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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

- more -

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 Cup™, 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)

Notes to consolidated financial statements:

1. The company's consolidated financial statements are prepared in conformity with accounting principles generally accepted in the United States (U.S. GAAP).
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. The company believes that this is useful to investors in comparing the company's financial results with those of other Japanese companies. Under U.S. GAAP, restructuring charges are usually included as part of operating profit (loss) in the statement of income.
3. Sales on a local currency basis are not measures conforming with U.S. GAAP. However, the company believes that these measures are useful to investors in promoting understanding of the company's business conditions by excluding the influence of foreign currency fluctuations.
4. The company began consolidating certain previously unconsolidated subsidiaries, primarily overseas subsidiaries of Victor Company of Japan, Ltd., a consolidated subsidiary of the company, during the year ended March 31, 2003 and restated amounts for the first quarter ended June 30, 2002.
5. From this fiscal year (fiscal 2004), the company changed its business categories to five new categories: AVC Networks, Home Appliances, Components and Devices, JVC, and Other, and discloses financial data according to these. As such, the sales breakdown data for the first quarter ended June 30, 2002 are restated in both the Sales Breakdown table and the Segment Information.
6. Comprehensive income (loss) was reported as a gain of 33,183 million yen (\$277 million) for the first quarter ended June 30, 2003 and a loss of 277,335 million yen for the first quarter ended June 30, 2002. Comprehensive income (loss) includes net income (loss) and increases (decreases) in cumulative translation adjustments, unrealized holding gains (losses) of available-for-sale securities, unrealized gains (losses) of certain derivative instruments and minimum pension liability adjustments.
7. Number of consolidated companies: 393
8. Number of companies reflected by the equity method: 57
9. United States dollar amounts are translated from yen for convenience at the rate of U.S. \$1.00 = 120 yen, the approximate rate on the Tokyo Foreign Exchange Market on June 30, 2003.

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

	Yen (millions)		Percentage	U.S. Dollars (millions)
	<u>2003</u>	<u>2002</u>	<u>2003/2002</u>	<u>2003</u>
Net sales	¥ 1,763,600	¥ 1,793,387	98%	\$ 14,697
Cost of sales	(1,241,312)	(1,278,913)		(10,344)
Selling, general and administrative expenses	<u>(502,286)</u>	<u>(498,768)</u>		<u>(4,186)</u>
Operating profit	20,002	15,706	127%	167
Other income (deductions):				
Interest income	4,684	6,628		39
Dividend income	3,060	1,953		25
Interest expense	(6,884)	(9,202)		(57)
Other income (loss), net	<u>4,340</u>	<u>2,229</u>		<u>36</u>
Income before income taxes	25,202	17,314	146%	210
Provision for income taxes	(16,299)	(12,747)		(136)
Minority interests	(1,736)	4,122		(15)
Equity in earnings (losses) of associated companies	<u>(4,469)</u>	<u>(5,222)</u>		<u>(37)</u>
Net income	<u>¥ 2,698</u>	<u>¥ 3,467</u>	78%	<u>\$ 22</u>
Net income per common share, <i>basic</i>	1.15 yen	1.67 yen		\$0.01
Net income per common share, <i>diluted</i>	1.15 yen	1.67 yen		\$0.01

(Parentheses indicate expenses or deductions.)

* See notes to consolidated financial statements on page 6.

Supplementary Information
(Three months ended June 30)

	Yen (millions)		U.S. Dollars (millions)
	<u>2003</u>	<u>2002</u>	<u>2003</u>
Depreciation (tangible assets)	¥ 58,357	¥ 67,860	\$ 486
Capital investment	¥ 52,404	¥ 47,052	\$ 437
R&D expenditures	¥ 137,223	¥ 138,487	\$ 1,144
Number of employees (June 30)	293,383	292,104	

Matsushita Electric Industrial Co., Ltd.
Consolidated Balance Sheet **
June 30, 2003
With Comparative Figures for March 31, 2003

