

**Matsushita Electric Industrial Co., Ltd.**  
**Consolidated Statement of Income** \*  
**(Three months ended June 30)**

	Yen (millions)		Percentage	U.S. Dollars (millions)
	<u>2003</u>	<u>2002</u>	<u>2003/2002</u>	<u>2003</u>
Net sales	¥ 1,763,600	¥ 1,793,387	98%	\$ 14,697
Cost of sales	(1,241,312)	(1,278,913)		(10,344)
Selling, general and administrative expenses	<u>(502,286)</u>	<u>(498,768)</u>		<u>(4,186)</u>
Operating profit	20,002	15,706	127%	167
Other income (deductions):				
Interest income	4,684	6,628		39
Dividend income	3,060	1,953		25
Interest expense	(6,884)	(9,202)		(57)
Other income (loss), net	<u>4,340</u>	<u>2,229</u>		<u>36</u>
Income before income taxes	25,202	17,314	146%	210
Provision for income taxes	(16,299)	(12,747)		(136)
Minority interests	(1,736)	4,122		(15)
Equity in earnings (losses) of associated companies	<u>(4,469)</u>	<u>(5,222)</u>		<u>(37)</u>
Net income	<u>¥ 2,698</u>	<u>¥ 3,467</u>	78%	<u>\$ 22</u>
Net income per common share, <i>basic</i>	1.15 yen	1.67 yen		\$0.01
Net income per common share, <i>diluted</i>	1.15 yen	1.67 yen		\$0.01

(Parentheses indicate expenses or deductions.)

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

**Supplementary Information**  
**(Three months ended June 30)**

	Yen (millions)		U.S. Dollars (millions)
	<u>2003</u>	<u>2002</u>	<u>2003</u>
Depreciation (tangible assets)	¥ 58,357	¥ 67,860	\$ 486
Capital investment	¥ 52,404	¥ 47,052	\$ 437
R&D expenditures	¥ 137,223	¥ 138,487	\$ 1,144
Number of employees (June 30)	293,383	292,104	