value engineering activities reviewed product designs, material specifications and manufacturing processes to identify cost-reduction opportunities without compromising product quality, safety or performance. These included component standardisation, design simplification and material substitution, including the use of recycled materials where technically and commercially viable.

In parallel, strategic resourcing activities focused on supplier consolidation, development of alternative sources and commercial negotiations with key suppliers. These actions supported more sustainable cost savings, reduced dependency on single-source suppliers and strengthened supply-chain resilience.

Smart Factory Progress

Indicators	FYE2026 progress
Production time loss	11% reduction across facilities, parts supply and quality processes from the 2023 baseline
Overall Line Efficiency	10% improvement from the 2022 baseline
Preventive maintenance	97% completion through CMMS

Industrial Internet of Things ("IIoT") data was applied to standard-time analysis, labour efficiency and production time-loss management. Preventive maintenance was strengthened through the Computerized Maintenance Management System ("CMMS"), while automation initiatives included Autonomous Mobile Robots for assembly-parts supply, automated blowing, remote-control pairing, packing processes and a centralised conveyor system. PMMA also expanded selected in-house capabilities, including pipe cutting and laser printing, to improve lead-time control and operating flexibility.

These initiatives are not technology showcases. They are intended to strengthen process consistency, labour efficiency, maintenance reliability and PMMA's ability to manage manufacturing cost and output through changing production requirements.

Energy Management and Solar Expansion

Alongside automation and digitalisation, PMMA continued to strengthen energy management within its operations. Phase 2 of SA1's Rooftop Solar System was completed in December 2025, contributing an additional 892 kWp upon completion. This builds on earlier rooftop solar installations at SA2 and SA1, and supports the Company's broader effort to reduce carbon emissions through practical improvements to plant operations.

PMMA also continued to implement energy-saving measures such as sensors and timers on powder coating lines, reduction of open areas in melting furnaces at die-cast facilities to minimise heat loss, and the gradual replacement of traditional lighting with energy-efficient LEDs at both SA1 and SA2. These measures complement the Smart Factory agenda by improving operating efficiency, energy use and long-term plant resilience.

Operational Resilience and Business Continuity

The April 2025 gas-supply interruption tested PMMA production-continuity arrangements. Alternate gas-supply measures were put in place, and Fan and Electric Iron production returned to full operation when gas supply resumed on 20 April 2025. Sales affected by the disruption were recovered in May and June, enabling PMMA to meet customer delivery schedules.

PMMA has since strengthened its contingency capability through a permanent liquefied petroleum gas (LPG) backup station at the SA1 parts-manufacturing area and a temporary LPG backup system at SA2. These measures have been incorporated into the broader operational-resilience agenda, rather than treated as a separate event response.

Anticipated Risks and Mitigation

PMMA has identified five high-risk areas as identified in its 2026 Enterprise Risk Management review that are closely aligned with the operating pressures discussed in this review: geopolitical risk, product competitiveness and innovation risk, manpower risk, market risk arising from competitors, and material-price risk. These risks are not separate from the year's performance. They directly affect revenue quality, product relevance, export access, manufacturing continuity and margin resilience.

Geopolitical Risk

Geopolitical risk has become a more prominent consideration, particularly in relation to the Middle East. Escalating regional tensions, sanctions or export controls, disruption to shipping routes and volatility in oil and gas prices may affect customer demand, freight cost, delivery schedules and foreign-exchange exposure. The FYE 2026 disruption to Middle East shipments demonstrated how quickly external events can affect sales timing and market access.

We are mitigating this risk through alternative logistics and shipping routes, regular monitoring of geopolitical and sanctions developments, business-continuity planning, crisis-management activities, foreign-exchange hedging and diversification of sales to other countries where practical. These measures cannot eliminate geopolitical risk, but they give management more options when trade routes or customer access are disrupted.

Product Competitiveness, Innovation and Market Risk

The consumer appliance market remains highly competitive. Lower-cost and innovation-driven brands, including brands from China and other regional markets, have intensified pressure in several categories. PMMA's review also highlighted risks linked to longer development cycles, legacy product lines, changing consumer preferences, higher price positioning and limited differentiation in features, design or user experience.

To mitigate this, we look to competitor studies, market surveys for new product development, regular sales and product-planning meetings, benchmarking of current products against competitors and emerging technologies, collaboration between Product Planning, Product Development Engineering and related Panasonic teams, and post-launch review of product performance. Where required, product refresh, redesign, discontinuation or reallocation of manufacturing capacity may be considered.

This risk directly supports the commercial priorities discussed earlier in this review. PMMA must keep core ranges relevant and competitive while protecting the quality, safety and brand attributes that allow the Company to compete on more than price alone.

Manpower and Operational Capability

Manpower risk remains high due to the continuing challenge of maintaining sufficient skilled and unskilled workers for production requirements. A high turnover is noted among outsourced floor workers in Assembly and the expected expiry of contracts for experienced foreign workers in selected 3D roles within Parts Manufacturing over the next one to three years. These issues may affect production scheduling, overtime cost, training requirements and succession planning for critical roles.

PMMA's mitigation actions include workforce planning between Human Resources and Manufacturing, use of temporary and outsourced workers where required, closer monitoring of production capacity, worker redeployment across relevant assembly groups, overtime scheduling where necessary and continued robotics implementation to reduce reliance on labour-intensive activities.

Material Price and Supply Exposure

Material-price risk has also increased in importance. Raw material and component prices remain exposed to commodity-price movements, supplier pricing, logistics costs and geopolitical developments. War and geopolitical instability may increase raw material and logistics costs, while some parts remain constrained by single-source supply.

We will manage this risk through supplier price comparison where available, approved quotations, master agreements with vendors, monthly or quarterly price updates, registration of approved quotations in SAP and regular reporting of cost-reduction activities to management. These controls are supported by strategic resourcing activities, including supplier consolidation and the development of alternative sources where practical, to reduce dependency on single-source suppliers. Together, these measures support margin discipline, although they cannot fully remove the effect of global cost volatility or supply constraints.

Managing the Priorities

The risks outlined above are interrelated. Competitive pressure affects sales mix and utilisation; geopolitical disruption can affect export access, logistics and material prices; manpower constraints can affect production responsiveness; and product competitiveness influences the relevance of existing ranges. PMMA's response therefore combines product and channel action, operational discipline, business-continuity planning and selective investment rather than treating each risk in isolation.

The purpose of these actions is not to suggest that external demand, currency movements, material prices or regional trade conditions can be fully controlled. It is to ensure that PMMA remains able to make considered decisions, preserve operating options and protect the foundations for more sustainable profitability.

Business Outlook

Operating conditions in FYE 2027 are expected to remain competitive and uneven. Following the actions undertaken during FYE 2026, selected areas have begun to stabilise, although the operating environment continues to carry downside risks. Ongoing geopolitical tensions in the Middle East may continue to affect shipping routes, customer demand and regional trade flows, while higher raw-material, oil-related and logistics costs could place further pressure on margins.

Against this backdrop, PMMA will continue to strengthen its market position, enhance operational efficiency and pursue targeted growth opportunities while maintaining prudent cost and capital discipline. The Company's focus will remain on the practical priorities set out in this review: strengthening the relevance of core products and channels; developing project, institutional and B2B opportunities where PMMA's product strengths can be recognised; improving factory productivity and utilisation; maintaining operational continuity; and managing export opportunities selectively as market and logistics conditions permit.

For the next phase, management will give closer attention to several growth platforms already reflected in the Company's operating priorities. These include project and institutional channels across key HVAC categories, more effective use of the Panasonic and KDK dual-brand portfolio, selective ASEAN market opportunities, and product renewal focused on energy efficiency, safety, design and higher-value positioning. The aim is to build a more resilient earnings base by improving product relevance, market access and sales mix quality.

Execution Priorities for the New Financial Year

Priority	Focus
Commercial execution	Build relevance in core HVAC categories through refreshed product ranges, clearer value communication, project and institutional channels, and market-specific execution that supports a healthier sales mix.
Manufacturing responsiveness	Continue to align capacity, planning, manpower and maintenance with demand while progressing automation and digital initiatives with a clear operational return.
Resilience and capital discipline	Maintain the ability to respond to market-access and continuity risks, while directing capital to projects that strengthen productivity, reliability and sustainability.

PMMA is not assuming an immediate recovery in all markets, and progress will be measured not only by revenue growth, but also by the quality of the sales mix, the alignment between production volume and factory capacity, the continuing relevance of the portfolio and the discipline of capital allocation. The objective is to build a more resilient earnings base that can capture demand without compromising long-term value.

In Appreciation

FYE 2026 proved to be a year of significant challenge for PMMA, shaped by softer demand, intensified competition and external market disruptions. Through these conditions, PMMA remained focused on operational stability, customer commitment and disciplined execution. This response reflects the resilience of the Company and the continued support of our stakeholders.

I would like to express my appreciation to the Chairman and the Board of Directors for their guidance and counsel throughout the year. To PMMA's employees, thank you for your dedication, perseverance and professionalism. Your efforts have been central to maintaining continuity, supporting customers and advancing the actions needed to strengthen the business.

I also wish to thank the Company's shareholders, business associates, customers, suppliers and regulators for their continued confidence, cooperation and support. PMMA recognises the importance of the trust placed in the Company and remains committed to improving competitiveness, strengthening execution and building a more resilient organisation capable of delivering sustainable long-term value.

Increase in Shareholders' Wealth

As at **31 March 2026**, the issued and paid-up capital of the Company is RM60,745,780 divided into 60,745,780 ordinary shares of RM1.00 each. Details of changes in the issued and paid-up share capital of the Company and cumulative number of shares held by a shareholder with an initial investment of 1,000 shares is shown below:

Financial Year/Period	No. of shares allotted	Descriptions	Total issued and paid-up capital (RM	New shares issued to a shareholder	Cumulative number of shares held by a shareholder	Cost of Investment (RM)
12/1966	1,500,000	Issue of shares before listing	1,500,000	Nil	Nil	N/A
12/1966	1,500,000	Initial Public Offer	3,000,000	1,000	1,000	1,000
12/1975	6,000,000	- Bonus Issue of 2 for 1	9,000,000	2,000		Nil
	1,050,000	- Rights Issue of 35 for 100 @ RM1.00	10,050,000	350	3,350	350
	450,000	- Private Placement to Bumiputera Investors under New Economic Policy	10,500,000	Nil		N/A
12/1980	2,625,000	Bonus Issue of 1 for 4	13,125,000	838	4,188	Nil
12/1982	6,562,500	Bonus Issue of 1 for 2	19,687,500	2,094	6,282	Nil
3/1987	1,968,750	Bonus Issue of 1 for 10	21,656,250	628	6,910	Nil
3/1993	10,828,125	Bonus Issue of 1 for 2	32,484,375	3,455	10,365	Nil
3/1998	3,248,437	Bonus Issue of 1 for 10	35,732,812	1,037	11,402	Nil
3/2003	25,012,968	Bonus Issue of 7 for 10	60,745,780	7,982	19,384	Nil

As tabulated below, if a shareholder had bought 1,000 shares in the Company when it was listed in 1966, and assuming the shareholder had subscribed for rights issue of 350 shares in 1975 and did not sell any of the Company's shares till to-date, he would be holding a total of 19,384 shares (inclusive of 18,034 bonus shares) worth RM124,833 based on the market price of RM6.44 as at 12 June 2026. In addition, he would have received a total gross cash dividends of RM678,372 with a capital outlay of RM1,350 only. The dividends received/receivable and the appreciation in value translates to a remarkable compound annual growth rate of 11.85% on nominal value basis.

Initial Investment of a shareholder		
Initial capital outlay (1966)	RM	1,000
Rights issue subscription (1975)	RM	350
Total Capital Outlay	RM	1,350

Increase in Shareholder Wealth (Cont'd)

Wealth of a shareholder in long term		
Initial investment (1966)	Unit	1,000
Rights issue shares subscribed (1975)	Unit	350
Total bonus shares received (1975 - 2003)	Unit	18,034
Total number of shares held	Unit	19,384
Closing market price per share (12 June 2026)	RM	6.44
Total value of shares held	RM	124,833
Cumulative gross cash dividends received / receivable (1966 - 2026)	RM	678,372
Total Wealth of a shareholder since Initial Investment	RM	803,205

Sustainability Report

About this Report

Panasonic Holdings Corporation's Basic Management Philosophy is rooted in the principle of "company as a public entity of society", which forms the foundation of all our business activities. As a responsible corporation, we are committed to upholding responsible management and promoting sustainable development in our day-to-day business operations, with a strong emphasis on creating long-term value.

Panasonic Manufacturing Malaysia Berhad ("PMMA", "the Company", or "we") is committed to strengthening its efforts towards sustainable development. We are pleased to present our ninth Sustainability Report ("Sustainability Report"), which outlines the Company's material matters, sustainability performance and strategic efforts in managing our material Economic, Environmental, Social and Governance ("EESG") matters in line with the Bursa Malaysia Main Market Listing Requirements ("MMLR").

Reporting Scope

This Sustainability Report covers Panasonic Manufacturing Malaysia Berhad within our business sector for the financial year ended 31 March 2026 ("FYE 2026", "the year under review" and "reporting period"). Unless stated otherwise, this Report excludes associate company, as PMMA does not have any operational control over these entities.

Where relevant, we also include data from previous years to track year-on-year progress and provide additional context. This Report outlines our response to the 14 material sustainability matters that influence our business and our ability to deliver value to all our stakeholders.

Reporting Framework

This Sustainability Report has been prepared in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia") and references Bursa Malaysia's Sustainability Reporting Guide. In shaping our reporting approach, we also refer to internationally recognised frameworks, including the Global Reporting Initiative ("GRI") Standards, which form the basis of this reporting framework.

In line with the above, our reporting principles are guided by the following four aspects:

Stakeholder

Identifying key internal and external Stakeholders to obtain a holistic picture of how we perform in Economic, Environmental, and Social matters.

Sustainability Context

Presenting our performance in the wider context of sustainability.

Materiality

Identifying and prioritising the key sustainability issues that our Company encounters.

Completeness

Reporting all sustainability topics that are relevant to our Company and influence our stakeholders.

Feedback

We welcome and appreciate the feedback of our stakeholders, and invite you to share your thoughts on our Sustainability Report. For any queries, comments or suggestions regarding the content of this Report, please contact us via email at ir.pmma@mypanasonic.com or by phone at +603 5891 5000.

Sustainability Governance

PMMA aligns its operations with the policies of Panasonic Holdings Corporation and remains committed to advancing sustainability practices. Our Board of Directors sets PMMA's sustainability strategy and oversees its implementation, as well as the formulation of long-term sustainable development plans. The Board, in partnership with the Strategic Management Committee, plays an active role in monitoring and guiding sustainability performance.

The roles and responsibilities of the Strategic Management Committee are outlined in the diagram below:

Stakeholder Inclusiveness	Sustainability Context	Materiality	Completeness
Identifying key internal and external Stakeholders to obtain a holistic picture of how we perform in Economic, Environmental, and Social matters.	Presenting our performance in the wider context of sustainability	Identifying and prioritising the key sustainability issues that our Company encounters	Reporting all sustainability topics that are relevant to our Company and influence our stakeholders.

Stakeholder Engagement

We actively engage with our stakeholders to better understand the impact of our business across various EESG areas. Through continuous dialogue, we assess our contributions to sustainable development and identify opportunities for improvement, guided by our sustainability-related policies and strategies. Stakeholder feedback plays a vital role in helping us prioritise key issues that impact our long-term sustainability performance and value creation.

Our stakeholders include individuals and entities that are significantly affected by our operations, products or services, as well as those whose actions may influence our ability to meet our strategic objectives. Guided by globally recognised standards such as the GRI Standards, we identify and engage with these stakeholders to inform our materiality assessment and shape sustainability strategies that align with evolving expectations.

Stakeholders	Mode of Engagement	Frequency of Engagement	Concerns
Media	• Media briefings and press releases • Advertising partnerships • Public relations events	• As needed • As needed • As needed	• Mechanisms and policies in place to curb corruption. • Stable and strong procurement practices. • Use of recycled raw material in product manufacturing. • Carbon emissions management and evaluation. • Employee recognition and benefits. • Employee engagement and satisfaction. • Foreign labour Management. • Occupational health and safety management and policies. • Product health and safety compliance. • Data privacy and cyber security protection.
Investors	• Annual General Meeting ("AGM") • Investor and Analyst briefings/meetings • Extraordinary General Meetings • Electronic Communication	• Annually • Twice a year • As needed • As needed	
Suppliers	• Supplier audits • Procurement policy briefings • Supplier Performance Evaluation • Supplier Development Programmes	• Annually • Annually • Monthly • Monthly	
Regulators	• Compliance reporting • Regulatory consultations and inspections • Participation in policy dialogues	• Annually • Annually • As needed	
Employees	• Performance appraisals and feedback sessions • Training and capacity building • General Morning Assembly • Employees Opinion Survey • A Better Dialogue	• Annually • As needed • Monthly • Annually • As needed	
Local Communities	• Corporate Social Responsibility ("CSR") programmes • Volunteer initiatives	• As needed • As needed	

Material Sustainability Matters

As we continue our journey towards responsible and sustainable practices, we recognise the need to focus our efforts and resources on the sustainability matters that are most relevant to our operations and stakeholders. To guide this focus, we conduct a Materiality Analysis based on the Materiality and Completeness Reporting Principles outlined in the GRI Standards and Bursa Malaysia's Sustainability Reporting requirements.

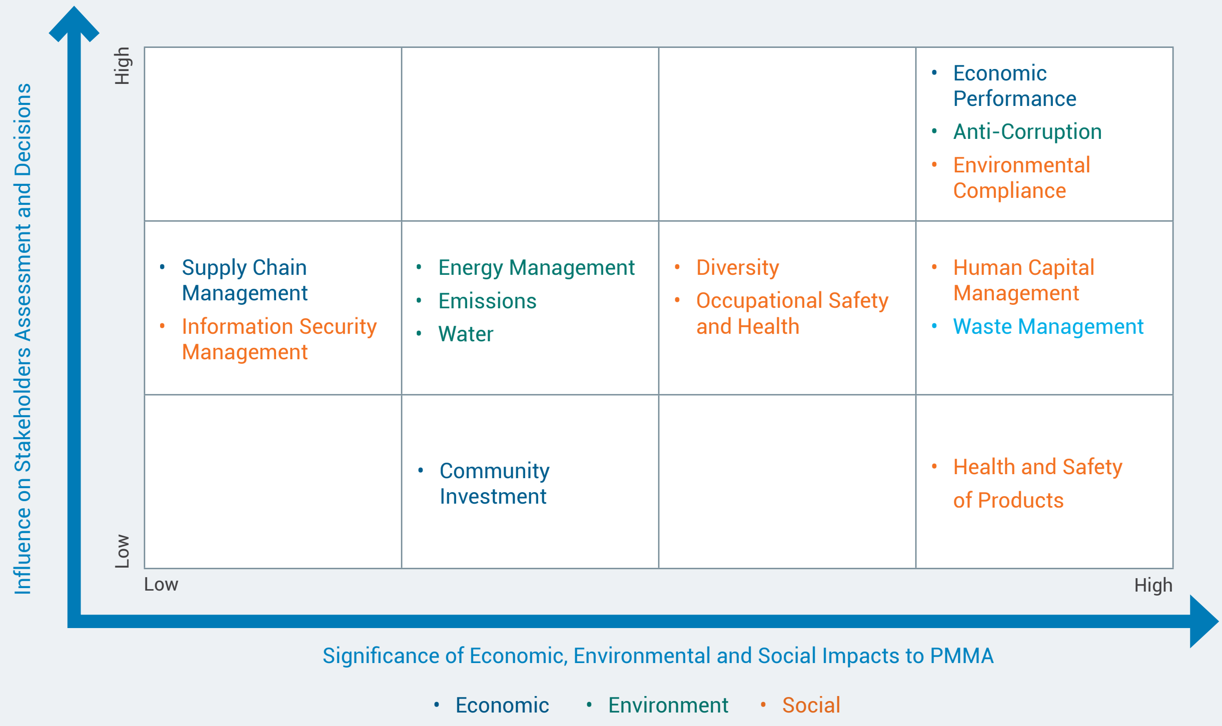
In accordance with the Materiality Principle, our report focuses on material topics that reflect PMMA's most significant economic, environmental and social impacts, or those that could substantially influence how our stakeholders assess our performance and decisions.

These material topics were identified through a structured review of internal documents, operational developments and processes, and business priorities assessed over the past few years leading up to 2026.

As part of our ongoing risk assessment, we regularly review sustainability-related risks to ensure that we continue to address the most critical sustainability concerns. The materiality matrix, representing the significance of these topics, was reviewed and approved by the Board of Directors.

For the financial year ending 31 March 2026, the following material topics were identified as most significant to PMMA and its stakeholders:

FYE 2026 Materiality Matrix



Sustainability Report (Cont'd)

Category	#	Material Topics	GRI Index	Material Disclosures
Economic	1	Economic Performance	201-1	Direct economic value generated and distributed
	2	Community/Society	201-1	Total amount invested in the community where the target beneficiaries are external
	3	Anti-Corruption	205-1	Percentage of operations assessed for corruption related risks
			205-2	Percentage of employees that have received training on anti-corruption by employee category
			205-3	Confirmed incidents of corruption and action taken
	4	Supply Chain Management	204-1	Proportion of spending on local suppliers
Environment	5	Environmental Compliance	307-1	Non-compliance with environmental laws and regulations
	6	Energy Management	302-1	Total energy consumption within the organisation in Gigajoules (GJ)
	7	Emissions	305-1 305-2	i. Scope 1 emissions in tonnes of CO_2e ii. Scope 2 emissions in tonnes of CO_2e iii. Scope 3 emissions in tonnes of CO_2e
	8	Water	303-3 303-4 303-5	i. Water withdrawal ii. Water discharge iii. Water consumption
	9	Waste Management	306-3 306-4 306-5	Total waste generated and a breakdown of: i. Total waste diverted from disposal ii. Total waste directed to disposal
Social	10	Occupational Health and Safety	403-9	Number of work-related fatalities
				Lost time incident rate
			403-5	Number of employees trained on health and safety standards
	11	Health and Safety of Products	416-1	Assessment of the health and safety impacts of product and service categories
	12	Information Security Management	418-1	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data
	13	Diversity	405-1	Percentage of employees by gender and age group for each employee category
				Percentage of directors by gender and age group
	14	Human Capital Management	404-1	Total hours of training by employee category
			2-7	Percentage of employees that are contractors or temporary staff
			401-1	Total number of employee turnover by employee category
			N/A	Foreign Labour Management
			N/A	Number of substantiated complaints concerning human rights violations

Economic

Economic Performance

Sustained financial performance is crucial to support PMMA's long-term business objectives and our ongoing investment in sustainable growth. Our ability to generate and distribute economic value reflects our commitment to responsible business conduct and operational resilience, which is important to strengthen the trust and confidence of our stakeholders.

For the fiscal year ending 31 March 2026, we generated a total Direct Economic Value of RM716 million and distributed a total of RM 713 million across key segments. Direct economic value generated and distributed is a metric that indicates the wealth that we create through our operations and the subsequent allocation of our revenue by stakeholder group, as per the following table:

RM('Million)	FYE 2026	FYE 2025	FYE 2024	FYE 2023
Economic Value Generated	**716**	**851**	**941**[2][3]	**1,015** [1][2]
Economic Value Distributed, which consists of:	**713**	**891**	**935**	**1,035**
• Payment to Vendors [5]	552	670	722	827
• Payment to Employees (e.g., wages, benefits) [4]	119	128	130	147
• Payment to Capital Providers (e.g., dividend/ interest paid to investors)	38	83	74	50
• Payment to Government (e.g., taxes and permits)	4	10	9	11
Economic Value Retained	**3**	**(40)**	**6**	**(20)**

[1]Excludes insurance claims received amounting to RM22.3 million in relation to the flood incident in December 2021.

[2]Excludes claims received from Panasonic Corporation amounting to RM11.9 million (FYE 2024) and RM14.4 million (FYE 2023) in relation to the termination of the Kitchen Appliances business.

[3]Includes RM4.9 million in foreign exchange gains.

[4]Includes MSS payments of RM2.6 million (FYE 2026), RM4.1 million (FYE 2025), RM5.0 million (FYE 2024) and RM10.9 million (FYE 2023) under the Mutual Separation Scheme.

[5]Payments to vendors exclude payments to consultants and joint ventures.

While 2026 presented a more challenging operating environment, we remained focused on delivering quality products and maintaining customer satisfaction. Our ability to generate value, even amid market challenges, demonstrates our ongoing focus on resilience, product quality and responsible growth.

Community Investment

Over the years, PMMA has supported various environmental and social initiatives that reflect our commitment to responsible corporate citizenship. Our participation in the Panasonic Eco Relay for Sustainable Earth, a global programme that encourages employees and their families to engage in local environmental activities, has been a key platform for these efforts.

While no new CSR investments were made in FYE 2026 due to a more challenging operating environment, our commitment to social and environmental engagement remains unchanged. Moving forward, we plan to strengthen our efforts by focusing on initiatives with greater environmental impact, aligned with our sustainability priorities and long-term business strategy.

Moving forward, we aim to enhance community investment as a strategic tool to strengthen our brand within the community in which we operate, build stronger relationships with relevant stakeholders, and invest in environmental-related causes, rather than focusing solely on social causes.

Anti-Corruption

PMMA is committed to upholding the highest standards of governance and integrity. We firmly believe that strong business ethics and sound governance practices not only mitigate organisational risks but also strengthen our credibility and brand value.

To ensure consistent ethical conduct across our operations, PMMA has adopted the Panasonic Holdings Corporation Code of Conduct ("CoEC"). The CoEC sets out "Our Commitments", which all Panasonic Group companies must observe, and guides our conduct and business activities in alignment with the Group's Basic Business Philosophy and compliance expectations.

To further reinforce ethical behaviour, Panasonic Holdings Corporation adopts the Employee Clean Business Undertaking. This initiative discourages employees from engaging in bribery and unethical business dealings. All PMMA employees, including temporary and foreign employees, are required to sign the Employee Clean Business Undertaking on an annual basis. As of FYE 2026, a total of 1,475 employees had signed the declaration, reaffirming their commitment to clean and ethical business conduct.

Since 2020, PMMA has also fully adopted Panasonic's Anti-Bribery and Anti-Corruption Compliance framework, known as L.E.A.P.S. (Leadership, Education, Assessment of Risk, Processes, and Surveillance). This framework aligns with the T.R.U.S.T. principles outlined in the Malaysian Anti-Corruption Commission's (MACC) Guideline on Adequate Procedures. The L.E.A.P.S framework serves as a preventive mechanism, enabling the Board of Directors, employees and business partners to identify, detect and avoid potential corrupt practices.

Principle 1

Leadership

As part of Top Management's commitment to promoting a culture of integrity in PMMA, the Compliance Team has been designated to oversee all anti-corruption matters. Management provides employees with information and access to the latest Anti-Bribery and Anti-Corruption ("ABAC") Rules and Policy. Management maintains a clear stance of zero tolerance for bribery and corruption, which is regularly communicated to all employees. Management also provides a channel for employees to report actual or suspected wrongdoing without fear of retaliation.

Principle 3

Assessment of Risks

Corruption risk has been identified as one of PMMA's key risks and is incorporated as part of the Enterprise Risk Management ("ERM") framework. A corruption risk assessment is conducted annually and whenever there is a change in law or business circumstances. The latest risk assessment exercise was conducted by an external consultant in April 2026.

Percentage of Operations Assessed	
FYE 2026	100%

Principle 2

Education

PMMA regularly communicates its anti-corruption policies and procedures within the Company through various channels, including physical training sessions, emails and other internal communications. These policies and procedures are made available to employees and stakeholders via the Company's intranet and official website.

During FYE 2026, the Company continued to strengthen employees' awareness of compliance requirements through various training and awareness programmes, including the Fair Competition Compliance Policy explanatory session and Fair Competition Compliance e-Learning programme

Employee Category	Fair Competition Compliance Policy Awareness Session	Fair Competition Compliance e-Learning
Senior Management	100%	100%
Management	100%	100%
Executives	100%	100%

Principle 4

Process and Control

PMMA has appropriate policies, adequate financial and non-financial controls, and processes in place to address the risks of bribery and corruption. We have also established procedures for conducting due diligence on external parties during the decision-making process for sourcing, selection, engagement or renewal of supplier/customer and potential employment candidates prior entering into a formal relationship.

Principle 5

Surveillance

The PMMA Compliance Team is responsible for overseeing compliance matters and conducts regular reviews and monitoring. Key controls and procedures for ABAC management are in place within PMMA. Quarterly Compliance Meetings involving Senior Management are held to report and discuss compliance-related matters. PMMA encourages employees, business partners and stakeholders to raise concerns about wrongdoing through confidential and secure whistleblowing channels made available via PMMA's intranet and website. Reported incidents are investigated to determine the validity of the allegations, and action is taken where necessary. PMMA does not tolerate any form of corruption or any conduct that may lead to business misconduct. The Company complies with applicable laws, regulations and social ethics governing the offer of benefits, including gifts, meals and entertainment, and does not accept personal benefits from stakeholders in return for unfair business advantage.

Number of confirmed incidents of corruption	
FYE 2026	0

Panasonic Global Compliance Hotline (EARS)

Panasonic is committed to complying with all applicable laws and regulations in the countries where it operates. It is important to report any potential violations of the Code of Ethics & Compliance so that the matter can be investigated and corrective measures implemented if necessary.

In August 2018, the Panasonic Group implemented EARS, a global compliance hotline system designed to receive reports and concerns ("Whistleblower Reports") from all employees. The EARS reporting platform is available on the Panasonic Global website.

Employees may also choose to make Whistleblower Reports through consultations with their supervisors or relevant functional departments such as Human Resources.

The platform is operated independently by a third-party professional called "NAVEX" and management ensures that:

- Whistleblowing Reports can be made on an anonymous basis.
- Whistleblowing Reports are strictly confidential.
- Retaliation is prohibited.

As a testament to our vigilance, we are pleased to announce that there were no confirmed incidents of corruption reported in the past two years.

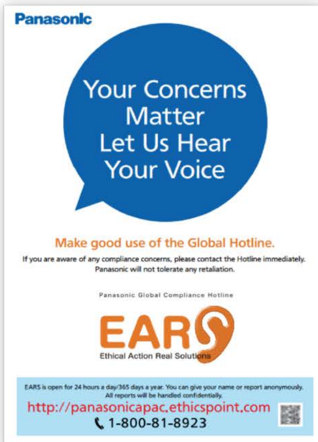
Communication – Anti Corruption Policy and Panasonic Global Compliance Hotline ("EARS")

Communication – Anti Corruption Policy Public Accessibility

Policies and procedures, such as the Code of Conduct and APAC Region Anti-Bribery and Anti-Corruption Rules (Rules for Clean Business Dealings in Southeast Asia and Oceania), are published on PMMA's intranet and website and are accessible to employees and stakeholders. Links to the relevant policies are provided below.

Policies are as follows:

- Anti-Bribery and Corruption Rules:
  https://pmma.my.panasonic.com/anti-bribery-and-corruption-rules/
- Whistleblowing Policy:
  https://pmma.my.panasonic.com/whistle-blowing-policy/
- Code of Conduct:
  https://pmma.my.panasonic.com/code-of-conduct/



Supply Chain Management

As a company that partners with suppliers across global and local markets, we acknowledge our responsibility to uphold high standards of integrity, quality and sustainability as a conscientious corporate entity. We recognise our role in delivering the functionality and value our customers expect. This is achieved through the cultivation of trust-based relationships, rigorous research and robust supply chain support.

The stability and effectiveness of our procurement processes remain a key component of our operational strategy. Guided by our commitment to quality and value creation, we strive to deliver high-performing products at competitive prices.

We are committed to sourcing materials responsibly, complying with environmental requirements, upholding quality standards, and ensuring timely and cost-effective delivery. Our Central Procurement Department plays a vital role in aligning our procurement activities with regulatory requirements and standards, particularly those that may affect profitability, product quality, environmental performance, and our Environmental, Social and Governance ("ESG") commitments.

In response to the increasing global expectations for sustainable procurement, we prioritise suppliers that offer high-quality materials and cutting-edge technology, while also demonstrating a strong commitment to ESG. This includes clean and green procurement practices, regulatory compliance, information security, human rights, and occupational health and safety.

PMMA supports the integration of ESG considerations into its procurement practices. We recognise the importance of conducting periodic management reviews to ensure that our supply chain continues to meet evolving ESG expectations and standards. Before engaging any new supplier, we conduct a systematic supplier assessment covering quality, delivery, cost, environmental considerations and ESG-related practices. To raise awareness and enhance supplier performance, we provide supplier training and conduct regular audits that focus on quality, Restriction of Hazardous Substances ("RoHS") requirements and ESG considerations. We also perform Annual Supplier evaluations that assess quality, cost, delivery and service ("QCDS") to monitor ongoing performance and drive improvement.

In January 2025, we conducted an ESG briefing for our suppliers to communicate our expectations and strengthen understanding of environmental and social standards across our supply chain to ensure responsible sourcing. A total of 110 suppliers attended the session.

QCD are Equally Important with Fulfilling CSR

Compliance

An enterprise that fails to practise CSR procurement will be neglected by society today.

Clean Procurement

- Practicing ethical conduct and correct transactions

Green Procurement

- Resource conservation/recycling
- Elimination of prohibited substances

Compliance

- Compliance with laws and social rules
- Dealing with the TRADE COMPLIANCES

Information Security

- An absolute condition for joint development and participating in design.

Human Rights, Labour, Safety/ Hygiene

- Addressing the issues of conflict minerals

We actively support local suppliers that meet our criteria for price, quality, performance and ethical standards. As of FYE 2026, local suppliers accounted for 97% of our total supplier base. During the year, we developed two (2) new local suppliers that met our procurement requirements.

	FYE 2026	FYE 2025	FYE 2024	FYE 2023
Proportion of spending on local suppliers (%)	97%	97%	95%	92%

Certain raw material or parts supplied by local suppliers are procured from overseas.

PMMA's Suppliers Quality Improvement Activities

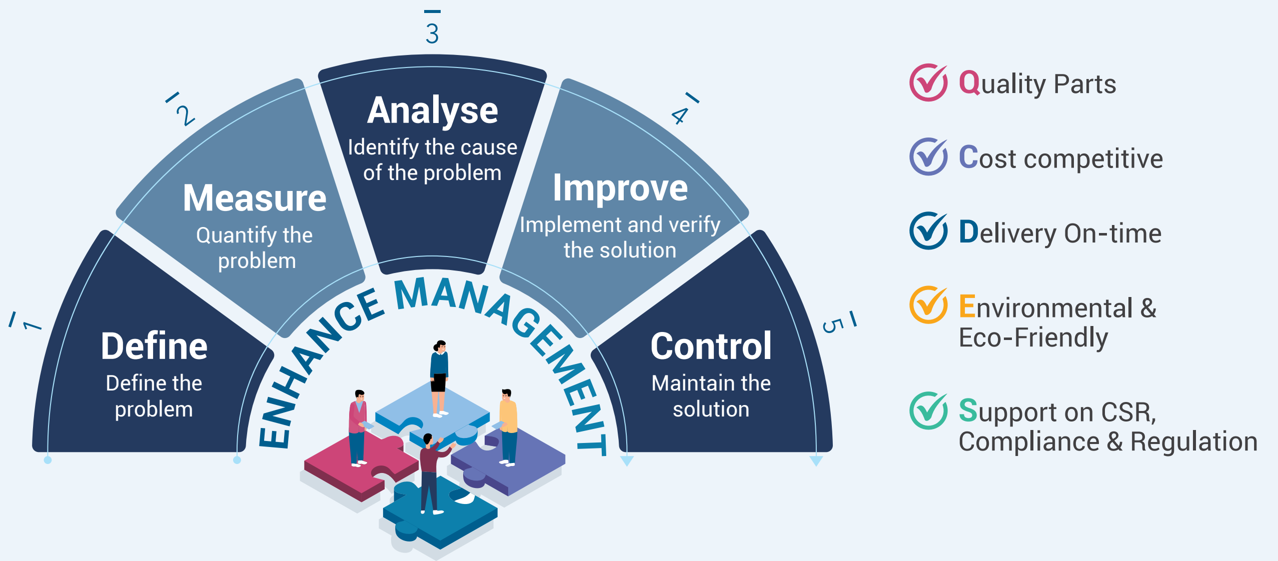
Panasonic's corporate-wide Quality Policy reflects our commitment to "truly serving customers by providing products and services that continuously meet and satisfy their needs and those of society." Customers are central to our business, and delivering high product quality is essential to maintaining trust in our brand. This commitment extends to our suppliers, as we promote Panasonic's quality principles to enhance their overall quality management systems and ensure the delivery of high-quality parts.

