Panasonic Connect's competitiveness enhancement realized through three reforms

01 Business Positioning Reform
02 Specializing and sharpening with Operational Reform
03 Cultural Reform
### Competitiveness Enhancement: Business Positioning Reform

#### Steady implementation of "selection" and "concentration" over the past six years

<table>
<thead>
<tr>
<th>Divestitures (2 businesses)</th>
<th>Introduction of external capital for the security system business</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Sale of ITC Global (communication satellite services business)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Business termination (8 businesses)</th>
<th>POS terminal</th>
<th>Feature phone</th>
<th>Document scanner</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>PBX</td>
<td>SD card</td>
<td>Optical pickup</td>
</tr>
<tr>
<td></td>
<td>Agriculture business</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>HD-COM business</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Factory closures (2 sites)</th>
<th>Okayama Factory</th>
<th>Beijing Factory (Panasonic Mobile Communications)</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Business acquisitions</th>
<th>Blue Yonder</th>
</tr>
</thead>
</table>

**HD-COM**: Video conference system
Competitiveness Enhancement: Specializing and Sharpening Reform

Established the structure that enables us to focus management resources on highly competitive business areas

Process Automation
- Mounting machine
- Welding robot
- Arc welding machine

Top class in the world

Media Entertainment
- High-brightness projector
- Remote camera

No.1 in the world

Avionics
- In-flight Entertainment

No.1 in the world

Mobile Solutions
- Let’s note
- Payment terminal
- TOUGHBOOK

No.1 in the world

Gemba Solutions Company
- Order amount for public large-scale projects: Approx. 40 billion yen
- More than 13,000 customers*

No.1* in Japan

Blue Yonder
- One of the company ranked as a leader in three Gartner® Magic Quadrant™

No.1

*Let’s note:
IDC Japan, Japan Personal Computing Quarterly Model Analysis 2022Q1
Shin Co Company, 2021 ultra portable PC business area (excluding the education and public sector markets)

Gartner, Magic Quadrant for Warehouse Management Systems, Simon Tunstall et al., 8 May 2023
Gartner, Magic Quadrant for Transportation Management Systems, Brock Johns et al., 28 March 2023

Gartner, Magic Quadrant for Supply Chain Planning Solutions, Pia Orup Lund et al., 3 May 2023

*Customers with whom we had transactions between 2015 and 2021

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Competitiveness Enhancement: Cultural Reform - Initiatives to date

- Head office in Tokyo
- Removal of private rooms for executives
- ALL HANDS MEETING
- Hot-desking
- Business chat
- Ch. Yasu
- Quit weekly report
- Eradication of seals and being paperless
- Stricter penalties for harassment
- Starting salary in line with the industry standard
- Compliance messages
- Renewal of business card design and company promotion goods
- Connect AI
- MBA program
- Paternity leave
- Rainbow Pride

Panasonic Connect Co., Ltd. 2023
Progress of Panasonic Connect’s Medium- to Long-term Strategy
EBITDA FY3/23 results and forecast for FY3/24

Avionics led the recovery in the second half of FY3/23, and restored the management structure to generate profits. Expected to increase profits in each business in FY3/24, especially led by Avionics.

FY3/23 (Full-year): 99.9 billion yen

FY3/24 plan: 112.0 billion yen

<table>
<thead>
<tr>
<th>Quarter</th>
<th>FY3/23 plan</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>100.0</td>
<td>11.0</td>
<td>19.1</td>
<td>32.1</td>
<td>37.7</td>
<td>99.9</td>
</tr>
</tbody>
</table>

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Procurement issues and material cost increases reversed by sales price revisions. Continue to improve operational efficiency.

External business environment impact to profit and recovery trend

<table>
<thead>
<tr>
<th>Procurement issues</th>
<th>Price hikes in parts &amp; materials</th>
<th>Price revisions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1: -9.7</td>
<td>Q1: -1.4</td>
<td>Q1: +0.6</td>
</tr>
<tr>
<td>Q2: -3.5</td>
<td>Q2: -1.4</td>
<td>Q2: +1.1</td>
</tr>
<tr>
<td>Q3: -4.2</td>
<td>Q3: -2.0</td>
<td>Q3: +1.3</td>
</tr>
<tr>
<td>Q4: -0.7</td>
<td>Q4: -1.6</td>
<td>Q4: +2.2</td>
</tr>
</tbody>
</table>

(yen: billions)
Mid-term plan (sales and EBITDA) forecast

Expecting to achieve both sales increase and EBITDA of 150 billion yen in FY3/25

Sales

<table>
<thead>
<tr>
<th>Year</th>
<th>FY3/23</th>
<th>FY3/24</th>
<th>FY3/25</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>1,125.7</td>
<td>1,140.0</td>
<td>1,210</td>
</tr>
<tr>
<td>(Mid-term plan</td>
<td>1,170 billion yen)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

