

Fiscal 2023 Full-Year Financial Forecast and Medium- to Long-term Strategy

June 1, 2022

Kazuo Tadanobu, President and CEO
Panasonic Energy Co., Ltd.



* Yarushika

“Yarushika” is the symbol of our mission: Achieving a society in which the pursuit of happiness and a sustainable environment are harmonized free of conflict.

Notes:

1. This is an English translation from the original presentation in Japanese.
2. In this presentation, “Fiscal 2023” or “FY23” refers to the year ending March 31, 2023.

Agenda

1

Contributions to Society

2

**Fiscal 2022 Results and
Fiscal 2023 Full-Year Financial Forecast**

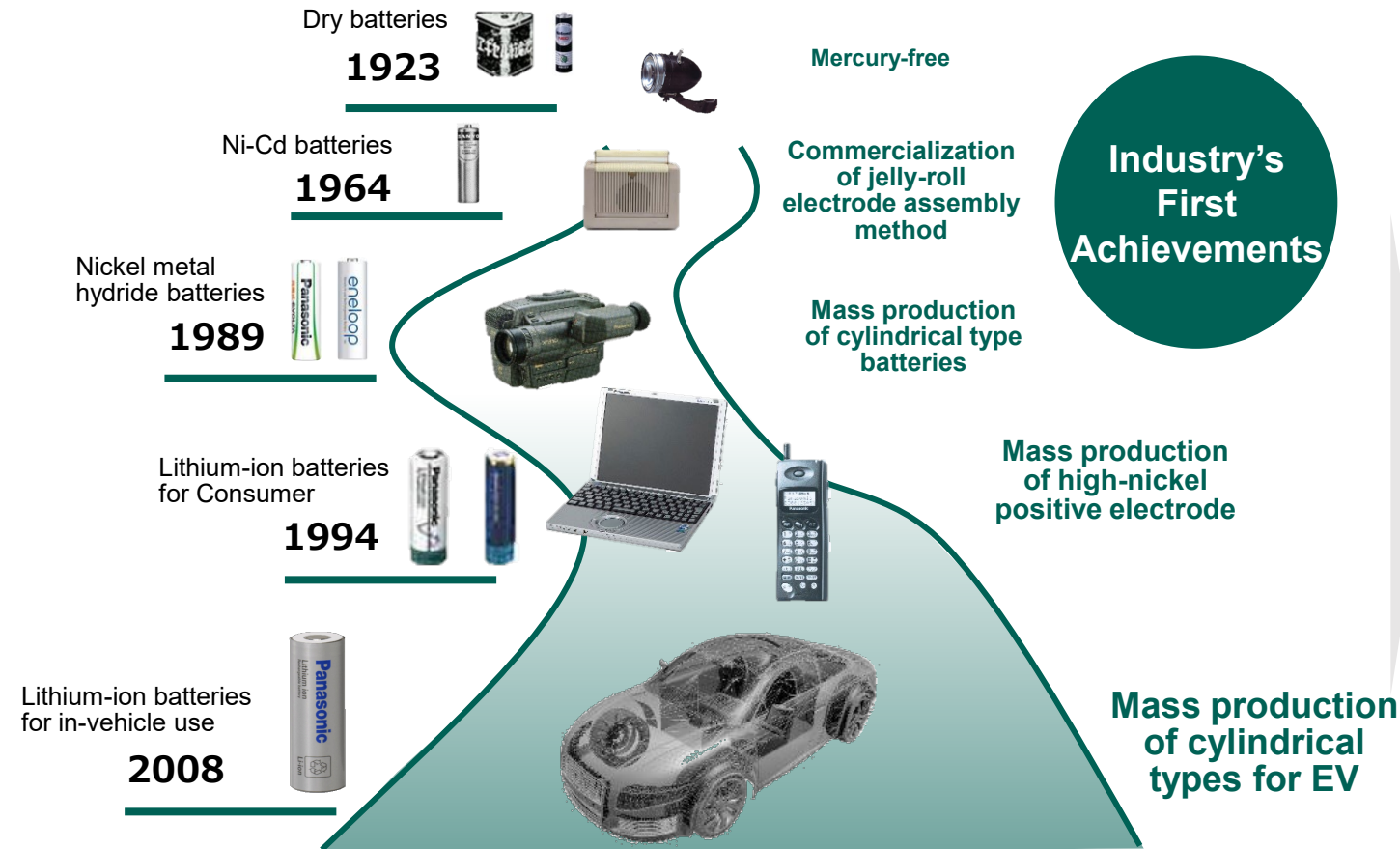
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Medium- to Long-term Strategy

1-1. Battery History and Strengths of Our Company

• Drive and enhance the creation of enriched lifestyles and convenience of society as a leading battery company

● Our history



● Our strengths

<p>Technology</p>	<p>Intellectual property in material development and manufacturing</p> <p>Number of patents held by our company: 7,500</p>
<p>Market creation</p>	<p>Strategic relationships with customers</p> <p>Ability to solve customer problems</p> <p>Products with a high market share</p>
<p>Performance and trust</p>	<p>Brand with highly trusted performance</p> <p>Automotive LIB: Zero recall*</p>

* Recall attributable to batteries

1-2 : The Value of Panasonic ENERGY

Be ENERGY to change the future with
No. 1 environmental & safety battery performance and environmental impact reduction

