MATSUSHITA ELECTRIC INDUSTRIAL CO LTD
Form 6-K
June 02, 2008

Table of Contents

FORM 6-K

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

Report of Foreign Private Issuer

Pursuant to Rule 13a-16 or 15d-16 of

The Securities Exchange Act of 1934

For the Month of May 2008

Commission File Number: 1-6784

Matsushita Electric Industrial Co., Ltd.

Kadoma, Osaka, Japan

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F x Form 40-F ¨

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101 (b)(1): __

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101 (b)(7): __

Indicate by check mark whether by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes ¨ No x

If Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-____

Table of Contents

This Form 6-K consists of:

Table of Contents

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Matsushita Electric Industrial Co., Ltd.

By: /s/ YUKITOSHI ONDA
Yukitoshi Onda, Attorney-in-Fact
General Manager of Investor Relations
Matsushita Electric Industrial Co., Ltd.

Dated: June 2, 2008

Table of Contents

May 19, 2008

FOR IMMEDIATE RELEASE

Media Contacts:

Akira Kadota (Japan)
International PR
(Tel: +81-3-3578-1237)

Panasonic News Bureau (Japan)
(Tel: +81-3-3542-6205)

Jim Reilly (U.S.)
(Tel: +1-201-392-6067)

Anne Guennewig (Europe)
(Tel: +49-611-235-457)

Investor Relations Contacts:

Kazuo Sasaki (Japan)
Investor Relations
(Tel: +81-6-6908-1121)

Yoichi Nagata (U.S.)
Panasonic Finance (America), Inc.
(Tel: +1-212-698-1362)

Hiroko Carvell (Europe)
Panasonic Finance (Europe) plc
(Tel: +44-20-7562-4400)

Matsushita Electric to Partially Amend its Articles of Incorporation

Osaka, Japan, May 19, 2008 Matsushita Electric Industrial Co., Ltd. (Matsushita [NYSE symbol: MC]), best known for its Panasonic brand, today announced that its Board of Directors resolved to submit a proposal, at the ordinary general meeting of shareholders to be held on June 26, 2008, to partially amend its Articles of Incorporation.

1. Reasons for amendments

On October 1, 2008, the Company will change its trade name from Matsushita Electric Industrial Co., Ltd. to Panasonic Corporation as well as unify brands under the Panasonic brand in the Group.

In 2008, the Company marks its 90th anniversary since its establishment, in 1918, as Matsushita Electric Devices Manufacturing Works. It was incorporated in 1935, at which time the trade name was changed to Matsushita Electric Industrial Co., Ltd. Thanks to the generous support of all of its stakeholders, Matsushita has continued to develop through the years, based on an ideal of contributing to society through its business activities.

Through this trade name change, as well as the unification of brands, the Company aims to consolidate the accumulated resources of all business activities throughout the Group under one brand, Panasonic, thereby enhancing the value of the corporate brand. This will greatly benefit the Company in implementing its management philosophy and achieving global excellence.

In addition, the amendment of Article 1 shall become effective as of October 1, 2008, supplementary provisions providing to that effect shall be newly established, and such supplementary provisions shall be eliminated after such amendment has become effective.

Table of Contents

2. Details of amendments

The current Articles of Incorporation and the proposed amendments are as follows:

(The changed parts are underlined.)

Current Articles of Incorporation	**Proposed Amendments**
(Trade Name)	(Trade Name)
Article 1	**Article 1**
The Company shall be called Matsushita Denki Sangyo Kabushiki Kaisha, and written in English as Matsushita Electric Industrial Co., Ltd.	The Company shall be called Panasonic Kabushiki Kaisha, and written in English as Panasonic Corporation.
Article 2 through Article 39	**Article 2 through Article 39**
(The descriptions of the Articles are omitted.)	(The Articles are unchanged from the current version.)
Supplementary Provisions	Supplementary Provisions
1. Transitional Measure Regarding the Number of Shares	1. Transitional Measure Regarding the Number of Shares
Constituting One Unit of Shares	Constituting One Unit of Shares
(The descriptions of the Articles are omitted.)	(The Articles are unchanged from the current version.)
(Newly Established)	2. Transitional Measure Regarding the Trade Name
	The amendment of Article 1 shall become effective as of October 1, 2008, and the Trade Name shall be as follows in accordance with the prior Trade Name until such amendment becomes effective:

(Trade Name)

Article 1

The Company shall be called Matsushita Denki Sangyo Kabushiki Kaisha, and written in English as Matsushita Electric Industrial Co., Ltd.

