

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

	Yen (millions)		Percentage	U.S. Dollars (millions)
	<u>2005</u>	<u>2004</u>	<u>2005/2004</u>	<u>2005</u>
Net sales	¥ 8,713,636	¥ 7,479,744	116%	\$ 81,436
Cost of sales	(6,176,046)	(5,313,065)		(57,720)
Selling, general and administrative expenses	<u>(2,229,096)</u>	<u>(1,971,187)</u>		<u>(20,833)</u>
Operating profit	308,494	195,492	158%	2,883
Other income (deductions):				
Interest income	19,490	19,564		182
Dividend income	5,383	5,475		50
Gain from the transfer of the substitutional portion of Japanese Welfare Pension Insurance	31,509	72,228		295
Interest expense	(22,827)	(27,744)		(213)
Restructuring charges **	(93,170)	(45,056)		(871)
Write-down of investment securities	(16,186)	(52,492)		(151)
Other income, net	<u>14,220</u>	<u>3,355</u>		<u>133</u>
Income before income taxes	246,913	170,822	145%	2,308
Provision for income taxes	(153,334)	(98,535)		(1,433)
Minority interests	(27,719)	(19,618)		(259)
Equity in earnings (losses) of associated companies	<u>(7,379)</u>	<u>(10,524)</u>		<u>(69)</u>
Net income	<u>¥ 58,481</u>	<u>¥ 42,145</u>	139%	<u>\$ 547</u>
Net income, basic				
per common share	25.49 yen	18.15 yen		\$0.24
per ADS	25.49 yen	18.15 yen		\$0.24
Net income, diluted				
per common share	25.49 yen	18.00 yen		\$0.24
per ADS	25.49 yen	18.00 yen		\$0.24

(Parentheses indicate expenses, deductions or losses.)

* ** See Notes to consolidated financial statements on pages 13-15.

Change in Retained Earnings *
(Year ended March 31)

	Yen (millions)		U.S. Dollars (millions)
	<u>2005</u>	<u>2004</u>	<u>2005</u>
Balance at beginning of year	¥ 2,442,504	¥ 2,432,052	\$ 22,827
Net income	58,481	42,145	547
Cash dividends	(35,251)	(29,218)	(329)
Transfer from (to) legal reserve	<u>(4,663)</u>	<u>(2,475)</u>	<u>(44)</u>
Balance at end of year	<u>¥ 2,461,071</u>	<u>¥ 2,442,504</u>	<u>\$ 23,001</u>

* See Notes to consolidated financial statements on pages 13-15.

Supplementary Information
(Year ended March 31)

	Yen (millions)		U.S. Dollars (millions)
	<u>2005</u>	<u>2004</u>	<u>2005</u>
Depreciation (tangible assets)	¥ 287,400	¥ 253,762	\$ 2,686
Capital investment	¥ 374,253	¥ 271,291	\$ 3,498
R&D expenditures	¥ 615,524	¥ 579,230	\$ 5,753
Number of employees (Mar. 31)	334,752	290,493	