

Panasonic Group

Yuki Kusumi, Group CEO
Panasonic Holdings Corporation
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Group Growth Strategy

Summary of FY3/26 Management Reform

Through fixed-cost structure reform, a foundation built for sustainable growth

End of **FY3/27** (Forecast vs. FY3/25)

Improvement of
adjusted
operating profit

+ 145 billion yen
(Target: 122 billion yen)

Workforce
reduction

Worldwide: 12,000 people
(Japan: 8,000 / Overseas: 4,000)

Measures
taken

- Eliminated multilayered structure of former Panasonic Corporation
- Consolidated/streamlined Head Office divisions (PHD/PEX)
- Consolidated/streamlined sales and indirect functions
- Consolidated/closed sites (globally 20+ sites, including downsizing)

Effectiveness for profit growth validated and direction-setting completed

Businesses with issues

No expectation for growth & ROIC < WACC by business

Steadily reduce *businesses with issues* to zero by end of FY3/27

Industrial device / Electromechanical control businesses

- Direction-setting completed for both businesses
- While delivering results of structural reform, take initiatives such as reducing material costs
- Planned transfer of automotive motor & automotive cooling fan motor businesses

Kitchen appliances business

- Direction-setting completed
- Mass production development will be transferred to China to achieve a global-standard cost structure, while optimizing R&D resources in Japan

TV business

- Direction-setting completed
- Risk-off initiatives through collaboration with partners overseas

Heating & ventilation A/C business

- Strengthen cost base of air conditioners/compressors in Asia through structural reform/site optimization
- Increase profit in commercial air conditioners by reducing development costs through partnerships and by focusing on competitive areas

CE business

- Pursue global-standard costs and an asset-light model to boost competitiveness, while focusing investment on differentiated areas—based on core technologies, brand strength, and sales channels—to drive higher profitability

Housing solutions business

- Deconsolidated the business by end of March 2026 – Leverage strategic partnership with YKK Corporation and YKK AP Inc. to drive growth by offering full product lineups and by combining the two companies' capabilities

Businesses to be reconstructed

Businesses requiring assessment of business conditions

Helping achieve an ideal society with affluence both in matter and mind

100 Years from *Meichi**

Panasonic Group's Contribution toward 2032

*Revelation of our corporate mission, declared by founder Konosuke Matsushita in 1932

Assist social/industrial development and evolve by solving rising social issues over time



