

SHARP CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS

Millions of Yen

	Year Ended March 31, 2007	Year Ended March 31, 2008	Increase Decrease
<u>Cash Flows from Operating Activities:</u>			
Income before income taxes and minority interests	158,295	162,240	+ 3,945
Adjustments to reconcile income before income taxes and minority interests to net cash provided by operating activities—			
Depreciation and amortization of properties and intangibles	208,632	265,640	+ 57,008
Interest and dividend income	(6,913)	(8,086)	- 1,173
Interest expense	7,668	9,957	+ 2,289
Foreign exchange loss	2,760	3,067	+ 307
Loss on sales and disposal of plant and equipment	7,356	8,039	+ 683
Decrease (increase) in notes and accounts receivable	(73,726)	3,931	+ 77,657
Increase in inventories	(86,946)	(24,557)	+ 62,389
(Decrease) increase in payables	143,425	(28,200)	- 171,625
Other, net	7,756	(15,109)	- 22,865
Total	368,307	376,922	+ 8,615
Interest and dividends received	9,432	8,939	- 493
Interest paid	(8,182)	(9,849)	- 1,667
Income taxes paid	(55,205)	(52,248)	+ 2,957
Net cash provided by operating activities	314,352	323,764	+ 9,412
<u>Cash Flows from Investing Activities:</u>			
Purchase of time deposits	(120,063)	(99,502)	+ 20,561
Proceeds from redemption of time deposits	95,072	105,364	+ 10,292
Proceeds from sales of short-term investments	6,480	7,514	+ 1,034
Acquisitions of plant and equipment	(294,548)	(362,927)	- 68,379
Proceeds from sales of plant and equipment	1,407	871	- 536
Purchase of investments in securities and investments in nonconsolidated subsidiaries and affiliates	(4,121)	(54,994)	- 50,873
Proceeds from sales of investments in securities and investments in nonconsolidated subsidiaries and affiliates	1,944	19,385	+ 17,441
Loans made	(1,063)	(510)	+ 553
Proceeds from collection of loans	683	347	- 336
Other, net	(14,580)	(10,510)	+ 4,070
Net cash used in investing activities	(328,789)	(394,962)	- 66,173
<u>Cash Flows from Financing Activities:</u>			
Increase (decrease) in short-term borrowings, net	(121,568)	128,472	+ 250,040
Proceeds from long-term debt	218,370	89,898	- 128,472
Repayments of long-term debt	(28,461)	(121,994)	- 93,533
Disposal of treasury stock	24	19,786	+ 19,762
Purchase of treasury stock	(480)	(369)	+ 111
Dividends paid	(26,181)	(30,530)	- 4,349
Other, net	(534)	(1,169)	- 635
Net cash provided by financing activities	41,170	84,094	+ 42,924
Effect of Exchange Rate Changes on Cash and Cash Equivalents	463	(4,549)	- 5,012
Net Increase in Cash and Cash Equivalents	27,196	8,347	- 18,849
Cash and Cash Equivalents at Beginning of Year	299,466	329,286	+ 29,820
Cash and Cash Equivalents of Newly Consolidated Subsidiaries	2,583	1,439	- 1,144
Cash and Cash Equivalents Increased by Merger	41	194	+ 153
Cash and Cash Equivalents at End of Year	329,286	339,266	+ 9,980