

Preparations for Stock Exchange Listing of Supply Chain Management Business to Improve Its Competitiveness

Yuki Kusumi, Group CEO
Panasonic Holdings Corporation

Panasonic Group

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Note: This is an English translation from the original presentation in Japanese.

Two Wheels to Improve Competitiveness

An ideal society with affluence both in matter and mind

Strategy

Long-term vision
Structural superiority
Business model

Long term

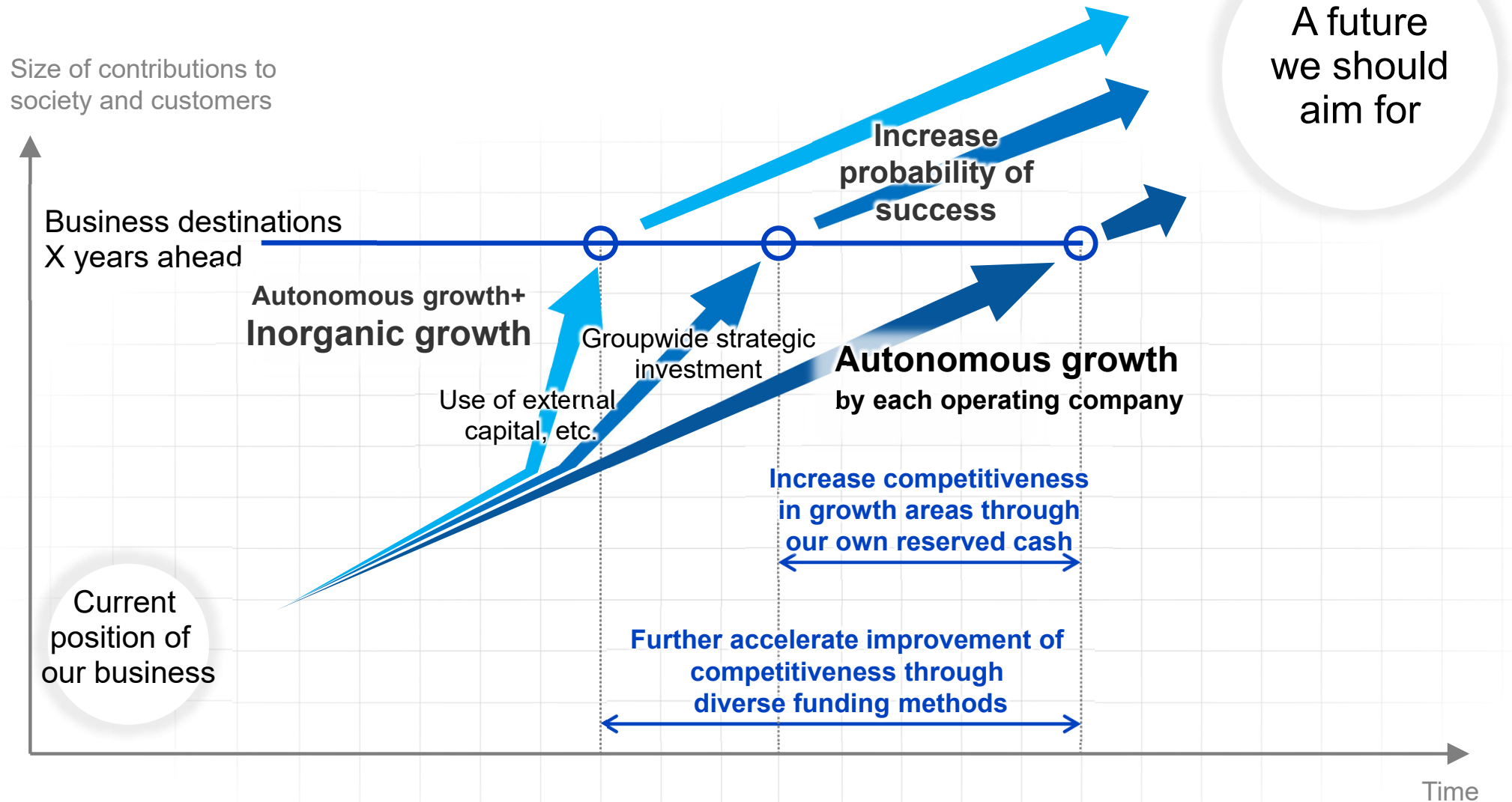
Medium term **Operational capability**

Responsiveness to
changes in supply chains

Create contributions to the industry
of each Group business

**Turn the two wheels of optimum strategy and
operational capability to strengthen competitiveness**

Investment in Growth toward the Future We Aim for



The holdings company will allocate capital to facilitate inorganic growth of operating companies, which cannot be achieved merely through their own investment capabilities

