

**SHARP**

FINANCIAL RELEASE

FINANCIAL RESULTS  
FOR THE YEAR ENDED  
MARCH 31, 2008

SHARP CORPORATION

# Consolidated Financial Results for the Year Ended March 31, 2008

April 25, 2008

## SHARP CORPORATION

Stock exchange listings: Tokyo, Osaka, Nagoya, Fukuoka, Sapporo  
 Code number: 6753  
 URL: <http://www.sharp.co.jp/>  
 Representative: Mikio Katayama, President & COO  
 Contact person: Tetsuo Onishi, Corporate Director and Group General Manager of  
 Corporate Accounting and Control Group  
 Tel. +81 6 6621 1221

Scheduled date of the Ordinary

General Meeting of Shareholders: June 24, 2008

Scheduled dividend payment date: June 25, 2008

## 1. Results for the Year Ended March 31, 2008

(Monetary amounts are rounded to the nearest million yen.)

### (1) Financial Results

(The percentage figures represent the percentage of increase or decrease against the previous year.)

Millions of Yen

|                              | Net Sales | Percent Change | Operating Income | Percent Change | Net Income | Percent Change |
|------------------------------|-----------|----------------|------------------|----------------|------------|----------------|
| Year Ended<br>March 31, 2008 | 3,417,736 | +9.3%          | 183,692          | -1.5%          | 101,922    | +0.2%          |
| Year Ended<br>March 31, 2007 | 3,127,771 | +11.8%         | 186,531          | +13.9%         | 101,717    | +14.7%         |

|                              | Net Income per<br>Share (Yen) | Fully Diluted Net<br>Income per Share (Yen) | Net Income to<br>Equity | Operating Income to<br>Net Sales |
|------------------------------|-------------------------------|---|-------------------------|----------------------------------|
| Year Ended<br>March 31, 2008 | 93.17                         | 86.91                                       | 8.4%                    | 5.4%                             |
| Year Ended<br>March 31, 2007 | 93.25                         | 90.00                                       | 8.9%                    | 6.0%                             |

[Reference] Equity in net income of non-consolidated subsidiaries and affiliates : March 31, 2008 ; 190 million yen  
 March 31, 2007 ; 612 million yen

### (2) Financial Position

Millions of Yen

|                         | Total Assets | Net Assets | Equity Ratio | Net Assets<br>per Share (Yen) |
|-------------------------|--------------|------------|--------------|-------------------------------|
| As of<br>March 31, 2008 | 3,073,207    | 1,241,868  | 40.1%        | 1,119.09                      |
| As of<br>March 31, 2007 | 2,968,810    | 1,192,205  | 39.9%        | 1,084.76                      |

[Reference] Equity : March 31, 2008 ; 1,231,586 million yen  
 March 31, 2007 ; 1,183,127 million yen

### (3) Cash Flows

Millions of Yen

|                              | Cash Flows from<br>Operating Activities | Cash Flows from<br>Investing Activities | Cash Flows from<br>Financing Activities | Cash and Cash Equivalents<br>at End of Year |
|------------------------------|---|---|---|---|
| Year Ended<br>March 31, 2008 | 323,764                                 | (394,962)                               | 84,094                                  | 339,266                                     |
| Year Ended<br>March 31, 2007 | 314,352                                 | (328,789)                               | 41,170                                  | 329,286                                     |

## 2. Dividends

| (Date of Record)                            | Dividend per Share (Yen) |          |        | Total Dividend Payment<br>(Millions of yen) | Pay-out Ratio<br>(Consolidated) | Dividend to<br>Net Assets<br>(Consolidated) |
|---|--------------------------|----------|--------|---|---------------------------------|---|
|   | Interim                  | Year-End | Annual |   |                                 |   |
| Year Ended<br>March 31, 2007                | 12.00                    | 14.00    | 26.00  | 28,359                                      | 27.9%                           | 2.5%  |
| Year Ended<br>March 31, 2008                | 14.00                    | 14.00    | 28.00  | 30,675                                      | 30.1%                           | 2.5%  |
| Year Ending<br>March 31, 2009<br>(Forecast) | 14.00                    | 14.00    | 28.00  |   | 29.3%                           |   |

## 3. Forecast of Financial Results for the Year Ending March 31, 2009

(The percentage figures represent the percentage of increase or decrease against the previous year.)

Millions of Yen

|   | Net Sales | Percent<br>Change | Operating Income | Percent<br>Change | Net Income | Percent<br>Change | Net Income<br>per Share (Yen) |
|---|-----------|-------------------|------------------|-------------------|------------|-------------------|-------------------------------|
| Six Months Ending<br>September 30, 2008 | 1,700,000 | +3.6%             | 85,000           | +7.5%             | 44,500     | +2.7%             | 40.44                         |
| Year Ending<br>March 31, 2009           | 3,600,000 | +5.3%             | 195,000          | +6.2%             | 105,000    | +3.0%             | 95.41                         |

## 4. Other Information

### (1) Changes in Consolidated Subsidiaries

(Changes in specified subsidiaries involving changes in scope of consolidation)

No change

### (2) Changes in Accounting Principles, Procedures and Presentation Methods for Consolidated Financial Results

(1) Changes arising from revision of accounting standards: Yes

(2) Changes arising from other factors: No change

Note: For detailed information, please refer to "Changes in Accounting Methods."

### (3) Number of Shares Outstanding (Ordinary Shares)

(1) Number of shares outstanding (including treasury stock) as of March 31, 2008 ; 1,110,699,887 shares  
as of March 31, 2007 ; 1,110,699,887 shares

(2) Number of shares of treasury stock as of March 31, 2008 ; 10,174,616 shares  
as of March 31, 2007 ; 20,021,018 shares

Note: For number of shares serving as a basis for calculating net income per share (consolidated), please refer to "Per Share Information."

\*The information for the year ended March 31, 2008 has not been subjected to an accounting audit by an auditing firm.

## Operating Results

### 1. Analysis of Financial Results and Financial Position

#### **(1) Fiscal 2007 in Review**

During the first half of fiscal 2007, the Japanese economy continued to recover modestly, supported by solid export growth and corporate investment. In the second half, however, the economy showed a decelerating trend due to turmoil in international financial and capital markets, triggered by the U.S. subprime mortgage loan problem. It was also affected by soaring prices for materials, such as crude oil, and sudden fluctuations of exchange rates. Overseas, despite the growing uncertainty in the economy of the U.S. and other developed nations, the economy of the emerging countries, especially the BRICs, enjoyed solid growth.

Under these circumstances, 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. 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. We offered a wide range of lines, with a focus on cutting-edge full high-definition models marked by high resolution, large size and superior design. On the production front, we made efforts to create a global production system, with the start of integrated production extending from LCD modules to TVs at our new plants in Mexico and Poland. Other efforts included a release of unique products, such as One-Seg-compatible mobile phones equipped with our proprietary devices.

In the Electronic Components business, we strived to further expand LCD business. For large-size LCDs, in order to meet the burgeoning demand for TV panels, we installed a 3<sup>rd</sup> production line at the Kameyama No.2 Plant and enhanced production capacity. For small- and medium-size LCDs, we increased sales of System LCDs for mobile equipment. For other devices, we worked to improve their competitiveness further by actively promoting technological innovation and cost reduction.

Furthermore, we have taken a variety of aggressive measures, including the start of construction of a new LCD panel plant, a core facility in the "21<sup>st</sup> century manufacturing complex" in Sakai City, Osaka Prefecture. Other efforts included alliances with major companies in growth areas and active brand strategies in the global market.

