

SHARP CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS

Millions of Yen

	Year Ended March 31, 2006	Year Ended March 31, 2007	Increase Decrease
<u>Cash Flows from Operating Activities:</u>			
Income before income taxes and minority interests	140,018	158,295	+ 18,277
Adjustments to reconcile income before income taxes and minority interests to net cash provided by operating activities –			
Depreciation and amortization of properties and intangibles	186,434	208,632	+ 22,198
Interest and dividend income	(5,769)	(6,913)	- 1,144
Interest expense	6,410	7,668	+ 1,258
Foreign exchange loss	2,070	2,760	+ 690
Loss on sales and disposal of plant and equipment	10,126	7,356	- 2,770
Increase in notes and accounts receivable	(43,716)	(73,726)	- 30,010
(Increase) decrease in inventories	2,693	(86,946)	- 89,639
Increase in payables	53,945	143,425	+ 89,480
Other, net	(35,119)	7,756	+ 42,875
Total	317,092	368,307	+ 51,215
Interest and dividends received	7,961	9,432	+ 1,471
Interest paid	(6,561)	(8,182)	- 1,621
Income taxes paid	(54,739)	(55,205)	- 466
Net cash provided by operating activities	263,753	314,352	+ 50,599
<u>Cash Flows from Investing Activities:</u>			
Purchase of time deposits	(60,020)	(120,063)	- 60,043
Proceeds from redemption of time deposits	65,104	95,072	+ 29,968
Proceeds from sales of short-term investments	21,739	6,480	- 15,259
Acquisitions of plant and equipment	(232,770)	(294,548)	- 61,778
Proceeds from sales of plant and equipment	609	1,407	+ 798
Purchase of investments in securities and investments in nonconsolidated subsidiaries and affiliates	(12,391)	(4,121)	+ 8,270
Proceeds from sales of investments in securities and investments in nonconsolidated subsidiaries and affiliates	5,748	1,944	- 3,804
Loans made	(4,785)	(1,063)	+ 3,722
Proceeds from collection of loans	4,561	683	- 3,878
Other, net	(17,181)	(14,580)	+ 2,601
Net cash used in investing activities	(229,386)	(328,789)	- 99,403
<u>Cash Flows from Financing Activities:</u>			
Decrease in short-term borrowings, net	(20,032)	(121,568)	- 101,536
Proceeds from long-term debt	105,588	218,370	+ 112,782
Repayments of long-term debt	(96,806)	(28,461)	+ 68,345
Purchase of treasury stock	(336)	(480)	- 144
Dividends paid	(21,812)	(26,181)	- 4,369
Other, net	(362)	(510)	- 148
Net cash provided by (used in) financing activities	(33,760)	41,170	+ 74,930
Effect of Exchange Rate Changes on Cash and Cash Equivalents	3,393	463	- 2,930
Net Increase in Cash and Cash Equivalents	4,000	27,196	+ 23,196
Cash and Cash Equivalents at Beginning of Year	295,312	299,466	+ 4,154
Cash and Cash Equivalents of Newly Consolidated Subsidiaries	0	2,583	+ 2,583
Cash and Cash Equivalents Increased by Merger	154	41	- 113
Cash and Cash Equivalents at End of Year	299,466	329,286	+ 29,820