PANASONIC Corp
Form F-4/A
January 12, 2011
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As filed with the Securities and Exchange Commission on January 12, 2011.

Registration No. 333-171124

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

PRE-EFFECTIVE AMENDMENT NO. 1

TO

FORM F-4

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

PANASONIC KABUSHIKI KAISHA

(Exact name of Registrant as specified in its charter)

PANASONIC CORPORATION

(Translation of Registrant s name into English)

Japan	**3651**	**Not Applicable**
(State or other jurisdiction of incorporation or organization)	**(Primary Standard Industrial Classification Code Number)**	**(I.R.S. Employer Identification No.)**

1006, Oaza Kadoma,

Kadoma City, Osaka 571-8501

Japan

+81-6-6908-1121

(Address, including zip code, and telephone number, including area code, or registrant s principal executive offices)

Panasonic Finance (America), Inc.

1 Rockefeller Plaza, Suite 1001

New York, NY 10020-2002, U.S.A.

212-698-1360

(Name, address, including Zip code, and telephone number, including area code, of agent for service)

Copies to:

Izumi Akai, Esq.

Sullivan & Cromwell LLP

Otemachi First Square

5-1, Otemachi 1-chome

Chiyoda-ku, Tokyo 100-0004

Japan

Approximate date of commencement of proposed sale to the public: As soon as practicable after this Registration Statement becomes effective and the consummation of the Share Exchange described herein.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨ ________

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨ ________

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer) ¨

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer) ¨

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Shares of Common Stock of Panasonic	$202,794,205 (1)(2)	$23,545 (1)(2)

(1) Calculated based on the minimum number of shares of common stock that the registrant currently expects to allocate to Panasonic Electric Works Co., Ltd. shareholders resident in the United States in connection with the share exchange described in this registration statement. The shares to be allocated in connection with the share exchange outside the United States are not registered under this registration statement. Additional information on the shares to be registered, including the maximum number of shares of common stock that the registrant expects to allocate to Panasonic Electric Works Co., Ltd. shareholders resident in the United States, will be included in subsequent amendments to this registration statement following the determination of the share exchange ratio.

(2) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(f)(1) and Rule 457(c) of the Securities Act, based on the average of the high and low trading prices of Panasonic Electric Works Co., Ltd. common stock on the Tokyo Stock Exchange on January 5, 2011 after conversion into U.S. dollars based on the Foreign Exchange Rate released by the Bank of Japan as in effect on such date.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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The information in this preliminary prospectus is not complete. Panasonic Corporation may complete or amend this preliminary prospectus without notice. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell nor does it seek an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to Completion Dated January 12, 2011

Prospectus

Panasonic Corporation

Exchange for Shares of Common Stock of Panasonic Electric Works Co., Ltd.

The boards of directors of Panasonic Corporation (Panasonic) and Panasonic Electric Works Co., Ltd. (PEW) have agreed to a share exchange (the Share Exchange) between the two companies under the Company Law of Japan (the Company Law). Panasonic and PEW have entered into a share exchange agreement (the Share Exchange Agreement) that sets forth the terms of the Share Exchange. Pursuant to the Share Exchange, each shareholder of PEW will receive 0.925 shares of Panasonic s common stock for each share of PEW s common stock that such shareholder holds. The terms of the Share Exchange (along with certain related matters) require approval by the shareholders of PEW. The board of directors of PEW has convened an extraordinary general meeting of shareholders to seek such approval.

Based on the number of shares of PEW s common stock issued as of January 12, 2011, Panasonic expects to dispose of own shares of its common stock in connection with the Share Exchange. Approximately % of those shares will be offered to shareholders of PEW resident in the United States.

This document has been prepared for the shareholders of PEW resident in the United States to provide detailed information in connection with the Share Exchange.

The date, time and place of the shareholders meeting of PEW is expected to be Wednesday, March 2, 2011, at 10:00 a.m. (Japan Time), at PEW s head office at 1048, Oaza Kadoma, Kadoma City, Osaka 571-8686, Japan.

To attend and vote at the shareholders meeting of PEW, or to vote electronically, shareholders of PEW must follow the procedures outlined in the convocation notice and the mail-in-ballot material which PEW will send them.

The Share Exchange cannot be completed unless it is approved at the scheduled shareholders meeting of PEW and certain other conditions are satisfied. The additional conditions and other terms of the Share Exchange are more fully described in this prospectus. For a discussion of these conditions, see The Share Exchange.

This document provides you with detailed information about the Share Exchange. It also provides you with important information about the shares of common stock of Panasonic to be transferred to PEW shareholders in connection with the Share Exchange. You are encouraged to read this document in its entirety.

Panasonic shares are traded in yen on the Tokyo Stock Exchange, the Osaka Securities Exchange and the Nagoya Stock Exchange. Also, American Depositary Shares (ADSs), each representing one Panasonic share, are listed on the New York Stock Exchange (the NYSE) under the symbol PC. On January 7, 2011, the last reported sale price of Panasonic shares on the Tokyo Stock Exchange was ¥1,191 per share, and the last reported sale price of the ADSs on the NYSE was $14.28 per ADS.

You may have dissenters rights in connection with the transactions under Japanese law. See page 40 for a complete discussion of your dissenters rights, if any.

You should consider carefully the <u>risk factors</u> beginning on page 11 of this prospectus.

PEW is not asking for a proxy and you are not required to send a proxy.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus is , 2011.

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REFERENCES TO ADDITIONAL INFORMATION

This prospectus is part of a registration statement on Form F-4, which includes additional important business and financial information about Panasonic and PEW that is not included in or delivered with this prospectus. This information is available to you without charge upon written or oral request. If you would like to receive any of the additional information, please contact:

Masahito Yamamura
Corporate Finance & IR Group
Panasonic Corporation
1006, Oaza Kadoma
Kadoma City, Osaka 571-8501
Japan
Telephone: 81-6-6908-1121

Kazuaki Hashimoto
Financial Management Department
Panasonic Electric Works Co., Ltd.
1048, Oaza Kadoma,
Kadoma City, Osaka 57l-8686
Japan
Telephone: 81-6-6908-1131

IN ORDER TO OBTAIN TIMELY DELIVERY, YOU SHOULD REQUEST THE INFORMATION NO LATER THAN FEBRUARY 23, 2011, WHICH IS FIVE BUSINESS DAYS BEFORE YOU MUST MAKE A DECISION REGARDING THE SHARE EXCHANGE.

For additional information about Panasonic and PEW, see Where You Can Find More Information.

As used in this prospectus, references to Panasonic are to Panasonic Corporation, references to PEW are to Panasonic Electric Works Co., Ltd. and references to SANYO are to SANYO Electric Co., Ltd., in each case on a consolidated basis except where the context otherwise requires. Also, references to the Share Exchange are to the proposed share exchange between Panasonic and PEW, and references to the Panasonic-SANYO Share Exchange are to the proposed share exchange between Panasonic and SANYO.

As used in this prospectus, except where the context otherwise requires, references to the shareholders meeting of PEW or to the meeting of PEW shareholders are to the extraordinary general meeting of shareholders of PEW that is scheduled to take place on March 2, 2011, at which PEW s shareholders will vote on the terms of the Share Exchange and certain related matters. See Extraordinary General Meeting of PEW Shareholders.

As used in this prospectus, dollar or $ means the lawful currency of the United States of America, and yen or ¥ means the lawful currency of Japan.

As used in this prospectus, U.S. GAAP means accounting principles generally accepted in the United States, and Japanese GAAP means accounting principles generally accepted in Japan.

In tables appearing in this prospectus, figures may not add up to totals due to rounding.

The year ended March 31, 2010 or fiscal 2010 refers to our fiscal year ended March 31, 2010 and other fiscal years are referred to in a corresponding manner.

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FORWARD-LOOKING STATEMENTS

This document 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) that reflect the plans and expectations of Panasonic in relation to, and the benefits resulting from, the proposed transactions described herein. To the extent that statements in this document 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 Panasonic 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 Panasonic 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 document. 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 U.S. 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 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 Panasonic operates businesses, or in which assets and liabilities of Panasonic are denominated; the possibility of Panasonic incurring additional costs of raising funds, because of changes in the fund raising environment; the ability of Panasonic 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 from alliances or mergers and acquisitions including the acquisition of all shares of PEW and SANYO through tender offers and share exchanges; the ability of Panasonic to achieve its business objectives through joint ventures and other collaborative agreements with other companies; the ability of Panasonic to maintain competitive strength in many product and geographical areas; the possibility of not achieving the expected benefits from our midterm management plan; the possibility of incurring expenses resulting from any defects in products or services of Panasonic; the possibility that Panasonic 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 Panasonic 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 Panasonic.

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QUESTIONS AND ANSWERS ABOUT THE SHARE EXCHANGE

Q. Why is Panasonic proposing the Share Exchange?

A. The Share Exchange is the final step in Panasonic s turning PEW into a wholly-owned subsidiary. Panasonic originally turned PEW into a consolidated subsidiary in April 2004, and as of March 31, 2010, Panasonic was the owner of 52.1% of PEW s voting rights. On July 29, 2010, Panasonic announced that it would acquire all shares of PEW that it did not already own through a tender offer and, if necessary, a second-step share exchange, and PEW announced that its board of directors endorsed the tender offer. On October 6, 2010, Panasonic completed the tender offer at a price of ¥1,110 per share and, as a result, increased its ownership percentage to approximately 84% of PEW s voting rights. By turning PEW into a wholly-owned subsidiary, Panasonic aims to speed up strategy execution and take further advantage of the total strengths of the Panasonic Group to effectively compete against global competitors.

Q. What will PEW shareholders receive in the Share Exchange?

A. PEW shareholders as of the moment immediately preceding the Share Exchange will receive 0.925 shares of Panasonic s common stock for each share of PEW s common stock which they hold.

Q. Does the board of directors of PEW recommend the Share Exchange?

A. Yes. The board of directors of PEW unanimously recommends that shareholders vote for the Share Exchange.

Q. How will fractions of a share be treated in the Share Exchange?

A. PEW shareholders will not receive any fractions of a share of Panasonic s common stock in the Share Exchange. Instead, the shares representing the aggregate of all such fractions (in case where such aggregated shares still include any fraction less than one share, such fraction shall be rounded off) will be sold in the Japanese market or sold to Panasonic and the net cash proceeds from the sale will be distributed to the former holders of PEW shares on a proportionate basis in accordance with their respective fractions.

Q. How do the legal rights of Panasonic shares differ from those of PEW shares?

A. There are no material differences between or among the rights of shareholders of Panasonic s common stock and PEW s common stock from a legal perspective.

Q. When is the Share Exchange expected to be completed?

A. The Share Exchange is expected to be completed on April 1, 2011.

Q. How will trading in PEW shares be affected in connection with the completion of the Share Exchange?

A. PEW expects that its shares will be delisted from the Tokyo Stock Exchange and the Osaka Securities Exchange about three trading days before April 1, 2011.

Q. Will PEW shareholders receive dividends on common stock for the year ending March 31, 2011?

A. No. PEW shareholders will not receive dividends on common stock for the year ending March 31, 2011.

Q. Can the number of shares of Panasonic s common stock for which the shares of Panasonic s or PEW s common stock are exchanged change between now and the time the transaction is completed?

A. No. The exchange ratio is fixed, and it will not change even if the trading price of PEW s common stock changes between now and the time the Share Exchange is completed. See Risk Factors beginning on page 11.

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Q. What is the record date for voting at the shareholders meeting?

A. Holders of PEW shares as of January 12, 2011 will be eligible to vote at the shareholders meeting expected to be held on March 2, 2011.

Q. How do I vote at the shareholders meeting?

A. You may exercise voting rights by electronic means, mail-in-ballot or attending the meeting in person or through attorney-in-fact. PEW will distribute materials to shareholders that will enable them to exercise their voting rights. Completed mail-in-ballots must be received at least one day before the shareholders meeting.

