Progress in Medium- to Long-term Strategy

June 2, 2023

Masahiro Shinada, CEO
Panasonic Corporation

Notes: 1. This is an English translation from the original presentation in Japanese.
2. In this presentation, "Fiscal 2024" or "FY3/24" refers to the year ending March 31, 2024.
## Overall Structure of Today's Presentation

Describing our focus on the progress of priority businesses in the second year of the medium term strategy

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<td><strong>Energy solutions (Hydrogen-related business)</strong></td>
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<td><strong>Home appliances in Japan</strong></td>
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## Structure of This Presentation

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Defined Mission and Vision as Panasonic's Purpose of Existence

**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.
To Achieve Our Target Vision for 2030

The best partner that balances
Maintain and improve well-being and
(Well-being)

Value

Society
Providing safe and secure Lifestyle Infrastructure

People
Improving the Quality of Life for each person

Planet
Contributing to decarbonization and the circular economy

Solving social and global issues
(Sustainability)

Necessary businesses to realize our target vision

<table>
<thead>
<tr>
<th>B2B business</th>
<th>New areas, new businesses</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) HVAC system</td>
<td></td>
</tr>
<tr>
<td>(2) Overseas electrical construction materials</td>
<td>(5) Electrical construction materials in Japan</td>
</tr>
<tr>
<td>(3) Energy solutions (incl. hydrogen business)</td>
<td></td>
</tr>
<tr>
<td>(4) CO$_2$ refrigeration system</td>
<td>(6) Display cases</td>
</tr>
<tr>
<td>(7) Home appliances in Japan</td>
<td></td>
</tr>
<tr>
<td>Home appliances in China, Asia, other regions</td>
<td>Age-free services (elderly-care) Electric bicycles, etc.</td>
</tr>
</tbody>
</table>

Each business achieving well-being and sustainability

Life tech& ideas
People-oriented technology and value proposing capabilities

Panasonic Brand
Trust and Foresight
Positioning of the Medium- to Long-term Portfolio and Seven Priority Businesses

Priority investment for business growth e.g., HVAC system, overseas electrical construction materials

Medium- to long-term portfolio transformation

FY3/23 → FY3/31

Seven priority businesses percentage (FY3/22)
Sales: 70% / EBITDA: 80%

Composition of No. 1/No. 2 businesses: 75%

Leader candidates
Home appliances in China and Asia, new businesses, etc.

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

Stable revenue
(3) Energy solutions
(4) CO2 refrigeration system
(5) Electrical construction materials in Japan
(7) Home appliances in Japan

Assessment
Low market share
FY3/23 4%
(3) Energy solutions
(4) CO2 refrigeration system
(5) Electrical construction materials in Japan
(7) Home appliances in Japan

High market share
FY3/23 31%
(1) HVAC system
(2) Overseas electrical construction materials
(3) Energy solutions
(4) CO2 refrigeration system

Relative market share*
Are we contributing to maintaining and improving wellbeing for people's lives?
(Are we being chosen by customers?)
Low growth
Low market share
0.7
High growth
High market share

Market scale
Adoption period
Growth period
Mature period
Decline period

Cash Flow

Time

Basic strategy
Advance investment to take the lead in launching the market
Expand increased sales and profit via priority investments in growth areas
Raise revenue via added value investment and operational reform

Investment
Investment CF ≥ operating CF
Investment CF < operating CF

KPI
Top-line growth (Market growth or higher)
Profitability (improve the EBITDA rate)

financial discipline
Monitoring by ROIC ≥ Capital Cost

*Relative market share > 0.7: First or second place share
Realizing Panasonic Green Impact

Achieve Green Impact with growth of the seven priority businesses, become a company chosen by our customers

### Reducing CO₂ emissions by achieving both well-being and decarbonization

<table>
<thead>
<tr>
<th>CO₂ emissions in own value chain</th>
<th>2020</th>
<th>2030 (incl. business growth)</th>
<th>2050</th>
</tr>
</thead>
<tbody>
<tr>
<td>Approx. 95M tons (Approx. 90% of the overall group)</td>
<td>99%</td>
<td>-50% (vs. 2020)</td>
<td>Net Zero</td>
</tr>
<tr>
<td>Scope 3</td>
<td>1%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Avoided emissions

- Approx. 13M tons

#### Reducing CO₂ emissions by achieving both well-being and decarbonization

- **Shift to highly efficient inverters**
  - (1) HVAC system
- **Refurbishing, failure prediction (IoT)**
  - (7) Home appliances in Japan
- **Expand LED conversion rate (lighting)**
  - (2) Overseas electrical construction materials
  - (5) Electrical construction materials in Japan
- **Lead with low environmental impact refrigerants (CO₂ refrigerant/propane)**
  - (4) CO₂ refrigeration system
  - (1) HVAC system (A2W¹, Chiller)

#### Reduction contribution via solving lifestyle energy issues

- **A2W**
  - Accelerate shift to electricity (away from fossil fuels)
    - (1) HVAC system
- **Hydrogen**
  - Generation and effective use of clean energy
    - (3) Energy solutions

---

*1 A2W: Air To Water Heat Pump
*2 ICP: Internal Carbon Pricing

Introduction of ICP² program: LAS introduction in FY3/24, expansion from FY3/25

Deliberation on impact assessment method: Quantify real value [Financial + non-financial]
### Most important themes for three-years medium term

