

Panasonic Connect Operating Company Strategy Briefing

June 6, 2024

Yasuyuki Higuchi, President & CEO

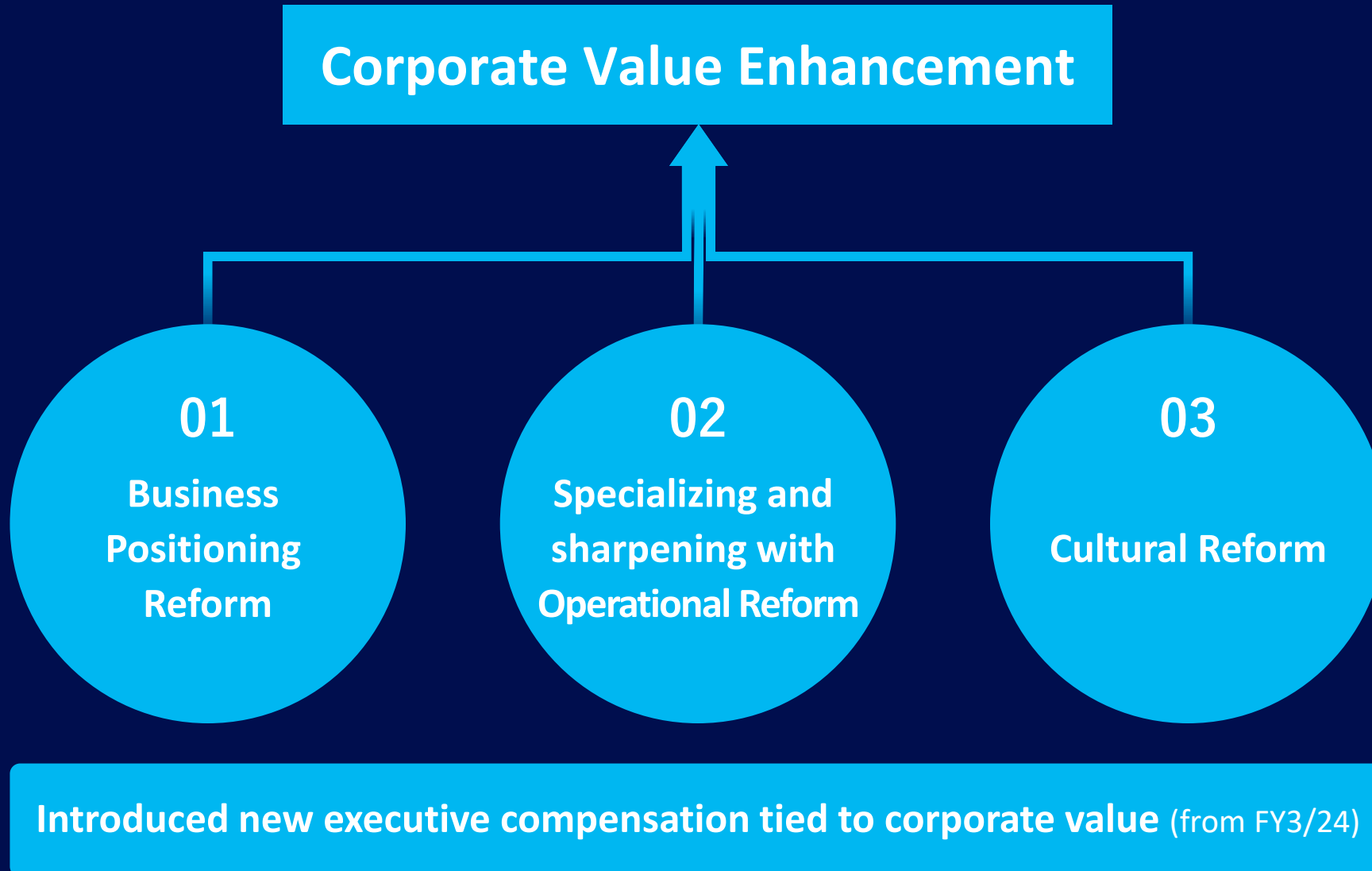
Panasonic Connect Co., Ltd.

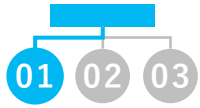


Notes:

1. This is an English translation of the original presentation in Japanese.
2. In this presentation, "Fiscal 2025" or "FY3/25" refers to the year ending March 31, 2025.

Panasonic Connect's corporate value enhancement realized through three reforms



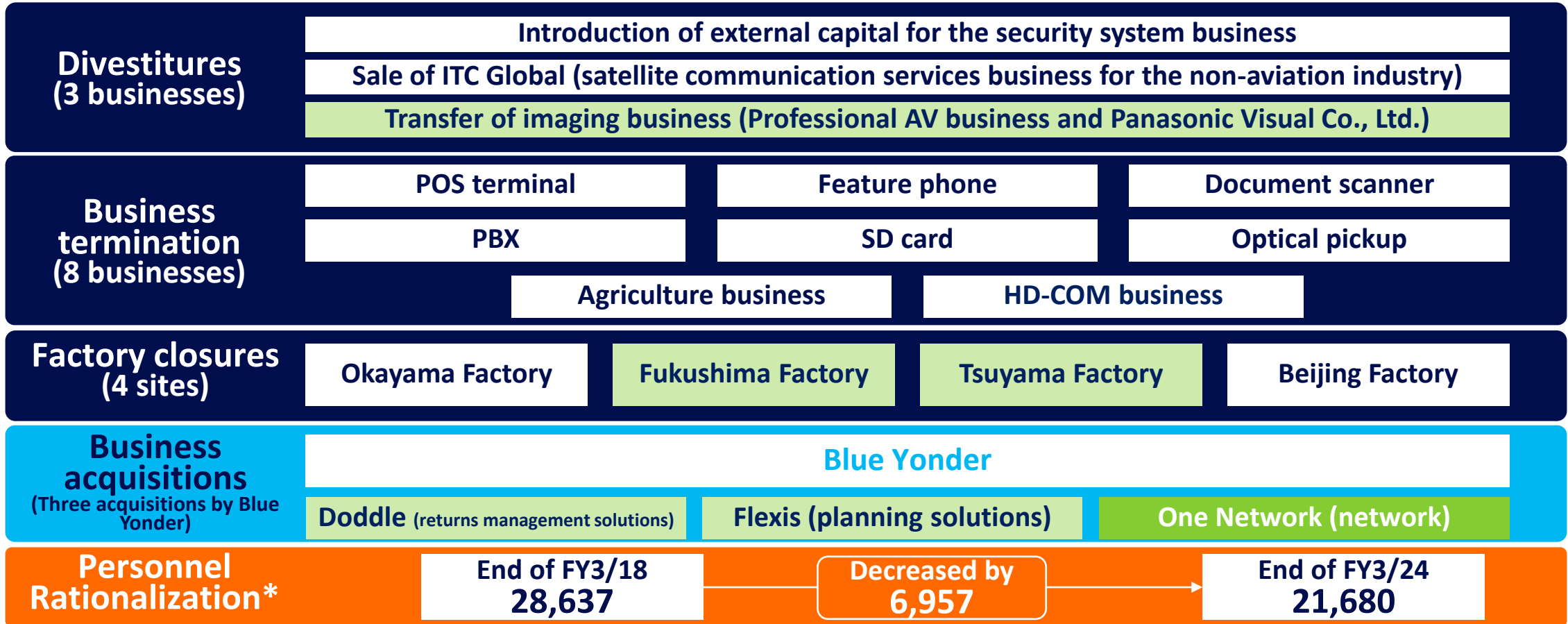


Corporate Value Enhancement: Business Positioning Reform

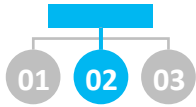
Continuously implementing selection and concentration since FY3/18

Implemented in FY3/24

FY3/25 implementation plan



(*Excluding net addition through BY's acquisitions)



