

Consolidated Financial Results for the First Quarter Ended June 30, 2009

July 30, 2009

SHARP CORPORATION

Stock exchange listings: Tokyo, Osaka, Nagoya, Sapporo, Fukuoka
 Code number: 6753
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Scheduled dividend payment date: -

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

1. Results for the Three Months Ended June 30, 2009

(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 (Loss)	Percent Change	Net Income (Loss)	Percent Change
Three Months Ended June 30, 2009	598,293	-20.0%	(26,065)	-	(25,203)	-
Three Months Ended June 30, 2008	747,875	-	36,426	-	24,890	-

	Net Income (Loss) per Share (Yen)	Fully Diluted Net Income per Share (Yen)
Three Months Ended June 30, 2009	(22.90)	-
Three Months Ended June 30, 2008	22.62	21.11

(2) Financial Position

Millions of Yen

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share (Yen)
As of June 30, 2009	2,742,130	1,034,206	37.3%	930.46
As of March 31, 2009	2,688,721	1,048,447	38.6%	944.24

[Reference] Equity: June 30, 2009 ; 1,023,939 million yen
 March 31, 2009 ; 1,039,114 million yen

2. Dividends

Yen

(Date of Record)	Dividends per Share				
	1st Quarter	2nd Quarter	3rd Quarter	Year-End	Annual
Year Ended March 31, 2009	-	14.00	-	7.00	21.00
Year Ending March 31, 2010	-				
Year Ending March 31, 2010 (Forecast)		-	-	-	-

Note: Revisions to forecast of dividends in this quarter; None
 Forecast of dividends has yet to be determined.

3. Forecast of Financial Results for the Year Ending March 31, 2010

(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	Net Income (Loss)	Percent Change	Net Income (Loss) per Share (Yen)
Six Months Ending September 30, 2009	1,250,000	-20.0%	0	-	(15,000)	-	(13.63)
Year Ending March 31, 2010	2,750,000	-3.4%	50,000	-	3,000	-	2.73

Note: Revisions to forecast of financial results in this quarter; None

4. Other Information

(1) Changes in significant consolidated subsidiaries

(Changes in specified subsidiaries involving changes of 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 5.

(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: None

Note: For detailed information, please refer to “4. Other Information” of [Qualitative Information and Financial Statements] on page 5.

(4) Number of shares outstanding (ordinary shares)

1. Number of shares outstanding (including treasury stock) as of June 30, 2009 ; 1,110,699,887 shares
as of March 31, 2009 ; 1,110,699,887 shares
2. Number of shares of treasury stock as of June 30, 2009 ; 10,236,992 shares
as of March 31, 2009 ; 10,219,774 shares
3. Average number of shares outstanding during the three months ended June 30, 2009 ; 1,100,467,613 shares
during the three months ended June 30, 2008 ; 1,100,516,901 shares

Notes:

1. 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.
2. Forecast of dividends for the year ending March 31, 2010 has yet to be determined, as we need further analysis on our future results and financial situation. We will make disclosure immediately after the forecast is determined.
3. Published figures have not been subjected to an accounting audit by an auditing firm.
4. 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 three months ended June 30, 2009, severe economic conditions continued in Japan, amidst an ongoing financial crisis and a global recession. Private consumption showed signs of recovery, however, due to the government's economic stimulus package and other measures. Overseas, while the economies in China and other Asian countries picked up, the slowdown continued in the U.S. and Europe, affected by a vicious cycle between the worsening of the real economies and the financial crisis.

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. In addition, we steadily implemented a recovery plan, which includes company-wide cost reductions and other measures.

In the Consumer/Information Products business, we worked to create a new market through the introduction of our uniquely-featured products. These included high-resolution LCD color TVs with a drastic improvement in environmental performance, and mobile phones equipped with solar panels. We also enhanced our line-up of products featuring Plasmacluster Ion technology, to respond to rising awareness of health among consumers.

In the Electronic Components business, with recovering demand for large-size LCD panels for TVs, we made preparations for a capacity increase at the Kameyama No. 2 Plant in August and the start of operation at a new LCD panel plant in Sakai City, Osaka Prefecture in October.

Consolidated financial results for the three months recorded net sales of 598.2 billion yen, down 20.0% from the same period last year, and operating loss of 26.0 billion yen. Net loss was 25.2 billion yen, reflecting restructuring charges of 9.6 billion yen.