<table>
<thead>
<tr>
<th></th>
<th>Profit growth in the seven priority businesses</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>- Seven priority businesses: Preparing for long-term growth and realizing profit growth</td>
</tr>
<tr>
<td></td>
<td>- Strategic capital allocation</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Company-wide operational reforms</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>- Strengthening cost capability of direct materials</td>
</tr>
<tr>
<td></td>
<td>- Communicate product value of home appliances correctly with Japanese market</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Implementation of ESG/IR into management strategies</th>
</tr>
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<tbody>
<tr>
<td>3</td>
<td>- Strengthen competitiveness through environmental (E), social (S) and governance (G) measures</td>
</tr>
<tr>
<td></td>
<td>- Enhance disclosure and strengthen communication loops</td>
</tr>
</tbody>
</table>

### FY3/2025 KGI

<table>
<thead>
<tr>
<th>[Most important KGI]</th>
<th>EBITDA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Boost cash flow generation while investing for growth</td>
<td></td>
</tr>
<tr>
<td>350.0 billion yen (10%)</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>ROIC</th>
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<tbody>
<tr>
<td>10% or more</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Three-year cumulative operating cash flow</th>
</tr>
</thead>
<tbody>
<tr>
<td>Secure operating cash flow to serve as a foundation for investment for growth</td>
</tr>
<tr>
<td>660.0 billion yen</td>
</tr>
</tbody>
</table>
To Achieve the Medium-term KGI

Raise profit growth for the seven priority businesses and operational capabilities

FY3/22

2,043 (6.5%)

Growth businesses
+600

Businesses with stable profitability
+500

Improve operational capabilities

FY3/25

3,500 (10.0%)

Other

(100M yen)
FY3/23 EBITDA Results

Driven by growth businesses e.g., HVAC system, overseas electrical construction materials

Countered for the worsening external environment with price revisions, etc.

1. Growth of seven priority businesses

- Growth businesses +189
- Seven priority businesses +266

2. Strengthening operational capabilities

- Temporary factors
  - Fixed cost +1,016
  - Raw materials, exchange rates, logistics cost -835
  - Rationalization, price revisions, etc. -360
- Recall-related expenses -210
- Sales increase/decrease +405

Sales
- FY3/22 2,043
- FY3/23 2,059

AOP
- FY3/22 34,833
- FY3/23 31,656

ROIC
- FY3/22 6.7%
- FY3/23 5.5%

ROIC spread
- FY3/22 1.5%
- FY3/23 0.3%

* ROIC spread = ROIC - WACC (5.2%)
## FY3/23 Progress of Most Important Themes

Steady progress of growth businesses, project rollout to accelerate operational capability enhancement

### Key points of FY3/23

<table>
<thead>
<tr>
<th>Key points</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit increase:</td>
<td>Profit expanded by accelerated growth of A2W in Europe</td>
</tr>
<tr>
<td>Profit increase:</td>
<td>Major growth of priority 3 countries with performance above the plan</td>
</tr>
<tr>
<td>Profit increase:</td>
<td>Enhanced salability of hydrogen fuel cells, preparations for 3-battery coordination solutions</td>
</tr>
<tr>
<td>Profit increase:</td>
<td>Developed production structure for increased production, technology transfer to Hussmann</td>
</tr>
<tr>
<td>Profit increase:</td>
<td>Increased profit via price revision effect and solving product supply issues</td>
</tr>
<tr>
<td>Profit increase:</td>
<td>Demand is recovering and price revisions occurring in North America. Recovered market share in Japan</td>
</tr>
<tr>
<td>Profit decrease:</td>
<td>Responded to worsening environment but profit decreased due to Shanghai lockdown and reduced actual demand in the second half</td>
</tr>
</tbody>
</table>

### Most important themes for the three-years medium term

<table>
<thead>
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<th>Growth leaders</th>
<th>EBITDA progress</th>
<th>Key points of FY3/23</th>
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<td>1. HVAC system</td>
<td>+600</td>
<td>Profit increase: Profit expanded by accelerated growth of A2W in Europe</td>
</tr>
<tr>
<td>2. Overseas electrical construction materials</td>
<td>+500</td>
<td>Profit increase: Major growth of priority 3 countries with performance above the plan</td>
</tr>
<tr>
<td>3. Energy solutions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. CO₂ refrigeration system</td>
<td></td>
<td></td>
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<tr>
<td>5. Electrical construction materials in Japan</td>
<td>+500</td>
<td>Profit increase: Enhanced salability of hydrogen fuel cells, preparations for 3-battery coordination solutions</td>
</tr>
<tr>
<td>6. Show cases</td>
<td>+77</td>
<td>Profit increase: Developed production structure for increased production, technology transfer to Hussmann</td>
</tr>
<tr>
<td>7. Home appliances in Japan</td>
<td>+1,100</td>
<td>Profit increase: Increased profit via price revision effect and solving product supply issues</td>
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<table>
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<th>Stable profitability</th>
<th>EBITDA progress</th>
<th>Key points of FY3/23</th>
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<td>Profit increase: Increased profit via price revision effect and solving product supply issues</td>
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### Medium-term investment

<table>
<thead>
<tr>
<th>Investment progress</th>
<th>Details</th>
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<tbody>
<tr>
<td>3,650</td>
<td>1/3 progress of the medium-term strategy, Investment decision for current medium-term strategy (after 1st year) equivalent to half of that for previous medium-term strategy</td>
</tr>
<tr>
<td>1,263</td>
<td></td>
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</table>
HVAC System

Achieve the highest growth and profitability in the Medium- to Long-term as a priority investment area

Our unique combination of air/water technology provides optimum and highest air and water quality values and low environmental impact not found in conventional air conditioning, making us the preferred choice in a decarbonized society.

