

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

	Yen (millions)		Percentage	U.S. Dollars (millions)
	2004	2003	2004/2003	2004
Net sales	¥ 4,318,537	¥ 3,639,688	119%	\$38,906
Cost of sales	(3,075,596)	(2,584,096)		(27,708)
Selling, general and administrative expenses	<u>(1,086,607)</u>	<u>(975,986)</u>		<u>(9,790)</u>
Operating profit	156,334	79,606	196%	1,408
Other income (deductions):				
Interest income	9,118	9,809		82
Dividend income	3,908	3,558		35
Gain from the transfer of the substitutional portion of Japanese Welfare Pension Insurance	31,509	--		284
Interest expense	(11,494)	(13,888)		(103)
Restructuring charges **	(48,191)	(869)		(434)
Write-down of investment securities	(1,663)	(48,011)		(15)
Other income (loss), net	<u>(2,248)</u>	<u>27,049</u>		<u>(20)</u>
Income before income taxes	137,273	57,254	240%	1,237
Provision for income taxes	(60,832)	(22,347)		(548)
Minority interests	(15,346)	(8,216)		(138)
Equity in earnings (losses) of associated companies	<u>(4,916)</u>	<u>(3,545)</u>		<u>(45)</u>
Net income	<u>¥ 56,179</u>	<u>¥ 23,146</u>	243%	<u>\$ 506</u>
Net income, basic				
per common share	24.26 yen	9.92 yen		\$0.22
per ADS	24.26 yen	9.92 yen		\$0.22
Net income, diluted				
per common share	24.26 yen	9.83 yen		\$0.22
per ADS	24.26 yen	9.83 yen		\$0.22

(Parentheses indicate expenses, deductions or losses.)

* ** See Notes to consolidated financial statements on pages 17-18.

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

	Yen (millions)		U.S. Dollars (millions)
	2004	2003	2004
Retained earnings at beginning of period	¥ 2,442,504	¥ 2,432,052	\$22,005
Net income	56,179	23,146	506
Cash dividends	(17,967)	(14,746)	(162)
Transfer from (to) legal reserve	<u>(4,991)</u>	<u>(2,098)</u>	<u>(45)</u>
Balance at end of year	<u>¥ 2,475,725</u>	<u>¥ 2,438,354</u>	<u>\$22,304</u>

* See Notes to consolidated financial statements on pages 17-18.

Supplementary Information
(Six months ended September 30)

	Yen (millions)		U.S. Dollars (millions)
	2004	2003	2004
Depreciation (tangible assets):	¥ 138,668	¥ 122,518	\$ 1,249
Capital investment:	¥ 145,643	¥ 121,880	\$ 1,312
R&D expenditures:	¥ 316,527	¥ 277,655	\$ 2,852