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FOR IMMEDIATE RELEASE

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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 = 104 yen.)

MATSUSHITA REPORTS MARCH 2004 ANNUAL RESULTS

- V-products, cost reduction efforts spur earnings increase -

Osaka, Japan, April 28, 2004 -- Matsushita Electric Industrial Co., Ltd. (NYSE symbol: MC) today reported its annual financial results for the year ended March 31, 2004 (fiscal 2004).

Consolidated Results

Consolidated group sales for fiscal 2004 edged up 1%, to 7,479.7 billion yen (U.S.\$71.92 billion), from 7,401.7 billion yen in the previous fiscal year. The main reasons cited by the company in explaining fiscal 2004 results were strong sales of "V-products," particularly digital audiovisual (AV) products, cellular phones and factory automation (FA) equipment, which were sufficient to offset sales declines in the Components and Devices and JVC categories. Of the consolidated group total, domestic sales increased 1% to 3,477.5 billion yen (\$33.44 billion), compared with 3,453.8 billion yen a year ago. Overseas sales were up by the same 1%, to 4,002.2 billion yen (\$38.48 billion), from 3,947.9 billion yen in fiscal 2003. Excluding the effects of currency translation, overseas sales increased 4% from a year ago on a local currency basis¹.

- more -

The domestic economy in Japan showed moderate improvement during fiscal 2004. Steady gains in capital investment and exports were the main reasons cited for this improvement, despite such negative factors as a strong yen and rising raw materials prices. The global economic situation was supported by continued expansion in such economies as the United States and China, although post-war Iraq and other unstable factors remained.

Fiscal 2004 was designated as the year Matsushita would “re-declare” its founding, or in other words, return to the basic management principles upon which the company was founded. As such, the company implemented group-wide initiatives representative of management’s shift in focus from “deconstruction” to “creation,” in pursuit of further growth. As a first step, Matsushita introduced an autonomous business domain-based organizational structure, along with a new management system that places top priority on global consolidated results and cash flows.

Examples of initiatives to increase sales and enhance profitability in fiscal 2004 included the launch of a new series of competitive V-products, particularly those in the digital AV area, and global simultaneous product introductions aimed at maximizing sales and profits at an early stage in product life cycles. Matsushita also positioned the “Panasonic” brand as a globally unified brand for overseas markets, under the slogan “Panasonic ideas for life.” This new brand strategy conveys to customers all over the world a new image for the company and its products, while further enhancing overall brand value. Meanwhile, Matsushita continued to carry out restructuring at various business domain companies. Such restructuring encompassed selection and concentration of management resources, along with a thorough review of all costs to strengthen the company’s overall management structure.

Furthermore, to maximize corporate value and establish an optimum structure for the Matsushita Group, the company commenced a comprehensive collaboration relationship with Matsushita Electric Works, Ltd., pursuant to the basic agreement between the two companies signed in December 2003.

Consolidated operating profit² for the year increased 54%, to 195.5 billion yen

(\$1.88 billion), compared with 126.6 billion yen in the previous year. This increase was primarily attributable to sales increases, benefiting mainly from the success of V-products, and cost reduction efforts, despite the negative effects of a strong Japanese yen and intense global competition.

1. Sales on a local currency basis is not a measure conforming with U.S. GAAP. However, the company believes that this measure is useful to investors in promoting understanding of the company's business conditions by excluding the influence of foreign currency exchange rate fluctuations.
2. For information about operating profit, see Note 2 of Notes to consolidated financial statements on page 13.

Regarding pretax income, the company recorded a 72.2 billion yen (\$695 million) gain from the return to the Japanese Government of the substitutional portion of the Employees Pension Funds that the company and certain of its subsidiaries operated on behalf of the Government. Meanwhile, the company recorded restructuring charges of 45.1 billion yen (\$433 million) for early retirement programs at certain domestic group companies, and incurred losses on valuation of investment securities, mainly stocks of affiliated companies. As a result, income before income taxes for fiscal 2004 was 170.8 billion yen (\$1.64 billion), up 148% from 68.9 billion yen in the previous year.

The company recorded a net income of 42.1 billion yen (\$405 million), as compared with the previous year's net loss of 19.5 billion yen. Growth in net income was curbed due in part to adjustments of short-term deferred tax assets, resulting from the revision of tax laws lowering local enterprise income tax rates in light of a new pro-forma standard taxation system.

Consolidated Sales Breakdown by Product Category

As previously announced, Matsushita launched a new business domain-based organizational structure in January 2003, followed in April of the same year by the introduction of a new group-wide management system. Accordingly, the company 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 annual consolidated sales by reclassified product category, as compared with restated prior year amounts³, are summarized as follows:

3. For restatement of prior year segment disclosure, see Note 8 of Notes to consolidated financial statements on page 14.

AVC Networks

AVC Networks sales increased 3% to 3,624.1 billion yen (\$34.85 billion), compared with 3,511.5 billion yen in the previous year. Within this segment, sales of video and audio equipment increased 1% from a year ago. Strong sales were recorded in such digital AV products as flat-panel TVs and DVD recorders, which more than offset declines in CRT TVs, VCRs and audio equipment.

Sales of information and communications equipment were up 4% from fiscal 2003. This increase was mainly attributable to strong sales of automotive electronics and cellular phones.

Home Appliances

Sales of Home Appliances were mostly unchanged at 1,189.1 billion yen (\$11.43 billion), compared with 1,184.1 billion yen in the previous year. Within Home Appliances, certain seasonal products recorded sales declines in Japan, but these were offset by solid sales in products such as washing machines, dishwashers and ventilating fans.

