

**Matsushita Electric Industrial Co., Ltd.**  
**Consolidated Statement of Income** \*  
**(Year ended March 31)**

	Yen (millions)		Percentage	U.S. Dollars (millions)
	<u>2002</u>	<u>2001</u>	<u>2002/2001</u>	<u>2002</u>
Net sales	¥ 6,876,688	¥ 7,681,561	90%	\$ 51,704
Cost of sales	(5,134,077)	(5,481,314)		(38,602)
Selling, general and administrative expenses	<u>(1,954,418)</u>	<u>(2,011,843)</u>		<u>(14,695)</u>
Operating profit (loss)	(211,807)	188,404	--	(1,593)
Other income (deductions):				
Interest income	33,556	43,712		252
Dividend income	9,162	12,237		69
Interest expense	(41,213)	(43,538)		(310)
Restructuring charges **	(164,056)	(100,195)		(1,233)
Write-down of investment securities	(92,806)	(5,330)		(697)
Other income (loss), net ***	<u>(80,845)</u>	<u>5,445</u>		<u>(608)</u>
Income (loss) before income taxes	(548,009)	100,735	--	(4,120)
Provision for income taxes	57,211	(49,861)		430
Minority interests	59,732	(22,125)		449
Equity in earnings of associated companies	<u>59</u>	<u>12,751</u>		<u>0</u>
Net income (loss)	<u>¥ (431,007)</u>	<u>¥ 41,500</u>	--	<u>\$ (3,241)</u>
Net income (loss) per common share, <i>basic</i>	(207.65) yen	19.96 yen		\$ (1.56)
Net income (loss) per common share, <i>diluted</i>	(207.65) yen	19.56 yen		\$ (1.56)

(Parentheses indicate expenses or deductions.)

\* \*\* \*\*\* See notes to consolidated financial statements on page 7.

**Consolidated Statement of Surplus** \*  
**(Year ended March 31)**

	Yen (millions)		U.S. Dollars (millions)
	<u>2002</u>	<u>2001</u>	<u>2002</u>
Balance at beginning of year	¥ 2,924,071	¥ 2,911,665	\$ 21,986
Net income (loss)	(431,007)	41,500	(3,241)
Cash dividends	(25,990)	(25,885)	(195)
Transfer to legal reserve	(771)	(1,698)	(6)
Transfer to capital surplus due to a merger of a subsidiary	<u>(4,340)</u>	<u>(1,511)</u>	<u>--</u> <u>(33)</u>
Balance at end of year	<u>¥ 2,461,963</u>	<u>¥ 2,924,071</u>	<u>\$ 18,511</u>

\* See notes to consolidated financial statements on page 7.

**Supplementary Information**  
**(Year ended March 31)**

	Yen (millions)		U.S. Dollars (millions)
	<u>2002</u>	<u>2001</u>	<u>2002</u>
Depreciation (tangible assets):	¥ 322,817	¥ 345,268	\$ 2,427
Capital investment:	¥ 309,085	¥ 504,390	\$ 2,324
R&D expenditures:	¥ 565,530	¥ 543,804	\$ 4,252
Number of employees (Mar. 31)	267,196	292,790	