

PANASONIC Corp  
Form 6-K  
February 27, 2009  
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**FORM 6-K**  
**SECURITIES AND EXCHANGE COMMISSION**

**WASHINGTON, D.C. 20549**

**Report of Foreign Private Issuer**

**Pursuant to Rule 13a-16 or 15d-16 of**

**The Securities Exchange Act of 1934**

**For the Month of February 2009**

**Commission File Number: 1-6784**

**Panasonic Corporation**

**Kadoma, Osaka, Japan**

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F  Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101 (b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101 (b)(7):

Indicate by check mark whether by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes  No

If  Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-

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**This Form 6-K consists of:**

1. Quarterly report for the three months ended December 31, 2008, filed on February 13, 2009 with the Japanese government pursuant to the Financial Instruments and Exchange Law of Japan. (English translation)

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**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Panasonic Corporation

By: /s/ YUKITOSHI ONDA  
Yukitoshi Onda, Attorney-in-Fact  
General Manager of Investor Relations  
Panasonic Corporation

Dated: February 27, 2009

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[English summary with full translation of consolidated financial information]

**Quarterly Report filed with the Japanese  
government pursuant to the Financial Instruments and Exchange  
Law of Japan**

**For the three months ended  
December 31, 2008**

**Panasonic Corporation  
Osaka, Japan**

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**Disclaimer Regarding Forward-Looking Statements**

This quarterly report 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 quarterly report 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 quarterly report. 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 and other Asian 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 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; 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, and deferred tax assets and uncertain tax positions; future changes or revisions to accounting policies or accounting rules; as well as natural disasters including earthquakes 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 Form 20-F, which is on file with the U.S. Securities and Exchange Commission.

Note: Certain information previously filed with the SEC in other reports, is not included in this English translation.

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**I Corporate Information****(1) Consolidated Financial Summary**

Yen (millions), except per share amounts

|  | Nine months ended<br>December 31, 2008 | Three months ended<br>December 31, 2008 | Year ended<br>March 31, 2008 |
|--|--|---|------------------------------|
| Net sales  | 6,223,651                              | 1,879,940                               | 9,068,928                    |
| Income (loss) before income taxes                                  | 144,156                                | (59,140)                                | 434,993                      |
| Net income (loss)  | 65,376                                 | (63,116)                                | 281,877                      |
| Total stockholders' equity   |  | 3,313,288                               | 3,742,329                    |
| Total assets   |  | 6,590,944                               | 7,443,614                    |
| Stockholders' equity per share of<br>common stock (yen)            |  | 1,600.10                                | 1,781.11                     |
| Net income (loss) per share of<br>common stock, <i>basic</i> (yen) | 31.40                                  | (30.48)                                 | 132.90                       |
| Net income per share of common<br>stock, <i>diluted</i> (yen)      | 31.40                                  |   | 132.90                       |
| Stockholders' equity / total assets<br>(%)                         |  | 50.3                                    | 50.3                         |
| Net cash provided by operating<br>activities                       | 123,902                                |   | 466,058                      |
| Net cash used in investing<br>activities                           | (355,551)                              |   | (61,371)                     |
| Net cash used in financing<br>activities                           | (198,239)                              |   | (203,548)                    |
| Cash and cash equivalents at end of<br>period                      |  | 724,125                                 | 1,214,816                    |
| Total employees (persons)  |  | 307,444                                 | 305,828                      |

Notes: 1. The Company's consolidated financial statements are prepared in conformity with U.S. generally accepted accounting principles (U.S. GAAP).

2.



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Victor Company of Japan, Ltd. and its subsidiaries became associated companies under the equity method from consolidated subsidiaries from August 2007.

3. Diluted net income per share for the three months ended December 31, 2008 has been omitted because the Company incurred net loss, and did not have potential common shares that were outstanding for the period.

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**(2) Principal Businesses**

The Panasonic Group is comprised primarily of the parent Panasonic Corporation and 528 consolidated subsidiaries in and outside of Japan, operating in close cooperation with each other. As a comprehensive electronics manufacturer, Panasonic is engaged in production, sales and service activities in a broad array of business areas.

As of October 1, 2008, the Company changed the name from Matsushita Electric Industrial Co., Ltd. to Panasonic Corporation. Along with the name change, Panasonic is working on unifying the corporate brands worldwide under the Panasonic name. Thus, the Company will strengthen the unity of all employees throughout the group and ultimately enhance the value of the Panasonic brand globally. And the Company will continue our tireless efforts to generate ideas that brighten the lives of people everywhere in order to contribute to a better future both for the Earth and for the further development of society.

The Company's business segment classifications consist of five segments, namely, Digital AVC Networks, \* Home Appliances, PEW and PanaHome, Components and Devices, and Other.

Panasonic is accelerating a phase change for further growth toward global excellence. From fiscal 2009 onward, with the aim of further clarifying its business fields for investors, Panasonic discloses three business fields of the group which consist of five business segments as follows:

Digital AVC Networks Solution :

Digital AVC Networks segment

Solutions for the Environment and Comfortable Living :

Home Appliances and PEW and PanaHome segments

Devices and Industry Solution :

Components and Devices and Other segments

For production, Panasonic adopts a management system that takes charge of each product in the Company or its affiliates. In recent years, the Company has been enhancing production capacity at its overseas affiliates, to further develop global business. Meanwhile, in Japan, Panasonic's products are sold through sales channels at its domestic locations, each established according to products or customers. The Company also sells directly to large-scale consumers, such as the Government and corporations.

For export, sales are handled mainly through sales subsidiaries and agents located in respective countries.

Certain products produced at domestic affiliates are purchased by the Company and sold through the same sales channels as products produced by the Company itself. Additionally, products produced at overseas affiliates are sold mainly through sales subsidiaries in respective countries.

Meanwhile, most import operations are carried out internally, and the Company aims to expand them to promote international economic cooperation.

Certain PEW and PanaHome\*\* products are sold on a proprietary basis at home and abroad.

\* The name of AVC Networks was changed to Digital AVC Networks from fiscal 2009.

\*\* From October 1, 2008, the name of Matsushita Electric Works, Ltd. (MEW) was changed to Panasonic Electric Works Co., Ltd. (PEW).

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The main products and main group companies for each business segment as of December 31, 2008 are as follows:

**Digital AVC Networks**

**Video and Audio Equipment**

Plasma and LCD TVs, DVD recorders/players, camcorders, digital cameras, compact disc (CD), Mini Disc (MD) and Secure Digital (SD) players, other personal and home audio equipment, SD Memory Cards and other recordable media, optical pickup and other electro-optic devices, etc.

**Information and Communications Equipment**

PCs, optical disc drives, copiers, printers, telephones, mobile phones, facsimile equipment, broadcast- and business-use AV equipment, communications network-related equipment, traffic-related systems, car AVC equipment, healthcare equipment, etc.

The main group companies for Digital AVC Networks are:

Panasonic Corporation\*

Panasonic Mobile Communications Co., Ltd.

Panasonic Communications Co., Ltd.

Panasonic Shikoku Electronics Co., Ltd.

Panasonic Corporation of North America

Panasonic AVC Networks Czech, s.r.o.

