

POWER ONE INC
Form 8-K/A
January 05, 2007

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K/A

CURRENT REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): **October 23, 2006**

Commission File Number **000-29454**

POWER-ONE, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation)

77-0420182

(I.R.S. Employer Identification Number)

740 Calle Plano, Camarillo, California

(Address of principal executive offices)

93012

(Zip Code)

Registrant's telephone number, including area code: **(805) 987-8741**

Not Applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

This Current Report on Form 8-K/A amends and supplements the Current Report on Form 8-K filed by Power-One, Inc. (the Company) on October 26, 2006 (the Initial Form 8-K) to include financial statements and pro forma financial information permitted pursuant to Item 9.01 of Form 8-K to be excluded from the Initial Form 8-K and filed by amendment to the Initial Form 8-K no later than 71 days after the date the Initial Form 8-K was required to be filed.

ITEM 2.01. COMPLETION OF ACQUISITION OR DISPOSITION OF ASSETS.

Effective October 23, 2006, pursuant to the Purchase and Sale Agreement (the Purchase Agreement), dated September 28, 2006, Power-One, Inc. (the Company) completed its acquisition of certain assets and liabilities of Magnetek, Inc. and all outstanding common stock of Magnetek, SpA, a subsidiary of Magnetek, Inc. (collectively the Power Electronics Group). The Power Electronics Group sells power supplies and alternative energy products to a wide range of customers and markets. The Power Electronics Group is a leading builder of power conditioners for commercial fuel cells and multi-megawatt power inverters for large wind generators, as well as a provider of new-generation digital drive systems for coal mining.

The preliminary purchase price for the Power Electronics Group is \$68.8 million in cash, subject to contractual closing adjustments, and the assumption of approximately \$17.4 million of net indebtedness. The preliminary purchase price is subject to additional working capital adjustments.

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS.

(a) **FINANCIAL STATEMENTS OF BUSINESSES ACQUIRED**

Power Electronics Group combined balance sheets as of July 2, 2006 and July 3, 2005, and the related combined statements of operations, net parent company investment, and cash flows for each of the three years in the period ended July 2, 2006 and Report of Independent Registered Public Accounting Firm.

Power Electronics Group unaudited condensed combined balance sheets as of October 1, 2006 and July 2, 2006, and the unaudited condensed combined statements of operations and cash flows for the three months ended October 1, 2006 and October 2, 2005.

(b) **UNAUDITED PRO FORMA FINANCIAL INFORMATION**

Unaudited pro forma condensed combined consolidated statements of operations of the Company and the Power Electronics Group for the year ended January 1, 2006 and the nine months ended October 1, 2006.

Unaudited pro forma condensed combined consolidated balance sheet of the Company and the Power Electronics Group as of October 1, 2006.

Notes to the unaudited pro forma condensed combined consolidated financial information of the Company and the Power Electronics Group.

(d) **EXHIBITS**

ITEM 9.01. (a) FINANCIAL STATEMENTS OF BUSINESSES ACQUIRED

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Stockholders
Magnetek, Inc.

We have audited the accompanying combined balance sheets of the Power Electronics Group of Magnetek, Inc. as of July 2, 2006 and July 3, 2005, and the related combined statements of operations, net parent company investment, and cash flows for each of the three years in the period ended July 2, 2006. These financial statements are the responsibility of the Group's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Group's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined financial position of the Power Electronics Group of Magnetek, Inc. at July 2, 2006 and July 3, 2005, and the combined results of its operations and its cash flows for each of the three years in the period ended July 2, 2006, in conformity with accounting principles generally accepted in the United States.

The accompanying financial statements have been prepared assuming that the Power Electronics Group of Magnetek, Inc. will continue as a going concern. As more fully described in Note 1, the parent company has incurred recurring operating losses, has not complied with certain covenants of loan agreements with banks and has significant future cash flow commitments. These conditions raise substantial doubt about the parent company's ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 1. The financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classification of liabilities of the Power Electronics Group of Magnetek, Inc. that may result from the outcome of this uncertainty.

Ernst & Young LLP

Woodland Hills, CA

October 12, 2006

POWER ELECTRONICS GROUP OF MAGNETEK, INC.**COMBINED STATEMENTS OF OPERATIONS**

For the years ended (Amounts in thousands)	July 2, 2006	July 3, 2005	June 27, 2004
Net sales	\$ 160,541	\$ 170,176	\$ 166,605
Cost of sales	134,151	134,094	133,507
Gross profit	26,390	36,082	33,098
Research and development	11,557	10,680	9,894
Sales, general and administrative	20,791	18,597	19,831
Goodwill impairment charge	21,861		
Income (loss) from operations	(27,819)	6,805	3,373
Non operating expense (income):			
Interest income	(326)	(62)	(154)
Interest expense	1,524	1,311	1,576
Income (loss) before provision for income taxes	(29,017)	5,556	1,951
Provision (benefit) for income taxes	(2,996)	1,383	1,720
Net income (loss)	\$ (26,021)	\$ 4,173	\$ 231

The accompanying notes are an integral part of these combined financial statements.

POWER ELECTRONICS GROUP OF MAGNETEK, INC.

COMBINED BALANCE SHEETS

As of (Amounts in thousands)	July 2, 2006	July 3, 2005
Assets		
Current assets:		
Cash	\$ 1,491	\$ 6,259
Accounts receivable, less allowance for doubtful accounts of \$3,159 in 2006 and \$3,457 in 2005	48,217	41,913
Inventories	45,513	40,914
Deferred income taxes	1,982	3,190
Prepaid expenses and other current assets	3,176	3,158
Total current assets	100,379	95,434
Property, plant and equipment:		
Land	1,302	1,240
Buildings and improvements	13,142	12,791
Machinery and equipment	107,435	98,063
Less accumulated depreciation	(95,110)	(84,241)
Net property, plant and equipment	26,769	27,853
Note receivable from Parent Company	3,253	
Goodwill	14,313	35,583
Other assets	1,436	1,682
Total assets	\$ 146,150	\$ 160,552
Liabilities and net Parent Company investment		
Current liabilities:		
Accounts payable	\$ 34,985	\$ 29,564
Accrued liabilities	5,926	3,055
Current portion of long-term debt	3,040	1,775
Total current liabilities	43,951	34,394
Long-term debt, net of current portion	21,254	19,475
Other long-term liabilities	8,531	7,627
Deferred income taxes	3,927	9,585
Advance from Parent Company	11,400	9,639
Commitments and contingencies		
Net Parent Company investment:		
Investment by Parent Company	68,497	68,497
Retained earnings (deficit)	(1,742)	24,279
Accumulated other comprehensive loss	(9,668)	(12,944)
Total net Parent Company investment	57,087	79,832
Total liabilities and net Parent Company investment	\$ 146,150	\$ 160,552

The accompanying notes are an integral part of these combined financial statements.

POWER ELECTRONICS GROUP OF MAGNETEK, INC.

COMBINED STATEMENTS OF NET PARENT COMPANY INVESTMENT

(Amounts in thousands)

				35,600	75.0	Manufacture and sale of plasma TVs and TV modules
	Investment by Parent Company	Retained Earnings (Deem; text-indent:-1.00em">Panasonic Plasma Display Co., Ltd)				
Panasonic Communications Co., Ltd.	29,845	100.0	Manufacture and sale of fixed-line communications equipment, including document-related products	Fukuoka		
PanaHome Corporation	28,375	54.6*	Construction and sale of custom-built houses and sale of land and buildings, with real estate, asset utilization, and home remodeling businesses	Toyonaka		
Panasonic Electronic Devices Co., Ltd.	23,012	100.0	Manufacture and sale of electronic and electronic equipment, electronic components, electronic materials, electronic machinery and instruments	Kadoma		
Panasonic Mobile Communications Co., Ltd.	22,856	100.0	Manufacture and sale of mobile communications and network-related equipment	Yokohama		
Panasonic Factory Solutions Co., Ltd.	15,000	100.0	Manufacture and sale of production systems, including circuit manufacturing and parts mounting equipment and systems	Kadoma		
Panasonic Ecology Systems Co., Ltd.	12,092	100.0	Manufacture and sale of environment-related equipment and systems	Kasugai		
Panasonic Shikoku Electronics Co., Ltd.	7,907	100.0	Manufacture and sale of healthcare equipment, imaging equipment, and device products	Ehime		

- (Notes)
- Percentages with an asterisk (*) include indirect voting interests.
 - IPS Alpha Technology, Ltd. is a consolidated subsidiary of Panasonic because Panasonic finalized a contract with Hitachi, Ltd. under which it will acquire all the shares in IPS Alpha Technology owned by Hitachi Displays, Ltd. once certain conditions are satisfied.
 -

Edgar Filing: POWER ONE INC - Form 8-K/A

The Company absorbed Matsushita Refrigeration Company and Matsushita Battery Industrial Co., Ltd. on April 1, 2008 and October 1, 2008, respectively.

4. On October 1, 2008, Matsushita Electric Works, Ltd. was renamed Panasonic Electric Works Co., Ltd., Matsushita Plasma Display Panel Co., Ltd. was renamed Panasonic Plasma Display Co., Ltd., and Matsushita Ecology Systems Co., Ltd. was renamed Panasonic Ecology Systems Co., Ltd.

Table of Contents

3) Principal overseas subsidiaries

(as of March 31, 2009)
(all currency amounts: millions)

Name	Capital stock		% of voting interests	Principal businesses	Locations
Panasonic Corporation of North America	US\$	537.0	100.0	Manufacture and sale of various electric and electronic products, with regional headquarters functions	U.S.
Panasonic Europe Ltd.	Stg£	199.9	100.0	Regional headquarters and R&D functions	U.K.
Panasonic AVC Networks Czech s.r.o.	Czk	2,700.0	100.0*	Manufacture and sale of plasma and LCD TVs, etc.	Czech Republic
Panasonic Asia Pacific Pte. Ltd.	Singapore \$	40.0	100.0*	Sale of various electric and electronic products, with regional headquarters functions	Singapore
Panasonic AVC Networks Singapore Pte. Ltd.	Singapore \$	196.8	100.0*	Manufacture and sale of plasma TVs, audio and home theater equipment	Singapore
Panasonic Communications Philippines Corporation	Philippine peso	500.0	100.0*	Manufacture and sale of optical disc drives and related equipment	Philippines
Panasonic Taiwan Co., Ltd.	NT\$	3,421.7	69.8	Manufacture and sale of various electric and electronic products	Taiwan
Panasonic Corporation of China	RMB	7,742.4	100.0	Sale of various electric and electronic products, with regional headquarters functions	China
Panasonic Home Appliances Air-Conditioning (Guangzhou) Co., Ltd.	RMB	282.2	67.8*	Manufacture and sale of air conditioner-related products	China

(Note) Percentages with an asterisk (*) include indirect voting interests.

(10) Employees

(as of March 31, 2009)

Business category	Number of employees
Digital AVC Networks	96,012
Home Appliances	43,581
PEW and PanaHome	60,316
Components and Devices	70,734
Other	18,135
Corporate	3,472
Total	292,250

(Notes) 1. The number of employees refers solely to full-time employees of the Company on a consolidated basis.

Edgar Filing: POWER ONE INC - Form 8-K/A

2. The number of employees has decreased by 13,578 persons from the end of the preceding fiscal period.
3. From fiscal 2009, the name of AVC Networks was changed to Digital AVC Networks.
4. Of the total above, the number of employees at the parent company was as follows:

Number of employees	Average age	Average tenure (years)
46,145	44.0	22.4

(11) Sale of Businesses, etc.

The primary transactions during the period under review were as follows:

1. On April 1, 2008, the Company absorbed Matsushita Refrigeration Company.
2. On October 1, 2008, the Company absorbed Matsushita Battery Industrial Co., Ltd.
3. On April 1, 2009, the Company concluded an agreement with Toshiba Corporation to sell all of its shares in Toshiba Matsushita Display Technology Co., Ltd. The sale took place on April 28, 2009.

Table of Contents**2. Stock Information (as of March 31, 2009)**

(1) Number of shares authorized to be issued:	4,950,000,000
(2) Number of shares issued:	2,453,053,497
(3) Number of shareholders:	277,710
(4) Major shareholders:	

Name	Share ownership (in thousands of shares)	% of total issued shares
The Master Trust Bank of Japan, Ltd. (trust account)	132,211	6.38
Moxley & Co.	122,865	5.93
Japan Trustee Services Bank, Ltd. (trust account)	118,812	5.73
Japan Trustee Services Bank, Ltd. (trust account 4G)	113,446	5.47
Nippon Life Insurance Company	67,000	3.23
Sumitomo Mitsui Banking Corporation	57,024	2.75
Panasonic Employee Shareholding Association	37,151	1.79
Mitsui Sumitomo Insurance Co., Ltd.	35,105	1.69
State Street Bank and Trust Co.	33,399	1.61
Sumitomo Life Insurance Co.	31,382	1.51

- (Notes) 1. Holdings of less than 1,000 shares have been omitted.
2. Percentage of total issued shares is calculated excluding the Company's own shares (382,411,876).
3. The English names of Japanese shareholders above are based on the General Shareholders Notification notified by Japan Securities Depository Center, Inc.

