

Fiscal 2006 Financial Results Fiscal 2007 Forecast

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Tetsuya Kawakami
Matsushita Electric Industrial Co., Ltd.

- Notes: 1. This is an English translation from the original presentation in Japanese.
2. In this presentation, "fiscal 2006" or "FY 2006" refers to the year ended March 31, 2006.

Summary of Financial Results ²

1. Fiscal 2006 Financial Results

- Sales, earnings up for fourth consecutive year
- Operating and net profit reach highest level in 15 years following large-scale restructuring

2. Fiscal 2007 Forecast

- The last year of the Leap Ahead 21 plan, targeting an operating profit to sales ratio of 5% and a positive Capital Cost Management (CCM) index

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 - 1) Outline of financial results
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3. Shareholder-oriented management

Fiscal 2006 Fourth Quarter Consolidated Results

(yen: billions)

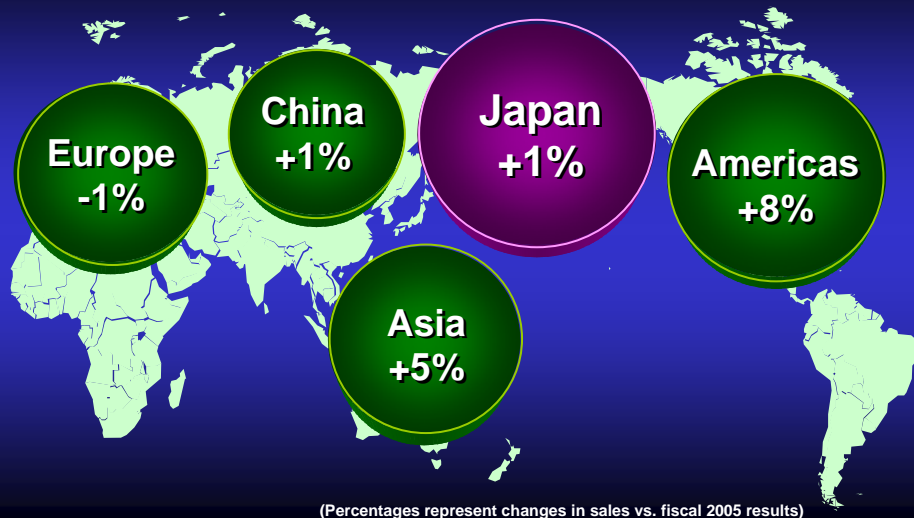
	FY2005 Fourth Quarter	FY2006 Fourth Quarter	vs. FY05
Sales	2,098.5	2,236.7	+7%
Domestic	1,188.6	1,256.1	+6%
Overseas	909.9	980.6	+8%
Operating profit	63.9	113.8	+78%
Pre-tax income	26.5	91.1	+244%
Net income	-33.2	40.7	-

Fiscal 2006 Consolidated Results

(yen: billions)

	FY2005		FY2006	
		vs. FY04		vs. FY05
Sales	8,713.6	+16%	8,894.3	+2%
Domestic	4,580.5	+32%	4,611.4	+1%
Overseas	4,133.1	+3%	4,282.9	+4%
Operating profit	308.5	+58%	414.3	+34%
Pre-tax income	246.9	+45%	371.3	+50%
Net income	58.5	+39%	154.4	+164%

Fiscal 2006 Sales by Region



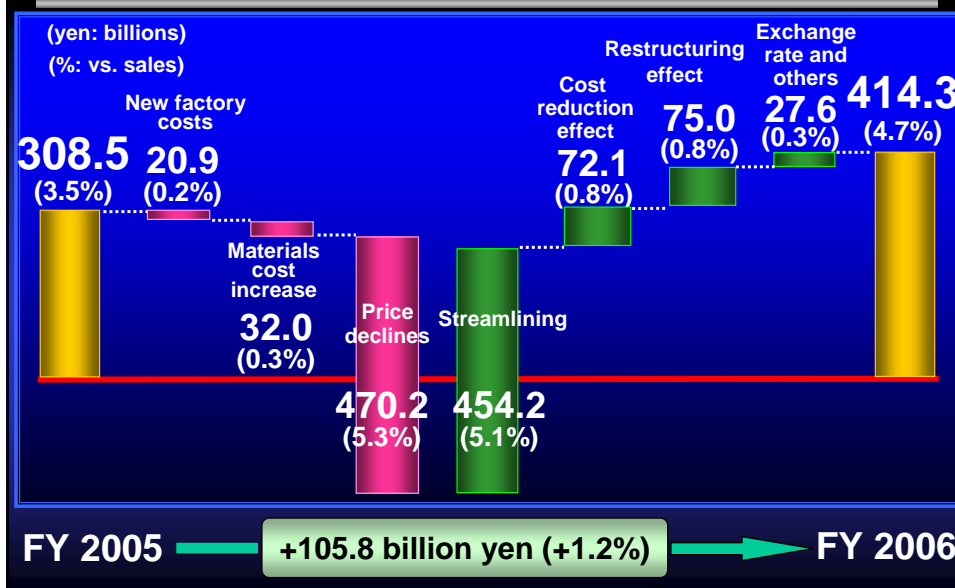
Sales of Domestic Consumer Products

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FY2006 Operating Profit Analysis (vs. FY2005)