As a result, the current fiscal year recorded domestic net sales of 1,590.7 billion yen, up 4.2% over the previous year, and overseas net sales of 1,826.9 billion yen, up 14.1%, for a total of 3,417.7 billion yen, up 9.3%. Operating income was 183.6 billion yen, down 1.5% from the previous year. Net income was 101.9 billion yen, up 0.2%.

Regarding cash flows, net cash provided by operating activities was 323.7 billion yen, while net cash used in investing activities was 394.9 billion yen. Net cash provided by financing activities was 84.0 billion yen. As a result, cash and cash equivalents at the end of the period were 339.2 billion yen, an increase of 9.9 billion yen from the previous year end.

Operating results by product group are as follows:

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

Sales of Audio-Visual and Communication Equipment were 1,598.1 billion yen, up 15.7% over the previous year. Sales of LCD color TVs and mobile phones increased, contributing to the overall sales increase.

Sales of Home Appliances were 249.8 billion yen, up 4.5%. Brisk sales of refrigerators and air conditioners contributed to the growth.

Sales of Information Equipment were 437.2 billion yen, down 0.1%. Though sales of copier/printers increased, a sales decline of PCs led to the overall sales decrease.

#### **Electronic Components**

Sales of LSIs were 163.5 billion yen, up 11.6% over the previous year. Sales of CCD/CMOS imagers increased, which offset a decrease in sales of flash memory.

Sales of LCDs were 683.3 billion yen, up 8.7%. The solid growth in sales of large-size TV panels contributed to an overall sales increase.

Sales of Other Electronic Components were 285.5 billion yen, down 3.0%. Sales of solar cells were the same level as the previous year, while a sales decline of the other electronic devices led to an overall sales decline.

## (2) Forecast for Fiscal 2008

As for the outlook for fiscal 2008, we expect the situation to remain severe. There are growing uncertainties in the world economy, reflecting such factors as a slowdown in the U.S. economy, increasing financial instability and high material prices. Meanwhile, in the electronics industry, global competition is expected to get fiercer in the growth areas.

In an effort to achieve further growth, the Sharp Group is strengthening its one-of-a-kind strategy, as we work to improve profitability and enhance corporate value.

In the Consumer/Information Products business, we will work to further expand LCD color TV business globally. This is to be accomplished through enhancing the competitiveness of our LCD TVs by promoting low-cost operation, taking maximum advantage of having a vertically-integrated business model. We will also take measures for enhanced image quality, thinner profile and better environmental performance. One-of-a-kind products in other business areas will also be upgraded. These include our cutting-edge Blu-ray Disc recorders, One-Seg-compatible mobile phones, and health and environmental equipment utilizing our Plasmacluster Ion and superheated steam technologies.

In the Electronic Components business, we will engage in achieving further growth in LCD business. For large-size LCDs, we will boost production capacity at the Kameyama No.2 Plant and increase sales of panels for TVs. For small- and medium-size LCDs, we will expand business with our proprietary LCDs for mobile equipment. Regarding other devices, we will increase our production capacity of thin-film solar cells at the Katsuragi Plant, and work to improve the competitiveness of electronic devices for digital equipment through technological innovation and cost reduction.

In addition to these efforts, we will strengthen our corporate governance by optimizing and minimizing the number of members on our Board of Directors, and by introducing the executive officer system. Lastly, we will continue to take initiatives proactively to enhance our CSR efforts, which include contributing to environmental preservation and complying with laws and statutes in conducting business.

The following are the current forecasts for fiscal 2008.

|                  |                     |                                       |
|------------------|---------------------|---------------------------------------|
| Net sales        | 3,600.0 billion yen | + 5.3 % over the previous fiscal year |
| Operating income | 195.0 billion yen   | + 6.2 % over the previous fiscal year |
| Net income       | 105.0 billion yen   | + 3.0 % over the previous fiscal year |

The above figures are based on an exchange rate of ¥100 =US\$1.00 for fiscal 2008.

\*The above estimates of financial results are based on certain assumptions that Sharp Corporation deemed reasonable at the time they were prepared, and actual financial 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 exchange rates (particularly between the yen and the U.S. dollar, the euro and other currencies)
- 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
- Litigation and other legal proceedings against the Sharp Group, etc.

\*\*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.

## **2. Basic Policy on Distribution of Earnings and Dividends for Fiscal 2007/2008**

Sharp considers distributing profits to shareholders to be one of management's top priorities. While maintaining consistently stable dividend pay-outs, and while carefully considering our consolidated business performance, financial situation and future business development in a comprehensive manner, we will implement a set of measures to return profits to our shareholders, such as increasing the amount of periodic dividends. Under this policy, we have raised dividends for 7 consecutive years from fiscal 2000 through 2006 and will continue to return profit actively, targeting a consolidated pay-out ratio of 30%. For fiscal 2007, we intend to distribute an annual dividend of 28 yen per share, an increase of 2 yen over the previous year. With this dividend increase, our dividends will have been raised for 8 consecutive years. For fiscal 2008, we are planning to distribute an annual dividend of 28 yen per share (14 yen for interim and year-end, respectively), the same level as the previous year. 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.

# **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**

Since its founding, the Sharp Group has consistently worked to make productive contributions to society at large through the development of unique, one-of-a-kind products that are ahead of their time. Going forward, we are aiming for further business expansion and stable growth, as a "valued, one-of-a-kind company" that provides new lifestyle ideas and satisfaction to our customers by developing proprietary electronic devices and creating uniquely-featured products that make full use of leading-edge electronics technologies.

With a focus on this goal, we have established the following two visions for the 2012 centennial anniversary of our foundation.

### **(1) Realize a True Ubiquitous Network Society with Our World's Best LCDs**

The electronics industry is entering a phase of major change, as the advancement and increasing sophistication of broadcast and telecommunications infrastructure are taking us into a new era of digital convergence in which media, equipment and functions will converge into a single entity around a core of digital technology. In this circumstance, we will contribute to the realization of a true ubiquitous network society, taking maximum advantage of having LCDs of all sizes and cutting-edge display technologies. Specifically, we will offer new lifestyles that use LCD-equipped products such as TVs and mobile phones as portal terminals that functions as gateways to network services.

### **(2) Contribute to Society by Environment- and Health-Related Business with Energy-Saving and Energy-Creating Equipment as the Core**

People today are becoming increasingly aware of the environment and their health, against the background of worsening environmental problems, and the aging population and falling birthrate, particularly in the developed countries. We recognize that these are important issues for the electronics industry to tackle. The Sharp Group will promote energy saving and energy creation, by such measures as enhancing development of our environmentally-friendly LCDs, creating energy-efficient home appliances and office equipment, and expanding business of clean-energy solar cells. We are also working to offer healthy lifestyles to the world by encouraging the widespread use of health-promoting appliances that make the most of our Plasmacluster Ion and superheated steam technologies.

Toward the realization of these visions, we will make efforts to expand business further and enhance corporate value, as well as to improve ROE (return on equity) and free cash flow as the main management indicators. 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).

