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*FOR IMMEDIATE RELEASE*

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**Matsushita to Close MT Picture Display (M) Sdn. Bhd.**

Osaka, Japan, July 26, 2006 -- Matsushita Electric Industrial Co., Ltd. (MEI [NYSE symbol: MC]), best known for its Panasonic brand, today announced plans to discontinue operations at MT Picture Display (M) Sdn. Bhd. – MTPDM in August 2006, and to begin closing/liquidation procedures. MTPDM is a subsidiary in Malaysia of Matsushita Toshiba Picture Display Co., Ltd. (MTPD), a joint venture of MEI and Toshiba Corporation.

MTPDM, which manufactures cathode ray tubes (CRTs) for 21- to 32- inch TVs exporting for the Japanese and North American markets, has faced declines in demand for CRTs and intensified price competition, due to increasing sales of flat-panel TVs in their respective markets. This closing is a part of MTPD's restructuring initiatives in order to establish an optimum CRT manufacturing structure in Asia and China.

MEI has not revised its consolidated, or non-consolidated financial forecasts (announced on April 28, 2006) for the year ending March 31, 2007.

[Reference]

## **MTPDM Company Overview**

### **1. Basic Information (as of June 30, 2006)**

Company name	MT Picture Display (M) Sdn. Bhd.
Representative	Tetsuo Hasegawa, Managing Director
Location of head office	Shah Alam, Selangor Darul Ehsan, Malaysia
Date of incorporation	October 9, 1990
Principal business	Manufacture and sales of CRTs for TVs
Share capital	RM 1,025,000,000
Number of employees	2,162
Total number of outstanding shares	1,025,000,000 shares
Shareholder's equity	RM 1,025,000,000
Total assets	RM 200,428,000
Financial closing date	March 31
Shareholders (% ownership)	Matsushita Toshiba Picture Display Co., Ltd. 100%
Principal customers	Group companies of MEI, Toshiba and JVC, and others
Financial Institution	Panasonic Financial Centre (Malaysia) Sdn. Bhd.

### **2. Financial Results (for the most recent three fiscal years)**

(thousands of RM, except per share amounts, which are in RM)

Fiscal year ended:	March 2004	March 2005	March 2006
Sales *	743,331	1,102,884	972,959
Income (loss) before taxes *	(38,640)	(65,583)	(114,266)
Net income (loss) *	(38,640)	(158,365)	(969,422)
Net income (loss) per share	(0.04)	(0.15)	(0.95)
Cash dividends per share	---	---	---
Shareholders' equity per share	0.002	(0.15)	(1.10)

(Note) \* Amounts less than RM 1,000 have been omitted.