

Fiscal 2004 Financial Results

Fiscal 2005 Forecast

April 28, 2004

Matsushita Electric Industrial Co., Ltd.

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*Notes: 1. This is an English translation from the original presentation in Japanese.
2. In this presentation, "fiscal 2004" or "FY 2004" refers to the year ended March 31, 2004.*

Summary of Fiscal 2004 Results

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1) Fiscal 2004 Financial Results

- Sales and operating profit exceed February forecast
- Increased profit in all segments

2) Fiscal 2005 Forecast

- Further increases in sales and profits

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 - ① Summary of Financial results
 - ② Sales and profit results by segment
 - ③ Sales results of V-products
 - ④ Operating profit analysis

2. Fiscal 2005 Forecast
 - ① Summary of Forecast
 - ② Forecast by segment
 - ③ Restructuring
 - ④ Capital investment and net cash
 - ⑤ Growth strategy

Fiscal 2004 Results

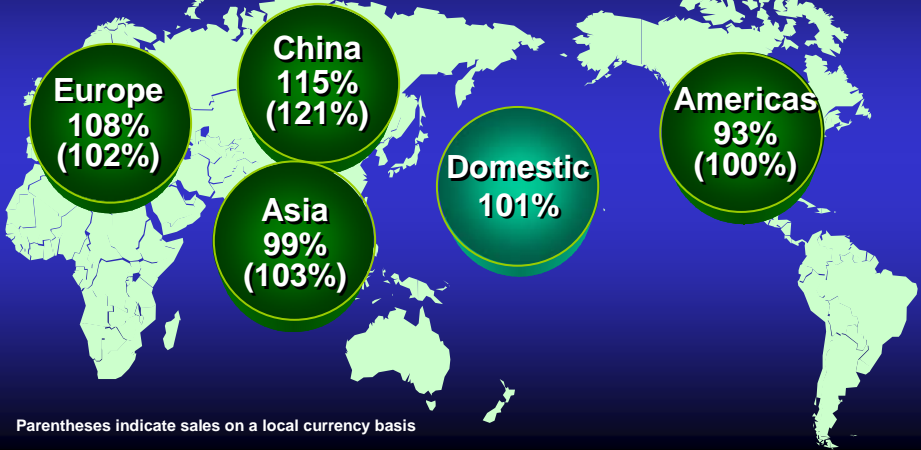
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(yen: billions)

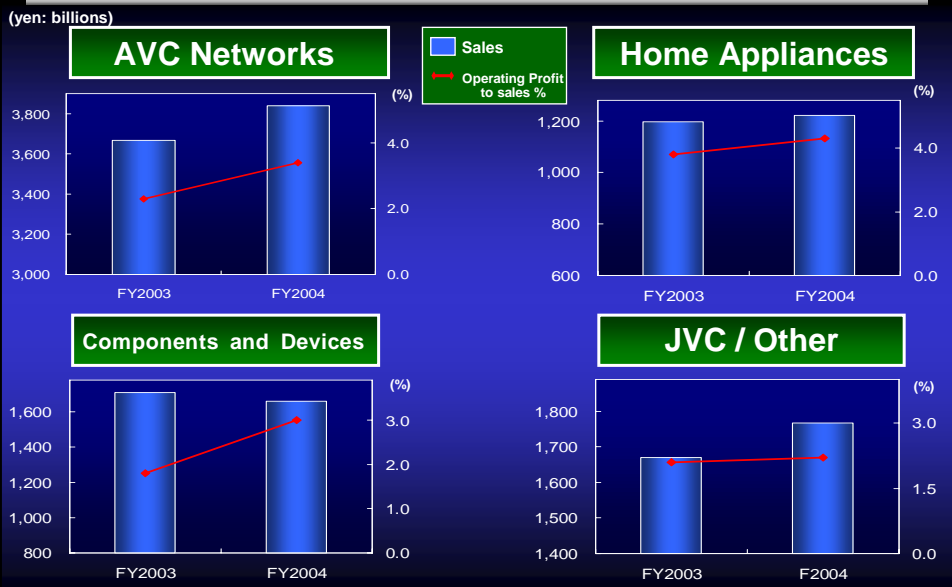
	FY2004 1Q - 3Q total		FY2004 Fourth Quarter		FY 2004	
		vs. FY03		vs. FY03		vs. FY03
Sales	5,671.0	102%	1,808.7	98%	7,479.7	101%
Domestic	2,608.9	104%	868.6	93%	3,477.5	101%
Overseas	3,062.1	101%	940.1	103%	4,002.2	101%
Operating profit	150.5	154%	45.0	158%	195.5	154%
Pre-tax income	140.2	134%	30.6	+66.3	170.8	248%
Net Income	47.4	119%	-5.3	+54.2	42.1	+61.6

