

Fiscal 2008 Third Quarter Financial Results

January 31, 2008

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*Notes: 1. This is an English translation from the original presentation in Japanese.
2. In this presentation, "fiscal 2008" or "FY 2008" refers to the year
ending March 31, 2008.*

- This presentation contains consolidated financial results for the third quarter of fiscal year 2008, ending March 31, 2008.

Summary

- 1. Both sales and profit increased in real terms. Operating profit and net income hit record highs.**
- 2. Profit increase was achieved in all segments.**
- 3. Overseas sales recorded double-digit growth in real terms.**

- The three main points outlined in this presentation are as shown here.
- Firstly, despite severe business conditions, Matsushita recorded favorable results in the year-end shopping season, and both sales and profit increased from the same period of last year in real terms excluding JVC's results in the previous year. Both operating profit and net income hit record-highs.
- Secondly, profit increase was achieved in all segments. In particular, AVC Networks showed remarkable growth in profit.
- Thirdly, overseas sales were favorable, achieving double-digit growth overall in real terms, led by strong sales in Europe, Asia and China.

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- This section outlines the consolidated financial results for the third quarter of fiscal 2008.

Fiscal 2008 Third Quarter Consolidated Results

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(yen: billions)

<reference>

	FY08 Third Quarter	FY07 Third Quarter	vs. FY07	Real vs. FY07 [*]
Sales	2,344.6	2,436.8	-4%	+4%
Domestic	1,138.3	1,214.5	-6%	-2%
Overseas	1,206.3	1,222.3	-1%	+10%
Operating profit	165.4	135.8	+22%	+22%
Pre-tax income	176.6	144.4	+22%	+22%
Net income	115.2	78.7	+46%	-

* Real terms : excluding JVC's results for FY07 Oct. to Dec. (non-audit)

- Consolidated group sales for the third quarter were 2,344.6 billion yen, down 4% compared with the previous year.
- In real terms excluding the results of JVC*, consolidated group sales increased 4%, and overseas sales recorded double-digit growth, from the same period a year ago.
- Operating profit totaled 165.4 billion yen, the highest on record. Operating profit to sales ratio increased by 1.5% from the previous year to 7.1%, exceeding 7.0% for the first time in 17 years.
- Both pre-tax income and net income significantly increased, as shown on this slide. Net income amounted to approximately 1.5 times as much as the previous year's result, exceeding significantly the previous record high.

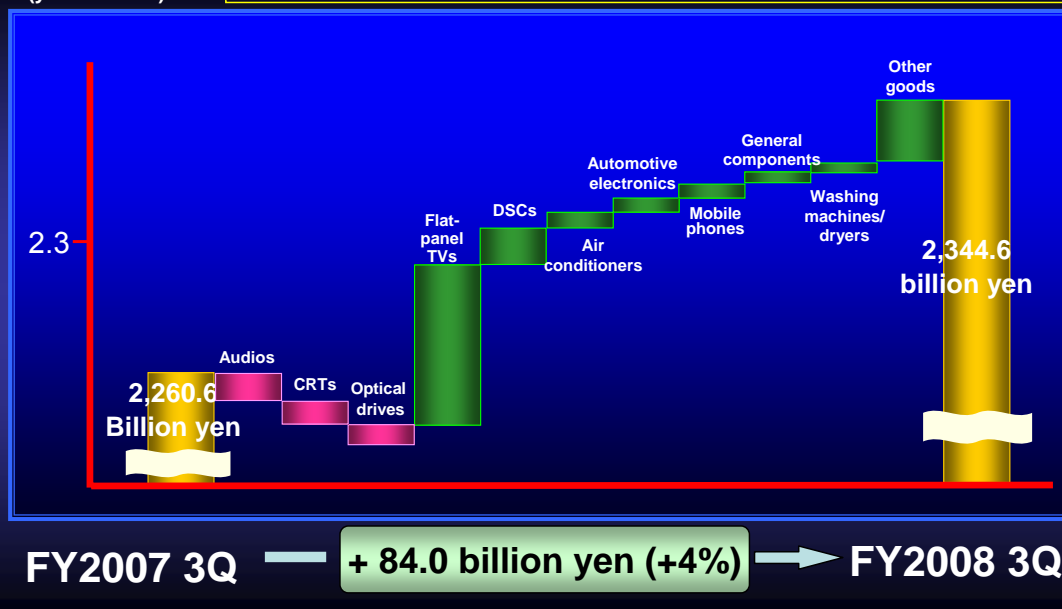
*Victor Company of Japan, Ltd. and its consolidated subsidiaries (JVC) became associated companies under the equity method from Matsushita's consolidated subsidiaries from August 2007.

Sales Analysis by Products (vs. FY2007)

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(yen: trillions)

Real terms excluding JVC's results for FY07 Oct. to Dec. (vs.FY2007 3Q)

