

May 30, 2011

Panasonic Corporation
Hangzhou DADI Environmental Protection Engineering Co., Ltd.
DOWA Holdings Co., Ltd.
Sumitomo Corporation

**Panasonic, Hangzhou DADI, DOWA and Sumitomo
Corporation to Establish Home Appliances Recycling
Company in Hangzhou, China**

**Incorporating advanced recycling technologies of a Japanese consumer
electronics company**

Panasonic Corporation*¹(headquarters: Kadoma City, Osaka; President: Fumio Ohtsubo; hereafter "Panasonic"), Hangzhou DADI Environmental Protection Engineering Co., Ltd., (headquarters: Hangzhou City, Zhejiang, PRC; Chairman: Zhang Yuanqi; hereafter "Hangzhou DADI") DOWA Holdings Co., Ltd.*²(headquarters: Chiyoda-ku, Tokyo; President: Masao Yamada; hereafter "DOWA"), and Sumitomo Corporation(headquarters: Chuo-ku, Tokyo; President: Susumu Kato; hereafter "Sumitomo Corporation") today announced they have reached an agreement to form a jointly-held company in China , Panasonic DADI DOWA Summit Recycling Hangzhou Co., Ltd. (proposed name; hereafter "Panasonic Hangzhou DADI") that will recycle home appliances and electronics.

In China, an ordinance on the collection, processing, and management of waste electrical and electronic products was enforced by the government on January 1, 2011 with an aim to promote proper and safe disposal of waste home appliances. The ordinance applies to five types of electrical and electronic products including TVs, refrigerators, washing machines, air conditioners and personal computers.

The amount of waste home appliances has been on rise in China, as the country's recent economic growth spurred the use and upgrading of electronic products among consumers. In Zhejiang with a population of about 50 million, approximately 2.9 million units of waste home appliances were collected in a 12-month period from 2009 to 2010, and the amount is expected to increase further.

The new recycling company will collect and disassemble used home appliances and electronics and sell recovered materials in compliance with the Chinese ordinance

and aims to be a model company for China with advanced recycling technologies. Panasonic will be the first Japanese consumer electronics manufacturer to enter the Chinese recycling market.

The new company will purchase the five types of waste home appliances from collection companies, disassemble them by using its advanced recycling technologies and facilities, and sell recycled materials to refining companies, plastics recyclers and manufacturers.

With the establishment of Panasonic Hangzhou DADI, the four companies look to contribute to environmental conservation and efficient use of recycled materials in the country.

The roles and responsibilities of each company are as follows:

Panasonic Group will provide its advanced recycling technologies and equipment developed through its recycling business in Japan, such as laser separation technology and dry scrubbing equipment for the CRT glass used in TVs; compressor separators for refrigerators and air conditioners; and technologies for recovering copper coils and safely collecting refrigerator insulation materials containing fluorocarbons. In addition, the company will be responsible for gathering information on equipment procurement, production management and improvement of working environment including implementation of so-called "Five S" concept for workplace organization: Sort, Set in order, Shine or Clean, Standardize and Sustain or Discipline.

Duties of Hangzhou DADI, who has been engaged in collection, processing and general utilization of solid industrial waste, will cover information gathering on the related laws and regulations and the recycling market including collection and recycling-related companies, as well as negotiations with the government authorities to obtain approvals and permits. The company will also build systems and routes enabling to collect enough volume of waste home appliances to ensure business viability.

DOWA Group, who has been supplying materials and services in a broad range of businesses including environmental management and recycling, will operate the new recycling plant in an efficient manner, drawing upon its experience and knowledge built up through its operations in Japan and China. The company will also gather information on equipment procurement.

Sumitomo Corporation will collect information on the global recycling industry as well

as market trends and prices that will help sell recycled materials. The company will support the efficient management of the new recycling company with its know-how and expertise in business operation gained through its long-time experience in China as a general trading company.

Panasonic Hangzhou DADI will be established once approvals are granted by the relevant government authorities. The new company is expected to start operations in earnest in spring 2012.

*1: Panasonic Corporation will invest in the joint venture through its wholly-owned subsidiary in China, Panasonic Corporation of China.

*2: DOWA Holdings Co., Ltd. will invest in the joint venture through its wholly-owned subsidiary, Dowa Eco-System Co., Ltd.

<Reference>

Outline of the New Company

Name	Panasonic DADI DOWA Summit Recycling Hangzhou Co., Ltd.
Location	Tonglu County, Hangzhou City, Zhejiang Province, PRC
Foundation	June 2011 (Planned)
Beginning of operations	January 2012 (Planned)
Capital	85 million yuan (Approximately 11.05 million yen)
Ownership Ratios	Hangzhou DADI Environmental Protection Engineering Co., Ltd.: 35% Panasonic Corporation of China*: 35%(*a wholly-owned subsidiary of Panasonic) Dowa Eco-System Co., Ltd.*: 18% (*a wholly-owned subsidiary of DOWA Holdings) Sumitomo Corporation: 12%
Business Operations	Collection and disassembly of five types of waste home appliances (TVs, refrigerators, washing machines, air conditioners and personal computers) and sales of recovered materials
Employees	Approximately 140 (At the time of commencement of operations in 2012)
Annual processing capacity	Approximately 1 million units of home appliances and electronics in 2015 (expected)



Aerial rendering (left) and map showing the planned site (right) of Panasonic DADI DOWA Summit Recycling Hangzhou

Outline of the Four Investing Companies

Name	Panasonic Corporation
Location	1006 Kadoma, Kadoma City, Osaka Prefecture, Japan
Founded	December 15, 1935 (Original foundation: 1918)
Capital	258.7 billion yen

Representative Director	President Fumio Ohtsubo
Business operations	Consumer electronics company
URL	http://panasonic.co.jp

Panasonic Corporation of China is a wholly-owned subsidiary of Panasonic Corporation

Name	Hangzhou DADI Environmental Protection Engineering Co., Ltd.
Location	No. 100 Fori Road, Tang Village, Xingqiao Street, Yuhang District, Hangzhou City, Zhejiang Province PRC
Founded	November 13, 1998
Capital	50 million yuan (Approximately 650 million yen)
Representative Director	Chairman Zhang Yuanqi
Business operations	Collection, processing, and general utilization of solid industrial waste

Name	DOWA Holdings Co., Ltd.
Location	4-14-1 Sotokanda, Chiyoda-ku, Tokyo, Japan
Founded	March 11, 1937
Capital	36.4 billion yen
Representative Director	President Masao Yamada
Business operations	Environmental management and recycling, smelting and refining of nonferrous metals, electronic materials, metal processing and heat treatment
URL	http://www.dowa.co.jp

Dowa Eco Systems Co., Ltd. is a wholly-owned subsidiary of DOWA Holdings

Name	Sumitomo Corporation
Location	1-8-11 Harumi, Chuo-ku, Tokyo, Japan
Founded	December 24, 1919
Capital	219.3 billion yen
Representative Director	President & CEO Susumu Kato
Business operations	General trading company
URL	http://www.sumitomocorp.co.jp

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