Global Sales

Domestic sales up 1%
Overseas sales up 4% on local currency basis



Results by Segment



Operating Profit Trends

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↗ increase ↘ decrease

AVC Networks	↗	PDP TVs, DVD recorders, cellular phones, automotive electronics
	↘	CRT TVs, VCRs, audio equipment
Home Appliances	↗	Washing machines, dishwashers, air-conditioners
	↘	Refrigerators
Components and Devices	↗	Semiconductors
	↘	Electric motors
JVC	↗	Digital AV equipment, software and media
	↘	Components & Devices
Other	↗	FA
	↘	-

Results of Major Domain Companies

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PAVC: Panasonic AVC Networks Company
 PCC: Panasonic Communications Co., Ltd.
 PMC: Panasonic Mobile Communications Co., Ltd.

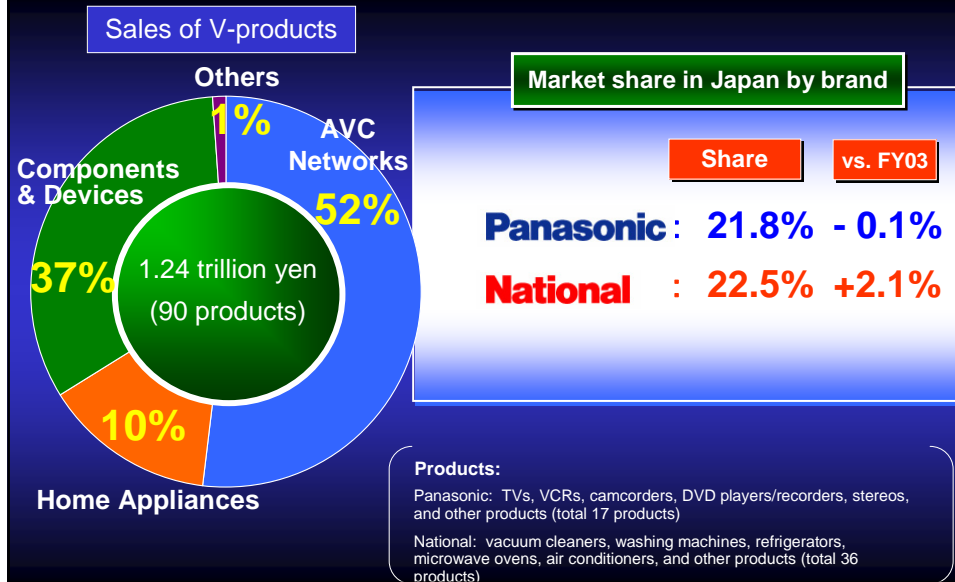
(yen: billions, except operating profit to sales ratio)

	PAVC *	PCC **	PMC **
Sales	1,199.5	466.8	565.2
Operating profit	28.7	14.0	17.4
(vs. sales)	2.4%	3.0%	3.1%
Capital investment	26.4	10.8	6.3

* PAVC results do not include sales, profit, etc. for display devices and domestic and overseas sales divisions.

** Results for PCC and PMC do not include sales, profit, etc. for certain overseas sales divisions.

Domestic Sales and Share Trends 9



Operating Profit Analysis 10 (vs FY 2003 Annual Results)



Restructuring

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	Details	FY 2004 Expense
AVC Networks	<ul style="list-style-type: none"> Integration or closure of mfg locations of PCC Restructuring of overseas audio business Matsushita Kotobuki organizational restructuring 	(yen: billions) Approx. 9
Home Appliances	<ul style="list-style-type: none"> Refrigerator business & employment restructuring Matsushita Eco-systems employment restructuring 	48
Components and Devices, Other	<ul style="list-style-type: none"> Business restructuring of Motor Company CRT business restructuring in U.S. Integration or closure of FA business mfg locations Integration or closure of industrial equipment mfg locations 	35
Total		Approx. 92