**Positioning of the Seven Priority Businesses**

**Target vision**

**Performance trends**

<table>
<thead>
<tr>
<th>(100M yen)</th>
<th>Sales</th>
<th>EBITDA</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY3/22</td>
<td>6,385</td>
<td>358</td>
</tr>
<tr>
<td>FY3/23</td>
<td>7,265</td>
<td>449</td>
</tr>
<tr>
<td>FY3/24</td>
<td>8,180</td>
<td>650</td>
</tr>
<tr>
<td>FY3/25</td>
<td>9,000</td>
<td>800</td>
</tr>
</tbody>
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Majority of profit growth is driven by Europe (Double-digit EBITDA margin for Europe)

**Measures**

Focused investment in cooling water circulation type air conditioners, such as A2W and Chiller, in Europe for establishment of a leading position in the industry

- Increase A2W production capacity in Malaysia and Czech ((1))
- Acquire chiller business to strengthen light commercial field
- Introduce products employing natural refrigerant (R290)
- European regional structure with an integrated system of development, manufacturing and sales (strengthen capability)
- Strengthen European production capacity ((2))
- Develop and introduce new hydronic products (A2W, chillers)

**Current medium term**

<table>
<thead>
<tr>
<th>Production capacity</th>
<th>M&amp;A</th>
<th>Products</th>
<th>Structure</th>
</tr>
</thead>
<tbody>
<tr>
<td>A2W production capacity</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

**Next medium term (FY26~)**

<table>
<thead>
<tr>
<th>Production capacity</th>
<th>A2W production capacity</th>
<th>M&amp;A</th>
<th>Products</th>
<th>Structure</th>
</tr>
</thead>
<tbody>
<tr>
<td>A2W production capacity</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Aim for 1 million unit capacity globally

(1) Strengthen Malaysia and Czech
(2) Strengthen the Czech site

Equipment investment of 45.0 billion yen
Overseas Electrical Construction Materials

Stable and high growth as a business with established winning strategies

To be the presence that contributes to a resilient society with zero environmental impact by providing a sustainable, safe and secure life facility infrastructure based on the global No. 1 position in wiring fixtures.

Performance trends

India

Three key countries

Turkey

Vietnam

(100M yen)

Sales

FY3/22

FY3/23

FY3/24

FY3/25

To FY3/31

1,926

2,435

2,600

2,900

1,187

1,300

1,500

EBITDA of three key countries: 15% or more

1,187

1,300

1,500

EBITDA of three key countries: 15% or more

(* Excl. effects of foreign currency/special factors)

126% (112%)

132% (122%)

107% (112%)

108% (114%)

112% (112%)

117% (117%)

Continue to achieve double-digit growth

Real GDP trends in the three key countries*

* Calculated with the weighted mean of each country

FY3/23 + 6.7%

FY3/24 + 5.3%

FY3/25 + 5.9%

Profit trends in three key countries

(122%*)

(112%*)

(117%*)

(114%*)

(112%*)

(117%*)

* (Excl. effects of foreign currency/special factors)

Expand share in promising markets, expand top line

India: Market share up from about 40%, 40% increase in production capacity in FY3/26 (vs. FY3/22)

Production capacity

FY3/23

FY3/24

FY3/25

FY3/26-

Operational (Apr. 2022) Production capacity: from 80 mil. per year in FY3/23 to 200 mil. in FY3/26

Reap the benefits

(Additional investment)

Start operations at new building (Nov. 2023)

Reap the benefits

Market expansion

Roll out to Europe, Middle East, and Africa starting from the three key countries

(Reference) In the Indian market, we acquired Anchor in 2007, and through subsequent PMI, etc., grew sales 6.4 times and profits 8.3 times over the next 15 years to 2022.
Future Vision for BtoC Business

Building a cyclical value chain loop with customers based on products and services, Continuing to contribute to the sustainability and well-being of people, society, and the earth

Through DX cooperation with distribution
Deliver without missing items
An actual demand-oriented SCM
✓ Improve inventory/CF
✓ Minimize losses

Circular type
Responding to future expectations
High-value products
✓ Creation of high-value products
✓ Product design based on 3R*

Building a circular value chain with customers
(Value chain and circular economy loop)

Communicate value and price correctly
New sales scheme*
✓ Extend the product life cycle
✓ Improve price freshness

Customer engagement
Through long-lasting service

Future Vision for BtoC Business

*1 3R: Collective term for the three Rs of Reduce, Reuse, and Recycle
*2 New sales scheme where the inventory risk is borne by manufacturers who also decide the prices, to build an environment to provide high added value products to customers and communicate the appropriate product value
Home Appliances in Japan

Continue to promote transformation focusing on the medium and long term, rapidly act on current issues as they are revealed.

