

**SHARP**

For the year ended March 31, 2004



Crystal-Clear Vision

Annual Report 2004

---

## Business Philosophy

---

We do not seek merely to expand our business volume.  
Rather, we are dedicated to the use of our unique,  
innovative technology to contribute to the culture,  
benefits, and welfare of people throughout the world.

It is the intention of our corporation to grow  
hand-in-hand with our employees,  
encouraging and aiding them to attain their full potential  
and improve their standard of living.

Our future prosperity is directly linked to the prosperity of  
our customers, dealers, and shareholders ... indeed,  
the entire Sharp family.

---

## Business Creed

---

**Sharp Corporation is dedicated to two principle ideals:**

### **“Sincerity and Creativity”**

By committing ourselves to these ideals, we can derive genuine satisfaction  
from our work, while making a meaningful contribution to society.

*Sincerity is a virtue fundamental to humanity ... always be sincere.*

*Harmony brings strength ... trust each other and work together.*

*Politeness is a merit ... always be courteous and respectful.*

*Creativity promotes progress ... remain constantly aware of the need to innovate and improve.*

*Courage is the basis of a rewarding life ... accept every challenge with a positive attitude.*

# Contents

2	_	Financial Highlights
4	_	A Message to Our Shareholders
7	_	Special Feature: Ingredients for Success in Achieving Our Vision
8	_	LCDs and LCD TVs
12	_	Photovoltaic Power Systems
14	_	Mobile Phones
16	_	Research and Development
18	_	Corporate Social Responsibility (CSR)
20	_	Product Group Outline
22	_	Board of Directors
23	_	Financial Section
49	_	Investor Information

## Disclaimer regarding future plans and estimates

This annual report contains certain statements describing Sharp's future plans, strategies and performance forecasts. These statements are not based on historical fact, but rather reflect management's beliefs based on the current information available. The plans, strategies and performance forecasts are subject to risk and uncertainty associated with factors such as economic trends, changes in supply and demand, increased competition, exchange rate fluctuations, and changes to taxation law and other regulations. Actual performance may differ from the forecasts supplied.



# Financial Highlights

Sharp Corporation and Consolidated Subsidiaries  
Years Ended March 31

	Yen (millions)					U.S. Dollars (thousands)
	2000	2001	2002	2003	2004	2004
Net Sales	¥ 1,854,774	¥ 2,012,858	¥ 1,803,798	¥ 2,003,210	¥ 2,257,273	\$ 21,497,838
Net Income	28,130	38,527	11,311	32,594	60,715	578,238
Net Income per Share of Common Stock (yen and U.S. dollars)	24.97	34.20	10.10	29.37	55.37	0.53
Cash Dividends per Share of Common Stock (yen and U.S. dollars)	12.00	13.00	14.00	15.00	18.00	0.17
Shareholders' Equity	896,618	943,505	926,856	902,116	943,532	8,986,019
Total Assets	1,922,794	2,003,641	1,966,909	2,004,832	2,150,250	20,478,571
Number of Shares Outstanding (thousands of shares)	1,126,577	1,126,647	1,110,598	1,089,855	1,090,672	—
Number of Employees	49,748	49,101	46,518	46,633	46,164	—

(Notes) 1. The translation into U.S. dollar figures is based on ¥105=U.S.\$1, the approximate exchange rate prevailing on March 31, 2004. All dollar figures herein refer to U.S. currency.

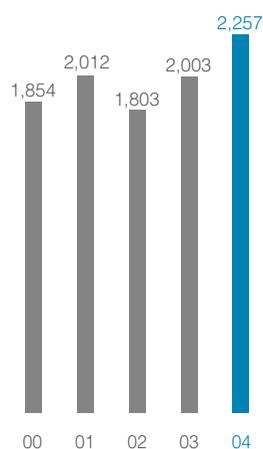
2. The computation of net income per share is based on the weighted average number of shares of common stock outstanding during each fiscal year.

3. The number of shares outstanding is net of treasury stock.

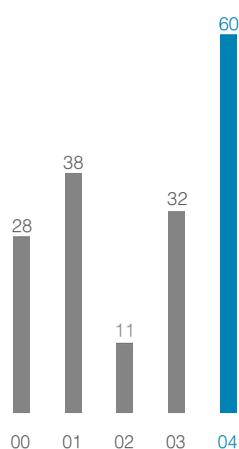
4. The figures for 2000 in this section and financial section of this report have been restated to conform with the presentation concerning foreign currency translation adjustments under the revised Accounting Standard for Foreign Currency Transactions effective April 1, 2000.

5. Effective April 1, 2002, the Company adopted the new accounting standard for earnings per share and related guidance (Accounting Standards Board Statement No.2, "Accounting Standard for Earnings Per Share" and Financial Standards Implementation Guidance No.4, "Implementation Guidance for Accounting Standard for Earnings Per Share"), prior year figures have not been restated.

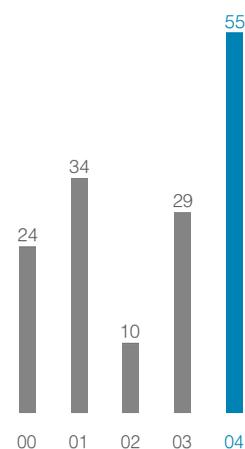
Net Sales (billions of yen)



Net Income (billions of yen)



Net Income per Share (yen)





## Our Crystal-Clear Vision into a Brighter Future

### “Crystal-Clear Vision”

Sharp aims to revolutionize lifestyles across the globe by offering never-before-imagined possibilities for people and the environment. Based on this vision, Sharp will continue playing an integral role in society through innovative products and services.

# A Message to Our Shareholders

One-of-a-kind strategy drove a banner year for Sharp.  
We seek to strengthen this strategy to be a one-of-a-kind enterprise.

## Fiscal 2003 in Review

### Generated record sales and profits

Sharp registered historic highs in both net sales and profits for the fiscal year ended March 31, 2004. Net sales increased 12.7% relative to the previous year, to ¥2,257.2 billion, while operating income increased 22.3%, to ¥121.6 billion, and net income increased 86.3%, to ¥60.7 billion. The major attributable factor to these results was the advancement of our “one-of-a-kind strategy.”

### Product business

In the product business, sales of LCD TVs and mobile phones increased substantially. Anticipating the shift to flat panel display televisions, we pushed swiftly ahead with our strategy to change conventional CRT TVs into LCD TVs, which culminated in our flagship products. In particular, we strengthened our line of large-size wide-screen models, thereby spurring sales expansion. Our inimitable electronic device technologies accelerated the evolution of mobile phones, driving a steady increase in sales of camera-equipped mobile phones incorporating System LCDs and high-resolution CCD camera modules.

### Device business

In the device business, sales of small- and medium-size LCDs, CCD and CMOS imagers, and solar cells increased dramatically. Strong sales were recorded in small- and medium-size LCDs especially applicable for mobile phones as we continued to leverage our market-pioneering prowess. We commenced operations of the first production phase for System LCDs at the Mie No. 3 Plant in June 2003 and of the second phase in March 2004 to meet burgeoning demand.

Additional efforts to boost sales included expanding production of CCD and CMOS imagers, which are core devices in camera-equipped mobile phones, in response to rising demand. We also strengthened production capacity to reinforce our position as the world's leading manufacturer of solar cells.

### State-of-the-art Kameyama Plant up and running

A major achievement during the fiscal year was the commencement of operations at the Kameyama Plant with start-to-finish production of large-screen LCD TVs. This plant went on line in January 2004 ahead of our original schedule. (Please refer to page 10 for further details.)

## Mid-Term Management Strategy

Sharp has constantly sought to make constructive contributions to society through the development of unique, one-of-a-kind products that are ahead of the times. In the 21st century, the environment surrounding the electronics industry continues to change at lightning pace with advancements in IT and networks, and breakneck technological innovations. In response, based on the two core principles of our business creed, “Sincerity and Creativity,” we will push aggressively forward with our Vision to revolutionize lifestyles across the globe by offering never-before-imagined possibilities for people and the environment.

### Bolster our “spiral strategy”

Throughout the years, our “spiral strategy,” the creation of highly distinctive products incorporating unique Sharp devices, has driven corporate growth. We will keep leverag-



President **Katsuhiko Machida**

ing this vertical integration business model and maximize the potential of our proprietary electronic devices to accelerate the development of one-of-a-kind products, such as top-of-the-line large-size LCD TVs, next-generation high-value-added communications terminals, and innovative health- and eco-conscious home appliances.

**Enhance image as a valued, one-of-a-kind enterprise and heighten brand value**

Sharp is committed to contributing to the evolution of LCDs, which remain one of our core competencies. It is our unique, cutting-edge LCDs that enable us to create proprietary products, such as LCD TVs and mobile equipment. Through these efforts, we will boost our market presence as the leading LCD manufacturer in the world. We also aim to be an “environmentally advanced company” through the development of environmentally-oriented technologies and products, notably energy-saving LCDs and energy-generating solar

cells. We are confident that such efforts will further enhance our brand image as a valued, one-of-a-kind enterprise.

**Boost basic manufacturing strength**

Sharp intends to reinforce its manufacturing foundations to hone its competitive edge and boost profitability. To increase speed of product development, we will strive for designing technology innovation. To realize overwhelming cost competitiveness, we will focus on revamping manufacturing technologies and keep them as “black-box” to prevent leakage to other companies. We will also introduce new material procurement operations to meet our production and supply requirements worldwide. We will seek to develop distinctive technologies to accelerate the creation of one-of-a-kind products and electronic devices which will support our future growth. Specifically, efforts will focus on the development of new core technologies that will lead to next-generation businesses, notably in the areas of ubiquitous networks, nanotechnology and new energy.

### **Raise management speed and facilitate effective strategy execution**

The structure of Board of Directors/Corporate Auditors System at Sharp allows speedy decision making through highly organized coordination between the board and each business group. We plan to strengthen this system to further expand our business and enhance corporate governance.

As for strategy execution and performance evaluation, we have implemented a unique strategic management control system that incorporates the concept of a Balanced Scorecard. This ensures that the concrete details of Company-wide strategies are conveyed to all personnel, right down to a fundamental operational level, thereby boosting effective strategy implementation.

We always strive to further the development of our employees, training the potential leaders of tomorrow and encouraging them to raise their skill level and improve their versatility. To this end, we are pushing forward with reforms of our personnel system, centering on performance-oriented remuneration, to raise the competencies and drive of our employees.

### **Increase Corporate Value**

Over the years, Sharp has worked to respond to global calls for companies to enhance their efforts towards corporate social responsibility (CSR). We have always contributed to the wellbeing of society through the creation of unique products and services, and we pride ourselves on having practiced eco-friendly business activities and having engaged in various social activities. In October 2003, we established the CSR Promotion Department to bolster these efforts aimed at fulfilling social responsibility.

In order to generate continuous improvements in the value of the Company in terms of profitability, shareholder value and efficiency of capital utilization, we employ two main financial performance indicators - return on equity (ROE) and free cash flow. We will also continue to focus on controlling return on investment in each business division based on profit after capital cost (PCC), which is calculated by subtracting the cost of invested capital from NOPAT (net operating profit after income taxes).

We ask all shareholders for their continued support as we pursue the opportunities that lie ahead.

July 2004



Katsuhiko Machida  
President

## Ingredients for Success in Achieving Our Vision X 3

In this special feature, we outline the following key business areas that will be the forerunners to fulfilling the Sharp Vision.

1. LCDs and LCD TVs
2. Photovoltaic Power Systems
3. Mobile Phones



## Ingredients for Success in Achieving Our Vision

---

A diverse product line-up and leading-edge manufacturing technology make Sharp a leading company in the LCD TV market. To evolutionize such LCD applied products, we continue to bolster development and production of LCD panels for TVs and mobile equipment.

### Large-size LCDs and LCD TVs

The market for large-size LCDs for TVs continues to expand amid rising popularity for flat panel display TVs. In response, Sharp manufactures premium, large-size LCDs at lower cost, which has driven expansion of the LCD TV market. We will continue to strive to achieve our goal of replacing conventional CRT TVs with LCD TVs.

At the new leading-edge Kameyama Plant, which commenced operations in January 2004, we employ the world's largest substrates to enable the effective production of LCD panels for optimal cuts for 30-inch class TVs. By considerably increasing production capacity at the plant, we have ensured a stable supply of LCDs for TVs to television manufacturers, thereby pushing up sales. While striving to boost production capacity, we will also strengthen the development of our one-of-a-kind LCD technology to further improve the performance of LCDs for TVs.

In the LCD TV business, we have built up a diverse AQUOS line, notably with the addition of a 45V-inch\* digital high-definition TV, a move which has propelled higher market share. We plan to further improve LCD TV performance by accelerating the integration of our unique LCD and imaging technologies, while also promoting cost-cutting measures such as component standardization and reduction to sharpen competitive edge.

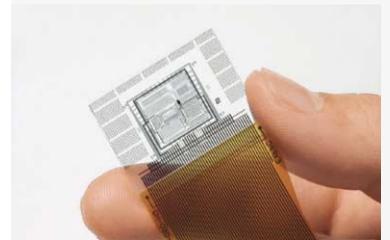
\*V-inch: The measure of the size of the flat television screen based on the diagonal dimension of the actual viewing area.

### Small- and medium-size LCDs

Small- and medium-size LCDs embrace a wide array of applications. Customized items are often required in the market, and this tests the comprehensive strength of each LCD panel manufacturer. Sharp has technologies for three distinct areas, namely System LCDs, TFT LCDs and STN LCDs. Efforts have culminated in high market share in each domain.

Led by the shift to higher resolution displays in mobile equipment such as mobile phones and digital cameras, demand for System LCDs has skyrocketed. We therefore commenced the production of System LCDs at the Mie No. 3 Plant (the first and second production phases) in addition to the Tenri Plant. Future intentions are to expand production capacity and increase sales of System LCDs.

We will continue to make System LCD capabilities even more advanced to carve out new markets with thinner and lighter mobile equipment. We will also seek new possibilities in the development of sheet computers and sheet televisions, a concept that was once thought impossible.



Provided by Semiconductor Energy Laboratory Co., Ltd.

### System LCDs

System LCDs, which employ CG-Silicon (Continuous Grain Silicon) technology that Sharp developed in conjunction with Semiconductor Energy Laboratory Co., Ltd., are one of Sharp's next-generation, one-of-a-kind products. System LCDs place peripheral ICs onto the same glass substrate as the main LCD panel, in an integrated system, to realize higher resolution relative to conventional LCDs and to enable an elevated level of freedom in design.



# 1 LCDs and LCD TVs

Leveraging our core competency in LCDs and their application, Sharp remains at the forefront of LCD and LCD TV evolution.



## Kameyama Plant, a state-of-the-art facility that realizes ample supply of large-size LCD panels and LCD TVs with overwhelming cost competitiveness

In January 2004, Sharp commenced operations at its Kameyama Plant, complete with a start-to-finish production process that handles from the manufacture of large-size LCD panels to the assembly of LCD TVs.