- (5) Acquisition of the Company's own shares

Number of shares repurchased from the market by a resolution of the Board of Directors in fiscal 2009

Common stock: 29,634,000 shares

Aggregate repurchase amount: ¥ 69,996,935,000

Reason for repurchase: To increase shareholder value per share and improve return on capital.

- (6) Other important matters concerning shares

On February 1, 2009, the Company changed the trading unit for its shares in Japan from 1,000 shares to 100 shares with the aim of expanding the shareholder base by making it easier for investors to invest in Panasonic.

Table of Contents**3. Panasonic Directors, Corporate Auditors, etc.**

(1) Directors, Corporate Auditors, etc.

(Titles and responsibilities are all as of March 31, 2009)

Title	Name	Major responsibility
Chairman of the Board	Kunio Nakamura	
Vice Chairman of the Board	Masayuki Matsushita	
President	Fumio Ohtsubo	
Executive Vice Presidents	Susumu Koike	In charge of Technology and Semiconductor Company
	Shunzo Ushimaru	In charge of Domestic Consumer Marketing, Electrical Supplies Sales, Project Sales and Building Products Sales, Advertising, and Design / Chairman, Panasonic Brand Committee
	Koshi Kitadai	Representative in Tokyo / in charge of Automotive Electronics Business and Industrial Sales
Senior Managing Directors	Toshihiro Sakamoto*	President, Panasonic AVC Networks Company
	Takahiro Mori*	In charge of Corporate Planning
	Shinichi Fukushima*	Representative in Kansai
Managing Directors	Yasuo Katsura*	Director, Tokyo Branch
	Junji Esaka*	In charge of Home Appliances Business / President, Home Appliances Company / in charge of Lighting Company
	Hitoshi Otsuki*	In charge of Overseas Operations
	Ikusaburo Kashima*	In charge of Legal Affairs, Corporate Risk Management, Corporate Information Security, Corporate Business Ethics and Corporate International Affairs
Directors	Ikuo Uno	
	Masayuki Oku	
	Hidetsugu Otsuru*	In charge of Facility Management, Quality Administration, Corporate FF Customer Support & Management Division and Environmental Affairs
	Makoto Uenoyama*	In charge of Accounting and Finance
	Masatoshi Harada*	In charge of Personnel and General Affairs
Honorary Chairman of the Board and Executive Advisor	Masaharu Matsushita	
Senior Corporate Auditors	Kenichi Hamada	
	Masahiro Seyama	
Corporate Auditors	Yasuo Yoshino	
	Ikuo Hata	
	Hiroyuki Takahashi	

Edgar Filing: POWER ONE INC - Form 8-K/A

- (Notes)
1. Those with the title of Senior Managing Director or above are Representative Directors.
 2. Ikuo Uno and Masayuki Oku are outside directors pursuant to the provisions of Article 2, Paragraph 15 of the Company Law of Japan.
 3. Yasuo Yoshino, Ikuo Hata and Hiroyuki Takahashi are outside corporate auditors pursuant to the provisions of Article 2, Paragraph 16 of the Company Law of Japan.
 4. Senior Corporate Auditor Kenichi Hamada has a thorough knowledge of finance and accounting, including experience serving as Executive Vice President in charge of Accounting at Panasonic Communications Co., Ltd.
 5. Asterisks (*) denote members of the Board of Directors who concurrently serve as Executive Officers, pursuant to the Executive Officer System.
 6. Changes in Directors and Corporate Auditors during fiscal 2009:

(1) Appointments:

On April 1, 2008, Koshi Kitadai assumed office as Executive Vice President, while Takahiro Mori and Shinichi Fukushima assumed office as Senior Managing Directors.

At the 101st Ordinary General Meeting of Shareholders held on June 26, 2008, Masayuki Oku and Masatoshi Harada were newly elected as Directors, and Masahiro Seyama was newly elected as a Senior Corporate Auditor.

(2) Retirements:

At the conclusion of the 101st Ordinary General Meeting of Shareholders held on June 26, 2008, Takami Sano and Yukio Furuta retired as Director and Corporate Auditor, respectively, upon expiration of their terms.

7. Changes in major responsibility during fiscal 2009 were as follows:

The major responsibility of Director Koshi Kitadai changed on June 26, 2008 from being in charge of Automotive Electronics Business and Industrial Sales to Representative in Tokyo / in charge of Automotive Electronics Business and Industrial Sales.

Table of Contents

8. Major responsibility or title of Directors as representatives of other corporations or organizations

Title	Name	Name of Corporation or Organization	Title	Changes During
				Fiscal 2009
Directors	Kunio Nakamura	Japanesque Modern Committee	Board Chair	Retired on March 31, 2009
		Tokyo FM Broadcasting Co., Ltd.	Outside Director	
		Japan Finance Corporation	Outside Director	Appointed on October 1, 2008
	Masayuki Matsushita	PHP Institute Inc.	Chairman	
		The Matsushita International Foundation	President	
		Matsushita Real Estate Co., Ltd.	President	
		New Otani Co., Ltd.	Outside Director	Appointed on June 26, 2008
	Koshi Kitadai	Hotel Okura Co., Ltd.	Outside Director	Appointed on June 19, 2008
		BS-i, INCORPORATED (Now BS-TBS, INC.)	Outside Director	Appointed on June 17, 2008
	Toshihiro Sakamoto	Panasonic EV Energy Co., Ltd.	Outside Director	Appointed on June 30, 2008
		Panasonic Katano Co., Ltd.	President	
	Ikusaburo Kashima	Panasonic Kibi Co., Ltd.	President	
		Toshiba Matsushita Display Technology Co., Ltd.	Outside Director	
	Masatoshi Harada	KOITO MANUFACTURING CO., LTD.	Outside Director	
		Panasonic Corporate Pension Fund	President	Appointed on April 1, 2008
	Masaharu Matsushita	Panasonic Health Insurance Association	President	Appointed on April 8, 2008
		RIHGA Royal Hotels	Outside Director	
		New Otani Co., Ltd.	Outside Director	Retired on June 26, 2008
		Hotel Okura Co., Ltd.	Outside Director	Retired on June 19, 2008

Details of other responsibilities and duties held by outside directors and outside corporate auditors can be found in (3) Outside Directors and Corporate Auditors on page 18.

9. Directors, Corporate Auditors, and Executive Officers

(1) Directors and Corporate Auditors

(Titles and responsibilities are all as of April 1, 2009)

Title	Name	Major responsibility
Chairman of the Board	Kunio Nakamura	
Vice Chairman of the Board	Masayuki Matsushita	
President	Fumio Ohtsubo	
Executive Vice Presidents	Susumu Koike	In charge of Technology and Semiconductor Company

Edgar Filing: POWER ONE INC - Form 8-K/A

	Shunzo Ushimaru	
	Koshi Kitadai	In charge of Industrial Sales, Automotive Electronics Business, System Solutions Company, Panasonic Mobile Communications Co., Ltd.
	Toshihiro Sakamoto*	In charge of Domestic Consumer Marketing and Design
	Takahiro Mori	In charge of Corporate Planning / In charge of Corporate Division for Promoting Systems & Equipment Business and Electrical Supplies Sales, Project Sales and Building Products Sales
	Shinichi Fukushima	Representative in Kansai
Senior Managing Directors	Yasuo Katsura*	Representative in Tokyo / in charge of External Affairs Division
	Hitoshi Otsuki*	In charge of Overseas Operations
Managing Directors	Junji Esaka*	
	Ikusaburo Kashima*	In charge of Legal Affairs, Intellectual Property, Corporate Business Ethics, and Corporate International Affairs
Directors	Ikuo Uno	
	Masayuki Oku	
	Hidetsugu Otsuru*	
	Makoto Uenoyama*	In charge of Accounting and Finance / in charge of Information Systems
	Masatoshi Harada*	In charge of Personnel and General Affairs
Honorary Chairman of the Board and Executive Advisor	Masaharu Matsushita	
Senior Corporate Auditors	Kenichi Hamada	
	Masahiro Seyama	
Corporate Auditors	Yasuo Yoshino	
	Ikuo Hata	
	Hiroyuki Takahashi	

- (Notes) 1. Those with the title of Senior Managing Director or above are Representative Directors.
2. Asterisks (*) denote members of the Board of Directors who concurrently serve as Executive Officers, pursuant to the Executive Officer System.

Table of Contents

(2) Executive Officers

(Titles and responsibilities are all as of April 1, 2009)

Title	Name	Major responsibility
Senior Managing Executive Officer	Ken Morita	President, AVC Networks Company
Managing Executive Officers	Yoshihiko Yamada	Director, Corporate Management Division for North America / Chairman, Panasonic Corporation of North America
	Kazuhiro Tsuga	President, Automotive Systems Company
	Takumi Kajisha	In charge of Corporate Communications, Corporate Advertising
	Kazunori Takami	President, Home Appliances Company / in charge of Lighting Company
	Ikuo Miyamoto	Director, Corporate Management Division for Asia and Oceania / President, Panasonic Asia Pacific Pte. Ltd.
	Yoshiiku Miyata	Senior Vice President, AVC Networks Company / Director, Visual Products and Display Devices Business Group
	Yutaka Takehana	In charge of Corporate Risk Management and Corporate Information Security
Executive Officers	Masashi Makino	In charge of Manufacturing Innovation, Facility Management, Quality Administration, FF Customer Support & Management and Environmental Affairs
	Hideo Kawasaki	President, Semiconductor Company
	Shigeru Omori	Director, Corporate Industrial Marketing & Sales Division
	Masaaki Fujita	In charge of Corporate Quality Administration Division and Corporate FF Customer Support & Management Division
	Yoshihisa Fukushima	In charge of Intellectual Property
	Naoto Noguchi	President, Energy Company
	Osamu Waki	President, Panasonic Mobile Communications Co., Ltd.
	Toshiaki Kobayashi	President, Panasonic Electronic Devices Co., Ltd.
	Joseph Taylor	COO, Panasonic Corporation of North America
	Takashi Toyama	President, System Solutions Company
	Jun Ishii	Director, Corporate Marketing Division for Appliances and Wellness Products / President, Panasonic Consumer Marketing Co., Ltd. / in charge of Corporate CS Division
	Toshiro Kisaka	Director, Corporate Management Division for China and Northeast Asia / Chairman, Panasonic Corporation of China
	Masato Tomita	Director, Corporate Management Division for CIS, the Middle East & Africa
	Hideaki Kawai	General Manager, Corporate Finance & IR Group / in charge of Financial Operations Center
	Takeshi Uenoyama	In charge of Device Technology and Environmental Technology
	Koji Itazaki	Director, Corporate Procurement Division / Director, Corporate Global Logistics Division, in charge of Trading Company
	Shiro Nishiguchi	Director, Corporate Marketing Division for Digital AVC Products
	Yoshiyuki Miyabe	In charge of Digital Network & Software Technology
	Laurent Abadie	Director, Corporate Management Division for Europe / Chairman, Panasonic Europe Ltd.
	Yorihisa Shiokawa	COO, Panasonic Europe Ltd. / President, Panasonic Marketing Europe GmbH
	Yoshio Ito	President, Lighting Company

Edgar Filing: POWER ONE INC - Form 8-K/A

Hidetoshi Osawa	Director, Corporate Communications Division
Yoshiaki Nakagawa	General Manager, Corporate Planning Group
Mamoru Yoshida	Senior Vice President, AVC Networks Company / Director, Network Business Group
Tsuyoshi Nomura	Director, Corporate Manufacturing Innovation Division / President, Advanced Production Systems Development Company

Table of Contents

(2) Remuneration for Directors and Corporate Auditors

1. Remuneration Policy

The maximum total amounts of remuneration for Directors and Corporate Auditors of Panasonic are determined by a resolution at a general meeting of shareholders. The remuneration amount for each Director is determined by Panasonic's Representative Directors who are delegated to make such determination by the Board of Directors, and the amount of remuneration for each Corporate Auditor is determined upon discussions amongst the Corporate Auditors.

The amounts of the remuneration and bonuses of Directors will be linked to individual performance based on CCM*, sales and CO₂ emissions (an environmental management indicator). By implementing this new performance evaluation criteria based on shareholder interests, Panasonic intends to promote continuous growth and enhance profitability on a long-term basis for the Panasonic Group as a whole.

* CCM is an indicator created by Panasonic to evaluate return on capital.

