

**CHINA HUALU GROUP TEAMS UP WITH CHINA FILM GROUP
TO RELEASE BLU-RAY FORMAT TITLES IN CHINA**
Matsushita Electric (Panasonic) will provide technical support for authoring center.

BEIJING, China—Sept. 1st, 2007—China HuaLu Group and China Film Group today announced that both parties will team up to establish a Blu-Ray Authoring Center in China. The center initially will focus on releasing Chinese local content on Blu-ray Disc format to the market.

China Hualu Group is the only one consumer electronics company directly under the Chinese State-owned Assets Supervision and Administration Commission of State Council.

“We are extremely delighted to have China Film Group with us for Blu-ray Disc format authoring center in China. With China Film Group’s vast stock of movie content and strong market position in working with overseas content owners, China Hualu Group is confident to provide world class HD movie on Blu-ray Disc format to the consumer.” Commented Mr. Chen Run Shen, Chairman of China Hualu Group, “the potential market Blu-ray Disc Format could offer is the main factor we decided to launch this initiative. As the only consumer electronics company directly under the State-owned Assets Supervision and Administration Commission of China, China Hualu Group will continue our tradition in helping China to develop its optical disc industry”.

“China Film Group is pleased to work with China Hualu Group to drive the consumer adoption of HD, and we will work closely with our partner on the detailed schedule of release and selection of titles based on thorough market study. We are confident that we will supply the best consumer audio/video experience. ” Stated by Mr. Han San Ping, Chairman of China Film Group.

“Matsushita Electric (Panasonic) is always committed to Chinese market. We are very happy to provide technical support to help China Hualu Group and China Film Group in creating a Blu-ray Disc Authoring Center in China. We will offer our world class expertise in Blu-ray disc authoring technology to this initiative. We are happy that Chinese consumers will start to enjoy HD experience Blu-ray Format titles could offer.” Commented Mr. Kazuhiro Tsuga, Executive Officer of Matsushita Electric Industrial Co., Ltd..

About China Hualu Group

China Hualu Group Co., Ltd. (CHLG) was established in 1992 by the State Council of China. Its business includes audio/video devices, motion picture production, IT technology, and trade. CHLG engages in the development, manufacturing and sales of products ranging from key components, such as optical pick-ups, drives for DVD

players/recorders and other audio/video products. CHLG currently is growing as one of the biggest providers of audio/video contents and services in China.

About China Film Group

China Film Group was established by the Ministry of Commerce(MOFCOM) and the State Administration of Radio, Film, and TV(SARFT), and approved by State Council of China. It engages in the creation, production, distribution domestically and internationally of film, and TV series; It was also authorized by the Chinese government to import films from abroad; Collaboration in movie shooting with studios of Hong kong, Macau, and overseas is also a major business. China Film is a very influential content provider in China.

About Matsushita Electronic Industrial Co., Ltd.

Best known for its Panasonic brand name, Matsushita Electric Industrial Co., Ltd. is a worldwide leader in the development and manufacture of electronic products for a wide range of consumer, business, and industrial needs. Based in Osaka, Japan, the Company recorded consolidated net sales of US\$77.19 billion for the year ended March 31, 2007. The Company's shares are listed on the Tokyo, Osaka, Nagoya and New York (NYSE:MC) stock exchanges. For more information on the Company and the Panasonic brand, visit the Company's website at <http://panasonic.net/>.