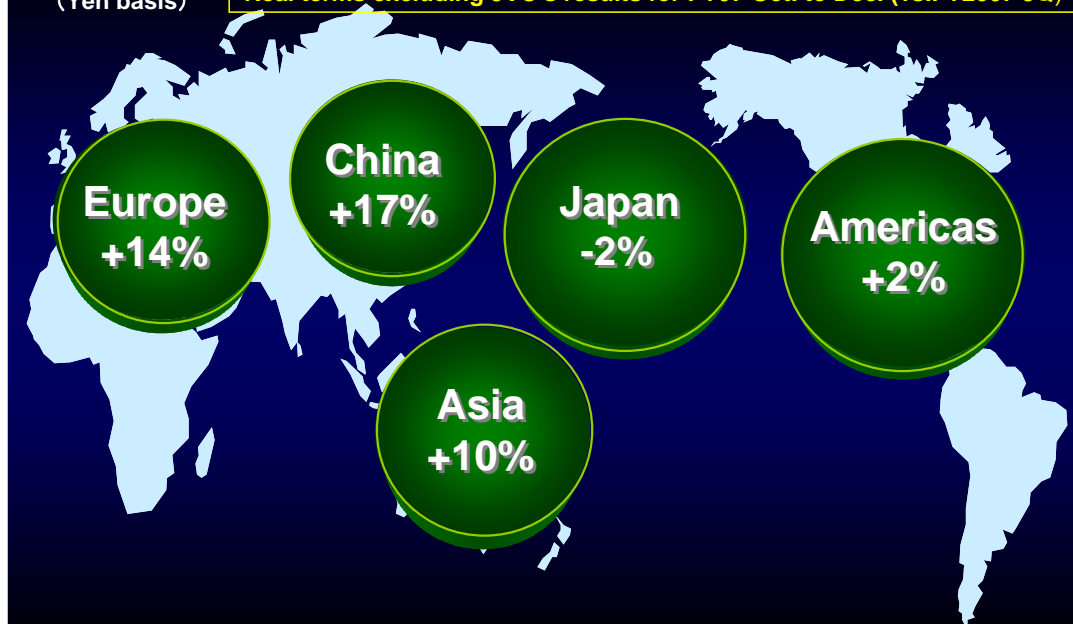


- Next, sales analysis by products.
- This slide shows the sales comparison between the third quarters of fiscal 2007 and 2008, in real terms excluding JVC's results.
- Sales of flat-panel TVs increased by over 50 billion yen, and sales of digital cameras and white goods were also favorable, resulting in an 84.0 billion yen increase in overall sales in real terms, up 4% from the same period a year ago.

Global Sales by Region

(Yen basis)

Real terms excluding JVC's results for FY07 Oct. to Dec. (vs.FY2007 3Q)



- Sales by region were as shown here.
- Although sales in Japan were lower than the previous year, the Company achieved double-digit sales growth in Europe, China and Asia. In Europe, favorable sales of AV products such as flat-panel TVs led to sales growth, while in Asia and China, AV products and white goods contributed to strong sales.

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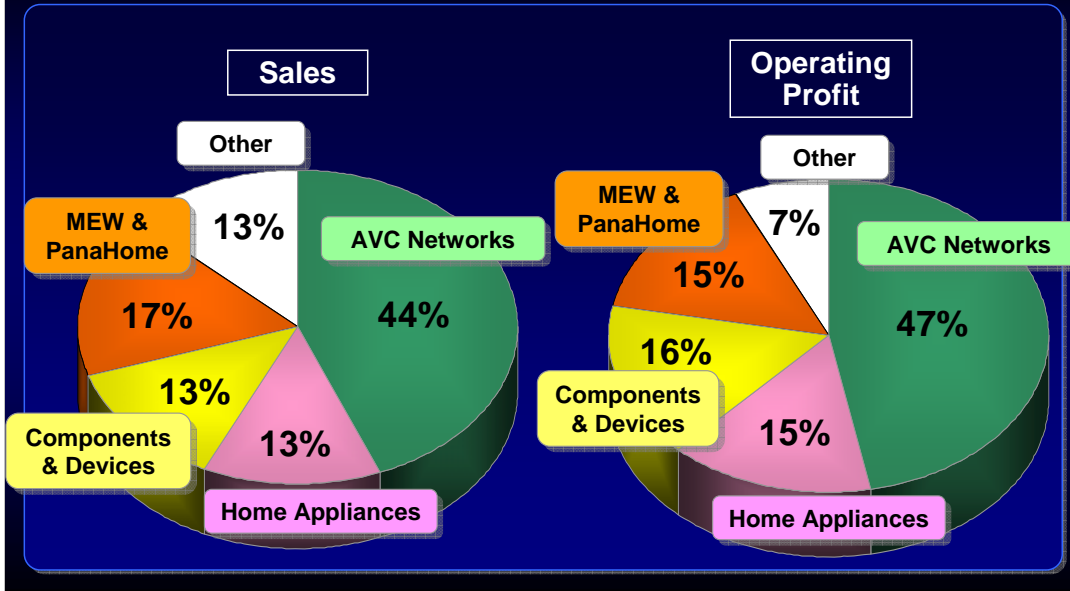
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- Next, segment analysis.

Sales and Operating Profit by Segment

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Including intersegment transactions



- Sales and operating profit by segment in the third quarter are as shown here.
- The proportion of AVC Networks is relatively high, in the mid-forty percent range. Matsushita achieved a well-balanced business portfolio in sales and profit.

AVC Networks



- In AVC Networks, automotive electronics and mobile phones as well as flat-panel TVs and digital cameras showed favorable growth for the third quarter, leading to the highest ever recorded overall sales.
- Operating profit increased 13.4 billion yen from the previous year to 84.3 billion yen, with an operating profit to sales ratio of 7.0%. Both operating profit and operating profit to sales ratio have been increasing steadily.

