

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 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 income and Note 7 for U.S. GAAP reconciliation.
3. Victor Company of Japan, Ltd. (JVC) issued and allocated new shares of common stock to third parties on August 10, 2007 for a cash consideration of 35 billion yen. As a result, the company's shareholding in JVC decreased from 52.4% to 36.8%. JVC and its consolidated subsidiaries became associated companies under the equity method from consolidated subsidiaries from August 2007.
4. By acquiring approximately 15% of issued shares in IPS Alpha Technology, Ltd. (IPS Alpha) owned by Toshiba Corporation on March 31, 2008, Matsushita's voting rights stake in IPS Alpha rose to 44.9%. In addition, Matsushita finalized a contract with Hitachi, Ltd. on February 15 under which it will acquire all the shares in IPS Alpha owned by Hitachi Displays, Ltd., once certain conditions are satisfied. As a result, IPS Alpha and its subsidiary became consolidated subsidiaries of Matsushita on March 31, 2008.
5. Comprehensive income was reported as a gain of 883 million yen for fiscal 2008, and a gain of 289,270 million yen for fiscal 2007. Comprehensive income includes net income and increases (decreases) in accumulated other comprehensive income (loss).

6. Per share data (Years ended March 31)

	<u>2008</u>	<u>2007</u>
Net income (millions of yen)	¥ 281,877	¥ 217,185
Average common shares outstanding (number of shares)	2,120,986,052	2,182,791,138
Dilutive effect:		
Stock Options	3,818	13,858
Diluted common shares outstanding	2,120,989,870	2,182,804,996
Net income per share:		
Basic	132.90 yen	99.50 yen
Diluted	132.90 yen	99.50 yen

7. Under U.S. GAAP, expenses associated with the implementation of early retirement programs at certain domestic and overseas companies are included as part of operating profit in the statement of income.

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

9. The company's business segments are classified according to a business domain-based management system, which focuses on global consolidated management by each business domain, in order to ensure consistency of its internal management structure and disclosure. The company transferred its healthcare business to its consolidated subsidiary, Panasonic Shikoku Electronics Co., Ltd. on April 1, 2007. Accordingly, segment information for AVC Networks and Home Appliances of fiscal 2007 has been reclassified to conform to the presentation for fiscal 2008.

Principal internal divisional companies or units and subsidiaries operating in respective segments are as follows:

AVC Networks

Panasonic AVC Networks Company, Panasonic Communications Co., Ltd.,
Panasonic Mobile Communications Co., Ltd., Panasonic Automotive Systems Company,
Panasonic System Solutions Japan Co., Ltd., Panasonic Shikoku Electronics Co., Ltd.

Home Appliances

Matsushita Home Appliances Company, Lighting Company,
Matsushita Ecology Systems Co., Ltd.
(Matsushita Refrigeration Company was absorbed on April 1, 2008.)

Components and Devices

Semiconductor Company, Matsushita Battery Industrial Co., Ltd.,
Panasonic Electronic Devices Co., Ltd., Motor Company

MEW and PanaHome

Matsushita Electric Works, Ltd., PanaHome Corporation

Other

Panasonic Factory Solutions Co., Ltd., Matsushita Welding Systems Co., Ltd.

10. Number of consolidated subsidiaries: 555

(28 companies were newly added, and 125 companies were excluded from consolidated companies. IPS Alpha is among the 28 companies.)

11. Number of companies reflected by the equity method: 139

(77 companies were newly added, and 9 companies were excluded from the equity method companies. JVC and its consolidated subsidiaries are among the 77 companies.)

12. Each American Depository Share (ADS) represents 1 share of common stock.