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Pre-tax and Net Income Analysis

(yen: billions)

	FY06	vs. FY05
Operating profit	414.3	+105.8
Non-operating profit	-43.0	+18.6
Financial income (net)	13.1	+11.1
Employees pension funds*	-	-31.5
Early retirement	-37.0	+64.1
Other	-19.1	-25.1
Pre-tax income	371.3	+124.4
Provision for income taxes	-167.1	-13.8
Minority interests	+1.0	+28.7
Equity in associated companies	-50.8	-43.4
Net income	154.4	+95.9

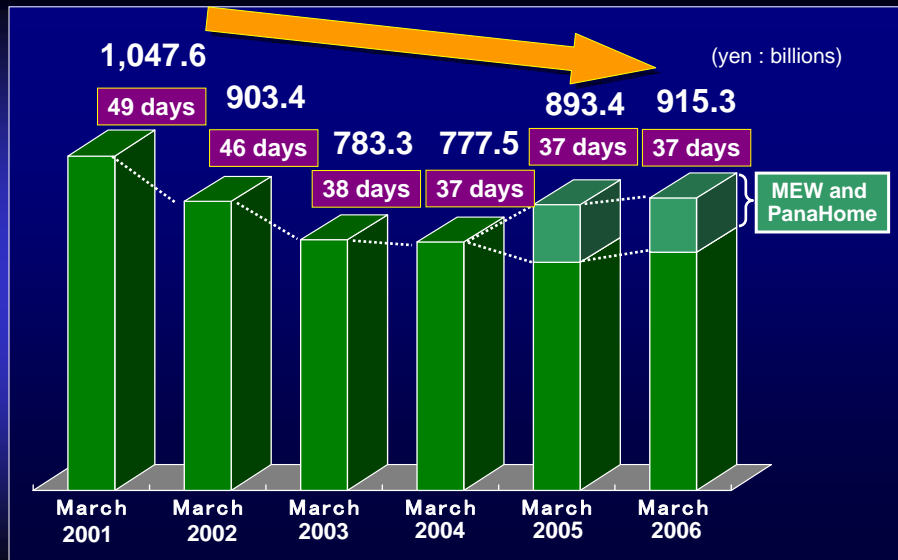
* Return of the substitutional portion of the Employees Pension Funds to the Government.

Restructuring Expenses

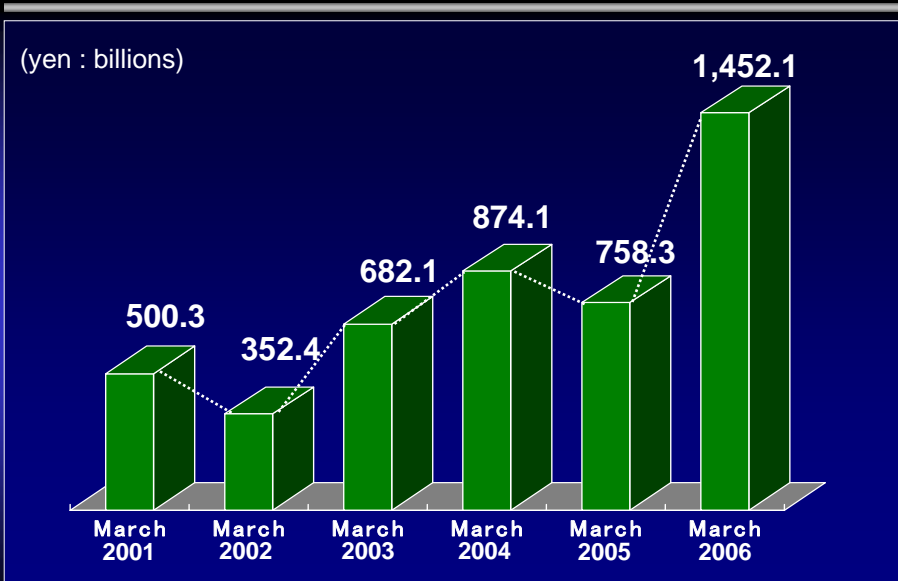
(yen: billions)

	Details	FY2006 Expenses
AVC Networks Home Appliances	Overseas cellular phones, Overseas CRTs, etc.	18.6
Components and Devices	Semiconductors, etc.	21.5
Other	JVC, MEW, PanaHome, etc.	15.9
Total		56.0

Inventory



Net Cash



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FY2007 Forecast Assumptions

Economic forecast

- **Japan** Moderate economic recovery continues with concerns about overseas demand
- **US** Due to weak housing market, consumption slow down possible
- **Europe** Moderate improvement in business environment continues
- **Asia** High economic growth continues in China. Strong economic performance in overall Asian markets
(excluding Japan)