Q. May I change my vote?

A. Yes. If you want to change your vote expressed by mail-in-ballot, you must attend the meeting personally or through another shareholder you appoint as your attorney-in-fact, or send another mail-in-ballot dated a later date than the previous mail-in-ballot if PEW redistributes mail-in-ballots. By attending the meeting in person you automatically revoke your mail-in-ballot.

If you wish to change a vote previously submitted via the Internet, you must either attend the shareholders meeting personally or through another shareholder having voting rights whom you appoint as your attorney-in-fact, or by resubmitting your vote via the Internet. By attending the meeting in person or having another shareholder entitled to vote your shares attend the meeting on your behalf, or by resubmitting your vote via the Internet, you will automatically revoke your vote previously submitted via the Internet. If you submit more than one vote via the Internet, the last vote submitted will be counted.

Q. How will shares represented at the shareholders meeting by mail-in-ballots be treated?

A. The mail-in-ballots used for the shareholders meeting of PEW will describe the proposals to be voted on by shareholders at the meeting, including approval of the Share Exchange. The mail-in-ballots will allow shareholders to indicate a for or against vote with respect to each proposal. In accordance with Japanese law and practice, PEW intends to count toward the quorum requirements for its shareholders meeting the shares represented by mail-in-ballots that are returned without indicating a for or against vote for any of the proposals, and count these mail-in-ballots as having voted for the approval of the Share Exchange and other related proposals.

Q. Do I have dissenters rights?

A. Under the Company Law, you are entitled to dissenters rights of appraisal in connection with the Share Exchange if you comply with the procedures set forth in the Company Law and share handling regulations of PEW. Any PEW shareholder (i) who notifies PEW prior to the shareholders meeting of his or her intention to oppose the Share Exchange, and who votes against the approval of the Share Exchange at the shareholders meeting, or (ii) who is not entitled to vote at such general meeting of shareholders, and complies with the other relevant procedures set forth in the Company Law, may demand that PEW purchase his or her shares of PEW s common stock at the fair value. The failure of a shareholder of PEW who is entitled to vote at such general meeting of shareholders to provide such notice prior to the shareholders meeting or to vote against the approval of the Share Exchange at the shareholders meeting will in effect constitute a waiver of the shareholder s right to demand that PEW purchase his or her shares of PEW s common stock at the fair value.

Q. What are the Japanese tax consequences of the Share Exchange?

A. Based on certain assumptions and subject to certain limited exceptions, the Share Exchange is expected to be a tax-free transaction for Japanese tax purposes for holders of shares of PEW s common stock who will be allotted shares of Panasonic s common stock. As such, non-resident holders of shares of PEW s common stock will generally not recognize any gains or losses for Japanese tax purposes at the time of the Share Exchange. See Taxation Japanese Tax Consequences beginning on page 110.

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Q. What are the U.S. federal income tax consequences of the Share Exchange to U.S. holders of PEW shares?

A. Panasonic expects that the Share Exchange to be a taxable event for U.S. federal income tax purposes. As a result, U.S. Holders will generally recognize a capital gain or loss measured by the difference between (i) the sum of (A) the fair market value (in U.S. dollars) of Panasonic s common stock received in exchange for their PEW s shares and (B) any cash received in lieu of fractional shares of Panasonic s common stock, and (ii) their tax basis in the shares of PEW s common stock they hold. Such capital gain or loss will be long-term capital gain or loss if, at the time of the exchange, their holding period in their shares of PEW s common stock exceeds one year. For further discussion, see Taxation Material U.S. Federal Income Tax Consequences beginning on page 112.

Q. Is consummation of the Share Exchange conditioned upon successful execution of the Panasonic-SANYO Share Exchange?

A. No. The Share Exchange is a transaction independent from the Panasonic-SANYO Share Exchange and will be consummated, subject to necessary approvals and other conditions, whether or not the Panasonic-SANYO Share Exchange actually occurs.

Q. Who can I call with questions?

A. If you have more questions about the Share Exchange, you should contact:
Masahito Yamamura

Corporate Finance & IR Group

Panasonic Corporation

1006, Oaza Kadoma

Kadoma City, Osaka 571-8501

Japan

Telephone: 81-6-6908-1121

Kazuaki Hashimoto

Financial Management Department

Panasonic Electric Works Co., Ltd.

1048, Oaza Kadoma

Kadoma City, Osaka 57l-8686

Japan

Telephone: 81-6-6908-1131

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SUMMARY

This summary highlights selected information from this document. It does not contain all the information that is important to you. You should read carefully the entire document to fully understand the Share Exchange.

Companies

Panasonic is one of the world s leading producers of electronics and electric products. Panasonic currently offers a comprehensive range of products, systems and components for consumer, business and industrial use based on sophisticated electronics and precision technology, expanding to building materials and equipment, and housing business. Among the six business areas on which Panasonic focuses, as a consolidated subsidiary of Panasonic since April 2004, PEW plays a role in four: energy systems, LED, security and healthcare. Energy systems is one of PEW s flagship businesses. PEW develops optimally controlled energy management systems for linking devices and appliances to generate, store and save energy. PEW has also developed an AC/DC Hybrid Wiring System, which is a next-generation wiring system that helps reduce CO2 emissions and save energy, that helps reduce energy loss when converting alternating current (AC) to direct current (DC). PEW also plans to actively market solar cells as key devices for generating energy.

Panasonic s principal executive offices are located at 1006, Oaza Kadoma, Kadoma City, Osaka 571-8501, Japan, and its telephone number is 81-6-6908-1121. PEW s principal executive offices are located at 1048, Oaza Kadoma, Kadoma City, Osaka 57l-8686, Japan, and its telephone number is 81-6-6908-1131.

The Share Exchange

The boards of directors of Panasonic and PEW have agreed to the Share Exchange, to be approved by PEW s shareholders at a shareholders meeting. Under the Share Exchange, each shareholder of PEW registered as of the moment immediately preceding the Share Exchange will receive 0.925 shares of Panasonic s common stock for each share of PEW s common stock that such shareholder holds. If the Share Exchange Agreement is approved by the shareholders of PEW, and if the other conditions to completing the Share Exchange are satisfied, the Share Exchange is expected to become effective on April 1, 2011.

Notice of Meeting

To seek shareholders approval of the terms of the Share Exchange and certain other matters, the board of directors of PEW has convened an extraordinary general meeting of shareholders. Under Japanese law, the notice of a general meeting of shareholders must be dispatched two weeks in advance to all shareholders of record having voting rights. PEW will mail out its notices on such date as to be determined.

The affirmative vote of shareholders representing a two-thirds majority of the voting rights of the shareholders of PEW represented at the shareholders meeting is required to approve the Share Exchange. Each shareholder is entitled to one vote per one unit of shares, which is comprised of 1,000 shares, subject to the limitation by the Unit share system. The required quorum for vote on the Share Exchange at the shareholders meeting is a one-third majority of the voting rights of the shareholders of PEW who are entitled to exercise their voting rights.

The date, time and place of the meeting is expected to be Wednesday, March 2, 2011, at 10:00 a.m. (Japan Time), at PEW s head office at 1048, Oaza Kadoma, Kadoma City, Osaka 57l-8686, Japan.

Shareholders may attend the meeting in person or by proxy using a duly authorized power of attorney, or vote via the Internet or by mail-in-ballot.

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At the meeting, you will be allowed to vote upon the terms of the Share Exchange approved by the boards of directors of Panasonic and PEW.

Reasons for the Share Exchange

The business environment surrounding the Panasonic Group continues to change dramatically and rapidly. Thus, it is indispensable for the Panasonic Group to speed up strategy execution and take further advantage of the total strengths of the group in order to effectively compete against the competition and achieve business growth in new markets. As a result, Panasonic made a determination to turn both PEW and SANYO, which are both currently consolidated subsidiaries, into wholly-owned subsidiaries through simultaneous first-step tender offers and subsequent share exchanges.

Through ownership of all of the shares of both PEW and SANYO, Panasonic intends to dynamically accelerate, and to achieve further progress under its business plan by promoting rapid decision making and maximizing group synergies. Panasonic, PEW and SANYO intend to pursue the establishment of the new Panasonic Group, under which the three companies will be genuinely integrated, and will make efforts to (i) maximize value creation by strengthening contacts with customers, (ii) realize speedy and lean management, and (iii) accelerate business growth by boldly shifting management resources.

Furthermore, in order to realize these objectives, the Panasonic Group s business organization is scheduled to be restructured by around January 2012. From the perspective of maximization of customer value, the basic policy of such restructuring is to integrate and reorganize the business and marketing divisions of the three companies into three business sectors: Consumer, Components and Devices and Solutions, and to design optimal business models that are most suitable for the character of each business. In addition, the Panasonic Group will reorganize its current 16 domain companies into nine, based on these new business sectors and as described below. The Panasonic Group will make efforts to establish a business organization under which it can effectively compete against global competitors in each business and in each industry.

Currently, direction of the reorganization of each business sector is expected to be as follows:

Consumer business sector:
The Panasonic Group intends to reorganize its marketing function on a global basis, and reorganize its marketing divisions, including Japan, to a global consumer marketing division. Under the reorganization, the Panasonic Group intends to enhance the function of its frontline business and accelerate the creation of customer-oriented products. Also, the Panasonic Group intends to work to strengthen, among others, its overseas consumer business by strategically distributing its marketing resources in Japan and overseas.

The Panasonic Group expects that the consumer business sector will have two domain companies: (1) AVC networks and (2) heating/refrigeration/air condition and home appliances. The AVC networks domain company will focus on creation of new businesses with next-generation products, with a unified concept of business and technology. The heating/refrigeration/air condition and home appliances domain company will aim to be the leading green innovation company in the home appliances business, with a strong line-up ranging from consumer use to commercial use, and is expected to globally expand its business in personal care and health enhancing products and cooking appliances.

Components and Devices business sector:
The Panasonic Group intends to strengthen cooperation among the development, production and sales functions for each component and device having a common business model. By combining marketing and technology, the Panasonic Group intends to strengthen its proposal-style business, which

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foresees the potential needs of customers and aim to expand the business as an independent business that does not rely on internal needs. Particularly in this business sector, the Panasonic Group intends to continue to make maximum use of SANYO s strengths, such as its rechargeable batteries business and solar business, as well as its customer network.

Specifically, the Panasonic Group expects that the components and devices business section will have three domain companies: (1) automotives, (2) devices and (3) energy devices. These three domain companies are expected to cooperate in providing strategic customer services and conducting new sales development, with a department established for the purposes of such cooperation. The automotive domain company will aim to strengthen multimedia systems displays, create new growth markets such as EV and e-cockpit, and establish a robust Japanese market share for car navigation systems. The devices domain company will aim to develop new markets and customer with new products and technologies, and focus on environment and energy, healthcare and medical, material and devices, automotives and emerging markets. The energy devices domain company will aim especially to strengthen its lithium-ion battery and solar battery businesses.

Solutions business sector:

The Panasonic Group intends to unify the development, production and sales functions for each solution for business customers. The Panasonic Group aims to offer the most suitable products, services and solutions as quickly as possible, grasping customers needs in as timely a fashion as possible. In addition, the comprehensive solutions for the entire home, the entire building and the entire town that encompass these solutions will be accelerated. Particularly in this business sector, the Panasonic Group intends to continue to make maximum use of the strength and customer network of PEW.

Specifically, the Panasonic group expects that the solutions business sector will have four domain companies: (1) security and communication solutions, (2) environment and energy solutions, (3) healthcare and medical solutions, and (4) factory solutions. The security and communications solutions domain company will aim to provide network solutions with the Panasonic Group s comprehensive technologies, from fixed to wireless communications, including mobile phones. The environment and energy solutions domain company will focus on contributing to a comfortable eco-conscious lifestyle, and aim for unconventional growth through comprehensive solutions and sales, and effective collaboration with other domain companies. The healthcare and medical solutions domain company is expected to serve as a pillar of the next generation business and assist in providing simple and affordable healthcare service, including contributing to the robot business with products such as a robotic bed . The factory solutions domain company will aim to contribute to the progress and development of global society with manufacturing solutions, including the development of new businesses in mounting and circuit fabrication and welding, and laser technology.

