<table>
<thead>
<tr>
<th></th>
<th>1H results</th>
<th>2H forecast</th>
<th>Full-year forecast (as of Oct 31)</th>
<th>vs. FY19</th>
<th>vs. initial forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>1,401.3</td>
<td>1,358.7</td>
<td>2,760.0</td>
<td>-35.4</td>
<td>-90.0</td>
</tr>
<tr>
<td>Adjusted operating profit</td>
<td>49.6 (3.5%)</td>
<td>34.4 (2.5%)</td>
<td>84.0 (3.0%)</td>
<td>-8.7</td>
<td>+2.8</td>
</tr>
<tr>
<td>Other income/loss</td>
<td>-0.8</td>
<td>-6.7</td>
<td>-9.5</td>
<td>-0.6</td>
<td>-9.5</td>
</tr>
<tr>
<td>Operating profit</td>
<td>48.8 (3.5%)</td>
<td>27.7 (2.0%)</td>
<td>76.5 (2.8%)</td>
<td>-9.3</td>
<td>-6.7</td>
</tr>
<tr>
<td>Capital investment</td>
<td>18.9</td>
<td>28.1</td>
<td>47.0</td>
<td>+0.7</td>
<td>+1.6</td>
</tr>
</tbody>
</table>

### Operating profit (yen: billions)

- **FY19 Results**: -6.7
- **FY20 Forecast**: +2.8

### 2H forecast & initiatives

- **Appliances Segment**
  - While the sales of overseas TVs remain slow, increased profit is expected owing to steady consumer electronics in Japan and overseas air conditioning.
  - Increased profit is expected owing to steady overseas air conditioning.
  - Promoted initiatives for strengthening sales structures overseas.

- **Heating and Cooling Solutions**
  - Increased profit is expected owing to steady overseas air conditioning.
  - Promoted initiatives for strengthening sales structures overseas.

- **Home Appliances**
  - Increased profit is expected owing to steady consumer electronics in Japan, such as washing machines, refrigerators and beauty care products.
  - Raised demand with new products and promoted rationalization, though there is the risk of reactionary decrease in demand following the rush purchase before the consumption tax raise in Japan.

- **Smart Life Network**
  - While TVs, etc. were steady in Japan, profit decrease is expected due to the slow sales of TVs and DSCs in Europe and other regions.
  - Fundamental measures are to be taken to improve profitability in the entire Smart Life Network.

- **Commercial Refrigeration & Food Equipment**
  - While sales were slow in Japan, increased profit is expected owing to steady business in North America.

---

**Medium-term Initiatives**
Completed to become the headquarters for consumer electronics, and to clarify the issues to be solved for the future

### Summary for profitability
- Established a structure for manufacturing sales consolidated management. Management structure issues became apparent, failing to adjust to changes in the external environment and competitive environment although the sales scale was expanded (profitability of FY19 significantly deteriorated)

### Summary for growth
- Clarified the investment areas for high growth businesses (air-conditioning/ small appliances and built-in). Implementation of the inorganic strategy and initiatives for enhancement result in our unchanged position and limited profitability growth

### Issues for this medium term (FY20 to FY22)
- Clarify our vision and strategy (= way to win) and concentrate on the key areas of air-conditioning, food retail equipment, and home appliances to achieve highly profitable business entities
- Concentrate resources on key areas, set direction for unprofitable (non-investing) businesses to form a robust profit-oriented makeup, and resolutely carry out a (financial/human) resource shift

### Long-term Vision and Strategic Business Areas

**Vision:** Standing alongside customers, provide customers with "mental and physical wellness" permanently, and realize their "well-being"

**Strategic business areas:** "Lifestyle Infrastructure" and "Lifestyle Appliances" are defined as areas to generate value

**The era of centenarians**

**Mental and physical wellness**

- Entire space relating to lifestyles
- Home/living space
- New special value with harmonized air
- Lifestyle Infrastructure
- New lifestyle value with Products + Services
- Lifestyle Appliances

Panasonic Corporation Fiscal 2020 Second-half and Medium-term Initiatives
Business Environment
(Business areas and positioning of Appliances)

Air-conditioning, food retail equipment, and home appliances are high growth/profit markets. On the other hand, AV is a shrinking market. Panasonic's position is showing essentially the same tendency.

Growth and profitability in the industries

- The sizes of circles represent market scales.
- Sales growth rates indicate CAGR from 2015 to 2018.
- Industry’s average profitability indicates the mean value of top performing enterprises from 2014 to 2018.

