

February 5, 2010

**FOR IMMEDIATE RELEASE**

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**Panasonic Signed an Agreement to Absorb  
Wholly-Owned Subsidiary (Panasonic Battery Electrode Co., Ltd.)**

Osaka, Japan, February 5, 2010 – Panasonic Corporation (Panasonic [NYSE: PC]) today announced that its Board of Directors has decided and signed an agreement to absorb Panasonic Battery Electrode Co., Ltd. (PBEL), a wholly-owned consolidated subsidiary of Panasonic. The merger is expected to take effect on April 1, 2010.

Details of the merger are outlined below.

**1. Purpose of the Merger**

Panasonic pursues a growth strategy of lithium-ion battery business to strengthen the energy business, which is a key business of its Group, and enhance the product and cost competitiveness. The company integrates PBEL, which operates an electrode production of lithium-ion batteries, into the Energy Company, an internal divisional company of Panasonic, aiming for a unified and effective management on the energy business.

**2. Details of the Merger**

**(1) Schedule of the Merger**

February 5, 2010	Resolution of the Board of Directors on the merger
February 5, 2010	Signing of the merger agreement
April 1, 2010 (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 PBEL will not be required.)

**(2) Method of the merger**

Panasonic, as the continuing company, will absorb PBEL, 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 PBEL.

### 3. Basic information of Panasonic and PBEL

(As of March 31, 2009)

Trade Name	Panasonic Corporation (continuing company)	Panasonic Battery Electrode Co., Ltd. (dissolving company)
Principal Office	Kadoma-shi, Osaka, Japan	Moriguchi-shi, Osaka, Japan
Representative	Fumio Ohtsubo, President	Syusuke Oguro, President
Principal Lines of Business	Manufacture and sale of electronic and electric equipment	Technological development, manufacture and sale of active material and electrode of lithium-ion battery
Capital Stock (million yen)	258,740	480
Date of Incorporation	December 15, 1935	January 5, 2005
Shares Issued	2,453,053,497	9,600
Financial Closing Date	March 31	March 31
Major Shareholders and Shareholdings	<div> The Master Trust Bank of Japan, Ltd. (trust account) 5.38%  Moxley &amp; Co. 5.00%  Japan Trustee Services Bank, Ltd. (trust account) 4.84%  Japan Trustee Services Bank, Ltd. (trust account 4G) 4.62%  Nippon Life Insurance Company 2.73% </div>	Panasonic Corporation 100%
Shareholders' Equity (million yen)	2,783,980 (consolidated basis)	756 (non-consolidated basis)
Total Assets (million yen)	6,403,316 (consolidated basis)	3,721 (non-consolidated basis)
Shareholders' equity per share (yen)	1,344.50 (consolidated basis)	78,795.12 (non-consolidated basis)
Sales (million yen)	7,765,507 (consolidated basis)	29,252 (non-consolidated basis)
Operating profit (million yen)	72,873 (consolidated basis)	166 (non-consolidated basis)
Recurring Profit (million yen)	--	152 (non-consolidated basis)
Net income (loss) (million yen)	(378,961) (consolidated basis)	78 (non-consolidated basis)
Net income (loss) per share (yen)	(182.25) (consolidated basis)	8,154.62 (non-consolidated basis)

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

2. Panasonic's shareholders' equity is presented in accordance with U.S. GAAP.

3. Panasonic holds 382,411 thousand shares, 15.58%, of its own common stock.

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

Trade name, principal office, representative, principal lines of business, capital stock and financial closing shall not be changed by this merger.

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

There shall be no change in the financial outlook for fiscal year, ending March 31, 2010.

#### **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 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, Asia and other 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 acquisition of 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 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 report on Form 20-F, which is on file with the U.S. Securities and Exchange Commission.*