Our Incoming Quality Control ("IQC") team leads the continuous monitoring of supplier improvement activities. In FYE 2026 we conducted targeted audits to strengthen supplier process controls and prevent defect leakage.

These supplier quality audits focus on five areas: document control, process control, corrective and preventive action, incoming material control, and ongoing quality system and management.

In addition to formal audits, we conducted regular quality meetings and reviews to assess the effectiveness of countermeasures and share best practices with our suppliers. We also conducted on-site verifications of improvement actions and provided education through on-the-job training.

We also conducted process reviews and audits at our new original design manufacturer ("ODM") suppliers before commencing business in FYE 2026.



Strengthen QCDES, reduce total cost.

TOGETHER EVERYONE ACHIEVE MORE

For the year under review, we strengthened supplier quality by working directly with vendors that recorded high Material Return ("MRT") or rejection rates. We identified root causes, implemented corrective actions and improved inspection skills among supplier operators. We actively monitored progress and secured commitment from suppliers' top management to sustain these improvements.

We also enhanced our training approach for new operators through focused defect-identification sessions, assigning experienced mentors and conducting regular feedback reviews. To assess effectiveness, we applied 100% part inspections and tracked operator performance over a six-month period.

These efforts resulted in a significant reduction in MRT cases across most suppliers, indicating improved inspection practices and enhanced quality control within our supply chain.

Environment

Environmental Compliance

PMMA remains committed to operating in full compliance with all applicable environmental laws and regulations in Malaysia. To support the effective implementation of our Environmental Policy, we have established the PMMA Environmental Facilities Committee ("EFC"), which periodically reviews the environmental performance of our factories. We have also appointed the Environment Management Department Team Leader as the Company's Environment Management Representative ("EMR"). The EMR is responsible for ensuring compliance with all environmental-related requirements, and preparing and submitting PMMA's monthly environmental performance reports to Panasonic Holdings Corporation.

Both of our manufacturing facilities, SA1 and SA2 in Shah Alam, are certified to ISO 14001:2015 for the Environmental Management System ("EMS") certification. This certification affirms our commitment to promoting environmental stewardship within our business and reflects our efforts to meet regulatory requirements and reduce our environmental impact.

We manage our compliance with environmental laws, regulations, standards, and other requirements through continuous internal and external audits. For the year under review, we recorded zero cases of environmental non-compliance and received no significant fines or sanctions for non-compliance with environmental legislation or other regulatory requirements.

Energy Management and Emissions

Panasonic is committed to minimising its carbon footprint through various environmental initiatives outlined in the Panasonic Environment Vision 2050. This long-term vision, established by Panasonic Holdings Corporation in 2017, aims to achieve a sustainable and safe society through clean energy and a more comfortable lifestyle. In alignment with this vision, PMMA established a Zero Carbon Emission Project Team in September 2022. The team engaged an expert from the Japan Environment Promotion Department to conduct an energy-saving diagnosis and generate ideas to support PMMA's energy-saving efforts.

Energy Efficiency

We continue to advance energy efficiency efforts across our operations, in support of both national goals and Panasonic Group's long-term environmental ambition under Panasonic GREEN Impact ("PGI"). PGI reflects the Group's commitment to achieving carbon neutrality and advancing a circular economy.

Since 2019, we have implemented multiple energy-saving initiatives to reduce carbon emissions. These include solar panel installations on the rooftop of the existing SA2 plant building in 2020, the new SA2 building in 2022, and selected rooftops at our SA1 facility in January 2024. PMMA continued to strengthen energy management within its operations. Phase 2 of SA1's Rooftop Solar System began solar generation in September 2025 and achieved full operational utilisation from October 2025. The installation added 892 kWp of capacity and was formally completed in December 2025. We have also introduced energy-saving measures, including sensors and timers on powder-coating lines, reduced open areas in melting furnaces at die-cast facilities to minimise heat loss, and the gradual replacement of traditional lighting with energy-efficient LEDs at both SA1 and SA2.

Environmental Management & Sustainability Initiatives (FYE 2026)

During FYE 2026, PMMA continued to strengthen its environmental stewardship and sustainability practices through structured initiatives led by the Environmental Management Department ("EMD"), with a focus on responsible waste management, employee engagement, and continual improvement in environmental performance.

As part of its commitment to promoting circular economy practices, the Company organised an E-waste Recycling Programme in December 2025 to encourage the responsible disposal of electronic waste among employees. The initiative collected approximately 380 kg of used batteries and electronic components, including printed circuit boards ("PCBs"), which were recycled through appropriate channels. The programme strengthened employee awareness of responsible waste handling and supported PMMA's efforts to minimise environmental impact. Moving forward, PMMA plans to institutionalise the initiative on a biannual basis to further promote environmental responsibility and a culture of sustainable waste management across the organisation.

To strengthen its environmental governance framework, the Company continued to enhance internal capabilities through structured training programmes and the ongoing implementation of its ISO 14001 Environmental Management System. These efforts support alignment with recognised international standards, reinforce compliance obligations, and promote a culture of continuous improvement in environmental management practices.

Overall, PMMA's environmental initiatives demonstrate a structured and multi-faceted approach to sustainability, integrating employee engagement, operational improvements, and compliance-driven frameworks to support long-term environmental performance and ESG commitments.

Energy Consumption

During the reporting period, we continued to track our energy consumption by source. In FYE 2026, PMMA recorded a total energy consumption of 33,266 MWh, of which a significant portion was purchased electricity.

Total Energy Consumption - MWh					
Energy Consumption		**FYE 2026 (MWh)**	**FYE 2025 (MWh)**	**FYE 2024 (MWh)**	**FYE 2023 (MWh)**
Electricity	Purchased Electricity	17,953	20,146	20,634	21,465
	Solar Energy	3,005	2,634	2,478	1,974
Fuel	Diesel	275	383	377	441
	Petrol	202	302	Nil	Nil
	Natural Gas	11,778	13,855	13,873	13,708
	LPG	54	53	Nil	Nil
Total Energy Consumed		33,266	37,373	37,362	37,588

1. The energy conversion factor applied fuel litre consumption are derived from the UK Government GHG Conversion Factors for Company Reporting 2024 and 2023 based on petrol/diesel which is 100% mineral and Liquefied Petroleum Gas (LPG).
2. PMMA began tracking our petrol and diesel consumption for company-owned vehicles and LPG consumption in the FYE 2025 and FYE 2026 reporting year.

Carbon Emissions

Our approach to reducing carbon emissions focuses on the adoption of green technology, with priority given to the installation of solar panels. These panels generate renewable and cleaner energy, and help reduce our dependency on energy from the national grid, which is generated from fossil fuels.

In addition to Scope 1 and Scope 2 GHG emissions, we are tracking our Scope 3 GHG emissions, specifically from Business Travel and Employee Commuting. These emissions, although indirect, contribute to our overall carbon footprint and represent key areas where we can engage with our employees and implement policies to promote more sustainable travel practices.

The breakdown of our emissions profile is as follows:

GHG Emissions	Source	FYE 2026 (tCO2e)	FYE 2025 (tCO2e)	FYE 2024 (tCO2e)	FYE 2023 (tCO2e)
Scope 1	Diesel	74	103	101	118
	Petrol	52	77	Nil	Nil
	Natural Gas	2,154	2,534	2,537	2,507
	Liquefied Petroleum Gas (LPG)	12	12	Nil	Nil
Scope 2	Purchased Electricity	13,895	15,593	15,971	16,614
Scope 3	Business Travel	62	81	Nil	Nil
	Employee Commuting	3,438	3,211	Nil	Nil
Total		19,687	21,611	18,610	19,239

1. Scope 1 emissions are direct greenhouse gas ("GHG") emissions that occur from sources that are owned or controlled by the Company. The emission factors used for Scope 1 are derived from the UK Government GHG Conversion Factors for Company Reporting 2024 for petrol, diesel and LPG.
2. Our Scope 1 emissions for FYE 2026 include petrol and diesel consumption from company-owned vehicles and LPG consumption, which PMMA began tracking in FYE 2025.
3. Scope 2 emissions are indirect GHG emissions arising from the generation of purchased electricity consumed by the Company. Emission Conversion factor for Scope 2 is derived from Energy Commission Malaysia - Grid Emission Factor ("GEF") in Malaysia (2022) at 0.774 tCO^2_e /MWh.
4. Our Scope 1 and Scope 2 emissions data for FYE 2024 and FYE 2023 have been restated to reflect enhancements in data collection and calculation methodology since FYE 2025.
5. We began tracking Scope 3 emissions from Business Travel and Employee Commuting in FYE 2025.
6. For local employees, commuting emissions are estimated using responses to the employee commuting survey.
7. For foreign workers, commuting is provided and funded by PMMA via bus services. Emissions were calculated using the total round-trip distance (in kilometres) between the employee hostels and the SA1 and SA2 manufacturing plants, the number of foreign workers commuting to each site (115 to SA1 and 263 to SA2), and an average local bus emission factor of 0.10385 tCO^2_e /passenger-kilometer, as published in the UK Government GHG Conversion Factors for Company Reporting 2025.
8. For business travel by land, the distance travelled was estimated using the total mileage claims (in RM) and PMMA's mileage claim policy. A sample of 10 claims was assessed to determine that actual mileage represented 100% of total reimbursement claims; this ratio was then applied to the full reimbursement dataset. Emissions were calculated using an average petrol car emissions factor of 0.00016204 tCO_2e/km, as published in the UK Government GHG Conversion Factors for Company Reporting 2025.
9. For business travel by air, emissions were estimated using the ICAO Carbon Emissions Calculator, the official UN tool for quantifying CO emissions based on the departure and destination airports, number of passengers, type of cabin class, and type of flight.
10. Emissions from overnight stays and other forms of travel were excluded.

For FYE 2026, the GHG emissions intensity ratio is not reported due to the absence of comparable historical data. PMMA has enhanced its emissions boundary and methodology since FYE 2025 by tracking additional Scope 1 sources, including vehicle fuel and LPG, and Scope 3 emissions from business travel and employee commuting. As such, the current-year intensity ratio is not presented until a more comparable baseline is established.

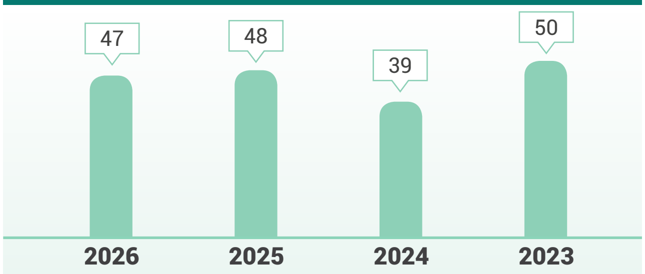
Water

Discharged Water

PMMA is cognisant of the potential pollutants that may originate from our manufacturing operations and their potential impact on local waterways in the areas where we operate, particularly from untreated wastewater. Recognising the detrimental effects that wastewater contaminants can have on downstream ecosystems, we are committed to treating wastewater before discharge in accordance with the Environmental Quality Act 1974. This helps mitigate any adverse effects on surrounding ecosystems and maintain water quality.

In FYE 2026, we discharged 47 megalitres of treated wastewater. We recorded no significant spills into water sources and reported no instances of non-compliance with applicable water quality standards and regulations.

Total Water Discharged (Megalitres/ Ml)

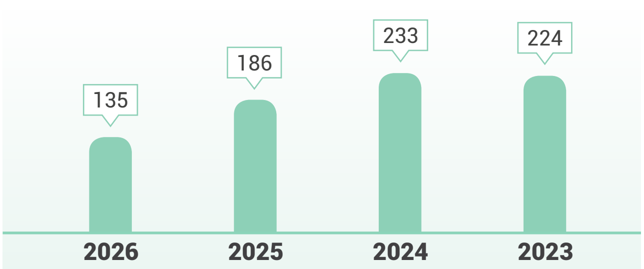


Water Consumption

PMMA sources its water primarily from local municipal water supply systems, using it mainly for our manufacturing processes and in support areas within our buildings. We are mindful that our water consumption does not significantly affect water availability in the regions where we operate, and there is currently no immediate water scarcity at our manufacturing sites.

In FYE 2026, PMMA's total water consumption across our operations decreased to 135 megalitres, representing a 27% reduction from the previous year. The reduction was attributed to increased awareness of water management activities during the reporting period.

Total Water Consumption (Megalitres/ Ml)



Water Withdrawn - Water Discharged = Water Consumption.

Waste Management

Waste generation is an unavoidable part of our production processes. We work to reduce the waste generated by our factories and increase the volume of valuable materials and resources that are recycled. Our waste management approach complies with Malaysia's National Solid Waste Management Policy and the Environmental Quality Act 1974, particularly on waste storage and disposal.

Our ongoing focus is to strengthen internal waste separation practices, raise employee awareness and identify opportunities for circularity practices.

The table below illustrates the breakdown of waste directed to disposal and waste diverted from disposal during the reporting period.

Category	FYE 2026 (Metric Tonne)	FYE 2025 (Metric Tonne)	FYE 2024 (Metric Tonne)	FYE 2023 (Metric Tonne)
Waste directed to disposal	**751**	1,054	887	1,047
Waste diverted from disposal	**5,719**	6,162	6,599	6,819
Total Waste Generated	**6,469**	7,216	7,486	7,866

Waste Directed to Disposal

PMMA prioritises the responsible management and proper disposal of scheduled waste generated by our manufacturing operations. Given the nature of our activities, a significant proportion of hazardous waste comprises metal sludges, used oils, used paints and contaminated containers, gloves and rags. In addition to hazardous waste, our operations also generate non-hazardous waste, primarily made up of domestic waste.

In compliance with the Environmental Quality (Scheduled Wastes) Regulations 2005, we engage licensed third-party disposal service contractors to collect and dispose of both hazardous and non-hazardous waste from our production processes through stringent processes at approved facilities. To ensure continued compliance, our Environment Team, comprising trained competent personnel, conducts routine inspections across our facilities to ensure proper storage and labelling of hazardous waste in accordance with the Environmental Quality (Scheduled Wastes) Regulations 2005.

Sustainability Report (Cont'd)

The table below sets out the total hazardous and non-hazardous waste disposed of during the year:

Waste Directed to Disposal (Tonnes)					
FYE	**SW Code***	**Scheduled Waste Generated**	**Total Hazardous Waste Generated**	**Total Non-Hazardous Waste Generated**	**Total Waste Directed to Disposal**
FYE 2026	SW104	62.34	432	319	751
	SW110	0.66			
	SW204	36.83			
	SW305	2.16			
	SW306	4.15			
	SW307	7.91			
	SW322	125.66			
	SW401	0.16			
	SW408	8.75			
	SW409	14.53			
	SW410	0.95			
	SW417	53.28			
	SW422	71			
FYE 2025	SW104	68	683	371	1,054
	SW110	2			
	SW204	45			
	SW305	3			
	SW306	4			
	SW307	57			
	SW322	6			
	SW401	247			
	SW408	1			
	SW410	17			
	SW417	4			
	SW418	118			
	SW422	111			

Waste Directed to Disposal (Tonnes)					
FYE	**SW Code***	**Scheduled Waste Generated**	**Total Hazardous Waste Generated**	**Total Non-Hazardous Waste Generated**	**Total Waste Directed to Disposal**
FYE 2024	SW104	84	500	387	887
	SW110	7			
	SW204	64			
	SW305	3			
	SW306	4			
	SW307	60			
	SW322	7			
	SW401	100			
	SW408	1			
	SW410	15			
	SW417	1			
	SW418	134			
	SW422	20			
FYE 2023	SW104	86	610	438	1,047
	SW110	3			
	SW204	85			
	SW206	21			
	SW305	17			
	SW306	6			
	SW307	64			
	SW401	193			
	SW410	15			
	SW418	115			
	SW422	4			

*Scheduled Waste Code

1. SW 104: Dust, slag, dross, or ash containing heavy metals, excluding slag from iron and steel factories.
2. SW 110: Waste from electrical and electronic assemblies containing components such as accumulators, mercury-switches, glass from cathode-ray tubes and other activated glass polychlorinated biphenyl-capacitators or contaminated with heavy metals.
3. SW 204: Sludges containing one or several metals.
4. SW 206: Spent inorganic acids.
5. SW 305: Spent lubricating oil.
6. SW 306: Spent hydraulic oil.
7. SW 307: Spent mineral oil-water emulsion.
8. SW 322: Waste of non-halogenated organic solvents.
9. SW 401: Spent alkalis containing heavy metals.
10. SW 408: Contaminated soil, debris, or matter resulting from the cleaning-up of a spill of chemical, mineral oil or scheduled wastes.
11. SW 409: Disposed containers, bags or equipment contaminated with chemicals, pesticides, mineral oil or scheduled wastes.
12. SW 410: Rags, plastics, papers or filters contaminated with scheduled wastes.
13. SW 417: Wastes of inks, paints, pigments, lacquer, dye or varnish.
14. SW 418: Discarded or off-specification inks, paints, pigments, lacquer, dye or varnish products containing organic solvents.
15. SW 422: A mixture of scheduled and non-scheduled wastes.

Sustainability Report (Cont'd)

Waste Diverted from Disposal

Aligned with the Panasonic Green Plan 2018, PMMA's sustainability efforts focus on implementing resource recycling in our processes to conserve natural resources and improve product cost-effectiveness through lower raw material costs. Since 2020, we have incorporated recycled Polybutene Terephthalate ("PBT") and Polypropylene ("PP") resins into selected components of our Fan Products, such as electric fans and ceiling fan components. We also introduced recycled Acrylonitrile Butadiene Styrene ("ABS") and PP resins for Vacuum Cleaner components. However, plans to use recycled PP in Vacuum Cleaners were deferred due to quality concerns. Corrective measures are in progress, and we expect to resume use of recycled PP material in the near future.

We have also incorporated the use of recycled aluminium in selected Electric Iron components to support resource conservation and achieve raw material cost savings.

To ensure product quality while incorporating recycled raw materials, PMMA's Quality Control Department works closely with Panasonic Appliances R&D Asia Pacific Sdn. Bhd. ("PAPRADAP") to ensure compliance with material specifications and product quality standards. This includes conducting regular audits of supplier factories and compliance with Restriction of Hazardous Substances ("ROHS") requirements, without compromising product quality or performance.

Under the Panasonic Green Impact 2024 ("GIP2024") programme, the utilisation of recycled resin was 11% in FYE 2025 and 17% in FYE 2026. We continue to build partnerships with new recycled resin manufacturers to increase recycled resin use through research and development.

In FYE 2026, PMMA diverted 5719 tonnes of waste. A breakdown of the waste that was recycled, reused or repurposed is as follows:

Diverted Waste	FYE 2026 (tonne)	FYE 2025 (tonne)	FYE 2024 (tonne)	FYE 2023 (tonne)
Paper	366	438	515	620
Plastic	436	625	692	711
Metal Scraps	4,817	4,990	5,319	5,282
Electrical Items	1	2	8	3
Aluminium	99	107	65	203
Total	5,719	6,162	6,599	6,819

Social

Occupational Safety and Health

We prioritise the health and well-being of all our employees and are committed to providing a safe and healthy working environment. Our safety culture is anchored in proactive risk identification, structured monitoring and employee engagement, supported by strong leadership, continuous training and active participation of employees at all levels.

Our localised Occupational Safety and Health ("OSH") Policy, guided by Panasonic Group's global Environment, Health and Safety ("EHS") framework, reflects this priority. It is supported by detailed Standard Operating Procedures ("SOPs") and a robust OSH governance framework that guides activities across our manufacturing plants. Additionally, we have adopted rigorous control SOPs from Panasonic Holdings Corporation's OSH Activity Guideline for critical activities. Our OSH Management System, established in 2013, provides a structured approach to managing safety risks and promoting employee well-being.

PMMA adheres to the Occupational Safety and Health Management System ISO45001:2018, which aligns with Malaysia's occupational safety regulations and the Safety Standards established by Panasonic Japan Headquarters. This comprehensive framework enables us to identify, assess and manage workplace hazards systematically, ensuring a safe and healthy workplace for our employees, contractors and visitors. We remain focused on cultivating greater risk awareness by identifying and managing all risk factors and mitigating their adverse effects on individuals' physical, mental and cognitive well-being. We ensure emergency preparedness and implement ongoing system improvements and health surveillance measures to prevent accidents and occupational illnesses, ultimately aiming for zero injury incidents.

Our Safety and Health Committee ("SHC") comprises employee representatives from all organisational levels, including top management, executives and frontline workers, as required by law. Led by our Managing Director, the joint management-worker SHC meets quarterly to discuss OSH management systems and evaluations. The committee investigates hazard prevention measures, root causes of occupational accidents and diseases, measures to prevent recurrence, employee health issues and health promotion initiatives. We have established internal and external feedback mechanisms, with all feedback reviewed by management representatives and reported to top management. Any necessary investigations and actions are completed within 14 days.

The SHC collaborates with the Human Resources Department to organise OSH-related programmes, including internal and external training. We also conduct annual Hazard Identification, Risk Assessment and Determining Control ("HIRADC") reviews with department members, allocating adequate annual budgets for OSH training and development.

We conduct annual internal and external OSH audits and risk assessments, including at both SA1 and SA2 plants, to ensure sustained compliance and effective risk mitigation. These include cross-reference audits at the local group level and the Business Division in Japan. The audits support compliance with legal requirements and help identify opportunities for improvement. We also implement mandatory safety measures, including safety inspections of new machines, daily OSH procedures and safety training in PMMA's day-to-day operations that promote awareness and safe OSH practices throughout our business.

Work-Related Fatalities and Lost Time Incidents

In line with our target of zero accidents, we continued to strengthen safety protocols and implement health initiatives, with a strong focus on machine safety. All machinery undergoes thorough safety inspections both prior to and upon installation to prevent workplace incidents.

During the reporting year, PMMA maintained a zero-fatality record and recorded no reportable occupational illnesses. Four incidents were classified as major. With ongoing automation and process upgrades, PMMA increased its emphasis on machine and automation safety protocols, particularly in assembly and parts manufacturing lines. Safety infrastructure was also strengthened through investments in guarded workstations, machine interlock systems and improved ventilation within production areas.

Number of Work-Related Fatalities
FYE 2026, FYE 2025, FYE 2024 & FYE 2023

NIL

Our Lost Time Incident Rate ("LTIR") remained unchanged at 1.00% in FYE 2026, consistent with the previous reporting year.

	FYE 2026	FYE 2025	FYE 2024	FYE 2023
Number of Bodily Injuries (Lost Time Injuries)	**14**	15	15	13
Total number of hours worked	**2,812,774**	3,010,090	3,453,341	3,369,492
Lost Time Incident Rate ("LTIR") (%)	**1.00**	1.00	0.87	0.75

1. Lost time incident rate refers to the loss of productivity associated with accidents or injuries arising out of or in the course of work.
2. The standardised value used to compute the LTIR is 200,000, which is the total amount of hours that 100 employees work weekly for 40 hours for a duration of 50 weeks (100x40x50=200,000)

As a manufacturing company engaged in high-risk and high-skilled work with machinery, ensuring the safety of our workforce remains critical. To strengthen operational safety, we provide our employees with targeted knowledge and safety training specific to our facility operations. This proactive approach enables them to manage potential risks and operate machinery safely, thereby reducing the likelihood of accidents or injuries.

Training modules on safe handling of automated systems and emergency response procedures were refreshed and rolled out to both permanent and contract workers. In parallel, contractor safety management was reinforced through stricter onboarding, Personal Protective Equipment ("PPE") compliance checks and tighter site access controls.

Near-miss and hazard reporting rates improved year-on-year, reflecting a growing awareness and participation among employees in maintaining a safe working environment.

In FYE 2026, a total of 947 employees participated in the health and safety training programmes.

	FYE 2026	FYE 2025	FYE 2024	FYE 2023
Number of employees trained on health and safety standards	**947**	815	1,139	1,389

MPOSH Activity

20th MPOSH Skills Competition 2025 – Strengthening Safety Culture Through Competency Development

On 8 November 2025, PMMA participated in the **20th MPOSH Skills Competition 2025**, demonstrating our continuous commitment towards strengthening occupational safety and health (OSH) competencies and promoting a proactive safety culture across the organization.

The competition provided a platform for employees to enhance practical safety knowledge, develop technical competencies, and encourage cross-functional collaboration in workplace safety practices. PMMA actively participated in several categories focusing on hazard recognition, safe work practices, and operational safety skills.

PMMA achieved encouraging results in the competition:

- PPE Skill Category – 1st Prize
- Forklift Skill Category – 2nd Prize
- Risk Identify Skills (RIS) – 5th Prize

Through the collective effort and commitment of our team members, PMMA secured 4th place overall with 19 points among participating companies.

Participation in safety competitions such as MPOSH supports PMMA's sustainability objectives by:

- Enhancing employee competency and safety awareness
- Strengthening hazard identification and risk management capabilities
- Encouraging employee engagement in safety initiatives
- Promoting continuous improvement in workplace safety performance
- Reinforcing a positive and sustainable safety culture across operations

This achievement reflects PMMA's ongoing dedication to creating a safer workplace environment while supporting long-term sustainability through people development and operational excellence.

Ensuring Health and Safety of Our Products

PMMA upholds the rigorous safety standards set by Panasonic Holdings Corporation and complies with all relevant local government regulations to ensure that our products are safe and reliable, minimising the risk of liability claims. During the product design and development phase, every new model undergoes thorough safety checks and performance assessments, with results reported to top management for timely review. We also prioritise food sanitation tests for components that come into contact with food to ensure that our products pose no health risks. If safety concerns arise in the market, we adopt a "Bad News First" approach, promptly reporting issues to the Managing Director to support timely decision-making. Internal and external audits, including those conducted by SIRIM and authorised certification bodies, further assess the effectiveness of our product safety processes.

To mitigate market defective losses, PMMA supplies standby replacement parts to our sales department, which expedites the return of samples and investigation. We conduct detailed root cause analyses to address issues at their source and implement corrective measures to prevent recurrence. Our improvement efforts include refining our design review processes for new model development, helping us consistently deliver high-quality products to our customers. In FYE 2026, PMMA's market defective ratio increased from 0.483 to 0.661. This outcome highlights the importance of reinforcing our quality management systems and the need for continued vigilance and improvement. We continue to intensify efforts to strengthen quality controls with the aim of surpassing prior performance benchmarks. Our commitment to customer safety and satisfaction remains steadfast as we continue to embed a strong culture of quality compliance throughout the organisation.

Information Security Management

PMMA's Information Security Management ("ISM") System is anchored on three key principles: Integrity, Availability and Confidentiality. We are committed to safeguarding the Company's Confidential Information and protecting it against internal and external threats and risks. Strengthening information security supports stakeholder trust, reinforces regulatory compliance and contributes to long-term business sustainability.

We integrate ISM considerations into all business functions to prevent data leaks or tampering. PMMA is committed to managing and protecting information security effectively through organisational, technological and physical security management policies.

Cybersecurity remains a priority as digitalisation advances across our operations. To mitigate cyber risks, we adopt a structured approach based on three threat categories: people, network and systems. Risk scenarios and corresponding mitigating measures are assessed regularly to support effective information security management.

	People	Network	System
Risks	1. Insufficient employee awareness. 2. Inability to identify malicious emails.	1. Insufficient control of unauthorised access. 2. Insufficient protection of factory production system.	1. Insufficient protection of local servers. 2. Insufficient information-security expertise within each company.
Action Plan	1. Cyber Security Education. 2. Endpoint Security – device hardening.	1. Strengthen network security design. 2. Implement network monitoring to detect cyber-attacks.	1. Ensure that a Business Cyber Security Plan ("BCP") is in place. 2. Enhance server security management.

All employees undergo regular information security awareness education and training to enhance their understanding of information security and cultivate a workplace culture that is highly sensitive to information security risks. This is crucial for controlling and preventing accidents and ensuring ongoing compliance with the Information Security Management System ISO 27001:2013. In FYE 2026, 100% of our employees with email access enrolled in the "Online Panasonic Security & Compliance e-Learning" course. Additionally, 99% of new joiners completed ISM as part of their onboarding orientation by 31 March 2026.

PMMA monitors and manages both ISM events and incidents, in line with internal protocols and best practices. An ISM event refers to any observable occurrence within a system or network that may be relevant to the security of information systems, such as user logins, system access or firewall activity. These events support early detection of anomalies and potential risks. An ISM incident refers to a confirmed or suspected breach of security policies that may compromise the confidentiality, integrity or availability of information or systems. Incidents trigger immediate investigation and response measures.

During the reporting period, PMMA recorded no incidents related to data privacy and information security.

	FYE 2026	FYE 2025	FYE 2024	FYE 2023
Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	None	None	None	None

Diversity and Equal Opportunity

Panasonic Holdings Corporation's updated "Global Diversity Policy" underscores the Group's ongoing commitment to fostering diversity and inclusivity among employees. This commitment is reflected in our hiring and promotion processes, where candidates are selected solely based on their job performance and competency, without regard to factors such as age, gender, race or religion. At PMMA, we uphold the principles of equal opportunity and pay, maintaining a zero-tolerance stance against discrimination. We strive to cultivate a respectful and inclusive work environment that is free from discrimination, including race, gender, ethnicity, religion, age, disability, sexual orientation, gender identity or expression, political opinion, or any other status protected by law.

Employee Diversity

The following is the representation of our workforce diversity by gender. We continue to be a male reliant workforce in delivering our business, particularly in operational roles.

Employee Category	FYE 2026		FYE 2025		FYE 2024		FYE 2023	
	Male%	Female%	Male%	Female%	Male%	Female%	Male%	Female%
Senior Management	77	23	79	21	79	21	77	23
Middle Management	56	44	61	39	67	33	67	33
Executive	58	42	57	43	55	45	53	47
Non-Executive	70	30	71	29	71	29	71	29
Overall Composition	68	32	70	30	69	31	70	30

The breakdown of employee categories by age group is as follows.

Age in Years (%)												
Employee Category	FYE 2026			FYE 2025			FYE 2024			FYE 2023		
	<30	30-50	>50	<30	30-50	>50	<30	30-50	>50	<30	30-50	>50
Senior Management	Nil	38	62	Nil	34	66	Nil	28	72	Nil	39	61
Managerial	Nil	59	41	Nil	57	43	Nil	51	49	Nil	60	40
Executive	19	61	20	23	59	18	29	55	15	25	60	15
Non-Executive	27	56	17	34	55	11	48	43	10	50	42	8
Overall Composition	24	56	20	31	55	4	44	44	12	46	44	10

We do not set specific outcome-based targets for gender or age representation. Instead, we focus on promoting a merit-based and healthy work environment that encourages productivity and performance across all employee levels.

Board Diversity

As at the reporting date, two out of seven Board members were female, representing approximately 29% of the total Board composition.

While the Board has not established a formal target for female representation, it acknowledges the 30% benchmark recommended under the Malaysian Code on Corporate Governance (MCCG) and will continue to consider gender diversity as an important factor in Board composition.

The Board remains committed to fostering diversity by ensuring an appropriate balance of skills, experience, gender and independence, which supports effective decision-making and strong corporate governance practices.

Board of Directors Breakdown by Gender Group	FYE 2026 (%)		FYE 2025 (%)		FYE 2024 (%)		FYE 2023 (%)	
	Male	Female	Male	Female	Male	Female	Male	Female
	71	29	56	44	56	44	56	44

As at FYE 2026, all Board members were aged 50 and above. While there are currently no age diversity targets for the Board, appointments are based on merit, experience and the strategic needs of the Company. PMMA remains committed to upholding a balanced and effective Board through ongoing evaluation of its composition.

Board of Directors Breakdown by Age Group	FYE 2026 (%)			FYE 2025 (%)			FYE 2024 (%)			FYE 2023 (%)		
	<30	30-50	>50	<30	30-50	>50	<30	30-50	>50	<30	30-50	>50
	Nil	Nil	100	Nil	Nil	100	Nil	Nil	100	Nil	Nil	100

Human Capital Management

PMMA is committed to respecting and promoting human rights throughout its operations and value chain, in line with the Panasonic Group Global Human Rights Policy and the United Nations Guiding Principles on Business and Human Rights (UNGP). Our approach is founded on the principles of protecting human dignity, preventing adverse human rights impacts, and providing access to effective grievance and remediation mechanisms.

The Company recognises that human rights responsibilities extend beyond its direct workforce to include contractors, service providers, suppliers, business partners, customers, and local communities. PMMA is committed to identifying, preventing, mitigating, and addressing human rights risks arising from its business activities and relationships.

Guiding Principles On Business Human Rights (UNGP)

Pillar 1

The State Duty To Protect Human Rights

Operational principles

- General state regulatory and policy functions
- The State-business nexus
- Supporting business respect for human rights in conflict affected areas
- Ensuring policy coherence

Pillar 2

The Corporate Responsibility To Respect Human Rights

Operational principles

- Policy commitment
- Human rights due diligence
- Remediation
- Issue of context

Pillar 3

Access To Remedy

Operational principles

- State-based judicial mechanisms
- Non-State-based grievance mechanism
- Effectiveness criteria for non-judical grievance mechanism

Human Rights Governance and Due Diligence

Human rights due diligence has become increasingly important due to evolving global regulatory requirements, including the European Union Corporate Sustainability Due Diligence Directive (CSDDD), forced labour regulations in major markets, and growing stakeholder expectations for responsible business conduct. Panasonic Group has responded through a comprehensive due diligence programme that integrates human rights and environmental considerations across business operations and supply chains.

PMMA participates in Panasonic Group's human rights governance framework, which includes:

- Adoption of the Malaysia Group Policy on Global Human Rights.
- Regular compliance reviews, updates, and awareness programmes.
- Human rights assessments of service providers and suppliers.
- Monitoring, mitigation, and remediation of identified human rights risks.
- Expansion of due diligence activities to cover suppliers and business partners.

Looking Ahead

PMMA will continue strengthening its human rights management practices in alignment with Panasonic Group initiatives and evolving regulatory expectations. Key focus areas include enhancing human rights due diligence, expanding engagement with suppliers and service providers, strengthening awareness and training programmes, improving grievance mechanisms, and promoting responsible recruitment practices across the value chain. Through these efforts, PMMA aims to foster a workplace and supply chain environment that respects human rights, safeguards worker welfare, and supports sustainable business growth.

Sustainability Report (Cont'd)

Training and education

We view our employees as our most valuable asset and are committed to their growth and development. To strengthen workforce capability, we conduct on-the-job training ("OJT") for production staff, including foreign workers, facilitated by in-house trainers. We also offer tailored technical and management training programmes to address organisational development needs. We promote a culture of continuous learning and growth and advocate for an upskilled workforce. Accordingly, we have designed career-development initiatives aimed at fostering employees' professional growth in tandem with the Company's growth.

Our comprehensive training regimen includes both technical and non-technical competencies to ensure our employees acquire the skills and knowledge necessary to excel in our industry. In FYE 2026, we achieved a total of 6,816 training hours.


