

MATSUSHITA ELECTRIC INDUSTRIAL CO LTD

Form 6-K

August 03, 2007

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 July 2007

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 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

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:

1. News release issued on July 25, 2007, by Matsushita Electric Industrial Co., Ltd. (the registrant), reporting its annual financial results for first quarter ended June 30, 2007 (fiscal 2008)
2. Supplemental consolidated financial data for first quarter ended June 30, 2007
3. News release issued on July 25, 2007 by the registrant, announcing the decision to absorb wholly-owned subsidiary

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/ YOICHI NAGATA
Yoichi Nagata, Attorney-in-Fact
Director of Overseas Investor Relations
Matsushita Electric Industrial Co., Ltd.

Dated: August 3, 2007

Table of Contents

July 25, 2007

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)

Munetsugu Takeda (Europe)

(Tel: +49-611-235-305)

Investor Relations Contacts:

Makoto Mihara (Japan)

Investor Relations

(Tel: +81-6-6908-1121)

Akihiro Takei (U.S.)

Panasonic Finance (America), Inc.

(Tel: +1-212-698-1365)

Hiroko Carvell (Europe)

Panasonic Finance (Europe) plc

(Tel: +44-20-7562-4400)

ANNOUNCEMENT OF FINANCIAL RESULTS

(Note: Dollar amounts for the most recent period have been translated for convenience at the rate of U.S.\$1.00 = 123 yen.)

MATSUSHITA REPORTS FIRST QUARTER NET PROFIT INCREASE

- Strong sales and streamlining contributed to favorable first quarter results -

Osaka, Japan, July 25, 2007 Matsushita Electric Industrial Co., Ltd. (Matsushita [NYSE symbol: MC]) today reported its consolidated financial results for the first quarter, ended June 30, 2007, of the current fiscal year ending March 31, 2008 (fiscal 2008).

First-quarter Results

Consolidated group sales for the first quarter increased 5% to 2,239.5 billion yen (U.S.\$18.21 billion), from 2,136.9 billion yen in the same three-month period a year ago. Explaining the first quarter results, the company cited sales gains in all product categories except JVC. Of the consolidated group total, domestic sales increased 2%, to 1,078.0 billion yen (\$8.76 billion), from 1,061.9 billion yen a year ago. Overseas sales increased 8%, to 1,161.5 billion yen (\$9.44 billion), from 1,075.0 billion yen in the first quarter of fiscal 2007.

Table of Contents

- 2 -

During the first quarter under review, the electronics industry faced severe business conditions in Japan and overseas, due mainly to rising prices for crude oil and other raw materials and continued price declines caused by ever-intensified global competition, mainly in digital products. Under these circumstances, in fiscal 2008, the first year of the new mid-term management plan GP3, Matsushita is implementing initiatives to accelerate steady growth with profitability.

As part of such efforts, the company continues to strengthen a new series of V-products, as a core of its growth strategy, to capture leading market shares and make a significant contribution to overall business results. In overseas businesses, Matsushita is aiming to grow sales in emerging markets as well as the U.S. and Europe. The company is already building a framework to increase sales in Russia, Brazil and India, and its strategy is to put greater emphasis on cutting-edge products in these markets. In addition, Matsushita is striving to transform itself into a manufacturing-oriented company one that combines all the business activities of the Group toward the launch of products, thereby contributing to the creation of customer value. Matsushita is promoting wider collaboration across business fields and operating regions in order to reinforce product design and quality, procurement, logistics, overseas sales and other areas of its operations.

Regarding earnings, operating profit¹ for the first quarter was up 13%, to 73.9 billion yen (\$601 million), from 65.1 billion yen in the same period a year ago, despite intensified global price competition and rising raw materials prices. This improvement was due primarily to sales gains, comprehensive cost reduction efforts and a weaker yen. In other income (deductions), a gain of 8.2 billion yen was recorded as financial income, net. This, and other factors, resulted in pre-tax income of 84.0 billion yen (\$683 million), up 11% from the same period a year ago. Net income increased 10% to 39.3 billion yen (\$320 million), from 35.8 billion yen in the same quarter of the previous year.

¹ For information about operating profit, see Note 2 of Notes to consolidated financial statements on page 12.

Table of Contents

- 3 -

Consolidated Sales Breakdown by Product Category²

The company's first quarter consolidated sales by product category, as compared with prior year amounts, are summarized as follows:

AVC Networks

AVC Networks sales increased 5% to 924.7 billion yen (\$7.52 billion), compared with 881.6 billion yen in the same period of the previous year. Sales of video and audio equipment increased 2% from the previous year. Sales gains were recorded in flat-panel TVs, digital cameras and DVD recorders, contributing to overall increased sales.

Sales of information and communications equipment increased 7%, due mainly to strong sales in automotive electronics equipment.

Home Appliances

Sales of Home Appliances increased 10% to 339.9 billion yen (\$2.76 billion), compared with 309.9 billion yen in the previous year. Within Home Appliances, sales gains were recorded in air-conditioners and compressors as well as microwave ovens, resulting in overall increased sales.

Components and Devices

Sales of Components and Devices increased 5% to 284.7 billion yen (\$2.31 billion), compared with 270.1 billion yen in the previous year. Strong sales were recorded mainly in general electronic components, thereby contributing to overall sales gains in this category.

MEW and PanaHome

Sales of MEW and PanaHome increased 5% to 385.7 billion yen (\$3.14 billion) from 367.4 billion yen a year ago. At MEW and its subsidiaries, sales gains were recorded with favorable sales in electrical construction materials and electronic and plastic materials. At PanaHome Corporation, favorable sales in detached housing contributed to increased sales. Accordingly, overall sales growth was achieved in this category.

² The company transferred its healthcare business to its consolidated subsidiary Panasonic Shikoku Electronics Co., Ltd. at April 1, 2007. Accordingly, the year-on-year figures for AVC Networks and Home Appliances are based on the reclassified fiscal 2007 sales results for those product categories.

Table of Contents

- 4 -

JVC

Sales for JVC (Victor Company of Japan, Ltd. and its subsidiaries) decreased 10% to 135.3 billion yen (\$1.10 billion), from 150.2 billion yen a year ago. This result was due primarily to sluggish sales of AV equipment.

Other

Sales for Other increased 7% to 169.2 billion yen (\$1.38 billion), from 157.7 billion yen a year ago.

Consolidated Financial Condition

Net cash provided by operating activities for the first quarter of fiscal 2008 amounted to 64.3 billion yen (\$523 million). This was attributable primarily to cash inflows from net income and depreciation. Net cash provided by investing activities amounted to 17.9 billion yen (\$146 million). This result reflects a decrease in time deposits, despite an increase in investments and advances, and capital expenditures for tangible fixed assets consisting of manufacturing facilities for priority business areas such as semiconductors and plasma display panels (PDPs). Net cash used in financing activities was 112.0 billion yen (\$911 million), including a repurchase of the company's common stock and the payments of dividends. All these activities resulted in a balance of cash and cash equivalents of 1,256.8 billion yen (\$10.22 billion) at the end of June 2007, whereby the company's cash balance increased 20.1 billion yen from the end of March 31, 2007.

The company's consolidated total assets as of June 30, 2007 increased 246.3 billion yen to 8,143.2 billion yen (\$66.21 billion), as compared with 7,897.0 billion yen at the end of fiscal 2007. This increase was due primarily to an increase in inventories for seasonal factors. Stockholders equity increased 48.2 billion yen, as compared with the end of the last fiscal year, to 3,964.9 billion yen (\$32.24 billion). This result was due mainly to an increase in retained earnings and accumulated other comprehensive income, sufficient to offset the effects of repurchases of the company's own shares from the market.

Table of Contents

- 5 -

Outlook for Fiscal 2008

For information about the forecast for the fiscal 2008 first half and the full fiscal year 2008, ending March 31, 2008, please see press release Matsushita Revises Fiscal 2008 Financial Forecast issued on July 24, 2007.

Matsushita Electric Industrial Co., Ltd., best known for its Panasonic brand products, is one of the world's leading manufacturers of electronic and electric products for consumer, business and industrial use. Matsushita's shares are listed on the Tokyo, Osaka, Nagoya and New York stock exchanges.

