

Panasonic

Medium- to Long-term Business Strategy

Electric Works Company(EW Company), Panasonic Corporation

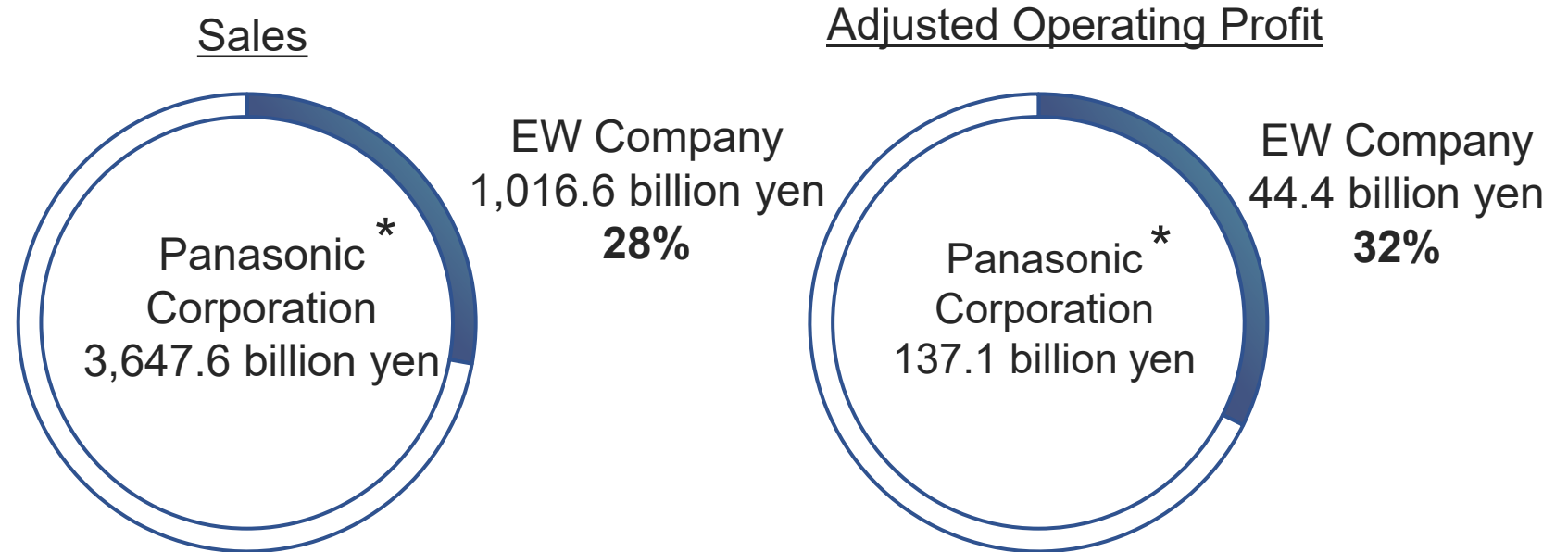
June 2, 2022

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.

1. Company Outline

Name	Electric Works Company, Panasonic Corporation (EW Company)
Person Responsible	Kiyoshi Otaki, President
Number of Bases	Japan: 5 factories, 76 sales offices, 36 associated companies (Production: 13 companies, Sales and other: 23 companies) Overseas: 16 associated companies (Distributing products in 109 countries and regions)
Number of Employees	Approx. 30,000 (EW alone in Japan: 8K, Consolidated companies in Japan: 11K, Overseas consolidated companies: 11K)

Position within
Panasonic Corporation
(Fiscal 2022 results)



* Results of the Lifestyle Updates Business Division

2. Review Based on Fiscal 2020 to Fiscal 2022 Mid-term Plan

Completed structural reforms to shift our focus to the electrical equipment business and developed a structure that enables us to compete in the market.

Through such efforts, achieved revised forecast for fiscal 2022 despite worsening business environment.

Completion of major structural reforms

- Transferred shares of the lighting device business in Europe and North America (Feb. 2020, Mar. 2021)
- Withdrew from solar cell production (Feb. 2021)
- Established a joint company for the town development business (May. 2019)

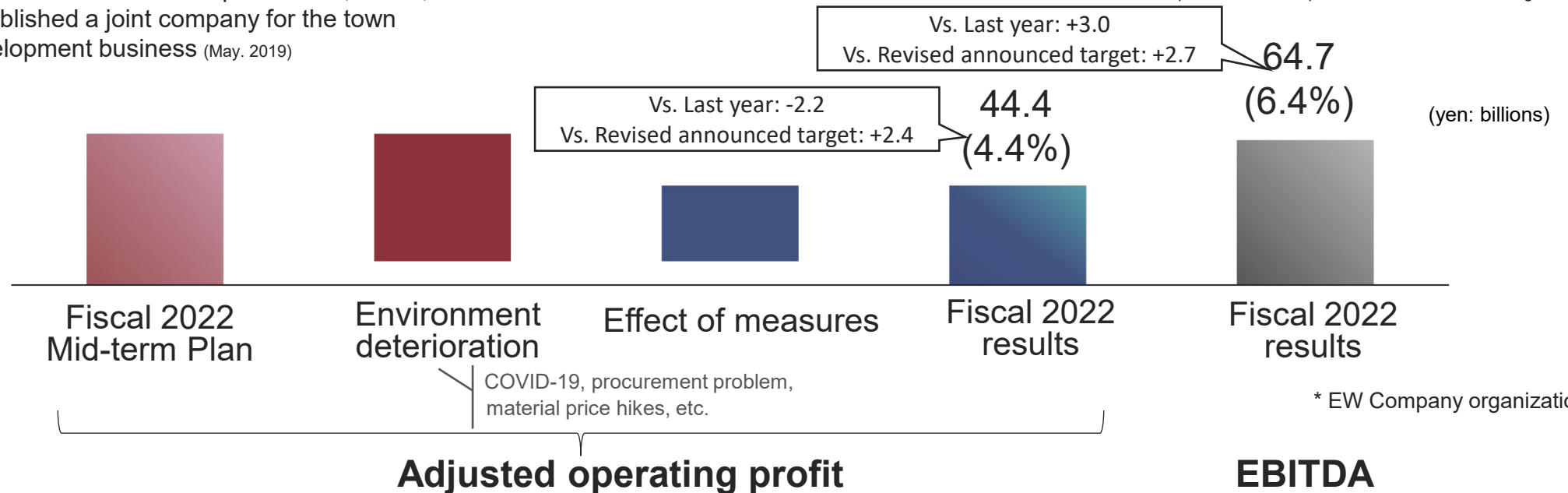
Promotion of measures to transform Japanese business models

