

# Panasonic

## Panasonic Corporation Medium and Long Term Strategy

June 2, 2022

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Panasonic Corporation

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.

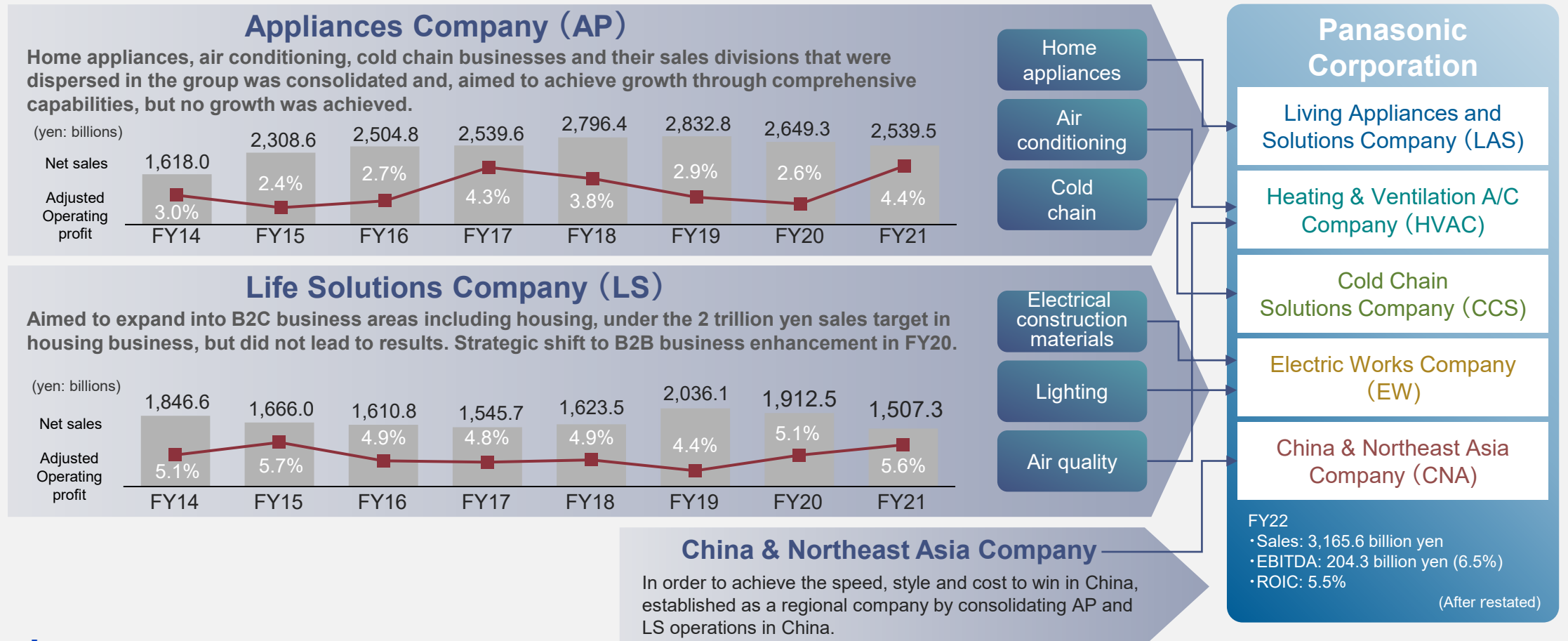
# Overall Structure of Today's Explanation

<b>Summary of previous period</b>	Business position of our company	Management target	
<b>Management philosophy</b>	Practices of purpose management	Goals and necessary businesses	Seven priority businesses
	Business portfolio	Panasonic GREEN IMPACT	
<b>Medium term strategy for goals</b>	Most important themes	Medium term EBITDA growth	
<b>1. Seven priority businesses</b>	Strategies of seven priority businesses	Revenue structure of seven priority businesses	Capital allocation
<b>2. Operational reforms</b>	Operational reforms Overall picture	Reinforcement of direct material cost	Product value strategy of home appliances in Japan
<b>3. Implementation of ESG/IR</b>	ESG practices	Implementation of IR in management	
<b>KGI</b>	KGI in Fiscal 2025	Toward Fiscal 2031	

# Business Position of Our Company

Panasonic Corporation is established based on three companies involved in "Lifestyle".

Strive to achieve long-term management continuing to reform by breaking away from low growth and low profitability management.



# Aiming for Management that Continues to Implement Reforms for Long Term Perspective

<Before>

**Short term oriented and department-optimized management. Insufficient execution ability.**

Business

- **Insufficient investment to boost growth due to gaps in company-wide portfolio strategies and low execution rates of investment plan.**

- Stay on small deals for the past 3 years
- Uniform investment policy lacking individual business opportunity judgments

Operation

- **Department-optimized operations prevented from corporate-wide control. Behind the competition with cost competitiveness.**

- Procurement of custom parts by each department and site
- Insufficient inventory control that was not linked to the market demands

<After>

**Shift to management continues to implement reforms from long term perspective. Execute what we decide.**

- **Selection and concentration** for creating industry No. 1 or No. 2 businesses, and **implementing sufficient strategic investments** by **strengthening investment discipline.**

- **Established a function to strengthen company-wide cost competitiveness. Achieving global top-level operational capabilities.**

- ★ **Implementation and strengthening of organizational capabilities that form the basis** to propel the efforts above.

- ① **Strengthening functions of the divisional companies and ensuring autonomous management. Establishing functions to plan and implement company-wide strategies**

- ② **Restructuring of management systems including governance and personnel systems**

# Defined Mission and Vision as Panasonic's Purpose of Existence

## PURPOSE

### MISSION

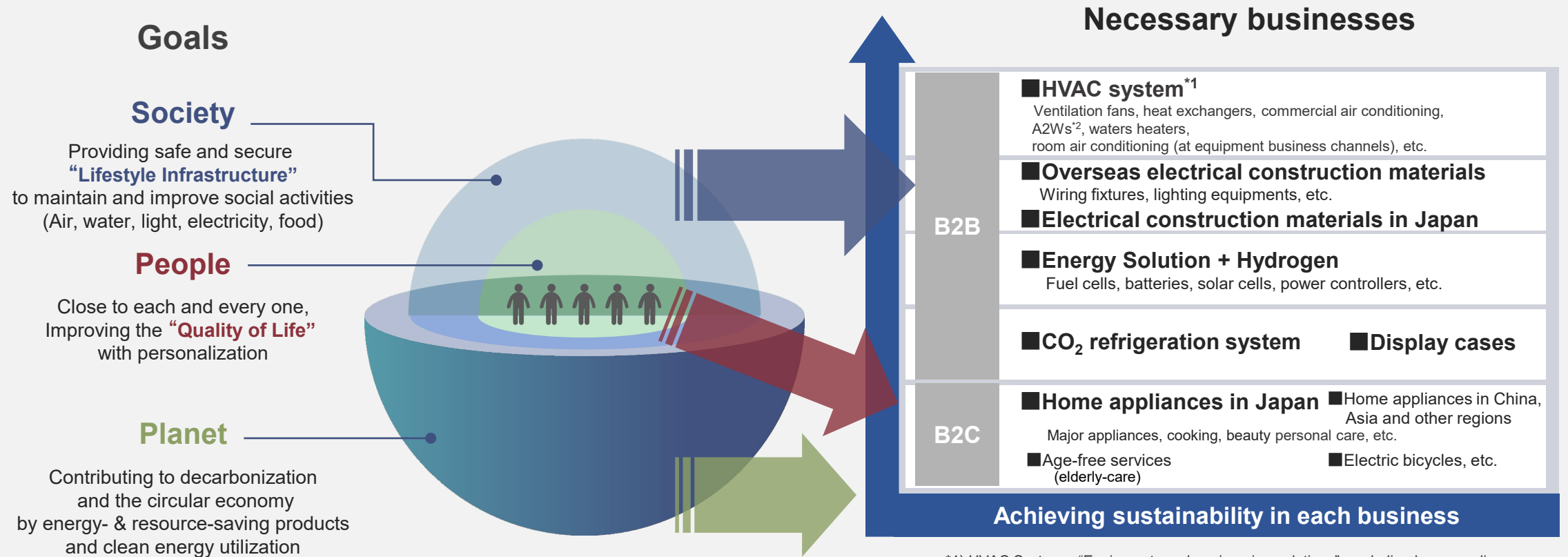
**Life tech & ideas**

**For the wellbeing of people, society and the planet.**

### VISION

**We are the best partner of your life  
with human centric technology and innovation.**

# Becoming an Enterprise with an Overwhelming Presence in Lifestyle Business Areas



\*1) HVAC Systems: “Equipments and engineering solutions”, excluding home appliances (at mass merchandising channels) from the entire business of Heating & Ventilation A/C Company

\*2) A2W: Air to Water (heat pump type hot water heater)

# Defining Seven Priority Businesses

Perspective of business position and competitive advantage.