Safety Awareness


Forklift Training


Overhead Crane Training

Sustainability Report (Cont'd)


Fire Drill

Chemical Spillage Training

Employee Category	FYE 2026 (Hours)	FYE 2025 (Hours)	FYE 2024 (Hours)	FYE 2023 (Hours)
Senior Management	343	446	897	407
Middle Management	964	1,914	2,697	1,610
Executive	2,581	4,480	4,079	3,004
Non-Executive	2,928	6,462	6,455	5,259
Total	6,816	13,302	14,128	10,280

The data above only accounts for PMMA's permanent staff.

We believe that investing in employee development strengthens the capabilities of our existing workforce while helping us attract and retain new talent for critical roles. Looking ahead, we are committed to nurturing the next generation of Panasonic leaders through a structured global talent management framework. Our Executive Development Training programmes aim to inspire and equip executive-level candidates with fresh perspectives, innovative thinking, and the adaptive mindset necessary to navigate a rapidly evolving business environment. These initiatives form a key part of our leadership pipeline strategy, supporting long-term organisational growth.

Utilisation of contractors/temporary staff

In FYE 2026, contract/temporary staff made up 6% of PMMA's workforce. The Company employs a number of contract/temporary staff as this allows for the flexibility and cost control needed to adapt to changing market conditions and production requirements.

	FYE 2026 (%)	FYE 2025 (%)	FYE 2024 (%)	FYE 2023 (%)
Percentage of Contract/Temporary Staff	6	3	10	16

However, PMMA recognises the importance of ensuring that all temporary workers are treated fairly, receive appropriate compensation and benefits, and experience a positive working environment. Upholding these principles is crucial for maintaining a productive and motivated workforce.

Employee turnover

The table below presents the breakdown of employee turnover by category for our permanent workforce. While some level of turnover is expected, we try to minimise attrition among business-critical and high-performing employees. Through continuous employee engagement, we actively seek feedback to identify areas for improvement and enhance retention strategies.

Employee Category (Permanent Staff)	Number of Employee Turnover			
	FYE 2026	FYE 2025	FYE 2024	FYE 2023
Senior Management	1	2	2	0
Middle Management	5	4	4	5
Executive	12	13	20	17
Non-Executive	213	326	427	465
Total	231	345	453	487

1. Employee turnover refers to employees who leave the company voluntarily or due to dismissal, retirement, or death in service.
2. The data above excludes seconded staff and expats.

Employee benefits

PMMA is committed to providing fair and competitive compensation in full compliance with the Minimum Wages Order. In addition to fair remuneration, we aim to cultivate a supportive and positive work environment by offering comprehensive employee benefits, including life insurance, healthcare check-ups, housing loans, retirement plans, and other well-being initiatives.

We contribute to Malaysia's Employees Provident Fund (EPF), a defined contribution scheme in accordance with national regulations.

All eligible employees are covered under this retirement scheme, with contributions made by both the Company and employees based on statutory rates.

We conduct regular audits to ensure our employment systems and procedures comply with all relevant laws and regulations. For the reporting year, we complied fully with applicable Employment Laws and Regulations.

The diagram below illustrates the benefits provided to our permanent employees:

- Retirement provision
- Inpatient coverage for employee and family
- Outpatient coverage for employee and family
- Group personal accident and term life
- Dental
- Housing loan
- Vehicle loan
- Compassionate / Congratulatory / Calamity

Sustainability Report (Cont'd)

Employee engagement and satisfaction

PMMA participates annually in the Panasonic Employee Opinion Survey ("EOS"), an initiative funded by Panasonic Holdings Corporation and facilitated by an independent consulting firm. The survey allows employees to share their feedback, needs and concerns anonymously. Its purpose is to generate insights that inform continuous improvements to employee experience and overall organisational performance.

Employees respond to questions covering 15 key dimensions that identify areas for improvement and support PMMA's reputation as an employer of choice.

In the survey conducted in 2026, four themes were particularly favourable: Safety at Work (88%), Clear & Promising Direction (83%), Quality & Customer Focus (83%), and Compliance (85%). Overall ratings improved, which was attributed to the Managing Director's clear articulation of business direction and the resulting increase in employee confidence.

EOS results are cascaded to respective group managers, who will collaborate with their teams to develop action plans that address identified issues and apply collective insights to continuous improvement.

EOS result for financial year ended 31 March 2023	EOS result for financial year ended 31 March 2024	EOS result for financial year ended 31 March 2025	**EOS result for financial year ended 31 March 2026**
FAV 85% Quality & Customer Focus	FAV 89% Clear & Promising Direction	FAV 91% Safety at Work	FAV 88% **Safety at Work**
FAV 85% Employee Enablement	FAV 89% Safety at Work	FAV 88% Clear & Promising Direction	FAV 83% **Clear & Promising Direction**
FAV 81% Clear & Promising Direction	FAV 86% Quality & Customer Focus	FAV 87% Quality & Customer Focus	FAV 83% **Quality & Customer Focus**
	FAV 86% Compliance	FAV 87% Compliance	FAV 85% **Compliance**

A Better Dialogue

To remain competitive in a constantly evolving landscape, we recognise that the unique strengths of each employee are essential. We strive to foster an environment in which every employee is encouraged to grow and develop in their own unique way. Panasonic embraces this ethos through the implementation of "A Better Dialogue", an initiative rooted in our Basic Business Philosophy that promotes value creation. The initiative enhances the quality and frequency of dialogue between employees and managers, thereby supporting individual and organisational performance.

During the reporting year, we continued face-to-face dialogues between Group Managers and their team members, particularly among Management Staff. These discussions focused on employees' aspirations and their contributions to PMMA's growth. Managers provide individualised support to help employees develop their potential and take on new challenges as part of their career progression.

Employee labour rights

In line with Panasonic Holdings Corporation's Global Human Rights and Labour Policies established in 2016, PMMA is committed to respecting human rights. PMMA has adopted the Panasonic Group of Companies in Malaysia Policy on the Responsible Recruitment and Employment of Foreign Migrant Workers. This mandatory policy supports adherence to the Malaysia Policy on Responsible Recruitment and Management of Migrant Workers, as well as Malaysian laws, during the recruitment process of foreign migrant workers.

PMMA prohibits the charging of recruitment fees or related costs to foreign migrant workers, and this principle is explicitly stated in our contracts with recruitment agencies. Before appointing a recruitment agency, PMMA conducts thorough due diligence. Upon selection, foreign migrant workers receive a standard template employment contract in English, translated into their native languages to clarify their terms and conditions. They are also briefed on their rights regarding voluntary termination policies, without any penalties or salary deductions, as PMMA covers the full cost of repatriation.

In accordance with Malaysian law, PMMA does not retain any personal documents of foreign workers but may collect passports for permit renewal purposes. Wages comply with local wage laws, including those related to minimum wages, overtime allowances and fringe benefits. We require overtime consent form for employees working beyond stipulated hours or on rest days.

PMMA ensures a workplace free from harsh or inhumane treatment and upholds the freedom of foreign workers to join associations or unions in accordance with local laws. Adequate and safe accommodation is provided, with regular inspections conducted by both hostel management and PMMA representatives to ensure cleanliness and facility maintenance. Initiatives to reduce reliance on foreign workers include terminating contracts for problematic workers and promptly repatriating those found unsuitable during medical screenings.

Substantiated Complaints

During the reporting year, PMMA did not receive substantiated complaints from regulatory or official bodies regarding violations of human rights involving our workers.

Number of substantiated complaints concerning violation of human rights received	FYE 2026	FYE 2025	FYE 2024	FYE 2023
	None reported	None Reported	2	None Reported

Conclusion

Strengthening sustainability remains essential to long-term business resilience and relevance. Sustainability supports continuous value creation that benefits the broader value chain and all relevant stakeholders. We acknowledge the contributions of our employees in advancing our sustainability journey. As we move forward, we will continue to refine our corporate governance and sustainability management practices to meet evolving regulatory standards and increasing stakeholder expectations.

Bursa Malaysia's Common Indicators

PANASONIC MANUFACTURING MSIA
BMLR Transition Period

Date & Time: 2026-07-30_12:02:24
Main Market | Group 2 | FYE 31/03/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Anti-Corruption	a) Percentage of employees who have received training on anti corruption by employee category	%	100	100	100	* No assurance
Anti-Corruption	b) Percentage of operations assessed for corruption-related risks	%	100	100	100	* No assurance
Anti-Corruption	c) Confirmed incidents of corruption and action taken	Number	0	0	0	* No assurance
Community/Society	a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	5000	0	0	* No assurance
Community/Society	b) Total number of beneficiaries of the investment in communities	Number	200	0	0	* No assurance
Diversity	Age Group by Employee Category 1) Senior Management Under 30	Percentage	0	0	0	* No assurance
Diversity	Age Group by Employee Category 1) Senior Management Between 30 -50	Percentage	34	38	0	* No assurance
Diversity	Age Group by Employee Category 1) Senior Management Above 50	Percentage	66	62	0	* No assurance
Diversity	Age Group by Employee Category 2) Middle Management Under 30	Percentage	0	0	0	* No assurance

This report was generated on the Bursa Malaysia CSI Platform on 2026-07-30_12:02:24 Page 1 of 5

PANASONIC MANUFACTURING MSIA
BMLR Transition Period

Date & Time: 2026-07-30_12:02:24
Main Market | Group 2 | FYE 31/03/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Diversity	Age Group by Employee Category 2) Middle Management Between 30-50	Percentage	57	59	0	* No assurance
Diversity	Age Group by Employee Category 2) Middle Management Above 50	Percentage	43	41	0	* No assurance
Diversity	Age Group by Employee Category 3) Executive Under 30	Percentage	23	19	0	* No assurance
Diversity	Age Group by Employee Category 3) Executive Between 30-50	Percentage	59	61	0	* No assurance
Diversity	Age Group by Employee Category 3) Executive Above 50	Percentage	18	20	0	* No assurance
Diversity	Age Group by Employee Category 4) Non-Executive Under 30	Percentage	34	27	0	* No assurance
Diversity	Age Group by Employee Category 4) Non-Executive Between 30-50	Percentage	55	56	0	* No assurance
Diversity	Age Group by Employee Category 4) Non-Executive Above 50	Percentage	11	17	0	* No assurance
Diversity	Gender Group by Employee Category 1) Senior Management Male	Percentage	79	77	0	* No assurance

This report was generated on the Bursa Malaysia CSI Platform on 2026-07-30_12:02:24 Page 2 of 5

Bursa Malaysia's Common Indicators (Cont'd)

PANASONIC MANUFACTURING MSIA
BMLR Transition Period

Date & Time: 2026-07-30_12:02:24
Main Market | Group 2 | FYE 31/03/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Diversity	Gender Group by Employee Category 1) Senior Management Female	Percentage	21	23	0	* No assurance
Diversity	Gender Group by Employee Category 2) Middle Management Male	Percentage	61	56	0	* No assurance
Diversity	Gender Group by Employee Category 2) Middle Management Female	Percentage	39	44	0	* No assurance
Diversity	Gender Group by Employee Category 3) Executive Male	Percentage	57	58	0	* No assurance
Diversity	Gender Group by Employee Category 3) Executive Female	Percentage	43	42	0	* No assurance
Diversity	Gender Group by Employee Category 4) Non-Executive Male	Percentage	71	70	0	* No assurance
Diversity	Gender Group by Employee Category 4) Non-Executive Female	Percentage	29	30	0	* No assurance
Diversity	Percentage of directors by gender 1) Male	Percentage	56	71	0	* No assurance
Diversity	Percentage of directors by gender 2) Female	Percentage	44	29	0	* No assurance
Diversity	Percentage of directors by age group 1) Under 30	Percentage	0	0	0	* No assurance

This report was generated on the Bursa Malaysia CSI Platform on 2026-07-30_12:02:24 Page 3 of 5

PANASONIC MANUFACTURING MSIA
BMLR Transition Period

Date & Time: 2026-07-30_12:02:24
Main Market | Group 2 | FYE 31/03/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Diversity	Percentage of directors by age group 2) Between 30-50	Percentage	0	0	0	* No assurance
Diversity	Percentage of directors by age group 3) Above 50	Percentage	100	100	0	* No assurance
Energy Management	Total energy consumption	Megawatt	37373.00	33266.00	0	* No assurance
Health and safety	1) Number of work-related fatalities	Number	0	0	0	* No assurance
Health and safety	2) Lost time incident rate	Rate	1.00	1.00	0	* No assurance
Health and safety	3) Number of employees trained on health and safety standards	Number	815	947	0	* No assurance
Labour practices and standards	a- Total hours of training by employee category 1) Management	Hours	2360	1307	0	* No assurance
Labour practices and standards	a- Total hours of training by employee category 2) Executive	Hours	4480	2581	0	* No assurance
Labour practices and standards	a- Total hours of training by employee category 3) Non-Executive	Hours	6462	2928	0	* No assurance
Labour practices and standards	b- Percentage of employees that are contractors or temporary staff	Percentage	3	6	0	* No assurance
Labour practices and standards	c- Total number of employee turnover by employee category 1) Management	Number	6	6	0	* No assurance

This report was generated on the Bursa Malaysia CSI Platform on 2026-07-30_12:02:24 Page 4 of 5

Bursa Malaysia's Common Indicators (Cont'd)

PANASONIC MANUFACTURING MSIA
BMLR Transition Period

Date & Time: 2026-07-30_12:02:24
Main Market | Group 2 | FYE 31/03/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Labour practices and standards	c- Total number of employee turnover by employee category 2) Executive	Number	13	12	0	* No assurance
Labour practices and standards	c- Total number of employee turnover by employee category 3) Non-Executive	Number	326	213	0	* No assurance
Labour practices and standards	d- Number of substantiated complaints concerning human rights violations	Number	0	0	0	* No assurance
Supply chain and management	Proportion of spending on local suppliers	Percentage	97	97	0	* No assurance
Data privacy and security	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0	* No assurance
Water	Total volume of water used	Megalitres	186	135	0	* No assurance

Five-Year Financial Summary Financial Year Ended 31 March

Financial Data		2022	2023	2024	2025	2026
Revenue	RM'000	868,776	991,628	905,685	822,778	689,916
Profit before taxation	RM'000	53,037	91,338	106,657	51,894	37,418
Profit after taxation	RM'000	51,511	80,132	92,646	46,137	33,928
Gross dividends paid / proposed	RM'000	50,419	74,110	82,614	37,662	29,158
Net dividends paid / proposed	RM'000	50,419	74,110	82,614	37,662	29,158
Total assets	RM'000	917,782	922,213	944,413	893,091	868,896
Share capital	RM'000	60,746	60,746	60,746	60,746	60,746
Shareholders' funds	RM'000	765,213	794,926	813,462	776,985	773,251
Financial Ratios						
Return on shareholders' funds	%	6.7	10.1	11.4	5.9	4.4
Earnings per share	sen	85	132	153	76	56
Net assets per share	RM	12.60	13.09	13.39	12.79	12.73
Dividend rate (gross)	sen	83	122	136	62	48

Financial Highlights

Financial Data		Year Ended 31 March 2026	Year Ended 31 March 2025
Revenue	RM'000	689,916	822,778
Profit before taxation	RM'000	37,418	51,894
Profit after taxation	RM'000	33,928	46,137
Percentage of revenue	%	4.9	5.6
Return on shareholders' funds	%	4.4	5.9
Earnings per share	sen	56	76
Dividend rate	sen	48	62
Shareholders' funds	RM'000	773,251	776,985
Net assets per share	RM	12.73	12.79
Total assets	RM'000	868,896	893,091
Capital expenditure	RM'000	14,716	24,213

Financial Calendar

INVESTOR MEETING

Shareholder and investor inquiries attended via email and other communication channels

PROPOSED FINAL DIVIDEND

Notice of Dividend Entitlement	Entitlement Date	Payment Date
17 July 2026	**18 September 2026**	**28 September 2026**

INTERIM DIVIDEND

Notice of Dividend Entitlement	Entitlement Date	Payment Date
27 Nov 2025	**22 Dec 2025**	**20 Jan 2026**

61st ANNUAL GENERAL MEETING

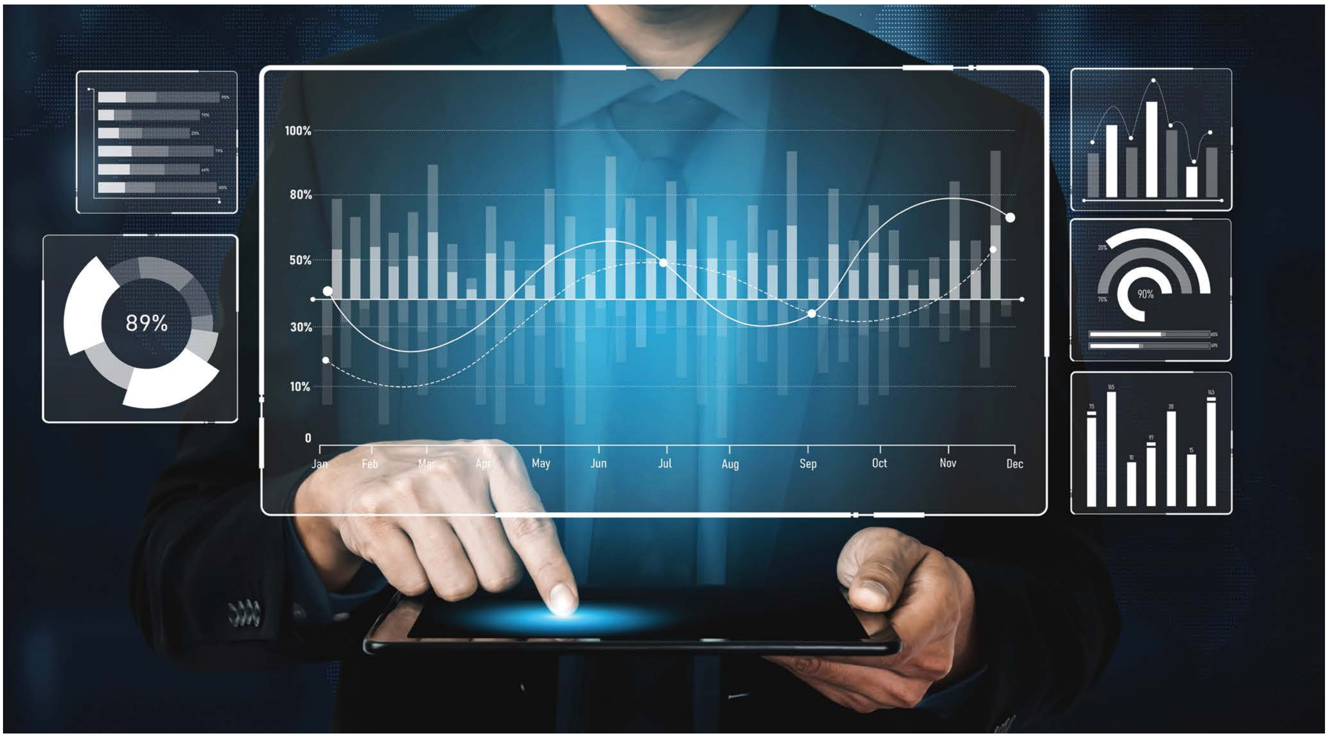
09 September 2026

ISSUANCE OF ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR

31 July 2026

ANNOUNCEMENT OF RESULTS

1Q **26 August 2025**	2Q **27 November 2025**
3Q **26 February 2026**	4Q **25 May 2026**



Share Performance

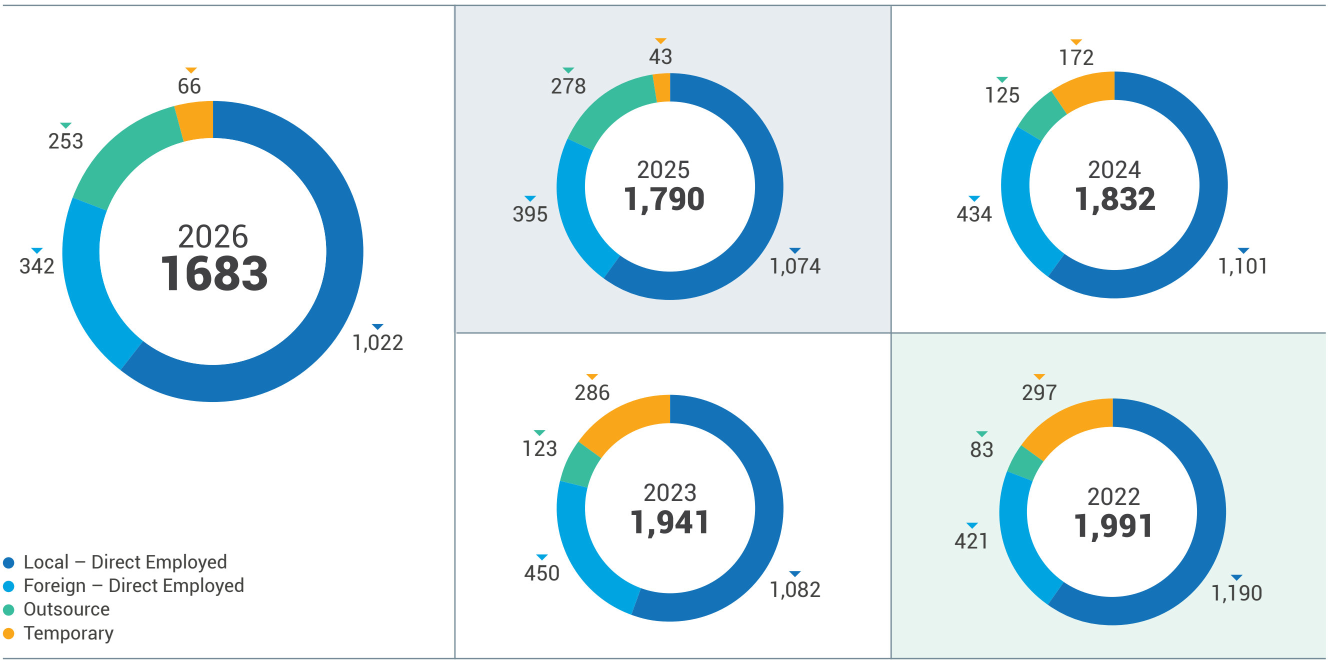
									2026		
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Highest (RM)	13.70	13.76	12.82	11.68	10.56	9.85	8.49	8.32	7.35	7.32	7.39	7.29
Lowest (RM)	13.50	13.56	12.58	11.50	10.46	9.50	8.38	8.30	7.19	7.22	7.26	7.24
Closing Share Price (RM)	13.52	13.74	12.58	11.64	10.50	9.72	8.40	8.30	7.20	7.32	7.26	7.27
Lots Traded (100 shares)	9,300	10,100	43,400	3,500	70,000	63,200	48,700	21,200	178,400	29,000	152,500	91,200

										2025		
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Highest (RM)	18.30	19.10	20.64	20.30	19.66	20.18	18.50	18.34	17.98	17.60	17.50	16.96
Lowest (RM)	18.10	18.92	20.30	20.02	19.52	19.96	18.10	18.24	17.84	17.54	17.42	16.00
Closing Share Price (RM)	18.10	18.98	20.56	20.06	19.54	20.18	18.12	18.34	17.88	17.56	17.50	16.50
Lots Traded (100 shares)	96,000	68,900	57,500	26,000	4,200	100,500	30,600	1,900	117,600	2,100	34,100	86,700

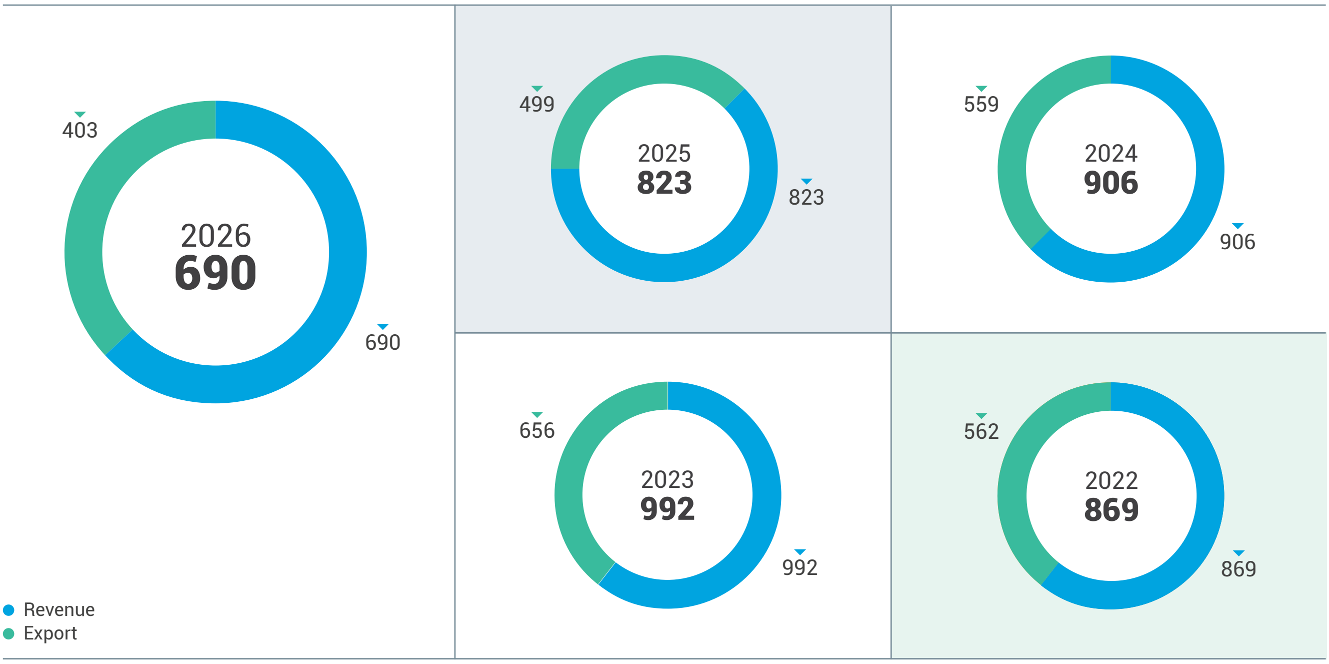
										2024		
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Highest (RM)	22.90	22.74	22.30	20.00	20.06	21.20	19.02	17.80	17.90	18.00	17.86	17.90
Lowest (RM)	22.90	22.70	22.00	19.90	19.98	20.96	18.90	17.60	17.86	17.90	17.80	17.80
Closing Share Price (RM)	22.90	22.72	22.00	20.00	20.02	20.96	18.92	17.70	17.90	17.90	17.84	17.86
Lots Traded (100 shares)	5,600	2,600	22,700	10,300	16,100	7,900	11,700	73,000	2,100	21,300	24,400	21,700

Five-Year Trend

EMPLOYMENT (Number of Persons)

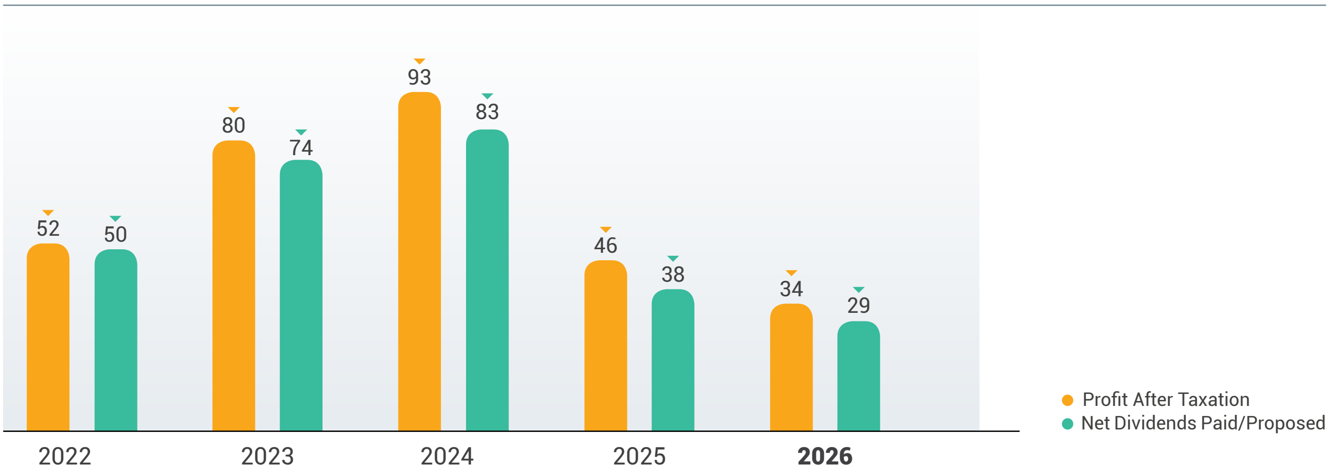


REVENUE/EXPORT (RM million)

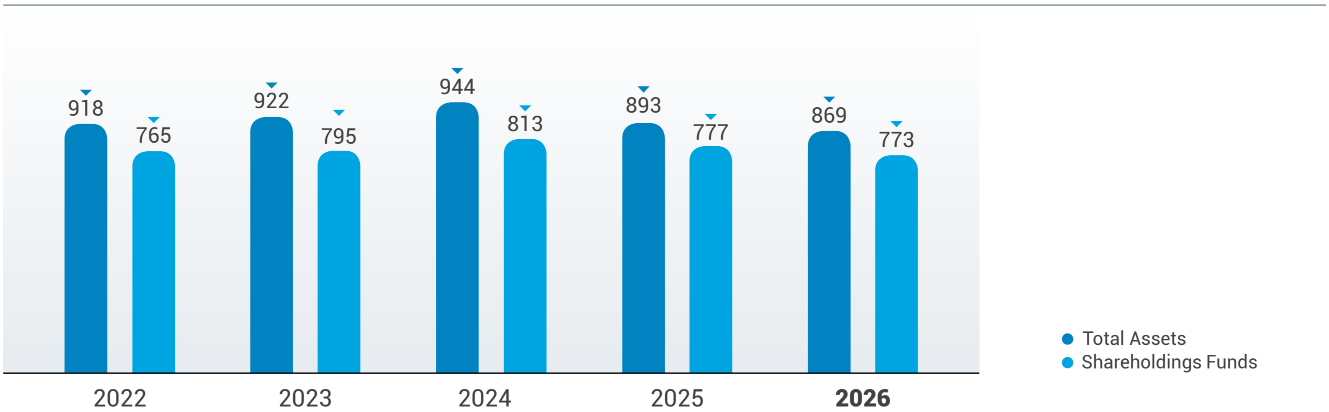


Five-Year Trend (Cont'd)

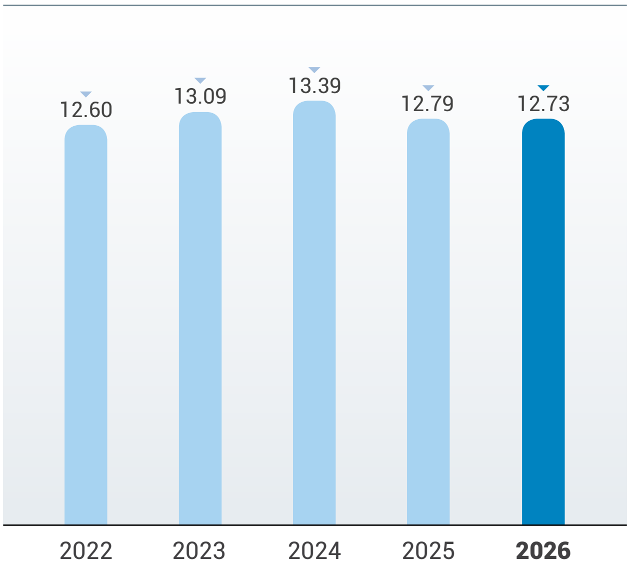
PROFIT AFTER TAXATION/ NET DIVIDENDS PAID/PROPOSED (RM million)



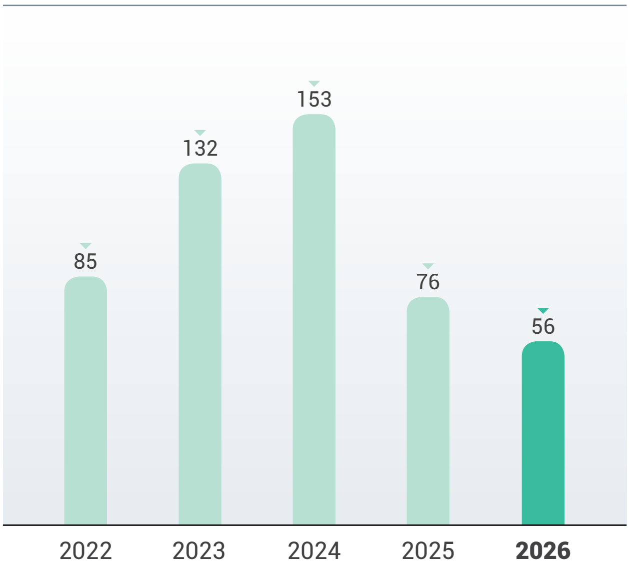
TOTAL ASSETS/ SHAREHOLDINGS FUNDS (RM million)



NET ASSETS PER SHARE (RM)



EARNINGS PER SHARE (Sen)



Board of Directors' Profile

DATO' AZMAN BIN MAHMUD

Chairman,
Independent
Non-Executive Director

Malaysian | 65 | Male

Date of Appointment: **15 April 2021**

KEITARO TAHARA

Managing Director

Japanese | 48 | Male

Date of Appointment: **1 June 2026**

Dato' Azman was appointed an Independent Non-Executive Director on 15 April 2021. He graduated with a Bachelor's Degree in Engineering from University Putra Malaysia.

After having served with the Malaysian Investment Development Authority (MIDA) for over three decades, Dato' Azman Mahmud ended his tenure there as the Chief Executive Officer. He had the enviable responsibility to drive investments into the country and lead the team in advising, formulating and recommending strategies, policies, investment and industry development programmes in the manufacturing and services sectors to the government of Malaysia. In his former role as CEO of MIDA, he was also pivotal in attracting foreign investments into the country, in addition to being instrumental in driving domestic investments in various industries and sectors.

He was appointed as Chairman of Exim Bank a government-owned development financial institution from the term October 2021 - September 2023. He holds Chairmanship positions on several boards of companies which include Panasonic Malaysia Sdn Bhd, Privasia Technology Bhd and Cnergenz Bhd. He is also an Independent Non-Executive Director of Texchem Resources Bhd.

In addition, he is a board member of companies within the Panasonic Group of Companies Malaysia and Akademi Transformasi Asnaf Perlis Sdn Bhd (a subsidiary of Majlis Agama Islam Perlis).

Dato' Azman has no shareholdings in the Company and its associated company. He also has no family relationship with any Director and/or major shareholder of the Company nor any conflict of interest with the Company. He attended all the Board Meetings held during the financial year and has no convictions for any offences within the past 5 years, other than traffic offences, if any.

Mr Tahara was appointed a Director and Managing Director of the Company on 1 June 2026. He is a member of the Remuneration Committee. He graduated from Kyoto University, Japan with a Master in Mechanical Engineering.

Mr Keitaro Tahara has over 23 years of working experience within the Panasonic Group. Upon his graduation in 2003, he joined Matsushita Electric Industrial Co., Ltd. (now known as Panasonic Holdings Corporation, Japan ("Panasonic Corporation") and was assigned to Matsushita Home Appliances Company.

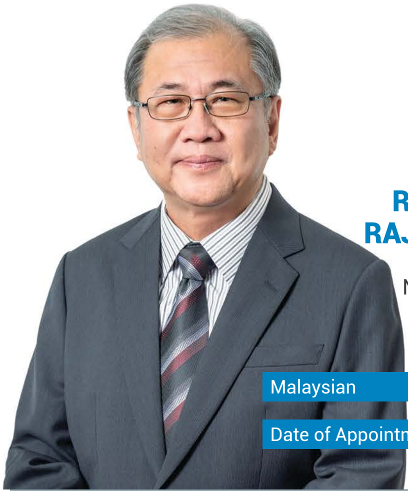
In October 2004, he joined the Living Support System Business Division handling engineering group design. In April 2008, he was moved to the Water Heater Development Group. In April 2015 he headed the Water Heater Development Section before he took an overseas assignment to Malaysia in April 2017. In October 2021, he returned to Japan and was promoted to the position Development Section 1 Manager for Hot Water System of Panasonic Corporation Heating & Ventilation A/C Company in August 2022.