For more information, please visit the following web sites:

Matsushita home page URL: <http://panasonic.net/>

Matsushita IR web site URL: <http://ir-site.panasonic.com/>

Table of Contents

- 6 -

Disclaimer Regarding Forward-Looking Statements

This press release includes forward-looking statements (within the meaning of Section 27A of the U.S. Securities Act of 1933 and Section 21E of the U.S. Securities Exchange Act of 1934) about Matsushita and its Group companies (the Matsushita Group). To the extent that statements in this press release do not relate to historical or current facts, they constitute forward-looking statements. These forward-looking statements are based on the current assumptions and beliefs of the Matsushita Group in light of the information currently available to it, and involve known and unknown risks, uncertainties and other factors. Such risks, uncertainties and other factors may cause the Matsushita Group's actual results, performance, achievements or financial position to be materially different from any future results, performance, achievements or financial position expressed or implied by these forward-looking statements. Matsushita undertakes no obligation to publicly update any forward-looking statements after the date of this press release. Investors are advised to consult any further disclosures by Matsushita in its subsequent filings with the U.S. Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934.

The risks, uncertainties and other factors referred to above include, but are not limited to, economic conditions, particularly consumer spending and corporate capital expenditures in the United States, Europe, Japan, China and other Asian countries; volatility in demand for electronic equipment and components from business and industrial customers, as well as consumers in many product and geographical markets; currency rate fluctuations, notably between the yen, the U.S. dollar, the euro, the Chinese yuan, Asian currencies and other currencies in which the Matsushita Group operates businesses, or in which assets and liabilities of the Matsushita Group are denominated; the ability of the Matsushita Group to respond to rapid technological changes and changing consumer preferences with timely and cost-effective introductions of new products in markets that are highly competitive in terms of both price and technology; the ability of the Matsushita Group to achieve its business objectives through joint ventures and other collaborative agreements with other companies; the ability of the Matsushita Group to maintain competitive strength in many product and geographical areas; the possibility of incurring expenses resulting from any defects in products or services of the Matsushita Group; the possibility that the Matsushita Group may face intellectual property infringement claims by third parties; current and potential, direct and indirect restrictions imposed by other countries over trade, manufacturing, labor and operations; fluctuations in market prices of securities and other assets in which the Matsushita Group has holdings or changes in valuation of long-lived assets, including property, plant and equipment and goodwill, and deferred tax assets; future changes or revisions to accounting policies or accounting rules; as well as natural disasters including earthquakes and other events that may negatively impact business activities of the Matsushita Group. The factors listed above are not all-inclusive and further information is contained in Matsushita's latest annual report on Form 20-F, which is on file with the U.S. Securities and Exchange Commission.

(Financial Tables and Additional Information Attached)

Table of Contents

- 7 -

Matsushita Electric Industrial Co., Ltd.**Consolidated Statement of Income *****(Three months ended June 30)**

| | Yen | | Percentage 2007/2006 | U.S. Dollars (millions) 2007 |
|--|-------------|-------------|-------------------------|------------------------------------|
| | (millions) | | | |
| | 2007 | 2006 | | |
| Net sales | ¥ 2,239,505 | ¥ 2,136,934 | 105% | \$ 18,207 |
| Cost of sales | (1,588,045) | (1,494,389) | | (12,911) |
| Selling, general and administrative expenses | (577,569) | (577,428) | | (4,695) |
| Operating profit | 73,891 | 65,117 | 113% | 601 |
| Other income (deductions): | | | | |
| Interest income | 8,662 | 4,118 | | 70 |
| Dividend income | 4,884 | 3,963 | | 40 |
| Interest expense | (5,306) | (4,826) | | (43) |
| Expenses associated with the implementation of early retirement programs ** | (985) | (528) | | (8) |
| Other income, net | 2,822 | 7,548 | | 23 |
| Income before income taxes | 83,968 | 75,392 | 111% | 683 |
| Provision for income taxes | (41,996) | (37,830) | | (341) |
| Minority interests | 1,788 | (539) | | 14 |
| Equity in earnings (losses) of associated companies | (4,446) | (1,193) | | (36) |
| Net income | ¥ 39,314 | ¥ 35,830 | 110% | \$ 320 |
| Net income, basic per common share | 18.38 yen | 16.27 yen | | \$ 0.15 |
| per ADS | 18.38 yen | 16.27 yen | | \$ 0.15 |
| Net income, diluted per common share | 18.38 yen | 16.27 yen | | \$ 0.15 |
| per ADS | 18.38 yen | 16.27 yen | | \$ 0.15 |

(Parentheses indicate expenses, deductions or losses.)

* ** See Notes to consolidated financial statements on pages 12-13.

Supplementary Information
(Three months ended June 30)

| | Yen (millions) | U.S. Dollars (millions) |
|--|-------------------|----------------------------|
|--|-------------------|----------------------------|

Edgar Filing: MATSUSHITA ELECTRIC INDUSTRIAL CO LTD - Form 6-K

| | 2007 | 2006 | 2007 |
|-----------------------------------|-------------|-------------|----------|
| Depreciation (tangible assets) | ¥ 64,899 | ¥ 64,015 | \$ 528 |
| Capital investment *** | ¥ 86,773 | ¥ 68,345 | \$ 705 |
| R&D expenditures | ¥ 138,903 | ¥ 134,835 | \$ 1,129 |
| Number of employees (June 30) | 326,844 | 332,539 | |

*** These figures are calculated on an accrual basis.

Table of Contents

- 8 -

Matsushita Electric Industrial Co., Ltd.**Consolidated Balance Sheet ******June 30, 2007****With comparative figures for March 31, 2007**

| | Yen | | U.S. Dollars (millions) |
|---|---------------|----------------|----------------------------|
| | (millions) | (millions) | |
| | June 30, 2007 | March 31, 2007 | June 30, 2007 |
| <u>Assets</u> | | | |
| Current assets: | | | |
| Cash and cash equivalents | ¥ 1,256,787 | ¥ 1,236,639 | \$ 10,218 |
| Time deposits | 86,059 | 225,458 | 700 |
| Short-term investments | 92,405 | 93,179 | 751 |
| Trade receivables (notes and accounts) and other current assets | 1,781,560 | 1,694,174 | 14,484 |
| Inventories | 1,109,143 | 949,399 | 9,017 |
| Total current assets | 4,325,954 | 4,198,849 | 35,170 |
| Investments and advances | 1,260,067 | 1,206,082 | 10,245 |
| Property, plant and equipment, net of accumulated depreciation | 1,688,704 | 1,642,293 | 13,729 |
| Other assets | 868,516 | 849,734 | 7,061 |
| Total assets | ¥ 8,143,241 | ¥ 7,896,958 | \$ 66,205 |
| <u>Liabilities and Stockholders' Equity</u> | | | |
| Current liabilities: | | | |
| Short-term borrowings | ¥ 202,574 | ¥ 223,190 | \$ 1,647 |
| Trade payables (notes and accounts) and other current liabilities | 2,733,518 | 2,518,677 | 22,224 |
| Total current liabilities | 2,936,092 | 2,741,867 | 23,871 |
| Long-term debt | 224,018 | 226,780 | 1,821 |
| Other long-term liabilities | 458,383 | 460,416 | 3,727 |
| Minority interests | 559,830 | 551,154 | 4,551 |
| Common stock | 258,740 | 258,740 | 2,104 |
| Capital surplus | 1,220,976 | 1,220,967 | 9,927 |
| Legal reserve | 90,072 | 88,588 | 732 |
| Retained earnings | 2,742,660 | 2,737,024 | 22,298 |
| Accumulated other comprehensive income (loss) * | 189,191 | 107,097 | 1,538 |
| Treasury stock | (536,721) | (495,675) | (4,364) |
| Total liabilities, minority interests and stockholders' equity | ¥ 8,143,241 | ¥ 7,896,958 | \$ 66,205 |

Edgar Filing: MATSUSHITA ELECTRIC INDUSTRIAL CO LTD - Form 6-K

* Accumulated other comprehensive income (loss) breakdown:

| | Yen | | U.S. Dollars (millions) June 30, 2007 |
|---|------------------|-------------------|--|
| | June 30, 2007 | March 31, 2007 | |
| Cumulative translation adjustments | ¥ (32,842) | ¥ (99,538) | \$ (267) |
| Unrealized holding gains of available-for-sale securities | 181,199 | 160,831 | 1,473 |
| Unrealized gains (losses) of derivative instruments | (2,492) | 862 | (20) |
| Pension liability adjustments | 43,326 | 44,942 | 352 |