			Business position	Competitive advantage		KPI			
			Market growth potential (CAGR)	Industry position	Growth/Revenue drivers	FY22 Sales EBITDA	FY31 KPI		
B2B	Growth	1	HVAC system	⊙ Europe (8~10%)	△ ⊙ No. 1 share (Priority countries) △ ○	•A2W heat pump technology •Active air purification (Ziaino, Nanoe) •Engineering foundation •Strong sales network and supply capacity •Fuel cells module competitiveness •Energy control technology •Accumulated know-how •Collaboration with in-house display case	< B2B Account Management > Delivering the value that customers want	524.0	CAGR of sales 8% or more as a whole  Each business grow faster than the competitors in each industry and region
		2	Overseas electrical construction materials	⊙ India (7~8%) ⊙ Turkey (3~4%) ⊙ Vietnam (6~7%)				224.9	
		3	Energy solutions	⊙ Japan (7~8%)				23.7(10.5%)	
		4	CO <sub>2</sub> refrigeration system	⊙ Japan, the United States and Europe (15%)				69.6 *1 -0.4(-0.6%)	
B2B	Stable Revenue	5	Electrical construction materials in Japan	△~○	⊙ No. 1 share ⊙ No. 1 MIF share *2	•Strong sales network and DX investment •Engineering foundation •Strong service and sales network in each country	668.8 35.3(5.3%) 269.6*4 19.8(7.3%)	EBITDA ratio + 5pt or more as a whole	
		6	Display cases	○					
B2C		7	Home appliances in Japan	△~○	⊙ No. 1 share	•Long-term reliability of premium products •Cost competitiveness through integrated development, manufacturing and sales operations	378.7 49.4(13.0%)		

\*1) Including costs for withdrawal from solar cells production

\*2) MIF: Machine in the field (number of units in operation)

\*3) CO2 refrigeration system is a part of refrigeration equipments and logistics businesses

\*4) Excluding the impact of one-time expenses in China

# Seven Priority Businesses

## Our current market position


### 1 HVAC system

- **Business growth in Europe**

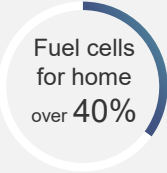
Last 8 Years: **CAGR 20%**  
(Sales: 25.0 billion yen → 100.0 billion yen)

  - A2W is driving growth at approximately 40% of CAGR
  - Enhancing sales and engineering organization  
personnel: 120 in Europe (8 years ago) → approx. 400
- **Launch of air quality and air conditioning collaboration system**
  - Equipped with unique Ziaino/Nanoe technologies \*First in Japan

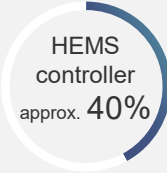
### 3 Energy solutions



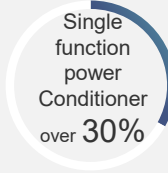
- **High market share products (Japan)**




Fuel cells for home  
over 40%



HEMS controller  
approx. 40%



Single function power  
Conditioner  
over 30%
- **Launch of pure hydrogen fuel cells**  
\*Industry's first




< Released in October 2021 >


### 2 Overseas electrical construction materials

- **Sales growth rate**  
(Last three years: local currency basis)


CAGR 12% (India)  
CAGR 36% (Turkey) \*1  
CAGR 6% (Vietnam) \*2



India  
approx. 40%



Turkey  
approx. 60%




Vietnam  
approx. 40%

- **Wiring devices**  
Share No. 1

### 4 CO<sub>2</sub> refrigeration system

- **Cumulative shipment volume of separate-type CO<sub>2</sub> refrigerators**  
About 2.5 times in 5 years
- **Share of separate-type CO<sub>2</sub> refrigerators**  
Market share in Japan approx. 70%



\*1: Turkey: including high inflation effect in Turkey  
\*2: Vietnam: including lock down effect in Vietnam site



# Seven Priority Businesses

## Our current market position

### 5 Domestic electrical construction materials

- Group of No. 1 market share products
  - LED lighting approx. 40%
  - Wiring over 80%
  - Residential distribution board over 50%
  - Conduit tube approx. 50%
- Strong sales network; 60,000 electrical contractors

### 6 Display cases

Image of market share by region

- Global share approx. 1/4
- Japan
- China, Australia
- North America

- Strong sales network and MIF base (number of units in operation)

### 7 Home appliances in Japan

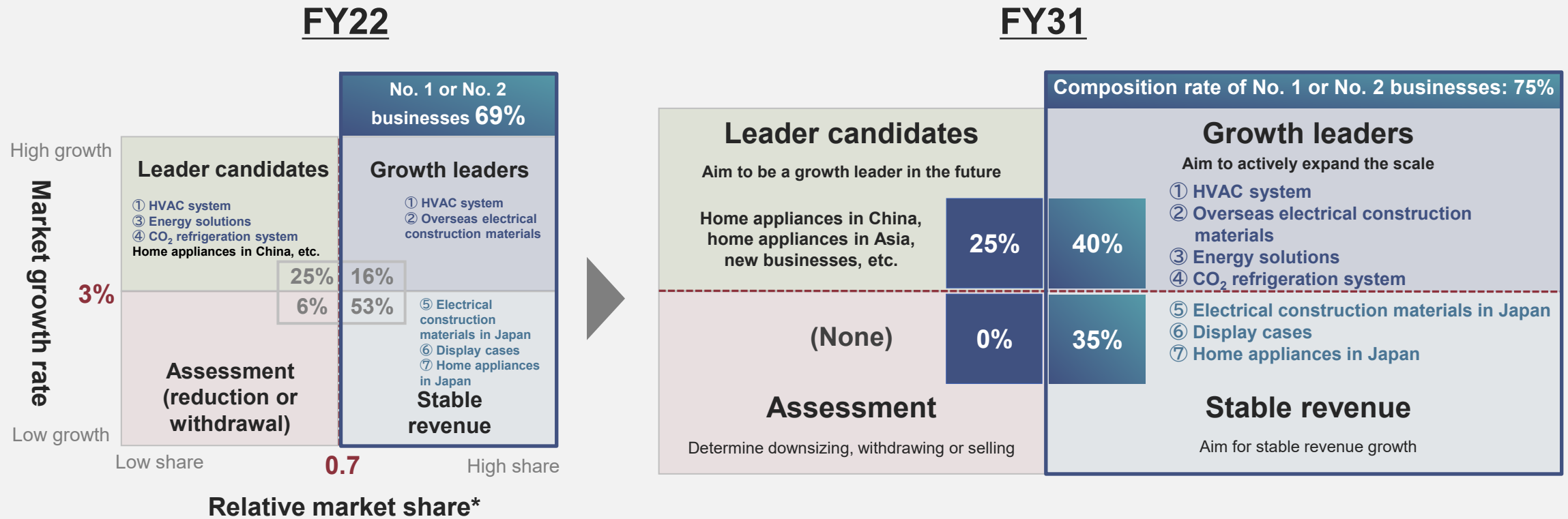
- Share No. 1 (approx. 30%)  
No. 1 market share of home appliances in Japan
- Strong sales network
  - Refrigerator No. 1
  - Dishwasher No. 1
  - Microwave oven No. 1
- Long term reliability
  - Washing machine No. 1
  - Hair dryer No. 1
  - Shaver No. 1

● High share of our company in premium segment with high profitability  
Example of washing machine)

Share approx. 20% (Top-loading washing machine) → Revenue → Premium products → Share over 40% (Front-loading washing machine)

# Business Portfolio Aimed for the Medium and Long Term

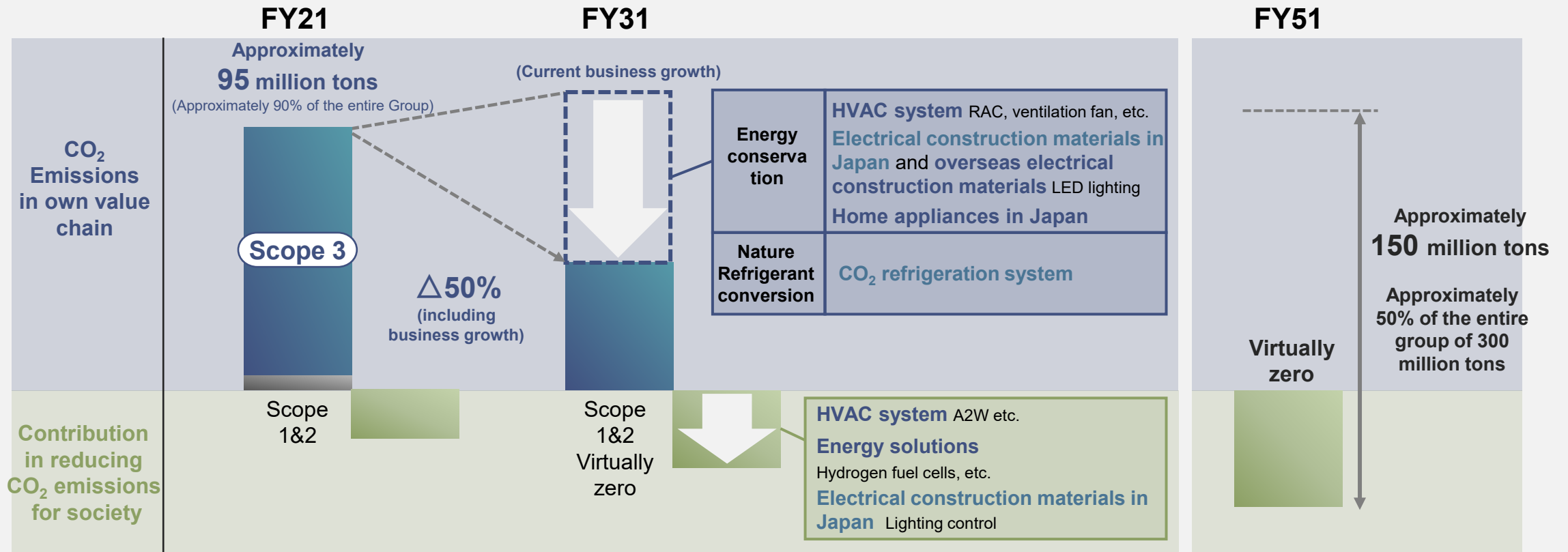
Seven priority businesses are to be No. 1 or 2 businesses.



