

Panasonic Corporation
Consolidated Statements of Cash Flows *
(Six months ended September 30)

	<u>Yen (millions)</u>	
	<u>2012</u>	<u>2011</u>
<i><u>Cash flows from operating activities:</u></i>		
Net income (loss)	¥ (687,474)	¥ (153,157)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	170,063	191,418
Net (gain) loss on sale of investments	(7,707)	1,159
Cash effects of changes in, excluding acquisition:		
Trade receivables	14,452	(31,750)
Inventories	(74,760)	(66,583)
Trade payables	862	(936)
Retirement and severance benefits	(3,821)	(7,880)
Other	<u>608,702</u>	<u>86,878</u>
Net cash provided by operating activities	<u>20,317</u>	<u>19,149</u>
<i><u>Cash flows from investing activities:</u></i>		
Proceeds from disposition of investments and advances	57,586	21,809
Increase in investments and advances	(1,899)	(3,242)
Capital expenditures	(175,553)	(191,476)
Proceeds from disposals of property, plant and equipment	46,625	33,639
(Increase) decrease in time deposits	7,599	14,251
Other	<u>(14,236)</u>	<u>(5,031)</u>
Net cash used in investing activities	<u>(79,878)</u>	<u>(130,050)</u>
<i><u>Cash flows from financing activities:</u></i>		
Increase (decrease) in short-term debt	17,654	15,006
Increase (decrease) in long-term debt	(44,112)	(75,129)
Dividends paid to Panasonic Corporation shareholders	(11,559)	(10,351)
Dividends paid to noncontrolling interests	(7,918)	(7,589)
(Increase) decrease in treasury stock	(12)	(9)
Purchase of noncontrolling interests and Other	<u>(499)</u>	<u>(5,013)</u>
Net cash used in financing activities	<u>(46,446)</u>	<u>(83,085)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(24,505)</u>	<u>(40,245)</u>
Net increase (decrease) in cash and cash equivalents	(130,512)	(234,231)
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>¥ 443,899</u>	<u>¥ 740,595</u>

* See Notes to consolidated financial statements on pages 15-16.