Support AI infrastructure and social operations



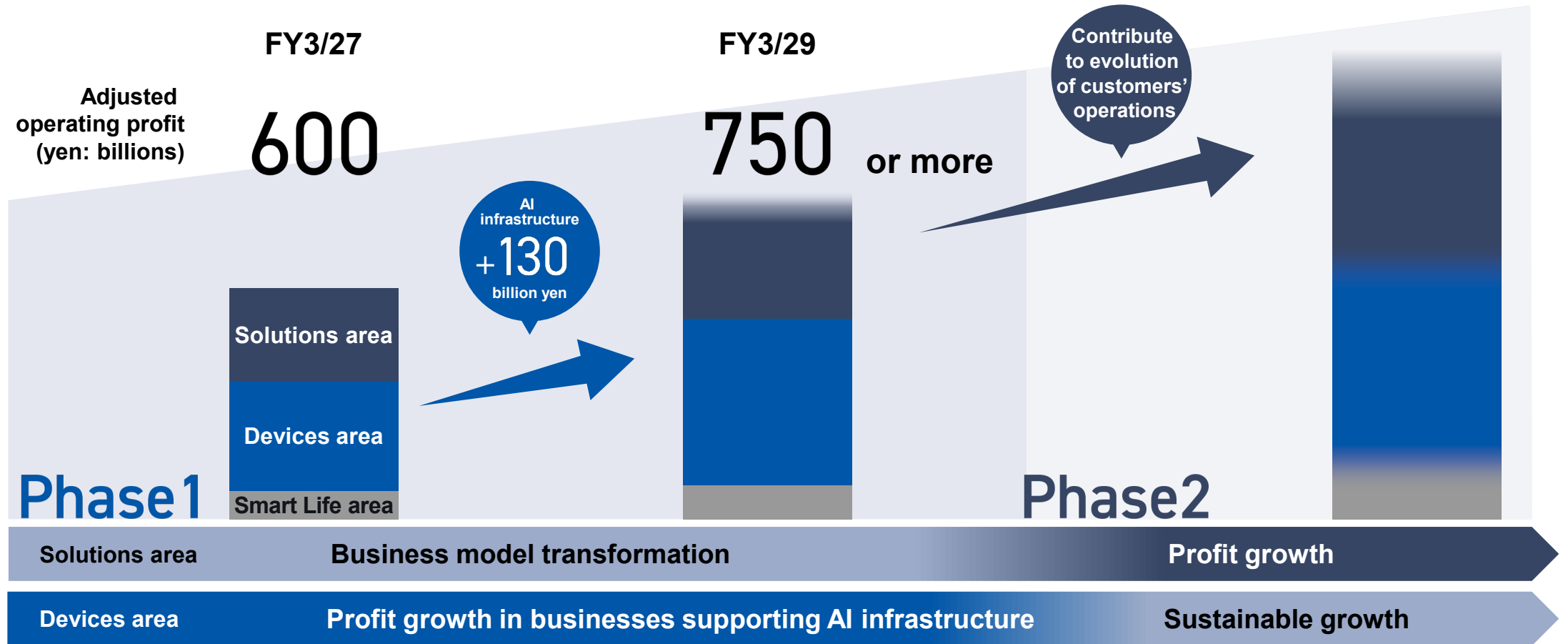
Use energy more efficiently

Alleviate frontline labor shortages

Roadmap for profitability

Devices area: Drive Group's growth through businesses supporting AI infrastructure