● Our Mission, Vision, and Will



● Approach to realize our Mission

Pursuit of human happiness

Maximize contribution to society

Environmental performance

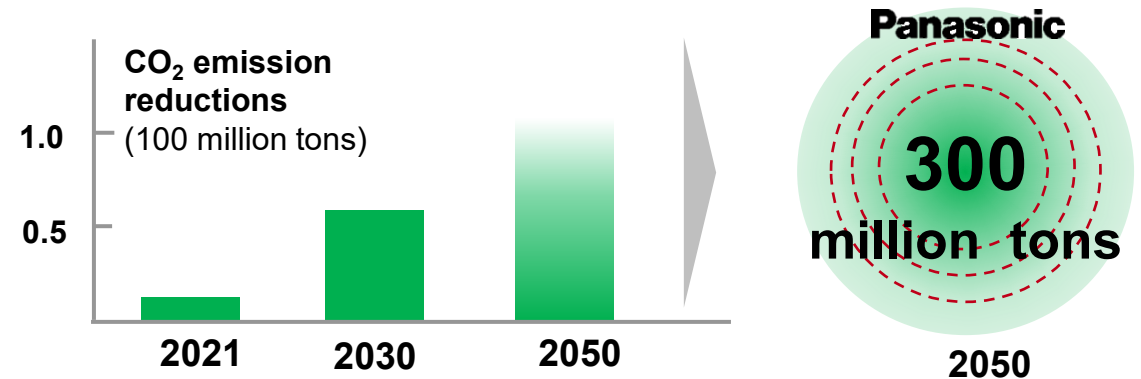
Quality & Safety

Harmony with the environment

Minimize environmental impact

Environmental Supply Chain

Drive Panasonic GREEN IMPACT through our business

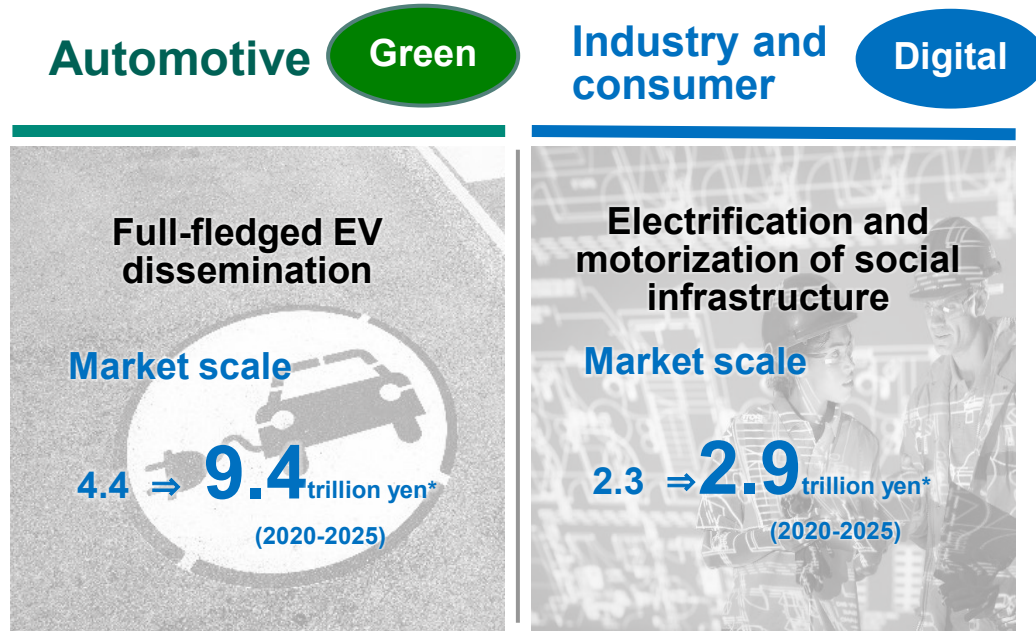


1-2. Business Scope and Contributions

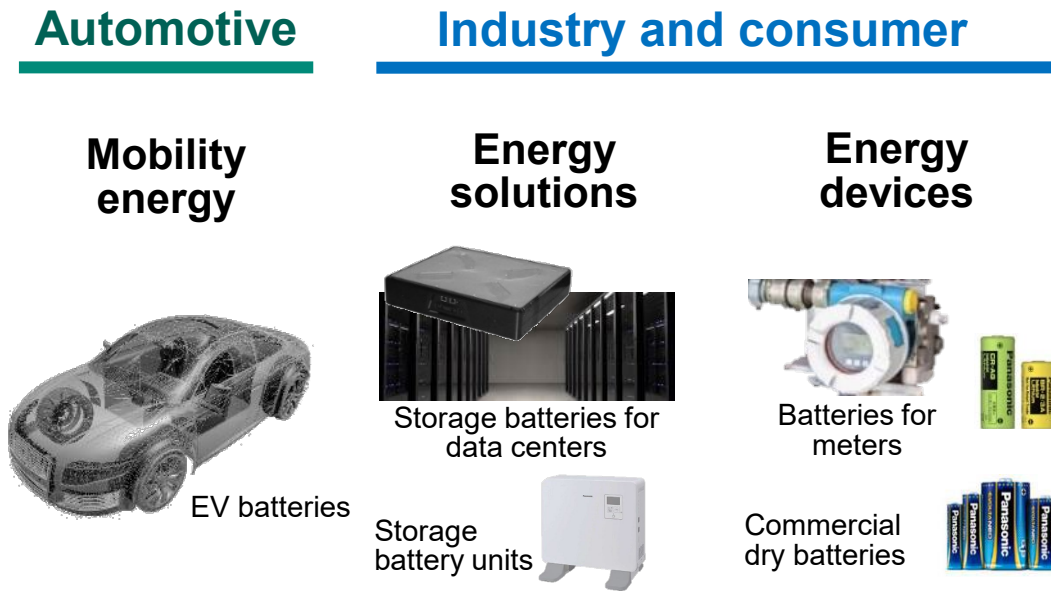
- Focus on green and digital fields, and maximize our contributions to society with diverse batteries and technologies

Business Scope • Focus on environmental issues and areas where our strengths can be utilized

- Our company's contributions**
- Reduce CO₂ emissions by supporting electrification of mobility
 - Establish a safe and secure social infrastructure that will not be disrupted even in times of emergency
 - Create convenient and comfortable lifestyles with environment-friendly batteries



*Fuji Keizai Co.,Ltd.,2022 Battery-related Market Fact-Finding Survey



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Medium- to Long-term Strategy

2-1. Fiscal 2022 Financial Results

- Both sales and profits increased led by the expansion of the automotive business, and improved profitability in the industrial and consumer businesses. As a result, **EBITDA significantly improved**

Financial performance

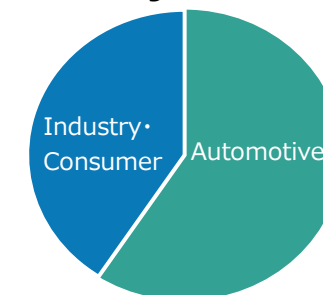
(yen: billions)	FY2022 results	vs. FY2021/ Difference	vs. forecast/ Difference	Details and factors
Sales	764.4	+27%	-1%	-
Automotive business	468.4	+45%	-	Against the backdrop of robust demand, the start of a new production line in North America contributed to the increase
Industrial and consumer businesses	296.6	+8%	-	Storage battery systems and lithium primary batteries for B2B achieved growth
Operating profit (%)	64.2 (8.4%)	+30.7	+3.2	Increased sales profit, rationalization (productivity improvement, market conversion)
EBITDA (%)	120.5 (15.8%)	+33.7	+3.5	-

Environmental performance

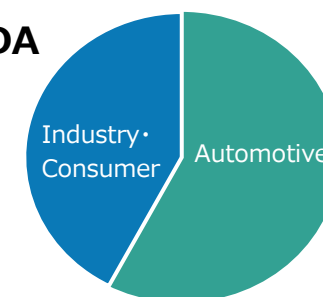
[10,000 ton-CO ₂]	FY2022	FY2021 Difference	Details and factors
CO ₂ reduction through products (Automotive Business*)	1,287	+448	Increased sales of batteries for EVs
Our CO ₂ emissions (Scope1,2)	45	-1	Carbon neutral activities in China and Thailand factories