Exchange rates

	<u>FY2006</u>	<u>FY2007(forecast)</u>
- US dollar	113 yen	107 yen
- Euro	138 yen	130 yen

Increase in materials prices (market trend)

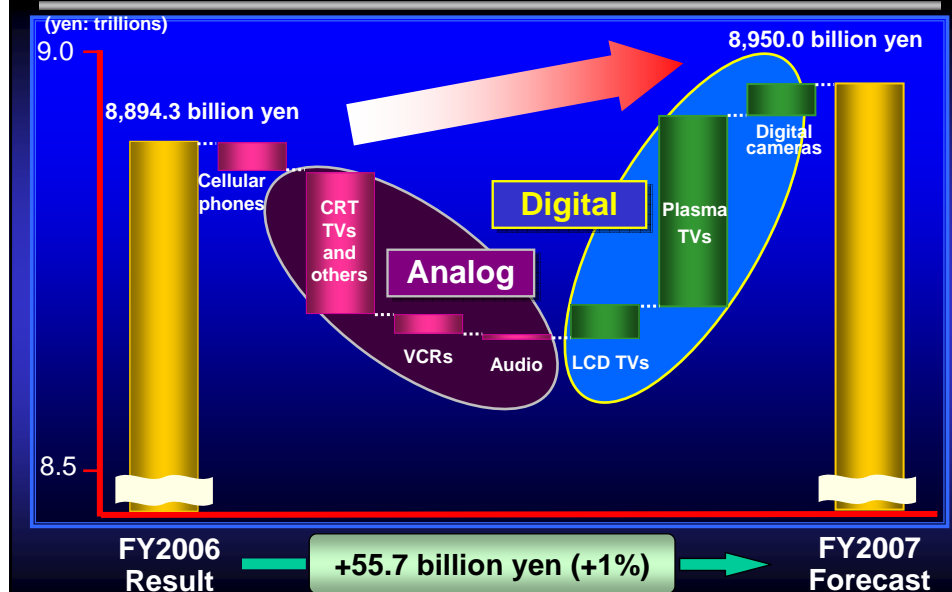
	<u>FY2006</u>	<u>FY2007(forecast)</u>
- Materials <small>(steel, non-ferrous metals, plastics, etc.)</small>	+5%	+3%

Fiscal 2007 Full Year Forecast

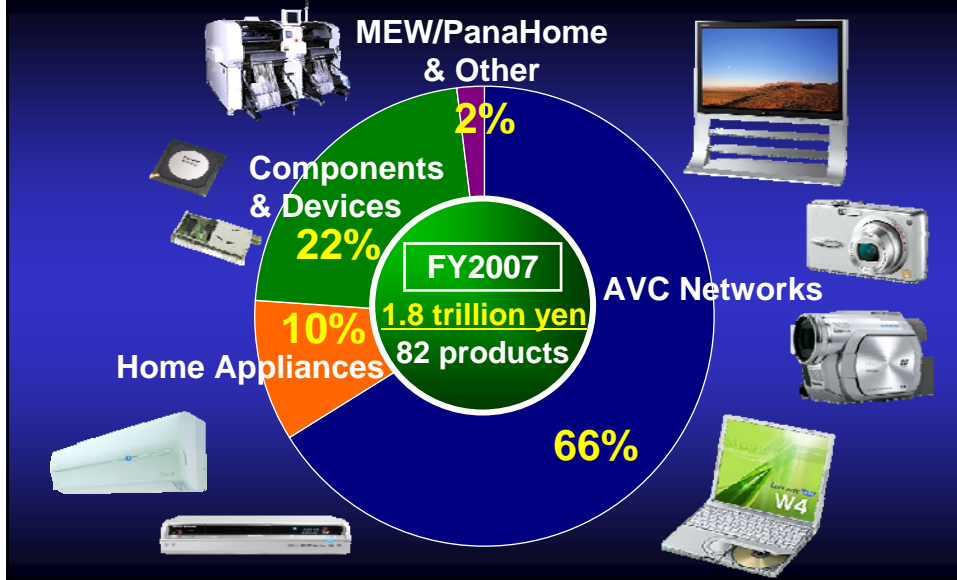
(yen: billions)

	FY2006		FY2007 (forecast)	
		vs. FY05		vs. FY06
Sales	8,894.3	+2%	8,950.0	+1%
Domestic	4,611.4	+1%	4,640.0	+1%
Overseas	4,282.9	+4%	4,310.0	+1%
Operating profit	414.3	+34%	450.0	+9%
Pre-tax income	371.3	+50%	400.0	+8%
Net income	154.4	+164%	190.0	+23%

