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FOR IMMEDIATE RELEASE

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**Panasonic Announces Reorganization of
Semiconductor Business and Transfer of Shares of Subsidiaries
regarding Overseas Factories**

Osaka, Japan, February 4, 2014 -- Panasonic Corporation ([TSE:6752] "Panasonic") today announced that it resolved at its meeting of the Board of Directors held today to conduct an absorption-type company split, effective June 1, 2014 (planned), in order to transfer its business relating to the development, manufacture and sales of semiconductor and other related products belonging to the Semiconductor Business Division (BD) of Panasonic, to a company to be newly incorporated in March 2014 by Panasonic (the "Absorption-Type Company Split").

At the same time, Panasonic resolved to enter into a share transfer agreement with UTAC Manufacturing Services Ltd. ("UMS"), a wholly-owned subsidiary of UTAC Holdings Ltd. ("UTAC"), a manufacturer specialized in semiconductor assembly, in order to transfer to UMS, effective June 1, 2014 (planned), all shares held by Panasonic (through its subsidiaries) in three (3) subsidiaries whose factories operate semiconductor assembly lines in Singapore, Indonesia and Malaysia (the "Share Transfer").

Because the Absorption-Type Company Split is a simplified absorption-type company split in which Panasonic's business division is transferred to the wholly-owned subsidiary of Panasonic, some of the matters and details for disclosure relating to the company split have been omitted.

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I. Background and Purpose of Company Split and Share Transfer

Panasonic's semiconductor business has moved forward with a variety of measures that include structural transformation of business, such as a shift from the audio-visual market to the automotive and industrial market, development of product lines and solutions that take advantage of Panasonic's strengths of low power consumption technology, image-processing technology and compound technology. Furthermore, Panasonic has continued to make an effort to improve competitiveness of semiconductor business. For example, as announced on December 20, 2013, Panasonic decided to form a joint venture of diffusion plants in Hokuriku Region, Japan to aim for the expansion of operation by capturing out-of-group sales on April 1, 2014 (planned).

In addition to these efforts, Panasonic has decided to implement the following measures in order to enhance solution capability through unification of businesses centering on the product development and marketing, mitigate business risks through an asset-light strategy, and further boost competitiveness in the semiconductor business.

First, Panasonic will transfer its business relating to the development, manufacture and sales of semiconductor and other related products of the Semiconductor BD of Panasonic to a company to be newly incorporated in March 2014 by Panasonic through company split with the effective date being June 1, 2014 (planned). The corporate name of the new company will be Panasonic Semiconductor Solutions, Inc ("PSCS"). On the same day as the effective date, the new company will absorb Panasonic Industrial Devices Discrete Semiconductor Co, Ltd. ("PIDDSC") and Panasonic Industrial Devices Optical Semiconductor Co., Ltd. ("PIDOSC"), both of which are wholly-owned subsidiaries of Panasonic (the "Absorption-Type Merger").

In addition, Panasonic will transfer shares in three (3) subsidiaries whose factories operate semiconductor assembly lines in Singapore, Indonesia and Malaysia to UMS, a wholly-owned subsidiary of UTAC, effective June 1, 2014 (planned) for promoting an asset-light strategy. Panasonic will take advantage of UTAC's scale merit for the enhancement of competitiveness by using these three (3) companies as manufacturing contractors for semiconductor assembly after the Share Transfer.

- (1) PANASONIC AUTOMOTIVE & INDUSTRIAL SYSTEMS SEMICONDUCTOR SINGAPORE PTE. LTD. (tentative name) ("PAISSCSG" *)
- (2) PT. PANASONIC INDUSTRIAL DEVICES INDONESIA ("PIDID")
- (3) PANASONIC INDUSTRIAL DEVICES SEMICONDUCTOR (M) SDN. BHD. ("PIDSCMY")

* PAISSCSG is a company to be newly incorporated which will be a wholly-owned by

Panasonic Asia Pacific Pte. Ltd. At the same time as the Share Transfer, PAISSCSG will take over the asset of semiconductor assembly business of Panasonic located in Singapore in advance through the business transfer.

