

# Fiscal 2007 Third Quarter Financial Results

February 1, 2007

Matsushita Electric Industrial Co., Ltd.

Notes: 1. This is an English translation from the original presentation in Japanese.  
2. In this presentation, "fiscal 2007" or "FY 2007" refers to the fiscal year ending March 31, 2007.

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## Summary

- Both sales and earnings were up in the third quarter, despite a severe business environment
- Upward revision of full-year forecast for consolidated sales to 9 trillion yen, the highest level on record. Net profit also up from the previous forecast
- Return to shareholders

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- Fiscal 2007 full-year forecast
- Return to shareholders

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## Fiscal 2007 Third Quarter Consolidated Results

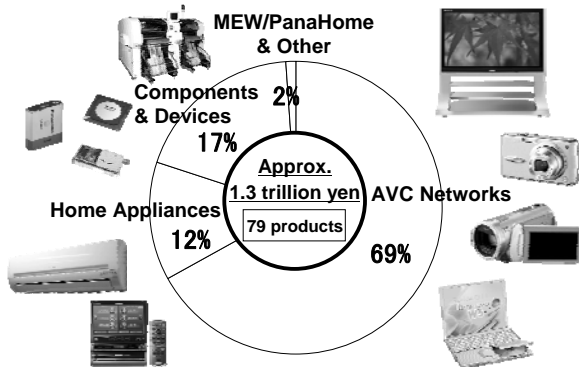
(yen: billions)

	FY07 Third Quarter	FY06 Third Quarter	vs. FY06
Sales	2,436.8	2,398.4	+2%
Domestic	1,214.5	1,181.6	+3%
Overseas	1,222.3	1,216.8	±0%
Operating profit	135.8	129.4	+5%
Pre-tax income	144.4	126.1	+15%
Net income	78.7	49.3	+60%

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9 months total

## V-products

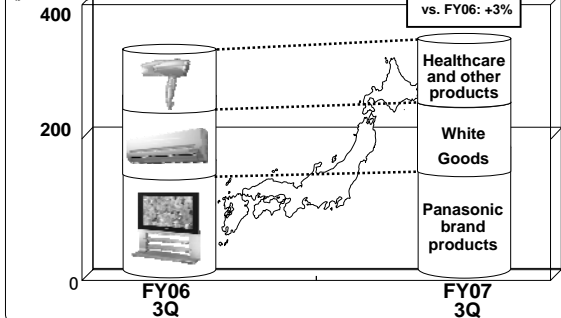


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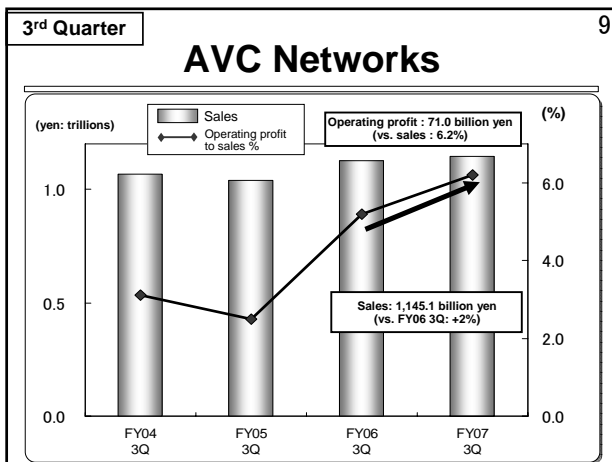
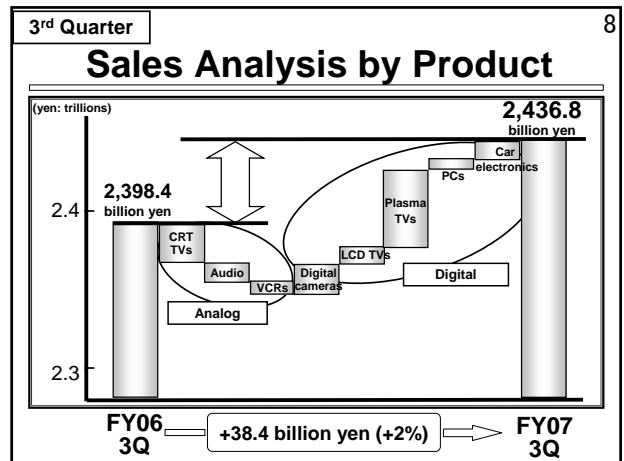
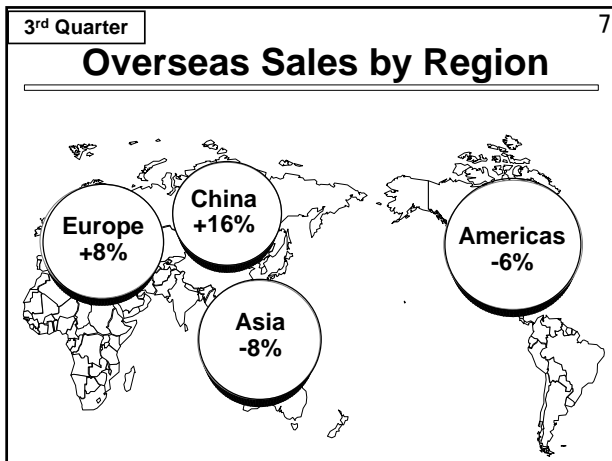
3<sup>rd</sup> Quarter