** See Notes to consolidated financial statements on pages 12-13.

Table of Contents

- 9 -

Matsushita Electric Industrial Co., Ltd.**Consolidated Sales Breakdown *****(Three months ended June 30)**

| | Yen | | Percentage 2007/2006 | U.S. Dollars |
|--|------------------|------------------|-------------------------|------------------|
| | (billions) | | | (millions) |
| | 2007 | 2006 | | 2007 |
| <u>AVC Networks</u> | | | | |
| Video and audio equipment | ¥ 402.4 | ¥ 393.6 | 102% | \$ 3,272 |
| Information and communications equipment | 522.3 | 488.0 | 107% | 4,246 |
| Subtotal | 924.7 | 881.6 | 105% | 7,518 |
| <u>Home Appliances</u> | | | | |
| | 339.9 | 309.9 | 110% | 2,763 |
| <u>Components and Devices</u> | | | | |
| | 284.7 | 270.1 | 105% | 2,315 |
| <u>MEW and PanaHome</u> | | | | |
| | 385.7 | 367.4 | 105% | 3,136 |
| <u>JVC</u> | | | | |
| | 135.3 | 150.2 | 90% | 1,100 |
| <u>Other</u> | | | | |
| | 169.2 | 157.7 | 107% | 1,375 |
| Total | ¥ 2,239.5 | ¥ 2,136.9 | 105% | \$ 18,207 |
| Domestic sales | 1,078.0 | 1,061.9 | 102% | 8,764 |
| Overseas sales | 1,161.5 | 1,075.0 | 108% | 9,443 |

[Domestic/Overseas Sales Breakdown]

(in yen only)

| | Domestic sales | | Overseas sales | |
|--|-------------------|------------|-------------------|------------|
| | Yen (billions) | Percentage | Yen (billions) | Percentage |
| | 2007 | 2007/2006 | 2007 | 2007/2006 |
| <u>AVC Networks</u> | | | | |
| Video and audio equipment | ¥ 112.9 | 97% | ¥ 289.5 | 104% |
| Information and communications equipment | 251.9 | 107% | 270.4 | 107% |
| Subtotal | 364.8 | 104% | 559.9 | 105% |
| <u>Home Appliances</u> | | | | |
| | 173.5 | 101% | 166.4 | 121% |

Edgar Filing: MATSUSHITA ELECTRIC INDUSTRIAL CO LTD - Form 6-K

| | | | | |
|-------------------------------|-----------|------|-----------|------|
| <u>Components and Devices</u> | 96.2 | 98% | 188.5 | 110% |
| <u>MEW and PanaHome</u> | 313.6 | 103% | 72.1 | 112% |
| <u>JVC</u> | 34.4 | 82% | 100.9 | 93% |
| <u>Other</u> | 95.5 | 100% | 73.7 | 118% |
| Total | ¥ 1,078.0 | 102% | ¥ 1,161.5 | 108% |

* See Notes to consolidated financial statements on pages 12-13.

Table of Contents

- 10 -

Matsushita Electric Industrial Co., Ltd.**Consolidated Information by Segments *****(Three months ended June 30)****By Business Segment:**

| | Yen | | Percentage 2007/2006 | U.S. Dollars (millions) 2007 |
|----------------------------|------------|-----------|-------------------------|------------------------------------|
| | (billions) | | | |
| | 2007 | 2006 | | |
| [Sales] | | | | |
| AVC Networks | ¥ 996.1 | ¥ 949.3 | 105% | \$ 8,098 |
| Home Appliances | 349.4 | 312.5 | 112% | 2,841 |
| Components and Devices | 348.2 | 335.4 | 104% | 2,831 |
| MEW and PanaHome | 431.9 | 408.7 | 106% | 3,511 |
| JVC | 138.0 | 154.5 | 89% | 1,122 |
| Other | 359.5 | 359.4 | 100% | 2,923 |
| Subtotal | 2,623.1 | 2,519.8 | 104% | 21,326 |
| Eliminations | (383.6) | (382.9) | | (3,119) |
| Consolidated total | ¥ 2,239.5 | ¥ 2,136.9 | 105% | \$ 18,207 |
| [Segment Profit]** | | | | |
| AVC Networks | ¥ 38.9 | ¥ 35.3 | 110% | \$ 316 |
| Home Appliances | 18.0 | 20.1 | 90% | 146 |
| Components and Devices | 18.4 | 13.8 | 134% | 150 |
| MEW and PanaHome | 9.9 | 6.4 | 153% | 80 |
| JVC | (6.7) | (2.9) | | (54) |
| Other | 13.8 | 13.7 | 100% | 112 |
| Subtotal | 92.3 | 86.4 | 107% | 750 |
| Corporate and eliminations | (18.4) | (21.3) | | (149) |
| Consolidated total | ¥ 73.9 | ¥ 65.1 | 113% | \$ 601 |

* ** See Notes to consolidated financial statements on pages 12-13.

Table of Contents

- 11 -

Matsushita Electric Industrial Co., Ltd.**Consolidated Statement of Cash Flows *****(Three months ended June 30)**

| | Yen | | U.S. Dollars |
|---|-------------|-------------|--------------|
| | (millions) | (millions) | (millions) |
| | 2007 | 2006 | 2007 |
| <i>Cash flows from operating activities:</i> | | | |
| Net income | ¥ 39,314 | ¥ 35,830 | \$ 320 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | | |
| Depreciation and amortization | 73,986 | 72,653 | 602 |
| Net (gain) loss on sale of investments | (608) | 1,206 | (5) |
| Minority interests | (1,788) | 539 | (15) |
| (Increase) decrease in trade receivables | 2,442 | 43,202 | 20 |
| (Increase) decrease in inventories | (131,079) | (95,146) | (1,066) |
| Increase (decrease) in trade payables | 16,301 | (22,369) | 132 |
| Increase (decrease) in retirement and severance benefits | (25,208) | (31,296) | (205) |
| Other | 90,964 | 103,324 | 740 |
| Net cash provided by operating activities | ¥ 64,324 | ¥ 107,943 | \$ 523 |
| <i>Cash flows from investing activities:</i> | | | |
| (Increase) decrease in short-term investments | | 28,502 | |
| Proceeds from disposition of investments and advances | 55,952 | 8,904 | 455 |
| Increase in investments and advances | (82,293) | (88,404) | (669) |
| Capital expenditures | (95,051) | (91,673) | (773) |
| Proceeds from sale of fixed assets | 10,775 | 27,639 | 88 |
| (Increase) decrease in time deposits | 141,534 | (130,004) | 1,151 |
| Other | (12,976) | (1,922) | (106) |
| Net cash provided by (used in) investing activities | ¥ 17,941 | ¥ (246,958) | \$ 146 |
| <i>Cash flows from financing activities:</i> | | | |
| Increase (decrease) in short-term borrowings | (25,749) | 5,832 | (209) |
| Increase (decrease) in deposits and advances from employees | (40) | (5,211) | (0) |
| Increase (decrease) in long-term debt | (9,422) | (13,332) | (77) |
| Dividends paid | (32,194) | (22,095) | (262) |
| Dividends paid to minority interests | (8,594) | (7,850) | (70) |
| (Increase) decrease in treasury stock | (41,037) | (40,646) | (334) |
| Other | 5,000 | | 41 |
| Net cash used in financing activities | ¥ (112,036) | ¥ (83,302) | \$ (911) |
| Effect of exchange rate changes on cash and cash equivalents | 49,919 | (3,455) | 406 |
| Net increase (decrease) in cash and cash equivalents | 20,148 | (225,772) | 164 |

Edgar Filing: MATSUSHITA ELECTRIC INDUSTRIAL CO LTD - Form 6-K

| | | | |
|--|-------------|-------------|-----------|
| Cash and cash equivalents at beginning of period | 1,236,639 | 1,667,396 | 10,054 |
| Cash and cash equivalents at end of period | ¥ 1,256,787 | ¥ 1,441,624 | \$ 10,218 |

* See Notes to consolidated financial statements on pages 12-13.

