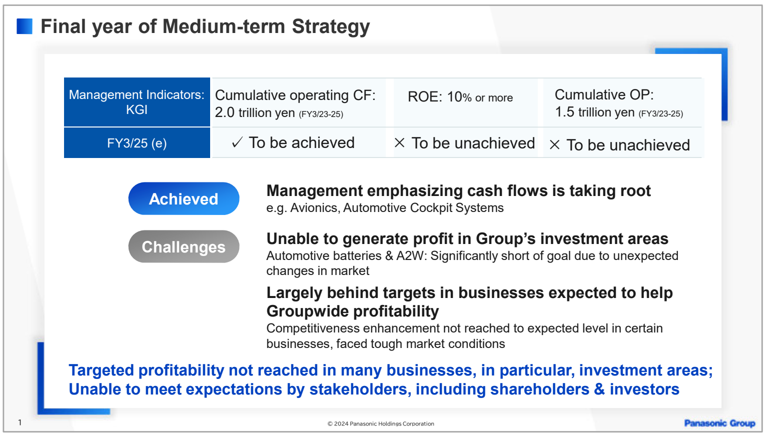
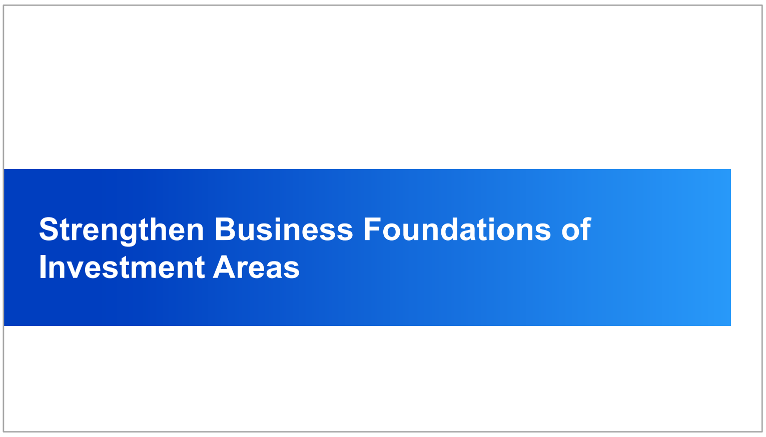
- Good afternoon, I’m Yuki Kusumi, Group CEO of Panasonic Holdings Corporation.
- Thank you very much for participating in this online briefing, despite your very busy schedule.
- Last week, we reported our financial results for fiscal year 2024 (ended March 2024) and our financial forecast for fiscal year 2025 (ending March 2025). Today, I would like to explain the Panasonic Group’s initiatives that will be taken in the final year of our Medium-term Strategy.

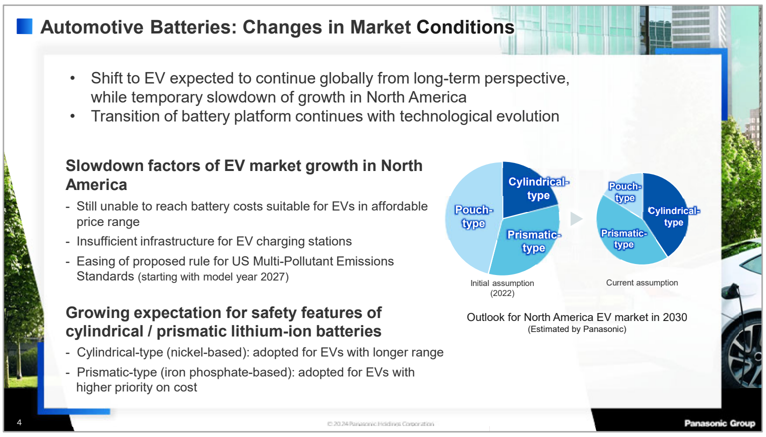


- First, I will explain where our businesses stand today as we start the final year of the Medium-term Strategy.
- Looking at the current situation of management indicators, or KGIs, we expect to achieve our target for cumulative operating cash flow. However, we do not expect to achieve our targets for ROE and cumulative operating profit.
- I believe management emphasizing cash flows is taking root. However, I must admit that certain businesses were unable to gain the profitability that was initially expected.
  The major challenges we face include the following:
  - The Group's investment areas, namely, automotive batteries and A2W (air to water), are significantly short of their goals due to unexpected market changes.
  - Among those businesses that were expected to help Groupwide profitability, certain businesses did not reach the expected level of competitive enhancement, in addition to facing tough market conditions.
- At present, we are unable to meet the expectations of our stakeholders, including shareholders and investors. I view this situation with a sense of crisis.

