

MATSUSHITA ELECTRIC INDUSTRIAL CO LTD

Form 6-K

June 01, 2004

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FORM 6-K

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

Report of Foreign Private Issuer

Pursuant to Rule 13a-16 or 15d-16 of

The Securities Exchange Act of 1934

For the Month of May 2004

Commission File Number: 1-6784

Matsushita Electric Industrial Co., Ltd.

Kadoma, Osaka, Japan

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101

(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101

(b)(7):

Indicate by check mark whether by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No

If Yes is marked, indicate below the file number assigned to the registrant in connection with Rule

12g3-2(b): 82-____

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This Form 6-K consists of:

1. News release issued on May 18, 2004, by Matsushita Electric Industrial Co., Ltd. (the registrant), announcing that Panasonic and Toray will build world 's largest PDP plant in Japan.
2. News release issued on May 21, 2004, by the registrant, announcing the closure of a vacuum cleaner company in Spain.
3. Notice of the annual shareholders meeting (English translation) issued by the registrant.

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Matsushita Electric Industrial Co., Ltd.

By: /s/ YUKITOSHI ONDA

Yukitoshi Onda, Attorney-in-Fact

President

Panasonic Finance (America), Inc.

Dated: June 1, 2004

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FOR IMMEDIATE RELEASE

May 18, 2004

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Panasonic and Toray to Build World's Largest PDP Plant in Japan

-- New Plant to Expand Panasonic's Total Capacity to 4.5 Million a Year --

Osaka, Japan Market leader in plasma display TVs, Matsushita Electric Industrial Co., Ltd., best known for its Panasonic brand products, and diversified chemical group Toray Industries, Inc. today announced that their joint venture company, Matsushita Plasma Display Panel Company Ltd. (MPDP), will reinforce its PDP (Plasma Display Panel) manufacturing capability by constructing a third plant in Amagasaki City, Hyogo Prefecture. MPDP will invest 95 billion yen in the new plant, giving Panasonic the largest commercial production capability for PDPs in the world.

The new plant, located in the Osaka Bay area, will have a production capacity of over 250,000 units monthly (calculated as the basis of 42-inch screen-size panels) and more than 3 million PDPs annually -- the largest in the world in terms of production

volume.

MPDP will break ground for the new plant in September this year with an anticipated opening date in November 2005.

The new plant is Panasonic's fourth PDP manufacturing facility. In addition to two current plants in Japan, the company also operates a PDP plant in China, Shanghai Matsushita Plasma Display Co., Ltd. The four plants' total PDP output will be 4.5 million units per annum. With the largest commercial production capacity in the industry, Panasonic continues to strive to capture the leading share in the global flat-panel TV market.

By introducing next-generation process technologies and production systems, Panasonic will strengthen its commitment to the global PDP market, said Mr. Fumio Ohtsubo, President of Panasonic AVC Networks Company. To maximize efficiency and quality, all our PDP plants, including this new one, have an integrated production system from devices to finished products. This end-to-end production is Panasonic's big advantage.

The new plant will be able to manufacture large glass substrates used in making PDPs to increase productivity and realize speedy and flexible supply.

Driven by surging demand in Japan, the US and Europe, the PDP market continues to grow rapidly, Mr. Ohtsubo added. Digital terrestrial broadcasting services were introduced in Japan last December, and the digital broadcasting infrastructure is now being built in other parts of the world such as China and Southeast Asia, where large-screen and high-resolution flat-panel TVs are finding their way into living rooms. PDPs are also becoming more popular for public displays as well as for medical and educational applications. By the year 2008, PDP worldwide demand is expected to exceed 10 million units or 3 trillion yen.

Positioning PDP as their core business, Panasonic and Toray are committed to running MPDP together and making a significant contribution to the progress of the audio-visual industry on a global scale.

