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FOR IMMEDIATE RELEASE

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ANNOUNCEMENT OF FINANCIAL RESULTS

PANASONIC REPORTS FISCAL 2010 ANNUAL RESULTS

- Strengthened management structure substantially improved earnings -

Osaka, Japan, May 7, 2010 -- Panasonic Corporation (Panasonic [NYSE: PC]) today reported its consolidated financial results for the year ended March 31, 2010 (fiscal 2010).

Consolidated Results

Consolidated group sales for fiscal 2010 decreased 4% to 7,418.0 billion yen, from 7,765.5 billion yen in the year ended March 31, 2009 (fiscal 2009). Of the consolidated group total, domestic sales amounted to 3,994.4 billion yen, down 2% from 4,082.2 billion yen in fiscal 2009. Overseas sales decreased 7% to 3,423.6 billion yen, from 3,683.3 billion yen in fiscal 2009.

During the year under review, despite a visible market recovery in some regions such as China and Asia, the industry in general was unable to overcome the impact of the global recession. Under these circumstances, the market structure underwent rapid change especially in terms of demand shifts to emerging markets and lower-priced products, along with the expansion of environment and energy related markets. Panasonic simultaneously rebuilt its management structure, and took action for further growth in fiscal 2010, as the final year of its GP3 plan.

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Specifically, Panasonic drastically reformed its business structure to rebuild its management structure. In addition, the company pursued penetration and internalization of “Itakona,” acceleration of procurement cost reductions, reinforcement of comprehensive cost reduction efforts, and capital investment and inventory reductions.

Meanwhile, to prepare for future growth, the company developed its unique products with the following concepts as a cornerstone: “super link,” “super energy saving” and “thorough universal design.” In addition, the company globally developed its home appliances business, launching refrigerators and drum-type washing machines in Europe; targeting emerging markets through local-oriented manufacturing; commercializing full high-definition (HD) 3D TVs that are expected to open a new era in television; and strengthening global systems and equipment businesses. These actions drove Panasonic Group to a new growth.

Having added SANYO Electric Co., Ltd. (SANYO) and its subsidiaries to the Panasonic Group, the company has been working on creating and maximizing synergies as early as possible, mainly in strengthening its competitive edge in the global market in environment and energy related businesses by combining technologies and manufacturing expertise which each company has cultivated over the years.

Regarding earnings, operating profit[1] for this fiscal year improved significantly to 190.5 billion yen, up 161% from 72.9 billion yen in fiscal 2009. This was due mainly to restructuring initiatives such as streamlining material costs and reducing fixed costs. Regarding other income (deductions), the company incurred expenses of 219.8 billion yen including business restructuring expense such as the implementation of early retirement programs. These factors resulted in a pre-tax loss of 29.3 billion yen, improved from a pre-tax loss of 382.6 billion yen in fiscal 2009. Accordingly, net income attributable to Panasonic Corporation was a loss of 103.5 billion yen, improved from a loss of 379.0 billion yen a year ago.

[1] For information about operating profit, see Note 2 of Notes to consolidated financial statements on page 12.

Breakdown by Business Segment

The company's annual consolidated sales and operating profits by business segment, as compared with prior year amounts, are summarized as follows:

Digital AVC Networks

Sales in this segment decreased 9% to 3,409.5 billion yen, from 3,749.0 billion yen in fiscal 2009. Although domestic sales of flat-panel TVs and automotive electronics and Blu-ray Disc recorders were favorable, overall sales declined due mainly to a sales decline of notebook PCs and mobile phones. Despite this sales decline, operating profit significantly improved to 87.3 billion yen from 3.2 billion yen in fiscal 2009. This was due mainly to comprehensive streamlining efforts.

Home Appliances

Despite strong sales of refrigerators, overall sales in this segment decreased 7% to 1,142.3 billion yen compared with 1,222.9 billion yen in fiscal 2009, due mainly to weak sales of air conditioners and compressors. Comprehensive streamlining efforts offset the negative impact of sales decline and led the operating profit increase of 36% to 66.5 billion yen, compared with 49.0 billion yen in fiscal 2009.

PEW and PanaHome

Sales in this segment decreased 8% to 1,632.1 billion yen, from 1,766.3 billion yen in fiscal 2009. At Panasonic Electric Works Co., Ltd. (PEW) and its subsidiaries, sales mainly decreased in electrical construction materials and building materials. For PanaHome Corporation and its subsidiaries, ongoing sluggishness in the Japanese housing market conditions led to sales decrease. Operating profit was 34.7 billion yen, down 13% from 40.1 billion yen in fiscal 2009, due mainly to a decline in sales.

Components and Devices

Sales in this segment were down 11% to 1,005.3 billion yen, compared with 1,127.3 billion yen in fiscal 2009, due mainly to sales downturns in batteries and semiconductors. Despite this sales decline, operating profit improved significantly to 36.1 billion yen from 7.1 billion yen in fiscal 2009, due mainly to fixed cost reductions.

SANYO

Sales in this segment, in the period from January to March 2010, totaled 404.8 billion yen. Sales of solar cells were strong helped by economic stimulus programs and environment policies in several countries. Operating profit resulted in a loss of 0.7 billion yen, incurring the expenses such as amortization of intangible asset recorded at acquisition.

Other

Sales in this segment totaled 1,012.2 billion yen, down 6% from 1,071.7 billion yen in fiscal 2009, due mainly to weak sales in factory automation equipment. Operating profit also declined 18% to 19.7 billion yen, compared with 23.9 billion yen in fiscal 2009.