Pre-tax and Net Income Analysis

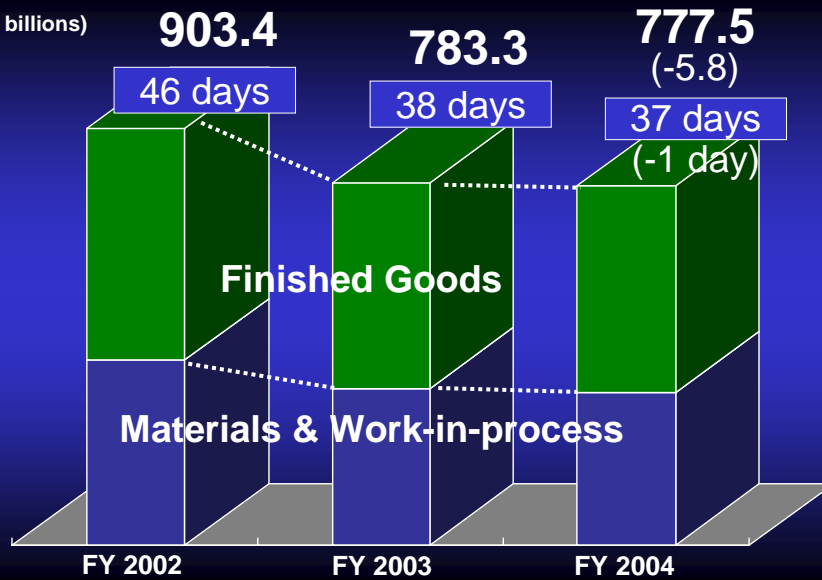
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	(yen: billions)	
	Amount	vs. fiscal 2003
Operating profit	195.5	+68.9
Non-operating profit	-24.7	+33.0
Financial income (net)	-2.7	+3.4
Employees welfare pension	72.2	+72.2
Restructuring charges	-45.1	-32.6
Investment securities	-52.5	+0.1
Other	3.4	-10.1
Income before income taxes	170.8	+101.9
Provision for income taxes	-98.6	-27.3
Minority interests	-19.6	-14.1
Equity in associated companies	-10.5	+1.1
Net income	42.1	+61.6

Inventory

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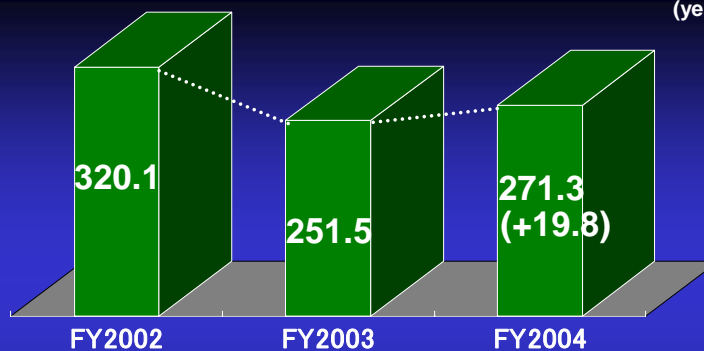
(yen: billions)



Capital Investment

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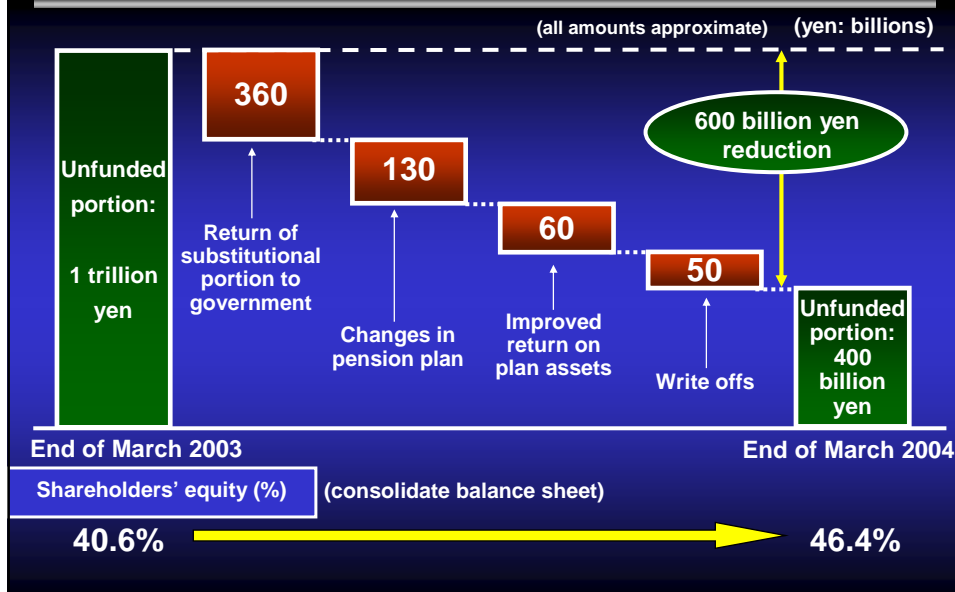
(yen: billions)