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Profile of New Manufacturing Facility

Name:	Matsushita Plasma Display Panel Company Ltd. Third Plant
Location:	Amagasaki City, Hyogo Prefecture, Japan (lot area: approx. 14,000 square feet)
Investment:	95 billion yen (Approx. US\$835.5 million) (including plant construction and equipment costs)
President:	Ken Morita Vice President, Panasonic AVC Networks Company
Business Activities:	Production and sales of plasma TVs, plasma display panels for business use, plasma display modules and related products
Capacity:	250,000 units per month
Construction:	Groundbreaking in September 2004
Operation:	To commence in November 2005
Employees:	Approx. 800 (initial stage)
Floor Space:	Approx. 12,000 square feet

About Panasonic

Matsushita Electric Industrial Co., Ltd., best known for its Panasonic brand name, is a worldwide leader in the development and manufacture of electronic products for a wide range of consumer, business, and industrial needs. Based in Osaka, Japan, the Company recorded consolidated sales of US\$71.92 billion for the fiscal year ended March 31, 2004. Matsushita's shares are listed on the Tokyo, Osaka, Nagoya, New York (NYSE:MC), Euronext, Amsterdam and Frankfurt stock exchanges. For more information on the company and its Panasonic brand, visit the Matsushita website at <http://www.panasonic.co.jp/global/top.html>

About Toray

Toray, a leading diversified chemicals corporate group, has been technology-focused since its foundation in 1926. The company's operations are underpinned by technological expertise in organic synthetic chemistry, polymer chemistry, and biochemistry- Toray's three core technologies. These innovative technologies have yielded advanced materials that Toray is now exploiting to provide customers with comprehensive solutions through Fibers and Textiles, Plastics and Chemicals, IT-related Products, Housing and

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Engineering, Pharmaceuticals and Medical Products, New Products and Other Business divisions. In FY2003, Toray had consolidated sales of 1,089 billion yen (approx \$10.3 billion), and over 32,000 employees worldwide. For further information, please check www.toray.co.jp

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May 21, 2004

FOR IMMEDIATE RELEASE

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Matsushita to Close Vacuum Cleaner Company in Spain

Osaka, Japan, May 21, 2004 Matsushita Electric Industrial Co., Ltd. (NYSE symbol: MC), best known for its Panasonic brand products, today announced plans to discontinue operations at its subsidiary Matsushita Electric España S.A. (MAES) at the end of December, 2004, after which it will begin closing/liquidation procedures.

MAES, which is responsible for production of vacuum cleaners for the European market, recorded decreased profitability due to intensified competition and price declines in its market. To further expand sales of vacuum cleaners in the European market, Matsushita will shift production to factories in China.

MAES was established in Barcelona in September 1973 through the purchase of shares of Anglo Española, a Spanish manufacturer of TVs and other electric appliances. MAES has supplied approximately 13.5 million vacuum cleaners over the past 28 years, since its start of production in 1975.

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[Reference]

Company Overview**1. Basic Information (as of March 31, 2004)**

Company name	Matsushita Electric España, S.A.
Representative	Norikazu Yamada, Managing Director
Location of head office	Poligono Industrial de Celra, 17460, Celra(Girona), España
Date of incorporation	September 7, 1973
Principal business	Manufacture and sales of vacuum cleaner
Share capital	Euros 3,000,000
Financial closing date	March 31
Number of employees	216
Total number of outstanding shares	1,000,000 shares
Shareholder s equity	Euros 29,328,654
Total assets	Euros 60,032,934
Shareholders (% ownership)	Matsushita Electric Industrial Co., Ltd. (99.99%) Matsushita Electric Europe (Headquarters) Ltd. (0.01%)
Principal customers	Panasonic sales companies in Europe
Bank references	Bankinter. Girona

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

Fiscal year ended:	(thousands of Euros, except per share amounts, which are in Euros)		
	March 2002	March 2003	March 2004
Sales *	73,513	54,663	28,484
Income (loss) before taxes *	1,131	(3,097)	(3,359)
Net income (loss) *	1,090	(2,545)	(3,948)
Net income (loss) per share	1.09	(2.54)	(3.95)
Cash dividends per share	0.22	21.88	0.00
Share holders equity per share	57.92	55.16	29.33

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

This matter will have no material effect on MEI's consolidated, or parent-alone financial position or performance.

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**NOTICE OF
THE 97TH ORDINARY GENERAL MEETING
OF SHAREHOLDERS
to be held in Osaka, Japan
on June 29, 2004**

(This is a translation from the Japanese of a notice circulated to shareholders in Japan.)

Matsushita Electric Industrial Co., Ltd.

