

SHARP CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS

Millions of Yen

	Year Ended March 31, 2005	Year Ended March 31, 2004	Increase Decrease
<u>Cash Flows from Operating Activities:</u>			
Income before income taxes and minority interests	128,184	102,720	+ 25,464
Adjustments to reconcile income before income taxes and minority interests to net cash provided by operating activities—			
Depreciation and amortization of properties and intangibles	169,359	151,408	+ 17,951
Interest and dividends income	(5,446)	(5,294)	- 152
Interest expense	5,724	5,844	- 120
Foreign exchange loss	1,101	2,171	- 1,070
Loss on sales and disposal of plant and equipment	12,805	11,921	+ 884
Increase in notes and accounts receivable	(48,579)	(72,258)	+ 23,679
(Increase) decrease in inventories	(47,762)	2,037	- 49,799
Increase in payable	79,538	95,728	- 16,190
Other, net	(19,811)	19,643	- 39,454
Total	275,113	313,920	- 38,807
Interest and dividends received	6,194	5,825	+ 369
Interest paid	(5,808)	(5,939)	+ 131
Income taxes paid	(56,301)	(64,188)	+ 7,887
Net cash provided by operating activities	219,198	249,618	- 30,420
<u>Cash Flows from Investing Activities:</u>			
Purchase of time deposits	(50,022)	(39,627)	- 10,395
Proceeds from redemption of time deposits	30,092	39,825	- 9,733
Purchase of short-term investments	(1,066)	(417)	- 649
Proceeds from sales of short-term investments	2,024	10,706	- 8,682
Acquisitions of plant and equipment	(270,414)	(183,155)	- 87,259
Proceeds from sales of plant and equipment	1,488	2,318	- 830
Purchase of investments in securities and investments in nonconsolidated subsidiaries and affiliates	(8,668)	(8,852)	+ 184
Proceeds from sales of investments in securities and investments in nonconsolidated subsidiaries and affiliates	6,378	9,775	- 3,397
Loans made	(10,351)	(13,994)	+ 3,643
Proceeds from collection of loans	10,184	15,137	- 4,953
Other, net	31,347	(1,162)	+ 32,509
Net cash used in investing activities	(259,008)	(169,446)	- 89,562
<u>Cash Flows from Financing Activities:</u>			
Increase (decrease) in short-term borrowings, net	99,713	(38,980)	+ 138,693
Proceeds from long-term debt	25,514	15,898	+ 9,616
Repayments of long-term debt	(45,479)	(29,091)	- 16,388
Purchase of treasury stock	(364)	(4,474)	+ 4,110
Dividends paid	(21,792)	(17,422)	- 4,370
Other, net	(51)	5,108	- 5,159
Net cash provided by (used in) financing activities	57,541	(68,961)	+ 126,502
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(1,015)	(5,300)	+ 4,285
Net Increase in Cash and Cash Equivalents	16,716	5,911	+ 10,805
Cash and Cash Equivalents at Beginning of Year	277,623	271,712	+ 5,911
Cash and Cash Equivalents of Newly Consolidated Subsidiaries	970	0	+ 970
Cash and Cash Equivalents Increased by Merger	3	0	+ 3
Cash and Cash Equivalents at End of Year	295,312	277,623	+ 17,689