## **Home Appliances**

Refrigerators, room air conditioners, washing machines, clothes dryers, vacuum cleaners, electric irons, microwave ovens, rice cookers, other cooking appliances, dish washer/dryers, electric fans, air purifiers, electric heating equipment, electric hot water supply equipment, sanitary equipment, electric lamps, ventilation and air-conditioning equipment, car air conditioners, compressors, vending machines, etc.

The main group companies for Home Appliances are:

Panasonic Corporation\*

Panasonic Ecology Systems Co., Ltd.\*

Panasonic Home Appliances Air-Conditioning (Guangzhou) Co., Ltd.

Panasonic Refrigeration Devices Singapore Pte. Ltd.

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**PEW and PanaHome**

Lighting fixtures, wiring devices, personal-care products, health enhancing products, water-related products, modular kitchen systems, interior furnishing materials, exterior finishing materials, electronic and plastic materials, automation controls, detached housing, rental apartment housing, medical and nursing care facilities, home remodeling, residential real estate, etc.

The main group companies for PEW and PanaHome are:

Panasonic Electric Works Co., Ltd.\*

PanaHome Corporation

**Components and Devices**

Semiconductors, general components (capacitors, tuners, circuit boards, power supplies, circuit components, electromechanical components, speakers, etc.), electric motors, batteries, etc.

The main group companies for Components and Devices are:

Panasonic Corporation\*

Panasonic Electronic Devices Co., Ltd.

Panasonic Electronic Devices Corporation of America

Panasonic Electronic Devices Malaysia Sdn. Bhd.

**Other**

Electronic-components-mounting machines, industrial robots, welding equipment, bicycles, imported materials and components, etc.

The main group companies for Other are:

Panasonic Corporation\*

Panasonic Factory Solutions Co., Ltd.

Panasonic Welding Systems Co., Ltd.\*

Panasonic Factory Solutions Singapore Pte. Ltd.

Panasonic Welding Systems (Tangshan) Co., Ltd.

- Notes: 1. The Company absorbed Matsushita Battery Industrial Co., Ltd. on October 1, 2008.  
2. The Companies with an asterisk (\*) changed their names on October 1, 2008, shown as below.

Previous Name

Matsushita Electric Industrial Co., Ltd.  
Matsushita Ecology Systems Co., Ltd.  
Matsushita Electric Works, Ltd.  
Matsushita Welding Systems Co., Ltd.

Present Name

Panasonic Corporation  
Panasonic Ecology Systems Co., Ltd.  
Panasonic Electric Works Co., Ltd.  
Panasonic Welding Systems Co., Ltd.

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**(3) Changes in Subsidiaries and Associated Companies**

As of October 1, 2008, the Company changed its name from Matsushita Electric Industrial Co., Ltd. to Panasonic Corporation. Along with the name change, some of its subsidiaries and associated companies changed their names.

As of October 1, 2008, the Company absorbed its consolidated subsidiary, Matsushita Battery Industrial Co., Ltd.

Victor Company of Japan, Ltd. and Kenwood Corporation integrated management by establishing JVC KENWOOD Holdings, Inc. (JVC KENWOOD HD) as of October 1, 2008 through a share transfer. Accordingly, JVC KENWOOD HD and its subsidiaries became associated companies under the equity method from October 1, 2008. The Company has 27.5% of voting rights of JVC KENWOOD HD.

During the third quarter, the Company sold all capital holdings of Miyata Industry Co., Ltd., an associated company under the equity method.

**(4) Number of Employees (as of December 31, 2008)**

- 1. Consolidated: 307,444 persons
- 2. Parent-alone: 46,676 persons



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**II The Business**

**(1) Operating Results**

The current financial crisis originated in the United States has spread across the world and the Company's outlook of the business environment has been extremely uncertain. The Company's business conditions have worsened particularly since last October, due mainly to the rapid appreciation of the yen, sluggish consumer spending worldwide and ever-intensified price competition. Under these severe circumstances, aiming at getting out of this difficult situation and getting growth back on original track, Panasonic is implementing initiatives for achieving further progress and strengthening management structure.

Consolidated group sales for the third quarter amounted to 1,879.9 billion yen. Explaining the third quarter results, sales decreased in all business segments due mainly to a rapid deterioration of the world markets conditions.

Regarding earnings, operating profit\* for the third quarter was 26.4 billion yen. This decrease was due mainly to the negative effects of sales declines caused by a sharp downturn of global economy, price declines and the appreciation of the yen. The Company's comprehensive cost reduction activities including materials costs and fixed costs were not sufficient to offset these negative factors.

In other income (deductions), the Company incurred impairment losses of fixed assets. As a result of these and other factors, pre-tax income for this period turned to a loss of 59.1 billion yen.

Provision for income taxes amounted to 25.2 billion yen, due mainly to an increase in valuation allowance to deferred tax assets as a result of a deterioration of financial results in certain subsidiaries.

Minority interests (losses) were 25.6 billion yen, and equity in losses of associated companies was 4.4 billion yen.

As a result of all the factors stated, the Company recorded a net loss of 63.1 billion yen.

- \* In order to be consistent with financial reporting practices generally accepted in Japan, operating profit (loss) is presented as net sales less cost of sales and selling, general and administrative expenses. Under U.S. generally accepted accounting principles, certain expenses such as impairment losses on long-lived assets and expenses associated with the implementation of early retirement programs at certain domestic and overseas companies are included as part of operating profit in the consolidated statements of income.

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**(2) Operating Results by Business Field and by Business Segment**

Panasonic divides its businesses into five segments: Digital AVC Networks, Home Appliances, PEW and PanaHome, Components and Devices, and Other. Digital AVC Networks includes video and audio equipment, and information and communications equipment. Home Appliances includes household equipment. PEW and PanaHome includes electrical supplies, home appliances, building materials and equipment, and housing business. Components and Devices includes general electronic components, semiconductors, electric motors and batteries. Other includes FA equipment and other industrial equipment.

Panasonic is accelerating a phase change for further growth toward global excellence. From fiscal 2009 onward, with the aim of further clarifying its business fields for investors, Panasonic discloses three business fields of the group which consist of five business segments as follows:

Digital AVC Networks Solution :

Digital AVC Networks segment

Solutions for the Environment and Comfortable Living :

Home Appliances and PEW and PanaHome segments

Devices and Industry Solution :

Components and Devices and Other segments

**1. Digital AVC Networks Solution**

Sales of Digital AVC Networks Solution for the third quarter amounted to 937.3 billion yen and business field profit was a loss of 4.9 billion yen. The breakdown is as follows:

a. Digital AVC Networks

Digital AVC Networks sales for the period amounted to 937.3 billion yen. Sales of video and audio equipment decreased, due mainly to sluggish sales in flat-panel TVs and digital cameras. Sales of information and communications equipment decreased, due mainly to sluggish sales in PCs and peripherals, and automotive electronics equipment. Segment loss amounted to 4.9 billion yen, due mainly to a sharp sales decrease, the appreciation of the yen and price declines centered on digital AV products.