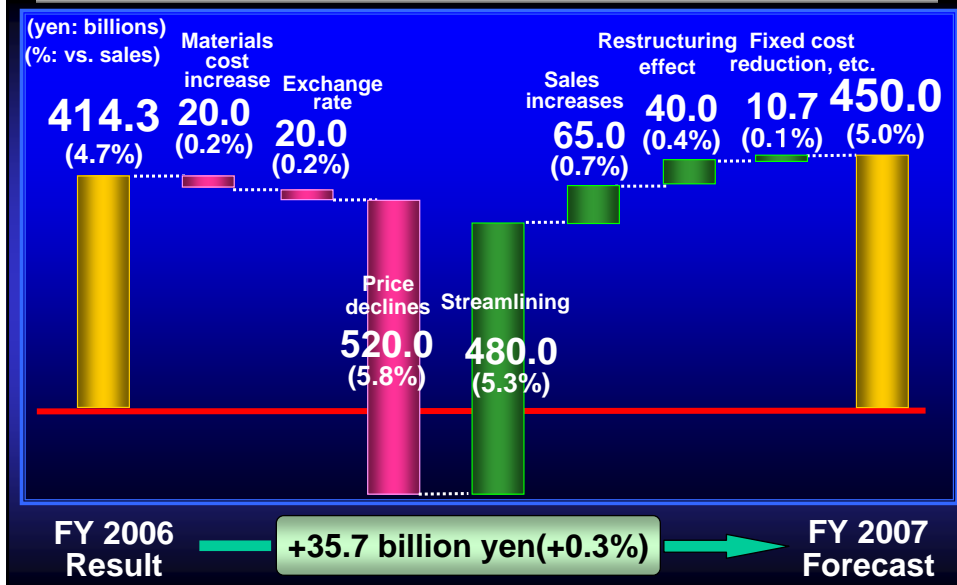
Sales Analysis by Product



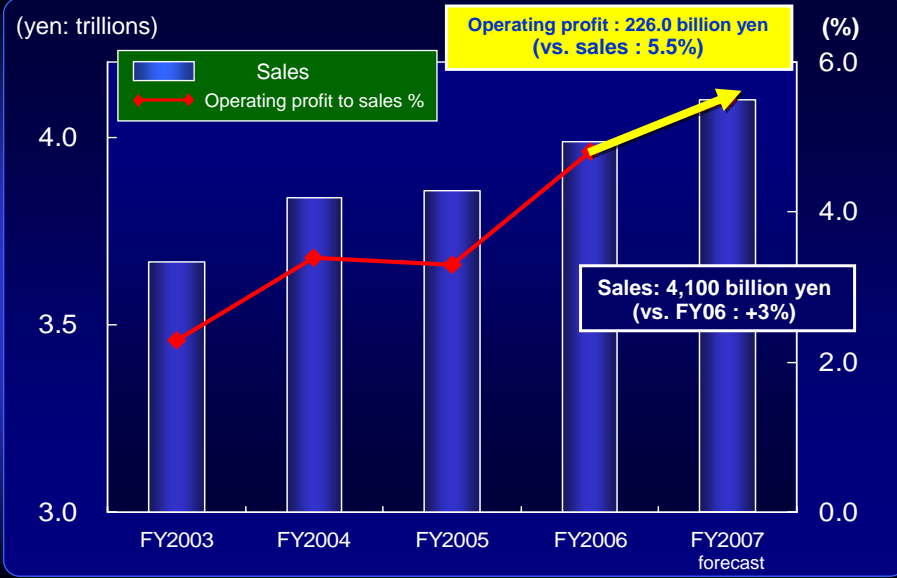
V-products



FY2007 Operating Profit Analysis



AVC Networks



Forecasts of Major Domain Companies

(yen: billions)	PAVC*		PCC**		PMC**	
	FY07	vs. FY06	FY07	vs. FY06	FY07	vs. FY06
Sales	1,780.0	+17%	476.1	±0%	450.0	-14%
Operating profit	89.0	+55%	24.6	+21%	6.0	+14.4
vs. sales(%)	5.0%	+1.2%	5.2%	+0.9%	+1.3%	+2.9%
Capital investment	109.0	+25.3	12.3	+2.1	6.8	-

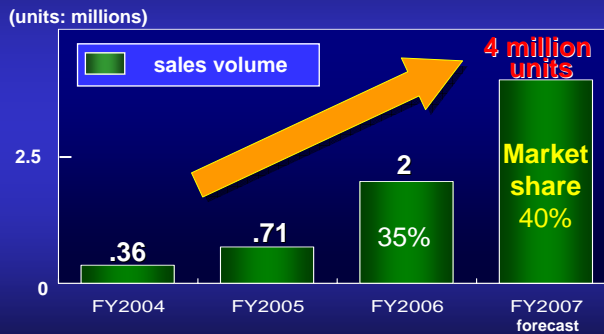
* PAVC results do not include sales, profit, etc. of domestic and overseas sales divisions.
 ** Results for PCC and PMC do not include sales, profit, etc. of certain overseas sales divisions.