Increase Competitiveness in Supply Chain Management (SCM) Business

Eliminate wastefulness & stagnation in the entire supply chain
Reduce environmental burdens through lower energy use

SCM business conditions

- Drastic change in competitive environment

Growing demand for solutions to optimize complicated supply chains and to meet more diverse customer needs

Tougher competition in markets with high growth potential, and increased global mobility of human resources in software

- Accelerated cloud migration

Ratio of cloud migration in this industry is about 10%*, promising great business opportunities

Areas of social contributions can be expanded through speedy investments

Start preparations toward the stock exchange listing of SCM business to accelerate its global growth by utilizing the capital markets

* In-house research based on various information, including market data

Basic policy on stock exchange listing of individual businesses

Determine Groupwide capital policies flexibly to achieve growth and stay responsive to changes in business and competitive environments

Aims for stock exchange listing of an individual business

- **Gain unrivaled competitiveness quickly**
Invest in businesses that must grow inorganically
- **Make a business grow as a Group pillar**
In stock exchange listing a business as a public company, Panasonic HD* will be majority shareholder
- **Make enterprise value properly evaluated by capital market**
Visualize fair enterprise value to Panasonic HD* shareholders

Increase the Group's enterprise value by achieving growth that surpasses the market's expectations

*Panasonic Holdings Corporation

Growth Strategy for Supply Chain Management Business

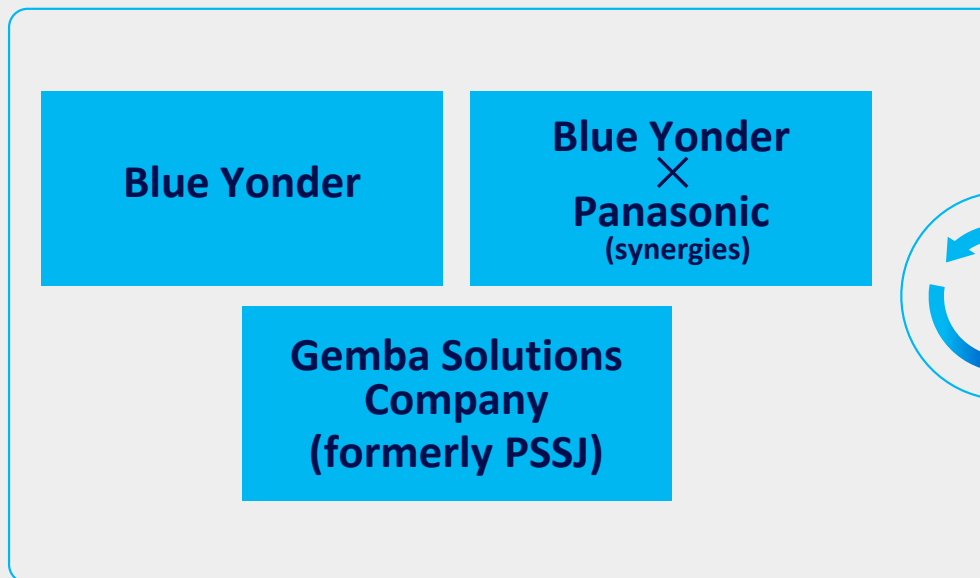
Yasuyuki Higuchi, CEO
Panasonic Connect Co., Ltd.



