

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

	<u>Yen (millions)</u>	
	<u>2012</u>	<u>2011</u>
<i><u>Cash flows from operating activities:</u></i>		
Net income (loss)	¥ (816,144)	¥ 85,597
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	338,112	367,263
Net (gain) loss on sale of investments	(5,822)	(11,318)
Cash effects of changes in, excluding acquisition:		
Trade receivables	24,228	83,333
Inventories	38,117	(54,659)
Trade payables	(103,788)	(12,826)
Retirement and severance benefits	(29,374)	(38,400)
Other	<u>517,780</u>	<u>50,205</u>
Net cash provided by (used in) operating activities	<u>(36,891)</u>	<u>469,195</u>
<i><u>Cash flows from investing activities:</u></i>		
Proceeds from disposition of investments and advances	104,542	87,229
Increase in investments and advances	(6,945)	(8,873)
Capital expenditures	(456,468)	(420,921)
Proceeds from disposals of property, plant and equipment	53,333	152,663
(Increase) decrease in time deposits	30,952	19,005
Other	<u>(28,416)</u>	<u>(32,048)</u>
Net cash used in investing activities	<u>(303,002)</u>	<u>(202,945)</u>
<i><u>Cash flows from financing activities:</u></i>		
Increase (decrease) in short-term debt	362,128	(34,034)
Increase (decrease) in long-term debt	(369,224)	303,217
Dividends paid to Panasonic Corporation shareholders	(21,912)	(20,704)
Dividends paid to noncontrolling interests	(11,642)	(12,583)
(Increase) decrease in treasury stock	(363)	(415)
Other	<u>(12,081)</u>	<u>(590,108)</u>
Net cash used in financing activities	<u>(53,094)</u>	<u>(354,627)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(7,428)</u>	<u>(46,709)</u>
Net increase (decrease) in cash and cash equivalents	(400,415)	(135,086)
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>¥ 574,411</u>	<u>¥ 974,826</u>

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