

December 20, 2013

FOR IMMEDIATE RELEASE

Media Contacts:

Megumi Kitagawa (Japan)
Global Public Relations Office
(Tel: +81-3-3574-5664)

Panasonic News Bureau (Japan)
(Tel: +81-3-3542-6205)

Jim Reilly (U.S.)
(Tel: +1-201-392-6067)

Anne Guennewig (Europe)
(Tel: +49-611-235-457)

Investor Relations Contacts:

Hayato Wakabayashi (Japan)
Corporate Finance & IR Group
(Tel: +81-6-6908-1121)

Yuko Iwatsu (U.S.)
Panasonic Finance (America), Inc.
(Tel: +1-212-698-1360)

Hiroko Carvell (Europe)
Panasonic Finance (Europe) plc
(Tel: +44-20-3008-6887)

**Panasonic Announces Formation of the Joint Venture of Diffusion Plants
of the Semiconductor Business in Hokuriku Region, Japan**

Osaka, Japan, December 20, 2013 -- Panasonic Corporation (TSE:[6752] “Panasonic”) announced that its Board of Directors, at a meeting held today, passed resolutions for execution of the Joint Venture Formation Agreement with Tower Semiconductor Ltd., a semiconductor foundry company (Head Office: Migdal Haemek, Israel, Brand Name: TowerJazz; “TJ”), the Business Transfer Agreement with a company which Panasonic will newly establish (the “New Company”), and the Shareholders Agreement with TJ and the New Company, to transfer, on April 1, 2014 (planned), the business relating to semiconductor wafer manufacturing process (the “Semiconductor Wafer Manufacturing Process”) of Diffusion Plants in Hokuriku region (Uozu, Tonami and Arai) to the New Company (the “Business Transfer”), and, thereafter, transfer of the 51% of shares in the New Company to TJ (the “Share Transfer”) and make the New Company to be a joint venture company on the same day (planned). The Company hereby notifies as follows.

1. Purposes of the Joint Venture of Diffusion Plants in Hokuriku Region

The semiconductor market has seen intensifying competition, causing dramatic changes to the business environment. To respond to this change, Panasonic has moved forward with a variety of measures that include structural

transformation of the business, such as a shift from a focus on the audio-visual market to the automotive and industrial market, and the development of products and solutions that take advantage of Panasonic's strengths of low power consumption, image-processing and compound technology.

In order to respond to aim for accelerated enhancement of competitiveness and new growth of the semiconductor business, Panasonic decided to transfer the business relating to Semiconductor Wafer Manufacturing Process to the New Company, and, thereafter, transfer of the 51% of shares in the New Company to TJ and make the New Company to be a joint venture company (the "Hokuriku Joint Venture Formation").

The New Company will be subcontracted for the manufacture involved in Panasonic's Semiconductor Wafer Manufacturing Process, and will also seek to expand operations by utilizing TJ's customers and businesses to capture out-of-group sales.

2. Description of Hokuriku Joint Venture Formation

Production equipment, inventories and other assets of the Semiconductor Wafer Manufacturing Process business will be transferred to the New Company on April 1, 2014 (planned). Following this, on the same day, Panasonic will transfer 51% of shares in the New Company to TJ.

(1) Overview of the Business Division to be Transferred

(a) Business of the Division to be Transferred

8-inch and 12-inch wafer manufacturing processes at the Diffusion Plants in Hokuriku region (Uozu, Tonami and Arai)

(b) Assets to be Transferred

Cash and deposits, equipment, inventories and other assets necessary for the business relating to the Semiconductor Wafer Manufacturing Process

(2) Overview of Transferee of New Company Shares following Business Transfer

(as of December 31, 2012)

(i)	Corporate name	Tower Semiconductor Ltd.* (Brand Name: TowerJazz)	
(ii)	Location	Migdal Haemek, Israel	
(iii)	Name and title of representative	CEO: Russell Ellwanger President: Dr. Itzhak Edrei	
(iv)	Principal lines of business	Semiconductor wafer subcontract fabrication	
(v)	Shareholders' equity	USD220 million	
(vi)	Total assets	USD815 million	
(vii)	Sales volume	USD639 million	
(viii)	Establishment	1993	
(ix)	Major shareholders and shareholding ratio (as of March 31, 2013)	Israel Corporation Ltd.: 39.49%	
(x)	Relationship with Company	Capital relationship	N/A**
		Human relationship	N/A
		Transactional relationship	N/A
		Whether this person is a related person	N/A

* The shares in TJ have been listed and traded at the Tel Aviv Stock Exchange in Israel and NASDAQ in the U.S. (TASE:TSEM, NASDAQ: TSEM)

** As a consideration for the Share Transfer from Panasonic to TJ, Panasonic will acquire certain number of shares in TJ pursuant to the Joint Venture Formation Agreement on April 1, 2014 (planned).

(3) Schedule of Hokuriku Joint Venture Formation

(i)	Date of board of directors meeting	December 20, 2013
(ii)	Execution date of Joint Venture Formation Agreement	December 20, 2013
(iii)	Execution date of Business Transfer Agreement	Until April 1, 2014 (planned)
(iv)	Execution date of Shareholders Agreement	April 1, 2014 (planned)
(v)	Closing date of the Business Transfer and Share Transfer	April 1, 2014 (planned)

Note: The Business Transfer falls within the simplified business transfer set forth in bracket of Article 467, Paragraph 1, Item 2 of the Companies Act. Therefore, a resolution of shareholders meeting is not required.

(4) Overview of the New Company after the Business Transfer and Share Transfer

Overview of the New Company after the Business Transfer and Share Transfer (planned)

(i)	Corporate name	TowerJazz Panasonic Semiconductor Co., Ltd. (tentative name)
(ii)	Location	800, Higashiyama, Uozu-shi, Toyama, Japan
(iii)	Name and title of representative	CEO: Not yet determined (to be nominated by TJ pursuant to the Shareholders' Agreement)*
(iv)	Principal lines of business	Semiconductor wafer subcontract fabrication, subcontract fabrication for Panasonic
(v)	Stated capital	JPY 0.75 billion
(vi)	Net assets	JPY 1.5 billion
(vii)	Total assets	JPY 10.3 billion
(viii)	Establishment	March 2014 (planned)**
(ix)	Major shareholders and shareholding ratio (planned for April 1, 2014)	Tower Semiconductor Ltd.: 51.0% Panasonic Corporation: 49.0 %

* COO will be nominated by Panasonic.

** Provided, however, that the Business Transfer and Share Transfer are planned to be implemented on April 1, 2014.

3. Outlook

It is expected that there will not be a material impact 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.