Results of Major Domain Companies

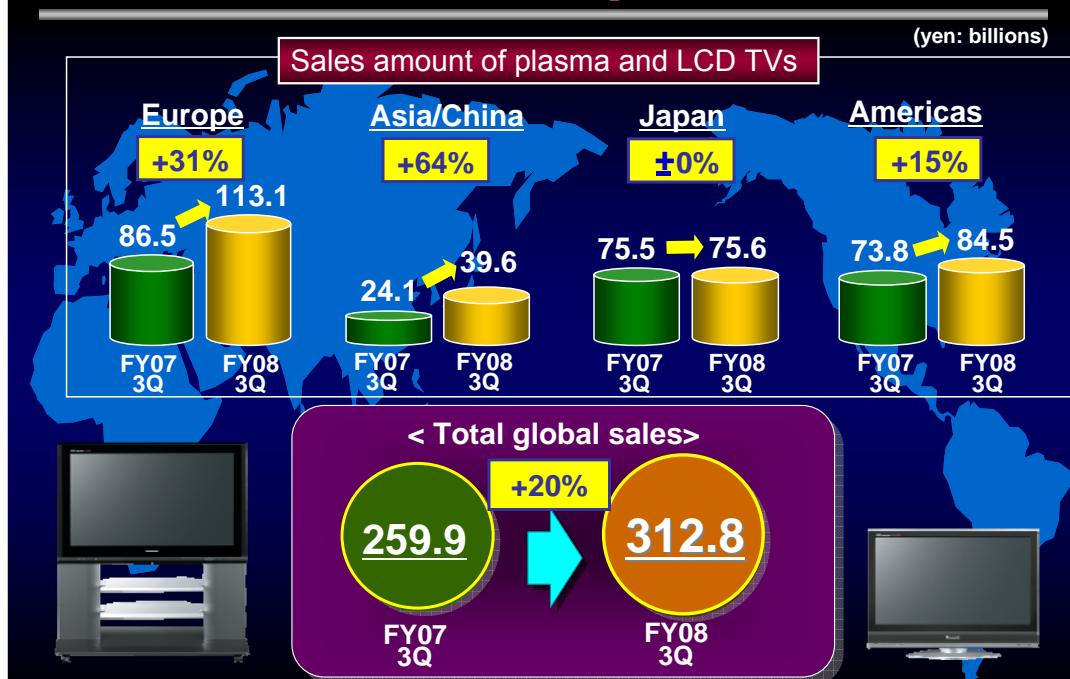
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(yen: billions)

	PAVC		PCC		PMC	
	FY08 3Q	vs. FY07 3Q	FY08 3Q	vs. FY07 3Q	FY08 3Q	vs. FY07 3Q
Sales	610.9	+13%	134.8	+15%	101.3	+2%
Operating profit	46.9	+31%	1.3	-68%	4.2	× 31
Operating profit/sales	7.7%	+1.1%	1.0%	-2.5%	4.1%	+4.0%
Capital investment	25.9	-1.1	6.4	+4.4	1.1	±0

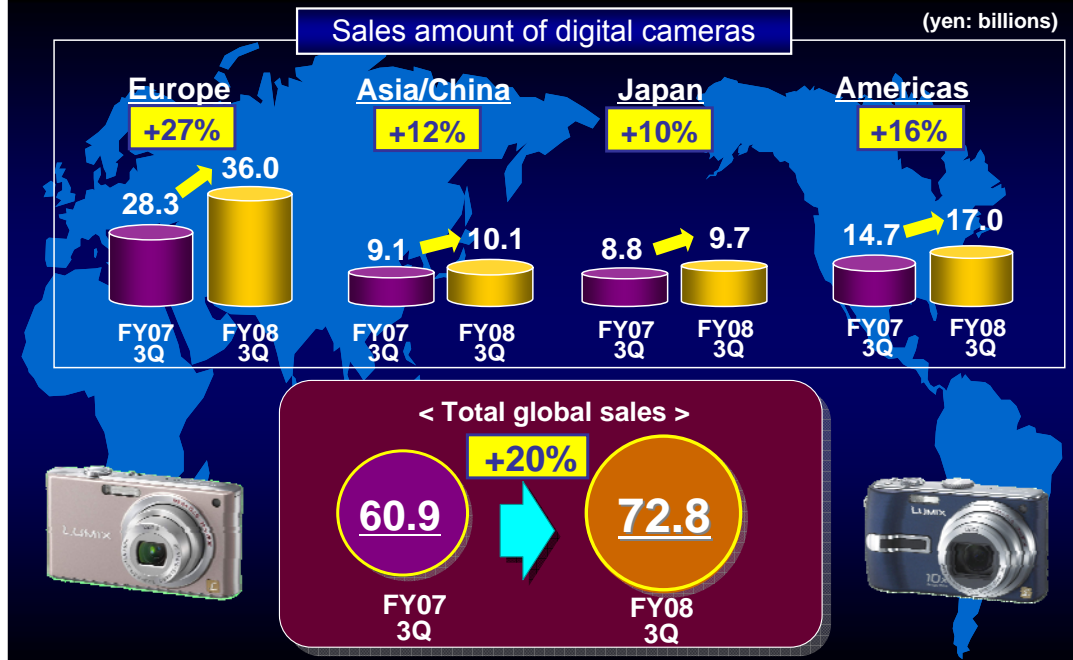
- Third quarter results of three major domain companies within AVC Networks are as shown here.
- Sales of PAVC were the highest on record. Operating profit was 1.3 times as high as the previous year, with an operating profit to sales ratio of 7.7%, which is also the highest on record.
- Operating profit of PCC were down from the previous year by 2.8 billion yen, with an operating profit to sales ratio of 1.0%, due mainly to sluggish sales of optical disc drives.
- In PMC, favorable sales of VIErA series mobile phones contributed to overall sales growth. As a result, operating profit to sales ratio recovered to 4.1%.

