

July 29, 2008

FOR IMMEDIATE RELEASE

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## **Matsushita to Absorb Wholly-Owned Subsidiary**

Osaka, Japan, July 29, 2008 -- Matsushita Electric Industrial Co., Ltd. (MEI [NYSE symbol: MC]), best known for its Panasonic brand, today announced that its Board of Directors has decided that MEI will absorb Matsushita Technology Information Service Co., Ltd. (MTIS), a wholly-owned subsidiary of MEI. The merger is expected to take effect on October 1, 2008.

Details of the merger are outlined below.

### **1. Purpose of merger**

Under the three-year mid-term management plan GP3, starting from fiscal 2008, MEI aims for achieving global excellence by accelerating growth strategies and implementing initiatives for innovating management quality, based on the concept of "steady growth with profitability."

With the aim of ensuring both business competitiveness and information security, MEI will absorb MTIS, which undertakes research, analysis and documentation of technology and patent information, and the entrusted development of research systems.

Through this merger, MEI will strengthen its research and acquisition of intellectual property right, thereby accelerating its enhancement of global intellectual property.

### **2. Details of merger**

#### **(1) Merger schedule**

July 29, 2008

Board of Directors meet to vote on merger

July 29, 2008

Signing of merger agreement

October 1, 2008 (planned)

Effective date of merger

(Note: The merger will be conducted through the simplified procedures provided under the Company Law of Japan, by which resolutions of the shareholders' meeting of MEI and MTIS will not be made.)

(2) Method of merger

MEI, as the continuing company, will absorb MTIS, which will be subsequently dissolved.

(3) Treatment of stock acquisition rights and convertible bonds of the expiring company

There are no stock acquisition rights or convertible bonds issued by MTIS.

**3. Basic information of MEI and MTIS**

(As of March 31, 2008)

Trade Name	MEI (company to absorb)	MTIS (company to be absorbed)
Principal Lines of Business	Manufacture and sale of electronic and electric equipment	Research, analysis and documentation of technology and patent information, and entrusted development and sale of research system
Date of Incorporation	December 15, 1935	October 2, 1989
Principal Office	Kadoma-shi, Osaka, Japan	Osaka-shi, Osaka, Japan
Representative	Fumio Ohtsubo, President	Yoshihisa Fukushima, President
Capital Stock (million yen)	258,740	10
Shares Issued	2,453,053,497	200
Shareholders' Equity (million yen)	3,742,329 (consolidated basis)	233 (non-consolidated basis)
Total Assets (million yen)	7,443,614 (consolidated basis)	439 (non-consolidated basis)
Financial Closing Date	March 31	March 31
Major Shareholders and Shareholdings	Moxley & Co. 7.58% The Master Trust Bank of Japan, Ltd. (Trust account) 5.48% Japan Trustee Services Bank, Ltd. (Trust account) 3.56% State Street Bank and Trust Co. 2.77% Nippon Life Insurance Co. 2.73%	MEI 100%

Notes:1. MEI will change its trade name to Panasonic Corporation on October 1, 2008.

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

#### **4. Effects of merger on the company's financial results**

Trade Name	Panasonic Corporation
Principal Lines of Business	Manufacture and sale of electronic and electric equipment
Principal Office	Kadoma-shi, Osaka, Japan
Representative	Fumio Ohtsubo, President
Capital Stock	No change shall be made by the merger.
Financial Closing Date	March 31
Effect on Financial Outlook	Through this merger, the company will strengthen its research and acquisition of intellectual property right, thereby accelerating its enhancement of global intellectual property. There shall be no change in the financial outlook for fiscal 2009, ending March 31, 2009.

#### **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 Matsushita and its Group companies (the Matsushita 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 Matsushita 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 Matsushita 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. Matsushita 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 Matsushita in its subsequent filings with the U.S. Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934.*

*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 Matsushita Group operates businesses, or in which assets and liabilities of the Matsushita Group are denominated; the ability of the Matsushita 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 ability of the Matsushita Group to achieve its business objectives through joint ventures and other collaborative agreements with other companies; the ability of the Matsushita 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 Matsushita Group; the possibility that the Matsushita 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 Matsushita 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 and other events that may negatively impact business activities of the Matsushita Group. The factors listed above are not all-inclusive and further information is contained in Matsushita's latest annual report on Form 20-F, which is on file with the U.S. Securities and Exchange Commission.*