

# Fiscal 2005 Third Quarter Financial Results

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- Notes: 1. This is an English translation from the original presentation in Japanese.*
- 2. In this presentation, "fiscal 2005" or "FY 2005" refers to the year ending March 31, 2005.*

## Third Quarter Financial Results

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1. Strong domestic sales during year-end shopping season
2. Acceleration of restructuring initiatives at business domain companies
3. Upward revision of full-year forecast for operating profit

## Fiscal 2005 Third Quarter Consolidated Results

(yen: billions)

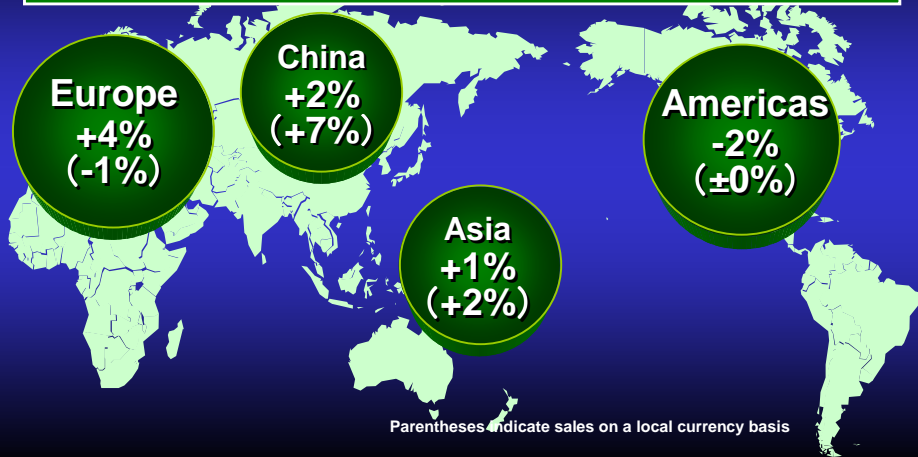
	FY2005 Third Quarter	FY2004 Third Quarter	Change vs. FY 2004 Third Quarter
<b>Sales</b>	2,296.5	2,031.3	+13%
Domestic	1,189.0	932.5	+28%
Overseas	1,107.5	1,098.8	+1%
<b>Operating profit</b>	88.3	70.9	+24%
<b>Pre-tax income</b>	83.1	83.0	-
<b>Net income</b>	35.6	24.2	+47%

## Fiscal 2005 Third Quarter Domestic Sales by Sales Channel

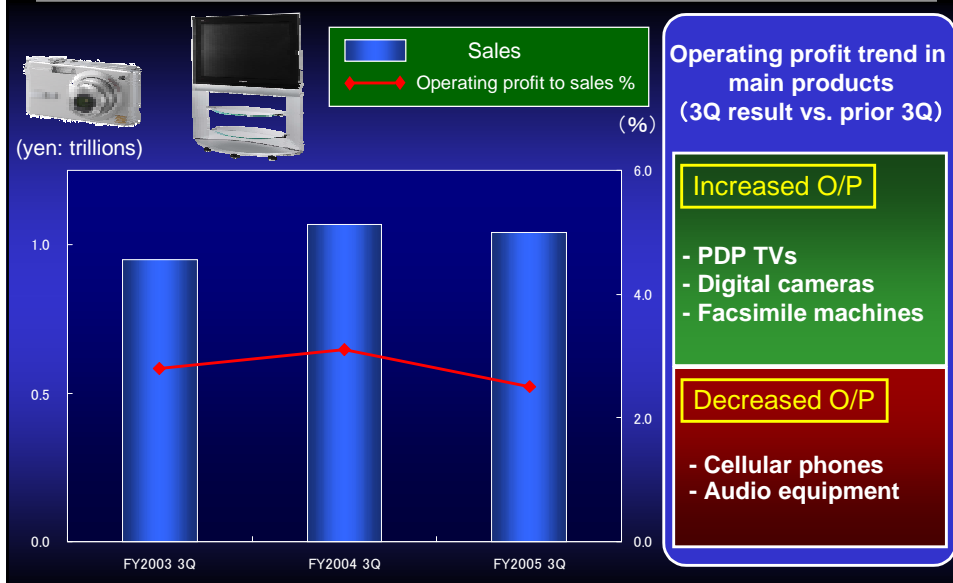
	Mass Retailers	Local Retailers
<b>Industry</b> <small>Industry Average increase vs. FY04 3Q</small>	Severe price competition  <span style="background-color: white; border: 1px solid black; padding: 2px;">+3%</span>	Strong demand in Flat-TV & DVD  <span style="background-color: white; border: 1px solid black; padding: 2px;">±0%</span>
<b>MEI</b>	1. Enhanced product displays 2. No.1 Market share in refrigerators and washer/dryers	1. Double digit sales growth at over 5,000 affiliated local retailers 2. Local retailers account for 60% of PDP TV sales in Japan
<b>MEI increase vs. FY04 3Q</b>	 <span style="background-color: white; border: 1px solid black; padding: 2px;">+12%</span>	 <span style="background-color: white; border: 1px solid black; padding: 2px;">+7%</span>