Corporate Value 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

Top class in the world

Media Entertainment

High-brightness projector

in the world No.1

Avionics

In-flight Entertainment

Technical Service (IFEC area)

in the world No.1

Mobile Solutions

Let's note

TOUGHBOOK

Payment terminal

in the world No.1

in Japan No.1*

*Let's note: IDC Japan, Japan Personal Computing Quarterly Model Analysis 2024Q1 Share By Company, 2023 ultraslim notebook PC corporate area

Gemba Solutions Company

Received a commendation from customers for service business **3 consecutive years**

More than 12,000 customers*

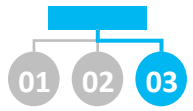
60+ sites for nationwide customer sales and support

*Customers with whom we had transactions between 2017 and 2023

Blue Yonder

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

- Gartner Magic Quadrant™ **A Leader** Supply Chain Planning Solutions
- Gartner Magic Quadrant™ **A Leader** Warehouse Management System
- Gartner Magic Quadrant™ **A Leader** Transportation Management Systems



Corporate Value Enhancement: Cultural Reform Initiatives to Date



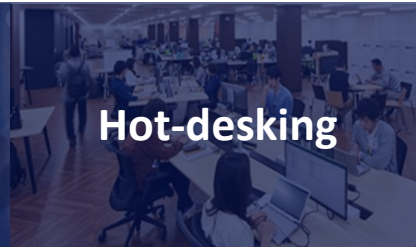
Head office in Tokyo



Removal of private rooms for executives



ALL HANDS MEETING



Hot-desking



Introduction of job-based approach



Working three days a week



Business chat



Ch. Yasu



Quit weekly report



Eradication of seals and being paperless



CONNECTERS' Academy



DEI Month



Renewal of business card design and company promotion goods



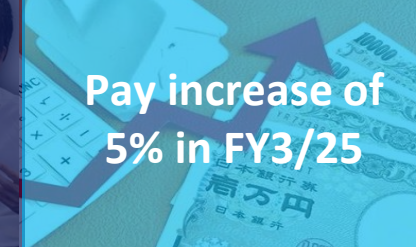
Stricter penalties for harassment



Starting salary in line with the industry standard



Compliance compliance messages



Pay increase of 5% in FY3/25



Subsidy for egg cryopreservation



Connect AI



MBA program



男性育休100%宣言 Paternity leave



Rainbow Pride



Challenge holidays



Global human resources development

Taking on new challenges one after another

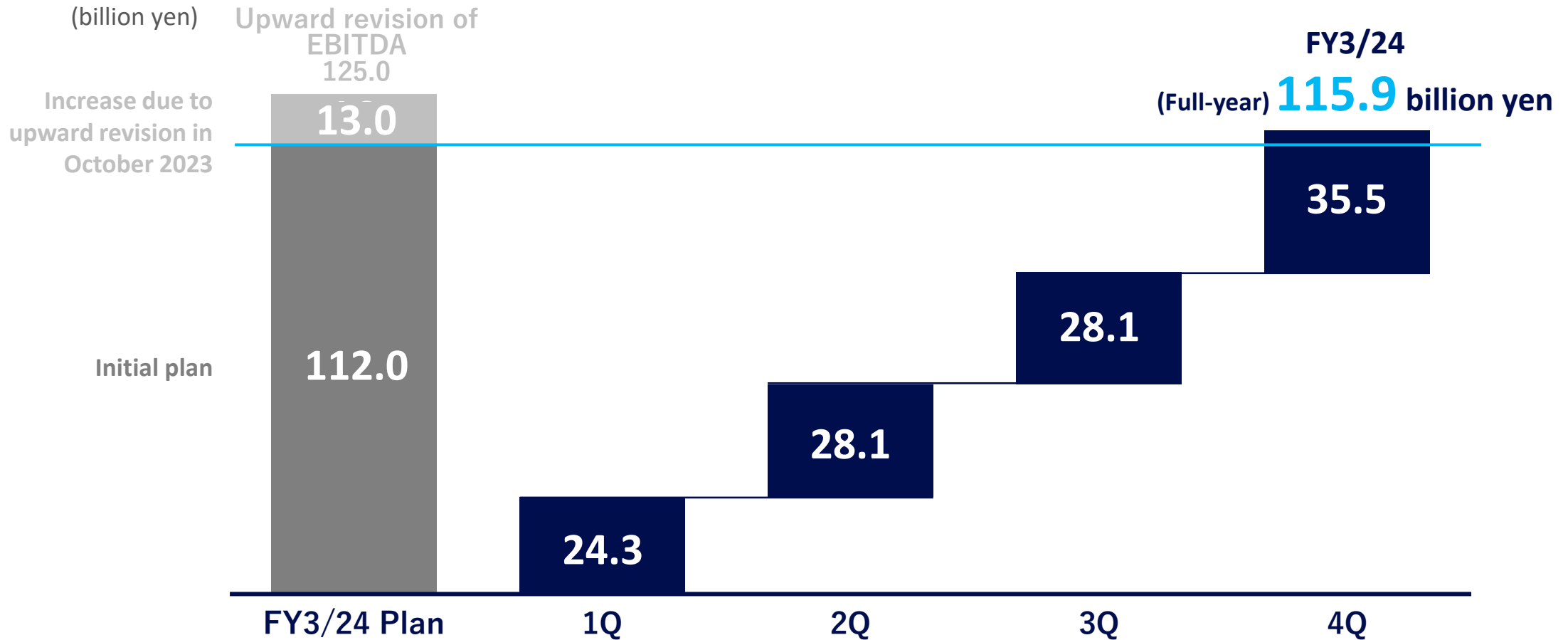
Progress of Connect

Medium- and Long-term Strategy



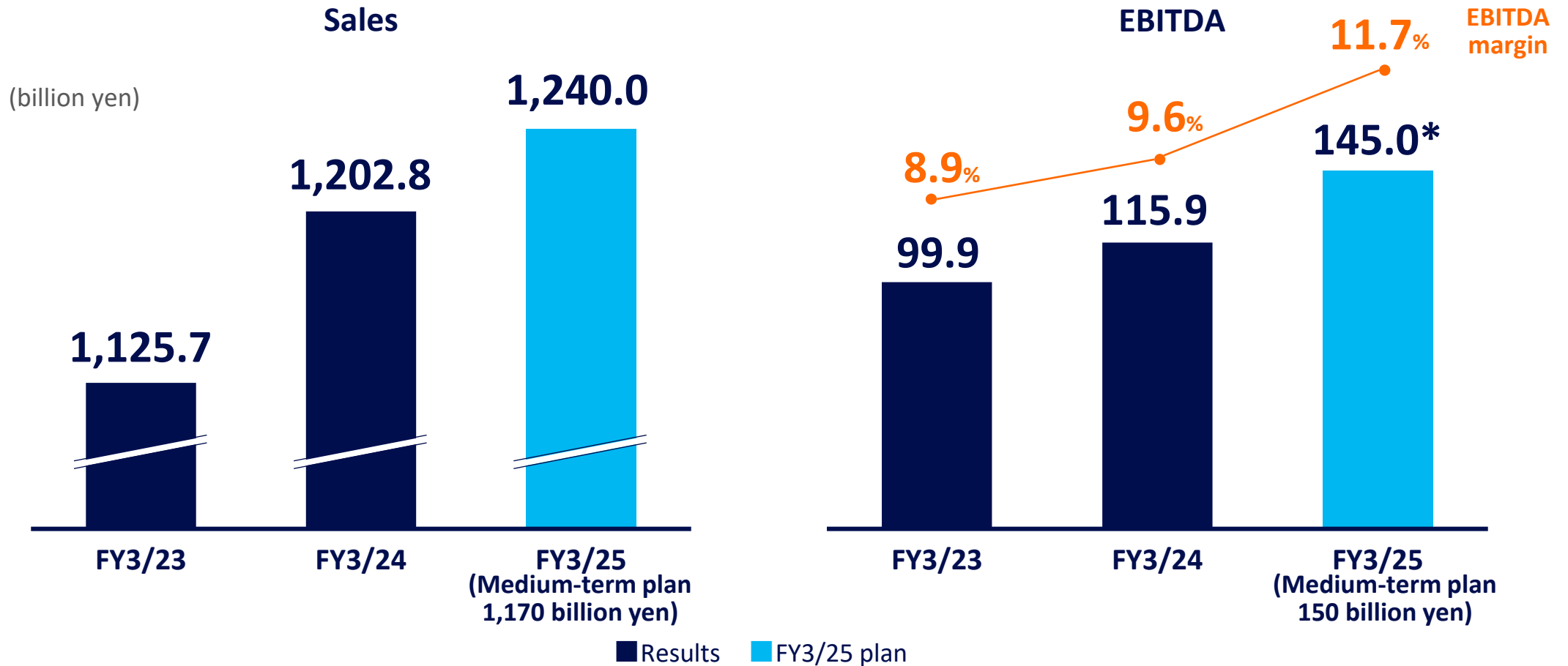
EBITDA Results (FY3/24)

