

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

	Yen (millions)		Percentage	U.S. Dollars (millions)
	2006	2005	2006/2005	2006
Net sales	¥ 8,894,329	¥ 8,713,636	102%	\$ 76,020
Cost of sales	(6,155,297)	(6,176,046)		(52,609)
Selling, general and administrative expenses	(2,324,759)	(2,229,096)		(19,870)
Operating profit	414,273	308,494	134%	3,541
Other income (deductions):				
Interest income	28,216	19,490		241
Dividend income	6,567	5,383		56
Gain from the transfer of the substitutional portion of Japanese Welfare Pension Insurance	--	31,509		--
Interest expense	(21,686)	(22,827)		(185)
Expenses associated with the implementation of early retirement programs **	(37,019)	(101,136)		(316)
Other income (loss), net	(19,039)	6,000		(163)
Income before income taxes	371,312	246,913	150%	3,174
Provision for income taxes	(167,089)	(153,334)		(1,428)
Minority interests	987	(27,719)		8
Equity in earnings (losses) of associated companies	(50,800)	(7,379)		(434)
Net income	¥ 154,410	¥ 58,481	264%	\$ 1,320
Net income, basic				
per common share	69.48 yen	25.49 yen		\$0.59
per ADS	69.48 yen	25.49 yen		\$0.59
Net income, diluted				
per common share	69.48 yen	25.49 yen		\$0.59
per ADS	69.48 yen	25.49 yen		\$0.59

(Parentheses indicate expenses, deductions or losses.)

* ** See Notes to consolidated financial statements on pages 13-14.

Change in Retained Earnings *
(Year ended March 31)

	Yen (millions)		U.S. Dollars (millions)
	2006	2005	2006
Balance at beginning of year	¥ 2,461,071	¥ 2,442,504	\$ 21,035
Net income	154,410	58,481	1,320
Cash dividends	(39,105)	(35,251)	(334)
Transfer to legal reserve	(438)	(4,663)	(5)
Transfer to capital surplus due to merger of subsidiaries	(48)	--	(0)
Balance at end of year	¥ 2,575,890	¥ 2,461,071	\$ 22,016

* See Notes to consolidated financial statements on pages 13-14.

Supplementary Information
(Year ended March 31)

	Yen (millions)		U.S. Dollars (millions)
	2006	2005	2006
Depreciation (tangible assets):	¥ 275,213	¥ 287,400	\$ 2,352
Capital investment *:	¥ 345,819	¥ 374,253	\$ 2,956
R&D expenditures:	¥ 564,781	¥ 615,524	\$ 4,827
Number of employees (Mar. 31)	334,402	334,752	

* These figures are calculated on an accrual basis.