Table of Contents

- 12 -

Notes to consolidated financial statements:

1. The company's consolidated financial statements are prepared in conformity with U.S. generally accepted accounting principles (U.S. GAAP).
2. 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. Please refer to the accompanying consolidated statement of income and Note 4 for U.S. GAAP reconciliation.
3. Comprehensive income was reported as a gain of 121,408 million yen (\$987 million) for the first quarter of fiscal 2007, and a gain of 8,217 million yen for the first quarter of fiscal 2006. Comprehensive income includes net income and increases (decreases) in accumulated other comprehensive income (loss).
4. 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.
5. Regarding consolidated segment profit, expenses for basic research and administrative expenses at the corporate headquarters level are treated as unallocatable expenses for each business segment, and are included in Corporate and eliminations.
6. The company's business segments are classified according to a business domain-based management system, which focuses on global consolidated management by each business domain, in order to ensure consistency of its internal management structure and disclosure. The company transferred its healthcare business to its consolidated subsidiary, Panasonic Shikoku Electronics Co., Ltd. at April 1, 2007. Accordingly, segment information for AVC Networks and Home Appliances of fiscal 2007 has been reclassified to conform with the presentation for fiscal 2008.

Principal internal divisional companies or units and subsidiaries operating in respective segments are as follows:

AVC Networks

Panasonic AVC Networks Company, Panasonic Communications Co., Ltd.,

Panasonic Mobile Communications Co., Ltd., Panasonic Automotive Systems Company,

Panasonic System Solutions Company, Panasonic Shikoku Electronics Co., Ltd.

Home Appliances

Home Appliances Group, Lighting Company,

Matsushita Ecology Systems Co., Ltd.

Components and Devices

Edgar Filing: MATSUSHITA ELECTRIC INDUSTRIAL CO LTD - Form 6-K

Semiconductor Company, Matsushita Battery Industrial Co., Ltd.,

Panasonic Electronic Devices Co., Ltd., Motor Company

MEW and PanaHome

Matsushita Electric Works, Ltd., PanaHome Corporation

JVC

Victor Company of Japan, Ltd.

Other

Panasonic Factory Solutions Co., Ltd., Matsushita Welding Systems Co., Ltd.

Table of Contents

- 13 -

7. Number of consolidated subsidiaries: 641

8. Number of companies reflected by the equity method: 70

9. United States Dollar amounts are translated from yen for convenience at the rate of U.S. \$1.00 = 123 yen, the approximate rate on the Tokyo Foreign Exchange Market on June 29, 2007.

10. Each American Depositary Share (ADS) represents 1 share of common stock.
###

Table of Contents

July 25, 2007

Matsushita Electric Industrial Co., Ltd.

Supplemental Consolidated Financial Data for Fiscal 2008**First Quarter, ended June 30, 2007****1. Sales breakdown for Fiscal 2008 First Quarter, ended June 30, 2007**

yen (billions)

| By Product Category | Total | 08/07 | Local | | Overseas | | 08/07 | 08/07 |
|--|----------------|-------------|----------------|----------------|-------------|----------------|-------------|----------------|
| | | | 08/07 | Domestic | 08/07 | 08/07 | | |
| | | | currency basis | | | | | currency basis |
| Video and Audio Equipment | 402.4 | 102% | 96% | 112.9 | 97% | 289.5 | 104% | 96% |
| Information and Communications Equipment | 522.3 | 107% | 103% | 251.9 | 107% | 270.4 | 107% | 99% |
| AVC Networks | 924.7 | 105% | 100% | 364.8 | 104% | 559.9 | 105% | 98% |
| Home Appliances | 339.9 | 110% | 105% | 173.5 | 101% | 166.4 | 121% | 111% |
| Components and Devices | 284.7 | 105% | 100% | 96.2 | 98% | 188.5 | 110% | 102% |
| MEW and PanaHome | 385.7 | 105% | 103% | 313.6 | 103% | 72.1 | 112% | 102% |
| JVC | 135.3 | 90% | 83% | 34.4 | 82% | 100.9 | 93% | 84% |
| Other | 169.2 | 107% | 105% | 95.5 | 100% | 73.7 | 118% | 113% |
| Total | 2,239.5 | 105% | 101% | 1,078.0 | 102% | 1,161.5 | 108% | 100% |

The company transferred its healthcare business to its consolidated subsidiary Panasonic Shikoku Electronics Co., Ltd. at April 1, 2007. Accordingly, the year-on-year figures for AVC Networks and Home Appliances are based on the reclassified fiscal 2007 sales results for those product categories.

yen (billions)

| Overseas Sales by Region | Fiscal 2008 First Quarter | | |
|--------------------------|---------------------------|-------------|----------------|
| | | Local | currency basis |
| | | 08/07 | 08/07 |
| North and South America | 326.6 | 97% | 92% |
| Europe | 315.1 | 113% | 101% |
| Asia | 286.0 | 106% | 98% |
| China | 233.8 | 123% | 116% |
| Total | 1,161.5 | 108% | 100% |

Table of Contents**2. Capital Investment, Depreciation and R&D Expenditures****Capital Investment****

<Consolidated>

yen (billions)

| | Fiscal 2008 First Quarter 08-07 | |
|--------------------------|--|--------------|
| AVC Networks | 33.2 | +14.1 |
| Home Appliances | 9.3 | -0.7 |
| * Components and Devices | 30.9 | +6.9 |
| MEW and PanaHome | 8.8 | +0.7 |
| JVC | 1.9 | -0.8 |
| Other | 2.7 | -1.7 |
| Total | 86.8 | +18.5 |

* semiconductors

13.6 +3.6

** These figures are calculated on an accrual basis.

Depreciation (Tangible assets)

yen (billions)

<Consolidated>

| | Fiscal 2008 First Quarter 08-07 | |
|--|--|------|
| | 64.9 | +0.9 |

R&D Expenditures

yen (billions)

<Consolidated>

| | Fiscal 2008 First Quarter 08-07 | |
|--|--|------|
| | 138.9 | +4.1 |

3. Foreign Currency Exchange Rates

<Export Rates>

| | Fiscal 2007 First Quarter | Fiscal 2008 First Quarter |
|--------------|--------------------------------------|--------------------------------------|
| U.S. Dollars | ¥115 | ¥118 |
| Euro | ¥140 | ¥157 |

<Rates Used for Consolidation>

| | Fiscal 2007 First Quarter | Fiscal 2008 First Quarter |
|--------------|--------------------------------------|--------------------------------------|
| U.S. Dollars | ¥115 | ¥121 |
| Euro | ¥144 | ¥163 |

<Foreign Currency Transaction> *

(billions)

| | Fiscal 2007 First Quarter | Fiscal 2008 First Quarter |
|--------------|--------------------------------------|--------------------------------------|
| U.S. Dollars | US\$0.8 | US\$0.6 |
| Euro | 0.4 | 0.3 |

* These figures are based on the net foreign exchange exposure of the company.

4. Number of Employees

<Consolidated>

(persons)

| | End of June 2006 | End of March 2007 | End of June 2007 |
|--------------|-------------------------|--------------------------|-------------------------|
| Domestic | 145,650 | 145,418 | 146,269 |
| Overseas | 186,889 | 183,227 | 180,575 |
| Total | 332,539 | 328,645 | 326,844 |

Table of Contents**5. Other Information**

(shares)

| | | |
|---|-------|---------------|
| Issued Shares as of June 30, 2007 | (a) | 2,453,053,497 |
| Treasury Stock as of June 30, 2007 | (b) | 323,121,019 |
| Outstanding Shares (excluding treasury stock) as of June 30, 2007 | (a-b) | 2,129,932,478 |

| | Fiscal 2007 Annual | Fiscal 2008 First Quarter |
|--|--------------------|---------------------------|
| Net income per common share, basic | ¥99.50 | ¥18.38 |
| Net income per common share, diluted | ¥99.50 | ¥18.38 |
| Stockholders' equity* per common share at the end of each period | ¥1,824.89 | ¥1,861.52 |

* Stockholders' equity is calculated according to U.S. generally accepted accounting principles (U.S. GAAP).

6. Annual Forecast for Fiscal 2008, ending March 31, 2008

JVC will become an associated company under the equity method from a consolidated subsidiary in the second quarter of fiscal 2008. With this transition and JVC's revision of financial forecast, the company revised its fiscal 2008 forecast.

