

SHARP CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS

For the six months ended September 30, 2001

Millions of Yen

	Six Months ended September 30, 2001	Six Months ended September 30, 2000	Increase (Decrease)	Year ended March 31, 2001
<u>Cash Flows from Operating Activities:</u>				
Income before income taxes and minority interests	27,788	34,435	6,647	70,724
Adjustments to reconcile income before income taxes and minority interests to net cash provided by operating activities -				
Depreciation and amortization of properties and intangibles	57,609	66,123	8,514	138,330
Interest and dividend income	(4,217)	(5,456)	1,239	(10,099)
Interest expense	5,210	6,539	1,329	12,048
Exchange loss	2,233	3,545	1,312	5,620
Loss on sales and disposal of plant and equipment	1,490	2,733	1,243	5,393
(Increase) decrease in notes and accounts receivable	42,709	(36,439)	79,148	(29,253)
(Increase) decrease in inventories	(9,128)	4,062	13,190	6,019
Increase (decrease) in payable	(53,015)	9,479	62,494	22,863
Other, net	(10,607)	19,190	29,797	14,394
Total	60,072	104,211	44,139	236,039
Interest and dividend received	4,483	5,905	1,422	9,711
Interest paid	(5,280)	(6,652)	1,372	(12,513)
Income taxes paid	(21,341)	(31,899)	10,558	(49,681)
Net cash provided by operating activities	37,934	71,565	33,631	183,556
<u>Cash Flows from Investing Activities:</u>				
Purchase of time deposits	(142,163)	(110,156)	32,007	(275,129)
Proceeds from redemption of time deposits	138,116	170,373	32,257	313,303
Proceeds from sales of short-term investments	2,230	27,885	25,655	50,243
Acquisitions of plant and equipment	(86,806)	(44,449)	42,357	(133,086)
Proceeds from sales of plant and equipment	1,702	2,555	853	3,679
Purchase of investments in securities and investments in nonconsolidated subsidiaries and affiliates	(8,640)	(18,453)	9,813	(19,672)
Proceeds from sales of investments in securities and nonconsolidated subsidiaries and affiliates	2,560	1,572	988	8,753
Loans made	(8,254)	(1,282)	6,972	(2,704)
Proceeds from collection of loans	8,067	1,342	6,725	1,660
Other, net	4,885	(19,654)	24,539	(17,601)
Net cash used in (provided by) investing activities	(88,303)	9,733	98,036	(70,554)
<u>Cash Flows from Financing Activities:</u>				
Decrease in short-term borrowings, net	(20,457)	(12,909)	7,548	(24,469)
Increase (decrease) in commercial papers, net	69,513	(16,267)	85,780	(29,941)
Proceeds from issuance of long-term debt	9,400	11,956	2,556	21,986
Repayments of long-term debt	(31)	(13,025)	12,994	(29,337)
Issuance of bonds	6,061	7,140	1,079	10,437
Redemption of bonds	(2,230)	-	2,230	(5,437)
Payment for repurchase of treasury stocks	(9,704)	(283)	9,421	(393)
Dividends paid	(7,878)	(6,754)	1,124	(13,510)
Other, net	(1,890)	485	2,375	(789)
Net cash provided by (used in) financing activities	42,784	(29,657)	72,441	(71,453)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(457)	(1,397)	940	2,014
Net (decrease) increase in cash and cash equivalents	(8,042)	50,244	58,286	43,563
Cash and Cash equivalents at Beginning of Year	221,673	177,783	43,890	177,783
Net Increase in Cash and Cash equivalents attributable to acquisition	-	327	327	327
Cash and Cash equivalents at End of Year	213,631	228,354	14,723	221,673