

**Consolidated Statements of Cash Flows**

	Yen (millions)	
	Fiscal 2016 Three Months ended June 30, 2015	Fiscal 2015 Three Months ended June 30, 2014
<b><u>Cash flows from operating activities</u></b>		
Net income	65,728	42,086
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	68,201	69,121
Net (gain) loss on sale of investments	(217)	(1,328)
(Increase) decrease in trade receivables	36,829	40,015
(Increase) decrease in inventories	(72,128)	(53,681)
Increase (decrease) in trade payables	19,562	33,677
Increase (decrease) in retirement and severance benefits	(17,948)	(9,564)
Other	(13,287)	7,312
<b>Net cash provided by operating activities</b>	<b>86,740</b>	<b>127,638</b>
<b><u>Cash flows from investing activities</u></b>		
Proceeds from disposals of investments and advances	2,016	10,998
Increase in investments and advances	(22,141)	(1,418)
Capital expenditures	(56,445)	(51,087)
Proceeds from disposals of property, plant and equipment	8,657	9,029
(Increase) decrease in time deposits	(3,979)	(1,480)
Other	(943)	(8,088)
<b>Net cash used in investing activities</b>	<b>(72,835)</b>	<b>(42,046)</b>
<b><u>Cash flows from financing activities</u></b>		
Increase (decrease) in short-term debt	7,413	678
Increase (decrease) in long-term debt	(42,646)	(3,687)
Dividends paid to Panasonic Corporation shareholders	(23,113)	(18,492)
Dividends paid to noncontrolling interests	(10,348)	(14,836)
(Increase) decrease in treasury stock	(47)	(15)
Other	(403)	(1,388)
<b>Net cash used in financing activities</b>	<b>(69,144)</b>	<b>(37,740)</b>
Effect of exchange rate changes on cash and cash equivalents	22,375	(5,990)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(32,864)</b>	<b>41,862</b>
Cash and cash equivalents at beginning of period	1,280,408	592,467
Cash and cash equivalents at end of period	1,247,544	634,329