## Fiscal 2005 Third Quarter Overseas Sales

Overseas sales up 1%  
on both a yen and local currency bases



## AVC Networks



# Results of Major Domain Companies

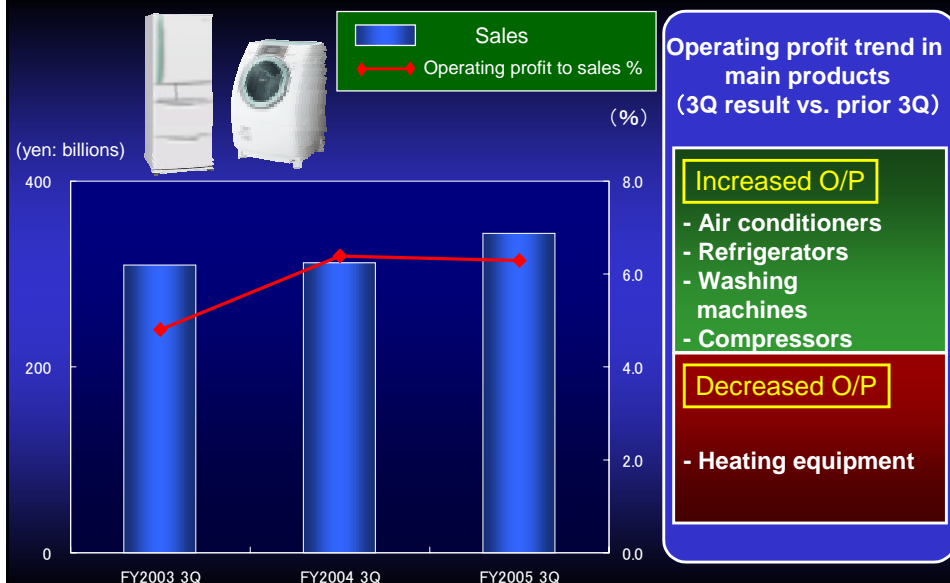
(yen: billions)

	PAVC*		PCC**		PMC**	
	FY05 3Q	vs. FY04 3Q	FY05 3Q	vs. FY04 3Q	FY05 3Q	vs. FY04 3Q
<b>Sales</b>	370.2	+7%	116.0	-4%	124.4	-24%
<b>Operating profit</b>	10.5	+4%	5.0	+4%	-6.4	-
<b>Operating profit ratio</b>	2.8%	-	4.3%	+0.3%	-5.1%	-8.7%
<b>Capital Investment</b>	11.4	+5.8	1.5	-0.7	0.9	+0.2

