

**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 loss of 196,598 million yen for the nine months ended December 31, 2008. Comprehensive loss 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. JVC and Kenwood Corporation integrated management by establishing JVC KENWOOD Holdings, Inc. (JVC KENWOOD HD) as of October 1, 2008 through a share transfer. The company has 24.4% of total issued shares of JVC KENWOOD HD. JVC KENWOOD HD and its subsidiaries became associated companies under the equity method from October 1, 2008.
7. Panasonic and SANYO Electric Co., Ltd. (SANYO), upon the resolutions of the meetings of their respective Boards of Directors held on December 19, 2008, have entered into the capital and business alliance agreement. Panasonic will aim to acquire the majority of the voting rights of SANYO assuming full dilution, by means of a public tender offer bid.
8. As of December 19, 2008, the Board of Directors of the company resolved to issue unsecured straight bonds. The total amount of bonds is up to 400 billions yen and the period of issuance is after January 2009 by public offering in Japan. The purpose of funding is capital expenditures, purchases of investment securities including M&A and working capital.

9. 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.

10. 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 as of December 31, 2008 are as follows:

**Digital AVC Networks**

AVC Networks Company\*, Panasonic Communications Co., Ltd.

Panasonic Mobile Communications Co., Ltd., Automotive Systems Company\*,  
System Solutions Company\*, Panasonic Shikoku Electronics Co., Ltd.

**Home Appliances**

Home Appliances Company\*, Lighting Company,  
Panasonic Ecology Systems Co., Ltd.\*

**PEW and PanaHome**

Panasonic Electric Works Co., Ltd.\*, PanaHome Corporation

**Components and Devices**

Semiconductor Company, Panasonic Electronic Devices Co., Ltd.,  
Energy Company, Motor Company

**Other**

Panasonic Factory Solutions Co., Ltd., Panasonic Welding Systems Co., Ltd.\*

Matsushita Battery Industrial Co., Ltd., which used to be a wholly-owned subsidiary, has become an internal divisional company (Energy Company) of Panasonic Corporation as a result of the merger by Panasonic, effective on October 1, 2008.

\*Upon the company name change to Panasonic Corporation, some group companies and divisions have changed their names on October 1, 2008.

Previous Name	Present Name
Panasonic AVC Networks Company	AVC Networks Company
Panasonic Automotive Systems Company	Automotive Systems Company
Panasonic System Solutions Company	System Solutions Company
Matsushita Home Appliances Company	Home Appliances Company
Matsushita Ecology Systems Co., Ltd.	Panasonic Ecology Systems Co., Ltd.
Matsushita Electric Works, Ltd.	Panasonic Electric Works Co., Ltd.
Matsushita Welding Systems Co., Ltd.	Panasonic Welding Systems Co., Ltd.

From fiscal 2009, the name of "AVC Networks" was changed to "Digital AVC Networks."

11. In a new phase of further growth, Panasonic has been accelerating initiatives to achieve global excellence. From fiscal 2009 onward, in order to further clarify its business fields for investors, Panasonic discloses three new business fields of the group which consist of five segments as shown below. Sales and profits by business fields are calculated as the simple total of business segments making up each business field.

**Digital AVC Networks Solution**

Digital AVC Networks

**Solutions for the Environment and Comfortable Living**

Home Appliances, PEW and PanaHome

**Devices and Industry Solution**

Components and Devices, Other

12. Number of consolidated companies: 529 (including parent company)

13. Number of companies reflected by the equity method: 182