

# Consolidated Financial Results for the Third Quarter Ended December 31, 2008

February 6, 2009

## SHARP CORPORATION

Stock exchange listings: Tokyo, Osaka, Nagoya, Sapporo, Fukuoka  
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(Monetary amounts are rounded to the nearest million yen.)

## 1. Results for the Nine Months Ended December 31, 2008

### (1) Financial Results

(The percentage figures represent the percentage of increase or decrease against the same period of the previous year.) Millions of Yen

	Net Sales	Percent Change	Operating Income	Percent Change
Nine Months Ended December 31, 2008	2,297,581	-	34,895	-
Nine Months Ended December 31, 2007	2,562,076	+12.1%	131,047	-6.0%

  

	Net Income (Loss)	Percent Change	Net Income (Loss) per Share (Yen)	Fully Diluted Net Income per Share (Yen)
Nine Months Ended December 31, 2008	( 37,814 )	-	( 34.36 )	-
Nine Months Ended December 31, 2007	72,906	-2.9%	66.78	62.29

### (2) Financial Position

Millions of Yen

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share (Yen)
As of December 31, 2008	2,897,384	1,139,332	39.0%	1,026.28
As of March 31, 2008	3,073,207	1,241,868	40.1%	1,119.09

[Reference] Equity: December 31, 2008 ; 1,129,417 million yen  
 March 31, 2008 ; 1,231,586 million yen

## 2. Dividends

Yen

(Date of Record)	Dividends per Share				
	1st Quarter	2nd Quarter	3rd Quarter	Year-End	Annual
Year Ended March 31, 2008	-	14.00	-	14.00	28.00
Year Ending March 31, 2009	-	14.00	-		
Year Ending March 31, 2009 (Forecast)				7.00	21.00

Note: Revisions to forecast of dividends in this quarter; Yes

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

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

Millions of Yen

	Net Sales	Percent Change	Operating Income (Loss)	Percent Change	Net Income (Loss)	Percent Change	Net Income (Loss) per Share (Yen)
Year Ending March 31, 2009	2,900,000	-15.1%	( 30,000 )	—	( 100,000 )	—	( 90.87 )

Note: Revisions to forecast of financial results in this quarter; Yes

### 4. Other Information

#### (1) Changes in significant consolidated subsidiaries

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

None

#### (2) Simplified accounting methods and adoption of special accounting methods for preparation of quarterly financial statements

Yes

Note: For detailed information, please refer to “4. Other Information” of [Qualitative Information and Financial Statements] on page 4.

#### (3) Changes in accounting principles, procedures and presentation methods for preparation of quarterly financial statements

1. Changes arising from revision of accounting standards: Yes

2. Changes arising from other factors: Yes

Note: For detailed information, please refer to “4. Other Information” of [Qualitative Information and Financial Statements] on page 4.

#### (4) Number of shares outstanding (ordinary shares)

- |  |                      |
|--|----------------------|
| 1. Number of shares outstanding (including treasury stock) as of December 31, 2008 ;     | 1,110,699,887 shares |
| as of March 31, 2008 ;   | 1,110,699,887 shares |
| 2. Number of shares of treasury stock as of December 31, 2008 ;                          | 10,208,543 shares    |
| as of March 31, 2008 ;   | 10,174,616 shares    |
| 3. Average number of shares outstanding during the nine months ended December 31, 2008 ; | 1,100,499,845 shares |
| during the nine months ended December 31, 2007 ;   | 1,091,706,777 shares |

Notes:

- For the assumptions and other related matters concerning financial results forecast, please refer to “3. Qualitative Information regarding Forecast of Consolidated Financial Results” of [Qualitative Information and Financial Statements] on page 4.
- Starting from the year ending March 31, 2009, Sharp Corporation (“the Company”) and its domestic consolidated subsidiaries have applied the “Accounting Standard for Quarterly Financial Statements” (Accounting Standards Board of Japan (ASBJ) Statement No.12, issued by the ASBJ on March 14, 2007) and the “Implementation Guideline for Accounting Standards for Quarterly Financial Statements” (ASBJ Guidance No.14, issued by the ASBJ on March 14, 2007). The current quarterly financial statements were prepared in accordance with Quarterly Consolidated Financial Statement Regulations (2007 Cabinet Office Ordinance No.64).
- Published figures have not been subjected to an accounting audit by an auditing firm.
- The accompanying consolidated financial statements are a translation of the consolidated financial statements of the Sharp Group, 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.