Sales of Flat-panel TVs



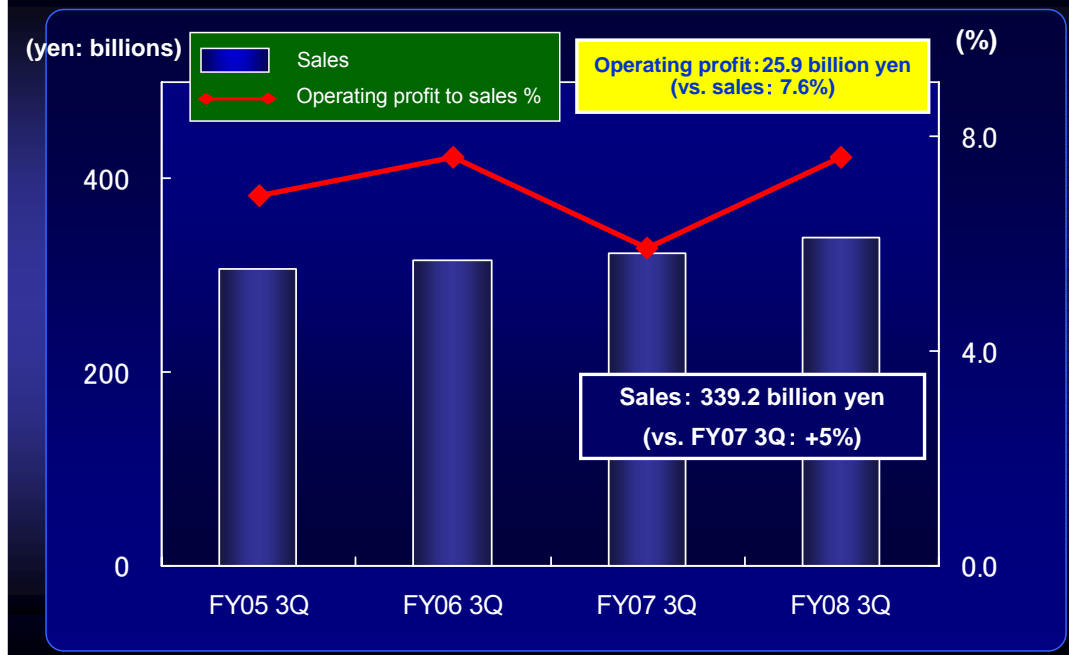
- Sales trends of flat-panel TVs including plasma and LCD TVs are as shown here.
- Sales in Europe exceeded 100 billion yen, up 31% from the previous year. Sales in Asia/China were up 64%, a significant sales growth from the same period a year ago.
- In the Americas, by promoting all-out efforts of expanding consumer demand, the Company achieved double-digit growth of 15% from a year ago. Sales in North America showed a recovery from the first half results.
- Accordingly, total global sales were up 20%, as shown above.

Sales of Digital Cameras



- In digital cameras, FX33 recorded the No.1 market share for nineteen consecutive weeks in Japan since it was launched, and 10 times optical zoom camera TZ3 maintained favorable sales.
- Led by Europe, double-digit sales growth was achieved in every region. As a result, total global sales increased 20% from the third quarter of the previous year.

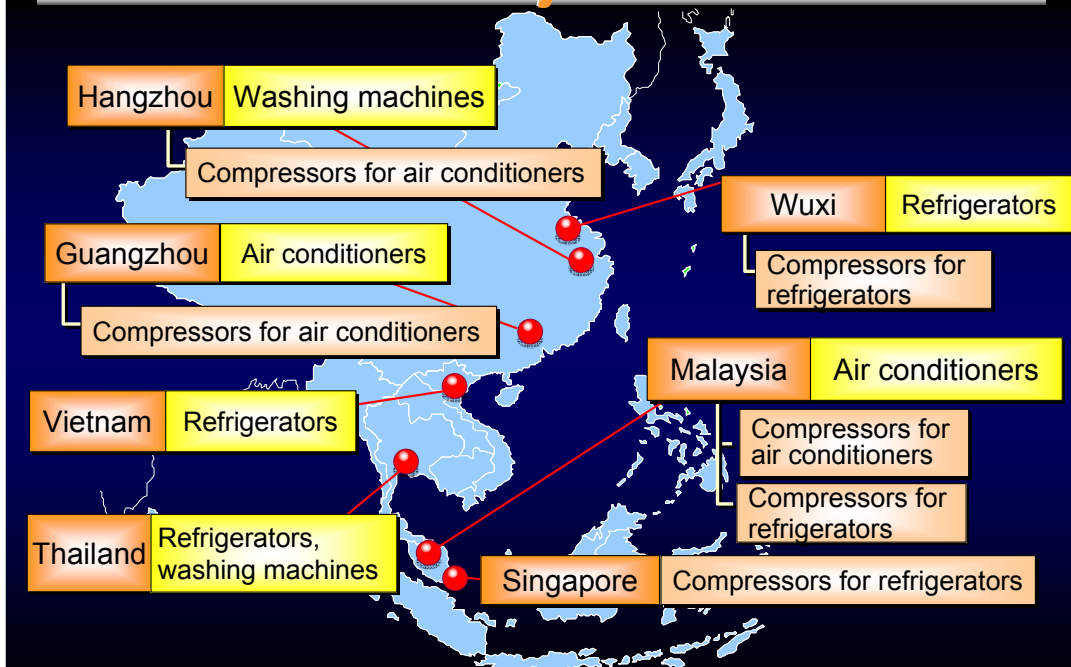
Home Appliances



- Sales in the Home Appliances segment increased by 5% in the third quarter from a year ago, due mainly to continued strong sales of white goods in overseas markets.
- Responding to the rising prices for raw materials including copper, the Company implemented cost reduction initiatives to enhance profitability. These initiatives include a decrease in raw materials consumption or design reviews to adopt alternative materials such as aluminum and iron.
- As a result, operating profit to sales ratio for the third quarter was 7.6%, up 1.7% from the previous year.

