[English translation of the original Japanese]

Summary of the meeting with institutional investors held in December 2025

This is an English translation of the summary of the Q&A that was conducted in Japanese. Please note that there may be some differences between this summary and the simultaneous English interpretation provided for the meeting.

[Date & time] December 10, 2025, 09:00-10:00 (JST)
[Meeting format] Online group meeting
[Moderator] Mr. Ryo Harada, Analyst, Goldman Sachs Japan Co., Ltd.
[Speaker] Kazuyo Sumida, Group CSO, Panasonic Holdings Corporation

1	Q	Regarding the structural reforms currently underway, how much progress has been made compared to the initial plan—in such areas as fixed-cost reductions, including personnel optimization, addressing “Businesses with Issues”, and business portfolio management? In addition, what sort of discussions have taken place at the Board of Directors concerning these reforms?
	A	The structural reforms are progressing smoothly and remain on track, including in terms of numerical targets. With respect to personnel optimization being undertaken both in Japan and overseas, we are currently proceeding mainly with our operations in Japan. Although the final figures have not yet been determined, the scale is likely to exceed our initial assumptions. As a result, both the costs and the effects of the structural reforms are expected to increase, and we revised our full-year forecast for FY3/26 accordingly at the timing of the FY3/26 second-quarter financial results announcement. Regarding resolving of “Businesses with Issues”, we are steadily working without delay to set a direction for each of those businesses by the end of FY3/26, as stated in the Group Management Reform announcement in February 2025. The Board of Directors held intensive discussions on the structural reforms, prior to the announcement in February 2025. In particular, the Board fully recognized that it would have a significant impact on such stakeholders as our employees, customers and business partners to pursue major reforms across the entire Group at once—such as large-scale personnel optimization—while still maintaining positive profit, and reorganizing Panasonic Corporation, one of the Group’s major subsidiaries. Nevertheless, both internal and external directors reached the conclusion that we must proceed with unwavering determination.
2	Q	It appears that your structural reforms are progressing better than expected as a whole, despite business conditions differing from business to business either positively or negatively—for instance, the EV market is slowing down, while businesses related to generative AI remain favorable. Against this backdrop, is it reasonable to assume high likelihood of achieving your target of 600 billion yen or more in adjusted operating profit in FY3/27?
	A	We are confident in achieving “600 billion yen or more of adjusted operating profit in FY3/27,” and the level of commitment to that target from our operating companies and business units is very strong. In our structural reforms, fixed-cost reductions, particularly personnel optimization, are progressing beyond our initial plan and expected to support profitability improvement in FY3/27. As for the business environment and status of our business, while the automotive battery business is experiencing a market slowdown, demand for energy storage systems for data centers remains strong. This not only benefits the overall battery

		business of the Energy segment, but also is expected to generate positive effects for other businesses in the industry segment.
3	Q	For businesses categorized as “Businesses with Issues,” if these businesses improve ROIC to a level exceeding WACC through structural reforms, I understand they may remain within the Group. In that case, is it reasonable to assume that these businesses will be requested to achieve the Group-wide threshold of WACC + 3% thereafter?
	A	For “Businesses with Issues”, which have low growth potential and ROIC below WACC except for temporary WACC shortfalls during investment phases, we are working to fully resolve such conditions by the end of FY3/27. To achieve this, we will set a direction for each of those businesses within FY3/26. Resolving WACC shortfalls, however, is only a minimum requirement and does not contribute to value creation. As the Group’s holding company, we request all businesses to meet the hurdle rate of “WACC + 3%” and the Businesses with Issues are no exception in this regard.
4	Q	The IR Day focused on solution-related businesses in Energy, Electric Works, and Connect. Will there be updates on the strategies for other businesses such as the consumer electronics and HVAC businesses? **<Reference>** Materials for Panasonic Group IR Day 2025 (held on December 2, 2025) https://holdings.panasonic/global/corporate/investors/presentations/ir-day-2025.html
	A	At the IR Day, we focused on such three businesses to help investors gain a deeper understanding of our strong business line-up and their solution offering capabilities. To that end, we had on-site discussions among the head of those businesses as part of the the IR Day program. However, we are progressing with business reforms in other businesses as well, including the consumer electronics and HVAC businesses. We plan to update with our stakeholders the outcomes of these reforms as well as the strategic direction of these businesses at timings when we announce the overall Group strategy.
5	Q	The Lifestyle segment (Panasonic Corporation) is set to be reorganized. In addition, Mr. Sain, the current head of the Avionics business, will assume the role of CEO of Panasonic Connect. What effects or improvements are these changes expected to bring to the Group?
	A	We view the reorganization of the Lifestyle segment as a valuable opportunity to reassess our existing structures with no exceptions. By reducing overlapping costs and streamlining or eliminating certain business processes, we aim to enhance the speed of management decision-making and executions. Regarding the appointment of Mr. Sain as CEO of Panasonic Connect, we believe that his experience and expertise he has gained as head of the Avionics business will not only contribute to Panasonic Connect, but also have a positive impact across other operating companies within the Group, in addition to becoming a significant catalyst for promoting diversity and globalization as the first non-Japanese head of an operating company. He has led the Avionics business and transformed it into a software-driven business model through the development of products and services. Particularly, in the post-COVID phase, he successfully guided the business to recovery and expanded its market share.
6	Q	Blue Yonder’s recent sales growth seems somewhat weak. How do you assess the current business conditions? Do you see any further downside risk in profitability even though profitability is expected to improve?
	A	We understand your concerns regarding Blue Yonder, and there are two key reasons