2. Solutions for the Environment and Comfortable Living

Sales of Solutions for the Environment and Comfortable Living for the third quarter amounted to 724.8 billion yen and business field profit was 28.5 billion yen. The breakdown is as follows:

b. Home Appliances

Sales of Home Appliances for the period amounted to 292.0 billion yen. Sluggish sales of compressors, microwave ovens and electric lamps resulted in a decrease in overall sales. Segment profit amounted to 18.1 billion yen, as a result of the sales decrease, price declines and rising raw materials costs.

c. PEW and PanaHome

Sales of PEW and PanaHome for the period amounted to 432.8 billion yen. At PEW and its subsidiaries, overall sales decreased, due mainly to sluggish sales in home appliances business including health enhancing equipment. At PanaHome Corporation and its subsidiaries, steady demand for housing construction led to an increase in sales. Segment profit amounted to 10.4 billion yen, mainly as a result of the sales decrease and price declines.

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3. Devices and Industry Solution

Sales of Devices and Industry Solution for the third quarter amounted to 500.7 billion yen and business field profit was 5.1 billion yen. The breakdown is as follows:

d. Components and Devices

Sales of Components and Devices for the period amounted to 278.3 billion yen. Sluggish sales of general electronic components and semiconductors resulted in a decrease in overall sales. Segment profit amounted to 5.0 billion yen, due mainly to the decrease in sales and price declines.

e. Other

Sales of Other for the period amounted to 222.4 billion yen, due mainly to a sales decline in factory automation equipment. Segment profit amounted to 0.1 billion yen, due mainly to the sales decrease and price declines.

**Operating Results by Domestic and Overseas Company Location**

The following information shows the geographical sales and profit by region for the third quarter.

Japan

Although sales gains were recorded in DVD recorders, air conditioners and refrigerators, sales of companies in Japan amounted to 1,478.5 billion yen. This was due mainly to a sales decrease in semiconductors and other devices. Profit in this region amounted to 11.2 billion yen, as a result of the decrease in sales and price declines.

Americas

Sales of companies in the Americas amounted to 250.2 billion yen. This was due mainly to a sharp sales decline of digital AV products. Loss in this region amounted to 6.7 billion yen, as a result of the decrease in sales, the appreciation of the yen and price declines.

Europe

Sales of companies in Europe amounted to 229.5 billion yen. This was due mainly to a sharp sales decline of digital AV products. Loss in this region amounted to 5.7 billion yen, as a result of the decrease in sales, the appreciation of the yen and price declines.

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Asia and Others

Sales of companies in Asia and Others amounted to 532.5 billion yen. This was due mainly to a decrease in sales of digital AV products and white goods. Geographical profit amounted to 14.5 billion yen, as a result of the decrease in sales and price declines.

**(3) Consolidated Assets, Liabilities, Minority Interests and Stockholders' Equity**

The Company's consolidated total assets as of December 31, 2008 decreased 708.5 billion yen to 6,590.9 billion yen, compared with 7,299.4 billion yen at the end of the second quarter of fiscal 2009.

With regard to assets, cash and cash equivalents decreased 249.0 billion yen. Trade accounts receivables decreased 161.5 billion yen caused by a sales decline, investments and advances decreased 149.2 billion yen as a result of a decline in stock prices, and tangible fixed assets decreased 126.6 billion yen due primarily to impairment losses.

With regard to liabilities, total liabilities resulted in 2,820.3 billion yen, a decrease of 288.4 billion yen from the end of the second quarter of fiscal 2009. This was due mainly to a sharp decline of trade accounts payables and accrued expenses.

Minority interests decreased 53.8 billion yen to 457.4 billion yen.

Stockholders' equity decreased 366.2 billion yen from the previous quarter's 3,679.5 billion yen, to 3,313.3 billion yen. This decrease was due primarily to a decrease of retained earnings by 109.8 billion yen, a decrease of cumulative translation adjustments by 175.0 billion yen as a result of a stronger yen, and unrealized holding losses of available-for-sale securities as a result of a stock price decline by 75.0 billion yen.

**(4) Cash Flows**

*Cash flows from operating activities*

Net cash used in operating activities in the fiscal 2009 third quarter amounted to 12.4 billion yen. This was attributable mainly to net loss for this quarter and a decrease in trade accounts payables, although depreciation, impairment losses on long-lived assets and a decrease in trade accounts receivables were recorded.



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Cash flows from investing activities

Net cash used in investing activities in the fiscal 2009 third quarter amounted to 85.6 billion yen. Although there were proceeds from disposition of investments and advances, and a decrease in time deposits, this result was due mainly to capital expenditures of 125.3 billion yen for tangible fixed assets, mainly consisting of manufacturing facilities for priority business areas such as plasma display panels (PDPs), liquid crystal display (LCD) panels and semiconductors.

Cash flows from financing activities

Net cash used in financing activities in the fiscal 2009 third quarter amounted to 81.2 billion yen. This was due mainly to the repayment of long-term debt and dividends paid.

With all these activities, cash and cash equivalents for the third quarter of fiscal 2009, with a negative effect of 69.8 billion yen for exchange rate changes, resulted in 724.1 billion yen.

**(5) Research and Development**

Panasonic's R&D expenditures for the third quarter of fiscal 2009 totaled 130.9 billion yen.

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**III Property, Plant and Equipment****(1) Capital Investment**

During the third quarter ended December 31, 2008, the Company invested a total of 112,380 million yen in property, plant and equipment, with an emphasis on production facilities in such strategically important areas as PDPs, LCD panels and semiconductors. The breakdown of capital investment by business segment is as follows:

| <b>Business Segment</b> | <b>Yen (millions)</b> |
|-------------------------|-----------------------|
| Digital AVC Networks    | 54,918                |
| Home Appliances         | 10,497                |
| PEW and PanaHome        | 9,236                 |
| Components and Devices  | 33,893                |
| Other                   | 1,064                 |
| Subtotal                | 109,608               |
| Corporate               | 2,772                 |
| Total                   | 112,380               |

Note: The above figures are calculated on an accrual basis.

**(2) Plan of the purchase and retirement of major property, plant and equipment**

During the three months ended December 31, 2008, there were no major changes in purchase and retirement of major property, plant and equipment, and the Company did not decide any plan of purchase, expansion, refurbishment, retirement and disposal of major property, plant and equipment.

At the annual management policy meeting held in January 2009, the Company revised the total investment of the fifth domestic PDP plant from 280 billion yen to 210 billion yen and that of LCD panel plant in Himeji, Japan, from 300 billion yen to 235 billion yen, respectively.

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**IV Shares and Shareholders**

**(1) Shares of Common Stock Issued as of December 31, 2008: 2,453,053,497 shares**

The common stock of the Company is listed on the Tokyo, Osaka and Nagoya stock exchanges in Japan. In the United States, the Company's American Depositary Shares (ADSs) have been listed on the New York stock exchange.

Note: On February 1, the Company changed the number of shares constituting one trading unit from 1,000 shares to 100 shares.