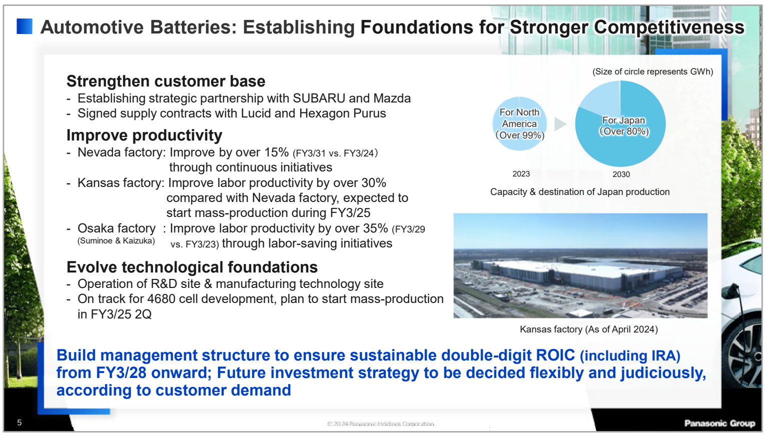
- To overcome this situation, I am determined to implement reforms to improve profitability Groupwide.
- First, we will strengthen the business foundations of investment areas.
  For automotive batteries and air quality & air-conditioning, the pace of market growth will slow down further than we expected, but our expectations for future growth remain unchanged.
  Therefore, we will accelerate our initiatives to enhance competitiveness, while growth investment decisions in terms of timing and amount will be flexibly decided according to market and customer situations.
  For SCM software, at Blue Yonder, the ongoing “Duncan Transformation” will relentlessly pursued in preparation for further innovation and growth.
- The second point is about business portfolio management, which began last year, and our financial strategy.
  We will implement a discipline to rigorously manage each business’ competitiveness, through growth potential and capital efficiency, to resolve issues from all businesses.
  Our aim is to establish a strong foundation of profitability as a Group to meet the expectations of our shareholders.
- Third, we will enhance the overall management structure of the Group, such as our initiatives in “Human capital management” and “Operational frontlines innovation & PX.”
  By taking these measures, we aim to build stronger foundations for enhanced competitiveness at each business, and we will continue such initiatives from a long-term perspective, not just looking at a single year.



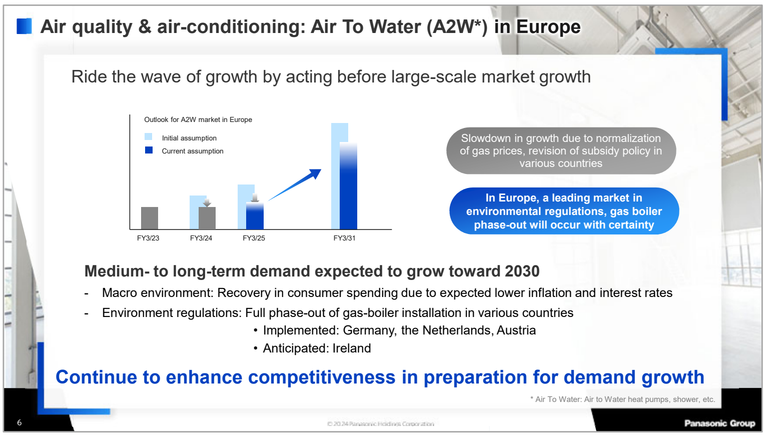
- First, strengthening our business foundations of investment areas.



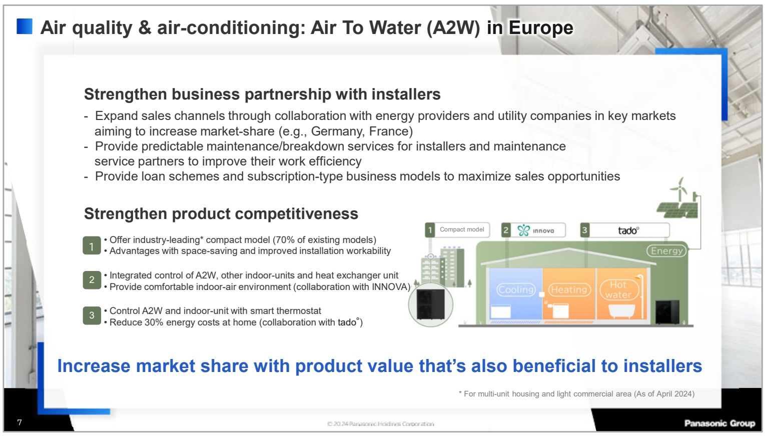
- This slide illustrates our recognition of market changes in the automotive battery business, which we identify as the priority investment area.
- The global Battery EV (BEV) market has changed significantly over the past year. We think, from a long-term perspective, that the electrification of mobility will progress. However, in the North America market, where we focus our efforts, the car manufacturers who previously made a drastic change in their direction to BEV have more recently changed their lineup-expansion strategy based on customer needs, thus announcing the roll-out of HEV and PHEV models. Therefore, we assume that the BEV ratio will fall by 2030, and the pace of shifting to BEV seems to be slowing down right now.
- One factor is that the cost of batteries, which accounts for a large portion of vehicle costs, has not reached a suitable level for EVs in the affordable price range. Moreover, there has been insufficient infrastructure development to support BEV usage, specifically, the deployment of charging stations has not caught up with demand.
  As another factor, in March, the U.S. Environmental Protection Agency (EPA) began its step-by-step easing of greenhouse gas emission standards toward 2032, with a scenario for achieving CO2 reductions through various technologies, like PHEVs.
- As for the trends in battery types going forward, the adoption of iron phosphate-based prismatic batteries is expected to increase for BEV models with safety features, while at the same time an even higher priority is given to their lower cost. This trend has been seen in other global markets.
- On the other hand, the adoption of nickel-based cylindrical batteries, where we have an advantage, is also expected to increase for BEV models, which require a longer driving range. This is due to the advantages of developing batteries with high energy density while also ensuring safety.



