

**Matsushita Electric Industrial Co., Ltd.**  
**Consolidated Statement of Income \***  
**(Three months ended December 31)**

	<u>2002</u>	Yen ( <u>millions</u> )	<u>2001</u>	Percentage <u>2002/2001</u>	U.S. Dollars ( <u>millions</u> ) <u>2002</u>
Net sales	¥ 1,867,787		¥ 1,737,235	108%	\$ 15,565
Cost of sales	(1,298,199)		(1,284,137)		(10,818)
Selling, general and administrative expenses	<u>(526,807)</u>		<u>(522,812)</u>		<u>(4,390)</u>
Operating profit (loss)	42,781		(69,714)	--	357
Other income (deductions):					
Interest income	5,497		8,185		46
Dividend income	766		817		6
Interest expense	(6,955)		(10,020)		(58)
Restructuring charges **	(586)		(142,524)		(5)
Other income (loss), net	<u>3,622</u>		<u>343</u>		<u>30</u>
Income (loss) before income taxes	45,125		(212,913)	--	376
Provision for income taxes	(15,542)		19,177		(130)
Minority interests	(2,686)		21,253		(22)
Equity in earnings (losses) of associated companies	<u>(6,007)</u>		<u>458</u>		<u>(50)</u>
Net income (loss)	<u>¥ 20,890</u>		<u>¥ (172,025)</u>	--	<u>\$ 174</u>
Net income (loss) per common share, <i>basic</i>	8.65 yen		(82.74) yen		\$ 0.07
Net income (loss) per common share, <i>diluted</i>	8.52 yen		(82.74) yen		\$ 0.07

(Parentheses indicate expenses, deductions or losses.)

\* \*\* See notes to consolidated financial statements on page 6-7.

**Supplementary Information**  
**(Three months ended December 31)**

	<u>2002</u>	Yen ( <u>millions</u> )	<u>2001</u>	U.S. Dollars ( <u>millions</u> ) <u>2002</u>
Depreciation (tangible assets):	¥ 66,434		¥ 79,178	\$ 554
Capital investment:	¥ 54,260		¥ 64,055	\$ 452
R&D expenditures:	¥ 137,038		¥ 139,145	\$ 1,142
Number of employees (Dec. 31)	263,512		280,916	