

Fact Book

- For the year ended March 31, 2007 -

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Matsushita Electric Industrial Co., Ltd.

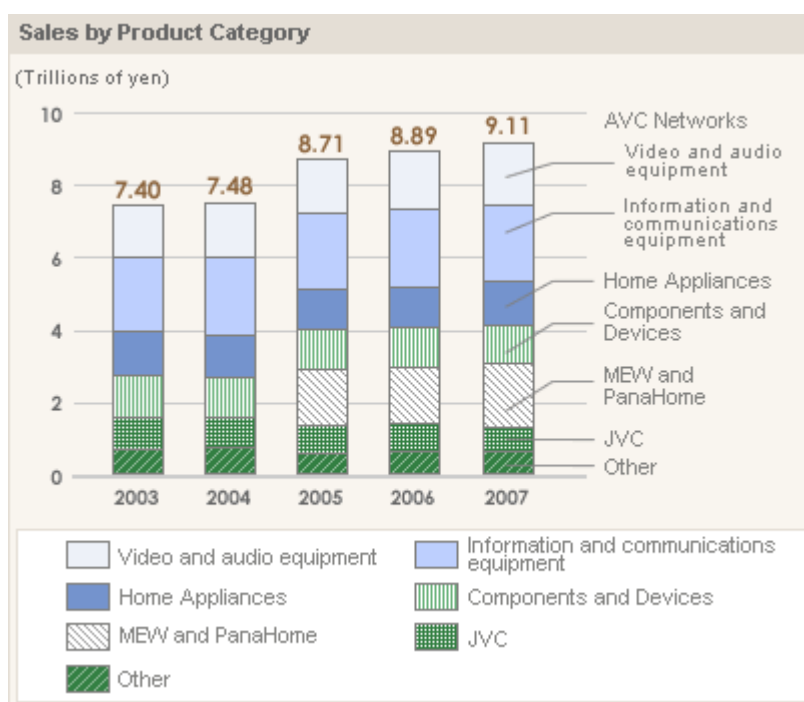
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## Consolidated Sales Data

(Years ended March 31)

(Millions of yen)

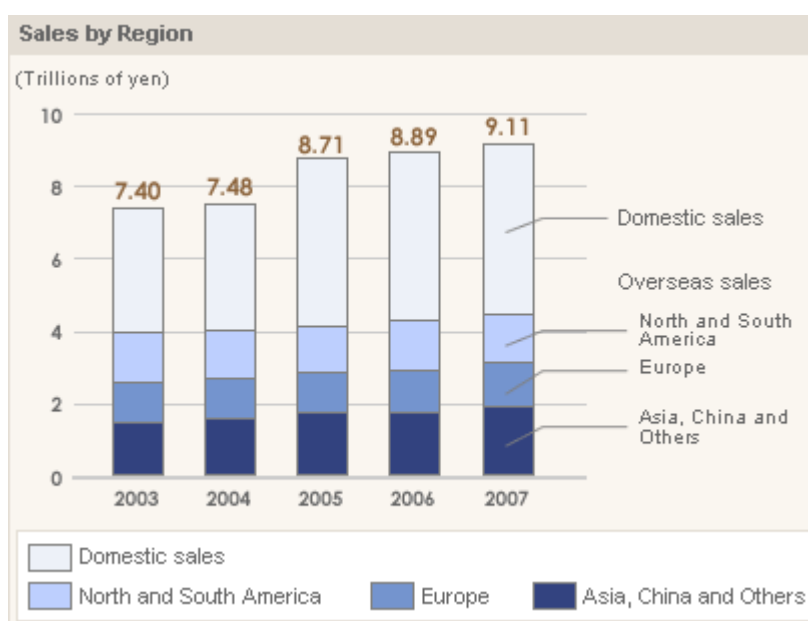
	2003	2004	2005	2006	2007
<b>Sales by Product Category</b>					
AVC Networks:					
Video and audio equipment	1,397,668	1,418,118	1,482,617	1,576,499	<b>1,670,287</b>
Information and communications equipment	2,113,820	2,206,021	2,076,214	2,111,838	<b>2,079,127</b>
Subtotal	3,511,488	3,624,139	3,558,831	3,688,337	<b>3,749,414</b>
Home Appliances	1,184,148	1,189,118	1,156,591	1,183,126	<b>1,227,421</b>
Components and Devices	1,193,832	1,142,395	1,112,454	1,086,591	<b>1,126,885</b>
MEW and PanaHome	-	-	1,558,968	1,570,812	<b>1,698,045</b>
JVC	827,967	802,650	717,781	699,010	<b>638,626</b>
Other	684,279	721,442	609,011	666,453	<b>667,779</b>
Total	7,401,714	7,479,744	8,713,636	8,894,329	<b>9,108,170</b>



1. Matsushita Electric Works, Ltd. (MEW), PanaHome Corporation (PanaHome) and their respective subsidiaries became consolidated subsidiaries of the Company on April 1, 2004. Accordingly, a new category, MEW and PanaHome, has been added to the product categories from fiscal 2005.
2. Under the collaboration with MEW, the Company reorganized business and sales channels in such areas as electrical construction materials, building equipment and home appliances. Accordingly, the year-on-year figures for the Home Appliances and MEW and PanaHome categories are based on the reclassified fiscal 2005 sales results for those product categories.
3. See "[Product Categories and Main Products](#)" for information about major products in each category.

(Millions of yen)

	2003	2004	2005	2006	2007
<b>Sales by Region</b>					
Domestic sales	3,453,836	3,477,492	4,580,555	4,611,440	<b>4,616,520</b>
Overseas sales:					
North and South America	1,420,802	1,326,940	1,282,956	1,387,424	<b>1,381,104</b>
Europe	999,637	1,080,143	1,122,493	1,113,556	<b>1,217,931</b>
Asia, China and Others	1,527,439	1,595,169	1,727,632	1,781,909	<b>1,892,615</b>
Overseas total	3,947,878	4,002,252	4,133,081	4,282,889	<b>4,491,650</b>
Total	7,401,714	7,479,744	8,713,636	8,894,329	<b>9,108,170</b>

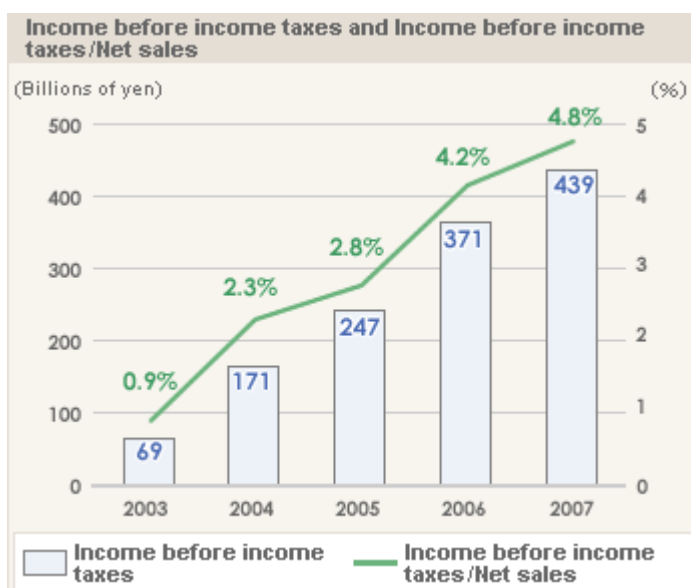
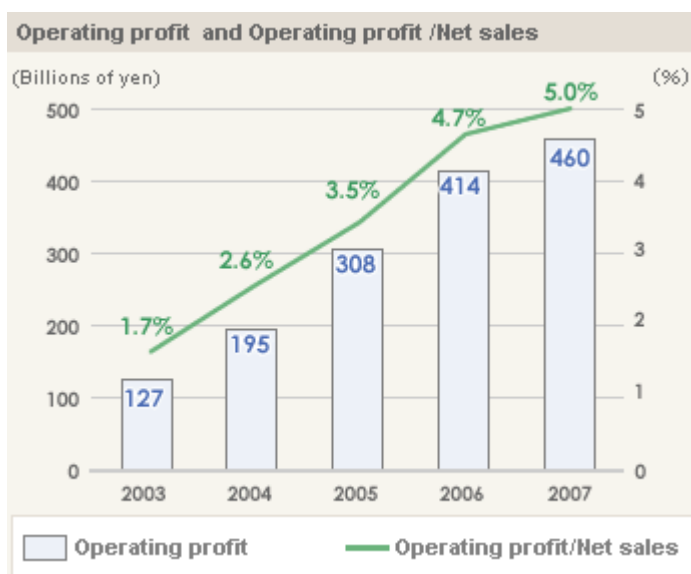