Maintaining The Top Position in Plasma TVs

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- Acceleration of the shift to larger size screens and HD
- Connecting all AV products centered around "VIERA"
- Strengthening global marketing

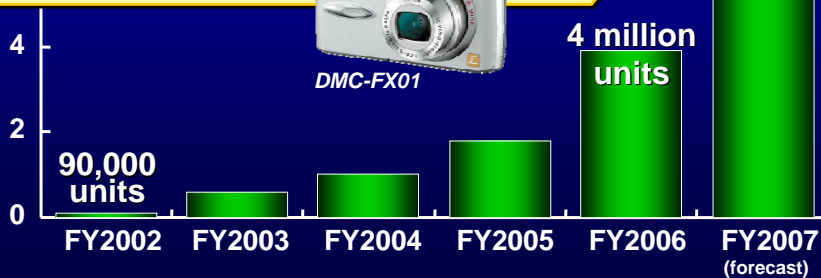


Target : Global Market share 40%

Establishing Digital Cameras as a Core Business

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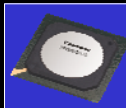
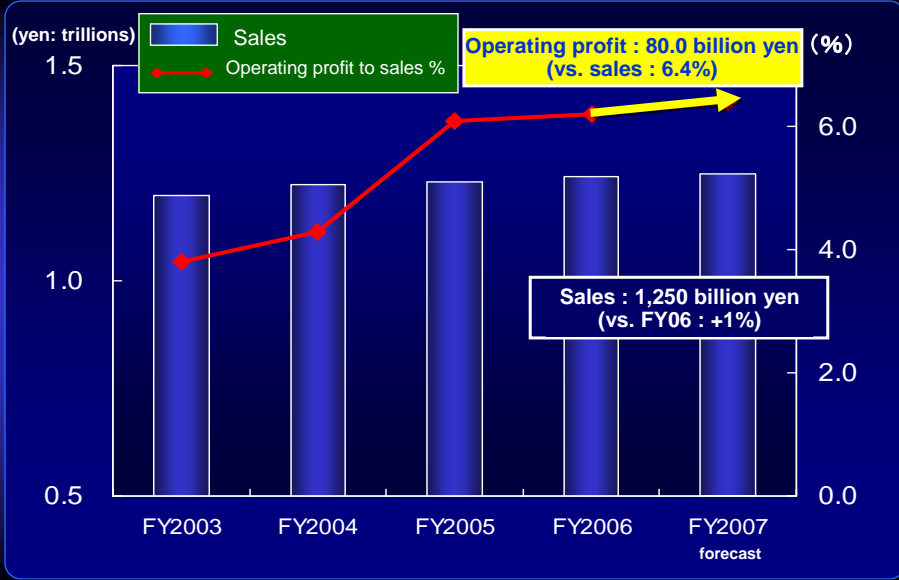
- Simultaneous global product introductions
- New features (wide-angle and high zoom lenses etc.)
- New SLR models



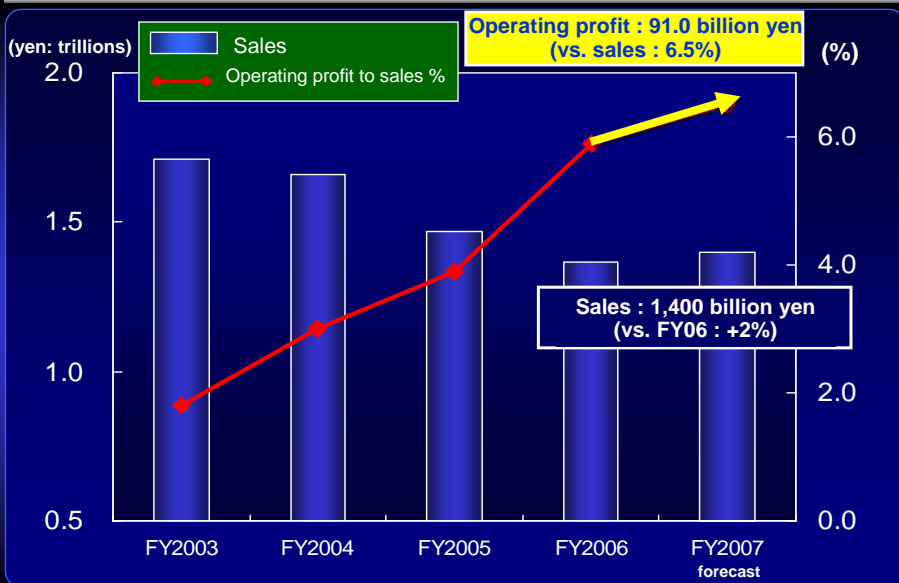
Target : Global Market Share 10%




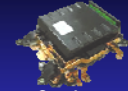

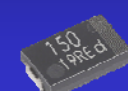
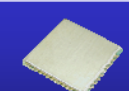


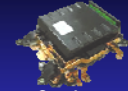

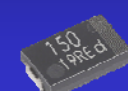
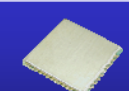