- Launched the spatial solution business
- Opened worXlab (Dec. 2020)

Investments aiming to enhance overseas business

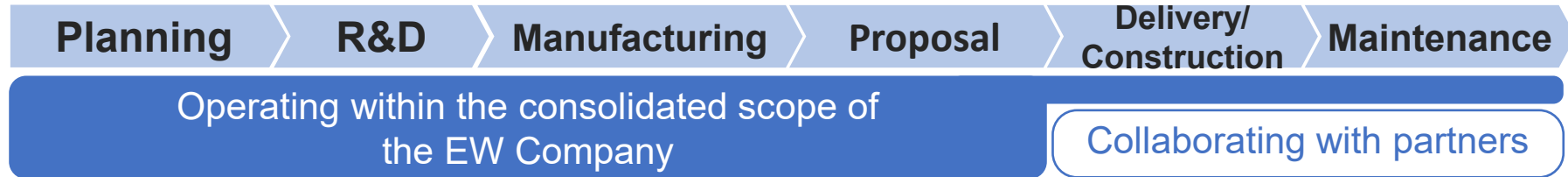
- Under the adverse impact of COVID-19, achieved 16%* growth

* Fiscal 2022 performance compared to fiscal 2019, excluding foreign exchange



3. Business Areas of the EW Company

Operating value-chain functions from planning to maintenance within the EW Company
 Developing business in the area of Electrical Equipment integral to the lifestyle infrastructure



Lighting
(Lighting Business Division)

For housing For facilities

For outdoors

Electrical construction materials
(Energy Systems Business Division)

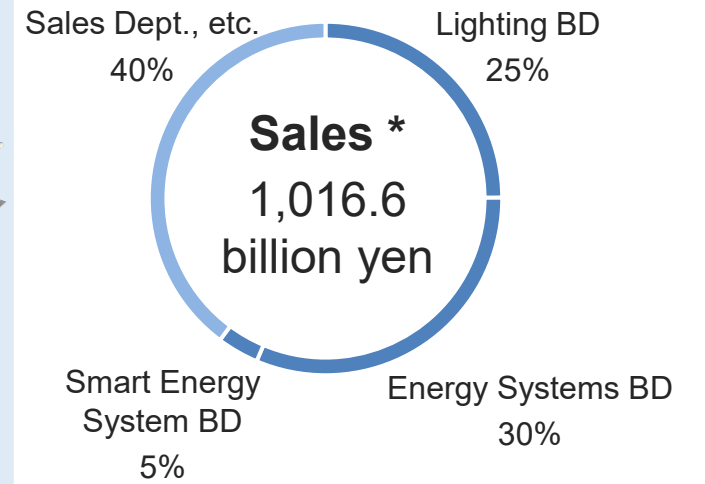
Wiring devices Condo HA

Building systems Energy creation-storage linked system

Fuel cells, etc.
(Smart Energy System Business Division)