## **[Qualitative Information and Financial Statements]**

### **1. Qualitative Information regarding Consolidated Financial Results**

During the nine months ended December 31, 2008, the Japanese economy has experienced a steep recession, resulting from rapid appreciation of the yen, a sharp plunge in the stock market and a decline in production and corporate investment, caused by a worsening global financial crisis. Meanwhile, in addition to the slowdown in the U.S. and Europe, the economy showed a decelerating trend in emerging countries, resulting in further global recession.

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 products. We also made efforts to expand business in a growth field, including a start of operations at new thin-film solar cell production lines at the Katsuragi Plant. Additionally, we worked on a company-wide cost reduction with strict inventory control, promotion of value engineering and strategic procurement, while at the same time launching structural reform, including reorganization of LCD plants.

As for financial results, net sales for the nine months were 2,297.5 billion yen, down 10.3% and operating income was 34.8 billion yen, down 73.4% from the same period last year. This was due mainly to sluggish private consumption, the appreciation of the yen and intensified price competition.

Net loss was 37.8 billion yen, reflecting a loss on impairment of investments in securities of 43.3 billion yen, a loss on valuation of inventory of 7.6 billion yen in conjunction with revisions to Japanese accounting standards, restructuring charges of 22.7 billion yen arising from reorganization of LCD plants and other measures, and a loss on violation of the antitrust law of 12.0 billion yen, despite posting a gain on sales of stocks of subsidiaries and affiliates of 18.5 billion yen resulting from a transfer of stock in Sharp Finance Corporation.

Operating results by product group are as follows:

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

Sales of Audio-Visual and Communication Equipment were 1,060.6 billion yen, down 15.3% over the same period last year. Unit sales of LCD color TVs increased, however, the sales amount decreased owing to severe price declines and the appreciation of the yen. For mobile phones, sales declined significantly due to a sluggish domestic market.

Sales of Health and Environmental Equipment were 169.7 billion yen, down 10.1%. Though sales of refrigerators were strong, sales declined for air conditioners.

Sales of Information Equipment were 264.4 billion yen, down 13.3%. Sales of facsimiles decreased.

#### **Electronic Components**

Sales of LCDs were 489.0 billion yen, up 1.6% from the same period last year. Though sales decreased for small- and medium-size LCDs mainly for mobile phones, sales increased for large-size LCDs for TVs.

Sales of Solar Cells were 130.9 billion yen, up 30.5%, reflecting overseas sales growth.

Sales of Other Electronic Devices were 182.8 billion yen, down 22.1%. Sales of CCD/CMOS imagers decreased due to a sluggish mobile phone market.

### **2. Qualitative Information regarding Consolidated Financial Position**

Total assets as of December 31, 2008 were 2,897.3 billion yen, down 175.8 billion yen from March 31, 2008. This was due mainly to the impact of an exclusion of Sharp Finance Corporation from the scope of consolidation, while there was an increase of assets resulting from investment in LCDs. Total liabilities were 1,758.0 billion yen, down 73.2 billion yen. This was due mainly to the impact of an exclusion of Sharp Finance Corporation from the scope of consolidation, while there was an increase in commercial papers. Total net assets were 1,139.3 billion yen, down 102.5 billion yen. This was due mainly to a decrease in retained earnings and valuation and translation adjustments.

Regarding cash flows, net cash provided by operating activities was 61.7 billion yen, while net cash used in investing activities was 219.9 billion yen. Net cash provided by financing activities was 120.8 billion yen. As a result, cash and cash equivalents at the end of the period were 293.7 billion yen, a decrease of 45.5 billion yen from March 31, 2008.

### **3. Qualitative Information regarding Forecast of Consolidated Financial Results**

We have made revisions to the forecast of financial results for the year ending March 31, 2009, announced on October 6, 2008.