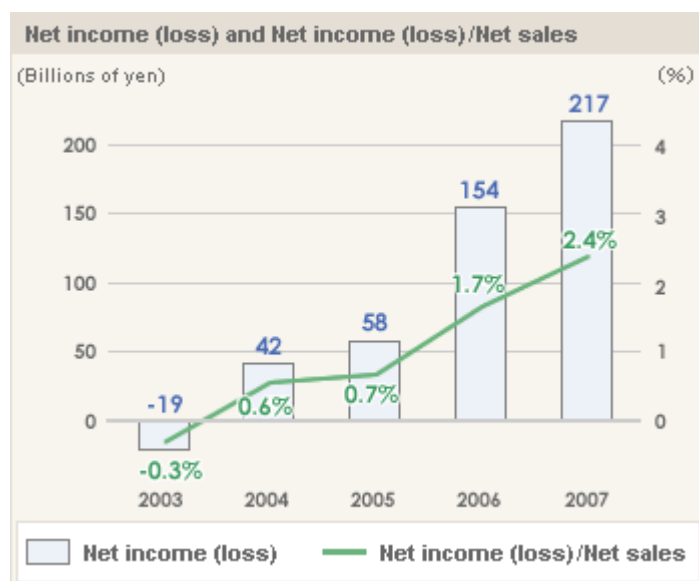
## Profitability

(Years ended March 31)

(Millions of yen)

	2003	2004	2005	2006	2007
Net sales	7,401,714	7,479,744	8,713,636	8,894,329	<b>9,108,170</b>
Operating profit	126,571	195,492	308,494	414,273	<b>459,541</b>
Operating profit /Net sales	1.7%	2.6%	3.5%	4.7%	<b>5.0%</b>
Income before income taxes	68,916	170,822	246,913	371,312	<b>439,144</b>
Income before income taxes/Net sales	0.9%	2.3%	2.8%	4.2%	<b>4.8%</b>
Net income (loss)	-19,453	42,145	58,481	154,410	<b>217,185</b>
Net income (loss)/Net sales	-0.3%	0.6%	0.7%	1.7%	<b>2.4%</b>





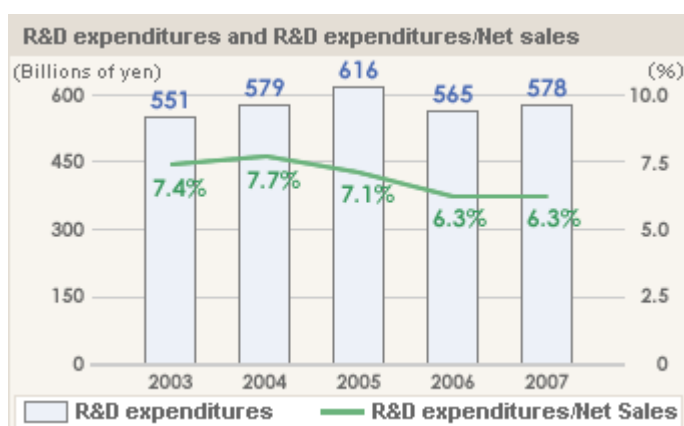
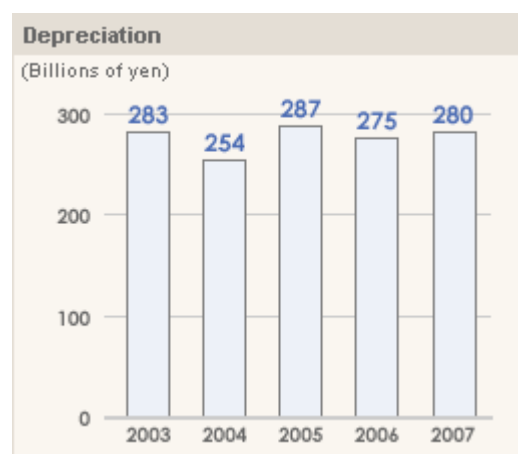
1. Income before income taxes for fiscal 2003 includes restructuring charges of ¥12.5 billion associated with the implementation of early retirement programs and a ¥52.6 billion loss for write-down of investment securities.
2. Income before income taxes for fiscal 2004 includes restructuring charges of ¥54.1 billion associated with the implementation of early retirement programs and the closure and integration of locations, ¥11.7 billion for impairment losses, a ¥52.5 billion loss for write-down of investment securities and a ¥72.2 billion gain from the transfer of the substitutional portion of Japanese Welfare Pension Insurance.
3. Income before income taxes for fiscal 2005 includes restructuring charges of ¥110.6 billion associated with the implementation of early retirement programs and the closure and integration of locations, a ¥16.2 billion loss for write-down of investment securities and a ¥31.5 billion gain from the transfer of the substitutional portion of Japanese Welfare Pension Insurance.
4. Income before income taxes for fiscal 2006 includes restructuring charges of ¥37.0 billion associated with the implementation of early retirement programs and a ¥24.9 billion related to the kerosene fan heater recall.
5. Income before income taxes for fiscal 2007 includes ¥14.2 billion associated with the implementation of early retirement programs, a ¥27.3 billion gain from the sale of the investments regarding cable broadcasting business and ¥49.2 billion as impairment losses on long-lived assets.
6. In order to be consistent with financial reporting practices generally accepted in Japan, operating profit is presented as net sales less cost of sales and selling, general and administrative expenses. Under U.S. generally accepted accounting principles, certain additional charges (such as impairment losses and restructuring charges) are included as part of operating profit in the consolidated statements of operations. See Notes 1, 2, 3, 4 and 5 above, and the Consolidated Statements of Operations.

## Capital Investment, Depreciation and R&D Expenditures

(Years ended March 31)

(Millions of yen)

	2003	2004	2005	2006	2007
Capital investment :					
Purchases of property, plant and equipment shown as capital expenditures in the consolidated statements of cash flows	246,603	275,544	352,203	356,751	<b>411,309</b>
Effect of timing difference between acquisition dates and payment dates	4,867	-4,253	22,050	-10,932	<b>7,025</b>
	251,470	271,291	374,253	345,819	<b>418,334</b>
Depreciation	283,434	253,762	287,400	275,213	<b>280,177</b>
R&D expenditures	551,019	579,230	615,524	564,781	<b>578,087</b>
R&D expenditures/Net sales	7.4%	7.7%	7.1%	6.3%	<b>6.3%</b>



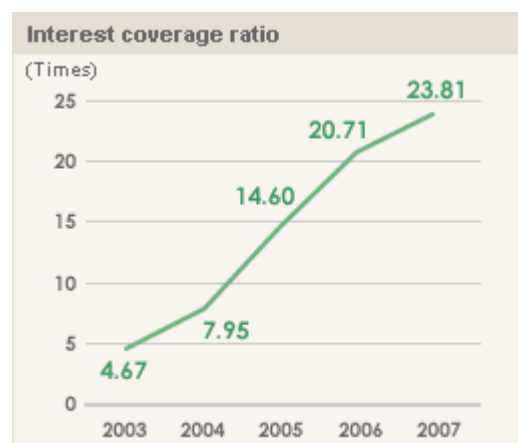
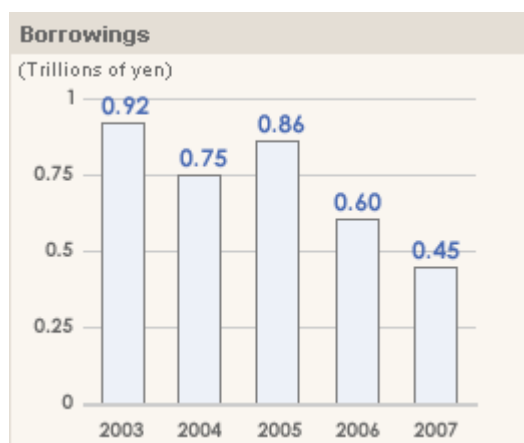
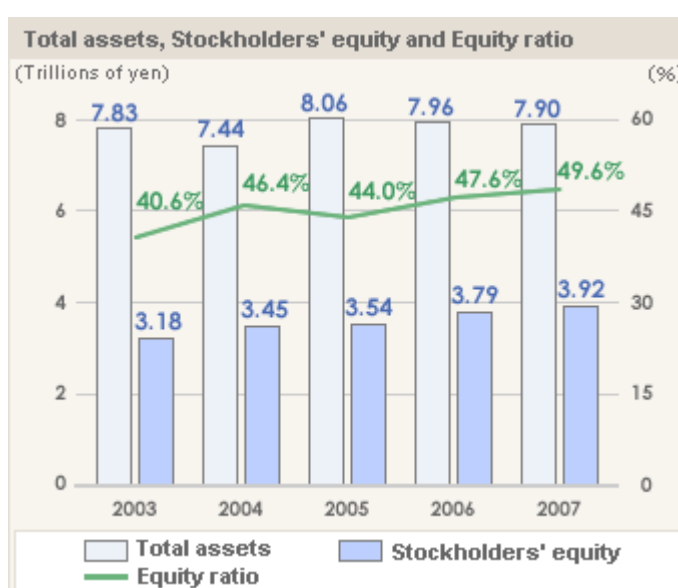
1. The Company defines capital investment as purchases of property, plant and equipment on an accrual basis which reflects the effects of timing differences between acquisition dates and payment dates. The Company has included the information concerning capital investment because its management uses this indicator to manage its capital expenditures and it believes that such indicator is useful to investors to present accrual basis capital investments in addition to the cash basis information in the consolidated statements of cash flows. The above table shows a reconciliation of capital investment to purchases of property, plant and equipment shown as capital expenditures in the consolidated statements of cash flows.
2. Depreciation does not include amortization of intangibles.

