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FOR IMMEDIATE RELEASE

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Matsushita Electric to Repurchase Its Own Shares

Matsushita Electric Industrial Co., Ltd. (NYSE and PCX symbol: MC) announced that its Board of Directors today resolved to repurchase its own shares, in conformity with provisions of Clause 4 of Article 3 of supplementary rules to the amended Japanese Commercial Code. The Company noted that the proposed share repurchase is a part of its effort to maximize shareholder value.

Matsushita will hold repurchased shares as the newly legislated treasury stock for the time being and, as separately announced today, use them for share exchanges (in substitution for a part of new share issue) as a means of transforming several listed and unlisted subsidiaries into wholly-owned subsidiaries, as well as increasing capital efficiency, thereby raising the Company's per share equity value.

Details of the share repurchase are as follows:

1. Repurchase:

- (1) Class of shares: Common stock
- (2) Aggregate purchase amount: Up to 100 billion yen
- (3) Aggregate number of shares to be purchased: Up to 60 million shares
- (4) Period to purchase: Between January 11, 2002 and late April 2002

(Notes)

- Maximum number of repurchaseable shares as provided in the Article of Incorporation: 200 million shares
- Total number of shares repurchased until now from the date when the provision was adopted in the Articles of Incorporation: None

2. Applications of shares repurchased:

- Repurchased shares will be held as treasury stock for the purpose of increasing capital efficiency.

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- Repurchased shares will also be used for share exchanges scheduled for October 1, 2002, in partial substitution of issuing new shares to acquire outstanding shares held by minority shareholders of several subsidiaries.

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) that reflect the Matsushita Group's plans and expectations in relation to the share exchange schemes described above and the benefits resulting from them. 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 Matsushita Electric Industrial Co., Ltd. (MEI) 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 include in particular the factors set forth in "Item 3.D: Risk Factors" of MEI's Annual Report on Form 20-F dated July 24, 2001 which has been filed with the U.S. Securities and Exchange Commission. 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. MEI undertakes no obligation to publicly update any forward-looking statements after the date of this press release.

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, Amsterdam, Dusseldorf, Frankfurt, New York, Pacific and Paris stock exchanges. For more information, visit the Matsushita web site at the following URL: <http://www.panasonic.co.jp/global/>

With respect to the share exchange between Matsushita Electric Industrial Co., Ltd. (MEI) and Matsushita Communication Industrial Co., Ltd. (MCI)

MEI presently expects that a registration statement will be filed with the Securities and Exchange Commission (SEC) under the Securities Act of 1933, as amended, and that the prospectus included therein will be distributed to holders of MCI common stock in the United States. U.S. investors are urged to read the prospectus because it will contain important information about MEI and MCI, and the proposed share exchange between the two companies. You may read, and copy (upon payment of fees prescribed by the SEC) any documents filed by MEI, including the registration statement (if filed), at the SEC's public reference room, which is located at 450 Fifth Street, N.W., Washington D.C. 20549, telephone number: 1-800-732-0330. In addition, copies of the registration statement (if filed) will be made available free of charge through MEI's Corporate Finance & IR Group in Japan, telephone number: 81-6-6906-1763.

With respect to the share exchange between MEI and each of Kyushu Matsushita Electric Co., Ltd., Matsushita Seiko Co., Ltd., Matsushita Kotobuki Electronics Industries, Ltd. and Matsushita Graphic Communication Systems, Inc.

The business combination referred to in this press release (Transaction) involves shares of common stock of a non-U.S. company. The Transaction is subject to disclosure requirements of a non-U.S. country that are different from those of the United States. Financial information included in this press release, if any, has been prepared in accordance with non-U.S. accounting standards that may not be comparable to the financial information of United States companies.

It may be difficult for you to enforce your rights and any claim you may have arising under the U.S. federal securities laws, since the issuer of the securities is located in a non-U.S. country, and some or all of its officers and directors may be residents of a non-U.S. country. You may not be able to sue a non-U.S. company or its officers or directors in a non-U.S. court for violations of the U.S. securities laws. It may be difficult to compel a non-U.S. company and its affiliates to subject themselves to a U.S. court's judgment.

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