Main investments

	FY 2002	FY 2003	FY 2004
Semiconductors	72.0	55.0	51.0
PDPs	18.0	12.5	45.0

Unfunded Pension Liability Status ¹⁵ (consolidated basis)



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FY 2005 Forecast Assumptions (1)¹⁷

Economic forecast

- Japan Recovery trend continues, but slows in 2nd half
- US Economic expansion continues, also slows in 2nd half
- Europe Steady recovery through end of fiscal year
- Asia Growth centered on China

Average exchange rate	2004 full year	2003 full year
- US dollar	105 yen	113 yen
- Euro	120 yen	133 yen

Effect on operating profit of 1 yen fluctuation in exchange rate

- US dollar	5.8 billion yen
- Euro	1.8 billion yen

FY 2005 Forecast Assumptions (2)¹⁸

Market forecast (assumptions for JVC segment same as AVC Networks)

AVC Networks	<ul style="list-style-type: none"> -In AV equipment, trend toward digital products, away from analog products to continue. Athens Olympics will spur demand, expected to result in moderate (single-digit) sales growth for the fiscal year. -PC demand to remain steady, with relative slowdown in 2nd half. Price declines to continue. -Global trend toward full-color displays / camera-equipped models. Year-on-year growth below 2003 level.
Home Appliances	<ul style="list-style-type: none"> -Slight decrease in overall sales as replacement demand drives market. -Product categories forecasted to drive growth include washer/dryers, dishwashers, IH cooking equipment and eco-friendly / health-related products including value-added refrigerators and air-conditioners.
Component & Devices	<ul style="list-style-type: none"> -Solid sales in semiconductors, other products, particularly in 1st half, driven by IT and digital AV demand. -Decreased sales in 2nd half, particularly in general components. Factors affecting market overall include slowed economic growth in U.S., lower PC demand, and post-Olympics demand slowdown. -Increased demand in electrical supplies, security and energy / environment areas.
MEW and PanaHome	<ul style="list-style-type: none"> -New housing starts and other construction to spur growth in building materials. -In IT areas, consumer electronics and factory automation to record steady sales growth. -Home industry expected to fare well as a result of lower housing taxes and improved economy.
Other	<ul style="list-style-type: none"> -FA and industrial equipment to benefit from new business in China. However, IT bubble effects to continue hampering overall results.

Fiscal 2005 Full Year Forecast

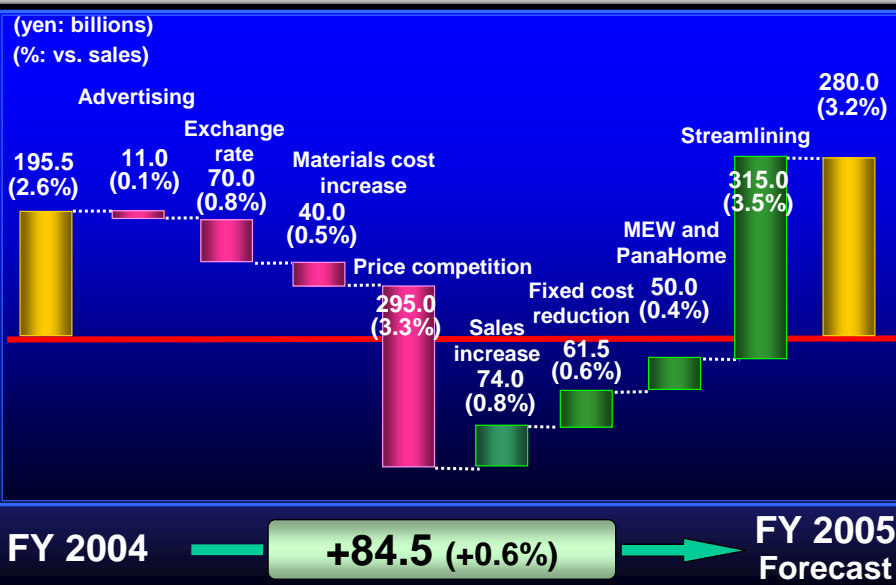
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(yen: billions)