**(2) Amount of Common Stock (Stated Capital) as of December 31, 2008: 258,740 million yen**

**(3) Stock Price**

The following table sets forth the monthly reported high and low market prices per share of the Company's common stock on the Tokyo Stock Exchange for the nine months of fiscal 2009:

|      | Yen   |       |       |       |        |           |         |          |          |
|------|-------|-------|-------|-------|--------|-----------|---------|----------|----------|
|      | April | May   | June  | July  | August | September | October | November | December |
| High | 2,445 | 2,510 | 2,515 | 2,365 | 2,380  | 2,265     | 1,882   | 1,740    | 1,177    |
| Low  | 2,000 | 2,260 | 2,270 | 2,115 | 2,195  | 1,774     | 1,248   | 1,131    | 1,000    |

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## Consolidated Balance Sheets

December 31 and March 31, 2008

|   | Yen (millions)       |                   |
|---|----------------------|-------------------|
|   | December 31,<br>2008 | March 31,<br>2008 |
| <u>Assets</u>                           |                      |                   |
| Current assets:                         |                      |                   |
| Cash and cash equivalents               | 724,125              | 1,214,816         |
| Time deposits                           | 75,159               | 70,108            |
| Short-term investments (Note 3)         | 17,245               | 47,414            |
| Trade receivables:                      |                      |                   |
| Notes                                   | 49,357               | 59,060            |
| Accounts                                | 855,669              | 1,046,991         |
| Allowance for doubtful receivables      | (19,885)             | (20,868)          |
| Net trade receivables                   | 885,141              | 1,085,183         |
| Inventories (Note 2)                    | 927,092              | 864,264           |
| Other current assets                    | 560,287              | 517,409           |
| Total current assets                    | 3,189,049            | 3,799,194         |
| Investments and advances (Note 3)       | 628,817              | 842,156           |
| Property, plant and equipment (Note 5): |                      |                   |
| Land                                    | 301,525              | 308,365           |
| Buildings                               | 1,525,792            | 1,559,357         |
| Machinery and equipment                 | 2,436,902            | 2,592,229         |
| Construction in progress                | 199,773              | 120,026           |
|   | 4,463,992            | 4,579,977         |
| Less accumulated depreciation           | 2,750,260            | 2,822,604         |

|                                   |                  |                  |
|-----------------------------------|------------------|------------------|
| Net property, plant and equipment | <u>1,713,732</u> | <u>1,757,373</u> |
| Other assets:                     |                  |                  |
| Goodwill                          | 425,437          | 429,902          |
| Intangible assets (Note 5)        | 122,797          | 128,917          |
| Other assets                      | <u>511,112</u>   | <u>486,072</u>   |
| Total other assets                | <u>1,059,346</u> | <u>1,044,891</u> |
|                                   | <u>6,590,944</u> | <u>7,443,614</u> |

See accompanying Notes to Consolidated Financial Statements.

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PANASONIC CORPORATION  
AND SUBSIDIARIES

## Consolidated Balance Sheets

December 31 and March 31, 2008

|  | Yen (millions)               |                           |
|--|------------------------------|---------------------------|
| <b>Liabilities, Minority Interests and Stockholders Equity</b>     | <b>December 31,<br/>2008</b> | <b>March 31,<br/>2008</b> |
| Current liabilities:   |                              |                           |
| Short-term borrowings, including current portion of long-term debt | 125,199                      | 156,260                   |
| Trade payables:  |                              |                           |
| Notes  | 39,956                       | 37,175                    |
| Accounts   | 719,228                      | 903,379                   |
|  | <u>759,184</u>               | <u>940,554</u>            |
| Total trade payables   |                              |                           |
| Accrued income taxes   | 18,779                       | 58,943                    |
| Accrued payroll  | 93,575                       | 134,255                   |
| Other accrued expenses   | 667,567                      | 784,538                   |
| Deposits and advances from customers                               | 83,697                       | 78,494                    |
| Employees deposits   | 313                          | 355                       |
| Other current liabilities  | 455,953                      | 407,560                   |
|  | <u>2,204,267</u>             | <u>2,560,959</u>          |
| Total current liabilities  |                              |                           |
| Noncurrent liabilities:  |                              |                           |
| Long-term debt   | 254,936                      | 232,346                   |
| Retirement and severance benefits                                  | 212,000                      | 238,396                   |
| Other liabilities  | 149,084                      | 154,964                   |
|  | <u>616,020</u>               | <u>625,706</u>            |
| Total noncurrent liabilities                                       |                              |                           |
| Minority interests   | 457,369                      | 514,620                   |



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|   |           |           |
|---|-----------|-----------|
| Stockholders' equity:   |           |           |
| Common stock (Note 6)   | 258,740   | 258,740   |
| Capital surplus   | 1,217,782 | 1,217,865 |
| Legal reserve   | 92,318    | 90,129    |
| Retained earnings   | 2,924,162 | 2,948,065 |
| Accumulated other comprehensive income (loss):                              |           |           |
| Cumulative translation adjustments  | (388,048) | (228,792) |
| Unrealized holding gains (losses) of available-for-sale securities (Note 3) | (54,804)  | 45,442    |
| Unrealized gains (losses) of derivative instruments (Note 11)               | (552)     | 4,326     |
| Pension liability adjustments   | (66,038)  | 5,127     |
|   | <hr/>     | <hr/>     |
| Total accumulated other comprehensive income (loss)                         | (509,442) | (173,897) |
|   | <hr/>     | <hr/>     |
| Treasury stock, at cost (Note 6)  | (670,272) | (598,573) |
|   | <hr/>     | <hr/>     |
| Total stockholders' equity  | 3,313,288 | 3,742,329 |
| Commitments and contingent liabilities (Note 12)                            |           |           |
|   | <hr/>     | <hr/>     |
|   | 6,590,944 | 7,443,614 |
|   | <hr/>     | <hr/>     |

See accompanying Notes to Consolidated Financial Statements.

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PANASONIC CORPORATION  
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## Consolidated Statements of Income

Nine months and Three months ended December 31, 2008

|   | Yen (millions)                         |   |
|---|--|---|
|   | Nine months ended<br>December 31, 2008 | Three months ended<br>December 31, 2008 |
| Revenues, costs and expenses:   |  |   |
| Net sales   | 6,223,651                              | 1,879,940                               |
| Cost of sales   | 4,468,001                              | 1,369,297                               |
| Selling, general and administrative expenses  | 1,501,134                              | 484,281                                 |
| Interest income   | 20,684                                 | 5,939                                   |
| Dividends received  | 10,847                                 | 4,616                                   |
| Other income (Note 11)  | 42,424                                 | 19,078                                  |
| Interest expense  | (16,349)                               | (5,035)                                 |
| Other deductions (Notes 5, 10 and 11)   | (167,966)                              | (110,100)                               |
| Income (loss) before income taxes   | 144,156                                | (59,140)                                |
| Provision for income taxes  | 91,420                                 | 25,243                                  |
| Income (loss) before minority interests and equity in gains<br>(losses) of associated companies | 52,736                                 | (84,383)                                |
| Minority interests  | (13,538)                               | (25,642)                                |
| Equity in gains (losses) of associated companies  | (898)                                  | (4,375)                                 |
| Net income (loss) (Note 10)   | 65,376                                 | (63,116)                                |
|   | <b>Yen</b>                             |   |

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Net income (loss) per share of common stock (Note 9):

|         |       |         |
|---------|-------|---------|
| Basic   | 31.40 | (30.48) |
| Diluted | 31.40 |         |

See accompanying Notes to Consolidated Financial Statements.

