[Summary Translation]

TENDER OFFER EXPLANATORY STATEMENT

November 2009

Panasonic Corporation

THIS SUMMARY ENGLISH TRANSLATION OF THE TENDER OFFER EXPLANATORY STATEMENT HAS BEEN PREPARED SOLELY FOR THE CONVENIENCE OF NON JAPANESE SPEAKING SHAREHOLDERS OF SANYO ELECTRIC CO., LTD. IF THERE IS ANY DISCREPANCY BETWEEN THE ENGLISH AND THE JAPANESE VERSION OF THE DOCUMENTS, THE JAPANESE LANGUAGE ORIGINAL SHALL BE THE CONTROLLING DOCUMENT OF ALL PURPOSES. THE TENDER OFFER IS BEING CONDUCTED IN COMPLIANCE WITH THE PROCEDURES AND INFORMATION DISCLOSURE STANDARDS PRESCRIBED BY JAPANESE LAWS; HOWEVER, THESE PROCEDURES AND STANDARDS ARE NOT NECESSARILY IDENTICAL TO THOSE IN THE UNITED STATES OF AMERICA. IN PARTICULAR, SECTIONS 13(e) AND 14(d) OF THE U.S. SECURITIES EXCHANGE ACT OF 1934 AND THE RULES AND REGULATIONS THEREUNDER SHALL NOT APPLY TO THE TENDER OFFER, AND THE TENDER OFFER MAY OR MAY NOT BE

CONDUCTED IN COMPLIANCE WITH ANY PROCEDURE OR STANDARD THEREUNDER.

TENDER OFFER EXPLANATORY STATEMENT

The tender offer pursuant to this statement (hereinafter referred to as the "Tender Offer") is subject to the provision of Chapter II-2, Section 1 of the Financial Instruments and Exchange Law of Japan (Law No.25 of 1948, as amended). This Statement is prepared in accordance with Article 27-9 of the Financial Instruments and Exchange Law of Japan.

【Name of person filing】	Panasonic Corporation (formerly Matsushita Electric Industrial Co., Ltd.)
【Address or Location】	1006, Oaza Kadoma, Kadoma-shi, Osaka
【Nearest Contact Place】	Same as stated above.
【Telephone number】	06-6908-1121
【Contact Person】	Hideaki Kawai, Officer, General Manager, Corporate Finance & IR Group
【Name of attorney-in-fact】	N/A
【Address of attorney-in-fact】	N/A
【Nearest Contact Place】	N/A
【Telephone number】	N/A
【Contact Person】	N/A
【Places for Public Inspection】	Panasonic Corporation (1006, Oaza Kadoma, Kadoma-shi, Osaka) Tokyo Stock Exchange, Inc. (2-1 Kabutocho, Nihonbashi, Chuo-ku, Tokyo) Osaka Securities Exchange Co., Ltd. 8-16 Kitahama, 1-Chome, Chuo-ku, Osaka-shi

(Note 1) In this Statement, "Tender Offeror" or "Company" means Panasonic Corporation.

(Note 2) In this Statement, "Target" means SANYO Electric Co., Ltd.

(Note 3) Where the figures in this Statement have been rounded or truncated, the amount recorded in the total column may not always coincide with the actual sum of the relevant figures.

(Note 4) In this Statement, "Law" means the Financial Instruments and Exchange Law (Law No. 25 of 1948, as amended).

(Note 5) In this Statement, "Enforcement Order" means the Enforcement Order of the Financial Instruments and Exchange Law (Government Ordinance No. 321 of 1965, as amended).

(Note 6) In this Statement, "TOB Order" means the Cabinet Office Ordinance on Disclosure of Takeover Bids of Shares Conducted by Non-Issuers (Ministry of Finance Japan Ordinance No. 38 of 1990, as amended).

(Note 7) Unless otherwise described in this Statement, any reference to the number of days or the date and time shall mean the number of days or the date and time in Japan.

(Note 8) The Tender Offer is being conducted in compliance with the procedures and information disclosure standards prescribed by the Law. These procedures and standards may not necessarily be identical to those in the United States of America. In particular, Section 13(e) or Section 14(d) of the U.S. Securities Exchange Act of 1934 and the rules and regulations thereunder shall not apply to the Tender Offer, and therefore the Tender Offer may or may not be conducted in compliance with any procedures and standards thereunder.

(Note 9) Unless otherwise described in this Statement, all procedures relating to the Tender Offer shall be conducted in Japanese. Although all or part of the documents relating to the Tender Offer have also been prepared in English, if there is any discrepancy between the English and the Japanese versions of the documents, the Japanese version shall prevail.

(Note 10) This Statement contains "forward-looking statements," as defined in Section 27A of the U.S. Securities Act of 1933 and Section 21E of the U.S. Securities Exchange Act of 1934. Due to known or unknown risks, uncertainties or other factors, actual results may differ materially from any forecasts or other similar statements, indicated explicitly or implicitly as "forward-looking statements". Neither the Tender Offeror nor any of its affiliates can ensure that forecasts or other similar statements, indicated explicitly or implicitly as "forward-looking statements" will consequently eventuate. The "forward-looking statements" contained in this Statement have been prepared based on information available to the Tender Offeror as of the date of the filing of this Statement, and the Tender Offeror and its affiliates are not under any obligation to update or modify any such "forward-looking statements" to reflect future events or developments, except as may be required by any applicable laws and regulations.

(Note 11) In accordance with and within the limits of the securities and exchange laws of Japan and pursuant to Section 14(e)-5(b) (12) of the U.S. Securities Exchange Act of 1934, each financial adviser or its affiliate may, from time to time, purchase the Target's shares by its own account or by the client's account during the Tender Offer Period, provided that such purchase is made within the scope of secondary trading in the ordinary course of business. In the event that the information concerning such purchase is disclosed in Japan, it must also be disclosed in the United States.

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3. Purpose of the Tender Offer

(1) Overview of the Tender Offer

The Company entered into the capital and business alliance agreement as of December 19, 2008 (hereinafter referred to as the "Capital and Business Alliance Agreement") with the Target, which is listed on the first section of the Tokyo Stock Exchange, Inc. (hereinafter referred to as the "Tokyo Stock Exchange") and on the first section of the Osaka Securities Exchange Co., Ltd. (hereinafter referred to as the "Osaka Securities Exchange"), for the purpose of making the Target its subsidiary and, with the prospect of an eventual restructuring of the organization, forming a close alliance between the companies. With respect to the contents of the Capital and Business Alliance Agreement, please see Note below.

The Company planned to implement a tender offer in the Capital and Business Alliance Agreement for all of the shares of the Target (all of the common shares, Class A preferred shares and Class B preferred shares) subject to, among other conditions, the completion of the procedures and measures that are required under domestic and overseas competition laws and regulations, for the purpose of making the Target its subsidiary. Now, upon near completion of the procedures and measures that are required under domestic and overseas competition laws and regulations, and after confirmation of satisfaction of the conditions for the Company's commencement of the Tender Offer, which are provided in the Capital and Business Alliance Agreement, commencement of the Tender Offer has been resolved at the meeting of the Board of Directors of the Company held on November 4, 2009. The Company will implement the Tender Offer for all of the shares of the Target (all of the common shares, Class A preferred shares and Class B preferred shares), with 3,070,985,000 of issued shares of the Target being the minimum number of shares scheduled to be purchased, as part of the capital and business alliance between the Company and the Target based on the Capital and Business Alliance Agreement. Upon a determination that the minimum number of shares scheduled to be purchased has been tendered, the total number of share certificates, etc. tendered shall be calculated, with each Class A preferred share and each Class B preferred share tendered in this Tender Offer being deemed as 10 common shares, since the right is conferred on the Class A preferred shares and Class B preferred shares, to request the Target to issue common shares of the Target, in exchange for its acquisition of the relevant preferred shares, at the ratio of 1 preferred share to 10 common shares (hereinafter referred to as the “Conversion”).

The number of issued shares less the number of treasury shares, in the case of Conversion of all of the above Class A preferred shares and Class B preferred shares, shall be such number (hereinafter referred to as the “Aggregate Number of Issued Shares of the Target on a Fully Diluted Basis”) (6,141,969,078 shares) as is obtained by deducting the number of the treasury shares held by the Target as of March 31, 2009 (16,084,021 shares), which is described in the Target’s Annual Securities Report for the 85th term submitted on June 29, 2009, from the sum of (i) the total number of issued common shares as of June 30, 2009 (1,872,338,099 shares), which is described in the Target’s First Quarterly Report for the 86th term submitted on August 5, 2009, and (ii) the total number of such common shares (4,285,715,000 shares) as is obtained in the case of Conversion of all issued Class A preferred shares (182,542,200 shares) and issued Class B preferred shares (246,029,300 shares) as of June 30, 2009, both numbers are described in the First Quarterly Report for the 86th term submitted on August 5, 2009. The minimum number of shares scheduled to be purchased (3,070,985,000 shares), is equal to the majority of the Aggregate Number of Issued Shares of the Target on a Fully Diluted Basis.

Further, the Company plans to convert the Class A preferred shares and Class B preferred shares of the Target into common shares after the acquisition thereof through the Tender Offer. Since no voting rights are granted to Class B preferred shares, the total number of Target’s voting rights will increase by the Conversion of Class B preferred shares into the common shares.

With respect to the Tender Offer, at the meeting of the Board of Directors of the Target held on November 4, 2009, the Target resolved to announce its opinion to endorse the Tender Offer.

(2) Background and reasons for the implementation of the Tender Offer and management policy after completion of the Tender Offer

The Company, as a general electronics maker, through intense cooperation with each of its domestic and foreign group companies, is globally developing its manufacturing, sales and service activity in five (5) segments: Digital AVC Networks (audio and visual equipment, such as plasma and LCD TVs, BD/DVD recorders, camcorders, digital cameras, and information and telecommunication equipment, such as PCs, optical disc drives, multi-function printers, telephones and mobile phones); Home Appliances (household appliances, etc., such as refrigerators, room air conditioners, washing machines, clothes dryers and vacuum cleaners); PEW and PanaHome (electronic materials and electric industry business, and building products and homes business); Components and Devices (semiconductors, general components, electric motors and batteries); and Other (electronic-components-mounting machines, industrial robots and other FA equipment, industrial instruments, etc.). Since its establishment in 1918, the Company has been guided by its basic management philosophy, which states that the mission of an enterprise is to contribute to the progress and development of society and the well-being of people worldwide through its business activities. On October 1, 2008, the Company changed its name from Matsushita Electric Industrial Co., Ltd. to Panasonic Corporation. The Company is now proceeding to unify the Panasonic brand globally, and using all of its profit, resulting from the efforts of the entire group, to lead to the improvement of the value of the Panasonic brand.

On January 10, 2007, the Company published the GP3 Plan, the mid-term plan that deems the period from fiscal 2008, the year ended March 31, 2008 to fiscal 2010, the year ending March 31, 2010 as the period for serious phase change to obtain the right to try for global excellence. All group companies, as one Panasonic, have been promoting their efforts to realize the major themes: double-digit growth for overseas sales, four strategic businesses, manufacturing innovation and the ‘eco ideas’ strategy. Despite significant deviations from the initial supposed management conditions, such as the occurrence of the economic crisis the Company has never revised the direction of the plan, including in the fiscal 2010, the year ending March 31, 2010, which is the last year of the plan, and is continuing to promote such efforts and aims for great progress during the time of market recovery.

The Target is developing its activities, such as manufacturing, sales, maintenance and services, in the Consumer Business Segment (imaging apparatus, such as TVs and projectors, audio equipment, information and communications equipment, such as digital cameras and navigation systems, household appliances, etc., such as refrigerators, air conditioners and washing machines), Commercial Business Segment (commercial equipment, such as showcases and commercial air conditioners, and commercial kitchen equipment, etc.), Component Business Segment (semiconductors, electronic components, primary batteries, rechargeable batteries and PV system, etc.) and Other Business Segment (logistics, maintenance and information services), and, under the management philosophy: "We are committed to becoming an indispensable element in the lives of people all over the world", is aiming to change into a "leading company for energy and environment" which will contribute to the global environment and to the lives of people. Especially, the Target has a large global market share and high level of technology on a global scale, and is well-established as a leading global company, with respect to the consumer lithium-ion battery business. In addition, with respect to the lithium-ion battery business for HEV (Hybrid Electric Vehicles) and EV (Electric Vehicles), an area in which rapid market growth is expected in the future, co-development with domestic and foreign car makers is being implemented. As well as addressing development and commercialization of a much more sophisticated system, a new commercial production line was completed and introduced. In the photovoltaic systems business, to meet active demand, the Target is promoting an increase of production capacity for the HIT (crystalline) solar cell, which is the leading product, by constructing a new plant, and is promoting commercialization of the thin-film solar cell to be used for large scale power generation and industry.

Since its founding in 1947, the Target has been diversifying its business into the radio, washing machine and television businesses, and, with the postwar development of the economy, accomplished remarkable growth, to become a global company in the electronics industry under the SANYO brand. However, being affected by the intensified competition and the price decline of the digital appliance industry, and losses at the NIIGATA SANYO ELECTRONIC CO., LTD. (presently SANYO Semiconductor Manufacturing Co., Ltd.), due to the Niigata Chuetsu Earthquake in October 2004, the Target was in urgent need, in fiscal 2006, the year ended March 31, 2006, of strengthening its financial standing by building up stockholder's equity and reducing interest-bearing debt, etc. Under such situation, the Target has been continuing to strengthen its financial standing, and continuing capital investment and research and development focusing on its core-business to implement its growth strategy, by issuing, on March 14, 2006, Class A preferred shares and Class B preferred shares by way of issuance of new shares to third parties, the total amount of which was 300,000,000,000 yen and the allottees of which were the Evolution Investments Co., Ltd., which is a 100 % subsidiary of Daiwa Securities SMBC Principal Investments Co., Ltd., Oceans Holdings Co., Ltd., which is an affiliate company of the Goldman Sachs Group, Inc. and Sumitomo Mitsui Banking Corporation. Further, the Target formulated the Master Plan on November 27, 2007, which is the mid-term business strategy for the period from fiscal 2009, the year ended March 31, 2009 to fiscal 2011, the year ending March 31, 2011, and formulated the Mid-term Management Plan, which is based on the Master Plan, on May 22, 2008, to ensure its growth as a global company. Furthermore, in a continuously harsh economic environment, and considering the economic-stimulus packages, represented by the Green New Deal, which various advanced countries have passed and which target the environment and energy-related fields, the Target now preferentially distributes its resources to such fields, especially rechargeable batteries for vehicles and photovoltaic system business, as part of the "Making Strategic Moves for Future Growth".

The Company and the Target recognize that macroeconomic uncertainty is increasing and that the competitive business environment surrounding the two companies is expected to intensify further due to the general decline in demand resulting from the global economic recession stemming from the financial crisis, the pressures on business resulting from a strong yen and rising material costs, as well as the rise of China and other emerging markets. Moreover, it is becoming increasingly difficult to sustain growth alone. The Company and the Target also recognize that not only should existing strategies be accelerated, but aggressive and drastic action should also be taken in order to achieve potential growth. Therefore, the Company and the Target, based upon a common understanding of the business environment, with the objective of overcoming a harsh global competitive environment, aiming to realize, to the full extent, the potential earnings growth rate and, also, to maximize the corporate values of both the Company and the Target, agreed to enter into discussions regarding a capital and business alliance based on the premise of making the Target a subsidiary of the Company, and made an announcement on November 7, 2008, titled "Panasonic and SANYO Agree to Start Discussions for Capital and Business Alliance." Thereafter, the Company and the Target continued to engage in detailed discussions and reviews and arrived at the conclusion that the best solution for realizing aspirations for global excellence would be to further strengthen the foundation for growth through a collaboration between the companies, by combining the accumulated technologies and manufacturing knowledge of both companies, and upon resolutions being passed at meetings of the respective Board of Directors of each company that were held on December 19, 2008, the Company and the Target entered into the Capital and Business Alliance Agreement. Now, upon near completion of the procedures and measures that are required under domestic and overseas competition laws and regulations, commencement of the Tender Offer has been resolved at the meeting of the Board of Directors of the Company held on November 4, 2009.

The Company and the Target believe that, through this alliance, strong collaboration between both companies will be established in a wide range of business fields. The primary synergies currently expected are as follows:

(i) Solar business

By utilizing the business platform of the Company, the Company and the Target aim to respond to demand for solar batteries, an area in which significant future growth is expected, through (a) further expanding business in the area of highly efficient HIT (crystalline silicon) solar photovoltaic cells and modules (batteries) and (b) the acceleration of development and commercialization of next-generation solar cells. In addition, by utilizing domestic and overseas sales platforms of Panasonic Group, a significant increase in sales can be expected.

(ii) Rechargeable battery business (mobile energy)

The Target has established its status as a leading company in the rechargeable battery business, primarily lithium-ion rechargeable batteries. In addition, the Company has utilized its original black box technology and expanded its business globally. By forging this alliance, the companies will further strengthen their competitiveness through (a) the introduction of the Target's excellent production technology to the Company and (b) the provision of the Company's high-capacity technology, etc. to the Target. Active investments will be made in batteries for HEV (Hybrid Electric Vehicle) and EV (Electric Vehicle), an area in which rapid market growth is expected in the future, and as part of Panasonic Group, it is believed that the Target’s collaboration with automakers can be strengthened and sales significantly expanded.

(iii) Strengthening financial and business position

By way of the Target becoming a member of Panasonic Group after the execution of the Tender Offer, (a) reductions in company-wide procurement costs in areas such as materials purchasing or (b) reductions in logistics-related costs are expected in the Target. In addition, by introducing the Company's original cost reduction know-how, such as "Itakona" or "Cost Busters," to the Target, further strengthening of the financial and business position of the Target can be achieved.

Also, in accordance with the Capital and Business Alliance Agreement, the Company and the Target have established a "Collaboration Committee," and the said committee has been considering, to the extent permitted under the applicable laws and regulations, various items in order to achieve the expected outcomes of collaboration between the two companies. After the execution of the Tender Offer, the Company and the Target will implement strong measures to put the various items into practice by way of turning the energy field into a new growth driver and making the concepts of “creating energy,” “storing energy,” and “saving energy” the main pillars. Under these concepts, the companies will aim to realize integrated energy control for the entire house and for the entire building. Thereby, Panasonic Group aims to realize a comprehensive energy solution.

(3) Matters concerning Material Agreements Between the Tender Offeror and the Shareholders of the Target Regarding the Tender of the Target’s Shares in the Tender Offer

The Company entered into a tender agreement with Evolution Investments Co., Ltd. (a wholly-owned subsidiary of Daiwa Securities SMBC Principal investments Co., Ltd.) on March 31, 2009, under which Evolution Investments Co., Ltd. will tender in the Tender Offer all of the Class A preferred shares (89,804,900 shares) and a part of the Class B preferred shares (64,134,300 shares) of the Target held by Evolution Investments Co., Ltd.; provided, however, that the performance by the obligation of Evolution Investments Co., Ltd. to tender the Target’s shares in the Tender Offer is subject to the following conditions precedent: (i) all representations and warranties of the Company set forth in the said tender agreement are true and correct in all material respects; (ii) the Company is not in any material respects in breach of any of its obligations under the said tender agreement; (iii) the Target’s endorsement of the

Tender Offer, the Target's representation to that effect (including the Target's abstention from publicizing its opinion on the offering price of the Tender Offer, and the publication of its opinion, with respect to common shares, that whether to tender the Target's shares in the Tender Offer is left to the judgment of each shareholder), and the Target's maintenance of the foregoing; (iv) the nonexistence of any judgment, decision, order, etc. of any court or administrative agency, or any pending case, prohibiting or restricting Evolution Investments Co., Ltd. from tendering the shares to be tendered; and (v) the nonexistence of unpublicized, material facts (as defined in Paragraph 2, Article 166 of the Law) with respect to the Target. (Provided, however, that the tender of the shares to be tendered in the Tender Offer, which falls under Article 166, Paragraph 6, Item 7 of the Law shall be excluded.) Unless the conditions precedent set forth above are satisfied, Evolution Investments Co., Ltd. will not be obligated to tender the shares of the Target in the Tender Offer. (Provided, however, that Evolution Investments Co., Ltd. may waive the performance of all or any part of the above conditions precedent and still tender the shares of the Target in the Tender Offer.) There is a possibility that, instead of tendering said Class B preferred shares, Evolution Investments Co., Ltd. will convert said Class B preferred shares to common shares and tender the common shares in the Tender Offer. The aggregate number of common shares of the Target (1,539,392,000 shares), assuming that the aforementioned Class A preferred shares and Class B preferred shares are converted into common shares, would be equivalent to approximately 25.06% (rounded to the second decimal place) of the Aggregate Number of Issued Shares of the Target on a Fully Diluted Basis. According to the Amendment Report No. 13 to the Substantial Shareholding Report filed by Evolution Investments Co., Ltd. with the Director-General of the Kanto Local Finance Bureau on October 6, 2009, out of all the Class B preferred shares held by Evolution Investments Co., Ltd., it converted all the Class B preferred shares (24,632,300 shares) that it held, except the Class B preferred shares that it has agreed to tender in the Tender Offer, into common shares of the Target, acquiring 246,323,000 common shares of the Target.

The Company also entered into a tender agreement with Sumitomo Mitsui Banking Corporation on April 30, 2009, under which Sumitomo Mitsui Banking Corporation will tender in the Tender Offer all of the Class A preferred shares (2,932,400 shares) and a part of the Class B preferred shares (54,349,700 shares) of the Target held by Sumitomo Mitsui Banking Corporation; provided, however, that the obligation of Sumitomo Mitsui Banking Corporation to tender the Target's shares in the Tender Offer is subject to the following conditions precedent: (i) all representations and warranties of the Company set forth in the said tender agreement are true and correct in all material respects; (ii) the Company is not, in any material respects, in breach of any of its obligations under the said tender agreement; (iii) the Target's endorsement of the Tender Offer, the Target's representation to that effect (including the Target's abstention from publicizing its opinion on the offering price of the Tender Offer, and the publication of its opinion, with respect to common shares, that whether to tender the Target's shares in the Tender Offer is left to the judgment of each shareholder), and Target's maintenance of the foregoing; (iv) the nonexistence of any judgment, decision, order, etc. of any court or administrative agency, or any pending case, prohibiting or restricting Sumitomo Mitsui Banking Corporation from tendering the shares to be tendered; and (v) the nonexistence of unpublicized, material facts (as defined in Article 166, Paragraph 2 of the Law) with respect to the Target. (Provided, however, that the tender of the shares to be tendered in the Tender Offer, which falls under Item 7, Paragraph 6 of Article 166 of the Law shall be excluded.) Unless the conditions precedent set forth above are satisfied, Sumitomo Mitsui Banking Corporation will not be obligated to tender the shares of the Target. (Provided, however, that Sumitomo Mitsui Banking Corporation may waive the performance of all or any part of the above conditions precedent and still tender the shares of the Target in the Tender Offer.). There is a possibility that, instead of tendering said Class B preferred shares, Sumitomo Mitsui Banking Corporation will convert said Class B preferred shares to common shares and tender the common shares in the Tender Offer. The aggregate number of common shares of the Target (572,821,000 shares), assuming that the aforementioned Class A preferred shares and Class B preferred shares are converted into common shares, would be equivalent to approximately 9.33% (rounded to the second decimal place) of the Aggregate Number of Issued Shares of the Target on a Fully Diluted Basis.

In addition, the Company entered into a tender agreement with Oceans Holdings Co., Ltd. (an affiliate of Goldman Sachs Group, Inc.) on September 18, 2009 under which Oceans Holdings Co., Ltd. will tender in the Tender Offer all of the Class A preferred shares (89,804,900 shares) and a part of the Class B preferred shares (6,876,455 shares) of the Target held by Oceans Holdings Co., Ltd.; provided, however, that the performance by Oceans Holdings Co., Ltd. of the obligation to tender shares is subject to the following conditions precedent: (i) the nonexistence of any judgment, decision, order, etc. of any court or administrative agency having jurisdiction over Oceans Holdings Co., Ltd. prohibiting or restricting Oceans Holdings Co., Ltd. from tendering the shares to be tendered; (ii) the nonexistence of material facts (as defined in Article 166, Paragraph 2 of the Law) with respect to the Target that have not been made public in the manner set forth in Paragraph 4, Article 166 of the Law, (provided, however, that the tender of the shares to be tendered in the Tender Offer, which falls under Article 166 , Paragraph 6, Item 7 of the Law shall be excluded); and (iii) among the information received by the executives and regular employees of Oceans Holdings Co., Ltd. or an affiliate thereof involved in the decision making process on the disposition of the Target's shares held by Oceans Holdings Co., Ltd., all material information concerning the Target's management, operation or assets that may reasonably be considered to influence the investment decisions of investors as defined in Article 1, Paragraph 4, Item 14 of the Cabinet Office Ordinance on Financial Instruments Business have been made public. Unless the conditions precedent set forth above are satisfied, Oceans Holdings Co., Ltd. will not be obligated to tender the shares of the Target in the Tender Offer. (Provided, however, that Oceans Holdings Co., Ltd. may waive the performance of all or any part of the above conditions precedent and still tender the shares of the Target in the Tender Offer.) The aggregate number of common shares of the Target (966,813,550 shares), assuming that the aforementioned Class A preferred shares and Class B preferred shares are converted into common shares, would be equivalent to approximately 15.74% (rounded according to the second decimal place) of the Aggregate Number of Issued Shares of the Target on a Fully Diluted Basis. According to the Amendment Report No. 25 to the Substantial Shareholding Report filed by Goldman Sachs Co., Ltd. with the Director-General of the Kanto Local Finance Bureau on September 24, 2009, out of all the Class B preferred shares held by Oceans Holdings Co., Ltd., the company converted all the Class B preferred shares (81,890,145 shares) that it held, except the Class B preferred shares that it has agreed to tender in the Tender Offer, into common shares of Target, acquiring 818,901,450 common shares of the Target.

(4) Prospects for delisting and reasons therefor

The Target's common shares are listed on the Tokyo Stock Exchange and the Osaka Securities Exchange. Because the Company has not set an upper limit on the number of shares that it will purchase in the Tender Offer, in the event that, as a result of the Tender Offer, the shares of the Target fall under the standards for delisting of shares from the Tokyo Stock Exchange or the Osaka Securities Exchange, there is the possibility that following the implementation of the specified procedures, the shares of the Target will be delisted. However, that the Company and the Target share a common understanding that they will continue to maintain, for the foreseeable future, even after the Tender Offer, the listing of the Target's shares on the Tokyo Stock Exchange and the Osaka Securities Exchange, and the Tender Offer does not contemplate the delisting of the Target's common shares as a result of the Tender Offer. In the event that, as a result of the Tender Offer, it becomes likely that the Target's shares will fall under such standards for the delisting of shares of the Tokyo Stock Exchange or the Osaka Securities Exchange, the Company and the Target will consult each other to seek measures to avoid delisting. At the present time, the Company does not intend to purchase further shares, etc. of the Target subsequent to the completion of the Tender Offer. Further, as described in Note below, the Company is considering the prospect of an eventual restructuring of the organization with the Target. However, at the present time, the Company has no definite schedule or plan.

(5) Remedies under competition laws

The Company and the Target intend to undertake the following remedies for resolving the competitive concerns pointed out by the Fair Trade Commission of Japan and the overseas competition law authorities in the course of their respective investigation of the Company's acquisition of the Target's shares through the Tender Offer (hereinafter in this section referred to as the "Share Acquisition").

(i) Remedy concerning rechargeable portable nickel metal-hydride batteries

In the course of the investigation of the Share Acquisition under applicable competition law, each of the United States Federal Trade Commission, the Ministry of Commerce of the People's Republic of China (hereinafter referred to as the "Ministry of Commerce of China"), and the European Commission pointed out that the Share Acquisition would give rise to competitive concerns in the market for rechargeable portable nickel metal-hydride batteries. In order to resolve such concerns, the Target will transfer to FDK Corporation (hereinafter referred to as "FDK") all the shares of SANYO Energy Twicell Co., Ltd. (hereinafter referred to as "SANYO Energy Twicell") which conducts the business concerning rechargeable portable nickel metal-hydride batteries. The detailed steps for such transfer are as follows. In order to enable SANYO Energy Twicell to conduct, as an entity that is independent of the Target, the business concerning rechargeable portable nickel metal-hydride batteries, the Target plans to, prior to the transfer of all the shares of SANYO Energy Twicell to FDK, (a) have SANYO Energy Twicell succeed to the Target's business concerning rechargeable portable nickel metal-hydride batteries by way of the absorption-type company split, (b) have a new company succeed to the SANYO Energy Twicell's business other than one concerning rechargeable portable nickel metal-hydride batteries by way of the incorporation-type company split, (c) acquire all the shares of such new company, (d) transfer, and grant a license of, the Target's intellectual property rights related to the business concerning rechargeable portable nickel metal-hydride batteries to SANYO Energy Twicell and (e) conduct any other relevant actions. The Target and FDK announced their execution of the memorandum of understanding on the relevant transaction on October 28, 2009, and subject to, among other things, obtaining the approval of the competition law authority for the share transfer, will carry out the share transfer on December 21, 2009.

(ii) Remedy concerning cylindrical primary lithium batteries and coin-shaped rechargeable lithium batteries

In the course of the investigation of the Share Acquisition under the applicable competition law, each of the Fair Trade Commission of Japan and the European Commission pointed out that the Share Acquisition would give rise to competitive concerns in the market for cylindrical primary lithium batteries or cylindrical manganese dioxide lithium batteries, a type of cylindrical primary lithium batteries. Furthermore, in the course of the investigation of the Share Acquisition under applicable competition law, each of the Ministry of Commerce of China and the European Commission pointed out that the Share Acquisition would give rise to competitive concerns in the market for coin-shaped rechargeable lithium batteries. In order to resolve such concerns, the Target will transfer to FDK all the shares of SANYO Energy Tottori Co., Ltd. (hereinafter referred to as "SANYO Energy Tottori") that conducts the business concerning cylindrical primary lithium batteries (With respect to cylindrical primary lithium batteries, the Target conducts the business only concerning cylindrical manganese dioxide lithium batteries.) and coin-shaped rechargeable batteries including coin-shaped rechargeable lithium batteries and the business of manufacturing electrode plates for nickel-cadmium batteries. The detailed steps for such transfer are as follows. In order to enable SANYO Energy Tottori to conduct, as an entity that is independent of the Target, the business concerning cylindrical primary lithium batteries and coin-shaped rechargeable batteries, the Target plans to, prior to the transfer of all the shares of SANYO Energy Tottori to FDK, (a) have SANYO Energy Tottori succeed to the Target's business concerning cylindrical primary lithium batteries and coin-shaped rechargeable batteries and part of business of manufacturing electrode plates for nickel-cadmium batteries by way of the absorption-type company split, (b) transfer, and a grant of license, the Target's intellectual property right related to the business concerning cylindrical primary lithium batteries and coin-shaped rechargeable batteries to SANYO Energy Tottori and (c) conduct any other relevant actions. The Target and FDK announced their execution of the memorandum of understanding on the relevant transaction on October 28, 2009, and subject to, among other things, obtaining the approval of the competition law authority for the share transfer, will carry out the share transfer on December 21, 2009.

(iii) Remedy concerning rechargeable nickel metal-hydride batteries for automotive use

(a) Transfer of Company's business concerning rechargeable nickel metal-hydride batteries for automotive use

In the course of the investigation of the Share Acquisition under applicable competition law, the Ministry of Commerce of China pointed out that the Share Acquisition would give rise to competition concerns in the market for rechargeable nickel metal-hydride batteries for automotive use. As one measure to resolve the concerns, the Company plans to transfer its business concerning rechargeable nickel metal-hydride batteries for automotive use to a third party.

(b) Remedy concerning PEVE undertaken by the Company

In the course of the investigation of the Share Acquisition under applicable competition law, the Ministry of Commerce of China pointed out that the Share Acquisition would give rise to competition concerns in the market for rechargeable nickel metal-hydride batteries for automotive use. As one measure to resolve the concerns, with respect to Panasonic EV Energy Co., Ltd. (hereinafter referred to as "PEVE"), which is the joint venture by and between the Company and Toyota Motor Corporation, and which is in the business of developing, manufacturing, and selling, etc. rechargeable nickel metal-hydride batteries for automotive use, the Company will implement measures agreed with the Ministry of Commerce of China necessary for eliminating the influence by the Company on the business concerning rechargeable nickel metal-hydride batteries for automotive use conducted by PEVE.

(Note) The Company and the Target entered into the Capital and Business Alliance Agreement on December 19, 2008. In the same agreement, the matters briefly described as follows have been agreed to:

i) The Company will acquire a majority of the voting rights of all shareholders of the Target (hereinafter referred to as the "Transactions") to make the Target its subsidiary and, will form a close alliance with the Target which may lead to an eventual restructuring of the organization, such as a merger with the Target, etc.;

ii) The Company shall commence the Tender Offer subject to the Target's endorsement of the Tender Offer and the Target's representation to that effect; provided, however, that the Target may reserve its opinion on the purchase prices for the Tender Offer or state that shareholders should each decide whether or not to tender their common shares to the Tender Offer;

iii) The Target represents, discloses and maintains its intention to endorse the Tender Offer subject to (a) the Tender Offer being lawful in accordance with the applicable laws inside and outside Japan, (b) the purchase prices for the Tender Offer being judged not to fall below a price considered appropriate upon the representation of intent to endorse the Tender Offer, (c) no third parties making a proposal that is reasonably judged to be more beneficial for the Target's shareholders by improvement of the Target's corporate value than the Transaction and (d) a possible breach of the Target's directors' obligation of due care of a good manager or other similar obligations does not exist in respect of the Target's representation of its intent to endorse the Tender Offer;

iv) The Target must not provide information to any other party, consider transacting with any other party or conduct other transactions, etc. that conflict with the Transactions or that materially interfere with the conducting of the Transactions (hereinafter referred to as the "Competitive Transactions") with any third party other than the Company until the completion of the Transactions; provided, however, that, if it is unavoidable for the Target to accept a proposal concerning Competitive Transactions and if the Target reasonably judges that the contents of the proposed Competitive Transactions presented by a party other than the Company will be more beneficial for the shareholders of the Target than the Transactions, the Target shall consult with the Company in good faith;

v) Excluding transactions, etc. separately agreed to by and between the Company and the Target, until the completion of the Transactions, the Target shall conduct the business of the Target and its subsidiary as it has done in the past in the ordinary course of business and shall make its subsidiaries do the same, and the Target shall not, beyond the ordinary course of the business, dispose of any material assets, bear debts or liabilities or conduct any other matters that may have a material adverse affect on the Target's business, assets or liabilities on a consolidated basis, consolidated financial conditions, consolidated operating results, consolidated cash flow or future profit plan and shall make its subsidiaries do the same;

vi) The Company and the Target shall immediately set up a "Collaboration Committee" after the execution of the Capital and Business Alliance Agreement and shall consider matters with respect to the management policy and control environment after the completion of the Transactions at the time and to the extent that is permitted under applicable laws and regulations in Japan and overseas;

vii) With respect to the matters which require negotiation with the Fair Trade Commission, foreign countries' competition law authorities and other supervising authorities, or permission from supervising authorities on antitrust laws or competition laws in Japan or overseas in connection with the Transactions, either the Company or the Target (whichever is obliged to respond to such matter pursuant to the relevant laws and regulations), shall perform necessary procedures under its own responsibility through consultation between the Company and the Target; and

viii) Following matters when the Transactions are completed

(a) Even if the Transactions are completed, the Company and the Target shall confirm that their common recognition is that common shares of the Target will remain listed for the time being. In the case where the requirement for remaining listed of common shares of the Target cannot be met as a result of the Tender Offer, the Company and the Target shall discuss the measures to be taken to avoid delisting.

(b) Even if the Transactions are completed, the Company and the Target shall maintain the Target's corporate name and SANYO brand while the Target remains listed.

(c) The Company and the Target shall discuss the Target's personnel affairs of new officers of the Target including dispatch of directors and auditors from the Company to the Target.

(d) The Company and the Target shall discuss the treatment of the Target's current directors, auditors and executive officers excluding those who have been appointed or seconded from preferred shareholders based on the basic policy that they will continue to be engaged in business operations.

(e) The Company plans a 100 billion yen-scale investment for collaboration with the Target for the purpose of acceleration of synergy realization. However, the specific content, details of timing of implementation and so forth shall be determined by consultation between the Company and the Target.

(f) Even if the Transactions are completed, the common recognition of the Company and the Target is that the Target will voluntarily operate its business in accordance with the mid-term management plan adopted by the Target in May 2008. In the case where it is objectively recognized that the said mid-term management plan has not been achieved or it is extremely difficult to achieve it, the Company and the Target shall discuss faithfully and make a decision on the method of the collaboration in light of maximizing value for the business group.

