

December 21, 2012

**FOR IMMEDIATE RELEASE**

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**Panasonic to Absorb Wholly-Owned Subsidiary**  
**(Panasonic Eco Solutions Power Tools Co., Ltd.)**

Osaka, Japan, December 21, 2012 – Panasonic Corporation ([NYSE:PC/TSE:6752] “Panasonic”) today announced that its Board of Directors has decided and signed an agreement to absorb Panasonic Eco Solutions Power Tools Co., Ltd. (PESPT), a wholly-owned consolidated subsidiary of Panasonic. This merger is expected to take effect on April 1, 2013.

Details of the merger are outlined below.

**1. Purpose of the Merger**

Panasonic aims to expand sales with utilizing the sales channels of the Company mainly in Asia and strengthen the cost competitiveness by commonalizing indirect personnel.

**2. Summary of the Merger**

(1) Schedule of the Merger

December 21, 2012	Resolution of the Board of Directors on the merger
December 21, 2012	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 PESPT will not be required.)

(2) Method of the merger

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

- (3) Allotment in relation to the merger  
There shall be no allotment of shares or any other consideration upon the merger.
- (4) Treatment of stock acquisition rights and convertible bonds of the dissolving company  
There are no stock acquisition rights or convertible bonds issued by PESPT.

### 3. Basic information of Panasonic and PESPT

(As of September 30, 2012)

	Continuing Company	Dissolving Company										
(1) Corporate name	Panasonic Corporation	Panasonic Eco Solutions Power Tools Co., Ltd.										
(2) Head office	1006, Oaza Kadoma, Kadoma City, Osaka, Japan	33 Oka-machi, Hikone City, Shiga, Japan										
(3) Name and title of representative	President, Kazuhiro Tsuga	President, Hiroyuki Ando										
(4) Principal lines of business	Manufacture and sale of electronic and electric equipment, etc.	Manufacture and sales of rechargeable power tool, etc.										
(5) Stated capital	258,740 million yen	450 million yen										
(6) Date established	December 15, 1935	April 1, 2009										
(7) Number of shares issued	2,453,053,497 shares	9,000 shares										
(8) Fiscal year end	March 31	March 31										
(9) Major shareholders and shareholding ratio	<table border="0"> <tr> <td>The Master Trust Bank of Japan, Ltd. (trust account)</td> <td>5.17%</td> </tr> <tr> <td>Japan Trustee Services Bank, Ltd. (trust account)</td> <td>5.07%</td> </tr> <tr> <td>Nippon Life Insurance Company</td> <td>3.12%</td> </tr> <tr> <td>Sumitomo Mitsui Banking Corporation</td> <td>2.72%</td> </tr> <tr> <td>SSBT OD05 OMNIBUS ACCOUNT-TREATY CLIENTS</td> <td>2.57%</td> </tr> </table>	The Master Trust Bank of Japan, Ltd. (trust account)	5.17%	Japan Trustee Services Bank, Ltd. (trust account)	5.07%	Nippon Life Insurance Company	3.12%	Sumitomo Mitsui Banking Corporation	2.72%	SSBT OD05 OMNIBUS ACCOUNT-TREATY CLIENTS	2.57%	Panasonic Corporation 100%
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Sumitomo Mitsui Banking Corporation	2.72%											
SSBT OD05 OMNIBUS ACCOUNT-TREATY CLIENTS	2.57%											

(10) Operating results and financial conditions for the year ended March 31, 2012	Panasonic Corporation (Consolidated, U.S. G.A.A.P.)	Panasonic Eco Solutions Power Tools Co., Ltd. (Non-consolidated, Japan G.A.A.P.)
Net assets	1,977,566	154
Total assets	6,601,055	1,942
Shareholders' equity per share (yen)	834.79	17,110.42
Net sales	7,846,216	6,196
Operating profit	43,725	(75)
Ordinary income	--	(93)
Net income (loss) attributable to the company	(772,172)	(174)
Net income (loss) per share attributable to the company per share (yen)	(333.96)	(19,278.47)

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 PESPT, 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.

#### **4. Conditions after the Merger**

Panasonic's corporate name, head office, name and title of representative, principal lines of business, stated capital and fiscal year end shall not be changed by this merger.

#### **5. Effect on Financial Outlook**

There shall be no effect on the consolidated financial outlook of Panasonic for fiscal year ending March 31, 2013.

**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.*