

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

	<u>Yen (millions)</u>	
	<u>2011</u>	<u>2010</u>
<i><u>Cash flows from operating activities:</u></i>		
Net income (loss)	¥ (364,112)	¥ 123,060
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	253,800	268,894
Net (gain) loss on sale of investments	1,473	(7,060)
Cash effects of changes in, excluding acquisition:		
Trade receivables	(9,934)	(18,352)
Inventories	(22,247)	(81,646)
Trade payables	(86,076)	13,249
Retirement and severance benefits	(26,215)	(24,289)
Other	<u>215,089</u>	<u>100,436</u>
Net cash provided by (used in) operating activities	<u>(38,222)</u>	<u>374,292</u>
<i><u>Cash flows from investing activities:</u></i>		
Proceeds from disposition of investments and advances	38,221	64,005
Increase in investments and advances	(5,226)	(7,100)
Capital expenditures	(300,368)	(294,162)
Proceeds from disposals of property, plant and equipment	41,641	111,624
(Increase) decrease in time deposits	39,306	5,103
Other	<u>(13,299)</u>	<u>(19,899)</u>
Net cash used in investing activities	<u>(199,725)</u>	<u>(140,429)</u>
<i><u>Cash flows from financing activities:</u></i>		
Increase (decrease) in short-term debt	213,040	542,725
Increase (decrease) in long-term debt	(191,091)	(79,949)
Dividends paid to Panasonic Corporation shareholders	(21,912)	(20,705)
Dividends paid to noncontrolling interests	(8,921)	(9,568)
(Increase) decrease in treasury stock	(11)	(402)
Other	<u>(6,851)</u>	<u>(587,334)</u>
Net cash used in financing activities	<u>(15,746)</u>	<u>(155,233)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(35,268)</u>	<u>(62,591)</u>
Net increase (decrease) in cash and cash equivalents	(288,961)	16,039
Cash and cash equivalents at beginning of period	<u>974,826</u>	<u>1,109,912</u>
Cash and cash equivalents at end of period	<u>¥ 685,865</u>	<u>¥ 1,125,951</u>

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