*Based on FY19 results

Medium-term Business Portfolio Strategy

Regarding the "Lifestyle Infrastructure" business as an area for further investments, pursue profit increase through growth. Pursue the conversion of the "Lifestyle Appliances" business to a more profitable structure through reforming the structure.

Key indicators
- EBITDA growth rate
- ROIC improvement

Mid-term strategy
- Areas for further investments
  - Pursue profit increase through proactive investments & growth
- Areas for strengthening
  - Drive profit increase through business reform
  - Repositioning/structural reforming
    - Set directions for non-profitable businesses toward profitability improvement

Business
- Lifestyle Infrastructure
- Core Growth Business
- Heating and Cooling Solutions
- Food Retail Equipment
- Home Appliances
- Co-creation Business
- Smart Life Network

Our strengths
- Air conditioning/refrigeration technologies
- Air quality key devices
- Group synergy in the whole space
- Quality/reliability
- Brand
- User insight
- Design/Development
- Product lineup/Market share
- Quality/reliability
Goal of Medium-term Growth Strategy

The time up to FY22 is positioned as a "midterm for transformation" to greatly overhaul our profit structure.

**Profitability target for mid-term**

Prioritize improvement in profitability up to FY22, achieve an adjusted operating profit ratio of 4-5%.

**Profit portfolio for mid-term**

Improve profitability with a sharp portfolio strategy.

- **FY19**
  - ROIC 10%
  - Heating and Cooling Solutions
  - Food Retail Equipment
  - Home Appliances
  - Smart Life Network
  - Invested capital

- **FY22**
  - ROIC 10%
  - Increase profit through growth investment
  - Reform profit structure
  - Structural reform of non-profitable business
  - Invested capital

**Major initiatives**

- Strengthen management structure across the entire company
  - Cost reduction by more than 20.0 billion yen over the three years
- Structural reform of non-profitable businesses
- Advanced investments for future

Set Directions for Non-profitable Businesses (TV Business)

Shifting from internalization toward structural reform including collaboration with other companies.

**Changes in business environment**

- Technological evolution of TV:
  - Lack of candidate of next-generation technology
- Global TV demand:
  - (Our investigation)
  - (Billion USD)
- Unit price is declining due to price reductions led by Chinese manufacturers
- Market share by manufacturer:
  - Japanese FY12 32% FY19 16%
  - Chinese FY12 19% FY19 29%
- TV unit price in Europe (USD):
  - (Our investigation)
  - FY19 663 FY20 630 FY21 591 FY22 560

**Policy of structural reform**

Optimize development-manufacturing-sales structures in accordance with the present business scale

- Development: Select models to be internally developed/ Collaborative development with other companies
- Technology development: Process within our company
- Core development: Handled by our company
- Non-core development: Handled by partners

- Reduce development costs and shift to areas for growth preferentially

**Managerial effects pursued through reform**

Aim to eliminate loss of TV business in FY22

- Adjusted operating profit
- Eliminate loss
- ROIC
- Invested capital
- Reduce drastically

Manufacturing: Reduce internal production and consigning to partners. Reduce costs through the economy of scale with partners

- Before
  - TV production
  - In-house production
  - Panasonic TVs (Consigned)
  - TVs from partners
- Future
  - Higher models
  - Lower models
  - Consigned production

At manufacturing sites following TV reduction, the production of other business products should be examined preferentially
Growth Strategy for Lifestyle Infrastructure Business

Build new revenue models by offering our unique values on the occasion of changes in the business environment of spatial value

Goal of Lifestyle Infrastructure

- Mfg-sales consolidated sales target
  - Scale expansion by inorganic measures, etc.
  - Over 1,300.0
  - CAGR 13%
  - 789.2
  - FY19 RAC
  - FY22 CAC
  - FY22 A2W

- Growth target of EBITDA
  - (vs. FY19)
  - 1.6 times
  - Over 3.0 times

Changes in Lifestyle Infrastructure business environment

- Strengthening laws and regulations regarding environment/energy saving
  - COP21: Paris Agreement, enforcement of energy conservation law for building (Japan)
- Trends for regulation of comfort
  - SR7, EU directive in 2020
- Growing interest of consumers
  - for air quality
  - Increase interest for air quality in China, Asia and India, etc.