For detailed information regarding the forecast, please refer to “Notice of Revision of Financial Results Forecast and Dividend Forecast, and Reduction of Remuneration to Directors,” announced on February 6, 2009.

Note: The estimates of financial results are based on certain assumptions that the Company 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 exchange rates (particularly between the yen and the U.S. dollar, the euro and other currencies)
- The Sharp Group’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.

### **4. Other Information**

#### **(1) Changes in significant consolidated subsidiaries (Changes in specified subsidiaries involving changes in scope of consolidation)**

None

#### **(2) Simplified accounting methods and adoption of special accounting methods for preparation of quarterly financial statements**

##### **1. Simplified accounting methods**

- Inventory valuation methods  
Regarding calculating the value of inventory as of December 31, 2008, no physical inventory count is taken. Instead, an inventory valuation is computed using a reasonable method based on the physical inventory taken to calculate the value of inventory as of September 30, 2008.
- Cost variance apportionment methods  
When cost variances occur due to the adoption of predetermined costs, said cost variances are apportioned to inventories and cost of sales in a simplified manner compared to preparation of annual financial statements.
- Noncurrent asset depreciation calculation methods  
When the declining-balance method is adopted as the method of calculating depreciation, depreciation for the fiscal years is computed by dividing the amount proportionately over the period.
- Income tax calculation methods  
When computing the amount to be paid as income taxes, taxable addition and subtraction items and/or tax credits to be included are limited to important items.

##### **2. Adoption of special accounting methods for preparation of quarterly financial statements**

None

#### **(3) Changes in accounting principles, procedures and presentation methods for preparation of quarterly financial statements**

1. Starting from the year ending March 31, 2009, the Company and its domestic consolidated subsidiaries have applied the “Accounting Standard for Quarterly Financial Statements” (Accounting Standards Board of Japan (ASBJ) Statement No.12, issued by the ASBJ on March 14, 2007) and the “Implementation Guideline for Accounting Standards for Quarterly Financial Statements” (ASBJ Guidance No.14, issued by the ASBJ on March 14, 2007). The current quarterly financial statements were prepared in accordance with Quarterly Consolidated Financial Statement Regulations (2007 Cabinet Office Ordinance No.64).

2. Starting from the three months ended June 30, 2008, the Company and its domestic consolidated subsidiaries have applied the “Accounting Standard for Measurement of Inventories” (ASBJ Statement No. 9, issued by the ASBJ on July 5, 2006) and have adopted the cost method (for the book value of inventory on the balance sheets, by writing inventory down based on its decrease in profitability of assets) as a measurement standard. As a result, for the nine months ended December 31, 2008, operating income decreased 2,023 million yen and loss before income taxes and minority interests increased 9,668 million yen, compared to amounts calculated by the previous method.

Also, valuation methods for raw materials and work in process had previously been based on the last invoice method. However, starting from the three months ended June 30, 2008, the Company and its domestic consolidated subsidiaries have adopted the moving average method in order to properly reflect the impact of fluctuations in raw material prices on financial statements, and to achieve more appropriate periodic accounting of profit and loss. This change had an immaterial impact on financial statements.

3. Starting from the three months ended June 30, 2008, the Company has applied the “Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements” (ASBJ PITF No.18, issued by the ASBJ on May 17, 2006) and made revisions required for consolidated accounting. As a result, for the nine months ended December 31, 2008, operating income decreased 1,909 million yen and loss before income taxes and minority interests increased 1,569 million yen, compared to amounts calculated by the previous method.

4. Previously, lease payments under finance leases that do not transfer ownership of the leased property to the lessee had been recognized as expenses. However, in accordance with the “Accounting Standard for Lease Transactions” (ASBJ Statement No.13, revised on March 30, 2007 (originally issued by the 1<sup>st</sup> committee of the Business Accounting Council on June 17, 1993)) and the “Guidance on Accounting Standard for Lease Transactions” (ASBJ Guidance No.16, revised on March 30, 2007 (originally issued by the Auditing Standards Committee of the Japanese Institute of Certified Public Accountants on January 18, 1994)) becoming applicable beginning with quarterly financial statements for consolidated fiscal years beginning on or after April 1, 2008, the Company and its domestic consolidated subsidiaries have applied these accounting standards, etc., starting from the three months ended June 30, 2008, and are following accounting procedures for normal sales transactions. In addition, regarding methods for depreciation of lease assets for finance leases that do not transfer ownership, the Company and its domestic consolidated subsidiaries have adopted the straight-line method that takes the lease period as the depreciable life and the residual value as zero. Further, regarding finance leases that do not transfer ownership for which the starting date for the lease transaction is prior to the initial fiscal year in which these new accounting standards apply, the Company and its domestic consolidated subsidiaries have continued to recognize lease payments as expenses. This change had an immaterial impact on financial statements.