Through these measures, Panasonic will strive to develop and provide more attractive products that will satisfy customer needs, focusing on the growing automotive and industrial related areas, and continue to expand its semiconductor business globally.

II. Details of Company Split

1. Outline of Absorption-Type Company Split

(i) Schedule for Company Split

March 27, 2014 (planned)	The Meeting of the Board of Directors to approve the Company Split Agreement
March 27, 2014 (planned)	Execution of the Company Split Agreement
June 1, 2014 (planned)	Scheduled Date of the Company Split (Effective Date)

Since, for Panasonic, the Absorption-Type Company Split falls under a simplified absorption-type company split, as set forth in Article 784, Paragraph 3 of the Companies Act, and, for PSCS, falls under a short form absorption-type company split, as set forth in Article 796, Paragraph 1 of the Companies Act, resolutions of shareholders' meetings of both companies concerning approval for the Absorption-Type Company Split will not be required.

(ii) Method of Company Split

The Company Split is an absorption-type company split in which Panasonic is the splitting company and PSCS is the succeeding company (simplified absorption-type company split).

(iii) Allotment of Shares

As PSCS is a wholly-owned subsidiary of Panasonic which will be newly incorporated by Panasonic, PSCS will not provide any consideration upon the Company Split.

(iv) Treatment of Stock Acquisition Rights and Bonds with Stock Acquisition Rights upon Company Split

Panasonic has not issued any stock acquisition rights or bonds with stock acquisition rights.

(v) Reductions in Stated Capital by the Company Split

There will be no reduction in stated capital of Panasonic as a result of the Absorption-Type Company Split.

(vi) Rights and Duties to be Transferred to the Succeeding Company

PSCS will assume those assets and contractual status of the Semiconductor BD of Panasonic considered necessary for carrying out the business regarding development, manufacture and sales of semiconductor and other related products and all rights and duties incidental to such assets and contractual status.

(vii) Prospects for Performance of Liabilities

Panasonic believes that there will be no problem concerning prospects after the Absorption-Type Company Split with respect to performance of the liabilities owed by PSCS.

2. Outline of Companies involving Company Split

	Splitting Company (As of March 31, 2013)	Succeeding Company (As of March 10, 2014:planned)
(1) Corporate name	Panasonic Corporation	Panasonic Semiconductor Solutions Co., Ltd.
(2) Head office	1006, Oaza Kadoma, Kadoma City, Osaka, Japan	1 Kotari-yakemachi, Nagaokakyo City, Kyoto, Japan
(3) Name and title of representative	President, Kazuhiro Tsuga	President, Keiji Fujimoto (planned)
(4) Principal lines of business	Manufacture and sale of electronic and electric equipment, etc.	Development, manufacture and sales of semiconductor and other related products
(5) Stated capital	258,740 million yen	400 million yen
(6) Date established	December 15, 1935	March 10, 2014 (planned)
(7) Number of shares issued	2,453,053,497 shares	8,000 shares
(8) Fiscal year end	March 31	March 31
(9) Major shareholders and shareholding ratio	<p>Japan Trustee Services Bank, Ltd. (trust account) 4.70%</p> <p>The Master Trust Bank of Japan, Ltd. (trust account) 4.46%</p> <p>State Street Bank and Trust Company 3.59%</p> <p>Nippon Life Insurance Company 2.97%</p> <p>The Bank of New York, Treaty Jasdec Account 2.38%</p> <p>(as of September 30, 2013)</p>	Panasonic Corporation 100%

(10) Operating results and financial conditions of Panasonic (Consolidated)

(Millions of yen, unless otherwise specified)

Fiscal Year	The year ended March 31, 2013
Net assets (Consolidated)	1,304,273
Total assets (Consolidated)	5,397,812
Shareholders' equity per share (yen)	546.81
Net sales (Consolidated)	7,303,045
Operating profit (Consolidated)	160,936
Net income (loss) attributable to Panasonic (Consolidated)	(754,250)
Net income (loss) per share attributable to Panasonic shareholders (yen)	(326.28)

Notes: 1. Amounts less than 1 million yen have been rounded to the nearest whole 1 million yen amount.