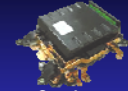

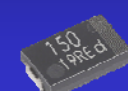
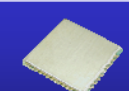

Home Appliances



Components and Devices



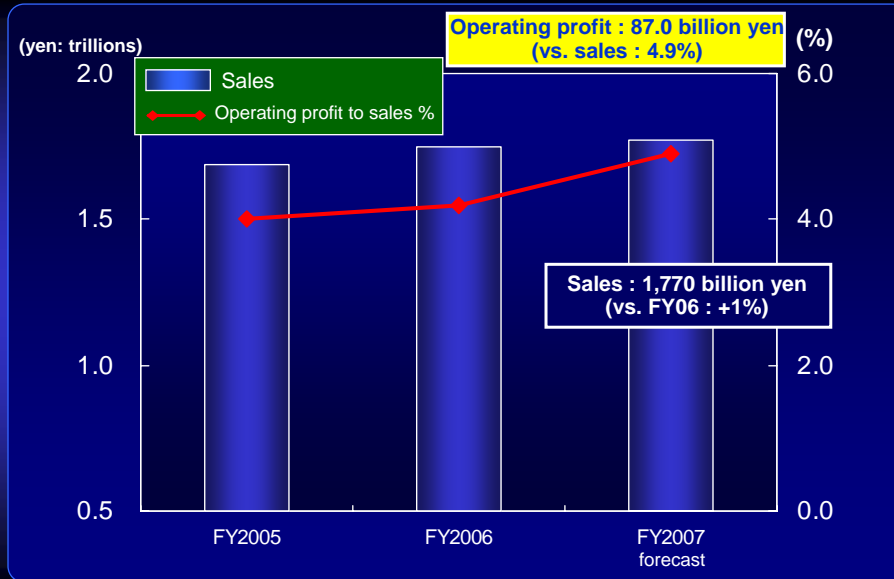
PED Forecast and Strategic Initiatives

(yen: billions)		PED									
	FY07	vs. FY06									
Sales	460.0	+1%	<table border="1"> <thead> <tr> <th colspan="2">Growth drivers</th> </tr> </thead> <tbody> <tr> <td>Automotive electronics</td> <td>  Angular speed sensor  Condenser for hybrid </td> </tr> <tr> <td>Digital AV</td> <td>  Flat speaker  SP-CAP </td> </tr> <tr> <td>Information & communications</td> <td>  One segment chip tuner  ALIVH </td> </tr> </tbody> </table>	Growth drivers		Automotive electronics	 Angular speed sensor  Condenser for hybrid	Digital AV	 Flat speaker  SP-CAP	Information & communications	 One segment chip tuner  ALIVH
Growth drivers											
Automotive electronics	 Angular speed sensor  Condenser for hybrid										
Digital AV	 Flat speaker  SP-CAP										
Information & communications	 One segment chip tuner  ALIVH										
Operating profit	30.0	+12%									
vs. sales (%)	6.5%	+0.6%									
Capital investment	31.1	+4.7									

* Forecasts for PED do not include sales, profit, etc. of certain overseas sales divisions.