\*Relative market share >0.7: No. 1 or No. 2 share

# Achieving GREEN IMPACT through Business Portfolio Reforms

Aiming to reduce CO<sub>2</sub> emissions in the company's value chain by half in FY31.  
Accelerating impact to contribution in reducing CO<sub>2</sub> emissions for society.



# Medium-Term Strategy for the Goals

## <Fiscal 2023-2025>

# The Most Important Themes for Three-Years Medium Term

1

## Profit growth in seven priority businesses

- Seven priority businesses: Preparing for long-term growth and realizing profit growth
- Strategic capital allocation

2

## Company-Wide Operational Reforms

- Strengthening cost capability of direct materials
- Communicate product value of home appliances correctly with Japanese market

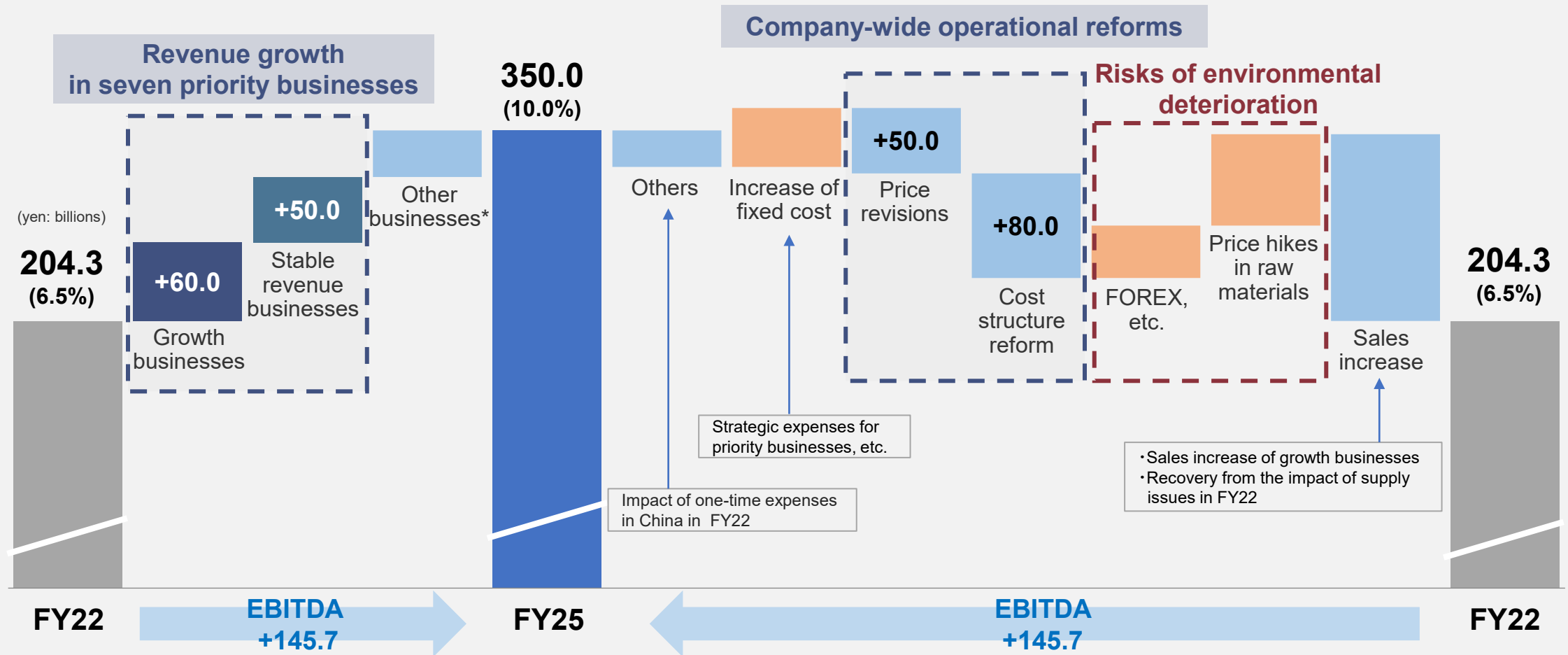
3

## Implementation of ESG/IR into management strategies

- Strengthen competitiveness through environmental (E), social (S) and governance (G) measures
- Enhance disclosure and strengthen communication loops

# EBITDA Growth over Three-years Medium Term

+145.7 billion yen for three years.



\*Overseas home appliances, refrigeration devices, air conditioning appliances, directly-controlled businesses and the impact of one-time expenses in China, etc.

# Seven Priority Businesses: Preparing for Long Term Growth and Realizing Profit Growth

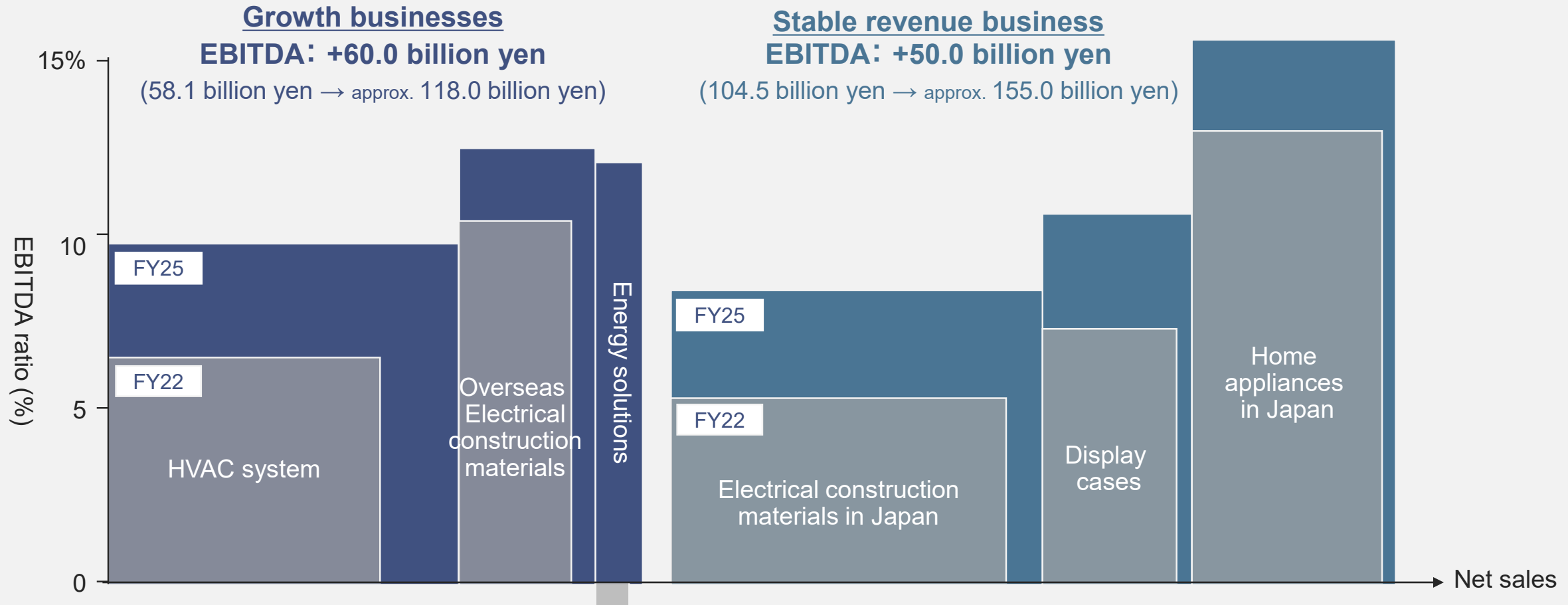
Revenue contribution of 110.0 billion yen (3/4 of the total) over 3 years in seven priority businesses.