<u>Assets</u>	Yen (millions)		U.S. Dollars (millions)
	<u>June 30, 2003</u>	<u>March 31, 2003</u>	<u>June 30, 2003</u>
Current assets:			
Cash and cash equivalents	¥ 1,194,451	¥ 1,167,470	\$ 9,954
Time deposits	401,730	395,559	3,348
Marketable securities	1,251	1,196	10
Trade receivables and other current assets	1,678,540	1,638,691	13,988
Inventories	<u>848,837</u>	<u>783,262</u>	<u>7,073</u>
Total current assets	<u>4,124,809</u>	<u>3,986,178</u>	<u>34,373</u>
Noncurrent receivables	303,489	299,239	2,529
Investments and advances	1,116,636	1,020,137	9,306
Property, plant and equipment, net of accumulated depreciation	1,282,149	1,298,895	10,685
Other assets	<u>1,297,113</u>	<u>1,230,244</u>	<u>10,809</u>
Total assets	<u>¥ 8,124,196</u>	<u>¥ 7,834,693</u>	<u>\$ 67,702</u>
 <u>Liabilities and Stockholders' Equity</u>			
Current liabilities:			
Short-term borrowings	¥ 336,170	¥ 333,686	\$ 2,801
Trade payables and other current liabilities	<u>2,402,130</u>	<u>2,237,146</u>	<u>20,018</u>
Total current liabilities	<u>2,738,300</u>	<u>2,570,832</u>	<u>22,819</u>
Long-term debt	598,254	588,202	4,986
Other long-term liabilities	1,504,295	1,387,082	12,536
Minority interests	109,124	110,177	909
Common stock	258,738	258,738	2,156
Capital surplus	1,226,265	1,219,686	10,219
Legal reserve	81,615	80,700	680
Retained earnings	2,419,158	2,432,052	20,160
Accumulated other comprehensive income (loss) *	(675,157)	(705,642)	(5,626)
Treasury stock	<u>(136,396)</u>	<u>(107,134)</u>	<u>(1,137)</u>
Total liabilities and stockholders' equity	<u>¥ 8,124,196</u>	<u>¥ 7,834,693</u>	<u>\$ 67,702</u>

* Accumulated other comprehensive income (loss) breakdown:

	Yen (millions)		U.S. Dollars (millions)
	<u>June 30, 2003</u>	<u>March 31, 2003</u>	<u>June 30, 2003</u>
Cumulative translation adjustments	¥ (99,083)	¥ (161,124)	\$ (826)
Unrealized holding gains (losses) of available-for-sale securities	7,976	(18,082)	67
Unrealized gains (losses) of derivative instruments	(520)	(1,090)	(4)
Minimum pension liability adjustments	(583,530)	(525,346)	(4,863)

** See notes to consolidated financial statements on page 6.

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

	<u>2003</u>	Yen (billions)	<u>2002</u>	Percentage <u>2003/2002</u>	U.S. Dollars (millions) <u>2003</u>
<i>AVC Networks</i>					
Video and audio equipment	¥ 316.1		¥ 343.9	92%	\$ 2,634
Information and communications equipment	<u>525.9</u>		<u>523.3</u>	100%	<u>4,383</u>
Subtotal	<u>842.0</u>		<u>867.2</u>	97%	<u>7,017</u>
<i>Home Appliances</i>	<u>291.4</u>		<u>293.4</u>	99%	<u>2,428</u>
<i>Components and Devices</i>	<u>266.7</u>		<u>272.8</u>	98%	<u>2,223</u>
<i>JVC</i>	<u>192.6</u>		<u>199.9</u>	96%	<u>1,605</u>
<i>Other</i>	<u>170.9</u>		<u>160.1</u>	107%	<u>1,424</u>
Total	¥ <u>1,763.6</u>		¥ <u>1,793.4</u>	98%	\$ <u>14,697</u>
Domestic sales	825.1		811.2	102%	6,876
Overseas sales	938.5		982.2	96%	7,821

[Domestic/Overseas Sales Breakdown]

(in yen only)

	<u>Domestic sales</u>		<u>Overseas sales</u>	
	Yen (billions) <u>2003</u>	Percentage <u>2003/2002</u>	Yen (billions) <u>2003</u>	Percentage <u>2003/2002</u>
<i>AVC Networks</i>				
Video and audio equipment	¥ 95.5	100%	¥ 220.6	89%
Information and communications equipment	<u>246.6</u>	100%	<u>279.3</u>	101%
Subtotal	<u>342.1</u>	100%	<u>499.9</u>	95%
<i>Home Appliances</i>	<u>182.1</u>	101%	<u>109.3</u>	96%
<i>Components and Devices</i>	<u>112.5</u>	106%	<u>154.2</u>	92%
<i>JVC</i>	<u>63.7</u>	96%	<u>128.9</u>	97%
<i>Other</i>	<u>124.7</u>	106%	<u>46.2</u>	109%
Total	¥ <u>825.1</u>	102%	¥ <u>938.5</u>	96%

* See notes to consolidated financial statements on page 6.