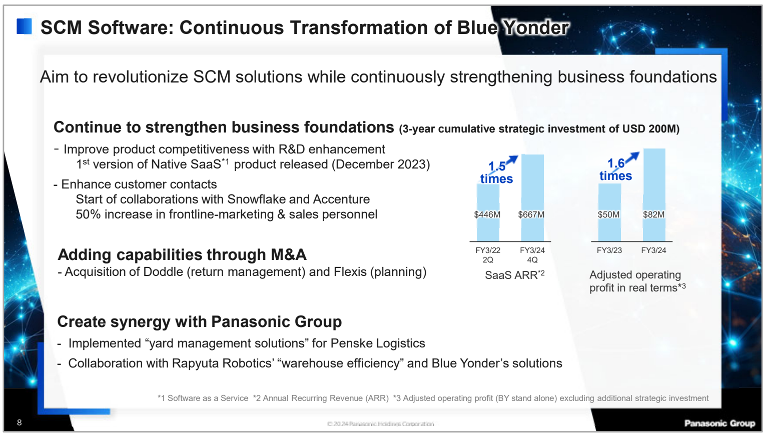
- In the midst of these major market changes, in March 2024, to build strong competitive business foundations, we signed a basic cooperative agreement with SUBARU on the supplying automotive batteries and an agreement with Mazda toward the supply of automotive batteries. In preparation of meeting these needs, we are planning to transform our factory operations in Japan, mainly at the Osaka factory, to expand production capacity. In addition, we will continue to expand our supply bases for customers who adopt cylindrical batteries, including the battery supply for Lucid's luxury EVs and for Hexagon Purus's commercial vehicles, which we announced in 2023.
- We are also working to improve profitability through improving productivity at each factory. At the Nevada factory in North America, we are aiming to increase production capacity by over 15% in FY3/31 compared to FY3/24. At the Kansas factory, which is currently under construction, we aim to improve labor productivity by over 30% compared to the Nevada factory. The construction of the Kansas factory is steadily progressing, now in the stage of installing equipment, toward the planned start of mass-production in FY3/25. At the Osaka factory, we are aiming to improve labor productivity by over 35% in FY3/29 compared to FY3/23 through realigning the floor arrangement of entire lines and further introducing labor-saving initiatives.
- As for the evolution of technological foundations, we will start to operate an R&D facility in Kadoma and a manufacturing development facility in Suminoe which we announced in 2023. With these new facilities, we will accelerate the development of next-generation cells, productivity improvement, and capacity expansion.
  As for 4680 cells, with new high-density technologies, their development is progressing as planned, and mass-production is expected to start in FY3/25 2Q at the Wakayama factory. The introduction of 4680 cells will help us to build a strong competitive foundation.
- Through these various initiatives, we will transform the automotive battery business' management structure to ensure sustainable double-digit ROIC, including IRA, from FY3/28 onward.
- Regarding future investment strategy, we will make the decisions flexibility and judiciously according to customer demand.



