

October 30, 2009

Panasonic Corporation
(Code: 6752; First sections of the TSE, OSE and NSE)
(NYSE; PC)
The Sumitomo Trust and Banking Co., Ltd.
(Code: 8403; First sections of the TSE and OSE)

Merger of Sumishin Matsushita Financial Services Co., Ltd. and STB Leasing Co., Ltd.

The Sumitomo Trust and Banking Co., Ltd. (President and CEO: Hitoshi Tsunekage; “Sumitomo Trust”) and Panasonic Corporation (President : Fumio Ohtsubo; “Panasonic”) decided to effect, as of April 1, 2010, a merger (“Lease Subsidiary Merger”) of Sumishin Matsushita Financial Services Co., Ltd. (“SMFC”), a company jointly invested in by Sumitomo Trust and Panasonic, and STB Leasing Co., Ltd. (“STBL”), a wholly-owned subsidiary of Sumitomo Trust, and have entered into a basic agreement today.

1. Purpose of Merger

SMFC is a comprehensive financial services company that develops various businesses such as leasing, installment sales, credit card and financing, primarily for a wide range of clients of the Panasonic group. STBL is a professional leasing company that specializes in leasing business for large corporations, primarily for the clients of Sumitomo Trust.

SMFC and STBL integrated their businesses through a holding company structure on March 31, 2008, and have promoted cooperative operations and complementary relationships, such as sharing know-how, exchanging human resources and mutually introducing clients, mainly in the leasing business. However, due to the increasingly difficult environment surrounding the leasing business, Sumitomo Trust and Panasonic decided to merge SMFC and STBL in order to further improve competitiveness.

Sumitomo Trust and Panasonic will promptly realize the effects of rationalization arising from Lease Subsidiary Merger, and attempt to improve profitability by expeditiously shifting personnel to business with growth potential by way of reassigning personnel upon the merger of the head office and business departments, and by strengthening their characteristics.

Prior to Lease Subsidiary Merger, Sumitomo Trust will acquire a portion of SMFC’s shares (equal to approximately 11% of the total number of issued shares of SMFC) from Panasonic around the beginning of November 2009.

2. Direction of the Newly Merged Company

The newly merged company that will be established as a result of Lease Subsidiary Merger will be a comprehensive financial services company that provides a variety of sophisticated financial instruments, such as leasing, installment sales, credit card and financing, to a wide range of clients of Sumitomo Trust and the Panasonic group.

In addition to such a diverse client base, the most significant characteristics of the newly merged company will be its small-amount leasing and installment sales businesses infrastructure distinctive to manufacturers as well as propose-based sales, high risk-control ability and stable fund-raising capability that are characteristics associated with Sumitomo Trust.

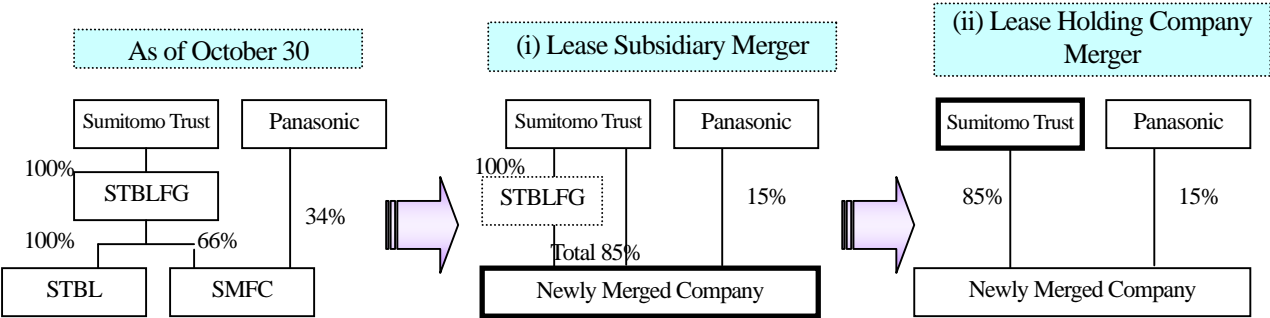
The newly merged company will aim to evolve and develop into a unique corporation by merging individual characteristics of banks and manufacturers. Specifically, the newly merged company will focus on (i) enhancing businesses such as leasing, installment sales and financing based on products, (ii) expanding dealer leasing (i.e., small-amount vendor leasing) with growth potential, and (iii) promoting a new environment-related business with products such as solar loans for solar power generation systems.

The corporate name of the newly merged company is expected to be “Sumishin Panasonic Financial Services Co., Ltd.”, and the newly merged company will further strengthen its cooperation with the Panasonic group, and actively promote sales financing to support local electrical stores and sales of products of the Panasonic group.

3. Scheme of Merger

As of April 1, 2010, (i) the merger of SMFC and STBL and (ii) the merger (“Lease Holding Company Merger”) of Sumitomo Trust and STB Leasing & Financial Group Co., Ltd. (“STBLFG”) as a result of Lease Subsidiary Merger as described in (i) are scheduled to be executed at the same time.

