

Panasonic and Square Enix Agree to Co-develop a Seamless Digital Content Solution on Panasonic's Integrated Platform for Digital Consumer Electronics

- Making various digital content available on digital appliances -

Tokyo, Japan - Panasonic, the leading brand for which Matsushita Electric Industrial Co., Ltd. is known, and Square Enix Co., Ltd., a best-known interactive digital content and service provider, today announced an agreement to co-develop a solution that enables users to seamlessly enjoy digital content on various digital consumer electronic devices. The two companies have agreed to offer the solution to device manufacturers and content providers.

Based on this agreement, Panasonic and Square Enix aim to implement a middleware "SEAD Engine™" that uses Square Enix software technologies on Panasonic's integrated platform for digital consumer electronic devices by March 2007. The two companies will build technological know-how to provide seamless content applications for digital consumer electronic devices.

In recent years, the digital content market has experienced an average annual growth of around 10 percent in Japan, and it is expected to grow further. In line with the trend of digital devices' multi-functionality and high-performance as well as the advancement of networking, there is also growing demand for sharing digital content in the various digital consumer electronic devices such as television, DVD recorders, portable music players, mobile phones and car navigation systems in addition to conventional IT devices such as personal computers.

Panasonic expects the integrated platform to hasten the "ubiquitous network society" where users can enjoy network connectivity among various digital consumer electronic devices.

Square Enix not only owns an attractive portfolio of digital content assets, as represented by its "FINAL FANTASY®" and "DRAGON QUEST®" game franchises, but also has advanced technologies in embedded software development, communication and networking technologies to provide its content to the game consoles, PCs and mobile phones.

"In view of the advancement of digital consumer electronic device technologies in the coming ubiquitous network era, I believe the collaboration with Square Enix to be the best alliance for the future as they not only own an attractive portfolio of digital content assets, but also have excellent technologies in 3D graphics and embedded software," said Dr. Susumu Koike, Matsushita's Executive Vice President in charge of R&D.

"Square Enix aims to become an integrated digital content and service provider in the ubiquitous network era. Panasonic is the best partner for building a 'seamless content' platform on digital consumer electronics," said Yoichi Wada, President of Square Enix. "We seek to distribute content for digital consumer electronics as well as game consoles. We believe this collaboration will enable our two companies to provide new and highly accessible forms of entertainment to our customers through an integrated hardware and content usage model."

Today's agreement will enable both companies to build a solution for seamless use of digital content in digital consumer electronic devices, based on their respective unique technologies and know-how.

About Panasonic

Best known by its Panasonic brand name, Matsushita Electric Industrial Co., Ltd. is a worldwide leader in the development and manufacture of electronic products for a wide range of consumer, business, and industrial needs. Based in Osaka, Japan, the company recorded consolidated net sales of US\$81.44 billion for the year ended March 31, 2005. The company's shares are listed on the Tokyo, Osaka, Nagoya, New York (NYSE:MC), Euronext Amsterdam and Frankfurt stock exchanges. For more information on the company and the Panasonic brand, visit the company's website at <http://panasonic.net>.

About Square Enix

With headquarters in Tokyo, Japan, Square Enix Co., Ltd. (Square Enix) develops, publishes and distributes entertainment content including interactive entertainment software and publications in Japan, North America, Europe and Asia. Square Enix brings two of Japan's best-selling franchises - FINAL FANTASY, which has sold over 65 million units worldwide, and DRAGON QUEST, which has sold over 40 million units worldwide under one roof. Square Enix is one of the most influential providers of digital entertainment content in the world and continues to push the boundaries of creativity and innovation. More information on Square Enix can be found on the Internet at <http://www.square-enix.com>.

About SEAD Engine™

The SEAD Engine (Square Enix Application on Demand Engine) developed by Square Enix is a middleware application based on the UIEngine™. This application consolidates graphics, sound, and asynchronous data transmission software, resulting in enhanced quality of output content.

*UIEngine is a trademark of UIEvolution, Inc.