April 28, 2006

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 = 117 yen.)

MATSUSHITA REPORTS ANNUAL NET PROFIT INCREASE

- Sales and earnings up for fourth consecutive year -

Osaka, Japan, April 28, 2006 -- Matsushita Electric Industrial Co., Ltd. (Matsushita [NYSE symbol: MC]) today reported its annual financial results for the year ended March 31, 2006 (fiscal 2006).

Consolidated Results

Consolidated group sales for fiscal 2006 increased 2%, to 8,894.3 billion yen (U.S.$76.02 billion), from 8,713.6 billion yen in the previous fiscal year. Explaining fiscal 2006 results, the company cited sales gains in digital audiovisual (AV) products, especially V-products. Of the consolidated group total, domestic sales increased 1% to 4,611.4 billion yen ($39.41 billion), compared with 4,580.5 billion yen a year ago. Overseas sales were up by 4%, to 4,282.9 billion yen ($36.61 billion), from 4,133.1 billion yen in fiscal 2005, ending March 31, 2005.

During the fiscal year under review, the global economy was favorable overall, with strong growth in the United States and China, as well as a moderate economic recovery in Japan. The electronics industry as a whole continued steady growth, with strong demand for IT-related products and rapid market expansion in flat-panel TVs, in addition to an upturn in the components and devices industry. However, a severe business environment continued due mainly to rising raw materials costs and price declines mainly in digital AV products, caused by intensified global competition. Under these circumstances, Matsushita viewed fiscal 2006, the second year of the mid-term management plan Leap Ahead 21 ending March 31, 2007, as a crucial year in establishing growth at each business domain company. To achieve the goals of this management plan, the company implemented growth strategies and strengthened management structures, resulting in a certain degree of success.

Matsushita aggressively launched and promoted a new series of V-products to capture top shares in high-volume markets and make a significant contribution to overall business results. The company also continued its focus on simultaneous global product introductions in digital AV and other product categories to continually expand priority businesses. As part of collaboration activities with Matsushita Electric Works, Ltd. (MEW), in April 2005, Matsushita reorganized overlapping businesses and sales channels in such areas as electrical supplies, building equipment and home appliances. The company also launched Collaboration V-products such as bathroom systems and air purifiers, while utilizing MEW marketing channels to increase sales of air conditioners. Aiming to reinforce its management structures, the company has made all-out efforts to reduce materials costs and other expenses. These activities, including company-wide cost reduction activities, have contributed to enhanced profitability, despite a severe management environment.

Regarding earnings, negative factors such as increased raw materials costs and intensified global price competition were more than offset by sales gains, comprehensive cost reduction efforts and other positive factors. As a result, consolidated operating profit[1] for this fiscal year increased 34%, to 414.3 billion yen ($3.54 billion), compared with 308.5 billion yen in the previous year. In other income (deductions), the company incurred 37.0 billion yen in expenses associated with the

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

implementation of early retirement programs, 85.3 billion yen as impairment losses associated with such businesses as CRT TV and 24.9 billion yen as expenses associated with a recall of certain kerosene fan heaters, which the company manufactured and sold in Japan between 1985 and 1992. Meanwhile, the company recorded a 78.9 billion yen gain on sale of marketable securities and 22.5 billion yen related to the liquidation of a consolidated subsidiary, MEI Holding Inc. (MHI)[2]. These factors, as well as increased operating profit, led to a consolidated pre-tax income of 371.3 billion yen ($3.17 billion), up 50% from 246.9 billion yen a year ago. Net income for the fiscal year, despite the adverse effects of equity in losses of CRT TV-related associated companies, totaled 154.4 billion yen ($1.32 billion), an increase of 164% from 58.5 billion yen in the previous year. Net income per common share for the fiscal year was 69.48 yen ($0.59) on a diluted basis, versus a net income per common share of 25.49 yen a year ago.

Consolidated Sales Breakdown by Product Category[3]

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 4% to 3,688.3 billion yen ($31.52 billion), compared with 3,558.8 billion yen in the same period of the previous year. Sales of video and audio equipment increased 6% from the previous year, due mainly to strong sales of digital AV products, such as plasma TVs and digital cameras.

Sales of information and communications equipment increased 2%, mainly a result of sales gains in PCs and automotive electronics, which were more than sufficient to offset decreased sales in cellular phones.

Home Appliances

Sales of Home Appliances increased 2% to 1,183.1 billion yen ($10.11 billion), compared with 1,156.5 billion yen in the previous year. Within Home Appliances, sales

[2] For more information, see press release issued on February 2, "Matsushita to Divest Stake in Universal."
[3] For restatement of prior year segment disclosure, see Note 8 of Notes to consolidated financial statements on pages 13-14.

gains were recorded in air conditioners and microwave ovens, which were sufficient to offset decreased sales in vacuum cleaners and other household equipment, resulting in overall increased sales.

Components and Devices

Sales of Components and Devices decreased 2% to 1,086.6 billion yen ($9.29 billion), compared with 1,112.5 billion yen in the previous year. Sluggish sales in semiconductors for the fiscal year, despite increased sales in electronic components and devices, led to overall lower sales in this category.