Solutions area: Transform business model for profit growth in future

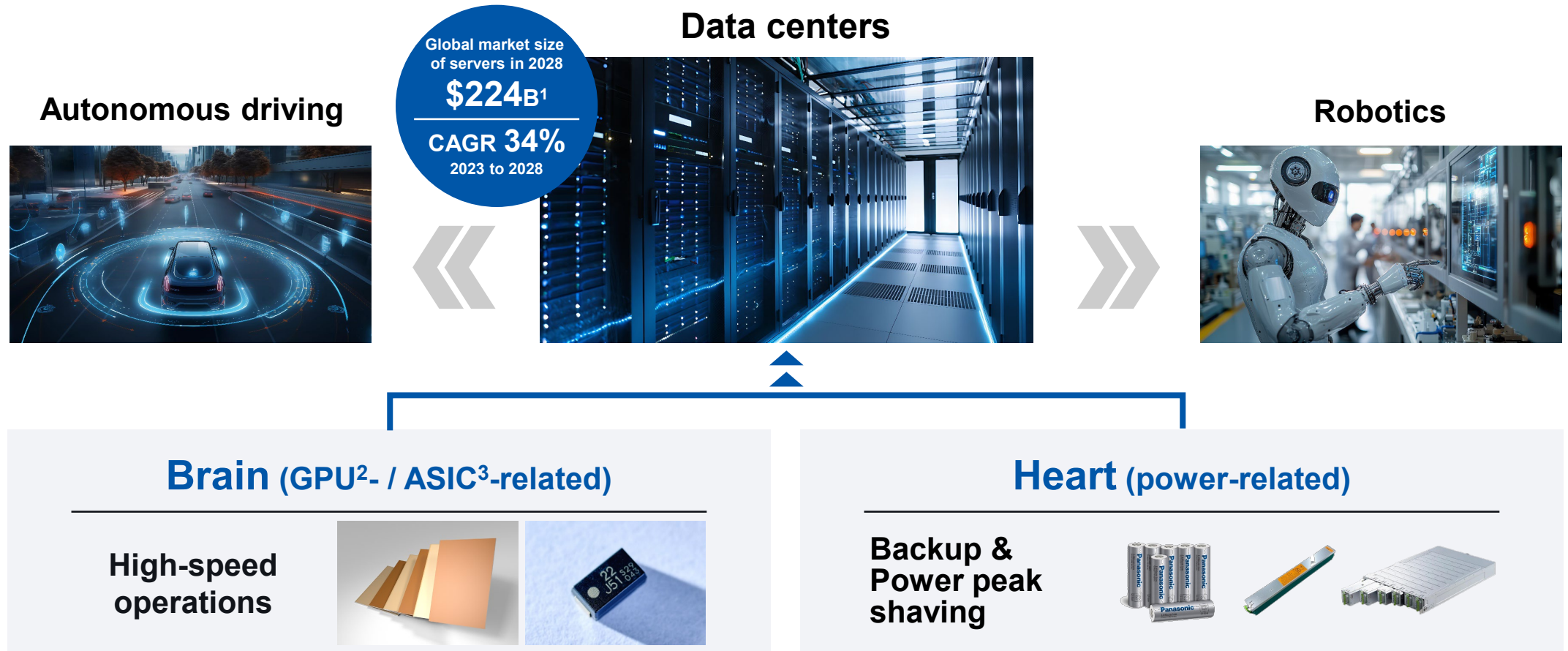


Devices Area

Businesses Supporting AI Infrastructure

Devices area: Businesses supporting AI infrastructure

- Support the “**brain**” and “**heart**” that power AI with devices
- Contribute to evolution of social infrastructure

