

Group Strategy Briefing

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Panasonic Holdings Corporation

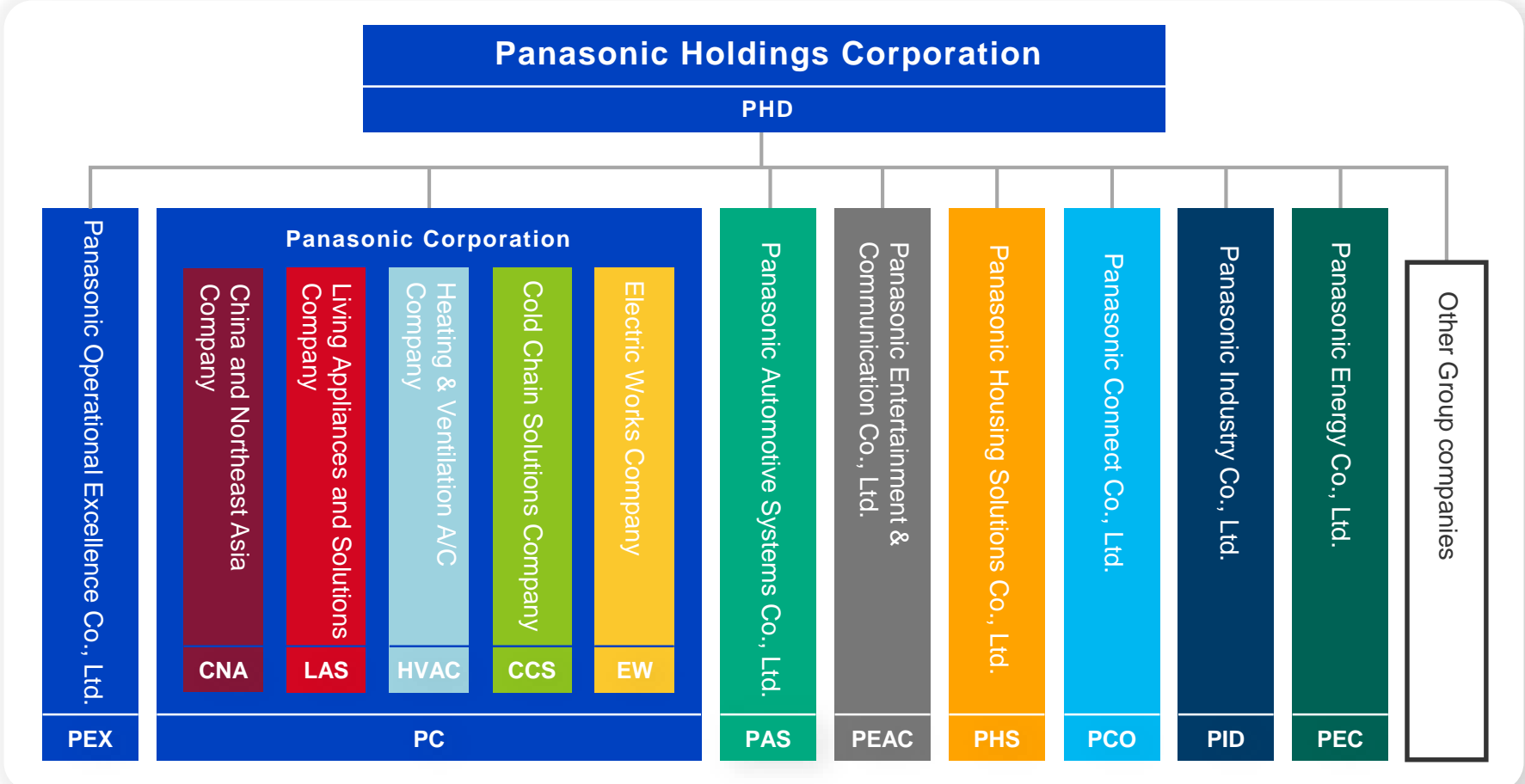
Panasonic Group

April 1, 2022

Notes: 1. This is an English translation from the original presentation in Japanese.
2. In this presentation, “Fiscal 2022” or “FY22” refers to the year ended March 31, 2022.

Starting New Structure & Looking Back on Previous Medium-term Period

Panasonic Group New Structure (from April 2022)



As an independent legal entity, each operating company will squarely address society & customers, thoroughly implement autonomous management, and accelerate competitiveness enhancement

Note: Abbreviations indicated under each organization name

Looking Back on Previous Medium-term Period

Improved profitability (FY20-22):

- Eliminated losses from businesses with loss-making structures
- Thoroughly enhanced our management structure

despite external business environment changes such as COVID-19, etc.

