



Lifestyle (Panasonic Corporation)

Top Message



Masahiro Shinada
CEO

Achieving well-being and sustainability

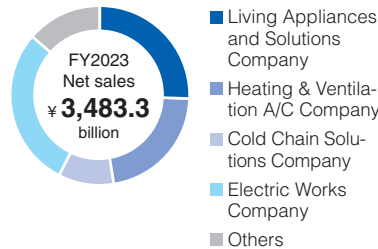
My job is to enable customers to have lifestyles that balance well-being and sustainability. To be a business entity that can both “maintain and improve well-being” and “solve social and global issues,” we will transform our portfolio to focus on seven priority businesses. At the same time, we will halve CO₂ emissions in our own value chain by fiscal year ending March 31, 2031 (fiscal 2031) and contribute to avoided emissions in society by expanding businesses such as A2W*.

*Air to Water heat pump

Major products and services

| | |
|---|---|
| Living Appliances and Solutions Company | Refrigerators, microwave ovens, rice cookers, washing machines, vacuum cleaners, personal-care products |
| Heating & Ventilation A/C Company | Air-conditioners for residential and commercial use, Air to Water heat pumps, ventilation, perflation and air-conditioning equipment, air purifiers, air purifier/sterilizers |
| Cold Chain Solutions Company | Freezing or refrigerating showcases |
| Electric Works Company | Lighting fixtures, lamps, wiring devices, solar photovoltaic systems, fuel cells |
| Others | Compressors, bicycles, nursing care services |

Net sales composition



Medium-term management indicators (KGIs) and progress

EBITDA
(FY2025)
¥**350.0** billion (10%)

Cumulative operating CF
(FY2023-FY2025)
¥**660.0** billion

ROIC
(FY2025)
10 % or higher

Profits increased in fiscal 2023, driven by growth businesses such as HVAC systems and overseas electrical construction materials. Weakening in the external environment, such as soaring raw material and logistics costs, was compensated for by stronger operational capability, including price revisions. In fiscal 2024, we expect to see another increase in profits, driven primarily by our growth leader businesses but supplemented by improved profitability in our stable profitability businesses. We will absorb soaring material prices through rationalization.

Medium-term investment for fiscal 2025 increased by ¥90 billion, mainly in growth businesses, to ¥455 billion. We aim to achieve our medium-term KGIs by investing the operating cash flow generated by our own operations in growth businesses in a focused manner.



For more detail, see also
“Panasonic Group Operating Companies: Strategy Briefing 2023.”

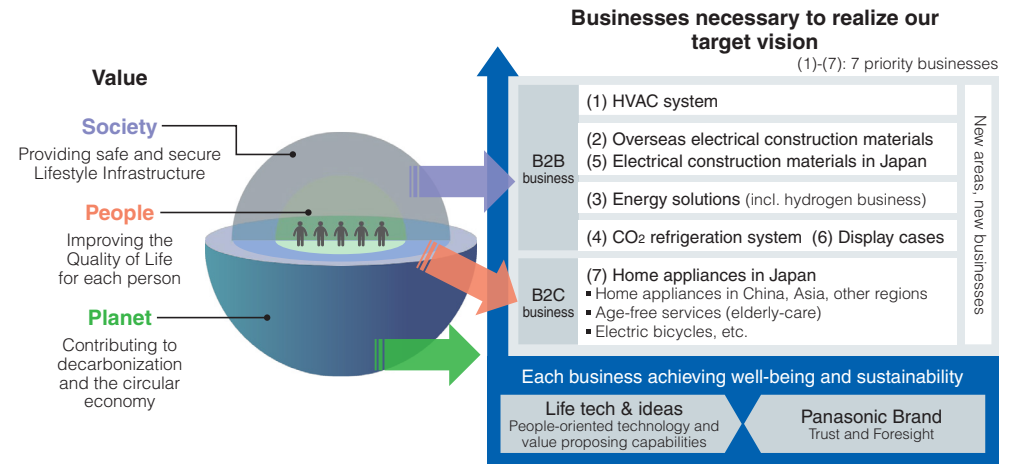
Medium- to Long-term Strategy

Looking to the future, we will grow profits in seven priority businesses, including HVAC systems and overseas electrical construction materials, while moving into new areas and new businesses to fill in the missing pieces. By integrating all the elements and values associated with “lifestyle,” we aim to be a company that can both “maintain and improve well-being” and “solve social and global issues,” which no other company can do.