2. Panasonic's "Shareholders' equity per share" on a consolidated basis is presented in accordance with the United States Generally Accepted Accounting Principles (U.S. GAAP).

3. As of September 30, 2013, Panasonic holds 141,424 thousand shares of its common stock.

3. Outline of the Business to be split

(i) Description of the business to be split

Development, manufacture and sales of semiconductor and other related products

(ii) Operating results of the business to be Split for fiscal year ended March 31, 2013

(Billions of yen)

	Business to be split (a)	Panasonic on a stand-alone basis(b)	Ratio (a)/(b)
Net Sales	162.5	3,917.0	4%

Notes: 1. After the decimal point of Ratio has been rounded.

2. Amounts less than 100 million yen have been rounded to the nearest whole 100 million yen amount.

(iii) Assets and Liabilities to be Split (June 1, 2014: planned)

(Billions of yen)

Assets		Liabilities	
Items	Book Value	Items	Book Value
Current assets	66.3	Current liabilities	65.2
Fixed assets	34.4	Fixed liabilities	3.7
Total	100.7	Total	68.9

Note: Amounts less than 100 million yen have been rounded to the nearest whole 100 million yen amount.

4. Status of Panasonic after the Company Split

Corporate name, head office, name and title of representative, principal lines of business, stated capital and fiscal year end of Panasonic shall not be changed as a result of the Absorption-Type Company Split.

5. Summary Absorption-Type Merger of two wholly-owned subsidiaries of Panasonic by PSCS

(1) Summary of PIDDSC (as of December 31, 2013)

(i) Corporate name	Panasonic Industrial Devices Discrete Semiconductor Co., Ltd.
(ii) Head office	1 Kotari-yakemachi, Nagaokakyo City, Kyoto, Japan
(iii) Name and title of representative	President, Naruhiko Mizukoshi
(iv) Principal lines of business	Manufacture and sales of general-purpose discrete semiconductor and other parts
(v) Stated capital	2,700 million yen
(vi) Date established	October 1, 2005
(vii) End of fiscal year	March 31
(viii) Major shareholders and shareholding ratio	Panasonic Corporation 100%

(ix) Operating results and financial conditions of immediately preceding fiscal year

(Millions of yen)

Total assets	24,789 (as of March 31, 2013)
Net sales	22,452 (for the year ended March 31, 2013)

(2) Summary of PIDOSC (as of December 31, 2013)

(i) Corporate name	Panasonic Industrial Devices Optical Semiconductor Co., Ltd.
(ii) Head office	1786-6, Tokushige, Ijuin-cho, Hioki City, Kagoshima, Japan
(iii) Name and title of representative	President, Hideto Adachi
(iv) Principal lines of business	Manufacture and sales of LED semiconductor
(v) Stated capital	500 million yen
(vi) Date established	December 1, 1973
(vii) End of fiscal year	March 31
(viii) Major shareholders and shareholding ratio	Panasonic Corporation 100%

(ix) Operating results and financial conditions of immediately preceding fiscal year

(Millions of yen)

Total assets	7,251 (as of March 31, 2013)
Net sales	6,626 (for the year ended March 31, 2013)

III. Summary of Transfer of Shares of Subsidiaries regarding Overseas Factories

1. Outline of Subsidiaries to be Transferred

(1) PAISSCSG (to be incorporated in April - May 2014: planned)

(i) Corporate name (tentative name)	PANASONIC AUTOMOTIVE & INDUSTRIAL SYSTEMS SEMICONDUCTOR SINGAPORE PTE. LTD.
(ii) Location	Singapore
(iii) Name and title of representative	President, Daihei Kajiwara
(iv) Principal lines of business	Assembly and manufacture of semiconductor
(v) Stated capital	46 million US\$
(vi) Year established	April-May 2014 (planned)
(vii) Major shareholders and shareholding ratio	Panasonic Asia Pacific Pte. Ltd. 100%

(viii) Operating results and financial conditions of immediately preceding fiscal year *

(Millions of US\$)

Total assets	269 (as of March 31, 2013) *
Net sales	703 (for the year ended March 31, 2013) *

* As PAISSCSG is a company to be newly incorporated and there are no available figures of operating results and financial conditions, the figures above are the total assets and net sales of assembly business of semiconductors of the Singapore office of Panasonic Asia Pacific Pte. Ltd. to be transferred to PAISSCSG. Please note that such figures include figures relating to businesses which will not be transferred to PAISSCSG.

