

Matsushita Electric Industrial Co., Ltd.
Consolidated Statement of Stockholders' Equity *
(Six months ended September 30, 2006 and 2005)

| | Common Stock | Capital surplus | Legal reserve | Retained earnings | Accumulated other comprehensive income (loss) | Treasury stock | Total stockholders' equity |
|---|-----------------|--------------------|------------------|----------------------|--|-------------------|----------------------------------|
| (Six month ended September 30, 2006) | | | | | | | Yen (millions) |
| Balances at beginning of period | ¥258,740 | ¥1,234,289 | ¥ 87,526 | ¥ 2,575,890 | ¥ (26,119) | ¥(342,705) | ¥ 3,787,621 |
| Gain from sale of treasury stock | | 53 | | | | | 53 |
| Transfer from retained earnings | | | 816 | (816) | | | -- |
| Cash dividends | | | | (22,095) | | | (22,095) |
| Disclosure of comprehensive income (loss) | | | | | | | |
| Net income | | | | 115,123 | | | 115,123 |
| Translation adjustments | | | | | 30,023 | | 30,023 |
| Unrealized holding gains (losses) of available-for-sale securities | | | | | (7,468) | | (7,468) |
| Unrealized gains (losses) of derivative instruments | | | | | (1,188) | | (1,188) |
| Minimum pension liability adjustments | | | | | (4,344) | | (4,344) |
| Total comprehensive income | | | | | | | 132,146 |
| Repurchase of common stock, net | | | | | | (41,458) | (41,458) |
| Balances at end of period | ¥258,740 | ¥1,234,342 | ¥ 88,342 | ¥ 2,668,102 | ¥ (9,096) | ¥(384,163) | ¥ 3,856,267 |
| (Six month ended September 30, 2005) | | | | | | | Yen (millions) |
| Balances at beginning of period | ¥258,740 | ¥1,230,701 | ¥ 87,838 | ¥ 2,461,071 | ¥ (238,377) | ¥(255,721) | ¥ 3,544,252 |
| Gain from sale of treasury stock | | 17 | | | | | 17 |
| Increase (decrease) mainly in capital transactions | | 798 | (750) | (48) | | | -- |
| Transfer from retained earnings | | | 725 | (725) | | | -- |
| Cash dividends | | | | (16,938) | | | (16,938) |
| Disclosure of comprehensive income (loss) | | | | | | | |
| Net income | | | | 64,407 | | | 64,407 |
| Translation adjustments | | | | | 63,460 | | 63,460 |
| Unrealized holding gains of available-for-sale securities | | | | | 55,240 | | 55,240 |
| Unrealized gains of derivative instruments | | | | | 2,301 | | 2,301 |
| Minimum pension liability adjustments | | | | | (14,479) | | (14,479) |
| Total comprehensive income | | | | | | | 170,929 |
| Repurchase of common stock, net | | | | | | (72,143) | (72,143) |
| Balances at end of period | ¥258,740 | ¥1,231,516 | ¥ 87,813 | ¥ 2,507,767 | ¥ (131,855) | ¥(327,864) | ¥ 3,626,117 |
| (Six month ended September 30, 2006) | | | | | | | U.S. Dollars (millions) |
| Balances at beginning of period | \$ 2,193 | \$ 10,460 | \$ 742 | \$ 21,829 | \$ (221) | \$ (2,904) | \$ 32,099 |
| Gain from sale of treasury stock | | 0 | | | | | 0 |
| Transfer from retained earnings | | | 7 | (7) | | | -- |
| Cash dividends | | | | (187) | | | (187) |
| Disclosure of comprehensive income (loss) | | | | | | | |
| Net income | | | | 976 | | | 976 |
| Translation adjustments | | | | | 254 | | 254 |
| Unrealized holding gains (losses) of available-for-sale securities | | | | | (63) | | (63) |
| Unrealized gains (losses) of derivative instruments | | | | | (10) | | (10) |
| Minimum pension liability adjustments | | | | | (37) | | (37) |
| Total comprehensive income | | | | | | | 1,120 |
| Repurchase of common stock, net | | | | | | (352) | (352) |
| Balances at end of period | \$ 2,193 | \$ 10,460 | \$ 749 | \$ 22,611 | \$ (77) | \$ (3,256) | \$ 32,680 |

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