Components and Devices

Sales of Components and Devices decreased 4% to 1,142.4 billion yen (\$10.98 billion), compared with 1,193.8 billion yen in the previous year. Semiconductors sales recorded solid gains, led by system LSIs for digital AV products. Sales declines in general components and electronic tubes, however, resulted in overall lower sales.

JVC

Sales for JVC (Victor Company of Japan and its subsidiaries) totaled 802.7 billion yen (\$7.72 billion), down 3% from 828.0 billion yen in fiscal 2003. Although sales increases were recorded for flat-panel TVs and DVD recorders, overall sales of consumer electronics in Japan and the Americas declined, particularly in such products as CRT TVs and VCRs.

Other

Sales for Other increased 5% to 721.4 billion yen (\$6.94 billion), from 684.3 billion yen a year ago. Strong sales of FA equipment overseas, particularly electronic-parts-mounting machines, was the main reason for this increase.

Non-Consolidated (Parent Company Alone) Results⁴

Parent-alone sales decreased 4% to 4,081.4 billion yen, from 4,237.8 billion yen in the previous year. Although the company's V-products, particularly digital AV products, recorded solid sales, overall sales declined mainly due to the exclusion from parent company sales results of certain businesses that were transferred to subsidiaries as part of the company's group-wide organizational restructuring implemented in January 2003.

Regarding parent-alone earnings, despite various cost reduction initiatives, the decrease in sales resulted in a parent-alone operating profit of 46.9 billion yen, down 11% from 52.8 billion yen in fiscal 2003. Recurring profit increased 31% to 105.2 billion yen, compared with 80.1 billion yen in the previous year, mainly a result of an increase in dividend income. The parent company recorded non-recurring profit of 9.0 billion yen related to the sale of securities, and an additional 8.5 billion yen in non-recurring profit as a result of the sale of certain fixed assets. Non-recurring loss included 37.6 billion yen in restructuring charges. These factors resulted in a parent-alone net income of 59.4 billion yen, up 106% from 28.8 billion yen last year.

4. Non-consolidated (parent company alone) results are in conformity with Japanese generally accepted accounting principles.

Consolidated Financial Condition

On a consolidated basis, total assets as of March 31, 2004 were 7,438.0 billion yen, a decrease of 396.7 billion yen from March 31, 2003. The main reason for this decrease was the return to the Government of the substitutional portion of the Employees Pension Funds, which resulted in significant decreases in other assets (deferred tax assets) and other long-term liabilities (retirement and severance benefits), and an increase in accumulated other comprehensive income (minimum pension liability adjustments). The company also continued efforts to increase capital

efficiency by reducing assets such as trade receivables and property, plant and equipment.

Proposed Year-end Dividend

Matsushita's Board of Directors today resolved to propose a year-end cash dividend of 7.75 yen per common share, including a commemorative dividend of 1.50 yen per common share, for approval at the ordinary general meeting of shareholders to be held in late June 2004. The commemorative dividend is to be added to the ordinary year-end dividend for the current fiscal year ending March 31, 2004, which falls on the 85th anniversary of the company's founding. If implemented, total dividends for fiscal 2004, including an interim dividend of 6.25 yen per common share paid in November 2003, will be 14.00 yen per common share, as compared with 12.50 yen for fiscal 2003.

Outlook for Fiscal 2005⁵

Regarding the business environment for fiscal 2005 (year ending March 31, 2005), while the economy in Japan is expected to maintain gradual recovery, other global economies, beginning with the United States, are still viewed with cautious optimism. Furthermore, trends toward a strong Japanese yen and increasing raw materials prices are forecasted to continue. Based on Matsushita's new 3-year mid-term plan "Leap Ahead 21," the company will strive to maintain growth by increasing sales, through aggressive promotion of V-products, and enhancing group-wide profitability and cash flows by further promoting autonomous management at each business domain company. Matsushita currently expects fiscal 2005 sales on a consolidated basis to increase by about 18% to approximately 8,800 billion yen. Consolidated operating profit is also expected to increase by about 43% to approximately 280 billion yen. Consolidated income before income taxes⁶ is anticipated to improve to approximately 230 billion yen, up 35%, with net income expected to improve to approximately 63 billion yen, an increase of 49% from the past fiscal year.

5. The above forecast for fiscal 2005 reflects the addition of Matsushita Electric Works, Ltd. and PanaHome Corporation as consolidated subsidiaries of Matsushita Electric Industrial Co., Ltd. In fiscal 2004, Matsushita Electric Works and PanaHome were reflected in Matsushita Electric Industrial's consolidated financial results by the equity method.
6. Other income (deductions) affecting the forecast of income before income taxes consists of "other income" in the amount of 25 billion yen and "restructuring charges" of about 75 billion yen.

On a parent company alone basis, sales in fiscal 2005 are expected to decrease

by 2% to approximately 4,020 billion yen. Recurring profit, however, is projected to increase by 1%, to approximately 106 billion yen, and net income is forecast to increase 21% to approximately 72 billion yen.

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, New York, Euronext Amsterdam, and Frankfurt stock exchanges. For more information, visit the Matsushita web site at the following URL: <http://www.panasonic.co.jp/global/> and the IR web site at the following URL:<http://ir-site.panasonic.com/>

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 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. 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 and Additional Information Attached)