ENE-FARM Pure Hydrogen Fuel Cell

Gas meters devices

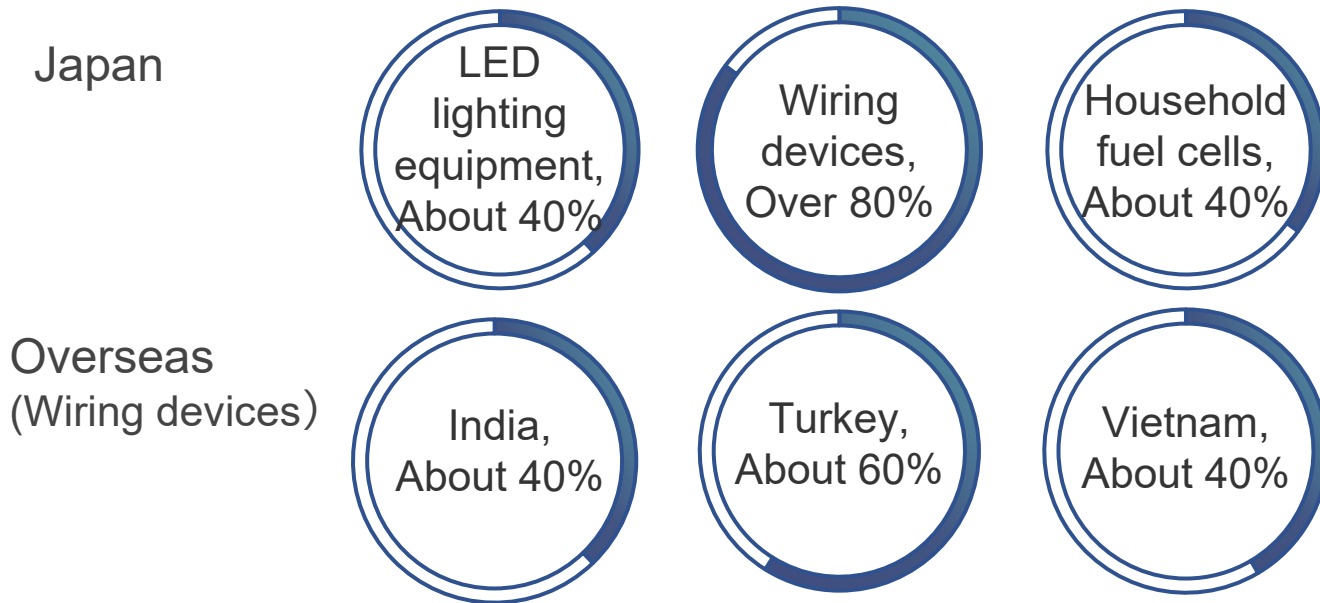


* Fiscal 2022 results

3. Business Areas of the EW Company

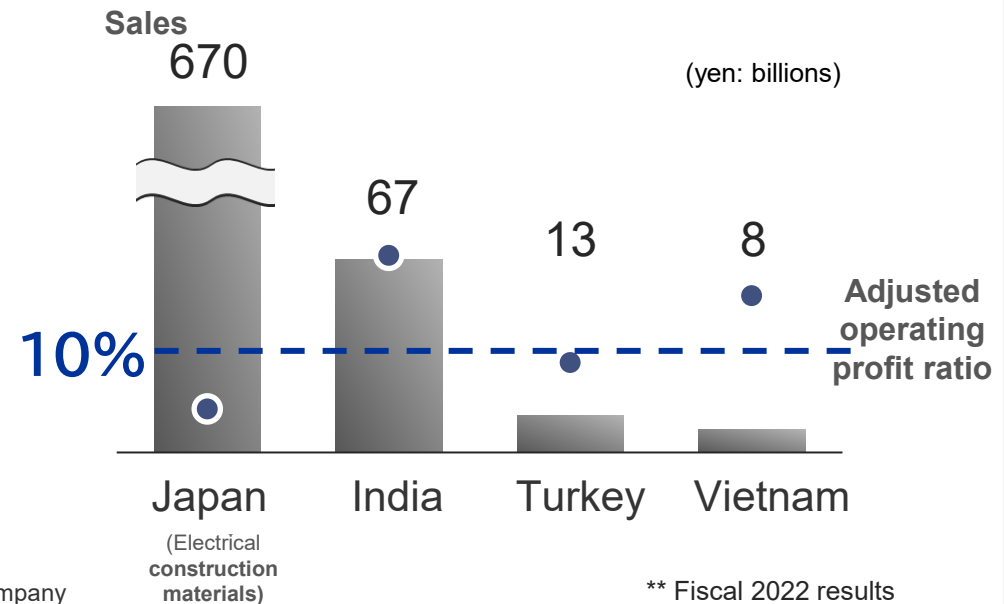
Securing stable market shares and a certain level of profitability in Japan and Overseas

■ No. 1 or No.2 Market Share Products *



* Estimated by the EW Company
Japan:FY21&FY22, Overseas:CY21

■ Sales and Profit Ratios of Adjusted Operating Profit Ratio**



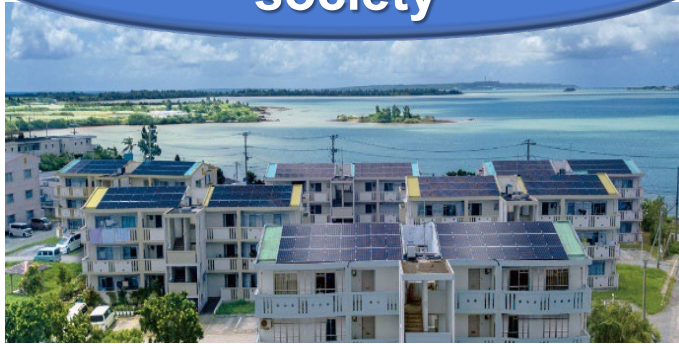
■ EW Company's advantages that lead to superior performance

- Capacity to create products/services suited for cultures and lifestyles
- Ability to respond to changing environments of sites
- SCM network to flexibly meet construction periods
- Knowledge concerning proposal offering and engineering

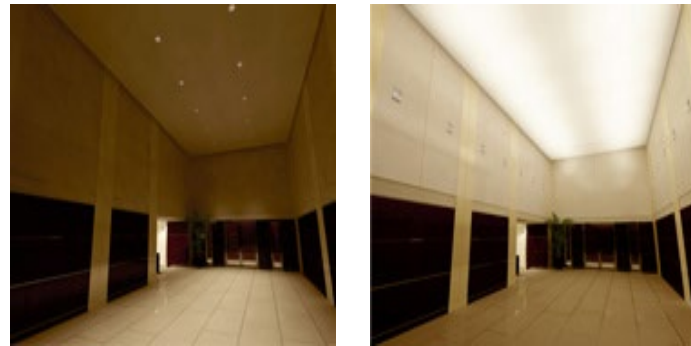
4. Contributions to Society to Be Realized by 2030

Contribute to the solution of social challenges
with "Electrical Equipment" integral to the lifestyle infrastructure

Carbon neutral society



Contribute to the spread of the use of renewable energy through collaboration of power companies and aggregators etc.

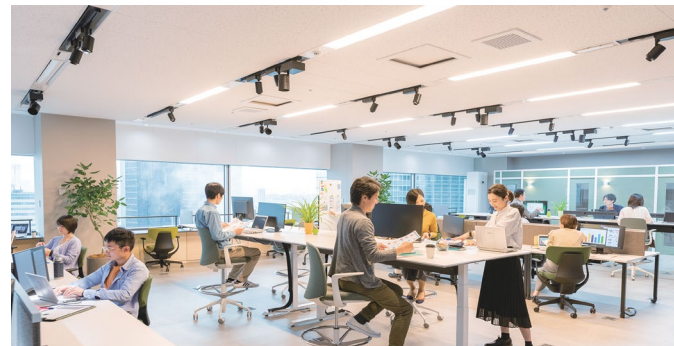


Enhance energy efficiency with new lighting techniques in addition to adoption of LEDs

Next generation workstyles



Support work and health based on WELL Certification



Create spatial value that realizes comfort for every individual

Disaster preparedness



Contribute to the construction of disaster-resistant towns



Ensure secure living in time of emergency with ENE FARM household fuel cells

4. Contributions to Society to Be Realized by 2030

Mission

Life tech & ideas

For the wellbeing of people, society and the planet.