Global demand forecast

- CAGR 6%
- Food retail equipment
- Conditioning and air quality
- 13.3
- 15.3
- 17.4

Revenue model based on new provided values

- New added value
- Current business domain
- New points of revenue

- Comfort
- Health
- Environmental economic performance

Provide harmonized air value utilizing our strength for needs of special value

Provided value/revenue model

- Strength (global)
  - User insight, brand value
  - Digital technology (AI/IOT), Technical basis of environment and energy saving
- Strength (Japan)
  - Group synergy
  - Wide range of special solution products
  - Technologies and resources for design and construction

- Brand and technology refined for consumer electronics and housing

Growth Strategy for Lifestyle Infrastructure Business

Focus on commercial air conditioning (CAC) and air to water (A2W) businesses, aiming to achieve high growth and profitability

CAC for Japan, China, Asia

- Create group synergy by stronger coordination with the LS Company
- [Japan]
  - Growth target
  - Over CAGR 10%
  - Expand sales with electrical construction materials and package proposals
- [China]
  - Accelerate coordination under one-head structure
    - Collaborating stores exclusive for air-conditioning (over 200 in 2019)
    - Start providing integrated app (Q1FY20)
- [Asia]
  - Strengthen ventilation commodities, integrate sales structure
    - Integrated air-conditioning/air-quality contact point for 4 main countries
    - Direct sales of AHU1, in cooperation with Sailer (Italy)

CAC for Europe

- Expand through total solution of air-conditioning, chiller, ventilation and cloud
- Growth target
  - Over CAGR 10%
- [Japan]
  - Cloud
  - Control energy saving
  - Control comfortability
  - sensor, etc.
- [Europe]
  - Strategic alliance with Systemair (Swedish)
  - Systemair for products and sales channels
    - OEM supply and co-development of Chiller
    - Enhance solutions with ventilation products

A2W (heat pump water heater) for Europe

- Aim to grow beyond markets implementing proactive investments, keeping the trend of replacing boilers for de-carbonization
- Growth target
  - Industry: CAGR 9%
  - AP Company: over CAGR 20%
- [Japan]
  - Sales, engineers, services
  - Enhance the product lineup
    - Incorporate cooling demands in addition to heating and water heating.
    - Products blending with ventilation and RAC multi.
- [Europe]
  - Generate new business models by building an IoT platform
    - Start Remote monitoring system in operation (from FY19)
Growth Strategy for Lifestyle Appliances Business

Leverage our strengths refined in the consumer electronics (CE) business to create new value and transform how we deliver it.

**Management targets** (Home Appliances business only)

- **Adjusted operating profit**
  - Increase domestic and overseas profitability through strengthening management structure and creating lifestyle value
  - Strengthening management structure and Overseas sales increase

<table>
<thead>
<tr>
<th>FY19</th>
<th>FY22</th>
<th>Long-term</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>+3.2pt</td>
</tr>
<tr>
<td></td>
<td></td>
<td>+10.4pt</td>
</tr>
</tbody>
</table>

**Strategic direction**

- Diverse product lineup relating to lifestyles
- Core underlying technology to achieve lifestyle insights and products
- Stable growth market centered on white goods
- Potential to provide new value, e.g. with the IoT and service coordination

Transform to Lifestyle Appliances business with stronger IoT/Software as well as Panasonic’s refined strengths. Promote from Japan and China first.

**Value provision of Lifestyle Appliances**

- **Create lifestyle value**
  - Provide satisfying experiences personalized for each person with hardware and software, realizing mental and physical wellness

**Build a new profit structure in B2C/B2B2C from Japan**

- Experiences personalized to users
- Stay close to customers by centering on products
- Expand sales channels using customer understanding as a hook
- New commercial channels e.g. delivery to stock-type housing
- Business Partners
- Real estate/developers, etc.

---

**Growth Strategy for Lifestyle Appliances Business**

Transform the business structure centered on products from Japan, utilizing the wide-range of products and market presence in Japan.

