

**Panasonic**  
**Questions raised by**  
**MSWG and Management's Response**  
**24 August 2018 (Friday)**



**Panasonic Manufacturing Malaysia Berhad**  
(Company No.: 610010)

**53<sup>rd</sup> Annual General Meeting**  
24<sup>th</sup> August 2018

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**Meeting**

# ① STRATEGIC & FINANCIAL MATTERS

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## Question 1

It was stated on page 4 of the Annual Report that there are plans to construct a new building in Shah Alam Plant II.

- i. Could the Board provide the estimated cost for the expansion?
- ii. What are the plans for the new building in Shah Alam Plant II?

## Answer 1

- i. The estimated cost for the expansion would be RM52.1 million.
- ii. The plans for the new building in Shah Alam Plant II were as follows:-
  - 1) To prepare for expansion growth for new product categories.
  - 2) To increase in-house production (injection, molding, etc.) and productivity improvement by realigning existing production space. Production area increase approximately by 40%.
  - 3) To house new infrastructure /facilities to undertake R&D and value-added activities

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## Question 2

As stated on page 7 of the Annual Report, the Company launched a few series of rice cooker such as the 3 in 1 Porridge Rice Cooker and also Quick Cook Rice Cooker with Vietnam as the new target market.

- i. How was the market response for these products?
- ii. What is the market outlook for Panasonic products in Vietnam, moving forward?

## Answer 2

- i. Vietnam market response is good and products are well accepted especially our new series of Rice Cooker that come with special features. We have achieved the sales target and with the encouraging response will expand the market coverage.
- ii. Vietnam continues to experience stronger demand growth due to country living standard increase. Consumers willing to pay more for better product features and premium design outlook for electrical appliances.

A growing number of consumers have become much more accustomed to making purchases online through popular websites. This trend is expected to spread due to better service and promotional programmes that are exclusively provided on these channels. Consumers become more selective and like to compare through Online channel for factors like price, design, features among the brands before make purchase decision.

Panasonic continuing emphasis their MM and retail stores channels, and meantime, we also start to focus Online channel in order to capture the sales from this group of consumers.



## Question 3

We note on page 8 of the Annual Report that the Company is trying to reduce the use of foreign workers in the future with the implementation of Automation and Semi-Automation equipment through Robotics Technology.

Could the Board provide the estimated cost, operational advantages and tentative timeframe for the said implementation?

## Answer 3

Company is investing on Robotics System Projects to reduce the dependence on foreign labour in the long run. For a start, in FY2019 the Company will be focusing on the Robotics System for Ceiling Fan and Automation of Home Shower Heater Tank manufacturing.

The estimated cost would be RM47 million with the reduction of 190 headcounts. The target implementation is by 2022.

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## ② CORPORATE GOVERNANCE MATTERS

### Question 1

The Company states that the board meeting papers, accompanying notes and explanations for agenda items were sent to the Directors well in advance of the meetings and therefore has applied Practice 1.5 of the Malaysian Code on Corporate Governance (“MCCG”).

Could the Board confirm how many days in advance of the board meeting are the board papers circulated to the Directors?

### Answer 1

The agenda of Board and Board Committee meetings together with the relevant Board papers are distributed five (5) working days prior to the meeting date to allow sufficient information and time for the Directors to review and evaluate the matters to be deliberated at the respective meetings



## Question 2

Tan Sri Datuk Asmat bin Kamaludin who is the Chairman and Independent Non-Executive Director of the Company has served on Board for 16 years 10 months.

Practice 4.2 of the MCCG requires the Board to seek annual shareholders' approval through two-tier voting process if the Board continues to retain an independent director after the twelfth year.

Will the Board be seeking shareholders' approval through a two-tier voting process for Tan Sri Datuk Asmat bin Kamaludin to continue as Independent Directors of the Company?

## Answer 2

The Board appreciates the practice of the Code for the Company to seek shareholders' approval to retain the Independent Directors who have served more than 9 years. The Board will be seeking shareholders' approval through a single-tier voting process for Tan Sri Asmat to continue in office as Independent Director. The board views that the single-tier voting process is sufficient at this juncture to meet the intended outcome for Board decisions to be made objectively in the best interests of the Company taking into account the diverse perspective and insights.

The Board nonetheless has agreed to set a limit for the tenure of the Independent Directors not to exceed 12 years for implementation after the financial year ending 31 March 2021 to enable the Board to plan the succession of Tan Sri Asmat and Datuk Supperamaniam.



## Question 3

We note on pages 29 to 30 of the Annual Report that there was no disclosure on Toru Okano, the Executive Director's attendance on any training during the year as required under Paragraph 15.08 of the Main Market Listing Requirements.

## Answer 3

Mr. Toru Okano had attended the following trainings, conferences, seminars and briefing relevant to his functional duties of which had not been declared in the Annual Report:-

No	Continuing Education Program Attended	Date
1	Global Strategy Meeting in Hong Kong	10 May 2017
2	ES Compliance Meeting in Singapore	30 October 2017