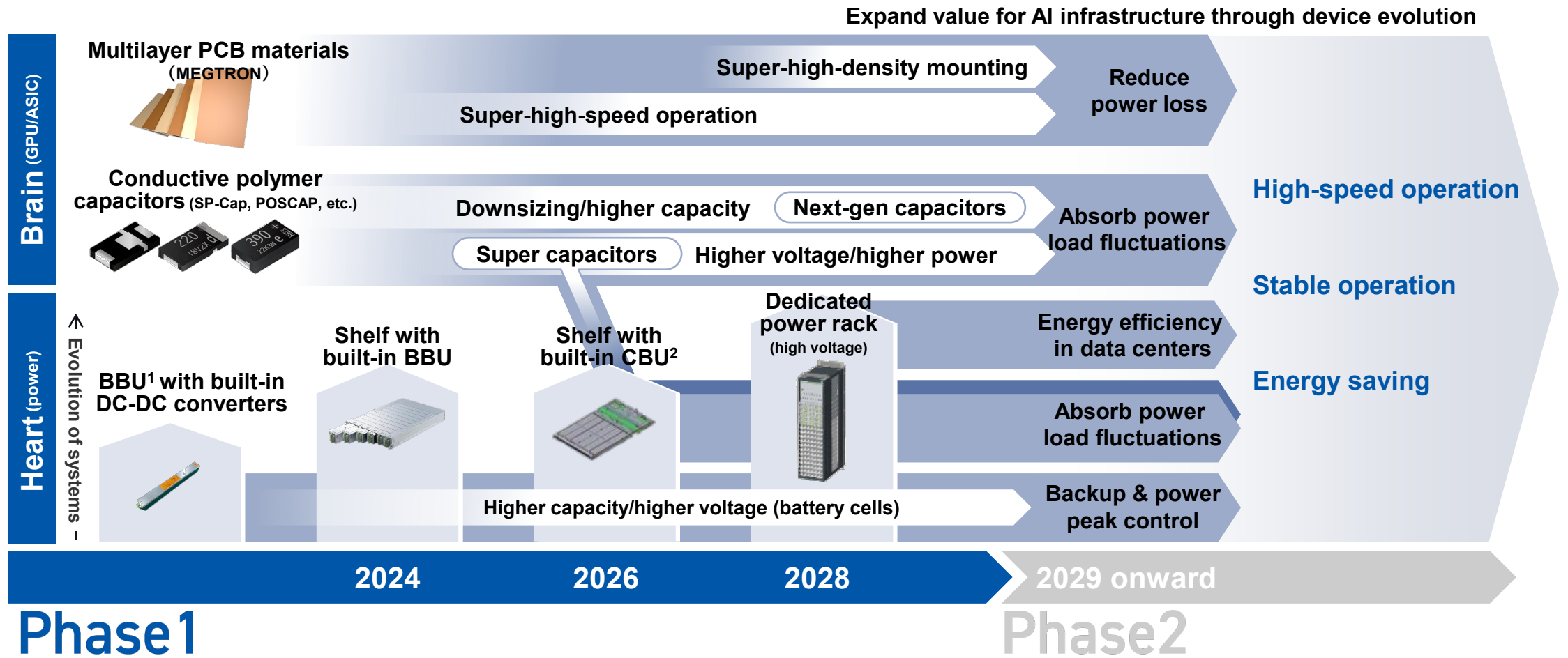


1 Assumption based on Gartner Inc. research

2 Graphics Processing Unit (semiconductors for large-scale AI computing)

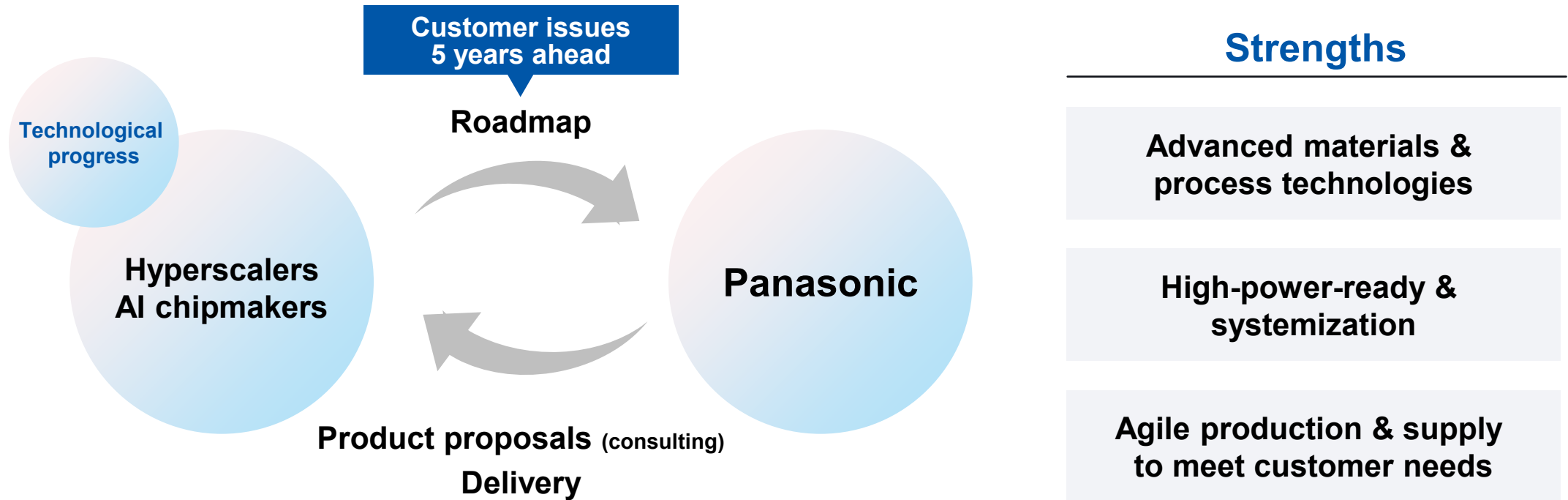
3 Application Specific Integrated Circuit

Leverage our product competitiveness and relationships with key industry players to achieve steady growth



¹ Battery Backup Unit
² Capacitor Backup Unit (backup unit with built-in super capacitors)

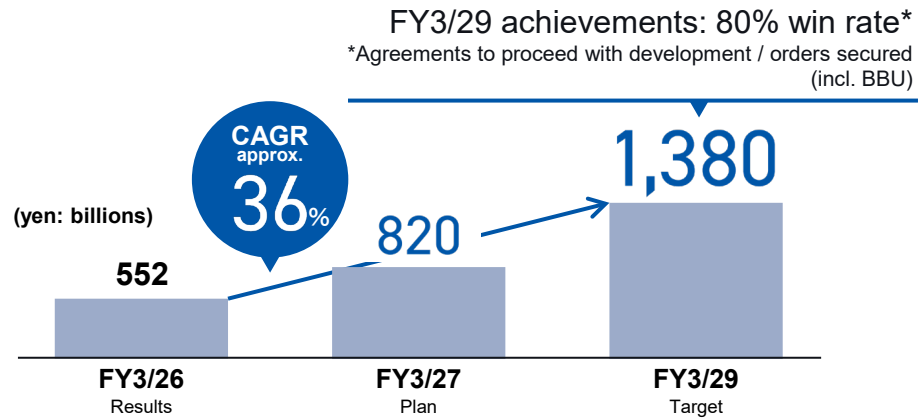
Help advance AI servers and data centers by proposing products through keen technological foresight



