

**Panasonic Corporation**  
**Consolidated Statement of Cash Flows \***  
**(Nine months ended December 31)**

	Yen (millions)	
	2009	2008
<u>Cash flows from operating activities:</u>		
Net income (loss)	¥ (16,477)	¥ 51,838
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	195,252	275,260
Net gain on sale of investments	(1,000)	(15,546)
(Increase) decrease in trade receivables	(157,397)	117,157
(Increase) decrease in inventories	36,662	(138,064)
Increase (decrease) in trade payables	130,648	(96,059)
Increase (decrease) in retirement and severance benefits	(10,106)	(81,284)
Other	128,577	10,600
Net cash provided by operating activities	<u>306,159</u>	<u>123,902</u>
<u>Cash flows from investing activities:</u>		
Proceeds from disposition of investments and advances	45,204	105,671
Increase in investments and advances	(6,803)	(31,270)
Capital expenditures	(306,728)	(397,121)
Proceeds from sale of fixed assets	40,216	19,121
(Increase) decrease in time deposits	95,660	(26,018)
Purchase of shares of newly consolidated subsidiary	(174,808)	--
Other	(30,960)	(25,934)
Net cash used in investing activities	<u>(338,219)</u>	<u>(355,551)</u>
<u>Cash flows from financing activities:</u>		
Increase (decrease) in short-term debt	216,947	2,311
Increase (decrease) in long-term debt	15,124	(26,682)
Dividends paid to Panasonic Corporation common shareholders	(25,883)	(83,364)
Dividends paid to noncontrolling interests	(12,146)	(18,683)
(Increase) decrease in treasury stock	(33)	(71,782)
Other	(10,960)	(39)
Net cash provided by (used in) financing activities	<u>183,049</u>	<u>(198,239)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(13,951)</u>	<u>(60,803)</u>
Net increase (decrease) in cash and cash equivalents	137,038	(490,691)
Cash and cash equivalents at beginning of period	973,867	1,214,816
Cash and cash equivalents at end of period	<u>¥ 1,110,905</u>	<u>¥ 724,125</u>

\* See Notes to consolidated financial statements on pages 15-17.