

PNC FINANCIAL SERVICES GROUP, INC.

Form 8-K

March 15, 2013

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of

The Securities Exchange Act of 1934

March 15, 2013

Date of Report (date of earliest event reported)

THE PNC FINANCIAL SERVICES GROUP, INC.

(exact name of registrant as specified in its charter)

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(state or other jurisdiction

Commission

(I.R.S. Employer

of incorporation)

File Number
One PNC Plaza

Identification Number)

249 Fifth Avenue

Pittsburgh, Pennsylvania 15222-2707

(Address of principal executive offices, including zip code)

(412) 762-2000

(Registrant's telephone number, including area code)

Not Applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- .. Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- .. Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- .. Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- .. Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers

5.02(b), (c) and (e).

On March 15, 2013, The PNC Financial Services Group, Inc. (PNC) announced that Richard J. Johnson expects to retire as Executive Vice President and Chief Financial Officer following the filing of PNC's second quarter 2013 report on Form 10-Q. PNC announced that Robert Q. Reilly, currently Executive Vice President and head of PNC's Asset Management Group will succeed Mr. Johnson as chief financial officer at that time.

Mr. Reilly, who is 48 years old, joined PNC in 1987. He has served as the head of PNC's Asset Management Group since 2005. Previously, he held numerous management positions in investment and commercial banking and in asset management at PNC. He was appointed Executive Vice President in February 2009.

Mr. Reilly will continue to be entitled to participate in the compensation programs applicable to PNC's executive officers, as described in PNC's proxy statements and other filings with the Securities and Exchange Commission. In connection with his new position, effective April 1, 2013, Mr. Reilly's compensation will include an annual base salary of \$500,000 and aggregate target incentive compensation of \$2,500,000 consisting of \$1,000,000 in annual cash incentive compensation and \$1,500,000 in long-term equity based incentive compensation. The incentive compensation for 2013 will be prorated so that he will receive one-fourth of the amount based on his current target and three-fourths of the amount based on this new target.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: March 15, 2013

The PNC Financial Services Group, Inc.

By: /s/ Richard J. Johnson

Name: Richard J. Johnson

Title: Executive Vice President and Chief Financial Officer

on institution independent of both companies to calculate the share exchange ratio. Panasonic appointed Nomura Securities Co., Ltd. (Nomura Securities) as the third-party valuation institution, and Panasonic Electric Works appointed Daiwa Securities Capital Markets Co. Ltd. (Daiwa Securities Capital Markets), as the third-party valuation institution.

In the valuation of Panasonic, as shares of Panasonic are listed on the financial instruments exchange and a market share price exists, Nomura Securities adopted the average market price analysis for calculation (in consideration of various conditions, with December 20, 2010, which is the calculation base date, being the base date, the analysis was based on the respective average closing share prices for the period from October 8, 2010 (the business day immediately following the day on which Panasonic released the press release titled Panasonic Announces Withdrawal of Shelf Registration in Japan for Future Equity Offerings) to the calculation base date; the period from November 1, 2010 (the business day immediately following the day on which Panasonic released its Consolidated Financial Results for the Second Quarter of Fiscal Year ending March 2011) to the calculation base date; the most recent 1 month-period from November 22, 2010 to the calculation base date; the 5 business days from December 14, 2010 to the calculation base date; and the closing share price on the base date of the shares of Panasonic on the first section of the Tokyo Stock Exchange).

In the valuation of Panasonic Electric Works, as shares of Panasonic Electric Works are listed on the financial instruments exchange and a market share price exists, the average market price analysis (in consideration of various conditions, with December 20, 2010, which is the calculation base date, being the base date, the analysis was based on the respective average closing share prices for the period from October 8, 2010 (the business day immediately following the day on which Panasonic released the press release titled Panasonic Announces Withdrawal of Shelf Registration in Japan for Future Equity Offerings) to the calculation base date; the period from November 1, 2010 (the business day immediately following the day on which Panasonic released its Consolidated Financial Results for the Second Quarter of Fiscal Year ending March 2011) to the calculation base date; the most recent 1 month-period from November 22, 2010 to the calculation base date; the 5 business days from December 14, 2010 to the calculation base date; and the closing share price on the base date of the shares of Panasonic Electric Works on the first section of the Tokyo Stock Exchange) was adopted for calculation. In addition, as there are several comparable listed companies for which comparison to Panasonic Electric Works is possible, and analogical inference of share value is possible through the comparable company analysis, the comparable company analysis was adopted for the calculation. Furthermore, in order to take into account the state of future business operations in the assessment, the discounted cash flow analysis (the DCF Analysis) was adopted for the calculation.

