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FOR IMMEDIATE RELEASE

Media Contacts:

Akira Kadota (Japan)
International PR
(Tel: +81-3-3578-1237)

Panasonic News Bureau (Japan)
(Tel: +81-3-3542-6205)

Jim Reilly (U.S.)
(Tel: +1-201-392-6067)

Munetsugu Takeda (Europe)
(Tel: +49-611-235-305)

Investor Relations Contacts:

Makoto Mihara (Japan)
Investor Relations
(Tel: +81-6-6908-1121)

Akihiro Takei (U.S.)
Panasonic Finance (America), Inc.
(Tel: +1-212-698-1365)

Hiroko Carvell (Europe)
Panasonic Finance (Europe) plc
(Tel: +44-20-7562-4400)

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 = 118 yen.)

MATSUSHITA REPORTS ANNUAL NET PROFIT INCREASE

- Sales and earnings up for five consecutive year -

Osaka, Japan, April 27, 2007 -- Matsushita Electric Industrial Co., Ltd. (Matsushita [NYSE symbol: MC]) today reported its consolidated financial results for the year ended March 31, 2007 (fiscal 2007).

Consolidated Results

Consolidated group sales for fiscal 2007 increased 2% to 9,108.2 billion yen (U.S.\$77.19 billion), from 8,894.3 billion yen in the previous fiscal year. Explaining fiscal 2007 results, the company cited sales gains in digital products, especially V-products. Of the consolidated group total, domestic sales amounted to 4,616.5 billion yen (\$39.12 billion), mostly unchanged from 4,611.4 billion yen a year ago. Overseas sales increased 5% to 4,491.7 billion yen (\$38.07 billion), from 4,282.9 billion yen in fiscal 2006, ended March 31, 2006.

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During the fiscal year under review, the electronics industry faced severe business conditions in Japan and overseas, due mainly to rising prices for crude oil and other raw materials and continued price declines caused by ever-intensified global competition, mainly in digital products. Under these circumstances, in fiscal 2007, the final year of the mid-term management plan Leap Ahead 21, Matsushita has implemented growth strategies and strengthened management structures, thereby achieving a target of the plan.

As part of such efforts, the company aggressively launched and promoted a new series of V-products to capture leading market shares and make a significant contribution to overall business results. Aiming to reinforce its management structures, the company has made all-out efforts to reduce raw materials costs and eliminate redundancies throughout the Matsushita Group.

Regarding earnings, operating profit¹ for this fiscal year was up 11%, to 459.5 billion yen (\$3.89 billion), from 414.3 billion yen in the previous year, despite the effects from rising raw materials prices and ever-intensified global price competition. This improvement was due primarily to the cost reduction efforts including materials costs and fixed costs, and a weaker yen. In other income (deductions), the company recorded gains on the sale of the investments regarding cable broadcasting business and proceeds from tangible fixed assets, and incurred restructuring expenses, including 14.2 billion yen (\$120 million) associated with the implementation of early retirement programs, and impairment losses. These factors, as well as increased operating profit, led to a consolidated pre-tax income of 439.1 billion yen (\$3.72 billion), up 18% from 371.3 billion yen in the previous year. Net income also increased 41% to 217.2 billion yen (\$1.84 billion), from 154.4 billion yen from a year ago. The company's net income per common share was 99.50 yen (\$0.84) on a diluted basis, versus 69.48 yen in the previous year.

¹ For information about operating profit, see Note 2 of the Notes to consolidated financial statements on page 13.

Consolidated Sales Breakdown by Product Category

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

AVC Networks

AVC Networks sales increased 2% to 3,749.4 billion yen (\$31.78 billion), from 3,688.3 billion yen in the previous year. Sales of video and audio equipment increased 6% from the previous year, due mainly to strong sales in digital AV products such as flat-panel TVs and digital cameras. Sales of information and communications equipment decreased 2% to 2,079.1 billion yen (\$17.62 billion), compared with 2,111.8 billion yen a year ago. Sluggish sales of mobile phones in Japan and overseas for the fiscal year, despite increased sales in automotive electronics, led to overall lower sales in this category.

Home Appliances

Sales of Home Appliances increased 4% to 1,227.4 billion yen (\$10.40 billion), compared with 1,183.1 billion yen in the previous year, due mainly to favorable sales of air conditioners and compressors.

Components and Devices

Sales of Components and Devices were also up 4% to 1,126.9 billion yen (\$9.55 billion), compared with 1,086.6 billion yen in the previous year, due mainly to favorable sales in general electronic components.

MEW and PanaHome

Sales of MEW and PanaHome increased 8% to 1,698.1 billion yen (\$14.39 billion), from 1,570.8 billion yen a year ago. At Matsushita Electric Works, Ltd. (MEW) and its subsidiaries, sales gains were recorded in electrical construction materials and electronic and plastic materials. At PanaHome Corporation, sales of detached housing were favorable, contributing to overall increased sales.