In addition, the environment and energy domain company will lead the comprehensive solutions initiative, which will involve four steps: (1) offer a packaged series as a whole set to a specific space, (2) utilize network-packaged equipment, (3) have a vertical value chain business to offer coherent value from sales to customer services, and (4) create a unique comprehensive solutions business model. The goal is to create such a unique business model that combines vertical and horizontal value chains from the planning stage through participation in the smart city projects in the world.

In addition to the reorganization, the head office will aim for a lean and speedy global head office by strengthening its strategic functions, while integrating and streamlining the three companies organizations. The nine domain companies will be responsible for managing their businesses autonomously, while the new head office will focus on three functions: (1) develop a group-wide growth strategy, (2) establish group core competencies and (3) offer services beyond the domain companies capabilities. The new head office is expected to have a global head office to govern the Panasonic Group based on each functional classification and regional management companies based on each region. By organizing the head office with a focus on indispensable functions, the Panasonic Group believes that it will be able to create new local businesses and solve local issues.

Further, together with this reorganization, Panasonic Group intends to integrate its brands, in principle, into Panasonic in the future. However, Panasonic Group expects that SANYO will continue to be partially utilized, depending on the particular business or region.

Panasonic Group believes that the business reorganizations mentioned above will promote the integration of the three companies advantages and the proposal capabilities for comprehensive solutions, and will enable rapid increase in global competitiveness especially in the energy systems, heating/refrigeration/air conditioning and network AV business, which are core businesses to lead sales and profits of the entire group companies. Also, in each business such as healthcare, security, and LED, which is positioned as a key business for the next generation, Panasonic will make efforts to accelerate the growth of such business by combining the capacities of the three companies for research and development, as well as market development.

Additionally, Panasonic intends to realize further reinforcement of management structure and cost competitiveness through business integration and unification of the business bases of the three companies, and through optimizing and streamlining its head office organization.

No Solicitation of Proxies, Consents or Authorizations

PEW s management is not soliciting proxies, consents or authorizations with respect to the Share Exchange prior to the extraordinary general meeting of shareholders.

Expiration of the Share Exchange Agreement

The Share Exchange Agreement shall cease to have any effect if, among others, the Share Exchange Agreement is not approved at the shareholders meeting of PEW.

Dissenters Rights

Under Japanese law, you may have dissenters rights of appraisal in connection with the Share Exchange. See The Share Exchange Dissenters Appraisal Rights for a complete discussion of dissenters rights.

Material Tax Consequences

Japanese Taxation

Based on certain assumptions and subject to certain limited exceptions, the Share Exchange is expected to be a tax-free transaction for Japanese tax purposes for holders of shares of PEW s common stock who will be allotted shares of Panasonic s common stock. As such, non-resident holders of shares of PEW s common stock will generally not recognize any gains or losses for Japanese tax purposes at the time of the Share Exchange. See Taxation Japanese Tax Consequences.

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Material U.S. Federal Income Tax Consequences

Panasonic expects that the Share Exchange to be a taxable event for U.S. federal income tax purposes. As a result, U.S. Holders will generally recognize a capital gain or loss measured by the difference between (i) the sum of (A) the fair market value (in U.S. dollars) of Panasonic s common stock received in exchange for their PEW s shares and (B) any cash received in lieu of fractional shares of Panasonic s common stock, and (ii) their tax basis in the shares of PEW s common stock they hold. Such capital gain or loss will be long-term capital gain or loss if, at the time of the exchange, their holding period in their shares of PEW s common stock exceeds one year. For further discussion, see Taxation Material U.S. Federal Income Tax Consequences beginning on page 112.

Accounting Treatment of the Share Exchange

The Share Exchange will be accounted for by Panasonic as equity transactions in accordance with U.S. GAAP. See The Share Exchange Accounting Treatment.

Risk Factors

In determining whether to vote to approve the Share Exchange, you should consider carefully the risk factors beginning on page 11 of this prospectus.

Trading Markets for Shares of Panasonic s Common Stock

Panasonic s common stocks are currently traded on the First Sections of the Tokyo Stock Exchange, the Osaka Securities Exchange and the Nagoya Stock Exchange. Also, American Depositary Shares, each representing one Panasonic share, are listed on the New York Stock Exchange.

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RISK FACTORS

Prior to making a decision on the Share Exchange, you should carefully consider, along with other matters set out in this prospectus, the following considerations:

Risks Relating to the Share Exchange

The exchange ratio for the Share Exchange is fixed and will not be adjusted to reflect changes in the market values of Panasonic s and PEW s common stock; as a result, the value of Panasonic s common stock you receive in the transaction may be less than when you vote on the Share Exchange

Upon the completion of the Share Exchange, each share of PEW s common stock will be exchanged for 0.925 shares of Panasonic s common stock. The ratio at which PEW s common stock will be exchanged for Panasonic s common stock is fixed, and will not be adjusted for changes in the market prices of either company s common stock. Therefore, even if the relative market values of Panasonic s and PEW s common stock change, there will be no change in the number of shares of Panasonic s common stock which shareholders of PEW will receive in the Share Exchange.

Any change in the prices of either company s common stock occurring prior to the effective date of the Share Exchange will affect the value that holders of PEW s common stock receive in the Share Exchange. The value of the Panasonic s common stock to be received in the Share Exchange (which will occur approximately one month after the extraordinary general meeting of shareholders) may be higher or lower than the indicative value as of the date of this prospectus and/or as of the date of the extraordinary general meeting of PEW shareholders, depending on the prevailing market prices of Panasonic s and PEW s common stock.

The share prices of Panasonic s and PEW s common stock are subject to the general price fluctuations in the market for publicly traded equity securities and have experienced significant volatility in the past. Stock price changes may result from a variety of factors that are beyond the control of Panasonic and PEW, including actual changes in, or investor perception of, Panasonic s and PEW s businesses, operations and prospects. Regulatory developments, as well as current or potential legal proceedings, and changes in general market and economic conditions may also affect the stock price of Panasonic or PEW.

You should obtain and review recent market quotations for Panasonic s and PEW s common stock before voting on the Share Exchange. There can be no assurances as to the future market prices of Panasonic s and PEW s common stock before the completion of the Share Exchange, nor of the market price of Panasonic s common stock at any time after the completion of the Share Exchange.

Significant costs and expenses have been and are being incurred in the course of the Share Exchange and the Panasonic-SANYO Share Exchange and subsequent consolidation of the business operations of the three companies

Significant costs and expenses have been and are being incurred related to the transactions contemplated herein. These costs and expenses include financial advisory, legal and accounting fees and expenses, arrangement fees to financial institutions, reorganization and restructuring costs, severance/employee benefit-related expenses, filing fees, printing expenses and other related charges. There may be significant costs in compensating dissenting shareholders who exercise their appraisal rights. There may also be additional unanticipated significant costs in connection with the any subsequent reorganization which we may not recoup.

Turning PEW and SANYO into wholly-owned subsidiaries may not produce the benefits anticipated by Panasonic

Through turning PEW and SANYO into wholly-owned subsidiaries through the tender offers and share exchanges described herein, Panasonic aims to promote more rapid decision-making and maximize group

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synergies, including through a restructuring of Panasonic s business organization to be completed by around January 2012. However, in order to achieve such benefits, the operations of the three companies will need to be reorganized and their resources will need to be combined in a timely and flexible manner. There can be no assurance that Panasonic will be able to implement these steps as anticipated. For example, factors that could cause a delay in the implementation of these plans include negotiations with labor unions and the ability to integrate the Panasonic brand name. If Panasonic fails to achieve the planned restructuring effectively within the time frame that is currently contemplated or to the extent that is currently planned, or if for any other reason the expected group synergies fails to materialize, these transactions may not produce the benefits anticipated by Panasonic.

Risks Relating to the Business of Panasonic

Continued or further weakness in Japanese and global economies may cause reduced demand for Panasonic s products

Demand for Panasonic s products and services may be affected by general economic trends in the countries or regions in which Panasonic s products and services are sold. Economic downturns and resulting declines in demand in Panasonic s major markets worldwide may thus adversely affect Panasonic s business, operating results and financial condition. Triggered by the financial crisis in fiscal 2009**,** Panasonic s business environment rapidly deteriorated due to declines in global consumption and business activities and due to intensified price competition. Regarding the business environment for fiscal 2011, ending March 31, 2011, Panasonic currently anticipates market conditions to remain unpredictable due to various factors including the yen s appreciation and ever-intensified global competition, despite a gradually recovering global economy. Panasonic may incur increased costs for additional business restructuring in order to cope with the business environment. If global market conditions worsen beyond expectations, the business environment of Panasonic may deteriorate more than currently anticipated, which may adversely affect Panasonic s business, operating results and financial condition.

Currency exchange rate fluctuations may adversely affect Panasonic s operating results

Foreign exchange rate fluctuations may adversely affect Panasonic s business, operating results and financial condition, because its international business transactions and costs and prices of its products and services in overseas countries are affected by foreign exchange rate changes. In addition, foreign exchange rate changes can also affect the yen value of Panasonic s investments in overseas assets and liabilities because Panasonic s consolidated financial statements are presented in Japanese yen. Generally, an appreciation of the yen against other major currencies such as the U.S. dollar and the euro may adversely affect Panasonic s operating results. Meanwhile, a depreciation of the yen against the aforementioned major currencies may have a favorable impact on Panasonic s operating results. The global financial crisis, which occurred in 2008, caused the rapid appreciation of the yen against other major currencies, which adversely and significantly affected Panasonic s operating results in fiscal 2009 and fiscal 2010. Any further or continued appreciation of the yen may adversely affect Panasonic s business, operating results and financial condition.

Interest rate fluctuations may adversely affect Panasonic s financial condition, etc.

Panasonic is exposed to interest rate fluctuation risks which may affect Panasonic s operational costs, interest expenses, interest income and the value of financial assets and liabilities. Accordingly, interest rate fluctuations may adversely affect Panasonic s business, operating results and financial condition.

Continuation or deterioration of financial market turmoil may adversely affect Panasonic s ability to raise funds or may increase the cost of fund raising

Panasonic raises funds for its business through methods such as borrowing from financial institutions and issuance of bonds and commercial papers. Where, among other events, financial market turmoil continues or deteriorates, financial institutions reduce lending to Panasonic, or rating agencies downgrade Panasonic s credit ratings, Panasonic may not be able to raise funds in the time and amount necessary for Panasonic, or under

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conditions which Panasonic deems appropriate, and Panasonic may incur additional costs of raising funds, which may adversely affect Panasonic s business, operating results and financial condition.

Decreases in the value of Japanese stocks may adversely affect Panasonic s financial results

Panasonic holds mostly Japanese stocks as part of its investment securities. The value of such stocks has dropped significantly due to the world financial crisis and the recession of Japanese economy in fiscal 2009, causing Panasonic to record losses on valuation of its investment securities in fiscal 2009 and fiscal 2010. Further decreases in the value of stocks may cause additional losses due to decreases in the valuation of investment securities, thereby adversely affecting Panasonic s operating results and financial condition. The decrease in the value of Japanese stocks may also reduce stockholders equity on the balance sheet, as unrealized holding gains (losses) of available-for-sale securities are included as part of accumulated other comprehensive income (loss).

Competition in the industry may adversely affect Panasonic s ability to maintain profitability

Panasonic develops, produces and sells a broad range of products and therefore faces many different types of competitors, from large international companies to relatively small, rapidly growing, and highly specialized organizations. Panasonic may choose not to fund or invest in one or more of its businesses to the same degree as its competitors in those businesses do, or it may not be able to do so in a timely manner or even at all. These competitors may have greater financial, technological, and marketing resources than Panasonic in the respective businesses in which they compete.