This transitional measure will be eliminated after the amendment of Article 1 has become effective.

# # #

Table of Contents

NOTICE OF

THE 101ST ORDINARY GENERAL MEETING

OF SHAREHOLDERS

to be held in Osaka, Japan

on June 26, 2008

[This is a translation from the Japanese of a notice circulated to shareholders in Japan.]

Matsushita Electric Industrial Co., Ltd.

Kadoma, Osaka, Japan

Table of Contents

May 28, 2008

Dear Shareholders:

Notice of the 101st Ordinary General Meeting of Shareholders

This is to inform you that the Company s 101st Ordinary General Meeting of Shareholders will be held as described below. You are cordially invited to attend the meeting.

If it is inconvenient for you to attend the meeting, you are sincerely requested to examine carefully the reference materials contained herein and to either mail, as soon as possible, the voting instruction card duly signed by you after marking for or against each bill, or to exercise your voting rights via the Internet.

* * * * * * * * * * * * * *

1. Date: 10:00 a.m. Thursday, June 26, 2008

2. Place: Hotel New Otani Osaka

3. Purposes:

Matters to be Reported:

1. The business report and statutory report on a consolidated and a parent-alone basis with respect to the 101st fiscal period from April 1, 2007 to March 31, 2008

2. Report of Accounting Auditors and the Board of Corporate Auditors on the consolidated financial statements

Matters to be Acted Upon:

Bill No. 1: To partially amend the Articles of Incorporation

Bill No. 2: To elect 19 directors

Bill No. 3: To elect 2 corporate auditors

Sincerely yours,

Fumio Ohtsubo
President and Director
Matsushita Electric Industrial Co., Ltd.
1006 Oaza Kadoma, Kadoma-shi, Osaka, Japan

[Shareholders attending the meeting are requested to hand in the voting instruction card at the reception desk of the meeting venue. Persons other than shareholders, such as proxies and accompanying persons who are not shareholders, are not permitted to attend the meeting.]

Editor s notes:

1. The financial statements and other information included in this Notice are prepared primarily on a consolidated basis in conformity with U.S. generally accepted accounting principles (U.S. GAAP). In some cases where required, however, financial information on a parent company alone basis, which is in conformity with Japanese regulations, is also provided herein. Parent-alone and consolidated financial information should not be confused with each other.

2. An English translation of explanations for the exercise of voting rights via the Internet is omitted herein. For foreign shareholders who maintain standing proxies in Japan, such explanations (in Japanese) are sent to, and available at, your standing proxies.

3. For supplemental information regarding the bills on pages 41 to 47, please visit the following Web site: http://ir-site.panasonic.com/shareholder/index.html

Table of Contents

[Appendix to the Notice of General Meeting of Shareholders]

Business Report for the 101st Fiscal Period

(Fiscal year from April 1, 2007 to March 31, 2008)

1. Brief Business Review of the Matsushita Group

(1) Progress and Results during the Period

The electronics industry in the fiscal year ended March 31, 2008 (fiscal 2008) faced severe business conditions in Japan and overseas, due mainly to ever-rising prices for crude oil and other raw materials, and continued price declines caused by continuously intensifying global competition, mainly in digital products. Under these circumstances, the Matsushita Group worked to accelerate growth strategies in fiscal 2008, the first year of the three-year mid-term management plan GP3, in which the Matsushita Group aims to achieve net sales of ¥10 trillion and an ROE of 10% in fiscal 2010 through steady growth with profitability.

The Company s basic approach for steady growth is to strengthen manufacturing. In order to become a manufacturing-oriented company one that combines all the business activities of the Group toward the launch of products and contributes to the creation of customer value. Matsushita promoted wider collaboration across business fields and operating regions, and worked to reform the entire process of product creation, including design, quality control, procurement, logistics, overseas sales and other areas of its operations.

Specifically, Matsushita continued to strengthen V-products, which are the core of its growth strategies and make a significant contribution to overall business results in order to boost their market shares. With regard to the strategic plasma display panel (PDP) business, Matsushita started operation of its fourth domestic PDP plant in June 2007, and began construction of its fifth in November 2007. In addition, Matsushita implemented initiatives to achieve double-digit growth in overseas sales of consumer products. To accelerate growth in emerging markets as well as the U.S. and Europe, the Company established a framework to boost sales in Russia, Brazil and India, and also promoted cutting-edge products.