JVC

Sales for JVC (Victor Company of Japan, Ltd. and its subsidiaries) totaled 638.6 billion yen (\$5.41 billion), down 9% from 699.0 billion yen in the previous year. This result was due primarily to sluggish sales of AV equipment.

Other

Sales for Other totaled 667.8 billion yen (\$5.66 billion), mostly unchanged from a year ago.

Non-Consolidated (Parent Company Alone) Results²

Parent-alone sales increased 6% to 4,746.9 billion yen, from 4,472.6 billion yen in the previous year. Regarding parent-alone earnings, operating profit totaled 142.0 billion yen, up 15% from 123.2 billion yen in fiscal 2006. This increase was realized mainly by sales gains and various comprehensive cost reduction initiatives, despite price declines. Recurring profit decreased 35% to 141.6 billion yen, from 216.4 billion yen in the previous year. Despite an increase in operating profit, a decrease in dividend income from affiliates led to lower recurring profit, compared with the previous year. Parent-alone net income increased 383% to 98.8 billion yen, from 20.4 billion yen in the previous year, including gains from the sale of securities of its affiliated company which operates a cable broadcasting business.

Consolidated Financial Condition

Net cash provided by operating activities in fiscal 2007 amounted to 532.6 billion yen (\$4.51 billion). This was attributable primarily to cash inflows from net income and depreciation. Net cash used in investing activities amounted to 567.8 billion yen (\$4.81 billion). Capital expenditures for tangible fixed assets were 411.3 billion yen (\$3.49 billion), mainly consisting of manufacturing facilities for priority business areas such as plasma display panels (PDPs) and semiconductors, while time deposits increased 223.8 billion yen (\$1.90 billion) from the end of fiscal 2006 (March 31, 2006). Net cash used in financing activities was 427.7 billion yen (\$3.62 billion). Major factors included the repurchase of the company's common stock and the repayment of long-term debt. All these activities resulted in cash and cash equivalents

² Non-consolidated (parent company alone) results are in conformity with Japanese generally accepted accounting principles.

of 1,236.6 billion yen (\$10.48 billion) at the end of fiscal 2007, down 430.8 billion yen compared with the end of the last fiscal year.

The company's consolidated total assets as of March 31, 2007 decreased 67.7 billion yen to 7,897.0 billion yen (\$66.92 billion), as compared with 7,964.6 billion yen at the end of the last fiscal year (March 31, 2006). Stockholders' equity increased 129.1 billion yen, as compared with the end of the last fiscal year, to 3,916.7 billion yen (\$33.19 billion) as of March 31, 2007. This was due primarily to increases in retained earnings and accumulated other comprehensive income, despite an increase in treasury stock on continued repurchases of the company's own shares.

Year-end Dividend

Total dividends for fiscal 2007, ended March 31, 2007, including an interim dividend of 15 yen per common share paid in November 2006, are expected to be 30 yen per common share, as compared with total dividends of 20 yen for fiscal 2006.

Outlook for Fiscal 2008

Regarding the business environment for the fiscal 2008 ending March 31, 2008, the company currently expects to encounter severe conditions, such as continuing price declines and rising crude oil and other raw materials prices, as well as concerns about the global economic conditions, mainly in the United States. Under these circumstances, in fiscal 2008, the first year of the mid-term management plan GP3, Matsushita will actively implement initiatives to accelerate its growth strategies, aiming at steady growth with profitability. The company currently expects fiscal 2008 sales on a consolidated basis to total approximately 9,250 billion yen, an increase of 2% from the previous fiscal year. Consolidated operating profit is forecasted to increase by about 9% to 500 billion yen. Consolidated income before income taxes³ is anticipated to increase to 460 billion yen, up 5%, with net income expected to improve to 250 billion yen, an increase of 15% from the previous fiscal year.

³ Factors affecting the forecast for other income (deductions) of 40 billion yen (the difference between operating profit and income before income taxes) include business restructuring charges of 45 billion yen and other income of 5 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 and New York stock exchanges.

For more information, please visit the following web sites:

Matsushita home page URL: <http://panasonic.net/>

Matsushita IR web site 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, China 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, the Chinese yuan, 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 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; the possibility of incurring expenses resulting from any defects in products or services of the Matsushita Group; the possibility that the Matsushita Group may face intellectual property infringement claims by third parties; current and potential, direct and indirect restrictions imposed by other countries over trade, manufacturing, labor and operations; fluctuations in market prices of securities and other assets in which the Matsushita Group has holdings or changes in valuation of long-lived assets, including property, plant and equipment and goodwill, and deferred tax assets; future changes or revisions to accounting policies or accounting rules; as well as natural disasters including earthquakes and other events that may negatively impact business activities of the Matsushita Group. The factors listed above are not all-inclusive and further information is contained in Matsushita's latest annual report on Form 20-F, which is on file with the U.S. Securities and Exchange Commission.

(Financial Tables and Additional Information Attached)