

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

	Yen (millions)		Percentage	U.S. Dollars (millions)
	<u>2006</u>	<u>2005</u>	<u>2006/2005</u>	<u>2006</u>
Net sales	¥ 4,389,494	¥ 4,259,213	103%	\$ 37,199
Cost of sales	(3,085,049)	(2,957,166)		(26,144)
Selling, general and administrative expenses	(1,097,054)	(1,130,960)		(9,297)
Operating profit	207,391	171,087	121%	1,758
Other income (deductions):				
Interest income	11,860	11,143		100
Dividend income	4,150	4,759		35
Interest expense	(10,193)	(10,233)		(86)
Expenses associated with the implementation of early retirement programs **	(4,292)	(20,774)		(36)
Other Income (loss), net	23,558	(1,871)		199
Income before income taxes	232,474	154,111	151%	1,970
Provision for income taxes	(99,673)	(85,428)		(844)
Minority interests	(17,932)	6,596		(152)
Equity in earnings (losses) of associated companies	254	(10,872)		2
Net income	¥ 115,123	¥ 64,407	179%	\$ 976
Net income, basic				
per common share	52.38 yen	28.82 yen		\$ 0.44
per ADS	52.38 yen	28.82 yen		\$ 0.44
Net income, diluted				
per common share	52.38 yen	28.82 yen		\$ 0.44
per ADS	52.38 yen	28.82 yen		\$ 0.44

(Parentheses indicate expenses, deductions or losses.)

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

Supplementary Information
(Six months ended September 30)

	Yen (millions)		U.S. Dollars (millions)
	<u>2006</u>	<u>2005</u>	<u>2006</u>
Depreciation (tangible assets):	¥ 133,863	¥ 132,339	\$ 1,134
Capital investment *** :	¥ 206,123	¥ 159,444	\$ 1,747
R&D expenditures:	¥ 281,824	¥ 278,417	\$ 2,388
Number of employees (Sep. 30)	331,557	332,548	

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