## Sales of Domestic Consumer Products

(yen: billions)



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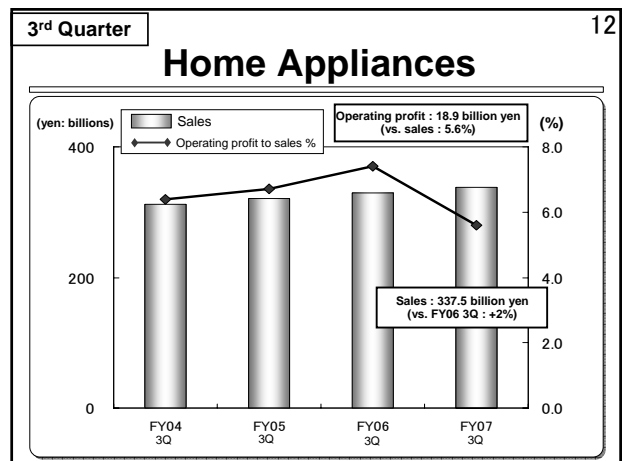
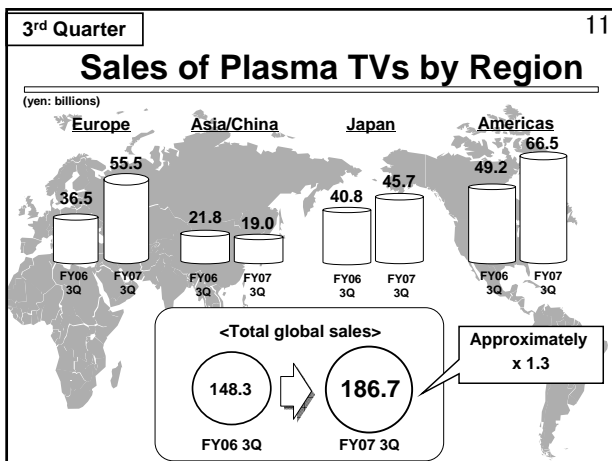