	FY 2004		FY 2005	
		vs. FY03		vs. FY04
Sales	7,479.7	101%	8,800	118%
Domestic	3,477.5	101%	4,600	132%
Overseas	4,002.2	101%	4,200	105%
Operating Profit	195.5	154%	280	143%
Pre-tax Income	170.8	248%	230	135%
Net Income	42.1	+616	63	149%
Exchange Rate	113 yen (FY2004 average)		105 yen (FY2005 forecast)	

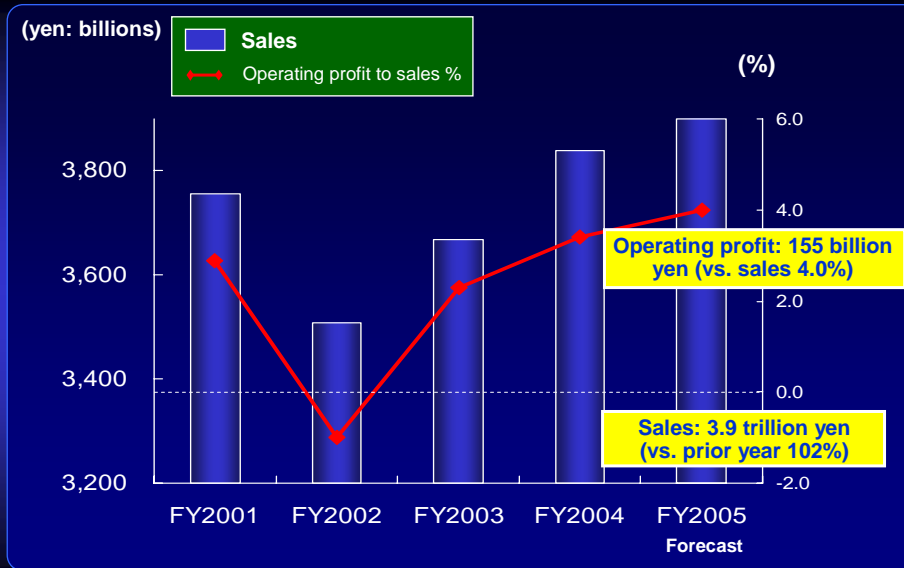
Operating Profit Analysis (vs FY 2003)

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AVC Networks

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Forecasts of Major Domain Companies

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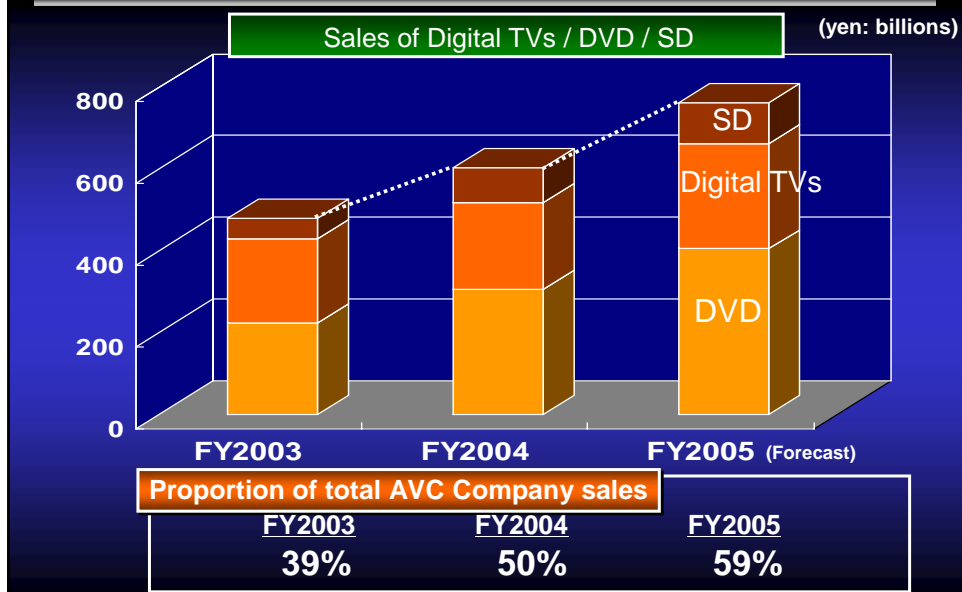
	(yen: billions)		
	PAVC *	PCC **	PMC **
Sales	1,300 (108%)	480 (103%)	640 (113%)
Operating profit	45 (157%)	18 (129%)	20 (115%)
vs. sales (%)	3.5%	3.8%	3.1%
Capital investment	55	10	7