## Consolidated Assets, Liabilities and Stockholders' Equity

(Years ended March 31)

(Millions of yen)

	2003	2004	2005	2006	2007
Total assets	7,834,693	7,438,012	8,056,881	7,964,640	<b>7,896,958</b>
Stockholders' equity	3,178,400	3,451,576	3,544,252	3,787,621	<b>3,916,741</b>
Equity ratio	40.6%	46.4%	44.0%	47.6%	<b>49.6%</b>
Current assets	3,986,178	3,774,977	4,030,532	4,406,553	<b>4,198,849</b>
Current liabilities	2,570,832	2,569,786	2,828,891	2,885,068	<b>2,741,867</b>
Borrowings	921,888	750,847	862,617	603,915	<b>449,970</b>
Interest coverage ratio	4.67	7.95	14.60	20.71	<b>23.81</b>



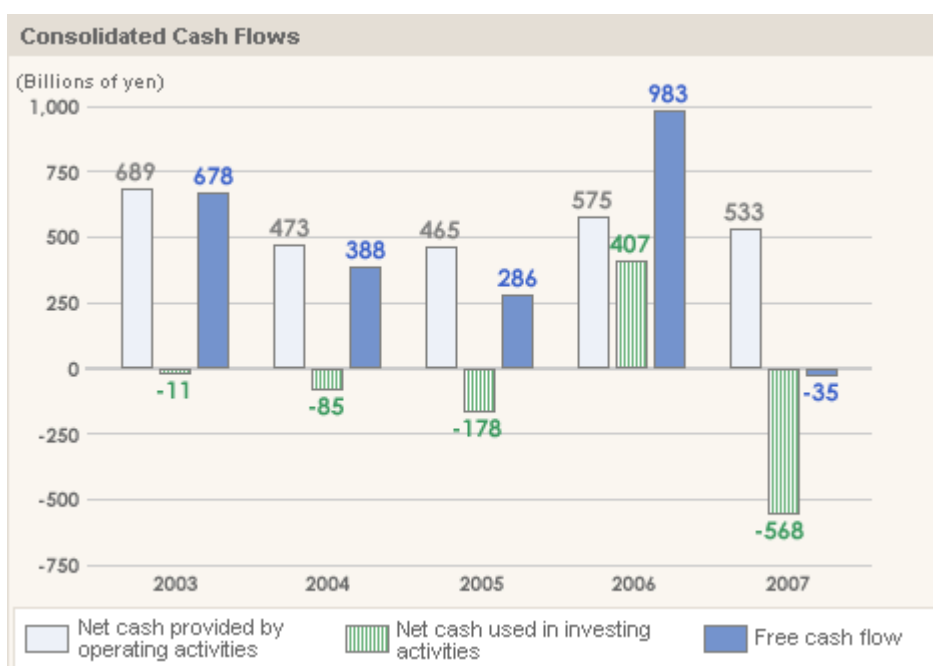
Interest coverage ratio is calculated as the aggregate of operating profit, interest and dividend income divided by interest expense.

## Consolidated Cash Flows

(Years ended March 31)

(Millions of yen)

	2003	2004	2005	2006	2007
Net cash provided by operating activities	688,910	473,226	464,562	575,418	<b>532,557</b>
Net cash provided by (used in) investing activities	-11,177	-85,445	-178,296	407,091	<b>-567,808</b>
Free cash flow	677,733	387,781	286,266	982,509	<b>-35,251</b>
Net cash used in financing activities	-433,447	-256,795	-405,578	-524,568	<b>-427,703</b>
Net increase (decrease) in cash and cash equivalents	234,338	107,544	-105,258	497,640	<b>-430,757</b>



1. The Company defines free cash flow as the sum of net cash provided by operating activities and net cash provided by (used in) investing activities. The Company has included the information concerning free cash flow because its management uses this indicator, and it believes that such indicator is useful to investors, to assess its cash availability after financing of its capital projects.
2. The Company changed the presentation of "deposits and advances from customers" from net cash used in financing activities to net cash provided by operating activities in the consolidated statements of cash flows for fiscal 2006. In addition, the Company revised the corresponding prior year presentation.
3. Regarding free cash flows, for the reasons mentioned in Note 2 above, results for previous years have been revised. For the description of free cash flow, see Note 1 above.

## Efficiency

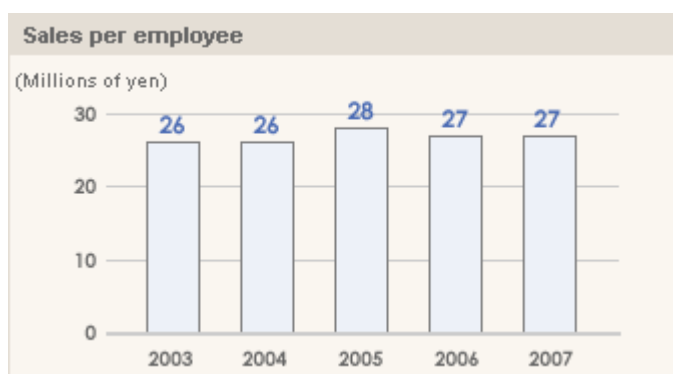
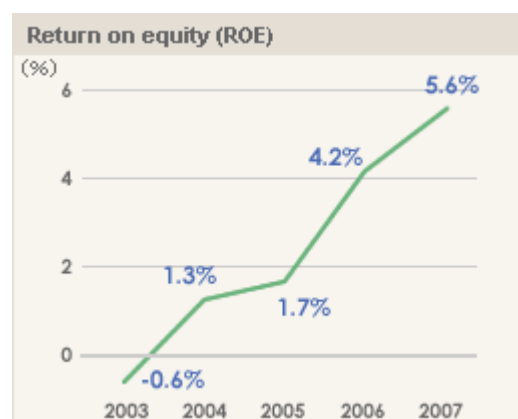
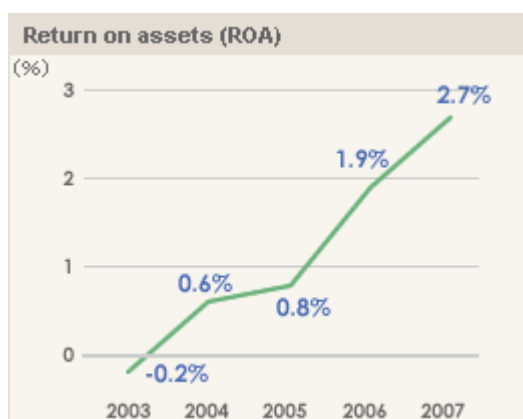
Efficiency (Years ended March 31)

(Millions of yen)

	2003	2004	2005	2006	2007
Net income (loss)	-19,453	42,145	58,481	154,410	<b>217,185</b>
Total assets	7,834,693	7,438,012	8,056,881	7,964,640	<b>7,896,958</b>
Stockholders' equity	3,178,400	3,451,576	3,544,252	3,787,621	<b>3,916,741</b>
Return On Assets (ROA)	-0.2%	0.6%	0.8%	1.9%	<b>2.7%</b>
Return On Equity (ROE)	-0.6%	1.3%	1.7%	4.2%	<b>5.6%</b>
Sales per employee	26	26	28	27	<b>27</b>

(Number of people)

	2003	2004	2005	2006	2007
Total employees (at year-end)	288,324	290,493	334,752	334,402	<b>328,645</b>
Domestic employees (at year-end)	121,451	119,528	150,642	144,871	<b>145,418</b>
Overseas employees (at year-end)	166,873	170,965	184,110	189,531	<b>183,227</b>



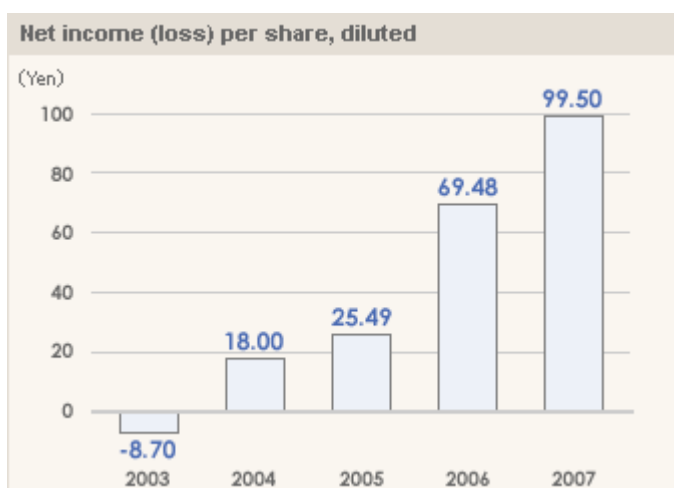
1. ROA and ROE are calculated by using the average of total assets and stockholders' equity, respectively, at the beginning and the end of each fiscal year.
2. Sales per employee is calculated as net sales divided by the average number of employees.

