

**Panasonic Corporation**  
**Consolidated Statement of Cash Flows \***  
**(Year ended March 31)**

	<u>Yen (millions)</u>	
	<u>2010</u>	<u>2009</u>
<b><u>Cash flows from operating activities:</u></b>		
Net income (loss)	¥ (170,667)	¥ (403,843)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	298,270	364,806
Net gain on sale of investments	(5,137)	(13,512)
(AIncrease) decrease in trade receivables	(119,966)	249,123
(AIncrease) decrease in inventories	100,576	21,011
Increase (decrease) in trade payables	83,719	(199,176)
Increase (decrease) in retirement and severance benefits	(8,655)	(107,196)
Other	344,193	205,434
Net cash provided by operating activities	<u>522,333</u>	<u>116,647</u>
<b><u>Cash flows from investing activities:</u></b>		
Proceeds from disposition of investments and advances	61,302	221,127
Increase in investments and advances	(8,855)	(34,749)
Capital expenditures	(375,648)	(521,580)
Proceeds from sale of fixed assets	117,857	40,476
(Increase) decrease in time deposits	99,274	(136,248)
Purchase of shares of a newly consolidated subsidiary	(174,808)	--
Other	(42,781)	(38,503)
Net cash used in investing activities	<u>(323,659)</u>	<u>(469,477)</u>
<b><u>Cash flows from financing activities:</u></b>		
Increase (decrease) in short-term debt	(3,360)	(34,476)
Increase (decrease) in long-term debt	(1,608)	359,258
Dividends paid to Panasonic Corporation common shareholders	(25,883)	(83,364)
Dividends paid to noncontrolling interests	(14,619)	(20,803)
(Increase) decrease in treasury stock	(49)	(71,817)
Other	(11,454)	(86)
Net cash provided by (used in) financing activities	<u>(56,973)</u>	<u>148,712</u>
Effect of exchange rate changes on cash and cash equivalents	(5,656)	(36,831)
Net increase (decrease) in cash and cash equivalents	<u>136,045</u>	<u>(240,949)</u>
Cash and cash equivalents at beginning of period	<u>973,867</u>	<u>1,214,816</u>
Cash and cash equivalents at end of period	<u>¥ 1,109,912</u>	<u>¥ 973,867</u>

\* See Notes to consolidated financial statements on pages 12-14.