EBITDA

<table>
<thead>
<tr>
<th>Year</th>
<th>FY3/23</th>
<th>FY3/24</th>
<th>FY3/25</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA</td>
<td>99.9</td>
<td>112.0</td>
<td>150.0</td>
</tr>
<tr>
<td>(Mid-term plan</td>
<td>150 billion yen)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EBITDA margin</td>
<td>8.9%</td>
<td>9.8%</td>
<td>12.4%</td>
</tr>
</tbody>
</table>

Targeting 200 billion yen EBITDA
100 billion yen by Avionics and Blue Yonder, 100 billion yen by the other business categories

Avionics and Blue Yonder

<table>
<thead>
<tr>
<th>EBITDA</th>
<th>100 billion yen</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA (% to sales)</td>
<td>20%+</td>
</tr>
<tr>
<td>Strategic shift by capturing growth opportunities</td>
<td></td>
</tr>
</tbody>
</table>

Panasonic Connect Consolidated EBITDA

<table>
<thead>
<tr>
<th>EBITDA</th>
<th>200 billion yen</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA (% to sales)</td>
<td>15%+</td>
</tr>
</tbody>
</table>

Process Automation, Media Entertainment, Mobile Solutions, and Gemba Solutions Company

<table>
<thead>
<tr>
<th>EBITDA</th>
<th>100 billion yen</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA (% to sales)</td>
<td>10%+</td>
</tr>
<tr>
<td>Increase profit through specialization and lean management</td>
<td></td>
</tr>
</tbody>
</table>
Along with the recovery in air travel and aircraft production demand, IFE market is growing for both wide and narrow-body.

### Aviation industry trends versus pre-COVID-19

**Global Air Travel Demand**

- Orders: 100 in 2019, 100+ in 2023, 105+ in 2025
- Production (narrowbody): 34 in 2019, 43 in 2023, 75 in 2025
- Production (widebody): ~90 in 2019, 100+ in 2023, 105+ in 2025

- Recovery to 90%+ of 2019 level in 2023
- Expected to exceed 2019 level in 2024

### IFE Market Outlook

**Orders**

- New aircraft orders and narrowbody production have recovered.
- Widebody production will rebound by 2025+.

**Market forecast of IFE**

- **Aircraft with seatback IFE**
  - Expansion of narrowbody aircraft with IFE
  - Narrow body
  - Wide body

- **(Target) share of Panasonic.**

- **Current**
  - **2027+**

- **A** Narrowbody with seatback IFE will also grow as an upside potential.
- **B** IFE market will recover steadily along with the widebody rebound.

---

* Source: IATA, Cirium, OEM, Internal, Production of narrowbody vs. 2018 (due to 737MAX impacts) Production of widebody vs. 2019

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Business Strategy of Panasonic Avionics

Strengthen hardware fitting both narrow and wide-body by introducing Astrova (to be launched in FY3/25)
Enhance a stronger and comprehensive value chain in IFEC markets

*IFEC: Inflight Entertainment & Connectivity

Inflight Systems

Next Gen IFE system

Astrova

- 4K OLED displays with high picture quality contribute to the reduction of fuel consumption by light weight
- Slim & light weight fit for both wide & narrowbody aircrafts
- Modular design allows future upgrades

Technical Services

Global Support Network
(45 maintenance stations, 8 repair sites)

Connectivity


Digital Solutions

Enhance digital engagement software

*Panasonic Connect Co., Ltd. 2023*
Vision of Blue Yonder

Category leader in supply chain software business

Supply chain management (SCM) market trends
- Growing awareness of SCM among companies
  As the SCM software market expands, the competitive environment is intensifying
- Integration expected like IT solutions in other areas
- More advanced SCM solutions through new technologies, such as generative AI

Strengths of Blue Yonder
- Recognized as a leader by external organizations in three areas: supply chain planning, warehouse management, and transportation/delivery management
- Differentiation through end-to-end solutions
- AI/machine learning track record

Transformation to next-generation supply chain platforms that Blue Yonder aims to achieve

Point solutions
- Suppliers
- Manufacturers
- Distributors
- Customer companies/consumers

End-to-end solutions
- Warehouse
- Logistics
- Commerce
- Planning
Investments in Blue Yonder

Invest to ensure scalability over the next three years (additional $200M)
Establish an overwhelming position in the SCM industry

Build scalable SaaS platforms
- Microservices for agility
- Cloud environment: Shift to multitenancy
- Shift to Snowflake Data Cloud

Differentiate customer experience and improve profitability
- Enhancement of customer success functions
- Optimization of operations
- Migration into pure-SaaS
Summary of business strategy in each business category

