

**Panasonic Corporation**  
**Consolidated Statements of Cash Flows \***  
**(Nine months ended December 31)**

	<u>Yen (millions)</u>	
	<u>2012</u>	<u>2011</u>
<i><u>Cash flows from operating activities:</u></i>		
Net income (loss)	¥ (633,371)	¥ (364,112)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	254,499	282,021
Net (gain) loss on sale of investments	(29,731)	1,473
Cash effects of changes in, excluding acquisition:		
Trade receivables	78,954	(9,934)
Inventories	(21,208)	(22,666)
Trade payables	(87,473)	(86,076)
Retirement and severance benefits	(6,399)	(26,215)
Other	<u>526,894</u>	<u>215,089</u>
Net cash provided by (used in) operating activities	<u>82,165</u>	<u>(10,420)</u>
<i><u>Cash flows from investing activities:</u></i>		
Proceeds from disposition of investments and advances	129,582	38,221
Increase in investments and advances	(3,114)	(5,226)
Capital expenditures	(249,225)	(328,170)
Proceeds from disposals of property, plant and equipment	68,037	41,641
(Increase) decrease in time deposits	21,337	39,306
Other	<u>(16,372)</u>	<u>(13,299)</u>
Net cash used in investing activities	<u>(49,755)</u>	<u>(227,527)</u>
<i><u>Cash flows from financing activities:</u></i>		
Increase (decrease) in short-term debt	(21,231)	213,040
Increase (decrease) in long-term debt	(61,850)	(191,091)
Dividends paid to Panasonic Corporation shareholders	(11,559)	(21,912)
Dividends paid to noncontrolling interests	(8,788)	(8,921)
(Increase) decrease in treasury stock	(15)	(11)
Purchase of noncontrolling interests and Other	<u>(617)</u>	<u>(6,851)</u>
Net cash used in financing activities	<u>(104,060)</u>	<u>(15,746)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>22,542</u>	<u>(35,268)</u>
Net increase (decrease) in cash and cash equivalents	(49,108)	(288,961)
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>¥ 525,303</u>	<u>¥ 685,865</u>

\* See Notes to consolidated financial statements on pages 12-13.