SHARP CORPORATION  
CONSOLIDATED BALANCE SHEETS

Millions of Yen

|   | As of March 31, 2007 | As of March 31, 2008 | Increase<br>Decrease |
|---|----------------------|----------------------|----------------------|
| <b>ASSETS</b>   |                      |                      |                      |
| Current Assets:   |                      |                      |                      |
| Cash, time deposits,<br>and short-term investments                        | 431,816              | 391,277              | - 40,539             |
| Notes and accounts receivable,<br>less-allowance for doubtful receivables | 705,281              | 679,916              | - 25,365             |
| Inventories   | 435,643              | 454,352              | + 18,709             |
| Other current assets  | 106,523              | 117,077              | + 10,554             |
| Total current assets  | 1,679,263            | 1,642,622            | - 36,641             |
| Plant and Equipment,<br>Less Accumulated Depreciation                     | 1,013,527            | 1,105,788            | + 92,261             |
| Investments and Other Assets  | 271,155              | 320,680              | + 49,525             |
| Deferred Assets   | 4,865                | 4,117                | - 748                |
| Total assets  | 2,968,810            | 3,073,207            | + 104,397            |
| <b>LIABILITIES</b>  |                      |                      |                      |
| Current Liabilities:  |                      |                      |                      |
| Short-term borrowings, including<br>current portion of long-term debt     | 240,738              | 324,328              | + 83,590             |
| Notes and accounts payable  | 874,276              | 825,510              | - 48,766             |
| Other current liabilities   | 277,251              | 281,533              | + 4,282              |
| Total current liabilities   | 1,392,265            | 1,431,371            | + 39,106             |
| Long-term Liabilities   | 384,340              | 399,968              | + 15,628             |
| Total liabilities   | 1,776,605            | 1,831,339            | + 54,734             |
| <b>NET ASSETS</b>   |                      |                      |                      |
| Owners' Equity:   |                      |                      |                      |
| Common stock  | 204,676              | 204,676              | 0                    |
| Capital surplus   | 262,295              | 268,582              | + 6,287              |
| Retained earnings   | 745,209              | 816,387              | + 71,178             |
| Less-Cost of treasury stock   | ( 26,844 )           | ( 13,711 )           | + 13,133             |
| Total owners' equity  | 1,185,336            | 1,275,934            | + 90,598             |
| Valuation and Translation Adjustments:                                    |                      |                      |                      |
| Net unrealized holding gains on securities                                | 24,381               | 1,662                | - 22,719             |
| Deferred gains (losses) on hedges   | 1                    | 145                  | + 144                |
| Foreign currency translation adjustments                                  | ( 26,591 )           | ( 46,155 )           | - 19,564             |
| Total valuation and translation adjustments                               | ( 2,209 )            | ( 44,348 )           | - 42,139             |
| Minority Interests  | 9,078                | 10,282               | + 1,204              |
| Total net assets  | 1,192,205            | 1,241,868            | + 49,663             |
| Total liabilities and net assets  | 2,968,810            | 3,073,207            | + 104,397            |

[ Reference ]

|                       |                    |                    |
|-----------------------|--------------------|--------------------|
|                       | ( March 31, 2007 ) | ( March 31, 2008 ) |
| Capital Investment    | 284,190            | 315,304            |
| Interest-Bearing Debt | 601,467            | 703,911            |

SHARP CORPORATION  
CONSOLIDATED STATEMENTS OF INCOME

Millions of Yen

|   | Year Ended March 31, 2007 |       | Year Ended March 31, 2008 |       | Increase<br>Decrease | Percent<br>Change |
|---|---------------------------|-------|---------------------------|-------|----------------------|-------------------|
|   | Amount                    | Ratio | Amount                    | Ratio |                      |                   |
|   |                           | %     |                           | %     |                      | %                 |
| Net Sales   | 3,127,771                 | 100.0 | 3,417,736                 | 100.0 | + 289,965            | + 9.3             |
| Cost of Sales   | 2,414,592                 | 77.2  | 2,662,707                 | 77.9  | + 248,115            | + 10.3            |
| Gross profit  | 713,179                   | 22.8  | 755,029                   | 22.1  | + 41,850             | + 5.9             |
| Selling, General and Administrative Expenses              | 526,648                   | 16.8  | 571,337                   | 16.7  | + 44,689             | + 8.5             |
| Operating income  | 186,531                   | 6.0   | 183,692                   | 5.4   | - 2,839              | - 1.5             |
| Other Income (Expenses)                                   |                           |       |                           |       |                      |                   |
| Interest and dividend income                              | 6,913                     | 0.2   | 8,086                     | 0.2   | + 1,173              | + 17.0            |
| Interest expense  | ( 7,668 )                 | 0.2   | ( 9,957 )                 | 0.3   | - 2,289              | + 29.9            |
| Other, net  | ( 27,481 )                | 0.9   | ( 19,581 )                | 0.6   | + 7,900              | - 28.7            |
| Income before income taxes and minority interests         | ( 28,236 )                | 0.9   | ( 21,452 )                | 0.7   | + 6,784              | - 24.0            |
| Income Taxes  | 158,295                   | 5.1   | 162,240                   | 4.7   | + 3,945              | + 2.5             |
| Current   | 51,264                    | 1.6   | 49,746                    | 1.4   | - 1,518              | - 3.0             |
| Deferred  | 4,607                     | 0.2   | 9,276                     | 0.3   | + 4,669              | + 101.3           |
| Minority Interests in Income of Consolidated Subsidiaries | ( 707 )                   | 0.0   | ( 1,296 )                 | 0.0   | - 589                | + 83.3            |
| Net Income  | 101,717                   | 3.3   | 101,922                   | 3.0   | + 205                | + 0.2             |

[ Reference ]

|                               | (Year Ended March 31, 2007) | (Year Ended March 31, 2008) |
|-------------------------------|-----------------------------|-----------------------------|
| Depreciation and Amortization | 217,715                     | 276,567                     |
| R&D Expenditures              | 189,852                     | 196,186                     |

SHARP CORPORATION  
CONSOLIDATED STATEMENT OF CHANGES IN NET ASSET

Year Ended March 31, 2007

Millions of Yen

|   | Owners' Equity |                 |                   |                             |                      |
|---|----------------|-----------------|-------------------|-----------------------------|----------------------|
|   | Common stock   | Capital surplus | Retained earnings | Less-Cost of treasury stock | Total owners' equity |
| Balance at March 31, 2006   | 204,676        | 262,288         | 668,687           | ( 26,381 )                  | 1,109,270            |
| Changes of items during the period  |                |                 |                   |                             |                      |
| Dividends from surplus*   |                |                 | ( 13,091 )        |                             | ( 13,091 )           |
| Dividends from surplus  |                |                 | ( 13,089 )        |                             | ( 13,089 )           |
| Directors' bonus*   |                |                 | ( 468 )           |                             | ( 468 )              |
| Net income  |                |                 | 101,717           |                             | 101,717              |
| Increase resulting from increase in number of consolidated subsidiaries             |                |                 | 1,875             |                             | 1,875                |
| Decrease resulting from increase in number of consolidated subsidiaries             |                |                 | ( 428 )           |                             | ( 428 )              |
| Decrease resulting from change in accounting standards of consolidated subsidiaries |                |                 | ( 2,826 )         |                             | ( 2,826 )            |
| Increase due to unfunded retirement benefit obligation of foreign subsidiaries      |                |                 | 2,832             |                             | 2,832                |
| Purchase of treasury stock  |                |                 |                   | ( 480 )                     | ( 480 )              |
| Disposal of treasury stock  |                | 7               |                   | 17                          | 24                   |
| Net changes of items other than owners' equity                                      |                |                 |                   |                             |                      |
| Total changes of items during the period  | -              | 7               | 76,522            | ( 463 )                     | 76,066               |
| Balance at March 31, 2007   | 204,676        | 262,295         | 745,209           | ( 26,844 )                  | 1,185,336            |

