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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 = 119 yen.)

MATSUSHITA REPORTS FIRST QUARTER PROFIT

***Sales Increases and Restructuring Initiatives
Contribute to Earnings Turnaround***

Matsushita Electric Industrial Co., Ltd. today reported its consolidated financial results for the first quarter, ended June 30, 2002, of the current fiscal year ending March 31, 2003 (fiscal 2003).

First-quarter Results

Consolidated group sales for the first quarter increased 5% to 1,756.7 billion yen (U.S.\$14.76 billion), from 1,674.8 billion yen in the same three-month period a year ago. Regarding the overall business environment, the Company noted that although consumer spending in Japan appears to have hit bottom, capital investment remained slow, and there was an absence of a substantial recovery in the domestic economy. Overseas, the business environment was generally steady, with expansion in the economies of Asia, including China, despite a slowdown in U.S. economic growth and a weakening of the U.S. dollar.

Domestic sales decreased 2% to 812.0 billion yen (\$6.82 billion), from 824.6 billion yen in the first quarter of the previous year. Within domestic sales, sales in the AVC Networks category increased from the same quarter of the previous year, due mainly to strong sales in video and audio equipment, which were boosted by new

product introductions, aggressive marketing activities for such products and increased demand propelled by Japan's co-hosting of the 2002 FIFA World Cup™. However, other categories in the domestic market recorded sales declines, specifically Home Appliances and Industrial Equipment.

Overseas sales were up 11% to 944.7 billion yen (\$7.94 billion), compared with 850.2 billion yen in the first quarter of the previous year. With the exception of Industrial Equipment, overseas sales increased in all categories. On a local currency basis, overseas sales increased 7% from the same period last year.

Consolidated operating profit for the first quarter increased to 14.6 billion yen (\$122 million), compared with an operating loss of 38.7 billion yen in the same three-month period a year ago. The Company attributed this turnaround to the positive effects of various business and employment restructuring initiatives implemented during the year ended March 31, 2002 (fiscal 2002), as well as sales increases mainly in video and audio equipment and Components and Devices. Income before income taxes also increased to 18.1 billion yen (\$152 million), from a loss before income taxes of 21.2 billion yen in the first quarter of last year, while net income was 4.3 billion yen (\$36 million), up from a net loss in the same quarter of the previous year of 19.4 billion yen.

First-quarter Sales Breakdown by Product Category

The Company's first-quarter consolidated sales by major product category are summarized as follows:

AVC Networks

AVC Networks sales increased 8% to 1,028.9 billion yen (\$8.65 billion), from 950.0 billion yen in the previous year's first quarter. Within this category, sales of video and audio equipment grew 19%, due mainly to increased sales of TVs, VCRs and DVD players, which were a result of the Company's successful promotion of its new "V-Products" and increased demand related to the 2002 FIFA World Cup™.

In information and communications equipment, cellular phones and PC-related equipment recorded sales declines. However, strong sales in car AVC equipment, fixed-line communications equipment and broadcast- and business-use AV equipment contributed to an overall 1% increase in sales in this category.

Home Appliances

Sales of Home Appliances decreased 3% to 288.3 billion yen (\$2.42 billion), compared with 297.9 billion yen in the first quarter of the previous year. Although washing machines, vacuum cleaners, air conditioners and refrigerators recorded strong sales overseas, weak domestic demand resulted in lower overall sales in this category.

Industrial Equipment

Sales of Industrial Equipment were 66.2 billion yen (\$556 million), down 8% from 72.0 billion yen in the first quarter of the previous year. Within this category, while sales of FA equipment increased in the Asia region, including China, the category overall saw sales decline from a year ago.

Components and Devices

Sales of Components and Devices were up 5% to 373.3 billion yen (\$3.14 billion), compared with 354.9 billion yen in the year-earlier first quarter. Although domestic demand was sluggish, overseas sales, mainly in the Asia region, including China, of general components, semiconductors and compressors recorded substantial sales increases.