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PANASONIC CORPORATION  
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## Consolidated Statements of Cash Flows

Nine months ended December 31, 2008

|   | <u>Yen (millions)</u>                          |
|---|--|
|   | <u>Nine months ended<br/>December 31, 2008</u> |
| Cash flows from operating activities:   |  |
| Net income  | 65,376   |
| Adjustments to reconcile net income to net cash provided by operating activities: |  |
| Depreciation and amortization   | 275,260  |
| Net gain on sale of investments   | (15,546)                                       |
| Provision for doubtful receivables  | 5,704  |
| Deferred income taxes   | 41,164   |
| Write-down of investment securities (Note 10)                                     | 19,449   |
| Impairment loss on long-lived assets (Note 5)                                     | 99,108   |
| Minority interests  | (13,538)                                       |
| (Increase) decrease in trade receivables  | 117,157  |
| (Increase) decrease in inventories  | (138,064)                                      |
| (Increase) decrease in other current assets                                       | (19,308)                                       |
| Increase (decrease) in trade payables   | (96,059)                                       |
| Increase (decrease) in accrued income taxes                                       | (41,128)                                       |
| Increase (decrease) in accrued expenses and other current liabilities             | (105,864)                                      |
| Increase (decrease) in retirement and severance benefits                          | (81,284)                                       |
| Increase (decrease) in deposits and advances from customers                       | 1,643  |
| Other   | 9,832  |
|   | <hr/>  |
| Net cash provided by operating activities   | 123,902  |
|   | <hr/>  |
| Cash flows from investing activities:   |  |
| Proceeds from disposition of investments and advances                             | 105,671  |
| Increase in investments and advances  | (31,270)                                       |

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|  |           |
|--|-----------|
| Capital expenditures                                     | (397,121) |
| Proceeds from disposals of property, plant and equipment | 19,121    |
| (Increase) decrease in time deposits                     | (26,018)  |
| Other  | (25,934)  |
|  | <hr/>     |
| Net cash used in investing activities                    | (355,551) |
|  | <hr/>     |

(Continued)

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PANASONIC CORPORATION  
AND SUBSIDIARIES

## Consolidated Statements of Cash Flows

Nine months ended December 31, 2008

|  | <u>Yen (millions)</u>                          |
|--|--|
|  | <u>Nine months ended<br/>December 31, 2008</u> |
| Cash flows from financing activities:                        |  |
| Increase (decrease) in short-term borrowings                 | 2,311  |
| Increase (decrease) in employees' deposits                   | (39)   |
| Proceeds from long-term debt                                 | 40,100   |
| Repayments of long-term debt                                 | (66,782)                                       |
| Dividends paid   | (83,364)                                       |
| Dividends paid to minority interests                         | (18,683)                                       |
| Repurchase of common stock                                   | (72,351)                                       |
| Sale of treasury stock                                       | 569  |
|  | <hr/>  |
| Net cash used in financing activities                        | (198,239)                                      |
|  | <hr/>  |
| Effect of exchange rate changes on cash and cash equivalents | (60,803)                                       |
|  | <hr/>  |
| Net increase (decrease) in cash and cash equivalents         | (490,691)                                      |
| Cash and cash equivalents at beginning of period             | 1,214,816                                      |
|  | <hr/>  |
| Cash and cash equivalents at end of period                   | 724,125  |
|  | <hr/>  |

See accompanying Notes to Consolidated Financial Statements.

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PANASONIC CORPORATION  
AND SUBSIDIARIES

Notes to Consolidated Financial Statements

(1) Summary of Significant Accounting Policies

(a) **Description of Business**

From October 1, 2008, Matsushita Electric Industrial Co., Ltd. was changed to Panasonic Corporation. Panasonic Corporation (hereinafter, the Company, including consolidated subsidiaries, unless the context otherwise requires) is one of the world's leading producers of electronic and electric products. The Company currently offers a comprehensive range of products, systems and components for consumer, business and industrial use based on sophisticated electronics and precision technology, expanding to building materials and equipment, and housing business.

Sales by product category for the nine months ended December 31, 2008 were as follows: Digital AVC Networks 46%, (Video and audio equipment 23%, Information and communications equipment 23%), Home Appliances 15%, PEW and PanaHome\* 20%, Components and Devices 12% and Other 7%. A sales breakdown by geographical market was as follows: Japan 50%, North and South America 14%, Europe 13%, and Asia and Others 23%.

Sales by product category for the three months ended December 31, 2008 were as follows: Digital AVC Networks 46%, (Video and audio equipment 25%, Information and communications equipment 21%), Home Appliances 15%, PEW and PanaHome\* 20%, Components and Devices 12% and Other 7%. A sales breakdown by geographical market was as follows: Japan 54%, North and South America 14%, Europe 12%, and Asia and Others 20%.

The Company is not dependent on a single supplier, and has no significant difficulty in obtaining raw materials from suppliers.

\* PEW stands for Panasonic Electric Works Co., Ltd. and PanaHome stands for PanaHome Corporation. From October 1, 2008, the name of Matsushita Electric Works, Ltd. (MEW) was changed to Panasonic Electric Works Co., Ltd. (PEW).

(b) **Basis of Presentation of Consolidated Financial Statements**

The Company and its domestic subsidiaries maintain their books of account in conformity with financial accounting standards of Japan, and its foreign subsidiaries in conformity with those of the countries of their domicile.

The consolidated financial statements presented herein have been prepared in a manner and reflect adjustments which are necessary to conform with U.S. generally accepted accounting principles.



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PANASONIC CORPORATION  
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Notes to Consolidated Financial Statements

**(c) Principles of Consolidation**

The consolidated financial statements include the accounts of the Company and its majority-owned, controlled subsidiaries. The Company also consolidates entities in which controlling interest exists through variable interests in accordance with Financial Accounting Standards Board (FASB) Interpretation No. 46 (revised December 2003),

Consolidation of Variable Interest Entities. Investments in companies and joint ventures over which we have the ability to exercise significant influence (generally through an ownership interest of between 20% to 50%) are included in Investments and advances in the consolidated balance sheets. All significant intercompany balances and transactions have been eliminated in consolidation.

**(d) Use of Estimates**

Management of the Company has made a number of estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities to prepare these financial statements in conformity with generally accepted accounting principles. Actual results could differ from those estimates.

**(e) Adoption of New Accounting Pronouncements**

In September 2006, FASB issued Statement of Financial Accounting Standards (SFAS) No. 157, Fair Value Measurements. SFAS No. 157 defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. The Company applied SFAS No. 157 on April 1, 2008. In February 2008, FASB issued Staff Position No. 157-2, Effective Date of FASB Statement No. 157, which partially delays the effective date of SFAS No. 157 by one year for certain nonfinancial assets and liabilities. The adoption of SFAS No. 157 is not expected to have a material effect on the Company's consolidated financial statements and the Company has omitted the disclosures required by SFAS No. 157.

In September 2006, FASB issued SFAS No. 158, *Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans*—an amendment of FASB Statements No. 87, 88, 106, and 132(R). SFAS No. 158's provisions regarding the change in the measurement date of postretirement benefit plans require the fair value of plan assets and benefit obligations to be measured as of the date of the fiscal year-end consolidated balance sheet and the Company applied SFAS No. 158's provisions on April 1, 2008. In conformity with the provisions, the Company and certain subsidiaries changed the measurement date to March 31 for those postretirement benefit plans with a December 31 measurement date. With the change in the measurement date, beginning balances of Retained earnings and Accumulated other comprehensive income (loss) Pension liability adjustments at April 1, 2008 has been reduced by 3,727 million yen and 73,571 million yen, respectively.

