

Panasonic Corporation
Consolidated Statement of Income *
(Six months ended September 30)

	Yen (millions)		Percentage <u>2008/2007</u>
	<u>2008</u>	<u>2007</u>	
Net sales	¥ 4,343,711	¥ 4,525,305	96%
Cost of sales	(3,098,704)	(3,225,568)	
Selling, general and administrative expenses	(1,016,853)	(1,079,743)	
Interest income	14,745	17,315	
Dividend income	6,231	5,568	
Interest expense	(11,314)	(10,580)	
Expenses associated with the implementation of early retirement programs **	(593)	(15,839)	
Other Income (loss), net	<u>(33,927)</u>	<u>(28,817)</u>	
Income before income taxes	203,296	187,641	108%
Provision for income taxes	(66,177)	(70,864)	
Minority interests	(12,104)	(5,012)	
Equity in earnings (losses) of associated companies	<u>3,477</u>	<u>(6,643)</u>	
Net income	<u>¥ 128,492</u>	<u>¥ 105,122</u>	122%
Net income, basic			
per common share	61.58 yen	49.32 yen	
per ADS	61.58 yen	49.32 yen	
Net income, diluted			
per common share	61.58 yen	49.32 yen	
per ADS	61.58 yen	49.32 yen	

(Parentheses indicate expenses, deductions or losses.)

* ** See Notes to consolidated financial statements on pages 15-16.

Supplementary Information
(Six months ended September 30)

	Yen (millions)	
	<u>2008</u>	<u>2007</u>
Depreciation (tangible assets)	¥ 165,979	¥ 136,500
Capital investment ***	¥ 239,857	¥ 217,162
R&D expenditures	¥ 265,142	¥ 279,916
Number of employees (Sep. 30)	313,594	309,037

*** These figures are calculated on an accrual basis.