		for the recent slower-than-expected sales growth. First, over the past three years, Blue Yonder has been making strategic investments, in a “more hassle, less speed” manner, even accepting some downside pressure on its profit. With such strategic investment, it prioritized a transformation from conventional on-premise solutions to cloud-native SaaS offerings and also enhanced cybersecurity measures following a cyberattack on it. As a result, Blue Yonder is now well positioned to timely deliver AI-enabled solutions to its customers exactly. The second reason is its complexity and time-consuming nature in the implementation process. Blue Yonder provides a unique end-to-end (E2E) supply chain management (SCM) solution that covers everything from upstream to downstream. For instance, its implementation requires comprehensive assessments, unlike point-solution SCM products such as warehouse management systems (WMS), and therefore it takes more time for its potential customers in the pipeline to become its actual customers by signing the contract. Due to these reasons, although the pipeline for its cloud-native Cognitive Solutions launched in May 2025 has been increasing, we expect conversion of these opportunities into actual sales to occur from late 2025 onward. As for your concerns regarding the downside risk of profitability, We do not foresee such risk as its expected profitability improvement is due mainly to a planned shift from a strategic investment phase to a profitability improvement phage mainly supported mainly by cost control through a decline in R&D spending as well as a growing pipeline for its Cognitive Solutions.
7	Q	Given the changes in Blue Yonder’s business environment since its acquisition by the Panasonic Group, have there been any changes in its position or strategy within the Group? For example, Blue Yonder was initially aiming to expand its business in the Japanese market and to collaborate with Connect’s Process Automation business. However, these initiatives do not appear to be progressing as expected.
	A	There have been no changes to our overall strategic direction or the strategic rationale for acquiring Blue Yonder. The Panasonic Group has historically expanded its businesses mainly based on hardware technologies, however, in today’s business environment, we believe it is essential to deliver value to customers through software-defined evolution and service-driven offerings. To achieve this, it is essential for the Group to have a software-defined culture and capabilities, and therefore, we regard Blue Yonder as an important element of the Group with its modern development environment and design philosophy. As for business expansion to the Japanese market, while U.S. and European customers typically implement standardized solutions, Japanese customers tend to prefer highly customized systems, which poses challenges not only for Blue Yonder but also for other software providers in Japan more broadly. Therefore, Blue Yonder has been prioritizing the U.S. and European markets rather than the Japanese market. However, the business environment has become more favorable for us in Japan, particularly because we have been developing more human resources for the Japanese market and more Japanese companies have been adopting Blue Yonder’s products outside Japan. Against this backdrop, we now plan to enhance our efforts to expand our business in the Japanese market Regarding collaboration with the Process Automation business of Panasonic Connect, we initially explored opportunities for such joint business development. However, through discussions with our customers, we realized that greater urgency and potential for profitability improvements for our customers lay in other areas such as warehouse and logistics solutions. Therefore, we adjusted our priorities accordingly and shifted more of our focus toward such areas.
8	Q	In the U.S., some argue that SaaS companies may lose value due to “AI disruption.” On the other hand, companies with high market share are said to increase their value