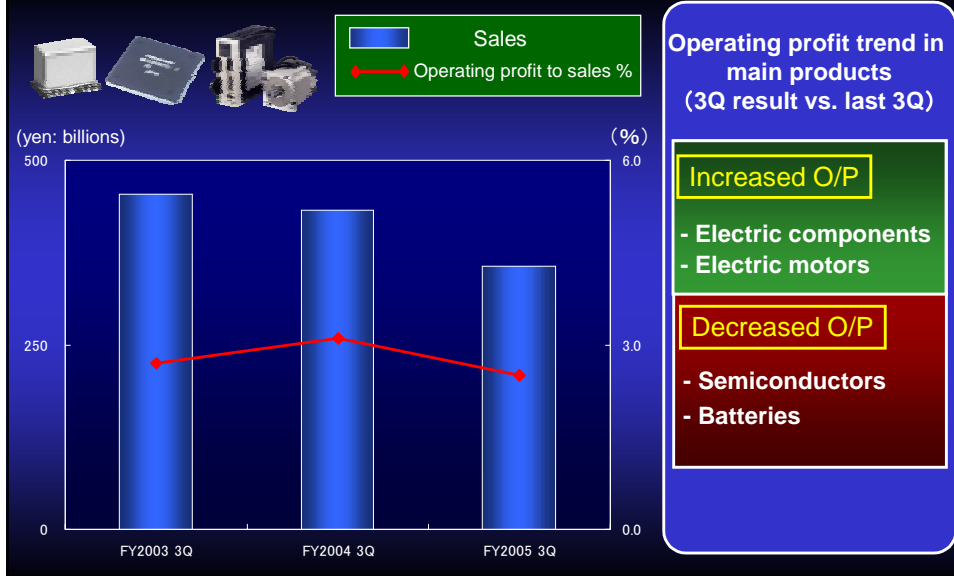
\* PAVC results do not include sales, profit, etc. for certain domestic and overseas sales divisions.

