

To Our Stakeholders



Conditions in the electronics industry in fiscal 2009, the year ended March 31, 2009, remained extremely severe both in Japan and overseas, as the U.S. financial crisis spread throughout the world. From October 2008, in particular, the effects of the much greater-than-expected appreciation of the yen, global downturn in consumer spending and ever-intensified price competition adversely affected the industry.

Panasonic's business environment is being driven by changes in the structure of markets, namely the expansion of emerging markets and a shift in demand to lower-priced products, at the same time as the world is experiencing a recession and shrinking demand. It is crucial in a climate like this to speedily implement bold reforms in preparation for future growth. With this in mind, we are going all out to do what we must to overcome these difficult times. We are integrating and eliminating manufacturing sites in Japan and overseas, withdrawing from unprofitable businesses, recognizing impairment losses on fixed assets, reassigning and downsizing workforce and taking other forthright actions.

In October 2008, we changed our name to Panasonic Corporation and unified our corporate brands worldwide under the Panasonic brand. This move has set the stage for harnessing all of our efforts and successes to drive growth in years ahead.

When Konosuke Matsushita founded the Company he set forth the mission of contributing to the progress and development of society through business activities. This unwavering management philosophy still serves as the cornerstone for our ongoing efforts to develop wide-range businesses connected with people's lives—in diverse fields extending from consumer businesses, such as digital consumer electronics and home appliances to devices, automotive electronics, and systems and solutions. In all these businesses, under the name of Panasonic, we will fully exert the collective strengths of the Group, as we seek to build brand value and raise our corporate value further.

Thank you for your continued support.

July 2009

Kunio Nakamura, *Chairman*

Fumio Ohtsubo, *President*