Breakdown by subsegment

Sales



EBITDA



*Converted from CO₂ reduction per EV vehicle trip (172 g/km)

2-2. Fiscal 2023 Full-Year Forecast

- Sales will increase by expanding batteries for automotive and social infrastructures
- Impacts of material prices hikes were recouped by price revisions, rationalization efforts and increased sales, but profits will decrease due to investments for the future

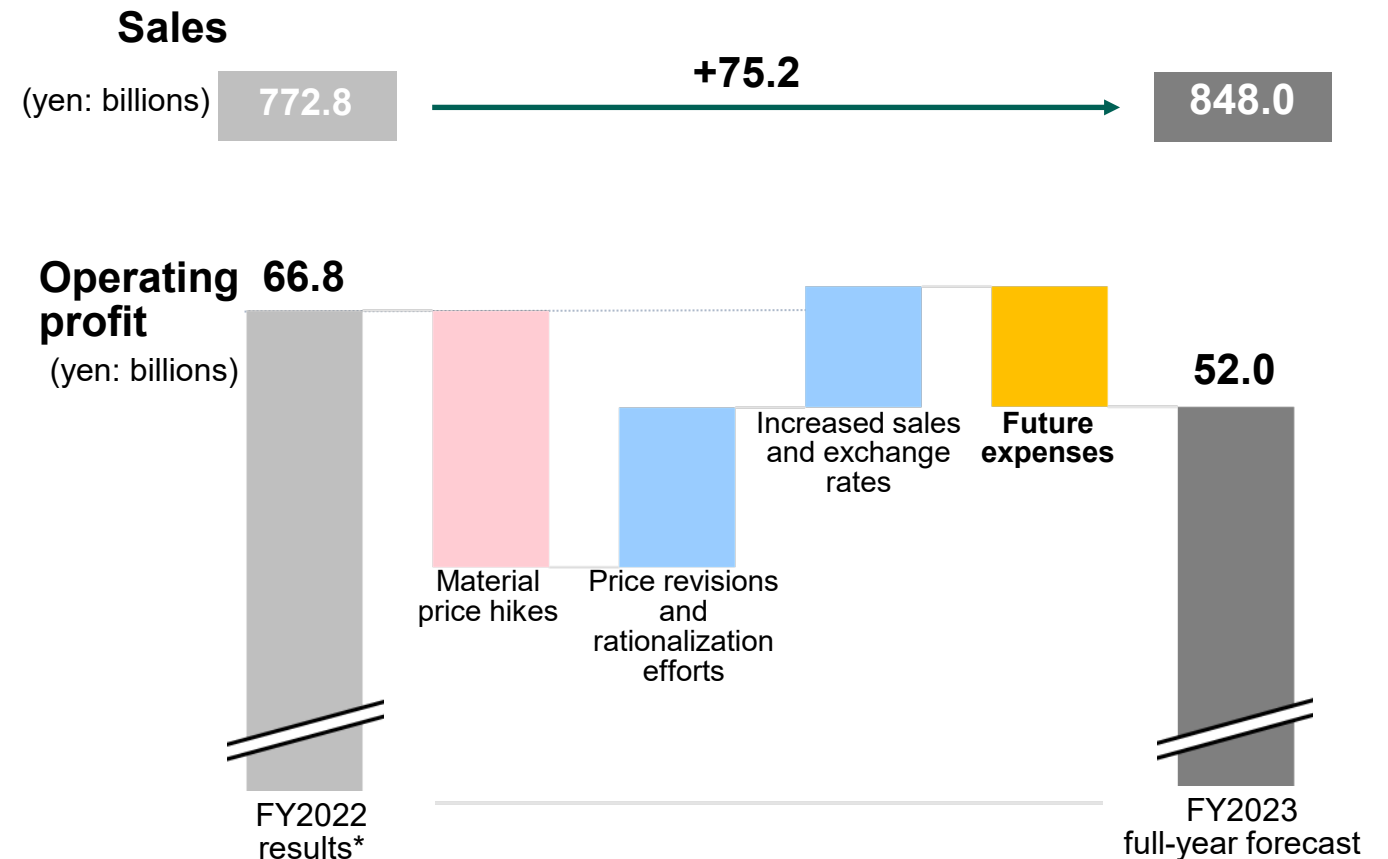
■ Financial performance

(yen: billions)	FY2023 full-year forecast	vs. FY2022/ Difference*
Sales	848.0	+10%
Operating profit (%)	52.0 (6.1%)	-14.8
EBITDA (%)	112.0 (13.2%)	-11.0

* Comparisons with the restated fiscal 2022 results
(Consolidation with the consumer business and Japanese sales companies)

■ Environmental performance

[10,000 tons-CO ₂]	FY2023 Plan	FY2022 Difference
CO ₂ reduction through products (Automotive Business)	1, 505	+218
Our CO ₂ emissions (Scope1,2)	54	+9



* Restated results
(Consolidation with the consumer business and Japanese sales companies)

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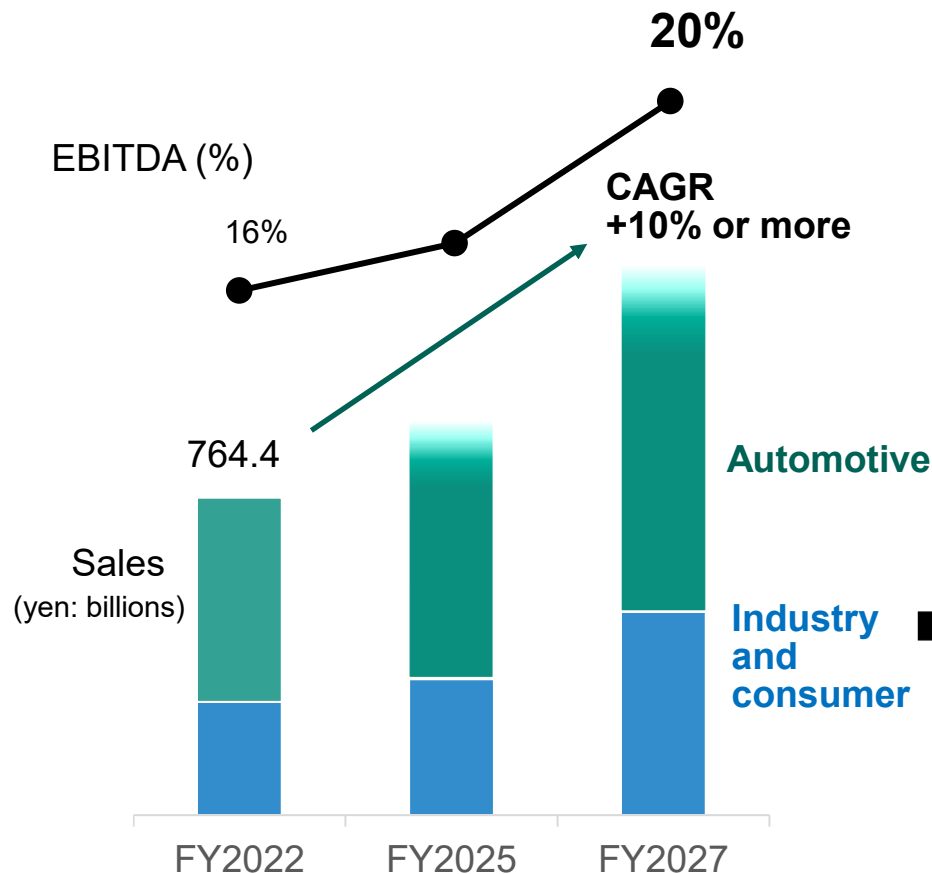
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Medium- to Long-term Strategy