		Priority business	Divisional company	Medium term priority initiatives	Medium term contribution to profit (EBITDA)
<b>Growth</b>	1	HVAC system	HVAC	Expand facility equipment and engineering business centered on Europe (A2W) and Japan	<b>+ 60.0 billion yen</b>
	2	Overseas electrical construction materials	EW	Strengthen mass production business in three priority countries (India, Turkey, Vietnam)	
	3	Energy solutions	EW	Concentrate on energy consumption areas and accelerate proposals for three-cell cooperation * Energy consumption areas : for residential, non-residential (buildings, factories, etc.) energy use	
	4	CO <sub>2</sub> refrigeration system	CCS	Expand business areas in Japan, exports to Europe and business in North America with Hussmann	
<b>Stability revenue</b>	5	Electrical construction materials in Japan	EW	Build a new revenue foundation of solution engineering	<b>+ 50.0 billion yen</b>
	6	Display cases	CCS	Recapture market share in Japan and improve productivity in both Japan and United States	
	7	Home appliances in Japan	LAS	Enhancing products, maximize customer's value by strengthening operating capabilities through integrated development, manufacturing and sales operations	
				<b>Total</b>	<b>+ 110.0 billion yen</b>

HVAC: Heating & Ventilation A/C Company, EW: Electric Works Company, CCS: Cold Chain Solutions Company, LAS: Living Appliances and Solutions Company

# Changes in Revenue Structure of Seven Priority Businesses

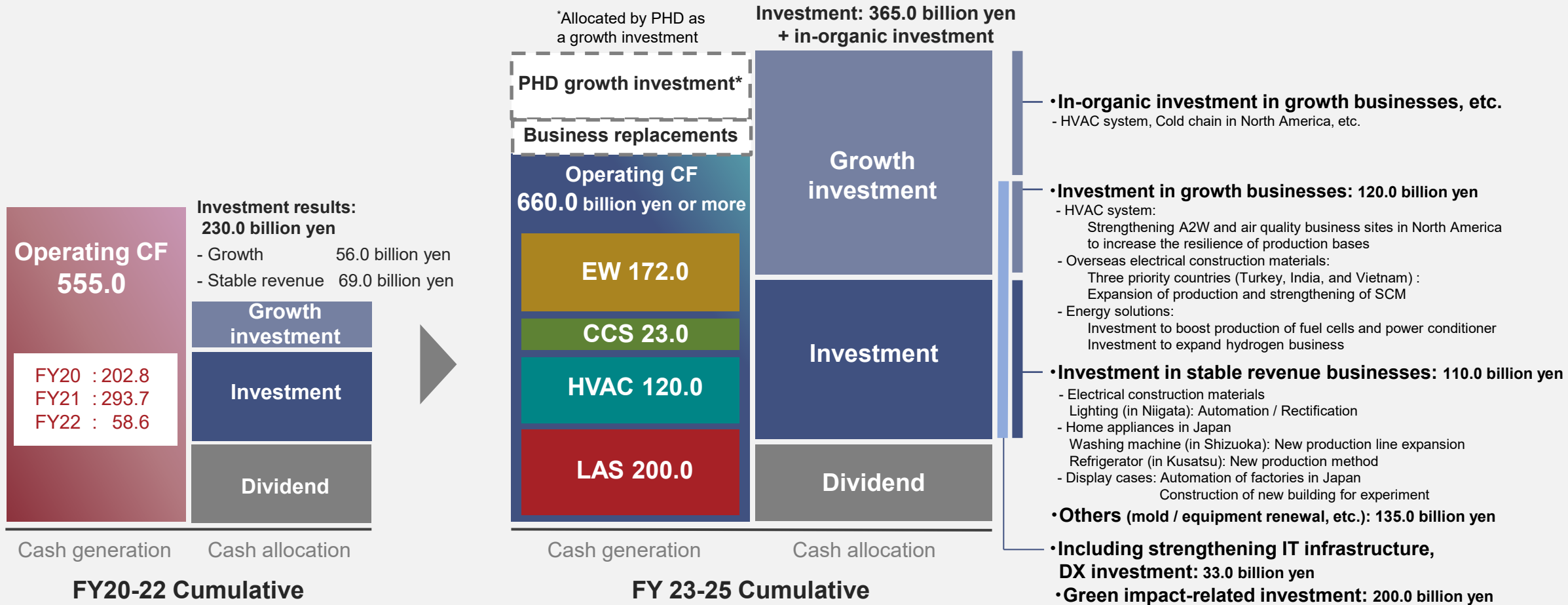
**【FY22→FY25】**





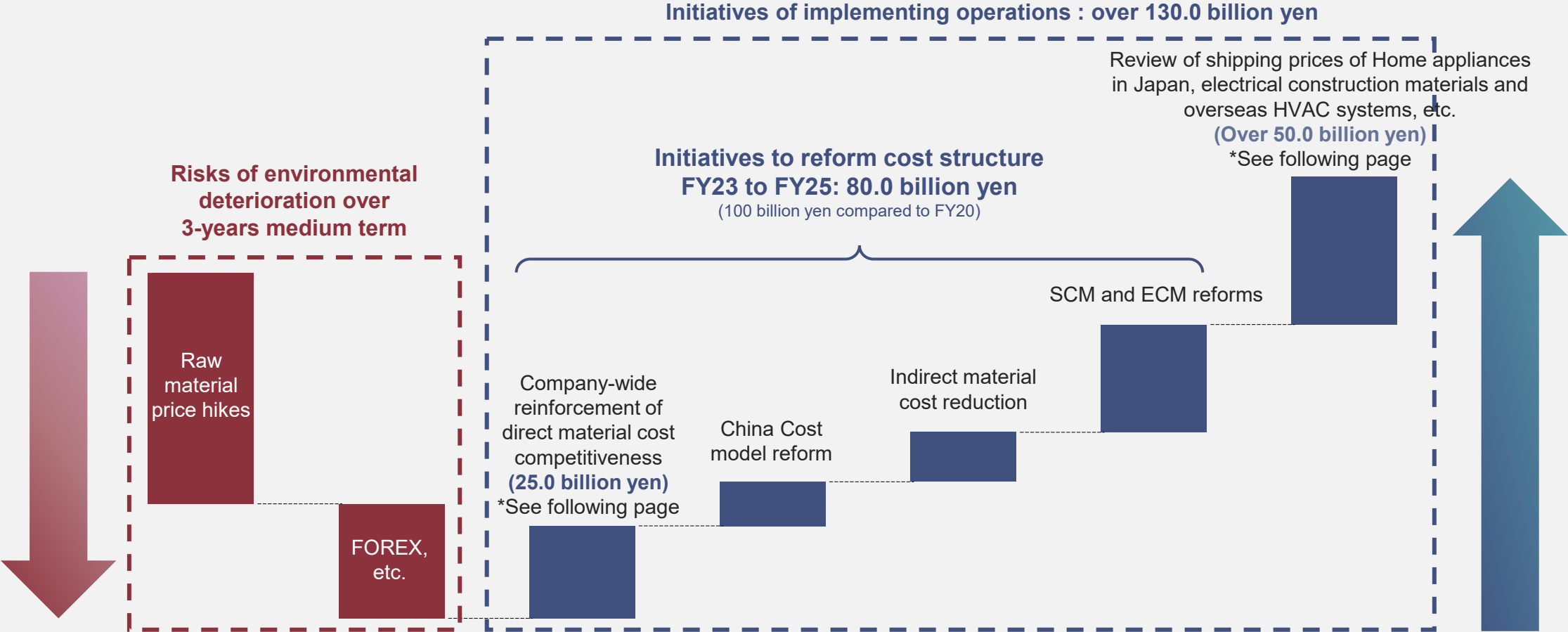
# Capital Allocation Strategy

Allocating resources strategically for growth and strengthening operational capabilities.



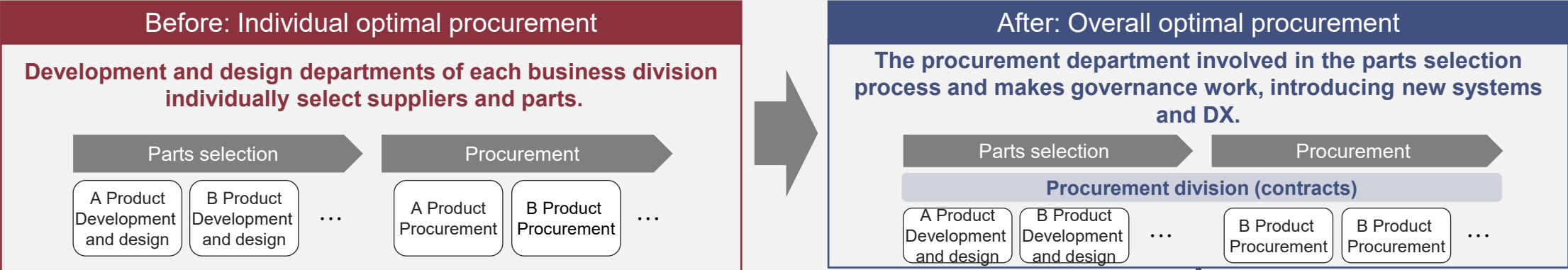
# Company-Wide Operational Reforms

Overcome the effects of environmental deterioration by implementing operations, such as continuous cost structure reforms and appropriate price revisions



# Company-wide Reinforcement of Direct Material Cost

Strong promotion of 25.0 billion yen reduction of direct material cost by procurement department involved in development and design.

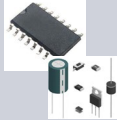


Strong promotion of four cost reduction initiatives of direct materials by the procurement department under direct control of CEO.  
Aim to reap 25.0 billion yen by FY25.

**(1) Raw materials** 

Purchasing from one company  
→ purchasing from multiple companies

- Global multi-company approval Promoting generalization and standardization
- Expanded use of resins and recycled materials

**(2) Semiconductor, electronic components** 

Japanese companies  
→ narrow down to major international suppliers

- To major suppliers with strong appetite for investment
- Shift to design for long life of products (general-purpose parts)

**(3) Electrical components** 

By division  
→ centralized contracting

- Centralized purchasing of general-purpose parts by taking advantage of scale of Panasonic Corporation
- Promotion of global centralization contracts

**(4) Mechanical parts assembly parts** 

By division  
→ narrow down suppliers

- Selection of suppliers Building new partnerships
- Reap processing costs by aggregation of suppliers with introduction of mechanism DX

\*See following page

# Examples of Centralized Contracting for Electrical Parts

Full deployment of knowledge and know-how accumulated in home appliances business throughout Panasonic Corporation.

