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FOR IMMEDIATE RELEASE

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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 = 120 yen.)

MATSUSHITA REPORTS MARCH 2003 ANNUAL RESULTS

- Business Turns to Recovery on Increased Sales, Restructuring Effects -

Matsushita Electric Industrial Co., Ltd. (NYSE and PCX symbol: MC) today reported its annual financial results for the year ended March 31, 2003 (fiscal 2003).

Consolidated Results*

Consolidated group sales for fiscal 2003 were up 5% to 7,401.7 billion yen (U.S.\$61.68 billion), from 7,073.8 billion yen in the previous fiscal year. In explaining increased revenues, the company cited strong sales of new products, such as V-products, particularly in the areas of video and audio equipment within the AVC Networks category, and Components and Devices. Of the total, domestic sales increased 4% to 3,453.8 billion yen (\$28.78 billion), from 3,313.9 billion yen. Overseas sales also improved, up 5% to 3,947.9 billion yen (\$32.90 billion), from 3,759.9 billion yen a year ago. Excluding the effects of currency translation, overseas sales were up 4% from the previous year on a local currency basis.

The overall business environment in fiscal 2003 was characterized by persisting instability. In the domestic market, factors such as continuing deflationary trends, stagnant consumer spending and depressed capital investment impeded economic

* From this fiscal year (fiscal 2003), the company has included certain subsidiaries of Victor Company of Japan, Ltd. in its consolidated reporting. Consolidated results for fiscal 2002 have been restated retroactively. (see Notes to consolidated financial statements on pages 12-14)

recovery. Overseas economies were negatively affected by slowed growth in the United States, and increased instability caused by the war in Iraq.

During this fiscal year, Matsushita carried out several groupwide initiatives to achieve a V-shaped recovery from the previous year's operating loss. Such initiatives included the introduction of competitive V-products that can gain the top share in high-volume markets and contribute to overall company performance. The company also implemented groupwide organizational restructuring, whereby a new business domain-based structure took effect from January 1, 2003. The new structure focuses on global consolidated management by each business domain company within the Matsushita group. In line with this new domain-based global consolidated management policy, Matsushita has included overseas subsidiaries of Victor Company of Japan, Ltd. in its consolidated reporting.

As a result of the aforementioned initiatives, Matsushita's business results marked gains, led by video and audio equipment of the AVC Networks category and products in the Components and Devices category. Furthermore, sales of Home Appliances achieved an upward turn from the previous year's negative growth.

Consolidated operating profit* for the year increased to 126.6 billion yen (\$1.06 billion), as compared with an operating loss in the previous year of 199.0 billion yen. Matsushita attributed this turnaround to sales increases achieved through the aggressive promotion of competitive new products, especially of V-products, and the favorable effects of business restructuring implemented in the previous fiscal year, which were more than sufficient in offsetting negatives pressures on operating profit, such as increasingly severe global competition.

Regarding pretax income, the company also posted a substantial improvement, but incurred losses on valuation of investment securities, mainly bank stocks, due to aggravated stock market conditions in Japan. As a result, income before income taxes for fiscal 2003 was 68.9 billion yen (\$574 million), compared with a pretax loss of 537.8 billion yen a year ago.

* In regards to operating profit, see Notes to consolidated financial statements on pages 12-14.

In late March 2003, the Japanese legislature passed a proposed revision of tax laws to lower local enterprise income taxes in light of a new pro-forma standard taxation system. As a result, the company recorded losses relating to adjustments of net deferred tax assets that have been necessitated by the revision of the local tax law. Accordingly, the company recorded a net loss of 19.5 billion yen (\$162 million), as compared with last year's net loss of 427.8 billion yen.

The company's consolidated annual net loss per common share for fiscal 2003 was 8.70 yen (\$0.07) on a diluted basis, compared with a net loss per common share of 206.09 yen on the same basis a year ago.

Consolidated Sales Breakdown by Product Category

The company's annual consolidated sales by major product category are summarized as follows:

AVC Networks

AVC Networks sales increased 4% to 4,396.1 billion yen (\$36.63 billion), from 4,236.4 billion yen in the previous year. Within this segment, sales of video and audio equipment increased 7% from a year ago. Despite slow sales of audio equipment in overseas markets, strong sales were recorded in PDP TVs, DVD recorders and other digital AV equipment.

In information and communications equipment, continued slow sales of hard disk drives (HDDs) and other PC peripheral equipment were offset by sales gains in car AVC equipment and strong overseas sales of cellular phones, resulting in a 1% increase in overall sales from the previous year.

Home Appliances

Sales of Home Appliances were up 3% to 1,210.2 billion yen (\$10.09 billion), compared with 1,178.2 billion yen in the previous year. This improvement was mainly due to domestic sales increases of HFC-free refrigerators, vacuum cleaners and microwave ovens, as well as overseas sales gains in air conditioners and refrigerators.

Industrial Equipment

Sales of Industrial Equipment were 285.2 billion yen (\$2.38 billion), down 1% from 288.7 billion yen in the previous year. Within this segment, sales of factory automation equipment increased, but sales declines of other industrial-use equipment led to lower overall sales.