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

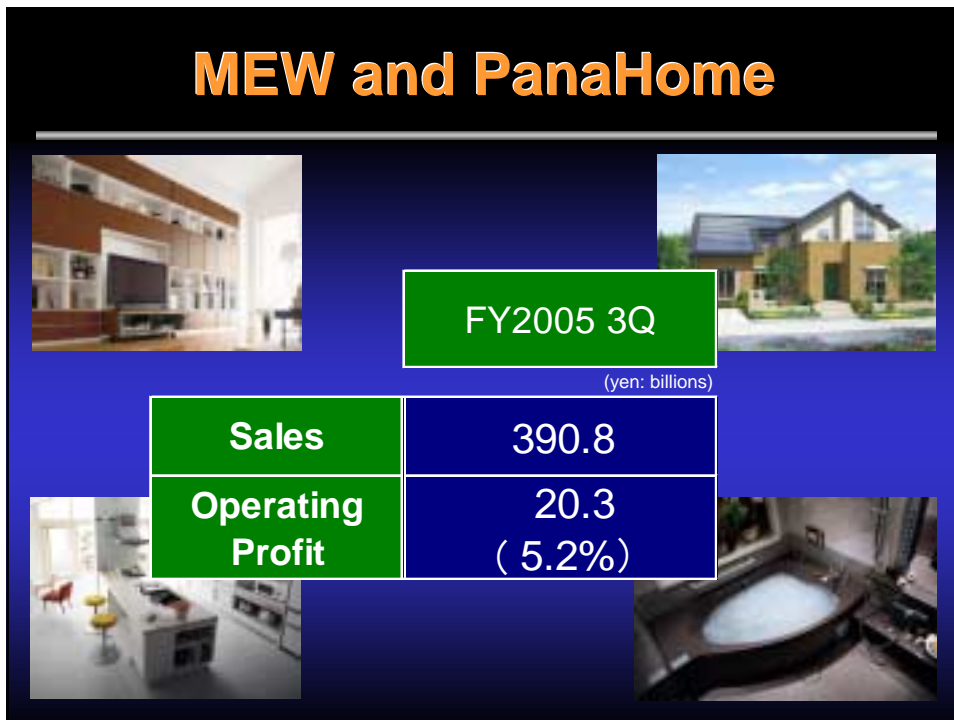
# Home Appliances



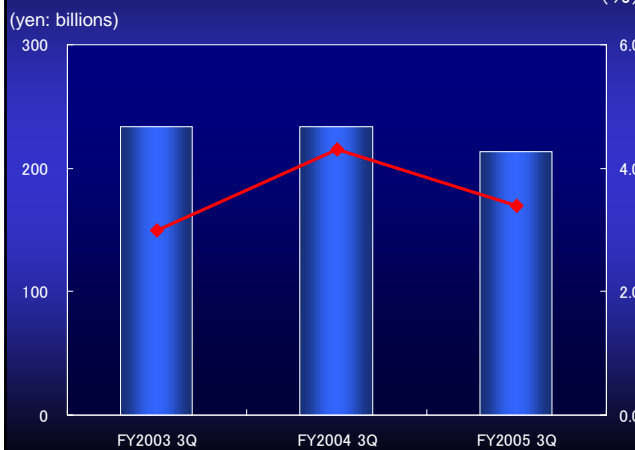
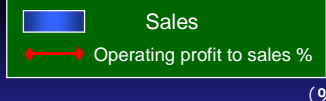
# Components and Devices



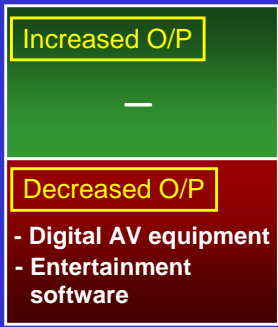
# MEW and PanaHome



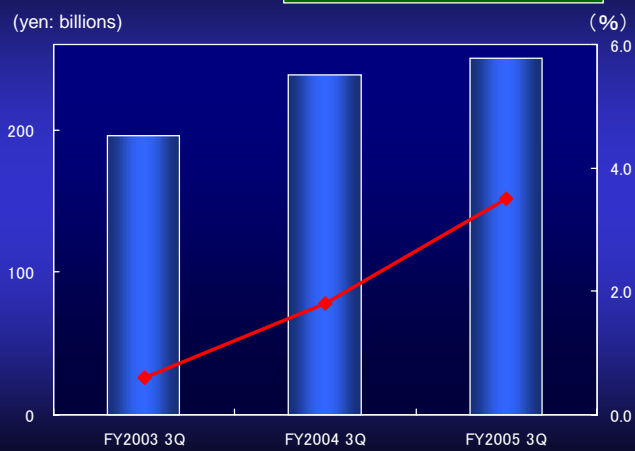
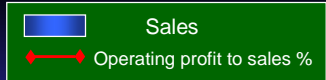
# JVC



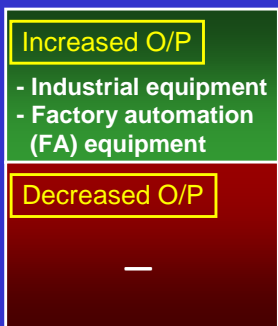
Operating profit trend in main products (3Q result vs. prior 3Q)



