

SHARP CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS

Millions of Yen

	Nine Months Ended December 31, 2006	Nine Months Ended December 31, 2005	Increase Decrease
<u>Cash Flows from Operating Activities:</u>			
Income before income taxes and minority interests	119,907	101,116	+ 18,791
Adjustments to reconcile income before income taxes and minority interests to net cash provided by operating activities –			
Depreciation and amortization of properties and intangibles	150,041	136,026	+ 14,015
Increase in notes and accounts receivable	(53,140)	(53,852)	+ 712
Increase in inventories	(78,778)	(3,521)	- 75,257
Increase in payables	91,522	89,880	+ 1,642
Other, net	(68,951)	(90,058)	+ 21,107
Net cash provided by operating activities	160,601	179,591	- 18,990
<u>Cash Flows from Investing Activities:</u>			
Acquisitions of plant and equipment	(214,993)	(198,069)	- 16,924
Other, net	1,892	109	+ 1,783
Net cash used in investing activities	(213,101)	(197,960)	- 15,141
<u>Cash Flows from Financing Activities:</u>			
(Decrease) increase in short-term borrowings, net	(105,200)	17,538	- 122,738
Proceeds from long-term debt	216,836	104,726	+ 112,110
Repayments of long-term debt	(20,849)	(77,271)	+ 56,422
Dividends paid	(24,712)	(20,066)	- 4,646
Other, net	(750)	(557)	- 193
Net cash provided by financing activities	65,325	24,370	+ 40,955
Effect of Exchange Rate Changes on Cash and Cash Equivalents	411	2,776	- 2,365
Net Increase in Cash and Cash Equivalents	13,236	8,777	+ 4,459
Cash and Cash Equivalents at Beginning of Year	299,466	295,312	+ 4,154
Cash and Cash Equivalents of Newly Consolidated Subsidiaries	2,583	0	+ 2,583
Cash and Cash Equivalents Increased by Merger	9	154	- 145
Cash and Cash Equivalents at End of the Period	315,294	304,243	+ 11,051