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**FOR IMMEDIATE RELEASE**

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**Panasonic to Reorganize Systems & Communications Company**

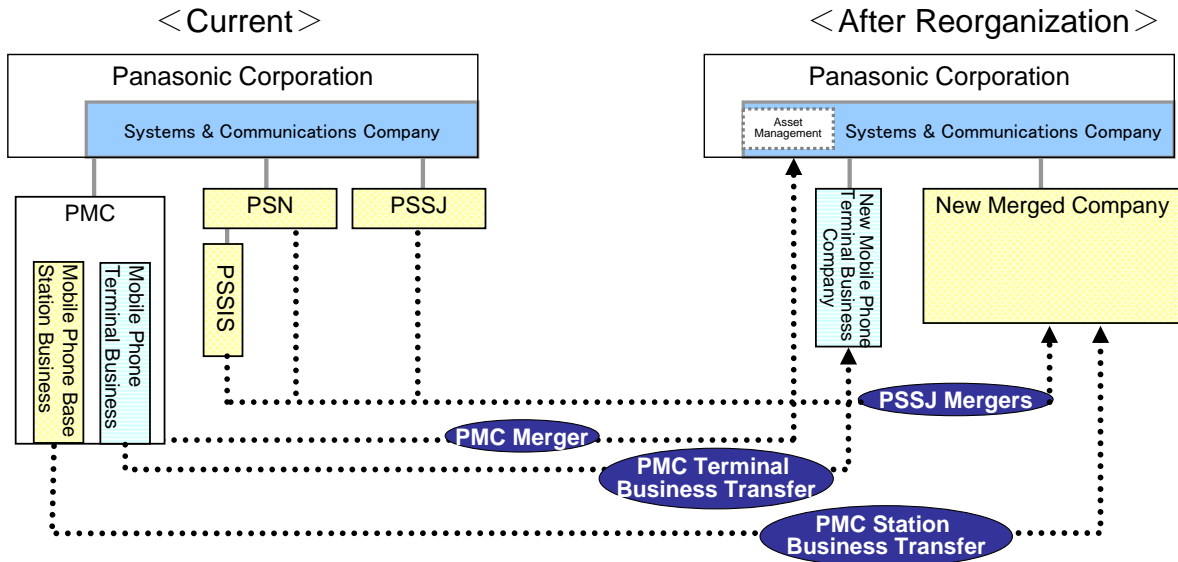
Osaka, Japan, October 31, 2012 – Panasonic Corporation ([NYSE:PC/TSE:6752] “Panasonic”) today announced that its Board of Directors decided to conduct mergers (“PSSJ Mergers”) where Panasonic System Solutions Japan Co., Ltd (“PSSJ”), a wholly-owned consolidated subsidiary of Panasonic, will absorb Panasonic System Networks Co., Ltd. (“PSN”), a wholly-owned consolidated subsidiary of Panasonic, and Panasonic System Solutions Infrastructure Co., Ltd. (“PSSIS”), a wholly-owned subsidiary of PSN. PSSJ Mergers are expected to take effect on March 1, 2013.

It was also decided that the mobile phone base station business of Panasonic Mobile Communications Co., Ltd. (“PMC”), a wholly-owned consolidated subsidiary of Panasonic, will be transferred, through a corporate split (“PMC Station Business Transfer”), to the newly merged company after implementation of PSSJ Mergers. At the same time, the mobile phone terminal business of PMC will be transferred to a new mobile phone terminal business company which will be newly incorporated through a corporate split of PMC (“PMC Terminal Business Transfer”). Then, Panasonic will absorb the remaining PMC (having only a function to hold and manage its assets) through a merger (“PMC Merger”) with an expected effective date of April 1, 2013. Details of the mergers and corporate splits are summarized below.

**1. Purpose of the Reorganization**

Panasonic aims for expansion of the solution business through unification of several functions for solution business, by integrating, through the merger, PSN and PSSIS, which are the companies for development and manufacture of systems, with PSSJ which is the sales and solution company, and switching to the business which is closely connected to the market and customers with an integrated operation of product development, manufacturing and sales. Further, Panasonic will seek improvement of its development capability and enhancement of its business capability, by integrating the PMC’s mobile phone base station business. With respect to the PMC’s mobile phone terminal business, by establishing a company specialized in the relevant

business, Panasonic will enhance its business capability and aim for maintenance and expansion of its business in the mobile phone terminal market. At the same time, Panasonic will effectively utilize assets of PMC by absorbing the entity left with the function to manage PMC's assets.