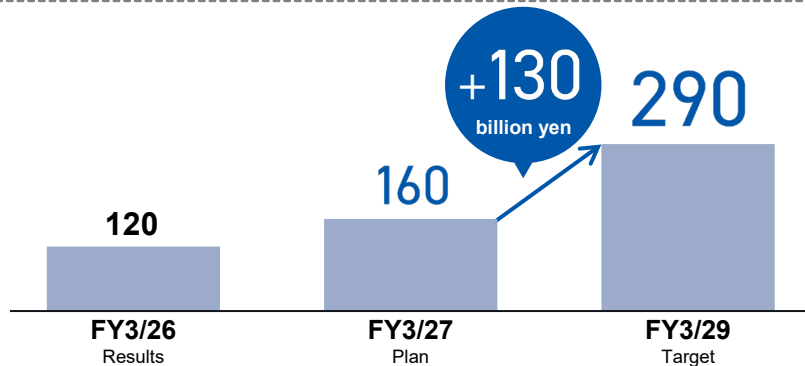
FY3/29 sales of approx. 1.4T yen / adjusted operating profit of 290B yen:
Invest in advancing devices/systems and expanding production

Sales and profit

Sales



Adjusted operating profit



Investments

Businesses supporting AI infrastructure: FY3/27-3/29 cumulative investment volume

approx. **500** B yen

Advancing devices & systems

- Roll out and scale-up next-gen products
- Develop basic technologies for growth businesses of the future

Enhancing production capacity

- Maximize use of existing equipment
- Increase capacity with capex to meet generative AI data center demand

Solutions Area

Businesses Supporting Social Operations

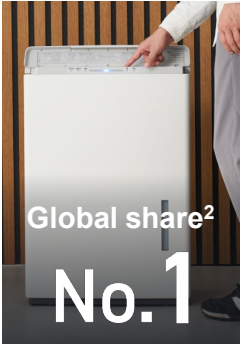

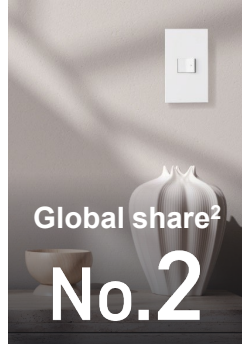

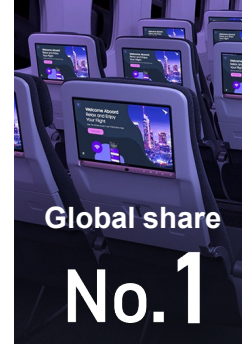
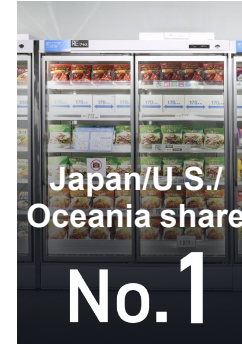


Shift focus from hardware-centric to service-centric value propositions: Support **social operations** with our “**always-on, energy- and labor-saving**” solutions