2. Amounts of Remuneration for Directors and Corporate Auditors

Classification	Number of Persons	Amounts (millions of yen)	Details
Directors	20	966	The maximum total amount of remuneration for Directors is ¥1,500 million (This amount was determined at the 100th Ordinary General Meeting of Shareholders held on June 27, 2007.)
Corporate Auditors	6	88	The maximum total amount of remuneration for Corporate Auditors is ¥140 million. (This amount was determined at the 100th Ordinary General Meeting of Shareholders held on June 27, 2007.)
Total	26	1,054	

- (Notes)
- The one Director and one Corporate Auditor who retired at the conclusion of the 101st Ordinary General Meeting of Shareholders held on June 26, 2008 are included in the above figures for Number of Persons and Amounts.
 - The total amount of remuneration paid to two Outside Directors and three Outside Corporate Auditors was 52 million yen. This amount has been included in the above total remuneration amount.
 - The following amount has not been included in the above total remuneration amount:
Retirement benefits of 74 million yen paid to one director and retirement benefits of 10 million yen paid to one Corporate Auditor who retired during the period. (The retirement benefit system was abolished as per a resolution at the 99th Ordinary General Meeting of Shareholders held on June 28, 2006, but this resolution does not apply to those who were Directors and Corporate Auditors at the time of said resolution.)
 - Amounts less than one million yen have been rounded to the nearest million yen.

Table of Contents

(3) Outside Directors and Corporate Auditors

1. Major responsibility or status as representatives of other corporations or organizations

(As of March 31, 2009)

Position	Name	Name of Corporation or Organization	Title	Changes During Fiscal 2009	
Outside Director	Ikuo Uno	Nippon Life Insurance Company	Chairman		
		Hotel Okura Co., Ltd.	Outside Director		
		FUJI KYUKO Co., Ltd.			
		Odakyu Electric Railway Co., Ltd.	Outside Corporate Auditor		
		Sumitomo Mitsui Banking Corporation			
		Sumitomo Mitsui Financial Group, Inc.			
		Tohoku Electric Power Co., Inc.			
		West Japan Railway Company			
		Masayuki Oku	Sumitomo Mitsui Banking Corporation	President and CEO	
			Sumitomo Mitsui Financial Group, Inc.	Chairman of the Board	
Nankai Electric Railway Co., Ltd.	Outside Corporate Auditor		Appointed on June 27, 2008		
Outside Corporate Auditor	Ikuo Hata	Oh-ebashi LPC & Partners	Attorney at Law		
		Hiroyuki Takahashi	Shinsei Bank, Limited	Outside Director	
			Kyowa Hakko Kirin Co., Ltd.	Outside Corporate Auditor	

(Notes) 1. Nippon Life Insurance Company is a major shareholder of Panasonic, but does not have any significant business relationships with the Company.

2. Sumitomo Mitsui Banking Corporation is a major shareholder of Panasonic, but does not have any significant business relationships with the Company.

2. Major activities during fiscal 2009

Position	Name	Activities
Outside Director	Ikuo Uno	Attended 10 out of the 12 regular meetings of the Board of Directors and made appropriate remarks in hearings of bills. (Did not attend 1 special meeting).
	Masayuki Oku	Attended 9 out of the 10 regular meetings of the Board of Directors following his appointment on June 26, 2008 and made appropriate remarks in hearings of bills. (Did not attend 1 special meeting due to a possible special conflict of interest.)
Outside Corporate Auditor	Yasuo Yoshino	Attended all of the 12 regular meetings of the Board of Directors and 1 special meeting of the Board of Directors and made appropriate remarks in hearings of

Edgar Filing: POWER ONE INC - Form 8-K/A

bills.

Attended all of the 13 Board of Corporate Auditors meetings and made appropriate remarks grounded on his outside experience and expertise.

Ikuo Hata

Attended all of the 12 regular meetings of the Board of Directors and 1 special meeting of the Board of Directors and made appropriate remarks in hearings of bills.

Attended all of the 13 Board of Corporate Auditors meetings and made appropriate remarks grounded on his outside experience and expertise.

Hiroyuki Takahashi

Attended all of the 12 regular meetings of the Board of Directors and 1 special meeting of the Board of Directors and made appropriate remarks in hearings of bills.

Attended all of the 13 Board of Corporate Auditors meetings and made appropriate remarks grounded on his outside experience and expertise.

3. Outline of contracts for limitation of liability

The Company has entered into contracts with all Outside Directors and Outside Corporate Auditors (collectively Outside Directors, Etc.) to the effect that, if such Outside Directors, Etc. act in good faith and are not grossly negligent in performing their duties, the liability of the Outside Directors, Etc. under Article 423, Paragraph 1 of the Company Law of Japan shall be limited to the minimum liability amount specified in Article 425, Paragraph 1 of the Company Law of Japan.

Table of Contents**4. Accounting Auditors****(1) Name of accounting auditors**

KPMG AZSA & Co.

(2) Remuneration, etc. paid to accounting auditors for the fiscal year under review

Classification	Details	Amounts (millions of yen)
(1)	Amount of remuneration	653
(2)	Total amount of cash and other property benefits to be paid by the Company and its subsidiaries	1,336

- (Notes) 1. The audit contract between the Company and its accounting auditors does not distinguish between remuneration for audits based on the Company Law of Japan and remuneration for audits based on the Financial Instruments and Exchange Act. For this reason, the figure for the amounts of (1) in the above table includes the aggregate sum of these amounts.
2. The Company and certain of its subsidiaries make payments to accounting auditors for services, such as finance due diligence related to business combinations, which are not covered by Article 2, Paragraph 1 of the Certified Public Accountant Law of Japan.
3. The financial statements and supplementary data of Panasonic Electric Works Co., Ltd., PanaHome Corporation, Panasonic Communications Co., Ltd., and overseas and other subsidiaries are audited by accounting auditors other than KPMG AZSA & Co.

(3) Policy regarding decision to dismiss or not reappoint the accounting auditor

In the event that dismissal of the accounting auditor is valid pursuant to any of the provisions of Article 340, Paragraph 1 of the Company Law of Japan, the Board of Corporate Auditors may dismiss the accounting auditor with the approval of all Corporate Auditors.

In addition, in cases that appropriate audit by the accounting auditor is not expected for any reason, the Directors of the Company, with the approval of the Board of Corporate Auditors or at the request of the Board of Corporate Auditors, may submit a proposal to the General Meeting of Shareholders to dismiss or not reappoint the accounting auditor.

Table of Contents

5. Systems and Policies of the Company

(1) Systems for Ensuring the Properness of the Company's Operations

The Company's Board of Directors has determined the Company's basic policy regarding the development of internal control systems, as outlined below. It was decided at the Board of Directors' meeting held on July 29, 2008 that this basic policy should be retained.

1) System for ensuring legitimacy of the execution of duties by Directors

The Company shall ensure legitimacy of the execution of duties by Directors by developing effective corporate governance and monitoring systems, as well as increasing awareness about compliance.

2) System for retention and management of information on the execution of duties by Directors

The Company shall retain and manage information on the execution of duties by Directors in accordance with laws and ordinances and the internal regulations of the Company.

3) Regulations and other systems for risk management

The Company shall establish regulations for risk management, collect and assess information on risks in an integrated and comprehensive fashion in order to identify material risks, take countermeasures that match the materiality of each risk and seek continuous improvements through monitoring the progress of such countermeasures.

4) System for ensuring efficiency of the execution of duties by Directors

The Company shall ensure efficiency of the execution of duties by Directors by clarifying business goals through business plans and other measures, and examining the status of achievement of such goals, while seeking to expedite decision-making.

5) System for ensuring legitimacy of the execution of duties by employees

The Company shall seek to increase awareness of compliance by employees by clarifying the Company's policy regarding compliance. The Company shall also ensure legitimacy of the execution of duties by employees by developing effective monitoring systems.

6) Matters concerning employees who assist Corporate Auditors in auditing, and matters concerning independence of such employees from Directors

The Company shall establish an organization independent from Directors and maintain a staff for Corporate Auditors in order to enhance the effectiveness of audits by Corporate Auditors and facilitate the effective performance of audits.

7) System for making reports to Corporate Auditors

The Company shall ensure opportunities and a system by which Directors and employees, etc. can make reports to Corporate Auditors.

Edgar Filing: POWER ONE INC - Form 8-K/A

8) System for ensuring efficient execution of audits by Corporate Auditors

The Company shall develop a system in which effective audits may be executed in accordance with the audit plan established by Corporate Auditors each year.

9) System for ensuring the properness of operations of Panasonic's Group companies

The Company shall ensure that group companies follow the management policy and management philosophy of the Company and the basic policy in 1) through 8) above in order to ensure the proper execution of businesses for the Panasonic Group as a whole, while at the same time respecting the group companies' autonomous management.

Table of Contents

Status of development

1) System for ensuring legitimacy of the execution of duties by Directors

The Company established internal regulations such as the Panasonic Code of Conduct, which provides specific guidelines for the implementation of management philosophy, the Code of Ethics for Directors and Executive Officers, and other internal rules. The Company also delegates responsibility relating to execution of business to Executive Officers, pursuant to resolutions of the Board of Directors. The Company also realigned the role and structure of the Board of Directors to concentrate on corporate strategies and the supervision of business domain companies, and under such system the responsibility of Directors is clarified. Moreover, audits are conducted by Corporate Auditors and the Board of Corporate Auditors. The Company also has a management committee and a non-statutory full-time senior auditor at each internal division company corresponding to the Board of Directors and the Corporate Auditors at the Company, respectively.

2) System for retention and management of information on the execution of duties by Directors

The minutes of meetings of the Board of Directors are recorded for each meeting of the Board of Directors and retained permanently by the Secretariat of the Board of Directors. The records of final decisions by the President are also retained permanently by the department in charge.

3) Regulations and other systems for risk management

Based on Basic Risk Management Regulations, the Company identifies material risks by collecting and assessing information on risks in an integrated and comprehensive fashion through the Global and Group (G&G) Risk Management Committee and takes countermeasures that match the materiality of each risk.

4) System for ensuring efficiency of the execution of duties by Directors

The Company expedites decision-making through the Group Management Committee, the operation of the approval procedures of material matters, clear separation of roles for Directors and Executive Officers, the bold transfer of authority to each business domain company, and the implementation of an IT system that ensures the rapid and accurate collection and transmission of vital management information. Also, the Company established the mid-term management plan, the business plan and other measures, and planned and implemented the measures by confirming and examining the status of achievement at the time of financial settlement of monthly accounts.

5) System for ensuring legitimacy of the execution of duties by employees

The Company makes efforts to detect fraudulent acts at an early stage through performing operational and internal control audits, operating the global corporate business ethics hotline and other measures, as well as establishing internal rules such as the Panasonic Code of Conduct and various activities including the operations of the corporate compliance committee.

6) Matters concerning employees who assist Corporate Auditors in auditing and matters concerning independence of such employees from Directors

The Company established the Corporate Auditor's Office to which the full-time staff for Corporate Auditors belong, under the direct control of the Board of Corporate Auditors, which is separate from other executive departments.

7) System for making reports to Corporate Auditors

Directors and employees, etc. make reports on business operations and problems to Corporate Auditors at regular meetings held by Corporate Auditors or at other important meetings by requesting Corporate Auditors to attend, as necessary. The Company also established a system by

which employees, etc. can report directly to the Board of Corporate Auditors about concerns in regards to accounting or auditing irregularities.

8) System for ensuring effectiveness of audits by Corporate Auditors

The Company has a non-statutory full-time senior auditor at each business domain company who assists Corporate Auditors in auditing compliance status. The Company also established and operates the Panasonic Group Auditor Meetings chaired by the Company's Senior Corporate Auditors in order to enhance collaboration among the Company's Corporate Auditors, the non-statutory full-time senior auditors of internal division companies and the Corporate Auditors of the Company's subsidiaries. Moreover, each department has been cooperating to enhance the effectiveness of audits by Corporate Auditors through each department's collaboration in visiting audits of business offices inside and outside Japan by Corporate Auditors and through the internal auditing group's reports to Corporate Auditors at appropriate times.

9) System for ensuring properness of business of the Company's group

The Company established the Panasonic Code of Conduct, and it also exercises the rights of shareholders of the group companies and dispatches Directors and Corporate Auditors to the group companies. In addition, the Company established the approval procedures of final decisions of material matters, and established the function-related regulations across the group. Moreover, the Company conducts a regular audit on its business operation and internal control by the internal auditing group, shares business goals through announcement of the management policy and sends appropriate information by internal notices.

Moreover, the framework described above ensures that operations are proper, enabling the Panasonic Group to establish the internal controls necessary for financial reporting based on the Sarbanes-Oxley Act and Financial Instruments and Exchange Act.

(Note) Group companies means subsidiaries as stipulated in the Company Law of Japan.

Table of Contents

(2) Policy on Control of Panasonic Corporation

1. Basic Policy

Since its establishment, Panasonic has operated its businesses under its basic management philosophy, which sets forth that the mission of a business enterprise is to contribute to the progress and development of society and the well-being of people through its business activities, thereby enhancing the quality of life throughout the world. Aiming to grow further to become a global excellent company, Panasonic will work to deliver sustained growth in corporate value to satisfy its shareholders, investors, customers, business partners, employees and all other stakeholders.