### Example: Motor (washing machine → bicycle)

Using the same motor supplier as washing machine for electric bicycles, centralized contracting

Material cost: - 35%



### Example: Solenoid valve (washing machine → bathroom ventilating dryer)

Cross estimation of similar parts and implementation of Itakona\*. Taking full advantage of scale benefits

Material cost: - 39%

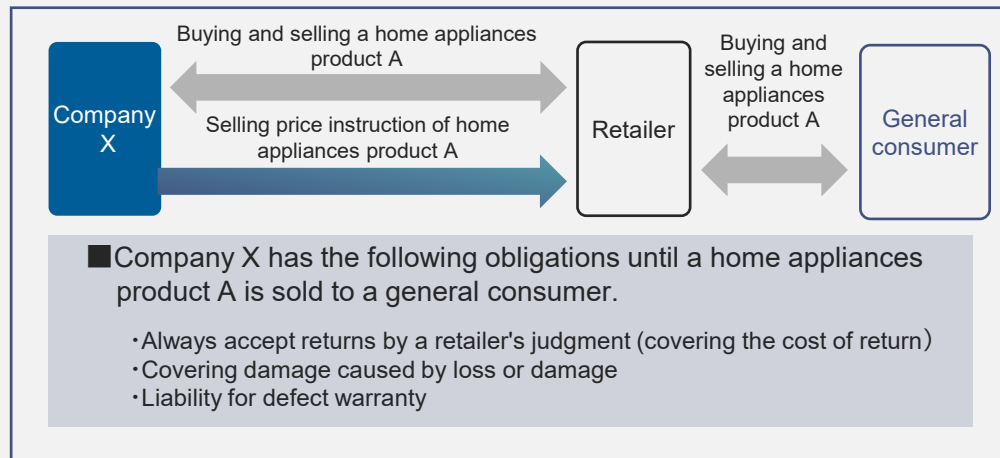


\*A method to pursue ideal costs by analyzing factors in detail

# Home Appliances Business in Japan; To Communicate Product Value Correctly

## 1 Providing end users with the latest high value, build a sales environment that communicates appropriate product value and quality.

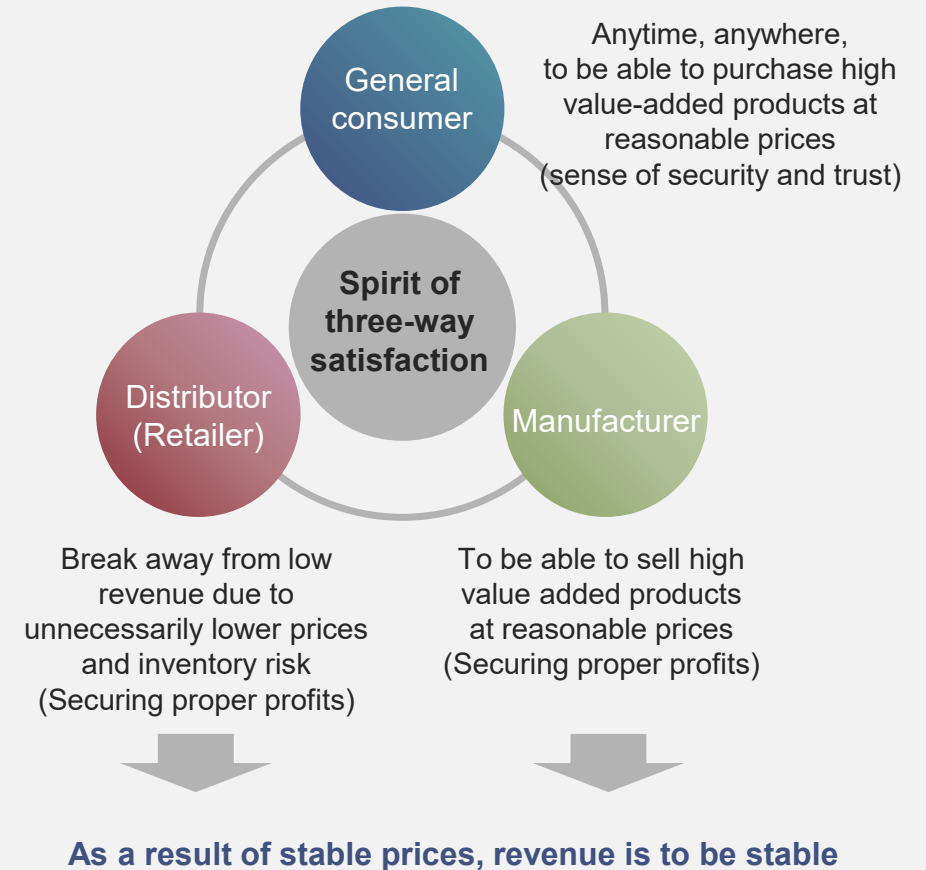
- The manufacturer bears the inventory risk and the price is determined by the manufacturer.
- Our company controls distribution inventory at a high level.



(From JFTC website)

## 2 Review of shipping prices

Review the prices to match value

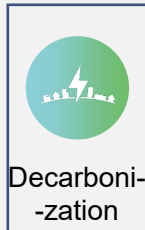


# ESG Practices

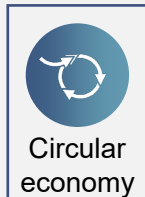
## Environment

**Established CGXO in April**  
(Chief Green Transformation Officer)

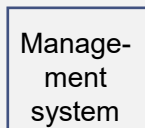
■ Promoting the GX Strategy to lead the improvement of social value



- Enhancement of product energy conservation
- Strengthening investment in A2W, etc.
- Creation of hydrogen energy business  
(Commenced demonstration of RE100 solution using hydrogen)



- Product longevity design
- Use of recycled materials /eco packaging



- Introduction of internal carbon pricing system
- Reflecting environmental evaluation in executive compensation

## Society

**Accelerating the promotion of DEI**  
(Diversity Equity and Inclusion)

■ Maximizing individual and organizational performance



- Promoting participation in management of diverse human resources
- Active promotion to responsible positions and acquisition of external personnel
- Increase the ratio of female managers



- Reforming systems for balancing work and childcare
- Promotion of paternity leave
- Promoting internal understanding of childcare, referral to role models, etc.

## Governance

**Invitation of outside directors**

■ Strengthening management governance

- Establishment of “Advisory board” meeting  
Discussing medium and long term company-wide management strategies from external perspective, strengthen management capabilities



Makoto Haruta



Harold George Meij



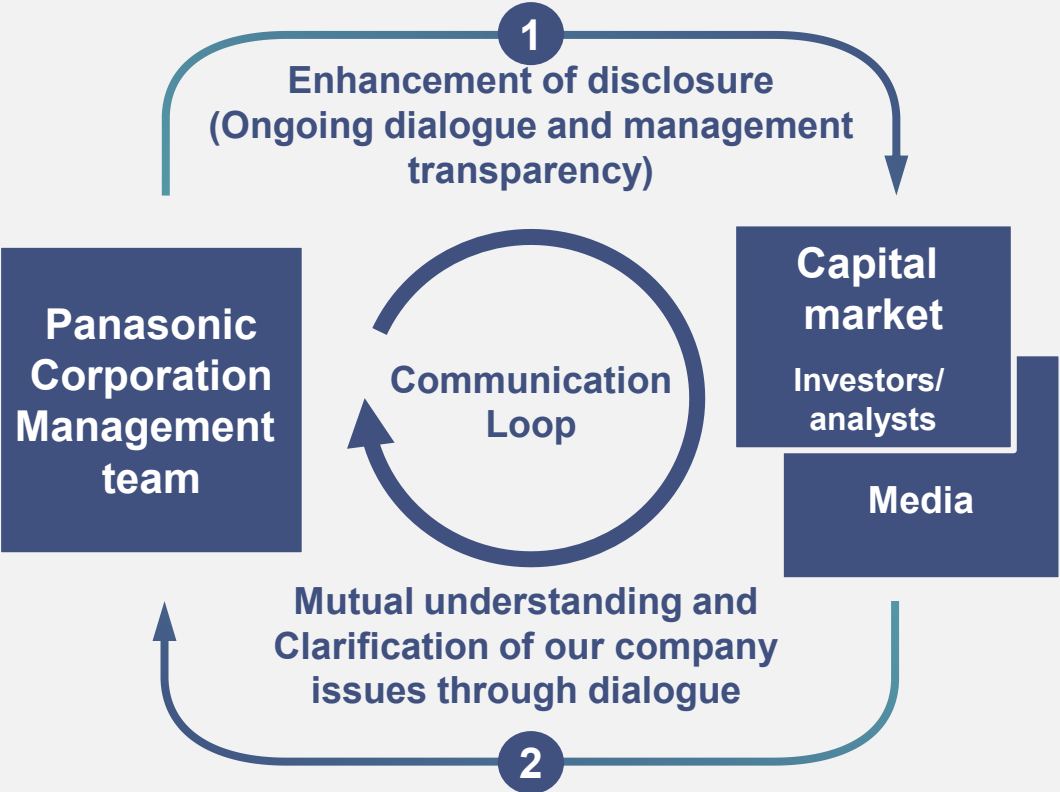
Kuniko Nishikawa

Key knowledge and experience

Management	Management	Management
Corporate governance	Marketing	Finance and accounting
Business Creation	Internationality and diversity	Internationality and diversity

# Implementation of IR in Management

Enhance disclosure and strengthen communication loops.



## 1 Enhancement of disclosure

Continue dialogue and enhance management transparency

**Expansion of financial disclosure**

- Disclosures of major P/L, B/S and CF (please refer to the attached materials)

**Expansion of non-financial disclosure**

- Portfolio/capital allocation
- Environmental (amount of CO2 reduction)
- Market share of main products
- Growth potential in key areas etc.

