

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

	Yen (millions)	
	2010	2009
<u>Cash flows from operating activities:</u>		
Net income (loss)	¥ 84,035	¥ (51,276)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	179,685	131,316
Net gain on sale of investments	(6,876)	(407)
Cash effects of changes in, excluding acquisition:	(3,131)	(98,019)
Trade receivables	(132,022)	(22,586)
Inventories	51,612	140,974
Trade payables		
Retirement and severance benefits	(18,911)	(8,357)
Other	92,930	64,585
Net cash provided by operating activities	<u>247,322</u>	<u>156,230</u>
<u>Cash flows from investing activities:</u>		
Proceeds from disposition of investments and advances	59,624	34,837
Increase in investments and advances	(2,633)	(3,926)
Capital expenditures	(200,728)	(203,219)
Proceeds from disposals of property, plant and equipment	72,771	18,544
(Increase) decrease in time deposits	(14,412)	154,792
Other	(6,838)	(21,247)
Net cash provided by (used in) investing activities	<u>(92,216)</u>	<u>(20,219)</u>
<u>Cash flows from financing activities:</u>		
Increase (decrease) in short-term debt	798,043	383,023
Increase (decrease) in long-term debt	(63,459)	23,960
Dividends paid to Panasonic Corporation shareholders	(10,353)	(15,530)
Dividends paid to noncontrolling interests	(8,072)	(9,071)
(Increase) decrease in treasury stock	(372)	(27)
Purchase of noncontrolling interests and other	(62,060)	(9,778)
Net cash provided by financing activities	<u>653,727</u>	<u>372,577</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(50,339)</u>	<u>(22,950)</u>
Net increase (decrease) in cash and cash equivalents	758,494	485,638
Cash and cash equivalents at beginning of period	1,109,912	973,867
Cash and cash equivalents at end of period	<u>¥ 1,868,406</u>	<u>¥ 1,459,505</u>

* See Notes to consolidated financial statements on pages 13-14.