Our strengths in Solutions area

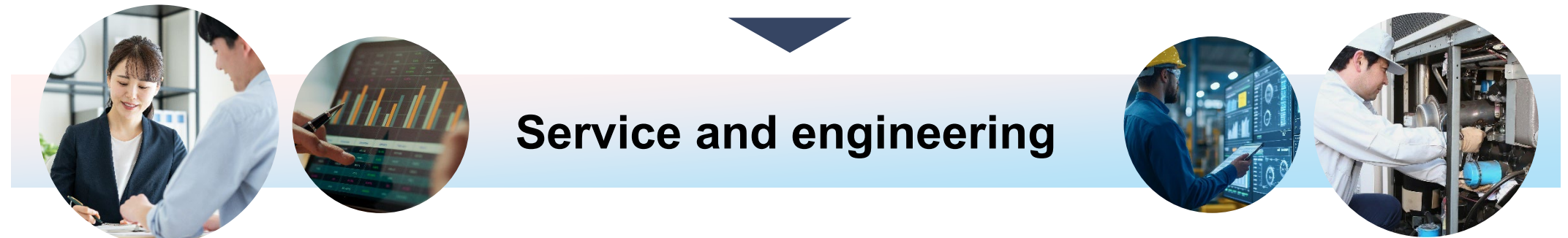
Leverage hardware advantage (MIF¹) to broaden service offerings

1: Machines in the Field (products installed at customers' sites, and in operation)

Commercial facility/building/house		Factory	Aviation	Distribution			
Indoor air quality	Lighting	Electrical construction materials	Chip mounters	In-flight entertainment	Freezer/showcase	BPO ³	SCM software
 Global share ² No.1	 Japan Share No.1	 Global share ² No.2	 Global share ² No.1	 Global share No.1	 Japan/U.S./Oceania share No.1		 Global share Top3

↓

Service and engineering



2: Market shares (MS) based on our 2024 market survey / MS of wiring devices / MS of surface mount technology (SMT) mounters

3: Business Process Outsourcing

Provide customers always-on, energy- and labor-saving operations through **service engineering expertise backed by connected devices and specialists**

Showcase/freezer + services

Remote monitoring to predict failures
Keep customers' operations running

- Sales/installation of showcases/freezers
- Repair/maintenance and energy-saving operation
- Solutions for remote monitoring/control and analytics



In-flight entertainment system + services

Integrated maintenance services covering third-party equipment

- Global maintenance services at 50 locations (incl. third-party equipment)
- In-flight entertainment systems



Building management system + services

Labor-saving building management
Energy management for savings

- Provide diverse systems: lighting, central monitoring, security, disaster management, etc.
- Engineering/repair/maintenance



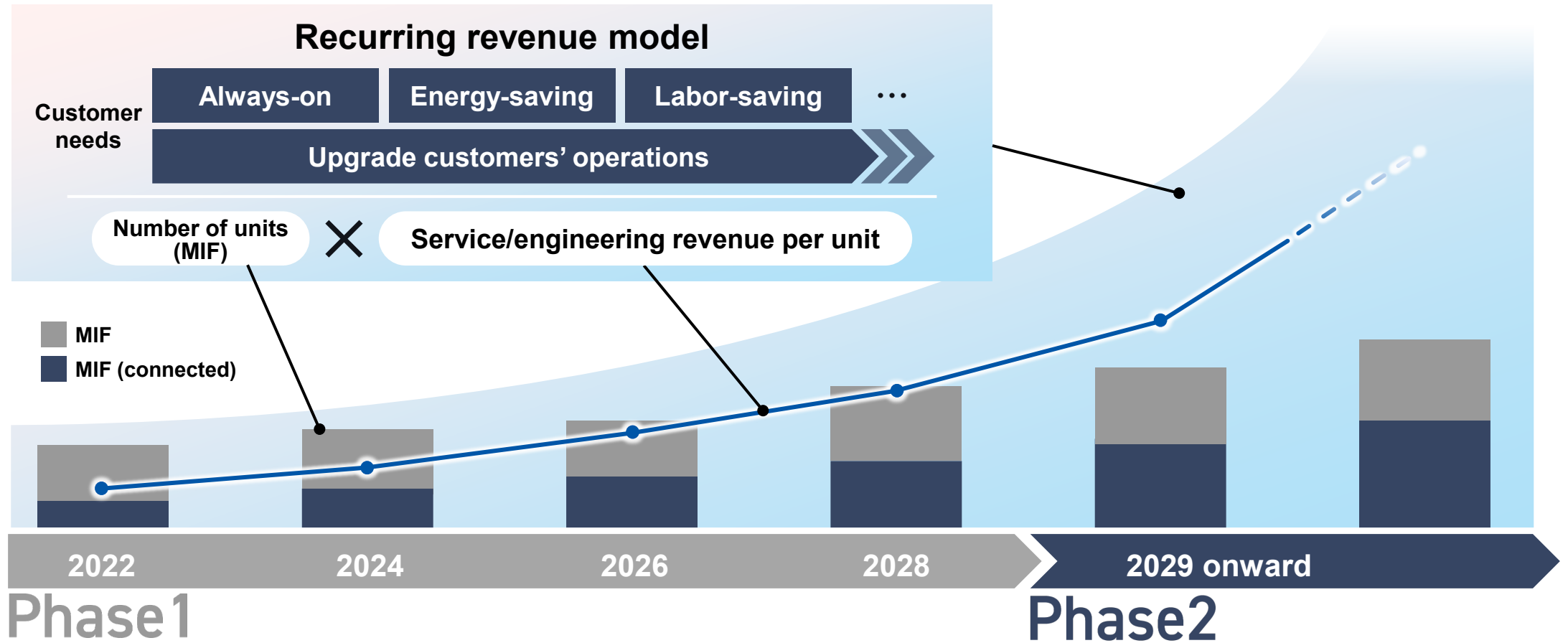
Factory infrastructure design/construction + services