Recognising his experience and contribution, Panasonic Corporation elevated him to the position of General Manager of the Global Development Center, Water Solutions Development Department in April 2025. In April 2026, he was assigned to Panasonic Manufacturing Malaysia Berhad deputising the Managing Director before assuming the Managing Director position on 1 June 2026.

Mr Tahara has no shareholdings in the Company and its associated company. He also has no family relationship with any Director and/or major shareholder of the Company. He has no convictions for any offences within the past 5 years, other than traffic offences, if any.

He is a Board representative of Panasonic Holdings Corporation ("PHD"), a major shareholder of the Company, which presents a conflict of interest in view of the recurrent related party transactions between PHD Group and the Company where he is involved in management decision making of contracts with PHD Group. The Company has and will continue to address this conflict of interest situation by seeking the approval of the shareholders to enter into the recurrent related party transactions with PHD Group and Mr Tahara will abstain from all Board deliberations and voting on matters related to this.

Board of Directors' Profile (Cont'd)



RAJA ANUAR BIN RAJA ABU HASSAN

Independent Non-Executive Director

Malaysian | 71 | Male

Date of Appointment: **1 January 2017**

YM Raja Anuar was appointed an Independent Non-Executive Director of the Company on 1 January 2017. He is the Chairman of the Audit Committee and a member of the Nomination Committee and Remuneration Committee of the Company. He is a Fellow of the Association of Chartered Certified Accountants (FCCA), a member of the Malaysian Institute of Certified Public Accountants (MICPA) and the Institute of Internal Auditors. He is also a Chartered Accountant of the Malaysian Institute of Accountants.

During his career, YM Raja Anuar held senior positions in finance and internal audit in several public listed companies in the financial services, manufacturing, telecommunications and plantations industries. YM Raja Anuar's previous experiences also include being on the board of several other public listed companies.

YM Raja Anuar has no shareholdings in the Company and its associate company. He also has no family relationship with any Director and/or major shareholder of the Company nor any conflict of interest with the Company. He attended all the Board Meetings held during the financial year and has no convictions for any offences within the past 5 years, other than traffic offences, if any.

DATO' KAZIAH BINTI ABD KADIR

Independent Non-Executive Director

Malaysian | 76 | Female

Date of Appointment: **3 September 2019**

Dato' Kaziah was appointed an Independent Non-Executive Director of the Company on 3 September 2019. She is the Chairman of the Nomination and Remuneration Committee and a member of the Audit Committee of the Company. Dato' Kaziah graduated with a Bachelor Degree in Arts (Economics) from University of Malaya.

Dato' Kaziah served the Malaysian Industrial Development Authority (MIDA) since 1975 and her last position was the Deputy Director General I from 2003 until her retirement in 2008. During her tenure with MIDA, she was the Chairperson of the ASEAN Investment Coordinating Committee on Investment for the term 2006/2007 and was a member of the Malaysian Logistic Council and the Malaysian Services Development Council from 2006 until 2008.

She is currently an Advisor to Pricewaterhouse Coopers Taxation Services Sdn Bhd, a position which she has held since July 2008. Previously, she was an advisor of Investor Relations, Investment Management Division of East Coast Economic Region Development Council from 2009 to 2019.

Dato' Kaziah was formerly an Independent Non-Executive Director on the Board of the Malaysian Industrial Development Finance Berhad and MIDF Amanah Investment Bank Berhad.

Dato' Kaziah has no shareholdings in the Company and its associated company. She also has no family relationship with any Director and/or major shareholder of the Company nor any conflict of interest with the Company. She attended all of the Board Meetings held during the financial year and has no convictions for any offences within the past 5 years, other than traffic offences, if any.

Board of Directors' Profile (Cont'd)

KWAN WAI YUE
Executive Director

Malaysian | 58 | Female

Date of Appointment: **1 March 2018**

KEISUKE NISHIDA
Non-Independent Non-Executive Director

Japanese | 52 | Male

Date of Appointment: **1 April 2022**

Ms Kwan was appointed the Executive Director of the Company on 1st March 2018.

Ms Kwan graduated with a Bachelor of Accounting from University of Malaya. Upon graduation, Ms Kwan joined a Big-4 audit firm in Malaysia as an Audit Assistant in 1992 and was promoted to Audit Senior two years later. The portfolios of client which she audited included large multinational companies and local corporations. She is also a member of the Malaysian Institute of Accountants.

In 1995, Ms Kwan joined a food manufacturing-based public listed company as an Accountant and in 2000, was promoted to a Financial Controller. Her role as Financial Controller involved overseeing the accounts department, preparation of financial reports, overseeing all tax and regulatory/ compliance issues as well as contributing to decisions regarding financial strategy.

Ms Kwan joined Panasonic Manufacturing Malaysia Berhad in 2007 as the Assistant General Manager of Finance Department taking charge of accounting and financial reporting. She was promoted to General Manager in 2009 and her scope of duties expanded to cover overall financial management, treasury and company secretarial functions. In 2013, following her exemplary leadership in strengthening the internal control processes, the Company promoted her to Assistant Director of Finance. In 2015, her scope of work was expanded to overseeing the Legal & Compliance department. She is currently tasked to oversee the operations of the Information System Department, Environment Department and General Admin Department.

Ms Kwan has no shareholdings in the Company and its associated company. She also has no family relationship with any Director and/or major shareholder of the Company. She attended all the Board meetings held during the financial year and has no convictions for any offences within the past 5 years, other than traffic offences, if any.

She is a Board representative of Panasonic Holdings Corporation ("PHD"), a major shareholder of the Company, which presents a conflict of interest in view of the recurrent related party transactions between PHD Group and the Company where she is involved in management decision making of contracts with PHD Group. The Company has and will continue to address this conflict of interest situation by seeking the approval of the shareholders to enter into the recurrent related party transactions with PHD Group and Ms Kwan will abstain from all Board deliberations and voting on matters related to this.

Mr Nishida was appointed a Non-Independent Non-Executive Director of the Company on 1 April 2022. He is a member of the Nomination and Audit Committee. Mr Nishida graduated with a Bachelor of Laws from Tohoku University, Japan.

Mr Nishida joined Matsushita Electric Industrial Co., Ltd (now known as Panasonic Corporation) ("PC") in Japan in February 1998 as an Overseas Trainee and was posted to Brazil to work in the sales company there. After a year there, he was assigned back to Japan and was responsible for the Home AV division for the Russia, Middle East & Africa market. From April 2004 to March 2006, he was responsible for the Imaging division for Russia, Middle East & Africa and from April 2006 to February 2008 he covered Asia/ Oceania market.

In March 2008, he was transferred to Panasonic UK as its Marketing General Manager for AV category. He returned to Japan in March 2014 to head the Overseas Sales Marketing of Audio in Consumer Marketing division in charge of Global market except Europe. In March 2019, he was assigned to UK as Marketing Director responsible for product marketing, brand communication and planning of consumer electronics business. In July 2021, Mr Nishida was assigned to Panasonic Malaysia Sdn Bhd and held the position of Deputy Managing Director and was promoted to his current position as Managing Director of Panasonic Malaysia Sdn Bhd in April 2022.

Mr Nishida has no shareholdings in the Company and its associated company. He also has no family relationship with any Director and/or major shareholder of the Company. He attended three out of four of the Board Meetings during the financial year and has no convictions for any offences within the past 5 years, other than traffic offences, if any.

He is a Board representative of Panasonic Holdings Corporation ("PHD"), a major shareholder of the Company, which presents a conflict of interest in view of the recurrent related party transactions between PHD Group and the Company where he is involved in management decision making of contracts with PHD Group. The Company has and will continue to address this conflict of interest situation by seeking the approval of the shareholders to enter into the recurrent related party transactions with PHD Group and Mr Nishida will abstain from all Board deliberations and voting on matters related to this.

Board of Directors' Profile (Cont'd)

ISHIKAWA SHIMPEI
Non-Independent
Non-Executive Director

Japanese | 50 | Male

Date of Appointment: **13 January 2026**

Mr Shimpei was appointed a Non-Independent Non-Executive Director of the Company on 13 January 2026. Mr Shimpei graduated with a Bachelor of Law from Hitotsubashi University, Japan.

Mr Shimpei has over 27 years of working experience within the Panasonic Group. Upon his graduation in 1999, he joined Matsushita Electric Industrial Co., Ltd. (now known as Panasonic Holdings Corporation, Japan ("Panasonic Corporation")) and was assigned to Matsushita Electric (China). In October 2001, he returned to Japan and joined the Commercial Team of the Air Conditioner Company, Air Conditioner Business Division, Overseas Sales Group. In April 2008, he took an overseas assignment at Matsushita Home Appliances Company, Global Headquarters, Affiliated and was seconded to Panasonic Home Appliances A/C Malaysia. On completing his assignment in Malaysia, he returned to Panasonic Corporation in October 2012 and was made Team Leader of the Americas Team of the Global Consumer Marketing Division, Appliances Marketing Headquarters, Air Conditioner Group. In August 2017, he was promoted to the position of General Manager in charge of the Appliances Company, Overseas Marketing Division, Overseas Marketing Headquarters, Air Conditioner Marketing Center, RAC Marketing Department.

Recognising his experience and contribution, Panasonic Corporation elevated him to the position of Director of the Heating & Ventilation A/C Company, Global Marketing Headquarters, Oversea Marketing Center. He concurrently held position as General Manager of the Air Conditioning & Refrigeration Solutions Business Division and also as Head of the Overseas Sales Department. Recently in April 2025, he was appointed to the position of Deputy General Manager of the Air Conditioner Business Division and concurrently holds the position of Director of the Overseas Business Center, Heating & Ventilation A/C Company.

Mr Shimpei has no shareholdings in the Company and its associated company. He also has no family relationship with any Director and/or major shareholder of the Company. He attended all the Board meeting held during the financial year after his appointment and has no convictions for any offences within the past 5 years, other than traffic offences, if any.

He is a Board representative of Panasonic Holdings Corporation ("PHD"), a major shareholder of the Company, which presents a conflict of interest in view of the recurrent related party transactions between PHD Group and the Company where he is involved in management decision making of contracts with PHD Group. The Company has and will continue to address this conflict of interest situation by seeking the approval of the shareholders to enter into the recurrent related party transactions with PHD Group and Mr Shimpei will abstain from all Board deliberations and voting on matters related to this.

Strategic Management Committee Members' Profile

KEITARO TAHARA

Director and Managing Director

Japanese	48	Male
Date of Appointment:	**1 June 2026**	

KWAN WAI YUE

Executive Director

Malaysian	58	Female
Date of Appointment:	**1st March 2018**	

Mr Tahara was appointed a Director and Managing Director of the Company on 1 June 2026. He graduated from Kyoto University, Japan with a Master in Mechanical Engineering.

Mr Keitaro Tahara has over 23 years of working experience within the Panasonic Group. Upon his graduation in 2003, he joined Matsushita Electric Industrial Co., Ltd. (now known as Panasonic Holdings Corporation, Japan ("Panasonic Corporation")) and was assigned to Matsushita Home Appliances Company.

In October 2004, he joined the Living Support System Business Division handling engineering group design. In April 2008, he was moved to the Water Heater Development Group. In April 2015 he headed the Water Heater Development Section before he took an overseas assignment to Malaysia in April 2017. In October 2021, he returned to Japan and was promoted to the position Development Section 1 Manager for Hot Water System of Panasonic Corporation Heating & Ventilation A/C Company in August 2022.

Recognising his experience and contribution, Panasonic Corporation elevated him to the position of General Manager of the Global Development Center, Water Solutions Development Department in April 2025. In April 2026, he was assigned to Panasonic Manufacturing Malaysia Berhad deputising the Managing Director before assuming the Managing Director position on 1 June 2026.

Mr Tahara has no shareholdings in the Company and its associated company. He also has no family relationship with any Director and/or major shareholder of the Company. He has no convictions for any offences within the past 5 years, other than traffic offences, if any.

He is a Board representative of Panasonic Holdings Corporation ("PHD"), a major shareholder of the Company, which presents a conflict of interest in view of the recurrent related party transactions between PHD Group and the Company where he is involved in management decision making of contracts with PHD Group. The Company has and will continue to address this conflict of interest situation by seeking the approval of the shareholders to enter into the recurrent related party transactions with PHD Group and Mr Tahara will abstain from all Board deliberations and voting on matters related to this.

Ms Kwan was appointed the Executive Director of the Company on 1st March 2018. She graduated with a Bachelor of Accounting from University of Malaya.

Ms Kwan joined Panasonic Manufacturing Malaysia Berhad in 2007 as the Assistant General Manager of Finance Department taking charge of accounting and financial reporting. She was promoted to General Manager in 2009 and her scope of duties expanded to cover overall financial management, treasury and company secretarial functions. In 2013, following her exemplary leadership in strengthening the internal control processes, the Company promoted her to Assistant Director of Finance. In 2015, her scope of work was expanded to overseeing the Legal & Compliance department. She is currently been tasked to oversee the operations of the Information System Department, Environment Department and General Admin Department.

Ms Kwan has no shareholdings in the Company and its associated company. She also has no family relationship with any Director and/or major shareholder of the Company. She has no convictions for any offences within the past 5 years, other than traffic offences, if any.

She is a Board representative of Panasonic Holdings Corporation ("PHD"), a major shareholder of the Company, which presents a conflict of interest in view of the recurrent related party transactions between PHD Group and the Company where she is involved in management decision making of contracts with PHD Group. The Company has and will continue to address this conflict of interest situation by seeking the approval of the shareholders to enter into the recurrent related party transactions with PHD Group and Ms Kwan will abstain from all Board deliberations and voting on matters related to this.

Strategic Management Committee Member's Profile (Cont'd)

SIEW PUI LING
Executive Director

Malaysian | 62 | Female

Date of Appointment: **4 August 2014**

TETSUYA YOSHIDA
Director

Japanese | 52 | Male

Date of Appointment: **1 March 2018**

Ms. Siew Pui Ling served as an Executive Director of the Company from 4 August 2014 until her retirement from the Board on 29 August 2025. She continues to support the Company in a non-Board contractual capacity, contributing to selected strategic and management initiatives.

Ms. Siew graduated from Asia University of Tokyo with a Bachelor's Degree in Business Administration and Management. She joined the Company in 1991 and has more than 35 years of experience in Sales & Marketing, Product Planning, Logistics and Human Resource Management.

Ms. Siew Pui Ling holds 100 ordinary shares in the Company and has no shareholdings in any associated company. She has no family relationship with any Director and/or major shareholder of the Company and has not been convicted of any offences within the past five years, other than traffic offences, if any.

Mr Tetsuya Yoshida was appointed as Director of IAQ Business Division on 16 October 2024. He graduated from the Graduate School of Engineering (Mechanical Engineering), University of Fukui, Fukui, Japan, with a Master's degree of Engineering.

Mr Yoshida joined Matsushita Seiko Co., Ltd. ("MSC") in April 1999 as a Technical Staff with Air Purifier Section, Engineering Department, Osaka Division and was promoted to Manager of the Humidifier Development Section in the Healthy Indoor Air Quality Business Unit of Matsushita Ecology Systems Co., Ltd. in April 2006. In April 2013, he was made the Team Leader of the Global Fan Development Team, Indoor Air Quality Business Unit of Panasonic Ecology Systems Co., Ltd. ("PES").

Subsequently in April 2016 he took an overseas assignment and was transferred to the Company as Senior Group Manager, Product Development Engineering Department, PES Division in April 2018, he was assigned to Panasonic Appliances R&D Centre Asia Pacific Sdn. Bhd. in the same position.

Upon his return to Japan in April 2022, Mr Yoshida was posted to PES as General Manager, CS/Quality Assurance Group, Indoor Air Quality Business Unit. He then moved to take charge of the Quality Management Group, Residential System Equipment Business Division, Heating & Ventilation A/C Company in April 2023 before taking on his assignment in the Company as Senior Division Executive.

Mr Yoshida has no shareholdings in the Company and its associated company. He also has no family relationship with any Director and/or major shareholder of the Company. He has no convictions for any offences within the past 5 years, other than traffic offences, if any.

He is also an officer of Panasonic Holdings Corporation ("PHD"), a major shareholder of the Company, which presents a conflict of interest in view of the recurrent related party transactions between PHD Group and the Company where he is involved in management decision making of contracts with PHD Group. The Company has and will continue to address this conflict of interest situation by seeking the approval of the shareholders to enter into the recurrent related party transactions with PHD Group.

Strategic Management Committee Members' Profile (Cont'd)

TAKESHI TAZAWA
Director

Japanese	44	Male

Date of Appointment: **1 December 2025**

Mr Takeshi Tazawa was appointed as Director of Corporate Planning on 1 December 2025. Mr Tazawa graduated from the Department of Electronic Engineering, Graduate School of Engineering, Kansai University, Japan.

He began his career with Matsushita Electric Industrial Co., Ltd. ("MEI") in 2006 as a Technical Staff. Throughout his career with the Panasonic Group, he has held various engineering and management positions across product development, network systems and home appliance businesses.

In 2012, he was assigned to Panasonic AVC Networks Company, AV Network Business Division as Staff Engineer, followed by an assignment to Panasonic Appliance Company, Home Entertainment Business Division in 2014.

Mr Tazawa gained international exposure when he was assigned to Panasonic AVC Networks Singapore as Manager in 2017. Subsequently, he held several leadership positions within Panasonic Appliance Company, including Chief Engineer of the Smart Life Network Business Division and responsibility for new business planning and sales within the Laundry Systems and Vacuum Cleaner Business Division. In 2023, he was promoted to Manager and subsequently General Manager in 2024 within the Laundry Systems and Vacuum Cleaner Business Division. In 2025, he was assigned to Panasonic Manufacturing Malaysia Berhad as Director.

Mr Tazawa has no shareholdings in the Company and its associated company. He also has no family relationship with any Director and/or major shareholder of the Company. He has no convictions for any offences within the past five (5) years, other than traffic offences, if any.

He is also an officer of Panasonic Holdings Corporation ("PHD"), a major shareholder of the Company, which presents a conflict of interest in view of the recurrent related party transactions between PHD Group and the Company where he is involved in management decision-making of contracts with PHD Group. The Company has and will continue to address this conflict of interest situation by seeking shareholders' approval for the recurrent related party transactions with PHD Group.

Corporate Governance Overview Statement

Commitment From The Board

The Board of Directors of the Company ("the Board") remains committed in maintaining the highest standards of corporate governance within the Company and adhering to the principles and best practices of corporate governance, through observing and practising the core values of the Malaysian Code on Corporate Governance 2021 (the "Code"), Panasonic Group Code of Ethics & Compliance and Panasonic Basic Business Philosophy (available at https://holdings.panasonic/global/corporate/about/code-of-conduct.html). The commitment from the top paves the way for the Management and all employees to ensure the Company's businesses and affairs are effectively managed in the best interest of all stakeholders.

This Corporate Governance Overview Statement sets out the principle features of the Company's corporate governance approach, summary of corporate governance practices during the financial year ended 31 March 2026 ("FYE2026") as well as key focus areas and future priorities in relation to corporate governance. The Board is pleased to present this statement and explain how the Company has applied the three (3) principles set out in the MCCG:-

- Board leadership and effectiveness;
- Effective audit and risk management; and
- Integrity in corporate reporting and meaningful relationship with stakeholders.

This Corporate Governance Overview Statement should also be read in tandem with other statements in the Annual Report, namely Statement on Risk Management and Internal Control, Audit Committee Report, Nomination Committee Report and the Sustainability Report.

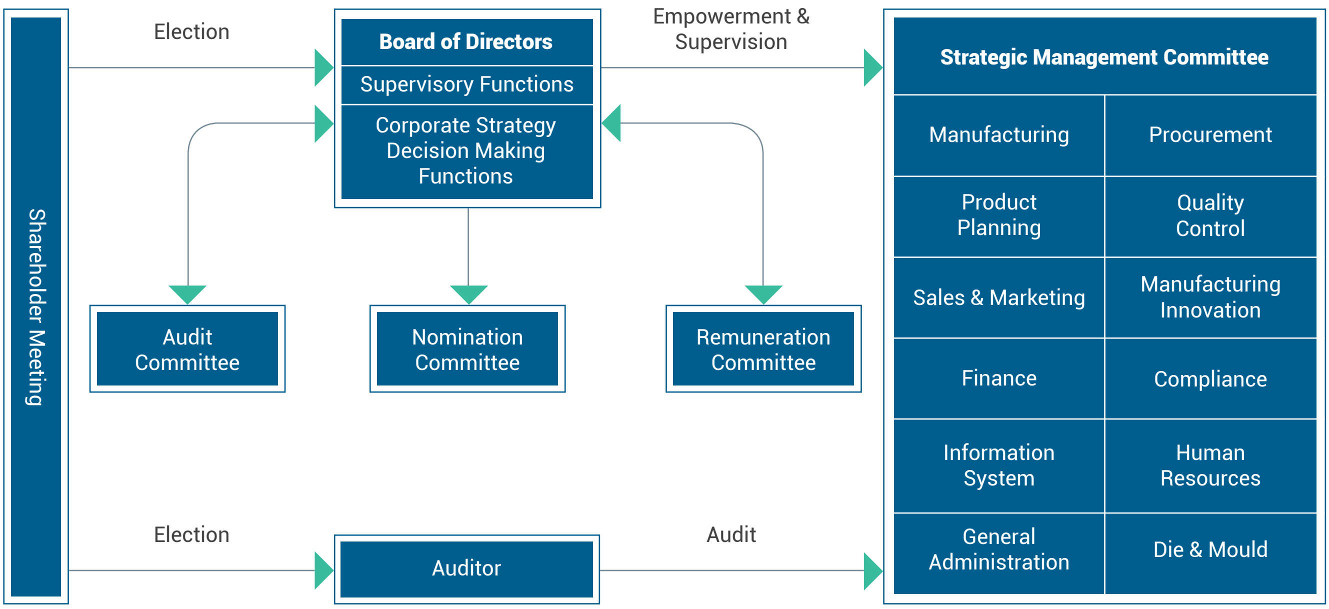
The Company has applied all the Practices encapsulated in the Code for FYE2026 except for:

- **Practice 5.2** (At least half of the board comprises independent directors)
- **Practice 5.3** (Two-tier shareholder voting process to retain an Independent Director who has served for more than 9 years);
- **Practice 5.9** (The Board comprises of at least 30% woman director);
- **Practice 8.2** (Disclosure of the top five Senior Management personnel's remuneration on a named basis in bands of RM50,000);
- **Practice 13.3** (Leveraging on technology).

The Code does provide that if the Board finds that it is unable to implement any of the Code's practices, the Board should apply a suitable alternative practice to meet the Intended Outcome. In this respect, the Company has provided forthcoming and appreciable explanations for the departures from the said practices.

The explanations on the departures are supplemented with a description on the alternative measures that seek to achieve the Intended Outcome of the departed Practices, measures that the Company has taken or intends to take to adopt the departed Practices as well as the timeframe for adoption of the departed Practices. Further details on the application of each individual Practice of the Code are available in the Corporate Governance Report.

The diagram below describes the governance framework of the Company, showing the relationship between the shareholders and the Board.



PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS

Board's Role, Duties and Responsibilities

The Board takes full responsibility for the oversight and overall performance of the Company and provides leadership, championing good governance and ethical practices throughout the Company. The Board carries out its role within a framework of prudent and effective controls which enables risk to be appropriately assessed and managed. The Board sets the strategic direction, ensuring that the necessary resources are in place for the Company to meet its objectives and deliver sustainable performance.

The Directors of the Board are selected on a diversity of experience which directly benefits the operation of the Board as well as on the criteria of proven skill and ability in their particular field of endeavour. The full biography of each Board member is provided on pages 58 to 61.

The Board owes the fiduciary duties to the Company and, while discharging its duties and responsibilities, shall individually and collectively exercise reasonable care, skill and diligence at all times.

The Board adopts strategic and business plans aligned to ensure obligations to all stakeholders are met. The Board fulfils its oversight responsibility for financial and operational results, legal-ethical compliance and risk management. The Board is also responsible for reviewing the adequacy and integrity of the Company's internal controls systems and management information systems and ensuring that investor relations and succession planning programme are implemented.

There is a clear separation of duties and responsibilities of the Chairman and the Managing Director to ensure a balance of power and authority. The difference in the roles of Chairman and Managing Director provides a clear segregation of responsibility and accountability.

The Board will review and ensure that any appointment, resignation/termination of Directors, Company Secretary and Auditors are duly executed and documented.

In furtherance of their duties, the Directors have full and unrestricted access to any information pertaining to the Company, the advice and services of the Company Secretary. Independent professional or other advice is also made available to Directors at the Company's expense and in accordance with decision of the Board as a whole should such advice is required.

Nevertheless, to ensure accountability, the Board has an overall responsibility for the proper conduct of the Company's business and the Board Charter sets out the respective roles and responsibilities of the Board and the management and is available on the Company's website. The Board Charter is to be reviewed annually in November each year or as and when required to take consideration the needs of the Company as well as development in rules, regulations and laws which may have an impact on the discharge of Board's duties and responsibilities. The Board Charter was last reviewed by the Board on 30 November 2025 and no revisions were made.

On time commitment, the Board is satisfied with the level of commitment given by each Director in fulfilling their roles as Director of the Company. Each Director is expected to commit sufficient time to attend all Board and Committee meetings, AGM/EGM, Directors' training, discussion with Management of the Company and meetings with stakeholders of the Company. All the Directors attended the Annual General Meeting of the Company held on 29 August 2025 where the Chairman, Managing Director and Executive Directors provided responses to the queries raised by the shareholders. Pursuant to Paragraph 15.06 of the Listing Requirements, a Director must not hold directorships of more than 5 public listed companies. None of the Directors have exceeded the limit while members of the Board were expected to notify the Chairman prior to their acceptance of any new directorship in another public listed company.

Schedule of matters reserved to the Board

The Board reserves full decision-making powers, amongst others, on the following matters (save to the extent that the Board resolves that determination and/or approval of any such matter shall be delegated to the Committees of the Board of Management):

- Conflict of interest issues relating to a substantial shareholder or a Director;
- Material acquisitions and disposals of undertakings and properties not in the ordinary course of business;
- Material investments in capital projects;
- Annual budgets (including major capital commitments);
- Material corporate or financial exercise/ restructuring;
- Declaration of Dividend and Directors' Fee and Benefits; and
- Annual and interim results.

The Board is free to alter the matters reserved for its decision, subject to the limitations imposed by the Constitution of the Company and the applicable law.

Board Size, Leadership and Competencies

For FYE2026, the Board had 7 members comprising of 3 Independent Non-Executive Directors (including the Chairman), a Managing Director, 1 Executive Director and 2 Non-Independent Non-Executive Directors. The composition of the Board meets the criteria on one-third independent directorship as set out in the Main Market Listing Requirements and fairly reflects the investment by minority shareholders through Independent Directors. The current Board Composition does not comply with Practice 5.2 of the Code where at least half the Board is to comprise of independent directors.

Currently, four (4) of the Directors on the Company's Board are representatives of Panasonic Holdings Corporation ("Panasonic"), to enable the latter to implement its policy and strategy for the Panasonic Group as a whole.

The Company appreciates the spirit of the Code where the Board is encouraged to incorporate the new dimensions of a composition of majority independent directors into the decision-making processes. Currently, the Company has maintained the ratio of Independent Directors to Non-Independent Directors of 3 : 4. The Board has continually reviewed this alternative practice to achieve the intended outcome for board decisions to be made objectively in the best interest of the Company. Directors who have interest in contracts with the Company do not participate in the discussion and they abstain from voting. In the past years, all decisions of the Board were reached without dissent after thorough deliberation. As such, the Board views that all the decisions made despite the 3 : 4 ratio continues to meet the intended outcome taking into account diverse perspectives and insights.

The Board leads the Company within a framework of prudent and effective controls. The Board comprises of members from various professions with individual personalised quality, expertise, skills and relevant market and industry knowledge and ensures at all times that necessary financial and human resources are in place for the Company to meet its strategic objectives.

The Independent Non-Executive Director act independently from Management and do not participate in the Company's business dealings to ensure that they handle any conflict of interest situation and all proceedings of the Board effectively through a system of independent checks and balances.

Presently the number of Non-Executive Director are more than the Executive Director. This is to ensure that the Executive Director do not dominate the Board's decision making. This composition also allows for more effective oversight of management even though the independent non-executive directors do not form majority of the Board.

The Company is a subsidiary of Panasonic Holdings Corporation ("Panasonic"), a multinational company listed on the Tokyo Stock Exchange and the Nagoya Stock Exchange which has, since its establishment, 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, Panasonic 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 members of the Board with their combined business, management and professional experience, knowledge and expertise, provide the core competencies to allow for diverse and objective perspectives on the Company's business and direction. Taking into account the scope and nature of its operations, the Board believes that its present composition represents an appropriate balance of Executive and Non-Executive Directors to achieve the promotion of shareholder interests and effective governance of the business, and yet allow for effective decision making.

For the Independent Non-executive Directors of the Company, the Board views that they have the vast experience in a diverse range of business to provide constructive opinion and exercise independent judgement. As the Company is a Panasonic controlled subsidiary, the Company's Executive Directors are rotated among the companies in the Panasonic Group in enhancement of their career development. As there are changes in the members of the Executive Board every 2-3 years, the Company views that there should be stability in the members of the Independent Non-executive Directors to ensure that the Company's culture, conduct and philosophy are maintained or enhanced by the new executive members.

The Chairman of the Board, Dato' Azman Mahmud, is the Senior Independent Non-Executive Director to whom concerns relating to the Company may be conveyed by the Directors, shareholders and other stakeholders.

With the retirement of Tan Sri Hasmah Binti Abdullah and Ms Siew Pui Ling in August 2025, the number of women directors reduced from 44% to 29%. The reduction arose from changes in Board composition during the financial year and not the result of a change in the Company's commitment to board diversity. While the current gender representation is marginally below the recommended 30%, the Board continues to comprise directors with diverse, professional background, industry experience, functional expertise, age and tenure, enabling robust discussions and constructive challenge during Board deliberations.

Conduct of Meetings

The Board met four (4) times during the financial year under review to approve, amongst others, the quarterly and annual financial results, business strategies and business plans, to review business performance of the Company and to ensure that the proper internal control systems are in place. Board and Board Committees meeting papers accompanying notes and explanations for agenda items were sent to the Directors at least 7 days before the meeting. Time is allocated for Directors to raise other matters not covered by the formal agenda.

The summary of attendance of the Directors in office at the Board Meetings held during the financial year ended 31 March 2026 was as follows:

Name of Director	Meeting Attendance	% of Attendance
Dato' Azman Mahmud	4/4	100
Takashi Sugihara (resigned on 01 June 2026)	4/4	100
Raja Anuar bin Raja Abu Hassan	4/4	100
Dato' Kaziah Binti Abd Kadir	4/4	100
Keisuke Nishida	3/4	75
Kwan Wai Yue	4/4	100
Ishikawa Shimpei (appointed on 13 January 2026)	1/1	100
Masaru Fujimoto (resigned on 13 January 2026)	3/3	100
Tan Sri Hasmah Binti Abdullah (retired on 29 August 2025)	2/2	100
Siew Pui Ling (retired on 29 August 2025)	2/2	100

All proceedings, deliberations and conclusions of the Board Meetings are clearly recorded in the minutes of meetings, confirmed and signed as correct record by the Chairman of the Meeting.

The Board also exercises control on routine matters that require the Board's approval through the circulation of Directors' Resolutions in writing as allowed under the Company's Constitution.

Minutes of each Board and Board Committees Meeting are circulated to the members of the Board/Committee as soon as practicable for perusal prior to confirmation of the minutes at the following meetings.

Directors' Continuing Education

All Directors are scheduled to attend the Mandatory Accreditation Programme as required under the Main Market Listing Requirements within the timeframe allowed under the Main Market Listing Requirements. Newly appointed Directors also undergo a formal orientation and education programme including factory visits guided by other Executive Directors and senior management.

During the financial year, the following Directors have also attended the following additional trainings, conferences, seminars and briefings relevant to their functional duties:

Director	Title	Date
Dato' Azman Mahmud	Konvensyen Kebangsaan Kejuruteraan Pertanian dan Makanan (NAFEC) 2025	6 May 2025
	The amendments to the Listing Requirements consequential to the revised equity guidelines	28 May 2025
	Board Accountability in Action. Navigating MFRS & Financial Reporting Duties	2 July 2025
	Strategic Oversight in Strategy Implementation: Getting Execution Right at Board Level Programme	28 July 2025
	Tax Corporate Governance Framework Programme	27 November 2025
	The amendments to the Listing Requirements on Enhanced continuing disclosure requirements and exempted related party transaction	27 November 2025
	S17A of the MACC Act 2009 & Perspectives of National Anti-Corruption Strategy '24 – '28 and Enhanced Conflict of Interest disclosure requirements & expanded roles of the Audit Committee	29 November 2025
	Corporate Governance Monitor 2025	26 February 2026
Takashi Sugihara (Resigned on 01 June 2026)	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	7 – 8 May 2025
	The amendments to the Listing Requirements consequential to the revised equity guidelines	28 May 2025
	Tax Corporate Governance Framework Programme	27 November 2025
	The amendments to the Listing Requirements on Enhanced continuing disclosure requirements and exempted related party transaction	27 November 2025
	Harassment Awareness Training	8 December 2025
	Corporate Governance Monitor 2025	26 February 2026
Raja Anuar Bin Raja Abu Hassan	MIA webinar series: Corporate Tax Strategy – Capitalising the Right Tax Opportunities for your business	6 May 2025
	MIA webinar series: Integrating Risk Management into Business Strategy	20 May 2025
	The amendments to the Listing Requirements consequential to the revised equity guidelines	28 May 2025
	Tax Corporate Governance Framework Programme	27 November 2025
	The amendments to the Listing Requirements on Enhanced continuing disclosure requirements and exempted related party transaction	27 November 2025
	Corporate Governance Monitor 2025	26 February 2026

Corporate Governance Overview Statement (Cont'd)

Director	Title	Date
Dato' Kaziah Binti Abd Kadir	The amendments to the Listing Requirements consequential to the revised equity guidelines	28 May 2025
	Tax Corporate Governance Framework Programme	27 November 2025
	The amendments to the Listing Requirements on Enhanced continuing disclosure requirements and exempted related party transaction	27 November 2025
	Corporate Governance Monitor 2025	26 February 2026
Keisuke Nishida	The amendments to the Listing Requirements consequential to the revised equity guidelines	28 May 2025
	Tax Corporate Governance Framework Programme	27 November 2025
	The amendments to the Listing Requirements on enhanced continuing disclosure requirements and exempted related party transactions	27 November 2025
	Corporate Governance Monitor 2025	26 February 2026
Kwan Wai Yue	The amendments to the Listing Requirements consequential to the revised equity guidelines	28 May 2025
	2026 National Budget Seminar by PWC	7 November 2025
	Tax Corporate Governance Framework Programme	27 November 2025
	The amendments to the Listing Requirements on enhanced continuing disclosure requirements and exempted related party transactions	27 November 2025
	National Sustainability Framework Reporting by Securities Commission	8 January 2026
	Corporate Governance Monitor 2025	26 February 2026
	New Incentive Framework by KPMG	10 March 2026
	US-Iran War: Amid Rising Hostilities, What Escalation Means for Markets by SMBC	5 May 2026
Ishikawa Shimpei (appointed on 13 January 2026)	Corporate Governance Monitor 2025	26 February 2026

Sustainability

The Company operates in line with Panasonic's policy and is committed towards embracing sustainability practices. The Board of Directors are responsible for implementing sustainability strategy and its role in building long term sustainability development plan. The Board, in partnership with the members of the senior management team forming the Strategic Management Committee, are committed to oversee sustainability performance.