Steadily expanding revenue at our competitive markets

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Process Automation</th>
<th>Media Entertainment</th>
<th>Mobile Solutions</th>
<th>Gemba Solutions Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mounting machines</td>
<td>• Keep No. 1 share by new products with the world’s highest level of fine mounting</td>
<td>• Differentiate by the industry's smallest and lightest</td>
<td>• Top-class rugged features that can withstand harsh</td>
<td>• Strengthen customer experience through integrated</td>
</tr>
<tr>
<td></td>
<td>to meet the growing demand for EVs, etc.</td>
<td>projectors and high-brightness 4K</td>
<td>field conditions</td>
<td>managements of sales, SE, and field support. (4,500 staff</td>
</tr>
<tr>
<td></td>
<td>• Invest to increase production capacity</td>
<td>• Maintain No. 1 market share by introducing new</td>
<td>• Maintain top market share by capturing demand for</td>
<td>across Japan)</td>
</tr>
<tr>
<td></td>
<td>in China (plan to double the annual production volume).</td>
<td>models</td>
<td>full-rugged through specializing our products.</td>
<td>Maintain top market share with in-depth knowledge of</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Capture demand for visual productions</td>
<td></td>
<td>customers and proposals for potential needs (Disaster</td>
</tr>
<tr>
<td>Welding machines</td>
<td>• Optimize the world’s top-class acceleration/deceleration control.</td>
<td></td>
<td></td>
<td>prevention system, ETC, etc.)</td>
</tr>
<tr>
<td></td>
<td>• Differentiate by new products that are connected to peripherals</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>through open interface specifications</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Remote cameras</td>
<td></td>
<td>• Differentiate products and maintain top market</td>
<td>• Demand expected to recover after bottoming out in</td>
<td>• In addition to the delivery of devices and systems,</td>
</tr>
<tr>
<td></td>
<td></td>
<td>share by the first high performance IP transmission</td>
<td>2021 with the EOS of Windows 10 (2025)</td>
<td>offer one-stop services to support customer’s</td>
</tr>
<tr>
<td></td>
<td></td>
<td>and top-class high-sensitivity shooting</td>
<td>• For new models, sharpen the features in robustness,</td>
<td>management and on-site challenges.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Enhance IP relevant products to capture demand for</td>
<td>lightweight and long hours use.</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>video production</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>+ Reduce fixed cost ratio by 2% (vs. FY3/23) by thorough operational reforms</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>and productivity improvement</td>
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</table>

**EBITDA margin**

<table>
<thead>
<tr>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>14%</td>
<td>15%</td>
<td>10%</td>
<td>10%</td>
</tr>
</tbody>
</table>

Excluding product sales
Human resource strategy to enhance corporate value

6 billion yen investment (annually) for human resources for our employee’s growth

**Growth of individuals**

- **Autonomous growth with career ownership**
  - Improvement of individual skills through job-based approach
  - Development program in line with the job description
  - Develop skills by job type, develop next-generation leaders, and improve literacy

- **Rewarding through fair evaluation for further growth**
  - Reward range in line with the market value (attracting and retaining talent)
  - Performance-based evaluation (there are demotions and salary reductions)

- **Respect for diversity**
  - The proportion of women in managerial positions: 30% (FY3/36)
  - Childcare leave to be paid, and 89.6% of men expected to take childcare leave, average of 26.2 days
  - A side job outside the company is accepted

- **Harassment is dealt with severely**
  - Severe disciplinary action for sexual harassment
  - Women to participate in the compliance committee
  - Dysfunctional behavior affects the performance evaluation

**A culture where employees can demonstrate their abilities**
Contribute to the corporate value increase of the entire Panasonic Group with CONNECT’s high profitable businesses
Change Work,
Advance Society,
Connect to Tomorrow.
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This presentation includes forward-looking statements about Panasonic Holdings Corporation (Panasonic HD) and its Group companies (the Panasonic Group). To the extent that statements in this presentation do not relate to historical or current facts, they constitute forward-looking statements. These forward-looking statements are based on the current assumptions and beliefs of the Panasonic Group in light of the information currently available to it, and involve known and unknown risks, uncertainties and other factors. Such risks, uncertainties and other factors may cause the Panasonic Group's actual results, performance, achievements or financial position to be materially different from any future results, performance, achievements or financial position expressed or implied by these forward-looking statements. Panasonic HD undertakes no obligation to publicly update any forward-looking statements after the date of this presentation. Investors are advised to consult any further disclosures by Panasonic HD in its subsequent filings under the Financial Instrument and Exchange Act of Japan (the FIEA) and other publicly disclosed documents.

