

SHARP CORPORATION  
CONSOLIDATED STATEMENTS OF CASH FLOWS

Millions of Yen

	Nine Months Ended December 31, 2004	Nine Months Ended December 31, 2003	Increase Decrease
<b><u>Cash Flows from Operating Activities:</u></b>			
Income before income taxes and minority interests	101,386	79,478	+ 21,908
Adjustments to reconcile income before income taxes and minority interests to net cash provided by operating activities—			
Depreciation and amortization of properties and intangibles	123,773	108,950	+ 14,823
Increase in notes and accounts receivable	( 65,924 )	( 77,630 )	+ 11,706
(Increase) decrease in inventories	( 50,662 )	30,092	- 80,754
Increase in payable	103,361	80,262	+ 23,099
Other, net	( 93,438 )	( 66,837 )	- 26,601
<b>Net cash provided by operating activities</b>	<b>118,496</b>	<b>154,315</b>	<b>- 35,819</b>
<b><u>Cash Flows from Investing Activities:</u></b>			
Acquisitions of plant and equipment	( 209,341 )	( 139,567 )	- 69,774
Other, net	19,452	24,709	- 5,257
<b>Net cash used in investing activities</b>	<b>( 189,889 )</b>	<b>( 114,858 )</b>	<b>- 75,031</b>
<b><u>Cash Flows from Financing Activities:</u></b>			
Increase (decrease) in short-term borrowings, net	114,643	( 3,233 )	+ 117,876
Proceeds from long-term debt	22,224	15,379	+ 6,845
Repayments of long-term debt	( 33,143 )	( 21,570 )	- 11,573
Dividends paid	( 19,913 )	( 16,349 )	- 3,564
Other, net	( 566 )	1,465	- 2,031
<b>Net cash provided by (used in) financing activities</b>	<b>83,245</b>	<b>( 24,308 )</b>	<b>+ 107,553</b>
<b>Effect of Exchange Rate Changes on Cash and Cash Equivalents</b>	<b>( 1,834 )</b>	<b>( 4,790 )</b>	<b>+ 2,956</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>10,018</b>	<b>10,359</b>	<b>- 341</b>
<b>Cash and Cash equivalents at Beginning of Year</b>	<b>277,623</b>	<b>271,712</b>	<b>+ 5,911</b>
<b>Cash and Cash Equivalents of Newly Consolidated Subsidiaries</b>	<b>970</b>	<b>0</b>	<b>+ 970</b>
<b>Cash and Cash Equivalents Increased by Merger</b>	<b>3</b>	<b>0</b>	<b>+ 3</b>
<b>Cash and Cash Equivalents at End of the Period</b>	<b>288,614</b>	<b>282,071</b>	<b>+ 6,543</b>