

SHARP CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS

Millions of Yen

	Year Ended March 31, 2006	Year Ended March 31, 2005	Increase Decrease
<u>Cash Flows from Operating Activities:</u>			
Income before income taxes and minority interests	140,018	128,184	+ 11,834
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	169,359	+ 17,075
Interest and dividend income	(5,769)	(5,446)	- 323
Interest expense	6,410	5,724	+ 686
Foreign exchange loss	2,070	1,101	+ 969
Loss on sales and disposal of plant and equipment	10,126	12,805	- 2,679
Increase in notes and accounts receivable	(43,716)	(48,579)	+ 4,863
Decrease (increase) in inventories	2,693	(47,762)	+ 50,455
Increase in payable	53,945	79,538	- 25,593
Other, net	(35,119)	(19,811)	- 15,308
Total	317,092	275,113	+ 41,979
Interest and dividends received	7,961	6,194	+ 1,767
Interest paid	(6,561)	(5,808)	- 753
Income taxes paid	(54,739)	(56,301)	+ 1,562
Net cash provided by operating activities	263,753	219,198	+ 44,555
<u>Cash Flows from Investing Activities:</u>			
Purchase of time deposits	(60,020)	(50,022)	- 9,998
Proceeds from redemption of time deposits	65,104	30,092	+ 35,012
Purchase of short-term investments	0	(1,066)	+ 1,066
Proceeds from sales of short-term investments	21,739	2,024	+ 19,715
Acquisitions of plant and equipment	(232,770)	(270,414)	+ 37,644
Proceeds from sales of plant and equipment	609	1,488	- 879
Purchase of investments in securities and investments in nonconsolidated subsidiaries and affiliates	(12,391)	(8,668)	- 3,723
Proceeds from sales of investments in securities and investments in nonconsolidated subsidiaries and affiliates	5,748	6,378	- 630
Loans made	(4,785)	(10,351)	+ 5,566
Proceeds from collection of loans	4,561	10,184	- 5,623
Other, net	(17,181)	31,347	- 48,528
Net cash used in investing activities	(229,386)	(259,008)	+ 29,622
<u>Cash Flows from Financing Activities:</u>			
(Decrease) increase in short-term borrowings, net	(20,032)	99,713	- 119,745
Proceeds from long-term debt	105,588	25,514	+ 80,074
Repayments of long-term debt	(96,806)	(45,479)	- 51,327
Purchase of treasury stock	(336)	(364)	+ 28
Dividends paid	(21,812)	(21,792)	- 20
Other, net	(362)	(51)	- 311
Net cash (used in) provided by financing activities	(33,760)	57,541	- 91,301
Effect of Exchange Rate Changes on Cash and Cash Equivalents	3,393	(1,015)	+ 4,408
Net Increase in Cash and Cash Equivalents	4,000	16,716	- 12,716
Cash and Cash Equivalents at Beginning of Year	295,312	277,623	+ 17,689
Cash and Cash Equivalents of Newly Consolidated Subsidiaries	0	970	- 970
Cash and Cash Equivalents Increased by Merger	154	3	+ 151
Cash and Cash Equivalents at End of Year	299,466	295,312	+ 4,154