

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

	Yen (millions)		Percentage 2005/2004	U.S. Dollars
	2005	2004		(millions) 2005
Net sales	¥ 2,398,420	¥ 2,296,525	104%	\$ 20,326
Cost of sales	(1,651,182)	(1,631,230)		(13,993)
Selling, general and administrative expenses	<u>(617,818)</u>	<u>(577,041)</u>		<u>(5,236)</u>
Operating profit	129,420	88,254	147%	1,097
Other income (deductions):				
Interest income	7,226	4,644		61
Dividend income	1,776	1,466		15
Interest expense	(5,635)	(5,075)		(48)
Expenses associated with the implementation of early retirement programs **	(8,049)	(12,253)		(68)
Other income, net	<u>1,351</u>	<u>6,054</u>		<u>12</u>
Income before income taxes	126,089	83,090	152%	1,069
Provision for income taxes	(54,116)	(35,701)		(459)
Minority interests	(7,071)	(10,029)		(60)
Equity in earnings (losses) of associated companies	<u>(15,633)</u>	<u>(1,790)</u>		<u>(132)</u>
Net income	<u>¥ 49,269</u>	<u>¥ 35,570</u>	139%	<u>\$ 418</u>
Net income, basic				
per common share	22.29 yen	15.56 yen		\$0.19
per ADS	22.29 yen	15.56 yen		\$0.19
Net income, diluted				
per common share	22.29 yen	15.56 yen		\$0.19
per ADS	22.29 yen	15.56 yen		\$0.19

(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
	2005	2004	(millions) 2005
Depreciation (tangible assets)	¥ 68,523	¥ 69,370	\$ 581
Capital investment *	¥ 98,226	¥ 76,908	\$ 832
R&D expenditures	¥ 138,147	¥ 148,649	\$ 1,171
Number of employees (Dec. 31)	330,581	337,863	

* These figures are calculated on an accrual basis.