(2) PIDID

(i) Corporate name	PT. PANASONIC INDUSTRIAL DEVICES INDONESIA
(ii) Location	West Java, Indonesia
(iii) Name and title of representative	President, Masahiko Mikami
(iv) Principal lines of business	Assembly and manufacture of semiconductor
(v) Stated capital	60 million US\$ (as of December 31, 2013)
(vi) Year established	March 1996
(vii) Major shareholders and shareholding ratio (as of December 31, 2013)	Panasonic Asia Pacific Pte. Ltd. 99.98% Panasonic Holding (Netherlands) B.V. 0.02%

(viii) Operating results and financial conditions of immediately preceding fiscal year

(Millions of US\$)

Total assets	89 (as of March 31, 2013)
Net sales	92 (for the year ended March 31, 2013)

(3) PIDSCMY

(i) Corporate name	PANASONIC INDUSTRIAL DEVICES SEMICONDUCTOR (M) SDN. BHD.
(ii) Location	Malacca, Malaysia
(iii) Name and title of representative	President, Akira Yamaguchi
(iv) Principal lines of business	Assembly and manufacture of discrete semiconductor
(v) Stated capital	36 million MYR (as of December 31, 2013)
(vi) Year established	October 1990
(vii) Major shareholders and shareholding ratio (as of December 31, 2013)	Panasonic Industrial Devices Discrete Semiconductor Co., Ltd. 100%

(viii) Operating results and financial conditions of immediately preceding fiscal year

(Millions of MYR)

Total assets	143 (as of March 31, 2013)
Net sales	219 (for the year ended March 31, 2013)

2. Outline of Transferee of Shares (UMS)

(i) Corporate name	UTAC Manufacturing Services Ltd.	
(ii) Location	Hong Kong	
(iii) Principal lines of business	Holding of shares of company and management of business activities	
(iv) Date established	January 28, 2014	
(v) Major shareholders and shareholding ratio (as of February 4, 2014)	UTAC 100%	
(vi) Relationship with Panasonic	Capital relationship	N/A
	Personnel relationship	N/A
	Transaction relationship	N/A
	Status as a related party	N/A

3. Outline of UTAC

(i) Corporate name	UTAC Holdings Ltd.	
(ii) Location	Singapore	
(iii) Name and title of representative	Group President & CEO, John Nelson	
(iv) Principal lines of business	Specialized in assembly of semiconductors	
(v) Stated capital	698 million US\$ (as of December 31, 2012)	
(vi) Net assets	449 million US\$ (as of December 31, 2012)	
(vii) Total assets	1,794 million US\$ (as of December 31, 2012)	
(viii) Major shareholders and shareholding ratio (as of December 31, 2013)	TPG	50%
	AFFINIT EQUITY	50%
(ix) Relationship with Panasonic	Capital relationship	N/A
	Personnel relationship	N/A
	Transaction relationship	N/A
	Status as a related party	N/A

4. Schedule of Share Transfer

(1)	Date of resolution of the meeting of the Board of Directors	February 4, 2014
(2)	Execution date of agreement	February 4, 2014
(3)	Share transfer date	June 1, 2014 (planned)

IV. Financial Outlook

It is expected that there will not be any material impact of the Absorption-Type Company Split, the Absorption-Type Merger and the Share Transfer on the Company's consolidated financial outlook for the fiscal year ending March 31, 2014.

Disclaimer Regarding Forward-Looking Statements

This press release includes forward-looking statements (that include those within the meaning of 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 under the Financial Instrument and Exchange Act of Japan (the FIEA) and other publicly disclosed documents.

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 the most recent English translated version of Panasonic's securities reports under the FIEA and any other documents which are disclosed on its website.