A. Sales breakdown for Fiscal 2008 Forecast

Fiscal 2008 Forecast (as of April 27, 2007) yen (billions)

| By Product Category | Total | 08/07 | Local | | | Local | | |
|--|---------|-------|----------------|----------------|----------|---------|----------------|----------------|
| | | | 08/07 | 08/07 | Domestic | 08/07 | Overseas | 08/07 |
| | | | currency basis | currency basis | | | currency basis | currency basis |
| Video and audio equipment | 1,740.0 | 104% | 109% | 470.0 | 101% | 1,270.0 | 105% | 113% |
| Information and communications equipment | 2,120.0 | 102% | 106% | 1,040.0 | 101% | 1,080.0 | 103% | 111% |
| AVC Networks | 3,860.0 | 103% | 107% | 1,510.0 | 101% | 2,350.0 | 104% | 112% |
| Home Appliances | 1,240.0 | 101% | 102% | 685.0 | 100% | 555.0 | 103% | 104% |
| Components and Devices | 1,130.0 | 100% | 102% | 395.0 | 100% | 735.0 | 100% | 104% |
| MEW and PanaHome | 1,700.0 | 100% | 101% | 1,440.0 | 100% | 260.0 | 99% | 104% |
| JVC and Other | 1,320.0 | 101% | 103% | 600.0 | 100% | 720.0 | 102% | 106% |
| Total | 9,250.0 | 102% | 104% | 4,630.0 | 100% | 4,620.0 | 103% | 109% |

Notes:

Edgar Filing: MATSUSHITA ELECTRIC INDUSTRIAL CO LTD - Form 6-K

1. The company transferred its healthcare business to its consolidated subsidiary Panasonic Shikoku Electronics Co., Ltd. at April 1, 2007. Accordingly, the year-on-year figures for AVC Networks and Home Appliances are based on the reclassified fiscal 2007 sales results for those product categories.
2. Victor Company of Japan, Ltd.(JVC) has not yet announced its forecasts including sales for the year ending March 31, 2008 as of April 27, 2007. Therefore, the company will not disclose forecasts for JVC as a single product category but will state JVC and Other together, as JVC and Other. This does not mean a change of product category.

Fiscal 2008 Forecast (as of July 24, 2007)

yen (billions)

| By Product Category | Total | Local | | Domestic | | Overseas | | Local | |
|--|----------------|------------|----------------|----------------|------------|----------------|------------|----------------|-------|
| | | 08/07 | 08/07 | 08/07 | 08/07 | 08/07 | 08/07 | 08/07 | 08/07 |
| | | | currency basis | | | | | currency basis | |
| Video and audio equipment | 1,740.0 | 104% | 109% | 470.0 | 101% | 1,270.0 | 105% | 113% | |
| Information and communications equipment | 2,120.0 | 102% | 106% | 1,040.0 | 101% | 1,080.0 | 103% | 111% | |
| AVC Networks | 3,860.0 | 103% | 107% | 1,510.0 | 101% | 2,350.0 | 104% | 112% | |
| Home Appliances | 1,240.0 | 101% | 102% | 685.0 | 100% | 555.0 | 103% | 104% | |
| Components and Devices | 1,130.0 | 100% | 102% | 395.0 | 100% | 735.0 | 100% | 104% | |
| MEW and PanaHome | 1,700.0 | 100% | 101% | 1,440.0 | 100% | 260.0 | 99% | 104% | |
| JVC | 180.0 | 28% | 28% | 55.0 | 30% | 125.0 | 27% | 27% | |
| Other | 670.0 | 100% | 101% | 405.0 | 96% | 265.0 | 108% | 109% | |
| Total | 8,780.0 | 96% | 99% | 4,490.0 | 97% | 4,290.0 | 96% | 100% | |

The company transferred its healthcare business to its consolidated subsidiary Panasonic Shikoku Electronics Co., Ltd. at April 1, 2007. Accordingly, the year-on-year figures for AVC Networks and Home Appliances are based on the reclassified fiscal 2007 sales results for those product categories.

Table of Contents

| By Region | Overseas Sales | | | | | | yen (billions) |
|-------------------------|------------------------|-------|-------|-----------------------|-------|-------|----------------|
| | Fiscal 2008 Forecast | | | Fiscal 2008 Forecast | | | |
| | (as of April 27, 2007) | | | (as of July 24, 2007) | | | |
| | Local | | | Local | | | |
| | currency basis | | | currency basis | | | |
| | 08/07 | 08/07 | 08/07 | 08/07 | 08/07 | 08/07 | |
| North and South America | 1,420.0 | 103% | 109% | 1,302.0 | 94% | 100% | |
| Europe | 1,270.0 | 104% | 110% | 1,132.0 | 93% | 98% | |
| Asia | 1,080.0 | 101% | 107% | 1,024.0 | 96% | 101% | |
| China | 850.0 | 103% | 106% | 832.0 | 101% | 104% | |
| Total | 4,620.0 | 103% | 109% | 4,290.0 | 96% | 100% | |

B. Segment Information

| <Consolidated> Fiscal 2008 Forecast (as of April 27, 2007) | | | | | | yen (billions) |
|--|----------|-------|----------------|------------|-------|----------------|
| | Sales | 08/07 | Segment profit | % of sales | 08/07 | |
| AVC Networks | 4,180.0 | 103% | 250.0 | 6.0% | 114% | |
| Home Appliances | 1,260.0 | 101% | 86.0 | 6.8% | 103% | |
| Components and Devices | 1,390.0 | 101% | 105.0 | 7.6% | 105% | |
| MEW and PanaHome | 1,860.0 | 100% | 84.0 | 4.5% | 106% | |
| JVC and Other | 2,150.0 | 101% | 63.0 | 2.9% | 115% | |
| Total | 10,840.0 | 101% | 588.0 | 5.4% | 110% | |
| Corporate and eliminations | -1,590.0 | | -88.0 | | | |
| Consolidated total | 9,250.0 | 102% | 500.0 | 5.4% | 109% | |

Notes:

- As the company's consolidated financial statements are prepared in conformity with U.S. generally accepted accounting principles (U.S. GAAP), financial data for the MEW and PanaHome segment and JVC segment are also calculated according to these principles.
- The company transferred its healthcare business to its consolidated subsidiary Panasonic Shikoku Electronics Co., Ltd. at April 1, 2007. Accordingly, the year-on-year figures for the AVC Networks and Home Appliances segments are based on the reclassified fiscal 2007 results for those business segments.
- JVC has not yet announced its forecasts including sales and segment profits for the year ending March 31, 2008 as of April 27, 2007. Therefore, the company will not disclose forecasts for JVC as a single segment but will state JVC and Other together, as JVC and Other. This does not mean a change of business segment.

<Consolidated> Fiscal 2008 Forecast (as of July 24, 2007)

yen (billions)

| | Sales | 08/07 | Segment profit | % of sales | 08/07 |
|----------------------------|-----------------|------------|----------------|-------------|-------------|
| AVC Networks | 4,180.0 | 103% | 250.0 | 6.0% | 114% |
| Home Appliances | 1,260.0 | 101% | 86.0 | 6.8% | 103% |
| Components and Devices | 1,390.0 | 101% | 105.0 | 7.6% | 105% |
| MEW and PanaHome | 1,860.0 | 100% | 84.0 | 4.5% | 106% |
| JVC | 186.0 | 29% | -12.0 | -6.5% | |
| Other | 1,490.0 | 100% | 52.0 | 3.5% | 86% |
| Total | 10,366.0 | 97% | 565.0 | 5.5% | 105% |
| Corporate and eliminations | -1,586.0 | | -88.0 | | |
| Consolidated total | 8,780.0 | 96% | 477.0 | 5.4% | 104% |

Notes:

1. As the company's consolidated financial statements are prepared in conformity with U.S. generally accepted accounting principles (U.S. GAAP), financial data for the MEW and PanaHome segment and JVC segment are also calculated according to these principles.
2. The company transferred its healthcare business to its consolidated subsidiary Panasonic Shikoku Electronics Co., Ltd. at April 1, 2007. Accordingly, the year-on-year figures for the AVC Networks and Home Appliances segments are based on the reclassified fiscal 2007 results for those business segments.