Outlook for the Fiscal First Half

Despite growing uncertainty about the global economic outlook, including the slowdown in the U.S. economy and the strengthening of the yen, Matsushita expects that the favorable business progress centered on the video and audio equipment and components and devices areas will continue through the second quarter of fiscal 2003.

On a consolidated group basis, the Company expects sales for the first six months ending September 30, 2002 to increase 5% from the same period last year, to approximately 3,570 billion yen, replacing its earlier forecast on April 26, 2002 of 3,460 billion yen. Consolidated income before income taxes for the fiscal first half is anticipated to increase to approximately 50 billion yen, instead of the previous forecast for pre-tax income of 19 billion yen. Likewise, net income for the six-month period is expected to show a large increase, to an estimated 17 billion yen, up from the previous forecast of 2 billion yen.

On a non-consolidated, parent company-alone basis, the Company expects first-half sales to increase 5% from the same period last year, to about 2,070 billion yen, instead of the earlier forecast of 1,990 billion yen. Parent-alone recurring profit for the first half is projected to increase to approximately 40 billion yen, replacing the previous forecast of 13 billion yen. Net income is now expected to increase to approximately 46 billion yen, compared with the previous forecast of 30 billion yen, which was announced on June 27, 2002. Parent-alone net income reflects the relevant one-time gain due to approval from Japan's Ministry of Health, Labour and Welfare for exemption from the future benefit obligation with respect to the substitutional portion of the Employees Pension Funds (see note 6 of notes to consolidated financial statements).

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, 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/>

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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 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 realize expected benefits of various restructuring activities in its business and organization, including the share exchanges with five subsidiaries currently in progress; 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; 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, as well as future changes or revisions to accounting policies, or accounting rules.

(Financial Tables Attached)

Notes to consolidated financial statements:

1. The Company's consolidated financial statements are prepared in conformity with United States generally accepted accounting principles.
2. In order to be consistent with generally accepted financial reporting practices in Japan, operating profit (loss) is presented as net sales less cost of sales and selling, general and administrative expenses.
3. From this fiscal year (fiscal 2003), the Company has applied SFAS No.142, "Goodwill and Other Intangible Assets." This statement requires that goodwill and intangible assets that have indefinite useful lives no longer be amortized, but tested at least annually for impairment. Intangible assets that have estimable useful lives will continue to be amortized over their useful lives. The effects on net loss and basic and diluted net loss per common share for the first quarter of fiscal 2002, if SFAS No.142 had been applied a year ago are as follows:

	<u>Three months ended June 30, 2001</u>
	[in yen millions]
Reported net income (loss)	(19,373)
Addition: Goodwill amortization	<u>1,622</u>
Adjusted net income (loss)	<u>(17,751)</u>
	[in yen]
Reported net income (loss) per common share, basic	(9.32)
Addition: Goodwill amortization	<u>0.78</u>
Adjusted net income (loss) per common share, basic	<u>(8.54)</u>
	[in yen]
Reported net income (loss) per common share, diluted	(9.32)
Addition: Goodwill amortization	<u>0.78</u>
Adjusted net income (loss) per common share, diluted	<u>(8.54)</u>

4. Comprehensive income (loss) was reported as a loss of 273,617 million yen (\$2,299 million) for the first quarter ended June 30, 2002 and a loss of 34,254 million yen for the first quarter ended June 30, 2001. Comprehensive income (loss) includes net income (loss) and increases (decreases) in cumulative translation adjustments, unrealized holding gains of available-for-sale securities, unrealized gains (losses) of certain derivative instruments and minimum pension liability adjustments.