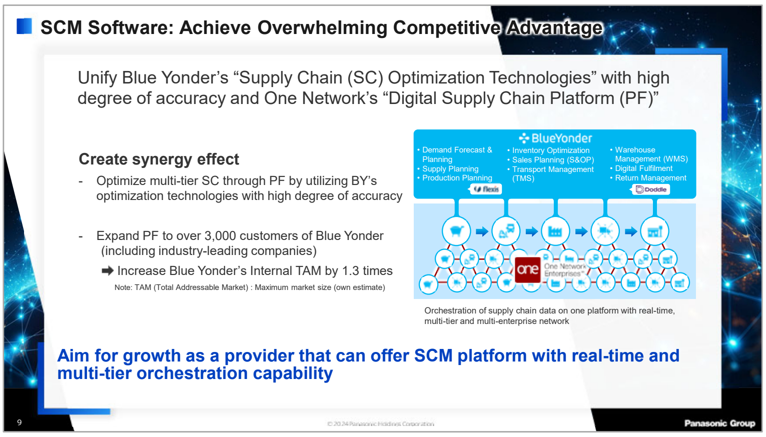
- Next, let me discuss the air quality & air-conditioning business.
  In last year's group strategy briefing, I explained the growth background of the A2W business. But since then, the market environment surrounding A2W has significantly changed.
- For example, gas prices have normalized. Subsidy policy has been revised. There is also a downturn in the European economy. Due to these factors, A2W market conditions as a whole have not grown as expected. Looking at the current slowdown, we have no choice but to change our initial plan. However, we believe demand will turn to a growth path from a medium- to long-term perspective, since the necessity of alleviating global environment issues, including climate change, is unavoidable. This view is based on, in terms of macro-scale environment, the expected recovery in consumer spending due to lower interest rates. Also, tougher regulations on gas-boiler installation are expected in various countries. These trend will help to revive the growth trajectory of A2W.
- Therefore, we are steadily making investments for growth in the air quality and air-conditioning business as one of our investment areas.
- In other words, it is crucial for us to execute the necessary initiatives for gaining market share and building a superior market position in this area, where there is still no predominant player, while the market is in a stagnation period.



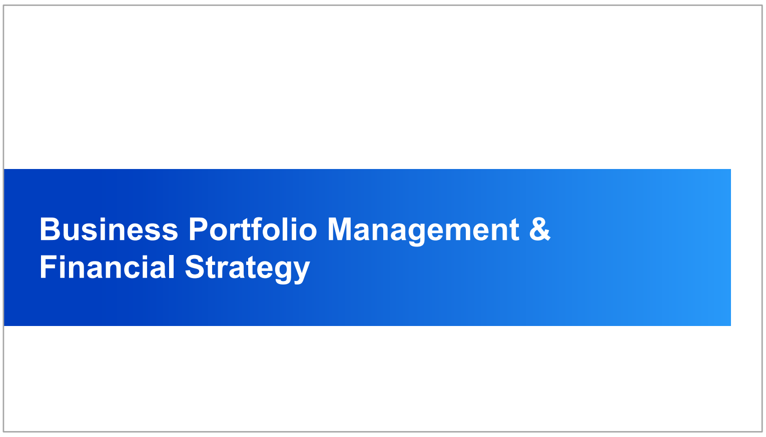
- In this slide, I will explain how we aim to expand our market share in A2W.
- In this industry, in addition to being accepted by the end users for our products, it is crucial that product value also benefit the to installers. Therefore, we are increasing our opportunities to work with installers through collaboration with energy providers and utility companies. We will also provide predictable maintenance & breakdown services to improve installers' work efficiency. Furthermore, to maximize sales opportunities, we will provide loan schemes and subscription-type business models, which help to reduce the financial burden at the time of sales.
- As for product competitiveness, we offer the industry-leading compact model, which is 70% the size of existing models for multi-unit housing and light commercial areas, providing high efficiency and high power. Moreover, we can create a comfortable indoor-air environment, including cooling, ventilation and dehumidification achieved through collaboration with INNOVA.
- Although sluggish demand continues, in order to steadily increase market share, we will strengthen our competitiveness in convincing customers and also demonstrate how our products and services are beneficial to installers.



- Next, let me discuss our supply chain management software.
- Under Duncan Angove, who became CEO of Blue Yonder (BY) in FY3/23, we are carrying out its business transformation.
- The first version of our Native SaaS product was released last year, which is an example of a tangible outcome.
- Also, BY began cross-sharing of customer bases with Snowflake and co-marketing with Accenture to reach out to more potential customers with BY solutions. BY's front line sales staff also increased by 50%.
- We also acquired Doodle and Flexis to enhance BY's return management solutions and planning solutions, respectively.
- As for the synergies between BY and the rest of the Panasonic Group, we are seeing results. One is "yard management solutions" for handling the trucks for Penske Logistics. This is a combination of BY's solutions with edge devices at the operational frontlines, which is one of the strengths of Connect. Furthermore, we connect BY's warehouse management solutions with control solutions for in-warehouse robotics, in which Rapyuta Robotics and Connect are collaborating.