- The Strategic Management Committee's roles and responsibilities are:
- Responsible for sustainable business policies and practices
- Facilitate and support operating divisions to meet sustainability goals
- Monitor and act on related risks and report on progress

Every year the Company engages with its employees and stakeholders through range of platforms with the aim of hearing and understanding their concerns and expectations on economic, environment and social matters. As a way of upholding sustainable practices across its supply chain, the Company embeds its sustainability strategies across its supply chain establishing symbiotic collaboration with external stakeholders, e.g. vendors.

The Board has sufficient understanding and knowledge of the sustainability issues that are relevant to the Company and its business and to discharge its role effectively. The Group had prioritized and focused on sustainability journey in business operations and areas relevant to them following the emergence of the pandemic and climate-related issues that elevated sustainability importance and increased scrutiny on how it manages and responds to the immediate impact of the crisis. The materiality assessment in FYE2026 reflects the changes to the business and the external environment.

The material issues that shape the strategies and business decision making are not limited to the Company's financial performance alone but also Economic, Environmental and Social (EES) Impact. Through the review by the senior management, 14 material aspects were identified as high importance and those disclosures were derived into a matrix. The materiality matrix showcases the material disclosures based on its unique influence on the stakeholders and EES impact to the Company.

Board Committees

The Board has established several Board Committees whose compositions and terms of reference are drawn up in accordance with the best practices prescribed by the Code. The functions as well as authority delegated to the Board Committees are clearly defined in their terms of reference.

The Board Committees of the Company consist of the Audit Committee, Nomination Committee and Remuneration Committee. The Chairman of the respective Board Committees reports the outcome of the Board Committee Meetings to the Board, and if required, further deliberations are made at Board level.

Audit Committee

The Audit Committee provides independent review of the Company's financial results and internal control system to ensure compliance with the statutory and accounting policy disclosures requirements and to maintain a sound system of internal control. A full Audit Committee Report enumerating its membership, terms of reference and summary of activities is set out on pages 80 to 82 of the Annual Report. The terms of reference of the Audit Committee can be viewed on the Company's website.

On a formal assessment on the performance and effectiveness of the Audit Committee and its members in FYE2026, the Board with the exception of the Directors who are also Audit Committee members were generally satisfied that the size of the Audit Committee is large enough to perform the duties as defined and its judgment is not impaired as they are sufficiently independent from management. The Audit Committee members have also fulfilled the requirements in terms of roles and responsibilities and in their relationship with External Auditors and Internal Auditors.

In the assessment, the Board finds the Chairman of the Audit Committee has the strength, personality and tact dealing with Directors, Internal and External Auditors. In addition, the Chairman of the Audit Committee was found to be experienced and effective in conducting meetings. With the Audit Committee meeting usually held a couple of days before the Board meeting, the Chairman of the Audit Committee will provide the Board with a written summary of the salient discussions held at the Audit Committee for reference and brief on the findings and recommendations.

The Board has retained the position of the Chairman of the Audit Committee and its members for the next financial term.

Nomination Committee

No.	Name	Designation
1.	Dato' Kaziah Binti Abd Kadir (Chairperson)	Independent Non-Executive Director
2.	Raja Anuar bin Raja Abu Hassan (Member)	Independent Non-Executive Director
3.	Keisuke Nishida (Member)	Non-Independent Non-Executive Director

The Nomination Committee is entitled to the services of the Company Secretary who would ensure that all appointments are properly made upon obtaining all necessary information from the Directors. All the assessments and evaluations carried out during the year were properly documented and minuted by the Company Secretary. The terms of reference of the Nomination Committee is also available on the Company's website.

Further details on the duties and activities of the Nomination Committee are set out in the Nomination Committee Report

Re-election of Directors

In accordance with the Company's Constitution, all Directors appointed by the Board are subject to retirement and re-election by shareholders at the first opportunity after their appointment. It also provides that at least one-third of the remaining Directors including the Managing Director, are subject to retirement by rotation at each AGM. All Directors shall retire from office at least once in every 3 years and shall be eligible for re-election.

Each year, the Nomination Committee assesses the experience, competence, integrity and capability of each Director who wishes to continue his office before making recommendation to the Board. The Nomination Committee has at its meeting on 21 May 2025 evaluated the performance and recommended the re-election of Raja Anuar Bin Raja Abu Hassan.

Remuneration Committee

No.	Name	Designation
1.	Dato' Kaziah Binti Abd Kadir (Chairperson)	Independent Non-Executive Director
2.	Raja Anuar bin Raja Abu Hassan (Member)	Independent Non-Executive Director
3.	Keitaro Tahara (Member)	Managing Director

At a meeting held on 21 May 2025, the Remuneration Committee made a recommendation to the Board for payment of Directors' fees not exceeding RM650,000 in aggregate for FYE2025 to the Independent Non-Executive Directors and meeting allowance of RM1,500 per meeting attended. It was approved by the shareholders at the AGM held on 29 August 2025.

The meeting allowance is paid on attendance of the Independent Non-Executive Director at the meetings of the Board/Committees. The Directors' Fees in respect of FYE2026 was paid quarterly in arrears:

No.	Details of Remuneration	Date of payment
1.	Directors' fees for 1st quarter ended 30 June 2025	End September 2025
2.	Directors' fees for 2nd quarter ended 30 September 2025	End October 2025
3.	Directors' fees for 3rd quarter ended 31 December 2025	End December 2025
4	Directors' fees for 4th quarter ended 31 March 2026	End March 2026

In case any Independent Non-Executive Director who does not serve the Company for a continuous full year of services, the Directors' fees shall be adjusted proportionately from date of appointment or up to date of resignation/cessation of office of Director, as the case may be.

The remuneration package of the Independent Non-Executive Directors including the Independent Non-Executive Chairman was determined by linking their remuneration to the time commitment of each Director and whether the Directors take on additional responsibilities such as chairmanship or membership of the Board committees or Senior Independent Non-Executive Director and is a matter of the Board as a whole. The Independent Non-Executive Directors who have an interest do not participate in discussions on their remuneration.

The Remuneration Committee members were also briefed on the basis of determination of remuneration package applied to the Executive Directors and Strategic Management Committee of the Company, which comprised of basic salary, annual adjustment, performance incentive, bonus and benefit-in-kind. The Company takes cognisant that the compensation packages of the Japanese Executive Directors appointed by Panasonic are subject to the global compensation practices of the worldwide Panasonic Group of Companies and deliberates only on the compensation packages of the Malaysian Executive Directors. Nevertheless, the Board views that the compensation packages of the Japanese Executive Directors are fair considering their expatriate position and their job scope.

The bonus of the Malaysian Executive Directors are linked to a combination of the operating profit and cash at hand position against the Business Plan and against the previous financial year results, whilst the increment is based on the Company's overall performance and consumer performance index.

Directors' Remuneration

The details of the remuneration of the Directors of the Company for FYE2026 are as follows:

Descriptions	Executive Director (RM)	Non-Executive Director (RM)	Total (RM)
Fees	-	501,899	501,899
Meeting allowance	-	59,820	59,820
Salary and other remuneration	1,991,345	-	1,991,345
Benefits-in-kind (BIK)	76,270	-	76,270
Total	2,067,615	561,719	2,629,334
Total (excluding BIK)	1,991,345	561,719	2,553,064

Details of Directors' remuneration for FYE2026 are set out as below:

i. Independent Non-Executive Directors

Director	Fees (RM)	Meeting allowances (RM)	Total (RM)
Dato' Azman Mahmud	185,344	7,500	192,844
Raja Anuar bin Raja Abu Hassan	132,734	19,500	152,234
Dato' Kaziah Abd Kadir	129,921	20,820	150,741
Tan Sri Hasmah binti Abdullah (Retired 29 August 2025)	129,018*	12,000	141,018
Keisuke Nishida	-	-	-
Ishikawa Shimpei (Appointed 13 January 2026)	-	-	-
Masaru Fujimoto (Appointed on 1 April 2025 and resigned on 13 January 2026)	-	-	-
Total	577,017	59,820	636,837

* include ex-gratia RM75,118

ii. Executive Directors

Director	Salaries and Emoluments (RM)	Bonus (RM)	Benefits-in-kind (RM)	Total (RM)
Takashi Sugihara (Resigned 01 June 2026)	790,204	135,850	89,710	1,015,764*
Siew Pui Ling (Retired 29 August 2025)	260,450	-	-	260,450
Kwan Wai Yue	563,607	119,131	-	682,738
Total	1,614,261	254,981	89,710	1,958,952

* 20% of the remuneration is charged out to a related Company for services rendered

The Company, Directors and officers have jointly contributed to Directors and Officers Elite Insurance Policy since 2002. However, the said insurance policy does not indemnify a Director or officer for any offence or conviction involving negligence, fraud, dishonesty or breach of duty or trust.

In line with a more comprehensive disclosure of corporate remuneration structure in the form of the Managing Director's pay gap ratio and to promote corporate transparency the mean and median employee remuneration for FYE2026 is disclosed below:

Managing Director	RM
Annual Pay	808,986

Employee	RM
Mean Pay	67,004
Median Pay	48,869
Lowest Total Pay	21,629
Highest Total Pay	798,708

Company Secretary

The Board is supported by a qualified Company Secretary and all Directors have unlimited direct access to the professional advice and services of the Company Secretaries as well as access to all information within the Company whether as a full board or in their individual capacity.

The roles and responsibilities of the Company Secretary are as follows:

i. attend and ensure that all meetings are properly convened and the proceedings of all meetings including pertinent issues, substance of inquiries and responses, suggestions and proposals are duly recorded and minuted;

ii. provides support to the Chairman to ensure the effective functioning of the Board and assists the Chairman in preparation of conduct of meetings;

iii. update and advise the Board on Board procedures and ensure that the applicable rules and regulations for the conduct of the affairs of the Board are complied with and all matters associated with the maintenance of the Board or otherwise required for its efficient operation;

iv. ensure proper upkeep of statutory registers and records of the Company; and

v. advise the Board on compliance of statutory and regulatory requirements.

PRINCIPLE B - EFFECTIVE AUDIT AND RISK MANAGEMENT

The Audit Committee plays a key role in a Company's governance structure. To be better positioned to rigorously challenge and probe the Management on the Company's financial reporting process, internal controls, risk management and governance, the Audit Committee should be independent in its judgment. The Company has since the set-up of the Audit Committee appointed a different Director from the Chairman of the Board. This is to ensure that the Board's objective review of the Audit Committee's findings and recommendations are not impaired. The Chairman of the Audit Committee is responsible for ensuring the overall effectiveness and independence of the Committee. All the members of the Audit Committee are Independent Non-Executive Directors.

The Chairman of the Audit Committee is a Chartered Accountant and the other members have the appropriate level of knowledge, skills, experience to discharge the Audit Committee's responsibilities effectively.

The Company has in the past not appointed any former key audit partner and will formalise a policy statement in the Board Charter to observe a cooling-off period of at least two years before any former key audit partner is appointed as a member of the Board.

The Audit Committee has policies and procedures to annually assess the suitability, objectivity and independence of the external auditor. The annual assessment is made on:

- Level of service, independence and level of non-audit services rendered by them;
- Quality and scope of the planning of the audit;
- Quality and timeliness of reports furnished to the Audit Committee;
- Level of understanding demonstrated of the Company's business; and

Communication with the Audit Committee about new and applicable accounting practices and auditing standards and the impact to the Company's financial statements.

The Company had in place a policy on non-audit services provided by External Auditors. For engagement of external auditor to perform non-audit service, the Audit Committee has to be satisfied that the provision of such services does not impair the auditor's objectivity, judgement or independence. The Audit Committee ensures that the fees chargeable for non-audit services are reasonable before recommending the proposed engagement to the Board of Directors for consideration and approval.

Financial Reporting

The Board as a whole is responsible for the accuracy and integrity of the Company's financial reporting. The Board, with assistance of the Audit Committee which provides a more specialised oversight of the financial reporting process, scrutinises all quarterly results and annual statutory financial statements prior to official release to regulatory authorities and shareholders.

Directors' Responsibility Statement

The Board is required by the Companies Act 2016 to ensure that the financial statements of the Company represent a true and fair view of the state of affairs of the Company and that they are prepared in accordance with the applicable approved accounting standards in Malaysia, by applying appropriate accounting policies consistently and making prudent and reasonable judgments and estimates. Independent opinions and reports by External Auditors have added credibility to financial statements released by the Company.

The Board has a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Risk Management and Internal Control Framework

The Board, with the assistance of the Audit Committee, continues to review its risk management and internal control processes and procedures to ensure as far as possible, that it maintains adequate levels of protection over its assets and the shareholders' investments. The features of the Company's risk management and internal control framework, the adequacy and effectiveness of this framework is detailed out in the Statement on Risk Management and Internal Control is set out on pages 83 to 85 of the Annual Report.

Relationship with Internal and External Auditors

The Board has established a transparent relationship with the Company's External Auditors and Internal Auditors via the Audit Committee who has explicit authority to communicate directly with them.

The External Auditors are working closely with the Internal Auditors and Tax Consultants, without compromising their independence. Their liaison with the Internal Auditors would be in accordance with International Standards on Auditing (ISA) No. 610: "Considering the Work of Internal Auditing", with the main objective of avoiding duplication of efforts to maximise audit effectiveness and efficiency. The External Auditors will continue to review all Internal Audit reports and discuss findings with the Internal Auditors.

Corporate Governance Overview Statement (Cont'd)

In accordance with the principles set out in ISA No. 260 "Communicating of Audit Matters with Those Charged with Governance", the External Auditors have brought to the Board's attention through the Audit Committee, all the significant accounting, auditing, taxation, internal accounting systems and process control and other related matters that arise from the audit of the financial statements of the Company. Audit Committee Members meet with the External Auditors twice a year without presence of management to discuss on key concerns and obtain feedback relating to the Company's affairs.

Whistleblowing Policy and Anti-Bribery & Corruption Rules

The Company advocates openness and transparency in its commitment to the highest standard of integrity and accountability. The Whistleblowing Policy aims to establish a robust, transparent and accountable communication channel for Employees and Stakeholders of the Company to voice their concerns in an effective, responsible and secured manner when they become aware of actual or potential wrongdoings and enables the Company to take swift, fair and effective corrective actions to comply with the social and corporate responsibilities and maintain the support and trust of Employees and Stakeholders.

Employees and Stakeholders have the option to make whistleblowing reports in strict confidence through any of the following channels:

Reporting Mode	Contact Details
Letter to Audit Committee Chairman	Panasonic Manufacturing Malaysia Berhad 3, Jalan Sesiku 15/2 40200 Shah Alam, Selangor Attention: Whistleblowing Committee
Online Submission	Whistleblowing Report Form https://pmma.my.panasonic.com/wp-content/uploads/whistleblowing-report-eform.pdf http://panasonicapac.ethicspoint.com
Global Hotline	NAVEX Global (24 hours, 365 days) 1-800-81-8923

Confidentiality of all matters raised and the identity of the whistleblower are protected under this policy.

PMMA is guided by the APAC Region Anti-Bribery & Corruption Rules and have appropriate Policies and Procedures in place outlining the responsibilities and rules of Clean Business Dealings for the Board, employees, Trade and Non-Trade Suppliers. This includes conducting due diligence on any relevant parties or personnel such as Board members, employees, suppliers prior to entering into any formal relationship.

PRINCIPLE C - INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

Relationship with Shareholders and Investors

The communication of clear, relevant and comprehensive information which is timely and readily accessible by all stakeholders is important to shareholders and investors for informed investment decision making. The Board acknowledges that integrated reporting goes beyond the current reporting as it is to be a clear, concise, integrated story that explains how all of the Company's resources create value. The articulation of the Company's strategy, performance and governance together with deliberation of prospects surrounding the business of the Company would have to make through the connectivity of information. As the concept of value is highly subjective, the Company will need to first establish parameters for the materiality determination process and set the reporting boundary of the various operating and functional units to determine the disclosures required.

For the time being, the Board views that the financial, governance and business review reports that have been included in the Annual Report 2026 provides sufficient information flow to the various stakeholders. The current means of communication with shareholders and investors are as follows:

a. Investor Relations

In line with the Main Market Listing Requirements, effort was made to improve the investor relations via the enhancement of the Company's website to allow the direct and easy access by the shareholders, investors and members of public to the Company's announcements, quarterly results, Annual Reports, Circulars to Shareholders etc released through Bursa Link and corporate videos presented to the shareholders during the AGM.

The Chairman, Executive Directors and/or Management held meetings with major shareholders, fund managers and investment analysts, at their request to enable them to gain a better understanding of the Company's business and operational activities to make informed investment decisions. Nevertheless, information is disseminated in strict adherence to the corporate disclosure requirements of Bursa Malaysia Securities Berhad.

b. Annual General Meeting

For FYE2025, the Company issued the notice of AGM on 31 July 2025 and held the AGM on 29 August 2025, providing the shareholders with 28 days notice. All the Directors attended the 2025 AGM. The Managing Director also provided shareholders with a slide presentation on the Company's financial performance and operations. The questions submitted in advance by the Minority Shareholders' Watch Group were also presented for the shareholders information and the answers were given in a slide presentation.

An active communication session was held with individual shareholders, proxies and corporate representatives who raised questions and concerns at the AGM. All resolutions put to the vote of the AGM were voted on by poll.

The Chairman and Managing Director are delegated with the authority to speak on behalf of the Company to members of the Press. A press statement was released to the Media after the conclusion of the AGM.

This Statement is made in accordance with the resolution of the Board of Directors dated 25 May 2026.

Nomination Committee Report

The Board of Directors of the Company ("the Board") is pleased to present the Nomination Committee Report for the financial year ended 31 March 2026 (" FYE2026").

Composition And Attendance At Meeting

The composition of the Nomination Committee comprises majority of Independent Non-Executive Directors and their attendance at meeting held in FYE2026 are as follows:

No.	Name of Nomination Committee Member	No. of Meetings Attended
1.	Dato' Kaziah Binti Abd Kadir (Chairman) (Independent Non-Executive Director)	3/3
2.	Tan Sri Hasmah Binti Abdullah (Member) (Independent Non-Executive Director) (retired on 29 August 2025)	2/2
3.	Raja Anuar bin Raja Abu Hassan (Member) (Independent Non-Executive Director)	3/3
4.	Keisuke Nishida (Member) (Non-Independent Non-Executive Director) (appointed on 1 October 2025)	1/1

The Nomination Committee has written terms of reference dealing with its authority and duties which includes the selection and assessment of directors and is available at

https://pmma.my.panasonic.com/investor-relations/bursa-malaysia-requirements/

Functions

The key functions of the Nomination Committee include the following:

- Review and recommend to the Board for approval the following appointments:
  - Members of the Board;
  - Members of the Board Committees;
  - Members of the Strategic Management Committee;
  - Senior Independent Non-Executive Director; and
  - Managing Director
- Annually review the Board's required mix of skills, experience and other qualities, including core competencies, which the Non-Executive Directors should bring to the Board;
- Annually assess the effectiveness of the Board as a whole, the Committees of the Board and the contribution of each individual Director; and
- Review the performance of the Malaysian members of the Strategic Management Committee for approving the renewal of their service contracts, which involve their appointment, replacement or removal.

Activities Of The Nomination Committee

During the FYE2026, the Nomination Committee, in discharging its functions and duties, carried out the following activities: -

a. reviewed the mix of skill and experience and other qualities of the Board;

b. assessed the effectiveness of the Board as a whole, the Board committees and the Directors;

c. discussed and recommended the appointment of new directors and re-election of retiring Directors;

d. discussed and recommended the revision to the composition of the Board Committees.

Evaluation of Performance, Mix of Skills, Experience and Qualities

Based on the current position and practices of the Company, the Nomination Committee upon its review on 20 May 2026 was satisfied that the Board and Board Committees structure, size, composition, mix of skills and qualities of the Directors in the financial year ended 31 March 2026 were appropriate. The Committee also assessed the fitness and propriety of the Directors in accordance with its Fit & Proper Policy, in conjunction with the annual assessment exercise and was satisfied that each of the Directors met the required standard of fitness and propriety.

The Company appreciates the spirit of the Malaysian Code on Corporate Governance where the Board is encouraged to have at least half of its Board members to comprise of Independent Directors more effective oversight of Management. Presently the number of Non-Executive Directors are more than the Executive Directors and the Chairman is an Independent Director. This to ensure that the Executive Directors do not dominate the Board's decision making. This composition also allows for both effective and efficient oversight of Management even though the independent non-executive directors do not form half of the Board.

The Nomination Committee also conducted a formal assessment of performance and effectiveness of the Board, the Board Committees and the individual Directors internally facilitated by the Company Secretary. As a post-evaluation process, the Company Secretary had summarised the results of evaluation and reported to the Directors allowing them to know their standing and the Board was encouraged to take actions on the outcome of evaluation by recommending remedial measures on areas that need improvements. From the annual assessment, the Nomination Committee was satisfied that all the Executive, Non-Executive and Independent Directors on the Board possess sufficient qualification to remain on the Board and there were no remedial measures that were required.

Save for the Nomination Committee members who are also a member of the Board and have abstained from assessing their own individual performance as Director of the Company, each of the Nomination Committee Members view that all the Directors have good personal attributes and possess sufficient experience and knowledge in various fields that are vital to the Company's industry. On the Board evaluation, the Committee agreed that all the Directors have discharged their stewardship duties and responsibilities towards the Company as a Director effectively. In general, the Board and Board Committees were functioning effectively as a whole having indicated a high level of compliance and integrity.

Appointment and Re-election of retiring directors

In FYE2026 the Nomination Committee assessed the nomination from the major shareholder, Panasonic Holdings Corporation, on the appointment of Mr Ishikawa Shimpei as Non-Independent Non-Executive Director to fill the vacancy on the Board with the resignation of Mr Masaru Fujimoto. The Committee recommended Mr Ishikawa Shimpei's appointment to the Board having assessed that he is a person of good character, has international experiences in sales and marketing, meets the fit and proper criteria and committed to spend sufficient time to effectively discharge his role as a director.

In accordance with the Company's Constitution, all Directors appointed by the Board are subject to retirement and re-election by shareholders at the first opportunity after their appointment. It also provides that at least one-third of the remaining Directors including the Managing Director, are subject to retirement by rotation at each Annual General Meeting ("AGM"). All Directors shall retire from office at least once in every 3 years and shall be eligible for re-election.

The Nomination Committee had at its meeting on 20 May 2026 evaluated the performance of Dato' Kaziah Binti Abd Kadir, Kwan Wai Yue, Ishikawa Shimpei and Keitaro Tahara (collectively "the Retiring Directors") who are standing for re-election at the forthcoming Annual General Meeting pursuant to Articles 100 and 105 of the Company's Constitution respectively. They were assessed on their performance and understanding of the Group's business. They meet the fit and proper criteria as laid out in the Company's policy. Their participation at the Board meetings showed that they were prepared and were effective in the discharge of their responsibilities.

The Nomination Committee recommended their re-election to the Board to table the resolutions for their re-election to the shareholders for approval.

Directors' Independence

Consistent with the recommendation of the Code, the Nomination Committee undertook the independence assessment taking into account the Independent Directors' self-declaration on their compliance with the independence criteria under the Listing Requirements and the ability of the Independent Director to continue bringing independent and objective judgement to the Board deliberations. The Nomination Committee notes that there are no reasons that have come to their attention that the independence status of the Independent Directors is affected.

Retention of Raja Anuar Bin Raja Abu Hassan as Independent Non-Executive Director

The Nomination Committee, with the abstention of Raja Anuar Bin Raja Abu Hassan had assessed his independence at its meeting held on 20 May 2026 and recommended to the Board for his continuation as an Independent Non-Executive Director based on the following justifications:

a. He has met the independence guidelines as set out in Chapter 1 of Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

b. He provides a check and balance and brings an element of objectivity to the Board of Directors.

c. He continues to be scrupulously independent in his thinking and in his effectiveness as constructive challenger of the Managing Director and Executive Director, both in his position as Chairman of the Audit Committee and as a Board member.

d. His active participation in board discussions and provision of an independent voice contribute significantly to the Board's deliberations, ensuring the infusion of unbiased and objective judgments.

Mr Takashi Sugihara has resigned from the Board on 1 June 2026 and Mr Keitaro Tahara was appointed as Director on 1 June 2026. Accordingly, Mr Keitaro Tahara will be retiring pursuant to Article 105 of the Company's Constitution.

Audit Committee Report

The Board of Directors of the Company ("the Board") is pleased to present the Audit Committee Report for the financial year ended 31 March 2026.

Composition

The composition of the Audit Committee comprises majority of Independent Non- Executive Directors. The members of the Audit Committee and records of attendance of each member at Audit Committee meetings held during the financial year ended 31 March 2026 are as follows:

No.	Name of Audit Committee Member	No. of Meetings Attended
1.	Raja Anuar Bin Raja Abu Hassan (Chairman) (Independent Non-Executive Director)	4/4
2.	Tan Sri Hasmah Binti Abdullah (Member) (Independent Non-Executive Director) (retired on 29 August 2025)	3/3
3.	Dato' Kaziah Binti Abd Kadir (Member) (Independent Non-Executive Director)	4/4
3.	Keisuke Nishida (Member) (Non-Independent Non-Executive Director) (appointed on 1 October 2025)	1/1

All of the Independent Non-Executive Directors satisfy the test of independence under Bursa Malaysia Securities Berhad's Main Market Listing Requirements (MMLR). The composition of the Audit Committee meets the requirements of paragraph 15.09(1)(a) and (b) of the MMLR and Practice 9.4 under Principle B of the Malaysian Code on Corporate Governance 2021.

The Chairman of the Audit Committee, Raja Anuar bin Raja Abu Hassan is a Member of the Malaysian Institute of Accountants and hence, the Company is in compliance with paragraph 15.09(1)(c) of the MMLR, which requires at least one (1) Member of the Audit Committee to be a qualified accountant.

The Board reviews the terms of office of the Audit Committee members and assesses the performance of the Audit Committee and its members through an annual Board Committee effectiveness evaluation. The Board is satisfied that the Audit Committee and its members discharged their functions, duties and responsibilities in accordance with the Terms of Reference (TOR) which is available on the Company's website.

Conduct Of Meetings

The Audit Committee meets on a quarterly basis. There were four (4) Audit Committee Meetings during the financial year ended 31 March 2026. The Managing Director, Executive Directors and relevant responsible Management members were invited to the meetings to facilitate direct communication and provide clarification on audit issues and the Company's operations. The Internal Auditors and External Auditors attended the meetings to present their respective reports. The discussion of each meeting was tabled to and noted by the Board. The Chairman of Audit Committee reports on the main findings raised by the External Auditors and significant concerns raised by the Internal Auditors in the respective quarterly presentations, as well as the deliberations of the Audit Committee Meeting to the Board.

Duties And Responsibilities

In fulfilling its primary objectives, the Audit Committee shall undertake the following duties and responsibilities and report the same to the Board for approval:

Financial Reporting and Compliance

1. To review the quarterly results and annual audited financial statements of the Company, focusing particularly on:
    a. changes in or implementation of major accounting policies and practices;
    b. Significant matters highlighted including financial reporting issues, significant judgements made by management, significant and unusual events or transactions, and how these matters are addressed;
    c. compliance with accounting standards and other legal requirements; and
    d. the going concern assumption
2. To review any related party transaction and conflict of interest situation that may arise within the Company, including any transaction, procedure or course of conduct that raises question of management's integrity;

Risk Management and Internal Audit

3. To consider and approve Annual Risk Management Plan and be satisfied that the methodology employed allows the identification, analysis, assessment, monitoring and communication of risks in a regular manner that will allow the Company to minimise losses and maximise opportunities;
4. To consider and approve the Annual Internal Audit Plan and programme and be satisfied as to the adequacy of coverage and audit methodologies employed;

5. To ensure that the system of internal control is soundly in place, effectively administered and regularly monitored and to review the extent of compliance with established internal policies, standards, plans and procedures;

6. To review and approve the reports on internal audit and risk management and to ensure that appropriate actions are taken on the recommendations of the internal audit and risk management functions;

7. To recommend to the Board steps to improve the system of internal control derived from the findings of the Internal Auditors and External Auditors and from the consultations from the Audit Committee itself;

8. To review the adequacy of the scope, functions, competency and resources of the internal audit functions and that it has the necessary authority to carry out its work;

9. To review the scope of the internal audit function to ensure it is sufficient enough to be able to provide relevant assurance on the adequacy and operating effectiveness of the Company's governance risk and control processes as promulgated by the Statement of Risk Management and Internal Controls;

10. To review any appraisal or assessment of the performance and to approve any appointment, resignation or termination of the outsourced Internal Auditor service provider;

Statutory and Non-Statutory Audit

11. To review and discuss with the External Auditors, prior to the commencement of audit, the audit plan which states the nature and scope of the audit;

12. To review any matters concerning the appointment and re-appointment, audit fees and any questions of resignation, dismissal or removal of the External Auditors;

13. .To review factors related to the independence and objectivity of External Auditors and their services including non-statutory audit services;

14. To discuss on findings, problems and reservations arising from the interim and final statutory audits, External Auditors' Audit Committee Report and any matters the External Auditors may wish to discuss as well as to review the extent of cooperation and assistance given by the employees of the Company to the External Auditors;

Other Matters

15. To review the Statement of Risk Management and Internal Control and to prepare the Audit Committee Report for the Board's approval prior to inclusion in the Annual Report;

16. To carry out such other functions as may be directed by the Board.

Summary Of Activities Of Audit Committee

In line with the TOR of the Audit Committee, the following activities were carried out by the Audit Committee during the financial year under review:

In fulfilling its primary objectives, the Audit Committee shall undertake the following duties and responsibilities and report the same to the Board for approval:

Financial Reporting

To review the quarterly results and annual audited financial statements of the Company, focusing particularly on:

1. Reviewed the unaudited quarterly results and performance of the Company and recommended to the Board for approval.

2. Reviewed the draft Statutory Financial Statements of the Company for the financial year ended 31 March 2025 and recommended to the Board for approval.

External Audit

1. Discussed the External Auditors' Report to the Audit Committee for the financial year ended 31 March 2025 and the Annual Audit Plan for the financial year ended 31 March 2026 that were presented to the Audit Committee.

2. Held meetings with the External Auditors without Management's presence twice during the year to obtain feedback on the state of internal controls.

3. Reviewed the audit and non-audit fees (review of the Statement of Risk Management and Internal Control) of the External Auditors for the financial year ended 31 March 2025 and recommended to the Board for approval.

4. Assessed the independence, performance and competency of the External Auditors.

5. Made recommendation to the Board on the re-appointment of the External Auditors.

Internal Audit

1. Approved the Annual Internal Audit Plan.

2. Reviewed the Internal Audit Reports with recommendations by the Internal Auditors, Management's response and follow-up actions taken by the Management and monitoring the same with the Internal Auditors.

3. Assessed the performance and competency of the Internal Auditors.

4. Reviewed the Enterprise Risk Management report.

Compliance

1. Reviewed the state of internal control of the Company and extent of compliance with the established policies, procedures and statutory requirements.

2. Monitored the amount spent on entertainment, donations, offerings and gift.

3. Reviewed and monitored the reports received in the whistleblowing channels and actions taken.

4. Reviewed the Statement on Risk Management & Internal Control and Audit Committee Report prior to the Board's approval for inclusion in the Company's Annual Report 2025.

Related Party Transactions

1. Reviewed the draft circular to shareholders in relation to recurrent related party transactions of a revenue or trading nature (RRPT) and recommended to the Board for approval.

2. Reviewed the quarterly summary of RRPT and recommended to the Board for ratification.

3. Reviewed the summary of the non-mandated RRPT and recommended to the Board for ratification.

The Audit Committee is responsible for overseeing the implementation of the Whistleblower Policy and Procedures for the employees and external parties. During the year, there were nine (9) complaints received via the whistleblowing channel. Arising from internal reviews, the Management had taken the necessary steps to reach out to the complainants and to address the complaints made.

Internal Audit Function

The Internal Audit function is outsourced to, BDO Governance Advisory Sdn Bhd ("BDO"), an independent consulting firm whose main role is to undertake independent and systematic review of the system of internal controls so as to provide independent assurance on the adequacy and effectiveness of risk management, internal controls and governance process of the Company. BDO has no line of responsibility or authority over any operational or administrative function and is independent of the activities it audits.

BDO adopts an international methodology, which is in compliance with the Institute of Internal Auditors' International Professional Practices Framework ("IPPF"), Code of Ethics and risk based internal auditing guidance. The independence of BDO is reviewed on a yearly basis. BDO is required to declare if any conflict of interests exist where an annual confirmation is sought from them that all of their staff on the job are free from any relationships or conflict of interest with the Company which could impair their objectivity. BDO had confirmed to the Audit Committee on their independence and there is no conflict of interest. The performance and competency of BDO was assessed and the Audit Committee found the services rendered to be satisfactory.

The Internal Audit Plan was developed together with BDO on an annual basis based on the entity wide risk assessment. The Internal Audit Plan was presented and approved by the Audit Committee on 22 May 2025. The audits were executed based on a risk-based approach and the audit outcomes were communicated to the Audit Committee during the quarterly reporting.

BDO's deliverables covers the areas concerning governance, risk management and internal control processes highlighting the causes, findings, weaknesses, recommendations, and management's corrective action plan, if any. For the financial year ended 31 March 2026, the following areas were audited and its results were reported to the Audit Committee:

Internal Audit Area	Internal Auditor's Opinion
Post System Implementation	Improvements are required
Non-Trade Supplier Management, including Third Party	Improvements are required
Business Continuity Management	Improvements are required

BDO conducted follow-up reviews with Management on all agreed corrective actions on audit issues to ascertain if Management has resolved the concern on the key risks and weaknesses identified during the internal audit on a timely basis. The status of corrective actions were reported to the AC during every quarter.

The professional fees incurred for the Internal Audit function in respect of the financial year ended 31 March 2026 amounted to RM90,000.

The following internal audit activities were carried out by the Internal Auditors during the financial year under review:

1. Formulation of and agreement with the Audit Committee on the risk-based internal audit plan that is consistent with the Company's objectives and goals.

2. Conducted various internal audit engagements in accordance with the audit plan.

3. Conducted follow-up on issues raised to ensure key findings raised in the internal audit reports were addressed accordingly.

Statement on Risk Management and Internal Control

In accordance with Paragraph 15.26 (b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Board of Directors ("Board") of listed companies is required to include in their annual report, a "statement about the state of internal control of the listed issuer as a company". The Malaysian Code on Corporate Governance issued by Securities Commission Malaysia requires the Board to establish a sound risk management framework and internal control system. The Board is pleased to provide the following statement that is prepared in accordance with the "Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Companies (2025)" endorsed by Bursa Securities which outlines the nature and scope of the risk management and internal control of the Company during the financial year under review.

Board Responsibilities

The Board recognises the importance of sound risk management practices and internal controls to safeguard shareholders' investments and the Company's assets. The Board affirms its overall responsibility for the Company's system of risk management and internal control which includes the establishment of an appropriate control environment and framework, as well as reviewing and monitoring its adequacy and integrity. The Board is responsible for determining the nature and extent of the risks that the Company is willing to take to achieve its objectives, whilst in parallel maintaining sound risk management and systems of internal control.

The Board tasks Management to identify and assess the risks faced by the Company, and thereafter design, implement and monitor appropriate internal controls to mitigate and control those risks. There are inherent limitations to any system of risk management and internal control and the system is designed to manage and minimize impact rather than completely eliminate risks that may affect the achievement of the Company's business objectives. Accordingly, it can only provide reasonable but not absolute assurance against material misstatement or loss. The system of internal control covers, inter alia, financial, operational and compliance controls and risk management procedures.