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 Group'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 including interest rate fluctuations; 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; occurrence and continuation of supply disruption or soaring prices of raw materials or transportation; 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 Group highly depends on in B2B business areas; 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 Group highly depends on in B2B business areas; 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 Group highly depends on in B2B 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 in Japan or other countries over trade, manufacturing, labor and operations; failures in proper tackling of environmental issues or taking initiatives in responsible procurement activities in the supply chain; 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, 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 HD's securities reports under the FIEA and any other documents which are disclosed on its website.
KGI progress

<table>
<thead>
<tr>
<th>KGI</th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>◼ Cumulative operating CF (FY3/23-FY3/25): 260 billion yen or more</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>◼ ROIC (FY3/25): 4.6% or more</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>◼ EBITDA (FY3/25): 150 billion yen or more</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>(yen: billions)</th>
<th>FY3/23</th>
<th>FY3/24</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Results</td>
<td>Year on Year</td>
</tr>
<tr>
<td>Sales</td>
<td>1,125.7</td>
<td>+203.0</td>
</tr>
<tr>
<td>Adjusted operating profit</td>
<td>28.2</td>
<td>+12.5</td>
</tr>
<tr>
<td>Operating profit</td>
<td>20.9</td>
<td>-31.9 ※1</td>
</tr>
<tr>
<td>EBITDA</td>
<td>99.9</td>
<td>-14.0</td>
</tr>
<tr>
<td>Operating CF</td>
<td>34.7</td>
<td>+18.3</td>
</tr>
<tr>
<td>ROIC</td>
<td>0.6%</td>
<td>-5.5%</td>
</tr>
</tbody>
</table>

※1 : Excludes valuation gain from 20% of Blue Yonder shares as a special factor (58.3 billion yen : FY3/22)
EBITDA Analysis (FY3/24 Forecast)

(Yen: billions)

<table>
<thead>
<tr>
<th>FY3/23 Results</th>
<th>Exchange rate impact</th>
<th>Increased Sales</th>
<th>Normalized material price revision</th>
<th>Fixed cost investment, etc.</th>
<th>BY Consolidation</th>
<th>FY3/24 Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>99.9</td>
<td>-3.7</td>
<td>+21.3</td>
<td>+18.0</td>
<td>-12.1</td>
<td>-11.4</td>
<td>112.0</td>
</tr>
</tbody>
</table>

Excl. BY
## (Reference) Financial figures (P/L, B/S, C/F)

### P/L  
(yen: billions) | FY3/23 | FY3/24 (Forecast) | FY3/25 (Target) |
--- | --- | --- | --- |
Sales | 1,125.7 | 1,140.0 | — |
Adjusted operating profit | 28.2 | 40.0 | — |
Other income/loss | -7.3 | -4.0 | — |
Operating profit | 20.9 | 36.0 | — |
(OP % to sales) | 1.9% | 3.2% | — |
Depreciation of PP&E | 15.8 | 21.0 | — |
Total of Amortization of Intangible Assets and Depreciation of Right-of-use Assets | 57.9 | 54.7 | — |
EBITDA | 99.9*1 | 112.0*1 | — |
(EBITDA % to sales) | 8.9% | 9.8% | — |

### B/S  
(yen: billions) | FY3/23 | FY3/24 (Forecast) | FY3/25 (Target) |
--- | --- | --- | --- |
Cash and cash equivalents | 328.0 | — | — |
Trade receivables | 248.4 | — | — |
Inventories | 124.1 | — | — |
Other current assets | 51.4 | — | — |
Current assets | 751.9 | — | — |
Property, plant and equipment | 327.2 | — | — |
Right-of-use assets | 42.4 | — | — |
Goodwill and intangible assets | 1,211.3 | — | — |
Other non-current assets | -91.6 | — | — |
Non-current assets | 1,489.3 | — | — |
Total assets | 2,241.1 | — | — |
Trade payables | 93.8 | — | — |
Debt (1) | 361.4 | — | — |
Lease liabilities (2) | 46.1 | — | — |
Other liabilities | 395.2 | — | — |
Liabilities | 896.6 | — | — |
Equity (3) | 1,344.6 | — | — |
Invested capital (1)+(2)+(3) | 1,752.1 | — | — |
ROIC | 0.6% | 1.4% | 4.6% |

### C/F  
(yen: billions) | FY3/23 | FY3/24 (Forecast) | FY3/25 (Target) |
--- | --- | --- | --- |
FCF | 8.5 | — | — |
Operating CF | 34.7 | 90.0 | 260.0 |
Investing CF | -26.2 | — | — |
Capital investment | 26.2 | 29.0 | — |
Investment in intangible assets | 13.2 | — | — |
R&D expenditures | 108.8 | — | — |

Notes: Exchange rates are based on the mid-term plan rates

*1 : Adjusted with impact of temporary accounting treatment related to "re-evaluation of assets and liabilities" upon Blue Yonder acquisition

Notes: These figures are calculated on an accrual basis.