SHARP CORPORATION  
CONSOLIDATED BALANCE SHEETS

Millions of Yen

	As of December 31, 2008	As of March 31, 2008
<b>ASSETS</b>		
Current Assets:		
Cash, time deposits, and short-term investments	328,254	391,277
Notes and accounts receivable, less allowance for doubtful receivables	540,499	679,916
Finished goods	222,316	198,579
Raw materials	93,810	98,142
Work in process	193,283	148,351
Other current assets	140,584	126,357
Total current assets	1,518,746	1,642,622
Plant and Equipment, Less Accumulated Depreciation	1,081,037	1,105,788
Investments and Other Assets	294,046	320,680
Deferred Assets	3,555	4,117
Total assets	2,897,384	3,073,207
<b>LIABILITIES</b>		
Current Liabilities:		
Short-term borrowings, including current portion of long-term debt	383,256	324,328
Notes and accounts payable	736,894	825,510
Other current liabilities	243,155	281,533
Total current liabilities	1,363,305	1,431,371
Long-term Liabilities	394,747	399,968
Total liabilities	1,758,052	1,831,339
<b>NET ASSETS</b>		
Owners' Equity:		
Common stock	204,676	204,676
Capital surplus	268,545	268,582
Retained earnings	753,156	816,387
Less cost of treasury stock	( 13,739 )	( 13,711 )
Total owners' equity	1,212,638	1,275,934
Valuation and Translation Adjustments:		
Net unrealized holding gains (losses) on securities	( 2,290 )	1,662
Deferred gains (losses) on hedges	( 416 )	145
Foreign currency translation adjustments	( 80,515 )	( 46,155 )
Total valuation and translation adjustments	( 83,221 )	( 44,348 )
Minority Interests	9,915	10,282
Total net assets	1,139,332	1,241,868
Total liabilities and net assets	2,897,384	3,073,207

SHARP CORPORATION  
CONSOLIDATED STATEMENTS OF INCOME

**For the Nine Months Ended December 31, 2008**

Millions of Yen

	Nine Months Ended December 31, 2008
Net Sales	2,297,581
Cost of Sales	1,868,178
Gross profit	429,403
Selling, General and Administrative Expenses	394,508
Operating income	34,895
Other Income (Expenses)	
Interest income	4,500
Rent income on noncurrent assets	9,431
Gain on sales of stocks of subsidiaries and affiliates	18,521
Interest expense	( 5,278 )
Interest on commercial papers	( 1,648 )
Rent expense on noncurrent assets	( 7,493 )
Loss on impairment of investments in securities	( 43,345 )
Restructuring charges	( 22,759 )
Loss on violation of the antitrust law	( 12,004 )
Other, net	( 24,177 )
	( 84,252 )
Loss before income taxes and minority interests	( 49,357 )
Income Taxes	
Current	614
Deferred	( 12,711 )
Minority Interests in Income of Consolidated Subsidiaries	( 554 )
Net loss	( 37,814 )

**For the Three Months Ended December 31, 2008**

Millions of Yen

	Three Months Ended December 31, 2008
Net Sales	735,154
Cost of Sales	627,864
Gross profit	107,290
Selling, General and Administrative Expenses	123,154
Operating loss	( 15,864 )
Other Income (Expenses)	
Interest income	1,433
Rent income on noncurrent assets	3,310
Foreign exchange gain	5,659
Interest expense	( 1,749 )
Interest on commercial papers	( 625 )
Rent expense on noncurrent assets	( 2,510 )
Loss on impairment of investments in securities	( 43,345 )
Restructuring charges	( 21,771 )
Loss on violation of the antitrust law	( 12,004 )
Other, net	( 6,139 )
	( 77,741 )
Loss before income taxes and minority interests	( 93,605 )
Income Taxes	
Current	( 14,117 )
Deferred	( 13,742 )
Minority Interests in Income of Consolidated Subsidiaries	( 79 )
Net loss	( 65,825 )