**Our market position in Japanese consumer electronics business**

- Acquired the high market shares*1 in the wide-range of product categories at any living space
- Overall CE market share in Japan (estimated by Panasonic)
  - FY19: Maintained a high market share
  - FY19: 30%
  - FY91: 15%

**Strategic direction**

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- Core underlying technology to achieve lifestyle insights and products
- Stable growth market centered on white goods
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<tr>
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<tr>
<td></td>
<td></td>
<td>+10.4pt</td>
</tr>
</tbody>
</table>

**Pursue essential value with hardware**

- Pursue the essential value products have with hardware, in combination with refined lifestyle insights and underlying technology
- <Past examples>
  - Dry hair → Beautiful hair
  - Shorten time by detergent auto dosing

- Plan to release products with essential value in FY22

**Realize UX*4 via software**

- Realize satisfying UX*2 customized/personalized to user preferences/behavior
  - *2 user experience

- Provide services e.g. recipes and food delivery customized to user preference
- Provide satisfying UX in every area of lifestyles, starting from food

**Strengthen businesses with co-creation**

- Realize a shared global platform and stronger cost competitiveness via co-creation with CNA Company, expand highly competitive products overseas

- Co-creation with CNA Company

- Expand to Asia/India for major appliances mainly
Long-term Goal

Execute the structural reform and advanced investments to achieve “RUN to JUMP”, aiming to become highly profitable business entities

Adjusted operating profit (yen: billions)

FY19
Profit ratio*1 2.9%
ROIC 7.3%

FY22
Profit ratio*1 4~5%
ROIC over 10%

Long-term

*1 Adjusted operating profit ratio

Profit ratio*1 7.5%
ROIC over 15%

Effects of advanced investment

Panasonic

Appliances Company Fiscal 2020 Second-half and Medium-term Initiatives

15
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Reference: FY20 1H Results

### Sales
(Manufacturing-sales consolidated, yen: billions)

<table>
<thead>
<tr>
<th>Segment</th>
<th>FY19 1H results</th>
<th>FY20 1H results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appliances</td>
<td>1,436.7</td>
<td>1,401.3</td>
</tr>
<tr>
<td>Heating and Cooling Solutions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Smart Life Network</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Devices, etc.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foreign exchange</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**While domestic consumer electronics & overseas air conditioning stayed steady, AVC had difficulty in the sales of overseas TVs, etc., resulting in decreased sales and profit**

### Operating profit
(Manufacturing-sales consolidated, yen: billions)

<table>
<thead>
<tr>
<th>Segment</th>
<th>FY19 1H results</th>
<th>FY20 1H results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Home Appliances</td>
<td>58.1</td>
<td>48.8</td>
</tr>
<tr>
<td>Heating and Cooling Solutions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Smart Life Network</td>
<td></td>
<td></td>
</tr>
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<td>Devices, etc.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other income/loss</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**In addition to the favorable sales of washing machines, refrigerators, beauty care products, etc. in Japan, refrigerators were steady in Asia and other regions, achieving increased sales and profit**

### Adjusted operating profit
(Manufacturing-sales consolidated, yen: billions)

<table>
<thead>
<tr>
<th>Segment</th>
<th>FY19 1H results</th>
<th>FY20 1H results</th>
</tr>
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<tr>
<td>Home Appliances</td>
<td>-9.3</td>
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</tr>
<tr>
<td>Heating and Cooling Solutions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Smart Life Network</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Devices, etc.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**While TVs, etc. were steady in Japan, sales were slow in TVs and DSCs in Europe and other regions, resulting in decreased sales and profit**

**While sales were steady in North America, the business had difficulty for large-sized stores and display cases in Japan and other areas, resulting in decreased sales and profit**
<table>
<thead>
<tr>
<th>Businesses whose sales are disclosed</th>
<th>Major products</th>
</tr>
</thead>
<tbody>
<tr>
<td>Heating and Cooling Solutions</td>
<td>• Room air conditioners, commercial air-conditioners, and hot water supply systems</td>
</tr>
<tr>
<td>Home Appliances</td>
<td>• Refrigerators, washing machines, vacuum cleaners, and hygiene toilet seats, microwave ovens, rice cookers, IH cooking equipment, dishwashers, beauty, healthcare, and cooking equipment, electric irons, and nanoe devices</td>
</tr>
<tr>
<td>Smart Life Network</td>
<td>• TVs, recorders, audio equipment, digital cameras, and intercoms</td>
</tr>
<tr>
<td>Commercial Refrigeration &amp; Food Equipment*</td>
<td>• Display cases, kitchen equipment, vending machines, and dispensers</td>
</tr>
<tr>
<td>Devices, etc.</td>
<td>• Compressors, vacuum insulation materials, fuel cells, and metering devices</td>
</tr>
</tbody>
</table>

* Referred to as “Food Retail Equipment” for this presentation.