Key Processes Of The System Of Internal Control

The Audit Committee is supported by external service provider, BDO Governance Advisory Sdn. Bhd. ("BDO") and they report their audit plans and review reports directly to the Audit Committee.

The activities of the internal audit are guided by the Annual Audit Plan approved by the Audit Committee. The internal audit plan was developed based on the information provided by Management through the Risk Register, as well as areas of concern deemed important by Audit Committee and/or Management.

The internal audits were undertaken to provide independent assessments on the adequacy, efficiency and effectiveness of the internal control systems to manage risk exposures of the Company. BDO adopts risk-based approach in executing the planning, reviews and assessments, steered by BDO's internal audit methodology, which is in line with the Institute of Internal Auditors' International Professional Practices Framework ("IPPF").

The Audit Committee had full access to the services and advice of the internal auditors and received reports on all audits that were performed. During the financial year ended 31 March 2026 ("FYE2026"), BDO had executed the following internal audit works:

1. Conducted reviews and assessments based on FYE2026 annual audit plans which was approved by the Audit Committee at its first meeting of FYE2026 covering the areas of:
   i. Post-System Implementation
   ii. Non-Trade Supplier Management including Third-Party
   iii. Business Continuity Management
2. Conducted follow-up with the Management on agreed corrective action items taken on outstanding audit issues to ensure key risks and weaknesses were addressed effectively and timely, where the status of implementation of the said agreed corrective action items are reported to the Audit Committee on a quarterly basis.

The resulting reports from BDO, including the findings, recommendations and Management's responses, were presented to the Audit Committee on a quarterly basis. The Management is responsible to ensure that necessary agreed corrective action items are taken and resolved within the required timeframe. Other elements of internal control system:

1. Organisation structure

   The Company has an established organisation structure with clear defined lines of authority, responsibility and accountability to meet its business strategies and objectives within a reasonable control environment.

2. Delegation of Authority

   The Company has established Financial Authority Limits for approving capital expenditure and non- capital expenditure. Major capital investments, acquisitions and disposals exceeding a certain threshold require Board Approval.

3. Annual Business Plans and Budgets

   Operating plans and budgets are prepared by the respective Heads of Departments on an annual basis and presented to the Board for deliberation and approval. Actual performance against budget is monitored by the Board.

4. Monitoring by Strategic Management Committee

   Regular management and operation meetings are conducted by the Strategic Management Committee covering financial and operational performance.

5. Monitoring by the Board

   Board meetings are held periodically with a formal agenda on matters for discussion. The Board is kept updated on the Company's activities and operations regularly.

6. Panasonic Code of Conduct

   The Company clearly defines its basic policy on information in the "Panasonic Code of Conduct", the guideline for putting the Group's Basic Business Philosophy into practice.

Enterprise Risk Management Process

Risk management is firmly embedded in the Company's management system as Management firmly believes that risk management is critical for the Company's sustainability and the enhancement of shareholder's value.

- Company's Enterprise Risk Management Objectives
  - Preserve the safety and health of its employees.
  - Ensure the continuity of its supply to consumers and customers at all times.
  - Protect its assets and reputation.
  - Ensure that the Company's operations do not impact negatively on the community in which it operates and the environment.
  - Protect the interests of all stakeholders.
  - Promote an effective risk awareness culture where risk management is an integral aspect of the Company's management systems.
  - Ensure compliance with all applicable statutory and legal requirements.
- The risk management function is coordinated by BDO, who assists the Audit Committee in updating the risk register to reflect the changes in rating, status of controls and action plan annually.
- The Compliance Committee that has been established to promote strong self-check system to ensure compliance is top priority in the Company's business activities also ensures that information is shared across all divisions and all levels in a timely manner.
- The Strategic Management Committee that has been established with appropriate powers to ensure effective management and supervision of the Company's core areas of business operations. Its function includes review of registration of new suppliers, investment/ expenditure by the Company exceeding stipulated amount and to review any changes in the Company's policy and procedures. Its members comprise of Assistant Directors and above. It acts as a control before the Company's Managing Director provides his final approval.
- Other internal committees include the Information Security Management Working Committee, Quality Committee, Safety & Health and Fire Prevention Committee.
- The Company's business units monitor and explain performance against key performance indexes on a monthly basis at the monthly operation meetings, factory management review meetings and quality assurance meetings attended by the Directors and Senior Management of the Company. Comprehensive monthly financial and management reports are prepared for effective monitoring and decision making. The monitoring of performance variances are followed up and management actions are taken to rectify any deviations on a timely and effective manner.
- The Board and Management also monitor emerging risks, including cybersecurity threats, climate & sustainability risks, and changes in regulatory requirements. These risks are regularly assessed as part of the Company's risks evaluation and monitoring processes to ensure that mitigation measures remain effective in a changing environment. Management has implemented preventive and responsive measures to address these risks. The Internal Audit function assesses the adequacy and effectiveness of these measures through internal control audits. Significant findings are reported to the Audit Committee, which then updates and escalates relevant matters to the Board for further consideration.
- The Company has incorporated environmental, social, and governance ("ESG") and other sustainability-related risks into its overall risk management and internal control framework. These risks are identified, assessed and monitored through the Company's established risk governance and reporting processes to ensure that potential impacts on the Company's business operations, financial performance and reputation are appropriately managed. Detailed disclosures of the Company's sustainability governance structure, implementation responsibilities and sustainability initiatives are provided separately in the Sustainability Statement in this Annual Report.
- Accounting and other manuals are in place towards ensuring that the recordings of financial transactions are complete and accurate.

- Standard operating procedure ("SOP") manual sets out policies and procedures for day-to-day operations to be carried out. Periodic reviews are performed to ensure that the SOP remains current, relevant and aligned with evolving business environment and operational needs.
- The Anti-Bribery and Anti-Corruption Policy sets out the policies and procedures on the Company's commitment to conduct its business with high standards of ethics and integrity. The Company adopts a "zero-tolerance" approach towards bribery and corruption by any of the employees or by business partners working on behalf, including suppliers, agents or contractors. In addition, periodic reviews and discussions are held to ensure such risks are mitigated.
- Whistleblowing Policy provides an avenue for employees and external parties to report actual or suspected malpractice, misconduct or violations of the Company's policies and regulations in a safe and confidential manner.

The Company applies the ISO 14001 Environment Management System which is taken charge by the Environment Management Department, ISO 45001 Occupational Health and Safety Management with oversight by Safety and Health Department, ISO 27001 Information Security Management System with the Information Security Department in charge and ISO 9001 Quality Management Systems taken charge by Quality Control Department.

Related Party Transactions (RPTs)/ Recurrent Related Party Transactions (RRPTs)

The Company has established the Guidelines and Procedures on RPTs and RRPTs (collectively, the Guideline) to promote continuous awareness and provide consistent approach to all RPTs and RRPTs situations. The said Guideline requires the use of various processes to ensure that RPTs/RRPTs are conducted on an arm's length basis, which is consistent with the Company's normal business practices and policies, and will not be to the detriment of the Group's minority shareholders.

The Guideline aims to provide guidance under which certain transactions and situations must be reviewed and endorsed by the various approving authority of the Company in compliance with the Listing Requirements.

The Guideline also prescribes the processes required to identify, evaluate, approve, monitor and report RPTs/RRPTs. Such processes include identification and screening of transactions, negotiation of transactions and approval/ mandate mechanism, monitoring and reporting principles, and renewal or changes in the terms or termination of such transactions. In principle, the said Guideline sets forth the following:

- All sourcing and sales of the Company's products, general merchandise and shared facilities shall be based on market negotiated pricing terms and conditions and/or pricing formulas and the terms are not more favourable to the related party than those generally applied to a third party, in order to ensure that the transactions are on an arm's length basis.
- Database is maintained to capture the list of related parties and RPTs/RRPTs which have been entered into.
- If a Director or a related party has an interest in a transaction, he or she will abstain from any deliberation and decision making at the Board in respect of such transaction.
- All RPTs will be reviewed by the Audit Committee prior to the approval by either the Board or Shareholders. All RPTs and RRPTs will be reported to the Audit Committee on a quarterly basis.

Overall, during FYE2026, the Company had processes in placed to assess that RPTs/RRPTs were fairly concluded on prevailing market rates/prices, had been carried out at arm's length basis and normal commercial terms/conditions, applicable industry norms and not detrimental to the interest of the Company and its minority shareholders.

Conclusion

For the financial year under review and up to the date of issuance of the financial statements for inclusion in the annual report, the Managing Director and Finance Director have provided written assurance to the Board stating that the Company's risk management and internal control systems have operated adequately and effectively, in all material aspects, to safeguard shareholders' interests and the Company's assets.

The Board is satisfied that there are sound and sufficient controls in place that have not resulted in any material losses, contingencies or uncertainties that would require disclosure in the Company's annual report. No weaknesses in internal control that have resulted in any material losses, contingencies or uncertainties that would require disclosure in the Company's annual report were noted.

The Board's review however does not encompass the system of internal control of its associated company, Panasonic Malaysia Sdn. Bhd. ("PM"), as it does not have direct control over their operations. Notwithstanding the above, the Company's interest is served through representation on the Board of PM and receipt and review of management accounts, reports on quarterly basis, the key performance of PM and the general market environment. Such initiatives provide the Board with vital information on the activities of PM and safeguarding of the Company's interest.

Additional Compliance Information

The following information is presented in compliance with the Listing Requirements of Bursa Malaysia Securities Berhad:

1. Utilisation of Proceeds raised from Corporate Proposal

Not applicable.

2. Audit and Non-Audit Fees

For the financial year under review, the audit and non-audit fees incurred by the Company payable to the External Auditors, KPMG PLT were RM235,000 and RM38,000, respectively.

The non-audit fees incurred were for the review on the Statement of Risk Management and Internal Control (RM10,000), and Local Transfer Pricing documentation and benchmarking analysis (RM28,000).

3. Material Contracts

Other than the recurrent related party transactions, there were no material contracts of the Company, involving Directors' and major shareholders' interests, entered into since the end of the previous financial year or still subsisting at the end of the financial year under review.

4. Shariah Compliance information

Pursuant to Paragraph 9.25A of the MAIN Market Listing Requirements, below are the financial data that are relevant for purpose of Shariah screening by the Shariah Advisory Council of the Securities Commission Malaysia. These include financial data on Shariah non-permissible income arising from the Group's business activities and interest-based financial position.

(a) Group Total Income and Total Assets

Total Income:	**2026 RM'000**	**2025 RM'000**
Revenue	689,916	822,778
Other Income	5,255	5,464
Interest/Finance income	17,360	20,053
Share of profit of associates	8,105	11,599
Total Income	720,636	859,894
Total Assets	868,896	893,091

(b) Business Activities

Shariah Non-Compliant Activities:	**2026 RM'000**	**2025 RM'000**
Interest Income	17,360	20,053

(c) Component of Financial Position

i. Cash Component

Conventional Account/Instruments:	**2026 RM'000**	**2025 RM'000**
Cash in hand (to be placed under Islamic Account/Instruments only)	0	0
Short-term deposits	390,000	380,000
Cash and bank balances (exclude cash in hand)	78,744	95,085
	468,744	475,085

FINANCIAL STATEMENTS

Directors' Report
for the year ended 31 March 2026

The Directors have pleasure in submitting their report and the audited financial statements of the Company for the financial year ended 31 March 2026.

Principal activities

The Company is principally engaged in the manufacture and sale of electrical home appliances and related components. There has been no significant change in the nature of these activities during the financial year.

Ultimate holding corporation

The Directors regard Panasonic Holdings Corporation, a corporation incorporated in Japan, as the ultimate holding corporation during the financial year and until the date of this report.

Results

	RM'000
Profit for the year attributable to owners of the Company	33,928

Reserves and provisions

There were no material transfers to or from reserves and provisions during the financial year under review other than as disclosed in the financial statements.

Dividends

Since the end of the previous financial year, the amount of dividends paid by the Company were as follows:

i) In respect of the financial year ended 31 March 2025:

- a final ordinary dividend of 47 sen per ordinary share totalling RM28,550,517 declared on 28 May 2025 and paid on 19 September 2025.

ii) In respect of the financial year ended 31 March 2026:

- an interim single tier dividend of 15 sen per ordinary share totalling RM9,111,867 declared on 27 November 2025 and paid on 20 January 2026.

As at the date of this report, the Board of Directors had yet to decide on the final dividend for the financial year ended 31 March 2026.

Directors' Report
for the year ended 31 March 2026

Directors of the Company

Directors who served during the financial year until the date of this report are:

Dato' Azman bin Mahmud	
Takashi Sugihara	
Kwan Wai Yue	
Raja Anuar bin Raja Abu Hassan	
Dato' Kaziah binti Abdul Kadir	
Keisuke Nishida	
Ishikawa Shimpei	(Appointed 13 January 2026)
Masaru Fujimoto	(Appointed on 1 April 2025 and resigned on 13 January 2026)
Tan Sri Hasmah binti Abdullah	(Retired 29 August 2025)
Siew Pui Ling	(Retired 29 August 2025)

Mr Takashi Sugihara and Ms. Kwan Wai Yue will be retiring under Article 100 of the Company's Constitution at the forthcoming AGM and seeking re-election. Mr. Ishikawa Shimpei will be retiring under Article 105 of the Company's Constitution at the forthcoming AGM and seeking re-election.

Directors' interests

The interests and deemed interests in the shares and options over shares of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at financial year end (including the interests of the spouses or children of the Directors who themselves are not Directors of the Company) as recorded in the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares			
Ultimate Holding Corporation - Panasonic Holdings Corporation	**At 1.4.2025**	**Bought**	**Sold**	**At 31.3.2026**
Takashi Sugihara				
- Direct interest	115	-	-	115

None of the other Directors holding office at 31 March 2026 had any interest in the shares and options over shares of the Company and of its related corporations during the financial year.

Directors' benefits

Since the end of the previous financial year,

i) no Director of the Company has received nor become entitled to receive any benefit (other than those shown below):

	From the Company RM'000
Directors of the Company:	
Fees and allowances	562
Remuneration	1,991
Estimated money value of any other benefits	76
	2,629

ii) no Director of the Company has received nor become entitled to receive any benefit by reason of a contract made by the Company or a related corporation with the Director or with a firm of which Director is a member, or with a Company in which the Director has a substantial interest, other than certain Directors received fixed salary of a full time employee of related corporations.

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Issue of shares and debentures

There were no issue of shares and debentures during the financial year.

Options granted over unissued shares

No options were granted to any person to take up unissued shares of the Company during the financial year.

Indemnity and insurance costs

During the financial year, the total amount of indemnity coverage given to Directors and Officers of the Company pursuant to the Directors and Officers Liability Insurance was RM20,000,000. The insurance premium paid by the Company is RM71,500.

There was no indemnity given to or insurance effected for auditors of the Company during the financial year.

Other statutory information

Before the financial statements of the Company were made out, the Directors took reasonable steps to ascertain that:

i) there are no bad debts to be written off and no provision needs to be made for doubtful debts, and

ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

i) that would render it necessary to write-off any bad debts or provide for any doubtful debts, or

ii) that would render the value attributed to the current assets in the financial statements of the Company misleading, or

iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate, or

iv) not otherwise dealt with in this report or the financial statements that would render any amount stated in the financial statements of the Company misleading.

At the date of this report, there does not exist:

i) any charge on the assets of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or

ii) any contingent liability in respect of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of the Company has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Company to meet its obligations as and when they fall due.

In the opinion of the Directors, the financial performance of the Company for the financial year ended 31 March 2026 has not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

Auditors

The auditors, KPMG PLT, have indicated their willingness to accept re-appointment.

The auditors' remuneration of the Company during the financial year is RM235,000. Details of auditors' remuneration are set out in Note 17 to the financial statements.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

Takashi Sugihara
Director

Kwan Wai Yue
Director

Shah Alam
Date: 25 May 2026

Statement of Financial Position

as at 31 March 2026

	Note	2026 RM'000	2025 RM'000
Assets			
Property, plant and equipment	2	**123,592**	133,950
Right-of-use assets	3	**6,270**	6,547
Intangible assets	4	**757**	659
Investment in associate	5	**144,199**	139,279
Deferred tax assets	6	**3,844**	2,509
Total non-current assets		**278,662**	282,944
Inventories	7	**52,574**	46,766
Trade and other receivables	8	**68,720**	86,790
Current tax assets		**188**	1,498
Cash and cash equivalents	9	**468,752**	475,093
Total current assets		**590,234**	610,147
Total assets		**868,896**	893,091
Equity			
Share capital	10	**60,746**	60,746
Retained earnings		**712,505**	716,239
Total equity		**773,251**	776,985
Liabilities			
Provision for liabilities and charges	11	**666**	742
Lease liabilities		**550**	756
Total non-current liabilities		**1,216**	1,498
Trade and other payables	12	**91,412**	109,350
Provision for liabilities and charges	11	**1,935**	4,805
Derivative financial liabilities	13	**616**	11
Lease liabilities		**466**	442
Total current liabilities		**94,429**	114,608
Total liabilities		**95,645**	116,106
Total equity and liabilities		**868,896**	893,091

The notes on pages 97 to 128 are an integral part of these financial statements.

Statement of Profit or Loss and Other Comprehensive Income

for the year ended 31 March 2026

	Note	2026 RM'000	2025 RM'000
Revenue	14	**689,916**	822,778
Cost of sales		**(603,799)**	(714,609)
Gross profit		**86,117**	108,169
Other operating income		**5,255**	5,464
Distribution and marketing cost		**(36,941)**	(41,579)
Administrative expenses		**(34,900)**	(37,588)
Other operating expenses		**(7,539)**	(14,193)
Results from operating activities		**11,992**	20,273
Finance costs	15	**(39)**	(31)
Finance income	16	**17,360**	20,053
Share of profit equity-accounted associate, net of tax	5	**8,105**	11,599
Profit before tax	17	**37,418**	51,894
Tax expense	18	**(3,490)**	(5,757)
Profit and total comprehensive income for the year		**33,928**	46,137
Basic earnings per ordinary share (sen)	19	**56**	76

The notes on pages 97 to 128 are an integral part of these financial statements.

Statement of Changes in Equity
for the year ended 31 March 2026

	Note	Share capital RM'000	*Distributable* Retained earnings RM'000	Total equity RM'000
At 1 April 2024		60,746	752,716	813,462
Total profit and comprehensive income for the year		-	46,137	46,137
Distributions to owners of the Company				
Dividends				
- Final dividend for the financial year ended 31 March 2024	20	-	(73,502)	(73,502)
- Interim dividend for the financial year ended 31 March 2025	20	-	(9,112)	(9,112)
Total transactions with owners of the Company		-	(82,614)	(82,614)
At 31 March 2025/1 April 2025		60,746	716,239	776,985
Total profit and comprehensive income for the year		-	33,928	33,928
Distributions to owners of the Company				
Dividends				
- Final dividend for the financial year ended 31 March 2025	20	-	(28,550)	(28,550)
- Interim dividend for the financial year ended 31 March 2026	20	-	(9,112)	(9,112)
Total transactions with owners of the Company		-	(37,662)	(37,662)
At 31 March 2026		**60,746**	**712,505**	**773,251**
		Note 10		

Statement of Cash Flows

for the year ended 31 March 2026

	Note	2026 RM'000	2025 RM'000
Cash flows from operating activities			
Profit before tax		**37,418**	51,894
Adjustments for:			
Property, plant and equipment			
- depreciation	2	**24,773**	24,661
- loss on write-off	2	**23**	52
- gain on disposal	17	**(76)**	(361)
- impairment loss	2	**-**	170
- reversal of impairment loss	2	**-**	(33)
Depreciation of right-of-use assets	3	**598**	378
Amortisation of intangible assets	4	**175**	161
Provision of liabilities and charges	11	**2,708**	5,268
Unwinding of discount	11	**35**	26
Interest income	16	**(17,360)**	(20,053)
Finance cost for lease liabilities	15	**39**	31
Share of profit equity-accounted associate, net tax	5	**(8,105)**	(11,599)
Net unrealised foreign exchange (gain)/loss	17	**(1,046)**	453
Fair value loss/(gain) on derivative financial instruments	17	**605**	(88)
Operating profit before changes in working capital		**39,787**	50,960
Changes in working capital:			
Inventories		**(5,808)**	5,367
Trade and other receivables		**19,788**	2,021
Trade and other payables		**(18,610)**	(15,742)
Movement in provision of liabilities and charges		**(5,689)**	(4,259)
Cash generated from operations		**29,468**	38,347
Tax paid		**(3,515)**	(9,906)
Interest paid in relation to lease liabilities		**(39)**	(31)
Net cash generated from operating activities		**25,914**	28,410

Statement of Cash Flows
for the year ended 31 March 2026

	Note	2026 RM'000	2025 RM'000
Cash flows from investing activities			
Purchase of property, plant and equipment	2	**(14,443)**	(23,813)
Purchase of intangible assets	4	**(273)**	(400)
Proceeds from disposal of property, plant and equipment		**81**	361
Interest received	16	**17,360**	20,053
Dividends received	5	**3,185**	3,185
Net cash generated from/(used in) investing activities		**5,910**	(614)
Cash flows from financing activities			
Dividends paid		**(37,662)**	(82,614)
Payment of lease liabilities		**(503)**	(281)
Net cash used in financing activities		**(38,165)**	(82,895)
Net decrease in cash and cash equivalents		**(6,341)**	(55,099)
Cash and cash equivalents at 1 April 2025/2024		**475,093**	530,192
Cash and cash equivalents at 31 March	9	**468,752**	475,093

Cash outflows for leases as a lessee

	Note	2026 RM'000	2025 RM'000
Included in net cash from operating activities			
Payment relating to short-term leases	17	**866**	1,200
Interest paid in relation to lease liabilities	15	**39**	31
Included in net cash from financing activitie			
Payment of lease liabilities		**503**	281
Total cash outflows for leases		**1,408**	1,512

Reconciliation of movements of liabilities to cash flows arising from financing activities

	At 1 April 2024 RM'000	Net changes from financing cash flows RM'000	Addition RM'000	At 31 March 2025/ 1 April 2025 RM'000	Addition RM'000	Net changes from financing cash flows RM'000	At 31 March 2026 RM'000
Lease liabilities	10	(281)	1,469	1,198	321	(503)	1,016

Notes to the Financial Statements

Panasonic Manufacturing Malaysia Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The address of the registered office and principal place of business of the Company is as follows:

Registered office/Principal place of business
No. 3, Jalan Sesiku 15/2
Section 15, Shah Alam Industrial Site
40200 Shah Alam
Selangor Darul Ehsan

The financial statements of the Company for the financial year ended 31 March 2026 comprise the Company and the Company's interest in its associate.

The Company is principally engaged in the manufacture and sale of electrical home appliances and related components.

The immediate holding company during the financial year was Panasonic Management Malaysia Sdn. Bhd., incorporated in Malaysia. The ultimate holding corporation during the financial year was Panasonic Holdings Corporation, a corporation incorporated in Japan and listed on the Tokyo Stock Exchange and Nagoya Stock Exchange.

These financial statements were authorised for issue by the Board of Directors on 25 May 2026.

1. Basis of preparation

(a) Statement of compliance

The financial statements of the Company have been prepared in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS Accounting Standards"), IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and the requirements of the Companies Act 2016 in Malaysia.

The following are accounting standards, amendments and interpretations of the MFRSs that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Company:

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2026

- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures – Classification and Measurement of Financial Instruments*
- Amendments that are part of Annual Improvements - Volume 11:
  - Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards*#
  - Amendments to MFRS 7, *Financial Instruments: Disclosures*
  - Amendments to MFRS 9, *Financial Instruments*
  - Amendments to MFRS 10, *Consolidated Financial Statements*#
  - Amendments to MFRS 107, *Statement of Cash Flows*
- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures – Contracts Referencing Nature-dependent Electricity*

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2027

- MFRS 18, *Presentation and Disclosure in Financial Statements*
- MFRS 19, *Subsidiaries without Public Accountability: Disclosures*#
- Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates – Translation to a Hyperinflationary Presentation Currency*

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

1. Basis of preparation (continued)

(a) Statement of compliance (continued)

The Company plans to apply the abovementioned accounting standards, interpretations and amendments:

- from the annual period beginning on 1 April 2026 for the amendments that are effective for annual periods beginning on or after 1 January 2026, except for the amendments marked as "#" which are not applicable to the Company; and

- from the annual period beginning on 1 April 2027 for the accounting standards that are effective for annual periods beginning on or after 1 January 2027, except for the amendments marked as "#" which are not applicable to the Company.

The initial application of the abovementioned accounting standards, interpretations or amendments are not expected to have any material financial impacts to the current period and prior period financial statements of the Company, except for mentioned below.

MFRS 18, *Presentation and Disclosure in Financial Statements*

MFRS 18 will replace MFRS 101, *Presentation of Financial Statements* and applies for annual periods beginning on or after 1 January 2027. The new accounting standard introduces the following key requirements:

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly defined operating profit subtotal.

- Management – defined performance measures ("MPMs") are disclosed in a single note in the financial statements.

- Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

The Company is currently assessing the impact of adopting MFRS 18.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis, unless otherwise stated.

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency. All financial information presented in RM has been rounded to the nearest thousand, unless otherwise stated.

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with MFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions based on historical experience and other factors, including expectations of future events that are deemed reasonable are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in the following notes:

- Note 7 – Inventories
- Note 11 – Provision for liabilities and charges

2. Property, plant and equipment

	Buildings RM'000	Plant and machinery RM'000	Furniture, fittings, structures and equipment RM'000	Motor vehicles RM'000	Work-in-progress RM'000	Total RM'000
Cost						
At 1 April 2024	129,686	333,138	70,378	7,071	2,939	543,212
Additions	99	17,147	3,010	507	3,050	23,813
Reclassification of asset	-	(6)	6	-	-	-
Transfers	-	2,703	236	-	(2,939)	-
Disposals	-	(7,349)	-	(579)	-	(7,928)
Write-off	-	(8,205)	(924)	(11)	-	(9,140)
At 31 March 2025/ 1 April 2025	129,785	337,428	72,706	6,988	3,050	549,957
Additions	-	9,328	4,488	-	627	14,443
Transfers	-	3,042	3	-	(3,045)	-
Disposals	-	(2,558)	(2,636)	-	(5)	(5,199)
Write-off	-	(5,328)	(647)	(2)	-	(5,977)
At 31 March 2026	**129,785**	**341,912**	**73,914**	**6,986**	**627**	**553,224**
Accumulated depreciation and impairment loss						
At 1 April 2024						
Accumulated depreciation	58,866	290,176	53,384	5,766	-	408,192
Accumulated impairment loss	-	33	-	-	-	33
	58,866	290,209	53,384	5,766	-	408,225
Depreciation for the year	2,198	19,596	2,309	558	-	24,661
Reclassification of asset	-	(6)	6	-	-	-
Impairment loss	-	170	-	-	-	170
Reversal of impairment loss	-	(33)	-	-	-	(33)
Disposals	-	(7,349)	-	(579)	-	(7,928)
Write-off	-	(8,162)	(915)	(11)	-	(9,088)
At 31 March 2025/ 1 April 2025						
Accumulated depreciation	61,064	294,255	54,784	5,734	-	415,837
Accumulated impairment loss	-	170	-	-	-	170
	61,064	294,425	54,784	5,734	-	416,007
Depreciation for the year	2,175	19,493	2,604	501	-	24,773
Disposals	-	(2,558)	(2,636)	-	-	(5,194)
Write-off	-	(5,328)	(624)	(2)	-	(5,954)
At 31 March 2026	63,239	306,032	54,128	6,233	-	429,632
Accumulated depreciation	**63,239**	**305,862**	**54,128**	**6,233**	**-**	**429,462**
Accumulated impairment loss	**-**	**170**	**-**	**-**	**-**	**170**
	63,239	**306,032**	**54,128**	**6,233**	**-**	**429,632**

2. Property, plant and equipment (continued)

	Buildings RM'000	Plant and machinery RM'000	Furniture, fittings, structures and equipment RM'000	Motor vehicles RM'000	Work-in-progress RM'000	Total RM'000
Carrying amounts						
At 1 April 2024	70,820	42,929	16,994	1,305	2,939	134,987
At 31 March 2025/ 1 April 2025	68,721	43,003	17,922	1,254	3,050	133,950
At 31 March 2026	**66,546**	**35,880**	**19,786**	**753**	**627**	**123,592**

2.1 Property, plant and equipment subject to operating lease

The Company leases some of its property, plant and equipment to a related company. The lease contains an initial non-cancellable period of 1 year. Subsequent renewal is negotiated with the lessee.

The Company generally does not require a financial guarantee on the lease arrangement. This lease does not include residual value guarantees.

The following is recognised in profit or loss:

	2026 RM'000	2025 RM'000
Lease income	**2,829**	2,702

The net book value of the property, plant and equipment subject to operating lease is RM17,320,000 (2025: RM18,468,000).

2.2 Material accounting policy information

(a) Recognition and measurement

Items of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

(b) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.

The annual rates representing the estimated useful lives for the current and comparative periods are as follows:

• Buildings	2½% - 5%
• Plant and machinery	10% - 50%
• Furniture, fittings, structures and equipment	5% - 20%
• Motor vehicles	25%

3. Right-of-use assets

	Leasehold land RM'000	Buildings RM'000	Machine and equipment RM'000	Total RM'000
Cost				
At 1 April 2024	7,566	-	187	7,753
Additions	-	473	996	1,469
Derecognition	-	-	(187)	(187)
At 31 March 2025/1 April 2025	7,566	473	996	9,035
Additions	-	321	-	321
At 31 March 2026	**7,566**	**794**	**996**	**9,356**
Depreciation				
At 1 April 2024	2,120	-	177	2,297
Charge for the year	84	132	162	378
Derecognition	-	-	(187)	(187)
At 31 March 2025/1 April 2025	2,204	132	152	2,488
Charge for the year	84	307	207	598
At 31 March 2026	**2,288**	**439**	**359**	**3,086**
Carrying amounts				
At 1 April 2024	5,446	-	10	5,456
At 31 March 2025/1 April 2025	5,362	341	844	6,547
At 31 March 2026	**5,278**	**355**	**637**	**6,270**

The Company leases expatriates' accommodation and photocopy machines that ran between 2 years and 5 years (2025: 2 years and 5 years). Lease payments for these assets remain constant throughout their lease terms.

3.1 Material accounting policy information

(a) Recognition and measurement

All right-of-use assets are measured at cost less any accumulated depreciation and any accumulated impairment losses.

(b) Recognition exemption

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

4. Intangible assets

	Software and licenses RM'000
Cost	
At 1 April 2024	9,730
Additions	400
At 31 March 2025/1 April 2025	10,130
Additions	273
At 31 March 2026	**10,403**
Amortisation	
At 1 April 2024	9,310
Amortisation for the year	161
At 31 March 2025/1 April 2025	9,471
Amortisation for the year	175
At 31 March 2026	**9,646**
Carrying amounts	
At 1 April 2024	420
At 31 March 2025/1 April 2025	659
At 31 March 2026	**757**

The software and licenses relates to the development cost for the Company's SAP global standard template ("SGST") system. This is to align with the Panasonic group business division's direction with the primary aim of standardising across its global entities and to enhance efficiency and optimal manufacturing management capabilities for future growth and agility to respond to market changes.

4.1 Material accounting policy information

(a) Recognition and measurement

Intangible assets that are acquired by the Company, which have finite useful lives, are measured at cost less any accumulated amortisation and any accumulated impairment losses.

(b) Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets.

The estimated useful lives for the current and comparative periods are as follows:

- Software and licenses 25%

5. Investment in an associate

	2026 RM'000	2025 RM'000
At cost		
Unquoted shares	**2,000**	2,000
Share of post-acquisition reserves	**142,199**	137,279
Investment in an associate	**144,199**	139,279

Set out below is the associate of the Company as at 31 March 2026, and the associate has share capital consisting solely of ordinary shares, which are held directly by the Company.

Name of entity	Principal place of business/ Country of incorporation	Effective ownership interest and voting interest 2026	2025
Panasonic Malaysia Sdn. Bhd.	Malaysia	**40%**	40%

Nature of the relationship

The Company holds a 40% (2025: 40%) equity interest in its associate, Panasonic Malaysia Sdn. Bhd., a company incorporated in Malaysia. The principal activities of the associate consist of:

1) sales of consumer electronic products, system solution products, life solutions products and energy products under the brand name Panasonic;

2) provision of liaison office services and coordination of Panasonic group shared services and advisory including human resources strategic management, information technology innovation, government and public relations related matters; and

3) provision of management support services on corporate planning and execution of business strategy covering sales, marketing promotion and design of Panasonic brand products within or outside Malaysia.

(a) Summarised financial information for associate

Set out below are the summarised financial information of Panasonic Malaysia Sdn. Bhd. which are accounted for using the equity method.

(i) Summarised statement of financial position of the associate:

	2026 RM'000	2025 RM'000
Current		
Cash and cash equivalent	**345,022**	347,585
Other current assets (excluding cash)	**194,521**	227,380
Total current assets	**539,543**	574,965
Other current liabilities (including trade payables)	**(212,496)**	(264,023)
Total current liabilities	**(212,496)**	(264,023)
Non-current		
Assets	**54,966**	67,640
Liabilities	**(18,792)**	(27,499)
Net assets	**363,221**	351,083

5. Investment in an associate (continued)

(a) Summarised financial information for associate (continued)

(ii) Summarised statement of profit or loss and other comprehensive income of the associate:

	2026 RM'000	2025 RM'000
Revenue	**1,059,532**	1,308,823
Cost of revenue	**(751,022)**	(951,090)
Gross profit	**308,510**	357,733
General and administrative expenses	**(155,265)**	(170,634)
Reversal of impairment loss on trade and other receivables, net	**117**	215
Selling and distribution expenses	**(105,561)**	(122,482)
Other operating expenses	**(46,195)**	(53,325)
Other operating income	**15,997**	20,484
Profit from operations	**17,603**	31,991
Finance income	**10,542**	10,613
Finance costs	**(870)**	(1,010)
Profit before taxation	**27,275**	41,594
Taxation	**(7,174)**	(11,798)
Net profit and total comprehensive income for the financial year	**20,101**	29,796
Gross dividends received by the Company	**3,185**	3,185

(b) Reconciliation of net assets to carrying amount as at 31 March

	2026 RM'000	2025 RM'000
Company's share of net assets	**145,288**	140,433
Elimination of unrealised profits	**(1,089)**	(1,154)
Carrying amount in the statement of financial position	**144,199**	139,279

(c) Company's share of results for the year ended 31 March

	2026 RM'000	2025 RM'000
Company's share of net profit and total comprehensive income	**8,105**	11,599

(d) Other information

	2026 RM'000	2025 RM'000
Dividend received by the Company	**3,185**	3,185

5.1 Material accounting policy information

The investment in an associate over which the Company has significant influence (but no control over its operations) is accounted for using the equity method. The investment is initially recognised at cost and adjustment thereafter to include the Company's share of post-acquisition distributable and non-distributable reserves of the associate.

6. Deferred tax assets

Deferred tax assets and liabilities are set off when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority. The following amounts, determined after appropriate offsetting, are shown in the statement of financial position.

Deferred tax assets and liabilities are attributable to the following:

	2026 RM'000	2025 RM'000
Property, plant and equipment	**(2,327)**	(3,945)
Provisions	**6,227**	6,431
Others	**(56)**	23
Net deferred tax assets	**3,844**	2,509

Movement in temporary differences during the year

	At 1.4.2024 RM'000	Recognised in profit or loss (Note 18) RM'000	At 31.3.2025/ 1.4.2025 RM'000	Recognised in profit or loss (Note 18) RM'000	At 31.3.2026 RM'000
Property, plant and equipment	(5,263)	1,318	(3,945)	1,618	(2,327)
Provisions	6,323	108	6,431	(204)	6,227
Others	8	15	23	(79)	(56)
	1,068	1,441	2,509	1,335	3,844

6.1 Material accounting policy information

The Company has adopted the amendments to MFRS 112, Income Taxes – International Tax Reform – Pillar Two Model Rules upon their release on 2 June 2023. The amendments provide a temporary mandatory relief from deferred tax accounting for the top-up tax, which is effective immediately.