Overseas Manufacturing Bases for the Three Major White Goods

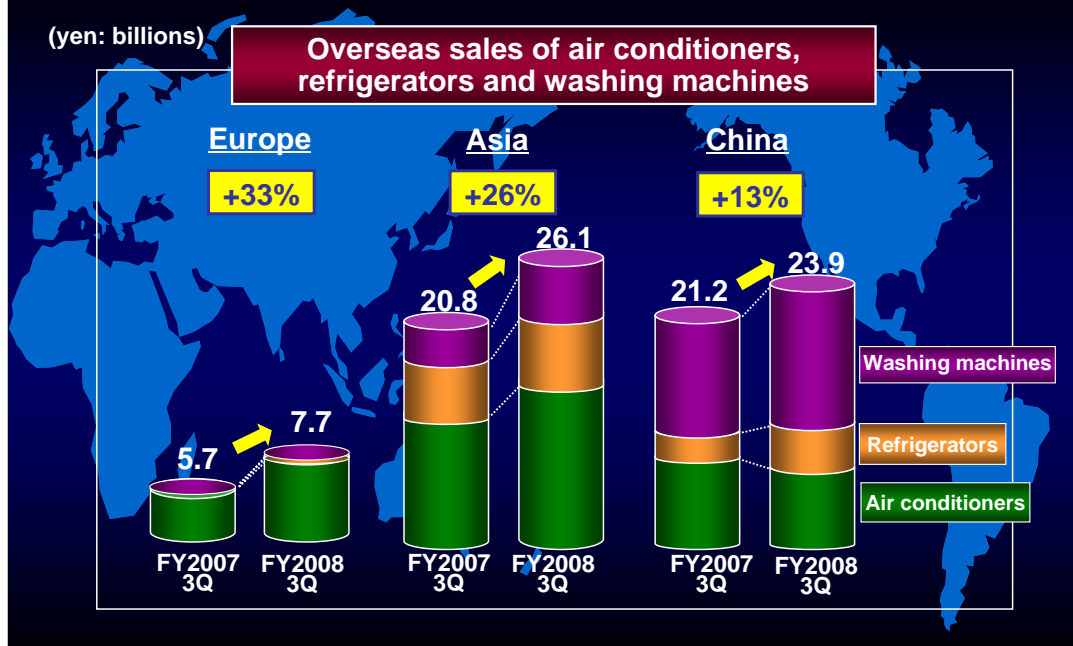
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- As explained in the annual management policy in January 2008, Matsushita aims at a significant growth of overseas sales in white goods.
- The Company positions air conditioners, refrigerators and washing machines as the core products of white goods. With regard to regions, the Company will accelerate its initiatives in the new markets such as Europe, as well as strengthen sales in China and other Asian countries.
- Overseas manufacturing bases for the three major products are located mainly in China and other Asian countries. These bases are close to the manufacturing bases of key components and devices including compressors.
- In these regions, the Company will create products for the global market through even closer cooperation between component and device divisions and finished products divisions.

Overseas Sales of the Three Major White Goods

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- This slide shows the sales of the three major white goods: air conditioners, refrigerators and washing machines.
- Sales in Europe increased by 33% centered on air conditioners. Sales in Asia and China increased by 26% and 13%, respectively. Remarkable sales growth was achieved in each region, leading to overall growth in white goods business.

Products with Strong Sales by Region

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Response to local needs / black box technologies such as energy saving proved to be successful

<p>China</p>	 <p>Inverter air conditioner with automatic wide air flow controller Floor / Wall type</p>	 <p>55cm-width slim refrigerator with direct and indirect refrigeration method</p>	<p>New tilted-drum fully automatic washing machine with wash cycle</p> 
<p>Asia</p>	 <p>Inverter air conditioner with e-ion air-purifying technology</p>	 <p>No.1 energy saving Inverter refrigerator Bio deodorization and sterilization</p>	<p>Aquabeat series of fully automatic washing machine</p> 
<p>Europe</p>	 <p>Inverter air conditioner with e-ion air-purifying technology</p>		

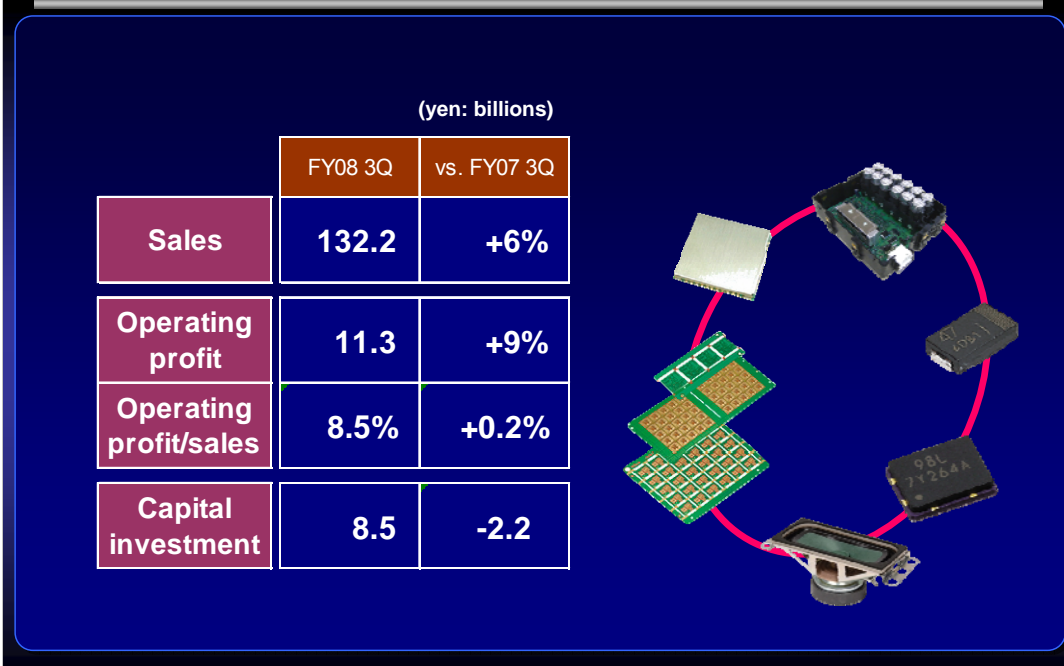
- The products that recorded strong sales in each region are as shown here.
- In China, for example, the slim refrigerator featuring both direct and indirect refrigeration methods was well-received in the market. A combination of the two refrigeration methods that prevents frosting in a freezer (indirect) or drying in a refrigerator (direct), as well as the slim design that enables installation in small kitchens, was highly appreciated by customers.
- In Asia and Europe, the inverter air-conditioner with e-ion air-purifying function was well-received in the markets. Matsushita's unique dust-collection system, as well as energy-saving function, was very popular among customers.
- The Company is strengthening local-oriented manufacturing of products that meet the local consumer needs, thereby achieving successful results.