**Take the challenge to expand our sales scheme to communicate the true value of our products**

- **Up to now**
  - Excessive price competition
  - Frequent minor changes
  - Excessive distribution inventory → Discounts

- **Transformation**
  - New sales scheme: Sales at reasonable prices based on product value
  - Extend product life cycle
  - Build an actual demand-oriented SCM with zero stockouts

**Performance trends**

<table>
<thead>
<tr>
<th>(100M yen)</th>
<th>FY3/22</th>
<th>FY3/23</th>
<th>FY3/24</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>4,123</td>
<td>3,963</td>
<td>4,185</td>
</tr>
<tr>
<td>EBITDA</td>
<td>524</td>
<td>450</td>
<td>495</td>
</tr>
</tbody>
</table>

- Generate a stable double-digit EBITDA margin

**Progress of medium- to long-term strategies**

- **FY3/23**
  - Expand target products (sales composition: approx. 30%*)
    - Effect through the year incl. pricing policies is over 20.0 billion yen
    - Securing profitability in the industry even with a lower share of some products

- **FY3/24**
  - Increase market share by responding to the market and enhancing product appeal
    - Speedy price response in the market
    - Customer-oriented product development (Sequentially launch products based on the ME system*)

- **Verification of effectiveness with a drum-type washing machine**
  - Improvement effect as planned (immediate delivery rate of 95% or more, distribution inventory halved)

- **New sales schemes**
  - Speedy price response in the market
  - Customer-oriented product development (Sequentially launch products based on the ME system*)

- **Sequential start and operation expansion**
  - Start with multiple mass sales corporations that meet the conditions (CF improvement of over 10 billion yen)

* Ratio of home appliances in Japan

* Micro Enterprise system: Integrated development method in which a cross-functional team works to go from new product concepts to market release.
FY3/24 EBITDA Forecast

Growth of HVAC system, lifting profitability of businesses with stable revenue

1. Growth of seven priority businesses
   - Growth businesses +239
   - Seven priority businesses +386
   - YOY diff. +531

   - HVAC system
   - Overseas electrical construction materials
   - Other growth businesses
   - Electrical construction materials in Japan
   - Show cases
   - Home appliances in Japan

2. Strengthening operational capabilities
   - Temporary factors +145
   - Fixed cost -600
   - Rationalization, price revisions, etc. (Of which, rationalization 350)
   - Raw materials, exchange rates, logistics cost -260
   - Sales increase/decrease +685

   - Recall-related expenses
   - China temporary cost
   - Temporary factors +300
   - Others -155 (Headquarters strategy expenses, Cost structure reform, etc.)

FY3/23
- Sales 2,059 (5.9%)
- AOP 35,800
- ROIC 1.5%
- ROIC spread* 2.7%

FY3/24
- Sales 2,590 (7.2%)
- AOP 1,600
- ROIC 7.9%
- ROIC spread* 2.7%

(YOY diff. +531)

* ROIC spread = ROIC - WACC (5.2%)
Update Medium-term Investment

Additional 90.0 billion yen centering on growth businesses, taking into account changes in the business environment (opportunities and risks)

Approach to medium-term investment
(announced last year)

- Insufficient investment to boost growth
- Increase investment centering on seven priority businesses

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Growth Businesses</th>
<th>Stable Profitability</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY3/20-FY3/22</td>
<td>2,300</td>
<td>1,200</td>
<td>1,300</td>
</tr>
<tr>
<td>FY3/23-FY3/25</td>
<td>3,650</td>
<td>1,150</td>
<td>1,300</td>
</tr>
</tbody>
</table>

Double compared to the previous medium term

Update medium-term investment

- Growth businesses
  - 1,200
  - 1,150
  - 1,300

- Inorganic
  - 150

- Other
  - 1,300

Main timing to reap investment effects:
- Current medium term (FY3/26 -)
- Next medium term (FY3/28 -)
- Medium term after the next one (FY3/29 -)

- HVAC system (A2W in Europe)
  - Move up schedule for the new building in the Czech Republic, increased production investment, etc.
  - +450

- Overseas electrical construction materials
  - Additional automation and increased production investment in Turkey, Vietnam, etc.
  - +50

- Energy solutions (Hydrogen-related business)
  - Advance investment e.g., European PoC for next medium-term business commercialization
  - +60

- Inorganic
  - Acquisition of European chiller business
  - +150

- Inorganic (Under consideration)
  - Acquire capabilities in growth areas

*3 bases such as cold chain related business in China (already implemented)

Prioritized allocation of cash flow to growth businesses

- Operating CF \leq investment CF
- Operating CF > investment CF

Growth businesses:
1. HVAC
2. Overseas electrical construction materials
3. Energy solutions
4. CO2 refrigeration system

Businesses with stable profitability:
5. Electrical construction materials in Japan
6. Show cases
7. Home appliances in Japan

Operating CF
- Initial investment 1,200
- Additional investment +800
- Ongoing deliberations (incl. inorganic)
- Initial investment 1,150
- Additional investment +150

Execute investments while generating operating CF

- Operating CF
- Initial investment 2,350
- Additional investment +950
- Ongoing deliberations (incl. inorganic)
- Operating CF

Seven priority businesses Total

(100M yen)
To Achieve the Medium-term KGI

**Growth businesses**
- FY3/22: 189 (100M yen)
- FY3/23: 239
- 2 year cumulative total: +428

**Businesses with stable profitability**
- FY3/23: 77
- FY3/24: 147
- 2 year cumulative total: +224

**Seven priority businesses**
- Percentage: 80%

**(100M yen)**
- FY3/22: 2,043 (6.5%)
- FY3/23: 189
- FY3/24: 239
- FY3/25: 3,500 (10.0%)

Raise profit growth for the seven priority businesses
Implementation of IR activities for Management