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The following shows the assessment ranges when the share value per share of Panasonic is set at 1.

Assessment method	Calculation results of share exchange ratio
Average market price analysis	0.909-0.942
Comparable company analysis	0.363-0.904
DCF Analysis	0.939-1.227
Analyzing the facts, various conditions and the results of the Tender Offer conducted prior to the Share Exchange, Nomura Securities submitted to Panasonic the written opinion (fairness opinion) dated December 21, 2010, stating that the Share Exchange Ratio is proper for Panasonic from a financial viewpoint.	

On the other hand, in the valuation of Panasonic and Panasonic Electric Works, Daiwa Securities Capital Markets, after analyzing the facts, various conditions, results, etc. of the Tender Offer that was conducted prior to the Share Exchange, adopted the market price analysis for calculation (in consideration of various conditions, with December 20, 2010 being the calculation base date, the analysis was based on the respective average closing share prices for the period from July 30, 2010 (the business day immediately following the announcement day of the Tender Offer) to the calculation base date; the period from October 8, 2010 (the business day immediately following the day on which the result of the Tender Offer was announced) to the calculation base date; the most recent 1 month-period from November 22, 2010 to the calculation base date; the period from December 1, 2010 (the business day immediately following the day on which SANYO released the press release titled Amendments to the Purchase Agreement regarding the Transfer of Stock and Loan Receivables of Subsidiary (SANYO Semiconductor Co., Ltd.)) to the calculation base date; and the 5 business days from December 14, 2010 to the calculation base date of the shares of Panasonic and Panasonic Electric Works on the first section of the Tokyo Stock Exchange), as shares of both companies are listed on the financial instruments exchange and a market share price exists. In addition, as there are several listed companies with businesses similar to each of the companies and analogical inference of share value is possible through the comparable company analysis, the comparable company analysis was adopted for the calculation. Furthermore, in order to take into account the state of future business operations in the assessment, the DCF Analysis was adopted for the calculation. The profit planning of Panasonic Electric Works, which was used as the premise of the DCF analysis by Daiwa Securities Capital Markets, is based on the profit planning that had been used as the premise of the calculation at the time of the Tender Offer.

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The following shows the assessment ranges when the share value per share of Panasonic is set at 1.

Assessment method	Calculation results of share exchange ratio
Market price analysis	0.910-0.954
Comparable company analysis	0.689-0.913
DCF Analysis	0.660-0.872

As described in 3.(5) Measures to Ensure the Fairness below, Panasonic Electric Works received the written opinion (fairness opinion) from Daiwa Securities Capital Markets on December 21, 2010, stating that the Share Exchange Ratio is fair from a financial point of view to the holders of Panasonic Electric Works shares other than the controlling shareholders, etc. of Panasonic Electric Works (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 and Article 436-3 of the Ordinance for Enforcement of the same).

(2) Process of Calculation

Panasonic and Panasonic Electric Works have referred to and carefully reviewed the calculation results of the share exchange ratio submitted by their respective third-party valuation institutions, and continuously negotiated and consulted with each other on the valuation of shares of Panasonic Electric Works based on the same price as the purchase price of the Tender Offer, taking into account various conditions and results of the Tender Offer conducted prior to the Share Exchange, market share price level of shares of Panasonic and other various factors. As a result, Panasonic and Panasonic Electric Works came to a decision that the Share Exchange Ratio is proper and does not undermine the interests of their respective shareholders. Therefore, Panasonic and Panasonic Electric Works executed the share exchange agreement between themselves based on the resolutions of the Board of Directors meetings of Panasonic and Panasonic Electric Works held today with respect to the implementation of the Share Exchange based on the Share Exchange Ratio.

In accordance with the Share Exchange Agreement, the Share Exchange Ratio may be subject to change upon the consultation between Panasonic and Panasonic Electric Works in the case of any material changes to the conditions that form the basis of the calculation.

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(3) Relationship with Valuation Institution

All of Nomura Securities, which is acting as a third-party valuation institution of Panasonic, and Daiwa Securities Capital Markets, which is acting as a third-party valuation institution of Panasonic Electric Works, are valuation institutions independent of Panasonic and Panasonic Electric Works, are not related parties, and do not have any material interest to be noted in connection with the Share Exchange.

