

**Consolidated Statements of Cash Flows**

	Yen (millions)	
	Fiscal 2017 Three Months ended June 30, 2016	Fiscal 2016 Three Months ended June 30, 2015
<b><u>Cash flows from operating activities</u></b>		
Net income	25,126	65,728
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	64,937	68,201
Net (gain) loss on sale of investments	(177)	(217)
(Increase) decrease in trade receivables	(46,223)	36,829
(Increase) decrease in inventories	(41,031)	(72,128)
Increase (decrease) in trade payables	(2,126)	19,562
Increase (decrease) in retirement and severance benefits	(11,973)	(17,948)
Other	37,631	(13,287)
<b>Net cash provided by operating activities</b>	<b>26,164</b>	<b>86,740</b>
<b><u>Cash flows from investing activities</u></b>		
Proceeds from disposals of investments and advances	810	2,016
Increase in investments and advances	(3,802)	(22,141)
Capital expenditures	(62,913)	(56,445)
Proceeds from disposals of property, plant and equipment	6,301	8,657
(Increase) decrease in time deposits	146	(3,979)
Other	(132,788)	(943)
<b>Net cash used in investing activities</b>	<b>(192,246)</b>	<b>(72,835)</b>
<b><u>Cash flows from financing activities</u></b>		
Increase (decrease) in short-term debt	4,125	7,413
Increase (decrease) in long-term debt	(43,754)	(42,646)
Dividends paid to Panasonic Corporation shareholders	(34,815)	(23,113)
Dividends paid to noncontrolling interests	(7,755)	(10,348)
(Increase) decrease in treasury stock	(7)	(47)
Other	1,413	(403)
<b>Net cash used in financing activities</b>	<b>(80,793)</b>	<b>(69,144)</b>
Effect of exchange rate changes on cash and cash equivalents	(79,341)	22,375
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(326,216)</b>	<b>(32,864)</b>
Cash and cash equivalents at beginning of period	1,014,264	1,280,408
Cash and cash equivalents at end of period	688,048	1,247,544