## **2. PSSJ Mergers (Simplified Procedure)**

### **(1) Purpose of PSSJ Mergers**

By unifying the system solution businesses which are currently divided into the company for development and manufacture, and the company for sales and solution, we ensure such business closely connected to the market and customers. At the same time, through unification of several functions for system solution, we will aim for expansion of the solution business.

### **(2) Summary of PSSJ Mergers**

#### **(a) Schedule of PSSJ Mergers**

In the middle of December, 2012 (planned): Resolution of the Board of Directors on the merger

In the middle of December, 2012 (planned): Signing of the merger agreement

March 1, 2013 (planned): Effective date of the merger

(Note: Among PSSJ Mergers, the merger of PSN by PSSJ will be conducted through the simplified procedures provided under the Company Law of Japan, by which resolutions of the shareholders' meeting of PSSJ will not be required, and the resolution of the shareholders' meeting of PSN is scheduled to be made in the middle of February 2013.

Furthermore, among PSSJ Mergers, the merger of PSSIS by PSSJ will be conducted through the simplified procedures provided under the Company Law of Japan, by which resolutions of the shareholders' meetings of PSSJ and PSSIS will not be required.)

(b) Method of PSSJ mergers

PSSJ, as the continuing company, will absorb PSN and PSSIS, which will be dissolved upon the merger.

(c) Allotment in relation to the merger

There shall be no allotment of shares or any other consideration upon PSSJ mergers.

(d) Treatment of stock acquisition rights and convertible bonds of the dissolving company

There are no stock acquisition rights or convertible bonds issued by PSN and PSSIS.

**(3) Basic information of PSSJ, PSN and PSSIS**

(As of September 30, 2012)

	Continuing Company	Dissolving Company	Dissolving Company
(1) Corporate name	Panasonic System Solutions Japan Co., Ltd. (PSSJ, which will change corporate name)	Panasonic System Networks Co., Ltd. (PSN)	Panasonic System Solutions Infrastructure Co., Ltd. (PSSIS)
(2) Head office	21-1, Ginza 8-chome, Chuo-ku, Tokyo, Japan	3-8, Shimomeguro 2-chome, Meguro-ku, Tokyo, Japan	600 Saedo-cho, Tsuzuki-ku, Yokohama City, Kanagawa, Japan
(3) Name and title of representative	President, Tsugio Iwasa	President, Toshiyuki Takagi	President, Akinori Yanase
(4) Principal lines of business	Sales of system equipment and AV equipment, plan, development and manufacture of software, etc., design and management of constructions, providing repair, maintenance and management support, and sales of information service, etc.	Development, manufacture and sales of surveillance and monitoring systems, verification and settlement systems, PBX, IP related equipment, business phone, document related equipment, etc.	Development and manufacture of wireless system network, infrastructure green power system, social infrastructure systems, etc.
(5) Stated capital	350 million yen	29,845 million yen	90 million yen
(6) Date established	April 1, 2008	December 24, 1955	September 1, 1988
(7) Number of shares issued	137,601 shares	175,140,851 shares	4,000 shares
(8) Fiscal year end	March 31	March 31	March 31
(9) Major shareholders and shareholding ratio	Panasonic Corporation 100%	Panasonic Corporation 100%	Panasonic System Networks Co., Ltd. 100%

(10) Operating results and financial conditions for the year ended March 31, 2012	Panasonic System Solutions Japan Co., Ltd. (Non-consolidated, Japan G.A.A.P.)	Panasonic System Networks Co., Ltd. (Non-consolidated, Japan G.A.A.P.)	Panasonic System Solutions Infrastructure Co., Ltd. (Non-consolidated, Japan G.A.A.P.)
Net assets	37,011	74,188	5,071
Total assets	97,201	141,182	14,983
Shareholders' equity per share (yen)	268,543.61	422.62	1,266,798.64
Net sales	261,490	256,163	27,409
Operating profit (loss)	9,447	(6,108)	331
Ordinary income (loss)	9,597	(4,027)	217
Net income (loss) attributable to the company	4,666	(15,085)	49
Net income (loss) per share attributable to the company per share (yen)	33,914.28	(86.14)	12,488.60

Note: In millions of yen, unless otherwise specified.

### **3. PMC Terminal Business Transfer**

#### **(1) Purpose of PMC Terminal Business Transfer**

Panasonic intends to build a business structure which is specialized in the mobile phone terminal business in order to concentrate on such business and quickly respond to changes, thereby aiming to enhance business capability and to maintain and expand business in the relevant market.