Operating results by product group are as follows:

Consumer/Information Products

Sales of Audio-Visual and Communication Equipment were 311.6 billion yen, down 11.9% from the same period last year. Though sales of Blu-ray Disc players/recorders were strong, sales declined for LCD TVs and mobile phones.

Sales of Health and Environmental Equipment were 57.7 billion yen, up 0.1%. Sales of air purifiers featuring Plasmacluster Ion technology and Plasmacluster Ion generators increased, which more than offset the decrease in sales of microwave ovens.

Sales of Information Equipment were 62.5 billion yen, down 14.0%. Despite a steady increase in domestic sales of digital full-color MFPs, overseas sales declined.

Electronic Components

Sales of LCDs were 92.6 billion yen, down 42.0% from the same period last year. Despite a recovery in demand, sales were affected by significant price declines for large-size LCDs for TVs and a sluggish market for small- and medium-size LCDs.

Sales of Solar Cells were 34.8 billion yen, down 17.1%. Overseas sales declined, though domestic sales grew substantially, supported by subsidies for installation of residential photovoltaic power generation systems.

Sales of Other Electronic Devices were 38.9 billion yen, down 37.2%. Sales of CCD/CMOS imagers for mobile phones decreased.

2. Qualitative Information Regarding Consolidated Financial Position

Total assets as of June 30, 2009 were 2,742.1 billion yen, up 53.4 billion yen from March 31, 2009, due mainly to an increase of assets resulting from investment in LCDs. Total liabilities were 1,707.9 billion yen, up 67.6 billion yen, due mainly to an increase in commercial papers. Total net assets were 1,034.2 billion yen, down 14.2 billion yen. This was due mainly to a decrease in retained earnings, while there was an increase in valuation and translation adjustments.

Regarding cash flows, net cash used in operating activities was 4.3 billion yen, while net cash used in investing activities was 74.5 billion yen. Net cash provided by financing activities was 49.4 billion yen. As a result, cash and cash equivalents at the end of the period were 287.8 billion yen, a decrease of 29.4 billion yen from March 31, 2009.

3. Qualitative Information Regarding Forecast of Consolidated Financial Results

The following is the current forecast of financial results for the year ending March 31, 2010. There are no revisions to the forecast announced on April 27, 2009.

Net sales	2,750.0 billion yen	- 3.4 % over the previous fiscal year
Operating income	50.0 billion yen	-
Net income	3.0 billion yen	-

Note: The above estimates of financial results are based on certain assumptions that the Sharp Group 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 June 30, 2009, 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 March 31, 2009.

- 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

Previously, revenues and costs of construction contracts had been recognized under the completed-contract method. Starting from the three months ended June 30, 2009, however, the Company and its domestic consolidated subsidiaries have applied the “Accounting Standard for Construction Contracts” (Accounting Standards Board of Japan (ASBJ) Statement No. 15, issued by the ASBJ on December 27, 2007) and the “Guidance on Accounting Standard for Construction Contracts” (ASBJ Guidance No. 18, issued by the ASBJ on December 27, 2007). Accordingly, with regard to construction contracts commenced during the three months ended June 30, 2009, the percentage-of-completion method has been applied if the outcome of the construction activity is deemed certain at the end of the period, otherwise the complete-contract method has been applied. Under the percentage-of-completion method, the percentage of completion is estimated based on the percentage of the cost incurred to the estimated total cost. This change had no impact on financial statements.

Going Concern Assumption

None

Significant Changes in Owners' Equity

None

SHARP CORPORATION
CONSOLIDATED BALANCE SHEETS

Millions of Yen

	As of March 31, 2009	As of June 30, 2009
ASSETS		
Current Assets:		
Cash, time deposits, and short-term investments	336,937	307,480
Notes and accounts receivable, less allowance for doubtful receivables	430,064	469,277
Inventories	399,985	393,029
Other current assets	134,976	119,011
Total current assets	1,301,962	1,288,797
Plant and Equipment, Less Accumulated Depreciation	1,032,075	1,074,436
Investments and Other Assets	351,160	374,424
Deferred Assets	3,524	4,473
Total assets	2,688,721	2,742,130
LIABILITIES		
Current Liabilities:		
Short-term borrowings, including current portion of long-term debt	405,773	523,282
Notes and accounts payable	552,485	562,211
Other current liabilities	231,711	217,766
Total current liabilities	1,189,969	1,303,259
Long-term Liabilities	450,305	404,665
Total liabilities	1,640,274	1,707,924
NET ASSETS		
Owners' Equity:		
Common stock	204,676	204,676
Capital surplus	268,538	268,536
Retained earnings	664,924	628,946
Less cost of treasury stock	(13,740)	(13,755)
Total owners' equity	1,124,398	1,088,403
Valuation and Translation Adjustments:		
Net unrealized holding gains (losses) on securities	(1,946)	7,617
Deferred gains (losses) on hedges	(9,142)	(6,593)
Foreign currency translation adjustments	(74,196)	(65,488)
Total valuation and translation adjustments	(85,284)	(64,464)
Minority Interests	9,333	10,267
Total net assets	1,048,447	1,034,206
Total liabilities and net assets	2,688,721	2,742,130