Enhance disclosure and strengthen market communication loops

Strengthen the communications loop with capital markets and media

Enhancement disclosure (Ongoing dialogue and management transparency)

Mutual understanding and clarification of our company issues through dialogue

Panasonic Corporation management team

Communications loop

Capital markets

Investors/analysts

Media

IR schedule

FY3/23

Q1

June 2  IR Day  (Panasonic Corporation + 3 divisional companies)

Q2

Oct 6  Site visits  (Energy solutions)

Q3

Nov 18  SUPER BOX tour  (Electrical construction materials in Japan)

Nov 22  Briefings on individual businesses  (Panasonic Corporation + 3 divisional companies)

FY3/24

Q1

June 2  Operating companies strategy briefings  (Panasonic Corporation + priority businesses)

From Q2

- Site visits sites related to the seven priority businesses
- Round-table meetings with analysts and investors
- Investor meetings, etc.

FY3/25

Q1

From Q2

- Operating companies strategy briefings

- Site visits related to the seven priority businesses
- Round-table meeting on key strategies, etc.
Disclaimer Regarding Forward-Looking Statements

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KGI in Fiscal 2025

**Most important KGI**

**EBITDA**
Enhance cash flow generation while investing in growth

- **350.0 billion yen** (10%)
- **205.9 billion yen** (5.9%) (FY23 results)

**ROIC**
Ensure discipline in investment efficiency, exceed capital costs

- **10% or more**
- **6.7%** (FY23 results)

**3-years cumulative operating cash flow**
Secure operating cash flow to serve as a foundation for investment in growth

- **660.0 billion yen**
- **555.0 billion yen** (accumulated from FY20 to FY22)
FY3/24 EBITDA Analysis (by Divisional Company and Factor)

**Living Appliances and Solutions Company**
(yen: billions)

- **FY3/23 EBITDA** +99.0
- **FY3/24 EBITDA** 90.0

- **Sales increase/decrease**
- Raw materials, exchange rates, logistics cost
- Rationalization, price revisions, etc.
- Fixed cost
- Other

**Heating & Ventilation A/C Company**
(yen: billions)

- **FY3/23 EBITDA** +39.5
- **FY3/24 EBITDA** 68.5

- **Sales increase/decrease**
- Raw materials, exchange rates, logistics cost
- Rationalization, price revisions, etc.
- Fixed cost
- Other

**Cold Chain Solutions Company**
(yen: billions)

- **FY3/23 EBITDA** +20.0
- **FY3/24 EBITDA** 23.0

- **Sales increase/decrease**
- Raw materials, exchange rates, logistics cost
- Rationalization, price revisions, etc.
- Fixed cost
- Other

**Electric Works Company**
(yen: billions)

- **FY3/23 EBITDA** +19.1
- **FY3/24 EBITDA** 94.0

- **Sales increase/decrease**
- Raw materials, exchange rates, logistics cost
- Rationalization, price revisions, etc.
- Fixed cost
- Other
## Company-wide Strengthening of Direct Material Cost Capabilities

Roll out 4 measures to reduce direct material costs directly under the control of the CEO and CPO,\(^1\) steady progress to reduce 25.0 billion yen in 3 years

<table>
<thead>
<tr>
<th>Category</th>
<th>Purchase strategy</th>
<th>Initiatives</th>
<th>FY3/23</th>
<th>FY3/24</th>
<th>FY3/25</th>
</tr>
</thead>
<tbody>
<tr>
<td>Raw materials</td>
<td>Purchasing from one company</td>
<td>Steel</td>
<td>- Purchase general-purpose materials from several companies</td>
<td>- Purchase custom materials from several companies</td>
<td>Reap the benefits</td>
</tr>
<tr>
<td></td>
<td>Purchasing from several companies</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Semiconductors, electronic components</td>
<td>Primarily Japanese companies</td>
<td>Semiconductors</td>
<td>- Employ microcontrollers and recommended items</td>
<td>- Employ recommended items of other semiconductors</td>
<td>Reap the benefits</td>
</tr>
<tr>
<td></td>
<td>Concentrate on major industry players</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electrical components</td>
<td>Individual businesses</td>
<td>Motors, etc.</td>
<td>- Manufacturer centralization</td>
<td>- Common use, general purpose</td>
<td>Reap the benefits</td>
</tr>
<tr>
<td></td>
<td>To centralized contracts</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Machinery and assembling parts</td>
<td>Individual businesses</td>
<td>Supplier concentration</td>
<td>- Select strategic partners, concentrate suppliers to 20%</td>
<td>- Concentrate purchase orders (plastic molding, sheet metal)</td>
<td>Reap the benefits</td>
</tr>
<tr>
<td></td>
<td>Partner concentration</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

8.0 billion yen (As planned) | 7.5 billion yen Projections | 9.5 billion yen Projections

Total: 25.0 billion yen

\(^1\) CPO: Chief Productivity Officer
Practicing ESG

**Environment**
Accelerating to achieve GREEN IMPACT

- Consideration of ICP* system introduction
  - FY3/24: Introduction to LAS
  - FY3/25 onwards: Expanding introduction to all Panasonic Corporation
    * ICP: Internal Carbon Pricing

- Consideration of methods for evaluating impact
  - Intrinsic value [financial + non-financial] quantification

- Management system
  - Reflecting environmental evaluations in executive compensation