#### **(2) Summary of PMC Terminal Business Transfer**

On April 1, 2013, upon changing its corporate name, PMC will transfer its mobile phone terminal business to Panasonic Mobile Communications Co., Ltd., which will be newly incorporated by a corporate split.

(Note: With respect to PMC Terminal Business Transfer, the resolution of the shareholders' meeting of PMC is scheduled to be made in the middle of February 2013.)

### **4. PMC Station Business Transfer**

#### **(1) Purpose of PMC Station Business Transfer**

Panasonic intends to improve development and other business capabilities with respect to the mobile phone base station business of PMC by transferring to the newly merged company after implementation of PSSJ Mergers with the wireless-related system business.

#### **(2) Summary of PMC Station Business Transfer**

The mobile phone base station business of PMC will be transferred to the newly merged company after implementation of PSSJ Mergers through a corporate split with an expected effective date of April 1, 2013.

## 5. PMC Merger (Simplified Procedure)

### (1) Purpose of the PMC Merger

Panasonic intends to effectively utilize assets by absorbing the PMC entity, which will only have the function to hold and manage those assets, after the implementation of PMC Station Business Transfer and PMC Terminal Business Transfer.

### (2) Summary of the PMC Merger

#### (a) Schedule of the PMC Merger

In the middle of December, 2012 (planned): Resolution of the Board of Directors on the merger

In the middle of December, 2012 (planned): Signing of the merger agreement

April 1, 2013 (planned): Effective date of the merger

(Note: The merger will be conducted through a simplified procedure provided under the Company Law of Japan, by which resolutions of the shareholders' meetings of Panasonic and PMC will not be required.)

#### (b) Method of the merger

Panasonic, as the continuing company, will absorb PMC, which will be dissolved upon the merger.

#### (c) Allotment in relation to the merger

There shall be no allotment of shares or any other consideration upon the merger.

#### (d) Treatment of stock acquisition rights and convertible bonds of the dissolving company

There are no stock acquisition rights or convertible bonds issued by PMC.

### (3) Basic information of Panasonic and PMC

(As of September 30, 2012)

	Continuing Company	Dissolving Company
(1) Corporate name	Panasonic Corporation	Panasonic Mobile Communications Co., Ltd. (PMC, which will change its corporate name before this merger)
(2) Head office	1006, Oaza Kadoma, Kadoma City, Osaka, Japan	600 Saedo-cho, Tsuzuki-ku, Yokohama City, Kanagawa, Japan
(3) Name and title of representative	President, Kazuhiro Tsuga	President, Toshinori Hoshi
(4) Principal lines of business	Manufacture and sale of electronic and electric equipment, etc.	Development, manufacture and sales of mobile phone terminal and mobile phone base station
(5) Stated capital	258,740 million yen	22,856 million yen
(6) Date established	December 15, 1935	January 17, 1958

(7) Number of shares issued	2,453,053,497 shares	188,149,982 shares
(8) Fiscal year end	March 31	March 31
(9) Major shareholders and shareholding ratio	The Master Trust Bank of Japan, Ltd. (trust account)	Panasonic Corporation 100%
	Japan Trustee Services Bank, Ltd. (trust account)	
	Nippon Life Insurance Company	
	Sumitomo Mitsui Banking Corporation	
	SSBT OD05 OMNIBUS ACCOUNT-TREATY CLIENTS	
(10) Operating results and financial conditions for the year ended March 31, 2012	Panasonic Corporation (Consolidated, U.S. G.A.A.P.)	Panasonic Mobile Communications Co., Ltd. (Non-consolidated, Japan G.A.A.P.)
Net assets	1,977,566	143,563
Total assets	6,601,055	223,126
Shareholders' equity per share (yen)	834.79	763.02
Net sales	7,846,216	156,291
Operating profit (loss)	43,725	(7,384)
Ordinary income (loss)	--	(5,013)
Net income (loss) attributable to the company	(772,172)	(4,435)
Net income (loss) per share attributable to the company per share (yen)	(333.96)	(23.57)

Notes: 1. In millions of yen, unless otherwise specified.

2. As of September 30, 2012, Panasonic holds 141,368,990 shares of its common stock.

3. Panasonic's "Shareholders' equity per share" is presented in accordance with the United States Generally Accepted Accounting Principles (U.S. G.A.A.P.). As for PMC, the amount of "Net assets per share" is stated instead of "Shareholders' equity per share."

4. With respect to Panasonic, the item "Ordinary income" is omitted since it does not exist under U.S. G.A.A.P., which has been adopted by Panasonic on a consolidated basis.