Vision

Provide maximum satisfaction and act in good faith
for our customers together with our partners by
utilizing digital technologies centered on
electric works



5. Business Environment

Business Environment

Overseas

Though COVID-19 temporarily caused economic stagnation, in the medium run, there will be steady growth and active infrastructure investment is expected.

Real GDP Growth Rate*	
India	+7.3%
Turkey	+3.1%
Vietnam	+6.8%

* 2021->2024 CAGR, IMF (Apr. 2022)

Competitors

Global company

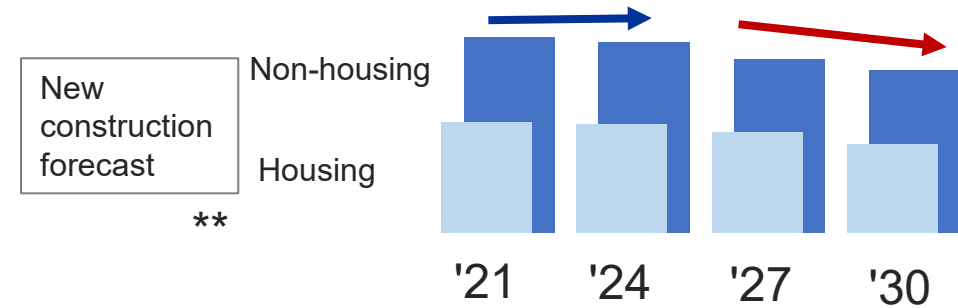
Increasing profits through mass production business.
Active investment including M & A into IoT and solutions.

Local company

Emerging by leveraging the advantages of price and community-based business against the backdrop of market growth.
Expanding of products lineup and markets.

Japan

The market will be robust up to fiscal 2025, but in the long run, there is anxiety over the shrinkage due to the falling population, etc.



**Medium Term Forecast issued by the Japan Center for Economic Research (Sept. 2021)

Japanese General Electric company

Major global companies have a limited presence and Japanese companies are playing a leading role.
Expanding solution business, such as services provision in core business

Japanese specialized company

Business development with strengths in price and customer relationships.
Providing added value to business, such as IoT, in each company's business field

6. Key Business Strategy

Overseas

Achieve sustainable growth in the mass production business and generate profits by strengthening products' lineup and expand market to build more solid base

Raise the overseas sales ratio to 40% by 2030

Japan

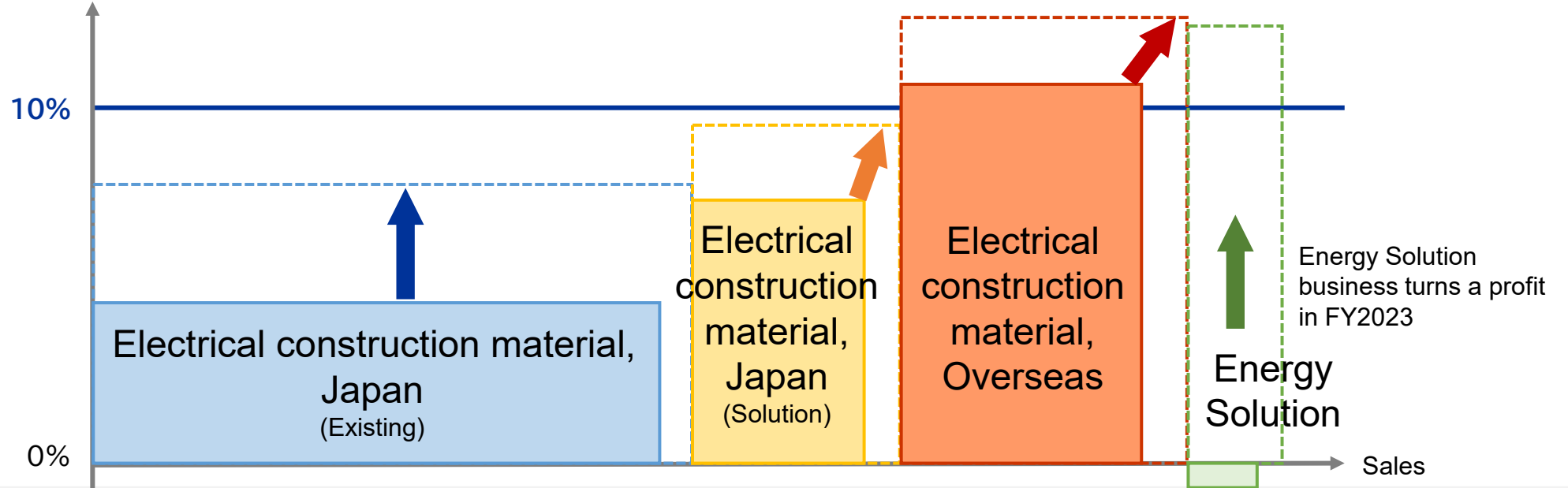
Shift to a business model that enables us to be connected with customers and continue creating values by utilizing our current solid business base

Establish the business model by 2024
Raise the ratio of solutions to 50% by 2030

■ Profit pool (FY22→FY25)