EBITDA results exceeded initial plan by 3.9 billion yen driven by:
Avionics, Gemba Solutions Company and Blue Yonder



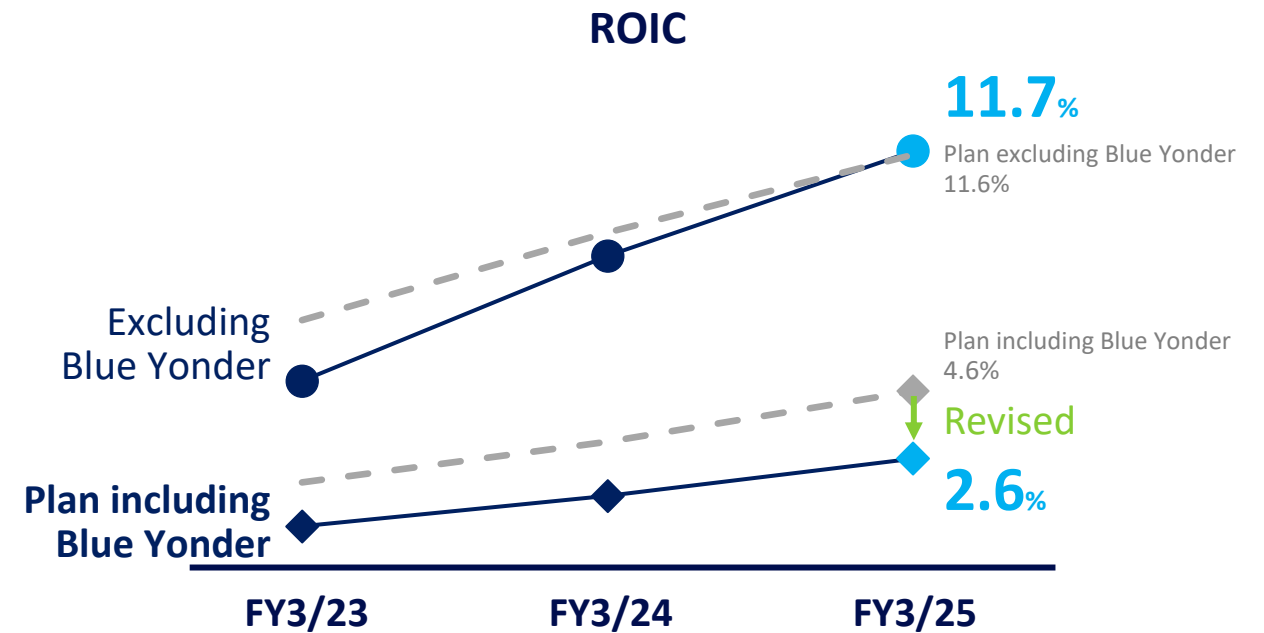
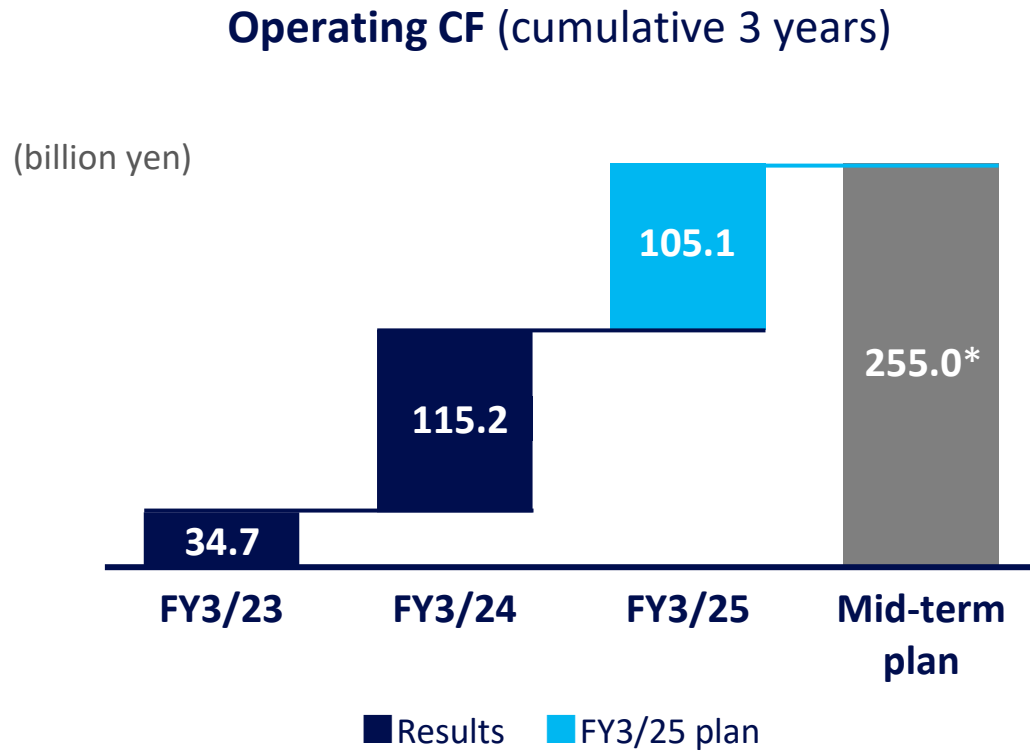
Medium-term Plan Forecast (Sales and EBITDA)

Aiming to achieve the medium-term plan in FY3/25 for both sales and EBITDA



Medium-term Plan Forecast (Operating CF for cumulative 3 years and ROIC)

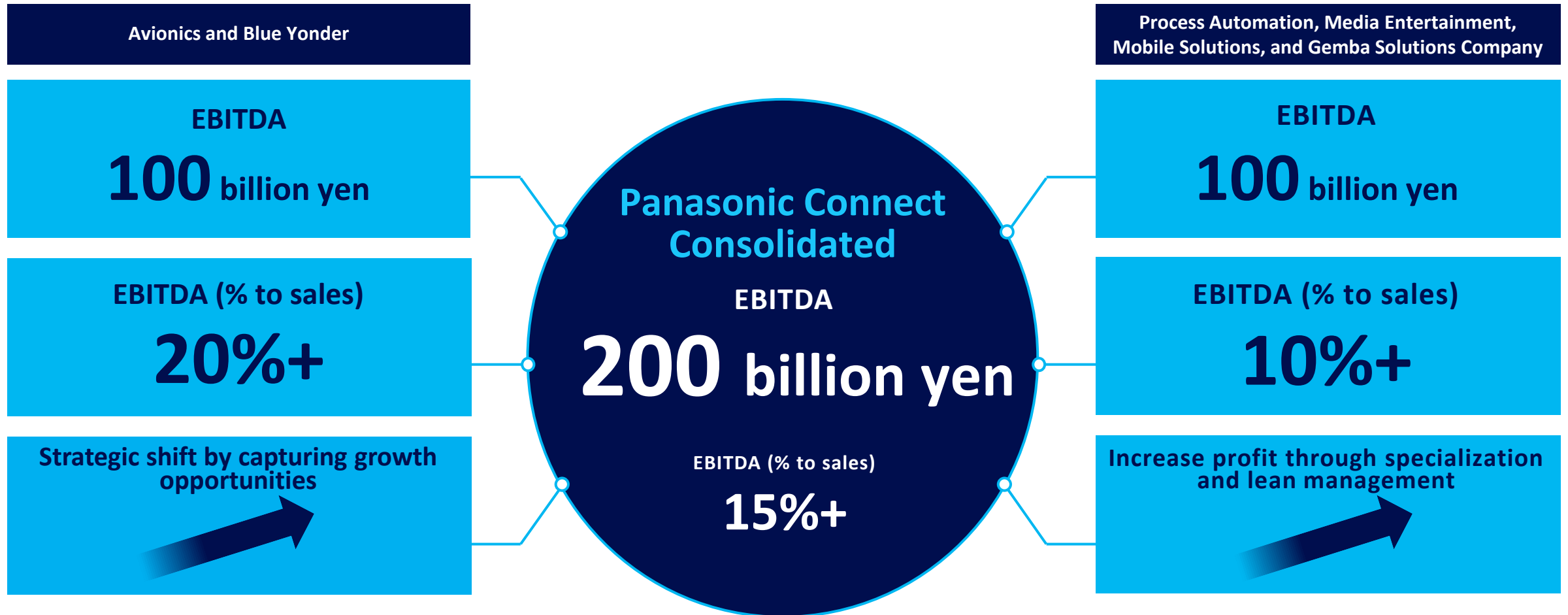
Aim to achieve medium-term plan of cumulative Operating CF for 3 years (FY3/23 to FY3/25). ROIC target for FY3/25 was revised down considering Blue Yonder's shift towards strategic investments.