Rapid declines in product prices may adversely affect Panasonic s financial condition

Panasonic s business is subject to intense price competition worldwide, which makes it difficult for Panasonic to determine product prices and maintain adequate profits. Such intensified price competition may adversely affect Panasonic s profits, especially in terms of possible decreases in demand. Amid accelerating changes in the structure of markets, such as a demand shift to emerging markets and lower-priced products, and market expansion of environmental and energy-related businesses, Panasonic s product prices in digital electronics and many other business areas may continue to decline significantly.

Panasonic s business is, and will continue to be, subject to risks generally associated with international business operations

One of Panasonic s business strategies is business expansion in overseas markets. In many of these markets, Panasonic may face risks generally associated with international manufacturing and other business operations, such as political instability, including terrorist attacks and abduction, cultural and religious differences and labor relations, as well as economic uncertainty and foreign currency exchange risks. Panasonic may also face barriers in commercial and business customs in foreign countries, including difficulties in timely collection of accounts receivable or in building and expanding relationships with customers, subcontractors or parts suppliers. Panasonic may also experience various political, legal or other restrictions in investment, trade, manufacturing, labor or other aspects of operations, including restrictions on foreign investment or the repatriation of profits on invested capital, nationalization of local industry, changes in export or import restrictions or foreign exchange controls, and changes in the tax system or the rate of taxation in countries where Panasonic operates businesses. With respect to products exported overseas, tariffs, other barriers or shipping costs may make Panasonic s products less competitive in terms of price. Expanding its overseas business may require significant investments long before Panasonic realizes returns on such investments, and increased investments may result in expenses growing at a faster rate than revenues.

Panasonic may not be able to keep pace with technological changes and develop new products or services in a timely manner to remain competitive

Panasonic may fail to introduce new products or services in response to technological changes in a timely manner. Some of Panasonic s core businesses, such as consumer digital electronics and key components and devices, are concentrated in industries where technological innovation is the central competitive factor.

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Panasonic continuously faces the challenge of developing and introducing viable and innovative new products. Panasonic must predict with reasonable accuracy both future demand and new technologies that will be available to meet such demand. If Panasonic fails to do so, it will not be able to compete effectively in new markets.

Panasonic may not be able to develop product formats that can prevail as de facto standards

Panasonic has been forming alliances and partnerships with other major manufacturers to strengthen technologies and the development of product formats, such as next-generation home and mobile networking products, data storage devices, and software systems. Despite these efforts, Panasonic s competitors may succeed in developing de facto standards for future products before Panasonic can. In such cases, Panasonic s competitive position, business, operating results and financial condition could be adversely affected.

Panasonic may not be able to successfully recruit and retain skilled employees, particularly scientific, technical and management professionals

Panasonic s future success depends largely on its ability to attract and retain certain key personnel, including scientific, technical and management professionals. Industry demand for skilled employees, however, exceeds the number of personnel available, and the competition for attracting and retaining these employees is intense. Because of this intense competition for skilled employees, Panasonic may be unable to retain its existing personnel or attract additional qualified employees to keep up with future business needs. If this should happen, Panasonic s business, operating results and financial condition could be adversely affected.

Alliances with, and strategic investments in, third parties, and mergers and acquisitions undertaken by Panasonic, may not produce positive or expected results

Panasonic develops its businesses by forming alliances or joint ventures with, and making strategic investments in, other companies, including investments in start-up companies. Furthermore, the strategic importance of partnering with third parties is increasing. In some cases, such partnerships are crucial to Panasonic s goal of introducing new products and services, but Panasonic may not be able to successfully collaborate or achieve expected synergies with its partners. Furthermore, Panasonic does not control these partners, who may make decisions regarding their business undertakings with Panasonic that may be contrary to Panasonic s interests. In addition, if these partners change their business strategies, Panasonic may fail to maintain these partnerships.

Panasonic is dependent on the ability of third parties to deliver parts, components and services in adequate quality and quantity in a timely manner, and at a reasonable price

Panasonic s manufacturing operations depend on obtaining raw materials, parts and components, equipment and other supplies including services from reliable suppliers at adequate quality and quantity in a timely manner. It may be difficult for Panasonic to substitute one supplier for another, increase the number of suppliers or change one component for another in a timely manner or at all due to the interruption of supply caused by, among other conditions, the bankruptcy of suppliers or increased industry demand. This may adversely affect Panasonic s operations. Although Panasonic decides purchase prices by contract, the prices of raw materials, including iron and steel, resin, and non-ferrous metals, and parts and components, may increase due to changes in supply and demand and the inflow of investment funds. Some components are only available from a limited number of suppliers, which also may adversely affect Panasonic s business, operating results and financial condition.

Panasonic is exposed to the risk that its customers may encounter financial difficulties

Many of Panasonic s customers purchase products and services from Panasonic on payment terms that do not provide for immediate payment. If customers from whom Panasonic has substantial accounts receivable encounter financial difficulties and are unable to make payments on time, Panasonic s business, operating results and financial condition could be adversely affected.

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Panasonic may not be able to achieve all the targets of its midterm management plan

Panasonic is implementing a midterm management plan called Green Transformation 2012 (GT12), announced on May 7, 2010, which runs from fiscal 2011 to fiscal 2013. Under this plan, Panasonic aims to achieve an operating profit* to sales ratio of 5% or more, sales of 10 trillion yen, ROE of 10% and CO_2 emission reductions of 50 million tons (compared to the estimated amount of emission in fiscal 2013 assuming that no remedial measures were taken since fiscal 2006). However, Panasonic may not be successful in achieving all the targets or in realizing the expected benefits because of various external and internal factors including deterioration of the business environment and increased costs of business restructuring such as additional business reorganization, the impairment of fixed assets and employment adjustment in order to cope with the business environment.

* In order to be consistent with generally accepted financial reporting practices in Japan, operating profit, a non-GAAP measure, is presented as net sales less cost of sales and selling, general and administrative expenses. Panasonic believes that this is useful to investors in comparing Panasonic s financial results with those of other Japanese companies.

Panasonic may be subject to product liability or warranty claims that could result in significant direct or indirect costs

The occurrence of quality problems due to product defects, including safety incidents, in Panasonic products could make Panasonic liable for damages not covered by product and completed operation liability insurance, whereby Panasonic could incur significant expenses. Due to negative publicity concerning these problems, Panasonic s business, operating results and financial condition may be adversely affected.

Panasonic may fail to protect its proprietary intellectual properties, or face claims of intellectual property infringement by a third party, and may lose its intellectual property rights on key technologies or be liable for significant damages

Panasonic s success depends on its ability to obtain intellectual property rights covering its products and product design. Patents may not be granted or may not be of sufficient scope or force to provide Panasonic with adequate protection or commercial advantage. In addition, effective copyright and trade secret protections may be unavailable or limited in some countries in which Panasonic operates. Competitors or other third parties may also develop technologies that are protected by patents and other intellectual property rights, which make such technologies unavailable or available only on terms unfavorable to Panasonic. Panasonic obtains licenses for intellectual property rights from other parties; however, such licenses may not be available at all or on acceptable terms in the future. Litigation may also be necessary to enforce Panasonic s intellectual property rights or to defend against intellectual property infringement claims brought against Panasonic by third parties. In such cases, Panasonic may incur significant expenses for such lawsuits. Furthermore, Panasonic may be prohibited from using certain important technologies or liable for damages in cases of admitted violations of intellectual property rights of others.

Changes in accounting standards and tax systems may adversely affect Panasonic s financial results and condition

Introduction of new accounting standards or tax systems, or changes thereof, which Panasonic cannot predict, may have a material adverse effect on Panasonic s operating results and financial condition. In addition, if tax authorities have different opinions from Panasonic on Panasonic s tax declarations, Panasonic may need to make larger tax payments than estimated.

Payments or compensation related to environmental regulations or issues may adversely affect Panasonic s business, operating results and financial condition

Panasonic is subject to environmental regulations such as those relating to climate change, air pollution, water pollution, elimination of hazardous substances, waste management, product recycling, and soil and

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groundwater contamination, and may be held responsible for certain related payments or compensation. Furthermore, if these regulations become stricter and an additional duty of eliminating the use of environmentally hazardous materials is imposed, or if Panasonic determines that it is necessary and appropriate, from the viewpoint of corporate social responsibility, to respond to environmental issues, the payment of penalties for the violation of these regulations or voluntary payment of compensation for consolation to parties affected by such issues may adversely affect Panasonic s business, operating results and financial condition.

Leaks of confidential information or trade secrets may adversely affect Panasonic s business

In the normal course of business, Panasonic holds confidential information mainly about customers regarding credit worthiness and other information, as well as confidential information about companies and other third parties. Such information may be leaked due to an accident or other inevitable cause, and any material leakage of confidential information may result in significant expense for related lawsuits and adversely affect Panasonic s business and image. Moreover, besides customer information, there is a risk that Panasonic s trade secrets, such as technology information, may be leaked by illegal conduct or by mere negligence of external parties, etc. If such is the case, Panasonic s business, operating results and financial condition may be adversely affected.

Governmental laws and regulations may limit Panasonic s activities, increase its operating costs or subject it to sanctions and lawsuits

Panasonic is subject to governmental regulations in Japan and other countries in which it conducts its business, including governmental approvals required for conducting business and investments, laws and regulations governing the telecommunications businesses and electric product safety, national security-related laws and regulations and export/import laws and regulations, as well as commercial, antitrust, patent, product liability, environmental laws and regulations, consumer protection, financial and business taxation laws and regulations, and internal control regulations due to the implementation of stricter laws and regulations and stricter interpretations. However, to the extent that Panasonic cannot comply with these laws and regulations from technical and economic perspectives, or if they become stricter and Panasonic determines that it would not be economical to continue to comply with them, Panasonic would need to limit its activities in the affected business areas. These laws and regulations could increase Panasonic s operating costs. In addition, in the event that governmental authorities find or determine that Panasonic has violated these laws and regulations, Panasonic could become subject to regulatory sanctions, including money penalties, or criminal sanctions or civil lawsuits for damages, and could also suffer reputational harm.

Panasonic s facilities and information systems could be damaged as a result of disasters or unpredictable events, which could have an adverse effect on its business operations

Panasonic s headquarters and major facilities including manufacturing plants, sales offices and research and development centers are located in Japan. Panasonic also operates procurement, manufacturing, logistics, sales and research and development facilities all over the world. If major disasters, such as earthquakes, fires, floods, including those caused by climate change, wars, terrorist attacks, computer viruses or other events occur, or Panasonic s information system or communications network breaks down or operates improperly as a result of such events, Panasonic s facilities may be seriously damaged, or Panasonic may have to stop or delay production and shipment. Panasonic may incur expenses relating to such damages. In addition, if an infectious disease, such as a new highly-pathogenic flu strain, becomes prevalent throughout the world, Panasonic s manufacturing and sales may be materially disrupted.

External economic conditions may adversely affect Panasonic s pension plans

Panasonic has contributory, funded benefit pension plans covering substantially all employees in Japan who meet eligibility requirements. A decline in interest rates may cause a decrease in the discount rate on benefit obligations. A decrease in the value of stocks may also affect the return on plan assets. As a result, the actuarial loss may increase, leading to an increase in future net periodic benefit costs of these pension plans.

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Some long-lived assets may not produce adequate returns

Panasonic has many long-lived assets, such as plant, property and equipment, and goodwill, that generate returns. Panasonic periodically reviews the recorded value of its long-lived assets to determine if the fair value will be sufficient to support the remaining recorded asset values. If these long-lived assets do not generate sufficient cash flows, impairment losses will have to be recognized, adversely affecting Panasonic s results of operations and financial condition.

