

**SHARP**

FINANCIAL RELEASE

FINANCIAL RESULTS  
FOR THE YEAR ENDED  
MARCH 31, 2006

SHARP CORPORATION

# CONSOLIDATED FINANCIAL RESULTS

(The information for the year ended March 31, 2006 is unaudited)

**SHARP CORPORATION**  
Head Office : 22-22 Nagaike-cho, Abeno-ku  
Osaka, Japan

## 1. Results for the Year Ended March 31, 2006

### (1) Results of Operation

Millions of Yen

	Net Sales	Percent Change	Operating Income	Percent Change
Year Ended March 31, 2006	2,797,109	+10.1%	163,710	+8.4%
Year Ended March 31, 2005	2,539,859	+12.5%	151,020	+24.1%

	Net Income (Millions of Yen)	Percent Change	Net Income per Share (Yen)	Fully Diluted Net Income per Share (Yen)	Net Income to Shareholders' Equity
Year Ended March 31, 2006	88,671	+15.4%	80.85	—	8.4%
Year Ended March 31, 2005	76,845	+26.6%	70.04	69.60	7.9%

Note:(1) Equity in net income of non-consolidated subsidiaries and affiliates : March 31, 2006 ; 1,023 million yen  
March 31, 2005 ; 589 million yen

(2) Average number of shares outstanding for the year ended March 31, 2006 ; 1,090,990,540 shares  
for the year ended March 31, 2005 ; 1,090,942,665 shares

(3) Accounting changes : None

(4) The percentage figures for net sales, operating income and net income represent the percentage of increase or decrease against the previous year.

### (2) Financial Position

Millions of Yen

	Total Assets	Shareholders' Equity	Shareholders' Equity Ratio	Shareholders' Equity per Share (Yen)
As of March 31, 2006	2,560,299	1,098,910	42.9%	1,006.91
As of March 31, 2005	2,385,026	1,004,326	42.1%	920.09

Note: Number of shares outstanding as of March 31, 2006 ; 1,090,901,026 shares  
as of March 31, 2005 ; 1,091,075,615 shares

### (3) Summary of Consolidated Cash Flows

Millions of Yen

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at End of Year
Year Ended March 31, 2006	263,753	(229,386)	(33,760)	299,466
Year Ended March 31, 2005	219,198	(259,008)	57,541	295,312

### (4) Consolidated Subsidiaries and Companies Accounted for on the Equity Method

Number of consolidated subsidiaries : 47 companies (Name of major subsidiaries: Sharp Electronics Marketing Corp., Sharp Electronics Corporation<USA>, etc.)

Number of nonconsolidated subsidiaries accounted for on the equity method: 1 company (Name of subsidiary: Sharp India Ltd.<India>)

Number of affiliates accounted for on the equity method: 10 companies (Name of major affiliates: Sharp- Roxy (Hong Kong) Ltd., etc.)

### (5) Changes in Scope of Consolidation and Application of the Equity Method

Consolidation: No change

Application of the equity method: No change

## 2. Forecast for the Year Ending March 31, 2007

Millions of Yen

	Net Sales	Operating Income	Net Income
Year Ending March 31, 2007	3,000,000	180,000	100,000

Note: Forecast for net income per share ; 91.67 yen

## **Management Policy**

### **1. Basic Management Policy**

The Sharp Group's business creed is based on the principles of "Sincerity and Creativity". Our aim is to inspire all our daily work with these principles so that we can earn the appreciation of people everywhere, and make a valuable contribution to society. Our corporate philosophy expresses our desire to grow in mutual prosperity with all stakeholders in the business, including shareholders, business partners, and employees.

### **2. Mid- and Long-Term Business Strategy and Issues the Company Needs to Face**

#### **(1) Securing Competitive Advantage in the Global Market**

Sharp is aiming to become a "valued one-of-a-kind company" with a dominant presence in the world. By further strengthening the development of original cutting-edge devices and accelerating creation of unique products which meet the needs of a new era, we will secure competitive advantage in the global market. Especially for LCDs, our core competence, we will globally introduce LCD applications, including high-quality large-size LCD TVs, by intensifying R&D, expanding production capacity and improving cost competitiveness. Through these efforts, we are committed to achieving stable growth into the future and further enhance our corporate value globally.

#### **(2) Efforts to Protect the Environment**

Sharp sees the issue of environmental protection as a medium-term business challenge. With our energy-creating and energy-saving technologies, we aim to achieve our corporate vision of being a company that has "zero global warming impact" by fiscal 2010. We will contribute to the realization of a sustainable society by pursuing coexistence of business expansion and environmental protection. Specifically, we will work to reduce the environmental burden at all production stages, along with enhancing the business of photovoltaic power generation systems and introducing environmentally friendly products.

#### **(3) Strengthening Our Business Foundation to Support Production**

Sharp will strengthen the fundamentals of its manufacturing activities, which we see as a driving force for future growth. These include establishing an efficient value-chain which enables production within a short timeframe at low cost and promoting global procurement activities. We will also enhance intellectual property strategies, with all business groups working closely together.

#### **(4) Evolving into an Organization that Enhances Corporate Competitiveness**

In an effort to achieve further corporate competitiveness, Sharp will take measures to improve organizational and individual capabilities. Specifically, we will establish an organization capable of rapid decision-making with strategic perspective. We will also nurture our core personnel from a global standpoint and create an environment for productive work that brings vitality to the workplace.

By deploying those business strategies, we are aiming to improve ROE (return on equity) and free cash flow as the main management indicators, as well as working to further increase corporate value. We are also continuing to focus on enhancing our return on investment in all our business divisions, 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).

### **3. Basic Policy on Distribution of Earnings**

Sharp considers distributing profits to shareholders to be one of the most important management issues. While maintaining consistently stable dividend pay-outs, and while carefully considering our consolidated business performance and financial situation in a comprehensive manner, we will implement a set of policies to return profits to our investors, such as increasing the amount of periodic dividends. For fiscal 2005, we intend to distribute a year-end dividend of 12 yen per share. Since we have already distributed an interim dividend of 10 yen per share, the total annual dividend will be 22 yen per share, an increase of 2 yen over the previous year. With this dividend increase, our dividends will have been raised for 6 consecutive years from fiscal 2000 through 2005. In an effort to improve shareholder value, we consider buying back outstanding

shares when the situation allows and holding the shares as treasury stock. Internal reserve funds are being provided for investment in plant and equipment in areas of future growth, for development of uniquely featured products and proprietary electronic devices. They are also being provided for overseas business expansion and environmental protection measures.

#### **4. Concept and Policy Regarding Reducing the Share Trading Unit Size**

Sharp recognizes that increasing the number of individual shareholders is a critical issue from the standpoint of its capital management. For this reason, in addition to increasing the level of profits returned to shareholders, we have taken measures to create reports that are easy for individual shareholders to understand, and to expand information resources that are accessible by the Internet. We consider reducing the share trading unit size to be a measure that would be useful in reinvigorating the stock market as a whole. We will deal with this issue through careful consideration regarding such factors as the price of Sharp Corporation stock and shareholder composition.

#### **5. Items Related to the Parent Company**

Sharp has no parent company.

## **Operating Results and Financial Position**

### **1. Fiscal 2005 in Review**

During fiscal 2005, the Japanese economy continued to recover steadily, though some uncertainties were seen before the summer due to inventory adjustment centering on IT related areas. The recovery was supported mainly by an increase in private consumption and corporate investment owing to improved earnings results. Overseas, the US economy continued a steady expansion due to strong domestic demand, despite such negative economic factors as an increase of crude oil prices. Economies in Europe and Asia were growing strongly.

The Sharp Group took assertive initiatives through the introduction of one-of-a-kind products and through the development of proprietary devices which support the creation of these one-of-a-kind products. We consistently focused on making highly distinctive products and devices and thus realized higher profitability. The following are examples of our efforts made during this fiscal year:

In the Consumer/Information Products business, we worked to further expand sales of LCD color TVs. In anticipation of the full-scale arrival of the digital high-definition TV era, we expanded our lineup of full-spec high-definition LCD TVs and worked toward expanding sales worldwide. Other efforts included an enhancement of unique products, such as mobile phones equipped with our original cutting-edge devices. In the Electronic Components business, we strived to further expand LCD business. We expanded production capacity at the Kameyama No.1 Plant to meet the growing demand for large-size TV panels. Furthermore, in order to ensure a more stable supply, we started construction of the Kameyama No.2 Plant. As for photovoltaic power systems, we continued to take aggressive measures to expand the business, including the commencement of mass production of thin-film photovoltaic modules.

As a result, the current fiscal year recorded domestic net sales of 1,397.0 billion yen, up 5.1% over the previous year, and overseas net sales of 1,400.0 billion yen, up 15.7%, for a total of 2,797.1 billion yen, up 10.1%. Operating income was 163.7 billion yen, up 8.4% from the previous year. Net income was 88.6 billion yen, up 15.4%.

Regarding cash flow, net cash provided by operating activities was 263.7 billion yen, while net cash used in investing activities was 229.3 billion yen. Net cash used in financing activities was 33.7 billion yen. As a result, cash and cash equivalents at the end of the period were 299.4 billion yen, increase of 4.1 billion yen from the previous year end.

We plan to declare an annual dividend for fiscal 2005 of 22 yen per share, an increase of 2 yen per share over the previous year. Since an interim dividend of 10 yen per share has already been paid, we plan to propose a year-end dividend of 12 yen at the 112th Ordinary General Meeting of Shareholders.

Operating results by product group are as follows:

#### **Consumer/Information Products**

Sales of Audio-Visual and Communication Equipment were 1,090.9 billion yen, up 12.2% over the previous year. Sales of LCD color TVs, mainly large-size models, and mobile phones increased, contributing to the overall sales increase.

Sales of Home Appliances were 224.6 billion yen, up 5.9%. Our uniquely featured products contributed to the growth.

Sales of Information Equipment were 421.2 billion yen, up 1.2%. Sales of copier/printers increased, which covered sales declines of PCs.

#### **Electronic Components**

Sales of LSIs were 135.7 billion yen, up 2.6% over the previous year. Sales of CCD/CMOS imagers increased, which offset the decrease in sales of flash memory.

Sales of LCDs were 633.4 billion yen, up 16.5%. The solid growth in sales of LCD panels for large-size color TVs and mobile equipment contributed to an overall sales increase.

Sales of Other Electronic Components were 291.0 billion yen, up 10.8%. Sales of photovoltaic power systems increased, leading to the overall sales gains.

## **2. Forecast for Fiscal 2006**

As for the outlook for fiscal 2006, the Japanese economy is expected to maintain a solid recovery supported mainly by private demand. The world economy will continue to grow strongly centering on the US, though some uncertainties remain, such as soaring prices of crude oil and raw materials.

In an effort to achieve further growth, the Sharp Group is strengthening its one-of-a-kind strategy, while working to improve profitability and get the maximum value out of the company.

In the Consumer/Information products business, we will work to further improve the competitiveness of LCD color TVs. This is to be accomplished through globally expanding our lineup of full-spec high-definition models. We will also introduce new technologies which enhance image quality and performance, along with establishing a state-of-the-art global production system. One-of-a-kind products in other business areas will also be upgraded. These include our original cutting-edge mobile phones corresponding to new services in Japan.

In the Electronic Components business, we will engage in enhancing our line of original devices through the following measures. To further expand our LCD business, we will realize a stable supply of panels for LCD TVs with the revolutionary productivity of the Kameyama No.2 plant. Other measures include boosting sales of panels for mobile equipment, including system LCDs. In Photovoltaic Power Systems, we will work to meet burgeoning global demand by introducing a wide product lineup variety, along with improving competitiveness through technological innovation, such as improving conversion efficiency.

In addition to these efforts, we will continuously promote value engineering and seek innovation in production technologies in order to achieve further growth. Lastly, we will continue to take initiatives proactively to enhance our CSR efforts, which include conducting business in an environmentally responsible manner, complying with laws and statutes and ensuring product safety and quality.

The following are the current forecasts for fiscal 2006:

Net sales	3,000.0 billion yen	+ 7.3 % over the previous fiscal year
Operating income	180.0 billion yen	+ 10.0 % over the previous fiscal year
Net income	100.0 billion yen	+ 12.8 % over the previous fiscal year

The above figures are based on an exchange rate of ¥115 =US\$1.00 for fiscal 2006.

The company also plans to declare an annual dividend for fiscal 2006 of 24 yen per share (interim and year-end dividend of 12 yen each), an increase of 2 yen per share.

Note:

\*The above estimates of operating results are based on certain assumptions that Sharp Corporation deemed reasonable at the time they were prepared, and actual operating results may differ significantly from these estimates. The factors that may influence the figures for final reported business results include, but are not limited to:

- The economic situation in which the Sharp Group operates
- Sudden, rapid fluctuations in demand for products and services, as well as intense price competition
- Changes in foreign exchange markets (particularly in the yen/U.S. dollar and euro markets)
- Sharp's ability to respond to rapid technological changes and changing consumer preferences with timely and cost-effective introductions of new products and services
- Regulations such as trade restrictions in other countries

\*\*The accompanying consolidated financial statements are a translation of the consolidated financial statements of Sharp, which were prepared in accordance with accounting principles and practices generally accepted in Japan. In preparing the accompanying consolidated financial statements, certain reclassifications have been made in the consolidated financial statements issued domestically, in order to present them in a form which is more familiar to readers outside Japan.

SHARP CORPORATION  
CONSOLIDATED SALES BY PRODUCT GROUP

Millions of Yen

	Year Ended March 31, 2006		Year Ended March 31, 2005		Increase Decrease	Percent Change
	Amount	Ratio	Amount	Ratio		
		%		%		%
Audio - Visual and Communication Equipment	1,090,905	39.0	972,563	38.3	+ 118,342	+12.2
Home Appliances	224,650	8.0	212,064	8.3	+ 12,586	+5.9
Information Equipment	421,208	15.1	416,310	16.4	+ 4,898	+1.2
Consumer/Information Products	1,736,763	62.1	1,600,937	63.0	+ 135,826	+8.5
LSI s	135,754	4.9	132,375	5.2	+ 3,379	+2.6
LCDs	633,493	22.6	543,804	21.4	+ 89,689	+16.5
Other Electronic Components	291,099	10.4	262,743	10.4	+ 28,356	+10.8
Electronic Components	1,060,346	37.9	938,922	37.0	+ 121,424	+12.9
Total	2,797,109	100.0	2,539,859	100.0	+ 257,250	+10.1
Domestic	1,397,081	49.9	1,329,711	52.4	+ 67,370	+5.1
Overseas	1,400,028	50.1	1,210,148	47.6	+ 189,880	+15.7

Note: Starting from this period, the IC group was renamed the LSI group and some items previously included in ICs were allocated to Other Electronic Components. Accordingly, results of the year ended March 31, 2005 have been reclassified.

SHARP CORPORATION  
CONSOLIDATED STATEMENTS OF INCOME

Millions of Yen

	Year Ended March 31, 2006		Year Ended March 31, 2005		Increase Decrease	Percent Change
	Amount	Ratio	Amount	Ratio		
		%		%		%
Net Sales	2,797,109	100.0	2,539,859	100.0	+ 257,250	+ 10.1
Cost of Sales	2,165,126	77.4	1,959,658	77.2	+ 205,468	+ 10.5
Selling, General and Administrative Expenses	468,273	16.7	429,181	16.9	+ 39,092	+ 9.1
Operating income	163,710	5.9	151,020	5.9	+ 12,690	+ 8.4
Other Income (Expenses)						
Interest and dividend income	5,769	0.2	5,446	0.2	+ 323	+ 5.9
Interest expense	( 6,410 )	0.2	( 5,724 )	0.2	- 686	+ 12.0
Other, net	( 23,051 )	0.9	( 22,558 )	0.9	- 493	+ 2.2
	( 23,692 )	0.9	( 22,836 )	0.9	- 856	+ 3.7
Income before income taxes and minority interests	140,018	5.0	128,184	5.0	+ 11,834	+ 9.2
Income Taxes	50,681	1.8	50,431	2.0	+ 250	+ 0.5
Minority Interests in Income of Consolidated Subsidiaries	( 666 )	0.0	( 908 )	0.0	+ 242	- 26.7
Net Income	88,671	3.2	76,845	3.0	+ 11,826	+ 15.4

[ Reference ]

( Year Ended March 31, 2006 ) ( Year Ended March 31, 2005 )

Depreciation and Amortization	193,114	175,969
R&D expenditures	185,240	175,558

SHARP CORPORATION  
CONSOLIDATED BALANCE SHEETS

Millions of Yen

	March 31, 2006	March 31, 2005	Increase Decrease
<b>ASSETS</b>			
Current Assets:			
Cash, Time deposits, and Short-term investments	376,298	392,121	- 15,823
Notes and accounts receivable, less-Allowance for doubtful receivables	578,699	502,942	+ 75,757
Inventories	336,344	325,723	+ 10,621
Other current assets	103,532	99,827	+ 3,705
Total current assets	1,394,873	1,320,613	+ 74,260
Plant and Equipment, less Accumulated depreciation	896,913	833,882	+ 63,031
Investments and Other Assets	268,513	230,531	+ 37,982
Total assets	2,560,299	2,385,026	+ 175,273
<b>LIABILITIES, MINORITY INTERESTS AND SHAREHOLDERS' EQUITY</b>			
Current Liabilities:			
Short-term borrowings, including current portion of long-term debt	280,995	364,551	- 83,556
Notes and accounts payable	691,756	613,838	+ 77,918
Other current liabilities	222,303	201,132	+ 21,171
Total current liabilities	1,195,054	1,179,521	+ 15,533
Long-term Liabilities	257,601	192,291	+ 65,310
Total liabilities	1,452,655	1,371,812	+ 80,843
Minority Interests	8,734	8,888	- 154
Shareholders' Equity:			
Common stock	204,676	204,676	0
Capital surplus	262,288	262,283	+ 5
Retained earnings	668,687	605,440	+ 63,247
Net unrealized holding gains on securities	27,992	13,333	+ 14,659
Foreign currency translation adjustments	( 38,352 )	( 55,346 )	+ 16,994
Less-Cost of treasury stock	( 26,381 )	( 26,060 )	- 321
Total shareholders' equity	1,098,910	1,004,326	+ 94,584
Total liabilities, minority interests and shareholders' equity	2,560,299	2,385,026	+ 175,273

[ Reference ]

	( March 31, 2006 )	( March 31, 2005 )
Capital Investment	218,966	213,048
Interest-Bearing Debt	522,469	525,335

SHARP CORPORATION  
CONSOLIDATED STATEMENTS OF CASH FLOWS

Millions of Yen

	Year Ended March 31, 2006	Year Ended March 31, 2005	Increase Decrease
<b><u>Cash Flows from Operating Activities:</u></b>			
Income before income taxes and minority interests	140,018	128,184	+ 11,834
Adjustments to reconcile income before income taxes and minority interests to net cash provided by operating activities –			
Depreciation and amortization of properties and intangibles	186,434	169,359	+ 17,075
Interest and dividend income	( 5,769 )	( 5,446 )	- 323
Interest expense	6,410	5,724	+ 686
Foreign exchange loss	2,070	1,101	+ 969
Loss on sales and disposal of plant and equipment	10,126	12,805	- 2,679
Increase in notes and accounts receivable	( 43,716 )	( 48,579 )	+ 4,863
Decrease (increase) in inventories	2,693	( 47,762 )	+ 50,455
Increase in payable	53,945	79,538	- 25,593
Other, net	( 35,119 )	( 19,811 )	- 15,308
Total	317,092	275,113	+ 41,979
Interest and dividends received	7,961	6,194	+ 1,767
Interest paid	( 6,561 )	( 5,808 )	- 753
Income taxes paid	( 54,739 )	( 56,301 )	+ 1,562
<b>Net cash provided by operating activities</b>	<b>263,753</b>	<b>219,198</b>	<b>+ 44,555</b>
<b><u>Cash Flows from Investing Activities:</u></b>			
Purchase of time deposits	( 60,020 )	( 50,022 )	- 9,998
Proceeds from redemption of time deposits	65,104	30,092	+ 35,012
Purchase of short-term investments	0	( 1,066 )	+ 1,066
Proceeds from sales of short-term investments	21,739	2,024	+ 19,715
Acquisitions of plant and equipment	( 232,770 )	( 270,414 )	+ 37,644
Proceeds from sales of plant and equipment	609	1,488	- 879
Purchase of investments in securities and investments in nonconsolidated subsidiaries and affiliates	( 12,391 )	( 8,668 )	- 3,723
Proceeds from sales of investments in securities and investments in nonconsolidated subsidiaries and affiliates	5,748	6,378	- 630
Loans made	( 4,785 )	( 10,351 )	+ 5,566
Proceeds from collection of loans	4,561	10,184	- 5,623
Other, net	( 17,181 )	31,347	- 48,528
<b>Net cash used in investing activities</b>	<b>( 229,386 )</b>	<b>( 259,008 )</b>	<b>+ 29,622</b>
<b><u>Cash Flows from Financing Activities:</u></b>			
(Decrease) increase in short-term borrowings, net	( 20,032 )	99,713	- 119,745
Proceeds from long-term debt	105,588	25,514	+ 80,074
Repayments of long-term debt	( 96,806 )	( 45,479 )	- 51,327
Purchase of treasury stock	( 336 )	( 364 )	+ 28
Dividends paid	( 21,812 )	( 21,792 )	- 20
Other, net	( 362 )	( 51 )	- 311
<b>Net cash (used in) provided by financing activities</b>	<b>( 33,760 )</b>	<b>57,541</b>	<b>- 91,301</b>
<b>Effect of Exchange Rate Changes on Cash and Cash Equivalents</b>	<b>3,393</b>	<b>( 1,015 )</b>	<b>+ 4,408</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>4,000</b>	<b>16,716</b>	<b>- 12,716</b>
<b>Cash and Cash Equivalents at Beginning of Year</b>	<b>295,312</b>	<b>277,623</b>	<b>+ 17,689</b>
<b>Cash and Cash Equivalents of Newly Consolidated Subsidiaries</b>	<b>0</b>	<b>970</b>	<b>- 970</b>
<b>Cash and Cash Equivalents Increased by Merger</b>	<b>154</b>	<b>3</b>	<b>+ 151</b>
<b>Cash and Cash Equivalents at End of Year</b>	<b>299,466</b>	<b>295,312</b>	<b>+ 4,154</b>

## Important Matters on Presenting Consolidated Financial Statements

### Matters Related to Accounting Procedure Standards

#### 1) Valuation Standards and Methods for Securities

##### Other Securities

- Securities with available fair market values:  
Primarily, stated at fair market value based on average of market price during the last month of the fiscal year (valuation differences are disposed using the direct equity adjustment method and the cost of securities sold is calculated using the average cost method).
- Securities with no available fair market value:  
Primarily, stated at average cost.

#### 2) Valuation Standards and Methods for Inventories

- Finished products:  
For Sharp Corporation and domestic consolidated subsidiaries, primarily, stated at the lower of moving average cost or market.  
For overseas consolidated subsidiaries, primarily, stated at the lower of first-in, first-out cost or market.
- Work in process and raw materials:  
Primarily, stated at the current production and purchase costs.

#### 3) Depreciation Methods Used for Tangible Fixed Assets

For Sharp Corporation and domestic consolidated subsidiaries, depreciation is based primarily on the declining-balance method (Except for machinery and equipment in the Mie and Kameyama Plants, which are depreciated on the straight line method).

Note that overseas consolidated subsidiaries primarily use the straight line method.

#### 4) Method for Appropriation for Accrued Bonuses

The reserve for payment of employee bonuses is set aside based on estimated amounts to be paid in the subsequent period.

#### 5) Method for Appropriation for Severance and Pension Benefits

To provide for employees' severance and pension benefits, reserves are set aside based on the estimated amounts of projected benefit obligation and the fair value of plan assets at the end of the current consolidated fiscal year.

Further, net transition obligation is being amortized in equal amounts over 7 years.

Prior service costs are amortized over the average of the estimated remaining service lives (16 years).

Actuarial losses are recognized primarily in expenses over the average of estimated remaining services lives (16 years) commencing with the following period.

#### 6) Accounting for Consumption Taxes, etc.

The tax exclusion method is applied.

#### 7) Adaptation of Consolidated Tax Return System

The consolidated tax return system has been adapted.

SHARP CORPORATION  
SEGMENT INFORMATION

Millions of Yen

	Year Ended March 31, 2006	Year Ended March 31, 2005
<u>Information by business segment</u>		
Net Sales		
Consumer/Information Products		
Customers	1,736,763	1,600,937
Intersegment	6,086	11,093
Total	1,742,849	1,612,030
Electronic Components		
Customers	1,060,346	938,922
Intersegment	297,724	258,393
Total	1,358,070	1,197,315
Elimination	( 303,810 )	( 269,486 )
Consolidated	2,797,109	2,539,859
Operating Income		
Consumer/Information Products		
	62,299	57,035
Electronic Components		
	101,914	93,520
Elimination	( 503 )	465
Consolidated	163,710	151,020
<u>Information by geographic segment*</u>		
Net Sales		
Japan		
Customers	1,742,349	1,626,944
Intersegment	708,691	629,484
Total	2,451,040	2,256,428
The Americas		
Customers	409,105	338,342
Intersegment	7,715	7,858
Total	416,820	346,200
Asia		
Customers	116,690	110,658
Intersegment	178,556	158,828
Total	295,246	269,486
Europe		
Customers	425,371	353,198
Intersegment	3,662	2,975
Total	429,033	356,173
Other		
Customers	103,594	110,717
Intersegment	290,868	167,929
Total	394,462	278,646
Elimination	( 1,189,492 )	( 967,074 )
Consolidated	2,797,109	2,539,859
Operating Income		
Japan		
	146,370	138,769
The Americas		
	3,358	2,544
Asia		
	2,883	2,653
Europe		
	5,856	1,947
Other		
	7,201	6,133
Elimination	( 1,958 )	( 1,026 )
Consolidated	163,710	151,020

\* Major countries or regions in each geographic segment are as follows.

- (1) The Americas: U.S.A., Canada
- (2) Asia: Malaysia, Taiwan, Thailand, Singapore, Indonesia
- (3) Europe: Germany, U.K., Spain, France, Italy
- (4) Other: China, Oceania, Middle East

## SEGMENT INFORMATION

Millions of Yen

	Year Ended March 31, 2006	Year Ended March 31, 2005
<u>Overseas sales*</u>		
The Americas	450,307	372,184
Asia	214,131	207,186
Europe	488,945	407,455
Other	246,645	223,323
Total	1,400,028	1,210,148

\* 1. Overseas sales indicate the sales of Sharp Corporation and its consolidated subsidiaries made to customers located in countries or regions outside Japan.

2. Major countries or regions in each geographic segment are as follows.

- (1) The Americas: U.S.A., Canada, Central and South America
- (2) Asia: Taiwan, South Korea, Singapore, Indonesia, Malaysia
- (3) Europe: Germany, U.K., Spain, France, Italy
- (4) Other: China, Middle East, Oceania, Africa

**SHARP**

**SUPPLEMENTARY DATA**

FOR THE YEAR ENDED MARCH 31, 2006

【CONSOLIDATED】

SHARP CORPORATION

**SUPPLEMENTARY DATA**  
FOR THE YEAR ENDED MARCH 31, 2006  
【CONSOLIDATED】

1. Financial Highlights

(Millions of Yen)

	Year ended March 31, 2006			Forecast for the year ending March 31, 2007		
	Amount	Ratio	Change	Amount	Ratio	Change
Net Sales	2,797,109	100.0	+10.1	3,000,000	100.0	+7.3
(Domestic)	1,397,081	49.9	+5.1	1,470,000	49.0	+5.2
(Overseas)	1,400,028	50.1	+15.7	1,530,000	51.0	+9.3
Operating Income	163,710	5.9	+8.4	180,000	6.0	+10.0
Net Income	88,671	3.2	+15.4	100,000	3.3	+12.8
Net Income per Share (Yen)	80.85			91.67		

2. Sales by Product Group

(Millions of Yen)

		Year ended March 31, 2006			Forecast for the year ending March 31, 2007		
		Amount	Ratio	Change	Amount	Ratio	Change
Audio-Visual and Communication Equipment	Domestic	709,660	25.3	+18.3	780,000	26.0	+9.9
	Overseas	381,245	13.7	+2.3	470,000	15.7	+23.3
	Total	1,090,905	39.0	+12.2	1,250,000	41.7	+14.6
Home Appliances	Domestic	125,589	4.5	+5.0	127,000	4.2	+1.1
	Overseas	99,061	3.5	+7.2	98,000	3.3	-1.1
	Total	224,650	8.0	+5.9	225,000	7.5	+0.2
Information Equipment	Domestic	200,871	7.2	-2.6	218,000	7.3	+8.5
	Overseas	220,337	7.9	+4.9	212,000	7.0	-3.8
	Total	421,208	15.1	+1.2	430,000	14.3	+2.1
Consumer/Information Products	Domestic	1,036,120	37.0	+11.9	1,125,000	37.5	+8.6
	Overseas	700,643	25.1	+3.8	780,000	26.0	+11.3
	Total	1,736,763	62.1	+8.5	1,905,000	63.5	+9.7
LSIs	Domestic	39,451	1.4	-26.9	42,000	1.4	+6.5
	Overseas	96,303	3.5	+22.8	97,000	3.2	+0.7
	Total	135,754	4.9	+2.6	139,000	4.6	+2.4
LCDs	Domestic	208,115	7.4	-8.0	191,000	6.4	-8.2
	Overseas	425,378	15.2	+34.0	443,000	14.8	+4.1
	Total	633,493	22.6	+16.5	634,000	21.2	+0.1
Other Electronic Components	Domestic	113,395	4.1	-8.3	112,000	3.7	-1.2
	Overseas	177,704	6.3	+27.8	210,000	7.0	+18.2
	Total	291,099	10.4	+10.8	322,000	10.7	+10.6
Electronic Components	Domestic	360,961	12.9	-10.6	345,000	11.5	-4.4
	Overseas	699,385	25.0	+30.7	750,000	25.0	+7.2
	Total	1,060,346	37.9	+12.9	1,095,000	36.5	+3.3
Total	Domestic	1,397,081	49.9	+5.1	1,470,000	49.0	+5.2
	Overseas	1,400,028	50.1	+15.7	1,530,000	51.0	+9.3
	Total	2,797,109	100.0	+10.1	3,000,000	100.0	+7.3

## 3.Overseas Sales by Region

(Millions of Yen)

	Year ended March 31, 2006			Forecast for the year ending March 31, 2007		
	Amount	Ratio	Change	Amount	Ratio	Change
The Americas	450,307	32.2%	+21.0%	500,000	32.7%	+11.0%
Europe	488,945	34.9%	+20.0%	540,000	35.3%	+10.4%
Asia	214,131	15.3%	+3.4%	230,000	15.0%	+7.4%
Other	246,645	17.6%	+10.4%	260,000	17.0%	+5.4%
Total	1,400,028	100.0%	+15.7%	1,530,000	100.0%	+9.3%

## 4.Segment Information

[Sales by Product Group include internal sales between segments (Consumer/Information Products and Electronic Components).]

(Net Sales)

(Millions of Yen)

	Year ended March 31, 2006			Forecast for the year ending March 31, 2007		
	Amount	Ratio	Change	Amount	Ratio	Change
Audio-Visual and Communication Equipment	1,091,291	39.0%	+12.1%	1,250,500	41.7%	+14.6%
Home Appliances	224,711	8.0%	+5.9%	225,000	7.5%	+0.1%
Information Equipment	426,847	15.3%	+0.1%	436,000	14.5%	+2.1%
Consumer / Information Products	1,742,849	62.3%	+8.1%	1,911,500	63.7%	+9.7%
LSIs *	190,404	6.8%	-3.6%	194,000	6.4%	+1.9%
LCDs	857,508	30.7%	+19.1%	980,000	32.7%	+14.3%
Other Electronic Components	310,158	11.1%	+10.9%	342,000	11.4%	+10.3%
Electronic Components	1,358,070	48.6%	+13.4%	1,516,000	50.5%	+11.6%
Sub Total	3,100,919	110.9%	+10.4%	3,427,500	114.2%	+10.5%
Elimination	-303,810	-10.9%	-	-427,500	-14.2%	-
Total	2,797,109	100.0%	+10.1%	3,000,000	100.0%	+7.3%

\* The LSI group's sales do not include internal sales to the LCDs / Other Electronic Components group (LSIs for LCD, etc : 40,780 million yen for FY2005, 50,000 million yen for forecast FY2006).

(Operating Income)

(Millions of Yen)

	Year ended March 31, 2006			Forecast for the year ending March 31, 2007		
	Amount	Ratio	Change	Amount	Ratio	Change
Audio-Visual and Communication Equipment	35,785	21.9%	+10.6%	40,500	22.5%	+13.2%
Home Appliances	2,155	1.3%	+3.0%	3,000	1.7%	+39.2%
Information Equipment	24,359	14.9%	+7.8%	25,500	14.1%	+4.7%
Consumer / Information Products	62,299	38.1%	+9.2%	69,000	38.3%	+10.8%
LSIs	7,883	4.8%	-36.1%	8,000	4.4%	+1.5%
LCDs	68,166	41.6%	+22.6%	75,000	41.7%	+10.0%
Other Electronic Components	25,865	15.9%	+1.2%	28,500	15.8%	+10.2%
Electronic Components	101,914	62.3%	+9.0%	111,500	61.9%	+9.4%
Sub Total	164,213	100.4%	+9.1%	180,500	100.2%	+9.9%
Elimination	-503	-0.4%	-	-500	-0.2%	-
Total	163,710	100.0%	+8.4%	180,000	100.0%	+10.0%

## 5.Overseas Production

(Millions of Yen)

	Year ended March 31, 2006		
	Amount	Ratio to Net Sales	Change
Overseas Production	1,256,303	44.9%	+24.9%

## 6.Capital Investment

(Millions of Yen)

	Year ended March 31, 2006		Forecast for the year ending March 31, 2007	
	Amount	Change %	Amount	Change %
Capital Investment	218,966	+2.8	275,000	+25.6

## 7.Depreciation and Amortization

(Millions of Yen)

	Year ended March 31, 2006			Forecast for the year ending March 31, 2007		
	Amount	Ratio to Net Sales %	Change %	Amount	Ratio to Net Sales %	Change %
Depreciation and Amortization	193,114	6.9	+9.7	225,000	7.5	+16.5

## 8.R&amp;D Expenditures

(Millions of Yen)

	Year ended March 31, 2006			Forecast for the year ending March 31, 2007		
	Amount	Ratio to Net Sales %	Change %	Amount	Ratio to Net Sales %	Change %
R&D Expenditures	185,240	6.6	+5.5	192,000	6.4	+3.6

## 9.Number of Employees

	Year ended March 31, 2005	Year ended March 31, 2006
Number of Employees*	46,751	46,872
(Domestic)	29,437	29,484
(Overseas)	17,314	17,388

\*Sharp Corporation and Consolidated Subsidiaries

## 10.Exchange Rate

(Yen)

	Year ended March 31, 2006	Forecast for the year ending March 31, 2007
US\$	112.32	115.00
EURO	136.36	135.00

## 11.Sales of Main Products

(Billions of Yen)

	Year ended March 31, 2006		Forecast for the year ending March 31, 2007	
	Amount	Change %	Amount	Change %
LCD Color TV(Over 10 inches)	410.7	+33.0	550.0	+33.9
Projectors	25.7	-5.7	23.0	-10.7
Color TV	64.9	-26.4	53.0	-18.4
DVD Players / Recorders	41.6	-2.7	50.0	+20.0
Mobile Phones / PHS	445.1	+10.7	470.0	+5.6
Facsimiles	35.6	-8.3	39.0	+9.3
Refrigerators	49.1	+6.6	51.0	+3.7
Air Conditioners	48.0	+0.5	50.0	+4.1
Microwave Ovens	56.7	+7.5	59.0	+3.9
Personal Computers	34.1	-13.3	35.0	+2.4
Copiers / Printers	126.7	+6.2	128.0	+1.0

## 12.Sales of Main Electronic Components

(Billions of Yen)

	Year ended March 31, 2006		Forecast for the year ending March 31, 2007	
	Amount	Change %	Amount	Change %
LCDs	857.5	+19.1	980.0	+14.3
Flash Memory	55.8	-12.3	40.0	-28.4
CCD/CMOS Imager	82.9	+15.0	100.0	+20.5
Solar Cells	158.0	+34.5	200.0	+26.6