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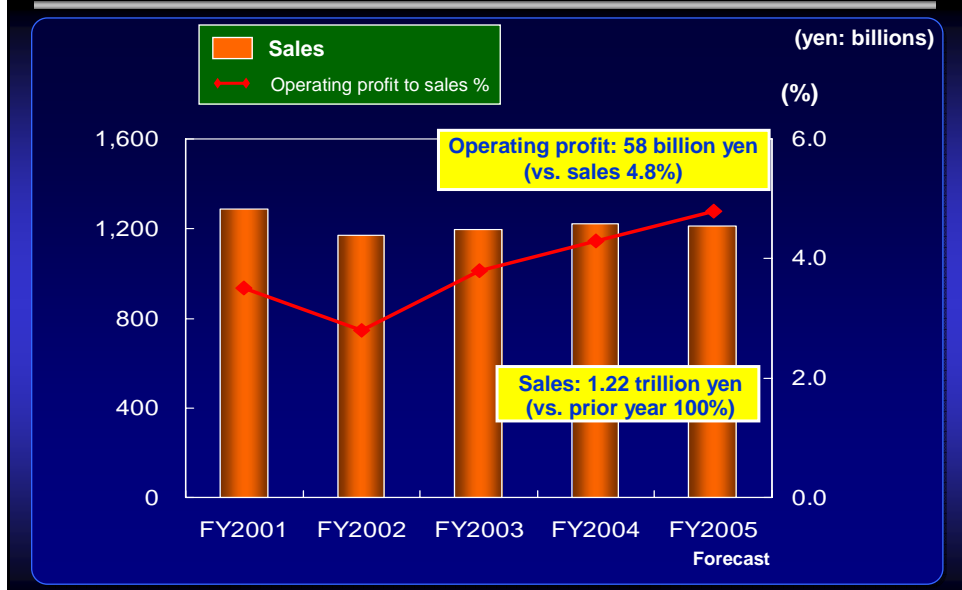
3D (Digital TVs/DVD/SD)