SHARP CORPORATION  
CONSOLIDATED STATEMENT OF CASH FLOWS

Millions of Yen

	Nine Months Ended December 31, 2008
<b><u>Cash Flows from Operating Activities:</u></b>	
Loss before income taxes and minority interests	( 49,357 )
Adjustments to reconcile loss before income taxes and minority interests to net cash provided by operating activities —	
Depreciation and amortization of properties and intangibles	225,654
Interest and dividend income	( 6,094 )
Interest expenses paid on loans and commercial papers	6,926
Loss on sales and retirement of noncurrent assets	4,027
Gain on sales of stocks of subsidiaries and affiliates	( 18,521 )
Loss on impairment of investments in securities	43,345
Loss on violation of the antitrust law	12,004
Increase in notes and accounts receivable	( 13,820 )
Increase in inventories	( 94,909 )
Decrease in payables	( 3,743 )
Other, net	( 13,978 )
Total	91,534
Interest and dividends received	7,669
Interest paid	( 7,053 )
Income taxes paid	( 30,422 )
<b>Net cash provided by operating activities</b>	<b>61,728</b>
<b><u>Cash Flows from Investing Activities:</u></b>	
Purchase of time deposits	( 74,001 )
Proceeds from redemption of time deposits	89,029
Proceeds from sales of investments in subsidiaries and affiliates resulting in change in scope of consolidation	28,278
Acquisitions of plant and equipment	( 215,771 )
Proceeds from sales of plant and equipment	860
Loans made	( 253,102 )
Proceeds from collection of loans	255,152
Other, net	( 50,377 )
<b>Net cash used in investing activities</b>	<b>( 219,932 )</b>
<b><u>Cash Flows from Financing Activities:</u></b>	
Increase in short-term borrowings, net	140,596
Proceeds from long-term debt	38,335
Repayments of long-term debt	( 29,056 )
Purchase of treasury stock	( 159 )
Dividends paid	( 28,977 )
Other, net	125
<b>Net cash provided by financing activities</b>	<b>120,864</b>
<b>Effect of Exchange Rate Changes on Cash and Cash Equivalents</b>	<b>( 8,819 )</b>
<b>Net Decrease in Cash and Cash Equivalents</b>	<b>( 46,159 )</b>
<b>Cash and Cash Equivalents at Beginning of Year</b>	<b>339,266</b>
<b>Cash and Cash Equivalents of Newly Consolidated Subsidiaries</b>	<b>540</b>
<b>Cash and Cash Equivalents Increased by Merger</b>	<b>108</b>
<b>Cash and Cash Equivalents at End of Period</b>	<b>293,755</b>

SHARP CORPORATION  
SEGMENT INFORMATION

**For the Three Months Ended December 31, 2008**

Millions of Yen

	Three Months Ended December 31, 2007	Three Months Ended December 31, 2008
Net Sales		
Consumer/Information Products		
Customers	614,862	501,534
Intersegment	629	2,322
Total	615,491	503,856
Electronic Components		
Customers	306,338	233,620
Intersegment	129,019	119,318
Total	435,357	352,938
Elimination	( 129,648 )	( 121,640 )
Consolidated	921,200	735,154
Operating Income		
Consumer/Information Products	22,095	( 18,592 )
Electronic Components	29,537	1,506
Elimination	358	1,222
Consolidated	51,990	( 15,864 )

**For the Nine Months Ended December 31, 2008**

Millions of Yen

	Nine Months Ended December 31, 2007	Nine Months Ended December 31, 2008
Net Sales		
Consumer/Information Products		
Customers	1,745,691	1,494,831
Intersegment	4,478	6,280
Total	1,750,169	1,501,111
Electronic Components		
Customers	816,385	802,750
Intersegment	429,794	462,172
Total	1,246,179	1,264,922
Elimination	( 434,272 )	( 468,452 )
Consolidated	2,562,076	2,297,581
Operating Income		
Consumer/Information Products	55,239	651
Electronic Components	72,674	34,086
Elimination	3,134	158
Consolidated	131,047	34,895