EBITDA Ratio

FY2025 Sales; 1,000 billion yen EBITDA: 10.0%



7. Paths to Victory for Key Business [Electrical Construction Materials Abroad]

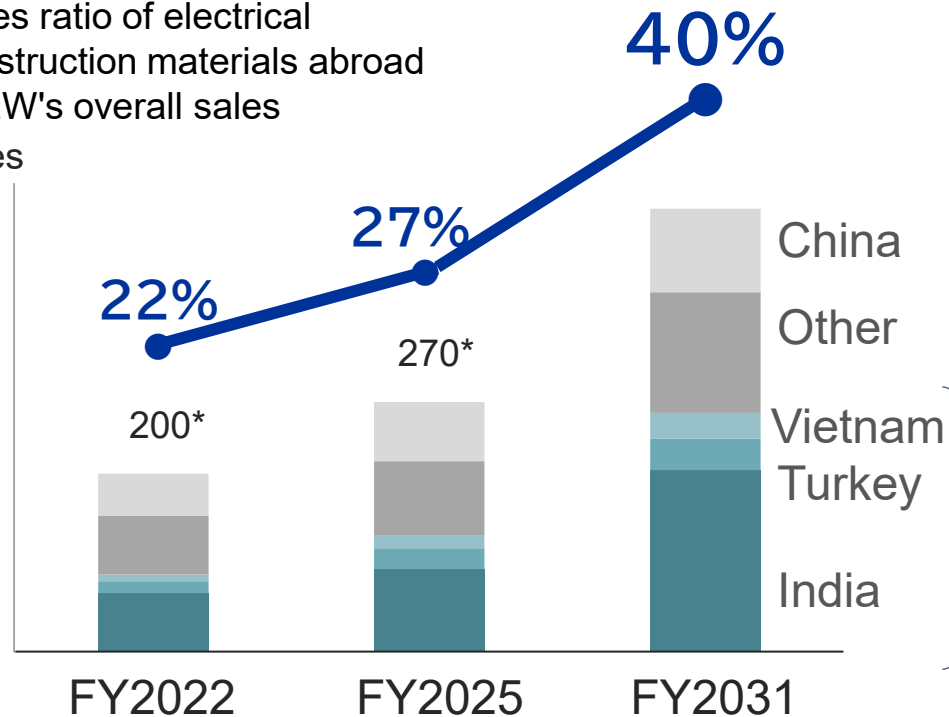
To raise the overseas sales ratio to 40% by 2030.

The priority countries are India, Turkey, and Vietnam, which have a single corporate structure for development, manufacturing, and sales, and local production for local consumption.

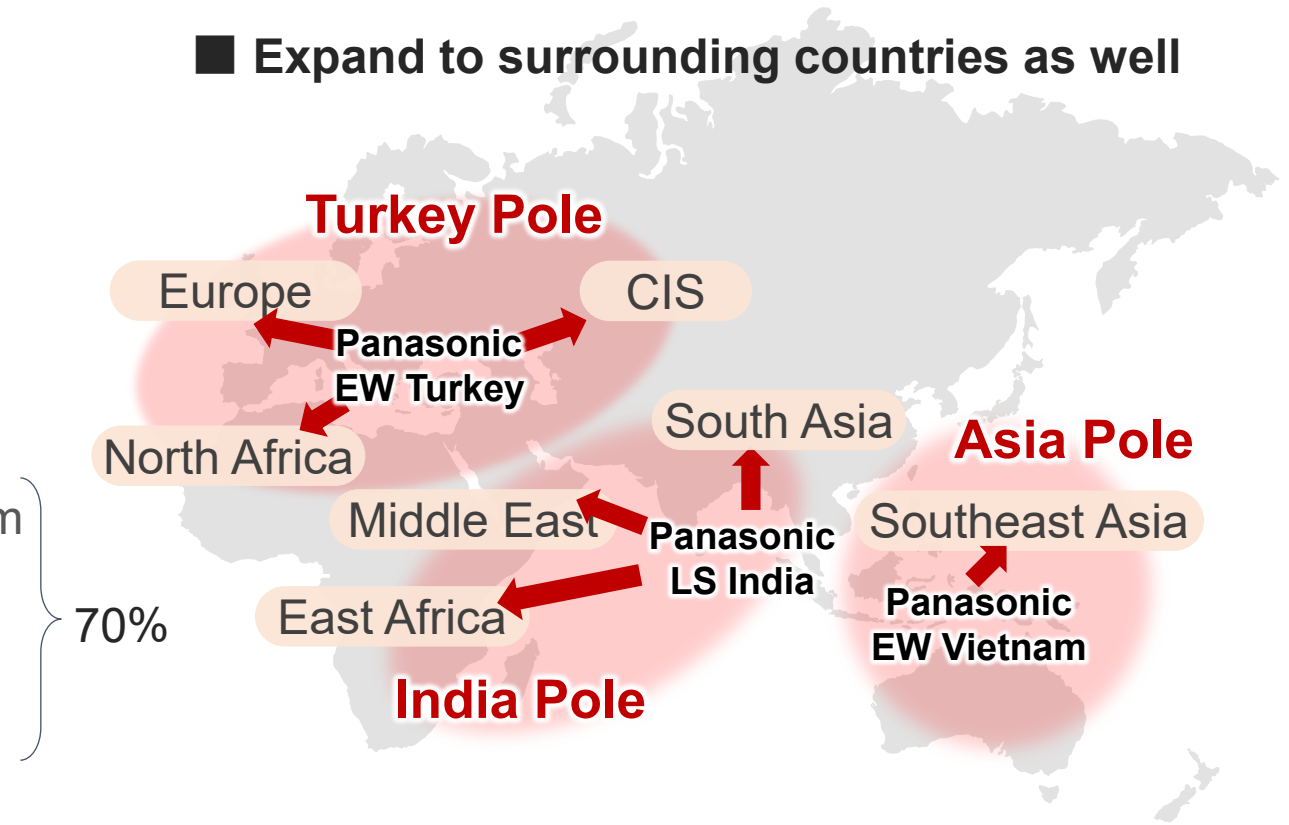
Overseas Sales

Sales ratio of electrical construction materials abroad to EW's overall sales

Sales



Expand to surrounding countries as well



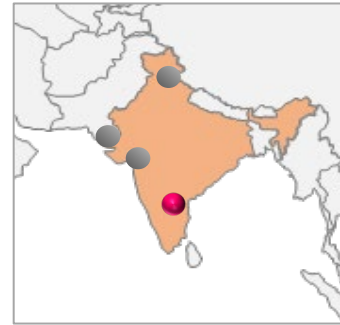
* Fiscal 2023 projected rate (yen: billions), excluding CNA sales

7. Paths to Victory for Key Business [Electrical Construction Materials Abroad]

By designating India as a key country of primary importance, project its growth to reach CAGR 12% (FY22-FY25)

Initiative (1): Build smooth SCM network

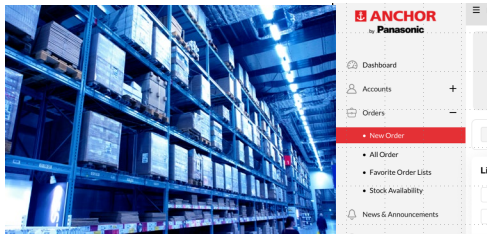
Strengthen SCM in Southern India by constructing/operating a new Sri City factory (Production start: April 2022)



- New factory production scale (wiring devices) 80 million units in the first fiscal year
200 million units per year by 2025
- Start production of cable run devices sequentially by 2025

Initiative (2): Increase contacts with partners by taking advantage of DX

To Distributor management support



Real-time visualization of sales, inventory, orders, etc.