(4) Prospects for Delisting and Reasons Therefore

Upon the Share Exchange, Panasonic Electric Works will become the wholly-owned subsidiary of Panasonic on the effective date (scheduled to be April 1, 2011), and shares of Panasonic Electric Works will be delisted as of March 29, 2011 (the last trading date will be March 28, 2011). After the delisting, it will be impossible to trade shares of Panasonic Electric Works on the Tokyo Stock Exchange and the Osaka Securities Exchange.

Even after the delisting of shares of Panasonic Electric Works, shares of Panasonic that will be allotted to each of the shareholders of Panasonic Electric Works upon the Share Exchange will remain listed on the Tokyo Stock Exchange, the Osaka Securities Exchange and the Nagoya Stock Exchange, and they will be tradable on the financial instruments exchange markets on and after the effective date of the Share Exchange. Therefore, Panasonic and Panasonic Electric Works believe that for each shareholder of Panasonic Electric Works who holds not less than 109 shares of Panasonic Electric Works and will receive, upon the Share Exchange, an allotment of not less than 100 shares of Panasonic, which is the number of shares constituting one unit of Panasonic, liquidity of shares will continue to be provided.

On the other hand, each shareholder of Panasonic Electric Works who holds less than 109 shares of Panasonic Electric Works will receive the allotment of shares of Panasonic in the number less than 100 shares, which is the number of shares constituting one unit of Panasonic. Although shareholders cannot sell such shares constituting less than one unit on the financial instruments exchange markets, each shareholder who will hold shares constituting less than one unit may request Panasonic to purchase the shares constituting less than one unit held by such shareholder. In addition, such shareholders may purchase from Panasonic the number of shares that will achieve a total of one unit together with the number of shares constituting less than one unit held by themselves. For the details of such treatment, see (Note 3) Treatment of shares constituting less than one unit in 2. (3) above. For the details of the treatment of any fractions in the case where the number of shares of Panasonic to be delivered upon the Share Exchange includes any fractions of less than one share, see (Note 4) Treatment of any fractions of less than one share in 2. (3) above.

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(5) Measures to Ensure Fairness

Since Panasonic already owns 82.69% of the number of issued shares of Panasonic Electric Works, in implementing the Share Exchange, it requested Nomura Securities, acting as a third-party valuation institution, to calculate the share exchange ratio in order to ensure the fairness of the share exchange ratio in the Share Exchange. Referring to such calculation results, Panasonic negotiated and consulted with Panasonic Electric Works, and resolved to implement the Share Exchange based on the share exchange ratio at the Board of Directors meeting held today.

Panasonic received the written opinion (fairness opinion) dated December 21, 2010, from Nomura Securities, stating that the Share Exchange Ratio is proper for Panasonic from a financial viewpoint.

On the other hand, Panasonic Electric Works, in implementing the Share Exchange, requested Daiwa Securities Capital Markets, acting as a third-party valuation institution, to calculate the Share Exchange Ratio in order to ensure the fairness of the Share Exchange Ratio in the Share Exchange. Referring to such calculation results, Panasonic Electric Works negotiated and consulted with Panasonic, and resolved to implement the Share Exchange based on the Share Exchange Ratio at the Board of Directors meeting held today.

Panasonic Electric Works received a share exchange ratio calculation report dated December 21 from Daiwa Securities Capital Markets, which was subject to certain assumptions and reservations. In addition, on December 21, 2010, as an opinion that shows the view that the Share Exchange Ratio is not disadvantageous to the minority shareholders, the Board of Directors of Panasonic Electric Works received from Daiwa Securities Capital Market a written opinion (fairness opinion) that, subject to certain assumptions and reservations, the Share Exchange Ratio is fair from a financial point of view to the holders of Panasonic Electric Works shares other than the controlling shareholders, etc. of Panasonic Electric Works (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 and Article 436-3 of the Ordinance for Enforcement of the same).

Panasonic Electric Works selected Kikkawa Law Offices as its legal advisor, and received legal advice on methods, processes, etc. of making decisions by the Board of Directors including various procedures for the Share Exchange from the legal advisor.

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(6) Measures to Avoid Conflicts of Interest

In light of the above-mentioned share exchange ratio calculation report and written opinion (fairness opinion) provided by Daiwa Securities Capital Markets, and the above-mentioned legal advice, etc. given by Kikkawa Law Offices, Panasonic Electric Works carefully reviewed the terms and conditions regarding the Share Exchange at the Board of Directors meeting held today. As a result, Panasonic Electric Works has judged that (i) the Share Exchange would contribute to enhance corporate value of Panasonic Electric Works and (ii) the terms and conditions of the Share Exchange were reasonable, and the resolution to execute the Share Exchange Agreement was passed unanimously by all directors participating in the resolution of the meeting. In addition, all corporate auditors participating in such deliberation opined that they had no objections to the execution of the Share Exchange Agreement by the Board of Directors of Panasonic Electric Works.