5. PMC's information is as of September 30, 2012; however, as a result of PMC Station Business Transfer and PMC Terminal Business Transfer, PMC will only have a function to hold and manage its assets when the PMC Merger is conducted.

**6. Conditions after the Merger**

	Newly Merged Company	New Mobile Phone Terminal Business Company
(1) Corporate name	Panasonic System Networks Co., Ltd. (The corporate name of continuing company, PSSJ, will be changed)	Panasonic Mobile Communications Co., Ltd.
(2) Name and title of representative	Not yet decided	Not yet decided
(3) Principal lines of business	Development, manufacture and sales of surveillance and monitoring camera, verification and settlement systems, PBX, IP related equipment, business phone, document related equipment and mobile phone base stations, etc.	Development, manufacture and sales of mobile phone.
(4) Stated capital	350 million yen	5,700 million yen
(5) Fiscal year end	March 31	March 31

**7. Effect on Financial Outlook**

Effects of these reorganizations on our consolidated financial results are reflected in our consolidated financial results for six months ended September 30, 2012 or are taken into account in the revision of our consolidated annual forecast, which were announced today.

**Disclaimer Regarding Forward-Looking Statements**

*This press release includes forward-looking statements (within the meaning of Section 27A of the U.S. Securities Act of 1933 and Section 21E of the U.S. Securities Exchange Act of 1934) about Panasonic and its Group companies (the Panasonic Group). To the extent that statements in this press release do not relate to historical or current facts, they constitute forward-looking statements. These forward-looking statements are based on the current assumptions and beliefs of the Panasonic Group in light of the information currently available to it, and involve known and unknown risks, uncertainties and other factors. Such risks, uncertainties and other factors may cause the Panasonic Group's actual results, performance, achievements or financial position to be materially different from any future results, performance, achievements or financial position expressed or implied by these forward-looking statements. Panasonic undertakes no obligation to publicly update any forward-looking statements after the date of this press release. Investors are advised to consult any further disclosures by Panasonic in its subsequent filings with the U.S. Securities and Exchange Commission pursuant to the U.S. Securities Exchange Act of 1934 and its other filings.*

*The risks, uncertainties and other factors referred to above include, but are not limited to, economic conditions, particularly consumer spending and corporate capital expenditures in the United States, Europe, Japan, China and other Asian countries; volatility in demand for electronic equipment and components from business and industrial customers, as well as consumers in many product and geographical markets; currency rate fluctuations, notably between the yen, the U.S. dollar, the euro, the Chinese yuan, Asian currencies and other currencies in which the Panasonic Group operates businesses, or in which assets and liabilities of the Panasonic Group are denominated; the possibility of the Panasonic Group incurring additional costs of raising funds, because of changes in the fund raising environment; the ability of the Panasonic Group to respond to rapid technological changes and changing consumer preferences with timely and cost-effective introductions of new products in markets that are highly competitive in terms of both price and technology; the possibility of not achieving expected results on the alliances or mergers and acquisitions including the business reorganization after the acquisition of all shares of Panasonic Electric Works Co., Ltd. and SANYO Electric Co., Ltd.; the ability of the Panasonic Group to achieve its business objectives through joint ventures and other collaborative agreements with other companies; the ability of the Panasonic Group to maintain competitive strength in many product and geographical areas; the possibility of incurring expenses resulting from any defects in products or services of the Panasonic Group; the possibility that the Panasonic Group may face intellectual property infringement claims by third parties; current and potential, direct and indirect restrictions imposed by other countries over trade, manufacturing, labor and operations; fluctuations in market prices of securities and other assets in which the Panasonic Group has holdings or changes in valuation of long-lived assets, including property, plant and equipment and goodwill, deferred tax assets and uncertain tax positions; future changes or revisions to accounting policies or accounting rules; as well as natural disasters including earthquakes, prevalence of infectious diseases throughout the world, disruption of supply chain and other events that may negatively impact business activities of the Panasonic Group. The factors listed above are not all-inclusive and further information is contained in Panasonic's latest annual reports, Form 20-F, and any other reports and documents which are on file with the U.S. Securities and Exchange Commission.*

*In order to be consistent with generally accepted financial reporting practices in Japan, operating profit (loss) is presented in accordance with generally accepted accounting principles in Japan. The company believes that this is useful to investors in comparing the company's financial results with those of other Japanese companies. Under United States generally accepted accounting principles, expenses associated with the implementation of early retirement programs at certain domestic and overseas companies, and impairment losses on long-lived assets are usually included as part of operating profit (loss) in the statement of income.*