

**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 17.7 billion yen as expenses associated with the implementation of early retirement programs of certain domestic and overseas companies.

5. The impairment loss on fixed assets and the loss due to the Great East Japan Earthquake are included as other income (deduction), net.

6. Per share data (Years ended March 31)

	<u>2011</u>	<u>2010</u>
Net income (loss) attributable to		
Panasonic Corporation (millions of yen)	74,017	(103,465)
Average common shares outstanding		
(number of shares)	2,070,341,989	2,070,623,618
Net income (loss) attributable to		
Panasonic Corporation per share:		
Basic	35.75 yen	(49.97 yen)
Diluted	-	-

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 period before December 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

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October 6, 2010. 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. The Share Exchange was executed on April 1, 2011, after the approval of the share exchange agreements at extraordinary general meetings of PEW and SANYO, in early March, 2011. The shares of both subsidiaries were delisted on March 29, 2011.

10. JVC KENWOOD Holdings, Inc. (JVC KENWOOD HD) and its consolidated subsidiaries 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. 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 March 31, 2011 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."

12. Number of consolidated companies: 634 (including parent company)

13. Number of associated companies under the equity method: 114