



Progress of the Medium- to Long-term Business Strategy

June 7, 2024

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Electric Works Company

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

Agenda

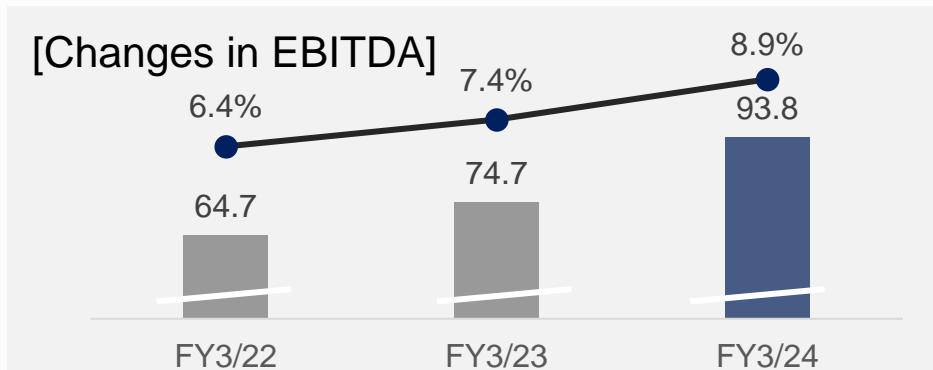
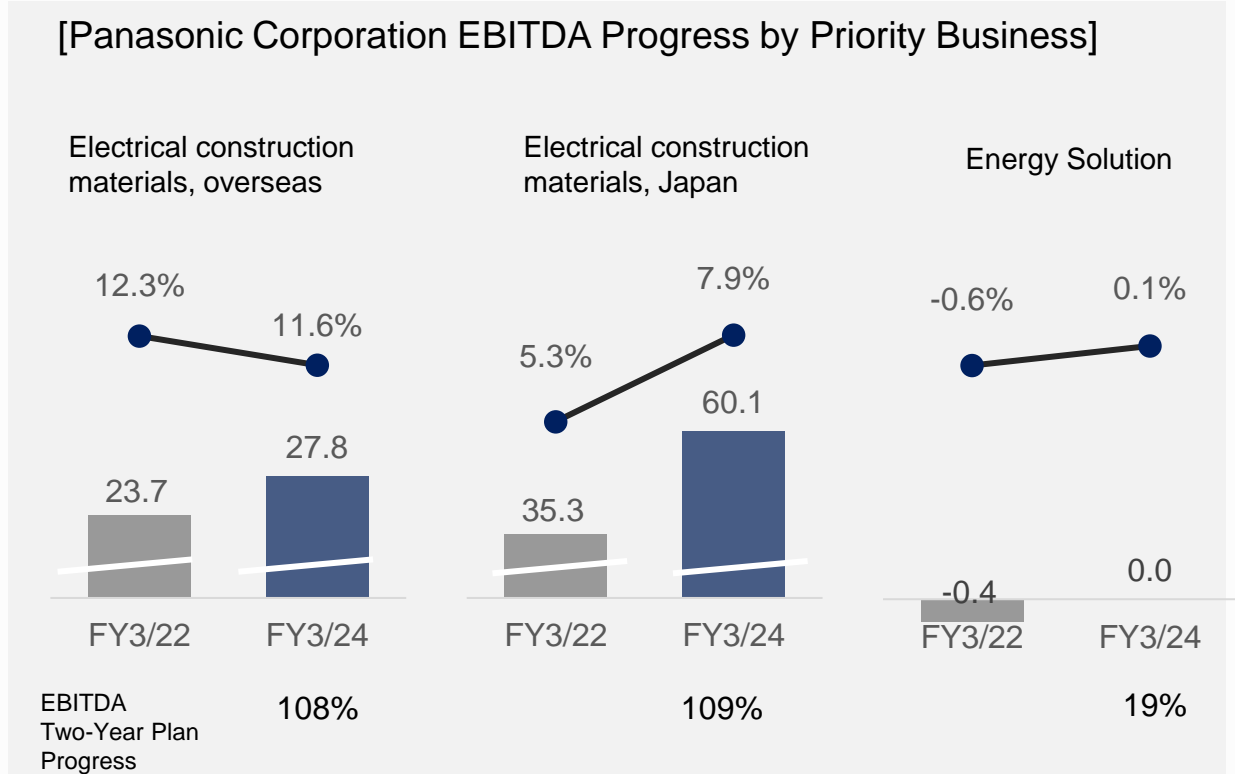
1. Medium-Term Strategy Progress	FY2023-24 KGI management		
2. Outline of the EW Company's Business	Market Opportunity	Business Strengths	
3. Medium-to Long-Term Strategy	Overall Strategy		
	Electrical construction materials, Japan	Electrical construction materials, overseas	Solutions
	Human Capital Investment		
4. Performance Outlook	FY3/25 Performance outlook		

1. Medium-Term Strategy Progress

Steadily achieving KGI targets

FY2023-24 KGI Achievement Status	EBITDA	ROIC	Cumulative operating CF
	○	○	○

FY3/24	Results	YoY	Vs. forecast ¹
Sales	1,048.6	104%	102%
AOP	69.2 (6.6%)	+17.0	+52
EBITDA	93.8 (8.9%)	+18.9	-2



1. Medium-Term Strategy Progress

Efforts to strengthen competitiveness and initiatives for growth contribution

FY3/22-FY3/24 Operating profit analysis by factor (EBITDA)



(1) Rationalization

- Centralized Contracting with Suppliers, Streamlining and Automating Production
- Modular Design, Promotion of Component Standardization
→ Rationalization of Procurement and Production to Counteract Rising Material Costs



(Case Study) Automation of Production Equipment

(2) Increased Sales Profit through Improved Market Share, etc.