Kadoma, Osaka, Japan

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May 31, 2004

Dear Shareholders:

Notice of the 97th Ordinary General Meeting of Shareholders

This is to inform you that the Company's 97th Ordinary General Meeting of Shareholders will be held as described below. You are cordially invited to attend the meeting.

If it is inconvenient for you to attend the meeting, you are sincerely requested to examine carefully the referential materials contained herein and to either mail, as soon as possible, the voting instruction card duly signed by you after marking for or against each bill, or to exercise your voting right via the website (for Japanese only).

1. **Date:** 10:00 a.m. Tuesday, June 29, 2004

2. **Place:** Head Office of the Company

3. **Purposes of the Meeting:**

Matters to be Reported:

The business report, balance sheet and statement of income with respect to the 97th fiscal period from April 1, 2003 to March 31, 2004

Matters to be Acted Upon:

Bill No. 1: To approve the proposed allocation of profit with respect to the 97th fiscal period

Bill No. 2: To make partial amendments to the Company's Articles of Incorporation
(See pages 22-25 for details of the bill.)

Bill No. 3: To elect 19 directors

Bill No. 4: To elect 2 corporate auditors

Bill No. 5: To grant retirement allowances to retiring directors for their meritorious service

Bill No. 6: To grant retirement allowances to retiring corporate auditors for their meritorious service

Sincerely yours,

Kunio Nakamura

President and Director

Matsushita Electric Industrial Co., Ltd.

1006 Oaza Kadoma, Kadoma-shi, Osaka

(Shareholders attending the meeting are requested to hand in the voting instruction card at the reception desk of the meeting venue. Those exercising their voting rights via the website (for Japanese only: <http://www.web54.net>) are requested to use the voting code and temporary password which are printed on the right hand side of the voting instruction card.)

Editor's notes:

1. The financial statements and other information included in this Notice of Shareholders Meeting are prepared primarily on a parent company alone basis in accordance with Japanese regulations. In some cases where required, however, consolidated financial information is also provided herein. Parent-alone and consolidated financial information should not be confused with each other.
2. In accordance with the Regulations concerning Financial Documents under the Japanese Commercial Code, all amounts less than one million yen have been omitted in the financial statements in this Notice, unless otherwise indicated. Similarly, in this Notice, amounts less than one-tenth of a billion yen are truncated in cases where financial tables and descriptions are provided in billions of yen.
3. An English translation of explanations for the exercise of voting rights via the website is omitted herein. For foreign shareholders who maintain standing proxies in Japan, such explanations (in Japanese) are sent to, and available at, your standing proxies.

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[Appendix to the Notice of General Meeting of Shareholders]

Business Report for the 97th Fiscal Period

(Fiscal year from April 1, 2003 to March 31, 2004)

1. Brief Business Review

(1) Business Progress and Results during the Period

Despite instability during the year ended March 31, 2004 (Fiscal 2004) caused by a sharply rising yen and escalating raw material prices, the Japanese economy showed moderate improvement as a result of increased capital investment and rising exports. The global business environment was also characterized by steady advances in the U.S. and Chinese economies, although post-war Iraq and other unstable factors remained.

Amid these circumstances, Matsushita designated fiscal 2004 as the year it would re-declare its founding. As such, the Company implemented group-wide initiatives representative of management's shift in focus from deconstruction to creation, in pursuit of further growth. As a first step, Matsushita introduced an autonomous, business domain-based organizational structure, along with a new management system that places top priority on global consolidated results and cash flows. Matsushita also established a unique corporate governance system that enables swift decision-making and optimum monitoring.

During the period, Matsushita launched 90 new V-products that can capture top market shares and make a significant contribution to overall business results. In addition, Matsushita increased sales through global simultaneous product introductions, particularly in digital audiovisual (AV) equipment, such as DVD recorders and flat-panel TVs. As a result, overall sales of V-products reached approximately ¥1.24 trillion on a group-wide basis, leading the growth of the entire Company. In overseas operations, regarded as the group's growth engine, Matsushita reinforced its regional strategies by pursuing localized and integrated management, aimed at boosting sales and accelerating return on investments. The Company also positioned the Panasonic brand as a globally unified brand under the slogan "Panasonic ideas for life." This new brand strategy conveys to customers all over the world a new image for the Company and its products, while further enhancing brand value.

