

November 28, 2019

FOR IMMEDIATE RELEASE

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**Panasonic Announces Company Split of the Semiconductor Business**  
**(Simplified Absorption-type)**

Osaka, Japan, November 28, 2019 – Panasonic Corporation ([TSE:6752] the “Company”) today announced that its Board of Directors has resolved to conduct an absorption-type company split (the “Company Split”), in order to transfer the semiconductor business-related intellectual property rights and certain business contracts, and others held by the Company, to Panasonic Semiconductor Solutions, Co., Ltd. (“PSCS”), a wholly-owned consolidated subsidiary of Panasonic Equity Management Japan G.K. (“PEMJ”). PEMJ is a wholly-owned consolidated subsidiary of Panasonic. The Company Split is related to the transfer of the semiconductor business of Panasonic Group to Nuvoton Technology Corporation (“Nuvoton”), a Taiwan-based semiconductor company under the umbrella of Winbond Electronics Corporation group (the “Transaction”).

Some of the matters and details for disclosure relating to the Company Split are omitted because the Company Split will be conducted between Panasonic and its wholly-owned sub-subsiary.

For further details regarding the Transaction, please see the attached press release “Announcement of the Transfer of the Semiconductor Business.”

**1. Purpose of the Transaction**

The semiconductor business of the Company has shifted from the AV area to the automotive and industrial area over the last few years. The Company has positioned the “Sensing” technologies such as image sensors, and the “LiB Application” technologies such as IC for battery management and MOSFET for LiB battery circuits protection as the focus areas, aiming to grow its business by consolidating resources in these areas.

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In the meantime, in April 2014, the Company transferred the semiconductor wafer production process of the Hokuriku Plants (Uozu, Tonami, Arai) to the joint venture company formed with Tower Semiconductor Ltd., an Israel-based foundry company. Furthermore, in June 2014, the Company transferred its semiconductor assembly plants in Singapore, Indonesia and Malaysia to UTAC Manufacturing Services Ltd., with its headquarters in Hong Kong. The Company has been strengthening its competitiveness by becoming an asset light company, consolidating and eliminating its offices and production bases both in Japan and overseas for the mitigation of business risks.

However, the competitive environment surrounding the semiconductor business has become extremely severe due to aggressive expansion of competitors, huge investments in the focused area, and industry reorganization through M&A. In such an environment, the Company has come to believe that the even stronger business operation and the continuous investment is critical to achieve sustained growth and expansion of the semiconductor business.

Considering such circumstances, the Company came to a conclusion that the best option would be to transfer the business to Nuvoton, which highly appreciates the Company's accumulated technical and product capabilities and therefore has potential to lead stable growth by leveraging those capabilities.

The Company Split will be conducted in relation to the Transaction.

## **2. Summary of the Company Split**

### (1) Schedule of the Company Split

Resolution of the Board of Directors on the Company Split: November 28, 2019

Execution of the Company Split Agreement: To be determined

Company Split (effective date): To be determined

Note: Since, for Panasonic, the Company Split corresponds to a simplified absorption-type company split, as set forth in Article 784, Paragraph 2 of the Companies Act, general meeting of shareholders will not be held concerning approval of the absorption-type company split.

The execution date, as well as the effective date, of the Company Split agreement will be disclosed once determined.

(2) Method of the Company Split

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

(3) Allotment of shares in relation to the Company Split

There shall be no allotment by PSCS upon the Company Split.

(4) Treatment of stock acquisition rights and bonds with stock acquisition rights upon the Company Split

There will be no change in the stock acquisition rights issued by Panasonic upon the Company Split.

(5) Increase or decrease in stated capital as a result of the Company Split

There shall be no increase or decrease in the stated capital of Panasonic as a result of the Company Split.

(6) Rights and obligations to be transferred to the succeeding company

PSCS will succeed the semiconductor business-related intellectual property rights and certain business contracts held by the Company, and the semiconductor business-related assets and liabilities of the Company.

(7) Prospects for performance of liabilities

Panasonic considers there will be no issues concerning prospects for performance of the liabilities owed by PSCS after the Company Split.