4. Tender Offer Period, Purchase Price and Number of Share Certificates, etc. Scheduled to be Purchased

(1) Tender Offer Period

a. Tender Offer Period determined at time of filing of the Statement

Tender Offer Period	From November 5, 2009 (Thursday) through December 7, 2009 (Monday) (22 business days)
Date of public notice	November 5, 2009 (Thursday)
Name of newspaper in which public notice is to be published	Public notice will be made electronically, as well as in a notice to be published in the *Nihon Keizai Shimbun*. The URL of the website on which the electronic public notice will be posted is as follows: (*http://info.edinet-fsa.go.jp/*)

b. Possible extension of Tender Offer Period at Target's request

If the Target submits an opinion report including a request for an extension of the tender offer period (hereinafter referred to as the "Tender Offer Period") pursuant to the provisions of Article 27-10, Paragraph 3 of the Law, the Tender Offer Period will be for 30 business days through December 17, 2009 (Thursday).

c. Contact information in case of extension of Tender Offer Period

Panasonic Corporation
1006, Oaza Kadoma, Kadoma-shi, Osaka
06-6908-1121
Hideaki Kawai,
Officer, General Manager, Corporate Finance & IR Group
Office hours for confirmation: From 9:00 a.m. to 5:30 p.m. on weekdays

(2) Tender Offer purchase price

Share certificates	Common shares: 131 yen per share Class A preferred shares: 1,310 yen per share Class B preferred shares: 1,310 yen per share
Certificates of Stock Acquisition Rights	-
Bond certificates with stock acquisition rights	-
Trust beneficiary certificates for share certificates, etc. ( )	-
Depositary receipt for share certificates, etc. ( )	-
Basis of calculation	The Company had discussed the possibility of establishing a capital and business alliance with the Target, in order to pursue synergies towards increased global competitiveness and to maximize corporate value through further enhancement of growth potential and on November 7, 2008, the Company agreed to enter into discussions regarding a capital and business alliance. On December 19, 2008, the Company received a valuation report from Merrill Lynch Japan Securities Co., Ltd. (hereinafter referred to as "MLJS," and with respect to fees payable to MLJS, please see Note 1 below). In addition to the results of the valuation conducted by MLJS, the Company comprehensively took into account factors including (i) the results of due diligence on the Target concerning its business, legal, financial matters, (ii) possibility of endorsement of the Tender Offer by the Target, (iii) discussions with the Target including those on the terms and conditions of the Tender Offer, (iv) the results of discussions and negotiations with Evolution Investments Co., Ltd., Oceans Holdings Co. Ltd. and Sumitomo Mitsui Banking Corporation, which are the major shareholders of the Target, and (v) the prospect of the Tender Offer, and the Company determined, at the Board of Directors' meeting held on December 19, 2008, the purchase prices for the Tender Offer, and then entered into the Capital and Business Alliance Agreement on December 19, 2008. Furthermore, on December 19, 2008, the Company received a fairness opinion letter from MLJS to the effect that, subject to certain assumptions, the purchase prices determined at the Board of Directors' meeting held on

	December 19, 2008, were fair from a financial point of view to the Company. Thereafter, the Company took necessary procedures and measures in Japan, the United States, Europe, China and various other countries under applicable Japanese or foreign competition law, and through the process described below, the Company redetermined the purchase prices for the Tender Offer and extended the Capital and Business Alliance Agreement with the Target on September 30, 2009. The purchase prices determined on December 19, 2008, and the purchase prices redetermined on September 30, 2009 are the same amount. In redetermining the purchase prices of the common shares, Class A preferred shares and Class B preferred shares for the Tender Offer on September 30, 2009, the Company requested MLJS to submit a valuation report regarding the share valuation of the Target, as reference material for determining the purchase prices. According to the valuation report submitted by MLJS to the Company on September 30, 2009, MLJS conducted the share valuation of the Target, performing an average market price analysis, a comparable company analysis and a discounted cash flow analysis (hereinafter referred to as "DCF analysis"), based upon and subject to the financial data and financial forecasts provided to it by the Company and certain other factors and assumptions. MLJS derived a range of implied valuation per share of the Target's common shares of 145 yen to 227 yen under the average market price analysis (based on the stock price as of a record date and the respective average stock prices during one month, three months and six months preceding the record date, where the record date is October 31, 2008, that is, the business day immediately preceding November 1, 2008, on which a newspaper reported the Tender Offer), 21 yen to 98 yen under the comparable company analysis, and 126 yen to 246 yen under the DCF analysis. These results under the DCF analysis include the synergies that the Company expects. Moreover, the results are based on the assumption that one Class A preferred share and one Class B preferred share will each be converted into ten (10) common shares. MLJS has provided supplementary explanation regarding the assumptions, disclaimers and other matters in connection with the share valuation. For further details, please see Note 2 below. In considering the purchase prices for the Tender Offer, the Company placed the most importance on the results under the DCF analysis, and the

	Company considered the purchase prices within the scope of such result, taking into account that (i) there is a possibility that the result of valuation under the average market price analysis fails to reflect sufficiently the dilution resulting from conversions of the Target's Class A preferred shares and Class B preferred shares and (ii) the result of valuation under the comparable company analysis fails to reflect the Target's future earning power and growth potential, sufficiently, while (iii) the result of valuation under the DCF analysis entertains the dilution resulting from conversions of the Target's Class A preferred shares and Class B preferred shares, reflects the Target's future earning power and growth potential, and entertains synergies. In addition to the results of the share valuation conducted by MLJS, the Company comprehensively took into account factors including the results of additional due diligence conducted to examine the situation after December 19, 2008, and the Company determined at the Board of Directors' meeting held on September 30, 2009, the purchase price of the common shares to be 131 yen per share, the purchase price of the Class A preferred shares to be 1,310 yen per share and the purchase price of the Class B preferred shares to be 1,310 yen per share, for the Tender Offer. Furthermore, on September 30, 2009, the Company received a fairness opinion letter from MLJS to the effect that, subject to certain assumptions, the purchase prices for the Tender Offer were fair from a financial point of view to the Company. Taking into account the prevailing situation after September 30, 2009, the Company resolved, at its Board of Directors' meeting held on November 4, 2009, the commencement of the Tender Offer under certain terms and conditions, including the above-stated purchase prices decided on at the Board of Directors' meeting of the Company held on September 30, 2009. The purchase prices for the Tender Offer represent a discount of (i) 42.5 % (rounded to the first decimal place) over the closing price of the common shares of the Target of 228 yen in ordinary trading on the first section of the Tokyo Stock Exchange on November 2, 2009, which was the business day immediately preceding November 4, 2009 on which the Company announced the commencement of the Tender Offer, (ii) 38.5 % (rounded to the first decimal place) over the simple average closing price of 213 yen (rounded to the whole number) in the previous one-month period

	ending on November 2, 2009, or (iii) 43.3 % (rounded to the first decimal place) over the simple average of the closing price of 231 yen (rounded to the whole number) in the previous three-month period ending on November 2, 2009. Note) Furthermore, the purchase prices for the Tender Offer represent a discount of (i) 39.4 % (rounded to the first decimal place) over the closing price of the common shares of the Target of 216 yen in ordinary trading on the first section of the Tokyo Stock Exchange on November 4, 2009, which was the business day immediately preceding the commencement date of the Tender Offer, (ii) 38.5 % (rounded to the first decimal place) over the simple average closing price of 213 yen (rounded to the whole number) in the previous one-month period ending on November 4, 2009, or (iii) 43.3 % (rounded to the first decimal place) over the simple average of the closing price of 231 yen (rounded to the whole number) in the previous three-month period ending on November 4, 2009.
Process of calculation	The Company had discussed the possibility of establishing a capital and business alliance with the Target, in order to pursue synergies towards increased global competitiveness and to maximize corporate value through further enhancement of growth potential and on November 7, 2008, the Company agreed to enter into discussions regarding a capital and business alliance. On December 19, 2008, the Company received a valuation report from MLJS. In addition to the results of the valuation conducted by MLJS, the Company comprehensively took into account factors including (i) the results of due diligence on the Target concerning its business, legal, financial and tax matters, (ii) possibility of endorsement of the Tender Offer by the Target, (iii) discussions with the Target including those on the terms and conditions of the Tender Offer, (iv) the results of discussions and negotiations with Evolution Investments Co., Ltd., Oceans Holdings Co. Ltd. and Sumitomo Mitsui Banking Corporation, which are the major shareholders of the Target, and (v) the prospect of the Tender Offer, and the Company determined, at the Board of Directors' meeting held on December 19, 2008, the purchase prices for the Tender Offer, and then entered into the Capital and Business Alliance Agreement on December 19, 2008. Furthermore, on December 19, 2008, the Company received a fairness

	opinion letter from MLJS to the effect that, subject to certain assumptions, the purchase prices determined at the Board of Directors' meeting held on December 19, 2008, were fair from a financial point of view to the Company. Thereafter, the Company took necessary procedures and measures in Japan, the United States, Europe, China and various other countries under applicable Japanese or foreign competition law, and through the process described below, the Company redetermined the purchase prices for the Tender Offer and extended the Capital and Business Alliance Agreement with the Target on September 30, 2009. The purchase prices determined on December 19, 2008, and the purchase prices redetermined on September 30, 2009 are the same amount. In determining the purchase prices for the Tender Offer, the Company recognized the risks in the Target's business, legal, financial and tax matters through due diligence on the Target conducted on or before December 19, 2008, and conducted additional due diligence to examine the situation thereafter, and analyzed the business plans concerning the Target and its subsidiaries and affiliates presented by the Target in the course of these due diligence, and modified such business plans at the Company's own discretion based on the results of the due diligence. In redetermining the purchase prices on September 30, 2009, the Company received a valuation report from MLJS. In such valuation report, MLJS conducted the share valuation of the Target, performing an average market price analysis, a comparable company analysis and a DCF analysis, based upon the business plans concerning the Target and its subsidiaries and affiliates, as modified by the Company at its own discretion. According to such valuation report, MLJS derived a range of implied valuation per share of the Target's common shares of 145 yen to 227 yen under the average market price analysis (based on the stock price as of a record date and the respective average stock prices during one month, three months and six months preceding the record date, where the record date is October 31, 2008, that is, the business day immediately preceding November 1, 2008, on which a newspaper reported the Tender Offer), 21 yen to 98 yen under the comparable company analysis, and 126 yen to 246 yen under the DCF analysis. These results under the DCF analysis include the synergies that the Company expects. Moreover, the results are based on the assumption that one Class A preferred share and one Class B preferred

	share will each be converted into ten (10) common shares. MLJS has provided supplementary explanation regarding the assumptions, disclaimers and other matters in connection with the share valuation. For further details, please see Note 2 below. In considering the purchase prices for the Tender Offer, the Company placed the most importance on the results under the DCF analysis, and the Company considered the purchase prices within the scope of such result, taking into account that (i) there is a possibility that the result of valuation under the average market price analysis fails to reflect sufficiently the dilution resulting from conversions of the Target's Class A preferred shares and Class B preferred shares and (ii) the result of valuation under the comparable company analysis fails to reflect the Target's future earning power and growth potential, sufficiently, while (iii) the result of valuation under the DCF analysis entertains the dilution resulting from conversions of the Target's Class A preferred shares and Class B preferred shares, reflects the Target's future earning power and growth potential, and entertains synergies. In addition to the results of the share valuation conducted by MLJS, the company comprehensively took into account factors including the results of additional due diligence. conducted to examine the situation after December 19, 2008, and the Company, at the Board of Directors' meeting held on September 30, 2009, ultimately determined the purchase price of the common shares to be 131 yen per share, the purchase price of the Class A preferred shares to be 1,310 yen per share and the purchase price of the Class B preferred shares to be 1,310 yen per share, for the Tender Offer. Furthermore, on September 30, 2009, the Company received a fairness opinion letter from MLJS to the effect that, subject to certain assumptions, the purchase prices for the Tender Offer were fair from a financial view point to the Company. Taking into account the prevailing situation after September 30, 2009, the Company resolved, at its Board of Directors' meeting held on November 4, 2009, the commencement of the Tender Offer under certain terms and conditions, including the above-stated purchase prices decided on at the Board of Directors' meeting of the Company held on September 30, 2009.

Note 1) MLJS is acting as financial advisor to the Company in connection with the Tender Offer and will receive fees from the Company for its services; a substantial portion of which is contingent upon the consummation of the

Tender Offer.

Note 2) MLJS, which conducted the share valuation of the Target at the Company's request and submitted a valuation report and a fairness opinion letter on each of December 19, 2008 and September 30, 2009, has furnished the Company with the following supplementary explanations concerning the assumptions, disclaimers and other matters.

MLJS made qualitative judgments as to the significance and relevance of each analysis and factor performed or considered by it in the share valuation of the Target. Accordingly, MLJS's analysis must be considered as a whole and selecting portions of its analysis could result in an incomplete understanding of the processes underlying such analysis and its opinion. MLJS made numerous assumptions with respect to the Company, the Target, industry performance and regulatory environment, general business, economic, market and financial conditions, as well as other matters, many of which are beyond the control of the Company and involve the application of complex methodologies and educated judgment.

The preparation of a fairness opinion letter, and the analysis of a share valuation upon which such opinion is based, are complex analytical processes involving various determinations as to the most appropriate and relevant methods of financial analyses and the application of those methods to the particular circumstances, and, therefore, such opinion and accompanying analysis are not readily susceptible to partial analysis or summary description. No company, business or transaction used in those analyses as a comparison is identical to the Company, the Target or the transaction contemplated herein, nor is an evaluation of the results of those analyses entirely mathematical: rather, it involves complex considerations and judgments concerning financial and operating characteristics and other factors that could affect the transactions, public trading or other values of the companies, business segments or transactions being analyzed. The estimates contained in those analyses and the ranges of valuations resulting from any particular analysis are not necessarily indicative of actual results or values or predictive of future results or values, which may be significantly more or less favorable than them. In addition, analyses relating to the value of business or securities are not appraisals and may not reflect the prices at which business, companies or securities actually may be sold. Accordingly, these analyses and estimates are inherently subject to substantial uncertainty.

In preparing its opinion and the analysis upon which such opinion is based, MLJS has assumed the accuracy and completeness of all information supplied to it by the Company and the Target or made publicly available, and has not undertaken an independent evaluation or appraisal of any particular asset or liability or been furnished with any such evaluation or appraisal. With respect to the information concerning financial forecasts by the Company and the Target and synergies expected to result from the Tender Offer, MLJS has assumed that they have been reasonably prepared and reflect the best currently available estimates and judgment of the Company's or the Target's management. MLJS's opinions and valuation reports were based upon economic conditions as they exist on, and on the information made available to it as of, the relevant date of such opinions and reports.

MLJS's opinions and valuation reports are solely for the use and benefit of the Board of Directors of the Company in its evaluation of the purchase prices for the Tender Offer. MLJS's opinions and valuation reports do not address the merits of the underlying decision by the Company to engage in the Tender Offer, nor do they constitute a recommendation to any shareholder of the Target as to whether such shareholder should tender any shares pursuant to the Tender Offer or any other matter. MLJS's opinions and valuation reports may not be relied upon by any shareholders of the Target or any other person.

(3) Number of share certificates, etc. scheduled to be purchased

Number of shares scheduled to be purchased	Minimum number of shares scheduled to be purchased	Maximum number of shares scheduled to be purchased
3,070,985,000 (shares)	3,070,985,000 (shares)	-

Note 1) If the total number of share certificates, etc. tendered in this Tender Offer is less than the minimum number of shares scheduled to be purchased (3,070,985,000 shares), none of the tendered share certificates, etc. will be purchased by the Tender Offeror. If the total number of share certificates, etc. tendered in this Tender Offer exceeds the minimum number of shares scheduled to be purchased, all of the tendered share certificates, etc. will be purchased by the Tender Offeror. Upon a determination that the minimum number of shares scheduled to be purchased has been tendered, the total number of share certificates, etc. tendered shall be calculated, with each Class A preferred share and each Class B preferred share tendered in this

Tender Offer being deemed as 10 common shares, since the right to request the Conversion to common shares of the Target is conferred on the Class A preferred shares and Class B preferred shares respectively. Furthermore, the minimum number of shares scheduled to be purchased (3,070,985,000 shares) is equal to a majority of the Aggregate Number of Issued Shares of the Target on a Fully Diluted Basis.

Note 2) Shares less than one unit are also subject to the Tender Offer.

Note 3) The Tender Offeror does not plan to purchase treasury shares held by the Target through the Tender Offer.

Note 4) It is possible that prior to the final day of the Tender Offer Period, all or part of the Class A preferred shares and Class B preferred shares may be converted to common shares; and common shares in the Target issued or transferred due to such Conversion are also subject to the Tender Offer.

Note 5) The maximum number of shares certificates, etc. of the Target to be purchased by the Tender Offeror through the Tender Offer is such number of shares (6,141,969,078 shares) as is obtained by adding (x) the total number of common shares (4,285,715,000 shares) as is obtained in the event of the conversion to common shares of all of the issued Class A preferred shares (182,542,200 shares) and Class B preferred shares (246,029,300 shares) as of June 30, 2009, described in the Target's First Quarterly Report for the 86th term submitted on August 5, 2009 to (y) the total number of issued common shares as of June 30, 2009 (1,872,338,099 shares), described in the same report, minus (z) the number of treasury shares held by the Target (16,084,021 shares) as of March 31, 2009, described in the Target's Annual Securities Report for the 85th term submitted on June 29, 2009.

5. Holding Ratio of Share Certificates, etc. after Tender Offer

Category	Number of voting rights
(a) Number of voting rights relating to share certificates, etc. scheduled to be purchased	3,070,985
(b) Number of voting rights relating to potential share certificates, etc. included in item (a) above	1,395,068
(c) Number of voting rights relating to trust beneficiary certificates and depositary receipts for share certificates, etc. included in item (b) above	-
(d) Number of voting rights relating to share certificates owned by the Tender Offeror (as of November 5, 2009)	-
(e) Number of voting rights relating to potential share certificates, etc. included in item (d) above	-
(f) Number of voting rights relating to trust beneficiary certificates and depositary receipts for share certificates, etc. included in item (e) above	-
(g) Number of voting rights relating to share certificates, etc. owned by special related parties (as of November 5, 2009)	1,568
(h) Number of voting rights relating to potential share certificates, etc. included in item (g) above	-
(i) Number of voting rights relating to trust beneficiary certificates and depositary receipts for share certificates, etc. included in item (h) above	-
(j) Total number of voting rights of shareholders, etc. of the Target (as of March 31, 2009)	3,669,611
Ratio of number of voting rights relating to share certificates, etc. scheduled to be purchased to the total number of voting rights of shareholders, etc. (a/j) (%)	50.01
Holding ratio of share certificates, etc. after Tender Offer ((a＋d＋g)/(j＋(b－c)+(e－f)+(h－i)) × 100) (%)	50.04

Note 1) The “number of voting rights relating to share certificates, etc. scheduled to be purchased” (Item (a)) is the number of voting rights relating to the number of shares scheduled to be purchased for the Tender Offer.

Note 2) Although Class A preferred shares have voting rights exercisable at a general meeting of shareholders, Class B preferred shares do not have such voting rights, unless otherwise prescribed by laws and regulations.

Therefore, the “number of voting rights relating to potential share certificates, etc. included in item (a) above” (Item (b)) is the total number of voting rights relating to the common shares in the case of the Conversion of all Class B preferred shares (139,506,855 shares), remaining after deducting Class B preferred shares converted into common shares on September 18, 2009 by Oceans Holdings Co., Ltd. (81,890,145 shares) and Class B preferred shares converted into common shares on September 30, 2009 by Evolution Investments Co., Ltd. (24,632,300 shares) from issued and outstanding Class B preferred shares (246,029,300 shares) as of June 30, 2009, described in the Target’s First Quarterly Report for the 86th term submitted on August 5, 2009.

Note 3) The “number of voting rights relating to share certificates, etc. owned by special related parties” (Item (g)) is the total number of voting rights relating to share certificates, etc. owned by each special related party (including share certificates, etc. in cases stipulated in each Items of Article 7 Paragraph 1 of Enforcement Order).

Note 4) The “total number of voting rights of shareholders, etc. of the Target ” (Item (j)) is the total number of voting rights of all shareholders as of March 31, 2009, which is described in the Target’s First Quarterly Report for the 86th term submitted on August 5, 2009 (indicated therein as 1,000 shares per unit in the case of common shares, and 100 shares per unit in the case of the Class A preferred shares). However, that since the shares less than one unit are also being targeted in the Tender Offer, and since the Class A preferred shares and the Class B preferred shares are convertible shares, in calculating both the “ratio of the number of voting rights relating to share certificates, etc. scheduled to be purchased to the total number of voting rights of shareholders, etc.” and the “holding ratio of share certificates, etc. after the Tender Offer,” the figure 6,140,445, which is used as the denominator in the above calculations, is the aggregate of (i) the total number of voting rights (1,844,189) relating to common shares as of March 31, 2009 as stated in the Target’s First Quarterly Report for the 86th term submitted on August 5, 2009, (ii) the number of voting rights (10,541) relating to shares less than one unit (10,541,078 shares) (obtained by deducting the treasury shares less than one unit held by the Target (21 shares) as of March 31, 2009 as stated in the Target’s Annual Securities

Report for the 85th term submitted on June 29, 2009, from the shares less than one unit (10,541,099 shares) as of March 31, 2009 as stated in the Target's First Quarterly Report for the 86th term submitted on August 5, 2009), and (iii) the total number of voting rights (4,285,715) relating to common shares in the event that the Class A preferred shares (182,542,200 shares) and the Class B preferred shares (246,029,300 shares), as of March 31, 2009 as stated in the Target's First Quarterly Report for the 86th term submitted on August 5, 2009), are fully converted to common shares.

Note 5) The "ratio of the number of voting rights relating to share certificates, etc. scheduled to be purchased to the total number of voting rights of shareholders, etc." and the "holding ratio of share certificates, etc. after the Tender Offer" are rounded to the second decimal place.

6. Approval, etc. with respect to Acquisition of Share Certificates

(1) Class of Shares

a. Common Shares

b. Preferred Shares

(i) Class A Preferred Shares

(ii) Class B Preferred Shares

(2) Applicable laws and regulations

(i) 1976 Hart-Scott-Rodino Antitrust Act of the United States

The Tender Offeror is required to file a Premerger Notification Form concerning business combination with the Antitrust Division of the United States Department of Justice and the Federal Trade Commission of the United States (hereinafter collectively referred to as the "United States Antitrust Agencies") prior to the acquisition of the shares of the Target through the Tender Offer (hereinafter referred to as the "Share Acquisition" in this section) pursuant to the United States Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (hereinafter referred to as the "United States Antitrust Act"). Within 15 days after the receipt of such Premerger Notification Form, the United States Antitrust Agencies will determine whether or not to conduct a more detailed investigation (the second-phase investigation). If the United States Antitrust Agencies decide to conduct the second-phase investigation within 15 days of the receipt of the Premerger Notification Form, one of the United States Antitrust Agencies will make a request for additional materials (the second request) from the Tender Offeror and conduct the second-phase investigation. In such case, unless one of the United States Antitrust Agencies take measures such as prohibition of the Share Acquisition during a certain waiting period, the Tender Offeror may carry out the Share Acquisition after the termination of the aforementioned certain waiting period. The Premerger Notification Form concerning the Share Acquisition was received by the United States Antitrust Agencies on February 9, 2009 (local time). Subsequently, the Federal Trade Commission issued to the Tender Offeror a second request on February 24, 2009 (local time), and conducted the second-phase investigation. In the course of the second-phase investigation,, the Tender Offeror proposed the remedy as described herein under "(5) Remedies under competition laws" of "3. Purpose of the Tender Offer" above to the Federal Trade Commission. Although the investigation by the Federal Trade Commission is currently still continuing, focused on the said proposed remedy, it is expected that the aforementioned waiting period will terminate without measures such as prohibition of the Share Acquisition being taken by the Federal Trade Commission within the Tender Offer Period determined at time of filing of the Statement as described herein under "a. Tender Offer Period determined at time of filing of the Statement" of "(1) Tender Offer Period" of "4. Tender Offer Period, Purchase Price and Number of Share Certificates, etc. Scheduled to be Purchased" above.

(ii) EC Merger Regulation

The Tender Offeror is required to file a premerger notification concerning business combination with the European Commission prior to implementing the Share Acquisition pursuant to the Council Regulation (EEC) No. 139/2004 of January 20, 2004 (the "EC Merger Regulation"). Within 25 business days of receipt of the notification mentioned above (which may be extended up to 35 business days), the European Commission will determine whether (a) to approve the Share Acquisition or (b) to conduct a more detailed investigation.

In the case where the European Commission approves the Share Acquisition or does not make any determination regarding the Share Acquisition within the period of 25 or 35 business days (as appropriate), the Share Acquisition will be deemed to have been implemented in compliance with the EC Merger Regulation and the Tender Offeror will be qualified to implement the Share Acquisition and exercise the voting rights of the relevant shares under the EC Merger Regulation. The premerger notification concerning the Share Acquisition was received by the European Commission on August 11, 2009 (local time). Subsequently, the European Commission approved the implementation of the Share Acquisition on September 29, 2009 (local time) on the condition that the Tender Offeror implement certain remedies concerning rechargeable portable nickel metal-hydride batteries, cylindrical primary lithium batteries and coin-shaped rechargeable lithium batteries. As a remedy to satisfy such condition, it is planned that the Target will implement the remedy as described herein under "(5) Remedies under competition laws" of "3. Purpose of the Tender Offer" above. Since the Tender Offeror proposed the aforementioned remedy on September 8, 2009 (local time), the aforementioned period was extended to 35 business days from August 11, 2009 (local time).

(iii) Antitrust Act of China

The Tender Offeror is required to file a prior notification concerning business combination with the Ministry of Commerce of China prior to the Share Acquisition pursuant to the Antitrust Act of China (hereinafter referred to as the "Antitrust Act of China"). Within 30 days after the receipt of such prior notification (investigation period), the Ministry of Commerce of China will determine whether or not (a) to approve the Share Acquisition or (b) to conduct a more detailed investigation (the second-phase investigation). Within 90 days after the day on which the Ministry of Commerce of China decides that the second-phase investigation is necessary (investigation period; however, if the investigation period is extended (the third-phase investigation), such period for investigation may be extended up to additional 60 days), the Ministry of Commerce of China will determine whether or not to approve the Share Acquisition. The prior notification concerning the Share Acquisition was received by the Ministry of Commerce of China on May 4, 2009 (local time). Subsequently, after conducting the second-phase investigation and the third-phase investigation, the Ministry of Commerce of China approved implementation of the Share Acquisition on October 30, 2009 (local time) on the condition that the Tender Offeror implement certain remedies concerning rechargeable portable nickel metal-hydride batteries, rechargeable nickel metal-hydride batteries for automotive use and coin-shaped rechargeable lithium batteries. As a remedy to satisfy such condition, it is planned that the Tender Offeror or the Target will implement the remedy as described herein under “(5) Remedies under competition laws” of “3. Purpose of the Tender Offer” above..

(iv) 2002 Fair Trade Law of Taiwan

The Tender Offeror is required to file a prior notification concerning business combination with the Fair Trade Commission of Taiwan prior to the Share Acquisition pursuant to the 2002 Fair Trade Law of Taiwan, as amended (hereinafter referred to as the “Fair Trade Law of Taiwan”). Under the Fair Trade Law of Taiwan, unless the Fair Trade Commission of Taiwan takes measures such as prohibition of the Share Acquisition during the waiting period of 30 days commencing on the day on which such prior notice is received (which may be extended up to 60 days), the Tender Offeror will be qualified to conduct the Share Acquisition after the completion of the aforementioned waiting period. The prior notification concerning the Share Acquisition was received by the Fair Trade Commission of Taiwan on June 9, 2009 (local time) and the waiting period ended on July 9, 2009 (local time) without the Fair Trade Commission of Taiwan taking any of the aforementioned measures.

(v) Competition Act of Canada

The Tender Offeror is required to file a merger notification concerning business combination with Canada’s Bureau of Competition (hereinafter referred to in this section as the “Bureau of Competition”) prior to the Share Acquisition, pursuant to the Canadian Competition Act, as amended (hereinafter referred to as the “Competition Act of Canada”). Under the Competition Act of Canada, unless the Competition Tribunal of Canada that conducted the examination based on the application by the Bureau of Competition takes measures such as prohibition of the Share Acquisition, the Tender Offeror may conduct the Share Acquisition upon the expiry of a certain waiting period commencing on the day on which such merger notification is received. The merger notification concerning the Share Acquisition was received by the Bureau of Competition on January 16, 2009 (local time), and the aforementioned waiting period expired on January 30, 2009 (local time). Subsequently, on February 26, 2009 (local time), the Bureau of Competition gave notice to the Tender Offeror to the effect that the Bureau of Competition had no intention to make any application for the aforementioned measures in respect of the Share Acquisition.

(vi) Federal Law on Economic Competition of Mexico

The Tender Offeror is required to file a prior notification concerning business combination with the Federal Competition Commission (hereinafter referred to as the "FCC") prior to the Share Acquisition pursuant to the Federal Law on Economic Competition of Mexico, as amended (hereinafter referred to as the "Federal Competition Law"). Under the Federal Competition Law, the FCC has 35 business days to issue its resolution regarding the Share Acquisition after such prior notification is received. The prior notification concerning the Share Acquisition was received by the FCC on January 28, 2009 (local time). Subsequently, on February 26, 2009 (local time), the FCC approved the Share Acquisition, and, on the same day, the FCC gave notice to that effect to the Tender Offeror.

(vii) 1998 Competition Act of the Republic of South Africa

The Tender Offeror is required to file a merger notification concerning the business combination with the Competition Commission of South Africa prior to the Share Acquisition pursuant to Competition Act 89 of 1998 of the Republic of South Africa, as amended. Within the investigation period of 20 business days (which may be extended up to 60 business days), the Competition Commission of South Africa determines whether (a) to approve the Share Acquisition, (b) to approve the Share Acquisition subject to any conditions or (c) to prohibit the Share Acquisition. In addition, if the Competition Commission of South Africa does not make any decision within the aforementioned investigation period, the Share Acquisition shall be regarded as having been approved. The merger notification was received by the Competition Commission of South Africa on January 21, 2009 (local time). Subsequently, the Competition Commission of South Africa approved the Share Acquisition on March 17, 2009 (local time).

The Tender Offeror may withdraw the Tender Offer if, on or prior to the day immediately preceding the completion of the Tender Offer Period (including the case where the Tender Offer Period is extended), (a) the waiting period mentioned in (i) above does not terminate or (b) the Federal Trade Commission of the United States takes measures such as prohibition of the Share Acquisition, since such event would constitute an event listed in Article 14, Paragraph 1, Item 4 of the Enforcement Order which is described in “(2) Conditions of Withdrawal, etc. of Tender Offer, Details thereof and method of disclosure of withdrawal, etc.” of “11. Other Conditions and Methods of Purchase, etc.” below.

(3) Date and approval number, etc.

Jurisdiction	Administrative Body	Date of approvals, etc.	Approval Number, etc.
Europe	European Commission	September 29, 2009	Case No COMP/M.5421
China	Ministry of Commerce of China	October 30, 2009	Official Announcement No. 82-2009 of Ministry of Commerce of China
Taiwan	Fair Trade Commission of Taiwan	July 9, 2009	Fair-II-0980005693
Canada	Bureau of Competition of Canada	February 26, 2009	Project: 3103116
Mexico	Federal Competition Commission	February 26, 2009	CNT-007-2009
Republic of South Africa	Competition Commission of South Africa	March 17, 2009	2009JAN4229

7. Method of Tendering Share Certificates, etc. in the Tender Offer and Canceling the Tender of Share Certificates, etc.

(1) Method of tendering share certificates, etc. in the Tender Offer

a. Tender Offer Agent
Nomura Securities Co., Ltd.
9-1, Nihonbashi 1-chome, Chuo-ku, Tokyo

b. (i) In the case of common shares

Please fill out the “Form for Tender” and submit such form to the head office or any branch of the Tender Offer Agent in Japan (excluding NOMURAJOY, which is a service provided by the Tender Offer Agent only on the Internet that will be started on November 23, 2009) by no later than 3:30 p.m. on the last day of the Tender Offer Period. Personal seals and identification documents may be required at the time of tender. (See Note 1 below.)

Upon the merger between the Tender Offer Agent and JOINVEST Securities Co., Ltd. on November 23, 2009, NOMURAJOY, which is a service provided by the Tender Offer Agent only on the Internet, will be started. Share certificates, etc. may be tendered via NOMURAJOY on November 23, 2009 (inclusive). Share certificates, etc. tendered via NOMURAJOY will be accepted by the method shown on the website of NOMURAJOY (https://www.nomurajoy.jp/). However, even if share certificates, etc. are tendered using the Internet, share certificates, etc. that are tendered via Nomura Home Trade, which is an online service of the Tender Offer Agent, may not be accepted.

(ii) In the case of preferred share

Please fill out the “Form for Tender” and submit such form by no later than 3:30 p.m. on the last day of the Tender Offer Period, together with (x) the “Registration Certificate (matters to be specified in the shareholder register provided by the Target pursuant to Article 122, Paragraph 1 of the Companies Act)” to be issued by the Target evidencing the matters to be specified in the shareholder register as of a point in time after November 5, 2009 (inclusive), which is the commencement date of the Tender Offer, (including the fact that any pledge has not been created on such tendered shares) (a “Registration Certificate” that evidences the matters to be specified in the shareholder register as of a point in time before November 5, 2009 cannot be used to tender shares in the Tender Offer) and (y) the “Written Request for Shareholders’ Register Transfer” that contains the name and address of the relevant shareholder specified in the “Registration Certificate,” as well as the seal registered with the Target (a “Written Request for Shareholders’ Register Transfer” that bears seals other than the registered seal cannot be used to tender shares in the Tender Offer). Personal seals and identification documents may be required at the time of tender. (See Note 1 below.)

Share certificates, etc. will not be accepted via NOMURAJOY, which is a service provided by the Tender Offer Agent only on the Internet.

c. In order to tender the Target’s common shares in the Tender Offer, such shares will need to be registered in accounts set up in the name of the tendering shareholders, etc. with the Tender Offer Agent (each hereinafter referred to as the “Tendering Shareholder Account”). As a result, any of the Target’s common shares that are held in accounts with other financial instruments dealers (including the special accounts set up with The Sumitomo Trust and Banking Co., Ltd., the Target’s shareholder registry administrator) other than the Tender Offer Agent will need to be transferred into a Tendering Shareholder Account before they can be tendered in the Tender Offer.

d. No share certificates, etc. tendered to the Tender Offer through any financial instruments dealers other than the Tender Offer Agent will be accepted under the Tender Offer.

e. Shareholders that reside outside Japan and that do not have a trading account with the Tender Offer Agent (including corporate shareholders, etc. hereinafter referred to as the “Non-Resident Shareholders, etc.”) are requested to tender share certificates, etc. to the Tender Offer through their standing proxies residing in Japan. Share certificates, etc. submitted by Non-Resident Shareholders, etc. will not be accepted via NOMURAJOY, which is a service provided by the Tender Offer Agent only on the Internet.

f. As for individual shareholders residing in Japan, any difference between the purchase price for the share certificates, etc. sold through the Tender Offer and the original cost of acquiring the same shall generally be subject to self-assessment taxation separate from other income with regard to capital gains on the shares. (See Note 2 below.)

g. Upon acceptance of a Form for Tender, the Tender Offer Agent shall deliver a receipt of such form to the tendering shareholders, etc. To the tendering shareholders who tendered share certificates, etc. via NOMURAJOY, which is a service provided by the Tender Offer Agent only on the Internet, the receipt will be delivered by displaying such receipt on the tendering screen.

h. In the event that all of the tendered share certificates, etc. are not purchased, the share certificates, etc. not purchased shall be returned to the tendering shareholders, etc.

Note 1) Seals, Identification Documents

Identification documents as well as personal seals are necessary when shareholders open a new account with Nomura Securities Co., Ltd., the Tender Offer Agent. Shareholders who already have an account therewith may also be requested to present identification documents in certain cases. Details regarding necessary identification documents and related matters can be obtained from the Tender Offer Agent.

Principal Identification Documents

Individuals: Originals, issued within six months of submission to the Tender Offer Agent, of:

i) a copy of residence registry (*jyumin-hyo*);
ii) a certificate of record of residence registry (*jyumin-hyo-no-kisai-jikou-shoumeisho*);
iii) a certificate of record of alien registration card (*gaikokujin-touroku-genpyou-no-kisai-jikou-shoumeisho*);
iv) a copy of alien registration card; or
v) a certificate of registered seal (*inkan-touroku-shoumeisho*).

Valid originals of:

i) national health insurance card of any kind (*kenkou-hoken-sho*);
ii) driver's license;
iii) basic resident registration card (*jyumin-kihon-daicho card*) indicating shareholder's name, address and date of birth;
iv) welfare card of any kind (*fukushi-techo*);
v) alien registration certificate (*gaikokujin-touroku-shoumeisho*);
vi) passport; or

vii) national pension book (*kokumin-nenkin-techo*) issued before December 31, 1996.

* Identification documents must be valid.
* Identification documents must allow confirmation of:
(1) the expiration date of the identification documents; and
(2) the address, name and date of birth of the individual shareholder stated in the Form for Tender.

* If tendering by mail, please ensure that the originals or copies of any of the documents mentioned above are enclosed. Where copies are submitted, the originals may be required to be presented as well, if deemed necessary. Nomura Securities Co., Ltd. will mail a "Letter With Respect to the Transaction" to the address described in the identification documents for verification of identification.

Corporations: Certificate of corporate registry; or documents issued by governmental authorities:

* Such documents must allow confirmation of:
(1) the corporate name; and
(2) the location of head office or principal office

In addition to the documents identifying the corporate shareholder, identification documents of the corporate shareholder's representative, its proxy or the person having authority to execute agreements is required.

Non-Resident Shareholders:
For foreign individual shareholders that do not reside in Japan and corporations with a head office or principal office outside Japan, identification documents issued by a foreign government recognized by the Japanese government or a competent international organization, or any other similar

documents equivalent to identification documents for residents of Japan, are required.

If you would like to open a new account at NOMURAJOY, please request a kit for opening an account from the website of NOMURAJOY (https://www.nomurajoy.jp/) and conduct the necessary procedures. It will require a certain period to open the account, so please confirm the required period, etc. and conduct the procedures early.

Note 2) Self-assessment taxation separate from other income with regard to capital gains on shares (for individual shareholders):

For individual shareholders, capital gains realized from income received on a transfer of shares will generally be subject to self-assessment taxation separate from other income. Each shareholder should consult his or her own licensed tax accountant or other expert with respect to any specific questions regarding tax consequences and is responsible for his or her own decisions.

(2) Method of canceling the tender of share certificates, etc. to the Tender Offer

Tendering shareholders, etc. may, at any time during the Tender Offer Period, cancel any agreement relating to the Tender Offer. Tendering shareholders, etc. who wish to cancel their tenders must deliver, or send by mail, a cancellation notice stating that such tendering shareholder, etc. is canceling his/her tender for the Tender Offer (hereinafter referred to as the “Cancellation Notice”) together with the receipt of Form for Tender, to the head office or any branches of the person specified below (excluding NOMURAJOY, which is a service by the Tender Offer Agent provided only on the Internet) in Japan that accepted the tender no later than 3:30 p.m. on the last day of the Tender Offer Period. Please note that the Cancellation Notice, if sent by mail, must be received no later than 3:30 p.m. on the last day of the Tender Offer Period. If tendering shareholders, etc. wish to cancel any tender made via NOMURAJOY, please conduct the cancellation procedures by the method shown on the website of NOMURAJOY (https://www.nomurajoy.jp/) no later than 3:30 p.m. on the last day of the Tender Offer Period.

Person authorized to receive the Cancellation Notice:
Nomura Securities Co., Ltd.

9-1, Nihonbashi 1-chome, Chuo-ku, Tokyo (or any other branches in Japan of Nomura Securities Co., Ltd.)

(3) Method of returning share certificates, etc.

If a tendering shareholder, etc. gives such notice of cancellation by the method described in "(2) Method of canceling the tender of share certificates, etc. to the Tender Offer" above, the relevant share certificates, etc. will be returned promptly following the completion of the cancellation procedures by the method described in "(4) Method of returning share certificates, etc." of "10. Method of settlement" below.

(4) Name and address of head offices of financial instruments dealers and banks, etc. responsible for keeping custody of and returning share certificates

Nomura Securities Co., Ltd.
9-1, Nihonbashi 1-chome, Chuo-ku, Tokyo

8. Funds Required for Purchase, etc.

(1) Funds, etc. required for purchase, etc.

(a) Payment for purchase (yen)	402,299,035,000
Type of consideration other than cash	-
Total value of consideration other than cash	-
(b) Commission	100,000,000
(c) Others	20,000,000
Total (a)＋(b)＋(c)	402,419,035,000

Note 1) "Payment for purchase (yen)" (Item (a)) above is the amount calculated by multiplying the number of shares scheduled to be purchased (3,070,985,000 shares) by the purchase price per share of 131 yen; provided, however, that, if the actual total number of tendered share certificates, etc. exceeds the number of share certificates, etc. scheduled to be purchased, all of the tendered share certificates, etc. will be purchased. Consequently, when the maximum number of shares (6,141,969,078 shares) are purchased, the payment for purchase will be 804,597,949,218 yen, and in such case, the total amount obtained by adding "Commission" (Item (b)) and "Others" (Item (c)) above will be 804,717,949,218 yen.

Note 2) "Commission" (Item (b)) is the estimated amount of commission to be paid to the Tender Offer Agent.

Note 3) "Others" (Item (c)) is comprised of estimated fees and expenses for public notice, the printing of the tender offer explanatory statement and other necessary documents.

Note 4) The other costs and expenses to be paid to the Tender Offer Agent and the fees, etc. for legal counsel will also be paid. However, the amounts of such expenses and fees have not yet been determined.

Note 5) Consumption tax and similar charges are not included in any amount above.

(2) Deposits or loans, etc. which may be applied to funds required for purchase, etc.

a. Existing deposits as of one or two days prior to the filing date

Type of Deposits	Amount (thousands of yen)
-	-
Total (a)	-

b. Borrowings as of the day preceding the filing date

(i)【Financial institutions】

	Lender's business category	Name, etc. of Lender	Description of loan agreement	Amount (thousands of yen)
1	-	-	-	-
2	-	-	-	-
Total				-

(ii)【Non-financial institutions】

Lender's business category	Name, etc. of Lender	Description of loan agreement	Amount (thousands of yen)
-	-	-	-
Total			-

c. Funds to be borrowed after the filing date

(i)【Financial institutions】

	Lender's business category	Name, etc. of Lender	Description of the loan agreement	Amount (thousands of yen)
1	-	-	-	-
Total (b)				-

(ii)【Non-financial institutions】

Lender's business category	Name, etc. of Lender	Description of loan agreement	Amount (thousands of yen)
Financial business	Panasonic Global Treasury Center B.V. (Note 1) (H-16 World Trade Center, Zuidplein 136 1077 XV Amsterdam, Netherlands)	Borrowings to be applied to funds required for purchase, etc. (Note 2)	20,000,000
Total (c)			20,000,000

Note 1) Panasonic Global Treasury Center B.V. is a wholly-owned subsidiary of the Tender Offeror and engages in receiving the deposit of funds and issuance of loans, etc. for Panasonic Group, including the funds of the Tender Offeror.