Table of Contents**C. Capital Investment, Depreciation and R&D Expenditures****Capital Investment**

<Consolidated>

yen (billions)

| | Fiscal 2008 Forecast (as of April 27, 2007) 08-07 | |
|------------------------|--|-------|
| AVC Networks | 203.0 | +52.3 |
| Home Appliances | 56.0 | +8.1 |
| Components and Devices | 135.0 | +0.1 |
| MEW and PanaHome | 45.0 | +5.7 |
| JVC and Other | 31.0 | -14.5 |
| Total | 470.0 | +51.7 |

JVC has not yet announced its forecasts including capital expenditures for the year ending March 31, 2008 as of April 27, 2007. Therefore, the company will not disclose forecasts for JVC as a single segment but will state JVC and Other together, as JVC and Other. This does not mean a change of category.

yen (billions)

| | Fiscal 2008 Forecast (as of July 24, 2007) 08-07 | |
|------------------------|---|-------|
| AVC Networks | 203.0 | +52.3 |
| Home Appliances | 56.0 | +8.1 |
| Components and Devices | 135.0 | +0.1 |
| MEW and PanaHome | 45.0 | +5.7 |
| JVC | 3.0 | -9.6 |
| Other | 18.0 | -14.9 |
| Total | 460.0 | +41.7 |

Depreciation (Tangible assets)

yen (billions)

| <Consolidated> | Fiscal 2008 Forecast (as of April 27, 2007) 08-07 | Fiscal 2008 Forecast (as of July 24, 2007) 08-07 |
|----------------|--|---|
| | 310.0 | +29.8 |
| | 300.0 | +19.8 |

R&D Expenditures

yen (billions)

| <Consolidated> | Fiscal 2008 Forecast (as of April 27, 2007) 08-07 | Fiscal 2008 Forecast (as of July 24, 2007) 08-07 |
|----------------|--|---|
| | 580.0 | +1.9 |
| | 556.0 | -22.1 |

D. Foreign Currency Transaction*

(billions)

| | Fiscal 2008 Forecast (as of April 27, 2007) | Fiscal 2008 Forecast (as of July 24, 2007) |
|--------------|--|---|
| U.S. Dollars | US\$3.5 | US\$3.5 |
| Euro | 1.5 | 1.4 |

* These figures are based on the net foreign exchange exposure of the company.

Table of Contents

Disclaimer Regarding Forward-Looking Statements

This document includes forward-looking statements (within the meaning of Section 27A of the U.S. Securities Act of 1933 and Section 21E of the U.S. Securities Exchange Act of 1934) about Matsushita and its Group companies (the Matsushita Group). To the extent that statements in this document do not relate to historical or current facts, they constitute forward-looking statements. These forward-looking statements are based on the current assumptions and beliefs of the Matsushita Group in light of the information currently available to it, and involve known and unknown risks, uncertainties and other factors. Such risks, uncertainties and other factors may cause the Matsushita Group's actual results, performance, achievements or financial position to be materially different from any future results, performance, achievements or financial position expressed or implied by these forward-looking statements. Matsushita undertakes no obligation to publicly update any forward-looking statements after the date of this document. Investors are advised to consult any further disclosures by Matsushita in its subsequent filings with the U.S. Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934.

The risks, uncertainties and other factors referred to above include, but are not limited to, economic conditions, particularly consumer spending and corporate capital expenditures in the United States, Europe, Japan, China and other Asian countries; volatility in demand for electronic equipment and components from business and industrial customers, as well as consumers in many product and geographical markets; currency rate fluctuations, notably between the yen, the U.S. dollar, the euro, the Chinese yuan, Asian currencies and other currencies in which the Matsushita Group operates businesses, or in which assets and liabilities of the Matsushita Group are denominated; the ability of the Matsushita Group to respond to rapid technological changes and changing consumer preferences with timely and cost-effective introductions of new products in markets that are highly competitive in terms of both price and technology; the ability of the Matsushita Group to achieve its business objectives through joint ventures and other collaborative agreements with other companies; the ability of the Matsushita Group to maintain competitive strength in many product and geographical areas; the possibility of incurring expenses resulting from any defects in products or services of the Matsushita Group; the possibility that the Matsushita Group may face intellectual property infringement claims by third parties; current and potential, direct and indirect restrictions imposed by other countries over trade, manufacturing, labor and operations; fluctuations in market prices of securities and other assets in which the Matsushita Group has holdings or changes in valuation of long-lived assets, including property, plant and equipment and goodwill, and deferred tax assets; future changes or revisions to accounting policies or accounting rules; as well as natural disasters including earthquakes and other events that may negatively impact business activities of the Matsushita Group. The factors listed above are not all-inclusive and further information is contained in Matsushita's latest annual report on Form 20-F, which is on file with the U.S. Securities and Exchange Commission.

Table of Contents

<Attachment 1>

Sales by Products

The following are sales of major products to outside customers, and do not include internal sales.

As such, amounts herein do not correspond to those in Segment information.

<Consolidated>

yen (billions)

| | | Fiscal 2008 First Quarter | |
|------------------------|---------------------------------|---------------------------|-------|
| | | Sales | 08/07 |
| | Products | | |
| AVC Networks | VCRs | 27.3 | 84% |
| | Digital cameras | 60.0 | 137% |
| | TVs | 211.7 | 95% |
| | Plasma TVs | 128.9 | 99% |
| | LCD TVs | 57.1 | 109% |
| | DVD recorders | 29.3 | 122% |
| | Audio equipment | 30.2 | 81% |
| | Information equipment | 348.3 | 110% |
| | Communications equipment | 174.0 | 101% |
| | Mobile communications equipment | 87.3 | 106% |
| Home Appliances | Air conditioners | 100.2 | 115% |
| | Refrigerators | 29.0 | 109% |
| Components and Devices | General components | 114.2 | 109% |
| | Semiconductors * | 112.3 | 102% |
| | Batteries | 75.3 | 108% |
| Other | FA equipment | 52.8 | 97% |

* Information for semiconductors is on a production basis. The annual forecast for fiscal 2008 is 477.0 billion yen, up 9% from fiscal 2007.

Notes:

The company transferred its healthcare business to its consolidated subsidiary Panasonic Shikoku Electronics Co., Ltd. at April 1, 2007. Accordingly, the year-on-year figure for Information equipment is based on the reclassified fiscal 2007 sales results for those product categories.

Table of Contents

<Attachment 2>

Financial data for the primary domain companies

<Business domain company basis>

<Sales and domain company profit by business domain company (production division basis)>

Fiscal 2008 First Quarter Results

yen (billions)

| | Sales | | Domain company profit | | |
|---|-------|-------|-----------------------|-------|------------|
| | | 08/07 | | 08/07 | % of Sales |
| Panasonic AVC Networks Company | 460.1 | 107% | 14.3 | 115% | 3.1% |
| Panasonic Communications Co., Ltd. | 129.2 | 111% | 2.0 | 41% | 1.6% |
| Panasonic Mobile Communications Co., Ltd. | 108.4 | 103% | -1.6 | | -1.5% |
| Panasonic Electronic Devices Co., Ltd. | 129.8 | 109% | 9.3 | 126% | 7.2% |

From fiscal 2008, PC optical disc drive business of Panasonic Shikoku Electronics Co.,Ltd. was transferred to Panasonic Communications Co., Ltd.

<Capital Investment>*

Fiscal 2008 First Quarter Results

yen (billions)

| | Capital Investment | |
|---|--------------------|-------|
| | 08-07 | |
| Panasonic AVC Networks Company | 25.7 | +14.0 |
| Panasonic Communications Co., Ltd. | 2.0 | -0.7 |
| Panasonic Mobile Communications Co., Ltd. | 0.5 | -0.5 |
| Panasonic Electronic Devices Co., Ltd. | 9.3 | +1.8 |

* These figures are calculated on an accrual basis.

Table of Contents

<Attachment 3> Reference

Segment information for fiscal 2007 through fiscal 2008

<Consolidated>

Fiscal 2008 Results

| <u>Sales</u> | yen (billions) | |
|----------------------------|--|--------------|
| | Fiscal 2008 First Quarter | 08/07 |
| AVC Networks | 996.1 | 105% |
| Home Appliances | 349.4 | 112% |
| Components and Devices | 348.2 | 104% |
| MEW and PanaHome | 431.9 | 106% |
| JVC | 138.0 | 89% |
| Other | 359.5 | 100% |
| Total | 2,623.1 | 104% |
| Corporate and eliminations | -383.6 | |
| Consolidated total | 2,239.5 | 105% |

| <u>Segment profit</u> | yen (billions) | |
|----------------------------|--|--------------|
| | Fiscal 2008 First Quarter | 08/07 |
| AVC Networks | 38.9 | 110% |
| Home Appliances | 18.0 | 90% |
| Components and Devices | 18.4 | 134% |
| MEW and PanaHome | 9.9 | 153% |
| JVC | -6.7 | |
| Other | 13.8 | 100% |
| Total | 92.3 | 107% |
| Corporate and eliminations | -18.4 | |
| Consolidated total | 73.9 | 113% |

The company transferred its healthcare business to its consolidated subsidiary Panasonic Shikoku Electronics Co., Ltd. at April 1, 2007.

Accordingly, the year-on-year figures for the AVC Networks and Home Appliances segments are based on the reclassified fiscal 2007 results for those business segments.