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PANASONIC CORPORATION  
AND SUBSIDIARIES

Notes to Consolidated Financial Statements

(2) Inventories

Inventories at December 31 and March 31, 2008 are summarized as follows:

|                 | Yen (millions)    |                |
|-----------------|-------------------|----------------|
|                 | December 31, 2008 | March 31, 2008 |
| Finished goods  | 534,445           | 499,316        |
| Work in process | 158,864           | 132,894        |
| Raw materials   | 233,783           | 232,054        |
|                 | 927,092           | 864,264        |

(3) Investments in Securities

In accordance with SFAS No. 115, Accounting for Certain Investments in Debt and Equity Securities, the Company classifies its existing marketable equity securities other than investments in associated companies and all debt securities as available-for-sale.

The cost, fair value, net unrealized holding gains (losses) of available-for-sale securities included in short-term investments, and investments and advances at December 31 and March 31, 2008 are as follows:

| Yen (millions)    |
|-------------------|
| December 31, 2008 |

|                   | Cost    | Fair<br>value | Net unrealized<br>holding gains<br>(losses) |
|-------------------|---------|---------------|---|
| Current:          |         |               |   |
| Bonds             | 16,944  | 16,994        | 50  |
| Other             | 251     | 251           |   |
|                   | 17,195  | 17,245        | 50  |
| Noncurrent:       |         |               |   |
| Equity securities | 338,114 | 276,495       | (61,619)                                    |
| Bonds             | 19,158  | 19,595        | 437   |
| Other             | 5,524   | 5,489         | (35)  |
|                   | 362,796 | 301,579       | (61,217)                                    |

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PANASONIC CORPORATION  
AND SUBSIDIARIES

## Notes to Consolidated Financial Statements

|                   | Yen (millions) |                |   |
|-------------------|----------------|----------------|---|
|                   | March 31, 2008 |                |   |
|                   | Cost           | Fair<br>value  | Net unrealized<br>holding gains<br>(losses) |
| Current:          |                |                |   |
| Bonds             | 47,012         | 47,164         | 152   |
| Other             | 250            | 250            |   |
|                   | <u>47,262</u>  | <u>47,414</u>  | <u>152</u>                                  |
| Noncurrent:       |                |                |   |
| Equity securities | 333,057        | 441,839        | 108,782                                     |
| Bonds             | 31,588         | 32,143         | 555   |
| Other             | 5,603          | 5,510          | (93)  |
|                   | <u>370,248</u> | <u>479,492</u> | <u>109,244</u>                              |

The carrying amounts of the Company's cost method investments totaled 32,924 million yen and 29,837 million yen at December 31 and March 31, 2008, respectively.

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## Notes to Consolidated Financial Statements

(4) Leases

The Company has operating leases for certain land, buildings, and machinery and equipment. Future minimum lease payments under operating leases at December 31, 2008 are as follows:

|                                  | <u>Yen (millions)</u> |
|----------------------------------|-----------------------|
| Due within 1 year                | 46,126                |
| Due after 1 year within 2 years  | 68,800                |
| Due after 2 years within 3 years | 39,940                |
| Due after 3 years within 4 years | 14,544                |
| Due after 4 years within 5 years | 4,972                 |
| Thereafter                       | 1,829                 |
|                                  | <u>176,211</u>        |
| Total minimum lease payments     | <u>176,211</u>        |

(5) Long-Lived Assets

The Company periodically reviews the recorded value of its long-lived assets to determine if the future cash flows to be derived from these assets will be sufficient to recover the remaining recorded asset values. Impairment losses are included in other deductions in the consolidated statements of income, and are not charged to segment profit.

The Company recognized impairment losses in the aggregate of 99,108 million yen of long-lived assets for the nine months ended December 31, 2008.

The Company recorded the impairment losses due to the closing of domestic manufacturing facilities for the three months ended June 30, 2008. As a result of the closing, certain buildings and land became unused and the Company recorded the impairment losses. The fair value of land was determined through an appraisal. The fair value of buildings was determined based on the discounted future cash flows expected to result from their eventual disposition.

The Company recorded the impairment losses of certain buildings due to the closing of domestic manufacturing facilities related to home appliance for the three months ended September 30, 2008. The Company decided to take down buildings used in the manufacturing facilities and to clear and sell land. The fair value of building was determined based on the discounted future cash flows.

Impairment losses of 91,227 million yen, 1,594 million yen, 3,141 million yen, 1,702 million yen and 1,444 million yen related to Digital AVC Networks, Home Appliances, Components and Devices, Corporate and eliminations and the remaining segments, respectively.

The Company recognized impairment losses in the aggregate of 94,555 million yen of long-lived assets for the three months ended December 31, 2008.

The Company recorded the impairment losses of certain buildings, machineries and intangible assets that is being amortized of domestic liquid crystal display panel manufacturing facilities for the three months ended December 31, 2008. As a result of substantial price decline due to significant market downturn, the Company estimated that the carrying amounts would not be recoverable through future cash flows. The fair value of buildings, machineries and intangible assets that is being amortized was determined through an appraisal and the discounted estimated cash flows expected to result from the use of the assets.

The Company recorded the impairment losses of certain buildings, land and other assets related to electric device manufacturing facility for the three months ended December 31, 2008. As a result of the factory closing, the Company estimated that the carrying amounts would not be recoverable through future cash flows expected to result from their eventual disposition. The fair value of buildings and land was determined through an appraisal.

Impairment losses of 90,629 million yen, 191 million yen, 3,141 million yen and 594 million yen related to Digital AVC Networks, Home Appliances, Components and Devices and the remaining segments, respectively.

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PANASONIC CORPORATION  
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Notes to Consolidated Financial Statements

(6) Number of common shares

Number of common shares authorized and issued and number of treasury common shares as of December 31 and March 31, 2008 are as follows:

|                | <u>Number of shares</u>  |                       |
|----------------|--------------------------|-----------------------|
|                | <u>December 31, 2008</u> | <u>March 31, 2008</u> |
| Common stock   |                          |                       |
| Authorized     | 4,950,000,000            | 4,950,000,000         |
| Issued         | 2,453,053,497            | 2,453,053,497         |
| Treasury stock | 382,380,942              | 351,936,341           |

(7) Cash Dividends

Cash dividends per share paid during the nine months and three months ended December 31, 2008 are as follows:

|                               | <u>Yen</u>                                     |   |
|-------------------------------|--|---|
|                               | <u>Nine months ended<br/>December 31, 2008</u> | <u>Three months ended<br/>December 31, 2008</u> |
| Cash dividends paid per share | 40.00  | 22.50   |

(8) Net Assets per Share



Net assets per share as of December 31 and March 31, 2008 are as follows:

|                      | <b>Yen</b>               |                       |
|----------------------|--------------------------|-----------------------|
|                      | <b>December 31, 2008</b> | <b>March 31, 2008</b> |
| Net assets per share | 1,600.10                 | 1,781.11              |

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PANASONIC CORPORATION  
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Notes to Consolidated Financial Statements

(9) Net Income (loss) per Share

A reconciliation of the numerators and denominators of the basic and diluted net income (loss) per share computation for the nine months and three months ended December 31, 2008 are as follows:

|                   | <b>Yen (millions)</b>                          |   |
|-------------------|--|---|
|                   | <b>Nine months ended<br/>December 31, 2008</b> | <b>Three months ended<br/>December 31, 2008</b> |
| Net income (loss) | 65,376   | (63,116)  |

|                                   | <b>Number of shares</b>                        |   |
|-----------------------------------|--|---|
|                                   | <b>Nine months ended<br/>December 31, 2008</b> | <b>Three months ended<br/>December 31, 2008</b> |
| Average common shares outstanding | 2,081,891,996                                  | 2,070,776,256                                   |
| Dilutive effect:                  |  |   |
| Stock options                     | 722  |   |
| Diluted common shares outstanding | 2,081,892,718                                  |   |

|                              | <b>Yen</b>                                     |   |
|------------------------------|--|---|
|                              | <b>Nine months ended<br/>December 31, 2008</b> | <b>Three months ended<br/>December 31, 2008</b> |
| Net income (loss) per share: |  |   |

|         |       |         |
|---------|-------|---------|
| Basic   | 31.40 | (30.48) |
| Diluted | 31.40 |         |

Diluted net income per share for the three months ended December 31, 2008 has been omitted because the Company incurred net loss and did not have potential common shares that were outstanding for the period.

