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ANNOUNCEMENT OF FINANCIAL RESULTS
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(Note: Dollar amounts for the most recent period have been translated for convenience at the rate of U.S.\$1.00 = 122 yen.)

MATSUSHITA REPORTS SECOND QUARTER AND FIRST HALF RESULTS

-Earnings Turnaround on Increased Sales and Restructuring Effects-

Matsushita Electric Industrial Co., Ltd. today reported its consolidated financial results for the second quarter and first half, ended September 30, 2002, and non-consolidated (parent company alone) results for the first fiscal half.

Consolidated Second-quarter Results

Consolidated group sales for the second quarter were up 4% to 1,780.5 billion yen (U.S.\$14.60 billion), from 1,710.8 billion yen in the same three-month period a year ago. Of the total, domestic sales increased 5% to 865.1 billion yen (\$7.09 billion). Overseas sales also improved, up 3% to 915.4 billion yen (\$7.50 billion). Excluding the effects of currency translation, overseas sales declined 1% from a year ago on a local currency basis.

During the second quarter, Japan continued to be hampered by sluggish consumer spending and ongoing declines in capital investment by corporations, as well as the apparent improbability of a quick recovery in the Japanese economy. Overseas, U.S. economic growth slowed, and has begun to cast a shadow on the outlook for other global economies. The economies of emerging markets such as China, however, maintained high growth momentum.

Within this environment, Matsushita achieved sales growth, particularly in the AVC Networks and Components and Devices segments, propelled by new product introductions, including “V-Products” that can capture a leading share in high-volume markets and make a significant contribution to the Company’s business. In the domestic market, improved sales were mainly a result of concentrated marketing, beginning earlier this year, of the aforementioned V-Products, especially in the video and audio equipment area. Overseas sales were supported by continued advances in major product categories in Europe, China and other Asian countries, although sales in the Americas were adversely affected by the U.S. economic slowdown.

Earnings felt the negative effect of ongoing global price competition, but increased substantially, benefiting mainly from the aforementioned sales increases, as well as the positive effects of business restructuring initiatives implemented in the previous year. As a result, second quarter operating profit increased to 30.8 billion yen (\$253 million), as compared with an operating loss of 37.0 billion yen recorded in the same quarter a year ago. Income before income taxes also increased sharply to 36.3 billion yen (\$297 million), from a pre-tax loss of 66.1 billion yen in the same three-month period a year ago. Net income for the quarter totaled 13.5 billion yen (\$111 million), compared with a net loss of 50.1 billion yen in the comparable year-earlier period.

This resulted in a net income per common share of 6.41 yen (\$0.05) on a diluted basis in the second quarter, versus a net loss per common share of 24.10 yen on the same basis a year ago.

Consolidated First-half Results

Combining the second quarter results with those of the first quarter, consolidated group sales for the first fiscal half increased 4% to 3,537.2 billion yen (\$28.99 billion), compared with 3,385.6 billion yen in the same six-month period a year ago. Domestic sales increased 2% to 1,677.1 billion yen (\$13.75 billion), while overseas sales were up 7% to 1,860.1 billion yen (\$15.25 billion). On a local currency basis, overseas sales grew 5%.

For reasons similar to those given for second quarter results, the Company’s operating profit for the first fiscal half increased to 45.4 billion yen (\$372 million), compared with an operating loss of 75.7 billion yen a year ago.

Income before income taxes also climbed to 54.3 billion yen (\$445 million) in the first six months, compared with the previous first half's loss before income taxes of 87.3 billion yen. Net income totaled 17.8 billion yen (\$146 million), compared with a net loss of 69.5 billion yen in the first half of the previous year. This resulted in a net income per common share of 8.53 yen (\$0.07) on a diluted basis, versus a net loss per common share of 33.41 yen in the first half of the previous year.