Panasonic Connect strategy (est. April 1, 2022)

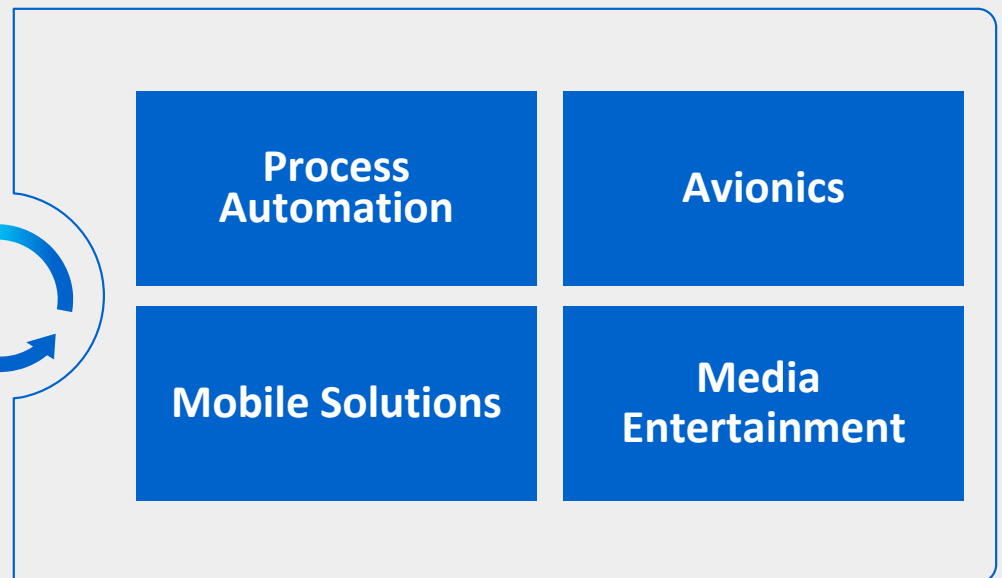
Enhance corporate value through two axes of Growth and Core Businesses

Growth Business (software based)



Software solutions business expected to generate high profit and high growth through aggressive investment

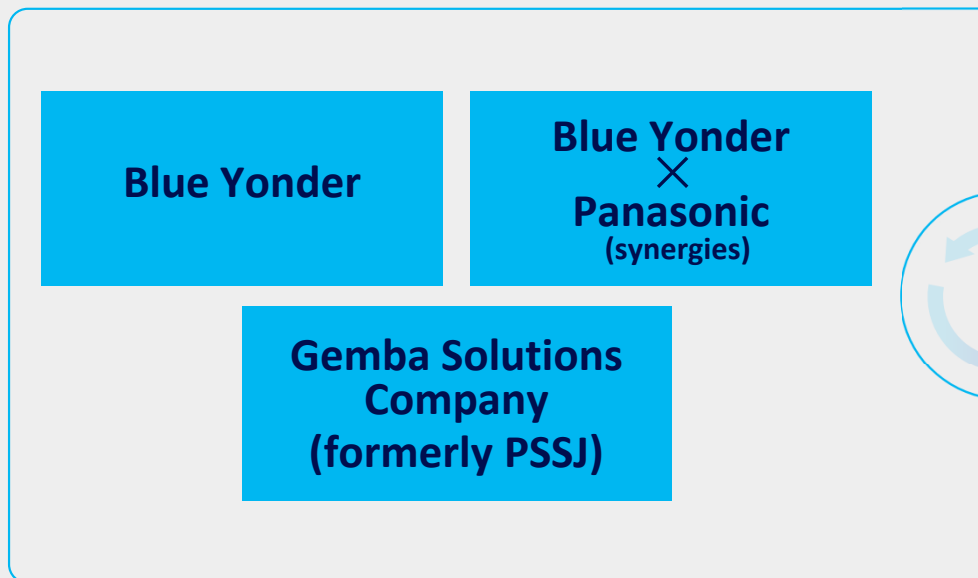
Core Business (hardware based)