Meanwhile, Matsushita continued to carry out restructuring at various business domain companies to enhance profitability. Such restructuring encompassed selection and concentration of management resources, as well as initiatives to reduce inventories and material costs as part of efforts to strengthen the Company's financial structure.

In December 2003, the Company entered into a comprehensive collaboration agreement with Matsushita Electric Works, Ltd. to enhance operations from a customer's point of view and maximize corporate value for the entire Matsushita Group.

Although these initiatives resulted in sales growth of V-products, led by digital AV products, net sales for fiscal 2004 declined 3.7% to ¥4,081.4 billion from ¥4,237.8 billion in the previous fiscal year, due to the effects of the transfer of certain businesses to subsidiaries upon group-wide business and organizational restructuring in January 2003.

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With regard to profit, despite the negative impact of a drop in sales, cost reduction efforts throughout the Company coupled with increased dividend income resulted in a recurring profit of ¥105.2 billion, up 31.2% from ¥80.1 billion in fiscal 2003.

Meanwhile, the Company recorded non-recurring profits, including ¥9.0 billion on the sale of investment securities and ¥8.5 billion related to the sale of certain tangible fixed assets, but also incurred non-recurring losses, including ¥37.6 billion in business restructuring.

As a result, net income for fiscal 2004 amounted to ¥59.4 billion, representing growth of 106.4% from ¥28.8 billion in the prior fiscal year.

Departmental Activities

In response to the new business domain structure created through group-wide restructuring, Matsushita has reclassified its business segments into four new categories: AVC Networks, including video and audio equipment, and information and communications equipment; Home Appliances, including home appliances and household equipment; Components and Devices, including general electronic components and semiconductors; and Other, including factory automation (FA) equipment and other industrial-use equipment.

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A summary of sales performance by new categories for the fiscal year is as follows.

AVC Networks

Video and audio equipment

Sales in this category decreased 1.7% from the previous fiscal year, to ¥725.9 billion, due to a decline in exports owing mainly to expanded overseas production, which offset strong sales of V-products in Japan, notably digital AV products.

In the rapidly growing market for flat-panel TVs, Matsushita strengthened its product lineup and expanded sales with the launch of a new VIERA series, which includes high-definition plasma display panel (PDP) TVs and liquid crystal display (LCD) TVs. Furthermore, the Company introduced a new digital TV featuring a function that allows access to the Internet-based information service.

Aggressive marketing of the DIGA DVD recorder series, featuring models with built-in hard disk drives (HDDs) and VCR combination units culminated in a considerable increase in sales of DVD equipment.

Matsushita also expanded its digital camera business by strengthening the LUMIX series, which leverages unique and advanced technologies, known as black-box technologies, such as aspherical lenses and an optical image stabilizer (OIS). The Company also enhanced its D-snap series of the world's slimmest SD (Secure Digital) multi-AV recorder.

In audio equipment, sales declined due mainly to weak demand for portable MD and CD players.

Matsushita did, however, greatly expand its range of SD Memory Card compatible products, covering not only audio and video equipment, but also information and communications equipment and home appliances, which further enhanced the leading position of the SD format in the industry.

In the years to come, Matsushita seeks to strengthen its 3D Value Chain, consisting of SD Memory Cards, DVDs and digital TVs, while providing products and services in these areas that create new demand in the digital networking era.

Information and communications equipment

Sales in this category decreased 18.1% from the previous fiscal year, to ¥1,088.6 billion, due mainly to the transfer of the cellular phone and certain other businesses to subsidiaries, which offset steady sales in PCs, business-use AV systems equipment and automotive-related equipment.

In information equipment, sales of PCs were up from the previous fiscal year due to the launch of Let's note series, the world's lightest notebook computers with built-in optical drives. Other products that contributed in this category include new models of the Company's ruggedized series of PCs with superior portability and user-friendly operations.

Matsushita also introduced Σ Book, a revolutionary electronic book which proposes a new way of reading.

In business-use AV systems equipment, the Company gained favorable market response for new products with extended recording time in the compact, light DVCPRO series of video systems for digital BS broadcasting and terrestrial digital broadcasting.