3-1. Overall Concepts of the Medium- to Long-term Strategy

- To achieve **sustainable growth**, implement the management based on two pillars: "the growth potential" in automotive business, and "profitability" in the industrial and consumer businesses
- **Lead the way in building a sustainable social environment through environmental contribution activities**

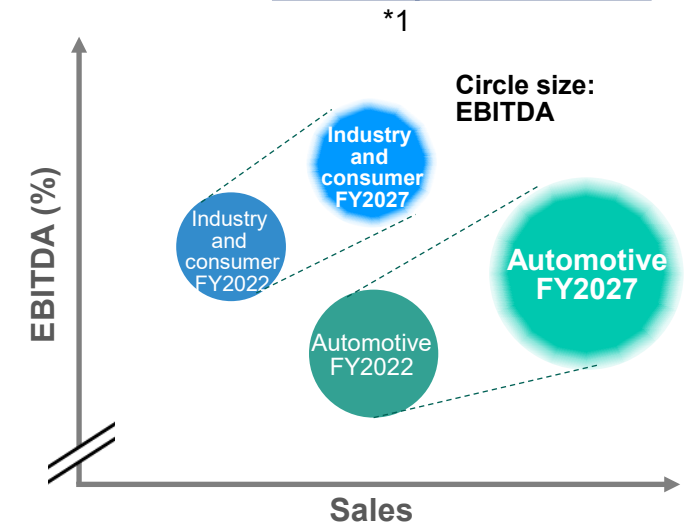
Financial Goals



Management based on the two pillars

Automotive	Sales growth driver
<ul style="list-style-type: none"> • Deploy the proven cylindrical battery platform • Commercialize next-generation products 	
Industry and consumer	Profitability driver
<ul style="list-style-type: none"> • Maximize provided value with battery-applied systems • Upgrade supply systems 	

KGI **EBITDA**



Contributions to the environment

Promote measures to reduce CO₂ emissions and address resource issues

- Ensure that all our factories are carbon neutral by fiscal 2029
- Develop low CFP materials and optimize supply chains

KGI **CFP** *2

*1 Key Goal Indicator

*2 Carbon footprint

3-2. Our Achievements (Automotive Business)

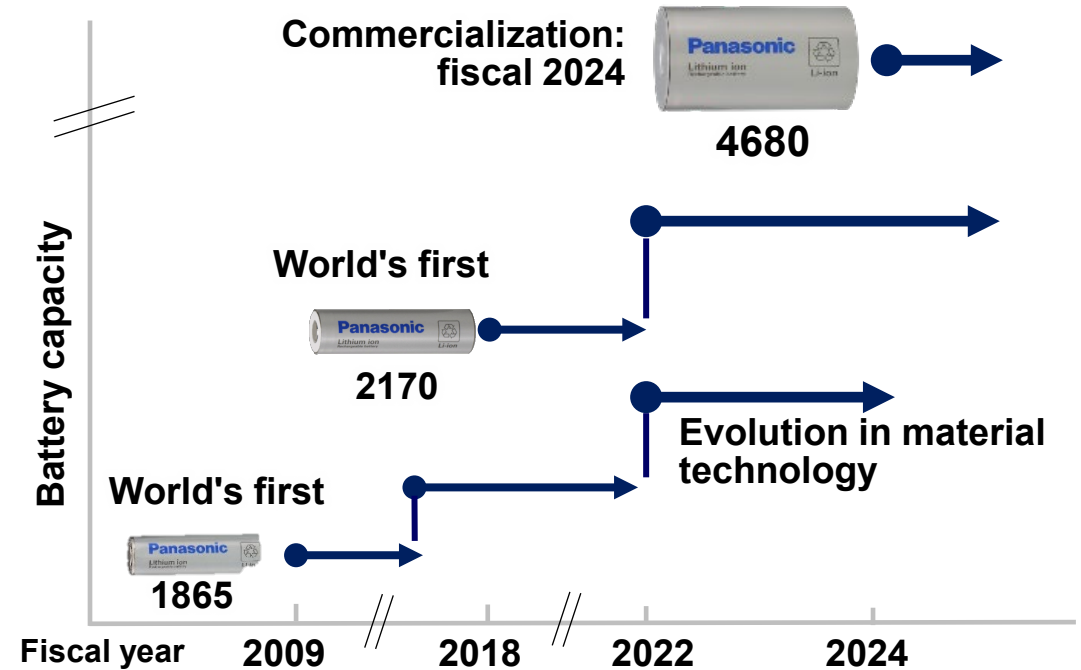
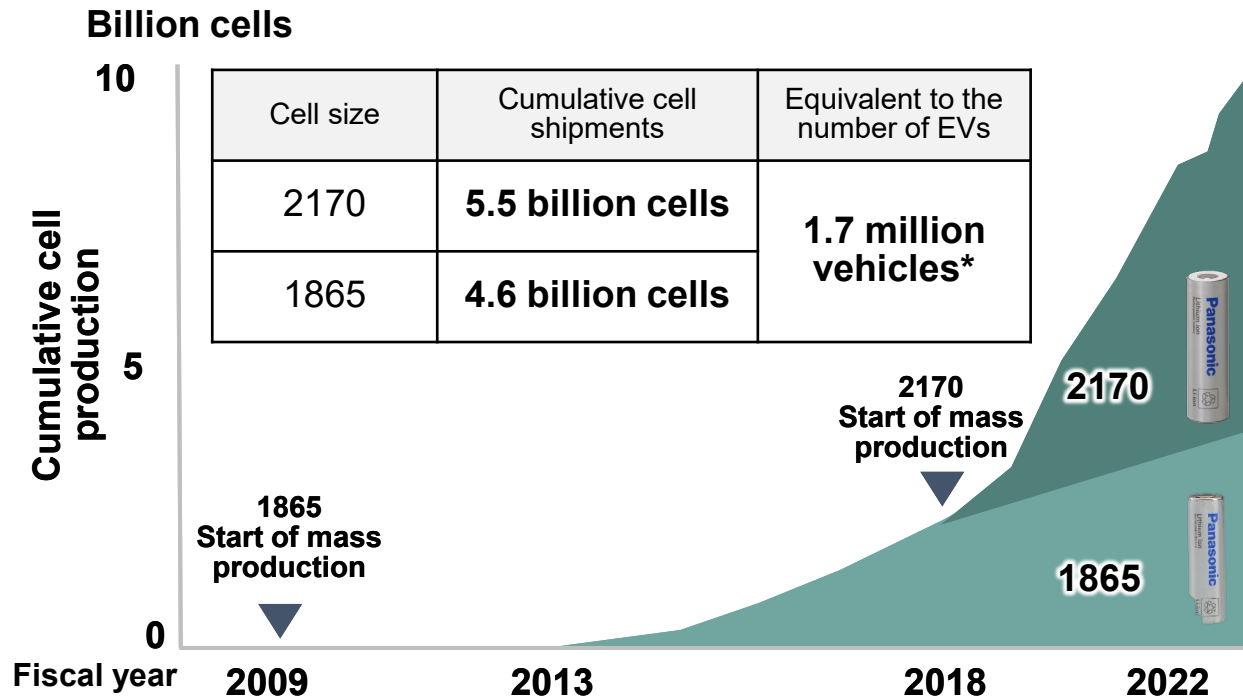
- Supplied a cumulative total of over ten billion cells of high-reliability cylindrical lithium-ion batteries
- Led the industry and contributed to the evolution of EVs through the development of cylindrical battery platforms and high capacity batteries

