Notes to consolidated financial statements:

1. The Company's consolidated financial statements are prepared in conformity with United States generally accepted accounting principles.

2. In order to be consistent with generally accepted financial reporting practices in Japan, operating profit (loss) is presented as net sales less cost of sales and selling, general and administrative expenses.

3. From this fiscal year (fiscal 2003), the Company has applied SFAS No.142, "Goodwill and Other Intangible Assets." This statement requires that goodwill and intangible assets that have indefinite useful lives no longer be amortized, but tested at least annually for impairment. Intangible assets that have estimable useful lives will continue to be amortized over their useful lives. The effects on net loss and basic and diluted net loss per common share for the fiscal third quarter and the nine months ended December 31, 2001, if SFAS No.142 had been applied a year ago are as follows:

	Three months ended December 31, 2001	Nine months ended December 31, 2001
	[in millions of yen]	[in millions of yen]
Reported net income (loss)	(172,025)	(241,498)
Addition: goodwill amortization	1,082	3,778
Adjusted net income (loss)	(170,943)	(237,720)
	[in yen]	[in yen]
Reported net income (loss) per common share, basic	(82.74)	(116.15)
Addition: goodwill amortization	0.52	1.82
Adjusted net income (loss) per common share, basic	(82.22)	(114.33)
	[in yen]	[in yen]
Reported net income (loss) per common share, diluted	(82.74)	(116.15)
Addition: goodwill amortization	0.52	1.82
Adjusted net income (loss) per common share, diluted	(82.22)	(114.33)

4. On October 1, 2002, Matsushita Electric Industrial Co., Ltd. transformed 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. into wholly owned subsidiaries, based on share exchange agreements that were executed on April 26, 2002. As a result of these share exchanges, the company recorded 315,046 million yen in "Other assets" of the consolidated balance sheet as the total of goodwill and certain other accounts on October 1, 2002.

5. Comprehensive income (loss) was reported as a loss of 18,906 million yen ($158 million) for the fiscal third quarter ended December 31, 2002, and a loss of 67,617 million yen for the fiscal third quarter ended December 31, 2001. Comprehensive income (loss) was a loss of 392,894 million yen ($3.27 billion) for the nine months ended December 31, 2002, compared with a loss of 251,583 million yen a year ago. Comprehensive income (loss) includes net income (loss), increases (decreases) in cumulative translation adjustments, unrealized holding gains (losses) of available-for-sale securities, unrealized gains of certain derivative instruments and minimum pension liability adjustments.

6. Under United States generally accepted accounting principles, restructuring charges are usually included as part of operating profit (loss) in the income statement. Restructuring charges in "Other income (deductions)" of the company's consolidated statements of income for the third quarter and nine months ended December 31, 2002 and 2001 include one-time expenses associated with the implementation of early retirement programs.

   "Other income (loss), net" for the nine months ended December 31, 2002 includes a gain on the sale of Panasonic Disc Services Corporation in the United States.

7. Number of consolidated companies: 306

8. Number of companies reflected by the equity method: 48

9. United States dollar amounts are translated from yen for convenience at the rate of U.S. $1.00 = 120 yen, the approximate rate on the Tokyo Foreign Exchange Market on December 30, 2002.