|   | Valuation and Translation Adjustments      |                                   |  |   | Minority Interests | Total Net Assets |
|---|--|-----------------------------------|--|---|--------------------|------------------|
|   | Net unrealized holding gains on securities | Deferred gains (losses) on hedges | Foreign currency translation adjustments | Total valuation and translation adjustments |                    |                  |
| Balance at March 31, 2006   | 27,992                                     | -                                 | ( 38,352 )                               | ( 10,360 )                                  | 8,734              | 1,107,644        |
| Changes of items during the period  |  |                                   |  |   |                    |                  |
| Dividends from surplus*   |  |                                   |  |   |                    | ( 13,091 )       |
| Dividends from surplus  |  |                                   |  |   |                    | ( 13,089 )       |
| Directors' bonus*   |  |                                   |  |   |                    | ( 468 )          |
| Net income  |  |                                   |  |   |                    | 101,717          |
| Increase resulting from increase in number of consolidated subsidiaries             |  |                                   |  |   |                    | 1,875            |
| Decrease resulting from increase in number of consolidated subsidiaries             |  |                                   |  |   |                    | ( 428 )          |
| Decrease resulting from change in accounting standards of consolidated subsidiaries |  |                                   |  |   |                    | ( 2,826 )        |
| Increase due to unfunded retirement benefit obligation of foreign subsidiaries      |  |                                   |  |   |                    | 2,832            |
| Purchase of treasury stock  |  |                                   |  |   |                    | ( 480 )          |
| Disposal of treasury stock  |  |                                   |  |   |                    | 24               |
| Net changes of items other than owners' equity                                      | ( 3,611 )                                  | 1                                 | 11,761                                   | 8,151                                       | 344                | 8,495            |
| Total changes of items during the period  | ( 3,611 )                                  | 1                                 | 11,761                                   | 8,151                                       | 344                | 84,561           |
| Balance at March 31, 2007   | 24,381                                     | 1                                 | ( 26,591 )                               | ( 2,209 )                                   | 9,078              | 1,192,205        |

\*Note: Appropriation of retained earnings resolved at Ordinary General Meeting of Shareholders held in June, 2006.

SHARP CORPORATION  
CONSOLIDATED STATEMENT OF CHANGES IN NET ASSET

Year Ended March 31, 2008

Millions of Yen

|   | Owners' Equity |                 |                   |                             |                      |
|---|----------------|-----------------|-------------------|-----------------------------|----------------------|
|   | Common stock   | Capital surplus | Retained earnings | Less-Cost of treasury stock | Total owners' equity |
| Balance at March 31, 2007   | 204,676        | 262,295         | 745,209           | ( 26,844 )                  | 1,185,336            |
| Changes of items during the period  |                |                 |                   |                             |                      |
| Dividends from surplus  |                |                 | ( 30,538 )        |                             | ( 30,538 )           |
| Net income  |                |                 | 101,922           |                             | 101,922              |
| Increase resulting from increase in number of consolidated subsidiaries                     |                |                 | 192               |                             | 192                  |
| Decrease resulting from increase in number of consolidated subsidiaries                     |                |                 | ( 1,597 )         |                             | ( 1,597 )            |
| Decrease resulting from increase in number of affiliates accounted for on the equity method |                |                 | ( 29 )            |                             | ( 29 )               |
| Increase due to unfunded retirement benefit obligation of foreign subsidiaries              |                |                 | 1,228             |                             | 1,228                |
| Purchase of treasury stock  |                |                 |                   | ( 369 )                     | ( 369 )              |
| Disposal of treasury stock  |                | 6,287           |                   | 13,502                      | 19,789               |
| Net changes of items other than owners' equity  |                |                 |                   |                             |                      |
| Total changes of items during the period  | -              | 6,287           | 71,178            | 13,133                      | 90,598               |
| Balance at March 31, 2008   | 204,676        | 268,582         | 816,387           | ( 13,711 )                  | 1,275,934            |

|   | Valuation and Translation Adjustments      |                                   |  |   | Minority Interests | Total Net Assets |
|---|--|-----------------------------------|--|---|--------------------|------------------|
|   | Net unrealized holding gains on securities | Deferred gains (losses) on hedges | Foreign currency translation adjustments | Total valuation and translation adjustments |                    |                  |
| Balance at March 31, 2007   | 24,381                                     | 1                                 | ( 26,591 )                               | ( 2,209 )                                   | 9,078              | 1,192,205        |
| Changes of items during the period  |  |                                   |  |   |                    |                  |
| Dividends from surplus  |  |                                   |  |   |                    | ( 30,538 )       |
| Net income  |  |                                   |  |   |                    | 101,922          |
| Increase resulting from increase in number of consolidated subsidiaries                     |  |                                   |  |   |                    | 192              |
| Decrease resulting from increase in number of consolidated subsidiaries                     |  |                                   |  |   |                    | ( 1,597 )        |
| Decrease resulting from increase in number of affiliates accounted for on the equity method |  |                                   |  |   |                    | ( 29 )           |
| Increase due to unfunded retirement benefit obligation of foreign subsidiaries              |  |                                   |  |   |                    | 1,228            |
| Purchase of treasury stock  |  |                                   |  |   |                    | ( 369 )          |
| Disposal of treasury stock  |  |                                   |  |   |                    | 19,789           |
| Net changes of items other than owners' equity  | ( 22,719 )                                 | 144                               | ( 19,564 )                               | ( 42,139 )                                  | 1,204              | ( 40,935 )       |
| Total changes of items during the period  | ( 22,719 )                                 | 144                               | ( 19,564 )                               | ( 42,139 )                                  | 1,204              | 49,663           |
| Balance at March 31, 2008   | 1,662                                      | 145                               | ( 46,155 )                               | ( 44,348 )                                  | 10,282             | 1,241,868        |