Matsushita recognizes that environmental activities, in particular, significantly accelerating CO_2 reduction, are just as important as growth and profitability in achieving global excellence, and released the Panasonic Eco Ideas Declaration in October 2007. Under this declaration, Matsushita will endeavor to reduce its global CO_2 emissions at all production sites around the world by 300,000 tons (compared with fiscal 2007 levels) by fiscal 2010, the final year of the GP3 plan. This would be double the reduction accomplished from fiscal 2005 to 2007.

As a result of the aforementioned and other efforts, consolidated group sales for fiscal 2008 amounted to ¥9,068.9 billion, mostly the same level from ¥9,108.2 billion in the previous fiscal year. Explaining fiscal 2008 results, the Company cited sales gains in all product categories except JVC (Victor Company of Japan Ltd. and its subsidiaries), due mainly to favorable sales in digital AV products and white goods. Meanwhile, Victor Company of Japan, Ltd. and its consolidated subsidiaries became associated companies under the equity method in August 2007, and their sales for the period from then on are not included in Matsushita s consolidated net sales. Regarding earnings, operating profit for this fiscal year was up 13%, to ¥519.5 billion, from ¥459.5 billion in the previous year, despite the effects from rising prices for crude oil and other raw materials, and ever-intensified global price competition. This improvement was due primarily to sales gains excluding the effect of JVC and the cost reduction efforts including materials costs and fixed costs. In other income (deductions), the Company incurred expenses associated with the implementation of early retirement programs and impairment losses on investments, as well as impairment losses from tangible fixed assets. These factors, despite the increased operating profit, led to income before income taxes of ¥435.0 billion, down 1% from ¥439.1 billion in the previous year. Net income hit a record-high of ¥281.9 billion, up 30% from ¥217.2 billion in the previous year, as a result of a decrease in provision for income taxes. As a result, return on equity (ROE) for fiscal 2008 improved 1.8% to 7.4%, compared with 5.6% in fiscal 2007.

* In order to be consistent with generally accepted financial reporting practices in Japan, operating profit is presented as net sales less cost of sales and selling, general and administrative expenses. The Company believes that this is useful to investors in comparing the company s financial results with those of other Japanese companies. Under U.S. GAAP, expenses associated with the implementation of early retirement programs at certain domestic and overseas companies are included as part of operating profit in the statement of income.

AVC Networks

Sales in this category totaled ¥4,001.8 billion, up 6% from the ¥3,764.7 billion in the previous fiscal year.

Video and audio equipment

Sales of video and audio equipment totaled ¥1,799.2 billion, up 8% from ¥1,670.3 billion a year ago, due mainly to significant growth in sales of digital AV products, including flat-panel TVs and digital cameras.

Regarding TVs, the VIERA series recorded a significant increase in sales from the previous year, due primarily to expanding demand for larger-sized, full high-definition (HD)*[1] models amid the global progress of digital broadcasting. In plasma TVs, Matsushita released the world s first full HD 42-inch models in an effort to expand its lineup of full HD models, thereby maintaining a leading market share in many countries.

Sales of the LUMIX series of digital cameras significantly increased, due mainly to strong sales of new models that feature an automatic iA (Intelligent Auto) mode, which includes functions such as a face detection system that automatically chooses settings optimal for each condition.

Blu-ray disc recorders and DVD recorders maintained a leading global market share, due mainly to strong sales of DIGA series products, mainly in HD-compatible products in Japan.

In the future, Matsushita will actively expand its digital AV business by promoting HD models and improving networking capabilities of equipment centered on flat-panel TVs.

*[1] Full-high definition: 2.07 million pixels (Horizontal 1,920 x Vertical 1,080 pixels)

Information and communications equipment

Sales in this category totaled ¥2,202.6 billion, up 5% from ¥2,094.4 billion in the previous fiscal year, due mainly to strong sales of automotive electronics and mobile phones.

In information equipment, sales of automotive electronics such as car AV products and the Strada series of car navigation systems remained strong. Moreover, the Company s notebook PCs were well received in the market for their light weight, long battery life and shock and water resistance, thereby increasing sales, particularly overseas.