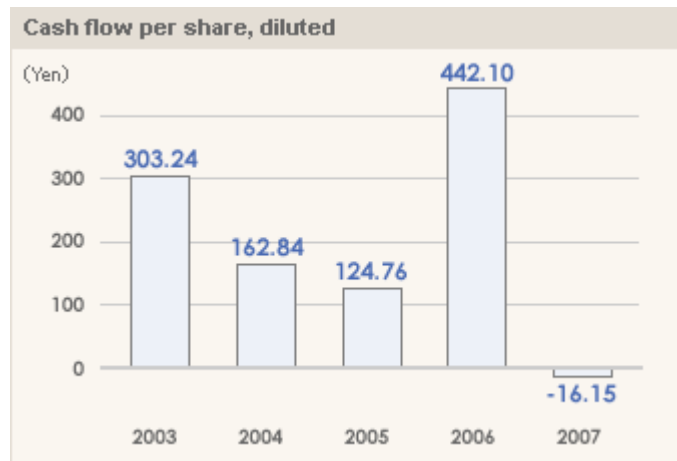
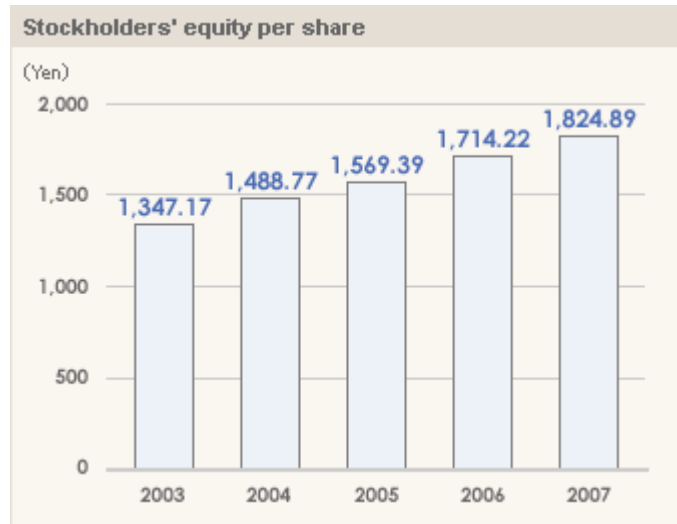
## Common Share Data

(Years ended March 31)

(Millions of yen)

	2003	2004	2005	2006	2007
Net income (loss)	-19,453	42,145	58,481	154,410	<b>217,185</b>
Diluted net income (loss)	-19,453	42,872	58,481	154,410	<b>217,185</b>
Stockholders' equity	3,178,400	3,451,576	3,544,252	3,787,621	<b>3,916,741</b>
Net cash provided by operating activities	688,910	473,226	464,562	575,418	<b>532,557</b>
Net cash provided by (used in) investing activities	-11,177	-85,445	-178,296	407,091	<b>-567,808</b>
Free cash flow	677,733	387,781	286,266	982,509	<b>-35,251</b>
Number of common shares issued (Thousand shares)	2,447,923	2,453,053	2,453,053	2,453,053	<b>2,453,053</b>
Treasury stock (Thousand shares)	88,606	134,646	194,696	243,522	<b>306,769</b>
Number of dilutive shares (Thousand shares)	60,336	-	-	-	-
Average number of shares outstanding (Thousand shares)	2,234,969	2,321,835	2,294,608	2,222,376	<b>2,182,791</b>
Average number of diluted shares outstanding (Thousand shares)	2,234,969	2,381,296	2,294,608	2,222,388	<b>2,182,805</b>
Net income (loss) per share, diluted (Yen)	-8.70	18.00	25.49	69.48	<b>99.50</b>
Stockholders' equity per share (Yen)	1,347.17	1,488.77	1,569.39	1,714.22	<b>1,824.89</b>
Cash flow per share, diluted (Yen)	303.24	162.84	124.76	442.10	<b>-16.15</b>





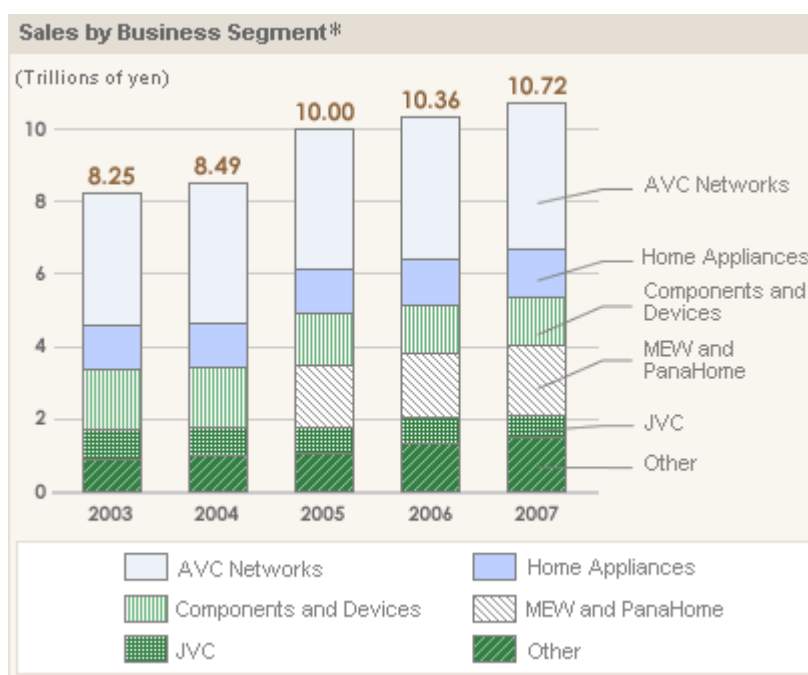
1. The Company defines free cash flow as the sum of net cash provided by operating activities and net cash provided by (used in) investing activities. The Company has included the information concerning free cash flow because its management uses this indicator, and it believes that such indicator is useful to investors, to assess its cash availability after financing of its capital projects.
2. The Company changed the presentation of "deposits and advances from customers" from net cash used in financing activities to net cash provided by operating activities in the consolidated statements of cash flows for the year ended March 31, 2006 (fiscal 2006). In addition, the Company revised the corresponding prior year presentation.
3. Regarding free cash flows, for the reasons mentioned in Note 2 above, results for previous years have been revised. For the description of free cash flow, see Note 1 above.
4. Net income (loss) per share, diluted is calculated by dividing diluted net income (loss) by the average number of diluted shares outstanding. Net loss per share for fiscal 2003 is not adjusted for antidilutive shares, as the Company incurred net loss for this year.
5. Stockholders' equity per share is calculated by dividing stockholders' equity at year-end by the number of common shares issued, after deducting treasury stock, at year-end.
6. From fiscal 2005, cash flow per share, diluted is calculated by dividing free cash flow by the average number of diluted shares outstanding. Prior year figures have been restated to reflect this measure. For the description of free cash flow, see Note 1 above.

## Segment Information

(Years ended March 31)

(Millions of yen)

	2003	2004	2005	2006	2007
<b>Sales by Business Segment</b>					
AVC Networks	3,668,195	3,840,268	3,858,781	3,986,088	<b>4,047,171</b>
Home Appliances	1,197,481	1,223,190	1,229,768	1,241,202	<b>1,303,414</b>
Components and Devices	1,709,732	1,659,672	1,469,007	1,368,258	<b>1,377,757</b>
MEW and PanaHome	-	-	1,686,257	1,747,207	<b>1,858,713</b>
JVC	851,509	818,999	730,209	703,116	<b>646,579</b>
Other	819,055	948,728	1,027,123	1,315,292	<b>1,483,976</b>
Subtotal	8,245,972	8,490,857	10,001,145	10,361,163	<b>10,717,610</b>
Eliminations	-844,258	-1,011,113	-1,287,509	-1,466,834	<b>-1,609,440</b>
Total	7,401,714	7,479,744	8,713,636	8,894,329	<b>9,108,170</b>

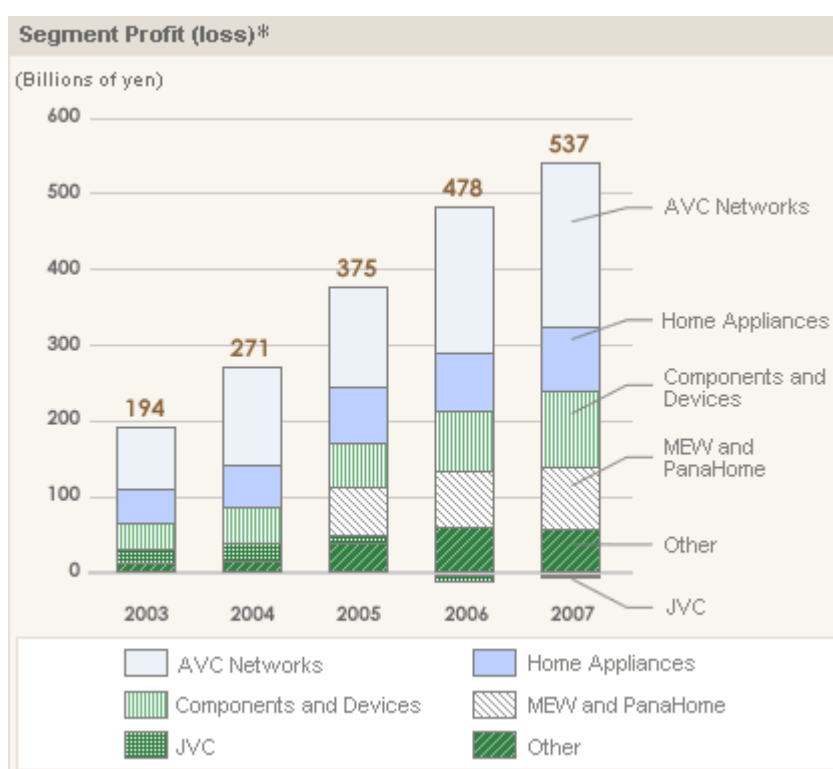


\* Charts are prepared excluding adjustments for eliminations.

