

Microsoft and Panasonic Unveil Continued Momentum For HighMAT Technology at 2003 International CES

Panasonic Unveils Seven New Models of Digital AV Products Supporting HighMAT; Broad Industry Support Continues to Build Among Software and Hardware Makers

LAS VEGAS — Jan. 9, 2003 — Today at the 2003 International Consumer Electronics Show (CES), Matsushita Electric Industrial Co. Ltd. (Panasonic) and Microsoft Corp. announced expanded support of HighMAT™ technology both in the software and hardware industries with 11 companies joining Fuji Photo Film Co. Ltd. (Fujifilm), Microsoft and Panasonic. In addition, Panasonic unveiled seven new models of digital AV products that will be the first consumer electronic devices to have built-in support of the new HighMAT technology, including the Panasonic DVD-LX9 portable DVD player, DVD-S55 single-disc player, DVD-F65 five-disc changer, DVD-F85 five-disc changer, SC-HT900 DVD/CD home theater system, SC-DT310 DVD/CD music system and SC-DP1 DVD/CD music system. HighMAT is new technology, co-developed by Panasonic and Microsoft, designed to significantly improve interoperability for digital media content between PCs and popular electronic devices such as CD players, car stereos and living-room DVD devices.

“With the first digital AV products that have HighMAT support, we are very pleased to be able to introduce easy-to-use seamless digital convergence into the market,” said Tokikazu Matsumoto, director of the Home AV Business Unit, Panasonic AVC Networks Company, at Matsushita Electric. “With today’s growing support from software and hardware companies, consumers this year will now be able to get the benefits HighMAT offers both in their software and in their consumer devices.”

“The introduction of the first HighMAT devices, along with the software and hardware industry support announced today, shows how quickly HighMAT is gaining momentum as a means to enable easier and faster interoperation for digital media between consumer devices and PCs,” said Dave Fester, general manager of the Windows Digital Media Division at Microsoft. “Together with the introduction this week of HighMAT support in Windows® XP with the new Windows Media® Player 9 Series and Windows

Movie Maker 2 for Windows XP, consumers now have faster and easier ways to create and play back their own personal digital media collections of photos and music on CDs right in their living room.”

Broad Industry Support Emerges at 2003 CES

Today at 2003 CES the following companies are announcing their intent to support HighMAT in their future products.

Consumer device manufacturers

- **Apex Digital Inc.**
- **Victor Company of Japan, Limited (JVC)**
- **Matsushita Kotobuki Electronics Industries, Ltd.**

Content creation software developers

- **Ahead Software Inc.**, the premier software developer of the award-winning Nero CD/DVD recording applications
- **Aplix Corporation**
- **B.H.A Corporation**
- **ECI (Enterprise Corporation International)**
- **Pinnacle Systems Inc.**
- **Sonic Solutions**

Consumer electronic IC manufacturers

- **Equator Technologies Inc.** will provide a range of DVD player/recorder reference designs that will support HighMAT.
- **ESS Technology Inc.** will include HighMAT support in its Swan, DHS, Vantage, Visba and Vibratto families of video processors.

Why HighMAT?

Inspired by growth in consumer use of digital still and video cameras and compressed digital music, HighMAT, which stands for High-performance Media Access Technology, was co-developed by Panasonic and Microsoft and introduced in October 2002. It was developed to improve interoperability for digital media content between PCs and popular electronic devices such as CD players, car stereos and living-room DVD devices with a dramatically improved method of storing, arranging and playing back personal digital photo, music and video collections on recordable discs such as CD-RW media.

The new technology will speed up startup times for data CDs and other physical formats and make navigation consistent and easy across a broad range of consumer electronics devices, including car stereos, DVD players and CD players. CDs created using the HighMAT technology will still be compatible with existing devices that play back recordable disc media, and HighMAT is compliant with the standard ISO 9660 Joliet file system.

Microsoft introduced the first software to support HighMAT disc creation in its final release of Windows Media Player 9 Series and its new Windows Movie Maker 2, the digital video editing and publishing feature of Windows XP announced on Tuesday, Jan. 7.

HighMAT technology is available for easy licensing by both software developers and other consumer electronics device manufacturers. Companies interested in learning more about licensing HighMAT may visit <http://www.highmat.com/>.

About Matsushita Electric Industrial Co. Ltd. (Panasonic)

Matsushita Electric Industrial Co. Ltd., best known for its Panasonic, National, Technics and Quasar brand names, is a worldwide leader in the development and manufacture of electronics products for a wide range of consumer, business and industrial needs. Based in Osaka, Japan, the company recorded consolidated sales of \$51.70 billion (U.S.) for the fiscal year ended March 31, 2002. In addition to the Tokyo and other Japanese stock exchanges (6752), Matsushita's shares are also listed on the Amsterdam, Dusseldorf, Frankfurt, New York, Pacific (NYSE/PCX "MC") and Paris stock exchanges. More information is available on the Matsushita Web site at <http://www.panasonic.co.jp/global/top.html>.

About Microsoft

Founded in 1975, Microsoft (Nasdaq "MSFT") is the worldwide leader in software, services and Internet technologies for personal and business computing. The company offers a wide range of products and services designed to empower people through great software — any time, any place and on any device.

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For more information, press only:

In the United States:

Jim Reilly, Panasonic, (201) 392-6067, reillyj@panasonic.com

Wayne Hickey, Weber Shandwick for Microsoft, (425) 452-5400, whickey@webershandwick.com

Ken Birge, Weber Shandwick for Microsoft, (425) 452-5400, kbirge@webershandwick.com

In Japan:

Yasuhiro Fukagawa for Panasonic (Tokyo), +81 -3-3578-1237, PAN04105@pas.mei.co.jp

For online information:

Visit the Microsoft Web site at <http://www.microsoft.com/>.

Visit the Matsushita Electric Web site at <http://www.panasonic.co.jp/global/top.html>.

Visit the Panasonic Web site at <http://www.panasonic.com/>.

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