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FOR IMMEDIATE RELEASE

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<p>ANNOUNCEMENT OF FINANCIAL RESULTS</p>

(Note: Dollar amounts for the most recent period have been translated for convenience at the rate of U.S.\$1.00 = 133 yen.)

MATSUSHITA REPORTS MARCH 2002 ANNUAL RESULTS

***Sales Declines and Restructuring Charges Cause Net Loss;
Company Expects Current Year Turnaround***

Matsushita Electric Industrial Co., Ltd. (NYSE and PCX symbol: MC) today reported its annual financial results for the year ended March 31, 2002 (fiscal 2002).

As forecasted in February of this year, Matsushita posted sales declines and losses, which included restructuring charges, both on a consolidated and non-consolidated (parent company alone) basis, reflecting severe business conditions.

Consolidated Results

Consolidated group sales for fiscal 2002 were down 10% to 6,876.7 billion yen (U.S.\$51.70 billion), from 7,681.6 billion yen in the previous fiscal year. Of the total, sales in Japan decreased 17% to 3,348.4 billion yen (\$25.18 billion), from 4,033.8 billion yen, while overseas sales slipped 3% to 3,528.3 billion yen (\$26.53 billion), compared with the previous year's 3,647.8 billion yen. Excluding the effects of currency translation, overseas sales were down 10% from the previous year on a local currency basis.

In explaining the sales results, Matsushita cited negative effects of the recession in the global IT industry and weak economic conditions in Japan and overseas. The recession in Japan deepened with sluggish consumer spending and retracted capital

investment, while overseas, the slowdown in U.S. economic growth, combined with the September 11 terrorist attacks, led to a weakening of Asian and European economies.

Consolidated operating profit* for the year declined to a loss of 211.8 billion yen (\$1.59 billion), as compared with an operating profit of 188.4 billion yen in the previous fiscal year. Matsushita attributed this operating loss to sales declines, especially in mobile communications equipment, such as cellular phones, and components and devices for the IT industry, and the adverse effects of intensified global price competition. The company's efforts to reduce fixed costs and parts and materials costs were not sufficient to offset these negative factors.

** Restructuring charges are not included as part of operating profit (loss). See notes to consolidated financial statements on page 7.*

Furthermore, Matsushita incurred various restructuring charges due to the implementation of a series of major restructuring initiatives in fiscal 2002, the first year of its mid-term "Value Creation 21" plan, with the theme of "Deconstruct and Create." Such charges included expenses amounting to 164.1 billion yen (\$1.23 billion) related to employment restructuring programs, such as additional retirement allowances for early retirement programs, and business restructuring expenses, such as impairment losses and other expenses associated with the closing/integration of several manufacturing locations. In addition, the company incurred a one-time loss of 92.8 billion yen (\$697 million) on valuation of investment securities reflecting the aggravated condition of the Japanese stock market.

As a result of all of the above factors, consolidated income before income taxes for fiscal 2002 turned to a loss of 548.0 billion yen (\$4.12 billion), as compared with a pretax profit of 100.7 billion yen a year ago.

Accordingly, the company recorded a net loss of 431.0 billion yen (\$3.24 billion), as compared with a net income of 41.5 billion yen in the previous fiscal year.

The Company's consolidated annual net loss per common share for fiscal 2002 was 207.65 yen (\$1.56) on a diluted basis, compared with a net income per common share of 19.56 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 declined 5% to 4,051.8 billion yen (\$30.47 billion), from 4,280.0 billion yen in the previous year. Within this category, despite sluggish sales of VCRs, overall sales of video and audio equipment grew 2% from the previous year, due mainly to increased overseas sales of TVs and rapid worldwide sales expansion of DVD players and discs.

In information and communications equipment, overseas sales remained strong for car audiovisual (AV) equipment and broadcast- and business-use AV equipment. However, drastically reduced sales in mobile communications equipment, including cellular phones, and hard disk drives, resulted in an 11% overall sales decrease within this category.

Home Appliances

Sales of Home Appliances decreased 10% to 1,178.2 billion yen (\$8.86 billion), compared with 1,316.3 billion yen in the previous year. Although microwave ovens and vacuum cleaners recorded strong sales overseas, weak domestic demand for refrigerators and washing machines, partly due to unusually high sales at the end of the previous fiscal year prior to the enactment of a new recycling law in Japan, led to lower overall sales in this category.