Fiscal 2007 Results

| <u>Sales</u> | yen (billions) | | | | | | | | | | | | | |
|--------------|--------------------------|--------------|-------------------|------|-----------------------|--------------|--------------------------|--------------|--------------------|------|------------------------|--------------|--------------------|--------------|
| | First Quarter | 07/06 | First Half | | First Half | 07/06 | Third Quarter | 07/06 | Second Half | | Second Half | 07/06 | Fiscal 2007 | 07/06 |
| AVC Networks | 949.3 | 103% | 967.6 | 99% | 1,916.9 | 101% | 1,148.8 | 102% | 998.4 | 101% | 2,147.2 | 102% | 4,064.1 | 101% |
| | 312.5 | 101% | 297.5 | 111% | 610.0 | 105% | 323.8 | 102% | 313.3 | 107% | 637.1 | 105% | 1,247.1 | 105% |

Edgar Filing: MATSUSHITA ELECTRIC INDUSTRIAL CO LTD - Form 6-K

| | | | | | | | | | | | | | | |
|--|----------------|-------------|----------------|-------------|----------------|-------------|----------------|-------------|----------------|-------------|----------------|-------------|-----------------|-------------|
| Home Appliances Components and Devices | 335.4 | 100% | 349.9 | 101% | 685.3 | 101% | 360.9 | 101% | 331.5 | 100% | 692.4 | 101% | 1,377.7 | 101% |
| PanaHome | 408.7 | 106% | 482.5 | 107% | 891.2 | 106% | 467.0 | 107% | 500.5 | 105% | 967.5 | 106% | 1,858.7 | 106% |
| JVC | 154.5 | 102% | 172.7 | 93% | 327.2 | 97% | 177.8 | 83% | 141.6 | 93% | 319.4 | 87% | 646.6 | 92% |
| Other | 359.4 | 124% | 391.7 | 119% | 751.1 | 121% | 350.9 | 109% | 382.0 | 102% | 732.9 | 105% | 1,484.0 | 113% |
| Total | 2,519.8 | 105% | 2,661.9 | 104% | 5,181.7 | 105% | 2,829.2 | 102% | 2,667.3 | 102% | 5,496.5 | 102% | 10,678.2 | 103% |
| Corporate and eliminations | -382.9 | | -409.3 | | -792.2 | | -392.4 | | -385.4 | | -777.8 | | -1,570.0 | |
| Consolidated total | 2,136.9 | 104% | 2,252.6 | 102% | 4,389.5 | 103% | 2,436.8 | 102% | 2,281.9 | 102% | 4,718.7 | 102% | 9,108.2 | 102% |

Segment profit

yen (billions)

| | First Quarter | | First Half | | First Half | | Third Quarter | | Second Half | | Second Half | | Fiscal 2007 | |
|----------------------------|---------------|-------------|--------------|-------------|--------------|-------------|---------------|-------------|--------------|-------------|--------------|-------------|--------------|-------------|
| | 07/06 | | 07/06 | | 07/06 | | 07/06 | | 07/06 | | 07/06 | | 07/06 | |
| AVC Networks | 35.3 | 121% | 66.6 | 117% | 101.9 | 119% | 70.9 | 121% | 47.2 | 97% | 118.1 | 110% | 220.0 | 114% |
| Home Appliances | 20.1 | 112% | 19.8 | 97% | 39.9 | 104% | 19.0 | 79% | 24.2 | 190% | 43.2 | 118% | 83.1 | 111% |
| Components and Devices | 13.8 | 236% | 36.8 | 132% | 50.6 | 150% | 25.6 | 98% | 23.7 | 111% | 49.3 | 104% | 99.9 | 123% |
| MEW and PanaHome | 6.4 | 146% | 26.1 | 108% | 32.5 | 114% | 24.9 | 108% | 21.5 | 102% | 46.4 | 105% | 78.9 | 109% |
| JVC | -2.9 | | 1.9 | | -1.0 | | 0.5 | 36% | -5.2 | | -4.7 | | -5.7 | |
| Other | 13.7 | 149% | 18.2 | 93% | 31.9 | 111% | 12.1 | 90% | 16.5 | 83% | 28.6 | 85% | 60.5 | 97% |
| Total | 86.4 | 136% | 169.4 | 115% | 255.8 | 121% | 153.0 | 104% | 127.9 | 106% | 280.9 | 105% | 536.7 | 112% |
| Corporate and eliminations | -21.3 | | -27.1 | | -48.4 | | -17.2 | | -11.6 | | -28.8 | | -77.2 | |
| Consolidated total | 65.1 | 141% | 142.3 | 114% | 207.4 | 121% | 135.8 | 105% | 116.3 | 102% | 252.1 | 104% | 459.5 | 111% |

The company transferred its healthcare business to its consolidated subsidiary Panasonic Shikoku Electronics Co., Ltd. at April 1, 2007. Accordingly, segment information for the AVC Networks and Home Appliances segments have been reclassified.

Table of Contents

<Attachment 4> Reference

Segment information for fiscal 2006

<Consolidated>

Fiscal 2006 Results

Sales yen (billions)

| | First Quarter | | First Half | | First Half | | Third Quarter | | Second Half | | Second Half | | Fiscal 2006 | |
|----------------------------|---------------|-------|------------|-------|------------|-------|---------------|-------|-------------|-------|-------------|-------|-------------|-------|
| | 06/05 | 06/05 | 06/05 | 06/05 | 06/05 | 06/05 | 06/05 | 06/05 | 06/05 | 06/05 | 06/05 | 06/05 | 06/05 | 06/05 |
| AVC Networks | 918.2 | 101% | 972.6 | 99% | 1,890.8 | 100% | 1,129.8 | 108% | 984.1 | 105% | 2,113.9 | 106% | 4,004.7 | 103% |
| Home | | | | | | | | | | | | | | |
| Appliances | 310.5 | 100% | 268.2 | 98% | 578.7 | 99% | 316.2 | 103% | 293.4 | 103% | 609.6 | 103% | 1,188.3 | 101% |
| Components and Devices | 333.8 | 83% | 347.0 | 89% | 680.8 | 86% | 356.8 | 100% | 330.7 | 103% | 687.5 | 102% | 1,368.3 | 93% |
| MEW and PanaHome | 384.8 | 102% | 452.6 | 107% | 837.4 | 105% | 435.1 | 103% | 474.7 | 102% | 909.8 | 103% | 1,747.2 | 104% |
| JVC | 151.5 | 86% | 184.8 | 100% | 336.3 | 93% | 214.1 | 100% | 152.7 | 98% | 366.8 | 99% | 703.1 | 96% |
| Other | 289.7 | 115% | 329.1 | 115% | 618.8 | 115% | 322.7 | 129% | 373.8 | 158% | 696.5 | 143% | 1,315.3 | 128% |
| Total | 2,388.5 | 98% | 2,554.3 | 101% | 4,942.8 | 99% | 2,774.7 | 107% | 2,609.4 | 109% | 5,384.1 | 108% | 10,326.9 | 104% |
| Corporate and eliminations | -340.3 | | -343.3 | | -683.6 | | -376.3 | | -372.7 | | -749.0 | | -1,432.6 | |
| Consolidated total | 2,048.2 | 97% | 2,211.0 | 100% | 4,259.2 | 99% | 2,398.4 | 104% | 2,236.7 | 107% | 4,635.1 | 105% | 8,894.3 | 102% |

Segment profit yen (billions)

| | First Quarter | | First Half | | First Half | | Third Quarter | | Second Half | | Second Half | | Fiscal 2006 | |
|----------------------------|---------------|-------|------------|-------|------------|-------|---------------|-------|-------------|-------|-------------|-------|-------------|-------|
| | 06/05 | 06/05 | 06/05 | 06/05 | 06/05 | 06/05 | 06/05 | 06/05 | 06/05 | 06/05 | 06/05 | 06/05 | 06/05 | 06/05 |
| AVC Networks | 29.0 | 165% | 56.9 | 109% | 85.9 | 123% | 58.6 | 223% | 48.5 | 145% | 107.1 | 179% | 193.0 | 149% |
| Home | | | | | | | | | | | | | | |
| Appliances | 18.0 | 102% | 20.4 | 114% | 38.4 | 108% | 23.9 | 113% | 12.8 | 79% | 36.7 | 98% | 75.1 | 103% |
| Components and Devices | 5.9 | 37% | 27.8 | 117% | 33.7 | 85% | 26.0 | 287% | 21.4 | 233% | 47.4 | 259% | 81.1 | 140% |
| MEW and PanaHome | 4.4 | 90% | 24.1 | 116% | 28.5 | 111% | 23.1 | 114% | 21.1 | 101% | 44.2 | 108% | 72.7 | 109% |
| JVC | -2.9 | | -1.1 | | -4.0 | | 1.3 | 19% | -3.1 | | -1.8 | | -5.8 | |
| Other | 9.2 | 115% | 19.5 | 241% | 28.7 | 178% | 13.5 | 152% | 20.0 | 150% | 33.5 | 151% | 62.2 | 162% |
| Total | 63.6 | 96% | 147.6 | 119% | 211.2 | 111% | 146.4 | 158% | 120.7 | 132% | 267.1 | 145% | 478.3 | 128% |
| Corporate and eliminations | -17.6 | | -22.5 | | -40.1 | | -17.0 | | -6.9 | | -23.9 | | -64.0 | |
| Consolidated total | 46.0 | 106% | 125.1 | 111% | 171.1 | 109% | 129.4 | 147% | 113.8 | 178% | 243.2 | 160% | 414.3 | 134% |

Notes:

1.