Components and Devices



- Sales of components and devices for the third quarter maintained about the same level as the previous year, as shown here.
- Operating profit increased 2.2 billion yen from the previous year, maintaining a high operating profit to sales ratio at 7.8%.

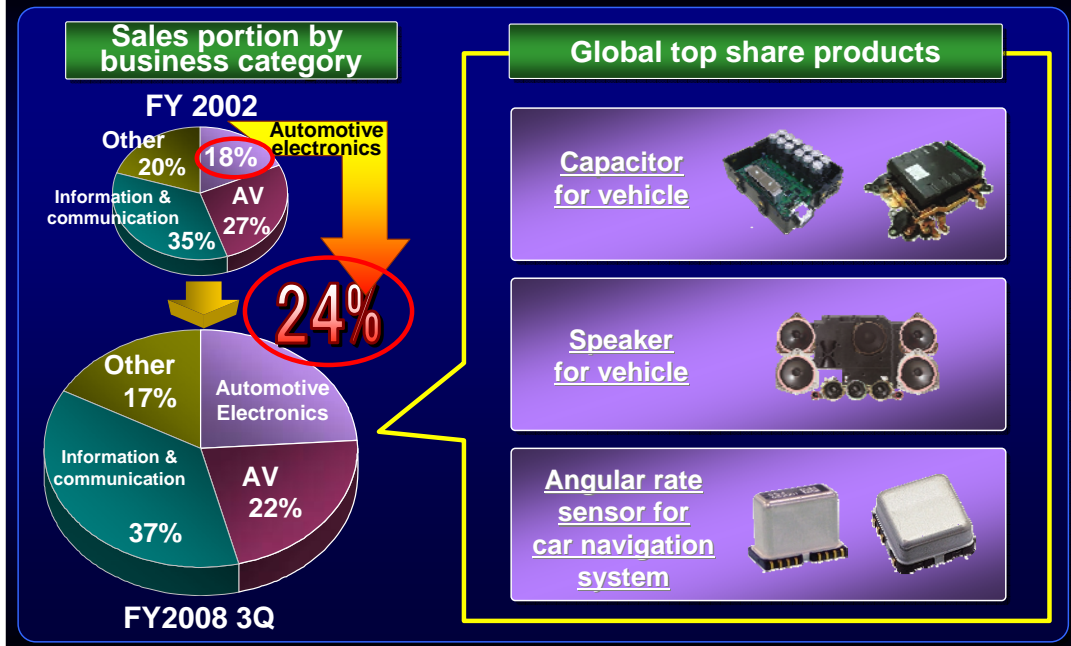
PED



- In PED, which is responsible for general electronic components, both sales and operating profit increased from the last fiscal year. As a result, operating profit to sales ratio also increased to 8.5%.
- In addition to favorable sales of capacitors for notebook PCs and game consoles, strong sales of automotive electronics products such as angular rate sensors and switches contributed to an overall sales increase, thereby maintaining a high level of profitability.

PED's Initiatives in Automotive Electronics Business

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- Since automotive electronics market is rapidly expanding, PED is striving to increase its sales portion of the automotive electronics equipment to 30% of PED's overall sales.
- This portion increased to 24%, compared with 18% of fiscal 2002, while sales in automotive electronics account for approximately 60% of the PED's sales growth.
- With the progress of digitization, PED will further strengthen the automotive electronics business as PED's growing area.

MEW and PanaHome



- In MEW and PanaHome, despite the negative effects from sluggish housing market conditions, favorable sales in other areas led to an increase both in sales and profit from the previous year.
- The operating profit to sales ratio was 5.8%, up 0.5% from the comparable period a year ago.

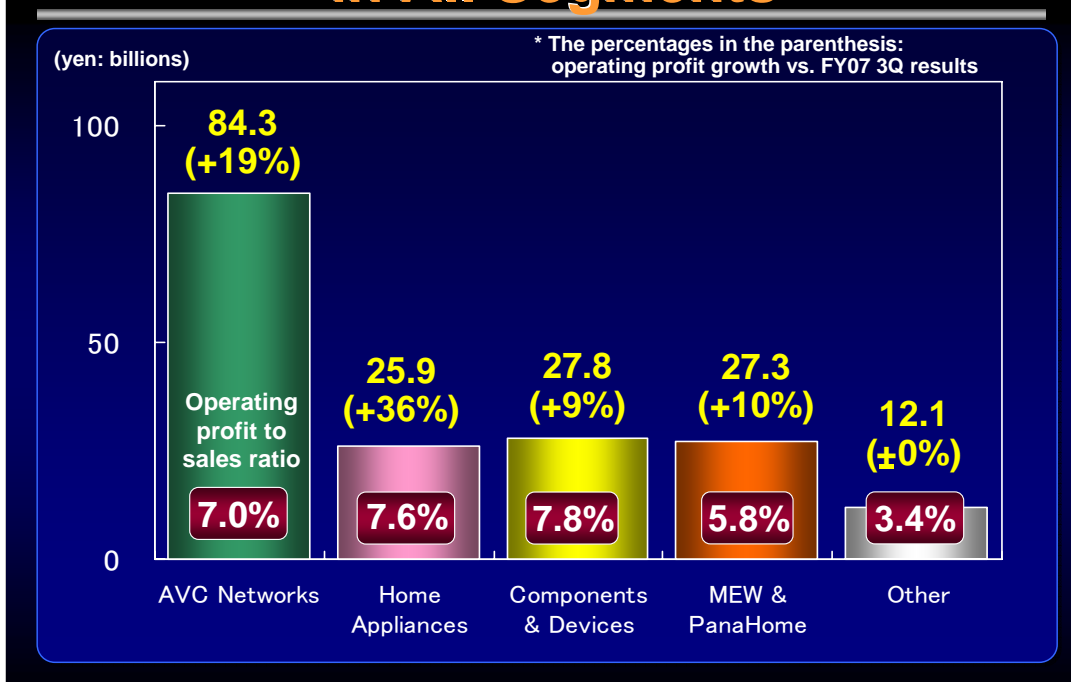
Other



- In the Other segment, both sales and operating profit increased from the previous year. This result is due mainly to the favorable sales of factory automation (FA) equipment.

