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PANASONIC APPLAUDS MOVIE INDUSTRY'S INCREASING ACCEPTANCE OF BLU-RAY

Blu-ray Gains Support of Major Studios and CE Companies

LAS VEGAS, NV (January 7, 2007) – Panasonic Corporation of North America, one of the pioneers in developing Blu-ray Disc™ technology and the advanced AVC (H.264 standard) video codec today issued a public "thank you" to all the major motion picture studios who are using Blu-ray technology exclusively or as a preferred alternative for their high-definition video disc releases.

"With over 80 percent of the major studios committed to issuing Blu-ray releases and the majority of Consumer Electronic Companies supporting this technology we are quite confident that Blu-ray will succeed," said Gene Kelsey, Vice President, Panasonic Entertainment Group. "What we're doing today is simply thanking the entertainment industry for taking a look at the two competing formats and recognizing that Blu-ray with its vastly greater storage capacity is obviously the best choice for high-definition, bandwidth-intensive programming featuring significant amounts of value-added and interactive content."

Panasonic recently brought the advantages of Blu-ray technology – which offers up to ten times the data-storage capacity of standard DVDs and supports true 1080p video resolution and 7.1 discrete channels of audio – to the home theater market with the introduction of the DMP-BD10 Blu-ray player. In addition to playing pre-recorded Blu-ray movie discs the DMP-BD10 plays conventional standard-definition DVDs (with automatic 1080p up-conversion) and conventional CDs.

Other key features of the DMP-BD10 include proprietary P4HD technology for performing IP conversion at the pixel level for ultra-fine details, a 297MHz 14bit Video D/A Converter with 4X oversampling, video noise shaping that improves signal-to-noise

ratios by shifting noise to an unused band, and theoretical support for nearly 4400 billion colors. The DMP-BD10 will also feature new audio codecs, such as Dolby® True HD and DTS™ HD. A firmware upgrade is required for compatibility with these audio codec."

The initial product in what is planned as a full array of Blu-ray player, camcorders and other home entertainment products, the DMP-BD10 also incorporates Panasonic's proprietary EZ-Sync™ system for integrated one-touch operation of Panasonic home-theater components, Dolby Digital Plus, Dolby Digital and dts decoding, and BD-J (Java application) interactive capability. The compatibility between the DMP-BD10 and the High Definition camcorder (HDC-DX1), via the AVCHD (H.264) codec, is a prime example of Panasonic's dedication to the high definition digital lifestyle.

In addition to the Blu-ray player and the forthcoming Blu-ray products, Panasonic is a major contributor to the creation of Blu-ray pre-recorded discs. The company's Panasonic Hollywood Labs is a leading authoring, replication and encoding facility in the industry, as well as a driving force in the research and development of Blu-ray components.

About Panasonic Consumer Electronics Company

Based in Secaucus, N.J., Panasonic Consumer Electronics Company is a Division of Panasonic Corporation of North America, the principal North American subsidiary of Matsushita Electric Industrial Co. Ltd. (NYSE: MC) and the hub of Panasonic's U.S. marketing, sales, service and R&D operations. Information about Panasonic products is available at <http://www.panasonic.com>. Additional company information for journalists is available at <http://www.panasonic.com/pressroom>.