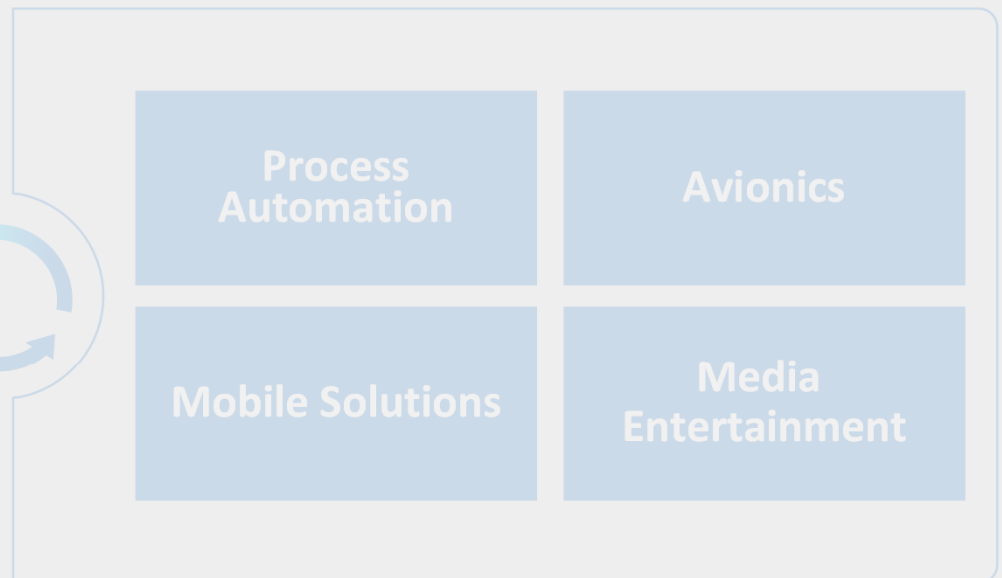
Businesses (hardware) that have grown within the conventional Panasonic framework and which can continue to earn profit in the future

Focus on growth in supply chain management (SCM) business

Growth Business (software based)



Core Business (hardware based)



Software solutions business expected to generate high profit and high growth through aggressive investment

Businesses (hardware) that have grown within the conventional Panasonic framework and which can continue to earn profit in the future

Defined and focused on SCM business centered on Blue Yonder

Preparations for stock exchange listing of SCM business

Listed company will consist of the business centered around Blue Yonder and complementary software and solution capabilities from Panasonic Connect's Gemba Solutions Company(*1) and such capabilities from Technology Research & Development Division(*2), etc.. This organizational structure will enhance solution competitiveness and corporate value.

SCM business



- Cloud-based platform that covers all areas of the supply chain
- Customer base of over 3,000 companies in Europe and the US
- AI/machine learning technology (number of patents that maintain competitive advantage)



Gemba Solutions Company*1

- Gemba solutions
- Industrial engineering
- Japanese customer base

Technology Research & Development Div.*2

- Sensing & IoT technologies / AI computing
- Edge devices

Business expansion

Business expansion

Blue Yonder and Panasonic to maximize value of SCM business

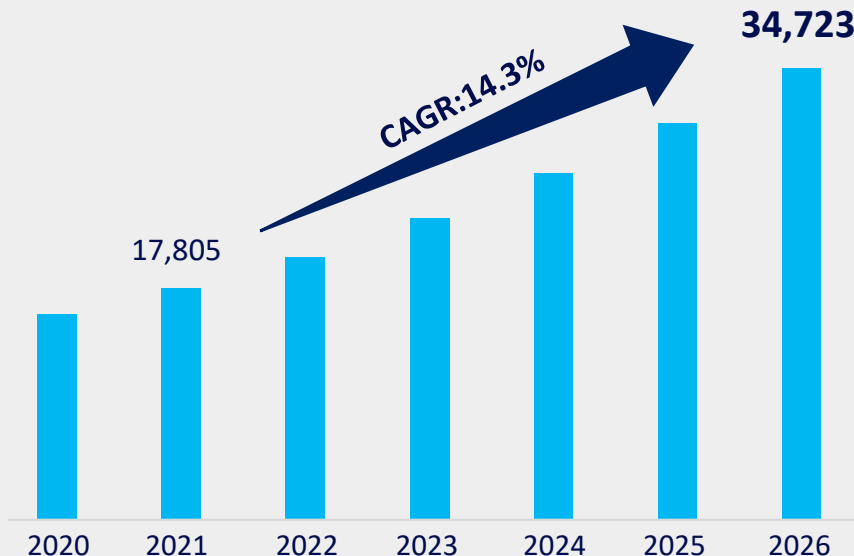
Rapid expansion of SCM business market

- Increasing corporate awareness of SCM and accelerating growth in the SCM software market
- SaaS that can be introduced according to various issues, cloud computing will be in full swing in the future
- Increased investment by each company aiming for business opportunities in high-growth markets

