

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

	Yen (millions)		Percentage	U.S. Dollars (millions)
	<u>2005</u>	<u>2004</u>	<u>2005/2004</u>	<u>2005</u>
Net sales	¥ 2,048,161	¥ 2,102,027	97%	\$ 18,620
Cost of sales	(1,408,902)	(1,466,327)		(12,809)
Selling, general and administrative expenses	<u>(593,238)</u>	<u>(592,239)</u>		<u>(5,393)</u>
Operating profit	46,021	43,461	106%	418
Other income (deductions):				
Interest income	4,769	4,713		44
Dividend income	4,255	3,579		39
Gain from the transfer of the substitutional portion of Japanese Welfare Pension Insurance	--	27,510		--
Interest expense	(3,845)	(7,481)		(35)
Expenses associated with the implementation of early retirement programs **	(202)	(3,919)		(2)
Other income, net	<u>15,196</u>	<u>12,599</u>		<u>138</u>
Income before income taxes	66,194	80,462	82%	602
Provision for income taxes	(35,731)	(34,611)		(325)
Minority interests	4,318	(10,630)		39
Equity in earnings (losses) of associated companies	<u>(1,338)</u>	<u>(2,403)</u>		<u>(12)</u>
Net income	<u>¥ 33,443</u>	<u>¥ 32,818</u>	102%	<u>\$ 304</u>
Net income, basic				
per common share	14.87 yen	14.16 yen		\$ 0.14
per ADS	14.87 yen	14.16 yen		\$ 0.14
Net income, diluted				
per common share	14.87 yen	14.16 yen		\$ 0.14
per ADS	14.87 yen	14.16 yen		\$ 0.14

(Parentheses indicate expenses, deductions or losses.)

* ** See Notes to consolidated financial statements on pages 11-12.

Supplementary Information
(Three months ended June 30)

	Yen (millions)		U.S. Dollars (millions)
	<u>2005</u>	<u>2004</u>	<u>2005</u>
Depreciation (tangible assets):	¥ 64,871	¥ 63,847	\$ 590
Capital investment ***:	¥ 89,081	¥ 69,429	\$ 810
R&D expenditures:	¥ 135,402	¥ 154,739	\$ 1,231
Number of employees (June 30)	332,874	344,733	

*** These figures are calculated on an accrual basis.