

Consolidated Statements of Stockholders' Equity

Matsushita Electric Industrial Co., Ltd. and Subsidiaries
Years ended March 31, 2006, 2005 and 2004

	Millions of yen			Thousands of U.S. dollars (Note 2)
	2006	2005	2004	2006
Common stock (Notes 13 and 17):				
Balance at beginning of year	¥ 258,740	¥ 258,740	¥ 258,738	\$ 2,211,453
Issuance of common stock for conversion of bonds	—	—	2	—
Balance at end of year	¥ 258,740	¥ 258,740	¥ 258,740	\$ 2,211,453
Capital surplus (Notes 13 and 17):				
Balance at beginning of year	¥1,230,701	¥1,230,476	¥1,219,686	\$10,518,812
Issuance of common stock for conversion of bonds	—	—	2	—
Treasury stock provided for conversion of bonds	—	—	4,209	—
Stock issued under exchange offering	—	—	6,579	—
Transfer from legal reserve and retained earnings due to merger of a subsidiary	798	—	—	6,821
Sale of treasury stock	62	225	—	530
Increase in capital surplus and transfer to minority interests arising on conversion of bonds by a subsidiary	2,728	—	—	23,316
Balance at end of year	¥1,234,289	¥1,230,701	¥1,230,476	\$10,549,479
Legal reserve (Note 13):				
Balance at beginning of year	¥ 87,838	¥ 83,175	¥ 80,700	\$ 750,752
Transfer from retained earnings	438	4,663	2,475	3,744
Transfer to capital surplus due to merger of a subsidiary	(750)	—	—	(6,411)
Balance at end of year	¥ 87,526	¥ 87,838	¥ 83,175	\$ 748,085
Retained earnings (Note 13):				
Balance at beginning of year	¥2,461,071	¥2,442,504	¥2,432,052	\$21,034,795
Net income	154,410	58,481	42,145	1,319,744
Cash dividends	(39,105)	(35,251)	(29,218)	(334,231)
Transfer to legal reserve	(438)	(4,663)	(2,475)	(3,744)
Transfer to capital surplus due to merger of a subsidiary	(48)	—	—	(410)
Balance at end of year	¥2,575,890	¥2,461,071	¥2,442,504	\$22,016,154
Accumulated other comprehensive income (loss) (Note 14):				
Balance at beginning of year	¥ (238,377)	¥ (399,502)	¥ (705,642)	\$ (2,037,410)
Other comprehensive income, net of tax	212,258	161,125	306,140	1,814,171
Balance at end of year	¥ (26,119)	¥ (238,377)	¥ (399,502)	\$ (223,239)
Treasury stock (Note 13):				
Balance at beginning of year	¥ (255,721)	¥ (163,817)	¥ (107,134)	\$ (2,185,650)
Treasury stock acquired due to acquisition of additional shares of newly consolidated subsidiaries (Note 3)	—	(124)	—	—
Repurchase of common stock	(87,150)	(92,879)	(69,394)	(744,872)
Sale of treasury stock	166	1,099	—	1,419
Conversion of bonds	—	—	12,711	—
Balance at end of year	¥ (342,705)	¥ (255,721)	¥ (163,817)	\$ (2,929,103)
Disclosure of comprehensive income (loss) (Note 14):				
Net income	¥ 154,410	¥ 58,481	¥ 42,145	\$ 1,319,744
Other comprehensive income (loss), net of tax:				
Translation adjustments	83,311	36,645	(121,163)	712,060
Unrealized holding gains (losses) of available-for-sale securities	72,698	(15,496)	106,186	621,350
Unrealized gains (losses) of derivative instruments	(5,077)	(273)	7,766	(43,393)
Minimum pension liability adjustments	61,326	140,249	313,351	524,154
Total comprehensive income	¥ 366,668	¥ 219,606	¥ 348,285	\$ 3,133,915

See accompanying Notes to Consolidated Financial Statements.