5. With respect to retirement benefit and pension plans, effective April 1, 2002, the Company and certain of its subsidiaries amended their lump-sum retirement benefit payment plans to cash balance pension plans which are included in the Employees Pension Funds. Under the cash balance pension plans, each participant has an account which is credited yearly based on the current rate of pay and market-related interest rate. At the same time, the Company introduced a "Point based benefit system" to the company portion of Employees Pension Funds, under which the benefit obligation is calculated based on the accumulated points of each participant. As a result of these changes, the amount of Accumulated Benefit Obligation (ABO) has increased. Accordingly, to comply with United States generally accepted accounting principles, the Company on its balance sheet, as of the end of the current first quarter, provided an increased amount of retirement and severance benefits (which is included in "Other long-term liabilities") and also increased the amount of minimum pension liability adjustments, net of tax (which is included in "Accumulated other comprehensive income (loss)"). The above changes in the retirement and pension plans have had little effect on the amount of the Company's Projected Benefit Obligation (PBO).
6. Following the enactment of the Welfare Pension Insurance Law in Japan, the Company and certain of its subsidiaries obtained approval from Japan's Ministry of Health, Labour and Welfare for exemption from the future benefit obligation with respect to the portion of the Employees Pension Funds that the Company and certain of its subsidiaries operate on behalf of the Government (the so-called "substitutional portion"). Under United States generally accepted accounting principles, the relevant one-time profit may be recognized only on the settlement of substitutional portion when the Company returns the past benefit obligation to the Government, which Matsushita currently expects to occur during the year ending March 31, 2004.
7. Number of consolidated companies: 308
8. Number of companies reflected by the equity method: 49
9. United States dollar amounts are translated from yen for convenience at the rate of U.S. \$1.00 = 119 yen, the approximate rate on the Tokyo Foreign Exchange Market on June 28, 2002.

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

	Yen (millions)		Percentage 2002/2001	U.S. Dollars (millions)
	<u>2002</u>	<u>2001</u>		<u>2002</u>
Net sales	¥ 1,756,683	¥ 1,674,784	105%	\$ 14,762
Cost of sales	(1,248,107)	(1,222,393)		(10,488)
Selling, general and administrative expenses	(494,016)	(491,077)		(4,152)
Operating profit (loss)	<u>14,560</u>	<u>(38,686)</u>	-	<u>122</u>
Other income (deductions):				
Interest income	6,458	9,572		54
Dividend income	2,497	5,465		21
Interest expense	(8,744)	(11,060)		(73)
Other income (loss), net	<u>3,285</u>	<u>13,513</u>		<u>28</u>
Income (loss) before income taxes	18,056	(21,196)	-	152
Provision for income taxes	(11,598)	(7,412)		(98)
Minority interests	3,056	10,381		26
Equity in earnings (losses) of associated companies	<u>(5,175)</u>	<u>(1,146)</u>		<u>(44)</u>
Net income (loss)	<u>¥ 4,339</u>	<u>¥ (19,373)</u>	-	<u>\$ 36</u>
Net income (loss) per common share, <i>basic</i>	2.09 yen	(9.32) yen		\$0.02
Net income (loss) per common share, <i>diluted</i>	2.09 yen	(9.32) yen		\$0.02

(Parentheses indicate expenses or deductions.)

* See notes to consolidated financial statements on pages 6-7.

Supplementary Information
(Three months ended June 30)

	Yen (millions)		U.S. Dollars (millions)
	<u>2002</u>	<u>2001</u>	<u>2002</u>
Depreciation (tangible assets)	¥ 66,030	¥ 78,352	\$ 555
Capital investment	¥ 45,622	¥ 94,709	\$ 383
R&D expenditures	¥ 138,264	¥ 134,174	\$ 1,162
Number of employees (June 30)	266,494	293,322	

Matsushita Electric Industrial Co., Ltd.
Consolidated Balance Sheet **
June 30, 2002
With Comparative Figures for March 31, 2002