SHARP CORPORATION
CONSOLIDATED STATEMENTS OF INCOME

Millions of Yen

	Three Months Ended June 30, 2008	Three Months Ended June 30, 2009
Net Sales	747,875	598,293
Cost of Sales	582,423	511,679
Gross profit	165,452	86,614
Selling, General and Administrative Expenses	129,026	112,679
Operating income (loss)	36,426	(26,065)
Other Income (Expenses)		
Interest income	1,603	551
Rent income on noncurrent assets	2,966	3,086
Gain on sales of noncurrent assets	162	16
Gain on sales of stocks of subsidiaries and affiliates	18,521	0
Interest expense	(1,741)	(1,532)
Interest on commercial papers	(441)	(323)
Foreign exchange losses	(5,093)	(2,272)
Loss on sales and retirement of noncurrent assets	(2,062)	(553)
Loss on valuation of inventories	(7,639)	0
Restructuring charges	-	(9,685)
Other, net	(4,397)	(3,644)
	1,879	(14,356)
Income (loss) before income taxes and minority interests	38,305	(40,421)
Income Taxes		
Current	16,932	2,801
Deferred	(3,729)	(18,378)
Minority Interests in Income of Consolidated Subsidiaries	(212)	(359)
Net income (loss)	24,890	(25,203)

SHARP CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS

Millions of Yen

	Three Months Ended June 30, 2008	Three Months Ended June 30, 2009
<u>Cash Flows from Operating Activities:</u>		
Income (loss) before income taxes and minority interests	38,305	(40,421)
Adjustments to reconcile income (loss) before income taxes and minority interests to net cash used in operating activities —		
Depreciation and amortization of properties and intangibles	69,227	66,620
Interest and dividend income	(2,855)	(1,627)
Interest expenses and interest on commercial papers	2,182	1,855
Loss on sales and retirement of noncurrent assets	2,062	553
Gain on sales of stocks of subsidiaries and affiliates	(18,521)	0
(Increase) decrease in notes and accounts receivable	24,734	(23,563)
Increase in inventories	(68,820)	(637)
Decrease in payables	(35,088)	(4,167)
Other, net	(13,522)	2,635
Total	(2,296)	1,248
Interest and dividends received	3,369	1,823
Interest paid	(2,441)	(1,700)
Income taxes paid	(8,824)	(5,703)
Net cash used in operating activities	(10,192)	(4,332)
<u>Cash Flows from Investing Activities:</u>		
Purchase of time deposits	(39,502)	(19,526)
Proceeds from redemption of time deposits	49,520	19,581
Proceeds from sales of investments in subsidiaries and affiliates resulting in change of scope of consolidation	28,278	0
Acquisitions of plant and equipment	(79,284)	(67,644)
Proceeds from sales of plant and equipment	69	200
Loans made	(84,534)	(96,918)
Proceeds from collection of loans	84,452	96,981
Other, net	(12,247)	(7,179)
Net cash used in investing activities	(53,248)	(74,505)
<u>Cash Flows from Financing Activities:</u>		
Increase in short-term borrowings, net	79,531	58,668
Proceeds from long-term debt	443	1,539
Repayments of long-term debt	(23,200)	(4,152)
Purchase of treasury stock	(32)	(21)
Dividends paid	(13,965)	(6,509)
Other, net	(37)	(33)
Net cash provided by financing activities	42,740	49,492
Effect of Exchange Rate Changes on Cash and Cash Equivalents	1,114	(682)
Net Decrease in Cash and Cash Equivalents	(19,586)	(30,027)
Cash and Cash Equivalents at Beginning of Year	339,266	317,358
Cash and Cash Equivalents of Newly Consolidated Subsidiaries	0	228
Increase in Cash and Cash Equivalents Resulting from Change of Accounting Period of Subsidiaries	-	339
Cash and Cash Equivalents at End of Period	319,680	287,898

