

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

	Yen (millions)		Percentage	U.S. Dollars (millions)
	2003	2002	2003/2002	2003
Net sales	¥ 3,639,688	¥ 3,620,969	101%	\$ 32,790
Cost of sales	(2,584,096)	(2,599,473)		(23,280)
Selling, general and administrative expenses	(975,986)	(971,490)		(8,793)
Operating profit	<u>79,606</u>	<u>50,006</u>	159%	<u>717</u>
Other income (deductions):				
Interest income	9,809	12,187		88
Dividend income	3,558	2,267		32
Interest expense	(13,888)	(17,824)		(125)
Restructuring charges **	(869)	(11,311)		(8)
Write-down of investment securities	(48,011)	(3,765)		(432)
Other income (loss), net	27,049	24,079		244
Income before income taxes	<u>57,254</u>	<u>55,639</u>	103%	<u>516</u>
Provision for income taxes	(22,347)	(35,381)		(201)
Minority interests	(8,216)	980		(74)
Equity in earnings (losses) of associated companies	<u>(3,545)</u>	<u>(3,639)</u>		<u>(32)</u>
Net income	<u>¥ 23,146</u>	<u>¥ 17,599</u>	132%	<u>\$ 209</u>
Net income per common share, <i>basic</i>	9.92 yen	8.47 yen		\$ 0.09
Net income per common share, <i>diluted</i>	9.83 yen	8.42 yen		\$ 0.09

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

	Yen (millions)		U.S. Dollars (millions)
	2003	2002	2003
Retained earnings at beginning of period	¥ 2,432,052	¥ 2,470,356	\$ 21,910
Net income	23,146	17,599	209
Cash dividend	(14,746)	(7,814)	(133)
Transfer to legal reserve	(2,098)	(790)	(19)
Retained earnings at end of period	¥ 2,438,354	¥ 2,479,351	\$ 21,967

* ** See notes to consolidated financial statements on page 16.

Supplementary Information
(Six months ended September 30)

	Yen (millions)		U.S. Dollars (millions)
	2003	2002	2003
Depreciation (tangible assets):	¥ 122,518	¥ 141,029	\$ 1,104
Capital investment:	¥ 121,880	¥ 111,901	\$ 1,098
R&D expenditures:	¥ 277,655	¥ 276,716	\$ 2,501