## 2 Mutual understanding of dialogue and clarification of our company issues

**FY23 schedule (planned)**

- 1Q IR Day held Panasonic Corporation, HVAC, EW and LAS
- 2Q Site visit RE100 Solution, A2W etc.
- 3Q Individual business briefing session CCS, CNA, etc.

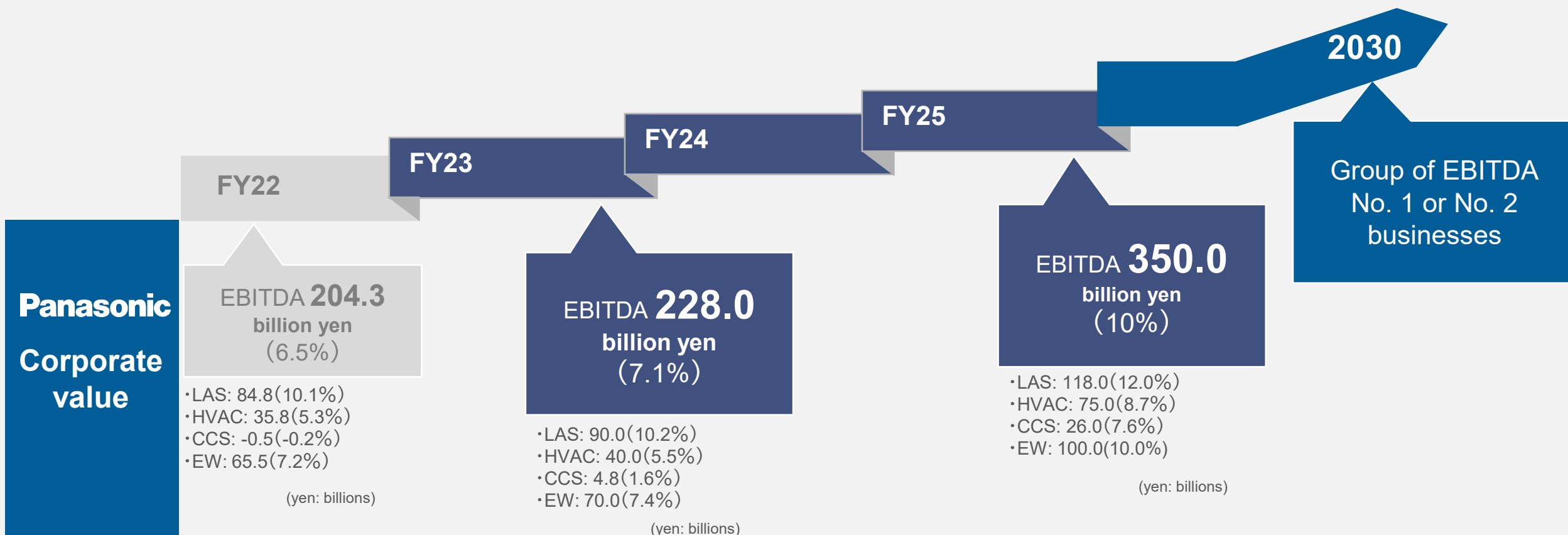
# KGI in Fiscal 2025

[ Most important KGI ] EBITDA	ROIC
<p>Enhance cash flow generation while investing in growth</p> <p><b>350.0 billion yen</b> <b>(10%)</b></p> <p>204.3 billion yen (6.5%) (FY22 results)</p>	<p>Ensure discipline in investment efficiency, exceed capital costs</p> <p><b>10% or more</b></p> <p>5.5% (FY22 results)</p>
3-years cumulative operating cash flow	
<p>Secure operating cash flow to serve as a foundation for investment in growth</p> <p><b>660.0 billion yen</b></p> <p>555.0 billion yen (accumulated from FY20 to FY22)</p>	



# Management that Continues to Transform Over Long Term

Fiscal 2025 is a pass-through point. Aim for the industry's highest level of profitability in lifestyle business area toward fiscal 2031.



**Panasonic**

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The risks, uncertainties and other factors referred to above include, but are not limited to, economic conditions, particularly consumer spending and corporate capital expenditures in the Americas, Europe, Japan, China and other Asian countries; volatility in demand for electronic equipment and components from business and industrial customers, as well as consumers in many product and geographical markets; the possibility that the spread of the novel coronavirus infections may adversely affect business activities of the Panasonic Group; the possibility that excessive currency rate fluctuations of the U.S. dollar, the euro, the Chinese yuan and other currencies against the yen may adversely affect costs and prices of Panasonic's products and services and certain other transactions that are denominated in these foreign currencies; the possibility of the Panasonic Group incurring additional costs of raising funds, because of changes in the fund raising environment; the possibility of the Panasonic Group not being able to respond to rapid technological changes and changing consumer preferences with timely and cost-effective introductions of new products in markets that are highly competitive in terms of both price and technology; the possibility of not achieving expected results or incurring unexpected losses in connection with the alliances or mergers and acquisitions; the possibility of not being able to achieve its business objectives through joint ventures and other collaborative agreements with other companies, including due to the pressure of price reduction exceeding that which can be achieved by its effort and decrease in demand for products from business partners which Panasonic highly depends on in BtoB business areas; the possibility of not achieving expected benefits in connection with the transition to a new organizational system in which Panasonic is a holding company; the possibility of the Panasonic Group not being able to maintain competitive strength in many product and geographical areas; the possibility of incurring expenses resulting from any defects in products or services of the Panasonic Group; the possibility that the Panasonic Group may face intellectual property infringement claims by third parties; current and potential, direct and indirect restrictions imposed by other countries over trade, manufacturing, labor and operations; restrictions, costs or legal liability relating to laws and regulations or failures in internal controls; fluctuations in market prices of securities and other financial assets in which the Panasonic Group has holdings or changes in valuation of non-financial assets, including property, plant and equipment, goodwill and deferred tax assets; future changes or revisions to accounting policies or accounting rules; the possibility of incurring expenses resulting from a leakage of customers' or confidential information from Panasonic Group systems due to unauthorized access or a detection of vulnerability of network-connected products of the Panasonic Group; as well as natural disasters including earthquakes, prevalence of infectious diseases throughout the world, disruption of supply chain and other events that may negatively impact business activities of the Panasonic Group. The factors listed above are not all-inclusive and further information is contained in the most recent English translated version of Panasonic's securities reports under the FIEA and any other documents which are disclosed on its website.

# Overview of Medium and Long Term Strategy

## ■ Management of Panasonic Corporation

Clarify the raison d'être from long-term perspective, and shift to a management capable of continuing reforms into the future.

## ■ Seven priority businesses

Defined seven businesses that will drive growth over the medium and long term. Accelerate selection and concentration based on portfolio strategy.

Increase the composition rate of sales in seven priority businesses to 75% by FY31.

(1) HVAC system (2) Overseas electrical construction materials (3) Energy solutions (4) CO2 refrigeration system  
(5) Electrical construction materials in Japan (6) Display cases (7) Home appliances in Japan

## ■ The most important themes for three-years medium term

1. Accelerating profit growth in seven priority businesses, supported by appropriate capital allocation.
2. Company-wide operational reforms.
3. Implementation of ESG/IR into management strategies.

## ■ Medium term management indicators (KGI)

EBITDA	350.0 billion yen
ROIC	10% or more
Cumulative operating cash flow	660.0 billion yen

# FY23 Forecast by Divisional Company

(yen: billions)

	Sales	vs. FY22 (Difference)	Adjusted OP (% to sales)	FY22 Difference	Other income/ loss	FY22 Difference	OP (% to sales)	FY22 Difference	EBITDA <sup>*2</sup> (% to sales)	FY22 Difference	ROIC <sup>*4</sup>	FY22 Difference
Panasonic Corporation	<b>3,232.0</b>	+2% (+66.4)	<b>135.0</b> 4.2%	+3.5	<b>▲ 11.0</b>	+12.3	<b>124.0</b> 3.8%	+15.8	<b>228.0</b> 7.1%	+23.7	<b>6.8%</b>	+1.3pt
Living Appliances and Solutions Company	<b>880.0</b>	+5% (+40.1)	<b>65.5</b> 7.4%	+2.2	<b>0.5</b>	▲0.1	<b>66.0</b> 7.5%	+2.1	<b>90.0</b> 10.2%	+5.2	<b>22.8%</b>	▲ 1.5pt
Heating & Ventilation A/C Company	<b>725.0</b>	+6% (+44.2)	<b>22.0</b> 3.0%	+0.5	<b>▲ 1.1</b>	+2.3	<b>20.9</b> 2.9%	+2.8	<b>40.0</b> 5.5%	+4.2	<b>5.9%</b>	+0.7pt
Cold Chain Solutions Company	<b>315.0</b>	+2% (+59)	<b>▲ 3.2</b> ▲ 1.0%	+4.4	<b>▲ 0.2</b>	+0.6	<b>▲ 3.4</b> ▲ 1.1%	+5.0	<b>4.8</b> 1.5%	+5.3	<b>▲ 2.1%</b>	+1.1pt
Electric Works Company	<b>950.0</b>	+5% (+45.3)	<b>50.0</b> 5.3%	+5.1	<b>▲ 8.5</b>	▲0.7	<b>41.5</b> 4.4%	+4.4	<b>70.0</b> 7.4%	+4.5	<b>8.0%</b>	+0.6pt
China and Northeast Asia Company <sup>*1</sup>	<b>849.5</b>	+4% (+35.3)	<b>24.4</b> 2.9%	+6.8	<b>▲ 0.4</b>	+8.5	<b>24.0</b> 2.8%	+15.3	<b>46.4</b> 5.5%	+17.9	-	-