We have classified the seven priority businesses into three categories: growth leaders, leader candidates, and stable profitability businesses. To accelerate the transformation of our portfolio with a sharper focus than ever before, we will link market growth and investment approaches in each category and assemble strategies and investments that fit each category.

To achieve our target vision for 2030

The best partner that can both
“maintain and improve well-being” and “solve social and global issues”



Investment approach in the seven priority businesses

| Category | Corresponding priority businesses | Basic strategy |
|-----------------------------|---|--|
| Growth leaders | (1) HVAC system (2) Overseas electrical construction materials | Upfront investment in a way that sets the pace of market development |
| Leader candidates | (3) Energy solutions (4) CO ₂ refrigeration system | Increased sales and profit through focused investment in growth areas |
| Stable profitability | (5) Electrical construction materials in Japan (6) Display cases (7) Home appliances in Japan | Improved profitability through value-added investments and operational reforms |

Automotive (Panasonic Automotive Systems Co., Ltd.)

Top Message



Masashi Nagayasu
CEO

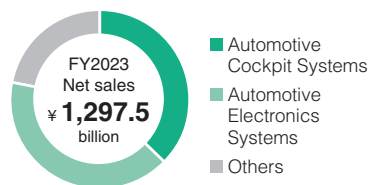
Aiming to create a “sustainable mobility society”

My job is to pursue the fulfillment of our mission, which is “to create a sustainable mobility society to promote a better life for everyone.” Panasonic Automotive will contribute to solving environmental issues and create mobility spaces that bring new value from the perspectives of human security, human comfort, and vehicle safety. To this end, we will create top-notch teams that stay close to others with love and create encounters that move their hearts.

Major products and services

- Automotive Cockpit Systems** Automotive-use infotainment systems
- Automotive Electronics Systems** Head-up displays, automotive speakers, automotive switches, advanced driver assistance systems (ADAS) and related devices, systems and devices for xEVs, Interior rearview mirrors

Net sales composition



Medium-term management indicators (KGIs) and progress

Cumulative operating CF
(FY2023-FY2025)

¥200.0 billion

ROIC
(FY2025)

6.4 %*

*Revised from initial target value (8.5%)

For the three years beginning in fiscal year ended March 31, 2023 (fiscal 2023), we will focus on strengthening our operational capability and ability to respond to change to improve profitability and cash flow. Compared to our June 2022 forecast, net sales are expected to increase due to the impact of currency conversions and growth mainly from cross-selling to customers. Despite the fact that the operating profit margin is steadily improving, operating profit is expected to decrease due to the soaring cost of parts and materials and the impact of currency conversions, with the three-year cumulative operating profit expected to decrease by an amount equivalent to the currency conversion impact. However, cumulative operating CF will recover from the deterioration caused by the decline in profits through inventory reductions, thereby maintaining the KGI target. The ROIC for fiscal 2025 has been revised to 6.4% from the original 8.5% to reflect the currency conversion impact.

In fiscal 2028, we aim to achieve an operating margin of 5% and ROIC of 8.5% by focusing on high-output onboard charging systems and the automotive cockpit systems business to improve profitability.

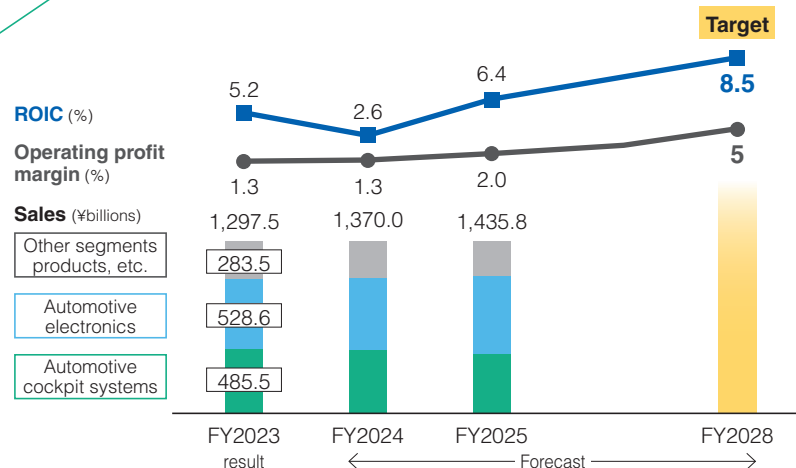
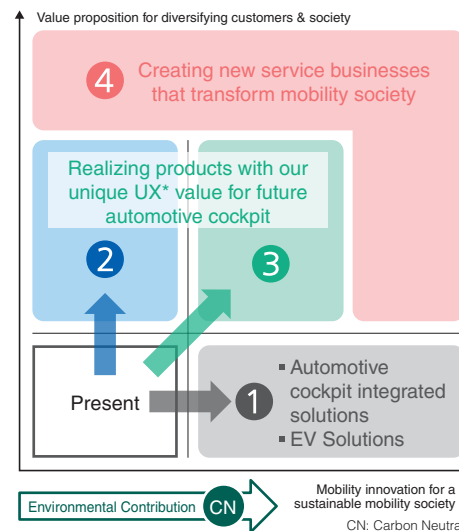
▶ For more detail, see also [“Panasonic Group Operating Companies: Strategy Briefing 2023.”](#)