For further information of the transaction described in (ii) above, please see the notice titled “Merger of The Sumitomo Trust and Banking Co., Ltd. and Subsidiary (STB Leasing & Financial Group Co., Ltd.)” disclosed by Sumitomo Trust today.



Note: Sumitomo Trust will acquire a portion of SMFC’s shares (equal to approximately 11% of the total number of issued shares of SMFC) from Panasonic around the beginning of November 2009.

4. Outline of Merger

(1) Schedule (planned)

- Beginning of February 2010: Board meeting to approve the execution of the merger agreement (SMFC and STBL)
- Beginning of February 2010: Execution of the merger agreement
- Middle of February 2010: Shareholder meeting to approve the merger (SMFC and STBL)
- April 1, 2010: Effective date of the merger

(2) Method of Merger

The merger will be effected through the merger of STBL with SMFC whereby SMFC is the surviving company and STBL will be dissolved.

5. Outline of Merging Companies

(1) Corporate Name	Sumishin Matsushita Financial Services Co., Ltd. (surviving company)	STB Leasing Co., Ltd. (non-surviving company)
(2) Principal Business	Comprehensive leasing business, installment sales business, credit card business and others	Comprehensive leasing business
(3) Date of Incorporation	February 27, 1967	July 1, 1985
(4) Location	3-2-18, Nakanoshima, Kita-ku, Osaka	1-6-1, Marunouchi, Chiyoda-ku, Tokyo
(5) Representative	Director and CEO: Masakiyo Inoue	Director and CEO: Masakiyo Inoue
(6) Stated Capital	20,520 million yen (as of the end of	5,064 million yen (as of the end of

	September 2009)	September 2009)
(7) Total Number of Issued Shares	7,902,440 shares	21,584,300 shares
(8) Financial Year End	March 31	March 31
(9) Major Shareholders and Shareholding Percentage	STB Leasing & Financial Group. Co., Ltd. 66% Panasonic Corporation 34%	STB Leasing & Financial Group. Co., Ltd. 100%
(10) Relationship between Parties		
Capital Relationship	SMFC and STBL are subsidiaries of Sumitomo Trust.	
Personnel Relationship	One executive officer and one corporate auditor of Sumitomo Trust are also a director and a corporate auditor of SMFC. One executive officer, one corporate auditor and one employee of Sumitomo Trust are also director and corporate auditor of STBL . Eight employees of Sumitomo Trust have been temporarily transferred to SMFC, and four employees of Sumitomo Trust have been temporarily transferred to STBL .	
Business Relationship	Sumitomo Trust performs deposits, financing, leasing and other businesses with SMFC and STBL.	
Relationship as Affiliated Parties	Because SMFC and STBL are subsidiaries of Sumitomo Trust, SMFC and STBL are categorized as affiliated parties of Sumitomo Trust.	

(11) Operational Results of Three Most Recent Financial Years

STBL (consolidated basis)

(in millions of yen, except per share data)

Financial Year Ended	March 31, 2007	March 31, 2008	March 31, 2009
Consolidated Net Assets	46,355	49,613	45,753
Consolidated Total Assets	520,409	543,705	590,167
Consolidated Net Assets per Share (yen)	2,147.61	2,298.55	2,119.73
Consolidated Net Sales	161,338	161,703	153,922
Consolidated Operating Income	6,710	6,737	3,314
Consolidated Operating Net Income	6,622	6,787	3,441
Consolidated Net Income	17,326	4,172	1,913
Consolidated Net Income per Share (yen)	802.73	193.31	88.61
Dividend per Share (yen)	24	256	24

SMFC (non-consolidated basis)

(in millions of yen, except per share data)

Financial Year Ended	March 31, 2007	March 31, 2008	March 31, 2009
Net Assets	69,881	71,550	73,963
Total Assets	601,585	605,194	581,737
Net Assets per Share (yen)	8,843.07	9,054.26	9,359.55
Net Sales	191,261	191,232	182,630
Operating Income	5,041	3,154	4,262
Operating Net Income	5,308	3,392	4,447
Net Income	3,176	2,402	2,905
Net Income per Share (yen)	401.96	304.01	367.67
Dividend per Share (yen)	81	61	74

6. Conditions after Lease Subsidiary Merger

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|-----|--------------------|---|
| (1) | Corporate Name | Sumishin Panasonic Financial Services Co., Ltd. (planned) |
| (2) | Location | 3-2-18, Nakanoshima, Kita-ku, Osaka (planned) |
| (3) | Representative | To be appointed |
| (4) | Principal Business | Comprehensive leasing business, installment sales business, credit card business and others |
| (5) | Stated Capital | 25,584 million yen (planned) |
| (6) | Financial Year End | March 31 |

7. Outlook

There will be no effect on Sumitomo Trust's and Panasonic's earnings forecast for March 31, 2010 as a result of Lease Subsidiary Merger.

For further information, please contact:

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