Note 2) Details in respect of the timing, method, period, interest rate, etc. applicable to the above financing will be determined after further discussions between the Tender Offeror and the financing party. In order to ensure that the above financing is provided, the Tender Offeror has obtained from Panasonic Global Treasury Center B.V. a commitment letter stating that Panasonic Global Treasury Center B.V. will provide financing to the Tender Offeror in an amount up to 20,000,000,000 yen for payment of the purchase of shares and costs incidental thereto that are to be incurred in connection with the Tender Offer.

d. Other methods of financing

Description	Amount (thousands of yen)
Deposit with Panasonic Global Treasury Center B.V.	872,134,445
Total (d)	872,134,445

Note 1) Panasonic Global Treasury Center B.V. is a wholly-owned subsidiary of the Tender Offeror and engages in receiving the deposit of funds and issuance of loans, etc. for Panasonic group, including the funds of the Tender Offeror.

Note 2) In order to ensure that the above financing is provided, the Tender Offeror has obtained a certification of deposit from Panasonic Global Treasury Center B.V., and a bank certification of deposit relating to the deposit of Panasonic Global Treasury Center B.V. from Sumitomo Mitsui Banking Corporation, Mizuho Corporate Bank. Ltd. and Citibank Japan Ltd., which are the financial institutions in which Panasonic Global Treasury Center B.V. has deposited its money.

Note 3) The bank certification of deposit stated above includes 495,000,000 dollars. Such deposit denominated in dollars is exchanged to 45,074,700,000 yen, being calculated at the exchange rate of 1 dollar = 91.06 yen, which is the telegraphic transfer selling rate vis-à-vis customers in the Tokyo foreign exchange market as quoted from The Bank of Tokyo-Mitsubishi UFJ, Ltd. on November 2, 2009.

e. Total amount of deposits or loans which may be applied to funds required for purchase, etc.

892,134,445 thousand yen ((a)＋(b)＋(c)＋(d))

(3) Relationship, etc. between Tender Offeror and the company issuing securities to be used as consideration for purchase, etc.

N/A

9. Condition of the Company Issuing Securities to be Used as Consideration for Purchase, etc.

N/A

10. Method of Settlement

(1) Name and address of head offices of financial instruments dealers and banks, etc. responsible for settlement of purchase, etc.

Nomura Securities Co., Ltd.

9-1, Nihonbashi 1-chome, Chuo-ku, Tokyo

(2) Tender Offer settlement commencement date

December 11, 2009 (Friday)

(Note) If the Target submits an opinion report including a request for an extension of the Tender Offer Period pursuant to the provisions of Article 27-10, Paragraph 3 of the Law, the settlement commencement date will be extended to December 25, 2009 (Friday).

(3) Method of settlement

A notice of purchase, etc. through the Tender Offer shall be mailed to the addresses of the tendering shareholders, etc. (or the addresses of the standing proxies in the case of Non-Resident Shareholders, etc.) without delay after the expiry of the Tender Offer Period, except where the share certificates, etc. are accepted via NOMURAJOY, an internet service provided by the Tender Offer Agent. In cases where the share certificates, etc. are accepted via NOMURAJOY, an internet service provided by the Tender Offer Agent, a notice of purchase will be delivered via NOMURAJOY pursuant to the instructions given on NOMURAJOY's website: (https://www.nomurajoy.jp/). Payment for the shares will be made in cash. Payment of the purchase price through the Tender Offer will be made by the method instructed by the tendering shareholders, etc., including remittance (tendering shareholders, etc. may be liable for bank fees incurred in remitting the payment.) If it becomes apparent that (1) the Tender Offeror cannot be recorded in the shareholders register as the holder of the Target's tendered preferred shares for some reason, such as, the said shares were transferred by the tendering shareholder to a party other than the Tender Offeror, or (2) a security right or other similar pledge has been created in the tendered preferred shares, then the Tender Offeror may withhold the payment of the purchase price, in whole or in part, for the tendered preferred shares; provided, however, upon a determination that the minimum number of shares scheduled to be purchased has been tendered, the total number of share certificates, etc. tendered shall be calculated to include such preferred shares.

(4) Method of returning share certificates, etc.

(i) In the case of common shares

In the event that all of the tendered share certificates, etc. are not purchased under the terms and conditions mentioned in "(1) Conditions set forth in each Item of Article 27-13, Paragraph 4 of the Law" and "(2) Conditions of withdrawal, etc. of Tender Offer, details thereof and method of disclosure of withdrawal, etc." of "11. Other Conditions and Methods of Purchase, etc.," the share certificates, etc. required to be returned will, promptly on and after the commencement date of settlement (or the date of withdrawal, etc. in the event of a withdrawal, etc. of the Tender Offer), be returned by restoring the record of the shares to its state immediately prior to such application. (If you would like to transfer the record of the share certificates, etc. to the account established in any other financial instruments dealer, please indicate accordingly.)

(ii) In the case of preferred shares

In the event that all of the tendered share certificates, etc. are not purchased under the terms and conditions mentioned in "(1) Conditions set forth in each Item of Article 27-13, Paragraph 4 of the Law," and "(2) Conditions of withdrawal, etc. of Tender Offer, details thereof and method of disclosure of withdrawal, etc." of "11. Other Conditions and Methods of Purchase, etc.," then the documents provided upon the tendering of the preferred shares, i.e., the "Share Registration Certificate" and the "Written Request for Shareholders' Register Transfer" shall be, promptly on or after the commencement date of settlement (or the date of withdrawal, etc. in the event of a withdrawal, etc. of the Tender Offer), returned by mailing the documents to the addresses of the tendering shareholders, pursuant to instructions by a tendering shareholder.

11. Other Conditions and Methods of Purchase, etc.

(1) Conditions set forth in each Item of Article 27-13, Paragraph 4 of the Law

If the total number of the tendered share certificates, etc. in this Tender Offer is less than the minimum number of shares scheduled to be purchased (3,070,985,000 shares), none of the tendered share certificates, etc. will be purchased by the Tender Offeror. If the total number of the tendered share certificates, etc. in this Tender Offer exceeds the minimum number of shares scheduled to be purchased (3,070,985,000 shares), all the tendered share certificates, etc. will be purchased by the Tender Offeror. Upon a determination that the minimum number of shares scheduled to be purchased has been tendered, the total number of share certificates, etc. tendered shall be calculated, with each of the Class A preferred shares and each of the Class B preferred shares tendered in this Tender Offer being deemed as 10 common shares, since the right to request the Conversion to common shares of the Target is conferred on the Class A preferred shares and Class B preferred shares respectively.

(2) Conditions of withdrawal, etc. of Tender Offer, details thereof and method of

disclosure of withdrawal, etc.

Upon the occurrence of any event listed in Article 14, Paragraph 1, Items 1.1 through 1.9, Items 1.12 through 1.18, Items 3.1 through 3.8, and Items 4, and in Article 14, Paragraph 2, Items 3 through 6 of the Enforcement Order, (including the case where, on or before the day immediately preceding the last day of the Tender Offer Period (including the case where the Tender Offer Period has been extended), (a) the waiting period under the United States Antitrust Act has not ended, or (b) the Federal Trade Commission of the United States takes some measure, such as prohibiting the Share Acquisition), the Tender Offeror may withdraw the Tender Offer. In the event that the Tender Offeror intends to withdraw the Tender Offer, the Tender Offeror shall give public notice electronically, and then post a notice in The Nihon Keizai Shimbun to the effect that such public notice has been made; provided, however, that, if it is impracticable to give such notice by the last day of the Tender Offer Period, the Tender Offeror shall make a public announcement pursuant to Article 20 of the TOB Order and give public notice forthwith.

(3) Conditions for reduction of price of purchase, etc. details thereof and method of disclosure of reduction

Pursuant to Article 27-6, Paragraph 1, Item 1 of the Law, if the Target takes any action enumerated in Article 13, Paragraph 1 of the Enforcement Order during the Tender Offer Period, the Tender Offeror may reduce the price of purchase, etc. in accordance with the methods provided for in Article 19, Paragraph 1 of the TOB Order. In the event that the Tender Offeror intends to reduce the price of purchase, etc., the Tender Offeror shall give public notice electronically, and then post a notice in The Nihon Keizai Shimbun to the effect that such public notice has been made; provided, however, that, if it is impracticable to give such notice by the last day of the Tender Offer Period, the Tender Offeror shall make a public announcement pursuant to Article 20 of the TOB Order and give public notice forthwith. If the price of purchase, etc. is reduced, the Tender Offeror shall purchase any and all tendered share certificates, etc. at such reduced price, even if such share certificates, etc. were tendered prior to such public notice.

(4) Matters concerning tendering shareholders, etc. right of cancellation of the tender

Tendering shareholders, etc. may cancel a tender to the Tender Offer at any time during the Tender Offer Period. The method of cancellation shall be as described herein under “(2) Method of canceling the tender of share certificates to Tender Offer” of “7. Method of Tendering Share Certificates in the Tender Offer and Canceling the Tender of Share Certificates.” No compensation for damages or penalty payments shall be claimed against any tendering shareholders, etc. by the Tender Offeror in the event that the tender by a tendering shareholder, etc. is cancelled. The cost of returning the tendered share certificates, etc. shall also be borne by the Tender Offeror.

(5) Method of disclosure if the terms and conditions, etc. of the tender offer are changed

If any terms or conditions, etc. of the Tender Offer are changed, the Tender Offeror shall give public notice electronically regarding the details, etc. of such changes, and then post a notice in The Nihon Keizai Shimbun to the effect that such public notice has been made; provided, however, that, if it is impracticable to give such notice by the last day of the Tender Offer Period, the Tender Offeror shall make a public announcement pursuant to Article 20 of the TOB Order and give public notice forthwith. If any change in the terms and conditions of the Tender Offer is made, the Tender Offeror shall purchase any and all tendered share certificates, etc. in accordance with the amended terms and conditions, etc., even if such share certificates were tendered prior to such public notice.

(6) Method of disclosure if amendment statement is filed

If an amendment statement is filed with the Director-General of the Kanto Local Finance Bureau, except for in the case provided for in the proviso of Article 27-8, Paragraph 11 of the Law, the Tender Offeror shall forthwith make a public announcement of the details thereof to the extent relevant to the details of the public notice of the Tender Offer, in accordance with the method set forth in Article 20 of the TOB Order. The Tender Offeror shall also forthwith amend the tender offer explanatory statement and deliver the amended tender offer explanatory statement to the tendering shareholders, etc. who have already received the tender offer explanatory statement; provided, however, that, if the amendments are small, the Tender Offeror shall instead prepare a document stating the reason(s) for the amendments, the matters amended and the details of the description after the amendment and deliver said document to the tendering shareholders, etc.

(7) Method of disclosure of results of the Tender Offer

The Tender Offeror shall make a public announcement regarding the results of the Tender Offer, in accordance with the methods provided for in Article 9-4 of the Enforcement Order and Article 30-2 of the TOB Order, on the day following the last day of the Tender Offer Period.

II. Description of Tender Offeror

1. If Tender Offeror is a Company

(1) Summary description of the Company

a. History of the Company

Date	History
March 1918	Matsushita Electric Devices Manufacturing Works was set up by Konosuke Matsushita, at Ohiraki-cho, Fukushima-ku, Osaka-City, and manufacture of wiring device started
March 1923	Bullet-shaped battery-powered lamp was developed and marketed
April 1927	“National” brand name was instituted
May 1933	Head office was moved to Kadoma and divisional system was instituted
August 1935	Matsushita Electric Trading Co. was incorporated
December 1935	Matsushita Electric Trading Co. was reorganized into Matsushita Electric Industrial Co. (incorporated as of December 15, 1935; capital 10,000,000 yen)
May 1949	Shares of the Company were listed on Tokyo Stock Exchange and Osaka Securities Exchange
September 1951	Shares of the Company were listed on Nagoya Stock Exchange
January 1952	Capital participation with Nakagawa Kikai (former Matsushita Refrigeration Company)
December 1952	Matsushita Electronics Corporation was incorporated, under the technical cooperation with Philips of the Netherlands, and four plants of the tube factory were removed from the Company
May 1953	Central Research Laboratory was instituted
February 1954	Capital participation with Victor Company of Japan, Limited

December 1955	Kyushu Matsushita Electric Co., Ltd. (presently Panasonic Communications Co., Ltd.) was incorporated
May 1956	Osaka Precision Machinery Co., Ltd. (presently Panasonic Ecology Systems Co., Ltd.) was incorporated
January 1958	Subsidiary Company, Matsushita Communication Industrial Co., Ltd. (presently Panasonic Mobile Communications Co., Ltd.), was incorporated and the communication device manufacturing division was removed from the Company
September 1959	Matsushita Electric Corporation of America (presently Panasonic Corporation of North America) were incorporated (bases for manufacture and distribution were incorporated overseas thereafter)
January 1961	Masaharu Matsushita became the President and Director
August 1962	Capital participation withToho Electric Machinery Co., Ltd. (former Matsushita Graphic Communication Systems, Inc.)
November 1969	Matsushita Kotobuki Electronics Industries, Ltd. (presently Panasonic Shikoku Electronics Co., Ltd.) was incorporated
December 1971	Shares of the Company were listed on New York Stock Exchange
December 1975	Issuance of US dollar convertible bonds with the total face amount of 100,000,000 dollars
January 1976	Subsidiary company, Matsushita Electronic Components Co., Ltd. (presently Panasonic Electronic Devices Co., Ltd.), was incorporated and the electronic device manufacturing division was removed from the Company

January 1977	Subsidiary companies, Matsushita Housing Equipment Co., Ltd. and Matsushita Industrial Equipment Co., Ltd. were incorporated and the household equipment manufacturing division and the industrial equipment manufacturing division were removed from the Company
February 1977	Toshihiko Yamashita became the President and Director
January 1979	Subsidiary company, Matsushita Battery Industrial Co., Ltd., was incorporated and the battery manufacturing division was removed from the Company
July 1985	Financial subsidiary, Panasonic Finance (America), Inc., was incorporated in the United States of America (in May 1986, two companies were incorporated in Europe, also)
October 1985	Basic Research Laboratory, Semiconductor Research Center was founded
February 1986	Akio Tanii became the President and Director
March 1987	The fiscal year end was changed from November 20 to March 31.
April 1988	Merger with Matsushita Electric Trading Co.
April 1989	Company founder Konosuke Matsushita passed away
December 1990	Acquisition of MCA Inc., a major entertainment company in the United States of America
February 1993	Yoichi Morishita became the President and Director
May 1993	Joint venture agreement with Philips of the Netherlands with respect to Matsushita Electronics Corporation was cancelled, and all of the shares of Matsushita Electronics Corporation held by Philips were acquired
April 1995	Merger with Matsushita Housing Equipment Co., Ltd.

June 1995	Transfer to the Seagram Company Ltd., of 80 percent of the interest in MCA held by the subsidiary in America
February 1999	Upon resolution at the 91st Ordinary General Meeting of Shareholders, retirement of treasury shares out of profit of 50,000,000 shares (98,800,000,000 yen) was conducted
April 2000	Matsushita Refrigeration Company became a wholly-owned subsidiary by share exchange
June 2000	Kunio Nakamura became the President and Director
April 2001	Merger with Matsushita Electronics Corporation
April 2002	Incorporation of Toshiba Matsushita Display Technology Co., Ltd., the joint venture with TOSHIBA CORPORATION, for the liquid crystal business
October 2002	Matsushita Communication Industrial Co., Ltd., Kyushu Matsushita Electric Co., Ltd., Matsushita Seiko Co, Ltd., Matsushita Kotobuki Electronics Industries, Ltd. and Matsushita Graphic Communication Systems, Inc. became wholly owned subsidiaries by share exchange
January 2003	Transition to the business domain-based management system by reorganization Group company, Kyushu Matsushita Electric Co., Ltd. (presently Panasonic Communications Co., Ltd.), merged with Matsushita Graphic Communication Systems, Inc.
April 2003	Incorporation of Matsushita Toshiba Picture Display Co., Ltd., the joint venture with TOSHIBA CORPORATION, for the cathode ray tube business (presently MT Picture Display Co., Ltd.) Matsushita Electronic Components Co., Ltd. and Matsushita Battery Industrial Co., Ltd. became wholly-owned subsidiaries by share exchange “Panasonic” was adopted as the Global brand

April 2004	Matsushita Electric Works, Ltd. (presently Panasonic Electric Works Co., Ltd.), PanaHome Corporation and subsidiaries thereof became the consolidated subsidiaries, due to purchase of additional shares of Matsushita Electric Works, Ltd.
April 2005	Merger with Matsushita Industrial Information Equipment Co., Ltd.
February 2006	Transfer to Vivendi Universal S.A. of all of the interest in the Universal Studios related companies (former MCA Inc.) held by the subsidiary in America
June 2006	Fumio Ohtsubo became the President and Director
March 2007	Matsushita Toshiba Picture Display Co., Ltd. became a wholly owned subsidiary
August 2007	Victor Company of Japan, Limited and its subsidiaries changed from consolidated subsidiaries to equity method affiliates, by conducting allocation of new shares, by Victor Company of Japan, Limited, to a third party
April 2008	Merger with Matsushita Refrigeration Company
October 2008	Name of the Company changed from Matsushita Electric Industrial Co. to Panasonic Corporation Merger with the Matsushita Battery Industrial Co., Ltd.

b. Business purpose of the company and its business

1) Business purpose of the company

The purpose of the Tender Offeror shall be to engage in the following businesses.

1. manufacture and sale of electric machinery and equipment, communication and electronic equipment, as well as lighting equipment;
2. manufacture and sale of gas, kerosene and kitchen equipment, as well as machinery and equipment for building and housing;

3. manufacture and sale of machinery and equipment for office and transportation, as well as for sales activities;
4. manufacture and sale of medical, health and hygienic equipment, apparatus and materials;
5. manufacture and sale of optical and precision machinery and equipment;
6 manufacture and sale of batteries, battery-operated products, carbon and manganese and other chemical and metal products;
7. manufacture and sale of air conditioning and anti-pollution equipment, as well as industrial machinery and equipment;
8. manufacture and sale of other machinery and equipment;
9. engineering and installation of machinery and equipment related to any of the preceding items as well as engineering and performance of and contracting for other construction work;
10. production and sale of software;
11. sale of iron and steel, nonferrous metals, minerals, oil, gas, ceramics, paper, pulp, rubber, leather, fiber and their products;
12. sale of foods, beverages, liquor and other alcoholics, agricultural, livestock, dairy and marine products, animal feed and their raw materials;
13. manufacture and sale of drugs, quasi-drugs, cosmetics, fertilizer, poisonous and deleterious substance and other chemical products;
14. manufacture and sale of buildings and other structures and components thereof;
15. motion picture and musical entertainment business and promotion of sporting events:
16. export and import of products, materials and software mentioned in each of the preceding item (other than item 9);
17. providing repair and maintenance services for the products, goods and software mentioned in each of the preceding items for itself and on behalf of others;

18. provision of information and communication services, and broadcasting business;
19. provision of various services utilizing the Internet including Internet access and e-commerce;
20. business related to publishing, printing, freight forwarding, security, maintenance of buildings, nursing care, dispatch of workers, general leasing, financing, non-life insurance agency and buying, selling, maintaining and leasing of real estate;
21. investment in various businesses;
22. accepting commission for investigations, research, development and consulting related to any of the preceding items; and
23. all other business or businesses incidental or related to any of the preceding items.

2) Description of the business of the company

Panasonic Group engages in manufacturing, sales and service activities in areas related to the Company's business as a general producer of electronic and electric products, by closely cooperating with each of the Group Companies, domestically and globally.

Since changing its corporate name from Matsushita Electric Industrial Co., Ltd. to Panasonic Corporation on October 1, 2008, the Company is proceeding to unify the Panasonic brand globally. By doing so, the Company aims to harness the combined strength of the Panasonic Group and to bring together the achievements under the name of Panasonic to enhance the brand value. Panasonic Group also aims to propose a lifestyle of the future and to contribute to the well-being of people worldwide through its business activities.

Business segments correspond to categories of activity. There are five business categories. The "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 factory automation (FA) equipment and industrial equipment.

Moreover, the Company, in a new phase of further growth, has been accelerating initiatives to achieve global excellence. From fiscal 2009, the year ended March 31, 2009, in order to further clarify its business fields for investors, the Company disclosed three business fields. The business fields are comprised of the Company's five segments as follows:

Business fields	Business segments
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

With respect to production, the Company adopts a system in which the Company or a subsidiary is responsible for the production of a particular product. Especially in recent years, the Company is expanding overseas business and strengthening production by the overseas subsidiaries. With respect to sales, domestically, products are sold according to sales channels mainly through local sales companies and local distributors having sales offices across Japan. Sales are made directly to large customers, such as government and other public offices, and corporations.

With respect to export, the products are sold from the Company mainly to local sales companies and local distributors worldwide.

Moreover, the Company purchases some of the products manufactured by a domestic subsidiary, and sells them in the same manner as the Company's products through the aforementioned sales channels. Furthermore, with respect to products manufactured by the overseas subsidiaries, such products are sold all over the world mainly through local distributors.

On the other hand, products are imported mainly through the Company. The Company is making an effort to increase imports to promote international cooperation.

Panasonic Electric Works Co., Ltd. (formerly Matsushita Electric Works, Ltd.) and PanaHome Corporation conduct some of their domestic and overseas sales on their own, not following the above-mentioned form of sale.

(※) From 2008, the name of the business segment corresponding to the existing category of activity has been changed from "AVC Networks" to "Digital AVC Networks."

Main products and services and the companies in charge of each of the business segments are as follows:

Business Field & Main Products and Services		Companies in Charge
Digital AVC Networks		
	Video and Audio Equipment Plasma and LCD TVs, BD and DVD recorders, camcorders, digital cameras, personal and home audio equipment, SD Memory Cards and other recordable media, optical pickup and other electro-optic devices	Panasonic Corporation (*), Panasonic Mobile Communications Co., Ltd., Panasonic Communications Co., Ltd., Panasonic Shikoku Electronics Co., Ltd.
	Information and Communications Equipment PCs, optical disc drives, multi-function 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.	Panasonic Corporation of North America, Panasonic AVC Networks Czech, s.r.o.
Home Appliances		
	Refrigerators, room air conditioners, washing machines and 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, compressors, vending machines, etc.	Panasonic Corporation (*), Panasonic Ecology Systems Co., Ltd. (*), Panasonic Home Appliances Air-Conditioning (Guangzhou) Co., Ltd., Panasonic Refrigeration Devices Singapore Pte. Ltd.

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 materials, automation controls, detached housing, rental apartment housing, medical and nursing care facilities, home remodeling, residential real estate, etc.	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.	Panasonic Corporation (*), Panasonic Electronic Devices Co., Ltd., Panasonic Electronic Devices Malaysia Sdn. Bhd., Panasonic Semiconductor Asia Pte. Ltd.(*), Panasonic Energy (Wuxi) Co., Ltd. (*)

Other

	Electronic-components-mounting machines, industrial robots, welding equipment, bicycles, imported materials and components, etc.	Panasonic Corporation (*), Panasonic Factory Solutions Co., Ltd., Panasonic Welding Systems Co., Ltd., Panasonic Factory Solutions Asia Pacific Pte. Ltd., Panasonic Welding Systems (Tangshan) Co., Ltd.

(Note 1) On October 1, 2008, the Company absorbed Matsushita Battery Industrial Co., Ltd., its consolidated subsidiary.

(Note 2) The company name followed by an asterisk (*) have been changed within fiscal 2009, the year ended March 31, 2009.

c. Amount of paid-in capital and total number of issued shares of the company

As of November 5, 2009

Amount of paid-in capital (yen)	Total number of issued shares(shares)
258,740,486,073	2,453,053,497

d. Major shareholders

As of March 31, 2009

Name	Address	Number of shares owned (1,000 shares)	Shareholding ratio to total number of issued shares (%)
The Master Trust Bank of Japan, Ltd. (Trust account) (Note 2)	2-11-3 Hamamatsu-cho, Minato-ku, Tokyo	132,211	5.38
Moxley & Co. (standing proxy Sumitomo Mitsui Banking Corporation)	270 PARK AVENUE, NEW YORK, N.Y. 10017-2070 U.S.A (1-1-2 Yuraku-cho, Chiyoda-ku, Tokyo)	122,865	5.00
Japan Trustee Services Bank, Ltd. (Trust account) (Note 3)	1-8-11 Harumi, Chuo-ku, Tokyo	118,812	4.84
Japan Trustee Services Bank,	1-8-11 Harumi, Chuo-ku, Tokyo	113,446	4.62

Ltd. (Trust account 4G) (Note 3)			
Nippon Life Insurance Company	3-5-12 Imabashi, Chuo-ku, Osaka	67,000	2.73
Sumitomo Mitsui Banking Corporation	1-1-2 Yuraku-cho, Chiyoda-ku, Tokyo	57,024	2.32
Panasonic Employee Shareholding Association	1006 Ooaza Kadoma, Kadoma, Osaka	37,151	1.51
Mitsui Sumitomo Insurance Co., Ltd.	2-27-2 Shinkawa, Chuo-ku, Tokyo	35,105	1.43
State Street bank and Trust Co., Ltd. (standing proxy Mizuho Corporate Bank, Ltd.)	P.O.BOX 351 BOSTON MASSACHUSETTS 02101 U.S.A (6-7 Kabuto-cho, Nihonbashi, Chuo-ku, Tokyo)	33,399	1.36
Sumitomo Life Insurance Co.	1-4-35 Shiromi, Chuo-ku, Osaka	31,382	1.27
Total	-	748,399	30.50

(Note 1) Holdings of less than 1,000 shares have been omitted.

(Note 2) The number of shares owned by the Master Trust Bank of Japan, Ltd. (Trust account) indicates the number of such shares, etc. related to the trust business entrusted to the Mitsubishi UFJ Trust and Banking Corporation etc. as are reentrusted to the Master Trust Bank of Japan, Ltd.

(Note3) The number of shares owned by the Japan Trustee Services Bank, Ltd. (Trust account) and Japan Trustee Services Bank, Ltd. (Trust account 4G) indicate the number of such shares, etc. related to the trust business entrusted to the Sumitomo Trust and Banking Co., Ltd., etc. as are reentrusted to the Japan Trustee Services Bank, Ltd.

(Note 4) The Company holds 382,411,000 (15.58 %) of the treasury shares.

e. Employment history of officers and number of shares owned by the officers

As of September 30, 2009

Title	Position	Name	Date of birth	Employment history		Number of shares owned (1,000shares)
Chairman of the Board of Directors (Representative Director)		Kunio Nakamura	Jul. 5, 1939	Apr. 1962	Joined the Company	750
				Jun. 1992	President, Matsushita Electronic (U.K.) Ltd.	
				Jun. 1993	Director of the Company Director, Corporate Management Division for America	
				Oct. 1993	Director, Corporate Management Division for North America	
				Jun. 1996	Managing Director of the Company	
				Jun. 1997	Senior Managing Director of the Company President, AVC Networks Company	
				Jun. 2000	President of the Company	
				Jun. 2006	Chairman of the Board of Directors (present post)	
Vice Chairman of the Board of Directors (Representative Director)		Masayuki Matsushita	Oct. 16, 1945	Apr. 1968	Joined the Company	79,130
				Oct. 1981	Director, Washing Machine Business Division	
				Feb. 1986	Director of the Company	
				Jun. 1990	Managing Director of the Company	
				Jun. 1992	Senior Managing Director of the Company	
				Aug. 1993	Director, Corporate Industrial Marketing & Sales Division	
				Jul. 1995	In charge of Overseas Operations	
				Jun. 1996	Executive Vice President of the Company	
				Jun. 2000	Vice Chairman of the Board of Directors (present post)	
President and		Fumio	Sep. 5, 1945	Apr. 1971	Joined the Company	501

Title	Position	Name	Date of birth	Employment history		Number of shares owned (1,000shares)
Director (Representative Director)		Ohtsubo		Jan. 1989	President, Matsushita Electronics (Singapore) Pte. Ltd.	
				Jun. 1998	Director of the Company Vice President, AVC Networks Company	
				Jun. 2000	Managing Director of the Company	
				Jan. 2003	President, Panasonic AVC Networks Company	
				Jun. 2003	Senior Managing Director of the Company	
				Jun. 2006	President of the Company (present post)	
Executive Vice President and Director	In charge of Technology and Semiconductor Company	Susumu Koike	Nov. 15,1945	Apr. 1970	Joined the Company	387
				Jun. 1993	Director, Matsushita Electronics Corporation	
				Jun. 1995	Managing Director, Matsushita Electronics Corporation	
				Jun. 1998	Senior Managing Director, Matsushita Electronics Corporation Director of the Company / in charge of Semiconductor Technology	
				Apr. 1999	Director, Matsushita Electronics Corporation President, Semiconductor Company / in charge of Semiconductor Business	
				Jun. 2000	Managing Director of the Company	
				Apr. 2001	President, Semiconductor Company	
				Apr. 2002	In charge of Device and Environmental Technology, Production Engineering and Recycling Business Promotion	
				Apr. 2003	In charge of Camera Module Business	
				Jun. 2003	Senior Managing Director of the Company / in charge of Technology (present post),	

Title	Position	Name	Date of birth	Employment history		Number of shares owned (1,000shares)
					Intellectual Property and Overseas Laboratories	
				Apr. 2006	Executive Vice President of the Company (present post) / in charge of Semiconductor Company (presently Semiconductor Company) (present post)	
Executive Vice President and Director (Representative Director)	In charge of Industrial Sales, Automotive Electronics Business, System Solutions Company and Panasonic Mobile Communications Co., Ltd.	Koshi Kitadai	Oct. 1, 1945	Apr. 1969	Joined the Company	301
				Jun. 2000	President, Matsushita Electronic Devices Co., Ltd.	
				Jun. 2003	Managing Executive Officer of the Company	
				Jun. 2005	Senior Managing Executive Officer of the Company	
				Apr. 2007	President, Panasonic Automotive Systems Company / in charge of Corporate Industrial Sales (present post)	
				Jun. 2007	Senior Managing Director of the Company	
				Apr. 2008	Executive Vice President of the Company / in charge of the Automotive Electronics Business (present post)	
				Jun. 2008	Representative in Tokyo	
				Apr. 2009	In charge of System Solutions Company and Panasonic Mobile Communications Co., Ltd.(present post)	
Executive Vice President and Director (Representative Director)	In charge of Domestic Consumer Marketing and Design	Toshihiro Sakamoto	Oct. 27, 1946	Apr. 1970	Joined the Company	322
				Jun. 1998	President, Matsushita Electric (Taiwan) Co., Ltd.	
				Jun. 2000	Director of the Company Vice President, AVC Networks Company / in charge of Visual Products Group	
				Apr. 2001	Director, Visual Products Business Group of AVC Networks Company	
				Jun. 2001	Senior Vice President, AVC Networks Company	

Title	Position	Name	Date of birth	Employment history		Number of shares owned (1,000shares)
				Jun. 2003	In charge of Corporate Planning	
				Jun. 2004	Managing Director of the Company	
				Apr. 2006	Senior Managing Director of the Company / President, Panasonic AVC Networks Company	
				Apr. 2009	Executive Vice President of the Company (present post) / in charge of Domestic Consumer Marketing and Design (present post)	
Executive Vice President and Director (Representative Director)	In charge of Corporate Planning, Corporate Division for Promoting System & Equipment Business, and Electrical Supplies Sales, Project Sales and Building Products Sales	Takahiro Mori	Jun. 16, 1947	Apr. 1970	Joined the Company	276
				Apr. 2001	Director, Corporate Communications Division	
				Jun. 2003	Executive Officer of the Company	
				Oct. 2003	In charge of CSR Office	
				Jun. 2005	Managing Director of the Company / in charge of Corporate Communications Division	
				Apr. 2006	In charge of Corporate Planning (present post)	
				Apr. 2008	Senior Managing Director of the Company	
				Apr. 2009	Executive Vice President of the Company / in charge of Corporate Division for Promoting System & Equipment Business, and Electrical Supplies Sales, Project Sales and Building Products Sales (present post)	

Title	Position	Name	Date of birth	Employment history		Number of shares owned (1,000shares)
Senior Managing Director (Representative Director)	Representative in Tokyo / Director, Corporate Division for Government & Public Affairs	Yasuo Katsura	Sep. 19, 1947	Apr. 1970	Joined the Company	214
				Jun. 2001	President, Matsushita Communication Industrial Co., Ltd.	
				Jun. 2003	Executive Officer of the Company	
				Jun. 2004	Managing Executive Officer of the Company / Director of the Tokyo Branch	
				Jun. 2007	Managing Director of the Company	
				Apr. 2009	Senior Managing Director of the Company Representative in Tokyo / Director, Corporate Division for Government & Public Affairs (present post)	
Senior Managing Director (Representative Director)	In charge of Overseas Operations	Hitoshi Otsuki	Jun. 6, 1947	Apr. 1970	Joined the Company	140
				Jun. 2000	President, Panasonic Electronic (U.K.) Ltd.	
				Jun. 2003	Executive Officer of the Company / Director of Europe Division / Chairman of Panasonic Europe Ltd.	
				Apr. 2007	Managing Executive Officer of the Company / in charge of Overseas Operations (present post)	
				Jun. 2007	Managing Director of the Company	
				Apr. 2009	Senior Managing Director of the Company (present post)	
Senior Managing Director	President, AVC Networks Company	Ken Morita	Oct. 24, 1948	Apr. 1971	Joined the Company	153
				Apr. 2000	Director, PDP Business Division	
				Jun. 2005	Executive Officer of the Company	
				Apr. 2006	Senior Vice President, Panasonic AVC Networks Company / Director, Visual Products and Display Devices Business Group	
				Apr. 2007	Managing Executive Officer of	

Title	Position	Name	Date of birth	Employment history		Number of shares owned (1,000shares)
					the Company	
				Apr. 2009	Senior Managing Executive Officer of the Company / President, AVC Networks Company (present post)	
				Jun. 2009	Senior Managing Director of the Company (present post)	
Managing Director	In charge of Legal Affairs, Intellectual Property and Corporate Business Ethics	Ikusaburo Kashima	Oct. 8, 1948	Jul. 1971	Joined the Ministry of International Trade and Industry	126
				Jul. 1999	Director General of Price Bureau of Economic Planning Agency	
				Jan. 2001	Resigned from the Ministry of Economy, Trade and Industry	
				Apr. 2001	Vice President of National Institute of Advanced Industrial Science and Technology	
				Jun. 2003	Vice Chairman, Information Technology Promotion Agency	
				Jun. 2004	Joined the Company	
				Jun. 2005	Director of the Company / Deputy Chief of Overseas Operations	
				Apr. 2007	Managing Director of the Company (present post) / in charge of Legal Affairs (present post), Corporate Risk Management, Corporate Information Security, and Corporate Business Ethics (present post)	
				Apr. 2009	In charge of Intellectual Property (present post)	
Managing Director	President, Home Appliances Company /in charge of Lighting Company	Kazunori Takami	Jun. 12, 1954	Apr. 1978	Joined the Company	135
				Jun. 2002	Director, Matsushita Refrigeration Company	
				Apr. 2005	In charge of Corporate Marketing Division for National Brand Home Appliances and Corporate Marketing Division for National Brand Wellness Products / Director, Corporate Marketing Division for National	

Title	Position	Name	Date of birth	Employment history		Number of shares owned (1,000shares)
					Brand Home Appliances / Executive Officer of the Company	
				Apr. 2006	Managing Executive Officer of the Company	
				Apr. 2008	President, Home Appliances Company (present post)	
				Apr. 2009	In charge of Lighting Company (present post)	
				Jun. 2009	Managing Director of the Company (present post)	
Managing Director	In charge of Special Task	Junji Nomura	Apr. 10, 1947	Apr. 1971	Joined Matsushita Electric Works, Ltd.	110
				Feb. 2002	Director, Matsushita Electric Works, Ltd.	
				Dec. 2003	Executive Senior Managing Director, Matsushita Electric Works, Ltd. Senior Managing Director, Matsushita Electric Works, Ltd.	
				Jun. 2005	Senior Managing Director, Matsushita Electric Works, Ltd.	
				Jun. 2006	Executive Vice President, Matsushita Electric Works, Ltd.	
				Jun. 2009	Managing Director of the Company (present post) / in charge of Special Task	
Director		Ikuo Uno	Jan. 4, 1935	Apr. 1997	President, Nippon Life Insurance Company	-
				Apr. 2005	Chairman, Nippon Life Insurance Company (present post)	
				Jun. 2005	Director of the Company (present post)	
Director		Masayuki Oku	Dec. 2, 1944	Jun. 2005	President, Sumitomo Mitsui Banking Corporation (present post) / Chairman, Board of Directors of Sumitomo Mitsui Financial Group (present post)	10

Title	Position	Name	Date of birth	Employment history		Number of shares owned (1,000shares)
				Jun. 2008	Director of the Company (present post)	
Director	In charge of Manufacturing Innovation, Facility Management, Quality Administration, FF Customer Support & Management, Environmental Affairs and Recycling Business Promotion	Masashi Makino	Aug. 20, 1948	Mar. 1973	Joined the Company	124
				Apr. 2003	Director, Corporate Manufacturing Innovation Division	
				Jun. 2003	Executive Officer of the Company	
				Apr. 2009	In charge of Manufacturing Innovation, Facility Management, Quality Administration, FF Customer Support & Management, Environmental Affairs and Recycling Business Promotion (present post)	
				Jun. 2009	Director of the Company (present post)	
Director	In charge of Accounting, Finance and Information Systems	Makoto Uenoyama	Feb. 14, 1953	Apr. 1975	Joined the Company	215
				Jun. 2003	General Manager, Corporate Accounting Group	
				Apr. 2006	Executive Officer of the Company	
				Apr. 2007	In charge of Accounting and Finance (present post)	
				Jun. 2007	Director of the Company (present post)	
				Apr. 2009	In charge of Information Systems (present post)	
Director	In charge of Personnel	Masatoshi Harada	Feb. 9, 1955	Apr. 1977	Joined the Company	126
				Jun. 2003	General Manager, Labor Relations	

Title	Position	Name	Date of birth	Employment history		Number of shares owned (1,000shares)
	, General Affairs and Social Relations			Apr. 2008	Executive Officer of the Company / in charge of Personnel, General Affairs and Social Relations (present post)	
				Jun. 2008	Director of the Company (present post)	
Honorary Chairman of the Board of Directors and Executive Advisor		Masaharu Matsushita	Sep. 17, 1912	May 1940	Joined the Company	95,980
				Oct. 1947	Director of the Company	
				Aug. 1949	Executive Vice President of the Company	
				Jan. 1961	President of the Company	
				Feb. 1977	Chairman, the Board of Directors	
				Jun. 2000	Honorary Chairman of the Board and Executive Advisor, Member of the Board (present post)	
Senior Corporate Auditor (Full-time)		Kenichi Hamada	May 2, 1947	Apr. 1971	Joined the Company	113
				Jun. 1999	Director of Kyushu Matsushita Electric Co., Ltd.	
				Jun. 2001	Managing Director, Kyushu Matsushita Electric Co., Ltd.	
				Jun. 2003	Senior Managing Director, Panasonic Communications Co., Ltd.	
				Jun. 2005	Vice President, Panasonic Communications Co., Ltd.	
				Jun. 2007	Senior Corporate Auditor of the Company (present post)	
Senior Corporate Auditor (Full-time)		Masahiro Seyama	Jul. 18, 1949	Apr. 1972	Joined the Company	138
				Feb. 2001	President, Panasonic do Brasil Ltda.	
				Jun. 2005	Director, Latin American operations / President, Panasonic Corporation of Latin America	
				Jun. 2008	Senior Corporate Auditor of the Company (present post)	
Corporate Auditor		Yasuo Yoshino	Oct. 5, 1939	Jul. 2001	Chairman, Sumitomo Life Insurance Company	30
				Jun. 2003	Corporate Auditor of the Company (present post)	

Title	Position	Name	Date of birth	Employment history		Number of shares owned (1,000shares)
				Jul. 2007	Advisory of Sumitomo Life Insurance Company (present post)	
Corporate Auditor		Ikuo Hata	Aug. 6, 1931	Apr. 1957	Appointed to be a judge	-
				Apr. 1992	President, Osaka District Court	
				Sep. 1995	Registered as attorney at law (member of Osaka Bar Association) (present post)	
				Jun. 1998	Deputy Director, *Nippon Choutei Kyoukai* (Japan Federation of Arbitrators Associations)	
				Jul. 2001	Member of Supreme Court' s Building-Related Litigation Commission	
				Jun. 2004	Corporate Auditor of the Company (present post)	
Corporate Auditor		Hiroyuki Takahashi	Mar. 1, 1937	Apr. 1959	Joined Mitsui & Co., Ltd.	-
				Jun. 1997	Corporate Auditor, Mitsui & Co., Ltd.	
				Oct. 2000	Executive Managing Director and Secretary-General, Japan Corporate Auditors Association	
				Jun. 2006	Corporate Auditor of the Company (present post)	
Total						179,281

(Note 1) Holdings of less than 100 shares have been omitted.