Panasonic has a basic policy that shareholders should make final decisions in the event of a Large-scale Purchase of the Company's shares, regarding whether or not the Large-scale Purchase should be accepted. However, there is the possibility that such Large-scale Purchaser may not provide shareholders with sufficient information for making appropriate decisions. There is also concern that any Large-scale Purchase may damage corporate value and shareholder interest. In this event, the Company may take countermeasures in order to protect the interests of all shareholders.

2. Measures to Realize Basic Policy

1) Specific Measures to Realize Basic Policy

Panasonic has announced a mid-term management plan called GP3, which will run from fiscal 2008 to fiscal 2010. Based on the plan's fundamental concept of delivering steady growth with profitability, the Company has implemented a range of measures to achieve the targets of ¥10 trillion in sales, representing growth, and ROE of 10%, measuring capital efficiency.

Although achieving these targets has been made difficult by the sizable impact of the worldwide recession triggered by the financial crisis, the Company will work to close in on its targets and set the stage for the post-GP3 period. In terms of concrete measures, Panasonic will concentrate management resources on its strategic businesses, while pursuing manufacturing of more competitive products based on its unique technologies. Moreover, in order to reinforce management structures, the Company will rigorously reduce costs and curb total assets by reducing inventories. In addition, the Company sees reducing the environmental load of all business activities as being just as important as steady growth with profitability. Accordingly, Panasonic will accelerate environmental sustainability management centering on reducing CO₂ emissions at all manufacturing sites around the world.

Panasonic also strives to maximize its corporate value by proactively utilizing cash flows generated by business activities for acquiring intellectual property rights, conducting M&As and other purposes.

2) Measures Based on the Basic Policy to Prevent Control by Inappropriate Parties

On April 28, 2005, the Board of Directors resolved to adopt a policy related to a Large-scale Purchase of the Company's shares called the Enhancement of Shareholder Value (ESV) Plan. The ESV Plan has been approved at every Board of Directors meeting held in April since then. On April 28, 2008, the Board of Directors resolved to continue the ESV Plan. The Board of Directors' meeting to be held in May 2009 is scheduled to decide on whether to continue the ESV Plan again.

With respect to a Large-scale Purchaser who intends to acquire 20% or more of all voting rights of the Company, this policy requires that (i) a Large-scale Purchaser provide sufficient information, such as its outline, purposes or conditions, the basis for determination of the purchase price and funds for purchase, and management policies and business plans which the Large-scale Purchaser intends to adopt after the completion of the Large-scale Purchase, to the Board of Directors before a Large-scale Purchase is to be conducted and (ii) after all required information is provided, the Board of Directors should be allowed a sufficient period of time (a sixty-day period or a ninety-day period) for consideration.

The Board of Directors intends to assess and examine any proposed Large-scale Purchase after the information on such purchase is provided, and subsequently to disclose the opinion of the Board of Directors and any other information needed to assist shareholders in making their decisions. The Board of Directors may negotiate with the Large-scale Purchaser regarding purchase conditions or suggest alternative plans to shareholders, if it is deemed necessary.

Edgar Filing: POWER ONE INC - Form 8-K/A

If a Large-scale Purchaser does not comply with the rules laid out in the ESV Plan, the Company's Board of Directors may take countermeasures against the Large-scale Purchaser to protect the interests of all shareholders. Countermeasures include the implementation of share splits, issuance of stock acquisition rights (including allotment of share options without contribution) or any other measures that the Board of Directors is permitted to take under the Company Law of Japan, other laws and the Company's Articles of Incorporation.

Table of Contents

If a Large-scale Purchaser complies with the Large-scale Purchase rules, the Board of Directors does not intend to prevent the Large-scale Purchase at its own discretion, unless it is clear that such Large-scale Purchase will cause irreparable damage or loss to the Company.

The Board of Directors will make decisions relating to countermeasures by referring to advice from outside professionals, such as lawyers and financial advisers, and fully respect the opinions of Outside Directors and statutory corporate auditors.

When invoking the aforementioned countermeasures, if the Company's Board of Directors decides that it is appropriate to confirm the will of shareholders from the perspective of the interest of all shareholders, a general meeting of shareholders will be held. If the Company's Board of Directors decides to hold a general meeting of shareholders, it will give notice to that effect as well as the reasons for such a meeting at that time.

The Board of Directors will adopt specific countermeasures which it deems appropriate at that time. If the Board of Directors elects to make a stock split for shareholders as of a certain record date, the maximum ratio of the stock split shall be five-for-one. If the Board of Directors elects to issue stock acquisition rights to shareholders, the Company will issue one stock acquisition right for every share held by shareholders on a specified record date. One share shall be issued on the exercise of each stock acquisition right.

If the Board of Directors elects to issue stock acquisition rights as a countermeasure, it may determine the exercise period and exercise conditions of the stock acquisition rights, as well as the conditions that allow the Company to acquire share options by swapping Company stock with a party other than the Large-scale Purchaser, in consideration of the effectiveness thereof as a countermeasure, such as the condition that shareholders do not belong to a specific group of shareholders including a Large-scale Purchaser. The Company recognizes that the aforementioned countermeasures may cause damage or loss, economic or otherwise, to a prospective Large-scale Purchaser who does not comply with the Large-scale Purchase Rules.

The Company does not anticipate that taking such countermeasures will cause shareholders, other than the Large-scale Purchaser, economic damage or loss of any rights. However, in the event that the Board of Directors determines to take a specific countermeasure, the Board of Directors will disclose such countermeasure in a timely and appropriate manner, pursuant to relevant laws and stock exchange regulations.

The term of office for all Directors is one year, and Directors are elected at the Ordinary General Meeting of Shareholders held in June every year. The Company's Board of Directors intends to review the Large-scale Purchase Rules, as necessary, for reasons including amendments to applicable legislation. Any such review would be conducted in the interests of all shareholders.

For further details about the ESV Plan, please see the press release issued on May 15, 2009 at the Company's Web site:

<http://panasonic.co.jp/corp/news/official.data/data.dir/en090515-9/en090515-9-1.pdf>

3) Evaluation of Measures by the Board of Directors and Rationale for Evaluation

Panasonic's current mid-term management plan was formulated as a specific measure to increase the Company's corporate value in a sustained manner.

The ESV Plan was formulated from the perspective of protecting shareholder value, and is aimed at ensuring shareholders receive sufficient information to make decisions on share purchase proposals by allowing those responsible for the management of the Company, the Board of Directors, to provide their evaluation of any proposed Large-scale Purchase, and providing the opportunity for alternative proposals to be submitted.

Consequently, these measures, in accordance with 1. Basic Policy, are intended to protect the interests of all the Company's shareholders.

Table of Contents

(3) Policy on Appropriation of Retained Earnings for Dividend Payments, etc.

Since its establishment, Panasonic has managed its businesses under the concept that returning profits to shareholders is one of its most important policies. Based on this basic policy, along with the implementation of a mid-term growth strategy since fiscal 2005, the Company has implemented a proactive and comprehensive profit return to shareholders through dividend payments and own share repurchases, upon careful consideration of its consolidated business performance.

From the perspective of return on the capital investment made by shareholders, Panasonic, in principle, distributes profits to shareholders based on its business performance and is aiming for stable and continuous growth in dividends, targeting a dividend payout ratio of between 30% and 40% with respect to consolidated net income. Regarding share buybacks, the Company is repurchasing its own shares as it considers appropriate, taking comprehensively into consideration strategic investments and the Company's financial condition, with the aim of increasing shareholder value per share and return on capital.

The Company paid an interim dividend of ¥22.50 per share on November 28, 2008. Regrettably, while the Company puts emphasis on returning profits to shareholders, it plans to pay a year-end dividend of only ¥7.50 per share, due mainly to the significant deterioration of consolidated financial results due to the global recession and shrinking demand, making a total annual cash dividend of ¥30 per share. In fiscal 2009, the Company repurchased some of its own shares at a cost of approximately ¥70.0 billion. Although Panasonic expects severe business conditions to continue, the Company will strive to improve its performance as soon as possible and distribute earnings to shareholders.

Table of Contents**Consolidated Financial Statements of the Company**

The consolidated balance sheet and statement of operations of the Company are as follows. Please note the Company's consolidated financial statements are prepared in conformity with U.S. generally accepted accounting principles.

Consolidated Balance Sheet

March 31, 2009

(in millions of yen)

Assets

Current assets	3,194,694
Cash and cash equivalents	973,867
Time deposits	189,288
Short-term investments	1,998
Trade notes receivable	42,766
Trade accounts receivable	743,498
Allowance for doubtful receivables	(21,131)
Inventories	771,137
Other current assets	493,271
Investments and advances	551,751
Property, plant and equipment	1,574,830
Land	298,346
Buildings and structures	1,532,359
Machinery and equipment	2,229,123
Construction in progress	213,617
Accumulated depreciation	(2,698,615)
Other assets	1,082,041
Total assets	6,403,316

Table of Contents

March 31, 2009

(in millions of yen)

Liabilities

Current liabilities	2,000,428
Short-term borrowings, including current portion of long-term debt	94,355
Trade notes payable	38,202
Trade accounts payable	641,166
Accrued income taxes	26,139
Other accrued expenses	788,681
Other current liabilities	411,885
Noncurrent liabilities	1,190,307
Long-term debt	651,310
Other liabilities	538,997
Total liabilities	3,190,735
Minority interests	428,601
Stockholders equity	
Common stock	258,740
Capital surplus	1,217,764
Legal reserve	92,726
Retained earnings	2,479,416
Accumulated other comprehensive income (loss)	(594,377)
Treasury stock, at cost	(670,289)
Total stockholders equity	2,783,980
Total liabilities, minority interests and stockholders equity	6,403,316

(Note) Accumulated other comprehensive income (loss) breakdown:

Cumulative translation adjustments	¥ (341,592) million
Unrealized holding gains (losses) of available-for-sale securities	¥ (10,563) million
Unrealized gains (losses) of derivative instruments	¥ (4,889) million
Pension liability adjustments	¥ (237,333) million

Table of Contents**Consolidated Statement of Operations**

from April 1, 2008 to March 31, 2009

(in millions of yen)

Net sales	7,765,507
Cost of sales	(5,667,287)
Selling, general and administrative expenses	(2,025,347)
Interest income	23,477
Dividends received	11,486
Interest expense	(19,386)
Expenses associated with the implementation of early retirement programs	(38,351)
Other	(432,733)
Loss before income taxes	382,634
Provision for income taxes:	
Current	(61,840)
Deferred	24,482
Minority interests	(24,882)
Equity in earnings of associated companies	16,149
Net loss	378,961

- (Notes) 1. Expenses associated with implementation of early retirement programs are expenses at certain domestic and overseas companies.
2. Included in Other are write-down of investment securities and impairment losses from fixed assets.

Table of Contents**Consolidated Statement of Stockholders' Equity**

from April 1, 2008 to March 31, 2009

(in millions of yen)

	Common stock	Capital surplus	Legal reserve	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock	Total stockholders equity
Balances at beginning of period before adjustment	258,740	1,217,865	90,129	2,948,065	(173,897)	(598,573)	3,742,329
Effects of changing the pension plan measurement date pursuant to the provisions of SFAS No. 158				(3,727)	(73,571)		(77,298)
Balances at beginning of period after adjustment	258,740	1,217,865	90,129	2,944,338	(247,468)	(598,573)	3,665,031
Gain (loss) from sale of treasury stock		(101)					(101)
Transfer from retained earnings			2,597	(2,597)			
Cash dividends				(83,364)			(83,364)
Disclosure of comprehensive income (loss)							
Net loss				(378,961)			(378,961)
Translation adjustments					(112,800)		(112,800)
Unrealized holding gains (losses) of available-for-sale securities					(56,005)		(56,005)
Unrealized gains (losses) of derivative instruments					(9,215)		(9,215)
Pension liability adjustments					(168,889)		(168,889)
Total comprehensive income (loss)							(725,870)
Repurchase of common stock, net						(71,716)	(71,716)
Balances at end of period	258,740	1,217,764	92,726	2,479,416	(594,377)	(670,289)	2,783,980

Table of Contents

Notes to Consolidated Financial Statements

Notes on the Basis of Presentation of Consolidated Financial Statements

1. Principles of Consolidation

The Company's consolidated financial statements include the accounts of the Company and its subsidiaries. In accordance with the U.S. Financial Accounting Standards Board Interpretation No. 46 (revised December 2003), Consolidation of Variable Interest Entities, variable interest entities, of which the Company has controlling financial interests through means other than voting rights, are consolidated.

Investments in associated companies including the companies in which the Company's voting interest is 20% to 50%, and corporate joint ventures, are stated at their underlying net equity value after elimination of intercompany profits.

2. Principles of Consolidation and Application of the Equity Method

- (1) Number of consolidated subsidiaries
539

- (2) Number of associated companies under the equity method
182

3. Summary of Significant Accounting Policies

- (1) Basis of presentation of consolidated financial statements

The Company's consolidated financial statements are prepared in accordance with the terminology, format and preparation method of U.S. Generally Accepted Accounting Principles (U.S. GAAP) as stipulated in Article 120, Paragraph 1 of the Company Accounting Regulations. Certain of the information and notes required by U.S. GAAP as specified in said Article, however, have been excluded.

