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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 = 123 yen.)

MATSUSHITA REPORTS FIRST QUARTER NET PROFIT INCREASE

- Strong sales and streamlining contributed to favorable first quarter results -

Osaka, Japan, July 25, 2007 -- Matsushita Electric Industrial Co., Ltd. (Matsushita [NYSE symbol: MC]) today reported its consolidated financial results for the first quarter, ended June 30, 2007, of the current fiscal year ending March 31, 2008 (fiscal 2008).

First-quarter Results

Consolidated group sales for the first quarter increased 5% to 2,239.5 billion yen (U.S.$18.21 billion), from 2,136.9 billion yen in the same three-month period a year ago. Explaining the first quarter results, the company cited sales gains in all product categories except JVC. Of the consolidated group total, domestic sales increased 2%, to 1,078.0 billion yen ($8.76 billion), from 1,061.9 billion yen a year ago. Overseas sales increased 8%, to 1,161.5 billion yen ($9.44 billion), from 1,075.0 billion yen in the first quarter of fiscal 2007.

During the first quarter 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 2008, the first year of the new mid-term management plan GP3, Matsushita is implementing initiatives to accelerate steady growth with profitability.

As part of such efforts, the company continues to strengthen a new series of V-products, as a core of its growth strategy, to capture leading market shares and make a significant contribution to overall business results. In overseas businesses, Matsushita is aiming to grow sales in emerging markets as well as the U.S. and Europe. The company is already building a framework to increase sales in Russia, Brazil and India, and its strategy is to put greater emphasis on cutting-edge products in these markets. In addition, Matsushita is striving to transform itself into a manufacturing-oriented company—one that combines all the business activities of the Group toward the launch of products, thereby contributing to the creation of customer value. Matsushita is promoting wider collaboration across business fields and operating regions in order to reinforce product design and quality, procurement, logistics, overseas sales and other areas of its operations.

Regarding earnings, operating profit[1] for the first quarter was up 13%, to 73.9 billion yen ($601 million), from 65.1 billion yen in the same period a year ago, despite intensified global price competition and rising raw materials prices. This improvement was due primarily to sales gains, comprehensive cost reduction efforts and a weaker yen. In other income (deductions), a gain of 8.2 billion yen was recorded as financial income, net. This, and other factors, resulted in pre-tax income of 84.0 billion yen ($683 million), up 11% from the same period a year ago. Net income increased 10% to 39.3 billion yen ($320 million), from 35.8 billion yen in the same quarter of the previous year.

[1] For information about operating profit, see Note 2 of Notes to consolidated financial statements on page 12.

Consolidated Sales Breakdown by Product Category[2]

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

AVC Networks

AVC Networks sales increased 5% to 924.7 billion yen ($7.52 billion), compared with 881.6 billion yen in the same period of the previous year. Sales of video and audio equipment increased 2% from the previous year. Sales gains were recorded in flat-panel TVs, digital cameras and DVD recorders, contributing to overall increased sales.

Sales of information and communications equipment increased 7%, due mainly to strong sales in automotive electronics equipment.

Home Appliances

Sales of Home Appliances increased 10% to 339.9 billion yen ($2.76 billion), compared with 309.9 billion yen in the previous year. Within Home Appliances, sales gains were recorded in air-conditioners and compressors as well as microwave ovens, resulting in overall increased sales.

Components and Devices

Sales of Components and Devices increased 5% to 284.7 billion yen ($2.31 billion), compared with 270.1 billion yen in the previous year. Strong sales were recorded mainly in general electronic components, thereby contributing to overall sales gains in this category.

MEW and PanaHome

Sales of MEW and PanaHome increased 5% to 385.7 billion yen ($3.14 billion) from 367.4 billion yen a year ago. At MEW and its subsidiaries, sales gains were recorded with favorable sales in electrical construction materials and electronic and plastic materials. At PanaHome Corporation, favorable sales in detached housing contributed to increased sales. Accordingly, overall sales growth was achieved in this category.

[2] The company transferred its healthcare business to its consolidated subsidiary Panasonic Shikoku Electronics Co., Ltd. at April 1, 2007. Accordingly, the year-on-year figures for AVC Networks and Home Appliances are based on the reclassified fiscal 2007 sales results for those product categories.

JVC

Sales for JVC (Victor Company of Japan, Ltd. and its subsidiaries) decreased 10% to 135.3 billion yen ($1.10 billion), from 150.2 billion yen a year ago. This result was due primarily to sluggish sales of AV equipment.

Other

Sales for Other increased 7% to 169.2 billion yen ($1.38 billion), from 157.7 billion yen a year ago.

Consolidated Financial Condition

Net cash provided by operating activities for the first quarter of fiscal 2008 amounted to 64.3 billion yen ($523 million). This was attributable primarily to cash inflows from net income and depreciation. Net cash provided by investing activities amounted to 17.9 billion yen ($146 million). This result reflects a decrease in time deposits, despite an increase in investments and advances, and capital expenditures for tangible fixed assets consisting of manufacturing facilities for priority business areas such as semiconductors and plasma display panels (PDPs). Net cash used in financing activities was 112.0 billion yen ($911 million), including a repurchase of the company's common stock and the payments of dividends. All these activities resulted in a balance of cash and cash equivalents of 1,256.8 billion yen ($10.22 billion) at the end of June 2007, whereby the company's cash balance increased 20.1 billion yen from the end of March 31, 2007.

The company's consolidated total assets as of June 30, 2007 increased 246.3 billion yen to 8,143.2 billion yen ($66.21 billion), as compared with 7,897.0 billion yen at the end of fiscal 2007. This increase was due primarily to an increase in inventories for seasonal factors. Stockholders' equity increased 48.2 billion yen, as compared with the end of the last fiscal year, to 3,964.9 billion yen ($32.24 billion). This result was due mainly to an increase in retained earnings and accumulated other comprehensive income, sufficient to offset the effects of repurchases of the company's own shares from the market.

Outlook for Fiscal 2008

For information about the forecast for the fiscal 2008 first half and the full fiscal year 2008, ending March 31, 2008, please see press release “Matsushita Revises Fiscal 2008 Financial Forecast” issued on July 24, 2007.

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)