Medium- to Long-term Strategy

Our automotive cockpit integrated solutions integrate multiple in-vehicle computers into a High Performance Computer (HPC), taking advantage of our strengths in infrastructure technologies such as virtualization. The goal is to achieve high-performance processing and record sales in 2030. In our EV solutions, we are expecting a significant increase in demand high-output onboard charging systems, and we are currently working to win orders by focusing on those areas where we can ensure appropriate profitability (area ① on the right). In the creation of new UX value, we will promote solution proposals with clear target markets, such as families, seniors, and executives (areas ② and ③). We will create new services required for the new mobility society, such as an automatic vehicle dispatch planning system (④). In terms of environmental contributions, we achieved zero CO₂ emissions in Scope 1 and 2* in fiscal 2023. We will continue to improve our non-external dependence on renewable energy and aim to achieve 100% by fiscal 2051.

*Scope 1 and 2: CO₂ emissions from our own business activities

Value matrix and business direction toward 2030





Connect (Panasonic Connect Co., Ltd.)

Top Message



Yasuyuki Higuchi
President & CEO

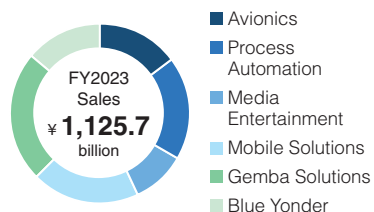
Contributing to solving management issues of B2B customers

Over the past six years I have made steady progress in selection and concentration, narrowing our focus to six 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). Cultural reform is one of the sources of competitiveness, and we are proud to be a leader in reform within the Panasonic Group.

Major products and services

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

Net sales composition chart



Note: "Others" is not shown in the above pie chart because the amounts are negative due to the effect of eliminations and adjustments.

Medium-term management indicators (KGIs) and progress

Cumulative operating CF (FY2023-FY2025)

¥260.0 billion

ROIC (FY2025) **4.6** %

EBITDA (FY2025) **¥150.0** billion

In fiscal year ended March 31, 2023 (fiscal 2023), EBITDA reached 99.9 billion yen, almost in line with our plan, led by the recovery of Avionics to a profit-generating business structure in second half of the fiscal year. In fiscal 2024, we are forecasting this to increase to 112.0 billion yen due to increased profits in each of our businesses, especially Avionics, and our medium-term management plan for fiscal 2025 anticipates achieving 150.0 billion yen. We have therefore set an EBITDA target of 200.0 billion yen for fiscal 2028 (100 billion yen for Avionics and Blue Yonder, and another 100 billion yen for Process Automation, Media Entertainment, Mobile Solutions, and Gemba Solutions Company).