Profit Increase was Achieved in All Segments

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- As a result, profit increase was achieved in all segments.
- The operating profits to sales ratio exceeded 7% in AVC Networks, Home Appliances and Components & Devices. Furthermore, MEW & PanaHome recorded double-digit growth in operating profit.
- The Company strives to pursue a further growth and enhance profitability in each segment.

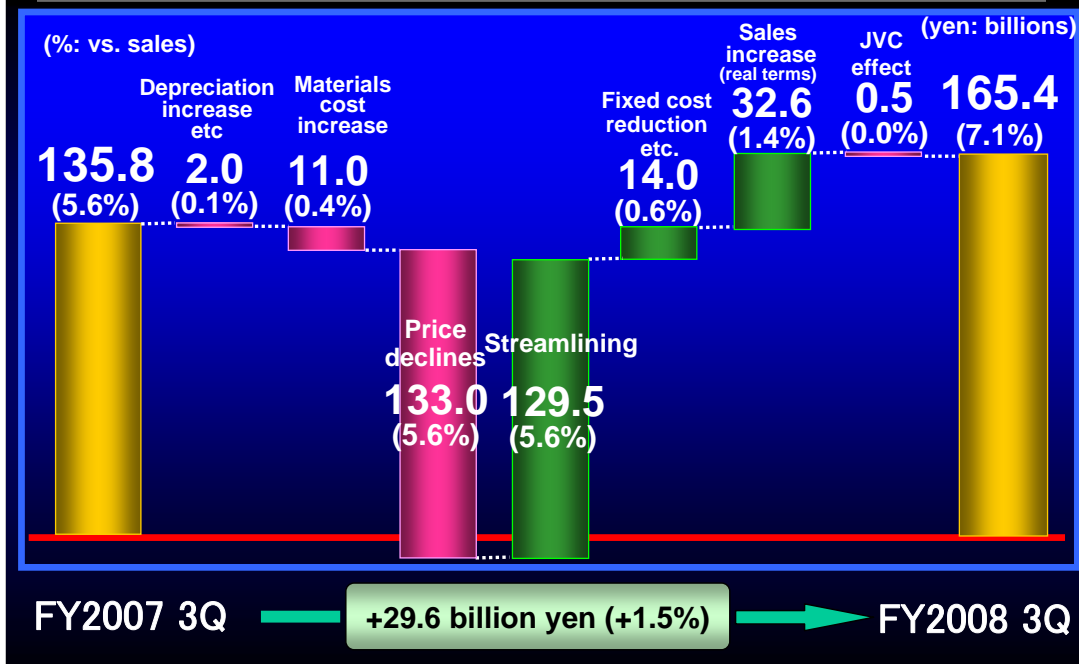
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- Next, profit analysis.

Operating Profit Analysis (vs. FY2007 3Q)

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- This slide shows operating profit analysis.
- The effects of streamlining and fixed cost reduction were more than sufficient to offset the negative factors such as continuous price declines and rising prices for raw materials.
- These factors, as well as sales gains, led to an 29.6 billion yen operating profit increase from the same period a year ago.

Pre-tax and Net Income Analysis

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(yen: billions)

	FY08 3Q	vs. FY07 3Q
Operating profit	165.4	+29.6
Non-operating income/loss	11.2	+2.6
Financial income	8.3	+2.0
Early retirement charges	-3.4	-2.9
Other	6.3	+3.5
Pre-tax income	176.6	+32.2
Provision for income taxes	-47.0	+9.9
Minority interests	-11.1	-2.2
Equity in associated companies	-3.3	-3.4
Net income	115.2	+36.5

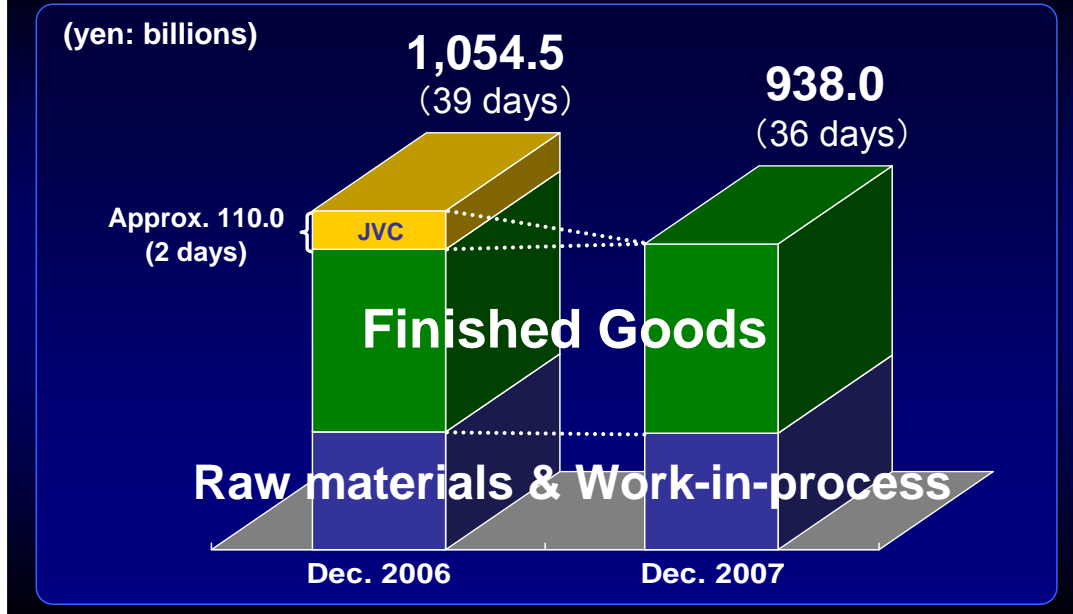
- Non-operating income/loss in the third quarter of fiscal 2008 was a gain of 11.2 billion yen, an increase of 2.6 billion yen from the same period a year ago, due mainly to an improvement of financial income.
- Provision for income taxes decreased by 9.9 billion yen from the previous year.
- A change in minority interests was due mainly to an improvement of business performance in MEW.
- Equity in losses of associated companies was due mainly to a profit decline in the joint venture with Toshiba.
- As a result, net income totaled 115.2 billion yen, the highest on record.