Among the 15 directors of Panasonic Electric Works (including 2 outside directors), Mr. Koshi Kitadai, an outside director, also serves as a corporate advisor of Panasonic. Therefore, in order to prevent conflict of interests, he has not participated in any deliberations or resolutions regarding the Share Exchange held by the Board of Directors of Panasonic Electric Works, nor has he participated in any negotiations or discussions with Panasonic on behalf of Panasonic Electric Works. In addition, among the 4 corporate auditors of Panasonic Electric Works (including 2 outside corporate auditors), Mr. Yutaka Maehashi, an outside corporate auditor, also serves as an employee of Panasonic. Therefore, in order to prevent conflict of interests, he has not participated in any deliberations regarding the Share Exchange held by the Board of Directors of Panasonic Electric Works.

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4. Outline of the Parties Involved in the Share Exchange

	Wholly-owning parent company		Wholly-owned subsidiary	
	in the share exchange		in the share exchange	
(1) Corporate name	Panasonic Corporation		Panasonic Electric Works Co., Ltd.	
(2) Head office	1006, Oaza Kadoma, Kadoma City, Osaka, Japan		1048, Oaza Kadoma Kadoma City, Osaka, Japan	
(3) Name and title of representative	President Fumio Ohtsubo		President and Representative Director Shusaku Nagae	
(4) Description of business	The manufacture and sale of electric and electronic equipments, etc.		The manufacture and sale of electrical and electronic equipments, etc.	
(5) Paid-in capital	258,740 million yen		148,513 million yen	
(6) Date established	December 15, 1935		December 15, 1935	
(7) Number of shares issued	2,453,053,497 shares		751,074,788 shares	
(8) Fiscal year end	End of March		End of March	
(9) Number of employees	385,243 (consolidated)		58,471 (consolidated)	
(10) Major business partners	Companies, etc. domestically and abroad		Companies, etc. domestically and abroad	
(11) Main financing bank	Sumitomo Mitsui Banking Corporation		Sumitomo Mitsui Banking Corporation Resona Bank, Limited. The Bank of Tokyo-Mitsubishi UFJ, Ltd.	
(12) Major shareholders and shareholding ratio	The Master Trust Bank of Japan, Ltd. (trust account) Japan Trustee Services Bank, Ltd. (trust account) MOXLEY AND COMPANY Nippon Life Insurance Company Sumitomo Mitsui Banking Corporation		5.15% Panasonic Corporation 4.50% Japan Trustee Services Bank, Ltd. (trust account) 3.96% Daiwa Securities Capital Markets Co. Ltd. 2.73% The Master Trust Bank of Japan, Ltd. (trust account) 2.32% Panasonic Electric Works Employees Shareholding Association	51.00% 2.64% 1.96% 1.78% 1.60%
(13) Relationships between the parties				
Capital relationship	Panasonic owns 621,037,219 shares (82.69%) of the number of issued shares of Panasonic Electric Works (751,074,788 shares) as of today.			

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Personnel relationship	1 corporate advisor and 1 employee of Panasonic assume office, respectively, as an outside director and as an outside corporate auditor of Panasonic Electric Works.
Transaction relationship	Panasonic conducts sales and purchase transactions of finished products, merchandise, material, etc. with Panasonic Electric Works.
Status as a related party	Panasonic Electric Works is Panasonic's consolidated subsidiary, and therefore, Panasonic Electric Works is a related party of Panasonic.

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(14) Operational results and financial conditions for the recent 3 years

Fiscal year ended	Panasonic Corporation (Consolidated, U.S. G.A.A.P.)			Panasonic Electric Works Co., Ltd. (Consolidated, Japan G.A.A.P.)		
	March 2008	March 2009	March 2010	March 2008	March 2009	March 2010
Net assets	4,256,949	3,212,581	3,679,773	734,709	685,607	685,720
Total assets	7,443,614	6,403,316	8,358,057	1,151,917	1,076,746	1,120,932
Shareholders' equity per share (yen)	1,781.11	1,344.50	1,348.63	934.87	869.47	871.23
Net sales	9,068,928	7,765,507	7,417,980	1,719,612	1,597,807	1,457,486
Operating profit	519,481	72,873	190,453	83,923	31,851	35,866
Ordinary income				83,472	31,266	36,665
Net income (loss) attributable to the company	281,877	(378,961)	(103,465)	45,450	(13,845)	8,553
Net income (loss) attributable to the company per share (yen)	132.90	(182.25)	(49.97)	61.44	(18.72)	11.56
Dividend per share (yen)	35.00	30.00	10.00	25.00	18.75	12.50

(Note 1) As of September 30, 2010, unless otherwise specified.