\*1 Living Appliances and Solutions Company, Heating & Ventilation A/C Company, Cold Chain Solutions Company, and Electric Works Company include part of sales and profit of China and Northeast Asia Company

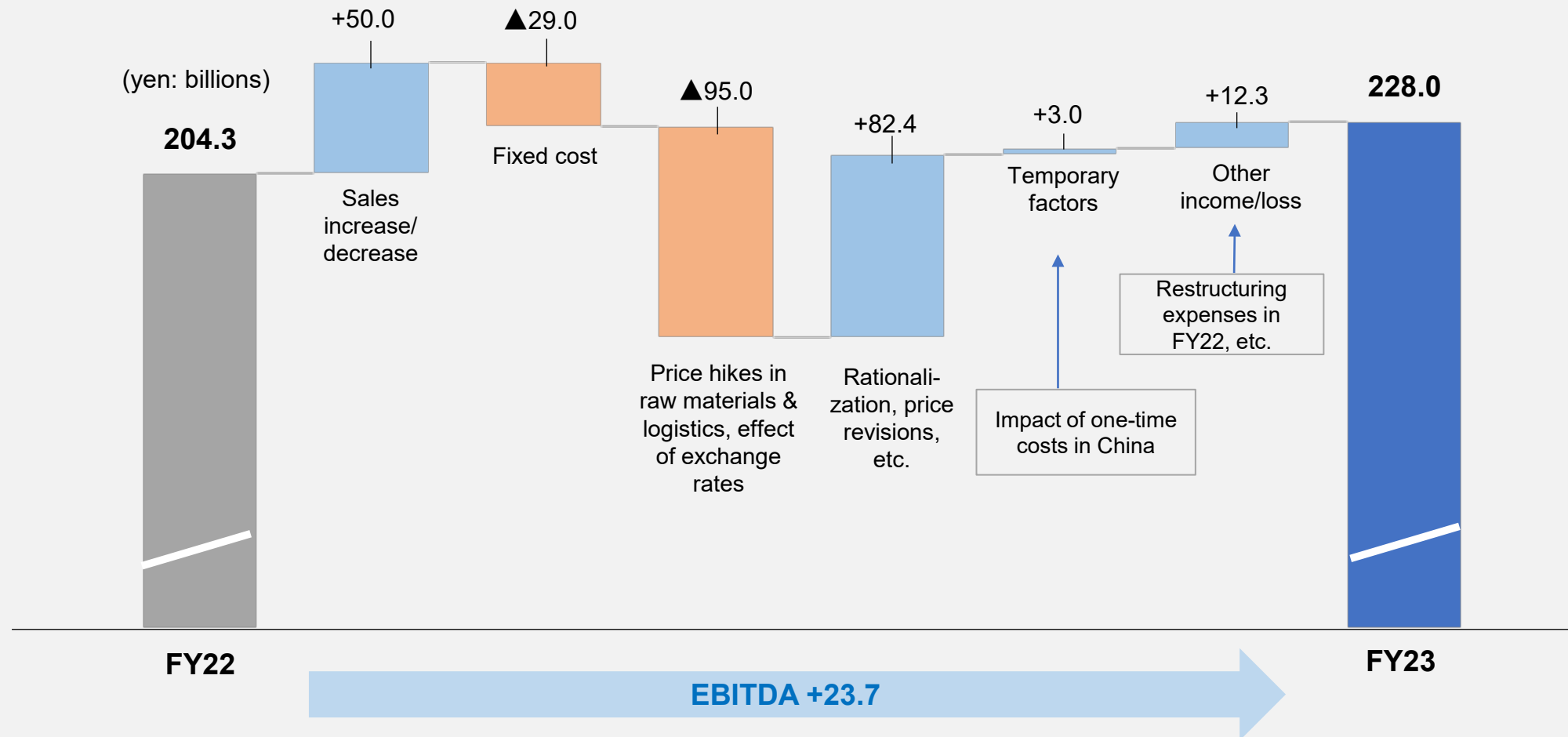
\*2 Total amount of Operating profit, Depreciation (Tangible assets including property, plant and equipment / Right-of-use assets) and Amortization (Intangible assets)

\*3 Impact of temporary expenses included

\*4 ROIC=Operating Profit After Tax /Average Invested Capital (Total equity + Interest-bearing debt) However, Invested Capital in FY22 is based on the beginning balance of FY23.

# FY23 EBITDA Analysis (by Factor)

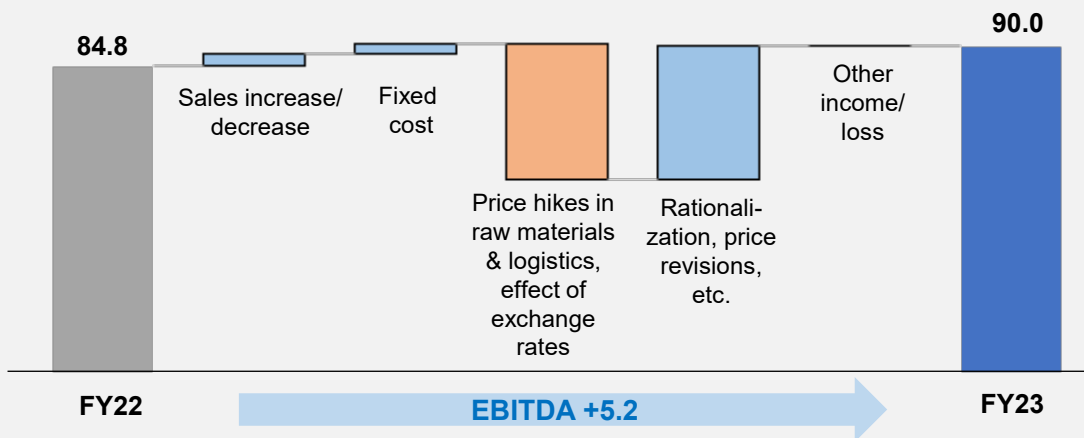
## Panasonic Corporation



# FY23 EBITDA Analysis (by Divisional Company and Factor)

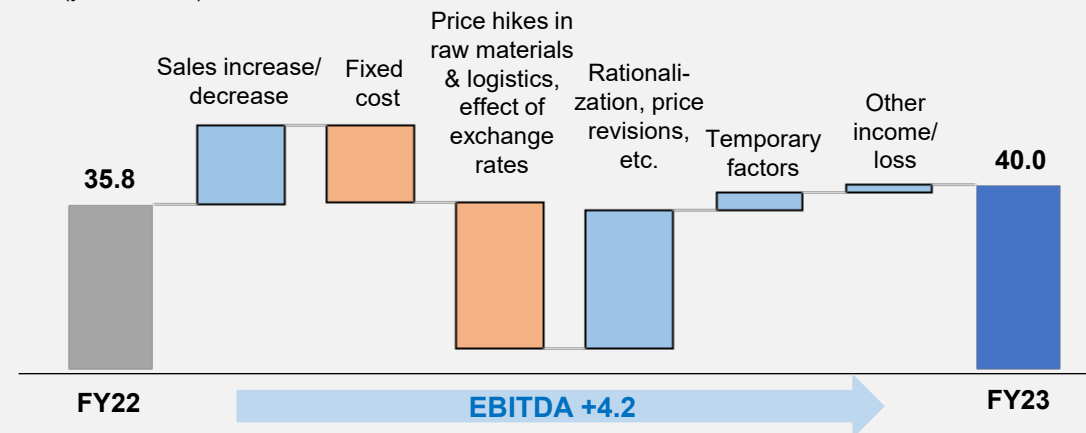
## Living Appliances and Solutions Company

(yen: billions)



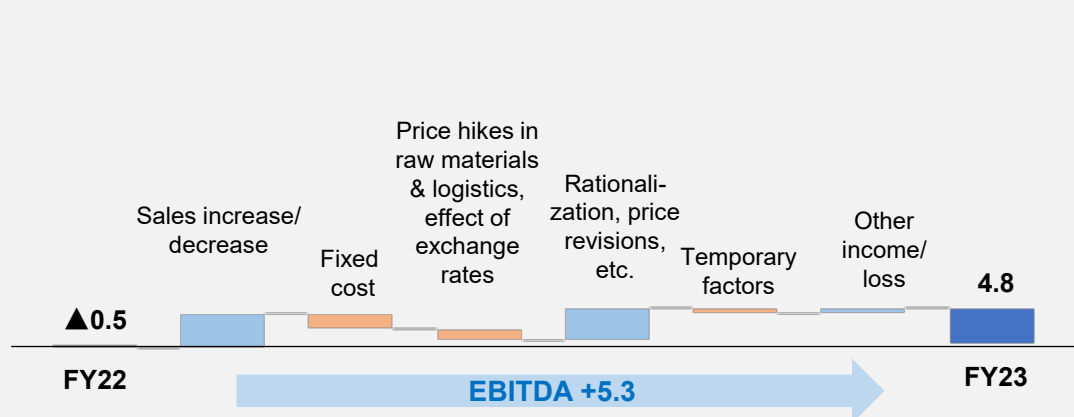
## Heating & Ventilation A/C Company

(yen: billions)