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PANASONIC CORPORATION  
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Notes to Consolidated Financial Statements

(10) Supplementary Information to the Statements of Income

Included in other deductions for the nine months and three months ended December 31, 2008 are expenses of 2,493 million yen and 1,900 million yen associated with the implementation of the early retirement programs in the domestic and overseas subsidiaries, respectively.

A write-down of 19,449 million yen and 1,701 million yen on investment securities is included in other deductions for the nine months and three months ended December 31, 2008, respectively.

Foreign exchange gains and losses included in other deductions for the nine months and three months ended December 31, 2008 are losses of 4,496 million yen and gains of 5,929 million yen, respectively.

Comprehensive income for the nine months and three months ended December 31, 2008 is a loss of 196,598 million yen and, a loss of 319,343 million yen, respectively. Comprehensive income for the nine months ended December 31, 2008 includes Net income in the amount of 65,376 million yen and decrease in Accumulated other comprehensive income (loss) excluding the beginning adjustment in the amount of 261,974 million yen. Comprehensive income for the three months ended December 31, 2008 includes Net loss in the amount of 63,116 million yen and decrease in Accumulated other comprehensive income (loss) in the amount of 256,227 million yen.

(11) Derivatives and Hedging Activities

The Company operates internationally, giving rise to significant exposure to market risks arising from changes in foreign exchange rates, interest rates and commodity prices. The Company assesses these risks by continually monitoring changes in these exposures and by evaluating hedging opportunities. Derivative financial instruments utilized by the Company to hedge these risks are comprised principally of foreign exchange contracts, interest rate swaps, cross currency swaps and commodity derivatives. The Company does not hold or issue derivative financial

instruments for any purposes other than hedging.

Gains and losses related to derivative instruments are classified in other income (deductions) in the consolidated statements of income. The amount of the hedging ineffectiveness and net gain or loss excluded from the assessment of hedge effectiveness is not material for the nine months and three months ended December 31, 2008, respectively. Amounts included in accumulated other comprehensive income (loss) at December 31, 2008 are expected to be recognized in earnings principally over the next twelve months. The maximum term over which the Company is hedging exposures to the variability of cash flows for foreign currency exchange risk is approximately five months.

The Company is exposed to credit risk in the event of non-performance by counterparties to the derivative contracts, but such risk is considered mitigated by the high credit rating of the counterparties.

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PANASONIC CORPORATION  
AND SUBSIDIARIES

Notes to Consolidated Financial Statements

(12) Commitments and Contingent Liabilities

The Company provides guarantees to third parties mainly on bank loans provided to associated companies and customers. The guarantees are made to enhance their credit. For each guarantee provided, the Company is required to perform under the guarantee if the guaranteed party defaults on a payment. At December 31, 2008, the maximum amount of undiscounted payments the Company would have to make in the event of default is 17,420 million yen. The carrying amount of the liabilities recognized for the Company's obligations as a guarantor under those guarantees at December 31 and March 31, 2008 was insignificant.

In connection with the sale and lease back of certain machinery and equipment, the Company guarantees a specific value of the leased assets. For each guarantee provided, the Company is required to perform under the guarantee if certain conditions are met during or at the end of the lease term. At December 31, 2008, the maximum amount of undiscounted payments the Company would have to make in the event that these conditions are met is 33,452 million yen. The carrying amount of the liabilities recognized for the Company's obligations as guarantors under those guarantees at December 31 and March 31 was insignificant.

Contingent liabilities at December 31, 2008 for discounted export bills of exchange amounted to 20 million yen.

There are a number of legal actions against the Company and certain subsidiaries. Management is of the opinion that damages, if any, resulting from these actions will not have a material effect on the Company's consolidated financial statements.

(13) Segment Information

In accordance with SFAS No. 131, Disclosures about Segments of an Enterprise and Related Information, the segments reported below are the components of the Company for which separate financial information is available

that is evaluated regularly by the chief operating decision maker of the Company in deciding how to allocate resources and in assessing performance.

Business segments correspond to categories of activity classified primarily by markets, products and brand names.

Digital AVC Networks includes video and audio equipment, and information and communications equipment. Home Appliances includes household equipment. PEW and PanaHome includes electrical supplies, electric products, building materials and equipment, and housing business. Components and Devices includes electronic components, semiconductors, electric motors and batteries. Other includes electronic-parts-mounting machines, industrial robots and industrial equipment. From April 1, 2008, the name of AVC Networks was changed to Digital AVC Networks. From October 1, 2008, the name of Matsushita Electric Works, Ltd. (MEW) was changed to Panasonic Electric Works Co., Ltd. (PEW).

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PANASONIC CORPORATION  
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Notes to Consolidated Financial Statements

Information by segment for the nine months and three months ended December 31, 2008 is shown in the tables below:

By Business Segment:

|                         | <b>Yen (millions)</b>                          |   |
|-------------------------|--|---|
|                         | <b>Nine months ended<br/>December 31, 2008</b> | <b>Three months ended<br/>December 31, 2008</b> |
| Sales:                  |  |   |
| Digital AVC Networks:   |  |   |
| Customers               | 3,006,051                                      | 926,409   |
| Intersegment            | 34,138   | 10,843  |
|                         | <hr/>  | <hr/>   |
| Total                   | 3,040,189                                      | 937,252   |
| Home Appliances:        |  |   |
| Customers               | 811,547  | 235,877   |
| Intersegment            | 166,002  | 56,160  |
|                         | <hr/>  | <hr/>   |
| Total                   | 977,549  | 292,037   |
| PEW and PanaHome:       |  |   |
| Customers               | 1,324,516                                      | 420,720   |
| Intersegment            | 36,899   | 12,032  |
|                         | <hr/>  | <hr/>   |
| Total                   | 1,361,415                                      | 432,752   |
| Components and Devices: |  |   |
| Customers               | 655,348  | 185,899   |
| Intersegment            | 293,123  | 92,390  |
|                         | <hr/>  | <hr/>   |
| Total                   | 948,471  | 278,289   |
| Other:                  |  |   |



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|                    |           |           |
|--------------------|-----------|-----------|
| Customers          | 426,189   | 111,035   |
| Intersegment       | 394,851   | 111,370   |
|                    | <hr/>     | <hr/>     |
| Total              | 821,040   | 222,405   |
| Eliminations       | (925,013) | (282,795) |
|                    | <hr/>     | <hr/>     |
| Consolidated total | 6,223,651 | 1,879,940 |
|                    | <hr/>     | <hr/>     |