		by leveraging a vast amount of data through AI. What is the case for Blue Yonder?
	A	Blue Yonder's Cognitive Solutions is different from simple SaaS packages. It is a platform that increases its value by enhancing its analytical accuracy by harnessing AI and leveraging accumulated data. Supply-chain management is mission critical in its nature and has a wide range of coverage from demand forecasting (upstream) to delivery (downstream). Therefore, its analytical accuracy has a direct impact on customers' profitability. Blue Yonder's Cognitive Solutions holds a data lake supporting from upstream to downstream (end-to-end), which enables its customers through AI utilization to significantly improve analytical accuracy directly linked to their profitability.
9	Q	At the IR Day, Panasonic Energy announced its target of achieving "800 billion yen in sales for FY3/29 from energy-storage systems for data centers. How confident are you in achieving this target? Also, what profit margin are you aiming for in this business?
	A	As the 800-billion-yen sales target for energy-storage systems for data centers is based on the status of awards* already received, we consider the target to be highly achievable. In fact, demand is so strong that the trend is upward, making it even more important to secure sufficient production capacity and resources. As for the profitability for energy storage systems for data centers, although it may fluctuate depending on the platform generation, we aim to maintain at least the same profit-margin level of over 15%, as currently achieved in the Industrial/Consumer of the Energy segment, and to reach around 20% or higher. *Awards: Development advancement / confirmed order agreements
10	Q	What are the core technologies, differentiators, and strengths that enable such high profitability in energy-storage systems for data centers? Also, I understand that the larger the scale of energy storage systems is, the higher the required safety standards are. In this regard, do you see your expertise in fire-risk management for battery cells as one of your strengths, given the current trend of increasing scale in energy storage systems for data centers.
	A	Energy storage systems for data centers must meet requirements for stable operation, high performance, and the capability to respond to customer specifications. One of our key strengths lies in our ability to clearly define the functional requirements expected for new platforms by customers and then propose and deliver "solutions"—comprising our battery cells and other key devices integrated into units and systems. This approach is fundamentally different from simply supplying battery cells or devices. Although other companies may pursue similar approaches, we understand we have certain advantages over them with the following factors: we have long-standing relationships with our customers' engineering supervisors and our proven performance across each platform generation has been highly valued in terms of performance realization, system implementation, delivery capability, and quality. We also have 10 years of accumulated track record and ability to manufacture key devices in-house, which give us certain entry barriers and help a first-mover advantage—contributing to our current high market share and profitability. Regarding the increased safety requirements associated with larger systems and higher energy capacities, we see this as a natural trend and have extensive expertise and technologies in safety and safety design across the entire system—from cells to modules and system level—built on many years of experience. We also hold relevant patents, which represent another significant strength.
11	Q	Why do hyperscalers, as your customers, commit to energy storage systems for data

		centers 3-4 years in advance? Is it due to a long-term business model that depends on architectures for the next- and next-next-generation systems rather than short-cycle sales?
	A	Exactly. As for what kind of energy storage system is needed, we can discuss with our customers not only for the next generation platforms but also for the generation after that. Such a long-term business model have led us to winning their long-term commitments, including the development phase.
12	Q	Given the considerably strong customer demand for energy storage systems for data centers, are there any production bottlenecks, including capacity constraints, that could limit your sales expansion?
	A	We have secured production capacity that can meet expected demand through around 2028, despite the current strong demand for energy-storage systems for data centers. So, we do not face any major bottlenecks including production capacity constrains. This is partly because the cells used in energy storage systems for data centers require far fewer gigawatt-hours than those used in automotive batteries, and the cells themselves account for only about 20% of the total system cost. In addition, capacity can be expanded by modifying existing production lines for automotive batteries, without requiring large-scale investment in new cell factories. That enables us to keep both required lead times and investment levels relatively low For the remaining approximately 80% of the system, we can flexibly scale by combining in-house production with external procurement, which also makes it structurally unlikely for production constraints to arise.
13	Q	As a next-generation energy storage system for data centers, Panasonic Energy is planning to launch a CBU (Capacitor Backup Unit) with a built-in shelf in FY3/27. Are the supercapacitors used in this CBU existing mass-produced products, or are they newly developed in-house? Also, are competitors pursuing similar product development?
	A	The CBU scheduled to be launched in FY3/27 is being jointly developed by Panasonic Industry and Panasonic Energy based on customer requirements. The supercapacitors used in the unit are to be newly developed and manufactured by Panasonic Industry including the material sourcing phase. We understand that competitors may also be advancing supercapacitor development. Even if so, we assume their development concepts are likely different from ours.
14	Q	With the evolution of GPUs, operating voltages in data centers are increasing to 400V or even 800V. Are your energy storage systems for data centers prepared to support such higher voltages?
	A	We have already begun sequential development of products compatible with higher-voltage platforms. We are engaging discussions with our customers over required functions for such higher-voltage platforms and intend to deliver to them optimal environments for their adoption of such platforms by providing them with our products as system, not just battery cells or devices.
15	Q	In the automotive battery business, there are concerns about downside pressure on profitability with sales decline and ramp-up costs at the Kansas factory among others. How much of such changes in the market environment and cost factors are reflected in your forecast?
	A	External environmental changes—including economic and policy developments affecting EVs—have impacted our automotive battery business more rapidly than