First year of “2-year period (FY22-23) to focus on enhancing competitiveness” (announced May 2021):

- Took a step forward in enhancing competitiveness
- Still need to thoroughly implement autonomous management

Challenges to take up

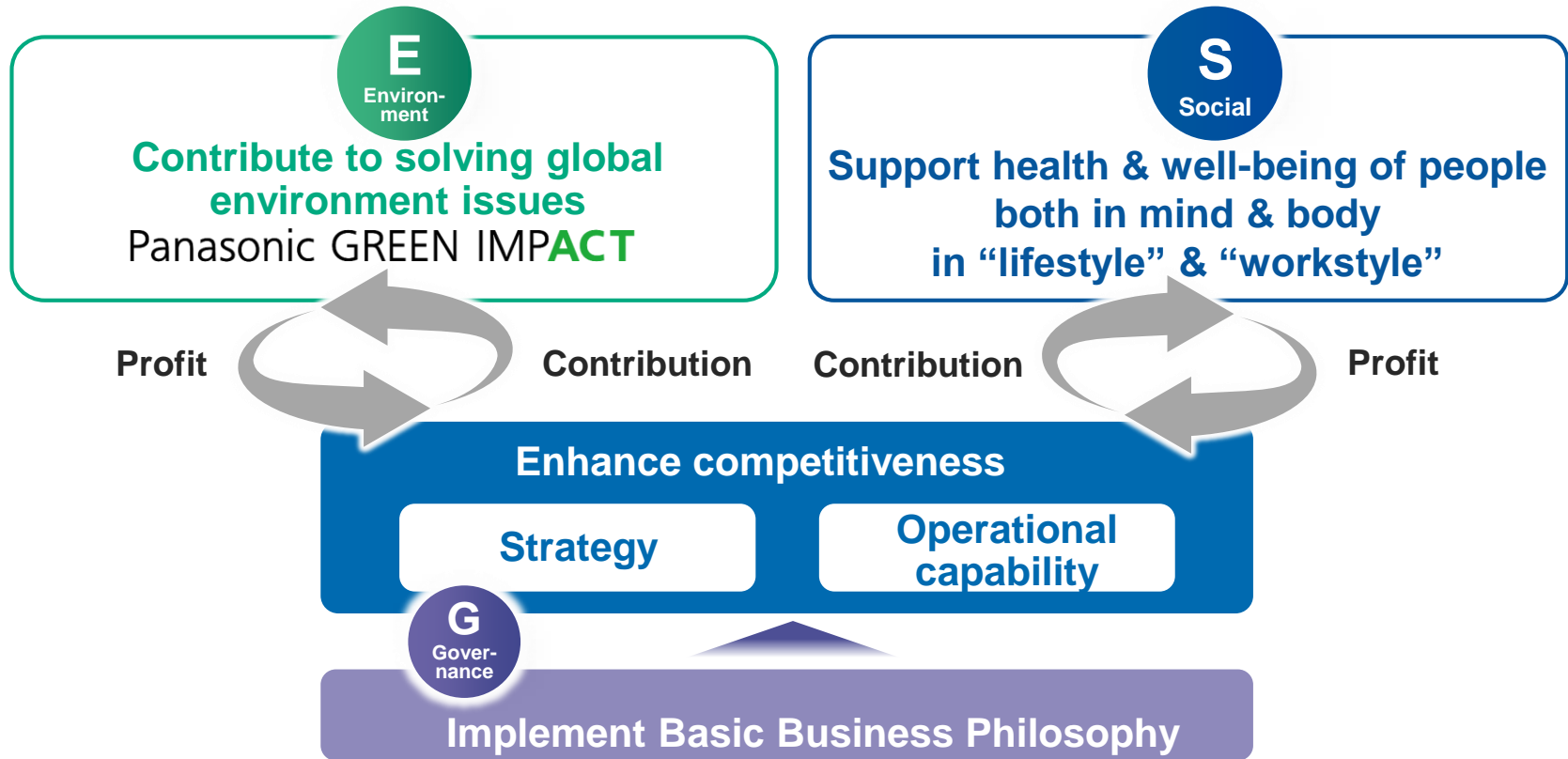
- Formulate strategy focused on long-term and customer perspectives
- Adapt to changes and facilitate speedier management:
 - “Eradicate wastefulness to focus on truly value-added activities”
 - “Maximize potential of each employee”

