

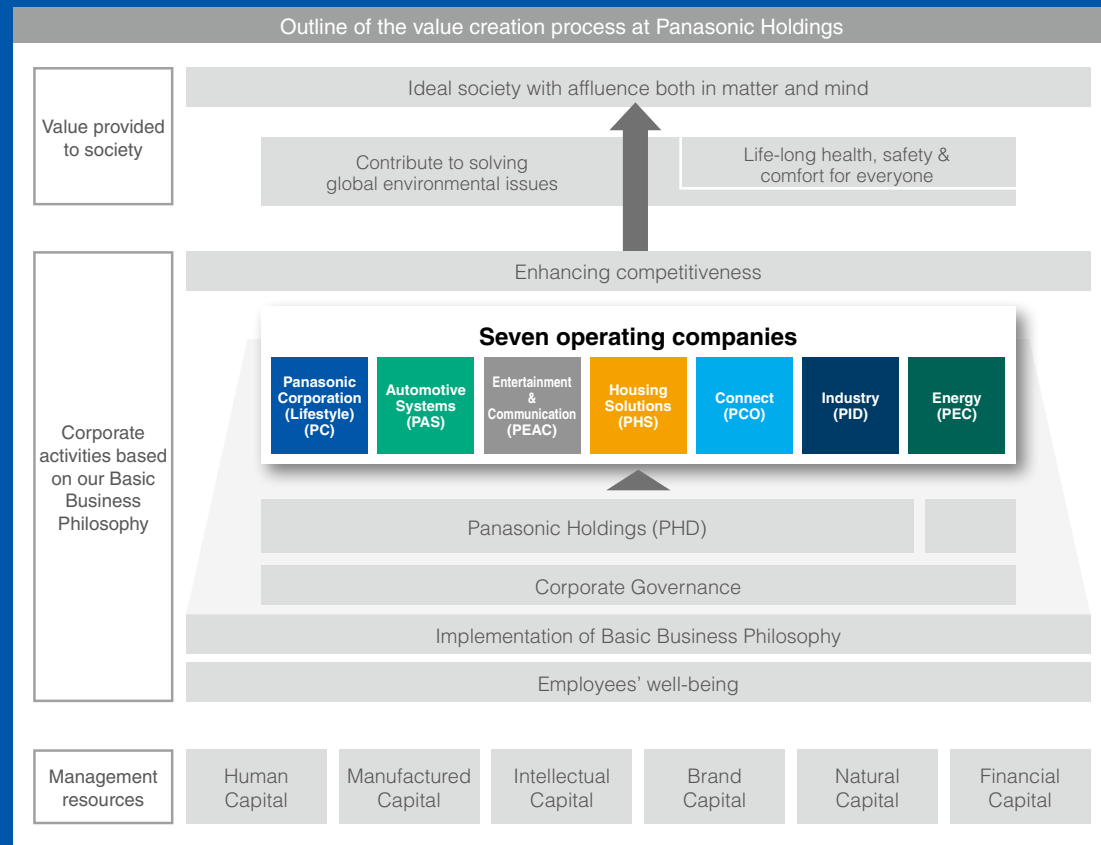
Strategies by Segment

Key points in this chapter

Information about each operating company in the business segment

- Top Messages
- Market opportunities and Advantages
- Growth strategy key points

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Lifestyle (Panasonic Corporation)

Top Message



Achieving sustainable growth through continuous transformation from a long-term perspective

My goal is to build a strong group of companies over the next medium term, achieve the No. 1 or No. 2 position in the areas defined for 2030, and enhance corporate value through a combination of strong businesses. I will continue to earnestly address management issues and achieve sustainable growth through continuously making changes from a long-term perspective.

Masahiro Shinada CEO

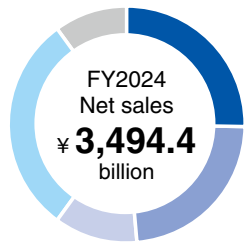
Panasonic Corporation

<https://www.panasonic.com/global/about/corporate-profile/message.html>

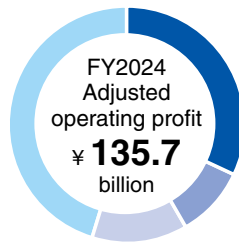
Products and Services

<https://www.panasonic.com/global/consumer.html>

Sales composition

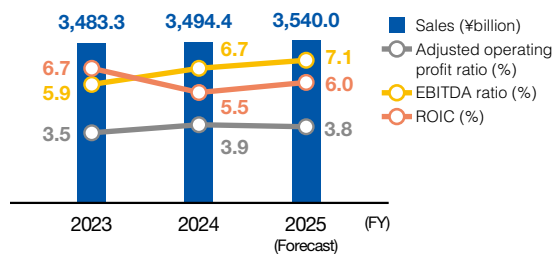


Profit composition (four divisional companies)



