

**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 5 for U.S. GAAP reconciliation.
3. The company changed the measurement date to March 31 for those postretirement benefit plans with a December 31 measurement date in conformity with the provisions regarding the change in the measurement date of postretirement benefit plan of SFAS No. 158, "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans – an amendment of FASB Statement No. 87, 88, 106, and 132(R)." With the change in the measurement date, beginning fiscal 2009 balance of "retained earnings" and pension liability adjustments of "accumulated other comprehensive income (loss)" has been reduced by 3,727 million yen and 73,571 million yen, respectively.
4. Comprehensive income was reported as a gain of 180,193 million yen for the first quarter of fiscal 2009. Comprehensive income includes net income and increases (decreases) in accumulated other comprehensive income (loss) for this period.
5. 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.
6. 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 subsidiaries became associated companies under the equity method from consolidated subsidiaries from August 2007.
7. 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.
8. 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 has changed the transaction between Global Procurement Service Company and other segments since April 1, 2008. Accordingly, segment information for Other and Corporate and eliminations of fiscal 2008 has been reclassified to conform to the presentation for fiscal 2009.

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

**Digital 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.

**MEW and PanaHome**

Matsushita Electric Works, Ltd., PanaHome Corporation

**Components and Devices**

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

**Other**

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

JVC and its subsidiaries became associated companies under the equity method from consolidated subsidiaries from August 2007.

From fiscal 2009, the name of "AVC Networks" was changed to "Digital AVC Networks." Sales and segment profits of business fields are calculated as the simple total of business segments making up each business field.

9. In a new phase of further growth, Matsushita has been accelerating initiatives to achieve global excellence. From fiscal 2009 onward, in order to further clarify its business fields for investors, Matsushita discloses three new business fields of the group which consist of five segments as follows:

**Digital AVC Networks Solution**

Digital AVC Networks

**Solutions for the Environment and Comfortable Living**

Home Appliances  
MEW and PanaHome

**Devices and Industry Solution**

Components and Devices  
Other

10. Number of consolidated companies: 545 (including parent company)

11. Number of companies reflected by the equity method: 136