

SHARP CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS

For the year ended March 31, 2004

Millions of Yen

	Year ended March 31, 2004	Year ended March 31, 2003	Increase Decrease
<u>Cash Flows from Operating Activities:</u>			
Income before income taxes and minority interest:	102,720	57,325	+45,395
Adjustments to reconcile income before income taxes and minority interests to net cash provided by operating activities—			
Depreciation and amortization of properties and intangibles	151,408	134,975	+16,433
Interest and dividends income	(5,294)	(5,642)	+348
Interest expense	5,844	7,673	-1,829
Foreign exchange loss	2,171	2,909	-738
Loss on sales and disposal of plant and equipment	11,921	3,803	+8,118
Increase in notes and accounts receivable	(72,258)	(7,023)	-65,235
Decrease (Increase) in inventories	2,037	(5,500)	+7,537
Increase in payable	95,728	43,836	+51,892
Other, net	19,643	42,906	-23,263
Total	313,920	275,262	+38,658
Interest and dividends received	5,825	6,042	-217
Interest paid	(5,939)	(7,694)	+1,755
Income taxes paid	(64,188)	(4,480)	-59,708
Net cash provided by operating activities	249,618	269,130	-19,512
<u>Cash Flows from Investing Activities:</u>			
Purchase of time deposits	(39,627)	(50,275)	+10,648
Proceeds from redemption of time deposits	39,825	50,914	-11,089
Purchase of short-term investments	(417)	(1,427)	+1,010
Proceeds from sales of short-term investments	10,706	25,161	-14,455
Acquisitions of plant and equipment	(183,155)	(171,703)	-11,452
Proceeds from sales of plant and equipment	2,318	2,702	-384
Purchase of investments in securities and investments in nonconsolidated subsidiaries and affiliates	(8,852)	(64,891)	+56,039
Proceeds from sales of investments in securities and investments in nonconsolidated subsidiaries and affiliates	9,775	39,936	-30,161
Loans made	(13,994)	(20,468)	+6,474
Proceeds from collection of loans	15,137	18,217	-3,080
Other, net	(1,162)	6,001	-7,163
Net cash used in investing activities	(169,446)	(165,833)	-3,613
<u>Cash Flows from Financing Activities:</u>			
Decrease in short-term borrowings, net	(38,980)	(25,030)	-13,950
Proceeds from long-term debt	15,898	92,432	-76,534
Repayments of long-term debt	(29,091)	(82,905)	+53,814
Purchase of treasury stock	(4,474)	(26,565)	+22,091
Dividends paid	(17,422)	(15,453)	-1,969
Other, net	5,108	(326)	+5,434
Net cash used in financing activities	(68,961)	(57,847)	-11,114
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(5,300)	(5,555)	+255
Net Increase in Cash and Cash Equivalents	5,911	39,895	-33,984
Cash and Cash Equivalents at Beginning of Year	271,712	231,404	+40,308
Cash and Cash Equivalents of a Newly Consolidated Subsidiary	0	413	-413
Cash and Cash Equivalents at End of Year	277,623	271,712	+5,911