Clarify future goals of each operating company and reach optimal operational capabilities

New Medium- to Long-term Strategy

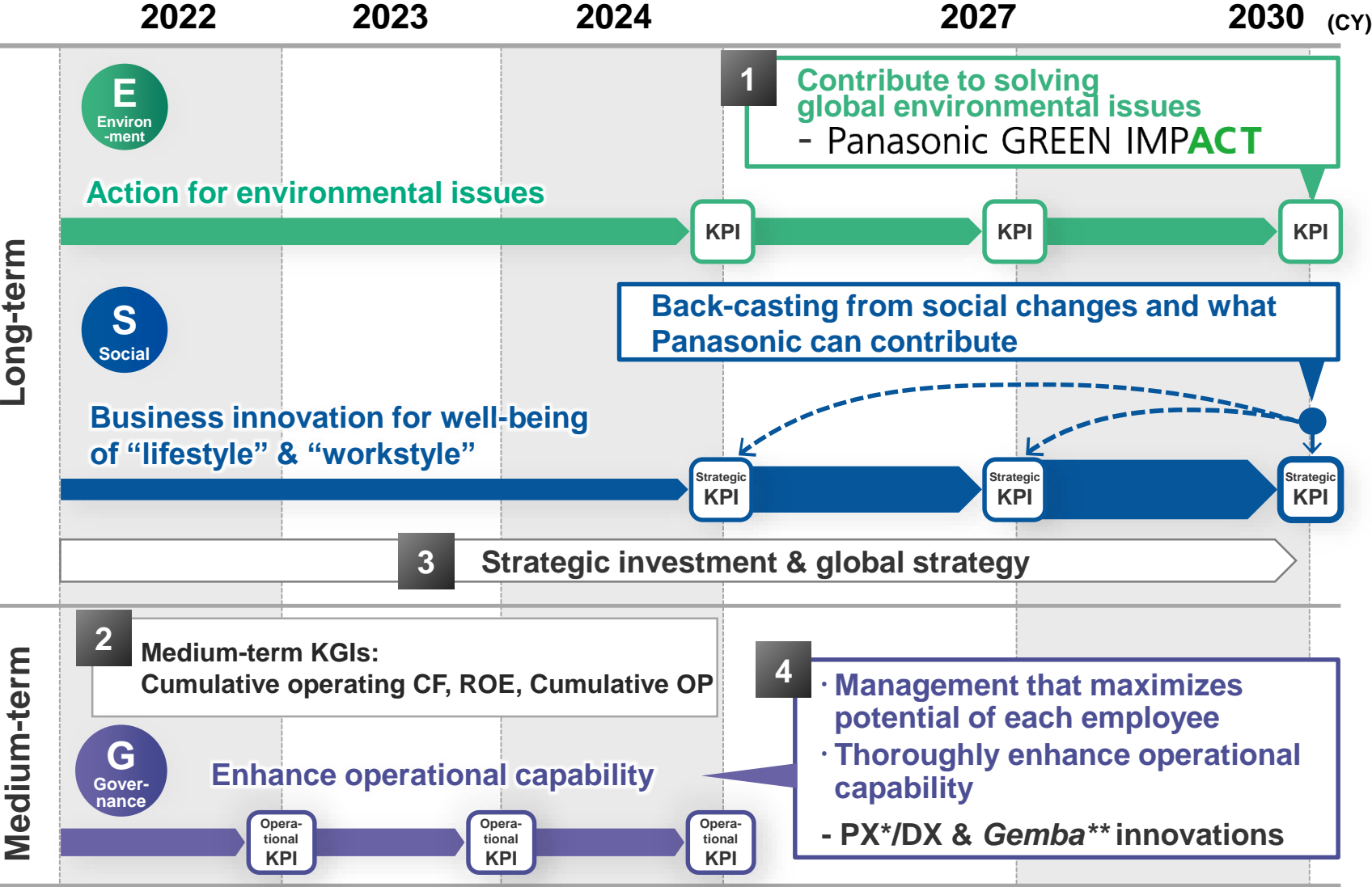
Future Direction for Panasonic Group

Ideal society with affluence both in matter & mind



Thoroughly enhance competitiveness to contribute to “environment” and “well-being of lifestyle & workstyle”

Outline of New Medium- to Long-term Strategy



* Panasonic Transformation **operational frontlines

1 Panasonic GREEN IMPACT

May 2021: CEO Briefing

Made commitment to “achieve net zero CO₂ emissions at all operating companies by 2030”