1. Matsushita Electric Works, Ltd. (MEW), PanaHome Corporation (PanaHome) and their respective subsidiaries became consolidated subsidiaries of the Company on April 1, 2004. Accordingly, a new segment, "MEW and PanaHome," has been added to the Company's business segment classifications from fiscal 2005.
2. Under the collaboration with MEW, the Company reorganized business and sales channels in such areas as electrical construction materials, building equipment and home appliances. Accordingly, the year-on-year figures for the Home Appliances and MEW and PanaHome segments are based on the reclassified fiscal 2005 sales results for those business segments.

(Millions of yen)

	2003	2004	2005	2006	2007
<b>Segment Profit (loss)</b>					
AVC Networks	82,828	129,102	127,366	190,885	<b>219,654</b>
Home Appliances	45,240	52,759	74,794	77,135	<b>83,510</b>
Components and Devices	31,213	50,099	57,761	81,111	<b>99,884</b>
MEW and PanaHome	-	-	66,761	72,694	<b>78,889</b>
JVC	21,863	24,675	9,887	-5,782	<b>-5,659</b>
Other	13,042	14,701	38,352	62,225	<b>60,500</b>
Subtotal	194,186	271,336	374,921	478,268	<b>536,778</b>
Corporate and eliminations	-67,615	-75,844	-66,427	-63,995	<b>-77,237</b>
Total	126,571	195,492	308,494	414,273	<b>459,541</b>

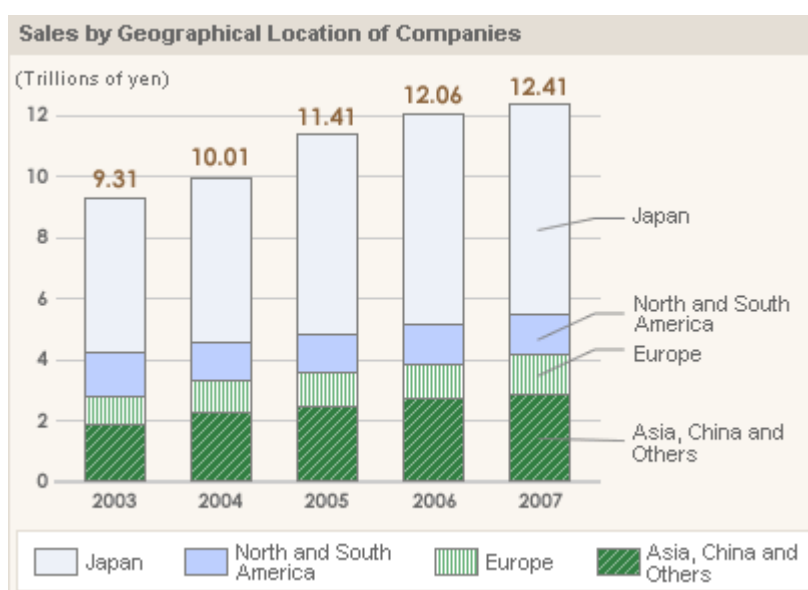


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(Millions of yen)

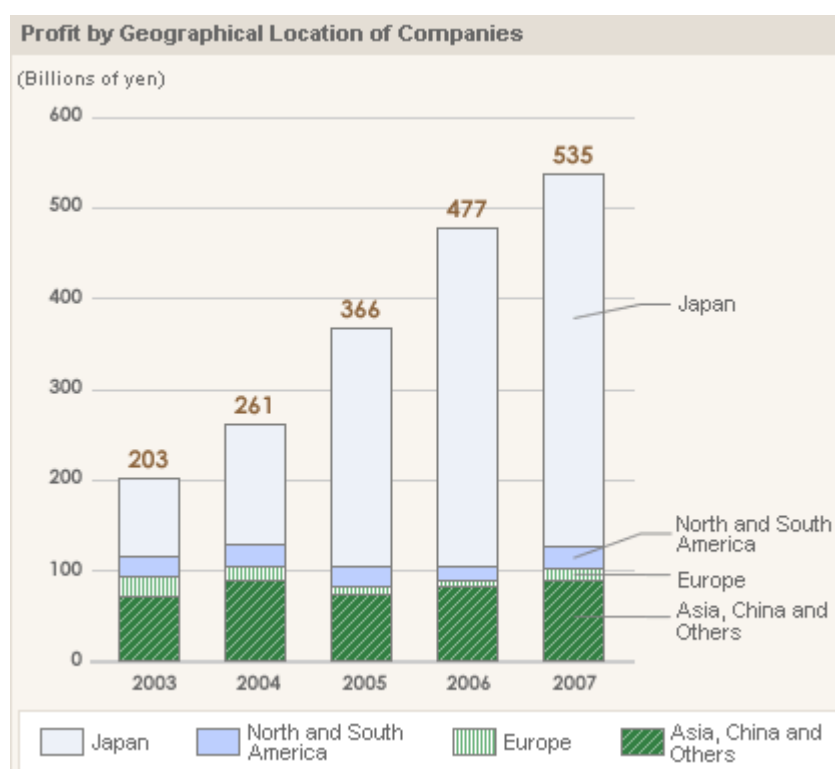
	2003	2004	2005	2006	2007
<b>Sales by Geographical Location of Companies</b>					
Japan	5,140,394	5,511,035	6,620,052	6,890,339	<b>6,971,002</b>
North and South America	1,390,399	1,297,183	1,271,617	1,366,537	<b>1,357,285</b>
Europe	939,250	1,027,335	1,072,564	1,087,667	<b>1,209,996</b>
Asia, China and Others	1,837,412	2,176,410	2,444,998	2,716,361	<b>2,874,671</b>
Subtotal	9,307,455	10,011,963	11,409,231	12,060,904	<b>12,412,954</b>
Eliminations	-1,905,741	-2,532,219	-2,695,595	-3,166,575	<b>-3,304,784</b>
Total	7,401,714	7,479,744	8,713,636	8,894,329	<b>9,108,170</b>



\* Charts are prepared excluding adjustments for eliminations.

(Millions of yen)

	2003	2004	2005	2006	2007
<b>Profit by Geographical Location of Companies</b>					
Japan	88,152	131,796	262,063	374,129	<b>409,395</b>
North and South America	22,449	23,258	20,834	16,773	<b>22,500</b>
Europe	21,741	16,325	7,393	4,511	<b>13,903</b>
Asia, China and Others	71,016	89,706	75,324	81,337	<b>89,460</b>
Subtotal	203,358	261,085	365,614	476,750	<b>535,258</b>
Corporate and eliminations	-76,787	-65,593	-57,120	-62,477	<b>-75,717</b>
Total	126,571	195,492	308,494	414,273	<b>459,541</b>



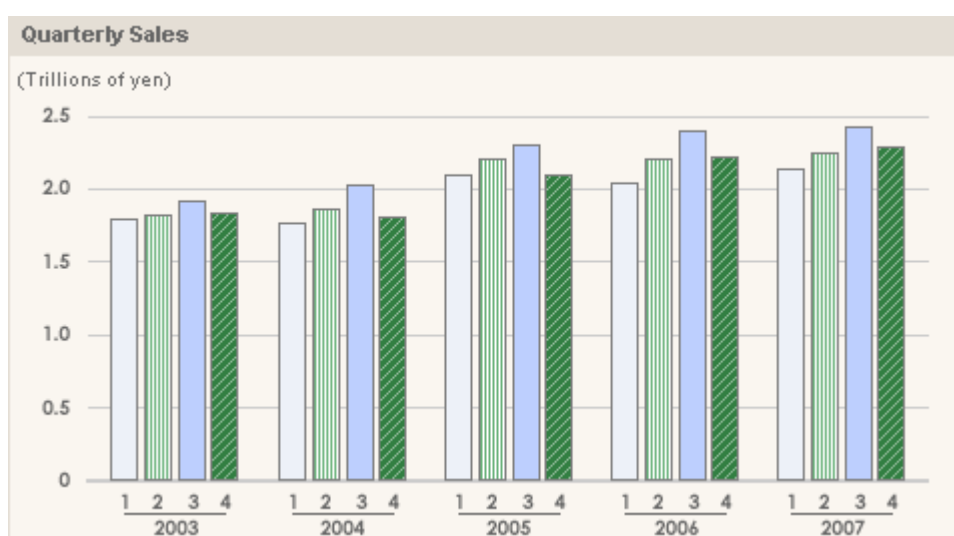
\* Charts are prepared excluding adjustments for corporate and eliminations.