Realizability of deferred tax assets and uncertain tax positions may increase Panasonic s provision for income tax

In assessing the realizability of deferred tax assets and uncertain tax positions based on the expected future generation of taxable income or assessed sustainability of uncertain tax positions, Panasonic considers whether it is more likely than not that any portion or all of the deferred tax assets or recognized tax position benefit will not be realized. If Panasonic determines that temporary differences and loss carryforwards or recognized tax benefits cannot be realized upon the generation of future taxable income during the deductible periods due to deteriorating business conditions or tax position benefits may not be realized upon settlement, valuation allowance against deferred tax assets or unrecognized tax benefit reserves could be recognized and Panasonic s provision for income tax may increase.

Financial results and condition of associated companies may adversely affect Panasonic s operating results and financial condition

Panasonic holds equities of several associated companies. Panasonic can exercise influence over operating and financing policies of these companies. However, Panasonic does not have the right to make decisions for them since the companies operate independently. Some companies may record losses. If these associated companies do not generate profits, Panasonic s business results and financial condition may be adversely affected.

Risks Relating to Owning Panasonic s Common Stock and ADSs

Panasonic s shareholders of record on a record date may not receive the dividend they anticipate

The customary dividend payout practice and relevant regulatory regime of publicly listed companies in Japan may differ from that followed in foreign markets. Panasonic s dividend payout practice is no exception. While Panasonic regularly announces forecasts of annual and interim dividends in April or May of each year, these forecasts are not legally binding. The payment of annual or interim dividends requires a resolution of its board of directors. If the board adopts such a resolution, the dividend payment is made to shareholders as of the applicable record date, which is currently specified by its Articles of Incorporation as March 31, in the case of annual dividends, and September 30, in the case of interim dividends. However, the board usually does not adopt a resolution with respect to an annual dividend until after March 31 or with respect to an interim dividend until after September 30, respectively. Shareholders of record as of an applicable record date may sell shares in the market after the record date in anticipation of receiving a certain dividend payment based on the previously announced forecasts. However, since these forecasts are not legally binding and resolutions to pay dividends are usually not adopted until after the record date, Panasonic s shareholders of record on record dates for annual or interim dividends may not receive the dividend they anticipate.

Investors holding less than a unit of shares will have limited rights as shareholders

Pursuant to the Company Law and other related legislation, Panasonic s Articles of Incorporation provide that 100 shares of common stock constitute one unit. The Company Law imposes significant restrictions and limitations on holdings of shares that do not constitute whole units. In general, holders of shares constituting less than one unit do not have the right to vote or to examine Panasonic s books and records. The transferability of

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shares of Panasonic s common stock constituting less than one unit is significantly limited. For a more complete description of the unit share system and its effect on the rights of holders of Panasonic shares, see Description of Panasonic s Common Stock Unit Share System.

Rights of shareholders under Japanese law may be more limited than under the laws of other jurisdictions

Panasonic s Articles of Incorporation, Regulations of the Board of Directors, and the Company Law govern the corporate affairs of Panasonic. Legal principles relating to such matters as the validity of corporate procedures, directors fiduciary duties and liabilities, and shareholders rights may be different from those that would apply to a non-Japanese company. Shareholders rights under Japanese law may not be as extensive as shareholders rights under the laws of other countries or jurisdictions within the United States. You may have more difficulty in asserting your rights as a shareholder than you would as a shareholder of a corporation organized in another jurisdiction.

Because of daily price range limitations under Japanese stock exchange rules, you may not be able to sell your shares of Panasonic s common stock at a particular price on any particular trading day, or at all

Stock prices on Japanese stock exchanges are determined on a real-time basis by the equilibrium between bids and offers. These exchanges are order-driven markets without specialists or market makers to guide price formation. To prevent excessive volatility, these exchanges set daily upward and downward price fluctuation limits for each stock, based on the previous day s closing price. Although transactions may continue at the upward or downward limit price if the limit price is reached on a particular trading day, no transactions may take place outside these limits. Consequently, an investor wishing to sell at a price above or below the relevant daily limit may not be able to sell his or her shares at such price on a particular trading day, or at all.

It may not be possible for investors to effect service of process within the United States upon Panasonic or its directors, executive officers or corporate auditors, or to enforce against Panasonic or those persons judgments obtained in U.S. courts predicated upon the civil liability provisions of the federal securities laws of the United States

Panasonic is a joint stock corporation organized under the laws of Japan. Almost all of Panasonic s directors, executive officers and corporate auditors reside outside the United States. Many of Panasonic s assets and the assets of these persons are located in Japan and elsewhere outside the United States. It may not be possible, therefore, for U.S. investors to effect service of process within the United States upon Panasonic or these persons or to enforce against Panasonic or these persons judgments obtained in the U.S. courts predicated upon the civil liability provisions of the federal securities laws of the United States. Panasonic believes that there is doubt as to the enforceability in Japan, in original actions or in actions to enforce judgments of U.S. courts, of liabilities predicated solely upon the federal securities laws of the United States.

ADS holders must act through the depositary to exercise these rights and have fewer rights than shareholders

The rights of shareholders under Japanese law to take actions, including exercising their voting rights, receiving dividends and distributions, bringing derivative actions, examining Panasonic s accounting books and records, and exercising appraisal rights, are available only to shareholders of record. Because the depositary, through its nominee, is the record holder of the shares underlying the ADSs, only the depositary can exercise those rights in connection with deposited shares. If shareholders choose to deposit shares allocated to them in the Share Exchange for ADS, the depositary will make efforts to exercise their voting rights underlying ADSs in accordance with the instructions of ADS holders, and will pay dividends and distributions collected from Panasonic. However, ADS holders will not be able to bring a derivative action, examine Panasonic s accounting books and records, or exercise appraisal rights through the depositary.

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SELECTED CONSOLIDATED FINANCIAL DATA OF PANASONIC

U.S. GAAP Selected Financial Data of Panasonic

The following selected consolidated statement of operations data for the years ended March 31, 2008, 2009 and 2010, and the selected consolidated balance sheet data as of March 31, 2009 and 2010, have been derived from Panasonic s audited consolidated financial statements included elsewhere in this prospectus. The selected consolidated statement of operations data for the years ended March 31, 2006 and 2007, and the selected consolidated balance sheet data as of March 31, 2006, 2007 and 2008 have been derived from Panasonic s audited consolidated financial statements not included in this prospectus. The selected consolidated statement of operations data for the six months ended September 30, 2009 and 2010, and the selected consolidated balance sheet data as of September 30, 2010 have been derived from Panasonic s unaudited consolidated financial statements included elsewhere in this prospectus. The selected consolidated balance sheet data as of September 30, 2009 have been derived from Panasonic s unaudited consolidated financial statements not included in this prospectus. You should read the following selected consolidated financial data in conjunction with Panasonic s consolidated financial statements and the information in Panasonic Management s Discussion and Analysis of Financial Condition and Results of Operations included in this prospectus. Panasonic has prepared its consolidated financial statements in accordance with U.S. GAAP.

	Yen (billions), except per share amounts						
	Fiscal year ended March 31,					Six months ended September 30,	
	2010	2009	2008	2007	2006	2010	2009
Statements of Operations Data:							
Net sales	7,418	7,766	9,069	9,108	8,894	4,368	3,333
Income (loss) before income taxes	(29)	(383)	435	439	371	145	(26)
Net income (loss)	(171)	(404)	311	248	153	84	(51)
Net income (loss) attributable to Panasonic Corporation	(103)	(379)	282	217	154	75	(47)
Per common share:							
Net income (loss) attributable to Panasonic Corporation:							
Basic	(49.97)	(182.25)	132.90	99.50	69.48	36.09	(22.63)
Diluted		(182.25)	132.90	99.50	69.48		
Dividends	12.50	40.00	32.50	25.00	17.50	5.00	5.00
	($0.13)	($0.40)	($0.33)	($0.21)	($0.15)	($0.06)	($0.06)
Balance Sheet Data:							
Total assets	8,358	6,403	7,444	7,897	7,965	8,964	6,809
Long-term debt	1,029	651	232	227	264	950	682
Total Panasonic Corporation shareholders equity	2,792	2,784	3,742	3,917	3,788	2,652	2,701
Common stock	259	259	259	259	259	259	259
Number of shares issued at year-end (thousands)	2,453,053	2,453,053	2,453,053	2,453,053	2,453,053	2,453,053	2,453,053
Number of shares issued and outstanding at year-end (thousands)	2,070,605	2,070,642	2,101,117	2,146,284	2,209,532	2,070,330	2,070,622

Notes:

1. Dividends per share reflect those paid during each fiscal year.
2. United States dollar amounts for dividends per share are translated from yen for convenience at the year-end exchange rate of each period.
3. Panasonic adopted the provisions of ASC 810, Consolidation and the presentations requirements for the financial statements have been adopted retrospectively and prior year amounts of net income (loss) have been reclassified to conform to the presentation used for fiscal 2010.
4. Diluted net income (loss), attributable to Panasonic Corporation common shareholders per share for fiscal 2010, and for the six months ended September 30, 2009 and 2010 have been omitted because Panasonic did not have potential common shares that were outstanding for these periods.

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MARKET PRICE AND DIVIDEND INFORMATION

Panasonic s common stock is listed on the First Sections of the Tokyo Stock Exchange, the Osaka Securities Exchange and the Nagoya Stock Exchange. Also, American Depositary Shares, each representing one Panasonic share, are listed on the New York Stock Exchange.

PEW s common stock is listed on the First Sections of the Tokyo Stock Exchange and the Osaka Securities Exchange.

The following table sets forth, for the periods indicated, the reported high and low prices per share of Panasonic s common stock on the First Section of the Tokyo Stock Exchange, and the reported high and low composite prices of Panasonic s ADSs on the New York Stock Exchange:

	Tokyo Stock Exchange Price per Share of Common Stock (yen)		New York Stock Exchange Price per American Depositary Share (dollars)*	
	High	**Low**	**High**	**Low**
Fiscal Year ended March 31, 2006	¥ 2,650	¥ 1,485	$ 22.68	$ 14.19
Fiscal Year ended March 31, 2007	2,870	2,080	25.14	17.70
Fiscal Year ended March 31, 2008	2,585	1,912	22.59	16.63
Fiscal Year ended March 31, 2009	2,515	1,000	24.38	10.60
Fiscal Year ended March 31, 2010	1,585	1,062	17.19	10.77
Fiscal Year ended March 31, 2009:				
First quarter	2,515	2,000	24.38	19.71
Second quarter	2,380	1,774	22.02	16.54
Third quarter	1,882	1,000	17.66	10.91
Fourth quarter	1,322	1,016	13.74	10.60
Fiscal Year ended March 31, 2010:				
First quarter	1,510	1,070	15.37	10.77
Second quarter	1,541	1,175	16.60	12.76
Third quarter	1,356	1,062	14.80	12.40
Fourth quarter	1,585	1,228	17.19	13.72
Fiscal Year ending March 31, 2011:				
First quarter	1,480	1,104	15.72	12.35
Second quarter	1,212	1,027	13.80	12.14
Third quarter	1,272	1,100	15.00	13.19
Month of:				
March 2010	1,449	1,234	15.62	13.75
April 2010	1,480	1,345	15.72	14.42
May 2010	1,348	1,123	14.70	12.35
June 2010	1,288	1,104	14.06	12.43
July 2010	1,212	1,040	13.55	12.35
August 2010	1,155	1,027	13.35	12.14
September 2010	1,170	1,050	13.80	12.75
October 2010	1,226	1,100	15.00	13.19
November 2010	1,272	1,135	14.95	14.03
December 2010	1,220	1,138	14.55	13.67
January 2011 (through January 7, 2011)	1,206	1,161	14.56	14.18

* The prices of ADSs are based upon reports by the NYSE, with all fractional figures rounded up to the nearest two decimal points.

On January 7, 2011, the last reported sale price of Panasonic shares on the Tokyo Stock Exchange was ¥1,191 per share.