- (2) Inventories

Finished goods and work in process are stated at the lower of cost (average) or market. Raw materials are stated at cost, principally on a first-in, first-out basis, not in excess of current replacement cost.

- (3) Valuation method of securities

The Company accounts for debt and equity securities in accordance with Statement of Financial Accounting Standards (SFAS) No. 115, Accounting for Certain Investments in Debt and Equity Securities. The Company classifies its existing marketable equity securities other than investments in associated companies and all debt securities as available-for-sale in accordance with the provisions of SFAS No. 115.

Investments in available-for-sale securities

Market valuation method based on the fiscal year-end closing market price, etc. (The difference, net of tax, between acquisition cost and carrying market value of the securities, is included in accumulated other comprehensive income. The cost of the securities sold is computed based on the moving average method.)

(4) Method of depreciation of tangible fixed assets

Depreciation is computed primarily using the declining balance method.

(5) Goodwill and other intangible assets

In accordance with the provisions of SFAS No. 142, Goodwill and Other Intangible Assets, goodwill and intangible assets determined to have an indefinite useful life are not amortized, and are instead tested for impairment at least annually. Intangible assets where the useful life can be estimated are amortized using the straight-line method.

(6) Impairment of long-lived assets

The Company accounts for impairment or disposition of long-lived assets in accordance with SFAS No. 144, Accounting for Impairment or Disposal of Long-Lived Assets. In accordance with SFAS No. 144, long-lived assets, such as property, plant and equipment, and purchased intangibles subject to amortization, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If the carrying amount of an asset exceeds its estimated undiscounted future cash flows, an impairment charge is recognized for the amount by which the carrying amount of the asset exceeds the fair value of the asset.

Table of Contents

(7) Accounting for allowance and accruals

Allowance for doubtful receivables

An allowance for doubtful trade receivables and advances is provided at an amount calculated based on historical experience, while specific allowances for doubtful trade receivables and advances are provided for the estimated amounts considered to be uncollectible after reviewing individual collectibility.

Provision for employee retirement and severance benefits

Liabilities incurred for the provision of employee retirement and severance benefits are stated based on projected benefit obligation and the fair value of pension fund assets at the fiscal year-end in accordance with SFAS No. 87, Employers' Accounting for Pensions, and SFAS No. 158, Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans.

Unrecognized prior service cost (benefit) is amortized on a straight-line basis over the average remaining service period of employees.

If the unrecognized actuarial gains or losses exceed the greater of 10% of projected benefit obligation or 10% of the fair value of pension fund assets, the excess amount is amortized on a straight-line basis based on the average remaining service period of employees.

The Company changed the measurement date applied to most of its postretirement benefit plan from December 31 to March 31, the date of the Company's fiscal year-end consolidated balance sheet, in accordance with the provisions of SFAS No. 158 regarding the change in the measurement date. With the change in the measurement date, the fiscal 2009 beginning balances of retained earnings and pension liability adjustments of accumulated other comprehensive income (loss) have been reduced by ¥3,727 million and ¥73,571 million, respectively.

(8) Consumption tax and local consumption tax in Japan are excluded from all items in the statement of operations.

(9) Application of new accounting standards

Effective from April 1, 2008, the Company adopted SFAS No. 157, Fair Value Measurements. The adoption of SFAS No. 157 did not have a material effect on the Company's consolidated financial statements.

Notes to the Consolidated Balance Sheet

1. Guarantees provided to third parties on bank loans, recourse obligation for trade receivables sold and guarantees for specific value of leased assets	¥ 66,047 million
2. Assets pledged as collateral and liabilities with collateral	
(1) Assets pledged as collateral	
Investments and advances	¥ 17,385 million
Property, plant and equipment	¥ 915 million
(2) Liabilities with collateral	
Short-term borrowings, including current portion of long-term debt	¥ 209 million
Trade accounts payable	¥ 1,921 million
Other accrued expenses	¥ 1,942 million
Other current liabilities	¥ 176 million
Long-term debt	¥ 3,107 million

Notes to per Share Data

Stockholders' equity per share	¥ 1,344.50
Basic net loss per share	¥ 182.25
Diluted net loss per share	¥ 182.25

Table of Contents**Parent-alone Financial Statements of the Company****Balance Sheet**

March 31, 2009

(in millions of yen)

Assets

Current assets	1,769,582
Cash and deposits	3,670
Trade notes receivable	459
Trade accounts receivable	379,434
Finished goods, merchandise and semi-finished goods	111,569
Work in process	60,043
Raw materials and supplies	41,792
Other receivables	96,595
Deposits paid	499,343
Short-term loans	445,066
Deferred tax assets	117,712
Other current assets	15,392
Allowance for doubtful receivables	(1,493)
Fixed assets	2,672,708
Net tangible fixed assets	408,211
Buildings	142,764
Structures	5,504
Machinery and equipment	91,384
Vehicles	160
Tools, furniture and fixtures	16,809
Land	91,276
Leased assets	16,956
Construction in progress	43,358
Intangibles	49,170
Patent and trademark rights	18,705
Software	26,327
Facility utility and other rights	4,138
Investments and advances	2,215,327
Investment securities	297,137
Shares in subsidiaries and affiliates	1,275,701
Investments in equity, other than capital stock	36
Investments in subsidiaries and affiliates	408,683
Allowance for investment loss	(76,516)
Long-term deposits paid	5,463
Deferred tax assets	207,981
Other investments and other assets	96,842
Total assets	4,442,290

Table of Contents

March 31, 2009

(in millions of yen)

Liabilities

Current liabilities	1,638,978
Trade notes payable	948
Trade accounts payable	320,940
Lease obligations	9,549
Other payables	28,463
Accrued expenses	424,858
Reserve for bonuses	44,265
Accrued income taxes	912
Advance receipts	2,088
Deposits received	709,157
Deposits received from customers	2,322
Reserve for warranty costs	21,095
Reserve for sales promotion	20,274
Other current liabilities	54,107
Long-term liabilities	669,772
Bonds	500,000
Lease obligations	12,653
Employee retirement and severance benefits	6,255
Long-term deposits received	150,864
Total liabilities	2,308,750

Net Assets**Shareholders Equity**

Capital stock	258,740
Capital surplus	569,981
Capital reserve	568,212
Other capital surplus	1,769
Retained earnings	2,022,552
Legal reserve	52,749
Other retained earnings	
Reserve for advanced depreciation	18,464
Reserve for dividends	81,000
Contingent reserve	1,918,680
Retained earnings brought forward	(48,341)
Treasury stock	(671,182)
Difference of valuation, translation and other adjustments	
Unrealized holding gains (losses) of available-for-sale securities, etc.	(15,913)
Deferred profit (loss) on hedges	(30,638)
Total net assets	2,133,540
Total liabilities and net assets	4,442,290

Table of Contents**Statement of Operations**

from April 1, 2008 to March 31, 2009

(in millions of yen)

Net sales	4,249,233
Cost of sales	(3,453,765)
Gross profit	795,468
Selling, general and administrative expenses	(853,191)
Interest and dividends income	199,037
Other income	53,853
Interest expense	(6,295)
Other expense	(71,746)
Recurring profit	117,126
Non-recurring profit	
Profit on sale of investment securities	1,125
Profit on sales of shares in affiliates	6,923
Profit on sale of tangible fixed assets	714
Profit on extinguishment of tie-in shares	118,466
Non-recurring loss	
Loss on devaluation of investment securities	(38,519)
Loss on devaluation of stock in affiliates	(66,983)
Impairment losses	(11,602)
Loss on business restructuring	(7,010)
Loss on reserve for retained deficits of affiliated companies	(78,236)
Company name change and brand unification expenses	(15,154)
Loss from adjustment of profit on sale of land	(5,315)
Income before income taxes	21,535
Provision for income taxes	
Current	(11,165)
Deferred	(66,682)
Net loss	56,312

Table of Contents**Statement of Changes in Shareholders' Equity**

from April 1, 2008 to March 31, 2009

(in millions of yen)

	Capital surplus				Shareholders' equity			Retained earnings		Total other retained earnings
	Capital stock	Capital reserve	Other capital surplus	Total of capital surplus	Legal reserve	Reserve for advanced depreciation	Reserve for dividends	Contingent reserve	Unappropriated retained earnings	
Balances at beginning of period	258,740	568,212	1,870	570,082	52,749	18,464	81,000	1,918,680	106,537	2,177,430
Changes in the period										
Dividends from retained earnings									(83,364)	(83,364)
Net loss									(56,312)	(56,312)
Repurchase of common stock										
Sale of treasury stock			(101)	(101)						
Decrease due to business split-off									(15,202)	(15,202)
Net changes of items other than shareholders' equity										
Total changes in the period			(101)	(101)					(154,878)	(154,878)
Balances at end of period	258,740	568,212	1,769	569,981	52,749	18,464	81,000	1,918,680	(48,341)	2,022,552

	Shareholders' equity		Difference of valuation, translation and other adjustments			Total net assets
	Treasury stock	Total of shareholders' equity	Unrealized holding gains (losses) of available-for-sale securities, etc.	Deferred profit (loss) on hedges	Total of difference of valuation, translation and other adjustments	
Balances at beginning of period	(599,466)	2,406,786	55,429	11,680	67,109	2,473,895
Changes in the period						
Dividends from retained earnings					(83,364)	(83,364)
Net loss					(56,312)	(56,312)
Repurchase of common stock		(72,416)			(72,416)	(72,416)
Sale of treasury stock	700	599				599
Decrease due to business split-off					(15,202)	(15,202)

Edgar Filing: POWER ONE INC - Form 8-K/A

Net changes of items other than shareholders' equity			(71,342)	(42,318)	(113,660)	(113,660)
Total changes in the period	(71,716)	(226,695)	(71,342)	(42,318)	(113,660)	(340,355)
Balances at end of period	(671,182)	2,180,091	(15,913)	(30,638)	(46,551)	2,133,540

Table of Contents

Notes on the Basis of Presentation of Parent-alone Financial Statements

Summary of Significant Accounting Policies

1. Standards and methods for valuation of assets

(1) Securities

Investments in subsidiaries and affiliates

Valuation at cost, with cost determined by the moving average method

Other securities

Items with a market value: market valuation method based on year-end closing market price, etc. (The difference, net of tax, between acquisition cost and carrying market value of other securities is reported as a separate component of shareholders' equity. The cost of other securities sold is computed based on the moving average method.)

Items with no market value: valuation at cost, with cost determined by the moving average method

(2) Derivatives

Fair value method

(3) Inventories

Valuation at cost (method of lowering carrying amount due to decline in profitability)

Finished goods, semi-finished goods, work in process

Average cost method

Merchandise, raw materials, supplies

Last purchase price method

2. Method of depreciation and amortization of fixed assets

(1) Tangible fixed assets (Excluding leased assets)

Depreciation for assets that become obsolete due to technological innovation is calculated using the declining balance method based on the reasonable useful life for different types of tangible fixed assets.

(2) Intangible fixed assets

With regard to the software used in the Company, amortization is computed on the straight-line method based on the logical, useful period of time. Other intangible assets are computed on the straight-line method based on standards identical to the method prescribed by corporate tax law.

(3) Leased assets

Leased assets related to finance leases other than those that transfer ownership rights

The Company depreciates these leased assets using the straight-line method over the lease term (useful life) with no residual value.

3. Accounting for allowances

(1) Allowance for doubtful receivables

An allowance for doubtful receivables is provided at an amount calculated based on historical experience, while specific allowances for doubtful receivables are provided for the estimated amounts considered to be uncollectible after reviewing individual collectibility.

(2) Provision of allowance for investment loss

Loss on investments in affiliated companies in Japan and overseas is estimated according to Company regulations and taking into consideration the financial condition of those companies.

(3) Allowance for bonuses

An allowance for bonuses is provided at an amount calculated based on estimated bonus payments.

(4) Allowance for product warranties, etc.

An allowance for accrued warranty costs related to product after-sales services is provided at an amount calculated for estimated service costs during the period of the warranty based on historical experience.

(5) Allowance for sales promotion costs

Based on the Company's various sales promotion initiatives, estimates of costs related to sales commissions, product sales and other required expenses incurred for product promotion are recorded in accordance with prescribed Company standards.

(6) Accrual for employee retirement and severance benefits

Liabilities incurred for the provision of employee retirement and severance benefits are stated based on the projected benefit obligation and pension fund assets at the year-end. The transition obligation amounting to ¥42,077 million recognized at the adoption of new accounting standards (the transition obligation excluding the substitutional portion amounting to ¥17,115 million) is being amortized on a straight-line basis over 15 years.

4. Other significant items related to the preparation of financial statements

Edgar Filing: POWER ONE INC - Form 8-K/A

(1) Basis of hedge accounting

The Company applies deferral hedge accounting as defined in the accounting standards for financial instruments to its foreign exchange contracts and commodity futures trading.