- Growth of Overseas Electrical Materials, Increase in Market Share of Domestic Electrical Materials
- SCM that Ensures Uninterrupted Supply Even in Emergencies
→ Expanding Market Share Steadily Without Supply Issues



(Case Study) New Factory in India

(3) Profit Improvement through High-Value Products, etc.

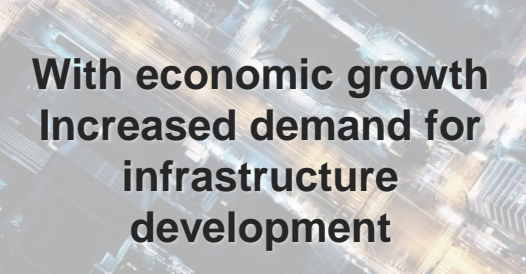
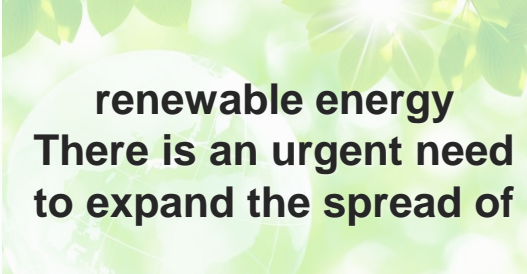

- Growth of Easy-to-Install Products for Renovation
- Strengthening Products and Proposal Capabilities to Enhance Spatial Value
→ Revenue Expansion through Improvement of Marginal Profit rate



(Case Study) Lighting Fixtures for Renovation

2. Outline of the EW Company's Business: Market Opportunities

Business opportunities expand through contributions to economic growth in emerging countries and solving social issues

Emerging Countries	Decarbonization	Issues with increasing complexity	Labor Shortage in Japan
 <p>With economic growth Increased demand for infrastructure development</p>	 <p>renewable energy There is an urgent need to expand the spread of</p>	 <p>Geopolitical Risk Response Resilience ready</p>	 <p>Shortage of electricians, Compliance with overtime regulations Logistics 2024 Issues</p>
<p>2023-2025 Real GDP Growth Rate CAGR (Forecast)¹</p> <p>India: 6.6% Türkiye: 3.1% Vietnam: 6.2%</p>	<p>Paris Agreement</p> <p>India "National Hydrogen Mission"</p> <p>Carbon Pricing in Various Countries</p>	<p>Supply Chain disruption</p> <p>Fluctuations in raw material prices</p>	<p>In 2030</p> <p>Approximately 35% of goods nationwide can no longer be delivered ²</p> <p>Electricians Shortage of 30,000 people ³</p>

1. IMF (published in April 2024)

2. Source: 351st NRI Media Forum by Nomura Research Institute, Ltd. (January 19, 2023) on how to carry out transportation and deliveries in an era of truck driver shortages: Future estimates regarding the extent of driver shortages by region and benefits of collaborative transportation and deliveries

3. Source: Challenges to secure human resources for electrical safety in the medium- to long-term and the direction of actions by the Electric Power Safety Division (Industrial and Product Safety Policy Group, Ministry of Economy, Trade and Industry (2019))

2. Outline of the EW Company's Business: Business Strengths

Securing a dominant market share by addressing the KSFs in the infrastructure equipment business

Industry Characteristics of the Facility Infrastructure Business

- Continuous supply of a wide variety of products, meeting deadlines, and high quality according to the construction site.
- Building an ecosystem with multiple stakeholders

Key success factors (KSF)

Positioning of the Business (Market Size and Share¹)

Development and manufacturing

Large scale investment, Cost competitiveness

Product development systems tailored to markets
(Multi-variety/installation efficiency/high quality manufacturing)

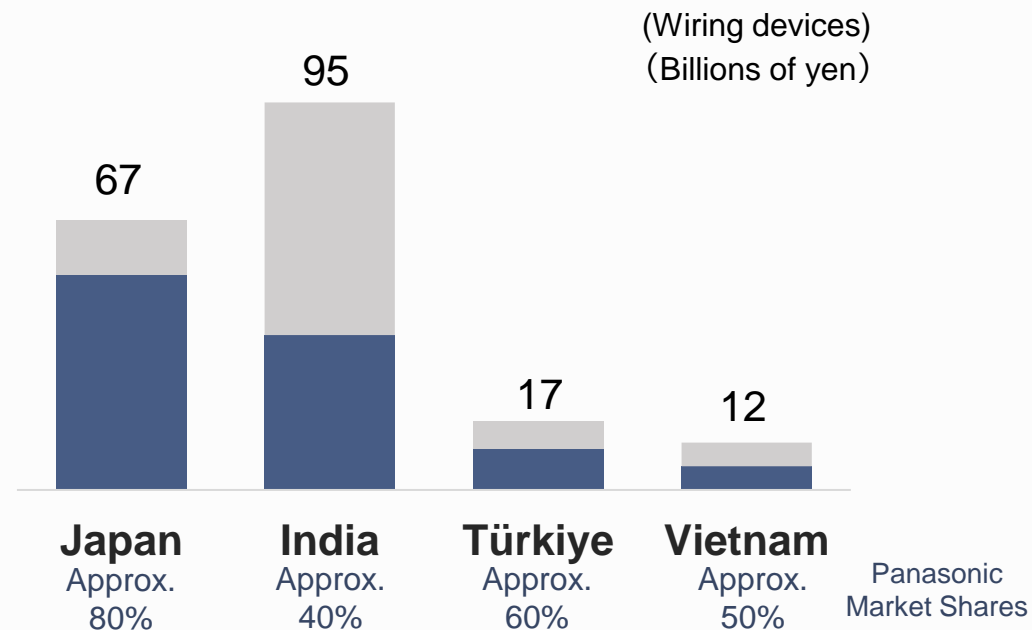
SCM operations

(development, manufacturing and sales collaboration)