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The following table sets forth, for the periods indicated, the reported high and low prices per share of PEW s common stock on the First Section of the Tokyo Stock Exchange:

	PEW Common Stock Price per Share	
	High	**Low**
Fiscal year ended March 31, 2006	¥ 1,454	¥ 851
Fiscal year ended March 31, 2007	1,450	1,155
Fiscal year ended March 31, 2008	1,649	923
Fiscal year ended March 31, 2009	1,180	555
Fiscal year ended March 31, 2010	1,192	695
Fiscal year ended March 31, 2009:		
First quarter	1,180	1,013
Second quarter	1,110	861
Third quarter	957	588
Fourth quarter	838	555
Fiscal year ended March 31, 2010:		
First quarter	924	695
Second quarter	1,162	809
Third quarter	1,187	921
Fourth quarter	1,192	974
Fiscal year ending March 31, 2011:		
First quarter	1,245	876
Second quarter	1,124	860
Third quarter	1,119	1,041
Month of:		
March 2010	1,192	1,035
April 2010	1,245	1,146
May 2010	1,156	902
June 2010	981	876
July 2010	1,124	860
August 2010	1,110	1,098
September 2010	1,109	1,104
October 2010	1,115	1,055
November 2010	1,113	1,045
December 2010	1,119	1,041
January 2011 (through January 7, 2011)	1,106	1,063

On January 7, 2011, the last reported sale price of PEW shares on the Tokyo Stock Exchange was ¥1,091 per share.

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Set forth below are the closing prices of Panasonic s common stock and PEW s common stock on July 28, 2010, the last full trading day prior to the public announcement date on which the two companies had announced the tender offer and the Share Exchange, including the tender offer price, December 21, 2010, the date on which the two companies publicly announced the share exchange ratio, and January 7, 2011. The table also sets forth the implied equivalent value of PEW s common stock on these dates, as determined by multiplying the applicable closing price of Panasonic s common stock by the exchange ratio of 0.925 Panasonic shares per PEW share. Panasonic urges you to obtain current market quotations for each of the two companies common stock.

	Panasonic s Common Stock	PEW s Common Stock	
	Historical	Historical	Equivalent
July 28, 2010	¥ 1,167	¥ 974	¥ 1,079
December 21, 2010	1,169	1,103	1,081
January 7, 2011	1,191	1,091	1,102

The following table sets forth, for the periods indicated, the dividends per share paid on Panasonic s common stock and PEW s common stock:

	Panasonic	PEW
Fiscal Year Ended March 31,		
2006	¥ 17.50	¥ 17.00
2007	25.00	20.00
2008	32.50	25.00
2009	40.00	18.75
2010	12.50	12.50

PEW Shareholders

According to PEW s register of shareholders as of January 12, 2011, there were shares of its common stock issued, of which shares were outstanding and were held by shareholders of record, including shareholders of record with addresses in the United States who held shares, representing approximately % of the then issued common stock and approximately % of the then outstanding common stock. Because some of these shares were held by brokers or other nominees, the number of record holders with addresses in the United States may be fewer than the number of beneficial owners in the United States. PEW is not required by Japanese law to monitor or disclose beneficial ownership of its common stock.

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EXCHANGE RATES

The following table sets forth information regarding the noon buying rates for Japanese yen in New York City as certified for customs purposes by the Federal Reserve Bank of New York expressed in Japanese yen per $1.00 during the periods and as of the dates shown. The average exchange rate for the periods shown is the average of the month-end rates during the period. We have translated some Japanese yen amounts presented in this prospectus into U.S. dollars solely for your convenience. Unless otherwise noted, the rate used for the translations was ¥93.40 per $1.00. This was the approximate exchange rate in Japan on March 31, 2010. The translation should not be construed as a representation that the yen amounts have been, could have been, or could in the future be converted into U.S. dollars at the above or any other rate.

The following table shows the noon buying rates for Japanese yen per $1.00.

	Low	High	Average	Period-End
Fiscal Year Ended March 31,				
2006	¥ 120.93	¥ 104.41	¥ 113.67	¥117.48
2007	121.81	110.07	116.55	117.56
2008	124.09	96.88	113.61	99.85
2009	110.48	87.80	100.85	99.15
2010	100.71	86.12	92.49	93.40
2011 (through January 7, 2011)	94.68	80.48	85.64	83.04
Calendar Year 2010				
March	¥ 93.40	¥ 88.43		
April	94.51	92.03		
May	94.68	89.89		
June	92.33	88.39		
July	88.59	86.40		
August	86.42	84.10		
September	85.77	83.05		
October	83.33	80.48		
November	84.34	80.61		
December	84.23	81.67		
Calendar Year 2011				
January (through January 7, 2011)	83.22	81.56		

On January 7, 2011, the noon buying rate was ¥83.04 = $1.00.

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EXTRAORDINARY GENERAL MEETING OF PEW SHAREHOLDERS

General

PEW is distributing mail-in-ballots to its shareholders who are entitled to exercise their voting rights (or their standing proxies in Japan, as appropriate) for use at the PEW extraordinary general meeting, currently expected to be held in March 2011, at 1048, Oaza Kadoma, Kadoma City, Osaka 571-8686, Japan. PEW is distributing these mail-in-ballots, together with the notice of convocation of the meeting and reference documents concerning the shareholders meeting, by mail to its shareholders who have voting rights. Both the notice and mail-in-ballots are written in Japanese. An English translation of the notice of convocation of the meeting and reference documents for the shareholders meeting are included as an exhibit to the registration statement of which this prospectus forms a part. An English translation of the mail-in-ballot is also included as an exhibit to such registration statement. This prospectus is furnished to PEW shareholders resident in the United States in connection with the issuance by Panasonic of shares of Panasonic s common stock pursuant to the Share Exchange.

The purposes of the PEW extraordinary general meeting are:

(1) to consider and to vote upon the approval of the Share Exchange Agreement; and

(2) to consider and to vote upon the partial amendments to the Articles of Incorporation of PEW.

Voting

Record Date

The close of business on January 12, 2011 has been fixed by the resolution of board of directors to be as the PEW record date for the determination of the holders of PEW s common stock entitled to exercise the shareholders rights at the PEW extraordinary general meeting. PEW s shareholders may vote at the PEW extraordinary general meeting only if they are registered as a holder of one unit or more shares of PEW s common stock in PEW s register of shareholders at that time.

As of January 12, 2011, there were shares of PEW s common stock issued and outstanding. Of those, shares were held by residents of the United States. Each unit of shares of PEW s common stock outstanding on the PEW record date is entitled to one vote on each matter properly submitted at the PEW extraordinary general meeting subject to the limitation by the Unit share system. See Description of Panasonic s Common Stock Unit Share System.

Vote Required

Approval of the Share Exchange requires the affirmative vote of the holders of a two-thirds majority of the voting rights of shareholders of PEW represented at the extraordinary general meeting of shareholders of PEW at which shareholders holding one-third of the total voting rights of the shareholders who are entitled to exercise their voting rights are represented.

As of January 12, 2011, the directors, corporate auditors and their affiliates of PEW owned of record approximately % of the voting rights of PEW s common stock. Also, as of December 21, 2010, directors, corporate auditors and their affiliates of Panasonic owned of record approximately 1.98 % of the voting rights of PEW s common stock.

Mail-in-ballots and Electronic Vote

Holders of PEW s common stock entitled to vote at the PEW extraordinary general meeting may vote their shares by mail-in-ballot, using the form in Japanese which PEW is distributing by mail to those holders.

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Holders of PEW s common stock are also entitled to exercise voting rights via the Internet by accessing a website designated by PEW and inputting an exercise code and password. Internet voting is available only on the Japanese-language website.

Revocation

Any person who submits a mail-in-ballot by mail or vote via the Internet may revoke it any time before it is voted:

- By sending another mail-in-ballot dated a later date than the previous mail-in-ballot to PEW, or by submitting a subsequent vote via the Internet (if a shareholder sends mail-in-ballot and submits vote via the Internet, the vote via Internet will be counted and if a shareholder submits vote via the Internet more than one time, the last vote will be counted), or

- By voting in person, or through another shareholder entitled to vote and appointed as such person s attorney-in-fact, at the general meeting of shareholders of PEW.

PEW shareholders who have instructed a broker to vote their shares must follow directions received from their broker to change and revoke their vote.

An electronic proxy voting platform operated by Mitsubishi UFJ Trust and Banking Corporation is available as a means of electronic voting for institutional investors.

Questions About Voting PEW Shares

If PEW shareholders have any questions about how to vote or direct a vote in respect of their PEW s common stock, they may call Kazuaki Hashimoto, Financial Management Department, at 81-6-6908-1131.

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THE SHARE EXCHANGE

General

The boards of directors of Panasonic and PEW have agreed to the Share Exchange, to be approved by shareholders meeting of PEW. Pursuant to the Share Exchange, each shareholder of PEW will receive 0.925 shares of Panasonic s common stock for each share of PEW s common stock that such shareholder holds. If the terms of the Share Exchange are approved by the shareholders meeting of PEW, and if the other conditions for completing the Share Exchange are satisfied, the Share Exchange is expected to become effective on April 1, 2011.

This section of the prospectus describes material aspects of the Share Exchange, including the material provisions of the Share Exchange Agreement. An English-language translation of the Share Exchange Agreement, the original of which is written in Japanese, is included in this prospectus as Appendix A.

Background to the Share Exchange

The Share Exchange is the final step in Panasonic s turning PEW into a wholly-owned subsidiary. Panasonic originally turned PEW into a consolidated subsidiary in April 2004, and as of March 31, 2010, Panasonic was the owner of 52.1% of PEW s voting rights.

As PEW has been a consolidated subsidiary of Panasonic, PEW and Panasonic have had certain joint management strategies as group companies and implemented various collaborative measures. However, the business environment surrounding the Panasonic Group, which includes PEW and SANYO, continues to change dramatically and rapidly. While business expansion opportunities have been offered by the rapidly expanding environment-related and energy-related markets and burgeoning emerging markets, the competition with Korean, Taiwanese, and Chinese companies, as well as Japanese, American, and European companies, has intensified not only in the Digital AVC Networks business, but also in the fields of rechargeable batteries, solar batteries, and electric vehicle-related business. It has become difficult for companies to effectively compete against global competitors in the expanding market without speeding up strategy execution and implementing all measures to demonstrate further group-wide potential.

In such circumstances, Panasonic considered various measures to further increase the corporate value of its group, and explored the possible acquisition of the shares of PEW and SANYO it did not already own.

Prior to the transaction, the President of Panasonic, Mr. Fumio Ohtsubo, and the Executive Vice President of Panasonic, Mr. Takahiro Mori, with the General Manager, Corporate Planning Group of Panasonic, Mr. Yoshiaki Nakagawa, decided to set up a new project team to commence concrete discussions regarding such a possible acquisition of shares of PEW and SANYO that Panasonic did not already own. Subsequently, Panasonic s project team discussed possible issues related to such transactions with Panasonic s financial advisor, Nomura Securities Co. Ltd., its Japanese legal counsel, Nagashima Ohno & Tsunematsu and its U.S. legal counsel, Sullivan & Cromwell LLP.

In late June 2010, PEW received a proposal from Panasonic to discuss the possibility of the transaction. The President of Panasonic, Mr. Fumio Ohtsubo, the Executive Vice President of Panasonic, Mr. Takahiro Mori, and the President of PEW, Mr. Shusaku Nagae had a meeting in which Mr. Ohtsubo proposed Panasonic s plan to acquire all the shares of PEW and SANYO that Panasonic did not already own in order to make them wholly-owned subsidiaries of Panasonic. Mr. Ohtsubo proposed that the acquisitions occur by way of first-step tender offers and second-step share exchanges.

Following the initial meeting, both Panasonic and PEW had internal meetings and meetings with their respective outside advisors.

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In early July 2010, the President of PEW, Mr. Shusaku Nagae, met the President of Panasonic, Mr. Fumio Ohtsubo, and PEW promised to consider the possibility of accepting Panasonic s proposal.