23

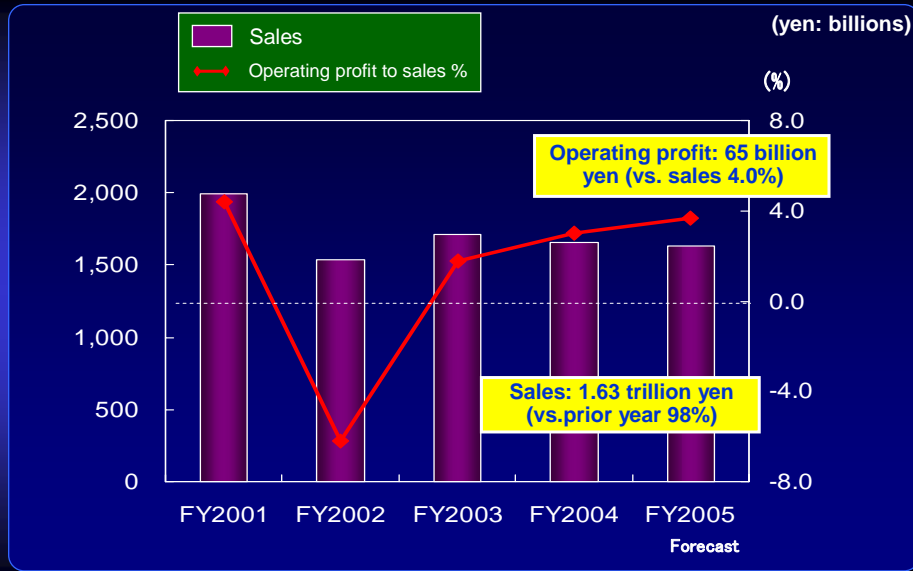


Home Appliances

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Components and Devices

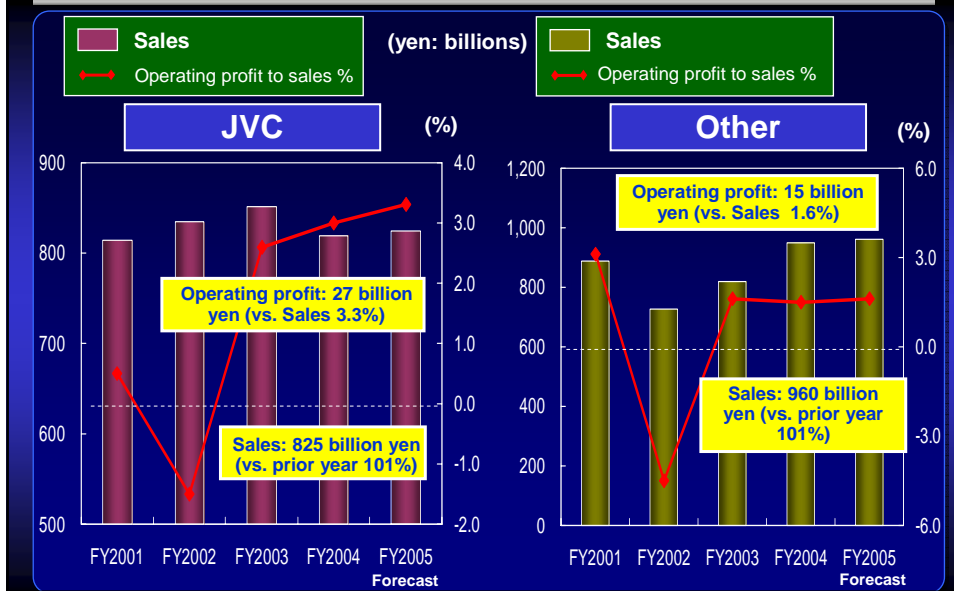


MEW and PanaHome

FY2005 Forecast	
Sales	1.47 trillion yen
Operating Profit	50 billion yen (3.4%)
Capital Investment	40 billion yen

(from April 2004 to end of March 2005)

JVC / Other



Continued Restructuring

Restructuring at each Business Domain

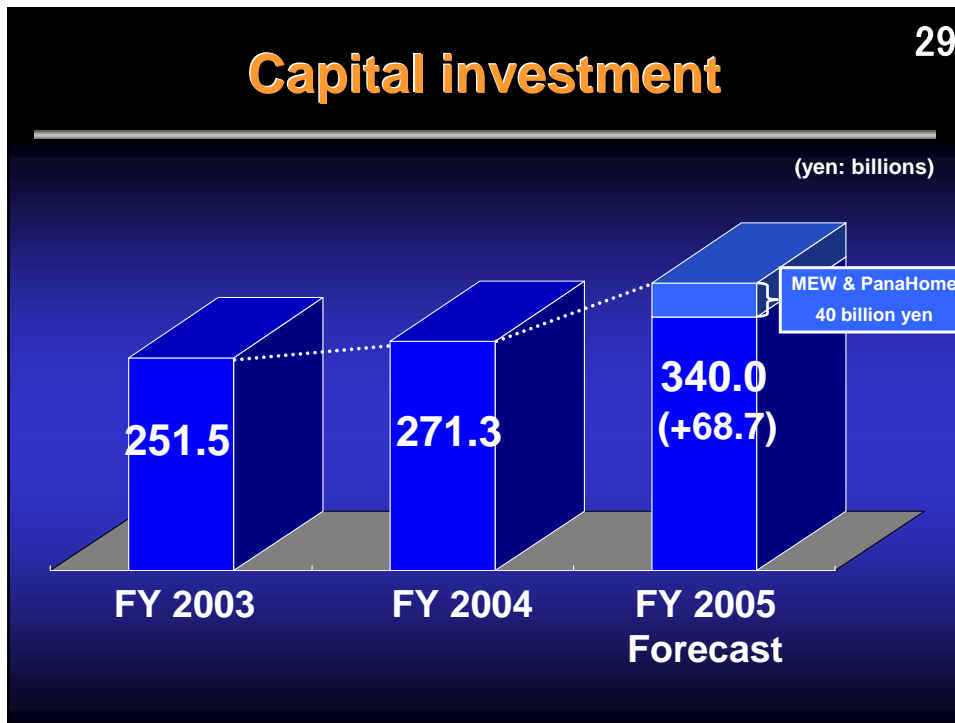
(yen: billions)