The newly enacted tax legislation in Malaysia takes effect from financial year beginning on or after 1 January 2025, there is no current tax impact for the current financial year ended 31 March 2026.

7. Inventories

	2026 RM'000	2025 RM'000
Raw materials	**24,138**	24,118
Work-in-progress	**4,793**	4,522
Finished goods	**23,627**	18,110
Consumable stores	**16**	16
	52,574	46,766
Recognised in profit or loss:		
Inventories recognised as cost of sales	**600,471**	712,821
Allowance for slow-moving inventories	**2,719**	2,031
Write-down to realisable value	**864**	255
Reversal of write-down	**(255)**	(498)

The review of the allowance for slow-moving inventories and write-down of inventories to net realisable value are made periodically by the management on damaged, obsolete and slow-moving inventories. Slow-moving inventories may be due to items that are generally not fast moving such as phasing out of older models or inventories that are no longer saleable and replacement parts for the upkeep of the products sold. These reviews require judgement and estimates and possible changes in these estimates could result in revisions to the valuation of inventories.

7. Inventories (continued)

7.1 Material accounting policy information

Inventories are measured at the lower of cost and net realisable value.

The cost of inventories is calculated using the weighted average method and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of work-in-progress and finished goods, cost includes an appropriate share of production overheads based on normal operating capacity.

8. Trade and other receivables

	2026 RM'000	2025 RM'000
Trade receivables	**219**	842
Amount due from ultimate holding corporation	**475**	476
Amount due from associate company	**10,955**	10,143
Amounts due from related companies	**49,087**	67,603
	60,736	79,064
Other receivables	**1,854**	1,905
Deposits	**1,157**	1,054
Prepayments	**4,973**	4,767
	68,720	86,790

Credit terms given to trade receivables ranged from 30 to 60 days (2025: 30 to 60 days).

The balances due from ultimate holding corporation, associate and related companies are in respect of trading transactions which are unsecured, interest free and have repayment terms ranging from 30 to 60 days (2025: 30 to 60 days) except for the amounts of RM2,778,000 (2025: RM3,210,000) which are in respect of non-trading transactions that are unsecured, interest free and repayable on demand.

The trade and other receivable balances, amount due from ultimate holding corporation, amount due from associate and amounts due from related companies are within the stipulated credit period and majority of the invoices were no past due balances.

The currency exposure profile of trade receivables, amount due from ultimate holding corporation, amount due from associate company, amounts due from related companies, other receivables and deposits are as follows:

	2026 RM'000	2025 RM'000
Ringgit Malaysia	**34,336**	37,978
United States Dollar	**28,814**	42,332
Japanese Yen	**597**	1,713
	63,747	82,023

9. Cash and cash equivalents

	2026 RM'000	2025 RM'000
Fixed deposits	**390,000**	380,000
Cash and bank balances	**78,752**	95,093
	468,752	475,093

The currency exposure profile of cash and cash equivalents is as follows:

	2026 RM'000	2025 RM'000
Ringgit Malaysia	**448,712**	429,844
United States Dollar	**18,134**	45,020
Japanese Yen	**264**	-
Euro	**1,642**	221
Singapore Dollar	**-**	8
	468,752	475,093

Credit rating profiles of banks in which the deposits, cash and bank balances have been placed are as follows:

	2026 RM'000	2025 RM'000
- A3	**1,458**	1,307
- Non-rated*	**467,286**	473,778
	468,744	475,085
Cash on hand	**8**	8
	468,752	475,093

* The fixed deposits, cash and bank balances are the funds placed with a related company, Panasonic Financial Centre (Malaysia) Sdn. Bhd. which is not rated. The credit rating profile of Panasonic Holdings Corporation, the ultimate holding corporation of both Panasonic Financial Centre (Malaysia) Sdn. Bhd. and the Company is rated Baa1 based on Moody's rating agency.

(a) Fixed deposits

The fixed deposits are the placement of funds with a related company, Panasonic Financial Centre (Malaysia) Sdn. Bhd..

The weighted average interest rates of fixed deposits that were effective for the financial year are as follows:

	2026 %	2025 %
Ringgit Malaysia	**3.59**	3.78

The average maturity days of placement of funds with a related company is as follows:

	2026	2025
Ringgit Malaysia	**90 days**	90 days

The placement of funds in other currencies is on a daily call basis.

(b) Cash and bank balances

Bank balances are deposits held on call with banks and a related company, Panasonic Financial Centre (Malaysia) Sdn. Bhd..

10. Share capital

	Number of shares 2026 '000	Amount 2026 RM'000	Number of shares 2025 '000	Amount 2025 RM'000
Issued and fully paid shares with no par value classified as equity instruments:				
Ordinary shares				
At 1 April/31 March	**60,746**	**60,746**	60,746	60,746

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

11. Provision for liabilities and charges

	Rework and recall cost RM'000	Warranty RM'000	Employee welfare scheme/Mutual separation scheme RM'000	Retirement gratuity scheme RM'000	Total RM'000
At 1 April 2024	469	871	2,462	710	4,512
Charged to profit or loss (Note 17)	661	426	4,076	105	5,268
Utilised during the financial year	(214)	(511)	(3,479)	(55)	(4,259)
Unwinding of discount	-	-	-	26	26
At 31 March 2025/1 April 2025	916	786	3,059	786	5,547
Charged to/(reversal of) profit or loss (Note 17)	323	(116)	2,562	(61)	2,708
Utilised during the financial year	(452)	(336)	(4,856)	(45)	(5,689)
Unwinding of discount	-	-	-	35	35
At 31 March 2026	**787**	**334**	**765**	**715**	**2,601**
2025					
Current	916	786	3,059	44	4,805
Non-current	-	-	-	742	742
	916	786	3,059	786	5,547
2026					
Current	**787**	**334**	**765**	**49**	**1,935**
Non-current	**-**	**-**	**-**	**666**	**666**
	787	**334**	**765**	**715**	**2,601**

(a) Rework and recall cost

As part of its quality control initiative, the Company has made a provision for rework and recall cost for certain products and undertake to inspect, repair or replace items that are found not performing up to the Company's quality standards, if any. A provision has been recognised at the financial year based on management's best estimate of the expenditure.

11. Provision for liabilities and charges (continued)

(b) Warranty

The Company recognises the estimated liability on all products still under warranty at the reporting date. This provision is calculated based on historical claim ratio of the products for period of three years. For products which have exceeded the warranty period, the Company will undertake to inspect, repair or replace the parts at an appropriate cost.

(c) Employee welfare scheme/Mutual separation scheme

Employee welfare scheme and mutual separation scheme are schemes announced during the financial year to encourage voluntary redundancy. The total provision made as at year end is measured based on the number of employees who have accepted the offer.

(d) Retirement gratuity scheme

The Company provides retirement gratuity for employees who have been in employment for a certain number of years. Upon official retirement, the employees shall receive a lump sum payment of RM5,000 per person as recognition of their service contribution to the Company. A provision has been recognised at the financial year end for expected gratuity payments based on the number of staff eligible under this scheme.

12. Trade and other payables

	2026 RM'000	2025 RM'000
Trade payables and accruals	50,564	64,665
Employee benefits	9,983	11,966
Amount due to ultimate holding corporation	44	83
Amount due to associate	2,352	557
Amounts due to related companies	28,469	32,079
	91,412	109,350

The currency exposure profile of trade payables and accruals, employee benefits, amounts due to ultimate holding corporation, associate and related companies are as follows:

	2026 RM'000	2025 RM'000
Ringgit Malaysia	64,390	73,866
United States Dollar	24,609	28,644
Japanese Yen	2,365	6,688
Thai Baht	-	26
Singapore Dollar	45	126
Chinese Yuan	3	-
	91,412	109,350

Credit terms of trade payables vary from 30 to 60 days (2025: 30 to 60 days).

The amounts due to ultimate holding corporation, associate and related companies are in respect of trading transactions, unsecured and interest free except for RM17,966,000 (2025: RM17,929,000) which are in respect of non-trading transactions that are unsecured, interest free and repayable on demand.

13. Derivative financial liabilities

	Nominal value	Liabilities RM'000
2026		
Non-hedging derivatives		
Derivatives at fair value through profit or loss	**USD6,000,000**	**(607)**
	EUR200,000	**(5)**
	JPY40,000,000	**(4)**
	SGD1,000	**-***
Net derivative financial liabilities		**(616)**

* Denotes RM25.

	Nominal value	Liabilities RM'000
2025		
Non-hedging derivatives		
Derivatives at fair value through profit or loss	USD4,000,000	(2)
	EUR40,000	-*
	JPY47,000,000	(9)
Net derivative financial liabilities		(11)

* Denotes (RM48).

Forward exchange contracts

Forward exchange contracts are entered into by the Company in currencies other than Ringgit Malaysia to manage exposure to fluctuations in foreign currency exchange rates on specific transactions. In general, the Company's policy is to enter into forward exchange contracts to mitigate foreign exchange risk of highly probable forecasted transactions, such as anticipated future export sales, purchases of equipment and raw materials, as well as payment on services and other related expenditure.

These contracts are not designated as cash flow or fair value hedges.

14. Revenue

	Note	2026 RM'000	2025 RM'000
Revenue from contracts with customers - sales of goods	14.2	**689,916**	822,778

14.1 Disaggregation of revenue

	2026 RM'000	2025 RM'000
Major products lines		
Living appliances and solutions	**103,173**	151,425
Heating and ventilation A/C	**585,607**	670,230
Dies and mould & others	**1,136**	1,123
	689,916	822,778

14.2 Sales of goods

Revenue is recognised when control of the goods or services is transferred to the customer. The performance obligation is satisfied at a point in time and the customers are required to pay within the agreed credit terms, ranging between 30 to 60 days (2025: 30 to 60 days). Assurance warranties of 1 year are given to customers.

15. Finance costs

	2026 RM'000	2025 RM'000
Interest expense on lease liabilities	**39**	31

16. Finance income

	2026 RM'000	2025 RM'000
Interest income from fixed deposits	**17,360**	20,053

17. Profit before tax

	Note	2026 RM'000	2025 RM'000
Profit before tax is arrived at after charging/(crediting):			
Auditors' remunerations:			
Audit fees:			
- KPMG PLT		**235**	235
Non-audit fees:			
- KPMG PLT		**10**	10
- Local affiliates of KPMG PLT		**28**	38
Directors' remuneration	25(e)	**2,553**	2,959
Direct material cost		**425,874**	509,370
Amortisation of intangible assets	4	**175**	161
Property, plant and equipment:			
- depreciation	2	**24,773**	24,661
- loss on write-off	2	**23**	52
- gain on disposal		**(76)**	(361)
- impairment loss	2	**-**	170
- reversal of impairment loss	2	**-**	(33)
Depreciation of right-of-use assets	3	**598**	378
Staff costs:			
- salaries, bonus and other employee benefits		**106,243**	114,001
- defined contribution retirement plan		**9,952**	10,366
		116,195	124,367
Technical assistance fees		**19,047**	21,937
Research expenses		**23,757**	28,367
Fair value loss/(gain) on derivative financial instruments		**605**	(88)
Foreign exchange:			
- net realised loss		**5,350**	9,428
- net unrealised (gain)/loss		**(1,046)**	453
Provision of liabilities and charges	11	**2,708**	5,268
Expenses arising from leases:			
Expenses relating to short-term lease		**866**	1,200

18. Tax expense

	2026 RM'000	2025 RM'000
Current tax expense		
- current year	**4,549**	6,402
- under provision in prior year	**276**	796
	4,825	7,198
Deferred tax expense		
- origination and reversal of temporary differences	**(994)**	(1,107)
- over provision of deferred tax benefit in prior year	**(341)**	(334)
	(1,335)	(1,441)
	3,490	5,757

Reconciliation of tax expense

	2026 RM'000	2025 RM'000
Profit before tax	**37,418**	51,894
Tax at Malaysian tax rate of 24%	**8,980**	12,455
Tax effect of:		
- non-deductible expense	**2,860**	2,286
- profit not taxable	**(2,728)**	(2,894)
- tax incentives	**(5,557)**	(6,552)
- under provision of current tax expense in prior year	**276**	796
- over provision of deferred tax benefit in prior year	**(341)**	(334)
	3,490	5,757

19. Earnings per ordinary share

Basic earnings per ordinary share

The calculation of basic earnings per ordinary share at 31 March 2026 was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding, calculated as follows:

	2026	2025
Net profit for the financial year attributable to equity holders (RM'000)	**33,928**	46,137
Weighted average number of ordinary shares in issue during the financial year ('000)	**60,746**	60,746
Basic earnings per share (sen)	**56**	76

Diluted earnings per ordinary share

The Company has no dilution in its earnings per ordinary share at 31 March 2026 and 31 March 2025.

20. Dividends

Dividends recognised by the Company are as follows:

	Sen per share	Total amount RM'000	Date of payment
2026			
Interim single tier dividend 2026			
- Interim single tier dividend	**15**	**9,112**	**20 January 2026**
Final single tier dividend 2025			
- Final single tier dividend	**47**	**28,550**	**19 September 2025**
2025			
Interim single tier dividend 2025			
- Interim single tier dividend	15	9,112	20 January 2025
Final single tier dividend 2024			
- Final single tier dividend	121	73,502	20 September 2024

As at the date of this report, the Board of Directors had yet to decide on the final dividend for the financial year ended 31 March 2026.

21. Operating segments

Management has determined the operating segments based on the information reviewed by the Chief Operating Decision-maker ("CODM") for the purposes of allocating resources and assessing performance. The CODM considers the business from product perspective and assesses the performance of the operating segments based on a measure of profit before taxation as included in the internal management reports. Segment profit before taxation is used to measure performance as management believes that such information is the most relevant in evaluating the results of the operating segments within the Company.

The segment information provided to the CODM for the operating segments for the financial year ended 31 March 2026 is as follows:

	Living appliances and solutions		Heating and ventilation A/C		Total	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Revenue	**103,173**	151,425	**585,607**	670,230	**688,780**	821,655
Interest income	**2,066**	2,455	**9,401**	9,703	**11,467**	12,158
Depreciation	**(2,574)**	(3,394)	**(15,097)**	(14,353)	**(17,671)**	(17,747)
Profit before taxation	**438**	7,847	**32,077**	41,125	**32,515**	48,972
Segment assets	**72,578**	86,288	**381,849**	399,938	**454,427**	486,226
Segment liabilities	**(11,374)**	(16,706)	**(63,756)**	(71,852)	**(75,130)**	(88,558)
Cash and cash equivalents	**56,414**	61,189	**253,312**	261,280	**309,726**	322,469
Inventories	**7,994**	7,911	**44,432**	38,711	**52,426**	46,622

Revenue of approximately RM689mil (2025: RM822mil) within both segments are derived from the Panasonic group of companies as disclosed in Note 25 to the financial statements.

21. Operating segments (continued)

	2026 RM'000	2025 RM'000
Revenue		
Total revenue of the operating segments	**688,780**	821,655
Other unallocated revenue	**1,136**	1,123
Total revenue based on the statement of profit or loss and other comprehensive income	**689,916**	822,778
Profit before taxation		
Total profit before taxation of the operating segments	**32,515**	48,972
Other unallocated income, net	**(3,202)**	(8,677)
Share of results of associate, net of tax	**8,105**	11,599
Total profit before taxation based on the statement of profit or loss and other comprehensive income	**37,418**	51,894
Segment assets		
Total segment assets of the operating segments	**454,427**	486,226
Other unallocated segment assets	**270,270**	267,586
Investment in an associate	**144,199**	139,279
Total segment assets based on the statement of financial position	**868,896**	893,091
Segment liabilities		
Total segment liabilities of the operating segments	**75,130**	88,558
Other unallocated segment liabilities	**20,515**	27,548
Total segment liabilities based on the statement of financial position	**95,645**	116,106
Cash and cash equivalents		
Total cash and cash equivalents of the operating segments	**309,726**	322,469
Other unallocated cash and cash equivalents	**159,026**	152,624
Total cash and cash equivalents based on the statement of financial position	**468,752**	475,093
Inventories		
Total inventories of the operating segments	**52,426**	46,622
Other unallocated inventories	**148**	144
Total inventories based on the statement of financial position	**52,574**	46,766

The amounts provided to the CODM are measured in a manner consistent with that of the financial statements.

21. Operating segments (continued)

Geographical information

In presenting information on the basis of geographical segments, segment revenue is based on geographical location of the goods delivered. Segment assets are based on the geographical location of the assets. The amounts of non-current assets do not include investment in associate and deferred tax assets.

	Revenue	
	2026	**2025**
	RM'000	**RM'000**
Malaysia	**286,637**	323,635
Asia (excluding Malaysia and Japan)	**230,059**	258,167
Middle East	**140,015**	177,987
Japan	**12,634**	26,128
Europe	**3,899**	3,272
Others	**16,672**	33,589
	689,916	822,778

Non-current assets

All property, plant and equipment, intangible assets and right-of-use assets are located in Malaysia.

Major customers

The following are major customers with revenue equal or more than 10% of the Company's total revenue:

	Revenue		Segment
	2026	**2025**	
	RM'000	**RM'000**	
Panasonic Malaysia Sdn. Bhd.	**141,645**	178,989	Living appliances and solutions and heating and ventilation A/C
Panasonic Ecology Systems (Hong Kong) Co., Ltd.	**187,057**	216,004	Living appliances and solutions and heating and ventilation A/C
KDK Fans (M) Sdn. Bhd.	**144,385**	143,792	Heating and ventilation A/C
Panasonic Consumer Marketing Asia Pacific	**96,003**	100,888	Living appliances and solutions and heating and ventilation A/C
Panasonic Marketing Middle East and Africa Fze	**54,206**	84,131	Living appliances and solutions and heating and ventilation A/C

22. Financial instruments

22.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

(a) Fair value through profit or loss - Designated upon initial recognition ("FVTPL"); and

(b) Amortised cost ("AC")

	Carrying amount RM'000	AC RM'000	FVTPL RM'000
2026			
Financial assets			
Trade and other receivables, excluding prepayments	**63,747**	**63,747**	**-**
Cash and cash equivalents	**468,752**	**468,752**	**-**
	532,499	**532,499**	**-**
Financial liabilities			
Trade and other payables	**(91,412)**	**(91,412)**	**-**
Derivative financial instruments	**(616)**	**-**	**(616)**
	(92,028)	**(91,412)**	**(616)**
2025			
Financial assets			
Trade and other receivables, excluding prepayments	82,023	82,023	-
Cash and cash equivalents	475,093	475,093	-
	557,116	557,116	-
Financial liabilities			
Trade and other payables	(109,350)	(109,350)	-
Derivative financial instruments	(11)	-	(11)
	(109,361)	(109,350)	(11)

22.2 Net gains and losses arising from financial instruments

	2026 RM'000	2025 RM'000
Net gains/(losses) on:		
Financial assets at fair value through profit or loss	**-**	97
Financial liabilities at fair value through profit or loss	**(605)**	(9)
Financial assets measured at amortised cost	**10,052**	8,188
Financial liabilities measured at amortised cost	**3,004**	1,984
	12,451	10,260

22.3 Financial risk management

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

22. Financial instruments (continued)

22.4 Credit risk

Credit risk is the risk of a financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company's exposure to credit risk arises principally from its receivables from customers, and deposits with related company.

Trade receivables

Risk management objectives, policies and processes for managing the risk

Management monitors the exposure to credit risk on an ongoing basis. Credit evaluations are required to be performed on new customers.

Credit risks are controlled by the application of credit approvals, limits and monitoring procedures. Credit risks are minimised by monitoring receivables regularly. At each reporting date, the Company assesses whether any of the trade receivables are credit impaired.

The gross carrying amount of credit impaired trade receivables is written off (either partially or fully) when there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amount subject to write-off. Nevertheless, trade receivables that is written off could still be subject to enforcement activities.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables is represented by the carrying amounts in the statement of financial position.

The Company does not require collateral in respect of receivables and considers the risk of material loss from non-performance on the part of counter-parties to be negligible.

Recognition and measurement of impairment loss

In managing credit risk of trade receivables, the Company manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. Generally, trade receivables will pay within 30 - 60 days. The Company's debt recovery process is above 180 days past due after credit term, the Company will start to initiate a structured debt recovery process which is monitored by the treasury team.

The Company uses an allowance matrix to measure expected credit losses ("ECL") of trade receivables. Consistent with the debt recovery process, invoices which are past due 90 days will be considered as credit impaired.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to 90 days past due.

Loss rates are based on actual credit loss experience over the past two years. The Company also considers differences between (a) economic conditions during the period over which the historic data has been collected, (b) current conditions and (c) the Company's view of economic conditions over the expected lives of the receivables. Nevertheless, the Company believes that these factors are immaterial for the purpose of impairment calculation for the year.

22. Financial instruments (continued)

22.4 Credit risk (continued)

Trade receivables (continued)

Recognition and measurement of impairment loss (continued)

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at 31 March 2026 which are grouped together as they are expected to have similar risk nature.

	Gross carrying amount RM'000	Loss allowance RM'000	Net balance RM'000
2026			
Current (not past due)	**57,783**	**-**	**57,783**
1 – 30 days	**175**	**-**	**175**
	57,958	**-**	**57,958**
2025			
Current (not past due)	75,854	-	75,854

No impairment loss has been made on these amounts as the Company is closely monitoring these receivables and are confident of their eventual recovery.

The credit quality of the trade receivables, amount due from associate company and amounts due from related companies that are not past due and not impaired can be assessed by reference to historical analysis of the period of time for which they have been the Company's customers.

	2026 RM'000	2025 RM'000
Group 1	**311**	-
Group 2	**57,647**	75,854
	57,958	75,854

Group 1 - Customers with no history of default and who have been with the Company of less than 1 year.

Group 2 - Customers with no history of default and who have been with the Company of more than 1 year.

The fair value of the trade receivables approximates their carrying value. Hence, the impact of discounting is not significant.

Deposits with related company

Risk management objectives, policies and processes for managing the risk

The Company's cash and cash equivalents are deposited with related company. Majority of the Company's deposits and bank balances are placed or transacted with Panasonic Financial Centre (Malaysia) Sdn. Bhd., a company incorporated in Malaysia, which is a related company of the Company.

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk is represented by the carrying amounts of cash and cash equivalents in the statement of financial position. Management does not expect any counterparty to fail to meet its obligations in respect of these deposits.

22. Financial instruments (continued)

22.5 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash to meet the obligations as and when they fall due. The Company manages its liquidity risk with the view to maintain a healthy level of cash and cash equivalents appropriate to the operating environment and expected cash flows of the Company.

The primary tool for monitoring liquidity is the statement of cash flows of the Company. All investments must therefore be authorised and be within the planned investment budget prior to any confirmation to invest. Purchases of merchandise for the stocks-in-trade are reviewed, analysed and subsequent inventory holdings must be within the limits as stipulated in the approved Business Plan. All liquid cash are deposited in short-term time deposits with Panasonic Financial Centre (Malaysia) Sdn. Bhd., a company incorporated in Malaysia, which is a related company of the Company.

Maturity analysis

The table below summarises the maturity profile of the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

	Carrying amount RM'000	Contractual interest rate/ Discount rate %	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000
2026						
Non-derivative financial liabilities						
Trade and other payables	**91,412**	**-**	**91,412**	**91,412**	**-**	**-**
Lease liabilities	**1,016**	**3.10 – 3.60**	**1,063**	**493**	**326**	**244**
Derivative financial liabilities						
Forward exchange contracts						
(gross settled):	**616**					
Outflow	**-**	**-**	**24,029**	**24,029**	**-**	**-**
Inflow	**-**	**-**	**(23,413)**	**(23,413)**	**-**	**-**
	93,044		**93,091**	**92,521**	**326**	**244**
2025						
Non-derivative financial liabilities						
Trade and other payables	109,350	-	109,350	109,350	-	-
Lease liabilities	1,198	3.10 – 3.60	1,275	478	327	470
Derivative financial liabilities						
Forward exchange contracts						
(gross settled):	11					
Outflow	-	-	16,491	16,491	-	-
Inflow	-	-	(16,480)	(16,480)	-	-
	110,559		110,636	109,839	327	470

22. Financial instruments (continued)

22.6 Market risk

Market risk is the risk that changes in market prices such as interest rates and foreign exchange rates will affect the Company's financial position or cash flows.

22.6.1 Currency risk

Risk management objectives, policies and processes for managing the risk

The Company is exposed to foreign currency risk on sales and purchases that are denominated in a currency other than the Ringgit Malaysia ("RM"). The currencies that give rise to this risk are primarily United States Dollar ("USD"), Japanese Yen ("JPY"), Euro, Singapore Dollar ("SGD") and Thai Baht ("THB").

The Company uses derivative financial instruments such as foreign exchange contracts to cover certain exposures. It does not trade in financial instruments. Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company uses forward contracts which are transacted with a related company, Panasonic Financial Centre (Malaysia) Sdn. Bhd. to mitigate foreign exchange risk of highly probable forecasted transactions, such as anticipated future export sales, purchase of equipment and raw materials, as well as payment of services and other related expenditures.

The Company's currency exposure is disclosed in the respective notes for all items of financial assets and liabilities.

Currency risk sensitivity analysis

The following table demonstrates the sensitivity of the USD, JPY, Euro, SGD and THB had changed against Ringgit Malaysia by a reasonable possible change as of 31 March 2026 of 10% (2025: 10%) respectively with all other variables including tax rate being held constant, post-tax profit of the Company would have been changed as a result of foreign exchange gains/(losses).

	2026		**2025**	
	Strengthen RM'000	**Weaken RM'000**	**Strengthen RM'000**	**Weaken RM'000**
United States Dollar	**1,698**	**(1,698)**	4,462	(4,462)
Japanese Yen	**(114)**	**114**	(378)	378
Euro	**125**	**(125)**	17	(17)
Singapore Dollar	**(3)**	**3**	(9)	9
Thai Baht	**-**	**-**	(2)	2

22.6.2 Interest rate risk

The Company's income and operating cash flows are substantially independent of changes in market interest rates. Interest rate exposure arises from the Company's deposits placed with a related company, Panasonic Financial Centre (Malaysia) Sdn. Bhd..

Risk management objectives, policies and processes for managing the risk

The Company's surplus funds are placed as short-term deposits with a related company, Panasonic Financial Centre (Malaysia) Sdn. Bhd.

22. Financial instruments (continued)

22.6 Market risk (continued)

22.6.2 Interest rate risk

Exposure to interest rate risk

The interest rate profile of the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	2026 RM'000	2025 RM'000
Fixed rate instruments		
Financial assets	**390,000**	380,000

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Company does not designate derivatives as hedging instruments under a fair value hedged accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

22.7 Fair value information

The carrying amounts of cash and cash equivalents, short-term receivables and payables reasonably approximate their fair values due to the relatively short-term nature of these instruments. Accordingly, the fair values and fair value hierarchy levels have not been presented for these instruments.

The table below analyses financial instruments carried at fair value.

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total fair value RM'000	Carrying amount RM'000
2026					
Financial liability					
Derivative financial instruments:					
- forward exchange contracts	**-**	**(616)**	**-**	**(616)**	**(616)**
2025					
Financial liability					
Derivative financial instruments:					
- forward exchange contracts	-	(11)	-	(11)	(11)

Level 2 fair value

Derivatives

The fair value of forward exchange contracts is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds).

22.8 Material accounting policy information

The Company applies trade date accounting for regular way purchase or sale of financial assets.

23. Capital management

The Company's objectives when managing capital is to maintain an optimal capital structure and safeguard the Company's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Company defines as profit and total comprehensive income for the year divided by total shareholders' equity. The return on capital ratio at 31 March 2026 and at 31 March 2025 were as follows:

	2026 RM'000	2025 RM'000
Profit and total comprehensive income for the year	**33,928**	46,137
Total equity	**773,251**	776,985
Return on capital ratio (%)	**4.39**	5.94

There were no changes in the Company's approach to capital management during the year.

24. Capital and other commitments

	2026 RM'000	2025 RM'000
Approved by the Board but not provided for in the financial statements:		
- Contracted	**4,101**	4,343
- Not contracted	**-**	3,280
Analysed as follows:		
- Property, plant and equipment	**4,101**	7,623

25. Related parties

Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company either directly or indirectly. The key management personnel includes all the Directors of the Company and certain members of senior management of the Company.

The Company has related party relationship with its holding corporations, significant investors, subsidiaries and associates of related to its holding corporation and key management personnel.

(a) Associate company and ultimate holding corporation

The associate is Panasonic Malaysia Sdn. Bhd., a company incorporated in Malaysia. The ultimate holding corporation is Panasonic Holdings Corporation, a corporation incorporated in Japan.

25. Related parties (continued)

Identity of related parties (continued)

(b) Related party relationships

Related party	Relationship
Panasonic Holdings Corporation ("PHD")	Ultimate holding corporation
Panasonic Management Malaysia Sdn. Bhd. ("PMAM")	Immediate holding company
Panasonic Malaysia Sdn. Bhd. ("PM")	Associate company
Panasonic Corporation ("PC")	Subsidiary of PHD
KDK Fans (M) Sdn. Bhd. ("KDK")	Subsidiary of PHD
Panasonic Financial Centre (Malaysia) Sdn. Bhd. ("PFI(MY)")	Subsidiary of PHD
Panasonic Asia Pacific Pte. Ltd. ("PA")	Subsidiary of PHD
Panasonic Ecology Systems Co., Ltd. ("PES")	Subsidiary of PHD
Panasonic Ecology Systems (Thailand) Co., Ltd. ("PESTH")	Subsidiary of PHD
P.T. Panasonic Manufacturing Indonesia ("PMI")	Subsidiary of PHD
Panasonic A.P. Sales (Thailand) Co., Ltd. ("PAT")	Subsidiary of PHD
Panasonic Home Appliance India Co., Ltd. ("PHAI")	Subsidiary of PHD
Panasonic Vietnam Co., Ltd. ("PV")	Subsidiary of PHD
Panasonic Energy Malaysia Sdn. Bhd. ("PECMY")	Subsidiary of PHD
Panasonic Marketing Sales Taiwan Co.	Subsidiary of PHD
Panasonic Hong Kong Co., Ltd. ("PHK")	Subsidiary of PHD
Panasonic Industrial Devices Automation Controls Sales Asia Pacific ("PIDACSAP")	Subsidiary of PHD
Panasonic Ecology Systems (Hong Kong) Co., Ltd. ("PESHK")	Subsidiary of PHD
Panasonic Appliances (Thailand) Co., Ltd. ("PAPTH")	Subsidiary of PHD
Panasonic Electric Works Co., Ltd.	Subsidiary of PHD
Panasonic Electronic Works (Asia Pacific) Pte. Ltd.	Subsidiary of PHD
Panasonic Industrial Devices Semiconductor Asia Pte. Ltd.	Subsidiary of PHD
Panasonic Holdings Corporation's Corporate Manufacturing Innovation Division ("CIMD")	Subsidiary of PHD
Panasonic Systems Asia Pacific ("PSY")	Subsidiary of PHD
Panasonic Marketing Middle East and Africa FZE ("PMMAF")	Subsidiary of PHD
Panasonic Appliances R&D Centre Asia Pacific Sdn. Bhd. ("PAPRADAP")	Subsidiary of PHD

25. Related parties (continued)

Identity of related parties (continued)

(b) Related party relationships (continued)

Related party	Relationship
Panasonic Singapore ("PSP")	Subsidiary of PHD
Panasonic AVC Networks Johor (M) Sdn. Bhd. ("PAVCJM")	Subsidiary of PHD
Panasonic AVC Networks KL (M) Sdn. Bhd. ("PAVCKM")	Subsidiary of PHD
Panasonic Appliances Foundry Malaysia Sdn. Bhd. ("PAPFMY")	Subsidiary of PHD
Panasonic Appliances Refrigeration Devices Malaysia Sdn. Bhd. ("PAPRDMY")	Subsidiary of PHD
Panasonic System Networks (M) Sdn. Bhd. ("PSNM")	Subsidiary of PHD
Panasonic Liquid Crystal Display Malaysia Sdn. Bhd. ("PLDM")	Subsidiary of PHD
Panasonic Appliances Air-Conditioning Malaysia Sdn. Bhd. ("PAPAMY")	Subsidiary of PHD
Panasonic Procurement Malaysia Sdn. Bhd. ("PPMY")	Subsidiary of PHD
Panasonic Trading and Logistics Asia Pacific ("PTLAP")	Subsidiary of PHD
Panasonic Production Engineering Co., Ltd. ("PPE")	Subsidiary of PHD
Panasonic Solutions (Thailand) Co., Ltd. ("PSTH")	Subsidiary of PHD
Panasonic Industrial Devices Vietnam Co., Ltd. ("PIDVN")	Subsidiary of PHD
Panasonic Electric Works Vietnam Co., Ltd. ("PLSVN")	Subsidiary of PHD
Panasonic Operational Excellence Co., Ltd. ("PEX")	Subsidiary of PHD
Panasonic Insurance Service Malaysia Sdn. Bhd. ("PISM")	Subsidiary of PHD
Panasonic Consumer Marketing Asia Pacific ("PCMAP")	Subsidiary of PHD
Panasonic Marketing CIS OY ("PMCIS")	Subsidiary of PHD
Panasonic Life Solutions India Private Limited ("PLSIND")	Subsidiary of PHD
PT Panasonic Gobel Life Solutions Manufacturing Indonesia ("PGLSMID")	Subsidiary of PHD
PT Panasonic Gobel Indonesia ("PGI")	Subsidiary of PHD
Panasonic Industrial Devices Philippines Corporation ("PIDPH")	Subsidiary of PHD
Panasonic Marketing Europe G.M.B.H. ("PME")	Subsidiary of PHD
Panasonic Manufacturing Philippines Corporation ("PMPC")	Subsidiary of PHD
Panasonic New Zealand Limited ("PNZ")	Subsidiary of PHD
Panasonic Factory Solutions Integration Systems Malaysia Sdn. Bhd. ("PFSISMY")	Subsidiary of PHD
Panasonic Manufacturing (Thailand) Co., Ltd ("PMFTH")	Subsidiary of PHD
Panasonic Sales Taiwan Co., Ltd. ("PSTW")	Subsidiary of PHD
Panasonic Marketing Latin America ("PLAT")	Subsidiary of PHD

25. Related parties (continued)

Identity of related parties (continued)