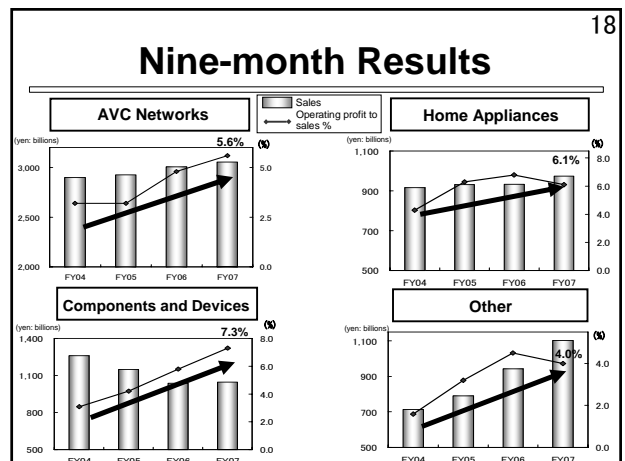
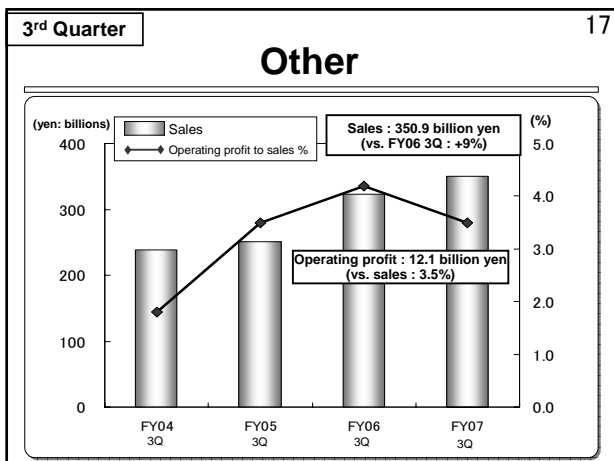
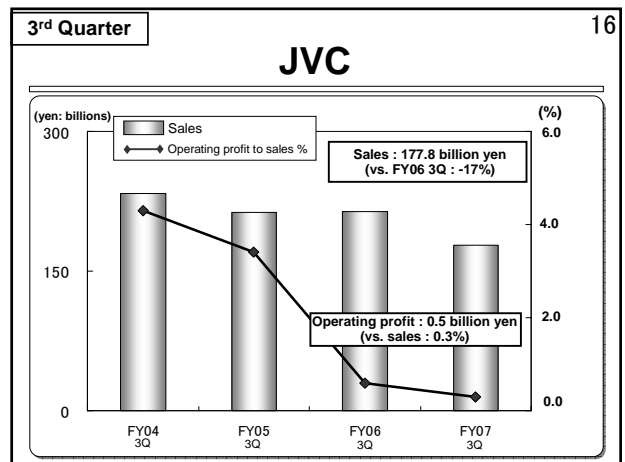
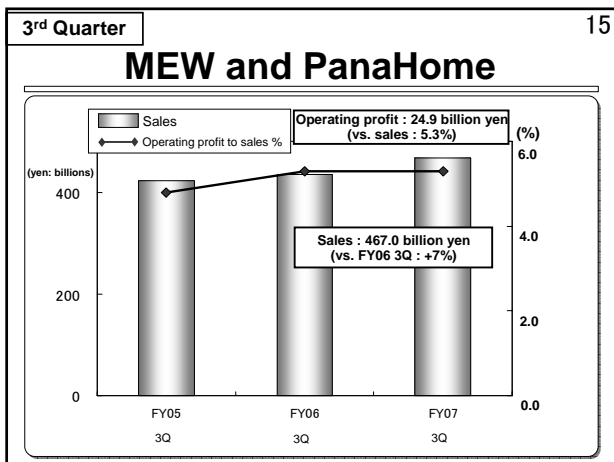
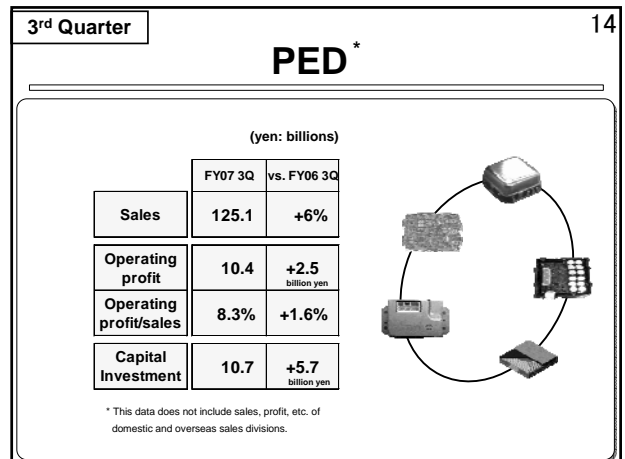
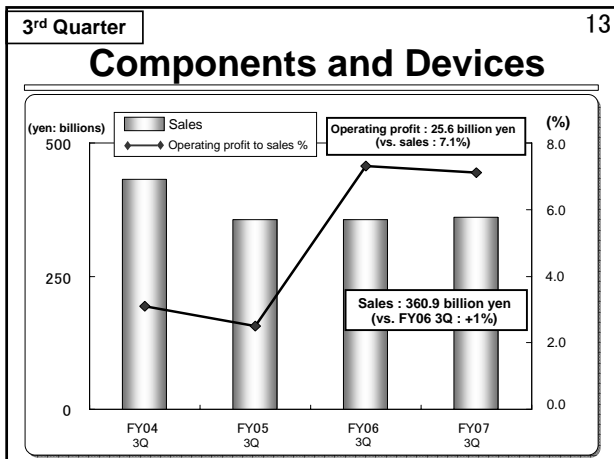
3<sup>rd</sup> Quarter 10