Consolidated First-half Sales Breakdown by Product Category

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

AVC Networks

AVC Networks sales increased 6% to 2,055.7 billion yen (\$16.85 billion), compared with 1,937.2 billion yen in the same six-month period a year ago. Within this segment, sharp gains were recorded in video and audio equipment, particularly TVs, camcorders and DVD players, with total sales climbing 15%. This improvement was mainly due to the launching of competitive new products, including V-Products, and increased demand related to the FIFA World Cup™.

In information and communications equipment, sales of PC-related equipment were down from a year ago. However, such declines were offset by solid sales in Car AVC equipment, fixed-line communications equipment and broadcast- and business-use AV equipment, resulting in total sales for this category largely unchanged from the same six-month period a year ago.

Home Appliances

Sales of Home Appliances edged down 2% to 595.1 billion yen (\$4.88 billion), compared with 604.2 billion yen in the previous year's first half. Overseas, products including washing machines, vacuum cleaners, air conditioners and refrigerators all recorded increased sales compared to last year's first half. These positive results were offset, however, by domestic sales declines due to setbacks in air conditioners and other summer items, and the negative effects of price deflation.

Industrial Equipment

Sales of Industrial Equipment were 138.6 billion yen (\$1.14 billion), down 5% from 146.1 billion yen in the same six-month period last year. Sales of electronic parts

mounting machines and other factory automation (FA) equipment increased in the Asia and China regions, but sales declines of industrial-use equipment, such as vending machines, led to lower overall sales.

Components and Devices

Sales of Components and Devices increased 7% to 747.8 billion yen (\$6.13 billion), compared with 698.1 billion yen in the first half of last year. Strong overseas sales of general components, semiconductors and compressors, particularly in the Asia and China regions, were more than sufficient to offset weakening demand for these products in the Japanese market.

Non-Consolidated (Parent company Alone) First Half Results

First-half parent-alone sales increased 8% to 2,118.6 billion yen, from 1,962.6 billion yen in the same six-month period a year ago. This improvement is mainly attributable to strong sales in the video and audio equipment category of AVC Networks, as well as increased sales in Components and Devices.

Regarding parent-alone earnings, in addition to improved sales results, the favorable effects of various business restructuring initiatives resulted in a parent-alone operating profit of 16.9 billion yen, compared with an operating loss of 29.9 billion yen a year ago. Recurring profit increased to 48.4 billion yen, from 2.6 billion yen in the previous first half. Parent-alone net income also increased to 45.7 billion yen, compared with 2.9 billion yen in the first half of last year.

Interim Dividend

The Matsushita Board of Directors voted today to distribute an interim cash dividend of 6.25 yen per common share, payable December 10, 2002, to parent-company shareholders of record on September 30, 2002. This dividend rate is unchanged from the interim dividend of last year.

Outlook for the Full Fiscal Year 2003, ending March 31, 2003

Matsushita announced today a revision of its forecast made on April 26, 2002 for consolidated sales and earnings for the current fiscal year, ending March 31, 2003 (fiscal 2003). The continuing slowdown in the U.S. economy, aggravated by the

recent port strike on the west coast of the United States, has fueled concerns about possible negative impacts on economies in other regions, resulting in an uncertain global economic outlook. Despite this, the Company's annual consolidated financial results are expected to show steady improvement mainly as a result of last year's business restructuring initiatives and ongoing active promotion of V-Products.

On a consolidated group basis, Matsushita now expects annual sales for the current fiscal year to increase 3% from the previous fiscal year, to approximately 7,050 billion yen, a slight downward revision from the original forecast of 7,080 billion yen. Meanwhile, the Company maintained its original forecast for consolidated operating profit of about 100 billion yen for the full fiscal year. Consolidated income before income taxes is anticipated to improve to approximately 105 billion yen, compared to the previous forecast for pre-tax income of 88 billion yen. Net income for the fiscal year is estimated to be 37 billion yen, as compared with the original forecast for net income of 42 billion yen.

On a non-consolidated, parent company-alone basis, the Company will not disclose an annual forecast at this time, as the effects on parent-alone financial results of business and organizational restructuring involving the parent company and subsidiaries, scheduled to be implemented on January 1, 2003, have not yet been determined.

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/>

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 business divisions/combinations with 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)