The state-of-the-art facility employs the world's largest substrates (1,500 x 1,800 mm), with each substrate yielding eight 32-inch wide-format panels.

The Kameyama Plant is the world's first vertically integrated facility that combines competencies from the electronic device division in LCD panel production and the product division in television assembly. The goal is to strengthen cost competitiveness in Sharp's AQUOS series of LCD TVs by streamlining material flow, production and inspection/testing processes.

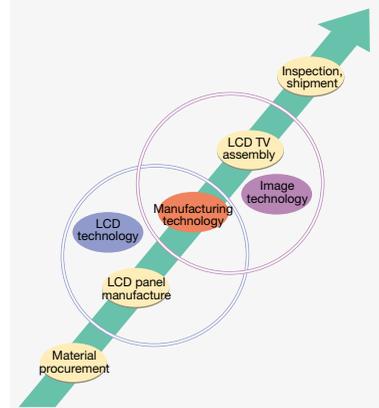
We have kept the manufacturing technologies as "black-box" to prevent them from being leaked to other companies.

The production capacity of the facility totals 15,000 sheets per month (substrate input) at present and will increase with the initiation of the second production phase in August 2004 in response to tremendous demand. Plans are also in place to introduce a third phase in 2005.



### Kameyama Plant in Profile

- Location: Kameyama City, Mie Prefecture
- Site area: Approx. 330,000 m<sup>2</sup>
- Capital investment: Approx. ¥100 billion (includes land, buildings, and production equipment for first and second production phases)
- Substrate size: 1,500 x 1,800 mm (eight 32-inch wide-format panels from each substrate)
- Substrate input: 15,000 sheets per month in the first phase  
12,000 sheets per month in the second phase (plan)  
 27,000 sheets per month in total (plan)



Proprietary technologies and vertical integration at the Kameyama plant



1,500 x 1,800 mm substrate



LCD TV production line (isothermal test process)

## Ingredients for Success in Achieving Our Vision

---

Photovoltaic power: *the* source of clean energy.  
Sharp leads the market with a proven track record of reliability and top global supply.

As the awareness of the importance of protecting the global environment increases around the world, demand is rising for the clean energy of photovoltaic power.

Sharp began developing solar cells in 1959 and achieved mass production in 1963. In the ensuing years, our photovoltaic power systems have been used as an energy source for numerous houses, satellites and lighthouses. We have been the world's leading producer of solar cells in terms of production volume for four consecutive years from 2000 to 2003.\*

In Japan, our technological capabilities and reliability have gained high praise in the rapidly expanding housing market, where many customers employ our photovoltaic power systems.

Overseas, increases in subsidy programs to encourage the use of these systems in Europe, notably Germany, and the United States, have driven higher sales of our photovoltaic power systems. In regions of Asia, the Middle East and Africa where grid-supplied electricity is unavailable, we are promoting the utilization of our photovoltaic power systems.

In line with these developments, in June 2004, we boosted annual solar cell production at our Shinjo Plant in Nara prefecture to 315 MW, the world's largest.

Sharp also commenced module production of photovoltaic power systems in Memphis in the United States and Wrexham in the United Kingdom in May 2003 and April 2004, respectively, to facilitate timely supply in accord with the expanding overseas market.

To reinforce our position as the world's leading manufacturer of photovoltaic power systems, we will expand production capacity, improve conversion efficiency and reduce costs. These moves are expected to further popularize the use of photovoltaic power systems around the world.

\*According to *PV News*, a U.S. photovoltaic newsletter, March 2004 issue.



### Photovoltaic power system for hipped roof

This photovoltaic power system runs aesthetically along the edge-line of the hipped roof, making effective use of roof faces to generate a large amount of electrical energy.



Sharp's photovoltaic power systems are used across the globe.  
(1.7 MW system in Sonnen, Bayern, Germany)

## 2 Photovoltaic Power Systems

Sharp boasts the world's largest production volume for solar cells\* and intends to continue contributing to global environmental conservation in the years to come.



Solar cells for satellites

Provided by Japan Aerospace Exploration Agency (JAXA)

## Ingredients for Success in Achieving Our Vision

---

By incorporating unique electronic devices and integrating various technologies, Sharp launches differentiated mobile phones into the market.

Mobile phones equipped with color displays and camera modules are becoming increasingly popular around the world, following their rapid rise in Japan. In the mobile phone market, where high-value-added features are paramount, Sharp's mobile phones have always earned high praise.

Our competitive advantage lies in owning unique electronic devices such as LCD panels, CCD and CMOS imagers, and flash memory. This advantage allows us to develop and introduce distinctive mobile phones into the market.

Presently, telecommunication carriers are pushing ahead with the creation of 3G communications infrastructure, particularly in Japan and Europe. This will enable the transmission of even higher capacity data and spur the changeover from handsets for talking and text messaging to ones with videophone systems, games and purchasing functions.

We seek to develop terminals that make full use of 3G communications infrastructure by incorporating unique electronic devices and employing network technology (from mobile PCs and PDAs) and the latest AV technology (from LCD TVs).

On a production front, we intend to boost efficiency at our domestic plants, while commencing manufacture in China to strengthen cost competitiveness.

We will continue to open the door to new lifestyle possibilities through our mobile phones, delivering the ultimate in excitement and enjoyment to customers.



### **CCD camera module for mobile phones**

Sharp mass-produces 2-megapixel camera modules with auto-focus. We will continue striving to add advanced features to camera modules, such as with optical zoom functions.



# 3 Mobile Phones

Sharp mobile phones stimulate the senses and provide the ultimate in entertainment.



# Research and Development

## Aggressively promoting R&D in pursuit of ground-breaking, one-of-a-kind technology.

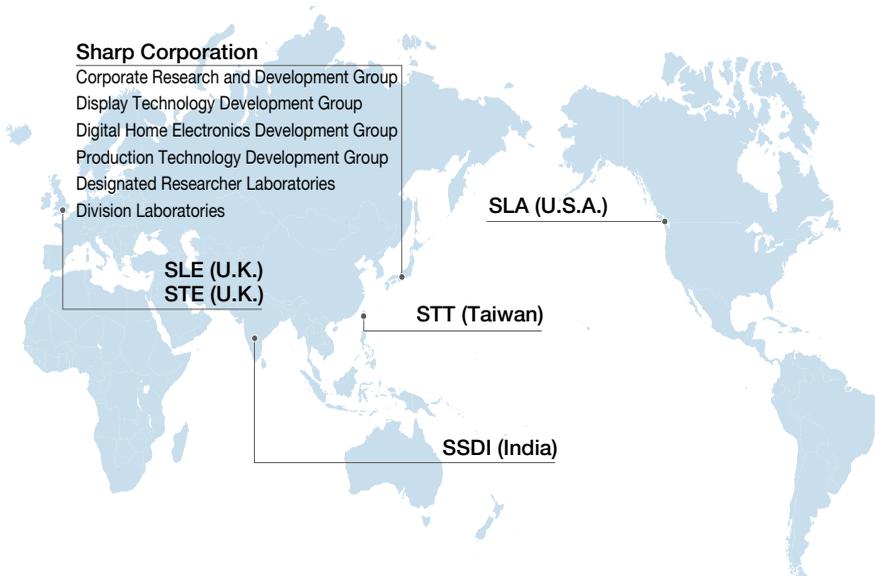
Sharp upholds extremely close collaborative ties with each of its 26 R&D bases in Japan and five R&D bases in four countries overseas in order to develop leading-edge technologies.

In Japan, we conduct R&D into key technologies that form the basis of products that will create new demand, while also promoting the development of high-value-added products. Activities are primarily performed by: Corporate Research and Development Group, which is in charge of R&D into basic and applied technologies; Display Technology Development Group, which handles R&D into display process engineering technology

and display materials engineering technology; Digital Home Electronics Development Group, which is responsible for the development of digital home electronic platforms technology and advanced digital appliances; Production Technology Development Group, for the development of design and production technologies; and, Designated Researcher Laboratories, which conduct future-focused R&D.

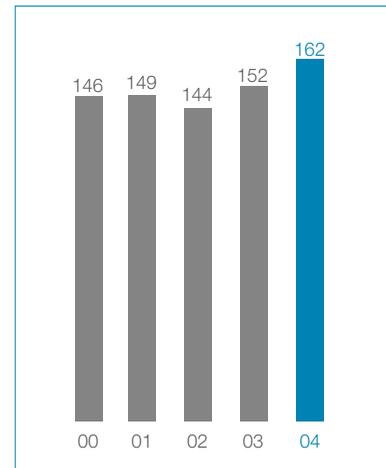
At our overseas bases, we leverage specific areas of expertise in each country or region and utilize the most skilled local human resources to advance R&D activities.

R&D Base	Location	Main Business Activities
<b>Sharp Corporation</b> <b>Corporate Research and Development Group</b> [Advanced Telecommunication Laboratory, Devices Technology Research Laboratories, Ecological Technology Development Center] <b>Display Technology Development Group</b> [Display Process Engineering Laboratories, Display Materials Engineering Laboratories, Functional Devices Laboratories] <b>Digital Home Electronics Development Group</b> [Platform Technology Development Center, Advanced Digital Appliances Development Center] <b>Production Technology Development Group</b> [Production Technology Development Center, Precision Technology Development Center, Design Systems Development Center, Manufacturing Innovation Center] <b>Designated Researcher Laboratories</b> [Kawata Laboratory, Hijikigawa Laboratory, Nishizawa Laboratory] <b>Division Laboratories</b> [11 facilities including Audio-Visual Product Development Center and Information Systems Product Development Center]	Japan	<ul style="list-style-type: none"> <li>• R&amp;D in key technologies for new demand-creating products</li> <li>• Development of high-value-added products</li> </ul>
<b>SLE</b> <Sharp Laboratories of Europe, Ltd.>	Oxford, U.K.	<ul style="list-style-type: none"> <li>• R&amp;D in information technology and optoelectronic devices applied to products for European markets</li> </ul>
<b>STE</b> <Sharp Telecommunications of Europe, Ltd.>	Bracknell, U.K.	<ul style="list-style-type: none"> <li>• Development of software for mobile phone communication protocols</li> </ul>
<b>SLA</b> <Sharp Laboratories of America, Inc.>	Camas, Washington, U.S.A.	<ul style="list-style-type: none"> <li>• R&amp;D in advanced digital processing technology, networking technology for North American markets, and creation of key devices</li> </ul>
<b>STT</b> <Sharp Technology (Taiwan) Corporation>	Taipei, Taiwan	<ul style="list-style-type: none"> <li>• Design of semiconductor circuitry, design and development of information equipment</li> </ul>
<b>SSDI</b> <Sharp Software Development India Pvt. Ltd.>	Bangalore, India	<ul style="list-style-type: none"> <li>• Development of software for digital document systems</li> </ul>



### R&D Expenditures (billions of yen)

Sharp Corporation and Consolidated Subsidiaries  
Years Ended March 31



### Designated Researcher Laboratories

Undertaking future-oriented R&D in three specialized domains

#### Kawata Laboratory

Incorporating bio-technology into Sharp's technological expertise

We focus on basic technologies in the field of bio-technology, with the objective of opening the way to a new era for Sharp. Here, research centers on bio-electronics, which is a synthesis of molecular biology and device technology.



**Toru Kawata**

Senior Executive Technical Research Fellow and Director of Kawata Laboratory

#### Hijikigawa Laboratory

Creating a global market with a dreamlike "super display"

We concentrate on the development of next-generation flat-panel displays. Rather than rely on existing technologies, we seek to realize the dream of creating a "super display" that incorporates ground-breaking basic materials and display technologies.



**Masaya Hijikigawa**

Senior Executive Technical Research Fellow and Director of Hijikigawa Laboratory

#### Nishizawa Laboratory

Aiming to produce a revolutionary new AV world

We undertake research into the integration of television, virtual reality and robotics technologies with the aim of creating an all-new AV world.



**Taiji Nishizawa**

Senior Executive Technical Research Fellow and Director of Nishizawa Laboratory

# Corporate Social Responsibility (CSR)

Sharp always seeks to gain the highest level of trust from both individuals and society.

Over the years, Sharp has conducted eco-conscious operations and social contribution activities, while transforming lifestyles and cultures through the creation of pioneering, world-first products.

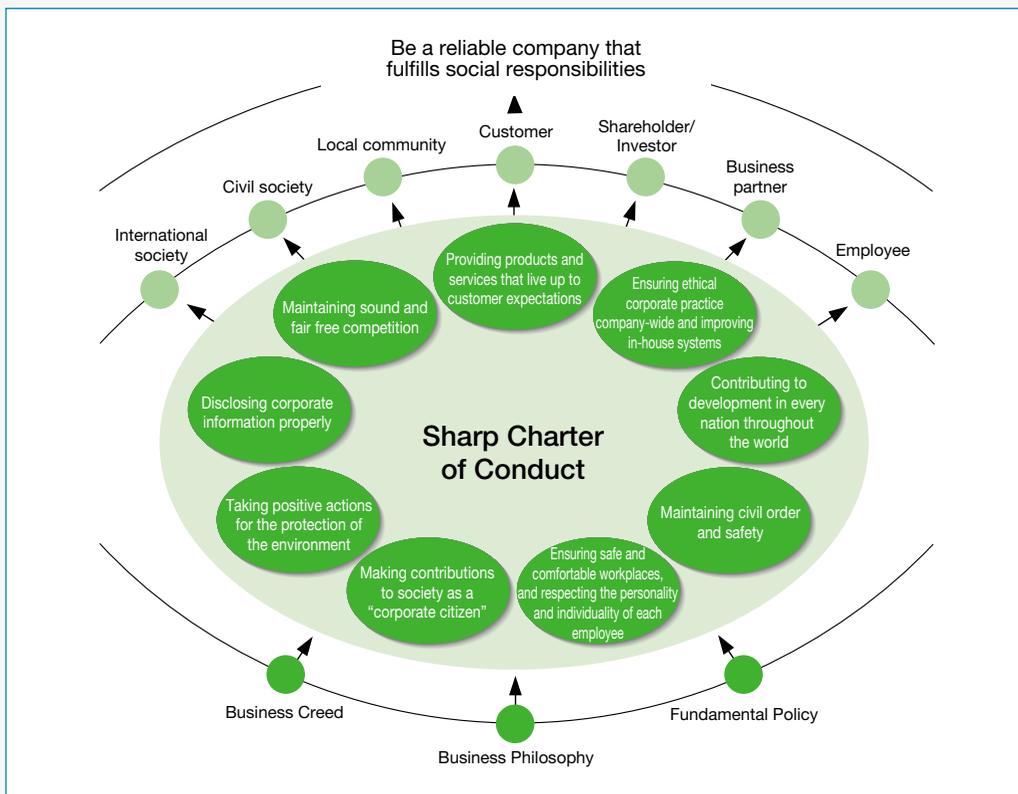
In recent times, amid increasing awareness of social responsibility for corporate activities and higher expectations from the general public, Sharp is aiming to be a company that earns an even greater level of trust by its stakeholders across the globe through a variety of CSR endeavors.