*Note that excluding Blue Yonder, we aim to achieve the medium-term plan (Medium-term plan: 11.6%, FY3/25 plan: 11.7%)

EBITDA Target for Medium-term Plan (FY3/26-FY3/28)

Targeting 200 billion yen of EBITDA in FY3/28 as a next medium-term plan

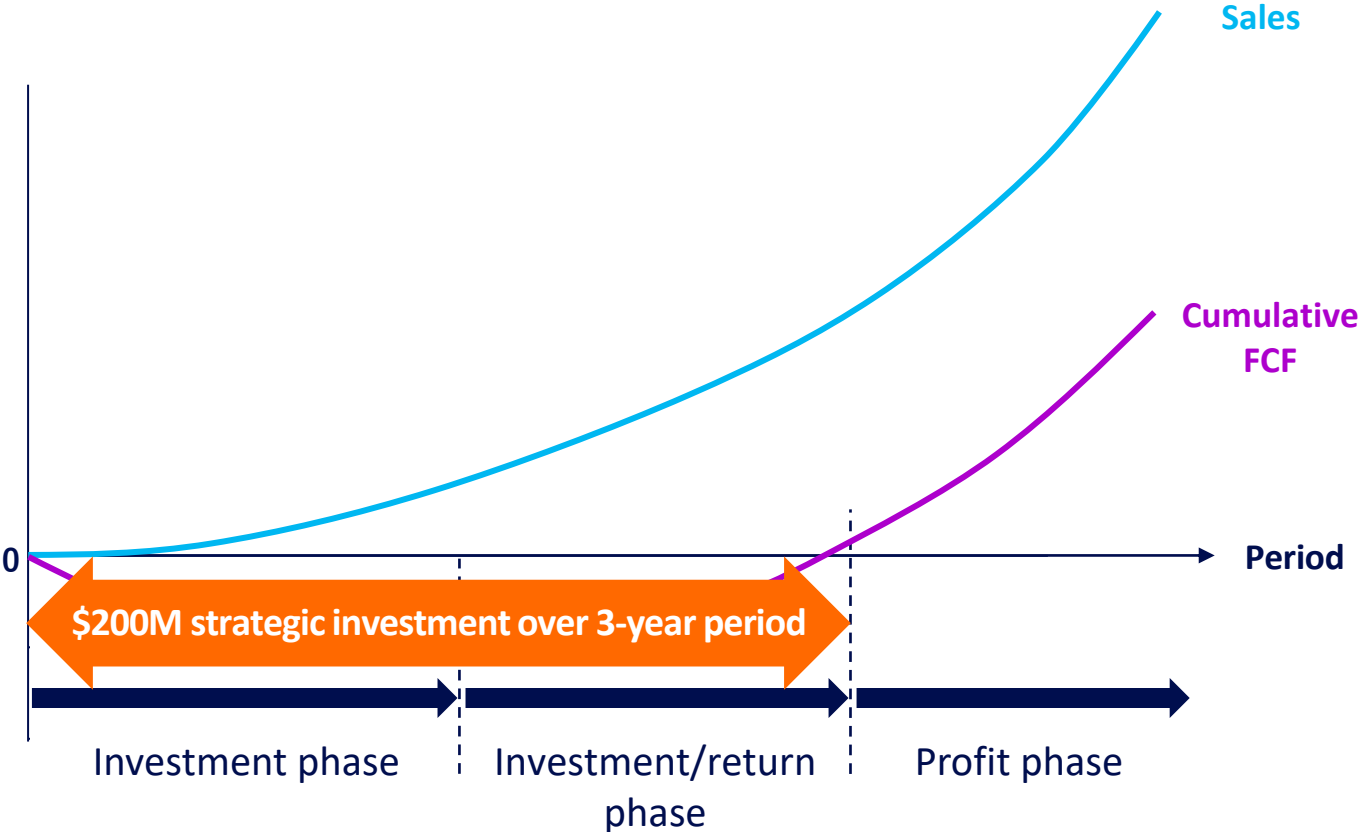


Progress of Blue Yonder Business Strategy



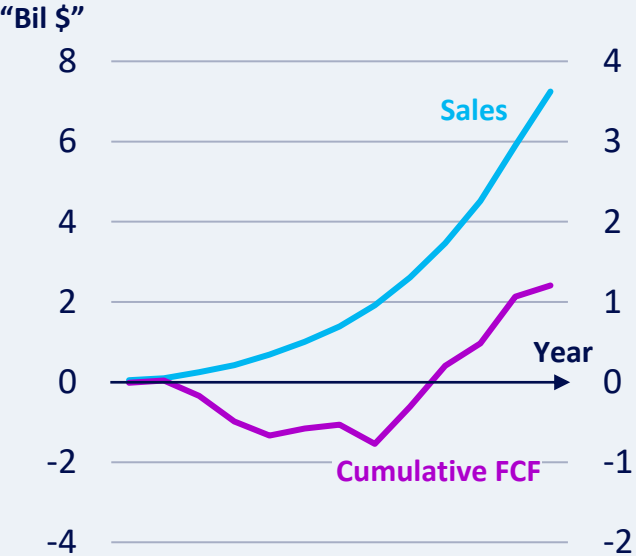
Scaling of SaaS business model

Sales and investment/return stages of a SaaS business



Case of Company S* in the USA

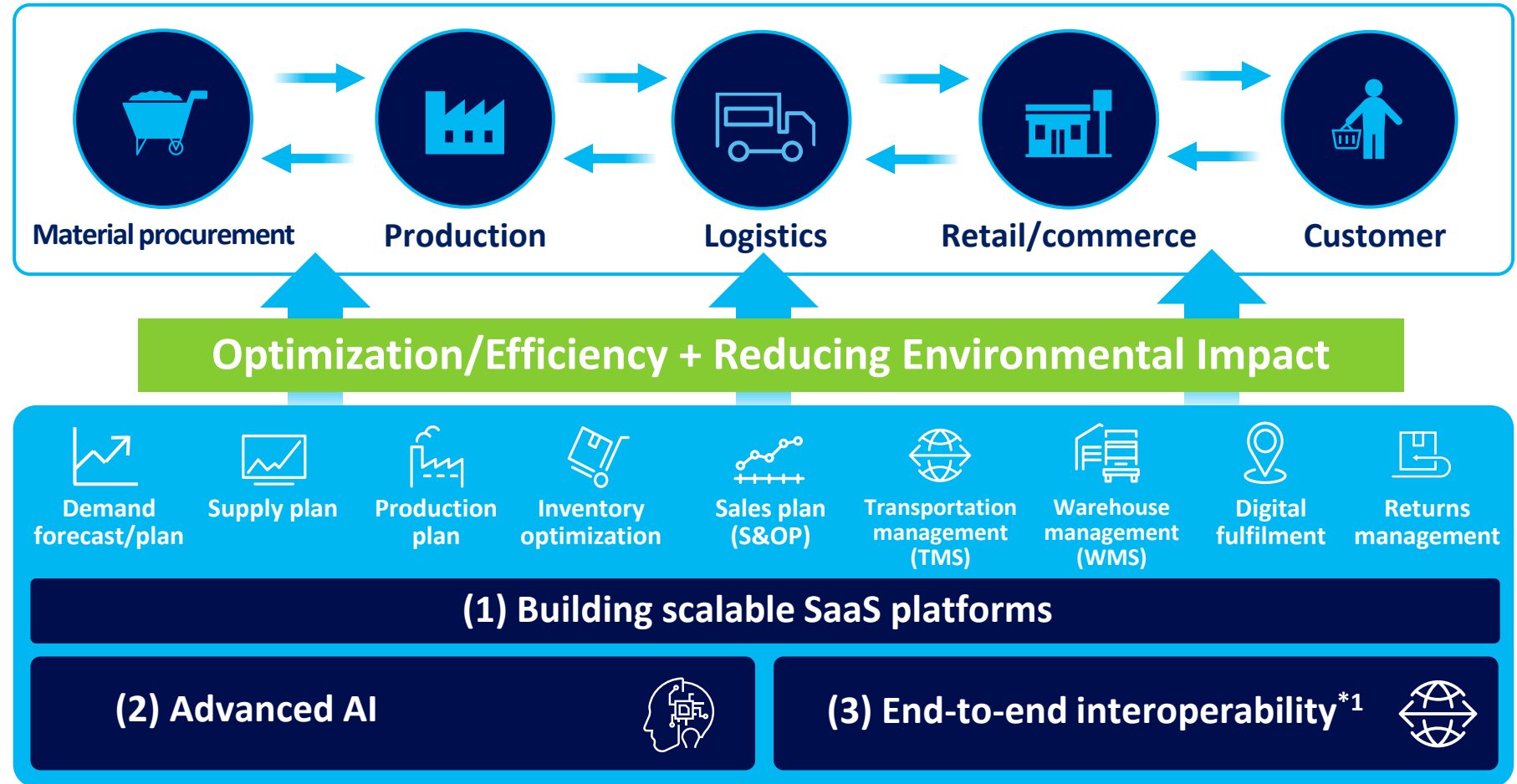
*A SaaS provider for enterprise service management



Vision of Blue Yonder

Realize an autonomous end-to-end supply chain optimization

Customer companies



*1: Near-real time autonomous synchronization across planning and execution inter- and intra-enterprises

Additional Strategic Investments to achieve Blue Yonder's Vision

