

SHARP CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS

For the first quarter ended June 30, 2004

Millions of Yen

	Three Months Ended June 30, 2004	Three Months Ended June 30, 2003	Increase Decrease
<u>Cash Flows from Operating Activities:</u>			
Income before income taxes and minority interests	32,919	25,586	+7,333
Adjustments to reconcile income before income taxes and minority interests to net cash provided by operating activities—			
Depreciation and amortization of properties and intangibles	37,160	33,329	+3,831
Increase in notes and accounts receivable	(10,985)	(7,520)	-3,465
Increase in inventories	(32,707)	(5,575)	-27,132
Increase in payable	68,247	11,666	+56,581
Other, net	(63,392)	(63,920)	+528
Net cash provided by (used in) operating activities	31,242	(6,434)	+37,676
<u>Cash Flows from Investing Activities:</u>			
Acquisitions of plant and equipment	(66,858)	(34,288)	-32,570
Other, net	40,076	36,111	+3,965
Net cash (used in) provided by investing activities	(26,782)	1,823	-28,605
<u>Cash Flows from Financing Activities:</u>			
Increase (Decrease) in short-term borrowings, net	4,006	(15,028)	+19,034
Proceeds from long-term debt	7,525	7,460	+65
Repayments of long-term debt	(960)	(7,359)	+6,399
Dividends paid	(9,327)	(7,342)	-1,985
Other, net	(222)	(165)	-57
Net cash provided by (used in) financing activities	1,022	(22,434)	+23,456
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(326)	11	-337
Net Increase (Decrease) in Cash and Cash Equivalents	5,156	(27,034)	+32,190
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 at End of Period	283,749	244,678	+39,071