## Quarterly Financial Data

(Years ended March 31)

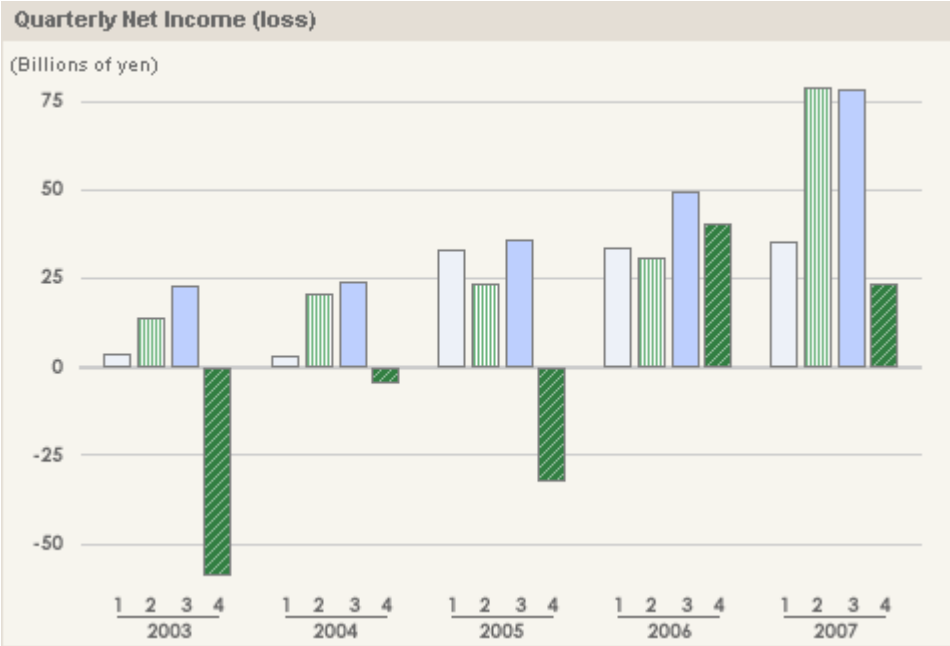
(Millions of yen)

	2003	2004	2005	2006	<b>2007</b>
<b>Quarterly Sales</b>					
1st quarter	1,793,387	1,763,600	2,102,027	2,048,161	<b>2,136,934</b>
2nd quarter	1,827,582	1,876,088	2,216,510	2,211,052	<b>2,252,560</b>
1st half	3,620,969	3,639,688	4,318,537	4,259,213	<b>4,389,494</b>
3rd quarter	1,935,015	2,031,319	2,296,525	2,398,420	<b>2,436,828</b>
4th quarter	1,845,730	1,808,737	2,098,574	2,236,696	<b>2,281,848</b>
2nd half	3,780,745	3,840,056	4,395,099	4,635,116	<b>4,718,676</b>
Total	7,401,714	7,479,744	8,713,636	8,894,329	<b>9,108,170</b>



(Millions of yen)

	2003	2004	2005	2006	<b>2007</b>
<b>Quarterly Net Income (loss)</b>					
1st quarter	3,467	2,698	32,818	33,443	<b>35,830</b>
2nd quarter	14,132	20,448	23,361	30,964	<b>79,293</b>
1st half	17,599	23,146	56,179	64,407	<b>115,123</b>
3rd quarter	22,359	24,246	35,570	49,269	<b>78,673</b>
4th quarter	-59,411	-5,247	-33,268	40,734	<b>23,389</b>
2nd half	-37,052	18,999	2,302	90,003	<b>102,062</b>
Total	-19,453	42,145	58,481	154,410	<b>217,185</b>



## Consolidated Financial Statements

### Consolidated Balance Sheets

(Years ended March 31)

<b>Assets</b>	(Millions of yen)				
	2003	2004	2005	2006	<b>2007</b>
<b>Current assets:</b>					
Cash and cash equivalents	1,167,470	1,275,014	1,169,756	1,667,396	<b>1,236,639</b>
Time deposits	395,559	170,047	144,781	11,001	<b>225,458</b>
Short-term investments	1,196	2,684	11,978	56,753	<b>93,179</b>
Trade receivables:					
Notes	67,440	62,822	107,317	66,707	<b>8,522</b>
Accounts	1,132,508	1,052,718	1,188,257	1,117,508	<b>1,101,549</b>
Allowance for doubtful receivables	-53,043	-47,873	-43,836	-37,400	<b>-29,061</b>
Net trade receivables	1,146,905	1,067,667	1,251,738	1,146,815	<b>1,141,010</b>
Inventories	783,262	777,540	893,425	915,262	<b>949,399</b>
Other current assets	491,786	482,025	558,854	609,326	<b>553,164</b>
Total current assets	3,986,178	3,774,977	4,030,532	4,406,553	<b>4,198,849</b>
<b>Noncurrent receivables</b>	299,239	280,398	246,201	-	<b>-</b>
<b>Investments and advances</b>	1,020,137	1,237,427	1,146,505	1,100,035	<b>1,206,082</b>
<b>Property, plant and equipment:</b>					
Land	264,148	251,419	393,635	374,989	<b>371,154</b>
Buildings	1,280,448	1,253,350	1,665,243	1,667,764	<b>1,633,747</b>
Machinery and equipment	2,840,184	2,705,251	3,087,155	3,142,607	<b>3,126,397</b>
Construction in progress	64,792	46,037	84,139	71,037	<b>105,487</b>
Less accumulated depreciation	3,150,677	3,046,555	3,572,092	3,624,058	<b>3,594,492</b>
Net property, plant and equipment	1,298,895	1,209,502	1,658,080	1,632,339	<b>1,642,293</b>
<b>Other assets</b>	1,230,244	935,708	975,563	825,713	<b>849,734</b>
<b>Total assets</b>	7,834,693	7,438,012	8,056,881	7,964,640	<b>7,896,958</b>

**Liabilities and Stockholders' Equity**

(Millions of yen)

	2003	2004	2005	2006	2007
<b>Current liabilities:</b>					
Short-term borrowings, including current portion of long-term debt	333,686	290,208	385,474	339,845	<b>223,190</b>
Trade payables:					
Notes	34,218	40,604	37,099	66,316	<b>51,602</b>
Accounts	693,066	744,130	828,920	914,963	<b>883,375</b>
Total trade payables	727,284	784,734	866,019	981,279	<b>934,977</b>
Accrued income taxes	33,499	44,179	47,916	51,128	<b>61,524</b>
Accrued payroll	150,095	141,932	145,871	142,594	<b>139,719</b>
Other accrued expenses	683,569	696,741	789,999	842,467	<b>863,428</b>
Deposits and advances from customers	100,469	83,798	92,089	90,600	<b>83,676</b>
Employees' deposits	125,024	124,800	118,441	14,065	<b>406</b>
Other current liabilities	417,206	403,394	383,082	423,090	<b>434,947</b>
Total current liabilities	2,570,832	2,569,786	2,828,891	2,885,068	<b>2,741,867</b>
<b>Noncurrent liabilities:</b>					
Long-term debt	588,202	460,639	477,143	264,070	<b>226,780</b>
Retirement and severance benefits	1,375,143	801,199	597,163	414,266	<b>280,958</b>
Other liabilities	11,939	26,697	113,491	112,024	<b>179,458</b>
Total noncurrent liabilities	1,975,284	1,288,535	1,187,797	790,360	<b>687,196</b>
<b>Minority interests</b>	110,177	128,115	495,941	501,591	<b>551,154</b>
<b>Stockholders' equity:</b>					
Common stock	258,738	258,740	258,740	258,740	<b>258,740</b>
Capital surplus	1,219,686	1,230,476	1,230,701	1,234,289	<b>1,220,967</b>
Legal reserve	80,700	83,175	87,838	87,526	<b>88,588</b>
Retained earnings	2,432,052	2,442,504	2,461,071	2,575,890	<b>2,737,024</b>
Accumulated other comprehensive income (loss):					
Cumulative translation adjustments	-161,124	-282,287	-245,642	-162,331	<b>-99,538</b>
Unrealized holding gains (losses) of available-for-sale securities	-18,082	88,104	72,608	145,306	<b>160,831</b>
Unrealized gains (losses) of derivative instruments	-1,090	6,676	6,403	1,326	<b>862</b>
Minimum pension liability adjustments	-525,346	-211,995	-71,746	10,420	<b>-</b>
Pension liability adjustments	-	-	-	-	<b>44,942</b>
Total accumulated other comprehensive income (loss)	-705,642	-399,502	-238,377	-26,119	<b>107,097</b>
Treasury stock, at cost	-107,134	-163,817	-255,721	-342,705	<b>-495,675</b>
Total stockholders' equity	3,178,400	3,451,576	3,544,252	3,787,621	<b>3,916,741</b>
<b>Total liabilities and stockholders' equity</b>	7,834,693	7,438,012	8,056,881	7,964,640	<b>7,896,958</b>

## Consolidated Statements of Operations

(Years ended March 31)

(Millions of yen)