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

Notes:

1. Starting from the year ending March 31, 2009, the Company and its domestic consolidated subsidiaries have applied the “Accounting Standard for Quarterly Financial Statements” (Accounting Standards Board of Japan (ASBJ) Statement No.12, issued by the ASBJ on March 14, 2007), and the “Implementation Guideline for Accounting Standards for Quarterly Financial Statements” (ASBJ Guidance No.14, issued by the ASBJ on March 14, 2007). The current quarterly financial statements were prepared in accordance with Quarterly Consolidated Financial Statement Regulations (2007 Cabinet Office Ordinance No.64).
2. There was no concurrence of an event or situation which might create any doubts about the going concern during the nine months ended December 31, 2008.
3. There were no significant changes in owners’ equity during the nine months ended December 31, 2008.

(Reference)

SHARP CORPORATION  
CONSOLIDATED STATEMENTS OF INCOME

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

Millions of Yen

	Nine Months Ended December 31, 2007	
	Amount	Ratio
Net Sales	2,562,076	100.0
Cost of Sales	2,000,927	78.1
Gross profit	561,149	21.9
Selling, General and Administrative Expenses	430,102	16.8
Operating income	131,047	5.1
Other Income (Expenses), net	( 12,979 )	0.5
Income before income taxes and minority interests	118,068	4.6
Income Taxes	44,182	1.7
Minority Interests in Income of Consolidated Subsidiaries	( 980 )	0.1
Net income	72,906	2.8

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

Millions of Yen

	Three Months Ended December 31, 2007	
	Amount	Ratio
Net Sales	921,200	100.0
Cost of Sales	724,173	78.6
Gross profit	197,027	21.4
Selling, General and Administrative Expenses	145,037	15.8
Operating income	51,990	5.6
Other Income (Expenses), net	( 3,750 )	0.4
Income before income taxes and minority interests	48,240	5.2
Income Taxes	18,187	2.0
Minority Interests in Income of Consolidated Subsidiaries	( 457 )	0.0
Net income	29,596	3.2

(Reference)

SHARP CORPORATION  
CONSOLIDATED STATEMENT OF CASH FLOWS

Millions of Yen

	Nine Months Ended December 31, 2007
<b><u>Cash Flows from Operating Activities:</u></b>	
Income before income taxes and minority interests	118,068
Adjustments to reconcile income before income taxes and minority interests to net cash provided by operating activities —	
Depreciation and amortization of properties and intangibles	184,382
Increase in notes and accounts receivable	( 72,385 )
Increase in inventories	( 36,958 )
Increase in payables	14,746
Other, net	( 68,321 )
<b>Net cash provided by operating activities</b>	<b>139,532</b>
<b><u>Cash Flows from Investing Activities:</u></b>	
Acquisitions of plant and equipment	( 284,740 )
Other, net	3,828
<b>Net cash used in investing activities</b>	<b>( 280,912 )</b>
<b><u>Cash Flows from Financing Activities:</u></b>	
Increase in short-term borrowings, net	195,009
Proceeds from long-term debt	71,651
Repayments of long-term debt	( 110,097 )
Dividends paid	( 29,065 )
Other, net	18,495
<b>Net cash provided by financing activities</b>	<b>145,993</b>
<b>Effect of Exchange Rate Changes on Cash and Cash Equivalents</b>	<b>( 1,487 )</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>3,126</b>
<b>Cash and Cash Equivalents at Beginning of Year</b>	<b>329,286</b>
<b>Cash and Cash Equivalents of Newly Consolidated Subsidiaries</b>	<b>1,439</b>
<b>Cash and Cash Equivalents Increased by Merger</b>	<b>152</b>
<b>Cash and Cash Equivalents at End of Period</b>	<b>334,003</b>