SCM software market

Expected to grow to about twice the size by 2026
(compared to 2021)

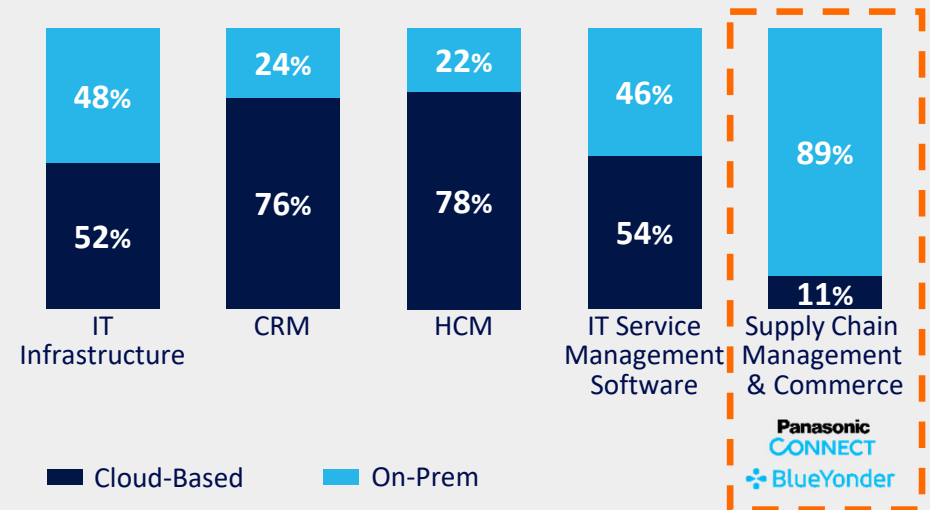
Supply Chain Management Software Market ,Worldwide*¹
(Revenue in Millions U.S. Dollars)



*1 The graph was created by Panasonic Connect Co., Ltd. based on Gartner Research.
Source: Gartner®, Forecast: Enterprise Application Software, Worldwide, 2020-2026, 1Q22 Update
Amarendra, et al., 30 March 2022.
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SaaS percentage by IT solution

Move to cloud in SCM software industry is expected to expand SaaS business by about 10% in the future*²



*2 our research from market data etc.