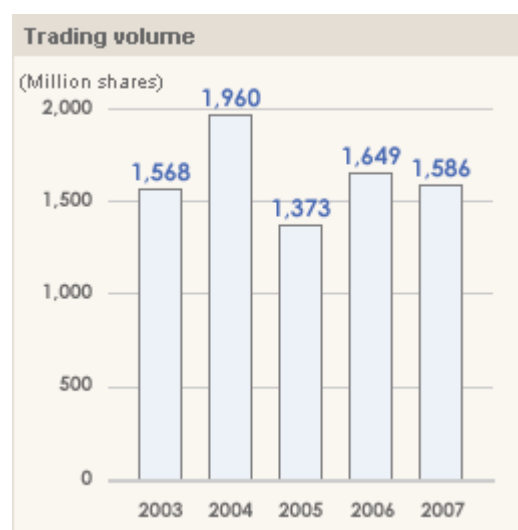
	2003	2004	2005	2006	2007
<b>Net sales</b>	7,401,714	7,479,744	8,713,636	8,894,329	<b>9,108,170</b>
<b>Cost of sales</b>	5,323,605	5,313,065	6,176,046	6,155,297	<b>6,394,418</b>
Gross profit	2,078,109	2,166,679	2,537,590	2,739,032	<b>2,713,752</b>
<b>Selling, general and administrative expenses</b>	1,951,538	1,971,187	2,229,096	2,324,759	<b>2,254,211</b>
Operating profit	126,571	195,492	308,494	414,273	<b>459,541</b>
<b>Other income (deductions) :</b>					
Interest and dividend income	26,773	25,039	24,873	34,783	<b>38,150</b>
Gain from the transfer of the substitutional portion of Japanese Welfare Pension Insurance	-	72,228	31,509	-	-
Interest expense	-32,805	-27,744	-22,827	-21,686	<b>-20,906</b>
Other, net	-51,623	-94,193	-95,136	-56,058	<b>-37,641</b>
Income before income taxes	68,916	170,822	246,913	371,312	<b>439,144</b>
<b>Provision for income taxes :</b>					
Current	51,704	77,375	96,529	96,341	<b>119,465</b>
Deferred	19,572	21,160	56,805	70,748	<b>72,398</b>
Total provision for income taxes	71,276	98,535	153,334	167,089	<b>191,863</b>
<b>Minority interests</b>	5,505	19,618	27,719	-987	<b>31,131</b>
<b>Equity in earnings (losses) of associated companies</b>	-11,588	-10,524	-7,379	-50,800	<b>1,035</b>
Net income (loss)	-19,453	42,145	58,481	154,410	<b>217,185</b>

1. Other income (deductions) for fiscal 2003 includes restructuring charges of ¥12.5 billion associated with the implementation of early retirement programs and a ¥52.6 billion loss for write-down of investment securities.
2. Other income (deductions) for fiscal 2004 includes restructuring charges of ¥54.1 billion associated with the implementation of early retirement programs and the closure and integration of locations, ¥11.7 billion for impairment losses, and a ¥52.5 billion loss for write-down of investment securities.
3. Other income (deductions) for fiscal 2005 includes restructuring charges of ¥110.6 billion associated with the implementation of early retirement programs and the closure and integration of locations, and a ¥16.2 billion loss for write-down of investment securities.
4. Other income (deductions) for fiscal 2006 includes restructuring charges of ¥37.0 billion associated with the implementation of early retirement programs and a ¥24.9 billion related to the kerosene fan heater recall.
5. Other income (deductions) for fiscal 2007 includes ¥14.2 billion associated with the implementation of early retirement programs, a ¥27.3 billion gain from the sale of the investments regarding cable broadcasting business and ¥49.2 billion as impairment losses on long-lived assets.
6. In order to be consistent with financial reporting practices generally accepted in Japan, operating profit is presented as net sales less cost of sales and selling, general and administrative expenses. Under U.S. generally accepted accounting principles, certain additional charges (such as impairment and restructuring charges) are included as part of operating profit in the consolidated statements of operations. See Notes 1,2,3,4 and 5 above.

## Common Stock Information

(Years ended March 31)

	2003	2004	2005	2006	2007
					(Yen)
Common stock price (High)	1,787	1,660	1,694	2,650	<b>2,870</b>
Common stock price (Low)	1,011	860	1,372	1,485	<b>,080</b>
Trading volume (Thousand shares)	1,567,651	1,959,789	1,373,151	1,648,901	<b>1,586,460</b>
Cash dividends per share	10.00	12.50	15.25	17.50	<b>25.00</b>
Net income (loss) per share, basic	-8.70	18.15	25.49	69.48	<b>99.50</b>
Payout ratio	-	68.9%	59.8%	25.2%	<b>25.1%</b>



1. Common stock price range and trading volume of the Company are those at the Tokyo Stock Exchange.
2. Cash dividends per share reflect those paid during each fiscal year.
3. Payout ratio is calculated by dividing cash dividends per share by net income per share, basic.

	(Yen)				
	2003	2004	2005	2006	<b>2007</b>
Common stock price (at year-end)	1,013	1,608	1,580	2,615	<b>2,375</b>
Net cash provided by operating activities (Millions of yen)	688,910	473,226	464,562	575,418	<b>532,557</b>
Net cash provided by (used in) investing activities (Millions of yen)	-11,177	-85,445	-178,296	407,091	<b>-567,808</b>
Free cash flow (Millions of yen)	677,733	387,781	286,266	982,509	<b>-35,251</b>
Net income (loss) per share, diluted	-8.70	18.00	25.49	69.48	<b>99.50</b>
Stockholders' equity per share	1,347.17	1,488.77	1,569.39	1,714.22	<b>1,824.89</b>
Cash flow per share, diluted	303.24	162.84	124.76	442.10	<b>-16.15</b>
Price Earning Ratio (PER)	-	89.33	61.99	37.64	<b>23.87</b>
Price Book value Ratio (PBR)	0.75	1.08	1.01	1.53	<b>1.30</b>
Price Cash Flow Ratio (PCFR)	3.34	9.87	12.66	5.91	<b>-</b>

1. The Company defines free cash flow as the sum of net cash provided by operating activities and net cash provided by (used in) investing activities. The Company has included the information concerning free cash flow because its management uses this indicator, and it believes that such indicator is useful to investors, to assess its cash availability after financing of its capital projects.
2. The Company changed the presentation of "deposits and advances from customers" from net cash used in financing activities to net cash provided by operating activities in the consolidated statements of cash flows for the year ended March 31, 2006 (fiscal 2006). In addition, the Company revised the corresponding prior year presentation.
3. Regarding free cash flows, for the reasons mentioned in Note 2 above, results for previous years have been revised. For the description of free cash flow, see Note 1 above.
4. Net income (loss) per share, diluted is calculated by dividing diluted net income (loss) by the average number of diluted shares outstanding. Net loss per share for fiscal 2003 is not adjusted for antidilutive shares, as the Company incurred net loss for this year.
5. Stockholders' equity per share is calculated by dividing stockholders' equity at year-end by the number of common shares issued, after deducting treasury stock, at year-end.
6. From fiscal 2005, cash flow per share, diluted is calculated by dividing free cash flow by the average number of diluted shares outstanding. Prior year figures have been restated to reflect this measure. For the description of free cash flow, see Note 1 above.
7. PER is calculated as year-end stock price divided by diluted net income per share. PER for fiscal 2003 is omitted, as the Company recorded net loss for this year.
8. PCFR is calculated as year-end stock price divided by diluted cash flow per share. Prior year figures have been restated to reflect this measure by restatement of cash flow per share, diluted. For the description of free cash flow, see Note 1 above.  
PCFR for fiscal 2007 is omitted, as free cash flow for this year was a minus.

## Breakdown of Share Holdings

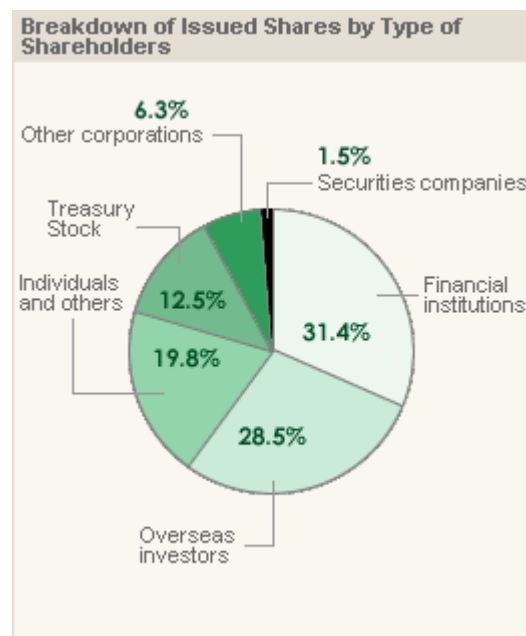
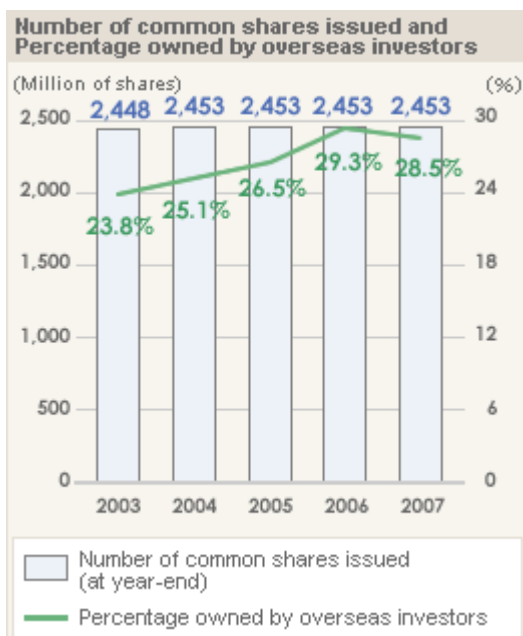
(As of March 31)