European chiller business

**Social**
Promoting employee well-being

- Promoting the participation of diverse human resources in management
  - Increase the ratio of female managers (Japan)
    - 2030: 6% of managerial and general manager positions, 15% of section manager positions

- Employee Opinion Survey (EOS)
  - 2030 Target: Within top 10% of benchmark companies in Japan

- Safety and health
  - Eliminating serious accidents, practicing management that enables employees to maintain their health

- Fostering a culture that values people who take on challenges
  - Establishment of Make New Award

- Competitive HR System
  - Introduced and implemented at each divisional company in FY3/24

- Transmission of Human Capital Management

**Governance**
Creating a system to increase effectiveness

- Operation and main themes of the Board of Directors in FY3/23
  - Revitalization of the Board of Directors
    - Active discussion from diverse perspectives of three directors invited from outside the group

  - Main Themes
    - Medium- to long-term strategy of Panasonic Corporation
    - M&As
      (European chiller business, Cold chain business in China)
    - Capital investment
      (for increasing A2W production in Europe)
    - Compliance matters

- For strengthening future governance
  - Expansion of the main themes of the Board of Directors
    - Priority business strategy (7 priority businesses)
    - Portfolio management
    - Corporate Key agenda (GX brand etc.)

- Reflecting external perspectives on business management
  - Proposals and advice on activities for management transformation
  - Visiting business locations and providing information on business strategies
Financial Data Appendix
## Panasonic Corporation

### Appendix

**< IR Day > Panasonic Corporation**

**PL**

<table>
<thead>
<tr>
<th></th>
<th>FY3/22 Results</th>
<th>FY3/23 Results</th>
<th>FY3/24 Forecast</th>
<th>FY3/25 Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>3,165.6</td>
<td>3,483.3</td>
<td>3,580.0</td>
<td>3,500.0</td>
</tr>
<tr>
<td>Adjusted OP</td>
<td>131.5</td>
<td>122.4</td>
<td>160.0</td>
<td></td>
</tr>
<tr>
<td>Other income/loss</td>
<td>▲ 23.3</td>
<td>▲ 19.3</td>
<td>▲ 9.0</td>
<td></td>
</tr>
<tr>
<td>Operating profit</td>
<td>108.2</td>
<td>103.1</td>
<td>151.0</td>
<td></td>
</tr>
<tr>
<td>(% to sales)</td>
<td>3.4%</td>
<td>3.0%</td>
<td>4.2%</td>
<td></td>
</tr>
<tr>
<td>Depreciation of PP&amp;E</td>
<td>64.0</td>
<td>67.3</td>
<td>72.0</td>
<td></td>
</tr>
<tr>
<td>Total of Amortization of Intangible Assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation of Right-of-use Assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EBITDA</td>
<td>204.3</td>
<td>205.9</td>
<td>259.0</td>
<td>350.0</td>
</tr>
<tr>
<td>(% to sales)</td>
<td>6.5%</td>
<td>5.9%</td>
<td>7.2%</td>
<td>10.0%</td>
</tr>
<tr>
<td>CF) Cumulative operating CF (3 years)</td>
<td>555.0</td>
<td>-</td>
<td>-</td>
<td>660.0</td>
</tr>
<tr>
<td>FCF</td>
<td>-</td>
<td>29.7</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Cash flows from operating activities</td>
<td>-</td>
<td>145.2</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Cash flows from investing activities</td>
<td>-</td>
<td>▲ 115.5</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Capital investment</td>
<td>78.8</td>
<td>93.9</td>
<td>147.0</td>
<td></td>
</tr>
<tr>
<td>Investment in intangible assets</td>
<td>9.9</td>
<td>17.5</td>
<td>29.0</td>
<td></td>
</tr>
<tr>
<td>R&amp;D expenditures</td>
<td>135.6</td>
<td>139.8</td>
<td>153.1</td>
<td></td>
</tr>
<tr>
<td>BS) Cash and cash equivalents * 1</td>
<td>484.8</td>
<td>437.6</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Trade receivables</td>
<td>495.2</td>
<td>502.3</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Inventories</td>
<td>422.7</td>
<td>470.2</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Other current assets</td>
<td>117.3</td>
<td>132.4</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Current assets</td>
<td>1,520.0</td>
<td>1,542.6</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>328.5</td>
<td>346.7</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Right-of-use assets</td>
<td>86.0</td>
<td>76.2</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Goodwill and intangible assets</td>
<td>244.4</td>
<td>289.1</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Other non-current assets</td>
<td>132.5</td>
<td>151.5</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Non-current assets</td>
<td>791.4</td>
<td>863.6</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Total assets</td>
<td>2,311.4</td>
<td>2,406.1</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Trade payables</td>
<td>397.7</td>
<td>377.7</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Interest-bearing debt * 1</td>
<td>484.8</td>
<td>420.2</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Lease liabilities</td>
<td>86.3</td>
<td>74.3</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Other liabilities</td>
<td>649.9</td>
<td>724.0</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Total liabilities</td>
<td>1,618.8</td>
<td>1,596.3</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Total equity</td>
<td>692.6</td>
<td>809.9</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Invested Capital * 2</td>
<td>1,263.8</td>
<td>1,286.1</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>ROIC * 2</td>
<td>5.5%</td>
<td>6.7%</td>
<td>7.9%</td>
<td>10% or more</td>
</tr>
<tr>
<td>WACC</td>
<td>5.2%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* 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)
### Appendix