■ Shipment records (until fiscal 2022)

- Supplied cylindrical batteries equivalent to 1.7 million EVs to the market (No. 1 market share in North America)
- No critical problems or recalls occurred

■ Evolution of automotive lithium-ion battery technology

- Led the evolution as a pioneer in the development of advanced technology



* Estimated by Panasonic ENERGY

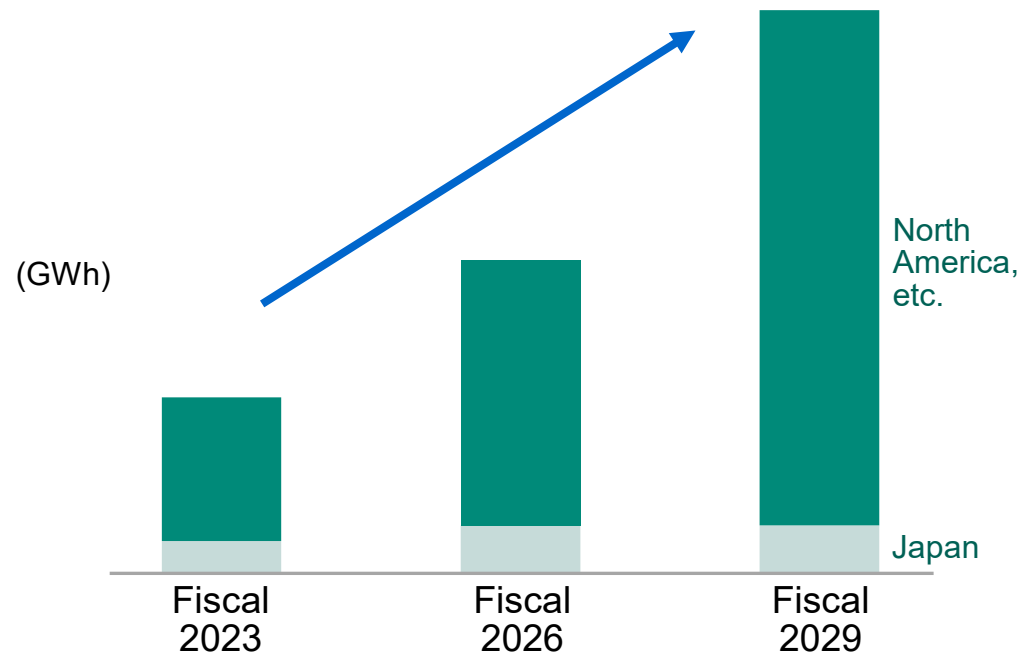
3-3. Business Strategy (Automotive Business)

Outline

- **The initial focus is on the North American market**, in which we are able to leverage our strengths (high capacity) and have a strong business foundation
- Strengthen the business foundation for cylindrical batteries by **sales promotion of the time-proven 2170 cells and commercialization of the 4680 cells**



Regional strategy

- **Increase the production capacity in North America** to meet the robust demand



Product and customer strategy

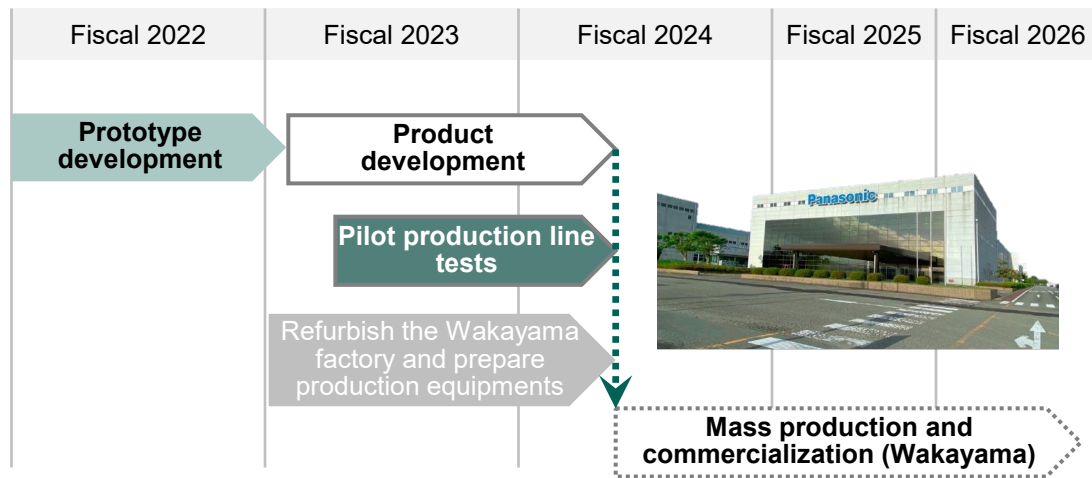
- Strengthen partnerships with **customers who appreciate the performance and safety of cylindrical batteries**

	Products	Customers
	<ul style="list-style-type: none"> • Improve productivity • Continuously improve performance by introducing new technologies 	<ul style="list-style-type: none"> • Promote the cells to new customers • Increase supply to strategic partners
	<ul style="list-style-type: none"> • Commercialize the cells from fiscal 2024 	<ul style="list-style-type: none"> • Start supplying the cells to strategic partners ahead of competitors

3-4. Commercialization of the 4680 Cells (Automotive Business)