- Living Appliances and Solutions Company (Home appliances in Japan and overseas)
- Heating & Ventilation A/C Company (A2W*, A2A*, etc.)
- Cold Chain Solutions Company (Freezing showcases, CO₂ refrigeration system, etc.)
- Electric Works Company (Electrical construction materials in Japan and overseas)
- Others

Business performance



Medium-term management indicators (KGIs)

EBITDA (FY2025) **¥253.0 billion** (7.1%)

ROIC (FY2025) **6.0%**

Cumulative operating CF (FY2023-FY2025) **¥516.0 billion**

Key points to strengthen competitiveness

Based on each business' progress to date, we have organized a framework for strengthening competitiveness and categorized the businesses into those that have been able to strengthen their competitiveness, those that are in the process of strengthening their competitiveness, and those that are moving ahead with business structural reforms.

Businesses that have been able to strengthen their competitiveness include Overseas electrical construction materials, Electrical construction materials in Japan, and CR* (Commercial Refrigeration). These businesses have significantly improved their profitability in the current medium-term period, and are ready to take on the challenge of achieving even higher profits and greater profitability in the future, with the aim of achieving further growth.

Next, the businesses that are in the process of strengthening their competitiveness are A2W, Home appliances in Japan, and Overseas home appliances.

Although these businesses have not achieved a significant improvement in profitability, partly due to changes in the business environment, we will continue to strengthen our competitiveness from a medium-to long-term perspective and aim for growth in the next medium-term and beyond.

Lastly, the business that is moving ahead with business structural reforms is A2A. We will improve the profitability of room air conditioners and commercial air conditioning, which is particularly low, and drive growth through differentiation with integrated air quality and air conditioning systems and solutions.

Of these businesses, we will promote early profit improvement in those whose profit is below the cost of capital, excluding growth areas, and if we are unable to do so, we will redirect them.

Based on the above, we have also updated our portfolio and designated three growth areas: A2W, Overseas electrical construction materials, and CR.

To establish management targets for the next medium-term, we will proceed with both profit improvement measures and business growth and competitiveness strengthening and set management targets that exceed the current medium-term targets, which are EBITDA of 10% and ROIC of 10% or more as KGIs.

We will build a strong group of companies over the next medium term, acquire the No.1 or No.2 position for 2030, and enhance corporate value through a combination of strong businesses.

< Major growth areas >

Market opportunities	Advantages
<ul style="list-style-type: none"> A2W: Progress of carbon neutrality and low GWP refrigerant regulations, energy saving needs, etc. in Europe Overseas electrical construction materials: Economic growth in three priority countries (India, Turkey, Vietnam) CR: Increasing demand for conversion to natural refrigerants 	<ul style="list-style-type: none"> Differentiation by the top-level commercialization capability for natural refrigerants and air quality and energy-saving solutions as a Japanese company Top market share and strong growth platform in all three priority countries (manufacturing capabilities, sales channels, SCM) Natural refrigerants and DX, Japan-US showcase MIF* top market share

*A2W: Heat pump-type water heaters, chillers, hot water heaters
A2A: Room air conditioners, commercial air conditioning, air quality equipment (ventilation fans, heat exchangers, air purifiers, etc.), engineering
Commercial Refrigeration: showcase, CO₂ refrigeration system, services and kitchen, etc.
MIF: Machine in the field

▶ For more detail, see also [“Panasonic Group Operating Companies’ Strategy Briefing 2024 \(June 6-7, 2024\).”](#)

Automotive (Panasonic Automotive Systems Co., Ltd.)

Top Message



The “Joy in Motion” design company

To realize better lives for each and every person in the world, I will pursue the creation of a sustainable mobility society. Ensuring comfort and peace of mind for everyone on the move, we start with safety and security. We then add personal comfort and protections for the environment. We design “Joy in Motion” for you, society, and the planet.