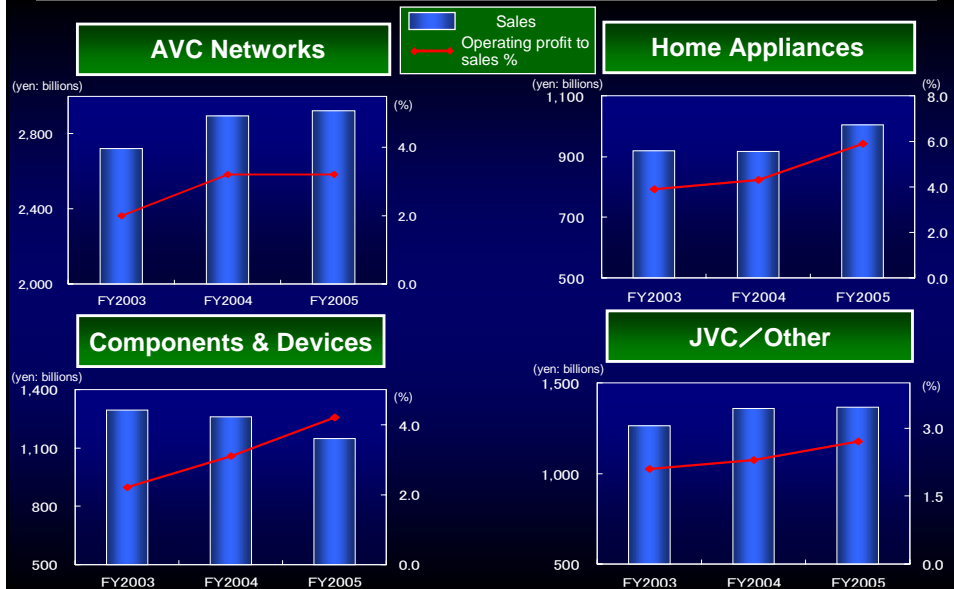
# Other



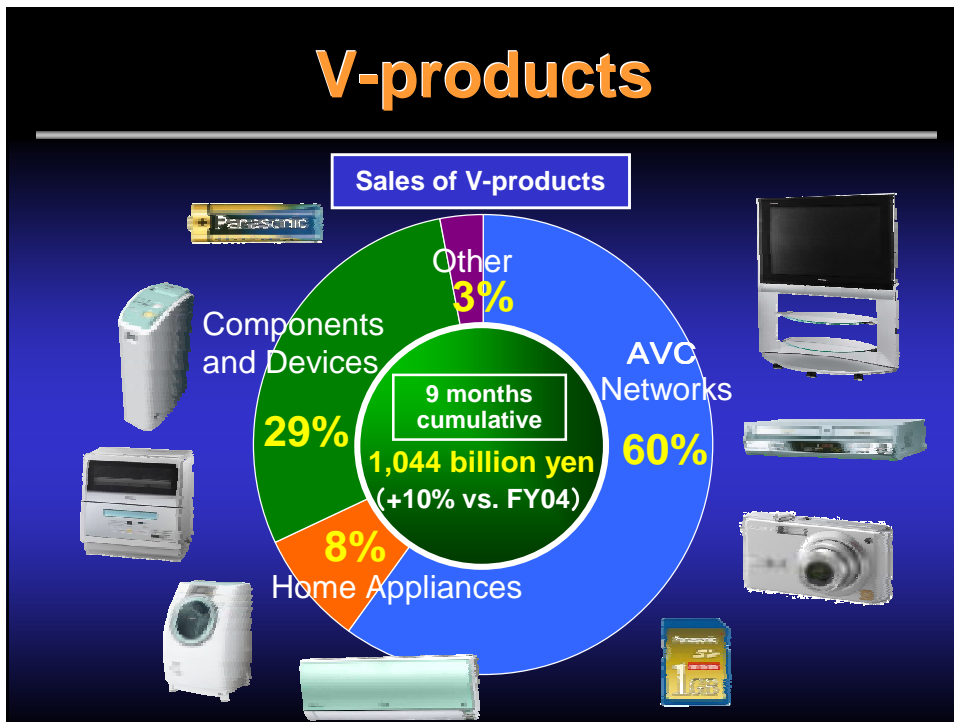
