

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

	Yen (millions)		Percentage	U.S. Dollars (millions)
	<u>2004</u>	<u>2003</u>	<u>2004/2003</u>	<u>2004</u>
Net sales	¥ 2,296,525	¥2,031,319	113%	\$22,082
Cost of sales	(1,631,230)	(1,422,963)		(15,685)
Selling, general and administrative expenses	<u>(577,041)</u>	<u>(537,420)</u>		<u>(5,548)</u>
Operating profit	88,254	70,936	124%	849
Other income (deductions):				
Interest income	4,644	5,018		45
Dividend income	1,466	1,459		14
Gain from the transfer of the substitutional portion of Japanese Welfare Pension Insurance	--	39,580		--
Interest expense	(5,075)	(6,412)		(49)
Restructuring charges **	(10,000)	(35,919)		(96)
Write-down of investment securities	(1,409)	(13)		(14)
Other income (loss), net	<u>5,210</u>	<u>8,328</u>		<u>50</u>
Income before income taxes	83,090	82,977	100%	799
Provision for income taxes	(35,701)	(52,030)		(343)
Minority interests	(10,029)	(6,888)		(97)
Equity in earnings (losses) of associated companies	<u>(1,790)</u>	<u>187</u>		<u>(17)</u>
Net income	<u>¥ 35,570</u>	<u>¥ 24,246</u>	147%	<u>\$ 342</u>
Net income, basic				
per common share	15.56 yen	10.50 yen		\$0.15
per ADS	15.56 yen	10.50 yen		\$0.15
Net income, diluted				
per common share	15.56 yen	10.32 yen		\$0.15
per ADS	15.56 yen	10.32 yen		\$0.15

(Parentheses indicate expenses, deductions or losses.)

* ** See Notes to consolidated financial statements on pages 14-15.

Supplementary Information
(Three months ended December 31)

	Yen (millions)		U.S. Dollars (millions)
	<u>2004</u>	<u>2003</u>	<u>2004</u>
Depreciation (tangible assets):	¥ 69,370	¥ 60,669	\$ 667
Capital investment:	¥ 76,908	¥ 58,723	\$ 740
R&D expenditures:	¥ 148,649	¥ 140,555	\$ 1,429
Number of employees (Dec. 31)	337,863	294,614	