



Back in the Spotlight

Panasonic is a well-known name in the world of electronics, and today it has a hand in nearly every field imaginable. Throughout its history, bicycles have played a significant role, and the company aims to amplify this involvement once again.



Though it's been a few years, Panasonic's legacy in the e-bike sector remains unforgettable. At the dawn of e-bike development, Panasonic was the market leader in Central Europe, laying the groundwork for customer trust and enabling the entire market to flourish.

The brand Flyer, in particular, helped propel Panasonic's drive systems into widespread use. Today, Panasonic still holds a leading position, but not in Europe; instead, it reigns supreme in its home market of Japan.

In Japan, Panasonic has solidified its dominance, expanding its market significance to over 60% — not just as a drive system supplier, but as a manufacturer of complete e-bikes. Analysts estimate that around 742,000 e-bikes were sold in Japan in 2023, with Panasonic accounting for over 445,000 units. The company operates a large-scale e-bike production facility in Osaka, focusing on steel bikes tailored to the needs of the local and Asian markets. The drive systems developed for Europe are only used in limited quantities there, as more affordable two-axis systems are favoured — these are robust and durable but lack the performance and weight optimization of their Western counterparts.

Within the Panasonic conglomerate, the Panasonic Cycle Technology (PCT) business unit oversees the bicycle market. Based in Osaka, it produces bikes under conditions that rival European factories. In fact, PCT boasts unique features across its 23,000 square meters of factory space that are hard to find in Europe.

In-house frame production

One standout aspect of the Osaka facility is its extensive frame production, where welding and soldering are still performed on a large scale. Most bikes produced in Japan are built on steel frames, and the factory is designed accordingly. Welding robots, sourced from within the Panasonic group, connect steel tubes with minimal tolerances. While the process isn't fully automated — handwork is still required for soldering joints — automation is maximized wherever possible, including in the state-of-the-art painting facility. This factory exemplifies that efficient frame production is indeed feasible in a highly developed industrial nation. Once completed, the bikes are assembled by employees on another floor, naturally using Panasonic power drills.

A unique feature of bike production in Osaka is the continued offering of custom-made frames. Although this segment produces fewer than 1,000 frames annually, the skilled workers fulfil all feasible customer requests. Steel and titanium are available as frame materials, and surprisingly, the majority of customers opt for the steel version. This preference is largely due to the clientele being professional or highly ambitious cyclists, often from the local Keirin scene, who have precise specifications about where they want extra material and where they don't.

The third major component of production in Osaka is the assembly of drive systems. Here, various components are put together before being either installed one

floor up or sent for export. This is where it gets interesting for the European market. Panasonic has ambitious plans to reclaim lost ground in Europe through a multi-year, multi-phase strategy. They are working on a product offensive aimed at restoring the significance of Panasonic motors. However, they recognize that a good product alone isn't enough; excellent service is also crucial. This service will not be managed from Japan but will instead involve building a service network with reputable partners to support local markets. Starting in April 2025, Cyklo Zitny from the Czech Republic will be responsible for Eastern Europe, Messingschlager from Germany for Western Europe, and PIPPOWHEELS from Italy for Southern Europe.



This electric bicycle from Panasonic, sold at the time under the National brand, is considered the seed of today's electric bike.



Panasonic bicycles are, of course, manufactured using Panasonic tools. There is hardly a category in which Panasonic does not offer a suitable product.



Panasonic and the bicycle

The history of Panasonic is more closely tied to bicycles than one might initially think. This connection largely stems from the company's founder, Konosuke Matsushita, born in 1894. At the age of nine, he had to leave school to earn money. After three months in a department store that went out of business, he found

an apprenticeship in a bicycle shop. At 13, he sold his first bicycle. Legend has it that a customer requested a 10% discount, which the shop owner refused despite Konosuke's pleas. The customer settled for a 5% discount but was impressed by the young seller's dedication, promising to buy all future bicycles from him.



The lesson for the young businessman was that “honesty that touches another person's heart is essential in business.” He remained in the bicycle business for six years before finding the courage to move on. “Everything I am today is the result of what I learned in those six years,” he later reflected. His transition was also influenced by the rise of electricity, which made him doubt the future of bicycles. He joined the Osaka Electric Company, where he quickly advanced, but his ideas, like a self-developed lamp socket, were ignored, and the pay was

meagre. He decided to become an entrepreneur to produce and sell his own products. Thus, Matsushita Electric was born. He soon succeeded in production with partners and friends (all young, the youngest being just 15), but sales initially faltered. The breakthrough came unexpectedly with other products, particularly a self-developed battery-powered bicycle lamp. With a 30-hour runtime, it was revolutionary at a time when candles, oil lamps, and carbide lights were the norm. Konosuke established a nationwide distribution system for the lamp,

initially placing it in stores on a consignment basis. An improved version that also functioned as a flashlight was marketed under the new brand name “National”. With an aggressive sales strategy, “National” eventually became synonymous with “flashlight” in Japan, with sales peaking at 3 million units monthly before World War II.



Long-term plans for Europe

In Japan, there's already a long-term plan in place. The responsible managers understand the market and do not expect drastic shifts in sales figures. Instead, they aim to win over customers step by step. The choice of partners is closely tied to this strategy. Initially, they want to

gain market share in Eastern Europe, where they still see relevant volumes to build upon. Following that, they aim to increase the presence of the Panasonic name in more electrically assisted bicycles in Southern Europe. Only then will they focus on the highly competitive markets

in Central Europe. It's a strategy of patience rather than impulsiveness. From this position, the chances of re-establishing a foothold in the market or even shaping it further seem promising. It will be exciting to see where this journey leads.

The bicycle market in Japan

The Japanese bicycle market exhibits some remarkable characteristics, particularly when compared to the European market. With a projected population of nearly 124 million in 2024, Japan recently saw the purchase of around 5 million bicycles and e-bikes — a figure that has nearly halved in just a few years. Notably, Japan demonstrates what a bicycle market can look like without bike leasing options. Of the 5 million bikes sold, fewer than one million

are equipped with electric motors. Moreover, a significant portion of these e-bikes falls into the (for European standards) lower price segment, with the most commonly sold models priced between €1,000 and approximately €1,400, depending on features. These bikes can be generously described as compact cargo bikes, primarily used for everyday tasks, especially for transporting children. Child seats are often standard equipment.

The drive systems used are typically affordable and straightforward two-axis systems that can accelerate to the legally permitted speed of 24 km/h in Japan. Due to their non-European standard specifications, these bikes cannot be imported, as manufacturers shy away from the high costs and complexities involved. In the home market, Panasonic is the leading manufacturer of e-bikes, holding over 60% market share.



Custom-made bicycles are a luxury that is also part of Panasonic's offerings. These custom frames are especially appreciated by cycling heroes of both the present and the past.