SHARP CORPORATION
SEGMENT INFORMATION

Millions of Yen

	Three Months Ended June 30, 2008	Three Months Ended June 30, 2009
Net Sales		
Consumer/Information Products		
Customers	484,197	431,862
Intersegment	876	5,316
Total	485,073	437,178
Electronic Components		
Customers	263,678	166,431
Intersegment	179,319	104,806
Total	442,997	271,237
Elimination	(180,195)	(110,122)
Consolidated	747,875	598,293
Operating Income (Loss)		
Consumer/Information Products	13,049	(8,629)
Electronic Components	23,939	(18,584)
Elimination	(562)	1,148
Consolidated	36,426	(26,065)

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

SHARP CORPORATION
CONSOLIDATED SALES BY PRODUCT GROUP

Millions of Yen

	Three Months Ended June 30, 2008		Three Months Ended June 30, 2009		Increase Decrease	Percent Change
	Amount	Ratio	Amount	Ratio		
Audio - Visual and Communication Equipment	353,867	47.3	311,616	52.1	- 42,251	-11.9
Health and Environmental Equipment	57,677	7.7	57,743	9.7	+ 66	+0.1
Information Equipment	72,653	9.7	62,503	10.4	- 10,150	-14.0
Consumer/Information Products	484,197	64.7	431,862	72.2	- 52,335	-10.8
LCDs	159,556	21.4	92,615	15.5	- 66,941	-42.0
Solar Cells	42,004	5.6	34,818	5.8	- 7,186	-17.1
Other Electronic Devices	62,118	8.3	38,998	6.5	- 23,120	-37.2
Electronic Components	263,678	35.3	166,431	27.8	- 97,247	-36.9
Total	747,875	100.0	598,293	100.0	- 149,582	-20.0
Domestic	341,241	45.6	320,832	53.6	- 20,409	-6.0
Overseas	406,634	54.4	277,461	46.4	- 129,173	-31.8

Notes:

1. The above figures indicate sales to outside customers.
2. Starting from the three months ended June 30, 2009, some items previously included in Information Equipment have been reclassified and are included in Audio-Visual and Communication Equipment. Accordingly, results for the three months ended June 30, 2008 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, 2009, some items previously included in Information Equipment have been reclassified and are included in Audio-Visual and Communication Equipment. Accordingly, results for the three months ended June 30, 2008 have been restated to conform with the current product groupings.]

〈Net Sales〉

Millions of Yen

	Three Months Ended June 30, 2008		Three Months Ended June 30, 2009		Percent Change
	Amount	Ratio	Amount	Ratio	
Audio-Visual and Communication Equipment	353,945	47.4	311,694	52.1	-11.9
Health and Environmental Equipment	57,785	7.7	57,753	9.7	-0.1
Information Equipment	73,343	9.8	67,731	11.3	-7.7
Consumer/Information Products	485,073	64.9	437,178	73.1	-9.9
LCDs	316,080	42.3	176,198	29.4	-44.3
Solar Cells	42,014	5.6	34,822	5.8	-17.1
Other Electronic Devices*	84,903	11.3	60,217	10.1	-29.1
Electronic Components	442,997	59.2	271,237	45.3	-38.8
Sub Total	928,070	124.1	708,415	118.4	-23.7
Elimination	(180,195)	-24.1	(110,122)	-18.4	-
Total	747,875	100.0	598,293	100.0	-20.0

* The Other Electronic Device group's sales do not include internal sales to the LCD/Solar Cell groups (LSIs for LCDs, etc : 9,173 million yen for the three months ended June 30, 2008 and 5,733 million yen for the three months ended June 30, 2009).

〈Operating Income〉

Millions of Yen

	Three Months Ended June 30, 2008		Three Months Ended June 30, 2009		Percent Change
	Amount	Ratio	Amount	Ratio	
Audio-Visual and Communication Equipment	5,689	15.6	(13,325)	-	-
Health and Environmental Equipment	456	1.2	2,013	-	+341.4
Information Equipment	6,904	19.0	2,683	-	-61.1
Consumer/Information Products	13,049	35.8	(8,629)	-	-
LCDs	20,260	55.6	(14,778)	-	-
Solar Cells	466	1.3	(1,789)	-	-
Other Electronic Devices	3,213	8.8	(2,017)	-	-
Electronic Components	23,939	65.7	(18,584)	-	-
Sub Total	36,988	101.5	(27,213)	-	-
Elimination	(562)	-1.5	1,148	-	-
Total	36,426	100.0	(26,065)	-	-