Sales

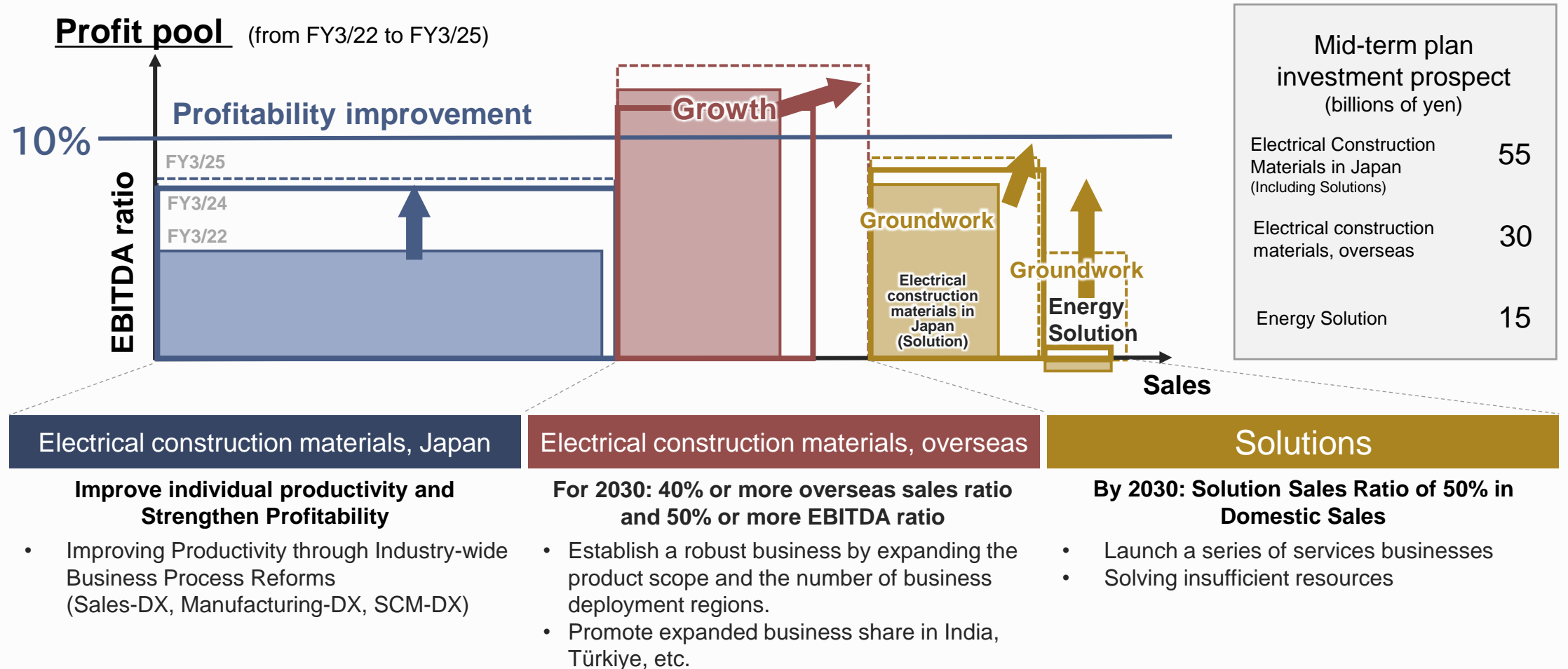
Coverage of the dealers'/installers' network
(For route sales)

Proposal know-how
(For developers and specifiers)



3. Medium- to Long-term Strategy: Overall Strategy

Strengthen profitability and grow solutions for domestic electrical construction materials. Continue sales growth for overseas electrical construction materials.



3. Medium- to Long-term Strategy: Electrical construction materials, Japan

Frontline-driven DX for streamlining and adding higher value

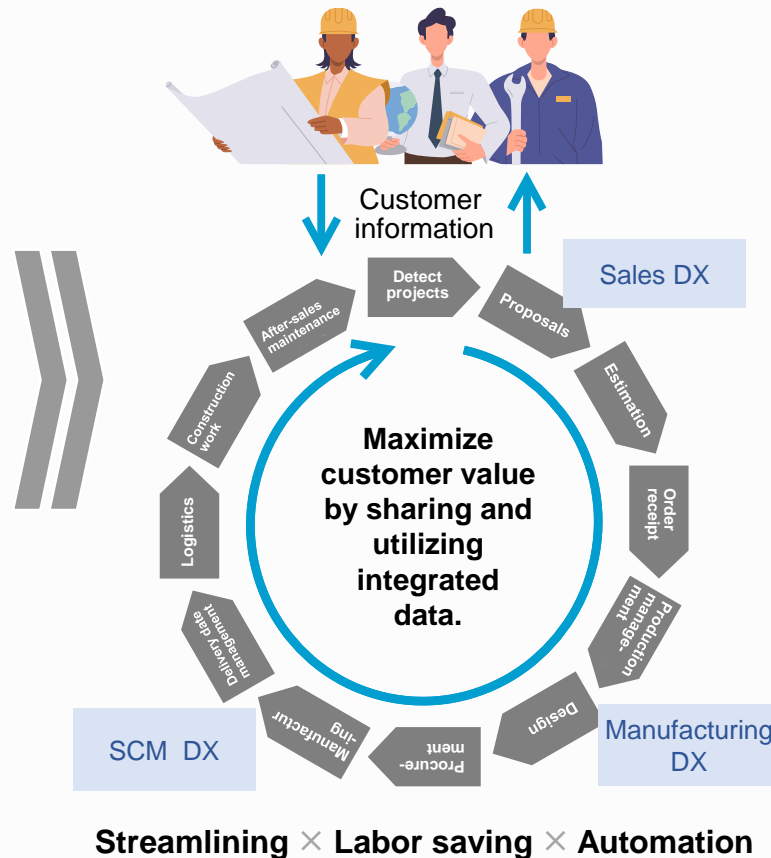


Changes in business environment

- Declining workforce
- Intensification of natural disasters
- Diversification of factors leading to supply bottlenecks

Our strengths

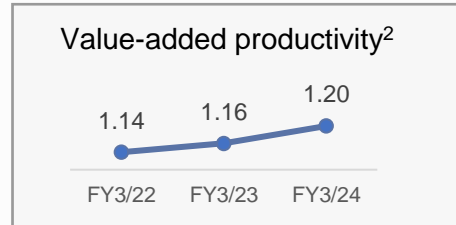
Frontline operational know-how
Accumulated through business operations
(SCM / Proposal / Manufacturing etc.)