- **Manufacture and commercialize** the high-capacity 4680 cells at the **Wakayama factory in Japan** and supply them to the North American Market (from fiscal 2024)
- Assess manufacturing and operations at the Wakayama factory and supply the cells to the North American market (Plan)

■ Schedule and progress



Progress

- **Completed prototype development and started operating the pilot production line** (in the end of May)
- **Started to deliver samples to customers**
- **Started to refurbish the Wakayama factory and prepare production equipments**

Proceeding as planned

■ Actions

1. Technology development

- Develop new technologies and manufacturing methods to ensure high reliability and performance

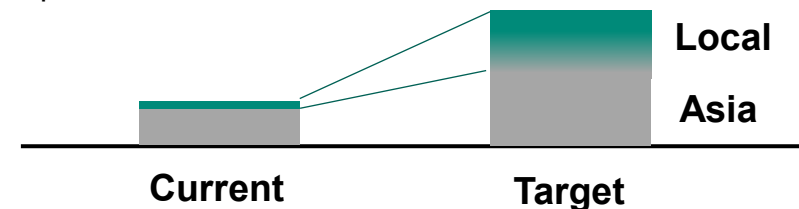
2. Manufacturing and operations

- Establish a manufacturing/production system based on global operations at the Wakayama factory

3. Supply chain

- **Multi-sourcing of raw materials, increasing local procurement rate**





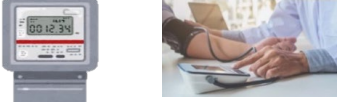

Regional breakdown of material procurement



3-5. Business Strategy (Industrial and Consumer Business)

Outline

- Promote social transformation toward digitalization and electrification with high-safety and high-reliability technologies.
- Maximize the value provided with our solutions based on our core cell technology cultivated over the years

Market scale (fiscal 2025)	Business opportunities	Products	Value provided	Sales growth rate (Fiscal 2022 - fiscal 2025)
85 billion yen	 <p>Data centers</p> <ul style="list-style-type: none"> • Stable operations 24 hours a day, 365 days a year • Data integrity 	 <p>Backup power supply systems</p>	<p>High reliability, Safety and long life</p>	CAGR +20%
300 billion yen	 <p>Battery-assisted bicycles Construction and agricultural machinery</p> <ul style="list-style-type: none"> • Motorization for environmental considerations • Providing motorization know-how 	 <p>Battery packs and systems tailored to products</p>	<p>Development of the most suitable systems for each application</p>	CAGR +50%
140 billion yen	 <p>Smart-meters Medical devices</p> <ul style="list-style-type: none"> • Wide range of operating environments and conditions • Long-term reliability for over 15 years 	 <p>Primary batteries for B2B</p>	<p>Cells for different purposes/ Long-term reliability</p>	CAGR +7%

3-6. Enhancement Actions (Industrial and Consumer Businesses)

- Promote supply system enhancement and maximizing the value provided to meet new and strong demands

Supply system enhancement

■ Increase factory capacity to manufacture products for infrastructure and power equipment



Factory: Monterrey (Mexico), Tokushima (Japan)
 Products: Battery packs and modules, cells
 Start of operations: Fiscal 2024

Production capacity
x1.5 times

■ Increase production of primary lithium batteries for IoT



Factory: Wuxi (China)
 Products: Primary lithium batteries
 Start of operations: Second half of fiscal 2024

Production capacity
x2.7 times

■ Establish a next-generation dry battery factory

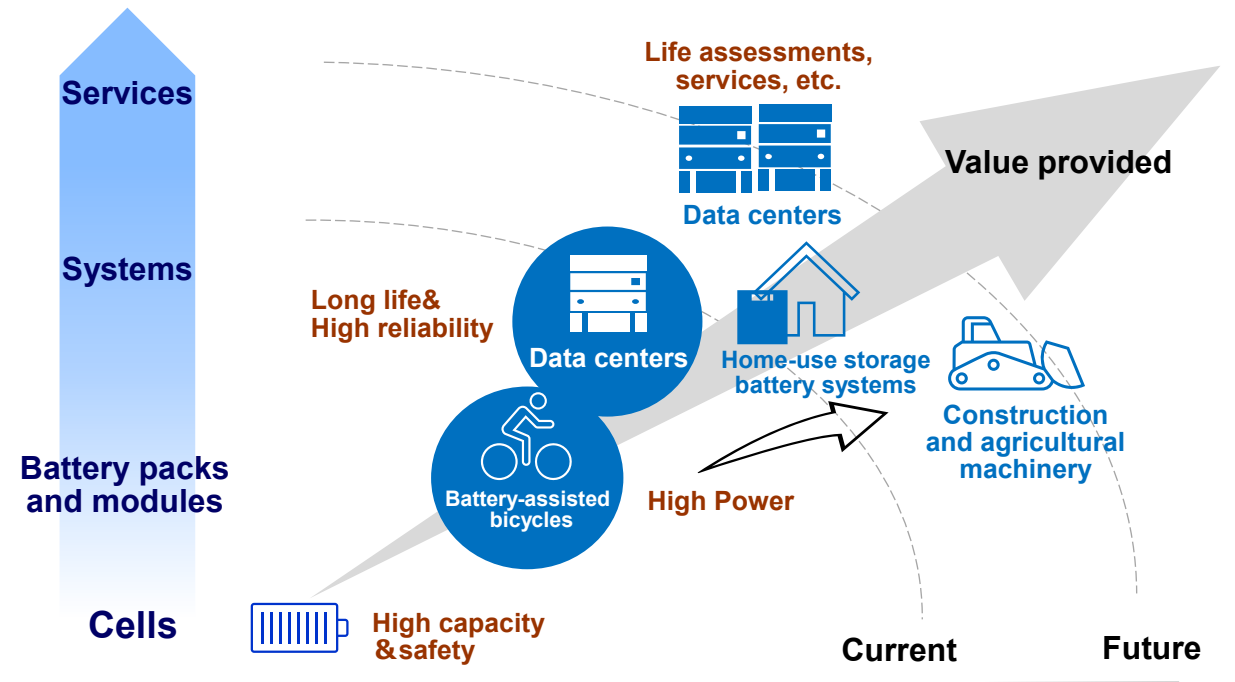


Factory: Nishiki-no-hama (Osaka, Japan)
 Products: Dry batteries
 Start of operations: First half of fiscal 2024