Make additional investment in strengthen the foundation to build a scalable SaaS platform
Differentiate Blue yonder by advanced AI and end-to-end interoperability

(1) Building a scalable SaaS platform

- Microservices for agility
- Cloud environment: Shift to multitenancy
- Integrated data cloud
- Renewal to simple UX
- Secure upgrade scalability

Microservices of solutions

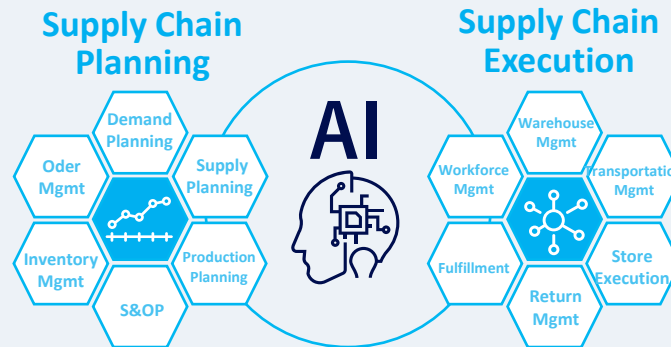


Single data / Platform

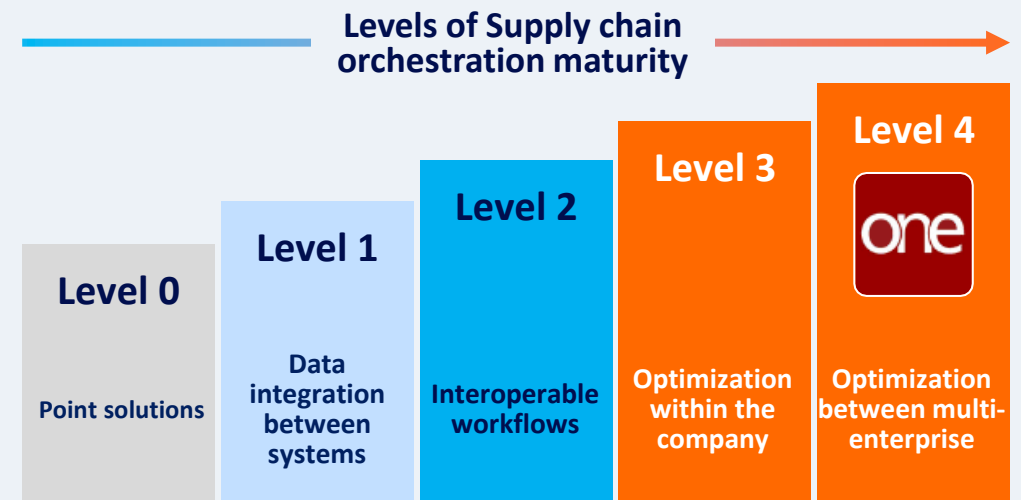


(2) Advanced AI

- Proven strength of Blue Yonder's AI and ML (number of predictions generated per day: 10 billion)
- Facilitate faster and high-quality decision-making through AI functions built into various areas



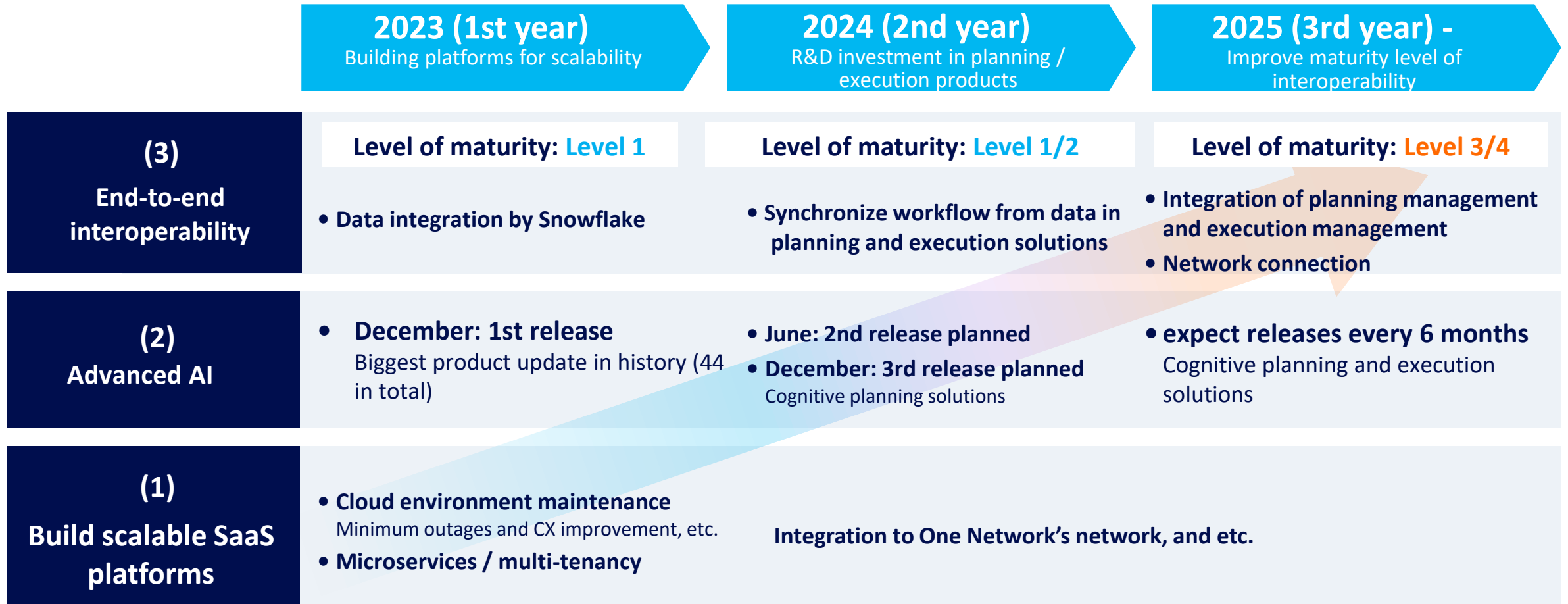
(3) End-to-end interoperability



- Synchronize workflow from data ⇒ Level 1 / 2
- Execution after coordinating planning and execution systems ⇒ Level 3
- Network connection of One Network ⇒ Level 4

