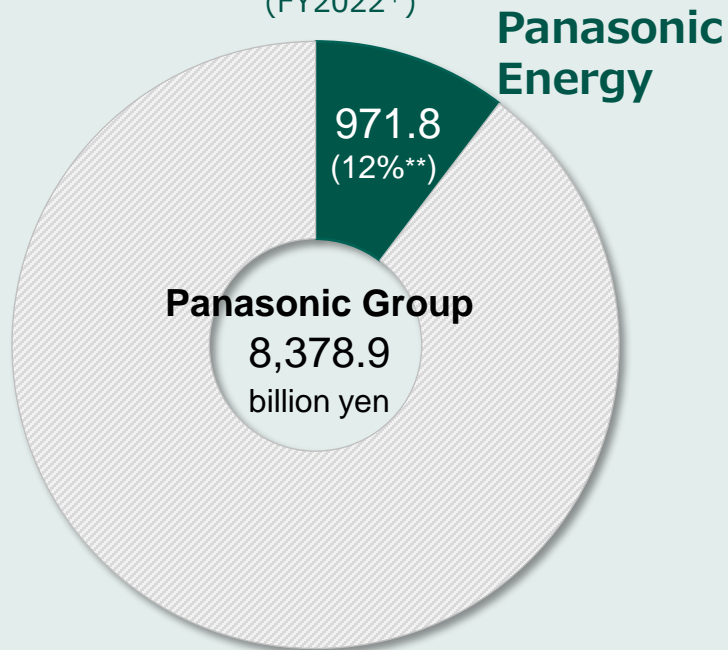


# Panasonic Energy

## - Supply chain for battery production in North America -

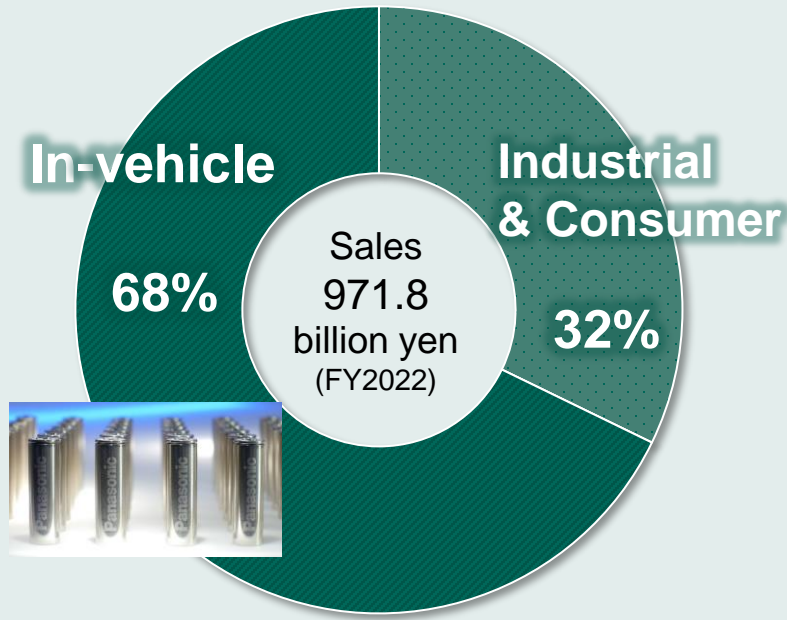
Jul.4, 2023

Sales Composition in the Panasonic Group  
(FY2022\*)



\* "FY2022" refers to the year ended March 31, 2023.  
\*\* Composition ratio is net sales ratio after offset.