In communications equipment, sales of mobile phones significantly increased due mainly to strong demand for models with high-resolution screens for watching One Segment broadcasting. In fixed-line communications equipment, including telephones, strong sales were recorded in TV door intercoms featuring wireless handsets with color monitors in Japan.

Going forward, Matsushita will continue to launch new products, services, and solutions that provide safety, security, comfort, and convenience in the home, office, car, and outdoors.

Home Appliances

Sales in this category totaled ¥1,283.0 billion, up 6% from ¥1,212.1 billion in the previous fiscal year.

In fiscal 2008, strong sales were recorded in high value-added products that leverage Matsushita s proprietary technologies. These products include tilted-drum washer/dryers with significantly improved washing performance that feature a heat-pump drying system that saves energy and water, air conditioners that automatically adjust air flows depending on people s sense of temperature, and refrigerators featuring nano-e crispers that keep vegetables and other cold-sensitive foods fresh with nano-e technology. In Japan, Matsushita maintained leading market shares for all-electric products such as induction-heating (IH) cooking equipment and natural-refrigerant water heating systems. The Company s sanitary equipment Beauty Toilet, which features warm water cleansing, was highly praised for its energy efficiency. With its sensor technology, the Company succeeded in heating toilet seat and water only when in use, thereby reducing electricity consumption significantly. In China and other Asian markets, Matsushita utilized its lifestyle research centers located in China and Thailand, and strengthened manufacturing based on local lifestyles, thereby increasing overseas sales.

Looking forward, the Company will strive to increase sales centering on washing machines, air conditioners and refrigerators, and also boost the market share of all-electric products in Japan to drive expansion of the home appliances business. Matsushita will also strive to expand its business globally, through an aggressive approach in Europe, China and other Asian countries.

Table of Contents

Components and Devices

Sales in this category were ¥1,150.3 billion, up 2% from ¥1,126.9 billion in the previous fiscal year. This was due mainly to growth in sales of key devices, which support products such as digital AV and automotive equipment.

In general electronic components, sales gains were recorded as a result of favorable sales in angular rate sensors used for increasing precision of car navigation systems and digital cameras, specialty polymer aluminum electrolytic capacitors that are compact and have a high noise reduction function, and light touch switches used for mobile phones.

In the semiconductor business, in addition to favorable sales of image sensors for digital cameras, a significant increase in sales was recorded in system LSIs primarily for digital AV equipment. In June 2007, the Company began the world s first mass production of cutting-edge 45-nanometer process system LSIs using 300mm wafers at its Uozu plant.

In batteries, despite weak sales of lithium-ion batteries, overall sales increased due mainly to favorable results of alkaline dry batteries. Staying a step ahead of its competitors, Matsushita also developed the new alkaline dry battery EVOLTA, which provides extended life in a wide range of applications, including digital AV products.

Going forward, Matsushita will strive to secure growth and enhance profitability by producing high value-added devices that help make equipment better performing, more compact, lighter, and more energy-efficient.

MEW and PanaHome

Sales in this category increased 2% from ¥1,698.1 billion in the previous fiscal year to ¥1,730.7 billion.

MEW recorded sales gains in electrical construction products, mainly in high-performance wiring equipment and home fire alarms, while in the home appliances business, favorable sales were recorded mainly in aesthetic products. In the building products business, although a decrease in residential construction starts had a negative effect, a strong performance by the fully-automatic toilet with self-cleaning function, A La Uno, which features new materials that resist dirt, as well as water-related products such as modular bathroom systems for collective housing, contributed to an increase in sales. Meanwhile, in the electronic and plastic materials business, environmentally friendly products such as multilayer printed circuit board materials and semiconductor encapsulation materials showed a significant increase in sales. In the automation controls business, MEW saw favorable sales in automotive devices.

Going forward, MEW will develop demand-creating products in response to social trends such as those related to environmental protection, energy conservation, security and health. In addition, MEW plans to expand its overseas business, with a particular emphasis on China, India and other Asian countries.

In PanaHome, a sales decline in the detached housing business as a result of sluggish housing market conditions, led to a decrease in overall sales.

Going forward, PanaHome will provide living spaces that are friendly to people and the planet by embracing technologies in harmony with the environment. It will also provide comfortable living environments and spaces, thereby ensuring sustainable growth.

JVC

Sales in this category totaled ¥180.5 billion.