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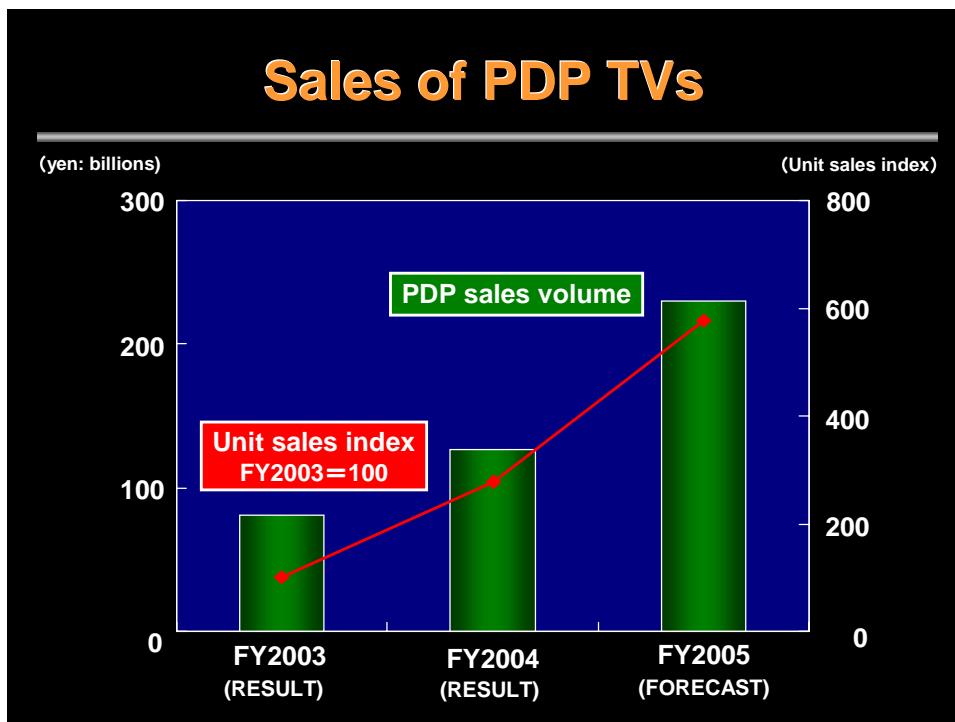
# Nine-month Results