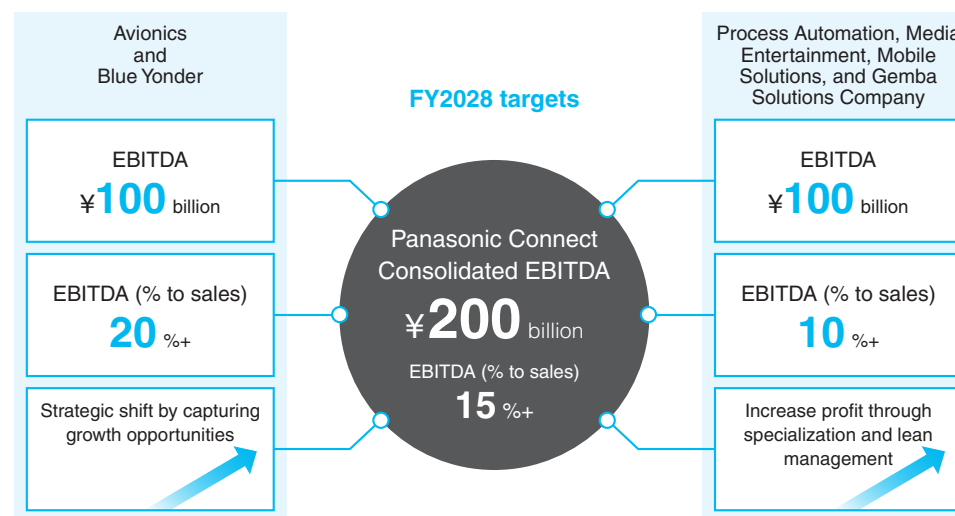
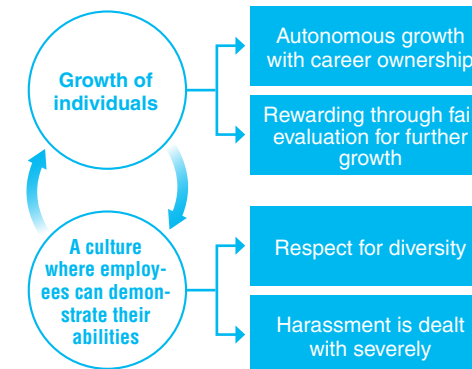
For more detail, see also ["Panasonic Group Operating Companies: Strategy Briefing 2023."](#)

Medium- to Long-term Strategy

In the Avionics business, the in-flight entertainment system (IFE) market is expected to grow in line with the recovery in the number of passengers and aircraft production. We will enhance our value chain in terms of both hardware, by introducing next-generation IFEs, and service systems. With regard to Blue Yonder, we will make a concentrated investment of 200 million US dollars over the next three years to establish our position as a category leader in the supply chain management software business. In the other business areas as well, we will strive to expand revenues steadily in markets where we have a strong competitive edge, while at the same time thoroughly reforming operations and improving productivity.

We will also invest 6 billion yen in human resources annually. The goal is to increase our corporate value through the development of our employees, not only through individual growth but also by establishing a culture that enables employees to demonstrate their abilities.

Human resource strategy to enhance corporate value



Industry (Panasonic Industry Co., Ltd.)

Top Message



Shinji Sakamoto
CEO

Focus on three areas: automotive CASE*, information & communication infrastructure, and factory labor-savings

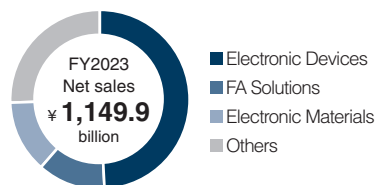
I am working to achieve our medium- to long-term management objectives by focusing on three areas where social demand is high and growth is expected to exceed the industry average, and by increasing the weight of four core businesses. At the same time, I am focusing on initiatives to support sustainable business growth, such as strengthening human capital management, taking on the challenge of becoming carbon neutral, and improving operational efficiency through digital management transformation.

*Acronym for "Connected, Autonomous/Automated, Shared, and Electric"

Major products and services

- Electronic Devices** EV relays, conductive polymer electrolytic capacitors, film capacitors for xEVs, hybrid aluminum electrolytic capacitors, automotive and HVAC motors
- FA Solutions** Motors for industrial application (servo-motors), PLCs (programmable controllers), photoelectric sensors, laser markers
- Electronic Materials** Multilayer circuit board materials, semiconductor device materials, molding compounds

Net sales composition



Medium-term management indicators (KGIs) and progress

Cumulative operating CF

(FY2023-FY2025)

¥390.0
billion or more

ROIC

(FY2025)

17 % or higher*

*Revised from initial target value (20%)

In fiscal year ended March 31, 2023 (fiscal 2023), although profit declined due to worsening market conditions starting in the second half of the fiscal year, cash flow from operating activities improved significantly from the previous fiscal year as we strengthened operational capability through inventory optimization and other measures, and we were able to generate capital for growth investment.

In fiscal 2024, although the recovery in the market is expected to remain gradual, we will continue to increase production of products for high-growth EVs. We will also invest in R&D, human resources, and digital management transformation at a scale that exceeds the previous year. We expect that full-scale market recovery in the information & communication infrastructure, ICT terminal, and China FA markets will be delayed until fiscal 2025.

With regard to medium-term management indicators (KGI), we are maintaining the cumulative operating cash flow KGI at ¥390 billion or more, but revising the ROIC to 17% or more in light of the slow recovery in the market.