**SHARP CORPORATION**  
**CONSOLIDATED SALES BY PRODUCT GROUP**

**For the Three Months Ended December 31, 2008**

Millions of Yen

	Three Months Ended December 31, 2007		Three Months Ended December 31, 2008		Increase Decrease	Percent Change
	Amount	Ratio	Amount	Ratio		
Audio - Visual and Communication Equipment	454,857	49.4	373,205	50.8	-81,652	-18.0
Health and Environmental Equipment	59,510	6.4	48,862	6.6	-10,648	-17.9
Information Equipment	100,495	10.9	79,467	10.8	-21,028	-20.9
Consumer/Information Products	614,862	66.7	501,534	68.2	-113,328	-18.4
LCDs	195,476	21.2	145,472	19.8	-50,004	-25.6
Solar Cells	32,022	3.5	37,807	5.1	+5,785	+18.1
Other Electronic Devices	78,840	8.6	50,341	6.9	-28,499	-36.1
Electronic Components	306,338	33.3	233,620	31.8	-72,718	-23.7
<b>Total</b>	<b>921,200</b>	<b>100.0</b>	<b>735,154</b>	<b>100.0</b>	<b>-186,046</b>	<b>-20.2</b>
Domestic	417,874	45.4	341,414	46.4	-76,460	-18.3
Overseas	503,326	54.6	393,740	53.6	-109,586	-21.8

**For the Nine Months Ended December 31, 2008**

Millions of Yen

	Nine Months Ended December 31, 2007		Nine Months Ended December 31, 2008		Increase Decrease	Percent Change
	Amount	Ratio	Amount	Ratio		
Audio - Visual and Communication Equipment	1,251,830	48.8	1,060,603	46.2	-191,227	-15.3
Health and Environmental Equipment	188,866	7.4	169,756	7.4	-19,110	-10.1
Information Equipment	304,995	11.9	264,472	11.5	-40,523	-13.3
Consumer/Information Products	1,745,691	68.1	1,494,831	65.1	-250,860	-14.4
LCDs	481,334	18.8	489,000	21.3	+7,666	+1.6
Solar Cells	100,274	3.9	130,906	5.7	+30,632	+30.5
Other Electronic Devices	234,777	9.2	182,844	7.9	-51,933	-22.1
Electronic Components	816,385	31.9	802,750	34.9	-13,635	-1.7
<b>Total</b>	<b>2,562,076</b>	<b>100.0</b>	<b>2,297,581</b>	<b>100.0</b>	<b>-264,495</b>	<b>-10.3</b>
Domestic	1,202,103	46.9	1,020,247	44.4	-181,856	-15.1
Overseas	1,359,973	53.1	1,277,334	55.6	-82,639	-6.1

Notes:

1. The above figures indicate sales to outside customers.
2. Starting from the three months ended June 30, 2008, 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. Also, starting from the three months ended December 31, 2008, some items previously included in Audio-Visual and Communication Equipment, and some in Information Equipment, have been recategorized and are now included in the other product grouping. Accordingly, results for the three months ended December 31, 2007 and the nine months ended December 31, 2007 have been restated to conform with the current product groupings.

## SUPPLEMENTARY DATA

### Information by Product Group

[ Sales of each product group include internal sales between segments (Consumer/Information Products and Electronic Components). Starting from the three months ended June 30, 2008, product groupings have been recategorized and changed as below, from the previous groupings of Audio-Visual and Communication Equipment, Home Appliances, Information Equipment, LSIs, LCDs and Other Electronic Components. Also, starting from the three months ended December 31, 2008, some items previously included in Audio-Visual and Communication Equipment, and some in Information Equipment, have been recategorized and are now included in the other product grouping. Accordingly, results for the three months ended December 31, 2007 and the nine months ended December 31, 2007 have been restated to conform with the current product groupings. ]