### Results of Major Domain Companies

(yen: billions)	PAVC*		PCC**		PMC**	
	FY07 3Q	vs. FY06 3Q	FY07 3Q	vs. FY06 3Q	FY07 3Q	vs. FY06 3Q
Sales	542.6	+20%	117.0	-5%	99.6	-24%
Operating profit	35.8	+12.9 billion yen	4.1	-2.0 billion yen	0.1	+2.4 billion yen
Operating profit/sales	6.6%	+1.5%	3.5%	-1.5%	0.1%	+1.8%
Capital investment	27.0	-20.8 billion yen	2.0	-0.1 billion yen	1.1	-

\* 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.



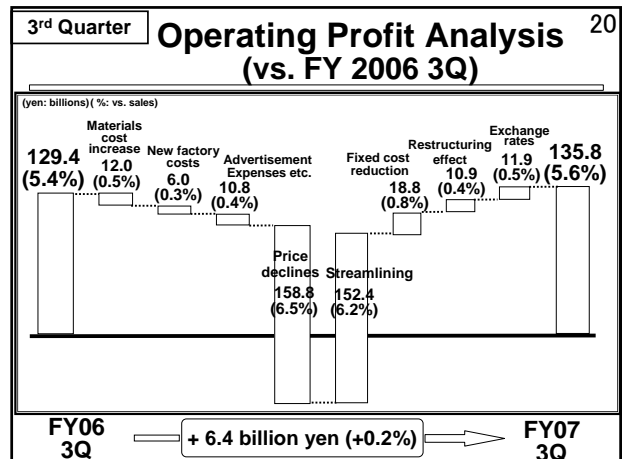


3<sup>rd</sup> Quarter 19

## Operating Profit Trends

(vs. FY2006 3Q) ↗ increase ↘ decrease

<b>AVC Networks</b>	↗	Plasma TVs, digital cameras, DVD, car electronics, notebook PCs
	↘	CRT TVs
<b>Home Appliances</b>	↗	IH cooking equipment, lighting bulbs
	↘	Compressors
<b>Components and Devices</b>	↗	Electronic components
	↘	Semiconductors
<b>MEW and PanaHome</b>	↗	Elec. construction materials, elec. and plastic materials
	↘	Automation controls
<b>JVC</b>	↗	-
	↘	AV
<b>Other</b>	↗	-
	↘	-

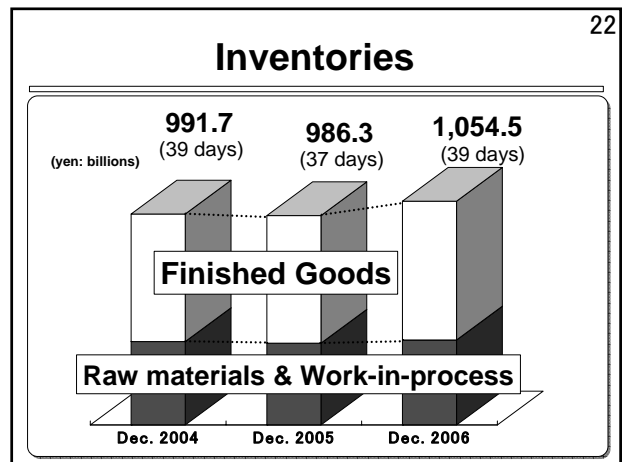


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## Pre-tax and Net Income Analysis

(yen: billions)

