

FOR IMMEDIATE RELEASE

November 28, 2019

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

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

### 1. Background and Purpose

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

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

However, the competitive environment surrounding the semiconductor business has become extremely severe due to aggressive expansion of competitors, huge investments in the focused area, and industry reorganization through M&A. In such an environment, the Company has come to believe that the even stronger business operation and the continuous investment is critical in order to achieve a sustained growth and expansion of the semiconductor business. Accordingly, it has concluded that the best option would be to transfer the business to Nuvoton, which highly appreciates the Company’s accumulated technical and product capabilities and therefore has a potential to lead stable growth by leveraging those capabilities.

### 2. About the Transfer

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

- ① All shares of Panasonic Industrial Devices Systems and Technology Co., Ltd. (hereinafter, “PIDST”) and Panasonic Industrial Devices Engineering Co., Ltd. (hereinafter, “PIDE”), which are wholly-owned subsidiaries of PEMJ, will be handed over to PSCS by way of company split.
- ② The semiconductor business-related intellectual property rights and certain business contracts held by the Company and/or the Company’s subsidiaries and the semiconductor business-related assets and debt of the Company will be handed over to PSCS by way of either company split or asset transfer.
- ③ All PSCS’s shares held by PEMJ will be handed over to a to-be-established, wholly-

owned subsidiary of PEMJ (hereinafter, the “PSCS Holding Company”) by way of share transfer.

- ④ The semiconductor related components (lead frame) business of PSCS will be handed over to a to-be-established, wholly-owned subsidiary of PEMJ by way of company split.

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

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

### 3. Other

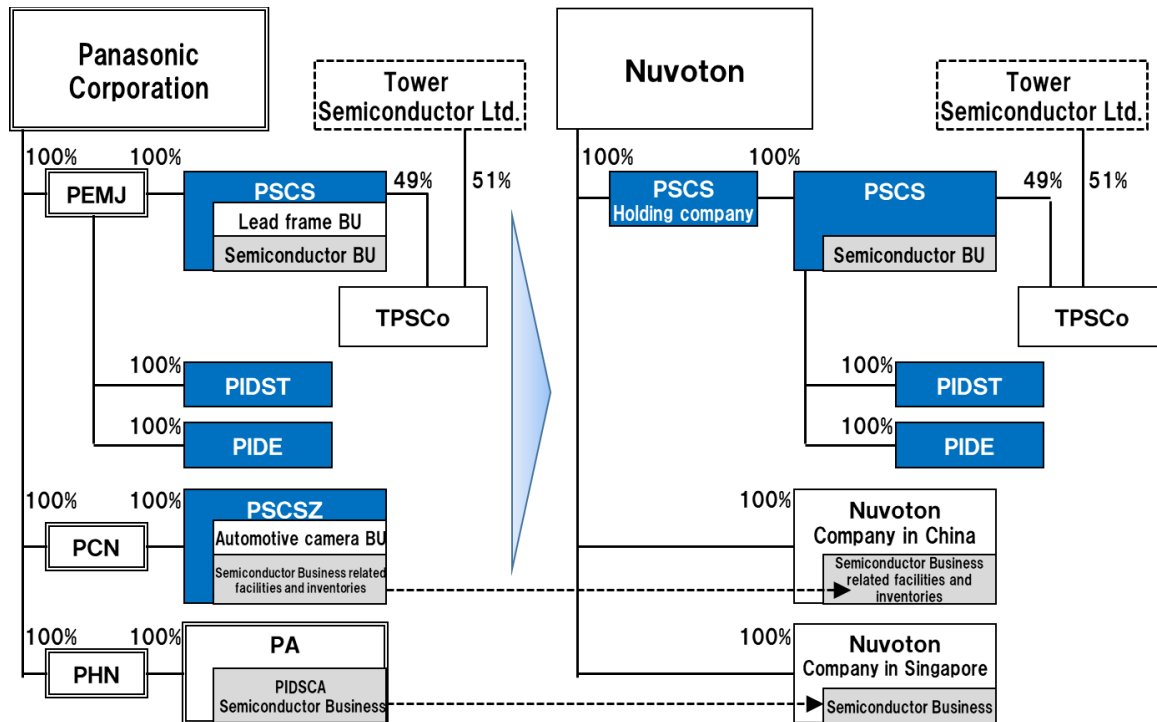
The Agreement is based on the precondition of obtaining approvals from the authorities responsible for competition laws and other government agencies of the respective country and region. In addition, the planned date of the Transfer including business restructuring before the Transfer may differ significantly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

### **About Panasonic**

Panasonic Corporation is a worldwide leader in the development of diverse electronics technologies and solutions for customers in the consumer electronics, housing, automotive, and B2B businesses. The company, which celebrated its 100<sup>th</sup> anniversary in 2018, has expanded globally and now operates 582 subsidiaries and 87 associated companies worldwide, recording consolidated net sales of 8.003 trillion yen for the year ended March 31, 2019. Committed to pursuing new value through innovation across divisional lines, the company uses its technologies to create a better life and a better world for its customers. To learn more about Panasonic: <https://www.panasonic.com/global>.

<Reference>

[Change in Capital Structure after the Transfer]



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

[History of the semiconductor business of the Company]

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

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

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

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

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

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

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

[Overview of Panasonic Industrial Devices Semiconductor Asia]

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

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

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

[Overview of Winbond Electronics Corporation]

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

[Overview of Nuvoton Technology Corporation]

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

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