Frontline-driven DX

Improve individual productivity by streamlining operations

- Automatically create quality-related ledger sheets from previous data.
- Unify PL data management and streamline analysis processes.



²: Value-added productivity = limited benefit amount ÷ fixed fee

Ensure that all staff members can deliver high added value to customers through high level standardization of frontline operations

- Develop products that keep pace with market changes.
- Enhance emergency preparedness by streamlining BCP implementation processes.
- Ensure shorter working hours for installation work engineers by reducing lead times.

3. Medium- to Long-term Strategy: Electrical construction materials, Japan

Strengthening collaboration between manufacturing and sales through the utilization of AI and DX, and effective use of data



Sales DX

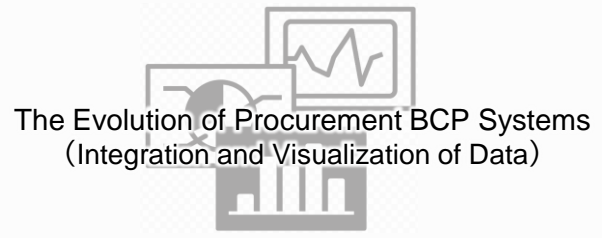
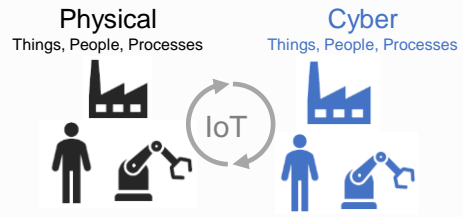
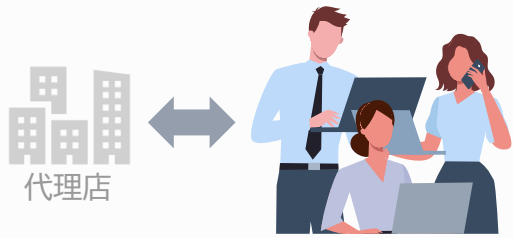
Manufacturing DX

SCM-DX

Sustained Enhancement of Solution Proposal Capabilities through Strengthening of Customer Touchpoints

Realization of High-Quality and Highly Productive Smart Factories

Product Supply Capability that Ensures Uninterrupted Supply Even in Emergencies



Review of processes, Construction and sharing of customer and project databases

Visualization and sharing of field expertise held by experienced professionals

Unification and visualization of supply chain management standards

Strengthening customer service operations with AI

Efficiency and automation of development, manufacturing, and maintenance with AI

Making accurate long-term sales forecasts with AI

Strengthening customer and frontline data accumulation
Salesforce project data, inquiry data, etc.

Enhancing the accumulation of frontline manufacturing data
Design, maintenance information, etc.

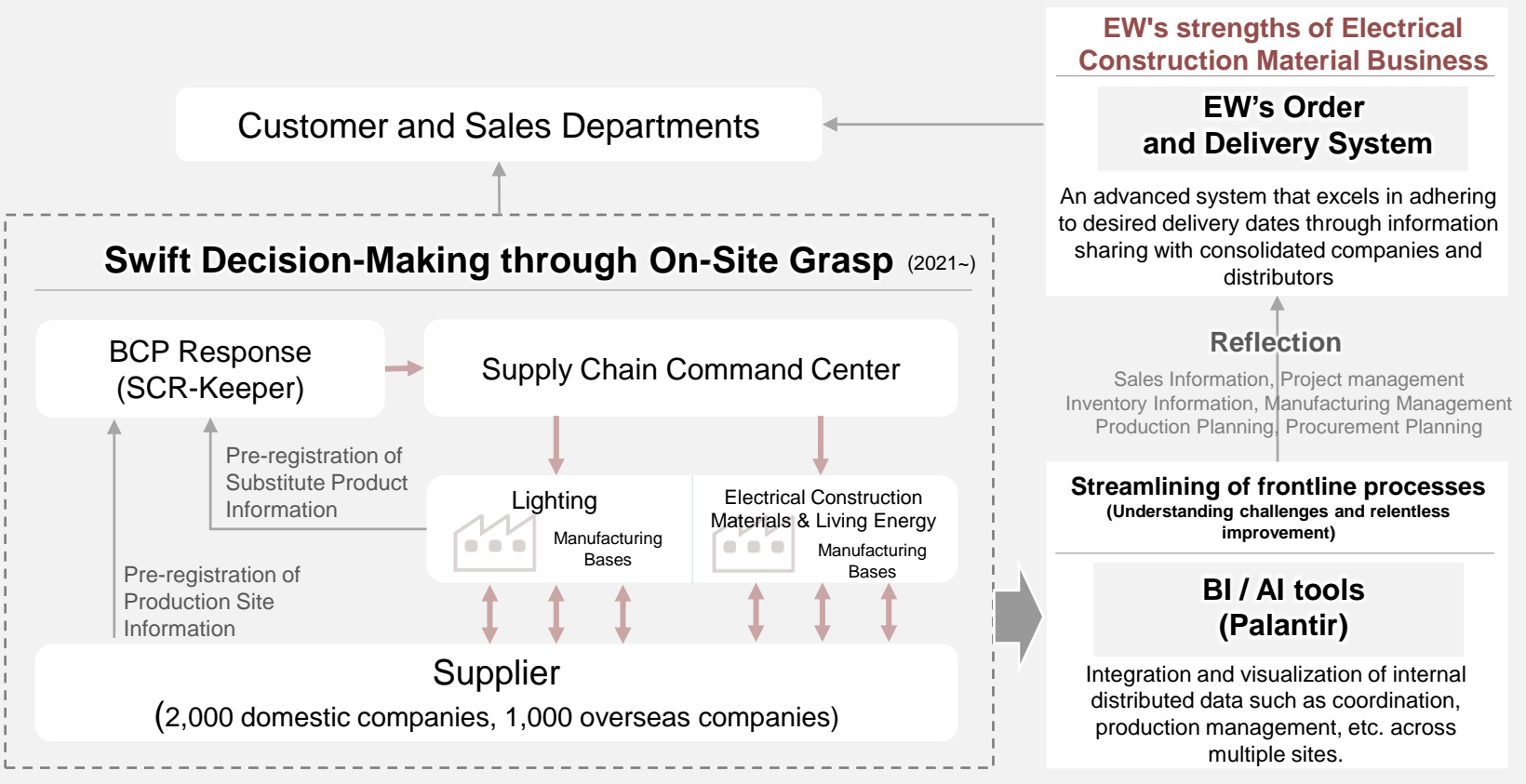
Integrating SCM data
Procurement, inventory, and other data