▶ For more detail, see also

[“Panasonic Group Operating Companies: Strategy Briefing 2023.”](#)

Medium- to Long-term Strategy

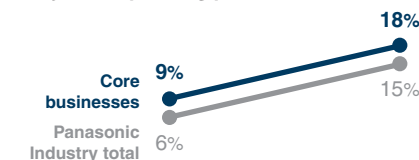
In the three areas where growth is expected, we will increase the weight of the four core businesses of EV Relays, Capacitors, Electronic Materials, and FA Solutions, where we have strengths in materials and process technologies, aiming for net sales of ¥1.8 trillion and an adjusted operating profit ratio of 15% in fiscal 20231.

We will strive for business growth in these four core businesses by advancing our strengths in materials and process technologies to further refine our unique competitiveness.

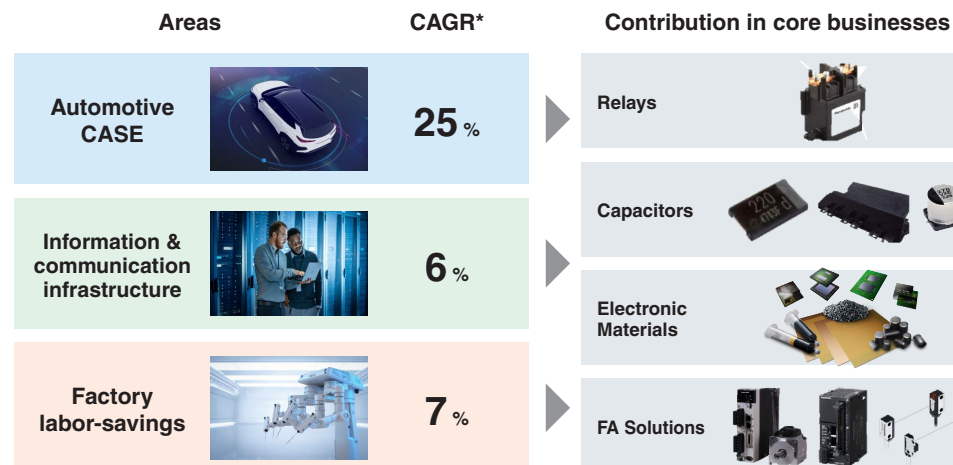
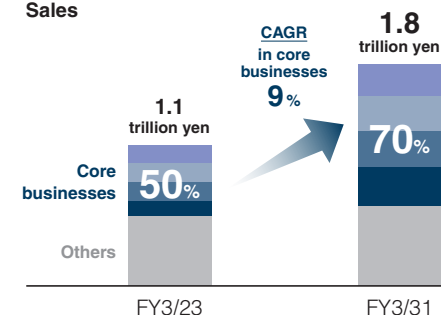
In addition, in order to build a supply chain that is resilient to changes in the external environment, we will develop a local-completion system in China, a key market, and optimize our global supply system outside of China.

In addition, we aim to achieve sustainable growth by strengthening human capital management, taking on the challenge of becoming carbon neutral in fiscal 2031, and promoting operational efficiency through digital management transformation.

Adjusted operating profit ratio



Sales



*CAGR: Forecasts of growth rate for representative applications in each area (Our estimate based on various survey data)

Energy (Panasonic Energy Co., Ltd.)

Top Message



Kazuo Tadanobu
CEO

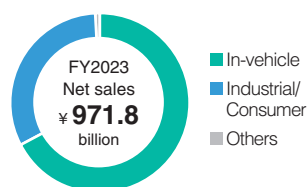
Achieving a society in which the pursuit of happiness and a sustainable environment are harmonized free of conflict

Panasonic Energy has two businesses: the In-vehicle Business, which is rapidly expanding, and the Industrial and Consumer Business, which supports social and lifestyle infrastructure. I aim to achieve sustainable growth through two-pillar management of these two businesses as well as ESG management, with the goal of reaching net sales of over ¥3 trillion by fiscal year ending March 31, 2031 (fiscal 2031). In terms of environmental initiatives, as the core business that accounts for 60% of the Group's avoided emissions target, we will contribute to reducing CO₂ emissions under the "Panasonic GREEN IMPACT."

Major products and services

| | |
|---------------------|--|
| In-vehicle | Automotive cylindrical lithium-ion batteries |
| Industrial/Consumer | Lithium-ion batteries, storage battery modules/systems, dry batteries, primary/secondary lithium batteries, nickel-metal hydride batteries |

Net sales composition



Medium-term management indicators (KGIs) and progress

Cumulative operating CF (FY2023-FY2025)

¥**330.0** billion

ROIC (FY2025) **12%** EBITDA (FY2025) ¥**150.0** billion

CFP halved (FY 2031 (compared to FY 2022))

Excludes impact of U.S. Inflation Reduction Act tax credit and new investments such as the Kansas factory

As medium-term management targets, in addition to KGIs common to the Group such as cumulative operating cash flow and ROIC, we have set EBITDA and carbon footprint (CFP) as our own KGI targets and are working to reach them.