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

By Business Segment:

[Sales]	<u>Yen (billions)</u>		<u>Percentage</u> 2003/2002	<u>U.S. Dollars</u> <u>(millions)</u>
	<u>2003</u>	<u>2002</u>		<u>2003</u>
AVC Networks	¥ 873.3	¥ 894.4	98%	\$ 7,278
Home Appliances	294.2	297.2	99%	2,452
Components and Devices	405.2	406.7	100%	3,377
JVC	195.3	206.9	94%	1,627
Other	<u>225.9</u>	<u>212.8</u>	106%	<u>1,882</u>
Subtotal	1,993.9	2,018.0	99%	16,616
Corporate and eliminations	<u>(230.3)</u>	<u>(224.6)</u>	--	<u>(1,919)</u>
Consolidated total	<u>¥ 1,763.6</u>	<u>¥ 1,793.4</u>	98%	<u>\$ 14,697</u>
[Segment Profit] **				
AVC Networks	¥ 16.1	¥ 12.5	129%	\$ 134
Home Appliances	6.8	10.4	65%	56
Components and Devices	4.3	2.1	205%	36
JVC	2.0	1.5	131%	17
Other	<u>2.4</u>	<u>2.4</u>	102%	<u>20</u>
Subtotal	31.6	28.9	109%	263
Corporate and eliminations	<u>(11.6)</u>	<u>(13.2)</u>	--	<u>(96)</u>
Consolidated total	<u>¥ 20.0</u>	<u>¥ 15.7</u>	127%	<u>\$ 167</u>

* Upon the introduction of a new business domain-based management system, which focuses on global consolidated management by each business domain, from this fiscal year (fiscal 2004), the company changed its business segment classifications to five new segments: AVC Networks, Home Appliances, Components and Devices, JVC and Other, in order to ensure consistency of internal management structure and disclosure. Accordingly, information by business segment for the first quarter ended June 30, 2002 has been restated.

Principal internal divisional companies or units and subsidiaries operating in respective segments are as follows:

AVC Networks:

Panasonic AVC Networks Company, Panasonic Communications Co., Ltd.,
Panasonic Mobile Communications Co., Ltd, Panasonic Automotive Systems Company,
Panasonic System Solutions Company, Matsushita Kotobuki Electronics Industries, Ltd.

Home Appliances:

Home Appliances Group, Healthcare Business Company, Lighting Company,
Matsushita Ecology Systems Co., Ltd.

Components and Devices:

Semiconductor Company, Matsushita Battery Industrial Co., Ltd.,
Matsushita Electronic Components Co., Ltd., Motor Company.

JVC:

Victor Company of Japan, Ltd.

Other:

Panasonic Factory Solutions Co., Ltd., Matsushita Industrial Equipment Co., Ltd..

** Expenses for basic research and administrative expenses at the corporate headquarters level are treated as unallocatable expenses for each business segment, and are included in Corporate and eliminations.

Details of Product Categories

AVC Networks

Color TVs, LCD and PDP TVs, VCRs, camcorders, DVD players, DVD 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

Refrigerators, room air conditioners, washing machines, clothes dryers, vacuum cleaners, electric irons, microwave ovens, cooking appliances, dish washers, 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, ventilation and air-conditioning equipment, car air conditioners, compressors, vending machines, 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, dry batteries, storage batteries, etc.

JVC

VCRs, camcorders, color TVs, stereo hi-fi and related equipment, car audio, DVD players, CD radio cassette recorders, telephones, business- and education-use equipment, information equipment, KARAOKE systems, video projectors, display components, VCR heads, motors, printed circuit boards, audiovisual software for DVD, CD and video disks/tapes, etc.

Other

Electronic-parts-mounting machines, industrial robots, electronic measuring instruments, welding equipment, power distribution equipment, elevators, escalators, bicycles, leasing and credit operations, non-ferrous metals, etc.