< IR Day >

**Divisional Company**

**Living Appliances and Solutions Company**

<table>
<thead>
<tr>
<th></th>
<th>FY3/22 Results</th>
<th>FY3/23 Results</th>
<th>FY3/24 Forecast</th>
<th>FY3/25 Target</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales</strong></td>
<td>839.9</td>
<td>896.7</td>
<td>976.0</td>
<td>980.0</td>
</tr>
<tr>
<td><strong>Adjusted OP</strong></td>
<td>63.3</td>
<td>52.8</td>
<td>72.0</td>
<td>-</td>
</tr>
<tr>
<td><strong>Other income/loss</strong></td>
<td>0.6</td>
<td>2.5</td>
<td>▲ 6.0</td>
<td>-</td>
</tr>
<tr>
<td><strong>Operating profit</strong></td>
<td>63.9</td>
<td>55.3</td>
<td>66.0</td>
<td>-</td>
</tr>
<tr>
<td>(% to sales)</td>
<td>7.6%</td>
<td>6.2%</td>
<td>6.8%</td>
<td>-</td>
</tr>
<tr>
<td><strong>Depreciation and amortization</strong></td>
<td>20.9</td>
<td>24.8</td>
<td>24.0</td>
<td>-</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>84.8</td>
<td>80.1</td>
<td>90.0</td>
<td>118.0</td>
</tr>
<tr>
<td>(% to sales)</td>
<td>10.1%</td>
<td>8.9%</td>
<td>9.2%</td>
<td>12.0%</td>
</tr>
</tbody>
</table>

**CF**

<table>
<thead>
<tr>
<th></th>
<th>FY3/22 Results</th>
<th>FY3/23 Results</th>
<th>FY3/24 Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cumulative operating CF (3 years)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>FCF</td>
<td>-</td>
<td>28.1</td>
<td>-</td>
</tr>
<tr>
<td>Cash flows from operating activities</td>
<td>-</td>
<td>58.9</td>
<td>-</td>
</tr>
<tr>
<td>Cash flows from investing activities</td>
<td>-</td>
<td>▲ 30.9</td>
<td>-</td>
</tr>
<tr>
<td>Capital investment</td>
<td>25.1</td>
<td>28.3</td>
<td>35.2</td>
</tr>
<tr>
<td>Investment in intangible assets</td>
<td>1.4</td>
<td>1.7</td>
<td>2.5</td>
</tr>
<tr>
<td>R&amp;D expenditures</td>
<td>44.1</td>
<td>43.4</td>
<td>47.5</td>
</tr>
</tbody>
</table>

**BS**

<table>
<thead>
<tr>
<th></th>
<th>FY3/22 Results</th>
<th>FY3/23 Results</th>
<th>FY3/24 Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>Invested Capital</td>
<td>191.0</td>
<td>206.0</td>
<td>-</td>
</tr>
<tr>
<td>Inventories</td>
<td>93.8</td>
<td>98.2</td>
<td>-</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>77.1</td>
<td>85.1</td>
<td>-</td>
</tr>
<tr>
<td>ROIC</td>
<td>24.3%</td>
<td>20.2%</td>
<td>19.4%</td>
</tr>
<tr>
<td>WACC</td>
<td>4.7%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* ROIC=Operating Profit After Tax /Average Invested Capital (Total equity + interest-bearing debt)
Heating & Ventilation A/C Company

<table>
<thead>
<tr>
<th></th>
<th>※3 FY3/22 Results</th>
<th>※3 FY3/23 Results</th>
<th>※3 FY3/24 Forecast</th>
<th>※3 FY3/25 Target</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PL)</strong> Sales</td>
<td>680.8</td>
<td>808.7</td>
<td>904.0</td>
<td>1,000.0</td>
</tr>
<tr>
<td>Adjusted OP</td>
<td>※1 21.5</td>
<td>22.1</td>
<td>42.0</td>
<td>-</td>
</tr>
<tr>
<td>Other income/loss</td>
<td>※1 ▲ 3.4</td>
<td>※2 ▲ 17.6</td>
<td>0.0</td>
<td>-</td>
</tr>
<tr>
<td>Operating profit (% to sales)</td>
<td>18.1</td>
<td>※2 4.5</td>
<td>42.0</td>
<td>-</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>2.7%</td>
<td>0.6%</td>
<td>4.6%</td>
<td>-</td>
</tr>
<tr>
<td>EBITDA</td>
<td>※1 35.8</td>
<td>※2 29.0</td>
<td>68.5</td>
<td>83.5</td>
</tr>
</tbody>
</table>

| **CF)** Cumulative operating CF (3 years) | - | - | - | 137.0 |
| FCF | - | ▲ 25.0 | - | - |
| Cash flows from operating activities | - | 22.6 | - | - |
| Cash flows from investing activities | - | ▲ 47.6 | - | - |
| Capital investment | 16.1 | 31.4 | 59.0 | - |
| Investment in intangible assets | 2.8 | 8.4 | 9.4 | - |
| R&D expenditures | 26.7 | 36.6 | 45.6 | - |

