

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

	Yen (millions)		Percentage	U.S. Dollars (millions)
	2004	2003	2004/2003	2004
Net sales	¥ 7,479,744	¥ 7,401,714	101%	\$ 71,921
Cost of sales	(5,313,065)	(5,323,605)		(51,087)
Selling, general and administrative expenses	(1,971,187)	(1,951,538)		(18,954)
Operating profit	195,492	126,571	154%	1,880
Other income (deductions):				
Interest income	19,564	22,267		188
Dividend income	5,475	4,506		53
Gain from the transfer of the substitutional portion of the Employees Pension Funds	72,228	--		695
Interest expense	(27,744)	(32,805)		(267)
Restructuring charges **	(45,056)	(12,476)		(433)
Write-down of investment securities	(52,492)	(52,611)		(505)
Other income (loss), net	3,355	13,464		32
Income before income taxes	170,822	68,916	248%	1,643
Provision for income taxes	(98,535)	(71,276)		(948)
Minority interests	(19,618)	(5,505)		(189)
Equity in earnings (losses) of associated companies	(10,524)	(11,588)		(101)
Net income (loss)	¥ 42,145	¥ (19,453)	--	\$ 405
Net income (loss), basic				
per common share	18.15 yen	(8.70)yen		\$0.17
per ADS	18.15 yen	(8.70)yen		\$0.17
Net income (loss), diluted				
per common share	18.00 yen	(8.70)yen		\$0.17
per ADS	18.00 yen	(8.70)yen		\$0.17

(Parentheses indicate expenses, deductions or losses.)

* ** See Notes to consolidated financial statements on pages 13-14.

Consolidated Statement of Surplus *
(Year ended March 31)

	Yen (millions)		U.S. Dollars (millions)
	2004	2003	2004
Balance at beginning of year	¥ 2,432,052	¥ 2,470,356	\$ 23,385
Net income (loss)	42,145	(19,453)	405
Cash dividends	(29,218)	(20,798)	(281)
Transfer from (to) legal reserve	(2,475)	1,947	(23)
Balance at end of year	¥ 2,442,504	¥ 2,432,052	\$ 23,486

* See Notes to consolidated financial statements on pages 13-14.

Supplementary Information
(Year ended March 31)

	Yen (millions)		U.S. Dollars (millions)
	2004	2003	2004
Depreciation (tangible assets):	¥ 253,762	¥ 283,434	\$ 2,440
Capital investment:	¥ 271,291	¥ 251,470	\$ 2,609
R&D expenditures:	¥ 579,230	¥ 551,019	\$ 5,570
Number of employees (Mar. 31)	290,493	288,324	