(2) Consumption tax and local consumption tax are excluded from all items in the statement of income.

5. Changes in significant accounting policies

(1) Adoption of accounting standard for measuring inventories

Effective from April 1, 2008, the Company adopted Accounting Standard for Measurement of Inventories (Accounting Standards Board of Japan (ASBJ) Statement No. 9 issued on July 5, 2006). This change had no effect on recurring profit or income before income taxes.

(2) Adoption of accounting standard for leases

The Company previously accounted for financial leases other than those that transfer ownership rights according to standards for operating leases. Effective from April 1, 2008, however, the Company adopted Accounting Standard for Lease Transactions (ASBJ Statement No. 13 (June 17, 1993 (First Committee of the Business Accounting Council), revised March 30, 2007)) and Guidance on Accounting Standard for Lease Transactions (ASBJ Guidance No. 16 (January 18, 1994 (Japanese Institute of Certified Public Accountants, Committee of Accounting System), revised March 30, 2007)) and now accounts for these leases as ordinary sale and purchase transactions. This change had no effect on recurring profit or income before income taxes.

Table of Contents**Notes on the Balance Sheet**

1. Assets pledged as collateral and significant liabilities with collateral	
(1) Assets pledged as collateral	
Investment securities	¥ 12,480 million
Pledged as collateral when using the Deferred Payment System based on the Customs Act and Consumption Tax Law	
(2) Significant liabilities with collateral	
Trade accounts payable	¥ 1,921 million
Accrued expenses	¥ 1,942 million
2. Accumulated depreciation of tangible fixed assets	¥ 1,354,121 million
3. Receivables from and liabilities to subsidiaries and affiliates	
Short-term receivables from subsidiaries and affiliates	¥ 1,280,611 million
Long-term receivables from subsidiaries and affiliates	¥ 2 million
Short-term payables to subsidiaries and affiliates	¥ 838,612 million
Long-term payables to subsidiaries and affiliates	¥ 150,313 million

Notes on the Statement of Operations

1. Transactions with subsidiaries and affiliates	
Sales to subsidiaries and affiliates	¥ 3,207,458 million
Purchases from subsidiaries and affiliates	¥ 2,070,532 million
Turnover with subsidiaries other than sales and purchases	¥ 197,200 million

Notes on the Statement of Changes in Shareholders Equity

1. Type and number of shares issued as of the fiscal year-end	
Common stock	2,453,053,497
2. Type and number of shares of treasury stock as of the fiscal year-end	
Common stock	382,411,876
3. Items related to dividends	
(1) Dividend payments	

Resolution	Type of share	Total dividend amount (millions of yen)	Dividend per share (yen)	Record date	Effective date
April 28, 2008 Board of Directors Meeting	Common stock	36,770	17.5	March 31, 2008	June 2, 2008
October 28, 2008 Board of Directors Meeting	Common stock	46,594	22.5	September 30, 2008	November 28, 2008
Total		83,364	40.0		

(2) Dividends for record dates during the year under review with effective dates in the following fiscal year

Edgar Filing: POWER ONE INC - Form 8-K/A

Resolution	Type of share	Total dividend amount (millions of yen)	Dividend per share (yen)	Record date	Effective date
May 15, 2009 Board of Directors Meeting	Common stock	15,530	7.5	March 31, 2009	June 1, 2009

Notes to Tax-effect Accounting

Breakdown of significant reasons for the recording of deferred tax assets and deferred tax liabilities:

Deferred tax assets		
Inventory valuation	¥	23,441 million
Accrued expenses	¥	36,356 million
Depreciation and amortization	¥	73,092 million
Deferred profit (loss) on hedges	¥	20,854 million
Unrealized holding gains (losses) of other marketable securities	¥	10,799 million
Allowance for investment loss	¥	30,989 million
Loss on devaluation of investment securities	¥	59,419 million
Operating loss carryforwards	¥	65,817 million
Other	¥	254,999 million
Total gross deferred tax assets	¥	575,766 million
Less valuation allowance	¥	(219,918) million
Net deferred tax assets	¥	355,848 million
Deferred tax liabilities		
Prepaid pension cost	¥	(17,587) million
Reserve for advanced depreciation	¥	(12,568) million
Total gross deferred tax liabilities	¥	(30,155) million
Net deferred tax assets	¥	325,693 million

Table of Contents**Business Combinations, etc.**

In accordance with a business merger agreement concluded between the Company and Matsushita Refrigeration Company, the Company absorbed Matsushita Refrigeration Company on April 1, 2008. This move was made to further strengthen refrigeration operations and promote growth worldwide.

Details of business transferred to Panasonic	Business related to the manufacture and sale of refrigerators, vending machines, compressors, and heating and cooling components	(millions of yen)
Assets and liabilities transferred to Panasonic	Assets:	96,819
	Liabilities:	60,283

In addition, on April 1, 2008, the Company transferred the domestic sales business operated by Panasonic System Solutions Company to Panasonic SS Engineering Co., Ltd., based on a business division agreement concluded between the Company and Panasonic SS Engineering. The aim of this transfer was to integrate management of the systems solutions business from the sale of system products to system implementation, maintenance and services.

Details of business transferred to Panasonic SS Engineering	Business related to the sale of system products, system integration and implementation, and maintenance and services	(millions of yen)
Assets and liabilities transferred to Panasonic SS Engineering	Assets:	34,755
	Liabilities:	19,552

No new shares were issued upon this separation.

The Company absorbed Matsushita Battery Industrial Co., Ltd. on October 1, 2008, in accordance with a business merger agreement concluded between the Company and Matsushita Battery Industrial. This move was made to drive growth by strengthening the battery business worldwide.

Details of business transferred to Panasonic	Business related to the manufacture and sale of batteries and battery-applied products	(millions of yen)
Assets and liabilities transferred to Panasonic	Assets:	161,842
	Liabilities:	68,652

The business mergers and separation above fall under the category of transactions made under common control.

Notes to per Share Data

Net assets per share	¥ 1,030.38
Net loss per share	¥ 27.11

Significant Subsequent Events

The Company absorbed Panasonic Semiconductor Device Solutions Co., Ltd. on April 1, 2009, in accordance with a business merger agreement concluded between the Company and Panasonic Semiconductor Device Solutions Co., Ltd.

Notes to Application of Restrictions on Maximum Dividend Payments

The Company is subject to restrictions on maximum dividend payments.

Other

All monetary amounts have been rounded to the nearest million yen.

Table of Contents

Copy of Report of Accounting Auditors Concerning

Consolidated Financial Statements

[English Translation of the Auditors' Report Originally Issued in the Japanese Language]

Independent Auditors' Report

May 13, 2009

The Board of Directors
Panasonic Corporation

KPMG AZSA & Co.
Masahiro Mekada (Seal)
Designated and Engagement Partner
Certified Public Accountant

Koichi Kohori (Seal)
Designated and Engagement Partner
Certified Public Accountant

Tsuyoshi Takeuchi (Seal)
Designated and Engagement Partner
Certified Public Accountant

We have audited the consolidated statutory report, comprising the consolidated balance sheet, the consolidated statement of operations, the consolidated statement of stockholders' equity and the related notes of Panasonic Corporation as of March 31, 2009 and for the year from April 1, 2008 to March 31, 2009 in accordance with Article 444 (4) of the Company Law of Japan. The consolidated statutory report is the responsibility of the Company's management. Our responsibility is to express an opinion on the consolidated statutory report based on our audit as independent auditors.

We conducted our audit in accordance with auditing standards generally accepted in Japan. Those auditing standards require us to obtain reasonable assurance about whether the consolidated statutory report is free of material misstatement. An audit is performed on a test basis, and includes assessing the accounting principles used, the method of their application and estimates made by management, as well as evaluating the overall presentation of the consolidated statutory report. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated statutory report referred to above presents fairly, in all material respects, the financial position and the results of operations of Panasonic Corporation and its consolidated subsidiaries for the period, for which the consolidated statutory report was prepared, in conformity with accounting principles generally accepted in the United States of America (Refer to Note 3. (1), Basis of presentation of consolidated financial statements) under Article 120 (1) of the Corporate Accounting Regulations.

Our firm and engagement partners have no interest in the Company which should be disclosed pursuant to the provisions of the Certified Public Accountants Law of Japan.

Table of Contents

Copy of Report of Accounting Auditors

[English Translation of the Auditors' Report Originally Issued in the Japanese Language]

Independent Auditors' Report

May 13, 2009

The Board of Directors
Panasonic Corporation

KPMG AZSA & Co.
Masahiro Mekada (Seal)
Designated and Engagement Partner
Certified Public Accountant

Koichi Kohori (Seal)
Designated and Engagement Partner
Certified Public Accountant

Tsuyoshi Takeuchi (Seal)
Designated and Engagement Partner
Certified Public Accountant

We have audited the statutory report, comprising the balance sheet, the statement of operations, the statement of changes in shareholders' equity and the related notes, and its supporting schedules of Panasonic Corporation as of March 31, 2009 and for the 102nd business year from April 1, 2008 to March 31, 2009 in accordance with Article 436 (2) of the Company Law of Japan. The statutory report and supporting schedules are the responsibility of the Company's management. Our responsibility is to express an opinion on the statutory report and supporting schedules based on our audit as independent auditors.

We conducted our audit in accordance with auditing standards generally accepted in Japan. Those auditing standards require us to obtain reasonable assurance about whether the statutory report and supporting schedules are free of material misstatement. An audit is performed on a test basis, and includes assessing the accounting principles used, the method of their application and estimates made by management, as well as evaluating the overall presentation of the statutory report and supporting schedules. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the statutory report and supporting schedules referred to above present fairly, in all material respects, the financial position and the results of operations of Panasonic Corporation for the period, for which the statutory report and supporting schedules were prepared, in conformity with accounting principles generally accepted in Japan.

Our firm and engagement partners have no interest in the Company which should be disclosed pursuant to the provisions of the Certified Public Accountants Law of Japan.

Table of Contents

Copy of Report of the Board of Corporate Auditors

Audit Report

The Board of Corporate Auditors, having received a report from each corporate auditor on the method and results of his audit on the performance of duties of directors during the 102nd fiscal period from April 1, 2008 to March 31, 2009, and, as a result of discussion, does hereby report the results of audit as follows:

1. Method and details of audit conducted by corporate auditors and the Board of Corporate Auditors

In addition to formulating audit policy and audit schedules and receiving reports concerning the status and results of audits conducted by each corporate auditor, the Board of Corporate Auditors receives reports from directors and the accounting auditors regarding the performance of their duties and seeks explanations when deemed necessary.

Furthermore, each corporate auditor, in accordance with audit standards, policy and schedules formulated by the Board of Corporate Auditors, seeks to facilitate mutual understanding with directors, the Internal Auditing Department and other employees, gathers information and works to improve the environment for conducting audits. Accordingly, the corporate auditors conducted the following audit:

- (1) In addition to attending meetings of the Board of Directors and other important meetings, the corporate auditors received reports from directors, the Internal Auditing Department and other employees regarding the performance of their duties, and when deemed necessary, sought explanations, perused important documents including those subject to executive approval, and conducted examinations of conditions of business and assets at the head office and other major business offices.
- (2) The corporate auditors monitored and examined a resolution of the Board of Directors passed in accordance with the requirements of Article 100, Paragraphs 1 and 3 of the Law for Maintenance of Relevant Laws Relating to the Enforcement of the Company Law of Japan stipulating a system that ensures the performance of the duties of directors are in accordance with relevant laws and regulations and the Company's Articles of Incorporation, and that other affairs of the Company are conducted in an appropriate manner, and monitored the status of the Company's internal control system implemented in accordance with said resolution.
- (3) The corporate auditors, based on the status of discussion within the Board of Directors and other bodies, conducted examinations of basic policy presented in the Company's business report stipulated by Article 118, Paragraph 3.a of the Law for Maintenance of Relevant Laws Relating to the Enforcement of the Company Law of Japan, as well as of each measure required by Article 118, Paragraph 3.b of said law.
- (4) With respect to subsidiaries, through meetings and hearings comprising corporate auditors of the Company and its subsidiaries, the corporate auditors sought to facilitate mutual understanding and exchange of information with the directors and corporate auditors of subsidiaries, and when deemed necessary, received reports concerning the business of subsidiaries, visited their head offices and other major business offices, and conducted inquiries.
- (5) The corporate auditors have monitored and examined the independence of the accounting auditors and the appropriateness of audits conducted, received reports from the accounting auditors concerning the performance of their duties, and when deemed necessary, sought their opinions.
- (6) The corporate auditors received notice from the accounting auditors that the system to ensure the appropriateness of duties performed by accounting auditors (as stipulated by Article 131 of the Accounting Regulations of Japan) is in accordance with standards prescribed by laws and regulations and standards related to quality management for accounting audits, and when deemed necessary,

Edgar Filing: POWER ONE INC - Form 8-K/A

sought their opinions.