SHARP CORPORATION  
CONSOLIDATED STATEMENTS OF CASH FLOWS

Millions of Yen

|  | Year Ended<br>March 31, 2007 | Year Ended<br>March 31, 2008 | Increase<br>Decrease |
|--|------------------------------|------------------------------|----------------------|
| <b><u>Cash Flows from Operating Activities:</u></b>  |                              |                              |                      |
| Income before income taxes and minority interests  | 158,295                      | 162,240                      | + 3,945              |
| Adjustments to reconcile income before income taxes and minority interests to net cash provided by operating activities— |                              |                              |                      |
| Depreciation and amortization of properties and intangibles  | 208,632                      | 265,640                      | + 57,008             |
| Interest and dividend income   | ( 6,913 )                    | ( 8,086 )                    | - 1,173              |
| Interest expense   | 7,668                        | 9,957                        | + 2,289              |
| Foreign exchange loss  | 2,760                        | 3,067                        | + 307                |
| Loss on sales and disposal of plant and equipment  | 7,356                        | 8,039                        | + 683                |
| Decrease (increase) in notes and accounts receivable   | ( 73,726 )                   | 3,931                        | + 77,657             |
| Increase in inventories  | ( 86,946 )                   | ( 24,557 )                   | + 62,389             |
| (Decrease) increase in payables  | 143,425                      | ( 28,200 )                   | - 171,625            |
| Other, net   | 7,756                        | ( 15,109 )                   | - 22,865             |
| Total  | 368,307                      | 376,922                      | + 8,615              |
| Interest and dividends received  | 9,432                        | 8,939                        | - 493                |
| Interest paid  | ( 8,182 )                    | ( 9,849 )                    | - 1,667              |
| Income taxes paid  | ( 55,205 )                   | ( 52,248 )                   | + 2,957              |
| <b>Net cash provided by operating activities</b>   | <b>314,352</b>               | <b>323,764</b>               | <b>+ 9,412</b>       |
| <b><u>Cash Flows from Investing Activities:</u></b>  |                              |                              |                      |
| Purchase of time deposits  | ( 120,063 )                  | ( 99,502 )                   | + 20,561             |
| Proceeds from redemption of time deposits  | 95,072                       | 105,364                      | + 10,292             |
| Proceeds from sales of short-term investments  | 6,480                        | 7,514                        | + 1,034              |
| Acquisitions of plant and equipment  | ( 294,548 )                  | ( 362,927 )                  | - 68,379             |
| Proceeds from sales of plant and equipment   | 1,407                        | 871                          | - 536                |
| Purchase of investments in securities and investments in nonconsolidated subsidiaries and affiliates                     | ( 4,121 )                    | ( 54,994 )                   | - 50,873             |
| Proceeds from sales of investments in securities and investments in nonconsolidated subsidiaries and affiliates          | 1,944                        | 19,385                       | + 17,441             |
| Loans made   | ( 1,063 )                    | ( 510 )                      | + 553                |
| Proceeds from collection of loans  | 683                          | 347                          | - 336                |
| Other, net   | ( 14,580 )                   | ( 10,510 )                   | + 4,070              |
| <b>Net cash used in investing activities</b>   | <b>( 328,789 )</b>           | <b>( 394,962 )</b>           | <b>- 66,173</b>      |
| <b><u>Cash Flows from Financing Activities:</u></b>  |                              |                              |                      |
| Increase (decrease) in short-term borrowings, net  | ( 121,568 )                  | 128,472                      | + 250,040            |
| Proceeds from long-term debt   | 218,370                      | 89,898                       | - 128,472            |
| Repayments of long-term debt   | ( 28,461 )                   | ( 121,994 )                  | - 93,533             |
| Disposal of treasury stock   | 24                           | 19,786                       | + 19,762             |
| Purchase of treasury stock   | ( 480 )                      | ( 369 )                      | + 111                |
| Dividends paid   | ( 26,181 )                   | ( 30,530 )                   | - 4,349              |
| Other, net   | ( 534 )                      | ( 1,169 )                    | - 635                |
| <b>Net cash provided by financing activities</b>   | <b>41,170</b>                | <b>84,094</b>                | <b>+ 42,924</b>      |
| <b>Effect of Exchange Rate Changes on Cash and Cash Equivalents</b>  | <b>463</b>                   | <b>( 4,549 )</b>             | <b>- 5,012</b>       |
| <b>Net Increase in Cash and Cash Equivalents</b>   | <b>27,196</b>                | <b>8,347</b>                 | <b>- 18,849</b>      |
| <b>Cash and Cash Equivalents at Beginning of Year</b>  | <b>299,466</b>               | <b>329,286</b>               | <b>+ 29,820</b>      |
| <b>Cash and Cash Equivalents of Newly Consolidated Subsidiaries</b>  | <b>2,583</b>                 | <b>1,439</b>                 | <b>- 1,144</b>       |
| <b>Cash and Cash Equivalents Increased by Merger</b>   | <b>41</b>                    | <b>194</b>                   | <b>+ 153</b>         |
| <b>Cash and Cash Equivalents at End of Year</b>  | <b>329,286</b>               | <b>339,266</b>               | <b>+ 9,980</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 net asset 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 Amortization for Deferred Assets

Bond issue cost is amortized under the straight line method over the redemption period.

#### 5) 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.

#### 6) 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.

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

The tax exclusion method is applied.

#### 8) Adoption of Consolidated Tax Return System

The consolidated tax return system is adopted.

## **Changes in Accounting Methods**

### **Depreciation Methods Used for Amortization for Tangible Fixed Assets**

Starting from this period, pursuant to an amendment to the Corporate Tax Law, Sharp Corporation and its domestic consolidated subsidiaries have depreciated tangible fixed assets acquired on and after April 1, 2007 in accordance with the method stipulated in the amended Corporation Tax Law. As a result, for the year ended March 31, 2008, operating income and income before income taxes and minority interests were down 7,234 million yen each, compared to the previous method. For the impact that these changes had on segment information, please refer to “Segment Information.”

### **Accounting Method for Reserve for Director and Corporate Auditor Retirement Benefits**

Starting from this period, the amended “Auditing Treatment relating to Reserve defined under the Special Tax Measurement Law, Reserve defined under the Special Law and Reserve for Director and Corporate Auditor Retirement Benefits” (The Japanese Institute of Certified Public Accountants (“JICPA”) Auditing and Assurance Practice Committee Report No.42, April 13, 2007) has been applied. As a result, for the year ended March 31, 2008, operating income and income before income taxes and minority interests were down 133 million yen and 896 million yen, respectively, compared to the previous method.

## **Additional Information**

Pursuant to an amendment to the Corporate Tax Law, after having fully depreciated tangible fixed assets acquired on and before March 31, 2007 up to 5% of the acquisition cost, based on the prior Corporate Tax Law, Sharp Corporation and its domestic subsidiaries have depreciated the difference between 5% of the acquisition cost and the memorandum price, using a straight line method over 5 years and expensed as “Depreciation and amortization.” The straight line depreciation starts from the next year, when the book value of tangible assets acquired on and before March 31, 2007 reaches 5% of the acquisition cost. As a result, for the year ended March 31, 2008, operating income and income before income taxes and minority interests were down 7,791 million yen each, compared to the previous method.

## **Subsequent Events**

On April 1, 2008, based on a basic agreement regarding partial stock transfer and acquisition of Sharp Finance Corporation concluded with Fuyo General Lease Co., Ltd., Sharp Corporation transferred to Fuyo General Lease Co., Ltd. 65% of the stock of Sharp Finance Corporation (Payment: 31,200 million yen).

### **(Omission of disclosure)**

Notes regarding lease transactions, securities, derivative transactions, severance and pension benefits, tax effect accounting and transactions with related parties are omitted, as there is no significant necessity of disclosure in the financial release.

SHARP CORPORATION  
SEGMENT INFORMATION

Information by business segment\*

Millions of Yen

|                               | Year Ended March 31, 2007 | Year Ended March 31, 2008 |
|-------------------------------|---------------------------|---------------------------|
| Net Sales                     |                           |                           |
| Consumer/Information Products |                           |                           |
| Customers                     | 2,058,109                 | 2,285,341                 |
| Intersegment                  | 9,431                     | 6,365                     |
| Total                         | 2,067,540                 | 2,291,706                 |
| Electronic Components         |                           |                           |
| Customers                     | 1,069,662                 | 1,132,395                 |
| Intersegment                  | 492,024                   | 630,490                   |
| Total                         | 1,561,686                 | 1,762,885                 |
| Elimination                   | ( 501,455 )               | ( 636,855 )               |
| Consolidated                  | 3,127,771                 | 3,417,736                 |
| Operating Income              |                           |                           |
| Consumer/Information Products | 81,705                    | 79,218                    |
| Electronic Components         | 105,519                   | 104,363                   |
| Elimination                   | ( 693 )                   | 111                       |
| Consolidated                  | 186,531                   | 183,692                   |

\*Note:

1. Segmentation is based on commonality in manufacturing and marketing methods of products.
2. As noted in "Changes in Accounting Methods," starting from this period, tangible fixed assets acquired on and after April 1, 2007 have been depreciated in accordance with the method stipulated in the amended Corporation Tax Law. With this change, for the year ended March 31, 2008, operating income of "Consumer/Information Products" and "Electronic Components" was down 3,096 million yen and 4,138 million yen, respectively.