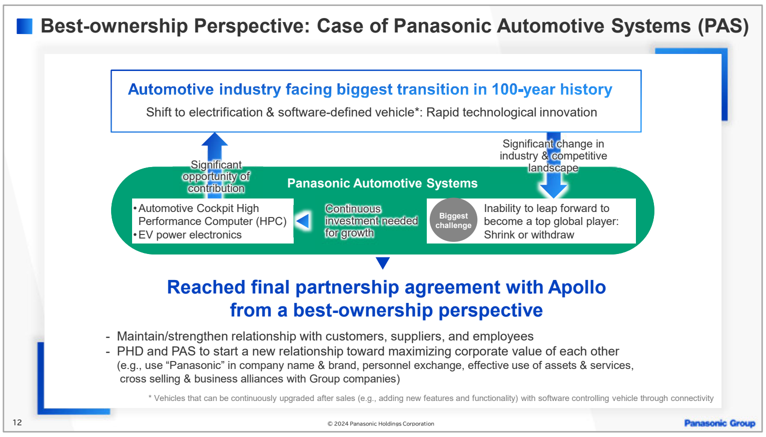


- At the end of FY3/24, Blue Yonder announced a binding agreement to acquire One Network Enterprises to achieve an overwhelming competitive advantage in the supply chain management business.
  One Network Enterprises is a provider of digital supply chain networks that offer real-time sharing, visualization, and use of information such as demand, trades, logistics, and inventories.
- By combining BY's optimal solutions which are AI-powered and highly accurate, with One Network's information-sharing platform, we will be able to offer real-time optimal solutions for the entire supply chain.
- Going forward, leveraging the synergy between One Network and BY, we will grow as a provider that can offer an SCM platform with real-time and multi-tier orchestration capability.

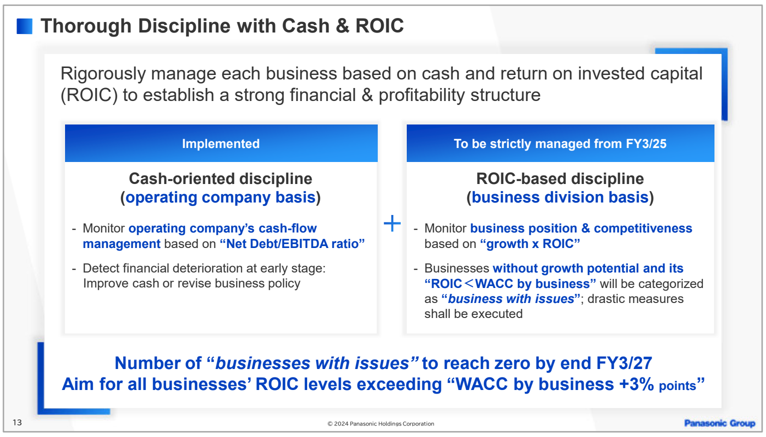


- Next, I will talk about business portfolio management and our financial strategy.

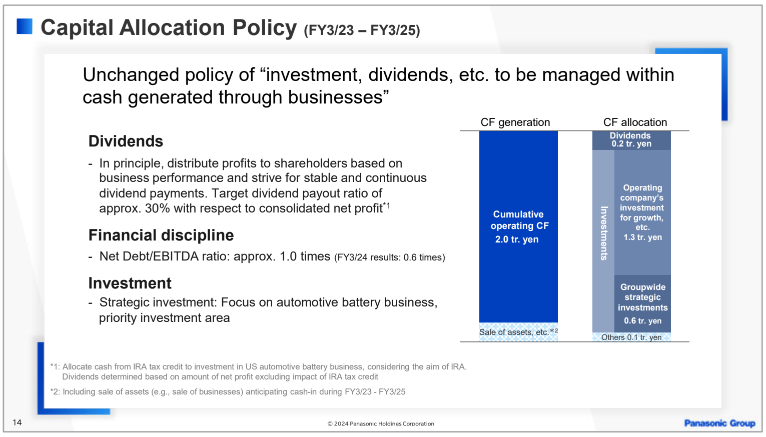
- At last year's Group Strategy Briefing, I had already outlined our policy on business portfolio management.
- The first criterion is relevance to Groupwide common strategy.
  At Panasonic Group, we focus our contributions on two points: Contributions to the global environment and contributions to each customer's life-long health, safety and comfort. Can each business continue to make contributions in these two areas? This is the first criterion.
- The second criterion is each business' market position and competitiveness. This involves market growth potential, the position of the business in its field, and thorough profitability assessment both quantitatively and qualitatively.
- In addition to these criteria, I also explained that revision or replacement of a business portfolio is just a means, and our aim is to continue providing benefits to all stakeholders, including shareholders, customers, business partners, and employees.
  To thoroughly implement decision-making from this perspective, I added a third criterion, "best-ownership perspective."
- To be specific, it's the perspectives of:
  - Whether Panasonic Holdings can take the necessary actions on the Business' most important issue;
  - Whether Panasonic Holdings can make the necessary growth investments if the business needs more cash than it can generate; and
  - Whether Panasonic Holdings can evaluate the business' quality and competence.
- Based on all of these, a year ago, I made a commitment to set the direction of revising our business portfolio, and to execute our decisions during the previous fiscal year.
  One example of this is the already announced case of the automotive business. I will explain the details in the next slide.