Smart factory

Maximizing the value provided

■ Shift to higher layers and expansion of applications



■ Strengthen organizational capability

System development

- Increase the number of R&D staffs

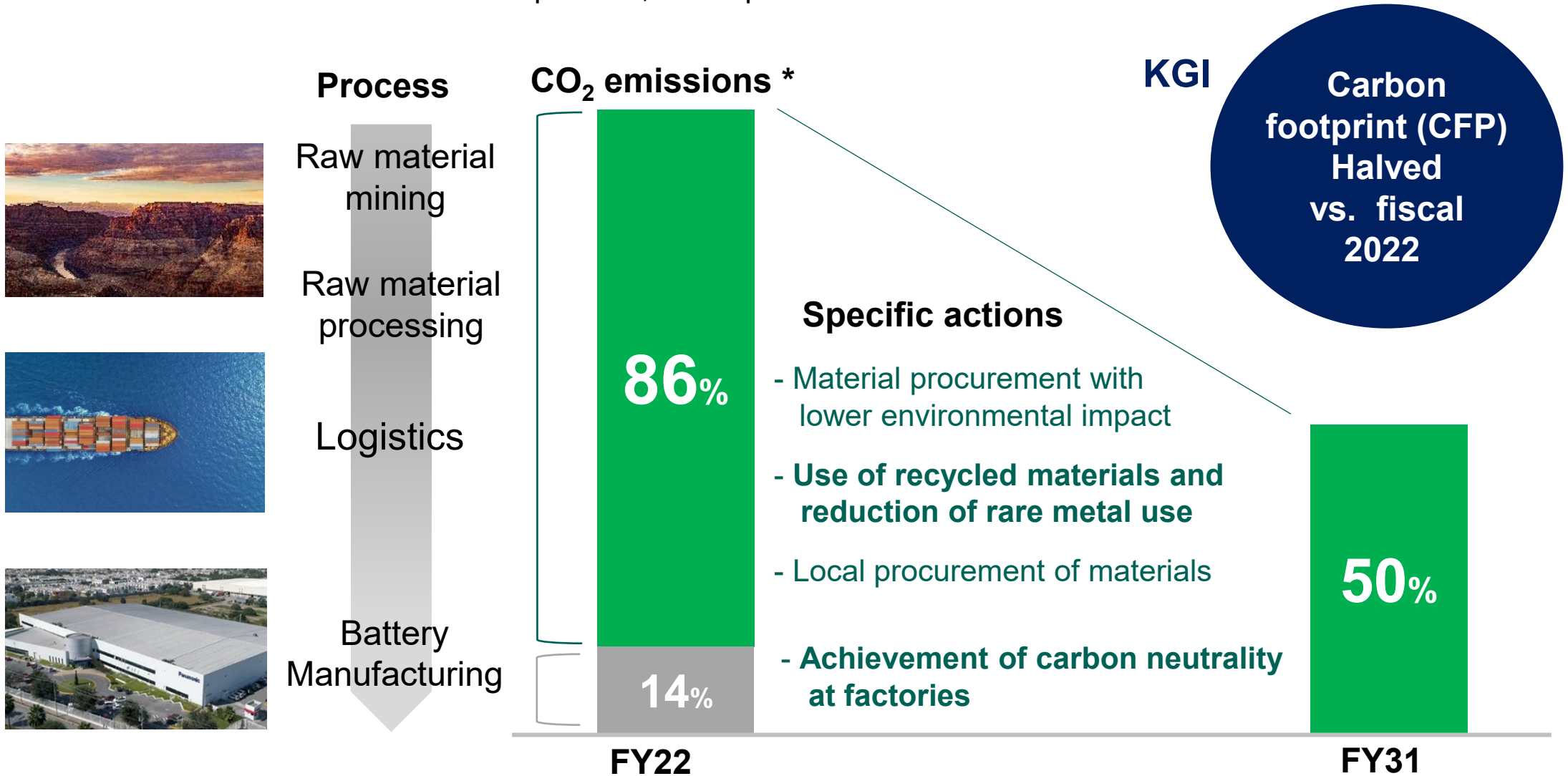
Sales and FAE*

- Enhance sales and FAEs members in the front lines

* FAE: Field Application Engineer

3-7. Contributions to the Environment

- Address environmental issues with each process, from upstream to downstream



*Independent estimation by Panasonic ENERGY
LIB for in-vehicle use manufactured in North American factory

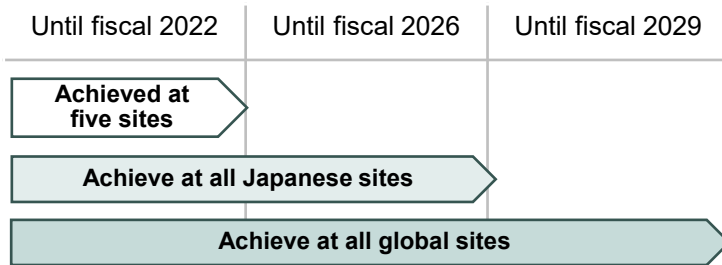
3-8. Efforts for Environmental Contributions

- Lead the industry in reducing CO₂ emissions by achieving carbon neutrality, developing low-CFP materials, and establishing a supply chain

Achievement of carbon neutrality at factories

Expand the scope to all sites by fiscal 2029

Carbon neutrality roadmap

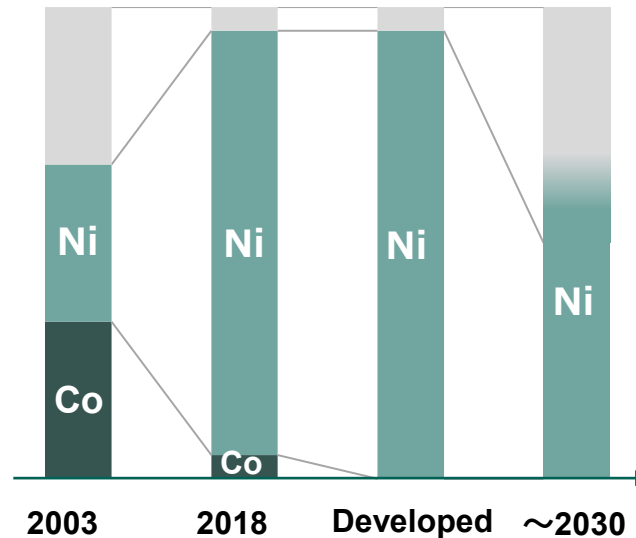


- Actions**
- Energy saving and manufacturing innovation
 - Use of renewable energy
 - Procurement of environmental credits

Reduction of rare metal use

Replace high CFP materials with Lower CFP materials (Promote cobalt-free and less-nickel)