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PANASONIC CORPORATION  
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Notes to Consolidated Financial Statements

|                            | Yen (millions)                         |   |
|----------------------------|--|---|
|                            | Nine months ended<br>December 31, 2008 | Three months ended<br>December 31, 2008 |
| Segment profit:            |  |   |
| Digital AVC Networks       | 97,939                                 | (4,863)                                 |
| Home Appliances            | 65,072                                 | 18,157                                  |
| PEW and PanaHome           | 46,145                                 | 10,361                                  |
| Components and Devices     | 53,958                                 | 4,983                                   |
| Other                      | 28,888                                 | 89                                      |
| Corporate and eliminations | (37,486)                               | (2,365)                                 |
|                            | 254,516                                | 26,362                                  |
| Interest income            | 20,684                                 | 5,939                                   |
| Dividends received         | 10,847                                 | 4,616                                   |
| Other income               | 42,424                                 | 19,078                                  |
| Interest expense           | (16,349)                               | (5,035)                                 |
| Other deductions           | (167,966)                              | (110,100)                               |
|                            | 144,156                                | (59,140)                                |
|                            | 144,156                                | (59,140)                                |

Corporate expenses include certain corporate R&D expenditures and general corporate expenses.

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PANASONIC CORPORATION  
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Notes to Consolidated Financial Statements

By Geographical Area:

Sales attributed to countries based upon the customer's location are as follows:

|  | Yen (millions)                         |   |
|--|--|---|
|  | Nine months ended<br>December 31, 2008 | Three months ended<br>December 31, 2008 |
| Sales:   |  |   |
| Japan  | 3,134,067                              | 1,023,420                               |
| North and South America                                      | 840,670                                | 256,055                                 |
| Europe   | 805,437                                | 230,090                                 |
| Asia and Others  | 1,443,477                              | 370,375                                 |
| Consolidated total   | 6,223,651                              | 1,879,940                               |
| United States of America included in North and South America | 718,537                                | 220,826                                 |

There are no individually material countries of which sales should be separately disclosed in North and South America, Europe, and Asia and Others, except for the United States of America. Transfers between business segments or geographic segments are made at arms-length prices. There are no sales to a single external major customer for the nine months and three months ended December 31, 2008.

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PANASONIC CORPORATION  
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Notes to Consolidated Financial Statements

The following information shows sales and geographical profit which are attributed to geographic areas based on the country location of the Company or its subsidiaries for the nine months and three months ended December 31, 2008. In addition to the disclosure requirements under SFAS No. 131, the Company discloses this information as supplemental information in light of the disclosure requirements of the Japanese Financial Instruments and Exchange Law, which a Japanese public company is subject to:

|                          | Yen (millions)                         |   |
|--------------------------|--|---|
|                          | Nine months ended<br>December 31, 2008 | Three months ended<br>December 31, 2008 |
| Sales:                   |  |   |
| Japan:                   |  |   |
| Customers                | 3,436,462                              | 1,105,717                               |
| Intersegment             | 1,366,838                              | 372,782                                 |
|                          | 4,803,300                              | 1,478,499                               |
| Total                    |  |   |
| North and South America: |  |   |
| Customers                | 798,976                                | 245,690                                 |
| Intersegment             | 15,824                                 | 4,557                                   |
|                          | 814,800                                | 250,247                                 |
| Total                    |  |   |
| Europe:                  |  |   |
| Customers                | 780,490                                | 222,362                                 |
| Intersegment             | 33,038                                 | 7,136                                   |
|                          | 813,528                                | 229,498                                 |
| Total                    |  |   |
| Asia and Others:         |  |   |
| Customers                | 1,207,723                              | 306,171                                 |
| Intersegment             | 821,995                                | 226,308                                 |
|                          | 2,029,718                              | 532,479                                 |
| Total                    |  |   |

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|                            |             |           |
|----------------------------|-------------|-----------|
| Eliminations               | (2,237,695) | (610,783) |
|                            | <hr/>       | <hr/>     |
| Consolidated total         | 6,223,651   | 1,879,940 |
|                            | <hr/>       | <hr/>     |
| Geographical profit:       |             |           |
| Japan                      | 204,046     | 11,179    |
| North and South America    | 4,750       | (6,657)   |
| Europe                     | (7,960)     | (5,720)   |
| Asia and Others            | 87,074      | 14,455    |
| Corporate and eliminations | (33,394)    | 13,105    |
|                            | <hr/>       | <hr/>     |
| Consolidated total         | 254,516     | 26,362    |
|                            | <hr/>       | <hr/>     |

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PANASONIC CORPORATION  
AND SUBSIDIARIES

Notes to Consolidated Financial Statements

By Business Field (Unreviewed):

In a new phase of further growth, the Company has been accelerating initiatives to achieve global excellence. From April 1, 2008, in order to further clarify its business fields for investors, the Company discloses three new business fields of the group which consist of five segments as follows:

| <b>Business fields</b>                                | <b>Business Segments</b>                       |   |
|---|--|---|
| 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                  |   |
|   | <b>Yen (millions)</b>                          |   |
|   | <b>Nine months ended<br/>December 31, 2008</b> | <b>Three months ended<br/>December 31, 2008</b> |
| Sales:  |  |   |
| Digital AVC Networks Solution:                        |  |   |
| Digital AVC Networks                                  | 3,040,189                                      | 937,252   |
| Total   | 3,040,189                                      | 937,252   |
| Solutions for the Environment and Comfortable Living: |  |   |
| Home Appliances                                       | 977,549  | 292,037   |
| PEW and PanaHome                                      | 1,361,415                                      | 432,752   |
| Total   | 2,338,964                                      | 724,789   |
| Devices and Industry Solution:                        |  |   |

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|   |           |           |
|---|-----------|-----------|
| Components and Devices                                | 948,471   | 278,289   |
| Other   | 821,040   | 222,405   |
|   | <hr/>     | <hr/>     |
| Total   | 1,769,511 | 500,694   |
| Eliminations  | (925,013) | (282,795) |
|   | <hr/>     | <hr/>     |
| Consolidated total                                    | 6,223,651 | 1,879,940 |
|   | <hr/>     | <hr/>     |
| Profit by business field:                             |           |           |
| Digital AVC Networks Solution:                        |           |           |
| Digital AVC Networks                                  | 97,939    | (4,863)   |
|   | <hr/>     | <hr/>     |
| Total   | 97,939    | (4,863)   |
| Solutions for the Environment and Comfortable Living: |           |           |
| Home Appliances                                       | 65,072    | 18,157    |
| PEW and PanaHome                                      | 46,145    | 10,361    |
|   | <hr/>     | <hr/>     |
| Total   | 111,217   | 28,518    |
| Devices and Industry Solution:                        |           |           |
| Components and Devices                                | 53,958    | 4,983     |
| Other   | 28,888    | 89        |
|   | <hr/>     | <hr/>     |
| Total   | 82,846    | 5,072     |
| Corporate and eliminations                            | (37,486)  | (2,365)   |
|   | <hr/>     | <hr/>     |
| Consolidated total                                    | 254,516   | 26,362    |
|   | <hr/>     | <hr/>     |