<u>Assets</u>	Yen (millions)		U.S. Dollars (millions)
	<u>June 30, 2002</u>	<u>March 31, 2002</u>	<u>June 30, 2002</u>
Current assets:			
Cash and cash equivalents	¥ 1,080,529	¥ 899,769	\$ 9,080
Time deposits	361,400	521,333	3,037
Marketable securities	8,311	11,849	70
Trade receivables and other current assets	1,517,119	1,574,472	12,749
Inventories	<u>858,229</u>	<u>834,608</u>	<u>7,212</u>
Total current assets	<u>3,825,588</u>	<u>3,842,031</u>	<u>32,148</u>
Noncurrent receivables	323,955	316,230	2,722
Investments and advances	1,309,127	1,331,401	11,001
Property, plant and equipment, net of accumulated depreciation	1,328,341	1,440,271	11,163
Other assets	<u>818,650</u>	<u>697,226</u>	<u>6,879</u>
Total assets	<u>¥ 7,605,661</u>	<u>¥ 7,627,159</u>	<u>\$ 63,913</u>
 <u>Liabilities and Stockholders' Equity</u>			
Current liabilities:			
Short-term borrowings	¥ 378,144	¥ 508,064	\$ 3,178
Trade payables and other current liabilities	<u>2,091,117</u>	<u>1,978,012</u>	<u>17,572</u>
Total current liabilities	<u>2,469,261</u>	<u>2,486,076</u>	<u>20,750</u>
Long-term debt	720,718	691,892	6,057
Other long-term Liabilities	1,017,698	739,876	8,552
Minority interests	444,343	466,231	3,734
Common stock	258,738	258,737	2,174
Capital surplus	684,580	682,848	5,753
Legal reserve	82,873	82,354	697
Retained earnings	2,457,969	2,461,963	20,655
Accumulated other comprehensive income (loss) *	(428,589)	(150,633)	(3,602)
Treasury stock	<u>(101,930)</u>	<u>(92,185)</u>	<u>(857)</u>
Total liabilities and stockholders' equity	<u>¥ 7,605,661</u>	<u>¥ 7,627,159</u>	<u>\$ 63,913</u>

* Accumulated other comprehensive income (loss) breakdown:

	Yen (millions)		U.S. Dollars (millions)
	<u>June 30, 2002</u>	<u>March 31, 2002</u>	<u>June 30, 2002</u>
Cumulative translation adjustments	¥ (153,101)	¥ (51,287)	\$ (1,287)
Unrealized holding gains of available-for-sale securities	¥ 29,590	¥ 50,888	\$ 249
Unrealized gains of derivative instruments	¥ 2,300	¥ 128	\$ 19
Minimum pension liability adjustments	¥ (307,378)	¥ (150,362)	\$ (2,583)

** See notes to consolidated financial statements on pages 6-7.

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

	<u>2002</u>	Yen (billions)	<u>2001</u>	Percentage <u>2002/2001</u>	U.S. Dollars (millions) <u>2002</u>
<i>AVC Networks</i>					
Video and audio equipment	¥ 466.7		¥ 391.8	119%	\$ 3,922
Information and communications equipment	<u>562.2</u>		<u>558.2</u>	101%	<u>4,724</u>
Subtotal	<u>1,028.9</u>		<u>950.0</u>	108%	<u>8,646</u>
<i>Home Appliances</i>	<u>288.3</u>		<u>297.9</u>	97%	<u>2,423</u>
<i>Industrial Equipment</i>	<u>66.2</u>		<u>72.0</u>	92%	<u>556</u>
<i>Components and Devices</i>	<u>373.3</u>		<u>354.9</u>	105%	<u>3,137</u>
Total	¥ <u>1,756.7</u>		¥ <u>1,674.8</u>	105%	\$ <u>14,762</u>
Domestic sales	812.0		824.6	98%	6,823
Overseas sales	944.7		850.2	111%	7,939

[Domestic/Overseas Sales Breakdown]
(in yen only)

