

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

	<u>2003</u>	Yen (<u>millions</u>)	<u>2002</u>	Percentage <u>2003/2002</u>	U.S. Dollars (<u>millions</u>) <u>2003</u>
Net sales	¥ 5,671,007		¥ 5,555,984	102%	\$ 53,000
Cost of sales	(4,007,059)		(3,954,043)		(37,449)
Selling, general and administrative expenses	<u>(1,513,406)</u>		<u>(1,503,892)</u>		<u>(14,144)</u>
Operating profit	150,542		98,049	154%	1,407
Other income (deductions):					
Interest income	14,827		17,795		139
Dividend income	5,017		3,053		47
Income related to the transfer of the substitutional portion of the Employees Pension Funds	39,580		--		370
Interest expense	(20,300)		(25,387)		(190)
Restructuring charges **	(36,788)		(11,897)		(344)
Write-down of investment securities	(48,024)		(3,793)		(449)
Other income (loss), net	<u>35,377</u>		<u>26,810</u>		<u>331</u>
Income before income taxes	140,231		104,630	134%	1,311
Provision for income taxes	(74,377)		(52,392)		(695)
Minority interests	(15,104)		(2,602)		(141)
Equity in earnings (losses) of associated companies	<u>(3,358)</u>		<u>(9,678)</u>		<u>(32)</u>
Net income	<u>¥ 47,392</u>		<u>¥ 39,958</u>	119%	<u>\$ 443</u>
Net income per common share, <i>basic</i>	20.38 yen		18.25 yen		\$ 0.19
Net income per common share, <i>diluted</i>	20.11 yen		18.02 yen		\$ 0.19

(Parentheses indicate expenses or deductions or losses.)

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

Supplementary Information
(Nine months ended December 31)

	<u>2003</u>	Yen (<u>millions</u>)	<u>2002</u>	U.S. Dollars (<u>millions</u>) <u>2003</u>
Depreciation (tangible assets):	¥ 183,187		¥ 209,283	\$ 1,712
Capital investment:	¥ 180,603		¥ 168,419	\$ 1,688
R&D expenditures:	¥ 418,210		¥ 413,889	\$ 3,909