Masashi Nagayasu CEO

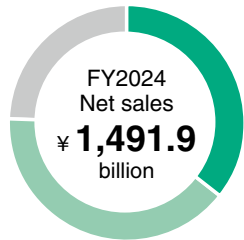
Mission and Vision

<https://automotive.panasonic.com/en/corporate/aboutus>

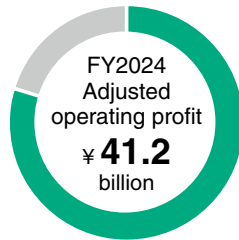
Business Initiatives

<https://automotive.panasonic.com/en/corporate/our-business>

Sales composition



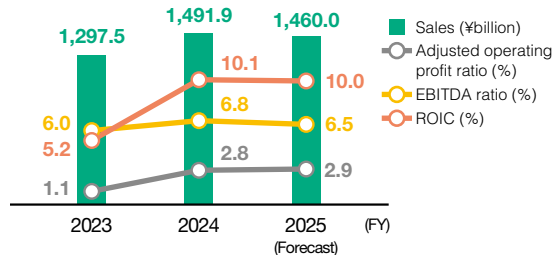
Profit composition image



- Automotive Cockpit Systems (Automotive-use infotainment systems, etc.)
- Automotive Electronics Systems (Automotive displays/cameras, EV in-vehicle charging systems, etc.)
- Others

(Note) Automotive Electronics Systems in the profit composition image is not shown in the pie chart above because the amounts are negative.

Business performance



Medium-term management indicators (KGI)

Cumulative operating CF (FY2023-FY2025) **¥270.0 billion**

ROIC (FY2025) **10.0% or higher***

*Revised upward from FY2024 revised target of 6.4%

Market opportunities	Advantages
<ul style="list-style-type: none"> ● In order to reduce environmental impact, we are becoming a society that requires the reduction of CO₂ emissions. ● There is a need for quick charging to shorten the charging time, which is one of the issues facing the widespread use of EVs. ● With the progress of SDV and integrated HPC, the speed of software evolution determines the value of automobiles. ● With the shift to EVs and autonomous driving, the added value of automobiles is shifting to the value of the experience in the mobility space. 	<ul style="list-style-type: none"> ● Top management's commitment to environmental contribution and the ability to execute tasks steadily together with all employees ● Industry-leading technologies that support high-voltage, high-powered chargers and skills in power conversion efficiency ● A large share of IVI by leveraging enhanced operability acquired from know-how on digital AV and development capability of large-scale software ● Ability to propose a platform that integrates various types of large-scale software necessary for HPC ● Knowledge of people acquired from housing and consumer electronics businesses and the ability to design experiences that enhance the value of mobility

Key points of the growth strategy

Our company has defined three important areas, namely integrated HPC, EV power electricity, and cabin UX, as important factors for planning strategies for the evolution of a mobility society and the diversification of people's values.

With regard to integrated HPC, we leveraged our basic technologies such as cockpit-related products and virtualization and our development capability of large-scale software, which will serve as a foothold for integrated HPC, and we successfully won awards for CDC. In the future, we will consolidate multiple ECUs and contribute to the conversion of automobiles to SDVs.

Regarding EV power electricity, we will continue efforts to produce a high-voltage, high-powered charger to reduce the charging time while improving profitability. Furthermore, we are advancing research on power semiconductors using gallium nitride (GaN) in collaboration with Nagoya University. We will lead this research to further innovation in improving conversion efficiency and reducing the charging time.

With respect to cabin UX, we leveraged our knowledge of people acquired from the housing and consumer electronics businesses to design comfortable experiences, including the time before and after users get in the car, and propose a cabin space concept model. Using human understanding logic as a core, we will personalize cabin space to propose the value of new mobility experiences.

In terms of environmental issues, we have achieved net-zero CO₂ emissions at all of our sites, and are committed to energy conservation of 3% annually and promoting the introduction of renewable energy. Going forward, we will strive to achieve the ratio of non-external dependency on renewable energy supply of 50% by fiscal year ending March 31, 2031 (fiscal 2031).

We will leverage our partnership with Apollo to maximize our potential. In doing so, we will be the global leader in the automotive electronics industry and provide new value to automobiles and mobility experiences, with our customers.

Connect (Panasonic Connect Co., Ltd.)