3. Medium- to Long-term Strategy: Electrical construction materials, Japan

- **Development of EW-Resi, with advanced data integration and visualization, completed for strengthening BCP**
- **Further streamlining of business processes for future global operations**

EW-Resi

BI tools for resilient and sustainable BCP system functions that adapt to change and continue to evolve. (2024~)



PX A resilient operation that is globally effective
Panasonic Transformation

Achievement of Autonomous SCM
(Considering Blue Yonder)

AI / Big Data ready

[Future Endeavors]

Streamlining processes across the entire value chain



3. Medium- to Long-term Strategy: Electrical construction materials, overseas

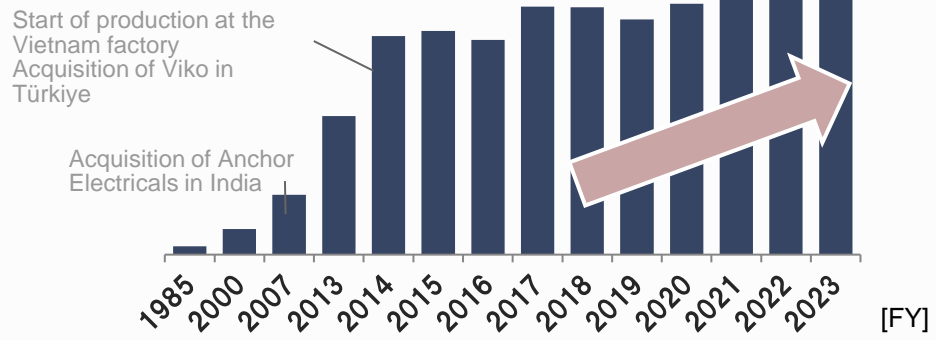
Achieving steady growth centered on three key countries Expanding sales to surrounding regions as well

Overseas sales of electrical construction materials (Wiring devices)

Achieve sales growth surpassing GDP growth in individual countries.

FY3/17 - FY3/24
 GDP growth rate in three key countries ¹ **5.9%**
 Growth rate of overseas sales of electrical construction materials (wiring devices) **7.8%**

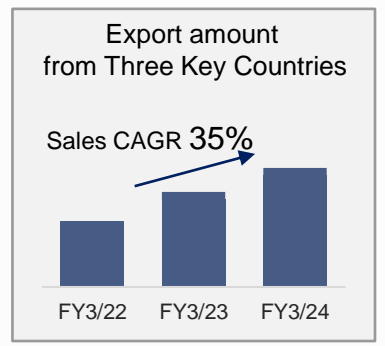
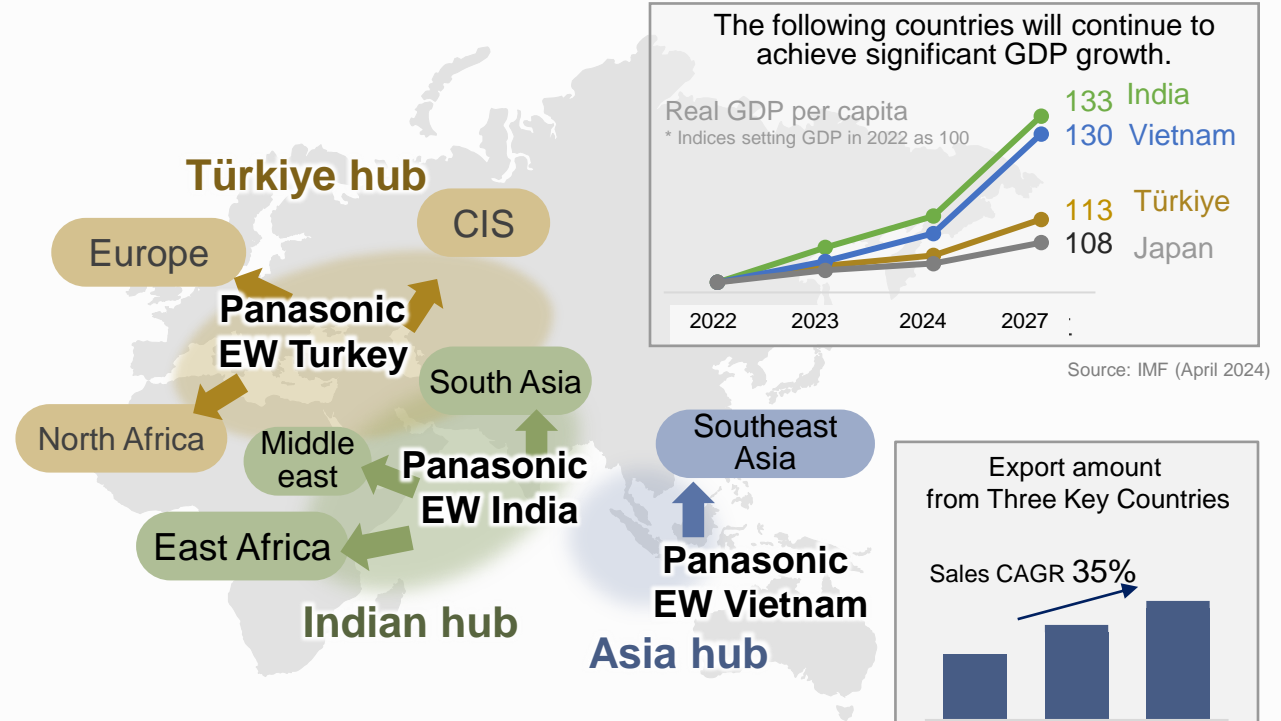
1. Weighted Average of our Company's Sales based on the source: IMF (April 2024)