To Retailers and Electrical Contractors sales promotion



loyalty programs, seminars etc.

Initiative (3): Further enhance sales routes

Increase the number of distributors and retailers to establish a country-wide sales network

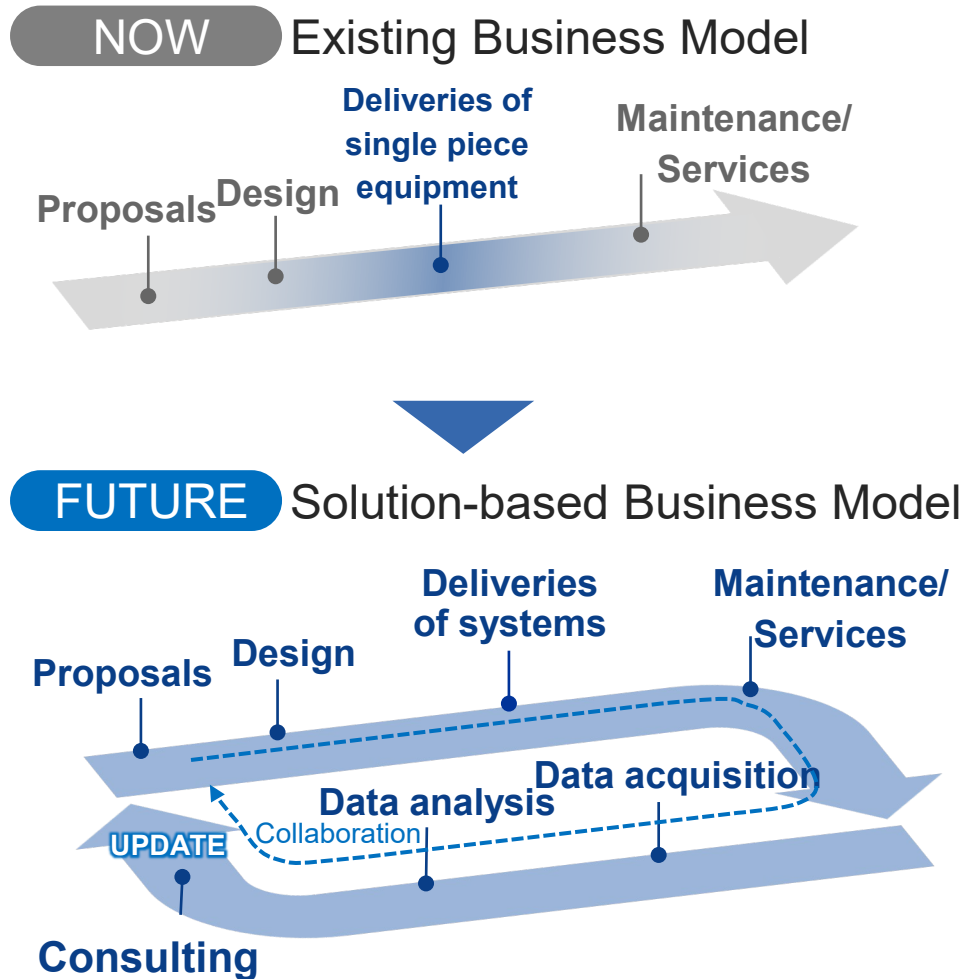
Initiative (4): Expand the scope of products beyond wiring devices