JVC (Victor Company of Japan Ltd. and its subsidiaries) became associated companies under the equity method in August 2007, and the sales for the period from then on are not included in Matsushita s consolidated results.

Other

Sales in this category increased 8% to ¥722.6 billion from ¥667.8 billion in the previous fiscal year.

In the factory automation (FA) business, Matsushita maintained a leading global market share by expanding its lineup of high-speed modular mounting machines. In the semiconductor mounting business, the Company introduced new products that enable multiple mounting and mounting of high-brightness LEDs. To provide optimal solutions for its customers, Matsushita has established a global framework for demonstration to support test production and development of the manufacturing processes overseas.

Looking ahead, Matsushita will strive to further enhance the speed and functionality of its mounting equipment and actively offer a wide range of solutions, thereby securing growth in the FA business.

Table of Contents

Sales Breakdown

Category	Sales (billions of yen)	Percentage vs. previous year	Percentage of total sales
AVC Networks	4,001.8	106%	44%
Video and audio equipment	1,799.2	108	20
Information and communications equipment	2,202.6	105	24
Home Appliances	1,283.0	106	14
Components and Devices	1,150.3	102	13
MEW and PanaHome	1,730.7	102	19
JVC	180.5	28	2
Other	722.6	108	8
Total	9,068.9	100	100
Sales			
Domestic	4,544.8	98	50
Overseas	4,524.1	101	50

(Notes) 1. Amounts less than one-tenth of a billion yen have been rounded to the nearest whole one-tenth of a billion yen. Percentages versus the previous year have been rounded to the nearest whole number.

2. The healthcare business was transferred to Panasonic Shikoku Electronics Co., Ltd. on April 1, 2007. Accordingly, year-on-year comparisons for the Home Appliances and AVC Networks businesses are based on restated results for fiscal 2007.

3. Victor Company of Japan Ltd. and its consolidated subsidiaries became associated companies under the equity method in August 2007. Accordingly, JVC sales for the period from then on are not included in consolidated sales for the year under review. The year-on-year comparison is based on the twelve-month total for fiscal 2007.

(2) Research and Development

Matsushita executed initiatives to accelerate R&D with a focus on key development themes, in order to enhance R&D efficiency primarily by creating a common platform for technologies in different product segments and categories, and to develop environmental and recycling technologies.

Key development themes during the fiscal year were as follows:

(1) Innovative technologies that contribute to significant advances in plasma display panels (PDPs)

Using new fluorescent substances and other new materials, a new highly efficient discharge gas, and a new circuit driver technology that dramatically lowers power loss, Matsushita developed 1) a highly efficient full HD 42-inch PDP, which doubled the luminous efficiency of previous models while halving power consumption, 2) a full-flat full HD 50-inch PDP that is only 24.7 mm thick and 3) the world s largest 150-inch PDP[*1] with an 8.84 million-pixel resolution, four times that of existing full HD PDPs.

(2) The world s first[*2] Integrated Platform for 45 nm process system LSI

Using 45 nm process technology and system LSI design technology that integrates 250 million transistors onto a single chip, Matsushita succeeded in mounting the next-generation codec MPEG-4 AVC on a single chip. This codec enables a four-fold increase[*3] in full HD recording time. The new system LSI is used in six types of equipment, including the Blu-ray DIGA HD recorder. This codec is also employed in mobile phones and camcorders, thereby contributing to improved R&D efficiency.

(3) Tilted-drum washer/dryers with the world s first[*4] Dancing laundering & drying system

Matsushita s newly developed dual direct-drive motor combines regular drum rotation with a quick back-and-forth movement, something conventional motors cannot do, thereby improving washing performance.

(4) The new alkaline dry battery EVOLTA, boasting the world s longest battery life[*5]

CAE analysis technology resulted in a new structure with improved volume and strength, and a new production method offering improved material packing density resulted in an increase in active material. The reactivity of active material was boosted by a combination of newly developed high-purity manganese dioxide and oxy-hydroxide titanium, which dramatically reduces the battery s non-reactive portion, thus enabling high performance across the current spectrum.

(5) Technology for recycling flame-retardant plastic used in discarded CRT TVs

The Company developed technology for specifying recyclable plastic used in flat-panel TVs and modification technology based on the properties of the specified plastic. These technologies resulted in recycled plastic with the strength and flame-retardant properties required for flat-panel TVs. Matsushita plans to partially use this material in the VIERA series of flat-panel TVs to be sold in Japan during 2008.