Growth Factors	Large scale investment, Cost competitiveness	Coverage of the dealers'/installers' network	SCM operations
(Example (India))	A four-plant system covering the entire country	Expanding retailers	Strengthening SCM through modernization and DX

Strategy for expanding regions

With a core focus on three key countries, expand the scope of contribution to neighboring regions.



3. Medium- to Long-term Strategy: Electrical construction materials, overseas

India, as a growth driver, aims for sales of 100 billion yen

Directions

Refined knowhow in Japan

- × Initiatives for development-manufacturing-sales integration and local production/local consumption


Strong points in business model	Manufacturing Capabilities	Investment in line with market growth
	Sales routes	Routes, regional expansion
	SCM	Digitization, accuracy Improvement


Further growth	Facing off against manufacturers capable of providing comprehensive proposals	
	Product development	Lineup, developing solutions
	Proposal capability	Enhancement of development, sales, and proposal capabilities

FY3/24 Initiatives

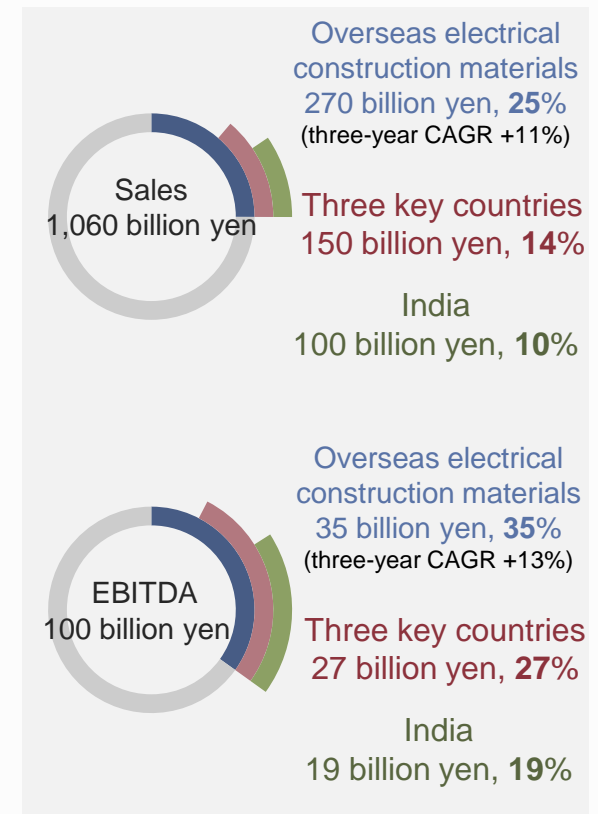
By promoting initiatives to strengthen our strengths and prepare for growth, we aim to maintain our top market share in three key countries.

Türkiye	Launch new wiring devices for the European market to increase Export Ratio (33% +1%)	 Wiring devices (Karee55 Series)
	Expansion of sales to key customers in Germany, and promotion of new business development in Spain and Romania, among others	

India	Intensifying competition with global and local manufacturers in the wiring device mass market price range.	 New PENTA Modular
	A successful start to the FY24 with strengthened sales efforts for secondary retailers and new product introductions.	

	Steady progress in expanding product range. (Sales ratio of system products: 29% +9%)	
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FY3/25 Plan



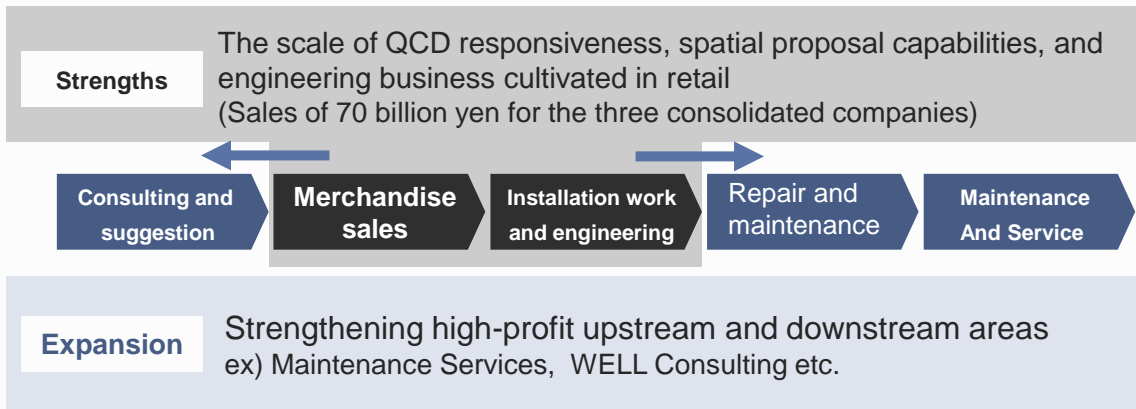
3. Medium- to Long-term Strategy: Solutions

Enhancing profitability through the establishment of specialized systems for development, manufacturing, and sales, as well as the expansion of the value chain

Expanding the value chain and contributing to customer challenges with a new system