Minimize lifecycle costs—from construction through facilities management

- Water treatment × specialized HVAC (exhaust gas) solutions
- Repair/maintenance after installation
- Facilities management (labor savings & lifecycle cost minimization)



Leverage robust MIF × service/engineering to upgrade customers' operations



Financial Discipline

Financial discipline (FY3/27 to FY3/29)

Basic policy: Carry out initiatives, including investments for growth and returns to shareholders, within funds generated from our business

Investment policy

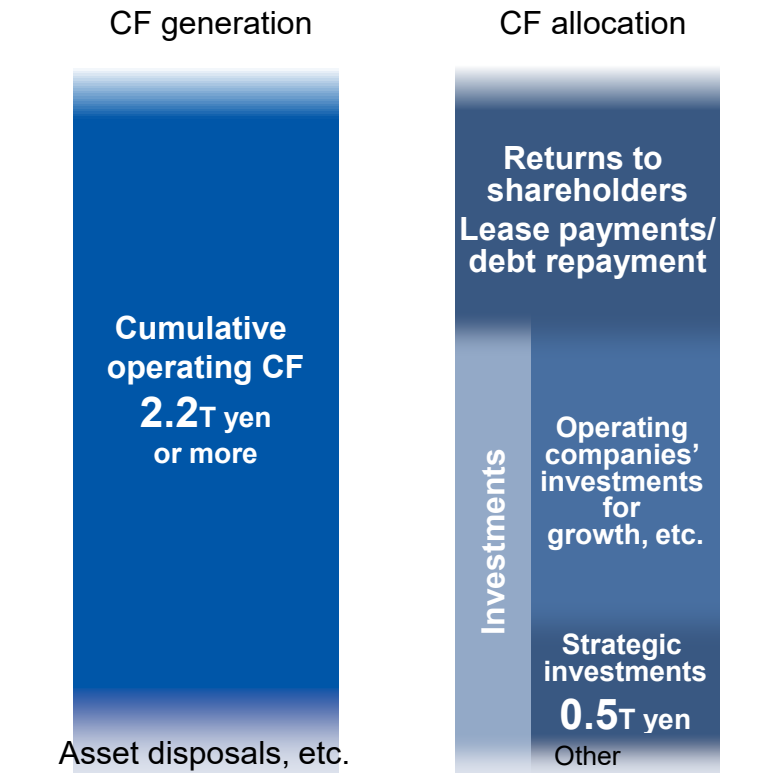
- Strategic investment of 500B yen in businesses supporting AI infrastructure
- Investments for growth in Solutions area and other areas

Returns to shareholders

- Consolidated dividend payout ratio: around 30%
Aim to provide stable, continuous dividends with profit distribution based on consolidated performance

Financial discipline

- Net Debt/EBITDA ratio: around 1.0x



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Panasonic Group's Purpose

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