	2003	2004	2005	2006	2007
Number of common shares issued (Thousands)	2,447,923	2,453,053	2,453,053	2,453,053	<b>2,453,053</b>
Percentage owned by overseas investors	23.8%	25.1%	26.5%	29.3%	<b>28.5%</b>

## Breakdown of Issued Shares Holdings as of March 31, 2007

Breakdown by type of shareholder	Financial institutions	Securities companies	Overseas investors	Other corporations	Individuals and others	Treasury stock	Total
Number of shares held (Thousands)	770,833	35,817	699,150	154,922	485,562	306,769	<b>2,453,053</b>
Breakdown	31.4%	1.5%	28.5%	6.3%	19.8%	12.5%	<b>100.0%</b>

Breakdown by shareholder holding size	1,000 units or more	500 units or more	100 units or more	50 units or more	10 units or more	5 units or more	One unit or more	Less than one unit	Total
Number of shares held (Thousands)	1,863,081	61,625	76,097	21,537	89,959	82,533	234,672	23,549	<b>2,453,053</b>
Breakdown	75.9%	2.5%	3.1%	0.9%	3.7%	3.4%	9.6%	0.9%	<b>100.0%</b>



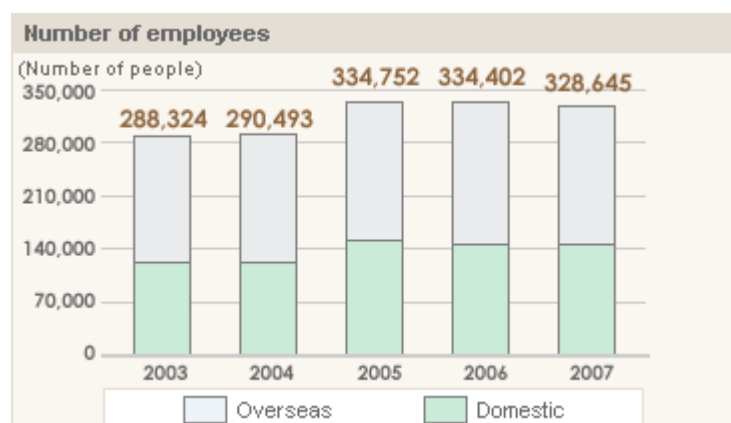
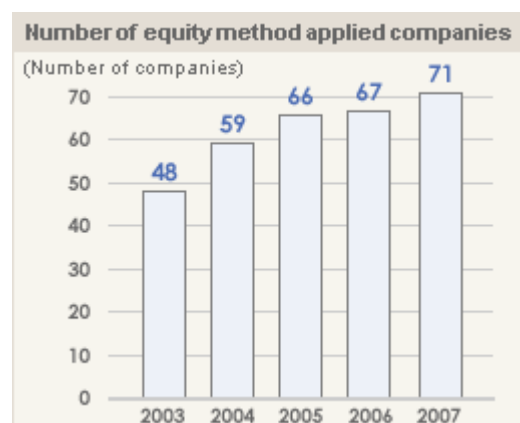
## Number of Consolidated Companies, Equity Method Applied Companies and Employees

(As of March 31)

	(Number of companies)				
	2003	2004	2005	2006	2007
<b>Number of consolidated companies</b>	384	372	628	638	<b>653</b>
Domestic	127	112	285	274	<b>282</b>
Overseas	257	260	343	364	<b>371</b>

	(Number of companies)				
	2003	2004	2005	2006	2007
<b>Number of equity method applied companies</b>	48	59	66	67	<b>71</b>

	(Number of people)				
	2003	2004	2005	2006	2007
<b>Number of employees</b>	288,324	290,493	334,752	334,402	<b>328,645</b>
Domestic	121,451	119,528	150,642	144,871	<b>145,418</b>
Overseas	166,873	170,965	184,110	189,531	<b>183,227</b>



## Product Categories and Main Products

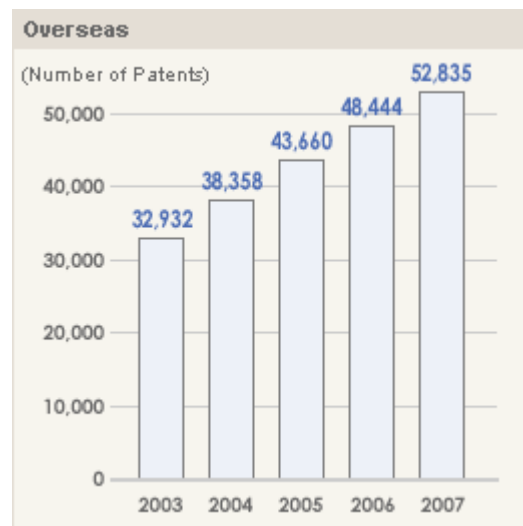
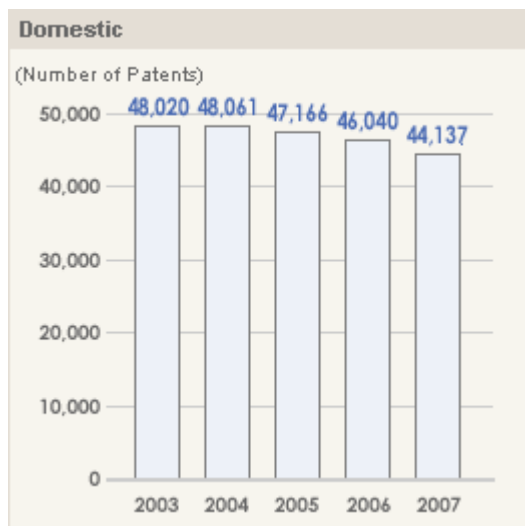
(As of March 31, 2007)

<b>AVC Networks</b>	<b>Video and Audio Equipment</b> Plasma, LCD and CRT TVs, DVD recorders/players, VCRs, camcorders, digital cameras, compact disc (CD), Mini Disc (MD) and Secure Digital (SD) players, other personal and home audio equipment, SD Memory Cards and other recordable media, optical pickup and other electro-optic devices, etc. <b>Information and Communications Equipment</b> PCs, optical disc drives, copiers, printers, telephones, mobile phones, facsimile equipment, broadcast- and business-use AV equipment, communications network-related equipment, traffic-related systems, car AVC equipment, etc.
<b>Home Appliances</b>	Refrigerators, room air conditioners, washing machines, clothes dryers, vacuum cleaners, electric irons, microwave ovens, rice cookers, other cooking appliances, dish washer/dryers, electric fans, air purifiers, electric heating equipment, electric hot water supply equipment, sanitary equipment, healthcare equipment, electric lamps, ventilation and air-conditioning equipment, car air conditioners, compressors, vending machines, medical equipment, etc.
<b>Components and Devices</b>	emiconductors, general components (capacitors, modules, circuit boards, power supply and inductive products, circuit components, electromechanical components, speakers, etc.), electric motors, batteries, etc.
<b>MEW and PanaHome</b>	ighting fixtures, wiring devices, distribution panelboards, personal-care products, health enhancing products, water-related products, modular kitchen systems, interior furnishing materials, exterior finishing materials, electronic and plastic materials, automation controls, detached housing, rental apartment housing, medical and nursing care facilities, home remodeling, residential real estate, etc.
<b>JVC</b>	LLCD, rear projection and CRT TVs, VCRs, camcorders, DVD recorders/players, CD/DVD/MD audio systems and other audio equipment, car AV equipment, business-use AV systems, motors and other components for precision equipment, recordable media, AV software for DVD, CD and video tapes, AV furniture, etc.
<b>Other</b>	Electronic-components-mounting machines, industrial robots, welding equipment, bicycles, imported materials and components, etc.

## Number of Patents

(Years ended March 31)

	(Number of patents)				
	2003	2004	2005	2006	<b>2007</b>
Domestic	48,020	48,061	47,166	46,040	<b>44,137</b>
Overseas	32,932	38,358	43,660	48,444	<b>52,835</b>



Patents are those held by Matsushita Electric Industrial Co., Ltd. and its major subsidiaries, excluding Matsushita Electric Works, Ltd., PanaHome Corporation and Victor Company of Japan, Ltd.

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**For further information, please contact**

**Corporate Headquarters Investor Relations Office**

Matsushita Electric Industrial Co., Ltd.  
Investor Relations Office  
1006, Oaza Kadoma, Kadoma-shi,  
Osaka 571-8501, Japan  
Phone: +81-6-6908-1121  
<http://ir-site.panasonic.com/>

**Tokyo Investor Relations Office**

Matsushita Electric Industrial Co., Ltd.  
Tokyo Investor Relations Office  
1-2, 1-chome, Shiba-Koen, Minato-ku,  
Tokyo 105-8581, Japan  
Phone: +81-3-3437-1121

**U.S. Investor Relations Office**

Panasonic Finance (America), Inc.  
1 Rockefeller Plaza, Suite 1001,  
New York, NY 10020-2002, U.S.A.  
Phone: +1-212-698-1365

**European Investor Relations Office**

Panasonic Finance (Europe) plc  
10 Finsbury Square, London, EC2A 1AD, U.K.  
Phone: +44-20-7562-4400