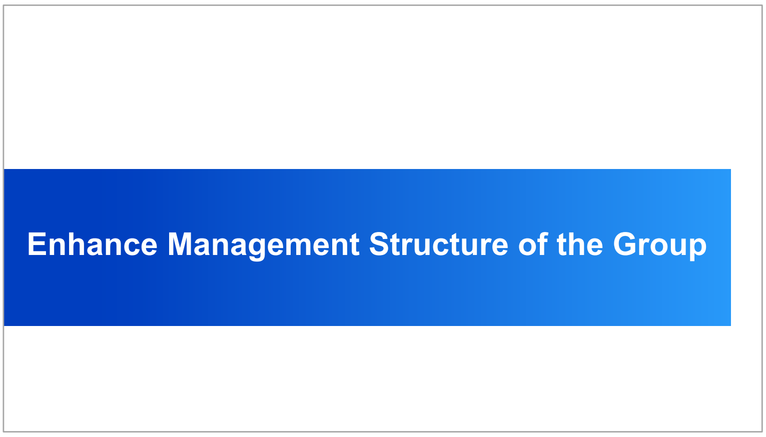
- The automotive industry is facing the biggest transition in its 100-year history with CASE.
- In order to survive in the areas of "Cockpit High Performance Computer (HPC)" and "EV power electronics," our Automotive business' main area, a large-scale R&D investment is needed to respond to the shift to "electrification" and "software-defined vehicle."
- On the other hand, in the context of "best-ownership perspective," if we ask ourselves whether Panasonic Holdings can make the necessary investments, we find that we are unable to do so. Thus, we came to the conclusion that we would have to partner with an external party to obtain the necessary funding.
- Based on this decision, we considered various options, and welcomed Apollo, one of the largest funds in the world, as our new partner. This will enable us to leverage Apollo's information network, M&A capabilities, and human resources in management. It's a key opportunity to leap forward and become a top global player.
  This decision was made to make contributions to customers and bring benefits to employees.
- Apollo has agreed to follow our Basic Business Philosophy, maintain and strengthen relationships with customers, suppliers, and employees, and keep the Panasonic brand.
- PHD and Panasonic Automotive Systems (PAS) will start a new relationship from a parent-child relationship to a relationship between independent collaborators. PAS will remain as a member of the Panasonic Group, and will make unrivaled contributions.



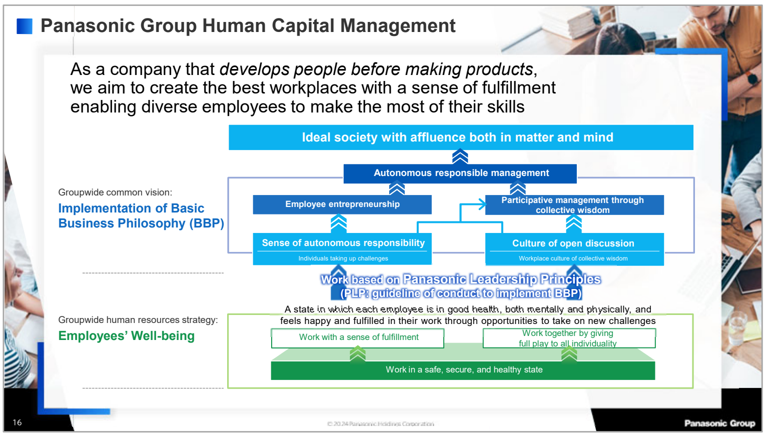
- Furthermore, to proceed with revising its portfolio, Panasonic Holdings needs to manage each business' position and competitiveness as a holdings company.
- During the current Medium-term strategy, each operating company's financial soundness is evaluated based on the Net Debt/EBITDA ratio, to emphasize cash flow management.
- In addition to these measures, from this fiscal year, we will add the indicator of return on invested capital (ROIC) to manage each business division, so that each business can establish a strong profitability structure.
- To be specific, if a business is showing negative growth, and ROIC is less than WACC by business, it will be categorized as a "business with issues." It will either:
    - recover its ROIC by itself, or
    - understand that drastic measures will be executed, including business transfer or withdrawal.
- By taking this approach, the number of businesses categorized as "business with issues" will reach zero by the end of FY3/27.
  Moreover, we aim to make all businesses to reach ROIC levels exceeding its "WACC by business + 3 percentage points."



- As the final part of our financial policy, this slide shows our capital allocation policy, which is basically unchanged from what I explained at last year's briefing.
- On the generation side, we are on track toward the goal of cumulative operating cash flow of 2 trillion yen; we have reached approximately two thirds of this in the first two years.
  On the allocation side, while our plan is to allocate 0.6 trillion yen to the automotive battery business as a strategic investment, the decision to execute the investment will be based on the EV market situation, as I explained before.
- For dividends, 0.2 trillion yen is planned.
  We will reward shareholders through stable and continuous dividend payments as well as enhanced corporate value.
- We will promote the Group's management based on this capital allocation policy.