Edgar Filing: MATSUSHITA ELECTRIC INDUSTRIAL CO LTD - Form 6-K

Under the collaboration with MEW, the company reorganized business and sales channels in such areas as electrical construction materials, building equipment and home appliances. Accordingly, the year-on-year figures for the Home Appliances and MEW and PanaHome segments are based on the reclassified fiscal 2005 results for those business segments.

2. The company transferred its healthcare business to its consolidated subsidiary Panasonic Shikoku Electronics Co., Ltd. at April 1, 2007. Accordingly, segment information for the AVC Networks and Home Appliances segments have been reclassified.

Table of Contents

July 25, 2007

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)

Munetsugu Takeda (Europe)
(Tel: +49-611-235-305)

Investor Relations Contacts:

Makoto Mihara (Japan)
Investor Relations
(Tel: +81-6-6908-1121)

Akihiro Takei (U.S.)
Panasonic Finance (America), Inc.
(Tel: +1-212-698-1365)

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

Matsushita to Absorb Wholly-Owned Subsidiary

Osaka, Japan, July 25, 2007 Matsushita Electric Industrial Co., Ltd. (MEI [NYSE symbol: MC]), best known for its Panasonic brand, today announced that the Company will absorb Matsushita Technoresearch, Inc., a wholly-owned subsidiary of MEI.

The merger is expected to take effect on October 1, 2007, at which point Matsushita Technoresearch, Inc. will be merged into MEI.

Details of the merger are outlined below.

1. Purpose of merger

Matsushita Technoresearch, Inc. implements the analysis, physical assessment, and funded research and sales of research results on industrial materials and natural chemical substances.

Through this merger, MEI will strengthen its research & development structure for its strategic devices including display devices from the aspect of materials and processes, thereby accelerating its speed of R&D.

2. Details of merger

(1) Merger schedule

July 25, 2007

Board of Directors meet to vote on merger

July 25, 2007

Signing of merger agreement

October 1, 2007 (planned)

Effective date of merger

(Note: The merger will be conducted through the simplified procedures provided under the Company Law of Japan, by which resolutions of the shareholders meeting of MEI and Matsushita Technoresearch, Inc. will not be made.)

Table of Contents

- 2 -

(2) Method of merger

MEI, as the continuing company, will absorb Matsushita Technoresearch, Inc., which will be subsequently dissolved.

(3) Treatment of stock acquisition rights and convertible bonds of the expiring company

There are no stock acquisition rights or convertible bonds issued by Matsushita Technoresearch, Inc.

3. Basic information of MEI and Matsushita Technoresearch, Inc.

(As of March 31, 2007)

| | MEI | | Matsushita Technoresearch, Inc. | |
|-----------------------------|--|-------|---|------|
| Trade Name | (company to absorb) | | (company to be absorbed) | |
| Principal Lines of Business | Manufacture and sale of electronic and electric equipment | | Analysis, physical assessment and funded research and sales of research results on industrial materials and natural chemical substances | |
| Date of Incorporation | December 15, 1935 | | March 22, 1983 | |
| Principal Office | Kadoma-shi, Osaka, Japan | | Kadoma-shi, Osaka, Japan | |
| Representative | Fumio Ohtsubo, President | | Hidetsugu Asada, President | |
| Capital Stock | 258,740 | | 200 | |
| (million yen) | | | | |
| Shares Issued | 2,453,053,497 | | 4,000 | |
| Shareholders Equity | 3,916,741 (consolidated basis) | | 698 | |
| (million yen) | | | | |
| Total Assets | 7,896,958 (consolidated basis) | | 1,232 | |
| (million yen) | | | | |
| Financial Closing Date | March 31 | | March 31 | |
| Major Shareholders | Moxley & Co. | 7.71% | MEI | 100% |
| and Shareholdings | The Master Trust Bank of Japan, Ltd. (Trust account) | 5.13% | | |
| | Japan Trustee Services Bank, Ltd. (Trust account) | 3.42% | | |
| | State Street Bank and Trust Co. | 2.78% | | |
| | Nippon Life Insurance Co. | 2.73% | | |

Note: Amounts less than one million yen have been rounded to the nearest whole million yen amount.

4. Effects of merger on MEI's financial results

Edgar Filing: MATSUSHITA ELECTRIC INDUSTRIAL CO LTD - Form 6-K

| | |
|--------------------------------|---|
| Trade Name | MEI |
| Principal Lines of Business | Manufacture and sale of electronic and electric equipment |
| Principal Office | Kadoma-shi, Osaka, Japan |
| Representative | Fumio Ohtsubo, President |
| Capital Stock (million yen) | No change is made by the merger. |
| Financial Closing Date | March 31 |
| Influence on Financial Outlook | There shall be no change in the financial outlook for fiscal 2008, ending March 31, 2008. |

Table of Contents

- 3 -

Disclaimer Regarding Forward-Looking Statements

This press release includes forward-looking statements (within the meaning of Section 27A of the U.S. Securities Act of 1933 and Section 21E of the U.S. Securities Exchange Act of 1934) about Matsushita and its Group companies (the Matsushita Group). To the extent that statements in this press release do not relate to historical or current facts, they constitute forward-looking statements. These forward-looking statements are based on the current assumptions and beliefs of the Matsushita Group in light of the information currently available to it, and involve known and unknown risks, uncertainties and other factors. Such risks, uncertainties and other factors may cause the Matsushita Group's actual results, performance, achievements or financial position to be materially different from any future results, performance, achievements or financial position expressed or implied by these forward-looking statements. Matsushita undertakes no obligation to publicly update any forward-looking statements after the date of this press release. Investors are advised to consult any further disclosures by Matsushita in its subsequent filings with the U.S. Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934.

The risks, uncertainties and other factors referred to above include, but are not limited to, economic conditions, particularly consumer spending and corporate capital expenditures in the United States, Europe, Japan, China and other Asian countries; volatility in demand for electronic equipment and components from business and industrial customers, as well as consumers in many product and geographical markets; currency rate fluctuations, notably between the yen, the U.S. dollar, the euro, the Chinese yuan, Asian currencies and other currencies in which the Matsushita Group operates businesses, or in which assets and liabilities of the Matsushita Group are denominated; the ability of the Matsushita Group to respond to rapid technological changes and changing consumer preferences with timely and cost-effective introductions of new products in markets that are highly competitive in terms of both price and technology; the ability of the Matsushita Group to achieve its business objectives through joint ventures and other collaborative agreements with other companies; the ability of the Matsushita Group to maintain competitive strength in many product and geographical areas; the possibility of incurring expenses resulting from any defects in products or services of the Matsushita Group; the possibility that the Matsushita Group may face intellectual property infringement claims by third parties; current and potential, direct and indirect restrictions imposed by other countries over trade, manufacturing, labor and operations; fluctuations in market prices of securities and other assets in which the Matsushita Group has holdings or changes in valuation of long-lived assets, including property, plant and equipment and goodwill, and deferred tax assets; future changes or revisions to accounting policies or accounting rules; as well as natural disasters including earthquakes and other events that may negatively impact business activities of the Matsushita Group. The factors listed above are not all-inclusive and further information is contained in Matsushita's latest annual report on Form 20-F, which is on file with the U.S. Securities and Exchange Commission.

###