

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

	Yen (millions)		Percentage 2004/2003	U.S. Dollars (millions)
	<u>2004</u>	<u>2003</u>		<u>2004</u>
Net sales	¥ 6,615,062	¥5,671,007	117%	\$63,606
Cost of sales	(4,706,826)	(4,007,059)		(45,258)
Selling, general and administrative expenses	<u>(1,663,648)</u>	<u>(1,513,406)</u>		<u>(15,996)</u>
Operating profit	244,588	150,542	162%	2,352
Other income (deductions):				
Interest income	13,762	14,827		132
Dividend income	5,374	5,017		52
Gain from the transfer of the substitutional portion of Japanese Welfare Pension Insurance	31,509	39,580		303
Interest expense	(16,569)	(20,300)		(159)
Restructuring charges **	(58,191)	(36,788)		(560)
Write-down of investment securities	(3,072)	(48,024)		(30)
Other income (loss), net	<u>2,962</u>	<u>35,377</u>		<u>29</u>
Income before income taxes	220,363	140,231	157%	2,119
Provision for income taxes	(96,533)	(74,377)		(928)
Minority interests	(25,375)	(15,104)		(244)
Equity in earnings (losses) of associated companies	<u>(6,706)</u>	<u>(3,358)</u>		<u>(65)</u>
Net income	<u>¥ 91,749</u>	<u>¥ 47,392</u>	194%	<u>\$ 882</u>
Net income, basic				
per common share	39.79 yen	20.38 yen		\$0.38
per ADS	39.79 yen	20.38 yen		\$0.38
Net income, diluted				
per common share	39.79 yen	20.11 yen		\$0.38
per ADS	39.79 yen	20.11 yen		\$0.38

(Parentheses indicate expenses, deductions or losses.)

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

Supplementary Information
(Nine months ended December 31)

	Yen (millions)		U.S. Dollars (millions)
	<u>2004</u>	<u>2003</u>	<u>2004</u>
Depreciation (tangible assets):	¥ 208,038	¥ 183,187	\$ 2,000
Capital investment:	¥ 222,551	¥ 180,603	\$ 2,140
R&D expenditures:	¥ 465,176	¥ 418,210	\$ 4,473