(Note 2) Masayuki Matsushita, Vice Chairman of the Board of Directors, is the eldest son of Masaharu Matsushita, the Honorary Chairman of the Board and Executive Advisor, Member of the Board.

(Note 3) Directors Ikuo Uno and Masayuki Oku are both “outside directors,” as defined in Article 2, Item 15 of the Company Law.

(Note 4) Corporate Auditors Yasuo Yoshino, Ikuo Hata and Hiroyuki Takahashi are “outside corporate auditors,” as defined in Article 2, Item 16 of the Company Law.

(Note 5) The Company implemented the “executive officer system” (*yakuin seido*) as of June 27, 2003, in order to provide for the execution of business in various Panasonic Group companies. Directors who concurrently serve as Executive Officers are not included in the above list.

Title	Name	Position
Managing Executive Officer	Yoshihiko Yamada	Director, Corporate Management Division for North America / Chairman, Panasonic Corporation of North America
Managing Executive Officer	Kazuhiro Tsuga	President, Automotive Systems Company
Managing Executive Officer	Takumi Kajisha	In charge of Corporate Communications
Managing Executive Officer	Ikuo Miyamoto	Director, Corporate Management Division for Asia and Oceania / President, Panasonic Asia Pacific Pte. Ltd.
Managing Executive Officer	Yoshiiku Miyata	Senior Vice President, AVC Networks Company / Director, Visual Products and Display Devices Business Group
Managing Executive Officer	Yutaka Takehana	Representative in Kansai / in charge of Corporate Risk Management and Corporate Information Security
Executive Officer	Hideo Kawasaki	President, Semiconductor Company
Executive Officer	Shigeru Omori	Director, Corporate Industrial Marketing and Sales Division
Executive Officer	Masaaki Fujita	Director, Corporate Engineering Quality Administration Division
Executive Officer	Yoshihisa Fukushima	In charge of Intellectual Property
Executive Officer	Naoto Noguchi	President, Energy Company
Executive Officer	Osamu Waki	President, Panasonic Mobile Communications Co., Ltd.
Executive Officer	Toshiaki Kobayashi	President, Panasonic Electronic Devices Co., Ltd.
Executive Officer	Joseph Taylor	COO, Panasonic Corporation of North America

Title	Name	Position
Executive Officer	Takashi Toyama	President, System Solutions Company
Executive Officer	Jun Ishii	Director, Home Appliances and Wellness Products Marketing Division President, Panasonic Consumer Marketing Co., Ltd.
Executive Officer	Toshiro Kisaka	Director, Corporate Management Division for China and Northeast Asia/ Chairman, Panasonic Corporation of China
Executive Officer	Masato Tomita	Director, Corporate Management Division for CIS, the Middle East and Africa
Executive Officer	Hideaki Kawai	General Manager, Corporate Finance & IR Group / In charge of Financial Operations Center
Executive Officer	Takeshi Uenoyama	In charge of Device and Environmental Technology
Executive Officer	Koji Itazaki	Director, Corporate Procurement Division and Corporate Global Logistics Division
Executive Officer	Shiro Nishiguchi	Director, Corporate Marketing Division for Digital AVC Products
Executive Officer	Yoshiyuki Miyabe	In charge of Digital Network & Software Technology
Executive Officer	Laurent Abadie	Director, Corporate Management Division for Europe / Chairman, Panasonic Europe Ltd.
Executive Officer	Yoshihisa Shiokawa	COO, Panasonic Europe Ltd. / President, Panasonic Marketing Europe GmbH
Executive Officer	Yoshio Ito	President, Lighting Company
Executive Officer	Hidetoshi Osawa	Director, Corporate Communications Division
Executive Officer	Yoshiaki Nakagawa	General Manager, Corporate Planning Group
Executive Officer	Mamoru Yoshida	Senior Vice President, AVC Networks Company / Director, Network Business Group

Title	Name	Position
Executive Officer	Tsuyoshi Nomura	Director, Corporate Manufacturing Innovation Division

(2) Financial condition

Consolidated Financial Statements (March 31, 2009 and 2008)

a. Consolidated Balance Sheets

March 31, 2009 and 2008

	Yen (millions)	
Assets	**2009**	**2008**
Current assets:		
Cash and cash equivalents (Note 8)	973,867	1,214,816
Time deposits (Note 8)	189,288	70,108
Short-term investments (Notes 4 and 17)	1,998	47,414
Trade receivables (Note 15):		
Related companies (Note 3)	16,178	33,874
Notes	42,582	58,484
Accounts	727,504	1,013,693
Allowance for doubtful receivables	(21,131)	(20,868)
Net trade receivables	765,133	1,085,183
Inventories (Note 2)	771,137	864,264
Other current assets (Notes 10, 16 and 17)	493,271	517,409
Total current assets	3,194,694	3,799,194
Investments and advances:		
Associated companies (Notes 3 and 17)	123,959	153,668
Other investments and advances (Notes 4, 8 and 17)	427,792	688,488
Total investments and advances	551,751	842,156
Property, plant and equipment (Notes 5, 6 and 8):		
Land	298,346	308,365
Buildings	1,532,359	1,559,357
Machinery and equipment	2,229,123	2,592,229
Construction in progress	213,617	120,026

Assets	Yen (millions) 2009	2008
	4,273,445	4,579,977
Less accumulated depreciation	2,698,615	2,822,604
Net property, plant and equipment	1,574,830	1,757,373
Other assets:		
Goodwill (Note 7)	410,792	429,902
Intangible assets (Notes 6 and 7)	120,712	128,917
Other assets (Notes 9 and 10)	550,537	486,072
Total other assets	1,082,041	1,044,891
	6,403,316	7,443,614

See accompanying Notes to Consolidated Financial Statements.

Liabilities, Minority Interests and Stockholders' Equity	Yen (millions) 2009	2008
Current liabilities:		
Short-term borrowings, including current portion of long-term debt (Notes 5, 8 and 17)	94,355	156,260
Trade payables:		
Related companies (Note 3)	58,315	71,384
Notes	38,196	37,172
Accounts	582,857	831,998
Total trade payables	679,368	940,554
Accrued income taxes (Note 10)	26,139	58,943
Accrued payroll	115,845	134,255
Other accrued expenses (Note 18)	672,836	784,538
Deposits and advances from customers	60,935	78,494
Employees' deposits	269	355
Other current liabilities (Notes 9, 10, 16 and 17)	350,681	407,560
Total current liabilities	2,000,428	2,560,959

Liabilities, Minority Interests and Stockholders' Equity	Yen (millions) 2009	2008
Noncurrent liabilities:		
Long-term debt (Notes 5, 8 and 17)	651,310	232,346
Retirement and severance benefits (Note 9)	404,367	238,396
Other liabilities (Note 10)	134,630	154,964
Total noncurrent liabilities	1,190,307	625,706
Minority interests	428,601	514,620
Stockholders' equity:		
Common stock (Note 11):		
Authorized - 4,950,000,000 shares		
Issued - 2,453,053,497 shares (2,453,053,497 shares in 2008)		
	258,740	258,740
Capital surplus (Note 11)	1,217,764	1,217,865
Legal reserve (Note 11)	92,726	90,129
Retained earnings (Note 11)	2,479,416	2,948,065
Accumulated other comprehensive income (loss) (Notes 4, 9, 12 and 16):		
Cumulative translation adjustments	(341,592)	(228,792)
Unrealized holding gains (losses) of available-for-sale securities	(10,563)	45,442
Unrealized gains (losses) of derivative instruments	(4,889)	4,326
Pension liability adjustments	(237,333)	5,127
Total accumulated other comprehensive loss	(594,377)	(173,897)
Treasury stock, at cost (Note 11):		
382,411,876 shares (351,936,341 shares in 2008)	(670,289)	(598,573)
Total stockholders' equity	2,783,980	3,742,329
Commitments and contingent liabilities (Note 18)		
	6,403,316	7,443,614

See accompanying Notes to Consolidated Financial Statements.

b. Consolidated Statements of Operations

Years ended March 31, 2009, 2008 and 2007

	Yen (millions)		
	2009	**2008**	**2007**
Revenues, costs and expenses:			
Net sales:			
Related companies (Note 3)	223,231	371,216	250,863
Other	7,542,276	8,697,712	8,857,307
Total net sales	7,765,507	9,068,928	9,108,170
Cost of sales (Notes 3, 15 and 16)	(5,667,287)	(6,377,240)	(6,394,418)
Selling, general and administrative expenses (Note 15)	(2,025,347)	(2,172,207)	(2,254,211)
Interest income	23,477	34,371	30,553
Dividends received	11,486	10,317	7,597
Other income (Notes 4, 5 and 16)	52,709	70,460	114,545
Interest expense	(19,386)	(20,357)	(20,906)
Goodwill impairment	—	—	(30,496)
Other deductions (Notes 3, 4, 6, 7, 14, 15, 16 and 17)	(523,793)	(179,279)	(121,690)
Income (loss) before income taxes	(382,634)	434,993	439,144
Provision for income taxes (Note 10):			
Current	61,840	128,181	119,465
Deferred	(24,482)	(13,608)	72,398
	37,358	114,573	191,863
Income (loss) before minority interests and equity in earnings (losses) of associated companies	(419,992)	320,420	247,281
Minority interests	(24,882)	28,637	31,131
Equity in earnings (losses) of associated companies (Note 3)	16,149	(9,906)	1,035
Net income (loss)	(378,961)	281,877	217,185

	Yen (millions)		
	2009	2008	2007
Net income (loss) per share of common stock (Note 13):			
Basic	(182.25)	132.90	99.50
Diluted	(182.25)	132.90	99.50

See accompanying Notes to Consolidated Financial Statements.

c. Consolidated Statements of Stockholders' Equity

Years ended March 31, 2009, 2008 and 2007

	Yen (millions)		
	2009	**2008**	**2007**
Common stock (Note 11):			
Balance at beginning of year	258,740	258,740	258,740
Balance at end of year	258,740	258,740	258,740
Capital surplus (Note 11):			
Balance at beginning of year	1,217,865	1,220,967	1,234,289
Sale of treasury stock	(101)	59	96
Decrease from issuance of new shares by a subsidiary	—	(3,161)	—
Other	—	—	(13,418)
Balance at end of year	1,217,764	1,217,865	1,220,967
Legal reserve (Note 11):			
Balance at beginning of year	90,129	88,588	87,526
Transfer from retained earnings	2,597	1,541	1,062
Balance at end of year	92,726	90,129	88,588
Retained earnings (Note 11):			
Balance at beginning of year prior to adjustment	2,948,065	2,737,024	2,575,890
Effects of changing the pension plan measurement date pursuant to the provisions of SFAS No.158 (Note 9)	(3,727)	—	—
Balance at beginning of year as adjusted	2,944,338	2,737,024	2,575,890
Net income (loss)	(378,961)	281,877	217,185
Cash dividends	(83,364)	(69,295)	(54,989)
Transfer to legal reserve	(2,597)	(1,541)	(1,062)
Balance at end of year	2,479,416	2,948,065	2,737,024
Accumulated other comprehensive income (loss) (Note 12):			
Balance at beginning of year prior to adjustment	(173,897)	107,097	(26,119)
Effects of changing the pension plan measurement date pursuant to the provisions of SFAS No.158, net of tax (Note 9)	(73,571)	—	—

	Yen (millions)		
	2009	**2008**	**2007**
Balance at beginning of year as adjusted	(247,468)	107,097	(26,119)
Other comprehensive income (loss), net of tax	(346,909)	(280,994)	72,085
Adjustment to initially apply SFAS No.158, net of tax	—	—	61,131
Balance at end of year	(594,377)	(173,897)	107,097
Treasury stock (Note 11):			
Balance at beginning of year	(598,573)	(495,675)	(342,705)
Repurchase of common stock	(72,416)	(103,112)	(153,179)
Sale of treasury stock	700	214	209
Balance at end of year	(670,289)	(598,573)	(495,675)
Disclosure of comprehensive income (loss) (Note 12):			
Net income (loss)	(378,961)	281,877	217,185
Other comprehensive income (loss), net of tax:			
Translation adjustments	(112,800)	(129,254)	62,793
Unrealized holding gains (losses) of available-for-sale securities	(56,005)	(115,389)	15,525
Unrealized gains (losses) of derivative instruments	(9,215)	3,464	(464)
Minimum pension liability adjustments	—	—	(5,769)
Pension liability adjustments	(168,889)	(39,815)	—
Total comprehensive income (loss)	(725,870)	883	289,270

See accompanying Notes to Consolidated Financial Statements.

d. Consolidated Statements of Cash Flows

Years ended March 31, 2009, 2008 and 2007

	Yen (millions)		
	2009	**2008**	**2007**
Cash flows from operating activities (Note 15):			
Net income (loss)	(378,961)	281,877	217,185
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation and amortization	364,806	320,534	317,685
Net gain on sale of investments	(13,512)	(14,402)	(40,154)
Provision for doubtful receivables	10,538	6,008	3,203
Deferred income taxes	(24,482)	(13,608)	72,398
Write-down of investment securities (Notes 3, 4 and 17)	92,016	31,842	3,148
Impairment loss on long-lived assets (Notes 6 and 7)	313,466	44,627	49,175
Minority interests	(24,882)	28,637	31,131
(Increase) decrease in trade receivables	249,123	(56,677)	50,012
(Increase) decrease in inventories	21,011	(37,372)	474
(Increase) decrease in other current assets	30,279	39,602	64,074
Increase (decrease) in trade payables	(199,176)	(41,568)	(61,630)
Increase (decrease) in accrued income taxes	(33,358)	5,765	9,773
Increase (decrease) in accrued expenses and other current liabilities	(157,660)	9,973	(39,774)
Increase (decrease) in retirement and severance benefits	(107,196)	(128,937)	(108,559)
Increase (decrease) in deposits and advances from customers	(21,191)	(15,915)	(12,223)
Other	(4,174)	5,672	(23,361)
Net cash provided by operating activities	116,647	466,058	532,557
Cash flows from investing activities (Note 15):			
Proceeds from sale of short-term investments	—	697	31,014
Purchase of short-term investments	—	—	(4,509)
Proceeds from disposition of investments and advances	221,127	313,947	142,074
Increase in investments and advances	(34,749)	(160,423)	(290,046)
Capital expenditures	(521,580)	(418,730)	(411,309)

	Yen (millions)		
	2009	**2008**	**2007**
Proceeds from disposals of property, plant and equipment	40,476	151,279	182,892
(Increase) decrease in time deposits	(136,248)	166,750	(223,801)
Purchase of shares of newly consolidated subsidiaries	—	(68,309)	—
Proceeds from sale of shares of subsidiaries and dividends received	—	—	40,548
Other	(38,503)	(46,582)	(34,671)
Net cash used in investing activities	(469,477)	(61,371)	(567,808)
Cash flows from financing activities (Note 15):			
Increase (decrease) in short-term borrowings	(34,476)	(5,815)	(5,826)
Increase (decrease) in employees' deposits	(86)	(252)	(13,951)
Proceeds from long-term debt	442,515	1,344	33,636
Repayments of long-term debt	(83,257)	(46,750)	(217,414)
Dividends paid (Note 11)	(83,364)	(69,295)	(54,989)
Dividends paid to minority interests	(20,803)	(19,807)	(16,285)
Repurchase of common stock (Note 11)	(72,416)	(103,112)	(153,179)
Sale of treasury stock (Note 11)	599	273	305
Proceeds from issuance of shares by subsidiaries	—	39,866	—
Net cash provided by (used in) financing activities	148,712	(203,548)	(427,703)
Effect of exchange rate changes on cash and cash equivalents	(36,831)	(129,521)	32,197
Effect of changes in consolidated subsidiaries (Note 15)	—	(93,441)	—
Net increase (decrease) in cash and cash equivalents	(240,949)	(21,823)	(430,757)
Cash and cash equivalents at beginning of year	1,214,816	1,236,639	1,667,396
Cash and cash equivalents at end of year	973,867	1,214,816	1,236,639

See accompanying Notes to Consolidated Financial Statements.

Notes to Consolidated Financial Statements

March 31, 2009, 2008 and 2007

(1) Summary of Significant Accounting Policies

(a) Description of Business

From October 1, 2008, the name of 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 in fiscal 2009 were as follows: Digital AVC Networks—45%, Home Appliances—15%, PEW and PanaHome*—20%, Components and Devices—12%, and Other—8%. A sales breakdown in fiscal 2009 by geographical market was as follows: Japan—53%, North and South America—13%, Europe—12%, and Asia and Others—22%.

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.

(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" (FIN 46R). Investments in companies and joint ventures over which the Company has the ability to exercise significant influence (generally through a voting interest of between 20% to 50%) are included in "Investments and advances—Associated companies" in the consolidated balance sheets. All significant intercompany balances and transactions have been eliminated in consolidation.

(d) Revenue Recognition

The Company generates revenue principally through the sale of consumer and industrial products, equipment, and supplies. The Company recognizes revenue when persuasive evidence of an arrangement exists, delivery has occurred, and title and risk of loss have been transferred to the customer or services have been rendered, the sales price is fixed or determinable, and collectibility is reasonably assured.

Revenue from sales of products is generally recognized when the products are received by customers. Revenue from sales of certain products with customer acceptance provisions related to their functionality is recognized when the product is received by the customer and the specific criteria of the product functionality are successfully tested and demonstrated.

The Company enters into arrangements with multiple elements, which may include any combination of products, equipment, installation and maintenance. The Company allocates revenue to each element based on its relative fair value if such element meets the criteria for treatment as a separate unit of accounting as prescribed in the Emerging Issues Task Force (EITF) Issue 00-21, "Revenue Arrangements with Multiple Deliverables." Product revenue is generally recognized upon completion of installation or upon shipment if installation is not required. Maintenance revenue is recognized on a straight-line basis over the term of the maintenance agreement.

The Company's policy is to accept product returns only in the case that the products are defective. The Company issues contractual product warranties under which it guarantees the performance of products delivered and services rendered for a certain period of time. A liability for the estimated product warranty related cost is established at the time revenue is recognized, and is included in "Other accrued expenses." Estimates for accrued warranty cost are primarily based on historical experience and current information on repair cost.

Historically, the Company has made certain allowances related to sales to its consumer business distributors. Such allowances are generally provided to compensate the distributors for a decline in the product's value, and are classified as a reduction of revenue on the consolidated statements of operations. Estimated price adjustments are accrued when the related sales are recognized. The estimate is made based primarily on the historical experience or specific arrangements made with the distributors.

The Company also occasionally offers incentive programs to its distributors in the form of rebates. These rebates are accrued at the later of the date at which the related revenue is recognized or the date at which the incentive is offered, and are recorded as reductions of sales in accordance with EITF Issue 01-09, "Accounting for Consideration Given by a Vendor to a Customer (Including a Reseller of the Vendor's Products)."

Taxes collected from customers and remitted to governmental authorities are accounted for on a net basis and therefore are excluded from revenues in the consolidated statements of operations.

(e) Leases (See Note 5)

The Company accounts for leases in accordance with Statement of Financial Accounting Standards (SFAS) No. 13, "Accounting for Leases." Leases of the assets under certain conditions are recorded as capital leases in property, plant and equipment in the consolidated balance sheets.

(f) Inventories (See Note 2)

Finished goods and work in process are stated at the lower of cost (average) or market. Raw materials are stated at cost, principally on a first-in, first-out basis, not in excess of current replacement cost.

(g) Foreign Currency Translation (See Note 12)

Foreign currency financial statements are translated in accordance with SFAS No. 52, "Foreign Currency Translation," under which all assets and liabilities are translated into yen at year-end rates and income and expense accounts are translated at weighted-average rates. Adjustments resulting from the translation of financial statements are reflected under the caption, "Accumulated other comprehensive income (loss)," a separate component of stockholders' equity.

(h) Property, Plant and Equipment

Property, plant and equipment is stated at cost. Depreciation is computed primarily using the declining balance method based on the following estimated useful lives:

Buildings	5 to 50 years
Machinery and equipment	2 to 10 years

(i) Goodwill and Other Intangible Assets (See Notes 6 and 7)

Goodwill represents the excess of costs over the fair value of net assets of businesses acquired. The Company adopted the provisions of SFAS No. 142, "Goodwill and Other Intangible Assets." Goodwill and intangible assets determined to have an indefinite useful life are not amortized, and are instead reviewed for impairment at least annually based on assessment of current estimated fair value of the intangible asset. The goodwill impairment test is a two-step test. Under the first step, the fair value of the reporting unit is compared with its carrying value (including goodwill). If the fair value of the reporting unit is less than its carrying value, an indication of goodwill impairment exists for the reporting unit and the enterprise must perform the second step of the impairment test (measurement). If the fair value of the reporting unit exceeds its carrying amount, the second step does not need to be performed. Under the second step, an impairment loss is recognized for any excess of the carrying amount of the reporting unit's goodwill over the implied fair value of that goodwill. The implied fair value of goodwill is determined by allocating the fair value of the reporting unit in a manner similar to a purchase price allocation in business combinations. The residual fair value after this allocation is the implied fair value of the reporting unit goodwill. Fair value of the reporting unit is determined using a discounted cash flow analysis. SFAS No. 142 also requires that intangible assets with estimable useful lives be amortized over their respective estimated useful lives to their estimated residual values, and reviewed for impairment based on an assessment of the undiscounted cash flows expected by the asset. An impairment charge is recognized for the amount by which the carrying amount of the asset exceeds the fair value of the asset.

(j) Investments and Advances (See Notes 3, 4, 12 and 17)

Investments and advances primarily consist of investments in and advances to associated companies, cost method investments, available-for-sale securities, and long-term deposits. Cost method investments and long-term deposits are recorded at historical cost.

The equity method is used to account for investments in associated companies in which the Company exerts significant influence, generally having a 20% to 50% voting interest, and corporate joint ventures. The Company also uses the equity method for certain investees if the minority shareholders have substantive participating rights. Under the equity method of accounting, investments are stated at their underlying net equity value after elimination of intercompany profits. The cost method is used when the Company does not have significant influence.

The excess of cost of the stock of the associated companies over the Company's share of their net assets at the acquisition date, included in the equity investment balance, is recognized as equity method goodwill. Such equity method goodwill is not being amortized and is instead tested for impairment as part of the equity method investment.

The Company accounts for debt and marketable equity securities in accordance with SFAS No. 115, "Accounting for Certain Investments in Debt and Equity Securities."

SFAS No. 115 requires that certain investments in debt and marketable equity securities be classified as held-to-maturity, trading, or available-for-sale securities. The Company classifies its existing marketable equity securities other than investments in associated companies and all debt securities as available-for-sale. Available-for-sale securities are carried at fair value with unrealized holding gains or losses included as a component of accumulated other comprehensive income (loss), net of applicable taxes.

Realized gains and losses are determined on the average cost method and reflected in earnings.

On a continuous basis, but no less frequently than at the end of each semi-annual period, the Company evaluates the carrying amount of each of the investments in associated companies, cost method investments and available-for-sale securities for possible other-than-temporary impairment. Factors considered in assessing whether an indication of other-than-temporary impairment exists include the period of time the fair value has been below the carrying amount or cost basis of investment, financial condition and prospects of each investee, and other relevant factors.

Investments in associated companies, cost method investments and available-for-sale securities are reduced to fair value by a charge to earnings when impairment is considered to be other than temporary. Impairment is measured based on the amount by which the carrying amount or cost basis of the investment exceeds its fair value. Fair value is determined based on quoted market prices, discounted cash flows or other valuation techniques as appropriate.

(k) Allowance for Doubtful Receivables

An allowance for doubtful trade receivables and advances is provided at an amount calculated based on historical experience, while specific allowances for doubtful trade receivables and advances are provided for the estimated amounts considered to be uncollectible after reviewing individual collectibility.

(l) Income Taxes (See Note 10)

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases, and operating loss and tax credit carryforwards.

Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

The Company accounts for uncertainty in tax positions in accordance with FASB interpretation No. 48, “Accounting for Uncertainty in Income Taxes, an Interpretation of SFAS No. 109” (FIN 48) from April 1, 2007. The Company recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs. The Company records interests and penalties related to unrecognized tax benefits in “Provision for income taxes—Current” in the consolidated statements of operations.

(m) Advertising (See Note 15)

Advertising costs are expensed as incurred.

(n) Net Income (loss) per Share (See Notes 11 and 13)

The Company accounts for net income (loss) per share in accordance with SFAS No. 128, “Earnings per Share.” This statement establishes standards for computing net income (loss) per share and requires dual presentation of basic and diluted net income (loss) per share on the face of the statements of operation for all entities with complex capital structures.

Under SFAS No. 128, basic net income (loss) per share is computed based on the weighted-average number of common shares outstanding during each period, and diluted net income (loss) per share assumes the dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock or resulted in the issuance of common stock.

(o) Cash Equivalents

Cash equivalents include all highly liquid debt instruments purchased with a maturity of three months or less.

(p) Derivative Financial Instruments (See Notes 12, 16 and 17)

Derivative financial instruments utilized by the Company are comprised principally of foreign exchange contracts, cross currency swaps and commodity futures used to hedge currency risk and commodity price risk.

The Company accounts for derivative instruments in accordance with SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended. On the date the derivative contract is entered into, the Company ordinarily designates the derivative as either a hedge of the fair value of a recognized asset or liability or of an unrecognized firm commitment ("fair-value" hedge), a hedge of a forecasted transaction or of the variability of cash flows to be received or paid related to a recognized asset or liability ("cash-flow" hedge), or a foreign-currency fair-value or cash-flow hedge ("foreign-currency" hedge). The Company formally documents all relationships between hedging instruments and hedged items, as well as its risk-management objective and strategy for undertaking various hedge transactions. The Company also formally assesses, both at the hedge's inception and on an ongoing basis, whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items. The Company does not offset fair value of contracts in gain and loss positions.

Changes in the fair value of a derivative that is highly effective and that is designated and qualifies as a fair-value hedge, along with the loss or gain on the hedged asset or liability or unrecognized firm commitment of the hedged item that is attributable to the hedged risk, are recorded in earnings. Changes in the fair value of a derivative that is highly effective and that is designated and qualifies as a cash-flow hedge are recorded in other comprehensive income (loss), until earnings are affected by the variability in cash flows of the designated hedged item. Changes in the fair value of derivatives that are highly effective as hedges and that are designated and qualify as foreign-currency hedges are recorded in either earnings or other comprehensive income (loss), depending on whether the hedge transaction is a fair-value hedge or a cash-flow hedge. The ineffective portion of the change in fair value of a derivative instrument that qualifies as either a fair-value hedge or a cash-flow hedge is reported in earnings.

(q) Impairment of Long-Lived Assets (See Note 6)

The Company accounts for impairment or disposition of long-lived assets in accordance with SFAS No. 144, "Accounting for Impairment or Disposal of Long-Lived Assets." In accordance with SFAS No. 144, long-lived assets, such as property, plant and equipment, and purchased intangibles subject to amortization, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or asset group may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized for the amount by which the carrying amount of the asset exceeds the fair value of the asset.

(r) Restructuring Charges (See Note 14)

The Company accounts for costs associated with exit or disposal activities in accordance with SFAS No. 146, "Accounting for Costs Associated with Exit or Disposal Activities." Pursuant to SFAS No. 146, liabilities for restructuring costs are recognized when the liability is incurred, which may be subsequent to the date when the Company has committed to a restructuring plan.

(s) Stock-Based Compensation (See Note 11)

SFAS No. 123 (revised 2004), "Share-Based Payment" addresses accounting and disclosure requirements with measurement of the cost of employee service using a fair-value-based method of accounting for stock-based employee compensation plans.

(t) Segment Information (See Note 19)

The Company accounts for segment information in accordance with SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information." Pursuant to SFAS No. 131, the reporting segments 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.

(u) Use of Estimates

The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates and assumptions are reflected in valuation and disclosure of revenue recognition, allowance for doubtful receivables, valuation of inventories, impairment of long-lived assets, environmental liabilities, valuation of deferred tax assets, uncertain tax positions and employee retirement and severance benefit plans.

(v) New Accounting Pronouncements

In September 2006, FASB issued 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. In February 2008, FASB issued FASB 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. On April 1, 2008, the Company adopted SFAS No. 157 for all financial assets and liabilities that are recognized or disclosed at fair value in the consolidated financial statements. The adoption of SFAS No. 157 did not have a material effect on the Company's consolidated financial statements. On April 1, 2009, the Company adopted SFAS No. 157 for all nonfinancial assets and liabilities. The adoption of SFAS No. 157 for all nonfinancial assets and liabilities is not expected to have a material effect on the Company's consolidated financial statements.

In December 2007, FASB issued SFAS No. 141 (revised 2007), "Business Combinations" (SFAS No. 141R) and SFAS No. 160, "Noncontrolling Interests in Consolidated Financial Statements—an amendment to ARB No. 51." SFAS No. 141R and No. 160 require most identifiable assets, liabilities, noncontrolling interests, and goodwill acquired in a business combination to be recorded at "full fair value" and require noncontrolling interests (previously referred to as minority interests) to be reported as a component of equity, which changes the accounting for transactions with noncontrolling interest holders. SFAS No. 141R and No. 160 will be effective for the Company as of April 1, 2009. SFAS No. 141R will be applied to business combinations occurring after the effective date. SFAS No. 160 will be applied prospectively to all noncontrolling interests, including any that arose before the effective date and the disclosure requirement will be applied retrospectively. The Company is currently in the process of assessing the impact of the adoption of SFAS No. 141R and No. 160 on the Company's consolidated financial statements.

In December 2008, FASB issued FASB Staff Position FAS 132R-1, "Employers' Disclosures about Postretirement Benefit Plan Assets" (FSP FAS 132R-1). FSP FAS 132R-1 provides guidance on an employer's disclosures about plan assets of a defined benefit pension or other postretirement plan. The disclosures about plan assets required by FSP FAS 132R-1 must be provided for the Company in periods beginning on or after April 1, 2009. The Company is currently in the process of assessing the impact of the adoption of FSP FAS 132R-1 on the Company's consolidated financial statements.

In April 2008, the FASB issued FASB Staff Position FAS 142-3, "Determination of the Useful Life of Intangible Assets" (FSP FAS 142-3). FSP FAS 142-3 amends the factors that should be considered in developing renewal or extension assumptions used to determine the useful life of a recognized intangible asset under SFAS No. 142. FSP FAS 142-3 will be effective for the Company as of April 1, 2009. The Company is currently in the process of assessing the impact of adoption of FSP FAS 142-3 on the Company's consolidated financial statements.

(2) Inventories

Inventories at March 31, 2009 and 2008 are summarized as follows:

	Yen (millions)	
	2009	**2008**
Finished goods	439,747	499,316
Work in process	129,949	132,894
Raw materials	201,441	232,054
	771,137	864,264

(3) Investments in and Advances to, and Transactions with Associated Companies

Certain financial information in respect of associated companies in aggregate at March 31, 2009 and 2008, and for the three years ended March 31, 2009 is shown below. The most significant of these associated companies as of March 31, 2009 are JVC KENWOOD Holdings, Inc. (JVC KENWOOD HD), Toshiba Matsushita Display Technology Co., Ltd. (TMD) and Sumishin Matsushita Financial Services Co., Ltd. (SMFC). At March 31, 2009, the Company has a 24.4% equity ownership in JVC KENWOOD HD, a 40.0% equity ownership in TMD and a 34.0% equity ownership in SMFC.

The Company formerly consolidated Victor Company of Japan, Ltd. (JVC) and its subsidiaries. On August 10, 2007, JVC issued and allocated new shares of its common stock to third parties. As a result, the Company's shareholding of JVC decreased from 52.4% to 36.8%, and JVC and its subsidiaries became associated companies under equity method. On October 1, 2008, JVC and Kenwood Corporation integrated management by establishing JVC KENWOOD HD through a share transfer. As a result, the Company has 24.4% shareholding of JVC KENWOOD HD.

On April 1, 2009, the Company concluded an agreement with Toshiba Corporation to sell all of its shares in TMD. The sale was finalized on April 28, 2009.

The Company formerly accounted for the investment in IPS Alpha technology, Ltd. (IPS) and its subsidiary under the equity method, and began to consolidate IPS and its subsidiary on March 31, 2008, in accordance with FIN 46R, as a result of modification of Joint-Venture agreement. IPS, a variable interest entity, is engaged in manufacturing LCD panels. At March 31, 2008, the amount of total assets of IPS and its subsidiary is 237,259 million yen and the Company has a 44.9% equity ownership interest in IPS. Financial information associated with IPS for the year ended March 31, 2008 is included in the aggregate information below, however, financial information as of and for the year ended March 31, 2009, and as of March 31, 2008 is not included.

	Yen (millions)	
	2009	**2008**
Current assets	1,012,194	1,082,483
Other assets	526,722	584,566
	1,538,916	1,667,049
Current liabilities	961,503	809,544
Other liabilities	292,788	417,241
Net assets	284,625	440,264
Company’s equity in net assets	102,966	170,330

	Yen (millions)		
	2009	**2008**	**2007**
Net sales	1,568,499	1,968,527	1,352,107
Gross profit	292,589	377,989	216,002
Net loss	(70,779)	(52,915)	(7,595)

	Yen (millions)		
	2009	2008	2007

Purchases and dividends received from associated companies for the three years ended March 31, 2009 are as follows:

	Yen (millions)		
	2009	2008	2007
Purchases from	315,829	424,242	301,859
Dividends received	4,528	5,434	3,365

Retained earnings include undistributed earnings of associated companies in the amount of 36,594 million yen and 32,519 million yen, as of March 31, 2009 and 2008, respectively.

During the years ended March 31, 2009 and 2008, the Company incurred a write-down of 18,121 million yen and 23,668 million yen, respectively, for other-than-temporary impairment of investments and advances in associated companies. The fair values of the investments and advances in associated companies were based on quoted market price or discounted cash flows by using appropriate discounted rate. An impairment charge was recorded to reduce the carrying value of the assets to fair value. The write-down is included in other deductions in the consolidated statements of operations.

Investments in associated companies include equity securities which have quoted market values at March 31, 2009 and 2008 compared with related carrying amounts as follows:

	Yen (millions)	
	2009	2008
Carrying amount	12,825	30,644
Market value	11,093	35,921

(4) Investments in 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, gross unrealized holding gains and gross unrealized holding losses of available-for-sale securities included in short-term investments, and other investments and advances at March 31, 2009 and 2008 are as follows:

	Yen (millions)			
	2009			
	Cost	**Fair value**	**Gross unrealized holding gains**	**Gross unrealized holding losses**
Current:				
Convertible and straight bonds	1,972	1,998	26	—
	1,972	1,998	26	—
Noncurrent:				
Equity securities	269,735	284,356	32,510	17,889
Convertible and straight bonds	4,290	4,395	110	5
Other debt securities	5,492	5,515	23	—
	279,517	294,266	32,643	17,894

	Yen (millions)			
	2009			
	Cost	Fair value	Gross unrealized holding gains	Gross unrealized holding losses

	Yen (millions)			
	2008			
	Cost	Fair value	Gross unrealized holding gains	Gross unrealized holding losses
Current:				
Japanese and foreign government bonds	40,002	40,140	138	—
Convertible and straight bonds	7,010	7,024	14	—
Other debt securities	250	250	—	—
	47,262	47,414	152	—
Noncurrent:				
Equity securities	333,057	441,839	124,342	15,560
Japanese and foreign government bonds	24,745	25,151	406	—
Convertible and straight bonds	6,843	6,992	177	28
Other debt securities	5,603	5,510	—	93
	370,248	479,492	124,925	15,681

Maturities of investments in available-for-sale securities at March 31, 2009 and 2008 are as follows:

	Yen (millions)			
	2009		2008	
	Cost	Fair value	Cost	Fair value
Due within one year	1,972	1,998	47,262	47,414
Due after one year through five years	9,782	9,910	34,991	35,456
Due after five years through ten years	—	—	2,200	2,197
Equity securities	269,735	284,356	333,057	441,839
	281,489	296,264	417,510	526,906

Proceeds from sale of available-for-sale securities for the years ended March 31, 2009, 2008 and 2007 were 73,782 million yen, 106,466 million yen and 84,806 million yen, respectively. The gross realized gains on sale of available-for-sale securities for the years ended March 31, 2009, 2008 and 2007 were 797 million yen, 7,415 million yen and 12,452 million yen, respectively. The gross realized losses on sale of available-for-sale securities for the years ended March 31, 2009, 2008 and 2007 were 11 million yen, 148 million yen and 313 million yen, respectively. The cost of securities sold in computing gross realized gains and losses is determined by the average cost method.

During the years ended March 31, 2009, 2008 and 2007, the Company incurred a write-down of 73,861 million yen, 8,002 million yen and 939 million yen, respectively, for other-than-temporary impairment of available-for-sale securities, mainly reflecting the aggravated market condition of certain industries in Japan. The write-down is included in other deductions in the consolidated statements of operations.

Gross unrealized holding losses on investment securities and the fair value of the related securities, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position, at March 31, 2009 and 2008, are as follows:

	Yen (millions)					
	2009					
	Less than 12 months		12 months or more		Total	
	Fair value	Unrealized losses	Fair value	Unrealized losses	Fair value	Unrealized losses
Equity securities	105,647	17,889	—	—	105,647	17,889
Convertible and straight bonds	1,780	5	—	—	1,780	5
	107,427	17,894	—	—	107,427	17,894

	2008					
	Less than 12 months		12 months or more		Total	
	Fair value	Unrealized losses	Fair value	Unrealized losses	Fair value	Unrealized losses
Equity securities	82,481	15,560	—	—	82,481	15,560
Convertible and straight bonds	1,824	28	—	—	1,824	28
Other debt securities	5,407	93	—	—	5,407	93
	89,712	15,681	—	—	89,712	15,681

The gross unrealized loss position has been continuing for a relatively short period of time. Based on this and other relevant factors, management has determined that these investments are not considered other-than-temporarily impaired. The Company did not have investment securities that had been in a continuous loss position for twelve months or more at March 31, 2009 and 2008.

The carrying amounts of the Company's cost method investments totaled 40,755 million yen and 29,837 million yen at March 31, 2009 and 2008. For substantially all such investments, the Company estimated that the fair value exceeded the carrying amounts of investments (that is, the investments were not impaired). For the years ended March 31, 2009, 2008 and 2007, certain investments were considered other-than-temporarily impaired, resulting in a write-down of 34 million yen, 172 million yen and 2,209 million yen, respectively.

At March 31, 2009 and 2008, equity securities with a book value of 13,333 million yen and 19,880 million yen were pledged as collateral for the deferred payments of certain taxes based on the Japanese Custom Act and Consumption Tax Law.

(5) Leases

The Company has capital and operating leases for certain land, buildings, and machinery and equipment with SMFC and other third parties.

During the years ended March 31, 2009, 2008 and 2007, the Company sold and leased back certain land, buildings, and machinery and equipment for 16,582 million yen, 109,311 million yen and 73,578 million yen, respectively. The base lease term is 1 to 10 years. The resulting leases are being accounted for as operating leases or capital leases. The resulting gains of these transactions, included in other income in the consolidated statements of operations, were not significant. Regarding certain leased assets, the Company has options to purchase the leased assets, or to terminate the leases and guarantee a specified value of the leased assets thereof, subject to certain conditions, during or at the end of the lease term. Regarding leased land and buildings, there are no future commitments, obligations, provisions, or circumstances that require or result in the Company's continuing involvement.

At March 31, 2009 and 2008, the gross book value of land, buildings, and machinery and equipment under capital leases, including the above-mentioned sale-leaseback transactions was 136,445 million yen and 207,999 million yen, and the related accumulated depreciation recorded was 65,001 million yen and 89,977 million yen, respectively.

Rental expenses for operating leases, including the above-mentioned sale-leaseback transactions were 63,490 million yen, 59,886 million yen and 47,094 million yen for the years ended March 31, 2009, 2008 and 2007, respectively.

