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FOR IMMEDIATE RELEASE

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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 = 120 yen.)

MATSUSHITA REPORTS FIRST QUARTER RESULTS

- Pre-tax Income Follows Recovery Trend -

Matsushita Electric Industrial Co., Ltd. (NYSE and PCX symbol: MC) today reported its consolidated financial results for the first quarter, ended June 30, 2003, of the current fiscal year ending March 31, 2004 (fiscal 2004).

First-quarter Results¹

Consolidated group sales for the first quarter decreased 2% to 1,763.6 billion yen (U.S.\$14.70 billion), from 1,793.4 billion yen in the same three-month period a year ago. Overall, a severe business environment persisted during the quarter, despite diminishing negative effects of the war in Iraq and the SARS outbreak. Consumer spending in Japan, a major factor in the domestic economy, showed no signs of recovery, while comebacks in overseas economies were impeded by stagnated growth in the United States.

Meanwhile, Matsushita designated this year as the year it would “re-declare” its founding, or in other words return to the basic management principles upon which the company was founded. In line with this policy, Matsushita carried out initiatives under a new autonomous business domain-based organizational structure established in early 2003, shifting its management focus to achieving accelerated growth. Specifically, Matsushita launched a new series of competitive “V-products,” building on the success of last year’s models, aimed at achieving the top share in high-volume markets and

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propelling overall growth. The company also initiated simultaneous global introductions of strategic products by combining the efforts of domestic and overseas marketing divisions. Furthermore, Matsushita implemented a new management system that evaluates the performance of each business domain company on a global consolidated basis to promote highly efficient management.

Domestic sales, benefiting from the success of the company's new V-products, increased 2% to 825.1 billion yen (\$6.88 billion), from 811.2 billion yen in the first quarter of the previous year. Overseas sales, however, were down 4% to 938.5 billion yen (\$7.82 billion), compared with 982.2 billion yen in the first quarter of last year, due mainly to setbacks in the U.S. and Southeast Asia. On a local currency basis², overseas sales decreased 3% from the same period last year. The quarterly consolidated sales results in part reflect the effects of last year's FIFA World CupTM, which boosted sales a year ago.

Despite sales declines and intensified global competition, consolidated operating profit³ for the first quarter increased 27% to 20.0 billion yen (\$167 million), from 15.7 billion yen in the same three-month period a year ago. The company attributed this increase to the continued success of V-products and various cost reduction initiatives. Income before income taxes increased 46% to 25.2 billion yen (\$210 million), compared with a pre-tax income of 17.3 billion yen in the first quarter of last year, while net income was 2.7 billion yen (\$22 million), down 22% from 3.5 billion yen in the same quarter of the previous year. Net income was negatively affected by such factors as an increase in minority interests, resulting from improved earnings results of several consolidated subsidiaries.

1. During the fiscal year ended March 31, 2003, Matsushita began consolidating certain previously unconsolidated subsidiaries of Victor Company of Japan, Ltd. (JVC). Consolidated results for the first quarter ended June 2002 referred to in this press release reflect such restatements.
2. Regarding results on a local currency basis, see Note 3 of Notes to consolidated financial statements on page 6.
3. For information about operating profit, see Note 2 of Notes to consolidated financial statements on page 6.

Consolidated Sales Breakdown by Product Category

As previously announced, Matsushita launched a new business domain-based organizational structure in January 2003, followed in April by the introduction of a new

groupwide management system. Accordingly, the company has reclassified its previous four business segments (AVC Networks, Home Appliances, Industrial Equipment, and Components and Devices) into five new segments, effective April 1, 2003. The five new segments are: AVC Networks, Home Appliances, Components and Devices, JVC, and Other.

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

AVC Networks

AVC Networks sales decreased 3% to 842.0 billion yen (\$7.02 billion), from 867.2 billion yen in last year's first quarter. Within this category, sales of video and audio equipment, despite continued strong sales in flat-screen TVs and DVD recorders, decreased 8%, due mainly to sales declines in CRT TVs and audio equipment.

In information and communications equipment, brisk sales of automotive electronics and solid overseas sales of cellular phones were sufficient to offset setbacks in hard disk drives (HDDs) and facsimile machines, resulting in mostly unchanged sales overall for this category.

Home Appliances

Sales of Home Appliances edged down 1% to 291.4 billion yen (\$2.43 billion), compared with 293.4 billion yen in the first quarter of the previous year. Within this category, washing machines and air conditioners recorded sales gains, but sluggish sales of compressors and housing equipment resulted in lower overall sales.

Components and Devices

Sales of Components and Devices decreased 2% to 266.7 billion yen (\$2.22 billion), compared with 272.8 billion yen in the same three-month period of the previous year. Although sales of semiconductors continued to grow, general components and electric motors recorded sales declines.

JVC

Sales for JVC (Victor Company of Japan and its subsidiaries) totaled 192.6 billion yen (\$1.61 billion), down 4% from 199.9 billion yen in the first quarter of the previous year. Although sales of software and media products were steady, audiovisual equipment recorded sales declines mainly in Japan and the U.S., leading to lower overall sales.

Consolidated Financial Condition

On a consolidated basis, total assets as of June 30, 2003 were 8,124.2 billion yen, an increase of 289.5 billion yen from March 31, 2003. The main reasons for this include an increase in inventories caused by seasonal factors.

Outlook for the full Fiscal Year 2004

For fiscal 2004, ending March 31, 2004, Matsushita maintained its forecast made on April 28, 2003. At that time the company forecasted fiscal 2004 sales on a consolidated basis to increase by about 1%, compared to fiscal 2003, to approximately 7,450 billion yen. The forecast for operating profit⁴ is also unchanged, expected to increase by about 18% to approximately 150 billion yen, with consolidated income before income taxes anticipated to rise to approximately 120 billion yen, up 74%. The forecast for income before income taxes includes estimated expenses of approximately 50 billion yen for restructuring charges and non-recurring income of about 20 billion yen from other items. Net income is expected to improve to approximately 30 billion yen, from a net loss of 19 billion yen in the past fiscal year.

4. For information about operating profit, see Note 2 of Notes to consolidated financial statements on page 6.

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, 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)