Consolidated Financial Condition

Net cash provided by operating activities in fiscal 2010 amounted to 522.3 billion yen. This result was due mainly to depreciation and cash inflows from a decrease in inventories. Net cash used in investing activities amounted to 323.7 billion yen. Despite having proceeds from sales of fixed assets and a decrease in time deposits, this result was due primarily to capital expenditures for tangible fixed assets, mainly consisting of manufacturing facilities for prioritized business areas such as flat panel TVs and batteries, as well as cash outflows to purchase SANYO shares (deducting the amount of cash and cash equivalents of SANYO and its subsidiaries as of acquisition date). Net cash used in financing activities was 57.0 billion yen, due mainly to dividend payment. All these activities with the effect of exchange rate fluctuations resulted in cash and cash equivalents of 1,109.9 billion yen at the end of fiscal 2010, up 136.0 billion yen, compared with the end of fiscal 2009.

The company's consolidated total assets as of March 31, 2010 increased by 1,954.7 billion yen to 8,358.1 billion yen, compared with the amount at the end of fiscal 2009. This increase was due primarily to the effect of consolidating SANYO and its subsidiaries. Panasonic Corporation shareholders' equity increased by 8.5 billion yen, compared with the end of the last fiscal year, to 2,792.5 billion yen as of March 31, 2010. Noncontrolling interests increased by 458.7 billion yen from fiscal 2009 to 887.3 billion yen, mainly due to the effect of consolidating SANYO.

Dividend

Total cash dividends for fiscal 2010, ended March 31, 2010, are expected to be 10 yen per share, including an interim dividend of 5.0 yen per share paid on November 30, 2009.

Outlook for Fiscal 2011

Regarding the business environment for fiscal 2011 ending March 31, 2011, the company currently anticipates the market conditions to continue to be unpredictable due to yen appreciation and ever-intensified global competition, despite a recovering worldwide economy. Under these conditions, the company made an urgent start into the phase of innovation in the first year of its new midterm management plan to enhance its profitability based on growth and return the net income attributable to Panasonic Corporation into the black. Therefore, the company aims to become "Panasonic Group filled significant growth potential." The company currently expects fiscal 2011 sales on a consolidated basis to total 8,800.0 billion yen, an increase of 19% from fiscal 2010. Consolidated operating profit is forecast to increase by 31% from fiscal 2010 to 250.0 billion yen. Consolidated income before income taxes[2] is anticipated to be 150.0 billion yen, with net income attributable to the company expected to be 50.0 billion yen.

[2] Factors affecting the forecast for other income (deductions) of 100.0 billion yen (the difference between operating profit and income before income taxes) include business restructuring expenses of 40.0 billion yen.

Panasonic Corporation is one of the world's leading manufacturers of electronic and electric products for consumer, business and industrial use. Panasonic’s shares are listed on the Tokyo, Osaka, Nagoya and New York stock exchanges.

For more information, please visit the following web sites:

Panasonic home page URL: http://panasonic.net/

Panasonic IR web site URL: http://panasonic.net/ir/

Disclaimer Regarding Forward-Looking Statements

This press release includes forward-looking statements (within the meaning of Section 27A of the U.S. Securities Act of 1933 and Section 21E of the U.S. Securities Exchange Act of 1934) about Panasonic and its Group companies (the Panasonic Group). To the extent that statements in this press release do not relate to historical or current facts, they constitute forward-looking statements. These forward-looking statements are based on the current assumptions and beliefs of the Panasonic Group in light of the information currently available to it, and involve known and unknown risks, uncertainties and other factors. Such risks, uncertainties and other factors may cause the Panasonic Group's actual results, performance, achievements or financial position to be materially different from any future results, performance, achievements or financial position expressed or implied by these forward-looking statements. Panasonic undertakes no obligation to publicly update any forward-looking statements after the date of this press release. Investors are advised to consult any further disclosures by Panasonic in its subsequent filings with the U.S. Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934 and its other filings.

The risks, uncertainties and other factors referred to above include, but are not limited to, economic conditions, particularly consumer spending and corporate capital expenditures in the United States, Europe, Japan, China, Asia and other countries; volatility in demand for electronic equipment and components from business and industrial customers, as well as consumers in many product and geographical markets; currency rate fluctuations, notably between the yen, the U.S. dollar, the euro, the Chinese yuan, Asian currencies and other currencies in which the Panasonic Group operates businesses, or in which assets and liabilities of the Panasonic Group are denominated; the possibility of the Panasonic Group incurring additional costs of raising funds, because of changes in the fund raising environment; the ability of the Panasonic Group to respond to rapid technological changes and changing consumer preferences with timely and cost-effective introductions of new products in markets that are highly competitive in terms of both price and technology; the possibility of not achieving expected results on the alliances or mergers and acquisitions including the acquisition of SANYO Electric Co., Ltd.; the ability of the Panasonic Group to achieve its business objectives through joint ventures and other collaborative agreements with other companies; the ability of the Panasonic Group to maintain competitive strength in many product and geographical areas; the possibility of incurring expenses resulting from any defects in products or services of the Panasonic Group; the possibility that the Panasonic Group may face intellectual property infringement claims by third parties; current and potential, direct and indirect restrictions imposed by other countries over trade, manufacturing, labor and operations; fluctuations in market prices of securities and other assets in which the Panasonic Group has holdings or changes in valuation of long-lived assets, including property, plant and equipment and goodwill, deferred tax assets and uncertain tax positions; future changes or revisions to accounting policies or accounting rules; as well as natural disasters including earthquakes, prevalence of infectious diseases throughout the world and other events that may negatively impact business activities of the Panasonic Group. The factors listed above are not all-inclusive and further information is contained in Panasonic's latest annual report on Fom 20-F, which is on file with the U.S. Securities and Exchange Commission.

(Financial Tables and Additional Information Attached)