	<u>Domestic sales</u>		<u>Overseas sales</u>	
	Yen (billions) <u>2002</u>	Percentage <u>2002/2001</u>	Yen (billions) <u>2002</u>	Percentage <u>2002/2001</u>
<i>AVC Networks</i>				
Video and audio equipment	¥ 153.1	127%	¥ 313.6	116%
Information and communications equipment	<u>268.2</u>	95%	<u>294.0</u>	106%
Subtotal	<u>421.3</u>	105%	<u>607.6</u>	111%
<i>Home Appliances</i>	<u>199.4</u>	93%	<u>88.9</u>	107%
<i>Industrial Equipment</i>	<u>43.4</u>	88%	<u>22.8</u>	99%
<i>Components and Devices</i>	<u>147.9</u>	94%	<u>225.4</u>	114%
Total	¥ <u>812.0</u>	98%	¥ <u>944.7</u>	111%

* See notes to consolidated financial statements on pages 6-7.

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

By Business Segment:

	<u>Yen (billions)</u>		<u>Percentage</u> <u>2002/2001</u>	<u>U.S. Dollars</u> <u>(millions)</u>
	<u>2002</u>	<u>2001</u>		<u>2002</u>
[Sales]				
AVC Networks	¥ 1,028.9	¥ 950.0	108%	\$ 8,646
Home Appliances	288.7	297.9	97%	2,426
Industrial Equipment	66.8	73.1	91%	561
Components and Devices	<u>566.4</u>	<u>520.8</u>	109%	<u>4,760</u>
Subtotal	1,950.8	1,841.8	106%	16,393
Corporate and elimination	<u>(194.1)</u>	<u>(167.0)</u>	--	<u>(1,631)</u>
Consolidated total	<u>¥ 1,756.7</u>	<u>¥ 1,674.8</u>	105%	<u>\$ 14,762</u>
[Operating Profit]				
AVC Networks	¥ 16.7	¥ (17.2)	--	\$ 140
Home Appliances	10.5	11.8	89%	88
Industrial Equipment	(4.8)	(8.0)	--	(40)
Components and Devices	<u>5.6</u>	<u>(13.0)</u>	--	<u>47</u>
Subtotal	28.0	(26.4)	--	235
Corporate and elimination	<u>(13.4)</u>	<u>(12.3)</u>	--	<u>(113)</u>
Consolidated total	<u>¥ 14.6</u>	<u>¥ (38.7)</u>	--	<u>\$ 122</u>

* See notes to consolidated financial statements on pages 6-7.

Details of Product Categories
(consolidated basis)

AVC Networks

Color TVs, LCD and PDP TVs, videocassette recorders (VCRs), camcorders, DVD players/recorders, compact disc (CD), Mini Disc (MD) and SD players, other personal and home audio equipment, AV and computer product devices, prerecorded AV software, broadcast- and business-use AV equipment and systems, PCs, CD-ROM, DVD-ROM/RAM and other optical disk drives, HDDs, other data storage devices, CRT and LCD displays, copiers, printers, telephones, cellular phones, Personal Handyphone System (PHS) terminals and other mobile communications equipment, facsimile equipment, car AVC equipment, traffic-related systems, communications network-related equipment, other information and communications equipment and systems, etc.

Home Appliances

Washing machines, clothes dryers, vacuum cleaners, electric irons, microwave ovens, cooking appliances, dish washers, refrigerators, room air conditioners, electric fans, air purifiers, heating equipment, kitchen fixture systems, electric, gas and kerosene hot water supply equipment, bath and sanitary equipment, healthcare equipment, electric lamps, bicycles, photographic equipment, etc.

Industrial Equipment

Electronic-parts-mounting machines, industrial robots, electronic measuring instruments, welding equipment, power distribution equipment, ventilation and air-conditioning equipment, car air conditioners, vending machines, other food industry-related equipment, medical equipment, elevators, escalators, etc.

Components and Devices

Semiconductors, electronic tubes, LCD panels, PDPs, general components (capacitors, resistors, coils, speakers, power supplies, mechanical components, high frequency components, printed circuit boards, etc.), magnetic recording heads, electric motors, compressors, dry batteries, storage batteries, non-ferrous metals, etc.