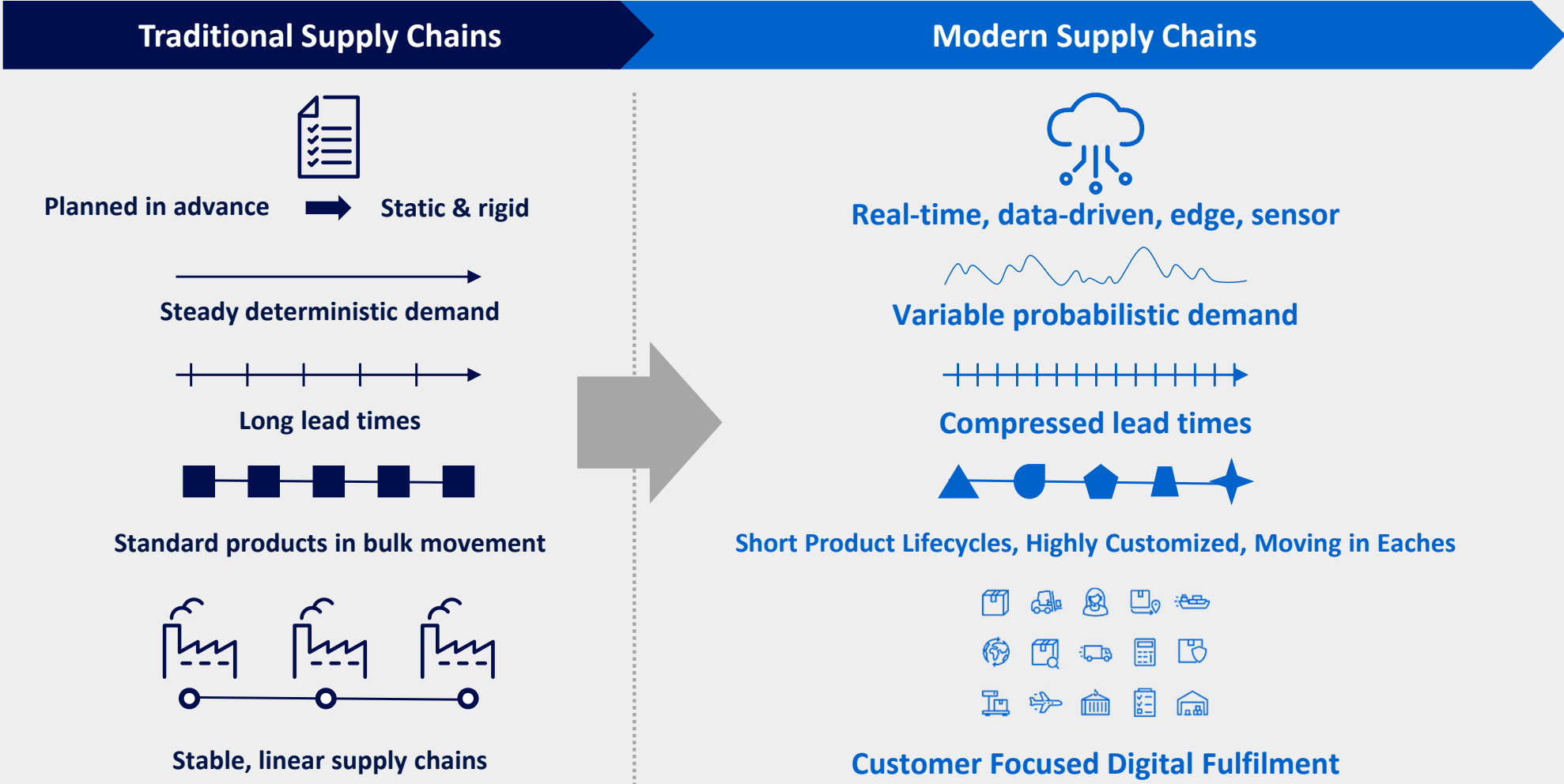
Inflow of capital in the growing SCM area

\$24.3B

(2021 results based on estimate of our research from market data etc.)