Future minimum lease payments under non-cancelable capital leases and operating leases at March 31, 2009 are as follows:

	Yen (millions)	
Year ending March 31	**Capital leases**	**Operating leases**
2010	40,312	56,444
2011	31,216	62,809
2012	22,463	29,657
2013	9,741	13,606
2014	3,446	7,788
Thereafter	9,458	4,625
Total minimum lease payments	116,636	174,929
Less amount representing interest	4,305	
Present value of net minimum lease payments	112,331	
Less current portion	38,868	
Long-term capital lease obligations	73,463	

(6) 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 or related asset group will be sufficient to recover the remaining recorded asset values. Impairment losses are included in other deductions in the consolidated statements of operations, and are not charged to segment profit.

The Company recognized impairment losses in the aggregate of 313,466 million yen of long-lived assets during fiscal 2009.

The Company recorded impairment losses for certain buildings, machinery and finite-lived intangible assets related to domestic liquid crystal display panel manufacturing facilities. As a result of the substantial decline of product prices due to the significant market downturn, the Company estimated that the carrying amounts would not be recoverable through future cash flows. The fair value of buildings and remaining assets, respectively, was determined through an appraisal based on the comparable sales method and the discounted estimated cash flows expected to result from the use and eventual disposition of the assets.

The Company also recorded impairment losses for certain buildings, machinery and finite-lived intangible assets related to domestic and overseas plasma display panel manufacturing facilities. As a result of the substantial decline of product prices due to the significant market downturn, the Company estimated that the carrying amounts would not be recoverable through future cash flows. The fair value of buildings and remaining assets, respectively, was determined through an appraisal based on the comparable sales method and the orderly liquidation value.

Impairment losses of 252,372 million yen, 18,131 million yen, 19,077 million yen, 18,747 million yen and 5,139 million yen were related to “Digital AVC Networks,” “Home Appliances,” “PEW and PanaHome,” “Components and Devices” and the remaining segments, respectively.

The Company recognized impairment losses in the aggregate of 44,554 million yen of long-lived assets during fiscal 2008.

The Company recorded impairment losses related to manufacturing facilities used in its domestic semiconductors business. As the profitability of domestic business declined, the Company estimated that the carrying amounts would not be recovered by the future cash flows. The fair value of manufacturing facilities was based on the discounted estimated future cash flows expected to result from the use and eventual disposition of them.

The Company also recorded impairment losses related to certain buildings and manufacturing facilities used in its device business at an overseas subsidiary. Due to the downsizing of business, the Company wrote down the carrying amounts of these assets to the fair value. The fair value was based on the discounted estimated future cash flows.

Impairment losses of 1,167 million yen, 2,231 million yen, 39,490 million yen and 1,666 million yen were related to “Digital AVC Networks,” “Home Appliances,” “Components and Devices” and the remaining segments, respectively.

The Company recognized impairment losses in the aggregate of 18,440 million yen of long-lived assets during fiscal 2007.

The Company closed a domestic factory that manufactured air conditioner devices and recorded an impairment loss related to buildings, and machinery and equipment, as the Company estimated that the carrying amounts would not be recovered by the discounted estimated future cash flows expected to result from their eventual disposition.

The Company also recorded impairment losses related to buildings, machinery and equipment, and finite-lived intangible assets in building equipment, and electronic and plastic materials of some domestic and overseas subsidiaries. The profitability of each subsidiary was expected to be low in the future and the Company estimated the carrying amounts would not be recovered by the future cash flows.

Impairment losses of 1,416 million yen, 10,279 million yen, 3,901 million yen, 1,571 million yen and 1,273 million yen were related to “Home Appliances,” “PEW and PanaHome,” “Components and Devices,” “Other” and the remaining segments, respectively.

(7) Goodwill and Other Intangible Assets

The changes in the carrying amount of goodwill by business segment for the years ended March 31, 2009 and 2008 are as follows:

	Yen (millions)					
	Digital AVC Networks	**Home Appliances**	**PEW and PanaHome**	**Components and Devices**	**Other**	**Total**
Balance at March 31, 2007	234,893	14,273	45,958	71,239	12,961	379,324
Goodwill acquired during the year	7,711	1,405	45,906	574	29	55,625
Goodwill written off related to disposals during the year	(561)	(922)	(1,923)	(111)	—	(3,517)
Other	—	—	—	(1,530)	—	(1,530)
Balance at March 31, 2008	242,043	14,756	89,941	70,172	12,990	429,902
Goodwill acquired during the year	702	—	262	—	30	994
Translation adjustments	—	—	(10,583)	—	—	(10,583)
Other	(3,780)	—	(5,741)	—	—	(9,521)
Balance at March 31, 2009	238,965	14,756	73,879	70,172	13,020	410,792

Acquired intangible assets, excluding goodwill, at March 31, 2009 and 2008 are as follows:

	Yen (millions)				
	2009		2008		
	Gross carrying amount	Accumulated amortization	Gross carrying amount	Accumulated amortization	Average amortization period
Finite-lived intangible assets:					
Patents	60,317	41,063	61,654	36,782	8 years
Software	257,859	188,439	233,375	162,946	4 years
Other	56,040	28,059	42,706	13,985	18 years
	374,216	257,561	337,735	213,713	

	Yen (millions)	
	2009	2008
Indefinite-lived intangible assets	4,057	4,895

Aggregate amortization expense for finite-lived intangible assets for the years ended March 31, 2009, 2008 and 2007 was 38,903 million yen, 38,343 million yen and 37,337 million yen, respectively.

Estimated amortization expense for the next five years is as follows:

Year ending March 31	Yen (millions)
2010	30,791
2011	23,904
2012	16,479
2013	10,956
2014	7,945

The Company recognized impairment losses of 73 million yen and 239 million yen of indefinite-lived intangible assets, in connection with the decline of their fair value during fiscal 2008 and 2007, respectively. The impairment losses are included in other deductions in the consolidated statements of operations.

Impairment losses of finite-lived intangible assets that are being amortized are included in impairment losses of long-lived assets discussed in Note 6.

(8) Long-term Debt and Short-term Borrowings

Long-term debt at March 31, 2009 and 2008 is set forth below:

	Yen (millions)	
	2009	**2008**
Unsecured Straight bond, due 2011, interest 1.64%	100,000	100,000
Unsecured Straight bond, due 2012, interest 1.14%	100,000	—
Unsecured Straight bond, due 2014, interest 1.404%	200,000	—
Unsecured Straight bond, due 2019, interest 2.05%	100,000	—
Unsecured Straight bonds issued by subsidiaries, due 2008 - 2015, interest 0.6% - 2.02%	60,143	50,150
Unsecured bank loans, due 2008 - 2013, effective interest 1.6% in fiscal 2009 and 2.0% in fiscal 2008	22,043	33,920
Secured yen bank loans by subsidiaries, due 2008 - 2027, effective interest 2.51% in fiscal 2009 and 2.55% in fiscal 2008	3,136	4,011
Capital lease obligations	112,331	122,267
	697,653	310,348
Less current portion	46,343	78,002
	651,310	232,346

The aggregate annual maturities of long-term debt after March 31, 2009 are as follows:

Year ending March 31	Yen (millions)
2010	46,343
2011	37,921
2012	227,528

Year ending March 31	Yen (millions)
2013	10,910
2014	223,669
2015 and thereafter	151,282

As is customary in Japan, short-term and long-term bank loans are made under general agreements which provide that security and guarantees for future and present indebtedness will be given upon request of the bank, and that the bank shall have the right, as the obligations become due, or in the event of their default, to offset cash deposits against such obligations due to the bank.

Each of the loan agreements grants the lender the right to request additional security or mortgages on certain assets. At March 31, 2009 and 2008, other investments and advances, and property, plant and equipment with a book value of 4,967 million yen and 6,218 million yen respectively, was pledged as collateral by subsidiaries for secured yen loans from banks. At March 31, 2009 and 2008, short-term loans subject to such general agreements amounted to 7,130 million yen and 15,156 million yen, respectively. The balance of short-term loans also includes borrowings under acceptances and short-term loans of foreign subsidiaries . The weighted-average interest rate on short-term borrowings outstanding at March 31, 2009 and 2008 was 3.5% and 4.6%, respectively.

(9) Retirement and Severance Benefits

The Company and certain subsidiaries have contributory, funded benefit pension plans covering substantially all employees who meet eligibility requirements. Benefits under the plans are primarily based on the combination of years of service and compensation.

In addition to the plans described above, upon retirement or termination of employment for reasons other than dismissal, employees are entitled to lump-sum payments based on the current rate of pay and length of service. If the termination is involuntary or caused by death, the severance payment is greater than in the case of voluntary termination. The lump-sum payment plans are not funded.

Effective April 1, 2002, the Company and some of the above-mentioned subsidiaries amended their benefit pension plans by introducing a "point-based benefits system," and their lump-sum payment plans to cash balance pension plans. Under point-based benefits system, benefits are calculated based on accumulated points allocated to employees each year according to their job classification and years of service. Under the cash balance pension plans, each participant has an account which is credited yearly based on the current rate of pay and market-related interest rate.

On March 31, 2007, the Company adopted the recognition and disclosure provisions of SFAS No. 158, "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans—an amendment of FASB Statement No. 87, 88, 106, and 132(R)." SFAS No. 158 required the Company to recognize the funded status (i.e., the difference between the fair value of plan assets and the projected benefit obligations) of its pension plans in the March 31, 2007 consolidated balance sheet, with a corresponding adjustment to accumulated other comprehensive income (loss), net of tax. The adjustment to accumulated other comprehensive income (loss) at adoption represents the unrecognized prior service benefit and unrecognized actuarial loss, both of which were previously netted against the plans' funded status in the consolidated balance sheet pursuant to the provisions of SFAS No. 87, "Employers' Accounting for Pensions." These amounts will be subsequently amortized as net periodic benefit cost. Further, actuarial gains and losses that arise in subsequent periods and that are not recognized as net periodic benefit cost in the same periods will be recognized as a component of other comprehensive income (loss). Those amounts will be subsequently recognized as a component of net periodic benefit cost on the same basis as the amounts recognized in accumulated other comprehensive income (loss) at adoption of SFAS No. 158.

During the year ended March 31, 2009, the Company changed the measurement date to March 31 for those postretirement benefit plans with a December 31 measurement date in conformity with the measurement date provisions of SFAS No. 158. The benefit obligations and plan assets of these plans were remeasured as of April 1, 2008. Net periodic benefit cost, net of tax, for the period from January 1, 2008 to March 31, 2008, in the amount of 3,727 million yen has been recorded as a reduction of beginning fiscal 2009 balance of "retained earnings." Changes in fair value of plan assets and benefit obligations during the same transition period has been recorded, as a reduction of beginning fiscal 2009 balance of "accumulated other comprehensive income (loss)," in the amount of 73,571 million yen, net of tax of 44,726 million yen.

Reconciliation of beginning and ending balances of the benefit obligations of the contributory, funded benefit pension plans, the unfunded lump-sum payment plans, and the cash balance pension plans, and the fair value of the plan assets at March 31, 2009 and 2008 are as follows:

	Yen (millions)	
	2009	**2008**
Change in benefit obligations:		
Benefit obligations at beginning of year prior to adjustment	1,828,803	1,955,007
SFAS No. 158 measurement date adjustment	4,378	—
Benefit obligations at beginning of year as adjusted	1,833,181	1,955,007
Service cost	49,660	52,830
Interest cost	50,114	50,667
Prior service benefit	(666)	(1,930)
Actuarial (gain) loss	(6,150)	(14,173)
Benefits paid	(85,073)	(94,130)
Effect of changes in consolidated subsidiaries	(5,560)	(108,636)
Foreign currency exchange impact	(13,569)	(10,832)
Benefit obligations at end of year	1,821,937	1,828,803
Change in plan assets:		
Fair value of plan assets at beginning of year	1,737,634	1,813,616
SFAS No. 158 measurement date adjustment	(118,514)	—
Fair value of plan assets at beginning of year as adjusted	1,619,120	1,813,616
Actual return on plan assets	(268,049)	(40,591)
Employer contributions	153,161	157,798
Benefits paid	(77,682)	(79,511)
Effect of changes in consolidated subsidiaries	—	(105,459)

	Yen (millions)	
	2009	**2008**
Foreign currency exchange impact	(12,904)	(8,219)
Fair value of plan assets at end of year	1,413,646	1,737,634
Funded status	(408,291)	(91,169)

The accumulated benefit obligation for the pension plans was 1,814,118 million yen and 1,817,222 million yen at March 31, 2009 and 2008, respectively.

The projected benefit obligations and the fair value of plan assets for the pension plans with projected benefit obligations in excess of plan assets, and the accumulated benefit obligations and the fair value of plan assets for the pension plans with accumulated benefit obligations in excess of plan assets at March 31, 2009 and 2008 are as follows:

	Yen (millions)	
	2009	**2008**
Plans with projected benefit obligations in excess of plan assets:		
Projected benefit obligations	1,821,937	840,967
Fair value of plan assets	1,413,646	598,369
Plans with accumulated benefit obligations in excess of plan assets:		
Accumulated benefit obligations	1,814,118	805,235
Fair value of plan assets	1,413,646	569,587

Accounts recognized in the consolidated balance sheet at March 31, 2009 and 2008 consist of:

	Yen (millions)	
	2009	2008
Other assets	—	151,430
Other current liabilities	(3,924)	(4,203)
Retirement and severance benefits	(404,367)	(238,396)
	(408,291)	(91,169)

Amounts recognized in accumulated other comprehensive income (loss) at March 31, 2009 and 2008 consist of:

	Yen (millions)	
	2009	2008
Prior service benefit	(222,519)	(251,718)
Actuarial loss	641,371	248,918
	418,852	(2,800)

Net periodic benefit cost for the contributory, funded benefit pension plans, the unfunded lump-sum payment plans, and the cash balance pension plans of the Company for the three years ended March 31, 2009 consist of the following components:

	Yen (millions)		
	2009	2008	2007
Service cost – benefits earned during the year	49,660	52,830	59,415
Interest cost on projected benefit obligation	50,114	50,667	52,659
Expected return on plan assets	(48,659)	(52,861)	(50,069)
Amortization of prior service benefit	(24,606)	(27,046)	(25,201)
Recognized actuarial loss	22,391	15,448	18,407
Net periodic benefit cost	48,900	39,038	55,211

The estimated prior service benefit and actuarial loss for the defined benefit pension plans that will be amortized from accumulated other comprehensive income (loss) into net periodic benefit cost for fiscal 2010 are gain of 24,786 million yen and loss of 37,519 million yen, respectively.

Weighted-average assumptions used to determine benefit obligations at March 31, 2009 and 2008 are as follows:

	2009	**2008**
Discount rate	2.7%	2.7%
Rate of compensation increase	1.7%	1.7%

Weighted-average assumptions used to determine net cost for the three years ended March 31, 2009 are as follows:

	2009	**2008**	**2007**
Discount rate	2.7%	2.7%	2.7%
Expected return on plan assets	3.1%	3.1%	3.3%
Rate of compensation increase	1.7%	1.6%	1.6%

The expected return on plan assets is determined based on the portfolio as a whole and not on the sum of the returns on individual asset categories, considering long-term historical returns, asset allocation, and future estimates of long-term investment returns.

The weighted-average asset allocations of the Company’s pension plans at March 31, 2009 and 2008 are as follows:

	2009	2008
Asset category:		
Equity securities	35%	43%
Debt securities	50	44
Life insurance company general accounts	11	9
Other	4	4
Total	100%	100%

Each plan of the Company has a different investment policy, which is designed to ensure sufficient plan assets are available to provide future payments of pension benefits to the eligible plan participants and is individually monitored for compliance and appropriateness on an on-going basis. Considering the expected long-term rate of return on plan assets, each plan of the Company establishes a "basic" portfolio comprised of the optimal combination of equity securities and debt securities. Plan assets are invested in individual equity and debt securities using the guidelines of the "basic" portfolio in order to generate a total return that will satisfy the expected return on a mid-term to long-term basis. The Company evaluates the difference between expected return and actual return of invested plan assets on an annual basis to determine if such differences necessitate a revision in the formulation of the "basic" portfolio. The Company revises the "basic" portfolio when and to the extent considered necessary to achieve the expected long-term rate of return on plan assets.

The Company expects to contribute 73,823 million yen to its defined benefit plans in fiscal 2010.

The benefits expected to be paid from the defined pension plans in each fiscal year 2010 - 2014 are 99,237 million yen, 95,421 million yen, 99,861 million yen, 101,830 million yen and 101,584 million yen, respectively. The aggregate benefits expected to be paid in the five years from fiscal 2015 - 2019 are 538,968 million yen. The expected benefits are based on the same assumptions used to measure the Company's benefit obligation at March 31 and include estimated future employee service.

(10) Income Taxes

Income (loss) before income taxes and income taxes for the three years ended March 31, 2009 are summarized as follows:

	Yen (millions)		
	Domestic	Foreign	Total
For the year ended March 31, 2009			
Income (loss) before income taxes	(345,776)	(36,858)	(382,634)
Income taxes:			
Current	38,297	23,543	61,840
Deferred	(10,232)	(14,250)	(24,482)
Total income taxes	28,065	9,293	37,358
For the year ended March 31, 2008			
Income before income taxes	266,972	168,021	434,993
Income taxes:			
Current	85,009	43,172	128,181
Deferred	(16,068)	2,460	(13,608)
Total income taxes	68,941	45,632	114,573
For the year ended March 31, 2007			
Income before income taxes	317,007	122,137	439,144
Income taxes:			
Current	84,012	35,453	119,465
Deferred	67,984	4,414	72,398
Total income taxes	151,996	39,867	191,863

The Company and its subsidiaries in Japan are subject to a National tax of 30%, an Inhabitant tax of approximately 20.5%, and a deductible Enterprise tax of approximately 7.4% varying by local jurisdiction, which, in aggregate, resulted in a combined statutory tax rate in Japan of approximately 40.5% for the three years ended March 31, 2009.

The effective tax rates for the years differ from the combined statutory tax rates for the following reasons:

	2009	2008	2007
Combined statutory tax rate	(40.5)%	40.5%	40.5%
Tax credit related to research expenses	(0.1)	(1.2)	(2.2)
Lower tax rates of overseas subsidiaries	(1.1)	(6.9)	(4.2)
Expenses not deductible for tax purposes	0.8	0.7	0.8
Change in valuation allowance allocated to income tax expenses	41.8	(5.4)	9.8
Tax effects attributable to investments in subsidiaries	5.8	(4.8)	0.5
Other	3.1	3.4	(1.5)
Effective tax rate	9.8%	26.3%	43.7%

The significant components of deferred income tax expenses for the three years ended March 31, 2009 are as follows:

	Yen (millions)		
	2009	2008	2007
Deferred tax expense (exclusive of the effects of other components listed below)	94,250	16,898	114,132
Benefits of net operating loss carryforwards	(118,732)	(30,506)	(41,734)
	(24,482)	(13,608)	72,398

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities at March 31, 2009 and 2008 are presented below:

	Yen (millions)	
	2009	2008
Deferred tax assets:		
Inventory valuation	78,930	87,441
Expenses accrued for financial statement purposes but not currently included in taxable income	138,580	186,633
Property, plant and equipment	246,276	168,886
Retirement and severance benefits	233,924	72,803
Tax loss carryforwards	333,383	242,474
Other	232,994	179,672
Total gross deferred tax assets	1,264,087	937,909
Less valuation allowance	477,997	348,570
Net deferred tax assets	786,090	589,339
Deferred tax liabilities:		
Net unrealized holding gains of available-for-sale securities	(5,882)	(44,018)
Other	(41,814)	(53,810)
Total gross deferred tax liabilities	(47,696)	(97,828)
Net deferred tax assets	738,394	491,511

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences and loss carryforwards become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based upon the level of historical taxable income and projections for future taxable income over the periods in which the deferred tax assets are deductible, management believes it is more likely than not that the Company will realize the benefits of these deductible differences and loss carryforwards, net of the existing valuation allowances at March 31, 2009.

The net change in total valuation allowance for the years ended March 31, 2009, 2008 and 2007 was an increase of 129,427 million yen, a decrease of 90,267 million yen and a decrease of 25,263 million yen, respectively.

At March 31, 2009, the Company had, for income tax purposes, net operating loss carryforwards of approximately 936,060 million yen, of which 835,152 million yen expire from fiscal 2010 through 2016 and the remaining balance will expire thereafter or do not expire.

Net deferred tax assets and liabilities at March 31, 2009 and 2008 are reflected in the accompanying consolidated balance sheets under the following captions:

	Yen (millions)	
	2009	**2008**
Other current assets	227,059	232,248
Other assets	547,580	292,457
Other current liabilities	(1,168)	(1,082)
Other liabilities	(35,077)	(32,112)
Net deferred tax assets	738,394	491,511

The Company has not recognized a deferred tax liability for the undistributed earnings of its foreign subsidiaries and foreign corporate joint ventures of 750,123 million yen as of March 31, 2009, because the Company currently does not expect those unremitted earnings to reverse and become taxable to the Company in the foreseeable future. A deferred tax liability will be recognized when the Company no longer plans to indefinitely reinvest undistributed earnings. The calculation of related unrecognized deferred tax liability is not practicable.

A reconciliation of the beginning and ending amounts of unrecognized tax benefits for the years ended March 31, 2009 and 2008, is as follows:

	Yen (millions)	
	2009	**2008**
Balance at beginning of year	(9,327)	(4,281)
Increase related to prior year tax positions	(1,835)	(4,657)
Decrease related to prior year tax positions	3,561	82
Increase related to current year tax positions	(484)	(2,023)
Settlements	60	1,552
Translation adjustments	838	—
Balance at end of year	(7,187)	(9,327)

As of March 31, 2009 and 2008, the total amount of unrecognized tax benefits are 7,187 million yen and 8,287 million yen, respectively, that if recognized, would reduce the effective tax rate. The Company does not expect that the total amount of unrecognized tax benefits will significantly change within the next twelve months. The Company has accrued interests and penalties related to unrecognized tax benefits and the amount of interest and penalties included in provision for income taxes and cumulative amount accrued were not material as of and for the years ended March 31, 2009 and 2008.

The Company files income tax returns in Japan and various foreign tax jurisdictions. There are a number of subsidiaries which operate within each of the Company's major jurisdictions resulting in a range of open tax years. The open tax years for the Company and its significant subsidiaries in Japan, the United States of America, the United Kingdom and China range from fiscal 2004 and thereafter.

(11) Stockholders' Equity

The Company may repurchase its common stock from the market pursuant to the former Japanese Commercial Code and the Company Law of Japan. For the years ended March 31, 2009, 2008 and 2007, respectively, 30,875,208, 45,294,912 and 63,385,266 shares were repurchased for the aggregate cost of approximately 72,416 million yen, 103,112 million yen and 153,179 million yen, respectively, primarily with the intention to hold as treasury stock to improve capital efficiency.

The Company sold 399,673, 127,610 and 137,733 shares of its treasury stock for the years ended March 31, 2009, 2008 and 2007, respectively. The difference between sales price and book value was charged to capital surplus in the consolidated balance sheets.

The Company Law of Japan provides that an amount equal to 10% of appropriations be appropriated as a capital reserve or legal reserve until the aggregated amount of capital reserve and legal reserve equals 25% of stated capital. The capital reserve and legal reserve are not available for dividends but may be transferred to capital surplus or retained earnings or stated capital upon approval of the shareholders' meeting.

Cash dividends and transfers to the legal reserve charged to retained earnings during the three years ended March 31, 2009 represent dividends paid out during the periods and related appropriation to the legal reserve. Cash dividends per share paid during the three years ended March 31, 2009 amounted to 40.00 yen, 32.50 yen and 25.00 yen, respectively. The accompanying consolidated financial statements do not include any provisions for the year-end dividend of 7.50 yen per share, totaling approximately 15,530 million yen in respect of the year ended March 31, 2009 approved by the board of directors in May 2009.

In accordance with the Company Law of Japan, there are certain restrictions on payment of dividends in connection with the treasury stock repurchased. As a result of restrictions on the treasury stock repurchased, retained earnings of 671,182 million yen at March 31, 2009 were restricted as to the payment of cash dividends.

The Company's directors and certain senior executives were granted options to purchase the Company's common stock. All stock options become fully exercisable two years from the date of grant and have a four-year term. Information with respect to stock options is as follows:

	Number of shares	Weighted-average exercise price (Yen)
Balance at March 31, 2006	168,000	2,280
Exercised	(48,000)	1,922
Forfeited	(73,000)	2,690
Balance at March 31, 2007	47,000	2,008
Exercised	(8,000)	1,895
Forfeited	(27,000)	2,163
Balance at March 31, 2008	12,000	1,734
Forfeited	(12,000)	1,734
Balance at March 31, 2009	—	—

Treasury stock reserved for options at March 31, 2007 was 30,000 shares.

(12) Other Comprehensive Income (Loss)

Components of other comprehensive income (loss) for the three years ended March 31, 2009 are as follows:

	Yen (millions)		
	Pre-tax amount	Tax expense	Net-of-tax amount
For the year ended March 31, 2009			
Translation adjustments:			
Translation adjustments arising during the period	(116,738)	—	(116,738)
Less: Reclassification adjustment for (gains) losses included in net income (loss)	3,938	—	3,938
Net translation adjustments	(112,800)	—	(112,800)
Unrealized holding gains (losses) of available-for-sale securities:			
Unrealized holding gains (losses) arising during the period	(167,397)	67,907	(99,490)

	Yen (millions)		
	Pre-tax amount	**Tax expense**	**Net-of-tax amount**
Less: Reclassification adjustment for (gains) losses included in net income (loss)	73,075	(29,590)	43,485
Net unrealized gains (losses)	(94,322)	38,317	(56,005)
Unrealized holding gains (losses) of derivative instruments:			
Unrealized holding gains (losses) arising during the period	(4,043)	1,565	(2,478)
Less: Reclassification adjustment for (gains) losses included in net income (loss)	(10,855)	4,118	(6,737)
Net unrealized gains (losses)	(14,898)	5,683	(9,215)
Pension liability adjustments:			
Prior service benefit arising during the period	345	(140)	205
Less: Amortization of prior service benefit included in net periodic benefit cost	(22,727)	7,742	(14,985)
Net prior service benefit	(22,382)	7,602	(14,780)
Actuarial loss arising during the period	(273,853)	100,104	(173,749)
Less: Amortization of actuarial loss included in net periodic benefit cost	26,422	(6,782)	19,640
Net actuarial loss	(247,431)	93,322	(154,109)
Net pension liability adjustments	(269,813)	100,924	(168,889)
Other comprehensive income (loss)	(491,833)	144,924	(346,909)

	Yen (millions)		
	Pre-tax amount	**Tax expense**	**Net-of-tax amount**
For the year ended March 31, 2008			
Translation adjustments:			
Translation adjustments arising during the period	(128,047)	—	(128,047)

	Yen (millions)		
	Pre-tax amount	**Tax expense**	**Net-of-tax amount**
Less: Reclassification adjustment for (gains) losses included in net income	(1,207)	—	(1,207)
Net translation adjustments	(129,254)	—	(129,254)
Unrealized holding gains of available-for-sale securities:			
Unrealized holding gains (losses) arising during the period	(199,198)	83,370	(115,828)
Less: Reclassification adjustment for (gains) losses included in net income	735	(296)	439
Net unrealized gains (losses)	(198,463)	83,074	(115,389)
Unrealized holding gains (losses) of derivative instruments:			
Unrealized holding gains (losses) arising during the period	5,014	(1,914)	3,100
Less: Reclassification adjustment for (gains) losses included in net income	612	(248)	364
Net unrealized gains (losses)	5,626	(2,162)	3,464
Pension liability adjustments:			
Prior service benefit arising during the period	1,954	(6)	1,948
Less: Amortization of prior service benefit included in net periodic benefit cost	(24,197)	7,806	(16,391)
Net prior service benefit	(22,243)	7,800	(14,443)
Actuarial loss arising during the period	(62,744)	27,095	(35,649)
Less: Amortization of actuarial loss included in net periodic benefit cost	13,660	(3,383)	10,277
Net actuarial loss	(49,084)	23,712	(25,372)
Net pension liability adjustments	(71,327)	31,512	(39,815)
Other comprehensive income (loss)	(393,418)	112,424	(280,994)

	Yen (millions)		
	Pre-tax amount	**Tax expense**	**Net-of-tax amount**
For the year ended March 31, 2007			
Translation adjustments:			
Translation adjustments arising during the period	57,312	—	57,312
Less: Reclassification adjustment for (gains) losses included in net income	5,481	—	5,481
Net translation adjustments	62,793	—	62,793
Unrealized holding gains of available-for-sale securities:			
Unrealized holding gains (losses) arising during the period	36,467	(12,232)	24,235
Less: Reclassification adjustment for (gains) losses included in net income	(11,200)	2,490	(8,710)
Net unrealized gains (losses)	25,267	(9,742)	15,525
Unrealized holding gains (losses) of derivative instruments:			
Unrealized holding gains (losses) arising during the period	(19,778)	7,900	(11,878)
Less: Reclassification adjustment for (gains) losses included in net income	19,183	(7,769)	11,414
Net unrealized gains (losses)	(595)	131	(464)
Minimum pension liability adjustments	(5,722)	(47)	(5,769)
Other comprehensive income (loss)	81,743	(9,658)	72,085

(13) 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 three years ended March 31, 2009 is as follows:

	Yen (millions)		
	2009	**2008**	**2007**
Net income (loss)	(378,961)	281,877	217,185

	Number of shares		
	2009	**2008**	**2007**
Average common shares outstanding	2,079,296,525	2,120,986,052	2,182,791,138
Dilutive effect:			
Stock options	—	3,818	13,858
Diluted common shares outstanding	2,079,296,525	2,120,989,870	2,182,804,996

	Yen		
	2009	**2008**	**2007**
Net income (loss) per share:			
Basic	(182.25)	132.90	99.50
Diluted	(182.25)	132.90	99.50

The effect of stock options was not included in the calculation of diluted net loss per share for the year ended March 31, 2009 as the effect would be antidilutive due to the net loss incurred for the year.

(14) Restructuring Charges

In connection with the reorganization of the Company's operations, the Company has incurred certain restructuring charges. Components and related amounts of the restructuring charges, before the related tax effects, for the years ended March 31, 2009, 2008 and 2007 are as follows:

	Yen (millions)		
	2009	**2008**	**2007**
Expenses associated with the implementation of early retirement programs:			
Domestic	26,452	27,050	8,733
Overseas	11,899	5,594	5,465
Total	38,351	32,644	14,198
Expenses associated with the closure and integration of locations	15,049	6,922	5,376
Total restructuring charges	53,400	39,566	19,574

These restructuring charges are included in other deductions in the consolidated statements of operations.

The Company has provided early retirement programs to those employees voluntarily leaving the Company. The accrued early retirement programs are recognized when the employees accept the offer and the amount can be reasonably estimated. Expenses associated with the closure and integration of locations include amounts such as moving expenses of facilities and costs to terminate leasing contracts incurred at domestic and overseas manufacturing plants and sales offices. An analysis of the accrued restructuring charges for the years ended March 31, 2009, 2008 and 2007 is as follows:

	Yen (millions)		
	2009	**2008**	**2007**
Balance at beginning of year	4,761	10,020	1,335
New charges	53,400	39,566	19,574
Cash payments	(25,638)	(44,825)	(10,889)
Balance at end of year	32,523	4,761	10,020

The following represents significant restructuring activities for the year ended March 31, 2009 by business segment:

Digital AVC Networks

Digital AVC Networks segment restructured mainly to accelerate selection and concentration of its businesses for improving its cost competitiveness. The restructuring activities mainly consisted of the implementation of early retirement programs in Japan.

Total restructuring charges amounted to 34,748 million yen, including expenses associated with the implementation of early retirement programs of 29,029 million yen.

Home Appliances

Home Appliances segment restructured its operations to accelerate concentration of its business for strengthening its management structure. The restructuring activities mainly consisted of integrations in Japan.

Total restructuring charges amounted to 3,206 million yen.

PEW and PanaHome

PEW and PanaHome segment restructured mainly its housing business in Japan.

Total restructuring charges amounted to 5,673 million yen.

Components and Devices

Components and Devices segment restructured mainly to improve efficiency in its components business.

Total restructuring charges amounted to 3,957 million yen, including expenses associated with the implementation of early retirement programs of 3,277 million yen.

Other

Other segment restructured mainly to improve efficiency in overseas sales companies.

The restructuring charges amounted to 5,816 million yen, including expenses associated with the implementation of early retirement programs of 4,145 million yen.

The following represents significant restructuring activities for the year ended March 31, 2008 by business segment:

Digital AVC Networks

Digital AVC Networks segment restructured mainly to accelerate selection and concentration of its businesses for improving its cost competitiveness. The restructuring activities mainly consisted of the implementation of early retirement programs in Japan.

Total restructuring charges amounted to 15,356 million yen, including expenses associated with the implementation of early retirement programs of 14,168 million yen.

Home Appliances

Home Appliances segment restructured its operations to accelerate concentration of its business for strengthening its management structure. The restructuring activities mainly consisted of integrations in Japan.

Total restructuring charges amounted to 8,375 million yen, including expenses associated with the implementation of early retirement programs of 5,611 million yen.

PEW and PanaHome

PEW and PanaHome segment mainly restructured its housing business in Japan. The restructuring activities mainly consisted of the implementation of early retirement programs.

Total restructuring charges amounted to 11,581 million yen, including expenses associated with the implementation of early retirement programs of 8,888 million yen.

Components and Devices

Components and Devices segment restructured mainly to improve efficiency in its battery business.

Total restructuring charges amounted to 3,128 million yen.

JVC

JVC segment incurred restructuring charges in the amount of 750 million yen in its domestic entertainment business.

Other

Other segment incurred restructuring charges in the amount of 376 million yen mainly in overseas sales companies.

The following represents significant restructuring activities for the year ended March 31, 2007 by business segment:

Digital AVC Networks

Digital AVC Networks segment restructured mainly to accelerate selection and concentration of its businesses for strengthening its management structure. The restructuring activities mainly consisted of the implementation of early retirement programs in Japan and Europe.

Total restructuring charges amounted to 11,909 million yen, including expenses associated with the implementation of early retirement programs of 10,440 million yen.

Home Appliances

Home Appliances segment restructured its operations. The restructuring activities mainly consisted of closure and integrations in Japan.

Total restructuring charges amounted to 3,113 million yen.

PEW and PanaHome

PEW and PanaHome segment incurred restructuring charges in the amount of 328 million yen mainly in Japan.

Components and Devices

Components and Devices segment restructured mainly to enhance cost competitiveness as well as to address continuous price declines. The restructuring activities mainly consisted of the implementation of early retirement programs in Asia for electronic devices business.

Total restructuring charges amounted to 3,468 million yen.

JVC

JVC segment incurred restructuring charges in the amount of 531 million yen mainly in Asia.

Other

Other segment incurred restructuring charges in the amount of 225 million yen mainly in domestic sales companies.

(15) Supplementary Information to the Statements of Operations and Cash Flows

Research and development costs, advertising costs, shipping and handling costs and depreciation charged to income for the three years ended March 31, 2009 are as follows:

	Yen (millions)		
	2009	**2008**	**2007**
Research and development costs	517,913	554,538	578,087
Advertising costs	174,939	200,890	199,155
Shipping and handling costs	146,920	159,418	170,311
Depreciation	325,835	282,102	280,177

Foreign exchange losses included in other deductions for the years ended March 31, 2009, 2008 and 2007 are 7,501 million yen, 11,492 million yen and 18,950 million yen, respectively.

Shipping and handling costs are included in selling, general and administrative expenses in the consolidated statements of operations.

In fiscal 2009, 2008 and 2007, the Company sold, without recourse, trade receivables of 458,321 million yen, 443,464 million yen and 315,329 million yen to independent third parties for proceeds of 456,870 million yen, 441,778 million yen and 314,265 million yen, and recorded losses on the sale of trade receivables of 1,451 million yen, 1,686 million yen and 1,064 million yen, respectively. In fiscal 2009, 2008 and 2007, the Company sold, with recourse, trade receivables of 411,778 million yen, 397,796 million yen and 303,769 million yen to independent third parties for proceeds of 411,022 million yen, 397,421 million yen and 303,561 million yen, and recorded losses on the sale of trade receivables of 756 million yen, 375 million yen and 208 million yen, respectively. Those losses are mainly included in selling, general and administrative expenses. The Company is responsible for servicing the receivables. Included in trade notes receivable and trade accounts receivable at March 31, 2009 are amounts of 37,962 million yen without recourse and 28,394 million yen with recourse scheduled to be sold to independent third parties. The sale of trade receivables was accounted for under SFAS No. 140, “Accounting for Transfer and Servicing of Financial Assets and Extinguishments of Liabilities,” which provides accounting and reporting standards for transfer and servicing of financial assets and extinguishments of liabilities.

Interest expenses and income taxes paid, and noncash investing and financing activities for the three years ended March 31, 2009 are as follows:

	Yen (millions)		
	2009	**2008**	**2007**
Cash paid:			
Interest	19,627	20,911	22,202
Income taxes	95,198	122,416	109,692
Noncash investing and financing activities:			
Capital leases	12,235	36,330	27,803

JVC and its subsidiaries became associated companies under equity method from consolidated companies in August, 2007. Certain financial information of JVC and its subsidiaries at the date of deconsolidation is as follows:

	Yen (millions)
Assets:	
Current assets	311,080
Other assets	115,546
Total	426,626
Liabilities:	
Current liabilities	242,336
Other liabilities	36,149
Total	278,485

(16) Derivatives and Hedging Activities

The Company operates internationally, giving rise to significant exposure to market risks arising from changes in foreign exchange 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, cross currency swaps and commodity derivatives. The Company does not hold or issue derivative financial instruments for trading purpose.

Gains and losses related to derivative instruments are classified in other income (deductions) and cost of sales in the consolidated statements of operations. The amount of the hedging ineffectiveness and net gain or loss excluded from the assessment of hedge effectiveness is not material for the three years ended March 31, 2009. Amounts included in accumulated other comprehensive income (loss) at March 31, 2009 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.

The contract amounts of foreign exchange contracts, cross currency swaps and commodity futures at March 31, 2009 and 2008 are as follows:

	Yen (millions)	
	2009	**2008**
Forward:		
To sell foreign currencies	334,586	312,390
To buy foreign currencies	190,495	185,267
Cross currency swaps	33,953	32,717
Commodity futures:		
To sell commodity	48,858	129,425
To buy commodity	168,527	294,884

From the interim reporting period for the three months ended March 31, 2009, the Company adopted SFAS No. 161, “Disclosures about Derivative Instruments and

Hedging Activities—an amendment of FASB statement No. 133.” SFAS No. 161 requires disclosures of how and why an entity uses derivative instruments, how derivative instruments and related hedged items affect an entity’s financial position, financial performance and cash flows.

The fair values of derivative instruments at March 31, 2009 are as follows:

	Yen (millions)			
	Asset derivatives		**Liability derivatives**	
	Consolidated balance sheet location	**Fair value**	**Consolidated balance sheet location**	**Fair value**
Derivatives designated as hedging instruments under SFAS No. 133:				
Foreign exchange contracts	Other current assets	2,299	Other current liabilities	(9,094)
Cross currency swaps	Other current assets	275	Other current liabilities	—
Commodity futures	Other current assets	9,285	Other current liabilities	(53,050)
Total derivatives designated as hedging instruments under SFAS No. 133		11,859		(62,144)

	Yen (millions)			
	Asset derivatives		**Liability derivatives**	
	Consolidated balance sheet location	**Fair value**	**Consolidated balance sheet location**	**Fair value**
Derivatives not designated as hedging instruments under SFAS No. 133:				
Foreign exchange contracts	Other current assets	204	Other current liabilities	(808)
Cross currency swaps	Other current assets	1,260	Other current liabilities	—
Commodity futures	Other current assets	4,670	Other current liabilities	(4,670)
Total derivatives not designated as hedging instruments under SFAS No. 133		6,134		(5,478)
Total derivatives		17,993		(67,622)

The effect of derivative instruments on the consolidated statement of operations for the three months ended March 31, 2009 is as follows:

Derivatives in SFAS No. 133 fair value hedging relationships	Location of gain or (loss) recognized in operations on derivative	Amount of gain or (loss) recognized in operations on derivative
Commodity futures	Other income (deductions)	5,700
Total		5,700

Derivatives in SFAS No. 133 cash flow hedging relationships	Amount of gain or (loss) recognized in OCI on derivative (effective portion)	Location of gain or (loss) reclassified from accumulated OCI into operations (effective portion)	Amount of gain or (loss) reclassified from accumulated OCI into operations (effective portion)
Foreign exchange contracts	(9,251)	Other income (deductions)	2,355
Cross currency swaps	(90)	Other income (deductions)	(16)
Commodity futures	2,484	Cost of sales	(1,879)
Total	(6,857)		460

Derivatives in SFAS No. 133 cash flow hedging relationships	Location of gain or (loss) recognized in operations on derivative (ineffective portion and amount excluded from effectiveness testing)	Amount of gain or (loss) recognized in operations on derivative (ineffective portion and amount excluded from effectiveness testing)
Foreign exchange contracts	Other income (deductions)	(1,226)
Cross currency swaps	—	—
Commodity futures	—	—
Total		(1,226)

Derivatives not designated as hedging instruments under SFAS No. 133	Location of gain or (loss) recognized in operations on derivative	Amount of gain or (loss) recognized in operations on derivative
Foreign exchange contracts	Other income (deductions)	814
Cross currency swaps	Other income (deductions)	1,624
Commodity futures	Other income (deductions)	0
Total		2,438

(17) <u>Fair Value of Financial Instruments</u>

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:

Cash and cash equivalents, Time deposits, Trade receivables, Short-term borrowings, Trade payables and Accrued expenses
The carrying amount approximates fair value because of the short maturity of these instruments.