Segment	FY 2005
	Restructuring costs
AVC Networks	23
Home Appliances	8
Components & Devices / Others	49
Total	80

Further selection and concentration

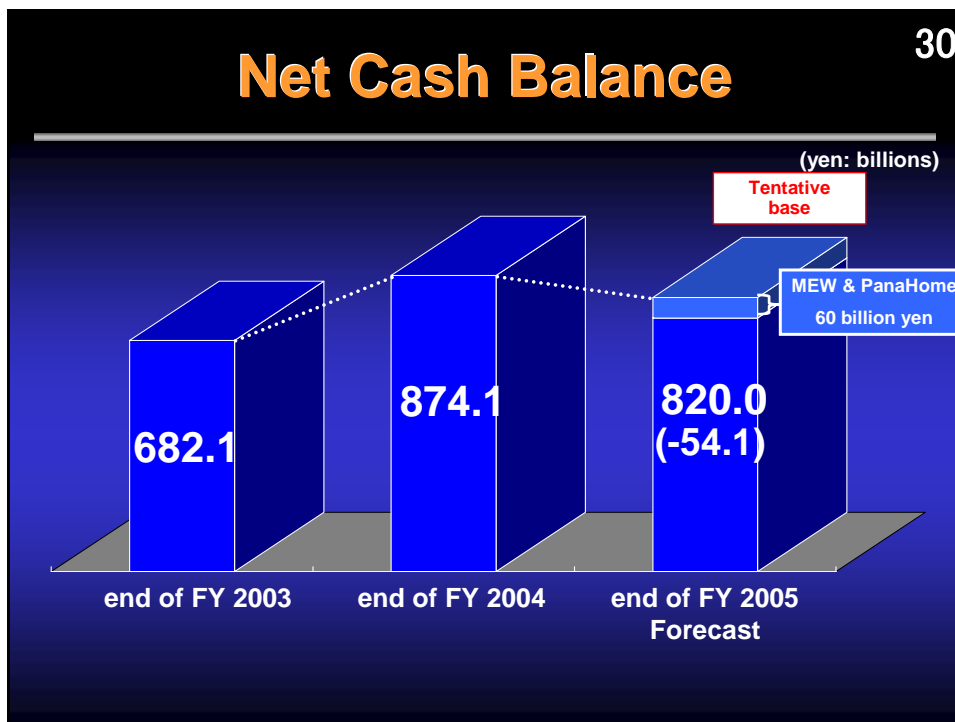
Capital investment

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Net Cash Balance

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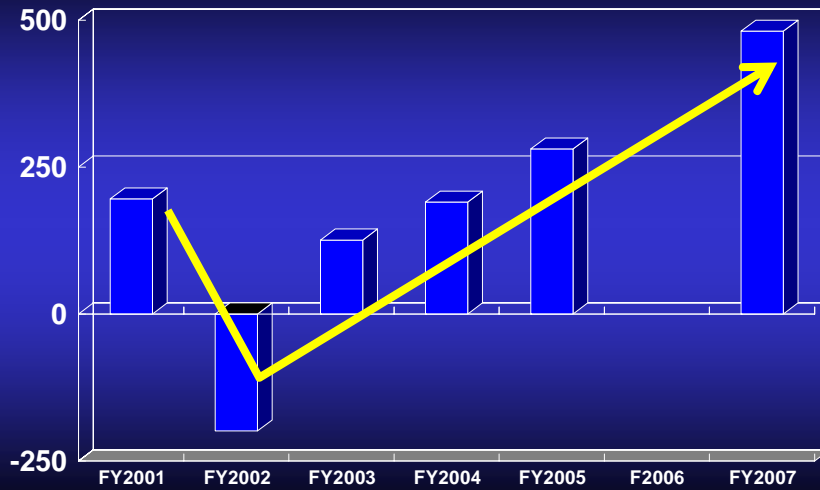


Growth Strategy

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V-shaped recovery

(yen: billions)



Panasonic
ideas for life

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