

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, a non-GAAP measure, 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 operations and Note 3 for the U.S. GAAP reconciliation.
3. 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 operations.
4. In other income (deductions), the company incurred 1.6 billion yen as expenses associated with the implementation of early retirement programs of certain domestic and overseas companies.
5. Comprehensive income (loss) attributable to Panasonic Corporation was reported as a loss of 46,563 million yen for the six months ended September 30, 2010, and a loss of 59,138 million yen for the six months ended September 30, 2009. Comprehensive income (loss) attributable to Panasonic Corporation includes "net income (loss) attributable to Panasonic Corporation" and increases (decreases) in accumulated other comprehensive income (loss) attributable to Panasonic Corporation.
6. Diluted net income (loss) per share attributable to Panasonic Corporation common shareholders has been omitted because the company did not have potential common shares that were outstanding for the period.
7. Regarding consolidated segment profit (loss), 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. SANYO and its subsidiaries became Panasonic's consolidated subsidiaries in December 2009. The operating results of SANYO and its subsidiaries are not included in the company's consolidated financial statements for the second quarter and six months ended September 30, 2009.
9. The company resolved, at the Board of Directors meeting held on July 29, 2010, to pursue a plan of Panasonic's acquisition of all shares of PEW and SANYO, which are the company's subsidiaries, in order to make them wholly-owned subsidiaries of Panasonic (the "Acquisition") by around April 2011 by way of tender offers and, thereafter, share exchanges. Panasonic conducted, pursuant to the resolution of its above-mentioned Board of Directors meeting, the tender offers for the shares of PEW and SANYO during a tender offer period from August 23, 2010 through October 6, 2010 and as a result, Panasonic's shareholdings of PEW and SANYO became approximately 84% and 81%, respectively. In order to complete the Acquisitions, Panasonic plans to implement share exchanges by which each of

PEW and SANYO will become a wholly-owned subsidiary of Panasonic by around April 2011.

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 restructured the motor business on April 1, 2010. Accordingly, segment information for Home Appliances, and Components and Devices in fiscal 2010 is reclassified to conform to the presentation for fiscal 2011.

Principal internal divisional companies or units and subsidiaries operating in respective segments as of September 30, 2010 are as follows:

Digital AVC Networks

AVC Networks Company, System Networks Company,
Panasonic Mobile Communications Co., Ltd., Automotive Systems 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

SANYO

SANYO Electric Co., Ltd.

Other

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

11. Number of consolidated companies: 662 (including parent company)

12. Number of associated companies under the equity method: 233