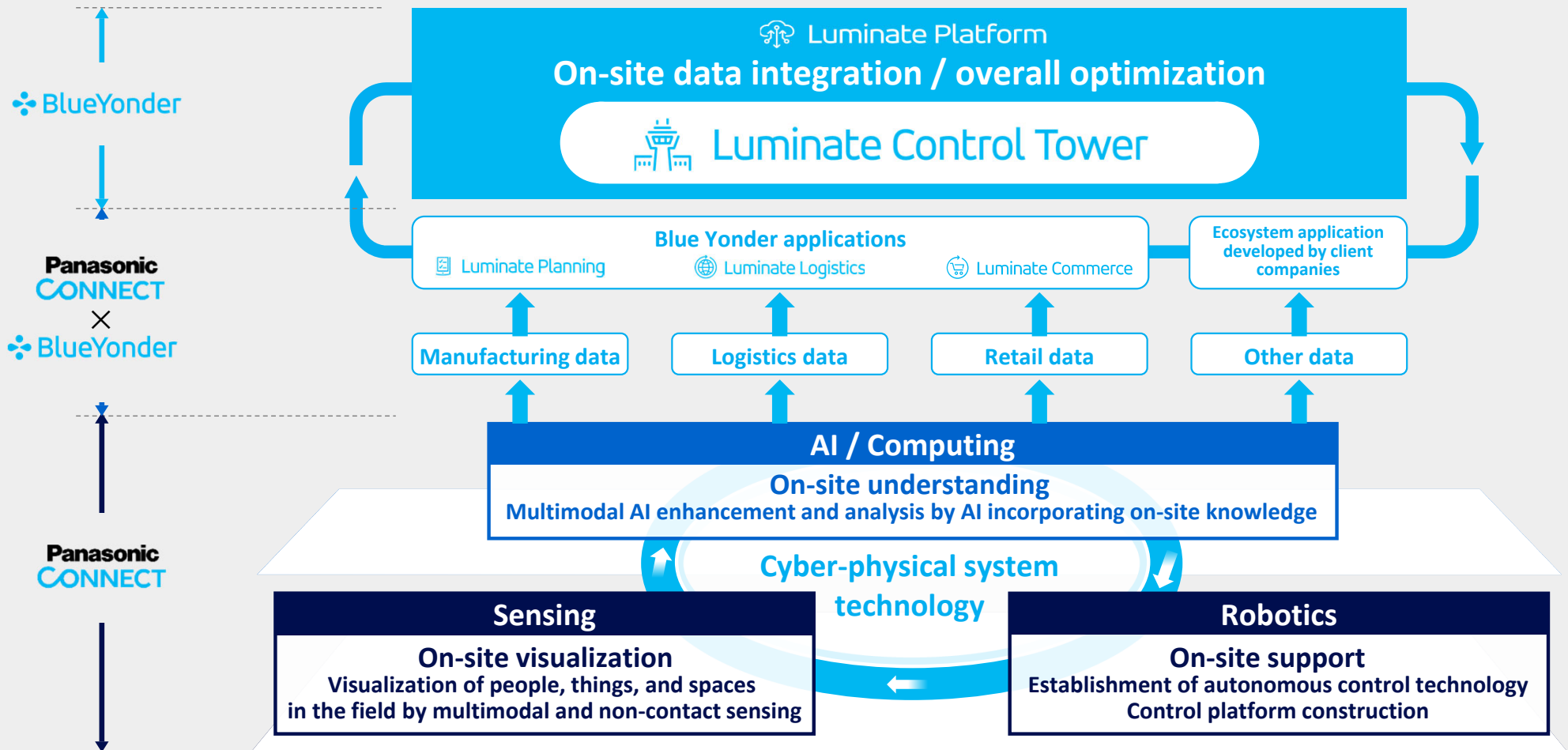
Corresponding to the modern supply chain

External environment surrounding supply chain has changed significantly.
As a result, urgent need to deal with the complexity of the supply chain.



Aim of SCM business: Autonomous Supply Chain

- Achieve overall optimization with an end-to-end solution that captures on-site information in real time
- Build an overwhelming position by providing unique solutions that cannot be imitated by competitors



SCM Business Growth Strategy: Global Growth Plan

Achieve high growth and high profits globally by leveraging the strengths of the Panasonic Group to differentiate ourselves

SaaS Business Growth

 BlueYonder



Further refine Blue Yonder's strengths by strengthening R&D and investing in M&A, and steadily grow the SaaS business in Europe and United States

Add value to SaaS by linking on-site data

Panasonic Group ×  BlueYonder



Combine Panasonic's technology and gemba optimization solutions to build a real-time feedback loop and realize efficient SCM

Through expansion within the Panasonic Group and to Japanese customers, thoroughly refine Blue Yonder's solutions, aim for horizontal expansion and scale globally

Capture white space in Japanese market

Panasonic Group ×  BlueYonder



SaaS sales growth in Japan by leveraging Panasonic's customer base and brand power

Areas to strengthen R&D and M&A investments

Investing in Blue Yonder's solutions development

- Expansion of micro-services, strengthening of cooperation with services by other companies



Enhanced end-to-end coverage in the supply chain

- e-commerce last mile, strengthening supply chain network



Strengthen Luminate platform

- Enhancement of execution functions by linking cyber-physical systems



Promotion of next-generation AI / ML / DL / robotics platform

ML: machine learning; DL: deep learning





**SUPPLY
CHAINS**
save the
WORLD



Panasonic