SHARP CORPORATION  
SEGMENT INFORMATION

Information by geographic segment\*

Millions of Yen

|                  | Year Ended March 31, 2007 | Year Ended March 31, 2008 |
|------------------|---------------------------|---------------------------|
| Net Sales        |                           |                           |
| Japan            |                           |                           |
| Customers        | 1,860,199                 | 1,971,125                 |
| Intersegment     | 909,956                   | 970,510                   |
| Total            | 2,770,155                 | 2,941,635                 |
| The Americas     |                           |                           |
| Customers        | 526,325                   | 563,501                   |
| Intersegment     | 7,076                     | 14,411                    |
| Total            | 533,401                   | 577,912                   |
| Europe           |                           |                           |
| Customers        | 490,338                   | 548,242                   |
| Intersegment     | 3,445                     | 4,134                     |
| Total            | 493,783                   | 552,376                   |
| China            |                           |                           |
| Customers        | 129,449                   | 191,177                   |
| Intersegment     | 394,878                   | 450,354                   |
| Total            | 524,327                   | 641,531                   |
| Other            |                           |                           |
| Customers        | 121,460                   | 143,691                   |
| Intersegment     | 218,244                   | 236,737                   |
| Total            | 339,704                   | 380,428                   |
| Elimination      | ( 1,533,599 )             | ( 1,676,146 )             |
| Consolidated     | 3,127,771                 | 3,417,736                 |
| Operating Income |                           |                           |
| Japan            | 163,216                   | 144,502                   |
| The Americas     | 9,533                     | 7,444                     |
| Europe           | 8,129                     | 11,280                    |
| China            | 8,842                     | 9,835                     |
| Other            | 2,116                     | 3,683                     |
| Elimination      | ( 5,305 )                 | 6,948                     |
| Consolidated     | 186,531                   | 183,692                   |

\*Note:

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

- (1) The Americas: U.S.A., Canada
- (2) Europe: Germany, U.K., Italy, France, Spain
- (3) Other: Asia, Oceania, Middle East

2. As noted in "Changes in Accounting Methods," starting from this period, tangible fixed assets acquired on and after April 1, 2007 have been depreciated in accordance with the method stipulated in the amended Corporation Tax Law. With this change, for the year ended March 31, 2008, operating income of "Japan" was down 7,234 million yen.

SHARP CORPORATION  
SEGMENT INFORMATION

Overseas sales\*

Millions of Yen

|              | Year Ended March 31, 2007 | Year Ended March 31, 2008 |
|--------------|---------------------------|---------------------------|
| The Americas | 582,588                   | 625,841                   |
| Europe       | 523,301                   | 584,252                   |
| China        | 305,895                   | 412,470                   |
| Other        | 189,049                   | 204,426                   |
| Total        | 1,600,833                 | 1,826,989                 |

\*Note:

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) Europe: Germany, U.K., Italy, France, Spain
  - (3) Other: Asia, Middle East, Oceania, Africa

SHARP CORPORATION  
PER SHARE INFORMATION

Yen

|                                    | Year Ended March 31, 2007 | Year Ended March 31, 2008 |
|------------------------------------|---------------------------|---------------------------|
| Net assets per share               | 1,084.76                  | 1,119.09                  |
| Net income per share               | 93.25                     | 93.17                     |
| Fully diluted net income per share | 90.00                     | 86.91                     |

Note: Net income per share and fully diluted net income per share were calculated on the following basis.

|  | Year Ended March 31, 2007 | Year Ended March 31, 2008 |
|--|---------------------------|---------------------------|
| Net income per share   |                           |                           |
| Net income (millions of yen)   | 101,717                   | 101,922                   |
| Amounts not allocated to ordinary shares<br>(millions of yen)                  | -                         | -                         |
| Net income allocated to ordinary shares<br>(millions of yen)                   | 101,717                   | 101,922                   |
| Average number of shares outstanding during<br>each year (thousands of shares) | 1,090,790                 | 1,093,912                 |
| Fully diluted net income per share   |                           |                           |
| Adjustment to net income (millions of yen)                                     | 10                        | 20                        |
| Increase in number of ordinary shares<br>(thousands of shares)                 | 39,510                    | 79,019                    |
| (Bonds with subscription rights to shares<br>(thousands of shares))            | ( 39,510 )                | ( 79,019 )                |
| Residual securities which do not dilute<br>net income per share                | -                         | -                         |

SHARP CORPORATION  
CONSOLIDATED SALES BY PRODUCT GROUP

Millions of Yen

|  | Year Ended March 31, 2007 |       | Year Ended March 31, 2008 |       | Increase<br>Decrease | Percent<br>Change |
|--|---------------------------|-------|---------------------------|-------|----------------------|-------------------|
|  | Amount                    | Ratio | Amount                    | Ratio |                      |                   |
|  |                           | %     |                           | %     |                      | %                 |
| Audio - Visual and<br>Communication<br>Equipment | 1,381,105                 | 44.2  | 1,598,199                 | 46.8  | + 217,094            | +15.7             |
| Home Appliances                                  | 239,081                   | 7.6   | 249,843                   | 7.3   | + 10,762             | +4.5              |
| Information Equipment                            | 437,923                   | 14.0  | 437,299                   | 12.8  | - 624                | -0.1              |
| Consumer/Information<br>Products                 | 2,058,109                 | 65.8  | 2,285,341                 | 66.9  | + 227,232            | +11.0             |
| LSIs   | 146,556                   | 4.7   | 163,504                   | 4.8   | + 16,948             | +11.6             |
| LCDs   | 628,821                   | 20.1  | 683,310                   | 20.0  | + 54,489             | +8.7              |
| Other Electronic<br>Components                   | 294,285                   | 9.4   | 285,581                   | 8.3   | - 8,704              | -3.0              |
| Electronic Components                            | 1,069,662                 | 34.2  | 1,132,395                 | 33.1  | + 62,733             | +5.9              |
| Total  | 3,127,771                 | 100.0 | 3,417,736                 | 100.0 | + 289,965            | +9.3              |
| Domestic   | 1,526,938                 | 48.8  | 1,590,747                 | 46.5  | + 63,809             | +4.2              |
| Overseas   | 1,600,833                 | 51.2  | 1,826,989                 | 53.5  | + 226,156            | +14.1             |

Note:

1. The above figures indicate sales to outside customers.
2. Starting from this period, some items previously included in Other Electronic Components were allocated to LSIs. Accordingly, results for the year ended March 31, 2007 have been reclassified.

