

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

	<u>Yen (millions)</u>	
	<u>2011</u>	<u>2010</u>
<u><i>Cash flows from operating activities:</i></u>		
Net income (loss)	¥ (153,157)	¥ 84,035
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	172,574	179,685
Net (gain) loss on sale of investments	1,159	(6,876)
Cash effects of changes in, excluding acquisition:		
Trade receivables	(31,750)	(3,131)
Inventories	(65,848)	(132,022)
Trade payables	(936)	51,612
Retirement and severance benefits	(7,880)	(18,911)
Other	86,878	92,930
Net cash provided by operating activities	<u>1,040</u>	<u>247,322</u>
<u><i>Cash flows from investing activities:</i></u>		
Proceeds from disposition of investments and advances	21,809	59,624
Increase in investments and advances	(3,242)	(2,633)
Capital expenditures	(173,367)	(200,728)
Proceeds from disposals of property, plant and equipment	33,639	72,771
(Increase) decrease in time deposits	14,251	(14,412)
Other	(5,031)	(6,838)
Net cash used in investing activities	<u>(111,941)</u>	<u>(92,216)</u>
<u><i>Cash flows from financing activities:</i></u>		
Increase (decrease) in short-term debt	15,006	798,043
Increase (decrease) in long-term debt	(75,129)	(63,459)
Dividends paid to Panasonic Corporation shareholders	(10,351)	(10,353)
Dividends paid to noncontrolling interests	(7,589)	(8,072)
(Increase) decrease in treasury stock	(9)	(372)
Other	(5,013)	(62,060)
Net cash provided by (used in) financing activities	<u>(83,085)</u>	<u>653,727</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(40,245)</u>	<u>(50,339)</u>
Net increase (decrease) in cash and cash equivalents	(234,231)	758,494
Cash and cash equivalents at beginning of period	974,826	1,109,912
Cash and cash equivalents at end of period	<u>¥ 740,595</u>	<u>¥ 1,868,406</u>

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