

**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 past fiscal year (fiscal 2002), the Company has applied SFAS No.133, "Accounting for Derivative Instruments and Hedging Activities," and SFAS No.138, "Accounting for Certain Derivative Instruments and Certain Hedging Activities, an amendment of SFAS No.133."
4. Fiscal 2002 comprehensive income (loss) was reported as a loss of 510.5 billion yen (\$3.84 billion), compared with comprehensive income of 64.4 billion 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 (losses) of certain derivative instruments and minimum pension liability adjustments.
5. Beginning in fiscal 2002, Matsushita discloses sales breakdown information according to the reclassified product segments; AVC Networks, Home Appliances, Industrial Equipment, and Components and Devices. Accordingly, sales breakdown information for fiscal 2001 is restated to correspond to the new segment reclassifications.
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 of the consolidated statement of income include expenses associated with the implementation of early retirement programs and expenses associated with the implementation of the regional-based employee remuneration system.
7. Other Income (loss) of consolidated statement of income for fiscal 2002 include business restructuring expenses, such as impairment losses and other expenses associated with the closing/integration of several manufacturing facilities.
8. Number of consolidated companies: 304
9. Number of companies reflected by the equity method: 46
10. United States dollar amounts are translated from yen for convenience at the rate of U.S. \$1.00 = 133 yen, the approximate rate on the Tokyo Foreign Exchange Market on March 29, 2002.