

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

	<u>Yen (millions)</u>	
	<u>2014</u>	<u>2013</u>
<i><u>Cash flows from operating activities:</u></i>		
Net income	¥ 42,086	¥ 109,844
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	69,121	83,444
Net (gain) loss on sale of investments	(1,328)	(547)
Cash effects of changes in, excluding acquisition:		
Trade receivables	40,015	29,258
Inventories	(53,681)	(35,680)
Trade payables	33,677	2,821
Retirement and severance benefits	(9,564)	(87,917)
Other	7,312	1,185
Net cash provided by operating activities	<u>127,638</u>	<u>102,408</u>
<i><u>Cash flows from investing activities:</u></i>		
Proceeds from disposition of investments and advances	10,998	2,824
Increase in investments and advances	(1,418)	(1,958)
Capital expenditures	(51,087)	(51,431)
Proceeds from disposals of property, plant and equipment	9,029	5,553
(Increase) decrease in time deposits	(1,480)	3
Other	(8,088)	(4,085)
Net cash used in investing activities	<u>(42,046)</u>	<u>(49,094)</u>
<i><u>Cash flows from financing activities:</u></i>		
Increase (decrease) in short-term debt	678	(68,066)
Increase (decrease) in long-term debt	(3,687)	(19,351)
Dividends paid to Panasonic Corporation shareholders	(18,492)	--
Dividends paid to noncontrolling interests	(14,836)	(5,461)
(Increase) decrease in treasury stock	(15)	(9)
Purchase of noncontrolling interests and Other	(1,388)	(843)
Net cash used in financing activities	<u>(37,740)</u>	<u>(93,730)</u>
Effect of exchange rate changes on cash and cash equivalents	(5,990)	18,768
Net increase (decrease) in cash and cash equivalents	41,862	(21,648)
Cash and cash equivalents at beginning of period	592,467	496,283
Cash and cash equivalents at end of period	<u>¥ 634,329</u>	<u>¥ 474,635</u>

* See Notes to consolidated financial statements on page 10.