Business composition  
in Panasonic Energy

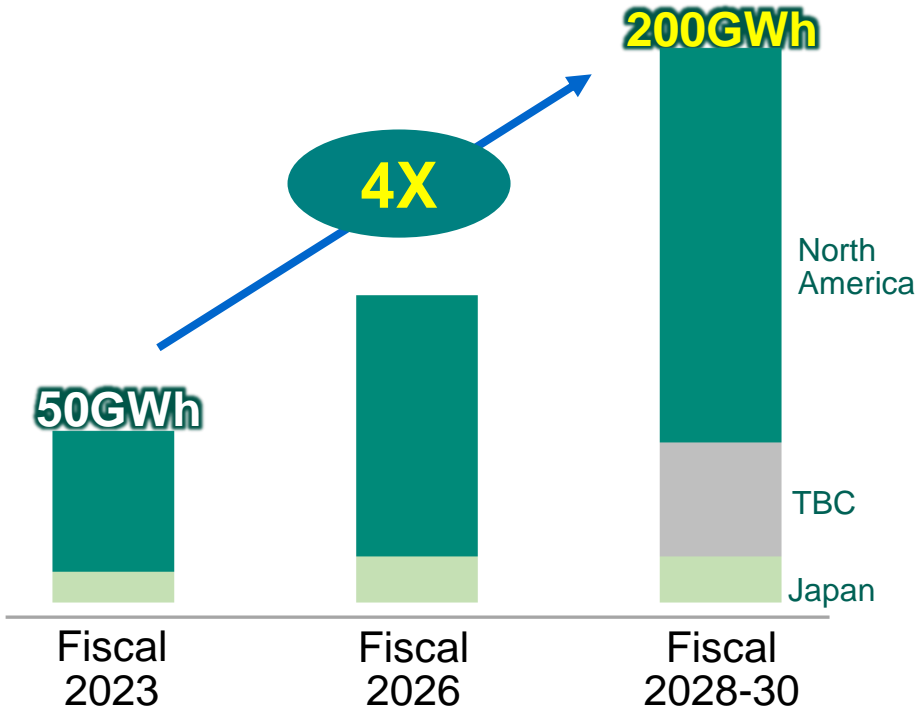


\* Yarushika  
"Yarushika" is the symbol of our mission: Achieving a society in which the pursuit of happiness and a sustainable environment are harmonized free of conflict.

# Supply chain for battery production in North America

## Our Actions

Increase the production capacity in North America to meet the robust demand.



## Impact by Inflation Reduction Act (IRA)

**EV Tax Credit (30D)**

\$ 7,500

\$3,750	\$3,750								
<p><b>Critical Mineral Portion</b> Must meet a threshold for the value percentage of minerals sourced (<b>extraction or process</b>) in US or FTA countries, or recycled in North America.</p>	<p><b>Battery Component Portion</b> Must meet a threshold for the percentage of components <b>manufactured or assembled</b> in North America.</p>								
<table border="1"> <thead> <tr> <th>year</th> <th>2023</th> <th>each year + 10%up</th> <th>2027~</th> </tr> </thead> <tbody> <tr> <td>Qualified Ratio</td> <td>40%</td> <td></td> <td>80%</td> </tr> </tbody> </table>	year	2023	each year + 10%up	2027~	Qualified Ratio	40%		80%	
year	2023	each year + 10%up	2027~						
Qualified Ratio	40%		80%						

## Local Supply Chain



**Reduce CFP by 50% or more**  
Respond to environmental issues in each process from upstream to downstream



**Increased FTA% by utilizing qualified countries' minerals and US recycled materials.**



# Key factors affecting battery business.

	Current Status
<b>Block Economy</b>	Regional policies accelerate block economy of EV. (e.g.: U.S. IRA, EU Battery Regulation, China NEV subsidy etc.)
<b>U.S. IRA</b>	Investment for battery and battery material production shift to North America and FTA countries.
<b>Material Cost</b>	Closed supply chain causes increment of material cost. Concentration of demand to advantageous major material producers result in cost inflation.
<b>CFP</b>	The CFP regulation requires high upfront environmental investment, but is proceeding without clarity on who will pay for it.

**Panasonic ENERGY**

*Doing what humankind requires.*