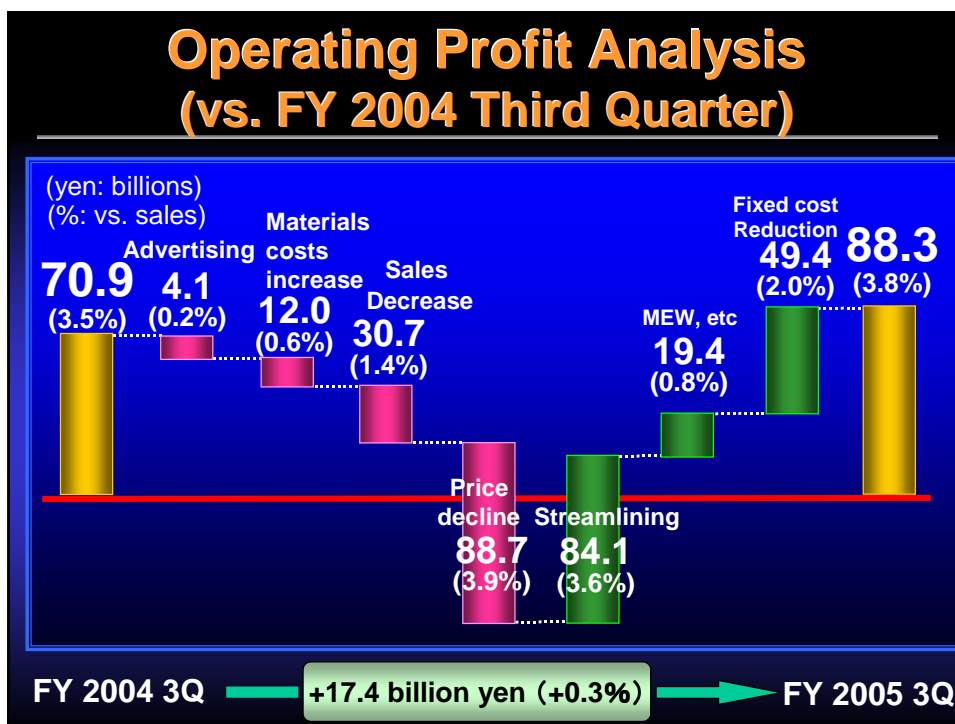
# V-products



## Sales of PDP TVs



## Operating Profit Analysis (vs. FY 2004 Third Quarter)



## Pre-tax and Net Income Analysis

(yen: billions)

	FY05 3Q	vs. FY04 3Q
<b>Operating profit</b>	88.3	+17.4
<b>Non-operating profit</b>	-5.2	-17.3
Financial income (net)	1.0	+0.9
Employees pension funds*	-	-39.6
Restructuring charges	-10.0	+25.9
Other	3.8	-4.5
<b>Pre-tax income</b>	83.1	+0.1
<b>Provision for income taxes</b>	35.7	-16.3
<b>Minority interests</b>	10.0	+3.1
<b>Equity in associated companies</b>	-1.8	-2.0
<b>Net income</b>	35.6	+11.3

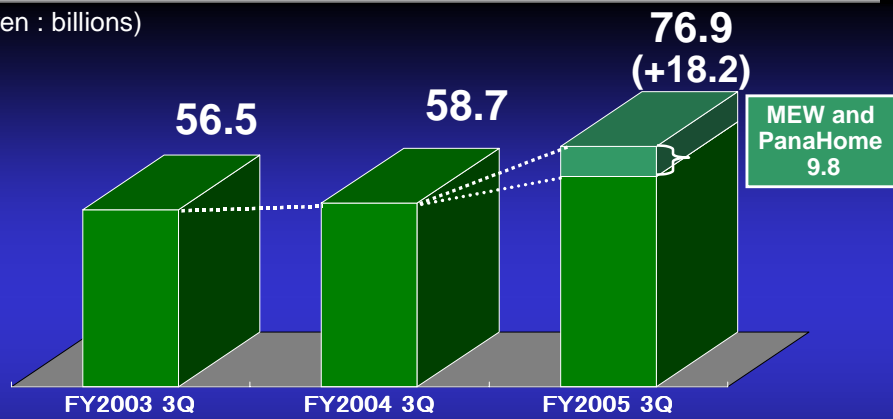
\*Gains from return of substitutional portion of the Employees Pension Funds to the government.

## Inventory



## Capital Investment

(yen : billions)



### Priority Areas

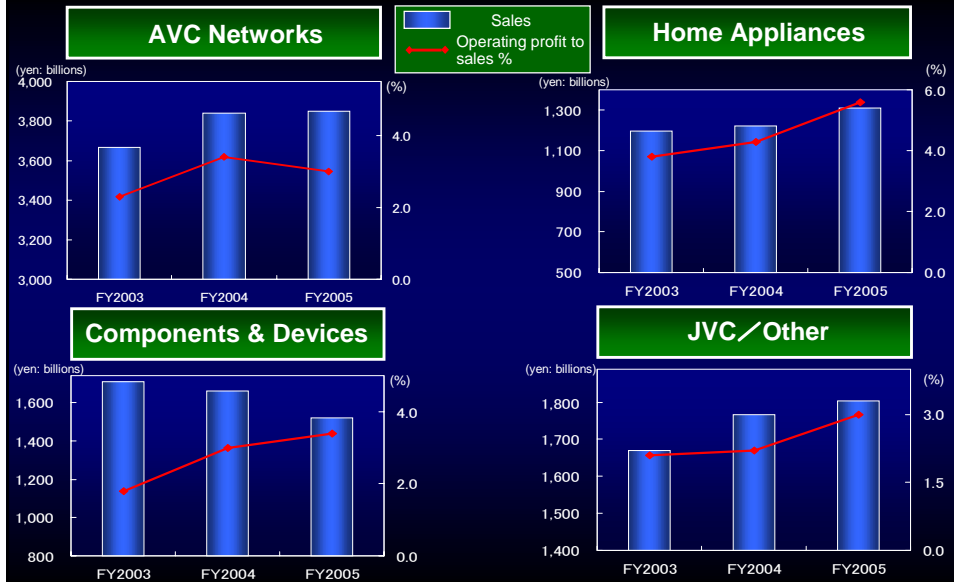
	FY03 3Q	FY04 3Q	FY05 3Q
Semiconductors	14.0	13.0	25.0
PDP	3.2	7.1	7.2