	FY07 3Q	vs. FY06 3Q
<b>Operating profit</b>	<b>135.8</b>	<b>+6.4</b>
<b>Non-operating income / loss</b>	<b>8.6</b>	<b>+11.9</b>
Financial income	6.3	+2.9
Early retirement charges	-0.5	+7.6
Other	2.8	+1.4
<b>Pre-tax income</b>	<b>144.4</b>	<b>+18.3</b>
<b>Provision for income taxes</b>	<b>-56.9</b>	<b>-2.8</b>
<b>Minority interests</b>	<b>-8.9</b>	<b>-1.8</b>
<b>Equity in associated companies</b>	<b>0.1</b>	<b>+15.7</b>
<b>Net income</b>	<b>78.7</b>	<b>+29.4</b>



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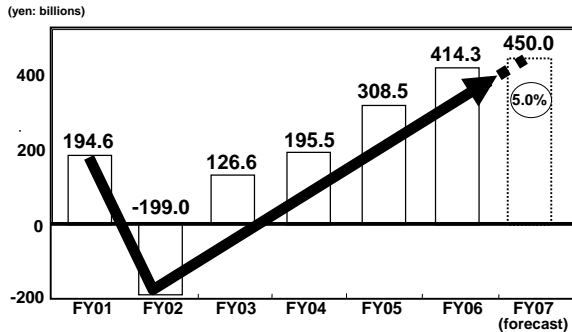
## Fiscal 2007 Full-year Forecast

(yen: billions)

	FY07 Revised forecast	FY07 Original forecast	Change	vs. FY06
<b>Sales</b>	<b>9,000</b>	<b>8,950</b>	<b>+50</b>	<b>+1%</b>
<b>Operating profit</b>	<b>450</b>	<b>450</b>	<b>-</b>	<b>+9%</b>
<b>Pre-tax income</b>	<b>430</b>	<b>400</b>	<b>+30</b>	<b>+16%</b>
<b>Net income</b>	<b>205</b>	<b>190</b>	<b>+15</b>	<b>+33%</b>

## Operating Profit Trend

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## Return to Shareholders

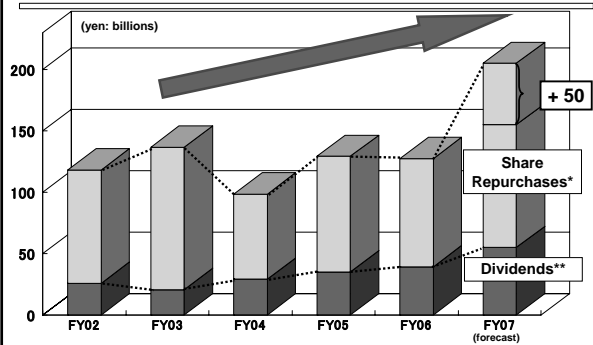
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■ Efforts to achieve higher return on capital and proactive return to shareholders through dividends and share repurchases

Dividends	Aim at stable and continuous dividend growth targeting a consolidated dividend payout of approx. 30-40% → Improvement of dividends on equity
Share repurchases	Continue agile share repurchasing in line with growth strategy → Improvement of shareholder value per share

## Return to Shareholders

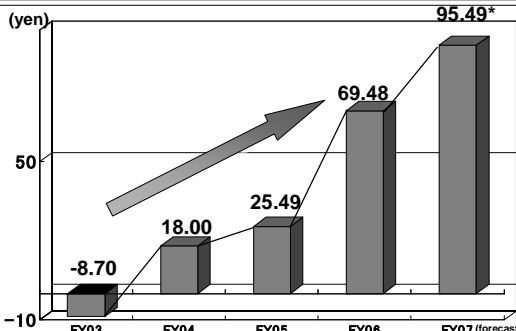
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\* Share repurchase for FY2007 includes additional repurchasable amount, as announced February 1, 2007.  
 \*\* Dividends are calculated on a consolidated basis for FY 2007 forecast.

## Net Income per Share

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\* Net income per share for FY2007 is calculated based on net earnings and the number of outstanding shares excluding treasury stock as of the end of March 2007. The treasury stock includes the additional repurchasable shares, which are equivalent to the 50 billion yen amount at the price of 2,400 yen per share.  
 \*\* Figures of net profit per share are calculated on a diluted basis.

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