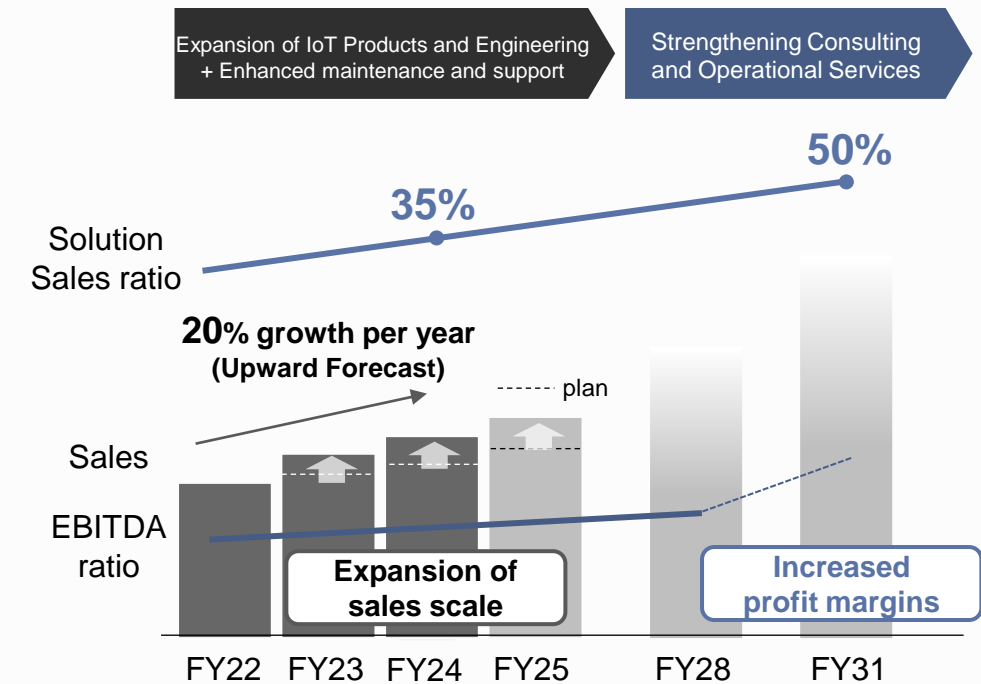
Revenue Outlook (Domestic Sales / EBITDA Ratio Trend)

Newly Established Solution Engineering Division



[Main Business Areas]

	2023	2030
Decarbonization 		
ZEB market scale	1 trillion yen	4 trillion yen *1
WELL Consulting 		
Well-being market scale	0.2 trillion yen	0.3 trillion yen *2



3. Medium- to Long-term Strategy: Solutions

Strengthening one-stop customer response has expanded order achievements

Product/Engineering Enhancements		Orders and releases	
Product enhancement strategy	<p>Decarbonization / Well-Being Differentiated Products</p>  <p>Wireless color grading/Dimming system For small and medium-sized buildings Central Management System</p> <p>Ambient Sounds Solution Spot Airflow Airy Screen</p>	<p>Decarbonization</p>  <p>Cost-saving proposal for ZEB through facility renovation Panasonic Kyoto Building</p> <ul style="list-style-type: none"> Minister of Economy, Trade and Industry Award: 2 awards Plans to collaborate with 5 municipalities (Osaka, Kyoto, Wakayama, Tosu, etc.) 	
		<p>WELL Consulting</p>  <p>WELL Office Consulting</p> <p>Orders for prime contractors</p> <p>WELL Certification Service Cumulative sales: 120 million yen</p>	
Engineering enhancement strategy	<p>Enhancing one-stop support, including facilities from other companies</p>  <p>OB object compounding renewal proposal</p> <p>Consolidated management of equipment systems through network integration.</p>	<p>Servicing and Maintenance, Remote monitoring and access control</p>  <p>Compound Security / Maintenance service</p> <p>Tokyo Midtown Yaesu</p>	 <p>Connecting 32 buildings Establishment of an integrated network Mitsubishi Estate Marunouchi Area</p>
		<p>Sport entertainment urban staging</p>  <p>ES CON Field</p>	 <p>Tokyo Dome</p>  <p>OPEN HOUSE ARENA OTA (B.League)</p>

3. Medium- to Long-term Strategy: Solutions

Enhancing organizational capabilities

Strengthening human resources and organizations

Foster engineering human resources

Utilizing internal training institutions
Engineering and Technology Training Center (July '23)



FY3/23-FY3/24 Recruitment results **177**

Strengthen hiring of software human resources

Establish Tokyo operating site of the Solution Development Division (second half of '24)



FY3/23-FY3/24 Recruitment results **119**

WELL certification Consulting Talent Development



WELL certification holders **31**

Cocreation with other companies

TEPCO Timeless Capital No. 3 Fund

(April '24)

Aim: Acquiring the TEPCO Group's resources, technology, and knowledge



X PLACE (December '22)

Worker well-being and energy saving via technology for location information analysis and for spatial control



Aldagram

Promoting DX on construction site



3. Medium- to Long-term Strategy: Human Capital Investment to Facilitate a Cycle of Growth

Investing over 5 billion yen in human resources in FY2025

Reinforcement of HR Capabilities

Strengthening Engineering Talent

Talent Acquisition

- High school internships
- Specialized engineering recruitment system
- Referral recruitment

Talent Development

- EW Group's engineering talent development program (e.g. EW Technical College, etc.)

