

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

	<u>Yen (millions)</u>	
	<u>2013</u>	<u>2012</u>
<i><u>Cash flows from operating activities:</u></i>		
Net income	¥ 109,844	¥ 11,075
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	83,444	84,875
Net (gain) loss on sale of investments	(547)	(7,034)
Cash effects of changes in, excluding acquisition:		
Trade receivables	29,258	17,180
Inventories	(35,680)	(57,270)
Trade payables	2,821	23,860
Retirement and severance benefits	(87,917)	(4,312)
Other	1,185	(14,605)
Net cash provided by operating activities	<u>102,408</u>	<u>53,769</u>
<i><u>Cash flows from investing activities:</u></i>		
Proceeds from disposition of investments and advances	2,824	42,380
Increase in investments and advances	(1,958)	(1,244)
Capital expenditures	(51,431)	(86,019)
Proceeds from disposals of property, plant and equipment	5,553	37,762
(Increase) decrease in time deposits	3	16,918
Other	(4,085)	(8,480)
Net cash provided by (used in) investing activities	<u>(49,094)</u>	<u>1,317</u>
<i><u>Cash flows from financing activities:</u></i>		
Increase (decrease) in short-term debt	(68,066)	(31,519)
Increase (decrease) in long-term debt	(19,351)	(23,965)
Dividends paid to Panasonic Corporation shareholders	--	(11,559)
Dividends paid to noncontrolling interests	(5,461)	(6,642)
(Increase) decrease in treasury stock	(9)	(7)
Purchase of noncontrolling interests and Other	(843)	(123)
Net cash used in financing activities	<u>(93,730)</u>	<u>(73,815)</u>
Effect of exchange rate changes on cash and cash equivalents	18,768	(19,031)
Net increase (decrease) in cash and cash equivalents	(21,648)	(37,760)
Cash and cash equivalents at beginning of period	496,283	574,411
Cash and cash equivalents at end of period	<u>¥ 474,635</u>	<u>¥ 536,651</u>

* See Notes to consolidated financial statements on pages 10-11.