## Revised FY 2005 Full-Year Forecast

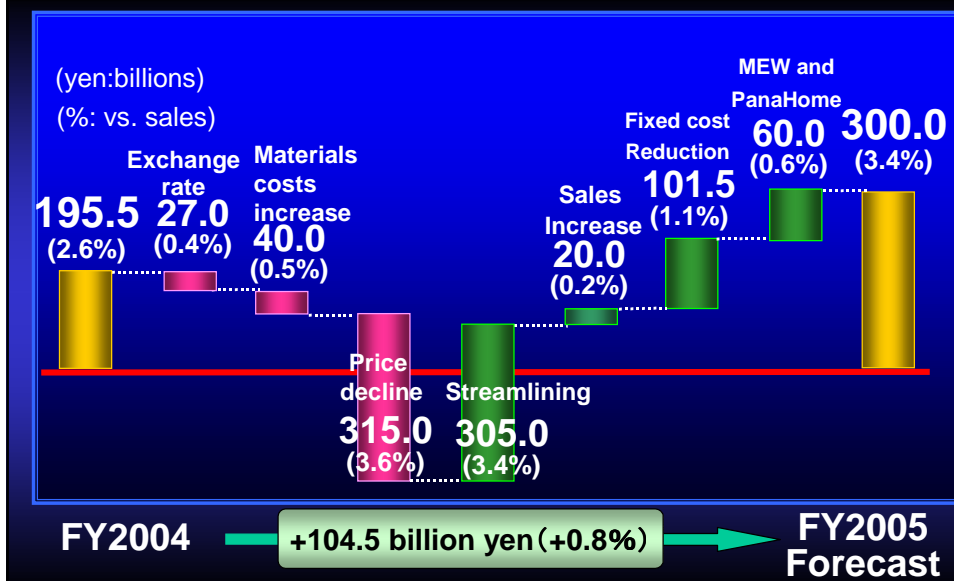
(yen: billions)

	Revised Forecast	Original Forecast	Difference
Sales	8,800	8,800	-
Domestic	4,620	4,600	+20
Overseas	4,180	4,200	-20
Operating profit	300	280	+20
Pre-tax income	230	230	-
Net income	50	63	-13

## Full-year Forecast by Segment



## Operating Profit Analysis (vs. Fiscal 2004)



## Restructuring at Business Domain Companies

(yen: billions)

	Contents	FY 2005 Expense
AVC Networks	<ul style="list-style-type: none"> <li>• Business restructuring of PAVC, PCC, PMC, PSS &amp; Matsushita Kotobuki etc.</li> </ul>	Approx. <b>53.0</b>
Home Appliances	<ul style="list-style-type: none"> <li>• Closures/integrations of manufacturing locations</li> </ul>	<b>8.0</b>
Components and Devices, Other	<ul style="list-style-type: none"> <li>• Business restructuring of MACO, MBI, CRT business in U.S.</li> <li>• Business restructuring of domestic and overseas distribution sectors.</li> </ul>	<b>79.0</b>
Total		<b>Approx. 140.0</b>



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