Strengthening Software Talent

Talent Acquisition

- Revamping the company website to attract potential job applicants
- Media exposure
- Establishment of Tokyo-based software development center

Talent Development

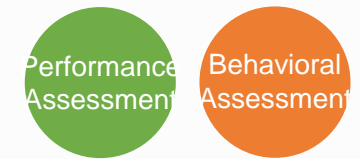
- Defining career paths for specialized expertise
- Development and deployment of customized training programs

Maximizing Individual/Organizational Performance

Promoting Medium- to Long-Term Growth of Individuals and Organizations

Renewal of Employee Evaluation System

- Implementation of "Behavioral Assessment"
- Introducing KPI management for business executives



Maximizing the overall performance of all employees

Development of HR System

- **Autonomy/Challenge/Professionalism in the workplace**
 - External training infrastructure for all employees
 - Age-friendly workplaces: promoting older worker participation
- Internal recruitment of members for startup collaboration programs

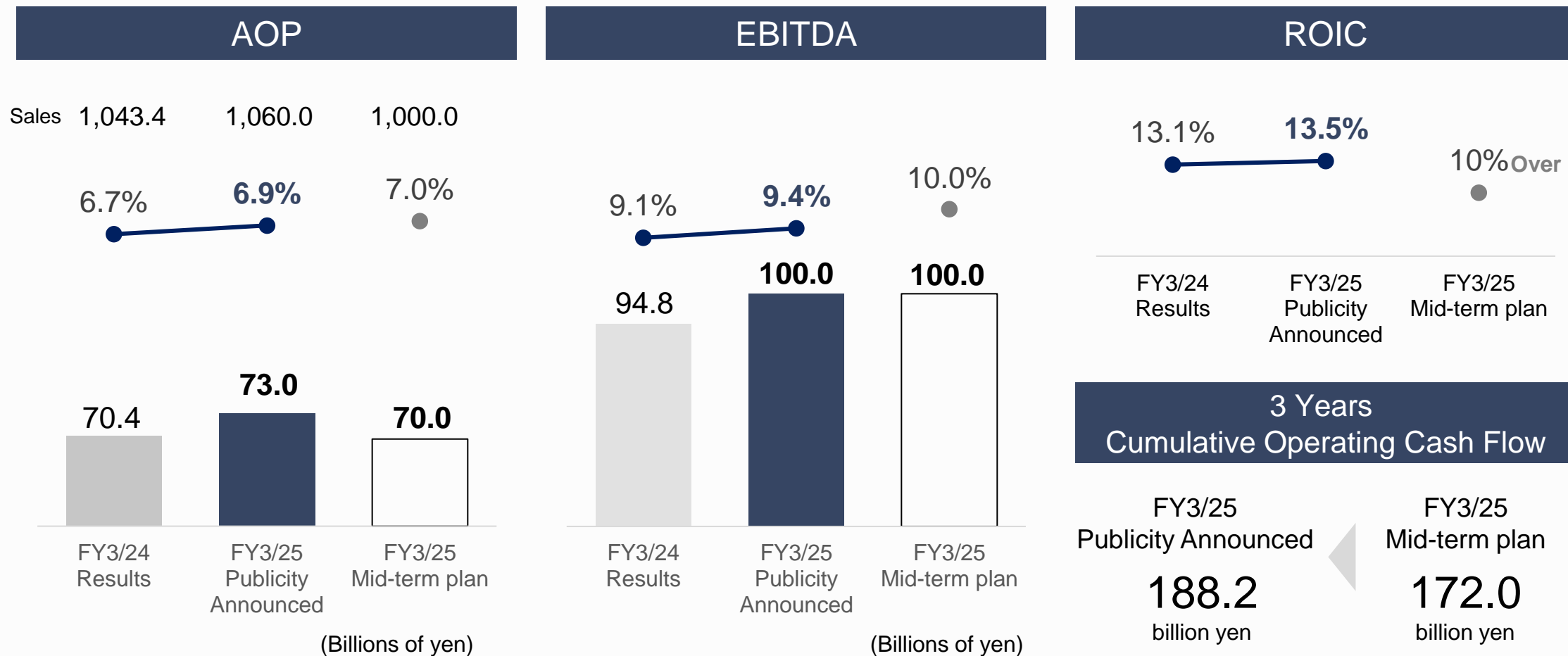


DEI & Workplace Culture Reform

- Providing spaces for insights (e.g. majority privilege, unconscious bias)
- Training of organization development practitioners

4. Performance Outlook

Achieving the mid-term plan KGI



¹ For the FY2023, only AOP and EBITDA will be based on the 2024 structure

Panasonic

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Outline of the EW Company's Business

MISSION	Life tech & ideas For the wellbeing of people, society and the planet.			
VISION	Provide maximum satisfaction and act in good faith for our customers together with our partners by utilizing digital technologies centered on electric work			
Number of sites	Japan: 4 factories, 76 sales offices, and 35 affiliated companies (manufacturing: 12, sales and other: 23) Overseas: 24 affiliated companies (sales in 101 countries and regions)			
Number of employees	30,000 people (Japan/non-consolidated: 9,000. Japan/consolidated: 10,000, and overseas/consolidated: 11,000)			
Business Domains	<table border="0"> <tr> <td data-bbox="593 725 1108 1168"> <p>[Lighting]</p> <p>For residential use</p>  <p>For facilities</p>  <p>For outdoor use</p>  </td> <td data-bbox="1192 725 1753 1168"> <p>[Electrical construction materials]</p> <p>Wiring devices</p>  <p>Apartment building HA</p>  <p>Building systems</p>  <p>Energy creation-storage linked systems</p>  </td> <td data-bbox="1854 725 2374 1168"> <p>[Sustainable energy, etc.]</p> <p>ENE-FARM</p>  <p>Pure hydrogen fuel cells</p>  <p>Gas meter devices</p>  </td> </tr> </table>	<p>[Lighting]</p> <p>For residential use</p>  <p>For facilities</p>  <p>For outdoor use</p> 	<p>[Electrical construction materials]</p> <p>Wiring devices</p>  <p>Apartment building HA</p>  <p>Building systems</p>  <p>Energy creation-storage linked systems</p> 	<p>[Sustainable energy, etc.]</p> <p>ENE-FARM</p>  <p>Pure hydrogen fuel cells</p>  <p>Gas meter devices</p> 
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