

Matsushita Electric Industrial Co., Ltd.
Consolidated Statement of Income *
(Six months ended September 30)

	Yen (millions)		Percentage 2002/2001	U.S. Dollars (millions) 2002
	<u>2002</u>	<u>2001</u>		
Net sales	¥ 3,537,223	¥ 3,385,609	104%	\$ 28,994
Cost of sales	(2,524,852)	(2,513,324)		(20,696)
Selling, general and administrative expenses	(967,002)	(947,992)	—	(7,926)
Operating profit (loss)	<u>45,369</u>	<u>(75,707)</u>		<u>372</u>
Other income (deductions):				
Interest income	11,914	18,403		98
Dividend income	3,522	6,323		29
Interest expense	(16,772)	(20,928)		(138)
Restructuring charges **	(11,311)	(8,537)		(93)
Write-down of investment securities	(4,569)	(18,608)		(37)
Other income (loss), net **	<u>26,176</u>	<u>11,797</u>		<u>214</u>
Income (loss) before income taxes	54,329	(87,257)		445
Provision for income taxes	(34,023)	(8,771)		(279)
Minority interests	1,027	26,903		8
Equity in earnings (losses) of associated companies	<u>(3,487)</u>	<u>(348)</u>		<u>(28)</u>
Net income (loss)	<u>¥ 17,846</u>	<u>¥ (69,473)</u>		<u>\$ 146</u>
Net income (loss) per common share, <i>basic</i>	8.59 yen	(33.41 yen)		\$ 0.07
Net income (loss) per common share, <i>diluted</i>	8.53 yen	(33.41 yen)		\$ 0.07

Consolidated Statement of Surplus *
(Six months ended September 30)

	Yen (millions)		U.S. Dollars (millions) 2002
	<u>2002</u>	<u>2001</u>	
Retained earnings at beginning of period	¥ 2,461,963	¥ 2,924,071	\$ 20,180
Net income (loss)	17,846	(69,473)	146
Cash dividend	(7,814)	(12,995)	(64)
Transfer to legal reserve	(773)	(993)	(6)
Transfer to capital surplus due to a merger of a subsidiary		(3,995)	--
Retained earnings at end of period	¥ 2,471,222	¥ 2,836,615	\$ 20,256

* ** See notes to consolidated financial statements on pages 7—8.

Supplementary Information
(Six months ended September 30)

	Yen (millions)		U.S. Dollars (millions) 2002
	<u>2002</u>	<u>2001</u>	
Depreciation (tangible assets):	¥ 137,125	¥ 159,186	\$ 1,124
Capital investment:	¥ 107,647	¥ 180,357	\$ 882
R&D expenditures:	¥ 276,439	¥ 282,566	\$ 2,266