Based on the above methods, the corporate auditors conducted examinations of the Company's business report related to the fiscal period under review, supporting documents and parent-alone financial statements (balance sheet, statements of income, statement of changes in shareholders equity, and notes on the basis of presentation of parent-alone financial statements), and other supporting documents and consolidated financial statements (consolidated balance sheet, consolidated statements of income, consolidated statement of stockholders' equity, and notes on the basis of presentation of consolidated financial statements).

2. Results of Audit

(1) Results of audit of the business report, etc.

In the opinion of the Board of Corporate Auditors:

- (i) The contents of the business report and its supporting documents present fairly the position of the Company pursuant to laws and regulations and the Articles of Incorporation.
- (ii) With regard to the performance of duties of directors, no unfair conduct, nor any material breach of laws, regulations or the Company's Articles of Incorporation has been found.
- (iii) The details of resolutions approved by the Board of Directors concerning the internal control system are proper and fair; in addition, with regard to the performance of duties of directors with respect to the internal control system, nothing has been found that would necessitate comment.
- (iv) With regard to basic policy related to the individuals responsible for determining financial and business policies presented in the Company's business report, nothing has been found that would necessitate comment.

(2) Results of audit of the parent-alone financial statements, supporting documents and consolidated financial statements

The method of audit employed by the accounting auditors KPMG AZSA & Co. and the results thereof are proper and fair.

May 14, 2009

Board of Corporate Auditors

Kenichi Hamada
Senior Corporate Auditor

Yasuo Yoshino
Corporate Auditor

Hiroyuki Takahashi
Corporate Auditor

Masahiro Seyama
Senior Corporate Auditor

Ikuo Hata
Corporate Auditor

Table of Contents

[Reference Material for Exercise of Voting Rights]

The bills and reference materials:

Bill No. 1: To partially amend the Articles of Incorporation

1. Reasons for amendments

(1) In accordance with the enforcement of the Law to Amend Part of the Law Concerning Book-Entry Transfer of Bonds, Etc. to Streamline Settlements for Trading in Stocks, Etc. (Law No. 88, 2004, Settlement Streamlining Law) on January 5, 2009, the shares of all publicly listed companies are now handled under a paperless book-entry transfer system (also referred to as share certificate dematerialization).

Accordingly, the Company proposes making the necessary changes to the Articles of Incorporation, including deleting provisions premised on the existence of physical share certificates, renumbering paragraphs and establishing supplementary provisions.

Regarding existing Article 7 (Issuance of Share Certificates), a resolution amending the Articles of Incorporation to abolish that article effective as of January 5, 2009 is deemed to have been passed in accordance with Supplementary Provision Article 6-1 of the Settlement Streamlining Law.

(2) Regarding the method of public notice, the Company proposes adopting the electronic notification system in the interests of expediting and increasing the efficiency of public notification.

2. Details of amendments

The current Articles of Incorporation and the proposed amendments are as follows:

(The changed parts are underlined)

Current Articles of Incorporation	Proposed Amendments
CHAPTER I GENERAL PROVISIONS	CHAPTER I GENERAL PROVISIONS
Method of Public Notice	Method of Public Notice
Article 5	Article 5
<u>Public notices of the Company shall be given in the</u> Nihon Keizai Shimbun.	<u>The Company shall give public notices electronically. However, if it is not possible to give public notice electronically because of an incident or other unavoidable reasons,</u> the Nihon Keizai Shimbun <u>shall be used.</u>
CHAPTER II SHARES	CHAPTER II SHARES
<u>Issuance of Share Certificates</u>	(Deleted)
Article 7	
<u>The Company shall issue share certificates representing its issued shares.</u>	
<u>Number of Shares Constituting One Unit of Shares and Non-issuance of Share Certificates for Shares Constituting Less than One Unit</u>	Number of Shares Constituting One Unit of Shares
Article 8	Article 7
<u>1.</u>	

Edgar Filing: POWER ONE INC - Form 8-K/A

The number of shares constituting one unit (tangen) of shares shall be one hundred (100).

The number of shares constituting one unit (tangen) of shares shall be one hundred (100).

~~2. Notwithstanding Article 7, the Company shall not issue certificates of shares consisting less than one unit of shares (hereinafter referred to as the shares not constituting a full unit). However, this does not apply to the cases which are determined by the Company's Share Handling Regulations.~~

(Deleted)

Sale of Shares Not Constituting a Full Unit

Sale of Shares Not Constituting a Full Unit

Article 9

Article 8

A shareholder (including a beneficial shareholder; hereinafter the same interpretation being applicable) holding shares not constituting a full unit may request the Company, as provided for in the Company's Share Handling Regulations, to sell to the shareholder such amount of shares which will, when aggregated with the shares not constituting a full unit held by such shareholder, constitute one full unit of shares.

A shareholder holding shares constituting less than one unit of shares (hereinafter referred to as shares not constituting a full unit) may request the Company, as provided for in the Company's Share Handling Regulations, to sell to the shareholder such amount of shares which will, when aggregated with the shares not constituting a full unit held by such shareholder, constitute one full unit of shares.

Transfer Agent

Transfer Agent

Article 10

Article 9

1. The Company shall appoint a transfer agent with respect to shares.
2. The transfer agent and its handling office shall be designated by a resolution of the Board of Directors, and public notice shall be given with regard thereto.
3. The preparation and the keeping of the register of shareholders (including the register of beneficial shareholders; hereinafter the same interpretation being applicable), the register of stock acquisition rights and the register of lost share certificates of the Company and any other matter related to the register of shareholders, the register of stock acquisition rights and the register of lost share certificates of the Company shall be entrusted to the transfer agent, and the Company shall not handle such business.

1. The Company shall appoint a transfer agent with respect to shares.
2. The transfer agent and its handling office shall be designated by a resolution of the Board of Directors, and public notice shall be given with regard thereto.
3. The preparation and the keeping of the register of shareholders and the register of stock acquisition rights of the Company and any other matter related to the register of shareholders and the register of stock acquisition rights of the Company shall be entrusted to the transfer agent, and the Company shall not handle such business.

Article 11 through Article 39

Article 10 through Article 38

(The descriptions of the Articles are omitted)

(The Articles are unchanged from the current version)

(Newly Established)

Supplementary Provision

(Newly Established)

The preparation and the keeping of the register of lost share certificates of the Company and any other matter related to the register of lost share certificates of the Company shall be entrusted to the transfer agent until January 5, 2010, and the Company shall not handle such business.

This supplementary provision shall be eliminated after January 5, 2010 has passed.

Table of Contents**Bill No. 2: To elect 19 directors**

The terms of office of all 19 directors currently in office will expire at the conclusion of the 102nd Ordinary General Meeting of Shareholders, at which time Shunzo Ushimaru, Shinichi Fukushima, Junji Esaka and Hidetsugu Otsuru will resign as directors.

In connection with this, the election of 19 directors is hereby proposed.

The particulars of the candidates are as follows:

Name and date of birth	Brief personal record, position and responsibilities in the Company		Ownership of the Company's shares
	<i>(Parentheses indicate current posts representing other companies or organizations)</i>		
1 Kunio Nakamura July 5, 1939	Apr. 1962	Joined the Company;	72,200 shares
	June 1993	Director of the Company;	
	June 2000	President of the Company;	
	June 2006	Chairman of the Board of Directors.	
2 Masayuki Matsushita October 16, 1945	Apr. 1968	Joined the Company;	7,913,000 shares
	Feb. 1986	Director of the Company;	
	June 1990	Managing Director of the Company;	
	June 1992	Senior Managing Director of the Company;	
	June 1996	Executive Vice President of the Company;	
	June 2000	Vice Chairman of the Board of Directors. <i>(Chairman, PHP Institute Inc.)</i> <i>(President, the Matsushita International Foundation)</i> <i>(President, Matsushita Real Estate Co., Ltd.)</i>	
3 Fumio Ohtsubo September 5, 1945	Apr. 1971	Joined the Company;	47,200 shares
	June 1998	Director of the Company	
	June 2000	Managing Director of the Company;	
	June 2003	Senior Managing Director of the Company;	
	June 2006	President of the Company.	
4 Susumu Koike November 15, 1945	Apr. 1970	Joined the Company;	37,362 shares
	June 1998	Director of the Company	
	June 2000	Managing Director of the Company;	
	June 2003	Senior Managing Director of the Company / in charge of Technology;	
	Apr. 2006	Executive Vice President of the Company / in charge of Semiconductor Company.	
5 Koshi Kitadai October 1, 1945	Apr. 1969	Joined the Company;	28,441 shares
	June 2000	President, Matsushita Electronic Devices Co., Ltd. (now Panasonic Electronic Devices Co., Ltd.);	
	June 2003	Managing Executive Officer of the Company;	

Edgar Filing: POWER ONE INC - Form 8-K/A

- June 2005 Senior Managing Executive Officer of the Company;
- Apr. 2007 President, Panasonic Automotive Systems Company / in charge of Corporate Industrial Marketing and Sales.
- June 2007 Senior Managing Director of the Company
- Apr. 2008 Executive Vice President of the Company / in charge of the Automotive Electronics Business
- June 2008 Representative in Tokyo
- Apr. 2009 In charge of System Solutions Company / in charge of Panasonic Mobile Communications Co., Ltd.

Table of Contents

Name and date of birth	Brief personal record, position and responsibilities in the Company		Ownership of the Company's shares
	<i>(Parentheses indicate current posts representing other companies or organizations)</i>		
6 Toshihiro Sakamoto October 27, 1946	Apr. 1970	Joined the Company;	30,478 shares
	June 2000	Director of the Company / Vice President of AVC Company / in charge of Visual Products Group;	
	June 2003	In charge of Corporate Planning;	
	June 2004	Managing Director of the Company;	
	Apr. 2006	Senior Managing Director / President, Panasonic AVC Networks Company;	
	Apr. 2009	Executive Vice President of the Company / in charge of Domestic Consumer Marketing and Design	
	<i>(President, Panasonic Kibi Co., Ltd. (Formerly Kibi Matsushita Co., Ltd.))</i>		
7 Takahiro Mori June 16, 1947	Apr. 1970	Joined the Company;	25,360 shares
	June 2003	Executive Officer of the Company;	
	June 2005	Managing Director of the Company / in charge of Corporate Communications Division;	
	Apr. 2006	In charge of Corporate Planning;	
	Apr. 2008	Senior Managing Director of the Company.	
	Apr. 2009	Executive Vice President of the Company / in charge of Corporate Division for Promoting Systems & Equipment Business and Electrical Supplies Sales, Project Sales and Building Products Sales	
8 Yasuo Katsura September 19, 1947	Apr. 1970	Joined the Company;	20,316 shares
	June 2001	President, Matsushita Communication Industrial Co., Ltd. (now Panasonic Mobile Communications Co., Ltd.);	
	June 2003	Executive Officer of the Company;	
	June 2004	Managing Executive Officer of the Company / Director of the Tokyo Branch.	
	June 2007	Managing Director of the Company.	
	Apr. 2009	Senior Managing Director of the Company / Representative in Tokyo / in charge of External Affairs Division	
9 Hitoshi Otsuki June 6, 1947	Apr. 1970	Joined the Company;	13,500 shares
	June 2003	Executive Officer of the Company / Director of Europe Division / Chairman of Panasonic Europe Ltd.;	
	Apr. 2007	Managing Executive Officer of the Company / in charge of Overseas Operations;	
	June 2007	Managing Director of the Company.	
	Apr. 2009	Senior Managing Director of the Company	
10 Ikusaburo Kashima October 8, 1948	July 1971	Joined Ministry of International Trade and Industry;	11,500 shares
	July 1999	Director General of Price Bureau of Economic Planning Agency;	
	Jan. 2001	Retired from office at Ministry of Economy, Trade and Industry;	
	June 2003	Vice Chairman, Information Technology Promotion Agency;	

Edgar Filing: POWER ONE INC - Form 8-K/A

- June 2004 Joined the Company as an Executive Counselor;
- June 2005 Director of the Company / Deputy Chief of Overseas Operations;
- Apr. 2007 Managing Director of the Company / in charge of Legal Affairs, Corporate Risk Management, Corporate Information Security, Corporate Business Ethics, and Corporate International Affairs.
- Apr. 2009 In charge of Intellectual Property

Table of Contents

Name and date of birth	Brief personal record, position and responsibilities in the Company		Ownership of the Company's shares
	<i>(Parentheses indicate current posts representing other companies or organizations)</i>		
11 Ikuo Uno January 4, 1935	Mar. 1959	Joined Nippon Life Insurance Company;	0 shares
	July 1986	Director, Nippon Life Insurance Company;	
	Apr. 1997	President, Nippon Life Insurance Company;	
	Apr. 2005	Chairman, Nippon Life Insurance Company;	
	June 2005	Director of the Company. <i>(Chairman, Nippon Life Insurance Company)</i>	
12 Masayuki Oku December 2, 1944	Apr. 1968	Joined Sumitomo Bank;	1,050 shares
	June 1994	Director, Sumitomo Mitsui Banking Corporation;	
	June 2003	Deputy President, Sumitomo Mitsui Banking Corporation;	
	June 2005	President, Sumitomo Mitsui Banking Corporation / Chairman, Board of Directors of Mitsui Sumitomo Financial Group;	
	June 2006	Director of the Company <i>(President and CEO /, Sumitomo Mitsui Banking Corporation)</i> <i>(Chairman, Board of Directors of Mitsui Sumitomo Financial Group, Inc)</i>	
13 Makoto Uenoyama February 14, 1953	Apr. 1975	Joined the Company;	18,900 shares
	June 2003	General Manager, Corporate Accounting Group;	
	Apr. 2006	Executive Officer of the Company;	
	Apr. 2007	In charge of Accounting and Finance;	
	June 2007	Director of the Company.	
	Apr. 2009	In charge of Information Systems	
14 Masatoshi Harada February 9, 1955	Apr. 1977	Joined the Company;	10,700 shares
	June 2003	In charge of General Affairs and Social Relations;	
	Apr. 2008	Executive Officer of the Company / in charge of Personnel and General Affairs;	
	June 2008	Director of the Company <i>(President, Panasonic Electric International Corporate Pension Fund)</i> <i>(President, Panasonic Health Insurance Association)</i>	
15 Masaharu Matsushita September 17, 1912	May 1940	Joined the Company;	9,598,000 shares
	Oct. 1947	Director of the Company;	
	Jan. 1961	President of the Company;	
	Feb. 1977	Chairman of the Board of Directors;	
	June 2000	Honorary Chairman, the Board of Directors and Executive Advisor, Member of the Board.	