Cable run  Lighting

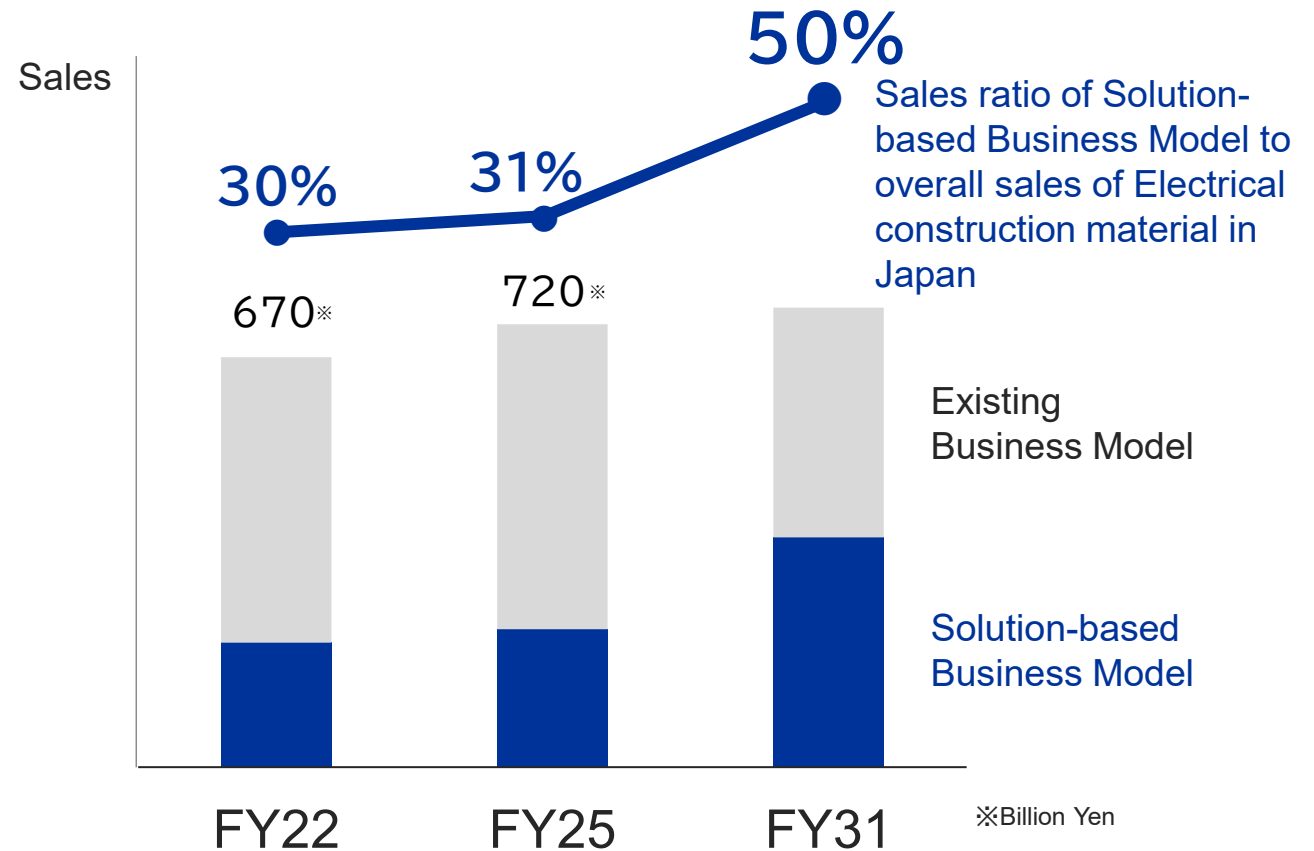


7. Paths to Victory for Key Business [Electrical Construction Materials in Japan]

Make the solution-based business model one of the business pillars by 2030



■ Domestic Sales

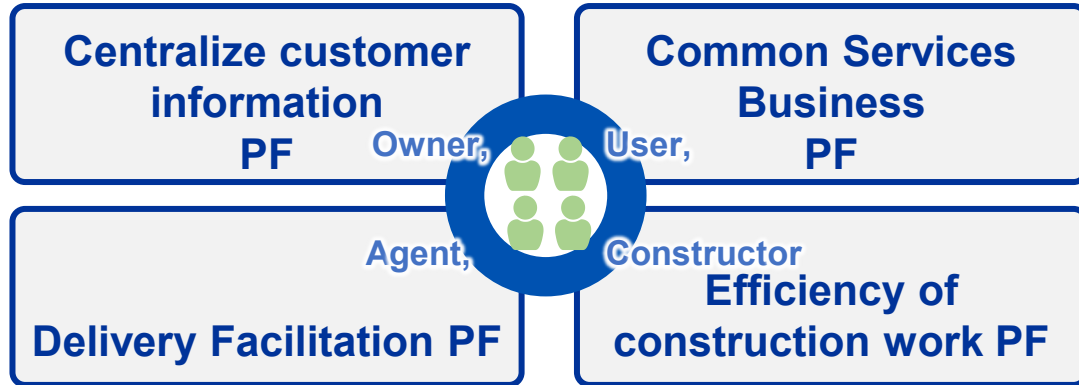


7. Paths to Victory for Key Business [Electrical Construction Materials in Japan]

Build a solution-oriented business model while promoting real projects

Strategy (1): Enhancing solution infrastructure through DX

Connecting value chains with digital technology
Build a foundation for providing solution-oriented value



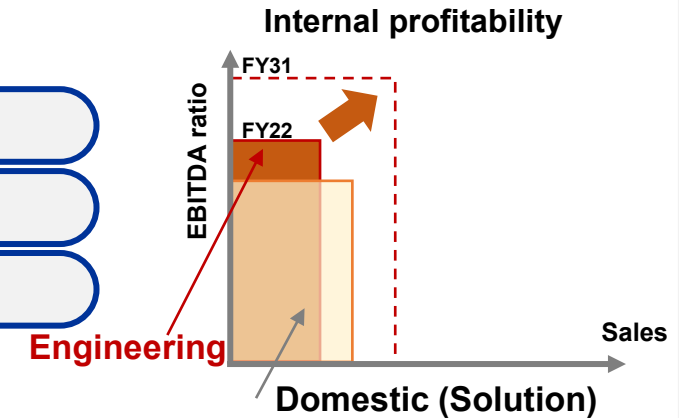
*PF: platform

Strategy (2): Transform engineering functions into solutions

Providing solutions for complex and diverse customers' challenges with other companies' products

Examples of Solutions

- Energy solution
- Spatial solution
- Resilience solution



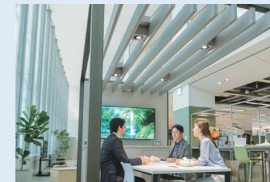
● Joint promotion of projects in collaboration with partners

- Consulting Business companies
- Companies related to digital marketing
- Real estate brokers