Short-term investments
The fair value of short-term investments is estimated based on quoted market prices.

Investments and advances
The fair value of investments and advances is estimated based on quoted market prices or the present value of future cash flows using appropriate current discount rates.

Long-term debt
The fair value of long-term debt is estimated based on quoted market prices or the present value of future cash flows using appropriate current discount rates.

Derivative financial instruments
The fair value of derivative financial instruments, all of which are used for hedging purposes, are estimated by obtaining quotes from brokers.

The estimated fair values of financial instruments, all of which are held or issued for purposes other than trading, at March 31, 2009 and 2008 are as follows:

	Yen (millions)			
	2009		2008	
	Carrying amount	Fair value	Carrying amount	Fair value
Non-derivatives:				
Assets:				
Short-term investments	1,998	1,998	47,414	47,414
Other investments and advances	424,237	423,223	686,510	686,575
Liabilities:				
Long-term debt, including current portion	(697,653)	(698,502)	(310,348)	(312,674)
Derivatives:				
Other current assets:				
Forward:				
To sell foreign currencies	—	—	11,682	11,682
To buy foreign currencies	2,503	2,503	—	—
Cross currency swaps	1,535	1,535	—	—
Commodity futures:				
To sell commodity	13,955	13,955	—	—
To buy commodity	—	—	28,325	28,325
Other current liabilities:				
Forward:				
To sell foreign currencies	(9,902)	(9,902)	—	—
To buy foreign currencies	—	—	(2,388)	(2,388)
Cross currency swaps	—	—	(874)	(874)
Commodity futures:				
To sell commodity	—	—	(9,746)	(9,746)
To buy commodity	(57,720)	(57,720)	—	—

Limitations

Fair value estimates are made at a specific point in time, based on relevant market information and information about the financial instruments. These estimates are subjective in nature and involve uncertainties and matters of significant judgements and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

On April 1, 2008, the Company adopted SFAS No. 157, "Fair Value Measurements." SFAS No. 157 defines fair value and establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The three levels of the fair value hierarchy are as follows:

Level 1 — Quoted prices (unadjusted) in active markets for identical assets.

Level 2 — Quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable, and inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 — Unobservable inputs for the asset or liability.

The following table presents assets and liabilities that are measured at fair value on a recurring basis at March 31, 2009:

	Yen (millions)			
	2009			
	Level 1	**Level 2**	**Level 3**	**Total**
Assets:				
Available-for-sale securities	284,356	11,908	—	296,264
Derivatives	9,285	8,708	—	17,993
Total	293,641	20,616	—	314,257
Liabilities:				
Derivatives	(57,720)	(9,902)	—	(67,622)
Total	(57,720)	(9,902)	—	(67,622)

The Company's existing marketable equity securities and commodity futures are included in Level 1, which are valued using an unadjusted quoted market price in active markets with sufficient volume and frequency of transactions.

Level 2 available-for-sale securities include all debt securities, which are valued using inputs other than quoted prices that are observable. Foreign exchange contracts and commodity futures included in Level 2 derivatives are valued using quotes obtained from brokers, which are periodically validated by pricing models using observable market inputs, such as foreign currency exchange rates and interest rates.

The Company recorded a write-down of 18,121 million yen of securities under investments and advances in associated companies with a carrying value of 29,598 million yen, to the estimated fair value of 11,477 million yen for other-than-temporary impairment. The Company classified the impaired security, representing a substantial portion of the write-down, in Level 1 as the Company used an unadjusted quoted market price in active markets as input to value the investment. The remaining impaired security is classified in Level 3 as the Company used unobservable inputs to value the investment.

(18) 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. Also, as discussed in Note 15, the Company sold certain trade receivables to independent third parties, some of which are with recourse. If the collectibility of those receivables with recourse becomes doubtful, the Company is obligated to assume the liabilities. At March 31, 2009, the maximum amount of undiscounted payments the Company would have to make in the event of default is 33,434 million yen. The carrying amount of the liabilities recognized for the Company's obligations as a guarantor under those guarantees at March 31, 2009 and 2008 was immaterial.

As discussed in Note 5, in connection with the sale and leaseback 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 March 31, 2009, the maximum amount of undiscounted payments the Company would have to make in the event that these conditions are met is 32,613 million yen. The carrying amount of the liabilities recognized for the Company's obligations as guarantors under those guarantees at March 31, 2009 and 2008 was immaterial.

The Company issues contractual product warranties under which it generally guarantees the performance of products delivered and services rendered for a certain period or term. The change in accrued warranty costs for the years ended March 31, 2009 and 2008 are summarized as follows:

	Yen (millions)	
	2009	**2008**
Balance at beginning of year	36,178	38,079
Change in consolidated subsidiaries	—	(5,189)
Liabilities accrued for warranties issued during the period	51,526	42,178
Warranty claims paid during the period	(45,797)	(37,016)
Changes in liabilities for pre-existing warranties during the period, including expirations	(429)	(1,874)
Balance at end of year	41,478	36,178

At March 31, 2009, commitments outstanding for the purchase of property, plant and equipment approximated 79,068 million yen.

Liabilities for environmental remediation costs are recorded when it is probable that obligations have been incurred and the amounts can be reasonably estimated. In January 2003, the Company announced that disposed electric equipment that contained polychlorinated biphenyls (PCB equipment) might be buried in the ground of its four manufacturing facilities and one former manufacturing facility. The applicable laws require that PCB equipment be appropriately maintained and disposed of by July 2016. The Company has accrued estimated total cost of 12,147 million yen for necessary actions such as investigating whether the PCB equipment is buried at the facilities, including excavations, maintaining and disposing the PCB equipment that is already discovered, and soil remediation, since it represents management's best estimate or minimum of the cost, but the payments are not considered to be fixed and reliably determinable.

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.

(19) 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.

The Company has changed the internal business transactions between Global Procurement Service Company and other segments since April 1, 2008. Accordingly, segment information for Other and Corporate and eliminations of fiscal 2008 has been reclassified to conform to the presentation for fiscal 2009.

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).

Information by segment for the three years ended March 31, 2009 is shown in the tables below:

By Business Segment:

	Yen (millions)		
	2009	**2008**	**2007**
Sales:			
Digital AVC Networks:			
Customers	3,701,996	4,267,217	4,005,005
Intersegment	46,961	52,377	59,106
Total	3,748,957	4,319,594	4,064,111
Home Appliances:			
Customers	1,009,958	1,126,037	1,063,033
Intersegment	212,992	190,365	184,103
Total	1,222,950	1,316,402	1,247,136
PEW and PanaHome:			
Customers	1,717,168	1,854,023	1,809,503
Intersegment	49,094	56,269	49,210
Total	1,766,262	1,910,292	1,858,713
Components and Devices:			
Customers	779,761	989,414	987,933
Intersegment	347,509	409,270	389,824
Total	1,127,270	1,398,684	1,377,757
Other:			
Customers	556,624	650,941	601,950
Intersegment	515,114	433,313	395,853
Total	1,071,738	1,084,254	997,803
JVC:			
Customers	—	181,296	640,746

	Yen (millions)		
	2009	2008	2007
Intersegment	—	1,846	5,833
Total	—	183,142	646,579
Eliminations	(1,171,670)	(1,143,440)	(1,083,929)
Consolidated total	7,765,507	9,068,928	9,108,170
Segment profit (loss):			
Digital AVC Networks	3,176	252,239	220,080
Home Appliances	48,980	86,412	83,084
PEW and PanaHome	40,081	96,405	78,889
Components and Devices	7,107	104,989	99,884
Other	23,927	64,205	60,500
JVC	—	(9,672)	(5,659)
Corporate and eliminations	(50,398)	(75,097)	(77,237)
Total segment profit	72,873	519,481	459,541
Interest income	23,477	34,371	30,553
Dividends received	11,486	10,317	7,597
Other income	52,709	70,460	114,545
Interest expense	(19,386)	(20,357)	(20,906)
Goodwill impairment	—	—	(30,496)
Other deductions	(523,793)	(179,279)	(121,690)
Consolidated income (loss) before income taxes	(382,634)	434,993	439,144

	Yen (millions)		
	2009	2008	2007
Identifiable assets:			
Digital AVC Networks	2,016,112	2,592,856	2,341,967
Home Appliances	689,111	758,976	715,481
PEW and PanaHome	1,258,465	1,356,588	1,354,679
Components and Devices	926,897	1,013,522	989,293
Other	216,411	416,217	461,884
JVC	—	—	419,980
Corporate and eliminations	1,296,320	1,305,455	1,613,674

	Yen (millions)		
	2009	**2008**	**2007**
Consolidated total	6,403,316	7,443,614	7,896,958
Depreciation (including intangibles other than goodwill):			
Digital AVC Networks	142,026	91,607	79,803
Home Appliances	34,891	37,457	31,918
PEW and PanaHome	51,906	44,124	48,487
Components and Devices	97,177	89,799	85,300
Other	14,176	14,835	15,561
JVC	—	6,008	17,844
Corporate and eliminations	24,562	36,615	38,601
Consolidated total	364,738	320,445	317,514
Capital investment (including intangibles other than goodwill):			
Digital AVC Networks	250,891	228,358	168,448
Home Appliances	56,206	48,925	49,040
PEW and PanaHome	45,059	51,676	47,558
Components and Devices	141,974	139,003	138,930
Other	12,262	13,331	17,325
JVC	—	3,542	15,478
Corporate and eliminations	27,652	18,625	39,479
Consolidated total	534,044	503,460	476,258

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

Corporate assets consist of cash and cash equivalents, time deposits, marketable securities in short-term investments, investments and advances and other assets related to unallocated expenses.

Intangibles mainly represent patents and software.

By Geographical Area:

Sales attributed to countries based upon the customer's location and property, plant and equipment are as follows:

	Yen (millions)		
	2009	2008	2007
Sales:			
Japan	4,082,233	4,544,772	4,616,520
North and South America	996,647	1,250,677	1,381,104
Europe	962,981	1,212,971	1,217,931
Asia and Others	1,723,646	2,060,508	1,892,615
Consolidated total	7,765,507	9,068,928	9,108,170
United States included in North and South America	857,896	1,081,183	1,213,867
China included in Asia and Others	855,352	941,685	824,465
Property, plant and equipment:			
Japan	1,230,868	1,353,421	1,171,223
North and South America	31,694	34,260	53,317
Europe	48,398	69,844	71,594
Asia and Others	263,870	299,848	346,159
Consolidated total	1,574,830	1,757,373	1,642,293

There are no individually material countries which should be separately disclosed in North and South America, Europe, and Asia and Others, except for the United States of America and China on sales. 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 three years ended March 31, 2009.

The following information shows sales, geographical profit and identifiable assets which are attributed to geographic areas based on the country location of the

Company or its subsidiaries for the three years ended March 31, 2009. 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)		
	2009	**2008**	**2007**
Sales:			
Japan:			
Customers	4,435,587	4,908,850	4,941,413
Intersegment	1,617,969	1,880,654	2,029,589
Total	6,053,556	6,789,504	6,971,002
North and South America:			
Customers	946,098	1,196,419	1,335,631
Intersegment	18,639	16,646	21,654
Total	964,737	1,213,065	1,357,285
Europe:			
Customers	934,525	1,170,932	1,162,795
Intersegment	34,977	47,300	47,201
Total	969,502	1,218,232	1,209,996
Asia and Others:			
Customers	1,449,297	1,792,727	1,668,331
Intersegment	1,008,345	1,167,322	1,206,340
Total	2,457,642	2,960,049	2,874,671
Eliminations	(2,679,930)	(3,111,922)	(3,304,784)
Consolidated total	7,765,507	9,068,928	9,108,170
Geographical profit (loss):			
Japan	72,673	422,071	409,395
North and South America	(2,783)	22,136	22,500
Europe	(30,451)	20,438	13,903
Asia and Others	82,611	125,056	89,460
Corporate and eliminations	(49,177)	(70,220)	(75,717)

	Yen (millions)		
	2009	**2008**	**2007**
Consolidated total	72,873	519,481	459,541
Identifiable assets:			
Japan	3,957,637	4,410,600	4,416,586
North and South America	285,039	320,487	455,216
Europe	272,513	430,149	452,924
Asia and Others	935,440	1,208,534	1,265,170
Corporate and eliminations	952,687	1,073,844	1,307,062
Consolidated total	6,403,316	7,443,614	7,896,958

By Business Field:

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 business fields. This represents a voluntary and supplementary disclosure by the Company to further enhance readers' understanding of the Company's strategy, financial condition and results of operations. This disclosure is not intended to substitute for the segment disclosures as required by SFAS No. 131. The business fields are comprised of the Company's five segments as follows:

Business fields	Business segments
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

	Yen (millions)
	2009
Sales:	
Digital AVC Networks Solution:	
Digital AVC Networks	3,748,957
Total	3,748,957
Solutions for the Environment and Comfortable Living:	
Home Appliances	1,222,950
PEW and PanaHome	1,766,262
Total	2,989,212
Devices and Industry Solution:	
Components and Devices	1,127,270
Other	1,071,738
Total	2,199,008
Eliminations	(1,171,670)
Consolidated total	7,765,507
Profit by business field:	
Digital AVC Networks Solution:	
Digital AVC Networks	3,176
Total	3,176
Solutions for the Environment and Comfortable Living:	
Home Appliances	48,980
PEW and PanaHome	40,081
Total	89,061
Devices and Industry Solution:	
Components and Devices	7,107
Other	23,927
Total	31,034
Corporate and eliminations	(50,398)
Consolidated total	72,873

Consolidated Financial Statements (June 30 and March 31, 2009)

a. Consolidated Balance Sheets

June 30 and March 31, 2009

	Yen (millions)	
Assets	**June 30, 2009**	**March 31, 2009**
Current assets:		
Cash and cash equivalents	1,041,126	973,867
Time deposits	186,101	189,288
Short-term investments (Notes 3 and 13)	1,016	1,998
Trade receivables:		
Notes	49,654	42,766
Accounts	806,283	743,498
Allowance for doubtful receivables	(21,233)	(21,131)
Net trade receivables	834,704	765,133
Inventories (Note 2)	796,911	771,137
Other current assets (Notes 12 and 13)	473,944	493,271
Total current assets	3,333,802	3,194,694
Investments and advances (Notes 3 and 13)	575,443	551,751
Property, plant and equipment (Note 5):		
Land	301,027	298,346
Buildings	1,604,429	1,532,359
Machinery and equipment	2,227,555	2,229,123
Construction in progress	210,897	213,617
	4,343,908	4,273,445
Less accumulated depreciation	2,716,002	2,698,615
Net property, plant and equipment	1,627,906	1,574,830

Assets	Yen (millions) June 30, 2009	Yen (millions) March 31, 2009
Other assets:		
Goodwill	411,896	410,792
Intangible assets (Note 5)	123,678	120,712
Other assets	537,517	550,537
Total other assets	1,073,091	1,082,041
	6,610,242	6,403,316

See accompanying Notes to Consolidated Financial Statements.

Consolidated Balance Sheets

June 30 and March 31, 2009

Liabilities and Equity	Yen (millions) June 30, 2009	Yen (millions) March 31, 2009
Current liabilities:		
Short-term debt, including current portion of long-term debt (Notes 11 and 13)	205,805	94,355
Trade payables:		
Notes	39,303	38,202
Accounts	719,685	641,166
Total trade payables	758,988	679,368
Accrued income taxes	21,060	26,139
Accrued payroll	160,741	115,845
Other accrued expenses	704,550	672,836
Deposits and advances from customers	70,149	60,935
Employees' deposits	224	269
Other current liabilities (Notes 12 and 13)	328,109	350,681
Total current liabilities	2,249,626	2,000,428

Liabilities and Equity	Yen (millions) June 30, 2009	Yen (millions) March 31, 2009
Noncurrent liabilities:		
Long-term debt (Note 13)	647,722	651,310
Retirement and severance benefits	404,131	404,367
Other liabilities	150,216	134,630
Total noncurrent liabilities	1,202,069	1,190,307
Equity:		
Panasonic Corporation shareholders' equity:		
Common stock (Note 6)	258,740	258,740
Capital surplus	1,217,368	1,217,764
Legal reserve	93,983	92,726
Retained earnings	2,409,652	2,479,416
Accumulated other comprehensive income (loss):		
Cumulative translation adjustments	(344,284)	(341,592)
Unrealized holding gains (losses) of available-for-sale securities (Note 3)	23,075	(10,563)
Unrealized gains (losses) of derivative instruments (Note 12)	(1,437)	(4,889)
Pension liability adjustments	(240,545)	(237,333)
Total accumulated other comprehensive income (loss)	(563,191)	(594,377)
Treasury stock, at cost (Note 6)	(670,299)	(670,289)
Total Panasonic Corporation shareholders' equity (Note 10)	2,746,253	2,783,980
Noncontrolling interests (Note 10)	412,294	428,601
Total equity (Note 10)	3,158,547	3,212,581
Commitments and contingent liabilities (Notes 4 and 14)		
	6,610,242	6,403,316

See accompanying Notes to Consolidated Financial Statements.

b. Consolidated Statements of Operations

Three months ended June 30, 2009 and 2008

	Yen (millions)	
	Three months ended June 30, 2009	Three months ended June 30, 2008
Revenues, costs and expenses:		
Net sales	1,595,458	2,151,997
Cost of sales (Note 12)	(1,170,871)	(1,525,850)
Selling, general and administrative expenses	(444,770)	(516,574)
Interest income	2,913	7,198
Dividends received	3,417	5,343
Other income (Note 12)	9,145	16,218
Interest expense	(6,045)	(5,756)
Other deductions (Notes 5, 11 and 12)	(41,012)	(13,321)
Income (loss) before income taxes	(51,765)	119,255
Provision for income taxes	7,752	42,412
Equity in earnings (losses) of associated companies	(1,839)	337
Net income (loss) (Note 10)	(61,356)	77,180
Less net income (loss) attributable to noncontrolling interests (Note 10)	(8,379)	4,149
Net income (loss) attributable to Panasonic Corporation (Note 10)	(52,977)	73,031

	Yen	
Net income (loss) per share attributable to Panasonic Corporation common shareholders (Note 8):		
Basic	(25.58)	34.83
Diluted	—	34.83

See accompanying Notes to Consolidated Financial Statements.

c. Consolidated Statements of Cash Flows

Three months ended June 30, 2009 and 2008

	Yen (millions)	
	Three months ended June 30, 2009	**Three months ended June 30, 2008**
Cash flows from operating activities:		
Net income (loss) (Note 10)	(61,356)	77,180
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	65,895	90,706
Net gain on sale of investments	(241)	(5,802)
Provision for doubtful receivables	798	1,605
Deferred income taxes	21,511	3,899
Write-down of investment securities (Note 11)	529	2,783
Impairment losses on long-lived assets (Note 5)	1,031	2,112
(Increase) decrease in trade receivables	(71,640)	8,605
(Increase) decrease in inventories	(21,235)	(102,132)
(Increase) decrease in other current assets	(26,625)	4,643
Increase (decrease) in trade payables	74,520	47,915
Increase (decrease) in accrued income taxes	(3,176)	(33,325)
Increase (decrease) in accrued expenses and other current liabilities	79,634	31,453
Increase (decrease) in retirement and severance benefits	(8,699)	(24,894)
Increase (decrease) in deposits and advances from customers	7,601	6,901
Other	11,469	11,108
Net cash provided by operating activities	70,016	122,757
Cash flows from investing activities:		
Proceeds from disposition of investments and advances	31,809	40,384
Increase in investments and advances	(1,827)	(3,888)

	Yen (millions)	
	Three months ended June 30, 2009	**Three months ended June 30, 2008**
Capital expenditures..	(102,526)	(163,490)
Proceeds from disposals of property, plant and equipmen	3,519	8,793
(Increase) decrease in time deposits.................................	2,655	(56,314)
Other..	(16,917)	(10,376)
Net cash used in investing activities	(83,287)	(184,891)

(Continued)

d. Consolidated Statements of Cash Flows

Three months ended June 30, 2009 and 2008

	Yen (millions)	
	Three months ended June 30, 2009	Three months ended June 30, 2008
Cash flows from financing activities:		
Increase (decrease) in short-term debt	110,645	24,162
Proceeds from long-term debt	—	40,100
Repayments of long-term debt	(6,592)	(11,539)
Dividends paid to Panasonic Corporation shareholders (Notes 9 and 10)	(15,530)	(36,769)
Dividends paid to noncontrolling interests (Note 10)	(7,062)	(10,944)
Repurchase of common stock (Note 10)	(25)	(40,788)
Sale of treasury stock (Note 10)	11	53
Other	(23)	(44)
Net cash provided by (used in) financing activities	81,424	(35,769)
Effect of exchange rate changes on cash and cash equivalents	(894)	39,723
Net increase (decrease) in cash and cash equivalents	67,259	(58,180)
Cash and cash equivalents at beginning of period	973,867	1,214,816
Cash and cash equivalents at end of period	1,041,126	1,156,636

See accompanying Notes to Consolidated Financial State

Notes to Consolidated Financial Statements

(1) Summary of Significant Accounting Policies

(a) Description of Business

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 three months ended June 30, 2009 were as follows: Digital AVC Networks—46%, Home Appliances—17%, PEW and PanaHome—20%, Components and Devices—11% and Other—6%. A sales breakdown by geographical market was as follows: Japan—54%, North and South America—13%, Europe—10%, and Asia and Others—23%.

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

(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.

(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 voting 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.

The Company has 534 consolidated subsidiaries and 178 associated companies under equity method as of June 30, 2009.

Effective April 1, 2009, the Company and certain of its domestic subsidiaries changed their depreciation method from the declining-balance method to the straight-line method. The Company believes that the straight-line method better reflects the pattern of consumption of the future benefits to be derived from those assets being depreciated and provides a better matching of costs and revenues over the assets' estimated useful lives. Under the provisions of FASB Statement (SFAS) No. 154, "Accounting Changes and Error Corrections—a replacement of APB Opinion No. 20 and SFAS No. 3," a change in depreciation method is treated on a prospective basis as a change in estimate and prior period results have not been restated. The effect of the change in depreciation method for the three months ended June 30, 2009 was not material on the Company's consolidated financial statements.

(d) Use of Estimates

The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates and assumptions are reflected in valuation and disclosure of revenue recognition, allowance for doubtful receivables, valuation of inventories, impairment of long-lived assets, environmental liabilities, valuation of deferred tax assets, uncertain tax positions and employee retirement and severance benefit plans.

Management evaluated the subsequent events through the date on which the Company's consolidated financial statements were issued.

(e) Adoption of New Accounting Pronouncements

In September 2006, FASB issued 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. 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. On April 1, 2009, the Company adopted SFAS No. 157 for all nonfinancial assets and liabilities. The adoption of SFAS No. 157 for all nonfinancial assets and liabilities did not have a material effect on the Company's consolidated financial statements.

In December 2007, FASB issued SFAS No. 141 (revised 2007), "Business Combinations" (SFAS No. 141R) and SFAS No. 160, "Noncontrolling Interests in Consolidated Financial Statements—an amendment to ARB No. 51." SFAS No. 141R and No. 160 require most identifiable assets, liabilities, noncontrolling interests, and goodwill acquired in a business combination to be recorded at "full fair value" and require noncontrolling interests (previously referred to as minority interests) to be reported as a component of equity, which changes the accounting for transactions with noncontrolling interest holders. On April 1, 2009, the Company adopted SFAS No. 141R and No. 160. SFAS No. 141R is applied to business combinations occurring after the effective date. SFAS No. 160 is applied prospectively to all noncontrolling interests, including any that arose before the effective date and the disclosure requirement is applied retrospectively.

The adoption of SFAS No. 141R and No. 160 did not have a material effect on the Company's consolidated financial statements as of and for the three months ended June 30, 2009.

In April 2008, the FASB issued FASB Staff Position FAS 142-3, "Determination of the Useful Life of Intangible Assets" (FSP FAS 142-3). FSP FAS 142-3 amends the factors that should be considered in developing renewal or extension assumptions used to determine the useful life of a recognized intangible asset under Statement 142. On April 1, 2009, the Company adopted FSP FAS 142-3. The adoption of FSP FAS 142-3 did not have a material effect on the Company's consolidated financial statements.

(f) Reclassifications

Certain reclassifications have been made to the prior years' consolidated financial statements in order to conform with the presentation used as of and for the three months ended June 30, 2009.

(2) Inventories

Inventories at June 30 and March 31, 2009 are summarized as follows:

	Yen (millions)	
	June 30, 2009	**March 31, 2009**
Finished goods	468,657	439,747
Work in process	129,697	129,949
Raw materials	198,557	201,441
	796,911	771,137

(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 June 30 and March 31, 2009 are as follows:

	Yen (millions)		
	June 30, 2009		
	Cost	**Fair value**	**Net unrealized holding gains (losses)**
Current:			
Bonds	1,004	1,016	12
	1,004	1,016	12
Noncurrent:			
Equity securities	269,115	342,427	73,312

	Yen (millions)		
	June 30, 2009		
	Cost	Fair value	Net unrealized holding gains (losses)
Bonds	4,289	4,448	159
Other debt securities	569	577	8
	273,973	347,452	73,479

	Yen (millions)		
	March 31, 2009		
	Cost	Fair value	Net unrealized holding gains (losses)
Current:			
Bonds	1,972	1,998	26
	1,972	1,998	26
Noncurrent:			
Equity securities	269,735	284,356	14,621
Bonds	4,290	4,395	105
Other debt securities	5,492	5,515	23
	279,517	294,266	14,749

The carrying amounts of the Company's cost method investments totaled 20,976 million yen and 40,755 million yen at June 30 and March 31, 2009, respectively.

(4) Leases

The Company has operating leases for certain land, buildings, and machinery and equipment. Future minimum lease payments under operating leases at June 30, 2009 are as follows:

	Yen (millions)
Due within 1 year	55,652
Due after 1 year within 2 years	55,478
Due after 2 years within 3 years	28,856
Due after 3 years within 4 years	13,054
Due after 4 years within 5 years	6,951
Thereafter	4,503
Total minimum lease payments	164,494

(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 operations, and are not charged to segment profit.

The Company recognized impairment losses in the aggregate of 1,031 million yen of long-lived assets for the three months ended June 30, 2009.

Impairment losses mainly related to “Components and Devices” segment.

The Company recognized impairment losses in the aggregate of 2,112 million yen of long-lived assets for the three months ended June 30, 2008.

The Company recorded the impairment losses due to the closing of domestic manufacturing facilities. 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.

Impairment losses of 1,702 million yen and 410 million yen related to “Corporate and eliminations” and the remaining segments, respectively.

(6) Number of common shares

Number of common shares authorized and issued and number of treasury common shares as of June 30 and March 31, 2009 are as follows:

	Number of shares	
	June 30, 2009	**March 31, 2009**
Common stock:		
Authorized	4,950,000,000	4,950,000,000
Issued	2,453,053,497	2,453,053,497
Treasury stock	382,422,475	382,411,876

(7) Panasonic Corporation Shareholders’ Equity per Share

Panasonic Corporation shareholders’ equity per share as of June 30 and March 31, 2009 are as follows:

	Yen	
	June 30, 2009	March 31, 2009
Panasonic Corporation shareholders' equity per share	1,326.29	1,344.50

(8) Net Income (Loss) per Share Attributable to Panasonic Corporation Common Shareholders

A reconciliation of the numerators and denominators of the basic and diluted net income (loss) per share attributable to Panasonic Corporation common shareholders computation for the three months ended June 30, 2009 and 2008 are as follows:

	Yen (millions)	
	Three months ended June 30, 2009	Three months ended June 30, 2008
Net income (loss) attributable to Panasonic Corporation common shareholders	(52,977)	73,031

	Number of shares	
	Three months ended June 30, 2009	Three months ended June 30, 2008
Average common shares outstanding.........................	2,070,636,858	2,096,837,708
Dilutive effect:		
Stock options..		2,167
Diluted common shares outstanding		2,096,839,875

	Yen	
	Three months ended June 30, 2009	Three months ended June 30, 2008
Net income (loss) per share attributable to Panasonic Corporation common shareholders:		
Basic...	(25.58)	34.83
Diluted..	—	34.83

Diluted net income per share attributable to Panasonic Corporation Common shareholders for the three months ended June 30, 2009 has been omitted because the Company did not have potential common shares that were outstanding for the period.

(9) Cash Dividends

On May 15, 2009, the board of directors approved a year-end dividend of 7.5 yen per share, totaling 15,530 million yen on outstanding common stock for the year ended March 31, 2009. The dividends, which became effective on June 1, 2009, were sourced out of retained earnings.

(10) Equity

The change in the carrying amount of Panasonic Corporation shareholders' equity, noncontrolling interests and total equity in the consolidated balance sheets for the three months ended June 30, 2009 and 2008 are as follows:

	Yen (millions)		
	Three months ended June 30, 2009		
	Panasonic Corporation shareholders' equity	Noncontrolling interests	Total equity
Balance at April 1, 2009	2,783,980	428,601	3,212,581
Dividends paid to Panasonic Corporation shareholders	(15,530)	—	(15,530)
Dividends paid to noncontrolling interests	—	(7,062)	(7,062)
Repurchase of common stock	(25)	—	(25)
Sale of treasury stock	11	—	11
Other	(392)	(153)	(545)
Comprehensive income (loss):			
Net income (loss)	(52,977)	(8,379)	(61,356)
Other comprehensive income (loss), net of tax:			
Translation adjustments	(2,692)	392	(2,300)
Unrealized holding gains (losses) of	33,638	1,375	35,013

	Yen (millions)		
	Three months ended June 30, 2009		
	Panasonic Corporation shareholders' equity	Noncontrolling interests	Total equity
available-for-sale securities			
Unrealized holding gains (losses) of			
derivative instruments	3,452	47	3,499
Pension liability adjustments	(3,212)	(2,527)	(5,739)
Total comprehensive income (loss)	(21,791)	(9,092)	(30,883)
Balance at June 30, 2009	2,746,253	412,294	3,158,547

	Yen (millions)		
	Three months ended June 30, 2008		
	Panasonic Corporation shareholders' equity	Noncontrolling interests	Total equity
Balance at April 1, 2008 prior to adjustment	3,742,329	514,620	4,256,949
Effects of changing the pension plan measurement date pursuant to the provisions of SFAS No.158, net of tax	(77,298)	(3)	(77,301)
Balance at April 1, 2008 as adjusted	3,665,031	514,617	4,179,648
Dividends paid to Panasonic Corporation shareholders	(36,769)	—	(36,769)
Dividends paid to noncontrolling interests	—	(10,944)	(10,944)
Repurchase of common stock	(40,788)	—	(40,788)
Sale of treasury stock	53	—	53
Other	—	(1,323)	(1,323)
Comprehensive income (loss):			
Net income (loss)	73,031	4,149	77,180
Other comprehensive income (loss), net of tax:			
Translation adjustments	86,204	9,028	95,232
Unrealized holding gains (losses) of available-for-sale securities	27,108	318	27,426
Unrealized holding gains (losses) of	(6,992)	1	(6,991)

	Yen (millions)		
	Three months ended June 30, 2008		
	Panasonic Corporation shareholders' equity	Noncontrolling interests	Total equity
derivative instruments.................................			
Pension liability adjustments.......................	842	381	1,223
Total comprehensive income (loss)	180,193	13,877	194,070
Balance at June 30, 2008...	3,767,720	516,227	4,283,947

On April 1, 2008, the Company adopted the provisions of 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)," regarding the change in the measurement date of postretirement benefit plans. 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 balance of Panasonic Corporation shareholders' equity and noncontrolling interests at April 1, 2008 has been adjusted.

(11) Supplementary Information

Included in other deductions for the three months ended June 30, 2009 and 2008 are expenses of 21,586 million yen and 225 million yen associated with the implementation of the early retirement programs in the domestic and overseas subsidiaries, respectively.

A write-down of 529 million yen and 2,783 million yen on investment securities is included in other deductions for the three months ended June 30, 2009 and 2008, respectively.

Foreign exchange losses included in other deductions for the three months ended June 30, 2009 and 2008 are 4,720 million yen and 2,086 million yen, respectively.

Net periodic benefit cost for the three months ended June 30, 2009 and 2008 are 17,935 million yen and 11,080 million yen, respectively.

110,000 million yen of short-term bonds which were newly issued during the three months ended June 30, 2009 are included in short-term debt, including current portion of long-term debt in the consolidated balance sheets as of June 30, 2009.

(12) Derivatives and Hedging Activities

The Company operates internationally, giving rise to significant exposure to market risks arising from changes in foreign exchange 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, cross currency swaps and commodity derivatives. The Company does not hold or issue derivative financial instruments for trading purpose.

The Company accounts for derivative instruments in accordance with SFAS No.133, "Accounting for Derivative Instruments and Hedging Activities," as amended. Gains and losses related to derivative instruments are classified in other income (deductions) and cost of sales in the consolidated statements of operations. The amount of the hedging ineffectiveness and net gain or loss excluded from the assessment of hedge effectiveness was not material for the three months ended June 30, 2009. Amounts included in accumulated other comprehensive income (loss) at June 30, 2009 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.

The fair values of derivative instruments at June 30, 2009 are as follows:

	Yen (millions)			
	Asset derivatives		Liability derivatives	
	Consolidated balance sheet location	Fair value	Consolidated balance sheet location	Fair value
Derivatives designated as hedging instruments under SFAS No. 133:				
Foreign exchange contracts	Other current assets	448	Other current liabilities	(4,122)
Commodity futures	Other current assets	5,744	Other current liabilities	(31,292)
Total derivatives designated as hedging instruments under SFAS No. 133		6,192		(35,414)
Derivatives not designated as hedging instruments under SFAS No. 133:				
Foreign exchange contracts	Other current assets	246	Other current liabilities	(5,270)
Cross currency swaps	Other current assets	1,579	—	—
Commodity futures	Other current assets	2,661	Other current liabilities	(2,661)
Total derivatives not designated as hedging instruments under SFAS No. 133		4,486		(7,931)
Total derivatives		10,678		(43,345)

The fair values of derivative instruments at March 31, 2009 are as follows:

	Yen (millions)			
	Asset derivatives		Liability derivatives	
	Consolidated balance sheet location	Fair value	Consolidated balance sheet location	Fair value
Derivatives designated as hedging instruments under SFAS No. 133:				
Foreign exchange contracts	Other current assets	2,299	Other current liabilities	(9,094)
Cross currency swaps	Other current assets	275	—	—
Commodity futures	Other current assets	9,285	Other current liabilities	(53,050)
Total derivatives designated as hedging instruments under SFAS No. 133		11,859		(62,144)
Derivatives not designated as hedging instruments under SFAS No. 133:				
Foreign exchange contracts	Other current assets	204	Other current liabilities	(808)
Cross currency swaps	Other current assets	1,260	—	—
Commodity futures	Other current assets	4,670	Other current liabilities	(4,670)
Total derivatives not designated as hedging instruments under SFAS No. 133		6,134		(5,478)
Total derivatives		17,993		(67,622)

The effect of derivative instruments on the consolidated statement of operations for the three months ended June 30, 2009 is as follows:

Derivatives in SFAS No. 133 fair value hedging relationships	Location of gain (loss) recognized in operations on derivative	Amount of gain (loss) recognized in operations on derivative
Commodity futures	Other income (deductions)	11,248
Total		11,248

Derivatives in SFAS No. 133 cash flow hedging relationships	Amount of gain (loss) recognized in OCI on derivative (effective portion)	Location of gain (loss) reclassified from accumulated OCI into operations (effective portion)	Amount of gain (loss) reclassified from accumulated OCI into operations (effective portion)
Foreign exchange contracts	(2,310)	Other income (deductions)	(6,142)
Cross currency swaps	(291)	Other income (deductions)	(16)
Commodity futures	771	Cost of sales	(705)
Total	(1,830)		(6,863)

Derivatives in SFAS No. 133 cash flow hedging relationships	Location of gain (loss) recognized in operations on derivative (ineffective portion and amount excluded from effectiveness testing)	Amount of gain (loss) recognized in operations on derivative (ineffective portion and amount excluded from effectiveness testing)
Foreign exchange contracts	Other income (deductions)	64
Cross currency swaps	—	—
Commodity futures	—	—
Total		64

Derivatives in SFAS No. 133 cash flow hedging relationships	**Location of gain (loss) recognized in operations on derivative (ineffective portion and amount excluded from effectiveness testing)**	**Amount of gain (loss) recognized in operations on derivative (ineffective portion and amount excluded from effectiveness testing)**

Derivatives not designated as hedging instruments under SFAS No. 133	**Location of gain (loss) recognized in operations on derivative**	**Amount of gain (loss) recognized in operations on derivative**
Foreign exchange contracts	Other income (deductions)	(4,617)
Cross currency swaps	Other income (deductions)	319
Commodity futures	Other income (deductions)	0
Total		(4,298)

(13) Fair Value of Financial Instruments

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:

Cash and cash equivalents, Time deposits, Trade receivables, Short-term debt, Trade payables, Accrued expenses
The carrying amount approximates fair value because of the short maturity of these instruments.

Short-term investments
The fair value of short-term investments is estimated based on quoted market prices.

Investments and advances
The fair value of investments and advances is estimated based on quoted market prices or the present value of future cash flows using appropriate current discount rates.

Long-term debt, including current portion

The fair value of long-term debt is estimated based on quoted market prices or the present value of future cash flows using appropriate current discount rates.

Derivative financial instruments

The fair value of derivative financial instruments, all of which are used for hedging purposes, are estimated by obtaining quotes from brokers.

The estimated fair values of financial instruments, all of which are held or issued for purposes other than trading, at June 30 and March 31, 2009 are as follows:

	Yen (millions)			
	June 30, 2009		**March 31, 2009**	
	Carrying amount	**Fair value**	**Carrying amount**	**Fair value**
Non-derivatives:				
Assets:				
Short-term investments.................	1,016	1,016	1,998	1,998
Other investments and advances	454,658	454,004	424,237	423,223
Liabilities:				
Long-term debt, including current portion	(693,382)	(700,457)	(697,653)	(698,502)
Derivatives:				
Other current assets:				
Forward:				
To sell foreign currencies	633	633	—	—
To buy foreign currencies.....	61	61	2,503	2,503
Cross currency swaps	1,579	1,579	1,535	1,535
Commodity futures:				
To sell commodity................	8,405	8,405	13,955	13,955
To buy commodity	—	—	—	—

	Yen (millions)			
	June 30, 2009		March 31, 2009	
	Carrying amount	Fair value	Carrying amount	Fair value
Other current liabilities:				
Forward:				
To sell foreign currencies	(3,945)	(3,945)	(9,902)	(9,902)
To buy foreign currencies	(5,447)	(5,447)	—	—
Cross currency swaps	—	—	—	—
Commodity futures:				
To sell commodity	—	—	—	—
To buy commodity	(33,953)	(33,953)	(57,720)	(57,720)

Limitations

Fair value estimates are made at a specific point in time, based on relevant market information and information about the financial instruments. These estimates are subjective in nature and involve uncertainties and matters of significant judgements and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

SFAS No. 157, "Fair Value Measurements" defines fair value and establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The three levels of the fair value hierarchy are as follows:

Level 1 — Quoted prices (unadjusted) in active markets for identical assets.