Subsequently, the management members of Panasonic and PEW had ongoing extensive discussions to negotiate the potential acquisition including the offer price, structure, schedule of the tender offer and the share exchange and the strategy of PEW after the potential acquisition.

After receiving the proposal from Panasonic, PEW retained Daiwa Securities Capital Markets Co. Ltd. (Daiwa) as its financial advisor. PEW also retained Kikkawa Law Offices as its Japanese legal counsel. Subsequently, PEW, its financial advisors and its Japanese legal counsel held various meetings to discuss the terms, structure and schedule of the potential transaction and the strategy for negotiations. Among other things, Kikkawa Law Offices provided PEW s board of directors with legal advice concerning the decision-making method and procedures to be used by the board of directors, including various procedures related to the planned transaction.

Over the course of the discussions and negotiations between Panasonic and PEW, Panasonic performed its legal and financial due diligence of PEW with the assistance of legal and accounting professional firms. As part of this process, Panasonic also conducted an interview of PEW s management. On behalf of Panasonic, legal due diligence was conducted by Nagashima Ohno & Tsunematsu, and an accounting due diligence was conducted by KPMG AZSA LLC. In addition, Panasonic and PEW continued their negotiations regarding the appropriate tender offer price.

Two weeks prior to the public announcement of the transaction, Panasonic and PEW had a preliminary consultation meeting on the planned tender offers by Panasonic with the Tokyo Stock Exchange in accordance with its listing rules. Panasonic also had a preliminary consultation meeting on the tender offers with the Kanto Local Finance Bureau after the consultation.

On July 29, 2010, the date of public announcement, PEW received from Daiwa, acting as its financial advisor and as a third-party valuation institution independent from Panasonic and from PEW, a share valuation report with respect to PEW s shares. In addition, on the same date, PEW s board of directors received a fairness opinion from Daiwa stating that Panasonic s proposed tender offer purchase price of 1,110 yen per share is fair to shareholders of PEW other than the controlling shareholders, etc. (meaning Controlling Shareholders and other parties set forth in the Enforcement Regulations provided for in Article 441-2 of the Securities Listing Regulations of Tokyo Stock Exchange, Inc. and Article 436-3 of the Enforcement Rules for the same, including Panasonic) from a financial viewpoint.

On the same date, at a meeting of the board of directors of PEW (which was attended by 14 directors out of 15 directors, including one of two outside directors), based in part on the share valuation report and fairness opinion received from Daiwa, it was determined that the tender offer would be highly beneficial to the enhancement of the corporate value of PEW, that the conditions relating to the tender offer are appropriate, and that the tender offer provided all of PEW s shareholders with an opportunity to sell PEW s shares for a reasonable price. Thus, a resolution was adopted with the approval of all of the directors in attendance that PEW would express its endorsement of the tender offer, and recommend that PEW s shareholders tender their shares in the tender offer.

In addition, all of PEW s corporate auditors (three corporate auditors out of four, including one of two outside corporate auditors) who attended the above board of directors meeting expressed the opinion that they had no objections to PEW s board of directors endorsing the tender offer. Mr. Koshi Kitadai, an outside director of PEW, also served as a corporate advisor of Panasonic and was formerly a director of Panasonic. Accordingly, he did not participate in any of the deliberations or resolutions on the tender offer in order to prevent conflict of interests, and he did not participate in any of the discussions or negotiations with Panasonic on behalf of PEW. Mr. Yutaka Maehashi, who is an outside corporate auditor of PEW, because he also served as an employee of Panasonic, did not participate in the above-referenced deliberations, in order to prevent conflict of interests.

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In addition, on July 29, 2010, Panasonic received from Nomura Securities Co., Ltd., acting as Panasonic s financial advisor and a third-party valuation institution independent from Panasonic and from PEW, a valuation report with respect to PEW s shares of common stock. Furthermore, on the same date, Panasonic s board of directors received a fairness opinion from Nomura Securities Co., Ltd. stating that the proposed tender offer purchase price of 1,110 yen per share was proper for Panasonic from a financial viewpoint.

On July 29, 2010, a meeting of the board of directors of Panasonic was held to consider the planned acquisitions of all shares of PEW that Panasonic did not already own, including the first-step tender offer. After review and discussions of the terms of the proposal, as well as the valuation report and fairness opinion received from Nomura Securities Co., Ltd., the board of directors of Panasonic unanimously resolved to approve the terms of the transaction scheme.

On July 29, 2010, Panasonic and PEW announced the details of the tender offer and the acquisition. In addition to the offer price and terms for the tender offer, it was announced by Panasonic that, for the purposes of the share exchange ratio for the second-step share exchange, PEW s shares were expected to be valued based on a price equivalent to the tender offer purchase price.

On October 6, 2010, Panasonic completed the tender offer for shares of PEW that it did not already own at a price of ¥1,110 per share and as a result increased its ownership percentage to approximately 84% of PEW s voting rights.

Following the completion of the tender offer, the management of Panasonic and PEW had ongoing extensive discussions to negotiate the share exchange ratio for the Share Exchange based on the purchase price for the tender offer, taking into account the results of the tender offer, the market share price levels of shares of Panasonic and other various factors. In addition, in order to prevent a transaction that would be advantageous only to Panasonic and would be disadvantageous to PEW and its minority shareholders, PEW took certain steps, such as receiving a fairness opinion from its financial advisor and seeking the opinions of the outside director and outside corporate auditor that did not come from Panasonic, as further discussed below.

PEW continued to retain Daiwa as its financial advisor with respect to the Share Exchange. As discussed below, Daiwa provided PEW with financial advice, including the provision of a valuation report and a fairness opinion. PEW also continued to retain Kikkawa Law Offices as its Japanese legal advisor. Kikkawa Law Offices provided legal advice regarding, among other things, the appropriate methods and procedures for the board s decision making. In addition, PEW performed its legal and financial due diligence of Panasonic s operations with the assistance of its legal and accounting advisors. As part of this process, PEW also conducted an interview of Panasonic s management. On behalf of PEW, legal due diligence was conducted by Kikkawa Law Offices, and financial due diligence was conducted by Deloitte Tohmatsu FAS Co., Ltd., an accounting professional firm retained as PEW s accounting advisor for the financial due diligence. Subsequently, PEW, its financial advisor, its Japanese legal advisor and its accounting advisor held various meetings to discuss the terms, structure and schedule of the Share Exchange and the strategy for negotiations.

Panasonic Corporation continued to retain Nomura Securities Co. Ltd. as its financial advisor, Nagashima Ohno & Tsunematsu as its Japanese legal counsel, and Sullivan & Cromwell LLP as it U.S. legal counsel.

On December 21, 2010, PEW received from Daiwa, acting as PEW s financial advisor and as a third-party valuation institution independent from Panasonic and PEW, a valuation report calculating the share exchange ratio based on various valuation methods. In addition, on the same date, PEW s board of directors received a fairness opinion from Daiwa stating that Panasonic s proposed share exchange ratio of 0.925 Panasonic shares per share of PEW (the Share Exchange Ratio) is, from a financial viewpoint, fair to the shareholders of PEW other than the controlling shareholders, etc. (meaning Controlling Shareholders and other parties set forth in the Enforcement Regulations provided for in Article 441-2 of the Securities Listing Regulations of Tokyo Stock Exchange, Inc. and Article 436-3 of the Enforcement Rules for the same, including Panasonic)

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Taking into consideration the valuation report and fairness opinion received from Daiwa, as well as the legal advice received from Kikkawa Law Offices, the results of legal and financial due diligence and other factors, the PEW board of directors carefully reviewed the terms and conditions of the Share Exchange, including the Share Exchange Ratio. As a result, on December 21, 2010, at a meeting of the board of directors of PEW, the PEW board determined that the Share Exchange would enhance the corporate value of PEW and that the terms and conditions of the Share Exchange were reasonable. In view of the above, a resolution was adopted with the approval of all of the directors participating in the resolution (including one outside director) to conduct the Share Exchange and execute the Share Exchange Agreement.

In addition, all of PEW s corporate auditors participating in the above resolution (including one outside corporate auditor) expressed the opinion that they had no objections to the execution of the Share Exchange Agreement by the PEW board of directors. As was the case with the deliberations, resolutions and negotiations leading to the approval of the first-step tender offer, among 15 directors of PEW, Mr. Koshi Kitadai, who is an outside director of PEW, did not participate in any of the deliberations or resolutions on the Share Exchange and did not participate in any of the discussions or negotiations with Panasonic on behalf of PEW, in order to prevent any conflict of interests arising from his status as a former director of Panasonic and his continuing service as a corporate advisor to Panasonic. In addition, Mr. Yukata Maehashi, an outside corporate auditor of PEW, also did not participate in the above-referenced deliberations, in order to prevent any conflict of interests arising from his status as an employee of Panasonic.

In addition, on December 21, 2010, Panasonic received from Nomura Securities Co., Ltd., acting as Panasonic s financial advisor and a third-party valuation institution independent from Panasonic and from PEW, a valuation report with respect to the Share Exchange. Furthermore, on the same date, Panasonic s board of directors received a fairness opinion from Nomura Securities Co., Ltd. stating that the proposed Share Exchange Ratio was proper for Panasonic from a financial viewpoint.

On December 21, 2010, a meeting of the board of directors of Panasonic was held to consider the planned acquisition of all shares of PEW that Panasonic did not already own through the Share Exchange. After review and discussions of the terms of the proposal, as well as the valuation report and fairness opinion received from Nomura Securities Co., Ltd., the board of directors of Panasonic unanimously resolved to approve the Share Exchange.

On December 21, 2010, Panasonic and PEW announced the details of the Share Exchange, including the Share Exchange Ratio. The announcement also noted that the Share Exchange Ratio may be subject to change upon consultations between PEW and Panasonic in the case of any material changes to the assumptions underlying the calculation of the Share Exchange Ratio. The Share Exchange is expected to be implemented after the Share Exchange Agreement is approved by PEW shareholders at an extraordinary general meeting of shareholders scheduled for March 2, 2011. The Share Exchange is scheduled to occur on April 1, 2011.

Reasons for the Share Exchange

As discussed above, the business environment surrounding the Panasonic Group continues to change dramatically and rapidly. Thus, it is indispensable for the Panasonic Group to speed up strategy execution and take further advantage of the total strengths of the group in order to effectively compete against the competition and achieve business growth in new markets. As a result, Panasonic made a determination to turn both PEW and SANYO, which are both currently consolidated subsidiaries, into wholly-owned subsidiaries through simultaneous first-step tender offers and subsequent share exchanges.

Through ownership of all of the shares of both PEW and SANYO, Panasonic intends to dynamically accelerate, and to achieve further progress under, its business plan by promoting rapid decision making and maximizing group synergies. Panasonic, PEW and SANYO intend to pursue the establishment of the new Panasonic Group, under which the three companies will be genuinely integrated, and will make efforts to (i) maximize value creation by strengthening contacts with customers, (ii) realize speedy and lean management, and (iii) accelerate business growth by boldly shifting management resources.

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Furthermore, in order to realize these objectives, the Panasonic Group s business organization is scheduled to be restructured by around January 2012. From the perspective of maximization of customer value, the basic policy of such restructuring is to integrate and reorganize the business and marketing divisions of the three companies into three business sectors: Consumer, Components and Devices and Solutions, and to design optimal business models that are most suitable for the character of each business. In addition, the Panasonic Group will reorganize its current 16 domain companies into nine, based on these new business sectors and as described below. The Panasonic Group will make efforts to establish a business organization under which it can effectively compete against global competitors in each business and in each industry.

Currently, the direction of the reorganization of each business sector is expected to be as follows:

Consumer business sector:

The Panasonic Group intends to reorganize its marketing function on a global basis, and reorganize its marketing divisions, including Japan, to a global consumer marketing division. Under the reorganization, the Panasonic Group intends to enhance the function of its frontline business and accelerate the creation of customer-oriented products. Also, the Panasonic Group intends to work to strengthen, among others, its overseas consumer business by strategically distributing its marketing resources in Japan and overseas.