Management resource shift to strategic businesses

MEW and PanaHome



Matsushita/MEW Collaboration

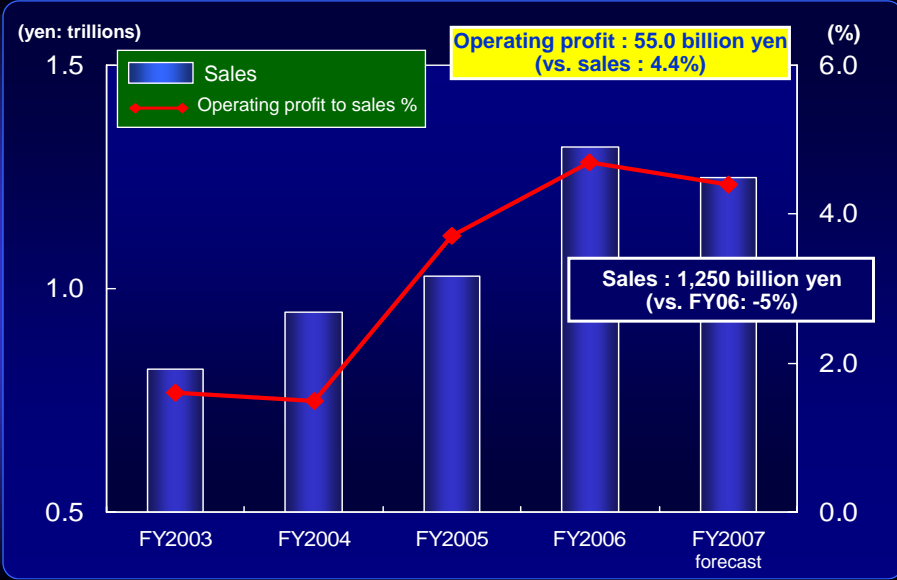


JVC

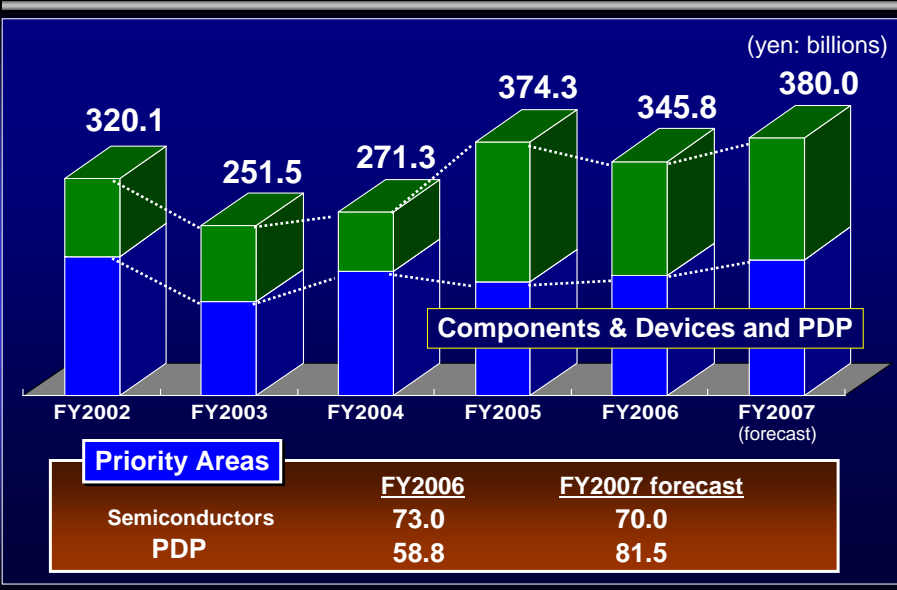




Other



Capital Investment



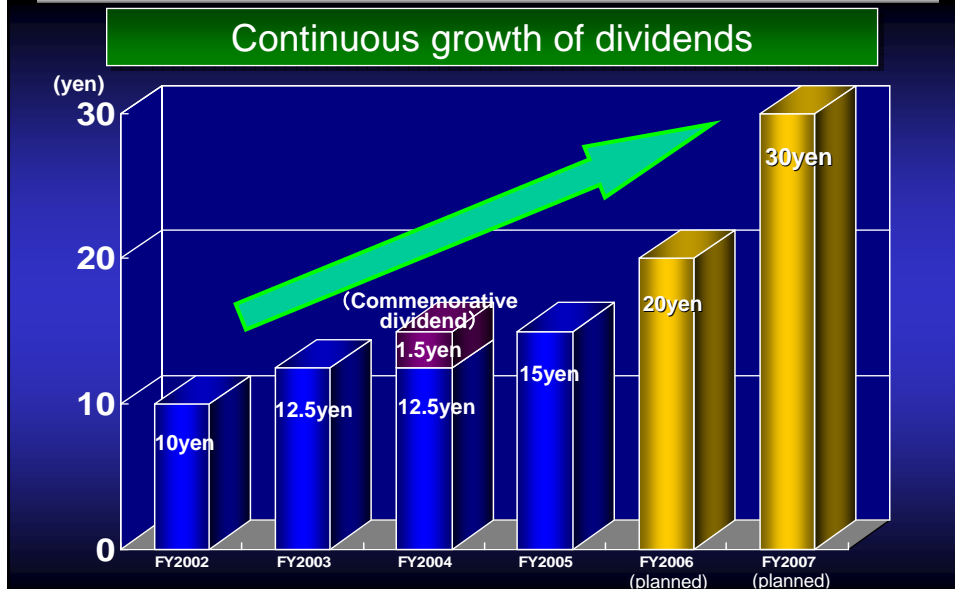
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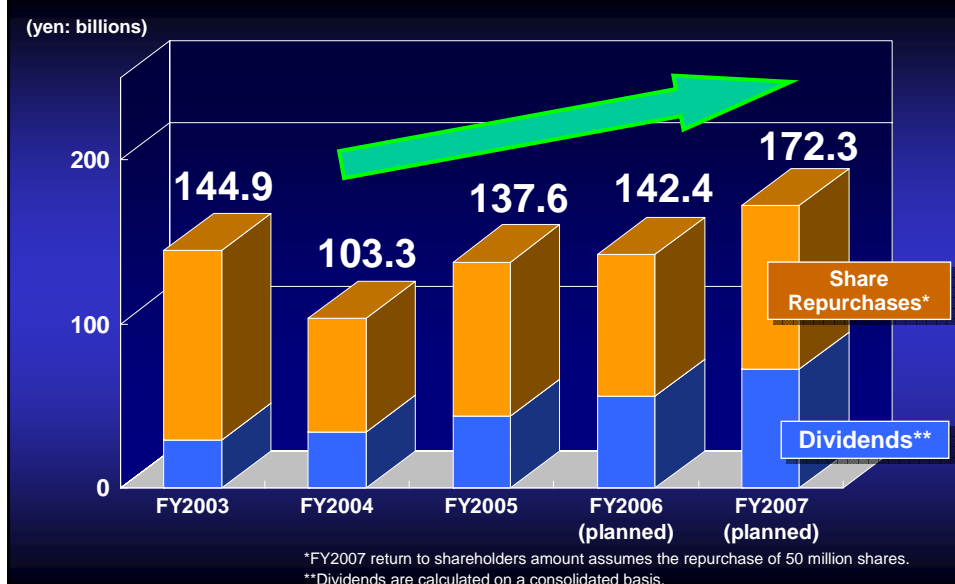
Return to Shareholders in Fiscal 2007