### For the Three Months Ended December 31, 2008

〈Net Sales〉

Millions of Yen

	Three Months Ended December 31, 2007		Three Months Ended December 31, 2008		Percent Change
	Amount	Ratio	Amount	Ratio	
Audio-Visual and Communication Equipment	455,033	49.4	373,241	50.8	-18.0
Health and Environmental Equipment	59,516	6.5	49,065	6.6	-17.6
Information Equipment	100,942	10.9	81,550	11.1	-19.2
Consumer/Information Products	615,491	66.8	503,856	68.5	-18.1
LCDs	306,667	33.3	242,645	33.0	-20.9
Solar Cells	32,031	3.5	37,828	5.1	+18.1
Other Electronic Devices*	96,659	10.5	72,465	9.9	-25.0
Electronic Components	435,357	47.3	352,938	48.0	-18.9
Sub Total	1,050,848	114.1	856,794	116.5	-18.5
Elimination	( 129,648 )	-14.1	( 121,640 )	-16.5	-
Total	921,200	100.0	735,154	100.0	-20.2

\* The Other Electronic Device group's sales do not include internal sales to the LCD/Solar Cell group (LSIs for LCDs, etc : 9,068 million yen for the three months ended December 31, 2007 and 8,099 million yen for the three months ended December 31, 2008).

〈Operating Income〉

Millions of Yen

	Three Months Ended December 31, 2007		Three Months Ended December 31, 2008		Percent Change
	Amount	Ratio	Amount	Ratio	
Audio-Visual and Communication Equipment	13,068	25.1	( 22,347 )	-	-
Health and Environmental Equipment	724	1.4	527	-	-27.2
Information Equipment	8,303	16.0	3,228	-	-61.1
Consumer/Information Products	22,095	42.5	( 18,592 )	-	-
LCDs	24,432	47.0	5,521	-	-77.4
Solar Cells	( 1,998 )	-3.8	( 3,554 )	-	-
Other Electronic Devices	7,103	13.6	( 461 )	-	-
Electronic Components	29,537	56.8	1,506	-	-94.9
Sub Total	51,632	99.3	( 17,086 )	-	-
Elimination	358	0.7	1,222	-	-
Total	51,990	100.0	( 15,864 )	-	-

**For the Nine Months Ended December 31, 2008**

〈Net Sales〉

Millions of Yen

	Nine Months Ended December 31, 2007		Nine Months Ended December 31, 2008		Percent Change
	Amount	Ratio	Amount	Ratio	
Audio-Visual and Communication Equipment	1,252,435	48.9	1,060,830	46.2	-15.3
Health and Environmental Equipment	188,886	7.4	170,357	7.4	-9.8
Information Equipment	308,848	12.0	269,924	11.7	-12.6
Consumer/Information Products	1,750,169	68.3	1,501,111	65.3	-14.2
LCDs	856,511	33.4	878,425	38.3	+2.6
Solar Cells	100,288	3.9	130,947	5.7	+30.6
Other Electronic Devices*	289,380	11.3	255,550	11.1	-11.7
Electronic Components	1,246,179	48.6	1,264,922	55.1	+1.5
Sub Total	2,996,348	116.9	2,766,033	120.4	-7.7
Elimination	( 434,272 )	-16.9	( 468,452 )	-20.4	-
Total	2,562,076	100.0	2,297,581	100.0	-10.3

\* The Other Electronic Device group's sales do not include internal sales to the LCD/Solar Cell group (LSIs for LCDs, etc : 25,616 million yen for the nine months ended December 31, 2007 and 28,953 million yen for the nine months ended December 31, 2008).

〈Operating Income〉

Millions of Yen

	Nine Months Ended December 31, 2007		Nine Months Ended December 31, 2008		Percent Change
	Amount	Ratio	Amount	Ratio	
Audio-Visual and Communication Equipment	31,221	23.8	( 18,448 )	-52.9	-
Health and Environmental Equipment	1,392	1.1	2,609	7.5	+87.4
Information Equipment	22,626	17.3	16,490	47.3	-27.1
Consumer/Information Products	55,239	42.2	651	1.9	-98.8
LCDs	61,628	47.0	31,925	91.5	-48.2
Solar Cells	( 7,015 )	-5.3	( 1,315 )	-3.8	-
Other Electronic Devices	18,061	13.8	3,476	10.0	-80.8
Electronic Components	72,674	55.5	34,086	97.7	-53.1
Sub Total	127,913	97.7	34,737	99.6	-72.8
Elimination	3,134	2.3	158	0.4	-
Total	131,047	100.0	34,895	100.0	-73.4