In automotive-related equipment, Matsushita recorded strong growth in car navigation systems for car manufacturers, and achieved brisk sales of its new wide-screen Strada models. Sales of terminal units for the electronic toll collection (ETC) system also increased significantly from the previous year.

For the future, Matsushita will place emphasis on the creation of products, services and systems that will provide customers enriched life-style in the home, office, car and outdoors, leading to the realization of a ubiquitous networking society.

Home Appliances

Sales in this category rose 1.2% year-on-year, to ¥740.4 billion. This increase was a result of new products meeting customer needs in the areas of health and the environment, as well as products catering to customers at all age levels.

In home appliances, Matsushita enjoyed considerable sales increases in washer/dryers that feature universal design with the world's first 30-degree tilted drum and cyclone-system vacuum cleaners.

The Company also increased its share in the air conditioner market, releasing new models that can inactivate and eliminate allergens and viruses, equipped also with a unique oxygen air charger function. The Company also received acclaim from the market for its energy-saving, HFC-free refrigerators.

In household equipment, sales of ventilating fans were up, due in part to demand caused by revisions in the Building Standard Law in Japan. Sales of compact, water- and energy-efficient dishwashers also grew significantly. Matsushita advanced the development of practical applications for its home-use fuel cell co-generation system, which has been gaining attention as a new eco-conscious energy supply system.

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In the years to come, the Company will continue to provide new products by maximizing synergies within the new Matsushita Group, which includes Matsushita Electric Works, Ltd. In addition, Matsushita will offer customers all over the world solutions for comfortable living based on the concepts of peace of mind, security and brand loyalty, save energy and resources and easy to use.

Components and Devices

Sales in this category increased 6.1% in comparison with the previous fiscal year, to ¥882.7 billion, owing to strong sales growth of key components and devices, driven by digital equipment.

In general electronic components, sales gains were led by multilayer ceramic capacitors for the information and communications equipment, speakers for thin, large-screen TVs, car sensors and multilayer printed circuit boards (ALIVH).

The Company also registered increased sales of semiconductors for high-growth digital AV equipment and mobile communications equipment, notably system LSIs for DVD recorders and digital TVs, and CCDs for digital cameras and camera-equipped cellular phones. Moreover, Matsushita commenced the world's first mass-production of a 0.18-micron FeRAM (ferroelectric random-access memory)-embedded system-on-a-chip (SoC), and developed the industry's smallest image sensor, featuring high-picture quality and low power consumption.

Despite sluggish sales of dry-cell batteries due to competition with low-priced products, sales of lithium-ion batteries for mobile communications equipment rose. During the period, Matsushita developed an oxyride dry battery, the first new dry-cell battery developed in 40 years in Japan. This battery boasts 1.5 times the life and performance of ordinary alkaline batteries.

In the coming years, Matsushita aims to achieve the leading market share in a number of strategic component and device categories by creating premium components and devices based on black-box technologies. It will also strive to pursue synergies between finished products and components and devices.

Other

Sales in this category increased 6.2% year-on-year, to ¥643.5 billion, mainly a result of increased exports, especially to China and other regions in Asia.

While the transfer of certain businesses to subsidiaries caused a decline in sales of FA equipment for Japanese market, Matsushita enjoyed a substantial increase in exports, especially to Asia and China, of compact, space-saving, high-speed electronic-parts-mounting machines.

In industrial equipment, the Company enhanced its lineup of the fully digital CO2/MAG automatic welding machine and launched new products in such categories as eco-friendly lead-free soldering equipment.

With the objective of advancing innovation and convenience for customers by delivering state-of-the-art products, Matsushita will reinforce products, software, services and engineering, particularly in the Chinese market, which is now recognized as the world's industrial hub.

Sales Breakdown

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Category	Sales (billions of yen)	Percentage of previous year	Percentage of total sales
AVC Networks	1,814.6	87.7%	44.5%
Video and audio equipment	725.9	98.3	17.8
Information and communications equipment	1,088.6	81.9	26.7
Home Appliances	740.4	101.2	18.1
Components and Devices	882.7	106.1	21.6
Other	643.5	106.2	15.8
Total	4,081.4	96.3	100.0
Domestic Sales	2,440.6	89.8	59.8
Exports	1,640.7	107.9	40.2

- (Notes)
1. Amounts less than one-tenth of a billion yen have been omitted.
 2. Upon the introduction of a new domain-based management system, Matsushita reclassified its business segment and product classifications from this fiscal year (fiscal 2004) according to the current business activities and product characteristics for clearer presentation. Accordingly, comparisons with the previous fiscal year are provided on a restated basis.

