

**SHARP CORPORATION**  
**CONSOLIDATED STATEMENTS OF INCOME**

**For the Three Months Ended December 31, 2007**

Millions of Yen

	Three Months Ended December 31, 2006		Three Months Ended December 31, 2007		Increase Decrease	Percent Change
	Amount	Ratio	Amount	Ratio		
		%		%		%
Net Sales	820,147	100.0	921,200	100.0	+ 101,053	+12.3
Cost of Sales	639,098	77.9	724,173	78.6	+ 85,075	+13.3
Gross profit	181,049	22.1	197,027	21.4	+ 15,978	+8.8
Selling, General and Administrative Expenses	131,766	16.1	145,037	15.8	+ 13,271	+10.1
Operating income	49,283	6.0	51,990	5.6	+ 2,707	+5.5
Other Income (Expenses), net	( 4,694 )	0.6	( 3,750 )	0.4	+ 944	-20.1
Income before income taxes and minority interests	44,589	5.4	48,240	5.2	+ 3,651	+8.2
Income Taxes	15,833	1.9	18,187	2.0	+ 2,354	+14.9
Minority Interests in Income of Consolidated Subsidiaries	( 251 )	0.0	( 457 )	0.0	- 206	+82.1
Net income	28,505	3.5	29,596	3.2	+ 1,091	+3.8

**For the Nine Months Ended December 31, 2007**

Millions of Yen

	Nine Months Ended December 31, 2006		Nine Months Ended December 31, 2007		Increase Decrease	Percent Change
	Amount	Ratio	Amount	Ratio		
		%		%		%
Net Sales	2,285,840	100.0	2,562,076	100.0	+ 276,236	+12.1
Cost of Sales	1,769,833	77.4	2,000,927	78.1	+ 231,094	+13.1
Gross profit	516,007	22.6	561,149	21.9	+ 45,142	+8.7
Selling, General and Administrative Expenses	376,557	16.5	430,102	16.8	+ 53,545	+14.2
Operating income	139,450	6.1	131,047	5.1	- 8,403	-6.0
Other Income (Expenses), net	( 19,543 )	0.9	( 12,979 )	0.5	+ 6,564	-33.6
Income before income taxes and minority interests	119,907	5.2	118,068	4.6	- 1,839	-1.5
Income Taxes	44,210	1.9	44,182	1.7	- 28	-0.1
Minority Interests in Income of Consolidated Subsidiaries	( 652 )	0.0	( 980 )	0.1	- 328	+50.3
Net income	75,045	3.3	72,906	2.8	- 2,139	-2.9

Note:

1. 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 three months ended December 31, 2007, operating income and income before income taxes and minority interests were down 2,353 million yen each, compared to the previous method. For the nine months ended December 31, 2007, operating income and income before income taxes and minority interests were down 4,286 million yen each. As for tangible fixed assets acquired on and before March 31, 2007, after having fully depreciated the assets 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 three months ended December 31, 2007, operating income and income before income taxes and minority interests were down 1,991 million yen each, compared to the previous method. For the nine months ended December 31, 2007, operating income and income before income taxes and minority interests were down 5,986 million yen each.
2. 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 three months ended December 31, 2007, operating income and income before income taxes and minority interests were down 34 million yen each, compared to the previous method. For the nine months ended December 31, 2007, operating income and income before income taxes and minority interests were down 100 million yen and 863 million yen, respectively.