

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

	<u>2002</u>	Yen ( <u>millions</u> )	<u>2001</u>	Percentage <u>2002/2001</u>	U.S. Dollars ( <u>millions</u> ) <u>2002</u>
Net sales	¥ 1,780,540		¥ 1,710,825	104%	\$ 14,595
Cost of sales	(1,276,745)		(1,290,931)		(10,465)
Selling, general and administrative expenses	(472,986)		(456,915)		(3,877)
Operating profit (loss)	<u>30,809</u>		<u>(37,021)</u>	—	<u>253</u>
Other income (deductions):					
Interest income	5,456		8,831		45
Dividend income	1,025		858		8
Interest expense	(8,028)		(9,868)		(66)
Restructuring charges **	—		(8,356)		—
Write-down of investment securities	(4,569)		(18,608)		(38)
Other income (loss), net	<u>11,580</u>		<u>(1,897)</u>		<u>95</u>
Income (loss) before income taxes	36,273		(66,061)	—	297
Provision for income taxes	(22,425)		(1,359)		(184)
Minority interests	(2,029)		16,522		(16)
Equity in earnings of associated companies	<u>1,688</u>		<u>798</u>		<u>14</u>
Net income (loss)	<u>¥ 13,507</u>		<u>¥ (50,100)</u>	—	<u>\$ 111</u>
Net income (loss) per common share, <i>basic</i>	6.50 yen		(24.10) yen		\$ 0.05
Net income (loss) per common share, <i>diluted</i>	6.41 yen		(24.10) yen		\$ 0.05

(Parentheses indicate expenses or deductions.)

\* \*\* See notes to consolidated financial statements on pages 7—8.

**Supplementary Information**  
**(Three months ended September 30)**

	<u>2002</u>	Yen ( <u>millions</u> )	<u>2001</u>	U.S. Dollars ( <u>millions</u> ) <u>2002</u>
Depreciation (tangible assets):	¥ 71,095		¥ 80,834	\$ 583
Capital investment:	¥ 62,025		¥ 85,648	\$ 508
R&D expenditures:	¥ 138,175		¥ 148,392	\$ 1,133
Number of employees (Sept. 30)	266,002		292,765	