**3. Outline of Companies which are Parties to the Company Split**

|                                      | Splitting Company<br>(As of September 30, 2019)                 | Succeeding Company<br>(As of September 30, 2019)                              |
|--------------------------------------|---|---|
| (1) Corporate name                   | Panasonic Corporation   | Panasonic Semiconductor Solutions Co., Ltd. (PSCS)                            |
| (2) Head office                      | 1006, Oaza Kadoma,<br>Kadoma City, Osaka, Japan                 | 1 Kotari-yakemachi, Nagaokakyo<br>City, Kyoto, Japan                          |
| (3) Name and title of representative | President,<br>Kazuhiro Tsuga                                    | President,<br>Kazuhiro Koyama   |
| (4) Principal lines of business      | Manufacture and sale of electronic and electric equipment, etc. | Development, manufacture and sale of semiconductor and other related products |
| (5) Stated capital                   | 258,867 million yen   | 400 million yen   |

|  |   |   |       |  |       |                               |       |                             |       |   |       |   |
|--|---|---|-------|--|-------|-------------------------------|-------|-----------------------------|-------|---|-------|---|
| (6) Date established                                 | December 15, 1935   | March 10, 2014                                    |       |  |       |                               |       |                             |       |   |       |   |
| (7) Total number of outstanding shares               | 2,453,326,997 shares  | 8,000 shares                                      |       |  |       |                               |       |                             |       |   |       |   |
| (8) Fiscal year end                                  | March 31  | March 31  |       |  |       |                               |       |                             |       |   |       |   |
| (9) Major shareholders and shareholding ratios       | <table border="0"> <tr> <td>Japan Trustee Services Bank, Ltd. (trust account)</td> <td>7.93%</td> </tr> <tr> <td>The Master Trust Bank of Japan, Ltd. (trust account)</td> <td>7.15%</td> </tr> <tr> <td>Nippon Life Insurance Company</td> <td>2.96%</td> </tr> <tr> <td>JP MORGAN CHASE BANK 385151</td> <td>2.03%</td> </tr> <tr> <td>Japan Trustee Services Bank, Ltd. (trust account 5)</td> <td>1.96%</td> </tr> </table> | Japan Trustee Services Bank, Ltd. (trust account) | 7.93% | The Master Trust Bank of Japan, Ltd. (trust account) | 7.15% | Nippon Life Insurance Company | 2.96% | JP MORGAN CHASE BANK 385151 | 2.03% | Japan Trustee Services Bank, Ltd. (trust account 5) | 1.96% | Panasonic Equity Management Japan G.K. (PEMJ) 100%* |
| Japan Trustee Services Bank, Ltd. (trust account)    | 7.93%   |   |       |  |       |                               |       |                             |       |   |       |   |
| The Master Trust Bank of Japan, Ltd. (trust account) | 7.15%   |   |       |  |       |                               |       |                             |       |   |       |   |
| Nippon Life Insurance Company                        | 2.96%   |   |       |  |       |                               |       |                             |       |   |       |   |
| JP MORGAN CHASE BANK 385151                          | 2.03%   |   |       |  |       |                               |       |                             |       |   |       |   |
| Japan Trustee Services Bank, Ltd. (trust account 5)  | 1.96%   |   |       |  |       |                               |       |                             |       |   |       |   |

(Note) The Amendment to the Report of Possession of Large Volume dated March 22, 2017 was submitted by BlackRock Japan Co., Ltd. and its five joint holders. According to the report, in relation to Panasonic, the total number of share certificates (and other equivalents) they hold was 122,710 thousand and their holding ratio of share certificates (and other equivalents) was 5.00% as of March 15, 2017. Since Panasonic cannot confirm the actual status of the shareholdings as of the end of September 2019, the "Major shareholders and shareholding ratios" for the splitting company described above is based on Panasonic's shareholder registry.

\* Upon completion of the Transaction, all shares of the succeeding company will be handed over to the to-be-established wholly-owned subsidiary of PEMJ by way of share transfer, and PEMJ will transfer all shares of the wholly-owned subsidiary of PEMJ to Nuvoton.