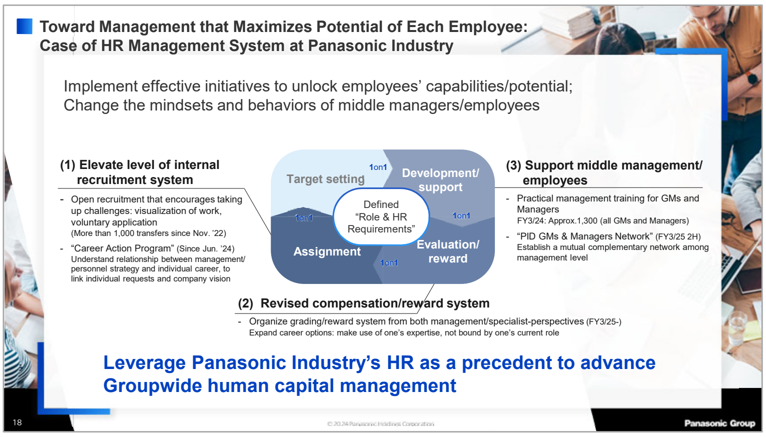


- Finally, I will talk about our initiatives to enhance the Group’s management structure.

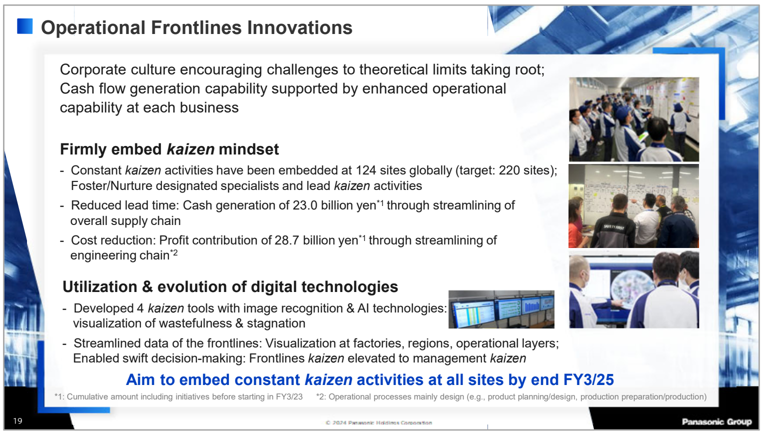


- This slide introduces Panasonic Group's human capital management.
- At Panasonic, the basic idea is to "develop people before making products," based on our founder's words.
- With regards to the Group's mission of achieving "an ideal society with affluence both in matter and mind," it is important to ensure that each employee is able to implement the Basic Business Philosophy (BBP) through their well-being.
  This is the basis of human capital management at the Panasonic Group.
- Furthermore, in April 2023, we set a global common guideline of conduct, Panasonic Leadership Principles (PLP), to implement BBP in each employee's daily work.

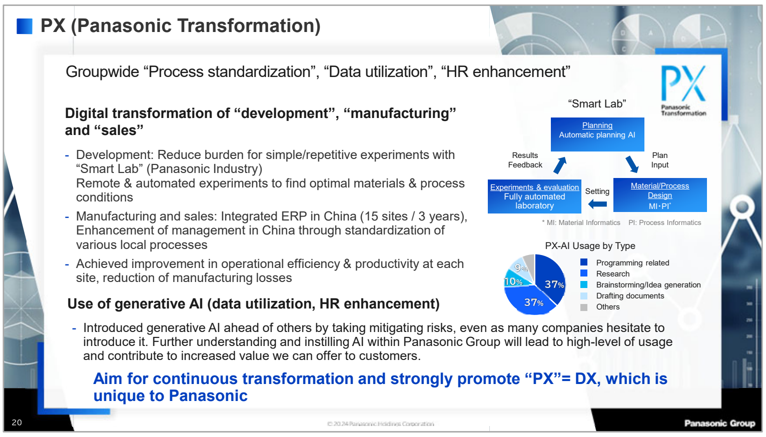
- This slide shows our major initiatives of human capital management.
- Toward achieving employees' well-being, we are accelerating initiatives from the perspectives of "sense of fulfillment," "individuality," and "work in a safe, secure, and healthy state."
- As an example of "giving full play to individuality" and promoting "diversity" in the organization, the diversity ratio is included in the management team's KPIs. Our aim is to begin the transformation from the management level and achieve a Groupwide organization embracing diversity.
- Toward implementation of BBP, PLP is linked with HR management policy. Furthermore, a 360-degree assessment based on PLP is included in the management team's evaluation.
- In addition to these initiatives on a Groupwide basis, at each operating company, HR policies based on its business characteristics are being implemented.
- Let me introduce the case of Panasonic Industry.