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- Finally, balance sheet items.

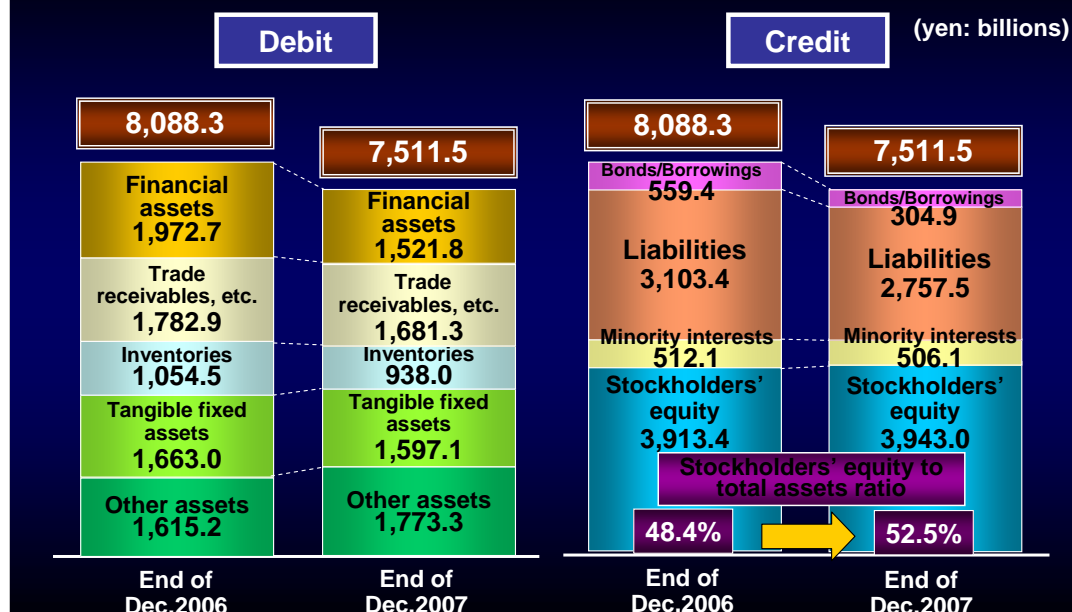
Inventories



- Inventories totaled 938.0 billion yen, or 36 inventory turnover days, a three-day decrease from the end of December 2006.
- Excluding JVC, the total amount also decreased from a year ago, by one inventory turnover day.

Strengthening Financial Structure

Aiming to reduce total assets and reinforce balance sheet



- This slide shows the changes in balance sheet.
- Total assets decreased by approximately 580 billion yen from the previous year. Total assets in real terms, excluding the effect of JVC, also decreased by approximately 190 billion yen.
- The Company improved its financial condition by reducing liability with interest such as the corporate bonds/borrowings. Stockholders' equity to total assets ratio also increased from 48.4% to 52.5%, thereby enhancing soundness of overall financial condition.
- The Company continues to promote shareholder-oriented management such as implementing comprehensive and proactive return to shareholders through dividend and own-share repurchases.

Fiscal 2008 Consolidated Nine-month Results

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(yen: billions)		(reference)		
	FY08 Nine Months	FY07 Nine Months	vs. FY07	Real vs. FY07*
Sales	6,869.9	6,826.3	+1%	+5%
Domestic	3,326.1	3,394.6	-2%	+1%
Overseas	3,543.8	3,431.7	+3%	+10%
Operating profit	385.4	343.2	+12%	+14%
Pre-tax income	364.2	376.9	-3%	+1%
Net income	220.3	193.8	+14%	-

* Real terms : excluding JVC's results for FY07 Aug. to Dec. (non-audit)

- For your reference, consolidated nine-month results for fiscal 2008 are shown on this slide.
- Even including the JVC's previous year's results, overall sales increased, and both operating profit and net income achieved double-digit growth, from the same period of last year.
- Both sales and net income hit record-highs for the nine months.



- Although both sales and profit increased in real terms excluding JVC for the third quarter and nine months of fiscal 2008, ending March 31, 2008, Matsushita will not change its full-year forecast in response to the current uncertainty of the macroeconomic conditions including the subprime loan problems.
- However, the Company will regard the current forecast as providing minimum targets and strive for further growth in earnings.
- Thank you for your continued support.

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In order to be consistent with generally accepted financial reporting practices in Japan, operating profit (loss) is presented in accordance with generally accepted accounting principles in Japan. The company believes that this is useful to investors in comparing the company's financial results with those of other Japanese companies. Under United States generally accepted accounting principles, expenses associated with the implementation of early retirement programs at certain domestic and overseas companies are usually included as part of operating profit (loss) in the statement of income.