Industrial Equipment

Sales of Industrial Equipment were 288.7 billion yen (\$2.17 billion), down 38% from 467.5 billion yen in the previous year. As orders from IT-related industries remained slow, domestic and overseas sales of FA equipment were negatively impacted, leading to a sharp sales decrease in this category.

Components and Devices

Sales of Components and Devices decreased 16% to 1,358.0 billion yen (\$10.21 billion), compared with 1,617.8 billion yen in the previous year. Within this category,

compressors for air conditioners and refrigerators recorded sales increases from the previous year, but setbacks in information and communications-related industries resulted in depressed sales of general components, semiconductors and electric motors.

Non-Consolidated (Parent Company Alone) Results

Due to reasons similar to those cited above, parent-alone sales were down 19% to 3,900.7 billion yen, compared with 4,831.8 billion yen in the previous year.

Regarding parent-alone earnings, the company recorded an operating loss of 92.9 billion yen, compared with an operating profit in the previous year of 76.6 billion yen, and a recurring loss of 42.4 billion yen, compared with a recurring profit of 115.4 billion yen a year ago. In addition, the parent company also incurred non-recurring losses, including 130.5 billion yen for employment restructuring programs and 81.5 billion yen as a loss on valuation of investment securities. As a result, the parent company recorded a net loss of 132.4 billion yen, compared with a net income of 63.6 billion yen in the previous year.

Proposed Year-end Dividend

Matsushita's Board of Directors today resolved to propose a year-end cash dividend of 3.75 yen per common share, for approval at the annual meeting of shareholders in late June 2002. This compares with the year-end dividend of 6.25 yen per common share paid last year. If implemented, total dividends for fiscal 2002, including an interim dividend of 6.25 yen per common share paid in December 2001, will be 10.00 yen per common share, as compared with 12.50 yen for the previous fiscal year.

Outlook for Fiscal Year 2003

For fiscal 2003, ending March 31, 2003, Matsushita expects that sluggish conditions in the domestic market and fierce price competition in Japan and overseas will persist. Within this severe business environment, Matsushita will strive to achieve a sales increase by introducing a range of competitive new products, including its "V-products," and together with benefits from various restructuring initiatives implemented in fiscal 2002, the company aims to realize a recovery in earnings. The company

currently expects fiscal 2003 sales on a consolidated basis to increase by about 3% to approximately 7,080 billion yen. Annual consolidated income before income taxes is forecasted at approximately 88 billion yen, achieving a turnaround from fiscal 2002. Likewise, net income is expected to improve to approximately 42 billion yen, from a net loss in the past fiscal year.

Of the annual total, Matsushita, for the fiscal first half ending September 30, 2002, forecasts a modest 2% increase in consolidated sales to approximately 3,460 billion yen, with income before income taxes to rise to about 19 billion yen, and net income to increase to about 2 billion yen.

Due to the comprehensive business and organizational restructuring of Matsushita group companies scheduled to be implemented on January 1, 2003 (see separate press release "Matsushita Announces Groupwide Business and Organizational Restructuring"), Matsushita expects business transfers and integrations to take place between subsidiaries and the parent company. As the details of such changes have not yet been finalized, Matsushita is unable to forecast parent company alone financial results for the full fiscal year 2003 at this time. Instead, Matsushita today announced the first half only forecast on a parent company alone basis. The company said parent alone sales for the first six months of fiscal 2003 are expected to increase 1% to approximately 1,990 billion yen, with recurring profit achieving a turnaround to approximately 13 billion yen, and net income also turning to a profit of approximately 10 billion yen.

Matsushita Electric Industrial Co., Ltd. is one of the world's leading producers of electronic and electric products for consumer, business and industrial use, which it markets around the world under the "Panasonic," "National," "Technics" and "Quasar" brand names. Matsushita's shares are listed on the Tokyo, Osaka, Nagoya, Fukuoka, Sapporo, Amsterdam, Dusseldorf, Frankfurt, New York, Pacific and Paris 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 MEI 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. The Matsushita Group 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 MEI in its subsequent filings with the U.S. Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934 and its other filings.

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 maintain competitive strength in many product and geographical areas; expenses incurred in relation to its business restructuring; any changes in the Matsushita Group's financial and operational position or business environment due to its business restructuring; current and potential, direct and indirect trade restrictions imposed by other countries; and fluctuations in market prices of securities and other assets in which the Matsushita Group has holdings.

(Financial Tables Attached)