

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

	Yen (millions)		Percentage	U.S. Dollars (millions)
	2006	2005	2006/2005	2006
Net sales	¥ 6,826,322	¥ 6,657,633	103%	\$ 57,364
Cost of sales	(4,802,430)	(4,608,348)		(40,357)
Selling, general and administrative expenses	(1,680,668)	(1,748,778)		(14,123)
Operating profit	343,224	300,507	114%	2,884
Other income (deductions):				
Interest income	20,522	18,369		173
Dividend income	6,827	6,535		57
Interest expense	(15,282)	(15,868)		(128)
Expenses associated with the implementation of early retirement programs **	(4,764)	(28,823)		(40)
Other income (loss), net	26,341	(520)		221
Income before income taxes	376,868	280,200	134%	3,167
Provision for income taxes	(156,616)	(139,544)		(1,316)
Minority interests	(26,784)	(475)		(225)
Equity in earnings (losses) of associated companies	328	(26,505)		3
Net income	¥ 193,796	¥ 113,676	170%	\$ 1,629
Net income, basic				
per common share	88.44 yen	51.05 yen		\$0.74
per ADS	88.44 yen	51.05 yen		\$0.74
Net income, diluted				
per common share	88.44 yen	51.05 yen		\$0.74
per ADS	88.44 yen	51.05 yen		\$0.74

(Parentheses indicate expenses, deductions or losses.)

\* \*\* See Notes to consolidated financial statements on pages 15-16.

**Supplementary Information**  
**(Nine months ended December 31)**

	Yen (millions)		U.S. Dollars (millions)
	2006	2005	2006
Depreciation (tangible assets):	¥ 203,786	¥ 200,862	\$ 1,712
Capital investment ***:	¥ 323,772	¥ 257,670	\$ 2,721
R&D expenditures:	¥ 420,911	¥ 416,564	\$ 3,537

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