

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

	<u>Yen (millions)</u>	
	<u>2014</u>	<u>2013</u>
<i><u>Cash flows from operating activities:</u></i>		
Net income	¥ 90,129	¥ 173,175
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	137,156	165,976
Net (gain) loss on sale of investments	(1,441)	(24,010)
Cash effects of changes in, excluding acquisition:		
Trade receivables	22,581	11,539
Inventories	(69,461)	(46,691)
Trade payables	35,905	(11,150)
Retirement and severance benefits	(19,470)	(101,416)
Other	<u>(28,099)</u>	<u>(5,956)</u>
Net cash provided by operating activities	<u>167,300</u>	<u>161,467</u>
<i><u>Cash flows from investing activities:</u></i>		
Proceeds from disposition of investments and advances	12,649	53,477
Increase in investments and advances	(4,316)	(5,122)
Capital expenditures	(102,219)	(99,830)
Proceeds from disposals of property, plant and equipment	14,780	12,518
(Increase) decrease in time deposits	(1,653)	1,642
Other	<u>734</u>	<u>(8,937)</u>
Net cash used in investing activities	<u>(80,025)</u>	<u>(46,252)</u>
<i><u>Cash flows from financing activities:</u></i>		
Increase (decrease) in short-term debt	(4,831)	(126,100)
Increase (decrease) in long-term debt	(37,232)	(34,958)
Dividends paid to Panasonic Corporation shareholders	(18,492)	--
Dividends paid to noncontrolling interests	(16,094)	(8,165)
(Increase) decrease in treasury stock	(43)	(23)
Purchase of noncontrolling interests and Other	<u>(1,480)</u>	<u>(924)</u>
Net cash used in financing activities	<u>(78,172)</u>	<u>(170,170)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>32,985</u>	<u>17,242</u>
Net increase (decrease) in cash and cash equivalents	42,088	(37,713)
Cash and cash equivalents at beginning of period	<u>592,467</u>	<u>496,283</u>
Cash and cash equivalents at end of period	<u>¥ 634,555</u>	<u>¥ 458,570</u>

* See Notes to consolidated financial statements on pages 12.