The Panasonic Group expects that the consumer business sector will have two domain companies: (1) AVC networks and (2) heating/refrigeration/air condition and home appliances. The AVC networks domain company will focus on creation of new businesses with next-generation products, with a unified concept of business and technology. The heating/refrigeration/air condition and home appliances domain company will aim to be the leading green innovation company in the home appliances business, with a strong line-up ranging from consumer use to commercial use, and is expected to globally expand its business in personal care and health enhancing products and cooking appliances.

Components and Devices business sector:

The Panasonic Group intends to strengthen cooperation among the development, production and sales functions for each component and device having a common business model. By combining marketing and technology, the Panasonic Group intends to strengthen its proposal-style business, which foresees the potential needs of customers and aim to expand the business as an independent business that does not rely on internal needs. Particularly in this business sector, the Panasonic Group intends to continue to make maximum use of SANYO s strengths, such as its rechargeable batteries business and solar business, as well as its customer network.

Specifically, the Panasonic Group expects that the components and devices business section will have three domain companies: (1) automotives, (2) devices and (3) energy devices. These three domain companies are expected to cooperate in providing strategic customer services and conducting new sales development, with a department established for the purposes of such cooperation. The automotive domain company will aim to strengthen multimedia systems displays, create new growth markets such as EV and e-cockpit, and establish a robust Japanese market share for car navigation systems. The devices domain company will aim to develop new markets and customer with new products and technologies, and focus on environment and energy, healthcare and medical, material and devices, automotives and emerging markets. The energy devices domain company will aim especially to strengthen its lithium-ion battery and solar battery businesses.

Solutions business sector:

The Panasonic Group intends to unify the development, production and sales functions for each solution for business customers. The Panasonic Group aims to offer the most suitable products, services and solutions as quickly as possible, grasping customers needs in as timely a fashion as possible. In addition, the comprehensive solutions for the entire home, the entire building and the

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entire town   that encompass these solutions will be accelerated. Particularly in this business sector, the Panasonic Group intends to continue to make maximum use of the strength and customer network of PEW.

Specifically, the Panasonic group expects that the solutions business sector will have four domain companies: (1) security and communication solutions, (2) environment and energy solutions, (3) healthcare and medical solutions, and (4) factory solutions. The security and communications solutions domain company will aim to provide   network   solutions with the Panasonic Group s comprehensive technologies, from fixed to wireless communications, including mobile phones. The environment and energy solutions domain company will focus on contributing to a comfortable eco-conscious lifestyle, and aim for unconventional growth through comprehensive solutions and sales, and effective collaboration with other domain companies. The healthcare and medical solutions domain company is expected to serve as a pillar of the next generation business and assist in providing simple and affordable healthcare service, including contributing to the robot business with products such as a   robotic bed . The factory solutions domain company will aim to contribute to the progress and development of global society with manufacturing solutions, including the development of new businesses in mounting and circuit fabrication and welding, and laser technology.

In addition, the environment and energy domain company will lead the   comprehensive solutions   initiative, which will involve four steps: (1) offer a packaged series as a whole set to a specific space, (2) utilize network-packaged equipment, (3) have a vertical value chain business to offer coherent value from sales to customer services, and (4) create a unique   comprehensive solutions   business model. The goal is to create such a unique business model that combines vertical and horizontal value chains from the planning stage through participation in the   smart city projects in the world.

In addition to the reorganization, the head office will aim for a   lean and speedy   global head office by strengthening its strategic functions, while integrating and streamlining the three companies   organizations. The nine domain companies will be responsible for managing their businesses autonomously, while the new head office will focus on three functions: (1) develop a group-wide growth strategy, (2) establish group core competencies and (3) offer services beyond the domain companies   capabilities. The new head office is expected to have a global head office to govern the Panasonic Group based on each functional classification and regional management companies based on each region. By organizing the head office with a focus on indispensable functions, the Panasonic Group believes that it will be able to create new local businesses and solve local issues.

Further, together with this reorganization, Panasonic Group intends to integrate its brands, in principle, into   Panasonic   in the future. However, Panasonic Group expects that   SANYO   will continue to be partially utilized, depending on the particular business or region.

Panasonic Group believes that the acquisitions and business reorganizations mentioned above will promote the integration of the three companies   advantages and the   proposal   capabilities for   comprehensive solutions,   and will enable rapid increase in global competitiveness especially in the   energy systems,   heating/refrigeration/air conditioning   and   network AV   business, which are core businesses to lead sales and profits of the entire group companies. Also, in each business such as   healthcare,   security,   and   LED,   which is positioned as a   key business for the next generation,   Panasonic will make efforts to accelerate the growth of such business by combining the capacities of the three companies for research and development, as well as market development.

Additionally, Panasonic intends to realize further reinforcement of management structure and cost competitiveness through business integration and unification of the business bases of the three companies, and through optimizing and streamlining its head office organization.

Determination of PEW s Board of Directors

As discussed in further detail above under   Background to the Share Exchange , the Share Exchange was approved at a meeting of the board of directors of PEW held on December 21, 2010 by a unanimous vote of all

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fourteen of the directors that were not deemed to have conflict of interests (including one outside director). In order to prevent conflict of interests, the other outside director, Mr. Koshi Kitadai, who serves a corporate advisor of Panasonic, did not participate in any deliberations or resolutions regarding the Share Exchange Ratio and the Share Exchange Agreement, and furthermore did not participate in discussions and negotiations with Panasonic on behalf of PEW. In addition, out of the four corporate auditors of PEW, three corporate auditors (including one outside corporate auditor) were also present at the board meeting, and opined that they had no objections to the execution of the Share Exchange Agreement by the board of directors of PEW. In order to prevent conflict of interests, PEW s other outside corporate auditor, Mr. Yutaka Maehashi, who also serves as an employee of Panasonic, did not participate in the above deliberations.

As also discussed in further detail above under Background to the Share Exchange , throughout the negotiation process leading to the board decision, the PEW board of directors heard the opinions of the outside director and outside corporate auditor other than those that came from Panasonic, in order to prevent a transaction that would benefit only Panasonic and cause damage to PEW and its minority shareholders, to make management decisions independently as a listed company and to enhance the objectivity of its decision. In addition, the PEW board of directors consulted with PEW s financial and legal advisors.

In making its determination to approve the Share Exchange Agreement, with advice from PEW s financial and legal advisors, the PEW board of directors considered a number of factors, including the following:

The board s knowledge of the businesses, operations, financial condition, earnings and future prospects of both PEW and Panasonic.

The board s knowledge of the current and prospective economic, market and industry environment in which PEW and Panasonic operate.

The results of the legal and financial due diligence of Panasonic s operations conducted by PEW and its legal and accounting advisors.

The results of analyses of the Share Exchange Ratio, prepared by Daiwa, which included the stock price analysis, comparable company analysis and discounted cash flow analysis.

The original signed version of the fairness opinion of Daiwa, which was delivered to the PEW board of directors immediately before the approval of the Share Exchange Agreement, to the effect that, as of the date of the opinion and subject to certain assumptions and reservations set forth therein, the proposed Share Exchange Ratio was fair from a financial point of view to the holders of PEW shares other than PEW s controlling shareholders as defined in Article 441-2 of the Securities Listing Regulations of Tokyo Stock Exchange, Inc. and Article 436-3 of the Enforcement Rules for the same.

The fact that the outside director and outside auditor that did not have conflict of interests expressed no objections to PEW s execution of the Share Exchange Agreement.

The terms of the Share Exchange Agreement and its effects, including without limitation the fact that Panasonic would become the sole shareholder of PEW upon consummation of the Share Exchange.

The fact that the Share Exchange Ratio was based primarily on the first-step tender offer price. As described in detail under Background to the Share Exchange , the board recommended to PEW s shareholders to tender their shares in the tender offer, based on its discussions and negotiations with Panasonic, advice received from its legal and financial advisors and its consideration of the appropriateness of the tender offer price.

The foregoing discussion of the information considered by the PEW board of directors is not exhaustive, but includes the material factors that the PEW board of directors considered in approving the Share Exchange. In view of the wide variety of factors considered in connection with its evaluation of the Share Exchange and the complexity of these matters, the PEW board did not find it useful, and did not attempt, to quantify, rank or

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otherwise assign relative weights to these factors. The PEW board conducted an overall analysis of the factors described above, including discussions with PEW s financial and legal advisors, and considered the factors overall to be favorable to, and to support, its determination.

The above explanation of the reasoning of the PEW board of directors and all other information presented in this section is forward-looking in nature and, therefore, should be read in light of the factors discussed under Forward-Looking Statements on page 2.

Opinion of PEW s Financial Advisor

Opinion of Daiwa

Daiwa delivered its written opinion to PEW s board of directors that, as of December 21, 2010 and based upon and subject to the factors and assumptions set forth therein, the Share Exchange Ratio was fair from a financial point of view to the holders of PEW shares other than PEW s controlling shareholders as defined in Article 441-2 of the Securities Listing Regulations of Tokyo Stock Exchange, Inc. and Article 436-3 of the Enforcement Rules for the same.

The full text of the written opinion of Daiwa, dated December 21, 2010, which sets forth assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with the opinion, is attached as Appendix B and is incorporated by reference in this prospectus. Holders of PEW shares are encouraged to read Daiwa s opinion carefully in its entirety. Daiwa provided its opinion for the benefit of PEW s board of directors in connection with its consideration of the Share Exchange from a financial point of view and does not address any other aspects of the Share Exchange. Daiwa s opinion does not address the relative merits of the Share Exchange or any related transaction as compared to other business strategies that might be available to PEW or PEW s underlying business decision to effect the Share Exchange or any related transaction. Daiwa s opinion does not constitute a recommendation as to how any holder of PEW shares should vote with respect to the Share Exchange, or any other matter.

Daiwa has consented to the inclusion of its opinion as Appendix B to this prospectus. By giving such consent, Daiwa does not thereby admit that it comes within the category of persons whose consent is required under Section 7 of the Securities Act or the rules and regulations of the Securities and Exchange Commission thereunder, nor does it thereby admit that it is an expert with respect to any part of this registration statement on Form F-4 of which this prospectus forms a part within the meaning of the term experts as used in the Securities Act or the rules and regulations of the Securities and Exchange Commission thereunder.

In arriving at its opinion, Daiwa has:

1. reviewed and analyzed the draft of the Share Exchange Agreement dated December 21, 2010;

2. reviewed and analyzed financial information and business descriptions contained in the annual securities reports (yuka-shoken hokokusho) and other disclosure materials of PEW and Panasonic;

3. reviewed and analyzed publicly available materials, share-related information and other information related to PEW and Panasonic;

4. reviewed and analyzed the business plan and financial forecast of PEW prepared by the management of PEW for the fiscal years ending on March 31, 2011, March 31, 2012 and March 31, 2013 and other related information (the PEW Business Plan) and the business plan and financial forecast of Panasonic prepared by the management of Panasonic for the fiscal years ending on March 31, 2011, March 31, 2012 and March 31, 2013 and other related information (the Panasonic Business Plan), both of which PEW consented for Daiwa s use for purposes of its analysis;

5. interviewed the management of each of PEW and Panasonic regarding their respective business operations and financial conditions, the PEW Business Plan, the Panasonic Business Plan and the effect of the Share Exchange;

6. analyzed the share exchange agreement to be entered into on December 21, 2010 between Panasonic and SANYO, based on information provided by PEW;

7. reviewed and analyzed the historical market prices (including market prices as of 9:00 a.m. on December 21, 2010) and trading activity of PEW shares and Panasonic shares;

8. reviewed and analyzed financial and market share price data of selected publicly traded companies which Daiwa deemed to be generally similar to PEW and Panasonic;