As a result, R&D expenditure during the year totaled ¥554.5 billion.

(Notes)
1. As of January 8, 2008.
2. As of June 19, 2007.
3. When recording BS digital HD broadcasts in HE mode (as compared with direct recording).
4. As of September 6, 2007, for washer/dryers.
5. As of January 15, 2008. Based on tests using AA-size alkaline dry batteries and an average of discharge times measured against ANSI, IEC and JIS standards.

Table of Contents

(3) Capital Investment

During the fiscal year under review, Matsushita primarily implemented capital investment to increase production capacity in strategic business areas such as semiconductors and digital AV equipment, particularly plasma TVs. Capital investment (excluding intangibles, on an accrual basis) totaled ¥449.3 billion.

Principal capital investment consisted of PDP manufacturing facilities for Plant No. 4 of Matsushita Plasma Display Panel Company Ltd. in Amagasaki, Japan, and semiconductor manufacturing facilities for the Uozu plant of the Semiconductor Company, located in Toyama, Japan.

(4) Corporate Financing

Matsushita maintains a basic policy of financing all required funds from internal sources. It also practices efficient fund management through internal financing activities.

(5) Challenges for the Matsushita Group

The global economic outlook for fiscal 2009, ending March 31, 2009, is uncertain. Although high growth is expected in emerging economies, there are a variety of downside risks, including the subprime loan problem, rising prices for raw materials and energy, including crude oil, and currency rate fluctuations. In the electronics industry, while robust growth is expected due mainly to rising demand before the Beijing Olympics, there are uncertainties in the future business environment, such as larger-than-expected price declines and prolonged sluggishness for the housing market in Japan and the U.S.

Under these circumstances, in fiscal 2009, the middle year of the mid-term management plan GP3, Matsushita strives to produce successful results and work on getting growth on track. The Company will steadily implement initiatives focused on four major themes: double-digit growth for overseas sales, four strategic businesses, manufacturing innovation and the eco ideas strategy.

To achieve double-digit growth in overseas sales, the Company will promote initiatives in key markets such as the U.S. and Europe, while also working to accelerate growth in the BRICs countries and Vietnam. In addition, Matsushita plans to spur demand relating to the Beijing Olympics and further expand its overseas sales of home appliances products. With regard to four strategic businesses, Matsushita will focus on its digital AV business, automotive electronics business, businesses providing comfortable living and semiconductors and other devices businesses. The Company will work to strengthen product competitiveness in each business, while also expanding synergies through collaboration between these businesses. In flat-panel TVs, in particular, the Company will lead the large-screen TV market with its plasma TVs, and it also plans to begin construction of a LCD panel plant in Himeji, Japan in August 2008. This will help ensure stable procurement of LCD panels, and will also be another step in the transition to a vertically integrated LCD TV business model. As for manufacturing innovation, Matsushita will further pursue cost reductions processes while also strengthening its V-products. As part of its eco ideas strategy, the Company will create more products with industry-leading energy efficiency, while also working aggressively to reduce CO_2 emissions from production activities. Moreover, Matsushita will work on a wide range of initiatives, in collaboration with local communities, to expand the scope of ecological activities.

In addition, Matsushita will promote initiatives toward future growth with an eye to the next five to ten years. For sustainable growth in the future, Matsushita has to create and foster new businesses as well as strengthen existing products and businesses. Specifically, Matsushita will aim to create new businesses derived from product progress or integration in areas that cut across business domains, such as automotive electronics, mobile AV and security. Furthermore, Matsushita will pursue new opportunities in areas such as networks, energy and the environment, healthcare, and devices.

Assuming that the Company obtains shareholder approval, Matsushita plans to change its company name to Panasonic Corporation on October 1, 2008. The National brand, used in Japan for home appliances and housing equipment and systems, will be abolished by the end of fiscal 2010. From that time forward, all Company products will be sold under the Panasonic brand, even in Japan. This company name change and brand unification clearly indicate the Company s strong will to become a true global company. Moreover, this will unite all employees under the Panasonic name in future efforts to improve global brand value.

From the perspective of shareholder-oriented management, Matsushita will continue to proactively return profits to shareholders. Specifically, the Company will comprehensively provide shareholder return in the form of cash dividends based on the results of the growth strategies, and its own share repurchases.