etc

● Lead extraction at worXlab

-More than 700 groups attendance in 16 months after opening



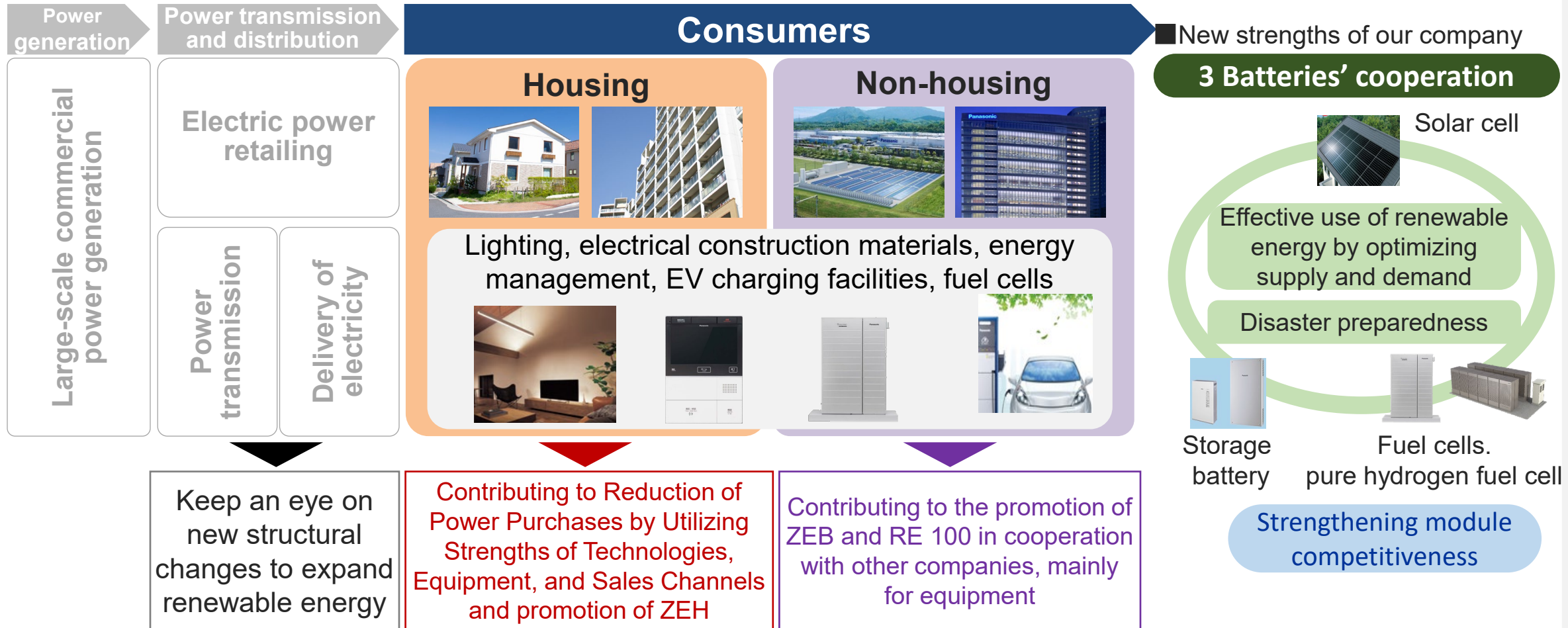
● Collaboration with external ventures for complementing missing functions



8. Contribution to Carbon Neutral Society

As a divisional company offering energy creation, actively contribute to the realization of a carbon neutral society.

With a focus on the consumer area, add “3 Types of Batteries’ cooperation” as a new item on the proposal menu.



Fiscal 2025 KGIs

EBITDA

**100 billion yen
(10%)**

65.5 billion yen
(Fiscal 2022 results)

ROIC

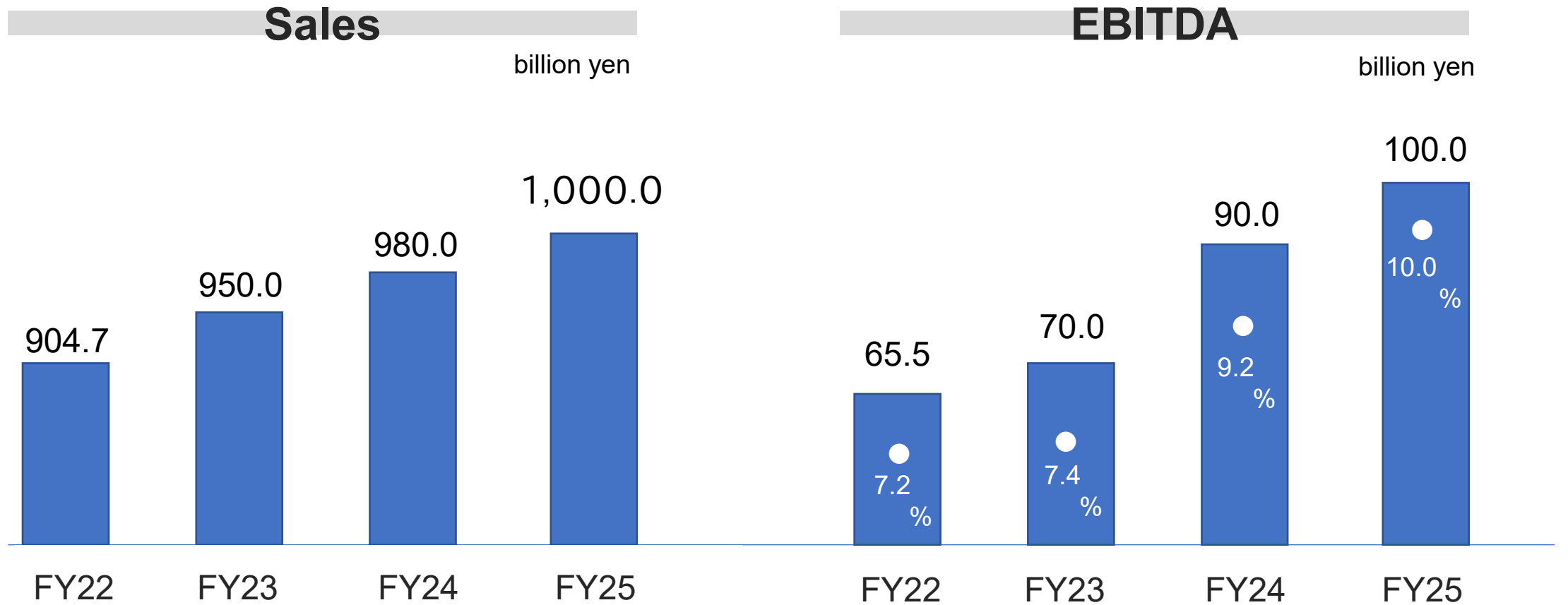
over 10%

7.4%
(Fiscal 2022 results)

Three-year cumulative operating cashflow

172.0 billion yen

10. Target for FY2025



Panasonic

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