(Note 2) In millions of yen, unless otherwise specified.

(Note 3) The item "Ordinary income" is omitted since it does not exist under the United States Generally Accepted Accounting Principles (U.S. G.A.A.P.), which have been adopted by Panasonic.

(Note 4) As for Panasonic Electric Works, the amount of "Net assets per share" is stated instead of "Shareholders' equity per share."

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5. Status after the Share Exchange

	Wholly-owning parent company in the share exchange
(1) Corporate name	Panasonic Corporation
(2) Head office	1006, Oaza Kadoma, Kadoma City, Osaka, Japan
(3) Name and title of representative	President Fumio Ohtsubo
(4) Description of business	The manufacture and sale of electric and electronic equipments, etc.
(5) Paid-in capital	258,740 million yen
(6) Fiscal year end	End of March
(7) Net assets	Not determined at present
(8) Total assets	Not determined at present

6. Outline of Accounting Treatment

With respect to Panasonic, the Share Exchange is expected to be treated as a capital transaction in accordance with U.S. G.A.A.P., and goodwill is not expected to arise.

7. Future Outlook

The impact of the Share Exchange on the operating results of both Panasonic and Panasonic Electric Works is expected to be minor, since Panasonic Electric Works is already a consolidated subsidiary of Panasonic.

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8. Matters regarding Transaction, Etc. with Controlling Shareholders

Since Panasonic owns 82.69% of the total number of issued shares of Panasonic Electric Works, the Share Exchange constitutes a transaction etc. with the Controlling Shareholder conducted by Panasonic Electric Works.

The compliance of the Share Exchange with the descriptions in 4. Other Special Circumstances that may Have a Material Impact on Corporate Governance presented in the Corporate Governance Report disclosed by Panasonic Electric Works on July 20, 2010 (the Corporate Governance Report) is as follows:

As described in 3.(5) Measures to Ensure Fairness and 3.(6) Measures to Avoid Conflicts of Interest above, Panasonic Electric Works has taken certain measures to ensure the fairness of share exchange rate in the Share Exchange and to avoid conflicts of interest, and believes that such measures conform to the descriptions in the Corporate Governance Report.

In addition, on December 21, 2010, as an opinion that shows the view that the Share Exchange Ratio is not disadvantageous to the minority shareholders, the Board of Directors of Panasonic Electric Works received from Daiwa Securities Capital Markets a written opinion (fairness opinion) stating that, subject to certain assumptions and reservations, the Share Exchange Ratio is fair from a financial point of view to the holders of Panasonic Electric Works shares other than the controlling shareholders, etc. of Panasonic Electric Works (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 and Article 436-3 of the Ordinance for Enforcement of the same).

Furthermore, the statement concerning protection of minority shareholders in conducting transactions with the controlling shareholder as indicated in Measures for Protection of Minority Shareholders in Conducting Transactions with the Controlling Shareholder in 4. Other Special Circumstances that may Have a Material Impact on Corporate Governance, in the Corporate Governance Report, is disclosed as follows:

The Company has prevented transactions that benefit the parent company and cause damages to the Company and eventually, its minority shareholders by seeking opinions of outside directors and outside corporate auditors other than those coming from the parent company, among other means, in order to make management decisions independently as a listed company and to enhance objectivity of such decisions.

