

SHARP CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS

For the six months ended September 30, 2003

Millions of Yen

	Six Months ended September 30, 2003	Six Months ended September 30, 2002	Increase (Decrease)	Year ended March 31, 2003
<u>Cash Flows from Operating Activities:</u>				
Income before income taxes and minority interests	49,429	39,138	+10,291	57,325
Adjustments to reconcile income before income taxes and minority interests to net cash provided by operating activities –				
Depreciation and amortization of properties and intangibles	69,487	61,707	+7,780	134,975
Interest and dividends income	(2,672)	(3,149)	+477	(5,642)
Interest expense	3,059	4,035	-976	7,673
Foreign exchange loss	1,093	1,703	-610	2,909
Loss on sales and disposal of plant and equipment	3,281	2,400	+881	3,803
Increase in notes and accounts receivable	(42,631)	(12,101)	-30,530	(7,023)
Decrease (increase) in inventories	15,411	(11,652)	+27,063	(5,500)
Increase in payable	42,962	11,470	+31,492	43,836
Other, net	619	14,135	-13,516	42,906
Total	140,038	107,686	+32,352	275,262
Interest and dividends received	3,039	3,243	-204	6,042
Interest paid	(3,143)	(3,999)	+856	(7,694)
Income taxes (paid) refunded	(37,709)	1,701	-39,410	(4,480)
Net cash provided by operating activities	102,225	108,631	-6,406	269,130
<u>Cash Flows from Investing Activities:</u>				
Purchase of time deposits	(15,147)	(15,067)	-80	(50,275)
Proceeds from redemption of time deposits	15,332	15,873	-541	50,914
Purchase of short-term investments	(436)	(1,347)	+911	(1,427)
Proceeds from sales of short-term investments	5,705	15,278	-9,573	25,161
Acquisitions of plant and equipment	(66,289)	(73,972)	+7,683	(171,703)
Proceeds from sales of plant and equipment	1,629	608	+1,021	2,702
Purchase of investments in securities and investments in nonconsolidated subsidiaries and affiliates	(3,702)	(22,916)	+19,214	(64,891)
Proceeds from sales of investments in securities and investments in nonconsolidated subsidiaries and affiliates	149	6,301	-6,152	39,936
Loans made	(7,036)	(9,524)	+2,488	(20,468)
Proceeds from collection of loans	8,264	8,205	+59	18,217
Other, net	10,825	15,863	-5,038	6,001
Net cash used in investing activities	(50,706)	(60,698)	+9,992	(165,833)
<u>Cash Flows from Financing Activities:</u>				
Decrease in short-term borrowings, net	(37,870)	(56,471)	+18,601	(25,030)
Proceeds from long-term debt	10,672	71,136	-60,464	92,432
Repayments of long-term debt	(9,842)	(16,036)	+6,194	(82,905)
Purchase of treasury stock	(132)	(15,774)	+15,642	(26,565)
Dividends paid	(8,707)	(7,772)	-935	(15,453)
Other, net	(257)	(257)	0	(326)
Net cash used in financing activities	(46,136)	(25,174)	-20,962	(57,847)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(3,138)	(4,575)	+1,437	(5,555)
Net Increase in Cash and Cash Equivalents	2,245	18,184	-15,939	39,895
Cash and Cash equivalents at Beginning of Year	271,712	231,404	+40,308	231,404
Cash and Cash Equivalents of A Newly Consolidated Subsidiary	-	413	-413	413
Cash and Cash Equivalents at End of Year	273,957	250,001	+23,956	271,712