January 2022: CES 2022

**Announced Group’s long-term environmental vision
“Panasonic GREEN IMPACT”**



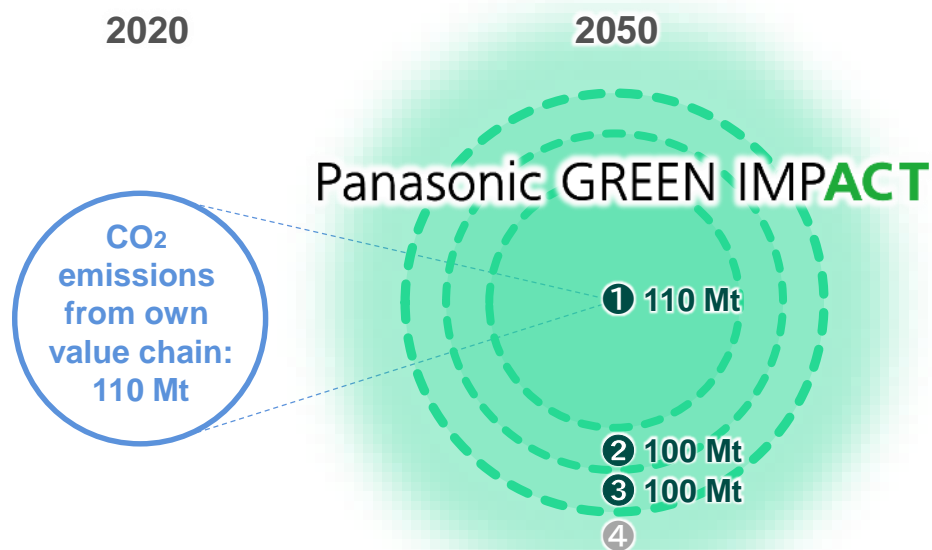
**Toward 2050, in addition to CO₂ reductions from own value chain,
increase size of contribution in CO₂ reductions for society***

* Size of contribution in CO₂ reductions outside of own value chain

1 Panasonic GREEN IMPACT

By 2050

Create an impact that reduces CO₂ emissions by more than 300 Mt, equivalent to approximately 1% of the current total global emissions*



- Impact ①: Emissions reduction in our own value chain, including the effect of decarbonization occurring in society (achieve net zero in own value chain)
- Impact ②: “Avoided Emissions (contribution in reducing CO₂ emissions for society)” through existing businesses
- Impact ③: “Avoided Emissions” through new technologies and business
- Impact ④: Impact of repercussions in energy transformation for society

* Data from IEA: Global energy related CO₂ emissions in 2019 were 33.6 Bt. Figure for 300 Mt: calculated by emission factor as of 2020