(c) Significant related party transactions

	2026 RM'000	2025 RM'000
(i) Sales of products and related components to related parties:		
- Panasonic Malaysia Sdn. Bhd.	**140,366**	177,707
- KDK Fans (M) Sdn. Bhd.	**143,829**	143,346
- Panasonic Ecology Systems (Hong Kong) Co., Ltd.	**186,591**	215,380
- Panasonic Electric Works Vietnam Co., Ltd.	**29,053**	47,405
- Panasonic Procurement Malaysia Sdn. Bhd.	**5,709**	18,509
- P.T. Panasonic Manufacturing Indonesia	**9,204**	13,227
- Panasonic Solutions (Thailand) Co., Ltd.	**211**	146
- Panasonic Appliances R&D Centre Asia Pacific Sdn. Bhd.	**397**	505
- Panasonic Corporation	**2,143**	1,495
- Panasonic Ecology Systems Co., Ltd.	**4,681**	5,921
- Panasonic Marketing Middle East and Africa FZE	**54,206**	84,131
- Panasonic Consumer Marketing Asia Pacific	**96,003**	100,888
- Panasonic Marketing CIS OY	**-**	606
- Panasonic Hong Kong Co., Ltd.	**1,572**	1,391
- Panasonic Life Solutions India Private Limited	**2,260**	1,692
- PT Panasonic Gobel Indonesia	**274**	1,661
- Panasonic Marketing Europe G.M.B.H	**5,604**	2,228
- Panasonic Sales Taiwan Co., Ltd.	**1,474**	-
- Panasonic Marketing Latin America	**88**	-
(ii) Sales of service parts to related parties:		
- Panasonic Malaysia Sdn. Bhd.	**1,279**	1,282
- Panasonic Trading and Logistics Asia Pacific	**1,260**	1,570
- KDK Fans (M) Sdn. Bhd.	**556**	446
- Panasonic Ecology Systems (Hong Kong) Co., Ltd.	**466**	624
- Other related companies	**121**	93
(iii) Sales of die and moulds to related parties:		
- Panasonic Electric Works Vietnam Co., Ltd.	**372**	214
- Panasonic Production Engineering Co., Ltd.	**-**	133
- Panasonic Manufacturing (Thailand) Co., Ltd	**331**	-
(iv) Rental for lease office to a related party:		
- Panasonic Appliances R&D Centre Asia Pacific Sdn. Bhd.	**2,679**	2,557
- Other related companies	**150**	145
(v) Provision of services for Accounting & Treasury, HR services, and IT support services to a related party:		
- Panasonic Appliances R&D Centre Asia Pacific Sdn. Bhd.	**229**	236
(vi) Technical assistance fee paid and payable to related parties:		
- Panasonic Corporation	**6,104**	7,182
- Panasonic Ecology Systems Co., Ltd.	**12,943**	14,755
(vii) Interest income received and receivable from a related party:		
- Panasonic Financial Centre (Malaysia) Sdn. Bhd.	**17,360**	20,053

25. Related parties (continued)

Identity of related parties (continued)

(c) Significant related party transactions (continued)

	2026 RM'000	2025 RM'000
(viii) Purchase of parts, components and raw materials from related parties:		
- Panasonic Procurement Malaysia Sdn. Bhd.	**147,155**	178,829
- Panasonic Operational Excellence Co., Ltd.	**4,244**	5,375
- Panasonic Ecology Systems (Hong Kong) Co., Ltd.	**75**	-
- P.T. Panasonic Manufacturing Indonesia	**527**	526
- Panasonic System Networks (M) Sdn. Bhd.	**27,119**	24,022
- Panasonic Ecology Systems Co., Ltd.	**251**	357
- Panasonic Electric Works Vietnam Co., Ltd.	**808**	637
- Panasonic Corporation	**2**	-
(ix) Sales promotion, warranty claims and/or service expenses paid and payable to related parties:		
- Panasonic Malaysia Sdn. Bhd.	**3,343**	2,205
- Panasonic Corporation	**215**	601
- KDK Fans (M) Sdn. Bhd.	**1,446**	1,437
- PT Panasonic Gobel Indonesia	**527**	1,581
- Panasonic Solutions (Thailand) Co., Ltd.	**976**	1,843
- Panasonic Singapore	**474**	430
- Panasonic Ecology Systems (Hong Kong) Co., Ltd.	**1,269**	687
- Panasonic Manufacturing Philippines Corporation	**380**	613
- Panasonic New Zealand Limited	**67**	111
(x) Research and development expenditure paid and payable to related parties:		
- Panasonic Appliances R&D Centre Asia Pacific Sdn. Bhd.	**21,653**	24,282
- Other related companies	**588**	362
(xi) Brand license fee paid and payable to a related party:		
- Panasonic Ecology Systems Co., Ltd.	**2,424**	2,529
(xii) IT annual maintenance and support fees payable to related parties:		
- Panasonic Corporation	**1,448**	1,458
- Panasonic Operational Excellence Co., Ltd.	**1,766**	1,458
- Panasonic Procurement Malaysia Sdn. Bhd.	**752**	811
(xiii) Purchase of fixed assets from related parties:		
- Panasonic Malaysia Sdn. Bhd.	**3,292**	450
- PT Panasonic Gobel Indonesia	**-**	319
- Panasonic Asia Pacific Pte. Ltd	**470**	-
- Other related companies	**122**	379
(xiv) Manufacturing innovation services received and receivable from a related party:		
- Panasonic Holdings Corporation's Corporate Manufacturing Innovation Division	**1,900**	1,900
- Panasonic Production Engineering Co., Ltd.	**50**	301

25. Related parties (continued)

Identity of related parties (continued)

(c) Significant related party transactions (continued)

	2026 RM'000	2025 RM'000
(xv) Service fees paid and payable to related parties:		
- Panasonic Asia Pacific Pte. Ltd.	**899**	613
- Panasonic Malaysia Sdn. Bhd.	**290**	975
- Panasonic Management Malaysia Sdn. Bhd.	**597**	-
- PT Panasonic Gobel Indonesia	**445**	-
- Other related companies	**364**	405
(xvi) Repair fee paid and payable to related parties:		
- Other related companies	**265**	210
(xvii) Bonded warehouse rental paid and payable to a related party:		
- Panasonic Procurement Malaysia Sdn. Bhd.	**300**	387

(d) Significant outstanding related party balances

Significant outstanding balances at reporting date arising from trade and non-trade transactions with related parties during the financial year are as follows:

	2026 RM'000	2025 RM'000
Amount due from:		
- Panasonic Holdings Corporation	**475**	476
- Panasonic Corporation	**385**	147
- Panasonic Ecology Systems (Hong Kong) Co., Ltd.	**21,145**	27,234
- KDK Fans (M) Sdn. Bhd.	**17,930**	22,360
- Panasonic Malaysia Sdn. Bhd.	**10,955**	10,143
- Panasonic Marketing Middle East and Africa FZE	**32**	7,554
- Panasonic Consumer Marketing Asia Pacific	**3,770**	1,978
- Panasonic Financial Centre (Malaysia) Sdn. Bhd.	**1,559**	1,709
- Panasonic Electric Works Vietnam Co., Ltd.	**1,421**	2,553
- Panasonic Procurement Malaysia Sdn. Bhd.	**399**	1,448
- Panasonic Ecology Systems Co., Ltd.	**341**	471
- P.T. Panasonic Manufacturing Indonesia	**715**	1,097
- Panasonic Life Solutions India Private Limited	**376**	-
- Other related companies	**1,014**	1,052
	60,517	78,222
Amount due to:		
- Panasonic Holdings Corporation	**44**	83
- Panasonic Corporation	**3,120**	3,721
- Panasonic Procurement Malaysia Sdn. Bhd.	**10,376**	12,887
- Panasonic Appliances R&D Centre Asia Pacific Sdn. Bhd.	**2,651**	3,496
- Panasonic Malaysia Sdn. Bhd.	**2,352**	557
- Panasonic System Networks (M) Sdn. Bhd.	**2,054**	1,711
- Panasonic Operational Excellence Co., Ltd.	**546**	757
- PT Panasonic Gobel Indonesia	**116**	399
- Panasonic Ecology Systems Co., Ltd	**7,752**	7,716
- Panasonic Ecology Systems (Hong Kong) Co., Ltd	**686**	-
- Other related companies	**1,168**	1,392
	30,865	32,719

25. Related parties (continued)

Identity of related parties (continued)

(e) Key management personnel compensation

The aggregate amounts of remuneration received or receivable by Directors and other members of key management personnel of the Company during the financial year are as follows:

	2026 RM'000	2025 RM'000
Directors' fees and meeting allowance	**562**	641
Salaries, allowance, bonus and other remuneration	**11,182**	12,516
Defined contribution retirement plan	**585**	694
	12,329	13,851

The aggregate amounts of emoluments receivable by Directors during the financial year are as follows:

	2026 RM'000	2025 RM'000
Non-Executive Directors:		
- fees	**502**	577
- others	**60**	64
Executive Directors:		
- salaries, bonus and other remuneration	**1,814**	2,113
- defined contribution retirement plan	**177**	205
	2,553	2,959

The estimated monetary value of benefits provided to Executive Directors during the financial year amounted to RM76,270 (2025: RM77,998).

The estimated monetary value of benefits provided to Executive Directors and other members of key management personnel during the financial year amounted to RM730,393 (2025: RM784,437).

Statement by Directors

pursuant to Section 251(2) of the Companies Act 2016

In the opinion of the Directors, the financial statements set out on pages 92 to 128 are drawn up in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board, IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Company as of 31 March 2026 and of its financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

Takashi Sugihara
Director

Kwan Wai Yue
Director

Shah Alam
Date: 25 May 2026

Statutory Declaration

pursuant to Section 251(1)(b) of the Companies Act 2016

I, Kwan Wai Yue, the Director primarily responsible for the financial management of Panasonic Manufacturing Malaysia Berhad, do solemnly and sincerely declare that the financial statements set out on pages 92 to 128 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed Kwan Wai Yue, MIA CA 10188, at Petaling Jaya in the State of Selangor on 25 May 2026.

Kwan Wai Yue

Before me:

Independent Auditors' Report

to the members of Panasonic Manufacturing Malaysia Berhad

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Panasonic Manufacturing Malaysia Berhad, which comprise the statement of financial position as at 31 March 2026, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 92 to 128.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2026, and of its financial performance and its cash flows for the year then ended in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS Accounting Standards"), IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our auditors' report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Company in accordance with the By-Laws *(on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), as applicable to audits of financial statements of public interest entities, and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

i) Carrying amount of inventories

Refer to Note 7 – Inventories.

The key audit matter

The Company held significant inventory balances as at 31 March 2026 of RM52,574,000. There is a risk over the valuation of inventories due to possible slow-moving inventories. Slow-moving inventories may be due to items that are generally not fast moving such as phasing out of older models or inventories that are no longer saleable and replacement parts for the upkeep of the products sold. The valuation of inventories is a key audit matter because of the judgement involved in assessing the level of inventory allowance required.

How the matter was addressed in our audit

We performed the following audit procedures, among others:

- We tested the design and implementation of controls over the identification of slow-moving inventories and obtained an understanding of the Company's process for measuring the amount of write-down required.
- We tested the net realisable values of inventories by comparing the carrying amount of selected samples of inventories against selling prices, to determine if the carrying amount of inventory was overstated.
- We assessed the adequacy and appropriateness of the basis of allowance for slow-moving inventories in accordance with the Company's policies.

Report on the Audit of the Financial Statements (continued)

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the Directors' Report and Statement on Risk Management and Internal Control (but does not include the financial statements of the Company and our auditors' report thereon), which we obtained prior to the date of this auditors' report, and the remaining parts of the annual report, which are expected to be made available to us after that date.

Our opinion on the financial statements of the Company does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Company, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the remaining parts of the annual report, if we conclude that there is a material misstatements therein, we are required to communicate the matter to the Directors of the Company and take appropriate actions in accordance with approved standards on auditing in Malaysia and International Standards on Auditing.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Company, the Directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

Independent Auditors' Report
to the members of Panasonic Manufacturing Malaysia Berhad

Report on the Audit of the Financial Statements (continued)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Company, including the disclosures, and whether the financial statements of the Company represent the underlying transactions and events in a manner that gives a true and fair view.
- Plan and perform the Company audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the financial statements of the Company. We are responsible for the direction, supervision and review of the audit work performed for purposes of the Company audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditors' report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants

Petaling Jaya
Date: 25 May 2026

Ooi Eng Siong
Approval Number: 03240/02/2028 J
Chartered Accountant

List of Properties
Owned by the Company

Location	Description	Land Area (Acres)	Tenure	Date of Acquisition	Approximate Age of Buildings (Years)	Net Book Value (RM'000)
No. 3 Jalan Sesiku 15/2 Section 15 Shah Alam Industrial Site 40200 Shah Alam Selangor Darul Ehsan	Land	14.4	Leasehold, 99 years 92 years 84 years (Expires in the year 2065)	 6-Jul-1966 25-Jun-1973 29-Sep-1981		 121 40 195
	Factory and administrative office				13 - 60	997
	SA1 New administrative building				7 - 8	30,261
No. 9 Jalan Pelabur 23/1 Section 23 40300 Shah Alam Selangor Darul Ehsan	Land	17.1	Leasehold, 99 years (Expires in the year 2090)	11-Apr-1991		4,922
	Factory and administrative office				18 - 31	161
	SA2 New 3 Storey Factory & Office Buidling				5 - 7	35,127
				Land		5,278
				Building		66,546
						71,824

Statistics on Shareholdings

as at 30 June 2026

Share Capital

Issued and Fully Paid-up Capital	: RM60,745,780.00
Class of Shares	: Ordinary Shares
Voting Rights	: 1 vote per ordinary share

Analysis of Shareholdings

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Issued Share Capital
Less than 100	1,363	17.40	15,797	0.03
100 - 1,000	3,764	48.04	1,885,775	3.10
1,001 - 10,000	2,336	29.81	7,701,470	12.68
10,001 - 100,000	344	4.39	9,155,231	15.07
100,001 to 3,037,288 (less than 5% of issued shares)	26	0.33	9,876,815	16.26
3,037,289 and above (5% and above of issued shares)	2	0.03	32,110,692	52.86
Total	**7,835**	**100.00**	**60,745,780**	**100.00**

Directors' Shareholdings

		No. of Shares			
No.	Name of Directors	Direct Interest	%	Deemed Interest	%
1	Dato' Azman Bin Mahmud	0	0.00	0	0.00
2	Raja Anuar bin Raja Abu Hassan	0	0.00	0	0.00
3	Kwan Wai Yue	0	0.00	0	0.00
4	Dato' Kaziah Binti Abd Kadir	0	0.00	0	0.00
5	Keisuke Nishida	0	0.00	0	0.00
6	Ishikawa Shimpei	0	0.00	0	0.00
7	Keitaro Tahara	0	0.00	0	0.00

Substantial Shareholders

		No. of Shares			
No.	Name of Substantial Shareholders	Direct Interest	%	Deemed Interest	%
1	Panasonic Management Malaysia Sdn Bhd	28,823,871	47.45	-	-
2	Panasonic Corporation	-	-	28,823,871	47.45
3	Panasonic Holding (Netherlands) B.V.	-	-	28,823,871	47.45
4	Panasonic Asia Pacific Pte. Ltd	-	-	28,823,871	47.45
5	Employees Provident Fund Board	3,286,821	5.41	-	-

Statistics on Shareholdings
as at 30 June 2026

30 Largest Shareholders

No.	Name of Shareholders	No. of Shares	%
1	PANASONIC MANAGEMENT MALAYSIA SDN. BHD.	28,823,871	47.45
2	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD	3,286,821	5.41
3	KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	1,800,300	2.96
4	CHINCHOO INVESTMENT SDN. BERHAD	1,259,748	2.07
5	UOB KAY HIAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)	1,016,205	1.67
6	HO HAN SENG	899,400	1.48
7	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR CACEIS BANK (UCITS CLIENTS)	634,900	1.05
8	UOB KAY HIAN NOMINEES (ASING) SDN BHD FOR HELLY LYKE TABALUJAN	520,000	0.86
9	MAYOON SDN BHD	360,000	0.59
10	AMSEC NOMINEES (ASING) SDN BHD KGI SECURITIES (SINGAPORE) PTE. LTD. FOR YEO KOK GEE (19359)	330,478	0.54
11	LAW KIANG	270,000	0.44
12	AMSEC NOMINEES (ASING) SDN BHD KGI SECURITIES (SINGAPORE) PTE. LTD. FOR YEO GEOK CHOO (19003)	241,538	0.40
13	CHONG KAH MIN	214,146	0.35
14	AU YONG MUN YUE	212,000	0.35
15	AMSEC NOMINEES (ASING) SDN BHD KGI SECURITIES (SINGAPORE) PTE. LTD. FOR TAI TAK SECURITIES PTE LTD (1442)	209,000	0.34
16	ONG YOKE CHEE	200,000	0.33
17	GAN TECK YEOW SDN BHD	195,000	0.32
18	SOUTH EAST ASIA AUTO PARTS SDN BHD	189,000	0.31
19	CHAN KIM SENDIRIAN BERHAD	169,400	0.28
20	OOI KENG TAN	150,000	0.25

Statistics on Shareholdings
as at 30 June 2026

30 Largest Shareholders (continued)

No.	Name of Shareholders	No. of Shares	%
21	YEW AH KOW	149,600	0.25
22	NG ENG HIAM PLANTATIONS SDN BERHAD	137,100	0.23
23	SAW KHAY CHEE	136,850	0.23
24	RHB NOMINEES (ASING) SDN BHD EXEMPT AN FOR PHILLIP SECURITIES PTE. LTD. (A/C CLIENTS)	124,000	0.20
25	CARTABAN NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR STANDARD CHARTERED BANK MALAYSIA BERHAD (WEALTH MANAGEMENT) (TEMPATAN)	123,450	0.20
26	PLATIGOLD SDN BHD	115,000	0.19
27	LAU KEOK SENG	111,700	0.18
28	MAYBANK SECURITIES NOMINEES (ASING) SDN BHD MAYBANK SECURITIES PTE LTD FOR CHIA NGEN LEE CAROL	108,000	0.18
29	OOI KENG TAN	98,700	0.16
30	TEOH JUN SEONG	98,000	0.16
		42,184,207	**69.44**

History of Dividend Payment

Financial Year/ Period	Paid-Up Capital (RM)	Cash Dividend Rate			Stock Dividend Rate	Total Dividend Rate	Gross Cash Dividend (RM)	Tax Rate			Taxation Amount (RM)	Net Cash Dividend (RM)
		Interim	Final	Special				Interim	Final	Special		
3/2026	60,745,780	15%	33%	0%	-	48%	29,157,974	S/T	S/T	S/T	-	29,157,974
3/2025	60,745,780	15%	47%	0%	-	62%	37,662,384	S/T	S/T	S/T	-	37,662,384
3/2024	60,745,780	15%	121%	0%	-	136%	82,614,261	S/T	S/T	S/T	-	82,614,261
3/2023	60,745,780	15%	107%	0%	-	122%	74,109,852	S/T	S/T	S/T	-	74,109,852
3/2022	60,745,780	15%	68%	0%	-	83%	50,418,997	S/T	S/T	S/T	-	50,418,997
3/2021	60,745,780	15%	148%	0%	-	163%	99,015,621	S/T	v	S/T	-	99,015,621
3/2020	60,745,780	15%	183%	0%	-	198%	120,276,644	S/T	S/T	S/T	-	120,276,644
3/2019	60,745,780	15%	211%	0%	-	226%	137,285,463	S/T	S/T	S/T	-	137,285,463
3/2018	60,745,780	15%	133%	100%	-	248%	150,649,534	S/T	S/T	S/T	-	150,649,534
3/2017	60,745,780	15%	102%	0%	-	117%	71,072,563	S/T	S/T	S/T	-	71,072,563
3/2016	60,745,780	15%	124%	0%	-	139%	84,436,634	S/T	S/T	S/T	-	84,436,634
3/2015	60,745,780	15%	35%	92%	-	142%	86,259,008	S/T	S/T	S/T	-	86,259,008
3/2014	60,745,780	15%	35%	23%	-	73%	44,344,419	25%	S/T	S/T	2,277,967	42,066,452
3/2013	60,745,780	15%	35%	138%	-	188%	114,202,066	25%	25%	25%	28,550,516	85,651,550
3/2012	60,745,780	15%	35%	70%	-	120%	72,894,936	25%	25%	25%	18,223,734	54,671,202
3/2011	60,745,780	15%	35%	95%	-	145%	88,081,381	25%	25%	25%	22,020,345	66,061,036
3/2010	60,745,780	15%	35%	70%	-	120%	72,894,936	25%	25%	25%	18,223,734	54,671,202
3/2009	60,745,780	15%	35%	55%	-	105%	63,783,069	25%	25%	25%	15,945,767	47,837,302
3/2008	60,745,780	15%	35%	65%	-	115%	69,857,647	T/E	25%	25%	15,186,445	54,671,202
3/2007	60,745,780	15%	35%	65%	-	115%	69,857,647	T/E	T/E	T/E	T/E	69,857,647
3/2006	60,745,780	15%	35%	65%	-	115%	69,857,647	28%	T/E	T/E	2,551,323	67,306,324
3/2005	60,745,780	15%	35%	150%	-	200%	121,491,560	28%	28%	28%	34,017,637	87,473,923
3/2004	60,745,780	15%	35%	10%	-	60%	36,447,468	28%	28%	28%	10,205,291	26,242,177
3/2003	60,745,780	10%	40%	-	70%	120%	30,372,890	28%	28%	-	8,504,409	21,868,481
3/2002	35,732,812	15%	35%	-	-	50%	17,866,406	28%	28%	-	5,002,593	12,863,813
3/2001	35,732,812	15%	35%	-	-	50%	17,866,406	T/E	28%	-	3,501,815	14,364,591
3/2000	35,732,812	15%	35%	-	-	50%	17,866,406	T/E	T/E	-	T/E	17,866,406
3/1999	35,732,812	15%	35%	-	-	50%	17,866,406	28%	T/E	-	1,500,778	16,365,628
3/1998	35,732,812	15%	35%	-	10%	60%	17,866,406	28%	28%	-	5,002,593	12,863,813
3/1997	32,484,375	10%	40%	20%		70%	22,739,063	30%	30%	30%	6,821,719	15,917,344
3/1996	32,484,375	10%	40%	-	-	50%	16,242,188	30%	30%	-	4,872,656	11,369,532
3/1995	32,484,375	10%	30%	-	-	40%	12,993,750	30%	30%	-	3,898,125	9,095,625
3/1994	32,484,375	10%	30%	-	-	40%	12,993,750	32%	32%	-	4,158,000	8,835,750
3/1993	32,484,375	10%	30%	-	50%	90%	12,993,750	34%	34%	-	4,417,875	8,575,875
3/1992	21,656,250	-	40%	-	-	40%	8,662,500	-	35%	-	3,031,875	5,630,625
3/1991	21,656,250	-	40%	-	-	40%	8,662,500	-	35%	-	3,031,875	5,630,625
3/1990	21,656,250	-	35%	-	-	35%	7,579,688	-	35%	-	2,652,891	4,926,797
3/1989	21,656,250	-	25%	-	-	25%	5,414,063	-	35%	-	1,894,922	3,519,141
3/1988	21,656,250	-	25%	-	-	25%	5,414,063	-	40%	-	2,165,625	3,248,438
3/1987	21,656,250	-	25%	-	10%	35%	5,414,063	-	40%	-	2,165,625	3,248,438
12/1985	19,687,500	-	25%	-		25%	4,921,875	-	40%	-	1,968,750	2,953,125
12/1984	19,687,500	-	35%	-	-	35%	6,890,625	-	40%	-	2,756,250	4,134,375
12/1983	19,687,500	-	35%	-	-	35%	6,890,625	-	40%	-	2,756,250	4,134,375
12/1982	19,687,500	-	20%	-	50%	70%	3,937,500	-	40%	-	1,575,000	2,362,500
12/1981	13,125,000	-	20%	-		20%	2,625,000	-	40%	-	1,050,000	1,575,000
12/1980	13,125,000	-	20%	-	25%	45%	2,625,000	-	40%	-	1,050,000	1,575,000
12/1979	10,500,000	-	20%	-		20%	2,100,000	-	40%	-	840,000	1,260,000
12/1978	10,500,000	-	20%	-	-	20%	2,100,000	-	40%	-	840,000	1,260,000
12/1977	10,500,000	-	20%	-	-	20%	2,100,000	-	40%	-	840,000	1,260,000
12/1976	10,500,000	-	15%	5%	-	20%	2,100,000	-	40%	40%	840,000	1,260,000
12/1975	10,500,000	-	15%	-	200%	215%	1,575,000	-	40%	-	630,000	945,000
12/1974	3,000,000	-	15%	-		15%	450,000	-	40%	-	180,000	270,000
12/1973	3,000,000	-	15%	-	-	15%	450,000	-	40%	-	180,000	270,000
12/1972	3,000,000	-	12%	5%	-	17%	510,000	-	T/E	40%	60,000	450,000
12/1971	3,000,000	-	12%	-	-	12%	360,000	-	T/E	-	T/E	360,000
12/1970	3,000,000	-	12%	-	-	12%	360,000	-	T/E	-	T/E	360,000
12/1969	3,000,000	-	10%	-	-	10%	300,000	-	T/E	-	T/E	300,000
12/1968	3,000,000	-	0%	-	-	0%	-	-	-	-	-	-
12/1967	3,000,000	-	0%	-	-	0%	-	-	-	-	-	-
12/1966	3,000,000	-	0%	-	-	0%	-	-	-	-	-	-
Total (Since Date of Incorporation)							2,125,781,634				245,392,385	1,880,389,249

Notice of 61st Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the 61st Annual General Meeting of the Company will be held at Hall 1, IDEAL Convention Centre Sdn Bhd, Level 7, Corporate Tower, Jalan Pahat L15/L, 40200 Shah Alam, Selangor on Wednesday, 9 September 2026 at 10.00 a.m. for the following purposes:

Agenda

As Ordinary Business:

1. To receive the Statutory Financial Statements for the financial year ended 31 March 2026 together with the Reports of the Directors and Auditors thereon.
2. To declare a final single tier dividend of 33 sen per ordinary share for the financial year ended 31 March 2026. **Resolution 1**
3. To re-elect Dato' Kaziah Binti Abd Kadir who is retiring pursuant to Article 100 of the Company's Constitution. **Resolution 2**
4. To re-elect Kwan Wai Yue who is retiring pursuant to Article 100 of the Company's Constitution. **Resolution 3**
5. To re-elect Ishikawa Shimpei who is retiring pursuant to Article 105 of the Company's Constitution. **Resolution 4**
6. To re-elect Keitaro Tahara who is retiring pursuant to Article 105 of the Company's Constitution. **Resolution 5**
7. To approve the payment of Directors' fees and meeting attendance allowance not exceeding RM650,000 in respect of the financial year ending 31 March 2027. **Resolution 6**
8. To re-appoint KPMG PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. **Resolution 7**

As Special Business:

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions:

9. **Continuation in office as Independent Non-Executive Director** **Resolution 8**

   "THAT approval be and is hereby given to Raja Anuar Bin Raja Abu Hassan who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting."

10. **Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature**

    "THAT subject always to the Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company to renew the existing shareholders' mandate for recurrent related party transactions of a revenue or trading nature ("Proposed Shareholders' Mandate") for the Company to enter into the following recurrent related party transactions:

    (i) Sales and purchase of products, raw material and component parts, tools, equipment or machinery with Panasonic Corporation Group of Companies as specified in Section 2 of the Circular to Shareholders dated 31 July 2026. **Resolution 9**

    (ii) Payment of fees to and receipt of fees from Panasonic Corporation Group of Companies as specified in Section 2 of the Circular to Shareholders dated 31 July 2026. **Resolution 10**

    (iii) Placement of cash deposits with Panasonic Financial Centre (Malaysia) Sdn Bhd as specified in Section 2 of the Circular to Shareholders dated 31 July 2026. **Resolution 11**

    (iv) Other financial transaction services with Panasonic Financial Centre (Malaysia) Sdn Bhd as specified in Section 2 of the Circular to Shareholders dated 31 July 2026. **Resolution 12**

THAT the Proposed Shareholders' Mandate is subject to the following:

(a) the transactions are in the ordinary course of business and are on terms not more favourable to the related parties than those generally available to the public;

(b) disclosure is made in the Annual Report of the aggregate value of transactions conducted pursuant to the Proposed Shareholders' Mandate during the financial year where the aggregate value is equal to or exceeds the applicable prescribed threshold under the Listing Requirements and/or the relevant Practice Notes; and

(c) annual renewal and such approval shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the expiration of the period within which the next Annual General Meeting is to be held pursuant to Section 340 of the Companies Act 2016 (but shall not extend to such extension as may be allowed pursuant to Section 340 of the Companies Act 2016), whichever is earlier.

AND THAT the Directors be and are hereby authorised to complete and execute all such acts and things (including such documents as may be required) to give effect to the transactions contemplated and/or authorised by these Ordinary Resolutions."

Notice of Dividend Entitlement

NOTICE IS HEREBY GIVEN that a final single tier dividend of 33 sen per ordinary share for the financial year ended 31 March 2026, will be paid on 28 September 2026 to depositors registered in the Record of Depositors and Register of Members at the close of business on 18 September 2026.

A Depositor shall qualify for entitlement to the dividend only in respect of:

(a) Shares deposited into the Depositor's Securities Account before 4.30 p.m. on 18 September 2026 in respect of transfers.

(b) Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

By Order of the Board

Leong Oi Wah
SSM Practicing Certificate No.: 201908000717
(MAICSA 7023802)
Company Secretary

Shah Alam
31 July 2026

Notice of 61st Annual General Meeting

PROXY NOTES

1. A Member entitled to attend and vote is entitled to appoint 1 proxy but not more than 2 proxies to attend and vote instead of him and the Member shall specify the proportion of his shareholdings to be represented by each proxy. When a Member is an exempt authorised nominee, there is no limit to the number of proxies which it may appoint.

2. The instrument appointing a proxy or proxies in the case of an individual shall be signed by the appointer or by his attorney and in the case of a corporation, the instrument appointing a proxy or proxies must be under Common Seal or under the hand of the officer or attorney duly authorised.

3. The instrument appointing a proxy or proxies must be deposited at Boardroom Share Registrars Sdn Bhd, 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the holding of the meeting or any adjournment thereof. Alternatively, the instrument appointing a proxy can be deposited electronically (for individual shareholders only) through the Share Registrar's website, Boardroom Smart Investor Online Portal at https://www.boardroomlimited.my/or via email to bsr.helpdesk@boardroomlimited.com before the Form of Proxy lodgement cut-off time as mentioned above.

4. Depositors who appear in the Record of Depositors as at 2 September 2026 shall be regarded as Members of the Company entitled to attend the 61st Annual General Meeting or appoint a proxy to attend and vote on his behalf.

Notes on Resolutions 2 to 5

For the purpose of determining the eligibility of the Directors to stand for re-election at the 61st AGM, the Board through its Nomination Committee had assessed Dato' Kaziah Binti Abd Kadir, Kwan Wai Yue, Ishikawa Shimpei and Keitaro Tahara (collectively "the Retiring Directors"). They were assessed on their performance and understanding of the Group's business. They meet the fit and proper criteria as laid out in the Company's policy. Their participation at the Board meetings showed that they were prepared and were effective in the discharge of their responsibilities. No circumstances have arisen in the past year to impair the independent judgement of Dato' Kaziah Binti Abd Kadir on matters brought for Board discussion and she has always acted in the best interest of the Company as a whole.

Based on the wealth of experience of the Retiring Directors and the skills that they can bring to the Company, the Board views that their re-election would bring benefits to the Company.

Based on the above, the Board supports the re-election of the Retiring Directors.

Explanatory Note to Special Business:

<u>Resolution 8</u>

Raja Anuar Bin Raja Abu Hassan has served as Independent Non-Executive Director of the Company since 1 January 2017 and at the last AGM of the Company on 29 August 2025, the shareholders approved his retention as Independent Non-Executive Director of the Company for a new term until the forthcoming Annual General Meeting.

The Board (save for Raja Anuar Bin Raja Abu Hassan who abstained from deliberation and voting) has assessed his independence at its meetings held on 25 May 2026 and has recommended that he continue to act as an Independent Non-Executive Director of the Company based on the following justifications:

a) He has met the independence guidelines as set out in Chapter 1 of Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

b) He provides a check and balance and brings an element of objectivity to the Board of Directors.

c) He continues to be scrupulously independent in his thinking and in his effectiveness as constructive challenger of the Managing Director and Executive Directors, both in his position as Chairman of the Audit Committee and as a Board member.

d) His active participation in board discussions and provision of an independent voice contribute significantly to the Board's deliberations, ensuring the infusion of unbiased and objective judgments.

<u>Resolutions 9 to 12</u>

Please refer to the Circular to Shareholders dated 31 July 2026 for further information.

Panasonic

Form of Proxy

Panasonic Manufacturing Malaysia Berhad
Registration No. 196501000304 (6100-K)
(Incorporated in Malaysia)

CDS Account No.	

I/We, ____

*NRIC No./Company No./Passport No. ____________________ of ______________________________

____ being a Member of

Panasonic Manufacturing Malaysia Berhad hereby appoint ______________________________

Email address ______________________________ Mobile No. ______________

*and/or failing him/her ____

Email address ______________________________ Mobile No. ______________

or failing him/her *the Chairman of the Meeting as my/our proxy/proxies to vote on my/our behalf at the 61st Annual General Meeting of the Company will be held at Hall 1, IDEAL Convention Centre Sdn Bhd, Level 7, Corporate Tower, Jalan Pahat L15/L, 40200 Shah Alam, Selangor on Wednesday, 9 September 2026 at 10.00 a.m. and at any adjournment thereof. My/our proxy/proxies is/are to vote as indicated below:

Resolutions	Ordinary Business	For	Against
1.	Declaration of a final single tier dividend of 33 sen per ordinary share.		
2.	Re-election of Dato' Kaziah Binti Abd Kadir.		
3.	Re-election of Kwan Wai Yue.		
4.	Re-election of Ishikawa Shimpei.		
5.	Re-election of Keitaro Tahara.		
6.	Approval of the payment of Directors' fees and benefits.		
7.	Re-appointment of Auditors.		
	Special Business		
8.	Retention of Raja Anuar Bin Raja Abu Hassan as Independent Non-Executive Director.		
9.	Approval for Recurrent Related Party Transactions ("RRPT") - Sales of products, sales of tools and equipment, purchase of parts, components, raw materials, purchase of equipment, promotion expenses, warranty claims and/or service expenses and purchase of machinery, equipment and tools.		
10.	Approval for RRPT - Payment and receipt of fees.		
11.	Approval for RRPT - Placement of cash deposits and other treasury services.		
12.	Approval for RRPT – Other treasury services.		

(Please indicate with an "X" in the appropriate box against the resolutions on how you wish your proxy to vote. If no instruction is given, this form will be taken to authorise the proxy to vote at his/her discretion.)

The proportion of my/our shareholding to be represented by my/our proxy/proxies is as follows:

First named proxy	%
Second named proxy	%
	100%

In case of a vote taken by show of hands, the first named proxy shall vote on my/our behalf.

Signed this ____________ day of ____________ 2026

____
Signature/Common Seal of Shareholder

* Strike out whichever is not applicable.

Notes:

1. A Member entitled to attend and vote is entitled to appoint 1 proxy but not more than 2 proxies to attend and vote instead of him and the Member shall specify the proportion of his shareholdings to be represented by each proxy. When a Member is an exempt authorised nominee, there is no limit to the number of proxies which it may appoint.
2. The instrument appointing a proxy or proxies in the case of an individual shall be signed by the appointer or by his attorney and in the case of a corporation, the instrument appointing a proxy or proxies must be under Common Seal or under the hand of the officer or attorney duly authorised.
3. The instrument appointing a proxy or proxies must be deposited at Boardroom Share Registrars Sdn Bhd,11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the holding of the meeting or any adjournment thereof. Alternatively, the instrument appointing a proxy can be deposited electronically (for individual shareholders only) through the Share Registrar's website, Boardroom Smart Investor Online Portal at https://investor.boardroomlimited.com or via email to bsr.helpdesk@boardroomlimited.com before the Form of Proxy lodgement cut-off time as mentioned above.
4. Depositors who appear in the Record of Depositors as at 2 September 2026 shall be regarded as Members of the Company entitled to attend the 61st Annual General Meeting or appoint a proxy to attend and vote on his behalf.

* Strike out whichever is not applicable.

1st fold here

AFFIX
STAMP

The Share Registrar
Panasonic Manufacturing Malaysia Berhad

Boardroom Share Registrars Sdn Bhd
11th Floor, Menara Symphony,
No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13,
46200 Petaling Jaya, Selangor Darul Ehsan

Then fold here

3rd fold here

pmma.my.panasonic.com

Panasonic Manufacturing Malaysia Berhad (Registration No.: 196501000304 (6100-K))
No 3, Jalan Sesiku 15/2, Section 15, Shah Alam Industrial Site, 40200 Shah Alam, Selangor Darul Ehsan, Malaysia.
Tel: +603-5891 5000 Fax: +603-5891 5101 Email: ir.pmma@my.panasonic.com