

FOR IMMEDIATE RELEASE

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**Panasonic Announces Establishment of New Company to
Operate Security Systems Business, Agreement for
Strategic Co-investment**

OSAKA, Japan - Panasonic Corporation (herein “Panasonic”) announced that it will establish a new company to operate its security systems business in Japan and overseas, and that it has reached an agreement for strategic co-investment with Polaris Capital Group Co., Ltd. (herein “Polaris”). A decision was approved at a board of directors meeting held today concerning the following details.

1. Background

The Security Systems Business Division (herein “the Division”), which is part of Panasonic’s Connected Solutions Company, has a roughly 60-year history of developing security cameras and advanced edge devices and combining these with unique software such as facial recognition to meet the needs of the market, and has established itself as a top brand in the Japanese security camera market.

With rising global demand for security and safety, the security related business is a field that is forecast for growth; and by establishing the new company and concluding a co-investment agreement with Polaris, Panasonic believes that it can achieve stable growth in this market.

The new company will be able to utilize Polaris’ knowledge and experience cultivated from numerous investments into manufacturers and other large-scale enterprises. It will build on the strengths of the Division while benefitting from management and resources of Polaris to seamlessly implement the necessary structure to operate as an independent organization. Strengthening its solutions capabilities with proactive alliances and M&As, the new company will aim to enhance its revenue and profitability globally centered on the North American market. With new and next-generation products and services, and a strategic growth plan to expand sales of medical camera modules, the new company will build a solid foundation as an independent entity with a potential public offering in the future.

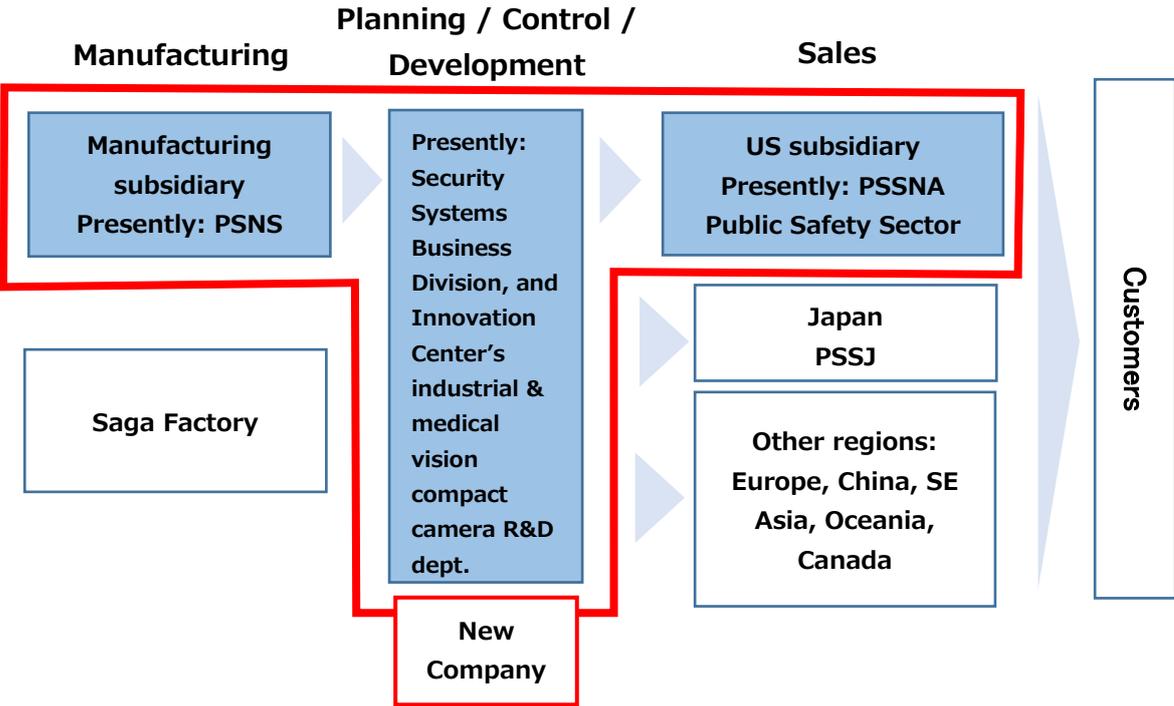
2. About the new company

The new company will be formed into an independent entity from the Connected Solutions Company’s Security Systems Business Division and the industrial & medical vision compact camera R&D department of its Innovation Center. The Public Safety sales and development functions of Panasonic System Solutions Company of North America (PSSNA), and the security camera manufacturing factory in China — Panasonic System Networks Suzhou Co., Ltd. (PSNS) — will become subsidiaries of the new company.

New company name	Panasonic i-PRO Sensing Solutions Co., Ltd.
Operational start	October 1, 2019 (planned)
Representative	Undecided
Headquarters	Undecided
Capital investment	Polaris Private Equity Fund IV, L.P.: 80%; Panasonic: 20%*1
Operations	Surveillance system business (intelligent surveillance) Industry-specific business (public solutions) Module business (industrial & medical vision)

*1: A special purpose company will be established as the successor, in which Polaris Private Equity Fund IV and Panasonic will hold 80% and 20% of the shares respectively.

After establishment, the new company’s security cameras and software are planned to be sold under the Panasonic brand: by the new company in the US market; through Panasonic System Solutions Japan Co., Ltd. (PSSJ) in the domestic market; and through existing Panasonic sales companies in other regions including Europe, China, Southeast Asia, Oceania and Canada, which will all sign sales agreements with the new company.



Under its “Gemba Process Innovation” vision, Panasonic’s Connected Solutions Company is expanding its B2B solutions business, with offerings to the three main areas of manufacturing, logistics and retail, where it aims to be a total integrator.

About Polaris Capital Group Co., Ltd. (as of March 31, 2019)

Established	September 13, 2004
Representative	President & CEO: Yuji Kimura
Capital	JPY100 million
Headquarters	GranTokyo North Tower 38F, 1-9-1, Marunouchi, Chiyoda-ku, Tokyo 100-6738 Japan
Funds under management	Polaris Private Equity Fund I, L.P. (JPY29.6 billion) Polaris Private Equity Fund II, L.P. (JPY31.9 billion) Polaris Private Equity Fund III, L.P. (JPY52 billion) Polaris Private Equity Fund IV, L.P. (JPY75 billion)
Website	http://www.polaris-cg.com/

The new company is planned to start operation on October 1, 2019, assuming approval from relevant government agencies.

About Panasonic

Panasonic Corporation is a worldwide leader in the development of diverse electronics technologies and solutions for customers in the consumer electronics, housing, automotive, and B2B businesses. The company, which celebrated its 100th anniversary in 2018, has expanded globally and now operates 582 subsidiaries and 87 associated companies worldwide, recording consolidated net sales of 8.003 trillion yen for the year ended March 31, 2019. Committed to pursuing new value through innovation across divisional lines, the company uses its technologies to create a better life and a better world for its customers. To learn more about Panasonic, visit <http://www.panasonic.com/global>.

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