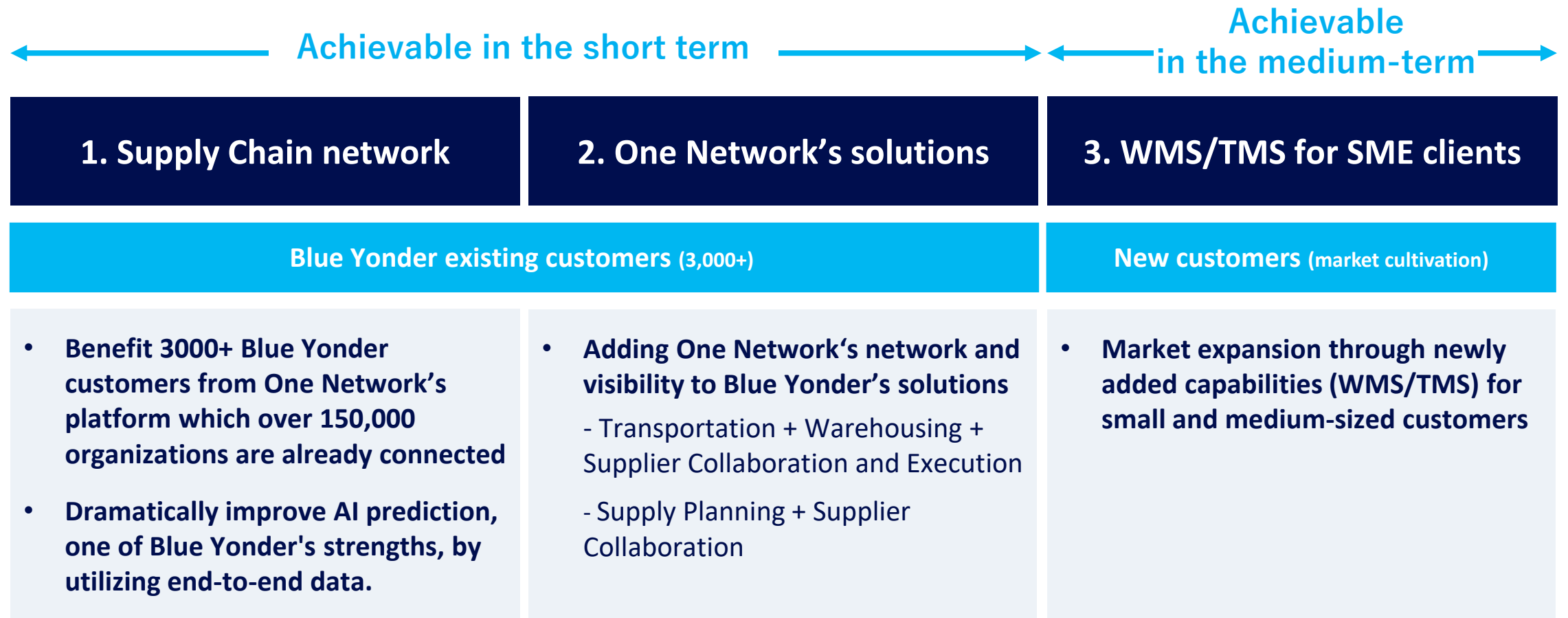
\$200M Strategic Investment over the three years

Preparation phase for transformation in FY3/24 and now move on to the execution phase to achieve Level 4



Blue Yonder × One Network Synergies Realization

Plan to accelerate the realization of revenue synergies by delivering One Network solutions to Blue Yonder's customer base and utilizing sales resource



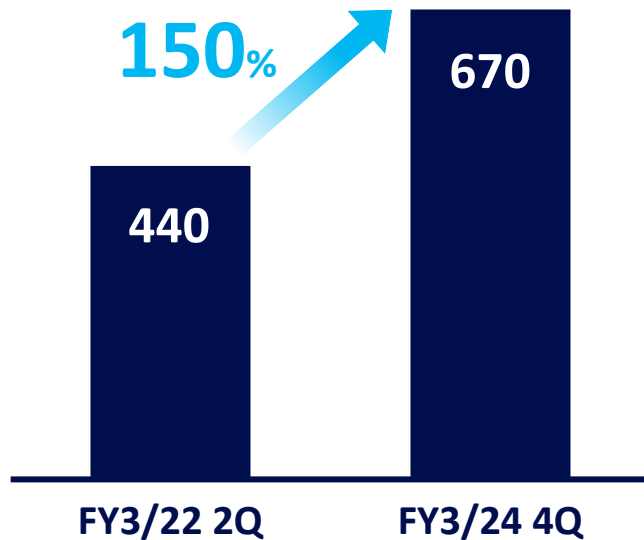
Financial progression after Blue Yonder Acquisition

SaaS ARR has increased 1.5 times to \$670 million since the acquisition

Made Investments with funds generated from deferred revenue, and adjusted profit increased

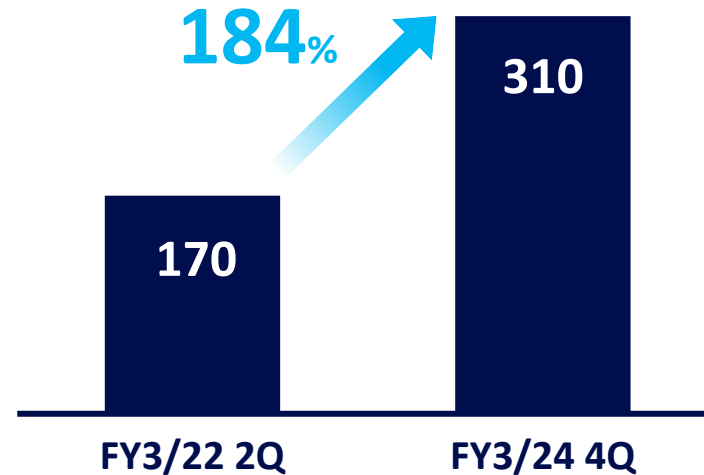
Sales growth

SaaS ARR (Dollar: millions)



Capital generation / Financial stability

SaaS deferred revenue (Dollar: millions)

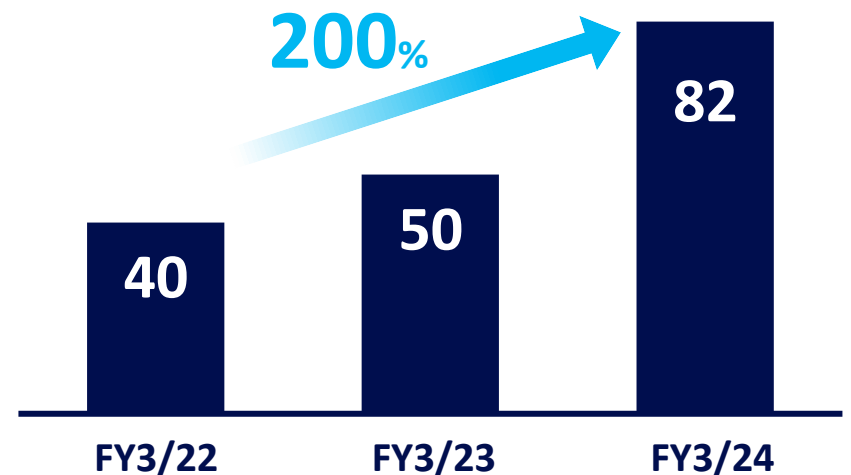


Improved profitability

Standalone adjusted operating profit

[actual value base*] (Dollar: millions)