Table of Contents

Name and date of birth	Brief personal record, position and responsibilities in the Company (Parentheses indicate current posts representing other companies or organizations)		Ownership of the Company's shares
16 Ken Morita* October 24, 1948	Apr. 1971	Joined the Company; Apr. 2000 Director of PDP Division Jun. 2005 Executive Officer of the Company; Apr. 2006 Senior Vice President, Panasonic AVC Networks Company / Director, Visual Products and Display Devices Business Group; Apr. 2007 Managing Executive Officer of the Company; Apr. 2009 Senior Managing Executive Officer of the Company / President, AVC Networks Company <i>(President, Panasonic Katano Co., Ltd. (Formerly Katano Matsushita Co., Ltd.))</i>	13,350 shares
17 Kazunori Takami* June 12, 1954	Apr. 1978 June 2002 Apr. 2005 Apr. 2006 Apr. 2008 Apr. 2009	Joined the Company; Director, Matsushita Refrigeration Company; In charge of Corporate Marketing Division for National Brand Home Appliances and Corporate Marketing Division for National Brand Wellness Products / Director, Corporate Marketing Division for National Brand Home Appliances; Executive Officer of the Company; Managing Executive Officer of the Company; President, Home Appliances Company / in charge of Lighting Company	12,100 shares
18 Junji Nomura* April 10, 1947	Apr. 1971 Feb. 2002 Dec. 2003 Jun. 2005 Jun. 2006	Joined Matsushita Electric Works, Ltd. Director, Matsushita Electric Works, Ltd. Executive Senior Managing Director, Matsushita Electric Works, Ltd. Senior Managing Director, Matsushita Electric Works, Ltd. Director, Executive Vice President, Matsushita Electric Works, Ltd. (Plans to resign on June 19, 2009) * Director, Executive Vice President, Panasonic Electric Works Co., Ltd. (Plans to resign on June 19, 2009) (now Panasonic Electric Works Co., Ltd.)	0 shares
19 Masashi Makino* August 20, 1948	Mar. 1973 Apr. 1996 Apr. 2003 June 2003 Apr. 2009	Joined the Company; Chief of Manufacturing Technology Laboratory in Corporate Production Engineering Division; Director, Corporate Manufacturing Innovation Division; Executive Officer of the Company; In charge of Manufacturing Innovation, Facility Management, Quality Administration, FF Customer Support & Management and Environmental Affairs	12,400 shares

- (Notes) 1. No conflicting interest exists between the Company and any of the above candidates.
2. Asterisks (*) denote candidates to be newly elected as director.

Edgar Filing: POWER ONE INC - Form 8-K/A

3. All candidates have stated agreement with the policy related to a Large-scale Purchase of Panasonic shares, called the ESV (Enhancement of Shareholder Value) Plan, which was resolved at the May 15, 2009 Board of Directors meeting.
4. Ikuo Uno and Masayuki Oku are candidates for outside directors in accordance with Article 2, Paragraph 3-7 of the Enforcement Regulations of the Company Law.
5. Additional information concerning candidates for the post of outside director:
 - (1) Reasons for selections of candidates:
 - (i) Panasonic proposes the selection of Ikuo Uno for the post of outside director on account of his extensive managerial experience and deep insight that can be brought to the management of the Company.
 - (ii) Panasonic proposes the selection of Masayuki Oku for the post of outside director on account of his extensive managerial experience and deep insight that can be brought to the management of the Company.

Table of Contents

- (2) Incidents that occurred at other companies at which the candidates were directors, executive officers, or corporate auditors during the preceding five years with respect to violations of laws or regulations of the articles of incorporation of such companies, or other inappropriate operational actions, and steps implemented to prevent this kind of incident and other responses taken following any incident while the candidates were outside directors or corporate auditors of such companies:

(i) Ikuo Uno

Nippon Life Insurance Company, at which the candidate is a director, was issued business improvement orders based on the Insurance Business Law by the Financial Services Agency (FSA) in July 2006 and July 2008. The orders were issued due to problems with the company's management system for the payment of insurance and its business administration.

Odakyu Electric Railway Co., Ltd., at which the candidate is an outside corporate auditor, released a revised annual securities report and other documents in May 2005 due to the previously inaccurate disclosure of shares held within the Odakyu Group under names of individual investors. In relation to this, in June 2005, the company filed a report with the Tokyo Stock Exchange (TSE) detailing improvements to ensure the appropriate disclosure of information to investors. Ikuo Uno has appropriately performed the duties of a corporate auditor, such as providing appropriate and objective opinions with respect to the details of items for discussion in meetings of the company's board of corporate auditors, as stipulated by relevant laws and regulations. Following the incident, Ikuo Uno made appropriate remarks in meetings of the company's board of corporate auditors from the perspective of enhancing the suitability and adequacy of the company's response to the incident.

Tohoku Electric Power Co., Inc., at which the candidate is an outside corporate auditor, following a review and survey which was conducted in fiscal 2007, ended March 31, 2007, mainly related to data falsification and inadequate procedures at its hydroelectric, thermal and nuclear power generation facilities, confirmed that it had failed to report to national and relevant local government agencies a past automatic shutdown of one of its nuclear reactors. As a result, in fiscal 2008, the Company received a warning and was issued an internal regulations improvement order by the Ministry of Economy, Trade and Industry. In addition, in fiscal 2007, the company revealed that it had exceeded its legally permitted water intake at a hydroelectric power generation facility. As a result, the company received an administrative penalty under the River Law from the Ministry of Land, Infrastructure and Transport restricting water intake. Ikuo Uno, at meetings of the board of corporate auditors and in dialogue with business sites, continuously and clearly stated his opinion about the importance of daily communication between head office and business sites. With respect to the review and survey of power generation facilities, he verified the accuracy of examination procedures and assessment criteria in meetings of the board of directors and board of corporate auditors.

In a judgment by the Tokyo Summary Court in February 2006, the General Manager for the Marketing Division of Sanki Engineering Co., Ltd., at which the candidate was an outside corporate auditor until June 2006, received a summary order to pay a fine of ¥500,000 for violation of competitive tender in relation to collusive bidding with government agencies for a project commissioned by the Defense Facilities Administration Agency. As a result, the Ministry of Land, Infrastructure and Transport (MLIT) ordered a 30-day suspension of operations on a public pipe works project administered by MLIT's Kanto Regional Development Bureau. Ikuo Uno performed his duties as an outside corporate auditor appropriately as stipulated in relevant laws and regulations, and, following the incident, confirmed and enhanced functioning of measures to prevent any reoccurrence as part of the appropriate performance of his duties, mainly in the board of corporate auditors.

(ii) Masayuki Oku

Sumitomo Mitsui Banking Corporation, where the candidate is a director, was subject to a warning by the Japan Fair Trade Commission in December 2005, with respect to a violation of the Antimonopoly Law by part of its marketing operations. Subsequently, Sumitomo Mitsui Banking Corporation received an administrative penalty imposed by the FSA in April 2006 in accordance with the Banking Law.

- (3) Number of years in office since first appointment as outside director of the Company:

At the conclusion of this Ordinary General Meeting of Shareholders, Ikuo Uno will have held the post of outside director for four years and Masayuki Oku will have held the post of outside director for one year.

- (4) Summary of liability limitation agreement with outside directors:

Edgar Filing: POWER ONE INC - Form 8-K/A

Ikuo Uno and Masayuki Oku are currently outside directors of the Company. The Company enters into an agreement with both outside directors limiting liability pursuant to Article 423, Paragraph 1 of the Company Law of Japan. Under this agreement, provided the individuals concerned act in good faith and no significant negligence occurred in the fulfillment of their duties, the amount of liability is limited to the least amount in conformity with the provisions of Article 425, Paragraph 1 of the Company Law of Japan. If both outside directors are reelected, the Company intends to maintain this agreement with them.

(Note)

Under Article 74, Paragraph 4 of the Enforcement Regulations of the Company Law of Japan, which came into effect on May 1, 2006, the Company is required to describe in its notice of convocation of the annual general meeting of shareholders, applicable to the 102nd Ordinary General Meeting of Shareholders of the Company, the following matters:

- (1) the reasons for the selection of candidates for the post of outside director;
- (2) major unjustifiable incidents regarding management such as violations of the Articles of Incorporation and laws (the Unjustifiable Incidents) that have occurred in the Company during the candidates' most recent term of office as outside director of the Company, and a summary of the measures taken by the candidates to prevent this kind of incident and other responses made by the candidates following such incident (the Measures);
- (3) a summary of the Unjustifiable Incidents that have occurred in other companies during the term of office as directors, executive officers or corporate auditors of the other relevant companies in the preceding five years, and the Measures (with respect to (3), the Measures shall be described only where the candidates were then outside directors or corporate auditors of the other relevant companies);
- (4) the number of years in office since the first appointment as outside directors of the Company; and
- (5) a summary of the liability limitation agreements which have been or will be concluded with the candidates.

Table of Contents

Disclaimer Regarding Forward-Looking Statements

This Notice includes forward-looking statements (within the meaning of Section 27A of the U.S. Securities Act of 1933 and Section 21E of the U.S. Securities Exchange Act of 1934) about Panasonic and its Group companies (the Panasonic Group). To the extent that statements in this Notice do not relate to historical or current facts, they constitute forward-looking statements. These forward-looking statements are based on the current assumptions and beliefs of the Panasonic Group in light of the information currently available to it, and involve known and unknown risks, uncertainties and other factors. Such risks, uncertainties and other factors may cause the Panasonic Group's actual results, performance, achievements or financial position to be materially different from any future results, performance, achievements or financial position expressed or implied by these forward-looking statements. Panasonic undertakes no obligation to publicly update any forward-looking statements after the date of this Notice. Investors are advised to consult any further disclosures by Panasonic in its subsequent filings with the U.S. Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934.

The risks, uncertainties and other factors referred to above include, but are not limited to, economic conditions, particularly consumer spending and corporate capital expenditures in the United States, Europe, Japan, China and other Asian countries; volatility in demand for electronic equipment and components from business and industrial customers, as well as consumers in many product and geographical markets; currency rate fluctuations, notably between the yen, the U.S. dollar, the euro, the Chinese yuan, Asian currencies and other currencies in which the Panasonic Group operates businesses, or in which assets and liabilities of the Panasonic Group are denominated; the ability of the Panasonic Group to respond to rapid technological changes and changing consumer preferences with timely and cost-effective introductions of new products in markets that are highly competitive in terms of both price and technology; the possibility of not achieving expected results on the alliances or mergers and acquisitions; the ability of the Panasonic Group to achieve its business objectives through joint ventures and other collaborative agreements with other companies; the ability of the Panasonic Group to maintain competitive strength in many product and geographical areas; the possibility of incurring expenses resulting from any defects in products or services of the Panasonic Group; the possibility that the Panasonic Group may face intellectual property infringement claims by third parties; current and potential, direct and indirect restrictions imposed by other countries over trade, manufacturing, labor and operations; fluctuations in market prices of securities and other assets in which the Panasonic Group has holdings or changes in valuation of long-lived assets, including property, plant and equipment and goodwill, deferred tax assets and uncertain tax positions; future changes or revisions to accounting policies or accounting rules; as well as natural disasters including earthquakes and other events that may negatively impact business activities of the Panasonic Group. The factors listed above are not all-inclusive and further information is contained in Panasonic's latest annual report on Form 20-F, which is on file with the U.S. Securities and Exchange Commission.