

## Consolidated Balance Sheets

Matsushita Electric Industrial Co., Ltd. and Subsidiaries  
March 31, 2006 and 2005

Assets	Millions of yen		Thousands of U.S. dollars (Note 2)
	2006	2005	2006
<b>Current assets:</b>			
Cash and cash equivalents (Note 10) .....	¥1,667,396	¥1,169,756	\$14,251,248
Time deposits (Note 10) .....	11,001	144,781	94,026
Short-term investments (Notes 6 and 19) .....	56,753	11,978	485,068
Trade receivables (Notes 5, 7 and 17):			
Notes .....	66,707	107,317	570,145
Accounts .....	1,117,508	1,188,257	9,551,351
Allowance for doubtful receivables .....	(37,400)	(43,836)	(319,658)
Net trade receivables .....	1,146,815	1,251,738	9,801,838
Inventories (Note 4) .....	915,262	893,425	7,822,752
Other current assets (Notes 8, 12 and 19) .....	609,326	558,854	5,207,914
Total current assets .....	4,406,553	4,030,532	37,662,846
<b>Noncurrent receivables</b> (Note 7) .....	—	246,201	—
<b>Investments and advances</b> (Notes 5, 6 and 19) .....	1,100,035	1,146,505	9,402,009
<b>Property, plant and equipment</b> (Notes 7, 8 and 10):			
Land .....	374,989	393,635	3,205,034
Buildings .....	1,667,764	1,665,243	14,254,393
Machinery and equipment .....	3,142,607	3,087,155	26,859,889
Construction in progress .....	71,037	84,139	607,154
.....	5,256,397	5,230,172	44,926,470
Less accumulated depreciation .....	3,624,058	3,572,092	30,974,855
Net property, plant and equipment .....	1,632,339	1,658,080	13,951,615
<b>Other assets:</b>			
Goodwill (Notes 3 and 9) .....	413,137	461,912	3,531,086
Intangible assets (Notes 3 and 9) .....	104,158	101,585	890,239
Other assets (Notes 11 and 12) .....	308,418	412,066	2,636,051
Total other assets .....	825,713	975,563	7,057,376
	¥7,964,640	¥8,056,881	\$68,073,846

See accompanying Notes to Consolidated Financial Statements.

<b>Liabilities and Stockholders' Equity</b>	Millions of yen		Thousands of U.S. dollars (Note 2)
	<b>2006</b>	2005	<b>2006</b>
<b>Current liabilities:</b>			
Short-term borrowings, including current portion of long-term debt (Notes 7, 10 and 19) .....	¥ 339,845	¥ 385,474	\$ 2,904,658
Trade payables (Note 5):			
Notes .....	66,316	37,099	566,803
Accounts .....	914,963	828,920	7,820,197
Total trade payables .....	981,279	866,019	8,387,000
Accrued income taxes (Note 12).....	51,128	47,916	436,991
Accrued payroll .....	142,594	145,871	1,218,752
Other accrued expenses (Note 20).....	842,467	789,999	7,200,573
Deposits and advances from customers .....	90,600	92,089	774,359
Employees' deposits .....	14,065	118,441	120,214
Other current liabilities (Notes 12 and 19).....	423,090	383,082	3,616,154
Total current liabilities .....	2,885,068	2,828,891	24,658,701
<b>Noncurrent liabilities:</b>			
Long-term debt (Notes 7, 10 and 19) .....	264,070	477,143	2,257,009
Retirement and severance benefits (Note 11) .....	414,266	597,163	3,540,735
Other liabilities (Note 12).....	112,024	113,491	957,470
Total noncurrent liabilities .....	790,360	1,187,797	6,755,214
<b>Minority interests</b> .....	501,591	495,941	4,287,102
<b>Stockholders' equity:</b>			
Common stock (Note 13):			
Authorized—4,950,000,000 shares			
Issued—2,453,053,497 shares (2,453,053,497 shares in 2005).....	258,740	258,740	2,211,453
Capital surplus (Note 13).....	1,234,289	1,230,701	10,549,479
Legal reserve (Note 13) .....	87,526	87,838	748,085
Retained earnings (Note 13) .....	2,575,890	2,461,071	22,016,154
Accumulated other comprehensive income (loss) (Notes 6, 11, 14 and 18):			
Cumulative translation adjustments .....	(162,331)	(245,642)	(1,387,444)
Unrealized holding gains of available-for-sale securities .....	145,306	72,608	1,241,932
Unrealized gains of derivative instruments.....	1,326	6,403	11,333
Minimum pension liability adjustments .....	(10,420)	(71,746)	(89,060)
Total accumulated other comprehensive income (loss) .....	(26,119)	(238,377)	(223,239)
Treasury stock, at cost (Note 13):			
243,521,506 shares (194,695,787 shares in 2005).....	(342,705)	(255,721)	(2,929,103)
Total stockholders' equity .....	3,787,621	3,544,252	32,372,829
<b>Commitments and contingent liabilities</b> (Note 20)			
	¥7,964,640	¥8,056,881	\$68,073,846