* Additional strategic investment and synergic investment adjusted



**Medium- to long-term strategies and
progress of each business division**

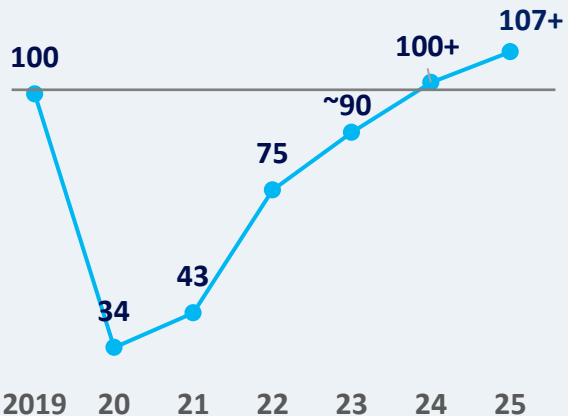


Avionics Medium- to Long-term Strategy

Drive growth by revamping the next-generation product portfolio to meet market needs

Aviation Industry Trends

Global Air Travel Demand (2019 = 100)



- Recovery to 90% of 2019 level in 2023
- Consistent forecast to exceed 2019 level in 2024

Inflight Entertainment & Connectivity Demand

- Global IFEC market growth from 2023 to 2030

CAGR about **11%***

- Sophisticated entertainment needs
- Growing digital solutions & personalization
- Increase in the number of aircraft equipped with IFE
Growth opportunity in narrowbody

New Product Portfolio for “Engagement beyond Entertainment”



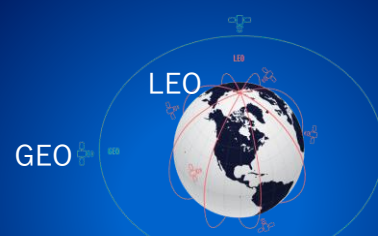
Inflight Systems

Astrova orders from 20+ airlines.
Astrova Curved OLED Screen



Technical Services

Growth via 45+ Global Stations



Connectivity

Multi-orbit Connectivity
(launch in 2025+)

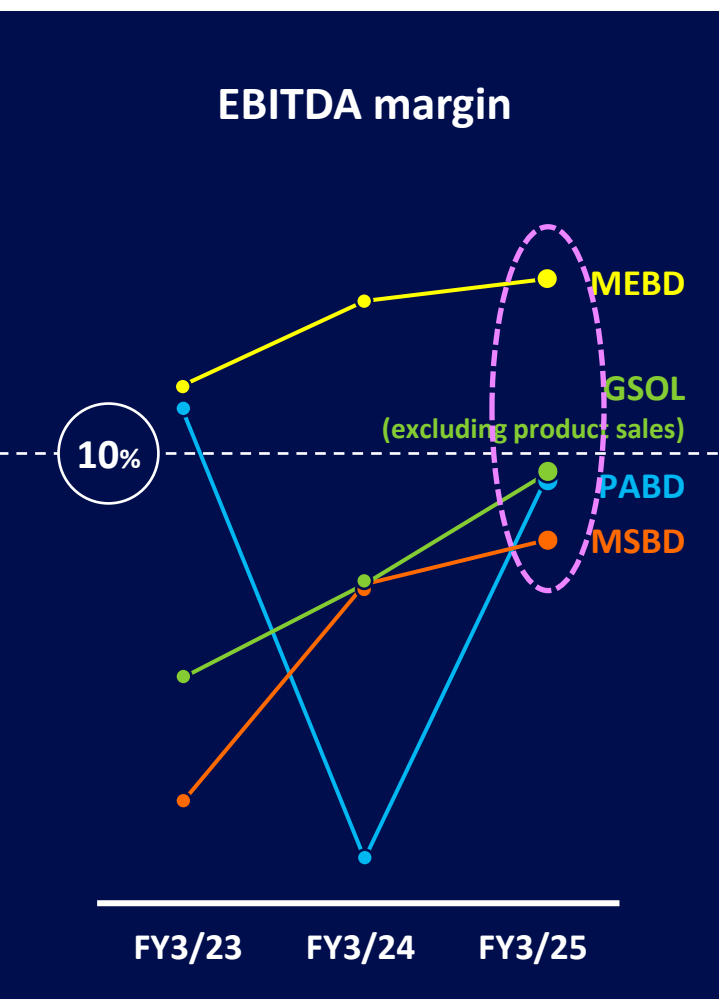


Digital Solutions

Digital Engagement SW & Apps

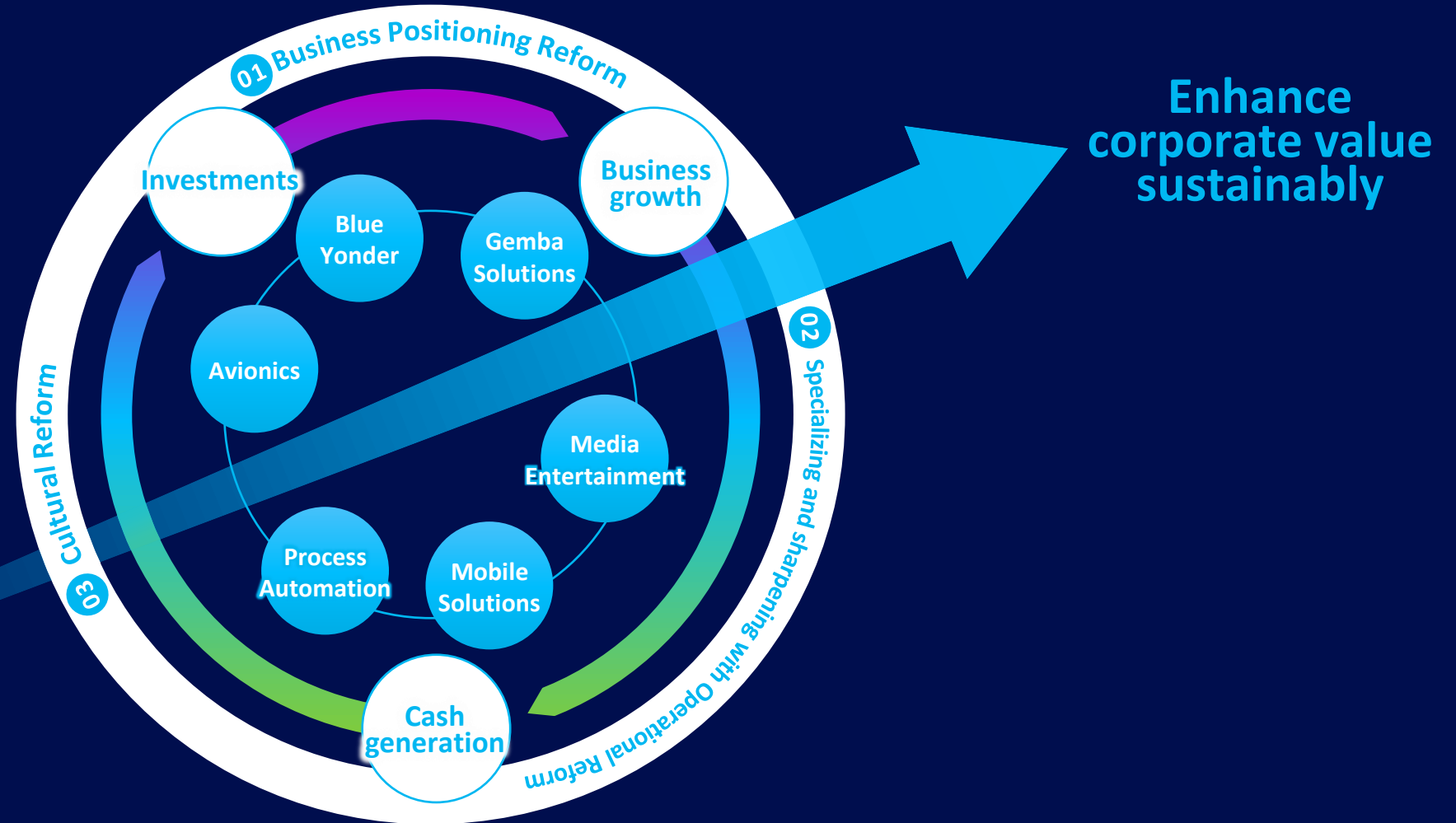
Medium- to Long-term Strategy Summary for Each Business