(10) Financial condition and business performance of the splitting company (Panasonic) for the immediate preceding fiscal year (consolidated)

| Fiscal year end   | March 31, 2019        |
|---|-----------------------|
| Panasonic Corporation stockholders' equity                                  | 1,913,513 million yen |
| Total assets  | 6,013,931 million yen |
| Panasonic Corporation stockholders' equity per share                        | 820.41 yen            |
| Net sales   | 8,002,733 million yen |
| Operating profit  | 411,498 million yen   |
| Net profit attributable to Panasonic Corporation stockholders               | 284,149 million yen   |
| Basic earnings per share attributable to Panasonic Corporation stockholders | 121.83 yen            |

Notes: 1. Amounts less than 1 million yen have been rounded to the nearest whole 1 million yen.  
2. The figures are presented in accordance with International Financial Reporting Standards (IFRS).  
3. Panasonic holds 120,473 thousand shares of its treasury stock as of September 30, 2019.

#### 4. Outline of the Business subject to Company Split

##### (1) Outline of the business subject to the Company Split

Due to the Company Split, the semiconductor business-related intellectual property rights and certain business contracts held by the Company, and the semiconductor business-related assets and liabilities of the Company will be transferred to PSCS. The business division will not be transferred.

##### (2) Operating results of business to be split

(Billion yen)

|           | Division to be split<br>(unconsolidated) (a)<br>(year ended March 2019) | Panasonic (consolidated)<br>(b) (year ended March<br>2019) | Ratio<br>(a/b) |
|-----------|---|--|----------------|
| Net sales | -   | 8,002.7  | -              |

Notes: 1. Amounts less than 100 million yen have been rounded to the nearest 100 million yen.  
2. "Net Sales" above is shown as "-", since there is no business division subject to Company Split.

##### (3) Assets and liabilities of the business to be split (As of March 31, 2019)

(Billion yen)

| Assets         |            | Liabilities         |            |
|----------------|------------|---------------------|------------|
| Item           | Book value | Item                | Book value |
| Current assets | 0.6        | Current liabilities | 1.1        |
| Fixed assets   | 0.9        | Fixed liabilities   | 0.1        |
| Total          | 1.5        | Total               | 1.2        |

Notes: 1. Amounts less than 100 million yen have been rounded to the nearest 100 million yen.  
2. The actual amount of the assets to be succeeded may vary from the amounts stated above after reflecting any increase or decrease of the assets occurring prior to the effective date of the Company Split.

#### 5. Status of Panasonic after the Company Split

Panasonic's corporate name, head office, name and title of representative, principal lines of business, stated capital and fiscal year end of Panasonic will not change as a result of the Company Split.

#### 6. Financial Outlook

It is expected that there will not be any material impact of the Transaction on the consolidated financial outlook for fiscal year ending March 2020.

<Reference>

"Announcement of the Transfer of the Semiconductor Business"

**Disclaimer Regarding Forward-Looking Statements**

This press release includes forward-looking statements 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 Americas, 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; the possibility that excessive currency rate fluctuations of the U.S. dollar, the euro, the Chinese yuan and other currencies against the yen may adversely affect costs and prices of Panasonic's products and services and certain other transactions that are denominated in these foreign currencies; the possibility of the Panasonic Group incurring additional costs of raising funds, because of changes in the fund raising environment; the possibility of the Panasonic Group not being able 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 or incurring unexpected losses in connection with the alliances or mergers and acquisitions; the possibility of not being able to achieve its business objectives through joint ventures and other collaborative agreements with other companies, including due to the pressure of price reduction exceeding that which can be achieved by its effort and decrease in demand for products from business partners which Panasonic highly depends on in BtoB business areas; the possibility of the Panasonic Group not being able 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; restrictions, costs or legal liability relating to laws and regulations or failures in internal controls; fluctuations in market prices of securities and other financial assets in which the Panasonic Group has holdings or changes in valuation of non-financial assets, including property, plant and equipment, goodwill and deferred tax assets; future changes or revisions to accounting policies or accounting rules; the possibility of incurring expenses resulting from a leakage of customers' or confidential information from Panasonic Group systems due to unauthorized access or a detection of vulnerability of network-connected products of the Panasonic Group; 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.