Level 2 — Quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable, and inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 — Unobservable inputs for the asset or liability.

The following table presents assets and liabilities that are measured at fair value on a recurring basis at June 30 and March 31, 2009:

	Yen (millions)			
	June 30, 2009			
	Level 1	Level 2	Level 3	Total
Assets:				
Available-for-sale securities	342,427	6,041	—	348,468
Derivatives	5,744	4,934	—	10,678
Total	348,171	10,975	—	359,146
Liabilities:				
Derivatives	(33,953)	(9,392)	—	(43,345)
Total	(33,953)	(9,392)	—	(43,345)

	Yen (millions)			
	March 31, 2009			
	Level 1	Level 2	Level 3	Total
Assets:				
Available-for-sale securities	284,356	11,908	—	296,264
Derivatives	9,285	8,708	—	17,993
Total	293,641	20,616	—	314,257
Liabilities:				
Derivatives	(57,720)	(9,902)	—	(67,622)
Total	(57,720)	(9,902)	—	(67,622)

The Company's existing marketable equity securities and commodity futures are included in Level 1, which are valued using an unadjusted quoted market price in active markets with sufficient volume and frequency of transactions.

Level 2 available-for-sale securities include all debt securities, which are valued using inputs other than quoted prices that are observable. Foreign exchange contracts and commodity futures included in Level 2 derivatives are valued using quotes obtained from brokers, which are periodically validated by pricing models using observable market inputs, such as foreign currency exchange rates and interest rates.

(14) 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. Also the Company sold certain trade receivables to independent third parties, some of which are with recourse. If the collectibility of those receivables with recourse becomes doubtful, the Company is obligated to assume the liabilities. At June 30, 2009, the maximum amount of undiscounted payments the Company would have to make in the event of default is 30,658 million yen. The carrying amount of the liabilities recognized for the Company's obligations as a guarantor under those guarantees at June 30 and March 31, 2009 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 June 30, 2009, the maximum amount of undiscounted payments the Company would have to make in the event that these conditions are met is 32,613 million yen. The carrying amount of the liabilities recognized for the Company's obligations as guarantors under those guarantees at June 30 and March 31, 2009 was insignificant.

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.

(15) 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.

By Business Segment

Information by business segment for the three months ended June 30, 2009 and 2008 is shown in the tables below:

	Yen (millions)	
	Three months ended June 30, 2009	**Three months ended June 30, 2008**
Sales:		
Digital AVC Networks:		
Customers	763,092	1,034,931
Intersegment	10,213	11,431
Total	773,305	1,046,362
Home Appliances:		
Customers	245,720	303,039
Intersegment	48,194	49,021

	Yen (millions)	
	Three months ended June 30, 2009	**Three months ended June 30, 2008**
Total	293,914	352,060
PEW and PanaHome:		
Customers	346,159	420,435
Intersegment	11,468	12,351
Total	357,627	432,786
Components and Devices:		
Customers	160,593	232,094
Intersegment	68,988	102,460
Total	229,581	334,554
Other:		
Customers	79,894	161,498
Intersegment	124,824	127,934
Total	204,718	289,432
Eliminations	(263,687)	(303,197)
Consolidated total	1,595,458	2,151,997

	Yen (millions)	
	Three months ended June 30, 2009	**Three months ended June 30, 2008**
Segment profit (loss):		
Digital AVC Networks	(13,602)	54,974
Home Appliances	20,314	31,502
PEW and PanaHome	(7,805)	10,511
Components and Devices	(11,467)	19,499
Other	(884)	13,905
Corporate and eliminations	(6,739)	(20,818)
Total segment profit	(20,183)	109,573
Interest income	2,913	7,198
Dividends received	3,417	5,343

	Yen (millions)	
	Three months ended June 30, 2009	Three months ended June 30, 2008
Other income	9,145	16,218
Interest expense	(6,045)	(5,756)
Other deductions	(41,012)	(13,321)
Consolidated income (loss) before income taxes	(51,765)	119,255

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

By Geographical Area

Sales attributed to countries based upon the customer's location for the three months ended June 30, 2009 and 2008 are as follows:

	Yen (millions)	
	Three months ended June 30, 2009	Three months ended June 30, 2008
Sales:		
Japan	858,770	1,045,244
North and South America	203,607	286,461
Europe	167,136	293,643
Asia and Others	365,945	526,649
Consolidated total	1,595,458	2,151,997
United States of America included in North and South America	175,574	243,214
China included in Asia and Others	173,766	259,280

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

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 three months ended June 30, 2009 and 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)	
	Three months ended June 30, 2009	**Three months ended June 30, 2008**
Sales:		
Japan:		
Customers	924,062	1,154,688
Intersegment	326,900	483,835
Total	1,250,962	1,638,523
North and South America:		
Customers	194,695	270,145
Intersegment	2,821	4,864
Total	197,516	275,009
Europe:		
Customers	162,671	284,119
Intersegment	1,511	10,160
Total	164,182	294,279
Asia and Others:		
Customers	314,030	443,045
Intersegment	226,108	290,848
Total	540,138	733,893
Eliminations	(557,340)	(789,707)
Consolidated total	1,595,458	2,151,997

	Yen (millions)	
	Three months ended June 30, 2009	Three months ended June 30, 2008
Geographical profit (loss):		
Japan	(20,045)	100,696
North and South America	(2,706)	4,313
Europe	(14,399)	(272)
Asia and Others	19,502	33,931
Corporate and eliminations	(2,535)	(29,095)
Consolidated total	(20,183)	109,573

By Business Field

In a phase of further growth for global excellence, the Company discloses three business fields in order to further clarify its business fields for investors. This represents a voluntary and supplementary disclosure by the Company to further enhance readers' understanding of the Company's strategy, financial condition and results of operations. This disclosure is not intended to substitute for the segment disclosures as required by SFAS No. 131. The business fields are comprised of the Company's five segments as follows:

Business fields	Business segments
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

	Yen (millions)	
	Three months ended June 30, 2009	Three months ended June 30, 2008
Sales:		
Digital AVC Networks Solution:		
Digital AVC Networks	773,305	1,046,362
Total	773,305	1,046,362
Solutions for the Environment and Comfortable Living:		
Home Appliances	293,914	352,060
PEW and PanaHome	357,627	432,786
Total	651,541	784,846
Devices and Industry Solution:		
Components and Devices	229,581	334,554
Other	204,718	289,432
Total	434,299	623,986
Eliminations	(263,687)	(303,197)
Consolidated total	1,595,458	2,151,997
Profit (loss) by business field:		
Digital AVC Networks Solution:		
Digital AVC Networks	(13,602)	54,974
Total	(13,602)	54,974
Solutions for the Environment and Comfortable Living:		
Home Appliances	20,314	31,502
PEW and PanaHome	(7,805)	10,511
Total	12,509	42,013
Devices and Industry Solution:		
Components and Devices	(11,467)	19,499
Other	(884)	13,905
Total	(12,351)	33,404

	Yen (millions)	
	Three months ended June 30, 2009	Three months ended June 30, 2008
Corporate and eliminations	(6,739)	(20,818)
Consolidated total.............................	(20,183)	109,573

2. If Tender Offeror is an entity other than a company

N/A

3. If Tender Offeror is an individual

N/A

III. Share certificates, etc. owned and traded by Tender Offeror and special related parties

1. Ownership of share certificates, etc.

(1) Total number of share certificates, etc. owned by Tender Offeror and/or special related parties

(As of November 5, 2009)

	Number of share certificates owned	Number of share certificates, etc. provided for in Article 7, Paragraph 1, Item 2 of the Enforcement Order	Number of share certificates, etc. provided for in Article 7, Paragraph 1, Item 3 of the Enforcement Order
Share certificates	191 (voting rights)	- (voting rights)	1,377 (voting rights)
Certificates of stock acquisition rights	-	-	-
Bond certificates with stock acquisition rights	-	-	-
Trust beneficiary certificates for share certificates, etc. ( )	-	-	-
Depositary receipts for share certificates, etc. ( )	-	-	-
Total	191	-	1,377
Total number of share certificates, etc. owned	1,568	-	-
(Total number of potential share certificates, etc.)	(-)	-	-

(2) Share certificates, etc. owned by Tender Offeror

(As of November 5, 2009)

	Number of share certificates, etc. owned	Number of share certificates, etc. provided for in Article 7, Paragraph 1, Item 2 of the Enforcement Order	Number of share certificates, etc. provided for in Article 7, Paragraph 1, Item 3 of the Enforcement Order
Share certificates	- (voting rights)	- (voting rights)	- (voting rights)
Certificates of stock acquisition rights	-	-	-
Bond certificates with stock acquisition rights	-	-	-
Trust beneficiary certificates for share certificates, etc. ( )	-	-	-
Depositary receipts for share certificates, etc. ( )	-	-	-
Total	-	-	-
Total number of share certificates, etc. owned	-	-	-
(Total number of potential share certificates, etc.)	(-)	-	-

(3) Share certificates owned by special related parties (aggregate)

(As of November 5, 2009)

	Number of share certificates owned	Number of share certificates, etc. provided for in Article 7, Paragraph 1, Item 2 of the Enforcement Order	Number of share certificates, etc. provided for in Article 7, Paragraph 1, Item 3 of the Enforcement Order
Share certificates	191 (voting rights)	- (voting rights)	1,377 (voting rights)
Certificates of stock acquisition rights	-	-	-
Bond certificates with stock acquisition rights	-	-	-
Trust beneficiary certificates for share certificates, etc. ( )	-	-	-
Depositary receipts for share certificates, etc. ( )	-	-	-
Total	191		1,377
Total number of share certificates, etc. owned	1,568	-	-
(Total number of potential share certificates, etc.)	(-)	-	-

(4) Share certificates owned by special related parties (breakdown)

a. Special related parties

(As of November 5, 2009)

Name	Panasonic Pension Fund Management Co., Ltd.
Address	1-19, Nakamachi, Kadoma-shi, Osaka
Description of profession or business	Financial instruments business
Contact information	Name: Shuichi Nishimura, Attorney-at-law Address Nagashima Ohno & Tsunematsu Kioicho Building, 3-12, Kioicho, Chiyoda-ku, Tokyo Phone: 03-3288-7000
Relationship with Tender Offeror	A company which has a special shareholding relationship with the Tender Offeror.

(As of November 5, 2009)

Name	Ikeda Electric Co., Ltd.
Address	404-1, Nishinobusue, Himeji-shi, Hyogo
Description of profession or business	Manufacture of electric machinery and equipment
Contact information	Name: Shuichi Nishimura, Attorney-at-law Address Nagashima Ohno & Tsunematsu Kioicho Building, 3-12, Kioicho, Chiyoda-ku, Tokyo Phone: 03-3288-7000
Relationship with Tender Offeror	A company which has a special shareholding relationship with the Tender Offeror.

(As of November 5, 2009)

Name	Mikio Ueda
Address	7th floor, HSBC Tower, 1000 Lujiazui Ring Road, Pudong New Area, Shanghai, The People's Republic of China (The address of

	Panasonic Finance (China) Co., Ltd.)
Description of profession or business	Director, Panasonic Finance (China) Co., Ltd.
Contact information	Name: Shuichi Nishimura, Attorney-at-law Address Nagashima Ohno & Tsunematsu Kioicho Building, 3-12, Kioicho, Chiyoda-ku, Tokyo Phone: 03-3288-7000
Relationship with Tender Offeror	An officer of the company with a special shareholding relationship with the Tender Offeror.

(As of November 5, 2009)

Name	Hidehiro Ochiai
Address	7-6, Toranomon 1-chome, Minato-ku, Tokyo (The address of Japan Mayday Service Co., Ltd.)
Description of profession or business	Director, Japan Mayday Service Co., Ltd.
Contact information	Name: Shuichi Nishimura, Attorney-at-law Address Nagashima Ohno & Tsunematsu Kioicho Building, 3-12, Kioicho, Chiyoda-ku, Tokyo Phone: 03-3288-7000
Relationship with Tender Offeror	An officer of the company with a special shareholding relationship with the Tender Offeror.

(As of November 5, 2009)

Name	Masao Oka
Address	1741, Kamai, Inashiki-shi, Ibaraki (The address of Panasonic Eco Technology Kanto Co., Ltd.)
Description of profession or business	Director, Panasonic Eco Technology Kanto Co., Ltd.
Contact information	Name: Shuichi Nishimura, Attorney-at-law Address Nagashima Ohno & Tsunematsu

	Kioicho Building, 3-12, Kioicho, Chiyoda-ku, Tokyo Phone: 03-3288-7000
Relationship with Tender Offeror	An officer of the company with a special shareholding relationship with the Tender Offeror.

(As of November 5, 2009)

Name	Nobuaki Seino
Address	1-75, Hirashimizu 1-chome, Yamagata-shi (The address of Yamagata Panasonic Co., Ltd.)
Description of profession or business	Director, Yamagata Panasonic Co., Ltd.
Contact information	Name: Shuichi Nishimura, Attorney-at-law Address Nagashima Ohno & Tsunematsu Kioicho Building, 3-12, Kioicho, Chiyoda-ku, Tokyo Phone: 03-3288-7000
Relationship with Tender Offeror	An officer of the company with a special shareholding relationship with the Tender Offeror.

(As of November 5, 2009)

Name	Hiroki Mano
Address	Phuoc Long, B Ward District 9, Hochiminh City, S.R. VIETNAM (The address of Panasonic AVC Networks Vietnam Co., Ltd.)
Description of profession or business	Director, Panasonic AVC Networks Vietnam Co., Ltd.
Contact information	Name: Shuichi Nishimura, Attorney-at-law Address Nagashima Ohno & Tsunematsu Kioicho Building, 3-12, Kioicho, Chiyoda-ku, Tokyo Phone: 03-3288-7000
Relationship with Tender Offeror	An officer of the company with a special shareholding relationship with the Tender Offeror.

(As of November 5, 2009)

Name	Shingo Tanaka
Address	13-10, Kyobashi 2-chome, Chuo-ku, Tokyo (The address of PDC Co., Ltd.)
Description of profession or business	Director, PDC Co., Ltd.
Contact information	Name: Shuichi Nishimura, Attorney-at-law Address Nagashima Ohno & Tsunematsu Kioicho Building, 3-12, Kioicho, Chiyoda-ku, Tokyo Phone: 03-3288-7000
Relationship with Tender Offeror	An officer of the company with a special shareholding relationship with the Tender Offeror.

(As of November 5, 2009)

Name	Motohiko Nakamura
Address	1274-1, Motoyoshidacho, Mito-shi (The address of Panasonic Electric Works Bath & Life Co., Ltd.)
Description of profession or business	Director, Panasonic Electric Works Bath & Life Co., Ltd.
Contact information	Name: Shuichi Nishimura, Attorney-at-law Address Nagashima Ohno & Tsunematsu Kioicho Building, 3-12, Kioicho, Chiyoda-ku, Tokyo Phone: 03-3288-7000
Relationship with Tender Offeror	An officer of the company with a special shareholding relationship with the Tender Offeror.

(As of November 5, 2009)

Name	Mitsuo Terazono
Address	135, Idonouemachi, Numata-shi, Gunma (The address of Panasonic Electric Works Gumma Co., Ltd.)
Description of profession or business	Director, Panasonic Electric Works Gumma Co., Ltd.
Contact information	Name: Shuichi Nishimura, Attorney-at-law

	Address Nagashima Ohno & Tsunematsu Kioicho Building, 3-12, Kioicho, Chiyoda-ku, Tokyo Phone: 03-3288-7000
Relationship with Tender Offeror	An officer of the company with a special shareholding relationship with the Tender Offeror.

(As of November 5, 2009)

Name	Katsuhiko Takata
Address	7-4, Higashinodamachi 1-chome, Miyakojima-ku, Osaka-shi (The address of Panasonic Electric Works Fire Alarm and Security Co., Ltd.)
Description of profession or business	Director, Panasonic Electric Works Fire Alarm and Security Co., Ltd.
Contact information	Name: Shuichi Nishimura, Attorney-at-law Address Nagashima Ohno & Tsunematsu Kioicho Building, 3-12, Kioicho, Chiyoda-ku, Tokyo Phone: 03-3288-7000
Relationship with Tender Offeror	An officer of the company with a special shareholding relationship with the Tender Offeror.

(As of November 5, 2009)

Name	Kotaro Murase
Address	12-7, Higashishinbashi 2-chome, Minato-ku, Tokyo (The address of Panasonic Electric Works Networks Co., Ltd.)
Description of profession or business	Director, Panasonic Electric Works Networks Co., Ltd.
Contact information	Name: Shuichi Nishimura, Attorney-at-law Address Nagashima Ohno & Tsunematsu Kioicho Building, 3-12, Kioicho, Chiyoda-ku, Tokyo Phone: 03-3288-7000
Relationship with Tender	An officer of the company with a special shareholding relationship

Offeror	with the Tender Offeror.

(As of November 5, 2009)

Name	Koichi Morita
Address	1048, Oaza Kadoma, Kadoma-shi, Osaka (The address of Panasonic Electric Works AGE-Free Shops Co., Ltd.)
Description of profession or business	Director, Panasonic Electric Works AGE-FREE Shops Co., Ltd.
Contact information	Name: Shuichi Nishimura, Attorney-at-law Address Nagashima Ohno & Tsunematsu Kioicho Building, 3-12, Kioicho, Chiyoda-ku, Tokyo Phone: 03-3288-7000
Relationship with Tender Offeror	An officer of the company with a special shareholding relationship with the Tender Offeror.

(As of November 5, 2009)

Name	Toshiyuki Asai
Address	1048, Oaza Kadoma, Kadoma-shi, Osaka (The address of Panasonic Electric Works. Consulting & Training Co., Ltd.)
Description of profession or business	Corporate Auditor, Panasonic Electric Works. Consulting & Training Co., Ltd.
Contact information	Name: Shuichi Nishimura, Attorney-at-law Address Nagashima Ohno & Tsunematsu Kioicho Building, 3-12, Kioicho, Chiyoda-ku, Tokyo Phone: 03-3288-7000
Relationship with Tender Offeror	An officer of the company with a special shareholding relationship with the Tender Offeror.

(As of November 5, 2009)

Name	Keizo Morimitsu
Address	331-1, Okocho Nakajima, Nankoku-shi, Kochi (The address of Minami Sikoku National Tokkihanbai Co., Ltd.)

Description of profession or business	Director, Minami Sikoku National Tokkihanbai Co., Ltd.
Contact information	Name: Shuichi Nishimura, Attorney-at-law Address Nagashima Ohno & Tsunematsu Kioicho Building, 3-12, Kioicho, Chiyoda-ku, Tokyo Phone: 03-3288-7000
Relationship with Tender Offeror	An officer of the company with a special shareholding relationship with the Tender Offeror.

(As of November 5, 2009)

Name	Hazime Miyake
Address	1-1, Matsushitacho, Moriguchi-shi, Osaka (The address of Panasonic Battery Engineering Co., Ltd.)
Description of profession or business	Director, Panasonic Battery Engineering Co., Ltd.
Contact information	Name: Shuichi Nishimura, Attorney-at-law Address Nagashima Ohno & Tsunematsu Kioicho Building, 3-12, Kioicho, Chiyoda-ku, Tokyo Phone: 03-3288-7000
Relationship with Tender Offeror	An officer of the company with a special shareholding relationship with the Tender Offeror.

(As of November 5, 2009)

Name	Kenji Seko
Address	555, Sakaijyuku, Kosai-shi, Shizuoka (The address of Panasonic Storage Battery Co., Ltd.)
Description of profession or business	Director, Panasonic Storage Battery Co., Ltd.
Contact information	Name: Shuichi Nishimura, Attorney-at-law Address Nagashima Ohno & Tsunematsu Kioicho Building, 3-12, Kioicho, Chiyoda-ku, Tokyo

	Phone: 03-3288-7000
Relationship with Tender Offeror	An officer of the company with a special shareholding relationship with the Tender Offeror.

(As of November 5, 2009)

Name	Kikuo Matsunaga
Address	600, Saedocho, Tsuzuki-ku, Yokohama-shi (The Address of Panasonic System Solutions Infrastructure Co., Ltd.)
Description of profession or business	Director, Panasonic System Solutions Infrastructure Co., Ltd.
Contact information	Name: Shuichi Nishimura, Attorney-at-law Address Nagashima Ohno & Tsunematsu Kioicho Building, 3-12, Kioicho, Chiyoda-ku, Tokyo Phone: 03-3288-7000
Relationship with Tender Offeror	An officer of the company with a special shareholding relationship with the Tender Offeror.

(As of November 5, 2009)

Name	Takeshi Uragami
Address	No.49 Tokyo Rd. Qindao Free Trade Zone Qindao, Shandong, The People’s Republic of China (The address of Panasonic Electronic Devices (Qingdao) Co., Ltd.)
Description of profession or business	Director, Panasonic Electronic Devices (Qingdao) Co., Ltd.
Contact information	Name: Shuichi Nishimura, Attorney-at-law Address Nagashima Ohno & Tsunematsu Kioicho Building, 3-12, Kioicho, Chiyoda-ku, Tokyo Phone: 03-3288-7000
Relationship with Tender Offeror	An officer of the company with a special shareholding relationship with the Tender Offeror.

(As of November 5, 2009)

Name	Hiroshi Ikemoto
Address	19-18, Shibaura 3-chome, Minato-ku, Tokyo (The address of Natex Co., Ltd.)
Description of profession or business	Director, Natex Co., Ltd.
Contact information	Name: Shuichi Nishimura, Attorney-at-law Address Nagashima Ohno & Tsunematsu Kioicho Building, 3-12, Kioicho, Chiyoda-ku, Tokyo Phone: 03-3288-7000
Relationship with Tender Offeror	An officer of the company with a special shareholding relationship with the Tender Offeror.

(As of November 5, 2009)

Name	Takao Hagihara
Address	1755-2, Ipponmatsu, Chikusei-shi, Ibaraki (The address of Panahome Sekisho K.K.)
Description of profession or business	Director, Panahome Sekisho K.K.
Contact information	Name: Shuichi Nishimura, Attorney-at-law Address Nagashima Ohno & Tsunematsu Kioicho Building, 3-12, Kioicho, Chiyoda-ku, Tokyo Phone: 03-3288-7000
Relationship with Tender Offeror	An officer of the company with a special shareholding relationship with the Tender Offeror.

(As of November 5, 2009)

Name	Tetsu Noda
Address	8-1, Shimomeguro 1-chome, Meguro-ku, Tokyo (The address of Minebea Motor Manufacturing Corporation)
Description of profession or business	Corporate Auditor, Minebea Motor Manufacturing Corporation
Contact information	Name: Shuichi Nishimura, Attorney-at-law

	Address Nagashima Ohno & Tsunematsu Kioicho Building, 3-12, Kioicho, Chiyoda-ku, Tokyo Phone: 03-3288-7000
Relationship with Tender Offeror	An officer of the company with a special shareholding relationship with the Tender Offeror.

(As of November 5, 2009)

Name	Toshiaki Oouchi
Address	1006, Oaza Kadoma, Kadoma-shi, Osaka (The address of Panasonic Business Systems Co., Ltd.)
Description of profession or business	Director, Panasonic Business Systems Co., Ltd.
Contact information	Name: Shuichi Nishimura, Attorney-at-law Address Nagashima Ohno & Tsunematsu Kioicho Building, 3-12, Kioicho, Chiyoda-ku, Tokyo Phone: 03-3288-7000
Relationship with Tender Offeror	An officer of the company with a special shareholding relationship with the Tender Offeror.

(As of November 5, 2009)

Name	Masayuki Satou
Address	22-6, Motomachi, Kadoma-shi, Osaka (The address of Panasonic Business Services Co., Ltd.)
Description of profession or business	Director, Panasonic Business Services Co., Ltd.
Contact information	Name: Shuichi Nishimura, Attorney-at-law Address Nagashima Ohno & Tsunematsu Kioicho Building, 3-12, Kioicho, Chiyoda-ku, Tokyo Phone: 03-3288-7000
Relationship with Tender Offeror	An officer of the company with a special shareholding relationship with the Tender Offeror.

(As of November 5, 2009)

Name	Hironori Taniwaki
Address	41-1, Koyocho, Matsusaka-shi, Mie (The address of Shin Nihon Industry Co., Ltd.)
Description of profession or business	Director, Shin Nihon Industry Co., Ltd.
Contact information	Name: Shuichi Nishimura, Attorney-at-law Address Nagashima Ohno & Tsunematsu Kioicho Building, 3-12, Kioicho, Chiyoda-ku, Tokyo Phone: 03-3288-7000
Relationship with Tender Offeror	An officer of the company with a special shareholding relationship with the Tender Offeror.

(As of November 5, 2009)

Name	Masahiro Mimura
Address	41-1, Koyocho, Matsusaka-shi, Mie (The address of Shin Nihon Industry Co., Ltd.)
Description of profession or business	Director, Shin Nihon Industry Co., Ltd.
Contact information	Name: Shuichi Nishimura, Attorney-at-law Address Nagashima Ohno & Tsunematsu Kioicho Building, 3-12, Kioicho, Chiyoda-ku, Tokyo Phone: 03-3288-7000
Relationship with Tender Offeror	An officer of the company with a special shareholding relationship with the Tender Offeror.

(As of November 5, 2009)

Name	Masaaki Hirano
Address	Zuidplein 136, 1077XV Amsterdam, the Netherlands (The address of Panasonic Global Treasury Center B.V.)
Description of profession or business	Director, Panasonic Global Treasury Center B.V.

Contact information	Name: Shuichi Nishimura, Attorney-at-law Address Nagashima Ohno & Tsunematsu Kioicho Building, 3-12, Kioicho, Chiyoda-ku, Tokyo Phone: 03-3288-7000
Relationship with Tender Offeror	An officer of the company with a special shareholding relationship with the Tender Offeror.

(As of November 5, 2009)

Name	Tetsuhiko Segawa
Address	31-26, Daikancho, Higashi-ku, Nagoya-shi (The address of Panasonic Electric Works Living Chubu Co., Ltd.)
Description of profession or business	Director, Panasonic Electric Works Living Chubu Co., Ltd.
Contact information	Name: Shuichi Nishimura, Attorney-at-law Address Nagashima Ohno & Tsunematsu Kioicho Building, 3-12, Kioicho, Chiyoda-ku, Tokyo Phone: 03-3288-7000
Relationship with Tender Offeror	An officer of the company with a special shareholding relationship with the Tender Offeror.

(As of November 5, 2009)

Name	Seiichiro Sano
Address	8-7, Nishitenma 6-chome, Kita-ku, Osaka-shi (The address of Denshi Kaikan)
Description of profession or business	Director, Kabushiki Kaisha Denshi Kaikan
Contact information	Name: Shuichi Nishimura, Attorney-at-law Address Nagashima Ohno & Tsunematsu Kioicho Building, 3-12, Kioicho, Chiyoda-ku, Tokyo Phone: 03-3288-7000
Relationship with Tender	An officer of the company with a special shareholding relationship

Offeror	with the Tender Offeror.

(As of November 5, 2009)

Name	Eitaro Sugimoto
Address	8-7, Nishitenma 6-chome, Kita-ku, Osaka-shi (The address of Denshi Kaikan)
Description of profession or business	Corporate Auditor, Kabushiki Kaisha Denshi Kaikan
Contact information	Name: Shuichi Nishimura, Attorney-at-law Address Nagashima Ohno & Tsunematsu Kioicho Building, 3-12, Kioicho, Chiyoda-ku, Tokyo Phone: 03-3288-7000
Relationship with Tender Offeror	An officer of the company with a special shareholding relationship with the Tender Offeror.

(As of November 5, 2009)

Name	Tomoharu Kawasaki
Address	6-4, Tonoshimacho, Kadoma-shi, Osaka (The address of Moriguchi Kadoma Chamber of Commerce and Industry)
Description of profession or business	Director, Moriguchi Kadoma Chamber of Commerce and Industry
Contact information	Name: Shuichi Nishimura, Attorney-at-law Address Nagashima Ohno & Tsunematsu Kioicho Building, 3-12, Kioicho, Chiyoda-ku, Tokyo Phone: 03-3288-7000
Relationship with Tender Offeror	An officer of the company with a special shareholding relationship with the Tender Offeror.

(As of November 5, 2009)

Name	Yasuo Katsura
Address	1006, Oaza Kadoma, Kadoma-shi, Osaka (The address of the Tender Offeror)

Description of profession or business	Director of the Tender Offeror
Contact information	Name: Shuichi Nishimura, Attorney-at-law Address Nagashima Ohno & Tsunematsu Kioicho Building, 3-12, Kioicho, Chiyoda-ku, Tokyo Phone: 03-3288-7000
Relationship with Tender Offeror	An officer of the Tender Offeror

b. Number of share certificates, etc. owned

Panasonic Pension Fund Management Co., Ltd.

(As of November 5, 2009)

	Number of share certificates owned	Number of share certificates, etc. provided for in Article 7, Paragraph 1, Item 2 of the Enforcement Order	Number of share certificates, etc. provided for in Article 7, Paragraph 1, Item 3 of the Enforcement Order
Share certificates	-(shares) (voting rights)	-(shares) (voting rights)	1,377(shares) (voting rights)
Certificates of stock acquisition rights	-	-	-
Bond certificates with stock acquisition rights	-	-	-
Trust beneficiary certificates for share certificates, etc. ( )	-	-	-
Depositary receipts for share certificates, etc. ( )	-	-	-
Total	-	-	1,377

Total number of share certificates, etc owned	1,377	-	-
(Total number of potential share certificates, etc)	(-)	-	-

Ikeda Electric Co., Ltd.

(As of November 5, 2009)

	Number of share certificates owned	Number of share certificates, etc. provided for in Article 7, Paragraph 1, Item 2 of the Enforcement Order	Number of share certificates, etc. provided for in Article 7, Paragraph 1, Item 3 of the Enforcement Order
Share certificates	7 (shares) (voting rights)	-(shares) (voting rights)	-(shares) (voting rights)
Certificates of stock acquisition rights	-	-	-
Bond certificates with stock acquisition rights	-	-	-
Trust beneficiary certificates for share certificates, etc. (　　)	-	-	-
Depositary receipts for share certificates, etc. (　　)	-	-	-
Total	7	-	-
Total number of share certificates, etc owned	7	-	-
(Total number of potential share certificates, etc)	(-)	-	-

Mikio Ueda

(As of November 5, 2009)

	Number of share certificates owned	Number of share certificates, etc. provided for in Article 7, Paragraph 1, Item 2 of the Enforcement Order	Number of share certificates, etc. provided for in Article 7, Paragraph 1, Item 3 of the Enforcement Order
Share certificates	4 (shares) (voting rights)	-(shares) (voting rights)	-(shares) (voting rights)
Certificates of stock acquisition rights	-	-	-
Bond certificates with stock acquisition rights	-	-	-
Trust beneficiary certificates for share certificates, etc. ( )	-	-	-
Depositary receipts for share certificates, etc. ( )	-	-	-
Total	4	-	-
Total number of share certificates, etc owned	4	-	-
(Total number of potential share certificates, etc)	(-)	-	-

Hidehiro Ochiai

(As of November 5, 2009)

	Number of share certificates owned	Number of share certificates, etc. provided for in Article 7, Paragraph 1, Item 2 of the Enforcement Order	Number of share certificates, etc. provided for in Article 7, Paragraph 1, Item 3 of the Enforcement Order
Share certificates	2 (shares) (voting rights)	-(shares) (voting rights)	-(shares) (voting rights)

Certificates of stock acquisition rights	-	-	-
Bond certificates with stock acquisition rights	-	-	-
Trust beneficiary certificates for share certificates, etc. ( )	-	-	-
Depositary receipts for share certificates, etc. ( )	-	-	-
Total	2	-	-
Total number of share certificates, etc owned	2	-	-
(Total number of potential share certificates, etc)	(-)	-	-

Masao Oka

(As of November 5, 2009)

	Number of share certificates owned	Number of share certificates, etc. provided for in Article 7, Paragraph 1, Item 2 of the Enforcement Order	Number of share certificates, etc. provided for in Article 7, Paragraph 1, Item 3 of the Enforcement Order
Share certificates	3 (shares) (voting rights)	-(shares) (voting rights)	-(shares) (voting rights)
Certificates of stock acquisition rights	-	-	-
Bond certificates with stock acquisition rights	-	-	-
Trust beneficiary certificates for share certificates, etc. ( )	-	-	-
Depositary receipts for	-	-	-

share certificates, etc. ( )			
Total	3	-	-
Total number of share certificates, etc owned	3	-	-
(Total number of potential share certificates, etc)	(-)	-	-

Nobuaki Seino

(As of November 5, 2009)

	Number of share certificates owned	Number of share certificates, etc. provided for in Article 7, Paragraph 1, Item 2 of the Enforcement Order	Number of share certificates, etc. provided for in Article 7, Paragraph 1, Item 3 of the Enforcement Order
Share certificates	1 (share) (voting right)	-(shares) (voting rights)	-(shares) (voting rights)
Certificates of stock acquisition rights	-	-	-
Bond certificates with stock acquisition rights	-	-	-
Trust beneficiary certificates for share certificates, etc. ( )	-	-	-
Depositary receipts for share certificates, etc. ( )	-	-	-
Total	1	-	-
Total number of share certificates, etc owned	1	-	-
(Total number of potential share certificates, etc)	(-)	-	-

Hiroki Mano

(As of November 5, 2009)

	Number of share certificates owned	Number of share certificates, etc. provided for in Article 7, Paragraph 1, Item 2 of the Enforcement Order	Number of share certificates, etc. provided for in Article 7, Paragraph 1, Item 3 of the Enforcement Order
Share certificates	5 (shares) (voting rights)	-(shares) (voting rights)	-(shares) (voting rights)
Certificates of stock acquisition rights	-	-	-
Bond certificates with stock acquisition rights	-	-	-
Trust beneficiary certificates for share certificates, etc. (　　)	-	-	-
Depositary receipts for share certificates, etc. (　　)	-	-	-
Total	5	-	-
Total number of share certificates, etc owned	5	-	-
(Total number of potential share certificates, etc)	(-)	-	-

Shingo Tanaka

(As of November 5, 2009)

	Number of share certificates owned	Number of share certificates, etc. provided for in Article 7, Paragraph 1, Item 2 of the Enforcement	Number of share certificates, etc. provided for in Article 7, Paragraph 1, Item 3 of the Enforcement

		Order	Order
Share certificates	1 (share) (voting right)	-(shares) (voting rights)	-(shares) (voting rights)
Certificates of stock acquisition rights	-	-	-
Bond certificates with stock acquisition rights	-	-	-
Trust beneficiary certificates for share certificates, etc. ( )	-	-	-
Depositary receipts for share certificates, etc. ( )	-	-	-
Total	1	-	-
Total number of share certificates, etc owned	1	-	-
(Total number of potential share certificates, etc)	(-)	-	-

Motohiko Nakamura

(As of November 5, 2009)

	Number of share certificates owned	Number of share certificates, etc. provided for in Article 7, Paragraph 1, Item 2 of the Enforcement Order	Number of share certificates, etc. provided for in Article 7, Paragraph 1, Item 3 of the Enforcement Order
Share certificates	1 (share) (voting right)	-(shares) (voting rights)	-(shares) (voting rights)
Certificates of stock acquisition rights	-	-	-
Bond certificates with stock acquisition rights	-	-	-
Trust beneficiary	-	-	-

certificates for share certificates, etc. (　　)			
Depositary receipts for share certificates, etc. (　　)	-	-	-
Total	1	-	-
Total number of share certificates, etc owned	1	-	-
(Total number of potential share certificates, etc)	(-)	-	-

Mitsuo Terazono

(As of November 5, 2009)

	Number of share certificates owned	Number of share certificates, etc. provided for in Article 7, Paragraph 1, Item 2 of the Enforcement Order	Number of share certificates, etc. provided for in Article 7, Paragraph 1, Item 3 of the Enforcement Order
Share certificates	1 (share) (voting right)	-(shares) (voting rights)	-(shares) (voting rights)
Certificates of stock acquisition rights	-	-	-
Bond certificates with stock acquisition rights	-	-	-
Trust beneficiary certificates for share certificates, etc. (　　)	-	-	-
Depositary receipts for share certificates, etc. (　　)	-	-	-
Total	1	-	-
Total number of share certificates, etc owned	1	-	-

(Total number of potential share certificates, etc)	(-)	-	-

Katsuhiko Takata

(As of November 5, 2009)

	Number of share certificates owned	Number of share certificates, etc. provided for in Article 7, Paragraph 1, Item 2 of the Enforcement Order	Number of share certificates, etc. provided for in Article 7, Paragraph 1, Item 3 of the Enforcement Order
Share certificates	1 (share) (voting right)	-(shares) (voting rights)	-(shares) (voting rights)
Certificates of stock acquisition rights	-	-	-
Bond certificates with stock acquisition rights	-	-	-
Trust beneficiary certificates for share certificates, etc. ( )	-	-	-
Depositary receipts for share certificates, etc. ( )	-	-	-
Total	1	-	-
Total number of share certificates, etc owned	1	-	-
(Total number of potential share certificates, etc)	(-)	-	-

Kotaro Murase

(As of November 5, 2009)

	Number of share certificates	Number of share certificates, etc.	Number of share certificates, etc.

	owned	provided for in Article 7, Paragraph 1, Item 2 of the Enforcement Order	provided for in Article 7, Paragraph 1, Item 3 of the Enforcement Order
Share certificates	4 (shares) (voting rights)	-(shares) (voting rights)	-(shares) (voting rights)
Certificates of stock acquisition rights	-	-	-
Bond certificates with stock acquisition rights	-	-	-
Trust beneficiary certificates for share certificates, etc. ( )	-	-	-
Depositary receipts for share certificates, etc. ( )	-	-	-
Total	4	-	-
Total number of share certificates, etc owned	4	-	-
(Total number of potential share certificates, etc)	(-)	-	-

Koichi Morita

(As of November 5, 2009)

	Number of share certificates owned	Number of share certificates, etc. provided for in Article 7, Paragraph 1, Item 2 of the Enforcement Order	Number of share certificates, etc. provided for in Article 7, Paragraph 1, Item 3 of the Enforcement Order
Share certificates	1 (share) (voting right)	-(shares) (voting rights)	-(shares) (voting rights)
Certificates of stock acquisition rights	-	-	-

Bond certificates with stock acquisition rights	-	-	-
Trust beneficiary certificates for share certificates, etc. (　　)	-	-	-
Depositary receipts for share certificates, etc. (　　)	-	-	-
Total	1	-	-
Total number of share certificates, etc owned	1	-	-
(Total number of potential share certificates, etc)	(-)	-	-

Toshiyuki Asai

(As of November 5, 2009)

	Number of share certificates owned	Number of share certificates, etc. provided for in Article 7, Paragraph 1, Item 2 of the Enforcement Order	Number of share certificates, etc. provided for in Article 7, Paragraph 1, Item 3 of the Enforcement Order
Share certificates	4 (shares) (voting rights)	-(shares) (voting rights)	-(shares) (voting rights)
Certificates of stock acquisition rights	-	-	-
Bond certificates with stock acquisition rights	-	-	-
Trust beneficiary certificates for share certificates, etc. (　　)	-	-	-
Depositary receipts for share certificates, etc. (　　)	-	-	-

Total	4	-	-
Total number of share certificates, etc owned	4	-	-
(Total number of potential share certificates, etc)	(-)	-	-

Keizo Morimitsu

(As of November 5, 2009)

	Number of share certificates owned	Number of share certificates, etc. provided for in Article 7, Paragraph 1, Item 2 of the Enforcement Order	Number of share certificates, etc. provided for in Article 7, Paragraph 1, Item 3 of the Enforcement Order
Share certificates	2 (shares) (voting rights)	-(shares) (voting rights)	-(shares) (voting rights)
Certificates of stock acquisition rights	-	-	-
Bond certificates with stock acquisition rights	-	-	-
Trust beneficiary certificates for share certificates, etc. ( )	-	-	-
Depositary receipts for share certificates, etc. ( )	-	-	-
Total	2	-	-
Total number of share certificates, etc owned	2	-	-
(Total number of potential share certificates, etc)	(-)	-	-