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Research and Development

During the year under review, Matsushita realigned its technological management categorization and systems in order to promote further efficiency in R&D. Specifically, in corporate R&D functions, to encourage engineers to concentrate on prioritized R&D themes and leading-edge technologies, the Company implemented a new management system with it can administrate themes at each step in the research process. In business domain companies R&D functions, Matsushita significantly reduced lead time for product development by introducing an innovative R&D process management, developed from the standpoint of return on investment.

Matsushita formulated its R&D 10-year Vision as a corporate-wide strategy to bolster development in areas such as next-generation system LSIs, networking consumer electronics and fuel cell co-generation systems. To minimize escalating software development costs in areas such as digital consumer electronics, it established a software development site in China.

Matsushita also aggressively promoted technological collaboration and industrial partnerships. In particular, it strengthened R&D capabilities by establishing the R&D Academia Collaboration Center to advance cooperative activities with prominent universities in Japan for the development of key, next-generation technologies.

R&D expenditures during the year of the Company totaled ¥308.0 billion. On the consolidated basis, R&D expenditures amounted to ¥579.2 billion.

Capital Expenditures

With regard to capital expenditures, the Company invested a total of ¥73.6 billion, mainly to increase production in such growth areas as semiconductors and digital AV equipment. On a consolidated basis, capital investment in property, plant and equipment totaled ¥271.2 billion.

Corporate Financing

All required funds for the year were financed from internal sources.

With respect to the sixth series of unsecured convertible bonds issued in October 1994, the Company redeemed ¥80.8 billion in March 2004 as the unconverted outstanding balance of the principal amount at maturity.

(2) Future Prospects and Challenges

Regarding the business environment for fiscal 2005, the global economy, including the United States, is viewed with cautious optimism. Furthermore, exchange rate fluctuations and raw materials price hikes are forecast to continue.

Matsushita's business vision focuses on realizing a ubiquitous networking society and contributing to coexistence with the global environment, through leading-edge technologies. Based on this vision, Matsushita aims to achieve a top global position by 2010 and become a company that creates value for customers. To achieve this, Matsushita established its new mid-term management plan Leap Ahead 21, for the three-year term ending March 2007, and commenced initiatives for sustainable growth.

For the initial year of the Leap Ahead 21 plan (fiscal 2005), Matsushita plans to introduce 71 new V-products with a sales target of ¥1.5 trillion, which exceeds the fiscal 2004 result. These products for fiscal 2005 will be based on three core concepts: unique and advanced black-box technologies that cannot be easily imitated by competitors; universal design to make products easier to use for everyone; and, environmental consideration, such as saving energy and resources. Matsushita will also continue to implement

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global simultaneous product introductions. The Company will thereby develop V-products into strong business pillars that result in global market expansion and earning maximum profits at an early stage in product lifecycles.

Matsushita will achieve growth by concentrating management resources into strategic business areas. Investment will be focused on semiconductors, which remain key devices to digital products, while the development and production of leading-edge system LSIs will be accelerated to further strengthen competitive advantages of products.

In R&D, Matsushita will formulate a company-wide strategy and roadmap for each mid- and long-term development theme, focus investment on strategic products by further selecting and concentrating R&D resources, for creating more black-box technologies. It will also strengthen intellectual property strategies to increase competitiveness in various business fields.

Matsushita aims to achieve over 60% of total operating profit from its overseas operations, which continue to be a growth engine of the Company. Furthermore, to accomplish its goal of a ¥1 trillion in total business size of China in fiscal 2006, collective efforts will be made to realize a growth rate surpassing the rate of market expansion.

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With the objective of further enhancing profitability, Matsushita will speed up structural reforms in several business domain companies. Also, the Company will promote activities to reduce inventories and cut costs, as well as eliminate waste in all areas of business, thereby creating a leaner management structure.