<Reference>

November 28, 2019

## **Announcement of the Transfer of the Semiconductor Business**

**OSAKA, Japan** - Panasonic Corporation (hereinafter, the “Company”) announced that it will transfer (hereinafter, the “Transfer”) the semiconductor business mainly operated by Panasonic Semiconductor Solutions Co., Ltd. (hereinafter, “PSCS”), which is a 100% consolidated subsidiary company of Panasonic Equity Management Japan G.K.(hereinafter, “PEMJ”), a 100% consolidated subsidiary company of the Company, to Nuvoton Technology Corporation (hereinafter, “Nuvoton”), a Taiwan-based semiconductor company under the umbrella of Winbond Electronics Corporation group, and enter into the Stock and Asset Transfer Agreement (hereinafter, the “Agreement”) with this company. A decision was authorized by the Board resolution today.

### 1. Background and Purpose

The semiconductor business of the Company has shifted from the AV area to the automotive and industrial area over the last few years. The Company has positioned the “Sensing” technologies such as image sensors, and the “LiB Application” technologies such as IC for battery management and MOSFET for LiB battery circuits protection as the focus areas, and the Company has aimed to grow its business by consolidating resources in these areas.

In the meantime, in April 2014, the Company transferred the semiconductor wafer production process of the Hokuriku Plants (Uozu, Tonami, Arai) to the joint venture company formed with Tower Semiconductor Ltd., an Israel based foundry company. Furthermore, in June 2014, the Company transferred its semiconductor assembly plants in Singapore, Indonesia and Malaysia to UTAC Manufacturing Services Ltd. (hereinafter, “UTAC”) having its headquarter in Hong Kong. The Company has been strengthening its competitiveness by becoming an asset light company, consolidating and eliminating its offices and production bases in both Japan and overseas for the mitigation of business risks.

However, the competitive environment surrounding the semiconductor business has become extremely severe due to aggressive expansion of competitors, huge investments in the focused area, and industry reorganization through M&A. In such an environment, the Company has come to believe that the even stronger business operation and the continuous investment is critical in order to achieve a sustained growth and expansion of the semiconductor business.

Accordingly, it has concluded that the best option would be to transfer the business to Nuvoton, which highly appreciates the Company’s accumulated technical and product capabilities and therefore has a potential to lead stable growth by leveraging those capabilities.

### 2. About the Transfer

(1) Business restructuring before the Transfer: Just prior to the Transfer, the Company will restructure the semiconductor business as follows.

- ① All shares of Panasonic Industrial Devices Systems and Technology Co., Ltd. (hereinafter, “PIDST”) and Panasonic Industrial Devices Engineering Co., Ltd. (hereinafter, “PIDE”), which are wholly-owned subsidiaries of PEMJ, will be handed

over to PSCS by way of company split.

- ② The semiconductor business-related intellectual property rights and certain business contracts held by the Company and/or the Company's subsidiaries and the semiconductor business-related assets and debt of the Company will be handed over to PSCS by way of either company split or asset transfer.
- ③ All PSCS's shares held by PEMJ will be handed over to a to-be-established, wholly-owned subsidiary of PEMJ (hereinafter, the "PSCS Holding Company") by way of share transfer.
- ④ The semiconductor related components (lead frame) business of PSCS will be handed over to a to-be-established, wholly-owned subsidiary of PEMJ by way of company split.

(2) Details of the Transfer: Upon completion of the business restructuring above, the Transfer will be carried out as per the details below with target effective date of June 1, 2020 (scheduled).

- ① PEMJ will transfer all PSCS Holding Company's shares to Nuvoton.
- ② The business of Panasonic Industrial Devices Semiconductor Asia (an in-house company in charge of development and sales of semiconductors; hereinafter, "PIDSCA") under Panasonic Asia Pacific Pte Ltd. (a Singaporean entity owned by the Company through its subsidiary; hereinafter, "PA") will be handed over to Singapore-based entity owned by Nuvoton.
- ③ Certain facilities and inventories attributable to the semiconductor business of Panasonic Semiconductor (Suzhou) Co., Ltd. (hereinafter, "PSCSZ") will be transferred to China-based entity owned by Nuvoton.