End

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(Reference) Forecast of Consolidated Financial Results for Current Fiscal Year and Consolidated Financial Results for Previous Fiscal Year

Panasonic (forecast of consolidated financial results for the current fiscal year as of July 29, 2010)

(in millions of yen)

	Net sales	Operating profit	Income (loss) before income taxes	Net income (loss) attributable to Panasonic Corporation
Forecast of financial results for current fiscal year (fiscal year ending March 2011)	8,900,000	310,000	210,000	85,000
Financial results for previous fiscal year (fiscal year ended March 2010)	7,417,980	190,453	(29,315)	(103,465)
Panasonic Electric Works (forecast of consolidated financial results for the current fiscal year as of July 23, 2010)				

(in millions of yen)

	Net sales	Operating profit	Ordinary income	Net income
Forecast of financial results for current fiscal year (fiscal year ending March 2011)	1,510,000	60,000	58,000	23,000
Financial results for previous fiscal year (fiscal year ended March 2010)	1,457,486	35,866	36,665	8,553

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(Notice Regarding Registration on Form F-4)

Panasonic Corporation has filed a registration statement on Form F-4 (Form F-4) with the SEC in connection with each of the proposed share exchange between Panasonic Corporation and SANYO Electric Co., Ltd. (the SANYO Share Exchange) and between Panasonic Corporation and Panasonic Electric Works Co., Ltd. (the PEW Share Exchange). The Form F-4 for each of the SANYO Share Exchange and the PEW Share Exchange contains a prospectus and other documents. If each Form F-4 is declared effective, the prospectus contained in the Form F-4 will be mailed to U.S. shareholders of the subject company (SANYO Electric Co., Ltd. or Panasonic Electric Works Co., Ltd.) prior to the shareholders meeting at which the relevant proposed share exchange will be voted upon. The Form F-4 and prospectus contain important information about the subject company and Panasonic Corporation, the relevant share exchange and related matters. U.S. shareholders of the subject company are urged to read the Form F-4, the prospectus and other documents that have been filed and may be filed with the SEC in connection with the relevant share exchange carefully before they make any decision at the shareholders meeting with respect to the share exchange. Any documents filed with the SEC in connection with the proposed share exchange will be made available when filed, free of charge, on the SEC's web site at www.sec.gov. In addition, upon request, the documents can be distributed for free of charge. To make a request, please refer to the following contact information.

1006, Oaza Kadoma, Kadoma City, Osaka 571-8501, Japan

Panasonic Corporation

Corporate Finance & IR Group

Masahito Yamamura

Telephone: 81-6-6908-1121

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URL: <http://panasonic.net/>

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Disclaimer Regarding Forward-Looking Statements

This press release includes forward-looking statements (within the meaning of Section 27A of the U.S. Securities Act of 1933 and Section 21E of the U.S. Securities Exchange Act of 1934) about Panasonic and its Group companies (the Panasonic Group). To the extent that statements in this press release do not relate to historical or current facts, they constitute forward-looking statements. These forward-looking statements are based on the current assumptions and beliefs of the Panasonic Group in light of the information currently available to it, and involve known and unknown risks, uncertainties and other factors. Such risks, uncertainties and other factors may cause the Panasonic Group's actual results, performance, achievements or financial position to be materially different from any future results, performance, achievements or financial position expressed or implied by these forward-looking statements. Panasonic undertakes no obligation to publicly update any forward-looking statements after the date of this press release. Investors are advised to consult any further disclosures by Panasonic in its subsequent filings with the U.S. Securities and Exchange Commission pursuant to the 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 the Panasonic Group operates businesses, or in which assets and liabilities of the Panasonic Group are denominated; the possibility of the Panasonic Group incurring additional costs of raising funds, because of changes in the fund raising environment; the ability of the Panasonic Group to respond to rapid technological changes and changing consumer preferences with timely and cost-effective introductions of new products in markets that are highly competitive in terms of both price and technology; the possibility of not achieving expected results on the alliances or mergers and acquisitions including the acquisition of all shares of Panasonic Electric Works Co., Ltd. and SANYO Electric Co., Ltd. through tender offers and share exchanges; the ability of the Panasonic Group to achieve its business objectives through joint ventures and other collaborative agreements with other companies; the ability of the Panasonic Group to maintain competitive strength in many product and geographical areas; the possibility of incurring expenses resulting from any defects in products or services of the Panasonic Group; the possibility that the Panasonic Group may face intellectual property infringement claims by third parties; current and potential, direct and indirect restrictions imposed by other countries over trade, manufacturing, labor and operations; fluctuations in market prices of securities and other assets in which the Panasonic Group has holdings or changes in valuation of long-lived assets, including property, plant and equipment and goodwill, deferred tax assets and uncertain tax positions; future changes or revisions to accounting policies or accounting rules; as well as natural disasters including earthquakes, prevalence of infectious diseases throughout the world and other events that may negatively impact business activities of the Panasonic Group. The factors listed above are not all-inclusive and further information is contained in Panasonic's latest annual reports, on Form 20-F, and any other reports and documents which are on file with the U.S. Securities and Exchange Commission.

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