MEW and PanaHome

Sales of MEW and PanaHome increased 1% to 1,570.8 billion yen ($13.43 billion) from 1,559.0 billion yen a year ago. Sales at MEW and its subsidiaries were mostly unchanged from the previous year, with favorable sales in electrical construction materials and automation controls. At PanaHome Corporation, sales gains were recorded in detached housing, contributing to increased sales.

JVC

Sales for JVC (Victor Company of Japan, Ltd. and its subsidiaries) totaled 699.0 billion yen ($5.97 billion), down 3% from 717.8 billion yen a year ago. Despite favorable sales in software and media, sales downturns in AV equipment and devices led to overall decreased sales compared with a year ago.

Other

Sales for Other increased 9% to 666.5 billion yen ($5.70 billion), from 609.0 billion yen a year ago. Strong sales were recorded in factory automation (FA) equipment, resulting in overall increased sales in this category.

Non-Consolidated (Parent Company Alone) Results

Parent-alone sales increased 8% to 4,472.6 billion yen, from 4,145.7 billion yen in the previous year. Strong sales of AVC Networks, particularly in digital AV products, contributed to overall sales gains.

Regarding parent-alone earnings, the increase in sales and company-wide cost reduction efforts resulted in a parent-alone operating profit of 123.2 billion yen, up 39%

from 88.4 billion yen in fiscal 2005. Recurring profit also increased 86% to 216.4 billion yen, compared with 116.3 billion yen in the previous year, mainly a result of an increase in dividend income. The parent company recorded a non-recurring income of 67.1 billion yen related to the sale of securities, while incurring non-recurring losses, including 113.2 billion yen as restructuring expenses including losses related to the closing of overseas CRT TV-related factories, 184.5 billion yen as a loss on valuation of securities associated with the liquidation of MHI and 24.9 billion yen as expenses resulting from the aforementioned recall of kerosene fan heaters. These and other factors resulted in a parent-alone net income of 20.4 billion yen, down 72% from 73.5 billion yen a year ago.

Consolidated Financial Condition

Net cash provided by operating activities in fiscal 2006 amounted to 575.4 billion yen ($4.92 billion), primarily attributable to net income and depreciation. Net cash provided by investing activities amounted to 407.1 billion yen ($3.48 billion). Capital expenditures for tangible fixed assets of 356.8 billion yen ($3.05 billion), mainly related to manufacturing facilities for priority business areas such as plasma display panels (PDPs) and semiconductors, were offset by cash inflows associated with the sale of shares of Matsushita Leasing & Credit Co., Ltd. (MLC)[4] as well as Universal-related shares. Net cash used in financing activities was 524.6 billion yen ($4.48 billion), including a repurchase of the company's common stock and the repayments of long-term debt. All these activities resulted in a balance of cash and cash equivalents of 1,667.4 billion yen ($14.25 billion) at the end of fiscal 2006, whereby the company's cash balance increased 497.6 billion yen.

The company's consolidated total assets as of March 31, 2006 decreased 92.3 billion yen to 7,964.6 billion yen ($68.07 billion), as compared to 8,056.9 billion yen at the end of the last fiscal year (March 31, 2005). Stockholders' equity increased 243.4 billion yen to 3,787.6 billion yen ($32.37 billion). This result was due mainly to an increase in retained earnings and accumulated other comprehensive income, despite an increase in treasury stock on repurchases of the company's own shares.

[4] For information about the sale of shares of MLC, see Note 3 of Notes to consolidated financial statements on page 13.

Proposed Year-end Dividend

Total dividends for fiscal 2006, ended March 31, 2006, including an interim dividend of 10.00 yen per common share paid in November 2005, are expected to be 20.00 yen per common share, as compared with total dividends of 15.00 yen for fiscal 2005.

Outlook for Fiscal 2007

Regarding the business environment for the fiscal 2007, ending March 31, 2007, the company currently expects to encounter severe conditions, such as ever-intensifying price declines and rising crude oil and raw materials prices, as well as concerns about economic conditions in the United States and China. Under these circumstances, in fiscal 2007, the final year of the mid-term management plan Leap Ahead 21, Matsushita is making efforts to achieve the goals of the plan by enhancing product competitiveness and strengthening management structures. The company currently expects fiscal 2007 sales on a consolidated basis to total approximately 8,950 billion yen, an increase of 1% from the previous fiscal year. Consolidated operating profit is forecasted to increase by about 9% to approximately 450 billion yen. Consolidated income before income taxes[5] is anticipated to increase to approximately 400 billion yen, up 8%, with net income expected to improve to about 190 billion yen, an increase of 23% from the previous fiscal year.

Meanwhile, on a parent company alone basis, Matsushita expects sales in fiscal 2007 to total 4,380 billion yen, down 2% from a year ago. Recurring profit is projected to decrease by 35%, to approximately 140 billion yen, and net income is forecasted to sharply increase to approximately 85 billion yen.

[5] Factors affecting the forecast for other income (deductions) of 50 billion yen (the difference between operating profit and income before income taxes) include business restructuring charges of 35 billion yen and other expenses of 15 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, 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 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)