<table>
<thead>
<tr>
<th><strong>BS)</strong> Invested Capital</th>
<th>※3 FY3/22 Results</th>
<th>※3 FY3/23 Results</th>
<th>※3 FY3/24 Forecast</th>
<th>※3 FY3/25 Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Invested Capital</td>
<td>249.8</td>
<td>311.8</td>
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<tr>
<td>Inventories</td>
<td>119.8</td>
<td>150.7</td>
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<td>-</td>
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<tr>
<td>Property, plant and equipment</td>
<td>56.3</td>
<td>86.1</td>
<td>-</td>
<td>-</td>
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<tr>
<td>ROIC*</td>
<td>※1 5.2%</td>
<td>※2 2.0%</td>
<td>8.0%</td>
<td>10% or more</td>
</tr>
<tr>
<td>WACC</td>
<td>5.3%</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

※ ROIC=Operating Profit After Tax / Average Invested Capital (Total equity + interest-bearing debt)
※1 Impact of one-time expenses in China is included in FY3/22.
※2 Impact of one-time recall-related expenses is included in FY3/23.
※3 FY3/22 is based on the old organizational system, FY3/23-FY3/25 are based on the new organizational system.
## Cold Chain Solutions Company

<table>
<thead>
<tr>
<th></th>
<th>FY3/22 Results</th>
<th>FY3/23 Results</th>
<th>FY3/24 Forecast</th>
<th>FY3/25 Target</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PL</strong></td>
<td></td>
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<td></td>
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<tr>
<td>Sales</td>
<td>270.1</td>
<td>351.9</td>
<td>350.0</td>
<td>340.0</td>
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<td>3.2</td>
<td>12.3</td>
<td>14.0</td>
<td>-</td>
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<tr>
<td>Other income/loss</td>
<td>▲ 0.4</td>
<td>0.1</td>
<td>0.0</td>
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<tr>
<td>Operating profit</td>
<td>2.8</td>
<td>12.4</td>
<td>14.0</td>
<td>-</td>
</tr>
<tr>
<td>(% to sales)</td>
<td>1.0%</td>
<td>3.5%</td>
<td>4.0%</td>
<td>-</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>7.4</td>
<td>8.6</td>
<td>9.0</td>
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<tr>
<td>EBITDA</td>
<td>10.2</td>
<td>21.0</td>
<td>23.0</td>
<td>23.0</td>
</tr>
<tr>
<td>(% to sales)</td>
<td>3.8%</td>
<td>6.0%</td>
<td>6.6%</td>
<td>6.8%</td>
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<tr>
<td><strong>CF</strong></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Cumulative operating CF (3 years)</td>
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<td>-</td>
<td>-</td>
<td>29.0 (FY3/23~3/25)</td>
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<tr>
<td>FCF</td>
<td>-</td>
<td>1.9</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Cash flows from operating activities</td>
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<td>4.0</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Cash flows from investing activities</td>
<td>-</td>
<td>▲ 2.1</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Capital investment</td>
<td>2.5</td>
<td>2.5</td>
<td>7.2</td>
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<tr>
<td>Investment in intangible assets</td>
<td>0.9</td>
<td>1.6</td>
<td>1.7</td>
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<tr>
<td>R&amp;D expenditures</td>
<td>5.3</td>
<td>5.9</td>
<td>5.6</td>
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<tr>
<td><strong>BS</strong></td>
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</tr>
<tr>
<td>Invested Capital ♦</td>
<td>250.6</td>
<td>265.6</td>
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<td>Inventories</td>
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<td>47.1</td>
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<tr>
<td>Property, plant and equipment</td>
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<td>16.7</td>
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<tr>
<td>ROIC ♦</td>
<td>0.9%</td>
<td>3.1%</td>
<td>4.0%</td>
<td>5% or more</td>
</tr>
<tr>
<td>WACC</td>
<td>5.6%</td>
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* ROIC=Operating Profit After Tax /Average Invested Capital (Total equity + interest-bearing debt)
<table>
<thead>
<tr>
<th>Electric Works Company</th>
<th>FY3/22 Results</th>
<th>FY3/23 Results</th>
<th>FY3/24 Forecast</th>
<th>FY3/25 Target</th>
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<tbody>
<tr>
<td>PL) Sales</td>
<td>904.7</td>
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<td>Other income/loss</td>
<td>▲ 7.8</td>
<td>▲ 5.3</td>
<td>▲ 4.0</td>
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<tr>
<td>Operating profit</td>
<td>37.1</td>
<td>46.9</td>
<td>60.0</td>
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<tr>
<td>(% to sales)</td>
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<td>4.7%</td>
<td>5.8%</td>
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<tr>
<td>Depreciation and amortization</td>
<td>28.4</td>
<td>28.0</td>
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<td>10.0%</td>
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<td>CF) Cumulative operating CF (3 years)</td>
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<td>-</td>
<td>172.0</td>
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<td>FCF</td>
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<td>51.5</td>
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<td>Cash flows from investing activities</td>
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<td>Capital investment</td>
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<td>20.8</td>
<td>35.5</td>
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<td>Investment in intangible assets</td>
<td>2.9</td>
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<td>8.6</td>
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<td>R&amp;D expenditures</td>
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<td>45.1</td>
<td>46.0</td>
<td>-</td>
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<table>
<thead>
<tr>
<th>BS) Invested Capital</th>
<th>FY3/22 Results</th>
<th>FY3/23 Results</th>
<th>FY3/24 Forecast</th>
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<tbody>
<tr>
<td>Investment</td>
<td>300.6</td>
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<td>Property, plant and equipment</td>
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<td>ROIC*</td>
<td>7.4%</td>
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<tr>
<td>WACC</td>
<td>4.9%</td>
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</tbody>
</table>

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