**SHARP**

**SUPPLEMENTARY DATA**

FOR THE YEAR ENDED MARCH 31, 2008

**【CONSOLIDATED】**

**SHARP CORPORATION**

**SUPPLEMENTARY DATA**  
FOR THE YEAR ENDED MARCH 31, 2008  
【CONSOLIDATED】

1. Financial Highlights (Millions of yen)

|                      | Year ended March 31, 2008 |        |        | Year ending March 31, 2009 (forecast) |        |        |
|----------------------|---------------------------|--------|--------|---------------------------------------|--------|--------|
|                      | Amount                    | Ratio  | Change | Amount                                | Ratio  | Change |
| Net Sales            | 3,417,736                 | 100.0% | +9.3%  | 3,600,000                             | 100.0% | +5.3%  |
| Domestic             | 1,590,747                 | 46.5%  | +4.2%  | 1,610,000                             | 44.7%  | +1.2%  |
| Overseas             | 1,826,989                 | 53.5%  | +14.1% | 1,990,000                             | 55.3%  | +8.9%  |
| Operating Income     | 183,692                   | 5.4%   | -1.5%  | 195,000                               | 5.4%   | +6.2%  |
| Net Income           | 101,922                   | 3.0%   | +0.2%  | 105,000                               | 2.9%   | +3.0%  |
| Net Income per Share | 93.17 yen                 |        |        | 95.41 yen                             |        |        |

2. Sales by Product Group (Millions of yen)

| Year ended March 31, 2008                | Total            |              | Domestic         |              | Overseas         |               |
|--|------------------|--------------|------------------|--------------|------------------|---------------|
|  | Amount           | Change       | Amount           | Change       | Amount           | Change        |
| Audio-Visual and Communication Equipment | 1,598,199        | +15.7%       | 1,041,950        | +14.0%       | 556,249          | +19.0%        |
| Home Appliances                          | 249,843          | +4.5%        | 128,529          | -1.3%        | 121,314          | +11.4%        |
| Information Equipment                    | 437,299          | -0.1%        | 182,341          | -4.6%        | 254,958          | +3.3%         |
| Consumer/Information Products            | 2,285,341        | +11.0%       | 1,352,820        | +9.5%        | 932,521          | +13.3%        |
| LSIs                                     | 163,504          | +11.6%       | 50,719           | -2.2%        | 112,785          | +19.1%        |
| LCDs                                     | 683,310          | +8.7%        | 94,647           | -31.8%       | 588,663          | +20.1%        |
| Other Electronic Components              | 285,581          | -3.0%        | 92,561           | -8.6%        | 193,020          | -0.0%         |
| Electronic Components                    | 1,132,395        | +5.9%        | 237,927          | -18.5%       | 894,468          | +15.0%        |
| <b>Total</b>                             | <b>3,417,736</b> | <b>+9.3%</b> | <b>1,590,747</b> | <b>+4.2%</b> | <b>1,826,989</b> | <b>+14.1%</b> |

(Millions of yen)

| Year ending March 31, 2009 (forecast)*   | Total            |              | Domestic         |              | Overseas         |              |
|--|------------------|--------------|------------------|--------------|------------------|--------------|
|  | Amount           | Change       | Amount           | Change       | Amount           | Change       |
| Audio-Visual and Communication Equipment | 1,685,000        | +5.4%        | 1,060,000        | +1.7%        | 625,000          | +12.4%       |
| Health and Environmental Equipment       | 250,000          | +0.1%        | 120,000          | -6.6%        | 130,000          | +7.2%        |
| Information Equipment                    | 438,000          | +0.2%        | 173,000          | -5.1%        | 265,000          | +3.9%        |
| Consumer/Information Products            | 2,373,000        | +3.8%        | 1,353,000        | +0.0%        | 1,020,000        | +9.4%        |
| LCDs                                     | 770,000          | +12.7%       | 145,000          | +53.2%       | 625,000          | +6.2%        |
| Solar Cells                              | 180,000          | +19.2%       | 30,000           | -7.8%        | 150,000          | +26.6%       |
| Other Electronic Devices                 | 277,000          | -7.1%        | 82,000           | -25.9%       | 195,000          | +4.1%        |
| Electronic Components                    | 1,227,000        | +8.4%        | 257,000          | +8.0%        | 970,000          | +8.4%        |
| <b>Total</b>                             | <b>3,600,000</b> | <b>+5.3%</b> | <b>1,610,000</b> | <b>+1.2%</b> | <b>1,990,000</b> | <b>+8.9%</b> |

\* Starting from the year ending March 31, 2009, product groupings have been recategorized and changed as above, from the previous groupings of Audio-Visual and Communication Equipment, Home Appliances, Information Equipment, LSIs, LCDs and Other Electronic Components. Accordingly, year-on-year comparison was calculated using the recategorized sales amount of the previous year. (The same changes were made in "4. Information by Product Group.")

## 3. Overseas Sales by Region

(Millions of yen)

|              | Year ended March 31, 2008 |               |               | Year ending March 31, 2009 (forecast) |               |              |
|--------------|---------------------------|---------------|---------------|---------------------------------------|---------------|--------------|
|              | Amount                    | Ratio         | Change        | Amount                                | Ratio         | Change       |
| The Americas | 625,841                   | 34.2%         | +7.4%         | 610,000                               | 30.6%         | -2.5%        |
| Europe       | 584,252                   | 32.0%         | +11.6%        | 640,000                               | 32.2%         | +9.5%        |
| China        | 412,470                   | 22.6%         | +34.8%        | 485,000                               | 24.4%         | +17.6%       |
| Other        | 204,426                   | 11.2%         | +8.1%         | 255,000                               | 12.8%         | +24.7%       |
| <b>Total</b> | <b>1,826,989</b>          | <b>100.0%</b> | <b>+14.1%</b> | <b>1,990,000</b>                      | <b>100.0%</b> | <b>+8.9%</b> |

## 4. Information by Product Group

[Sales of each product group include internal sales between segments (Consumer/Information Products and Electronic Components).]

(Millions of yen)

| Year ended March 31, 2008                | Net sales        |               |               | Operating income |               |             |              |
|--|------------------|---------------|---------------|------------------|---------------|-------------|--------------|
|  | Amount           | Ratio         | Change        | Amount           | Ratio         | % of sales  | Change       |
| Audio-Visual and Communication Equipment | 1,598,948        | 46.8%         | +15.7%        | 38,277           | 20.8%         | 2.4%        | -13.8%       |
| Home Appliances                          | 249,872          | 7.3%          | +4.5%         | 1,908            | 1.0%          | 0.8%        | +0.8%        |
| Information Equipment                    | 442,886          | 13.0%         | -0.9%         | 39,033           | 21.3%         | 8.8%        | +10.3%       |
| <b>Consumer/Information Products</b>     | <b>2,291,706</b> | <b>67.1%</b>  | <b>+10.8%</b> | <b>79,218</b>    | <b>43.1%</b>  | <b>3.5%</b> | <b>-3.0%</b> |
| LSIs*                                    | 203,520          | 6.0%          | +1.6%         | 2,206            | 1.2%          | 1.1%        | -70.0%       |
| LCDs                                     | 1,234,100        | 36.1%         | +18.4%        | 87,901           | 47.8%         | 7.1%        | +12.5%       |
| Other Electronic Components              | 325,265          | 9.5%          | +2.0%         | 14,256           | 7.8%          | 4.4%        | -28.8%       |
| <b>Electronic Components</b>             | <b>1,762,885</b> | <b>51.6%</b>  | <b>+12.9%</b> | <b>104,363</b>   | <b>56.8%</b>  | <b>5.9%</b> | <b>-1.1%</b> |
| <b>Sub Total</b>                         | <b>4,054,591</b> | <b>118.7%</b> | <b>+11.7%</b> | <b>183,581</b>   | <b>99.9%</b>  | <b>4.5%</b> | <b>-1.9%</b> |
| Elimination                              | -636,855         | -18.7%        | -             | 111              | 0.1%          | -           | -            |
| <b>Total</b>                             | <b>3,417,736</b> | <b>100.0%</b> | <b>+9.3%</b>  | <b>183,692</b>   | <b>100.0%</b> | <b>5.4%</b> | <b>-1.5%</b> |