Top Message



Contributing to solving management issues of B2B customers

I have made steady progress in selection and concentration, narrowing our focus to business areas where we have a competitive advantage. We will increase our competitiveness through concentrated investment in the supply chain management business in order to contribute to solving management issues that our customers face at the gemba (operational frontlines). At the same time, we will continue to promote cultural reform and build a foundation that will drive change.

Yasuyuki Higuchi President & CEO

Market opportunities	Advantages
<p>[Blue Yonder]</p> <ul style="list-style-type: none"> ● Demand for companies' supply chain transformation continues to grow. <p>[Avionics]</p> <ul style="list-style-type: none"> ● A recovery trend of passenger demand can be seen and demand for in-flight entertainment communication is growing. 	<p>[Blue Yonder]</p> <ul style="list-style-type: none"> ● An end-to-end SCM solution that straddles multiple companies applies advanced AI ● Customer base that involves more than 3,000 global companies <p>[Avionics]</p> <ul style="list-style-type: none"> ● Astrova, a new product that is ahead of other companies and supports the narrow-body market ● Enhanced apps that help the deployment of a multiple-orbit satellite communication service and provide attractive content

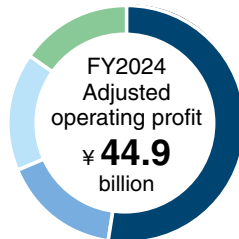
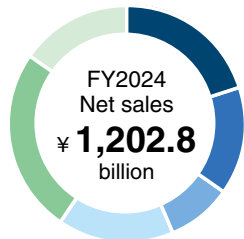
Company Profile

<https://connect.panasonic.com/en/about/profile>

Sustainability

<https://connect.panasonic.com/en/about/sustainability>

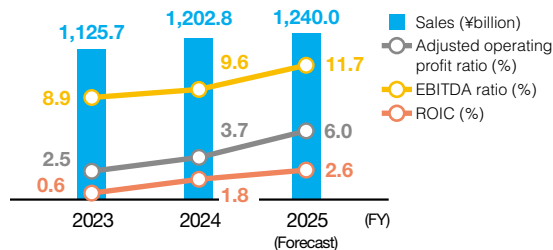
Sales composition image | Profit composition image



- Avionics (Aircraft in-flight entertainment systems and communications services, etc.)
- Process Automation (Electronic components-mounting machines, welding equipment, etc.)
- Media Entertainment (Projectors, etc.)
- Mobile Solutions (PCs and tablets)
- Gemba Solutions (Solutions for various industries, installation/operation/maintenance services, etc.)
- Blue Yonder (Supply chain management software, etc.)

(Note) Process Automation and Blue Yonder in the profit composition image are not shown in the pie chart above because the amounts are negative.

Business performance



Medium-term management indicators (KGIs)

Cumulative operating CF (FY2023-FY2025) **¥255.0 billion***

EBITDA (FY2025) **¥145.0 billion***

ROIC (FY2025) **2.6%**

Excludes Blue Yonder which is an investment area ROIC (FY2025) **11.7%**

Key points of the growth strategy

Connect has been focusing on three factors that drive the improvement of corporate value: business location reform, sharpened operation reform, and culture reform. We have made steady progress in selecting and concentrating on business location reforms over the past seven years, thereby completing three business sellouts, eight business terminations, factory closures at four sites, and three M&As by Blue Yonder.

Connect aims to achieve 200 billion yen of EBITDA by fiscal 2028. We will make a concentrated investment of 200 million dollars in Blue Yonder, which is a growing area, in the first three years, so that it can establish itself as the category leader of the SCM software business. The SCM solution provided by Blue Yonder strides across multiple companies from upstream to downstream in the customers' value chain in an end-to-end manner. As such, we aim to optimize the supply chain autonomously by the power of the software to which advanced AI is applied. For Avionics, we expect that a recovery trend of passenger demand can be seen and demand for in-flight entertainment communication will grow. We will accelerate our business strategy for taking the initiative in in-flight entertainment from both sides of the hardware after introducing next-generation IFE and the service system. For other business areas too, we will increase our revenue stably in the markets in which we have a competitive advantage over other companies, and at the same time, we will implement a thorough operation reform and strive to increase productivity. Under the slogan of "Continue to take on new challenges," Connect will continue to advance reforms.



For more detail, see also

["Panasonic Group Operating Companies' Strategy Briefing 2024 \(June 6-7, 2024\)."](#)

*Revised due to the transfer of the imaging business from Panasonic Connect Co., Ltd. to Panasonic Entertainment & Communication Co., Ltd.

