

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

	Yen (millions)	Percentage 2007/2006	U.S. Dollars (millions)
	<u>2007</u>	<u>2006</u>	<u>2007</u>
Net sales	¥ 2,285,800	¥ 2,252,560	101%
Cost of sales	(1,637,523)	(1,590,660)	(14,239)
Selling, general and administrative expenses	<u>(502,174)</u>	<u>(519,626)</u>	<u>(4,367)</u>
Operating profit	<u>146,103</u>	<u>142,274</u>	<u>1,270</u>
Other income (deductions):			
Interest income	8,653	7,742	76
Dividend income	684	187	6
Interest expense	(5,274)	(5,367)	(46)
Expenses associated with the implementation of early retirement programs **	(14,854)	(3,764)	(129)
Other income (loss), net	<u>(31,639)</u>	<u>16,010</u>	<u>(275)</u>
Income before income taxes	<u>103,673</u>	<u>157,082</u>	<u>66%</u>
Provision for income taxes	(28,868)	(61,843)	(252)
Minority interests	(6,800)	(17,393)	(59)
Equity in earnings (losses) of associated companies	<u>(2,197)</u>	<u>1,447</u>	<u>(19)</u>
Net income	<u>¥ 65,808</u>	<u>¥ 79,293</u>	<u>83%</u>
Net income, basic			
per common share	30.99 yen	36.16 yen	\$ 0.27
per ADS	30.99 yen	36.16 yen	\$ 0.27
Net income, diluted			
per common share	30.99 yen	36.16 yen	\$ 0.27
per ADS	30.99 yen	36.16 yen	\$ 0.27

(Parentheses indicate expenses, deductions or losses.)

\* \*\* See Notes to consolidated financial statements on pages 16-17.

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

	Yen (millions)	U.S. Dollars (millions)
	<u>2007</u>	<u>2006</u>
Depreciation (tangible assets):	¥ 71,601	¥ 69,848
Capital investment *** :	¥ 130,389	¥ 137,778
R&D expenditures:	¥ 141,013	¥ 146,989
Number of employees (Sep. 30)	309,037	331,557

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