Hazime Miyake

(As of November 5, 2009)

	Number of share certificates owned	Number of share certificates, etc. provided for in Article 7, Paragraph 1, Item 2 of the Enforcement Order	Number of share certificates, etc. provided for in Article 7, Paragraph 1, Item 3 of the Enforcement Order
Share certificates	1 (share) (voting right)	-(shares) (voting rights)	-(shares) (voting rights)
Certificates of stock acquisition rights	-	-	-
Bond certificates with stock acquisition rights	-	-	-
Trust beneficiary certificates for share certificates, etc. ( )	-	-	-
Depositary receipts for share certificates, etc. ( )	-	-	-
Total	1	-	-
Total number of share certificates, etc owned	1	-	-
(Total number of potential share certificates, etc)	(-)	-	-

Kenji Seko

(As of November 5, 2009)

	Number of share certificates owned	Number of share certificates, etc. provided for in Article 7, Paragraph 1, Item 2 of the Enforcement Order	Number of share certificates, etc. provided for in Article 7, Paragraph 1, Item 3 of the Enforcement Order
Share certificates	33 (shares)	-(shares)	-(shares)

	(voting rights)	(voting rights)	(voting rights)
Certificates of stock acquisition rights	-	-	-
Bond certificates with stock acquisition rights	-	-	-
Trust beneficiary certificates for share certificates, etc. ( )	-	-	-
Depositary receipts for share certificates, etc. ( )	-	-	-
Total	33	-	-
Total number of share certificates, etc owned	33	-	-
(Total number of potential share certificates, etc)	(-)	-	-

Kikuo Matsunaga

(As of November 5, 2009)

	Number of share certificates owned	Number of share certificates, etc. provided for in Article 7, Paragraph 1, Item 2 of the Enforcement Order	Number of share certificates, etc. provided for in Article 7, Paragraph 1, Item 3 of the Enforcement Order
Share certificates	3 (shares) (voting rights)	-(shares) (voting rights)	-(shares) (voting rights)
Certificates of stock acquisition rights	-	-	-
Bond certificates with stock acquisition rights	-	-	-
Trust beneficiary certificates for share certificates, etc. ( )	-	-	-

Depositary receipts for share certificates, etc. ( )	-	-	-
Total	3	-	-
Total number of share certificates, etc owned	3	-	-
(Total number of potential share certificates, etc)	(-)	-	-

Takeshi Uragami

(As of November 5, 2009)

	Number of share certificates owned	Number of share certificates, etc. provided for in Article 7, Paragraph 1, Item 2 of the Enforcement Order	Number of share certificates, etc. provided for in Article 7, Paragraph 1, Item 3 of the Enforcement Order
Share certificates	2 (shares) (voting rights)	-(shares) (voting rights)	-(shares) (voting rights)
Certificates of stock acquisition rights	-	-	-
Bond certificates with stock acquisition rights	-	-	-
Trust beneficiary certificates for share certificates, etc. ( )	-	-	-
Depositary receipts for share certificates, etc. ( )	-	-	-
Total	2	-	-
Total number of share certificates, etc owned	2	-	-
(Total number of potential share	(-)	-	-

certificates, etc)			

Hiroshi Ikemoto

(As of November 5, 2009)

	Number of share certificates owned	Number of share certificates, etc. provided for in Article 7, Paragraph 1, Item 2 of the Enforcement Order	Number of share certificates, etc. provided for in Article 7, Paragraph 1, Item 3 of the Enforcement Order
Share certificates	2 (shares) (voting rights)	-(shares) (voting rights)	-(shares) (voting rights)
Certificates of stock acquisition rights	-	-	-
Bond certificates with stock acquisition rights	-	-	-
Trust beneficiary certificates for share certificates, etc. ( )	-	-	-
Depositary receipts for share certificates, etc. ( )	-	-	-
Total	2	-	-
Total number of share certificates, etc owned	2	-	-
(Total number of potential share certificates, etc)	(-)	-	-

Takao Hagihara

(As of November 5, 2009)

	Number of share certificates owned	Number of share certificates, etc. provided for in Article 7, Paragraph 1, Item 2	Number of share certificates, etc. provided for in Article 7, Paragraph 1, Item 3

		of the Enforcement Order	of the Enforcement Order
Share certificates	20(shares) (voting rights)	-(shares) (voting rights)	-(shares) (voting rights)
Certificates of stock acquisition rights	-	-	-
Bond certificates with stock acquisition rights	-	-	-
Trust beneficiary certificates for share certificates, etc. ( )	-	-	-
Depositary receipts for share certificates, etc. ( )	-	-	-
Total	20	-	-
Total number of share certificates, etc owned	20	-	-
(Total number of potential share certificates, etc)	(-)	-	-

Tetsu Noda

(As of November 5, 2009)

	Number of share certificates owned	Number of share certificates, etc. provided for in Article 7, Paragraph 1, Item 2 of the Enforcement Order	Number of share certificates, etc. provided for in Article 7, Paragraph 1, Item 3 of the Enforcement Order
Share certificates	2 (shares) (voting rights)	-(shares) (voting rights)	-(shares) (voting rights)
Certificates of stock acquisition rights	-	-	-
Bond certificates with stock acquisition rights	-	-	-

Trust beneficiary certificates for share certificates, etc. ( )	-	-	-
Depositary receipts for share certificates, etc. ( )	-	-	-
Total	2	-	-
Total number of share certificates, etc owned	2	-	-
(Total number of potential share certificates, etc)	(-)	-	-

Toshiaki Oouchi

(As of November 5, 2009)

	Number of share certificates owned	Number of share certificates, etc. provided for in Article 7, Paragraph 1, Item 2 of the Enforcement Order	Number of share certificates, etc. provided for in Article 7, Paragraph 1, Item 3 of the Enforcement Order
Share certificates	0 (shares) (voting rights)	-(shares) (voting rights)	-(shares) (voting rights)
Certificates of stock acquisition rights	-	-	-
Bond certificates with stock acquisition rights	-	-	-
Trust beneficiary certificates for share certificates, etc. ( )	-	-	-
Depositary receipts for share certificates, etc. ( )	-	-	-
Total	0	-	-
Total number of share	0	-	-

certificates, etc owned			
(Total number of potential share certificates, etc)	(-)	-	-

(Note) Although Toshiaki Oouchi, who is a special related party, owns 200 shares of Target's common shares, he does not hold voting rights because the number of shares that he owns is less than one unit of Target's common shares (1,000 shares).

Masayuki Satou

(As of November 5, 2009)

	Number of share certificates owned	Number of share certificates, etc. provided for in Article 7, Paragraph 1, Item 2 of the Enforcement Order	Number of share certificates, etc. provided for in Article 7, Paragraph 1, Item 3 of the Enforcement Order
Share certificates	53 (shares) (voting rights)	-(shares) (voting rights)	-(shares) (voting rights)
Certificates of stock acquisition rights	-	-	-
Bond certificates with stock acquisition rights	-	-	-
Trust beneficiary certificates for share certificates, etc. ( )	-	-	-
Depositary receipts for share certificates, etc. ( )	-	-	-
Total	53	-	-
Total number of share certificates, etc owned	53	-	-
(Total number of potential share certificates, etc)	(-)	-	-

Hironori Taniwaki

(As of November 5, 2009)

	Number of share certificates owned	Number of share certificates, etc. provided for in Article 7, Paragraph 1, Item 2 of the Enforcement Order	Number of share certificates, etc. provided for in Article 7, Paragraph 1, Item 3 of the Enforcement Order
Share certificates	5 (shares) (voting rights)	-(shares) (voting rights)	-(shares) (voting rights)
Certificates of stock acquisition rights	-	-	-
Bond certificates with stock acquisition rights	-	-	-
Trust beneficiary certificates for share certificates, etc. ( )	-	-	-
Depositary receipts for share certificates, etc. ( )	-	-	-
Total	5	-	-
Total number of share certificates, etc owned	5	-	-
(Total number of potential share certificates, etc)	(-)	-	-

Masahiro Mimura

(As of November 5, 2009)

	Number of share certificates owned	Number of share certificates, etc. provided for in Article 7, Paragraph 1, Item 2 of the Enforcement	Number of share certificates, etc. provided for in Article 7, Paragraph 1, Item 3 of the Enforcement

		Order	Order
Share certificates	1 (share) (voting right)	-(shares) (voting rights)	-(shares) (voting rights)
Certificates of stock acquisition rights	-	-	-
Bond certificates with stock acquisition rights	-	-	-
Trust beneficiary certificates for share certificates, etc. ( )	-	-	-
Depositary receipts for share certificates, etc. ( )	-	-	-
Total	1	-	-
Total number of share certificates owned, etc	1	-	-
(Total number of potential share certificates, etc)	(-)	-	-

Masaaki Hirano

(As of November 5, 2009)

	Number of share certificates owned	Number of share certificates, etc. provided for in Article 7, Paragraph 1, Item 2 of the Enforcement Order	Number of share certificates, etc. provided for in Article 7, Paragraph 1, Item 3 of the Enforcement Order
Share certificates	1 (share) (voting right)	-(shares) (voting rights)	-(shares) (voting rights)
Certificates of stock acquisition rights	-	-	-
Bond certificates with stock acquisition rights	-	-	-
Trust beneficiary	-	-	-

certificates for share certificates, etc. (　　)			
Depositary receipts for share certificates, etc. (　　)	-	-	-
Total	1	-	-
Total number of share certificates, etc owned	1	-	-
(Total number of potential share certificates, etc)	(-)	-	-

Tetsuhiko Segawa

(As of November 5, 2009)

	Number of share certificates owned	Number of share certificates, etc. provided for in Article 7, Paragraph 1, Item 2 of the Enforcement Order	Number of share certificates, etc. provided for in Article 7, Paragraph 1, Item 3 of the Enforcement Order
Share certificates	3 (shares) (voting rights)	-(shares) (voting rights)	-(shares) (voting rights)
Certificates of stock acquisition rights	-	-	-
Bond certificates with stock acquisition rights	-	-	-
Trust beneficiary certificates for share certificates, etc. (　　)	-	-	-
Depositary receipts for share certificates, etc. (　　)	-	-	-
Total	3	-	-
Total number of share certificates, etc owned	3	-	-

(Total number of potential share certificates, etc)	(-)	-	-

Seiichiro Sano

(As of November 5, 2009)

	Number of share certificates owned	Number of share certificates, etc. provided for in Article 7, Paragraph 1, Item 2 of the Enforcement Order	Number of share certificates, etc. provided for in Article 7, Paragraph 1, Item 3 of the Enforcement Order
Share certificates	18 (shares) (voting rights)	-(shares) (voting rights)	-(shares) (voting rights)
Certificates of stock acquisition rights	-	-	-
Bond certificates with stock acquisition rights	-	-	-
Trust beneficiary certificates for share certificates, etc. ( )	-	-	-
Depositary receipts for share certificates, etc. ( )	-	-	-
Total	18	-	-
Total number of share certificates, etc owned	18	-	-
(Total number of potential share certificates, etc)	(-)	-	-

(Note) The number of share certificates, etc. that he owns, stated above, includes 5 (five) voting rights corresponding to 5,003 shares (rounded down to the whole number) which correspond to his equity in the Officer's Stock-Holding Association of SANYO Electric Co., Ltd.

Eitaro Sugimoto

(As of November 5, 2009)

	Number of share certificates owned	Number of share certificates, etc. provided for in Article 7, Paragraph 1, Item 2 of the Enforcement Order	Number of share certificates, etc. provided for in Article 7, Paragraph 1, Item 3 of the Enforcement Order
Share certificates	3(shares) (voting rights)	-(shares) (voting rights)	-(shares) (voting rights)
Certificates of stock acquisition rights	-	-	-
Bond certificates with stock acquisition rights	-	-	-
Trust beneficiary certificates for share certificates, etc. ( )	-	-	-
Depositary receipts for share certificates, etc. ( )	-	-	-
Total	3	-	-
Total number of share certificates, etc owned	3	-	-
(Total number of potential share certificates, etc)	(-)	-	-

(Note) The number of share certificates, etc. that he owns, stated above, includes 3 (three) voting rights corresponding to 3,358 shares (rounded down to the whole number) which correspond to his equity in the Employee's Stock-Holding Association of SANYO Electric Co., Ltd.

Tomoharu Kawasaki

(As of November 5, 2009)

	Number of share certificates owned	Number of share certificates, etc. provided for in Article	Number of share certificates, etc. provided for in Article

		7, Paragraph 1, Item 2 of the Enforcement Order	7, Paragraph 1, Item 3 of the Enforcement Order
Share certificates	3(shares) (voting rights)	-(shares) (voting rights)	-(shares) (voting rights)
Certificates of stock acquisition rights	-	-	-
Bond certificates with stock acquisition rights	-	-	-
Trust beneficiary certificates for share certificates, etc. ( )	-	-	-
Depositary receipts for share certificates, etc. ( )	-	-	-
Total	3	-	-
Total number of share certificates, etc owned	3	-	-
(Total number of potential share certificates, etc)	(-)	-	-

(Note) The number of share certificates, etc. that he owns, stated above, includes 2 (two) voting rights corresponding to 2,068 shares (rounded down to the whole number) which correspond to his equity in the Employee's Stock-Holding Association of SANYO Electric Co., Ltd.

Yasuo Katsura

(As of November 5, 2009)

	Number of share certificates owned	Number of share certificates, etc. provided for in Article 7, Paragraph 1, Item 2 of the Enforcement Order	Number of share certificates, etc. provided for in Article 7, Paragraph 1, Item 3 of the Enforcement Order
Share certificates	4 (shares)	-(shares)	-(shares)

	(voting rights)	(voting rights)	(voting rights)
Certificates of stock acquisition rights	-	-	-
Bond certificates with stock acquisition rights	-	-	-
Trust beneficiary certificates for share certificates, etc. ( )	-	-	-
Depositary receipts for share certificates, etc. ( )	-	-	-
Total	4	-	-
Total number of share certificates, etc owned	4	-	-
(Total number of potential share certificates, etc)	(-)	-	-

2. Trading of share certificates, etc.

(1) Trading during the sixty-day period prior to the filing date of the registration statement

N/A

3. Material agreements executed in respect of the share certificates, etc.

N/A

4. Agreement of purchase, etc. of share certificates, etc. on and after the filing date of the registration statement

N/A

IV. Transactions, etc. between the Tender Offeror and the Target

1. Transactions between the Tender Offeror and the Target or its directors and a summary thereof

The material transactions between the Tender Offeror and the Target were the sales of finished products, merchandise, materials, etc. to the Target and the purchases of finished products, merchandise, materials, etc. from the Target. The transaction amounts are provided below.

(millions of yen)

Fiscal term	100th Term (From April 1, 2006 through March 31, 2007)	101th Term (From April 1, 2007 through March 31, 2008)	102th Term (From April 1, 2008 through March 31, 2009)
Sales of finished products, merchandise, materials, etc. to Target	11,554	11,708	6,150
Purchases of finished products, merchandise, materials, etc. from Target	1,008	1,471	1,716

Note 1) Consumption tax, etc. is not included in the transaction amounts.

2. Agreements between the Tender Offeror and the Target or its directors and a summary thereof

With respect to the Tender Offer, at the meeting of the Board of Directors of the Target held on November 4, 2009, the Target resolved to announce its opinion to endorse the Tender Offer.

The Company and the Target entered into the Capital and Business Alliance Agreement on December 19, 2008. In the same agreement, the matters briefly described as follows have been agreed to:

i) The Company will conduct the Transactions to make the Target its subsidiary and, will form a close alliance with the Target which may lead to an eventual restructuring of the organization, such as a merger with the Target, etc.;

ii) The Company shall commence the Tender Offer subject to the Target's endorsement of the Tender Offer and the Target's representation to that effect; provided, however, that the Target may reserve its opinion on the purchase prices for the Tender Offer or state that shareholders should each decide whether or not to tender their common shares to the Tender Offer;

iii) The Target represents, discloses and maintains its intention to endorse the Tender Offer subject to (a) the Tender Offer being lawful in accordance with the applicable laws inside and outside Japan, (b) the purchase prices for the Tender Offer being judged not to fall below a price considered appropriate upon the representation of intent to endorse the Tender Offer, (c) no third parties making a proposal that is reasonably judged to be more beneficial for the Target's shareholders by improvement of the Target's corporate value than the Transaction and (d) a possible breach of the Target's directors' obligation of due care of a good manager or other similar obligations does not exist in respect of the Target's representation of its intent to endorse the Tender Offer;

iv) The Target must not provide information to, consider transacting with any other party or conduct Competitive Transactions with any party other than the Company until the completion of the Transactions; provided, however, that, if it is unavoidable for the Target to accept a proposal concerning Competitive Transactions and if the Target reasonably judges that the contents of the proposed Competitive Transactions presented by a party other than the Company will be more beneficial for the shareholders of the Target than the Transactions, the Target shall consult with the Company in good faith;

v) Excluding transactions, etc. separately agreed to by and between the Company and the Target, until the completion of the Transactions, the Target shall conduct the business of the Target and its subsidiary as it has done in the past in the ordinary course of business and shall make its subsidiaries do the same, and the Target shall not, beyond the ordinary course of the business, dispose of any material assets, bear debts or liabilities or conduct any other matters that may have a material adverse affect on the Target's business, assets or liabilities on a consolidated basis, consolidated financial conditions, consolidated operating results, consolidated cash flow or future profit plan and shall make its subsidiaries do the same;

vi) The Company and the Target shall immediately set up a "Collaboration Committee" after the execution of the Capital and Business Alliance Agreement and shall consider matters with respect to the management policy and control environment after the completion of the Transactions at the time and to the extent that is permitted under applicable laws and regulations in Japan and overseas;

vii) With respect to the matters which require negotiation with the Fair Trade Commission, foreign countries' competition law authorities and other supervising authorities, or permission from supervising authorities on antitrust laws or competition laws in Japan or overseas in connection with the Transactions, either the Company or the Target (whichever is obliged to respond to such matter pursuant to the relevant laws and regulations), shall perform necessary procedures under its own responsibility through consultation between the Company and the Target; and

viii) Following matters when the Transactions are completed

(a) Even if the Transactions are completed, the Company and the Target shall confirm that their common recognition is that common shares of the Target will remain listed for the time being. In the case where the requirement for remaining listed of common shares of the Target cannot be met as a result of the Tender Offer, the Company and the Target shall discuss the measures to be taken to avoid delisting.

(b) Even if the Transactions are completed, the Company and the Target shall maintain the Target's corporate name and SANYO brand while the Target remains listed.

(c) The Company and the Target shall discuss the Target's personnel affairs of new officers of the Target including dispatch of directors and auditors from the Company to the Target.

(d) The Company and the Target shall discuss the treatment of the Target's current directors, auditors and executive officers excluding those who have been appointed or seconded from preferred shareholders based on the basic policy that they will continue to be engaged in business operations.

(e) The Company plans a 100 billion yen-scale investment for collaboration with the Target for the purpose of acceleration of synergy realization. However, the specific content, details of timing of implementation and so forth shall be determined by consultation between the Company and the

Target.

(f) Even if the Transactions are completed, the common recognition of the Company and the Target is that the Target will voluntarily operate its business in accordance with the mid-term management plan adopted by the Target in May 2008. In the case where it is objectively recognized that the said mid-term management plan has not been achieved or it is extremely difficult to achieve it, the Company and the Target shall discuss faithfully and make a decision on the method of the collaboration in light of maximizing value for the business group.

V. Description of the Target

1. Profits and losses for the last three years

(1) Profit and loss information

(millions of yen)

Fiscal year end	March 31, 2007 (83th Term)	March 31, 2008 (84th Term)	March 31, 2009 (85th Term)
Sales	1,215,914	1,417,946	1,001,783
Sales cost	1,058,674	1,245,592	890,941
Selling, general and administrative expenses	173,617	156,462	114,699
Non-operating income	33,840	34,931	19,285
Non-operating expenses	38,738	47,888	39,835
Net income/(net loss)	(57,144)	18,905	(100,536)

Note 1) Consumption tax, etc. is not included in the sales figures.

Note 2) The above information (including Note 1) was extracted from the Annual Securities Reports for the 83rd, 84th, and 85th terms, which were submitted by the Target respectively on June 29, 2007, June 30, 2008, and June 30, 2009.

(2) Per share information

(yen)

Fiscal year end	March 31, 2007 (83th Term)	March 31, 2008 (84th Term)	March 31, 2009 (85th Term)
Net income/(net loss) per share	(9.31)	3.08	(16.37)
Dividends per share	- (-)	- (-)	- (-)
Net assets per share	7.51	9.75	(7.12)

Note) The above information was extracted from the Annual Securities Reports for the 83rd (including the Amendment Report of the Annual Securities Reports submitted on December 25, 2007), 84th, and 85th terms, which were submitted by the Target respectively on June 29, 2007, June 30, 2008, and June 30, 2009.

2. Stock Price information

(yen)

Name of financial instruments exchange, or licensed financial instruments firm /association		First Section of the Tokyo Stock Exchange							
Month		April 2009	May 2009	June 2009	July 2009	August 2009	September 2009	October 2009	November 2009
Stock Price	Maximum	180	245	279	252	272	266	232	238
	Minimum	138	160	236	188	209	209	187	213

Note) The above information for October 2009 is up to and including November 4, 2009.

3. Shareholder information

(1) Ownership status

(a) Common shares

As of March 31, 2009

Category	Status of Shares (Number of shares per unit: 1,000 shares)								Status of shares less than one unit (shares)
	National and local govern-ments	Financial institutions	Financial instrument firms	Other corporate entities	Foreign entities, etc.	Individuals among foreign entities, etc.	Individuals or others	Total	
Number of shareholders	1	83	91	1,603	436	57	226,672	228,886	-
Number of shares owned (shares)	1	483,058	29,586	111,970	276,395	170	960,787	1,861,797	10,541,099

Shareholding Ratio (%)	0.00	25.94	1.59	6.01	14.85	0.01	51.61	100.00	-

Note 1) With respect to the 16,086,021 treasury shares, 16,086 units are included in the above "Individuals or other" category, and 21 shares are included in the above "Status of shares less than one unit" category. The number of treasury shares recorded in the shareholders register is 16,086,021, however, the actual number of shares held as of March 31, 2009 is 16,084,021 shares.

Note 2) The 43 units of shares held by Japan Securities Depository Center, Inc. are included in the above "Other corporate entities" category.

Note 3) The above information (including Notes 1 and 2) was prepared based on the Target's Annual Securities Report for the 85th term submitted on June 29, 2009.

(b) Class A preferred shares

As of March 31, 2009

Category	Status of Shares (Number of shares per unit: 100 shares)								Status of shares less than one unit (shares)
	National and local govern-ments	Financial institutions	Financial instrument firms	Other corporate entities	Foreign entities, etc.	Individuals among foreign entities, etc.	Individuals or others	Total	
Number of shareholders	-	1	-	2	-	-	-	3	-
Number of shares owned (shares)	-	29,324	-	1,796,098	-	-	-	1,825,422	-
Shareholding Ratio (%)	-	1.60	-	98.40	-	-	-	100.00	-

Note) The above information was prepared based on the Annual Securities Report for the 85th term of the Target submitted on June 29, 2009.

(c) Class B preferred shares

As of March 31, 2009

Category	Status of Shares (Number of shares per unit: 100 shares)								Status of shares less than one unit (shares)
	National and local govern-ments	Financial institutions	Financial instrument firms	Other corporate entities	Foreign entities, etc.	Individuals among foreign entities, etc.	Individuals or others	Total	
Number of shareholders	-	1	-	2	-	-	-	3	-
Number of shares owned (shares)	-	684,961	-	1,775,332	-	-	-	2,460,293	-
Shareholding Ratio (%)	-	27.84	-	72.16	-	-	-	100.00	-

Note) The above information was prepared based on the Target's Annual Securities Report for the 85th term submitted on June 29, 2009.

Number of Shares Owned by Major Shareholders and Directors/Officers

a. Major Shareholders' Information

(a) The number of shares owned

As of March 31, 2009

Name	Address	Number of shares owned (1,000 shares)	Shareholding ratio to total number of issued shares (%)
Evolution Investments Co., Ltd.	9-1 Marunouchi, 1-Chome, Chiyoda-ku, Tokyo	178,571 (178,571)	7.76
Oceans Holdings Co., Ltd.	Shibuya Cross Tower, 15-1 Shibuya, 2-Chome, Shibuya-ku, Tokyo	178,571 (178,571)	7.76
Sumitomo Mitsui Banking Corporation	1-2 Yurakucho, 1-Chome, Chiyoda-ku Tokyo	114,707 (71,428)	4.99
Japan Trustee Services Bank, Ltd. (trust account 4G)	8-11 Harumi, 1-Chome, Chuo-ku, Tokyo	85,709	3.73
SANYO Electric Employees Stockholders' Association	5-5,Keihan-Hondori, 2-Chome, Moriguchi-shi, Osaka	50,681	2.20
Japan Trustee Services Bank, Ltd. (trust account)	8-11 Harumi ,1-Chome, Chuo-ku, Tokyo	49,180	2.14
Nippon Life Insurance Company	5-12 Imabashi, 3-Chome, Chuo-ku, Osaka	39,441	1.71
The Master Trust Bank of Japan, Ltd. (trust account)	11-3 Hamamatsucho, 2-Chome, Minato-ku, Tokyo	30,185	1.31
Sumitomo Life Insurance Company	4-35 Shiromi, 1-Chome, Chuo-ku, Osaka Japan	30,000	1.30
Resona Bank, Ltd.	2-1 Bingomachi, 2-Chome, Chuo-ku, Osaka	26,148	1.14
Total		783,193 (428,571)	34.04

Note 1) The figures within the above parentheses in the "Number of shares owned" column indicate: (i) the total number of the Class A preferred shares (89,804,000 shares) and the Class B preferred shares (88,766,000 shares) for Evolution Investments Co., Ltd., (ii) the total number of the Class A preferred shares (89,804,000 shares) and the Class B preferred shares (88,766,000 shares) for Oceans Holdings Co., Ltd. and (iii) the total number of the Class A preferred shares (2,932,000 shares) and the Class B preferred shares (68,496,000 shares) for Sumitomo Mitsui Banking Corporation.

Note 2) The above information (including Note 1) was prepared based on the Target's Annual Securities Report for the 85th term submitted on June 29, 2009.

Note 3) According to the Target's First Quarterly Report for the 86th term submitted on August 5, 2009, during the first quarter accounting period for the 86th term, the Target did not undergo any change in its major shareholders.

Note 4) Amendment Report No. 25 to the Substantial Shareholding Report was filed by Goldman Sachs Co., Ltd. with the Director-General of the Kanto Local Finance Bureau on September 24, 2009. According to the said Amendment Report, as of September 18, 2009, Oceans Holdings Co., Ltd exercised its acquisition request rights conferred to the 81,890,145 shares out of the Class B preferred shares held by Oceans Holdings Co., Ltd. to acquire 818,901,450 shares of common shares of the Target.

Note 5) Amendment Report No. 13 to the Substantial Shareholding Report was filed by Evolution Investments Co., Ltd. with the Director-General of the Kanto Local Finance Bureau on October 6, 2009. According to the said Amendment Report, as of September 30, 2009, Evolution Investments Co., Ltd exercised its acquisition request rights conferred to the 24,632,300 shares out of the Class B preferred shares held by Oceans Holdings Co., Ltd. to acquire 246,323,000 shares of common shares of the Target.

(b) The number of voting rights owned

As of March 31, 2009

Name	Address	Number of voting rights	ratio of voting rights to total voting rights of

		owned	the shareholders (%)
Evolution Investments Co., Ltd.	9-1 Marunouchi, 1-Chome, Chiyoda-ku, Tokyo	898,049	24.47
Oceans Holdings Co., Ltd.	Shibuya Cross Tower, 15-1 Shibuya, 2-Chome, Shibuya-ku, Tokyo	898,049	24.47
Japan Trustee Services Bank, Ltd. (trust account 4G)	8-11 Harumi, 1-Chome, Chuo-ku, Tokyo	85,709	2.34
Sumitomo Mitsui Banking Corporation	1-2 Yurakucho, 1-Chome, Chiyoda-ku Tokyo	72,602	1.98
SANYO Electric Employees Stockholders' Association	5-5,Keihan-Hondori, 2-Chome, Moriguchi-shi, Osaka	50,681	1.38
Japan Trustee Services Bank, Ltd. (trust account)	8-11 Harumi ,1-Chome, Chuo-ku, Tokyo	49,180	1.34
Nippon Life Insurance Company	5-12 Imabashi, 3-Chome, Chuo-ku, Osaka	39,441	1.07
The Master Trust Bank of Japan, Ltd. (trust account)	11-3 Hamamatsucho, 2-Chome, Minato-ku, Tokyo	30,185	0.82
Sumitomo Life Insurance Company	4-35 Shiromi, 1-Chome, Chuo-ku, Osaka Japan	30,000	0.82
Resona Bank, Ltd.	2-1 Bingomachi, 2-Chome, Chuo-ku, Osaka	26,148	0.71
Total		2,180,044	59.41

Note 1) Evolution Investments Co., Ltd. is a subsidiary of Daiwa Securities SMBC Principal Investments Co. Ltd., and Oceans Holdings Co., Ltd. is an affiliated company of Goldman Sachs, Inc.

Note 2) The above information (including Note 1) was prepared based on the Target's Annual Securities Report for the 85th term submitted on June 29, 2009.

Note 3) According to the Target's First Quarterly Report for the 86th term submitted on August 5, 2009, during the first quarter accounting period for the 86th term, the Target did not undergo any change in its major shareholders.

Note 4) Amendment Report No. 25 to the Substantial Shareholding Report was filed by Goldman Sachs Co., Ltd. with the Director-General of the Kanto Local Finance Bureau on September 24, 2009. According to the said Amendment Report, as of September 18, 2009, Oceans Holdings Co., Ltd exercised its acquisition request rights conferred to the 81,890,145 shares out of the Class B preferred shares held by Oceans Holdings Co., Ltd. to acquire 818,901,450 shares of common shares of the Target.

Note 5) Amendment Report No. 13 to the Substantial Shareholding Report was filed by Evolution Investments Co., Ltd. with the Director-General of the Kanto Local Finance Bureau on October 6, 2009. According to Amendment Report No. 13 to the Substantial Shareholding Report by Evolution Investments Co., Ltd., as of September 30, 2009, Evolution Investments Co., Ltd exercised its acquisition request rights conferred to the 24,632,300 shares out of the Class B preferred shares held by Evolution Investments Co., Ltd. to acquire 246,323,000 shares of common shares of the Target.

b. Information Regarding Directors and Officers

As of June 29, 2009

Name	Title	Position	Number of shares owned (1,000 shares)	Shareholding Percentage: Percentage of shares owned, out of the total number of issued shares (%)
Seiichiro Sano	Executive Director and President	President, Chairman of Business Operating Officers Committee	Common shares 16	0.00
Koichi Maeda	Executive Director and Executive Vice President	Executive Vice President Head of Corporate Management, and Head of Semiconductor Business	Common shares 46	0.00
Mitsuru Homma	Director and Executive Vice President	Executive Vice President, Head of Component Business, Head of Public Relations, and General Manager of International Sales & Marketing H.Q.	Common shares 18	0.00
Kazuhiko Suruta	Director	-	Common Shares	0.00

			29	
Kentaro Yamagishi	Director	-	Common Shares 25	0.00
Toshihiko Ohnish	Director	-	-	-
Ankur Sahu	Director	-	-	-
Hidetoshi Arima	Director	Senior Vice President, Head of Consumer Electronics Business, Head of Quality & CS, Head of Procurement, and President of Commercial Solutions Company	Common Shares 20	0.00
Shigeharu Yoshii	Director	Senior Vice President, Head of Audit, Legal & IT, Head of Internal Control, Head of Environmental Management, Head of Corporate Communications, General Manger of Legal H.Q., and General Manager of Intellectual Property H.Q.	-	-
Hideo Matsui	Standing Corporate Auditor	-	Common Shares 100	0.00
Takeharu Nagata	Corporate Auditor	-	-	-
Akira Nakata	Corporate Auditor	-	-	-
Total	-	-	254	0.01

Note 1) The Corporate Auditors, Takeharu Nagata and Akira Nakata, are outside statutory auditors as defined in Article 2, Item 16 of the Companies Act.

Note 2) The Directors, Toshihiko Ohnish and Ankur Sahu, are outside directors as defined in Article 2, Item 15 of the Companies Act.

Note 3) The Target has elected two substitute auditors, as required by the Companies Act in Paragraph 2, Article 329, to prevent a shortfall in the number of auditors prescribed by the laws and ordinances. The term of office of a substitute auditor who fills a vacancy shall start from the time he/she fills the vacancy and expire on the day that his/her predecessor's term of office would have ended. The brief background description of the substitute auditors is as follows.

Name	Date of Birth	Career Summary		Number of Shares held (units of 1,000)
Yoshihisa Kitagawa	February 21, 1948	April 1970	Entered the Target	Common Shares 13
		October 1996	General Manager of Business Promotion H.Q.	
		April 2003	Management and Administration Business-Unit Leader of Service Strategies H.Q.	
		April 2004	Executive Director of SANYO Investment Co., Ltd.	
		July 2007 to present	Head of Auditor Office of the Target (present post)	
Yasuo Okamura	June 19, 1955	April 1986	Registration as Practicing Lawyer (Osaka Bar Association)	-
		April 1991	Representative Partner with Futaba Law Office	
		August 1994	Representative Partner with Law Firm of Kawamoto, Kawai & Futaba (present post)	

Note 4) The Target has adopted the executive officer system (*shikkoyakuin seido*) in order to promote the making of business decisions by the board of directors from the perspective of the SANYO group as a whole, and to strengthen the supervision and monitoring of the Target's overall

management, and to reinforce the Target's business execution. The executive officers consist of the following thirty seven (37) members:

Title	Name	Position
President	Seiichiro Sano	Chairman of Business Operating Officers Committee
Executive Vice President	Koichi Maeda	Serves simultaneously as Head of Corporate Management and Head of Semiconductor Business
Executive Vice President	Mitsuru Homma	Serves simultaneously as Head of Component Business, Head of Public Relations, and General Manager of International Sales & Marketing H.Q.
Senior Vice President	Hidetoshi Arima	Serves simultaneously as Head of Consumer Electronics Business, Head of Quality & CS, Head of Procurement, and President of Commercial Solutions Company
Senior Vice President	Shigeharu Yoshii	Serves simultaneously as Head of Audit, Legal & IT, Head of Internal Control, Head of Environmental Management, Head of Corporate Communications, General Manger of Legal H.Q., and General Manager of Intellectual Property H.Q.
Senior Vice President	Kazuhiro Takeda	President of Electronic Device Company
Senior Vice President	Masato Ito	President of Mobile Energy Company
Senior Vice President	Morihiro Kubo	President of Digital System Company
Vice President	Teruo Tabata	Serves simultaneously as President of SANYO Semiconductor Co., Ltd. and Head of Solar Technical Strategies
Vice President	Shinya Tsuda	Serves simultaneously as General Manager of Strategic Business Promotion H.Q., General Manager of R & D H.Q., and General Manager of Environmental Management H.Q.
Vice President	Keiichi Yodoshi	Head of Projector Division of Digital System Company
Vice President	Nobuaki Matsuoka	President of SANYO Consumer Electronics Co., Ltd.
Vice President	Katsuhisa Kawashima	General Manager of Quality & CS H.Q.
Vice President	Satoru Hotta	Deputy General Manager of International Sales and Management H.Q.

Vice President	Tetsuhiro Maeda	Head of Solar Division
Vice President	Yoshio Watabe	Serves simultaneously as Vice President and Head of International Sales Management Division of Commercial Solutions Company
Vice President	Takao Ando	Serves simultaneously as Head of Production Engineering, Head of Business Management Division of Commercial Solutions Company, and President of SANYO Tokyo Manufacturing Co., Ltd.
Vice President	Takashi Hirao	Chief Regional Officer (Middle East, Africa and India) of International Sales & Marketing H.Q.
Vice President	Hirokazu Teshima	Head of Domestic Sales Management Division of Commercial Solutions Company
Vice President	Tsutomu Nozaki	Head of TV Division of Digital System Company
Vice President	Shinji Takagaki	Serves simultaneously as Vice President and Head of Capacitor Division of Electronic Device Company
Vice President	Kazuhiro Yoshida	Serves simultaneously as both Vice President and Head of Management Planning Office of SANYO Semiconductor Co., Ltd.
Vice President	Hideharu Nagasawa	General Manager of Corporate Planning H.Q.
Vice President	Masafumi Yoda	Chief Regional Officer, Europe, of International Sales & Marketing H.Q.
Vice President	Junichiro Tabuchi	Head of DI Division of Digital System Company
Vice President	Takahiro Wada	Serves simultaneously as both Vice President and Head of Appliances Division of SANYO Consumer Electronics Co., Ltd.
Vice President	Masami Murata	Chief Regional Officer, North America, of International Sales & Marketing H.Q.
Vice President	Fumitoshi Terashima	Serves as both Vice President and Head of CRM Division of Mobile Energy Company
Vice President	Hiroki Osaki	General Manager of Finance H.Q.
Vice President	Isao Oba	Serves simultaneously as Senior Executive Director and Head of Automotive Division of SANYO Consumer Electronics Co., Ltd.
Vice President	Teruaki Naito	General Manager of Internal Control Office
Vice President	Yoshinori Nakatani	Chief Regional Officer, Asia Pacific, of International Sales & Marketing H.Q.

Vice President	Keizo Mori	Serves as both Vice President and Head of IT Device Division of Electronic Device Company
Vice President	Katsushiro Goto	Head of Lithium-Ion Battery Division of Mobile Energy Company
Vice President	Akira Ibaraki	Head of New Products Division of Electronic Device Company
Vice President	Hiroshi Ikeuchi	Head of HEV Division
Vice President	Setsuo Takatori	Head of Management Planning Office of Electronic Device Company

Note 5) The above information (including Notes 1 through 4, but excluding the shareholding percentage) was taken from the Target's Annual Securities Report for the 85th term submitted on June 29, 2009.

Note 6) According to the Target's First Quarterly Report for the 86th term submitted on August 5, 2009, Kentaro Yamagishi and Ankur Sahu retired from the position of Director of the Target as of July 30, 2009.

Note 7) According to the announcement made by Target on September 30, 2009, titled "SANYO Announces Resignation of Board Members," Kazuhiko Suruta and Toshihiko Onishi resigned from the position of Director of the Target as of September 30, 2009.

4. Other Matters

(1) According to the announcement titled "SANYO Makes Basic Agreement on Corporate Split of SANYO Subsidiaries (SANYO Energy Twicell and SANYO Energy Tottori) and Transfers of Subsidiaries' Stock" made by the Target on October 28, 2009, the Target resolved at its board of directors meeting held on October 28, 2009 to enter into a master agreement with FDK for the purpose of transferring to FDK (a) the business relating to nickel-metal hybrid batteries other than those for use in automobiles, (b) the business relating to cylindrical primary lithium batteries and coin-shaped rechargeable batteries and (c) part of the business of manufacturing electrode plates for nickel-cadmium batteries. For the outline of the transfer under the said master agreement, please refer to (i) and (ii) of "(5) Remedies under competition laws" of "1. Purpose of the Tender Offer."

(2) The Target announced its "Consolidated Financial Results for the Second Quarter

of Fiscal Year ending March 2010" on October 29, 2009. According to the announcement, the Target's consolidated business results for the second quarter of fiscal year ending March 2010 are as follows. The information below has not been audited by the Target's audit firm pursuant to Article 193-2 of the Law. In addition, the information below is extracted from the announcement by the Target, and the Tender Offeror is not in a position to verify the accuracy and the validity thereof and has not verified the same.

The Consolidated Financial Results for the Second Quarter of Fiscal Year ending March 2010 (April 1, 2009 through September 30, 2009)

(a) Consolidated Business Results (Cumulative)

(Unit: millions of yen)

	Six months ended September 30, 2009
Net sales	784,004
Operating income	3,346
Income (loss) from continuing operations, before taxes	(30,619)

(b) Consolidated Financial Position

	As of September 30, 2009
Total assets (million of Yen)	1,393,668
Stockholders' equity (millions of yen)	111,757
Stockholders' equity ratio	8.0%
Stockholders' equity per share (yen)	(18.51)

(END)