	FY2006	FY2007 (planned)
Dividends	- Annual dividends : 20 yen/share (increase of 5 yen vs. FY2005) Interim dividend: 10 yen Year-end dividend: 10 yen (planned)	- Annual dividends : 30 yen/share (increase of 10 yen vs. FY2006) Interim dividend: 15 yen Year-end dividend: 15 yen
Share Repurchases	(Results) - Number of shares : 48.95 million shares - Amount : 86.4 billion yen - Treasury stock held : 240 million shares	- Number of shares : 50 million shares (max) - Amount : 100.0 billion yen (max)

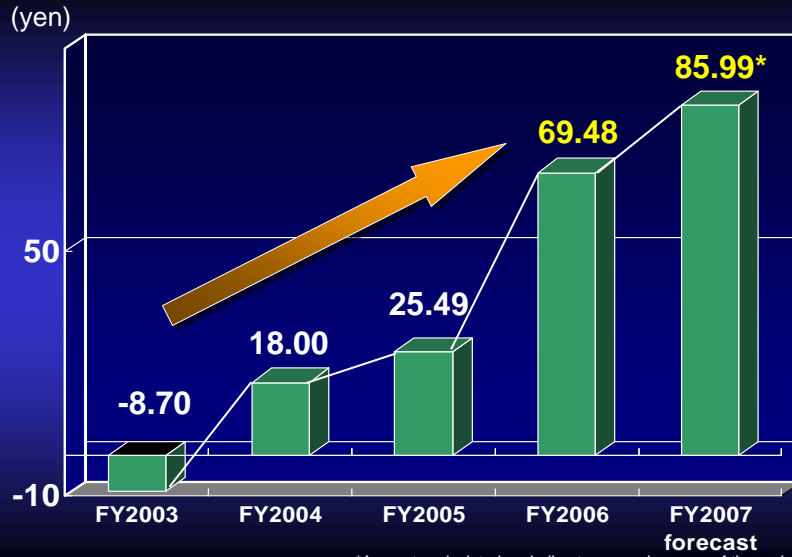
Annual Dividends Per Share



Return to Shareholders

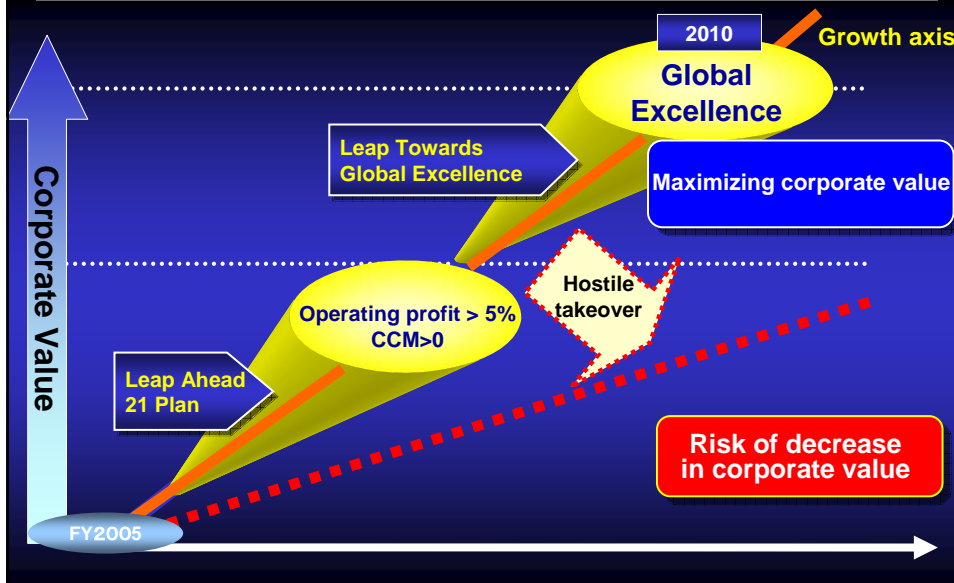


Net Profit per Share



*Amounts calculated excluding treasury shares as of the end of March 2006.

Policy towards Large-Scale Purchase - ESV Plan -



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