The Company commenced a comprehensive collaboration with Matsushita Electric Works, Ltd. in fiscal 2005, aimed at establishing an optimum operating structure from a customers' point of view and maximizing value for the new Matsushita group. Combining the management resources of the two companies under a unified brand and business strategy will enable the provision of solutions for comfortable living to customers around the world. At the same time, Matsushita will work towards global excellence by achieving synergy effects, enhancing growth potential and increasing productivity.

Matsushita places a high priority on corporate social responsibility (CSR) based on the management philosophy of contributing to society as a public entity. The Company will strive to increase transparency and accountability as well as enhancing its contribution to the society.

The Company thanks all of its shareholders for their continued support.

(3) Financial Summary

Fiscal period	Year ended March 31,			
	2001	2002	2003	2004
Net sales (in billions of yen)	4,831.8	3,900.7	4,237.8	4,081.4
Recurring profit (loss) (in billions of yen)	115.4	(42.4)	80.1	105.2
Net income (loss) (in billions of yen)	63.6	(132.4)	28.8	59.4
Net income (loss) per common share (in yen)	30.63	(63.79)	12.80	25.52
Total assets (in billions of yen)	4,599.5	4,565.9	5,062.8	5,217.9
Net assets (in billions of yen)	2,716.6	2,553.3	2,768.0	2,839.3
Net assets per common share (in yen)	1,306.37	1,225.39	1,173.14	1,224.59

- (Notes)
1. Amounts less than one-tenth of a billion yen have been omitted.
 2. Beginning in fiscal 2001, the Company adopted new accounting standards for retirement benefits and financial instruments, and revised accounting standards for foreign currency transactions. Beginning in fiscal 2002, the average number of shares outstanding during the fiscal period and the number of shares outstanding at the end of the fiscal period were both calculated excluding the number of shares of treasury stock.
 3. Net income (loss) per share amounts are calculated using the average number of shares outstanding during each fiscal period, while assets per share amounts are based on the number of shares outstanding at the end of each period.
 4. Beginning in fiscal 2003, net income per share was calculated in accordance with Accounting Standard No. 2, Accounting Standard for Earnings per Share and Accounting Standard No. 4, Implementation Guidance for Accounting Standard for Earnings per Share.

In fiscal 2001, steady business growth in digital AV and mobile communications equipment, combined with the expansion in components and devices and FA equipment for information and communications related products, led to an increase in net sales for the first time in three fiscal years. Profits also increased as improved overall management efficiency, including a reduction in manufacturing costs, more than offset the negative effects of a strong yen and intensified price competition.

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In fiscal 2002, sales in all business segments decreased significantly as a result of sluggish demand and price erosion in and outside of Japan. With regard to profits, decreased sales and price declines resulted in a recurring loss. Exacerbated further by non-recurring losses, including a loss on business restructuring and a loss on valuation of investment securities, the Company recorded an unprecedented net loss.

In fiscal 2003, the AVC Networks and Components and Devices business categories secured steady sales growth, mainly due to the success of the Company's V-Products. In addition to increased sales, Matsushita also recorded a significant gain in profits as a result of various cost reduction initiatives and the positive effects of business restructuring.

Details of operations for fiscal 2004 (the latest fiscal period) are as described in the preceding pages under (1) Business Progress and Results during the Period.

Table of Contents**2. Current Status of the Company****(1) Principal Business**

The Company's principal business is the manufacture and sale of electronic and electric equipment. Its major products can be classified as follows:

Categories	Main products
AVC Networks Video and audio equipment	Videocassette recorders (VCRs), camcorders and related equipment, digital cameras, color TVs, TV/VCR combination units, LCD TVs, PDP TVs, DVD players/recorders, compact disc (CD) players, Mini Disc (MD) players, Secure Digital (SD) audio players, radios, CD radio cassette recorders, tape recorders, portable headphone players, stereo hi-fi and related equipment, electronic musical instruments, satellite broadcast receivers and related equipment, etc.
Information and communications equipment	Facsimile equipment, cordless telephones, cellular phones, PHS-related equipment, personal computers, printers, copying machines, CRT and liquid-crystal displays, CD-ROM, DVD-ROM/RAM and other optical disc drives, hard disk drives and other computer peripherals, CATV systems, broadcast-and business-use AV systems equipment, large-screen visual equipment, communication network systems equipment, private branch exchanges (PBXs), traffic-related systems equipment, car audio, car navigation and other automotive-related equipment, electronic measuring instruments, etc.
Home Appliances	Refrigerators, room air conditioners, compressors, home laundry equipment, clothes dryers, vacuum cleaners, air purifiers, electric irons, dishwashers, microwave ovens, rice cookers, induction heating cooking equipment, gas cooking equipment, electric thermos pots, electric fans, electric, gas and kerosene heaters, electric blankets, electrically-heated rugs, kitchen fixture systems, electric, gas and kerosene hot-water supply systems equipment, bath and sanitary equipment, electric lamps, photographic flash units, ventilation and air-conditioning equipment, vending machines, medical equipment, etc.
Components and Devices	Semiconductors, electronic tubes, electronic circuit components, printed circuit boards, transformers, power supplies, coils, capacitors, resistors, tuners, switches, speakers, ceramic components, LCD devices, electric motors, micro motors, dry batteries, storage batteries, solar batteries, battery chargers, etc.
Other	Electronic-parts-mounting machines, industrial robots, welding machines, electronic power distribution equipment, bicycles, fire extinguishers, non-ferrous metals, etc.

(Note) Upon the introduction of a new business domain-based management structure, Matsushita changed its business segment and product classifications from this fiscal year (fiscal 2004) according to the current business activities and product characteristics for clearer presentation, as stated in Departmental Activities.

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(2) Principal Offices and Factories

(as of March 31, 2004)

Corporate head office	: Kadoma
Corporate branch office	
Tokyo Branch	: Tokyo
Research and development divisions	
Advanced Technology Research Laboratories	: Kyoto
Corporate Software Development Division	: Kadoma
Corporate Network Development Division	: Kadoma, Tokyo
Advanced Devices Development Center	: Moriguchi
Corporate Manufacturing Innovation Division	: Kadoma
Sales divisions	
Corporate Sales Strategy Division for National/Panasonic Retailers	: Tokyo
Corporate Marketing Division for Panasonic Brand	: Tokyo
Corporate Marketing Division for National Brand	: Tokyo
Corporate Electrical Supplies Sales Division	: Tokyo, Nagoya, Osaka
Corporate Industrial Marketing & Sales Division	: Tokyo, Osaka
Overseas management divisions	
Corporate Regional Management Divisions (Americas; Europe; CIS, the Middle East and Africa; Asia and Oceania; China and Northeast Asia)	: Osaka
Corporate International Business Operations Division	: Osaka
Corporate International Trade Division	: Osaka
Global Procurement Service Company	: Osaka
Production divisions	
Semiconductor Company	: Nagaokakyo, Arai, Uozu, Tonami, Tokyo, Yokohama, Kyoto, Osaka, Takatsuki, Moriguchi, Bizen
Panasonic AVC Networks Company	: Kadoma, Natori, Tendo, Fukushima, Utsunomiya, Takatsuki, Moriguchi, Ibaraki, Kobe, Okayama, Tsuyama
Panasonic Automotive Systems Company	: Tokyo (Shinagawa), Hanamaki, Tokyo (Shibuya), Yokohama, Matsumoto, Toyota, Moriguchi, Kadoma, Hiroshima, Fukuoka
Panasonic System Solutions Company	: Tokyo (Shinagawa), Sapporo, Sendai, Utsunomiya, Tokyo (Minato), Yokohama, Niigata, Kanazawa, Nagano, Shizuoka, Nagoya, Osaka, Kobe, Hiroshima, Takamatsu, Fukuoka, Naha
Matsushita Home Appliances Company	: Toyonaka, Yamanashi, Fukuroi, Yokaichi, Kusatsu, Kadoma, Kobe, Hyogo, Yamato-Koriyama
Healthcare Business Company	: Yokohama
Lighting Company	: Takatsuki, Utsunomiya, Bizen
Motor Company	: Daito
Corporate eNet Business Division	: Tokyo, Kadoma, Osaka

(Note) Organizational changes implemented, effective April 1, 2004, are as follows: