

Third Quarter Fiscal Year 2005 Quarterly Financial Review (consolidated)
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SHARP CORPORATION
 22-22 Nagaike-cho, Abeno-ku
 Osaka, Japan

Financial Review for the Third Quarter Ended December 31, 2005

Millions of Yen

	Three Months Ended December 31, 2005	Three Months Ended December 31, 2004	Percent Change %
Net Sales	731,718	650,611	+12.5
Operating Income (Percentage vs. Sales)	43,765 (6.0%)	36,461 (5.6%)	+20.0
Income before Income Taxes and Minority Interests (Percentage vs. Sales)	41,190 (5.6%)	34,697 (5.3%)	+18.7
Net Income (Percentage vs. Sales)	26,262 (3.6%)	20,880 (3.2%)	+25.8
Net Income per Share (Yen)	24.07	19.14	-
Fully Diluted Net Income per Share (Yen)	-	-	-

Millions of Yen

	Nine Months Ended December 31, 2005	Nine Months Ended December 31, 2004	Percent Change %
Net Sales	2,067,265	1,907,709	+8.4
Operating Income (Percentage vs. Sales)	118,833 (5.7%)	114,037 (6.0%)	+4.2
Income before Income Taxes and Minority Interests (Percentage vs. Sales)	101,116 (4.9%)	101,386 (5.3%)	-0.3
Net Income (Percentage vs. Sales)	62,754 (3.0%)	60,197 (3.2%)	+4.2
Net Income per Share (Yen)	57.52	55.18	-
Fully Diluted Net Income per Share (Yen)	-	54.72	-

Note: 1. Number of consolidated subsidiaries : 47 companies

Number of nonconsolidated subsidiaries and affiliates accounted for on the equity method : 11 companies

2. Published figures have not been subjected to an accounting audit by an auditing firm.

3. Monetary amounts are rounded to the nearest million yen.

SHARP CORPORATION
CONSOLIDATED FINANCIAL RESULTS

Results for the Nine Months Ended December 31, 2005

(1) Results of Operation

Millions of Yen

	Net Sales	Percent Change	Operating Income	Percent Change
Nine Months Ended December 31, 2005	2,067,265	+8.4%	118,833	+4.2%
Nine Months Ended December 31, 2004	1,907,709	+13.9%	114,037	+24.9%
Year Ended March 31, 2005	2,539,859		151,020	

	Net Income	Percent Change	Net Income per Share (Yen)	Fully Diluted Net Income per Share (Yen)
Nine Months Ended December 31, 2005	62,754	+4.2%	57.52	-
Nine Months Ended December 31, 2004	60,197	+31.7%	55.18	54.72
Year Ended March 31, 2005	76,845		70.04	69.60

Note: The percentage figures for net sales, operating income and net income represent the percentage of increase or decrease against the same period of the previous year

(2) Financial Position

Millions of Yen

	Total Assets	Shareholders' Equity	Shareholders' Equity to Total Assets	Shareholders' Equity per Share (Yen)
As of December 31, 2005	2,542,936	1,058,694	41.6%	970.43
As of December 31, 2004	2,372,053	982,755	41.4%	900.68
As of March 31, 2005	2,385,026	1,004,326	42.1%	920.09

(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 Ending Balance
Nine Months Ended December 31, 2005	179,591	(197,960)	24,370	304,243
Nine Months Ended December 31, 2004	118,496	(189,889)	83,245	288,614
Year Ended March 31, 2005	219,198	(259,008)	57,541	295,312

(Forecast for the Year Ending March 31, 2006)

There are no revisions to the fiscal 2005 financial result forecast announced on October 26, 2005.

Operating Results and Financial Position

1. Review of the Nine Months Ended December 31, 2005

During the past nine-month period, the Japanese economy continued to recover at a moderate pace, supported mainly by private-sector demand. Corporate investment continued to grow due to improved earnings results and private consumption showed steady increases owing to improved employment and income situations.

Overseas, economies continued to expand steadily in the United States and Asia. Economies in Europe showed solid recovery.

In such circumstances, the Sharp group took assertive initiatives to further improve our competitiveness. In the product business, we worked to enhance our unique products, such as LCD color TVs and mobile phones. As for devices, we focused efforts on the expansion of such proprietary device businesses as LCDs.

As a result, the nine months recorded net sales of 2,067.2 billion yen, up 8.4% over the same period last year, operating income of 118.8 billion yen, up 4.2% and net income of 62.7 billion yen, up 4.2%.

Regarding cash flow, net cash provided by operating activities was 179.5 billion yen, while net cash used in investing activities was 197.9 billion yen. Net cash provided by financing activities was 24.3 billion yen. As a result, cash and cash equivalents at the end of the period were 304.2 billion yen, increases of 8.9 billion yen compared to March 31, 2005.

Operating results by product group are as follows:

Consumer/Information Products

Sales of Audio-Visual and Communication Equipment were 828.0 billion yen, up 12.3% over the same period last year. Sales of LCD color TV, mainly large-size models, and mobile phones increased, contributing to the overall sales increase.

Sales of Home Appliances were 168.8 billion yen, up 5.1%. Our uniquely featured products contributed to the growth.

Sales of Information Equipment were 309.7 billion yen, up 0.6%. Sales of copier/printers increased, which covered sales declines of PCs.

Electronic Components

Sales of LSIs were 98.3 billion yen, down 3.7% from the same period last year. Sales of flash memory decreased due to a fall in prices, resulting in lower overall sales.

Sales of LCDs were 450.6 billion yen, up 11.1% over the same period last year. The solid growth in sales of large-size LCD color TV panels contributed to an overall sales increase.

Sales of Other Electronic Components were 211.6 billion yen, up 8.9%. Sales of solar cells increased, which more than offset sales declines of laser diodes.

2. Forecast for Fiscal 2005

There are no revisions to the fiscal 2005 financial result forecast announced on October 26, 2005.

Net sales	2,750.0 billion yen	+ 8.3 % over the previous fiscal year
Operating income	160.0 billion yen	+ 5.9 % over the previous fiscal year
Net income	87.0 billion yen	+ 13.2 % over the previous fiscal year

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

SHARP CORPORATION
CONSOLIDATED SALES BY PRODUCT GROUP

For the Three Months Ended December 31, 2005

Millions of Yen

	Three Months Ended December 31, 2005		Three Months Ended December 31, 2004		Increase Decrease	Percent Change
	Amount	Ratio	Amount	Ratio		
Audio - Visual and Communication Equipment	314,010	42.9	275,851	42.4	+ 38,159	+13.8
Home Appliances	56,873	7.8	50,861	7.8	+ 6,012	+11.8
Information Equipment	102,472	14.0	101,783	15.7	+ 689	+0.7
Consumer/Information Products	473,355	64.7	428,495	65.9	+ 44,860	+10.5
LSI s	32,022	4.4	29,202	4.5	+ 2,820	+9.7
LCDs	155,015	21.2	131,428	20.2	+ 23,587	+17.9
Other Electronic Components	71,326	9.7	61,486	9.4	+ 9,840	+16.0
Electronic Components	258,363	35.3	222,116	34.1	+ 36,247	+16.3
Total	731,718	100.0	650,611	100.0	+ 81,107	+12.5
Domestic	353,541	48.3	340,514	52.3	+ 13,027	+3.8
Overseas	378,177	51.7	310,097	47.7	+ 68,080	+22.0

For the Nine Months Ended December 31, 2005

Millions of Yen

	Nine Months Ended December 31, 2005		Nine Months Ended December 31, 2004		Increase Decrease	Percent Change
	Amount	Ratio	Amount	Ratio		
Audio - Visual and Communication Equipment	828,027	40.0	737,045	38.6	+ 90,982	+12.3
Home Appliances	168,837	8.2	160,642	8.4	+ 8,195	+5.1
Information Equipment	309,749	15.0	308,009	16.2	+ 1,740	+0.6
Consumer/Information Products	1,306,613	63.2	1,205,696	63.2	+ 100,917	+8.4
LSI s	98,329	4.8	102,160	5.3	- 3,831	-3.7
LCDs	450,648	21.8	405,494	21.3	+ 45,154	+11.1
Other Electronic Components	211,675	10.2	194,359	10.2	+ 17,316	+8.9
Electronic Components	760,652	36.8	702,013	36.8	+ 58,639	+8.4
Total	2,067,265	100.0	1,907,709	100.0	+ 159,556	+8.4
Domestic	1,038,982	50.3	996,520	52.2	+ 42,462	+4.3
Overseas	1,028,283	49.7	911,189	47.8	+ 117,094	+12.9

Note: Starting from this period, the IC group was renamed the LSI group and some items previously included in the IC group were allocated to the Other Electronic Component group. Accordingly, results of the three months ended December 31, 2004 and results of the nine months ended December 31, 2004 have been reclassified.

SHARP CORPORATION
CONSOLIDATED STATEMENTS OF INCOME

For the Three Months Ended December 31, 2005

Millions of Yen

	Three Months Ended December 31, 2005		Three Months Ended December 31, 2004		Increase Decrease	Percent Change
	Amount	Ratio	Amount	Ratio		
		%		%		%
Net Sales	731,718	100.0	650,611	100.0	+ 81,107	+12.5
Cost of Sales	571,049	78.0	508,297	78.1	+ 62,752	+12.3
Selling, General and Administrative Expenses	116,904	16.0	105,853	16.3	+ 11,051	+10.4
Operating income	43,765	6.0	36,461	5.6	+ 7,304	+20.0
Other Income (Expenses), net	(2,575)	0.4	(1,764)	0.3	- 811	+46.0
Income before income taxes and minority interests	41,190	5.6	34,697	5.3	+ 6,493	+18.7
Income Taxes	14,727	2.0	13,554	2.1	+ 1,173	+8.7
Minority Interests in Income of Consolidated Subsidiaries	(201)	0.0	(263)	0.0	+ 62	-23.6
Net income	26,262	3.6	20,880	3.2	+ 5,382	+25.8

For the Nine Months Ended December 31, 2005

Millions of Yen

	Nine Months Ended December 31, 2005		Nine Months Ended December 31, 2004		Increase Decrease	Percent Change
	Amount	Ratio	Amount	Ratio		
		%		%		%
Net Sales	2,067,265	100.0	1,907,709	100.0	+ 159,556	+8.4
Cost of Sales	1,607,556	77.8	1,477,564	77.4	+ 129,992	+8.8
Selling, General and Administrative Expenses	340,876	16.5	316,108	16.6	+ 24,768	+7.8
Operating income	118,833	5.7	114,037	6.0	+ 4,796	+4.2
Other Income (Expenses), net	(17,717)	0.8	(12,651)	0.7	- 5,066	+40.0
Income before income taxes and minority interests	101,116	4.9	101,386	5.3	- 270	-0.3
Income Taxes	37,754	1.9	40,387	2.1	- 2,633	-6.5
Minority Interests in Income of Consolidated Subsidiaries	(608)	0.0	(802)	0.0	+ 194	-24.2
Net income	62,754	3.0	60,197	3.2	+ 2,557	+4.2

SHARP CORPORATION
CONSOLIDATED BALANCE SHEETS

Millions of Yen

	December 31, 2005	September 30, 2005	Increase Decrease	March 31, 2005
ASSETS				
Current Assets:				
Cash, Time deposits, and Short-term investments	393,856	394,658	- 802	392,121
Notes and accounts receivable, less-Allowance for doubtful receivables	590,392	549,873	+ 40,519	502,942
Inventories	339,981	341,791	- 1,810	325,723
Other current assets	102,233	97,667	+ 4,566	99,827
Total current assets	1,426,462	1,383,989	+ 42,473	1,320,613
Plant and Equipment, less Accumulated depreciation	865,958	872,650	- 6,692	833,882
Investments and Other Assets	250,516	235,483	+ 15,033	230,531
Total assets	2,542,936	2,492,122	+ 50,814	2,385,026
LIABILITIES, MINORITY INTERESTS AND SHAREHOLDERS' EQUITY				
Current Liabilities:				
Short-term borrowings, including current portion of long-term debt	333,039	323,931	+ 9,108	364,551
Notes and accounts payable	679,127	646,919	+ 32,208	613,838
Other current liabilities	200,378	217,430	- 17,052	201,132
Total current liabilities	1,212,544	1,188,280	+ 24,264	1,179,521
Long-term Liabilities	263,486	259,043	+ 4,443	192,291
Total liabilities	1,476,030	1,447,323	+ 28,707	1,371,812
Minority Interests	8,212	9,461	- 1,249	8,888
Shareholders' Equity:				
Common stock	204,676	204,676	0	204,676
Capital surplus	262,286	262,285	+ 1	262,283
Retained earnings	643,439	628,087	+ 15,352	605,440
Net unrealized holding gains on securities	15,323	15,323	+ 0	13,333
Foreign currency translation adjustments	(40,748)	(48,844)	+ 8,096	(55,346)
Less-Cost of treasury stock	(26,282)	(26,189)	- 93	(26,060)
Total shareholders' equity	1,058,694	1,035,338	+ 23,356	1,004,326
Total liabilities, minority interests and shareholders' equity	2,542,936	2,492,122	+ 50,814	2,385,026

Note: The value of Investments in Securities included in Investments and Other Assets as of December 31, 2005 is based on the market value as of September 30, 2005

SHARP CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS

Millions of Yen

	Nine Months Ended December 31, 2005	Nine Months Ended December 31, 2004	Increase Decrease
<u>Cash Flows from Operating Activities:</u>			
Income before income taxes and minority interests	101,116	101,386	- 270
Adjustments to reconcile income before income taxes and minority interests to net cash provided by operating activities –			
Depreciation and amortization of properties and intangibles	136,026	123,773	+ 12,253
Increase in notes and accounts receivable	(53,852)	(65,924)	+ 12,072
Increase in inventories	(3,521)	(50,662)	+ 47,141
Increase in payable	89,880	103,361	- 13,481
Other, net	(90,058)	(93,438)	+ 3,380
Net cash provided by operating activities	179,591	118,496	+ 61,095
<u>Cash Flows from Investing Activities:</u>			
Acquisitions of plant and equipment	(198,069)	(209,341)	+ 11,272
Other, net	109	19,452	- 19,343
Net cash used in investing activities	(197,960)	(189,889)	- 8,071
<u>Cash Flows from Financing Activities:</u>			
Increase in short-term borrowings, net	17,538	114,643	- 97,105
Proceeds from long-term debt	104,726	22,224	+ 82,502
Repayments of long-term debt	(77,271)	(33,143)	- 44,128
Dividends paid	(20,066)	(19,913)	- 153
Other, net	(557)	(566)	+ 9
Net cash provided by financing activities	24,370	83,245	- 58,875
Effect of Exchange Rate Changes on Cash and Cash Equivalents	2,776	(1,834)	+ 4,610
Net Increase in Cash and Cash Equivalents	8,777	10,018	- 1,241
Cash and Cash equivalents at Beginning of Year	295,312	277,623	+ 17,689
Cash and Cash Equivalents of Newly Consolidated Subsidiaries	0	970	- 970
Cash and Cash Equivalents Increased by Merger	154	3	+ 151
Cash and Cash Equivalents at End of the Period	304,243	288,614	+ 15,629

SHARP CORPORATION
SEGMENT INFORMATION

For the Three Months Ended December 31, 2005

Millions of Yen

	Three Months Ended December 31, 2005	Three Months Ended December 31, 2004
Net Sales		
Consumer/Information Products		
Customers	473,355	428,495
Intersegment	534	2,147
Total	473,889	430,642
Electronic Components		
Customers	258,363	222,116
Intersegment	66,125	48,094
Total	324,488	270,210
Elimination	(66,659)	(50,241)
Consolidated	731,718	650,611
Operating Income		
Consumer/Information Products	18,364	16,083
Electronic Components	25,107	20,235
Elimination	294	143
Consolidated	43,765	36,461

For the Nine Months Ended December 31, 2005

Millions of Yen

	Nine Months Ended December 31, 2005	Nine Months Ended December 31, 2004
Net Sales		
Consumer/Information Products		
Customers	1,306,613	1,205,696
Intersegment	4,635	7,886
Total	1,311,248	1,213,582
Electronic Components		
Customers	760,652	702,013
Intersegment	211,711	179,143
Total	972,363	881,156
Elimination	(216,346)	(187,029)
Consolidated	2,067,265	1,907,709
Operating Income		
Consumer/Information Products	47,995	43,766
Electronic Components	71,771	71,538
Elimination	(933)	(1,267)
Consolidated	118,833	114,037

Note: Segmentation is based on commonality in manufacturing and marketing methods of products.

SUPPLEMENTARY DATA

Information by Product Group

[Sales by Product Group include internal sales between segments (Consumer/Information Products and Electronic Components). Starting from this period, the IC group was renamed the LSI group and some items previously included in the IC group were allocated to the Other Electronic Component group. Accordingly, results of the three months ended December 31, 2004 and results of the nine months ended December 31, 2004 have been reclassified.]