Industry (Panasonic Industry Co., Ltd.)

Top Message



Aiming to lead society's transformation in areas where social demand is strong and continuous evolution is required

Facing on three areas, such as Automotive CASE, ICT Infrastructure, and Factory Automation, in which social demand is strong and growth is expected, I aim to work with our customers to lead society's transformation. At the same time, I also focus on initiatives to support sustainable growth of our business, such as the realization of carbon neutrality and human capital management.

Shinji Sakamoto CEO

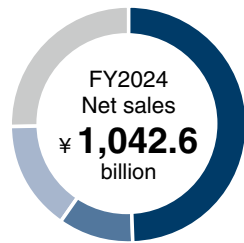
Corporate site

<https://www.panasonic.com/global/industry/>

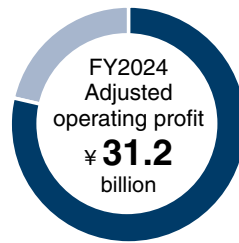
Product site

<https://industrial.panasonic.com/ww>

Sales composition



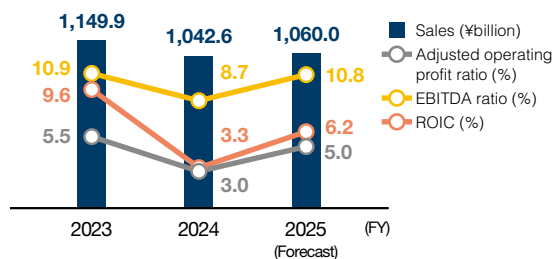
Profit composition image



- Electronic Devices (Conductive polymer electrolytic capacitors, EV relays, etc.)
- FA Solutions (Motors for industrial application (Servomotors), PLCs (Programmable controllers), etc.)
- Electronic Materials (Multilayer circuit board materials, Semiconductor device materials, etc.)
- Others

(Note) FA Solutions and Others in the profit composition image are not shown in the pie chart above because their amount is negative.

Business performance



Medium-term management indicators (KGIs)

Cumulative operating CF (FY2023-FY2025) **¥300.0** billion or more

ROIC (FY2025) **6.2%** or higher

Market opportunities	Advantages
<ul style="list-style-type: none"> ● Expansion of the generative AI server market (2023–2028 CAGR: 23%) ● Expansion of the eco-cars/ADAS market (2023–2028 xEV market CAGR: 20%) 	<ul style="list-style-type: none"> ● Retaining the industry's leading performance and holding the top market share position in capacitors/multilayer circuit board materials ● Demonstrating high share performance of and establishment of a preceding global supply capability of automotive capacitors

Key points of the growth strategy

While demand for devices is increasing with the market environment such as rise of generative AI servers in the information and communication infrastructure sectors and the growth in demand for eco-cars in the automotive sector, our devices which have characteristics and competitive advantages in materials and processes are holding a leading market share position in capacitors and electronic materials, as they continue to meet market demands. Moreover, we have aggressively continued to invest in human resources, IT, and research and development toward medium-term growth, despite the sluggish economy and challenging business environment.

In fiscal 2025, we will steadily expand the growing markets of, for example, eco-cars and generative AI servers and aim to improve profitability by reinforcing the competitiveness of the FA solutions business in China. Furthermore, we are promoting rationalization and reviewing fixed costs so that we can anticipate an increase in sales and profit.

For medium-and-long-term prospects for growth, we will prioritize further investment in the materials and processes businesses, which are highly profitable and have a clear point of differentiation. We will be engaged in the preceding of the global supply capabilities, the acceleration of development speed with the use of automated experiments, and the practical application of sophisticated devices by advancing our proprietary technologies, and continue to refine our strengths, so that we can continuously meet the demands of the growing market. For the FA solutions business, we will aim at improving the profitability and expanding the business in China and other regions through initiatives such as strengthening our product capabilities through industry-academia collaboration. Through these efforts, we will aim to build a strong management structure that enables us to ensure stably secure double-digit operating profit margins.

▶ For more detail, see also [“Panasonic Group Operating Companies’ Strategy Briefing 2024 \(June 6-7, 2024\).”](#)

Energy (Panasonic Energy Co., Ltd.)