### 3. Other

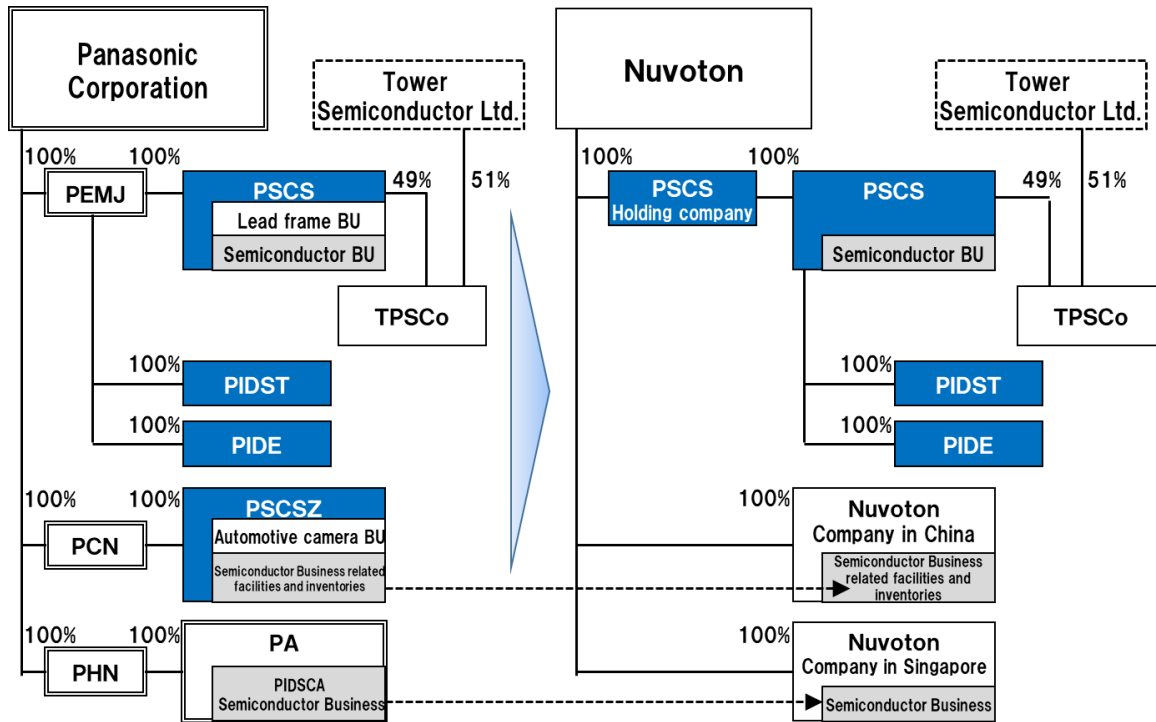
The Agreement is based on the precondition of obtaining approvals from the authorities responsible for competition laws and other government agencies of the respective country and region. In addition, the planned date of the Transfer including business restructuring before the Transfer may differ significantly in light of the duration required for completing the procedures for obtaining approval and other procedures concerning permissions etc.

END



<Reference>

[Change in Capital Structure after the Transfer]



- PCN: Panasonic Corporation of China
- PHN: Panasonic Holding (Netherlands) B.V
- TPSCo: TowerJazz Panasonic Semiconductor Co.,Ltd.

[History of the semiconductor business of the Company]

|      |   |
|------|---|
| 1957 | ▪ Started manufacturing semiconductors in Takatsuki Plant of Matsushita Electronics Corporation (a merged company with Koninklijke Philips N.V.)                        |
| 1968 | ▪ Nagaoka Plant (Nagaokakyo City, Kyoto Prefecture, present headquarters of PSCS) started operations. Started the mass production of silicon transistors / bipolar ICs. |
| 1970 | ▪ Started the mass production of MOS LSI  |
| 1993 | ▪ Dissolved partnership with Koninklijke Philips N.V. and became a 100% subsidiary company of Matsushita Electric Industrial Co., Ltd. (current Panasonic Corporation). |
| 2001 | ▪ Matsushita Electric Industrial Co., Ltd. absorbed Matsushita Electronics Corporation  |
| 2014 | ▪ Established a joint venture company of dispersion process with TPSco<br>▪ Transferred the assembly plants in Malaysia, Singapore, and Indonesia to UTAC               |
| 2015 | ▪ Transferred the system LSI business to Socionext Inc.   |
| 2019 | ▪ Transferred the discrete semiconductor business to Rohm Co., Ltd. (scheduled)   |

[Overview of Panasonic Semiconductor Solutions Co., Ltd.]