Thanks to ongoing shareholder support, Matsushita was able to mark its 90th anniversary this year. Based on its founding principles, the Company will continue its unwavering efforts to achieve global excellence.

Matsushita thanks all of its shareholders for their continued support.

Table of Contents

(6) Financial Summary

Consolidated business results and financial condition

Fiscal Period	Year ended March 31, 2005	2006	2007	2008
Net sales (billions of yen)	8,713.6	8,894.3	9,108.2	9,068.9
Income before income taxes (billions of yen)	246.9	371.3	439.1	435.0
Net income (billions of yen)	58.5	154.4	217.2	281.9
Basic net income per share (yen)	25.49	69.48	99.50	132.90
Total assets (billions of yen)	8,056.9	7,964.6	7,897.0	7,443.6
Stockholders equity (billions of yen)	3,544.3	3,787.6	3,916.7	3,742.3
Stockholders equity per share (yen)	1,569.39	1,714.22	1,824.89	1,781.11

(Notes) 1. The Company s consolidated financial statements are prepared in conformity with U.S. generally accepted accounting principles (U.S. GAAP). Stockholders equity and stockholders equity per share are shown in conformity with U.S. GAAP.

2. Amounts less than one-tenth of a billion yen are rounded to the nearest whole one-tenth of a billion yen.

- In fiscal 2005, the Company posted increased sales. This was due to sales gains in digital AV equipment and home appliances, especially V-products as well as the addition of MEW, PanaHome and their respective subsidiaries to the Company s consolidated financial results. Regarding earnings, negative factors such as expenses associated with the implementation of early retirement programs were more than offset mainly by sales gains and comprehensive cost reduction efforts. As a result, the Company recorded a significant gain in profit.

- In fiscal 2006, the Company recorded increased sales due to sales gains both inside and outside Japan for digital products, especially V-products. Regarding earnings, negative factors such as expenses associated with the implementation of early retirement programs and expenses related to the kerosene fan heater recall were more than offset by restructuring effects, comprehensive cost rationalization efforts and a gain related to the liquidation of MEI Holding Inc. As a result, the Company recorded a gain in profit.

- In fiscal 2007, the Company saw sales gains due mainly to an increase in sales of digital AV products both in Japan and abroad, particularly flat-panel TVs. Regarding earnings, negative factors, such as rising raw materials prices and ever-intensifying global price competition, were offset by cost rationalization efforts centered on reducing fixed and material costs. Gains on the sale of investments and the effects of a weaker yen also contributed to an increase in earnings.

- Details of operations for fiscal 2008 (the latest fiscal period) are as described in the preceding pages under 1) Progress and Results during the Period.

Table of Contents

Parent-alone business results and financial condition

Fiscal Period	Year ended March 31, 2005	2006	2007	2008
Net sales (billions of yen)	4,145.7	4,472.6	4,746.9	4,862.2
Recurring profit (billions of yen)	116.3	216.4	141.6	211.1
Net income (billions of yen)	73.5	20.4	98.8	100.3
Net income per share (yen)	31.90	9.08	45.26	47.29
Total assets (billions of yen)	4,920.5	4,991.3	4,816.7	4,604.4
Net assets (billions of yen)	2,779.7	2,738.4	2,664.4	2,473.9
Net assets per share (yen)	1,230.76	1,239.25	1,241.41	1,177.42

(Notes) 1. Amounts less than one-tenth of a billion yen are rounded to the nearest whole one-tenth of a billion yen.

2. From fiscal 2006, the Company adopted the new accounting standard for impairment of fixed assets Opinion Concerning Establishment of Accounting Standard for Impairment of Fixed Assets (Business Accounting Deliberation Council, August 9, 2002) and Implementation Guidance for the Accounting Standard for Impairment of Fixed Assets (Financial Accounting Standard Implementation Guidance No. 6, Accounting Standards Board of Japan, October 31, 2003).

3. In fiscal 2007, the Company adopted the Accounting Standard for Presentation of Net Assets on the Balance Sheet (Accounting Standards Board of Japan (ASBJ) Statement No. 5, December 9, 2005) and Guidance on Accounting Standard for Presentation of Net Assets on the Balance Sheet (ASBJ Guidance No. 8, December 9, 2005).

- In fiscal 2005, Matsushita recorded an increase in sales due mainly to favorable sales in video and audio equipment in AVC Networks, as well as increased sales in Home Appliances. The Company also recorded a gain in profits as a result of sales increases, and various cost reduction initiatives, as well as the positive effects of business restructuring.