Continue to increase profitability except for PABD impacted by China's economic slowdown



	Medium- to Long-term Strategy	FY3/25 Measures
Process Automation (PABD)	<ul style="list-style-type: none"> For mounting machines, providing values to customers by expanding portfolio such as strong hardware and software, automation and O&M. Keep No. 1 market share. For welding machines, Increasing added value via the top level of welding capabilities and introducing new products connected to peripheral devices. 	<ul style="list-style-type: none"> Maximize sales / profit by expanding the G series and launching Automated parts replacement equipment into the market. Convince customers to invest in the portfolio by offering system solutions of new welding machines and robots as well as new welding technologies.
Media Entertainment (MEBD)	<ul style="list-style-type: none"> Maintain the top market share by creating demand for spatial designs with high-brightness projectors. Transform to a highly profitable business by strengthening recurring revenue businesses. 	<ul style="list-style-type: none"> Increase sales by introducing high-brightness projectors with small-sized, lightweight and energy saving features. Enhance marketing mainly in the US and China, where sales have been struggling due to sluggish market conditions.
Mobile Solutions (MSBD)	<ul style="list-style-type: none"> For Let's Note, expanding the market share through strong services and support in addition to its rugged build, lightweight and long-lasting battery. For Toughbook, keeping the top position by specializing products to meet the demands of extraordinary and introducing the latest CPUs. 	<ul style="list-style-type: none"> Implement "change" reforms through marketing, product refining, and inventory optimization. Achieve both marketability and profitability through common design and improvement of manufacturing efficiency.
Gemba Solutions (GSOL)	<ul style="list-style-type: none"> Maximize customer lifetime value by understanding their needs through various types of customer interactions. Transform the business structure mainly focusing on SCM/sensing/outsourcing. 	<ul style="list-style-type: none"> Increase profits by strengthening solution sales/customer interactions along with the delivery of existing orders. Concentrate resources and secure capability in growth businesses through selection and concentration of businesses.

Contribute to the corporate value increase of the entire Panasonic Group with CONNECT's high profitable businesses



Change Work,
Advance Society,
Connect to Tomorrow.



The background is a dark blue field filled with a repeating pattern of light blue geometric shapes, including squares, circles, and semi-circles, some of which are partially cut off by the edges. The shapes are arranged in a grid-like fashion, creating a textured, digital appearance. The text is centered in the upper half of the image.

Panasonic
CONNECT

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.

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; occurrence and continuation of supply disruption or soaring prices of raw materials or transportation; 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; 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 BtoB business areas; the possibility of not achieving expected benefits in connection with the transition to a new organizational system in which Panasonic HD 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 or losses resulting from any defects or quality frauds in products or services of the Panasonic Group; the possibility that the Panasonic Group may face intellectual property infringement by third parties or intellectual property infringement claims by third parties; the possibility that change or tightening of current and potential, direct and indirect restrictions imposed in Japan or other countries over trade, manufacturing, labor and operations may adversely affect business operations of Panasonic Group and its supply chain; failures in proper tackling of regulations and policies introduced or strengthened with respect to environmental issues including climate change or responsible procurement activities (human rights, labor, health and safety, global environmental conservation, information security, corporate ethics, etc.) in the supply chain; restrictions, costs or legal liability relating to introduction or tightening of laws and regulations; 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 systems of Panasonic Group or its supply chain, service suspension or vulnerability of network-connected products due to unauthorized system access and cyberattacks etc.; the possibility not being able to acquire the necessary human resources to promote management strategies and prevent the outflow of existing employees; the possibility that the spread of infections including the novel coronavirus infections may adversely affect business activities of the Panasonic Group; volatility in demand for electronic equipment and components from business and industrial customers, as well as consumers in many product and geographical markets; occurrence of events that may negatively impact business activities of the Panasonic Group, including large-scale natural disasters, prevalence of infectious diseases throughout the world and terrorism or wars. 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 ^{*1}

- Cumulative operating CF (FY3/23 - FY3/25): 255 billion yen or more
- ROIC (FY3/25) : 2.6% or more
- EBITDA (FY3/25) : 145 billion yen or more

(yen: billions)	FY3/23		FY3/24		FY3/25	
	Results	Year on Year	Results	Year on Year	Forecast	Year on Year
Sales	1,125.7	+203.0	1,202.8	+77.1	1,240.0	+37.2
Adjusted operating profit	28.2	+12.5	44.9	+16.7	75.0	+30.1
Operating profit	20.9	-31.9 ^{*2}	40.4	+19.5	73.0	+32.6
EBITDA	99.9	-14.0	115.9	+16.0	145.0	+29.1
Operating CF	34.7	+18.3	115.2	+80.5	105.1	-10.1
ROIC	0.6%	-5.5%	1.5%	+0.9%	2.6%	+1.1%

*1: KGI restated following transfer of the imaging business

*2: Includes valuation gain from 20% of Blue Yonder shares as a special factor (58.3 billion yen : FY3/22)

(Ref) Financial Figures (P/L, B/S, C/F)

< Not subject to audit >

P/L	(yen: billions)	FY3/23	FY3/24	FY3/25 (Forecast)
	Sales		1,125.7	1,202.8
Adjusted operating profit		28.2	44.9	75.0
Other income/loss		-7.3	-4.5	-2.0
Operating profit		20.9	40.4	73.0
(OP % to sales)		1.9%	3.4%	5.9%
Depreciation of PP&E		15.8	15.1	17.5
Total of Amortization of Intangible Assets and Depreciation of Right-of-use Assets		57.9	60.1	54.5
EBITDA		99.9 ^{*1}	115.9 ^{*1}	145.0
EBITDA (% to sales)		8.9%	9.6%	11.7%

C/F	(yen: billions)	FY3/23	FY3/24	FY3/25 (Forecast)
	FCF		8.5	60.9
Operating CF		34.7	115.2	105.1
Investing CF		-26.2	-54.3	—
Capital investment*		13.0	21.6	20.0
Investment in intangible assets		13.2	11.2	—
R&D expenditures		108.8	123.9	—

*On an accrual basis

B/S	(yen: billions)	FY3/23	FY3/24	FY3/25 (Forecast)
	Cash and cash equivalents		328.0	364.0
Trade receivables		245.7	299.5	—
Inventories		124.1	115.8	—
Other current assets		54.1	64.6	—
Current assets		751.9	843.9	—
Property, plant and equipment		56.5	62.4	—
Right-of-use assets		42.4	40.5	—
Goodwill and intangible assets		1,211.3	1,355.2	—
Other non-current assets		179.1	211.7	—
Non-current assets		1,489.3	1,669.8	—
Total assets		2,241.1	2,513.7	—
Trade payables		93.8	106.7	—
Debt (1)		361.4	360.6	—
Lease liabilities (2)		46.1	44.1	—
Other liabilities		395.2	482.8	—
Liabilities		896.6	994.2	—
Equity (3)		1,344.6	1,519.5	—
Invested capital(1)+(2)+(3)		1,752.1	1,924.2	—
ROIC		0.6%	1.5%	2.6%

*End of term

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