In fiscal 2023, we made steady progress in our In-vehicle Business by starting construction of a new factory in Kansas, U.S.A., and in our Industrial and Consumer Business by investing in high-capacity cells for infrastructure applications. In terms of strengthening competitiveness, in the In-vehicle Business, the Nevada factory achieved a productivity and loss improvement that exceeded the initial target by more than 10%. In terms of CFP reduction, we are promoting carbon neutrality at our own sites, and we are promoting strategic supply contracts for the use of recycled materials and low CFP materials to reduce our CFP in the supply chain.



For more detail, see also ["Panasonic Group Operating Companies: Strategy Briefing 2023."](#)

Medium- to Long-term Strategy

In the In-vehicle Business, we aim to expand production capacity to 200 GWh by fiscal 2031 and achieve net sales of ¥2.5 trillion. By the end of fiscal 2024, we plan to make a decision on the next new production site in North America following the Kansas factory currently under construction. Along with the construction of the new factory, we will promote the strengthening of competitiveness and supply chain resilience. In order to strengthen our competitiveness, we will increase the production capacity of the Nevada factory by 10% in fiscal 2026 in pursuit of boosting energy density and higher productivity. For the 4680-size cells currently under development, we plan to start up production using a technology for higher energy density than originally planned. At the Kansas factory, we will leverage our experience at the Nevada factory to further increase the rate of automation.

In the Industrial and Consumer Business, we will focus on social and lifestyle infrastructure, which is expected to grow in the medium to long term, and expand the advanced system business into data centers and construction machinery.

On the environmental front, we will promote global decarbonization efforts with the aim of halving our CFP by fiscal 2031.

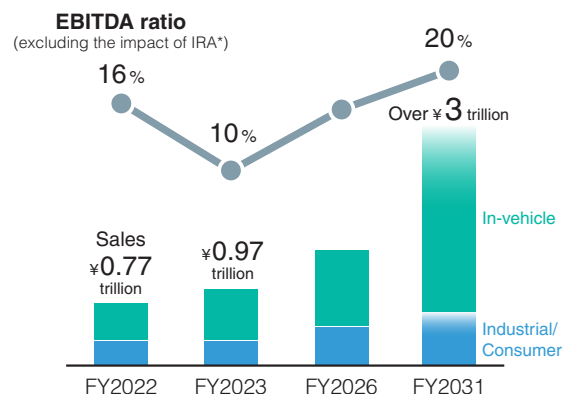
In-vehicle business strategy

| Strategy Framework |
|--|
| "North America" & "Cylindrical cells" are the key to respond to the rapidly growing market ▶ Global production capacity to be boosted to 200 GWh in FY2031 |
| Major Initiatives |
| <ul style="list-style-type: none"> Competitiveness (Higher battery capacity, Higher productivity and investment efficiency) Supply Chain Enhancement (Procurement localization in North America, Utilization of recycled materials, etc.) Boosting Production Capacity (New site location in North America to be determined by the end of FY2024) |

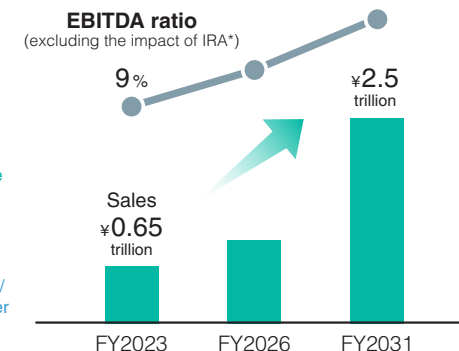
Industrial/Consumer business strategy

| Growing area | |
|--|---|
| [Data Centers] <ul style="list-style-type: none"> Long-term reliability and power saving for equipment Module integration to differentiate from competitors | [Residential Energy Storage] <ul style="list-style-type: none"> Fewer duplicated functions and enhanced safety by unit integration for more competitiveness |
| New area | |
| <ul style="list-style-type: none"> Construction machinery, motorcycles, etc. (electrification) Solution co-creation with industry-leading customers | |

Energy segment as a whole



In-vehicle business



* IRA: U.S. Inflation Reduction Act