2 Medium-term Management Indicators: KGI

Cumulative operating CF (FY23-FY25) **2.0** trillion yen

ROE (FY25) **10%** or more

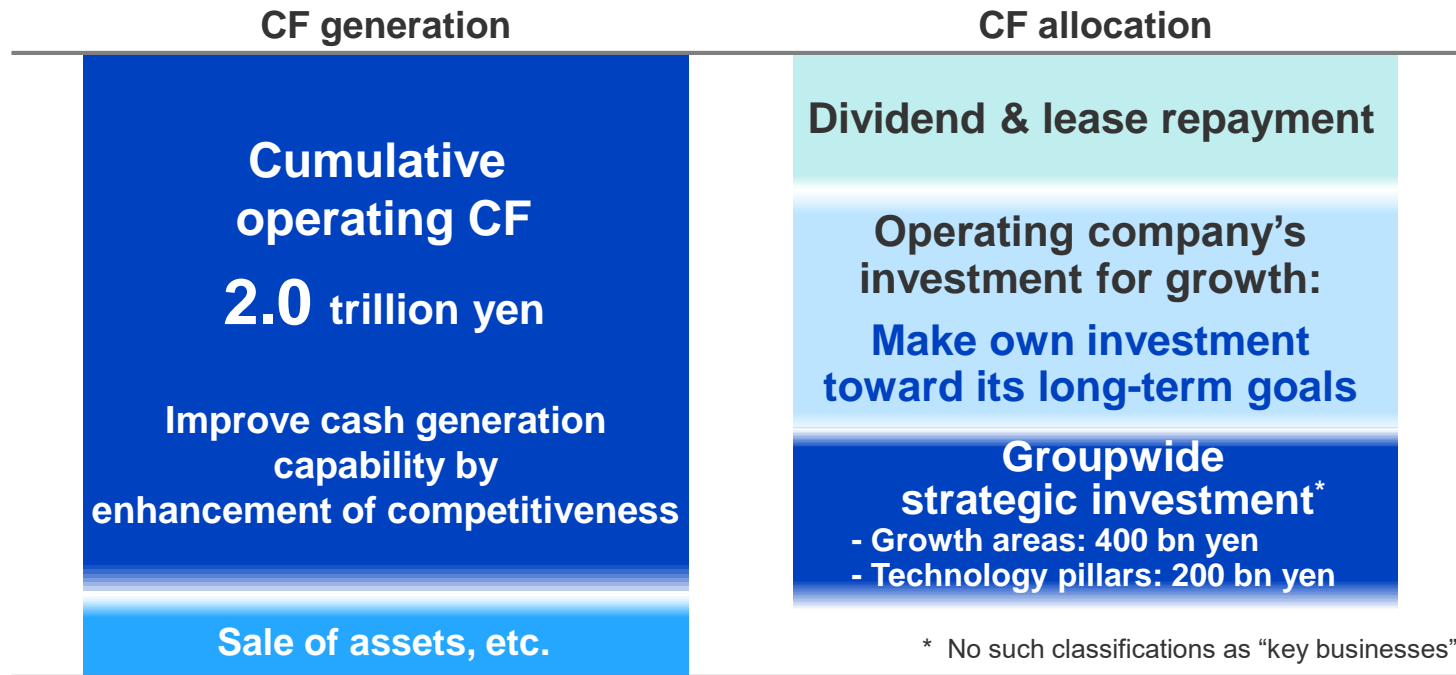
Cumulative OP (FY23-FY25) **1.5** trillion yen

**Improve cash generation capability by
thorough enhancement of business competitiveness**

Investment Policy under New Medium- to Long-term Strategy



Capital allocation (FY23-FY25)



**600 billion yen investment
in “growth areas” & “technology pillars”
to achieve future goals**

Accelerate electrification in mobility : Contributions to a decarbonized society that does not depend on fossil fuels

Competi-
tiveness

- Improved battery cell performance & safety essential for evolution & penetration of EVs
- Cost competitiveness to make EVs more “affordable”



**Commercialize new cells with 46-mm diameter at industry-leading speed:
Productivity verification & mass production to start in FY24 at
Wakayama Factory, Japan**

Autonomous solutions eliminate all wastefulness & stagnation in supply chain and contribute to reducing environment impact

Competi-
tiveness

- Wide range of software solution packages & AI accuracy
- Optimize operational processes by data collection, accumulation, analysis & utilization



Blue Yonder's software continues to evolve toward optimization of overall supply chain

Achieve healthy & comfortable lifestyle and society by air- & water-related technology

Competitiveness

- Advanced coordinated system integrating air quality & air-conditioning with unique technologies*
- Integrating customer contacts developed through each business (air quality/air-conditioning) & engineering capability



Establish sales & service bases, and expand lineup of coordinated products in Europe, China & Japan

* Nanoe, Ziaino, humidity control technology, visualized effect of disinfection, virus- & vital-sign sensing technologies

3 Global Strategy



- **Regional strategy leveraging each business's strengths**
- **Expand Panasonic GREEN IMPACT through business**

China & Asia:

Lifestyle appliances/Automotive/FA solutions

- Refine cost competitiveness & speed to become the best lifestyle partner in China (environment, health, elderly care, cleanliness)
 - Lifestyle appliances: Cost competitiveness & speed (nurtured in China) to apply throughout Asia
 - Automotive/FA*: Increase contributions to customers by localizing product planning throughout sales

North America:

Automotive batteries/Blue Yonder/Avionics

- Reduce environmental impact by optimizing supply chain of Blue Yonder's customers
- Avionics: Enhance competitiveness by offering light-weight models to reduce fuel consumption

Europe:

Air quality & air-conditioning

- Expand business for A2W** and integrated air quality & air-conditioning system that makes greater contributions to environment

* Factory Automation ** Air To Water

Contribute to clean energy transformation for society through producing and expanding effective use of hydrogen

Hydrogen energy devices

- Accelerate new energy transformation by producing green hydrogen and expanding its effective use
 - Produce hydrogen from water: Make hydrogen production highly efficient
 - Convert from hydrogen to electricity: Make fuel cells more efficient