\* The LSI group's sales do not include internal sales to the LCD / Other Electronic Component group.  
(LSIs for LCDs, etc : 33,260 million yen)

(Millions of yen)

| Year ending March 31, 2009 (forecast)    | Net sales        |               |              | Operating income |               |             |              |
|--|------------------|---------------|--------------|------------------|---------------|-------------|--------------|
|  | Amount           | Ratio         | Change       | Amount           | Ratio         | % of sales  | Change       |
| Audio-Visual and Communication Equipment | 1,685,000        | 46.8%         | +5.4%        | 42,500           | 21.8%         | 2.5%        | +11.0%       |
| Health and Environmental Equipment       | 252,000          | 7.0%          | +0.9%        | 2,000            | 1.0%          | 0.8%        | +4.8%        |
| Information Equipment                    | 442,000          | 12.3%         | -0.2%        | 39,500           | 20.3%         | 8.9%        | +1.2%        |
| <b>Consumer/Information Products</b>     | <b>2,379,000</b> | <b>66.1%</b>  | <b>+3.8%</b> | <b>84,000</b>    | <b>43.1%</b>  | <b>3.5%</b> | <b>+6.0%</b> |
| LCDs                                     | 1,345,000        | 37.4%         | +9.0%        | 95,000           | 48.7%         | 7.1%        | +8.1%        |
| Solar Cells                              | 180,000          | 5.0%          | +19.2%       | 4,600            | 2.4%          | 2.6%        | -            |
| Other Electronic Devices*                | 372,000          | 10.3%         | -1.5%        | 13,600           | 7.0%          | 3.7%        | -32.4%       |
| <b>Electronic Components</b>             | <b>1,897,000</b> | <b>52.7%</b>  | <b>+7.6%</b> | <b>113,200</b>   | <b>58.1%</b>  | <b>6.0%</b> | <b>+8.5%</b> |
| <b>Sub Total</b>                         | <b>4,276,000</b> | <b>118.8%</b> | <b>+5.5%</b> | <b>197,200</b>   | <b>101.2%</b> | <b>4.6%</b> | <b>+7.4%</b> |
| Elimination                              | -676,000         | -18.8%        | -            | -2,200           | -1.2%         | -           | -            |
| <b>Total</b>                             | <b>3,600,000</b> | <b>100.0%</b> | <b>+5.3%</b> | <b>195,000</b>   | <b>100.0%</b> | <b>5.4%</b> | <b>+6.2%</b> |

\* The Other Electronic Device group's sales do not include internal sales to the LCD / Solar Cell group.  
(LSIs for LCDs, etc : 39,000 million yen)

## 5. Overseas Production (Millions of yen)

|                     | Year ended March 31, 2008 |            |        |
|---------------------|---------------------------|------------|--------|
|                     | Amount                    | % of sales | Change |
| Overseas Production | 1,826,046                 | 53.4%      | +12.7% |

## 6. Capital Investment (Millions of yen)

|                              | Year ended March 31, 2008 |        | Year ending March 31, 2009 (forecast) |        |
|------------------------------|---------------------------|--------|---------------------------------------|--------|
|                              | Amount                    | Change | Amount                                | Change |
| Capital Investment           | 315,304                   | +10.9% | 330,000 *                             | +4.7%  |
| - For LCDs (Nonconsolidated) | 228,870                   | +11.9% | 220,000                               | -3.9%  |

\* Forecast for the year ending March 31, 2009 includes an increase of 15,000 million yen, arising from changes in lease accounting standard.

## 7. Depreciation and Amortization (Millions of yen)

|                               | Year ended March 31, 2008 |            |        | Year ending March 31, 2009 (forecast) |            |        |
|-------------------------------|---------------------------|------------|--------|---------------------------------------|------------|--------|
|                               | Amount                    | % of sales | Change | Amount                                | % of sales | Change |
| Depreciation and Amortization | 276,567                   | 8.1%       | +27.0% | 290,000                               | 8.1%       | +4.9%  |

## 8. R&amp;D Expenditures (Millions of yen)

|                  | Year ended March 31, 2008 |            |        | Year ending March 31, 2009 (forecast) |            |        |
|------------------|---------------------------|------------|--------|---------------------------------------|------------|--------|
|                  | Amount                    | % of sales | Change | Amount                                | % of sales | Change |
| R&D Expenditures | 196,186                   | 5.7%       | +3.3%  | 203,000                               | 5.6%       | +3.5%  |

## 9. Number of Employees

|                      | As of March 31, 2007 | As of March 31, 2008 |
|----------------------|----------------------|----------------------|
| Number of Employees* | 48,927               | 53,708               |
| Domestic             | 29,798               | 29,954               |
| Overseas             | 19,129               | 23,754               |

\* Sharp Corporation and Consolidated Subsidiaries

## 10. Exchange Rates (Yen)

|      | Year ended March 31, 2008 | Year ending March 31, 2009 (forecast) |
|------|---------------------------|---------------------------------------|
| US\$ | 113.28                    | 100.00                                |
| EURO | 160.02                    | 150.00                                |

## 11. Sales of Main Products (Billions of yen)

|                               | Year ended March 31, 2008 |        | Year ending March 31, 2009 (forecast) |        |
|-------------------------------|---------------------------|--------|---------------------------------------|--------|
|                               | Amount                    | Change | Amount                                | Change |
| LCD Color TV (Over 10 inches) | 814.1                     | +32.7% | 900.0                                 | +10.5% |
| Projectors                    | 19.4                      | -23.7% | 20.0                                  | +2.7%  |
| Color TV                      | 33.9                      | -37.4% | 35.0                                  | +3.0%  |
| DVD players / Recorders       | 57.8                      | +28.3% | 70.0                                  | +21.0% |
| Mobile Phones / Wireless PDA  | 651.3                     | +7.2%  | 640.0                                 | -1.7%  |
| Facsimiles                    | 24.4                      | -29.4% | 20.0                                  | -18.2% |
| Refrigerators                 | 66.6                      | +15.7% | 67.0                                  | +0.5%  |
| Air Conditioners              | 59.4                      | +21.7% | 60.0                                  | +0.9%  |
| Microwave Ovens               | 51.7                      | -13.7% | 52.0                                  | +0.4%  |
| Copiers / Printers            | 147.8                     | +7.6%  | 150.0                                 | +1.4%  |

## 12. Sales of Main Electronic Components (Billions of yen)

|                  | Year ended March 31, 2008 |        | Year ending March 31, 2009 (forecast) |        |
|------------------|---------------------------|--------|---------------------------------------|--------|
|                  | Amount                    | Change | Amount                                | Change |
| LCDs             | 1,234.1                   | +18.4% | 1,345.0                               | +9.0%  |
| CCD/CMOS Imagers | 123.5                     | +26.5% | 140.0                                 | +13.3% |
| Solar Cells      | 151.0                     | -0.3%  | 180.0                                 | +19.2% |