		expected. In addition, the Kansas factory, which began production as recently as July 2025, is still in an early phase where fixed costs precede sales, resulting in this business posting a loss in the second quarter of FY3/26. Currently, although demand from both the entire EV market and our strategic-customer is below initial expectations, we are working with our strategic customer to adjust the pace of capacity expansion at the Kansas factory to minimize profit impact. Meanwhile, in Japan, we plan to shift our production capacity of automotive batteries to batteries for energy storage systems for data centers. These measures are expected to offset negative factors from the second half of FY3/26 onward, and we expect the full-year results for FY3/26 to be profitable.
16	Q	Given the temporary slowdown in the automotive batteries business, you mentioned that you are considering repurposing part of the Kansas factory—originally built for automotive battery production—to manufacturing energy storage systems for data centers. What is the rationale behind this? Also, would cells produced at the Kansas factory for energy storage systems for data centers be eligible for the U.S. IRA tax credit?
	A	As for the utilization of battery production capacity, we intend to take a flexible approach. If necessary, we can repurpose part of the capacity to function as an important asset to capture demand for energy storage systems for data centers in an earlier and more reliable manner. In that case, we assume the products manufactured at the Kansas factory can be eligible for U.S. IRA tax credit. However, we understand that the eligibility requires meeting certain conditions, such as production-volume thresholds.
17	Q	Do you expect your free cash flow (FCF) to improve from FY3/27 onward after investments in automotive and other areas peak in FY3/26?
	A	Exactly. From FY3/23 to FY3/25, we invested approximately 600 billion yen in the automotive battery business, and in FY3/26 we remain in an investment phase as we continue to invest in the Kansas factory. However, from FY3/27 onward, we do not anticipate any large-scale investments. In addition, the effects of personnel optimization are expected to materialize significantly. As a result, we expect our FCF to improve in FY3/27.
18	Q	Please elaborate on the competitive advantages and production-expansion plans for Panasonic Industry's generative AI-related devices such as capacitors and multi-layer circuit board materials.
	A	For capacitors, performance characteristics vary significantly by type and manufacturer, so customers choose products based on their specific design requirements. For example, in platform designs for AI data servers that require low ESR (equivalent series resistance), high heat tolerance, and high capacitance, our SP-Cap products—well suited to these needs—are seeing strong demand. Going forward, we aim to continue rapidly developing and launching products that meet customer requirements and further expand our market share. For multi-layer circuit board materials, minimizing data transmission loss is increasingly essential as data-traffic surges in AI data centers. Our products are highly rated in this regard. We are also catching up in halogen-free ones, a product category in which we previously lagged behind our competitors Both capacitors and multi-layer circuit board materials receive very strong demand, and we are accelerating production-capacity expansion to avoid missing order opportunities. For example, we are building a new facility for multi-layer circuit board materials at our Thai factory. While AI-related sales in the Industry segment is around 45 billion yen in FY3/26, we aim to more than double this to around 100 billion yen in FY3/31. We intend to

		secure the necessary capacity for that.
19	Q	Please share your view on what kind of company the Panasonic Group aims to become in the future.
	A	The Panasonic Group has long been a company that addresses societal issues of the time by providing solutions through both hardware and services. We believe this commitment will remain unchanged going forward. One of the most significant global societal issues today is the energy challenge. For instance, data centers—whose demand is growing rapidly—are closely connected to it. In light of these evolving societal needs, we aim to deliver value and solutions that contribute to both global environmental sustainability and the well-being of people and society.

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