Distributed energy resource management systems

- Control distributed energy resources by energy management technologies and promote effective use of electricity



3 Investment in Technology Pillars: CPS*



Promptly find & offer the optimum solution by linking real issues in “lifestyle” & “workstyle” with cyber space

Value-creation by CPS technology

- Hardware/services learning from Yohana’s strengths to bring better value in lifestyle experience
- High-level modeling by sensing people’s emotions & conditions
- Eradicate wastefulness & stagnation through visualization & optimization at the *gemba* with DX (Digital Transformation)

Cyber space

Feedback loop

Physical space



* CPS: Cyber Physical System

3 Groupwide Technology Pillars



Ideal society with affluence both in matter and mind

	PC	PAS	PEAC	PHS	PCO	PID	PEC
Technologies contributing to “environment”	Functional materials/Materials informatics	○	○		○	●	●
	Power electronics	○	●			○	
	Hydrogen energy devices/DERMS*	●				○	○
Technologies contributing to well-being in “lifestyle” & “workstyle”	CPS/AI	●	●	●	○	●	○
	Image sensing/Robotics	○	●	●		●	●
	Simulation/Model-based development	○	●	○	●	○	○
Common software platform	Biosensing/Emotion recognition/Biotechnology	○	○		○	○	
	Software/communication/security	●	●	●	○	●	○

● Highly relevant ○ Relevant

- Groupwide efforts to strengthen technology pillars that support the achievement of an ideal society
- Proactively invest in ventures in our search for new technologies

* Distributed Energy Resource Management Systems

Groupwide Key Measures toward Enhancing Competitiveness at Each Operating Company

Management that maximizes potential of each employee

Create an environment to maximize potential of each employee's unique characteristics

Thoroughly strengthen operational capability

- Panasonic Transformation: DX

Thoroughly improve speed and quality of management:
e.g. workstyle & business practices

- *Gemba* (operational frontlines) Innovations

With *kaizen* (improvements) mindset & digital technologies,
strengthen operational capability in overall supply chain



Attentively listen to employees who are willing to take up challenges; create a working environment that maximizes potential of unique characteristics

Provide equal opportunities for taking up challenges

- Diverse workstyle to maximize potential of unique characteristics
 - 4-day work week system (optional), work-from-home system, retaining employment when a family member is transferred to another location*
- Introduce job-type employment in HR management** to clarify the required role, responsibility & skills

Support each employee in taking up challenges

- Support employees taking up challenges to acquire the specialty skills required in each business
 - Overhaul of HR development & appraisal/remuneration-systems
- Revising internal recruitment system to activate Groupwide HR exchange

* To be introduced on a trial basis at Panasonic Holdings Corporation & Panasonic Operational Excellence

** Timeframe & details to be designed according to each operating company's conditions

4 Panasonic Transformation: DX

Thoroughly improve speed and quality of management

Including workstyle and business practices with power of digital technologies



Workstyle innovation

Work that does not create added-value will become more efficient using IT

Business process innovation

- Operating company*
e.g. DX in manufacturing to sales: Establish SCM reflecting live demand data by optimizing PSI** process
- Groupwide
e.g. Procurement DX: Further centralized procurement by analyzing contract & procurement information

Change workstyle & business processes by DX and thus support competitiveness enhancement at operating companies

*Example of new Panasonic Corporation **PSI : Production, Sales, Inventory

4 *Gemba* Innovations

Strengthen operational capability for overall supply chain with *kaizen* mindset & digital technologies

April 2022: Operational Strategy Department established

Firmly embed *kaizen* mindset

- Designated specialists at each operating company will promote wastefulness-elimination at all *gemba* (operational frontlines)

Use of digital technologies & evolution

- Further evolution of Blue Yonder:
Automated PSI proposals reflecting live demand data
- Image recognition & AI technologies:
Analyze and visualize wastefulness in workflow, etc.



By FY25, constant *kaizen* activities leveraging digital technologies will be institutionalized at all sites

Live Your Best

In an ever-changing world, we continue our efforts to make life simpler, safer, healthier, more enjoyable, and more sustainable.
Efforts to help our customers live their best.

Panasonic
Corporation

Panasonic
Automotive
Systems Co., Ltd.

Panasonic
Entertainment &
Communication
Co., Ltd.

Panasonic
Housing
Solutions
Co., Ltd.

Panasonic
Connect
Co., Ltd.

Panasonic
Industry
Co., Ltd.

Panasonic
Energy
Co., Ltd.

Panasonic

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