Top Message



Moving forward step by step without stopping to accomplish our mission

I am aiming for a company that delivers energy that is vital for humankind and provides our contributions to society. Our goal is not to produce batteries, but to solve problems that lie ahead, in other words, to accomplish our mission. In order to achieve this goal, we will pursue “two-pillar management” driven by In-vehicle business and Industrial/Consumer business, as well as ESG management.

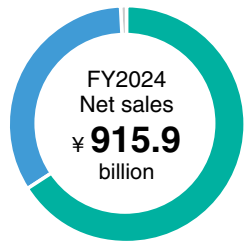
Kazuo Tadanobu CEO

Market opportunities	Advantages
<ul style="list-style-type: none"> ● Growing demand for EVs and sophistication of requirements for power supply for data centers due to the evolution of generative AI ● Heightened environmental awareness and growing demands for BCP during disasters ● Increase in demand for automotive batteries manufactured in North America by enforced U.S. Inflation Reduction Act 	<ul style="list-style-type: none"> ● Technological capabilities that develop high-capacity, high-reliability batteries and advanced system control ● Market creativity that has solved many problems in society, such as the creation of a market for stockpiling dry batteries ● Reliability and a proven track record of our company establishing a business foundation early in North America and continuing to supply high-quality products

Panasonic Energy corporate site
<https://www.panasonic.com/global/energy/>

Panasonic Energy sustainability site
<https://www.panasonic.com/global/energy/sustainability.html>

Sales composition*1

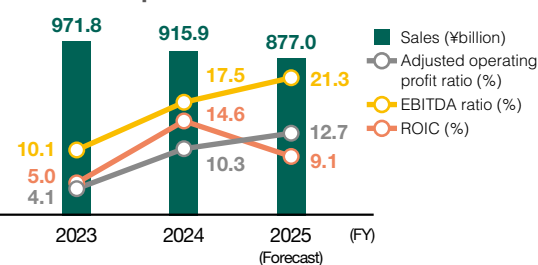


Profit composition*1



- In-vehicle (Automotive cylindrical lithium-ion batteries, etc.)
- Industrial/Consumer (Lithium-ion batteries for industrial/consumer, storage battery modules/systems, primary batteries (dry batteries, lithium primary batteries), etc.)
- Others

Business performance*1



Medium-term management indicators (KGI)*1

Cumulative operating CF (FY2023-FY2025) **¥330.0 billion**

ROIC (FY2025) **9.1%**

EBITDA (FY2025) **¥187.0 billion**

CFP*2 halved (FY2031 (compared to FY2022))

Key points of the growth strategy

In order to achieve medium- to long-term growth, we are implementing two-pillar management driven by the growth potential in the in-vehicle business and the profitability in the industrial/consumer business. At the same time, we are promoting ESG management to provide further contributions to society. In order to achieve our growth, we have made various investments, for example, the construction of a new automotive battery factory in Kansas in the U.S., to solidify our foundation. We will further strengthen our business structure for the earnings expansion phase from fiscal 2028 onward.

In our in-vehicle business, we have been developing new customers and working on bolstering our supply chain by increasing the local procurement ratio of graphite and other materials. In order to expand cell size lineup by increasing capacity, we have also been promoting the commercialization of the next-generation product 4680 cells. In the future, we will expand our sales channels to Japanese customers too to shift from focus on North America to Japan and America dual regions focus, so that we can enhance our revenue base. While we will promote improving the supply hub for domestic customers in Japan, we will aim to maximize profits by improving productivity in North America.

In our industrial/consumer business, we have been trying to maximize the value provided to society with our battery applied systems, such as starting mass production of power supply systems for generative AI servers. Moreover, we started operations at the Nishikinohama Factory, a new factory in Osaka, Japan for producing dry batteries thereby organizing a supply system to support people's daily lives. We aim to provide our further contributions in the areas of social and living infrastructure and electrification of power equipment, which are expected to grow in the future.

In ESG management, we have been promoting zero CO₂ emissions in our factories in an effort to reduce environmental impact. We aim to achieve zero CO₂ emissions in all of our sites in Japan by fiscal 2025 and all of our global sites by fiscal 2029. We will continuously strive to reduce our carbon footprint by half through the use of recycled materials.

For more detail, see also [“Panasonic Group Operating Companies’ Strategy Briefing 2024 \(June 6-7, 2024\).”](#)

*1 Includes the impact of the U.S. Inflation Reduction Act tax credit *2 carbon footprint