

Panasonic Corporation
Consolidated Statements of Cash Flows *
(Three months ended June 30)

	<u>Yen (millions)</u>	
	<u>2012</u>	<u>2011</u>
<i><u>Cash flows from operating activities:</u></i>		
Net income (loss)	¥ 11,075	¥ (32,624)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization	84,875	95,319
Net (gain) loss on sale of investments	(7,034)	976
Cash effects of changes in, excluding acquisition:		
Trade receivables	17,180	(2,866)
Inventories	(57,270)	(88,324)
Trade payables	23,860	(2,762)
Retirement and severance benefits	(4,312)	(5,802)
Other	<u>(14,605)</u>	<u>1,491</u>
Net cash provided by (used in) operating activities	<u>53,769</u>	<u>(34,592)</u>
<i><u>Cash flows from investing activities:</u></i>		
Proceeds from disposition of investments and advances	42,380	12,241
Increase in investments and advances	(1,244)	(2,181)
Capital expenditures	(86,019)	(97,546)
Proceeds from disposals of property, plant and equipment	37,762	25,397
(Increase) decrease in time deposits	16,918	10,297
Other	<u>(8,480)</u>	<u>(4,575)</u>
Net cash provided by (used in) investing activities	<u>1,317</u>	<u>(56,367)</u>
<i><u>Cash flows from financing activities:</u></i>		
Increase (decrease) in short-term debt	(31,519)	2,736
Increase (decrease) in long-term debt	(23,965)	(17,481)
Dividends paid to Panasonic Corporation shareholders	(11,559)	(10,351)
Dividends paid to noncontrolling interests	(6,642)	(5,796)
(Increase) decrease in treasury stock	(7)	(13)
Purchase of noncontrolling interests and Other	<u>(123)</u>	<u>(4,980)</u>
Net cash used in financing activities	<u>(73,815)</u>	<u>(35,885)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(19,031)</u>	<u>(10,941)</u>
Net increase (decrease) in cash and cash equivalents	<u>(37,760)</u>	<u>(137,785)</u>
Cash and cash equivalents at beginning of period	<u>574,411</u>	<u>974,826</u>
Cash and cash equivalents at end of period	<u>¥ 536,651</u>	<u>¥ 837,041</u>

* See Notes to consolidated financial statements on pages 11-12.