|                      |   |
|----------------------|---|
| Name                 | Panasonic Semiconductor Solutions Co., Ltd.                                 |
| Address              | 1 Kotari Yakemachi, Nagaokakyo-shi, Kyoto                                   |
| Representative       | President and Representative Director: Kazuhiro Koyama                      |
| Business description | Development, production, and sales of semiconductors and related components |
| Established          | March 10, 2014  |
| Capital, Investment  | JPY 400 million<br>Panasonic Equity Management Japan G.K. 100%              |

[Overview of Panasonic Industrial Devices Systems and Technology Co.,Ltd.]

|                      |  |
|----------------------|--|
| Name                 | Panasonic Industrial Devices Systems and Technology Co., Ltd.  |
| Address              | 1 Kotari Yakemachi, Nagaokakyo-shi, Kyoto                      |
| Representative       | Representative Director: Shogo Nakazawa                        |
| Business description | Semiconductor related design and development work              |
| Established          | January 10, 1997   |
| Capital, Investment  | JPY 200 million<br>Panasonic Equity Management Japan G.K. 100% |

[Overview of Panasonic Industrial Devices Engineering Co., Ltd.]

|                      |  |
|----------------------|--|
| Name                 | Panasonic Industrial Devices Engineering Co., Ltd.             |
| Address              | 800 Higashiyama, Uozu-shi, Toyama                              |
| Representative       | President: Taihei Kajiwara                                     |
| Business description | Providing semiconductor related technical services             |
| Established          | March 1, 2000  |
| Capital, Investment  | JPY 200 million<br>Panasonic Equity Management Japan G.K. 100% |

[Overview of Panasonic Industrial Devices Semiconductor Asia]

|                      |   |
|----------------------|---|
| Name                 | Panasonic Industrial Devices Semiconductor Asia     |
| Address              | Singapore   |
| Representative       | President: Tomohiro Shimo                           |
| Business description | Development and sales of semiconductors             |
| Established          | December 1, 1978                                    |
| Note                 | In-house company of Panasonic Asia Pacific Pte Ltd. |

[Overview of Panasonic Semiconductor (Suzhou) Co., Ltd.]

|                      |   |
|----------------------|---|
| Name                 | Panasonic Semiconductor (Suzhou) Co., Ltd.<br>Chinese name: 蘇州松下半導體有限公司       |
| Address              | 666 Lushan Road, Gaoxin District, Suzhou, Jiangsu, China                      |
| Representative       | Director: Kazuhiro Koyama   |
| Business description | Manufacturing and sales of semiconductors<br>Production of automobile cameras |
| Established          | December 29, 2001   |
| Capital, Investment  | JPY 9,500 million<br>Panasonic Corporation of China 100%                      |

[Overview of Winbond Electronics Corporation]

|                      |   |
|----------------------|---|
| Name                 | Winbond Electronics Corporation<br>华邦电子股份有限公司   |
| Address              | 台湾台中市 42881 大雅区中部科学园区科雅一路 8 号<br>No. 8, Keya 1st Rd., Daya Dist., Central Taiwan Science<br>Park, Taichung City 42881, Taiwan |
| Representative       | CEO: Arthur Yu Cheng Chiao (焦佑钧)  |
| Business description | Product design, research and development, and wafer fabrication<br>in Specialty DRAM and Code Storage Flash Memory IC         |
| Established          | September 29, 1987  |
| Capital, Investment  | TWD \$39,800 million<br>Walsin Lihwa Corporation 22.01%, Chin Xin Investment 5.0%   |

[Overview of Nuvoton Technology Corporation]

|                      |   |
|----------------------|---|
| Name                 | Nuvoton Technology Corporation<br>新唐科技股份有限公司  |
| Address              | 新竹市东区新竹科学工业园区研新三路 4 号<br>No. 4, Creation Rd. III, Hsinchu Science Park, Taiwan  |
| Representative       | President: Sean Tai (戴尚义)   |
| Business description | Research, design, development, manufacture, and sale of logic<br>integrated circuits ("ICs") and the manufacturing, testing and OEM<br>of 6-inch wafers |
| Established          | April 9, 2008   |
| Capital, Investment  | TWD 7,358 million<br>Winbond Electronics Corporation 61.55%   |