Components and Devices

Sales of Components and Devices increased 10% to 1,510.2 billion yen (\$12.59 billion), compared with 1,370.5 billion yen in the previous year. This improvement in sales was due mainly to strong sales of semiconductors, general components and other products in domestic and overseas markets.

Non-Consolidated (Parent Company Alone) Results

Parent-alone sales increased 9% to 4,237.8 billion yen, compared with 3,900.7 billion yen in the previous year, mainly attributable to solid sales in video and audio equipment within the AVC Networks category and Components and Devices.

Regarding parent-alone earnings, despite continuing downward pressure on prices, sales increases, in addition to cost reduction efforts and the positive results of business restructuring, resulted in an operating profit of 52.8 billion yen, compared with the previous year's operating loss of 92.9 billion yen. Recurring profit increased to 80.1 billion yen, from a recurring loss of 42.4 billion yen in the previous year. The parent company recorded a non-recurring profit of 52.2 billion yen, including a one-time profit related to an exemption from the future benefit obligation with respect to the substitutional portion of the Employees Pension Funds that the company operates on behalf of the Government. The parent company incurred non-recurring losses of 43.9 billion yen, due mainly to losses on valuation of investment securities. These factors, and an additional negative effect from adjustments of net deferred tax assets necessitated by the revision of the local tax laws, resulted in a parent-alone net income of 28.8 billion yen, compared with a net loss of 132.4 billion yen in the previous year.

Consolidated Financial Condition

On a consolidated basis, total assets as of March 31, 2003 were 7,834.7 billion yen, an increase of 66.2 billion yen from March 31, 2002. The main reason for this increase was 315.0 billion yen recorded in "Other assets" of the consolidated balance

sheet as the total of goodwill and certain other accounts, a result of transforming 5 subsidiaries, including Matsushita Communication Industrial Co., Ltd., into wholly owned subsidiaries on October 1, 2002. Regarding operating assets, such as inventories and property, plant and equipment, the company was successful in its streamlining efforts. Total inventories as of the end of fiscal 2003 was 783.3 billion yen, down 120.1 billion yen from a year ago. Investment in property, plant and equipment totaled 251.5 billion yen, a reduction of 21% from the prior year.

Proposed Year-end Dividend

Matsushita's Board of Directors today resolved to propose a year-end cash dividend of 6.25 yen per common share, for approval at the ordinary general meeting of shareholders to be held in late June 2003. This compares with the year-end dividend of 3.75 yen per common share paid last year. If implemented, total dividends for fiscal 2003, including an interim dividend of 6.25 yen per common share paid in December 2002, will be 12.50 yen per common share, as compared with 10.00 yen for the previous fiscal year.

Outlook for Fiscal Year 2004

For fiscal 2004, ending March 31, 2004, Matsushita expects continued weak economic conditions in Japan and the United States, compounded by the effects of the war in Iraq and the SARS outbreak, to result in a severe business environment. Given such an environment, Matsushita will make groupwide efforts toward enhanced earnings and increased cash flows by introducing a new lineup of competitive V-products, and implementing autonomous management at each domain company. Matsushita currently expects fiscal 2004 sales on a consolidated basis to increase by about 1% to approximately 7,450 billion yen. Consolidated operating profit* is expected to increase by about 18% to approximately 150 billion yen. Consolidated income before income taxes is anticipated to improve to approximately 120 billion yen, up 74%, and net income is expected to improve to approximately 30 billion yen, from a net loss in the past fiscal year.**

* Annual consolidated operating profit and consolidated income before income taxes for fiscal 2004 are currently forecasted to be about 150 billion yen and 120 billion yen, respectively. The difference represents estimated expenses of about 50 billion yen associated with business restructuring charges and income of about 20 billion yen from other non-operating items.

** For the first half of fiscal 2004, the company currently expects consolidated sales to decrease 3% from the same six-month period of last year, to approximately 3,500 billion yen, with income before income taxes increasing 8% to approximately 60 billion yen.

On a parent company alone basis, sales in fiscal 2004 are expected to decrease by 8% to approximately 3,900 billion yen. Recurring profit, however, is projected to increase 21% to approximately 97 billion yen, and net income is forecast to increase 73% to approximately 50 billion yen.

Matsushita Electric Industrial Co., Ltd., best known for its "Panasonic" brand products, is one of the world's leading producers of electronic and electric products for consumer, business and industrial use. Matsushita's shares are listed on the Tokyo, Osaka, Nagoya, Fukuoka, Sapporo, New York, Pacific, Euronext Amsterdam, Euronext Paris, Frankfurt and Dusseldorf stock exchanges. For more information, visit the Matsushita web site at the following URL: <http://www.panasonic.co.jp/global/>

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 them, 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 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, 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 realize expected benefits of various restructuring activities in its business and organization; 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; current and potential, direct and indirect restrictions imposed by other countries over trade, manufacturing, labor and operations; and fluctuations in market prices of securities and other assets in which the Matsushita Group has holdings; as well as future changes or revisions to accounting policies or accounting rules.

(Financial Tables Attached)