Ratios of main metals used for the positive electrode



Establishment of low CFP supply chains

Reduce CO₂ emission in raw material processing

Development of processes based on industry-academia collaboration



Recycling of positive electrode materials and copper foil



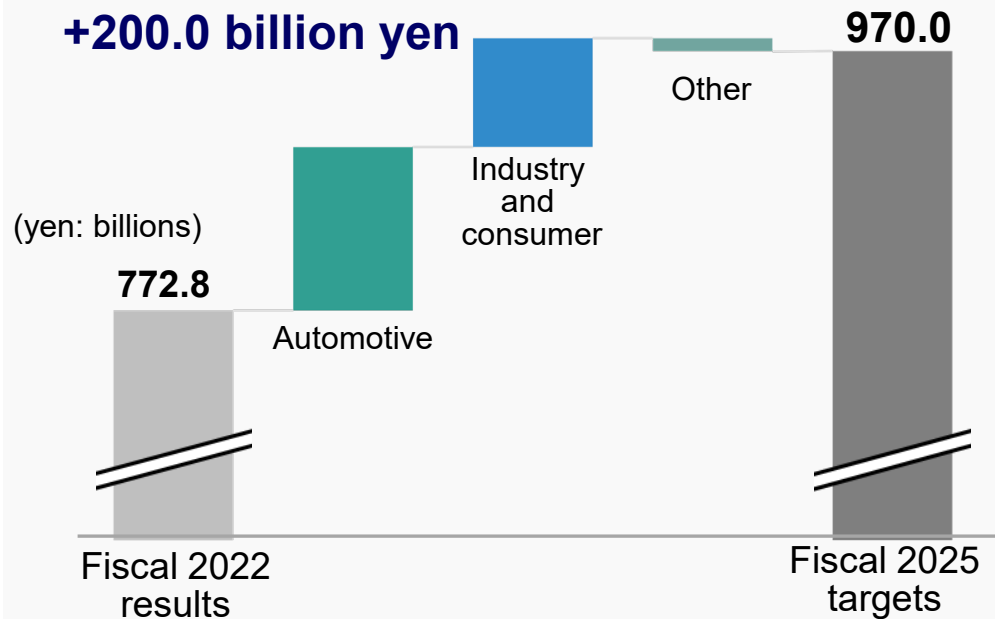
- Collaboration with external parties



3-9. Medium-term Management Targets

Financial Targets (~ FY25)

■ Sales (fiscal 2022 to fiscal 2025)



■ Operating profit (fiscal 2025)

87.0 billion yen
(+20.0 billion yen vs. fiscal 2022) **9%**

■ EBITDA (fiscal 2025)

150.0 billion yen
(+30.0 billion yen vs. fiscal 2022) **16%** **KGI**

■ Cumulative operating CF (fiscal 2023 to fiscal 2025)

330.0 billion yen

■ ROIC (fiscal 2025)

12%

Environmental Targets (~ FY31)

■ Carbon footprint

KGI

(FY31) **50% reduction vs. FY22**

■ Reducing CO₂ emissions through products

(FY31) **60 Mil. ton-CO₂** (x 5 times vs. FY22)

Panasonic ENERGY

Energy that changes the future.

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

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(Reference) Details of Each Business Whose Sales Are Disclosed

In-vehicle

Industrial / Consumer

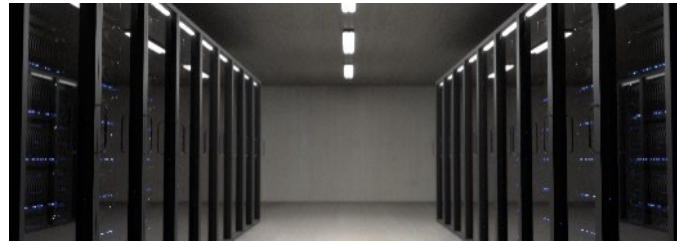
Mobility Energy Business Division

Energy Solutions Business Division

Energy Device Business Division



EV



Data center



Remote controller



Electric light



Cylindrical Li-ion batteries for in-vehicle use (1865)



Li-ion storage battery modules/systems



Dry batteries



Laptop PC



Battery assisted bicycle



Gas/water meter



In-vehicle e-Call



TPMS*

*Tire Pressure Monitoring System



Cylindrical Li-ion batteries for in-vehicle use (2170)



Li-ion batteries



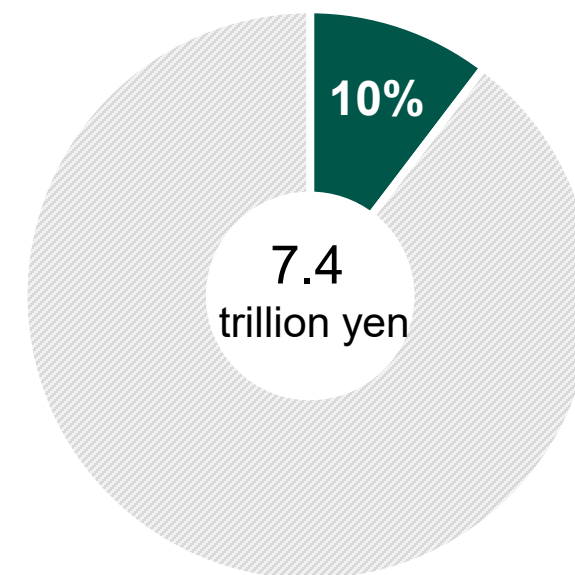
Lithium primary batteries / Nickel-metal hydride batteries

(Reference) Overview of Panasonic Energy Co., Ltd.

Head Office	1-1 Matsushita-cho, Moriguchi city, Osaka	Year of Foundation	April 2022
CEO	Kazuo Tadanobu	Number of Employees	About 20,000 (Japan 5,000, Overseas 15,000)

Business Divisions / Production Sites	Mobility Energy Business Division		Cylindrical Li-ion batteries for in-vehicle use	
	Japan	<ul style="list-style-type: none"> •SUMINOE Factory •WAKAYAMA Factory •PANASONIC ENERGY KAIZUKA CO., LTD. 	North America	•PANASONIC ENERGY OF NORTH AMERICA
	Energy Solutions Business Division		Li-ion batteries, Li-ion storage battery modules/systems	
	Japan	<ul style="list-style-type: none"> •SUMOTO Factory •TOKUSHIMA Factory •PANASONIC ENERGY HIGASHIURA CO., LTD. •PANASONIC ENERGY NANDAN CO., LTD. 	China	<ul style="list-style-type: none"> •PANASONIC ENERGY(WUXI) CO., LTD. •SANYO ENERGY(SUZHOU) CO., LTD.
			North America	•PANASONIC ENERGY MEXICO S.A. de C.V.
	Energy Device Business Division		Dry batteries, Lithium primary batteries, Nickel-metal hydride batteries	
	Japan	•MORIGUCHI Factory	North America	•PANASONIC ENERGY CORPORATION OF AMERICA
	Asia	<ul style="list-style-type: none"> •PANASONIC ENERGY (THAILAND) CO., LTD. •PT.PANASONIC GOBEL ENERGY INDONESIA 	South & Central America	<ul style="list-style-type: none"> •PANASONIC CENTROAMERICANA S.A. •PANASONIC DO BRASIL LIMITADA •PANASONIC PERUANA S.A.
	India	<ul style="list-style-type: none"> •PANASONIC ENERGY INDIA CO., LTD. •PANASONIC CARBON INDIA CO., LTD. 		

Sales Composition in the Panasonic Group (FY2022*)



* "FY2022" refers to the year ended March 31, 2022