

**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 8.2 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 15,764 million yen for the nine months ended December 31, 2010, and an income of 13,305 million yen for the nine months ended December 31, 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 third quarter and nine months ended December 31, 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 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. Thereafter, Panasonic, PEW and SANYO resolved at their respective meetings of the Board of directors held on December 21, 2010, to conduct share exchanges in order to make Panasonic a wholly-owning parent company, and the share exchange agreements were executed between Panasonic and PEW, and between Panasonic and SANYO. Shares of both subsidiaries are scheduled to be delisted

on March 29, 2011, as the effective date for the share exchanges has been set as April 1, 2011, subject to approval of the share exchange agreements at extraordinary general meetings of PEW and SANYO, in early March, 2011.

10. JVC KENWOOD Holdings, Inc. (JVC KENWOOD HD) ceased to be an associated company of Panasonic under the equity method as the ownership percentage of Panasonic in JVC Kenwood HD fell due to JVC KENWOOD HD's issuance of new shares and disposition of treasury shares through international offering, on January 25, 2011.

11. As of February 2, 2011, the Board of Directors of the company resolved to issue unsecured straight bonds, in order to enhance the stability of financial position with long-term stabilization of debt. The total amount of bonds is up to 500 billions yen and the period of issuance is in or after February 2011, by public offering in Japan. The purpose of funding is to repay short-term interest-bearing debt.

12. 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 December 31, 2010 are as follows:

**Digital AVC Networks**

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

\* From October 1, 2010, the name of "Panasonic Shikoku Electronics Co., Ltd." was changed to "Panasonic Healthcare Co., Ltd."

13. Number of consolidated companies: 659 (including parent company)

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