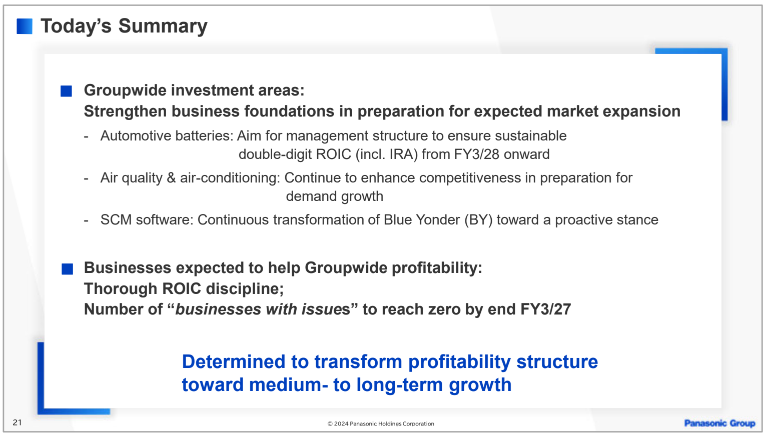
- Panasonic Industry has introduced a job-based HR management system, clarifying roles and requirements.
- Based on defined roles and requirements, they implemented a voluntary "open transfer system" to support each employee's autonomous career development.
  In addition to the conventional system for staff-level positions, this new system applies to managerial or higher-level positions, including promotions. Over 1,000 transfers have been conducted since its introduction in November 2022.
- Also, in terms of evaluation and reward, the new system expands the career options of individuals. The conventional system placed emphasis on managerial positions, but the new system provides appropriate reward for specialists, who prefer pursuing work in their expertise.
- Going forward, we will focus on changing the mindset of each employee.
  In particular, "middle-management level" is the connection between "management" and "people". They must deeply understand that human capital is an important kind of management capital. Through a renewed understanding of HR management and a shift in the behavior of the "middle-management level," we aim to influence the behavior of all employees.
- These initiatives will be shared as a precedent, toward unlocking the employees' capabilities and potential, implementing Groupwide human capital management that encourages employees to take up challenges.



- Next, we discuss our initiatives for operational frontlines innovations.
- We are working to thoroughly eliminate wastefulness & stagnation and thus gain excellent operational capability at each business. Through these initiatives started in 2022, corporate culture that encourages employees to challenge theoretical limits has taken root and has supported our capabilities to generate cash flow.
- In particular, constant kaizen activities have been embedded at 124 sites over the past 2 years, which constitute more than half of our global sites. As a result, through streamlining the overall supply chain, we managed to reduce lead time and generate 23.0 billion yen in cash. In addition, cost reduction efforts in the engineering chain contributed to improving profit by 28.7 billion yen.
- Moreover, we developed tools that visualize wastefulness & stagnation with image recognition and AI technologies. We also developed tools to guide further improvements and streamlining. These tools are now being deployed to other sites. We think this visualization of streamlined frontline data will help to speed up management decision-making at our businesses.
- We aim to embed these constant kaizen activities at all sites by the end of FY3/25 and accelerate operational frontlines innovations of the Panasonic Group.



- Next, let's look at digital transformation.
  In 2021, we started the Panasonic Transformation (PX) project, which aims to transform corporate culture, including employees' working style and mindset in the Panasonic Group.
- As for "development" within the transformation of "development, manufacturing and sales," Panasonic Industry introduced the "Smart Lab" which enables fully-automated experiments. From this year, AI technologies are used to generate plans for experiments, and by combining them with material informatics we can create a more advanced development process and significantly shorten lead-times. It also helps us to move away from relying on the experience and long-working hours of engineers. This implementation enables engineers to carry out developments remotely, regardless of where they work, and thus makes a positive impact on engineers' motivation.
- In terms of "manufacturing and sales," we introduced a standard integrated ERP for "manufacturing and sales" at 15 sites in China. Based on accurate information without human intervention, we achieved reductions in inventories and lead-time.
- In July 2023, we introduced a Panasonic version of generative AI. Since its roll-out, employees have gained a greater understanding of how to use generative AI, and it has spread to our daily operations in the Panasonic Group. Enabling employees to handle more confidential information with generative AI has led to a more sophisticated usage of AI. These developments lead to changes in the mindset of employees and a shift in working styles to focus on tasks that create more customer value, while simplistic tasks are efficiently managed with generative AI.
- The goal of PX is to make such changes the norm within the Panasonic Group. We will continue to promote activities that can transform the Panasonic Group.



- Finally, let me summarize today's briefing.
- For Groupwide investment areas, we will expand market share and improve profitability in preparation for expected market expansion.
  We aim to maximize our ability to secure profits in expanded markets.
- And for businesses expected to help Groupwide profitability, we will implement thorough ROIC disciple to improve profitability,
  aiming to reach zero number of "businesses with issues" by the end of FY3/27.
- Once again, I take the views of the capital market seriously, and I am determined to transform our profitability structure toward medium- to long-term growth.

- Thank you very much for your kind attention.

Disclaimer Regarding Forward-Looking Statements

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 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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