

**Notes to consolidated financial statements:**

1. The company's consolidated financial statements are prepared in conformity with U.S. generally accepted accounting principles (U.S. GAAP).
2. In order to be consistent with generally accepted financial reporting practices in Japan, operating profit, a non-GAAP measure, is presented as net sales less cost of sales and selling, general and administrative expenses. The company believes that this is useful to investors in comparing the company's financial results with those of other Japanese companies. Please refer to the accompanying consolidated statement of operations and Note 3 for the U.S. GAAP reconciliation.
3. Under U.S. GAAP, expenses associated with the implementation of early retirement programs at certain domestic and overseas companies and the impairment losses on goodwill and fixed assets would be included as part of operating profit in the statement of operations.
4. In June 2011, FASB issued Accounting Standards Update (ASU) 2011-05, "Presentation of Comprehensive Income." Accordingly, the company adopted ASU 2011-05 from fiscal 2013 and presents the consolidated statement of comprehensive income (loss) following the consolidated statement of operations.
5. In other income (deductions), the company incurred expenses associated with the implementation of early retirement programs of certain domestic and overseas companies.
6. The impairment losses of goodwill and intangible assets are included in Other income (deductions), net.
7. The impairment losses of goodwill and intangible assets, and an increase in the valuation allowances for deferred tax assets are included in Other of cash flows from operating activities.

8. Per share data (Years ended March 31)

	<u>2013</u>	<u>2012</u>
Net income (loss) attributable to		
Panasonic Corporation (millions of yen)	(754,250)	(772,172)
Average common shares outstanding		
(number of shares)	2,311,683,353	2,312,167,772
Net income (loss) attributable to		
Panasonic Corporation per share:		
Basic	(326.28) yen	(333.96) yen
Diluted	-	-

Diluted net income (loss) per share attributable to Panasonic Corporation common shareholders has been omitted because the company did not have potentially dilutive common shares that were outstanding for the period.

9. Regarding consolidated segment profit (loss), expenses for basic research and administrative expenses at the corporate headquarters level are treated as unallocatable expenses for each segment, and are included in Corporate and eliminations.

10. Panasonic Electronic Devices Co., Ltd. and Panasonic Electronic Devices Japan Co., Ltd. were absorbed by the company on April 1, 2012.
11. Panasonic System Solutions Japan Co., Ltd. absorbed Panasonic System Networks Co., Ltd. and Panasonic System Solutions Infrastructure Co., Ltd. on March 1, 2013. Accordingly Panasonic System Solutions Japan Co., Ltd. changed its company name to Panasonic System Networks Co., Ltd.
12. Panasonic Asia Pacific Pte. Ltd. absorbed Panasonic Semiconductor Asia Pte. Ltd., Panasonic Factory Solutions Asia Pacific Pte. Ltd. and others on April 1, 2012.
13. Panasonic Mobile Communications Co., Ltd. (PMC) transferred the mobile phone terminal business through a corporate split to a newly established company. At the same time, the mobile phone base station business was split and transferred to Panasonic System Networks Co., Ltd. Then Panasonic absorbed the remaining PMC through a merger on April 1, 2013. Upon this transfer, the newly established company was incorporated as Panasonic Mobile Communications Co., Ltd.
14. Effective from the beginning of fiscal 2013, investments and depreciation expenses in molding dies are included in "Capital investment" and "Depreciation (tangible assets)," respectively. Accordingly, the amounts of "Depreciation (tangible assets)" and "Capital investment" of supplementary information on consolidated statements of operations for fiscal 2012 are changed. The related amounts of the consolidated statements of cash flows and consolidated balance sheets for fiscal 2012 are also changed.
15. The company's segments are classified according to a business domain-based management system, which focuses on global consolidated management by each business domain company, in order to ensure consistency of its internal management structure and disclosure.
16. Other segment consists of Healthcare Company, Manufacturing Solutions Company, PanaHome Corporation and others.
17. Number of consolidated companies: 538 (including parent company)
18. Number of associated companies under the equity method: 95
19. Subsequent event  
In the first quarter of fiscal 2014, the company and certain domestic subsidiaries decided to make a transition from the current defined benefit pension plan to the defined contribution pension plan, effective from future contributions made on or after July 1, 2013. Under the U.S. GAAP, upon this decision, any decrease in projected benefit obligations (PBO) due to a plan amendment in the past is required to be immediately recognized in the profit and loss. Accordingly, the company will recognize a gain of 79.8 billion yen in other income (deductions), net in the consolidated statement of operations for the first quarter of the fiscal 2014. The company will apply for approval of this plan amendment to the Ministry of Health, Labor and Welfare in the near future, and it will be finally effective upon authorization by the ministry. This gain in other income represents a decrease in PBO due to a plan amendment in the past, and it does not have any impact on payments to employees.