Centered on our "Business Philosophy," "Business Creed" and "Fundamental Policy," the Sharp Business Standards and Action Guidelines were formulated for personnel across the entire Sharp Group in August 1998. In April 2003, the Sharp Business Standards and Action Guidelines were revised into the Sharp

Charter of Conduct. This Charter clarifies the social responsibility of every Sharp executive and employee as a corporate citizen, including behavioral expectations in accordance with business ethics as well as the adherence to domestic and overseas laws and regulations.

The CSR Promotion Department, established in October 2003, is responsible for the Group-wide planning and coordination of CSR guidelines and measures, as well as company-wide control of all promotions for environmental conservation, compliance and social contribution, which were previously carried out by individual divisions. We aim to expand our CSR activities as a unified entity under the newly defined decision-making and leadership parameters of this system.

## Nine basic objectives for achieving Sharp CSR



Sharp Charter of Conduct

### Enhancing corporate ethics and compliance

Besides distributing the Sharp Charter of Conduct handbook to all employees, Sharp has held seminars on corporate ethics for all departments at Sharp sites inside Japan.

A person is appointed as chief of legal affairs in every business group and affiliated company to immediately assess the institutions and revisions being made in laws and regulations, to subsequently update intracompany regulations, and to promote measures for employees to understand the contents.

Compliance seminars have been held annually since fiscal 2002 for the different levels of the organization, while periodic training and seminars on legal affairs in specific fields are conducted for the persons concerned.

### Aiming to be an environmentally advanced company

At Sharp, a high priority is the development of Super Green Technologies that contribute to global environmental conservation and the living environment, such as solar cell and Plasmacluster Ion technologies, and that reduce the burden on the environment, such as energy- and resource-saving technologies and designing technology oriented towards easy recycling. The strictest of Company criteria must be met in the creation of Super Green Products that boast superior environmental performance.

In pursuit of high environmental performance in Sharp factories, our goal is to realize Super Green Factories that maintain harmony with the local community and nature, and reduce environmental burden. The Kameyama Plant, which began operations in January 2004, is the first example of a Super Green Factory. The benefits of cutting-edge environmental preservation technologies amassed at this plant include a substantial reduction in CO<sub>2</sub> emissions through the introduction of a cogeneration system\* and 100% water recycling in the manufacturing process.

\*Cogeneration System: An energy-saving system which produces electricity from city gas and utilizes the resulting waste heat for air conditioning, hot-water supply and steam power production.

For further details on Sharp's social and environmental activities, please see the Company's Environmental Report or access the Sharp homepage.  
<http://sharp-world.com/corporate/eco/index.html>



### Contributing to the global community

The Sharp Green Club was formed jointly by management and the labor-union, and launched in June 2003 to promote activities that contribute to the local community as a good corporate citizen. The club's administrative center is located at Sharp Head Office and directs activities that include community beautification and tree planting at major sites in Japan and overseas.

In April 2004, we introduced the Volunteer Leave System in which employees are given the opportunity to engage in volunteer activities.



Wakusayama Clean-Up Campaign (Japan)



Planting trees for the public (Taiwan)

# Product Group Outline

Sharp Corporation and Consolidated Subsidiaries  
Years Ended March 31

## Consumer/Information Products

### Audio-Visual and Communication Equipment

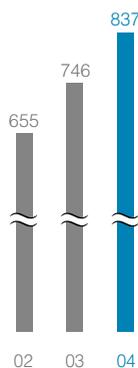
With this product group, Sharp aims to revolutionize audio-visual entertainment and mobile communications towards new echelons of excitement and convenience via our market-pioneering products, such as LCD TVs and mobile phones.



LCD color televisions, color televisions, TV/VCR combos, projectors, digital broadcast receivers, DVD recorders, DVD players, LCD camcorders, VCRs, 1-bit digital audio products, MD players, CD portable stereos, CD component systems, MD pickups, facsimiles, telephones, mobile phones, PHS (personal handy-phone system) terminals

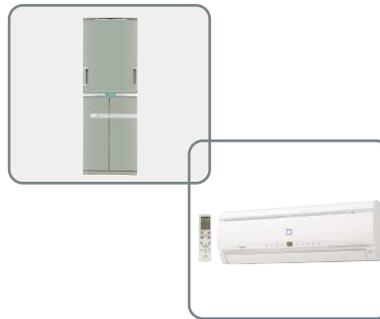
Main Products

Sales  
(billions of yen)

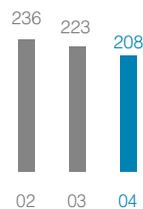


### Home Appliances

Adopting proprietary technologies, such as Plasmacluster Ion, Sharp strives to develop appliances that contribute to a more comfortable lifestyle. Focus will stay on providing richness in daily life through the innovation of health- and environment-oriented products.



Refrigerators, microwave ovens, air conditioners, washing machines, drum-type washer/dryers, vacuum cleaners, kerosene heaters, electric heaters, home network control units, air purifiers, dehumidifiers, small cooking appliances

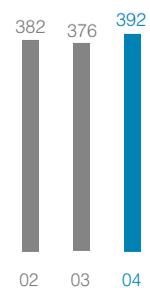


### Information Equipment

Sharp provides services and products for the ubiquitous network environment for both consumer and business users through the development of its solutions business and a variety of products that include mobile PCs, LCD monitors, POS systems and digital copiers.



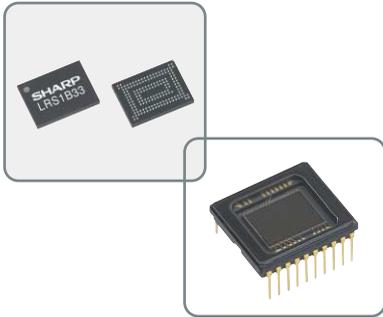
Personal computers, personal mobile tools, electronic dictionaries, calculators, POS systems, handy data terminals, electronic cash registers, workstations, LCD color monitors, PC software, digital copier/printers, electrostatic copiers, PC peripherals including color scanners, supplies for copiers and printers, FA equipment, CAD systems, ultrasonic cleaners



## Electronic Components

### ICs

Leveraging prowess in four key business areas - CCD and CMOS imagers, flash memory, LSIs for LCDs and analog ICs - Sharp seeks to develop unequivocally unique electronic devices to support the evolution of products such as mobile phones and LCD TVs.



Main Products

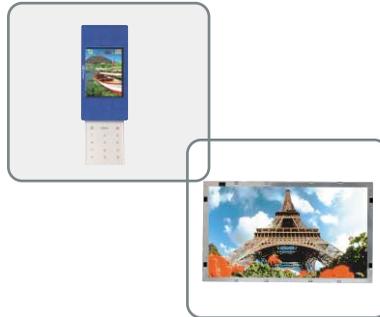
Flash memory, combination memory, CCD and CMOS imagers, LSIs for LCDs, analog ICs, microcomputers

Sales (billions of yen)

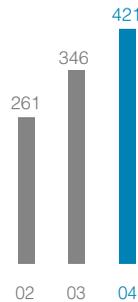


### LCDs

As the world's leading company in LCDs, Sharp promises to continue pushing the boundaries by utilizing cutting-edge technologies and state-of-the-art facilities to develop new, distinctive LCDs appropriate for the 21st century.



TFT LCD display modules, Duty LCD display modules, System LCD display modules, EL display modules

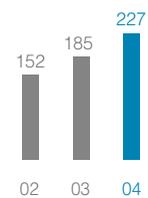


### Other Electronic Components

The key word in this product group is "optics." Sharp seeks to expand its business through devices such as solar cells, optoelectronics and laser diodes. A wide array of devices, notably RF data communication units, will contribute to the advancement of digital network equipment.



Electronic tuners, RF/infrared data communication units, network components, components for satellite broadcasting, laser diodes, hologram lasers, DVD pickups, optoelectronics, regulators, switching power supplies, solar cells, LEDs



## Board of Directors (As of June 24, 2004)



**President**  
Katsuhiko Machida



**Corporate Senior Executive Vice President**  
Shigeo Misaka



**Corporate Senior Executive Vice President**  
Hiroshi Saji



**Corporate Senior Executive Director**  
Akihiko Kumagai



**Corporate Senior Executive Director**  
Terumasa Yoneda



**Corporate Senior Executive Director**  
Toshishige Hamano



**Corporate Senior Executive Director**  
Keiichi Miyata



**Corporate Senior Executive Director**  
Masaaki Ohtsuka



**Corporate Senior Executive Director**  
Akira Mitarai



**Corporate Senior Executive Director**  
Shigeo Nakabu

### **Corporate Executive Directors**

Yoichi Sakai  
Kenji Ohta  
Yoshiaki Ibuchi  
Masafumi Matsumoto

### **Corporate Directors**

Hideaki Kamitsuma  
Takashi Nakagawa  
Itsuro Kato  
Yoshiki Sano  
Mikio Katayama  
Takashi Okuda

Tetsuo Onishi  
Toshio Adachi  
Toshihiko Fujimoto  
Takuji Okawara  
Takashi Tomita

### **Corporate Auditors**

Tomohiro Gonda  
Mitsuhiko Iwasaki  
Michihiro Ishii  
Hiroshi Chumon

## Financial Section

24	_	Five-Year Financial Summary
25	_	Financial Review
30	_	Consolidated Balance Sheets
32	_	Consolidated Statements of Income
33	_	Consolidated Statements of Shareholders' Equity
34	_	Consolidated Statements of Cash Flows
35	_	Notes to Consolidated Financial Statements
47	_	Independent Auditors' Report
48	_	Consolidated Subsidiaries

# Five-Year Financial Summary

Sharp Corporation and Consolidated Subsidiaries  
Years Ended March 31

	Yen (millions)					U.S. Dollars (thousands)
	2000	2001	2002	2003	2004	2004
<b>Net Sales</b> .....	¥ 1,854,774	¥ 2,012,858	¥ 1,803,798	¥ 2,003,210	¥ 2,257,273	\$ 21,497,838
Domestic Sales .....	974,666	1,149,775	983,660	1,057,405	1,143,548	10,890,933
Overseas Sales .....	880,108	863,083	820,138	945,805	1,113,725	10,606,905
<b>Operating Income</b> .....	74,460	105,913	73,585	99,466	121,670	1,158,762
<b>Income before Income Taxes and Minority Interests</b> .....	54,007	70,724	19,863	57,325	102,720	978,286
<b>Net Income</b> .....	28,130	38,527	11,311	32,594	60,715	578,238
<b>Shareholders' Equity</b> .....	896,618	943,505	926,856	902,116	943,532	8,986,019
<b>Total Assets</b> .....	1,922,794	2,003,641	1,966,909	2,004,832	2,150,250	20,478,571
<b>Capital Investment</b> *1 .....	98,051	162,393	147,478	170,254	248,178	2,363,600
<b>Depreciation and Amortization</b> .....	153,839	152,455	133,947	145,818	159,831	1,522,200
<b>R&amp;D Expenditures</b> *2 .....	146,845	149,722	144,744	152,145	162,991	1,552,295
<b>Sales by Product Group</b> *3						
Audio-Visual Equipment .....	400,190	389,464	—	—	—	—
Home Appliances .....	258,588	252,950	—	—	—	—
Communication and Information Equipment .....	586,932	641,438	—	—	—	—
Consumer/Information Products .....	1,245,710	1,283,852	—	—	—	—
Electronic Components .....	609,064	729,006	—	—	—	—
Total .....	1,854,774	2,012,858	—	—	—	—
Audio-Visual and Communication Equipment .....	—	629,870	655,679	746,404	837,390	7,975,143
Home Appliances .....	—	252,950	236,335	223,890	208,473	1,985,457
Information Equipment .....	—	401,032	382,062	376,106	392,833	3,741,267
Consumer/Information Products .....	—	1,283,852	1,274,076	1,346,400	1,438,696	13,701,867
ICs .....	—	180,604	116,099	124,773	169,754	1,616,705
LCDs .....	—	374,520	261,295	346,646	421,741	4,016,581
Other Electronic Components .....	—	173,882	152,328	185,391	227,082	2,162,685
Electronic Components .....	—	729,006	529,722	656,810	818,577	7,795,971
Total .....	—	2,012,858	1,803,798	2,003,210	2,257,273	21,497,838
<b>Sales by Region</b> *4						
Japan .....	974,666	1,149,775	983,660	—	—	—
North America .....	403,755	377,062	369,934	—	—	—
Asia .....	234,358	252,179	225,017	—	—	—
Europe .....	192,246	190,521	188,840	—	—	—
Other .....	49,749	43,321	36,347	—	—	—
Total .....	1,854,774	2,012,858	1,803,798	—	—	—
Japan .....	—	—	983,660	1,057,405	1,143,548	10,890,933
The Americas .....	—	—	370,490	336,815	308,807	2,941,019
Asia .....	—	—	174,017	270,618	279,161	2,658,676
Europe .....	—	—	188,840	235,168	330,772	3,150,210
Other .....	—	—	86,791	103,204	194,985	1,857,000
Total .....	—	—	1,803,798	2,003,210	2,257,273	21,497,838
<b>Per Share of Common Stock</b> *5						
Net Income .....	¥ 24.97	¥ 34.20	¥ 10.10	¥ 29.37	¥ 55.37	\$ 0.53
Diluted Net Income .....	24.80	33.87	—	29.15	54.73	0.52
Cash Dividends .....	12.00	13.00	14.00	15.00	18.00	0.17
Shareholders' Equity .....	795.88	837.45	834.56	827.51	864.77	8.24
<b>Other Financial Data</b>						
Return on Equity (ROE) .....	3.1%	4.2%	1.2%	3.6%	6.6%	—
Return on Assets (ROA) .....	1.4%	2.0%	0.6%	1.6%	2.9%	—
Percentage of Shareholders' Equity .....	46.6%	47.1%	47.1%	45.0%	43.9%	—

\*1 The amount of properties for lease is included in capital investment.

\*2 Design and development expenses are included in R&D expenditures.

\*3 For the year ended March 31, 2002, product groupings have been recategorized and changed from Audio-Visual Equipment, Home Appliances, Communication and Information Equipment, and Electronics Components to Audio-Visual and Communication Equipment, Home Appliances, Information Equipment, ICs, LCDs and Other Electronic Components.

For the year ended March 31, 2003, some items previously included in Audio-Visual and Communication Equipment have been recategorized and are included in Information Equipment.

In this connection, "Sales by Product Group" of 2001 and 2002 have been restated to conform with the 2003 presentation.

\*4 For the year ended March 31, 2003, the Company recategorized its segmentation for "Overseas sales" information. Consequently "China", which had been previously included in "Asia" segment, was reclassified into the "Other" segment. "Central & South America", which had been previously included in the "Other" segment, was combined with "North America" into "The Americas" segment.

In this connection, "Sales by Region" information of 2002 has been restated to conform with the 2003 presentation.

\*5 Effective April 1, 2002, the Company adopted the new accounting standard for earnings per share and related guidance (Accounting Standards Board Statement No.2, "Accounting Standard for Earnings Per Share" and Financial Standards Implementation Guidance No.4, "Implementation Guidance for Accounting Standard for Earnings Per Share"), prior year figures have not been restated.

# Financial Review

Sharp Corporation and Consolidated Subsidiaries

## Operations

### [Outline]

Consolidated net sales for the year ended March 31, 2004 were up 12.7% in comparison with the previous fiscal year, to ¥2,257,273 million. In Consumer/Information Products, sales of Audio-Visual and Communication Equipment and Information Equipment increased over the previous year, while sales of Home Appliances decreased. Sales in all three groups in Electronic Components, namely ICs, LCDs and Other Electronic Components, increased substantially over the previous year.

### [Sales by Product Group]

#### Consumer/Information Products

##### ● Audio-Visual and Communication Equipment

Sales of LCD TVs increased significantly as Sharp expanded its line-up to meet diversified customer needs. In particular, Sharp strengthened large-size wide-screen models, notably through the quick release of models with built-in terrestrial digital broadcasting tuners. In Japan, Sharp increased sales of mobile phones by introducing a succession of high-value-added models equipped with its unique electronic devices that include 2.02 megapixel CCD camera modules and System LCDs. Overseas, Sharp

strove to boost sales of its distinctive mobile phones to Europe, China and other areas of Asia, which resulted in a considerable jump in sales. Stronger sales in the aforementioned products more than offset declines in conventional products such as CRT TVs, VCRs and facsimiles. Sales increased 12.2% over the previous year, to ¥837,390 million.

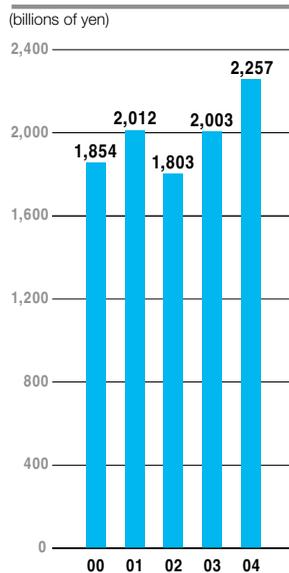
##### ● Home Appliances

Sharp strove to enhance unique products developed with proprietary technologies, including Plasmacluster Ion and silver ion technologies, primarily in response to rising awareness towards health and the environment. Sharp strengthened sales of Plasmacluster Ion generating units to other industries, including the automobile industry, in which the units are used for air conditioners. Despite these efforts, price erosion in Japan and overseas markets coupled with unseasonable weather led to a decrease of 6.9% in sales, from the previous year to ¥208,473 million.

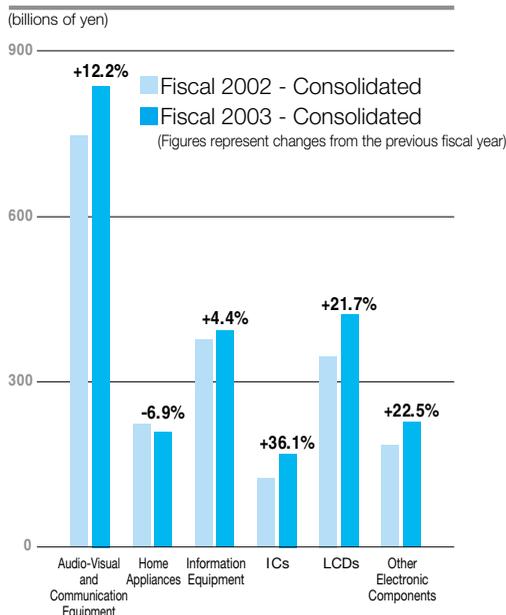
##### ● Information Equipment

Sales of digital copier/printers increased as Sharp expanded its line-up to include models with data security functions. Although delayed product launches led to lower

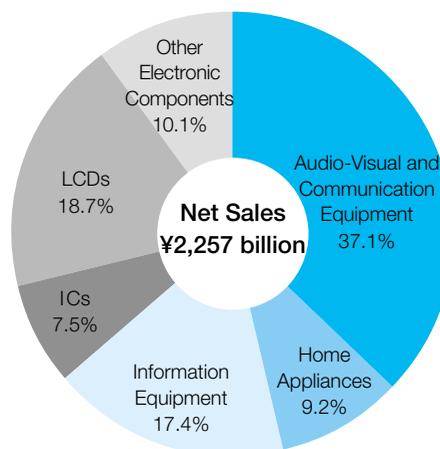
### Net Sales



### Sales by Product Group



### Contribution to Sales by Product Group (Year Ended March 31, 2004)



sales of PCs, sales of LCD color monitors, especially models with high-value-added features, increased during the period. Sales were ¥392,833 million, an increase of 4.4% over the previous year.

## Electronic Components

### ● ICs

Sales of CCD and CMOS imagers increased dramatically, as Sharp enhanced production capacity in line with burgeoning demand for camera-equipped mobile phones and higher resolution camera modules in Japan and overseas. Sales of flash memory also increased, particularly high-capacity types for mobile phones, an area in which Sharp has a competitive edge. Sales were ¥169,754 million, an increase of 36.1% over the previous year.

### ● LCDs

Sharp commenced the production of large-size LCDs at its Kameyama Plant in January 2004, thereby increasing the proportion of LCD panel production for TVs. Sales of small- and medium-size LCDs especially applicable to mobile phones increased. Sales of System LCDs were particularly strong due to efforts to steadily increase production at the Mie No. 3 Plant since its inception in June 2003 in response to robust

demand for higher display resolutions. Sales were ¥421,741 million, an increase of 21.7% over the previous year.

### ● Other Electronic Components

Sales of solar cells and optoelectronics increased. Sharp enhanced production capacity of solar cells at the Shinjo Plant to 248 MW, the world's largest, to cope with expanding demand in Japan and overseas, leading to robust sales. Sales increased 22.5% over the previous year, to ¥227,082 million.

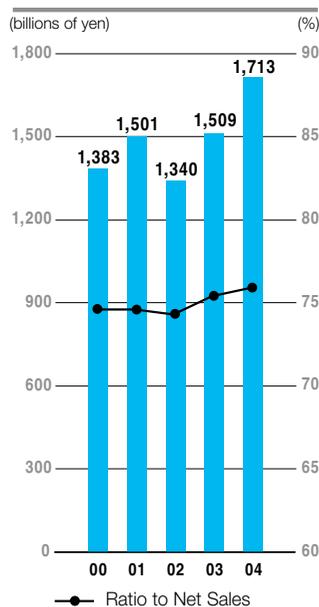
## Financial Results

Cost of sales increased ¥203,206 million over the previous year, to ¥1,713,118 million, while the cost of sales ratio rose from 75.4% to 75.9%.

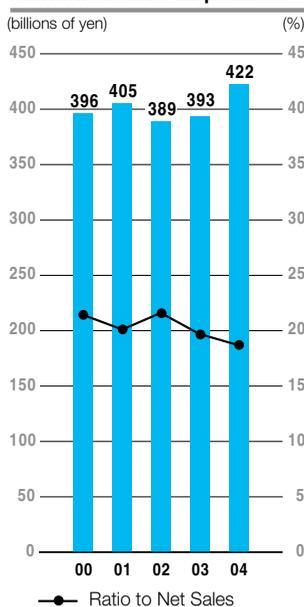
Selling, general and administrative (SG&A) expenses increased ¥28,653 million, to ¥422,485 million, while the SG&A expenses ratio against sales improved from 19.6% to 18.7%. SG&A expenses included advertising expenses of ¥46,834 million and employees' salaries and other benefits of ¥116,037 million.

As a result, operating income increased ¥22,204 million, to ¥121,670 million, and the operating income ratio improved from 5.0% to 5.4%.

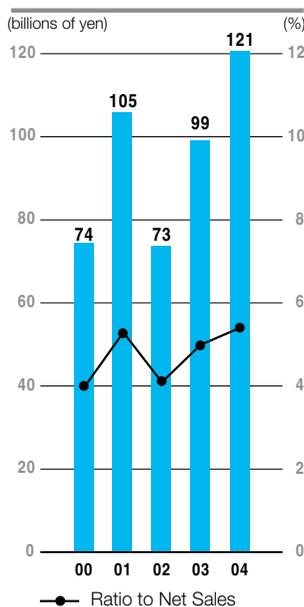
### Cost of Sales



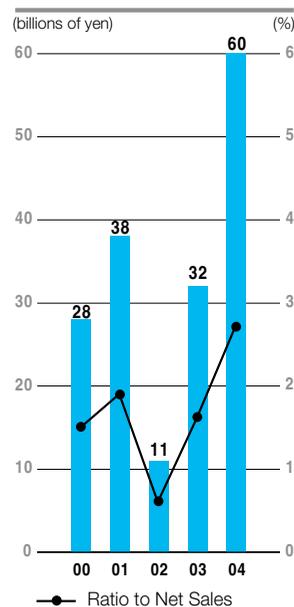
### Selling, General and Administrative Expenses



### Operating Income



### Net Income



Other expenses, net of other income, improved ¥23,191 million, to other net loss of ¥18,950 million. Contributing factors were a decrease in interest expense of ¥1,829 million and the absence of loss on sales and impairment of investments in securities (¥29,689 million in the previous year), which offset the absence of a gain on return of substituted portion of the employees' pension fund (¥7,961 million in the previous year).

Income before income taxes and minority interests increased ¥45,395 million, to ¥102,720 million. Net income for the year was ¥60,715 million, an increase of ¥28,121 million over the previous year. Net income per share of common stock was ¥55.37.

## Segment Information

### [By Business Segment]

Sales in the Consumer/Information Products segment increased 7.0% over the previous year, to ¥1,447,422 million. Operating income increased 8.7%, to ¥47,434 million.

Sales in the Electronic Components segment increased 26.6% over the previous year, to ¥1,004,497 million, while operating income increased 31.4%, to ¥73,971 million.

### [By Geographic Segment]

In Japan, despite the negative impact of a fall in prices in

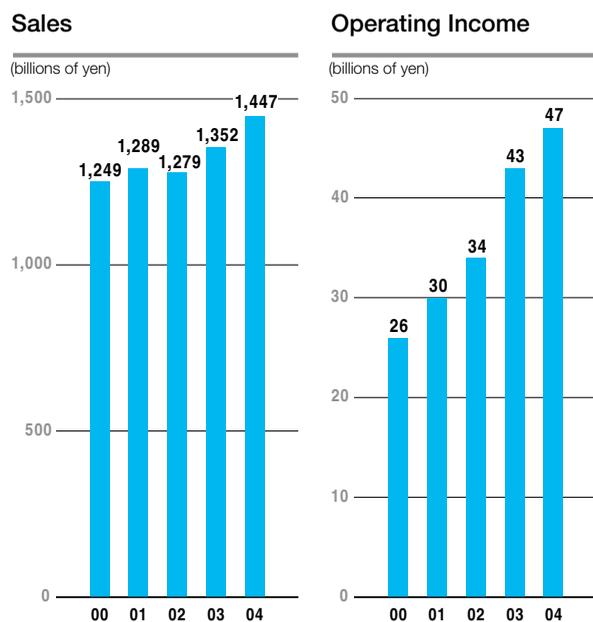
home appliances for domestic and overseas markets, and slumping sales of PCs, Sharp recorded strong sales of LCD TVs, camera-equipped mobile phones, high-value-added LCDs mainly for mobile phones, CCD and CMOS imagers, and solar cells. As a result, sales were ¥1,972,162 million, an increase of 15.4% over the previous year, and operating income increased 29.6%, to ¥107,283 million.

In the Americas, despite brisk sales of LCD TVs and LCDs, sales of other AV equipment, facsimiles and microwave ovens were down. Consequently, sales decreased 7.4%, to ¥297,210 million, with a 60.5% decline in operating income, to ¥1,335 million.

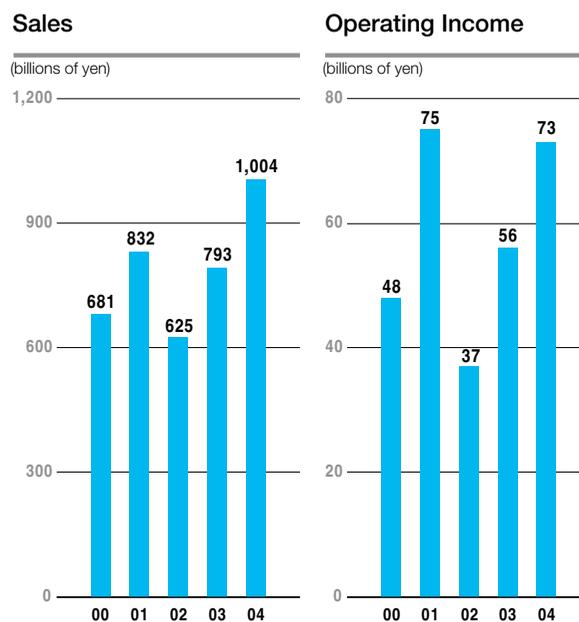
In Asia, strong sales of DVD related equipment and components were partially offset by weak sales of LCDs for monitors, resulting in a minimal increase of 0.9% in sales, to ¥274,322 million, while operating income decreased 6.9%, to ¥3,185 million.

In Other, Sharp recorded a considerable increase in sales of mobile phones and LCDs, which more than compensated for a drop in market price of home appliances. As a result, sales increased 30.7%, to ¥476,337 million, and operating income increased 3.1%, to ¥8,241 million.

### [Consumer/Information Products]



### [Electronic Components]



## Capital Investment\* and Depreciation

Capital investment for the year was ¥248,178 million, an increase of 45.8% over the previous year. The majority of this was invested as follows: establishing the Kameyama Plant, which handles the start-to-finish production of LCD TVs; increasing production capacity for System LCDs at the Mie No. 3 Plant; expanding production of CCD and CMOS imagers; promoting miniaturization of design rule for flash memory; and, strengthening production of solar cells.

With regard to capital investment by segment, Consumer/Information Products was ¥32,127 million, and Electronic Components was ¥216,051 million.

Depreciation and amortization for the year increased 9.6%, to ¥159,831 million.

\*The amount of properties for lease is included in capital investment.

## Financial Position

Total assets increased ¥145,418 million over the previous year, to ¥2,150,250 million.

### [Assets]

Current assets increased ¥37,660 million over the previous year, to ¥1,148,135 million. Cash and cash equiva-

lents, and notes and accounts receivable increased by ¥5,911 million and ¥60,596 million, respectively, while short-term investments, including certificates of deposits over three months and bonds and others, decreased ¥18,631 million.

Inventories decreased ¥11,296 million, to ¥273,668 million, and the inventory ratio against monthly turnover improved from 1.7 to 1.5 months. Finished products decreased ¥19,074 million, to ¥156,264 million. Work in process increased ¥5,019 million, to ¥57,191 million, and raw materials increased ¥2,759 million, to ¥60,213 million.

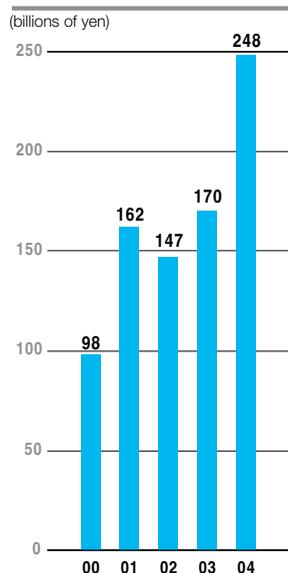
Plant and equipment increased ¥87,810 million, to ¥760,797 million, due primarily to investment in the Mie No. 3 Plant and the Kameyama Plant.

Investments and other assets were ¥241,318 million, an increase of ¥19,948 million, mainly attributable to an increase in investments in securities of ¥24,951 million over the previous year, due to higher stock prices.

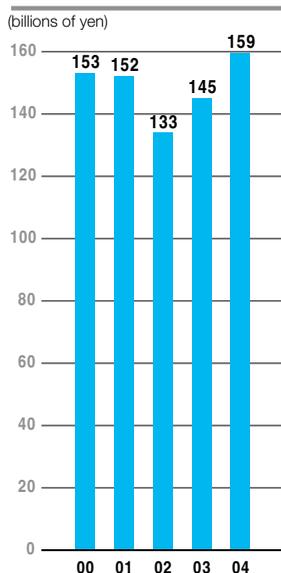
### [Liabilities]

Current liabilities increased ¥131,607 million over the previous year, to ¥950,015 million. Short-term borrowings decreased ¥26,968 million, to ¥215,577 million. Of this amount, bank loans decreased ¥24,442 million, to

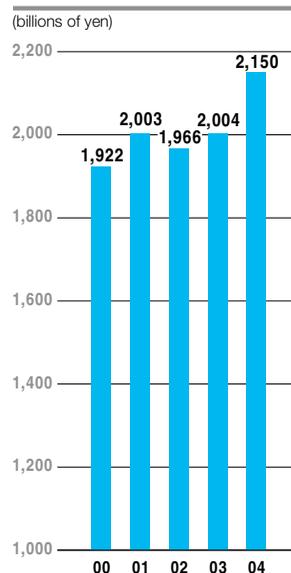
### Capital Investment



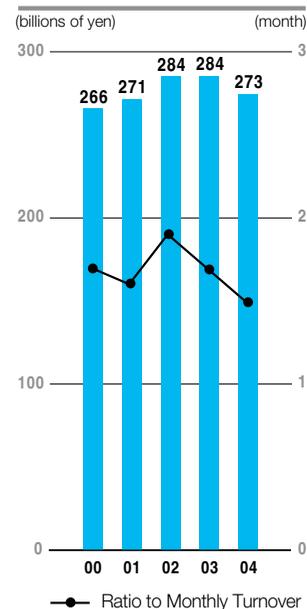
### Depreciation and Amortization



### Total Assets



### Inventories



¥84,987 million, commercial paper decreased ¥22,513 million, to ¥82,234 million, and current portion of long-term debt increased ¥19,987 million, to ¥48,227 million. Notes and accounts payable were ¥558,119 million, an increase of ¥153,641 million, and the ratio against monthly turnover was 3.0 months.

Long-term liabilities were ¥248,798 million, a decrease of ¥26,656 million from the previous year. This was mainly due to a decrease of ¥33,214 million in long-term debt, which outweighed an increase of ¥5,863 million in allowance for severance and pension benefits. The decrease in long-term debt was primarily attributable to the transfer of current portion of long-term debt to short-term borrowings.

Interest-bearing debt decreased ¥60,182 million, to ¥441,223 million.

#### [Shareholders' Equity]

Retained earnings increased ¥43,023 million over the previous year, to ¥550,894 million, mainly due to the increase in net income. Net unrealized holding gains on securities increased ¥16,979 million due to higher stock prices. Despite a loss of ¥19,509 million in foreign currency translation adjustments during the fiscal year, total share-

holders' equity increased ¥41,416 million over the previous year, to ¥943,532 million, while the equity ratio was 43.9%.

#### Cash Flows

Cash and cash equivalents at the end of the year were ¥277,623 million, an increase of ¥5,911 million over the previous year, due to net cash provided by operating activities, which compensated for the year's capital investment and the reduction in interest-bearing debt.

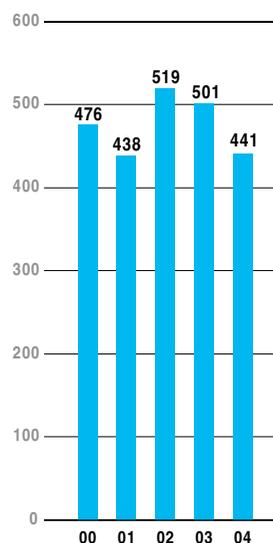
Net cash provided by operating activities decreased ¥19,512 million, to ¥249,618 million, mainly as a result of an increase of ¥59,708 million in income taxes paid, which overrode an increase of ¥45,395 million in income before income taxes and minority interests.

Net cash used in investing activities increased ¥3,613 million, to ¥169,446 million, due mainly to an increase of ¥11,452 million in acquisitions of plant and equipment for the Kameyama Plant and the Mie No. 3 Plant.

Net cash used in financing activities increased ¥11,114 million, to ¥68,961 million, primarily as a result of the reduction in interest-bearing debt, including short-term borrowings and commercial paper.

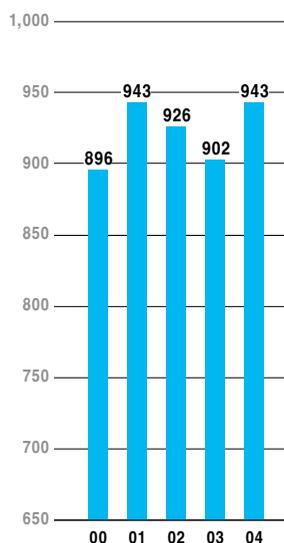
#### Interest-Bearing Debt

(billions of yen)



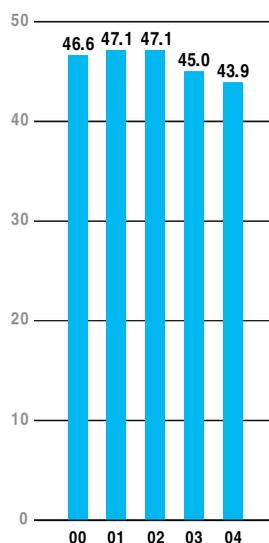
#### Shareholders' Equity

(billions of yen)



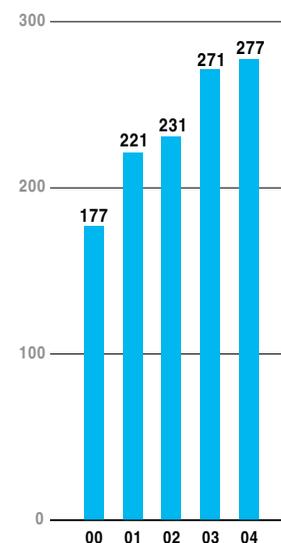
#### Percentage of Shareholders' Equity

(%)



#### Cash and Cash Equivalents

(billions of yen)



# Consolidated Balance Sheets

Sharp Corporation and Consolidated Subsidiaries as of March 31, 2003 and 2004

ASSETS	Yen (millions)		U.S. Dollars (thousands)
	2003	2004	2004
<b>Current Assets:</b>			
Cash and cash equivalents .....	¥ 271,712	¥ 277,623	\$ 2,644,029
Time deposits .....	15,475	15,313	145,838
Short-term investments (Note 2) .....	95,619	76,988	733,219
Notes and accounts receivable—			
Trade .....	322,542	376,311	3,583,914
Installment .....	26,725	36,432	346,972
Nonconsolidated subsidiaries and affiliates .....	18,865	15,504	147,657
Allowance for doubtful receivables .....	(4,499)	(4,018)	(38,267)
Inventories (Note 3) .....	284,964	273,668	2,606,362
Other current assets (Note 4) .....	79,072	80,314	764,895
Total current assets .....	<u>1,110,475</u>	<u>1,148,135</u>	<u>10,934,619</u>
<b>Plant and Equipment, at cost (Note 6):</b>			
Land .....	50,325	52,954	504,324
Buildings and structures .....	474,732	512,527	4,881,210
Machinery and equipment .....	1,370,765	1,425,925	13,580,238
Construction in progress .....	55,442	65,799	626,657
	<u>1,951,264</u>	<u>2,057,205</u>	<u>19,592,429</u>
Less-Accumulated depreciation .....	<u>(1,278,277)</u>	<u>(1,296,408)</u>	<u>(12,346,743)</u>
	<u>672,987</u>	<u>760,797</u>	<u>7,245,686</u>
<b>Investments and Other Assets:</b>			
Investments in securities (Note 2) .....	98,663	123,614	1,177,276
Investments in nonconsolidated subsidiaries and affiliates .....	16,638	17,068	162,552
Prepaid expenses and other (Note 4) .....	106,069	100,636	958,438
	<u>221,370</u>	<u>241,318</u>	<u>2,298,266</u>
	<u>¥ 2,004,832</u>	<u>¥ 2,150,250</u>	<u>\$ 20,478,571</u>

The accompanying notes to consolidated financial statements are an integral part of these statements.

<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>	Yen (millions)		U.S. Dollars (thousands)
	2003	2004	2004
<b>Current Liabilities:</b>			
Short-term borrowings, including current portion of long-term debt (Note 5) .....	¥ 242,545	¥ 215,577	\$ 2,053,114
Notes and accounts payable—			
Trade.....	343,054	428,918	4,084,933
Construction and other.....	54,128	119,761	1,140,581
Nonconsolidated subsidiaries and affiliates .....	7,296	9,440	89,905
Accrued expenses.....	110,453	121,343	1,155,648
Income taxes (Note 4).....	39,957	32,339	307,991
Other current liabilities (Note 4) .....	20,975	22,637	215,590
Total current liabilities.....	<u>818,408</u>	<u>950,015</u>	<u>9,047,762</u>
<b>Long-term Liabilities:</b>			
Long-term debt (Note 5) .....	258,989	225,775	2,150,238
Allowance for severance and pension benefits (Note 9) .....	9,926	15,789	150,372
Other long-term liabilities (Note 4) .....	6,539	7,234	68,895
	<u>275,454</u>	<u>248,798</u>	<u>2,369,505</u>
<b>Minority Interests</b> .....	8,854	7,905	75,285
<b>Contingent Liabilities (Note 8)</b>			
<b>Shareholders' Equity (Note 7):</b>			
Common stock:			
Authorized —1,982,607 thousand shares			
Issued —1,110,699 thousand shares .....	204,676	204,676	1,949,295
Capital surplus.....	261,415	262,140	2,496,571
Retained earnings.....	507,871	550,894	5,246,610
Net unrealized holding gains (losses) on securities.....	(2,803)	14,176	135,010
Foreign currency translation adjustments.....	(42,319)	(61,828)	(588,838)
Less-Cost of treasury stock:			
20,844 thousand shares in 2003 and 20,027 thousand shares in 2004 ...	(26,724)	(26,526)	(252,629)
Total shareholders' equity .....	<u>902,116</u>	<u>943,532</u>	<u>8,986,019</u>
	<u>¥ 2,004,832</u>	<u>¥ 2,150,250</u>	<u>\$ 20,478,571</u>

# Consolidated Statements of Income

Sharp Corporation and Consolidated Subsidiaries for the Years Ended March 31, 2003 and 2004

	Yen (millions)		U.S. Dollars (thousands)
	2003	2004	2004
<b>Net Sales</b> .....	¥ 2,003,210	¥ 2,257,273	\$ 21,497,838
<b>Cost of Sales</b> .....	1,509,912	1,713,118	16,315,409
Gross profit .....	493,298	544,155	5,182,429
<b>Selling, General and Administrative Expenses</b> .....	393,832	422,485	4,023,667
Operating income .....	99,466	121,670	1,158,762
<b>Other Income (Expenses):</b>			
Interest and dividends income .....	5,642	5,294	50,419
Interest expense .....	(7,673)	(5,844)	(55,657)
Loss on sales of investments in securities.....	(21,122)	—	—
Loss on impairment of investments in securities .....	(8,567)	—	—
Gain on return of substituted portion of employee pension fund (Note 9) .....	7,961	—	—
Other, net .....	(18,382)	(18,400)	(175,238)
Income before income taxes and minority interests .....	(42,141)	(18,950)	(180,476)
Income before income taxes and minority interests .....	57,325	102,720	978,286
<b>Income Taxes (Note 4):</b>			
Current .....	43,122	48,971	466,390
Deferred .....	(18,796)	(7,257)	(69,114)
Income before minority interests .....	24,326	41,714	397,276
Income before minority interests .....	32,999	61,006	581,010
<b>Minority Interests in Income of Consolidated Subsidiaries</b> .....	(405)	(291)	(2,772)
Net Income.....	¥ 32,594	¥ 60,715	\$ 578,238
	Yen		U.S. Dollars
	2003	2004	2004
<b>Per Share of Common Stock (Note 7):</b>			
Net income .....	¥ 29.37	¥ 55.37	\$ 0.53
Diluted net income .....	29.15	54.73	0.52
Cash dividends .....	15.00	18.00	0.17

The accompanying notes to consolidated financial statements are an integral part of these statements.

# Consolidated Statements of Shareholders' Equity

Sharp Corporation and Consolidated Subsidiaries for the Years Ended March 31, 2003 and 2004

	Number of Shares (thousands)		Yen (millions)		U.S. Dollars (thousands)
	2003	2004	2003	2004	2004
<b>Common Stock (Note 7)</b> .....	<u>1,110,699</u>	<u>1,110,699</u>	<u>¥ 204,676</u>	<u>¥ 204,676</u>	<u>\$ 1,949,295</u>
<b>Capital Surplus (Note 7):</b>					
Beginning balance .....			¥ 261,415	¥ 261,415	\$ 2,489,666
Gains on sales of treasury stock .....			—	725	6,905
Ending balance .....			<u>¥ 261,415</u>	<u>¥ 262,140</u>	<u>\$ 2,496,571</u>
<b>Retained Earnings (Note 7):</b>					
Beginning balance .....			¥ 492,163	¥ 507,871	\$ 4,836,867
Net income .....			32,594	60,715	578,238
Cash dividends paid .....			(15,463)	(17,437)	(166,067)
Directors' and statutory auditors' bonuses .....			(152)	(255)	(2,428)
Decrease in retained earnings resulting from change in accounting standards of overseas consolidated subsidiaries .....			(1,271)	—	—
Ending balance .....			<u>¥ 507,871</u>	<u>¥ 550,894</u>	<u>\$ 5,246,610</u>
<b>Net Unrealized Holding Gains (Losses) on Securities:</b>					
Beginning balance .....			¥ (5,340)	¥ (2,803)	\$ (26,695)
Net increase .....			2,537	16,979	161,705
Ending balance .....			<u>¥ (2,803)</u>	<u>¥ 14,176</u>	<u>\$ 135,010</u>
<b>Foreign Currency Translation Adjustments:</b>					
Beginning balance .....			¥ (25,899)	¥ (42,319)	\$ (403,038)
Net increase .....			(16,420)	(19,509)	(185,800)
Ending balance .....			<u>¥ (42,319)</u>	<u>¥ (61,828)</u>	<u>\$ (588,838)</u>
<b>Treasury Stock:</b>					
Beginning balance .....			¥ (159)	¥ (26,724)	\$ (254,514)
Net increase .....			(26,565)	198	1,885
Ending balance .....			<u>¥ (26,724)</u>	<u>¥ (26,526)</u>	<u>\$ (252,629)</u>

The accompanying notes to consolidated financial statements are an integral part of these statements.

# Consolidated Statements of Cash Flows

Sharp Corporation and Consolidated Subsidiaries for the Years Ended March 31, 2003 and 2004

	Yen (millions)		U.S. Dollars (thousands)
	2003	2004	2004
<b>Cash Flows from Operating Activities:</b>			
Income before income taxes and minority interests.....	¥ 57,325	¥ 102,720	\$ 978,286
Adjustments to reconcile income before income taxes and minority interests to net cash provided by operating activities—			
Depreciation and amortization of properties and intangibles .....	134,975	151,408	1,441,981
Interest and dividends income .....	(5,642)	(5,294)	(50,419)
Interest expense .....	7,673	5,844	55,657
Foreign exchange loss.....	2,909	2,171	20,676
Loss on sales and disposal of plant and equipment.....	3,803	11,921	113,533
Increase in notes and accounts receivable.....	(7,023)	(72,258)	(688,171)
Decrease (increase) in inventories .....	(5,500)	2,037	19,400
Increase in payable.....	43,836	95,728	911,695
Other, net .....	42,906	19,643	187,076
Total .....	275,262	313,920	2,989,714
Interest and dividends received .....	6,042	5,825	55,476
Interest paid .....	(7,694)	(5,939)	(56,562)
Income taxes paid .....	(4,480)	(64,188)	(611,314)
Net cash provided by operating activities .....	269,130	249,618	2,377,314
<b>Cash Flows from Investing Activities:</b>			
Purchase of time deposits .....	(50,275)	(39,627)	(377,400)
Proceeds from redemption of time deposits .....	50,914	39,825	379,286
Purchase of short-term investments .....	(1,427)	(417)	(3,971)
Proceeds from sales of short-term investments .....	25,161	10,706	101,962
Acquisitions of plant and equipment .....	(171,703)	(183,155)	(1,744,333)
Proceeds from sales of plant and equipment.....	2,702	2,318	22,076
Purchase of investments in securities and investments in nonconsolidated subsidiaries and affiliates .....	(64,891)	(8,852)	(84,305)
Proceeds from sales of investments in securities and investments in nonconsolidated subsidiaries and affiliates.....	39,936	9,775	93,095
Loans made .....	(20,468)	(13,994)	(133,276)
Proceeds from collection of loans .....	18,217	15,137	144,162
Other, net .....	6,001	(1,162)	(11,067)
Net cash used in investing activities .....	(165,833)	(169,446)	(1,613,771)
<b>Cash Flows from Financing Activities:</b>			
Decrease in short-term borrowings, net.....	(25,030)	(38,980)	(371,238)
Proceeds from long-term debt.....	92,432	15,898	151,410
Repayments of long-term debt .....	(82,905)	(29,091)	(277,057)
Purchase of treasury stock .....	(26,565)	(4,474)	(42,610)
Dividends paid.....	(15,453)	(17,422)	(165,924)
Other, net .....	(326)	5,108	48,648
Net cash used in financing activities .....	(57,847)	(68,961)	(656,771)
Effect of Exchange Rate Changes on Cash and Cash Equivalents .....	(5,555)	(5,300)	(50,476)
Net Increase in Cash and Cash Equivalents .....	39,895	5,911	56,296
Cash and Cash Equivalents at Beginning of Year .....	231,404	271,712	2,587,733
Cash and Cash Equivalents of a Newly Consolidated Subsidiary .....	413	—	—
Cash and Cash Equivalents at End of Year .....	¥ 271,712	¥ 277,623	\$ 2,644,029

The accompanying notes to consolidated financial statements are an integral part of these statements.

# Notes to Consolidated Financial Statements

Sharp Corporation and Consolidated Subsidiaries

## 1. Summary of Significant Accounting and Reporting Policies

### (a) Basis of presenting consolidated financial statements

Sharp Corporation (the "Company") and its domestic consolidated subsidiaries maintain their official accounting records in Japanese yen and in accordance with the provisions set forth in the Japanese Commercial Code and the Securities and Exchange Law and accounting principles and practices generally accepted in Japan ("Japanese GAAP"). The accounts of overseas consolidated subsidiaries are based on their accounting records maintained in conformity with generally accepted accounting principles and practices prevailing in the respective countries of domicile. Certain accounting principles and practices generally accepted in Japan are different from International Financial Reporting Standards and standards in other countries in certain respects as to application and disclosure requirements.

The accompanying consolidated financial statements have been restructured and translated into English (with some expanded descriptions and the inclusion of consolidated statements of shareholders' equity) from the consolidated financial statements of the Company prepared in accordance with Japanese GAAP and filed with the appropriate Local Finance Bureau of the Ministry of Finance as required by the Securities and Exchange Law. Some supplementary information included in the statutory Japanese language consolidated financial statements, but not required for fair presentation is not presented in the accompanying consolidated financial statements.

The translation of the Japanese yen amounts into U.S. dollars is included solely for the convenience of readers, using the prevailing exchange rate at March 31, 2004, which was ¥105 to U.S. \$1.00. The convenience translations should not be construed as representations that the Japanese yen amounts have been, could have been, or could in the future be, converted into U.S. dollars at this or any other rate of exchange.

### (b) Principles of consolidation

The accompanying consolidated financial statements include the accounts of the Company and significant companies over which the Company has power of control through majority voting right or existence of certain

conditions evidencing control by the Company. Investments in nonconsolidated subsidiaries and affiliates over which the Company has the ability to exercise significant influence over operating and financial policies of the investees, are accounted for on the equity method.

In the elimination of investments in consolidated subsidiaries, the assets and liabilities of the subsidiaries, including the portion attributable to minority shareholders, are evaluated using the fair value at the time the Company acquired control of the respective subsidiaries.

Material intercompany balances, transactions and profits have been eliminated in consolidation.

### (c) Translation of foreign currencies

Monetary assets and liabilities denominated in foreign currency are translated into Japanese yen at current rates at each balance sheet date and the resulting translation gains or losses are charged to income currently.

As to translation of financial statements of overseas subsidiaries and affiliates, assets and liabilities are translated at current rates at each balance sheet date, shareholders' equity accounts are translated at historical rates, and revenues and expenses are translated at average rates prevailing during the year. The resulting foreign currency translation adjustments are shown as a separate component of shareholders' equity.

### (d) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits placed with banks on demand and highly liquid investments with insignificant risk of changes in value which have maturities of three months or less when purchased.

### (e) Short-term investments and investments in securities

Short-term investments consist of certificates of deposits and interest-bearing securities.

Investments in securities consist principally of marketable and nonmarketable equity securities and interest-bearing securities.

The Company and its domestic consolidated subsidiaries categorize those securities as "other securities", which, in principle, include all securities other than trading

securities and held-to-maturity securities.

Other securities with fair market value are stated at fair market value which is calculated as the average of market price during the last month of the fiscal year. Unrealized holding gains and losses on these securities are reported, net of applicable income taxes, as a separate component of shareholders' equity. Realized gains and losses on sales of such securities are principally computed using average cost.

Other securities with no fair market value are stated at average cost, except for interest-bearing securities which are stated at amortized cost, net of the amount considered not collectible.

If the fair market value of other securities declines significantly, such securities are stated at fair market value and the difference between fair market value and the carrying amount is recognized as loss in the period of decline. If the net asset value of other securities, except for interest-bearing securities, with no fair market value declines significantly, such securities are written down to the net asset value by charging to income. In these cases, such fair market value or the net asset value is carried forward to the next year.

#### **(f) Leases**

Finance leases, except those leases for which the ownership of the leased assets is considered to be transferred to the lessee, are primarily accounted for as operating leases.

#### **(g) Inventories**

Finished products are principally stated at the lower of moving average cost or market, however, finished products held by overseas consolidated subsidiaries are valued at the lower of first-in, first-out cost or market. Work in process and raw materials are stated at the current production and purchase costs, respectively, not in excess of estimated realizable value.

#### **(h) Depreciation and amortization**

Depreciation of plant and equipment is primarily computed on the declining-balance method, except for machinery and equipment in the Mie and Kameyama plants, which are depreciated on the straight line method, over the estimated useful lives. Buildings acquired by the Company and

its domestic consolidated subsidiaries on and after April 1, 1998 are depreciated on the straight-line method.

Maintenance and repairs including minor renewals and betterments are charged to income as incurred.

#### **(i) Accrued bonuses**

The Company and its domestic consolidated subsidiaries accrue estimated amounts of employees' bonuses based on estimated amounts to be paid in the subsequent period.

#### **(j) Income taxes**

The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

#### **(k) Severance and pension benefits**

The Company and its domestic consolidated subsidiaries have primarily a trustee noncontributory defined benefit pension plan for their employees with at least five years of service to supplement a governmental welfare pension plan.

In addition, the Company and its domestic consolidated subsidiaries have an unfunded termination and retirement allowance plan to provide benefits for their employees with less than five years of service.

Certain overseas consolidated subsidiaries have defined contribution pension plans and lump-sum retirement benefit plans.

The Company and its domestic consolidated subsidiaries provide the allowance for severance and pension benefits based on the estimated amounts of projected benefit obligation and the fair value of the plan assets at the balance sheet date. Projected benefit obligation and expenses for severance and pension benefits are determined based on the amounts actuarially calculated using certain assumptions.

The excess of the projected benefit obligation over the total of the fair value of pension assets as of April 1, 2001 and the allowance for severance and pension benefits recorded as of April 1, 2001 (the "net transition obligation") amounted to

¥69,090 million. The net transition obligation is being amortized in equal amounts over 7 years commencing with the year ended March 31, 2002. Prior service costs are amortized using the straight-line method over the average of the estimated remaining service lives (16 years) commencing with the current period. Actuarial losses are recognized in expenses using the straight-line method over the average of the estimated remaining service lives (16 years) commencing with the following period.

In conformity with the Defined Benefit Corporate Pension Law, the Company and its certain domestic consolidated subsidiaries obtained the approval from the Minister of Health, Labor and Welfare on August 13, 2002 for an exemption from the future benefit obligation related to the substituted government's portion of pension benefits provided by social welfare pension funds.

The Company and its certain domestic subsidiaries, on the approval date, recognized the relinquishment of the substituted portion of benefit obligation of welfare pension funds and the corresponding portion of plan assets in accordance with the transitional measures prescribed in Article 47-2 "Practical Guidelines of Accounting for Retirement Benefits (Interim Report)" issued by the Japanese Institute of Certified Public Accountants.

The effect of adopting the Guidelines is stated in Note 9. Employees' Severance and Pension Benefits.

Directors and statutory auditors customarily receive lump-sum payments upon their termination, subject to shareholders' approval. Such payments are charged to income when paid.

#### **(l) Research and development expenses and software costs**

Research and development expenses are charged to income as incurred. The research and development expenses charged to income amounted to ¥134,183 million and ¥138,786 million (\$1,321,771 thousand) for the years ended March 31, 2003 and 2004, respectively.

Software costs are recorded principally in prepaid expenses and other and amortized by the straight-line method over estimated useful lives of principally 5 years.

#### **(m) Derivative financial instruments**

The Company and some of its consolidated subsidiaries use derivative financial instruments, which include foreign

exchange forward contracts and interest rate swap agreements, in order to hedge risks of fluctuations in foreign currency exchange rates and interest rates associated with assets and liabilities denominated in foreign currencies, investments in securities and debt obligations.

All derivative financial instruments are stated at fair value and recorded on the balance sheets. The deferred method is used for recognizing gains or losses on hedging instruments and the hedged items. When foreign exchange forward contracts meet certain conditions, the hedged items are stated by the forward exchange contract rates.

The derivative financial instruments are used based on internal policies and procedures on risk control.

The risks of fluctuations in foreign currency exchange rates and interest rates have been assumed to be completely hedged over the period of hedging contracts as the major conditions of the hedging instruments and the hedged items are consistent. Accordingly, the evaluation of effectiveness of the hedging contracts is not required.

The credit risk of such derivatives is assessed as being low because the counter-parties of these transactions are prestigious financial institutions.

#### **(n) Impairment of fixed assets**

In the year ended March 31, 2004, the Company and its domestic consolidated subsidiaries did not adopt early the new accounting standard for impairment of fixed assets ("Opinion Concerning Establishment of Accounting Standard for Impairment of Fixed Assets" issued by the Business Accounting Deliberation Council on August 9, 2002) and the implementation guidance for the accounting standard for impairment of fixed assets (the Financial Accounting Standard Implementation Guidance No. 6 issued by the Accounting Standards Board of Japan on October 31, 2003). The new accounting standard is required to be adopted in periods beginning on or after April 1, 2005, but the standard allows earlier adoption. The Company and its domestic consolidated subsidiaries will adopt the new standard effective April 1, 2005.

#### **(o) Reclassifications**

Certain prior year amounts have been reclassified to conform to 2004 presentation. These changes had no impact on previously reported results of operations.

## 2. Short-term Investments and Investments In Securities

The following is a summary of other securities with fair market value as of March 31, 2003 and 2004:

	Yen (millions)			
	2004			
	Acquisition cost	Unrealized gains	Unrealized losses	Fair market value
Equity securities .....	¥ 33,809	¥ 24,159	¥ (117)	¥ 57,851
	<u>¥ 33,809</u>	<u>¥ 24,159</u>	<u>¥ (117)</u>	<u>¥ 57,851</u>
	U.S. Dollars (thousands)			
	2004			
	Acquisition cost	Unrealized gains	Unrealized losses	Fair market value
Equity securities .....	\$ 321,990	\$ 230,086	\$ (1,114)	\$ 550,962
	<u>\$ 321,990</u>	<u>\$ 230,086</u>	<u>\$ (1,114)</u>	<u>\$ 550,962</u>
	Yen (millions)			
	2003			
	Acquisition cost	Unrealized gains	Unrealized losses	Fair market value
Equity securities .....	¥ 36,546	¥ 2,809	¥ (7,500)	¥ 31,855
	<u>¥ 36,546</u>	<u>¥ 2,809</u>	<u>¥ (7,500)</u>	<u>¥ 31,855</u>

Redemptions of other securities with maturities as of March 31, 2003 and 2004 were as follows:

	Yen (millions)		U.S. Dollars (thousands)
	2003	2004	2004
Government Bonds:			
Due within one year .....	¥ —	¥ —	\$ —
Due after one year through five years.....	5	5	48
Due after five years through ten years.....	—	—	—
Due over ten years .....	—	—	—
Corporate Bonds:			
Due within one year .....	10,619	1,988	18,933
Due after one year through five years.....	36,277	34,703	330,505
Due after five years through ten years.....	6	—	—
Due over ten years .....	—	—	—
Convertible Bonds:			
Due within one year .....	—	—	—
Due after one year through five years.....	30	30	286
Due after five years through ten years.....	—	—	—
Due over ten years .....	—	—	—
Other:			
Due within one year .....	1,189	—	—
Due after one year through five years.....	—	—	—
Due after five years through ten years.....	—	—	—
Due over ten years .....	—	—	—

The proceeds from sales of other securities were ¥39,878 million and ¥9,748 million (\$92,838 thousand) for the years ended March 31, 2003 and 2004, respectively. The gross realized gains on those sales were ¥42 million and ¥4,541 million (\$43,248 thousand) for the years ended

March 31, 2003 and 2004, respectively. The gross realized losses on those sales were ¥23,559 million and ¥49 million (\$467 thousand) for the years ended March 31, 2003 and 2004, respectively.

Other securities with no fair market value principally

consisted of unlisted interest-bearing securities whose carrying amounts were ¥47,294 million and ¥36,729 million (\$349,800 thousand) as of March 31, 2003 and 2004, respectively.

### 3. Inventories

Inventories as of March 31, 2003 and 2004 were as follows:

	Yen (millions)		U.S. Dollars (thousands)
	2003	2004	2004
Finished products .....	¥ 175,338	¥ 156,264	\$ 1,488,229
Work in process .....	52,172	57,191	544,676
Raw materials.....	57,454	60,213	573,457
	<u>¥ 284,964</u>	<u>¥ 273,668</u>	<u>\$ 2,606,362</u>

### 4. Income Taxes

The Company is subject to a number of different income taxes which, in the aggregate, indicate a normal tax rate in Japan of approximately 42% for the years ended March 31, 2003 and 2004.

Effective for the year commencing on April 1, 2004 or later, according to the revised Japanese local tax law, income tax rates for enterprise taxes will be reduced. Based on the change of income tax rates, the effective tax rate used for the calculation of deferred tax assets and liabilities was 40.6% in

Japan for the year ended March 31, 2004.

Deviations of the effective tax rate for financial statement purposes from the normal tax rate on income before income taxes and minority interests are due primarily to expenses not deductible for tax purposes and differences in normal tax rates of overseas subsidiaries.

The differences between the normal tax rate and effective tax rate for financial statement purposes for the years ended March 31, 2003 and 2004 were immaterial.

Significant components of deferred tax assets and deferred tax liabilities as of March 31, 2003 and 2004 were as follows:

	Yen (millions)		U.S. Dollars (thousands)
	2003	2004	2004
Deferred tax assets:			
Inventories.....	¥ 16,608	¥ 14,748	\$ 140,457
Allowance for doubtful receivables.....	1,436	1,732	16,495
Accrued bonus .....	10,284	12,270	116,857
Warranty reserve .....	1,190	1,379	13,133
Software .....	14,326	19,862	189,162
Long-term prepaid expenses.....	10,629	12,476	118,819
Enterprise taxes .....	3,394	3,228	30,743
Net unrealized holding losses on securities .....	1,897	—	—
Other .....	25,398	28,626	272,629
Gross deferred tax assets.....	<u>85,162</u>	<u>94,321</u>	<u>898,295</u>
Deferred tax liabilities:			
Retained earnings appropriated for tax allowable reserves.....	(3,503)	(8,464)	(80,610)
Undistributed earnings of overseas subsidiaries.....	(4,351)	(3,821)	(36,390)
Net unrealized holding gains on securities .....	—	(9,762)	(92,971)
Other .....	(2,941)	(2,761)	(26,295)
Gross deferred tax liabilities .....	<u>(10,795)</u>	<u>(24,808)</u>	<u>(236,266)</u>
Net deferred tax assets .....	<u>¥ 74,367</u>	<u>¥ 69,513</u>	<u>\$ 662,029</u>

Net deferred tax assets and liabilities as of March 31, 2003 and 2004 were included in the consolidated balance sheets as follows:

	Yen (millions)		U.S. Dollars (thousands)
	2003	2004	2004
Other current assets .....	¥ 41,052	¥ 41,266	\$ 393,010
Prepaid expenses and other .....	36,249	30,586	291,295
Other current liabilities .....	(46)	(22)	(209)
Other long-term liabilities .....	(2,888)	(2,317)	(22,067)
Net deferred tax assets .....	¥ 74,367	¥ 69,513	\$ 662,029

## 5. Short-term Borrowings and Long-term Debt

The weighted average interest rates of short-term borrowings as of March 31, 2003 and 2004 were 1.5% and 1.3%, respectively. The Company and its consolidated

subsidiaries have had no difficulty in renewing such loans when they have considered such renewal advisable.

Short-term borrowings including current portion of long-term debt as of March 31, 2003 and 2004 consisted of the following:

	Yen (millions)		U.S. Dollars (thousands)
	2003	2004	2004
Bank loans .....	¥ 109,429	¥ 84,987	\$ 809,400
Banker's acceptances payable .....	129	129	1,228
Commercial paper .....	104,747	82,234	783,181
Current portion of long-term debt .....	28,240	48,227	459,305
	¥ 242,545	¥ 215,577	\$ 2,053,114

Long-term debt as of March 31, 2003 and 2004 consisted of the following:

	Yen (millions)		U.S. Dollars (thousands)
	2003	2004	2004
0.3%–3.5% unsecured loans principally from banks, due 2003 to 2018 .....	¥ 111,389	¥ 101,966	\$ 971,105
1.60% unsecured convertible bonds, due 2004 .....	26,951	26,940	256,571
2.00% unsecured straight bonds, due 2005 .....	30,000	30,000	285,714
1.30% unsecured straight bonds, due 2003 .....	10,000	—	—
1.65% unsecured straight bonds, due 2005 .....	10,000	10,000	95,238
0.57% unsecured straight bonds, due 2007 .....	50,000	50,000	476,191
0.10%—1.47% unsecured Euroyen notes issued by a consolidated subsidiary, due 2003 to 2008 .....	32,178	29,400	280,000
4.45%–7.20% mortgage loans for employees' housing from a government-sponsored agency, due 2003 to 2009 .....	11	6	57
0.48%—0.93% payables under securitized lease receivables, due 2003 to 2010 ...	16,700	25,690	244,667
	287,229	274,002	2,609,543
Less-Current portion included in short-term borrowings .....	(28,240)	(48,227)	(459,305)
	¥ 258,989	¥ 225,775	\$ 2,150,238

The following is a summary of the terms of conversion and redemption of the convertible bonds:

	Conversion price	Redemption at the option of the Company
1.60% Bonds, due 2004	¥1,554.00	At 106% to 100% of principal after September 30, 1997, decreasing 1% annually

The conversion price of bonds is subject to adjustment for certain subsequent events such as the issue of common stock at less than fair value and stock splits.

If all convertible bonds were converted as of March 31, 2004, 17,335 thousand shares of common stock would be issuable.

As is customary in Japan, substantially all of the bank borrowings are subject to general agreements with each bank which provide, among other things, that security and

guarantees for present and future indebtedness will be given upon request of the bank, and that any collateral so furnished will be applicable to all indebtedness to that bank. To date, the Company has not received such requests from its banks. In addition, the agreements provide that the bank has the right to offset cash deposited against any short-term or long-term debt that becomes due, and in case of default and certain other specified events, against all other debts payable to the bank.

The aggregate annual maturities of long-term debt as of March 31, 2004 were as follows:

Year ending March 31	Yen (millions)	U.S. Dollars (thousands)
2006 .....	¥ 86,372	\$ 822,590
2007 .....	15,268	145,409
2008 .....	89,145	849,000
2009 .....	26,524	252,610
2010 and thereafter.....	8,466	80,629
	<u>¥ 225,775</u>	<u>\$ 2,150,238</u>

## 6. Leases

### Finance leases

Information relating to finance leases, excluding those leases for which the ownership of the leased assets is considered to be transferred to the lessee, as of, and for the years ended March 31, 2003 and 2004, is as follows:

#### (a) As lessee

##### (1) Future minimum lease payments

	Yen (millions)		U.S. Dollars (thousands)
	2003	2004	2004
Due within one year .....	¥ 77,772	¥ 80,037	\$ 762,257
Due after one year .....	149,904	156,522	1,490,686
	<u>¥ 227,676</u>	<u>¥ 236,559</u>	<u>\$ 2,252,943</u>

##### (2) Lease payments

	Yen (millions)		U.S. Dollars (thousands)
	2003	2004	2004
Lease payments .....	¥ 14,496	¥ 14,577	\$ 138,829

**(b) As lessor****(1) Acquisition cost, accumulated depreciation and book value of leased properties**

	Yen (millions)		U.S. Dollars (thousands)
	2003	2004	2004
Machinery and equipment:			
Acquisition cost .....	¥ 43,015	¥ 63,763	\$ 607,267
Accumulated depreciation .....	9,690	17,667	168,257
Book value .....	¥ 33,325	¥ 46,096	\$ 439,010

**(2) Future minimum lease receipts**

	Yen (millions)		U.S. Dollars (thousands)
	2003	2004	2004
Due within one year .....	¥ 77,180	¥ 81,371	\$ 774,962
Due after one year .....	167,240	177,460	1,690,095
	¥ 244,420	¥ 258,831	\$ 2,465,057

The assumed amount of future minimum lease receipts as of March 31, 2004 is calculated excluding assumed interest income due to the increase in 2004 in the ratio of future minimum lease receipts over the total amount of the future

minimum lease receipts and notes and accounts receivable as of March 31, 2004, whereas the assumed amount of future minimum lease receipts for the previous year is calculated including the assumed interest income.

Based on the calculation including the assumed interest income as of March 31, 2004, the assumed amount of future minimum lease receipts would be as follows:

	Yen (millions)		U.S. Dollars (thousands)
	2004		2004
Due within one year .....	¥ 82,891		\$ 789,438
Due after one year .....		179,734	1,711,752
	¥ 262,625		\$ 2,501,190

**(3) Lease receipts, depreciation and assumed interest income**

	Yen (millions)		U.S. Dollars (thousands)
	2003	2004	2004
Lease receipts .....	¥ 6,791	¥ 11,122	\$ 105,924
Depreciation .....	6,069	10,052	95,733
Assumed interest income .....	—	1,483	14,124

**Operating leases****(a) As lessee**

Future minimum lease payments as of March 31, 2003 and 2004 were as follows:

	Yen (millions)		U.S. Dollars (thousands)
	2003	2004	2004
Due within one year .....	¥ 1,618	¥ 1,161	\$ 11,057
Due after one year .....	2,373	2,188	20,838
	¥ 3,991	¥ 3,349	\$ 31,895

## (b) As lessor

Future minimum lease receipts as of March 31, 2003 and 2004 were as follows:

	Yen (millions)		U.S. Dollars (thousands)
	2003	2004	2004
Due within one year .....	¥ 1,551	¥ 1,142	\$ 10,876
Due after one year .....	1,437	802	7,638
	<u>¥ 2,988</u>	<u>¥ 1,944</u>	<u>\$ 18,514</u>

## 7. Shareholders' Equity and Per Share Data

The Japanese Commercial Code provides that at least one-half of the proceeds from shares issued be included in common stock and the remaining amount of the proceeds be accounted for as additional paid-in capital, which is included in capital surplus. In conformity therewith, the Company recorded as common stock over one-half of the principal amount of the convertible bonds converted into common stock.

The Code provides that an amount equivalent to at least 10% of cash dividends paid and other cash outlays shall be appropriated and set aside as legal reserve until the total amount of legal reserve and additional paid-in capital equals 25% of the stated capital.

As of March 31, 2004, the total amount of legal reserve and additional paid-in capital has already exceeded 25% of the stated capital and, therefore, no additional provision is required.

On condition that the total amount of legal reserve and additional paid-in capital remains being equal to or exceeding 25% of the stated capital, they are available for distribution by the resolution of the shareholders' meeting. Legal reserve is included in retained earnings.

Year end cash dividends are approved by the shareholders after the end of each fiscal year and semiannual interim cash

dividends are declared by the Board of Directors after the end of each interim six-month period. Such dividends are payable to shareholders of record at the end of each fiscal year or interim six-month period. In accordance with the Code, final cash dividends and the related appropriations of retained earnings have not been reflected in the financial statements at the end of such fiscal year. However, cash dividends per share shown in the accompanying consolidated statements of income reflect dividends applicable to the respective period.

On June 24, 2004, the shareholders approved the declaration of cash dividends totaling ¥10,906 million (\$103,867 thousand) to shareholders of record as of March 31, 2004, covering the year then ended.

The Ordinary General Meeting of Shareholders held on June 25, 2003 authorized that the Company may purchase its treasury stock up to a total not exceeding 20 million outstanding shares at prices in total not exceeding ¥30 billion (\$285,714 thousand).

As of March 31, 2004, the Company has purchased 2,541 thousand outstanding shares for ¥4,183 million (\$39,838 thousand) under this authorization.

## 8. Contingent Liabilities

As of March 31, 2004, the Company and its consolidated subsidiaries had contingent liabilities as follows:

	Yen (millions)		U.S. Dollars (thousands)
	2004	2004	2004
Loans guaranteed .....	¥ 11,895		\$ 113,286
Notes discounted .....	729		6,943
	<u>¥ 12,624</u>		<u>\$ 120,229</u>

## 9. Employees' Severance and Pension Benefits

Allowance for severance and pension benefits of the Company and its domestic consolidated subsidiaries as of March 31, 2003 and 2004 consisted of the following:

	Yen (millions)		U.S. Dollars (thousands)
	2003	2004	2004
Projected benefit obligation .....	¥ 370,398	¥ 330,759	\$ 3,150,086
Less-Fair value of plan assets .....	(202,800)	(255,194)	(2,430,419)
Less-Unrecognized actuarial differences .....	(148,162)	(101,954)	(970,991)
Less-Unrecognized net transition obligation .....	(14,046)	(11,237)	(107,019)
Unrecognized prior service costs .....	—	48,437	461,305
Prepaid pension cost .....	3,601	4,053	38,600
Allowance for severance and pension benefits .....	¥ 8,991	¥ 14,864	\$ 141,562

In addition, allowance for severance and pension benefits of ¥935 million as of March 31, 2003, and ¥925 million (\$8,810 thousand) as of March 31, 2004, were provided by certain overseas consolidated subsidiaries in conformity with generally accepted accounting principles and practices prevailing in the respective countries of domicile.

As explained in Note 1(K), the Company and its certain domestic consolidated subsidiaries obtained the approval from the Minister of Health, Labor and Welfare on August 13, 2002, for an exemption from the future benefit

obligation related to the substituted government's portion of pension benefits provided by social welfare pension funds.

The Company and its certain domestic consolidated subsidiaries, on the approval date, recognized the relinquishment of the substituted portion of benefit obligation of welfare pension funds and the corresponding portion of plan assets in accordance with the transitional measures prescribed in Article 47-2 "Practical Guidelines of Accounting for Retirement Benefits (Interim Report)" issued by the Japanese Institute of Certified Public Accountants.

Expenses for severance and pension benefits of the Company and its domestic consolidated subsidiaries for the years ended March 31, 2003 and 2004 consisted of the following:

	Yen (millions)		U.S. Dollars (thousands)
	2003	2004	2004
Service costs, net of plan participants' contributions .....	¥ 13,938	¥ 13,126	\$ 125,010
Interest costs on projected benefit obligation .....	12,419	8,856	84,343
Expected return on plan assets .....	(12,697)	(9,126)	(86,914)
Amortization of net transition obligation .....	5,163	2,809	26,752
Recognized actuarial loss .....	4,187	9,477	90,257
Amortization of prior service costs .....	—	(1,030)	(9,810)
Expenses for severance and pension benefits .....	23,010	24,112	229,638
Gain on return of substituted portion of employee pension fund .....	(7,961)	—	—
	¥ 15,049	¥ 24,112	\$ 229,638

The discount rate used by the Company and its domestic consolidated subsidiaries was 2.5% for the years ended March 31, 2003 and 2004. The rate of expected return on plan assets used by the Company and its domestic consolidated subsidiaries for the years ended

March 31, 2003 and 2004 was 4.5%. The estimated amount of all retirement benefits to be paid at future retirement dates is allocated equally to each service year using the estimated number of total service years.

## 10. Segment Information

The Company and its consolidated subsidiaries operate in Consumer/Information Products business and Electronic Components business. Consumer/Information Products business includes audio-visual and communication equip-

ment, home appliances and information equipment. Electronic Components business includes ICs, LCDs and other electronic components.

Information by business segment for the years ended March 31, 2003 and 2004 is as follows:

	Yen (millions)		U.S. Dollars (thousands)
	2003	2004	2004
<b>Net Sales:</b>			
Consumer/Information Products:			
Customers.....	¥ 1,346,400	¥ 1,438,696	\$ 13,701,867
Intersegment .....	5,997	8,726	83,105
Total .....	<u>1,352,397</u>	<u>1,447,422</u>	<u>13,784,972</u>
Electronic Components:			
Customers.....	656,810	818,577	7,795,971
Intersegment .....	136,867	185,920	1,770,667
Total .....	<u>793,677</u>	<u>1,004,497</u>	<u>9,566,638</u>
Elimination .....	(142,864)	(194,646)	(1,853,772)
Consolidated .....	<u>¥ 2,003,210</u>	<u>¥ 2,257,273</u>	<u>\$ 21,497,838</u>
<b>Operating Income:</b>			
Consumer/Information Products.....	¥ 43,646	¥ 47,434	\$ 451,752
Electronic Components .....	56,315	73,971	704,486
Elimination .....	(495)	265	2,524
Consolidated .....	<u>¥ 99,466</u>	<u>¥ 121,670</u>	<u>\$ 1,158,762</u>
<b>Total Assets:</b>			
Consumer/Information Products.....	¥ 703,787	¥ 682,689	\$ 6,501,800
Electronic Components .....	832,870	984,940	9,380,381
Elimination and Corporate Assets .....	468,175	482,621	4,596,390
Consolidated .....	<u>¥ 2,004,832</u>	<u>¥ 2,150,250</u>	<u>\$ 20,478,571</u>
<b>Depreciation and Amortization:</b>			
Consumer/Information Products.....	¥ 43,942	¥ 40,385	\$ 384,619
Electronic Components .....	102,236	119,867	1,141,591
Elimination .....	(360)	(421)	(4,010)
Consolidated .....	<u>¥ 145,818</u>	<u>¥ 159,831</u>	<u>\$ 1,522,200</u>
<b>Capital Expenditures:</b>			
Consumer/Information Products.....	¥ 40,698	¥ 53,773	\$ 512,124
Electronic Components .....	153,292	230,413	2,194,410
Elimination .....	(1,021)	(929)	(8,848)
Consolidated .....	<u>¥ 192,969</u>	<u>¥ 283,257</u>	<u>\$ 2,697,686</u>

Corporate assets as of March 31, 2003 and 2004 were ¥481,667 million and ¥494,401 million (\$4,708,581 thousand),

respectively, and were mainly comprised of the Company's cash and cash equivalents and investments in securities.

Information by geographic segment for the years ended March 31, 2003 and 2004 is as follows:

	Yen (millions)		U.S. Dollars (thousands)
	2003	2004	2004
<b>Net Sales:</b>			
Japan:			
Customers.....	¥ 1,256,238	¥ 1,458,875	\$ 13,894,048
Intersegment .....	452,100	513,287	4,888,448
Total .....	<u>1,708,338</u>	<u>1,972,162</u>	<u>18,782,496</u>
The Americas:			
Customers.....	313,882	289,789	2,759,895
Intersegment .....	7,046	7,421	70,676
Total .....	<u>320,928</u>	<u>297,210</u>	<u>2,830,571</u>
Asia:			
Customers .....	158,198	140,777	1,340,733
Intersegment .....	113,788	133,545	1,271,857
Total .....	<u>271,986</u>	<u>274,322</u>	<u>2,612,590</u>
Other:			
Customers.....	274,892	367,832	3,503,162
Intersegment .....	89,569	108,505	1,033,381
Total .....	<u>364,461</u>	<u>476,337</u>	<u>4,536,543</u>
Elimination .....	(662,503)	(762,758)	(7,264,362)
Consolidated .....	<u>¥ 2,003,210</u>	<u>¥ 2,257,273</u>	<u>\$ 21,497,838</u>
<b>Operating Income:</b>			
Japan .....	¥ 82,792	¥ 107,283	\$ 1,021,743
The Americas .....	3,382	1,335	12,714
Asia .....	3,422	3,185	30,333
Other .....	7,993	8,241	78,486
Elimination .....	1,877	1,626	15,486
Consolidated .....	<u>¥ 99,466</u>	<u>¥ 121,670</u>	<u>\$ 1,158,762</u>
<b>Total Assets:</b>			
Japan .....	¥ 1,219,045	¥ 1,394,950	\$ 13,285,238
The Americas .....	137,206	123,784	1,178,895
Asia .....	70,470	68,453	651,933
Other .....	176,547	185,027	1,762,162
Elimination and Corporate Assets .....	401,564	378,036	3,600,343
Consolidated .....	<u>¥ 2,004,832</u>	<u>¥ 2,150,250</u>	<u>\$ 20,478,571</u>

Corporate assets as of March 31 2003 and 2004 were ¥481,667 million and ¥494,401 million (\$4,708,581 thousand), respectively, and were mainly comprised of the Company's cash and cash equivalents and investments in securities.

Overseas sales for the years ended March 31, 2003 and 2004 were as follows:

	Yen (millions)		U.S. Dollars (thousands)
	2003	2004	2004
<b>Overseas sales:</b>			
The Americas.....	¥ 336,815	¥ 308,807	\$ 2,941,019
Asia .....	270,618	279,161	2,658,676
Europe .....	235,168	330,772	3,150,210
Other .....	103,204	194,985	1,857,000
Total .....	<u>¥ 945,805</u>	<u>¥ 1,113,725</u>	<u>\$ 10,606,905</u>

Overseas sales were comprised of overseas subsidiaries' sales and the Company's and domestic subsidiaries' export sales to customers.

# Independent Auditors' Report



## To the Board of Directors of Sharp Corporation:

We have audited the accompanying consolidated balance sheets of Sharp Corporation (a Japanese corporation) and its consolidated subsidiaries as of March 31, 2003 and 2004, and the related consolidated statements of income, shareholders' equity and cash flows for the years then ended, all expressed in Japanese yen. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to independently express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Sharp Corporation and its consolidated subsidiaries as of March 31, 2003 and 2004, and the consolidated results of their operations and their cash flows for the years then ended, in conformity with accounting principles generally accepted in Japan.

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2004 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 1(a) to the consolidated financial statements.

Osaka, Japan  
June 24, 2004

*KPMG AZSA & Co.*

## Consolidated Subsidiaries

Domestic:	Sharp Electronics Marketing Corporation
	Sharp Finance Corporation
	Sharp System Products Co., Ltd.
	Sharp Manufacturing Systems Corporation
	Sharp Engineering Corporation
	Sharp Document Systems Corporation
	Sharp Amenity Systems Corporation
	Sharp Niigata Electronics Corporation
	Sharp Trading Corporation
Overseas:	Sharp Electronics Corporation (New Jersey, U.S.A.)
	Sharp Laboratories of America, Inc. (Washington, U.S.A.)
	Sharp Electronics Manufacturing Company of America, Inc. (California, U.S.A.)
	Sharp Electronics of Canada Ltd. (Ontario, Canada)
	Sharp Electronica Mexico S.A. de C.V. (Baja California, Mexico)
	Sharp Electronics (Europe) GmbH (Hamburg, Germany)
	Sharp Electronics (U.K.) Ltd. (Manchester, U.K.)
	Sharp Laboratories of Europe, Ltd. (Oxford, U.K.)
	Sharp International Finance (U.K.) Plc. (Hertfordshire, U.K.)
	Sharp Electronica España S.A. (Barcelona, Spain)
	Sharp Electronics (Schweiz) AG (Dällikon, Switzerland)
	Sharp Electronics (Nordic) AB (Bromma, Sweden)
	Sharp Electronics Ges.M.B.H. (Wien, Austria)
	Sharp Electronics France S.A. (Paris, France)
	Sharp Manufacturing France S.A. (Sultz, France)
	Sharp Electronics (Italia) S.p.A. (Milano, Italy)
	Sharp Electronics Benelux B.V. (Houten, The Netherlands)
	Sharp Electronics (Taiwan) Co., Ltd. (Kaohsiung, Taiwan)
	Sharp Electronic Components (Taiwan) Corporation (Taipei, Taiwan)
	Sharp Technology (Taiwan) Corporation (Taipei, Taiwan)
	Sharp (Phils.) Corporation (Manila, Philippines)
	Sharp-Roxy Sales (Singapore) Pte., Ltd. (Singapore)
	Sharp Electronics (Singapore) Pte., Ltd. (Singapore)
	Sharp Manufacturing Corporation (M) Sdn. Bhd. (Johor, Malaysia)
	Sharp Electronics (Malaysia) Sdn. Bhd. (Selangor, Malaysia)
	Sharp Appliances (Thailand) Ltd. (Chachoengsao, Thailand)
	Sharp Software Development India Pvt. Ltd. (Bangalore, India)
	Shanghai Sharp Electronics Co., Ltd. (Shanghai, China)
	Sharp Office Equipments (Changshu) Co., Ltd. (Changshu, China)
	Wuxi Sharp Electronic Components Co., Ltd. (Wuxi, China)
	Nanjing Sharp Electronics Co., Ltd. (Nanjing, China)
	P.T. Sharp Yasonta Indonesia (Jakarta, Indonesia)
	P.T. Sharp Semiconductor Indonesia (West Java, Indonesia)
	Sharp Corporation of Australia Pty. Ltd. (New South Wales, Australia)
	Sharp Corporation of New Zealand Ltd. (Auckland, New Zealand)
	Sharp Middle East FZE (Dubai, U.A.E.)

## Investor Information

### Japanese Stock Exchange Listings

Tokyo, Osaka, Nagoya, Fukuoka, Sapporo

### Overseas Stock Exchange Listings

Paris, Luxembourg, Swiss

### Transfer Agent (Business Handling Place)

Mizuho Trust & Banking Co., Ltd.  
Osaka Stock Transfer Agency Department  
11-16, Sonezaki 2-chome, Kita-ku, Osaka 530-0057, Japan  
Phone Osaka: +81-6-6313-5127 Tokyo: +81-3-5213-5213

### Principal Shareholders

(As of March 31, 2004)

	Number of shares held	Percentage of total shares
Japan Trustee Services Bank, Ltd. (Trust Account)	61,947,000	5.58%
Nippon Life Insurance Company	53,644,384	4.83
Meiji Yasuda Life Insurance Company	47,359,000	4.26
The Master Trust Bank of Japan, Ltd. (Trust Account)	45,935,000	4.14
Mizuho Corporate Bank, Ltd.	32,410,469	2.92
The Dai-ichi Mutual Life Insurance Company	30,704,140	2.76
Mitsui Sumitomo Insurance Company, Limited	30,658,022	2.76
UFJ Bank Limited	30,071,526	2.71
Sompo Japan Insurance Inc.	26,870,000	2.42
Resona Bank, Limited.	22,988,068	2.07
<b>Total</b>	<b>382,587,609</b>	<b>34.45%</b>

### Share Distribution

(As of March 31, 2004)

	Number of shares held	Percentage of total shares
Japanese financial institutions*	591,605,305	53.27%
Japanese securities companies	20,472,595	1.84
Other Japanese corporations	38,347,887	3.45
Japanese individual shareholders	226,507,475	20.39
Foreign shareholders	213,738,745	19.25
Treasury stock	20,027,880	1.80
<b>Total</b>	<b>1,110,699,887</b>	<b>100.00%</b>

\* A total of 85,667,000 shares (7.71%) in pension trust funds and investment trusts are included in the number of shares held by Japanese financial institutions.

### Number of Shareholders

(As of March 31, 2004)

106,955

### Investor Relations Office

**Sharp Corporation** Investor Relations Office

(Osaka) 22-22, Nagaike-cho, Abeno-ku, Osaka 545-8522, Japan

Phone: +81-6-6625-3023 Fax: +81-6-6627-1759

(Tokyo) 8, Ichigaya-Hachiman-cho, Shinjuku-ku, Tokyo 162-8408, Japan

Phone: +81-3-3260-1289 Fax: +81-3-3260-1822

**Investor Relations home page:** <http://sharp-world.com/corporate/ir/index.html>

# SHARP

## **SHARP CORPORATION, JAPAN**

22-22, Nagaike-cho, Abeno-ku, Osaka 545-8522, Japan

Phone: +81-6-6621-1221

<http://www.sharp.co.jp/>