- In fiscal 2006, Matsushita achieved increased sales, primarily in the AVC Networks category. Regarding earnings, there was also a significant increase in recurring profit due to increased sales, cost reduction efforts and an increase in dividend income. However, the Company incurred other deductions such as business restructuring expenses and a loss on valuation of securities of subsidiaries, resulting in lower net income year on year.

- In fiscal 2007, Matsushita recorded an increase in sales due mainly to higher sales of digital products. Despite various cost reduction efforts, a decrease in dividend income from affiliates led to lower recurring profit. Net income increased, due mainly to gains from the sale of securities of an affiliated company.

- In fiscal 2008, revenue increased due to strong sales, particularly of digital AV products. Despite a decline in prices, recurring profits also rose, due to an increase in dividend income. In addition, the Company posted such extraordinary losses as impairment losses and losses on the valuation of securities in affiliated companies, but net income still increased, mainly as a result of a decline in corporate tax.

Table of Contents

(7) Principal Business

The Company s main products and services by business segment are as follows:

(as of March 31, 2008)

Categories		Main products and services
AVC Networks	**Video and audio equipment**	Plasma and LCD TVs, DVD recorders/players, camcorders, digital cameras, compact disc (CD), Mini Disc (MD) and Secure Digital (SD) players, other personal and home audio equipment, SD Memory Cards and other recordable media, optical pickup and other electro-optic devices, etc.
	Information and communications equipment	PCs, optical disc drives, copiers, printers, telephones, mobile phones, facsimile equipment, broadcast- and business-use AV equipment, communications network-related equipment, traffic-related systems, car AVC equipment, healthcare equipment, etc.
Home Appliances		Refrigerators, room air conditioners, washing machines, clothes dryers, vacuum cleaners, electric irons, microwave ovens, rice cookers, other cooking appliances, dish washer/dryers, electric fans, air purifiers, electric heating equipment, electric hot water supply equipment, sanitary equipment, electric lamps, ventilation and air-conditioning equipment, car air conditioners, compressors, vending machines, etc.
Components and Devices		Semiconductors, general components (capacitors, tuners, circuit boards, power supplies, circuit components, electromechanical components, speakers, etc.), electric motors, batteries, etc.
MEW and PanaHome		Lighting fixtures, wiring devices, personal-care products, health enhancing products, water-related products, modular kitchen systems, interior furnishing materials, exterior finishing materials, electronic and plastic materials, automation controls, detached housing, rental apartment housing, medical and nursing care facilities, home remodeling, residential real estate, etc.
Other		Electronic-components-mounting machines, industrial robots, welding equipment, bicycles, imported materials and components, etc.

(Note) Victor Company of Japan Ltd. and its consolidated subsidiaries became associated companies under the equity method from consolidated subsidiaries from August 2007. Accordingly, the JVC category is not listed above.

Table of Contents

(8) Major Business Sites of the Matsushita Group

1) Major business sites of the Company (as of March 31, 2008)

Name	Locations in Japan
Corporate head office	Kadoma
Corporate branch office	
Tokyo Branch	Tokyo
Research and development divisions	
Advanced Technology Research Laboratories	Kyoto
Corporate Network Development Center	Kadoma
Advanced Devices Development Center	Moriguchi
Strategic Semiconductor Development Center	Moriguchi
Corporate Manufacturing Innovation Division	Kadoma
Sales divisions	
Corporate Marketing Division for Consumer Products	Tokyo
Corporate Marketing Division for Panasonic Brand	Tokyo
Corporate Marketing Division for National Brand Home Appliances	Tokyo
Corporate Marketing Division for National Brand Wellness Products	Tokyo
Corporate Industrial Marketing & Sales Division	Tokyo
Overseas management divisions	
Corporate Regional Management Divisions	Osaka
(North America; Latin America; Europe; CIS, the Middle East and Africa; Asia and Oceania; China and Northeast Asia)	
Corporate International Trade Division	Osaka
Global Procurement Service Company	Osaka
Production divisions	
Panasonic AVC Networks Company	Kadoma
Panasonic Automotive Systems Company	Yokohama
Panasonic System Solutions Company	Yokohama
Matsushita Home Appliances Company	Kusatsu
Lighting Company	Takatsuki