For the Three Months Ended December 31, 2005

〈Net Sales〉

Millions of Yen

	Three Months Ended December 31, 2005		Three Months Ended December 31, 2004		Percent Change
	Amount	Ratio	Amount	Ratio	
Audio-Visual and Communication Equipment	314,053	42.9	276,072	42.4	+13.8
Home Appliances	56,878	7.8	50,879	7.8	+11.8
Information Equipment	102,958	14.1	103,691	16.0	-0.7
Consumer/Information Products	473,889	64.8	430,642	66.2	+10.0
LSIs *	41,686	5.7	43,000	6.6	-3.1
LCDs	205,222	28.0	162,182	24.9	+26.5
Other Electronic Components	77,580	10.6	65,028	10.0	+19.3
Electronic Components	324,488	44.3	270,210	41.5	+20.1
Sub Total	798,377	109.1	700,852	107.7	+13.9
Elimination	(66,659)	-9.1	(50,241)	-7.7	-
Total	731,718	100.0	650,611	100.0	+12.5

* The LSI group's sales do not include internal sales to the LCD/Other Electronic Component group (LSIs for LCD, etc : 8,361 million yen for the three months ended December 31, 2005 and 13,783 million yen for the three months ended December 31, 2004).

〈Operating Income〉

Millions of Yen

	Three Months Ended December 31, 2005		Three Months Ended December 31, 2004		Percent Change
	Amount	Ratio	Amount	Ratio	
Audio-Visual and Communication Equipment	11,726	26.8	10,182	27.9	+15.2
Home Appliances	533	1.2	382	1.1	+39.5
Information Equipment	6,105	14.0	5,519	15.1	+10.6
Consumer/Information Products	18,364	42.0	16,083	44.1	+14.2
LSIs	1,751	4.0	2,299	6.3	-23.8
LCDs	17,013	38.9	12,198	33.5	+39.5
Other Electronic Components	6,343	14.5	5,738	15.7	+10.5
Electronic Components	25,107	57.4	20,235	55.5	+24.1
Sub Total	43,471	99.4	36,318	99.6	+19.7
Elimination	294	0.6	143	0.4	-
Total	43,765	100.0	36,461	100.0	+20.0

For the Nine Months Ended December 31, 2005

〈Net Sales〉

Millions of Yen

	Nine Months Ended December 31, 2005		Nine Months Ended December 31, 2004		Percent Change
	Amount	Ratio	Amount	Ratio	
Audio-Visual and Communication Equipment	828,338	40.0	737,570	38.7	+12.3
Home Appliances	168,859	8.2	160,777	8.4	+5.0
Information Equipment	314,051	15.2	315,235	16.5	-0.4
Consumer/Information Products	1,311,248	63.4	1,213,582	63.6	+8.0
LSIs *	137,226	6.6	152,168	8.0	-9.8
LCDs	608,471	29.4	522,211	27.4	+16.5
Other Electronic Components	226,666	11.0	206,777	10.8	+9.6
Electronic Components	972,363	47.0	881,156	46.2	+10.4
Sub Total	2,283,611	110.4	2,094,738	109.8	+9.0
Elimination	(216,346)	-10.4	(187,029)	-9.8	-
Total	2,067,265	100.0	1,907,709	100.0	+8.4

* The LSI group's sales do not include internal sales to the LCD/Other Electronic Component group
(LSIs for LCD, etc : 27,352 million yen for the nine months ended December 31, 2005 and 44,303 million yen for the nine months ended December 31, 2004).

〈Operating Income〉

Millions of Yen

	Nine Months Ended December 31, 2005		Nine Months Ended December 31, 2004		Percent Change
	Amount	Ratio	Amount	Ratio	
Audio-Visual and Communication Equipment	27,971	23.5	25,414	22.3	+10.1
Home Appliances	1,786	1.5	1,680	1.5	+6.3
Information Equipment	18,238	15.4	16,672	14.6	+9.4
Consumer/Information Products	47,995	40.4	43,766	38.4	+9.7
LSIs	6,013	5.1	10,698	9.4	-43.8
LCDs	48,063	40.4	42,089	36.9	+14.2
Other Electronic Components	17,695	14.9	18,751	16.4	-5.6
Electronic Components	71,771	60.4	71,538	62.7	+0.3
Sub Total	119,766	100.8	115,304	101.1	+3.9
Elimination	(933)	-0.8	(1,267)	-1.1	-
Total	118,833	100.0	114,037	100.0	+4.2