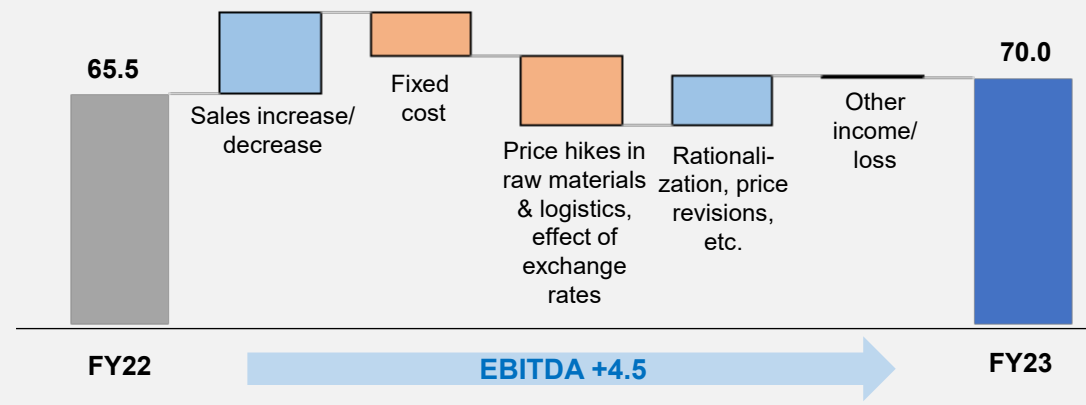
## Cold Chain Solutions Company

(yen: billions)



## Electric Works Company

(yen: billions)



# Financial Data Appendix



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Appendix

Panasonic Corporation

(yen: billions)

	FY22 Results	FY23 Financial Forecast	FY23 Results	FY25 (Target)
<b>PL)</b> Sales	3,165.6	3,232.0	-	3,500.0
Adjusted OP	131.5	135.0	-	-
Other income/loss	▲ 23.3	▲ 11.0	-	-
Operating profit	108.2	124.0	-	-
(% to sales)	3.4%	3.8%	-	-
Depreciation and amortization	96.1	104.0	-	-
EBITDA	204.3	228.0	-	350.0
(% to sales)	6.5%	7.1%	-	10.0%
<b>CF)</b> Cumulative operating CF (3 years)	555.0	-	-	660.0
(FY20~22)				(FY23~25)
FCF	-	-	-	-
Cash flows from operating activities	-	-	-	-
Cash flows from investing activities	-	-	-	-
Capital investment	78.8	107.0	-	-
Investment in intangible assets	9.9	18.0	-	-
R&D expenditures	135.6	147.0	-	-
	(Beginning balance of FY23)			
<b>BS)</b> Cash and cash equivalents	484.8	-	-	-
Trade receivables	495.2	-	-	-
Inventories	422.7	-	-	-
Other current assets	117.3	-	-	-
<b>Current assets</b>	1,520.0	-	-	-
Property, plant and equipment	328.5	-	-	-
Right-of-use assets	86.0	-	-	-
Other non-current assets	376.9	-	-	-
<b>Non-current assets</b>	791.4	-	-	-
Trade payables	397.7	-	-	-
Interest-bearing debt * 1	484.8	-	-	-
Lease liabilities	86.3	-	-	-
Other liabilities	649.9	-	-	-
<b>Total liabilities</b>	1,618.8	-	-	-
<b>Total equity</b>	692.6	-	-	-
Invested Capital * 2	1,263.8	-	-	-
ROIC * 2	5.5%	6.8%	-	10% or more

To be disclosed

\*1 Deposit / Loan is via cash management system in Panasonic Group (Group finance)

\*2 ROIC=Operating Profit After Tax /Average Invested Capital (Total equity + interest-bearing debt)

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(yen: billions)

	FY22 Results	FY23 Financial Forecast	FY23 Results	FY25 (Target)
<b>Living Appliances and Solutions Company</b>				
<b>PL)</b> Sales	839.9	880.0	-	980.0
Adjusted OP	63.3	65.5	-	-
Other income/loss	0.6	0.5	-	-
Operating profit	63.9	66.0	-	-
(% to sales)	7.6%	7.5%	-	-
Depreciation and amortization	20.9	24.0	-	-
EBITDA	84.8	90.0	-	118.0
(% to sales)	10.1%	10.2%	-	12.0%
<b>CF)</b> Cumulative operating CF (3 years)	-	-	-	200.0 (FY23~25)
FCF	-	-	-	-
Cash flows from operating activities	-	-	-	-
Cash flows from investing activities	-	-	-	-
Capital investment	25.1	29.4	-	-
Investment in intangible assets	1.4	3.1	-	-
R&D expenditures	44.1	47.7	-	-
	(Beginning balance of FY23)			
<b>BS)</b> Invested Capital *	191.0	-	-	-
Inventories	93.8	-	-	-
Property, plant and equipment	77.1	-	-	-
ROIC *	24.3%	22.8%	-	20% or more

To be disclosed

\*ROIC=Operating Profit After Tax /Average Invested Capital (Total equity + interest-bearing debt)

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(yen: billions)

	FY22 Results	FY23 Financial Forecast	FY23 Results	FY25 (Target)
<b>Heating &amp; Ventilation A/C Company</b>				
<b>PL)</b> Sales	680.8	725.0	-	860.0
Adjusted OP	※ 21.5	22.0	-	-
Other income/loss	▲ 3.4	▲ 1.1	-	-
Operating profit	※ 18.1	20.9	-	-
(% to sales)	2.7%	2.9%	-	-
Depreciation and amortization	17.6	19.1	-	-
EBITDA	※ 35.8	40.0	-	75.0
(% to sales)	5.3%	5.5%	-	8.7%
<b>CF)</b> Cumulative operating CF (3 years)	-	-	-	120.0 (FY23~25)
FCF	-	-	-	-
Cash flows from operating activities	-	-	-	-
Cash flows from investing activities	-	-	-	-
Capital investment	16.1	27.2	-	-
Investment in intangible assets	2.8	4.3	-	-
R&D expenditures	26.7	31.1	-	-
	(Beginning balance of FY23)			
<b>BS)</b> Invested Capital *	249.8	-	-	-
Inventories	119.8	-	-	-
Property, plant and equipment	56.3	-	-	-
ROIC *	※ 5.2%	5.9%	-	10% or more

To be disclosed

\* ROIC=Operating Profit After Tax /Average Invested Capital (Total equity + interest-bearing debt)  
 ※Impact of one-time expenses in China is included in FY22.

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(yen: billions)

	FY22 Results	FY23 Financial Forecast	FY23 Results	FY25 (Target)
<b>Cold Chain Solutions Company</b>				
<b>PL)</b> Sales	309.1	315.0	-	340.0
Adjusted OP	※ ▲ 7.6	※ ▲ 3.2	-	-
Other income/loss	▲ 0.8	▲ 0.2	-	-
Operating profit	※ ▲ 8.4	※ ▲ 3.4	-	-
(% to sales)	-2.7%	-1.1%	-	-
Depreciation and amortization	7.9	8.2	-	-
EBITDA	※ ▲ 0.5	※ 4.8	-	26.0
(% to sales)	-0.2%	1.6%	-	7.6%
<b>CF)</b> Cumulative operating CF (3 years)	-	-	-	30.0 (FY23~25)
FCF	-	-	-	-
Cash flows from operating activities	-	-	-	-
Cash flows from investing activities	-	-	-	-
Capital investment	3.5	3.3	-	-
Investment in intangible assets	1.0	1.8	-	-
R&D expenditures	6.9	7.4	-	-
	(Beginning balance of FY23)			
<b>BS)</b> Invested Capital *	262.1	-	-	-
Inventories	44.7	-	-	-
Property, plant and equipment	18.9	-	-	-
ROIC *	※ -3.2%	※ -2.1%	-	5% or more

To be disclosed

\* ROIC=Operating Profit After Tax /Average Invested Capital (Total equity + interest-bearing debt)  
※Impact of one-time expenses in China is included in FY22 and FY23.

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(yen: billions)

	FY22 Results	FY23 Financial Forecast	FY23 Results	FY25 (Target)
<b>Electric Works Company</b>				
<b>PL)</b> Sales	904.7	950.0	-	1,000.0
Adjusted OP	44.9	50.0	-	-
Other income/loss	▲ 7.8	▲ 8.5	-	-
Operating profit	37.1	41.5	-	-
(% to sales)	4.1%	4.4%	-	-
Depreciation and amortization	28.4	28.5	-	-
EBITDA	65.5	70.0	-	100.0
(% to sales)	7.2%	7.4%	-	10.0%
<b>CF)</b> Cumulative operating CF (3 years)	-	-	-	172.0 (FY23~25)
FCF	-	-	-	-
Cash flows from operating activities	-	-	-	-
Cash flows from investing activities	-	-	-	-
Capital investment	20.9	34.2	-	-
Investment in intangible assets	2.9	4.5	-	-
R&D expenditures	40.5	46.8	-	-
	(Beginning balance of FY23)			
<b>BS)</b> Invested Capital *	300.6	-	-	-
Inventories	112.9	-	-	-
Property, plant and equipment	102.4	-	-	-
ROIC *	7.4%	8.0%	-	10% or more

To be disclosed

\* ROIC=Operating Profit After Tax /Average Invested Capital (Total equity + interest-bearing debt)